

REVIEW OFFICE MARKET

FRANKFURT Q1 2026



RESEARCH & INSIGHTS



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- MODERATE START TO THE YEAR WITH 82,000 SQM OF TAKE-UP
- CURRENT SEARCHES POINT TO A DYNAMIC YEAR AHEAD

KEY FIGURES

82,000 ▽ -59.8% y/y
Take-up (in sqm)

55.00 △ +1.9% y/y
Prime rent (in €/sqm)

27.30 △ +5.0% y/y
Average rent (in €/sqm)

MARKET OVERVIEW

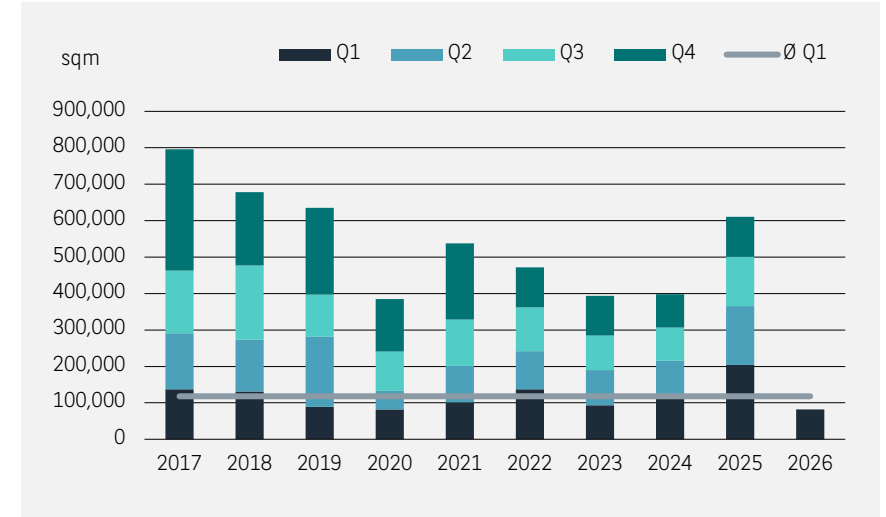
In the first quarter of 2026, the Frankfurt office market recorded a take-up of 82,000 sqm. As expected, the market was unable to replicate the exceptionally strong record result achieved at the beginning of 2025, falling short by almost 60%. The long-term average was also missed at this stage, which, however, that is not unusual for Frankfurt early in the year. The banking hub is well known for gaining momentum as the year progresses, with leasing activity typically accelerating in the second half.

The largest letting in the first quarter—the owner-occupier deal by DZ Bank in the Fifty Avon tower, comprising nearly 21,000 sqm—follows the trend of large-scale contracts observed in the previous year and once again illustrates the key driver of the Frankfurt market: strong demand for premium office space in prime locations. As this demand cannot be adequately met at short notice, commitments in development projects often represent the most viable alternative. New lettings are frequently accompanied by location consolidation strategies. In this case, DZ Bank will comprehensively modernize the tower acquired adjacent to its headquarters and consolidate various business units at this prime banking location.

The prime rent has recently increased to €55.00/sqm, representing a 2% rise year-on-year. The more volatile average rent temporarily softened to €27.30/sqm but remains 5% above the previous year's level and is expected to continue its upward trend over the medium term.



Development of take-up



Prime and average rents





- FRANKFURT'S CORE SECTORS PARTICULARLY ACTIVE
- SHORTAGE OF PRIME OFFICE SPACE PERSISTS

KEY FIGURES

1,822,000 △ +2.9% y/y

Vacant space (in sqm)

11.7 △ +0.3 pts y/y

Vacancy rate (in %)

190,000 △ +21.0% y/y

Available space under construction (in sqm)

