

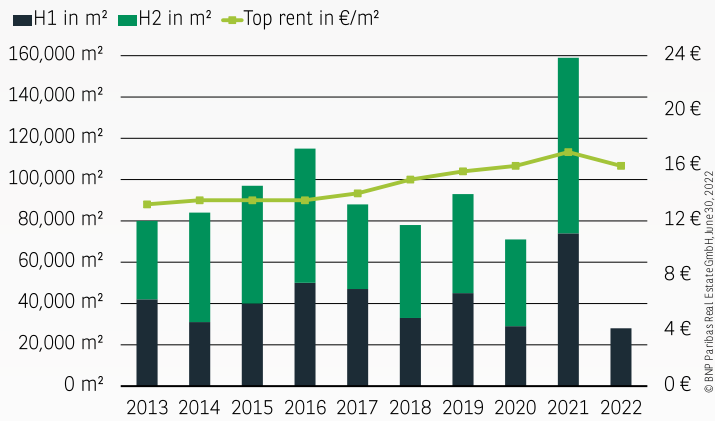


RESEARCH

At a Glance **Q2 2022**

OFFICE MARKET DORTMUND

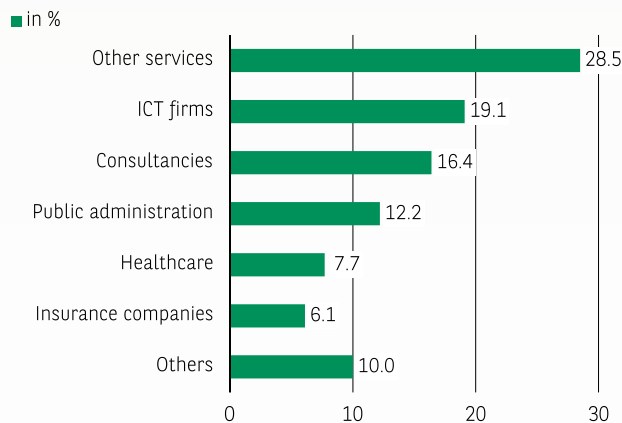
Development of take-up and top rents



➤ **NO MAJOR CONTRACTS IN THE FIRST HALF OF THE YEAR**

After the Dortmund office market posted record take-up in both the first half of the year and the fourth quarter in 2021 despite the ongoing pandemic environment, the market has slowed considerably in the current year. The start of 2022 had already been below average and letting activity did not accelerate in the second quarter either. At mid-year, a take-up of 28,000 m² is registered. The fact that the brilliant result from the same period of the previous year was missed (-62%) is hardly surprising, although the result of 33% is also significantly below the long-term average. It is primarily the lack of letting completions beyond the 5,000 m² that is responsible for the weak interim result. In the small and mid-sized segment, the market is definitely on the move, although the latest results are slightly below average as well.

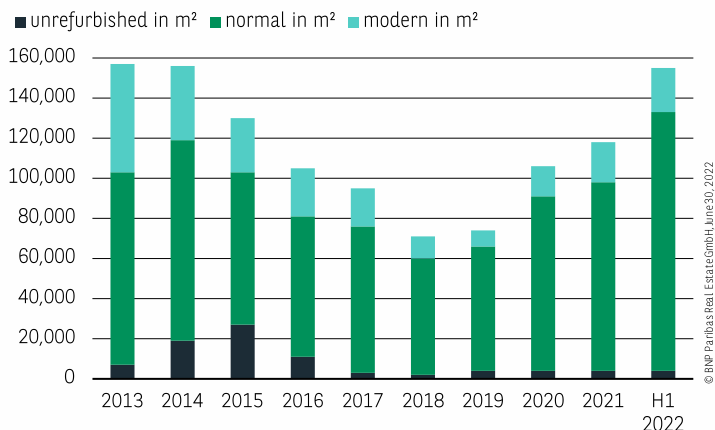
Take-up by sector H1 2022



➤ **BROADLY DIVERSIFIED DISTRIBUTION BY SECTOR**

When analyzing take-up by sector, one category clearly stands out on top. Other services are clearly in the lead with almost 29% of take-up. A large number of small and medium-sized lettings are responsible for this result. The situation is different for information and communication technologies, which account for an above-average share of take-up at just over 19%. Companies in this sector contributed both the largest and the third-largest number of contracts to the half-year result. Consulting companies ranked third with a good 16% market volume. A large number of contracts, mainly in the smaller size segment, are responsible for this result. The public administration market volume of around 12% is attributable solely to the contract concluded by the Bezirksregierung Arnsberg for just under 2,800 m².

