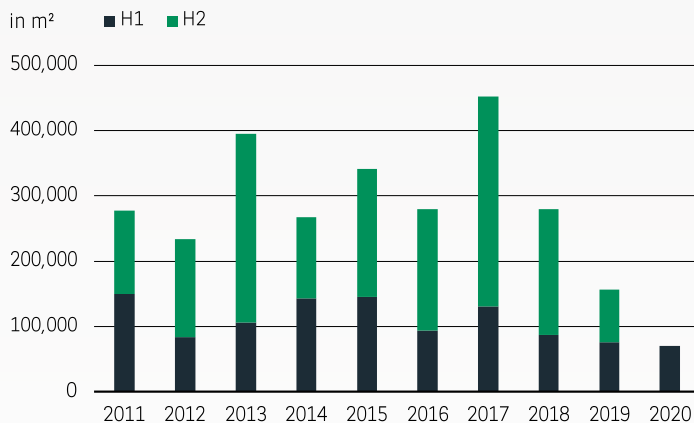




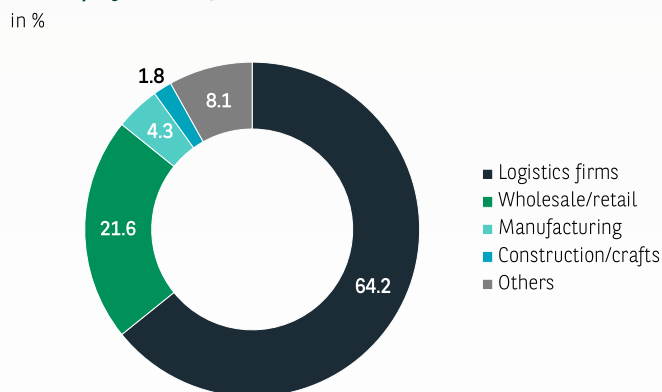
At a Glance **Q2 2020**

LOGISTICS MARKET DÜSSELDORF

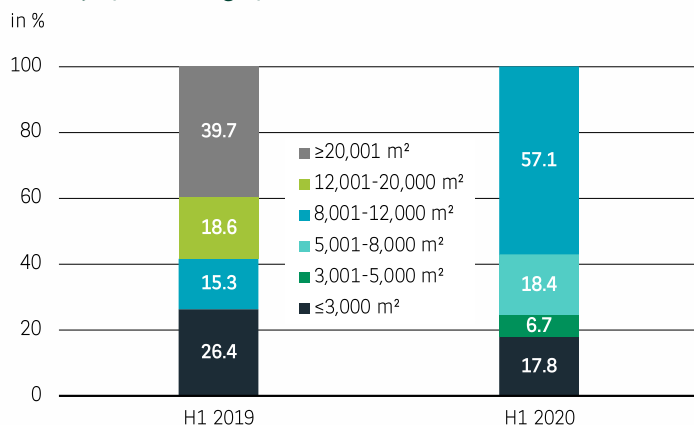
Light industrial and logistics take-up



Take-up by sector Q2 2020



Take-up by size category



✎ CORONA STRONGLY RESTRICTS MARKET ACTIVITY

After a busy start to the year on the Düsseldorf market for warehouse and logistics space, the effects of the Corona crisis are clearly reflected in the half-year results. With a take-up of 70,000 m² the long-term average was missed by 36%. At the same time, however, the result was only 6,000 m² below the figure for the same period last year. A take-up of 18,000 m² recorded for the second quarter illustrates how the corona pandemic and the week-long lockdown affected market activities. Against the backdrop of the looming recession, many companies have temporarily postponed their investment and expansion plans and the associated leasing of new warehouse space. Given this temporary decline in demand and the long-standing shortage of supply of space with modern logistics equipment, the low level of market activity in the second quarter is not surprising. Especially the size segment above 12,000 m², which usually makes a considerable contribution to the result, has not yet been able to record a deal.

✎ LOGISTICS SERVICE PROVIDER AS STRONG AS ALWAYS

Even in turbulent times, the traditionally strong logistics service providers are particularly active in the Düsseldorf market area and dominate the ranking with a share of a good 64%. With the owner-occupier deal for 10,000 m² of the Logiflex company, this sector also gained importance in the further course of the year and recorded the largest deal in the second quarter. The trading companies are in second place with a share of around 22%. A noteworthy deal in this sector is the lease of the very expansive online beverage supplier Flaschenpost for 9,000 m² in Langenfeld. So far, the industry/production companies have acted cautiously and only achieved a contribution of around 4% at the half-year stage, which is the lowest figure ever registered in a long-term comparison.

✎ NO LARGE CONTRACT YET

In contrast to the previous year's outcome, which was mainly shaped by large deals over 12,000 m², a different distribution is evident at the end of the first half of 2020. The segment of 8,000 to 12,000 m² is particularly strong at 57% and was responsible for four of the five largest deals in the first half of the year. No major deals have yet been registered in the market area of the state capital of North Rhine-Westphalia which is particularly due to the fact that large modern spaces are hardly available.

