

# LOGISTICS MARKET GERMANY

2,909,000 m<sup>2</sup>

TAKE-UP

-40 %

H1 2023 vs. H1 2022

-10 %

IN COMPARISON TO  
10-YEAR AVERAGE

AT A GLANCE  
Q2 2023

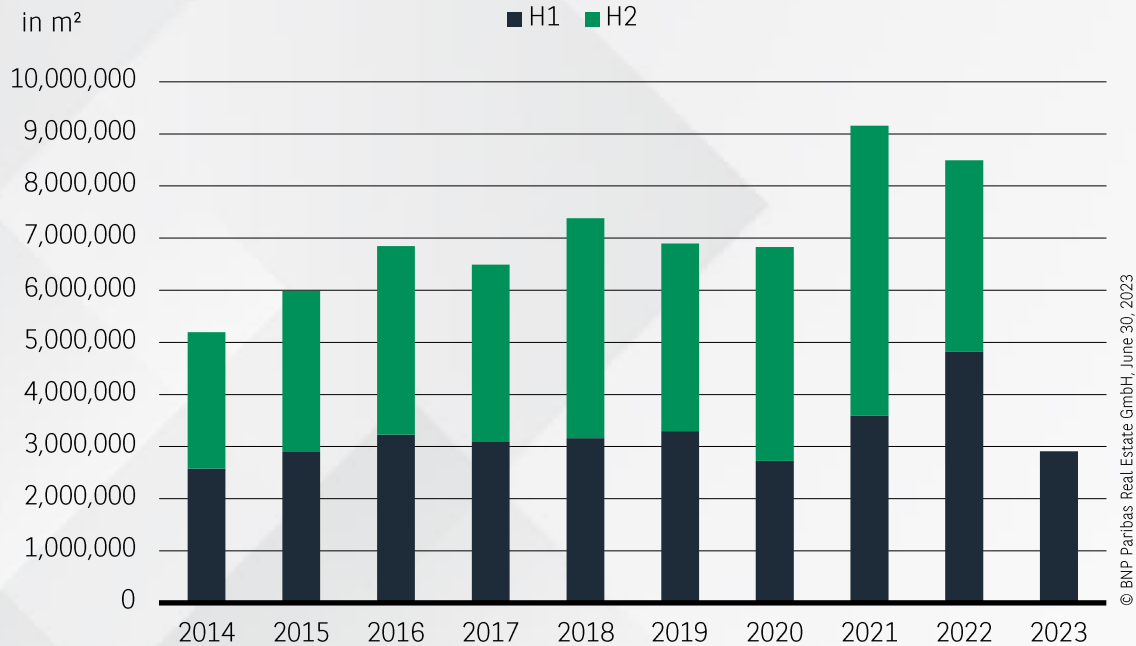


**BNP PARIBAS  
REAL ESTATE**

Real Estate for a changing world

# LOGISTICS LETTING MARKET INCREASED IN Q2

## LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN GERMANY



63.5 %  
SHARE OF NEW  
BUILDINGS

31.0 %  
SHARE OF OWNER-  
OCCUPIERS



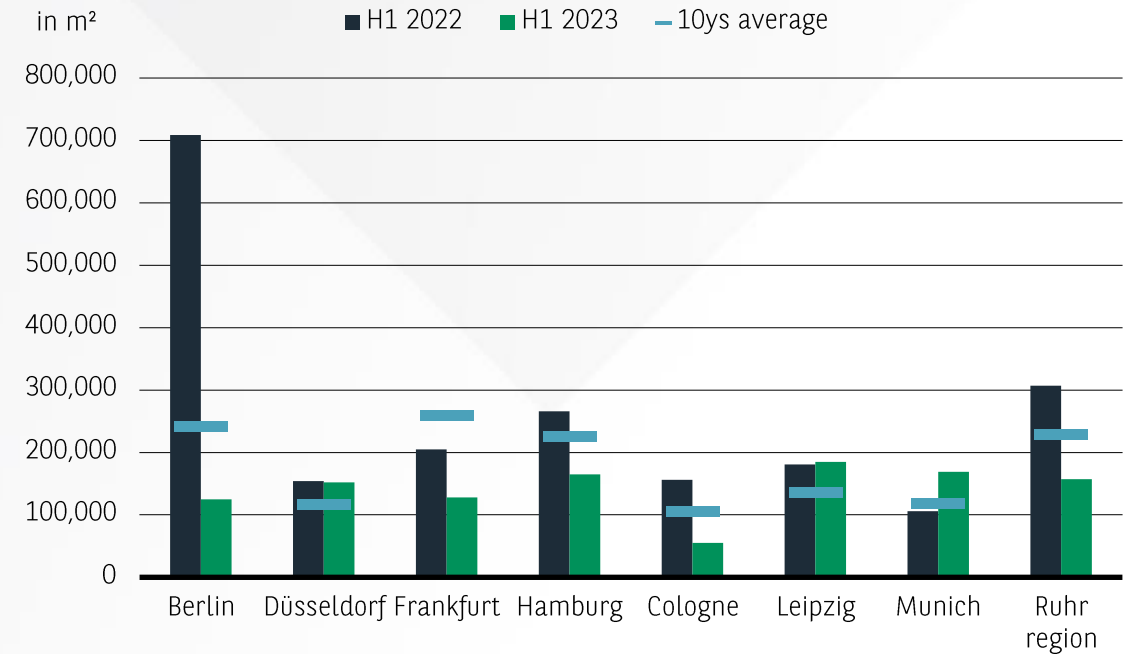
- The momentum on the logistics letting market increased noticeably in the second quarter, resulting in take-up of 2.9 million m² (including owner-occupiers) at the end of the first half of the year. As expected, the market was thus unable to match the previous year's brilliant result of 4.8 million m², which was mainly driven by the Tesla construction start in Grünheide near Berlin with 327,000 m². The ten-year average of around 3.2 million m² (-10 %) remains unattained for the moment as well.
- The ongoing phase of economic weakness is not leaving the logistics markets unscathed, which can be seen, for instance, in the reduced demand from retail companies. However, the core problem of the decline in take-up is clearly the prevailing lack of supply, which is underlined by the shares of logistics firms and manufacturing companies close to or even above the average.
