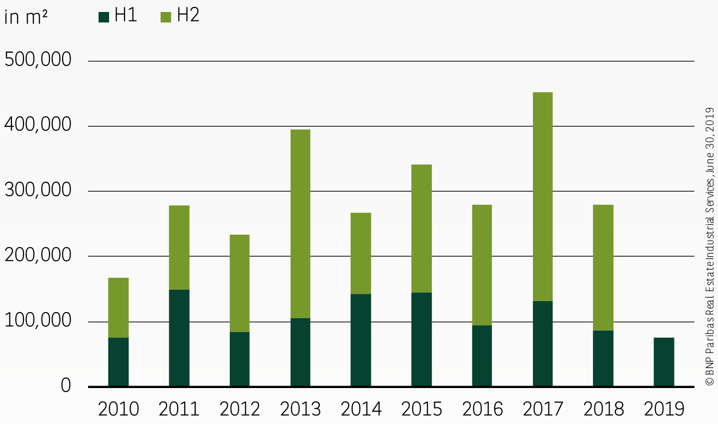
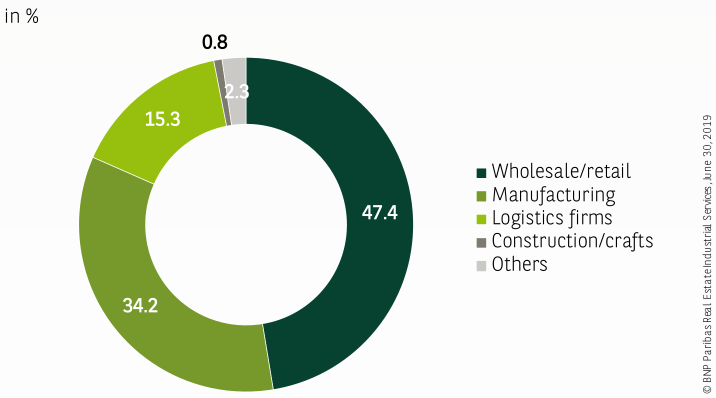
At a Glance Q2 2019

LOGISTICS MARKET DÜSSELDORF

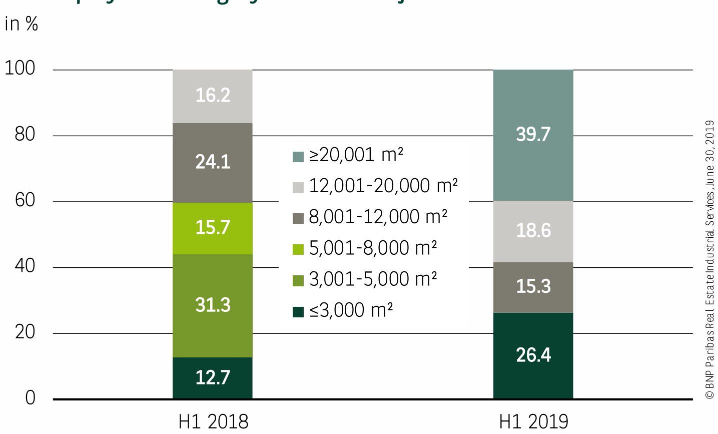
Light industrial and logistics take-up in Düsseldorf



Take-up by sector in Düsseldorf H1 2019



Take-up by size category in Düsseldorf



WEAK RESULT DESPITE DYNAMIC MARKET ACTIVITY

With a take-up of 76,000 m² at mid-year, the Düsseldorf logistics market achieved a comparatively weak result, which remained almost 13% behind the previous year. The figure is the lowest half-year result since 2010 and misses the long-term average by a full 30%. Nevertheless, the modest performance is not due to a downturn in market dynamics. With 20 contracts, the same number as in the same period of the previous year could be registered, only the scale of the transactions has changed: While the majority of market activity in the past fell into the mid-size segment, 85% of contracts were concluded in the segment under 3,000 m² at the end of the first half of 2019. A good 45% are even smaller than 1,000 m². Despite the structural shift, however, one major transaction could also be recorded: The online retailer Reuter is building a 30,000 m² logistics centre in Mönchengladbach.

LOGISTICS COMPANIES DROP OUT OF TOP SPOT

At the half-year mark, the breakdown by sector is dominated by the above-mentioned major deal, resulting in trading companies leading the ranking with a good 47%. In second place are the manufacturing firms, which account for the largest number of deals. With a 34% share of take-up, they achieved their best proportionate result since 2013. Meanwhile, the share of logistics service providers is unusually low. While they had been at the top of the market for the past three years, only one deal was recorded in this segment in the first half of 2019. Because of the letting of 11,600 m² by ABC Logistics in the port of Düsseldorf, the sector currently accounts for a good 15%.

MEDIUM SIZE CATEGORIES YET WITHOUT A DEAL

The Düsseldorf logistics market shows a very unusual spread of take-up by size category in the first half of the year. The strong results of recent years were largely based on stable take-up in the medium size categories between 3,000 and 8,000 m². In 2019, however, these are still blank, so that the size distribution is divided into two parts. As already mentioned, the smallest segment is extremely strong, accounting for a good 26% of sales. Thanks to three large built-to-suit contracts, however, the size categories from 8,000 m² also account for almost 74% of total take-up.

