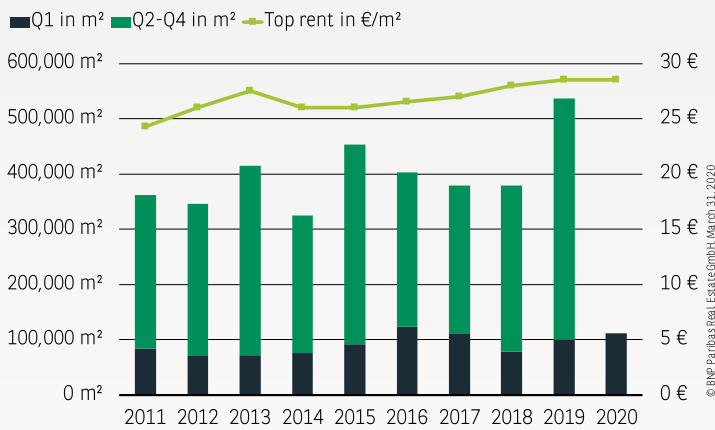




At a Glance **Q1 2020**

OFFICE MARKET DÜSSELDORF

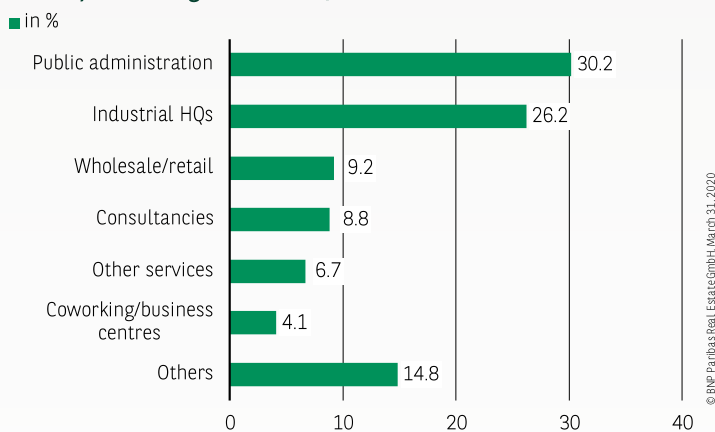
Development of take-up and top rents



GOOD START ON THE BASIS OF LARGE DEALS

With a stunning year-end result in the back, the Düsseldorf office market has also made a good start to the new year. At the end of the first three months of the year, take-up was 112,000 m², an increase of around 13% compared to the same quarter last year. The result even exceeds the long-term average by almost 22%. The size segment above 5,000 m² was particularly strong at the beginning of the year, which in total achieved the largest volume in the last ten years. But also smaller deals below 5,000 m² are responsible for more than 50% of the take-up. The quarterly result of the Rhine metropolis was therefore not affected by the Corona crisis, which is not least explained by the fact that all major deals were negotiated as usual over a longer period of up to one year and were concluded before the dynamic increase in the economic and social consequences of the worldwide COVID-19 spread.

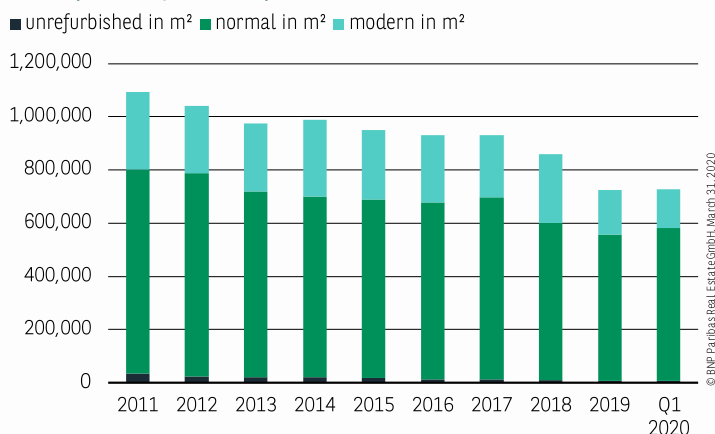
Take-up according to sectors Q1 2020



DUO AT THE TOP

Two sectors dominate the ranking of sectors in the first quarter. Thanks to the biggest deal of the year to date, the leasing of 29,000 m² by the Oberfinanzdirektion, and 6,000 m² by the Landesrechnungshof, public administration is at the top of the industry distribution. The administrations of industrial companies (26%) also contributed significantly to the volume. At a similar level, the sectors trade (9%) consultancies (9%) and the accumulation category other services (7%) follow, with the traditionally strong consultancy sector in Düsseldorf achieving below-average results. Finally, the coworking sector (4%) should be mentioned, which is participating in the market with two deals in the CBD and Medienhafen.

