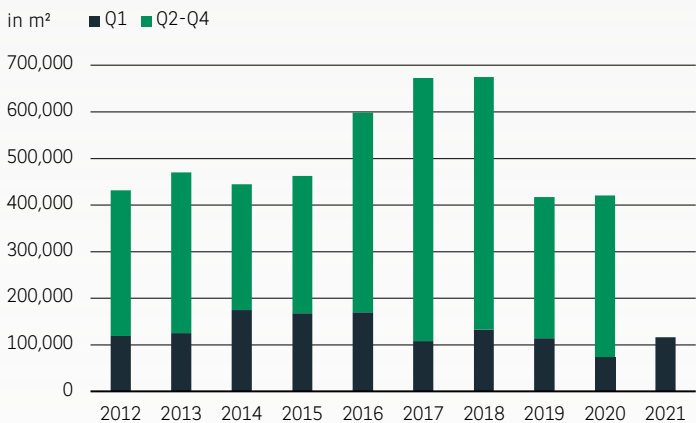


At a Glance Q1 2021

LOGISTICS MARKET FRANKFURT

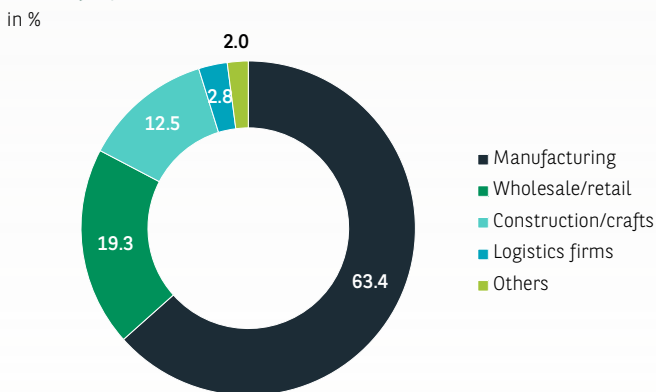
Light industrial and logistics take-up



➤ AVERAGE START TO THE YEAR

After already showing an upward trend towards the end of last year, the Frankfurt storage and logistics market recorded a respectable result in the first quarter of 2021. With a take-up of 116,000 m² in the entire market area, the admittedly weak result of the previous year was exceeded by 57 %. Compared with the ten-year average, however, the latest result is almost 11 % lower, which is unsurprising given the lockdown that has now lasted for a couple of months. Overall, however, demand is still being somewhat slowed by the general uncertainty about the further development of the pandemic and the still somewhat vague political decisions. In a nationwide comparison, Frankfurt's result is in the midfield of the major logistics regions. By far the largest deal was concluded by the Hager Group with 44,000 m² in Hammersbach. Other significant leases include 16,500 m² by Amazon in Friedrichsdorf, 9,300 m² by Teknihall in Dietzenbach and around 8,300 m² in Rodgau by KS Tools.

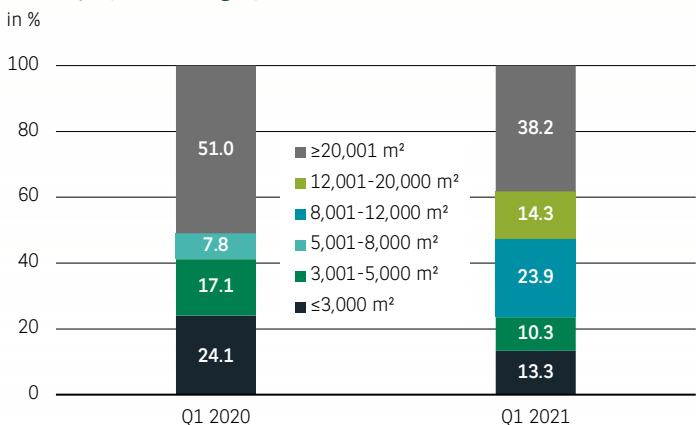
Take-up by sector



➤ UNUSUAL DISTRIBUTION BY SECTOR

Even though the first quarter is always only a snapshot due to the short period under consideration, an unusual distribution of take-up across the industry groups can be observed so far. Manufacturing companies have taken the lead with a share of 63 %, which is several times higher than their long-term average. In contrast, wholesale/retail companies, despite high demand, contribute only about half of their usual share with 19 %. This clearly reflects the insufficient supply in relatively central locations. It is also surprising that the traditionally leading logistics firms, with only 3 %, have hardly made an appearance so far. In contrast, the construction/crafts sector accounts for an exceptionally high 12.5 %.

Take-up by size category



➤ RELATIVELY HIGH NUMBER OF LARGE DEALS

The large contracts over 20,000 m², which are traditionally important for the Frankfurt logistics market, have also played an essential role in the first three months and are responsible for 38 % of the result. But the next size categories 12,000 to 20,000 m² (14 %) and 8,000 to 12,000 m² (just under 24 %) are also strongly represented. Overall, larger lettings have thus made a somewhat disproportionate contribution. Furthermore, small spaces up to 5,000 m² are also enjoying brisk demand and were again able to contribute almost a quarter of the take-up.

