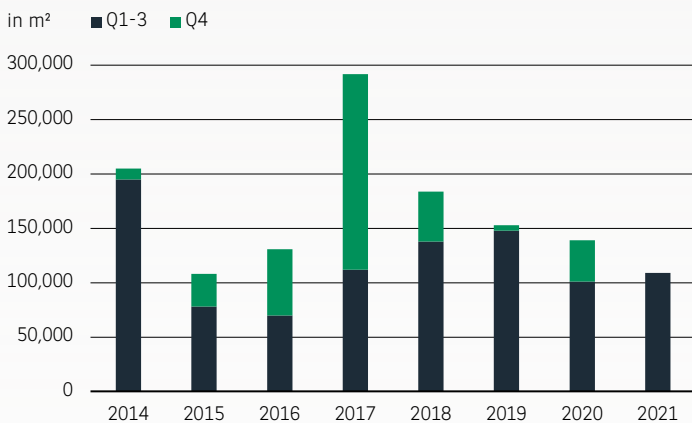




At a Glance **Q3 2021**

# LOGISTICS MARKET STUTTGART

### Light industrial and logistics take-up

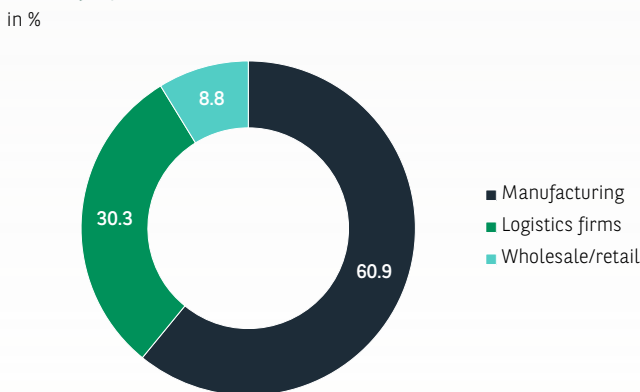


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### ➤ INCREASE IN TAKE-UP

In the first three quarters of the year, a total take-up of 109,000 m<sup>2</sup> was registered on the Stuttgart logistics market. While the long-term average was missed by 8 %, there was an increase of 8 % compared to the same period last year. The first two quarters in particular contributed to this with a total take-up of 85,000 m<sup>2</sup>, while in the third quarter only 24,000 m<sup>2</sup> of logistics space was let or allocated to owner-occupiers. In general, the gradual normalisation of social life and the positive macro-economic outlook have led to an increase in demand on a broad basis. Significant catch-up effects are apparent, especially in sectors that suffered heavily from the Corona crisis. However, due to the still glaring shortage of supply, demand can still only be met inadequately. Especially in the core area of Stuttgart's logistics market, available industrial and logistics space is almost non-existent.

### Take-up by sector

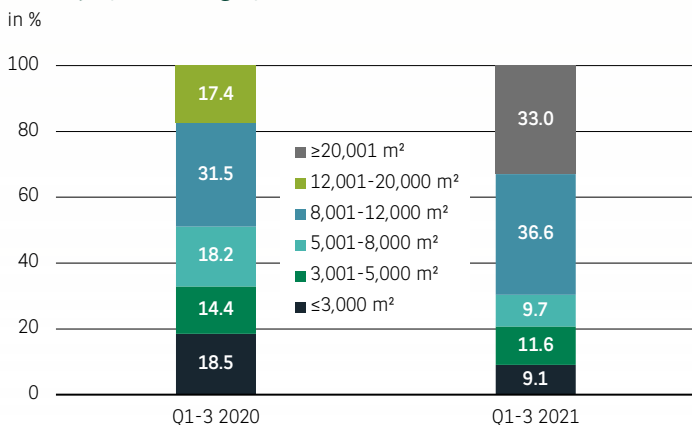


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### ➤ INDUSTRIAL AND PRODUCTION COMPANIES LEADING

Strong consumer demand and the upcoming modernisation and restructuring processes in the automotive sector, among others, are providing new impetus for the industrial and manufacturing companies which are traditionally strong drivers of the Stuttgart logistics market. These account for almost 61 % of the take-up and also have closed the largest deal of the current year: In Sachsenheim, Porsche is expanding its existing location by more than 30,000 m<sup>2</sup> with the construction of production halls and warehouses as well as a high-bay warehouse. The owner-occupier deal for 10,700 m<sup>2</sup> by Trelleborg Sealing Solutions, a specialist in sealing technology in Gärtringen, also contributes to the strong result. Logistics firms are responsible for 30 % of the overall figure, while retail companies account for just under 9 % of take-up. Increasing take-up, particularly from e-commerce providers for so called last-mile logistics close to the city centre is being significantly curbed by a particularly short supply here.

### Take-up by size category



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### ➤ LARGE CONTRACTS CURRENTLY DOMINANT

While the size class distribution was very even in the previous year, the market is now clearly characterised by the Porsche owner-occupier deal, which helped the size class above 20,000 m<sup>2</sup> to a 33 % share of take-up. The medium size segment between 8,000 and 12,000 m<sup>2</sup> is also very strong in terms of take-up and contributes almost 37 % to the result. The three smaller size categories below 8,000 m<sup>2</sup> together account for a below-average 30 %. The main reason for this is that there is far too little supply in locations close to the city.

