LOGISTICS MARKET GERMANY

PROPERTY REPORT 2020

RESEARCH

BNP PARIBAS REAL ESTATE

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EXECUTIVE SUMMARY

Second-best result of all time for the German logistics market

- Following a first quarter which suggested a rather average year was in the making for the German market for storage and logistics space, the take-up figures picked up appreciably at mid-term. The year closed with the second-best result of all time, a total take-up volume of 6.9 million m² falling barely 7 % short of the record result from 2018.

- The major logistics hubs (Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Leipzig, Munich, Stuttgart) reported sharp drops as a whole, with total take-up of 2.3 million m² down by some 20 % on the previous year. This represents the weakest result of the past six years. A key contributory factor here was high land prices, which are making it increasingly difficult to market property developments at acceptable rent levels. Increases in take-up were reported only by Munich (419,000 m²; +72 %) – whereby this result was primarily attributable to a single mega-deal comprising over 230,000 m² – and Berlin (501,000 m²; +16.5 %).

- The main beneficiaries of the shortage of space in the major logistics hubs are the locations outside of the large conurbations. A new all-time-high take-up volume of 4.6 million m² was reported here. This was 2 % up on the record established in 2018.

Industrial companies top the rankings

- Despite uncertainties regarding the underlying economic situation, industrial companies head the sectoral breakdown on just under 41 %.

- Wholesale/retail companies also generated substantial demand, taking second place on a good 29 % ahead of the unusually weak logistics firms (25 %).

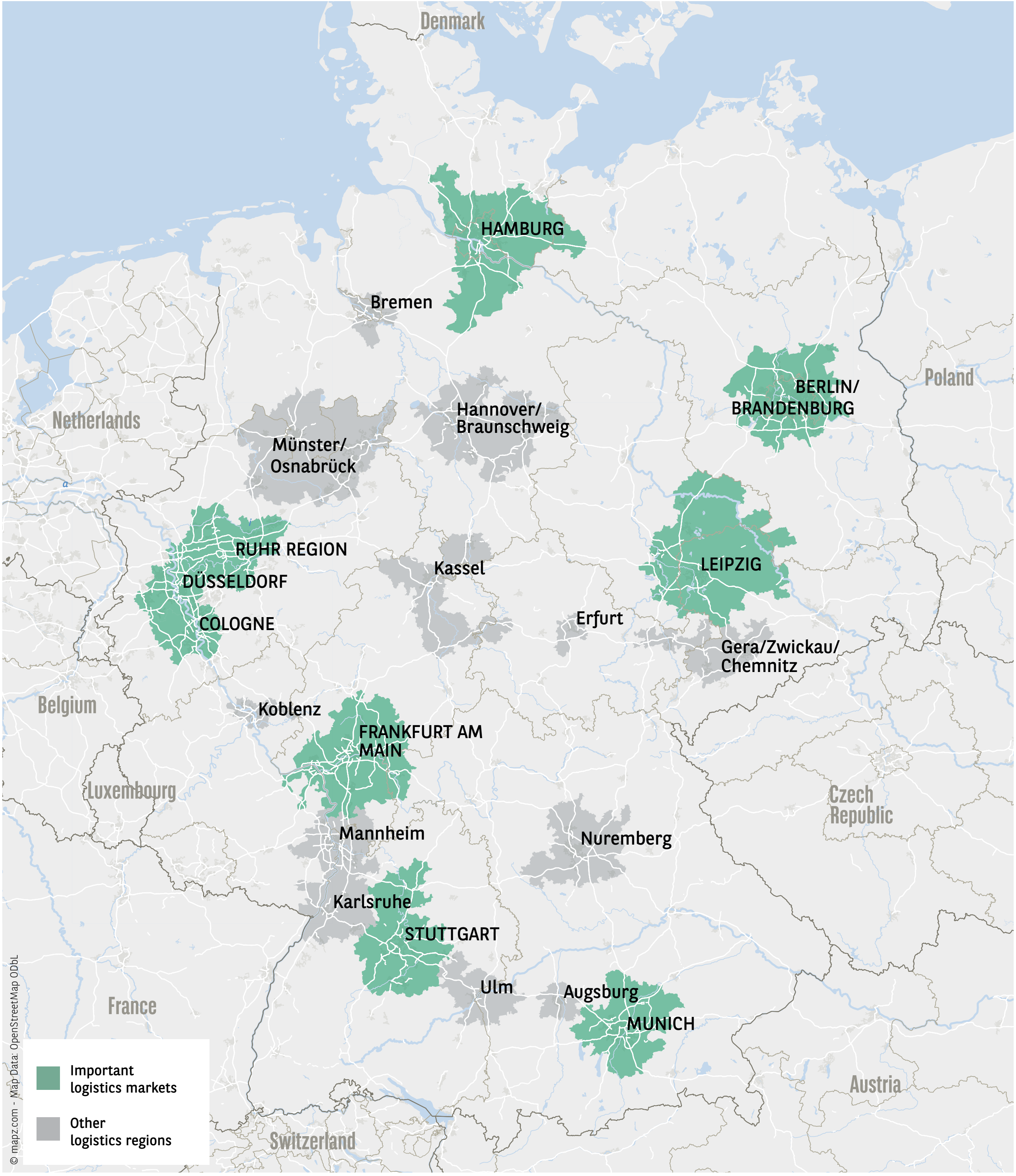
Marked rent rises in some locations

- Rents have risen in many locations as a result of the generally strained supply and demand situation, increased land prices and, above all, higher construction costs.

- The sharpest increase was reported in Düsseldorf, which witnessed a 6.5 % hike up to 5.75 €/m². The prime rents have also risen appreciably in Cologne (5.40 €/m²; +6 %), Hamburg (6.30 €/m²; +5 %), Frankfurt (6.60 €/m²; +5 %) and Stuttgart (7 €/m²; +4.5 %).

- With regard to the average rent, Berlin reported the largest increase, with a rise of 7 %.

LOGISTICS REGIONS IN GERMANY



THE GERMAN LOGISTICS MARKETS AT A GLANCE

A CHALLENGING SETTING FOR THE LOGISTICS SECTOR

After peaking at over 113 points at the beginning of 2018, the ifo logistics indicator went into continual decline, dropping below the 100 points mark in July 2019. The sub-indicator for business expectations was hit particularly severely, showing only 90 points in September. This reflects the uncertainty about the further development of German industry and the global economy. The indicator rallied slightly for the first time in December 2019, but remains low, at 97.2. This presents a challenging setting for the logistics sector. With the signing of the first phase of a pact between the USA and China, certainty about Brexit and a somewhat brightening economy, there are realistic prospects that the situation has now bottomed out.

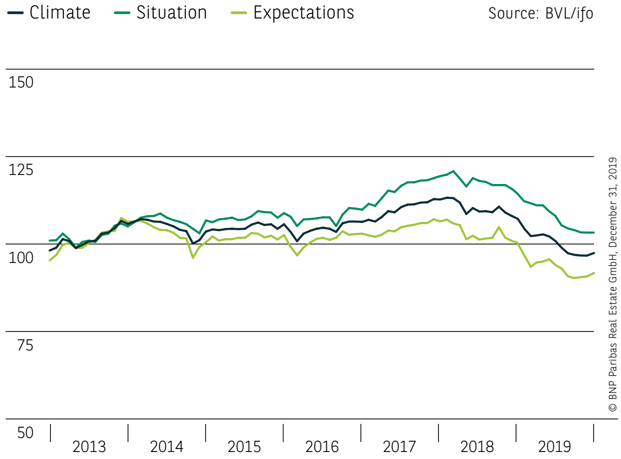
SECOND-BEST RESULT EVER, NONETHELESS

Despite this backdrop, the second-best result of all time was reported, with take-up of 6.9 million m² falling barely 7 % short of the previous year's record. The ten-year average was outstripped by a good 17 %. Following a somewhat restrained start to the year, the second and third quarters yielded above-average results. While take-up in the final quarter was down on the two exceptionally good preceding years, a total of 1.6 million m² was nevertheless well up on the multi-year average. The fact that a very good result was achievable despite the challenging underlying conditions is attributable not least of all to ongoing restructuring processes. These cover the still-growing e-commerce sector, for example, as well as space required by the automotive sector for expansion in the field of e-mobility.

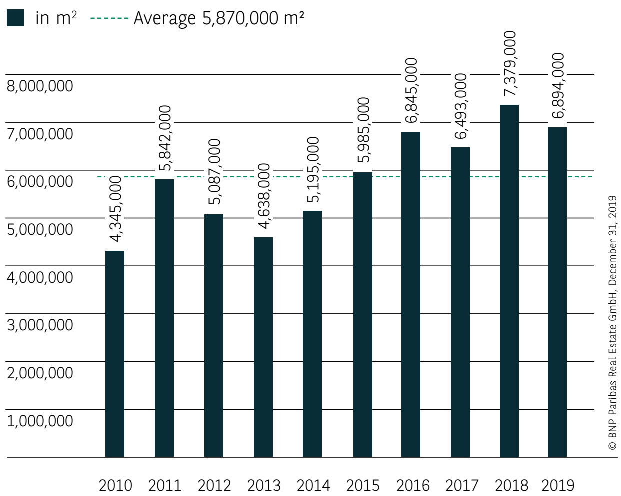
STRONG DEMAND FROM INDUSTRY

A notable development is that industrial companies clearly lead the sectoral breakdown with a share of almost 41 %, although they were most seriously affected by the faltering economy. This shows that the outlined restructuring processes are triggering substantial demand for space. Meanwhile, logistics firms take a markedly smaller share than usual, at just 25 %. This is attributable above all to uncertainty about the further development of global disrupting factors. In contrast, wholesale/retail companies generated substantial demand, taking second place with a good 29 % share of total take-up and topping the 2 million m² mark again for the first time in three years.

LOGISTICS INDICATOR GERMANY

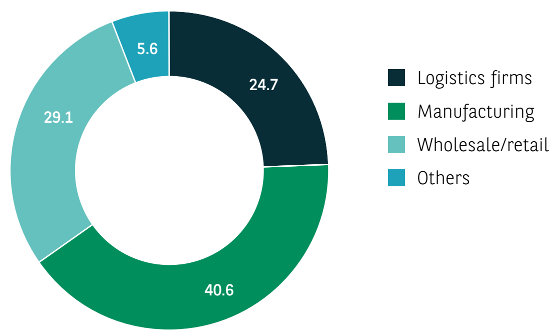


LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN GERMANY



TAKE-UP BY SECTOR IN GERMANY

in %



NEW BUILDS CLAIM TWO-THIRDS SHARE

Although the supply bottleneck has eased in comparison to the preceding years in some locations, large units of modern space which are available at short notice remain a scarce commodity in many instances, in view of which new developments are crucial in order to meet the prevailing demand. This is also reflected in the further increase in the share of newly completed space, which accounts for a good two thirds of total take-up and is just short of the all-time high from 2016.

SHARP DROPS IN LOGISTICS HUBS

The major logistics hubs (Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Leipzig, Munich, Stuttgart) report sharp drops as a whole, with total take-up of 2.3 million m² down by some 20 % on the previous year. This represents the weakest result of the past six years. A key contributory factor here is high land prices, which are making it increasingly difficult to market property developments at acceptable rent levels. As a result, even more users are resorting to locations outside of the large agglomerations. Increases in take-up are reported only by Munich (419,000 m²; +72 %) – whereby this result was primarily attributable to a mega-deal comprising over 230,000 m² for KraussMaffei – and Berlin (501,000 m²; +17 %). Declining take-up was to be observed in Leipzig (164,000 m²; -57 %), Düsseldorf (157,000 m²; -44 %), Frankfurt (417,000 m²; -38 %), Cologne (140,000 m²; -38 %), Hamburg (373,000 m²; -23 %) and Stuttgart (153,000 m²; -17 %).

NEW RECORD OUTSIDE OF MAJOR LOCATIONS

In contrast to the major conurbations (see above), the other regions saw a slight rise in take-up to 4.6 million m² (+2 %), thereby topping the record-breaking performance of 2018. While the Ruhr region, as one of the most important logistics areas in Germany, incurred a drop of 6 % to 493,000 m², this nevertheless represented the second-best result ever recorded. The 12 leading logistics regions, which BNP Paribas Real Estate additionally analyses on a regular basis, amassed 1.7 million m², which marks a good 4 % increase and also sets a new record. A similar picture applies throughout the rest of Germany, where take-up totalled just under 2.4 million m². This result also represents a new all-time high.

KEY FIGURES FOR THE LOGISTICS MARKET IN GERMANY

	2018	2019	Trend 2020
Take-up	7,379,000 m²	6,894,000 m²	➡
- Share of owner-occupiers	37.8 %	43.1 %	➡
- Share of new buildings	62.2 %	67.6 %	➡

LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP BY REGIONS

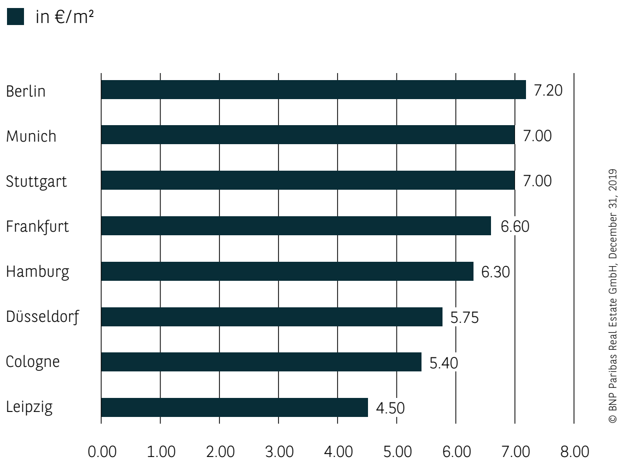
	2018 (m²)	2019 (m²)	Change (%)
Important logistics markets			
Berlin	430,000	501,000	16.5%
Cologne	225,000	140,000	-37.8%
Düsseldorf	280,000	157,000	-43.9%
Frankfurt	675,000	417,000	-38.2%
Hamburg	483,000	373,000	-22.8%
Leipzig	383,000	164,000	-57.2%
Munich	243,000	419,000	72.4%
Stuttgart	184,000	153,000	-16.8%
Subtotal	**2,903,000**	**2,324,000**	**-19.9 %**
Other locations*			
Ruhr region	524,000	493,000	-5.9 %
Other logistics regions (see map)	1,648,000	1,719,000	4.3 %
Rest of Germany	2,304,000	2,358,000	2.3 %
Subtotal	**4,476,000**	**4,570,000**	**2.1 %**
Total Germany	**7,379,000**	**6,894,000**	**-6.6 %**

* Deals ≥ 5,000 m²

RISING RENTS

2019 saw a continuation of the rising trend for rents which has been observable for some time now. This trend is a manifestation of the general supply and demand situation, as well as increased land prices and above all higher construction costs. The prime rent has risen in more than half of the major logistics locations, with the sharpest increase reported in Düsseldorf, which witnessed a 6.5 % hike up to 5.75 €/m². The prime rents have also risen appreciably in Cologne (5.40 €/m²; +6 %), Hamburg (6.30 €/m²; +5 %), Frankfurt (6.60 €/m²; +5 %) and Stuttgart (7 €/m²; +4.5 %). A similar trend is to be observed for average rents, which have risen at almost all major logistics hubs. Berlin (5.90 €/m²; +7 %) reported the sharpest rise here, followed by the Ruhr region (4.10 €/m²; +5 %) and Frankfurt (5.10 €/m²; +3 %).

