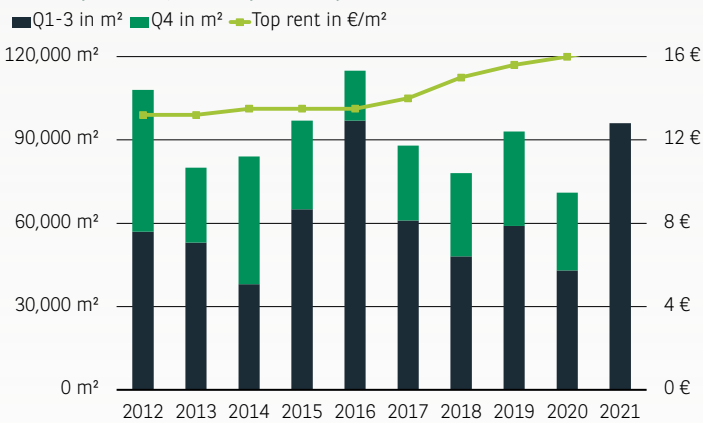




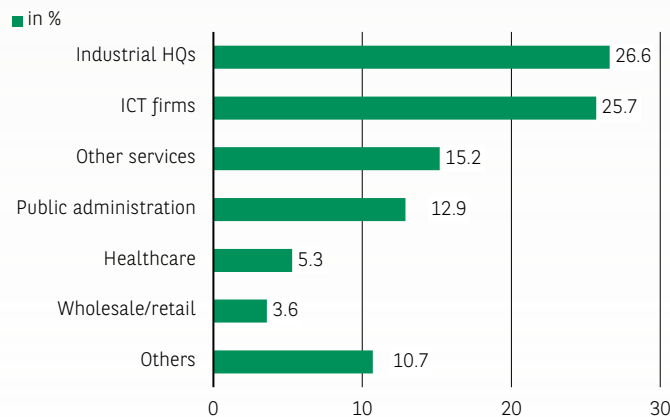
At a Glance **Q3 2021**

OFFICE MARKET DORTMUND

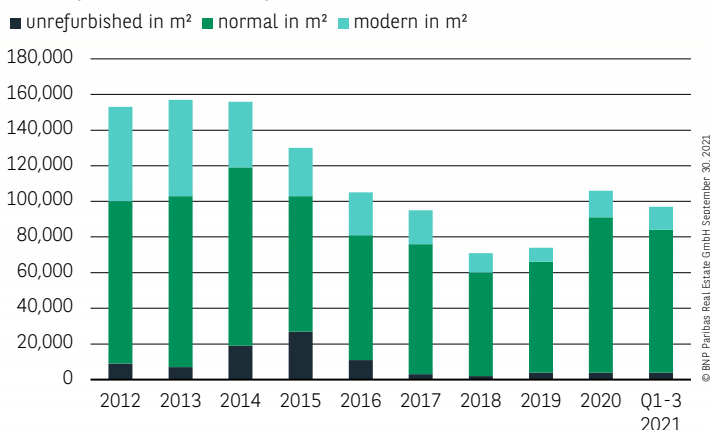
Development of take-up and top rents



Take-up by sector Q1-3 2021



Development of vacant space



▶ DORTMUND OFFICE MARKET ON RECORD COURSE

Following the record result for the first half of the year, the Dortmund office market continued its positive development in the third quarter. With a take-up of 96,000 m² in the first three quarters, the previous year's result was topped by around 123%, which is by far the strongest year-on-year increase of take-up in Germany. The 10-year average was also clearly exceeded by 55%. Thus, despite the still difficult economic environment, the Dortmund office market is on a par with the record year of 2016. The main reason for the ongoing success story in the third quarter was the lease of 11,300 m² by the IT service provider Adesso in one of Dortmund's peripheral locations. This deal alone accounted for more than half of the take-up in the third quarter. In total, this means that four major deals ranging from just under 4,000 to almost 16,000 m² have already been registered this year, which is an extraordinary achievement not only for Dortmund but for B-cities in general.

