

## Press release

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# Real Estate Market Report Duisburg 2021/Outlook MIPIM:

## Logistics and office properties again strong

**Duisburg real estate market continues upward trend:**

- Top rent for offices rises to 17.50 euros/sqm
- Strong real estate investment totalling 418 million euros
- Top logistics rent rises by 10% to 5.70 euros/sqm

**Duisburg, 11 March 2022.** The real estate market radiates stability - with rising real estate investments and prices. As in most German cities, the corona-induced economic situation has not had any negative effects on Duisburg's real estate market for the past two years either.

### Housing: Demand for housing remains high

The Duisburg housing market remains characterised by stable demand that cannot be met by the existing supply, which has actually tended to decline in recent years. Thus, purchase properties in particular are in such high demand that the top prices for condominiums have reached a level of 4,000 euros/sqm in new construction. In contrast, the average rent increase for flats at the peak, as well as on average, is comparatively moderate. The average for new-build rents in 2021 was 10 euros/sqm.

### Logistics real estate: Rents rise comparatively significantly

Only a few new logistics halls are still being built in Duisburg (56,400 sqm in 2021) and take-up also fell back to zero last year, which is partly due to the timing of the respective contracts, but mainly to the extremely high demand for space. At this point, a corona effect with its background in re-shoring, in the growth of online trade and in some conversion tendencies in German industry (automotive, energy) is clearly recognisable. The market rents for logistics halls, which for years remained static at a level of 5 euros/sqm, have now risen by 10% to 5.70 euros/sqm in 2021 within one year. With an upward trend.

### Real estate investment market: 2021 at top level

All commercial real estate investments taken together once again reached a local high of 418 million euros in 2021. Compared to the weaker result from the first Corona year 2020

of 340 million euros, this key figure is a valid indicator of the investment capability of Duisburg as a business location. With weaknesses that are addressed in the report, but also with strengths, as the overall result shows.

### **Office market: demand for new buildings high, rents rising**

The achievable prime office rents in Duisburg increased by 9 per cent in 2021 and, according to the market report, now reach a level of a representative 17.50 euros/sqm. Price increases are being registered above all in new construction projects, which are currently incurring significantly higher construction costs and have to meet above-average quality standards, particularly with regard to user requirements and ESG criteria. On the other hand, take-up is slowly normalising at just over 70,000 sqm in 2021, 4% above the long-term average.

### **Retail: Transformation processes in retail continue, rents fall**

Lockdown, access restrictions, low customer frequencies, shift in sales towards online retail - the year 2021 got off to an unfavourable start for the stationary retail trade, and not only in Duisburg. In the course of the second half of the year, the situation brightened up, so that the Federal Statistical Office reported a nominal increase in turnover of around 2.7 percent (until November 2021). Overall, the retail sector has faced the second year under pandemic conditions in a comparatively stable manner. As in the previous year, rents in Duisburg's city centre continue to fall - top rents in prime locations are 56 euros/sqm according to the property market report.

### **Assessments of the real estate market in 2021:**

Dr Rasmus C. Beck, Managing Director of Duisburg Business & Innovation GmbH: "As an economic developer, I am particularly pleased with the momentum of new construction of high-quality office buildings, the high dynamics in logistics and the general volume of real estate investments. And what is the outlook? Beck: "We need to do more for the logistics sector again. New construction completions should reach higher levels again. LogPort & Co have long since proven themselves to be innovation drivers. Hydrogen is also a megatopic in logistics. Duisburg should continue to be a "frontrunner" here - in addition to further development in the service sector."

Andree Haack, Head of the Economic Department of the City of Duisburg: "It is true that the vacancy rate is also rising in Duisburg - but, as in many other German cities, only minimally. At the same time, market rents are nevertheless rising, because it is less about the bare space and more about increased qualities and new worlds of work. The struggle for employees remains the decisive motive for high quality in the office property market."

### **Outlook for the leading real estate trade fair MIPIM in Cannes (13-16 March 2022):**

At the upcoming real estate trade fair MIPIM in Cannes, the Duisburg delegation led by Lord Mayor Sören Link will present, among other things, the three major future projects 6-Seen-Wedau, Wedau-Nord and the Duisburg Dunes.

Lord Mayor Sören Link: "We are moving Duisburg forward. Hardly any other major city has so much going on. New city districts and urban waterfront locations with thousands of new

flats are being built on old brownfield sites. This is also causing a stir beyond the region and is already attracting investors as well as new Duisburgers to our city."

Bernd Wortmeyer, Managing Director of GEBAG Duisburger Baugesellschaft: "The winning design of the 'Duisburger Dünen' shows us the future of the area at the old freight station, which can only be imagined today with a lot of imagination. The urban development framework plan is currently being drawn up, which will form the basis for the development plan - we expect the plan to become legally binding in two years' time. In the same year - 2024 - we will actively search for investors and also begin with the first development work on the site. We currently expect 180,000 square metres of office and service space and more than 1,300 flats to characterise the new urban district in the future."

### **About the Duisburg Real Estate Market Report: Methodology and Players**

The annual report on the Duisburg property market 2021 presented today describes for the first time in a row the year-round market development for all property types in Duisburg. The information and data on the Duisburg real estate market were determined at the round table of local experts that Duisburg Business & Innovation (DBI) set up last year as a permanent institution. Twelve regional real estate players involved in Duisburg as well as data from market observation and validation by the market analysts of bulwiengesa AG from Essen contributed to the result.