

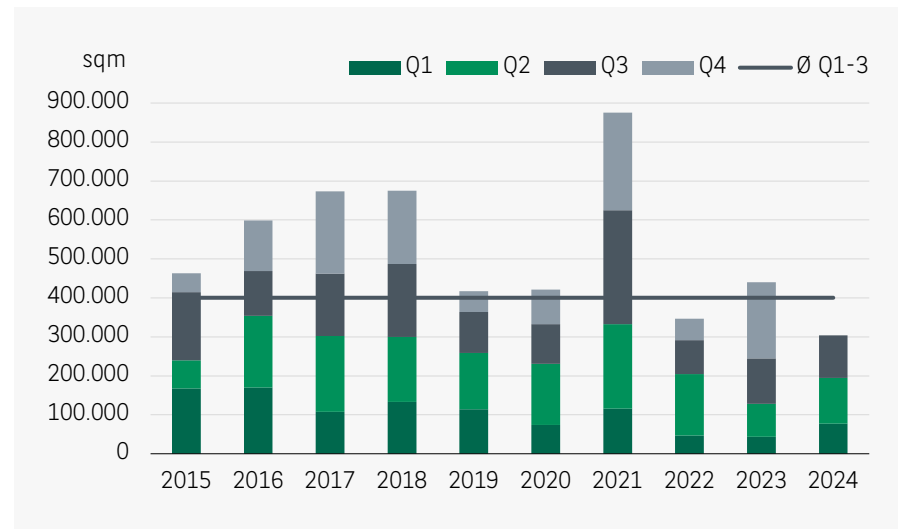


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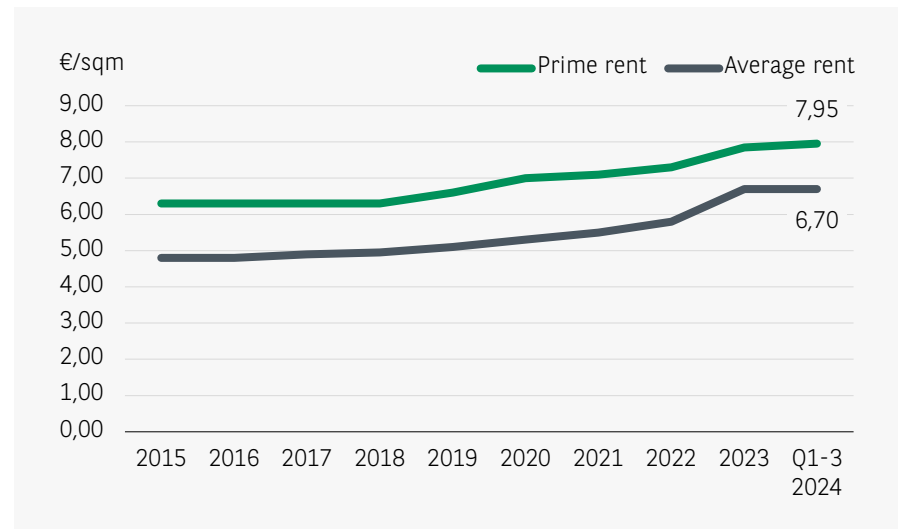
REPORT LOGISTICS MARKET

