

# LOGISTICS MARKET GERMANY

2,909,000 m<sup>2</sup>

TAKE-UP

-40 %

H1 2023 vs. H1 2022

-10 %

IN COMPARISON TO  
10-YEAR AVERAGE

AT A GLANCE  
Q2 2023

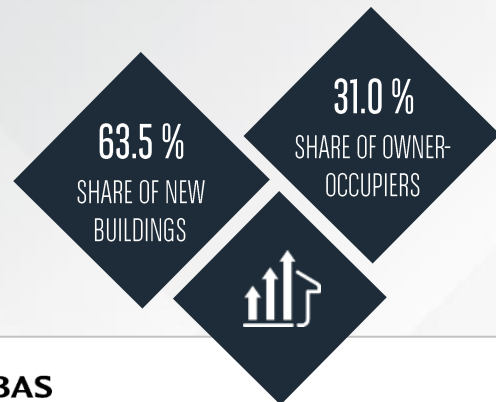
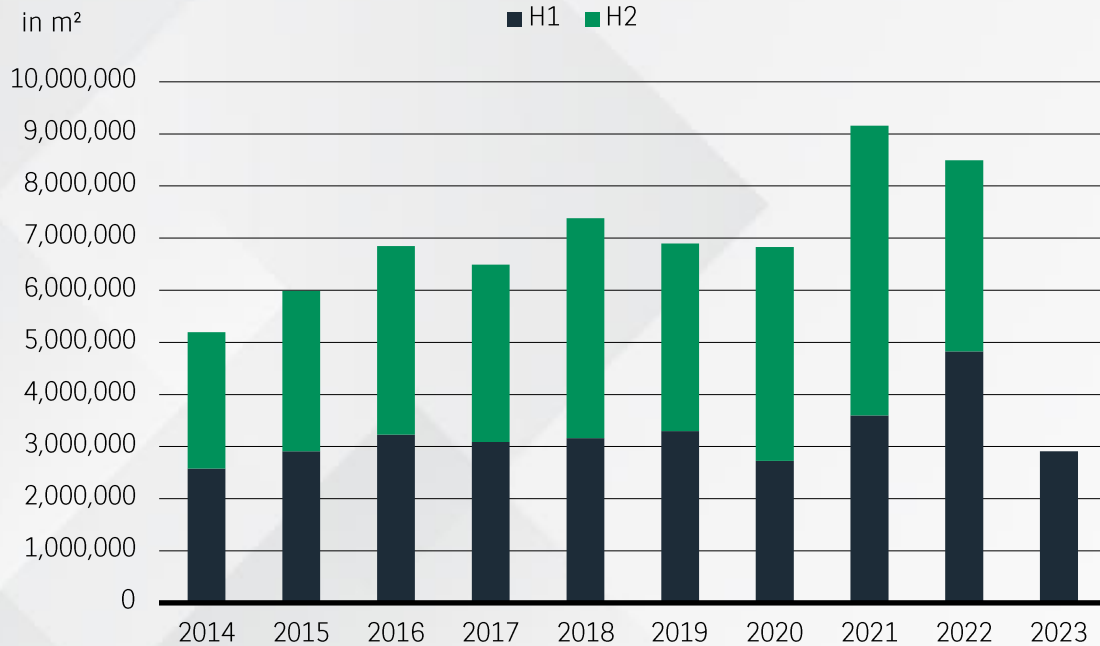


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# LOGISTICS LETTING MARKET INCREASED IN Q2

## LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN GERMANY

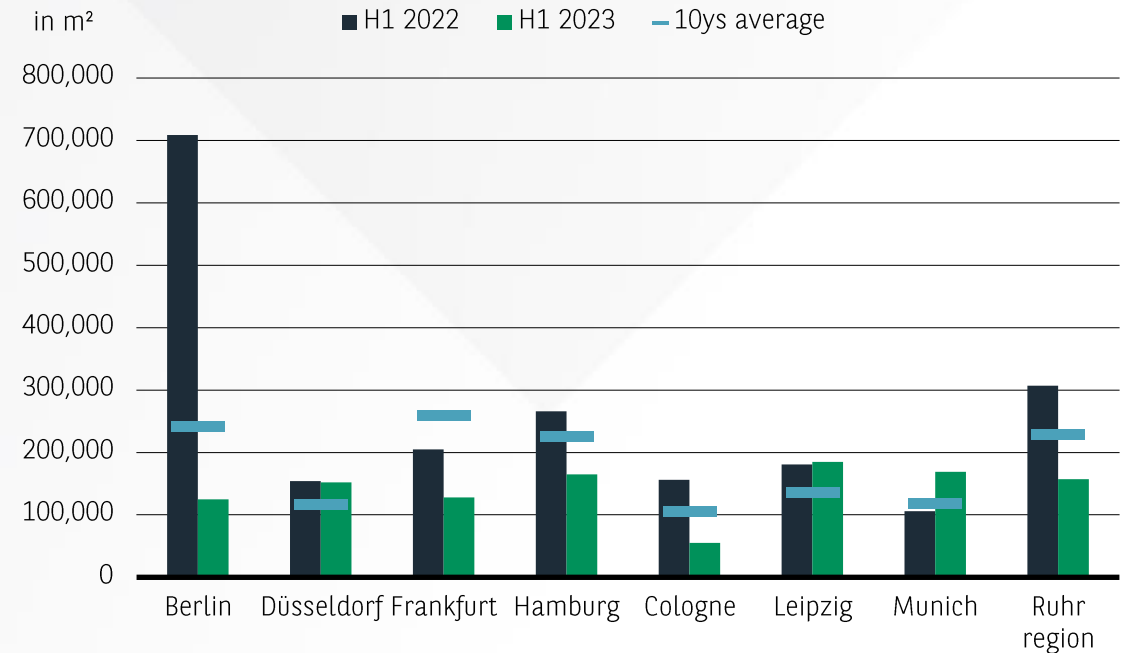


- The momentum on the logistics letting market increased noticeably in the second quarter, resulting in take-up of 2.9 million m<sup>2</sup> (including owner-occupiers) at the end of the first half of the year. As expected, the market was thus unable to match the previous year's brilliant result of 4.8 million m<sup>2</sup>, which was mainly driven by the Tesla construction start in Grünheide near Berlin with 327,000 m<sup>2</sup>. The ten-year average of around 3.2 million m<sup>2</sup> (-10 %) remains unattained for the moment as well.
- The ongoing phase of economic weakness is not leaving the logistics markets unscathed, which can be seen, for instance, in the reduced demand from retail companies. However, the core problem of the decline in take-up is clearly the prevailing lack of supply, which is underlined by the shares of logistics firms and manufacturing companies close to or even above the average.
- Due to a lack of alternative space or in order to save costs, many companies decide to take out lease options, i.e. lease extensions, instead of new rental space.

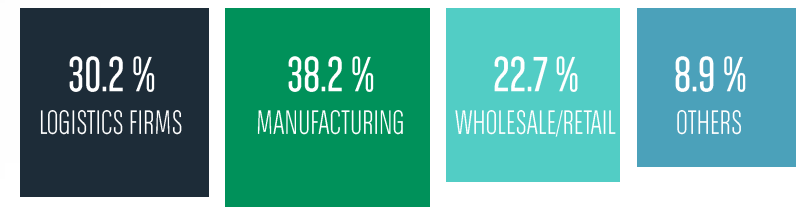
# LACK OF SUPPLY LIMITS TAKE-UP IN CORE MARKETS

- Despite the recent market upturn, the half-year results in many regions not only remain behind the strong take-ups of the first half of 2022, but also miss the long-term average comparatively significantly in many markets.
- Positive exceptions are Leipzig with 185,000 m<sup>2</sup> (+37 % compared with the long-term average), Munich (169,000 m<sup>2</sup>; +43 %) and Düsseldorf (152,000 m<sup>2</sup>; +31 %). The Hamburg market is currently on a par with Munich, but with take-up of 165,000 m<sup>2</sup> it cannot meet its own standards (-27 % in a long-term comparison). Frankfurt (128,000 m<sup>2</sup>; -51 %), Berlin (125,000 m<sup>2</sup>; -48 %) and especially Cologne (55,000 m<sup>2</sup>; -48 %) follow at some distance. The Ruhr region, with 157,000 m<sup>2</sup>, remains around 31 % below its average.
- Due to the lack of supply in the core markets, an increasing number of requests are being realised outside the top agglomerations. Accordingly, an above-average take-up of 766,000 m<sup>2</sup> is registered for these regions.

