

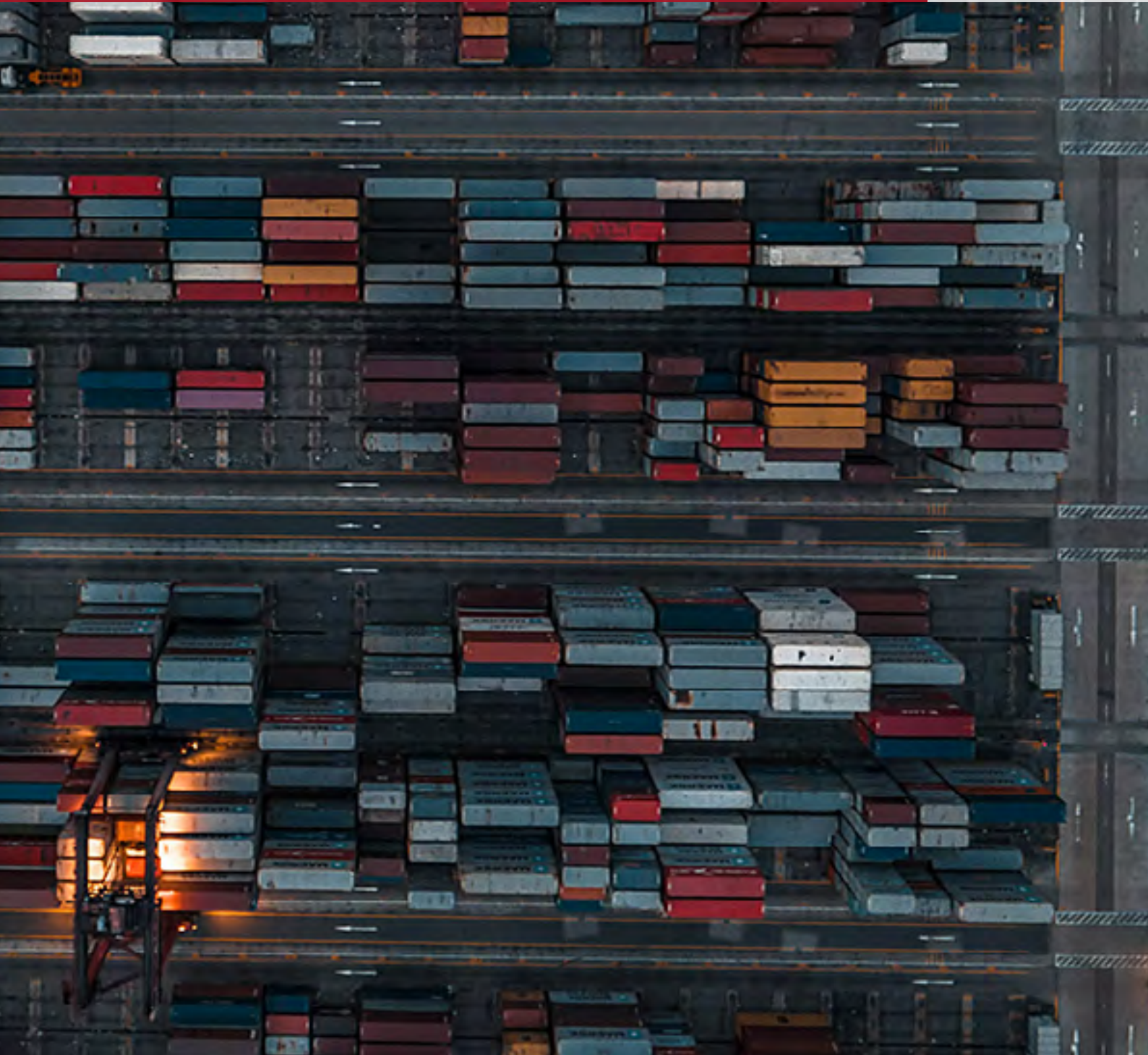


STUTT GART REGION

Industrial & Logistics Property 2024

E&G IMMOBILIEN

Grossmann & Berger Gruppe



Market Environment

The year 2022 was shaped by multiple crises. This has led to negative expectations and economic restraint among many companies in the Stuttgart Region. In consequence, also the property market is feeling the effects of a weakening economy. While residential and office property are struggling with high interest rates and construction costs, the industrial and logistics market is facing an on-going lack of products.