Major contracts Q2 2020

| Quarter | Company | Location | Area (m²) |
|---------|-------------------|-----------------|-----------|
| Q1 | Yusen Logistics | Langenfeld | 10,500 |
| Q2 | Logiflex | Mönchengladbach | 10,000 |
| Q1 | Flaschenpost | Langenfeld | 9,900 |
| Q1 | Bohnen Logistik | Mönchengladbach | 9,400 |
| Q1 | Logistics company | Hilden | 7,200 |

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Key figures logistics market Düsseldorf

| | H1 2019 | H1 2020 | Trend remaining year |
|----------------------------|-----------|-----------|----------------------|
| Prime rent | 5.40 €/m² | 6.00 €/m² | ➔ |
| Average rent | 4.90 €/m² | 5.10 €/m² | ➔ |
| Take-up | 76,000 m² | 70,000 m² | ➔ |
| - Share of owner-occupiers | 61.1 % | 24.7 % | ➔ |
| - Share of new buildings | 82.1 % | 73.1 % | ➔ |

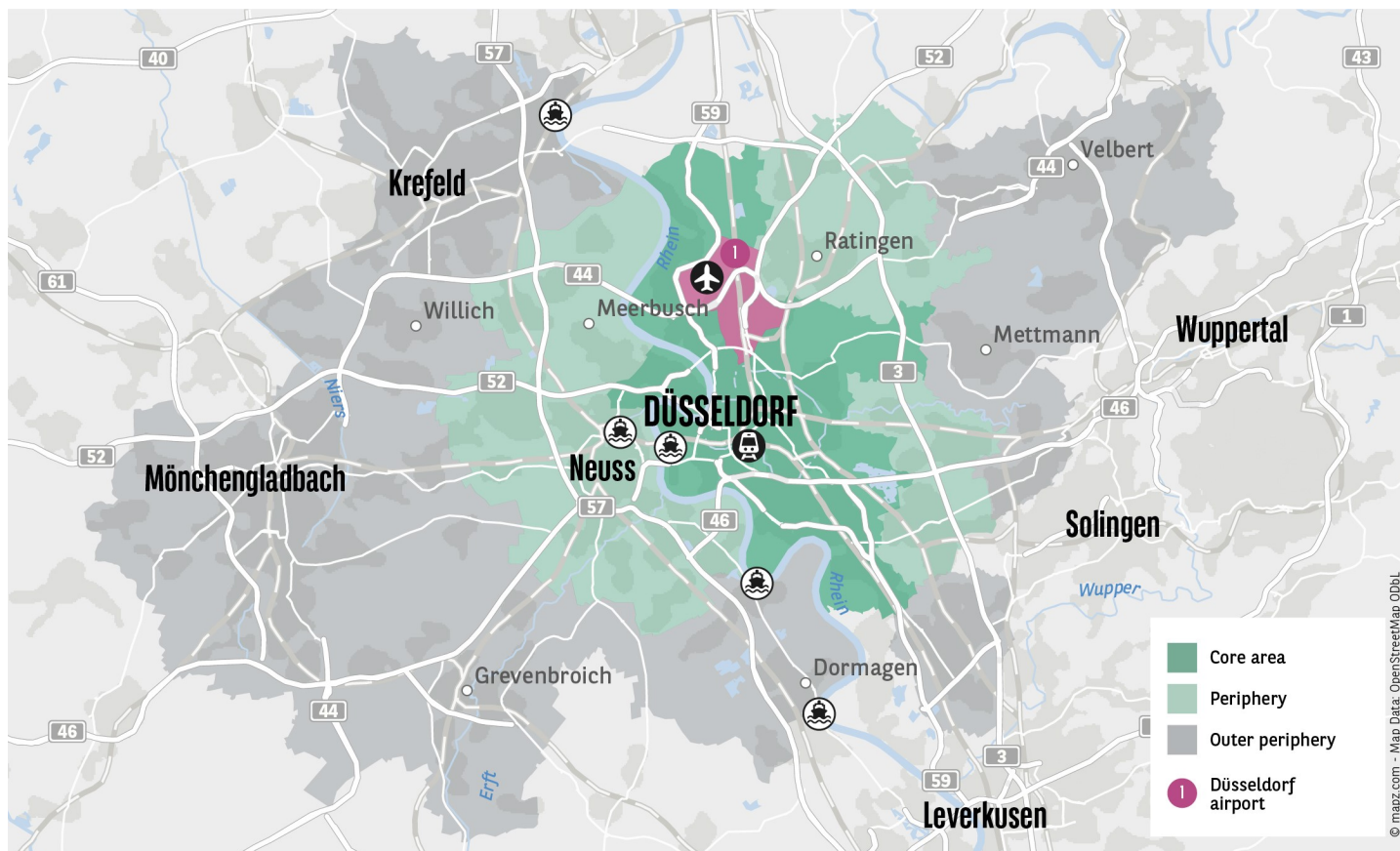
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➤ RENT WITH POSITIVE DEVELOPMENT

In contrast to almost all other German logistics hubs, Düsseldorf's prime rents have increased by a significant 11% in the past twelve months and are currently at 6 €/m². This development can be explained by the fact that a considerable share of the take-up was achieved in project developments. The average rent has also risen by 20 cents to 5.10 €/m². Rents have remained stable even during the Corona crisis, which is especially due to the low supply as well as the high share of new construction in take-up.

➤ OUTLOOK

The Corona pandemic has clearly left its mark on the Düsseldorf market for warehouse and logistics space. Even those profiting from the crisis, such as e-commerce companies, were unable to compensate for the temporary drop in demand. However, with the stepwise return to normal social life and assuming that the economy recovers in the near future, the next quarters can be viewed more optimistically and a slight increase in take-up does not seem unlikely. Similarly, rent adjustments are rather unlikely against the background of the low supply of logistics space with modern equipment technology.



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