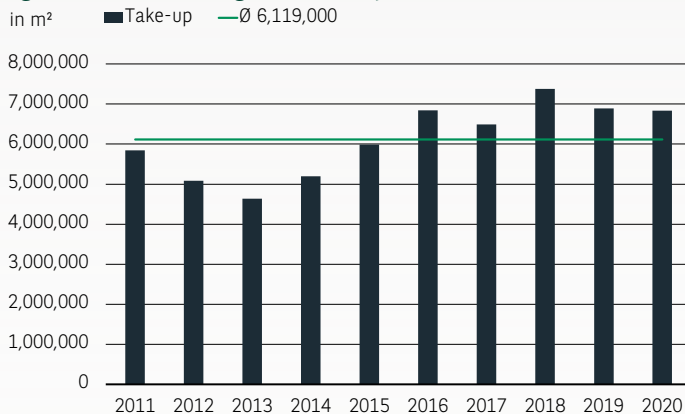




At a Glance **Q4 2020**

# LOGISTICS MARKET GERMANY

**Light industrial and logistics take-up**



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**Light industrial and logistics take-up by region**

	2019 (m²)	2020 (m²)	Change (%)
<b>Important logistics markets</b>			
Berlin	501,000	432,000	-13.8%
Cologne	140,000	216,000	54.3%
Düsseldorf	157,000	145,000	-7.6%
Frankfurt	417,000	421,000	1.0%
Hamburg	373,000	488,000	30.8%
Leipzig	164,000	337,000	105.5%
Munich	419,000	238,000	-43.2%
Stuttgart	153,000	139,000	-9.2%
<b>Subtotal</b>	<b>2,324,000</b>	<b>2,416,000</b>	<b>4.0%</b>
<b>Other locations*</b>			
Ruhr region	493,000	669,000	35.7%
Other logistics regions (see map)	1,719,000	1,323,000	-23.0%
Rest of Germany	2,358,000	2,424,000	2.8%
<b>Subtotal</b>	<b>4,570,000</b>	<b>4,416,000</b>	<b>-3.4%</b>
<b>Total Germany</b>	<b>6,894,000</b>	<b>6,832,000</b>	<b>-0.9%</b>

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\* Deals ≥5,000 m²

**LOGISTICS BOOM CONTINUES: TAKE-UP AT 2019 LEVEL**

The German logistics markets defied the Corona pandemic and continued to perform strongly in 2020. With a nationwide take-up of 6.83 million m², the result is at the same level as in 2019 and only 7 % below the record high achieved in 2018. However, the fact that the ten-year average was exceeded by around 12 % shows how well the markets have also developed in a long-term comparison. These figures impressively underline that the logistics industry is far less affected by the negative impact of the pandemic and the lockdowns than many other economic sectors. Nevertheless, there are also winners and losers in the logistics sector. While trade and especially e-commerce are benefiting disproportionately, the situation in parts of the export economy and in manufacturing is definitely more difficult. But here, too, many companies have increasingly adapted their work processes and delivery structures to the given circumstances in the second half of the year.

**IMPORTANT MARKETS WITH SOLID GROWTH**

Lively demand was also observed in the large logistics hubs. With just under 2.42 million m² take-up the previous year's figure was surpassed by 4 %. As always, however, there are different trends in the individual locations. Berlin (432,000 m²; -14 %) and Munich (238,000 m²; -43 %) recorded losses, which is not surprising given that they had set new records in 2019. Frankfurt (421,000 m²; +1 %), Düsseldorf (145,000 m²; -8 %) and Stuttgart (139,000 m²; -9 %) are roughly at the previous year's level or slightly below. Among the winners are Hamburg (488,000 m²; +31 %), Cologne (216,000 m²; +54 %) and above all Leipzig, where the result more than doubled to 337,000 m².

**THIRD HIGHEST TAKE-UP VOLUME OUTSIDE THE MAJOR HUBS**

Locations outside the major logistics hubs have also benefited from the strong demand and are only 3 % behind the previous year's result. At around 4.42 million m², the third highest take-up ever achieved was registered. The Ruhr region made a significant contribution to the strong result. Here, take-up increased by more than a third to currently 669,000 m², which corresponds to the second-best result of all time. In the 12 logistics regions that BNPPRE regularly analyses in addition to the conurbations, 1.32 million m² were recorded, which corresponds to a decline of 23 %. Supply is also becoming increasingly scarce in these locations.

