BNP PARIBAS REAL ESTATE

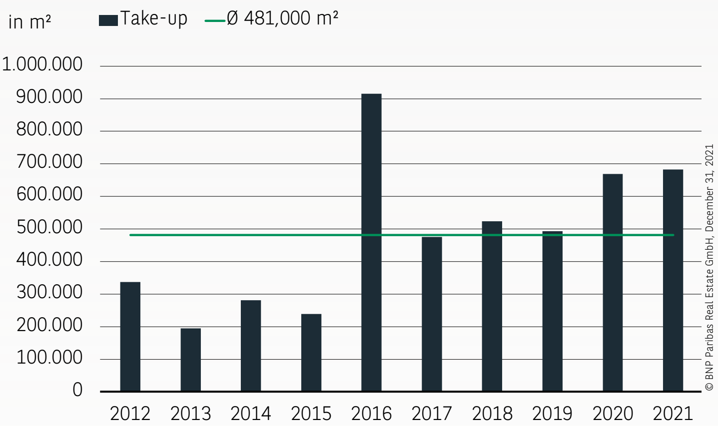
Real Estate
for a changing world

RESEARCH

At a Glance **Q4 2021**

LOGISTICS MARKET RUHR REGION

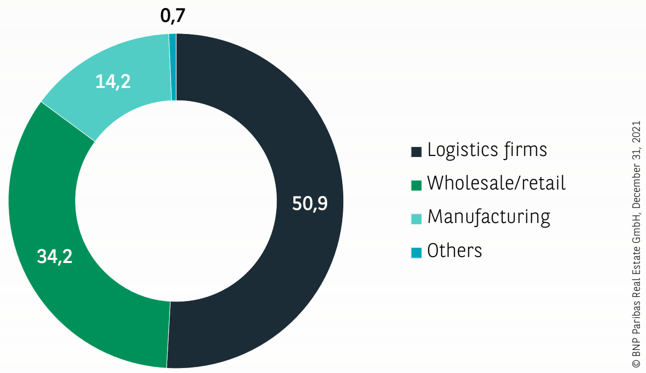
Light industrial and logistics take-up*



* Deals ≥5,000 m²

Take-up by sector*

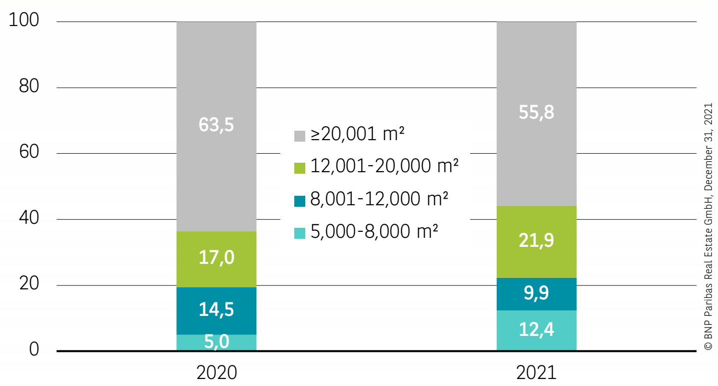
in %



* Deals ≥5,000 m²

Take-up by size category

in %



RUHR REGION CONTINUES UPWARD TREND

The logistics market in the Ruhr region, which had already weathered the pandemic year 2020 better than other locations, continued its upward trend, which has been observed for some time, in 2021. With a take-up of 683,000 m², the previous year's result was exceeded by a good 2 % and the ten-year average even by a remarkable 42 %. It also represents the second-best result ever recorded; only in 2016 was a higher take-up realised. Demand is at a stable high level in all market segments. As expected, demand is particularly strong in the e-commerce sector, which continues to boom. In addition, the restructuring of supply chains due to the current problems with preliminary products also adds further impulses. Especially in this segment, there are frequent enquiries for space available at short notice with short lease running times. The central, eastern and western Ruhr area continue to be particularly favoured by users. The most important contracts include those signed by the Berlin Brands Group (90,400 m²) in Werne, Levi Strauss (67,000 m²) in Dorsten and Rhenus (65,000 m²) in Bönen.

LOGISTICS FIRMS ACCOUNT FOR 50 % OF TAKE-UP

Due to its favourable location and vast catchment area, the Ruhr region is traditionally a key location for logistics firms. In the long term, they are the top industry group with an average take-up share of 43 %. They confirmed this top position again in 2021 with almost 51 % market share. Second place goes to the wholsesale/retail sector (a good 34 %), which had led the ranking in the last two years. The modest decline in this sector shall not be interpreted as a weakening in demand. The underlying factor is that many large deals were concluded in previous years, which cannot be repeated year by year. Manufacturing companies account for another 14 %, which is roughly at their usual level.

LARGE DEALS REMAIN IMPORTANT FOR THE MARKET

For some time now, the logistics market in the Ruhr region has also been characterised by large deals. They contribute significantly to the high take-up volumes and are generally higher in number and volume than in the other top markets. Here, the region benefits from a higher supply of space, especially in connection with brownfield developments. It is therefore unsurprising that deals of 20,000 m² or more again account for the lion's share of take-up with almost 56 % in 2021. Medium-sized deals between 12,000 and 20,000 m² also make a significant contribution to the result with 22 %.

