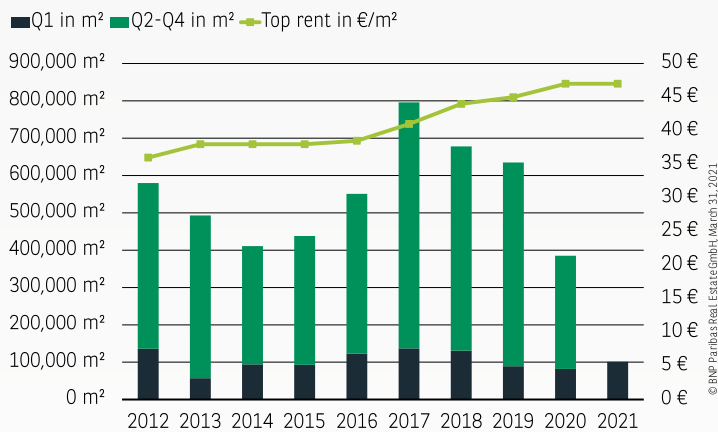




At a Glance **Q1 2021**

OFFICE MARKET FRANKFURT

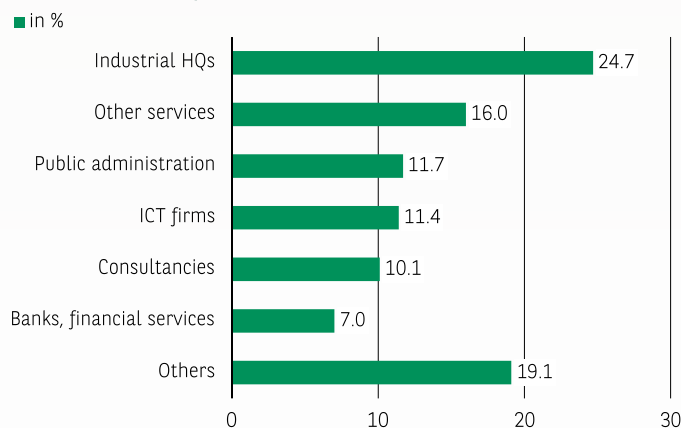
Development of take-up and top rents



► SUCCESSFUL START INTO THE YEAR

With take-up of 101,000 m² (in the more narrowly defined gif market area: 80,000 m²), the Frankfurt office market had a positive start to the year 2021. Despite the hard lockdown at the beginning of the year and the wideranging contact restrictions, leasing activity was significantly more lively during the rest of the quarter than in the previous years of 2019 and 2020. Compared to the same quarter of the prior year, which was almost "normal" until March, a plus of around 23% can be recorded. The ten-year average of 104,300 m² was only just missed. As in 2020, there was one contract with more than 10,000 m² in the first three months of 2021, also for a project development. Siemens has started the construction of a new office building at the Airport/Gateway Gardens location. Significantly more activity was registered in the mid-range space segment between 5,000 and 10,000 m², which accounts for 21% of take-up. There was a complete absence of new deals in this important mid-sized segment during the same period last year.

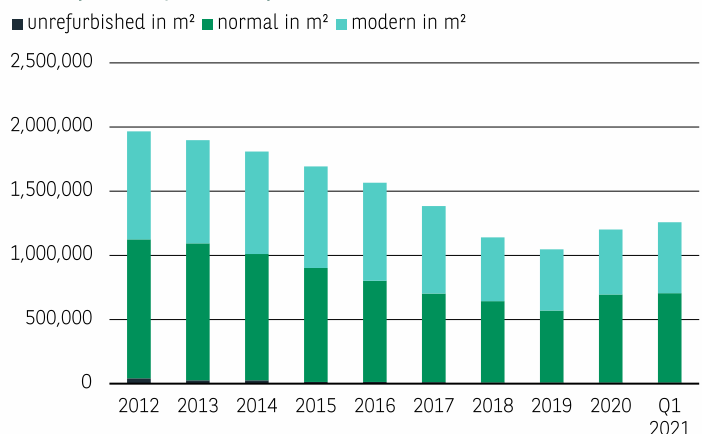
Take-up according to sectors Q1 2021



► INDUSTRIAL COMPANIES WELL AHEAD

The administrations of industrial companies are currently showing above-average leasing strength. Not only does this sector account for the major deal concluded by Siemens, but ten contracts for a total of around 25,000 m² of lettable space were signed in this segment (ten-year average: 8.700 m²). Supported by many deals in the small and medium-sized segment (incl. 7,000 m² Telc), the category of other services ranked second with a result above the long term average and a market share of 16%. It was in particular the leasing of 7,600 m² by the Jobcenter Frankfurt that ensured the comparatively strong performance of the public administration. Frankfurt's leading sectors, ICT firms, consultancies and the financial sector, started the year rather restrained.