„SUBSTANTIAL DEMAND IS SUNK BY LACK OF SPACE IN THE STUTTGART REGION.“

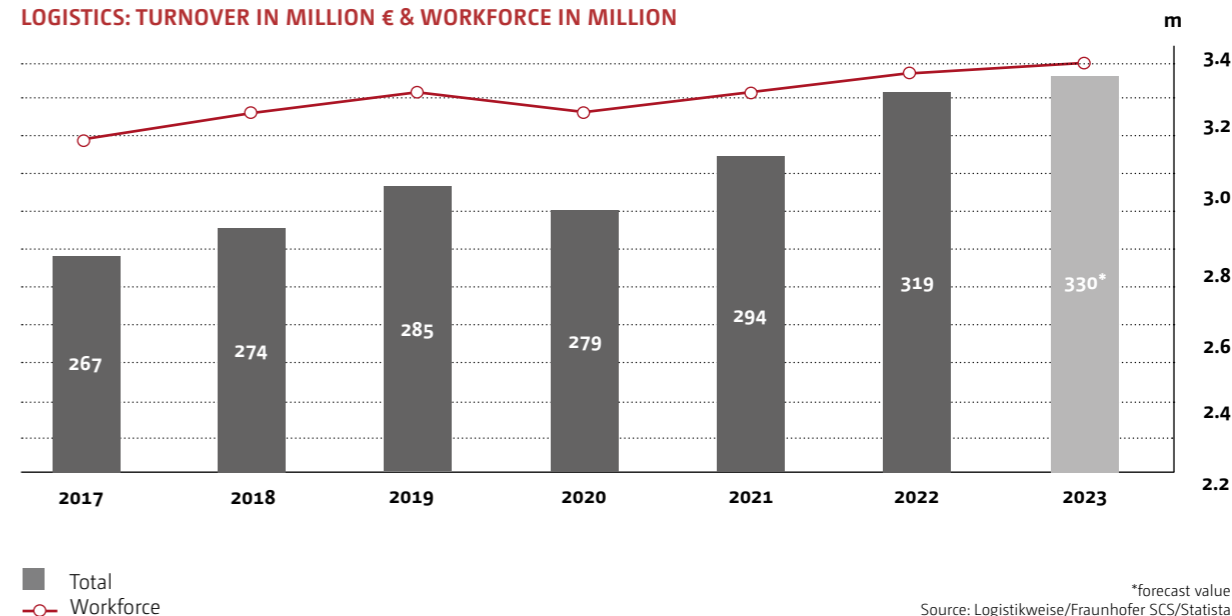
Markus Knab, Partner | Head of Industrial & Logistics

In face of high financing costs and a blatant lack of products, the market for I&L investments is heading for a stalemate situation. It will be up to policymakers to secure the unique value chain in our region with a clear strategy and faster approval processes. And the public must understand that the high standard of living in the Stuttgart Region is directly linked to the profitability of our companies. If we do not successfully manage structural change now, we risk the future of our key industries. Examples from eastern Germany show that it is still possible to successfully attract industrial settlement. In the Stuttgart Region, we urgently need to change our mindset to safeguard our economic prosperity for the future.

