

# Industrial Market Dynamics

Research

Germany

H1 2025

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# Key trends

1

## Take-up at previous year's level

- In the first half of 2025 warehouse and logistics space take-up stands at 2.76 million sq.m., matching the level of the previous year.
- However, this is 20% below the five-year average.

2

## Prime rents predominantly stable

- After some significant changes in recent years, prime rents remained stable in 18 out of 20 regions at mid-year.

3

## Investment transaction volume down

- With an investment transaction volume of € 2.4 billion, the previous year's result was missed by 24%. Compared to other asset classes, logistics ranks fourth with a 16% share of the total German investment transaction volume, after Living (30%), Retail (19%) and Office (18%).

4

## Prime yields slightly increased

- The prime yields rose by ten basis points in the second quarter.

## By the numbers

**2.76 million sq.m.**

Warehouse and logistics space take-up

**10.70 €/sq.m./month**

Highest prime rent in Germany (Munich)

**€ 2.4 billion**

Transaction volume

**4.4 %**

Prime yield in the Big 5

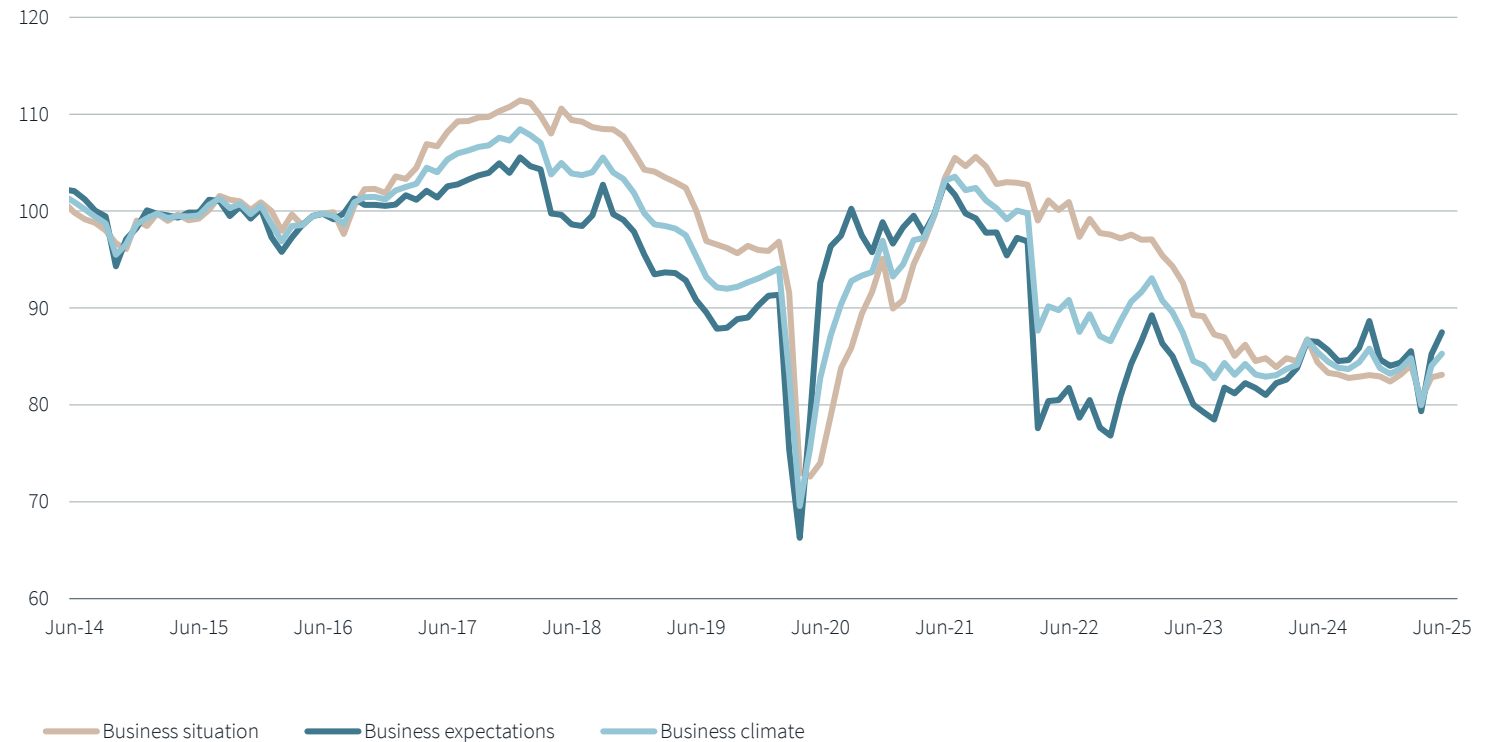


### Economic sentiment improves slightly

- The Logistics Indicator, calculated by the ifo Institute on behalf of the German Logistics Association (Bundesvereinigung Logistik e.V.), is an important tool for assessing the current situation and expectations of the logistics industry.
- After a noticeable decline in April, participating companies in the logistics industry revised their business expectations upward in May and June. This indicator thus reached its highest value of the current year in June. The current business situation is also being assessed somewhat better than in the previous month, but is still widely considered unfavorable. Due to the upward movement of both sub-indicators, the overall business climate index also improved, although it remains subdued overall. At 85.3 points at mid-year 2025, it is at the same level as the previous year.

