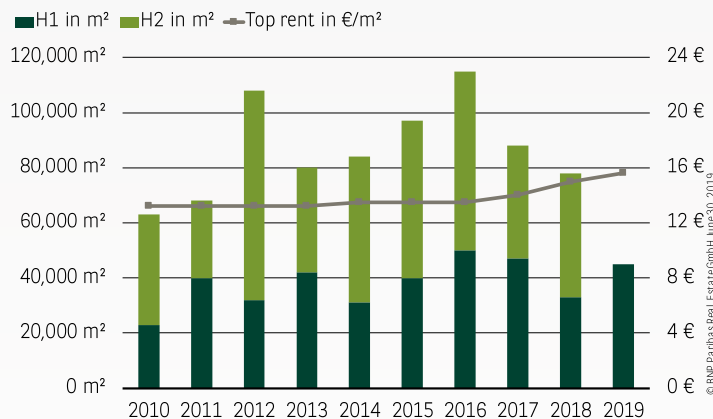




At a Glance **Q2 2019**

OFFICE MARKET DORTMUND

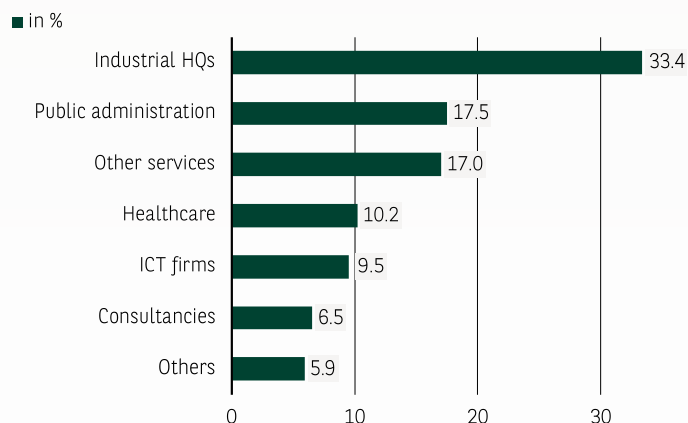
Development of take-up and top rents



➤ VERY PLEASANT RESULT IN THE FIRST HALF OF THE YEAR

After two years with declining take-up figures, this trend was broken with a very good result of 45,000 m² take-up in the first half of 2019. The comparatively weak result of the previous year was exceeded by more than 36% and the 10-year average by a good 18%. In contrast to the same period last year, this year already recorded a major contract beyond the 10,000 m² mark: an industrial company will move into a new office and administration building with around 12,000 m² in one of the subcentres, which is currently the office market zone with the highest volume in Dortmund. The city centre, usually the leading market area, only achieves a below-average result with 9,900 m². Apart from the Dortmund Economic Development Agency (3,500 m²) and Check24 (1,800 m²), smaller lettings have so far been the most common.

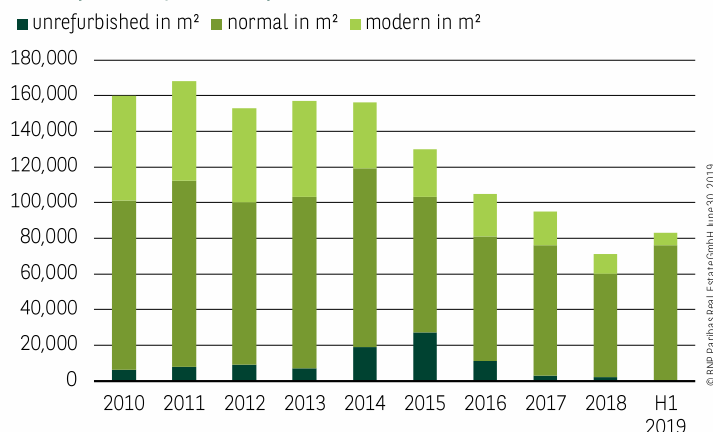
Take-up by sector H1 2019



➤ INDUSTRIAL COMPANIES TAKE THE LEAD

Industrial companies have by far the largest contract and are thus clearly at the top of the industry evaluation. Overall, they generate a good third of the take-up so far. The public administration is traditionally strongly represented in Dortmund, achieving almost 18% with significant lettings from the Economic Development Agency (3,500 m²) and the city administration (1,600 m²). At around 17%, other services came just behind in third place, well ahead of the healthcare sector (a good 10%). Those sectors are followed by information and communication technology companies, which are fundamentally a very important component of Dortmund's economy. However, with the exception of the Check24 rental, they have so far only appeared with smaller contracts on the office rental market and therefore just missed the 10% mark.

