

# LOGISTICS MARKET FRANKFURT

AT A GLANCE Q1 2023

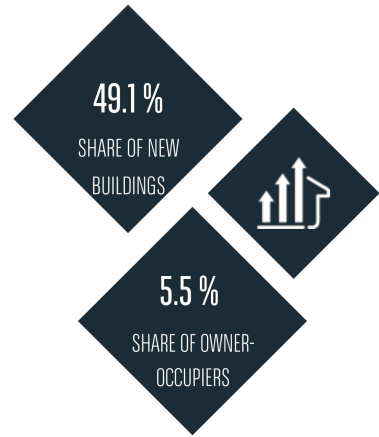
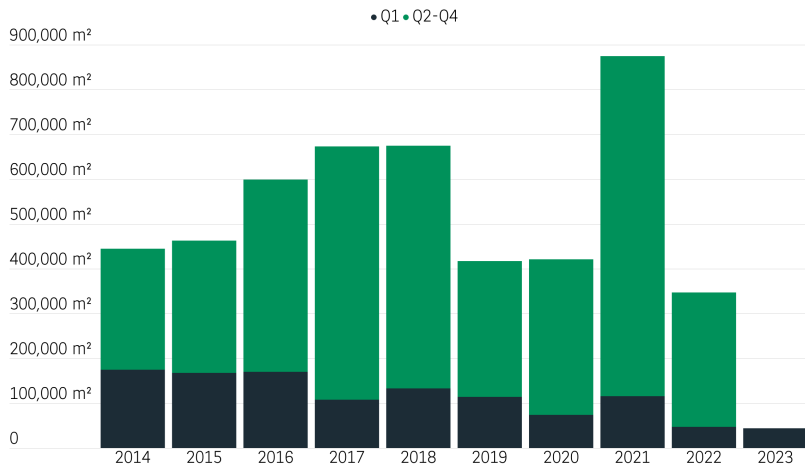


## LOW TAKE-UP DESPITE HIGH DEMAND

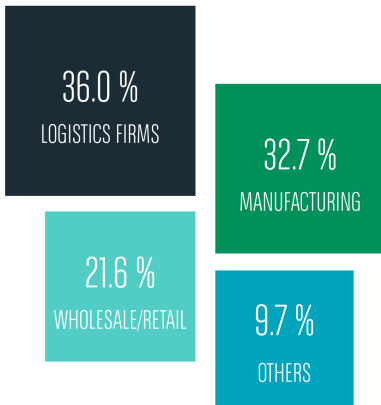
- / The Frankfurt logistics market had a moderate start to the year 2023 with a registered take-up of 44,000 m<sup>2</sup>. The current result is thus around 6 % below the equally weak quarter of the previous year. Meanwhile, the long-term average was missed by 62 %.
- / Although the subdued start is to a certain extent also due to the current economic uncertainties and the associated overall somewhat more wait-and-see attitude of some companies, this cannot be seen as the sole factor for the low dynamic. In the market's core area in particular, the lack of space continues to be the market-dominating issue. In addition, due to the high rent level, more tenants are exercising their contract options instead of switching to new space. Accordingly, the fluctuation and consequently also the recorded take-up of space are lower than in previous years.
- / Both the prime and average rents have remained at a stable high level of 7.30 €/m<sup>2</sup> and 5.80 €/m<sup>2</sup> respectively since the end of 2022.

# NO MAJOR DEAL IN THE FIRST QUARTER

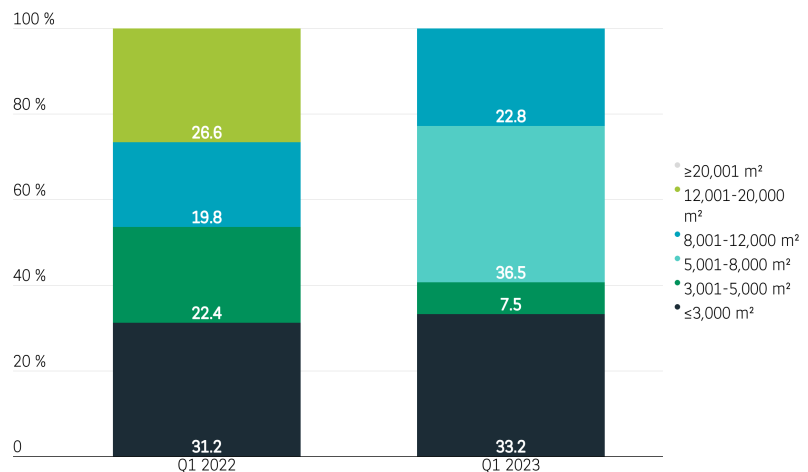
## Light industrial and logistics take-up in Frankfurt