Major contracts

Quarter	Company	Location	Area(m <sup>2</sup> )
Q1	Porsche	Sachsenheim	36,000
Q2	Logistics firm	Esslingen	11,300
Q3	Trelleborg Sealing Solutions Germany	Gärtringen	10,700
Q1	Amazon	Korntal-Münchingen	9,500
Q2	Logistics firm	Ehningen	8,500

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➤ HIGH PROPORTION OF NEW CONSTRUCTION

The supply bottleneck in Stuttgart's logistics market, which has already been mentioned several times, is also more than evident in the structure of take-up. With a new-build share of around 50 %, almost 47 % is accounted for by owner-occupiers, which is by far the highest figure nationwide. This shows that a significant proportion of newly built space was not available to the rental market straight from the beginning. At the same time, vacant logistics and industrial space in the Stuttgart metropolitan region above 3,000 m<sup>2</sup> remains in absolute short supply. Despite the tense market situation, rents have moved sideways over the last 12 months. The top rent continues to be AT 7.00 €/m<sup>2</sup>, while the average rent remains unchanged at 5.40 €/m<sup>2</sup>.

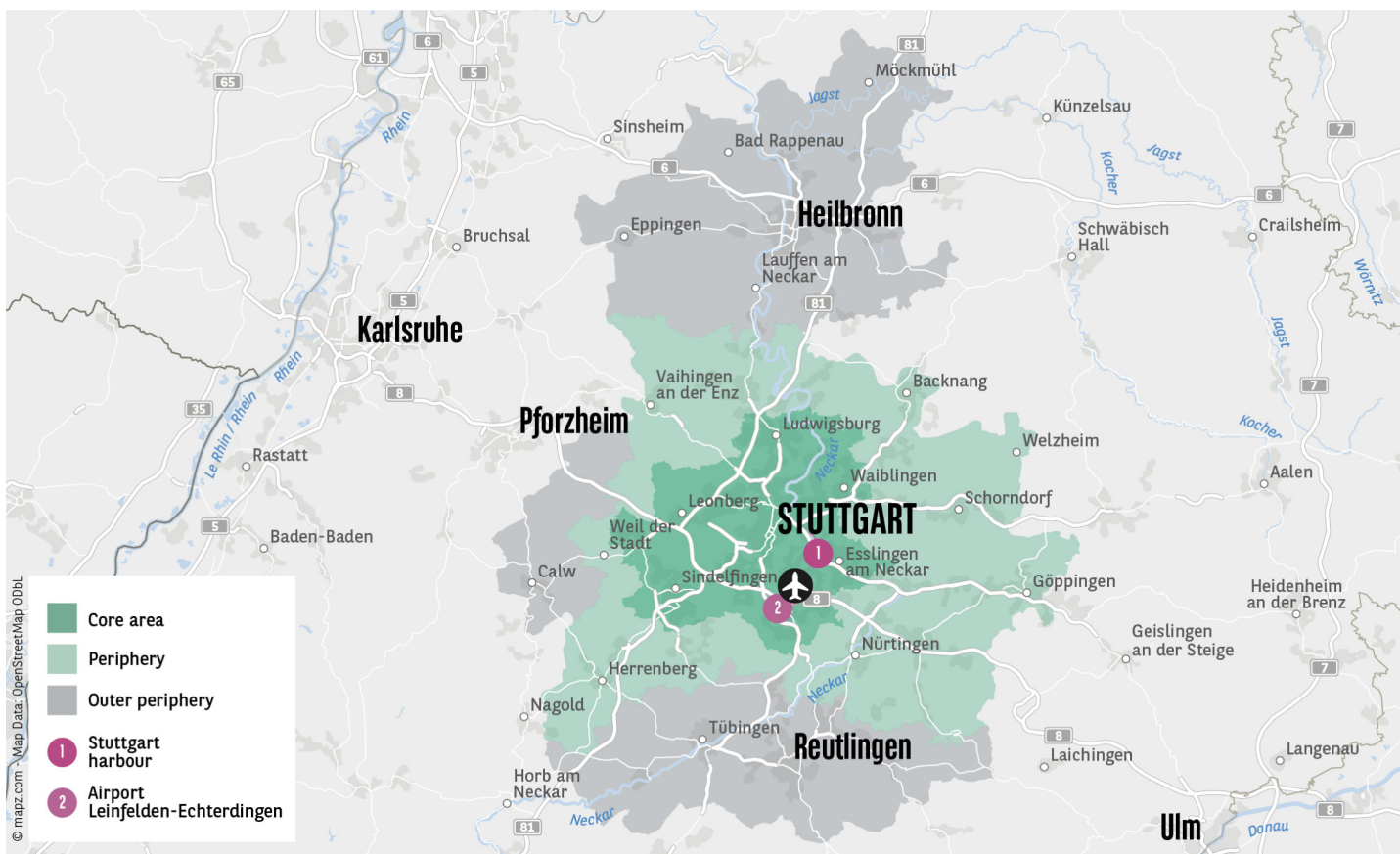
Key figures logistics market

	Q1-3 2020	Q1-3 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	101,000 m <sup>2</sup>	109,000 m <sup>2</sup>	➔
- Share of owner-occupiers	39.3 %	46.5 %	➔
- Share of new buildings	44.4 %	50.5 %	➡

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➤ OUTLOOK

Due to the positive overall economic outlook, demand for logistics space in the Swabian metropolis is expected to remain stable, especially as major industrial policy adjustments under the heading of climate neutrality are casting their shadows ahead. Since there is a lack of large-volume speculatively built new space, the tense market situation will change little in the foreseeable future. A take-up beyond the 150,000 m<sup>2</sup> mark should nevertheless be achievable. Rents are likely to remain stable at the end of the year.



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Further Information BNP Paribas Real Estate GmbH | Branch office Stuttgart | Phone +49 (0)711-21 47 80-50 | [www.realestate.bnpparibas.de](http://www.realestate.bnpparibas.de)