

YoY 12-Month  
Change Forecast**€1.51 bn**

Transaction Volume (cum.)

**81%**

Share of Foreign Capital

**2.90%**

Office Prime Yield, net

**87%**

Share Office Investment Volume



## ECONOMIC INDICATORS

YoY 12-Month  
Change Forecast**6.8%**Dusseldorf Unemployment  
Rate (Mar 2022)**218,300**Dusseldorf Office Employees  
(Mar 2022)**0.0%**ECB Interest rate  
(Mar 2022)**0.10%**10-Year Government  
Bond Yield (Q1 2022)

Sources: Federal Employment Agency, Moody's Analytics

## Q1 MARKED BY LARGE-VOLUME SHARE ACQUISITIONS

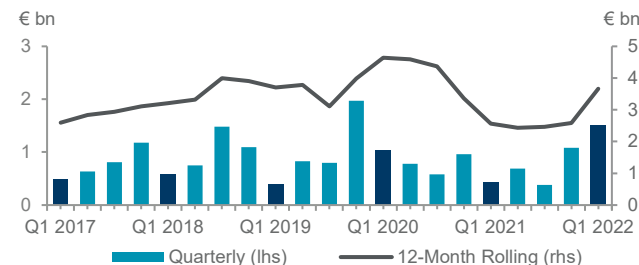
The commercial real estate investment market in Dusseldorf recorded a total transaction volume of €1.51 billion in the first quarter of 2022, more than tripling compared to the previous year (€0.43 billion). The Q1 five-year average was also significantly exceeded. This result was significantly influenced by two major share acquisitions: Canadian firm Brookfield Asset Management acquired the majority of the German alstria office REIT-AG and the Austrian Immofinanz AG sold just over half of its company shares to the Luxembourg-based CPI Property Group. The Dusseldorf office property holdings of alstria office REIT-AG alone contributed around €853 million to transaction volume.

Overall, office properties thus also accounted for around 87% of the transaction volume in the first quarter of 2022. Never before has so much (€1.32 billion) been invested in this asset class in the first three months of any year. With the two major share acquisitions, the exceptional quarterly result has laid the foundation for a strong 2022. Looking at the sales pipeline, however, Dusseldorf's office investment market still has to pick up speed, as the number of individual transactions has been moderate so far. Numerous institutional investors will now also take the current mixture of geopolitical and monetary tensions in Europe into account much more critically in their purchasing scenarios. Competition and demand for core investments in established submarkets with good potential for value appreciation and tenants with good credit ratings will nevertheless intensify further over the course of the year.

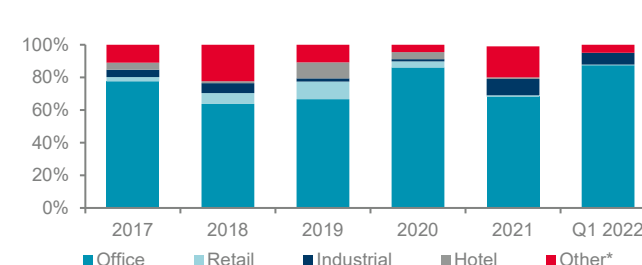
In the Dusseldorf logistics market area, which also includes the surrounding region, the transaction volume of this type of use totalled around €110 million or 7% of the total in the first quarter. Here, too, the transaction volume more than tripled compared to a year ago. The Dusseldorf market area (Dusseldorf, Ratingen, Neuss) accounted for only around €22 million.

Activity in the retail segment with a transaction volume contribution of less than one percent continues to be very restrained.

## COMMERCIAL TRANSACTION VOLUME\*



## SHARE OF TRANSACTION VOLUME BY ASSET CLASS



\*Office, Retail, Logistics/Industrial, Hotel, Other (Leisure, Health Care, Mixed Use, Development Plots)



### MAJORITY OF TRANSACTIONS IN THE CORE SEGMENT

The fact that the majority of the commercial real estate transaction volume is contributed by core and core-plus properties is mainly due to the two large corporate acquisitions. The transaction volume for core properties was €640 million (43%) in the first quarter of 2022. In the comparable period last year, this risk category contributed 23%.

Higher-risk investment in the value-add segment amounted to 12% of the commercial real estate transaction volume, of which some transactions took place in the peripheral submarkets of Ratingen and Neuss.

### SIGNIFICANT YIELD COMPRESSION NO LONGER TO BE EXPECTED

The prime yield for high-quality and modern core office properties is currently unchanged compared to the first quarter last year, at 2.90%. Rising debt financing costs are already having an impact on office yields by curbing institutional investors' willingness to pay. The prime yield for core office properties will remain static until the end of the year.

