



FRANKFURT

REPORT LOGISTICS MARKET

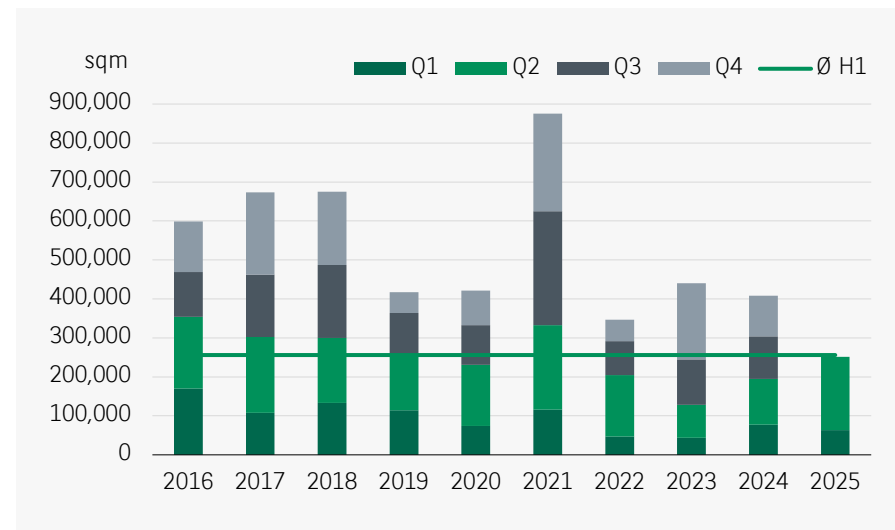
H1 2025



BNP PARIBAS
REAL ESTATE

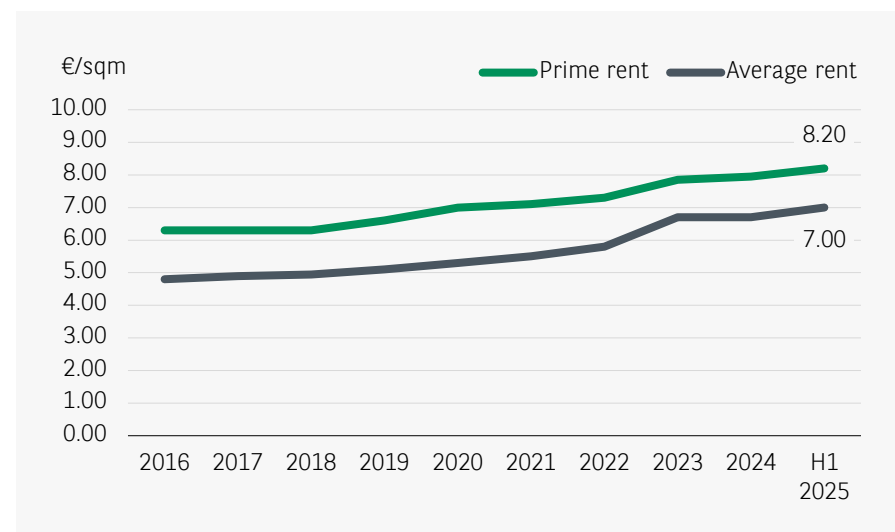
REAL ESTATE for a changing world

Development of warehouse and logistics take-up



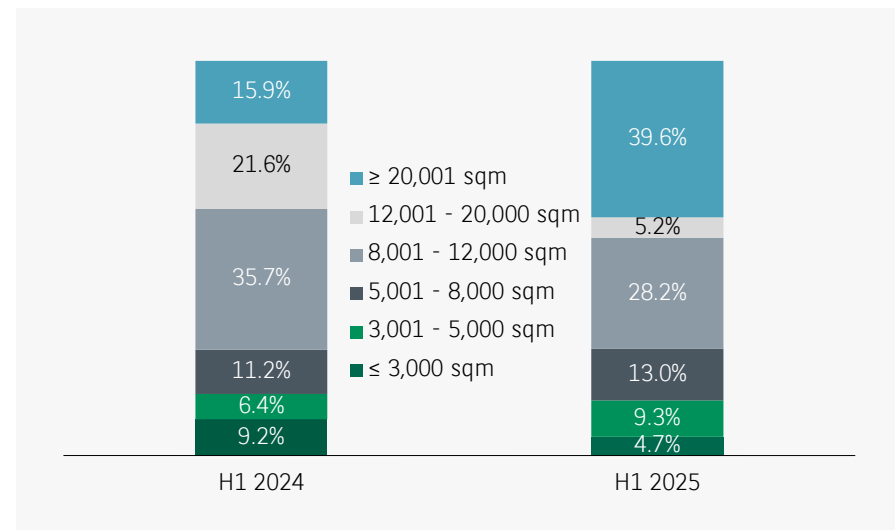
**VERY STRONG SECOND QUARTER
ENSURES RETURN TO AVERAGE LEVEL**

Prime and average rents

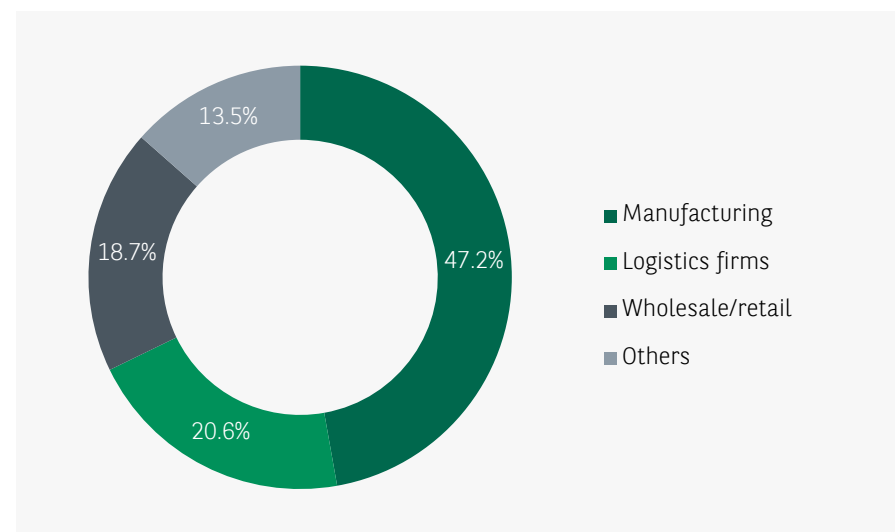


- After a slow start in the first quarter of 2025, the Frankfurt market for warehouse and logistics space had a strong second quarter. With a take-up of 188,000 sqm, it is one of the best quarters in the past four years. In total, 251,000 sqm can be reported for the market area for the first half of the year. This exceeds last year's result by around 29%, bringing the Frankfurt market back to its average level (10-years average: 256,000 sqm).
- One of the drivers of take-up in the second quarter was the 50,000 sqm production facility (currently under construction) by the U.S. pharmaceutical group Eli Lilly in Alzey, located on the outskirts of the Frankfurt market area. Computacenter, a global IT solutions specialist, will move into around 21,000 sqm in Nieder-Olm. Pirelli contributed the third major deal, leasing 13,000 sqm in the second quarter.
- Overall, the Frankfurt market for large spaces is much busier than in previous years. The six-month result for transactions above 20,000 sqm amounts to almost 100,000 sqm, which exceeds the long-term average by nearly one-third. For the second year in a row, an above-average result of 70,000 sqm was achieved in the size category between 8,000 and 12,000 sqm.
- Rents remained stable at a high level in the second quarter. Accordingly, the prime rent moved sideways at €8.20 per sqm and the average rent at €7.00 per sqm. However, year-over-year increases of 3.1% and 4.5%, respectively, can be reported.

Take-up by size category



Take-up by sector



FAR MORE MAJOR DEALS THAN IN THE PREVIOUS YEAR

- Large-volume deals dominated the first half of 2025, supported by stable leasing activity in the 8,000 to 12,000 sqm category. However, the significant increase in momentum for spaces between 3,000 and 8,000 sqm also contributed to the positive H1 result. This category accounted for around 56,000 sqm, which is a 63% increase y-o-y.
