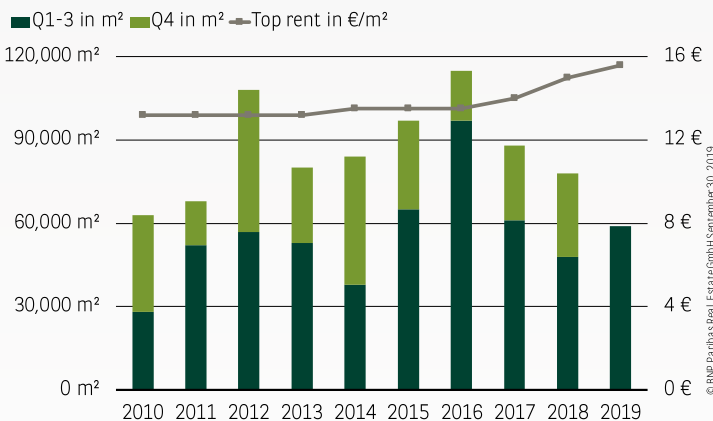




At a Glance **Q3 2019**

# OFFICE MARKET DORTMUND

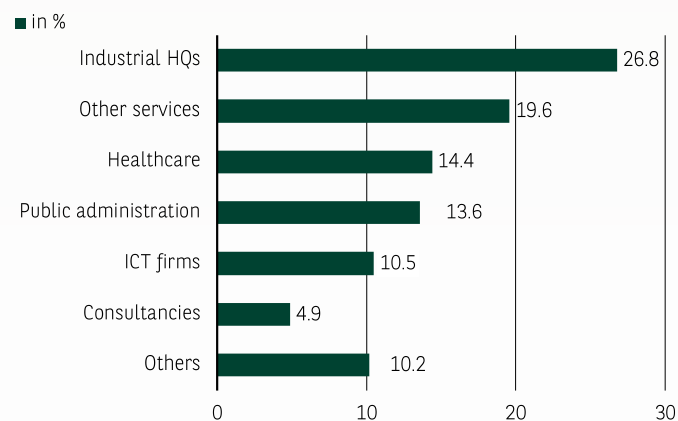
## Development of take-up and top rents



## GOOD TAKE-UP AFTER NINE MONTHS

Based on the strong half-year result the Dortmund office market recorded a volume of 59,000 m² at the end of the third quarter. The outcome is almost 23% above the previous year's figure and exceeds the long-term average by a good 5%. After the downward trend in the years 2017 and 2018, a stabilization of the market activity can thus be observed. The take-up result is based on two pillars. On the one hand, the volume is shaped by large contracts. Particularly noteworthy are the office lettings of an industrial company with a space of around 12,000 m² in the Subcentres as well as the rentals to the Dortmund Business Development Agency (3,500 m²) in the City Centre and to Blick Holding (1,900 m²) in the Stadtkrone Ost submarket. On the other hand, the Dortmund office market can also build on its traditionally strong letting volume in the small to medium size segment (200 to 2,000 m²), which accounts for over 65% of take-up, this year.