### Logistics Indicator

Index 2015 = 100

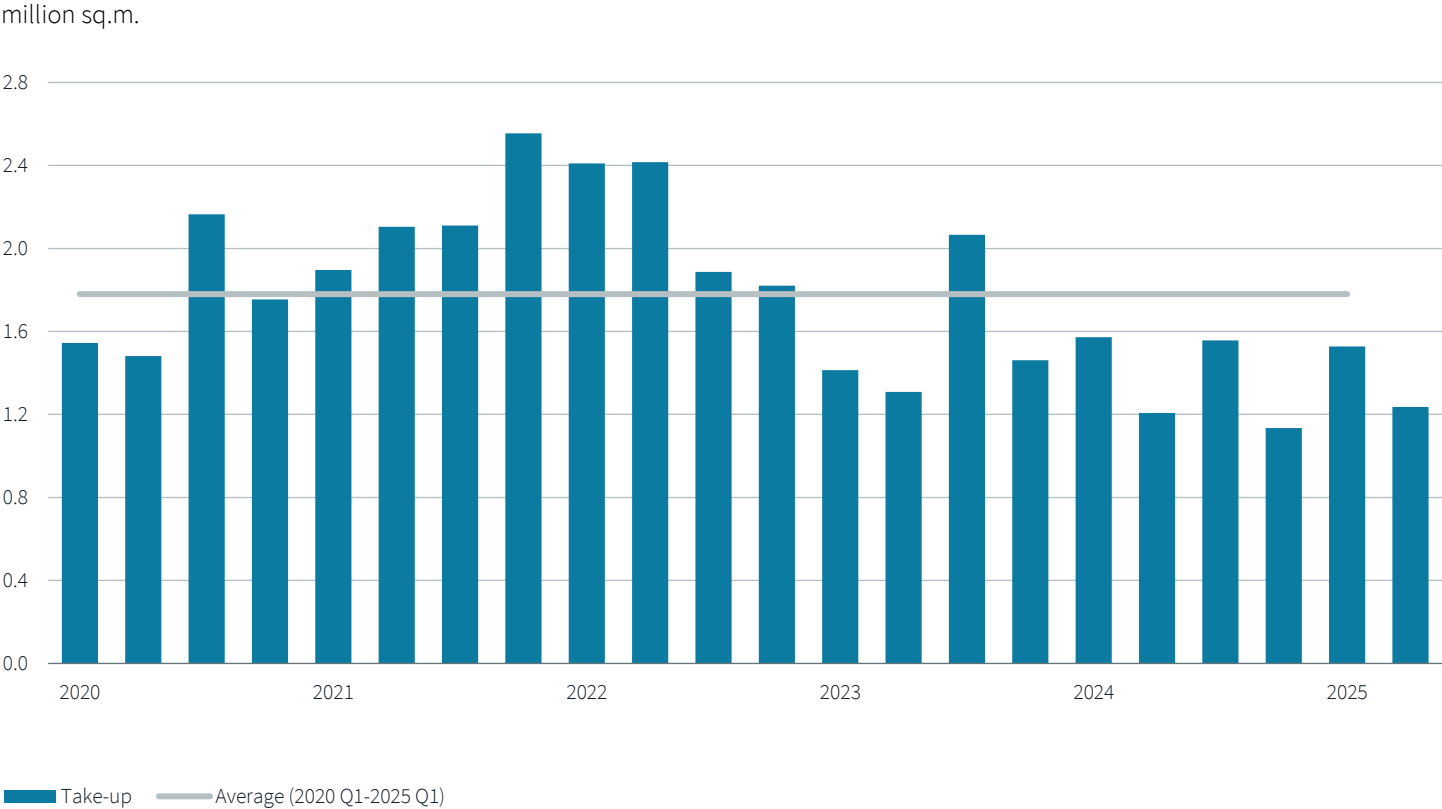


Source: Bundesvereinigung Logistik (BVL) and ifo Institut

### Take-up volume at previous year´s level

- In the German market for warehouse and logistics space, approximately 2.76 million sq.m. (owner-occupiers and lettings) were transacted in the first half of 2025. This matches the level of the previous year; however, the long-term averages were missed by 20%. 27% of the total take-up (743,000 sq.m.) was attributable to owner-occupiers.
- The number of deals, at 325, was slightly higher year-on-year (4%). Compared to the five-year average for the first half of the year (380 contracts), there has been a decrease of 14%.
- In the Big 5 conurbations (Berlin, Düsseldorf, Frankfurt, Hamburg and Munich), approximately 850,400 sq.m. were transacted during the first half of 2025, representing a 20% increase in space compared to the same period last year. However, this figure still shows a 15% decline when compared to the five-year average for this period.
- Outside the Big 5, approximately 1.92 million sq.m. were transacted. This is 7% below the previous year's figure (H1 2024: 2.08 million sq.m.) and 22% below the five-year average.

