

REVIEW INVESTMENT MARKET

FRANKFURT Q4 2025

RESEARCH & INSIGHTS



**BNP PARIBAS
REAL ESTATE**

Real Estate for a changing world



Q4 2025

INVESTMENT MARKET FRANKFURT

- VOLUME DOWN BY AROUND HALF, BUT Q4 STRONGER
- SEVERAL MAJOR DEALS UNDER NEGOTIATION

KEY FIGURES

770

Investment volume (€m)

▽ -52.6% y/y

16.4

Portfolio share (in %)

△ +6.9%pts y/y

19.2

Ø Deal size (in €m)

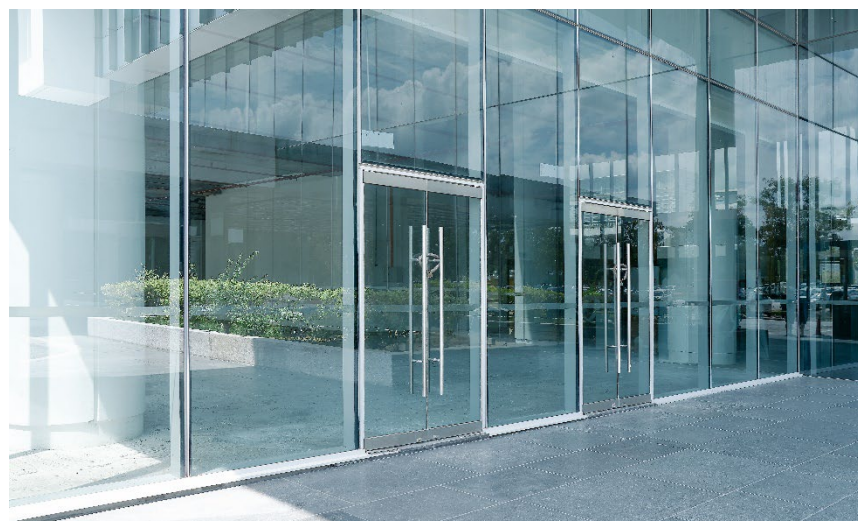
▽ -38.3% y/y

MARKET OVERVIEW

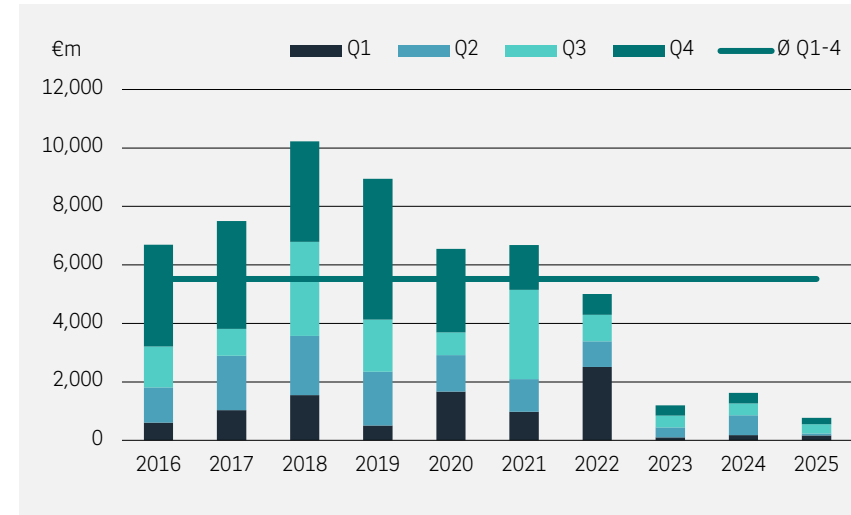
The transaction volume in 2025 reached only €770 million, which is less than half of the already moderate result of the previous year (-53%). A comparably weak result was registered in the Main metropolis only in 2009, i.e. immediately after the financial crisis. The sobering result is mainly due to the lack of major deals, a number of which are in the sales process but could not be finalised last year. In the small and medium-sized market segments, on the other hand, there was a lively and slightly increasing demand.

