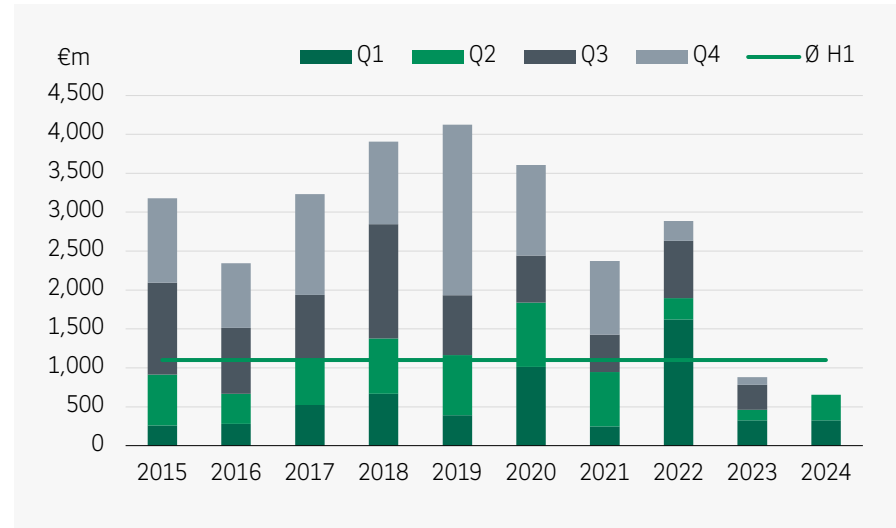


○ DÜSSELDORF

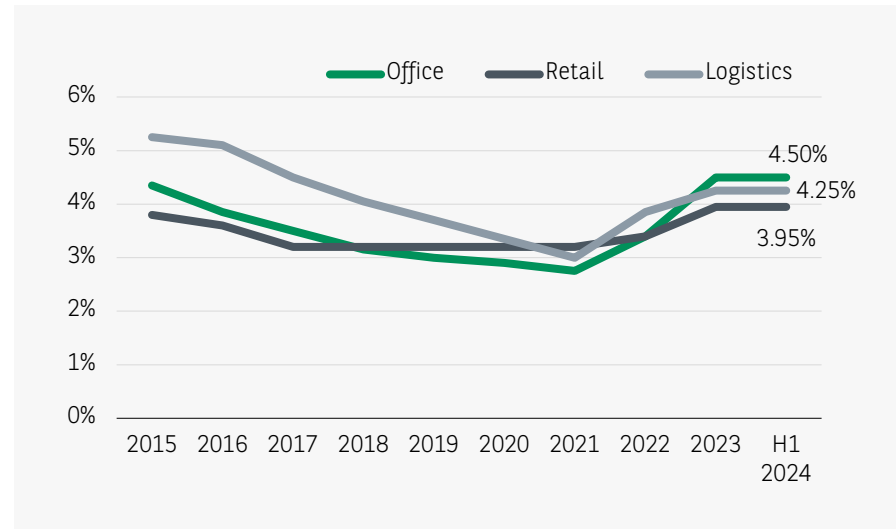
# REPORT INVESTMENT MARKET

H1 2024

## Development of investment volume



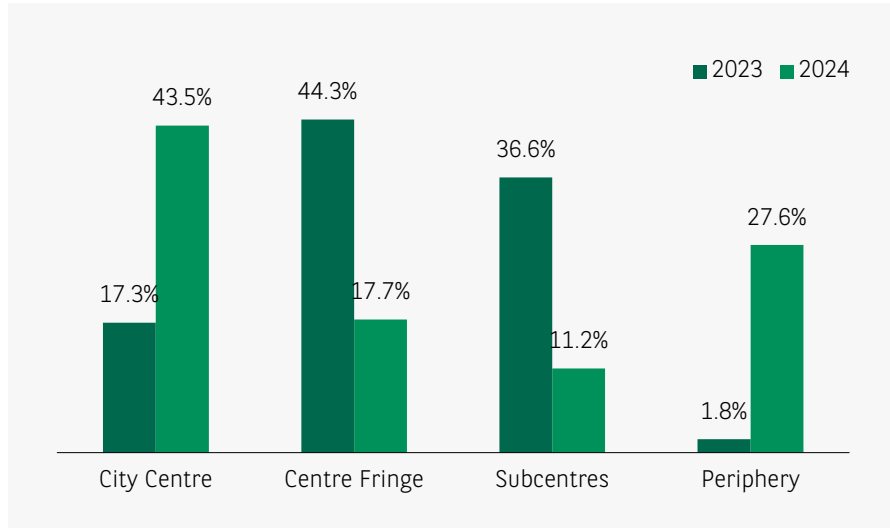
## Net prime yields by type of property



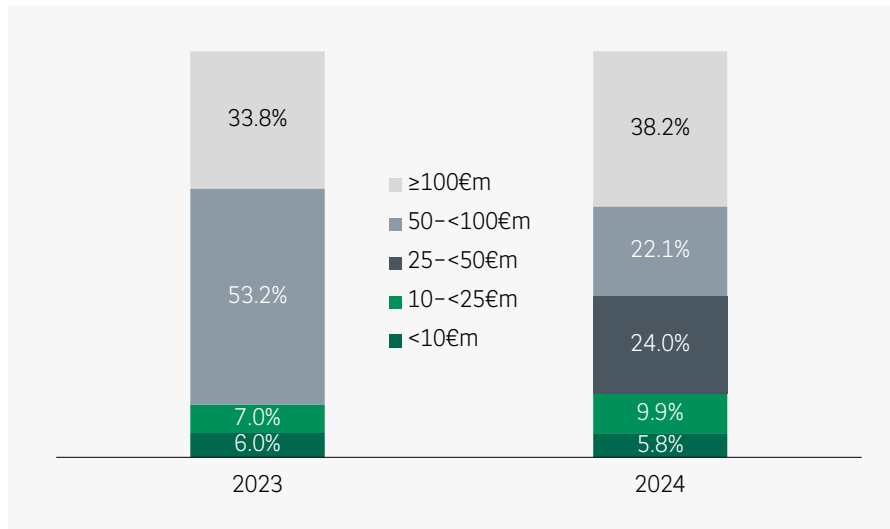
## INVESTMENT VOLUME INCREASED SIGNIFICANTLY LARGE-SCALE DEALS WITH HIGH MARKET SHARE

- The Düsseldorf investment market also recorded relatively stable transaction volumes in the second quarter, resulting in a clear upward trend overall in the first half of the year. This positive development is also reflected in the increased transaction volume, which totalled €655 million in the first six months.
- This represents a year-on-year increase of 42%, which is slightly higher than the national average. However, this positive development should not obscure the fact that the ten-year average was still missed by around 40%. At the same time, however, it should be noted that the result is roughly on a par with 2016, which also indicates a gradual but sustained recovery on the investment markets.
- With this overall positive development, the Rhine metropolis is in line with the trend among major German cities. Furthermore, the transaction volume achieved places it very favourably in fourth place in a nationwide comparison of major investment locations, surpassed only by Berlin, Munich and Frankfurt.
- As in all other major locations, prime yields continued to stabilise in the second quarter of the year as expected, leading to no changes. The net initial yields for office buildings remain at 4.50%. Prime yields for logistics properties are slightly lower at 4.25%. For mixed-use highstreet properties with focus on retail, yields of 3.95% are still to be expected.