- Due to a lack of alternative space or in order to save costs, many companies decide to take out lease options, i.e. lease extensions, instead of new rental space.



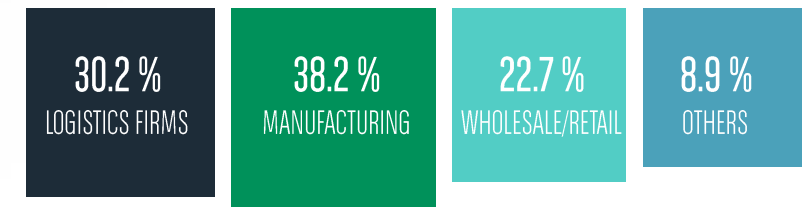
# LACK OF SUPPLY LIMITS TAKE-UP IN CORE MARKETS

- Despite the recent market upturn, the half-year results in many regions not only remain behind the strong take-ups of the first half of 2022, but also miss the long-term average comparatively significantly in many markets.
- Positive exceptions are Leipzig with 185,000 m<sup>2</sup> (+37 % compared with the long-term average), Munich (169,000 m<sup>2</sup>; +43 %) and Düsseldorf (152,000 m<sup>2</sup>; +31 %). The Hamburg market is currently on a par with Munich, but with take-up of 165,000 m<sup>2</sup> it cannot meet its own standards (-27 % in a long-term comparison). Frankfurt (128,000 m<sup>2</sup>; -51 %), Berlin (125,000 m<sup>2</sup>; -48 %) and especially Cologne (55,000 m<sup>2</sup>; -48 %) follow at some distance. The Ruhr region, with 157,000 m<sup>2</sup>, remains around 31 % below its average.
- Due to the lack of supply in the core markets, an increasing number of requests are being realised outside the top agglomerations. Accordingly, an above-average take-up of 766,000 m<sup>2</sup> is registered for these regions.

