

# LOGISTICS MARKET FRANKFURT

AT A GLANCE Q3 2022

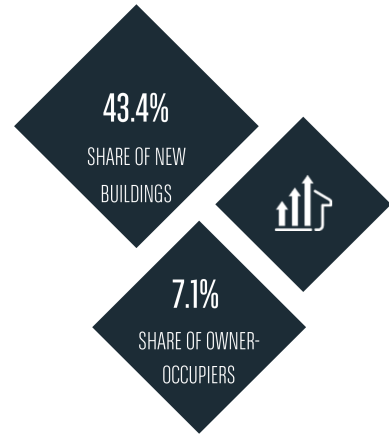
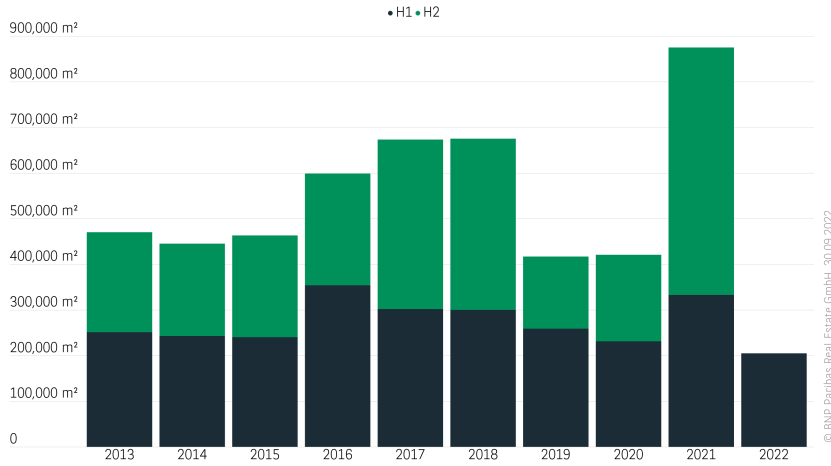


## LACK OF SUPPLY PREVENTS HIGHER TAKE-UP

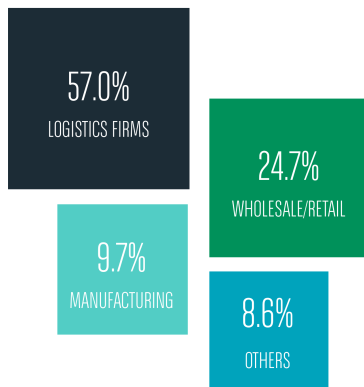
- / The Frankfurt logistics market was comparatively subdued until the end of the third quarter. With a take-up of 292,000 m<sup>2</sup>, the record result from the previous year was missed by around 53% and the long-term average by almost a third.
- / Despite the looming recession, the comparatively low take-up to date is largely attributable to the shortage of supply, reflecting not least the strong letting performance of recent years.
- / Meanwhile, the combination of the strong surplus demand and the massive rise in construction costs is also reflected in the development of rents. For example, the prime rent has risen by 20 cents year-on-year to a new high of 7.30 €/m<sup>2</sup> and the average rent by 30 cents to 5.80 €/m<sup>2</sup>. In consequence many companies are making use of their renewal options instead of moving to new space.

# SMALL LETTINGS AND LOGISTICS FIRMS DOMINATE TAKE-UP

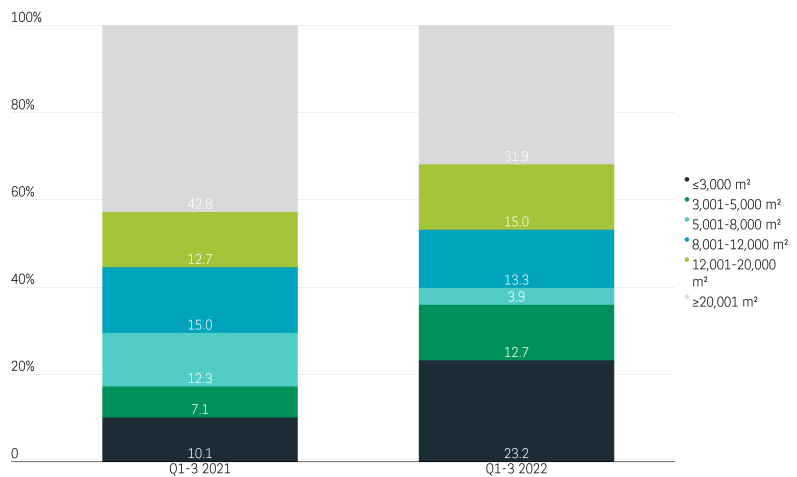
Light industrial and logistics take-up in Frankfurt



