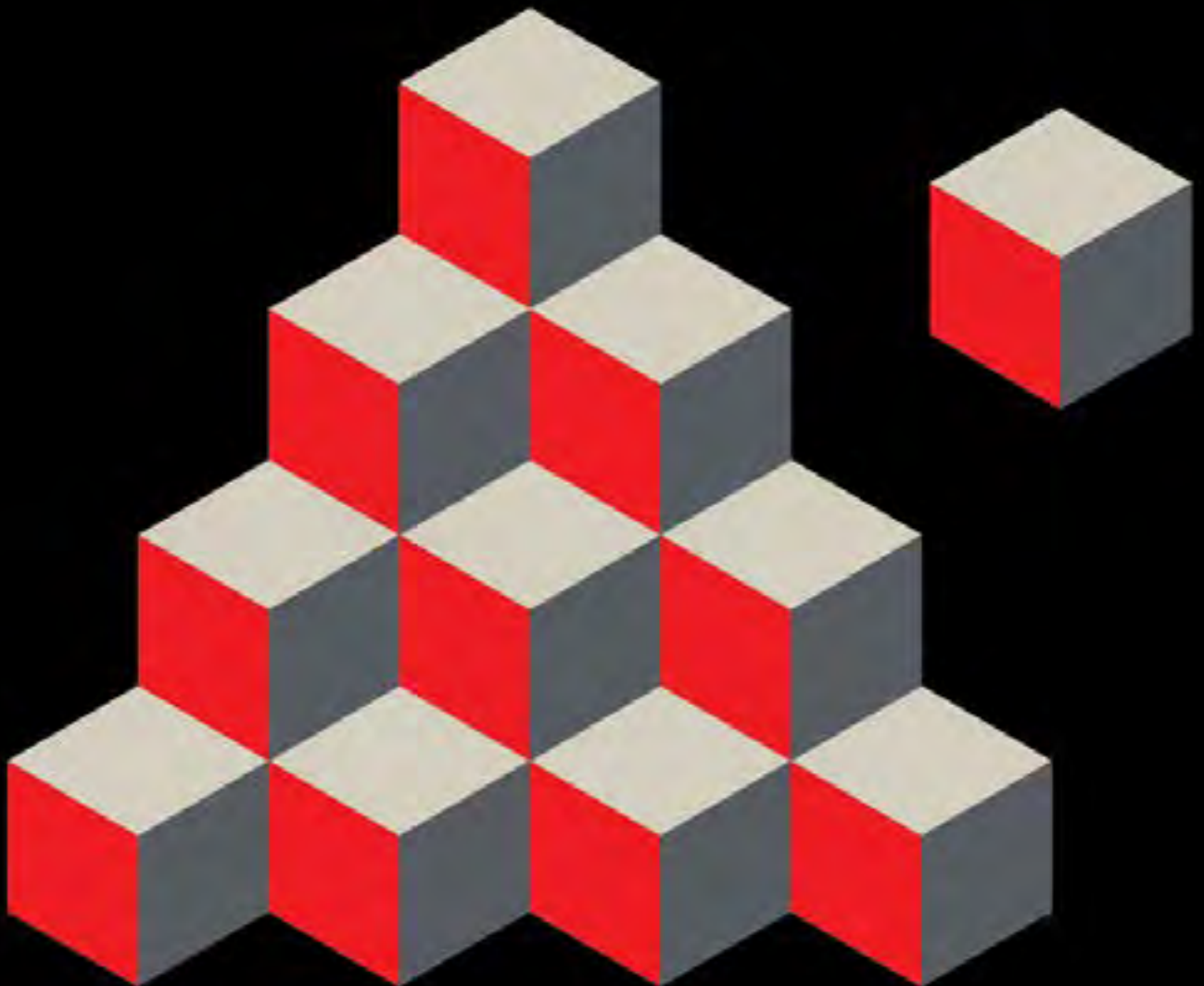


Research

Logistics- and Industrial Market Overview

H2 2023

Momentum slows in the rental market for logistics space



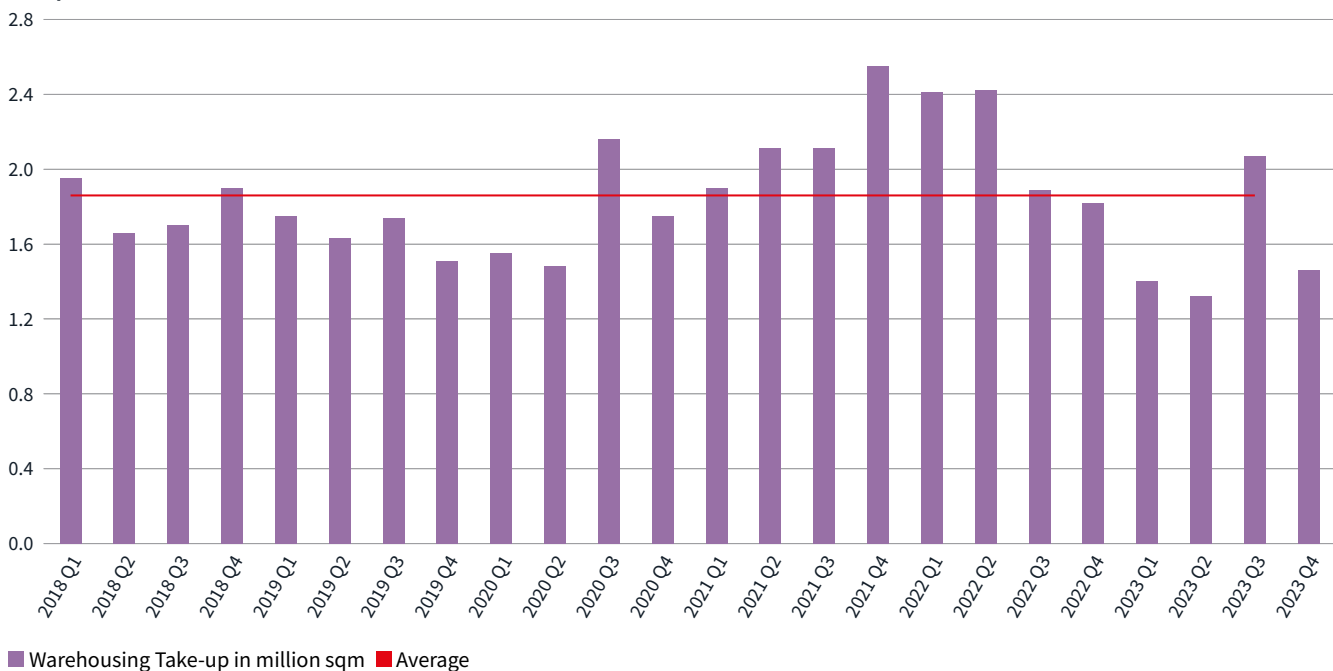
Take-up of logistics space in 2023 remains below the level of previous years

At around 6.25 million sqm, 27% less space was taken up in the German market for warehouse and logistics space in lettings and owner-occupier deals in 2023 than in the previous year, falling 18% and 8% short of the five- and ten-year averages, respectively. A strong third quarter with take-up of over 2 million sqm was followed by an average final quarter with 1.46 million sqm. However year-on-year, there was only a 12% drop in the number of deals concluded, to 690. Around a quarter of the take-up volume was attributable to owner-occupiers.

This decline in take-up can be attributed to a number of factors. The current economic conditions and geopolitical crises and tensions are challenging for all market players, with the uncertainty this is bringing to their own economic situation causing many companies to temporarily postpone their relocation plans. However, the shortage of space is a major issue in many regions, with a lack of both modern space available to let at short notice and land that can be built on for logistics purposes. Many companies are therefore opting to extend their current leases, despite their preference to relocate.

