

LOGISTICS MARKET FRANKFURT

AT A GLANCE Q4 2022

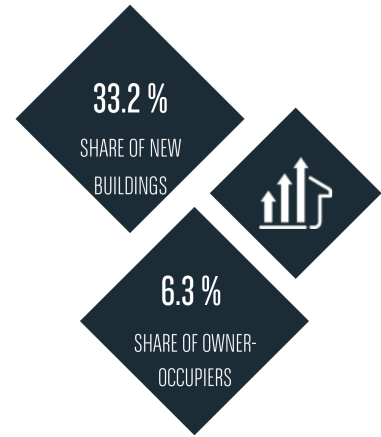
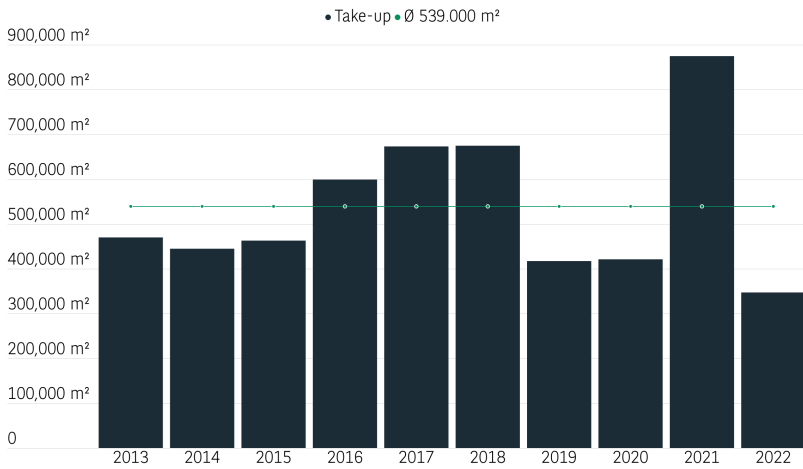


SHORTAGE OF SUPPLY DETERMINES THE MARKET

- / In 2022, the Frankfurt logistics market was largely characterised by an insufficient supply of space. At 347,000 m², a comparatively low take-up was achieved, which is almost 36 % below the ten-year average. After the extraordinary record result of the previous year with 875,000 m², there was not enough space available within the market area in 2022. This lack of supply could not be compensated in the course of the past year.
- / Nevertheless, there is definitely strong demand, which basically extends across central as well as peripheral locations and all size categories. In particular, there is a clear surplus demand for properties available at short notice and for short to medium lease terms.
- / The rental price level has risen under these market conditions. The prime rent is 7.30 €/m², which corresponds to an increase of 3 %, and the average rent has risen by around 5 % over the course of the year to 5.80 €/m².

HIGH TAKE-UP IN THE SMALL-SCALE SEGMENT

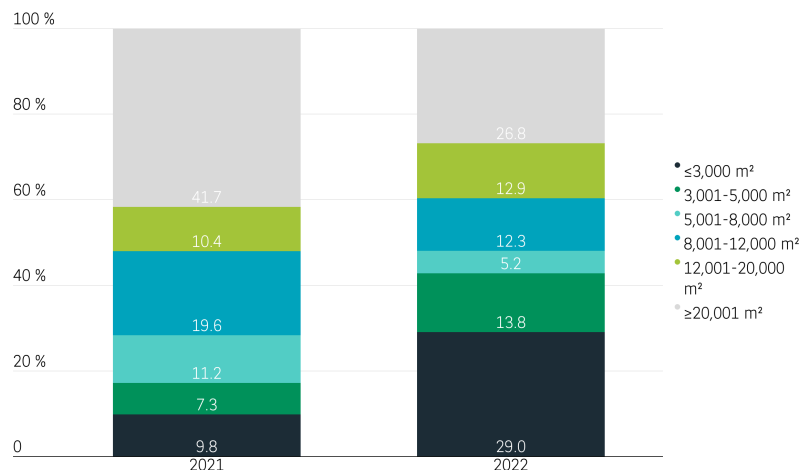
Light industrial and logistics take-up in Frankfurt