Major contracts

Company	Location	Area(m ²)
Hager Group	Hammersbach	44,000
Amazon	Friedrichsdorf	16,500
Teknihall	Dietzenbach	9,300
KS TOOLS	Rodgau	8,300

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STILL HARDLY ANY OWNER-OCCUPIERS AND RISING CONSTRUCTION ACTIVITY

The trend of a very low owner-occupier rate, which was already evident in the same quarter of the previous year, continued. Only around 3 % of the result is accounted for by this segment. This shows that many companies are still reluctant to make expensive investment decisions in an environment that remains uncertain. The rising share of new buildings has also been confirmed once again at 70 % of total take-up. Since the space requirements of users are becoming ever greater, older existing space is often only a limited alternative. Rental prices remained stable in the first quarter, with the prime rent unchanged at 7.00 €/m² and the average rent at 5.30 €/m², the same as at the end of the year.

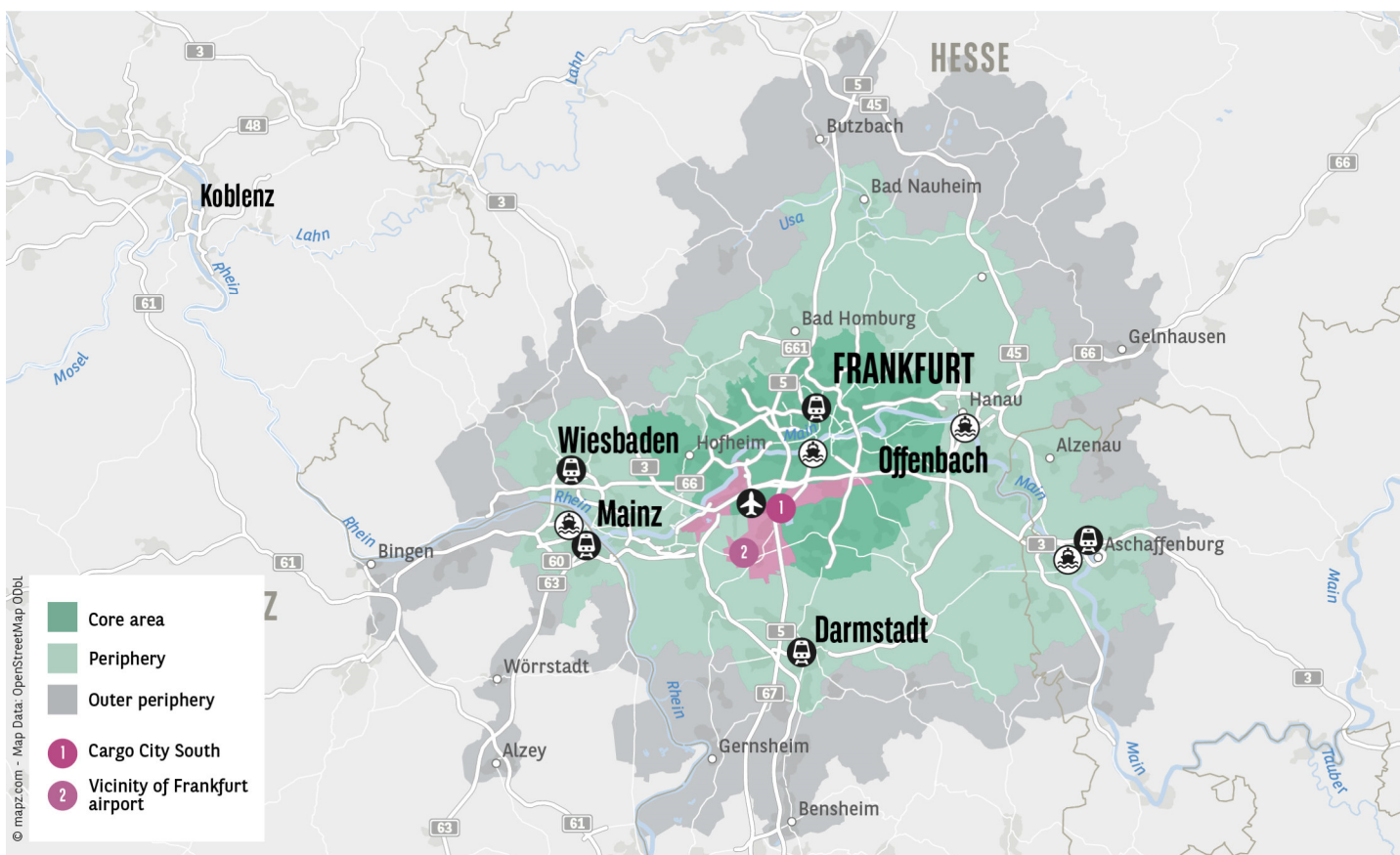
Key figures logistics market

	Q1 2020	Q1 2021	Trend remaining year
Prime rent	6.60 €/m ²	7.00 €/m ²	➔
Average rent	5.10 €/m ²	5.30 €/m ²	➔
Take-up	74,000 m ²	116,000 m ²	➡
- Share of owner-occupiers	5.1 %	3.1 %	➔
- Share of new buildings	67.5 %	70.0 %	➔

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OUTLOOK

In the wake of noticeable progress in the vaccination campaign and a successive expansion of easing measures, confidence regarding accelerated economic growth should increase significantly. The Frankfurt logistics market should also benefit from this. Against this backdrop, demand is likely to remain brisk and at least at an average level for the rest of the year. From today's perspective, the most likely scenario is for take-up to be at a comparative level as in the previous years, that is between 400,000 and 500,000 m². Rents are expected to move sideways in the coming quarters.



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