MARKET TRENDS 2023

- Industries fall short of recovery potentials
- Lack of skilled workforce weakens economic power of Stuttgart Region
- On-going shortage of suitable greenfields and brownfields
- Vulnerable supply chains increase volatility
- High investment costs stand in the way new developments

LOGISTICS: TURNOVER IN MILLION € & WORKFORCE IN MILLION



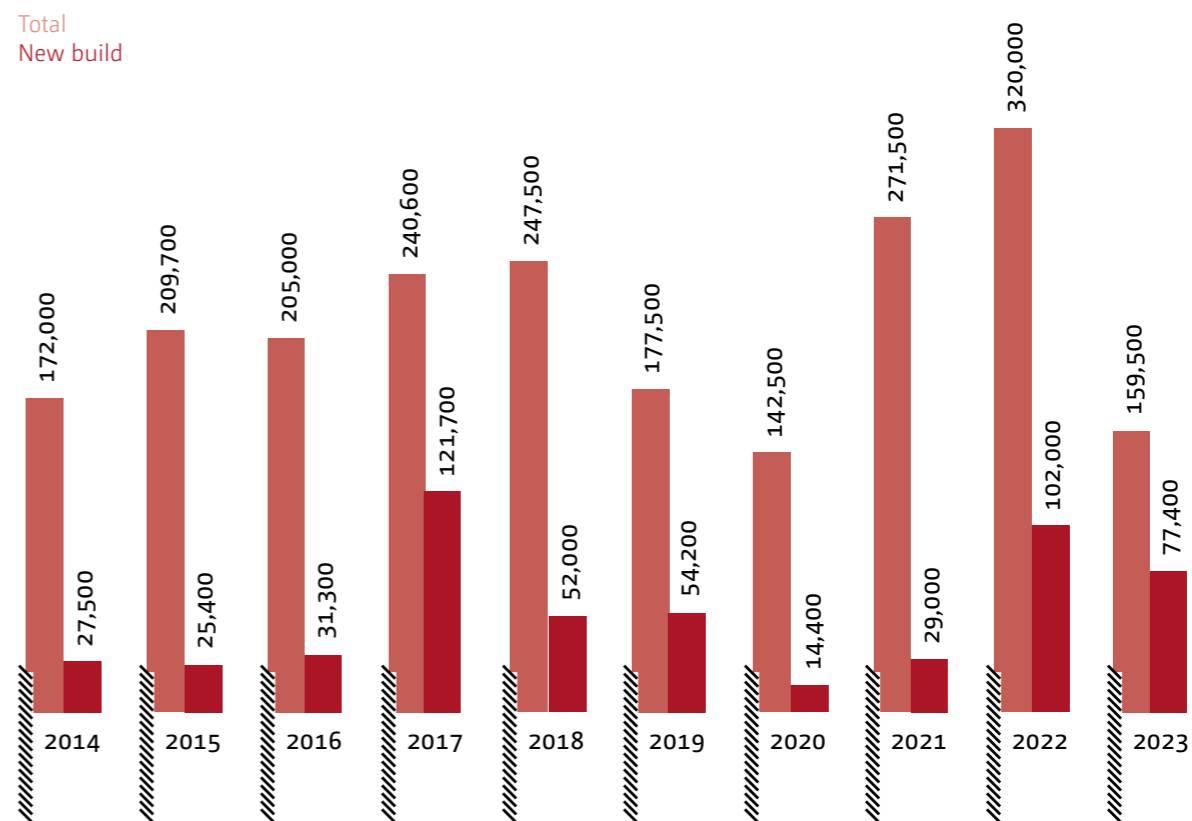
Market Facts

After some supply chain problems, automotive logistics are back and indicating demand for further hall space in the Stuttgart Region. At the same time, the transformation process of our key industries is gaining new momentum. However, these positive dynamics have not yet been reflected in an increased take-up of multi-functional hall space. The on-going shortage of modern logistics space does not only torpedo the structural change of our industries, but also the competitiveness of the Stuttgart Region within Germany and Europe.

