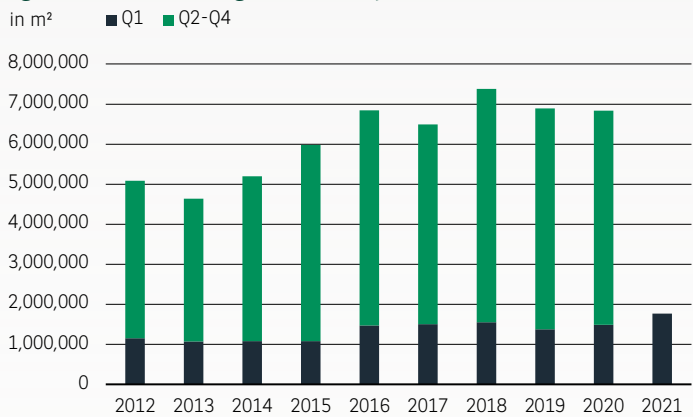




At a Glance **Q1 2021**

LOGISTICS MARKET GERMANY

Light industrial and logistics take-up



© BNP Paribas Real Estate GmbH, March 31, 2021

Light industrial and logistics take-up by region

	Q1 2020 (m²)	Q1 2021 (m²)	Change (%)
Important logistics markets			
Berlin	74,000	150,000	102.7%
Cologne	22,000	119,000	440.9%
Düsseldorf	52,000	50,000	-3.8%
Frankfurt	74,000	116,000	56.8%
Hamburg	103,000	129,000	25.2%
Leipzig	24,000	128,000	433.3%
Munich	48,000	68,000	41.7%
Stuttgart	49,000	45,000	-8.2%
Subtotal	446,000	805,000	80.5%
Other locations*			
Ruhr region	171,000	43,000	-74.9%
Other logistics regions (see map)	177,000	536,000	202.8%
Rest of Germany	690,000	381,000	-44.8%
Subtotal	1,038,000	960,000	-7.5%
Total Germany	1,484,000	1,765,000	18.9%

* Deals ≥5,000 m²

© BNP Paribas Real Estate GmbH, March 31, 2021

➤ STRONG START TO THE YEAR FOR THE LOGISTICS MARKETS

Logistics is booming. This is evidenced not only by rising investment figures, but also by the leasing markets, which got off to a very strong start in the new year. Take-up of just under 1.77 million m² exceeded the previous year's figure by 19 % and at the same time set an impressive new record for the first quarter. The long-term average was even topped by over 30 %. These figures underline the fact that the logistics sector is not only coming through the crisis better than almost all other sectors of the economy, but is even benefiting in part from structural adjustments that are generating additional demand. At the same time, overarching trends such as the growing importance of e-commerce and city logistics are continuing with increasing momentum.

➤ TOP LOCATIONS ALSO WITH NEW TAKE-UP RECORD

The major logistics regions (Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Leipzig, Munich, Stuttgart) in particular made a disproportionate contribution, also recording a new take-up record of 805,000 m². This is 80 % above the previous year's figure and more than 40 % above the long-term average. With a few exceptions, all locations were able to benefit from the strong demand. Berlin leads the way with a doubling of the result to 150,000 m². The other places are followed almost equally by Hamburg (129,000 m²; +25 %), Leipzig (128,000 m²; +433 %), Cologne (119,000 m²; +441 %) and Frankfurt (116,000 m²; +57 %). Munich also started well with 68,000 m² (+42 %). Only Düsseldorf (50,000 m²; -4 %) and Stuttgart (45,000 m²; -8 %) suffered losses.

➤ HIGH TAKE-UP ALSO IN THE REMAINING PARTS OF GERMANY

With a take-up of 960,000 m², a very good result was also achieved outside the major logistics markets. Even though it is 7.5 % below the previous year's figure, it represents the second-best opening performance for the first quarter. However, a differentiated development can be observed within the regions considered. After the very good result of 2020, the Ruhr area took a breather at the beginning of the year and, with only 43,000 m², achieved a comparatively weak take-up. The situation is different in the 12 logistics hubs that BNPPRE regularly analyses in addition to the conurbations. Here, 536,000 m² of take-up was recorded, which also represents a new all-time high and a three-fold increase on the previous year. In the rest of Germany, by contrast, the result was around 45 % lower than in the same quarter 2020.

