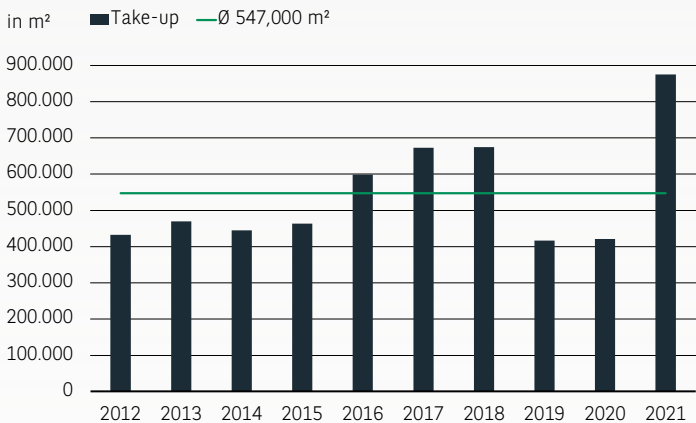




At a Glance **Q4 2021**

# LOGISTICS MARKET FRANKFURT

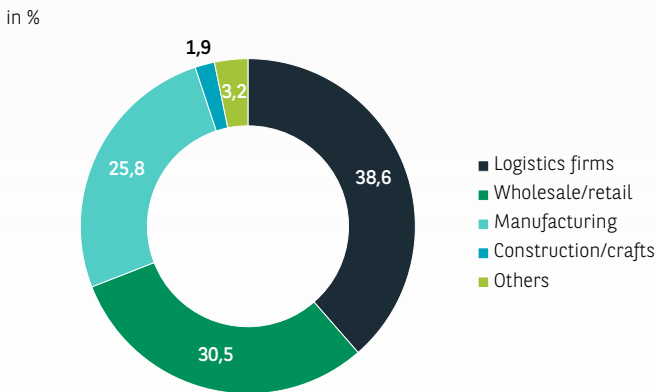
## Light industrial and logistics take-up



### RECORD TAKE-UP AT A HISTORICALLY HIGH LEVEL

The Frankfurt logistics and warehouse market achieved a historic result in 2021. At 875,000 m<sup>2</sup>, not only was the previous year's figure more than doubled, but the ten-year average was also exceeded by 60 %. Besides the Ruhr region, never before has a comparably high result been recorded within one year in one of the major German logistics agglomerations. Two different aspects contributed to this extraordinary take-up. On the one hand, this is a strong increase in demand due to structural developments in some industry groups, but on the other hand, certain catch-up effects can also be observed. Some companies that had postponed strategic decisions in 2020 due to corona or had put them on hold finally realised them in 2021. The large-scale segment, in particular, benefited from this and contributed significantly to the new record. The most important deals include the lettings of the Hager Group (44,000 m<sup>2</sup>) and PepsiCo Germany (40,000 m<sup>2</sup>), both in Hammersbach, and ID Logistics with 41,000 m<sup>2</sup> in Kleinosheim.

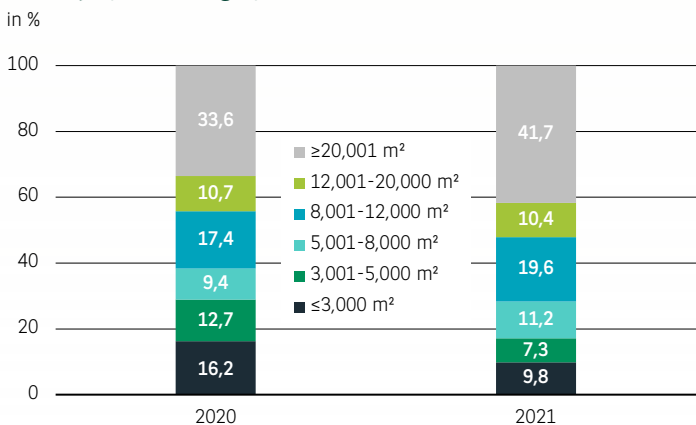
## Take-up by sector



### STRONG DEMAND IN ALL INDUSTRY GROUPS

That the logistics markets as a whole are on the upswing is underlined by the fact that all industry groups have made high contributions to take-up and wholesale/retail and manufacturing companies have even recorded new all-time highs. Nevertheless, logistics firms, which are traditionally particularly strong in Frankfurt, have taken the lead with almost 39 %. Second place goes to wholesale/retail, which contributes 30.5 % and is ahead of manufacturing, which accounts for just under 26 %. Demand is especially strong for large, contiguous warehouse spaces (BigBoxes) near motorways. Important demand impulses here come from e-commerce companies, increasingly also from players from the Asian region, which are looking to enter the European market. Another trend is the B2C food delivery business. They show exceptionally high demand for space in the urban area.

## Take-up by size category



### LARGE DEALS AT NEW ALL-TIME HIGH

Since extraordinary high take-up levels always presupposes a number of large deals, it is unsurprising that contracts over 20,000 m<sup>2</sup> make by far the highest contribution to the latest result with almost 42 % market share. In absolute terms, they even achieve a new all-time high of 365,000 m<sup>2</sup>. A total of twelve deals of this size was registered. But very high take-up figures were also recorded in the other classes. This applies above all to the middle market segment of 8,000 to 12,000 m<sup>2</sup>. Here, with over 170,000 m<sup>2</sup>, the previous record from 2017 was topped by around 25,000 m<sup>2</sup>.