In a nationwide context, Frankfurt occupies an unusual position and only ranks sixth in a comparison of the investment volumes of the A-locations. Currently, the gap to the top performers – Berlin (€3.2 billion), Munich (€2.6 billion) and Hamburg (€1.9 billion) – is disproportionately large. With the first large-volume transactions, especially in the office segment, Frankfurt will catch up with the currently strongest locations with a time lag, but then quickly.

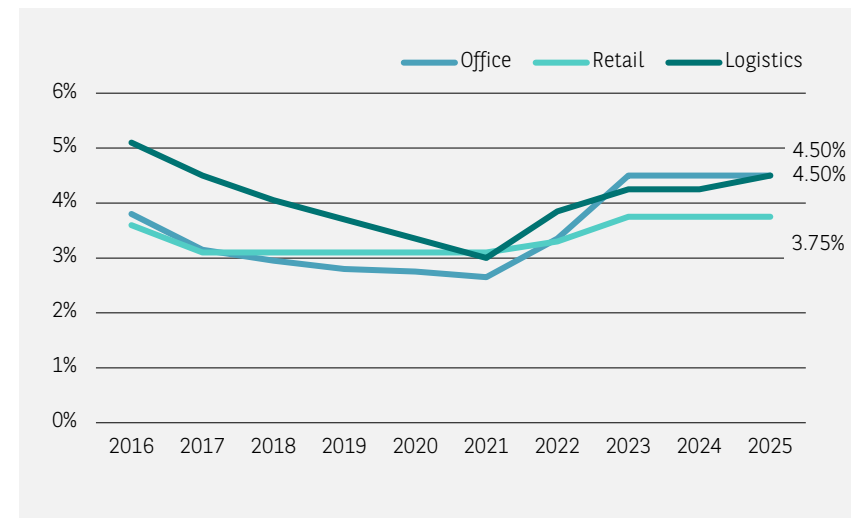
There are different trends in prime yields. While they remain stable for offices (4.50%) and premium high street buildings in prime retail locations (3.75%), they have risen by 25 basis points to 4.50% in the logistics segment over the course of the year.



Development of investment volume



Net prime yields by type of property





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INVESTMENT MARKET
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- NO MAJOR DEAL OVER €100 MILLION
- OFFICE INVESTMENTS WITH A LOWER PROPORTION THAN USUAL

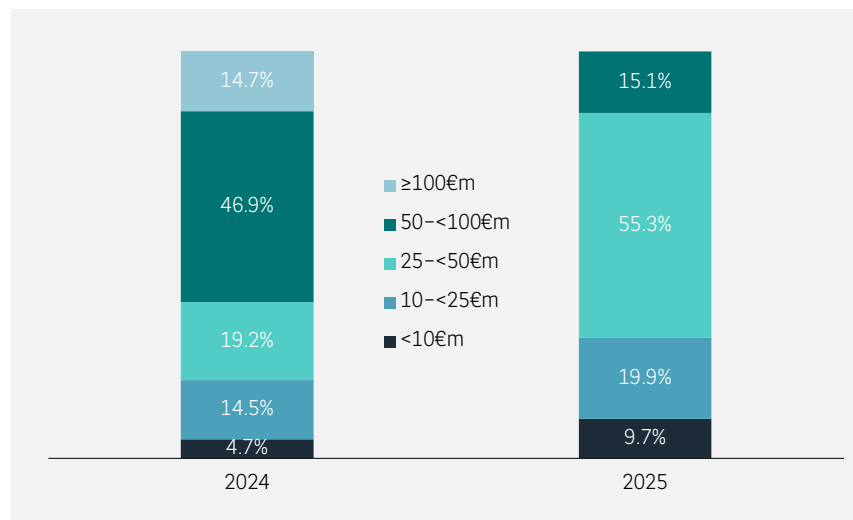
INVESTMENT MARKET STRUCTURE

In 2025, not a single deal in the three-digit million range could be recorded, and even the second-largest market segment between €50 million and €100 million accounted for just over 15% of the result. Against this background, it is not surprising that the total volume is significantly below-average. On the other hand, in the market segments up to €50 million, a revival could certainly be observed, which is reflected in an absolute increase in sales. The result of 2023 was also exceeded in these size classes.

