

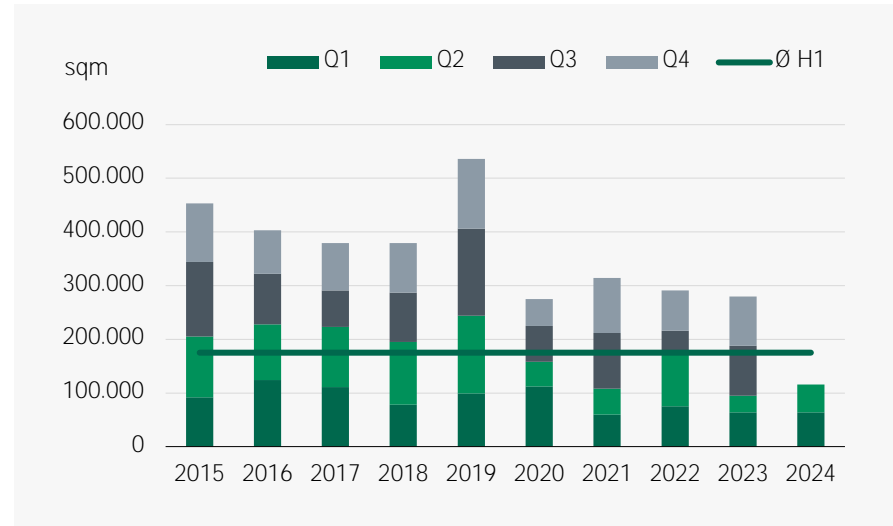


# REPORT OFFICE MARKET

○ DÜSSELDORF

H1 2024

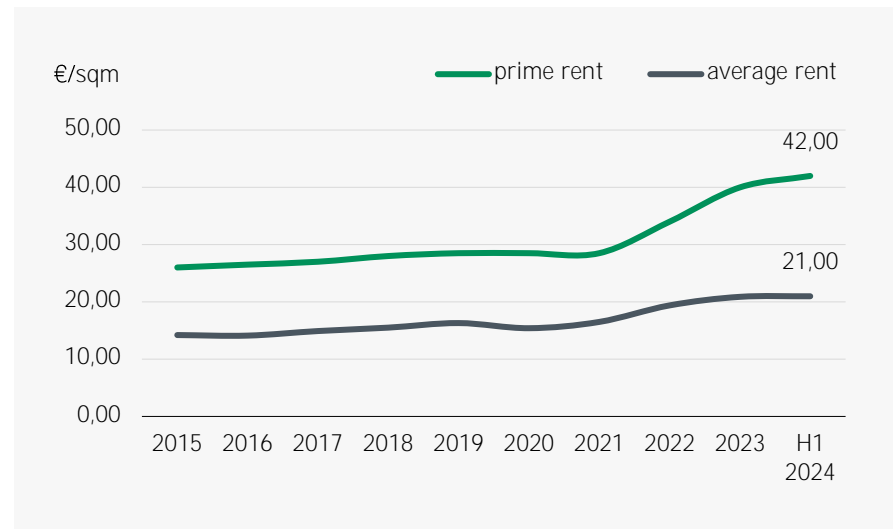
## Development of take-up



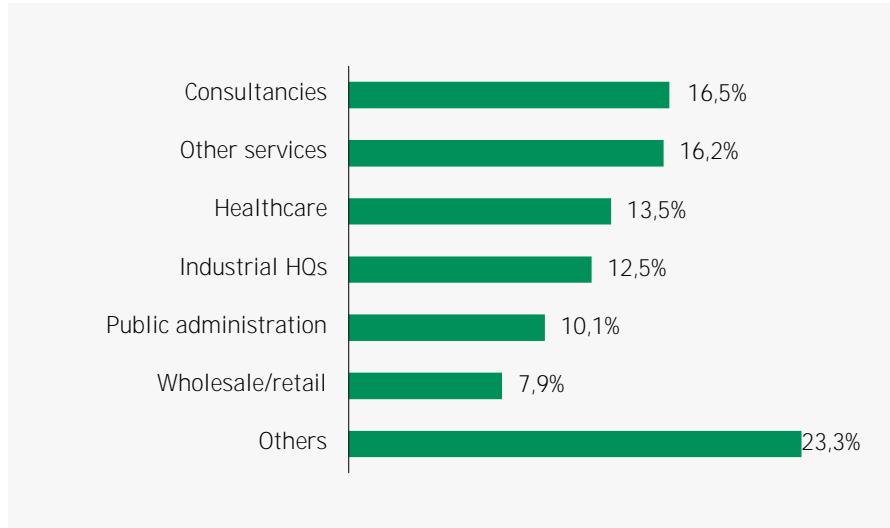
## MAJOR LETTINGS REMAIN SCARCE

- With take-up totaling 116,000 sqm, Düsseldorf recorded a better first half-year than in 2023 (95,000 sqm). However, the latest result is once again below the long-term average (175,000 sqm; -34%). As in other top locations, one of the main reasons for the relatively weak performance is the uncertain economic environment. In the current market phase, occupiers are tending to hold back with decisions on larger lettings.
- In the first half of the year, the market was unable to benefit from contracts for over 10,000 sqm. However, at least two larger lettings of over 5,000 sqm have already been registered: Bau- und Liegenschaftsbetrieb NRW rented 6,900 sqm of space in the Kennedydamm office submarket and Noerr Partnerschaftsgesellschaft signed a letting agreement for 6,000 sqm for a property in Düsseldorf's prime location Königsallee.
