

Office Market Profile – Q2 2017

EMEA Office Research

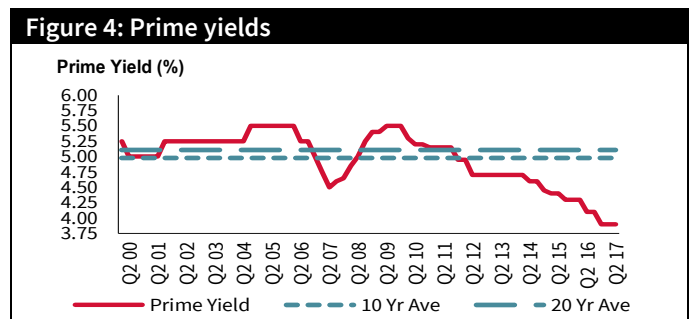
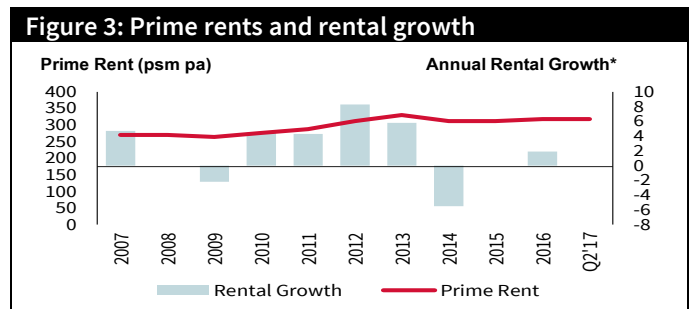
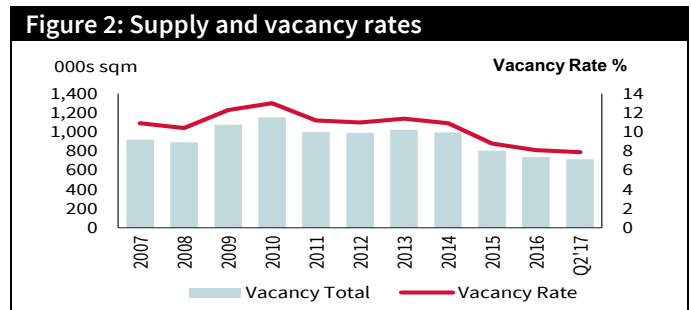
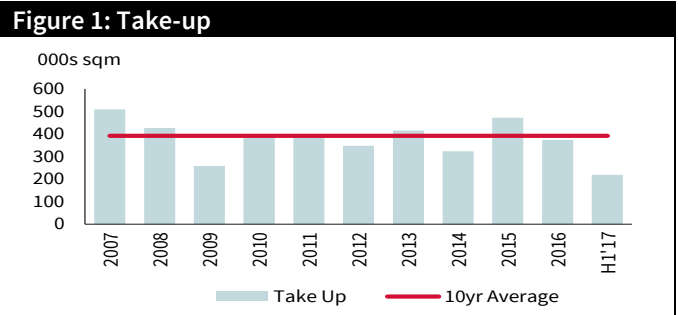
Summary Statistics	Q2 17	Change*		12 Month Outlook
		Q-o-Q	Y-o-Y	
Take-up (000s sqm)	102	-12.9 %	19.5 %	➔
Vacancy Rate (%)	7.9	-10 bps	-30 bps	➔
Prime Rent (psm)	€318	0 %	0 %	⬆

	Q2 17	Change*		12 Month Outlook
		Q-o-Q	Y-o-Y	
Capital Value (psm)	€8154	0 %	5.1 %	⬆
Prime Yield %	3.90	0 bps	-20 bps	⬇

