

YoY
Change

12-Month
Forecast

303,500m²

Take-Up (cum.)

**7.8%**

Vacancy Rate

**228,300m²**

Under Construction

**€28.50**Prime Rent, €/m²/month

LABOUR MARKET

102.9Ifo Employment Barometer
Germany (Dec 2021)YoY
Change**214,900**Düsseldorf Office Employees
(Dec 2021)**6.9%**Düsseldorf Unemployment Rate
(Dec 2021)Sources: ifo-Institut, Moodys Analytics, Federal
Employment Agency

ECONOMIC OVERVIEW

The labour market in Düsseldorf developed positively in 2021, registering the strongest decline in unemployed in the whole of North Rhine-Westphalia. Compared to December 2020, the unemployment fell by almost 14% to the current 6.9% (8.0% in December 2020). The rapid recovery of the labour market is particular due to the very heterogeneous sector structure. Here, the manufacturing and construction industries stand out in particular. The further recovery of the labour market could be slowed by the increasingly acute shortage of skilled workers. According to the current economic survey by the Chamber of Industry and Commerce, the majority of companies are recovering well in economic terms with good business prospects.

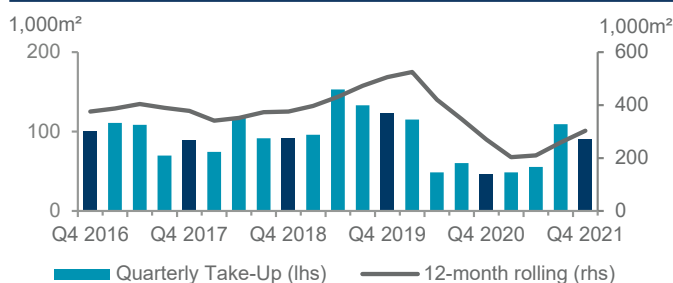
TAKE-UP

The Düsseldorf office letting market achieved take-up of 303,500m² in 2021. Compared to the low take-up of the previous year, this represents an increase of 12%. The positive result was mainly due to the lettings concluded in the second-half of the year. In addition to numerous lettings in the medium-sized segment (1,000m² to 3,000m²), all deals for more than 5,000m² of office space were concluded in this period. The final quarter was also the second-strongest of the year with take-up of around 90,000m². The fourth quarter also saw the start of construction for the new Toniql development project with a total of 26,000m² of space in Wanheimer Strasse. AOK Rheinland will move into their new headquarter as owner-occupier after completion in 2023. The take-up volume of office space in development projects was also strikingly high in 2021. Seven of the ten largest lettings took place prior to the start of construction or during construction, and together contributed almost 70,000m² to total take-up. This is a clear indication that large occupiers are once again confident in planning their space requirements and concepts with longer timeframes, preferring high-quality modern space.

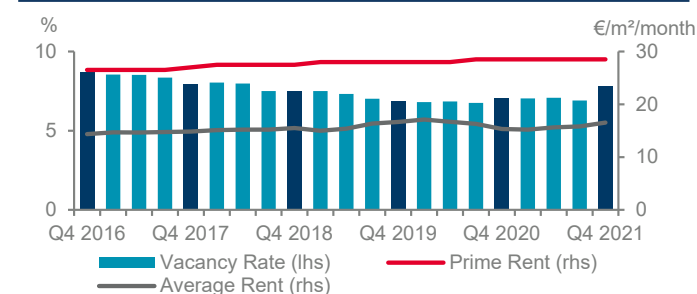
VACANCY

The office vacancy rate at the end of 2021 was 7.8%. Compared to a year previously, the amount of available office space increased by 11% to 718,200m². The reason for this, in addition to the relatively low take-up, is the high level of completions in the fourth quarter. Around one-third of the most recently completed space (Q4) is currently still available.

TAKE-UP



VACANCY & RENT





COMPLETIONS

In 2021, the office completions totalled around 167,300m², which is almost 23% higher than a year previously. The 5-year average was even exceeded by 34%. In the fourth quarter approximately 71,400m² of office space was completed. If construction progresses according to plan, a completion volume of around 133,500m² is expected in 2022. Of this new office space, around 39% is still available at the current point in time.

RENTS

The achievable prime office rent at the end of the fourth quarter remained unchanged at €28.50/m²/month and was achieved in the Central Business District (CBD) submarket. In view of the high demand for modern and high-quality space, rising construction costs and high land prices, a slight increase in prime rent is expected over the course of 2022.

The weighted average rent for the past twelve months is currently €16.55/m²/month. Compared to a year previously, this corresponds to an increase of almost 8%. The main reason for this is the high number of lettings in the medium-sized segment between 1,000m² and 3,000m² in modern and highly priced properties. Average rents can be expected to remain stable over the course of the year.