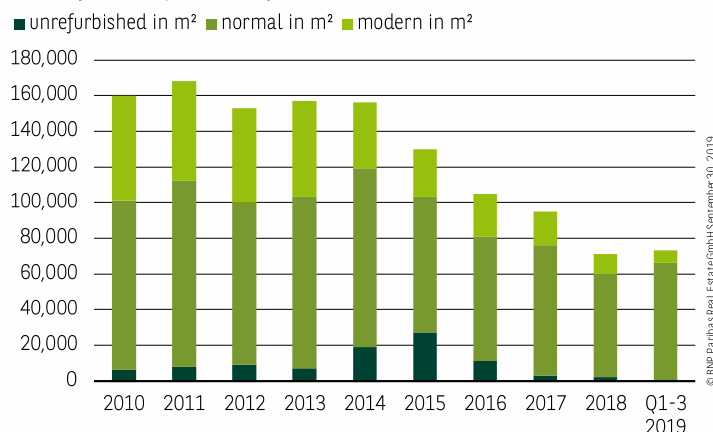
## Take-up by sector Q1-3 2019



## MANY DEMANDERS PARTICIPATE ACTIVELY

Although industrial firms are at the top of the sector distribution based on the already mentioned major deal, demand from other segments is also broadly diversified. Four further sectors are making a double-digit contribution to the result. In second place is the other services category (just under 20%), which also achieves an above-average result in a long-term comparison. Companies in the healthcare sector are in particularly good shape (a good 14%), contributing the largest volume and the highest share of take-up since 2010. As a result of the Dortmund Business Development Agency's deal, public administration has reached about 14%, followed by the ICT sector (10.5%), which is somewhat weaker than in the previous year.

## Development of vacant space



## MODERN SPACE IS BECOMING SCARCE

Compared to the previous year, the amount of vacant space has risen slightly by almost 3% and currently amounts to 73,000 m². However, a reduction of the vacancy space can be observed since the middle of the year. With a vacancy rate of 2.5%, supply on the Dortmund office market remains scarce. Vacant space with the modern equipment quality that tenants prefer are particularly scarce and have recorded a decline of more than 50% to 7,000 m² within twelve months, thus accounting for just under 10% of the total vacancy.

## Major contracts

Sub-market	Company	m²
3.5	Company from the industrial sector	12,000
1.1	Business Development Agency Dortmund	3,500
3.2	Blikk Holding	1,900
1.1	Check24	1,800
3.5	Harbourside	1,800
3.5	Conciso	1,600

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## Trends in important market indicators

	Q1-3 2018	Q1-3 2019	Trend remaining year
Take-up	48,000 m²	59,000 m²	↗
Vacant space	71,000 m²	73,000 m²	↘
Space under construction (total)	86,000 m²	40,000 m²	↘
Space under construction (available)	4,000 m²	3,000 m²	↘
Top rent	15.00 €/m²	15.60 €/m²	↗

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## SOME CONSTRUCTION PROJECTS COMPLETED

Despite the tense supply situation, there is currently no sign of an increase in construction activity. Due to a series of completions in the third quarter, only 40,000 m² of office space is currently under construction and thus only half as much as in the previous year. The current development of new space is strongly concentrated on the Subcentres, whereas almost no new office space is being created in the City Centre or in the outskirts of the city. A look at the project pipeline, however, suggests that property developers will be more intensively involved in this market area in the near future. The available space (vacancy + available space under construction) amounts to 76,000 m² and is therefore roughly at the same level of the previous year (+1%).

## POSITIVE RENT DEVELOPMENT CONTINUES

Due to the tense supply/demand ratio, a steady increase in rents can be observed on the Dortmund office market since 2012, which is continuing this year. The prime rent increased by 4% within the last twelve months and currently amounts to 15.60 €/m². The average rent developed even more dynamically, rising by a good 11% year-on-year to 11.90 €/m².

## OUTLOOK

As demand in Dortmund significantly exceeds existing supply, the strong take-up trend of the first half of 2019 could not be maintained in the third quarter. This situation is not expected to change until the end of the year, so that the total volume can be forecasted to be slightly above average. In addition, a further increase in rents is assumed.

## Key indicators Q1-3 2019

	Top rent* (€/m²)		Take-up (m²)	Vacant space (m²)			Space under construction (m²)		Space on offer (m²)	
	from	to	Q1-3 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		15.60	12,500	48,000	4,300	700	1,000	0	48,000	27,300
2 Centre Fringe	12.50	- 13.50	9,400	7,800	1,300	1,400	1,400	0	7,800	44,400
3 Subcentres	10.50	- 14.50	36,100	13,000	1,400	900	37,600	3,000	16,000	41,300
4 Airport/ECO PORT		8.50	1,000	4,200	0	0	0	0	4,200	0
<b>Total</b>			<b>59,000</b>	<b>73,000</b>	<b>7,000</b>	<b>3,000</b>	<b>40,000</b>	<b>3,000</b>	<b>76,000</b>	<b>113,000</b>

\* 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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