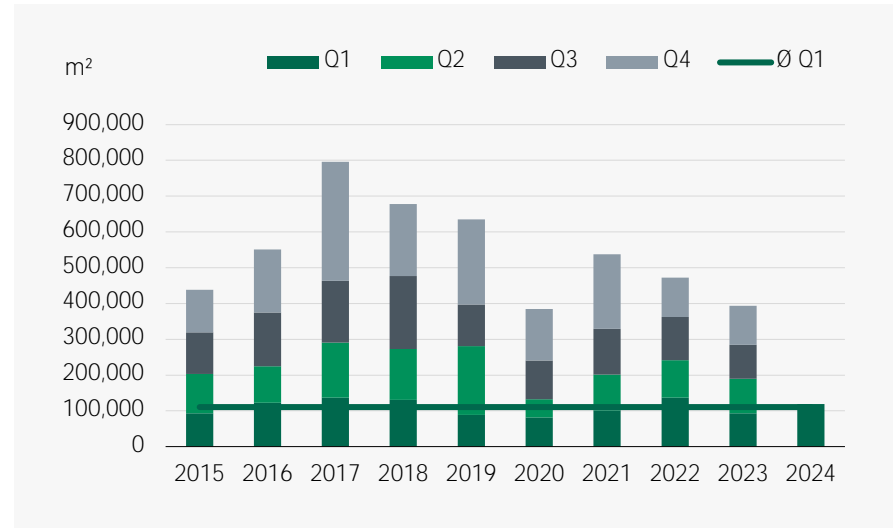


REPORT OFFICE MARKET

FRANKFURT

Q1 2024

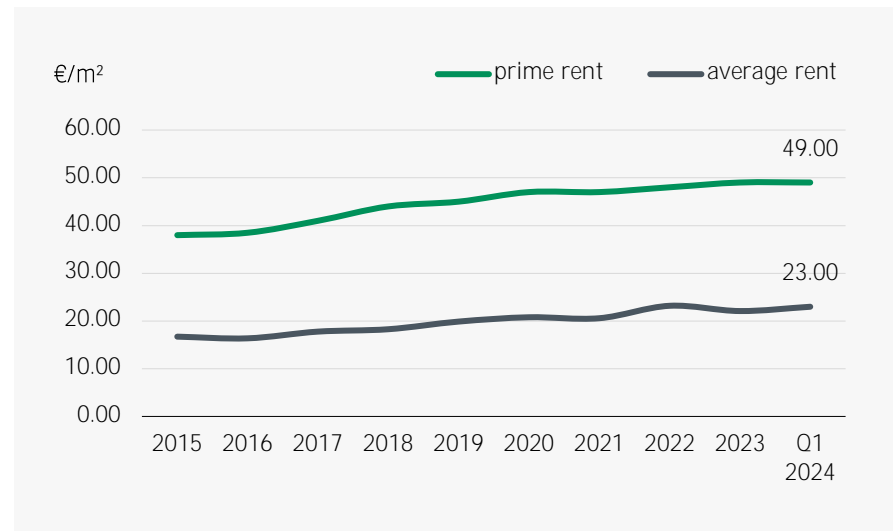
Development of take-up



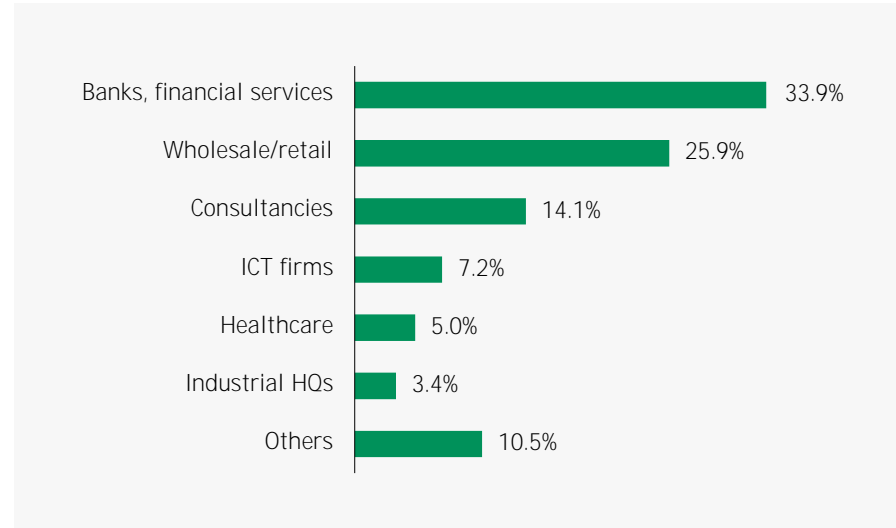
TAKE-UP ABOVE LONG-TERM AVERAGE AND PREVIOUS YEAR'S QUARTER

- During the first quarter of 2024, 119,000 m² of office space was let in Frankfurt (in the narrower gif market area: 94,000 m²).
- This represents a solid result that is around 7% above the long-term average (Ø 10 years: 111,000 m²) and 28% above the prior-year quarter. The decisive difference compared to the same period of the previous year is due to registered large-scale lettings.
- In the city centre in particular, an above-average take-up of 60,500 m² was recorded in the first three months (10-year average: 52,000 m²). Approximately half of the total take-up in Frankfurt can therefore be attributed to the city centre locations. This underlines the higher demand for office space in prime locations for new lettings as part of the "flight-to-quality" trend.
- In contrast, take-up in Frankfurt's traditionally strong secondary locations (Ø 10 years: 58,000 m²) was well below average at 24,300 m².
- The prime rent remained unchanged from the fourth quarter of 2023 at a high level of €49.00/m², just below the €50-mark.
- In contrast, the average rent increased by €0.90/m² or +4% to €23.00/m². Compared to the same quarter of the previous year, however, it is nearly unchanged.