Warehousing Take-up Germany*

mn sqm



*Outside the Big 5 only deals \geq 5,000 sqm, in the Big 5 (Berlin, Düsseldorf, Hamburg, Frankfurt and Munich) deals \geq and $<$ 5,000 sqm
Status: February 2024, Source: JLL

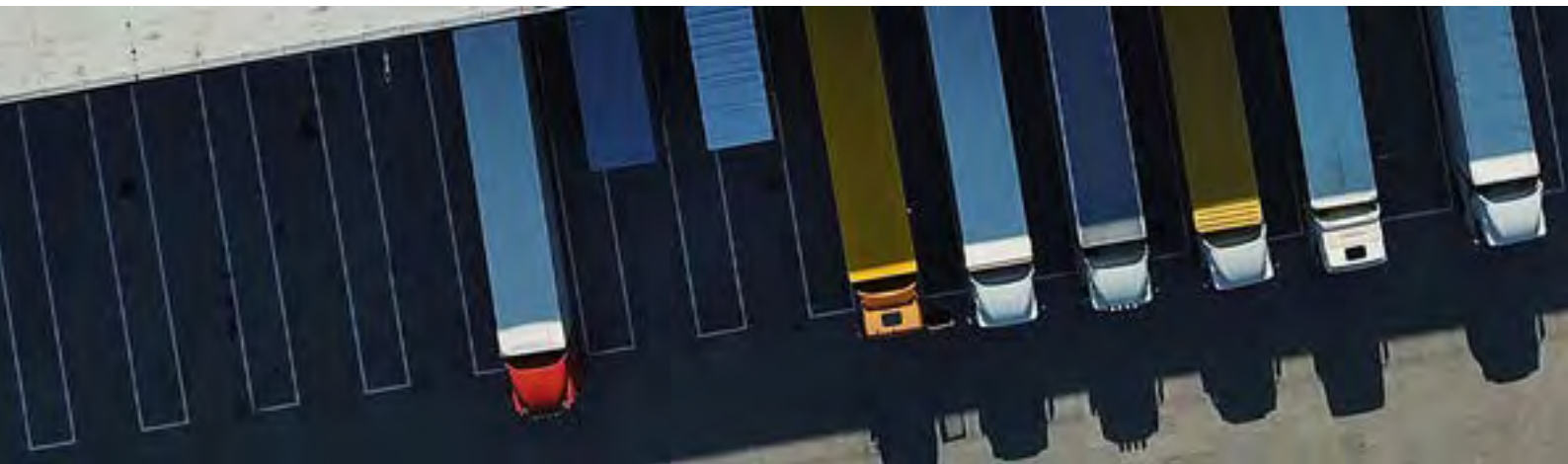
Significant decline in take-up in the Big 5

Around 1.55 million sqm of space was taken up in the Big 5 conurbations (Berlin, Düsseldorf, Frankfurt, Hamburg and Munich) in 2023, 34% less than in the previous year and 26% below the five-year average.

The Frankfurt region recorded the highest take-up with 438,800 sqm and a year-on-year increase of more than a third, while the Düsseldorf region also reported a rise (250,000 sqm), albeit of just 3%. There was a double-digit percentage decline in the take-up volumes in all other regions. Berlin was second placed among the Big 5 with 405,400 sqm, but had to contend with the sharpest fall, of 64%. It should be noted, however, that the previous year's take-up was exceptionally high at 1.1 million sqm. At 280,400 sqm, Hamburg's take-up was 41% down on the previous year's figure, while Munich recorded a decrease of 14% to 170,400 sqm. Comparing their recent performances with the five-year average, all regions except Düsseldorf showed a significant drop.

The decline is primarily due to the smaller number of major deals concluded, with just 37 contracts signed in the >10,000 sqm size category, 20 fewer than in 2022. The strongest demand came from companies from the distribution / logistics sector which were responsible for 38% of the total take-up. The manufacturing sector and retailers accounted for 28% and 21%, respectively. The four largest contracts were signed by logistics companies, with around 38,700 sqm and 33,200 sqm leased in the Magna Park in Werder near Berlin, around 34,200 sqm in Dormagen near Düsseldorf and around 31,400 sqm in Ludwigsfelde near Berlin.

A total of around 667,000 sqm of new warehousing space was built in the Big 5 in 2023, half the volume of completions year-on-year and just 20% of this space was still available to the market at the time of completion. There is currently around 792,000 sqm of space under construction, of which 46% is still available to the market. Most speculative construction activity is taking place in the Berlin region (around 165,000 sqm).



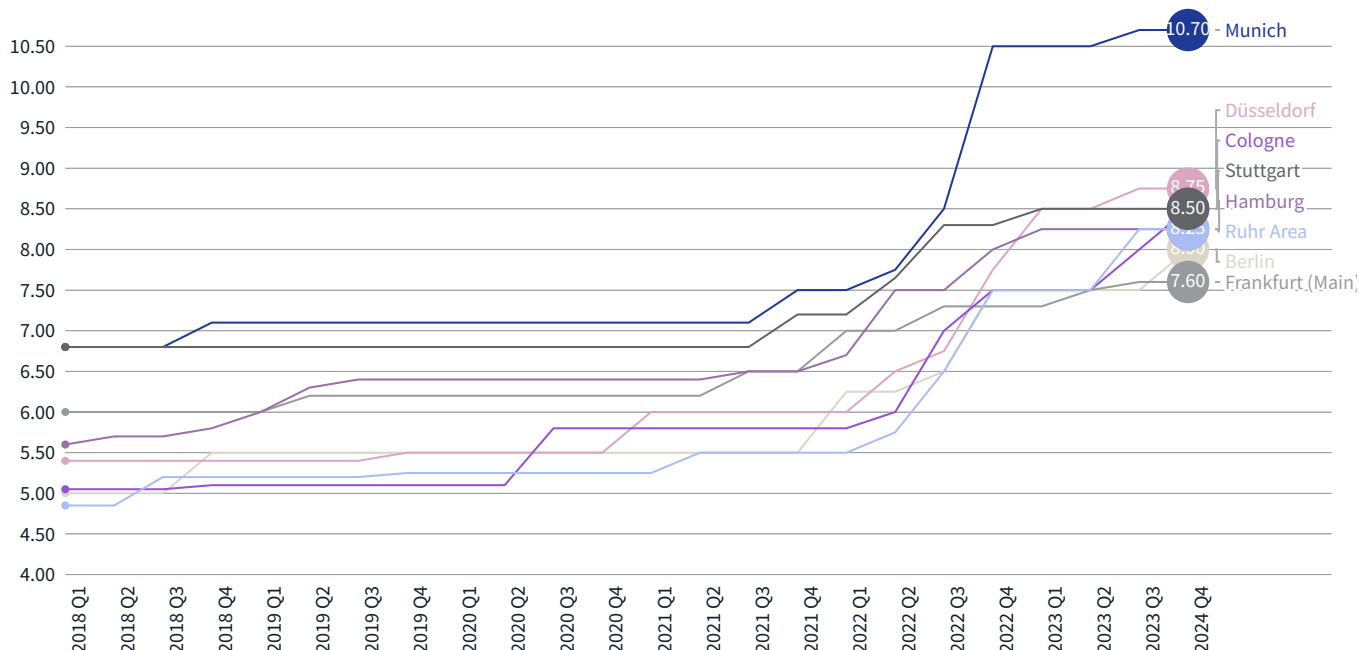
Prime rents on the rise

Year-on-year, prime rents for warehousing space in the >5,000 sqm size category have risen in all Big 5 regions, with the highest rises recorded in Düsseldorf (+12.9% to €8.75/sqm p.m.) and Berlin (+6.7% to €8.00/sqm p.m.). In Frankfurt, the prime rent has risen by 4.1% to €7.60/sqm p.m. and in Hamburg, by 3.1% to €8.25/sqm p.m. The highest rents of €10.70/sqm p.m. are achieved in the Munich region, although here the figure has risen by just 1.9%. Looking at the last five years, rent rises have ranged from 27% in Frankfurt to 62% in Düsseldorf.

