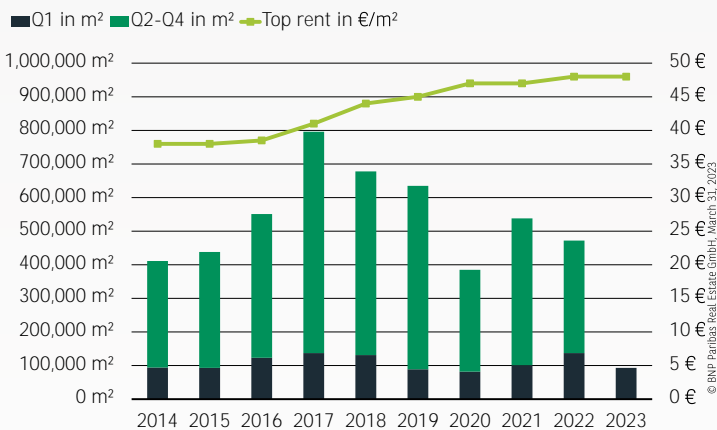




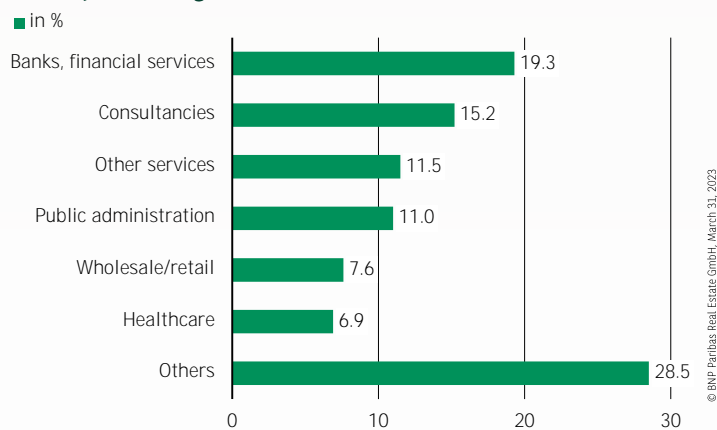
At a Glance **Q1 2023**

OFFICE MARKET FRANKFURT

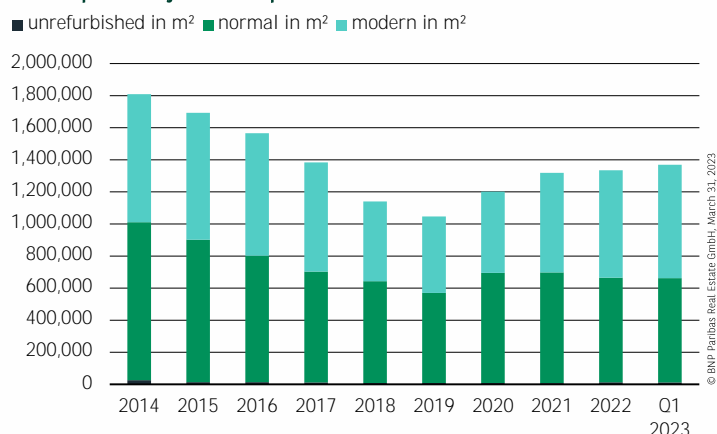
Development of take-up and top rents



Take-up according to sectors Q1 2023



Development of vacant space



MODERATE TAKE-UP AT THE START OF THE YEAR

After some catch-up effects on the user markets last year covered the slowdown in economic momentum, the increased macroeconomic uncertainties at the start of 2023 are also having a delayed effect on letting activity. Accordingly, the Frankfurt office market achieved a take-up of 93,000 m² (84,000 m² in the narrower gif market area) at the end of the first quarter of 2023, a result that cannot match the strong start to 2022 (-32%). Although the long-term average was as well undercut by around 14%, this deviation is still within the range of the usual annual fluctuations. Accordingly, the market dynamics can still be assessed as solid overall. It is significant that, for the first time since 2013, no major deal was recorded in the above 10,000 m² segment at the start of the year. The largest contract of the year so far is the letting of 9,600 m² of office space by Universal Investment in Frankfurt's first office building in timber hybrid construction, the Timber Pioneer in the Europaviertel.

BANKS AND FINANCIAL SERVICES WITH THE HIGHEST SHARE

Driven, among other things, by the largest letting of the year, banks and financial service providers lead the distribution of take-up by sector with a market share of a good 19%. Like the consultancies, which are in second place with a share of 15%, they achieve a result roughly in line with the long-term average. Other services (11.5%) and public administration (11%) also account for double-digit share of take-up. The fact that in the current quarter many lettings were made in the small-size segment by companies from a whole range of different sectors can be reinforced by the collective category Others which accounts for around 28.5% of take-up.

VACANCY RISES SLIGHTLY

After the vacancy declined slightly in the second half of 2022, it rose by 2.5% in the course of the first quarter of 2023 to now 1.37 million m² (gif: 1.01 million m²). The vacancy rate for the market as a whole has risen by 30 basis points since the beginning of the year to now 8.8%. At 52%, the proportion of modern space is at a high level, as it is usual for Frankfurt office market. In the prime locations of Banking District and Westend, the volume of vacant space remains comparatively limited with vacancy rates currently at 3.9% and 4.7% respectively. In place modern vacancies totalled around 73,000 m² at the end of the first quarter.

Major contracts

Sub-market	Company	m²
1.3	Universal Investment	9,600
3.4	Public administration	9,100
1.3	Massif Central Projektentwicklung	5,800
4.7	Z.V.E.I	4,200
1.1	Healthcare	3,400
4.7	Lufthansa	3,300

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Trends in important market indicators

	Q1 2022	Q1 2023	Trend remaining year
Take-up	137.000 m²	93,000 m²	➔
Vacant space	1.346.000 m²	1,369,000 m²	↗
Space under construction (total)	653.000 m²	750,000 m²	➔
Space under construction (available)	404.000 m²	542,000 m²	➔
Top rent	47,00 €/m²	48.00 €/m²	↗

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Key indicators Q1 2023

Submarkets**	Top rent* (€/m²)		Take-up (m²)	Vacant space (m²)			Space under construction (m²)		Space on offer (m²)	
	from	to	Q1 2023	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	48.00		12,000	46,800	44,500	0	183,300	115,100	161,900	32,900
1.2 Westend	46.00		4,800	46,400	28,200	0	1,400	1,400	47,800	49,000
1.3 Inner City	43.00		23,800	234,700	155,800	9,200	80,000	45,800	280,500	110,000
1.4 Central Station	27.00		2,700	35,000	10,500	0	25,000	0	35,000	18,000
2 Centre Fringe	23.00	- 24.00	8,900	143,500	86,800	2,300	78,400	71,500	215,000	15,100
3 City Fringe	15.00	- 18.50	12,000	117,500	46,100	0	111,500	111,500	229,000	18,300
4 Subcentres	12.50	- 28.00	22,800	476,100	260,100	36,500	232,400	183,700	659,800	197,700
Total Frankfurt			87,000	1,100,000	632,000	48,000	712,000	529,000	1,629,000	441,000
5 Periphery	14.00	- 20.00	6,000	269,000	75,000	1,000	38,000	13,000	282,000	286,000
Total			93,000	1,369,000	707,000	49,000	750,000	542,000	1,911,000	727,000
N. B. gif market area			84,000	1,010,000	598,000	48,000	696,000	513,000	1,523,000	429,000

* The top rent given applies to a market segment of 3-5 % in each case.

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

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