Development of vacant space



► MODERATE GROWTH OF VACANCIES CONTINUES

The turnaround in vacancy development observed in 2020 is currently continuing. The amount of vacant space rose moderately at the beginning of the year to just under 1.26 million m², of which only 44% have a modern quality fit-out. This means that the vacancy rate is currently 8.1%, respectively 7.9% in the gif market area. The vacancy rate thus remains at a low level by Frankfurt standards. In the top submarkets of Banking District and Westend, the vacancy rate remains below the fluctuation reserve at 4.1% and 4.8% respectively.

Major contracts

Sub-market	Company	m²
4.7	Siemens	15,000
2.2	Jobcenter Frankfurt	7,600
5.1.1	telc	7,000
2.3	Mainova	6,900
5.1.1	accadis Grund- und Hochschule	4,500
1.3	Cloud Imperium Games	2,900

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Trends in important market indicators

	Q1 2020	Q1 2021	Trend remaining year
Take-up	82,000 m²	101,000 m²	➔
Vacant space	1,077,000 m²	1,258,000 m²	➡
Space under construction (total)	715,000 m²	576,000 m²	➔
Space under construction (available)	289,000 m²	279,000 m²	➔
Top rent	47.00 €/m²	47.00 €/m²	➔

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Key indicators Q1 2021

	Top rent* (€/m²)		Take-up (m²)	Vacant space (m²)			Space under construction (m²)		Space on offer (m²)	
	from	to	Q1 2021	total	modern	of this, since completion	total	available	available	projected
	1		2	3	4	5	6	7	8 = (3 + 7)	9
Submarkets**										
1 City Centre										
1.1 Banking District		47.00	4,100	49,400	48,800	20,000	147,000	66,700	116,100	9,000
1.2 Westend		42.00	9,900	46,600	25,100	2,800	19,000	19,000	65,600	7,600
1.3 Inner City		37.00	9,600	124,500	75,000	3,500	174,800	80,900	205,400	176,300
1.4 Central Station		24.50	1,400	24,500	9,900	0	0	0	24,500	40,800
2 Centre Fringe	20.00 -	21.50	23,000	122,900	59,100	11,300	17,900	11,500	134,400	93,700
3 City Fringe	13.00 -	19.00	4,500	153,700	28,000	2,000	0	0	153,700	35,500
4 Subcentres	12.00 -	24.00	28,500	470,400	238,100	56,400	139,300	60,900	531,300	540,100
Total Frankfurt			81,000	992,000	484,000	96,000	498,000	239,000	1,231,000	903,000
5 Periphery	12.50 -	18.00	20,000	266,000	69,000	1,000	78,000	40,000	306,000	540,000
Total			101,000	1,258,000	553,000	97,000	576,000	279,000	1,537,000	1,443,000
N. B. gif market area			80,000	904,000	448,000	94,000	498,000	239,000	1,143,000	853,000

* The top rent given applies to a market segment of 35 % in each case.

** The relevant office market zone can be found on our website under "Research".

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➤ CONSTRUCTION VOLUME DECLINES

The volume of space under construction has dropped by 19% in the last twelve months. Construction activity declined each quarter, which also applies to the start of 2021. There is currently 576,000 m² under construction in the market area, of which 52% has already been absorbed. With a construction volume of around 175,000 m² in the Inner City office submarket and a further 150,000 m² in the Banking District, the focus of development is clearly on the central prime locations of the Main metropolis, which traditionally also account for the strongest demand.

➤ MODERATE CHANGES OF RENTS

Frankfurt's prime rent made a significant jump in the first quarter of 2020 from 45.00 to 47.00 €/m². Since then, it has remained stable at this high level. Thus, it is far ahead of Berlin and Munich at the very top. As expected, the average rent is somewhat more volatile. It is currently quoted at 19.10 €/m².

➤ OUTLOOK

Certainty in decision-making processes will also continue to increase on the corporate floors in Frankfurt over the course of the year, from which the office leasing market should benefit. Moreover, the effects of Brexit will become easier to assess. In addition to the upswing outlined above, many factors suggest that additional catch-up effects are likely to follow. Against this background, a good annual result can be expected and take-up even reaching the 500,000 m² threshold is within the range of possibility.