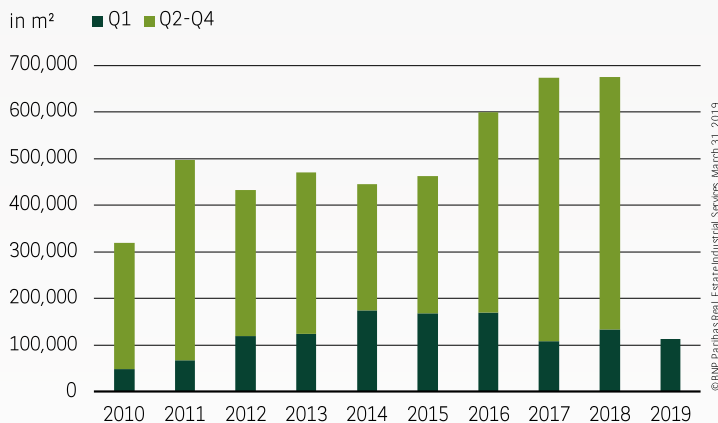




At a Glance **Q1 2019**

LOGISTICS MARKET FRANKFURT

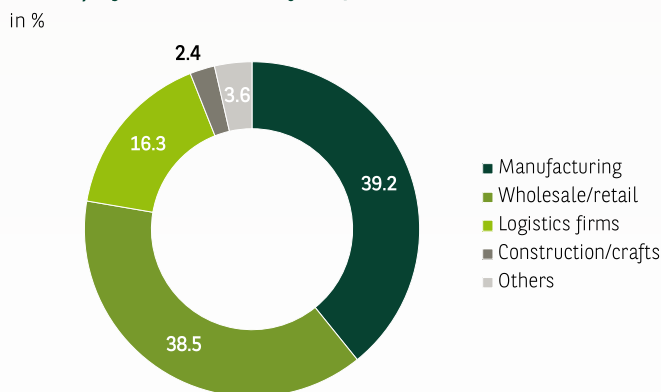
Light industrial and logistics take-up in Frankfurt



RELATIVELY MODERATE START INTO THE YEAR

With a take-up of 114,000 m², the Frankfurt logistics and warehouse space market recorded a rather restrained start into the year and missed the comparable result of the previous year by a good 14 %. Furthermore, the ten-year average was not quite reached and fell short by about 7 %. However, the Frankfurt market is not the only one with such an outcome. The first quarter was relatively weak at other locations as well. Nevertheless, with this result, Frankfurt is once again at the top of the major German logistic hubs. The proportionately lower result was mainly due to an insufficient supply, especially in the large space segment, so that some concrete requests for more than 10,000 m² could not be fulfilled in the first three months of the year. The largest contract has been registered in Gernsheim, where a trading company has rented a good 20,000 m². In addition, SLL System Lager Logistik GmbH took 12,000 m² in the SEGRO Park in Bischofsheim and Pirelli signed a contract for 10,000 m² in Eppertshausen.

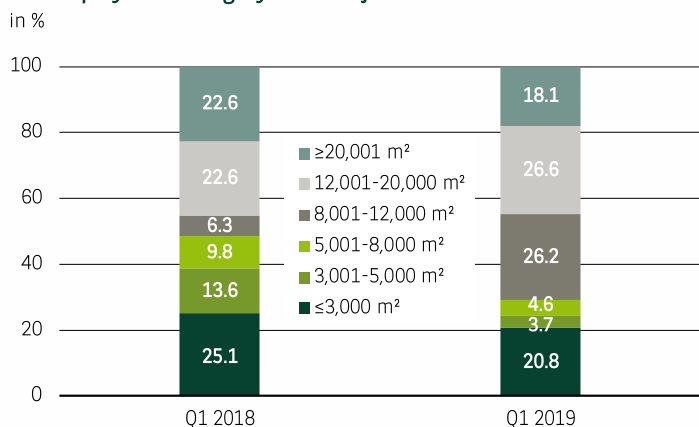
Take-up by sector in Frankfurt Q1 2019



CLOSE RACE OF MANUFACTURING & WHOLESALE/RETAIL

Among the different sector groups manufacturing and wholesale/retail companies took part in a head-to-head race, which was won by the manufacturing firms with a good 39 % share of take-up. Their relative share is thus more than twice as high as the long-term average. However, at 38.5 % wholesale/retail contributed almost the same volume to the result. The by Frankfurt standards extremely low share of logistics companies is remarkable. While on average this industry was responsible for almost 50 % of take-up, they currently account for just over 16 %. This is an important reason for the relatively weak first quarter compared to the previous year too.

Take-up by size category in Frankfurt



RELATIVELY WEAK DEMAND FOR SMALLER SPACES

While in the same quarter of the previous year almost half of the take-up was generated by contracts up to 8,000 m², their relative share in the first three months of this year was around 20 percentage points lower at only 29 %. In purely quantitative terms, the overall decline in take-up can be fully explained by this category result. A slightly lower proportion compared to the long-term average was also recorded for the segment of large contracts (>20,000 m²), which currently account for a good 18 %. In contrast, deals between 8,000 and 12,000 m² and between 12,000 and 20,000 m² have so far contributed the most to the result, with a good quarter each.

