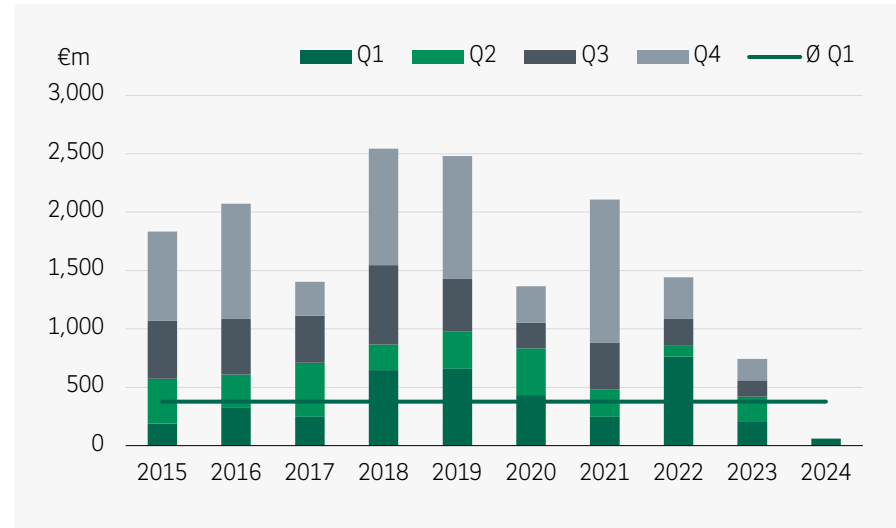


STUTT GART

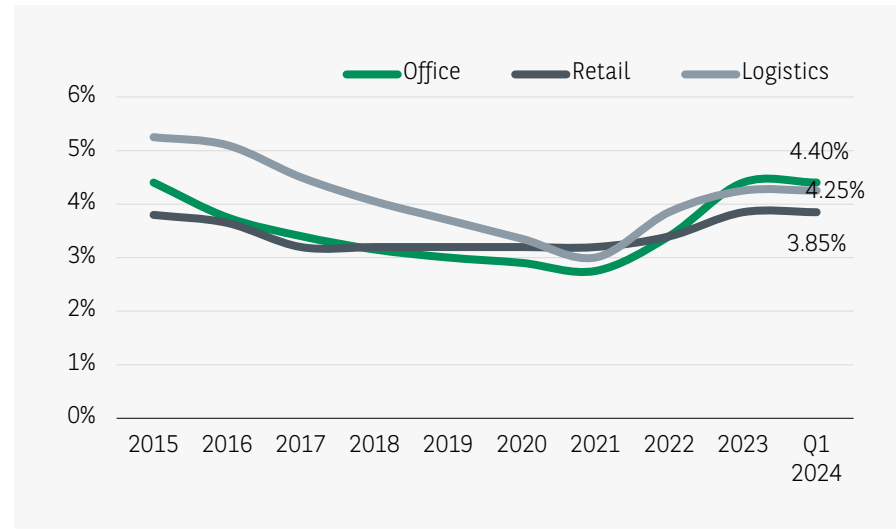
# REPORT INVESTMENT MARKET

Q1 2024

## Development of investment volume



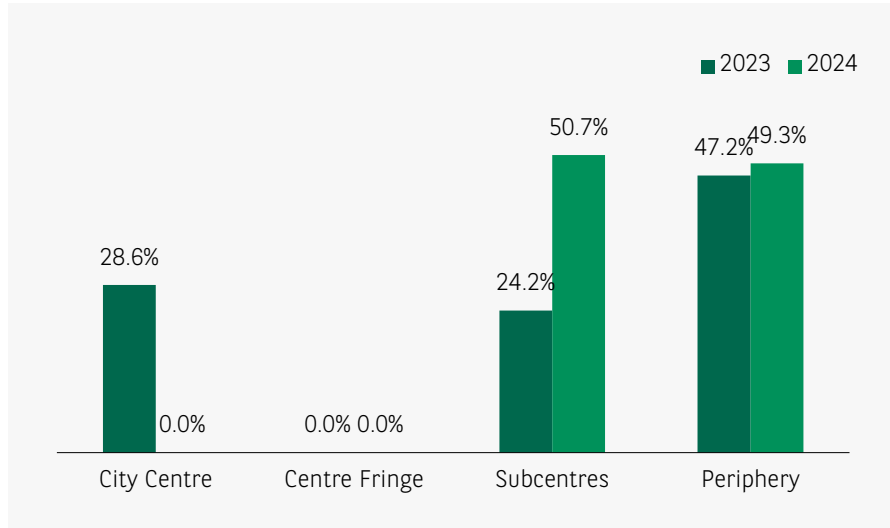
## Net prime yields by type of property



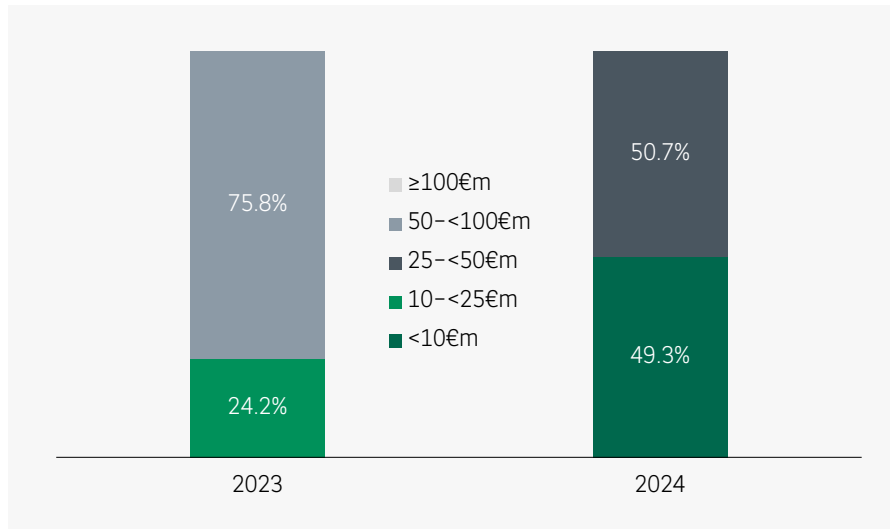
## STABILISATION OF PRIME YIELDS

- In the first three months of 2024, market activity on the commercial investment markets in Germany continued to be characterised by challenging financing conditions, a weak economic environment and economic uncertainty. It is therefore hardly surprising that the transaction volume on the Stuttgart investment market in Q1 2024 was below average in a year-on-year and long-term comparison. With an investment volume of around €61 million, Stuttgart reported the weakest result among the A-cities. While Frankfurt, Hamburg, Cologne and Munich reported a significant increase in results compared to the same quarter of the previous year, Stuttgart was unable to match the comparatively solid results of the same quarter of the previous year.
- By far the largest deal was reported by industrial and logistics property developer CTP in Stuttgart-Feuerbach. The acquired Mahle-Behr site is to be developed into a high-tech industrial park.
- Prime yields remained unchanged compared to the fourth quarter of 2023. Office properties are currently yielding 4.40%, while logistics properties are estimated at 4.25% and retail properties at 3.85%.