## Take-up by sector

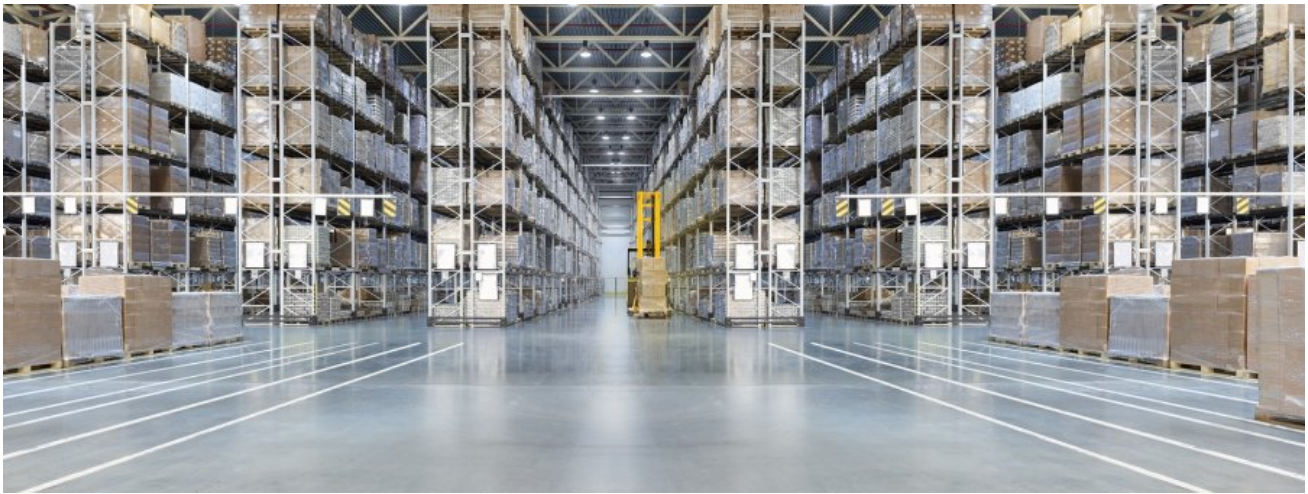


## Take-up by size category



- / The comparatively low take-up in the first quarter is partly driven by the fact that, for the first time in many years, no deal was registered in the segment above the 12,000 m² mark at the start of the year. Although the medium and small space segments predominantly recorded below-average results, the overall declines are still within the limits of the usual annual fluctuations.
- / A shift in the demand groups for space has recently become apparent. While wholesale/retail companies, especially from the B2C food and e-commerce segments, were the biggest demanders in recent years, the focus is now once again increasingly on traditional industrial requests. This is also reflected in the distribution of take-up by sector, which is currently led by logistics firms (36 %) and industrial companies (33 %). Wholesale/retail, meanwhile, contributed only 21 % of the volume registered for the first three months of the year 2023.

