

YoY Change 12-Month Forecast

€775 m

Transaction Volume (cum.)



14%

Share of Foreign Capital



5.10%

Office Prime Yield, net



32%

Share Office Investment Volume



ECONOMIC INDICATORS

YoY Change 12-Month Forecast

7.8%

Düsseldorf Unemployment Rate (Sep 2024)



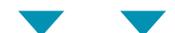
225,800

Düsseldorf Office Employees (Sep 2024)



3.65%

ECB Interest rate (Sep 2024)



2.31%

10-Year Government Bond Yield (Q3 2024)



Sources: Federal Employment Agency, ECB, Moody's Analytics

ALREADY MORE TRANSACTION VOLUME THAN IN 2023 AS A WHOLE

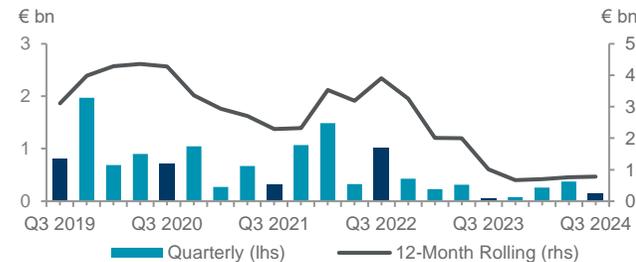
The commercial investment market in Düsseldorf and the extended logistics market area achieved a transaction volume of €775 million in the first three quarters of 2024, which corresponds to an increase of almost 33% compared to the previous year. With around €140 million, the 3rd quarter was the weakest of the year so far. Despite the still subdued market momentum, the previous year's overall result of €665 million has already been exceeded. This is primarily due to two major transactions, each of which exceeded €100 million, including B&L's acquisition of a 35% stake in the Centrum Group's mixed-use property "K11" in Schadowstrasse.

The volume of office transactions rose again, totaling to €250 million in the first three quarters of 2024, an increase of 32% compared to the equivalent period last year. With a proportion of 32% to the total commercial transaction volume it represents the highest figure since the 4th quarter of 2022. Sales were mainly focused on value-add and opportunistic properties. Risk-averse institutional investors remain cautious, partly due to the limited availability of core products.

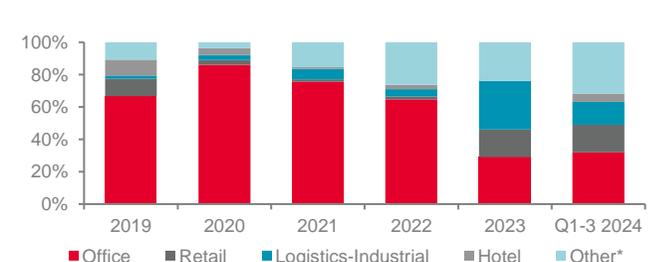
The investment volume in the retail segment was strongly influenced by the sale of the former Galeria department store for over €100 million, which increased the total retail volume to €130 million. Compared to the previous year, this represents an increase in transaction volume of almost 13%. Overall, transaction activity is still very subdued, particularly with commercial properties in high-street locations such as Königsallee.

Sales of logistics and industrial properties achieved a transaction volume of €105 million in the first nine months (14% proportion), which corresponds to a decrease of around 38% compared to the equivalent period last year. All transactions were registered in the municipalities surrounding Düsseldorf. This also includes logistics properties of the Germany-wide Swife Life / Beos portfolio to LaSalle Investment Management (Wülfrath) and a property from the Burstone Group portfolio to Blackstone (Mönchengladbach).

COMMERCIAL TRANSACTION VOLUME*



SHARE OF TRANSACTION VOLUME BY ASSET CLASS



*Office, Retail, Logistics-Industrial, Hotel, Other (Leisure, Health Care, Mixed Use, Development Plots)

HIGH PROPORTION OF HIGH-RISK INVESTMENTS

High-risk investments from the value-add and opportunistic segments accounted for around 56% of the total transaction volume. It is striking that these were represented in all types of use, although office and land acquisitions accounted for the majority.

While there were no core-transactions in the office segment, investors took advantage of the favorable market situation for value-add and opportunistic investments. These two risk classes accounted for 75% of the total office volume. In the 3rd quarter, the Dutch developer tB Verkerk Projects acquired the 20,000 m² Kennedydamm-Center for around €23 million. The vacant office property is to be converted into residential space.

The market for core transactions remains very subdued, with little transaction activity. The high 25% proportion is primarily the result of the 35% takeover of the "K11".

PRIME YIELDS MOVING SIDWAYS

Following a slight increase in prime office yields in the 2nd quarter (+10 basis points), yields are now bottoming out for all types of use. The prime yield for core office properties is currently 5.10 % (+35 basis points compared to the previous year).

