

287,900m²

Take-up (cum.)

YoY
Change

12-Month-
Forecast

€7.95

Prime Rent, €/m²/month

€200 m

Transaction Volume (cum.)

4.50%*

Prime Yield

*Prime Yield = Net Initial Yield

A YEAR OF ECONOMIC CHALLENGES

According to the Düsseldorf/Middle Lower Rhine Chamber of Industry and Commerce (IHK), the weak economic growth of the 1st half of the year fizzled out. In the autumn 2023 economic survey, companies assessed their current business situation only marginally positively. The business expectations of the majority of companies were mostly pessimistic, as no major growth impetus for the region was expected due to the weakening global economy. Rising interest rates and inflation, which are slowing down consumption and investment, are still hampering economic recovery. In addition, persistently high energy prices, increased labour costs and the shortage of skilled workers are perceived as business risks.

LETTING MARKET: TAKE-UP IN LINE WITH THE LONG-TERM AVERAGE

Düsseldorf's logistics and industrial real estate market area recorded take-up of 287,900m² in 2023. A strong first half of the year (Q1 and Q2 with over 70,000m² each) was followed by a relatively weak Q3 with only 30,300m² but an outstanding final quarter in which 110,300m² was registered. The overall result is roughly (-2%) on a par with the previous year and the 10-year average. The largest deal was the letting to GXO Logistics Services in Dormagen in Q2. The logistics company will move into a property completed in Q1 2023, which was sold by Dietz AG to the Tritax Group. Property developer Ixocon let its new 20,800 m² building in Mönchengladbach to Papp Logistics before construction even began. Steel company HW-Inox leased around 20,000m² from Aurelis in Ratingen in Q4. In Q3, the ITC Logistic owner-occupancy deal for around 13,000m² in Mönchengladbach was included in the statistics. LogProject also let a similar amount of space to Keno in its Hildener Tor business park.

LABOUR MARKET

96.5

Ifo Employment Barometer
Germany (Dec 2023)

YoY
Change

12-Month-
Forecast

67,900

Düsseldorf Employees
in warehouse-using
industries (Dec 2023)

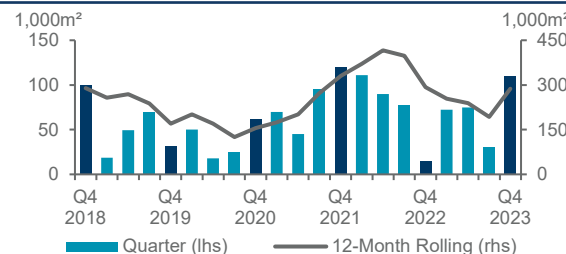
7.2%

Düsseldorf Unemployment
Rate (Dec 2023)

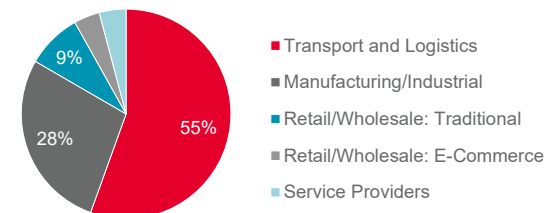
Sources: ifo Institute (Index: 2015=100), Moody's Analytics,
Federal Employment Agency

Via a large number of major deals, the transport and logistics industry was the sector contributing the majority of take-up in 2023, at 55%. The manufacturer/industry sector was in second place, contributing around 28%; this corresponds to an increase of nine percentage points compared to the previous year's figure. The retail sector – both traditional and online – continued to decline, at 13% (-30 percentage points compared to 2022).

TAKE-UP



TAKE-UP BY SECTOR 2023



PRIME RENT ROSE AGAIN AT THE END OF THE YEAR

The achievable prime rent for logistics space remained stable over the first nine months of 2023 but picked up again in the year-end spurt. At the end of Q4, it stood at €7.95/m² per month, an increase of 5% or €0.35 compared to a year earlier. The price increase was driven by the imbalance between high demand for modern space and the increasingly scarce supply.

