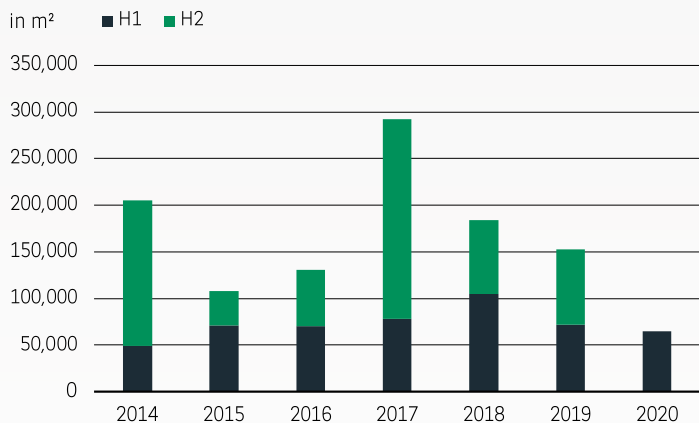




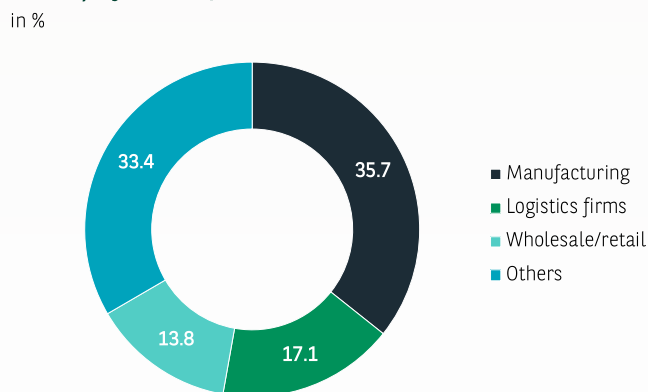
At a Glance **Q2 2020**

LOGISTICS MARKET STUTTGART

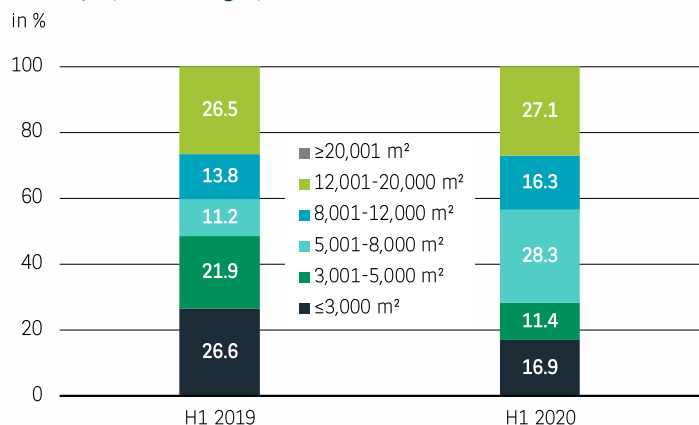
Light industrial and logistics take-up



Take-up by sector Q2 2020



Take-up by size category



LOGISTICS MARKET STUTTGART AFFECTED BY CORONA

After the Stuttgart logistics market had an excellent start to the year with a take-up of 49,000 m² in the first quarter, the outcome in the second quarter was only 16,000 m². Of course, this is primarily due to the Corona crisis, which caused many companies to postpone their expansion plans and requests for space. The automotive sector in particular was hit hard by the consequences of the lockdown and had to cope with a sharp drop in orders and turnover. Due to its outstanding relevance for the Stuttgart location, the current crisis in the automotive industry is obviously also having a full impact on the logistics market. The situation is further intensified by the fact that increased demand from manufacturers of protective equipment, food retailers or drugstores, which has been observed in other logistics regions, has so far had little effect in Stuttgart. Against the background of the current market situation, it is therefore not surprising that with a total of 65,000 m² the lowest half-yearly result since 2014 was achieved.