TOP RENTS IN IMPORTANT LOGISTICS MARKETS



OUTLOOK

The further development of the German markets for logistics and storage space will hinge not least of all on how quickly the economy as a whole gathers pace. On the positive side, the easing of the trade dispute between the USA and China and greater clarity on the implementation of Brexit should go some way to reducing uncertainty among companies as they consider further investments. Many restructuring processes will also continue, generating additional need for space. Against this backdrop, in 2020 demand is expected to be strong once again by reference to the multi-year average, generating correspondingly high levels of take-up. As things stand, there is every indication that a result in excess of 6 million m² and thus above the multi-year average is attainable. It remains to be seen whether it will continue in the direction of 7 million m² as in recent years, however. The problem of an inadequate supply of suitable sites will persist in the conurbations, making it difficult for a number of logistics hubs to raise their take-up to any substantial degree. Rents also harbour certain upward potential at some locations.

MAJOR CONTRACTS IN GERMANY

Quarter	Location	Company	Area (m²)
Q3	Vaterstetten	KraussMaffei	230,000
Q2	Dingolfing	BMW	100,000
Q3	Oberhausen	EDEKA	90,000
Q3	Lich	Wayfair	89,000
Q1	Kösching	Car manufacturer	87,000

LOGISTICS INVESTMENT

SECOND-BEST RESULT OF ALL TIME

The year-end result reported by the market for logistics investments in 2019 is extraordinary on a number of counts. While 18 % short of 2017's exceptional result, a transaction volume of €7.5 billion was up by 4.5 % on the previous year's already strong performance and represents the second-best result of all time. Whereas major pan-European logistics platforms were the prime generators of turnover in the record-breaking year, single transactions made a particularly prominent contribution to the excellent result in 2019. They account for a hefty €4.7 billion, which alone would have been sufficient to achieve the third-best result ever – an absolute record performance.

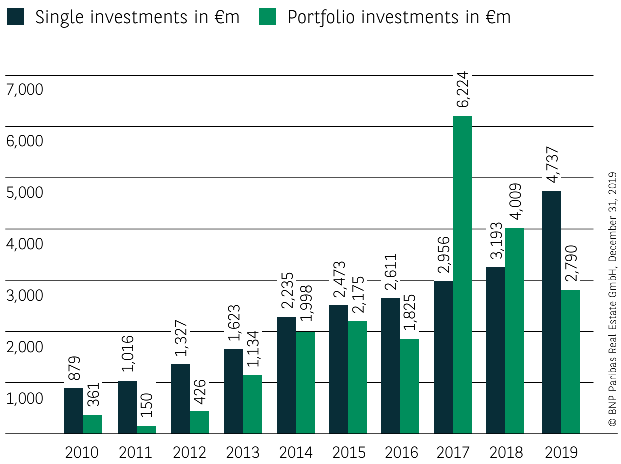
HIGH SHARE OF LARGE-VOLUME SINGLE DEALS

The breakdown of investments by size category reveals how single transactions have gained in significance – though perhaps in a different way to what might have been expected. Despite a marked increase in the number of transactions in the small-volume range up to €25 million, the shares amassed by these size categories grew only marginally. This is explainable by the fact that 2019 witnessed not only an unusually large number of single transactions, but also an accumulation of exceptionally large deals of this type. The more than two dozen single deals in the segments over €50 million alone provide for turnover of almost €2.4 billion.

MAJORITY OF CAPITAL DERIVES FROM GERMANY

The diversified breakdown of take-up by buyer groups clearly shows that logistics investments are now anything but a niche product. Special-purpose funds remain the undisputed leaders, accounting for a good 23 % share, followed by investment/asset managers (just under 14 %) and listed real estate companies/REITs (12 %). The strong results reported for corporates (11 %) and property developers (a good 10 %) are directly linked to the high share of individual transactions. The same applies to the breakdown of take-up by origin of buyer. The majority of capital (51 %) currently originates from Germany, which is noteworthy with regard to the very good overall result. The similarly outstanding results of the two preceding years were largely attributable to large portfolio transactions, which are particularly popular among non-European buyers. It thus comes as no surprise that investors from North America (10 %) and the Middle East (1 %) lost ground, while investors from Germany and other European countries increased their share (16 %). Asian buyers nevertheless show a strong result with

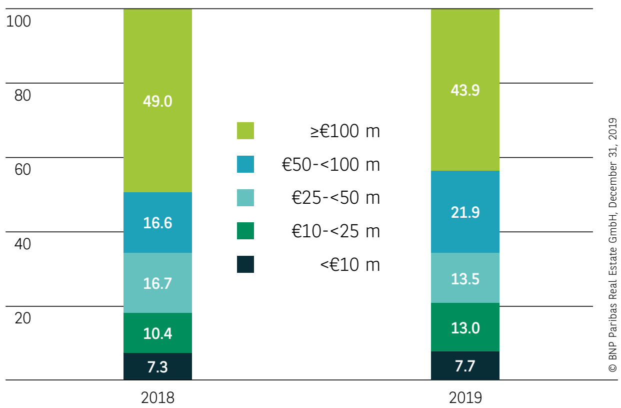
LOGISTICS INVESTMENTS IN GERMANY



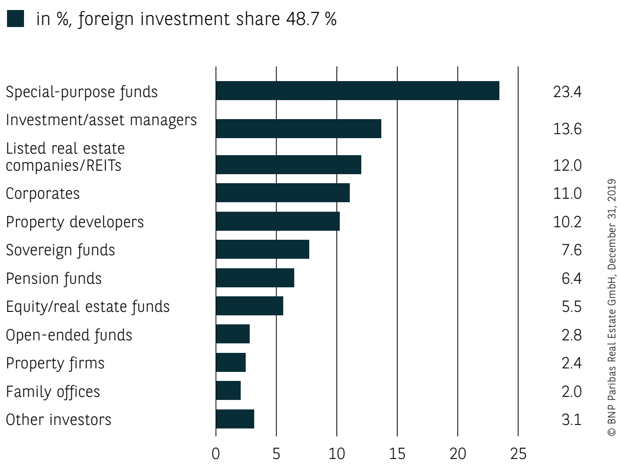
LOGISTICS INVESTMENTS BY € CATEGORY

2018 in %, total €7,202 m

2019 in %, total €7,527 m



LOGISTICS INVESTMENTS BY BUYER CATEGORY



a share of just under 22 %, as they were responsible for a number of large-volume single transactions.

MIXED PICTURE IN THE CONURBATIONS

At just above €1.8 billion, the transaction volume reported by the major conurbations is only slightly down on the previous year (-6 %). A detailed look at turnover in the individual markets reveals a very mixed picture, however. While Frankfurt (€465 million) and Leipzig (€140 million) set new records and Munich surpassed the previous year's already excellent result by a hefty 30 %, other cities lost substantial ground. Cases in point here are Hamburg (-68 %), Düsseldorf (-50 %) and Stuttgart (-49 %), whose results also fell well short of the five-year average. While Berlin also reported a sharp drop in turnover (-28 %), this is primarily accountable to the previous year's outstanding result. On closer inspection, the current total of €322 million actually emerges as the second-best result of the past ten years.

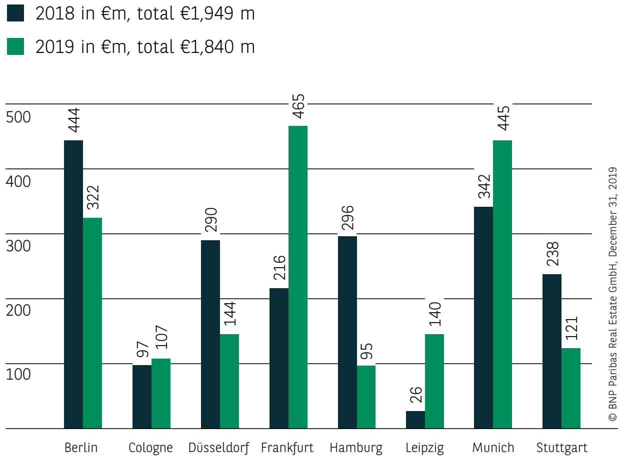
MARKED RISE IN PRICES

As a result of the sustained run on logistics investments, yield compression also continued unabated in 2019. Midyear saw the prime yield drop below the 4 % mark for the first time in the key conurbations (Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Munich and Stuttgart), and prices continued to soar up to the end of the year. The yields here currently stand at 3.70 %. Even in Leipzig, where prices are generally somewhat lower, the 4 % threshold is now looming. The net prime yield here fell by a further 45 basis points over the past twelve months, to 4.05 %.

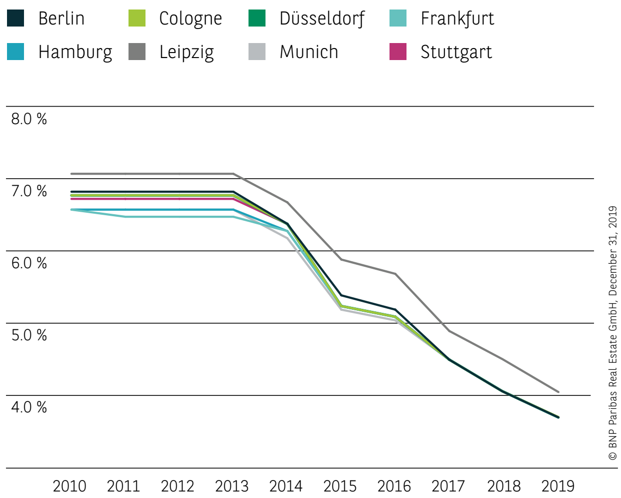
OUTLOOK

The fact that the market for logistics investments once again reported an excellent annual result, despite the increasingly tight supply situation in the area of the large core portfolios, is a clear indication of an ever-broadening demand base. 2020 is also set to be a strong investment year, not least of all because logistics properties still have the edge over other asset classes in terms of yields, despite the markedly increased prices. Given the inadequate supply of large portfolios, it will primarily be large-volume single transactions that determine whether the €7 billion mark is topped for the fourth time in succession. As things stand, the possibility of a slight drop in yields cannot be ruled out in isolated instances.

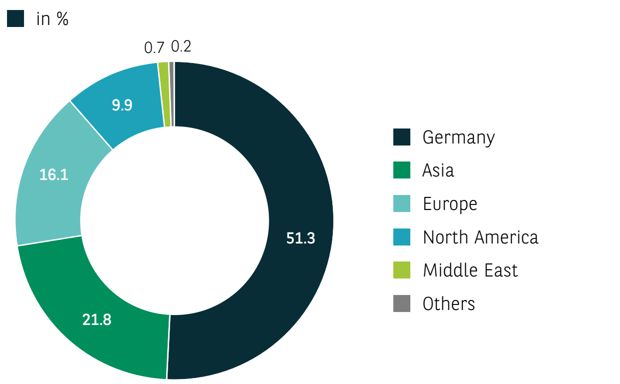
LOGISTICS INVESTMENTS IN IMPORTANT LOGISTICS MARKETS



DEVELOPMENT OF NET PRIME YIELDS



LOGISTICS INVESTMENTS BY ORIGIN OF CAPITAL



BERLIN

TAKE-UP HITS A NEW ALL-TIME HIGH

In keeping with the office and investment markets, Berlin's market for logistics and storage space also reported a new all-time high in 2019, even breaching the half a million threshold for the first time, with take-up of 501,000 m². This was 16.5 % up on the previous year's strong result, and surpassed the ten-year average by as much as 24 %. The 400,000 m² mark was thus exceeded for the third time in succession, continuing an impressive series and putting Berlin in first place among all major German locations. Demand was concentrated on the one hand on locations as close as possible to the inner city, with proximity to customers and an attractive labour pool representing the decisive criteria here. Another focus was the area surrounding Berlin to the south, where an adequate supply of modern space is available at short notice. Key deals included leases taken out by an e-commerce company in Kiekebusch (31,000 m²), by Kühne + Nagel in Oberkrämer (20,000 m²) and by Microvast in Ludwigsfelde (just under 16,000 m²).