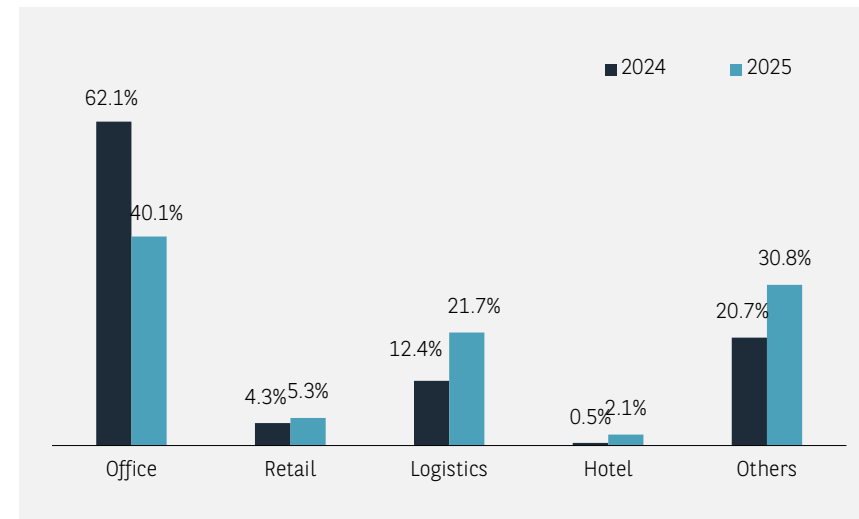
In terms of asset classes, office buildings account for a comparatively low share of only 40% in Frankfurt. On a long-term average, they are responsible for around two-thirds of the investment volume. This shows that the usually dominant market segment of large-volume office investments almost completely failed in 2025. In contrast, logistics properties contributed a disproportionately high share at almost 22%. The 'Others' category of just under 31% mainly includes development plots and redevelopment projects.

Together with the volume of logistics, these development projects are responsible for the fact that more than 43% of the investment volume was made in the periphery, whereas the contribution of the central locations was significantly lower than usual.

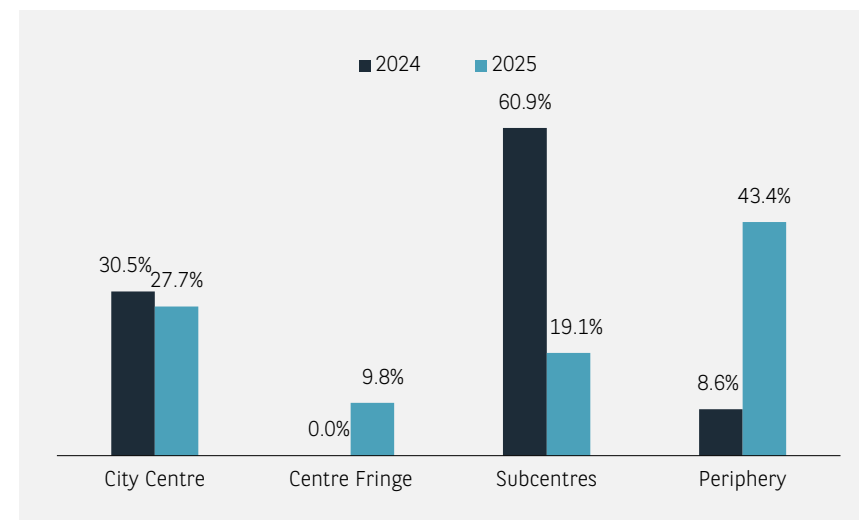
Investments by € category



Investments by type of property



Investments by location



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- MOST EXTENSIVE PIPELINE OF THE MAJOR CITIES
- SIGNIFICANTLY HIGHER VOLUME FORESEEABLE

