

	YoY Change	12-Month Forecast
66,100m² Take-Up (cum.)	▲	▲
7.8% Vacancy Rate	▲	▬
379,900m² Under Construction	▲	▼
€28.50 Prime Rent, €/m ² /month	▬	▲

ECONOMIC OVERVIEW

The labour market in Dusseldorf has improved steadily since the beginning of the year. The unemployment rate stands at around 6.8% as of March 2022, falling from 8.3% a year ago. Compared to the equivalent point last year, the number of unemployed people has fallen by around 17%. With a view to the imminent lifting of numerous Covid-related restrictions, the retail sector in particular is once again more optimistic about the future. Meanwhile, the war in Ukraine increasingly dampening business prospects in the manufacturing sector. Disruptions in supply chains are causing a shortage of important raw materials and intermediate products, and manufacturing and energy costs have risen sharply in recent months. Individual companies may adopt a more wait-and-see approach to recruitment for the time being.

TAKE-UP

The Dusseldorf office letting market achieved a take-up volume of 66,100m² in the first quarter of 2022. Compared to the low figure of a year earlier, this represents an increase of around 36%. Although large lettings remain rare, letting momentum is again very high with almost 120 leases concluded. The largest deal was the lease by the Bundesanstalt für Immobilienaufgaben (Bima) for around 7,900m² in the Federal Information Technology Centre at Theodorstrasse 109 in the North submarket. Above all, companies with a high space requirement are very carefully examining their medium-term workplace strategies and remote working policies. With a view to the existing supply reserve and office projects under construction, there are currently sufficient options for action. In particular, the prospective supply of new developments meets the requirements for flexible space design, innovative office concepts as well as sustainability aspects. Taking into account the lifting of Covid-related restrictions as well as some active large-scale space searches, an office take up volume of up to 320,000m² is realistic by the end of the year.

LABOUR MARKET

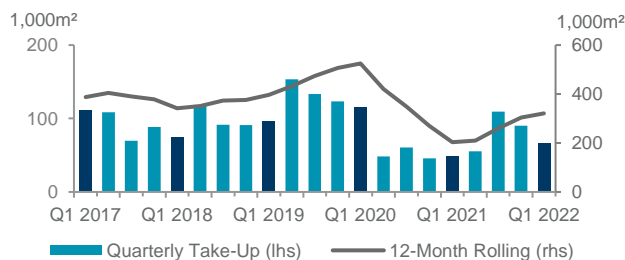
	YoY Change
102.1 Ifo Employment Barometer Germany (Mar 2022)	▲
218,300 Dusseldorf Office Employees (Mar 2022)	▲
6.8% Dusseldorf Unemployment Rate (Mar 2022)	▼

Sources: ifo-Institut, Moodys Analytics, Federal Employment Agency

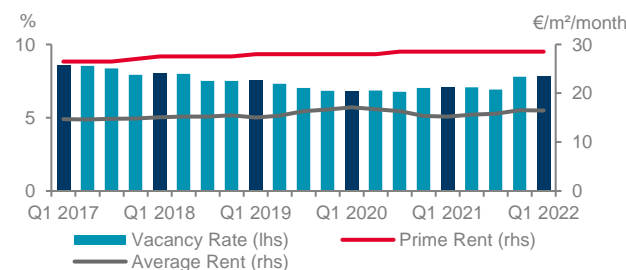
VACANCY

The office vacancy rate as of the first quarter of 2022 is 7.8%. Compared to the equivalent point last year, the amount of office space available for rent has increased by around 12% to 724,500m². At the same time, the rate of vacancy increase noted in recent quarters has slowed significantly. At the end of 2021, Dusseldorf's office vacancy rate was only slightly lower at 718,200m².

TAKE-UP



VACANCY & RENT



COMPLETIONS

In the first quarter, office completions totalled around 42,000m², which is almost 36% less than a year ago. Currently, around 95,900m² of office space is under construction, with around 138,000m² planned for completion in 2022. Approximately 33% of the space under construction with completion in 2022 is currently still available.

RENTS

The achievable prime office rent at the end of the first quarter is €28.50/m²/month and is achieved in the Central Business District (CBD) submarket. However, a slight increase is expected by the end of the year. The price increase will primarily affect new construction projects due to the increased cost of materials and plots.

The weighted average rent for the past 12 months is currently €16.45/m²/month. Compared a year ago, this corresponds to an increase of around 8%, which is due in particular to the numerous leases concluded in the medium-sized space segment between 1,000 and 2,999m². Among these lettings are some high-priced and high-quality spaces. Overall, the willingness to pay for quality has also increased in small-scale lettings.

