BNP PARIBAS REAL ESTATE

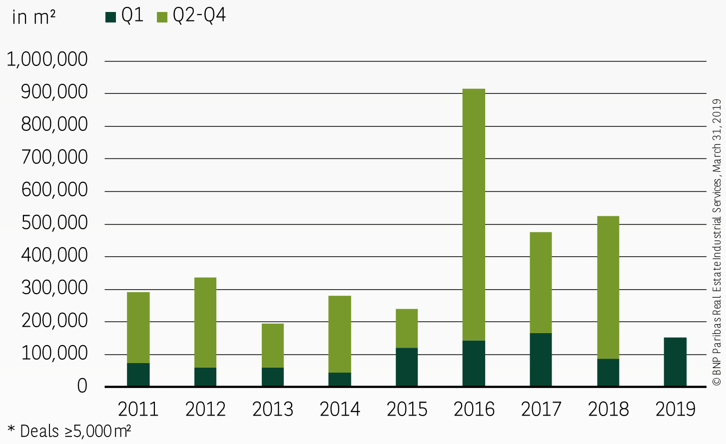
Real Estate for a changing world

RESEARCH

At a Glance Q1 2019

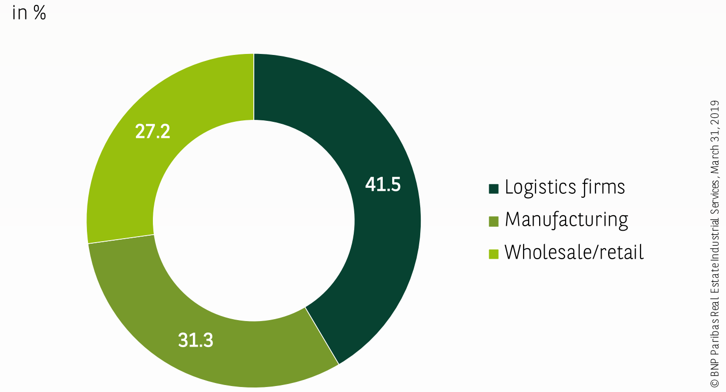
LOGISTICS MARKET RUHR REGION

Light industrial and logistics take-up in Ruhr region*



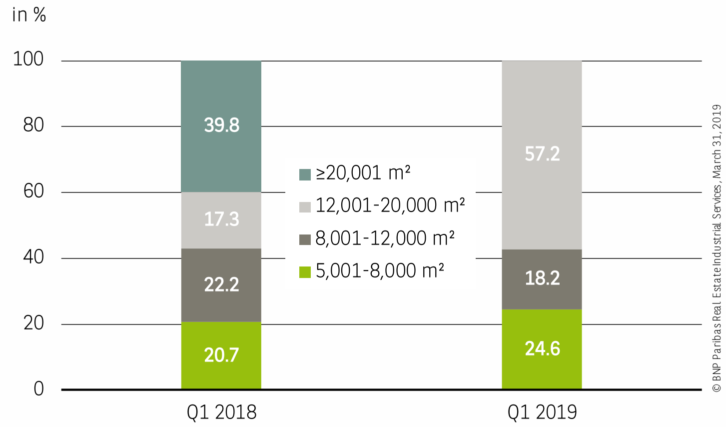
* Deals ≥5,000 m²

Take-up by sector in Ruhr region Q1 2019*



* Deals ≥5,000 m²

Take-up by size category in Ruhr region



GREAT OPENING QUARTER: 150,000-M²-MARK EXCEEDED

At the beginning of 2019, the logistics market in the Ruhr region is in excellent shape: with a take-up of 153,000 m², not only the result of the comparable period of the previous year was topped by an impressive 76 %, but also the long-term average by a considerable 51 %. At the same time, the Ruhr region is in the leading position regarding the most important logistics markets, ahead of Frankfurt. A look at the distribution of the take-up within the region also provides a pleasing result: both the eastern part of the logistics region with the district of Unna and the centrally located cities of Bochum and Essen are strongly represented. The segment of existing buildings achieves a remarkable take-up, accounting for 71 % of the volume, which is an astonishing figure in view of the fact that the new construction segment is traditionally responsible for the majority of the letting performance in the Ruhr region.

LOGISTICS, MANUFACTURING & RETAIL - 3 STRONG SECTORS

The branch analysis shows that not only the distribution of take-up across the market area is broadly diversified, but also across the various user groups: with logistics firms (just under 42%), manufacturing (a good 31%) and wholesale companies (around 27%), the three most important demand groups of logistics space each provide above-average volumes and play a decisive role to an excellent overall result. Significant contracts, each with between 14,000 m² and a good 15,000 m², include the deals of the two production companies Brock Kehrtechnik (Bochum) and Hella (Werne) as well as the deal of the logistics firm Rottbeck Spedition (Bochum).

CONTRACTS BETWEEN 12,000 AND 20,000 M² IN THE LEAD

Against the background of the outstanding overall performance of the logistics market in a long-term comparison, it seems surprising at first glance that the segment of big deals with at least 20,000 m² has so far remained unoccupied. However, the size class between 12,000 and 20,000 m² in which a large number of lettings and an extremely high share of take-up of a good 57% were registered after just three months provides a clear answer for this. However, every fourth square metre of the volume is to be assigned to the smallest category (5,000 to 8,000 m²), while the class of lettings between 8,000 and 12,000 m² is represented by a good 18 %.