Q1-3 2024

Development of light industrial and logistics take-up



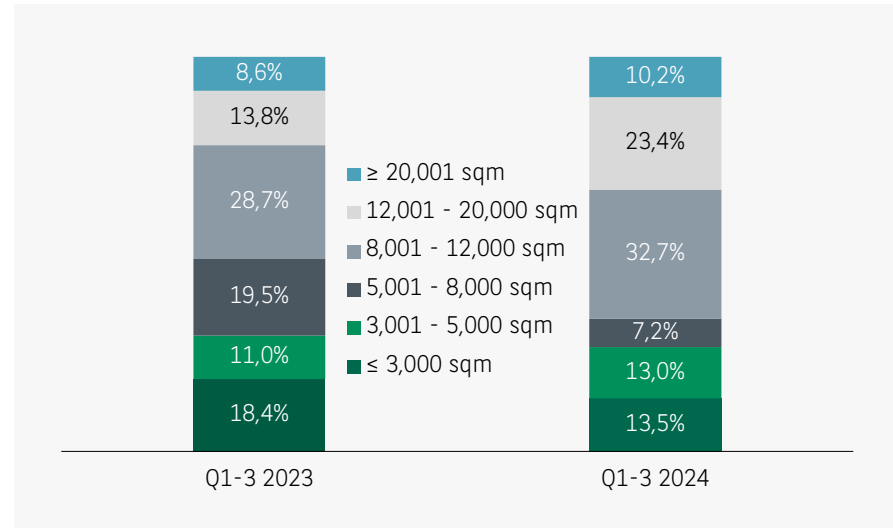
Prime and average rents



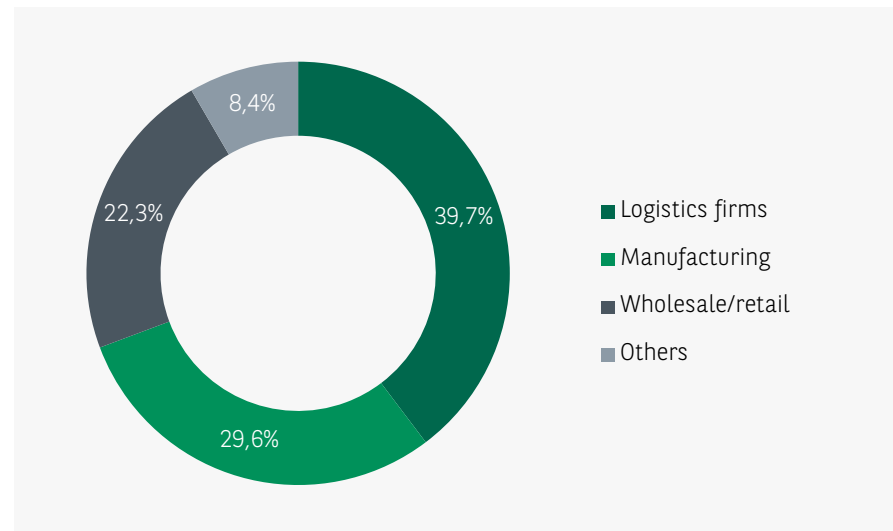
HIGHEST TAKE-UP OF THE TOP LOCATIONS

- The Frankfurt warehouse and logistics market recorded take-up of around 304,000 m² in the first nine months of 2024. Although the result is 24% below the long-term average (Ø 10 years: 400,000 m²), it exceeds the relatively weak result from the same period last year by 24%.
- While Frankfurt is also unable to resist the overall combination of a weak economic phase and the predominantly existing supply bottlenecks, the metropolis on the Main nevertheless remains at the front of the top markets in a nationwide comparison and is well ahead of Berlin (216,000 m²) and Cologne (204,000 m²).
- After a rather subdued start to the year, market momentum picked up noticeably with quarterly take-up of over 100,000 m² in each case. Following a wait-and-see attitude with a tendency to extend leases, the number of market enquiries and requests for space has now increased significantly. In addition, the activity of owner-occupiers has risen noticeably again, with their share of take-up growing to 40% (Q1-Q3 2023: 9%). It is also worth noting that the only reason that take-up is currently below the ten-year average is the lack of further large-scale deals for more than 20,000 m².
- The rent level did not change further in the third quarter. The average rent has remained constant at €6.70 per m² since the end of 2023 and the prime rent only rose marginally by 1% to €7.95 per m² between the first and second quarters.

Take-up by size category



Take-up by sector



LOGISTICS FIRMS WITH HIGHEST DEMAND

- In terms of the distribution of take-up across the size categories, the category between 8,000 and 12,000 m² is clearly in the lead with around one third of the result, achieving a very high and well above-average level in absolute terms. While the market is very active in the segment up to 20,000 m² and is fully in line with the ten-year average, large-scale transactions above this size have been significantly underrepresented at just over 10 %.
- In terms of sector distribution, logistics service providers lead the field with 40% of take-up and are therefore at least proportionately in line with their long-term average. Production companies follow in second place with almost 30%. Although retail companies only occupy third place with 22%, they recorded a considerable rise in take-up year-on-year.

Major contracts

Quarter	Company	Location	sqm
Q2	DHL	Florstadt	31,000
Q2	Aldi Süd	Mörfelden-Walldorf	15,000
Q2	Fahrrad Denfeld Radsport	Bad Homburg	14,000
Q3	Global Foods Trading	Riedstadt	14,000
Q2	Siemens	Frankfurt	13,000

OUTLOOK

- Take-up on the Frankfurt warehouse and logistics space market has recently developed very well and increased noticeably compared to the weak prior-year period. The metropolis on the Main has thus once again demonstrated its resilience as an occupier market in a generally subdued market and economic environment.
- Demand for rental space remains stable and slightly exceeds the available supply. In particular, there is excess demand for short-term availability and short lease terms. As the economy is likely to gradually pick up in the coming months, the mood should also improve further and the confidence of users should be strengthened, which will contribute to greater stability in the market. It remains to be seen to what extent more contracts will be successfully negotiated and signed in the large-scale segment.
- On the supply side, a number of speculative project developments are nearing completion that can meet demand in the modern space segment. However, in the near future supply is likely to decrease again in this much sought after segment as fewer projects are being started in the current market environment. In the lee of improving financing conditions and this in the medium to long run, there should be more room for new construction again.
- From today's perspective, there is much to suggest that take-up will stabilise in a corridor between 400,000 m² and 500,000 m² by the end of the year. Rents are expected to remain somewhat less dynamic, although a slight increase cannot be ruled out.