SELECTED PROPERTY DEVELOPMENT PROJECTS

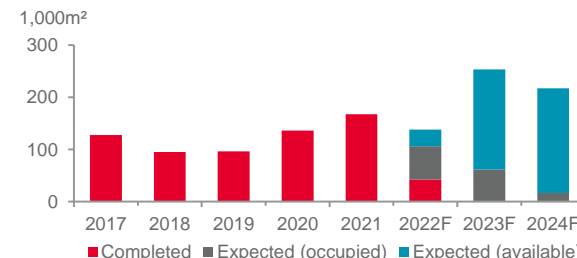
Property/Project	Submarket	Status	Year of Completion	Office Space m ²	Owner
Heinrich-Campus	Kennedydamm	Completed	2022	36,500	BASF, E.ON, Generali
Eclipse	Kennedydamm	Under Construction	2022	26,000	die developer
Trigon	Linksrheinisch	Under Construction	2022	10,300	Bema Development

MARKET STATISTICS

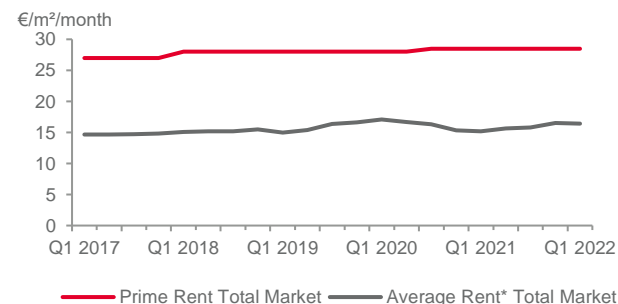
Selected Submarkets	Take-Up Q1 2022 (m ²)	Completions Q1 2022 (m ²)	Space under Construction Q1 2022 (m ²)	Prime Rent Q1 2022 (€/m ² /month)	Average Rent* Q1 2022 (€/m ² /month)
North	15,200	0	109,200	16.50	14.70
Harbour	9,500	0	40,900	26.00	19.40
City	8,700	5,500	33,900	26.50	17.20
Linksrheinisch	5,900	0	10,300	22.00	13.90
Total Market Dusseldorf	66,100	42,000	379,900	28.50	16.45

* Weighted Average Rent (12 months)

