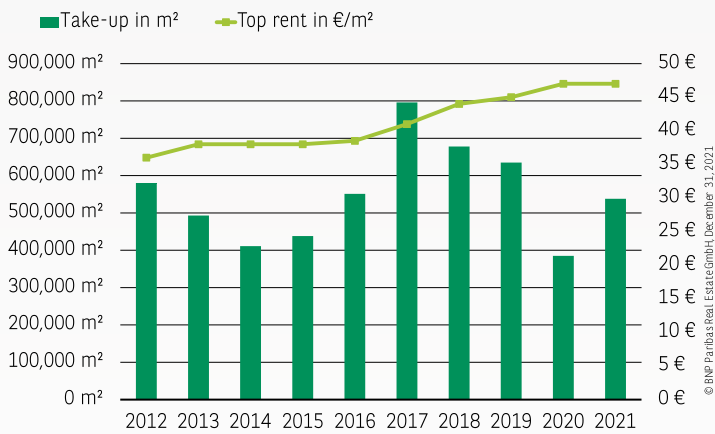




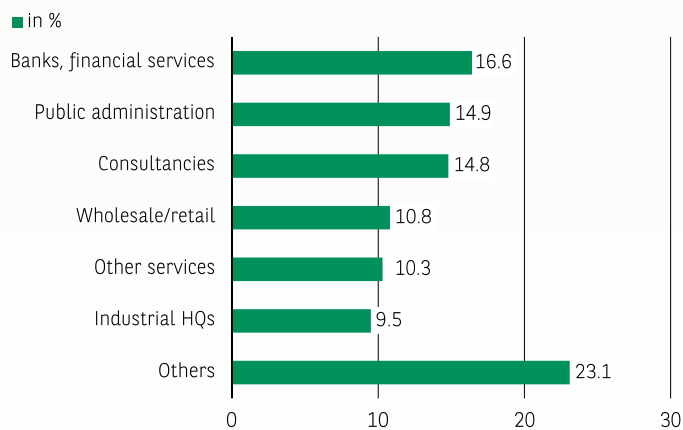
At a Glance **Q4 2021**

OFFICE MARKET FRANKFURT

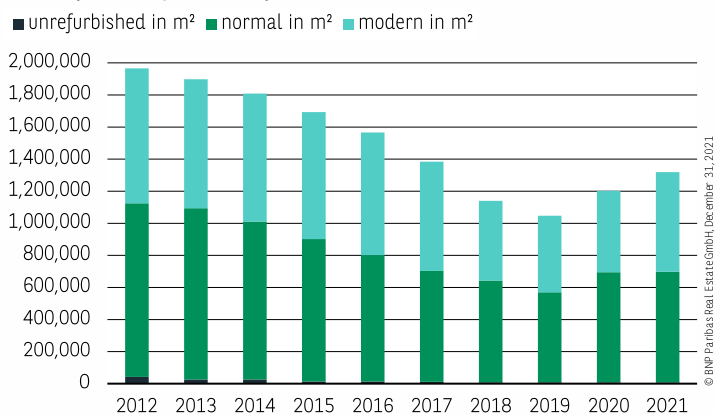
Development of take-up and top rents



Take-up by sector 2021



Development of vacant space



► BRILLIANT END TO THE YEAR

After a very stable first half of the year, the Frankfurt office market had already shown clear signs of recovery in the third quarter, but the year-end quarter once again exceeded all expectations. With take-up (including owner-occupiers) of 209,000 m² in Q4, the third-strongest quarterly result in recent years was achieved and the total annual take-up for 2021 in the market area increased to 538,000 m² (of which 458,000 m² was in the gif market area). This represents a growth of almost 40% year-on-year. Despite the continuing challenging environment in the wake of the Corona pandemic, take-up in the banking metropolis is now on a par with the 10-year average. Market momentum has increased across all size categories, particularly in the mid-sized segment. Contracts in excess of 10,000 m² are a positive factor. With a total of seven deals, take-up is up 46% on 2020 to 110,000 m² and the result is in line with the long-term average (111,000 m²).

