

REPORT OFFICE MARKET

FRANKFURT

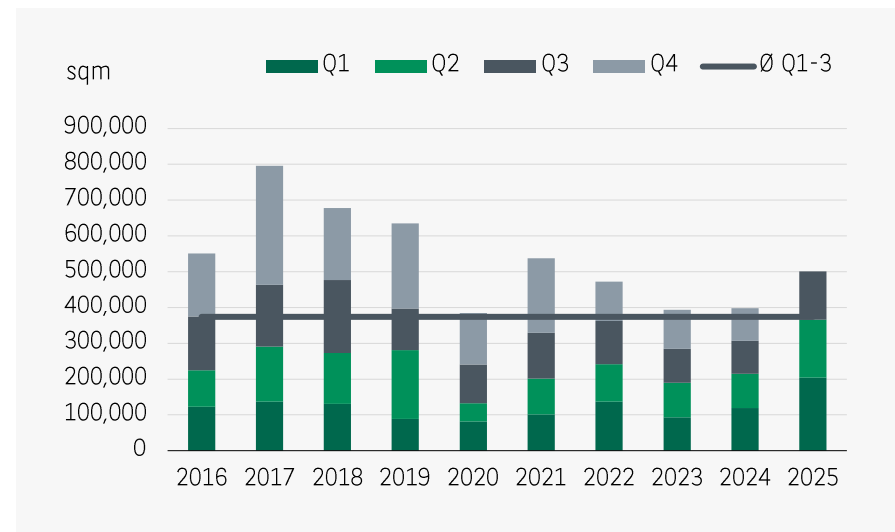
Q1-3 2025



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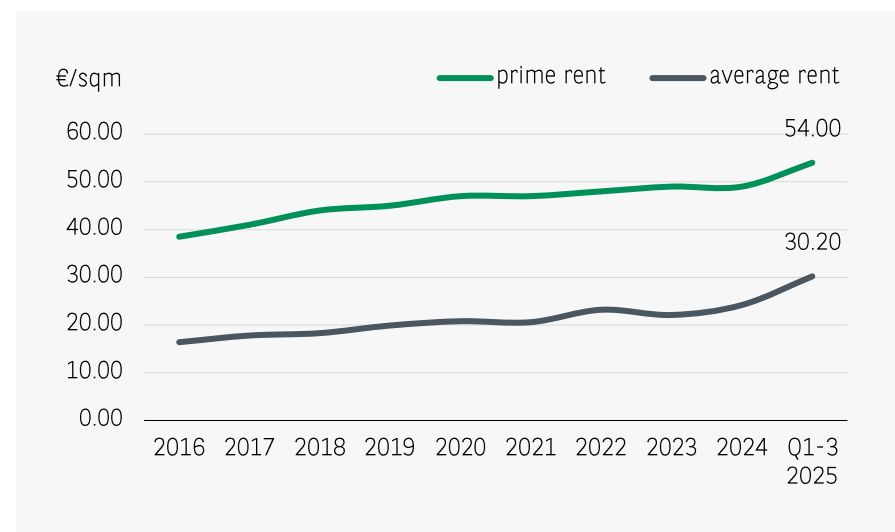
Development of take-up



