Facts and Figures

Warehouse/Logistics Rhine-Main
H1 2022

NAIapollo

“Knowledge is the child of experience.“

Quote from Leonardo da Vinci

If you require any further information, please do not hesitate to contact us. We can put you in touch with our specialists who are always happy to provide you with expert support.
We look forward to hearing from you!

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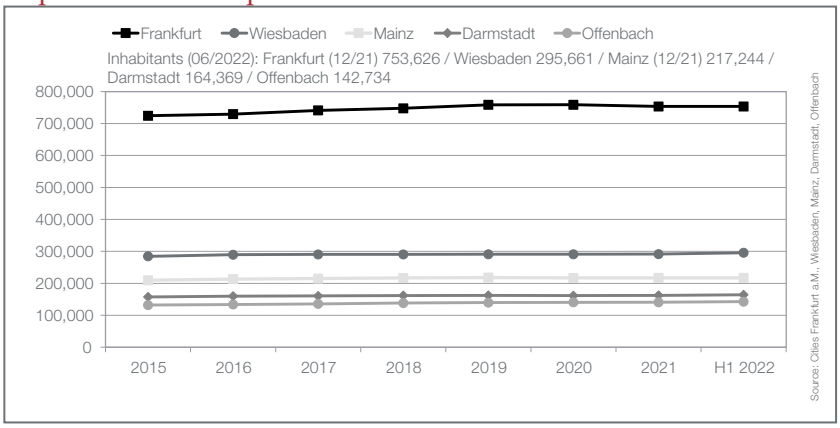
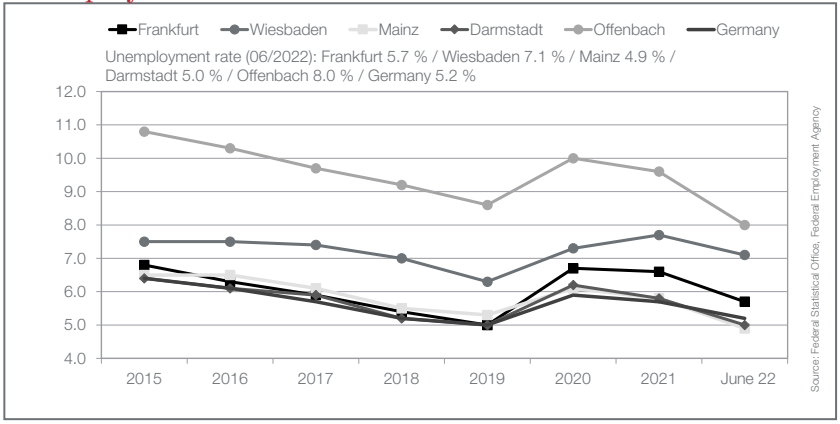
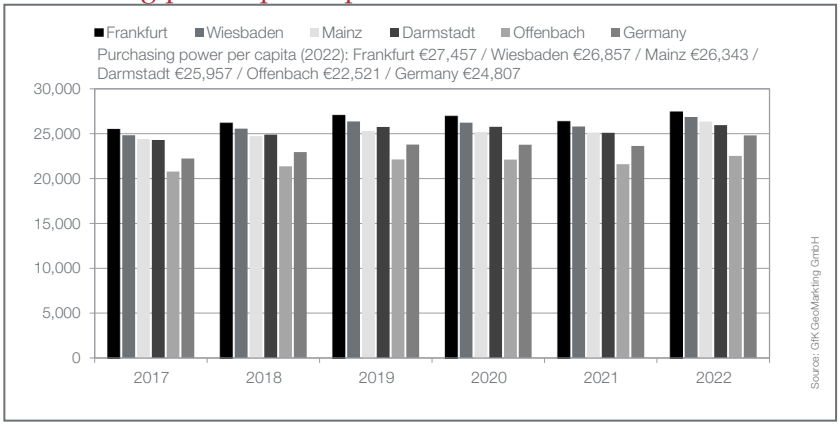
Population development Frankfurt/Rhine-Main