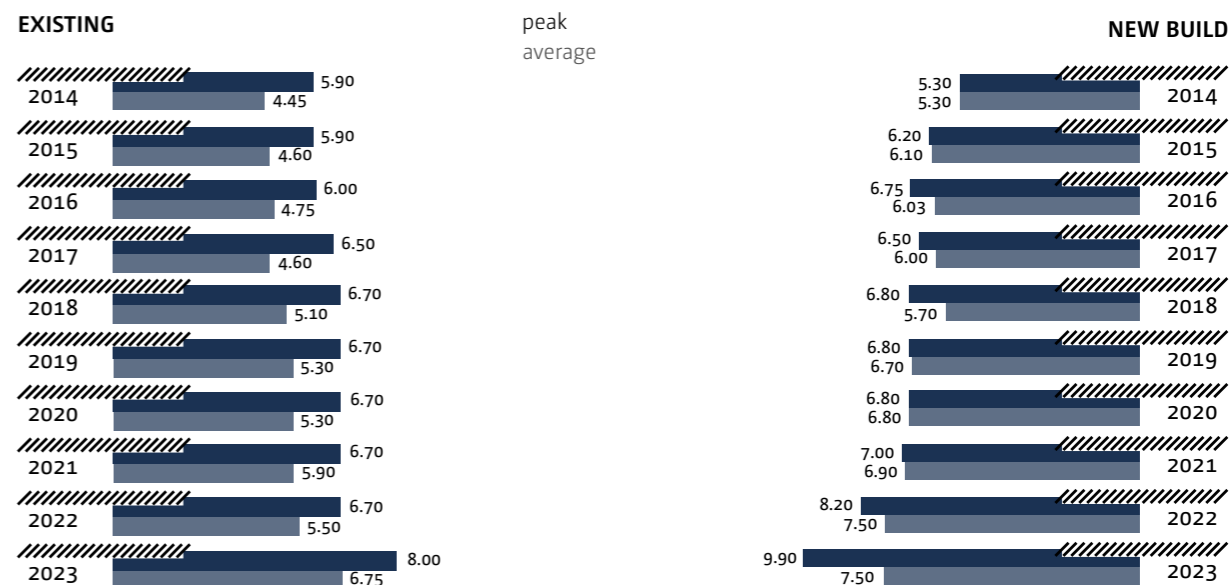
MARKET FACTS 2023

- Slump in space take-up by almost 50%
- Severe lack of multi-functional hallspace puts the brakes on market momentum
- Greatest demand from industrial companies
- Premium rent for existing I&L space remains on a high level (€ 8.47/m²)
- No significant development projects scheduled

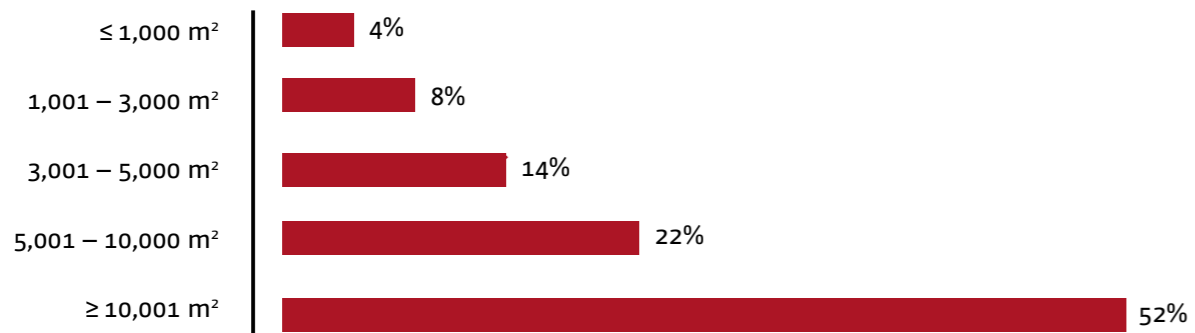
SPACE TAKE-UP STUTTGART REGION 2014 – 2023 IN M²