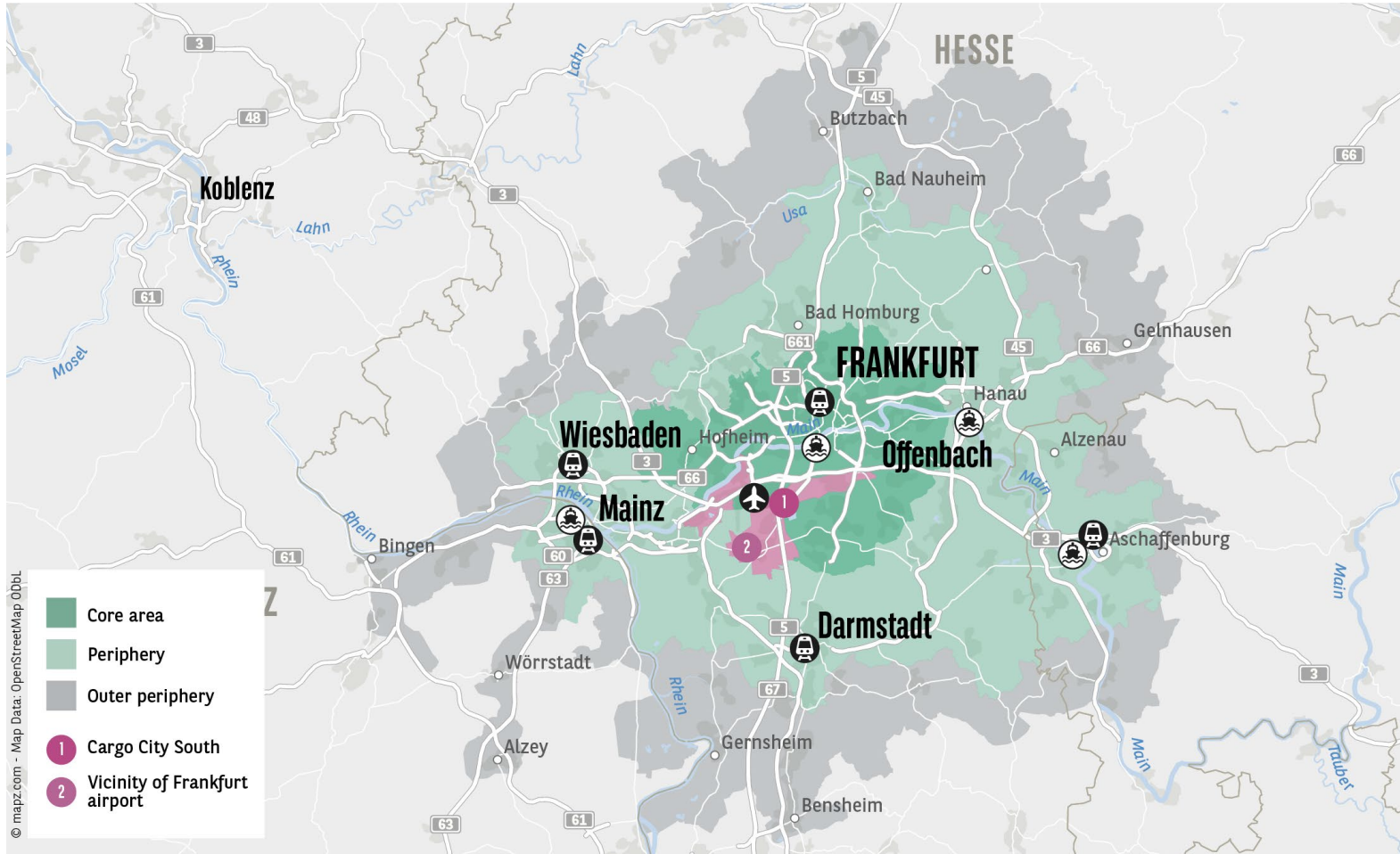
Key figures logistics market Frankfurt

RENTS AND TAKE-UP	Q1-3 2023	Q1-3 2024	%-DIFFERENCE
Prime rent (in €/sqm)	7.75	7.95	2.6%
Average rent (in €/sqm)	6.50	6.70	3.1%
Total take-up (in sqm)	245,000	304,000	24.1%

SECTORS	Q1-3 2023	Q1-3 2024	LONG-TERM Ø
Logistics firms	34.3%	39.7%	39.9%
Wholesale/retail	15.9%	22.3%	27.6%
Manufacturing	32.2%	29.6%	23.8%
Others	17.6%	8.4%	8.7%

SIZE CATEGORIES	Q1-3 2023	Q1-3 2024	LONG-TERM Ø
Share of deals > 20,000 sqm	8.6%	10.2%	28.8%
Share of deals ≤ 20,000 sqm	91.4%	89.8%	71.2%

OWNER-OCCUPIERS/NEW BUILDING SHARE	Q1-3 2023	Q1-3 2024	LONG-TERM Ø
Share of owner-occupiers	8.9%	40.0%	22.7%
Share of new buildings	36.9%	52.8%	54.1%



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