

REVIEW INVESTMENT MARKET

FRANKFURT H1 2026

RESEARCH & INSIGHTS



**BNP PARIBAS
REAL ESTATE**

Real Estate for a changing world



- TRANSACTION VOLUME MORE THAN DOUBLES YEAR-ON-YEAR
- OFFICE PRIME YIELDS REMAIN UNCHANGED

KEY FIGURES

599

Investment volume (€m)

△ +153.0% y/y

0.0

Portfolio share (in %)

▽ -16.9%pts y/y

26.1

Ø Deal size (in €m)

△ +65.0% y/y

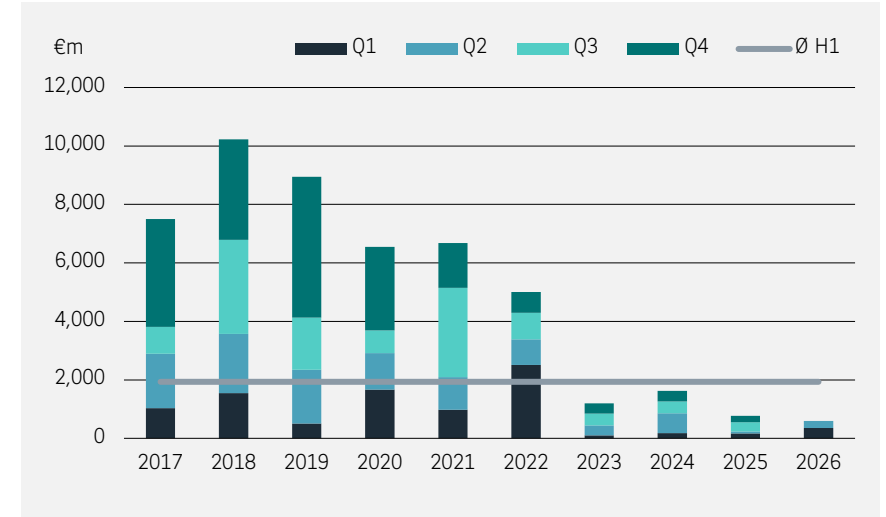
MARKET OVERVIEW

The Frankfurt investment market recorded a transaction volume of around €600m at mid-year 2026, of which approximately €250m was attributable to the second quarter. While the volume therefore remains around 70% below the long-term average, it nevertheless represents a significant increase compared with the same period last year (+153%). Against the backdrop of a more complex market environment, this development is noteworthy. The Iran war and rising energy prices have shifted interest rate expectations and increased economic uncertainty, causing transaction processes to take longer again, particularly at the beginning of the second quarter. It is therefore all the more positive that momentum returned to the market shortly before the end of the quarter and that transactions were also recorded in the office segment, which is of key importance for Frankfurt.

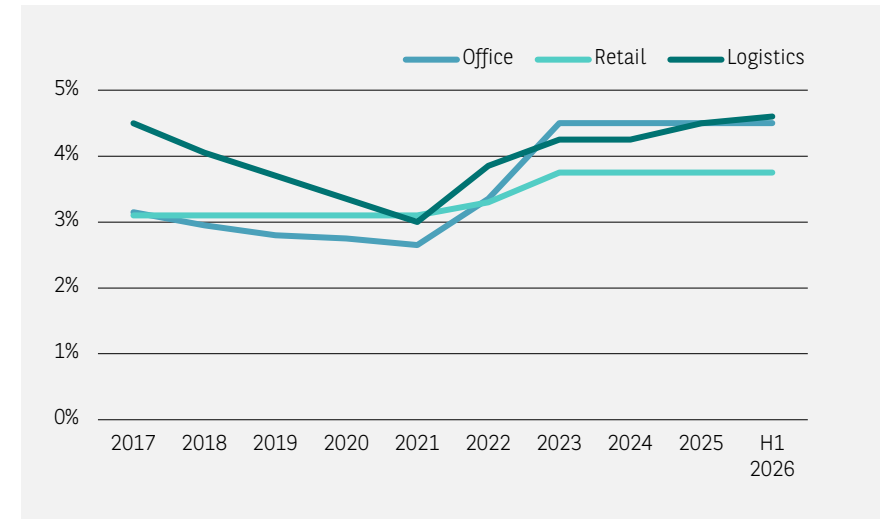
Despite the current environment being shaped by higher financing and opportunity costs, no notable change in net prime yields has been observed so far in the office and high-street segments, where yields therefore remain unchanged at 4.50% and 3.75%, respectively. In the office segment, this sideways movement is supported in particular by currently strong rental growth in the prime segment, which further improves the income prospects of high-quality core assets in top locations. In the logistics segment, by contrast, upward pressure has led to a slight adjustment of 10 basis points to 4.60%.



