Take-up in the Dortmund office market in the first quarter of 2014 totalled 23,000 m², the best result of the past ten years. It exceeded the already good prior-year total by around 21 % and the long-term average by a handsome 47 %. This outstanding performance was due on the one hand to two sizeable deals by Westnetz GmbH (6,600 m² and 3,100 m²), and on the other, in a gratifying development, to a whole host of leases concluded in the small-unit segment of up to 1,000 m². Together, these accounted for nearly 47 % of all take-up. Over half (just under 53 %) of the result was generated in the Centre Fringe, which is also where the biggest deal was registered. However, market activity within this area is confined almost entirely to the Rheinlanddamm zone. Subcentres contributed more than 28 % to turnover, followed by the City Centre with around 10 %.

INDUSTRIAL COMPANIES WELL OUT IN FRONT
Just as in the prior-year period, the business-sector ranking was topped by the head offices of industrial companies. With about 53 % of all turnover, fuelled by the Westnetz deals, they expanded their share by over 15 percentage points to dominate the ranking by an impressive margin. In second place came information and communications technology firms with just over 15 % – also a marked increase on their prior-year proportion. In contrast, the collective category of other services, which came next with about 15 %, suffered a considerable decline in relative status (minus 14 percentage points). Apart from the next-placed sector, banks and financial services, which accounted for less than 4 %, none of the other sectors produced noteworthy shares.

SLIGHT RISE IN VACANCY
At 158,000 m², the current volume of vacant space is slightly up on the prior-year figure (about 3 %). The Centre Fringe accounts for just over 41 % of this total, the City Centre for 31 %. Both zones now house somewhat more readily available space than in the corresponding period last year. In the subcentres and the periphery, on the other hand, the volume of vacant premises has fallen; they now contribute 23 % and just under 4 % respectively to the total. The proportion of modern space within the vacancy total has declined to slightly less than 30 %. Most of the relevant office units (60 %) are to be found in the Centre Fringe. Although the vacancy rate has risen modestly to 5.5 %, it is still low by nationwide standards.
MORE SPACE UNDER CONSTRUCTION

Although the volume of space under construction has increased appreciably (+78 %), it still only amounts to 32,000 m². Of this, some 12,000 m² is still available to the rental market. Most of the building activity is focused in the subcentres; it is there, for instance, that Dock 1 is being erected, an office complex where the marketing of the relevant premises has not been completed yet. Another project, in the City Centre by the “Dortmunder U” tower, comprises space for the city’s Creative Business Centre. This is still available in its entirety but potential tenants will probably have to meet specific sector-oriented requirements. Total available supply (vacancy plus available premises under construction) has risen to 170,000 m² (plus around 6 %).

PRIME RENT MATCHES RECORD LEVEL

Compared with this time last year, the prime rent has climbed by 2 % to 13.50 €/m² and thus now once again matches the record level achieved way back at the end of 2008. This is the rent obtained for premises with modern specifications in very good parts of the Core City. In the subcentres and the Centre Fringe, in contrast, the top rents have actually eased slightly.

OUTLOOK

Following its dashing start, the Dortmund office market is set to perform very well during the rest of the year as well, generating turnover that will probably be on a par with that in 2013. Demand in the coming months is likely to absorb the slight rise in vacancy. Similarly, the volume of space under construction, and of available premises within that total, should also fall. The prime rent can be expected to firm up at its present level.