

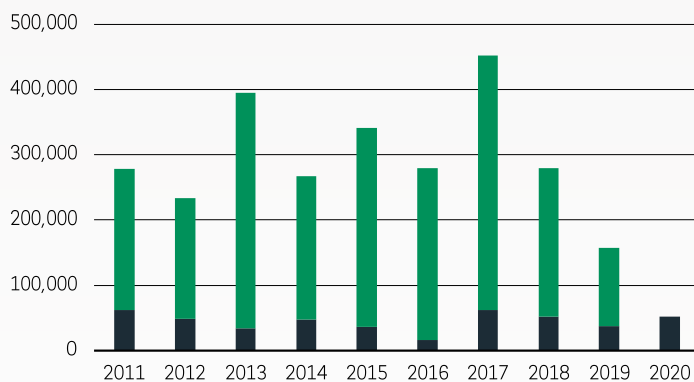


At a Glance **Q1 2020**

LOGISTICS MARKET DÜSSELDORF

Light industrial and logistics take-up

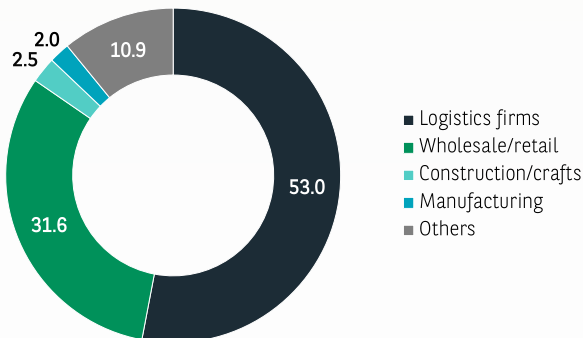
in m² ■ Q1 ■ Q2-Q4



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Take-up by sector Q1 2020

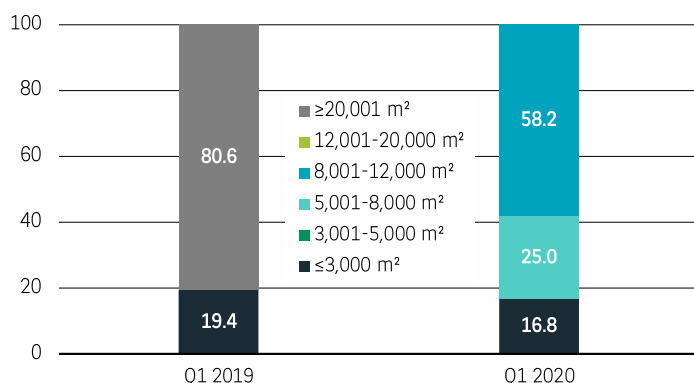
in %



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Take-up by size category

in %



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► LIVELY START TO THE YEAR ON THE LOGISTICS MARKET

The Düsseldorf market for warehouse and logistics space made a successful start in the first three months of the year and achieved the third-best Q1 result ever with a take-up of 52,000 m². Only in 2011 and 2017, take-up was even higher at 62,000 m². In comparison to the same period of the previous year, the increase is a whopping 40.5% whereas the average of the last 10 years was exceeded by as much as 16%. In terms of contracts concluded, too, the trend points clearly upwards. No less than 13 contracts are evidence of the extraordinarily dynamic market development. For comparison: In the first quarter of 2019 only six contracts were concluded. However, the pleasing Q1 result was also made possible by a slight easing of the supply situation due to some speculatively constructed properties. In fact, a good 70% of take-up are accounted for by first-time occupants, which proves that modern logistics properties are absorbed relatively quickly by a robust demand side. However, this should not hide the fact that there is still a lack of adequate space with modern facilities in many places.

► LOGISTICS FIRMS SET THE TONE

Due to the still manageable number of lease contracts concluded in the first three months, the reliability of the distribution of take-up by sector is quite limited at this point. However, there are clear signs that logistics firms will be making a comeback in 2020. While they did not sign a single lease contract in the same period of the previous year, they account for more than half (53%) of the total result this year. The contracts concluded by Yusen Logistics for 10,500 m² in Langenfeld and Bohnen Logistics for 9,400 m² in Mönchengladbach made a particularly strong contribution to this figure. The wholesail/retail sector also achieved a respectable result of almost a third (32%), with the rapidly expanding beverage supplier Flaschenpost making a strong statement with a contract for 9,900 m² in Langenfeld.

► SMALL AND MEDIUM-SIZED CONTRACTS PREDOMINATE

While at the beginning of 2019 one single large contract over 20,000 m² dominated the market, the picture is currently much more differentiated. Thanks to the three deals between 8,000 and 12,000 m² described above, the corresponding size category accounts for just under 60% of take-up. The next smaller size category between 5,001 and 8,000 m² contributes another 25%, while smaller deals up to 3,000 m² make up 17% of total take-up thanks to no less than eight contracts.

