GERMANY

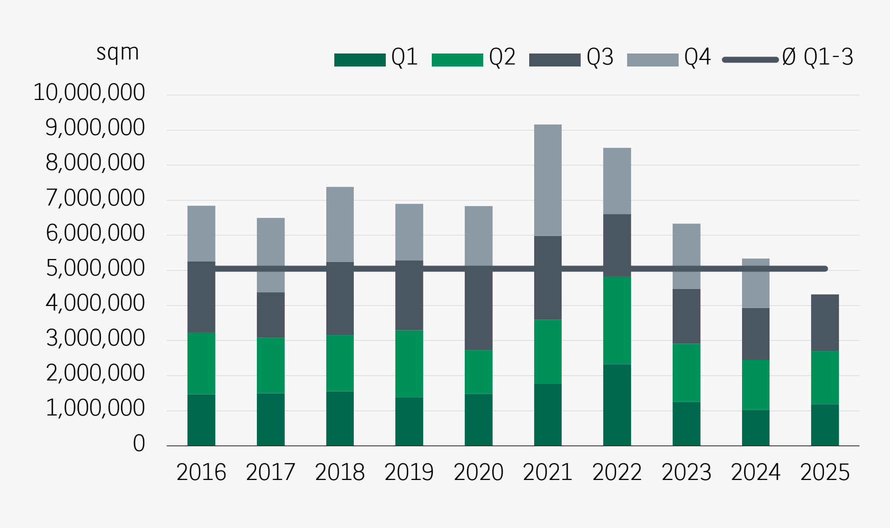
REPORT LOGISTICS MARKET

Q1-3 2025

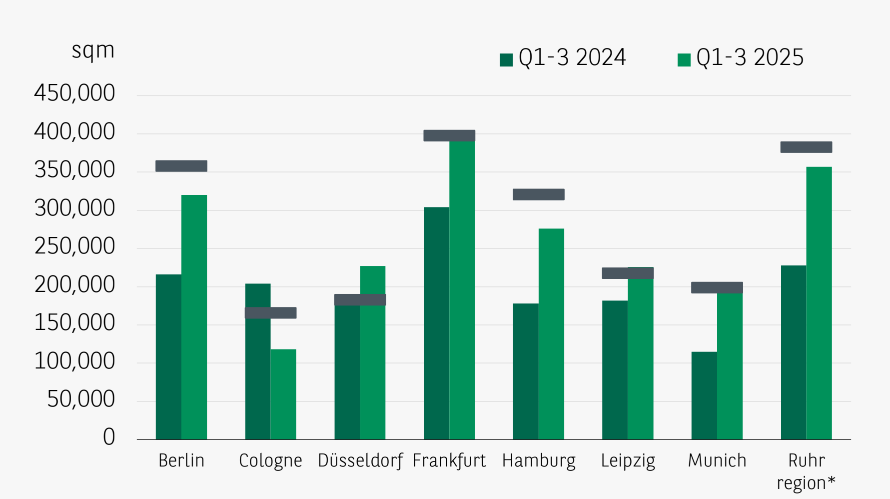
BNP PARIBAS REAL ESTATE

REAL ESTATE for a changing world

Development of warehouse and logistics take-up Germany



Take-up in important logistics markets



* Deals ≥ 5.000 sqm

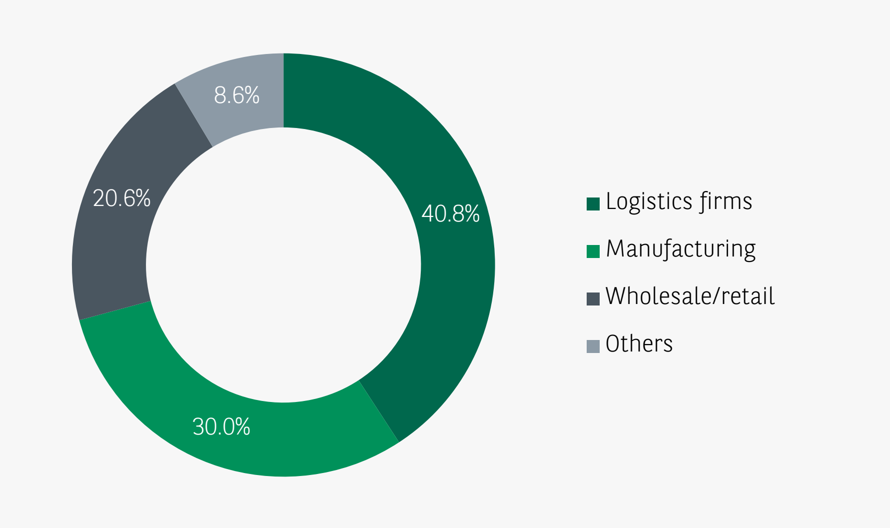
TAKE-UP INCREASES SIGNIFICANTLY COMPARED TO PREVIOUS YEAR

– By the end of the third quarter, the nationwide logistics market achieved a take-up of 4.3 million square metres, is 10% higher than the previous year's result. Following a subdued start to the year, the market gained momentum, with take-up rising to 1.5 million sqm in Q2 and 1.6 million sqm in Q3. Despite the ongoing weak economic environment, this result is very positive, even if it is still 14% below the ten-year average.

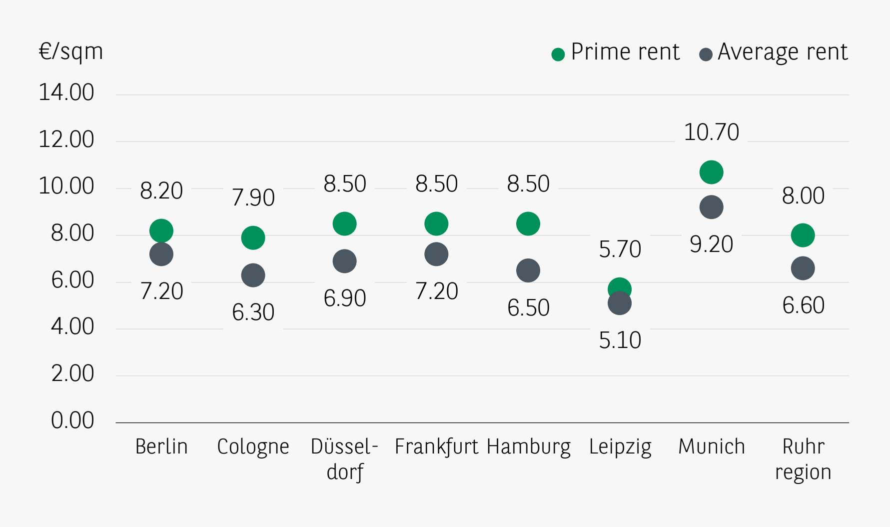
– Since the second quarter, there has been more activity and a better mood among companies on the market compared to the weak previous year. This is reflected, among other things, in a higher number of large-scale contracts and an increasing number of space requests. It is noteworthy that there is also greater demand for space from the e-commerce sector again.

– It is primarily the top logistics markets (Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg,, Leipzig and Munich) that are growing significantly compared to the same period last year, with an increase of 27% and a total take-up of 1.8 million square metres, which is only 4% below their long-term average. Frankfurt leads the ranking clearly with 399,000 sqm (+31% compared to the same period last year), followed by Berlin (320,000 sqm; +48%) and Hamburg (276,000 sqm; +55%). While Düsseldorf (227,000 sqm; +19%), Leipzig (226,000 sqm; +24%) and Munich (198,000 sqm, +72%) also recorded growth, Cologne was the only top market recording a decrease in take-up y-o-y. Last year’s strong result of 118,000 sqm was missed by 42%. By contrast, the Ruhr region already reached its annual take-up of 2024 by the end of September (357,000 sqm; +57%).

