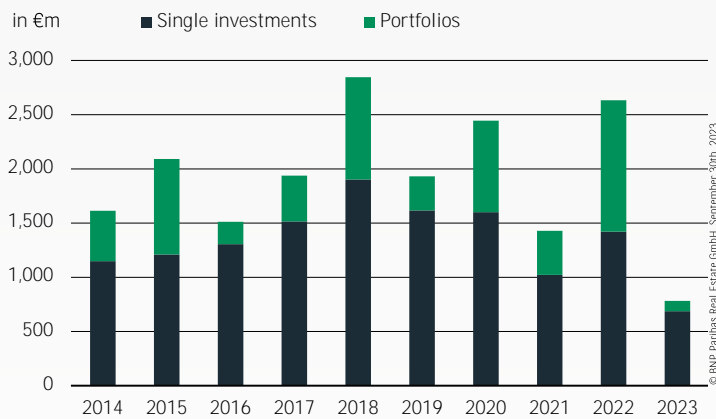




At a Glance **Q3 2023**

# INVESTMENT MARKET DÜSSELDORF

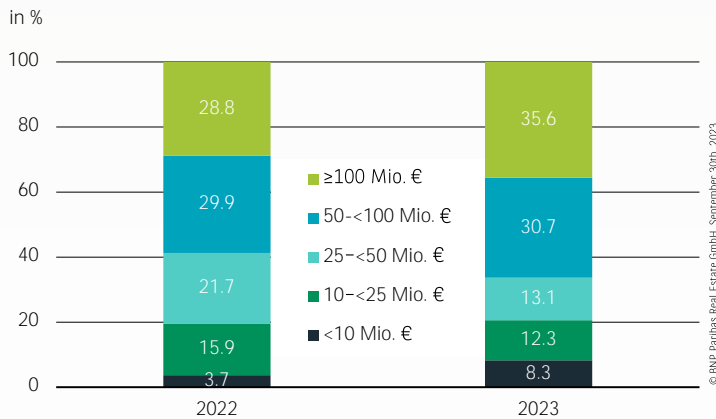
### Investment volume in Düsseldorf Q1-Q3



### ➤ CONSOLIDATION PHASE CONTINUES

With an investment volume of €782 million in the first nine months of 2023, the Düsseldorf investment market ranks in the middle of the A-locations. Nevertheless, the overall result is around 59% below the long-term average. As in other German investment markets, the significantly more difficult and more expensive equity and debt financing is hampering investment activity. In addition, the weak economy and the associated decline in companies' willingness to invest have led to a weak performance. Restrained letting activity on the user and especially the office markets is contributing to a certain degree of uncertainty on the part of investors, as a result of which the consolidation phase is continuing. This is also reflected in the fact that after nine months only two transactions were recorded in the segment above € 100 million.

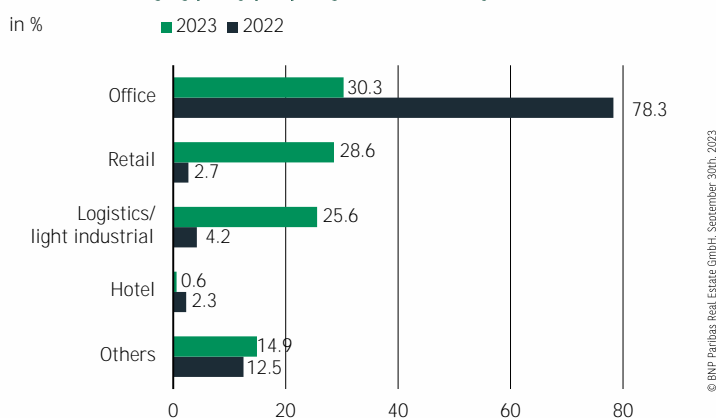
### Investments by € category in Düsseldorf Q1-Q3



### ➤ MEDIUM SEGMENT COMPARATIVELY LIVELY

Despite only two registered transactions, large deals with a volume of more than €100 million contributed almost 36% to the total turnover (10-year average: 35%). The segment of medium-sized deals between € 50 and 100 million is comparatively lively, contributing € 240 million or 31% to the total result. In absolute terms, this size category still shows the smallest decline in results (-40%) compared to the long-term average. The two size classes of € 25 to 50 million and € 10 to 25 million achieve 13% and 12% respectively, and with -76% and -68% respectively are clearly below their long-term averages. The smallness of the market is also evident in the comparatively high share of 8% of the smallest market segment (up to € 10 million).

