

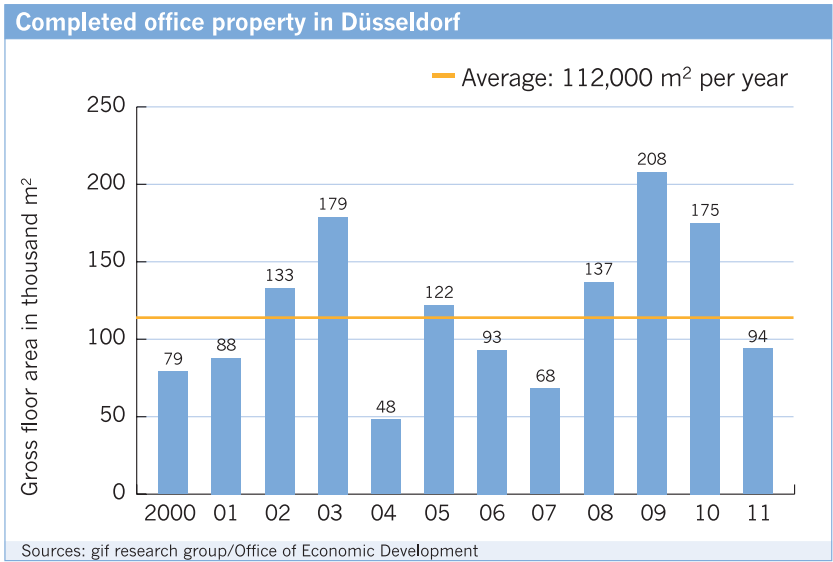
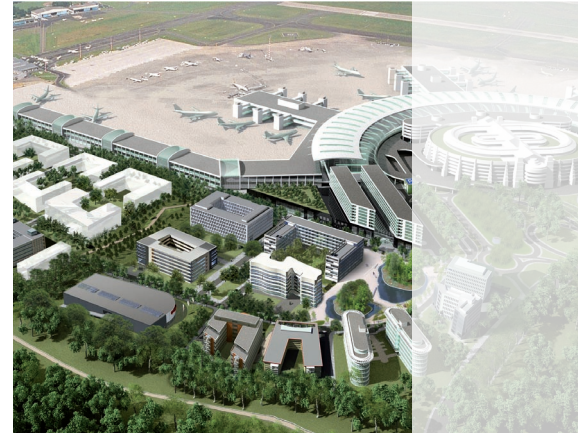
Office construction activity and future projects

Düsseldorf is witnessing wide-scale construction of modern office buildings

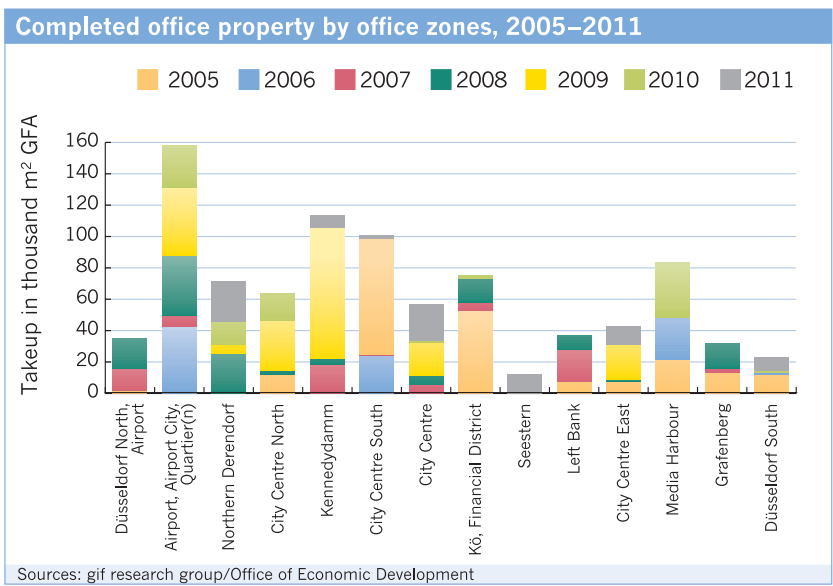
Office construction projects completed 2009–2011

After a record year in 2009 which saw the completion of 208,000 m² of office space, construction volumes in 2010 and onwards have slackened off. The volume this year will be around 175,000 m², and the figure is expected to decline further to around 94,700 m² in 2011. This means that for the first time since 2007, the value will fall below the average figure observed over the last ten years (125,000 m²).

