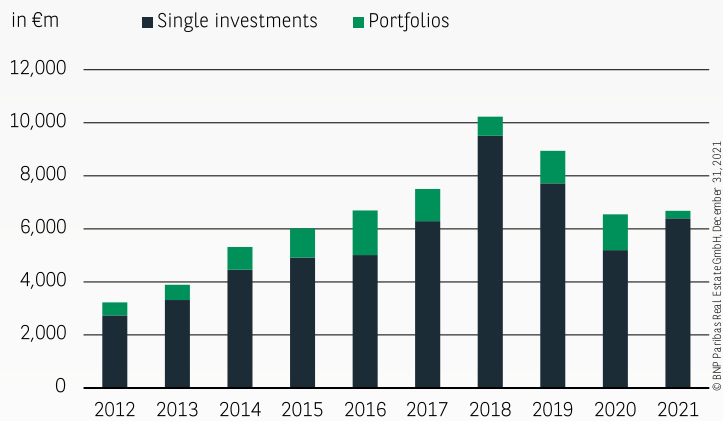




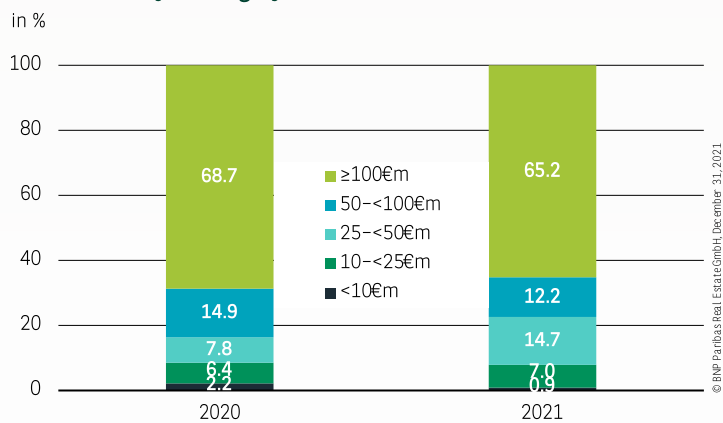
At a Glance **Q4 2021**

INVESTMENT MARKET FRANKFURT

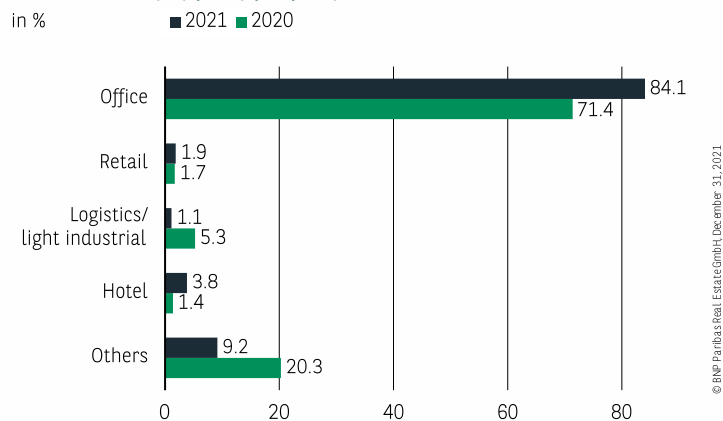
Investment volume



Investments by € category



Investments by type of property



INVESTMENT MARKET WITH TOP 5 RESULT

A total of just under €6.7 billion was invested in commercial real estate on the Frankfurt investment market in 2021. The result is thus roughly in line with the ten-year average and around 2% up on the previous year. The fact that it was a very good year overall is reflected in the fact that the transaction volume ranks among the top 5 since the figures were recorded. In terms of individual sales alone, the almost €6.4 billion achieved even represents the third-best result ever recorded. It is therefore not surprising that single deals account for 96% of total investment volume. In contrast, the proportionate contribution of portfolios, at only €286 million, is the weakest in the last ten years. In a national comparison, the Main metropolis ranks third, behind Berlin and Munich. However, Frankfurt can claim the largest single sale ever. This was the Allianz forward deal for the T1 office tower in Frankfurt's development ensemble Four, which was accompanied by BNPPRE under a buy-side mandate and was valued at around €1.4 billion. In addition, the sale of Skyper for over €500 million brokered by BNPPRE represents another prominent deal with nationwide significance.

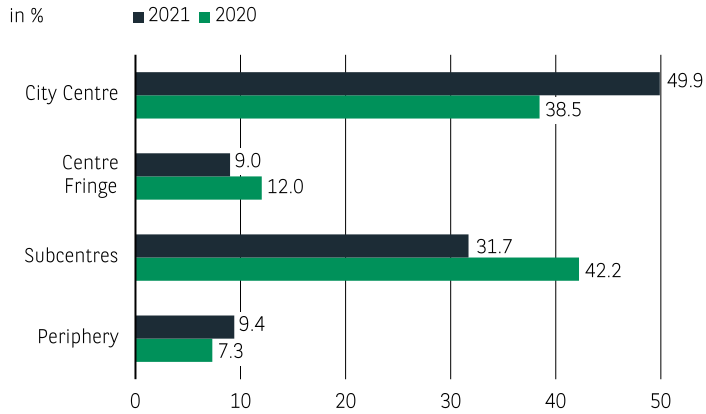
RELATIVELY BROAD SPREAD ACROSS THE SIZE CLASSES

Around two-thirds of transaction volume was accounted for by large deals in the triple-digit million range, which is roughly on a par with the long-term average and reflects the structure of the Frankfurt market, with many large office properties and towers. However, a lot of capital was also invested in the other size categories in absolute terms. Almost one billion euros was invested in deals between €25 and €50 million and a further good €800 million in sales between €50 and €100 million. However, smaller deals in the €10 to €25 million segment still account for just under €470 million and are up by more than 12%.