SELECTED PROPERTY DEVELOPMENT PROJECTS

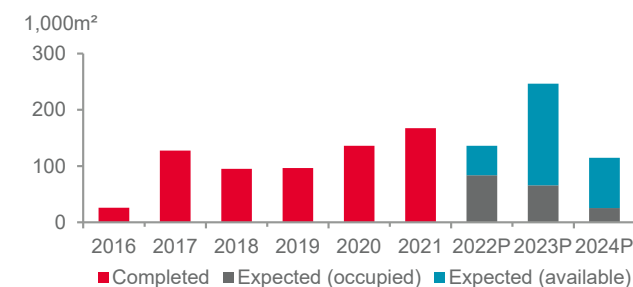
Property/Project	Submarket	Status	Year of Completion	Office Space m ²	Owner
Mizal	Medienhafen	Completed	2021	34,000	R+V Versicherung
Eclipse	Kennedydamm	Under Construction	2022	26,000	die developer
The Oval	Kennedydamm	Completed	2021	13,500	Gerchgroup

MARKET STATISTICS

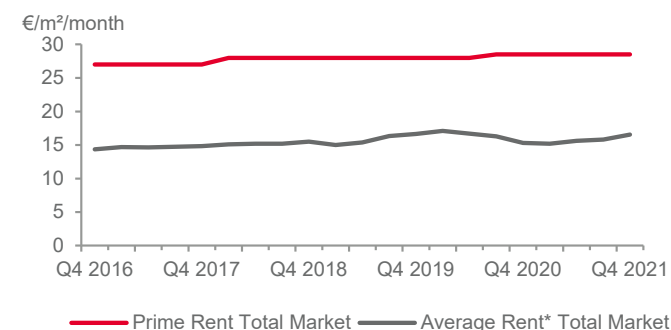
Selected Submarkets	Take-Up Q1-4 2021 (m ²)	Completions Q1-4 2021 (m ²)	Space under Construction Q1-4 2021 (m ²)	Prime Rent Q4 2021 (€/m ² /month)	Average Rent* Q4 2021 (€/m ² /month)
North	68,100	7,200	74,000	16.50	15.00
City	52,700	5,400	34,700	26.50	17.70
Kennedydamm	32,800	13,500	42,300	23.50	19.00
CBD	27,200	0	4,400	28.50	21.90
Total Market Dusseldorf	303,500	167,300	228,300	28.50	16.55

* Weighted Average Rent (12 months)