Prime and average rents



Take-up by sector Q1 2024



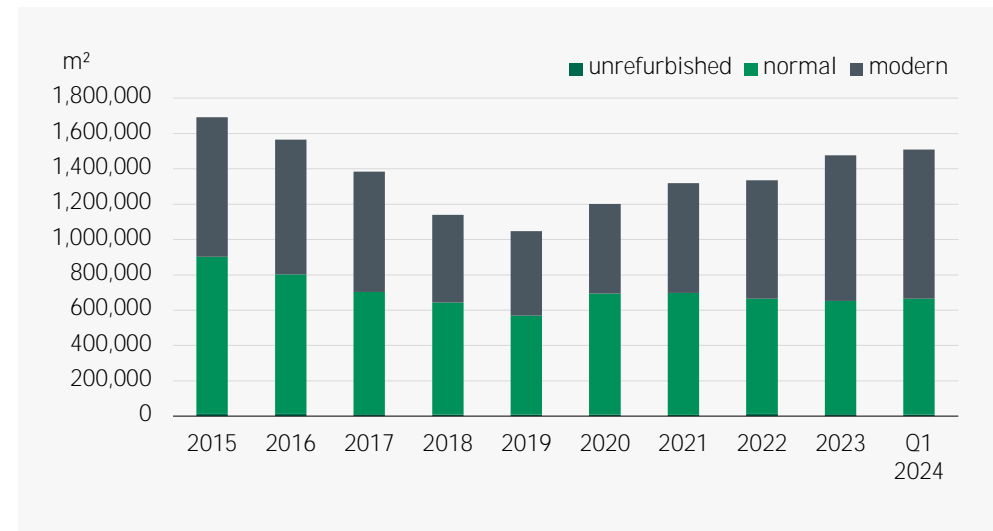
ECB CONCLUDES LARGEST CONTRACT

- With 36,800 m², the ECB is responsible for around 31% of total take-up in Frankfurt. This major contract provides banks and financial service companies with a significantly above-average market share of almost 34% (average 10 years: 19%).
- In addition, another major let (owner-occupier) for 15,600 m² was signed with the cosmetics company Cosnova in Sulzbach. At 26%, the market share of retail companies is also at a high level (Ø 10 years: 6%).
- The total vacancy volume increased only slightly by 2% (1,510,000 m²) compared to the fourth quarter of 2023 but is up 10 % compared to Q1 2023.
- Modern vacancies also rose by 2% at the beginning of the year. However, modern vacancies with first-time occupancy remain at a low level.

Major contracts Q1 2024

Sub-market	Company	m ²
1.1	ECB	36,800
5.1.3	Cosnova	15,600
4.7	Wholesale/retail	5,000
4.6	Bosch security systems	2,900
1.3	Wipro Limited	2,500
4.5	JOST-Werke Germany	2,500

