

LOGISTICS MARKET GERMANY

6,331,000 m²

TAKE-UP

-25 %

2023 vs. 2022

-9 %

IN COMPARISON TO
10-YEAR AVERAGE

AT A GLANCE
Q4 2023

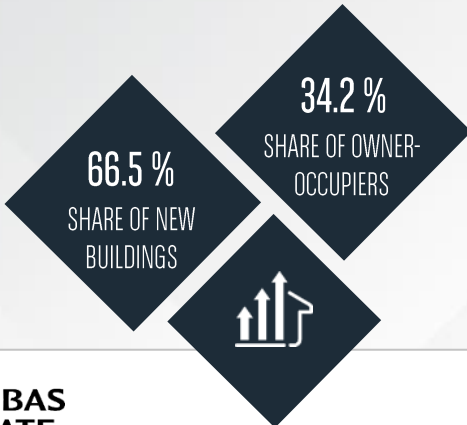
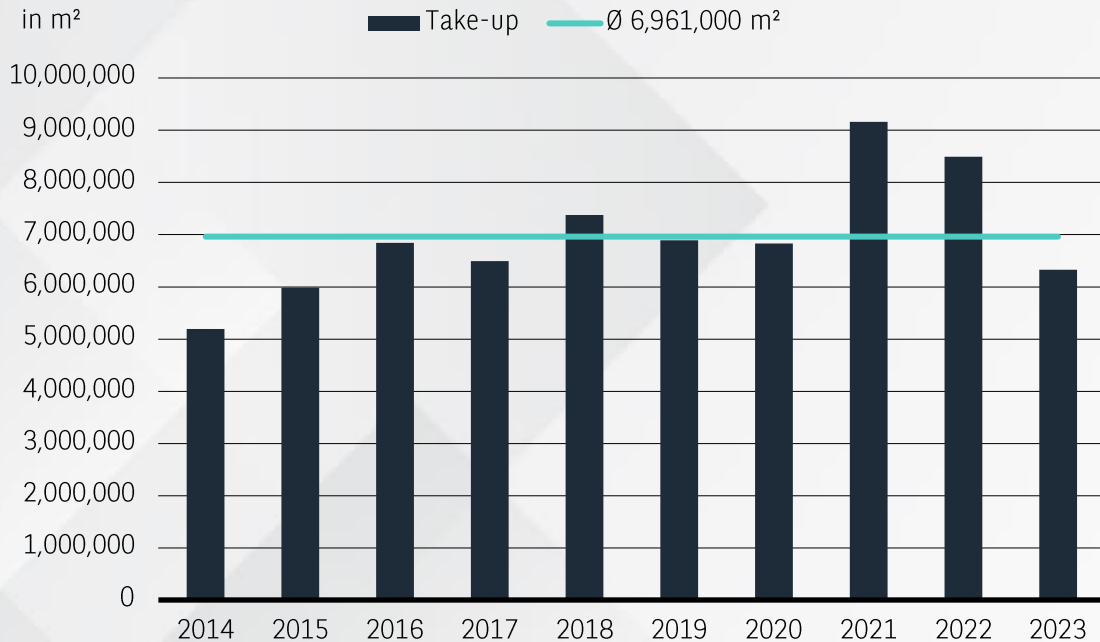