Warehousing take-up Germany\* by quarters

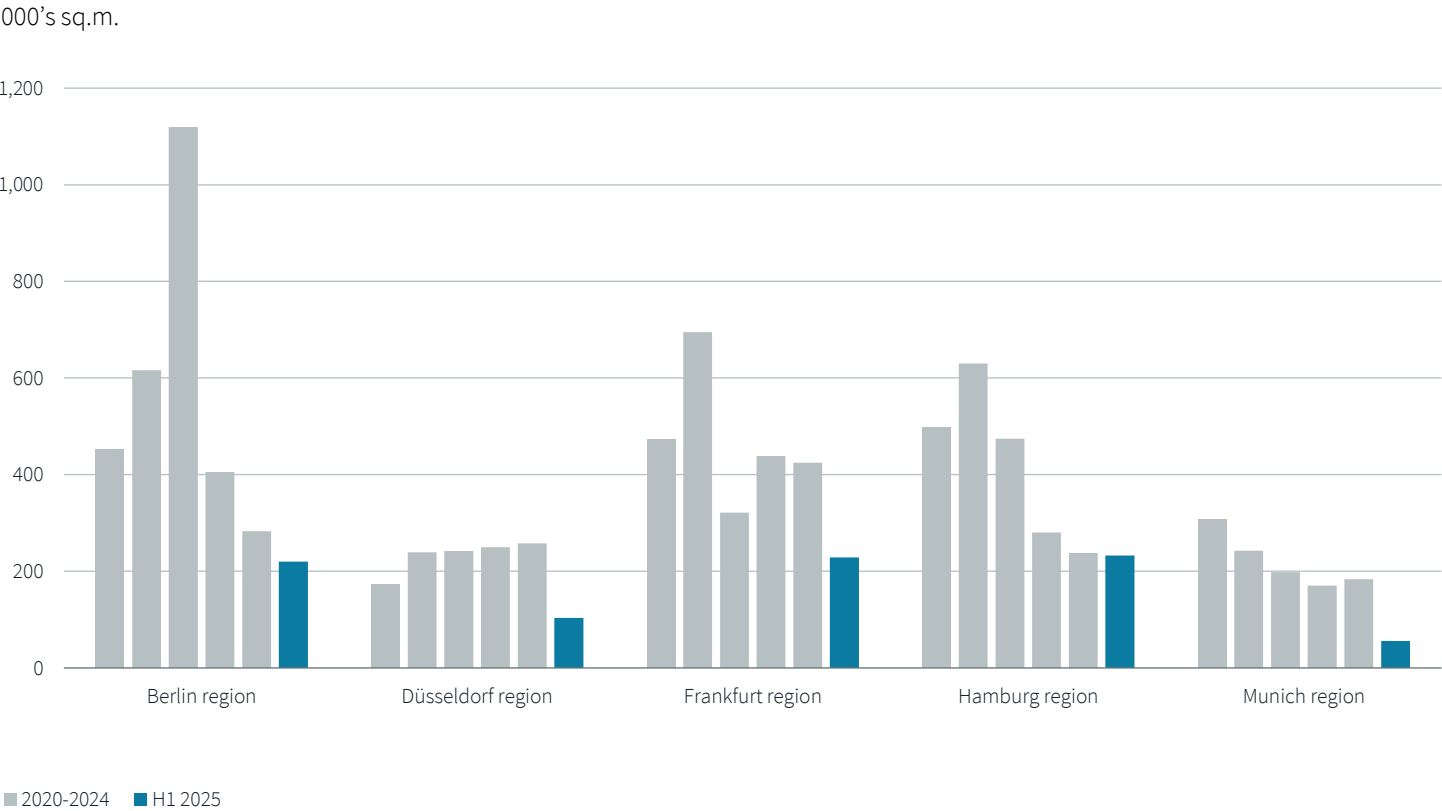


\*Outside the Big 5 only deals ≥ 5,000 sq.m., in the Big 5 (Berlin, Düsseldorf, Hamburg, Frankfurt and Munich) deals ≥ and < 5,000 sq.m.  
Source: JLL Research, 2025

Take-up in the Big 5 significantly up

- Hamburg was the region with the highest take-up at 233,000 sq.m., thanks to several owner-occupier deals, exceeding the previous year's figure by 85%. Frankfurt, as the second-strongest region with 228,600 sq.m., is about 6% below the previous year's volumes. Berlin follows with 219,900 sq.m., an an increase of 90% year-on-year. Significantly less space than a year ago was transacted in the Munich region with 55,700 sq.m., corresponding to a decrease of 50%. The Düsseldorf region, with approximately 103,000 sq.m. transacted, precisely matches its performance from the previous year.
- The largest deal within the Big 5 was the construction start of the Netto logistics center (owner-occupier) in Kremmen in the northern Berlin surroundings during the second quarter, where around 65,000 sq.m. is to be developed by 2027. The next two largest transactions were already registered in the first quarter: the construction start of Körber Technologies' new building in Hamburg Bergedorf (around 34,300 sq.m.) and Alnatura's leasing of nearly 30,000 sq.m. for a logistics center in a project development in Groß-Rohrheim in the Frankfurt region.