## Investments by location H1



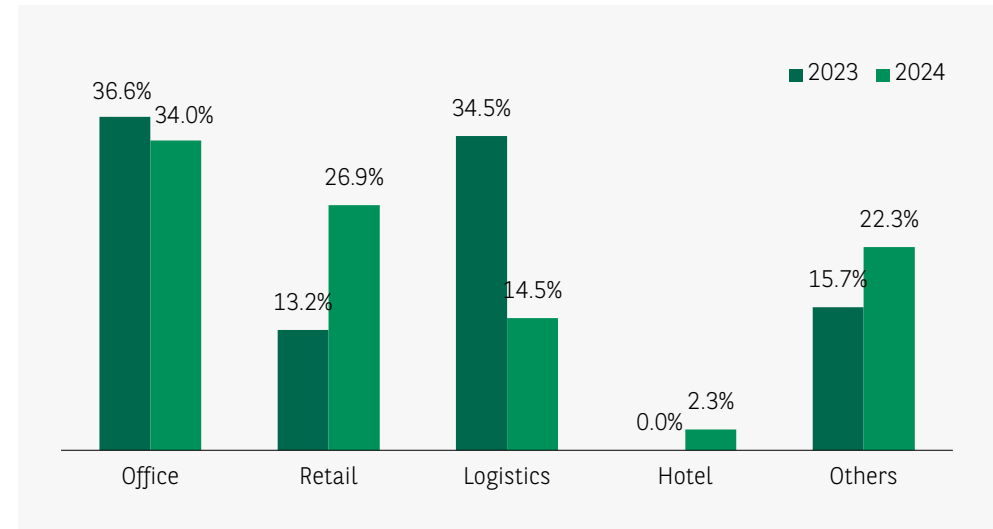
## Investments by € category H1



## MAJOR DEALS CONTRIBUTED TO THE GOOD RESULT

- A good 38% of revenue is attributable to transactions in the three-digit million range, which therefore make a disproportionately high contribution to earnings. These include the former Kaufhof Am Wehrhahn, which the city of Düsseldorf acquired from the insolvency estate of a Signa company in order to build the new opera house.
- Most investment was made in the city centre with a 43.5% share of total volume. This was primarily due to the major deals mentioned above. At just under 28%, the periphery also accounted for a somewhat disproportionately high share.
- Office properties lead among the asset classes, accounting for 34% of total commercial investment volume. Retail investments follow in second place with just under 27%. This is also due to the fact that the proportionate sale of Kö-Bogen II is to be classified as a retail transaction despite a certain share of office space in the asset.

## Investments by type of property H1



## OUTLOOK

- The Düsseldorf investment market recorded significant growth in the first half of 2024 and is experiencing a noticeable upward trend. Nevertheless, the Düsseldorf market is still struggling with a number of difficult framework conditions, in particular the slow recovery of the economy, and remains a significant distance from achieving transaction volumes that are close to the long-term average.
- Nevertheless, there are a number of encouraging signs that indicate that the upturn has basically started and should gradually accelerate. In addition to the higher transaction volume, the slight increase in the number of deals concluded should also be mentioned in this regard. It should also be noted that the Düsseldorf market still has potential for improvement in some areas. For example, the proportion of portfolio deals included is currently just under 8% and foreign buyers only account for a negligible proportion of the investment volume. In contrast, their share is usually well over a third.
- The future prospects for the Düsseldorf investment market are therefore determined on the one hand by continued difficult conditions, primarily the slow economic recovery and the continued high level of interest rates. On the other hand, there has been an improvement in sentiment on the markets. Investors are slowly gaining more confidence in the current and, above all, the future market environment. As a result, many factors point to a sustained, moderate upward trend, which could even accelerate somewhat as the year progresses.

### Key facts investment market Düsseldorf

INVESTMENT VOLUME	H1 2023	H1 2024	CHANGE
Total (€m)	461	655	+42.0%
Portfolio share	0.0%	7.9%	+7.9%pts
Share above €100 million	33.8%	38.2%	+4.4%pts
Office share	36.6%	34.0%	-2.6%pts
Share of city locations	17.3%	43.5%	+26.2%pts
Share of foreign investors	33.8%	1.1%	-32.8%pts

NET PRIME YIELDS	H1 2023	H1 2024	CHANGE
Office	4.00%	4.50%	+50bps
Retail	3.90%	3.95%	+5bps
Logistics	4.00%	4.25%	+25bps

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