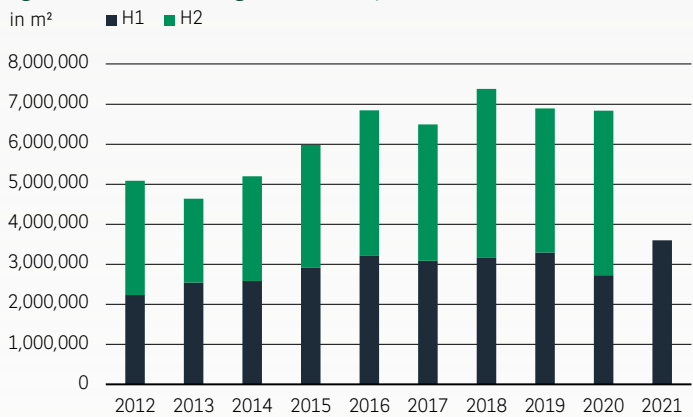




At a Glance **Q2 2021**

LOGISTICS MARKET GERMANY

Light industrial and logistics take-up



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NEW TAKE-UP RECORD ON THE LOGISTICS MARKETS

The very strong demand at the beginning of the year continued unabated in the second quarter. With a nationwide take-up of 3.6 million m², not only was the previous year's result exceeded by almost a third, but a new record was also set for the first half of the year. The previous record from 2011 was surpassed by around 7 %. This new all-time high underlines, on the one hand, that the logistics sector has coped better with the Corona crisis than most other industries and, on the other hand, that it will also benefit from structural adjustment processes in the long term. In particular, the rapidly growing importance of e-commerce and city logistics as well as new requirements for production companies should be mentioned here. E-mobility, the expansion of which also triggers additional demand for space, is just one prominent example.

Light industrial and logistics take-up by region

	H1 2020 (m²)	H1 2021 (m²)	Change (%)
Important logistics markets			
Berlin	131,000	250,000	90.8%
Cologne	49,000	148,000	202.0%
Düsseldorf	70,000	111,000	58.6%
Frankfurt	231,000	333,000	44.2%
Hamburg	141,000	331,000	134.8%
Leipzig	207,000	187,000	-9.7%
Munich	106,000	138,000	30.2%
Stuttgart	65,000	85,000	30.8%
Subtotal	1,000,000	1,583,000	58.3%
Other locations*			
Ruhr region	290,000	190,000	-34.5%
Other logistics regions (see map)	425,000	869,000	104.5%
Rest of Germany	1,013,000	958,000	-5.4%
Subtotal	1,728,000	2,017,000	16.7%
Total Germany	2,728,000	3,600,000	32.0%

* Deals ≥5,000 m²

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THE MAJOR LOGISTICS REGIONS ARE TAKE-UP DRIVERS

It is pleasing to see that the large logistics regions (Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Leipzig, Munich, Stuttgart) contributed significantly to the jump in take-up. With a good 1.58 million m², they also set a new record and exceeded the previous year's result by an impressive 58 %. This is also due to the fact that in some markets the supply was expanded somewhat by speculative project developments. With the exception of Leipzig, where with 187,000 m² (-10 %) the second-best result ever was registered after the record take-up of in the previous year, all locations recorded noticeable growth in take-up. Frankfurt (333,000 m²; +44 %) and Hamburg (331,000 m²; +135 %) are at the top, followed by Berlin (250,000 m²; +91 %). Cologne (148,000 m²; +202 %), Munich (138,000 m²; +30 %), Düsseldorf (111,000 m²; +59 %) and Stuttgart (85,000 m²; +31 %).

ALMOST ALL LOCATIONS BENEFIT

Take-up also increased outside the top locations, albeit at a somewhat more moderate rate of just under 17 %. The second-tier regions, i.e. the 12 logistics hubs that BNPPRE regularly analyses in addition to the conurbations, benefited particularly strongly from the upturn in demand. With 869,000 m², they doubled their take-up within the course of the year. The regions of Bremen, Münster/Osnabrück and Kassel/Bad Hersfeld/Eisenach were especially dynamic. The Ruhr region, on the other hand, recorded a decline. While the second-best result of all time was registered there in the same period last year, the current take-up of 190,000 m² is around a third lower.