Unemployment rate Frankfurt/Rhine-Main



Purchasing power per capita Frankfurt/Rhine-Main



Traffic situation Frankfurt/Rhine-Main

Air traffic	Passenger numbers at Frankfurt Airport in the first half of 2022 at 20.8 million passengers and thus 221% above the previous year's value (-38% compared to H1 2019). Cargo volume at 1.03 million tons, 11% below the previous year's level.
Rail traffic	Frankfurt central station is the most important ICE hub in Germany. More than 630 long-distance and local trains per day, 1,100 S-Bahn trains (regional trains) and almost 500,000 visitors and travellers.
Highway traffic	Central hub for Germany's long-distance road network with five motorway links. Frankfurter Kreuz is the busiest motorway junction in Germany with about 350,000 vehicles per day.

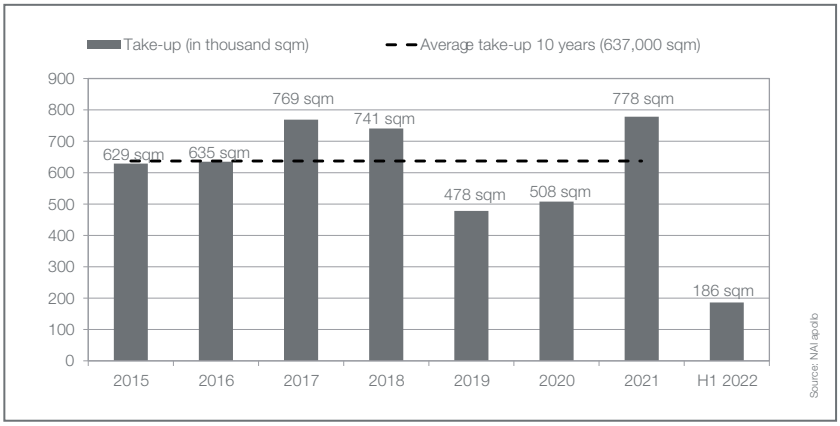
The population in the Rhine-Main area is increasing again after a decline at times in the last two years, among other things owing to the arrival of refugees fleeing the war. However, the general economic conditions are proving to be increasingly difficult. The war in Ukraine and the resulting shortage of raw materials and energy, rising inflation and the increased risk of a recession are also causing uncertainty in the domestic economy.

These factors are now affecting the labour market, with a return to rising unemployment. The unemployment rate in Hesse reached 4.6 % at the end of June 2022. Although this is 0.5 percentage points below the previous year's rate, it represents an increase compared to the previous month. Unemployment is also rising within cities in the Rhine-Main area. For example, the unemployment rate in Frankfurt recently increased by 0.3 percentage points to 4.9 %. A further increase in the coming months can be expected.

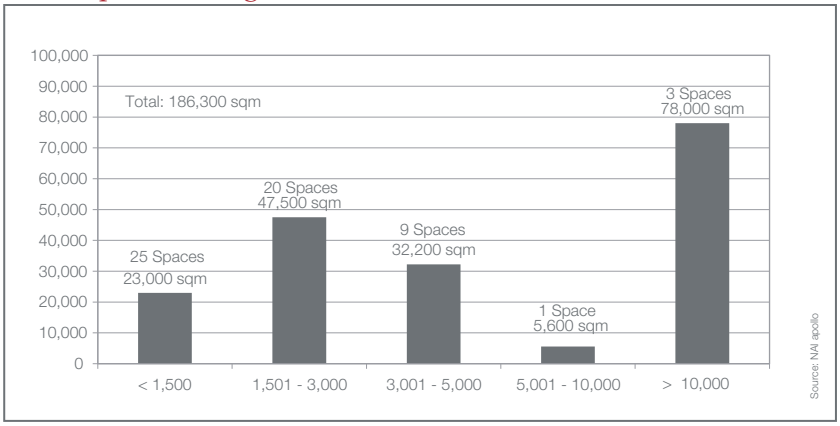
The most recent business survey carried out by the Chamber of Industry and Commerce (IHK) in Frankfurt am Main in early summer 2022 still portrays a positive business climate, but sentiment has deteriorated noticeably compared to the previous survey. While companies continue to provide an overall positive assessment of their current business situation, negative views now clearly outweigh positive assessments of future business expectations.