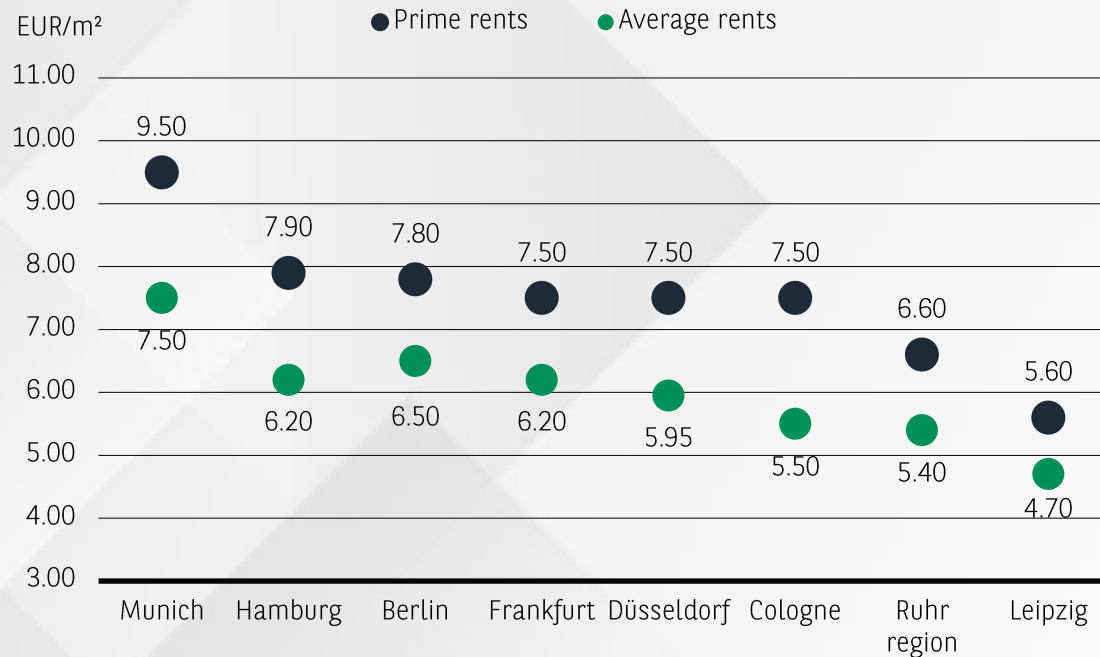
## LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP BY REGION IN GERMANY



