



DORTMUND

REPORT OFFICE MARKET

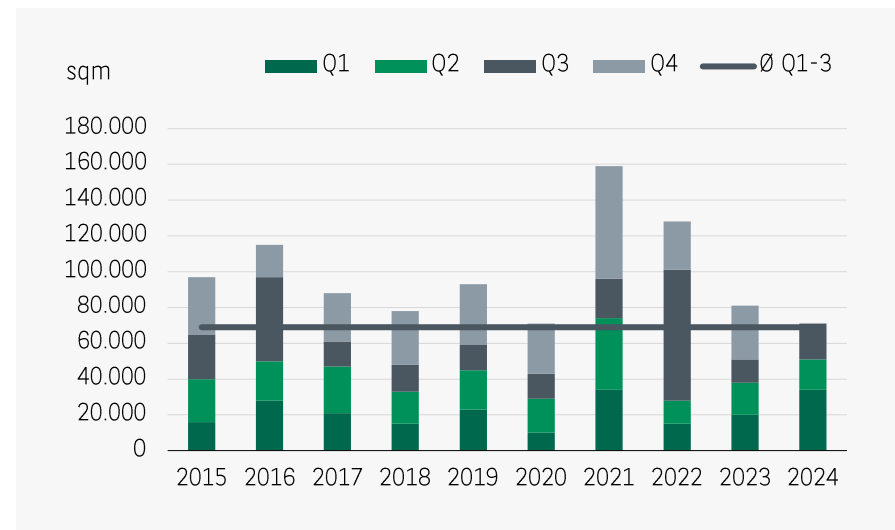
Q1-3 2024



BNP PARIBAS
REAL ESTATE

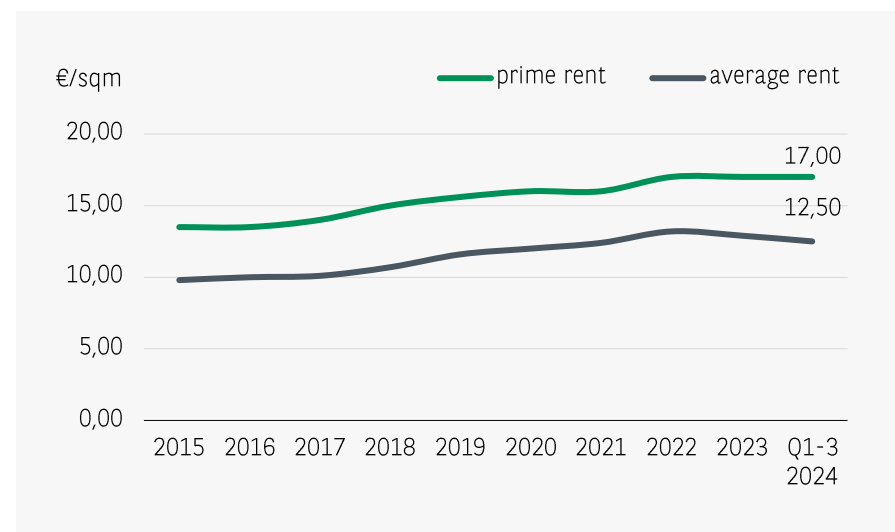
REAL ESTATE for a changing world

Development of take-up



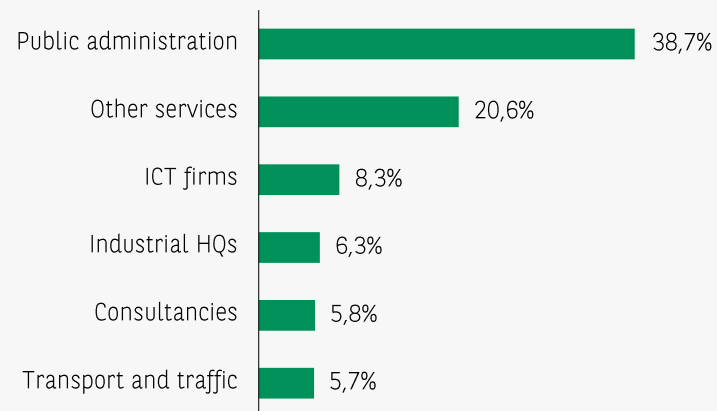
**TAKE-UP SIGNIFICANTLY ABOVE
PREVIOUS YEAR'S RESULT**

Prime and average rents



- The Dortmund office market recorded a very solid result of 71,000 sqm after the first nine months. Take-up is slightly (3%) above the long-term average and 39% above the previous year's value. After a very strong start to the year, with 34,000 sqm already registered at the end of the first quarter, the high momentum slowed as the year progressed. After 17,000 sqm in the second quarter, contracts totaling 20,000 sqm were concluded in the third quarter.
- The structure of the contracts signed is strongly characterized by small and medium-sized lettings than in previous years. At 79%, the proportion of take-up of contracts for space up to 5,000 sqm is above average (average 10 years: 72%). In contrast, no deals have yet been registered in the segment of large-volume lettings over 10,000 sqm (Ø 10 years: 15%).
- The overall vacancy and the modern vacancy volume have remained almost constant over the course of the year, with a slight downward trend. Both are therefore within the range of their long-term average. At a constant 4.5%, the vacancy rate is slightly