

# STUTT GART REGION

Industrial & Logistics Property 2023

---

**E&G** REAL ESTATE



GERMAN  
PROPERTY  
PARTNERS





## Industrial & Logistics Smart solutions

The year 2022 has been challenging for Industrial and Logistics investments, but highly rewarding for lettings in this key market of the German economy. Over the course of the year, especially the industrial segment was struggling with vulnerable supply chains, rising energy costs and high inflation. At the same time, Industrial and Logistics lettings have been profiting from a high demand for shortly available storage space. As soon as interest rates and price levels will have found a new balance in the new year, also Industrial and Logistics investments will gain new momentum.



“LOGISTICS GAINS IN TIMES OF CRISIS.”

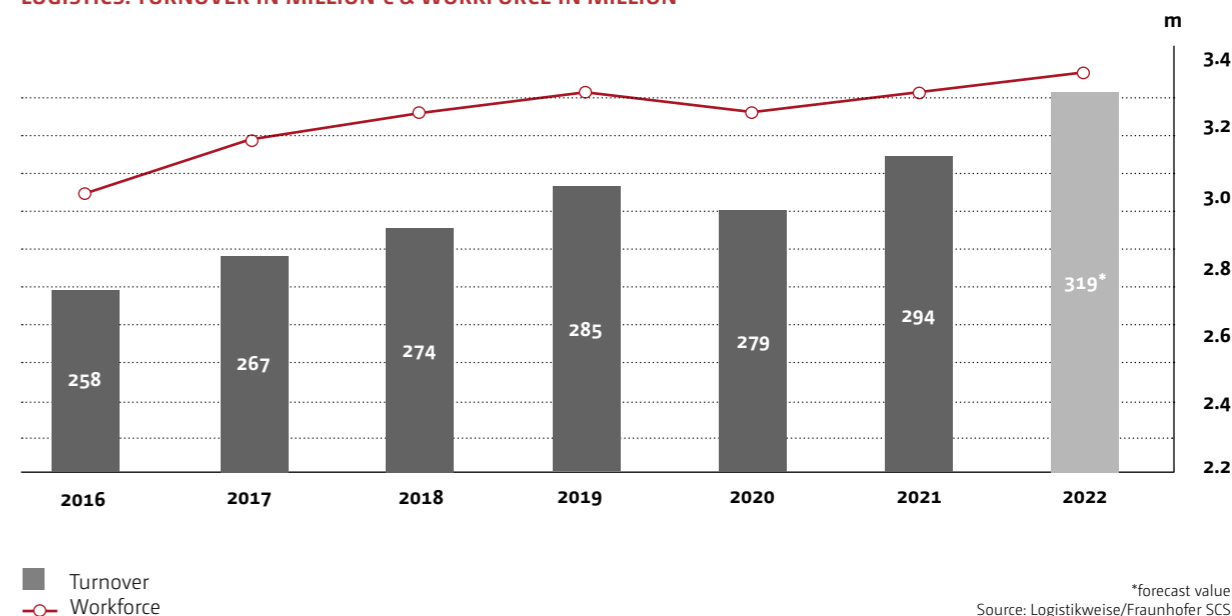
Markus Knab, Partner | Head of industrial & logistics

All in all, the future potentials for industrial and logistics property are quite good. Especially the logistics segment profits from the current macro-economic environment, as price increases can be passed on here. Now it is essential to get a grip on high energy costs in order to facilitate predictable cost structures for the industries again.

### MARKET ENVIRONMENT 2022/2023

- Industries facing vulnerable supply chains and lack of skilled workforce
- Logistics defies market risks with flexibility and smart solutions
- Demand for modern industrial & logistics space remains on a very high level
- Land designation for further development projects urgently needed
- Modernisation of existing facilities offers great future potentials

### LOGISTICS: TURNOVER IN MILLION € & WORKFORCE IN MILLION





## Letting market Record take-up

The letting market for industrial & logistics property has been developing dynamically in 2022 and closed with a record turnover, especially in the new build segment. To meet the rising demand in multi-functional hall space, many current development projects were even pre-let before start of construction. At the same time, the supply of existing hall space has shrunk significantly, as many users are holding on to their facilities in and around Stuttgart. In such a tight market environment, potential occupiers need to broaden their search focus beyond the Stuttgart Region.



