

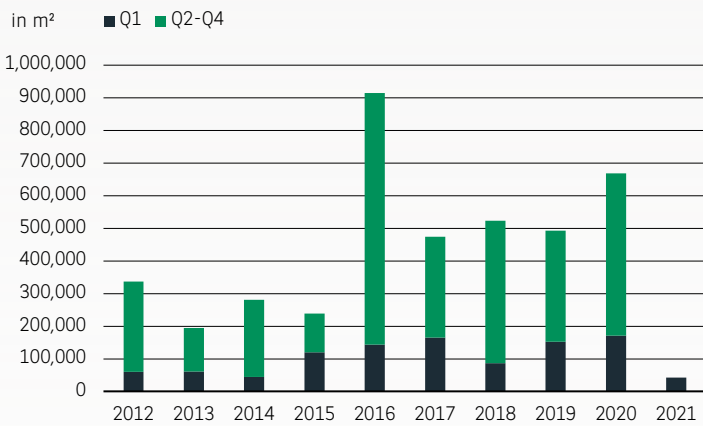


RESEARCH

At a Glance **Q1 2021**

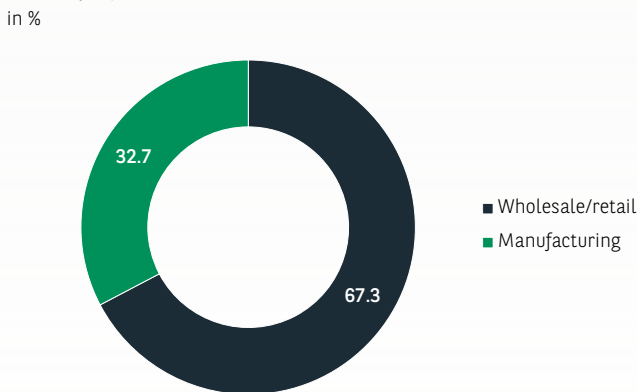
LOGISTICS MARKET RUHR REGION

Light industrial and logistics take-up*



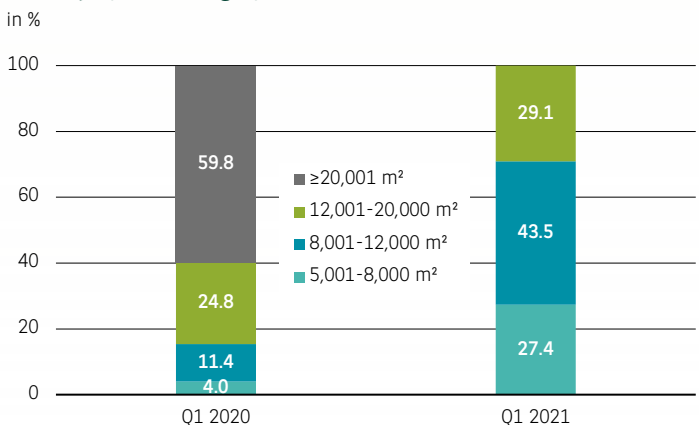
* Deals ≥5,000 m²

Take-up by sector*



* Deals ≥5,000 m²

Take-up by size category



➤ BREATHER AT THE START OF THE YEAR

After a strong year 2020 with the second-best result in history (669,000 m² take-up) and a significant acceleration in transaction activity, particularly in the latter half of the year, the market players in the Ruhr region have taken their foot off the gas at the start of 2021. By the end of March, take-up only amounted to 43,000 m². It is obvious that the result of the very strong quarter of the previous year was missed by almost 75 % and that the ten-year average (-59 %) also remained a long way off. Many of the available existing spaces as well as the project developments under construction were already absorbed by the market in 2020 and this mainly in the context of large-scale contracts. It is precisely these transactions beyond the 20,000 m² mark that are now completely missing at the beginning of 2021.

➤ WHOLESALE/RETAIL COMPANIES MOST ACTIVE

Wholesale/retail companies have been by far the most active industry to date. They account for a good 67 % of the take-up and thus generated around 29,000 m². Of course, this falls far short of the record result from the first quarter of 2020 (130,000 m²), but is exactly in line with the long-term average of 30,000 m². All of the take-up by retail companies took place in existing properties. The situation is different for the manufacturing sector, which accounts for a third of the take-up achieved to date. The current result is 44 % below the previous year's result and also lags behind the average of around 28,800 m² recorded since 2015. In the first quarter of 2021, no deals over 5,000 m² were registered by the important logistics firms sector.

➤ MOVEMENT IN THE MID-SIZE SEGMENT

In the first quarter of 2021, the market for storage and logistics space was particularly buoyant in the medium size segment. Large-scale transactions in excess of 20,000 m² have not yet been registered in the Ruhr region this year, and take-up in the 12,001 to 20,000 m² size class has also been well below average so far. By contrast, take-up in the size category 8,001 to 12,000 m² was solid, with a market share of almost 44 %. Here the previous year's result of a good 19,000 m² was only marginally missed by 4 %. In contrast, take-up in the 5,001 to 8,000 m² segment was in line with the long-term average and a pleasing 72 % above the previous year's level.