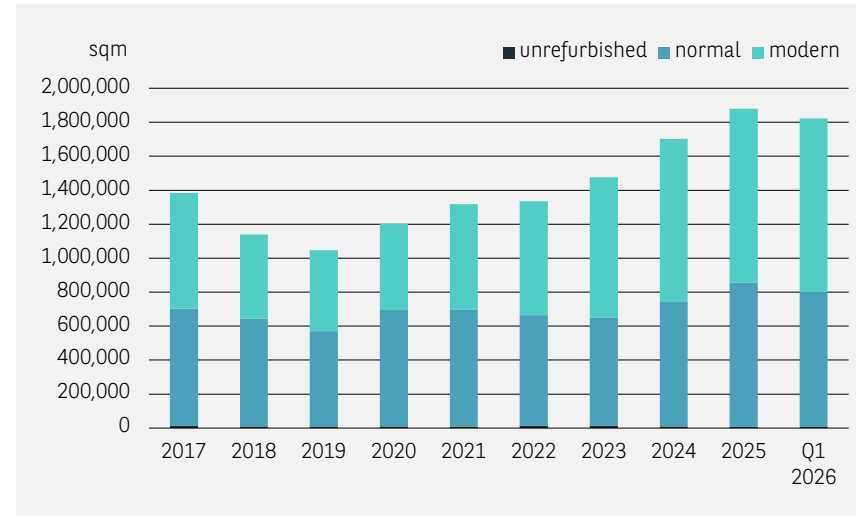
SECTOR DISTRIBUTION AND VACANCY

Frankfurt's key occupier sectors—banking and financial services as well as consultancies—once again proved to be particularly active in leasing activity at the start of the year. Driven by the owner-occupier contract concluded by DZ Bank, banks and financial service providers accounted for around 28% of total take-up. Consultancies, which captured a 16% market share, benefited not only from the 4,400 sqm lease signed by Westbridge Advisory, but also from many small and medium-sized lettings.

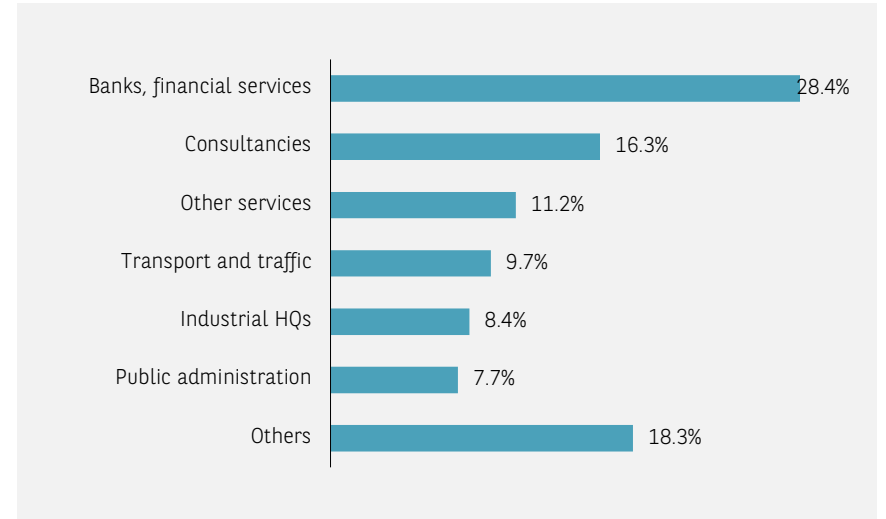
Market activity was primarily characterized by strong momentum in the small-space segment between 200 and 2,000 sqm, which accounted for 57% of total take-up. A further 15% was generated by mid-sized deals between 2,001 and 5,000 sqm, while no leasing activity was recorded in the size range between 5,001 and 10,000 sqm. The 21,000 sqm letting by DZ Bank was the only contract exceeding the 10,000 sqm threshold, reflecting a typical start to the year for the Frankfurt market.

Total vacancy declined slightly to approximately 1.8 million sqm, while the shortage of immediately available new-build first-occupation space has further intensified. In the prime submarkets of the Banking District and Westend, the volume of such space now amounts to just over 15,000 sqm. Consequently, the pre-letting rate in development projects in these two prime submarkets has risen to a very high 89%.

Development of vacant space



Take-up by sector Q1 2026



Major contracts

Quarter	Submarket	Company	sqm
Q1	1.1	DZ Bank	20,800
Q1	1.2	Westbridge Advisory	4,400
Q1	4.5	SPIE Germany	3,000
Q1	5.2	ProGenius Private Berufliche Schule Offenbach	2,400
Q1	4.7	Omoda & Jaecoo Deutschland	1,700



OUTLOOK

The Frankfurt office market entered 2026 with a moderate, yet not atypical quarterly result. While current military conflicts in the Middle East continue to weigh heavily on the global economy and are also likely to have a dampening effect on the German economy, two key factors point toward a more dynamic leasing environment over the course of the year in Germany's banking capital.

Firstly, the investment package for defense and infrastructure launched by the federal government last year is expected to provide increasing support to the economy. Secondly, numerous large-scale searches are currently active in the market, many of which are likely to be concluded successfully even in the event of renewed economic headwinds. Senior decision-makers at large corporations remain acutely aware that attractive office space is a crucial lever for successful corporate management, particularly in competitive labor markets. Against this backdrop, annual take-up of around 500,000 sqm appears realistic from today's perspective.

Regarding vacancy, signs are emerging that the market may be approaching a turning point, followed by moderately declining volumes. In the premium segment and in development projects, space is expected to continue to be absorbed swiftly, ensuring that upward pressure on prime rents remains firmly in place. As a result, prime rents are likely to gradually move toward the €60 per sqm threshold.

