

REVIEW INVESTMENT MARKET

FRANKFURT Q1 2026

RESEARCH & INSIGHTS



BNP PARIBAS
REAL ESTATE

Real Estate for a changing world



- **STRONGEST START TO THE YEAR SINCE 2022**
- **SIGNIFICANTLY MORE TRANSACTIONS THAN IN PREVIOUS YEARS**

KEY FIGURES

354	△ +118,0% y/y
Investment volume (€m)	
0,0	▽ -24,7%pts y/y
Portfolio share (in %)	
23,6	△ +30,8% y/y
Ø Deal size (in €m)	

MARKET OVERVIEW

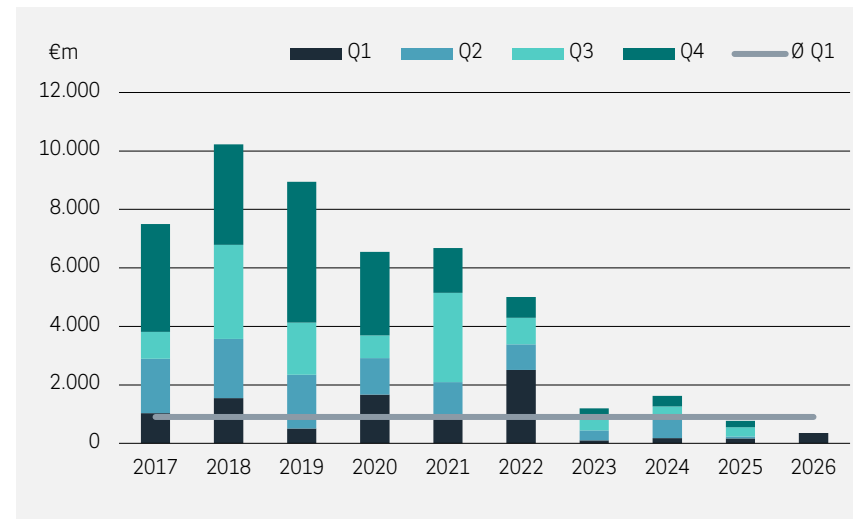
The Frankfurt investment market has started 2026 with a solid result. By the end of the first quarter, the transaction volume of the banking metropolis had totalled €354 million. Although market activity is still far below the years before the interest rate turnaround (volume Q1 2026: -61% below 10-year average), the current result represents by far the highest Q1 volume since 2022. Accordingly, the prior-year quarter was exceeded by almost 120%. In a nationwide comparison, Frankfurt ranks third behind Munich and Berlin.

The sale of the two properties Fifty Avon and Overture contributed in particular to this increase, as this means that, unlike in the previous year, larger office properties also contributed to the take-up. In addition, the number of registered transactions, with 15 deals, was also above the level of the three previous years, in which only a single-digit number of disposals was recorded.

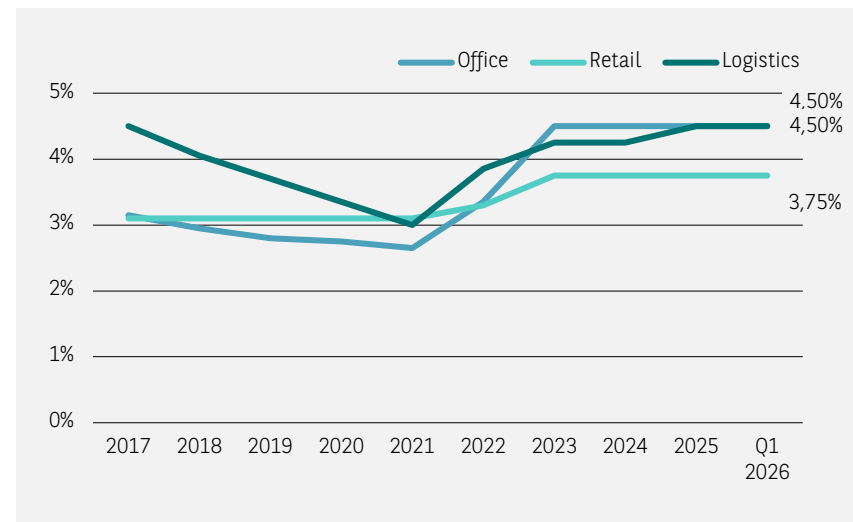
Net prime yields moved sideways at the beginning of the year. For top office properties in prime locations and the logistics segment, the unchanged 4.50% is to be applied in each case. Inner-city retail high street buildings remain unchanged at 3.75% in the premium segment.