The high energy and raw material prices pose a major problem for the local transport industry, reflected by poorer assessments of the business situation compared to the previous report. Companies here are also more pessimistic about future business expectations. As a result, the overall business climate index for the transport industry has fallen sharply into negative territory at 87 points — below the 100-point threshold between an overall positive and negative sentiment.

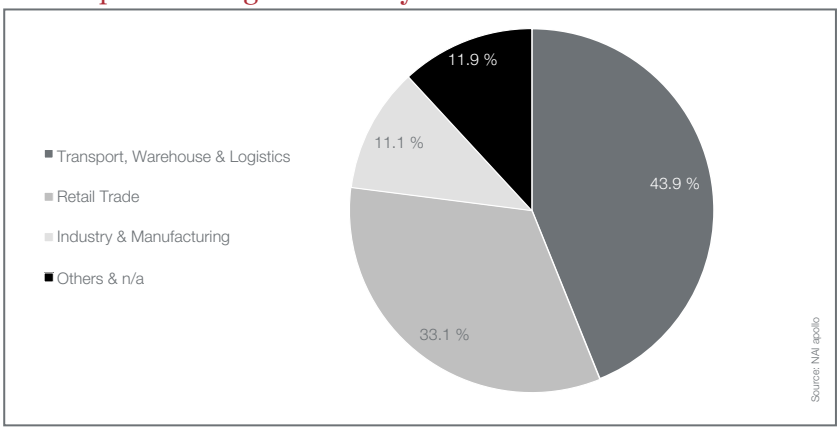
Take-up (lettings and owner occupation – in 1,000 sqm)



Take-up according to unit size H1 2022



Take-up according to industry H1 2022



Definition market area

NAI apollo defines the Frankfurt/Rhine-Main market area for logistics and warehouses as the relevant available logistics and warehouse space between the cities of Butzbach in the north and Worms in the south, as well as between Bingen in the west and Aschaffenburg in the east.

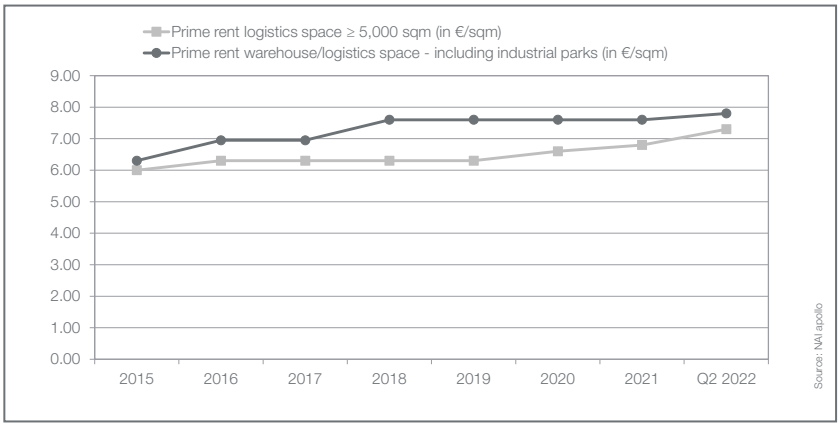
The City of Frankfurt am Main forms the central point of the sub-market described.

After the record decline to 44,300 sqm that was reported for the first quarter of 2022, the warehouse and logistics property market in the Rhine-Main area has recovered somewhat in recent months, although the half-year result remains below that of previous years. Take-up by tenants and owner-occupiers amounted to 142,000 sqm in the past three months. The half-year result amounted to 186,300 sqm, of which the second quarter accounted for 76.2 %. However, this larger share should not obscure the fact that the Q2 result was also below average compared to the respective periods of previous years. For example, it was far below the year ago level, dropping 47.7 % compared to the 356,400 sqm reported for the same period of 2021, and also fell short of the five-year average of 320,500 sqm.