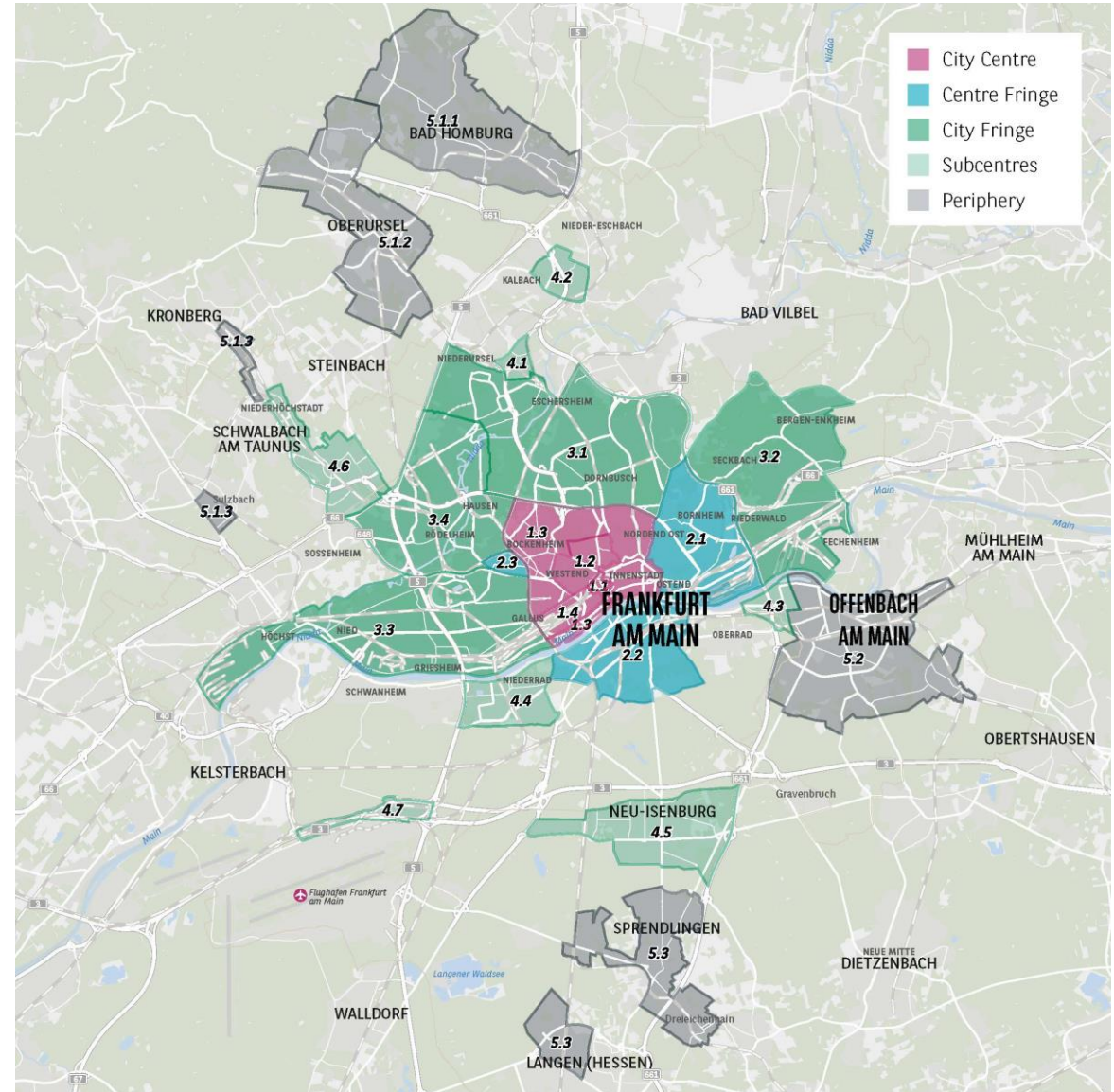
Development of vacant space



OUTLOOK

- The Frankfurt office market has started 2024 with a very solid result, especially against the backdrop of a sluggish economic engine and widespread cost increases in many areas.
- The result is largely determined by the two major lettings (almost 45 % of take-up). By contrast, take-up in the medium-sized office space segment in particular has been comparatively low to date.
- The pressure from the demand side, fueled in particular by the "war for talent" and ESG, remains high, but has not yet resulted in a significant increase in contracts in the first three months, which is not surprising given the weak economic situation.
- However, these overarching demand trends are likely to become more recognizable again over the course of the year. Demand for high-quality office space in central and/or very well-connected locations is likely to increase further due to the need and requirement of many companies to organize work concepts more flexibly. There are currently a number of major searches on the market that are expected to be completed in 2024.
- This and the expectation that the economy will recover suggest that take-up should continue to rise over the course of the year and that pressure on rents will remain high, at least at the peak.

Office submarkets Frankfurt



Key indicators office market Frankfurt