below the long-term average and the fluctuation reserve. However, at 127,000 sqm, there is still a comparatively large amount of space under construction. This is also reflected in the pre-letting rate, which has fallen slightly to 83%.
- The prime rent has been moving sideways at a level of €17.00 per sqm since the beginning of the year. The average rent has also remained constant at €12.50 per sqm.

Take-up by sector Q1-3 2024



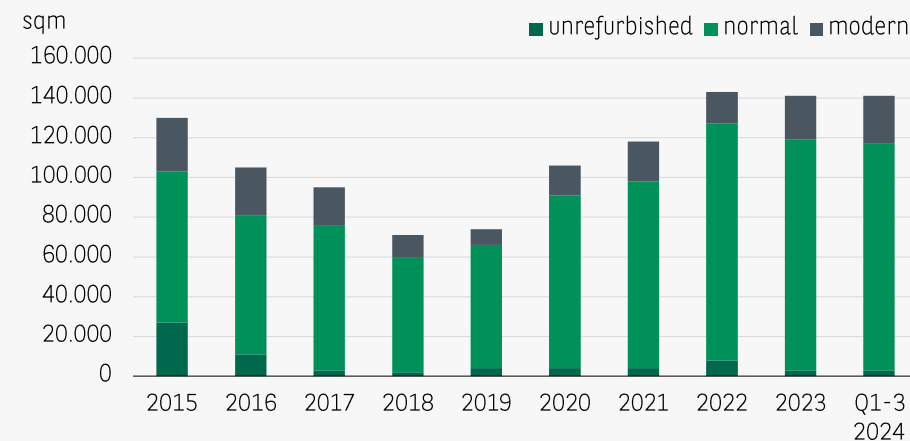
Major contracts Q1-3 2024

Quarter	Sub-market	Company	sqm
Q1	2.2	Jugendamt Dortmund	9,700
Q1	1.1	City of Dortmund	5,400
Q1	1.1	City of Dortmund	3,700
Q2	3.1	Transport and traffic	3,100
Q3	3.1	Industrial HQs	2,600
Q3	1.1	Stiftung	2,500

STRONG DEMAND FROM PUBLIC ADMINISTRATION

- At 39%, public administration accounts for an above-average market share (Ø 10 years: 16%). Followed at a considerable distance by other services, which includes companies in the energy industry in particular. It is noticeable that companies in the ICT sector (Ø 10 years: 22%), which are in high demand, have so far contributed comparatively low levels of take-up (8%).
- The three largest rental agreements were all concluded in the first quarter and are attributable to the City of Dortmund. In the third quarter, the largest lettings included two medium-sized agreements for over 2,600 sqm by an industrial company and over 2,500 sqm by a foundation.