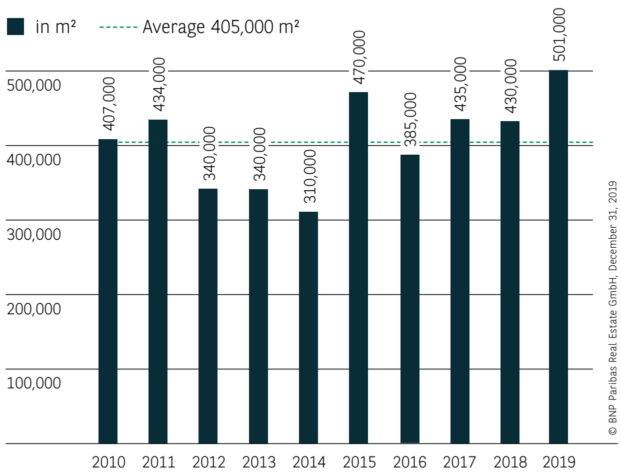
RELATIVELY EVEN SECTORAL SPREAD

For some years now, the demand situation has been shaped by the positive course of development for wholesale / retail companies. Their performance was par for the course once again in 2019, ranking first in the sectoral breakdown with a good 40 % share. They were unable to repeat the extraordinary result from 2018, however, when they contributed more than half to the total take-up. Logistics firms take second place, with a share of around one quarter almost 8 percentage points down on the multi-year average. Manufacturing companies round off the leading trio, making a strong recovery from a poor showing in 2018 to claim a good 21 % share.

STRONG DEMAND IN ALL SIZE CATEGORIES

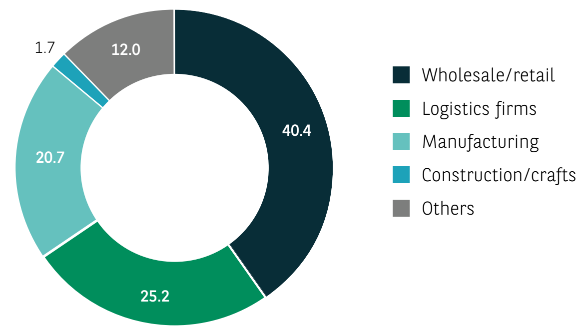
A welcome aspect is the fact that the record take-up does not derive from a small number of major deals, but is rather generated by a very broad demand base. Contracts for over 20,000 m² contribute only a good 6 % to the result. Meanwhile, the smallest category up to 3,000 m² has again demonstrated how important it is to the Berlin market, with a share of just under 27 %. A major portion of this demand is focused on central locations offering corresponding proximity to customers. All the remaining market segments make roughly the same contribution to the overall result, with shares in the range from 15 to 19 % of the total take-up.

LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN BERLIN



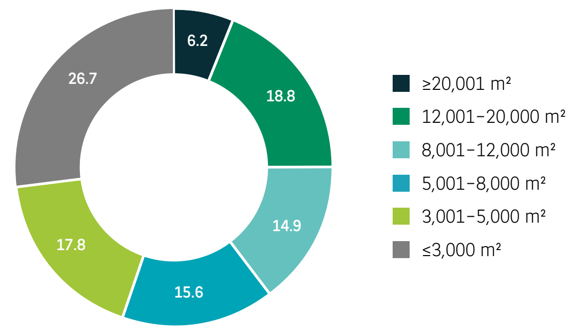
TAKE-UP BY SECTOR IN BERLIN

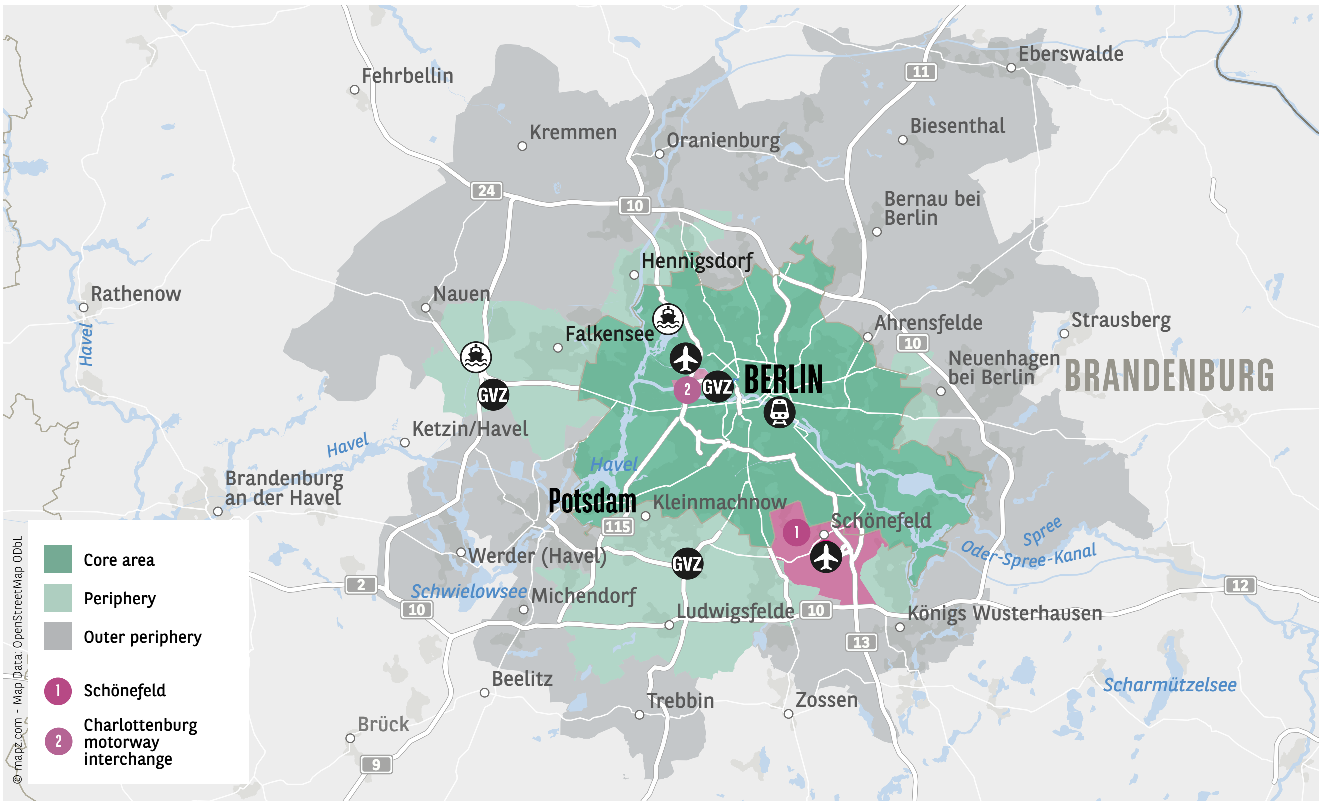
in %



TAKE-UP BY SIZE CATEGORY IN BERLIN

in %





OWNER-OCCUPIER SHARE LOW

The traditionally low owner-occupier share in Berlin remained true to form in 2019. Contributing only 9 % to total take-up, it was once again markedly below the multi-year average (15 %). This is attributable in part to the supply of modern premises available at short notice, which is higher than in other locations. The continuing high demand for central locations close to the inner city has maintained the pressure on rents in this market segment. This is particularly apparent in districts along the route of the urban motorway, such as Charlottenburg, Tempelhof or Neukölln, where the supply falls short of demand. As a consequence, the average rent has risen by 7 % to a current level of 5.90 €/m². The prime rent remains very high, at 7.20 €/m².

OUTLOOK

As things stand, there is every indication that 2020 will once again yield an above-average result. Apart from improved prospects for the economy as a whole and a continuing dynamic trend for the German capital, specific developments such as Tesla's decision to build a mega-factory in Grünheide should also have a positive impact and generate additional demand. Against this backdrop, a further welcome aspect is that the supply side should be boosted somewhat by development projects. Rents appear set to stabilise, at least in the first half of the year.

MAJOR CONTRACTS IN BERLIN

Quarter	Location	Company	Area (m²)
Q1	Kiekebusch	E-commerce company	31,000
Q2	Oberkrämer	Kühne + Nagel	20,000
Q4	Ludwigsfelde	Microvast	15,700
Q2	Ludwigsfelde	kfzteile 24	13,300
Q2	Kremmen	Automotive company	13,000

KEY FIGURES FOR THE BERLIN LOGISTICS MARKET

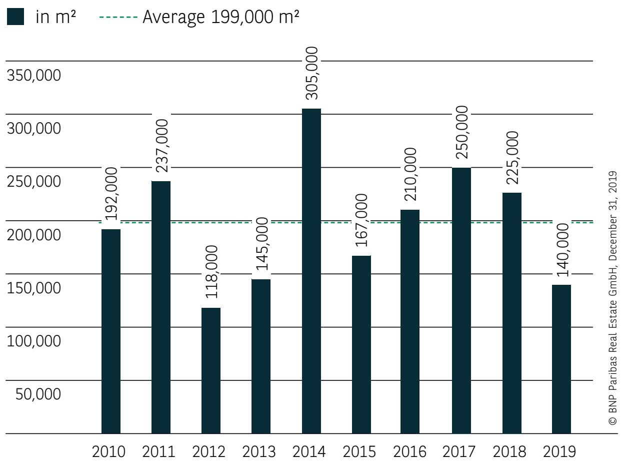
	2018	2019	Trend 2020
Prime rent	7.20 €/m²	7.20 €/m²	➡
Average rent	5.50 €/m²	5.90 €/m²	➡
Take-up	430,000 m²	501,000 m²	↗
- Share of owner-occupiers	22.1 %	8.7 %	➡
- Share of new buildings	50.9 %	47.7 %	➡

COLOGNE

LACK OF SPACE CURBS TAKE-UP

The long-established problem of a far too inadequate supply on the Cologne market for logistics and storage space left its mark once again in 2019. Take-up totalling only 140,000 m² falls almost 38 % short of the previous year's result and is around 30 % below the ten-year average. A primary reason for this low level is the fact that not a single deal was reported over 20,000 m², owing above all to the lack of space available at short notice as well as suitable sites for new properties. The absence of any large contracts alone accounts for a good two thirds of the decline in take-up. The most significant deals included lets to a logistics firm in Kerpen and to Kurt Rothschild GmbH & Co. KG in Bedburg, in each case comprising some 17,000 m².

LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN COLOGNE

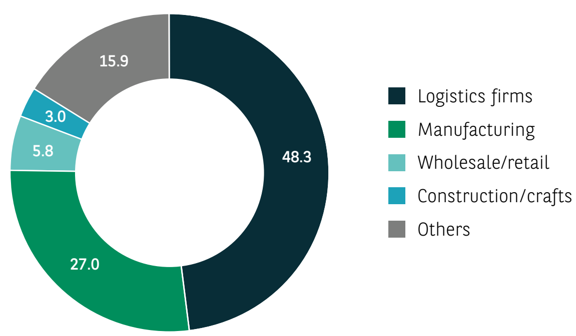


LOGISTICS FIRMS CLAIM ALMOST 50 % SHARE

As in 2018, logistics firms again accounted for almost half (48 %) of the total take-up and continue to dominate the market. Manufacturing companies maintained their relative share, contributing a good quarter to the result. In contrast, wholesale / retail companies nosedived, with a share of 6 % representing their weakest result of the past ten years. The shortage of space is revealed particularly starkly here: Wholesale and retail companies generally need space at short notice in order to increase their storage and distribution capacities, and such space is virtually non-existent. At the same time, their demand is increasingly focused on comparatively central locations offering proximity to their customers. The competition with other usages is particularly keen in these locations, however – especially with office developments, for which suitable sites are also desperately scarce in Cologne.

TAKE-UP BY SECTOR IN COLOGNE

in %



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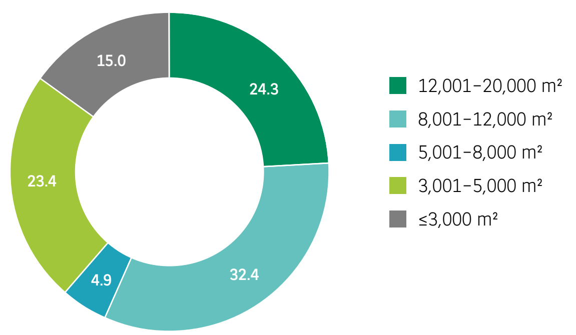
SMALL AND MEDIUM-SIZED PROPERTIES IN DEMAND

With no large deals over 20,000 m² reported, mid-range contracts between 8,000 and 20,000 m² have taken over the lead, contributing just under 57 % to the overall result. This is well above their multi-year average, which stands at around one third. Smaller deals up to 5,000 m² also represent a mainstay of the market once again. Their share of 38 % is roughly in keeping with their customary level. The fact that the small-volume segment also reported a relatively moderate result in absolute terms shows that it is also affected by the supply bottleneck, however.