Development of prime rents Warehousing ≥ 5,000 sqm

Repeat

€/sqm/month



Status: February 2024; Source: JLL

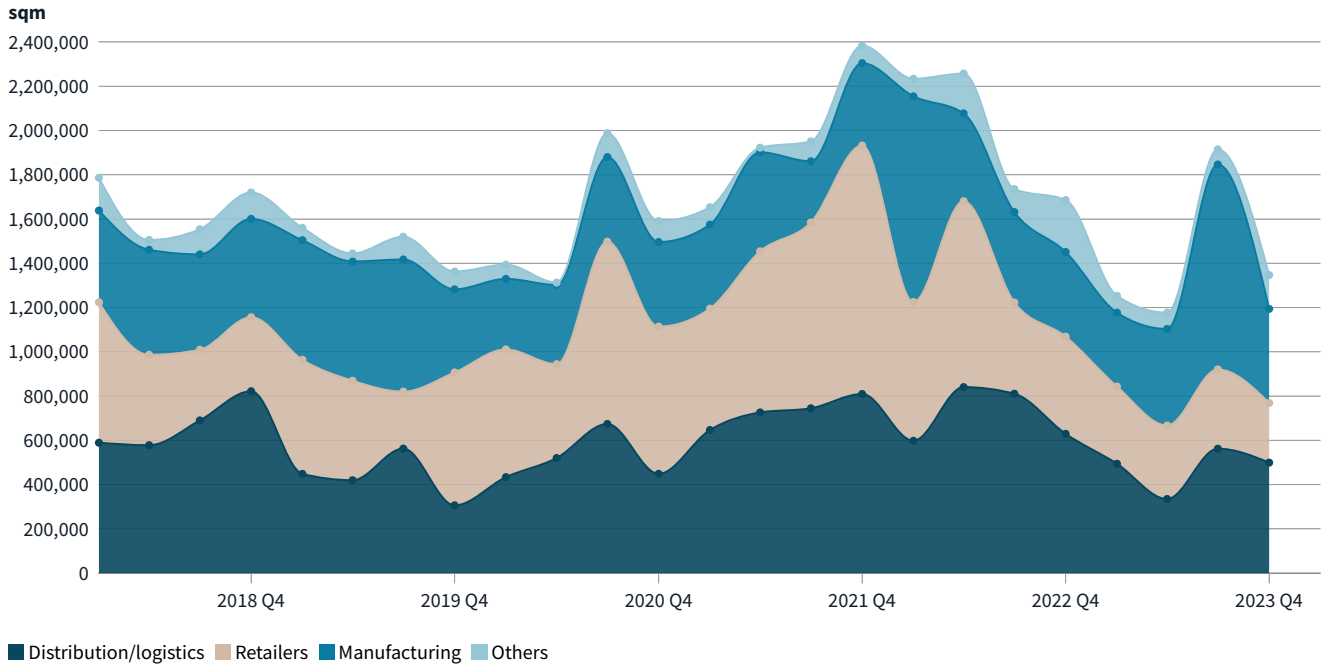
Outside the Big 5, the manufacturing sector accounts for 40% of take-up for the first time

In 2023, take-up of around 4.7 million sqm was registered outside the Big 5 regions*. Nonetheless, this was a reduction of 24% year-on-year (2022: 6.18 million sqm) and 14% below the five-year average. While take-up by owner-occupiers was just 6% lower year-on-year, the decline was greater for lettings at -30%.

Three deals, all by owner-occupiers, were concluded for space in the >100,000 sqm size category: Daimler Truck commenced construction of 260,000 sqm of logistics space in Halberstadt and VW is building around 210,000 sqm in Salzgitter, while a new 175,000 sqm logistics centre for the online giant Amazon is being constructed in Horn-Bad Meinberg. The largest lettings were concluded by two well-known car manufacturers, with almost 87,000 sqm in Bitterfeld-Wolfen and around 79,000 sqm in Pilsting. Around 40% of turnover outside the Big 5 was generated by the manufacturing sector, significantly more than the corresponding five-year average (27%) and its highest share in the last ten years. It was followed in second place by distribution / logistics with a 30% share of take-up, while retailers accounted for 23%.

Take-up Germany by business sectors

Warehousing $\geq 5,000$ sqm



Stand: February 2024; Source: JLL

Looking at the individual regions, the Ruhr area once again topped the ranking with around 560,000 sqm, followed by the Hanover / Brunswick region with around 477,000 sqm. Third and fourth places were assumed at some distance by the Osnabrück / Münster (292,500 sqm) and Leipzig / Halle regions (273,700 sqm).

Around 70% of take-up was concluded in new buildings or development projects. In the $\geq 50,000$ sqm size category, the figure was 100%.



1 of 5

Warehousing Take-up total (sqm)	2022	2023	%
Berlin	1,119,300	405,400	-64
Düsseldorf	242,200	250,000	3
Frankfurt (Main)	321,500	438,800	36
Hamburg	474,500	280,400	-41
Cologne (only space $\geq 5,000$ sqm)	286,300	96,200	-66
Munich	198,300	170,400	-14
Stuttgart (only space $\geq 5,000$ sqm)	271,700	210,600	-22
Ruhr Area (only space $\geq 5,000$ sqm)	640,400	560,000	-13

Status: February 2024, Source: JLL



2 of 5

Warehousing Take-up ($\geq 5,000$ sqm)	2022	2023	%
Berlin	939,800	244,800	-74
Düsseldorf	188,100	196,300	4
Frankfurt (Main)	150,300	304,100	102
Hamburg	387,800	178,600	-54
Cologne	286,300	96,200	-66
Munich	67,900	63,500	-6
Stuttgart	271,700	210,600	-22
Ruhr Area	640,400	560,000	-12

Status: February 2024, Source: JLL



3 of 5

Prime Rents for Warehousing Space (≥ 5,000 sqm) (€/sqm/month)	2022 Q4	2023 Q4	%
Berlin	7.50	8.00	6.7
Düsseldorf	7.75	8.75	12.9
Frankfurt (Main)	7.30	7.60	4.1
Hamburg	8.00	8.25	3.1
Cologne	7.50	8.50	13.3
Munich	10.50	10.70	1.9
Stuttgart	8.30	8.50	2.4
Ruhr Area	7.50	8.50	13.3

Status: February 2024, Source: JLL



4 of 5

Completions (sqm)	2022	2023	%
Berlin	580,600	168,400	-71
Düsseldorf	37,800	122,100	223
Frankfurt (Main)	171,900	195,000	13
Hamburg	426,200	120,300	-72
Cologne (only space ≥ 5,000 sqm)	154,800	23,200	-85
Munich	147,500	60,700	-59
Stuttgart (only space ≥ 5,000 sqm)	78,500	110,100	40
Ruhr Area (only space ≥ 5,000 sqm)	419,000	266,400	-36