- The rate at which contracts are concluded in the segment below 3,000 sqm and in the important 12,000 to 20,000 sqm size category is well below normal. When analysing the result, it is important to consider the limited availability of space in Frankfurt's highly sought-after core area, where demand far exceeds supply.
- Construction of Eli Lilly in Alzey, boosted the manufacturing sector's performance, contributing 47% to the take-up. Market shares of logistics firms and retail companies are below average at 21% and 19%, respectively.

Major contracts

Quarter	Company	Location	sqm
Q2	Eli Lilly	Alzey	50,000
Q1	Alnatura	Groß-Rohrheim	28,000
Q2	Computacenter	Nieder-Olm	21,100
Q2	Pirelli	Eppertshausen	13,000
Q1	Holzgroßhändler Becher	Hanau	10,500

OUTLOOK

- The Frankfurt logistics market had a mixed first half of 2025. After a weak start to the year, the second quarter saw a significant acceleration, particularly in the number of large-scale deals. This increased momentum in the spring is a strong signal, as it comes at a time when market uncertainty surrounding customs conflicts and geopolitical instability has been weighing on the markets.
- Despite the challenging conditions, the market is characterised by a discrepancy between supply and demand. In particular, there is a shortage of available space at short notice, as well as space with short contract terms. The long-observed trend of ever-shorter lease terms is continuing.
- There continues to be a shortage of supply for the warehousing and logistics sectors, which depend on specially equipped spaces to store water-polluting substances, for example. In general, there is not enough available space in high-demand areas like Frankfurt, Mainz, and Wiesbaden. Due to low construction activity, this applies to both new and existing buildings.
- The market-dominating supply shortage continues to put pressure on rent levels. In particular, prime rents are set to rise again in the second half of the year. This trend is heading towards the €8.50 per sqm mark.
- Although further economic development is difficult to predict given the ongoing tariff conflicts, the logistics markets will likely benefit from German special infrastructure and defense funds over time. There are signs of increased demand for space, which could result in a 2023/24 level for the Frankfurt market in the second half of the year.