BROAD DIVERSIFICATION OF DEMAND STRUCTURE

The distribution of take-up among the different sectors shows a diversified demand across several industries. At just under 36%, industrial and production companies made the largest contribution to take-up in the first half of the year. Especially the contract of the DRÄXLMAIER Group for 6,200 m² in Sachsenheim has to be mentioned here. Logistics service providers also made a noticeable contribution to the outcome with a good 17%, while trading companies add almost 14%. About one third of the result is attributable to the group of other sectors, which benefited, among other things, from a public-sector contract for 17,500 m² in Kornthal-Münchingen. In addition, due to a lack of suitable space in the Stuttgart market area, industrial companies in particular are increasingly being forced to locate further away. Daimler AG, for example, recently secured 33,600 m² of logistics space in Horb am Neckar.

BALANCED DISTRIBUTION BY SIZE CLASSES

The analysis of take-up by size category shows a very balanced distribution across several market segments. While large deals between 8,001 and 20,000 m² together contribute almost 43% to the result, the smaller size classes under 8,000 m² even reach a market share of 57%. This shows that there is still a lack of large connected logistics space in Stuttgart.

Major contracts Q2 2020

Quarter	Company	Location	Area (m²)
Q1	Public sector	Korntal-Münchingen	17,500
Q1	Wüst	Heilbronn	10,500
Q2	DRÄXLMAIER Group	Sachsenheim	6,200
Q1	Kemmler Baustoffe	Reutlingen	6,000
Q1	TTS Tooltechnic Systems	Weilheim	6,000

© BNP Paribas Real Estate Industrial Services, June 30, 2020

Key figures logistics market Stuttgart

	H1 2019	H1 2020	Trend remaining year
Prime rent	7.00 €/m²	7.00 €/m²	➔
Average rent	5.40 €/m²	5.40 €/m²	➔
Take-up	72,000 m²	65,000 m²	➡
- Share of owner-occupiers	16.8 %	44.8 %	➔
- Share of new buildings	17.1 %	44.4 %	➔