ECONOMIC INDICATORS

+0.1

GDP Forecast 2025
(in %)

2.7

10ys bond yield
Ø Q4 2025 (in %)

△ +1bps q/q

87.6

ifo business climate index
(12 2025)

▽ -0.4pts m/m

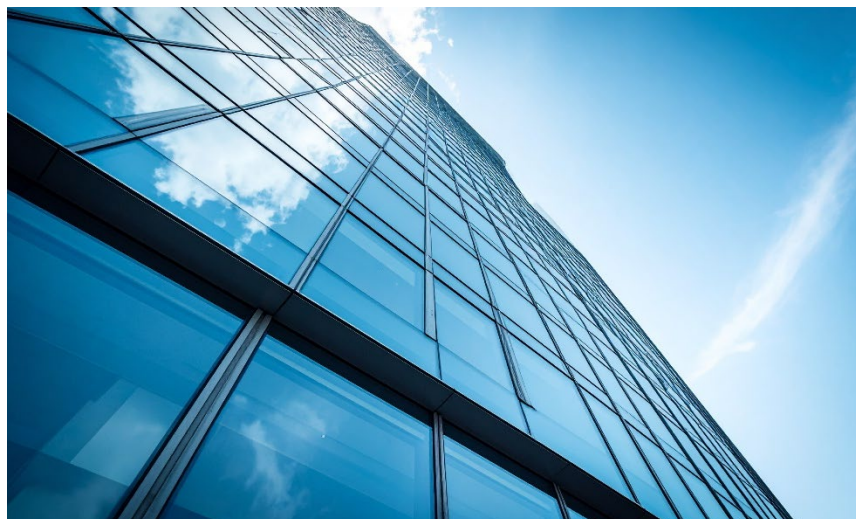
Source: ifo econmic forecast, Deutsche Bundesbank, ifo Institut

OUTLOOK

The prospects of the Frankfurt investment market are comparable to those of the other major German investment locations in terms of the basic framework conditions. Global uncertainties and a German economy that is slow to pick up speed form an environment that points to a gradual recovery rather than a very rapid increase in investment volumes. However, there is one special feature in the Main metropolis and that is the bulging pipeline with large-volume properties that are already in concrete and sometimes advanced stages of negotiations. Examples of this are the well-known office properties Opernturm, Westend Duo, Trianon and the Wave.

The Frankfurt investment market, which is traditionally driven by office transactions, is being boosted by the strong office letting market, which not only achieved an above-average result at 611,000 m², but also registered the highest number of contracts concluded in a nationwide comparison with more than 10,000 sqm. The excess demand in the premium space segment will consolidate and consequently ensure sustainable and, above all, extensive rental price growth.

The dynamics of the occupier market suggest that Frankfurt will achieve a significant increase in transaction volume in 2026 and will once again place itself in the first row of the most important investment cities.



Investment market data

	2024	2025	CHANGE
Total (€m)	1,622	770	-52.6%
Portfolio share	9.5%	16.4%	+6.9%pts
Share above €100 million	14.7%	0.0%	-14.7%pts
Office share	62.1%	40.1%	-22.0%pts
Share of city locations	30.5%	27.7%	-2.8%pts
Share of foreign investors	21.1%	36.0%	+14.8%pts

NET PRIME YIELDS	2024	2025	CHANGE
Office	4.50%	4.50%	+0bps
Retail	3.75%	3.75%	+0bps
Logistics	4.25%	4.50%	+25bps



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