Status: February 2024, Source: JLL



5 of 5

*Region	Coverage
Berlin	The Berlin city area and surrounding communities are included in the study.
Düsseldorf	The following towns are covered: Düsseldorf, Erkrath, Hilden, Ratingen, Neuss, Krefeld, Kaarst, Korschenbroich, Haan, Grevenbroich, Langenfeld, Meerbusch, Monheim, Rommerskirchen, Dormagen, Willich.
Frankfurt (Main)	Coverage includes in the entire Frankfurt region, bounded by Butzbach (Wetterau-Kreis) in the north, by Aschaffenburg in the east, by Bensheim/Heppenheim (Kreis Bergstraße) in the South and by Wiesbaden and Mainz in the West. ed to the previous year.
Hamburg	Coverage includes Hamburg and four surrounding submarkets: North limited by Norderstedt, Quickborn, Nützen, Henstedt-Ulzburg; East limited by Bargteheide, Ahrensburg, Trittau, Schwarzenbek, Geesthacht; South limited by Lüneburg, Winsen (Luhe), Buchholz, Buxtehude; West limited by Wedel, Uetersen-Tornesch.
Cologne	The considered market area comprises the cities and communities Cologne, Leverkusen, Bergisch Gladbach, Rösrath, Troisdorf, Niederkassel, Wesseling, Brühl, Hürth, Frechen, Pulheim, Bedburg, Bergheim, Elsdorf, Kerpen, Erftstadt, Weilerswist, Leichlingen, Burscheid and Odenthal.
Munich	Coverage includes the entire Munich region. In addition to the City of Munich itself, the region surveyed comprises the most important towns and local authorities in the immediate vicinity of the administrative districts of Dachau, Ebersberg, Erding, Freising, Fürstenfeldbruck and Munich as well as Starnberg.
Stuttgart	The considered market area comprises the cities Stuttgart and Heilbronn as well as the administrative districts Ludwigsburg, Böblingen, Esslingen, Göppingen, Heilbronn and Rems-Murr-Kreis.
Ruhr Area	The considered market area comprises the cities Bochum, Bottrop, Dortmund, Duisburg, Essen, Gelsenkirchen, Hagen, Hamm, Herne, Mülheim and Oberhausen as well as the administrative districts Recklinghausen, Wesel, Unna and Ennepe-Ruhr-Kreis.

Status: February 2024, Source: JLL

Berlin

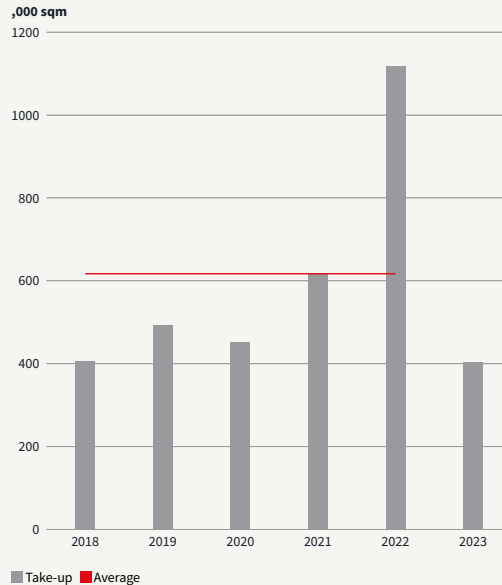
Prime rent rises to €8.00 at the end of the year

Around 405,400 sqm of warehousing and logistics space was taken up in lettings and owner-occupier deals in the Berlin region* in 2023. A weak first half of the year (149,200 sqm) was followed by a much stronger second half (256,200 sqm), but the overall result was still a third below the five-year average. The total volume fell 64% short of the record result from 2022 (1.1 million sqm). However, the 2022 result was significantly boosted by the establishment of Tesla in Grünheide with 327,000 sqm. The number of contracts concluded also reduced year-on-year, but by just 16%. Units with up to 3,000 sqm were in greater demand because many prospective tenants are more cautious in their behaviour and decision-making processes as a result of the economic uncertainties.

The industry ranking was topped by the distribution / logistics sector with a share of 46%, including the three largest lettings of the year, namely the contracts signed by the logistics companies weLOG and LGI Logistics for around 38,700 sqm and 33,200 sqm of new space in the Magna Park in Werder, and the letting by Fiege of around 31,400 sqm in an existing property in Ludwigsfelde. Retailers and manufacturing accounted for 26% and 11% of take-up, respectively.

Around 168,000 sqm of new warehousing and logistics space has been built in the last twelve months, with just 28% of this space still available at the time of completion. This

Berlin: Warehousing Take-up



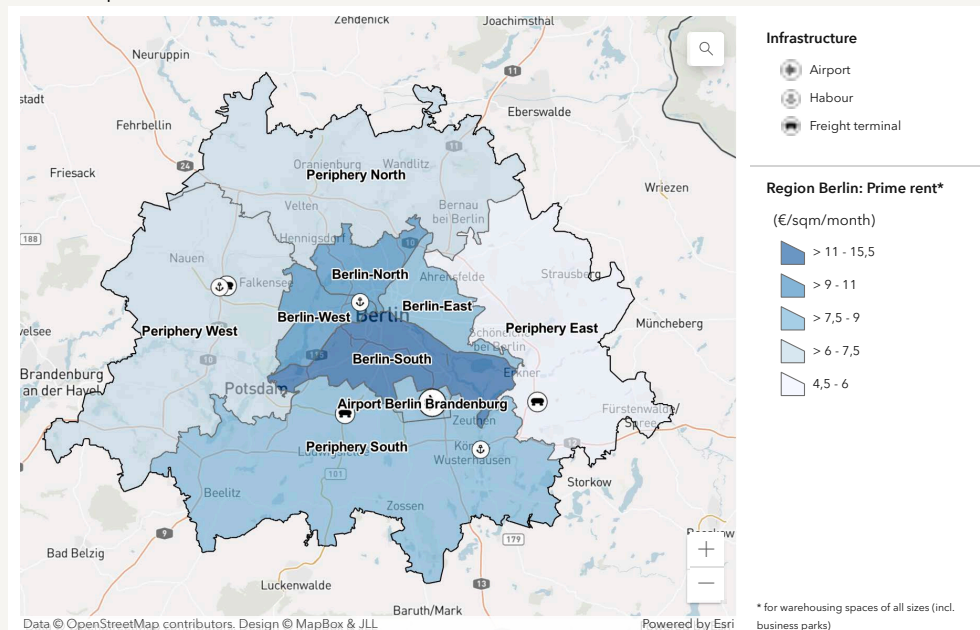
Status: February 2024, Source: JLL

included a small number of units in the Berlin city area. Vacant space in existing properties is also in short supply in the city.

The prime rent for warehousing space larger than 5,000 sqm rose by 6.7% in the fourth quarter to reach its highest-ever level of €8.00/sqm p.m. A steady rise of 45.5% has been observed over the past five years.

Industrial Market Areas with Rental Bands Berlin

Click the map to view the rental bands



Düsseldorf

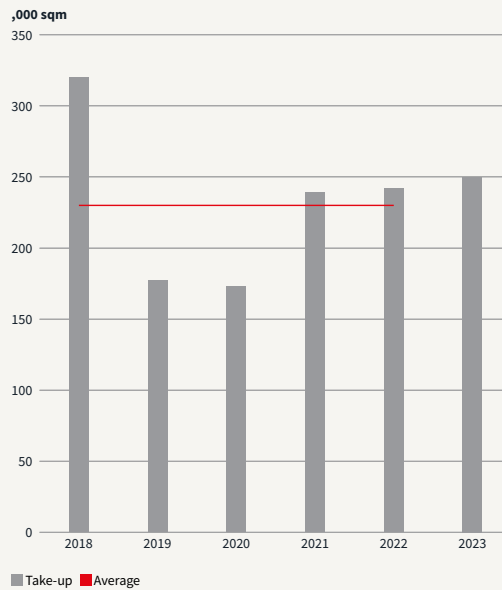
Above-average take-up performance

A total of around 250,000 sqm of warehousing and logistics space was taken up in lettings and owner-occupier deals in the Düsseldorf region* in 2023. This was an increase both year-on-year (3.0%) and on a five-year average (9.0%). The number of contracts signed also increased year-on-year (21%).

