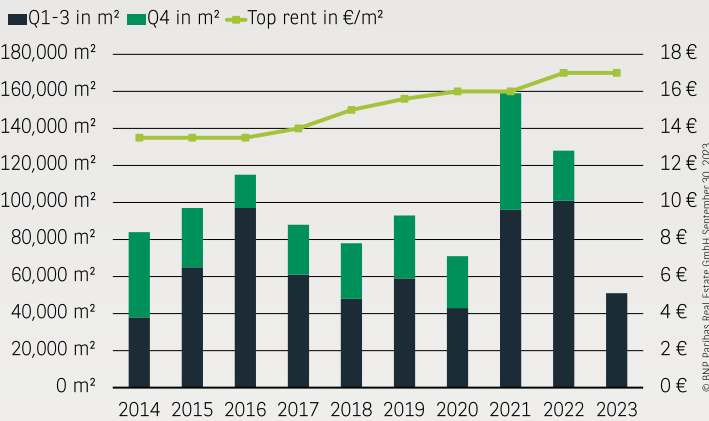




At a Glance **Q3 2023**

# OFFICE MARKET DORTMUND

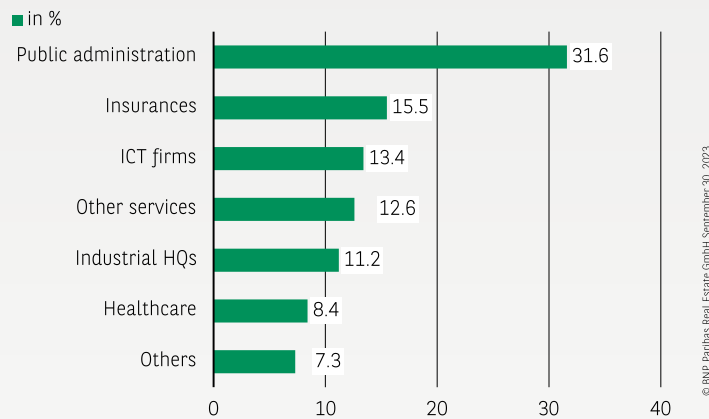
### Development of take-up and top rents



### ➤ NOTICEABLE DECLINE IN TAKE-UP

The continuing difficult macroeconomic conditions on the German markets are also reflected in Dortmund. After two extremely dynamic years, the Dortmund office market is currently achieving below-average results. A total take-up of 51,000 m² has been realized so far this year, which is significantly less than in the previous year (-49.5%). The long-term average was also missed by around 23%. This development is primarily due to the fact that no contract for more than 10,000 m² has yet been concluded. By contrast, a very high proportion of 39% is accounted for by lettings between 5,000 and 10,000 m². Noteworthy in this context are the rentals by the insurance company BIG for 7,400 m² in the Phoenix-See submarket, as well as by the City of Dortmund for 6,900 m² in the City and by the tax office for 5,300 m² in Westfalendamm.

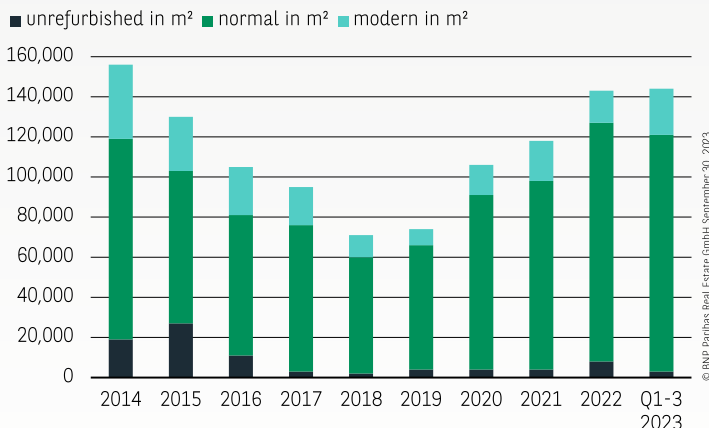
### Take-up by sector Q1-3 2023



### ➤ PUBLIC ADMINISTRATION CLEARLY AT THE TOP

Based on the aforementioned contracts, public administration leads the sector distribution with just under one third of take-up, but there is also a wide range of demand from other sectors. No less than four other sectors make a double-digit contribution to the results. Achieving a significantly above-average result in a long-term comparison Insurance companies (15.5%) are in second place overall. Information and communications technologies and other services take third and fourth place, each contributing around 13% of total take-up. In addition, the traditionally strong administrations of industrial companies also generate a noteworthy share with around 11%.

