

REPORT OFFICE MARKET

FRANKFURT

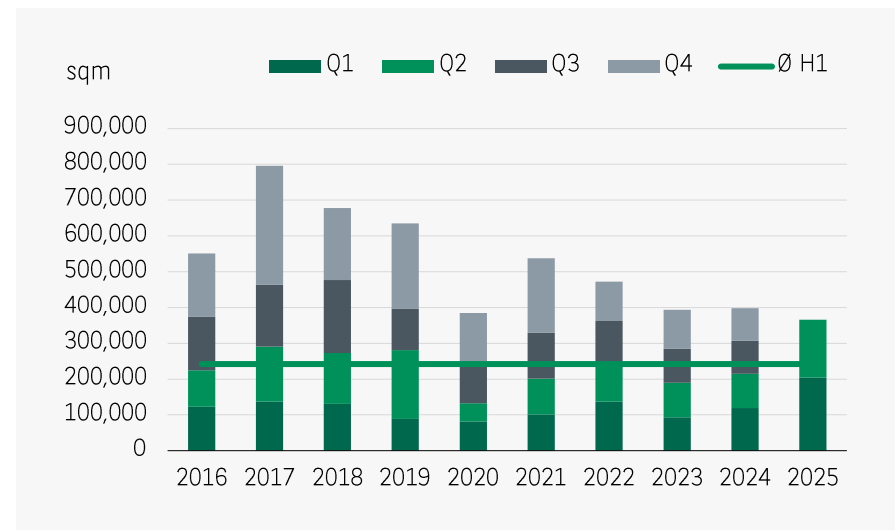
H1 2025



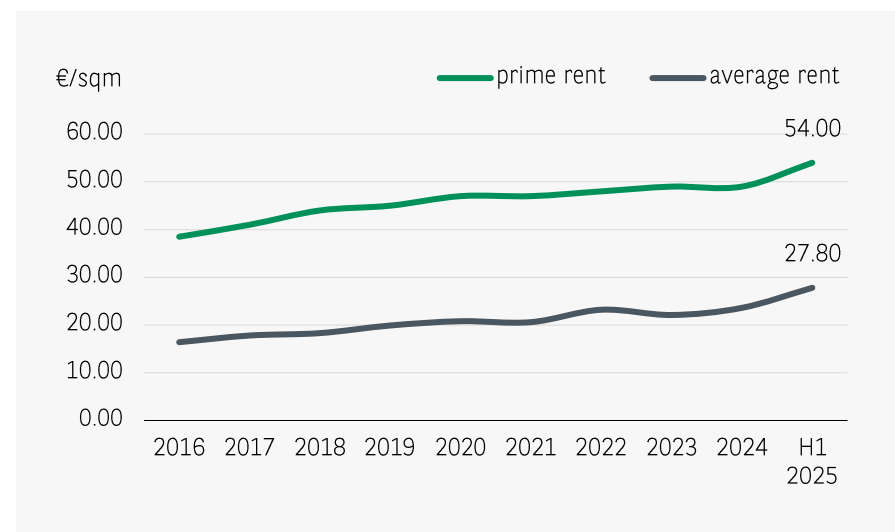
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Development of take-up



