

YoY
Change 12-Month
Forecast**284,100m²**

Take-Up (cum.)

**8.1%**

Vacancy Rate

**376,500m²**

Under Construction

**€35.00**Prime Rent, €/m²/month

LABOUR MARKET

YoY
Change**99.5**ifo Employment Barometer
Germany (Dec 2022)**224,200**Düsseldorf Office Employees
(Dec 2022)**6.5%**Düsseldorf Unemployment Rate
(Dec 2022)Sources: ifo-Institut, Moodys Analytics, Federal
Employment Agency

ECONOMIC OVERVIEW

The combination of high inflation and expensive energy and raw material prices continues to be the biggest risk factor for regional companies in industry and manufacturing. The fact that order books are still well filled is having a positive effect on the outlook for business. In the retail and hospitality sectors, however, high inflation continues to severely curb consumer spending. Despite the generally subdued mood, the labor market in Düsseldorf is stable. At the end of December 2022, a total of 22,762 people were registered as unemployed, corresponding to a rate of 6.5%. At the same period last year, the rate was 6.9%, with a total of 23,911 unemployed people.

TAKE-UP

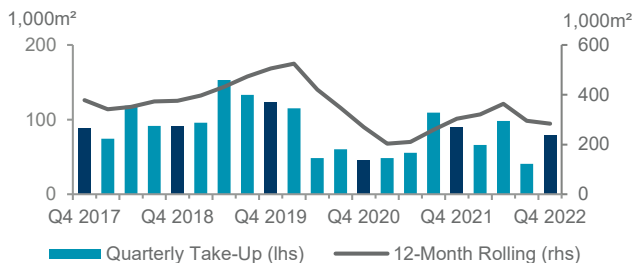
The Düsseldorf office letting market achieved a take-up volume of 284,100m² in 2022 as a whole. Compared to the equivalent period last year, this is a decline of 6%. While there were no larger office lettings above 5,000m² in the third quarter, some major office lease contracts were signed in Q4. Thus, in Q4 2022 a total of 78,900m² of office space was let or occupied by owner-occupiers. Among the major deals concluded in the fourth quarter, the "DoubleU" office building with 12,900m² of space in the Kennedydamm submarket, which is being used by the public sector as owner, is particularly noteworthy.

At around 29% and 55,700m², office lettings from consulting companies account for the largest share of total take-up volume. Compared with the previous year, their take-up volume has almost doubled (+ 93%). This also includes a number of high-priced lettings in project developments. Overall, the Düsseldorf office letting market is showing an increased willingness to pay a correspondingly higher rent for high-quality in modern space.

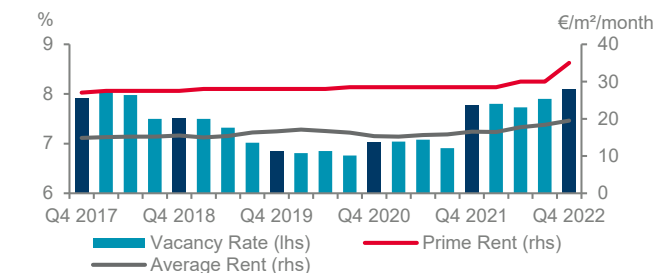
VACANCY

The office vacancy rate at the end of Q4 was 8.1%. Compared with the end of 2021, the total office space available for rent has increased by around 5% to 753,200m². The main reason for this is an increase in the supply of subletting spaces. Numerous major corporates are now making their space available to the market due to their reduced requirements. At the end of the previous year, the vacancy rate was 7.8%.

TAKE-UP



VACANCY & RENT





COMPLETIONS

The office completion volume for 2022 amounts to 113,600m². Compared to the equivalent period last year, around 54,000m² less office space was completed.

In Düsseldorf a total of around 376,500m² of office space are currently under construction. With 148,400m² the majority is expected to be completed in 2023. Never before a higher construction volume has been registered at the end of a year. Around 32% of the projects, that are currently under construction, have already been let or assigned to owner-occupiers.

RENTS

The achievable prime office rent in Düsseldorf rose to a new record level of €35.00/m²/month at the end of the year. Compared with the equivalent period last year, this represents a strong increase of €5.00/m²/month. The current prime rent continues to be achieved in the Central Business District (CBD) submarket.

The realized prime office rent is currently €33.30/m²/month, an increase of 13% (+ €3.80/m²/month) compared to the equivalent period last year. The weighted average rent is currently €19.50/m²/month and increased by 18% in the past 12 month. Here, the recently concluded large and high-priced office lettings have significant impact on the development of current average rent level.

