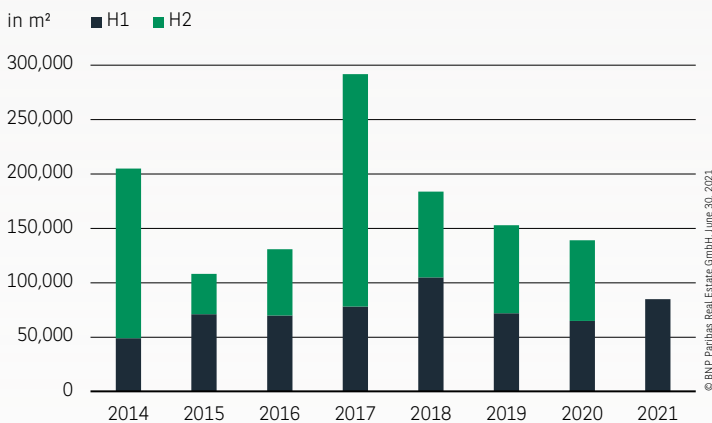


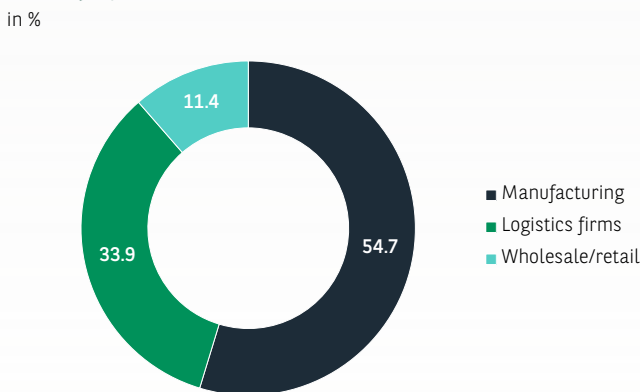
## At a Glance Q2 2021

# LOGISTICS MARKET STUTTGART

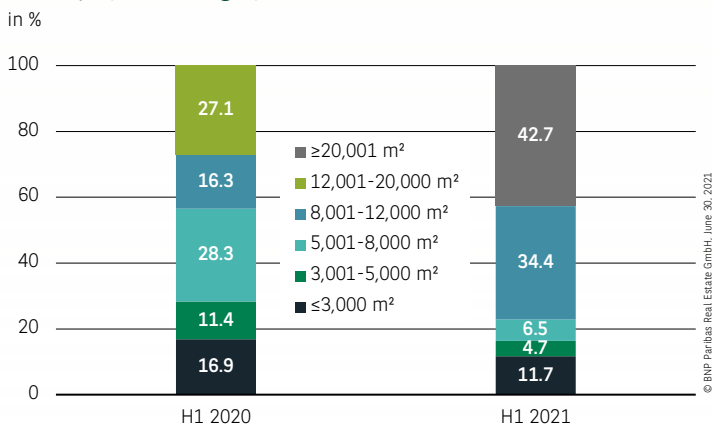
### Light industrial and logistics take-up



### Take-up by sector



### Take-up by size category



### ▶ TAKE-UP ABOVE THE LONG-TERM AVERAGE

Although the second quarter was somewhat quieter than the start of the year, the Stuttgart logistics and storage market nevertheless achieved a very good result in the first half of the year with 85,000 m<sup>2</sup> of take-up, which is 14 % above the long-term average. The comparable figure for the previous year was even exceeded by almost a third despite longer lockdown phases in the current year. In Stuttgart, too, the progress of the vaccination campaign, the rising confidence in the economy and the accompanying slow normalisation of life are thus reflected in an upturn in demand in all market segments. The industrial companies that are particularly important for the Stuttgart market are also noticeably picking up speed again. It is therefore unsurprising that the largest contribution so far this year is attributable to the automotive sector: In Sachsenheim, Porsche is expanding its existing site by well over 30,000 m<sup>2</sup> with the construction of production halls and warehouses as well as a high-bay warehouse. Other large leases were signed by Amazon in Korntal-Münchingen (9,500 m<sup>2</sup>) and a logistics firm in Ehningen (8,500 m<sup>2</sup>).

### ▶ STUTTGART'S KEY INDUSTRIES WITH A HIGH SHARE

The Stuttgart market is traditionally strongly determined by the development and expansion plans of local manufacturing companies. It is therefore not surprising that this industry group has also taken the lead by a wide margin in the first half of 2021 with a share of take-up of just under 55 %. The noticeable upturn in demand shows that the manufacturing industry is preparing for the expected economic upturn as well as for ongoing restructuring processes in many sectors. Logistics firms follow in second place, contributing a good third of the result. The share of wholesale/retail is below average, at 11 %. Due to the further increase in e-commerce, there is currently a rise in demand for space close to inner cities that is also suitable for last-mile logistics. Often these requests cannot be met due to a lack of supply.

### ▶ LARGE CONTRACTS CURRENTLY DOMINANT

Large contracts over 20,000 m<sup>2</sup> drive the current result, mainly due to Porsche's expansion space, and contribute a share of almost 43 %. Medium-sized contracts in the 8,000 to 12,000 m<sup>2</sup> class are also strongly represented and account for over 34 %. The share of smaller size categories is significantly lower than in many other logistics locations, which is not least due to the low supply, especially in locations close to the city.