OFFICES WITH TOP RESULTS

It is well known that offices have traditionally been of paramount importance for the Frankfurt investment market. But a share of over 84% of total investment volume is exceptional even for the banking metropolis. Accordingly, the other asset classes played only a minor role in 2021, mainly due to a lack of supply. Hotels follow in second place with a share of just under 4% and a volume of €256 million. Retail properties account for around 2% and logistics properties contribute a good 1% to the result.

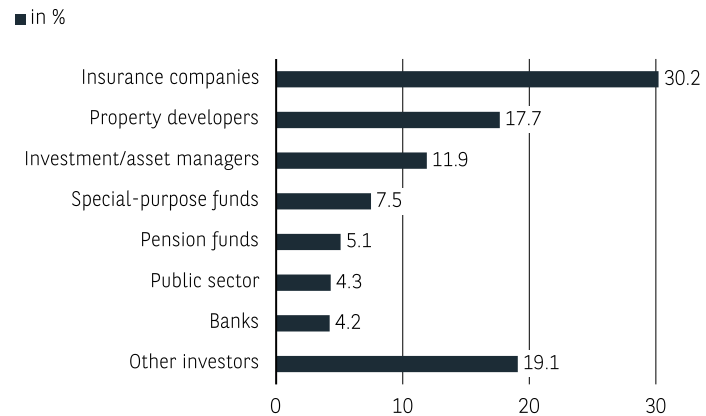
Investments by location



CITY AND SUBCENTRES WITH HIGH SHARES

After two somewhat weaker years, the City has regained its rightful place as Frankfurt's most important investment location and contributes half of the overall result. However, the high proportion of Subcentres, which accounted for just under 32%, is also noteworthy. A number of major deals, such as the Sparda Bank Tower as well as properties like Olivetti Towers and Blue Towers, which are to be redeveloped, also contributed to this. Centre Fringe locations and the periphery each accounted for a further 9% or so of the total transaction volume.

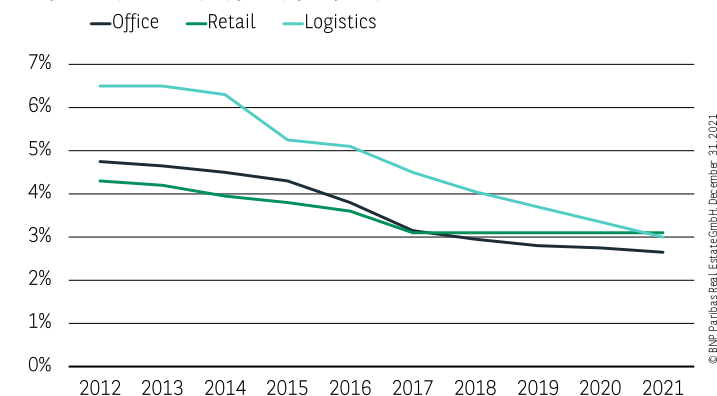
Investments by buyer group 2021



THREE BUYER GROUPS WITH DOUBLE-DIGIT SHARES

Overall, three buyer groups manage to achieve double-digit shares of sales. Insurance companies are far and away in first place, accounting for around 30% of the transaction volume. They are followed at a respectful distance by property developers, who contribute 18%. They have mainly secured older office properties in order to reposition them on the market after successful modernization or by demolition and new construction. This reflects the great confidence in the good long-term Outlook for the Frankfurt office market. The leading trio is completed by investment managers, who account for just under 12%. Special-purpose funds (7.5%) and pension funds (5%) also account for larger shares.

Net prime yields by type of property



FURTHER DECLINE IN YIELDS OVER THE COURSE OF THE YEAR

As in the other major investment locations, the high demand from investors is also reflected in the development of purchase prices in Frankfurt. Against this backdrop, the net prime yield for office properties fell by a further 10 basis points over the course of 2021 and currently stands at 2.65%, placing Frankfurt in the mid-field of A-locations. Prime yields for logistics have fallen even more sharply, to 3.00% at the end of the year, a drop of 35 basis points over the course of the year. No changes can be observed for downtown highstreet properties (3.10%).

OUTLOOK

Even in the difficult Corona environment, Frankfurt has maintained its reputation as an prime investment location and continues to be one of the most important destinations for major transactions. This situation is not expected to change in 2022, so that lively market activity and high transaction volumes can again be expected. This is all the more true as a number of major transactions have been taken into the new year, meaning that a presumably strong start to the year is already emerging. Added to this is the tailwind from user markets gaining momentum and economic growth expected to accelerate significantly in the course of 2022.

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