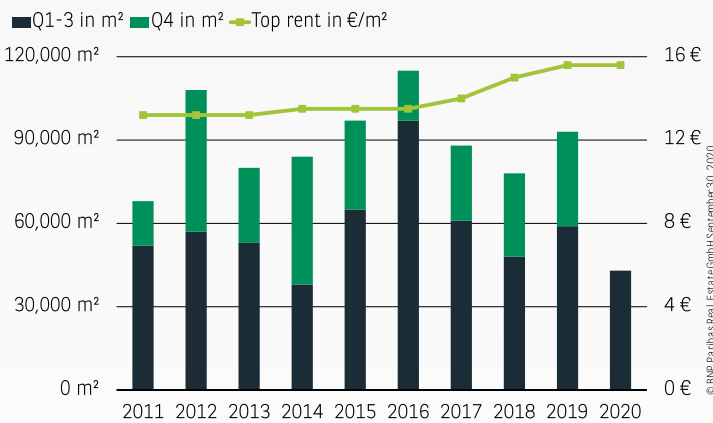




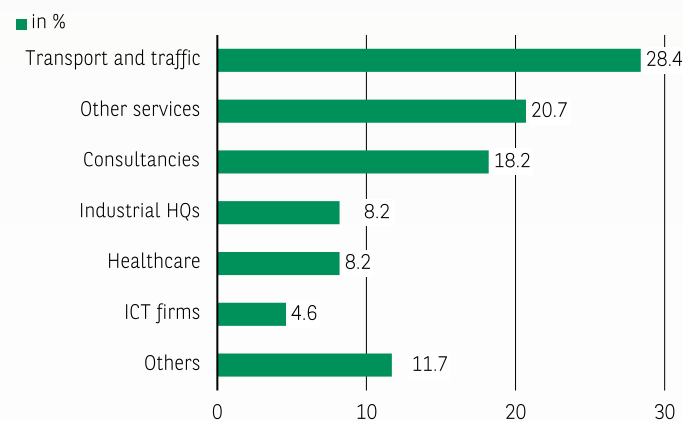
At a Glance **Q3 2020**

OFFICE MARKET DORTMUND

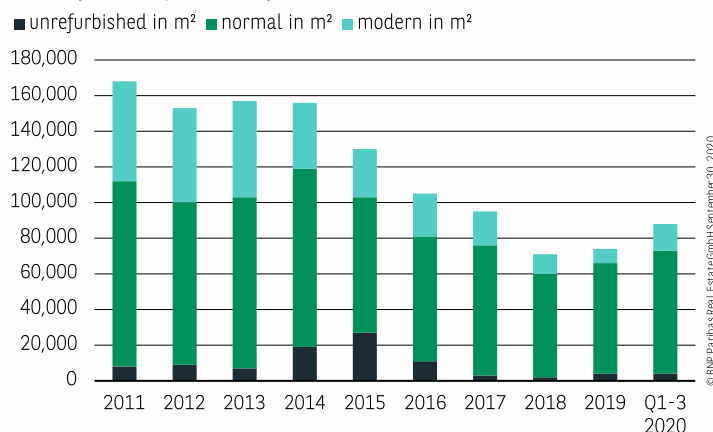
Development of take-up and top rents



Take-up by sector Q1-3 2020



Development of vacant space



COVID-19 CONTINUES TO IMPACT THE OFFICE MARKET

The Dortmund office market fell short of the previous year's result by around 27%, with take-up of 43,000 m² in the first three quarters. The ten-year average was also undercut by around one quarter. However, this apparently weak result should be put into perspective: in a nationwide comparison Dortmund is one of the cities with the smallest decline. However, the economic uncertainties resulting from the Corona pandemic were still clearly noticeably in the third quarter and led to a number of leases being postponed or in some cases temporarily abandoned. This can also be observed in all other German cities. With around 14,000 m² of office space let between July and September, take-up was already on the way back towards the long-term average. In addition, no major deal for more than 5,000 m² has yet been recorded in the current year. The largest contract to date is a lease from Swisslog for 4,600 m².

