

YoY Change 12-Month Forecast

205,200m²
Take-Up (cum.)



7.9%
Vacancy Rate



313,800m²
Under Construction



€30.00
Prime Rent, €/m²/month



ECONOMIC OVERVIEW

The currently prevailing economic environment of high inflation and expensive energy and raw material prices is causing great uncertainty, especially among companies in industry and manufacturing. Companies' investment plans are also much more restrictive due to the rise in interest rates. Despite all this, the labor market in Düsseldorf has developed positively over the past 12 months. At the end of September 2022, 23,489 people are registered as unemployed. The unemployment rate thus stands at around 6.8%. At the same time last year, the total number of unemployed was 26,332, with a rate of 7.6%.

TAKE-UP

The Düsseldorf office letting market achieved a take-up of 205,200m² in the first three quarters of 2022. Compared to the previous year's equivalent figure, this is a decline of just under 4%. Take-up momentum slowed again in the 3rd quarter. The main reason for the declining take-up is the lack of large deals, with the result that lettings of less than 1,000m² are the main driver. With around 4,400m² of office space, the letting of Air Liquide in "The Oval" in the Kennedydamm submarket was the largest deal of the third quarter. Due to the current mixture of high inflation and great uncertainty regarding economic development, major users are acting very cautiously in their leasing decisions. A circumstance that can be observed above all in speculative office projects, which are being driven forward with increasingly low pre-letting rates. Some large users are adapting their office space to the reduced space requirements and opting for sub-letting.

For the final quarter, it remains to be seen whether the few major lettings under negotiation will be concluded this year. Office take-up of up to 300,000m² is therefore forecast for 2022 as a whole.

VACANCY

The office vacancy rate at the end of Q3 is just under 7.9%. Compared to the same point last year, the office space to let for immediate occupancy has increased by around 15%, to 731,400m². Prospectively, a rising vacancy rate is also to be expected.

LABOUR MARKET

YoY Change

99.5

ifo Employment Barometer Germany (Sep 2022)



222,500

Düsseldorf Office Employees (Sep 2022)



6.8%

Düsseldorf Unemployment Rate (Sep 2022)

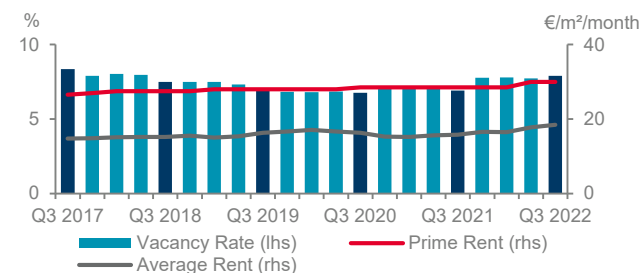


Sources: ifo-Institut, Moodys Analytics, Federal Employment Agency

TAKE-UP



VACANCY & RENT



COMPLETIONS

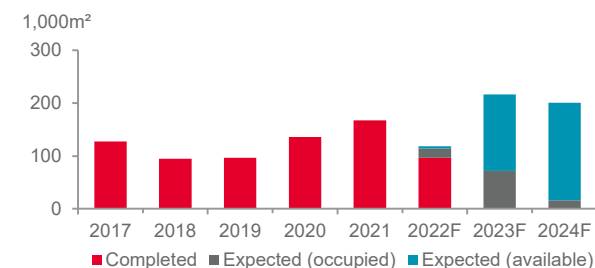
The office completion volume in the first three quarters of 2022 totals 96,900m² and is thus on a par with the comparable period last year. If construction progresses according to plan, a further 21,800m² of office space will be ready for occupation in the fourth quarter. Overall, the office completion pipeline in Düsseldorf up to 2025 (current space under construction) amounts to around 313,800m², of which just under 38% is let. Compared to last year (70%), the pre-letting rate has thus fallen significantly.

RENTS

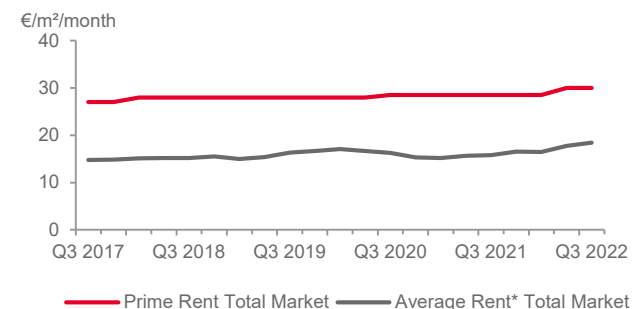
The achievable prime office rent in Düsseldorf has remained stable at €30.00/m²/month since Q2 2022 and is mainly achieved in the Central Business District (CBD) submarket. Leases at a similarly high rent level can be observed in very good locations and ultra-modern space in the City office submarket.