► BANKS AND FINANCIAL SERVICE PROVIDERS BACK AT THE TOP

Banks and financial service providers were significantly more active in 2021 than in the previous year. Their take-up is 87% above the past year's level, but still lags behind the 10-year average (114,000 m²), most recently at 89,000 m². In addition to various medium- and large-scale deals, the largest contract in this sector from Equensworldline (15,400 m²) in particular sends out positive signals, confirming Frankfurt's importance as a major banking and financial services center. Public administration recorded very strong leasing activity with around 30 deals, contributing the year's largest contract of 21,400 m² (Bundesamt für Wirtschaft und Ausfuhrkontrolle) as well as other large deals of around 10,000 m². Wholesale/retail companies achieved the strongest results of the decade with a take-up of around 58,000 m². Apart from the 20,000 m² deal signed by Nestlé, retail companies are also very active with more than 60 contracts.

► MODERATE RISE IN VACANCY RATE

The rise in vacancies observed since 2020 clearly slowed down at the end of the year. Compared with the third quarter, there was only a 2% increase to 1.3 million m². Although this represents a year-on-year increase of just under 10%, the vacancy rate of currently 8.5% remains below the long-term average. The vacancy volume has also risen in the modern space segment, which is in high demand. However, it remains moderate, particularly in the prime locations of Banking District and Westend.

Major contracts

Sub-market	Company	m ²
4.6	Bundesamt für Wirtschaft und Ausfuhrkontrolle	21,400
1.4	Nestlé Deutschland	20,000
4.4	Equenswordline / germanypayone	15,400
4.7	Siemens	15,000
4.4	Bank / financial service provider	14,000
4.4	Landesbetrieb Bau und Immobilien Hessen	13,000

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Trends in important market indicators

	2020	2021	Trend 2022
Take-up	385,000 m ²	538,000 m ²	➔
Vacant space	1,202,000 m ²	1,319,000 m ²	➡
Space under construction (total)	616,000 m ²	619,000 m ²	➡
Space under construction (available)	285,000 m ²	388,000 m ²	➡
Top rent	47.00 €/m ²	47.00 €/m ²	➔

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➤ CONSTRUCTION ACTIVITY REMAINS AT A HIGH LEVEL

Despite an overall difficult pandemic environment, project developers are not getting tired of building new and attractive properties in the Frankfurt market area. They know and appreciate the economic strength of the city and the entire region. They are sending clear signals for the future of Frankfurt as an office location. The construction volume is stable at 619,000 m² and high overall. The speed with which attractive projects are absorbed, particularly in high-quality locations, is underlined by the pre-letting rate in the Banking District, which is currently at 60%.

➤ STABLE RENT LEVELS

The 2021 market was very stable in terms of both prime and average rents. The prime rent remains the highest in Germany and, at 47.00 €/m², is on a par with the previous year's level. The generally more volatile average rent stands at 20.60 €/m² (2020: 20.80 €/m²).

➤ OUTLOOK

The start of the year 2022 is likely to be somewhat more restrained due to the approaching Omicron wave, but with the economic recovery forecast for the remainder of the year, take-up should rise again on a sustained basis. A full-year result above the 500,000 m² mark is likely. The rise in vacancies is expected to continue at a slower pace, with limited impact on the rental structure. A further increase in prime rents remains within the scope of possibilities.

Key indicators 2021

Submarkets**	Top rent* (€/m ²)		Take-up (m ²)	Vacant space (m ²)			Space under construction (m ²)		Space on offer (m ²)	
	from	to	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		50,400	53,600	52,600	17,900	97,600	39,300	92,900	75,000
1.2 Westend	42.00		33,600	47,000	19,200	2,200	20,400	20,400	67,400	6,900
1.3 Inner City	38.50		83,500	165,700	129,700	12,000	147,400	72,000	237,700	172,300
1.4 Central Station	31.00		26,900	25,600	8,200	0	25,000	3,000	28,600	16,200
2 Centre Fringe	20.00 - 23.00		70,200	153,900	90,400	10,200	34,000	20,600	174,500	90,000
3 City Fringe	13.00 - 18.00		23,400	154,400	25,500	700	5,600	5,600	160,000	35,700
4 Subcentres	12.00 - 24.00		189,000	454,800	232,400	39,000	233,000	191,100	645,900	495,900
Total Frankfurt			477,000	1,055,000	558,000	82,000	563,000	352,000	1,407,000	892,000
5 Periphery	13.50 - 20.00		61,000	264,000	63,000	2,000	56,000	36,000	300,000	437,000
Total			538,000	1,319,000	621,000	84,000	619,000	388,000	1,707,000	1,329,000
N. B. gijf market area			458,000	969,000	524,000	78,000	547,000	336,000	1,305,000	858,000

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

** The office market zone map and the key indicator table at submarket level can be found under the following link: [Office market zone map and key indicator table 2021](#)

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