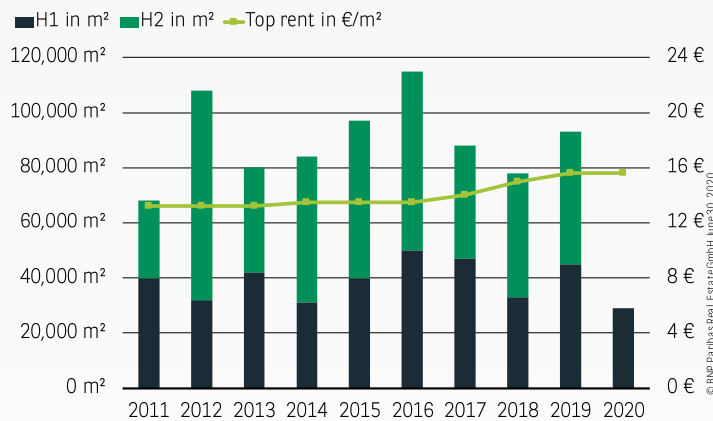




At a Glance **Q2 2020**

OFFICE MARKET DORTMUND

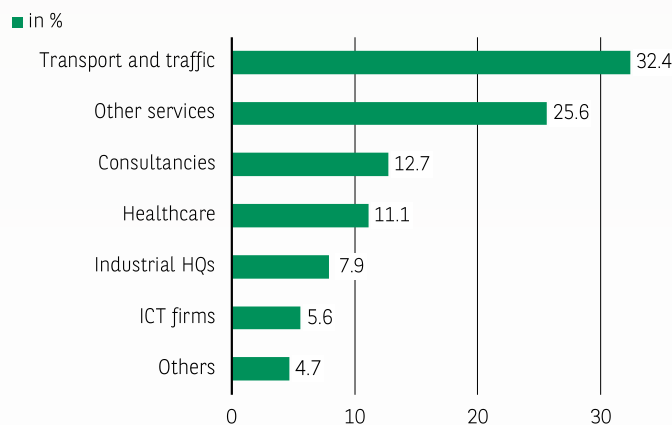
Development of take-up and top rents



➤ LOCKDOWN AFFECTS THE OFFICE MARKET

Because of the Corona pandemic in the first half of 2020, the positive trend observed in the Dortmund office market in recent years was temporarily interrupted. With a take-up of 29,000 m², a result around 26% below the long-term average was recorded. Against the backdrop of the lockdown lasting for weeks and the uncertainties of the forthcoming recession, this is not surprising, as many companies have postponed planned lettings of new office space for the time being, resulting in a temporary drop in demand. This development is specifically evident in the size segment with a volume of over 5,000 m², which has almost always made a significant contribution to the result in recent years, but which did not yet record a deal in the first half of 2020. Despite the temporary decline in demand, no rent adjustment is expected in the upcoming quarters due to the current low vacancy level.

