

REVIEW INVESTMENT MARKET

FRANKFURT Q3 2026

RESEARCH & INSIGHTS



**BNP PARIBAS
REAL ESTATE**

Real Estate for a changing world



Q3 2026

INVESTMENT MARKET FRANKFURT

- INVESTMENT VOLUME UP YEAR-ON-YEAR, BUT REMAINS LOW
- OFFICE PRIME YIELD UP 10 BPS

KEY FIGURES

839

Investment volume (€m)

△ +52.1% y/y

0.9

Portfolio share (in %)

▽ -20.5%pts y/y

25.4

Ø Deal size (in €m)

△ +24.5% y/y

MARKET OVERVIEW

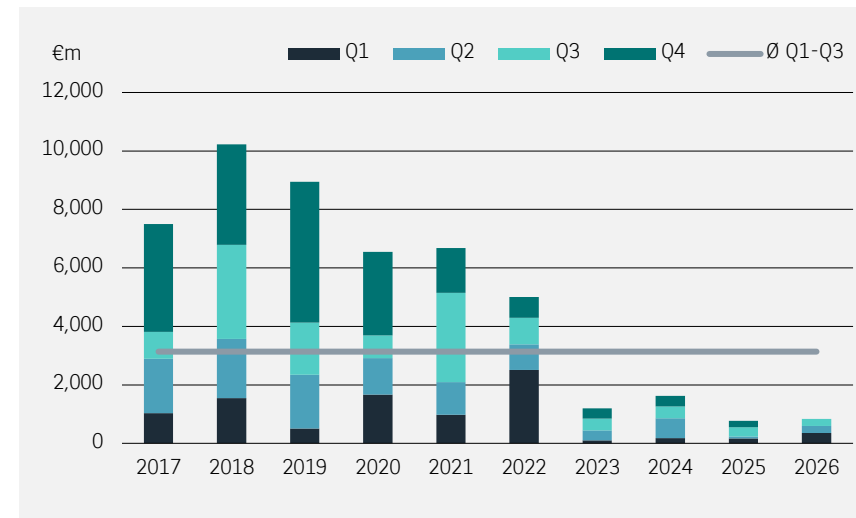
The Frankfurt investment market recorded a commercial investment volume of just under €840 million in the first nine months of the year. This represents an increase of 52% compared with the relatively weak prior-year result, although overall market activity remains at a low level. The market benefited from a good start to the year, with several office transactions exceeding the €50 million mark. These deals played a key role in lifting the average transaction volume to €25 million, although this still remains relatively low.

Investment market activity over the course of 2026 was clearly impacted by the war in Iran, the resulting disruption to shipping routes in the Middle East and the subsequent renewed rise in key interest rates. In line with the nationwide trend, investment activity in Frankfurt slowed following a solid start to the year, which generated around €354 million. Investment volume in each of the following two quarters came in at just under €250 million.

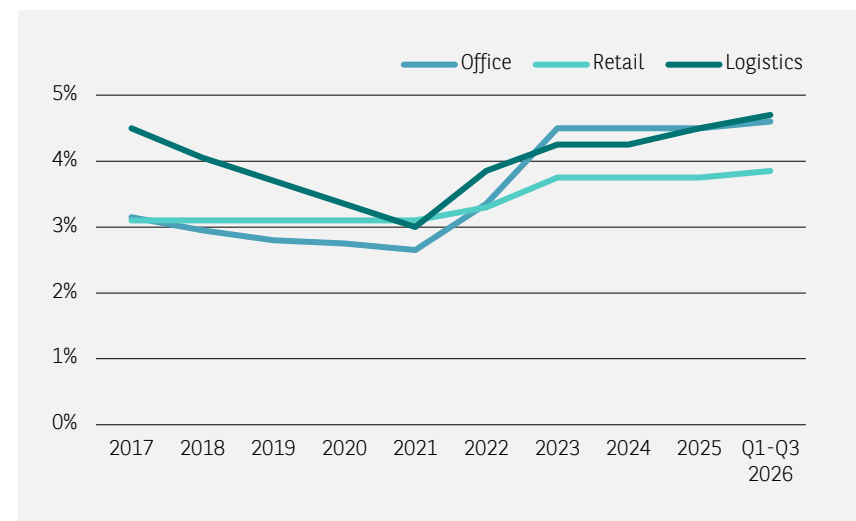
The renewed rise in capital market interest rates has led to slight adjustments in net prime yields across Germany. In Frankfurt, net prime yields currently stand at 4.60% for premium office properties, 3.85% for high-street assets and 4.70% for prime logistics properties.



