PRESS RELEASE

Realogis publishes market report on the letting of logistics properties and industrial spaces in the Stuttgart region for 2018

- Strong second half of year with more than 114,000 sqm
- Year-on-year decline in take-up of 17% due to modest first half of year
- Almost a third of all deals in new builds
- Positive forecast for 2019: high level of market activity due to unabated demand

Stuttgart, 30 January 2019 – The property consulting company Realogis registered a letting volume of just under 200,000 sqm (199,150 sqm) of storage, logistics and production space in the Stuttgart economic region in the past year. Take-up by all market participants was thus down 17% year-on-year (2017: 240,000 sqm) and 6% below the five-year average (212,030 sqm).

After a very modest start in the first half of the year with 85,000 sqm, the market gained a lot of ground between July and December 2018, growing by 34% to 114,150 sqm. “It is particularly pleasing that retail, logistics and production companies had more new space available to them for the first time in many years,” comments Oliver Stenzel, Managing Director of Realogis Immobilien Stuttgart GmbH. The new-build segment accounted for a total of 64,000 sqm of modern logistics space, equivalent to 30% of the result.

With regard to take-up by region, there was a significant change in comparison to the previous year. Although the Ludwigsburg district is still in the lead with approximately 54,000 sqm (27%), it recorded a decrease of more than half in terms of space as against 2017 (130,900 sqm). The Esslingen district almost tripled its market result to 47,150 sqm (2017: 17,300 sqm), while take-up in the city of Stuttgart was nearly doubled to 15,100 sqm (2017: 7,700 sqm).
Once again, the most space was taken up by warehouse and logistics providers at 145,400 sqm (73%). It was followed in second place by the industry/production sector with just under 46,000 sqm (23%).

Lessors with the highest take-up in 2018, primarily from the automotive and logistics sector

- Automotive group: Böblingen 19,000 sqm
- Logistics provider: Esslingen 13,800 sqm
- Schmalz + Schön (logistics provider): Esslingen (Frickenhausen) 13,200 sqm
- Schneider Logistik: Geislingen an der Steige 12,520 sqm
- PORSCHE Logistik GmbH: Freiberg am Neckar 11,300 sqm
“While Stuttgart is often described as being characterised by smaller deals in comparison to other top logistics markets in Germany, this year’s results for the larger floor-space segments are impressive,” says Irina Lysenko, research analyst at the Realogis Group. For example, the size category larger than 10,000 sqm accounted for 36% of the total result with take-up of 72,000 sqm.

The segments of 1,000 to 3,000 sqm (21%, around 42,000 sqm) and 5,000 to 10,000 sqm (25%, around 50,000 sqm) contributed almost equally to this year’s result. However, the size segment of 1,000 to 3,000 sqm was in the lead in terms of the number of leases, accounting for 40%.

The highest prime rents to date were achieved in Böblingen, Esslingen and Stuttgart at EUR 6.50/sqm, which represented an 18% increase in Esslingen and a 12% increase in Stuttgart. In the Rems-Murr-Kreis district (EUR 5.00/sqm), it remained relatively constant (+2%).

Average rents increased slightly in the Stuttgart economic region as a whole and are now at EUR 5.00/sqm.
Positive outlook for 2019: Realogis anticipates a letting volume of approximately 200,000 to 250,000 sqm for the current year. Market activity will remain at a high level due to unabated demand from the automotive sector and e-commerce. As in the past year, take-up in the first half of 2019 is initially expected to be modest. The reason given for this is the continuing scarcity of existing properties.

The economic region of Stuttgart comprises sub-markets consisting of Stuttgart itself and the following administrative districts: Rems-Murr, Ludwigsburg, Esslingen, Böblingen and Göppingen.

**Graphics** Graphics can be printed free of charge citing the source: “Realogis – [www.realogis.de](http://www.realogis.de)”

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Realogis is the leading German consulting company for letting and investments in industrial, logistics and commercial properties in Germany. Realogis provides nearly 60 experts looking after the real estate needs of national and international companies and private and institutional investors. The Realogis Group is operating its own branches at the key German logistics locations. Active throughout Germany since 2005, the first mover in the growth market of logistics real estate reported a turnover of nearly EUR 13.5 million in 2018.

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