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 2026	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		55.00	22,300	111,500	107,000	13,700	101,500	11,100	122,600	33,600
1.2 Westend		50.00	7,600	68,100	45,600	1,600	46,000	5,800	73,900	25,700
1.3 Inner City		45.00	11,900	284,500	204,000	4,600	117,600	56,600	341,100	29,100
1.4 Central Station		25.00	1,600	43,100	10,800	0	0	0	43,100	17,800
2 Centre Fringe	25.00 -	39.00	5,500	161,100	111,800	900	62,000	30,000	191,100	25,000
3 City Fringe	16.00 -	22.00	6,500	184,000	68,400	0	53,000	47,200	231,200	4,300
4 Subcentres	13.00 -	28.00	17,600	637,700	369,400	17,200	49,900	37,300	675,000	123,500
Total Frankfurt			73,000	1,490,000	917,000	38,000	430,000	188,000	1,678,000	259,000
5 Periphery	15.00 -	22.00	9,000	332,000	104,000	6,000	2,000	2,000	334,000	109,000
Total			82,000	1,822,000	1,021,000	44,000	432,000	190,000	2,012,000	368,000
N. B. gif market area			68,000	1,362,000	860,000	38,000	430,000	188,000	1,550,000	247,000

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



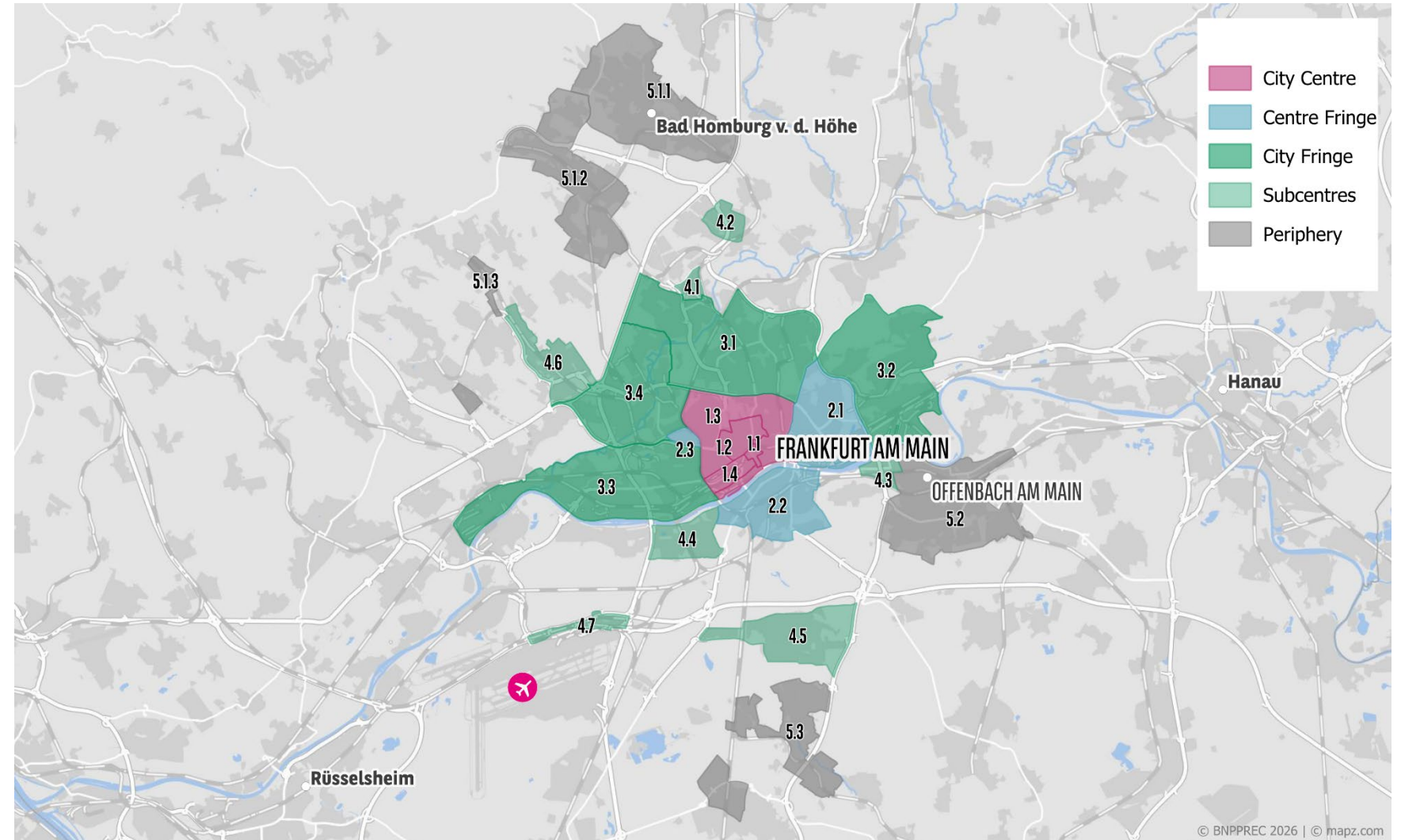


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