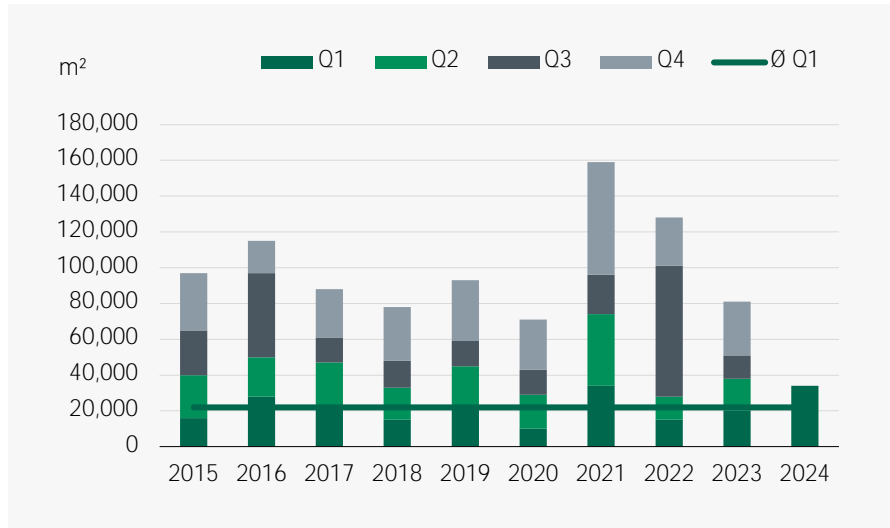


REPORT OFFICE MARKET

DORTMUND

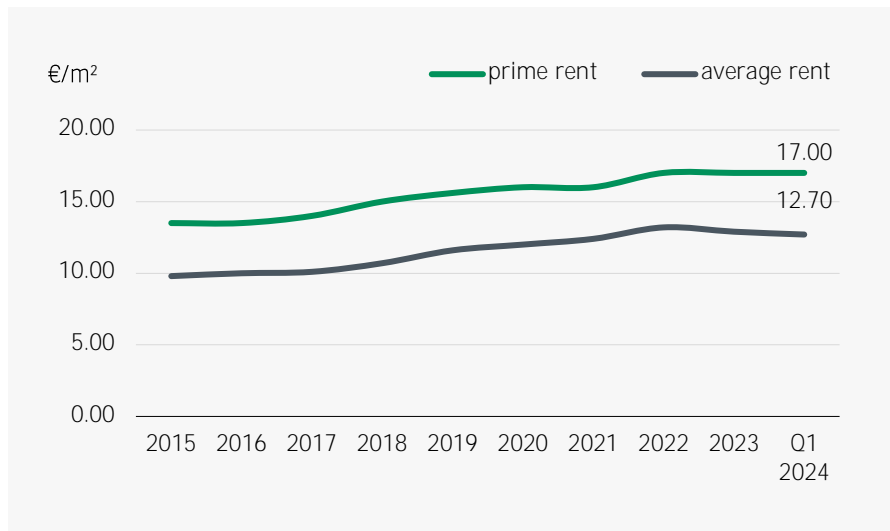
Q1 2024

Development of take-up



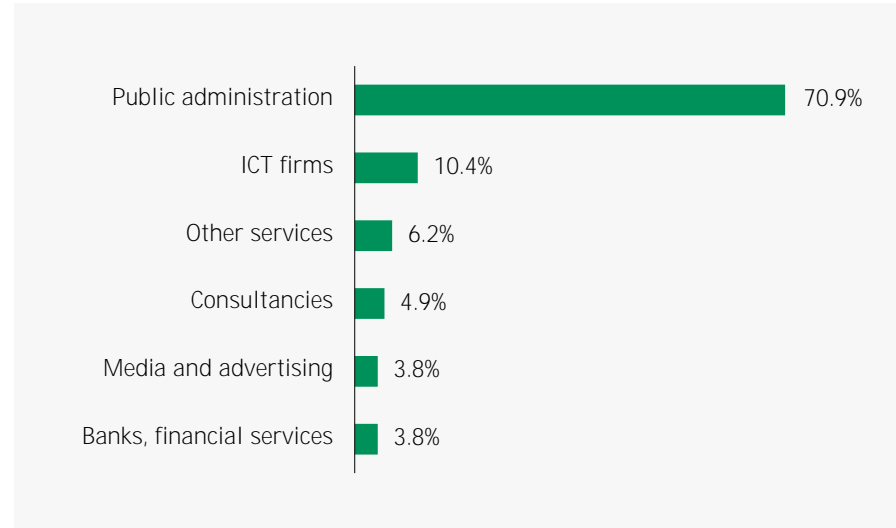
BEST Q1 OF THE LAST 10 YEARS

Prime and average rents



- Dortmund's office market has made a strong start to 2024. With take-up of 34,000 m² at the end of the first quarter, the solid result of the previous year has not only been increased by 70%, but the long-term average has also been exceeded by an impressive 55%. On a par with the first three months of 2021, the current result is the best Q1 figure in the last 10 years.
- This strong result is largely due to letting activity by the public sector, which is responsible for around 71% of take-up. More than 21,000 m² of this is accounted by the City of Dortmund alone, which concluded a whole series of contracts, including the three largest of the year. The largest contract is the letting of around 9,700 m² for the youth welfare office in the Westfalendamm submarket.
