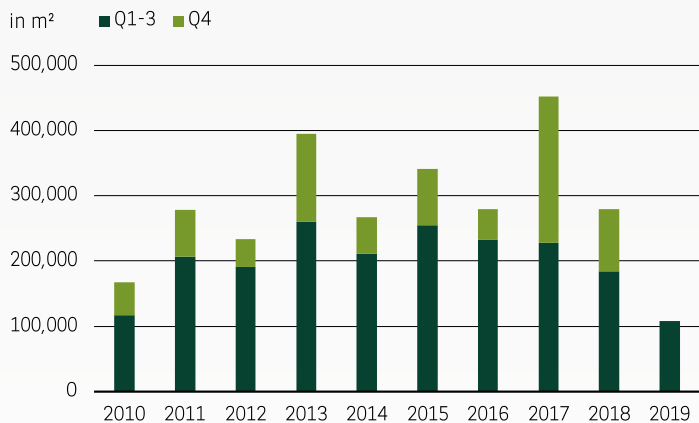




At a Glance **Q3 2019**

LOGISTICS MARKET DÜSSELDORF

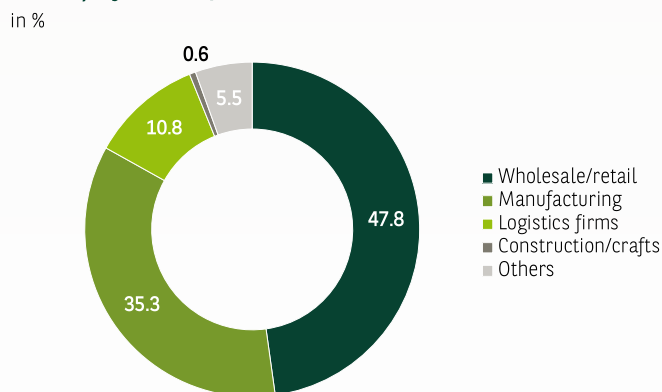
Light industrial and logistics take-up



LOW TAKE-UP DESPITE NUMEROUS DEALS

In the first three quarters of the year, the Düsseldorf logistics market achieved a take-up of 108,000 m², the weakest result in recent years. Compared to the same period last year, the result dropped by a good 41% and the long-term average was also missed by almost 46%. Interestingly, the same number of contracts were concluded as in the first three quarters of 2018. However, a large proportion of the contracts relate to very small properties, with the result that the quite dynamic market development is reflected to a much lesser extent in total take-up than usual. This is mainly due to the fact that the supply of larger properties, especially in the established logistics locations, has become very scarce. Other notable factors are the increased owner-occupier ratio (43%) and the larger share of new buildings (61%) in total take-up. It is apparent that occupiers are shifting more and more towards developing new space for their own needs, as often no suitable existing space is available on the market.

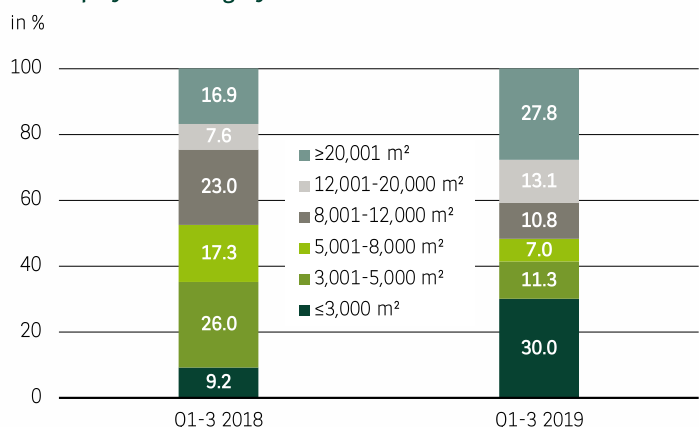
Take-up by sector Q1-3 2019



TRADING COMPANIES IN THE LEAD

At the end of the third quarter, the breakdown by sector is dominated by trading companies, which rank at the top of the list with almost 48% of take-up. With the owner-occupier deal of online bathroom retailer Reuter, which occupies 30,000 m² of logistics space in Mönchengladbach, this group also accounts for the largest deal of the current year. The manufacturing sector, which benefits above all from Essertec's contract for 14,100 m² in Grevembroich, is ranked second. Roughly 11% of take-up is accounted for by logistics service providers, with ABC-Logistik in particular standing out with a contract for 11,600 m² in Düsseldorf. In terms of the number of deals, manufacturing companies are surprisingly at the top of the sector ranking with almost 20 contracts.

Take-up by size category



MEDIUM SIZE CATEGORIES BELOW AVERAGE

Compared with the same period of the previous year, the distribution of take-up by size category in the first three quarters was very ambivalent. Despite the significantly lower total take-up, the share of large contracts above 20,000 m² was considerably higher than in the previous year at around 28%. At the same time, 30% of take-up or an astonishing 81% (!) of the contracts recorded are in the size class below 3,000 m². By contrast, the mid-size segments together accounted for a strongly below-average share of only 42%, compared to 74% in the year before.