## “RUN ON MULTI-FUNCTIONAL HALLSPACE”

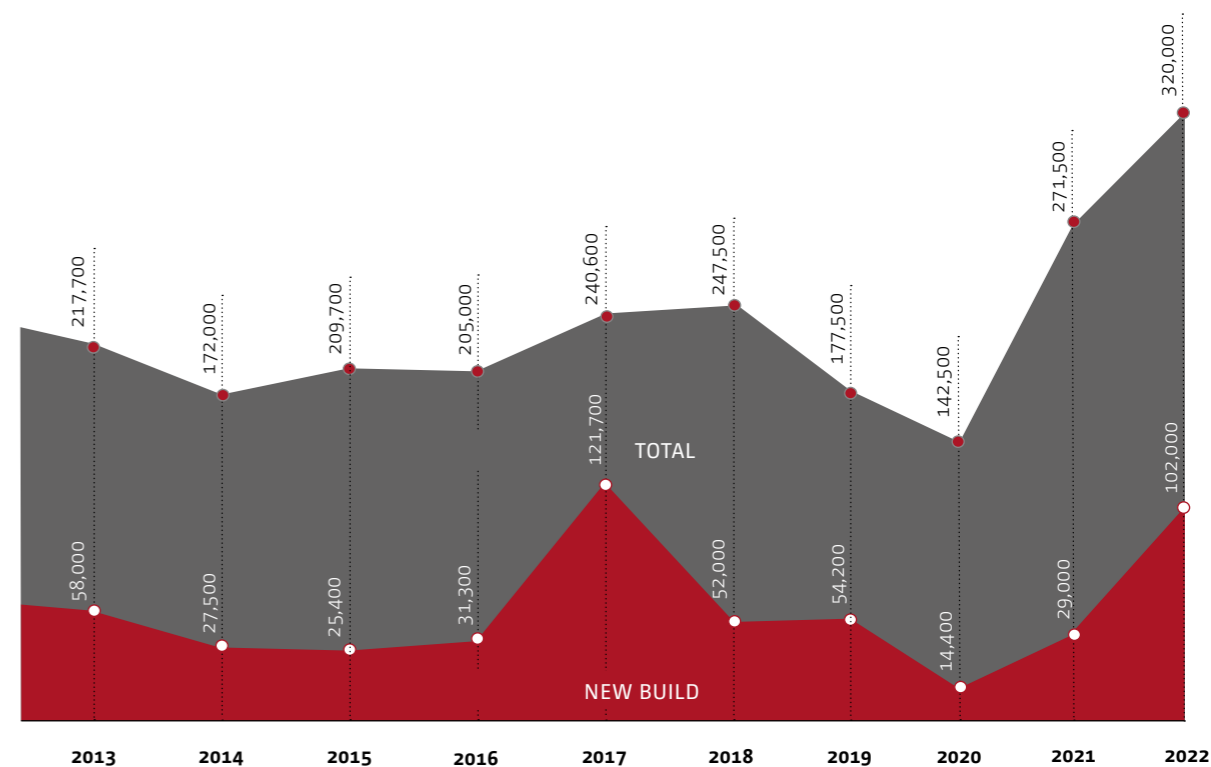
Alexander Fink, Consultant Industrial & Logistics

While the demand for multi-functional hall space remains high, dated facilities with limited third-party use potentials may have difficulties to find their occupiers. Owners should therefore seize the opportunity to modernize their building stock. Also developers need to stay on the ball to feed the market with new build facilities that meet the growing ESG-requirements of their potential users.

### LETTING MARKET 2022

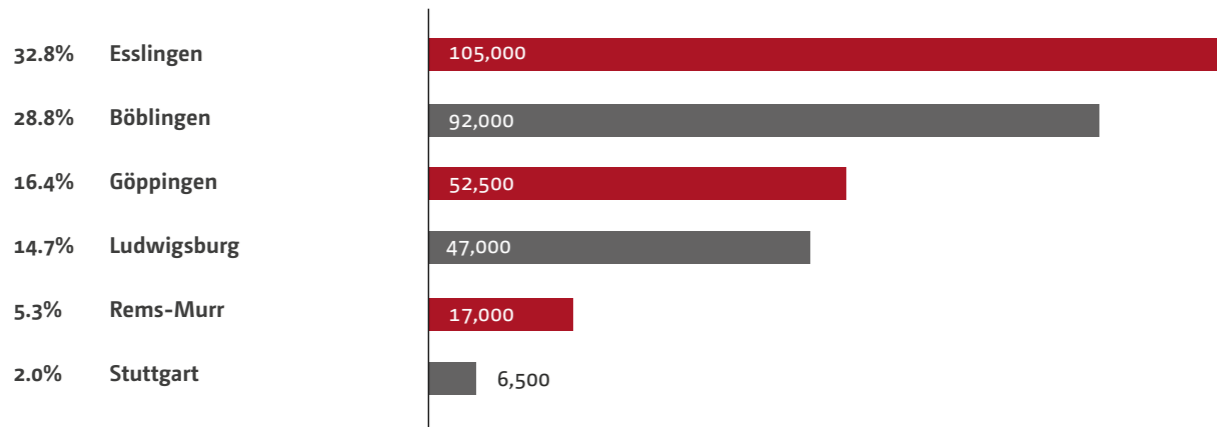
- Record space take-up of 320,000 m<sup>2</sup>
- Market driven by new build (32% share)
- Lack of existing hall space with ESG-compliance
- Rising rent levels in the entire Stuttgart Region
- Premium rent of €8.20/m<sup>2</sup> for new build
- Trade and logistics again with greatest demand