TAKE-UP BY SIZE CATEGORY IN COLOGNE

in %



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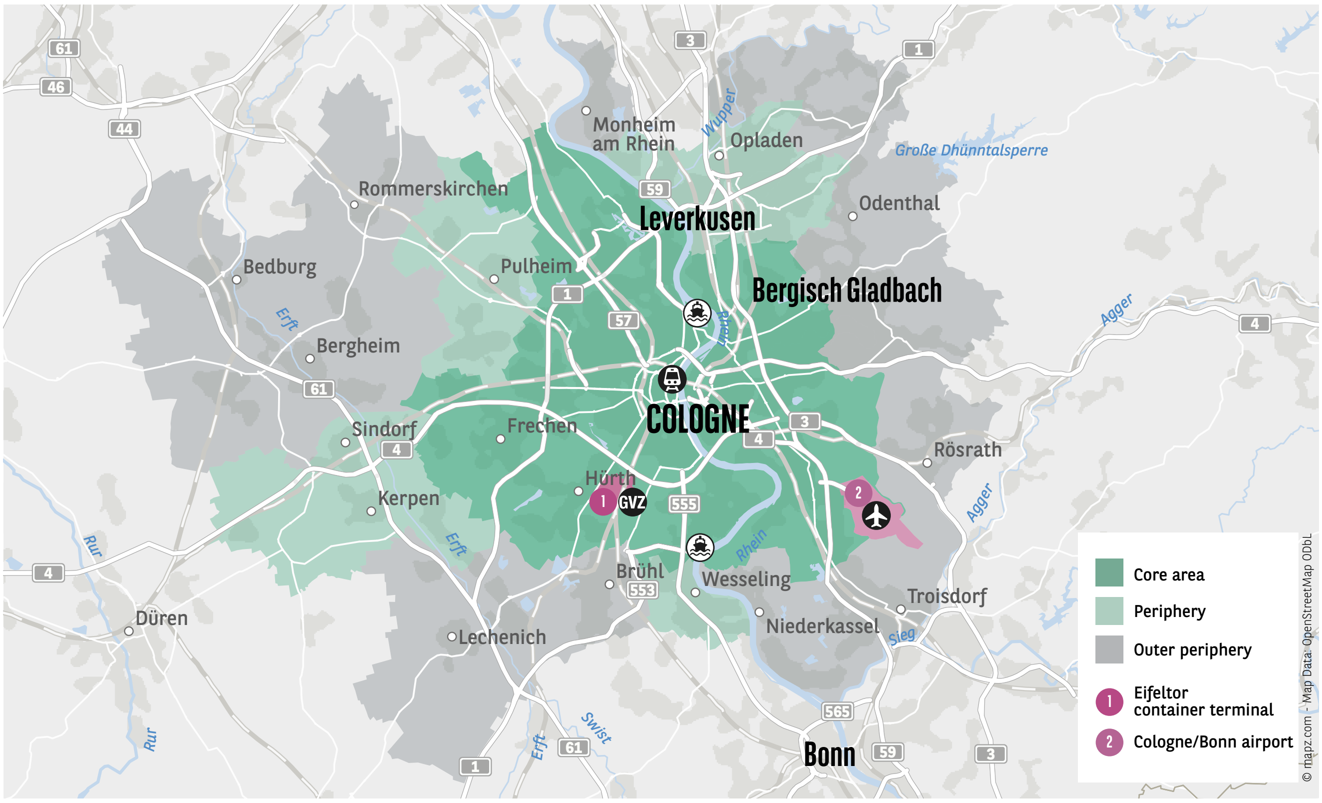
BNP PARIBAS REAL ESTATE



RENTS ON THE RISE

The rent trends reflect the competition for the scant space available. The prime rent is up by 6 % year-on-year, at 5.40 €/m², and the average rent has also risen by a good 2 %, to 4.45 €/m². With regard to structural aspects of the market, it is also to be noted that the owner-occupier share, which is traditionally low in Cologne, has fallen once again and now stands at only a good 6 %. Meanwhile, newly built space has gained significant ground, accounting for almost 57 % of the overall result. This is also symptomatic of the shortage of space, which forces many users to resort to new developments.

OUTLOOK

The Cologne market for logistics and storage space is likely to face the same structural backdrop in 2020. At present, there is no sign of any significant increase in the supply of space. This means that it will once again prove impossible to meet a certain portion of the prevailing demand. As such, a take-up result in line with the multi-year average (200,000 m²) would count as a success. A substantially better result would only appear possible if a number of large-scale developments were to be started after all. A degree of upward potential is discernible for rents on account of the underlying supply / demand ratio.

MAJOR CONTRACTS IN COLOGNE

Quarter	Location	Company	Area (m²)
Q3	Kerpen	Logistics firm	17,000
Q4	Bedburg	Kurt Rothschild	17,000
Q4	Pulheim	Food manufacturer	10,000
Q4	Pulheim	DHL	10,000
Q3	Kerpen	Saint-Gobain-Gruppe	9,000

KEY FIGURES FOR THE COLOGNE LOGISTICS MARKET

	2018	2019	Trend 2020
Prime rent	5.10 €/m²	5.40 €/m²	↗
Average rent	4.35 €/m²	4.45 €/m²	↗
Take-up	225,000 m²	140,000 m²	↗
- Share of owner-occupiers	10.6 %	6.2 %	↗
- Share of new buildings	13.1 %	56.9 %	→

DÜSSELDORF

SHORTAGE OF SPACE LIMITING TAKE-UP

The market for storage and logistics space in Düsseldorf (including the surrounding area) fell short of the preceding years' very good performance in 2019, reporting the worst result of the past ten years, with take-up at 157,000 m². Following the below-average take-up in the first three quarters of 2019, the market also failed to rally in the traditionally more lively final quarter. Take-up for the year was thus 44 % down on the previous year's level. The demand side is actually no weaker than in the preceding years, however. While many companies are still on the lookout for new or larger premises, they commonly fail to find suitable properties on account of the strained supply situation. Anyone seeking larger or modern premises faces the likelihood of a long wait before they find suitable properties.

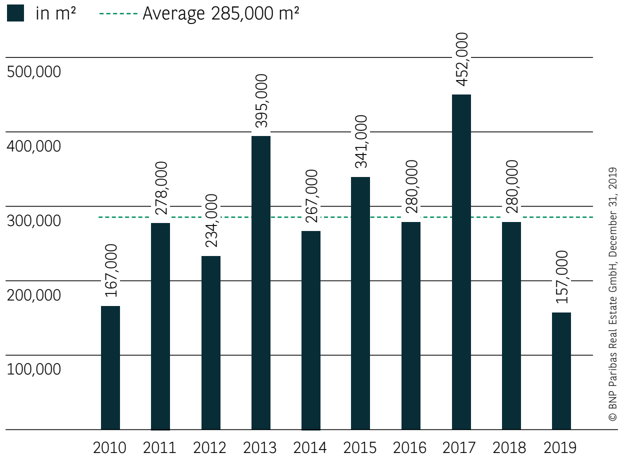
UNUSUAL SECTORAL SPREAD

The breakdown of take-up by sectors is highly unusual and can be seen as an indication of the sparse supply. Logistics firms, for example, which tend to generate high levels of demand and have frequently signed large-volume contracts in the past, contributed only one fifth to total take-up. This share, which is also low by reference to the multi-year average, comes as no surprise in view of the number of contracts – almost four times as many of which were signed in 2018 compared to 2019. Wholesale/retail companies led the ranking at the end of 2019, contributing a share of over 39 %. This figure includes the year's biggest deal: the construction of premises comprising 30,000 m² of space for online bathroom equipment and furnishings retailer Reuter in Mönchengladbach. The largest number of contracts in absolute terms was concluded by the manufacturing sector, however, which also claimed a significant share, at just under 32 %.

FEW MAJOR DEALS

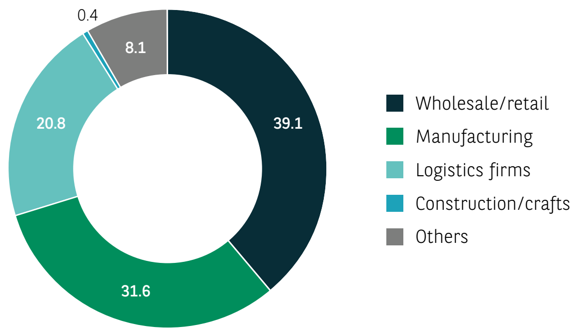
The fact that the size category over 20,000 m², which normally generates the highest level of take-up, contributed only 19 % to the overall result indicates that the lack of major deals in particular was accountable to the short supply. This share is some 10 per-centage points down on its multi-year average. Meanwhile, smaller storage units up to 3,000 m² claim a share of 26 %. In so doing, they not only head the breakdown of market segments but have also almost doubled their absolute take-up volume. This can be interpreted as clear evidence that demand remains buoyant and that the weak result is rather attributable to structural aspects of the supply and demand situation.

LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN DÜSSELDORF



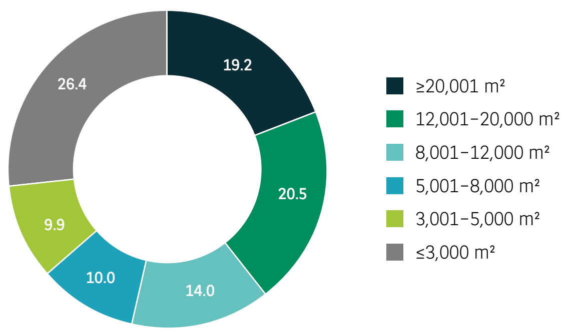
TAKE-UP BY SECTOR IN DÜSSELDORF

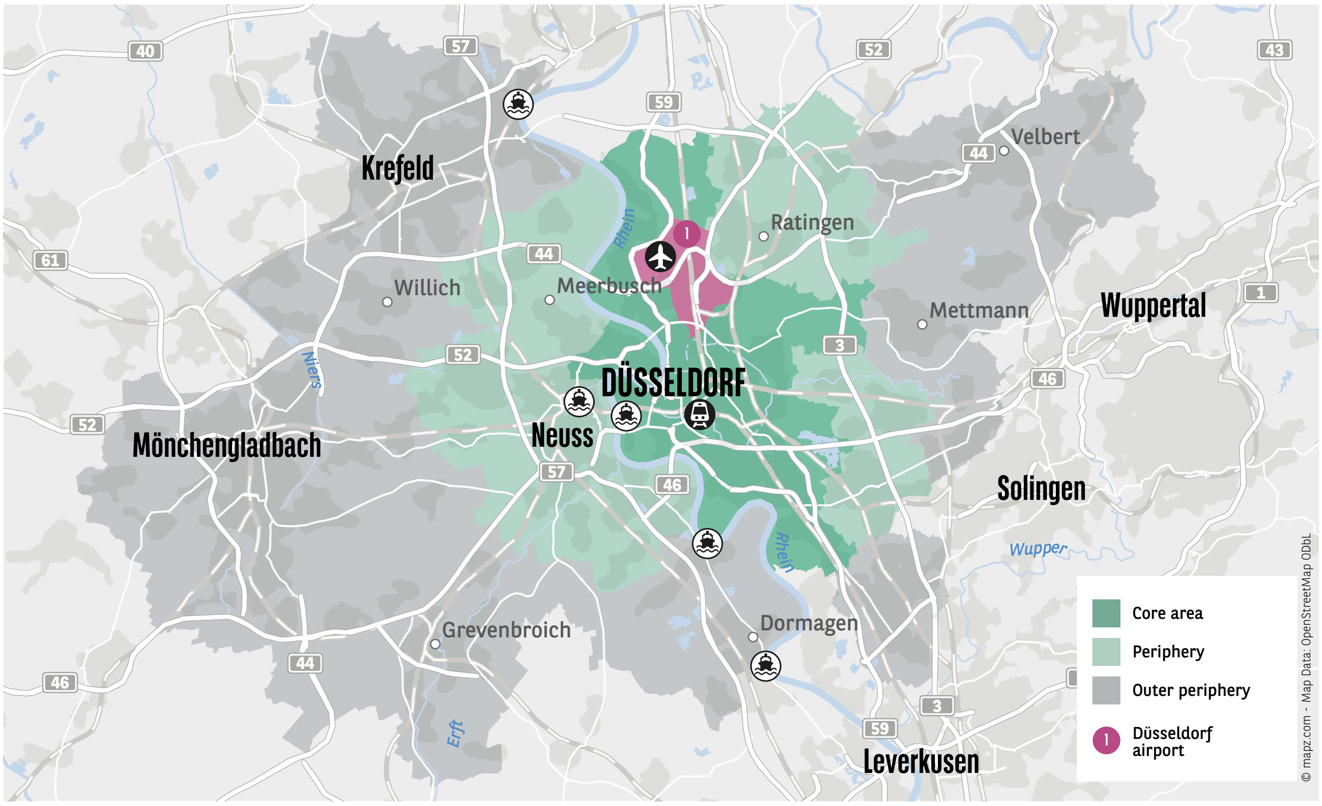
in %



TAKE-UP BY SIZE CATEGORY IN DÜSSELDORF

in %





HIGH OWNER-OCCUPIER SHARE

The shortage of space in the segment impacts particularly severely on logistics firms, which commonly require large units of space at short notice. This assessment is borne out by the fact that letting accounts for only just under two thirds of total take-up – as compared to a long-term average of 78 %. Owner-occupiers, who are able to plan ahead on a longer-term basis, contribute over 36 % to the overall result. The prime rent in the core area has risen by 6.5 % to 5.75 €/m² and the average rent has increased slightly by 2 % to 5 €/m².

OUTLOOK

A slight easing of the supply situation currently appears to be on the cards for 2020. In conjunction with an expected rallying of the economy as a whole, there is every indication that the current year will deliver a better result than 2019, and take up above the 200,000 m² mark appears quite possible. There is no sign of a substantially higher result in the region of the record take-up of the past, however. With regard to rents, sideways movement at the current levels presently appears the most probable scenario.

MAJOR CONTRACTS IN DÜSSELDORF

Quarter	Location	Company	Area (m²)
Q1	Mönchengladbach	Reuter	30,000
Q4	Mönchengladbach	Logistics service provider	18,000
Q2	Grevenbroich	Essertec	14,100
Q2	Düsseldorf	ABC-Logistik	11,600
Q3	Neuss	Teekanne	10,200

KEY FIGURES FOR THE DÜSSELDORF LOGISTICS MARKET

	2018	2019	Trend 2020
Prime rent	5.40 €/m²	5.75 €/m²	→
Average rent	4.90 €/m²	5.00 €/m²	→
Take-up	280,000 m²	157,000 m²	↗
- Share of owner-occupiers	17.0 %	36.1 %	→
- Share of new buildings	48.4 %	59.9 %	→

FRANKFURT

MARKED DECLINE IN TAKE-UP

The more restrained demand which emerged in the third quarter on Frankfurt's market for logistics and storage space continued in the final three months of the year. As a consequence, the annual take-up of 417,000 m² was 38 % down on the previous year's result. This represents the lowest level of the past nine years, due first and foremost to a very weak end to the year. Take-up in the final three months totalled only 53,000 m². In the nationwide rankings, the Frankfurt market thus cedes the leading position which it held in the two previous years to Berlin and is level with Munich in third place. The most important transactions include Ikea's owner-occupier deal (33,000 m²) at the former Opel factory site in Rüsselsheim, a lease agreement taken out by a logistics firm for a good 31,000 m² in Rodenbach and two other lets, each for around 20,000 m², in Gernsheim and Bodenheim.