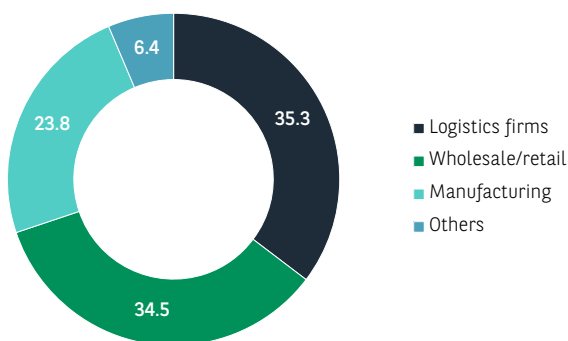
Key figures logistics market Germany

	H1 2020	H1 2021	Trend remaining year
Take-up	2,728,000 m ²	3,600,000 m ²	➔
- Share of owner-occupiers	37.5%	26.9%	↗
- Share of new buildings	72.4%	58.7%	➔

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Take-up by sector

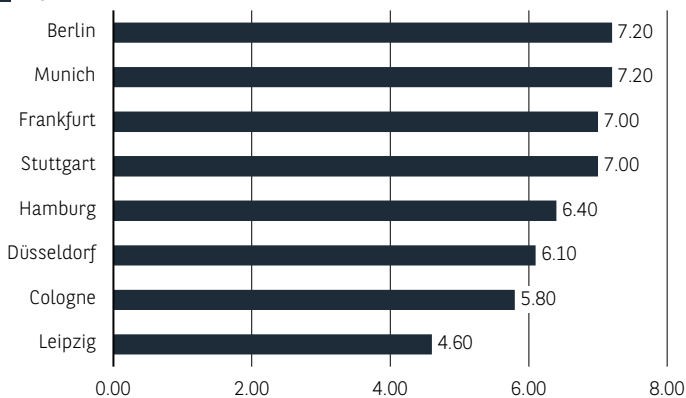
in %



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Top rents in important logistics markets

■ in €/m²



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Major contracts

Quarter	Company	Location	Area (m ²)
Q1	BLG Logistik	Bremen	95,000
Q2	Edeka	Neumünster	80,000
Q2	s.Oliver	Dettelbach	64,000
Q1	Radial Fulfillment	Kassel	51,000
Q2	Aldi Nord	Paderborn	50,000

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➤ NEW CONSTRUCTION AND OWNER-OCCUPIER SHARE BELOW AVERAGE

Both the share of new construction (just under 59 %) and the participation of owner-occupiers in take-up (27 %) are below average. The lower market share of new buildings was basically driven by a supply shortage in this quality segment. A number of users had to opt for existing space of lower quality to meet their short-term space requirements and in order to keep their business successfully running. Various trends are responsible for the lower proportion of owner-occupiers: For example, the decreasing willingness to tie up capital for the long term (not least against the background of noticeably rising building and property costs). But on the other hand also the desire to be able to react more flexibly and quickly to accelerating trends of structural adjustments through shorter contract terms or location decisions.