Warehousing take-up Big 5\*



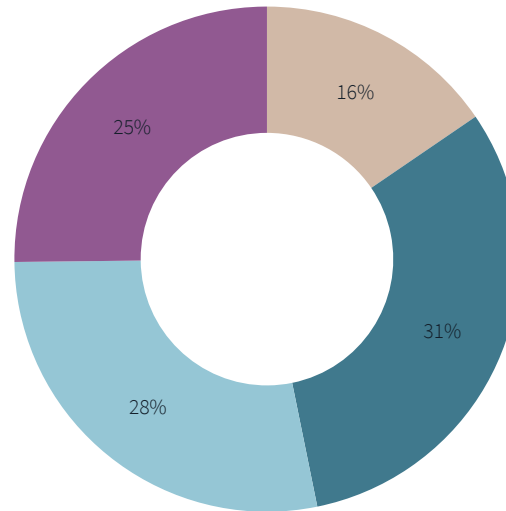
\* Big 5 (Berlin, Düsseldorf, Hamburg, Frankfurt and Munich) deals ≥ and < 5,000 sq.m.  
Source: JLL Research, 2025

### The Ruhr area is the region with the highest take-up

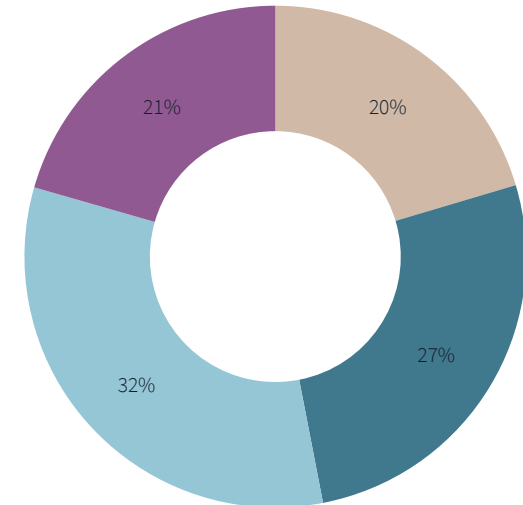
- With around 212,200 sq.m., the Ruhr area leads the take-up statistics among regions outside the Big 5 in the first half of 2025 as well. However, there is a decrease of 13% year-on-year. The regions of Mönchengladbach with 144,000 sq.m. (up 108% year-on-year) and Bremen with 102,000 sq.m. (up 89%) follow accordingly.
- In the first half of the year, five lettings and two owner-occupier transactions above 50,000 sq.m. were registered. Among the largest lettings are two deals by ID Logistics. In the first quarter, the contract logistics provider signed an agreement for its new logistics center of around 61,500 sq.m. in Diemelstadt, and in the second quarter leased another 60,000 sq.m. in the "Mittelweser Park" in Estorf. Additionally, Chinese logistics service provider Goodcang Logistics expanded its location in Regiopark Mönchengladbach by around 60,000 sq.m., and Ceva Logistics decided to lease around 53,000 sq.m. in a project development in Meppen.
- Approximately 60% of space take-up of 5,000 sq.m. and above occurred in new buildings or project developments.

### Warehousing take-up\* outside the Big 5

Total 2024: 4,083,400 sq.m.



Total H1 2025: 1,924,800 sq.m.



■ 5,000 sq.m. – 9,999 sq.m. ■ 10,000 sq.m. – 19,999 sq.m. ■ 20,000 sq.m. – 39,999 sq.m. ■ ≥ 40,000 sq.m.

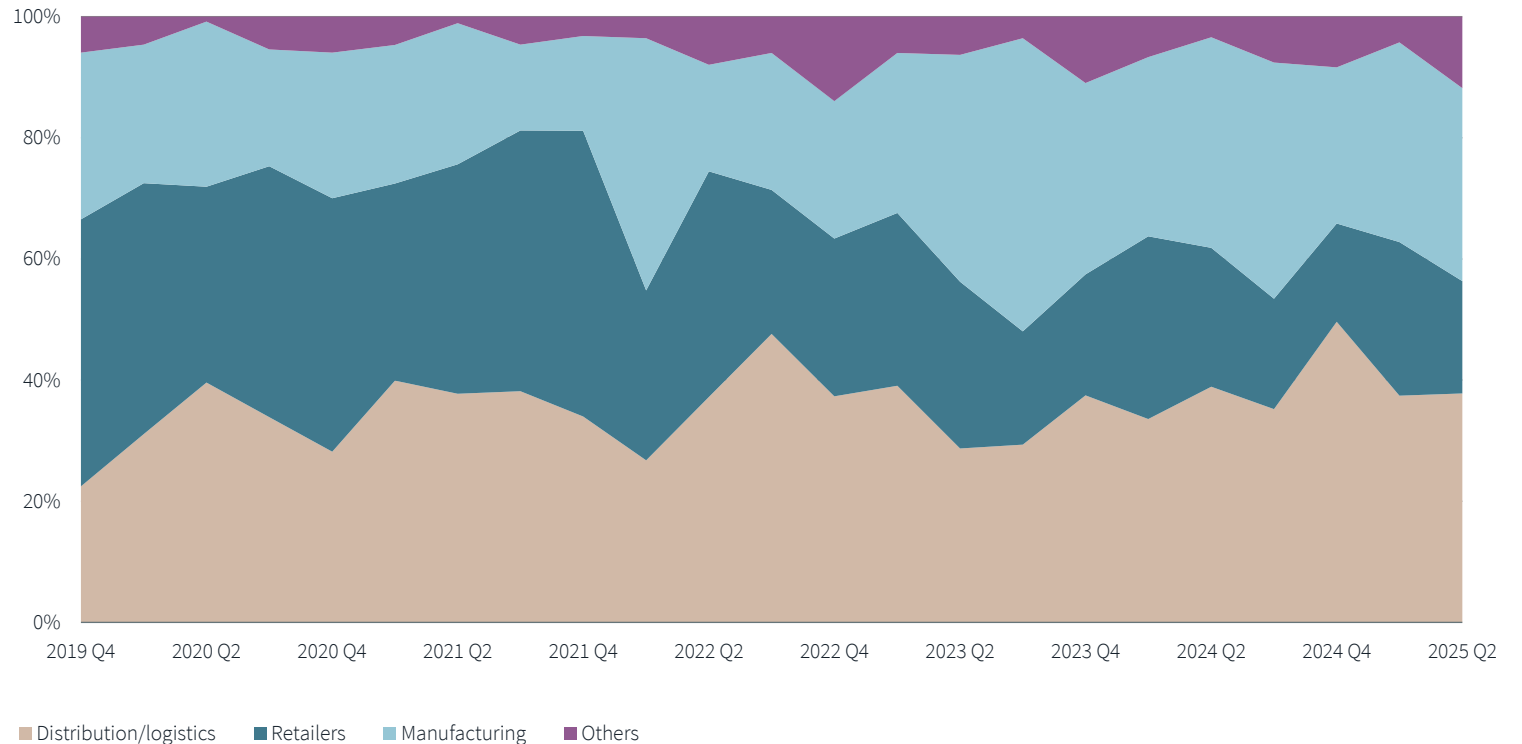
\*Only deals ≥ 5,000 sq.m.  
Source: JLL Research, 2025