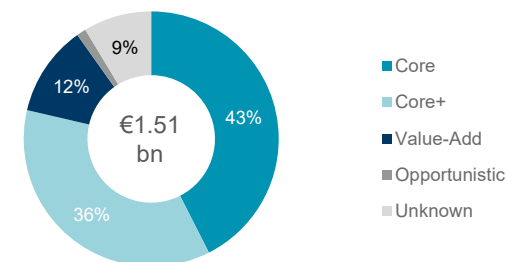
For office properties in B locations and away from the established office submarkets, purchase price reductions are being registered. Here the prime yield currently stands at 4.20%.

The prime yield for high street retail properties is 3.65% as of Q1 2022. First-class logistics properties have increased in price by a further 30 basis points to 3.00%. For both asset classes, static to only slightly falling yield trend is expected for the rest of the year.

### Outlook

- If the inflation rate remains high and the ECB's monetary policy reverses, debt financing costs are expected to continue to rise over the course of the year.
- Further yield compression comparable to recent quarters is not expected for the three main asset types (office, retail, logistics).
- Investor focus will continue to be mainly on office properties, with greater consideration given to factors such as building quality, tenant occupancy and ESG compliance.
- Taking into account the strong quarterly result and some still outstanding large-scale core office investments, a total transaction volume of €3.5 billion is possible for 2022.