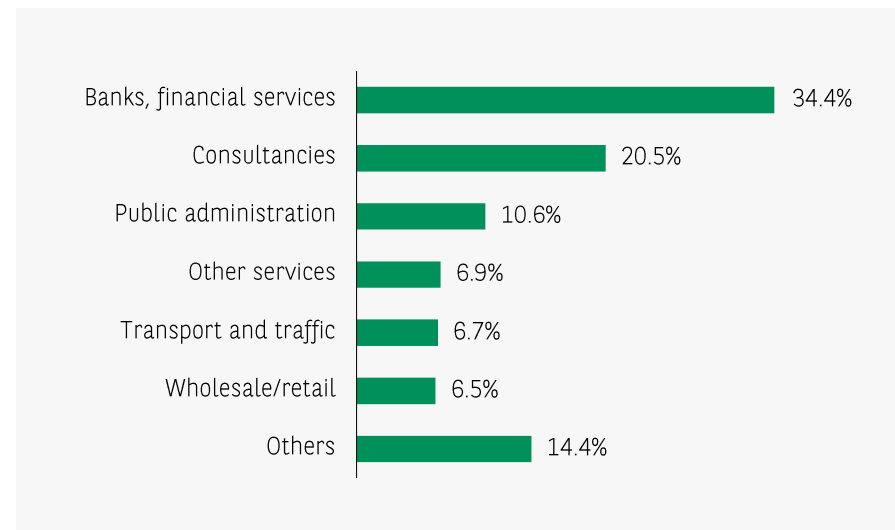
Prime and average rents



FRANKFURT OFFICE MARKET WITH TOP RESULT MAJOR CONTRACTS SEND STRONG SIGNALS

- The Frankfurt office market ended the first half of 2025 with a record result of 366,000 sqm. A brilliant start to the year with 204,000 sqm of take-up was followed by a second strong quarter with a further 162,000 sqm. Consequently the second quarter is still one of the strongest in terms of take-up in the past five years, and an outstanding half-year result was also achieved in historical terms. Only in 2001 a higher half-yearly take-up has been recorded.
- The market is currently dominated by large-volume agreements. In Q1, the project lettings by Commerzbank (73,000 sqm) and ING-DiBa (32,000 sqm) as well as the deal signed by White & Case (10,000 sqm) lifted take-up to a new level. In Q2, the contracts signed by KPMG (approx. 12,000 sqm in the Opernturm and approx. 21,000 sqm in the Park Tower) and Condor Flugdienst at Frankfurt Airport (a good 15,000 sqm) sent strong signals to the market. Deutsche Rentenversicherung Hessen contributed a further 13,000 sqm.
- The fact that demand for office space is also slowly rising again across the board is shown by the year-on-year increase in take-up in the segment between 500 sqm and 2,000 sqm (+23%) and the long-term average take-up in the size category between 2,000 and 5,000 sqm.
- The prime rent is stable at €54.00/sqm (+10% compared to the previous year), while the pronounced focus of demand on high-quality space has caused the average rent to rise further to €27.80/sqm for the first time (+11.2%).

Take-up by sector H1 2025



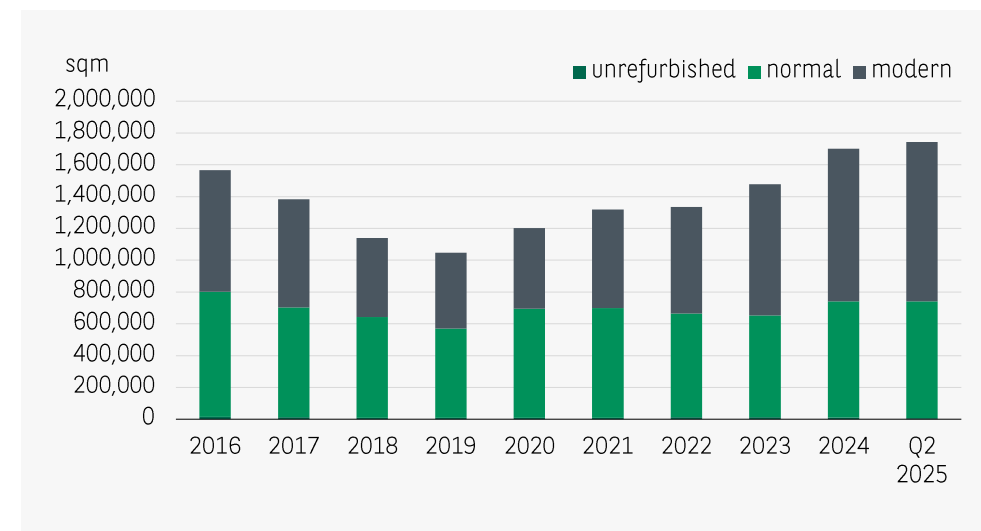
Major contracts H1 2025

Quarter	Sub-market	Company	sqm
Q1	1.1	Commerzbank	73,000
Q2	1.2	KPMG	33,400
Q1	2.1	ING-DiBa	32,400
Q2	4.7	Condor Flugdienst	15,200
Q2	1.3	Deutsche Rentenversicherung Hessen	13,000
Q1	1.2	White & Case	10,100

