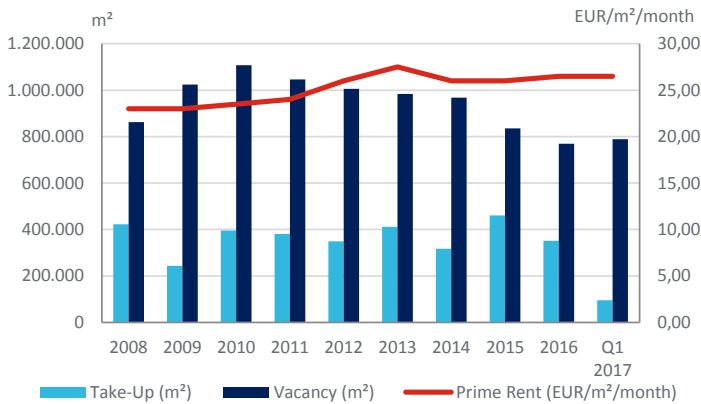




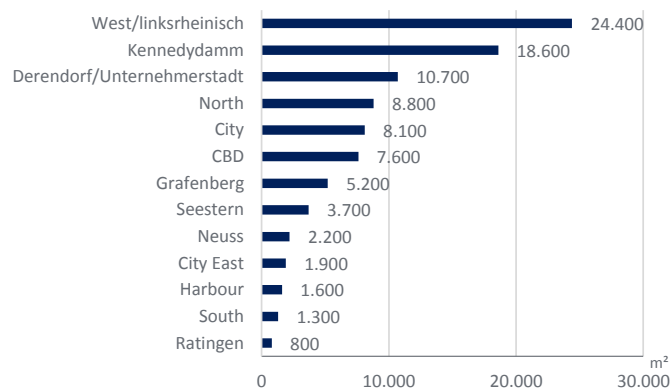
# OFFICE MARKET DUSSELDORF Q1 2017



## Overview

With an office letting volume of about 95,000 sq.m the quarterly result almost achieved the previous year’s level (97,000 sq.m). Accordingly, the Düsseldorf office market had a very good start into the new year. Due to the fact that several companies moved into recently completed buildings, office vacancy rose noticeably in older assets. In many cases these premises have not been re-let yet so that office vacancy increased slightly in the Düsseldorf office market. Currently the vacancy rate is 8.5%. The prime rent is still at EUR 26.50 per square meter and month and is recorded in the CBD.

## Take-Up by Submarket



## KEY MARKET FIGURES

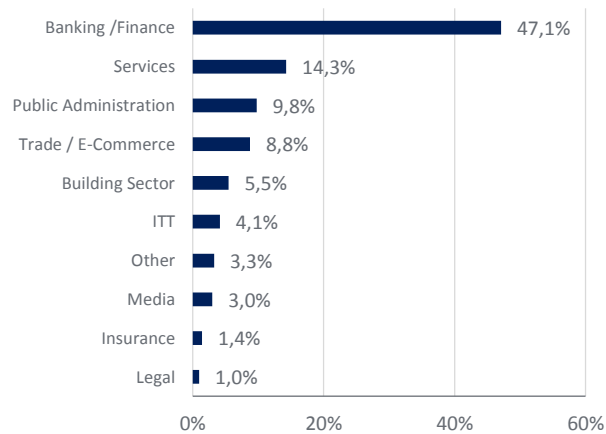
Market Area Dusseldorf*	
Take-Up	95,000 sq.m
Vacancy	789,000 sq.m
Vacancy Rate	8.5%
Completions	25,100 sq.m
Under construction	167,000 sq.m
Prime Rent	26.50 EUR/sq.m/month
Prime Yield (net initial)	3.90%

## DUSSELDORF

Inhabitants (12-2016)	635,704
Unemployment Rate (03-2017)	7.4% (German Average 6.0%)
Trade Tax Rate	440%

