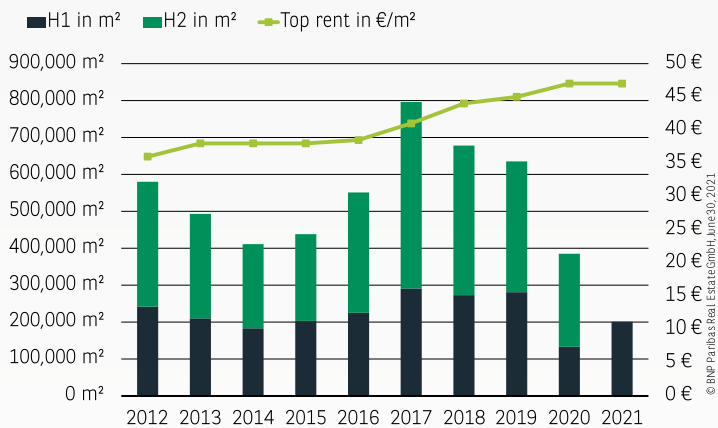




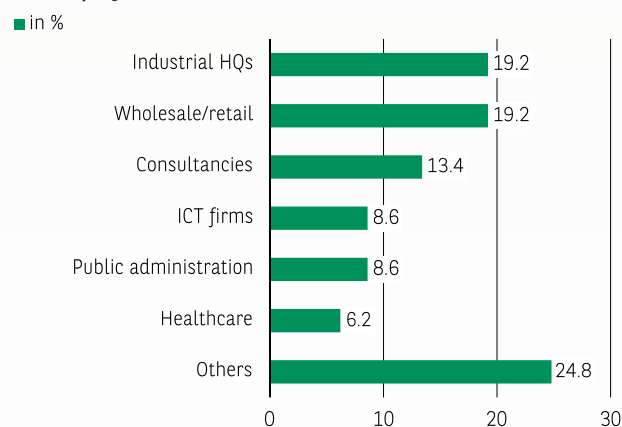
At a Glance **Q2 2021**

OFFICE MARKET FRANKFURT

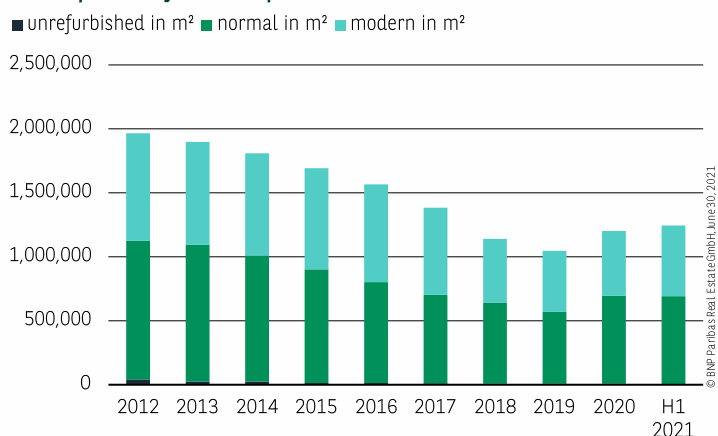
Development of take-up and top rents



Take-up by sector H1 2021



Development of vacant space



UPWARD TREND CONTINUES

The positive trend in take-up that was already apparent in the first quarter has continued. In the first half of the year, a take-up of 201,000 m² was reported in the entire Frankfurt market area. In the more narrowly defined gif area, the result was 168,000 m². Compared to the previous year, the Frankfurt office market thus recorded an increase of 51%. It also achieved a decent result in a long-term comparison, which is only 10% below the ten-year average. Against the background of the Corona pandemic, which has not yet been fully overcome, as well as the lockdown affecting large parts of the first half of the year, this can be considered a success. The good result is also noteworthy because Frankfurt's leading sector of banks and financial service providers only accounted for just under 6 % of the take-up. This underlines the often unrecognised, broad-based office demand in Frankfurt. The 190,000 m² taken up outside the financial sector is even 8% above the long-term average. By far the biggest deal was the 20,000 m² leasing by Nestlé Germany in the Central Station submarket.

INDUSTRIAL AND TRADING COMPANIES IN THE LEAD

The breakdown by sector shows an unusual picture by Frankfurt standards. Industrial and trading companies are tied at the top, each contributing a good 19% to the result. This also reflects some larger contracts, such as the one from Nestlé Germany. In third place are the traditionally strong and important consultancies, which contribute a good 13% to total take-up. In addition, companies from the ICT sector and public administration each account for just under 9%.