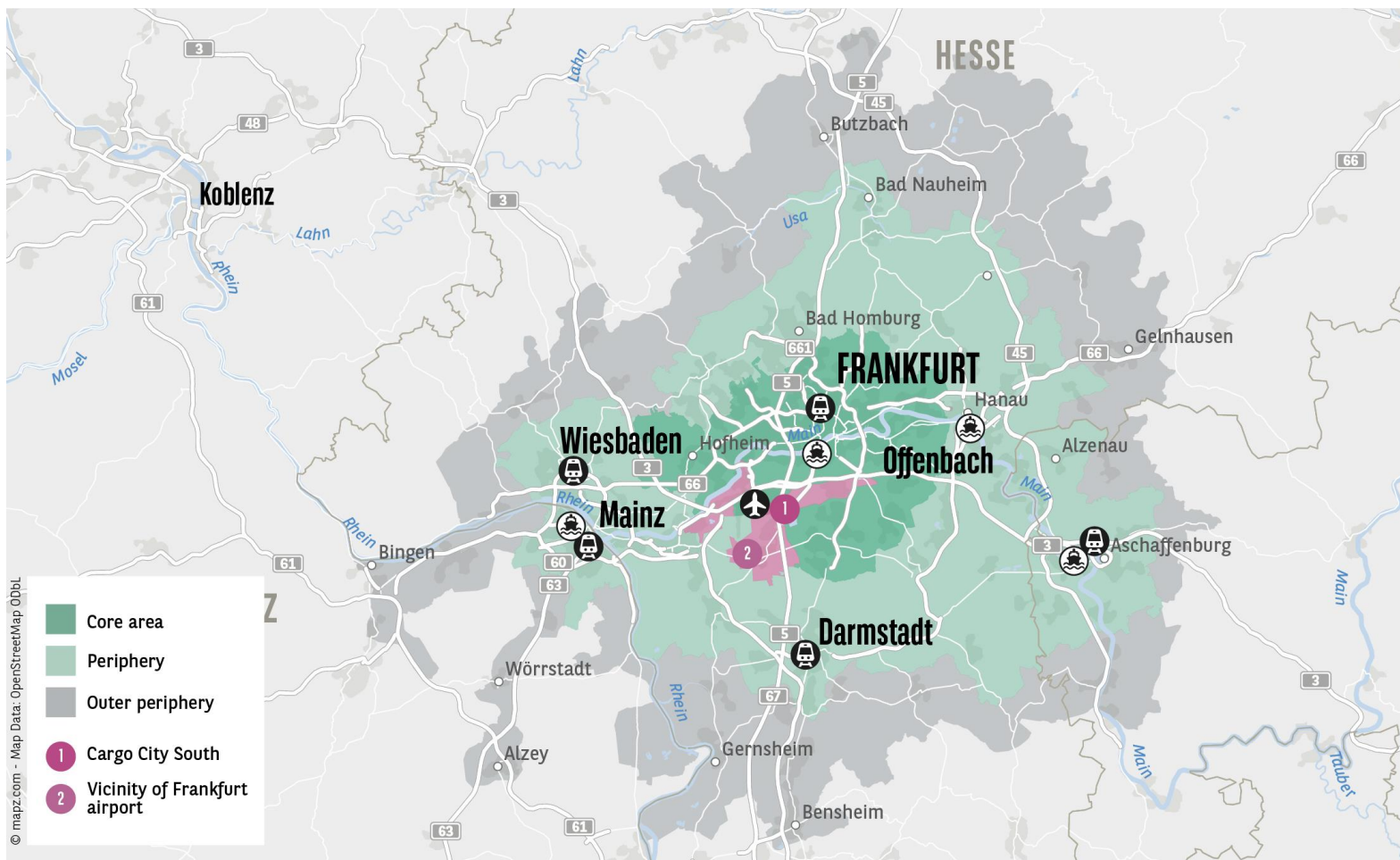
Key figures logistics market Frankfurt

RENTS AND TAKE-UP	H1 2024	H1 2025	%-DIFFERENCE
Prime rent (in €/sqm)	7.95	8.20	3.1%
Average rent (in €/sqm)	6.70	7.00	4.5%
Total take-up (in sqm)	195,000	251,000	28.7%

SECTORS	H1 2024	H1 2025	LONG-TERM Ø
Logistics firms	38.2%	20.6%	34.7%
Wholesale/retail	24.2%	18.7%	31.8%
Manufacturing	35.3%	47.2%	25.3%
Others	2.3%	13.5%	8.2%

SIZE CATEGORIES	H1 2024	H1 2025	LONG-TERM Ø
Share of deals > 20,000 sqm	15.9%	39.6%	28.1%
Share of deals ≤ 20,000 sqm	84.1%	60.4%	71.9%

OWNER-OCCUPIERS/NEW BUILDING SHARE	H1 2024	H1 2025	LONG-TERM Ø
Share of owner-occupiers	45.3%	27.6%	24.5%
Share of new buildings	64.0%	50.9%	55.2%



LOGISTICS MARKET FRANKFURT

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