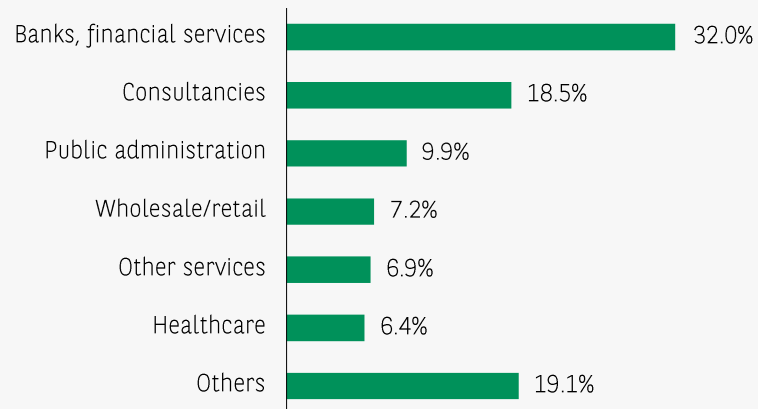
FRANKFURT OFFICE MARKET WITH BEST INTERIM RESULTS OF THE LAST 20 YEARS

- Despite challenging economic conditions, the Frankfurt office market continues to perform extremely well. With a total take-up of 501,000 sqm across the entire market area, the previous year's result was exceeded by a substantial 63%, and the best result in 20 years was recorded. In the more narrowly defined GIF area, take-up increased by 78% to 460,000 sqm. This has further strengthened Frankfurt's position as the leading city in Germany, ahead of Munich (408,000 sqm) and Berlin (362,000 sqm). Frankfurt is also the only top location to report a result above the long-term average (+34%). The first quarter, in which over 200,000 sqm were let, contributed significantly to these positive figures.
- The Frankfurt market is currently dominated by large contracts. An above-average 54% of take-up can be attributed to the large-volume segment of above 5,000 sqm. Project leases by Commerzbank (73,000 sqm) and ING-DiBa (32,000 sqm) in the first quarter led to a significant increase in take-up. Further significant large-scale lettings occurred in the second and third quarters, including KPMG with 33,400 sqm in Westend (Q2) and Allianz Global Investors with 17,000 sqm in the Banking District (Q3).
- Since March 2025, the prime rent has remained stable at €54.00/sqm. This reflects a year-on-year increase of 10%. A similar trend can be seen in the average rent, which has increased by 25% to €30.20/sqm over the same period. The decisive factor here is the demand for high-quality office space.

Prime and average rents



Take-up by sector Q1-3 2025



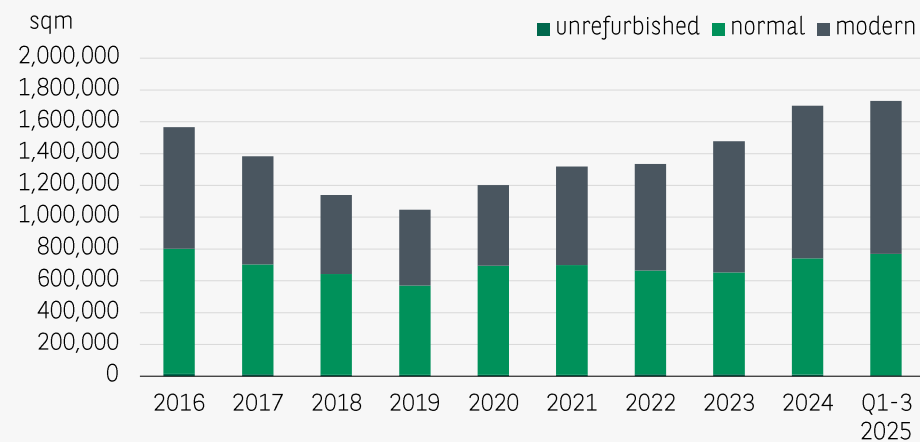
Major contracts Q1-3 2025

Quarter	Sub-market	Company	sqm
Q1	1.1	Commerzbank	73,000
Q2	1.2	KPMG	33,400
Q1	2.1	ING-DiBa	32,400
Q3	1.1	Allianz Global Investors	17,400
Q2	4.7	Condor Flugdienst	15,200
Q3	3.3	Sanofi	15,000

FRANKFURT'S LEADING INDUSTRY BY FAR IN FIRST PLACE

- As in previous years, the leading sector of banks and financial service providers has once again contributed the largest share to total take-up in the current year, with just under 32% or around 160,000 sqm. The large deals in Frankfurt's prime locations are particularly significant in this regard. In addition to financial services providers, consulting firms have also been very active, accounting for an above-average 18% (91,000 sqm) of take-up through several deals in the large and medium-sized space segment.
- The vacancy volume is now 1.73 million sqm, no change from last quarter. Modern vacancy volume fell by 4% in the third quarter. Newly built, first-time occupancy space in prime locations is at a very low level. In the CBD, only around 14,000 sqm of this is on the market short term. The overall market vacancy rate is 11.1%.