**Major contracts**

Quarter	Company	Location	Area(m <sup>2</sup> )
Q1	Porsche	Sachsenheim	36,000
Q1	Amazon	Korntal-Münchingen	9,500
Q2	Logistics firm	Ehningen	8,500
Q1	Deutsche Post	Kirchheim unter Teck	5,500

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**➤ HIGH PROPORTION OF NEW BUILDINGS**

The fact that Stuttgart's logistics market is still experiencing a shortage of supply is also reflected in the once again high proportion of new construction, which is over 47 %, even if it is only based on a few completions. As these are owner-occupiers, the new-build and owner-occupier shares are identical in the first half of the year. Rental price levels have remained stable over the past twelve months, with the prime rent continuing to be quoted at 7.00 €/m<sup>2</sup>. The same applies to the average rent, which remains unchanged at around 5.40 €/m<sup>2</sup>.

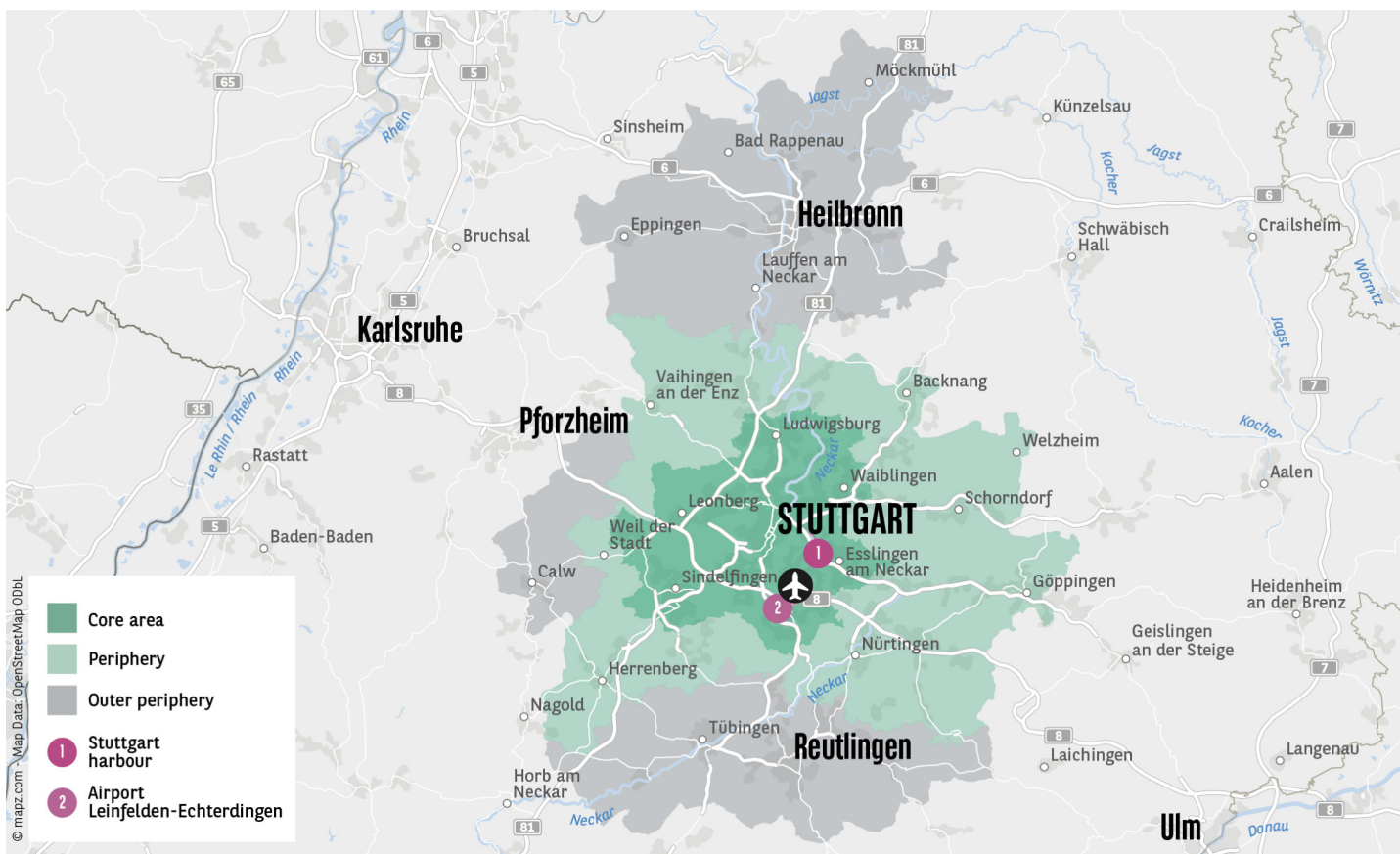
**Key figures logistics market**

	H1 2020	H1 2021	Trend remaining year
Prime rent	7.00 €/m <sup>2</sup>	7.00 €/m <sup>2</sup>	➔
Average rent	5.40 €/m <sup>2</sup>	5.40 €/m <sup>2</sup>	➔
Take-up	65,000 m <sup>2</sup>	85,000 m <sup>2</sup>	➔
- Share of owner-occupiers	44.8 %	47.4 %	➔
- Share of new buildings	44.4 %	47.4 %	➔

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**➤ OUTLOOK**

Due to the economic upswing gaining further momentum, the noticeable upturn in demand should continue during the rest of the year and possibly even accelerate. For the year as a whole, a take-up at or slightly above the long-term average seems the most likely scenario from today's perspective. This is especially true given that several larger contracts are in the process of being signed. However, the insufficient supply of space could continue to prove to be a limiting factor, as many mid-sized companies, unlike large corporations, cannot develop their own space and have to move to peripheral locations. Rents are likely to remain stable in the second half of the year.



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