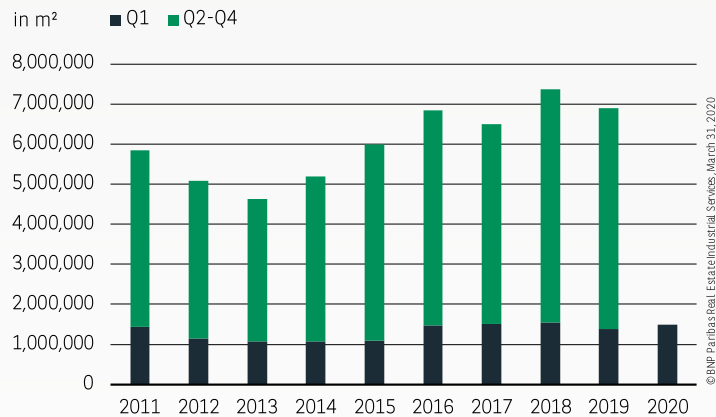




At a Glance **Q1 2020**

LOGISTICS MARKET GERMANY

Light industrial and logistics take-up



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LOGISTICS MARKETS STILL VERY ACTIVE IN Q1

The logistics and warehouse space markets report a very dynamic first quarter of 2020, which so far does not really reflect either the significantly lower economic growth already seen in 2019 or the effects of the corona crisis. With a nationwide take-up of a good 1.48 million m², the previous year's result was exceeded by just under 8% and the ten-year average even by a good 12%. In a long-term comparison, this represents the third-best Q1 ever. The overall trends in the logistics industry, e.g. the continued increase in the importance of e-commerce and city logistics, are still in place and tend to keep demand at a high level, even though this is certainly influenced by the general economic development.

Light industrial and logistics take-up by region

	Q1 2019 (m²)	Q1 2020 (m²)	Change (%)
Important logistics markets			
Berlin	101,000	74,000	-26.7%
Cologne	22,000	22,000	0.0%
Düsseldorf	37,000	52,000	40.5%
Frankfurt	114,000	74,000	-35.1%
Hamburg	69,000	103,000	49.3%
Leipzig	35,000	24,000	-31.4%
Munich	42,000	48,000	14.3%
Stuttgart	34,000	49,000	44.1%
Subtotal	454,000	446,000	-1.8%
Other locations*			
Ruhr region	153,000	171,000	11.8%
Other logistics regions (see map)	242,000	177,000	-26.9%
Rest of Germany	528,000	690,000	30.7%
Subtotal	923,000	1,038,000	12.5%
Total Germany	1,377,000	1,484,000	7.8%

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* Deals ≥5,000m²

AGGLOMERATIONS AT AROUND LAST YEAR'S LEVEL

In the large metropolitan areas (Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Leipzig, Munich, Stuttgart) 446,000 m² of logistics space was taken up, which is just under 2% less than in the previous year. The fundamental problem of the agglomerations is a lack of available space (especially in the large-area segment), which is reflected in the fact that the ten-year average was missed by around 17%. However, there are considerable differences between the individual locations. While Hamburg (103,000 m²; +49%), Düsseldorf (52,000 m²; +41%), Stuttgart (49,000 m²; +44%) and Munich (48,000 m²; +14%) were able to increase their take-up, the Cologne market remained stable at 22,000 m². In contrast, Berlin (74,000 m²; -27%), Frankfurt (74,000 m²; -35%) and Leipzig (24,000 m²; -31%) recorded declines.

TAKE-UP OUTSIDE THE TOP LOCATIONS INCREASES

The trend of rising take-up outside the major agglomerations observed in recent years continued in early 2020. In total, the take-up totalled just under 1.04 million m² in this segment, not only exceeding the previous year's figure by 12.5% but also setting a new all-time high. A new record volume for the first quarter was also observed in the Ruhr area, where 171,000 m² were registered. The situation is different in the 12 logistics hubs, which BNPPRE regularly analyses in addition to the metropolitan areas. Here only 177,000 m² of take-up was recorded, which represents a 27% decline. One reason for this can certainly be seen in the fact that even the classic alternative locations outside the top cities are now more frequently faced with an insufficient supply of space and encounter similar problems as the large hubs.

