

LOGISTICS MARKET FRANKFURT

AT A GLANCE
Q2 2023

128,000 m²

TAKE-UP

-38 %

H1 2023 vs. H1 2022

-51 %

IN COMPARISON TO
10-YEAR AVERAGE

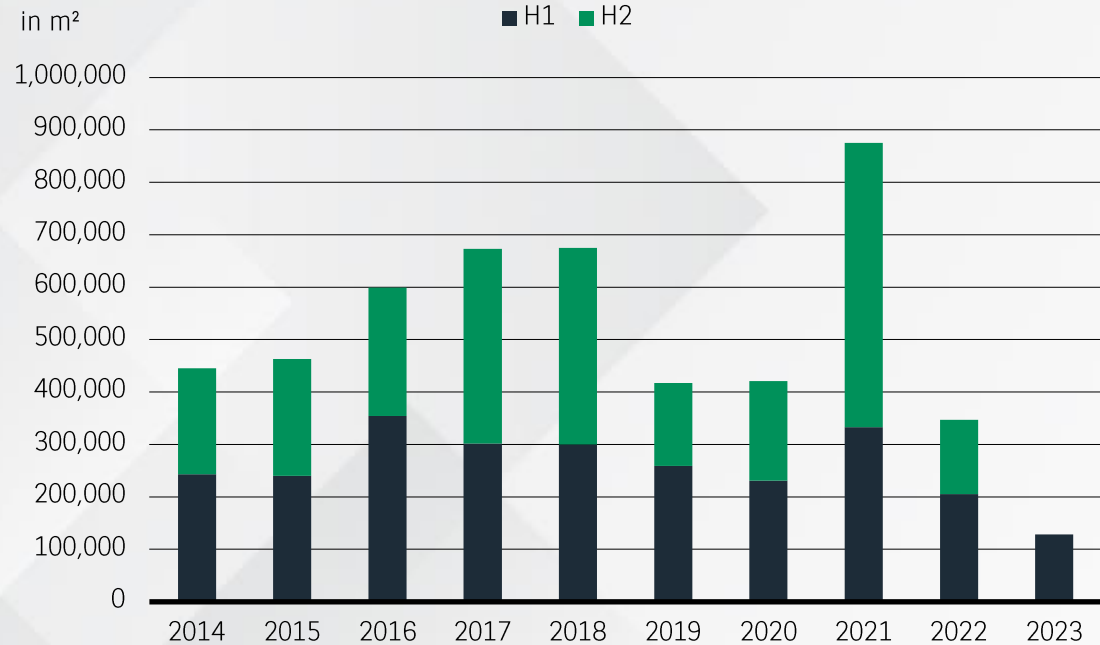


**BNP PARIBAS
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Real Estate for a changing world

LOW SUPPLY LIMITS TAKE-UP

LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN FRANKFURT



45.0 %
SHARE OF NEW BUILDINGS

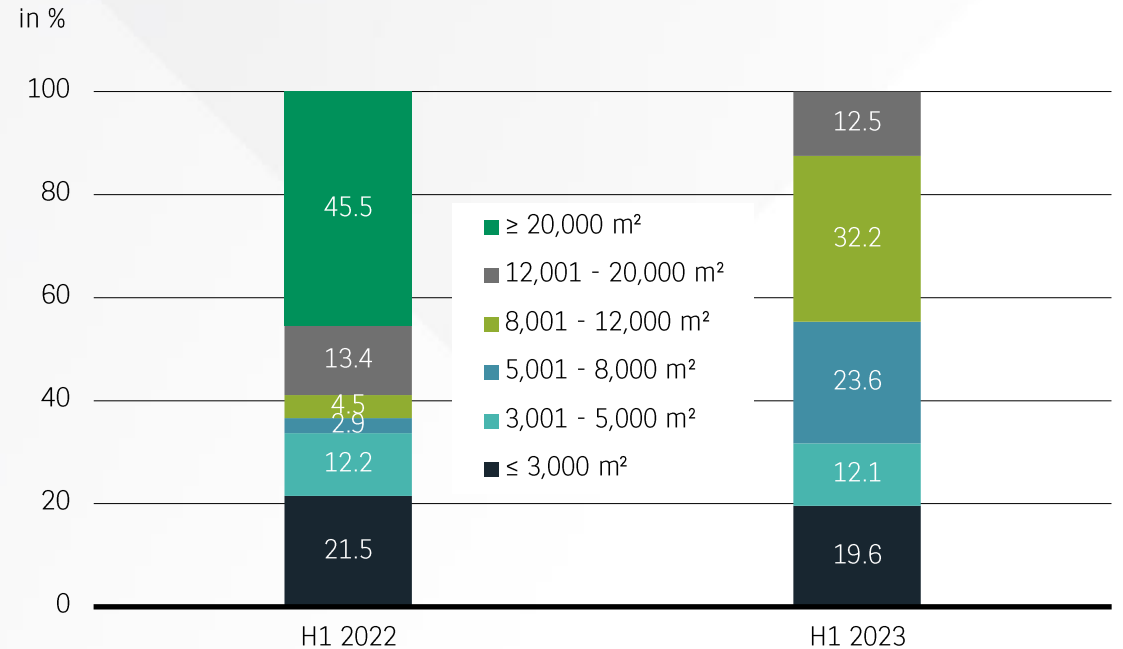
16.3 %
SHARE OF OWNER-OCCUPIERS

- At the end of the first half of 2023, the Frankfurt warehouse and logistics market achieved a take-up of 128,000 m². After a subdued start to the year, the second quarter recorded significantly more activity, nevertheless the half-year result is about 38 % below the previous year's figure as well as around 50 % lower than the long-term average.
- Primarily, this circumstance is due to an insufficient supply - partly exceeding the market area. Not least, leading to a situation in which many occupiers are drawing their rental options and renewing their contracts. As a result, there is little to no fluctuation, which is directly reflected in take-up. In addition, however, a slightly weakening economy is leading many companies to adopt a tendentially cautious attitude. The shortage of supply is particularly evident in the core area.