SELECTED PROPERTY DEVELOPMENT PROJECTS

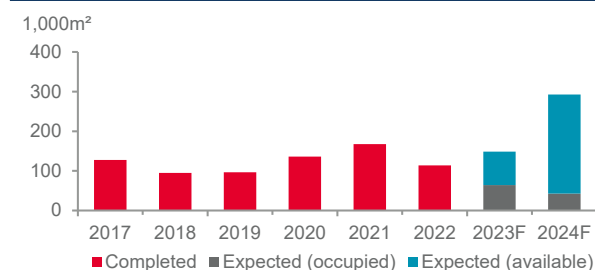
Property/Project	Submarket	Status	Year of Completion	Office Space m ²	Owner
Toniq2	North	Under Construction	2023	26,000	AOK Rheinland
Eclipse	Kennedydamm	Completed	2022	26,000	Union Investment
Trigon	Linksrheinisch	Completed	2022	10,300	BEMA Development

MARKET STATISTICS

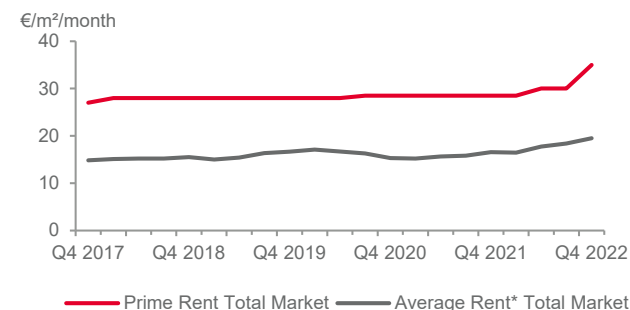
Selected Submarkets	Take-Up Q1-4 2022 (m ²)	Completions Q1-4 2022 (m ²)	Space under Construction Q4 2022 (m ²)	Prime Rent Q4 2022 (€/m ² /month)	Average Rent* Q4 2022 (€/m ² /month)
Medienhafen	52,300	0	40,900	28.00	23.20
Nord	46,100	2,700	79,800	16.50	14.70
Kennedydamm	39,200	62,500	82,700	26.50	21.40
CBD	37,000	0	39,800	35.00	28.20
Total Market Düsseldorf	284,100	113,600	376,500	35.00	19.50

* Weighted Average Rent (12 months)

