

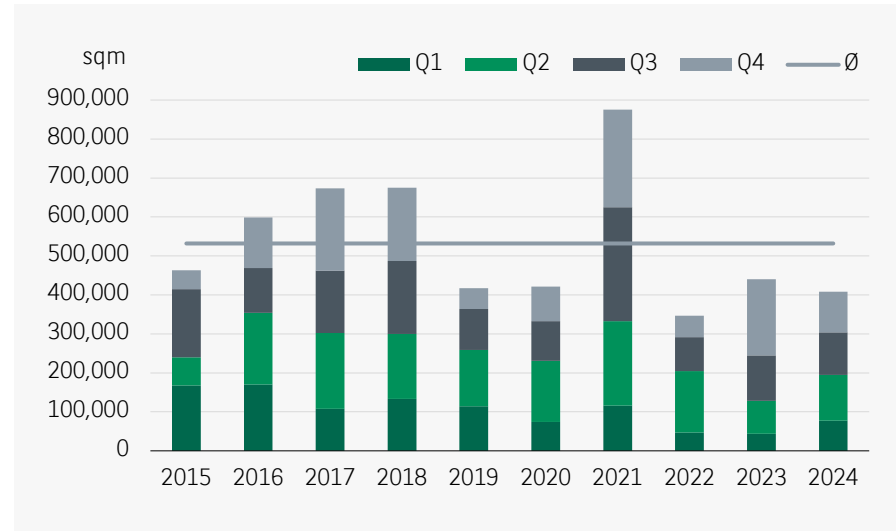


FRANKFURT

REPORT LOGISTICS MARKET

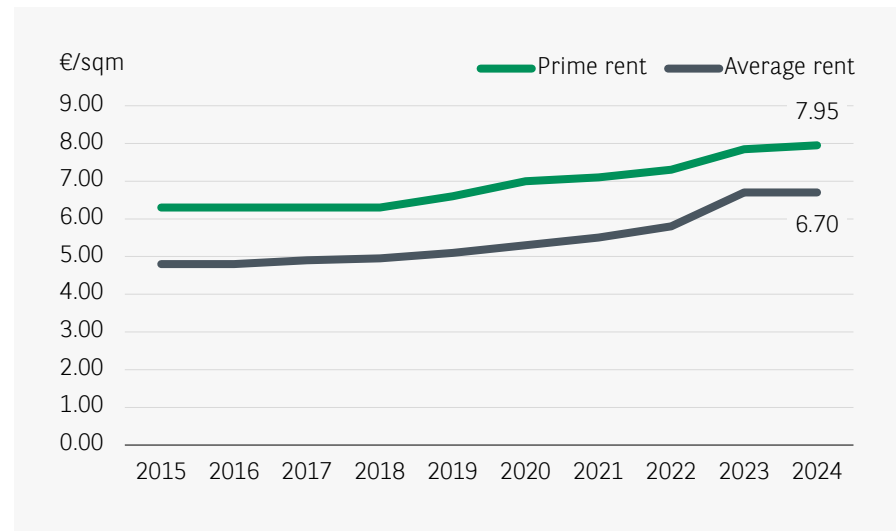
2024

Development of light industrial and logistics take-up



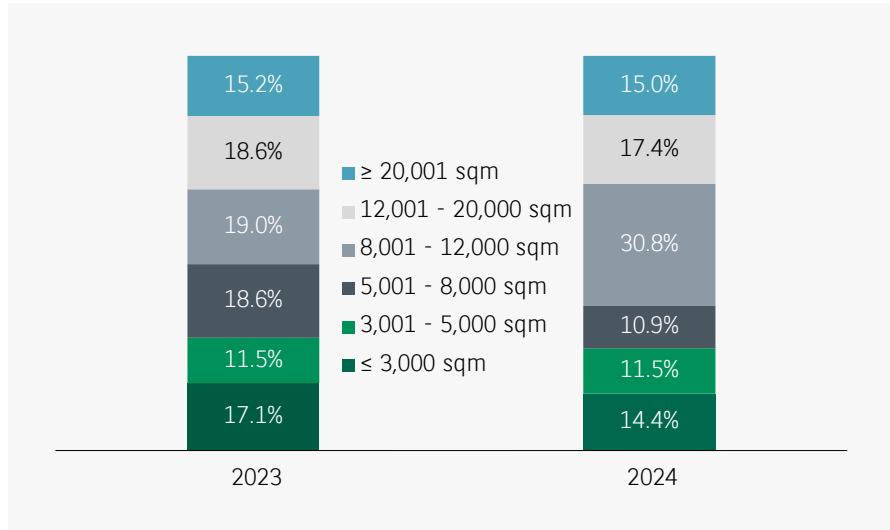
**TAKE-UP REMAINS LIMITED
DUE TO LACK OF AVAILABLE SPACE**

Prime and average rents



- The Frankfurt warehouse and logistics market closed 2024 with an overall solid result of 408,000 sqm. While the previous year's result was only slightly lower at -7%, the current result is significantly below the long-term average (-23%; 532,000 sqm). Despite the current challenging economic environment in Germany, however, this is not primarily due to a lack of demand.
- As a central hub for international flows of goods in Europe, the Frankfurt market is benefiting from the comparatively positive economic development of its European neighbors, which is stimulating demand. However, infrastructurally well-connected, multimodal locations in particular, such as those close to the airport or the city centre, have been characterised by a supply shortage for years.
- Leaving aside the exceptional year 2021, in which the Covid effects (nearshoring + e-commerce boom) were met with a large new construction pipeline, the 2024 figure is around the average of the annual results since 2019. Take-up in the Frankfurt market area therefore currently appears to be capped at around 400,000 sqm per year on the supply side. As a consequence, an increased shift of requests to significantly more peripheral locations, such as southern or central Rhineland-Palatinate, can currently be observed.
- In line with the tight supply-demand ratio, a slight increase in prime rent of 10 cents to €7.95 per sqm was once again recorded in 2024. It is still being achieved in the Mönchhof, Raunheim and Kelsterbach areas. Meanwhile, the average rent has stabilised at a high level of €6.70 per sqm.

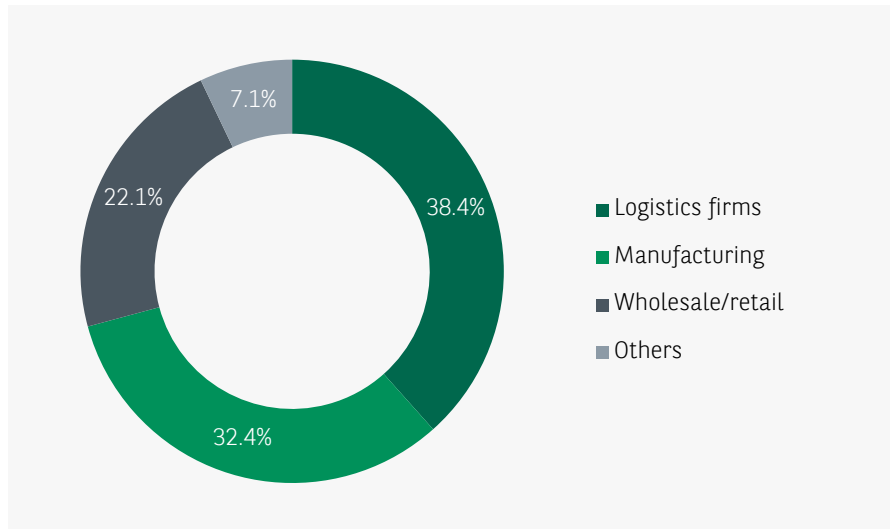
Take-up by size category



DYNAMICS IN THE MID-SIZE SEGMENT

- With the further expansion of the DHL Supply Chain's Life Sciences & Healthcare Campus in Florstadt by 31,000 sqm and the development of a logistics centre of 30,000 sqm for Bosch in Butzbach, only two major deals above 20,000 sqm were recorded in the past year. The fact that the total take-up nevertheless exceeded the 400,000 sqm mark is clear evidence that the overall market momentum remains high, although it is focused on smaller sizes. Almost 200,000 sqm was taken up in the mid-size segments of 8,000 sqm to 20,000 sqm, which is an above-average figure in a long-term comparison.