Development of investment volume



Net prime yields by type of property





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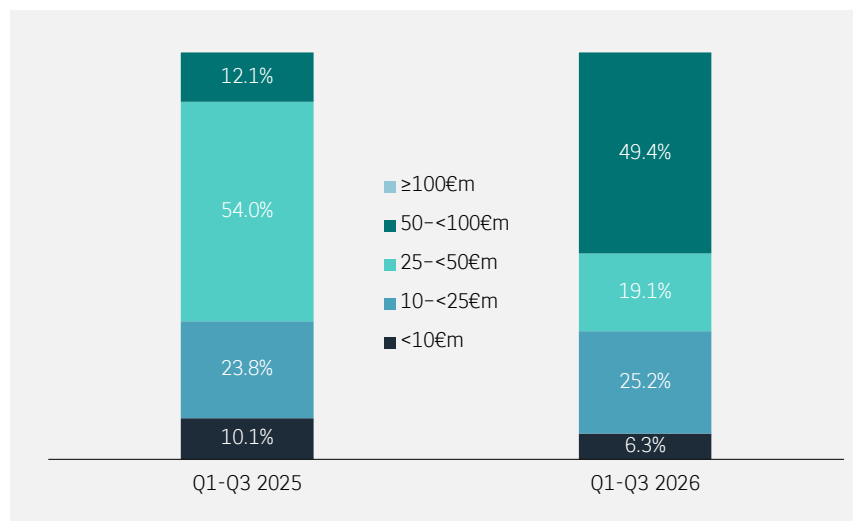
- OFFICES ACCOUNT FOR MORE THAN HALF OF TOTAL VOLUME
- NO DEALS ABOVE €100M YET, BUT STRONG ACTIVITY IN THE €50-100M SEGMENT

INVESTMENT MARKET STRUCTURE

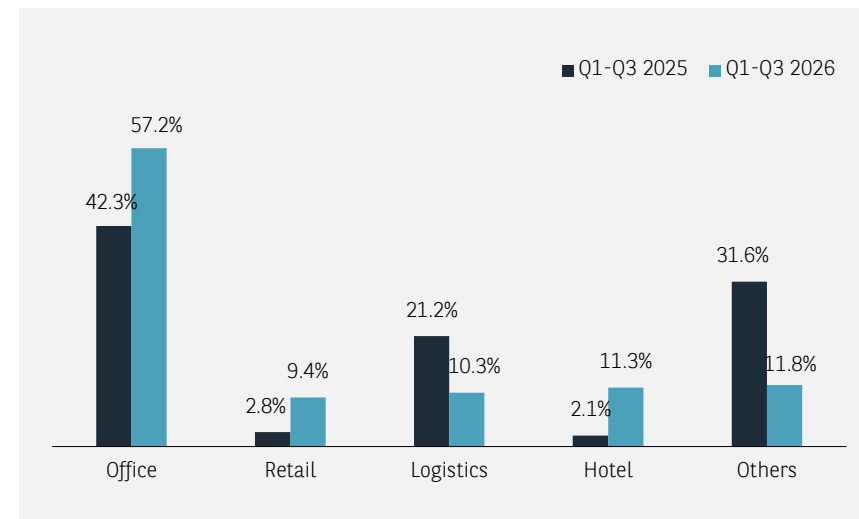
Office investments continue to account for the lion's share of Frankfurt's investment volume at more than 57%, albeit at a new, lower level. They currently dominate the segment of transactions with single deal volumes above €50 million, including the sale of Junghofstraße 13-15, which was advised by BNPPRE. Offices also clearly lead in terms of the number of transactions. Hotel investments account for a similar share of 11%, supported by the sale of the Intercity Hotel, while logistics properties contribute just over 10%. Retail investments account for a slightly lower share of just over 9%, with activity so far limited to the retail warehouse segment. A further 12% is attributable to the "Other" category, which primarily comprises development sites.