Development of investment volume



Net prime yields by type of property





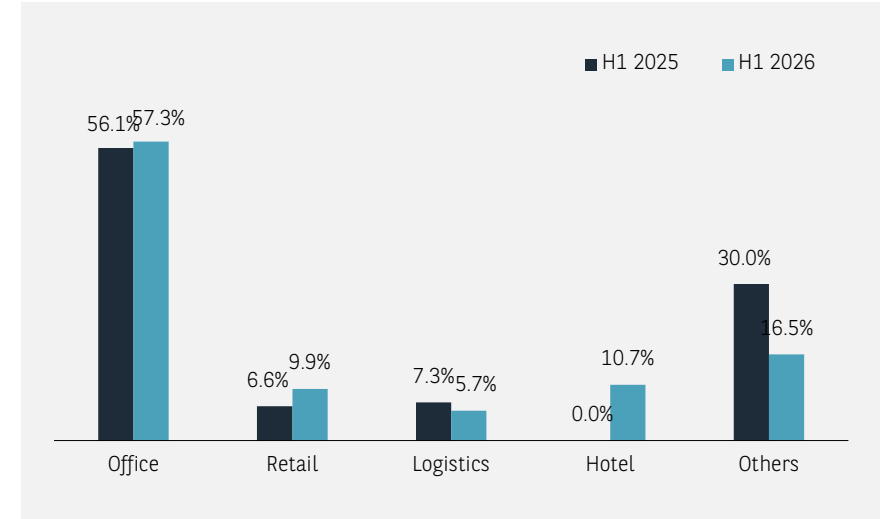
INVESTMENT MARKET STRUCTURE

Office investments once again clearly shaped Frankfurt's market structure in the first half of the year, accounting for around 57% and therefore more than half of total transaction volume. At €343m, however, absolute volume remains 76% below the long-term half-year average. On a positive note, the number of office transactions has increased, pointing to a broader recovery in market activity. So far, however, this activity has been concentrated mainly in the small- and mid-sized segment of up to around €70m. Hotel properties and retail assets also made notable contributions, accounting for 11% and 10% of total volume, respectively.

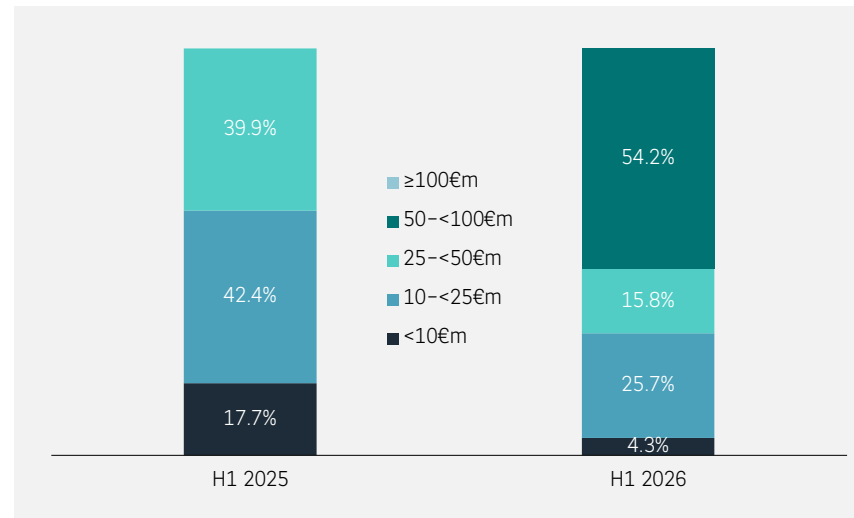
This shift towards smaller and mid-sized tickets is also reflected in the distribution by size category. While transaction volume is gradually increasing overall, large-volume deals remain rare. While several larger transactions were still completed in 2022 following the interest rate shock, large-volume activity has been very limited since 2023. Since then, only four transactions in the triple-digit million range have been recorded in Frankfurt, with "The Move Blue" the only traditional office transaction involving an existing office asset. In the current year, as in 2025, no transaction above €100m has been registered so far. The largest transaction remains VKB's acquisition of the Overture office property at Junghofstraße 13-15 in the first quarter.