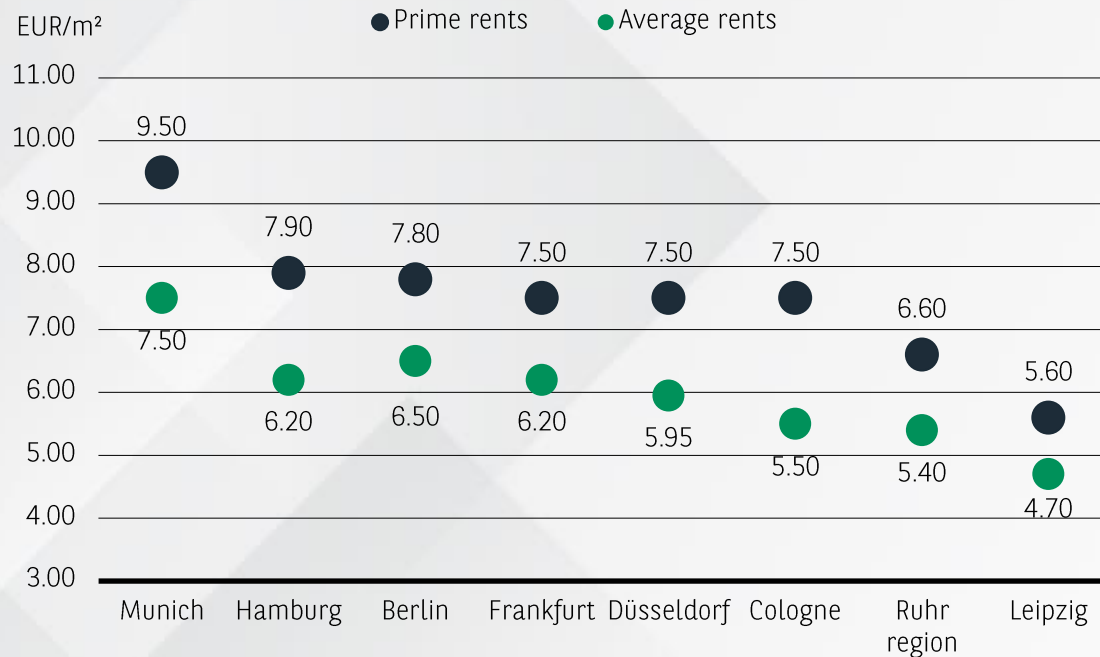
## LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP BY REGION IN GERMANY



