**At a Glance Q2 2018**

**OFFICE MARKET DORTMUND**

### Development of take-up and top rents in Dortmund

- H1 in m²
- H2 in m²
- Top rent in €/m²

- 2009: H1 80,000 m², H2 40,000 m², Top rent 12 €/m²
- 2010: H1 70,000 m², H2 30,000 m², Top rent 14 €/m²
- 2011: H1 60,000 m², H2 20,000 m², Top rent 16 €/m²
- 2012: H1 50,000 m², H2 10,000 m², Top rent 18 €/m²
- 2013: H1 40,000 m², H2 5,000 m², Top rent 20 €/m²
- 2014: H1 30,000 m², H2 2,000 m², Top rent 22 €/m²
- 2015: H1 20,000 m², H2 1,000 m², Top rent 24 €/m²
- 2016: H1 10,000 m², H2 500 m², Top rent 26 €/m²
- 2017: H1 5,000 m², H2 250 m², Top rent 28 €/m²
- 2018: H1 2,500 m², H2 125 m², Top rent 30 €/m²

### Take-up by sector in Dortmund H1 2018

- ICT firms: 280 m²
- Wholesale/retail: 200 m²
- Banks, financial services: 112 m²
- Other services: 109 m²
- Healthcare: 109 m²
- Public administration: 70 m²
- Others: 118 m²

### Development of vacant space in Dortmund

- Unrefurbished in m²
- Normal in m²
- Modern in m²

- 2009: 180,000 m²
- 2010: 160,000 m²
- 2011: 140,000 m²
- 2012: 120,000 m²
- 2013: 100,000 m²
- 2014: 80,000 m²
- 2015: 60,000 m²
- 2016: 40,000 m²
- 2017: 20,000 m²
- H1 2018: 10,000 m²

### REDUCED TAKE-UP IN THE FIRST HALF-YEAR

The Dortmund office market has been unable to maintain the strong level of previous years and had to endure a significant reduction in the first half of 2018: The take-up of 33,000 m² was almost 30% short of the figure for the same period of the previous year and around 11% less than the 10-year average. The reasons for the moderate half-year result do not lie on the side of occupiers, though. On the contrary, the demand for office space remains very robust, which is expressed in a large number of searches for rental property. However, these cannot be adequately satisfied due to a shortage of suitable available office space. Space fitted to modern standards is now very rare, with the result that the existing take-up potential often cannot be realised.

### BROADLY DIVERSIFIED DISTRIBUTION BY INDUSTRY

The distribution of take-up by industry once again shows that deals in Dortmund are spread across a wide range and there is therefore no overdependence on certain individual industries. In the first half of 2018 only ICT firms are marching to a different tune, accounting for 28% of take-up. Here in particular the deals completed by Remira for 2,500 m² in the submarket Phoenix-West and Osudio for 1,500 m² in the office market zone Phoenix-See need mentioning. Retail companies have also been very busy completing deals and contribute just over 20% to overall take-up. In particular the deal completed by Rewe Frischelager for 4,000 m² in the Westfalenhütte industrial site has had an impact in this category.

### REDUCTION IN VACANT SPACE CONTINUES

Despite the moderate take-up to date, the reduction in vacant space continues. At the end of the first half-year 82,000 m² of office space was available, 14% less than at the end of the previous year. In particular modern space is highly sought after, in this category only 15,000 m² is available at short notice and therefore 4,000 m² less than at the end of 2017. With 51,800 m², the lion’s share of vacant space lies in the Core City, where the biggest take-up of office space is normally seen. Overall, modern space only accounts for 18% of the vacant space in Dortmund, which is a long-time low and is a clear hindrance for the letting market.
**Major contracts in Dortmund**

<table>
<thead>
<tr>
<th>Sub-market</th>
<th>Company</th>
<th>m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.5</td>
<td>REWE (cool storage warehouse)</td>
<td>4,000</td>
</tr>
<tr>
<td>2.1</td>
<td>DSGF Deutsche Servicegesellschaft für Finanzdienstleister</td>
<td>2,800</td>
</tr>
<tr>
<td>3.5</td>
<td>Dr. Ausbittel &amp; Co.</td>
<td>2,500</td>
</tr>
<tr>
<td>3.3</td>
<td>Remira</td>
<td>2,500</td>
</tr>
<tr>
<td>3.4</td>
<td>Osudio</td>
<td>1,500</td>
</tr>
</tbody>
</table>

**HARDLY ANY NEW-BUILD SPACE AVAILABLE**

Construction activity has been reduced significantly in the last twelve months: While 59,000 m² of office space was under construction at the end of the first half of 2017, currently the figure is only 46,000 m² (-22%). Of this, only a tiny amount (2,000 m²) is available to the letting market, most of the space was taken by tenants or owner-occupiers before completion of construction. Here too, it can be seen that demand for new or as-new office space in Dortmund is robust and that there is therefore still sufficient demand for further office project developments. It is also noticeable that almost all new-build activity is concentrated in the Subcentres, while hardly any new office space will be available in the short term in the City Centre.

**INCREASE IN TOP AND AVERAGE RENTS**

Compared to the first half of 2017, the top rent being achieved for high-quality modern office space in the City Centre has increased by 0.50 €/m² to 14 €/m². Average rents in the City Centre and in the Centre Fringe are also rising significantly in some places. While 9.70 €/m² was being paid for office space in the office market zone Westfalendamm one year ago, for example, today the average rent is 10.40 €. In the Subcentres and in the Periphery, however, there has not been much action on the rent front. Here top and average rents are largely at the level of the same period of the previous year.

**OUTLOOK**

Take-up has to date been below expectations in 2018. Demand remains robust, which is demonstrated by among other things the very high pre-letting rate of construction projects. However, many searches for rental property currently cannot be satisfied due to the inadequate supply, with the result that a below-average result is also expected for the year as a whole.

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**Key indicators Dortmund H1 2018**

<table>
<thead>
<tr>
<th>Submarkets**</th>
<th>Top rent* (€/m²)</th>
<th>Take-up (m²)</th>
<th>Vacant space (m²)</th>
<th>Space under construction (m²)</th>
<th>Space on offer (m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>from to</td>
<td>H1 2018</td>
<td>total</td>
<td>modern of this, since completion</td>
<td>total available available projected</td>
</tr>
<tr>
<td>1 City Centre</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Core City</td>
<td>14.00 - 22.50</td>
<td>7,200</td>
<td>58,000</td>
<td>7,600</td>
<td>1,600</td>
</tr>
<tr>
<td>2 Centre Fringe</td>
<td>12.00 - 13.00</td>
<td>6,300</td>
<td>13,700</td>
<td>3,200</td>
<td>1,200</td>
</tr>
<tr>
<td>3 Subcentres</td>
<td>10.00 - 13.00</td>
<td>19,300</td>
<td>12,800</td>
<td>4,200</td>
<td>1,200</td>
</tr>
<tr>
<td>4 Periphery</td>
<td>8.50 - 10.00</td>
<td>3,700</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>33,000</td>
<td>82,000</td>
<td>15,000</td>
</tr>
</tbody>
</table>

* The top rent given applies to a market segment of 9.5 % in each case.  
** The relevant office market zone can be found on our website under “Research”.

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