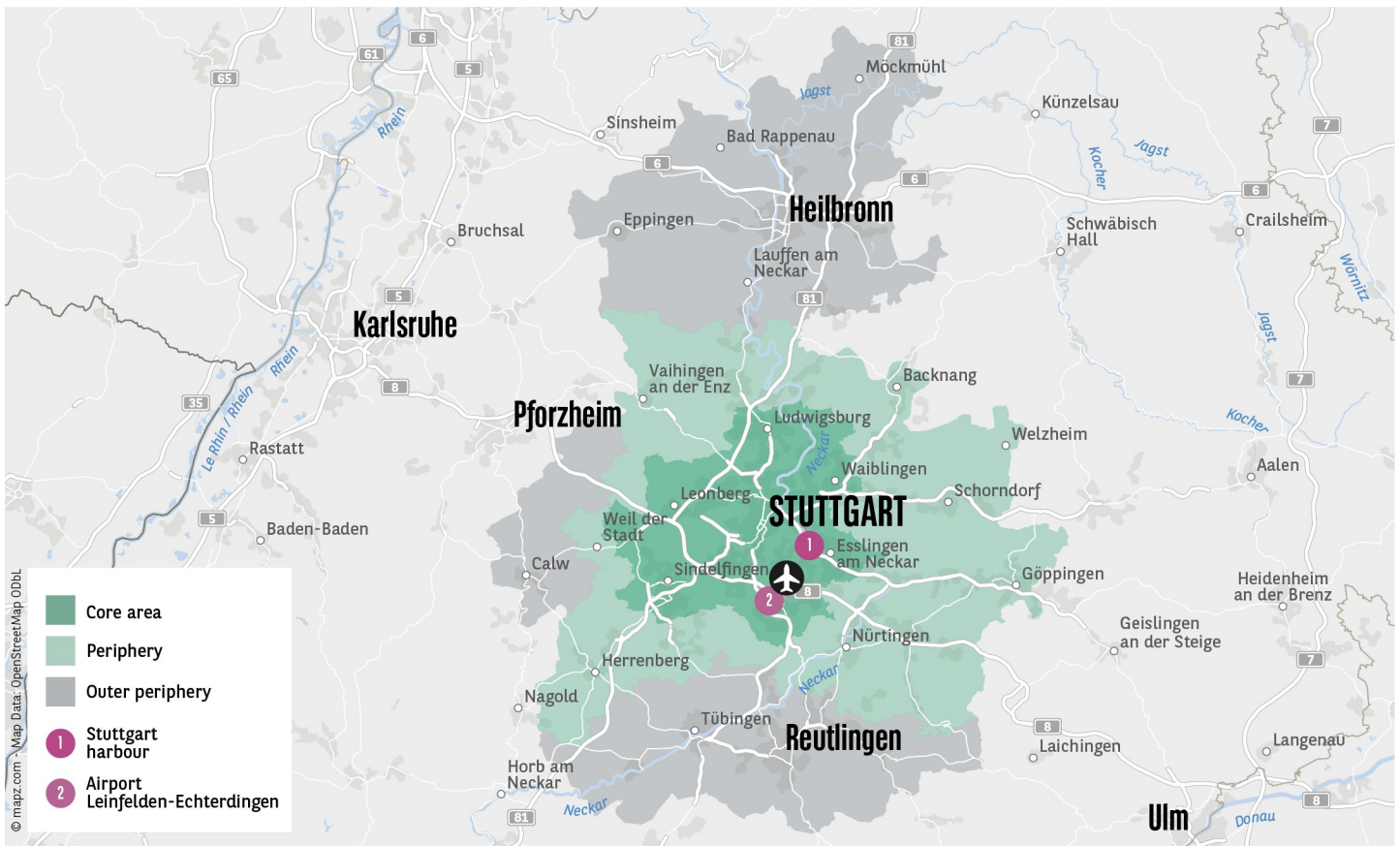
© BNP Paribas Real Estate Industrial Services, June 30, 2020

➤ UNCHANGED HIGH RENT LEVEL

Despite the Corona crisis, there is still a significant lack of modern logistics space in attractive locations, not least due to the topography of the Stuttgart market area. As a result, the top rent will remain at 7 €/m² in mid-2020. As before, the top rent can be achieved in the Stuttgart city area as well as in Esslingen and Böblingen. No development was observed for the average rent either, so that it still stands at 5.40 €/m².

➤ OUTLOOK

Due to its high dependency on the automotive sector, the Stuttgart logistics market was among those hit harder by the consequences of the Corona epidemic, which had a significant impact on the take-up. Even though there is still uncertainty regarding the further development of the economy as a whole, the early indicators and general moods have recently improved noticeably. In this respect, there is reason to hope that the Stuttgart logistics market could benefit disproportionately from catch-up effects during the rest of the year. In the long term, the accelerated shift in the automotive industry towards e-mobility and the boom in e-commerce could even provide additional demand drivers. In contrast, rental prices are expected to remain stable.



All rights reserved. At a Glance is protected in its entirety by copyright. No part of this publication may be reproduced, translated, transmitted, or stored in a retrieval system in any form or by any means, without the prior permission in writing of BNP Paribas Real Estate GmbH.

The statements, notifications and forecasts provided here correspond to our estimations at the time when this report was prepared and can change without notice. The data come from various sources which we consider reliable but whose validity, correctness or exactness we cannot guarantee. Explicitly, this report does not represent a recommendation of any kind, nor should it be regarded as forming a basis for making any decisions regarding investment or letting or renting property or premises. BNP Paribas Real Estate can accept no liability whatsoever for any information contained or statements made herein.

Imprint Publisher and copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 30.06.2020

Further Information BNP Paribas Real Estate GmbH | Branch office Stuttgart | Phone +49 (0)711-21 47 80-50 | www.realestate.bnpparibas.de