- Compared to the larger lettings, market activity was slower in the mid-sized and especially the smaller segment. The broadly defined space category of up to 5,000 sqm accounted for around 89% (10-year average: 75%) of total take-up. At an above-average 49% (10-year average: 40%), almost half of the volume is attributable to smaller lettings in the segment of up to 1,000 sqm.
- Over the past three months, prime rents in Düsseldorf have stabilized at the current level of €42.00 per sqm. Compared to the previous year, however, there was an increase of almost 11%. It is achieved for high-quality office space in prime city center locations.

## Prime and average rents



## Take-up by sector H1 2024



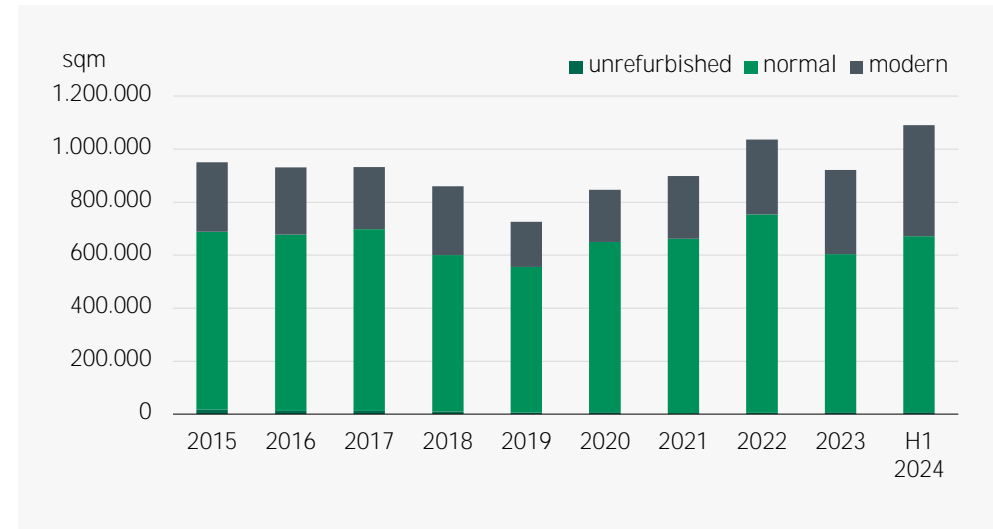
## Major contracts H1 2024

Quarter	Sub-market	Company	sqm
Q2	2.3	Bau- und Liegenschaftsbetrieb NRW	6.900
Q1	1.1	Noerr Partnerschaftsgesellschaft	6.000
Q1	2.3	Oddo BHF	3.900
Q1	2.4	voestalpine Edelstahl Deutschland	3.900
Q2	4.2	Stadt Düsseldorf	3.400
Q1	2.6	GEA Group	3.300