### SPACE TAKE-UP STUTTGART REGION 2012 – 2022 IN M<sup>2</sup>

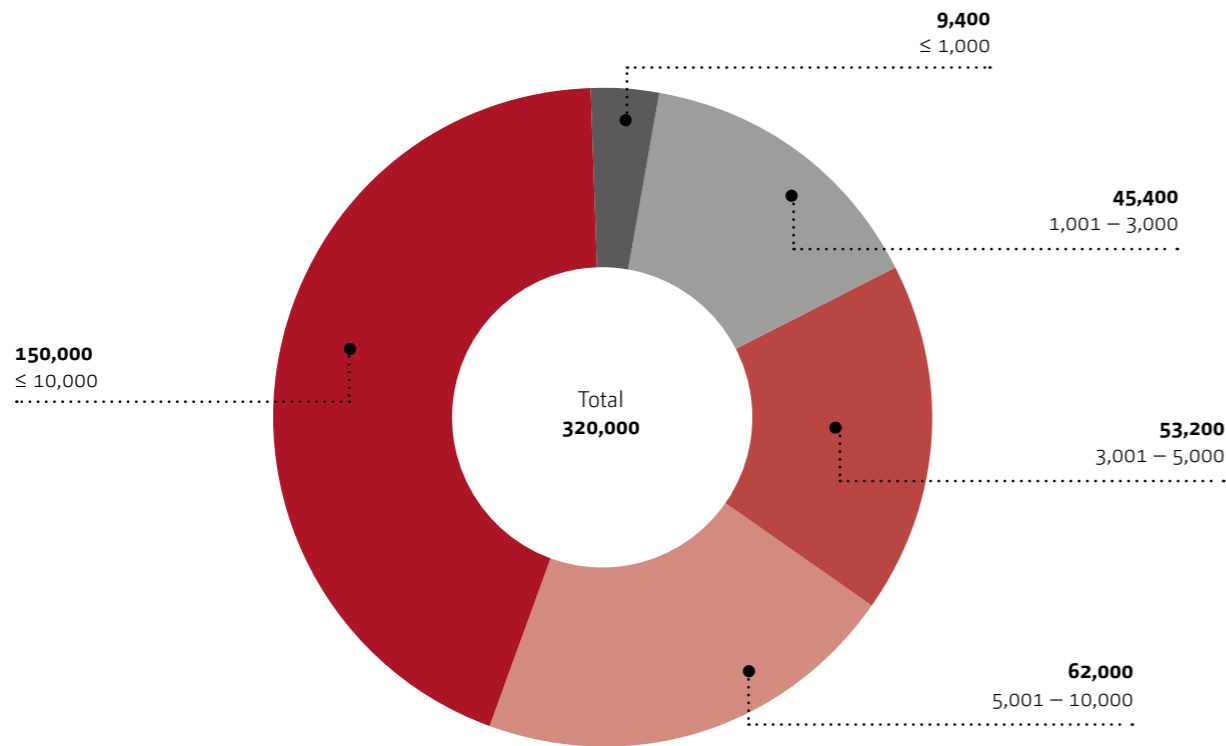


Source: Research E & G Real Estate GmbH ©, as of 31 Dec. 2022

SPACE TAKE-UP BY COUNTY IN M<sup>2</sup>



SPACE TAKE-UP BY FLOOR SPACE IN M<sup>2</sup>



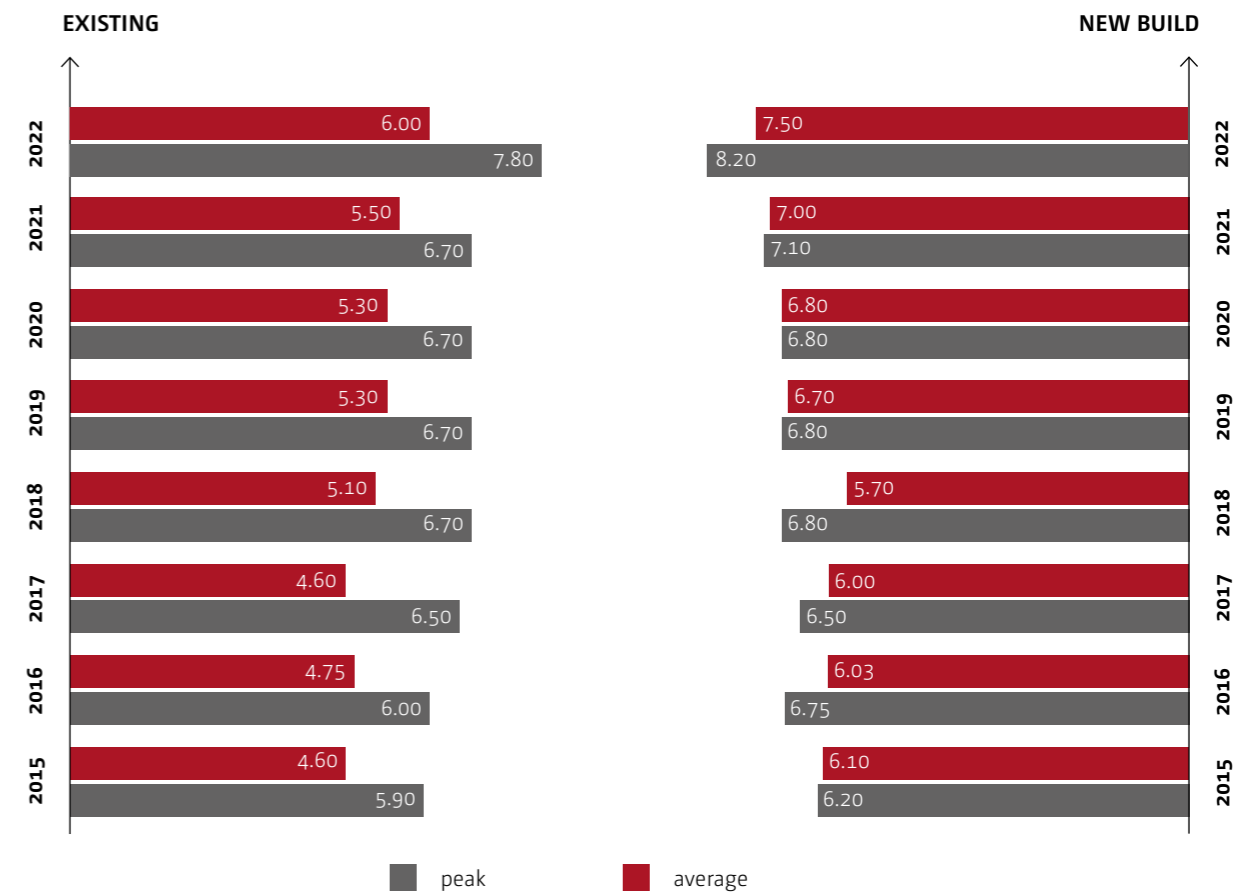
LETTING

RENT LEVELS BY COUNTY IN €/M<sup>2</sup>\*

County	Rental price existing	Average rent existing	Rental price new build	Average rent new build
Böblingen	5.00 – 7.80	6.50	8.00	8.00
Esslingen	3.90 – 6.50	5.50	6.90 – 7.25	7.10
Göppingen	3.50 – 5.20	4.60	6.00 – 8.20	7.80
Ludwigsburg	4.10 – 6.80	6.30	7.00	7.00
Rems-Murr	4.80 – 6.80	5.70	–	–
Stuttgart	4.50 – 7.00	5.50	–	–
<b>Total</b>		<b>6.00</b>		<b>7.50</b>