LARGE DEALS OF MORE THAN 10,000m² DOMINATE THE MARKET

In 2023, around 36% of take-up in Düsseldorf's logistics and industrial market was contributed by the 10,000m² to less than 20,000m² segment via eight deals. Five of the occupiers here were from the transport and logistics sector. Three major deals took place in the 20,000m² or more segment, accounting for around a quarter (26%) of take-up. The small-scale segment of less than 3,000m² accounted for the largest number of deals and around 14% of take-up. With the 3,000m² to less than 5,000m² category making a similar contribution. The 5,000m² to less than 10,000m² segment accounted for 10% of take-up.

Broken down by submarket, the most take-up, at around 106,700m² and a share of 37%, is attributable to the district of Mettmann. Almost a third of take-up (31%) is in the Rhein-Kreis Neuss submarket, where around 90,200m² of warehouse, logistics and industrial space was let. In the Mönchengladbach and Krefeld submarkets, 12% and 11% of take-up were recorded, respectively.

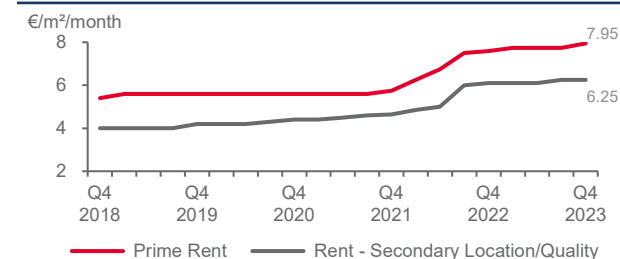
COMPLETION VOLUME SLIGHTLY ABOVE AVERAGE

In 2023, around 188,000m² of logistics and industrial space was completed in the Düsseldorf market area. This represents an increase of 15% compared to the previous year. In addition, the completion volume in 2023 was around 6% above the 5-year average. In the next twelve months, approximately 90,000m² will be completed, which is already fully absorbed by the market. For 2025, a volume of 136,000m² of warehouse, logistics and industrial space is expected, of which 15% has already been pre-let.

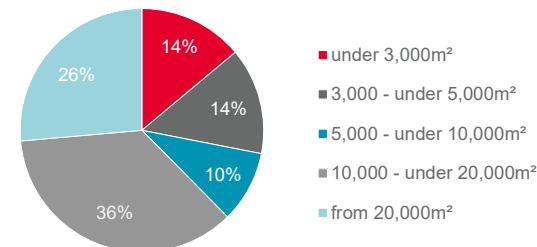
SELECTED TRANSACTIONS 2023

Quarter	Property	Location	Tenant	m ²	Type
Q2	Logistics centre	Dormagen	GXO Logistics Services	36,000	New Lease
Q4	Logistics centre	Mönchengladbach	Papp Logistics	20,800	Pre-let
Q4	Aurelis UnternehmerPark	Ratingen	HW-Inox	20,000	New Lease
Q2	Logistics centre	Kaarst	DB Schenker	14,000	New Lease
Q3	Logistics centre	Mönchengladbach	ITC Logistic	13,000	Owner-occupation
Q1	Logistics centre	Meerbusch	Retail company	11,800	New Lease