VACANCY SLIGHTLY DOWN IN THE SECOND QUARTER

Although the volume of vacant space has increased by just over 180,000 m² since mid-2020 primarily as a result of the lockdowns and economic uncertainty, it decreased slightly again in the second quarter of this year due to rising take-up. The noticeably growing economic confidence is therefore reflected in the markets. Currently, a good 1.24 million m² of office space is vacant, of which only around 44% has a modern standard as preferred by the tenants. Even in the segment of high-quality vacancies, the moderate increase did not continue in the second quarter. As a result, the vacancy rate fell slightly to currently 8.0%. In the more narrowly defined gif area it stands at 7.9%.

Major contracts

Sub-market	Company	m²
1.4	Nestlé Deutschland	20,000
4.7	Schaeffler Deutschland	5,600
1.1	Spark Coworking	5,200
4.6	Beko Deutschland	3,600
4.3	Done - Real Estate & Consulting	1,900
4.7	Getinge Deutschland	1,900

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Trends in important market indicators

	H1 2020	H1 2021	Trend remaining year
Take-up	133,000 m²	201,000 m²	↗
Vacant space	1,060,000 m²	1,243,000 m²	→
Space under construction (total)	715,000 m²	629,000 m²	→
Space under construction (available)	290,000 m²	370,000 m²	→
Top rent	47.00 €/m²	47.00 €/m²	→

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DEVELOPERS CONTINUE TO INVEST IN THE MARKET

Unlike the development in office vacancies, construction activity has fallen by 12% to 629,000 m² in the last 12 months. However, construction activity has increased again in the second quarter of 2021 and thus reflects the great confidence that developers have in the Frankfurt office market. 370,000 m² of space under construction is still available to the letting market, which corresponds to a share of just under 59%. The pre-letting rate is therefore still relatively high.

RENT LEVELS EXTREMELY STABLE

How well the market has coped with the negative effects of the Corona pandemic overall is demonstrated by the stable rents. Since mid-2020, both the prime rent of 47.00 €/m² and the average rent of 20.70 €/m² have remained unchanged, underlining the overall healthy supply/demand structure.

OUTLOOK

Against the backdrop of a proceeding vaccination campaign as well as a noticeably growing optimism, which is expressed among other things in a significantly increased ifo index, a further stimulation of demand, which is already apparent, can be assumed for the second half of the year. For the year as a whole, a significantly higher take-up than in 2020 is on the horizon, which from today's perspective should be between 400,000 and 450,000 m². A stable development in vacancies and rents until the end of the year is the most likely scenario.

Key indicators H1 2021

Submarkets**	Top rent* (€/m²)		Take-up (m²)	Vacant space (m²)			Space under construction (m²)		Space on offer (m²)	
	from	to	H1 2021	total	modern	of this, since completion	total	available	available	projected
	1	2	3	4	5		6	7	8 = (3 + 7)	9
1 City Centre										
1.1 Banking District	47.00		12,700	43,900	43,600	15,100	126,400	53,800	97,700	9,000
1.2 Westend	42.00		18,200	47,500	24,600	2,000	19,000	19,000	66,500	8,300
1.3 Inner City	37.50		22,200	125,600	76,500	3,500	184,400	94,000	219,600	174,800
1.4 Central Station	31.00		23,500	27,200	10,200	0	0	0	27,200	46,000
2 Centre Fringe	20.00 - 21.00		26,500	125,600	62,400	11,100	25,500	19,000	144,600	86,600
3 City Fringe	13.00 - 16.50		11,800	151,600	27,600	2,100	0	0	151,600	35,700
4 Subcentres	12.00 - 24.00		62,100	460,600	244,100	51,200	220,700	141,200	601,800	441,600
Total Frankfurt			177,000	982,000	489,000	85,000	576,000	327,000	1,309,000	802,000
5 Periphery	12.50 - 19.00		24,000	261,000	63,000	1,000	53,000	43,000	304,000	530,000
Total			201,000	1,243,000	552,000	86,000	629,000	370,000	1,613,000	1,332,000
N. B. gif market area			168,000	899,000	454,000	82,800	560,000	311,000	1,210,000	767,000

* 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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