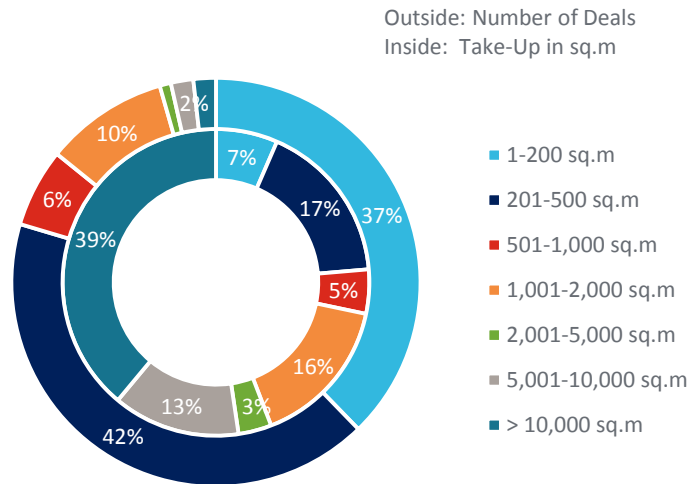
### Take-Up by Industry

With a market share of 47% banks and financial service providers contributed strongly to total take-up in Q1. The major deals closed by HSBC (approx. 22,000 sq.m), Bankhaus Lampe (approx. 15,000 sq.m) and Sparkasse (about 5,500 sq.m) were drivers in this segment. High leasing activity was once more recorded for the services and public administration sector. The performance of the latter was backed by the 7,200 sq.m deal closed by IT NRW. Dusseldorf's important trade / e-commerce sector contributed 9% to total take-up in Q1.



### Take-Up by Size and by Number of Deals

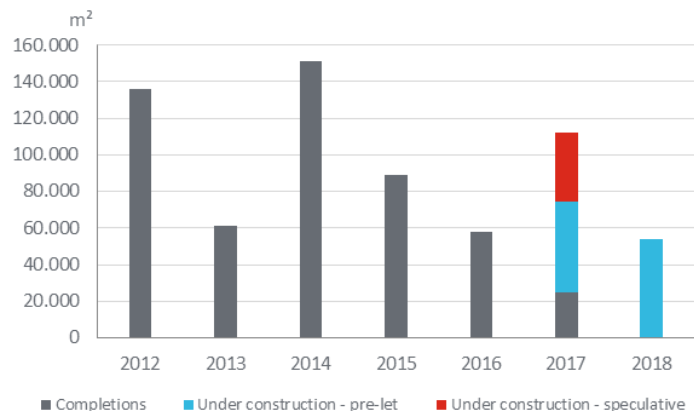
Two deals over 10,000 sq.m represent a market share of 39% which was crucial for the Q1 result. An additional 13% of take-up was generated by 2 deals in the 5,001 – 10,000 square meters segment. Letting activity was vivid in the segment between 1,001 and 2,000 sq.m with 11 deals respectively a market share of 16%. Overall, the Dusseldorf office market proves diversified with a strong base in the segment below 1,000 square meters in which 24% of the take-up was recorded.