\*Monthly square metre net rents; mere hall space, without mezzanine/office/social space; exclusive of lease extensions/owner-occupiers/open area

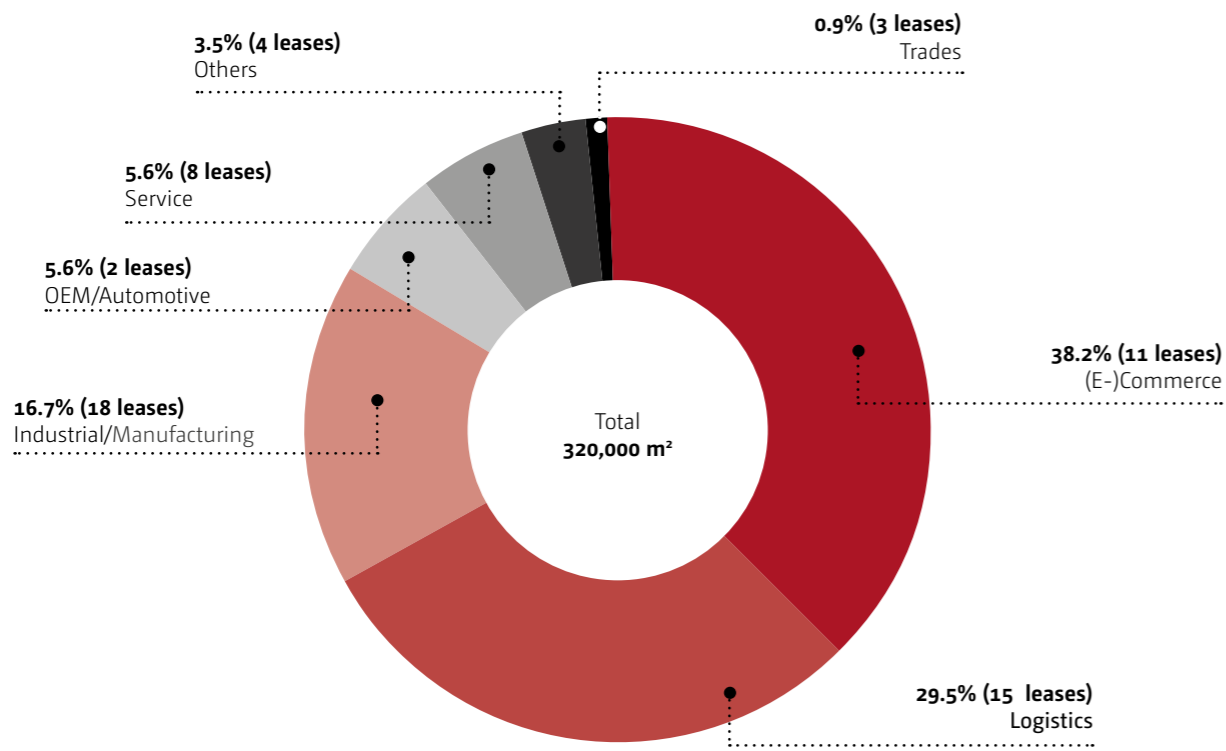
PEAK & AVERAGE RENTS IN €/M<sup>2</sup>



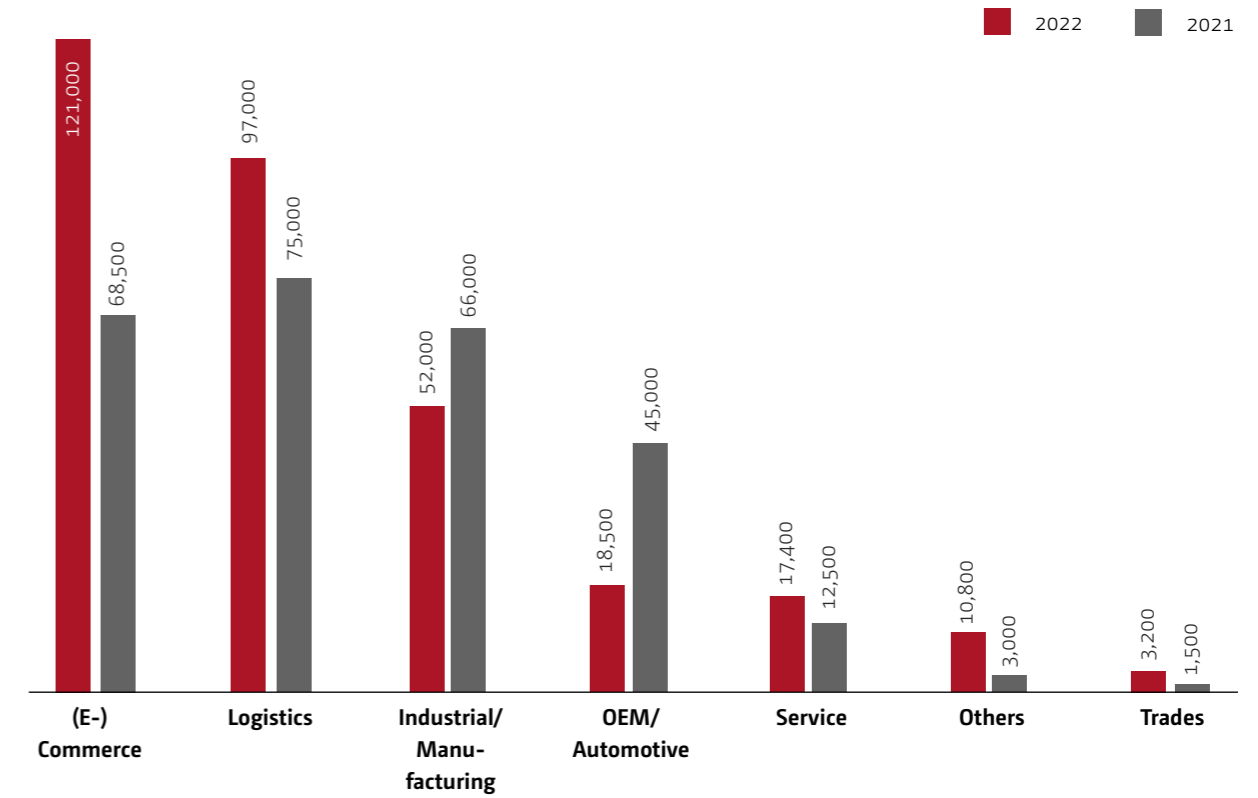
Source: Research E & G Real Estate GmbH ©, as of 31 Dec. 2022



SECTORS: RENTAL SPACE & LEASES SIGNED



SECTORS: 2022 IN M²



Source: Research E & G Real Estate GmbH ©, as of 31 Dec. 2022





## Investment On hold

Compared with the heated market environment in recent years, the market for industrial & logistics investments has significantly cooled down. Since the second quarter of 2022, high energy costs have fuelled inflation. In effect, interest rates have shot up, which has been a deal-breaker for many