## PRE-LETTING RATE INCREASES SIGNIFICANTLY

- Consulting companies account for a good 16% of take-up, which is not uncommon for Düsseldorf. Particularly striking is the above-average share of the healthcare sector at a good 13% (10-year average: 5%), although no major lettings have been recorded by this sector to date.
- There are currently 266,000 sqm of office space under construction on the Düsseldorf market, which corresponds to a year-on-year decline of 22%. Of this, 130,000 sqm is still available on the market. As a result, the pre-letting rate has risen to 51% compared to the first half of 2023 (42%).
- The vacancy volume increased by around 9% compared to q1 and now stands at approx. 1.1 million sqm. Around 419,000 sqm of this space is attributable to the modern fit-out standard. The vacancy rate thus increased slightly to 11.0%.

## Development of vacant space

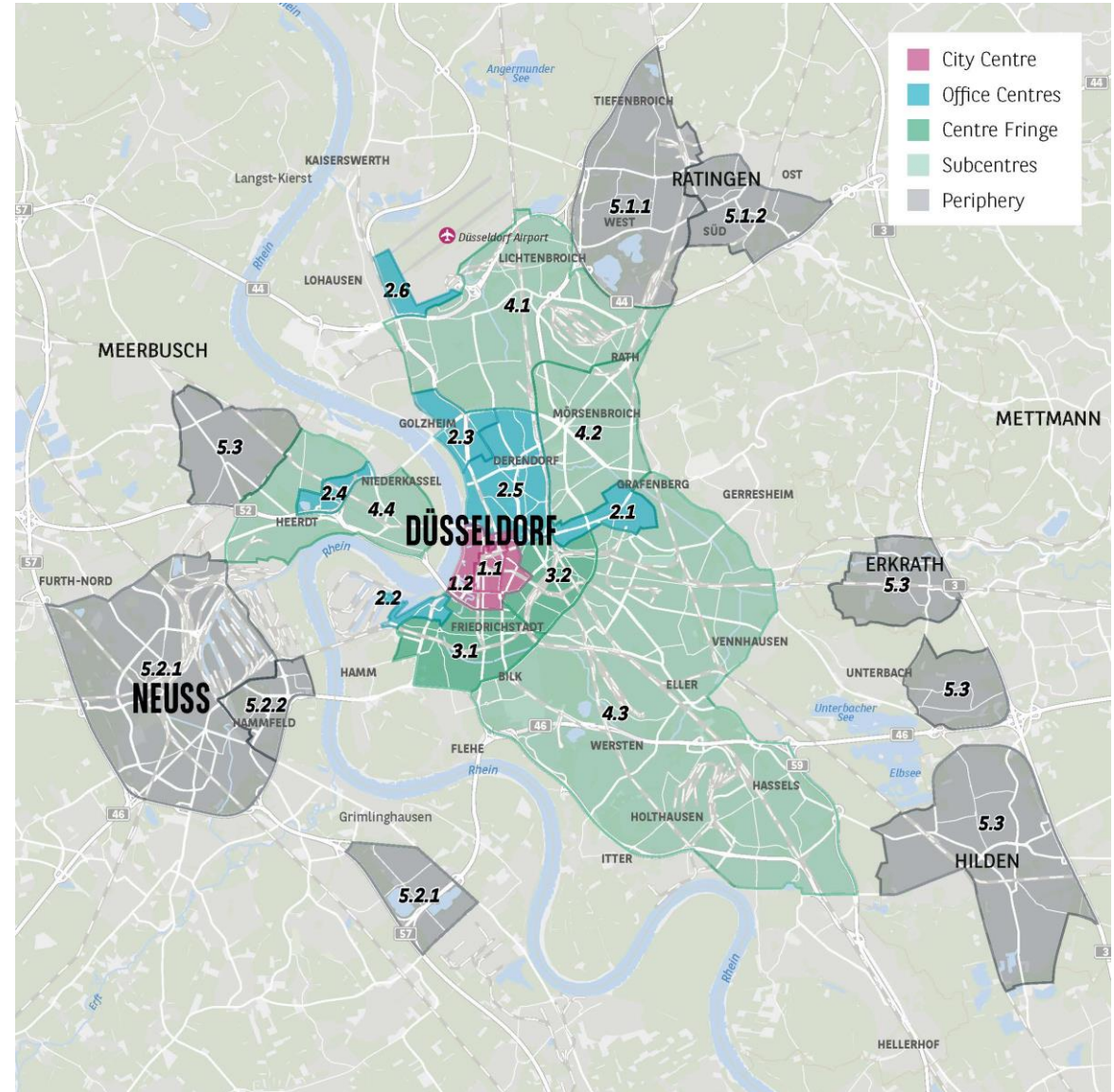




## OUTLOOK

- The Düsseldorf office market recorded a better first half-year than in 2023. Nevertheless, letting activity in the running year is still comparatively less dynamic than in the long-term average. Currently, the market is mainly driven by rather small and medium-sized lettings.
- On the demand side, the weakening macroeconomic situation has had a particularly negative impact on take-up. In anticipation of a slight increase in the economic tailwind as the year progresses and the prospect of a more pronounced economic upturn in the coming year, a slight upward trend in take-up is likely to emerge in the second half of 2024. From today's perspective, take-up at the previous year's level appears to be an ambitious yet realistic scenario at the end of the year.
- Due to the demand side's focus on high-quality space that is also ESG-compliant, a further increase in vacancies, particularly in older, less well-equipped office stock, cannot be ruled out.