## Transport industry leading nationwide

- In the first half of 2025, one in three square meters in the Big 5 was transacted by companies from the manufacturing sector (273,900 sq.m., which is 42% more than in H1 2024). Retail companies and users from the distribution/logistics sector each contribute 28% to take-up. While retail also showed a significant increase year-on-year (57%), logistics companies demanded around 17% less space.
- Outside the Big 5, on the other hand, most space was demanded by companies from the distribution/logistics sector. They account for 39% of take-up and thus leased 12% more space than in the same period of the previous year. Manufacturing companies accounted for around 32% of the take-up, 10% less than in the first half of 2024. The balance sheet for retail companies shows an even more significant decrease; they recorded the strongest decline year-on-year at 37% and only account for a 20% share of total take-up.
- In the analysis of nationwide take-up  $\geq 5,000$  sq.m., companies from the distribution/logistics sector lead the ranking, with approximately 935,000 sq.m. taken up. In the size range above 50,000 sq.m., their share is even higher at 50%.

## Warehousing take-up Germany by business sectors

only deals  $\geq 5,000$  sq.m. in %



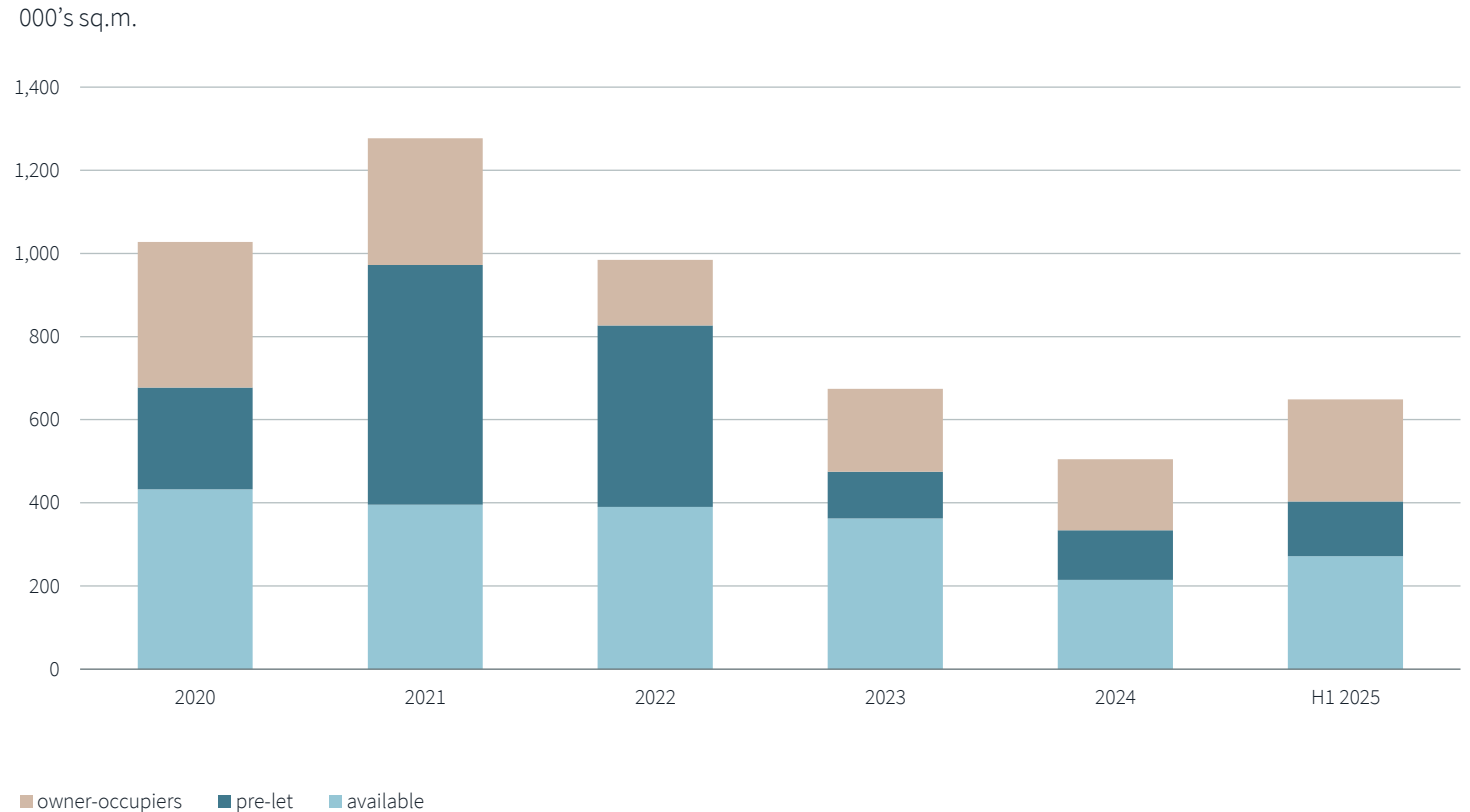