transactions in the pipeline. For many owners, the current factors do not represent an economically viable option for a disposal of their property assets. At the same time, investors are speculating for even lower price levels. In this reluctant environment, most market activity remains on hold until the overall situation has consolidated.



“PATIENCE WILL PAY OFF - FOR ALL.”

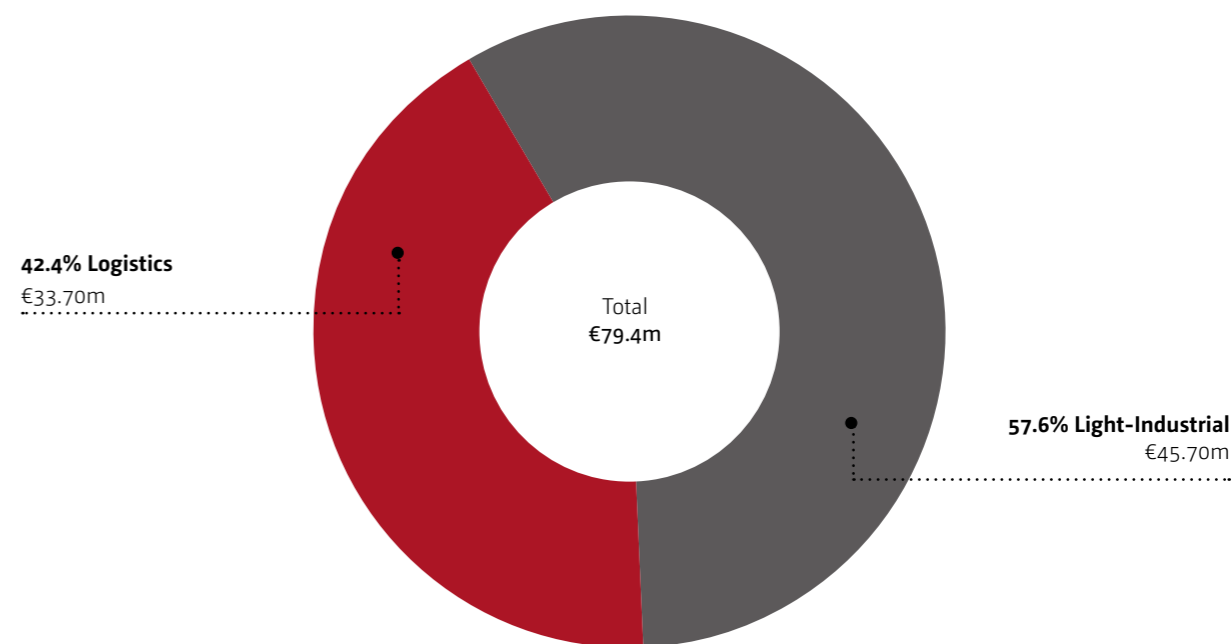
Alexander Deiss, Consultant Industrial & Logistics

While gearing remains challenging, equity investors such as insurances and pension funds can do the cherry picking, not only in the Stuttgart Region, but all over Germany. As interest rates seem to be topping out, hope remains that the market will kick back in again for all participants over the course of 2023.