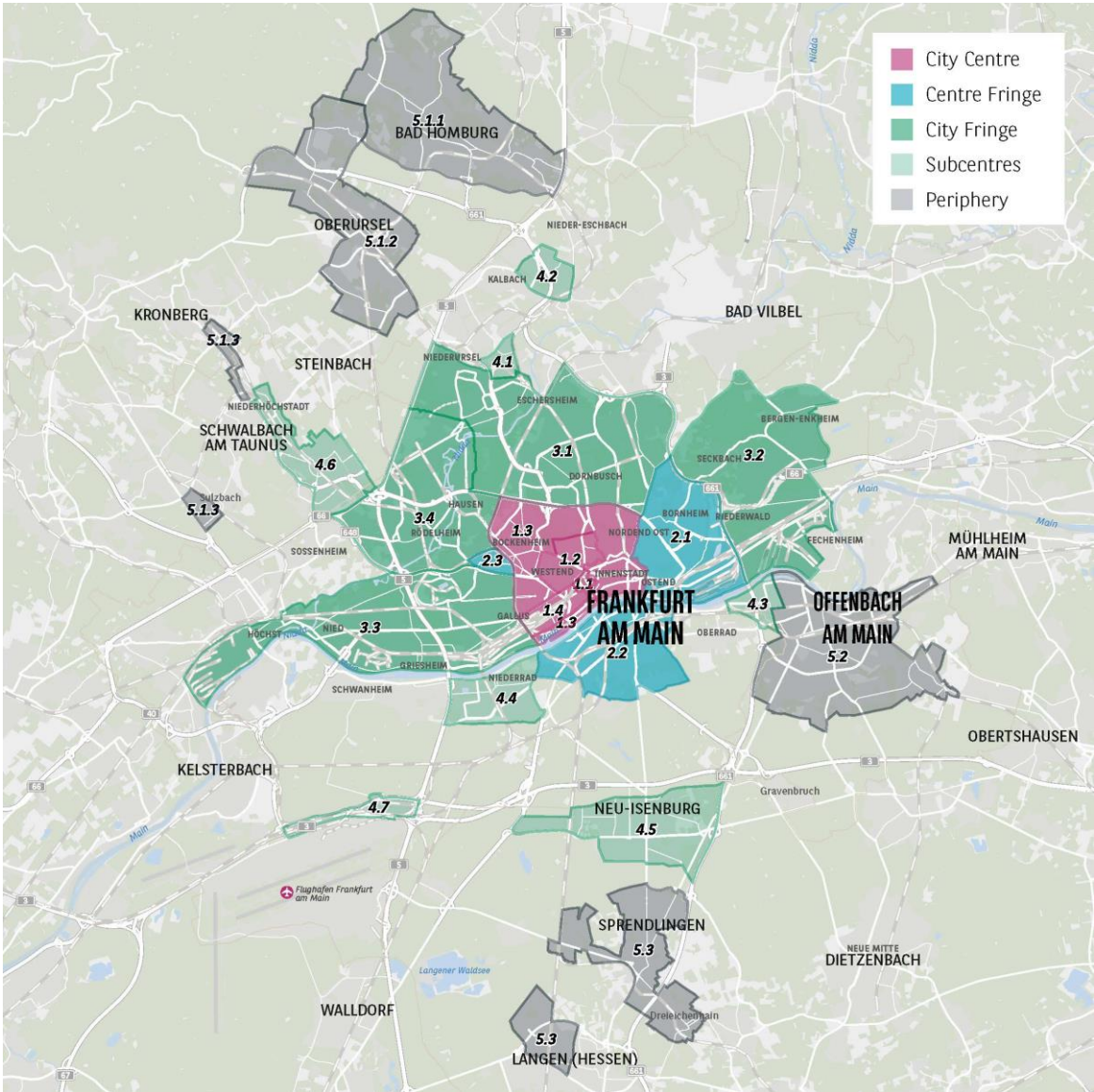
Development of vacant space



OUTLOOK

- Despite the persistently challenging conditions, the Frankfurt office market has enjoyed three exceptional quarters. Space take-up reached historically high levels in each quarter, primarily due to significant transactions by banks, financial service providers, and consulting firms. Current leasing activity is well above the long-term average. This distinguishes Frankfurt from other top office locations in Germany. Frankfurt is entering the final phase of 2025 on this positive footing.
- In anticipation of the German economy gaining momentum again, an improving market environment and further large-scale prime contracts already on the horizon, it is reasonable to assume that the total amount of take-up in 2025 will exceed 600,000 sqm, thus doubling last year's result.
- It is likely that vacancy have reached their cyclical peak. The most likely scenario for the remainder of the year is sideways movement at around 1.7 million sqm. At the same time, the supply of high-quality space in the premium segment will remain limited due to correspondingly high demand. Around 60% of the space currently under construction has already been pre-let. Prime, contiguous space is currently in short supply.
- Given the current market situation, it is likely that rents will continue to rise slightly, both on average and at the top end of the market. However, this increase will be at a slower pace than at the beginning of the year.

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	Q1-3 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	116,700	108,900	103,700	13,700	106,500	16,100	125,000	33,600
1.2	Westend		50.00	60,500	73,600	50,300	0	48,200	7,700	81,300	25,700
1.3	Inner City		45.00	92,900	272,900	201,500	7,400	121,500	65,900	338,800	37,500
1.4	Central Station		25.00	7,800	36,200	5,500	0	0	0	36,200	21,200
2	Centre Fringe	24.00 -	39.00	76,500	163,900	106,600	1,700	62,000	30,000	193,900	0
3	City Fringe	16.00 -	19.50	31,000	171,100	68,200	0	0	0	171,100	4,300
4	Subcentres	13.00 -	28.00	93,600	558,400	306,200	6,200	96,800	53,300	611,700	122,700
Total Frankfurt				479,000	1,385,000	842,000	29,000	435,000	173,000	1,558,000	245,000
5	Periphery	15.00 -	23.00	22,000	346,000	119,000	8,000	2,000	2,000	348,000	110,000
Total				501,000	1,731,000	961,000	37,000	437,000	175,000	1,906,000	355,000
N. B. gif market area				460,000	1,284,000	803,000	29,000	435,000	173,000	1,457,000	233,000

* 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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