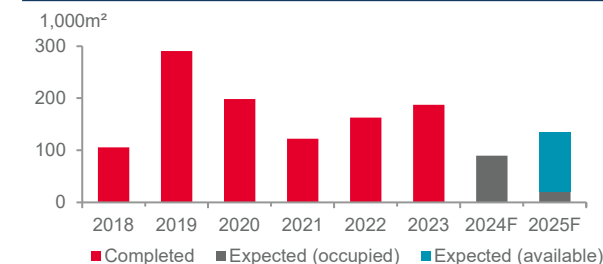
LOGISTICS RENTS



TAKE-UP BY SIZE 2023



COMPLETIONS

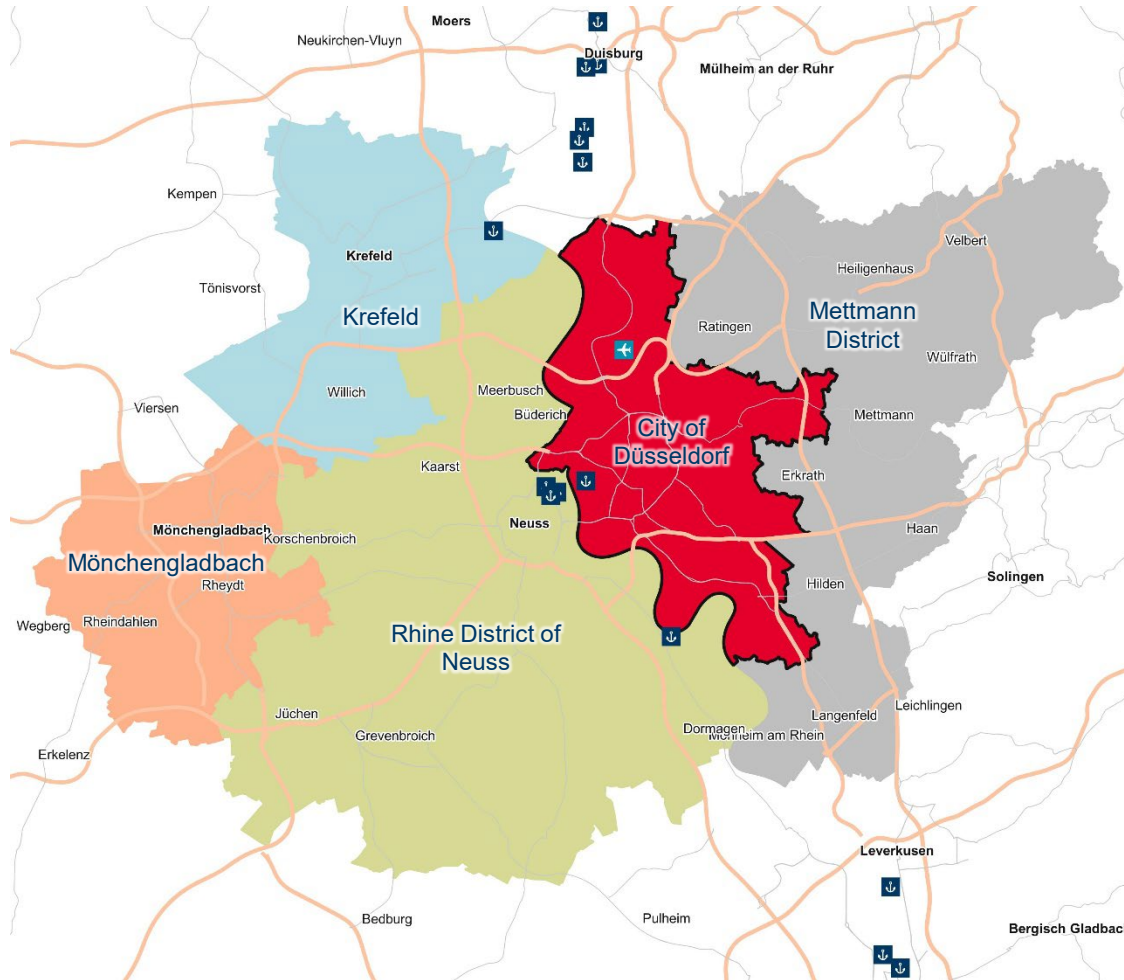


MARKETBEAT DÜSSELDORF

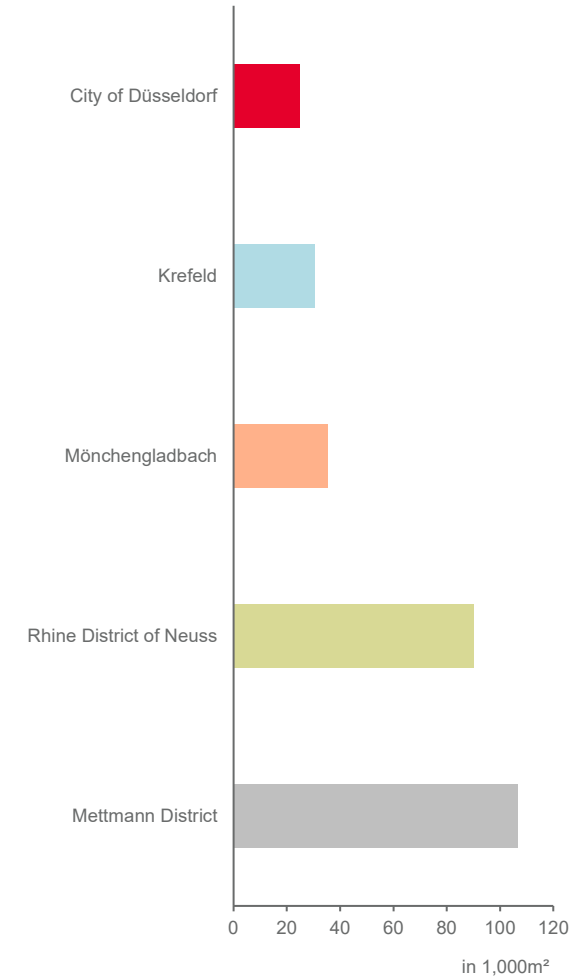
Logistics & Industrial Q4 2023



SUBMARKET OVERVIEW



TAKE-UP BY SUBMARKETS 2023



LOGISTICS-INDUSTRIAL INVESTMENTS LARGEST CONTRIBUTOR TO CRE TRANSACTION VOLUME

Düsseldorf's logistics and industrial real estate transaction volume amounted to €200 million in 2023, of which €165 million was attributable to Q1, only €5 million to Q2 and €30 million to Q4; no transactions in this sector took place in Q3. The result is 38% higher than the previous year as well as above the 5-year average and the second highest result since records began (2005). This is attributable almost exclusively to the sale of the Areal Böhler in Meerbusch, which was sold by the Voestalpine Group in Q1 for around €160 million. In 2023, logistics and industrial real estate accounted for around 30% of the total CRE transaction volume in the Düsseldorf market area (€665 