MARKET ACTIVITY BESTRIDE BY CORE SECTORS

- Frankfurt's core sectors (banks & financial service providers and consulting firms) are particularly strong in terms of take-up in 2025. After their take-up was repeatedly well below average in the years following the Covid pandemic, they are now reporting record figures of 126,000 sqm and 75,000 sqm respectively. The figures impressively reflect the realignment of companies in terms of office use. Centrally located premium space has become a must-have factor in their future planning and, due to a lack of supply in Frankfurt's top locations, is now being found in sometimes unusual building constellations. Repositioning and refurbishment of outdated space are increasingly important.
- The office vacancy fell slightly from Q1, dropping to 1.74 million sqm. The vacancy rate is 11.2%. New construction first-time occupancy space in prime locations remains in short supply. In city center locations, only around 19,000 sqm is available at short notice.

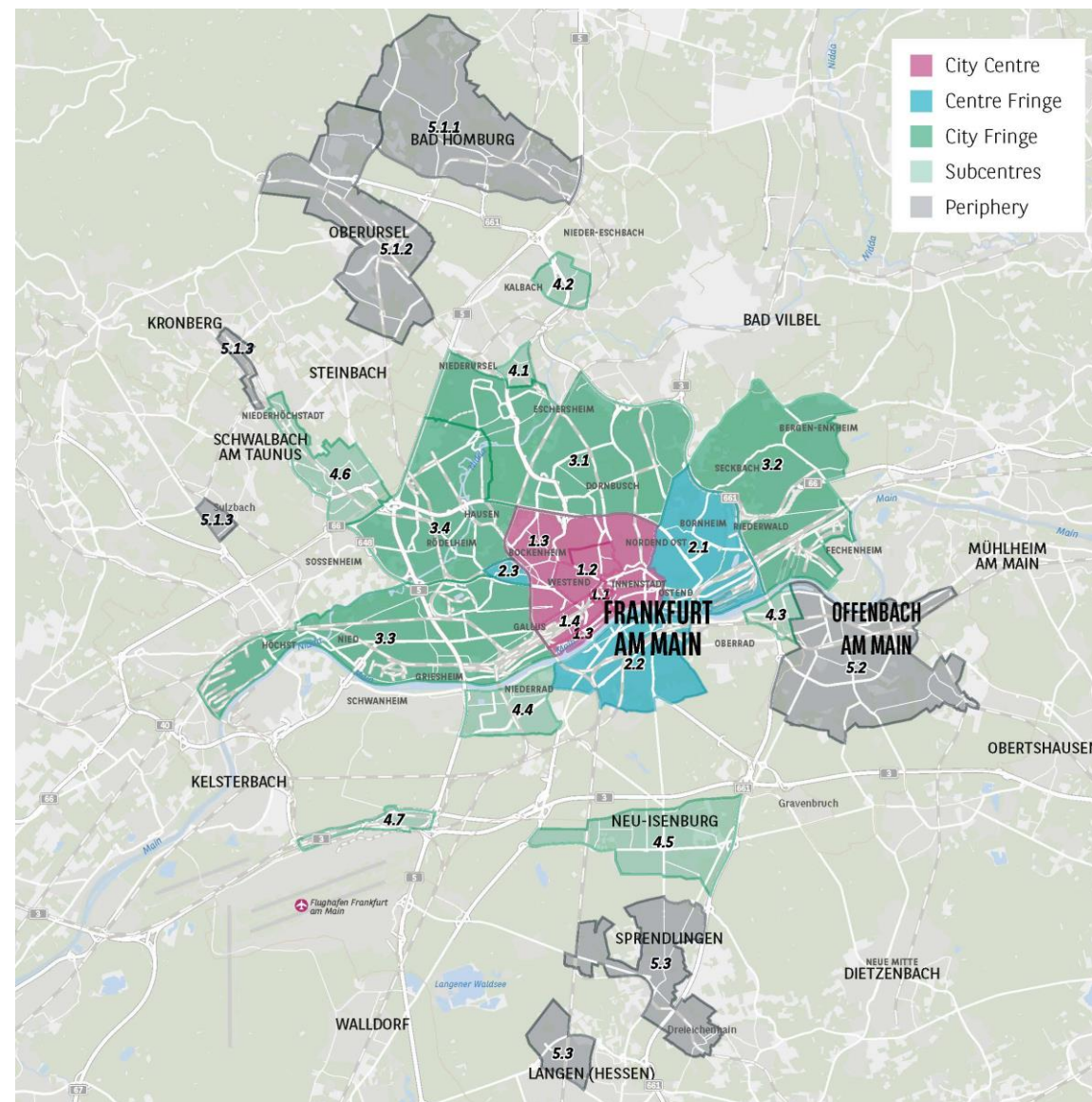
Development of vacant space



OUTLOOK

- The Frankfurt office market had a remarkable first half year. The absolute take-up figures for both quarters are outstanding by historical standards, and record values were registered for the leading sectors of banks and financial service providers, as well as consulting firms.
- Undoubtedly, a significant proportion of the recent increase in take-up, particularly in large-scale lettings, is due to pent-up demand accumulated by companies in the years following the pandemic due to uncertainties regarding space and location choices. However, rental activity in the small- and medium-sized segment is approaching the long-term average, sending encouraging signals. The demand for new, modern spaces is slowly becoming widespread, meaning the Frankfurt office market can expect a positive outcome for the year.