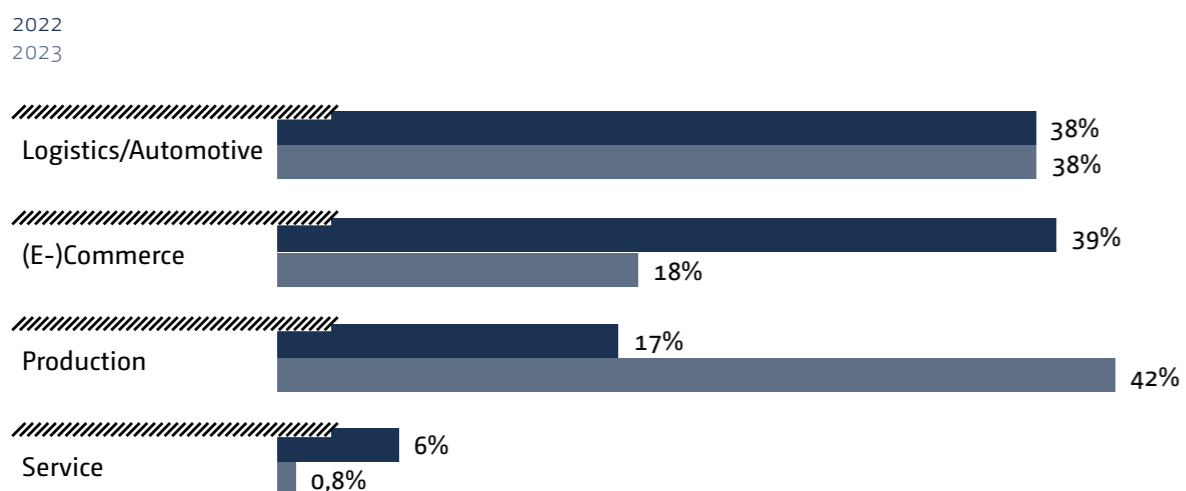
PEAK & AVERAGE RENTS IN €/M²



SPACE TAKE-UP BY FLOOR SIZE



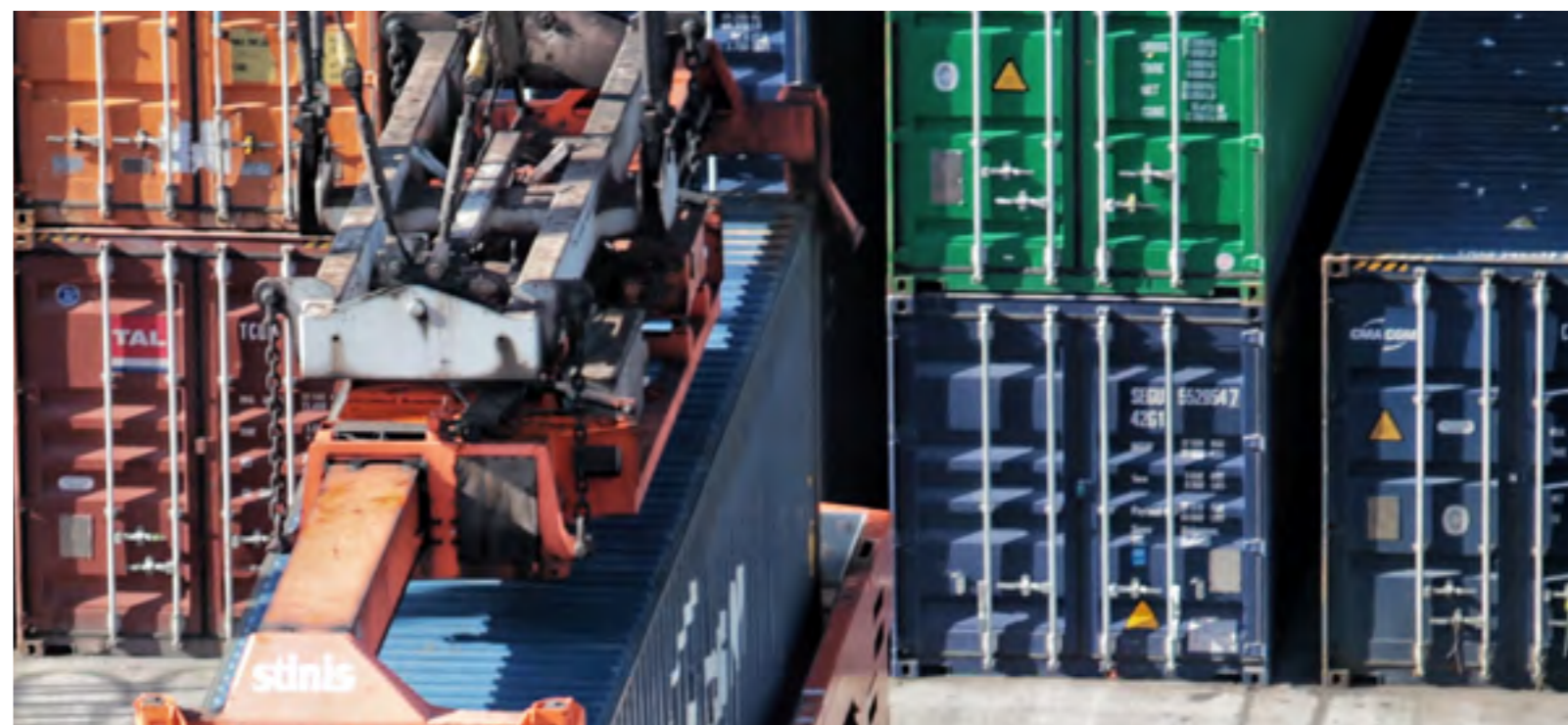
OCCUPIER GROUPS



OUTLOOK

The market data for 2023 reflects the on-going shortage of modern logistics space as well as the increased demand by the industries in the Stuttgart Region. Against a high level of occupancy, the situation on the rental market is not going to change significantly in 2024. The same counts for large-scale industrial and logistics projects, as there is no respective land designation in sight.

ESG-compliant construction and refurbishment has been gaining importance, also in the industrial and logistics sector. The associated costs, but especially the lack of suitable space, are bound to further drive up rental values in the Stuttgart Region.



Market Data Germany 2023

German Property Partners

HAMBURG

- ① €8.30/m²
- ② €6.70/m²
- ③ 3.40%
- ④ €280 – 480/m²
- ⑤ €160 – 240/m²
- ⑥ €100 – 180/m²

DÜSSELDORF

- ① €7.80/m²
- ② €6.80/m²
- ③ 4.40%
- ④ €400 – 600/m²
- ⑤ €300 – 350/m²
- ⑥ €200 – 250/m²