## TAKE-UP BY SECTOR



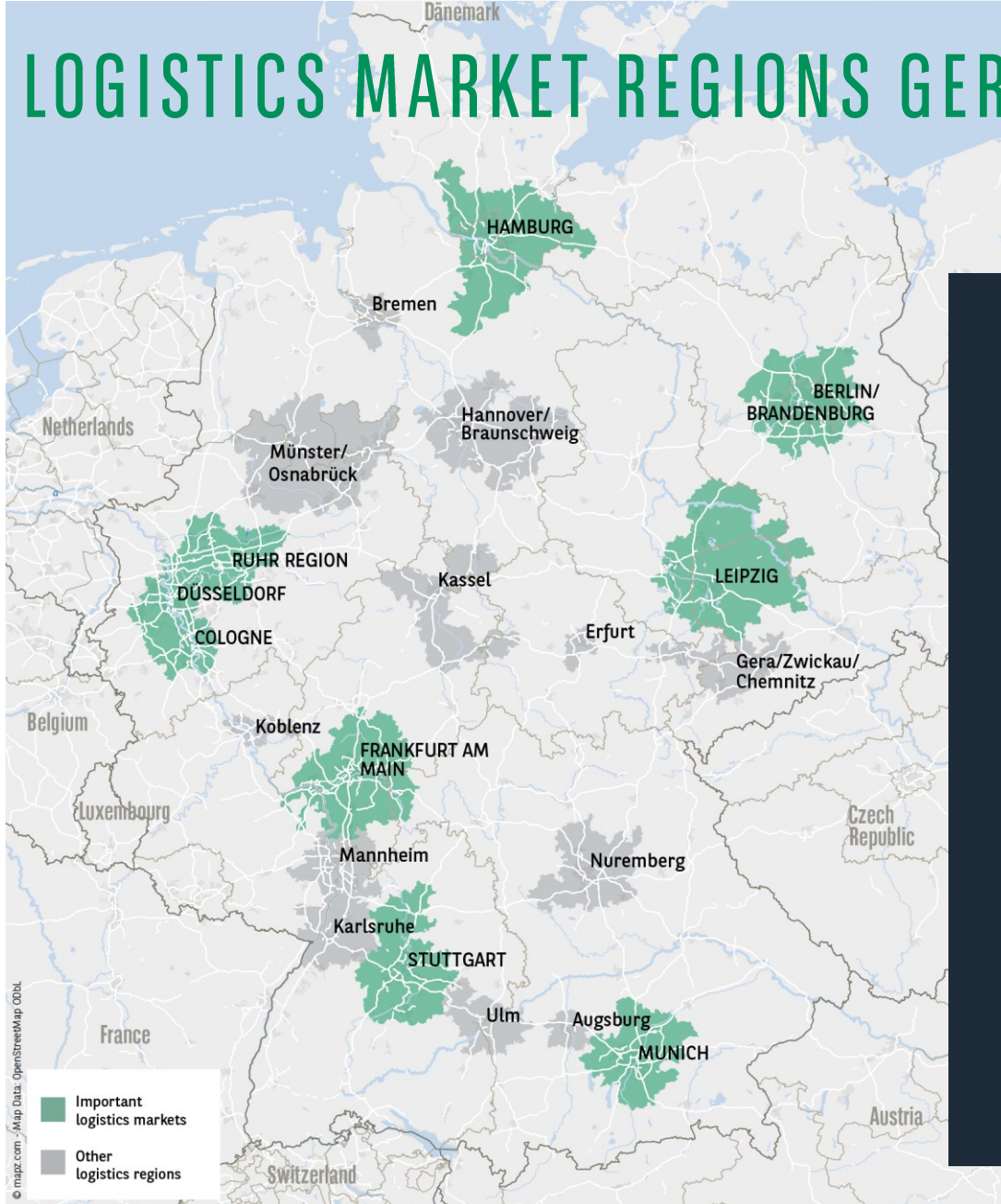
## TOP AND AVERAGE RENTS IN IMPORTANT LOGISTICS MARKETS



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- The prevailing supply shortage has led to a sustained rise in rents over the course of the year. The top logistics markets of Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, and Munich recorded an increase in averaging prime rents of 11 % to the current level of 7.61 €/m<sup>2</sup>. Average rents have also risen sustainably by 9 % to 6.08 €/m<sup>2</sup>.
- Supported by a return to more dynamic economic development, the logistics markets are expected to pick up further in the second half of the year. Certainly, letting extensions will remain an attractive solution for many companies in view of the frequent lack of alternative space and the high level of rents. However, it can be assumed that the increasing demand will also be reflected positively in take-up. For many logistics regions, an annual result in line with the long-term average should therefore be realistic.
- Meanwhile, the rental price level is likely to continue to trend upwards due to the ongoing supply shortage as well as rising ESG requirements.

# LOGISTICS MARKET REGIONS GERMANY



**MAJOR CONTRACTS**

**210,000 m<sup>2</sup>**  
Volkswagen  
Salzgitter

**86,000 m<sup>2</sup>**  
Manufacturing  
Bitterfeld-Wolfen

**73,000 m<sup>2</sup>**  
Automotive  
Pilsting

**50,000 m<sup>2</sup>**  
Smyths Toys  
Wallersdorf

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