- The office vacancy is likely to have reached its cyclical high, and a sideways movement at the current level of 1.7 million sqm appears to be the most likely scenario for the rest of the year. At the same time, the high demand for prime space is likely to keep the supply of available space in the premium segment limited. The market has already absorbed 70% of the space under construction in city center locations. Larger, contiguous prime space under construction is in absolute short supply in the current market environment.
- Against this backdrop, average rents are likely to rise further, slowly approaching the €30/sqm mark. Prime rents should also continue to rise, albeit at a slower pace.

Office submarkets Frankfurt



Key indicators office market Frankfurt

		PRIME RENT* (€/sqm)		TAKE-UP (sqm)	VACANT SPACE (sqm)		SPACE UNDER CONSTRUCTION (sqm)		SPACE ON OFFER (sqm)		
		from	to	H1 2025	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		54.00	91,800	111,000	105,800	13,700	98,000	25,000	136,000	33,600
1.2	Westend		50.00	55,000	71,700	47,100	0	47,900	7,600	79,300	25,600
1.3	Inner City		45.00	62,500	283,300	212,700	5,600	95,800	40,200	323,500	18,300
1.4	Central Station		25.00	7,200	21,200	2,900	0	0	0	21,200	21,200
2	Centre Fringe	24.00 -	39.00	64,900	186,800	135,200	9,800	59,000	27,000	213,800	0
3	City Fringe	16.00 -	19.50	11,500	169,800	67,500	0	0	0	169,800	4,300
4	Subcentres	13.00 -	28.00	63,100	555,200	311,800	6,900	101,300	58,200	613,400	151,000
Total Frankfurt				356,000	1,399,000	883,000	36,000	402,000	158,000	1,557,000	254,000
5	Periphery	15.00 -	24.00	10,000	345,000	119,000	8,000	2,000	2,000	347,000	112,000
Total				366,000	1,744,000	1,002,000	44,000	404,000	160,000	1,904,000	366,000
N. B. gif market area				346,000	1,298,000	843,000	36,000	402,000	158,000	1,456,000	242,000

* 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“.

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