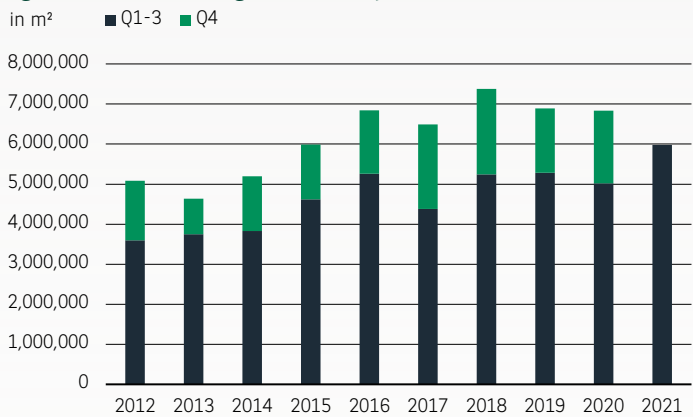




At a Glance **Q3 2021**

LOGISTICS MARKET GERMANY

Light industrial and logistics take-up



© BNP Paribas Real Estate GmbH, September 30, 2021

TAKE-UP REACHES NEW TOP LEVEL

The German market for warehouse and logistics space continues to run at full speed. In the course of 2021, transaction activity has accelerated from quarter to quarter, so that by the end of September a total take-up (incl. owner-occupiers) of almost 6 million m² was registered. For the first time, the 6-million-square-metre threshold was almost reached after only three quarters of a year. Compared to the good result in the same period of the previous year, this corresponds to an increase of 19 % and the ten-year average was exceeded by around 27 %. In addition to the continuing recovery of the German economy, there are two main factors responsible for this development. On the one hand, the continuing boom in e-commerce is driving take-up significantly, and on the other hand, more and more industrial companies are restructuring their supply chains. Against the backdrop of supply bottlenecks for primary products, especially from the Asian region, many companies are deciding to relocate storage and production capacities to the domestic market in order to reduce global dependencies and become more crisis-resistant overall.

Light industrial and logistics take-up by region

	Q1-3 2020 (m ²)	Q1-3 2021 (m ²)	Change (%)
Important logistics markets			
Berlin	294,000	387,000	31.6%
Cologne	102,000	276,000	170.6%
Düsseldorf	94,000	158,000	68.1%
Frankfurt	333,000	625,000	87.7%
Hamburg	340,000	431,000	26.8%
Leipzig	231,000	351,000	51.9%
Munich	166,000	258,000	55.4%
Stuttgart	101,000	109,000	7.9%
Subtotal	1,661,000	2,595,000	56.2%
Other locations*			
Ruhr region	468,000	378,000	-19.2%
Other logistics regions (see map)	1,086,000	1,308,000	20.4%
Rest of Germany	1,801,000	1,701,000	-5.6%
Subtotal	3,355,000	3,387,000	1.0%
Total Germany	5,016,000	5,982,000	19.3%

* Deals ≥5,000 m²

© BNP Paribas Real Estate GmbH, September 30, 2021

MOST IMPORTANT LOCATIONS ALL IN PLUS

Germany's most important conurbations are all recording positive growth rates in take-up compared to the previous year. However, the range is considerable and extends from just under 8 % in Stuttgart to around 171 % in Cologne. In terms of absolute take-up, Frankfurt leads the field by far with a new record of 625,000 m² (+88 %). It is followed by Hamburg (431,000 m²; +27 %) and Berlin (387,000 m²; +32 %). In Leipzig the 300,000 m² mark was surpassed for the first time in the first nine months and with 351,000 m² the result is almost 52 % above the previous year's value. A new record is also reported for the Cologne market area with 276,000 m² (+171 %). The cathedral city is thus ahead of Munich (258,000 m²; +55 %), which achieved its third-highest result in history. Düsseldorf ranks ahead of Stuttgart (109,000 m²; +8 %) with an increase in take-up of a good 68 % to 158,000 m².

THE RUHR REGION UNABLE TO REPEAT ITS STRONG PERFORMANCE OF THE PREVIOUS YEAR

Although take-up in the Ruhr region was above average at 378,000 m², the region was unable to match the very good result achieved in the same period last year (-19 %). By contrast, the 12 logistics hubs that BNPPRE regularly analyses in addition to the conurbations recorded an increase of 20 %. They are also currently at the top level.