Development of vacant space



MODERN SPACES VERY ATTRACTIVE

Although the vacancy volume (-14%) has fallen significantly over the entire Düsseldorf city area compared to the previous year's period, no significant development in the overall vacancies can be observed in the first quarter of the year. In contrast, the vacant space with modern quality fell again substantially by 14% in the first three months of the year. Even in the more narrowly defined city area, a decline of vacant space of a good 1% was still observed in the first quarter.

Major contracts

Sub-market	Company	m ²
3.2	Oberfinanzdirektion	29,000
5.1.2	Fujifilm	10,200
2.6	LEG	7,600
3.1	Landesrechnungshof	6,000
2.6	Boston Scientific	4,500
4.4	Metro Markets	3,800

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➤ MARKET RESPONDS TO LACK OF MODERN SPACE

The high demand of available space with modern equipment quality has led to a considerable increase in space under construction (+58%) over the past 12 months. This development is also reflected in the figures of the first months of the year. Despite the increased construction activity, there is currently no sign of any easing on the supply side, as around 70% of the newly created space has been built by owner-occupiers or has already been pre-let.

➤ RENT DEVELOPMENT IN THE FIRST QUARTER

Rents in the first quarter were not yet greatly affected by the Corona crisis. Not least because many contracts, especially larger ones, had been negotiated for some time and were about to be concluded. As a result, the top rent is at 28.50 €/m² and the average rent is at 16.30 €/m².

Trends in important market indicators

	Q1 2018	Q1 2019	Trend remaining year
Take-up	99,000 m ²	112,000 m ²	↘
Vacant space	849,000 m ²	728,000 m ²	→
Space under construction (total)	178,000 m ²	282,000 m ²	→
Space under construction (available)	76,000 m ²	85,000 m ²	→
Top rent	28.00 €/m ²	28.50 €/m ²	↗

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➤ OUTLOOK

Since large parts of the economy are suffering at least temporarily from the effects of the Corona crisis, letting requests and investments are likely to be postponed in some cases. Against this backdrop, take-up is expected to be significantly lower than in 2019, but it is not possible at present to reliably predict how strong the change will be. The same applies to the development of rents, even if significant declines are rather unlikely due to the relatively low supply situation in a long-term comparison.

Key indicators Q1 2020

Submarkets**	Top rent* (€/m ²)		Take-up (m ²)	Vacant space (m ²)			Space under construction (m ²)		Space on offer (m ²)	
	from	to	Q1 2020	total	modern	of this, since completion	total	available	available	projected
	1		2	3	4	5	6	7	8 = (3 + 7)	9
1 City										
1.1 CBD/Banking District	28.50		7,300	24,600	9,500	0	13,000	9,000	33,600	0
1.2 Inner City	26.50		8,500	45,000	3,500	0	5,000	5,000	50,000	0
2 Office Centres	14.00 - 25.00		27,900	145,900	69,500	3,000	126,500	38,500	184,400	187,500
3 Centre Fringe	14.50 - 24.00		38,300	28,500	5,500	0	74,000	0	28,500	56,500
4 Subcentres	14.00 - 22.00		19,000	176,000	33,000	0	60,500	32,500	208,500	169,000
Total Düsseldorf			101,000	420,000	121,000	3,000	279,000	85,000	505,000	413,000
5 Periphery	10.00 - 15.00		11,000	308,000	26,000	4,000	3,000	0	308,000	46,000
Total			112,000	728,000	147,000	7,000	282,000	85,000	813,000	459,000

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* The top rent given applies to a market segment of 35 % in each case.

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