

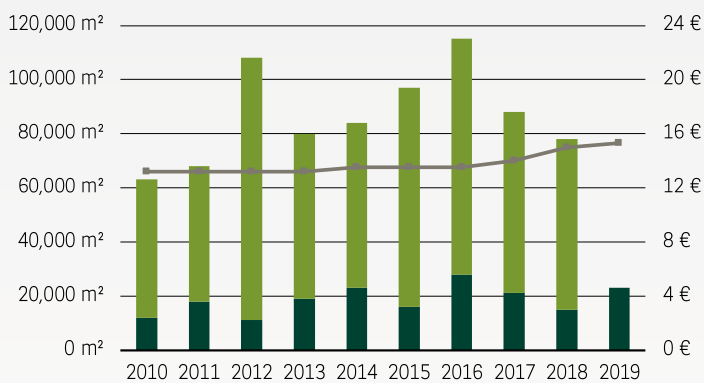


At a Glance **Q1 2019**

OFFICE MARKET DORTMUND

Development of take-up and top rents in Dortmund

■ Q1 in m² ■ Q2-Q4 in m² — Top rent in €/m²

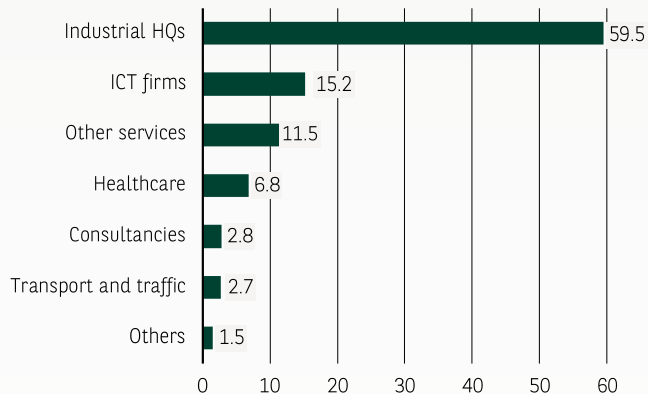


PROMISING START INTO THE NEW YEAR

With a take-up of 23,000 m² the Dortmund office market is getting off with the second-best result of the last ten years, which at the same time represents an increase of over 50 % compared to the first quarter 2018. This fulminant start is about 21% above the 10-year average. The result is particularly influenced by an owner-occupier who contributed a space of 12,000 m² to the overall take-up. It is also worth mentioning that the regional distribution of take-up is focused mainly on the subcentres (just under 74 %) rather than on the centre fringe (about 13 %) and city (around 13 %). With about 70 % of total take-up, deals over 1,000 m² dominated the quarterly result, whereas in the previous year agreements under 1,000 m² shaped the total outcome. The enormous demand for modern space is once again shown in the high share of total turnover (about 74%).

Take-up by sector in Dortmund Q1 2019

■ in %

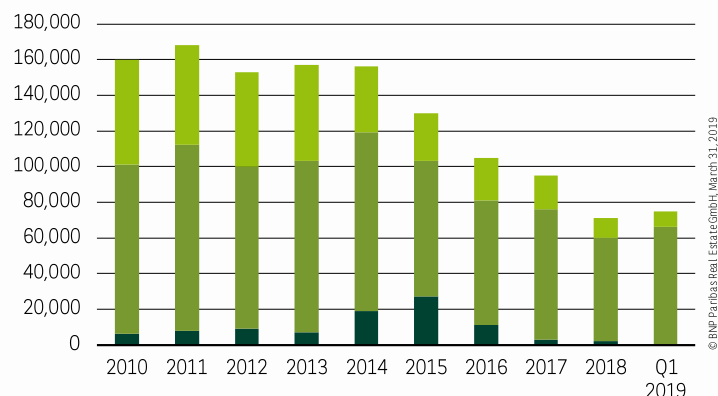


INDUSTRIAL COMPANIES AT THE TOP

Industrial enterprises are in a dominant position within the sector distribution accounting for almost 60% of overall take-up, which is in contrast to the diversified distribution in recent years. ICT technology firms traditionally are strong market players contributing a share of about 15 %, however this is only half of the previous years relative share. The third sector with a double-digit market share is other services, which at just under 12 % achieved a below-average result in a long-term comparison. The absence of public administration deals, which have almost always represented a significant share of total take-up over the last 10 years but have not yet made it into the top six sectors is also worth mentioning.