Major contracts in Düsseldorf H1 2019

Quarter	Company	Location	Area (m²)
Q1	Reuter	Mönchengladbach	30,000
Q2	Essertec	Grevenbroich	14,100
Q2	ABC-Logistik	Düsseldorf	11,600
Q2	Kugelhahn Müller	Willich	2,300
Q1	Manufacturing company	Neuss	2,200

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Key figures logistics market Düsseldorf

	H1 2018	H1 2019	Trend remaining year
Prime rent	5.40 €/m²	5.40 €/m²	↗
Average rent	4.90 €/m²	4.90 €/m²	→
Take-up	87,000 m²	76,000 m²	↗
- Share of owner-occupiers	41.8 %	61.1 %	→
- Share of new buildings	43.8 %	82.1 %	↗

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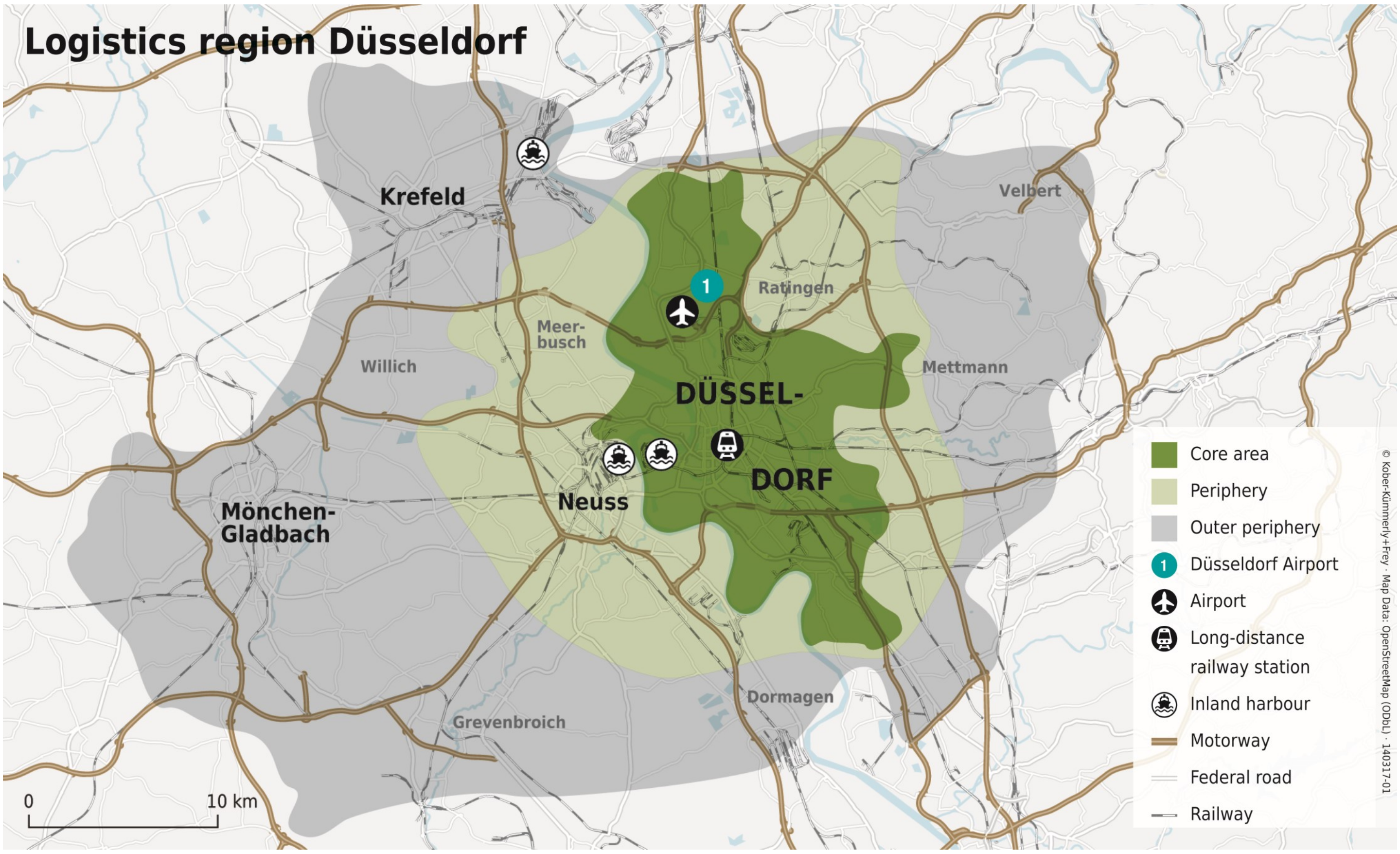
NEW CONSTRUCTION SHARE HITS RECORD HIGH

Since the end of 2014, the top rent stands at a constant 5.40 €/m². In addition to Düsseldorf's north and west (Düsseldorf-Heerdt), however, it is now also being achieved in the southern locations of the core area. After a slight decline in average rent at the beginning of the year due to some qualitatively outdated old stocks, it is now back at the previous year's level of € 4.90/m². This is also due to the very high proportion of new buildings, at a good 82%, which is the highest ever recorded. The share of owner-occupiers is also very high at 61%. However, this is largely due to the construction of the new Reuter building.

OUTLOOK

As there is hardly any large stock property on the market, the availability of land and the related share of new construction will be the dominant issue with regard to market development in the further course of the year. Thus, significant leaps in the take-up figures are only possible if major contracts are concluded in the field of built-to-suit solutions. However, from today's point of view, a volume of more than 250,000 m² is not to be expected by the end of the year. As there is, particularly in the central locations, a shortage of supply in all size categories, a slight increase in prime rents is possible in the coming months.



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