- OFFICE ASSETS ACCOUNT FOR THE BULK OF VOLUME
- MARKET REMAINS FOCUSED ON SMALLER TICKETS

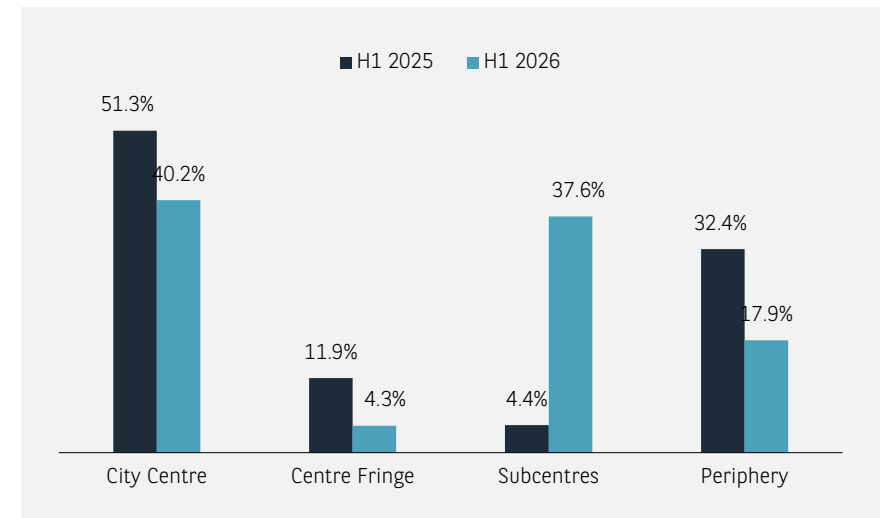
Investments by type of property



Investments by € category



Investments by location





- MARKET ACTIVITY GAINS MOMENTUM
- GEOPOLITICAL DEVELOPMENTS REMAIN A SOURCE OF UNCERTAINTY

ECONOMIC INDICATORS

+0.8

GDP Forecast 2026
(in %)

3.01

10ys bond yield
0 Q2 2026 (in %)

85.6

ifo business climate index
(6/2026)

△ +15bps q/q

△ +0.6pts m/m

Source: ifo economic forecast, Deutsche Bundesbank, ifo Institut

OUTLOOK

Following a noticeably stronger first half of the year, the outlook for Frankfurt's investment market is cautiously optimistic. Market activity has visibly increased compared with previous years. Whether the second half of the year will also deliver larger jumps in volume will depend largely on whether major transactions are finalised. Frankfurt benefits from its position as an international financial and services hub, with robust occupier fundamentals continuing to support the market. In particular, demand for high-quality office space and strong rental growth in the prime segment are underpinning income prospects and should keep the market on investors' radar. Against this backdrop, investment volume is currently likely to significantly exceed the €1bn mark by year-end.

At the same time, the macroeconomic environment remains challenging. Through higher energy prices and shifting interest rate expectations, the Iran war has once again brought greater volatility to the capital markets and put financing costs back into sharper focus. While no further significant increase in financing costs is currently expected, any rapid easing is also not in sight. In the short term, this leaves little room for yield compression. Selective upward adjustments in individual asset classes remain possible.



Investment market data

	H1 2025	H1 2026	CHANGE
Total (€m)	237	599	+153.0%
Portfolio share	16.9%	0.0%	-16.9%pts
Share above €100 million	0.0%	0.0%	+0.0%pts
Office share	56.1%	57.3%	+1.2%pts
Share of city locations	51.3%	40.2%	-11.1%pts
Share of foreign investors	24.9%	33.5%	+8.6%pts

NET PRIME YIELDS	H1 2025	H1 2026	CHANGE
Office	4.50%	4.50%	+0bps
Retail	3.75%	3.75%	+0bps
Logistics	4.25%	4.60%	+35bps



H1 2026

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