The weighted average rent has continued to rise over the past twelve months, currently reaching a new high of €18.40/m²/month. Compared to the same juncture last year, this represents an increase of around 16%. Since the outbreak of the Covid-19 pandemic, rental prices have primarily been driven up by high quality standards and the demand for new and ultra-modern office space.

COMPLETIONS



RENTS



SELECTED PROPERTY DEVELOPMENT PROJECTS

Property/Project	Submarket	Status	Year of Completion	Office Space m ²	Owner
Toniq2	North	Under Construction	2023	26,000	AOK Rheinland
Eclipse	Kennedydamm	Completed	2022	26,000	Union Investment
Trigon	Linksrheinisch	Completed	2022	10,300	BEMA Development

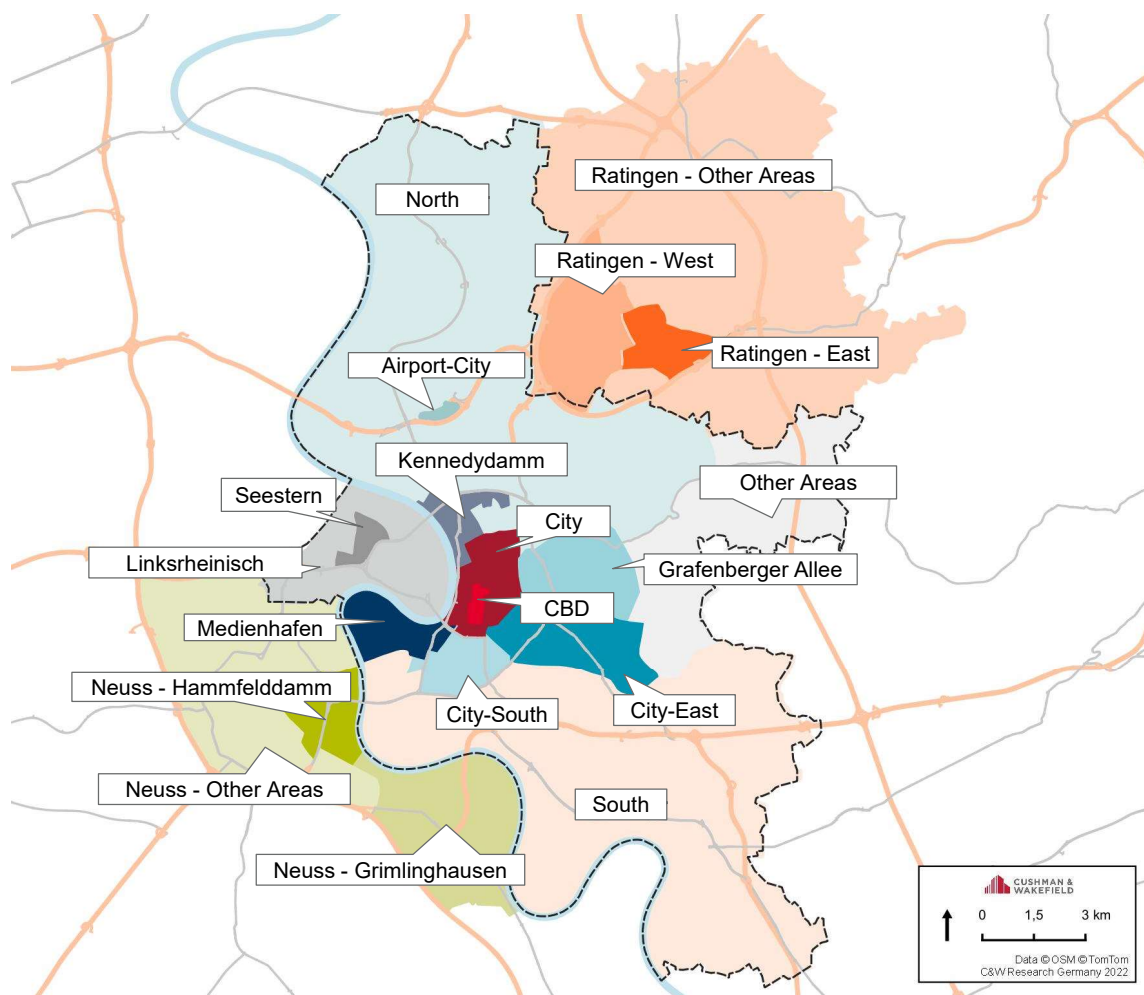
MARKET STATISTICS

Selected Submarkets	Take-Up Q1-3 2022 (m ²)	Completions Q1-3 2022 (m ²)	Space under Construction Q3 2022 (m ²)	Prime Rent Q3 2022 (€/m ² /month)	Average Rent* Q3 2022 (€/m ² /month)
North	45,000	0	73,500	16.50	14.60
Medienhafen	42,300	0	40,900	26.00	22.50
City	22,400	6,200	39,900	28.00	18.10
Kennedydamm	18,200	62,500	69,800	26.50	22.00
Total Market Dusseldorf	205,200	96,900	318,800	30.00	18.40

* Weighted Average Rent (12 months)

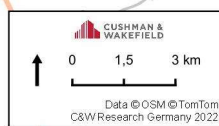


SUBMARKET OVERVIEW



RENTAL PRICE RANGES Q3 2022

Submarket	€/m ² /month
CBD	17.00 - 30.00
City	12.00 - 28.00
City-East	9.50 - 15.00
City-South	12.50 - 24.00
Kennedydamm	16.00 - 26.50
Grafenberger Allee	11.50 - 20.00