Major contracts in Frankfurt Q1 2019

Company	Location	Area (m²)
Wholesale/retail company	Gernsheim	20,600
SLL System Lager Logistik	Bischofsheim	12,000
Pirelli	Eppertshausen	10,000

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➤ OWNER-OCCUPIERS & NEW CONSTRUCTION ON THE RISE

The share of new construction space increased in the first quarter, which at 76 % is not only twice as high as in the same period last year, but is also the highest in recent years. This is also due to a somewhat larger supply resulting from speculative project developments, which was largely absorbed by the market. However, there is also an unusually high share of owner-occupiers (almost 44 %), which is particularly high in the segment of new buildings. In a year-on-year comparison, the top rent has also risen slightly to 6.35 €/m². The same applies to the average rent, which has increased by 5 cents to currently 4.95 €/m² and is now within immediate striking distance of the 5 €/m² threshold.

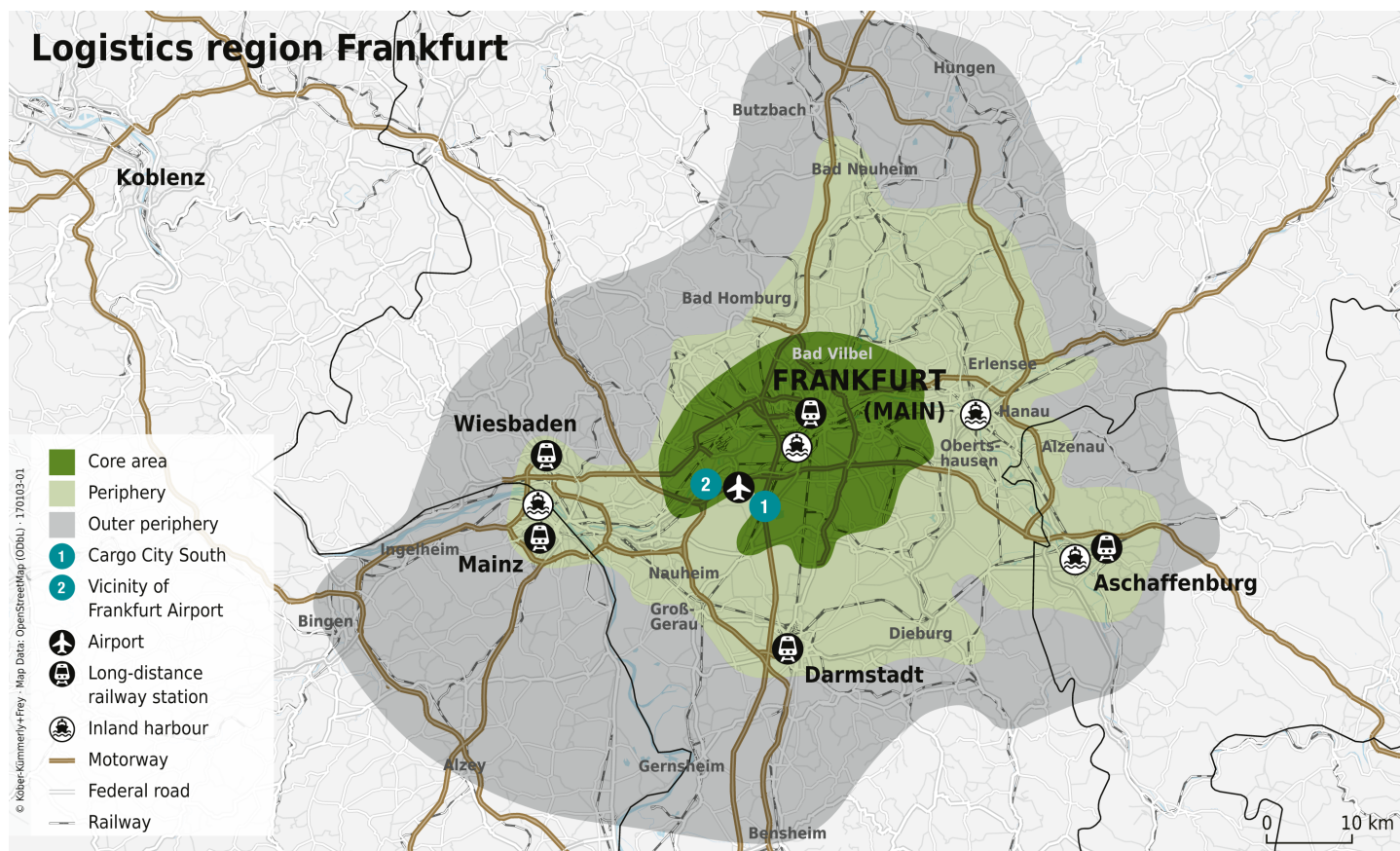
Key figures of logistics market Frankfurt

	Q1 2018	Q1 2019	Trend remaining year
Prime rent	6.30 €/m²	6.35 €/m²	↗
Average rent	4.90 €/m²	4.95 €/m²	➡
Take-up	133,000 m²	114,000 m²	➡
- Share of owner-occupiers	11.0 %	43.6 %	↗
- Share of new buildings	38.8 %	76.1 %	➡

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➤ PERSPECTIVES

Overall, the demand situation can still be classified as good, which can be demonstrated by the current existing requests. As the majority of project developments to be completed in 2019 have already been pre-let, the supply situation, which is still tense in some segments of the market, is unlikely to change much in the course of the year. It remains to be seen whether space take-up will be able to return to the two extraordinarily good previous years. However, from today's perspective it is very likely that the result will again exceed 500,000 m².



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