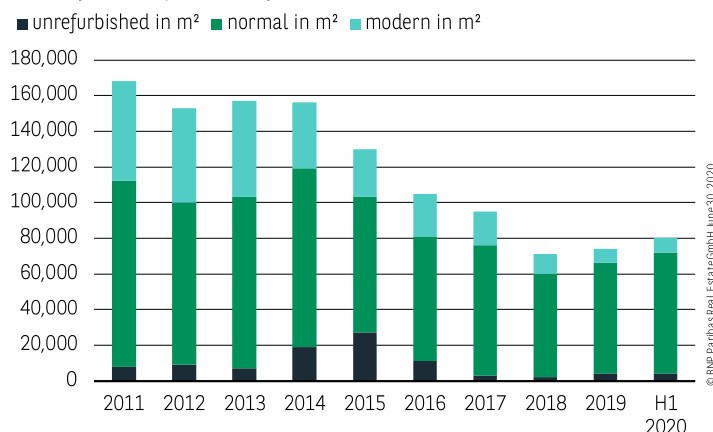
Take-up by sector H1 2020



➤ TRANSPORT AND TRAFFIC PARTICULARLY STRONG

An unusual picture emerges when analysing take-up by sector. The transport and traffic sector is remarkably strong, with a 32% share of results, which also represents the highest percentage contribution ever recorded by this sector. Responsible for this outcome were the two largest deals of the year to date, with 4,600 m² for Swisslog and 3,500 m² for DB Schenker. Also in good shape is the group of other services, which is in second place with a share of almost 26%. Double-digit take-up contributions can also be made by consultancies (13%) and the healthcare sector (11%).

Development of vacant space



➤ SUPPLY STABLE AT A LOW LEVEL

In the last twelve months the volume of vacant space in the Dortmund market area has been reduced by a further almost 4% and can currently be stated at 80,000 m². Even in the course of the Corona crisis, vacancies have so far only increased slightly (+8%). The supply bottleneck is impressively reflected in the low vacancy rate of 2.7%, which is still well below the necessary fluctuation reserve. The supply bottleneck is particularly evident in the segment of modern office space where only 8,000 m² of vacant space is available.

Major contracts

Sub-market	Company	m²
3.5	Swisslog	4,600
2.1	DB Schenker	3,500
3.4	Healthcare company	1,600
3.5	TE Connectivity Sensors Germany	1,200
3.5	Dematic	1,000

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Trends in important market indicators

	H1 2019	H1 2020	Trend remaining year
Take-up	45,000 m²	29,000 m²	↗
Vacant space	83,000 m²	80,000 m²	↘
Space under construction (total)	51,000 m²	50,000 m²	→
Space under construction (available)	3,000 m²	15,000 m²	→
Top rent	15.60 €/m²	15.60 €/m²	→

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➤ CONSTRUCTION ACTIVITY AT A STABLE LEVEL

Despite the low supply of modern space, the volume of space under construction (50,000 m²; of which 15,000 m² is still available) has not changed significantly over the last twelve months. Construction activity is currently concentrated mainly in the Subcentres (48,600 m²) and to a lesser extent in the Core City (1,400 m²). However, if the sum of the projected spaces is considered, a pleasing development can be seen. With currently 79,000 m² of projected office space, an increase of 58% since the beginning of the year was recorded, which shows that the Dortmund office market remains attractive for the development of new properties in the long term despite uncertainties caused by the Corona pandemic.

➤ RENTS ARE ROBUST

Despite the slightly lower demand, office rents in Dortmund remained mostly stable in the first half-year due to the low supply of available space. The top rent stays at the level of the beginning of the year and is currently notes at 15.60 €/m². A slight decline could be observed in the generally more fluctuating average rent, which at 11.30 €/m² is about 3% below the end of the year 2019.

➤ OUTLOOK

Against the background of the foreseeable recession and the uncertainties associated with the Corona pandemic, the full-year result is likely to be significantly lower than in the previous year. Nevertheless, a steady revival of office market activities was observed again in the last weeks of the second quarter, so that a slight increase in take-up can be expected in the upcoming quarters. Moreover, the lack of supply makes a short-term rent adjustment due to the Corona pandemic unlikely from today's perspective.

Key indicators H1 2020

Submarkets**	Top rent* (€/m²)		Take-up (m²)	Vacant space (m²)			Space under construction (m²)		Space on offer (m²)	
	from	to	H1 2020	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		3,200	49,600	3,300	800	1,400	1,400	51,000	10,400
2 Centre Fringe	12.50	- 14.50	7,100	9,800	1,200	1,400	0	0	9,800	0
3 Subcentres	12.00	- 14.50	18,700	18,500	3,500	2,800	48,600	13,600	32,100	68,600
4 Periphery	8.50		0	2,100	0	0	0	0	2,100	0
Total			29,000	80,000	8,000	5,000	50,000	15,000	95,000	79,000

* 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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