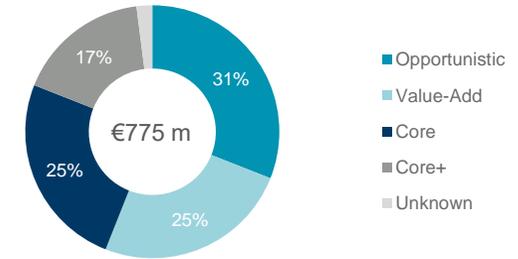
For logistics properties, the prime yield has been stable at 4.50% since the beginning of the year. Compared to the 3rd quarter of 2023, the increase amounts to 20 basis points.

The prime yield for high-street retail properties remained unchanged from the previous quarter at 4.45 % but 25 basis points above the previous year's level.

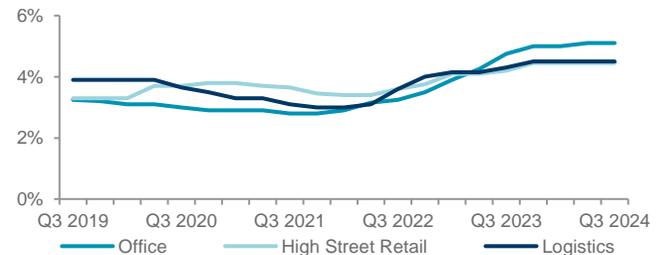
Outlook

- As the mix of inflation and interest rates continues to stabilize and recover, there is growing confidence that institutional investors will once again allocate more capital to real estate.
- The inflation rate in the eurozone has gradually fallen and settled at a level just above the 2% target. If there is sustained stability, further interest rate cuts are very likely.
- The risk premium for core office properties in Düsseldorf compared to German government bonds is currently around 280 basis points. With further decreasing bonds but stable prime yields, core-investments are likely to become more attractive again.

TRANSACTION VOLUME BY RISK CATEGORY Q1-3 2024

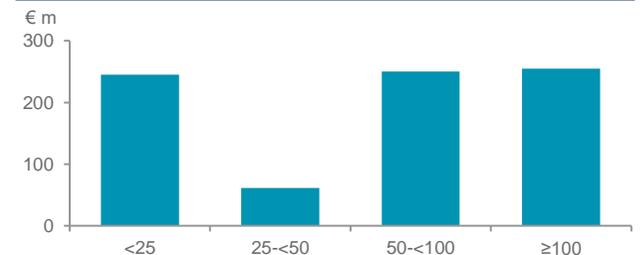


PRIME YIELD BY ASSET CLASS*



* Net initial yield

TRANSACTION VOLUME BY SIZE CATEGORY Q1-3 2024*



* Each size category in euro million

MARKET STATISTICS Q1-3 2024

MARKET	Transaction Volume (€ bn)	Share of Office Volume	Share of Retail Volume	Share of Logistics-Industrial Volume	Share of International Capital	Office Prime Yield*	Retail High Street Prime Yield*	Logistics Prime Yield*
Düsseldorf	0.78	32%	17%	14%	14%	5,10%	4,45%	4,50%
YoY Change	32%	0pp	-3pp	-15pp	-32pp	35bp	25bp	20bp
Top-7 Markets	8.64	28%	20%	14%	35%	4.91%	4.46%	4.50%
YoY Change	46%	-8pp	10pp	-6pp	-5pp	87bp	47bp	35bp
Germany	16.43	22%	22%	24%	40%	-	-	-
YoY Change	11%	0pp	-1pp	0pp	7pp	-	-	-

*Prime yield is net initial yield, displaying achievable values. Prime yield Germany = Average of Top-7 Markets
pp = percentage points; bp = basis points

SELECTED TRANSACTIONS 2024

Property / Address	Quarter	Type Of Use	City	Vendor / Buyer	Price (€ million)
K11, Schadowstraße 32-54 (35% Share)	Q1	Mixed Use	Düsseldorf	Centrum Gruppe / B&L	Confidential
Former Galeria-Store, Am Wehrhahn 1	Q2	Retail	Düsseldorf	Signa / City of Düsseldorf	~100
Werdener Straße 4	Q2	Office	Düsseldorf	Branicks Group / VIB Vermögen	~65
Kasernenstraße 6	Q3	Office	Düsseldorf	Signa / Midstad	~25

Simon Jeschioro

Head of Capital Markets & Investment Advisory Germany

Tel: +49 69 506 07 32 60

simon.jeschioro@eur.cushwake.com

Andreas Slupik

Senior Research Analyst Düsseldorf

Tel: +49 211 540 898 70

andreas.slupik@cushwake.com

Helge Zahrnt, MRICS

Head of Research & Insight Germany

Tel: +49 40 300 88 11 50

helge.zahrnt@cushwake.com

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