▶ TWO SECTORS CONTRIBUTE OVER HALF OF TAKE-UP

In contrast to the first half of the year, the distribution of take-up is no longer dominated by just one sector group. As a result of the Adesso deal mentioned above, companies from the ICT sector increased their share of take-up in the current year by nine percentage points (26%). This means that the traditionally strong ICT sector is now catching up with the administrations of industrial companies, which were still the leaders at the end of the first half of the year. However, they managed to defend their top position with a share of 27%.

▶ MARGINAL DECLINE IN VACANCY

At the end of the third quarter, vacancies in the Dortmund market area totalled just 97,000 m². This means that the volume of vacant space in the Dortmund office market has now fallen for three quarters in a row and is a good 8% lower than at the end of last year. Particularly those vacancies with a modern fit-out quality, which are particularly preferred by tenants, are very rare. This volume fell by a further 7% in the third quarter and now amounts to just 13,000 m². This means that only just over 13% of total vacancies have a modern quality. The overall tight demand situation is also reflected in the vacancy rate, which has fallen further and currently stands at just 3.2%.

Major contracts

Sub-market	Company	m ²
3.3	Amprion	15,600
3.2	Adesso	11,300
4.1	Police Dortmund	6,000
3.3	Bechtle	5,800
1.1	JobCenter	4,000
3.5	NicLen	3,900

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Trends in important market indicators

	Q1-3 2020	Q1-3 2021	Trend remaining year
Take-up	43,000 m ²	96,000 m ²	↗
Vacant space	88,000 m ²	97,000 m ²	↘
Space under construction (total)	35,000 m ²	17,000 m ²	→
Space under construction (available)	12,000 m ²	4,000 m ²	→
Top rent	15.60 €/m ²	16.50 €/m ²	→

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➤ ONLY SMALL AMOUNT OF SPACE UNDER CONSTRUCTION

Not only vacancies, but also the second supply segment "space under construction" declined. This is mainly due to a number of construction completions. Compared to the previous year, the volume has decreased by more than 50% to now only 17,000 m². It is worth noting that only 4,000 m² of this, less than a quarter, is still available to the rental market. In other words, modern office space in particular is in real short supply. Project developers have also recognized this and have consequently raised their project planning by a good 20%.

➤ INCREASE OF RENTS DESPITE PANDEMIC

With an average rent of 12.00 €/m² and a top rent of 16.50 €/m², rents have remained unchanged from the previous quarter. However, a year-on-year comparison shows an increase of just under 3% in average rents and almost 6% in prime rents. This means that office rents in Dortmund were able to record a significant growth even during the ongoing pandemic. This can also be seen as an indication of strong demand coupled with very limited supply.

➤ OUTLOOK

Unlike most other locations, the Dortmund office market has successfully defied the effects of the Corona pandemic. The city recorded even increases of take-up despite the difficult macroeconomic environment. In a nationwide comparison, Dortmund is thus one of the few cities to have achieved this. Result of the positive development are higher rent levels, which could make it easier to develop new office space in a commercially sustainable manner in the future. From the market's point of view, this would be a positive development. As there are also signs of brisk demand in the final quarter, it cannot be ruled out that the Dortmund office market could close 2021 with a new take-up record.

Key indicators Q1-3 2021

	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 2021	total	modern	of this, since completion	total	available	available	projected
Submarkets**	1		2	3	4	5	6	7	8 = (3 + 7)	9
1 City Centre										
1.1 Core City		16.00	10,400	60,500	5,100	600	1,300	600	61,100	2,000
2 Centre Fringe	12.50	14.50	6,300	15,500	4,700	0	1,000	600	16,100	17,300
3 Subcentres	12.50 -	16.50	73,200	17,400	3,200	1,400	14,700	2,800	20,200	104,700
4 Airport/ECO PORT		10.70	6,100	3,600	0	0	0	0	3,600	0
Total			96,000	97,000	13,000	2,000	17,000	4,000	101,000	124,000

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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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