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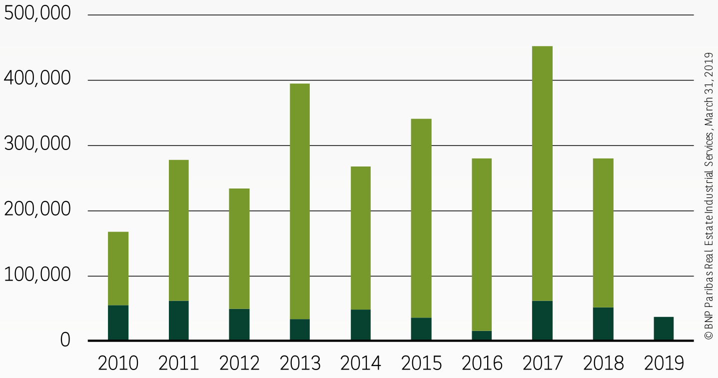
RESEARCH

At a Glance Q1 2019

LOGISTICS MARKET DÜSSELDORF

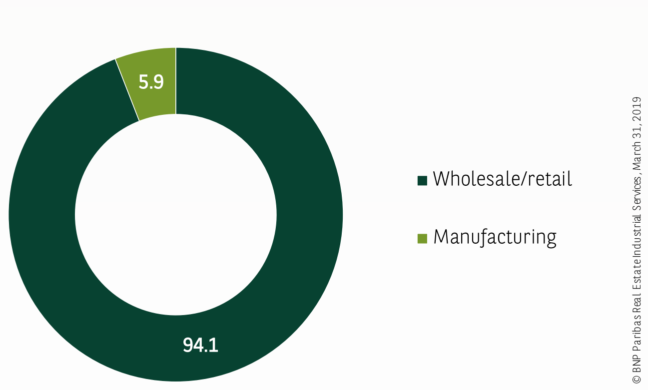
Light industrial and logistics take-up in Düsseldorf



QUIET START TO THE YEAR ON THE RHINE

In the first three months of the year, the Düsseldorf logistics market was noticeably restrained. With a total take-up of 37,000 m², both the good result of the previous year (-29 %) and the long-term average (-18 %) were clearly missed. The moderate result is by no means due to a decline in demand, which remains at a consistently high level. In fact, in many places there is a lack of adequate space with modern equipment, which is particularly scarce in the size category larger than 10,000 m². Therefore, many demands have not yet been served, with the result that fewer than 10 deals were registered in the first quarter. The fact that the overall result is nevertheless solid is mainly due to the online bathroom retailer Reuter, who is building a 30,000 m² logistics centre in the Rheindahlen business park in Mönchengladbach.

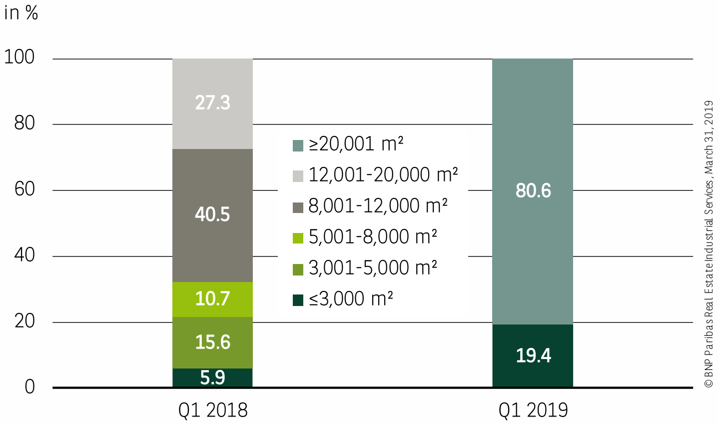
Take-up by sector in Düsseldorf Q1 2019



TRADING COMPANIES DOMINATE

Due to the small number of cases, the significance of the distribution of take-up by sector is very limited. With a share of more than 94 %, almost the total take-up is contributed by trading companies. Only an industrial company in Neuss provides some variety by renting a property of around 2,200 m². Logistics service providers have not yet made an appearance, wherease this will change in the further course of the year. It is not unusual for trading companies to be the strongest force at this moment. Düsseldorf is one of the most important trading hubs in Germany and home to several big companies in this sector. In addition, the good location close to the conurbations of the Ruhr region and the Rhineland is particularly attractive for this industry.

Take-up by size category in Düsseldorf



MEDIUM SIZE CATEGORIES NOT YET VISIBLE

In Düsseldorf it tends to be rather the exception than the rule that transactions in the size category larger than 20,000 m² are registered right at the start of the year. Nonetheless, against the background of the total take-up registered, this segment currently accounts for the lion's share at almost 81 %. Apart from that, market activity to date has only taken place in the small-scale segment of less than 3,000 m². It is very unusual that no take-up has yet been recorded in the midfield, as the categories between 3,000 and 20,000 m² are traditionally highly dynamic and demand is diverse. Thereby it is particularly evident that additional modern spaces are needed.