The distribution / logistics sector led the industry statistics, accounting for 45% of the total take-up. This included two of the three largest deals, which were the lettings concluded by the logistics company GXO of around 36,000 sqm in Dormagen and by a freight forwarder of around 17,000 sqm in Hilden. The second-largest deal was concluded by a steel processing company which leased around 19,000 sqm in Ratingen. The manufacturing sector achieved a total share for 29%. Retail companies only contributed 12% of sales; in the previous year their share was 49%.

Although around 122,000 sqm of new warehousing and logistics space was completed in the region in 2023, more than three times more than in the previous year, this did not significantly improve the supply situation, with most of this space already taken up at the time of completion or shortly thereafter. There is currently around 125,000 sqm of space under construction, of which 52% is still available to the market. The shortage of space is also having an impact on the rental growth trends, with the prime rent for warehousing space larger than 5,000 sqm rising by 12.9% year-on-year to €8.75/sqm p.m.

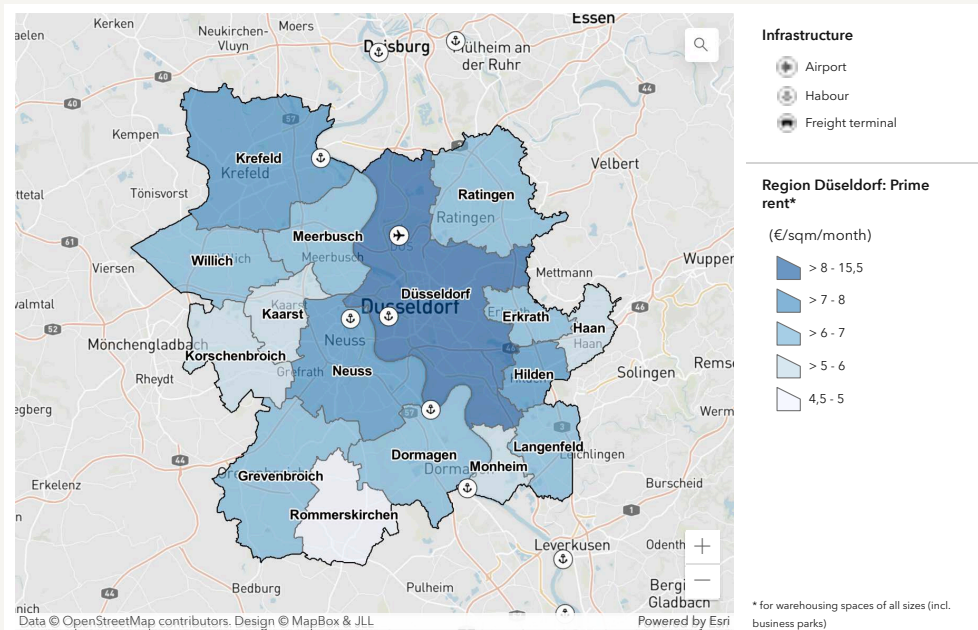
Düsseldorf: Warehousing Take-up



Status: February 2024, Source: JLL

Industrial Market Areas with Rental Bands Düsseldorf

Click the map to view the rental bands

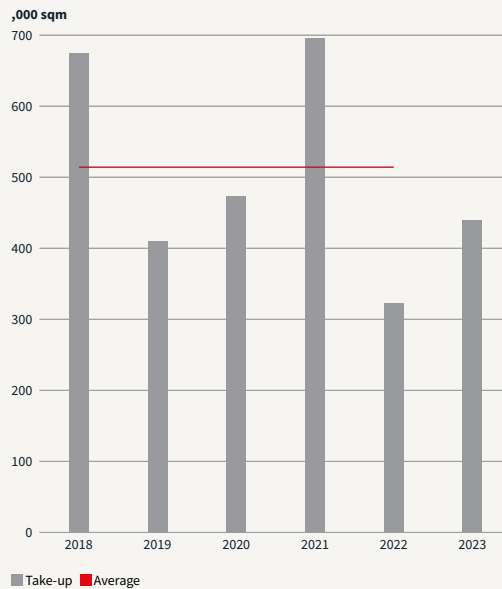


Frankfurt (Main)

Good second half of the year boosts take-up

Around 438,800 sqm of warehousing and logistics space was taken up in lettings and owner-occupier deals in the Frankfurt region* in 2023, 36% more than in the previous year, but 14% below the five-year average. In the second half of the year, several contracts were signed in the >20,000 sqm size category, including the leases concluded by Dealer Tire in Gernsheim (around 23,000 sqm) and Mercedes Benz in Trebur (around 21,000 sqm). The strongest demand in 2023 came from the manufacturing sector, particularly from the automotive segment, which accounted for 38% of take-up and leased almost four times as much space as in the previous year. The distribution / logistics sector accounted for around 31% of take-up, while retailers accounted for 26%. Due to the lack of available land for new logistics buildings, less than 200,000 sqm of warehousing space was completed in 2023 for the fourth consecutive year. Of the approximately 195,000 sqm of space built, just 4.0% was still unlet at the time of completion. The vacancy in existing properties is also very low. There are very few plans for major developments in the near future, with the exception of a project of around 40,000 sqm in Wiesbaden. This limited availability of space has contributed to a rise of 4.1% in the prime rent for warehousing space larger than 5,000 sqm over the past twelve months, to its current level of €7.60/sqm p.m. The prime rent has also risen by 26.7% compared to the five-year average, with further rental growth anticipated in 2024.