Source: JLL Research, 2025



### Slight upward trend for projects

- During the first half of 2025, approximately 290,000 sq.m. of warehouse space was completed in the Big 5 conurbations, representing twice the amount completed in the same period last year (192,000 sq.m.). However, this figure remains about 20% below the comparable five-year average. Approximately 60% of this newly completed space had already been leased or allocated to owner-occupiers prior to completion.
- By mid-year, around 650,000 sq.m. of space will be under construction, 30% more than a year ago. Although this is 27% below the five-year average, it marks the first time since 2021 that more space is under construction than in the previous year. 272,000 sq.m. (42%) is still available to potential tenants.
- The largest construction activity is currently taking place in the regions of Berlin (around 286,000 sq.m.) and Düsseldorf (145,000 sq.m.). There is also well over 100,000 sq.m. under construction in the Hamburg region, but this is already almost completely leased or being built for owner-occupiers.

### Warehousing space under construction in the Big 5\*



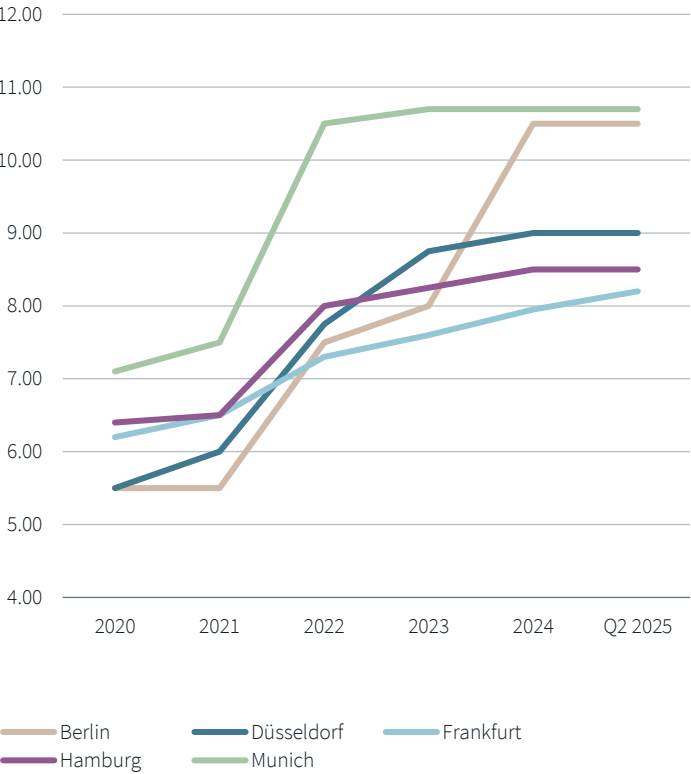
\* Berlin, Düsseldorf, Hamburg, Frankfurt and Munich, areas under construction at the end of each year  
Source: JLL Research, 2025