- Because of the supply shortage, both prime and average rents have risen further to 7.50 €/m² and 6.20 €/m² respectively.

STILL NO MAJOR CONTRACTS

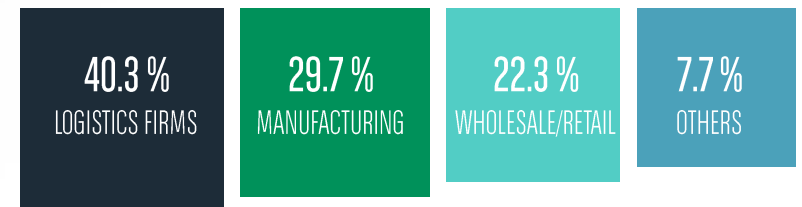
- As in most leading logistics regions, the Frankfurt market area has not yet registered any major deals above the 20,000 m² mark. This explains the significant difference compared to the previous year's result, when more than 90,000 m² had already been let in this segment.
- The small and medium-sized categories, on the other hand, are approximately at the level of the corresponding long-term average in terms of the take-up registered to date.
- The shift in space demand already observed in the first quarter - from retail companies, which have been strongly represented in recent years, to industrial and manufacturing companies - continued in the second quarter. With an above-average share of around 30%, this is reflected in the latest take-up. Logistics firms, on the other hand, underline their high importance for the market over many years and, at 40%, are within the range of their average.