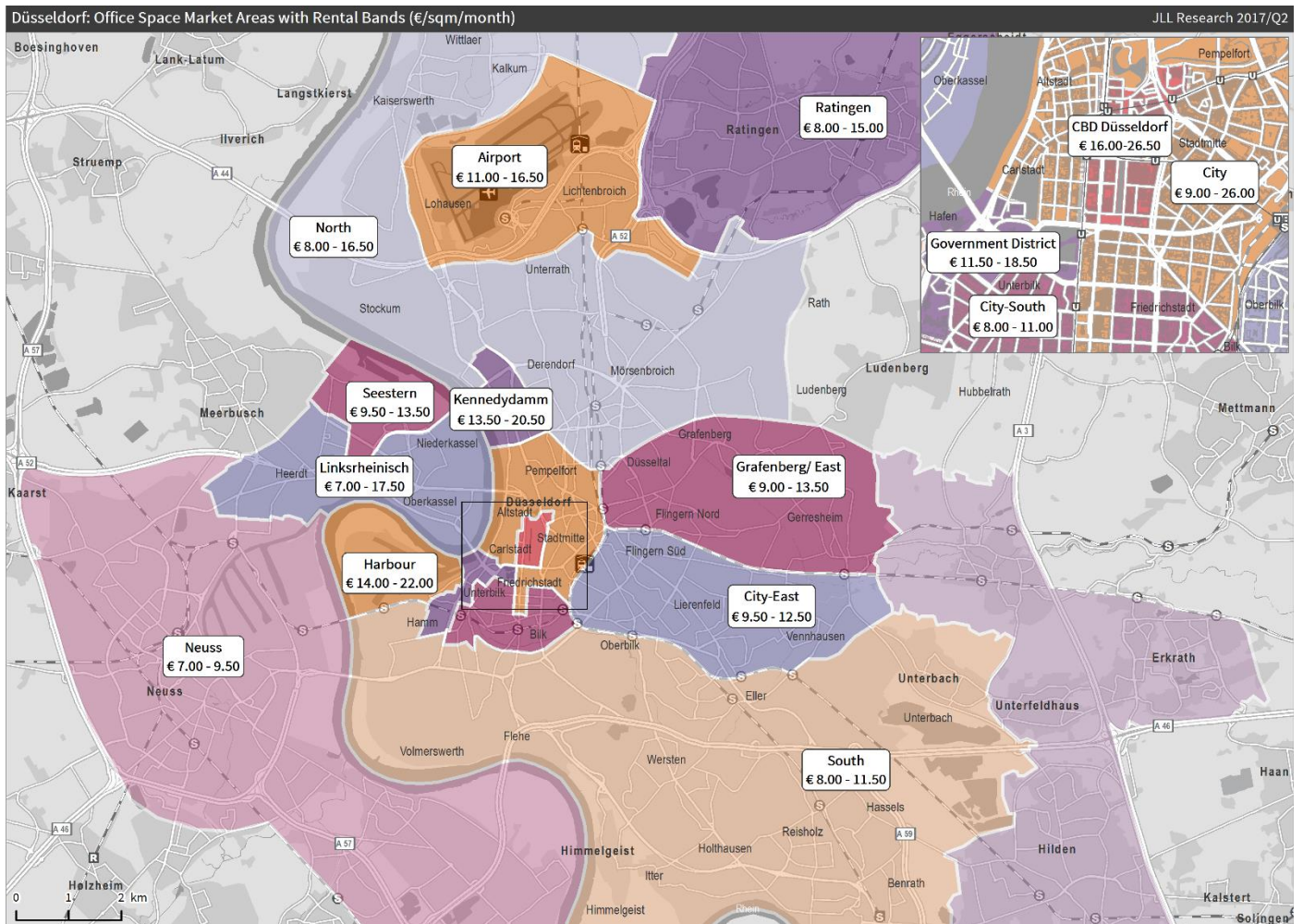
* % Change for Prime Rent and Capital Values calculated using local currency
Source: JLL, 2017

Office market overview

H1 take-up reached around 218,000 sq m, an increase of 9% y-o-y and well above the 5-year average. There were 7 lettings in the ≥5,000 sq m size category. The largest letting was 20,000 sq m taken by HSBC in a development in the Left Bank of the Rhein submarket. Other large deals were also concluded in new-build properties due to a lack of large floor spaces in existing buildings. The Seestern submarket is proving to be an increasingly attractive location, offering companies good value for money and large areas of contiguous space. Take-up in the Düsseldorf City area totalled around 192,000 sq m. Most new leases were in the City (20%) and CBD (14%) submarkets. We expect full-year take-up to be around 400,000 sq m. Vacancy has fallen steadily since 2010 and its current level of 7.9% is the lowest since 2002. Vacancy may increase slightly in 2018 due to the relocation of tenants into new-build properties, but the change will not be significant. The current vacancy rate in the City area is 7.0% and just 4.8% in the CBD. The prime rent has been stable over the past year at €26.50 / sq m pm, but a marginal rise to €27 / sq m pm is expected in 2018. The weighted average rent has risen from €14.66 to €15.22 / sq m pm over the past 12 months due to the large number of lettings in new-build projects. The Düsseldorf investment market recorded exceptionally strong activity in H1. The most active purchasers were asset and fund managers. The most active group on the sell-side were private equity and hedge funds. The prime office yield fell over the year to its lowest ever level of 3.90% and it is expected to fall further to 3.70% by the end of the year.



Office market map



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