### INVESTMENTS 2022

- Transaction volume down by more than 40%
- Prime yields rise to > 4%
- On-going demand for multi-functional hall space
- Cash-rich investors in the driver's seat
- Lack of Core-/Core+-products in Stuttgart Region
- Market recovery expected for S2/2023

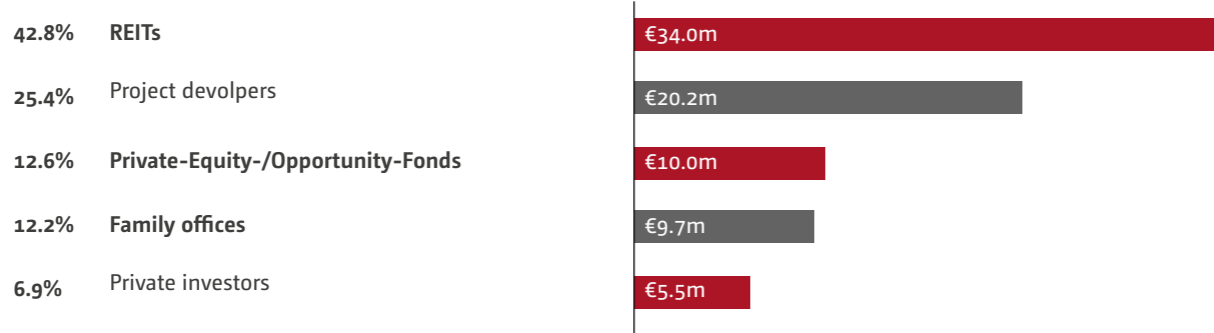
### INVESTMENT VOLUME BY ASSET CLASS



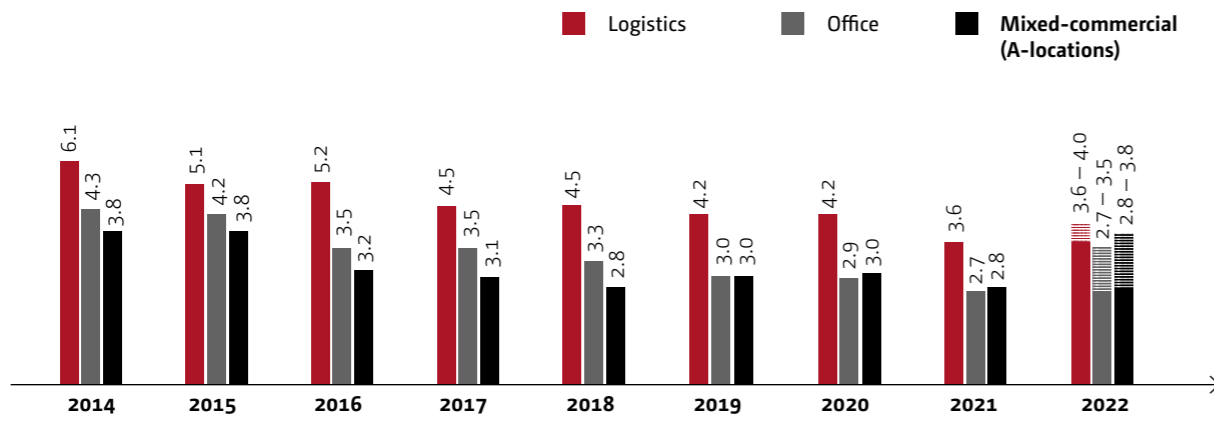
Source: Research E & G Real Estate GmbH ©, as of 31 Dec. 2022



INVESTMENT VOLUME BY BUYER GROUP



PRIME YIELDS FOR COMMERCIAL REAL ESTATE IN %



The Stuttgart Region  
Prime rents by county 2022



Source: Research E & G Real Estate GmbH ©, as of 31 Dec. 2022

# Market Data Germany 2022

## German Property Partners

### HAMBURG

- ① €7.50/m<sup>2</sup>
- ② €6.50/m<sup>2</sup>
- ③ 3.80%
- ④ €260 – 480/m<sup>2</sup>
- ⑤ €180 – 240/m<sup>2</sup>
- ⑥ €100 – 180/m<sup>2</sup>

### DÜSSELDORF

- ① €7.30/m<sup>2</sup>
- ② €6.50/m<sup>2</sup>
- ③ 4.10%
- ④ €400 – 600/m<sup>2</sup>
- ⑤ €300 – 350/m<sup>2</sup>
- ⑥ €200 – 250/m<sup>2</sup>