### Development of vacant space



### ➤ VACANCY VOLUME REMAINS LOW

Vacancies in the Dortmund market area totaled 144,000 m² at the end of the third quarter. This represents a further decline of a good 7% in the already low vacancy volume on the Dortmund office market over the past 12 months. The vacancy rate is correspondingly low at 4.6% and thus remains below the fluctuation reserve of 5%. The vacancy level for modern space favored by tenants also appears to be very low, at around 23,000 m². Its share of the total vacancy volume is currently only 16%. Consequently, the supply shortage of high-quality office space will continue to persist for the time being. At 9,400 m², the centre fringe still has the most extensive vacancies of this quality.

## Major contracts

Sub-market	Company	m <sup>2</sup>
3.4	BIG Gesundheit	7,400
1.1	City of Dortmund	6,900
2.2	Local tax office	5,300
3.2	Thyssen Krupp	2,400
3.5	Public administration	2,200
3.5	Hestal	1,500

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## Trends in important market indicators

	Q1-3 2022	Q1-3 2023	Trend remaining year
Take-up	101,000 m <sup>2</sup>	51,000 m <sup>2</sup>	↗
Vacant space	155,000 m <sup>2</sup>	144,000 m <sup>2</sup>	↘
Space under construction (total)	115,000 m <sup>2</sup>	78,000 m <sup>2</sup>	↘
Space under construction (available)	14,000 m <sup>2</sup>	2,000 m <sup>2</sup>	↘
Top rent	16.50 €/m <sup>2</sup>	17.00 €/m <sup>2</sup>	↗

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## ▶ HARDLY ANY RELIEF FROM NEW CONSTRUCTION ACTIVITY

New construction is taking place in Dortmund in response to the tight supply situation. There is currently 78,000 m<sup>2</sup> of office space under construction. Although this represents a decline of almost one third compared with the previous year, it still reflects an above-average figure for the market as a whole. However, the difficulty is that only 2,000 m<sup>2</sup> of this is still available on the market at all. The remaining space has already been let or taken by owner-occupiers. New construction is taking place exclusively in the secondary locations, above all in the Stadtkrone Ost (34,000 m<sup>2</sup>) and Phoenix-West (30,000 m<sup>2</sup>) submarkets.

## ▶ STABILITY IN RENT PRICE DEVELOPMENT

The prime rent rose to 17€/m<sup>2</sup> in the fourth quarter of 2022 and has remained stable at that level since then. Compared with the same quarter of the previous year, however, this equates to an increase of 3%. It is achieved for modern office space in very good city center locations. The generally more volatile average rent has also remained stable since the beginning of the year at 13.30€/m<sup>2</sup>.

## ▶ OUTLOOK

Uncertainties in connection with the weaker overall economic development, initiated by the ongoing war in Ukraine, high inflation and increased interest rates will continue to weigh on companies in the final quarter. Against this backdrop, moderate take-up is also expected for the year as a whole. Nevertheless, vacancy volumes are likely to continue to fall slightly. The high demand for high-quality office space, particularly in central locations, is likely to keep prime rents under pressure as the supply shortage progresses, making a further increase a realistic scenario.

## Key indicators Q1-3 2023

Submarkets**	Top rent* (€/m <sup>2</sup> )		Take-up (m <sup>2</sup> )	Vacant space (m <sup>2</sup> )			Space under construction (m <sup>2</sup> )		Space on offer (m <sup>2</sup> )	
	from	to	Q1-3 2023	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		17.00	18,500	72,600	5,000	0	0	0	72,600	5,000
2 Centre Fringe	15.00 -	15.50	9,100	40,100	9,400	0	0	0	40,100	0
3 Subcentres	14.00 -	17.00	23,400	29,600	8,600	0	72,000	2,000	31,600	20,000
4 Airport/ECO PORT		11.50	0	1,700	0	0	6,000	0	1,700	0
<b>Total</b>			<b>51,000</b>	<b>144,000</b>	<b>23,000</b>	<b>0</b>	<b>78,000</b>	<b>2,000</b>	<b>146,000</b>	<b>25,000</b>

\* 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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