➤ INCREASE IN TAKE-UP RESULTS FROM BROAD DEMAND BASE

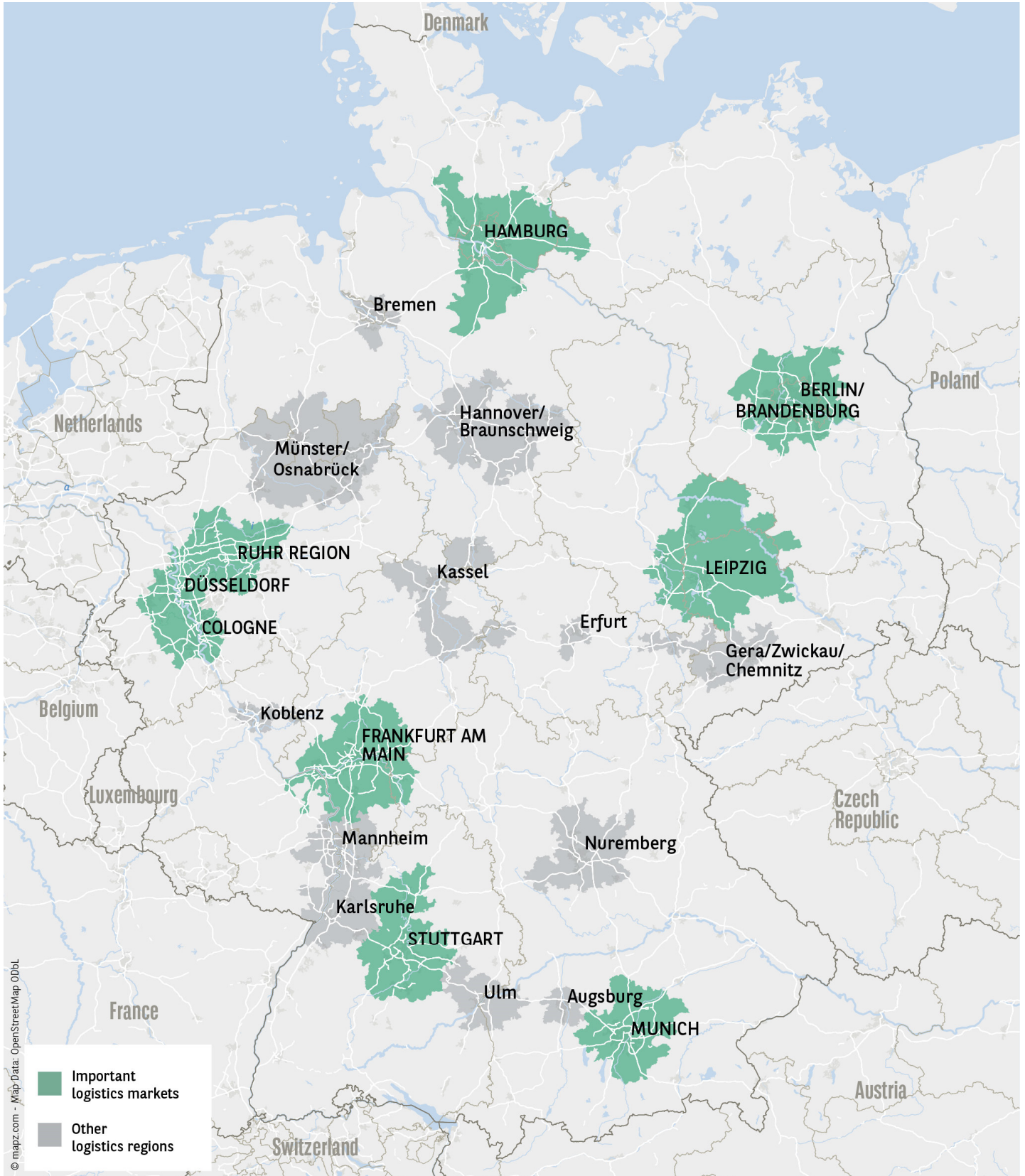
It is particularly pleasing that the significant increase in take-up stems from a broad demand base and is not due to special developments in a few sectors. The fact that the economy has picked up noticeably is also reflected in the share of take-up by logistics firms, which at 35 % are more or less at their long-term level and have thus taken the lead. Retail companies are only narrowly beaten, with 34.5 %. The main drivers of the strong demand from the retail sector are the continued growth in e-commerce, the positive development of the food trade and the noticeable increase in the importance of last-mile logistics. However, manufacturing companies are also extensively involved in the positive overall result with just under 24 % and are expanding their capacities to tackle new requirements and challenges.

➤ RENTS HAVE INCREASED IN SELECTED LOCATIONS

Since the logistics markets have hardly felt any negative effects of the Corona pandemic, it is unsurprising that rents are trending upwards. In several major logistics regions, prime rents have increased over the past twelve months. Cologne recorded the strongest growth with just under 4 % to currently 5.80 €/m², followed by Munich with around 3 % to 7.20 €/m². However, they also rose by 2 % in Düsseldorf (6.10 €/m²), Hamburg (6.40 €/m²) and Leipzig (4.60 €/m²). In contrast, they were stable in Berlin (7.20 €/m²), Frankfurt (7.00 €/m²) and Stuttgart (7.00 €/m²). A comparable development was also observed for average rents.

➤ OUTLOOK

Against the backdrop of the increasingly improving general conditions, both with regard to the course of the pandemic and the economic recovery, a further market upturn and strong demand is expected for the second half of the year. The 7 million m² threshold is therefore increasingly coming into focus as a target for annual take-up. Whether it can be exceeded for the second time after 2018 remains to be seen, however, and will be determined not least by the further development of supply.



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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