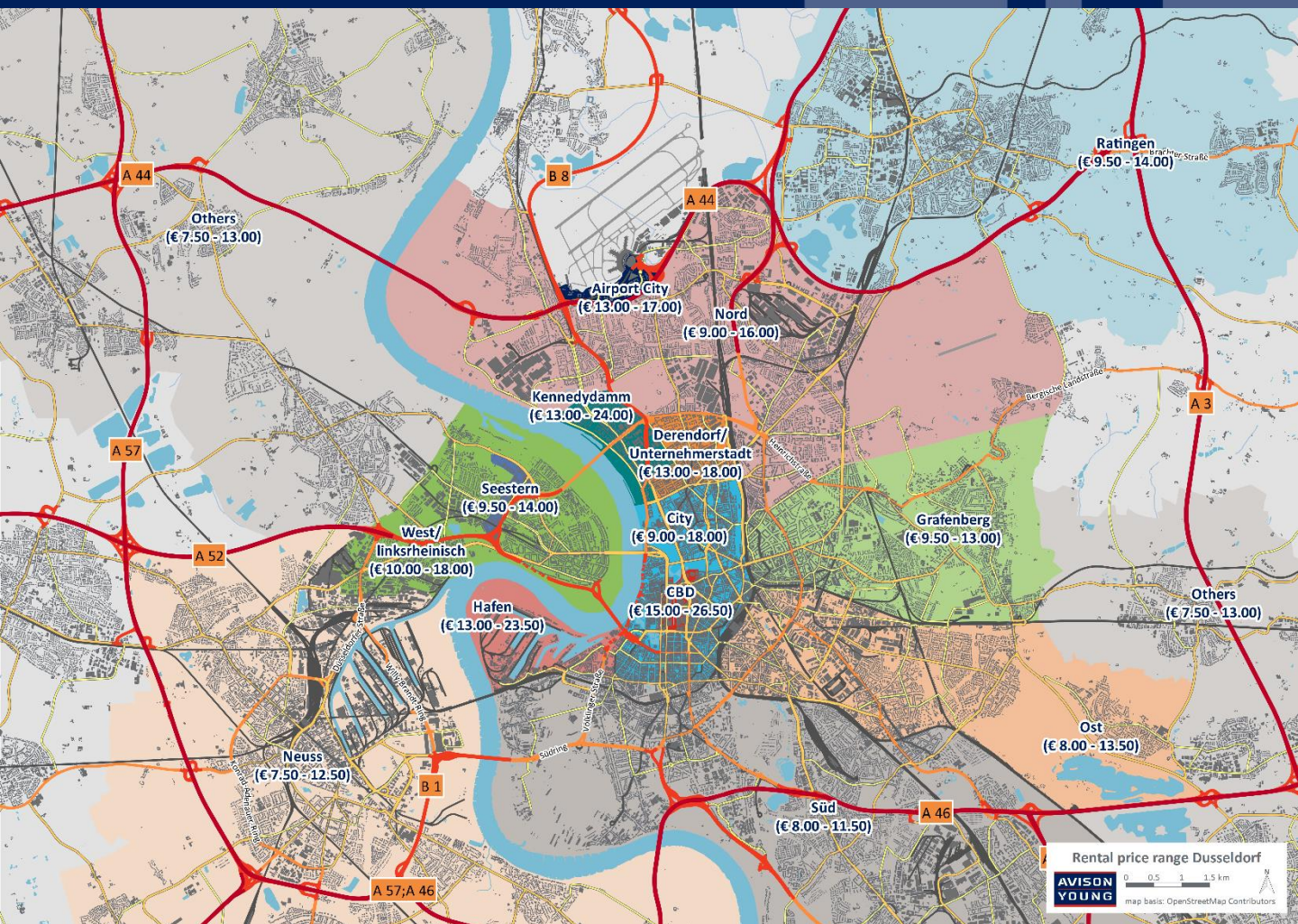


Market shares < 2 % are not shown

### Completion Volume

Within the first quarter 25,100 sq.m office space was completed. 100% hereof was already pre-let. In the course of the year 2017, additional 87,200 sq.m new office space is expected in the market. Thereof some 56% is currently pre-let. At the end of March 54,000 sq.m office space was under construction with a predicted completion date in the year 2018 – they are 100% pre-let.





## Outlook

- Sentiment among Düsseldorf's market players is still very good at the end of March.
- Several large scale deals are in the pipeline and chances are high that they will be successfully closed in the first half of 2017. Moreover, the marketing processes for a number of office projects will be kicked off soon providing attractive office space for new lettings.
- Office vacancy might increase moderately in the course of the year 2017. However, a noticeable rise is not expected for Düsseldorf's sought-after CBD before 2019.
- Rent levels are tending upwards across all submarkets. The prime rent is predicted to hold firm at EUR 26.50 per square meter and month.
- The overall office take-up in 2017 is expected to reach at least the previous year's level.

Sources: Thomas Daily, Bundesagentur für Arbeit, Destatis, Stadt Düsseldorf, IHK Düsseldorf, Avison Young

Picture credit: Office Building One at Derendorfer Allee 1: Information und Technik NRW (IT NRW) is the single tenant of One.

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