**BNP PARIBAS
REAL ESTATE**

Real Estate for a changing world

SOLID TAKE-UP DESPITE CHALLENGING ENVIRONMENT

LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN GERMANY

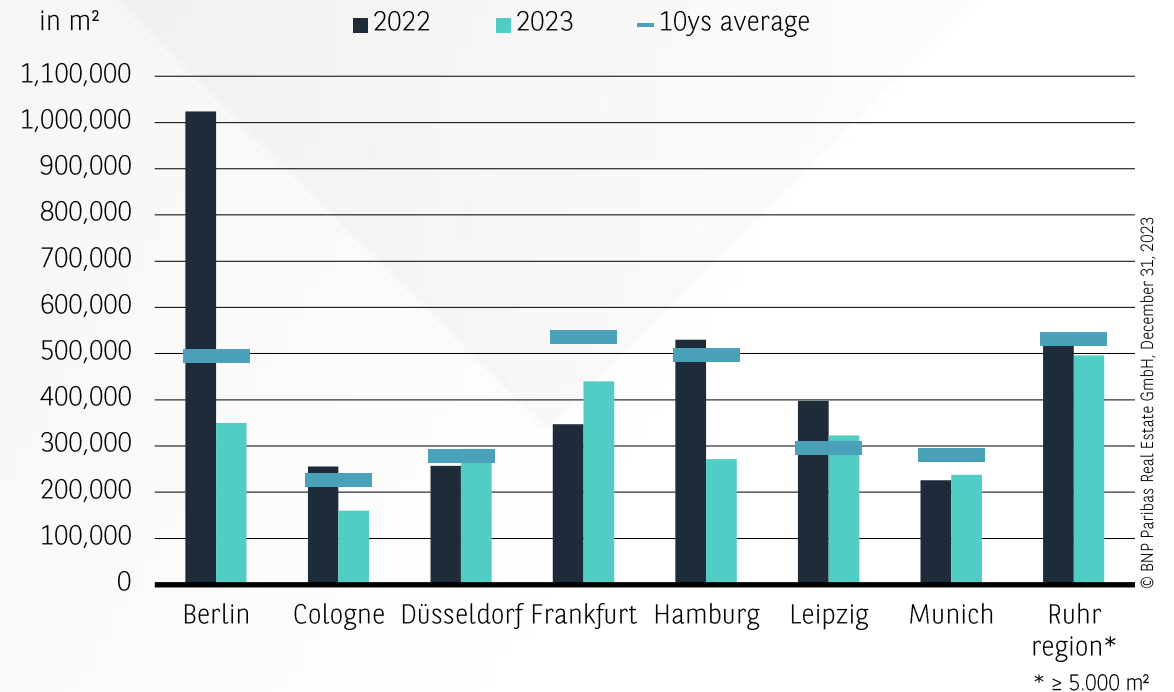


- As expected, the German logistics market was unable to repeat the two record results of previous years (-26 % compared to 2022) with take-up totaling 6.3 million m². Although the demand situation is slightly more subdued due to economic and geopolitical uncertainties, the overall performance remains good (-9 % compared to the ten-year average).
- The most important determining factors preventing higher take-up primarily include the difficult framework conditions for project developments, the further shortage of available space in and outside the major logistics regions and the increased importance of lease extensions in existing properties.
- A very differentiated picture is particularly evident in the letting momentum of the various occupier groups. In recent years, retail companies have been among the most important drivers of take-up due to the steadily increasing importance of the e-commerce sector, whereas they are currently only in third place in the industry ranking with around 21% of market share.
- In contrast, companies from the automotive sector are currently generating very high take-up and accounting for four of the five largest deals in 2023: Daimler Truck in Halberstadt (260,000 m²), Volkswagen in Salzgitter (210,000 m²), a further car manufacturer in Bitterfeld-Wolfen (86,000 m²) and BMW in Pilsting (73,000 m²).

LOWER TAKE-UP IN TOP MARKETS DUE TO SUPPLY FACTORS

- The automotive sector is responsible for around a fifth of the total and thus for a comparable volume (around 1.2 million m²) to the wholesale/retail sector. As a result, the production sector was able to achieve the highest share of take-up ever at around 40 % and secure first place in the sector ranking.
- Logistics firms are also in strong demand overall, contributing a lower value than 12 months ago at 29 %, but at the same time representing the most important demand group in the top markets at 39 %. This development is attributable to the increased importance for companies of successively improving their own supply chains in large metropolitan regions and at the same time adding city logistics centres.
- The seven most important German logistics markets (Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Leipzig and Munich) were unable to match their previous year's result in 2023 and registered take-up of ca. 2 million m², which is almost 32 % lower.
- With 440,000 m² (+27 %) of take-up, Frankfurt is in the lead and is the only logistics market to exceed the 400,000 m² mark. Second place was taken by Berlin (350,000 m²; -66 %) and is followed by Leipzig (323,000 m²; -19 %). While Düsseldorf (294,000 m²; +14 %), Hamburg (272,000 m²; -49 %) and Munich (238,000 m²; +5 %) exceeded the 200,000 m² mark, Cologne (160,000 m²; -38 %) remained below that level. The polycentric logistics region of the Ruhr Region once again achieved a very good result with around 496,000 m² (-8 %).

LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP BY REGION IN GERMANY

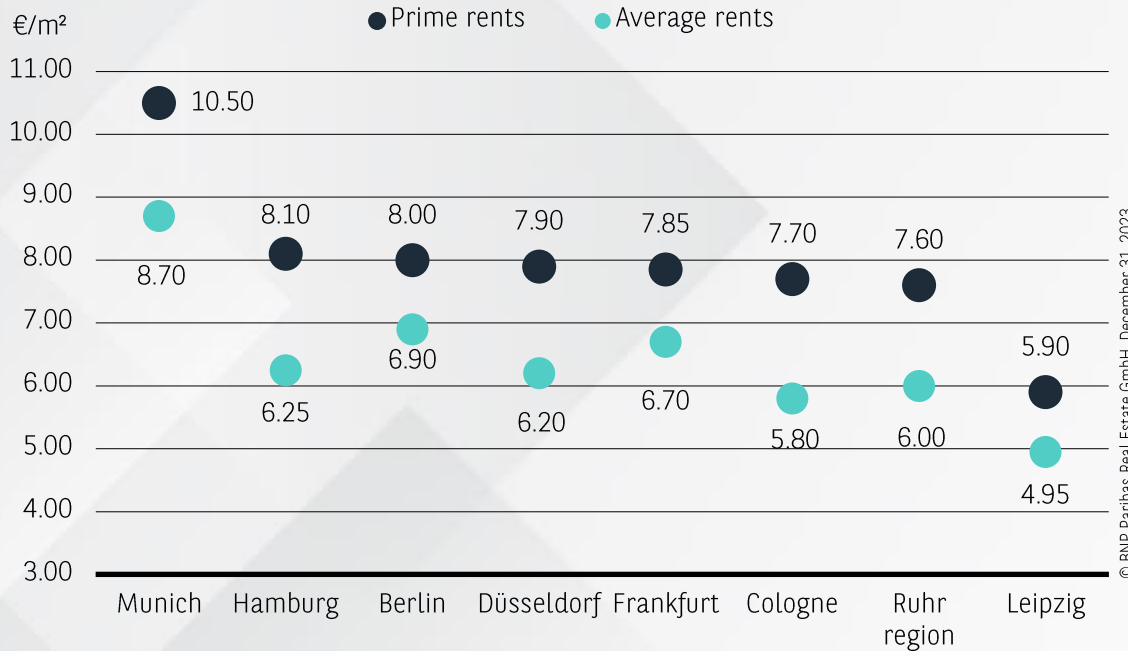


TAKE-UP BY SECTOR



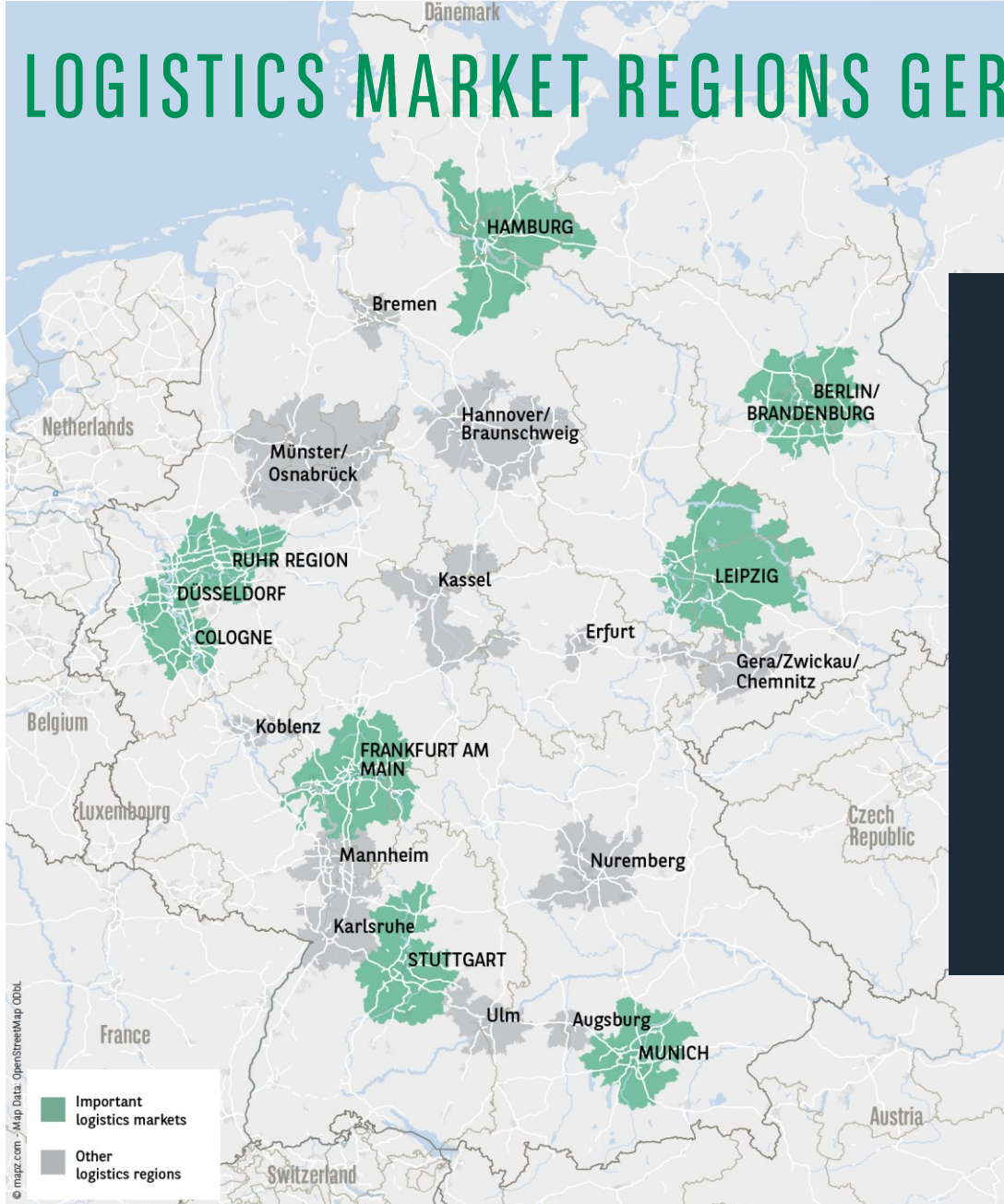
OUTLOOK

TOP AND AVERAGE RENTS IN IMPORTANT LOGISTICS MARKETS



- The upward trend in rents has continued across all locations. On average, prime rents rose by 9 % and average rents by 11 % over the past 12 months.
- Munich remains the most expensive location (10.50 €/m²), while Hamburg (8.10 €/m²) and Berlin (8.00 €/m²) passed the 8 €/m² mark over the course of the year. Düsseldorf (7.90 €/m²), Frankfurt (7.85 €/m²) and Cologne (7.70 €/m²) followed closely. The Ruhr region (7.60 €/m²) and Leipzig (5.90 €/m²) have made significant increases.
- As the economic outlook continues to improve, it is likely that the retail sector's contribution to take-up will also increase again. In the current year, it has also been observed that the letting market has turned in favour of small spaces close to city centres and well-connected medium-sized logistics centres in many larger locations due to supply factors. Although these are generating a high level of dynamism, they are not having a decisive impact on take-up like big-box lettings.
- Major requests, on the other hand, generally remain dependent on developments within the new building sector. During the outlined tightening of the supply-demand ratio, rental prices are also under further upward pressure. However, the dynamic development seen in recent years is unlikely to continue soon.