- While contracts above the 5,000 m² mark usually account for slightly less than a quarter of take-up, this figure is currently around 45%. However, the small-scale segment below the 1,000 m² mark is also experiencing lively letting activity overall, to which other sectors, such as ICT-firms and consultancies in particular, are also contributing.
- The prime rent currently stands at a level of €17/m², representing a sideways movement compared to the end of 2023. By contrast, the significantly more volatile average rent has fallen slightly by 20 cents to €12.70/m², not least due to the disproportionately high share of space occupied by the public sector.

Take-up by sector Q1 2024



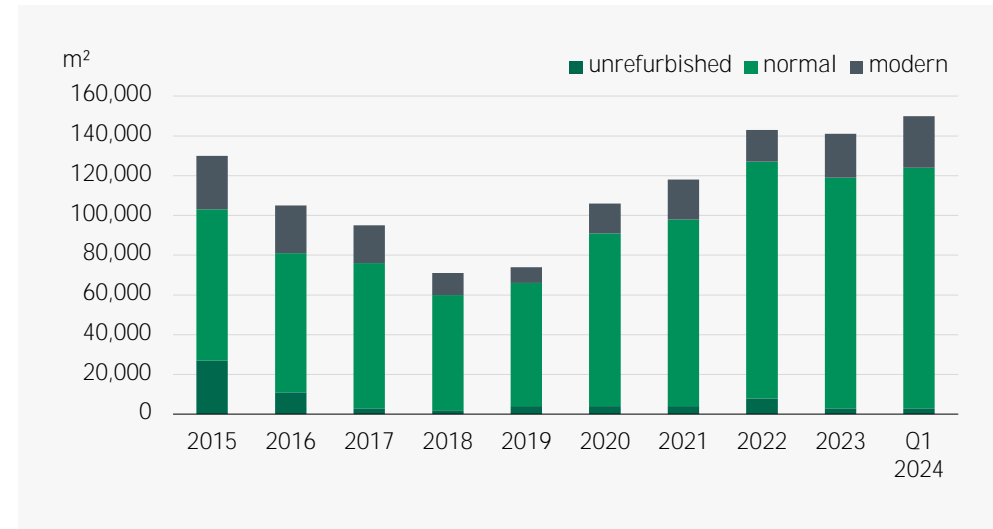
Major contracts Q1 2024

Sub-market	Company	m ²
2.2	City of Dortmund	9,700
1.1	City of Dortmund	5,400
1.1	City of Dortmund	3,700
3.5	itemis AG	1,200
3.4	Ärzte und Apotheker Bank	1,200
2.1	City of Dortmund	1,000