Major contracts Q1-3 2019

Quarter	Company	Location	Area (m²)
Q1	Reuter	Mönchengladbach	30,000
Q2	Essertec	Grevenbroich	14,100
Q2	ABC-Logistik	Düsseldorf	11,600
Q3	Flaschenpost	Mönchengladbach	7,600
Q3	Wholesale/retail company	Krefeld	5,000

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Key figures logistics market Düsseldorf

	Q1-3 2018	Q1-3 2019	Trend remaining year
Prime rent	5.40 €/m²	5.40 €/m²	↗
Average rent	4.90 €/m²	4.90 €/m²	→
Take-up	184,000 m²	108,000 m²	↗
- Share of owner-occupiers	22.1 %	42.8 %	→
- Share of new buildings	48.1 %	60.6 %	↗

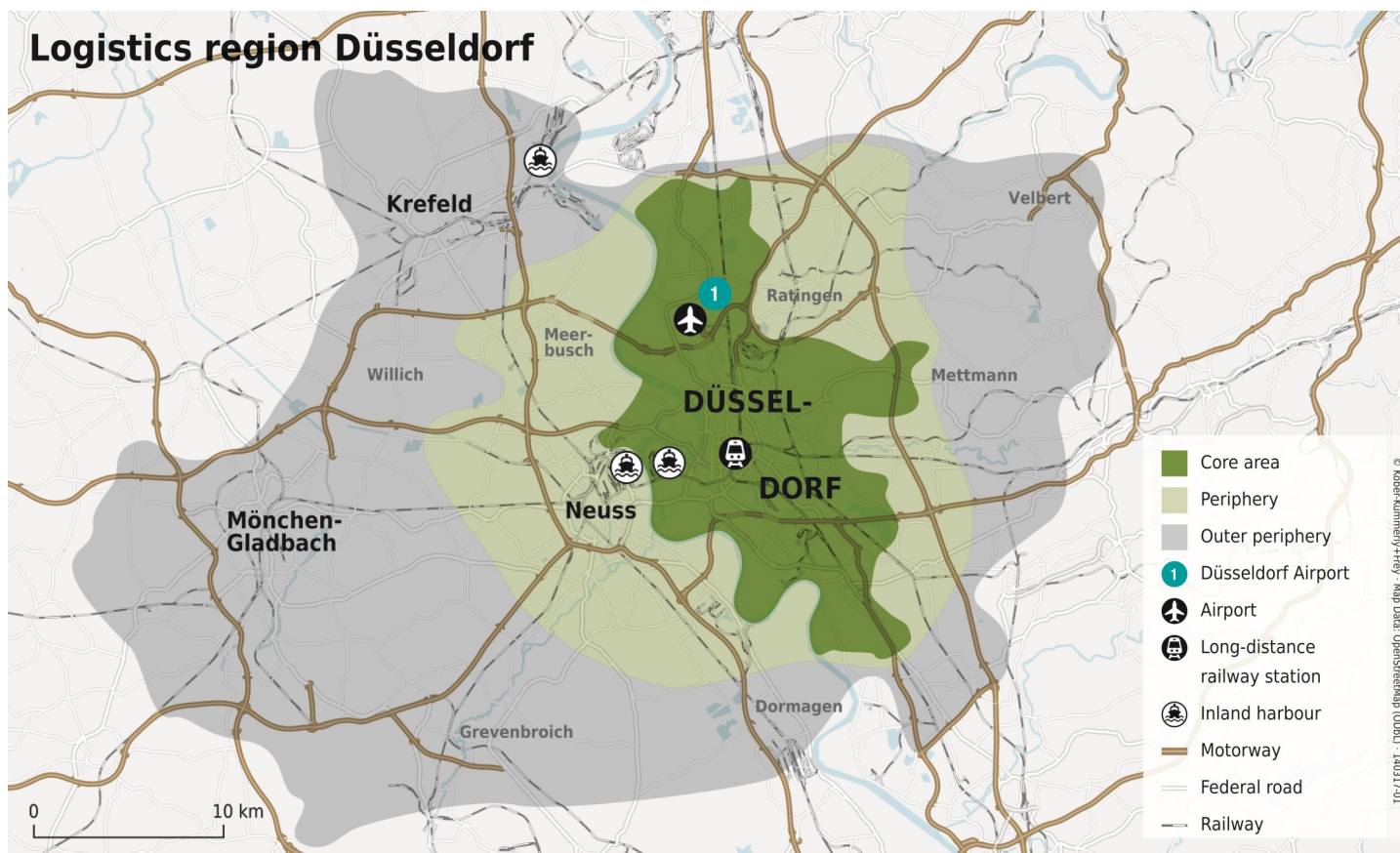
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NEW CONSTRUCTION SHARE HITS RECORD HIGH

In the Düsseldorf logistics region, there is still a shortage of modern existing properties in the size category above 10,000 m², which, combined with strong demand, keeps rents stable. The prime rent remains unchanged at 5.40 €/m² and, in addition to the established logistics locations in the north and west of Düsseldorf, is now also generated in the southern locations of the core area. Moreover, quoted rents are on the rise here. There were also no significant changes in the average rent, which remains at 4.90 €/m². Only in weaker locations the rent for unattractive old properties can come under pressure. Here, the owners could, if necessary, provide compensation by means of slightly higher incentives.

OUTLOOK

The Düsseldorf logistics market is facing a challenging market environment. All in all, demand is quite strong, but due to a lack of suitable supply only few medium and large contracts have been concluded. Regarding take-up, it will be crucial in the further course of the year whether large-volume contracts are concluded, especially in the field of built-to-suit solutions. A total take-up of more than 150,000 m² still seems realistic. At the same time, there are further signs of an increase in prime rents.



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