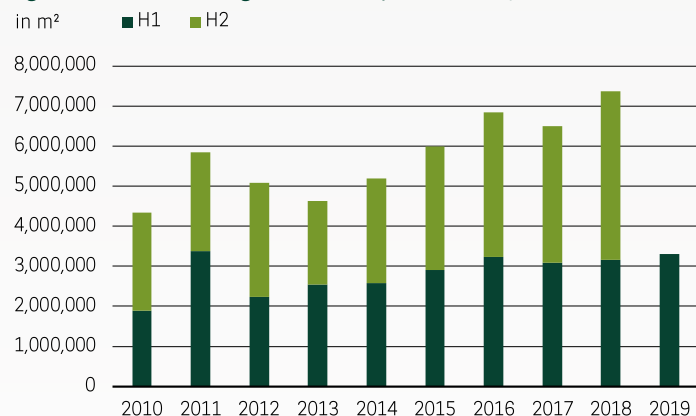




At a Glance **Q2 2019**

# LOGISTICS MARKET GERMANY

## Light industrial and logistics take-up in Germany



## Light industrial and logistics take-up by region

	H1 2018 (m²)	H1 2019 (m²)	Change (%)
<b>Important logistics markets</b>			
Berlin	135,000	270,000	100.0%
Cologne	133,000	57,000	-57.1%
Düsseldorf	87,000	76,000	-12.6%
Frankfurt	300,000	259,000	-13.7%
Hamburg	248,000	145,000	-41.5%
Leipzig	46,000	116,000	152.2%
Munich	102,000	95,000	-6.9%
Stuttgart	105,000	72,000	-31.4%
<b>Subtotal</b>	<b>1,156,000</b>	<b>1,090,000</b>	<b>-5.7%</b>
<b>Other locations*</b>			
Ruhr region	191,000	262,000	37.2%
Other logistics regions (see map)	650,000	648,000	-0.3%
Rest of Germany	1,163,000	1,297,000	11.5%
<b>Subtotal</b>	<b>2,004,000</b>	<b>2,207,000</b>	<b>10.1%</b>
<b>Total Germany</b>	<b>3,160,000</b>	<b>3,297,000</b>	<b>4.3%</b>

\* Deals ≥5,000m²

### ➤ ANOTHER VERY GOOD TAKE-UP

The German logistics and warehouse space markets once again performed extremely well in the first half of the year. With just under 3.3 million m² of take-up, even the very good result of the previous year was exceeded by a good 4%. Thus, for the fourth year in a row, the 3 million m² mark was clearly surpassed by the middle of the year. It is therefore not surprising that the ten-year average was also topped by just under 17%. Upon now the logistics markets were not affected from the slowdown in GDP growth as well as the difficult situation of German industrial companies. On the contrary, the sustained growth of e-commerce and new trends such as e-mobility are actually increasing demand in certain market segments.

### ➤ LACK OF SPACE AFFECTS AGGLOMERATIONS

In the opposite to the nationwide trend, take-up in the major markets (Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Leipzig, Munich, Stuttgart) was down 6% compared to the previous year at 1.09 million m². Although demand is high, the insufficient supply, especially in the large-scale segment, is slowing take-up development somewhat. Only Berlin (270,000 m²; +100%) and Leipzig (116,000 m²; +152%) were able to noticeably increase their results. On the other hand, Cologne (57,000 m²; -57%), Hamburg (145,000 m²; -42%) and Stuttgart (72,000 m²; -31%) recorded substantial declines. The decrease was more moderate in Munich (95,000 m²; -7%), Düsseldorf (76,000 m²; -13%) and Frankfurt (259,000 m²; -14%). As a result, the Main metropolis was forced to give up its leading position to the capital.

### ➤ HIGH TAKE-UP OUTSIDE THE LOGISTICS HUBS

Outside the above mentioned major markets, take-up was around 2.2 million m², a good 10% up compared to the previous year. It is noteworthy that in the 12 logistics hubs, which BNP Paribas Real Estate regularly analyses in addition to the agglomerations, there was no overall increase, but with 648,000 m² the previous year's result was almost exactly met. Also in these markets, the availability of space often reaches its limits, although not as drastically as in the metropolises. The Ruhr region achieved an extraordinary good half-year outcome (262,000 m²; +37%). Take-up also increased by almost 12% in the rest of Germany. Many locations benefited from companies that had to move to other regions due to the shortage of space in the hubs.

