

LOGISTICS MARKET FRANKFURT

AT A GLANCE Q1 2022

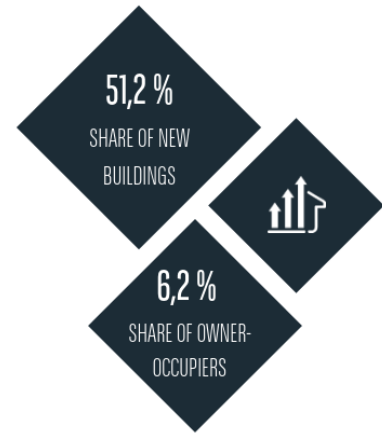
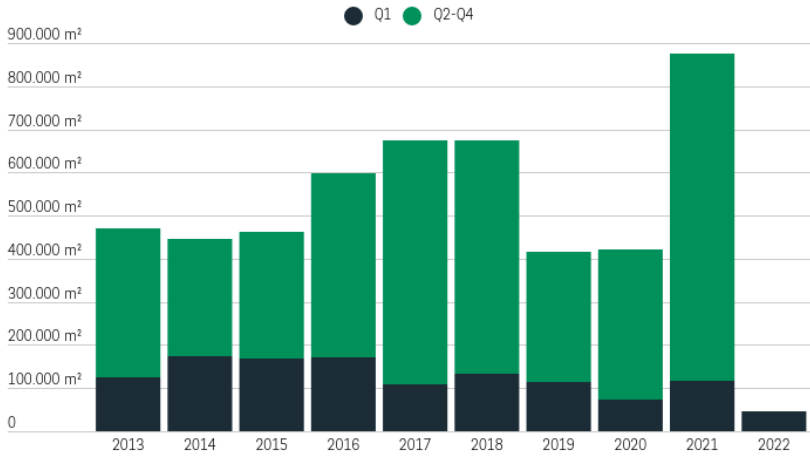


MARKET DYNAMIC LOSES MOMENTUM SO FAR

- / The Frankfurt logistics market was not able to follow up on the brilliant previous quarters. At the end of March 2022, a take-up of 47,000 m² can be reported. This is 59% less than in the same quarter of the prior year and the current result is also 62% below the 10-year average.
- / However, the overall weak opening quarter is more likely than ever to be interpreted as a snapshot. In the market, a persistently high demand for warehouse space can be registered despite the still challenging economic conditions. In Frankfurt's core area in particular, the supply bottleneck continues to dominate the market. A clear surplus of demand remains, especially for requests requiring short-term contracts and short lease terms.
- / The prime rent increased by 10 cents in the first quarter of 2022 and is currently quoted at a new high of 7.20€/m² (+3% compared with Q1 2021).

MAJOR DEALS STILL MISSING

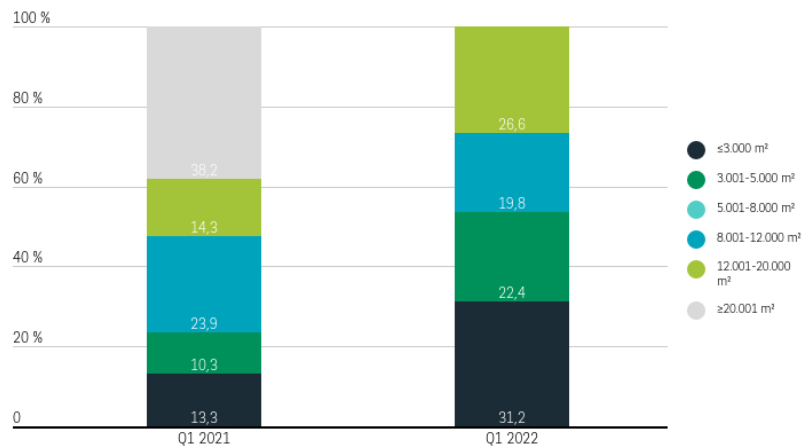
Light industrial and logistics take-up in Frankfurt