### Investments by location Q1



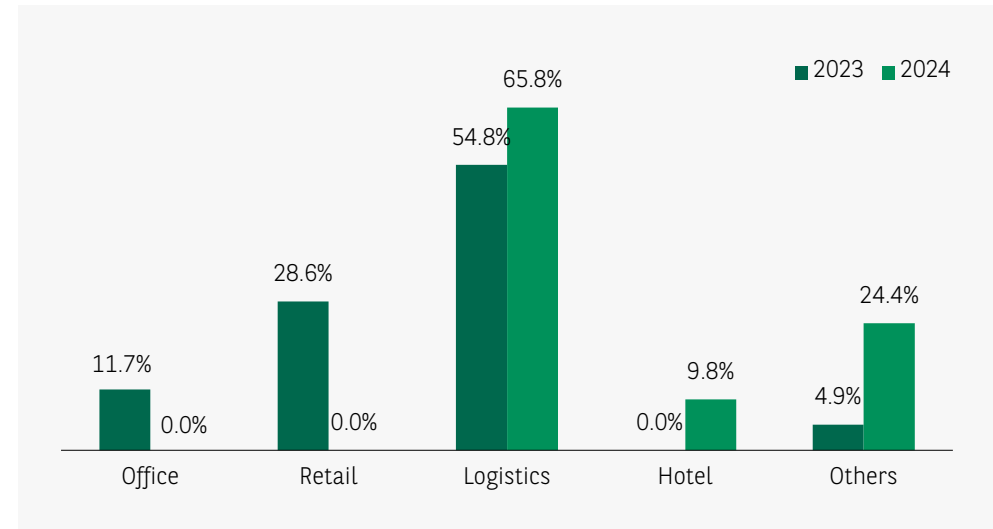
### Investments by € category Q1



### ABOVE-AVERAGE TURNOVER IN LOGISTICS SEGMENT

- Almost two thirds of the investment volume is attributable to the logistics segment. At €40 million, the result is slightly above the long-term average (€39 million). However, this is due to only two transactions. Meanwhile, no transactions have yet been recorded in the retail and office segments.
- To date, no transactions have been registered in the city centre or centre fringe. The subcentres (around €31 million) and the periphery (around €30 million) are also 79% and 63% respectively below the long-term average.
- The small-scale character of the market is not atypical to the current market situation. An above-average result of €30 million was recorded in the small deals segment (up to €10 million), while no transactions have yet been concluded in the segment of larger investments over €50 million.

### Investments by type of property Q1



## OUTLOOK

- The Stuttgart investment market had a slow start to the year, characterised by a low number of transactions and a rather small market structure. In the context of the difficult financing environment across Germany and macroeconomic uncertainties, the first quarter result in Stuttgart was weak, as expected.
- In view of the remaining macroeconomic uncertainties and structural changes in the office segment, the most likely scenario for the rest of the year is a certain degree of caution on the part of investors in the Stuttgart investment market. However, from today's perspective, the expected interest rate cuts in the second half of the year and a noticeable economic recovery should gradually but significantly revitalise transaction activity on the Stuttgart investment market.
- Although the weak result for the first three months is hardly a strong indicator for the full year, it seems rather unlikely that the comparatively very solid result of the previous year (€744 million) will be reached by the end of 2024. Nevertheless, the strong sector mix and the healthy fundamentals of the business location suggest that Stuttgart will be able to catch up with the other A-locations in the short to medium term.

### Key facts investment market Stuttgart

INVESTMENT VOLUME	Q1 2023	Q1 2024	CHANGE
<b>Total (€m)</b>	<b>205</b>	<b>61</b>	<b>-70,1%</b>
Portfolio share	0,0%	11,3%	+11,3%pts
Share above €100 million	0,0%	0,0%	+0,0%pts
Office share	11,7%	0,0%	-11,7%pts
Share of city locations	28,6%	0,0%	-28,6%pts
Share of foreign investors	0,0%	78,9%	+78,9%pts

NET PRIME YIELDS	Q1 2023	Q1 2024	CHANGE
Office	3,60%	4,40%	+80bps
Retail	3,60%	3,85%	+25bps
Logistics	3,95%	4,25%	+30bps

## CONTACT

### BNP Paribas Real Estate GmbH

Lautenschlagerstraße 22 | 70173 Stuttgart

Phone: +49 (0)711-21 47 80-50

All rights reserved. This report 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  
Edited by: BNP Paribas Real Estate Consult GmbH | As of: 31.03.2024  
Photo credits: ©TensorSpark – stock.adobe.com

LEARN  
MORE 