ABOVE-AVERAGE RESULT
Following on from last year’s record performance (115,000 m²), the Dortmund office market also got off to an above-average start in 2017. Take-up in the first three months totalled 21,000 m², which was the third-best opening-quarter result ever. It admittedly fell 25 % short of the prior-year figure but it exceeded the 10-year average by almost 17 %. One clear indication of the buoyancy of demand is that the small-unit segment of premises up to 500 m² accounted for one third of all turnover. The first three months also already brought a sizeable new lease; this was for downtown premises of 5,500 m² concluded by the Dortmund Job-center. Overall, the performance by the Ruhr region city definitely stands up well in comparison with other B-locations.

OTHER SERVICES IN LEAD
The business-sector distribution of take-up has been dominated by two groupings. Out in front was the other services sector; it stepped up its share by nearly 18 percentage points to around 30 % of turnover. Notable in this connection was the lease for 4,300 m² in the City Centre to coworking spaces supplier Rent24. Next came public administration, which contributed about 27 % to the result, fuelled for instance by the large deal mentioned earlier. The third place on the podium went to information and communications technology firms, with just over 16 %. This means that the top three sectors of 2016 again headed the field. Way behind came consultancies (8 %), healthcare (5 %) and industrial headquarters (2 %). The miscellaneous category, comprising all the remaining sectors with much lower shares, accounted for 12 %.

VACANCY AT LOW LEVEL
With 105,000 m² at present, vacancy has remained steady in the past three months, but compared with a year ago that figure represents a fall of 13 %. The volume of modern vacant space has developed even more drastically: in the past 12 months it has shrunk by over 31 % to 22,000 m², corresponding to a share of 21 %. The most extensive stocks of vacant premises are located in the office market zones City Centre (55,800 m²), Rheinlanddamm (16,200 m²) and Remaining Municipal Area (11,500 m²). The vacancy rate now stands at 3.6 %, one of the lowest levels of the last ten years.
SHARP EXPANSION IN BUILDING ACTIVITY

The market has responded to the good demand by strongly stepping up building activity. The volume of space under construction now totals around 59,000 m² – almost twice as much as a year ago. It is notable that none of this space, though, is still available to the market: it is all either destined for owner-occupation or else has already been let. Extensive building projects are to be found only in the subcentres, in particular in the submarket of Phoenix-West (48,400 m²). The overall available supply of space (vacancy plus available premises under construction) has fallen by nearly 22 %.

PRIME RENT STEADY

Since 2004, the prime rent in the Dortmund office market has stayed at 13.50 €/m². That is the figure obtained for premises offering high-grade specifications located in very good parts of the City Centre. In other submarkets, the top rents have either stabilised or risen slightly, for instance in Rheinlanddamm (+5.5 % to 11.50 €/m²), Phoenix-West (+4 % to 12.50 €/m²) and Phoenix-See (+ 3 % to 12.90 €/m²). The average rent in the market as a whole has climbed by almost 7 % to 9.60 €/m².

OUTLOOK

Together, the good demand and the favourable economic climate point to a result for 2017 that is well above the 10-year average (81,000 m²). Since it is already the case that none of the premises currently being built are still available to the market, the fall in vacancy is set to continue. On the other hand, there are at present no signs of any increase in the prime rent.