Take-up in the German logistics and warehouse premises market in the first quarter of the year totalled close to 1.07 m m². Although this was around 7.5 % down on the comparable prior-year figure, it was still slightly higher – by a margin of 2.5 % – than the average of the past six years. So, all things considered, the logistics market has definitely made a satisfactory start to 2013 even though it was not quite able to sustain the remarkable dynamism of the past two years. One prime reason for this is certainly the slower pace of general economic development which has made many business firms somewhat more cautious about making decisions on relocating and renting new premises. Aggregate take-up of logistics and light industrial space in the major German centres (Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Leipzig and Munich) was 401,000 m², representing a marked year-on-year decline of nearly 23 %. In the rest of Germany, though, space turnover developed positively in the first three months, fuelled by good performances in several regions, to reach a total of 666,000 m², corresponding to a rise of just over 5 %.

TOP LOCATIONS REGISTER TAKE-UP DECLINES

With the exception of Frankfurt and Leipzig (each: +5 %), all the chief German locations suffered declines in take-up, with especially marked falls in Hamburg (-53 %), Berlin (-48 %) and Düsseldorf (-31 %). This was mainly due to the relative lack of large deals compared with the previous year. Outside these major centres, though, turnover rose in some cases. Examples are the Ruhr area, which produced an increase of nearly 2 %, and the Erfurt region, where the logistics firm of Fiege concluded the biggest deal of the first three months by taking out a lease for around 95,000 m².

MEGA-DEALS RARE UP TO NOW

The distribution of turnover across the different size classes is comparable to that seen in the first quarter of last year. Nationwide, by far the biggest share of take-up was achieved by the largest size bracket of over 20,000 m² with more than 39 % of the total. In second place came the next-smaller category, of 12,000-20,000 m² (27 %). Deals of between 8,000 and 12,000 m² also finished in the double-digit percentage range, with a contribution of 12 %. Mid-size leases of 5,000-8,000 m² accounted for a respectable slice of just over 7 %.
BUSINESS-SECTOR SPREAD LARGELY UNCHANGED

Compared with the equivalent period last year, there has been little change in the way take-up is distributed across the various sources of demand. The ranking is again led by logistics firms, with just over 41 % of take-up; this represents an increase on last year's first quarter (33 %). Manufacturing companies, with around one third of all turnover, again secured the silver medal. Third place went to wholesale/retail, which contributed 20.5 % to the result, thus slipping not only in absolute terms but also in relative significance (-6 percentage points). One reason is that this sector could not be expected to constantly repeat the host of spectacular deals it has achieved in recent years. However, it is possible that the somewhat duller economic climate is making retailers more wary about expanding. All the other business sectors have so far played only a subordinate role.

PRIME RENTS PREDOMINANTLY STABLE

In most cities, the top rents remained largely unchanged; against the background of more moderate demand this is hardly surprising. The only exception was Munich, where the top rent climbed by 10 cents to 6.30 €/m². This means that the Bavarian capital is the most expensive logistics centre in Germany. Next come Frankfurt with 6.20 €/m², Hamburg with 5.60 €/m² and Düsseldorf with 5.10 €/m². Top rents of under 5.00 €/m² are registered in Cologne (4.80 €/m²) and Berlin (4.70 €/m²). Elsewhere, the top rents for high-quality logistics premises are considerably more favourable, for instance in Leipzig (4.25 €/m²) and the Ruhr area (4.20 €/m²). Even though nominal top rents have mostly remained stable, a slight upward trend is evident in terms of effective rents, since the limited availability of space has led to a cutback in incentives.

OUTLOOK

In view of the somewhat modest first-quarter performance, there are good reasons for assuming that 2013 as a whole will not quite be able to match the excellent results of the past two years. Backing this estimation is the fact that the economy is only now slowly beginning to pick up again after a long, hard winter. Nevertheless, aggregate take-up this year should still be good to very good on a long-term comparison. From today’s angle, a total in the range of 4.5 m² definitely appears realistic.