COMPLETIONS

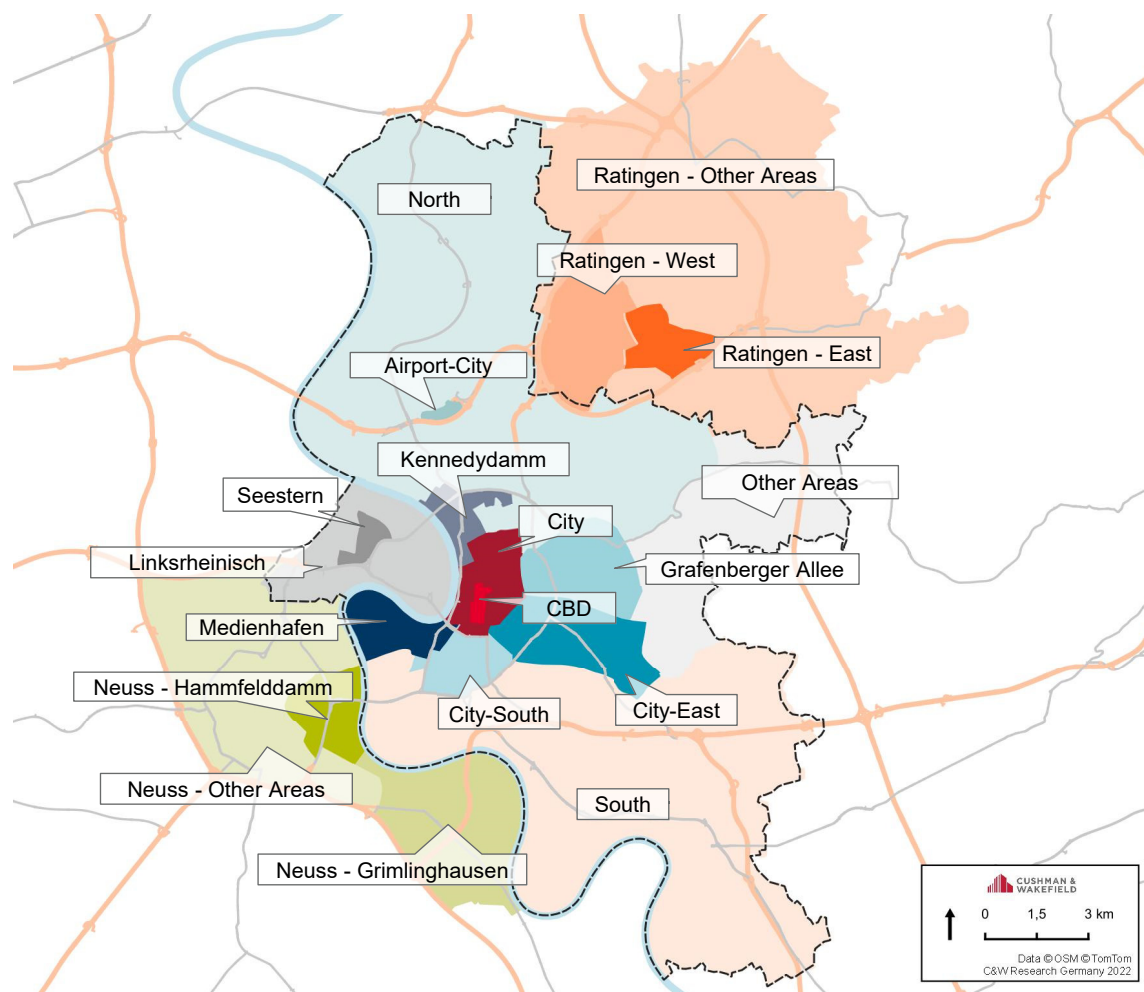


RENTS





SUBMARKET OVERVIEW



RENTAL PRICE RANGES Q4 2022

Submarket	€/m ² /Month
CBD	17.00 - 35.00
City	12.00 - 32.00
Medienhafen	14.00 - 28.00
Kennedydamm	16.00 - 26.50
City-South	12.50 - 24.00
Linksrheinisch	7.50 - 22.00
Grafenberger Allee	11.50 - 20.00
Airport-City	14.50 - 18.00
City-East	9.50 - 17.50
Seestern	9.50 - 16.50
North	8.00 - 16.50
Ratingen - East	9.50 - 16.00
South	8.00 - 13.50
Neuss - Hammfelddamm	7.00 - 11.50
Neuss - Grimlinghausen	5.00 - 10.00
Neuss - Other Areas	4.50 - 9.50
Ratingen - West	6.50 - 9.50



OFFICE INVESTMENT MARKET

The commercial investment market in Dusseldorf achieved a transaction volume of around €3.26 billion in 2022. Compared to the equivalent period last year, the result corresponds to a strong increase of 41%. Office properties continue to be the clearly preferred type of use for investors, accounting for 65% (€2.11 billion) of total investment volume. However, investment activity with large core and core+ office properties weakened in the course of the year. High financing interest rates and the stagnating pricing processes between buyers and sellers were the main factors for the restrained activity.

Due to weakened demand, prime yield for high-quality and modern core office properties also continued to rise for the fourth consecutive quarter to currently 3.50% in Q4. Compared to the equivalent period last year, this represents an increase of 70 basis points.

KEY FIGURES

€2.11 bn

Office Transaction Volume (cum.)

YoY Change
12-Month Forecast



65%

Share Office Investment of Total

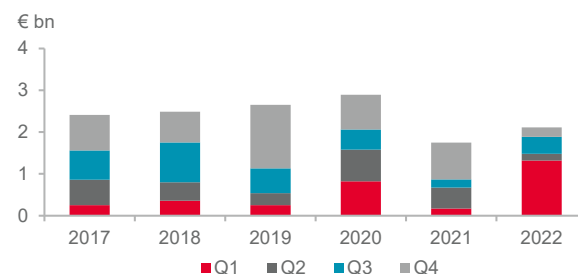


3.50%

Net Initial Yield Office



OFFICE TRANSACTION VOLUME



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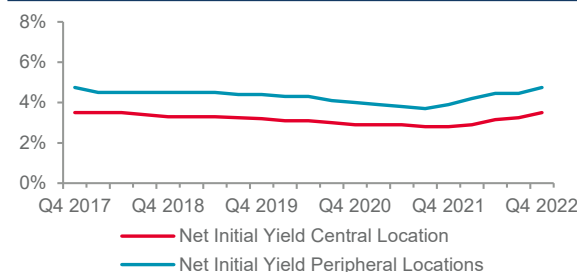
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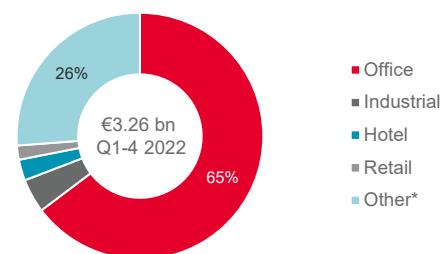
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PRIME OFFICE YIELDS



TRANSACTION VOLUME BY ASSET CLASS



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

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