	PRIME RENT* (€/m ²)		TAKE-UP (m ²)		VACANT SPACE (m ²)		SPACE UNDER CONSTRUCTION (m ²)		SPACE ON OFFER (m ²)	
	from	to	Q1 2024	total	modern	of this, since completion	total	available	available	projected
Submarkets**	1		2	3	4	5	6	7	8 = (3 + 7)	9
1 City										
1.1 Banking District		49.00	41,800	107,300	99,500	0	175,400	125,300	232,600	20,000
1.2 Westend		47.00	2,700	45,700	24,200	0	25,900	17,200	62,900	27,600
1.3 Inner City		43.00	14,000	243,900	170,400	8,200	77,400	35,600	279,500	57,300
1.4 Central Station		27.00	2,000	26,900	9,000	0	25,000	0	26,900	21,200
2 Centre Fringe	23.50 -	25.00	9,800	145,500	88,300	200	70,700	58,200	203,700	0
3 City Fringe	16.00 -	18.00	3,400	143,500	72,400	0	80,700	76,700	220,200	4,300
4 Subcentres	13.00 -	26.00	24,300	500,200	282,200	36,600	131,900	64,000	564,200	140,600
Total Frankfurt			98,000	1,213,000	746,000	45,000	587,000	377,000	1,590,000	271,000
5 Periphery	15.00 -	20.00	21,000	297,000	98,000	1,000	31,000	31,000	328,000	160,000
Total			119,000	1,510,000	844,000	46,000	618,000	408,000	1,918,000	431,000
N. B. gif market area			94,000	1,122,000	709,000	45,000	571,000	361,000	1,483,000	259,000

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

** The relevant submarket can be found on our website under „Research“.

Contact

BNP Paribas Real Estate GmbH

Goetheplatz 4 | 60311 Frankfurt

Phone: +49 (0)69-298 99-0

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