VOLUME OF SPACE UNDER CONSTRUCTION AT A HIGH LEVEL

- Despite the very high take-up, the vacancy has increased by around 6% in the last three months to 150,000 m². Nevertheless, the current vacancy rate of 4.8% is still below the required fluctuation reserve. In addition, only 17% of the total vacancy volume is of the modern space quality especially favored by tenants. In the city centre, this proportion is even lower at 9% or 6,800 m².
- Around 125,000 m² of office space is currently under construction, which is one of the highest figures ever recorded on the Dortmund office market. However, the pre-letting rate of around 90% is also at a very high level, meaning that only around 13,000 m² of this space is still available on the letting market.

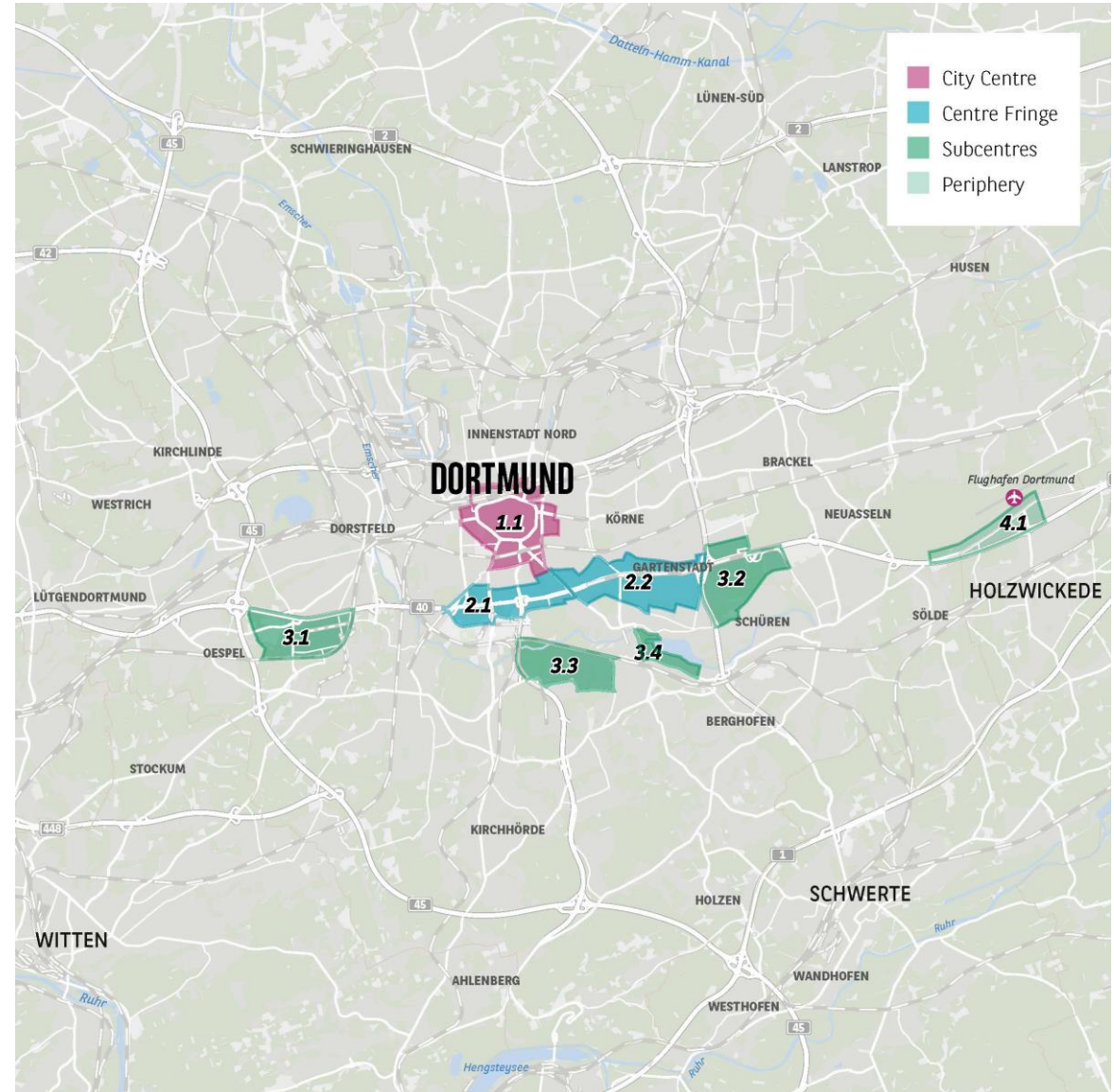
Development of vacant space



OUTLOOK

- In contrast to most other major German office locations, the Dortmund office market got off to a flying start to the year. After letting activity was noticeably lower than usual in 2023 due to the economic uncertainties, the current beginning of the year provides optimism that take-up will move back towards the long-term average of 100,000 m² by the end of 2024.
- However, reality also indicates that the very high take-up of space in the first quarter of 2024 is largely due to an unusually high rate of contracts signed by the public sector. Although public-sector tenants have regularly been active on the Dortmund market as drivers of take-up in recent years, they are generally not a good indicator for estimating the market's future demand for space, especially when it comes to prime properties in the high-price rental segment. Considering that the latest economic forecasts for 2024 predict only slight economic growth in Germany as a maximum, demand for office space from the private sector is likely to remain somewhat subdued in the coming quarters and only gradually increase noticeably towards the end of the year.