The current economic conditions can certainly be described as difficult. Nevertheless, user demand for storage and logistics space has been at a high level in the year to date. The weaker market activity is not owing to a lack of demand, but rather to the shortage of available space that meets user requirements.

Contract signings in new construction projects, including new owner-occupier projects and lettings in developments, accounted for almost 40,000 sqm in the first half of the year. Compared to the first six months of the previous five years, this is a drop of between 60 and 80 %. In existing properties, new lettings and owner-occupier purchases amounted to around 147,000 sqm of warehouse and logistics space. This is also below the corresponding five-year average of 180,900 sqm, but at 19.0 % the rate of decline is significantly lower compared to the new build segment.

Development of rents Frankfurt am Main



Selection of large current project developments H1 2022

Idstein – 18,000 sqm

Development of around 18,000 sqm of warehouse space by the MLP Group for new users on the former production property of an Austrian automotive supplier in the Rheingau-Taunus region.

Langenselbold – 20,000 sqm

Speculative development of approx. 20,000 sqm of warehouse space and 4,000 sqm of potential office space by HubOne on an approx. 38,000 sqm site directly at the A45 motorway. Completion is scheduled for the second half of 2023.

Hanau - 28,000 sqm

Development of the commercial and logistics park "Holzpark Hanau" by INBRIGHT at the B43a in the urban area of Hanau, which has already been purchased by AEW. The hall areas are spread over three building complexes and comprise a total of approx. 28,000 sqm. Completion is scheduled for early 2023.

Source: NAI apollo

Selection of large completed developments H1 2022

Weiterstadt – 9,000 sqm

Completion of Amazon's new distribution center with around 9,000 sqm of warehouse space and a further 2,000 smq of office space by Hillwood Germany.

Erlensee – 22,000 sqm

Completion of DHL Freight's cargo center with around 10,000 sqm of warehouse space, a cross-dock terminal measuring over 12,000 sqm and almost 4,000 sqm of office space in the Fliegerhorst industrial park by Fäth Immobilien.

Grolsheim – 24,000 sqm

Completion of an approx. 24,000 sqm logistics hall in the Grolsheim industrial estate. This is Prologis' second unit (DC 2) in the area.