Take-up by sector

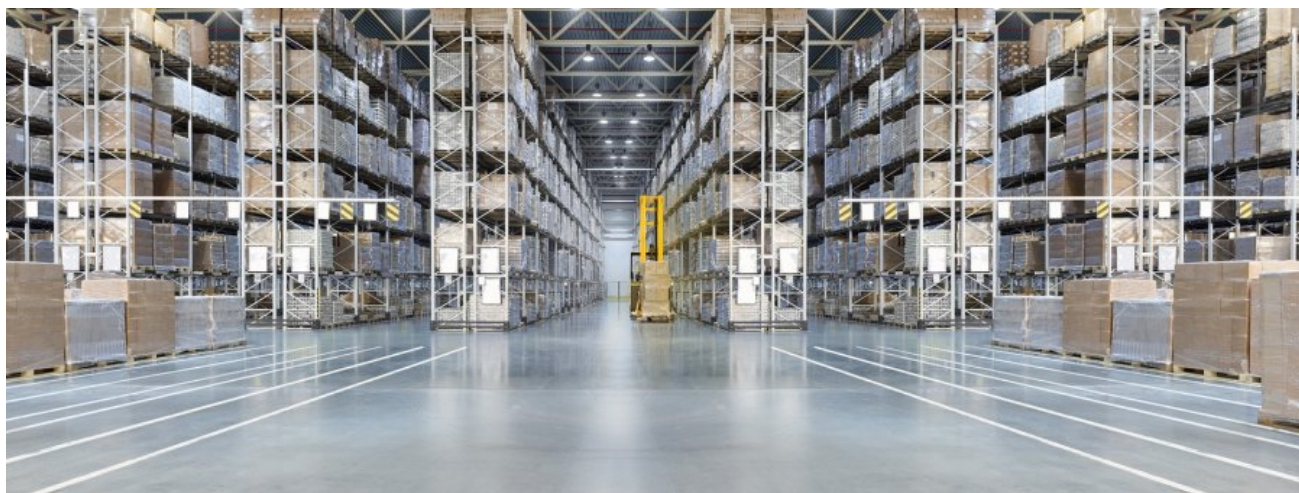


Take-up by size category



- / The take-up shows a distribution across the individual size categories that is rather unusual for Frankfurt. Smaller contracts up to 5,000 m² show the same high take-up in absolute terms as in the previous year and are thus responsible for almost 43 % of the result. The usually strong segment of large contracts over 20,000 m² comes to the lowest figure of the last ten years regarding the volume, whereas it was at a record level in the previous year.
- / In terms of sectors, logistics firms contributed more than half (a good 54 %) of the take-up, to which the two large deals concluded by B+S Logistik in Hammersbach with 40,000 m² and DHL in Cargo City Süd with 28,000 m² made a significant contribution. Retail and manufacturing companies remain below their long-term averages with shares of almost 20 % and around 10 % respectively.
- / Due to the limited availability, the share of new-built space (33 %) is at a low level in a long-term comparison.

