

# LOGISTICS MARKET FRANKFURT

AT A GLANCE  
Q3 2023

245,000 m<sup>2</sup>  
TAKE-UP

-16 %  
Q3 2023 vs. Q3 2022

-39 %  
IN COMPARISON TO  
10-YEAR AVERAGE

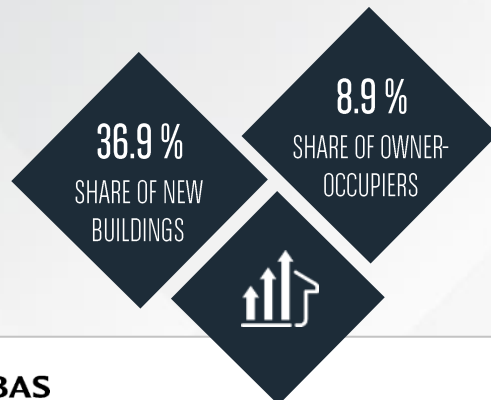
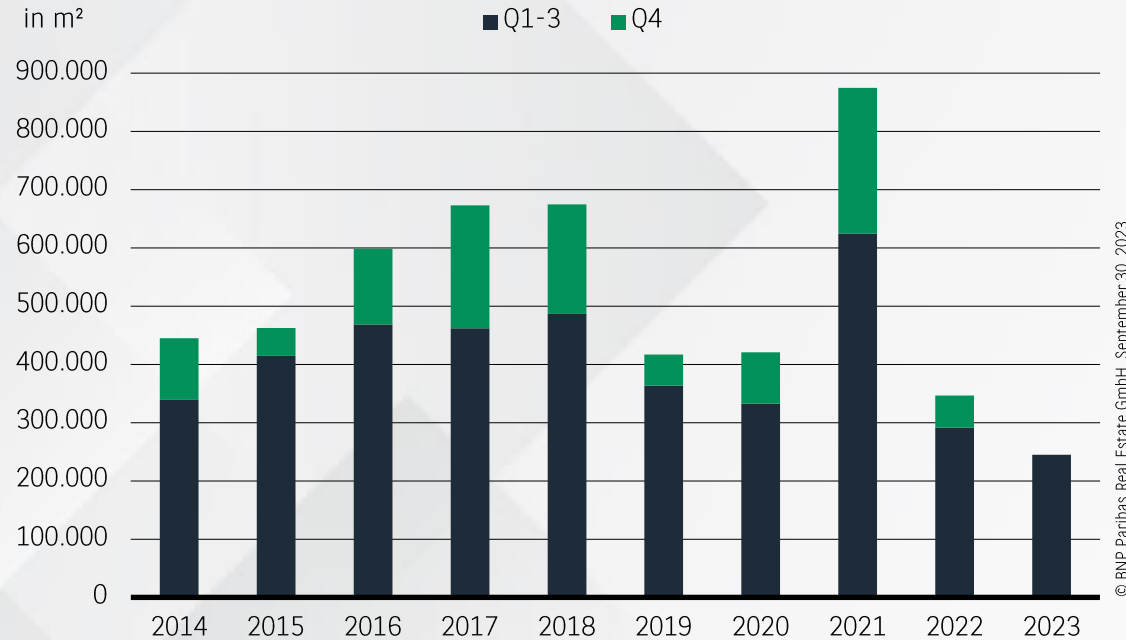


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# SUPPLY SHORTAGE LIMITS TAKE-UP

## LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN FRANKFURT

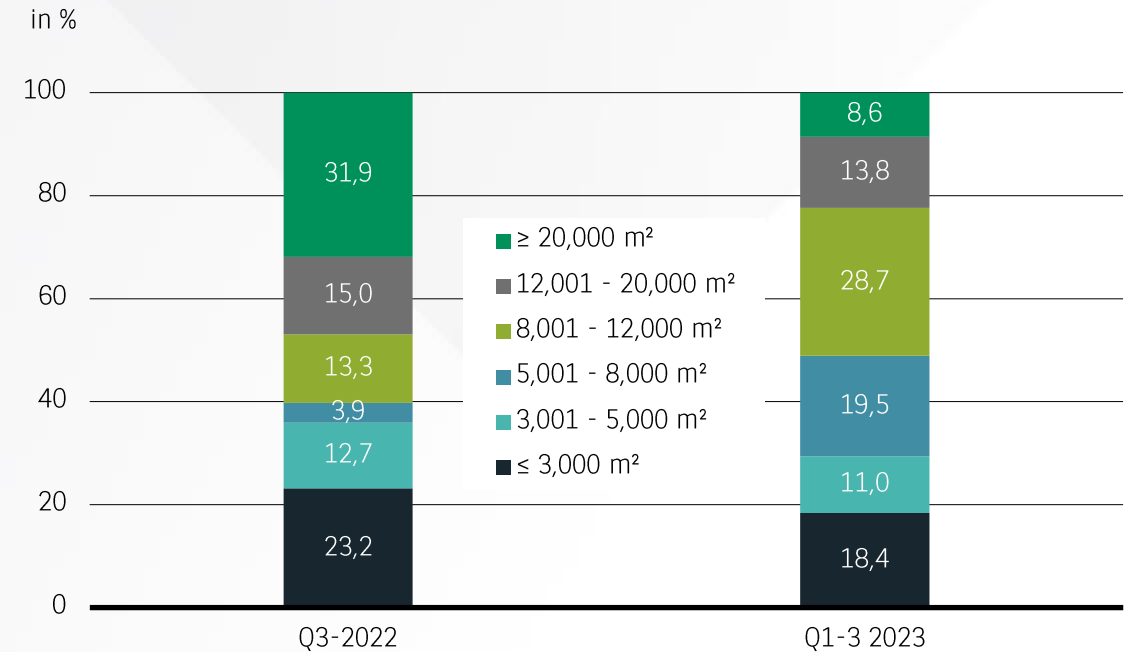


- After the first nine months of 2023, a take-up of 245,000 m<sup>2</sup> was registered on the Frankfurt warehouse and logistics market. Although this result is only around 16 % below the previous year's figure, it is 39 % below the long-term average.
- This lower result is primarily due to the severe shortage of vacant warehouse and logistics space in the Frankfurt market area. The low availability of space is also reflected in the share of new construction of only 37 %, which is significantly below the long-term average (10-year average: 54 %). As a result, many occupiers are extending their leases so there is just little or no movement in the market. Demand for space remains strong, but many companies are considering their decisions for longer than in the previous year.
- As a result of this excess demand and pressure, both prime and average rents have risen compared with the last quarter and are currently quoted at 7.75 €/m<sup>2</sup> and 6.50 €/m<sup>2</sup> respectively.

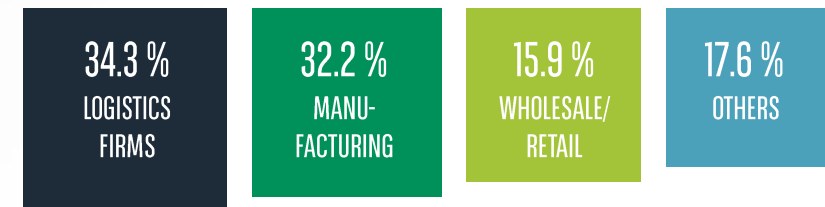
# ONE MAJOR DEAL ABOVE 20.000 M<sup>2</sup>

- With the Mercedes-Benz deal in Trebur for around 21,000 m<sup>2</sup>, only one large deal was recorded in the third quarter, which is a very low figure by long-term standards. Thus, the large-volume segment above 20,000 m<sup>2</sup> has so far only contributed 9 % to take-up, which is well below the long-term average of 31 %.
  - While take-up in the small size categories is close to their long-term averages, the two medium size categories (5,000 m<sup>2</sup>-8,000 m<sup>2</sup> and 8,000 m<sup>2</sup>-12,000 m<sup>2</sup>) have significantly above-average market shares of 20 % and 29 % respectively.
  - The logistics firms, which have usually dominated strongly in recent years (Ø 10 years: 42 %), still contribute the most to take-up with a third, but significantly less than usual. Wholesale/retail companies, with a strong share of around 29 % on average over many years, also account for only 16 %.
- By contrast, industrial and manufacturing companies have the highest share of the past 10 years, at 32 %.