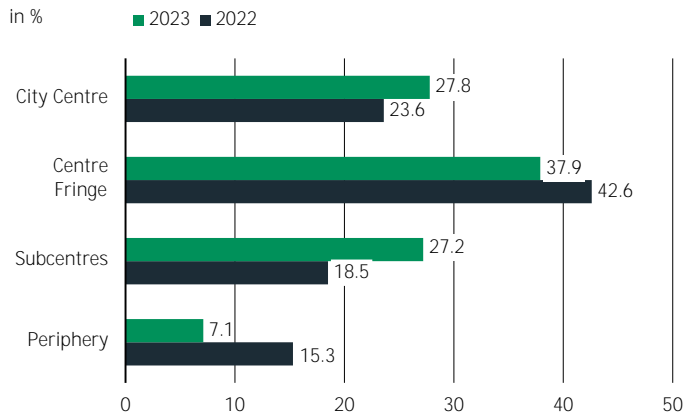
### Investments by type of property in Düsseldorf Q1-Q3



### ➤ RETAIL AND LOGISTICS INCREASE MARKET SHARE

Office properties make the highest contribution to the investment volume. However, with a transaction share of 30%, they dominate the Düsseldorf investment market to a much lesser extent than in previous years (10-year average: 60%). On the other hand, the strong and above-average performance of retail and logistics investments with turnover shares of 29% (10-year average: 16%) and 26% (10-year average: 8%) respectively is pleasing. At around € 224 million and € 200 million respectively, more was invested in both retail and logistics properties than in the previous year. However, a deal in the large-volume segment accounted for a large share of this in both asset classes. The collective category "other", which also includes development properties, has a slightly above-average share of 15%.

### Investments by location in Düsseldorf Q1-Q3



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### ➤ SUBCENTRES COMPARATIVELY STRONG

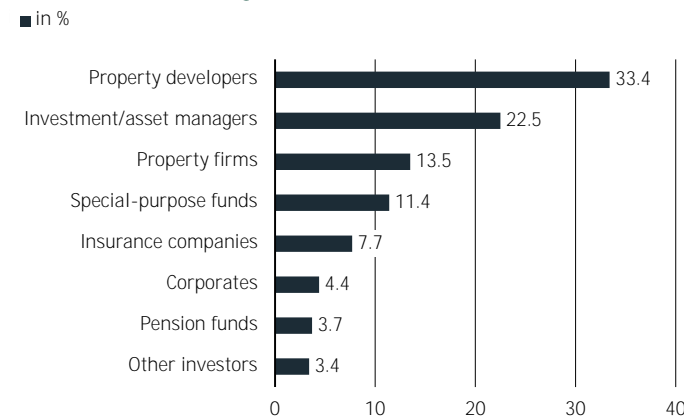
With a market share of 38%, the centre fringe clearly make the highest contribution to the investment volume (Ø 10 years: 42%). The City also has a high share of 28%, although in absolute terms it has an investment volume of €218 million, well below the long-term average (Ø 10 years: €519 million). The decline in turnover in the subcentres was comparatively moderate: At €213 million (proportionately 27%), transactions here were just under a third below the 10-year average (€310 million).

### ➤ PROPERTY DEVELOPERS CONTRIBUTE AROUND 50%

With a market share of 33%, project developers are far and away in first place among the buyer groups. The major deal "Areal Böhler" from the first half of the year played a significant role in this. With an investment volume of € 261 million, they achieved an above-average result (Ø 10 years: € 222 million). Investment/asset managers follow in second place with a share of almost 23% or € 176 million (Ø 10 years: € 291 million). In addition to project developers, real estate companies (14%) achieved a solid result with €106 million, which is only slightly below the long-term average (€111 million). Furthermore, only special-purpose funds (11%) achieved a double-digit percentage share of turnover.

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### Investments by buyer group in Düsseldorf Q1-Q3 2023

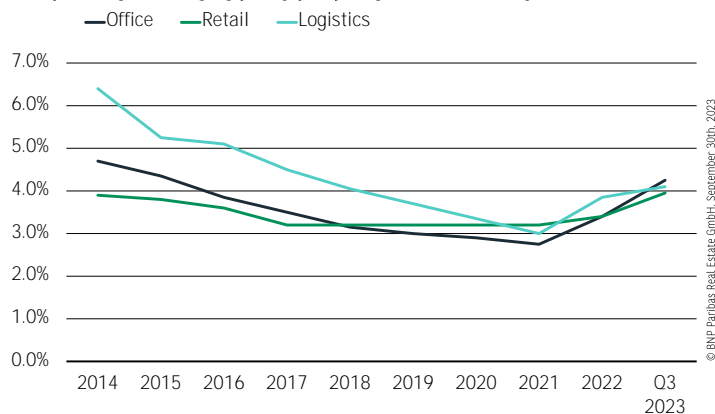


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### ➤ FURTHER YIELD COMPRESSION

Against the backdrop of further increases in key interest rates, net prime yields in Düsseldorf have also risen between 5 and 25 basis points. For office properties, there has been a relatively high yield compression of 25 basis points compared to Q2 to currently 4.25%. The net prime yield of logistics properties has risen by 10 basis points to 4.10%. At 5 basis points, the increase for inner-city commercial properties is much more moderate. The current rate for these properties is 3.95%.

### Net prime yields by type of property in Düsseldorf



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### ➤ OUTLOOK

The consolidation phase also continues on the Düsseldorf investment market. Uncertainty among investors and persistent price differences between buyers and sellers have led to a weak result after the first three quarters. At present it does not look as if the final quarter will be able to contribute to a satisfactory result for the year as a whole. However, in the medium term a noticeably higher market dynamic can be expected in Düsseldorf. From today's perspective, a slight increase in turnover can be expected in the first half of 2024. In the course of 2024, an economy that picks up speed, catch-up effects and the emerging end of the cycle of interest rate increases should lead to a significant market recovery and offer attractive opportunities on the Düsseldorf investment market.

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