Take-up by sector Q1 2022

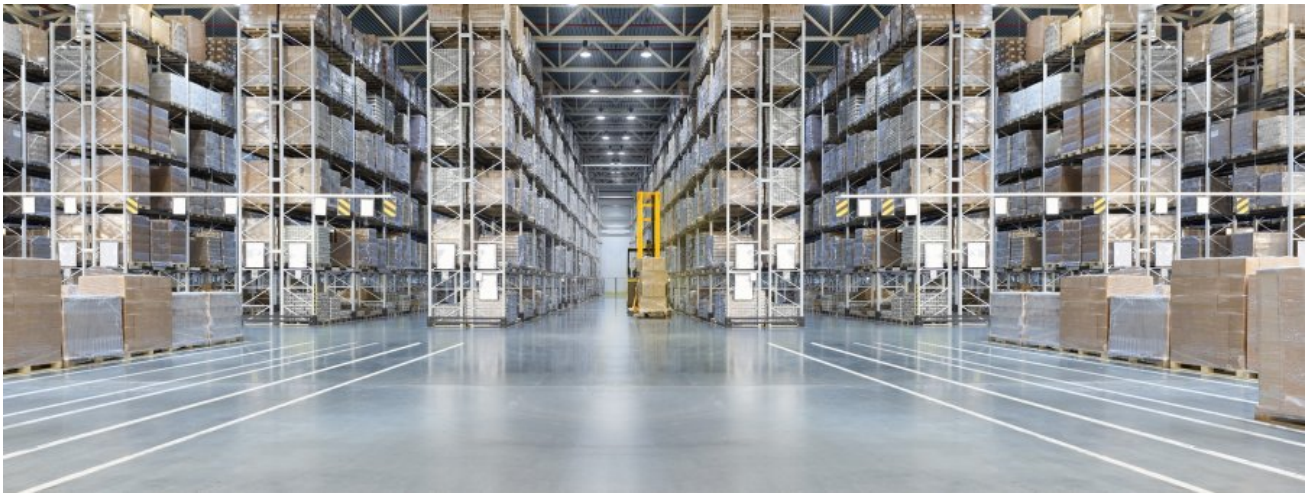


Take-up by size category Q1 2022



- / Transaction activity is particularly robust in the small and mid-sized space segment. Accordingly, almost 54% of take-up has been accounted by deals involving less than 5,000 m² of space.
- / Large deals have been significantly underrepresented to date and no deals involving more than 20,000 m² of space has yet been successfully concluded, which is quite a rarity for the start of the year in Frankfurt. The largest deal was contributed to the current result by the atrikom fulfillment company for around 12,500 m².
- / The logistics service providers in the lead, whose market share is currently listed at an above-average 50%, contributed the two largest deals of the first quarter (including MSK Pharamalogistik with 9,300 m²). They are followed by industrial and production companies with 20.5% and retail companies with just under 19%.