- The distribution of take-up among the occupier sectors shows the usual picture for Frankfurt at the top. Logistics companies are in first place with a share of 38%. Industrial/manufacturing companies account for a further third of take-up, not least due to the major deal signed by Bosch. The retail sector, meanwhile, accounts for only 22%.

Take-up by sector



Major contracts

Quarter	Company	Location	sqm
Q2	DHL	Florstadt	31,000
Q4	Bosch	Butzbach	30,000
Q2	Aldi Süd	Mörfelden-Walldorf	15,000
Q2	Fahrrad Denfeld Radsport	Bad Homburg	14,000
Q3	Global Foods Trading	Riedstadt	14,000

OUTLOOK

- Economic development in Germany is expected to remain significantly subdued in 2025, which means that the general conditions for the logistics market are unlikely to change much for now.
- However, the Frankfurt market demonstrated last year that it was able to escape the economic downturn in Germany to some extent on the demand side due to its role as a hub in the European transport of goods. Accordingly, it can be assumed that demand will remain at a solid level in the coming year and will exceed supply in most locations in the market area. Against this backdrop, however, it seems likely that take-up will not leap upwards, but will remain at a similar level to the previous year.
- In the medium term, the increasing number of expiring leases is likely to cause some rotation, which could be reflected in take-up again in the future. Particularly during the phase of sharply rising rents that began in 2020, many companies took up options and extended their leases. However, it remains to be seen to what extent this will already be a market-determining issue in 2025.
- Currently, it is expected that there will be no more than slight upward adjustments in the coming months. Construction costs, for example, have recently stabilised significantly and should therefore no longer be an excessive driver of rents for the time being. In terms of average rents, a further slight increase in line with the inflation rate is currently the most likely scenario.