Development of investment volume



Net prime yields by type of property





INVESTMENT MARKET STRUCTURE

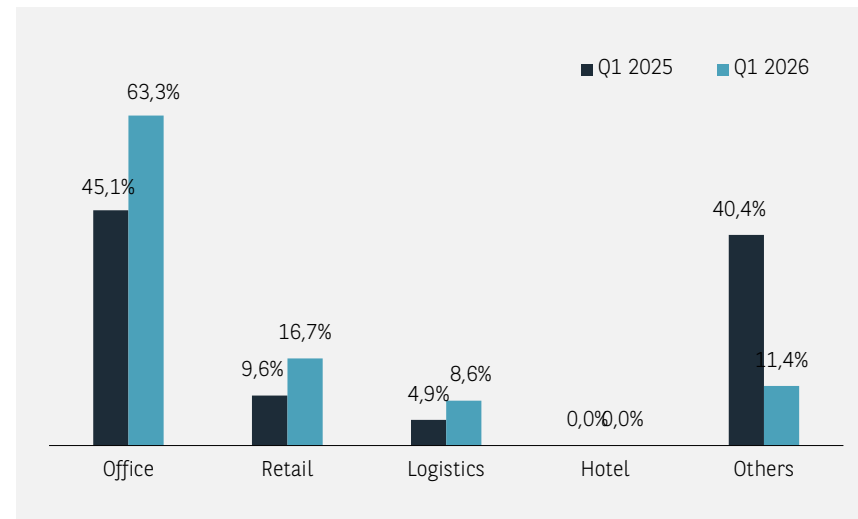
A look at the distribution of transaction volume by size class illustrates why the Frankfurt investment market did not gain even more momentum despite an increasing number of deals in the first quarter of 2026. Since 2022, no transaction in the three-digit million range has been registered in any first quarter. Accordingly, those large-volume deals that have significantly moved the investment volume in the past have been missing so far. Meanwhile, deals in the medium-sized segment between €50 million and €100 million were the most heavily involved, contributing around 56%.

At the end of the first quarter, office investments are at the top of the asset class ranking. They account for almost two-thirds of the volume, which means that they are back in line with the high long-term average value that is usual for Frankfurt. In addition, retail properties also account for a significant market share at just under 17%, which mainly conceals food-anchored local supply centres.

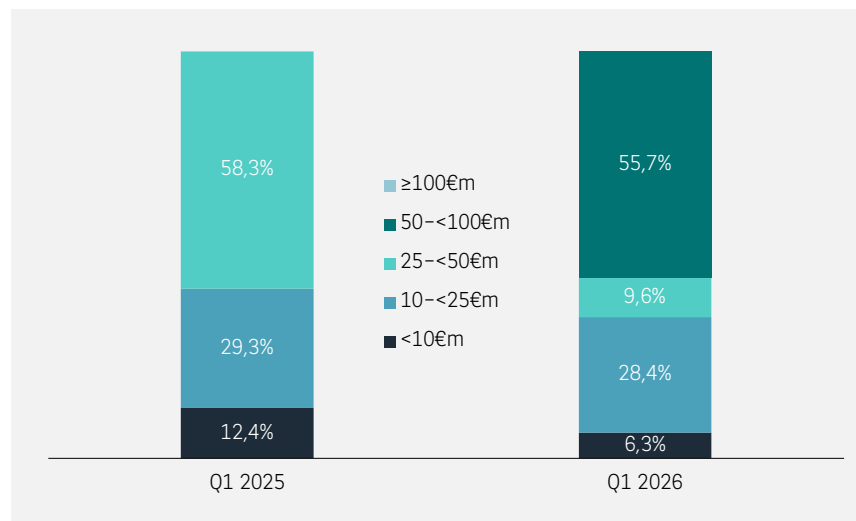
For the first time in several years, the largest share of the transaction volume at the beginning of the year was accounted for by the City Centre (a good 47%), which correlates with the high office share of the result. However, in part thanks to the sale of development sites and office properties with greater investment requirements, the Subcentres also made a significant contribution to the result at 36%.