### TRANSACTION VOLUME BY RISK CATEGORY Q1 2022

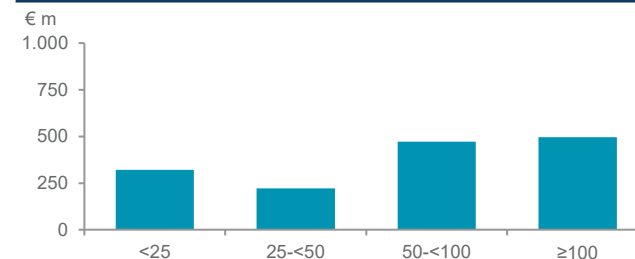


### PRIME YIELD BY ASSET CLASS\*



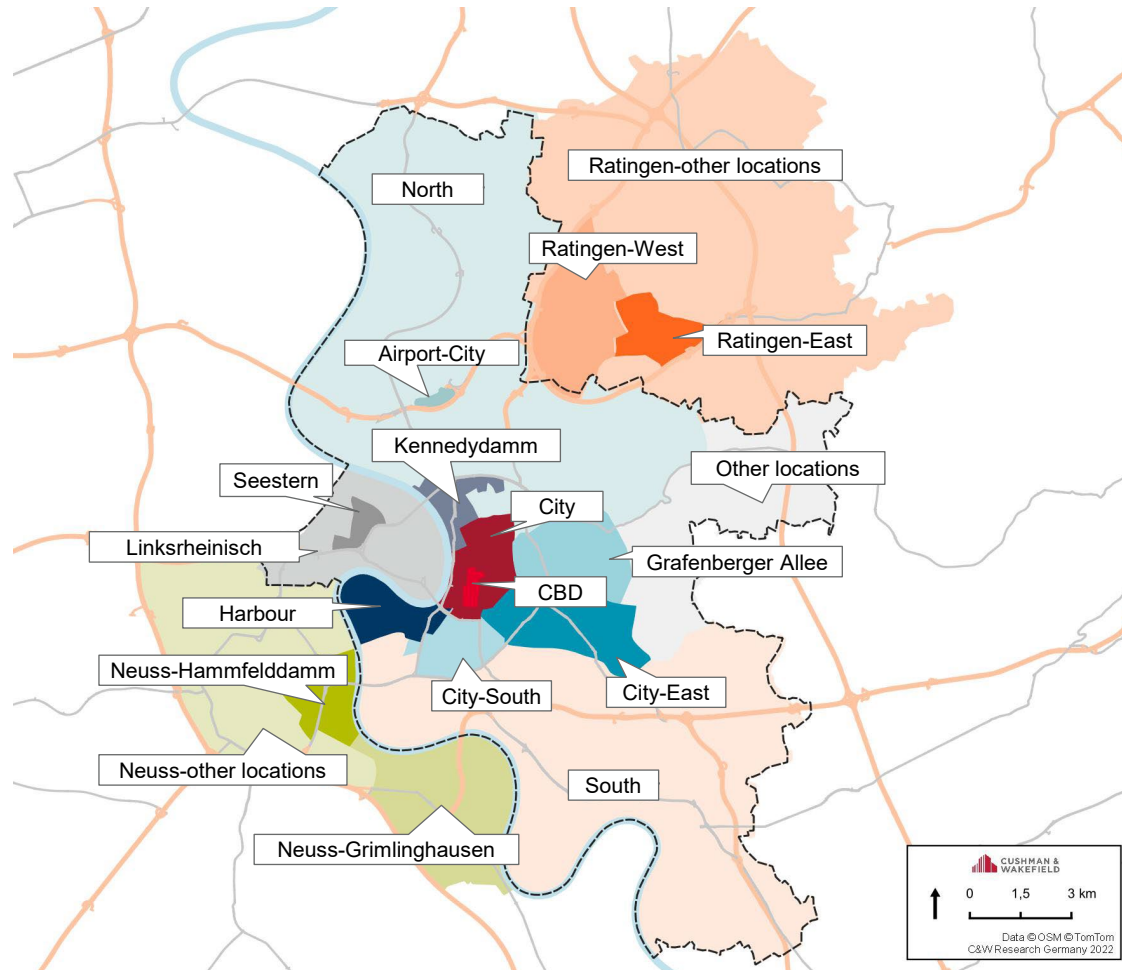
\* Net initial yield

### TRANSACTION VOLUME BY SIZE CATEGORY Q1 2022\*

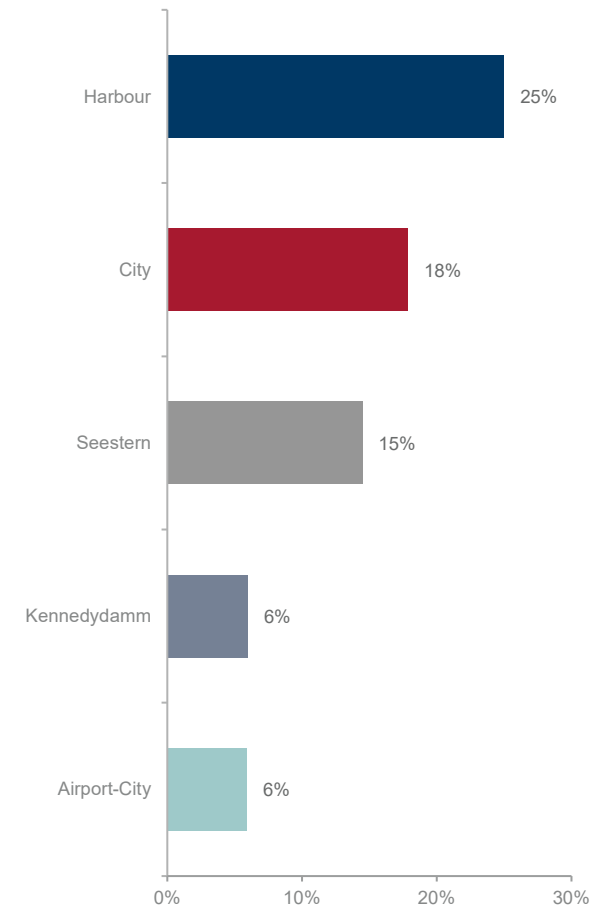


\* Each size category in euro million

## OFFICE SUBMARKETS OVERVIEW



## TOP-5 SUBMARKETS BY TRANSACTION VOLUME\*



\* Q1 2022



# MARKETBEAT DUSSELDORF

Investment Q1 2022



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## MARKET STATISTICS Q1 2022

MARKET	Transaction Volume (€ bn)	Share of Office Volume	Share of Retail Volume	Share of Industrial Volume	Share of International Capital	Office Prime Yield*	High Street Retail Prime Yield*	Logistics Prime Yield*
Dusseldorf	1.51	87%	0%	7%	81%	2.90%	3.65%	3.00%
YoY Change	+250%	+47 PP	-40 PP	0 PP	+55 PP	0 bps	-30 bps	-30 bps
<b>Top-7 Markets</b>	<b>9.74</b>	<b>77%</b>	<b>3%</b>	<b>9%</b>	<b>66%</b>	<b>2.74%</b>	<b>3.46%</b>	<b>3.01%</b>
YoY Change	+143%	+24 PP	-4 PP	-2 PP	+41 PP	-13 bps	-32 bps	-33 bps
<b>Germany</b>	<b>18.24</b>	<b>52%</b>	<b>12%</b>	<b>21%</b>	<b>49%</b>	<b>2.74%</b>	<b>3.46%</b>	<b>3.01%</b>
YoY Change	+91%	+18 PP	-1 PP	+1 PP	+21 PP	-13 bps	-32 bps	-33 bps

\*Prime yield is net initial yield, displaying achievable values. Prime yield Germany = Average of Top-7 Markets

PP = Percentage Points    bps = Basis Points

## SELECTED TRANSACTIONS 2022

Property / Transaction	Quarter	Type Of Use	Submarket	Vendor / Buyer	Price (€ million)
Takeover alstria office-REIT AG: subportfolio Dusseldorf (24 properties)	Q1	Office	Various	alstria office REIT-AG / Brookfield Asset Management	~850
Immofinanz share-deal, 4 properties	Q1	Office	Various	Immofinanz AG / CPI Property Group	~330
Toniq1, Wanheimer Straße 74-74b	Q1	Office	Airport-City	Langen Immobiliengruppe / DIC Asset	~90
Benrather Straße 12	Q1	Office	CBD	Inditex Group / Aviva Investors	~40

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