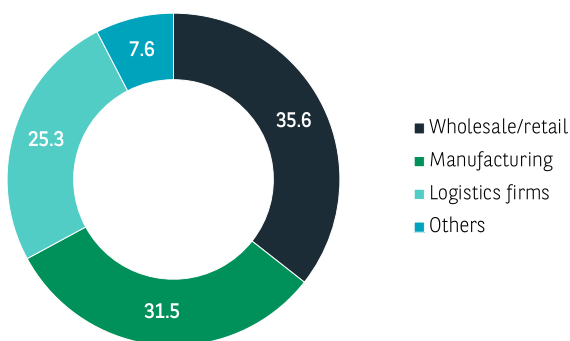
Key figures logistics market Germany

	Q1 2019	Q1 2020	Trend remaining year
Take-up	1,377,000 m ²	1,484,000 m ²	➔
- Share of owner-occupiers	34.1%	39.9%	➔
- Share of new buildings	66.8%	73.0%	➔

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Take-up by sector Q1 2020

in %



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➔ NEW CONSTRUCTION SITES WITH RECORD SHARE

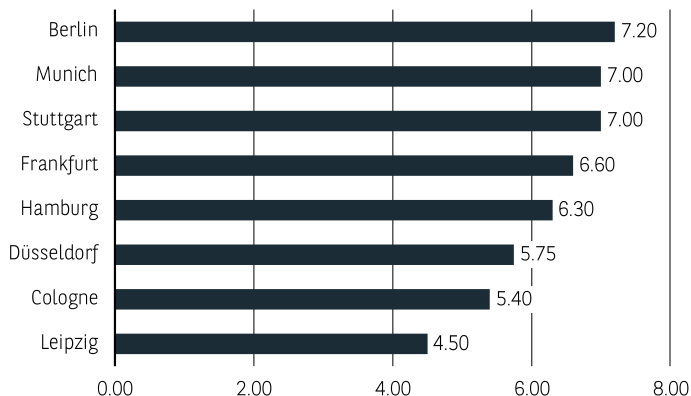
Due to the tight supply situation in the major logistics agglomerations, the trend that more and more users are moving to other locations and settle in properties especially built for them or unites from speculative projects has increased. The proportion of new construction, which amounted to 73% in the first quarter, is an indicator of this trend and thus represents a new record. However, in many of the major agglomerations the corresponding share is noticeably lower due to a lack of supply or expensive plots of land. This situation clearly reflects the shift to other locations. This assessment is also underlined by the fact that the owner-occupier share of total take-up remains at a high level of 40%.

➔ DEMAND FROM ALL INDUSTRY GROUPS

The very good take-up is based on a broad demand base, in which all sector groups were involved substantially. Once again, retail companies took the lead, contributing almost 36% to the result and continuing their sustained upward trend. Industrial companies, which in the same period of the previous year had been in a neck-and-neck race with retailers, came in second place with 31.5% and thus also achieved a slightly above-average result. Logistics service providers, which are responsible for a quarter of the volume, are at the previous year's level, but somewhat below their long-term average. It cannot be ruled out that logistics companies in particular may have postponed some leases in order to observe the ongoing development of the economy.

Top rents in important logistics markets Q1 2020

■ in €/m²



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➔ RENTS UNCHANGED

The development of rents in the first quarter was not significantly affected by the corona crisis. Not least because many contracts, especially larger ones, had been negotiated for some time and were close to signing. Therefore, in the major locations, they are at the same level as at the end of 2019. Berlin continues to be the most expensive location, where top rents in the central prime areas are currently standing at 7.20 €/m². In Munich and Stuttgart 7.00 €/m² are charged, in Frankfurt 6.60 €/m² and in Hamburg 6.30 €/m². Rents of less than € 6 are recorded in Düsseldorf (5.75 €/m²), Cologne (5.40 €/m²) and Leipzig (4.50 €/m²).