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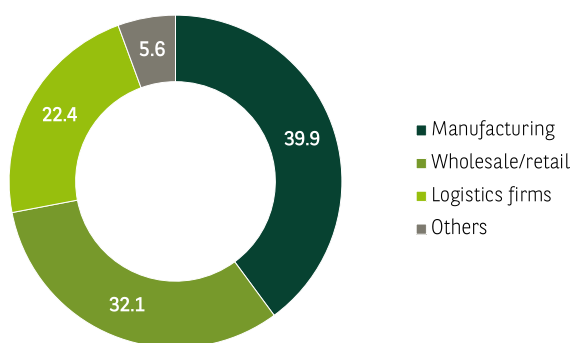
## Key figures logistics market Germany

	H1 2018	H1 2019	Trend remaining year
Take-up	3,160,000 m²	3,297,000 m²	➔
- Share of owner-occupiers	42.1 %	45.2 %	➔
- Share of new buildings	68.0 %	70.2 %	➔

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## Take-up by sector H1 2019

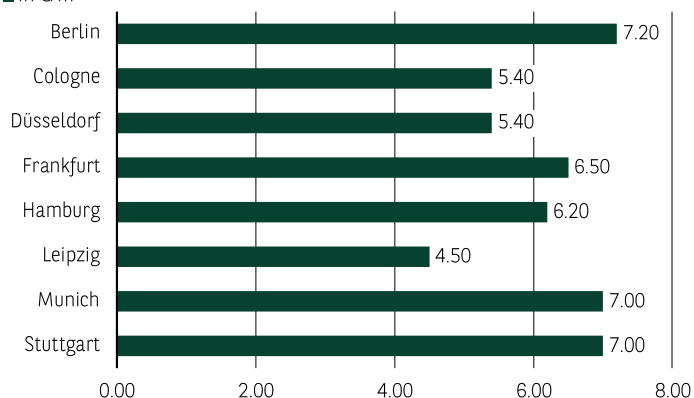
in %



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## Top rents in important logistics markets H1 2019

■ in €/m²



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## Major contracts H1 2019

Quarter	Company	Location	Area (m²)
Q2	BMW	Dingolfing	100,000
Q1	Car manufacturer	Kösching	87,000
Q1	Puma	Geiselwind	63,500
Q2	L-Shop-Team	Unna	53,500
Q1	Penny	Kronau	50,000

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## ➤ SHARE OF NEW CONSTRUCTION CONTINUES TO RISE

The share of new construction of total take-up, which was already high last year, has once again increased slightly and amounted to a good 70% nationwide in the first half of the year. This indicator also reflects the insufficient supply of existing properties. In addition, many older units no longer meet today's user requirements. Against this backdrop, many larger users only have the option of having "built-to-suit"-objects built for them and then either renting on a long-term basis or purchasing them. In many cases, it is also necessary to switch to locations outside the core regions. This also explains the high proportion of owner-occupiers, which at 45% is above the long-term average.

## ➤ MANUFACTURING COMPANIES IN POLE POSITION

The sector comparison in the first half of the year is led by manufacturing companies, which contribute around 40% to the overall result. In view of the fact that the order intake and the industrial stocks of the Germany industry are currently declining this seems surprising. But: On the one hand, weaker business figures generally have a delayed impact on demand, and on the other hand, new trends generate additional demand. Second place is taken by the trading companies, which have been strong for years and whose take-up contribution amounts to 32%. This target group in particular often suffers from scarcely available inner-city units, which they need, for example for implementing city logistics concepts. The top trio is completed by logistics service providers, who contribute a further 22%.

## ➤ TOP RENTS GROW ON A BROAD BASIS

Strong demand combined with very limited supply has led to competition for available space, which is reflected in the development of rents. Over the past twelve months, top rents have risen across a broad spectrum and in most cities quite significantly. The strongest increase was in Berlin, where the prime rent in the top central locations is currently listed at 7.20 €/m² (+22%). But there were also noticeable rises in Cologne (5.40 €/m²; +8%), Hamburg (6.20 €/m²; +7%) and Stuttgart (7 €/m²; +6%).

## ➤ OUTLOOK

The current requests as well as some major deals which are currently in preparation indicate that good demand can also be expected in the second half of the year. It remains to be seen whether and to what extent the weaker economic development, especially in the German industry, will lead to somewhat lower take-up towards the end of the year. The general supply situation is unlikely to change much, so that it will continue to be difficult for large tenants in the most important agglomerations to find adequate space in the short term. Nevertheless, from today's perspective it seems quite possible that the 6 million m² threshold will be crossed for the third time in a row for the year as a whole.



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**Imprint** Publisher and Copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 30.06.2019

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