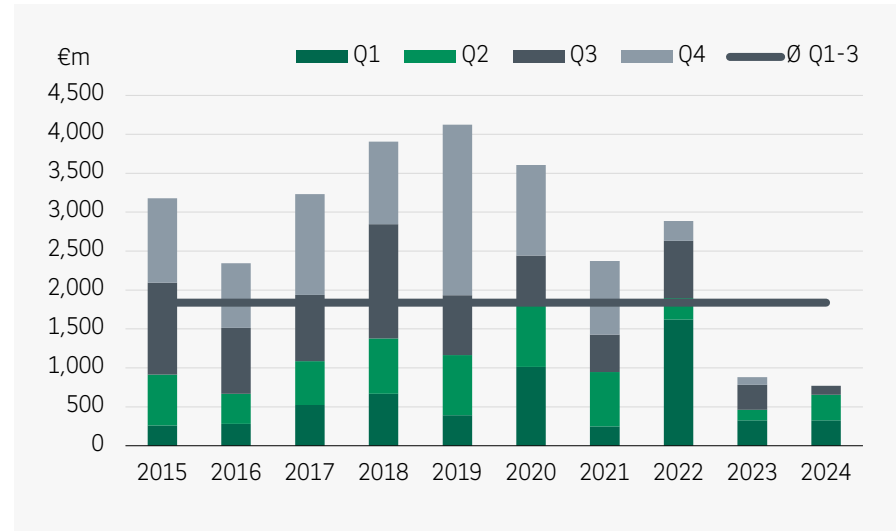


○ DÜSSELDORF

REPORT INVESTMENT MARKET

Q1-3 2024

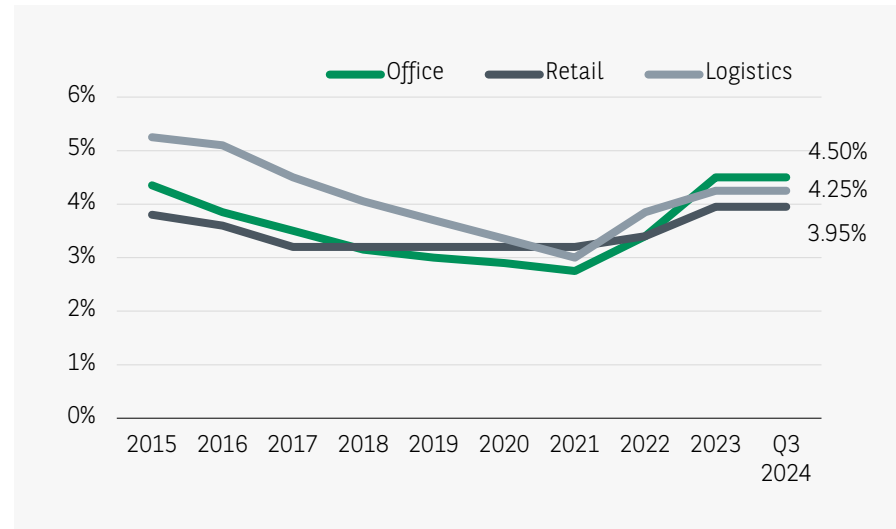
Development of investment volume



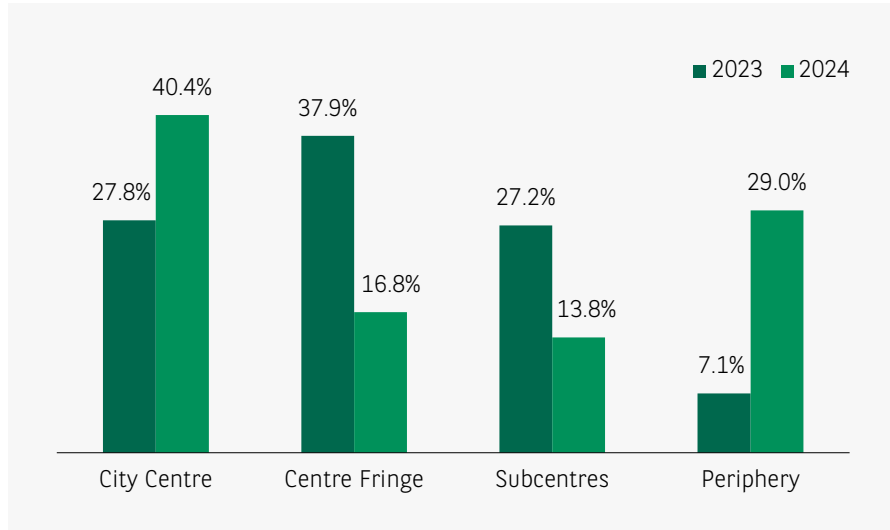
RECOVERY OF THE FIRST HALF OF THE YEAR BARELY SUSTAINED IN Q3

- Commercial properties with a volume of €771 million were traded on the Düsseldorf investment market in the first nine months of the year. While a transaction volume of over €320 million was recorded in each of the first two quarters, only €116 million was added in the third quarter.
- This makes Düsseldorf the only A-location with an investment volume slightly below the same period of the previous year. The 10-year average was missed by 58%.
- After a generally robust first half of the year, the Rhine metropolis slipped to sixth place in the third quarter, behind Cologne (€924 million) but ahead of Stuttgart (€423 million). A very low investment volume was observed across all asset classes in the weakening third quarter. Only transactions of less than €50 million were registered.
- As expected, net prime yields remained constant, as in all other top cities. There have therefore been no changes since the beginning of the year. The net prime yield for office buildings is still at 4.50% while the prime yield for warehouse and logistics assets is slightly lower at 4.25%. For high street retail properties in prime locations, the net prime yield remains at 3.95%.