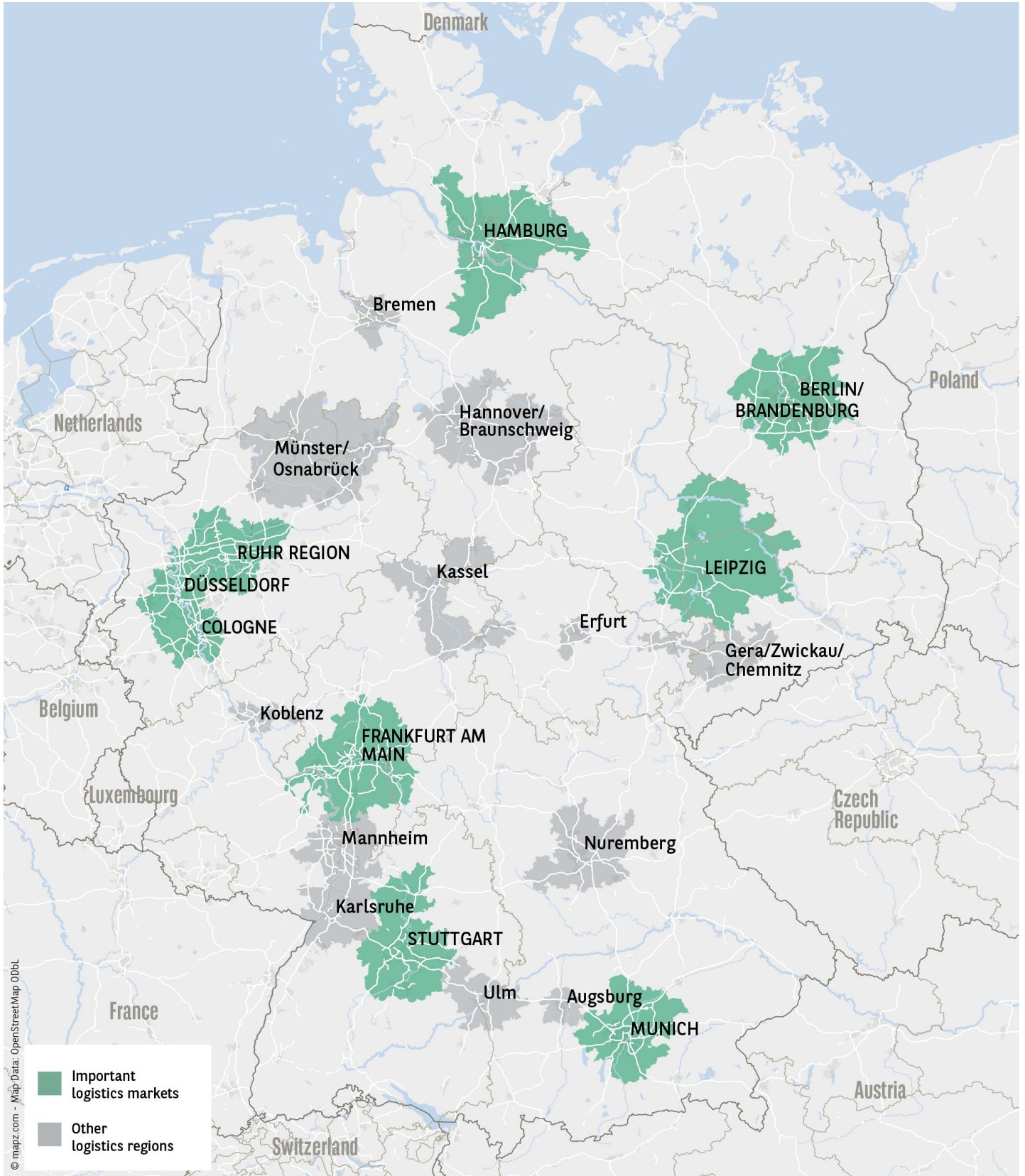
➔ OUTLOOK

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.

Major contracts Q1 2020

Company	Location	Area(m ²)
Böttcher	Zöllnitz	90,000
E-commerce company	Hammersbach	37,500
E-commerce company	Witten	35,000
Wholesale/retail company	Duisburg	34,000
Euziel International	Werne	32,900

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