KEY FIGURES



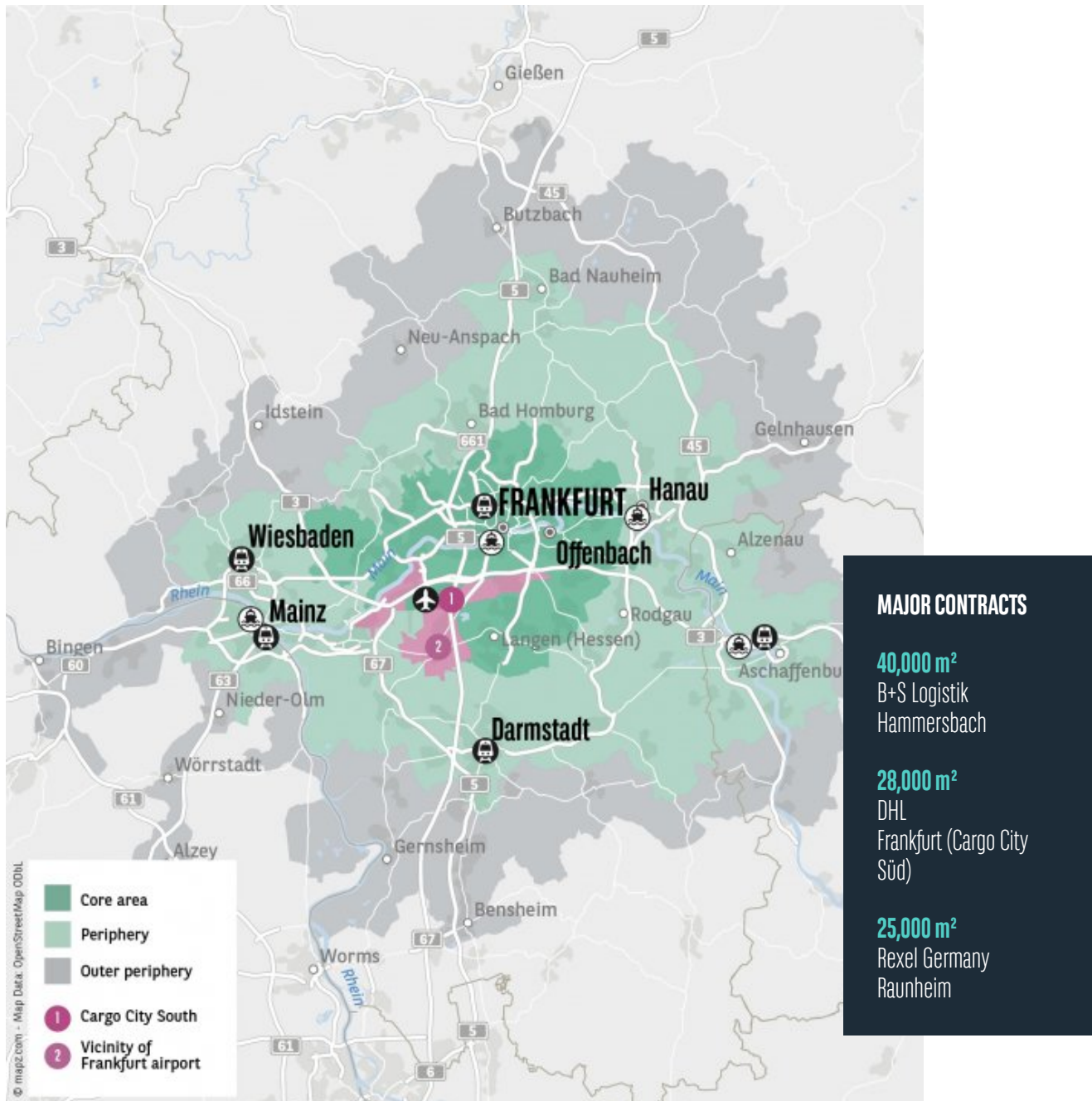
Rents	2021	2022	%-Difference
Prime rent (in €/m ²)	7.10	7.30	2.8%
Average rent (in €/m ²)	5.50	5.80	5.5%
Take-up and sectors	2021	2022	Long-term average
Total take-up	875,000 m ²	347,000 m ²	539,000 m ²
Logistics firms	38.6%	54.4%	43.6%
Wholesale/retail	30.5%	19.7%	29.5%
Manufacturing	25.8%	10.4%	18.9%
Others	5.1%	15.5%	8.0%
Size categories	2021	2022	Long-term average
Share of deals > 20,000 m ²	41.7%	26.8%	32.6%
Share of deals ≤ 20,000 m ²	58.3%	73.2%	67.4%
Owner-occupiers/new building share	2021	2022	Long-term average
Share of owner-occupiers	15.1%	6.3%	24.6%
Share of new buildings	54.3%	33.2%	50.3%

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OUTLOOK

- / Demand is also expected to remain high in 2023 and there will be a significant surplus demand on the Frankfurt logistics market. The extent to which this can be reflected in take-up figures depends on various factors. For example, due to the rising rents and the low supply of space, it can be observed that occupiers - especially logistics firms - are increasingly exercising their lease options and extending existing contracts, which has a dampening effect on take-up.
- / It can be assumed that the general conditions with high inflation, rising interest rates and increasing construction costs will hardly change for the time being. On the supply side, the current economic environment is also causing project developers to adopt a wait-and-see attitude, so that some planned developments are being postponed for the moment.
- / In combination with scarce development land and low availability in the existing stock, a further increase in rents is therefore to be expected.

LOGISTICS MARKET REGION FRANKFURT



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