Medienhafen	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 Areas	4.50 - 11.50



OFFICE INVESTMENT MARKET

The commercial investment market in Düsseldorf achieved a transaction volume of around €2.83 billion in the first three quarters of 2022. Compared to the equivalent period last year, transaction volume has more than doubled (+126%). Office properties continue to be the clearly preferred type of use for investors. The transaction volume for this asset class totaled €1.89 billion. The high cost of borrowing and the higher equity backing required by banks continue to hamper the pricing processes between buyers and sellers. For the total transaction volume in 2022, the €3.5 billion mark, which means a solid annual result taking into account the more difficult mixed situation.

The prime yield for high-quality and modern core office properties has increased by 10 basis points compared to Q2 to currently 3.25%.

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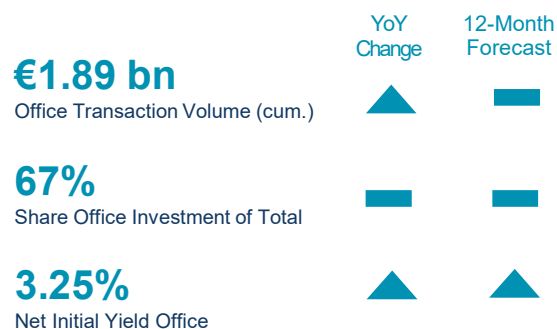
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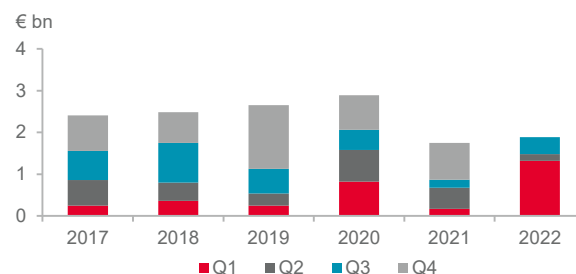
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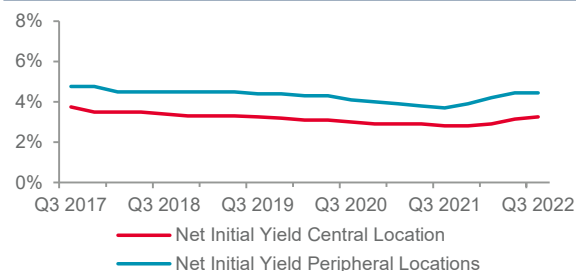
KEY FIGURES



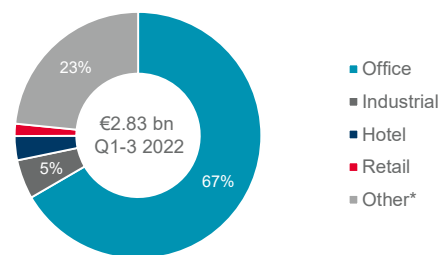
OFFICE TRANSACTION VOLUME



PRIME OFFICE YIELDS



TRANSACTION VOLUME BY ASSET CLASS



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

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