THREE INDUSTRIES DOMINATING THE MARKET

As a result of the aforementioned lease from Swisslog and a further contract concluded by DB Schenker for 3,500 m², the transport and traffic sector has taken the lead in the industry ranking and contributes around 28% of total take-up. The traditionally strong category of other services ranked second, slightly exceeding its long-term average with almost 21%. The leading trio is completed by consultancies, which account for almost 18%. Among other factors, a deal for 2,900 m² in the submarket Phoenix See concluded by a law firm contributed to this result.

VACANCIES SLIGHTLY INCREASING

The restrained demand is also affecting the development of supply, resulting in an increase of vacancies by around 10% to 88,000 m² since the middle of the year. However, in absolute numbers the volume rose by only 8,000 m². It is particularly noteworthy that around 15,000 m² of the vacant space has the modern quality preferred by tenants. This corresponds to a level of 17% which is one of the lowest rates in a national wide comparison. Despite the slight increase, the vacancy rate is still only 2.9% and thus significantly below the general fluctuation reserve.

Major contracts

Sub-market	Company	m ²
3.5	Swisslog	4,600
2.1	DB Schenker	3,500
3.4	Law firm	2,900
1.1	Dispo-Tf Holding	2,100
3.4	Hospital	1,600
3.5	TE Connectivity Sensors Germany	1,200

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Trends in important market indicators

	Q1-3 2019	Q1-3 2020	Trend remaining year
Take-up	59,000 m ²	43,000 m ²	↗
Vacant space	73,000 m ²	88,000 m ²	↘
Space under construction (total)	40,000 m ²	35,000 m ²	↘
Space under construction (available)	3,000 m ²	12,000 m ²	↘
Top rent	15.60 €/m ²	15.60 €/m ²	→

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▶ SPACE UNDER CONSTRUCTION DECREASED SIGNIFICANTLY

Despite the increase in vacancies, the overall supply of available space has changed only marginally. The second component of supply, i.e. space under construction, has declined significantly. In the last three months it has fallen by 30% to only 35,000 m². The decrease in the amount of available construction space was not quite as strong, but was nevertheless noticeable. It dropped by 20% to 12,000 m² at present. This means that only a good third of the new construction space can still be rented. The rest has already been pre-let or is being built by owner-occupiers. Given the very limited new construction activities, the rise in supply will be marginally.

▶ STABLE RENT DEVELOPMENT

As in most other German office locations, the Covid-19 situation is currently affecting demand noticeable, but not rent levels. This is due to the continuing very low supply. As a result, the top rent remains unchanged at 15.60 €/m², and the average rent of 11.70 €/m² is also at a comparable level to previous quarters.

▶ OUTLOOK

The uncertainties related to the ongoing Corona pandemic will continue to concern companies in the final quarter of the year. In view of this, weaker take-up is also expected for the year as a whole. Vacancies are likely to further rise slightly in the last three months of the year, albeit not to an alarming level. Rents are forecasted to stabilize at their current level.

Key indicators Q1-3 2020

Submarkets**	Top rent* (€/m ²)		Take-up (m ²)	Vacant space (m ²)			Space under construction (m ²)		Space on offer (m ²)	
	from	to	Q1-3 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	6,700	52,300	6,900	800	1,400	1,400	53,700	29,500
2 Centre Fringe	12.50	- 14.50	7,100	15,400	4,400	4,400	0	0	15,400	0
3 Subcentres	12.00	- 15.50	27,500	18,800	3,700	2,800	33,600	10,600	29,400	74,500
4 Airport/ECO PORT		8.50	1,700	1,500	0	0	0	0	1,500	0
Total			43,000	88,000	15,000	8,000	35,000	12,000	100,000	104,000

* 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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