

	YoY Chg	12-Mo, Forecast
<b>1,695,000</b> Take-up, m <sup>2</sup>	▲	▲
<b>EUR 6.34*</b> Prime Avg. Rent, m <sup>2</sup> /month	▲	▲
<b>3.30%*</b> Prime Avg. Yield (NIY)	▼	▼

\*Average of prime over five major markets

## ECONOMIC INDICATORS 2021

	YoY Chg	12-Mo, Forecast
<b>-2.2%</b> GDP Growth (Q1 2021)	▼	▲
<b>96.6</b> Business Climate Sentiment: Current Situation (March 2021)	▲	▲
<b>100.4</b> Business Climate Sentiment: Expectations (March 2021)	▲	▲

Source: National Statistical Office, ifo institute, Index: 2015=100

## Economic sentiment brightens despite prolonged lockdown

Germany is still in lockdown due to the high numbers of new Sars-Cov-2 infections. Some easing took place in March permitting “click and meet” under specific conditions, however, most non-essential stores have been offering only delivery services or click and collect for several months. Therefore, the conditions for e-commerce and B2C logistics remained good with online retail turnover in February 2021 34% stronger than a year previously.

In January and February 2021, new industrial order figures were higher than a year previously, not least due to strong demand from outside Germany. Manufacturing output however is partially suffering from supply shortfall of semiconductor chips. Overall, the Ifo Business Climate rose to 96.6 points in March and April 2021, driven in particular by more positive business expectations.

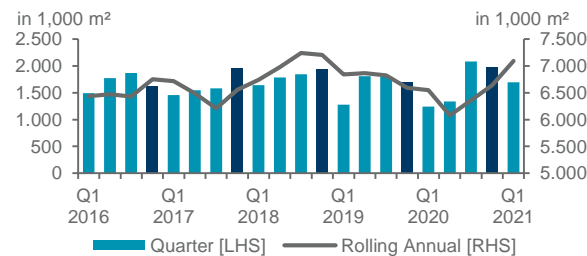
## Strong Take-up and Investment volume

New lets and owner occupations concluded in the first three months of the current year amount to 1,695 million m<sup>2</sup> of warehouse and logistics space. No other first quarter of the last decade saw a higher result. Compared to Q1 2020 take-up increased by 37%, demonstrating how important this asset class is to securing the provision of goods for businesses and consumers. The major proportion of new lets and owner occupations (70%) took place outside the five major markets. Of the five major markets, the Berlin market registered the highest take-up (160,000m<sup>2</sup>), followed by Hamburg (130,000m<sup>2</sup>), Frankfurt (95,000m<sup>2</sup>), Dusseldorf (70,000m<sup>2</sup>) and Munich (52,000m<sup>2</sup>). The three major sectors, retail, manufacturing and transport/logistics, contributed almost equal proportions of the Q1 take-up figures. Occupiers are seeking both space in existing assets and in new developments. New spaces are sought after not least to meet individual building specification requirements. Developers are searching for brownfield sites within the city boundaries of the major cities in order to develop spaces for city logistics. Investors’ appetite for warehouses and logistics space also remained strong. In total, they purchased assets with a volume of almost €2 bn in the first quarter.

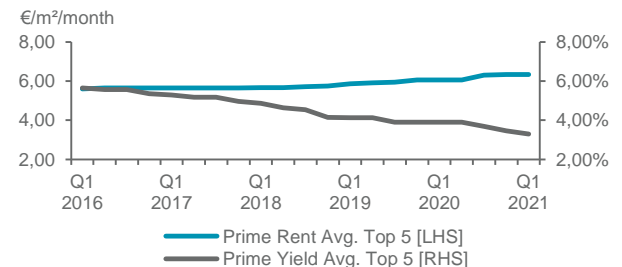
## Rents up – Yields down

While prime rents for large modern assets maintained their Q4 2020 level as in Q1 2021, yields compressed by 10 to 20 bps. Compared to 12 months earlier, compression was 60 bps in the top-5 markets and ranges between 35 bps and 55 bps outside of these. The y-o-y rent increase was strongest in Berlin (12%), followed by Cologne (8.0%) and Munich (6.9%). The highest rents are achieved in Munich (€7.70 m<sup>2</sup>/month), followed by Frankfurt and Stuttgart (€6.50 m<sup>2</sup>/month).

## INDUSTRIAL TAKE-UP



## INDUSTRIAL RENTS & YIELDS



### MARKET STATISTICS

MARKETS	PRIME RENT*	CHANGE YOY	OUTLOOK YE 2021	PRIME YIELD	CHANGE YOY	OUTLOOK YE 2021
Berlin	5.60	12.0%	Up	3.30%	-60 bps	Down
Dusseldorf	5.60	0.0%	Stable	3.30%	-60 bps	Down
Frankfurt	6.50	3.2%	Up	3.30%	-60 bps	Down
Hamburg	6.30	1.6%	Up	3.30%	-60 bps	Down
Munich	7.70	6.9%	Up	3.30%	-60 bps	Down
TOP-5 MARKETS	6.34	4.6%	Up	3.30%	-60 bps	Down
Other Markets	4.86	2.6%	Up	3.70%	-40 bps	Down
GERMANY TOTALS	5.48	3.5%	Up	3.53%	-45 bps	Down

\*Rental rates reflect Euro per m<sup>2</sup> per month, Germany top-5 and Germany totals reflects average of prime of included markets

### SELECTED LEASE TRANSACTIONS Q1 2021

PROPERTY	MARKET	TENANT	M <sup>2</sup>	TYPE
C3-Bremen Distribution Centre	Bremen	BLG	95,000	Pre-let, completion 2022
Unit 3, Magna-Park Kassel	Kassel	Radial Fulfillment	50,000	New let
Garbe development project, Werne	Ruhr Area	Euziel	20,000	New let (Expansion)
Limes Park Hammersbach	Frankfurt	Hager Group	40,000	Pre-let, completion 2022

### SELECTED SALES TRANSACTIONS Q1 2021

PROPERTY	MARKET	SELLER / BUYER	M <sup>2</sup>	PRICE €M
2 Distribution Centres	Various	Dietz AG / Tritax Eurobox	165,000	~ 290
3 Distribution Centers (Amazon)	Various	Panattoni / L'Etoile Property Services	26,000	~ 90
Industrial Park	Meerane	Metawerk / Deka Immobilien Investment	190,000	~ 230

### SELECTED CONSTRUCTION COMPLETIONS Q1 2021

PROPERTY	MARKET	MAJOR TENANT	M <sup>2</sup>	OWNER/DEVELOPER
Distribution Centre Geiselwind	Würzburg	Puma	63,000	Tritax Eurobox / Dietz AG
Distribution Center Magdeburg	Magdeburg	Dachser	40,000	Nuveen RE / Panattoni
Distribution Center Am Tie, Osnabrück	Münster	Koch Pharmalogistik	24,000	Koch International / Koch International

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