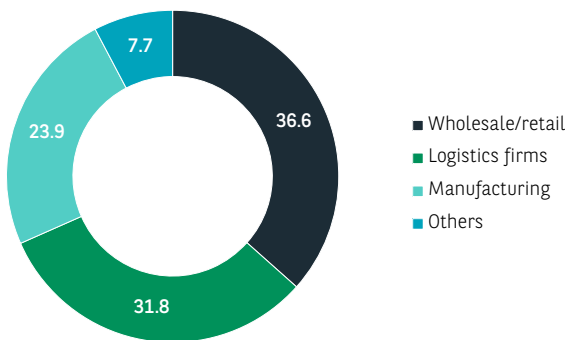
**Key figures logistics market Germany**

	2019	2020	Trend 2021
Take-up	6,894,000 m <sup>2</sup>	6,832,000 m <sup>2</sup>	➔
- Share of owner-occupiers	43.1%	36.0%	➔
- Share of new buildings	67.6%	67.7%	➔

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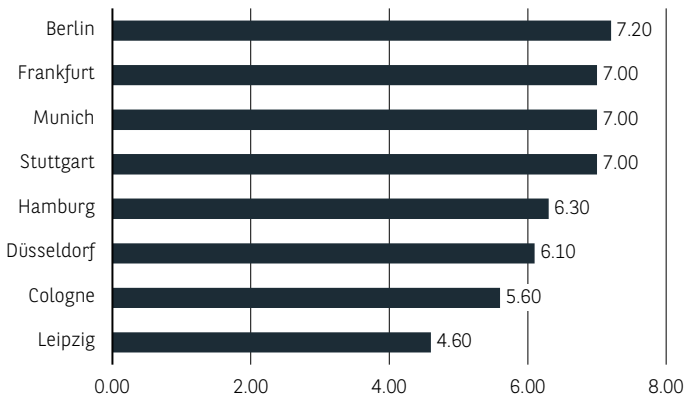
**Take-up by sector**

in %



**Top rents in important logistics markets**

■ in €/m<sup>2</sup>



**Major contracts**

Quarter	Company	Location	Area (m <sup>2</sup> )
Q3	Tegut	Hünfeld	92,000
Q1	Böttcher	Zöllnitz	90,000
Q3	Rewe	Henstedt-Ulzburg	86,500
Q2	Relaxdays	Großkugel	82,000
Q3	TEDI	Kamen	78,000

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**▶ TAKE-UP STRUCTURE COMPARABLE TO THE PREVIOUS YEAR**

The structural market fundamentals, e.g. with regard to the supply situation, are largely unchanged, which is also reflected in important key figures. The share of new construction in total take-up is just under 68 % and thus slightly above the long-term average. This is due to the fact that the shortage in supply for larger existing spaces persists. Meanwhile, the proportion of owner-occupier remained slightly below the historical average at 36 %. Nevertheless, many users are still forced to opt for built-to-suit solutions as there are only very limited suitable vacant properties available in many locations.