Development of vacant space



➤ **MODERN SPACE REMAINS SHORT**

The rise in vacancy volume seen since 2018 slowed significantly in the second quarter. Compared with the previous quarter, growth of only around 3% was recorded. Currently, around 155,000 m² of space is available for short-term letting. This corresponds to a vacancy rate of 5.1%. While vacancy volumes have risen in the recent past, particularly for space with a normal fit-out standard, modern vacant space remains in short supply. Only around 22,000 m² of space is still vacant, of which only 4,000 m² is in the highly inquired core city.

Major contracts

Sub-market	Company	m ²
3.4	ICT-firms	3,700
1.1	Bezirksregierung Arnsberg	2,800
3.4	GFTD	1,800
3.5	Jungheinrich	1,600
3.4	Consultancies	1,500

© BNP Paribas Real Estate GmbH, June 30, 2022

▶ SLIGHT DECLINE IN CONSTRUCTION VOLUME

The comparatively tight supply of modern space in recent years, combined with solid and in some cases even outstanding letting activity overall, still led to a significant pick-up in construction activity in 2021. The volume of space under construction had risen to 130,000 m² in the winter months. At the end of June 2022, it stands at 115,000 m², of which only 14,000 m² is still available for short-term letting. Due to the high demand for modern space as well as the construction of many projects by owner-occupiers, the pre-letting rate is of almost 88%. One focus of construction activity is on subcentres, where around 93% of all space is being built. Only around 2,000 m² of space is being built in the core city.

▶ STABLE RENTS IN Q2

For the second quarter in a row, the prime rent remains stable at 16.00 €/m². The average rent also remained unchanged in the last three months and continues at 12.70 €/m². Compared with the previous year, it has risen by almost 8 %.

Trends in important market indicators

	H1 2021	H1 2022	Trend remaining year
Take-up	74,000 m ²	28,000 m ²	↗
Vacant space	99,000 m ²	155,000 m ²	→
Space under construction (total)	39,000 m ²	115,000 m ²	↘
Space under construction (available)	5,000 m ²	14,000 m ²	↘
Top rent	16.50 €/m ²	16.00 €/m ²	↗

© BNP Paribas Real Estate GmbH, June 30, 2022

▶ OUTLOOK

The Dortmund office market was unable to carry the dynamic of the past record year 2021 into the first half of 2022. Although the geopolitical and economic challenges have increased noticeably since the outbreak of the war against Ukraine, letting activity on the Dortmund office market is very likely to accelerate in the second half of the year, as the German economy is currently continuing to hold its course. In view of the sharp rise in construction costs, a reduction in the volume of construction is likely, so no expansion in supply is to be expected from this side. Prime rents will probably stay under upward pressure due to the low vacancy volume in the top segment.

Key indicators H1 2022

	Top rent* (€/m ²)		Take-up (m ²)	Vacant space (m ²)			Space under construction (m ²)		Space on offer (m ²)	
	from	to	H1 2022	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		16.00	7,500	82,300	4,000	700	2,000	2,000	84,300	0
2 Centre Fringe	13.50 -	14.50	3,100	45,100	11,500	0	0	0	45,100	0
3 Subcentres	13.00 -	17.00	16,800	23,100	6,500	3,300	106,700	11,700	34,800	19,000
4 Periphery	13.00		600	4,500	0	0	6,300	300	4,800	0
Total			28,000	155,000	22,000	4,000	115,000	14,000	169,000	19,000

* The top rent given applies to a market segment of 35 % in each case.

** The relevant office market zone can be found on our website under "Research".

All rights reserved. At a Glance 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.

Imprint Publisher and copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 30.06.2022

Further Information BNP Paribas Real Estate GmbH | Branch office Essen | Telephone +49 (0)201-820 22-2 | www.realestate.bnpparibas.de