ONLY JUST SHORT OF A NEW RECORD

Take-up totalling 462,000 m² represents another exceptional result on the Frankfurt market for logistics and storage space, just 2 % short of last year’s record and 36 % up on the ten-year average. The dynamic market performance in the first half of the year has thus continued unabated. It is particularly gratifying that high demand is to be observed in all market segments and that the above-average take-up is not merely attributable to a small number of major deals. The most significant leases to date include 27,700 m² for DHL Solutions in Florstadt, 25,000 m² for TOOM Baumarkt in Rodgau and 25,000 m² for Group 7 in Raunheim. Among the major German logistics hubs, the excellent result puts Frankfurt clearly in first place in the nationwide rankings, ahead of Berlin (381,000 m²) and Hamburg (321,000 m²). A further notable aspect is that the share attributable to owner occupiers has fallen to its lowest level of recent years, at just under 17 %. A similar trend is also evident at other major locations, highlighting the shortage of available sites.

LOGISTICS FIRMS MOST ACTIVE

Logistics firms, which are traditionally strong in Frankfurt, lead the rankings once again for the year to date. Their share of just under 45 % in the total take-up volume places them roughly on a par with their multi-year average. Wholesale/retail companies account for a more modest contribution, following up in second place on 28 %. E-commerce companies seeking more central locations for the so-called last mile would be likely to occupy substantially more space if a corresponding supply were available in the municipal area, however. The long-term performance of manufacturing companies is also very good, with a share of almost 23 % in the current take-up volume.

EVEN SPREAD ACROSS ALL SIZE CATEGORIES

Gratifyingly, almost all size categories have made substantial contributions to the good result. The two largest size categories of 12,000 to 20,000 m² and over 20,000 m² are almost level, with a share of around one quarter each. Bronze honours go to the category between 8,000 and 12,000 m², whose share has risen slightly to a good 18 %. The smaller market segments up to 5,000 m² have also boosted their collective share by around six percentage points. Worthy of particular mention here is the share of smaller deals up to 3,000 m², which is unusually high at 14 %.
SLIGHT INCREASE IN SUPPLY

The available supply in the market territory has risen slightly, not least of all on account of a number of developments which also include speculative space. Notwithstanding this additional supply, a certain shortage of space nevertheless continues to apply across broad areas of the market. This applies in particular to modern existing space and large units of above 10,000 m² in size. In geographic terms, this situation is particularly prevalent in the sought-after southern Rhine-Main region. Rents were stable in the third quarter, with the prime rent unchanged at 6.30 €/m² and the average rent at 4.90 €/m². At 42 %, the share of newly built space in total take-up is markedly down on last year (42 %).

OUTLOOK

As things stand, there is every indication that the observed dynamic demand situation will continue in the final quarter. This assumption is based primarily on the highly positive underlying economic setting, with forecast GDP recently revised upward once again, and high demand pressure from wholesale/trade, particularly in the area of e-commerce. In the light of this situation, a very high year-end result is to be expected once again. It remains to be seen whether a new take-up record will be within reach. The most probable scenario with regard to rents is a slight rise next year.