SUPPLY SHORTAGE REMAINS



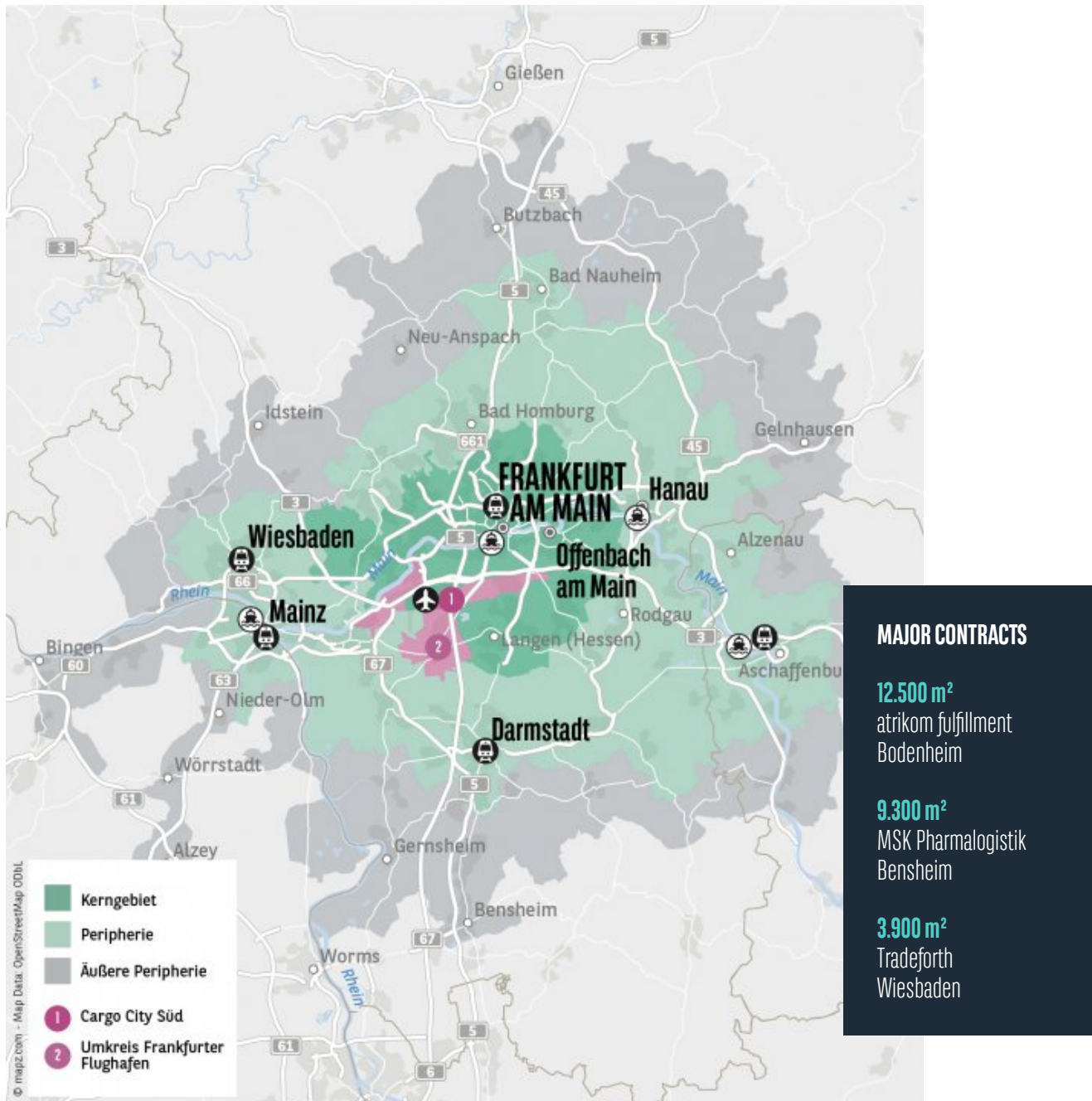
| Rents | Q1 2021 | Q1 2022 | %-Difference |
|--|------------------------|-----------------------|------------------------|
| Prime rent (in €/m ²) | 7,00 | 7,20 | 2,9% |
| Average rent (in €/m ²) | 5,30 | 5,60 | 5,7% |
| Take-up and sectors | Q1 2021 | Q1 2022 | 10-Year average |
| Total take-up | 116.000 m ² | 47.000 m ² | 123.000 m ² |
| Logistics firms | 2,8% | 50,1% | 35,9% |
| Wholesale/retail | 19,3% | 18,6% | 37,7% |
| Manufacturing | 63,4% | 20,5% | 19,5% |
| Others | 14,5% | 10,8% | 6,9% |
| Size categories | Q1 2021 | Q1 2022 | 10-Year average |
| Share of deals > 20.000 m ² | 38,2% | 0,0% | 30,7% |
| Share of deals ≤ 20.000 m ² | 61,8% | 100,0% | 69,3% |
| Owner-occupiers/new building rates | Q1 2021 | Q1 2022 | 10-Year average |
| Share of owner-occupiers | 3,1% | 6,2% | 27,6% |
| Share of new buildings | 70,0% | 51,2% | 56,8% |

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OUTLOOK

- / There is clearly more movement in the market than the latest figures suggest. Right now, many companies are looking to strengthen their supply chains in Germany. The Frankfurt market area, with its central location in Germany and Europe, excellent transport infrastructure, high population density and strong local economy, remains a desirable location for many companies. The pace of transaction activity is likely to pick up significantly in the coming months, particularly in terms of large deals.
- / The supply bottleneck typical of the market area, particularly in the core area, will remain for the time being because, on the one hand, numerous project developments will not come onto the market until 2023 and, on the other, this space is often fully prelet even before completion.
- / The rental price structure in Frankfurt currently knows only one direction: upwards. The supply-demand ratio and rising construction costs are driving this development.

LOGISTICS MARKET REGION FRANKFURT



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