Major contracts Q1 2020

Company	Location	Area(m²)
Yusen Logistics	Langenfeld	10,500
Flaschenpost	Langenfeld	9,900
Bohnen Logistik	Mönchengladbach	9,400
Logistics firm	Hilden	7,200
Fundus 7	Düsseldorf	5,600

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Key figures logistics market Düsseldorf

	Q1 2019	Q1 2020	Trend remaining year
Prime rent	5.40 €/m²	5.75 €/m²	➔
Average rent	4.70 €/m²	5.00 €/m²	➔
Take-up	37,000 m²	52,000 m²	➔
- Share of owner-occupiers	80.6 %	14.1 %	➔
- Share of new buildings	80.6 %	70.8 %	➔

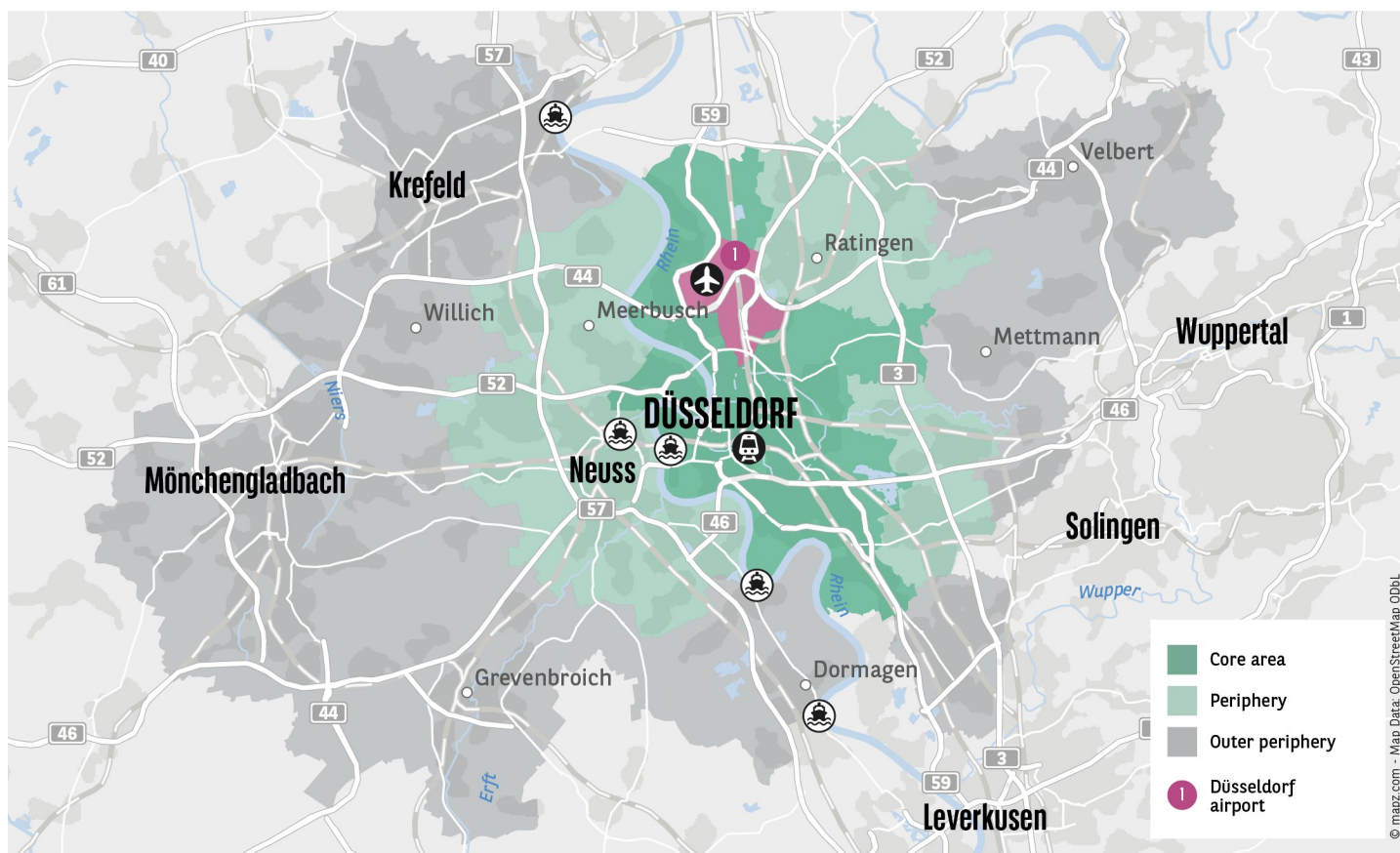
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➤ PRIME AND AVERAGE RENT UNCHANGED

Compared with the end of the previous year, there has been no change in rents. The average rent remains at 5.00 €/m², while the top rent persists at a level of 5.75 €/m². The prime rent is now mainly achieved for speculative new buildings in the south of Düsseldorf, whereby the increased cost of land is playing an increasing role in pricing and dictates a certain rental price floor to landlords. In principle, rents are stable throughout the entire market area; only old properties in peripheral locations may be subject to price pressure.

➤ OUTLOOK

The extent to which the corona crisis will ultimately affect the development of the logistics market cannot be reliably quantified at this stage. While on the one hand it is to be expected that lease requests as well as investments will be postponed by some companies, many logistics and trading companies are currently reacting in record time to the changing conditions caused by the crisis and are looking for additional space. The further development of both take-up and rents therefore remains to be seen. However, it seems undisputed, at least from today's perspective, that there is a high probability that the logistics markets will be less affected by negative impacts than other asset classes.



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