Major contracts in Ruhr region Q1 2019

Company	Location	Area(m²)
Wholesale/retail company	Unna	15,800
Brock Kehrtechnik	Bochum	15,300
HELLA	Werne	14,500
Rottbeck Spedition	Bochum	14,000
MHL Logistik	Bottrop	10,000

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Key figures logistics market Ruhr region*

	Q1 2018	Q1 2019	Trend remaining year
Prime rent	4.70 €/m²	4.70 €/m²	→
Average rent	3.90 €/m²	3.90 €/m²	↗
Take-up	87,000 m²	153,000 m²	↗
- Share of owner-occupiers	32.2 %	8.2 %	↗
- Share of new buildings	94.2 %	29.5 %	↗

* Deals ≥5,000m²

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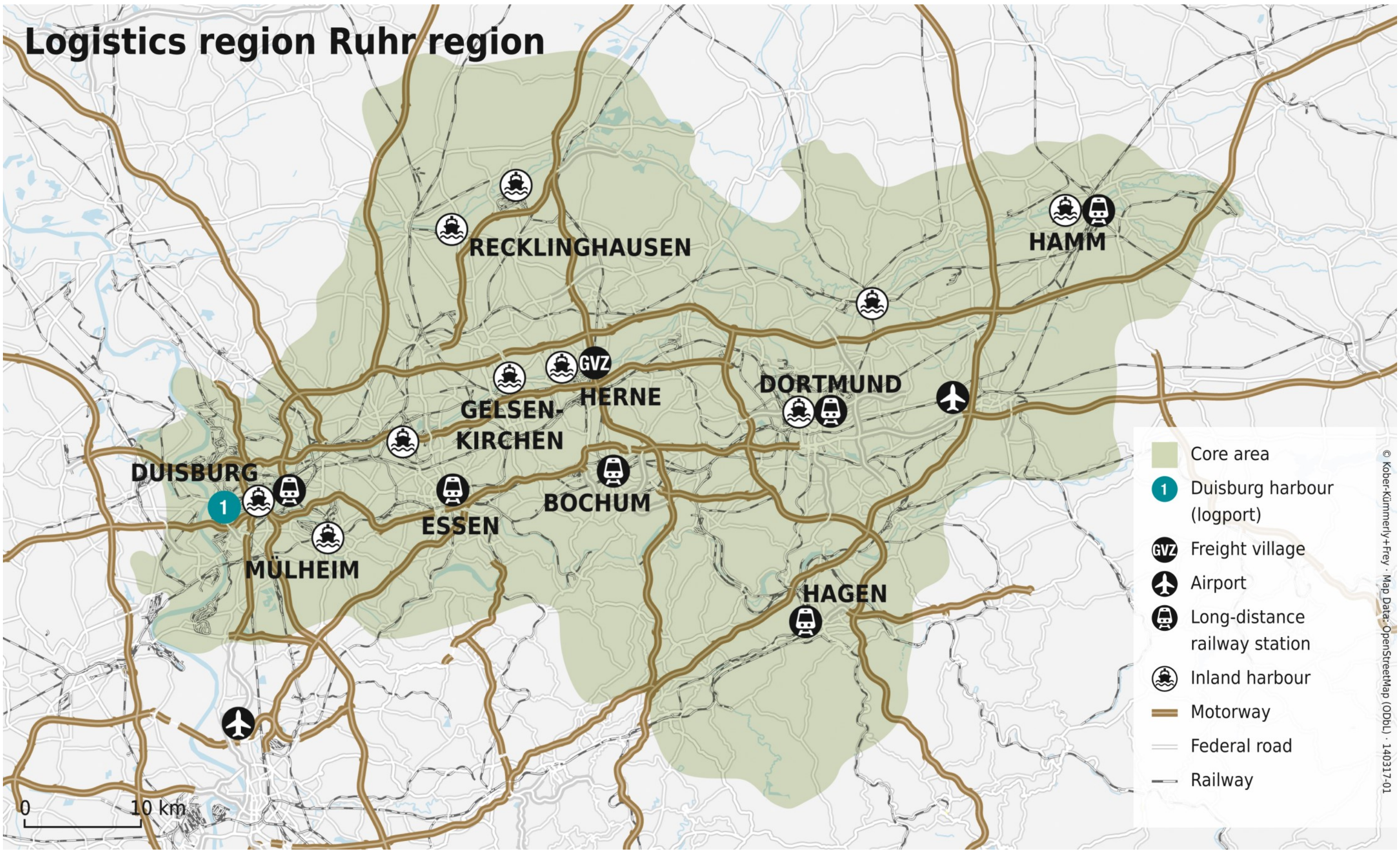
HARDLY ANY SITES AND SPECULATIVE NEW BUILDINGS

The rental price level hasn’t changed significantly in the course of the year: The top and average rents are constant at 4.70 €/m² and 3.90 €/m², respectively, as they were 12 months ago. The top rent is still achieved in Duisburg's Logport, but positive trends in rental prices are also recognisable in Dortmund and the district of Unna, which should continue to rise in the future. Due to the tense situation with regard to land availability and restained speculative new construction activity in the entire market area, the supply of space available at short notice is to be assessed as declining. The availability of land is also closely related to the share of owner-occupiers regarding the take-up, which is very low at a good 8 %.

PERSPECTIVES

The logistics market in the Ruhr region got off to a brilliant start in 2019 - only 2017 saw an even higher take-up in the first three months. The fact that demand is very diversified with regard to the various micro locations, size classes and user groups indicates that the logistics region's market development will continue to be very positive. This means that further record-breaking quarterly results are limited only by the available space in the existing and new construction segments.



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