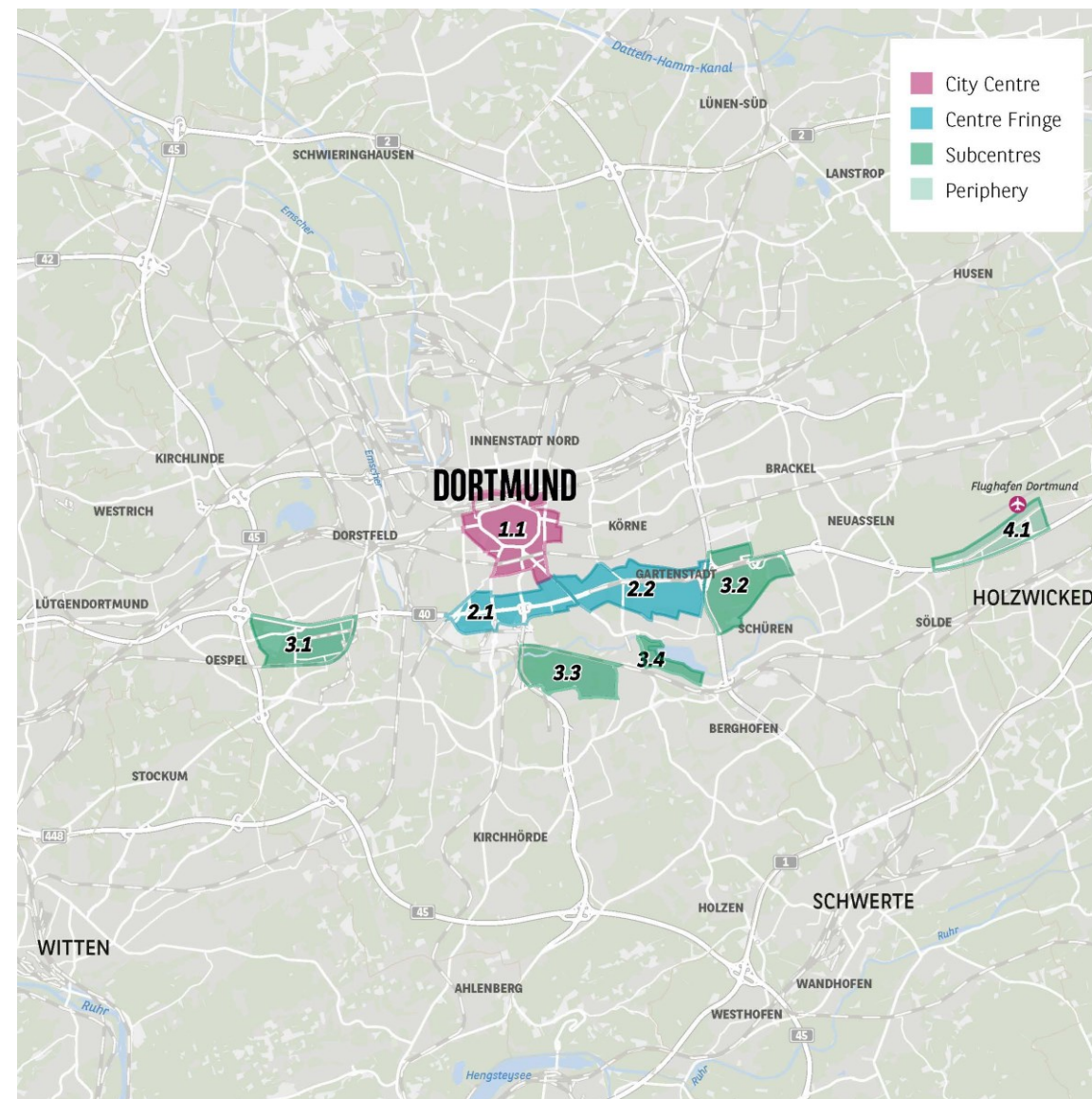
Development of vacant space



OUTLOOK

- The Dortmund office market has been a resilient occupier market since the beginning of the year. In contrast to the other major office locations, Dortmund is the only office market to exceed its ten-year average in terms of take-up. The public administration, which is usually strongly represented on the demand side, has been responsible for an above-average volume in the year to date. The extent to which the expected decline in demand from the public sector, can be offset by another sector remains an uncertain factor for the coming months.
- Against the background of the currently weakening economic environment and a sector-wide deterioration in sentiment, the Dortmund office market has nevertheless proved to be extremely robust so far this year. The expected moderate yet noticeable economic recovery and a further improvement in sentiment could provide additional momentum to the Dortmund office market. By the end of the year, a realistic target range should therefore be around 100,000 m², close to the long-term average.
- In view of the significant rise in construction and financing costs, space under construction is likely to decrease noticeably in the coming quarters and only a small amount of new space will come onto the market. In the medium term, this shortage could cause vacancies to decrease again in the future. The lack of modern space in city centre locations suggests that prime rents will rise in the short to medium term.

Office submarkets Dortmund



Key indicators office market Dortmund

	PRIME RENT* (€/sqm)		TAKE-UP (sqm)	VACANT SPACE (sqm)			SPACE UNDER CONSTRUCTION (sqm)		SPACE ON OFFER (sqm)	
	from	to	Q1-3 2024	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		17.00	19,000	73,800	6,500	0	0	0	73,800	5,000
2 Centre Fringe	15.00 -	16.50	16,000	36,100	7,800	0	2,300	1,500	37,600	0
3 Subcentres	12.50 -	17.00	36,000	29,400	9,700	0	118,700	19,500	48,900	30,000
4 Airport/ECO PORT	12.00 -	12.00	0	1,700	0	0	6,000	0	1,700	0
Total			71,000	141,000	24,000	0	127,000	21,000	162,000	35,000

* 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“.

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