Net prime yields by type of property



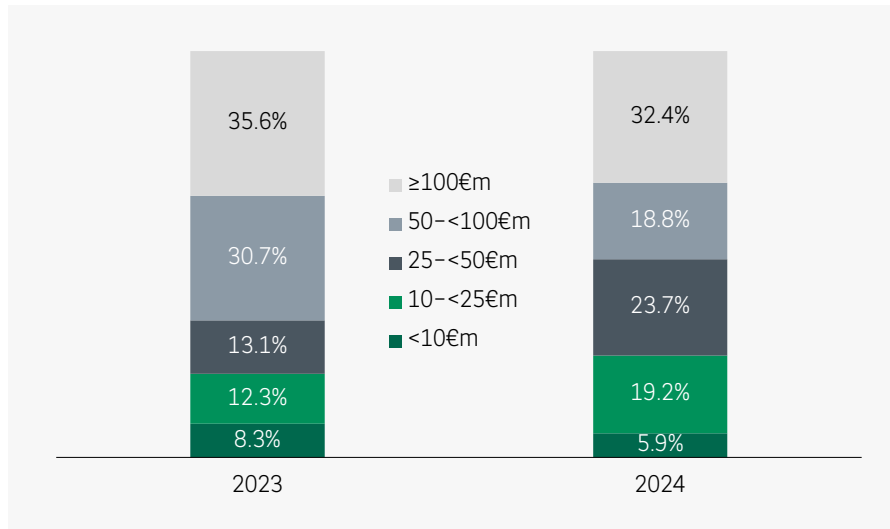
Investments by location Q1-3



NO MAJOR TRANSACTIONS IN Q3

- While two deals in the triple-digit million range were recorded in the first half of the year, only deals under €50 million were registered in the third quarter. The low portfolio share of 7% and a low average investment volume per deal of €23 million (average 10 years: €29 million) are indicative of a small-scale market structure.
- An above-average turnover share of 40% (Ø 10 years: 29%) was recorded in City Centre locations. The major deals from the first half of the year played a key role here. Compared to the same period last year, office properties improved their market share slightly to 32%. However, at €250 million, the long-term average was clearly missed by 78%. In contrast, the collective category of Others (26%), which includes development properties in particular, is relatively robust. Although the logistics segment has a lower share of 15%, at €118 million it is only marginally below the long-term average.

Investments by € category Q1-3



Investments by type of property Q1-3



OUTLOOK

- The noticeable recovery in the first half of the year did not continue in the third quarter. A sustained market recovery in Düsseldorf therefore remains on a fragile footing. Similar to the other top German locations, the Düsseldorf market is also facing a number of challenging conditions. In particular, the stuttering economic engine, more expensive and more difficult to plan debt capital procurement and weakening sentiment are reasons for the continued below-average investment volume.
- Nevertheless, there are still some areas on the Düsseldorf investment market where an improvement in the final quarter and beyond seems realistic and could provide the potential for a stronger market revival. For example, the proportion of portfolio deals and the proportion of foreigners on the investor side is currently extremely low at 7% each. Larger portfolios usually account for around a quarter of the investment volume, while foreign buyers contribute more than a third (37%) of the investment volume. As the overall market recovers, these areas should offer scope for stronger market momentum in the coming quarters.
- The recent fall in inflation in the eurozone to its lowest level for a good three and a half years increases the likelihood of one or two further interest rate cuts this year and thus a continuation of the ECB's expansionary monetary policy. The improved ability to plan and simplified procurement of debt capital should also lead to a moderate but also sustained upward trend on the Düsseldorf investment market.

Key facts investment market Düsseldorf

INVESTMENT VOLUME	Q1-3 2023	Q1-3 2024	CHANGE
Total (€m)	782	771	-1.4%
Portfolio share	12.1%	6.6%	-5.5%pts
Share above €100 million	35.6%	32.4%	-3.2%pts
Office share	30.3%	32.3%	+2.0%pts
Share of city locations	27.8%	40.4%	+12.6%pts
Share of foreign investors	32.1%	6.6%	-25.5%pts

NET PRIME YIELDS	Q3 2023	Q3 2024	CHANGE
Office	4.25%	4.50%	+25bps
Retail	3.95%	3.95%	+0bps
Logistics	4.10%	4.25%	+15bps

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