Prime rents mostly stable

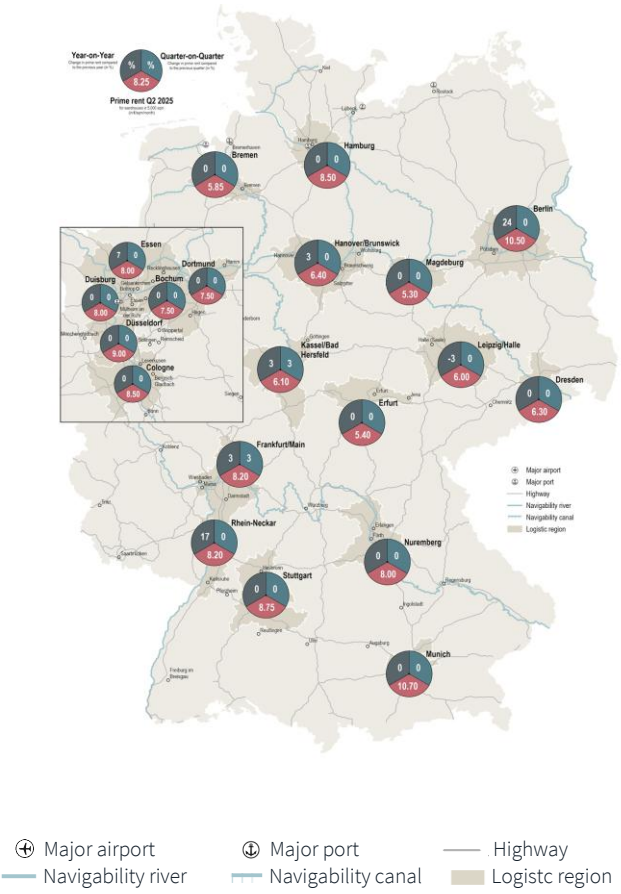
- Prime rents for spaces of 5,000 sq.m. and above have increased in six regions year-on-year, with the largest increases recorded in Berlin (24%) and Rhine-Neckar (17%). Thirteen regions showed stable development during the same period, and only in the Leipzig/Halle region was a decline of 3% to €6.00/sq.m./month registered. Looking at just the last quarter, changes occurred in only two regions: Frankfurt and Kassel/Bad Hersfeld, where prime rents respectively increased by approximately 3% to €8.20/sq.m./month and to €6.10/sq.m./month.
- The highest rents are achieved in Munich region at €10.70/sq.m./month, whilst Berlin region follows with €10.50/sq.m./month, and Düsseldorf region ranks third with €9.00/sq.m./month.
- Looking at the past five years, prime rents have increased in all markets examined - the range extends from 16% in the Hannover/Braunschweig region to 91% in the Berlin region. In eleven out of 20 markets, rents have increased by at least 50%.

Development of prime rents

Warehousing space ≥ 5,000 sq.m. (in €/sq.m./month)



Source: JLL Research, 2025

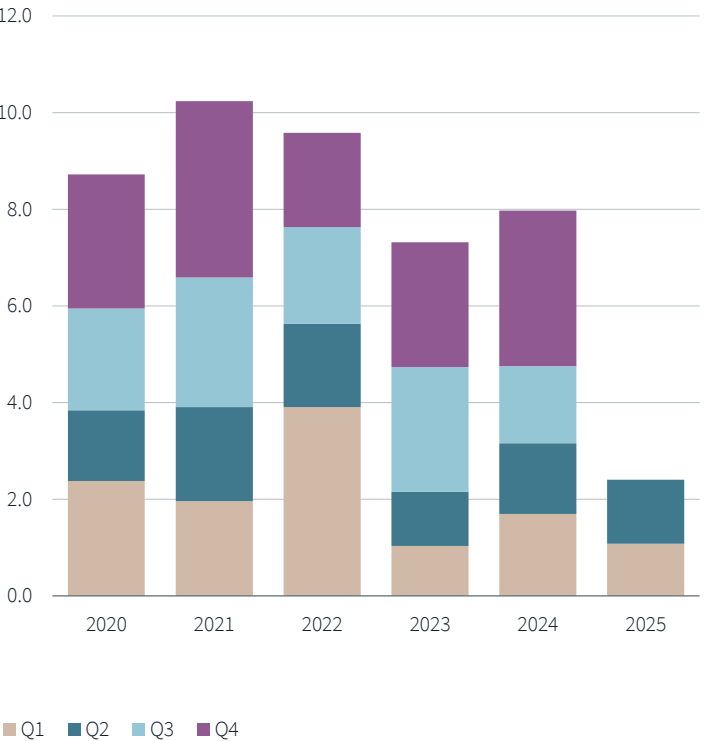


Investment market gains momentum

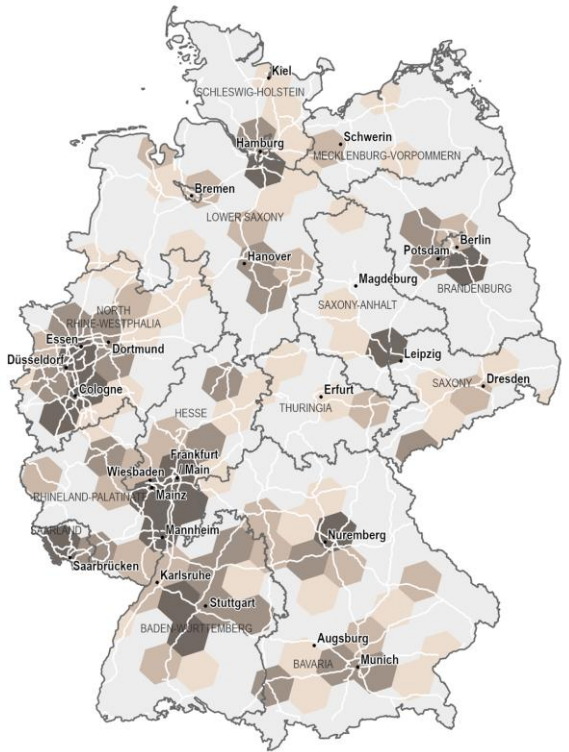
- In the first half of 2025, the German investment market for logistics and industrial real estate achieved a transaction volume of 2.4 billion euros, corresponding to a decrease of 24% compared to the previous year's result. The number of deals, however, has increased by 23% to 132 transactions.
- The second quarter contributed around 1.3 billion euros, or 55%, to total volumes. It benefited from the only large transaction over 100 million euros so far. For comparison: in the first half of 2024, there were 11 deals in this category.
- Among the most significant transactions of the half-year is the sale of the Ford automobile manufacturer's factory site in Saarlouis to the Saarland Economic Development Corporation.
- The prime yield for logistics properties in the Big 5 (Berlin, Düsseldorf, Frankfurt, Hamburg and Munich) rose by 10 basis points to 4.40% in the second quarter.