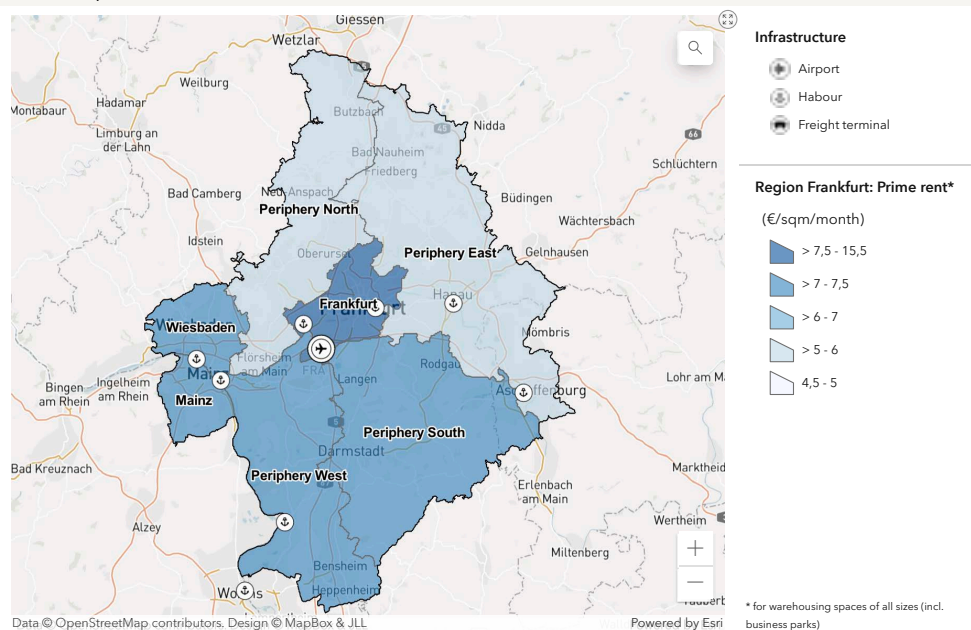
Frankfurt (Main): Warehousing Take-up



Status: February 2024, Source: JLL

Industrial Market Areas with Rental Bands Frankfurt

Click the map to view the rental bands



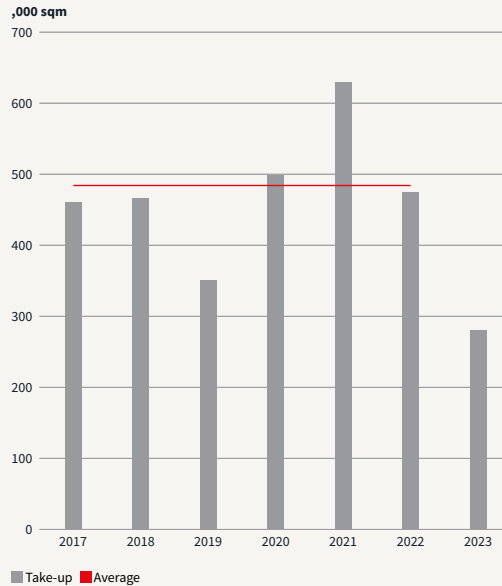
Hamburg

Decline in take-up due to a lack of major deals

Around 280,400 sqm of warehousing and logistics space was taken up in lettings and owner-occupier deals in the Hamburg region* in 2023, the lowest take-up result since 2008 and 41% below the previous year's figure and the five-year average. A comparison of the number of contracts concluded, however, shows an increase of 14% year-on-year. In 2023, the take-up statistics were not seeing major deals in the >20,000 sqm size category. While there were seven deals in this category with a total volume of almost 196,000 sqm in 2022, there was just one deal concluded in 2023, namely the lease concluded by the logistics company TST for around 21,000 sqm in a development project in Neu Wulmstorf. This was followed by two deals, each of around 15,000 sqm, both of which were registered by logistics companies in the Hamburg city area. There was no change in the number of contracts signed in the 5,000 - 20,000 sqm size category compared to 2022. Most space was requested by companies from the distribution / logistics sector (48%), followed at a considerable distance by manufacturing (20%) and retailers (19%).

At around 120,000 sqm, significantly less new shed space (-72%) was built in 2023 than in the previous year, with just a quarter of this space still available at the time of completion. There is currently around 126,000 sqm of space under construction, of which 58% is still available to the market.

Hamburg: Warehousing Take-up

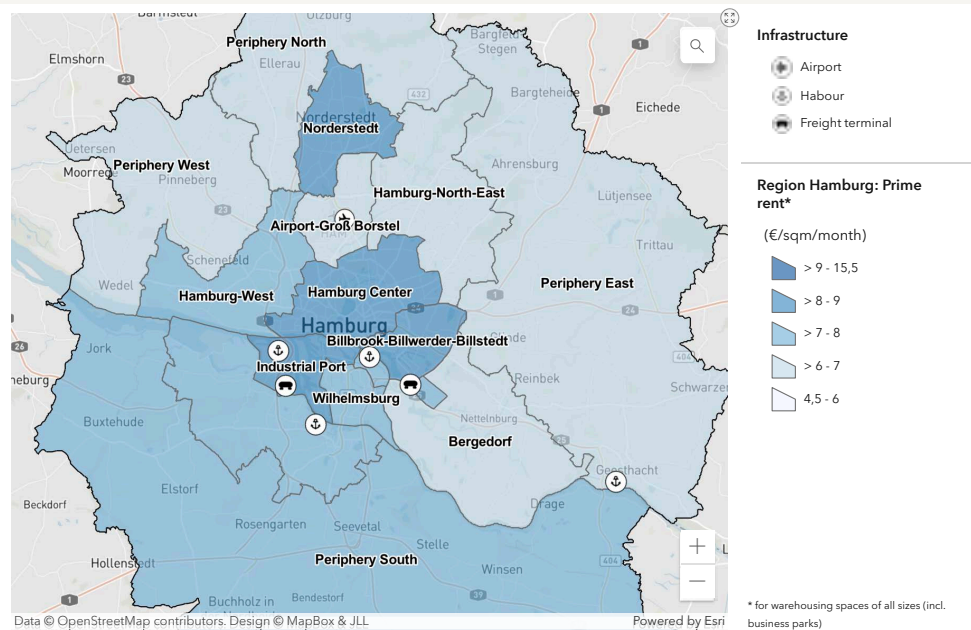


Status: February 2024, Source: JLL

Due to the low supply of space, many companies are opting to extend their existing contracts. This situation has also had an impact on rental trends, with the prime rent for warehousing space larger than 5,000 sqm rising by 3.1% year-on-year to €8.25/sqm p.m., 42.2% up on the five-year average.

Industrial Market Areas with Rental Bands Hamburg

Click the map to view the rental bands



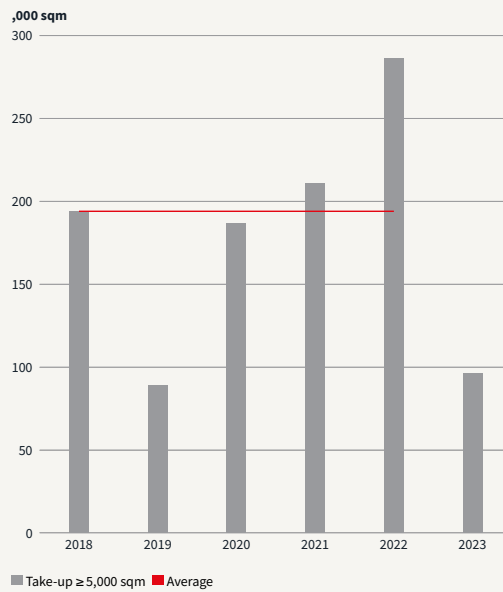
Cologne

Second weakest take-up result of the past ten years

Around 96,200 sqm of warehousing and logistics space larger than 5,000 sqm was taken up in the Cologne region* in 2023. This result is due solely to lettings; no owner-occupier deals were registered. It is also 50% below the five-year average and 66% lower than the 2022 result. Only 2019 registered a lower result in the last ten years (89,300 sqm). The demand for modern new-build space available at short notice can hardly be met in the region, which has a negative impact on the take-up result. The strongest activity came from the distribution / logistics sector which accounted for around 40% of the total take-up, and from retailers with 38%. Conversely, the manufacturing sector, whose shares have varied between 24% and 36% in the last five years, played no role in 2023.

The prime rent for space larger than 5,000 sqm has risen continuously and by a total of 66.7% over the past five years, partly due to the supply situation. Most recently, it rose by 6.3% in the fourth quarter to reach a new high of €8.50/sqm p.m. It is achieved in the Cologne city area; the second-highest rents of up to €8.00/sqm p.m. are achieved in Frechen, Hürth and Pulheim.