Owing to a low volume of pre-rentals and the increasing difficulty in obtaining property financing from banks, as well as many companies' unwillingness to build their own premises, a number of planned construction projects will not be realised as originally planned. Seen in a long-term perspective, this again reveals an antagonising development of building completion versus property takeup: whereas the years from 2006 to 2008 were marked by either growth or high-level stagnation



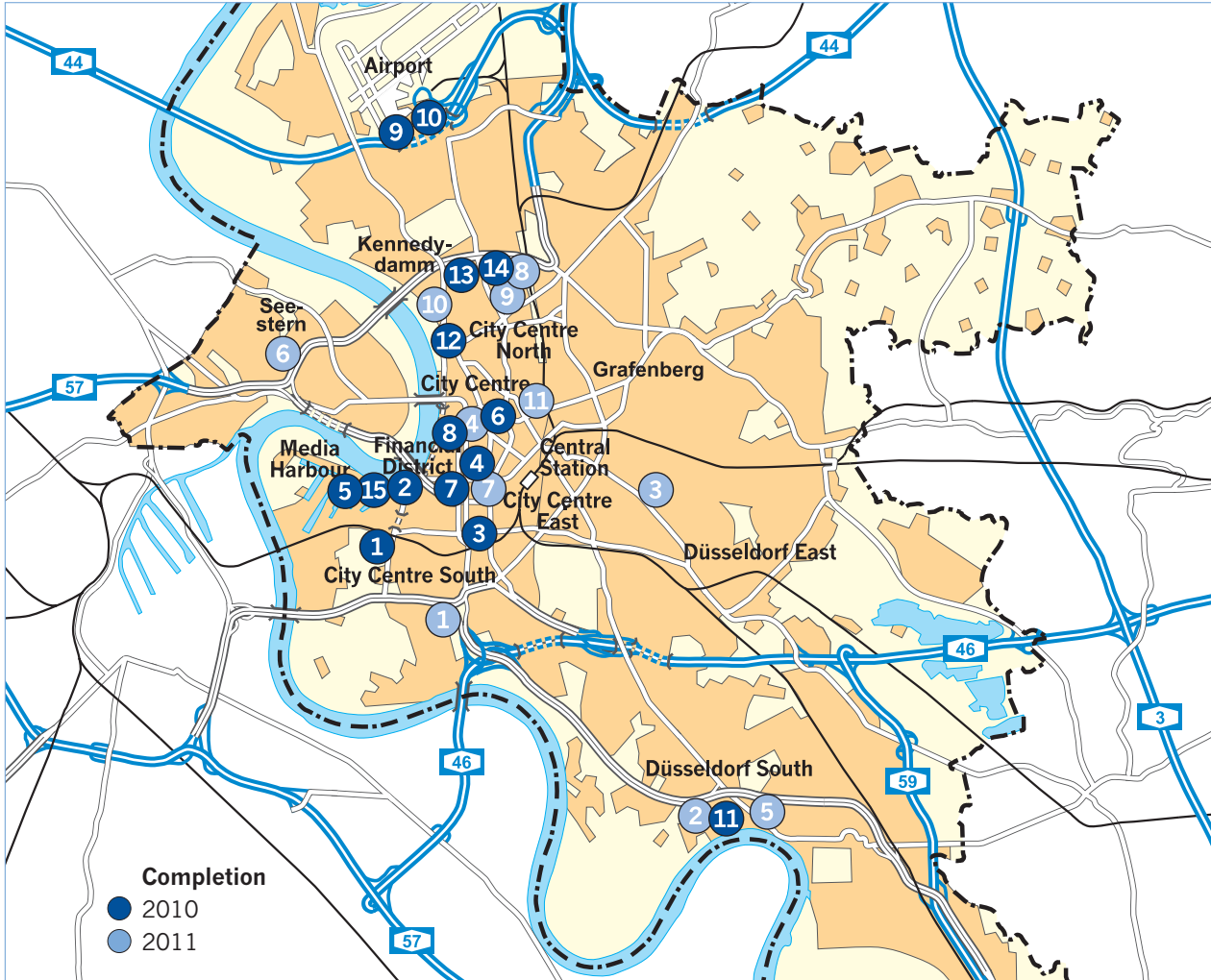
in takeup and a relatively low level of new construction, this trend was turned on its head during 2009. But it seems likely that over the next ten years, takeups will again be higher than new constructions. Clearly, rising takeup figures are a strong stimulant for office construction, although delays in project development often mean that by the time new office space comes onto the market demand has already started to wane.



While the major centres of office construction were seen in the vicinity of the airport in recent years, this year and in the years to come investors are also turning their attention to other locations. Examples include the expansion of the Prinzenpark area in Seestern and the restructuring of abandoned industrial real estate such as the Rheinmetall site in Derendorf.