Take-up by sector

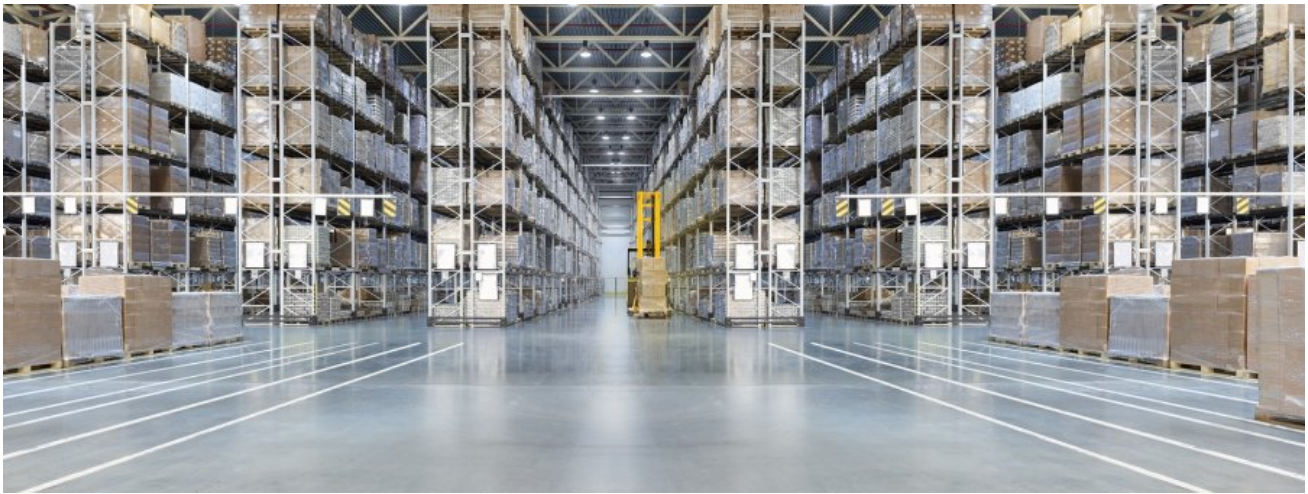


Take-up by size category



- ✓ The distribution of take-up across the individual size categories shows an unusual picture for the Frankfurt market. While large deals usually dominate, only three deals with a total of around 93,000 m<sup>2</sup> were registered in the segment above the 20,000 m<sup>2</sup> mark in the current year. On average over many years, large deals usually contribute around 150,000 m<sup>2</sup> to the result. By far the largest deal of the year was the leasing of 40,000 m<sup>2</sup> of logistics space by B+S Logistik in Hammersbach.
- ✓ Logistics service providers make an above-average contribution to turnover, accounting for more than half (57%). In contrast, both retail companies and manufacturing companies have not yet been able to match their results of recent years in the course of the year and are still underrepresented with just under 25% and almost 10% respectively.

