

YoY Change 12-Month Forecast

112,800m²

Take-Up (cum.)



10.1%

Vacancy Rate



436,400m²

Under Construction



€42.00

Prime Rent, €/m²/month



LABOUR MARKET

YoY Change

95.9

ifo Employment Barometer Germany (Jun 2024)



224,900

Düsseldorf Office Employees (Jun 2024)



7.7%

Düsseldorf Unemployment Rate (Jun 2024)



Sources: ifo-Institut, Moody's Analytics, Federal Employment Agency

ECONOMIC OVERVIEW

The business situation in the regional economy deteriorated slightly again in early summer, and for the first time since the 2020/21 winter lockdown, more companies are reporting a poor business situation than a good one. This is the result of the early summer business survey conducted by the Düsseldorf/Lower Rhine Chamber of Industry and Commerce in April 2024. At 63% of the companies surveyed, the majority do not expect any fundamental change in their future business expectations, while only around 15% expect an improvement over a quarter of companies have postponed planned investments, mainly due to unreliable economic policy, bureaucratic burdens and high energy costs.

TAKE-UP

In the 1st half of 2024 the office market in Düsseldorf achieved a take-up volume of 112,800m². This corresponds to a 21% increase in take-up compared to the same period of the previous year. Letting activity continued to be dominated by small to medium-sized lettings and was significantly brisker overall than in the 1st half of 2023. With just under 200 contracts registered, around 30 more contracts were signed than in the previous year. However, there is still a lack of major contracts that would ensure higher take-up results. Major tenants are once again focusing more intensively on letting issues and potential lease agreements will thus be reflected in take-up or prolongations over the next 12 months. In the 1st half of the year, there were only two major deals above 5,000 m²: The letting of around 6,000m² by the international law firm Noerr LLP in the "Le Coeur" development project currently under construction at Königsallee 37 in the CBD submarket and the signing of 6,900m² by Bau- und Liegenschaftsbetrieb NRW in the "Infinity Office" at Schwannstrasse 10 in the Kennedydamm submarket.

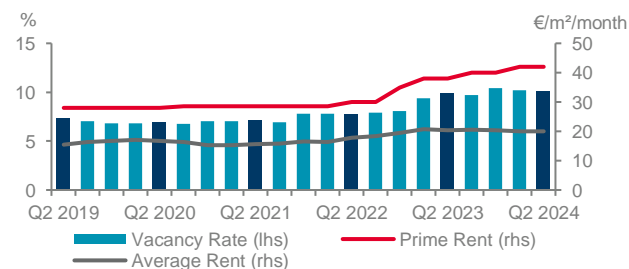
VACANCY

At the end of the 2nd quarter of 2024, the vacancy rate for office space was around 940,000m², which corresponds to a vacancy rate of 10.1%. Compared to the previous year, the absolute vacancy rate has increased by around 2%. However, the vacancy rate has fallen slightly since the previous high of 971,000m² in the 4th quarter of 2023, mainly due to the declining supply of subletting space, which currently stands at 126,000m². The vacancy rate is expected to move sideways over the remainder of the year. The reasons for this are the lower demand for office space due to desk sharing, a high completion pipeline and the more difficult marketing of older existing buildings, particularly outside of city center locations.

TAKE-UP



VACANCY & RENT



COMPLETIONS

A total of 43,000m² of office space was completed in the 1st half of 2024. One of the most significant completions was the "Toniq2" office project for AOK Rheinland in the North submarket in the second quarter. The property, which is used for the company's own purposes, comprises a total of around 26,000m² of office space. The construction volume of office space under construction amounted to around 436,000m² at the end of June 2024, which corresponds to an increase of 41,000m² compared to the same point last year. Around 62% of this space is currently still available. Particularly in the highly sought-after submarkets of CBD and City, only around 90,000m² of the office space under construction is located.

RENTS

The sustainably achievable prime office rent in Düsseldorf was €42.00/m²/month at the end of the 2nd quarter of 2024. Compared to the 2nd quarter of the previous year, this corresponds to an increase of €4.00 (11%). This is mainly due to a number of high-priced contracts concluded in the development projects currently under construction in the CBD. However, the prime rent remained unchanged compared to the 1st quarter of 2024. Demand for high-quality space in the best city center locations remains very high, while supply is limited.

The weighted average rent is currently quoted at €20.00/m²/month and has fallen slightly by around 2% over the past twelve months.

SELECTED PROJECT DEVELOPMENTS

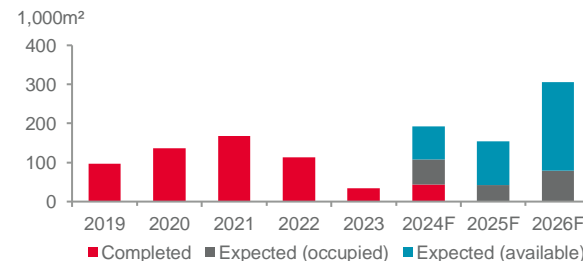
Property/Project	Submarket	Status	Year of Completion	Office Space m ²	Owner
Toniq2	North	Completed	2024	26,000	AOK Rheinland
Lyght	Kennedydamm	Under Construction	2024	13,000	Momeni
Curve	City-East	Under Construction	2024	10,800	Becken Development

