

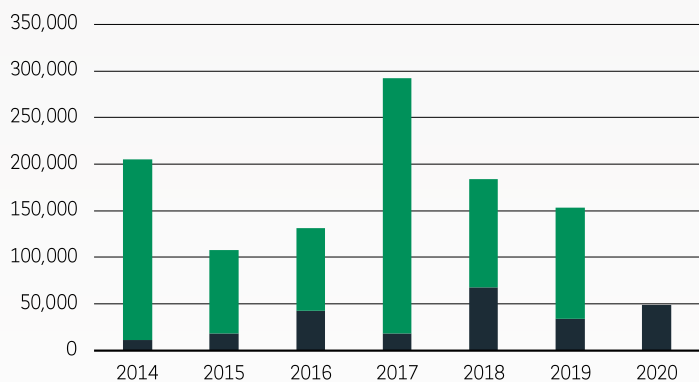


At a Glance **Q1 2020**

LOGISTICS MARKET STUTTGART

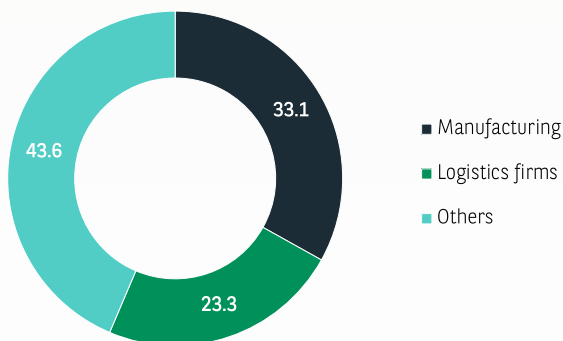
Light industrial and logistics take-up

in m² ■ Q1 ■ Q2-Q4



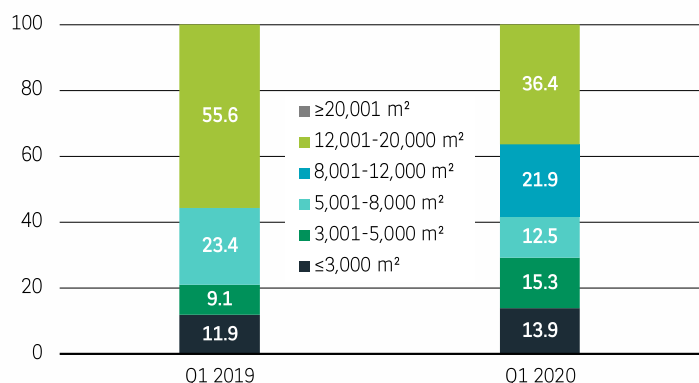
Take-up by sector Q1 2020

in %



Take-up by size category

in %



GOOD START INTO THE NEW YEAR

The Stuttgart market for logistics and warehouse space has started the new year with an excellent result and reports an above-average outcome (+42%) with a take-up of 49,000 m². In comparison to the same quarter of the previous year, there was an increase of a good 44%. This result underlines the continuing strong demand, which is based in particular on the economic strength of the region and new drivers such as e-mobility and e-commerce. Demand even significantly exceeded supply. The focus of users is particularly on existing properties available at short notice with more than 3,000 m² and modern equipment quality, although these are very rare in the entire market area, so that not all requests were met in the first quarter. Of particular importance for the Swabian metropolis were new buildings by owner-occupiers, who were responsible for three of the four largest deals. Consequently, the take-up does not yet reflect the effects of the corona crisis. At present, it is not possible to make a prediction about the impact of COVID-19 on the demand side.

DIFFERENT SECTORS ACTIVE ON THE MARKET

The distribution of take-up among the various sectors shows a diversified demand across several industries. At just under 44%, the group of other sectors made the largest contribution to the total outcome in the quarter. This sector group is benefiting significantly from the largest deal of the year to date, a lease for around 17,500 m² in Korntal-Münchingen. In addition, the traditionally strong industrial/production companies also contributed 33% to market activity. The remaining 23% of the volume was generated by logistics service providers, largely based on the owner-occupier construction of a logistics property with an area of 10,500 m² in Heilbronn by the Wüst logistics company.

BROAD DISTRIBUTION IN SIZE CATEGORIES

The analysis of take-up by size category shows an unusually broad distribution across several market segments. In addition to the large contracts with a volume of between 8,000 and 12,000 m², which together account for a good 58%, the smaller size categories also contribute a considerable share. These segments each add up to a contribution of 12.5 to 15%. Despite the great importance of the automobile industry, demand is not dependent on specific market segments and smaller contracts are also an important source of take-up.