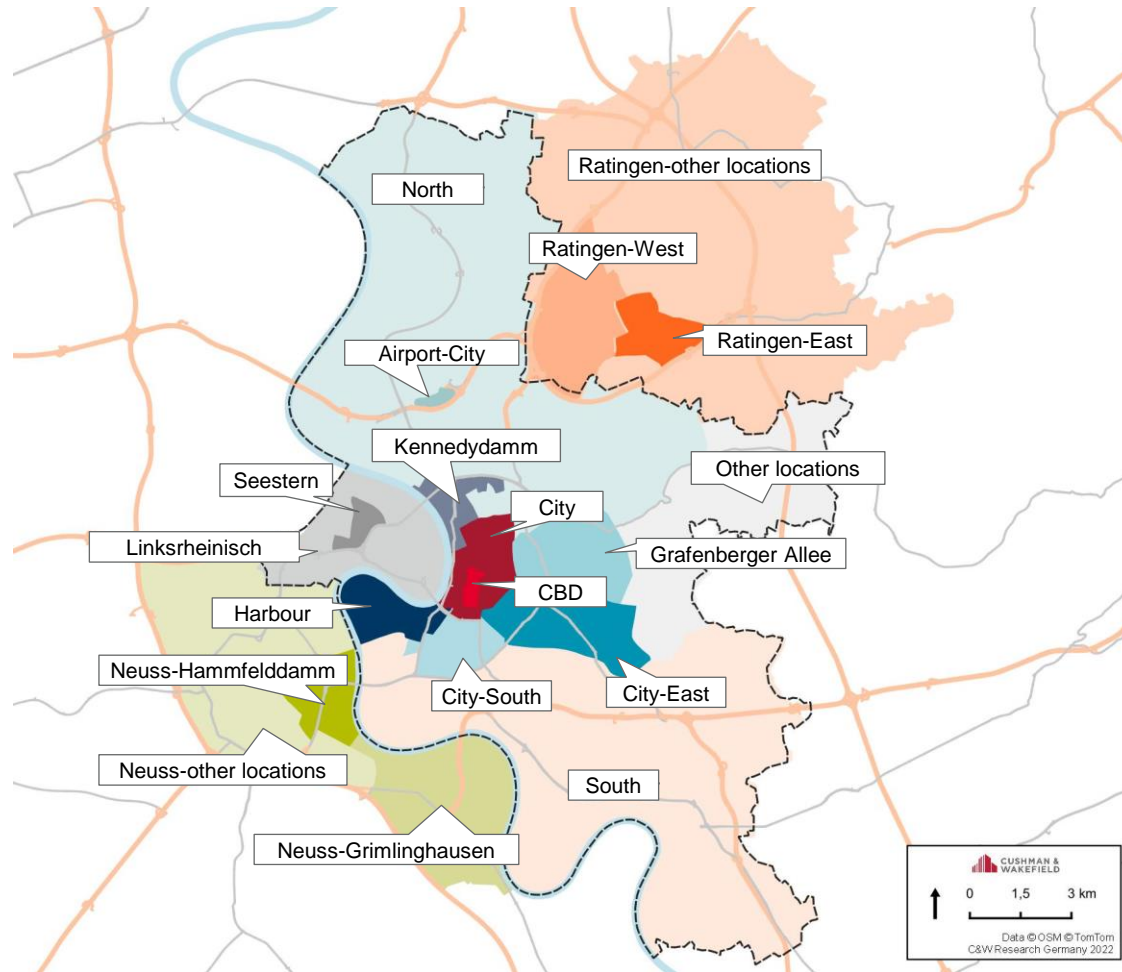
COMPLETIONS



RENTS



SUBMARKET OVERVIEW



RENTAL PRICE RANGES Q1 2022

Submarket	€/m ² /month
CBD	17.00 - 28.50
City	12.00 - 26.50
City-East	9.50 - 15.00
City-South	12.50 - 24.00
Kennedydamm	16.00 - 26.50
Grafenberger Allee	11.50 - 20.00
Harbour	14.00 - 26.00
Airport-City	14.50 - 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 - 11.00
Neuss-Grimlinghausen	5.00 - 9.50
Neuss-other locations	4.50 - 11.50

OFFICE INVESTMENT MARKET

The commercial real estate investment market in Dusseldorf achieved a transaction volume of €1.51 billion in the first quarter of 2022. Compared to the equivalent period last year (€0.43 billion), the transaction volume has more than tripled. The positive result was significantly influenced by two major share acquisitions: the Canadian Brookfield Asset Management acquired around 91.6% of the German alstria office REIT-AG and the Austrian Immofinanz AG sold around 53.3% of its company shares to the CPI Property Group from Luxembourg. alstria AGs office real estate holdings in Dusseldorf alone contributed approximately €853 million of the transaction volume. Overall office properties account for around 87% of the total transaction volume. The current mix of geopolitical tensions and a possible reversal of interest rate policy will be critically considered by investors over the course of the year. The prime office yield remained unchanged year-on-year at 2.90%. Compared to the previous quarter (Q4 2021), however, the ongoing yield compression has halted for the time being.

KEY FIGURES

€1.32 bn

Office Transaction Volume (cum.)

YoY Change
12-Month Forecast



87%

Share Office Investment of Total

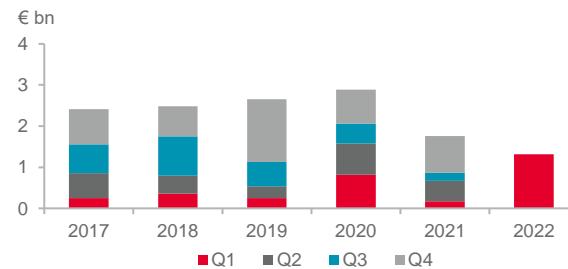


2.90%

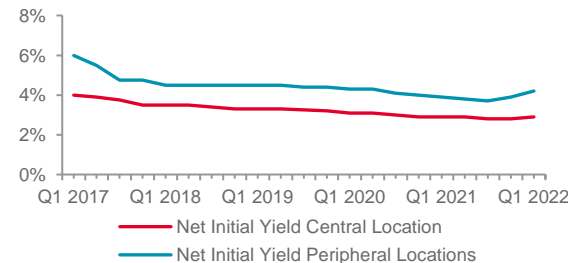
Net Initial Yield Office



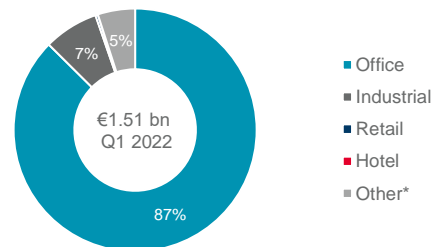
OFFICE TRANSACTION VOLUME



PRIME OFFICE YIELDS



TRANSACTION VOLUME BY ASSET CLASS



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

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