

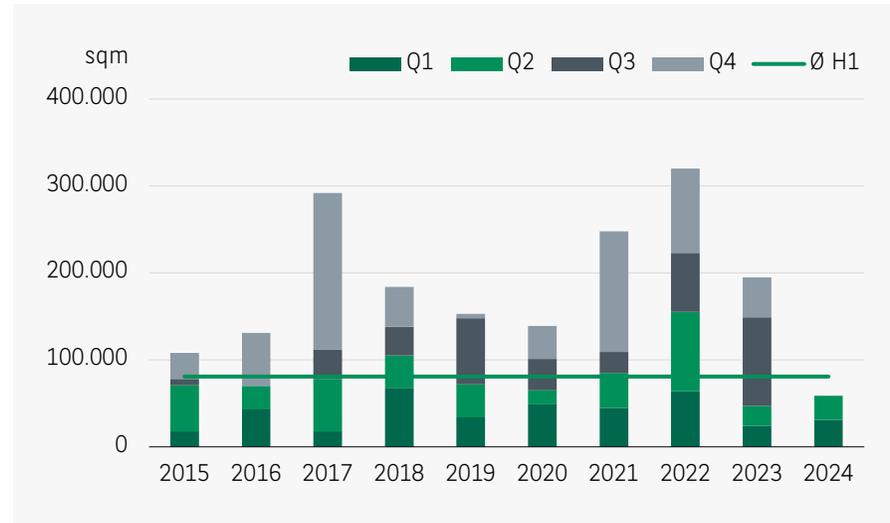


STUTT GART

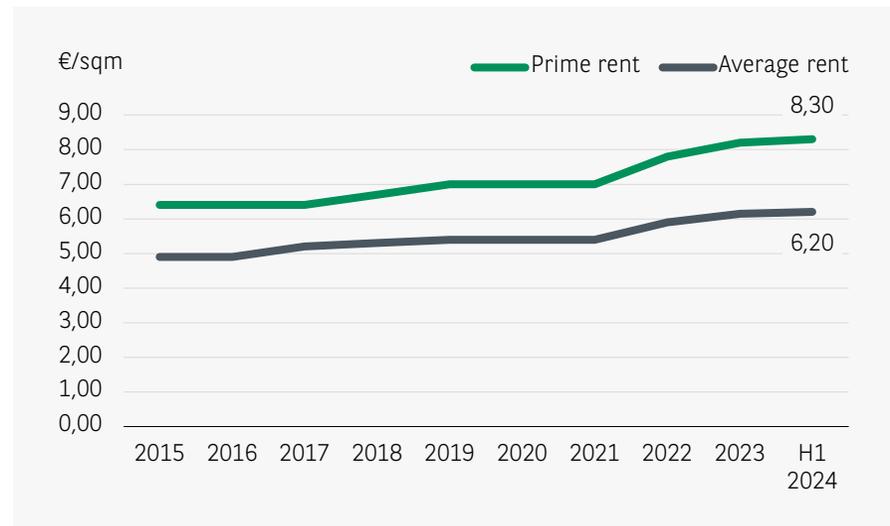
REPORT LOGISTICS MARKET

H1 2024

Development of light industrial and logistics take-up



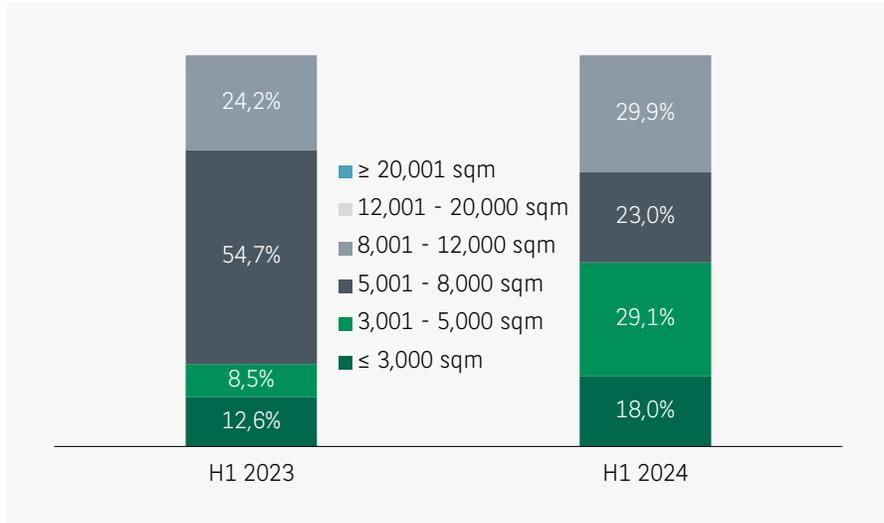
Prime and average rents



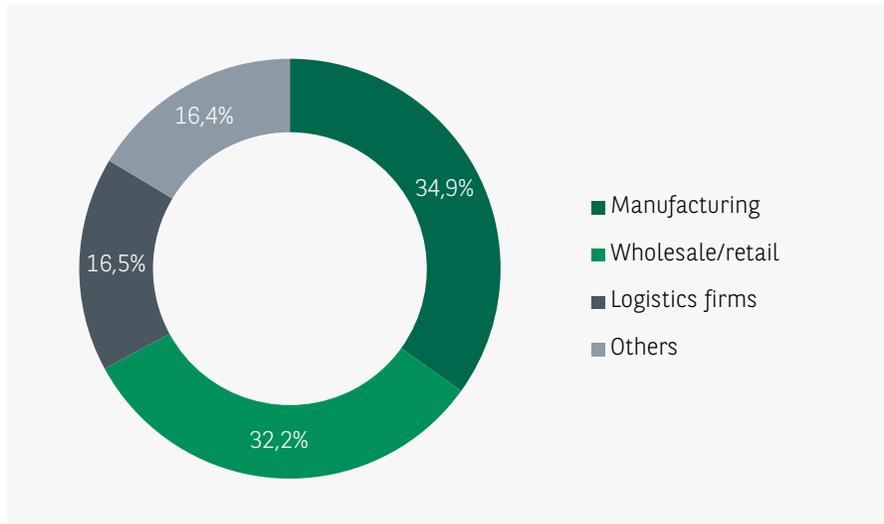
NO LARGE-SCALE CONTRACTS SIGNED YET

- The Stuttgart warehouse and logistics market (including owner-occupiers) recorded take-up of 59,000 m² in the first half of the year. The federal state's capital thus surpassed the rather weak result of the previous year by one quarter, but, like most large logistics hubs, missed the ten-year average (-27 %).
- As in the first half of the previous year, letting activity has so far been characterised by smaller contracts, with no deals above the 10,000 m² mark yet being signed. The largest rental agreement to date was concluded by a logistics firm in Talheim for 9,000 m².
- Demand for warehouse and logistics space is currently being dampened somewhat by the weakening economy, meaning that some companies are tending to wait and see how the economy develops and delay their relocation and expansion plans. At the same time, the supply situation remains very limited, particularly in the large-scale, modern hall segment, as there are hardly any suitable plots available for new developments within the market area. The noticeable rise in rents, which is also a result of this, is another reason why more and more tenancy agreements are being extended in existing spaces.
- After gradually rising in 2022 and 2023, the rent level has not changed any further compared to the first quarter and is thus following the nationwide trend of stabilising rents. The prime rent amounts to €8.30 per m² and the average rent at €6.20 per m².

Take-up by size category



Take-up by sector



MANUFACTURING AND RETAIL WITH HIGHEST DEMAND