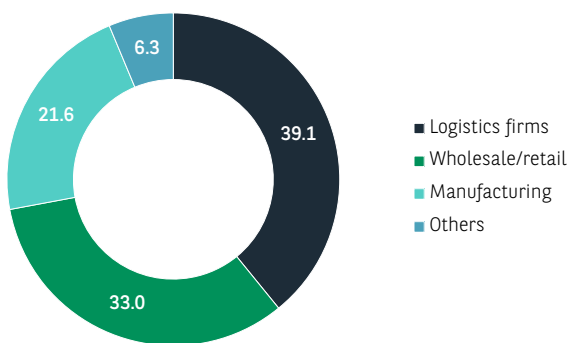
Key figures logistics market Germany

	Q1-3 2020	Q1-3 2021	Trend remaining year
Take-up	5,016,000 m ²	5,982,000 m ²	➔
- Share of owner-occupiers	36.2%	29.9 %	➔
- Share of new buildings	73.4%	62.6 %	➔

© BNP Paribas Real Estate GmbH, September 30, 2021

Take-up by sector

in %



© BNP Paribas Real Estate GmbH, September 30, 2021

➤ AVERAGE SHARE OF NEW BUILDINGS NATIONWIDE

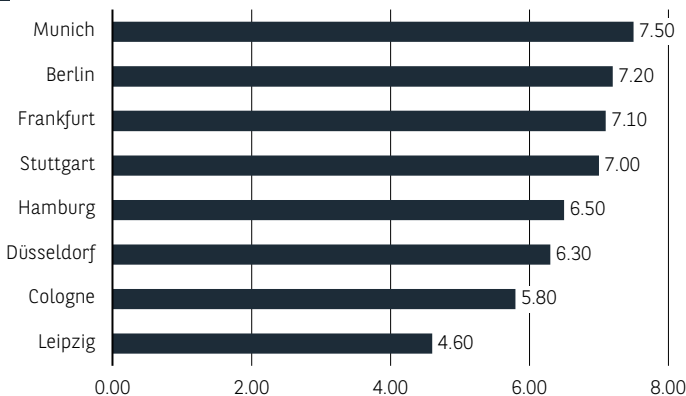
The demand for new construction space is definitely given and also very high, but in the majority of the logistics regions analysed the supply in this segment is simply very limited. In many locations there is a shortage of both development sites and speculatively constructed buildings. Nationwide, their share amounts to just under 63 % of the take-up, but the range is between a low 13 % in Düsseldorf and 18 % in Munich ranging to 63 % and 62 % in Frankfurt and the Ruhr region. With a current market share of 30 %, the proportion of owner-occupiers remains below the long-term average of around 41 %.

➤ RECORD TAKE-UP IN SEVERAL SECTORS AT THE SAME TIME

Logistics firms achieved a new record result with a take-up of almost 2.4 million m². The strong figure of the previous year was exceeded by 43 % and the 10-year average by an impressive 45 %. Demand for space among retailers is also unabatedly high. They continue to benefit from the e-commerce boom and have now exceeded the very good result from 2020 by another 7.5 %. Their result is 38 % above the 10-year average. Industrial and manufacturing companies have also seen an increase in deals. With almost 1.3 million m², growth of 7 % compared to the previous year can be registered. The restructuring of supply chains and the general recovery of the German economy are particularly significant here.

Top rents in important logistics markets

■ in €/m²



© BNP Paribas Real Estate GmbH, September 30, 2021

➤ RENTS STABLE TO RISING AT A HIGH LEVEL

The shortage of supply, particularly in the modern space segment, continues to clearly determine the development of rents. Top rents in the important logistics regions are stable at a high level or have continued their growth trend in the third quarter. Compared to the previous quarter, rents have risen in the Ruhr region (5.20 €/m²; 6 %), Munich (7.50 €/m²; 4 %), Düsseldorf (6.30 €/m²; 3 %), Hamburg (6.50 €/m²; 2 %) and Frankfurt (7.10 €/m²; 1 %). In Berlin the prime rent continues to be quoted at 7.20 €/m², in Stuttgart at 7.00 €/m² and in Cologne at 5.80 €/m². With the exception of Hamburg and Stuttgart, average rents rose in all of the eight major conurbations in the third quarter.

