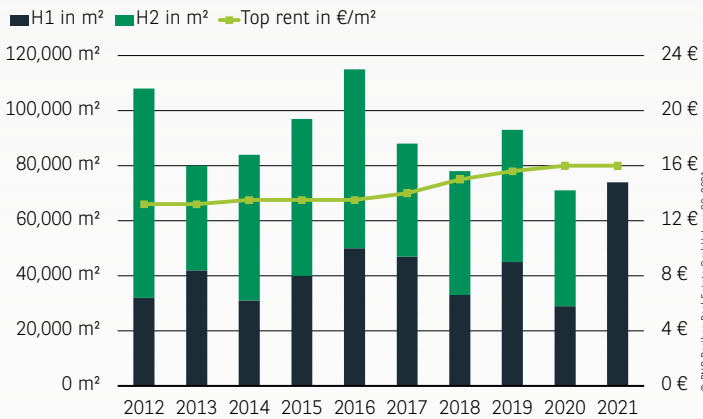




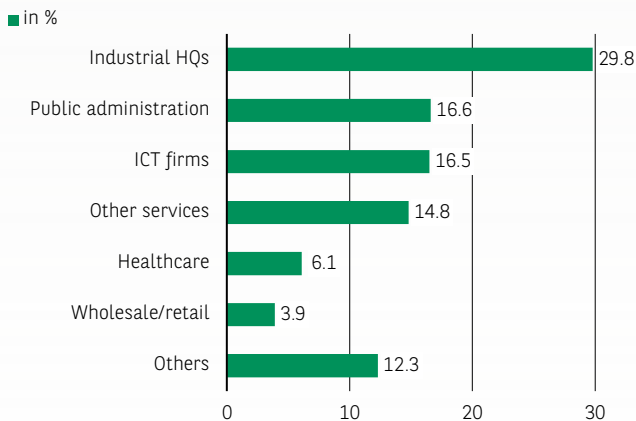
At a Glance **Q2 2021**

OFFICE MARKET DORTMUND

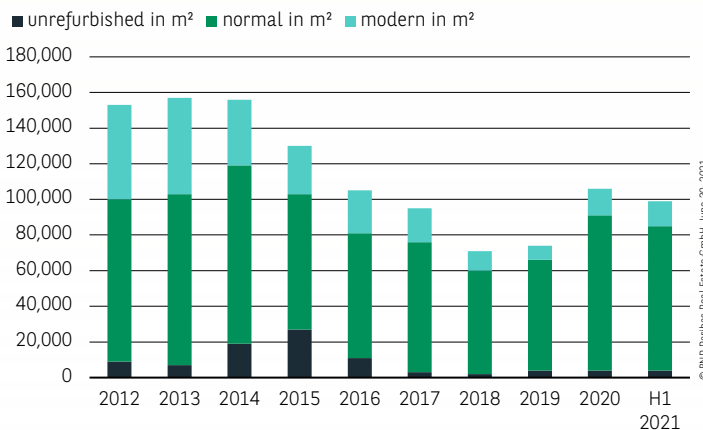
Development of take-up and top rents



Take-up by sector H1 2021



Development of vacant space



➤ NEW RECORD FOR THE FIRST HALF OF THE YEAR

After a rather restrained first half-year in 2020 due to the pandemic, the Dortmund office market got off to an excellent start this year. The take-up of 74,000 m² is not only more than 150% higher year-on-year, but also about three quarters above the long-term average. It is therefore not surprising that a new all-time high was set, exceeding the previous record of 2016 by 48%. In a nationwide comparison, Dortmund can boast the largest percentage increase in take-up compared to the prior-year period. This development was driven in particular by Amprion GmbH, whose owner-occupier deal for 15,600 m² accounted for over 20% of take-up in the first half of the year. There was also a second major contract signed in Q2: the Dortmund police leased 6,000 m² at Dortmund Airport.