Development of transaction volume

Logistics and Industrial in billion Euro



Source: JLL Research, 2025

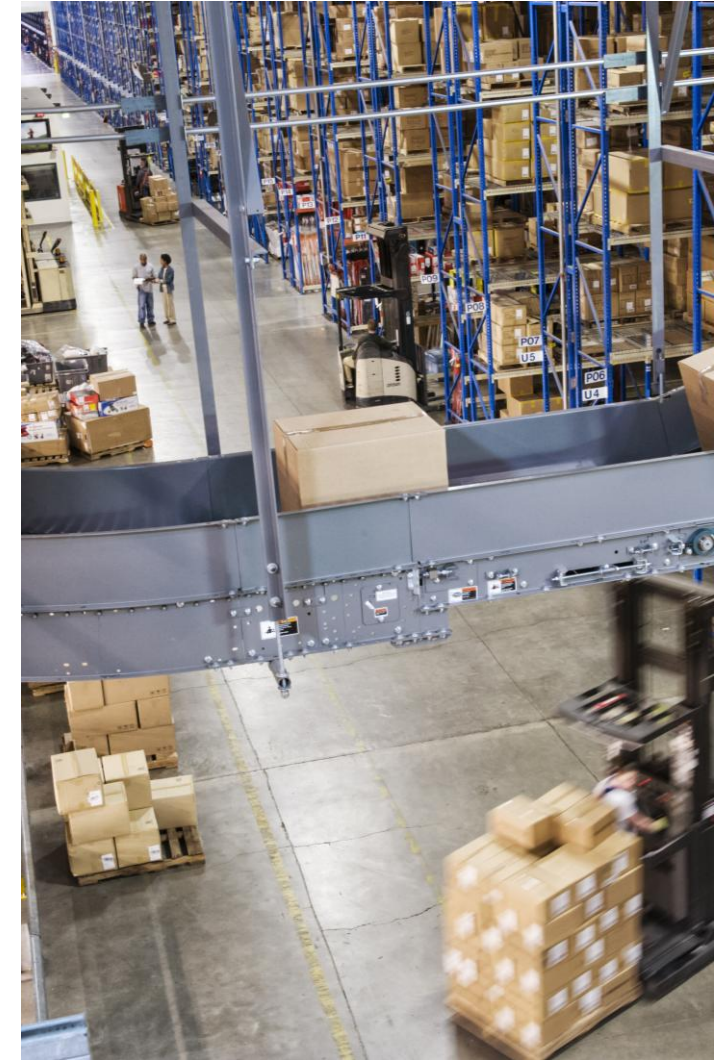


Transaction volume in € Million  
none above 0 to 20 above 20 to 50 above 50 to 100 above 100

2024 Q3 – 2025 Q2 aggregated in H3 hexagons level 4, nationwide portfolio transactions are disregarded

## Outlook

- The challenging economic environment, consisting of trade conflicts and geopolitical crises, continues to shape the market. Companies are acting cautiously regarding new lease agreements, decision-making processes are being delayed, and existing contracts are being extended more frequently. A noticeable revival of the logistics rental market will only occur with economic recovery and clearer future prospects for companies.
- The wait-and-see attitude of many tenants will lead to stagnating or at most moderately increasing rents in most regions. In peripheral locations, there could also be slight decreases.
- There is still a shortage in many regions of both land available for logistics uses and modern space that can be rented at short notice. There is little speculative development. Most projects are currently only realized after a lease agreement has been concluded with a user in advance.
- Logistics properties continue to be a clear focus for investor acquisitions in 2025. During the first half of the year, international market participants were significantly more active as buyers (accounting for 55% of transactions) than as sellers (20%), resulting in a net portfolio expansion of 832 million euros. Transactions continue to require extended completion periods, particularly for portfolio transactions in exclusivity where signings have not yet occurred but are expected to be reflected in results soon. Additionally, the market has seen an increase in investment opportunities, while leasing markets are once again showing more positive signals, directly impacting investment markets. Based on these trends, we forecast a total result of approximately seven billion euros for the full year 2025. Following a slight increase at mid-year, prime yields are expected to remain stable throughout the remainder of the year.



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