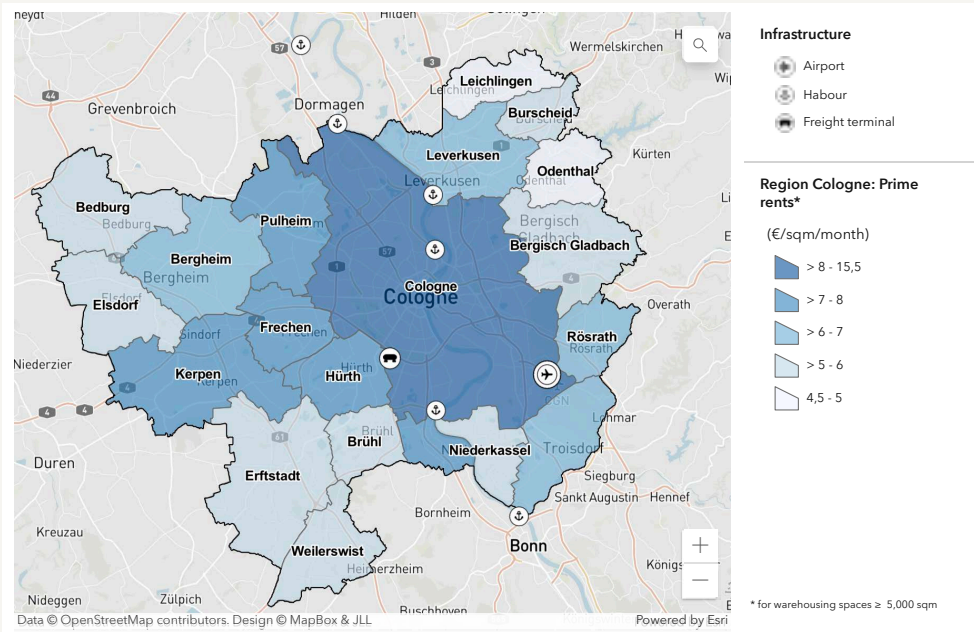
Cologne: Warehousing Take-up



Status: February 2024, Source: JLL

Industrial Market Areas with Rental Bands Cologne

Click the map to view the rental bands



Munich

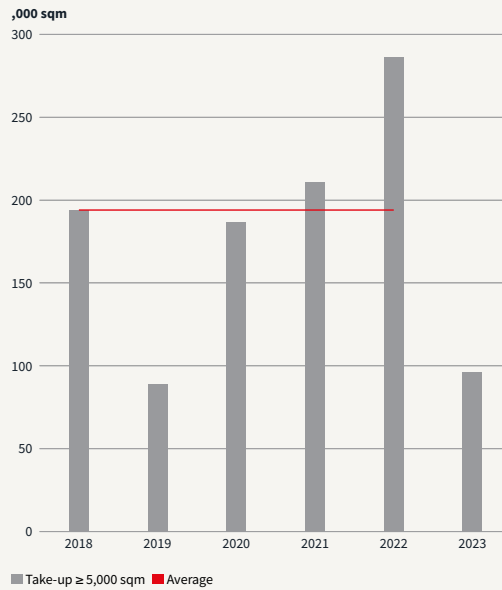
Prime rents increase only moderately in 2023

In 2023, around 170,400 sqm of warehousing and logistics space was taken up in lettings and owner-occupier deals in the Munich region* in 2023, a third less than the five-year average. The result was also 14% lower year-on-year. The largest letting of the year was already registered in the first quarter, when Siemens Mobility GmbH leased around 30,000 sqm in the Munich city area, thereby expanding its existing location in the Allach-Untermenzing district. The second-largest deal of around 10,000 sqm was concluded in the fourth quarter by a logistics company in Garching. For years, the region has been characterised by a severe shortage of space and land which has limited the potential for higher take-up and encouraged companies to look further afield or to extend their existing leases.

In 2023, just under 61,000 sqm of new warehousing and logistics space was completed in the entire region, with only around 16,000 sqm of this still available on the market at the time of completion. With less than 50,000 sqm of new shed space currently under construction, the supply situation is unlikely to improve in 2024.

The prime rent in the segment $\geq 5,000$ sqm rose by €3.00 to €10.50/sqm p.m. in 2022, making Munich the only region in Germany with a double-digit value. In 2023, however, the increase of 1.9% to €10.70/m²/month was very moderate.

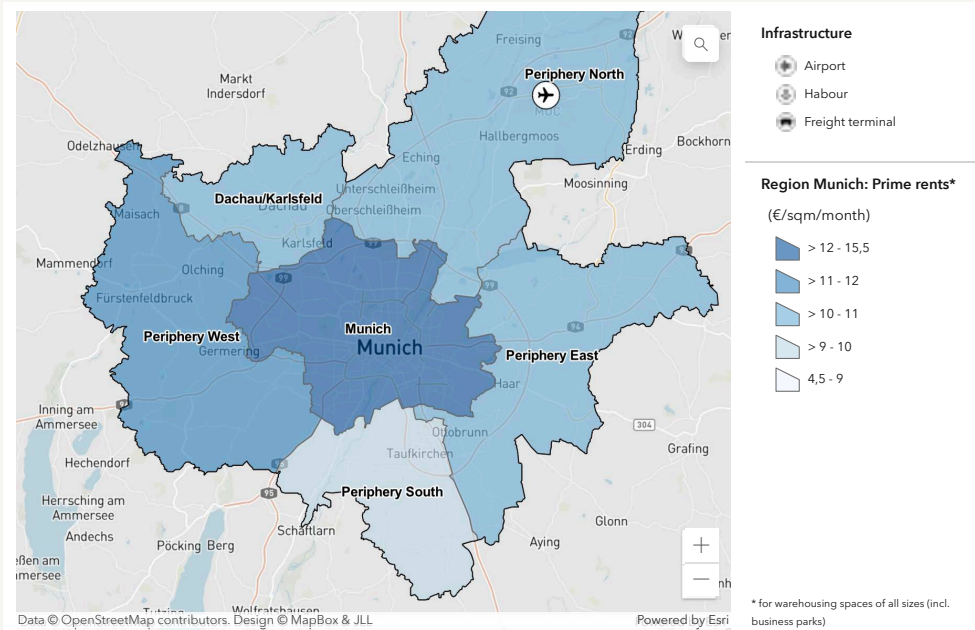
Cologne: Warehousing Take-up



Status: February 2024, Source: JLL

Industrial Market Areas with Rental Bands Munich

Click the map to view the rental bands



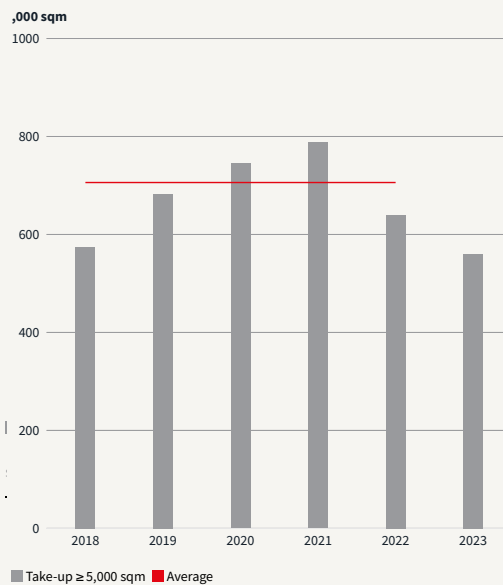
Ruhr Area

Major deals concluded exclusively in development projects

Around 560,000 sqm of warehousing and logistic space larger than 5,000 sqm was taken up in lettings and owner-occupier deals in the Ruhr area* in 2023. The last time the region recorded such a low level was in 2017 (548,300 sqm). Despite increasing momentum in the second half of the year, it was not possible to match the previous year's result (-13%); a comparison with the five-year average showed a drop of 21%. The strongest demand came from companies from the distribution / logistics sector which were responsible for 43% of the total take-up. They were followed at some distance by retailers with a share of 33% and manufacturing with 17%. Two deals were concluded in the >50,000 sqm size category: the Japanese logistics company Yusen leased around 57,000 sqm for its new central warehouse in a development project in Bottrop and a new around 56,000 sqm logistics centre is being built in Marl for the book retailer Thalia. All deals in the >25,000 sqm size category were concluded in development projects, reflecting the strong interest of many occupiers in modern space, and this has fuelled a further rise in rents.