Major contracts Q1 2020

Company	Location	Area(m²)
Public sector	Korntal-Münchin	17,500
Wüst	Heilbronn	10,500
TTS Tooltechnic Systems	Weilheim	6,000
AFRISO	Güglingen	3,700

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Key figures logistics market Stuttgart

	Q1 2019	Q1 2020	Trend remaining year
Prime rent	7.00 €/m²	7.00 €/m²	➔
Average rent	5.40 €/m²	5.40 €/m²	➔
Take-up	34,000 m²	49,000 m²	➔
- Share of owner-occupiers	0.0 %	46.6 %	➔
- Share of new buildings	3.5 %	46.6 %	➔

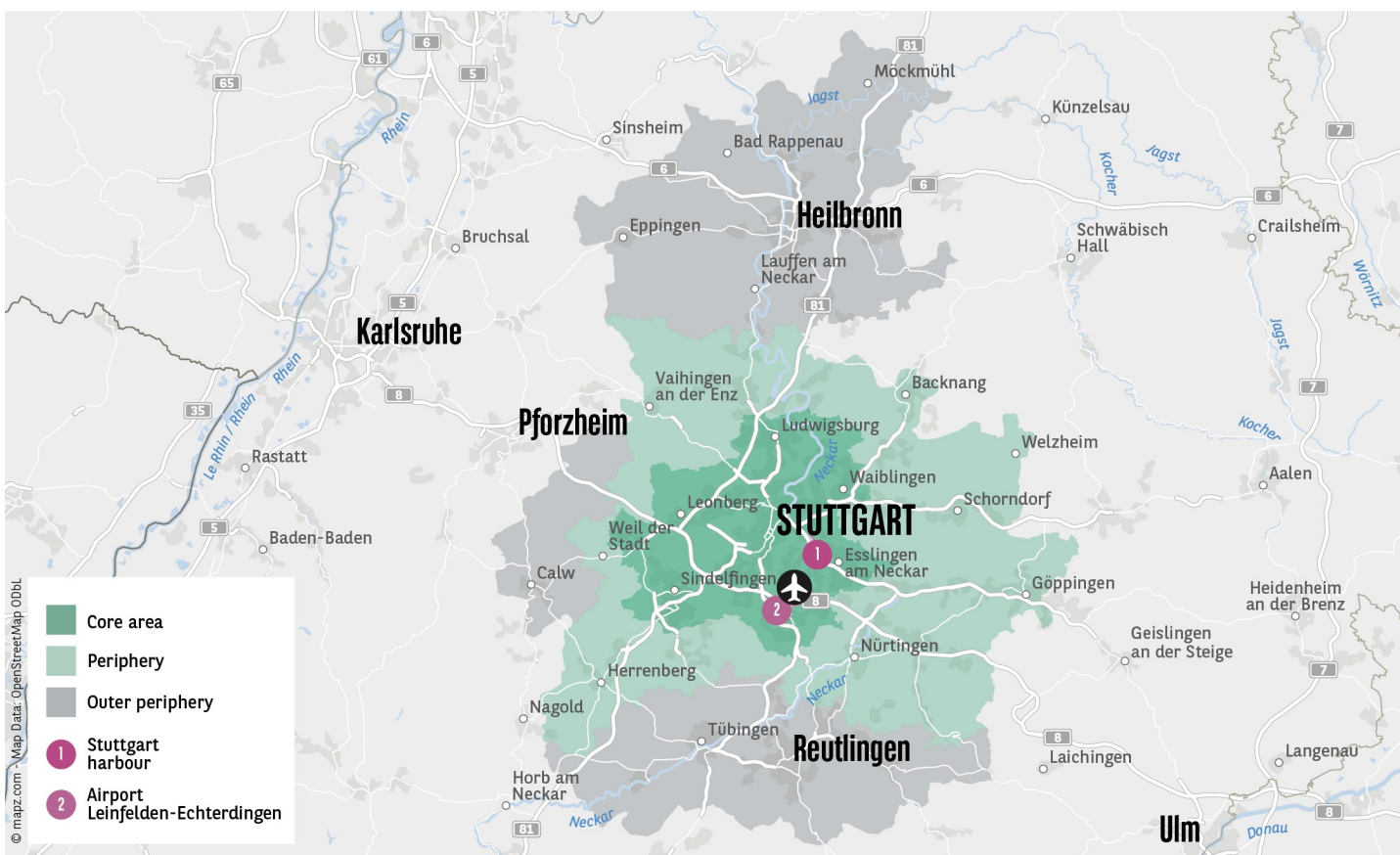
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CONSISTENT HIGH LEVEL OF RENTS

After rents had risen in previous years as a result of high demand and low supply they have remained stable in recent quarters. As a result, the top rent will stay unchanged at 7 €/m² at the beginning of 2020. No development has been observed in the average rent either, so that it remains unchanged at 5.40 €/m². However, it is noteworthy that in a nationwide comparison, only in Berlin higher top rents are reported in certain cases.

OUTLOOK

The extent to which the corona crisis will ultimately affect the development of the logistics market cannot be reliably quantified at the moment. While on the one hand it is to be expected that lease requests as well as investments by production companies will be postponed in some cases, many logistics and trading companies are currently adapting in record time to the changing conditions caused by the crisis and are looking for opportunities to restructure their supply chains at short notice. Therefore, it cannot be ruled out that some companies are willing to pay higher prices for contracts with short periods. However, this is unlikely to be a sustained trend, so it is more likely that rents will remain generally stable.



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