

DUSSELDORF

Key Investment Trends

The investment market in the Düsseldorf municipal area grew 47% in H1 2018 when compared to H1 2017, and exceeded the 5-year H1 average by 30%. The market was dominated by office transactions (61%), a trend in-line with our forecast.

Investors are increasingly shifting their focus to the periphery, due to the limited supply of floor space available in the municipal area. Total transaction volumes, including deals signed in the periphery, reached just over €1.3 bn. We stand behind our predicted annual transaction volume of €2.5 bn for the Düsseldorf municipal area.

Yield compression continued in H1 2018, with prime CBD yields currently listed at 3.5%. Outside the CBD, top properties in prime city centre locations, and in prime sub-market locations such as Kennedydamm and Hafen, are generating yields of up to 4%.

Market Position – Ranked by Yield

EMEA Rank	City	All sector Yield (%)	12 mth basis point change
6	Munich	3.63	-7
7	Vienna	3.70	-16
8	Madrid	3.71	-41
9	Amsterdam	3.72	-55
10	Stuttgart	3.79	-22
11	Dusseldorf	3.90	-43
12	Dublin	4.05	-21
13	Oslo	4.06	-16
14	Stockholm	4.16	5
15	Copenhagen	4.18	-14

Note: Lowest scoring yield ranks highest.

Yield Outlook

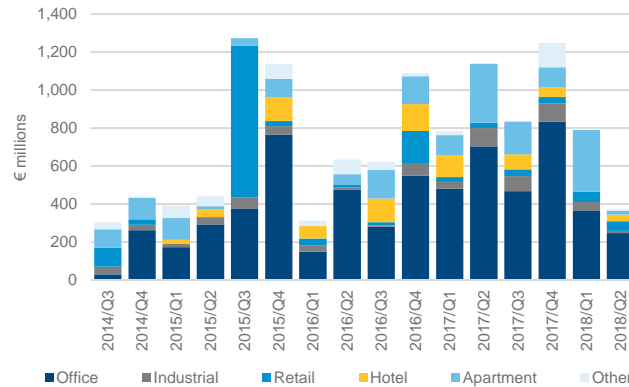


Sectors to watch out for in the next 12M

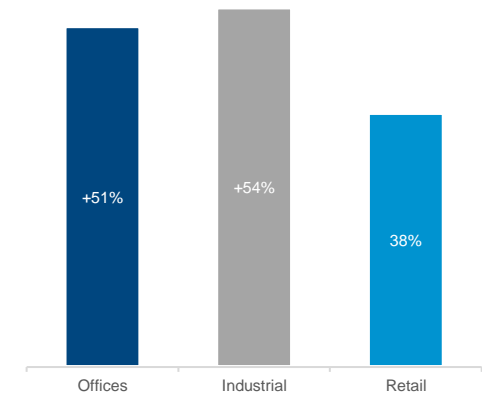


Source: Colliers International, Real Capital Analytics, Oxford Economics.

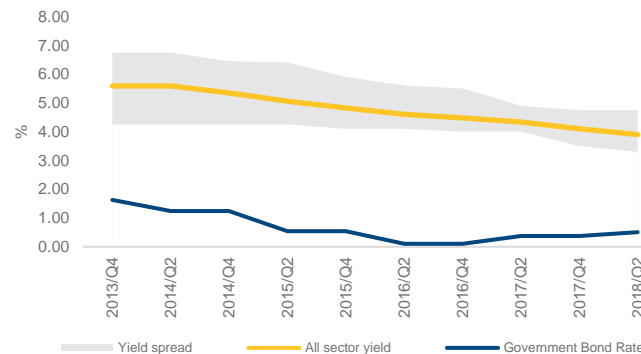
Quarterly investment volumes by sector (City & catchment)