The prime rent in the Ruhr area has risen by 13.3% to €8.50/sqm p.m. in the last twelve months, and is currently being achieved in Bottrop. The second most expensive locations are Duisburg and Gelsenkirchen, where rents of up to €8.00/sqm p.m. are being agreed.

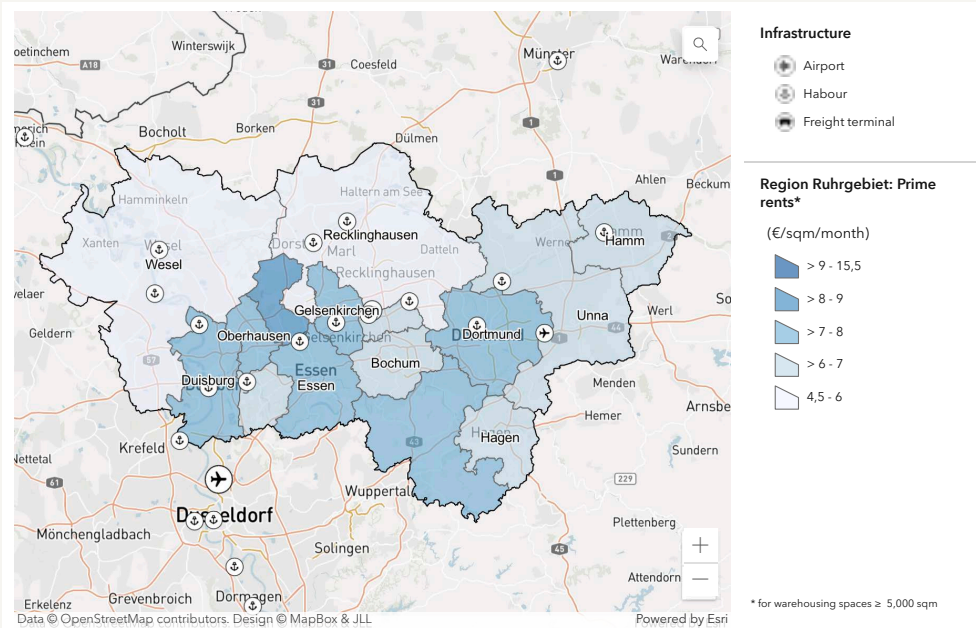
Ruhr Area: Warehousing Take-up



Status: February 2024, Source: JLL

Industrial Market Areas with Rental Bands Ruhr Area

Click the map to view the rental bands



Stuttgart

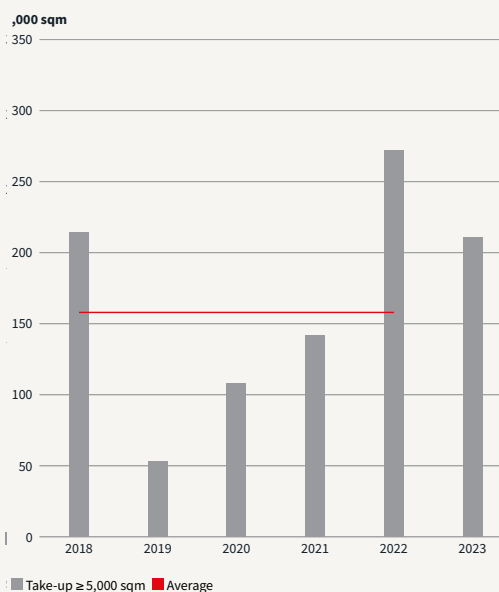
Take-up falls short of the previous year's result

Around 210,600 sqm of warehousing and logistics space larger than 5,000 sqm was taken up in lettings and owner-occupier deals in the Stuttgart region* in 2023, 22% less year-on-year, but an increase of 33% compared to the five-year average. The largest contracts signed include Breuninger's owner-occupier development in Sachsenheim with approximately 40,000 sqm and Lidl's letting of around 39,000 sqm of new logistics space in Ebersbach. These two deals meant that half of the take-up result was attributable to retailers. The manufacturing sector accounted for a further 34% of take-up, while companies from distribution / logistics contributed just 5.0%, compared to 43% in 2022.

Due to the sustained tense supply situation in the property market, very few new properties are added each year, and of those, many are often let before construction begins. This means that there is very little suitable space to satisfy enquiries in the region.

The prime rent for warehousing space larger than 5,000 sqm increased slightly (+2.4%) year-on-year to €8.50/sqm p.m. Therefore, the prime rent achieved in the Stuttgart city area and in Böblingen has risen by 25% in the last five years.

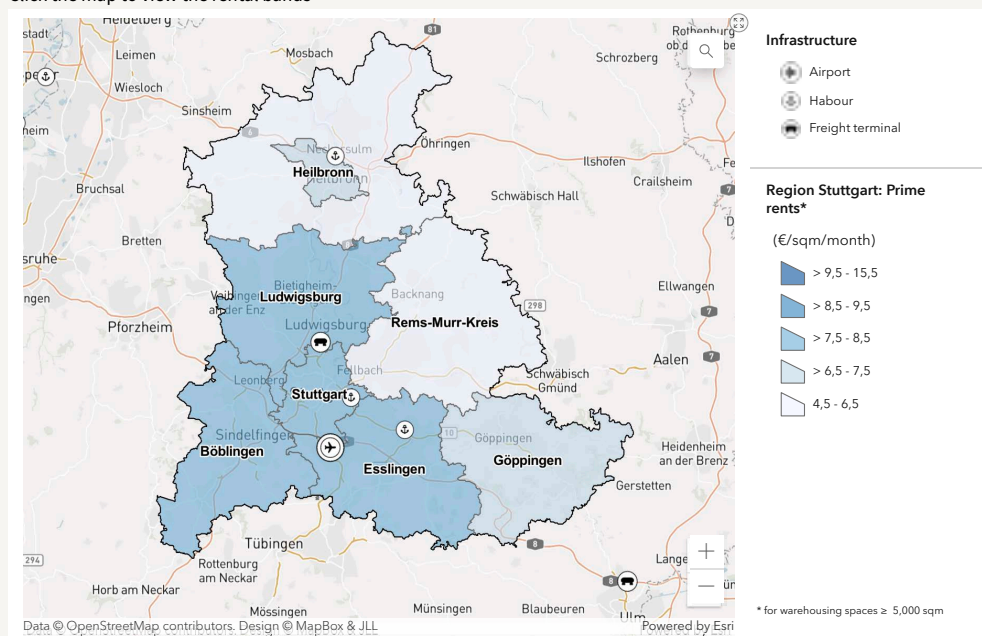
Stuttgart: Warehousing Take-up



Status: February 2024, Source: JLL

Industrial Market Areas with Rental Bands Stuttgart

Click the map to view the rental bands



Contact us

Our Industrial and Logistics contacts:

Industrial Leasing:

Sarina Schekahn, Head of Industrial & Logistics Agency
Germany

Research:

Helge Scheunemann, Head of Research Germany

Industrial Investment:

Diana Schumann, Co Head Industrial Investment Germany
Dominik Thoma, Co Head Industrial Investment Germany

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