### COLOGNE

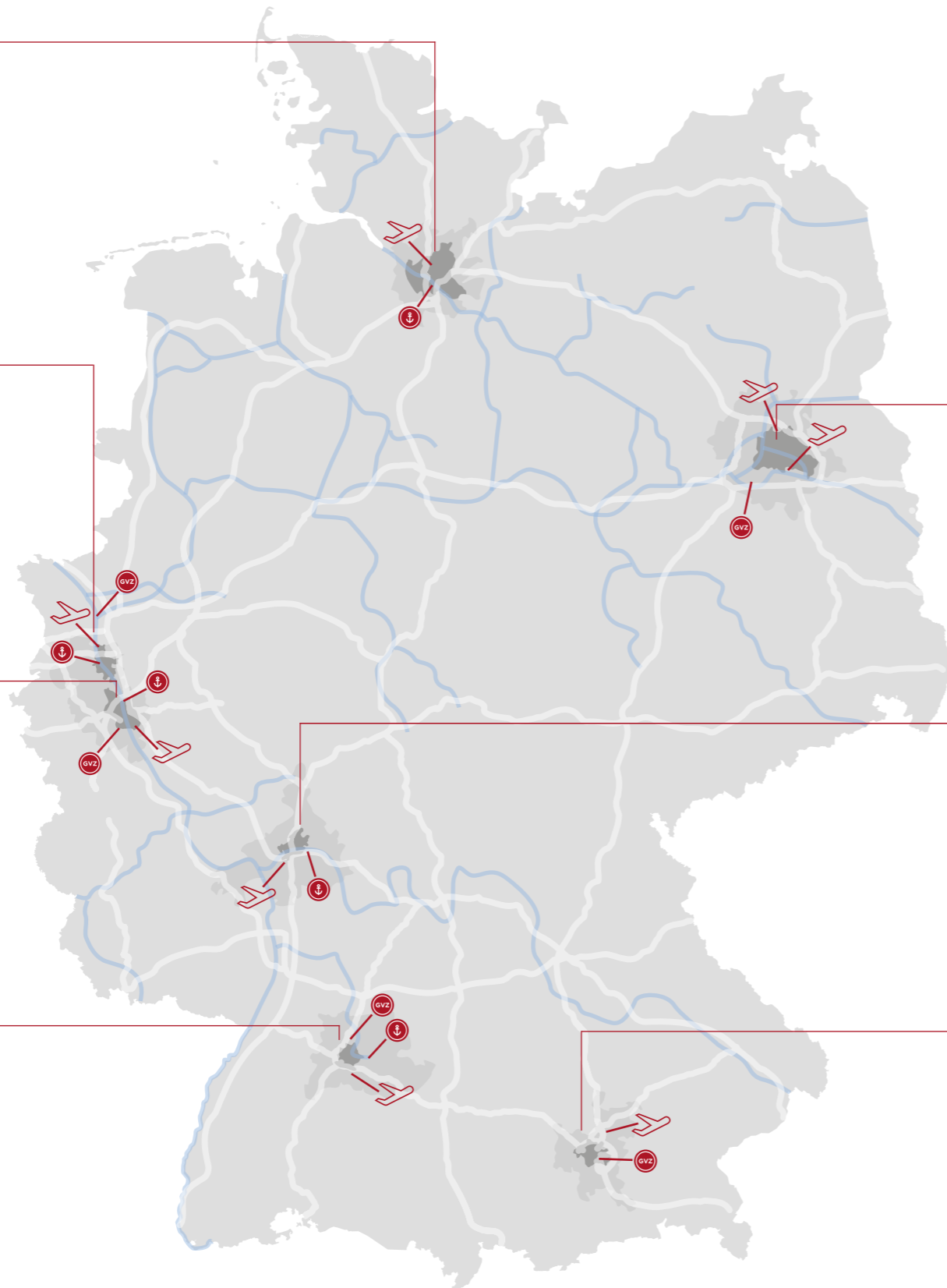
- ① €8.00/m<sup>2</sup>
- ② €6.00/m<sup>2</sup>
- ③ 4.00%
- ④ €200 – 400/m<sup>2</sup>
- ⑤ €150 – 300/m<sup>2</sup>
- ⑥ €120 – 150/m<sup>2</sup>

### STUTTART

- ① €7.00/m<sup>2</sup>
- ② €8.20/m<sup>2</sup>
- ③ 4.00%
- ④ €280 – 500/m<sup>2</sup>
- ⑤ €200 – 400/m<sup>2</sup>
- ⑥ €100 – 250/m<sup>2</sup>

**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 €8.10/m<sup>2</sup>
- ② €6.20/m<sup>2</sup>
- ③ 3.50%
- ④ €120 – 490/m<sup>2</sup>
- ⑤ €100 – 290/m<sup>2</sup>
- ⑥ €70 – 190/m<sup>2</sup>

### FRANKFURT

- ① 7.80 €/m<sup>2</sup>
- ② 6.70 €/m<sup>2</sup>
- ③ 3.90%
- ④ 300 – 530 €/m<sup>2</sup>
- ⑤ 200 – 340 €/m<sup>2</sup>
- ⑥ 90 – 280 €/m<sup>2</sup>

### MUNICH

- ① €8.60/m<sup>2</sup>
- ② €7.30/m<sup>2</sup>
- ③ 3.50%
- ④ €460 – 800/m<sup>2</sup>
- ⑤ €220 – 770/m<sup>2</sup>
- ⑥ €170 – 500/m<sup>2</sup>

## Grossmann & Berger

Hamburg & Berlin

Felix Krumreich  
 Tel.: +49 40/350802-528  
 Mail: f.krumreich@grossmann-berger.de

## ANTEON

Düsseldorf & Essen

Timm Georg Roche  
 Tel.: +49 211/58589-80  
 Mail: t.roche@anteon.de

## GREIF&CONTZEN

Cologne & Bonn

Frank Klähn  
 Tel.: +49 221/937793-450  
 Mail: frank.klaehn@greif-contzen.de

## E&G REAL ESTATE

Stuttgart & Munich

Markus Knab  
 Tel.: +49 711/20702-740  
 Mail: markus.knab@eug-re.de

Source: German Property Partners (GPP)/bulwiengesa for Berlin, Frankfurt and Munich.



## Your contact partners

We look forward to consulting you!

The industrial and logistics sector has its own characteristics. In this field, you should rely on specialists who know the requirements for buildings, infrastructure and property down to the last detail: E & G Real Estate. You will benefit from our expertise, our long-standing experience and our comprehensive services.