- The distribution of take-up by size category is fairly even in the segments up to 10,000 m². The percentage shares range from 18% for small transactions of up to 3,000 m² to just under 30 % in the 8,000 to 12,000 m² class.
- In terms of sectors, manufacturing companies occupy the top position with 35%, emphasising their importance in the economic region, as they also account for the highest demand for space in the long-term analysis. While retail companies contribute around a third, logistics firms are still underrepresented at 16.5 %.
- Owner-occupiers account for 11% of the result and are also responsible for two of the new build developments - the new build share totals 24%.

Major contracts

Quarter	Company	Location	m ²
Q1	Fritz Logistik	Talheim	9,000
Q2	Manufacturing	Esslingen	8,600
Q1	Atlanta Antriebssysteme	Korntal-Münchingen	7,100
Q2	Wholesale/retail	Göppingen	6,500

OUTLOOK

- The weakening economic situation in Germany is also reflected in a somewhat reduced demand on the Stuttgart warehouse and logistics market in the first half of the year. Nevertheless, take-up increased compared to the moderate result from the same period of the previous year despite the lack of major contracts.
- No significant changes are expected for the further development of the market for the time being as the leading economic institutes are forecasting very low growth for the second half of the year only, implying that demand is likely to continue to lack strong impetus from the economy.
- The supply is currently being expanded mainly outside the actual Stuttgart market area through speculative new-build properties already under construction. In the more central locations, construction activity is lower due to a lack of suitable plots and there is still a relatively small supply of modern, large-scale halls in the existing stock.
- There is certainly potential for further growth in both prime and average rents. However, due to the current economic conditions, stabilisation at the current level appears to be the more likely scenario from today's perspective.