Take-up by sector



Prime and average rents in important logistics markets



PRIME RENTS ROSE MODERATELY

- Logistics service providers are the most important demand group in the current review period. With a 41% share of take-up, they are well ahead of other sectors and achieved above-average figures in absolute terms. Numerous large-scale contracts have contributed to this development – including those from companies with a home base in the Asian region. As those firms also handle the business of retail companies, among others, this puts the still comparatively low market share of the retail sector (21%) into perspective. Manufacturing companies, which were very strong in the previous two years, are now back close to their long-term average with a current share of 30%.

- Rents rose slightly again in some markets in the third quarter. Compared to the previous year, the average increase in prime rents across all locations was 2.4%. Munich remains by far the most expensive market at €10.70 per sqm (+2%). In Frankfurt, prime rent rose to €8.50 per sqm, reaching the same level as Düsseldorf and Hamburg. While top rent in Berlin reached €8.20 per sqm, the prime rent in the Ruhr region climbed to €8 per sqm. In Cologne, the top rent rose by 3% to €7.90 per sqm, and in Leipzig it remained unchanged at €5.70 per sqm.

- Average rents have also risen, resulting in an increase of 3.9% compared with the previous year and across all major locations.

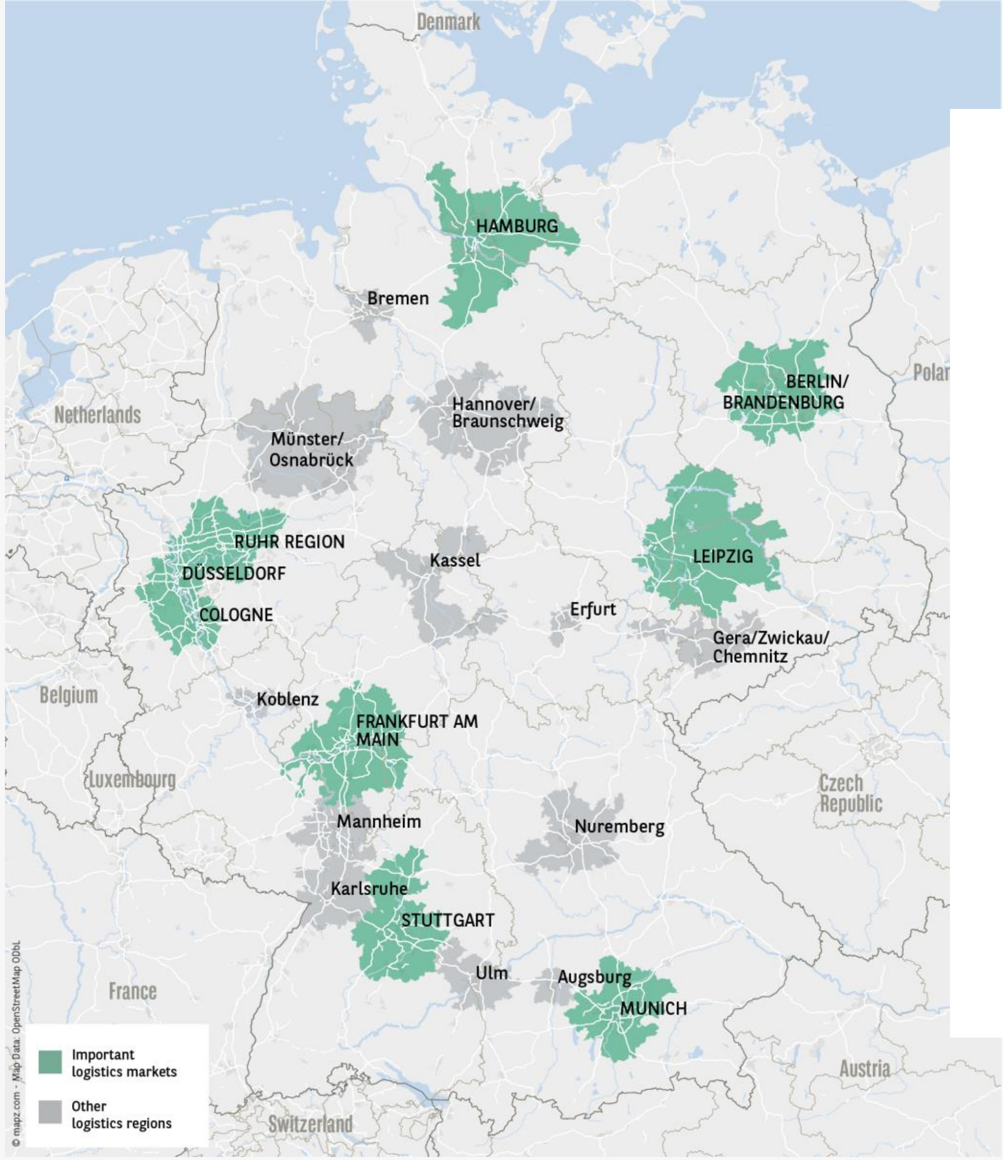
OUTLOOK

- The nationwide logistics market is currently in solid shape, despite the ongoing challenging conditions. In addition to the lack of economic tailwinds and various geopolitical crises and armed conflicts, US customs policy remains a source of uncertainty for companies.
- On the other hand, the German special funds for infrastructure and climate neutrality, as well as the financial flexibility for defense spending, have had a positive effect on business sentiment. However, due to the delay in specific investments, stimulating impulses are expected mainly from 2026 onwards. In addition, the