

TAKE-UP

Despite the stable economic situation in Dusseldorf and Germany as a whole, many users are currently exercising caution in terms of their locational decisions, which has resulted in postponements or lease renewals. However, the latter are not included in the office space take-up statistics. It must be noted that there are many international companies located in the state capital and its surrounding communities and thus rental decisions are also affected by European or global developments. Therefore, the 237,800 sq m taken-up in the Dusseldorf market area in the past nine months is a comparatively low figure. Take-up fell by 19% compared with the previous year. The 179,800 sq m taken-up in the Dusseldorf city area alone was around 32% below the previous year's level. With a share of 24%, the surrounding communities were extraordinarily strong, which was due in the most part to the owner-occupier deal by Mitsubishi in Ratingen. At over 50,000 sq m, the proportion attributable to owner-occupiers in the market area was significantly above the average of the first three quarters of the last five years (16,000 sq m). In addition to Mitsubishi, this high level was due in part to the owner-occupier deals by Rheinmetall and the FOM Hochschule für Ökonomie & Management in the Dusseldorf North submarket.

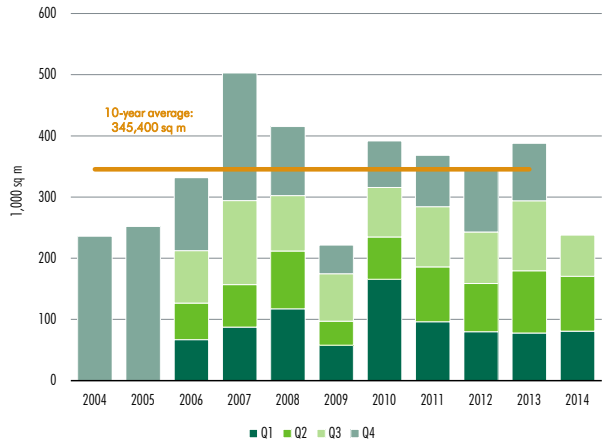
In the year to date, large-scale transactions above 5,000 sq m were rare in the Dusseldorf market area. The three transactions registered in this size category were due to the three owner-occupiers mentioned above; in the previous year, there had already been eight transactions of this size category by this point in time. The average size of space per letting was around 650 sq m at the end of the third quarter and therefore one fifth below the previous year's level. The city of Ratingen and the Dusseldorf North submarket were the strongest submarkets in terms of take-up in the year to date, due in part to the owner-occupier deals.

VACANCY

Only 5,000 sq m of speculative office space was completed in the third quarter of 2014, which meant that the volume of vacancies in the market area was hardly affected in a negative way. Vacancy remained relatively stable compared with mid-year 2014; the vacancy rate (excluding space available for sub-letting) remained at 10.6%. Compared with the previous year, vacancy as a proportion of total stock fell by 2 %-points. In the Dusseldorf city area alone, the current vacancy rate is 10.1%, which equates to 0.1 %-points below the previous quarter and 0.3 %-points below the previous year's level. There are still a few speculative completions expected for the final quarter, which are anticipated to be quickly absorbed by the Dusseldorf market because of the high fit-out specification and continued high level of demand for modern space.

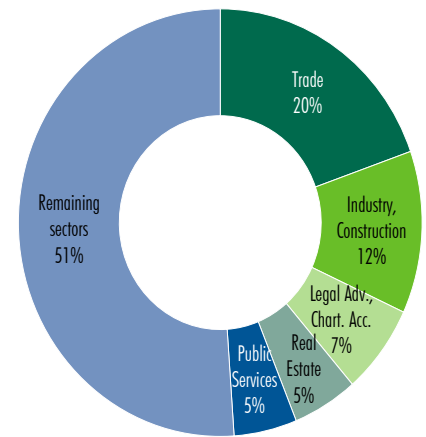
The supply, composed of vacant space, space available for sub-letting and speculative completions over the next 12 months, has risen slightly over the course of the year, which is mainly due to the higher volume of space available for sub-letting, resulting from a change in space requirements by occupiers whose leases had often commenced a number of years ago. In terms of the total stock, the space available to let remained at 11.5%, as in the previous year. The lion's share of supply is average-quality space (53%). A further 42% is top-quality space. Space with out-of-date fit-out specification plays a very limited role in the Dusseldorf market.

Chart 1: Office space take-up



Source: CBRE Research

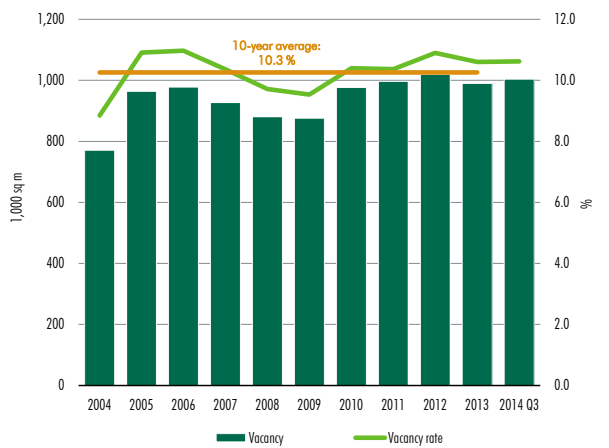
Chart 2: Office space take-up (cumulated, %) by sectors* - Top 5 -



Source: CBRE Research

*in total 20 sectors

Chart 3: Office space vacancy



Source: CBRE Research