Airport sees building boom

Since 2005, around 157,900 m² of office space has been created around the airport, primarily in Quartier(n) and Airport City – more than in any other office location in Düsseldorf. The veritable construction boom continued into 2008 and 2009, during which period Airport City witnessed the completion of nine new buildings creating an extra 113,000 m².



In 2010, two more projects will be realised on this site: Airport Garden's – the only construction project in 2010 that is purely investment-oriented – and a development for Siemens executed by HOCHTIEF. But even Airport City has suffered from the after-effects of the 2009 economic downturn: owing to a poor level of pre-rentals, the start of construction on FRANKONIA's seminal Panta Rhei building has been delayed, while E.ON decided not to take up an option on an extension to its premises.

Focus on Derendorf

The city district of Derendorf has been another focus of office construction activities. New office blocks and local



amenities are being put up directly adjacent to attractive residential properties. The juxtaposition of multiple usages – living, working, recreation – has created a whole set of modern neighbourhoods offering excellent

residential quality. One of these projects is Unternehmerstadt ('entrepreneur city'), situated on a former Rheinmetall production site. Successfully blending commercial and private use, the development includes generous residential buildings on Derendorfer Allee, which have now been completed. This year will see the completion of Lighthouse, an exceptional 11,000 m² office building of which more than 80% has already been pre-let. Last year marked the start of work for 'Halle 30', a warehouse for fashion industry operations designed and built by GERRY WEBER.

Office property completion in 2010					
Ref.	Office location/ sub-area	Street/project name	Project developer (P)/ investor (I)/user (U)	Gross floor area (GFA) in m ²	
1	City Centre South	Völklinger Straße 49	State Criminal Investigation Department/ Bau- und Liegenschaftsbetrieb NRW	60,000	1st quarter
2	City Centre South	Platz des Landtages	Extension to the State Parliament	1,250	
3	City Centre South	Bilker Allee 176 C	Architekturbüro Höhmann (P)	550	
4	City Centre	Königsallee 88	Brune Immobilien GmbH (I)	700	2nd quarter
5	Media Harbor	Speditionstraße 1/SIGN!	FRANKONIA Eurobau AG (P)	14,600	
6	City Centre	Schadowstraße 20–22	P-B-G Projektentwicklung · Baumanagement · Gesellschaft mbH (P)	520	3rd quarter
7	City Centre South	Elisabethstraße 5–11	HIH Hamburgische Immob. Handlung GmbH	12,290	
8	Kö, Financial District	Benrather Straße 12	MOMENI Projektentwicklung GmbH (P)	3,000	
9	Airport/Airport City	Klaus-Bungert-Straße 6	HOCHTIEF Projektentwicklung GmbH (P)/ Siemens (U)	12,000	3rd quarter
10	Airport/Airport City	Peter-Müller-Straße 24–26/ Airport Garden's	STRABAG Real Estate GmbH (P)	15,000	
11	Düsseldorf South	Reisholzer Werftstraße 19–43/ Rheinhöfe/Building 35	EPITEC Gamma GmbH (I)	1,600	4th quarter
12	City Centre North	Fischerstraße 20/ERGO extension	ERGO Versicherungsgruppe (I)	18,000	
13	Northern Derendorf	Karl-Friedrich-Klees-Str. 5–9 and 10–18/ Gardeplatz	THS Wohnen GmbH (P)/ AMD Akademie Mode & Design GmbH (U)	3,550	
14	Northern Derendorf	Derendorfer Allee 6/Lighthouse	Rheinmetall Immobiliengesellschaft mbH (I)/ die developer Projektentwicklung GmbH (P)	11,000	
15	Media Harbor	Speditionstraße 19–23/ end of Speditionstraße	Projektgesellschaft Hafenspitze GmbH & Co. KG (P)	21,000	
Total				175,060	
Office rental area in m² (~15%)				approx. 148,800	