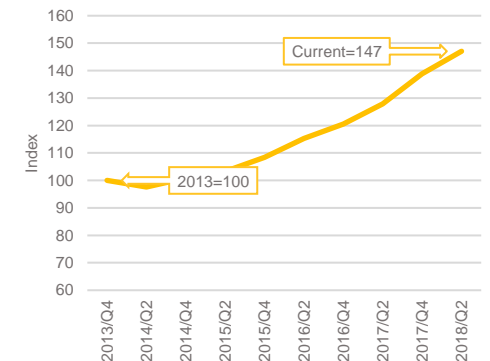
5yr cap. value growth – by sector



All sector yields vs. bond rates



All sector cap. value index

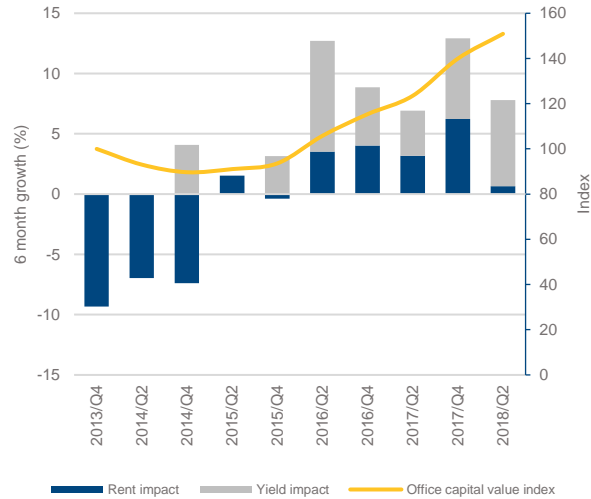


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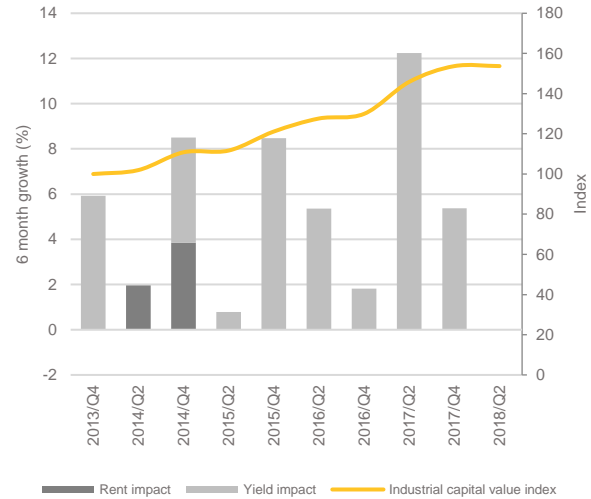
“Demand for Düsseldorf commercial real estate in all risk classes remained strong in H1 2018, after we have seen a new all-time high in transaction volume in 2017. If we include all deals from the neighbouring cities of Ratingen and Neuss, transaction volume for greater Düsseldorf surpassed the €3bn mark for the first time in 2017. We expect activity on the Düsseldorf market to remain high in H2 2018 as well and to reflect the current record result despite scarce supply in the core segment. Several large scale office transactions are expected in H2 2018 resulting in annual transaction volumes of at least €2.5bn.”

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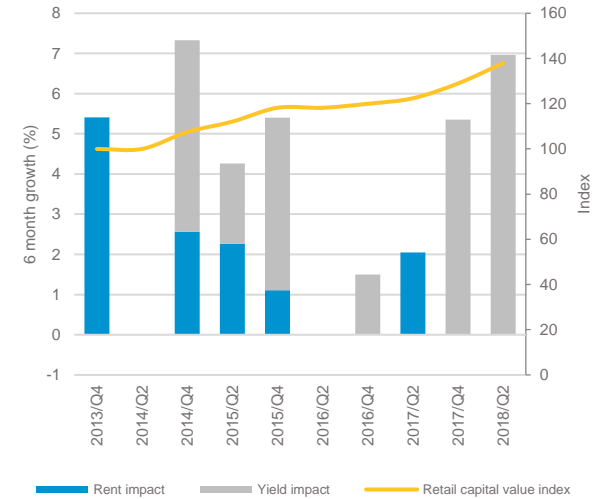
Cap. value index - rent/yield impact: Office



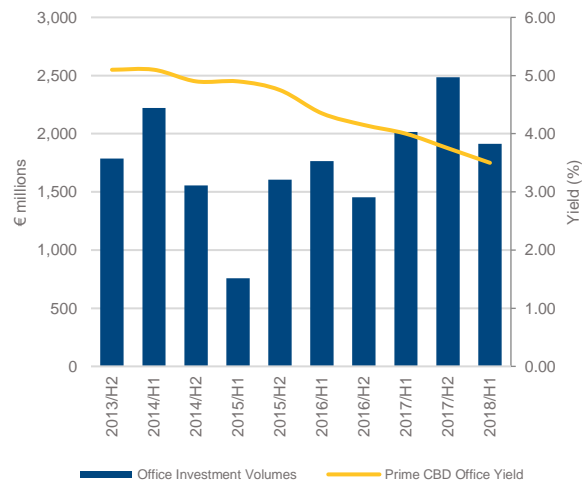
Cap. value index - rent/yield impact: Industrial



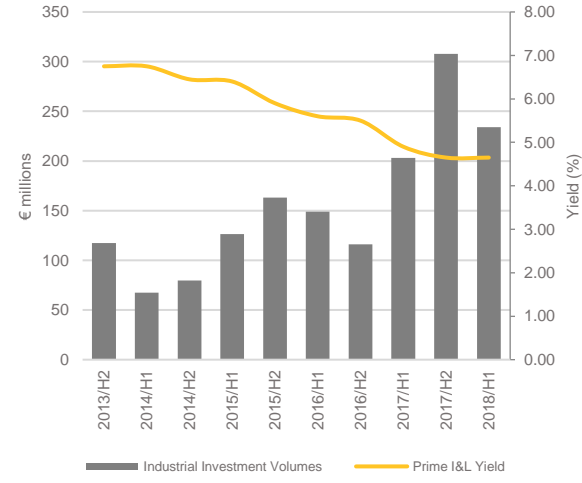
Cap. value index - rent/yield impact: Retail



Yields and 12M rolling investment volumes: Office



Yields and 12M rolling investment volumes: Industrial



Yields and 12M rolling investment volumes: Retail