Source: NAI apollo

Outlook next 12 months

Stock	→
Vacancy	↘
Take-up	→
Prime rent	↗
Average rent	↗

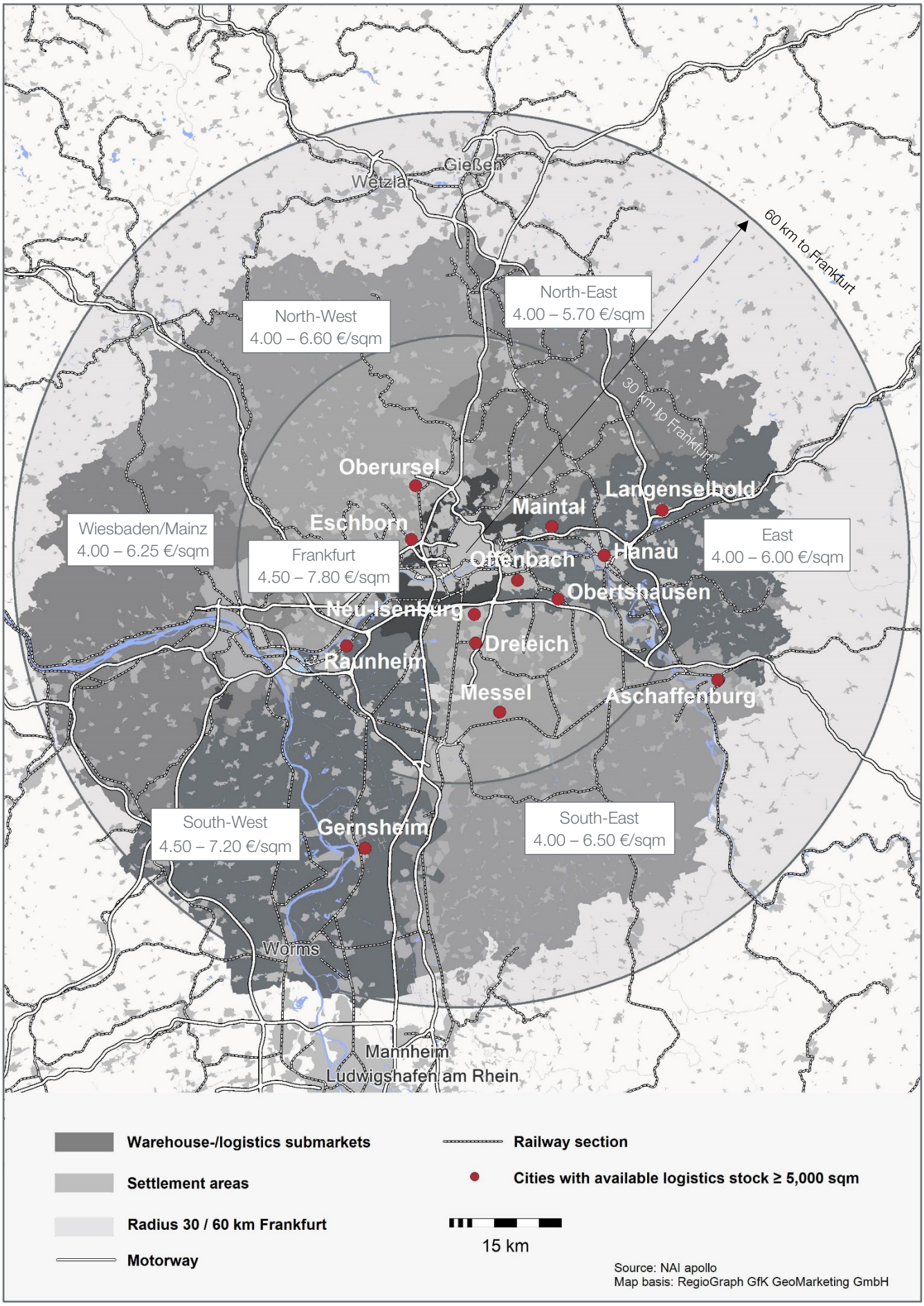
Source: NAI apollo

At the mid-year point, units above 10,000 sqm represented the most important size cluster both in the new build segment and the overall market. After playing no role at all in the first quarter of the year, this cluster's market share has since increased to around 42 %, corresponding to 78,000 sqm. In addition, the 1,501 - 3,000 sqm and 3,001 - 5,000 sqm clusters made a stronger contribution to the overall result with a total of around 79,700 sqm.

Transport, warehouse and logistics service providers formed the strongest industry grouping in the first half of 2022. As in the previous year, lettings activity by companies in this sector increased significantly in the second quarter after a weak start to the year and now amounts to 81,800 sqm. This recent increase among logistics service providers cannot hide the fact that take-up was clearly lower compared to the previous year. However, this applies to all industries, including the second-placed retail sector with 61,700 sqm and companies from industry and manufacturing, which were in third position with 20,700 sqm.

It remains difficult to provide a forecast for the coming months. The biggest problem currently facing the warehouse and logistics market in the Rhine-Main area is the shortage of space. New construction activities are proving insufficient to meet demand and cannot be expanded to the extent necessary owing to a lack of potential building land. One consequence of this is that market activity is being shifted to surrounding areas and beyond, where there are suitable development prospects at locations with good transport connections. In addition, the scarce supply of space is affecting rental prices. The prime rent in Frankfurt-Rhine/Main for logistics units of 5,000 sqm or more has now risen to €7.30 per sqm, which is 9 % above the previous year's figure. The prime rent for smaller units in business parks reaches €7.80 per sqm.