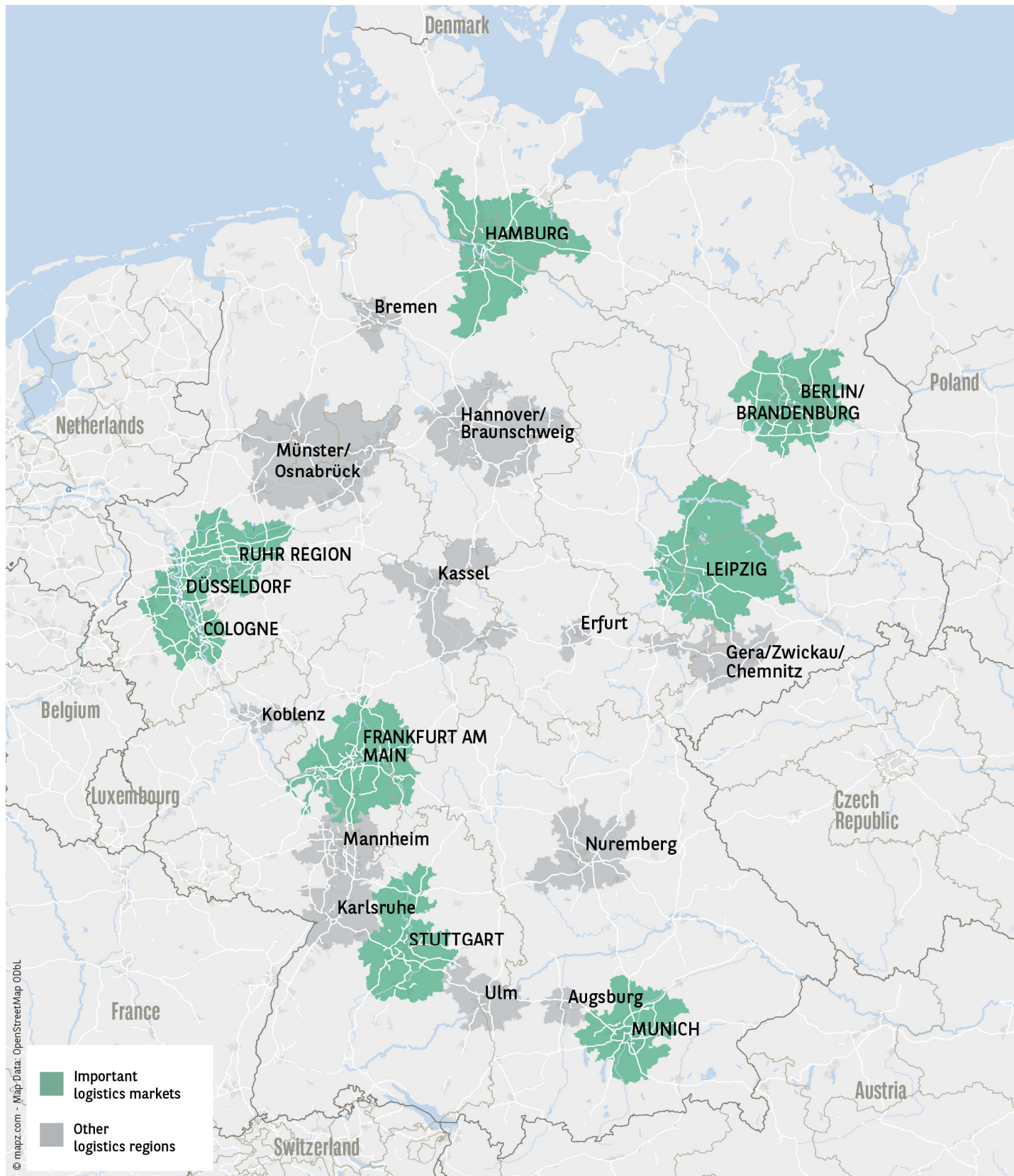
Major contracts

Quarter	Company	Location	Area (m ²)
Q3	Edeka	Marktrechwitz	100,000
Q1	BLG Logistik	Bremen	95,000
Q2	Edeka	Neumünster	80,000
Q2	s.Oliver	Dettelbach	72,000
Q3	Levi Strauss	Dorsten	67,000
Q2	Aldi Nord	Paderborn	50,000

© BNP Paribas Real Estate GmbH, September 30, 2021

➤ OUTLOOK

The German logistics markets are heading for a new record result. Demand for logistics space is unbroken and the combination of economic recovery, continuing e-commerce boom and restructuring of supply chains will keep demand for logistics space high. Only the supply deficit prevailing in many markets could prevent higher take-up in one place or another. The availability of space will remain the market-dominating issue. Currently, there are no signs that supply and demand will come into equilibrium in the short term, so rents are likely to continue their growth course.



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: 30.09.2021

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