- As the volume of space under construction is likely to decrease significantly and correspondingly little new space will come onto the market, it is likely that the vacancy will decline again in the future. Due to the continued low supply of modern space in city centre locations, prime rents are expected to rise again.

Office submarkets Dortmund



Key indicators office market Dortmund

	PRIME RENT* (€/m²)		TAKE-UP (m²)	VACANT SPACE (m²)			SPACE UNDER CONSTRUCTION (m²)		SPACE ON OFFER (m²)	
	from	to	Q1 2024	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		17.00	11,500	76,400	6,800	0	0	0	76,400	5,000
2	13.00 -	15.00	12,000	41,300	9,000	0	2,400	1,300	42,600	0
3	12.80 -	16.50	10,500	30,600	10,200	0	116,600	11,700	42,300	13,000
4		12.00	0	1,700	0	0	6,000	0	1,700	0
	Total		34,000	150,000	26,000	0	125,000	13,000	163,000	18,000

* The prime rent given applies to market segment of 3-5 % in each case.
 ** The relevant submarket can be found on our website under „Research“.

Contact

BNP Paribas Real Estate GmbH

Kettwiger Tor | Kettwiger Straße 2-10 | 45127 Essen

Phone: +49 (0)201-820 22-2

All rights reserved. This report is protected in its entirety by copyright. No part of this publication may be reproduced, translated, transmitted, or stored in a retrieval system in any form or by any means, without the prior permission in writing of BNP Paribas Real Estate GmbH. The statements, notifications and forecasts provided here correspond to our estimations at the time when this report was prepared and can change without notice. The data come from various sources which we consider reliable but whose validity, correctness or exactness we cannot guarantee. Explicitly, this report does not represent a recommendation of any kind, nor should it be regarded as forming a basis for making any decisions regarding investment or letting or renting property or premises. BNP Paribas Real Estate can accept no liability whatsoever for any information contained or statements made herein.

Publisher and copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 31.03.2024 | Further information: BNP Paribas Real Estate GmbH | Branch office Essen | Phone +49 (0)201-820 22-2
Photo credits : © Antoine Huot

LEARN 
MORE