MARKET STATISTICS

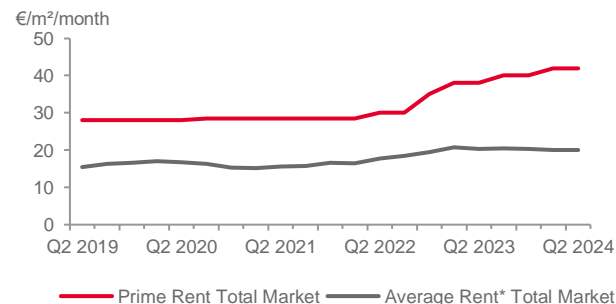
Selected Submarkets	Take-Up YTD (m ²)	Completions YTD (m ²)	Space under Construction Current Quarter (m ²)	Prime Rent Current Quarter (€/m ² /month)	Average Rent* Current Quarter (€/m ² /month)
Kennedydamm	19,400	6,100	107,600	32.00	21.45
CBD	15,400	0	60,700	42.00	36.15
Seestern	12,100	0	0	16.50	14.00
North	10,600	26,000	71,900	16.50	14.05
Total Market Düsseldorf	112,800	42,900	436,400	42.00	20.00

* Weighted Average Rent (12 months)

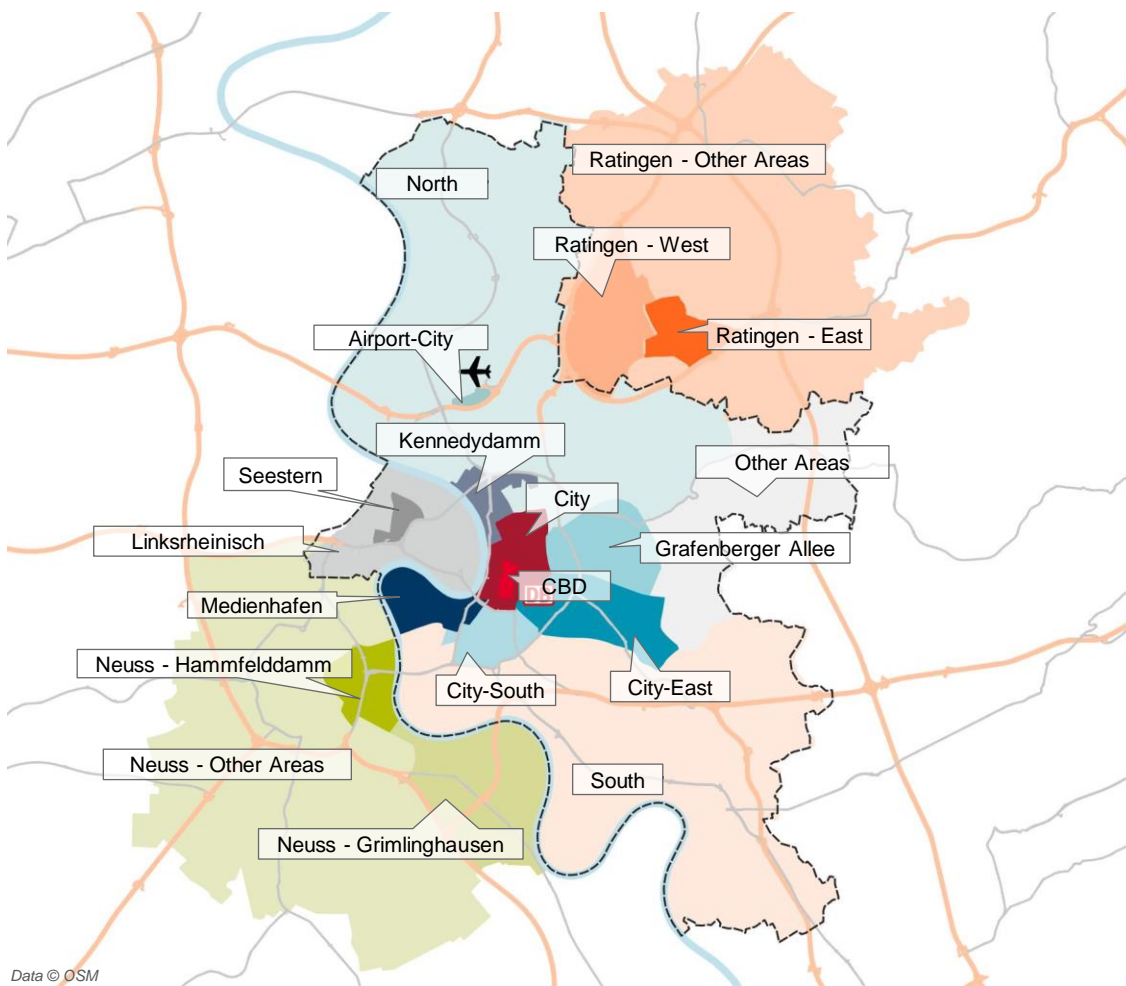
COMPLETIONS



RENTS



SUBMARKET OVERVIEW



RENTAL PRICE RANGES Q2 2024

Submarket	€/m ² /month
CBD	19.50 - 42.00
City	12.00 - 32.00
Kennedydamm	16.00 - 32.00
Medienhafen	17.00 - 28.00
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

MARKETBEAT

DÜSSELDORF

Office Market Q2 2024



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