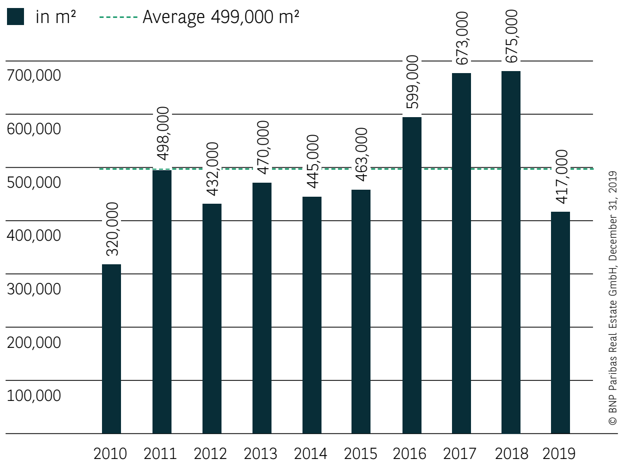
POOR RESULT FOR LOGISTICS FIRMS

The drop in take-up compared to 2018 is largely attributable to a very weak result for logistics firms, which traditionally play a very important role in Frankfurt. While just managing to hold on to the lead with a share of 30 %, they are nevertheless responsible for a good 90 % of the overall decline and reported the lowest level of the past ten years. Key contributory factors here are, firstly, that the disproportionately high number of large-volume deals which they have concluded in recent years cannot be repeated every year, while secondly the subdued state of the economy as a whole tends to curb expansionary drive in the export sector in particular. Wholesale/retail companies follow up in second place on 28 %, just ahead of manufacturing companies on a good 26 %.

FEW MAJOR DEALS

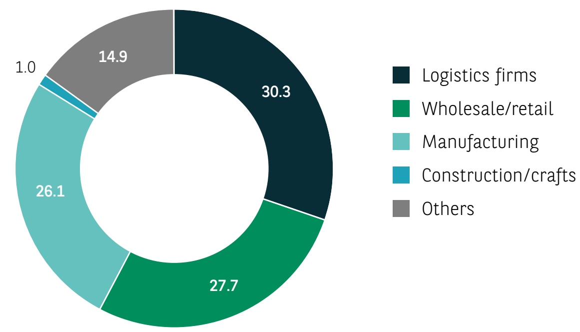
As a result of the reduced demand from logistics firms, major deals in excess of 20,000 m² contribute less to total take-up than in the preceding years, in both relative (25 %) and absolute (105,000 m²) terms. Meanwhile, the small-volume segment up to 3,000 m² was comparatively stable, contributing 18 % to the overall result. While the mid-range size categories gained ground in relative terms, in absolute terms they also reported lower take-up for the most part. The category from 8,000 to 12,000 m² forms an exception here, with a share of 17 % representing a good result also in relation to the multi-year average.

LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN FRANKFURT



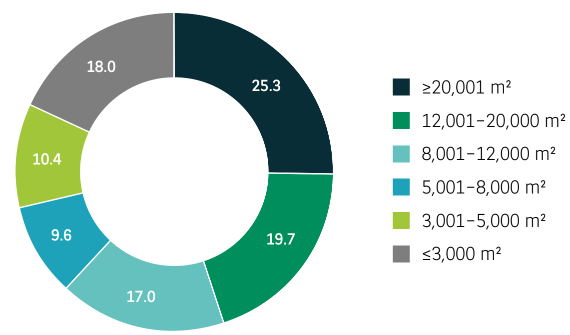
TAKE-UP BY SECTOR IN FRANKFURT

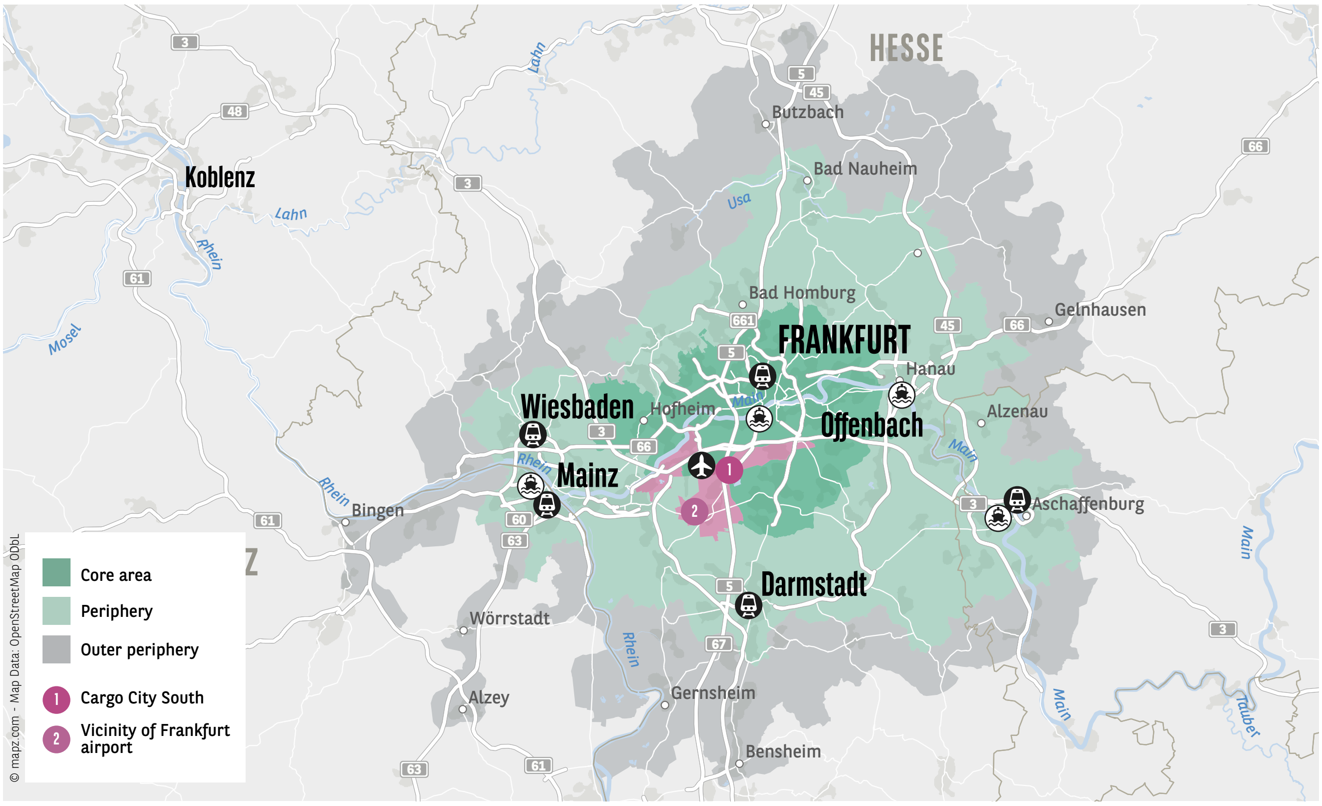
in %



TAKE-UP BY SIZE CATEGORY IN FRANKFURT

in %





SLIGHT EASING OF THE SUPPLY SITUATION

Following a supply bottleneck which has dogged the Frankfurt logistics market in recent years, the situation has now eased somewhat. This is attributable to an increase in available space as a result of a number of property developments in several locations within the market territory and also to the current reduced level of demand from logistics firms. Rents have nevertheless risen, not least of all as a result of higher construction costs and land prices. The prime rent thus increased by 5 % over the previous year's result to 6.60 €/m² and the average rent also followed this trend, rising to 5.10 €/m² (+3 %).

OUTLOOK

The prospects for 2020 will crucially hinge on whether and how quickly the economy as a whole rallies. A stable macro-economic setting and a positive export trend as a mainstay of demand are particularly important to logistics firms. As things stand, there is every indication that take-up will be higher than in 2019. The increase is likely to be moderate, however, in view of which a result on a par with the multi-year average (500,000 m²) would count as a success. The supply of space will probably increase slightly, while rents are expected to remain stable on the whole.

MAJOR CONTRACTS IN FRANKFURT

Quarter	Location	Company	Area (m²)
Q2	Rüsselsheim	IKEA	33,000
Q3	Rodenbach	Logistics company	31,400
Q1	Gernsheim	Wholesale/retail company	20,600
Q2	Bodenheim	Food manufacturer	20,300
Q1	Dietzenbach	Eichler-Kammerer	18,000

KEY FIGURES FOR THE FRANKFURT LOGISTICS MARKET

	2018	2019	Trend 2020
Prime rent	6.30 €/m²	6.60 €/m²	→
Average rent	4.95 €/m²	5.10 €/m²	→
Take-up	675,000 m²	417,000 m²	↘
- Share of owner-occupiers	11.8 %	33.8 %	→
- Share of new buildings	55.6 %	57.0 %	↗

HAMBURG

STRONG FINAL QUARTER – WEAK RESULT

A very lively fourth quarter (132,000 m²) was unable to defy the signs which had emerged in the first nine months of the year: As a result of the acute shortage of supply, the Hamburg market for storage and logistics space (including the surrounding area) reported its weakest result since 2008, with take-up totalling 373,000 m². The ever tighter supply/demand ratio is reflected in particular in the share of space appointed to a modern standard, which did not even amount to one third of the total volume in 2019. At the same time, virtually no sites remain available for new buildings, which means that the prevailing demand still has to be met by existing properties, particularly with regard to premises in the vicinity of the city proper. Such properties are often not in an adequate state of repair, however, and do not meet the present-day requirements of modern logistics firms and industrial companies. This represents a crucial location factor for large-scale companies in particular, in view of which many firms are unable to pursue their expansion plans in Hamburg. Not a single deal in the range above 35,000 m² has been reported in the market territory in the past three years.

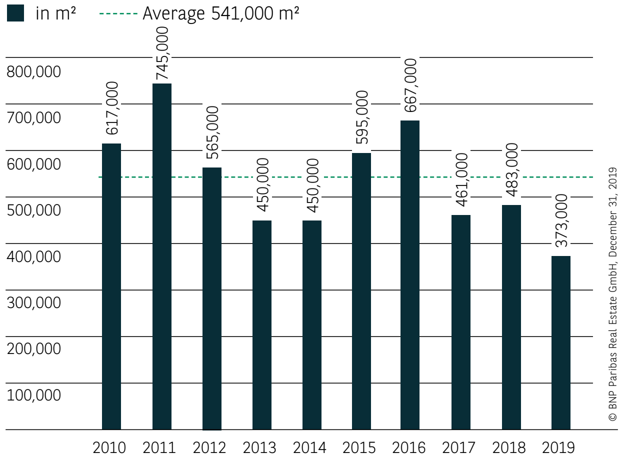
A DECADE DOMINATED BY LOGISTICS FIRMS

The port – the third-largest container handling terminal in Europe – continues to be a driving force behind the success of the city's economy. As such, it is no surprise that logistics firms lead the breakdown of take-up by sectors, with a share of just under 49 %. This is the eighth time that they have constituted the predominant sector in Hamburg in the past decade. Wholesale/retail companies contributed one quarter to the total volume, their share of 93,000 m² also marking a slight increase over the previous year in absolute terms (+5 %). Industrial companies surpassed their multi-year average to take third place on around 17 %.

SHIFT TOWARDS SMALLER-SCALE DEALS

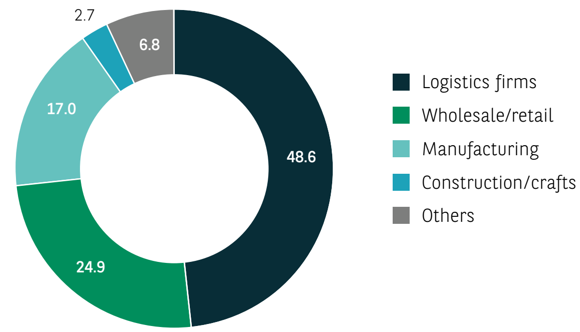
The breakdown of take-up by size categories reveals the current structural imbalance on the Hamburg market. The segment below 5,000 m² accounts for almost half of the total take-up (47 %) – the highest share of the past ten years in this category. At the same time, the share of space in the large-scale segment (over 12,000 m²) is lower than at any time in the past decade, at just 11 %. Only two deals were reported in this size category.

LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN HAMBURG



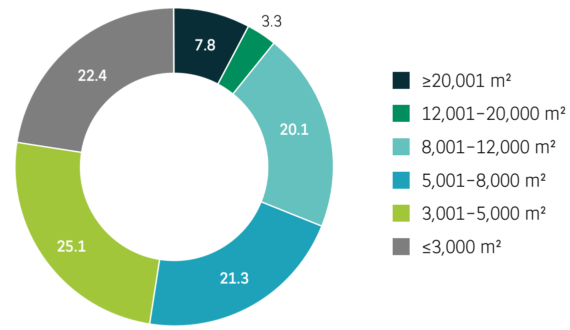
TAKE-UP BY SECTOR IN HAMBURG

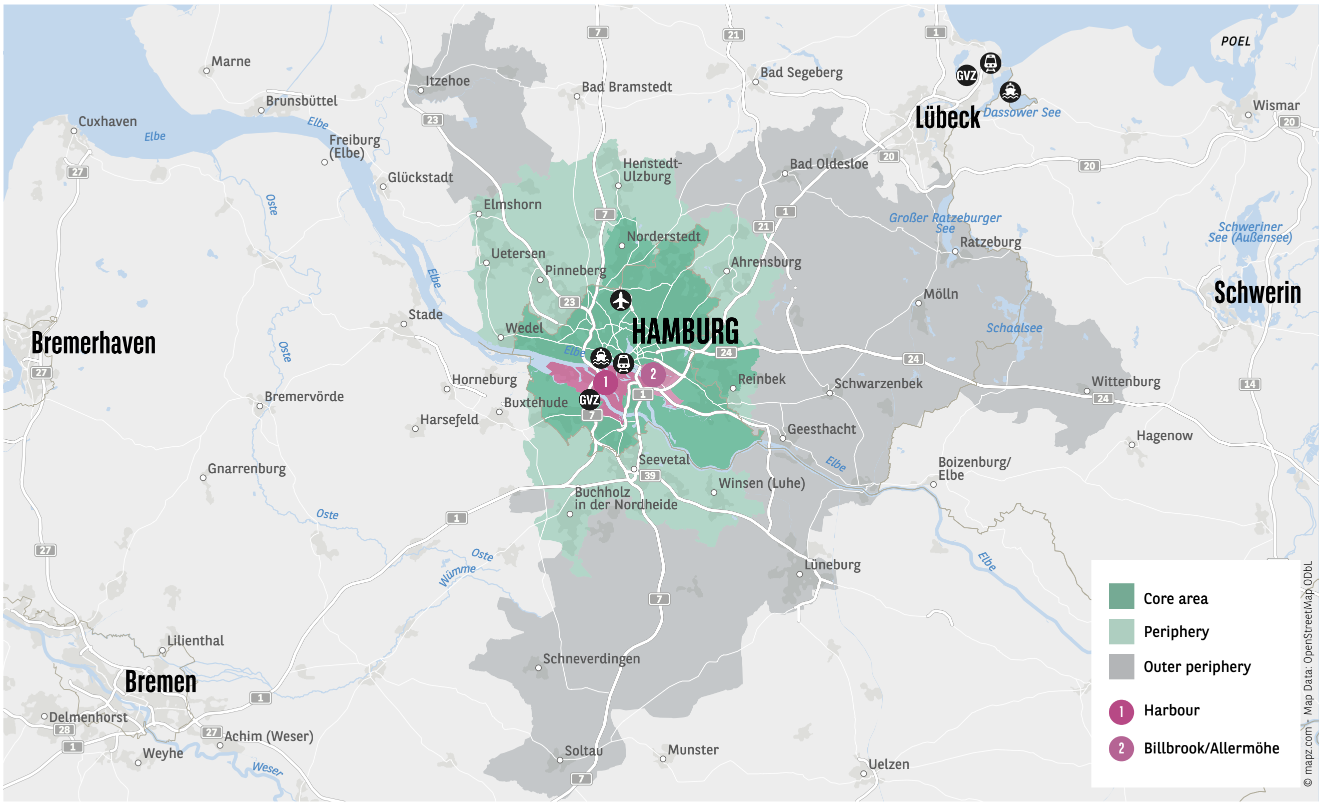
in %



TAKE-UP BY SIZE CATEGORY IN HAMBURG

in %





RENT TREND REMAINS MODERATE

As virtually no property developments are being realised in the Hamburg market territory, the prime rent has risen only moderately, by 30 cents to 6.30 €/m². The lack of new space is reflected even more clearly in the average rent, which remains virtually unaltered in comparison to the previous year, rising by just +1 % to 4.95 €/m². While sectors such as city logistics or e-commerce are quite willing to accept higher rents in pursuing their expansion strategies, no adequate supply is available to meet their requirements. Market zones such as the harbour or Billbrook/Allermöhe are also virtually fully developed. Brownfield developments could acquire a significant role here in the coming years, as numerous existing buildings are approaching the ends of their economic lives.

NEW SPACE URGENTLY REQUIRED

Hamburg's logistics market finds itself in something of a dilemma. There is an urgent need for expansion of the available supply of space in order for the Hamburg logistics market to remain attractive. Local authorities in the area surrounding the city are pursuing increasingly restrictive policies, however. In the light of this situation, 2020 may realistically be expected to close with a similar result to 2019, despite the good outlook for the economy as a whole.

MAJOR CONTRACTS IN HAMBURG

Quarter	Location	Company	Area (m²)
Q4	Hamburg	United Logistics & Distribution	29,000
Q4	Bad Oldesloe	E-commerce company	12,100
Q1	Hamburg	nutwork Handelsgesellschaft	11,700
Q4	Kaltenkirchen	E-commerce company	11,400
Q2	Bad Oldesloe	Hertling	9,000

KEY FIGURES FOR THE HAMBURG LOGISTICS MARKET

	2018	2019	Trend 2020
Prime rent	6.00 €/m²	6.30 €/m²	→
Average rent	4.90 €/m²	4.95 €/m²	→
Take-up	483,000 m²	373,000 m²	↗
- Share of owner-occupiers	20.4 %	17.5 %	→
- Share of new buildings	28.5 %	14.5 %	↗

LEIPZIG

BELOW-AVERAGE RESULT

Following a record year for the Leipzig market for logistics and storage space in 2018, 2019 failed to build on this performance. Take-up totalling 164,000 m² was almost 26 % short of the ten-year average and down by some 57 % on the previous year's result. The decline in take-up is attributable in particular to the fact that, in contrast to the recent high-volume years, not a single deal over 35,000 m² was reported. The most prominent deals in 2019 involved a retailer and a manufacturing company: Rossman is building a regional depot (26,000 m²) in the Brehna industrial zone on the A 9 motorway and a developer is proceeding with a construction project comprising 23,000 m² for a company from the automotive sector in Großkugel. In general, however, demand far outweighs the supply of existing premises available at short notice and appointed to modern standards, particularly in the vicinity of the airport and along the axis of the A 14 and A 9 motorways.

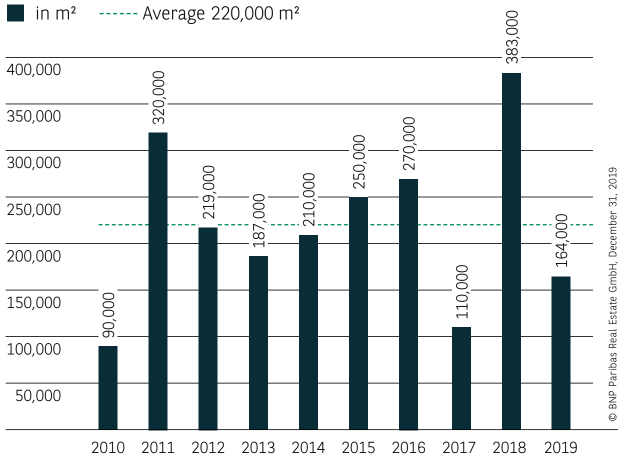
RESULT DETERMINED BY THREE SECTORS

Take-up is surprisingly evenly spread across three different sectors. Industrial / manufacturing companies again head the rankings, with a 35.5 % share. Wholesale / retail companies are only just behind, contributing 34.5 % to the overall result. These shares are above the multi-year average for both demand groups. While logistics firms also attained a substantial result, with a good 26 % share, this figure is markedly below the multi-year average (44 %). The owner-occupier deals for Dematic (18,000 m²) and Schäflein (14,000 m²) contributed significant volumes to the total take-up for logistics firms.

MAJOR DEALS SHAPE THE MARKET

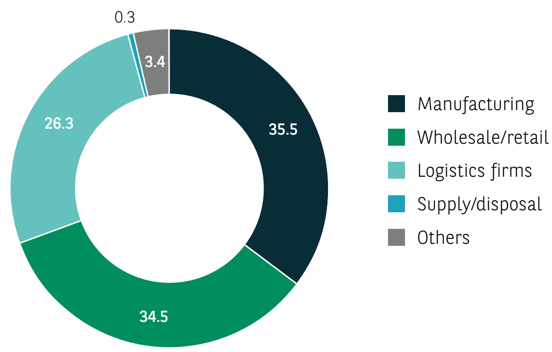
In contrast to the preceding years, no deal over 35,000 m² was reported. Consequently, the segments from 12,000 to 20,000 m² and 20,000 to 35,000 m² made a particularly large contribution to total take-up, with five deals and a share of just under 62 %. Deals with a volume from 8,000 to 12,000 m² account for an unusually high share of take-up in relation to the multi-year average, at just under 18 %. In contrast, the usually well represented contracts for up to 8,000 m² contributed only a good one fifth, primarily as a result of an inadequate supply.

LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN LEIPZIG



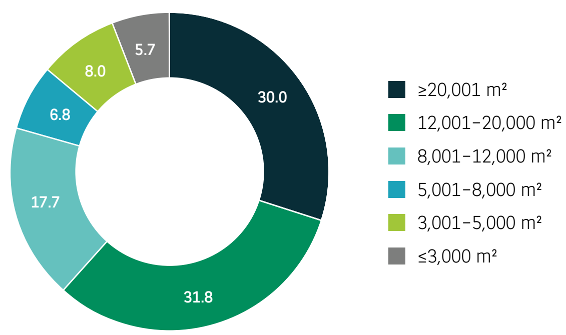
TAKE-UP BY SECTOR IN LEIPZIG

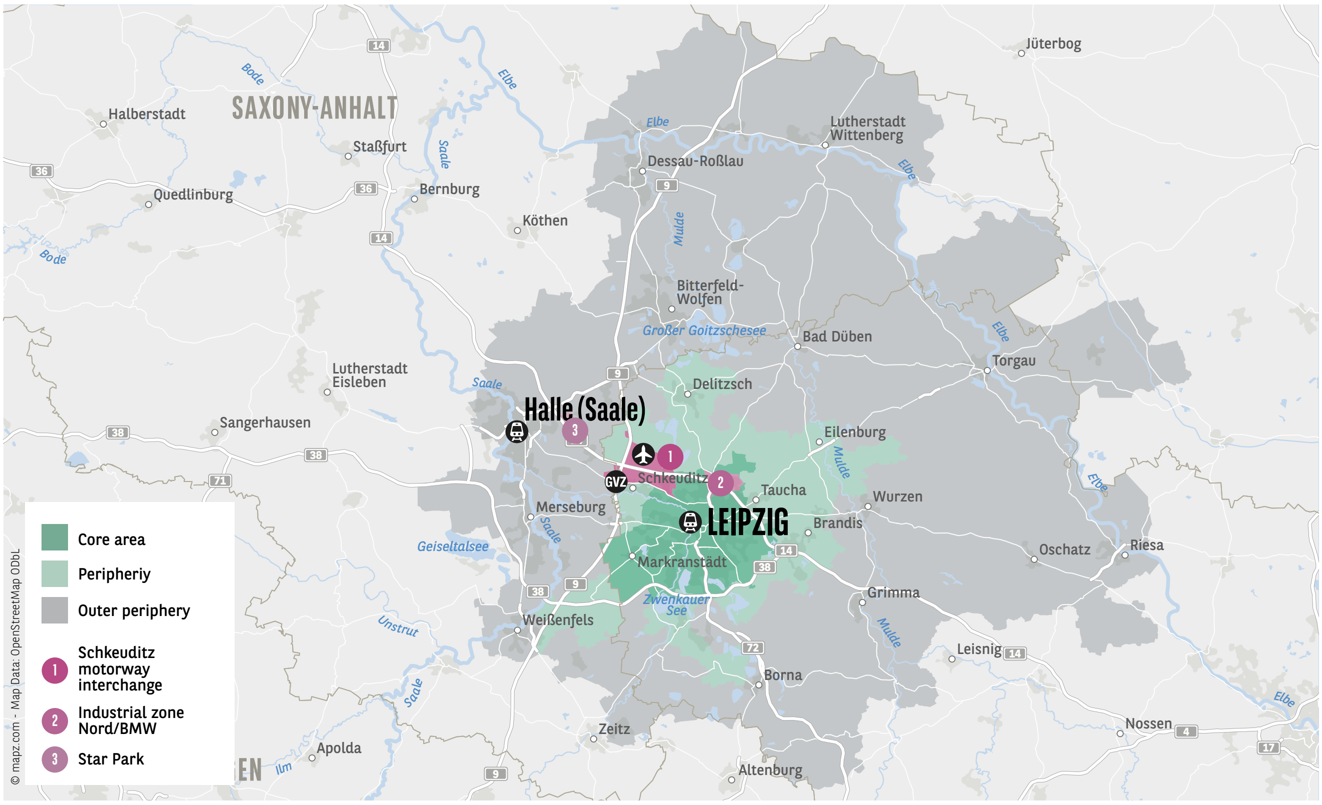
in %



TAKE-UP BY SIZE CATEGORY IN LEIPZIG

in %





RENTS REMAIN STABLE

Rents for storage and logistics space in the Leipzig market territory were stable over the course of 2019, and presently still stand at 4.50 €/m² for the prime rent and 3.70 €/m² for the average rent. The prime rent continues to be paid in inner city locations or in the vicinity of the airport and the heartlands of the automotive clusters, on account of the prevailing shortage of space there. In contrast, rents for old existing premises which are not appointed to a modern standard are currently under pressure. Pleasing rent trends apply in the peripheral locations, which are becoming increasingly popular among e-commerce companies in particular, by virtue of their good transport infrastructure.

OUTLOOK

The Leipzig logistics market looks back on a year of muted activity which is attributable first and foremost to the lack of large-volume deals. This is not unusual, however, as a large number of large contracts were concluded in the previous year, as a result of which the supply is currently lower. As such, the supply side once again constituted the limiting factor obstructing higher take-up in 2019. In the light of various new developments (such as the Beiersdorf site in the Seehausen 2 industrial zone) combined with a general economic upswing, a higher take-up again appears realistic.

MAJOR CONTRACTS IN LEIPZIG

Quarter	Location	Company	Area (m²)
Q1	Brehna	Rossmann	26,000
Q2	Kabelsketal	Automotive Cluster	23,000
Q1	Leipzig	Dematic	18,000
Q2	Kabelsketal	Schäflein	14,000
Q4	Leipzig	Mobis Parts	10,000

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KEY FIGURES FOR THE LEIPZIG LOGISTICS MARKET

	2018	2019	Trend 2020
Prime rent	4.50 €/m²	4.50 €/m²	→
Average rent	3.70 €/m²	3.70 €/m²	→
Take-up	383,000 m²	164,000 m²	→
- Share of owner-occupiers	20.5 %	45.7 %	↗
- Share of new buildings	81.1 %	61.3 %	→

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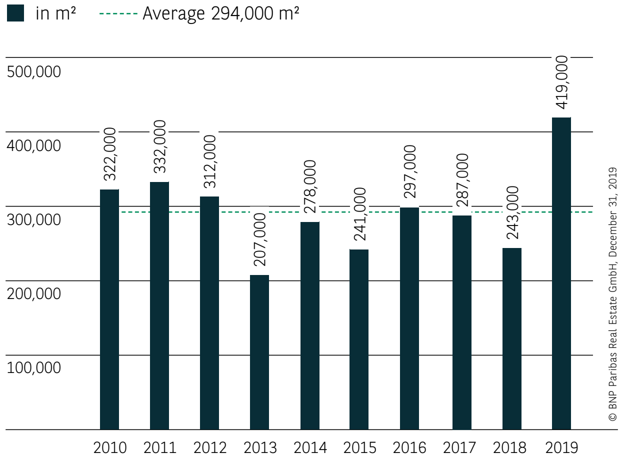
MUNICH

NEW RECORD THANKS TO MEGA DEAL

The Munich market for logistics and storage space reported a new all-time take-up record of 419,000 m², surpassing the previous year's result by 72 %. The ten-year average was also outstripped by almost 43 %. The fact that around 55 % of this take-up was attributable to a single deal puts this apparently remarkable result into context, however. The deal in question concerns a let to KraussMaffei in Vaterstetten comprising 230,000 m² of space. Without this exceptional contract, the result would be below the 200,000 m² mark and thus appreciably lower than in recent years. This is explainable in part by the continuing shortage of space, which makes it difficult for many companies to find suitable premises. At the same time, a slight decline in demand is to be observed especially among automotive component suppliers as a result of the difficult situation facing the automotive industry.

LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN MUNICH

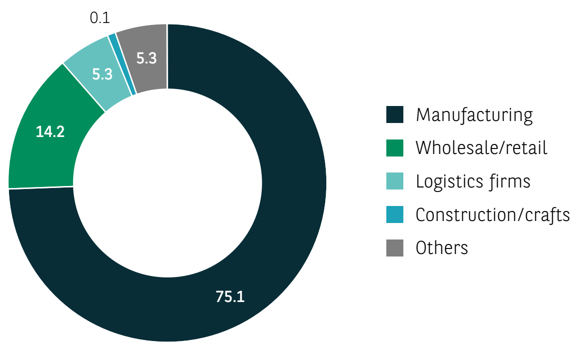


INDUSTRY GENERATES THREE QUARTERS OF TAKE-UP

The sectoral statistics are dominated by the KraussMaffei deal, which grants industrial companies a 75 % share. The relative shares of take-up for the remaining two major demand groups are correspondingly low. Both wholesale / retail companies and logistics firms also contributed less volume in absolute terms, however. E-commerce companies, while essentially highly expansionary in character, continue to experience considerable difficulties finding premises and sites in central locations offering the required proximity to customers for last mile logistics. Logistics firms are increasingly being forced to seek properties in other regions on account of the severe lack of available space in the city area and the exurbs.

TAKE-UP BY SECTOR IN MUNICH

in %

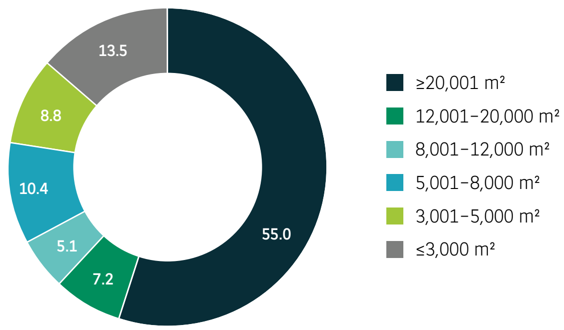


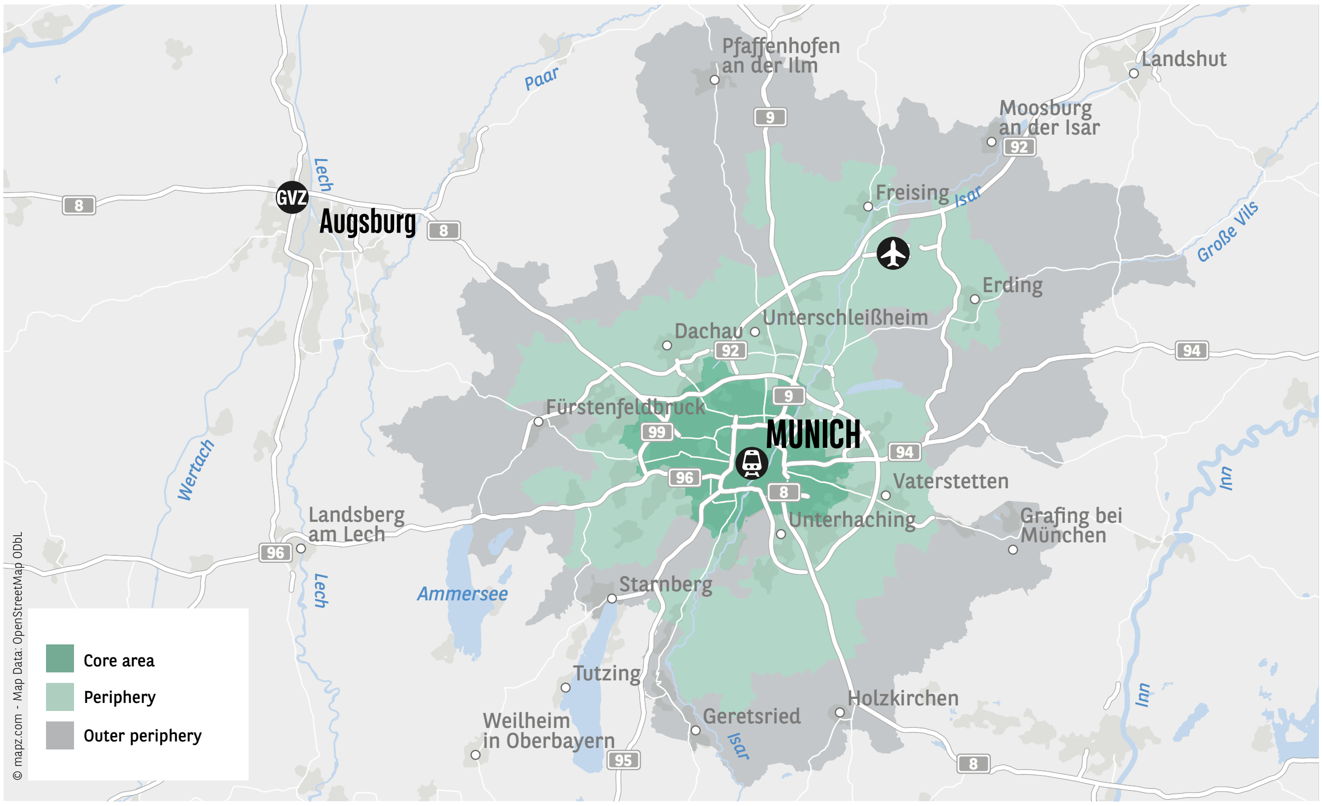
GAINS FOR SEVERAL SIZE CATEGORIES

The fact that the category over 20,000 m² accounts for more than half of the total take-up is attributable entirely to the above-stated major deal. Demand was also buoyant once again in the small-volume segment up to 3,000 m², which traditionally plays an important role for the Munich market, resulting in a 13.5 % share of take-up. Contracts spanning the range from 5,000 to 8,000 m² follow up in third place on 10 %. Increases in the contributions by the size categories from 3,000 to 5,000 m² and between 12,000 and 20,000 m² were also reported, even though their shares may appear low at first sight, at just under 9 % and a good 7 % respectively.

TAKE-UP BY SIZE CATEGORY IN MUNICH

in %





RENTS STILL STABLE

Rents remain stable on the whole. This is due in particular to the very limited supply of sites, as a result of which there is only a small volume of newly completed space entering the market which is appointed to a modern standard and thus justifies higher rents. Against this background, the prime rent remains unchanged at 7 €/m². While in 2018 this rent level was only attained for high-quality premises in absolute prime locations, it now also applies in certain poorer locations on account of the short supply of adequate properties, however. The average rent is similarly unchanged at 6.10 €/m².

OUTLOOK

Demand in 2020 looks set to be at a similar level to in the preceding years. Slight drops, e.g. in the automotive sector, should be offset by other sectors, such as e-commerce. As things stand, take-up on a par with the average for recent years appears the most likely scenario. The pronounced shortage of supply which is increasingly limiting take-up above all in the large-volume segment is unlikely to change, as the few new developments are generally let prior to completion. In view of this situation, a slight rise in the prime rent cannot be ruled out.

MAJOR CONTRACTS IN MUNICH

Quarter	Location	Company	Area (m²)
Q3	Vaterstetten	KraussMaffei	230,000
Q3	Weilheim i. OB	Xylem	15,000
Q1	Hohenbrunn	Trading enterprise	11,500
Q2	Odelzhausen	Noerpel-Gruppe	9,800
Q3	Weßling	Messring	7,200

KEY FIGURES FOR THE MUNICH LOGISTICS MARKET

	2018	2019	Trend 2020
Prime rent	7.00 €/m²	7.00 €/m²	↗
Average rent	6.10 €/m²	6.10 €/m²	→
Take-up	243,000 m²	419,000 m²	→
– Share of owner-occupiers	2.7 %	10.7 %	↗
– Share of new buildings	39.0 %	69.3 %	↘

RUHR REGION

THIRD-BEST RESULT

While just short of the previous year's total (-6 %), the market for logistics and storage space in the Ruhr region nevertheless achieved the third-best result of the past ten years, with take-up totalling 493,000 m². The fact that the multi-year average was surpassed by a hefty 18 % also indicates that 2019 was a good year. As such, the clearly discernible upward trend of the past few years has continued unabated. This is attributable first and foremost to a broad demand base, which is confirmed by the spread of take-up across the entire market territory. The most prominent deals included two owner-occupier transactions – for Edeka in Oberhausen (90,000 m²) and Ferdinand Bilstein GmbH & Co. KG in Gelsenkirchen (45,000 m²) - and a lease taken out by retail company L-Shop-Team GmbH in Unna for 53,500 m².

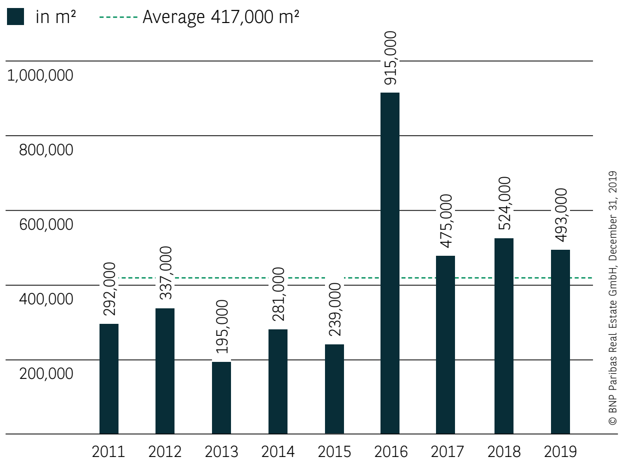
WHOLESALE/RETAIL AMASSES HALF OF TAKE-UP

Following a slightly weaker result in 2018, wholesale/retail companies have picked up again, amassing half of the total take-up. Apart from the above-mentioned let, a lease on 15,800 m² taken out by an e-commerce company in Unna also contributed to this performance, along with a host of small and medium-sized deals. Logistics firms, which led the rankings in 2018, slip down into second place with a share of one quarter. This result markedly below their customary share is primarily attributable to a lack of major deals, the likes of which boosted the result a year before. Meanwhile, manufacturing companies gained ground, reporting their best performance of recent years with a 22 % share.

KEEN DEMAND ACROSS ALL SEGMENTS

A particularly notable aspect is the comparatively low share of 42 % for large-volume deals over 20,000 m², which is markedly down on recent years. Demand is consequently focused to a large extent on small and medium-sized deals. This scenario is highlighted by the fact that all other size categories report an increase in both their relative shares of turnover and their absolute volumes. The lively market is thus underpinned by a broad base, rather than hinging on a small number of major deals.

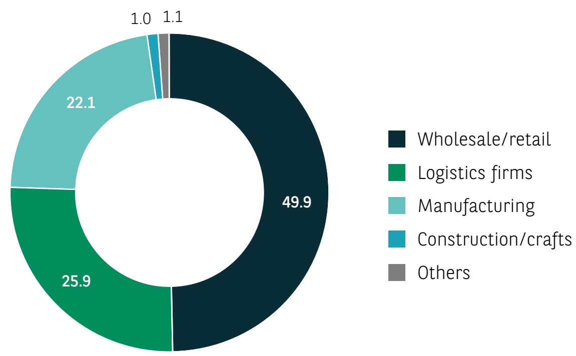
LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN THE RUHR REGION*