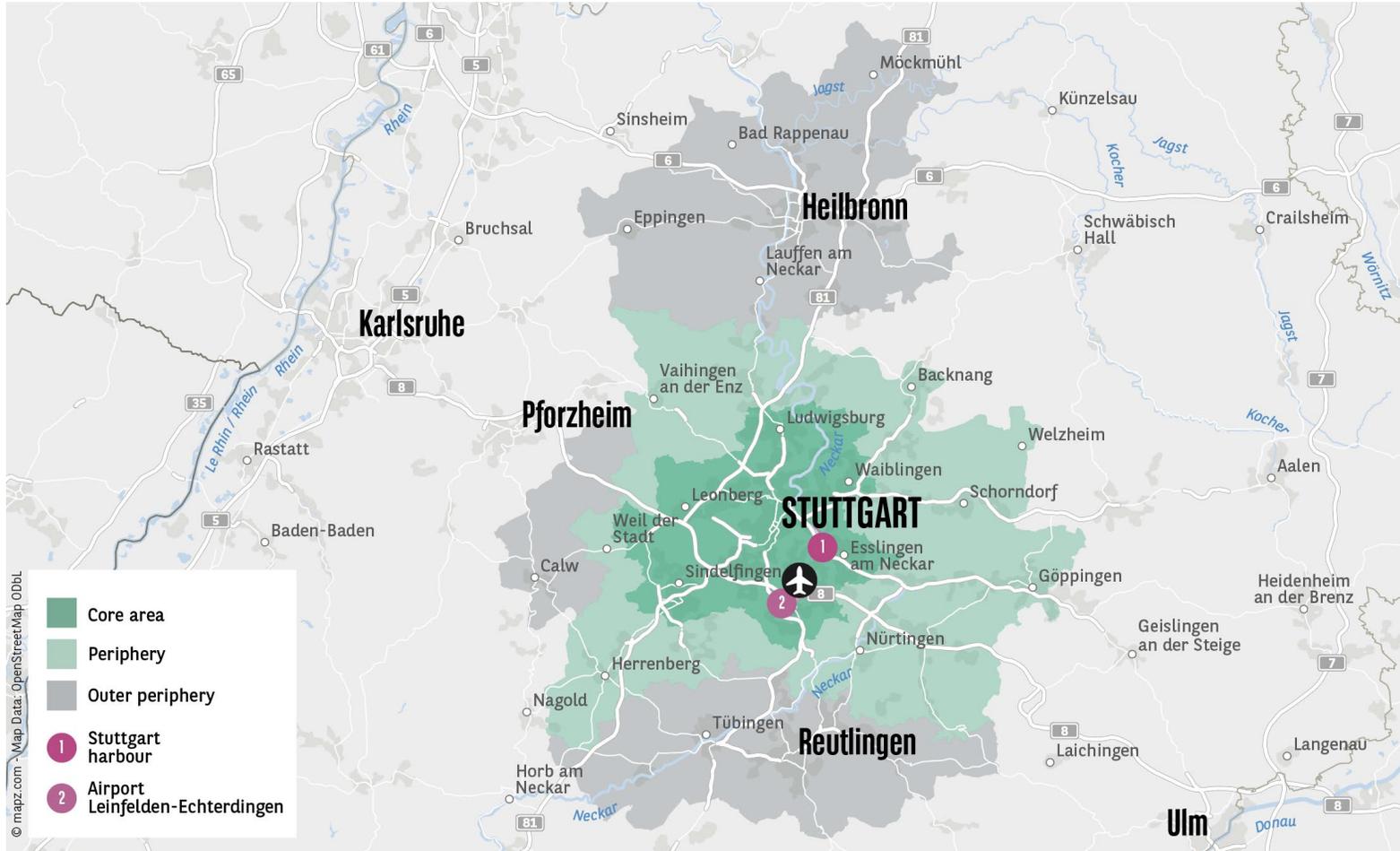
Key figures logistics market Stuttgart

RENTS AND TAKE-UP	H1 2023	H1 2024	%-DIFFERENCE
Prime rent (in €/sqm)	8.10	8.30	2.5%
Average rent (in €/sqm)	6.10	6.20	1.6%
Total take-up (in sqm)	47,000	59,000	25.5%

SECTORS	H1 2023	H1 2024	LONG-TERM Ø
Logistics firms	28.4%	16.5%	19.0%
Wholesale/retail	0.0%	32.2%	18.9%
Manufacturing	57.5%	34.9%	47.6%
Others	14.1%	16.4%	14.5%

SIZE CATEGORIES	H1 2023	H1 2024	LONG-TERM Ø
Share of deals > 20,000 sqm	0.0%	0.0%	15.3%
Share of deals ≤ 20,000 sqm	100.0%	100.0%	84.7%

OWNER-OCCUPIERS/NEW BUILDING SHARE	H1 2023	H1 2024	LONG-TERM Ø
Share of owner-occupiers	0.0%	10.9%	30.4%
Share of new buildings	53.2%	23.8%	47.4%



LOGISTICS MARKET STUTTART

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