## TAKE-UP BY SIZE CATEGORY



## TAKE-UP BY SECTOR



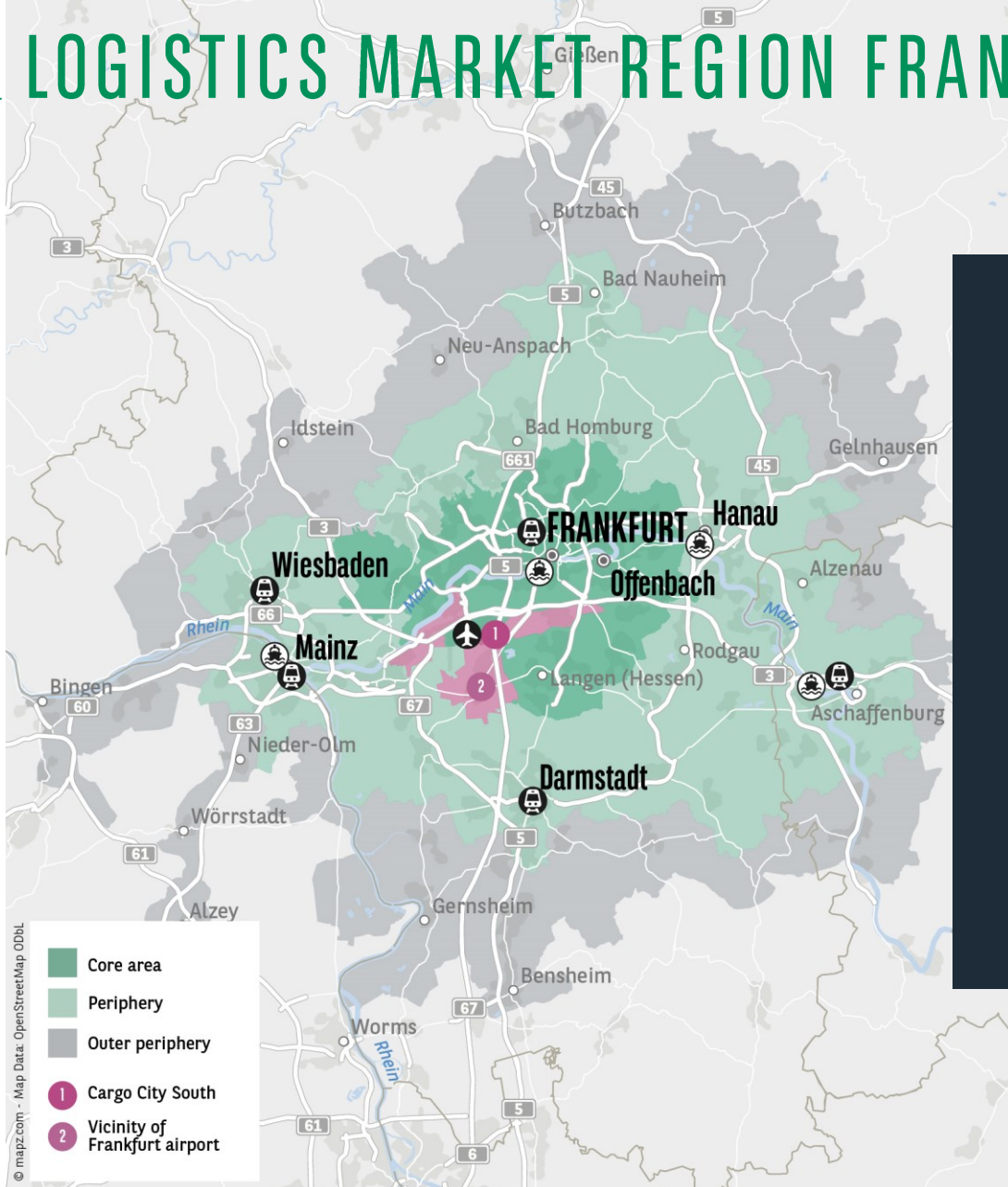
## KEY FIGURES

Rents	Q1-3 2022	Q1-3 2023	%-Difference
Prime rent (in €/m <sup>2</sup> )	7.30	7.75	6.2%
Average rent (in €/m <sup>2</sup> )	5.80	6.50	12.1%
Take-up and sectors	Q1-3 2022	Q1-3 2023	Long-term average
Total take-up	292,000 m <sup>2</sup>	245,000 m <sup>2</sup>	403,000 m <sup>2</sup>
Logistics firms	57.0%	34.3%	41.5%
Wholesale/retail	24.7%	15.9%	28.6%
Manufacturing	9.7%	32.2%	21.5%
Others	8.6%	17.6%	8.4%
Size categories	Q1-3 2022	Q1-3 2023	Long-term average
Share of deals > 20,000 m <sup>2</sup>	31.9%	8.6%	31.3%
Share of deals ≤ 20,000 m <sup>2</sup>	68.1%	91.4%	68.7%
Owner-occupiers/new building share	Q1-3 2022	Q1-3 2023	Long-term average
Share of owner-occupiers	7.1%	8.9%	23.3%
Share of new buildings	43.4%	36.9%	53.5%

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- Despite a change in the economic situation, demand for warehouse and logistics space remains at a high level. Nonetheless, this demand cannot be met by corresponding take-up due to the low level of fluctuation and the shortage of space. Therefore, the overall result for the year is expected to be below the long-term average.
- Due to the sharp rise in construction costs as well as the more difficult and more expensive procurement of debt capital, a further decline in construction activity, especially speculative activity, is to be expected. This is likely to intensify the supply/demand situation. From today's perspective, the current persistently high inflation, rising key interest rates and a further shortage of building land will lead to further increases in prime and average rents in the short and medium term. Significant further price increases are to be expected, particularly in locations close to cities and freeways.

# LOGISTICS MARKET REGION FRANKFURT



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- Core area
- Periphery
- Outer periphery
- 1 Cargo City South
- 2 Vicinity of Frankfurt airport

**MAJOR CONTRACTS**

**21,000 m<sup>2</sup>**  
Mercedes Benz  
Trebur

**17,800 m<sup>2</sup>**  
Nagel-Group Logistics  
Trebur

**16,000 m<sup>2</sup>**  
Müller – Die lila Logistik  
Eppertshausen

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