Although the €100 million-plus segment remains unrepresented, as in the previous year, transaction activity in the larger €50 million to €100 million bracket has picked up. Encouragingly, these transactions were not limited to the beginning of the year but were also recorded in the following two quarters despite slower overall market momentum. Overall, this size category accounts for just over 49% of total investment volume. By contrast, the €25 million to €50 million bracket generated a lower volume both in absolute and relative terms, contributing just under 20%. For the third consecutive year, activity has been stronger in the €10 million to €25 million segment, which currently accounts for just over 25% of the total.

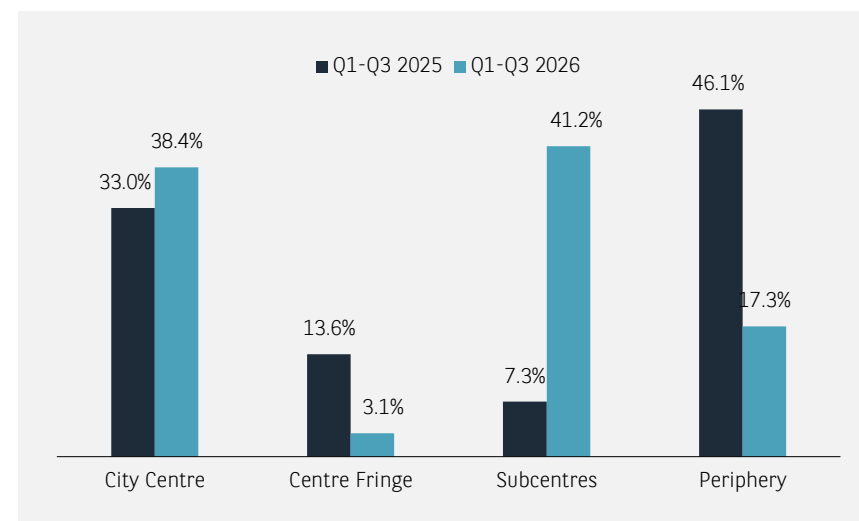
Investments by € category



Investments by type of property



Investments by location



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Source: BNP Paribas Real Estate GmbH, September 30, 2026



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INVESTMENT MARKET FRANKFURT

- **STRONG INVESTMENT PIPELINE**
- **FURTHER YIELD ADJUSTMENT
CANNOT BE RULED OUT**

ECONOMIC INDICATORS

+1.4

GDP Forecast 2026
(in %)

3.25

10ys bond yield
Q3 2026 (in %)

89.9

ifo business climate index
(9/2026)

△ +24bps q/q

△ +1.1pts m/m

Source: ifo economic forecast, Deutsche Bundesbank, ifo Institut

OUTLOOK

The Frankfurt investment market posted very solid figures at the end of September, while transactions currently in the pipeline indicate that deal activity could accelerate noticeably towards the end of 2026.

Investment activity is being supported by a slight improvement in economic momentum and a gradual recovery in business sentiment since May 2026. At the same time, occupier markets in Frankfurt and the Rhine-Main metropolitan region remain very robust, with strong take-up figures particularly in the logistics segment, but also in the Frankfurt office market. On the downside, ongoing global conflicts continue to disrupt trade and energy flows, keeping inflationary pressure elevated for the time being. As a result, further increases in key interest rates and higher financing costs cannot be ruled out.

A particularly positive factor is the pipeline of investment opportunities, which is significantly larger than a year ago. There are clear indications that transactions above the €100 million mark could once again be completed before year-end, potentially sending a positive signal to the wider market. Commercial investment volume should benefit from this and continue its moderate upward trend beyond the end of the year.



Investment market data

	Q1-Q3 2025	Q1-Q3 2026	CHANGE
Total (€m)	551	839	+52.1%
Portfolio share	21.4%	0.9%	-20.5%pts
Share above €100 million	0.0%	0.0%	+0.0%pts
Office share	42.3%	57.2%	+14.9%pts
Share of city locations	33.0%	38.4%	+5.4%pts
Share of foreign investors	36.4%	36.8%	+0.4%pts

NET PRIME YIELDS	Q1-Q3 2025	Q1-Q3 2026	CHANGE
Office	4.50%	4.60%	+10bps
Retail	3.75%	3.85%	+10bps
Logistics	4.40%	4.70%	+30bps



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