**Major contracts**

Quarter	Company	Location	Area (m <sup>2</sup> )
Q1	Hager Group	Hammersbach	44.000
Q2	ID Logistics	Kleinostheim	41.000
Q3	PepsiCo Deutschland	Hammersbach	40.000
Q3	B+S Logistik	Alzenau	37.400
Q3	DHL Supply Chain	Florstadt	32.000

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**Key figures logistics market**

	2020	2021	Trend 2022
Prime rent	7,00 €/m <sup>2</sup>	7,10 €/m <sup>2</sup>	↗
Average rent	5,30 €/m <sup>2</sup>	5,50 €/m <sup>2</sup>	↗
Take-up	421.000 m <sup>2</sup>	875.000 m <sup>2</sup>	↘
- Share of owner-occupiers	26,2 %	15,1 %	→
- Share of new buildings	53,4 %	54,3 %	↘

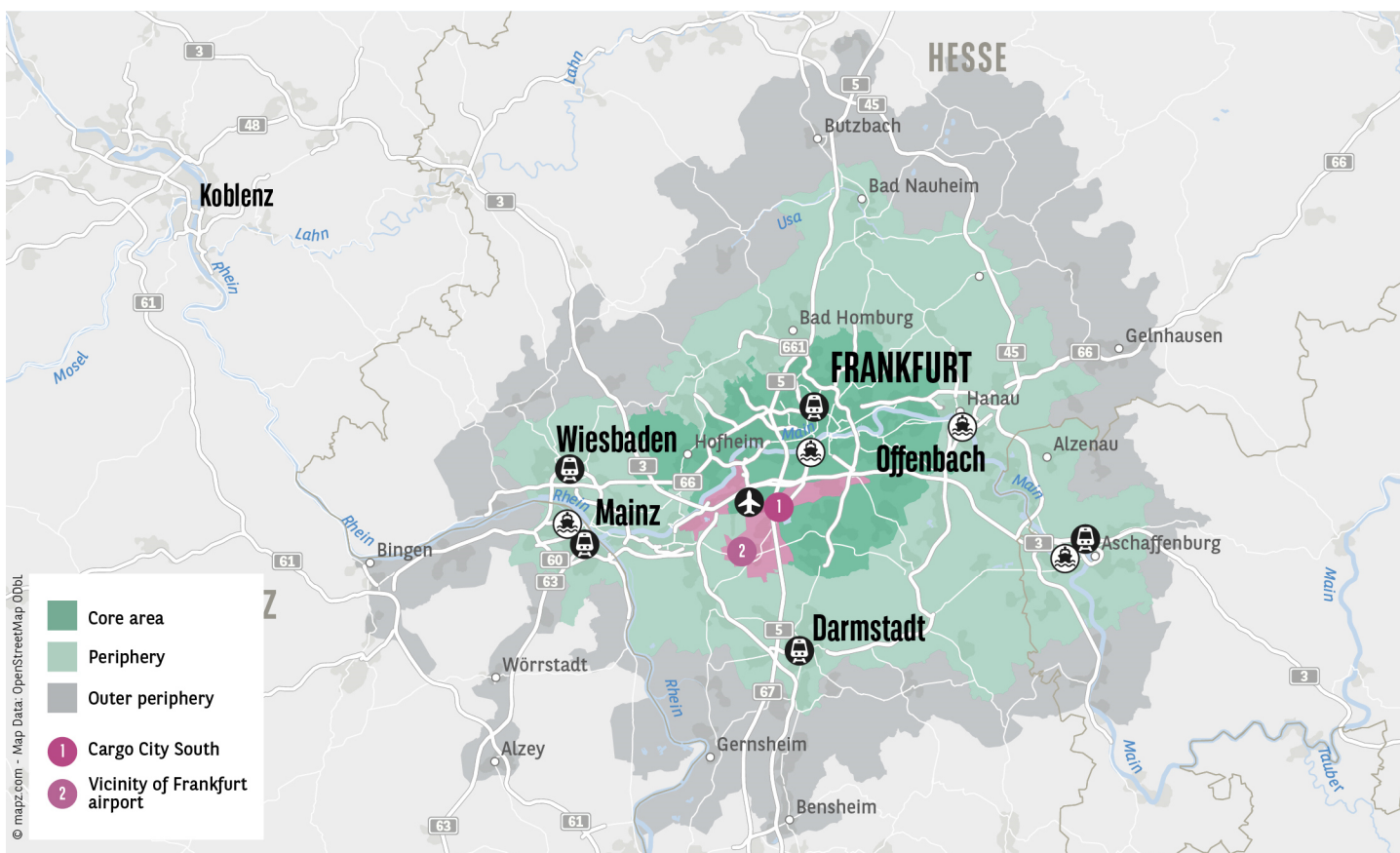
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**➤ UPWARD PRESSURE ON RENTS CONTINUES**

The extremely strong demand combined with a continuing shortage of supply is reflected in rising rents. Since the middle of the year, the prime rent has risen by around 1.5 % to 7.10 €/m<sup>2</sup>. The average rent has even increased by almost 3 % to 5.50 €/m<sup>2</sup> in the same period. A pronounced shortage of space can still be observed in all well-connected locations close to the motorway. This applies in particular to large-scale requests. Usually, project developments are therefore also fully let before completion.

**➤ OUTLOOK**

The lights are also green for the Frankfurt logistics and warehouse market in 2022. The expected acceleration of economic growth will continue to drive demand and keep it at a high level. In addition, there are adjustment and restructuring processes in many sectors of the economy. These include the continuing success story of e-commerce with the corresponding demand for space as well as the optimisation of supply chains and advancing automation processes in manufacturing. The resulting demand is currently being met by insufficient supply, so the upward trend in rents is likely to continue. This effect is reinforced by the sharp rise in construction prices and current material bottlenecks.



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