## TAKE-UP BY SECTOR



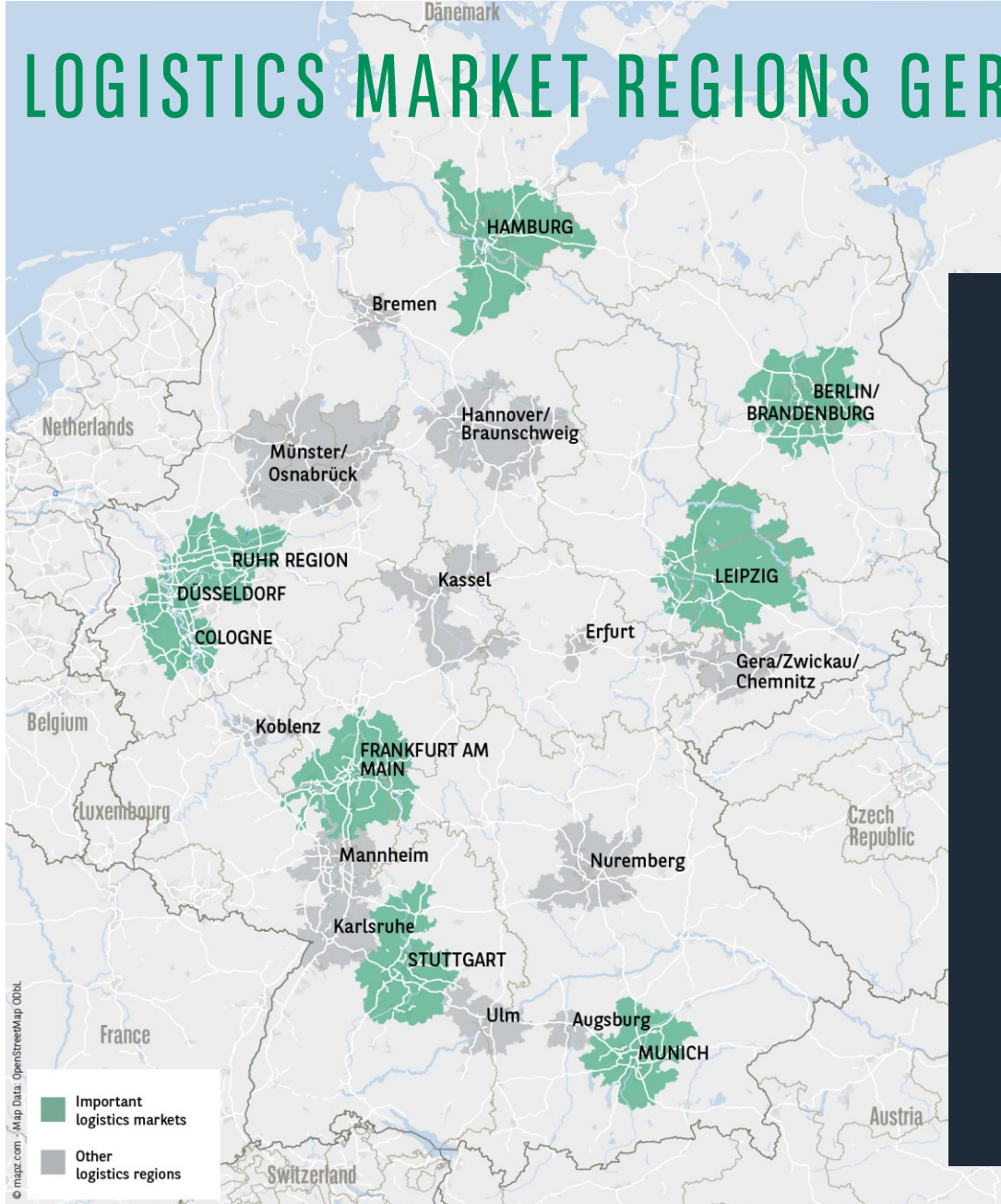
## TOP AND AVERAGE RENTS IN IMPORTANT LOGISTICS MARKETS



© BNP Paribas Real Estate GmbH, June 30, 2023

- The prevailing supply shortage has led to a sustained rise in rents over the course of the year. The top logistics markets of Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, and Munich recorded an increase in averaging prime rents of 11 % to the current level of 7.61 €/m². Average rents have also risen sustainably by 9 % to 6.08 €/m².
- Supported by a return to more dynamic economic development, the logistics markets are expected to pick up further in the second half of the year. Certainly, letting extensions will remain an attractive solution for many companies in view of the frequent lack of alternative space and the high level of rents. However, it can be assumed that the increasing demand will also be reflected positively in take-up. For many logistics regions, an annual result in line with the long-term average should therefore be realistic.
- Meanwhile, the rental price level is likely to continue to trend upwards due to the ongoing supply shortage as well as rising ESG requirements.

# LOGISTICS MARKET REGIONS GERMANY



## MAJOR CONTRACTS

210,000 m<sup>2</sup>

Volkswagen

Salzgitter

86,000 m<sup>2</sup>

Manufacturing

Bitterfeld-Wolfen

73,000 m<sup>2</sup>

Automotive

Pilsting

50,000 m<sup>2</sup>

Smyths Toys

Wallersdorf

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: 30.06.2023  
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](http://www.realestate.bnpparibas.de)