Major contracts

Quarter	Company	Location	Area (m²)
Q4	Berlin Brands Group	Werne	90.400
Q3	Levi Strauss	Dorsten	67.000
Q4	Rhenus	Bönen	65.000
Q4	Maersk	Duisburg	40.000
Q3	E-Commerce Company	Hamm	20.300

Key figures logistics market Ruhr region*

	2020	2021	Trend 2022
Prime rent	4,90 €/m²	5,20 €/m²	↗
Average rent	4,20 €/m²	4,50 €/m²	↗
Take-up	669.000 m²	683.000 m²	↗
- Share of owner-occupiers	14,0 %	7,3 %	→
- Share of new buildings	70,7 %	77,3 %	→

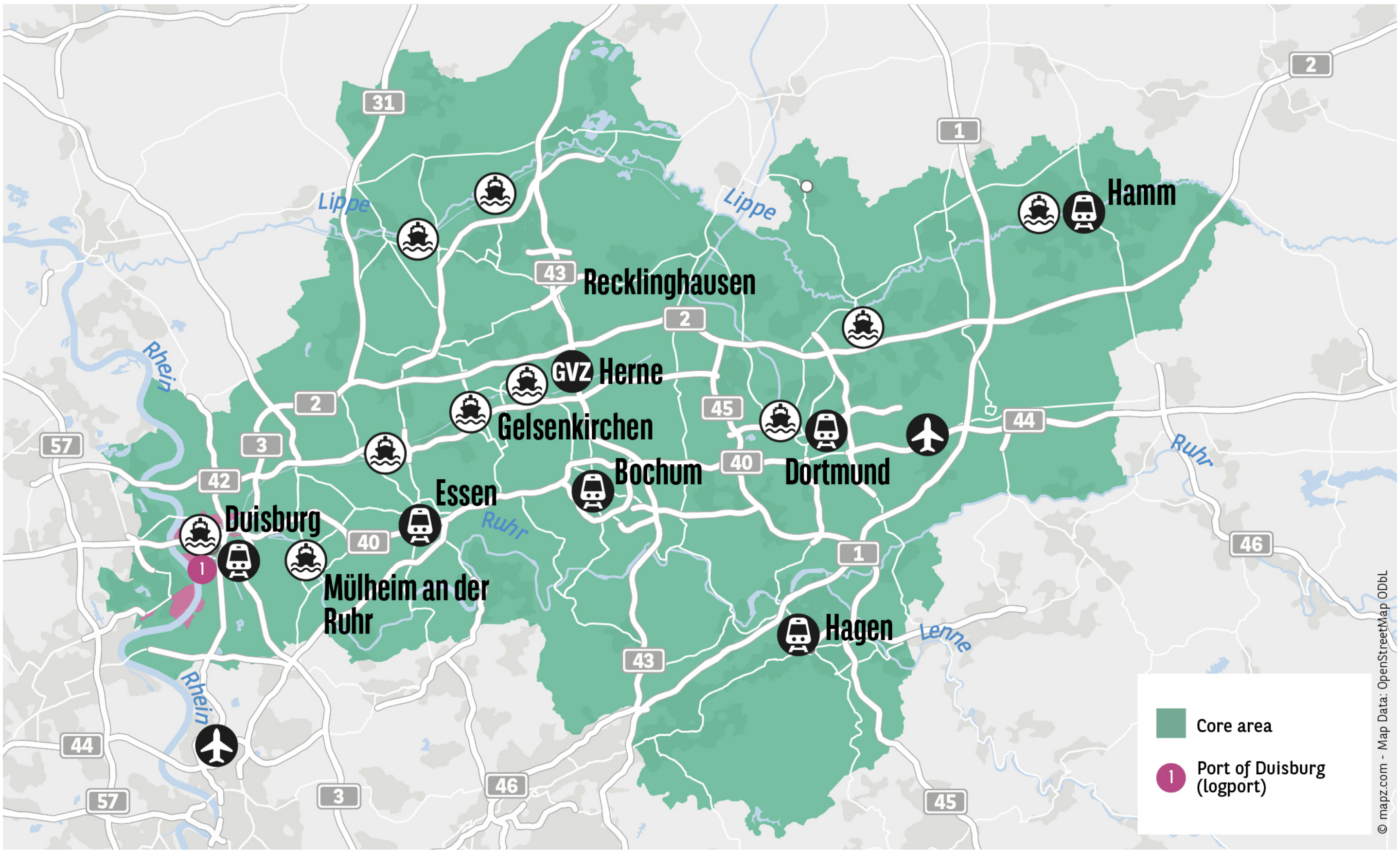
* Deals ≥5,000 m²

VERY HIGH PROPORTION OF NEW BUILDINGS

Due to the availability of space outlined above, the Ruhr region traditionally has a higher take-up share of new built properties than all other major logistics regions. This has been confirmed again this year. More than three quarters of take-up is accounted for by new-build space, which once again exceeds the already high average. Due to the very high demand, however, new space is absorbed at very short notice, so that overall a slight decline in supply can be observed. This is also reflected in the development of rents. Within a year, the prime rent increased by a good 6 % to 5.20 €/m² and the average rent by as much as 7 % to 4.50 €/m². This implies that the Ruhr region recorded the strongest rental growth of all German logistics regions analysed in 2021.

PERSPECTIVES

From today's perspective, everything points to continued high demand and above-average take-up in 2022. This will be favoured not least by a noticeable economic upturn in the second half of the year. Against this backdrop, it is good news that supply is likely to expand somewhat as a number of major new developments are underway and as also some existing space may be coming onto the market. However, a further slight increase in rental prices is likely, also pushed by rising construction costs in project developments.



Imprint Publisher and copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 31.12.2021

Further Information BNP Paribas Real Estate GmbH | Branch office Düsseldorf | Phone +49 (0)211-52 00-00 | www.realestate.bnpparibas.de