COLOGEN

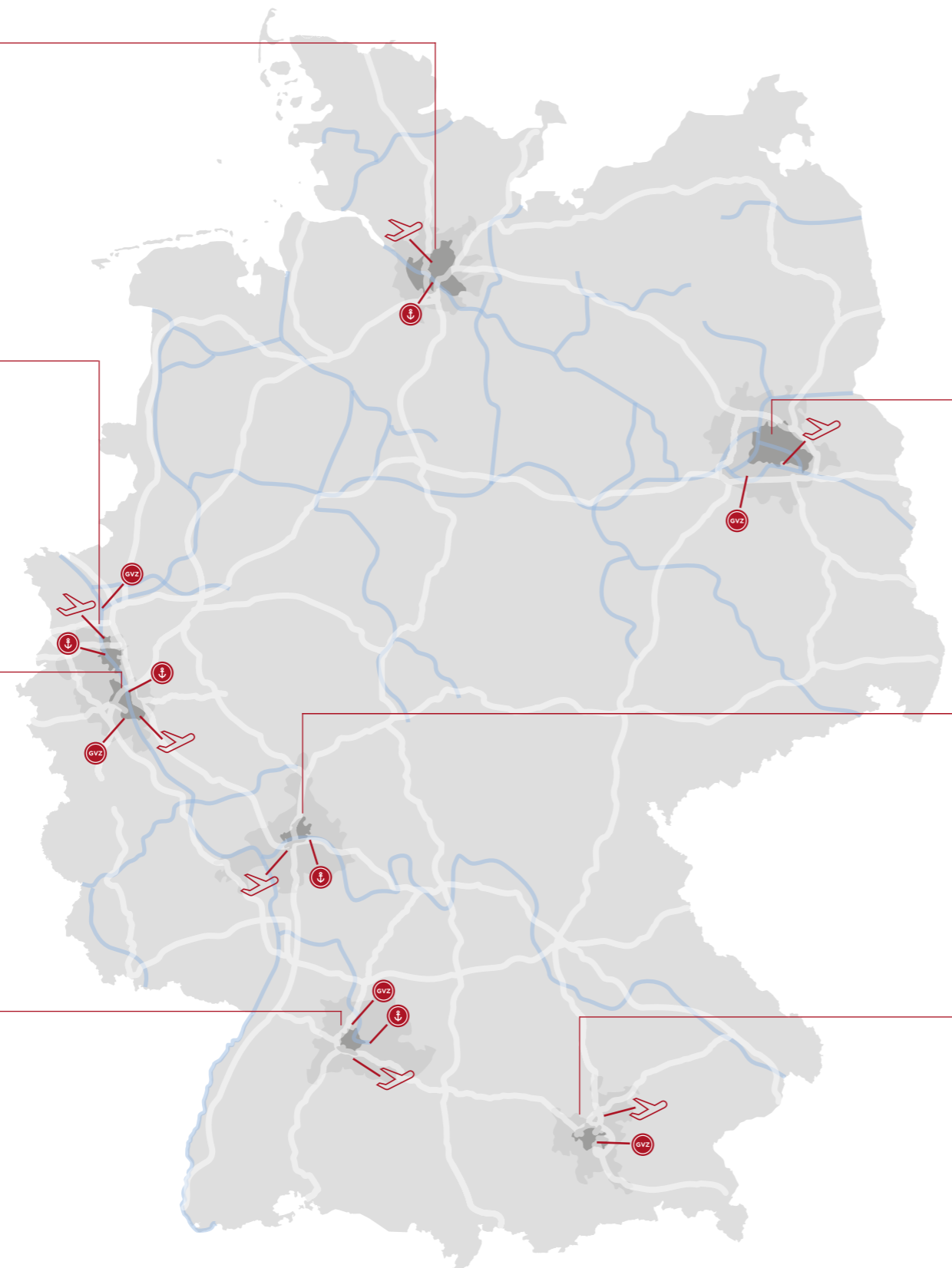
- ① €8.50/m²
- ② €6.50/m²
- ③ 4.40%
- ④ €200 – 400/m²
- ⑤ €150 – 300/m²
- ⑥ €120 – 150/m²

STUTTART

- ① €8.50/m²
- ② €9.90/m²
- ③ 4.40%
- ④ €300 – 550/m²
- ⑤ €250 – 550/m²
- ⑥ €150 – 280/m²

Legend

- ① Prime rents logistics (city area)
- ② Prime rents logistics (surrounding region)
- ③ Net prime yield
- ④ Land prices (city area)
- ⑤ Land prices (surrounding area)
- ⑥ Land prices (greater area)
- 🚢 Port
- 🚚 Freight centre
- 🛣️ Motorway
- 🌊 Federal waterway
- ✈️ Airport



BERLIN

- ① €9.40/m²
- ② €7.40/m²
- ③ €4.40%
- ④ €110 – 420/m²
- ⑤ €90 – 250/m²
- ⑥ €65 – 160/m²

FRANKFURT

- ① €8.70/m²
- ② €7.50/m²
- ③ 4.40%
- ④ €260 – 470/m²
- ⑤ €180 – 300/m²
- ⑥ €85 – 260/m²

MUNICH

- ① €9.80/m²
- ② €8.20/m²
- ③ 4.50%
- ④ €420 – 720/m²
- ⑤ €200 – 690/m²
- ⑥ €150 – 450/m²



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