COMPLETIONS

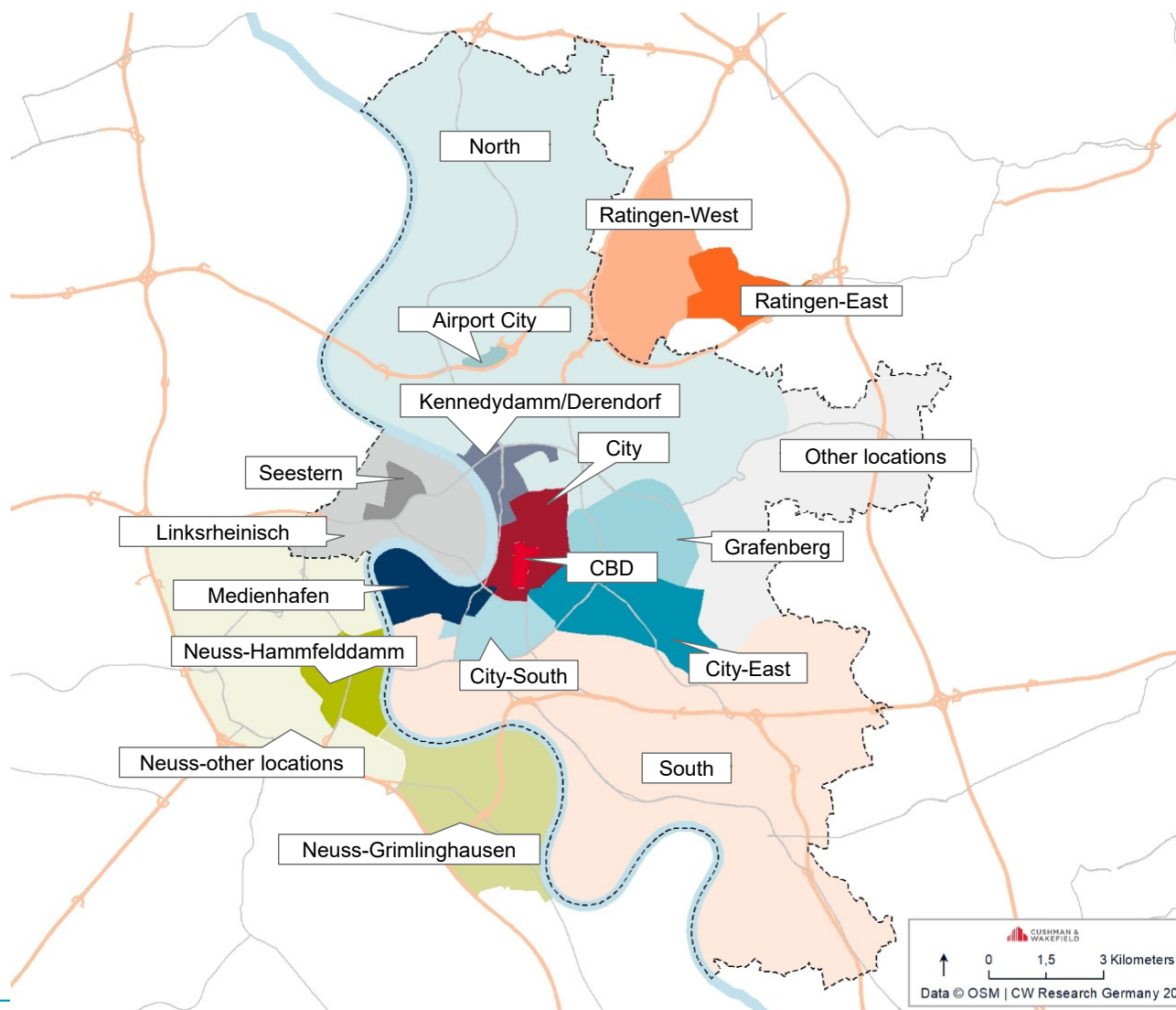


RENTS





SUBMARKET OVERVIEW



RENTAL PRICE RANGES Q4 2021

Submarket	€/m ² /month
CBD	17.00 - 28.50
City	12.00 - 26.50
City-East	9.50 - 15.00
City-South	10.00 - 24.00
Kennedydamm/Derendorf	15.00 - 23.50
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 - 16.00
Ratingen-West	6.50 - 9.50
Neuss-Hammfelddamm	7.00 - 12.00
Neuss-Grimlinghausen	5.00 - 9.50
Neuss-other locations	4.50 - 11.50



OFFICE INVESTMENT MARKET

The commercial investment market in Düsseldorf achieved a transaction volume of around €2.58 billion in 2021. Compared to the previous year, the result corresponds to a decline of almost 23 %. Since the beginning of the pandemic, however, the fourth quarter of 2021 was the strongest in terms of transaction volume with €1.08 billion. Office properties dominated the transaction activity and totalled to around €1.76 billion (68% share of total volume) in the year as a whole. Demand for high-quality core office investments remains high, while investors are increasingly focusing on properties with high ESG-compliance.

The prime office yield compressed by 10 basis points over the course of the year to a current level of 2.80%. For core+ and value-add office properties in peripheral locations, slightly increasing yields can be expected in 2022.

KEY FIGURES

€1.76 bn

Office Transaction Volume (cum.)

YoY Change
▼

12-Month Forecast
▲

68%

Share Office Investment of Total

▼

▲

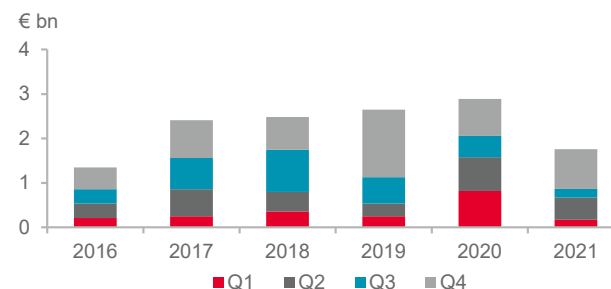
2.80%

Net Initial Yield Office

▼

▼

OFFICE TRANSACTION VOLUME



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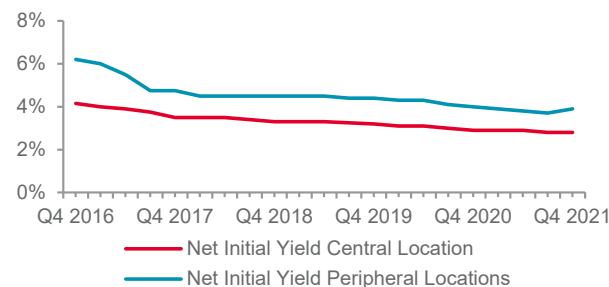
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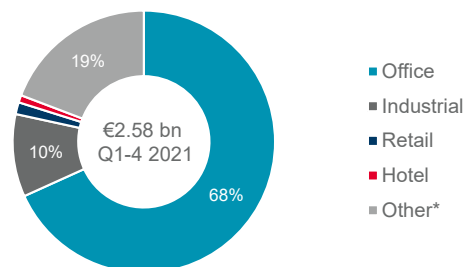
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PRIME OFFICE YIELDS



TRANSACTION VOLUME BY ASSET CLASS



*Mixed-use Property, Development Plots, Nursing Homes etc.

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