Opening Quarter Breaks 2015 Record

In the first quarter of 2016, take-up in the warehouse and logistics premises market in the Ruhr region (counting just leases upwards of 5,000 m²) totalled around 144,000 m². That was about one fifth higher than the record set just last year. Compared with then, this year’s extraordinary result was due to a considerably lower number of deals, some of which, though, were very substantial. The outstanding example is the 95,000 m² spare parts logistics centre being built in Bochum for Adam Opel AG. That huge project also impacts on the new-build share of take-up: at over 95%, the first-quarter figure was exceptionally high and it would still have been out-of-the-ordinary even without this special effect. That reflects very clearly the extremely restricted availability of modern premises of over 5,000 m² in the Ruhr region. At more than 90%, the owner-occupier proportion is also very high.

Manufacturers Head Ranking

In contrast to the end of the first quarter of 2015, when the business-sector distribution was headed by the traditionally strong sector of logistics firms, the Opel deal has helped to produce a change, with the result that manufacturers now lead the field by a large margin, with more than 71% of all turnover. Way behind in second place, with just under one quarter of all take-up, come logistics companies. At just over 4%, the share generated by retailers was somewhat below average. However, in view of the fact that this result was shaped by only a limited number of contracts, it must definitely be seen as merely temporary, subject to change in the further course of the year.

Opel Project Also Influences Size Distribution

Another table influenced by the Opel contract is the distribution of take-up according to size classes. Thanks to that deal and the lease for a goods distribution centre of around 27,000 m² concluded by Bertelsmann service-provider Arvato, the size category of over 20,000 m² gained a share of close to 85%. That was almost 60 percentage points higher than the year before. On the other hand, the prior-year leader, the 12,000-20,000 m² bracket, has so far not featured any deals at all. All the other registered new contracts were in the size class between 5,000 and 8,000 m². In addition, though, demand in the smaller-unit four-figure segment was lively.
FURTHER RISE IN PRIME RENT

As a result of the buoyant demand and the ongoing shortage in the availability of more sizeable premises, the prime rent has risen slowly but very steadily in the course of the past twelve months. After climbing somewhat by the middle of 2015, it rose further in the second half of the year, to 4.70 €/m². In the first quarter of this year, it firmed up at that level, which is almost 7% higher than at the same time in 2015. Due to the high new-build proportion, the average rent has also increased: by the end of the quarter it reached around 4 €/m², representing a year-on-year climb of more than 5%. Another factor in this connection is the ongoing reduction in the granting of incentives.

OUTLOOK

Demand can be also expected to develop very healthily in the months ahead and should produce an above-average take-up volume for the year as a whole. In particular, considerably greater activity can be anticipated in those size classes which have so far not registered any deals at all. Since the stocks of existing space remain limited, the construction of new facilities will be one of the driving factors, and this should enable the average rent to maintain its present high level. The same applies to the prime rent. After their extremely strong performance in the first quarter, owner-occupiers are likely to go on forming one of the major sources of demand.