Development of vacant space



➤ VACANCY IS INCREASING, BUT SUPPLY REMAINS TENSE

Compared to the previous year, the vacancy has risen slightly, by a good 1%, and now stands at around 83,000 m², most of which is located in the city centre (just under 57%). The vacancy rate amounts to 2.8% and is therefore very low in national comparison. On the supply side, the situation thus remains tense. In particular for highly demanded modern spaces, the situation has become even more acute: they only account for a good 8% of the total vacancy. The vacant 7,000 m² are spread over various submarkets, so that hardly any larger contiguous units are available.

Major contracts

Sub-market	Company	m²
3.5	Company from the industrial sector	12,000
1.1	Business Development Agency Dortmund	3,500
1.1	Check24	1,800
3.4	City of Dortmund	1,600
3.5	Company from the industrial sector	1,400

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➤ CONSTRUCTION ACTIVITY UP, BUT HARDLY ANY RELIEF

The increased construction activity can be seen as a reaction to the tense supply situation. With around 51,000 m² of space currently under construction an above-average figure in a long-term comparison is recorded - however, this is not enough to provide noticeable relief. Only 3,000 m² of this volume is available to the rental market, as the majority of the space (around 94%) has already been pre-let or is occupied by owner-occupiers. The available space (vacancy + available space under construction) amounts to 86,000 m² and increased only slightly (+2%) compared to the previous year. Especially in the city and in the centre fringe, hardly any new offices are being built. Rather, most new construction projects can be observed in the subcentres, which together account for around 95% of new space, with Phoenix-West (a good 21,000 m²) responsible for the highest construction volume.

Trends in important market indicators

	H1 2018	H1 2019	Trend remaining year
Take-up	33,000 m²	45,000 m²	↗
Vacant space	82,000 m²	83,000 m²	↘
Space under construction (total)	46,000 m²	51,000 m²	↗
Space under construction (available)	2,000 m²	3,000 m²	↘
Top rent	14.00 €/m²	15.60 €/m²	➔

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➤ INCREASE OF TOP AND AVERAGE RENTS

As a result of supply shortage and the continuing strong demand, prime rents have risen continuously in recent years. Compared to the previous year, it has climbed by more than 11% and now stands at 15.60 €/m² for modern space in the city centre. The average rent in almost all submarkets has also increased, in some cases very significantly, and is now 11.80 €/m².

➤ OUTLOOK

Demand in Dortmund is in some cases significantly higher than supply. This fundamental situation will hardly change in the further course of the year. Whether the second half of the year will be as positive as the first depends in particular on the fact whether demand meets sufficient supply. For the year as a whole, take-up above the long-term average of a good 85,000 m² is realistic, with the top rent likely to stabilise at the current level.

Key indicators H1 2019

	Top rent* (€/m²)		Take-up (m²)	Vacant space (m²)			Space under construction (m²)		Space on offer (m²)	
	from	to	H1 2019	total	modern	of this, since completion	total	available	available	projected
	1		2	3	4	5	6	7	8 = (3 + 7)	9
Submarkets**										
1 City Centre										
1.1 Core City		15.60	9,900	47,100	3,100	800	1,100	0	47,100	27,300
2 Centre Fringe	12.50 - 13.50		6,700	17,100	2,200	2,200	1,400	0	17,100	44,400
3 Subcentres	10.50 - 13.50		27,800	14,600	1,700	1,000	48,500	3,000	17,600	41,300
4 Periphery	8.50		600	4,200	0	0	0	0	4,200	0
Total			45,000	83,000	7,000	4,000	51,000	3,000	86,000	113,000

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* 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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