LOGISTICS MARKET REGIONS GERMANY



MAJOR CONTRACTS

260,000 m²
 Daimler Truck
 Halberstadt

210,000 m²
 Volkswagen
 Salzgitter

190,000 m²
 Amazon
 Horn-Bad Meinberg

All rights reserved. At a Glance is protected in its entirety by copyright. No part of this publication may be reproduced, translated, transmitted, or stored in a retrieval system in any form or by any means, without the prior permission in writing of BNP Paribas Real Estate GmbH. The statements, notifications and forecasts provided here correspond to our estimations at the time when this report was prepared and can change without notice. The data come from various sources which we consider reliable but whose validity, correctness or exactness we cannot guarantee. Explicitly, this report does not represent a recommendation of any kind, nor should it be regarded as forming a basis for making any decisions regarding investment or letting or renting property or premises. BNP Paribas Real Estate can accept no liability whatsoever for any information contained or statements made herein.

Publisher and Copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 31.12.2023
 Further Information: BNP Paribas Real Estate GmbH | Christopher Raabe, Head of Logistics & Industrial | Phone +49 (0)40-348 48-0 | christopher.raabe@bnpparibas.com | Photo credits: Adobe Stock / Pawinee; alzay

FOLLOW US ON



#BEYONDBUSINESS

www.realestate.bnpparibas.de