implementation of necessary reforms to strengthen the economy is expected to have positive effects, so that higher economic growth and, as a result, higher logistics take-up can be expected from next year onwards. Increased demand is already evident in the armaments and defense sector in particular – a trend that is likely to intensify from next year on.
- For the running year, it can be assumed that demand will continue to develop robustly until the end of the year and that take-up is likely to remain stable at least at the level of the past two quarters. However, the final quarter often sees a significant increase in market activity, so there is a realistic chance that total take-up will once again approach a volume of 6 million square metres. A broad upturn in take-up outside the major logistics hubs would be an important factor in this regard. However, the weak result of 5.3 million square metres recorded in the previous year is likely be significantly exceeded.
- In terms of rental prices, further slight upward adjustments are possible, particularly in markets with a limited supply of modern space.

Key figures logistics market Germany

	Q1-3 2024	Q1-3 2025	CHANGE
Take-up important logistics markets (sqm)			
Berlin	216,000	320,000	48.1%
Cologne	204,000	118,000	-42.2%
Düsseldorf	190,000	227,000	19.5%
Frankfurt	304,000	399,000	31.3%
Hamburg	178,000	276,000	55.1%
Leipzig	182,000	226,000	24.2%
Munich	115,000	198,000	72.2%
Subtotal	**1,389,000**	**1,764,000**	**27.0%**
Take-up other locations (≥ 5,000 sqm)			
Ruhr region	228,000	357,000	56.6%
Other logistics regions (see map)	779,000	800,000	2.7%
Rest of Germany	1,533,000	1,392,000	-9.2%
Subtotal	**2,540,000**	**2,549,000**	**0.4%**
Total Germany	**3,929,000**	**4,313,000**	**9.8%**
Share of owner-occupiers	32.4%	29.7%	-2.7%pts
Share of new buildings	62.6%	57.8%	-4.8%pts

LOGISTICS MARKET GERMANY



Major contracts

78,000 sqm
Birkenstock
Dresden region

68,000 sqm
ID Logistics
Diemelstadt

65,000 sqm
Netto
Kremmen

60,000 sqm
ESMC
Dresden

60,000 sqm
ID Logistics
Estorf

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