* Deals ≥ 5,000 m²

TAKE-UP BY SECTOR IN THE RUHR REGION*

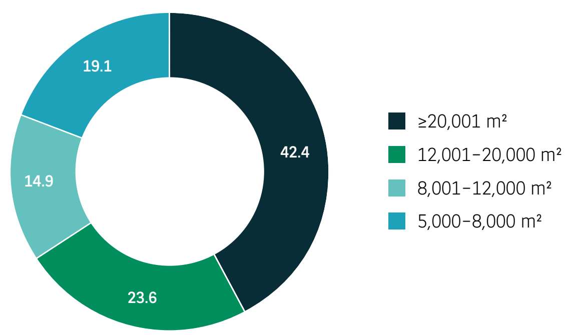
in %

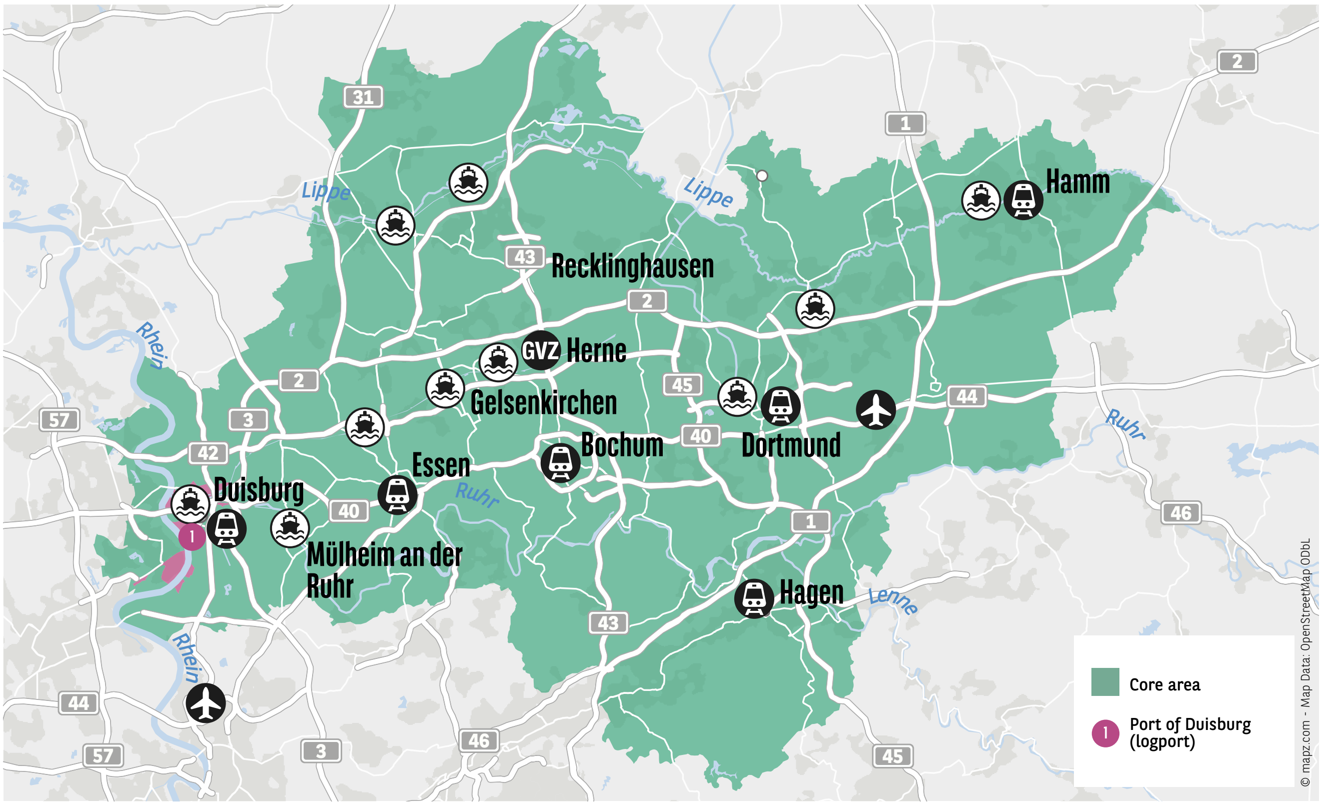


* Deals ≥ 5,000 m²

TAKE-UP BY SIZE CATEGORY IN THE RUHR REGION

in %





RELATIVELY HIGH SHARE OF NEW SPACE

At just under 57 %, the share of newly completed space remains at the high level which traditionally prevails in the Ruhr region. One contributory factor here is the availability of sites, on which major developments have now been realised, following protracted approval phases. As the supply situation for construction sites remains strained, the share of newly completed space in total take-up could stagnate or decline in the long term, however. The increased land prices and construction costs are already impacting on rents, with the prime rent rising by 4 % compared to 2018, at 4.90 €/m². This level of rent is now no longer attained solely in Duisburg, but increasingly also in the central and eastern Ruhr region.

OUTLOOK

In view of the broad demand base and somewhat brighter prospects for the economy as a whole, 2020 is also expected to be a good year for the logistics market. Supply is likely to decline slightly in the course of the year, although no pronounced bottleneck situations are to be reckoned with. Companies seeking large units will nevertheless have to resort to new developments in many instances, in view of which a further rise in the prime rent in particular is probable. Assuming large-volume deals pick up, take-up could top the 500,000 m² mark again.

MAJOR CONTRACTS IN THE RUHR REGION

Quarter	Location	Company	Area (m²)
Q3	Oberhausen	Edeka	90,000
Q2	Unna	L-Shop-Team	53,500
Q4	Gelsenkirchen	Ferdinand Bilstein	45,000
Q4	Werne	Imperial	20,300
Q1	Unna	E-commerce company	15,800

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KEY FIGURES FOR THE LOGISTICS MARKET IN THE RUHR REGION*

	2018	2019	Trend 2020
Prime rent	4.70 €/m²	4.90 €/m²	↗
Average rent	3.90 €/m²	4.10 €/m²	→
Take-up	524,000 m²	493,000 m²	↗
- Share of owner-occupiers	35.1 %	37.4 %	→
- Share of new buildings	75.5 %	56.7 %	→

* Deals ≥ 5,000 m²

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STUTTGART

SUPPLY CONTINUES TO RESTRICT TAKE-UP

The Stuttgart market for logistics and storage space remains unable to exploit the existing potential to the full, with total take-up of 153,000 m² below what might have been expected in view of the good and stable demand situation. The result is thus almost 17 % down on the previous year, and also falls short of the multi-year average by almost 6 %. This trend is primarily attributable to the far too inadequate supply which has prevailed for some time now, and which stems in part from the special geographic situation of the core market in Stuttgart. An additional contributory factor here is the highly restrictive policies of many local government authorities when it comes to designating sites for development. This situation is further highlighted by the fact that modern newly completed space is barely available not only in Stuttgart itself, but also in other preferred locations, such as Böblingen, Sindelfingen or Esslingen. This is increasingly prompting companies to resort to regions situated further away, particularly in the Stuttgart-Karlsruhe-Rhine-Neckar triangle.

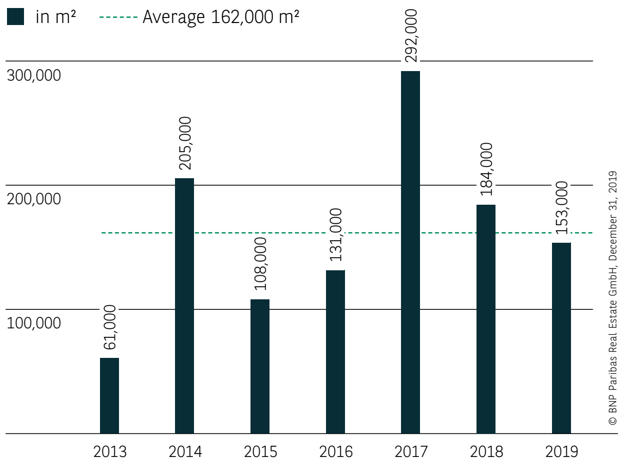
MANUFACTURING COMPANIES THE CLEAR NO. 1

The structure of Stuttgart's economy is such that manufacturing companies traditionally represent the key mainstay of demand. They also maintained this special standing in 2019, contributing a share of 60 % to take-up. The automotive sector clearly heads this segment, with a continuing high demand for space despite its current difficulties – not least of all in order to pursue developments in the field of electric mobility. As such, it comes as no surprise that the let to Daimler in Waiblingen constituted the largest transaction (42,000 m²). Wholesale/retail companies follow up in second place on 21 %, with a lease taken out for 9,900 m² in Rottenburg by outdoor specialist Bergfreunde making a sizeable contribution here. The leading trio is completed by logistics firms, with a share of just under 15 %.

BROAD SPREAD OF DEMAND

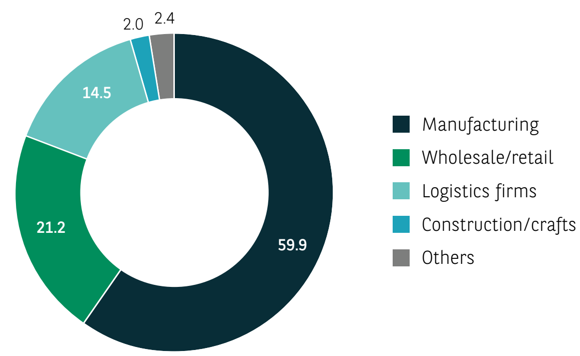
The let to Daimler took large-volume deals over 20,000 m² to the top of the ranking, with a share of just under 28 %. Aside from this outlier, the volume is spread particularly evenly across the remaining size categories, which each contribute between 12 and 20 % to the overall result. The fact that smaller contracts for up to 3,000 m² lead the remaining categories with a share of around 20 % indicates that demand is very buoyant overall.

LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN STUTTGART



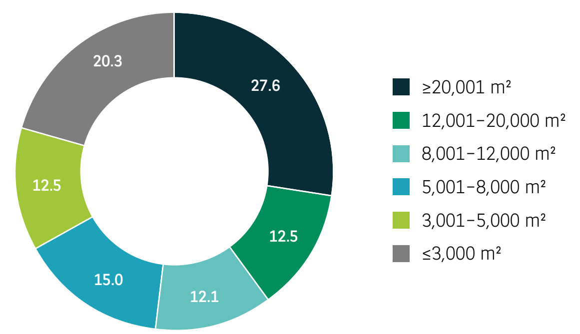
TAKE-UP BY SECTOR IN IN STUTTGART

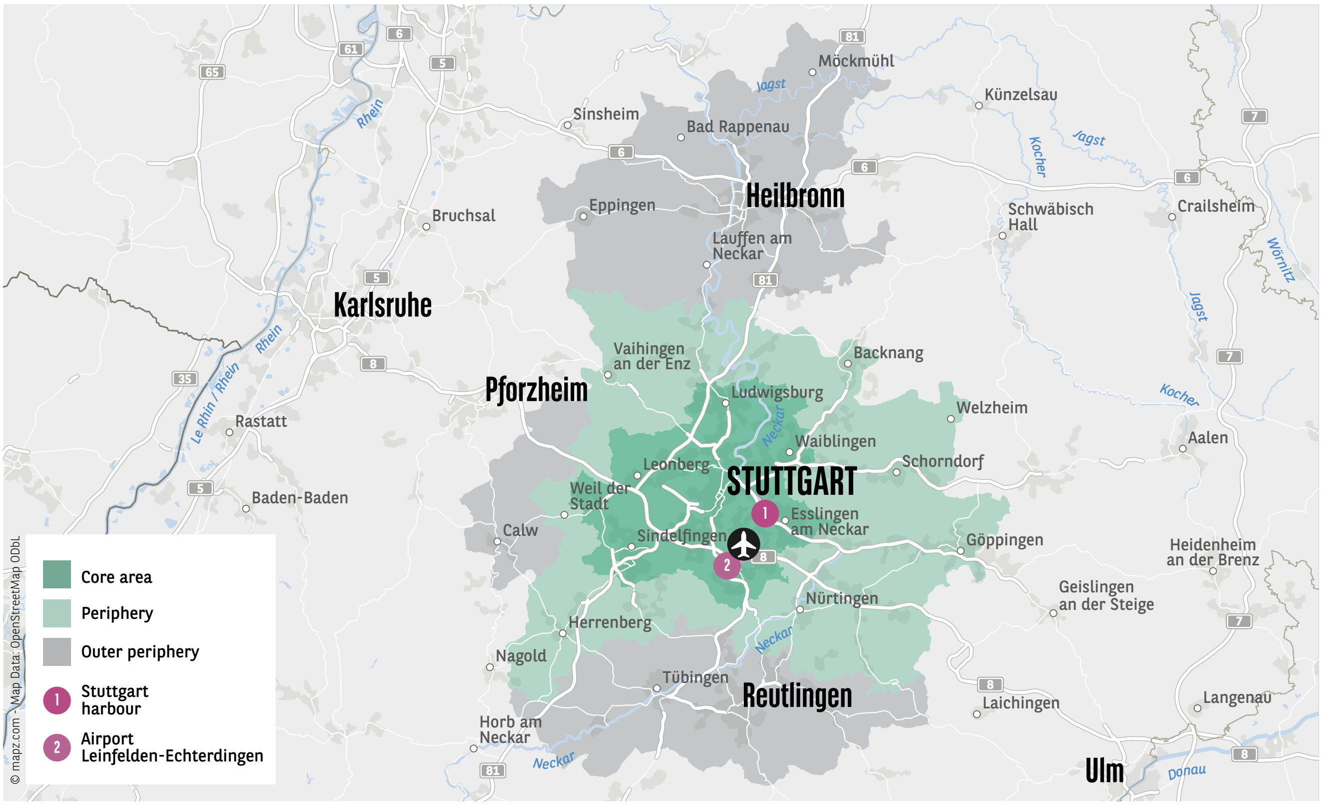
in %



TAKE-UP BY SIZE CATEGORY IN STUTTGART

in %





LOW OWNER-OCCUPIER AND NEW-BUILD SHARES

The highly limited availability of sites for logistics usages, both in Stuttgart's core market and in many local authority areas in the extended market territory, is reflected in the owner-occupier and new-build shares, which are low by nationwide standards and have also fallen in comparison to 2018. Owner occupiers account for only 16 %, and the share of new space is also markedly lower than in many other logistics regions, at 41 %. Against this backdrop, it is no surprise that the tight supply situation is reflected in the rent trend. Accordingly, the prime rent has risen by 4 % over the past twelve months to 7 €/m², and the average rent has also increased, by almost 2 % to a current level of 5.40 €/m².

OUTLOOK

No substantial change to the underlying supply and demand situation is foreseeable for 2020. This means that the market will continue to be shaped by a supply bottleneck which is likely to limit the take-up of space. On the other side of the balance, demand is likely to remain good, and may even increase slightly in the face of a gentle economic upturn. Against this backdrop, take-up in 2020 on a par with the previous year would count as a success. As things stand, a slight rise in prime and average rents thus appears to represent the most likely scenario for 2020.

MAJOR CONTRACTS IN STUTTGART

Quarter	Location	Company	Area (m²)
Q2	Waiblingen	Daimler	42,000
Q1	Böblingen	Car manufacturer	19,000
Q2	Rottenburg	Bergfreunde	9,900
Q1	Fellbach	Medi1one medical	8,000
Q3	Reutlingen	Guadagno Transport & Logistik	7,000

KEY FIGURES FOR THE STUTTGART LOGISTICS MARKET

	2018	2019	Trend 2020
Prime rent	6.70 €/m²	7.00 €/m²	↗
Average rent	5.30 €/m²	5.40 €/m²	↗
Take-up	184,000 m²	153,000 m²	↘
- Share of owner-occupiers	39.5 %	16.3 %	↗
- Share of new buildings	70.1 %	41.2 %	↘

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