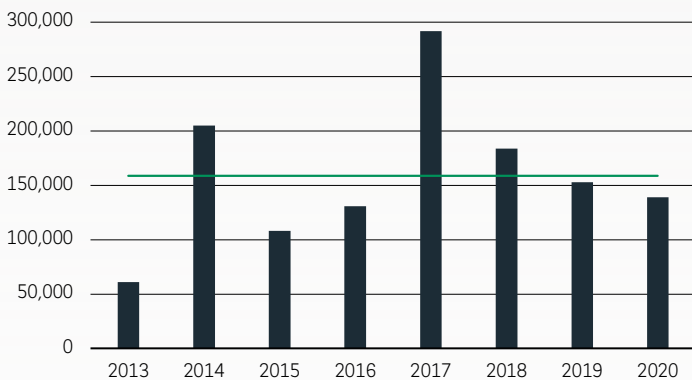


## At a Glance Q4 2020

# LOGISTICS MARKET STUTTGART

### Light industrial and logistics take-up

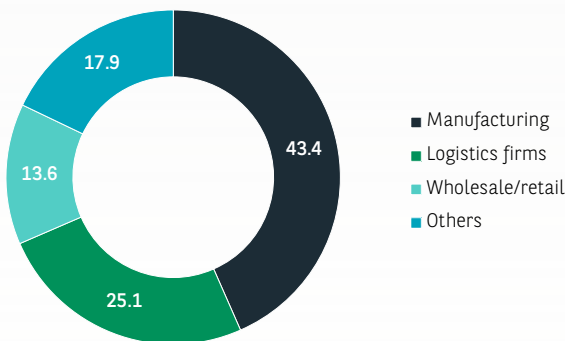
in m<sup>2</sup> ■ Take-up — ∅ 159,000 m<sup>2</sup>



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### Take-up by sector

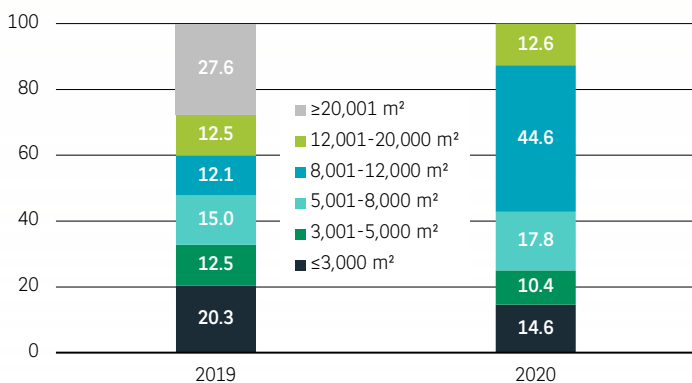
in %



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### Take-up by size category

in %



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### ➤ SUPPLY SHORTAGE REMAINS MARKET DETERMINING

A take-up of 139,000 m<sup>2</sup> was registered in the Stuttgart market area in 2020. This fell short of the previous year's result by around 9 % and of the long-term average by almost 13 %. As in previous years, however, it was not a lack of demand for space that led to this comparatively low level of transaction activity; rather, the shortage of available space was once again the driver of the development. It is above all the lack of large and modern spaces that motivates companies to locate in the periphery. If we look at the locations that are outside the Stuttgart market area but still within the extended catchment area of the Swabian metropolis, it becomes apparent that very large-area contracts, each with more than 20,000 m<sup>2</sup> of space, were mainly concluded in the extended catchment radius of the market area. The situation is different in the market area itself, where no transaction over 20,000 m<sup>2</sup> was registered in 2020.

### ➤ MANUFACTURING COMPANIES MOST ACTIVE

With a take-up (including owner-occupiers) of around 60,000 m<sup>2</sup> or a market share of around 43 %, manufacturing companies were by far the most active sector in the Stuttgart market area. Their volume was mainly driven by three contracts with more than 10,000 m<sup>2</sup> of space each, all of which were concluded in projects under construction. Logistics firms were also comparatively strong in terms of lettings in Stuttgart - not least because of the change in consumer habits, they are certainly benefiting from the pandemic. With a take-up of around 35,000 m<sup>2</sup>, they exceeded their previous year's result by a good 57 %. Wholesale/retail companies accounted for a take-up of just under 19,000 m<sup>2</sup> or 14 % of the market share, which is clearly below average in a national comparison (37 %).

### ➤ NO DEAL BEYOND 20,000 m<sup>2</sup>

Apart from Munich, whose market is also characterised by a considerable shortage of high-quality space, Stuttgart is the only market in Germany in which no contract for more than 20,000 m<sup>2</sup> of space was concluded in 2020. By far the largest deal was concluded by the public sector (sector: other) with 17,500 m<sup>2</sup>. Five contracts each had an area of approx. 10,000 m<sup>2</sup>. They thus contributed significantly to the almost 45 % market share of the size class 8,001-12,000 m<sup>2</sup>. Compared to the previous year, take-up in the 5,001-8,000 m<sup>2</sup> size class rose by almost 8 % to around 25,000 m<sup>2</sup>.