TAKE-UP BY SIZE CATEGORY



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TAKE-UP BY SECTOR



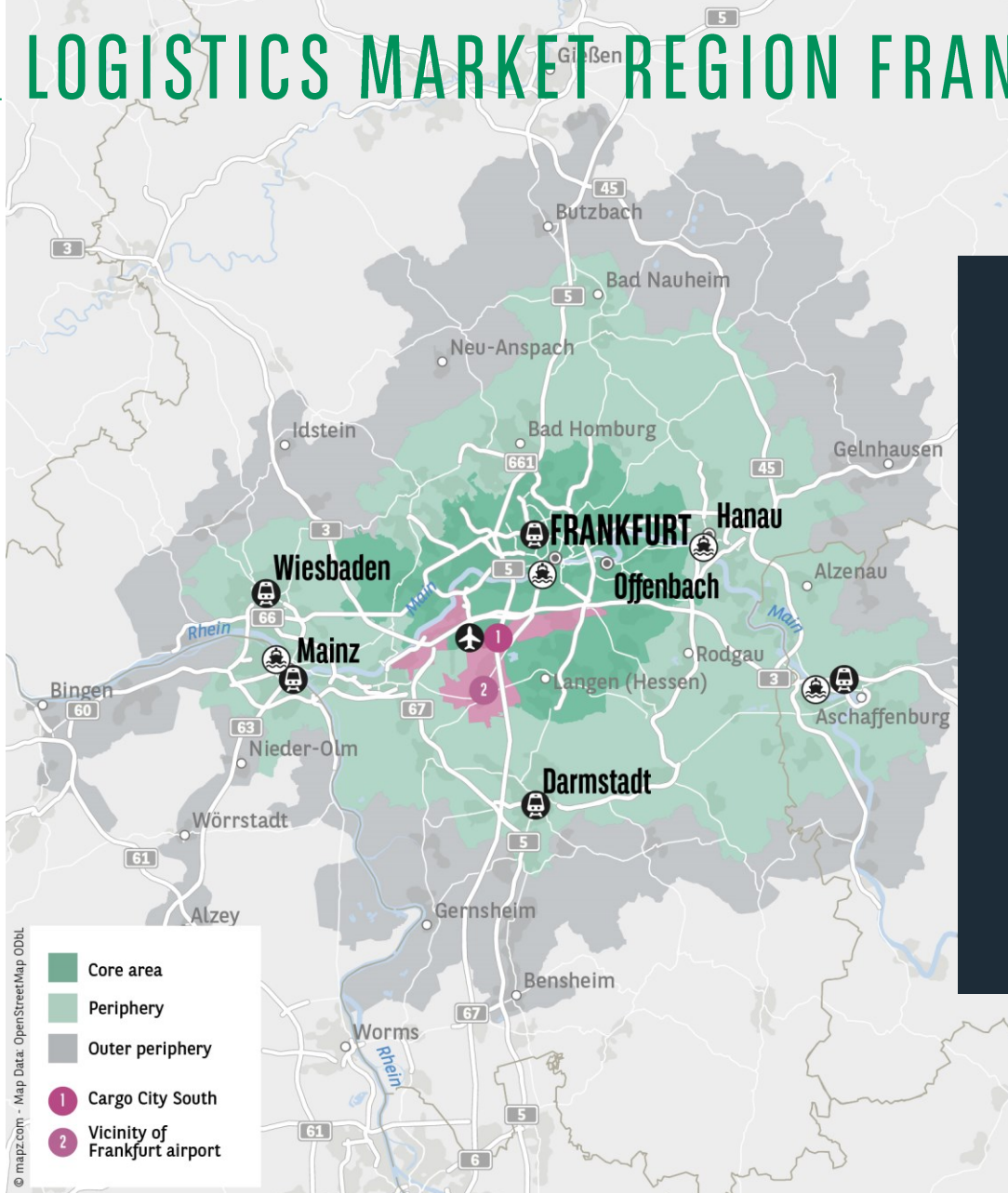
KEY FIGURES

Rents	H1 2022	H1 2023	%-Difference
Prime rent (in €/m ²)	7.30	7.50	2.7%
Average rent (in €/m ²)	5.70	6.20	8.8%
Take-up and sectors	H1 2022	H1 2023	Long-term average
Total take-up	205,000 m ²	128,000 m ²	260,000 m ²
Logistics firms	56.7%	40.3%	41.9%
Wholesale/retail	29.9%	22.3%	31.7%
Manufacturing	10.0%	29.7%	19.2%
Others	3.4%	7.7%	7.1%
Size categories	H1 2022	H1 2023	Long-term average
Share of deals > 20,000 m ²	45.5%	0.0%	29.5%
Share of deals ≤ 20,000 m ²	54.5%	100.0%	70.5%
Owner-occupiers/new building share	H1 2022	H1 2023	Long-term average
Share of owner-occupiers	5.9%	16.3%	25.9%
Share of new buildings	50.7%	45.0%	55.5%

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- Despite a subdued economic outlook, demand remains at a high level. However, this circumstance has so far only been reflected to a limited extent in corresponding take-up. This is mainly due to the continuing low level of supply, combined with a low level of fluctuation. As a result, this year's full-year result is likely to perform below the long-term average.
- As construction activity, especially of a speculative nature, is expected to decline, the supply/demand situation is likely to tend to intensify. The current mix of inflation, rising interest rates and the further shortage of building land will in all probability lead to a further increase in prime and average rents over the year. Properties in the Mönchhof and Raunheim areas, as well as in areas close to the city, are likely to be able to achieve prime rents above the current level before the end of the year.

LOGISTICS MARKET REGION FRANKFURT



MAJOR CONTRACTS

16,000 m²
Müller – Die lila Logistik
Eppertshausen

11,000 m²
Datron
Ober-Ramstadt

10,300 m²
DE NORA Deutschland
Hanau

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