- OFFICE PROPERTIES ACCOUNT FOR THE BULK OF THE VOLUME
- STILL NO LARGE TRANSACTIONS

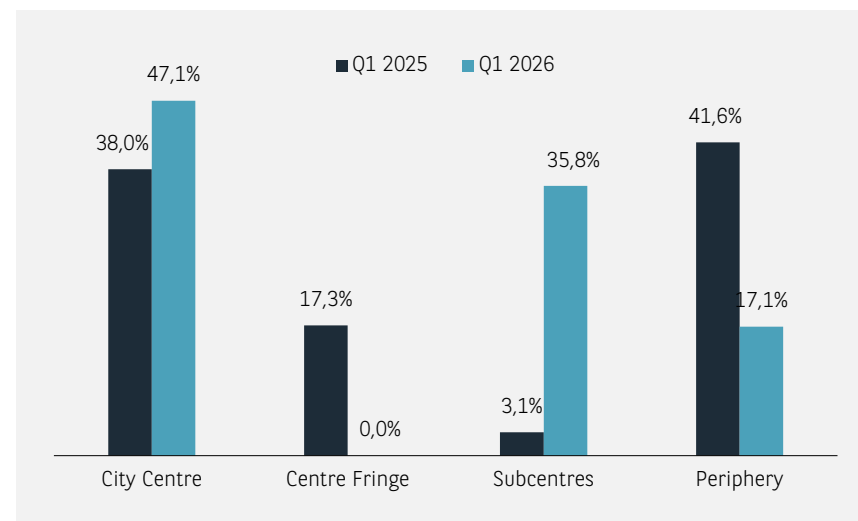
Investments by type of property



Investments by € category



Investments by location





- WELL-FILLED DEAL PIPELINE
- GEOPOLITICAL DEVELOPMENTS ARE A FACTOR OF UNCERTAINTY

ECONOMIC INDICATORS

+0,6

GDP Forecast 2026
(in %)

2,86

10yrs bond yield
0 Q1 2026 (in %)

86,4

ifo business climate index
(3/2026)

△ +15bps q/q

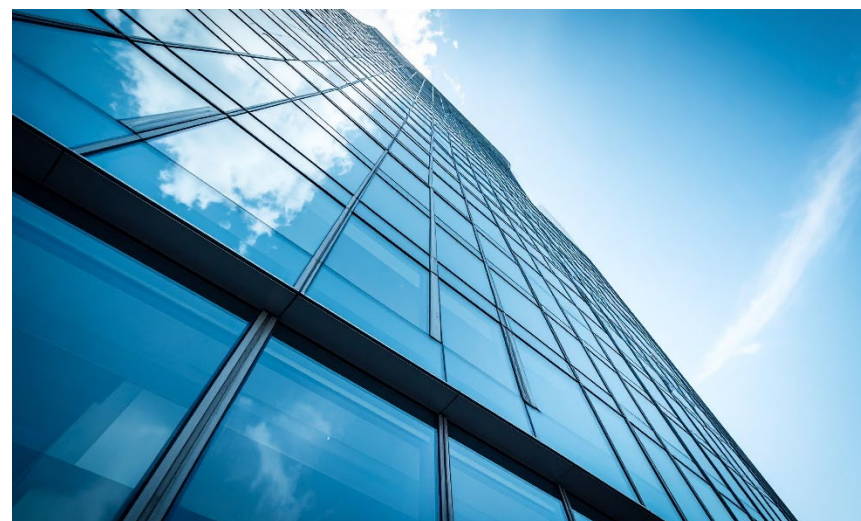
▽ -2,0pts m/m

Source: ifo economic forecast, Deutsche Bundesbank, ifo Institut

OUTLOOK

The first balance of the year on the Frankfurt investment market is much more positive than in previous years. Against the backdrop of the solid start to the year and a well-filled transaction pipeline also in the large-volume segment, an annual result well above the billion mark seems likely from today's perspective. However, the prerequisite for this is that the current increase in geopolitical uncertainty does not worsen in the further course of the year. In particular, the latest developments in the Middle East have led to noticeably higher volatility on the capital markets, which may also have an impact on the Frankfurt real estate investment market.

However, it is positive that market activity is already broader at the beginning of the year and that demand is not only based on absolute core products. Properties with higher investment requirements are also attracting interest, as long as the perspective, location and pricing are convincing. In addition, the transactions that have already been concluded were initiated in a very challenging environment, which underlines the market's fundamental receptivity. If the general conditions do not deteriorate significantly, there is therefore a good overall chance of a further revival of market activity in the further course of the year.



Investment market data

	Q1 2025	Q1 2026	CHANGE
Total (€m)	162	354	+118,0%
Portfolio share	24,7%	0,0%	-24,7%pts
Share above €100 million	0,0%	0,0%	+0,0%pts
Office share	45,1%	63,3%	+18,2%pts
Share of city locations	38,0%	47,1%	+9,1%pts
Share of foreign investors	16,6%	28,8%	+12,2%pts

NET PRIME YIELDS	Q1 2025	Q1 2026	CHANGE
Office	4,50%	4,50%	+0bps
Retail	3,75%	3,75%	+0bps
Logistics	4,25%	4,50%	+25bps



Q1 2026

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