Source: Office of Economic Development, July 2010

Office property completion in 2011					
Ref.	Office location/ sub-area	Street/project name	Project developer (P)/ investor (I)/user (U)	Gross floor area (GFA) in m ²	
1	City Centre South	Aachener Straße 158–160/Medical Center	DEUSSEN Immobilien GmbH (P)	2,500	2nd quarter
2	Düsseldorf South	Reisholzer Werftstraße 19–43/ Rheinhöfe/Buildings 31 and 33	EPITEC Gamma GmbH (I)	2,300	
3	City Centre East	Erkrather Straße 230/Schwanenhöfe	EPITEC Gamma GmbH (I)	12,000	
4	City Centre	Heinrich-Heine-Allee 12/ ORRICK-HAUS	NPC HOLDING AG (P)	5,900	3rd quarter
5	Düsseldorf South	Bonner Straße 245/Rheinpark Benrath	SEGRO Slough Estate Group (I)	6,570	
6	Seestern	Planstraße/Prinzenpark	Brune Immobilien GmbH (I)	12,500	3rd quarter
7	City Centre	Königsallee 61/köblich	HIH Hamburgische Immobilien Handlung GmbH (I)	7,700	
8	Northern Derendorf	Derendorfer Allee 12/Halle 30	GERRY WEBER INTERNATIONAL AG (I)	14,200	
9	Northern Derendorf	Derendorfer Allee 4/doubleU	Unternehmerstadt GmbH (I)	12,500	4th quarter
10	Kennedydamm	Kaiserswerther Straße 183	FRANKONIA Eurobau AG (P)	8,500	
11	City Centre	Bleichstraße 20/Schadowstraße 56/ Achenbach-Haus	MEAG Real Estate Düsseldorf GmbH (I)	10,000	
Total				94,670	
Office rental area in m² (~15%)				approx. 80,500	

Source: Office of Economic Development, July 2010

Numbers in the left-hand column correspond to the map opposite.



The same principle of mixing residential and commercial usage is being applied to a site to the west of Unternehmerstadt, the former Ulan Barracks on Tannenstraße built in the 19th century. The historical buildings that surround the central Gardeplatz are being complemented by new residential buildings, thus creating a truly exclusive office and apartment complex. In total, Northern Derendorf will see the completion of some 72,000 m² GFA of office space by 2011.



New high-rises for the Media Harbour

In 2010, the Media Harbour is once again in the limelight presenting spectacular world-class architecture. This year will see the creation of SIGN!, a 14,600 m² GFA office building designed by American star architect Helmut Jahn. At 76 metres, it will be the tallest building in the harbour. Its completion almost coincides with that of another new landmark currently being built at the end of Speditionstraße. The highly sculptural twinned structure (65 metres high, 36,600 m²) designed by JSK Architekten will serve a dual purpose: the first tower will house the new Hyatt Re-



gency Hotel, scheduled for opening at the end of the year, while the second tower, just like the smaller building in front of the pair (5,970 m²), is earmarked for office usage.

City centre and financial district

The current trend in the city centre and financial district is for smaller to medium-sized office projects – in particular along the two main shopping streets Königsallee and Schadowstraße. By the end of the period from 2005 to 2011, a total of around 132,000 m² of office space will have been built here.

Given the fact that Düsseldorf's city centre and its financial district are highly coveted, high-turnover office locations, the relatively low average annual construction volume of 18,000 m² achieved between 2005 and 2010 puts a major constraint on companies seeking office space in the city's central districts. To put the figure into perspective, new office space rentals in these areas amount to an average of 54,000 m² per year.

Recycling and refurbishing older buildings makes an important contribution to reducing this burden. Examples include the NPC Group's ORRICK-HAUS on Heinrich-Heine-Allee offering some 6,000 m² of new office space, which have been entirely pre-let, the E 11 (Elisabethstraße 5–11) in the southern city centre and



BEN XII (Benrather Straße 12) in the financial district – the latter two will bring an extra 15,300 m² onto the rentals market. It goes without saying that these projects also exert a very positive effect on the urban quality of inner-city environments.

Large-scale projects in the pipeline

There are already quite a number of outstanding office property projects lined up for the next few years. In early 2010, Vodafone presented its plans for a new Vodafone Campus to be built on the site of the former Gatzweiler brewery. A gross floor area of approximately 90,000 m² GFA will be created until 2012. Another major undertaking is currently making itself felt by the extensive civil engineering measures carried out in the city centre: Kö-Bogen I, designed by architect Daniel Libeskind, is one of the most ambitious urban transformation projects ever undertaken in the city. Kö-Bogen will involve the construction of some 40,000 m² of retail space, offices and restaurants by 2013.

The Andreasquartier situated in the Old Town is another high-profile refurbishment and revitalisation project. Following the relocation of the city's district and regional court, the prestigious site in the north of the Old Town is set for redevelopment into an exclusive residential and commercial quarter. The project has a total scope of around 60,000 m² and is due to be completed in 2012.

Over the next few years, the development of construction volumes will be largely dependent on the economic climate. Meanwhile, large-scale projects such as the Vodafone Campus, Kö-Bogen or Andreasquartier will make a significant proportion of new office space available.