Submarkets, rents (including industrial parks) and available logistics stock Q2 2022



Logistics strongholds

Average and prime rent for logistics space (≥ 5,000 sqm) Q2 2022

	Average rent in €/sqm	Prime rent in €/sqm
Berlin	5.70	6.80
Dusseldorf	5.40	6.70
Frankfurt/Rhine-Main	5.80	7.30
Hamburg	5.40	7.00
Munich	6.80	7.80

Source: NAI apollo

Prime yields Q2 2022

	Prime office yields	Prime retail yields	Prime logistics yields
Berlin	2.55 %	2.95 %	3.15 %
Dusseldorf	2.95 %	3.30 %	3.20 %
Frankfurt a. M.	2.85 %	3.20 %	3.20 %
Hamburg	2.75 %	3.15 %	3.20 %
Munich	2.65 %	2.95 %	3.15 %
Total	Ø = 2,75 %	Ø = 3,10 %	Ø = 3,20 %

Source: NAI apollo

Frankfurt/Rhine-Main

Top take-up H1 2022

Property + Location	Tenant / owner occupier	Utility area in sqm
Büdingen/Hammersbach/Limeshain	B+S	approx. 39,000
Raunheim	Rexel	approx. 26,000
Bodenheim	Atrikom Fulfillment	approx. 12,500
Frankfurt am Main	P&A Management	approx. 5,600
Kelsterbach	LSC	approx. 4,200

Source: NAI apollo

Top investments H1 2022

Property + Location	Purchaser	Utility area in sqm
Logistics property / Florstadt	PGIM Real Estate	approx. 35,000
Hazardous material storage / Wiesbaden	Granite	approx. 32,000
Business park "Holzpark Hanau" / Hanau	AEW	approx. 28,000
Business park / Dieburg	Palmira Capital Partners	approx. 11,300
Business park / Dietzenbach	Palmira Capital Partners	approx. 11,100

Source: NAI apollo

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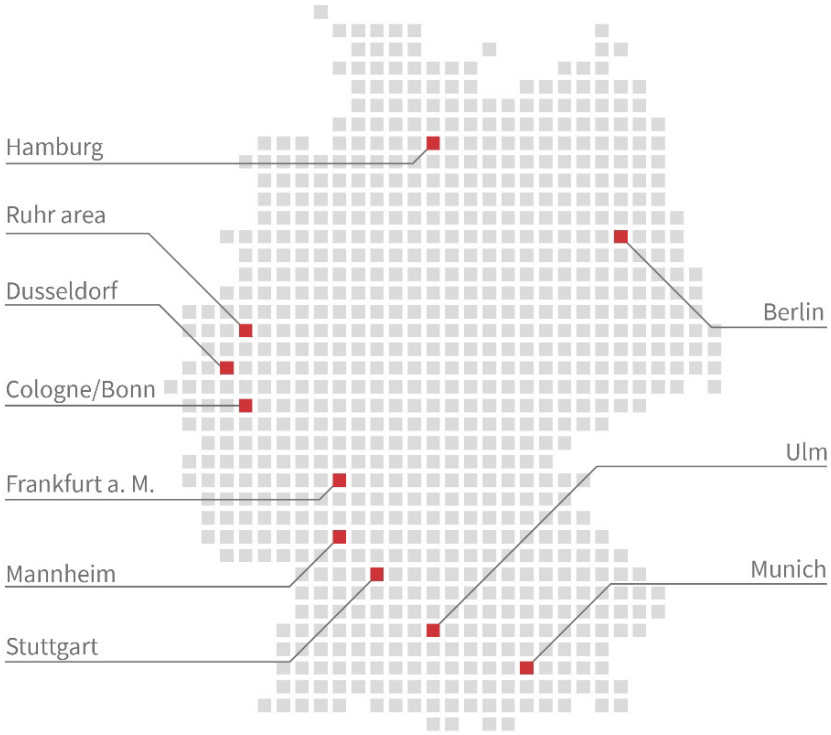

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