**▶ WHOLESALE/RETAIL SECURES LEADERSHIP POSITION**

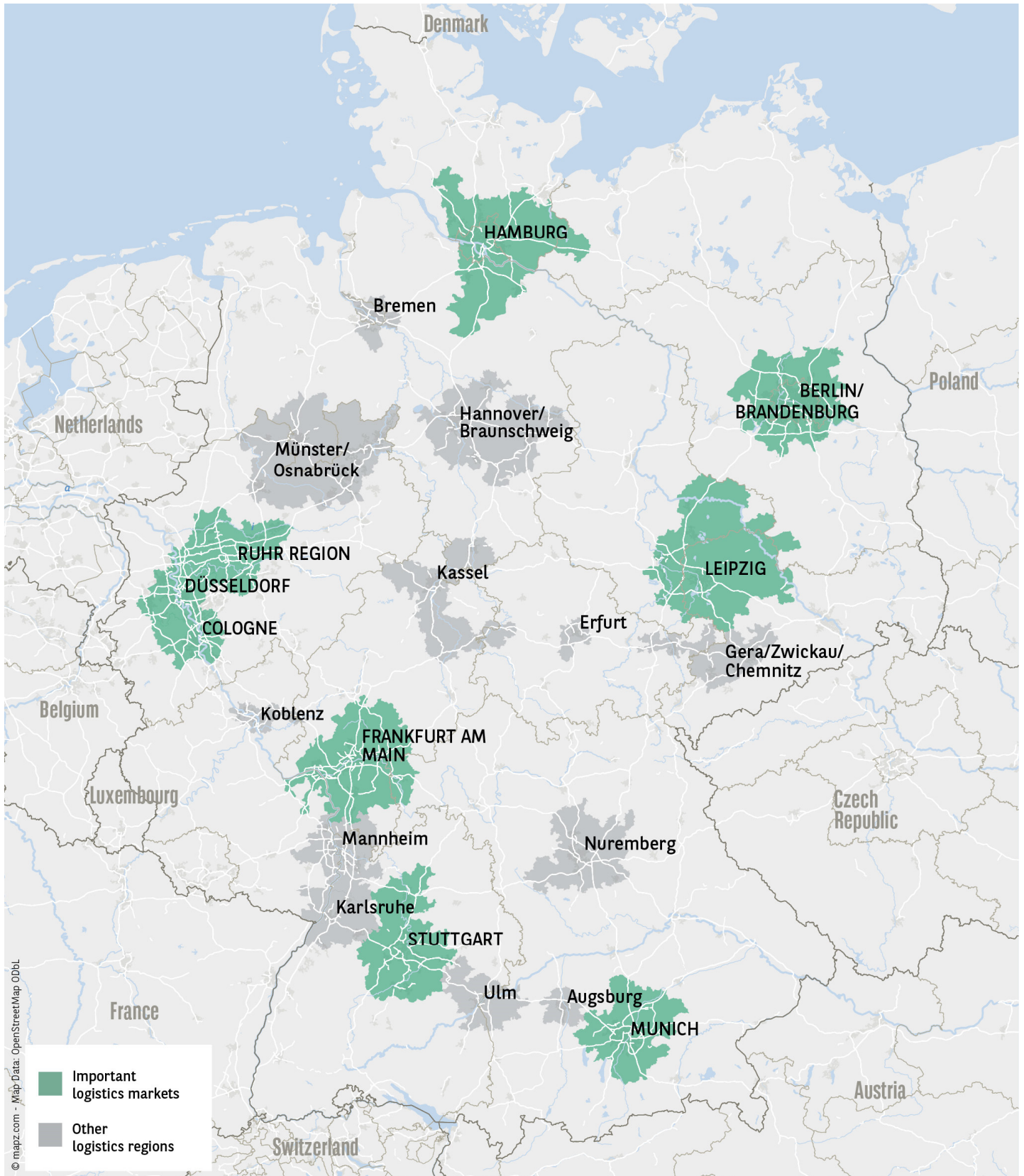
Wholesale/retail companies again made a significant contribution to the result in the fourth quarter and secured their current leading role. With a share of just under 37 %, they are around 5 percentage points above their long-term average. Of the 15 deals recorded with at least 50,000 m<sup>2</sup> of space, 10 alone are attributable to the retail sector. In particular, online retailing, which was fuelled by the Corona pandemic, continues to advance. In second place are traditional logistics firms, which contributed just under 32 % to the result. Although this is slightly below their long-term average, they are nevertheless benefiting from the fact that the economy is already back in full swing in some regions. This is especially true for large parts of Asia, which supports the export economy. It is not surprising that the contribution of manufacturing companies to take-up is somewhat lower than usual at just under 24 %. However, there is no sign of a market slump in this industry group either.

**▶ RENT LEVELS ON THE RISE**

In the lee of unchanged high demand, it is unsurprising that rents tend to continue upwards. Year-on-year, they have increased accordingly in Frankfurt (7.00 €/m<sup>2</sup>; +6 %), Düsseldorf (6.10 €/m<sup>2</sup>; +6 %), Cologne (5.60 €/m<sup>2</sup>; +4 %) and Leipzig (4.60 €/m<sup>2</sup>; +2 %), whereas they have remained stable in Berlin (7.20 €/m<sup>2</sup>), Hamburg (6.30 €/m<sup>2</sup>), Munich (7.00 €/m<sup>2</sup>), Stuttgart (7.00 €/m<sup>2</sup>) and the Ruhr region (4.90 €/m<sup>2</sup>). The situation is comparable for average rents, which have also risen noticeably in several locations.

**▶ OUTLOOK**

The general conditions and prospects for the logistics industry remain positive despite the current lockdown. In addition to the drivers e-commerce and food retailing, certain industrial sectors and logistics firms are also increasingly benefiting from an emerging economic recovery. Against this backdrop, take-up in 2021 is expected to remain at the previous year's level. Should the pandemic be mostly under control by mid-year 2021, even a take-up level of over 7 million m<sup>2</sup> is possible due to expected catch-up effects. As supply will remain limited, a somewhat accelerated growth in rents is the most likely scenario from today's perspective.



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**Imprint** Publisher and Copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 31.12.2020

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