## Major contracts

Quarter	Company	Location	Area (m <sup>2</sup> )
Q1	Public sector	Korntal-Münchingen	17,500
Q3	Elflein	Böblingen	10,600
Q1	Wüst	Heilbronn	10,500
Q4	Bosch	Reutlingen	10,500
Q4	Parsa Beauty	Kirchardt	10,000

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## Key figures logistics market Stuttgart

	2019	2020	Trend 2021
Prime rent	7.00 €/m <sup>2</sup>	7.00 €/m <sup>2</sup>	➔
Average rent	5.40 €/m <sup>2</sup>	5.40 €/m <sup>2</sup>	➔
Take-up	153,000 m <sup>2</sup>	139,000 m <sup>2</sup>	➡
- Share of owner-occupiers	16.3 %	28.4 %	➡
- Share of new buildings	41.2 %	50.4 %	➔

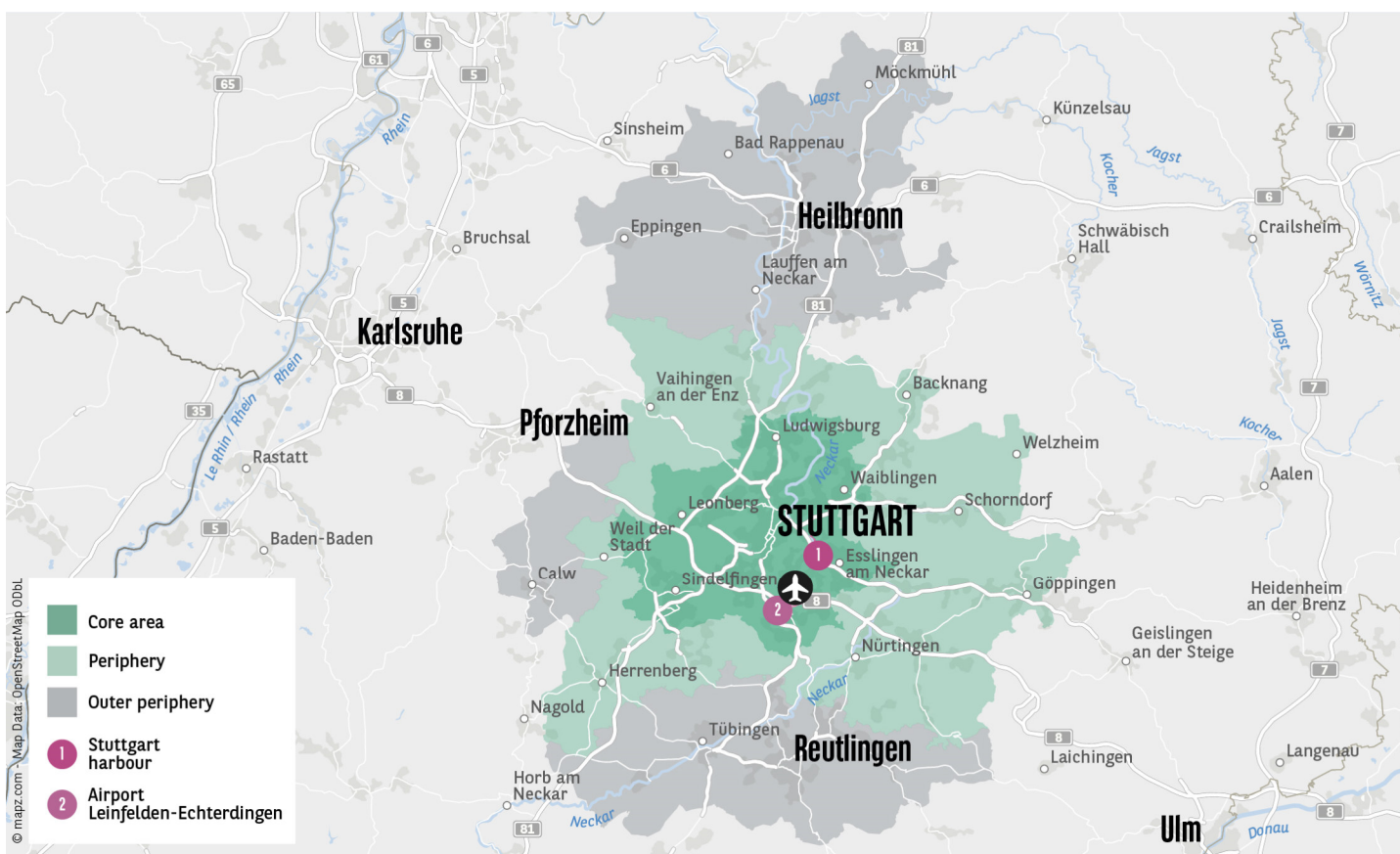
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## ➤ HIGHER SHARES OF OWNER-OCCUPIERS AND NEW BUILDINGS

Owner-occupiers accounted for around 28 % of the annual result. Their take-up rose by 58 % compared to 2020 to just under 39,000 m<sup>2</sup>. In addition to two transactions of around 10,000 m<sup>2</sup> each, space in the medium size segment was particularly significant. They were all transacted outside Stuttgart and the majority in the outer periphery. The fact that demand continues to concentrate on modern space is underlined by the fact that take-up of new buildings increased by 11 % to 70,000 m<sup>2</sup>, contrary to the market trend. Against this background, both the maximum and average rents moved sideways over the course of the year.

## ➤ OUTLOOK

For 2021, there are no signs of a fundamental change in the supply and demand parameters. Demand is likely to remain dynamic even ahead the expected continued lively development in the e-commerce and retail sector. However, the continued very low supply of modern existing space and development sites in the market area is likely to reinforce the already observable trend of increased activity outside the market area. Consequently, take-up in the market area itself could well decline moderately. A stable development is forecast for rents in 2021.



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