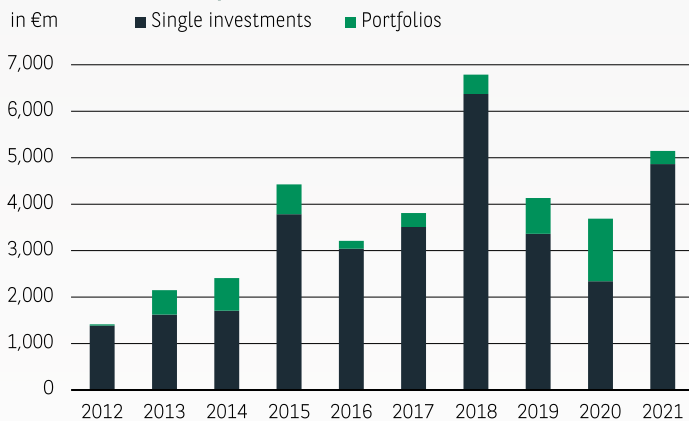




At a Glance **Q3 2021**

INVESTMENT MARKET FRANKFURT

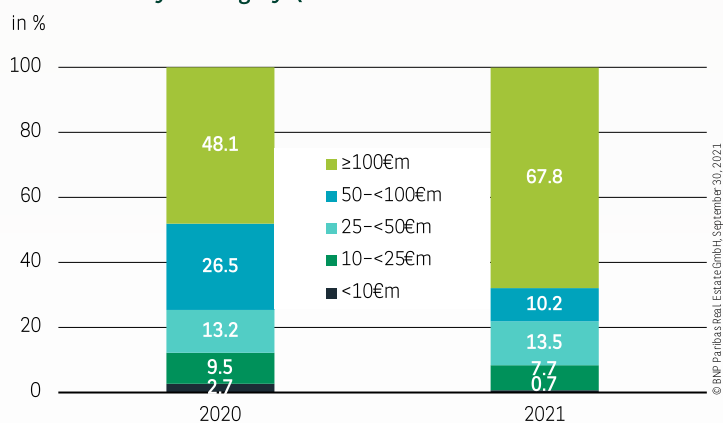
Investment volume Q1-3



➤ SECOND BEST RESULT OF THE LAST TEN YEARS

The Frankfurt investment market, which had already got off to a good start to the year, shifted a gear once again in the third quarter and, with a transaction volume of almost €5.15 billion, achieved the second-best result of the last ten years. This puts Frankfurt in second place in a national comparison, surpassed only by Berlin. Both the previous year's result and the ten-year average were exceeded by almost 40%. The very high volume is particularly remarkable against the background that proportionately included portfolio transactions contributed only €281 million, which corresponds to the third weakest value of the last ten years in this category. In contrast, individual sales achieved an above-average result, amounting to a good €4.86 billion. Compared to the previous year, more than twice as much was invested in single deals transactions. Large-volume deals in particular contributed to this, as ten sales in the triple-digit million range were made after just three quarters. Only 2018 recorded an even higher volume. The most prominent deals include the purchase of the T1 high-rise office project by Allianz and BVK for around €1.4 billion and the sale of Skyper office tower for over €500 million to Ampega, which acquired it for HDI.

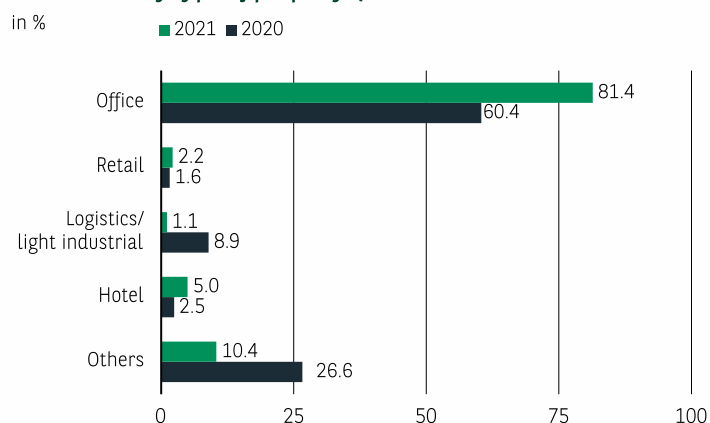
Investments by € category Q1-3



➤ RECORD SHARE OF LARGE DEALS

Not least due to the aforementioned deals, large deals account for almost 68% of the total result, setting a new record in relative terms. But the absolute invested capital of almost €3.5 billion also represents an extraordinary result. This shows that large, professional investors in particular continue to strongly believe in a positive development of the office market in the banking metropolis. This assessment is supported not least by the good result of the occupier markets in the current year.