### Sie erreichen uns unter:

**T** — +49 711/20702-700

**F** — +49 711/20702-702

### Informationen im Internet:

[www.eug-realestate.de](http://www.eug-realestate.de)

### Folgen Sie uns:



**MARKUS KNAB**  
Partner of E & G Real Estate  
Head of Industrial & Logistics

**T** — +49 711/20702-740

**M** — [Markus.Knab@eug-re.de](mailto:Markus.Knab@eug-re.de)



**ALEXANDER FINK**  
Consultant Industrial & Logistics

**T** — +49 711/20702-742

**M** — [Alexander.Fink@eug-re.de](mailto:Alexander.Fink@eug-re.de)



**ALEXANDERDEISS**  
Consultant Industrial & Logistics

**T** — +49 711/20702-741

**M** — [Alexander.Deiss@eug-re.de](mailto:Alexander.Deiss@eug-re.de)



**HANS-WERNER PETRAK**  
Consultant Commercial Real Estate

**T** — +49 7031/7344-686

**M** — [Hans-Werner.Petrak@eug-re.de](mailto:Hans-Werner.Petrak@eug-re.de)



**ALINA REETZ**  
Team Assistant

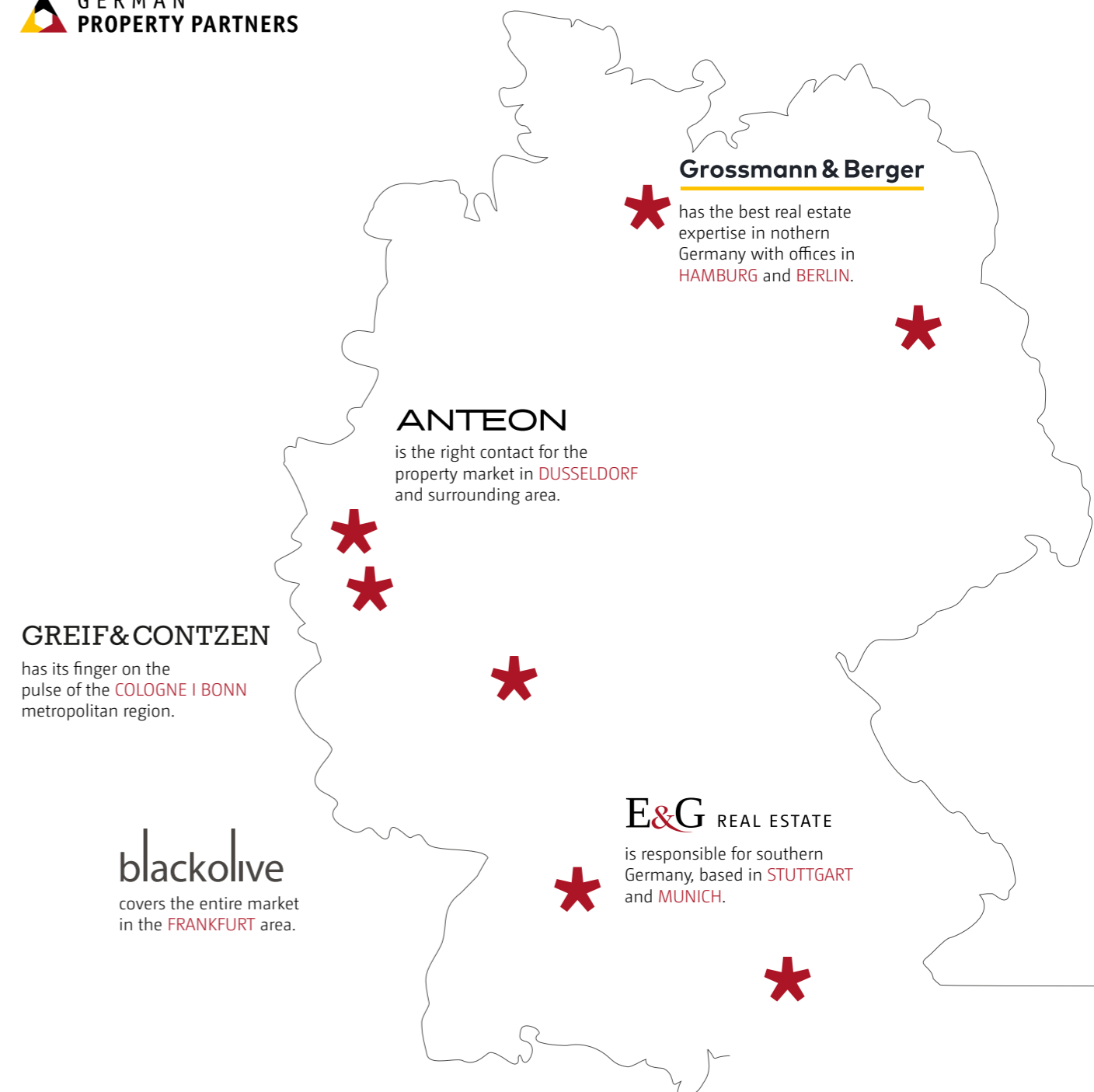
**T** — +49 711/20702-745

**M** — [Alina.Reetz@eug-re.de](mailto:Alina.Reetz@eug-re.de)

## German Property Partners (GPP)

Five Partners – one mission.

Over 410 of Germany's top advisors for real estate investment and commercial letting connected in a unique network. Owner-managed companies where people do business instead of just talking about it.







E & G Real Estate GmbH  
Börsenplatz 1, 70174 Stuttgart

**T** — +49 711/20702-700  
**F** — +49 711/20702-702

**E** — [info@eug-re.de](mailto:info@eug-re.de)  
**W** — [www.eug-realestate.de](http://www.eug-realestate.de)

Folgen Sie uns:



Court of Justice: Stuttgart, HRB 733293, Managing Partners: Björn Holzwarth, Lars Seidel, Alexander Zigan