Development of vacant space in Dortmund

■ unrefurbished in m² ■ normal in m² ■ modern in m²



MODERN SPACES ARE BECOMING INCREASINGLY SCARCE

Although the total vacancy rate increased slightly at the beginning of the year, a further decline of vacant space with modern quality can be observed. A new all-time low was reached with only 9,000 m², another 18 % decrease compared to the end of 2018. Conclusion: Modern space, which is primarily valued by tenants now account only for 12 % of the total vacant capacity. In addition, the very low vacancy rate of 2.6% compared to the rest of Germany demonstrates the extraordinary shortage of supply at the Dortmund office market.

Major contracts in Dortmund

Sub-market	Company	m²
3.5	Industrial company	12,000
1.1	Check24	1,800
3.5	Electronic company	1,400
3.4	Healthcare company	1,100

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Trends in important market indicators in Dortmund

	Q1 2018	Q1 2019	Trend remaining year
Take-up	15,000 m²	23,000 m²	↗
Vacant space	97,000 m²	75,000 m²	↘
Space under construction (total)	50,000 m²	58,000 m²	↗
Space under construction (available)	1,000 m²	4,000 m²	↗
Top rent	14.00 €/m²	15.30 €/m²	→

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➤ NO INCREASE IN CONSTRUCTION ACTIVITY

In a long-term perspective, the construction volume of 58,000 m² remains at an above-average level and is about 16 % higher compared to the previous years amount. Nevertheless, only 4,000 m² of space is available to the rental market, which consequently does not lead to a relief of the supply situation. The before mentioned focus on the subcentres is also reflected in the space under construction, which is almost entirely located in these office market zones with a share of almost 89 % of the total construction volume.

➤ INCREASE IN RENTS GOES ON

The tense supply also has a significant impact on the development of prime rents. At 15.30 €/m² a slight increase compared to the end of the year can be observed. Over the course of the last 12 months, the top rent even increased by 9 %. Looking at the trend of average rents, there was a remarkable increase of 8 % to 11.60 €/m² in the first three months of the year, which in turn shows the dynamic of the Dortmund office market.

➤ PERSPECTIVES

The high take-up at the beginning of the year, the relatively stable economy and the high interest of business tenants give reason to hope for a very good annual take-up result of the Dortmund office market. Nevertheless, the limited supply of modern space remains a restrictive factor that could stand in the way of further strong turnover growth. Under the condition that new construction projects are added to the market during the rest of the year and the economic situation does not deteriorate, an above-average yearly result can be expected.

Key indicators Dortmund Q1 2019

Submarkets**	Top rent* (€/m²)		Take-up (m²)	Vacant space (m²)			Space under construction (m²)		Space on offer (m²)	
	from	to	Q1 2019	total	modern	of this, since completion	total	available	available	projected
	1		2	3	4	5	6	7	8 = (3 + 7)	9
1 City Centre										
1.1 Core City	15.30		3,000	44,600	4,600	600	5,000	0	44,600	27,300
2 Centre Fringe	12.00 - 12.50		3,100	8,600	2,600	2,600	1,400	0	8,600	44,400
3 Subcentres	10.50 - 13.50		16,900	17,000	1,800	800	51,600	4,000	21,000	35,300
4 Airport/ECO PORT	8.50		0	4,800	0	0	0	0	4,800	0
Total			23,000	75,000	9,000	4,000	58,000	4,000	79,000	107,000

* The top rent given applies to a market segment of 35 % in each case.

** The relevant office market zone can be found on our website under "Research".

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