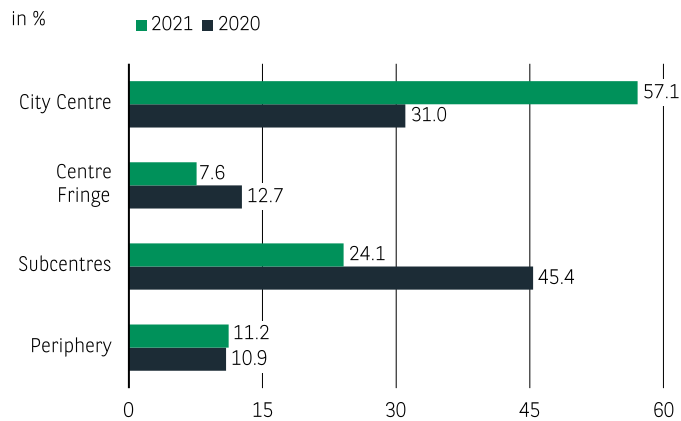
Investments by type of property Q1-3



➤ EVERY FOURTH EURO FLOWS INTO OFFICE PROPERTIES

Frankfurt will remain true to its reputation as No. 1 for large-volume office investments in the current year. Regardless of the discussions about rising home office shares and possibly declining space turnover, a good 81% of the investment volume is accounted for by office buildings. At the same time, all other asset classes play a rather subordinate role and only make single-digit contributions to the total, although this is often due to insufficient supply. A comparatively large share of over 8% was invested in development sites, which are included in the collective category "Others".

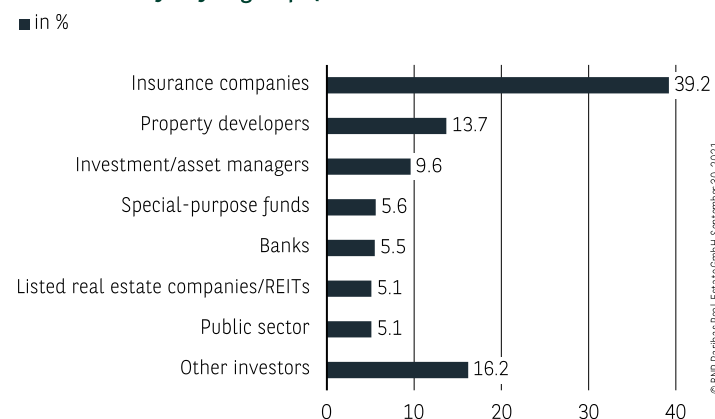
Investments by location Q1-3



CITY CENTRE LOCATIONS BACK IN POSITION 1

After the volume shares of City Centre locations had tended to decline in recent years, they have clearly taken the lead again in the current year and contribute a good 57% to the overall result. One of the main reasons for this are the aforementioned large deals. Almost a quarter of the transaction volume is also attributable to the Subcentres, to which several larger transactions, such as the Sparda Bank Tower, have contributed. In contrast, the participation of the Centre Fringe is slightly disproportionately low, at just under 8%. The peripheral locations were able to maintain the share they had already achieved in the previous year, at a good 11%.

Investments by buyer group Q1-3 2021



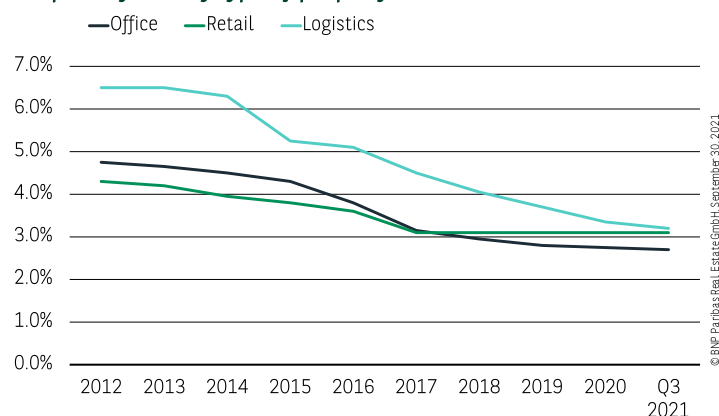
INSURANCE COMPANIES MOST ACTIVE

The buyer structure in the first three quarters was mainly characterised by large deals. As a result, insurance companies are by far the most important investor group with a good 39%. They are already followed in second place by property developers, who have invested in development sites on the one hand, but also extensively in existing properties in order to reposition them on the market. This can also be interpreted as investor confidence in the positive prospects of the location. Investment managers (just under 10%), special-purpose funds (just under 6%) and banks (5.5%) also contributed larger shares.

FURTHER YIELD COMPRESSION IN THE THIRD QUARTER

The strong demand from investors is also reflected in the price level and has caused the prime net yields for office properties to decrease by another five basis points in the third quarter of 2021 to now 2.70%. In the quartet of Germany's most important investment locations (Berlin, Frankfurt, Munich, Hamburg), the banking metropolis remains the cheapest in relative terms. The prime yield in the booming logistics segment has also fallen further, by an impressive 15 basis points to the current 3.20%. The value for highstreet properties in premium locations remained at 3.10%.

Net prime yields by type of property



OUTLOOK

Although large deals worth several hundred million euros are not expected every quarter, there is much to suggest that the final quarter will be very lively and strong in terms of turnover. The already great investor interest should be further supported by the good development of the letting performance, so that the result will also depend primarily on the available supply. From today's perspective, a transaction volume of over €7 billion for the year as a whole, and thus noticeably above the ten-year average, does not appear unrealistic. It remains to be seen whether a further slight yield compression will take place.

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