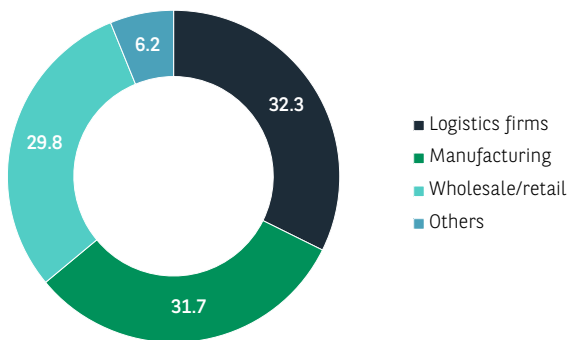
Key figures logistics market Germany

	Q1 2020	Q1 2021	Trend remaining year
Take-up	1,484,000 m ²	1,765,000 m ²	➔
- Share of owner-occupiers	39.9%	26.9%	↗
- Share of new buildings	73.0%	60.0%	➔

© BNP Paribas Real Estate GmbH, March 31, 2021

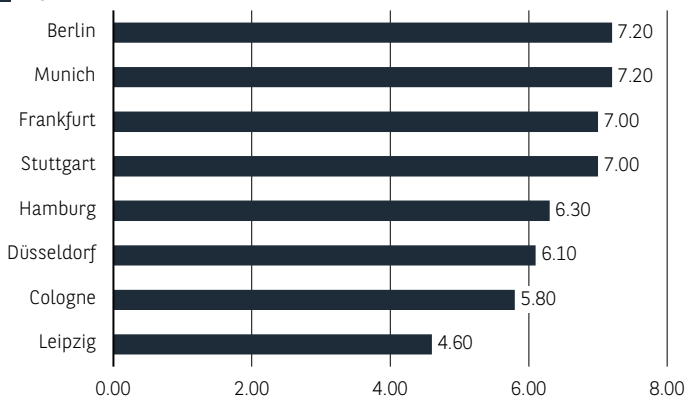
Take-up by sector

in %



Top rents in important logistics markets

■ in €/m²



Major contracts

Company	Location	Area(m ²)
BLG Logistik	Bremen	95,000
Beiersdorf	Leipzig	70,000
Radial Fulfillment	Kassel	51,000
Hager Group	Hammersbach	44,000
WEG	Kerpen	40,000

© BNP Paribas Real Estate GmbH, March 31, 2021

© BNP Paribas Real Estate GmbH, March 31, 2021

© BNP Paribas Real Estate GmbH, March 31, 2021

➤ SHARE OF NEW BUILDING AREAS STILL HIGH

Although the share of new space in total take-up is somewhat lower than in the same period last year, at around 60 % it remains high and at about the same level as the long-term average. On the one hand, this underscores that there is still too little supply in many logistics regions, but on the other hand it also shows that space requirements of users are continuously increasing and that older existing space is often no longer able to meet them. At the same time, the proportion of owner-occupiers is significantly below the long-term average at 27 %. This result is to some extent due to the effects of the Corona pandemic, as many companies continue to find it difficult to make long-term and expensive investment decisions in an environment that remains uncertain.