million). This high proportion of the total is a novelty for the Düsseldorf investment market and was due to a sharp decline in general CRE market activity, especially regarding office real estate.

The prime yield for logistics properties was 4.50% at the end of Q4 2023. Compared to a year earlier, this represents an increase of 50 basis points and compared to the previous quarter, an increase of 20 basis points. The reason for the strong increase was the significant rise in borrowing costs and interest rate market volatility.

KEY FIGURES

€200 m

Logistics & Industrial
Transaction Volume (cum.)

30%

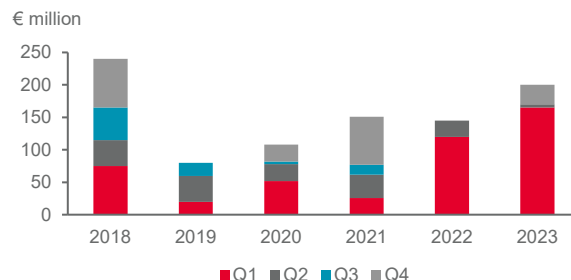
Share of Logistics & Industrial
Investments of Total Volume

4.50%

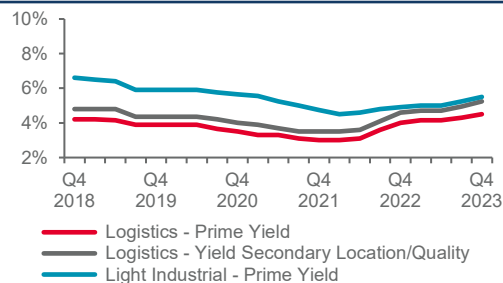
Logistics Prime Yield, net



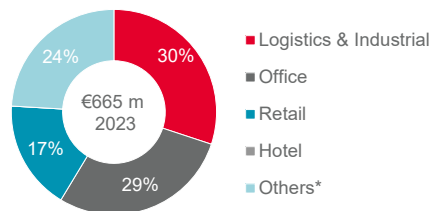
LOGISTICS & INDUSTRIAL TRANSACTION VOLUME



YIELDS BY PROPERTY TYPE



TOTAL COMMERCIAL TRANSACTION VOLUME



* Mixed-use Properties, Development Plots, Nursing Homes etc.

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