Major contracts in Düsseldorf Q1 2019

Company	Location	Area (m²)
Reuter	Mönchengladbach	30,000
Manufacturing company	Neuss	2,200
Killgerm	Neuss	1,800
Deuvital	Krefeld	1,600

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Key figures logistics market Düsseldorf

	Q1 2018	Q1 2019	Trend remaining year
Prime rent	5.40 €/m²	5.40 €/m²	↗
Average rent	4.70 €/m²	4.70 €/m²	→
Take-up	52,000 m²	37,000 m²	→
- Share of owner-occupiers	46.8 %	80.6 %	→
- Share of new buildings	50.2 %	80.6 %	→

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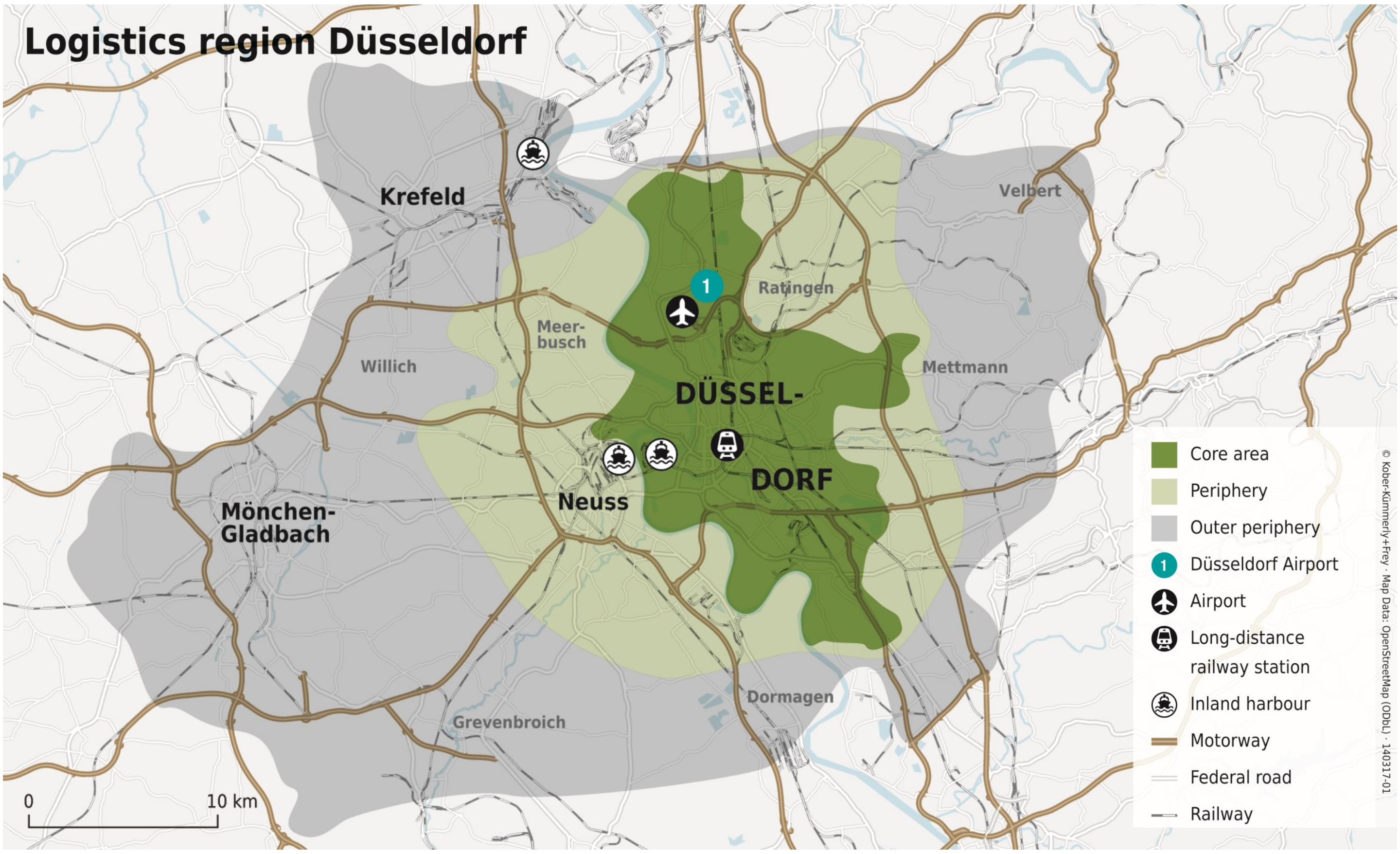
TOP RENT REMAINS STABLE

Rents are at the same level as in the previous year. The average rent, which had risen temporarily in the course of 2018 due to several lettings in newly constructed properties, is currently at 4.70 €/m² again. The prime rent is stable at 5.40 €/m² and is achieved in the north and west (Heerdt) as well as in the south of the core area. The mentioned 30,000 m² in Mönchengladbach are being built in a new owner-occupied project, so that both the share of new buildings and owner-occupiers is just under 81 %. Conversely, all other transactions originate from lettings in existing properties, which emphasises the lack of supply of newly constructed units. Although some spaces have been built speculatively in recent months, most of them have already been let. Especially in the core area and the eastern periphery, supply is scarce, which is probably one of the reasons why no noteworthy deal has yet been registered on the right bank of the Rhine.

PERSPECTIVES

Despite the slow start, the outlook for the rest of the year can be seen optimistically. In view of some large applications and a number of major projects, it can be assumed that the market will pick up noticeably. Therefore, a total volume close to the long-term average is realistic.



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