

Germany

Office Market Snapshot DUSSELDORF

Q3 | 2020



OVERVIEW

After a continuous increase in unemployment since the beginning of pandemic in March, September marks the turning point, with the rate falling from 8.5% to 8.3%. Dusseldorf's economy benefits from its heterogenous sector mix, with companies from the construction and service sectors in particular still showing solid revenues.

OCCUPIER FOCUS

In the first three quarters the office occupier market achieved a total take-up volume of 222,700m². Compared to the same period last year, this represents a fall of 42%. Due to a lack of larger lettings third quarter activity was subdued with take-up of 55,700m².

Nevertheless, office leasing activity in the small to medium-sized segment gained momentum.

VACANCY AND PROJECTS

The office vacancy rate in Dusseldorf currently stands at 6.8% and is decreasing again after a slightly uptick in the previous quarter. Thus, in total approximately 616,500m² office space is available to let in the market. From January to September 77,400m² of new office space was completed. In the fourth quarter almost 59,600m² office space is planned for completion, of which 93% is already let. For 2021, the forecast office completion volume is currently 187,300m².

RENTS

The achievable prime rent is still at a high level, currently standing at €28.50/m²/month. The area-weighted average rent of the last twelve months showing no significant changes compared to the previous year and currently amounts to €16.30/m²/month.

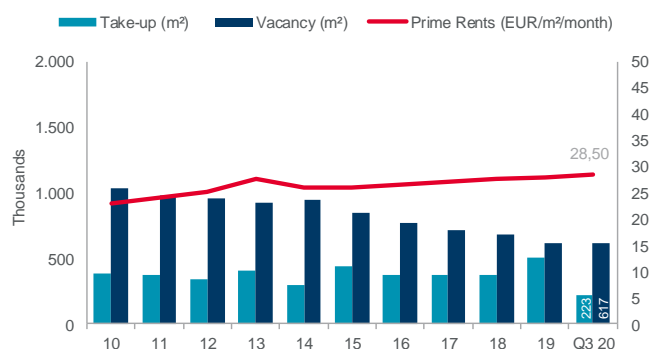
INVESTMENT FOCUS

The commercial investment market is clearly dominated by office transactions. In the first three quarters, office transaction volume totalled €2.1 billion with the third quarter contributing some €480 million. Market activity does appear to be increasing however, as gauged by the notable resumption of the due diligence processes for previously postponed deals. During the year the prime office yield has compressed further to a new record low of 3.00%.

IMPORTANT TRANSACTIONS

The largest letting in the third quarter of 2020, was of 9,100m² to Thyssen Krupp Elevator in E-Plus Straße in the North submarket. The lease for 33,500m² signed by the regional finance office in the City-Est submarket in the first quarter thus far remains the most prominent and largest office letting transaction of the year.

OFFICE MARKET DUSSELDORF



RENTAL PRICE RANGES Q3 2020

SUBMARKET	EUR/M ² /MONTH
CBD	17.00 – 28.50
City	12.00 – 26.50
City-East	9.50 – 14.50
City-South	10.00 – 24.00
Kennedydamm/Derendorf	13.00 – 22.00
Grafenberg	9.50 – 15.00
Medienhafen	14.00 – 24.00
Airport-City	12.50 – 17.50
Seestern	9.50 – 16.50
Linksrheinisch	7.50 – 22.00
North	8.00 – 16.50
South	8.00 – 13.50
Ratingen-East	9.50 – 16.50
Ratingen-West	6.50 – 9.50
Neuss-Hammfelddamm	7.00 – 12.00
Neuss-Grimmlinghausen	5.00 – 9.50
Neuss-Other Areas	4.50 – 11.50

3-MONTH OUTLOOK

Prime Rents	▶
Prime Yields	▶
Vacant Space	▲
Take-up	▼

Source: Cushman & Wakefield