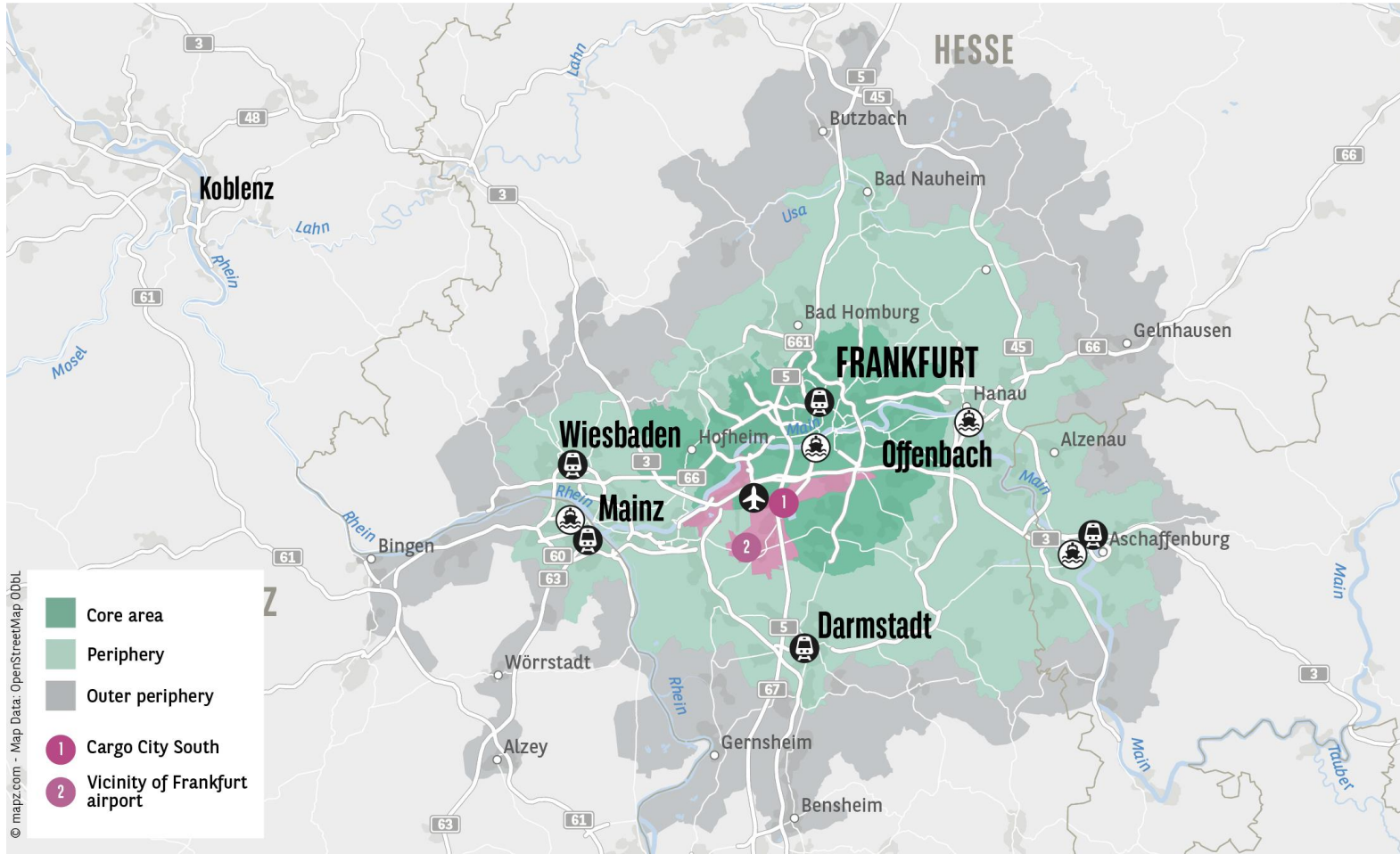
Key figures logistics market Frankfurt

RENTS AND TAKE-UP	2023	2024	%-DIFFERENCE
Prime rent (in €/sqm)	7.85	7.95	1.3%
Average rent (in €/sqm)	6.70	6.70	0.0%
Total take-up (in sqm)	440,000	408,000	-7.3%

SECTORS	2023	2024	LONG-TERM Ø
Logistics firms	25.1%	38.4%	39.6%
Wholesale/retail	18.9%	22.1%	27.3%
Manufacturing	40.0%	32.4%	23.6%
Others	16.0%	7.1%	9.5%

SIZE CATEGORIES	2023	2024	LONG-TERM Ø
Share of deals > 20,000 sqm	15.2%	15.0%	28.9%
Share of deals ≤ 20,000 sqm	84.8%	85.0%	71.1%

OWNER-OCCUPIERS/NEW BUILDING SHARE	2023	2024	LONG-TERM Ø
Share of owner-occupiers	5.3%	31.1%	20.4%
Share of new buildings	25.5%	53.7%	48.6%



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

**LOGISTICS
MARKET
FRANKFURT**

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