# KEY FIGURES



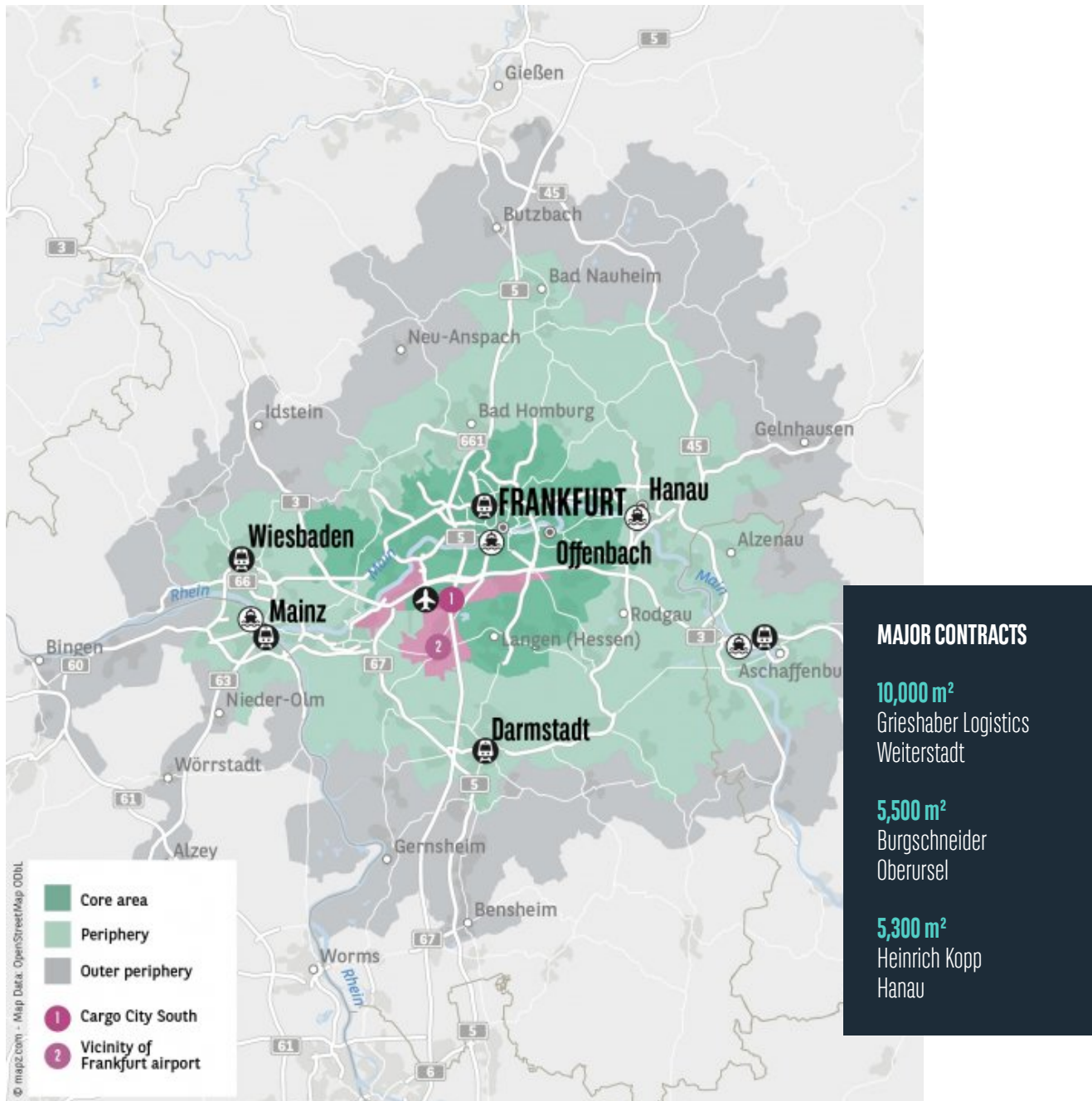
Rents	Q1 2022	Q1 2023	%-Difference
Prime rent (in €/m <sup>2</sup> )	7.20	7.30	1.4%
Average rent (in €/m <sup>2</sup> )	5.60	5.80	3.6%
Take-up and sectors	Q1 2022	Q1 2023	Long-term average
Total take-up	47,000 m <sup>2</sup>	44,000 m <sup>2</sup>	115,000 m <sup>2</sup>
Logistics firms	50.1%	36.0%	37.2%
Wholesale/retail	18.6%	21.6%	33.7%
Manufacturing	20.5%	32.7%	21.4%
Others	10.8%	9.7%	7.7%
Size categories	Q1 2022	Q1 2023	Long-term average
Share of deals > 20,000 m <sup>2</sup>	0.0%	0.0%	27.4%
Share of deals ≤ 20,000 m <sup>2</sup>	100.0%	100.0%	72.6%
Owner-occupiers/new building share	Q1 2022	Q1 2023	Long-term average
Share of owner-occupiers	6.2%	5.5%	20.7%
Share of new buildings	51.2%	49.1%	54.5%

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## OUTLOOK

- / Even if this is not directly reflected in the take-up numbers, demand remains at a high level despite the significantly gloomier economic outlook so far this year. Not least because many companies have already put their supply chains under review and optimised them in the wake of the Corona pandemic, the foreign trade statistics recently recorded a significant increase again. This is a positive signal for the rest of the year, especially for global gateways like Frankfurt.
- / Nevertheless, the most likely scenario at present is that take-up at the end of the year will be below average by long-term comparison, as the supply shortage continues to dominate the market. Meanwhile, both average and prime rents are likely to continue to move slightly upwards.

# LOGISTICS MARKET REGION FRANKFURT



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