➤ INDUSTRIAL COMPANIES CLEARLY AT THE TOP

The breakdown of take-up by sector shows a clear leader. At around 30%, the administrations of industrial companies are responsible for almost a third of the take-up on the Dortmund office market. In the previous quarter it was only 16%, so the share has almost doubled. This is mainly due to the major deal concluded by Amprion, which also contributed to the overall high take-up. Next in line are public administration (17%), ICT firms (16.5%) and other services (15%), all of which are well known in Dortmund and once again accounted for a significant share of take-up.

➤ VACANCY HAS ALREADY REACHED ITS PEAK

The level of vacancies on the Dortmund office market has risen significantly compared to the middle of 2020 and is currently almost 24% above the previous year's figure at 99,000 m². However, the latest figures show that vacancies are already slowly decreasing again and that the peak of the vacancy volume seems to have been passed already: in the course of the second quarter vacancies fell by almost 4%. Although in the same period vacancy rose by 57% in the most important market segment, modern vacant space, this shall be considered rather positive as there is a severe shortage in modern office space. Despite the strong increase, only 14,000 m² of high-quality vacancies remain. The continuing tight supply situation is also reflected impressively in the still very low vacancy rate of only 3.3%.

Major contracts

Sub-market	Company	m ²
3.3	Amprion	15,600
4.1	Polizei Dortmund	6,000
3.3	Bechtle	5,800
1.1	JobCenter	4,000
3.5	NicLen	3,900

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➤ LOWER CONSTRUCTION ACTIVITY DUE TO COMPLETIONS

Although there is a supply bottleneck in Dortmund, particularly in the segment of modern office space in central locations, the volume of space under construction (39,000 m²; of which only 5,000 m² is available) has declined in the last twelve months. Some construction completions have contributed to this development. As in the first half of 2020, construction activity can be located almost exclusively in the Subcentres (36,600 m²) and to a small extent in the City Centre (2,400 m²). A clear difference to the previous year can be registered in the volume of projected space. This figure has risen by around 30% and currently totals 103,000 m². This is a clear indicator that developers are still expecting the market to perform positively.

➤ HIGHEST RENT RISES

The relatively high demand coupled with limited supply is also reflected in the development of rents. While the prime rent remained unchanged at 16.00 €/m² in the first quarter, it rose to 16.50 €/m² in the second quarter. The average rent, which had fallen slightly in Q1, has also increased again and now stands at 11.80 €/m². Thus, it is returning to the level of the end of the year, when it was recorded at 12.00 €/m².

Trends in important market indicators

	H1 2020	H1 2021	Trend remaining year
Take-up	29,000 m ²	74,000 m ²	↗
Vacant space	80,000 m ²	99,000 m ²	↘
Space under construction (total)	50,000 m ²	39,000 m ²	➔
Space under construction (available)	15,000 m ²	5,000 m ²	➔
Top rent	15.60 €/m ²	16.50 €/m ²	↗

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➤ OUTLOOK

The strong first half-year result shows that the Dortmund office market has so far been able to cope comparatively well with the effects of the Corona pandemic. Against this background, brisk demand with correspondingly high take-up is expected for the second half of the year. At the same time, this demand will face a limited supply in the modern market segment which is preferred by tenants. As a result a further moderate increase in rent levels is likely.

Key indicators H1 2021

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	H1 2021	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		16.00	9,200	60,900	5,100	700	1,400	500	61,400	2,900
2 Centre Fringe	12.50	- 14.50	6,300	15,700	4,700	0	1,000	500	16,200	17,100
3 Subcentres	12.50	- 16.50	52,400	18,700	4,200	3,300	36,600	4,000	22,700	83,000
4 Periphery		10.50	6,100	3,700	0	0	0	0	3,700	0
Total			74,000	99,000	14,000	4,000	39,000	5,000	104,000	103,000

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* The top rent given applies to a market segment of 3-5 % in each case.

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

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Further Information BNP Paribas Real Estate GmbH | Branch office Essen | Telephone +49 (0)201-820 22-2 | www.realestate.bnpparibas.de