- On a positive note, the pre-letting rate has recently risen significantly and the supply of prime CBD office space is being quickly absorbed by the market. Combined with the prospect of letting activity gaining momentum, a slight increase in prime rents for premium properties in city center locations is therefore very likely in the latter half of the year.

## Office submarkets Düsseldorf



## Key indicators office market Düsseldorf

	PRIME RENT* (€/sqm)		TAKE-UP (sqm)		VACANT SPACE (sqm)		SPACE UNDER CONSTRUCTION (sqm)		SPACE ON OFFER (sqm)	
	from	to	H1 2024	total	modern	of this, since completion	total	available	available	projected
Submarkets**	1		2	3	4	5	6	7	8 = ( 3 + 7 )	9
1 City										
1.1 CBD/Banking District		42,00	15.500	29.600	21.600	1.200	49.000	12.000	41.600	53.700
1.2 Inner City		28,50	7.900	54.600	7.800	1.000	10.000	0	54.600	28.100
2 Office Centres	16,50 -	28,50	52.800	332.800	206.200	39.800	65.100	53.100	385.900	180.900
3 Centre Fringe	17,00 -	25,00	7.700	49.200	21.900	0	39.000	20.100	69.300	59.600
4 Subcentres	15,00 -	23,00	24.100	230.800	91.500	21.000	102.900	44.800	275.600	295.700
Total Düsseldorf			108.000	697.000	349.000	63.000	266.000	130.000	827.000	618.000
5 Periphery	10,00 -	15,50	8.000	394.000	70.000	2.000	0	0	394.000	0
<b>Total</b>			<b>116.000</b>	<b>1.091.000</b>	<b>419.000</b>	<b>65.000</b>	<b>266.000</b>	<b>130.000</b>	<b>1.221.000</b>	<b>618.000</b>

\* The prime rent given applies to market segment of 3-5 % in each case.  
 \*\* The relevant submarket can be found on our website under „Research“.

## Contact

### BNP Paribas Real Estate GmbH

Kö-Quartier | Breite Straße 22 | 40213 Düsseldorf

Phone: +49 (0)211-52 00-00

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