# KEY FIGURES



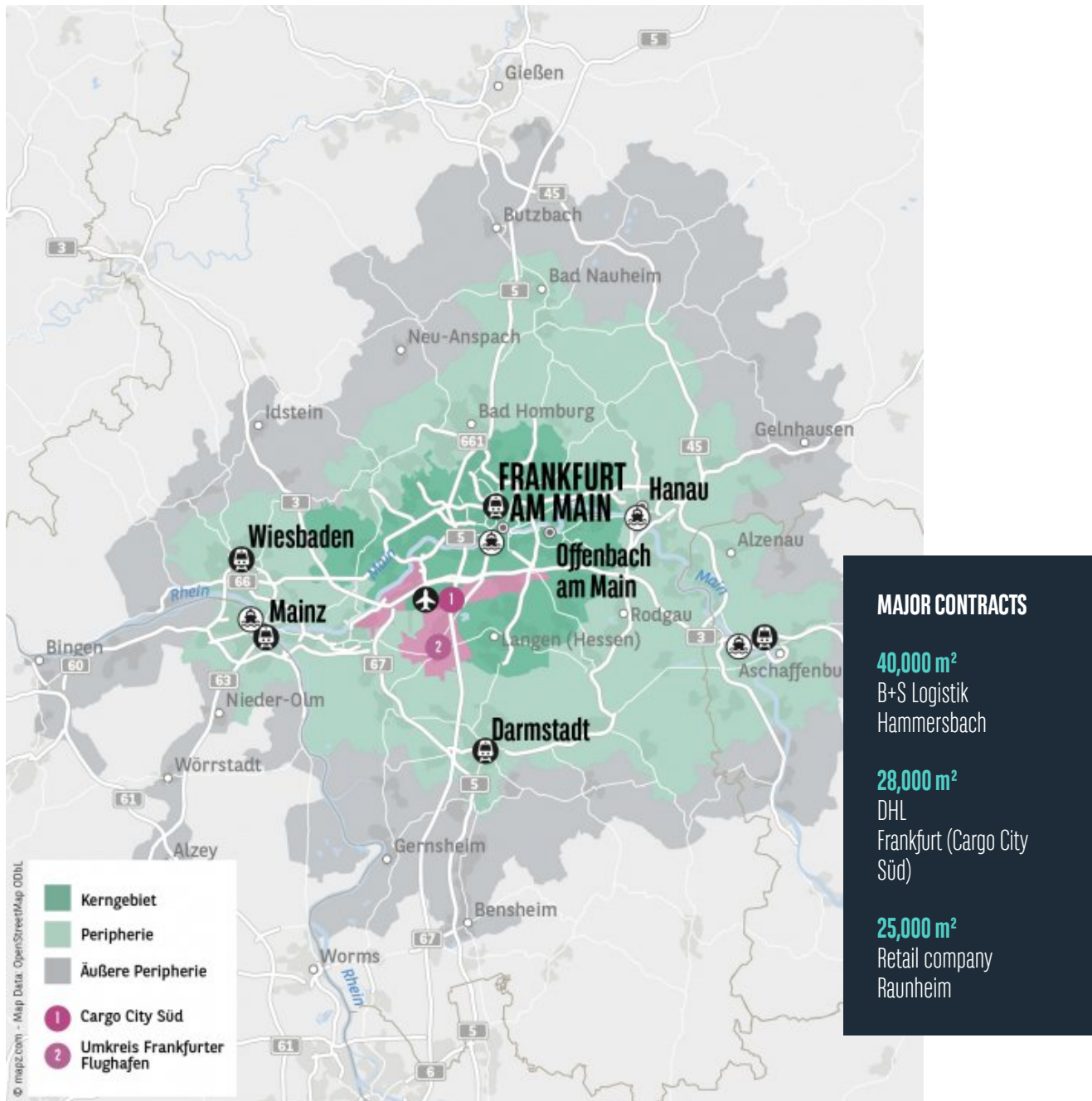
Rents	Q1-Q3 2021	Q1-Q3 2022	%-Difference
Prime rent (in €/m <sup>2</sup> )	7.10	7.30	2.8%
Average rent (in €/m <sup>2</sup> )	5.50	5.80	5.5%
Take-up and sectors	Q1-Q3 2021	Q1-Q3 2022	Long-term average
Total take-up	625,000 m <sup>2</sup>	292,000 m <sup>2</sup>	419,000 m <sup>2</sup>
Logistics firms	43.4%	57.0%	42.6%
Wholesale/retail	24.9%	24.7%	30.7%
Manufacturing	26.0%	9.7%	19.8%
Others	5.7%	8.6%	6.9%
Size categories	Q1-Q3 2021	Q1-Q3 2022	Long-term average
Share of deals > 20,000 m <sup>2</sup>	42.8%	31.9%	34.0%
Share of deals ≤ 20,000 m <sup>2</sup>	57.2%	68.1%	66.0%
Owner-occupiers/new building share	Q1-Q3 2021	Q1-Q3 2022	Long-term average
Share of owner-occupiers	17.5%	7.1%	27.1%
Share of new buildings	62.9%	43.4%	55.3%

© BNP Paribas Real Estate GmbH, 30.09.2022

## OUTLOOK

- / The lack of warehouse space available at short notice will in all likelihood remain the market-dominating issue in the last three months of the year. In particular, infrastructurally favored multimodal locations near airports/cities continue to be in high demand, but requests cannot always be served. Accordingly, there is an increasing trend toward relocation to more peripheral locations.
- / Meanwhile, a further slight rise in rental prices cannot be ruled out in the coming months against the backdrop of high inflation, increased construction costs and a shortage of building land. In addition, the economic uncertainties are increasingly posing challenges for project developers, which is why a rapid expansion in the supply of space is currently not in sight.

# LOGISTICS MARKET REGION FRANKFURT



All rights reserved. At a Glance is protected in its entirety by copyright. No part of this publication may be reproduced, translated, transmitted, or stored in a retrieval system in any form or by any means, without the prior permission in writing of BNP Paribas Real Estate GmbH. The statements, notifications and forecasts provided here correspond to our estimations at the time when this report was prepared and can change without notice. The data come from various sources which we consider reliable but whose validity, correctness or exactness we cannot guarantee. Explicitly, this report does not represent a recommendation of any kind, nor should it be regarded as forming a basis for making any decisions regarding investment or letting or renting property or premises. BNP Paribas Real Estate can accept no liability whatsoever for any information contained or statements made herein.

Publisher and Copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 30.09.2022  
 Further Information: Christopher Raabe, Head of Logistics & Industrial | Telefon [+49 \(0\)40-348 48-0](tel:+49(0)40-34848-0)  
 Photo credits: Adobe Stock / engel.ac; Alexander Nasonov