➤ VERY BROADLY BASED DEMAND

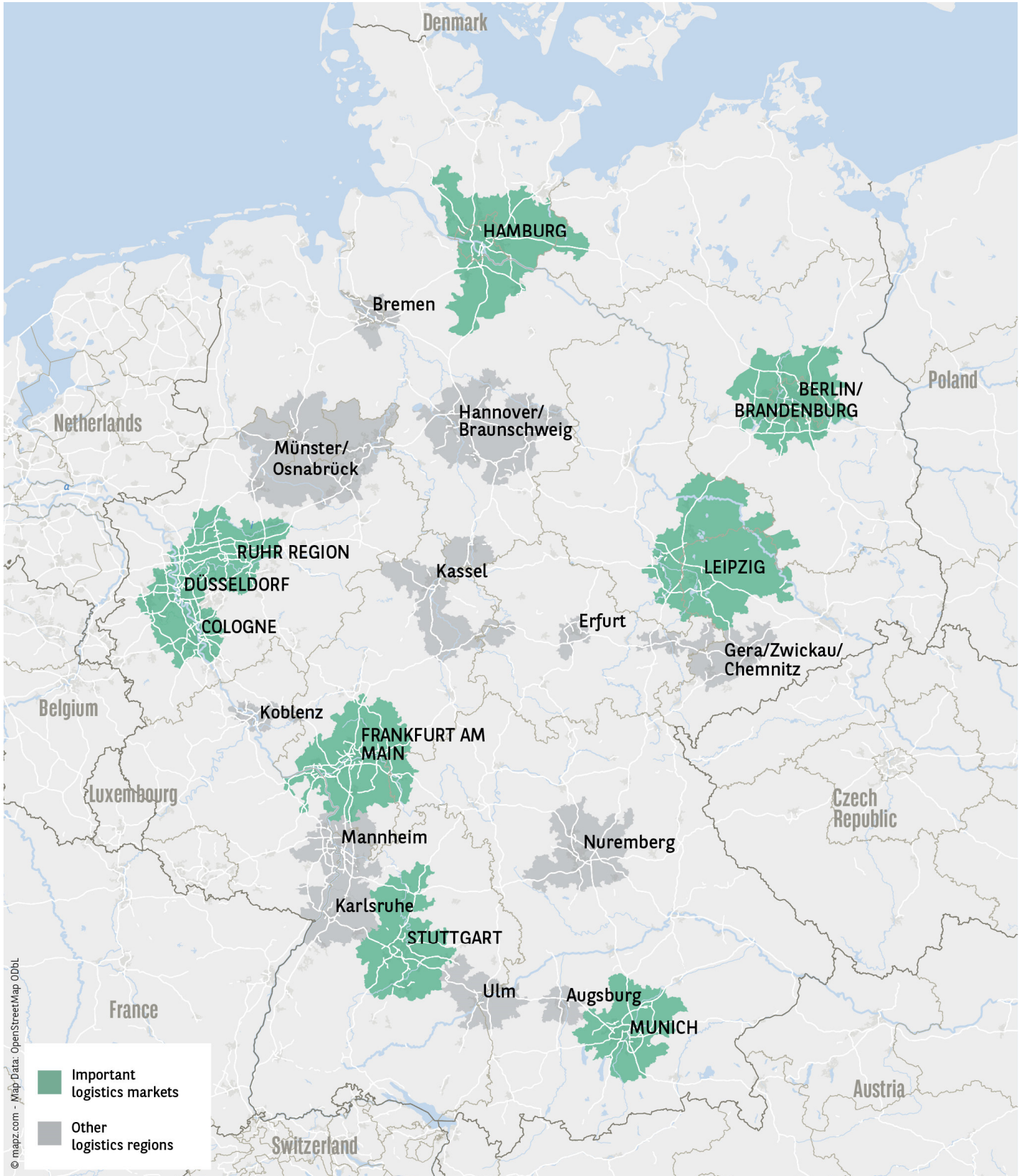
Remarkable and pleasing is the broad-based contribution of all important sectors to the excellent take-up. The three decisive pillars for the development of the logistics markets, logistics firms (32 %), manufacturing companies (just under 32 %) and wholesale/retail (around 30 %), contribute more or less equal shares of take-up and were all able to improve their absolute results. While an increase in demand in wholesale/retail, especially in e-commerce and the food-anchored sector, was to be expected, the slightly disproportionate share of take-up by manufacturing is somewhat surprising. However, this reflects the overall good order situation, which is a clear sign that a large part of the German economy has successfully adapted to the current framework conditions and at the same time assesses the outlook much more positively again.

➤ RENTS INCREASED IN SEVERAL MARKETS

Strong demand combined with a still moderate supply has caused prime rents to rise in several major logistics regions over the past twelve months. On average, they have risen by just under 3 % in the major locations. They have increased particularly strongly in Frankfurt and Düsseldorf (around 6 % each) and in Cologne with around 7 %. By contrast, they have remained stable in Berlin, Hamburg and Stuttgart. The picture is similar for average rents, which also show an upward trend. Here, the average change across the major hubs is at 2%.

➤ OUTLOOK

The first quarter already makes it clear that the logistics industry has adapted to the pandemic-related conditions despite the lockdown that has lasted for months. Some structural effects are even having a positive impact on demand. The confidence which companies have gained in the recent months should even tend to increase in the course of a noticeable progress of the vaccination campaign and a successive easing of COVID-19 restrictions. Against this background, everything points to lively and above-average demand for the rest of the year, so that a take-up in excess of 6 million m² is likely. It is also possible that the 7 million m² threshold will be exceeded. Consequently, a further slight increase in rents cannot be ruled out.



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: 31.03.2021

Further Information BNP Paribas Real Estate GmbH | Christopher Raabe, Head of Industrial Services & Investment | Phone +49 (0)40-348 48-0 | christopher.raabe@bnpparibas.com
www.realestate.bnpparibas.de