Major contracts

Company	Location	Area(m²)
KIK	Unna	9,800
Advansa Marketing	Hamm	8,700
AUKLogis	Duisburg	6,500

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➤ LACK OF NEW CONSTRUCTION SPACE IN THE SHORT TERM

The supply of new logistics and warehousing space available at short notice is currently very limited. This is also reflected in the latest rental activity. The share of new construction space in the take-up realised so far amounts to a low 20 %. The focus was clearly on existing space in the core area of the Ruhr region. While the prime rent has remained stable compared to the same quarter last year at 4.90 €/m², the average rent has risen by almost 5 % to 4.30 €/m².

Key figures logistics market Ruhr region*

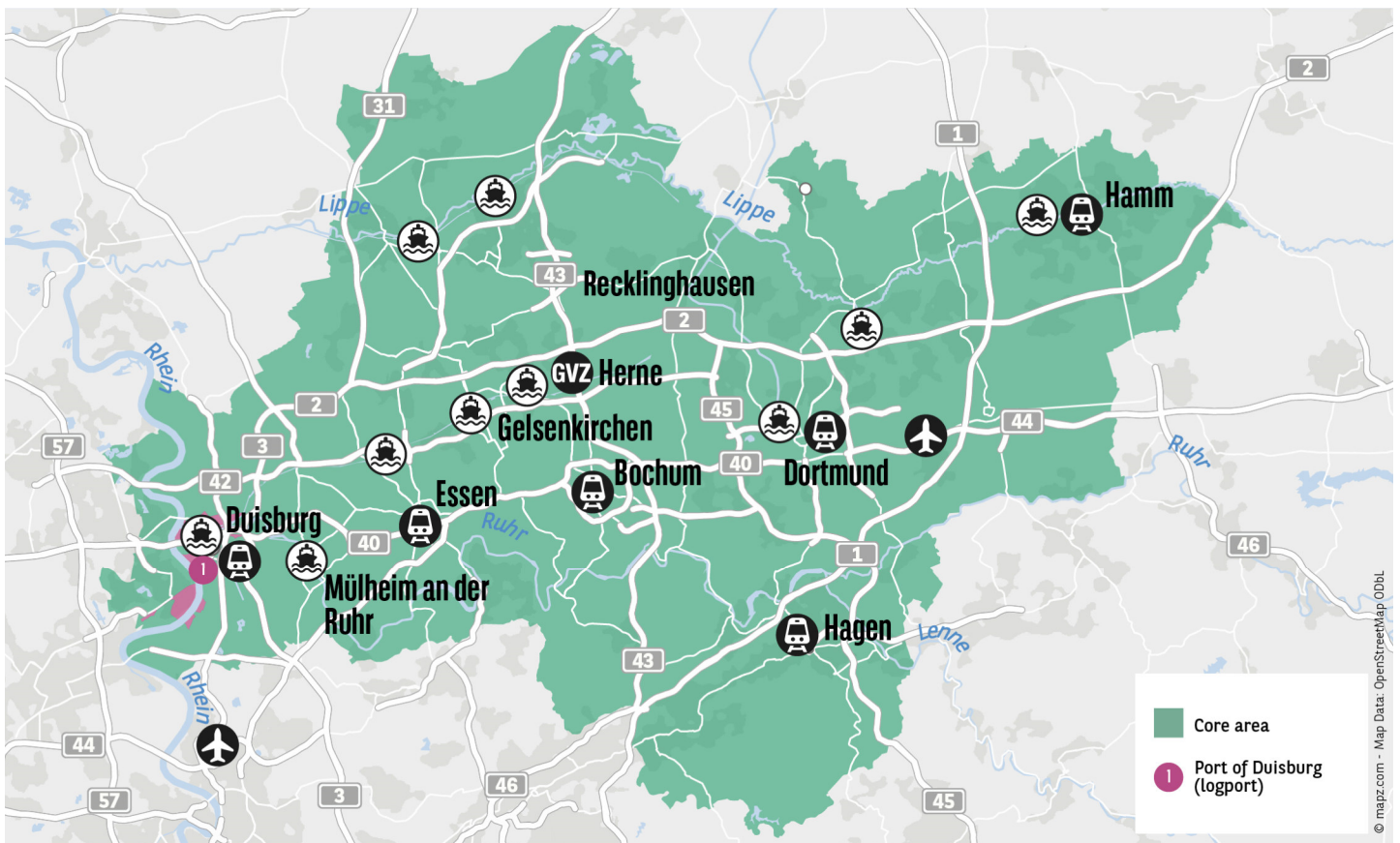
	Q1 2020	Q1 2021	Trend remaining year
Prime rent	4.90 €/m²	4.90 €/m²	↗
Average rent	4.10 €/m²	4.30 €/m²	➔
Take-up	171,000 m²	43,000 m²	➔
- Share of owner-occupiers	0.0 %	0.0 %	↗
- Share of new buildings	68.1 %	20.5 %	↗

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➤ OUTLOOK

A significant and sustained upturn in transaction activity is expected in the coming months. Against the backdrop of a German economy that continues to pick up speed, demand for warehouse and logistics space is likely to rise again across all sectors. This should apply in particular to the important logistics firms, which have hardly been active on the user side this year. Furthermore, market activity is also likely to be significantly more dynamic in the large scale segment. On the supply side, further speculatively constructed space is expected to be completed by the end of 2021. However, the supply will hardly be able to sufficiently meet the continuing surplus demand in the modern segment, so that an increase in the prime rent is very likely.

* Deals ≥5,000 m²



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