

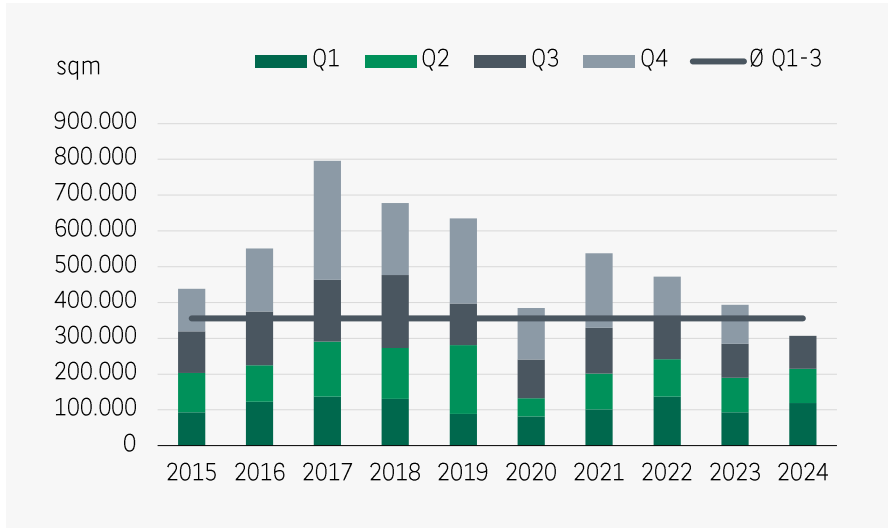


FRANKFURT

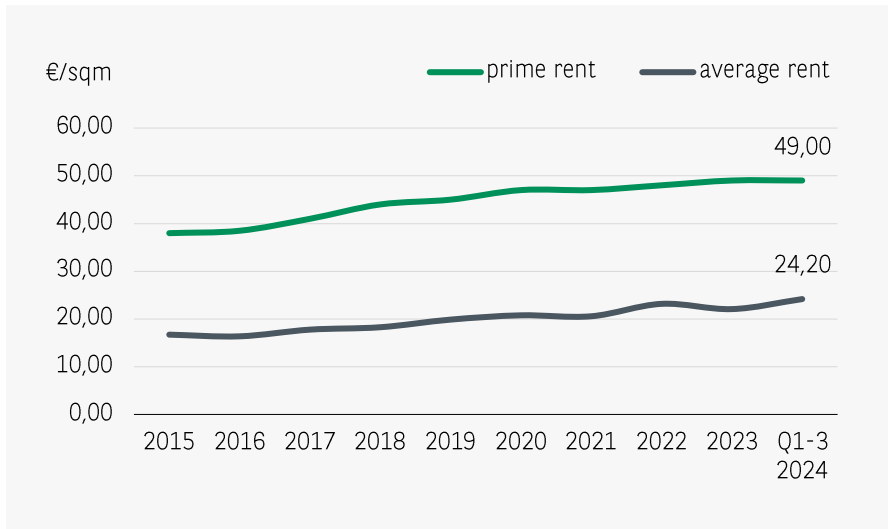
REPORT OFFICE MARKET

Q1-3 2024

Development of take-up



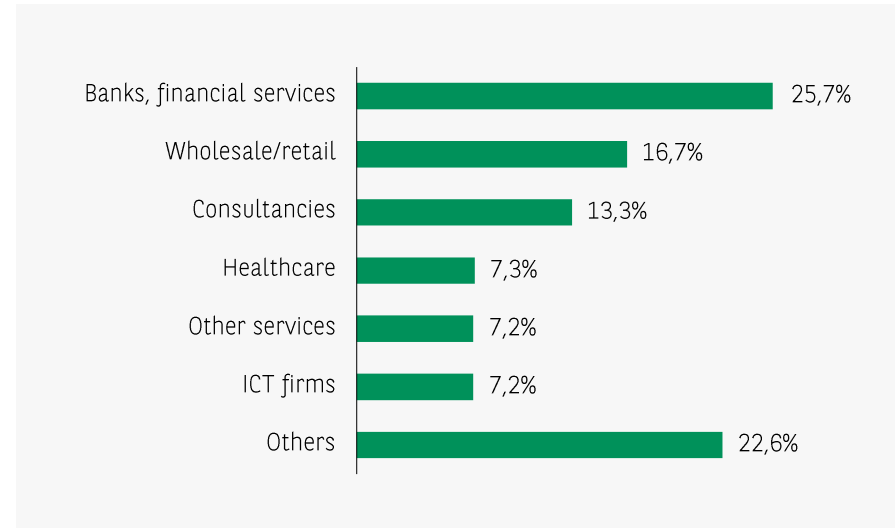
Prime and average rents



8% MORE TAKE-UP AND A SMALLER GAP TO THE TEN-YEAR AVERAGE COMPARED TO OTHER CITIES

- Even though the Frankfurt office market was not yet able to match the above-average interim results from the years up to 2022 in the first three quarters of 2024, the overall improvement in market sentiment is reflected in the year-on-year increase in take-up. With take-up of around 307,000 m² (gif market area: 258,000 m²), the current result therefore surpasses last year’s result by around 8% and the deviation of only -14% from the long-term average was also low when comparing the German top office markets. With the current result, Frankfurt is also the only market which performs above the 5-year average. Overall, the Main metropolis ranks just ahead of Hamburg (301,000 m²) and thus in third place behind Munich (444,000 m²) and Berlin (421,000 m²).
- The analysis of take-up distribution illustrates the increasing location sensitivity on the occupier side in favor of central or well-connected Frankfurt office locations. In this context, the city center submarkets alone account for around 45% of the overall result. The banking district (73,000 m²) is at the top of the submarket overview, benefiting in particular from the ECB’s major deal for almost 37,000 m². However, the inner city also made a significant contribution to take-up with a total of 46,300 m², whereby the Sparkasse’s 7,200 m² owner occupation deal should be mentioned in the large-volume segment. Outside the city boundaries, the large letting to the cosmetics company Cosnova of almost 16,000 m² in Sulzbach is also worth mentioning.
- The high demand, particularly for premium space and ESG-compliant fit-out, is reflected in the stable high level of the prime rent at €49.00/m². The average rent was listed at a high €24.20/m² at the end of September.

Take-up by sector Q1-3 2024



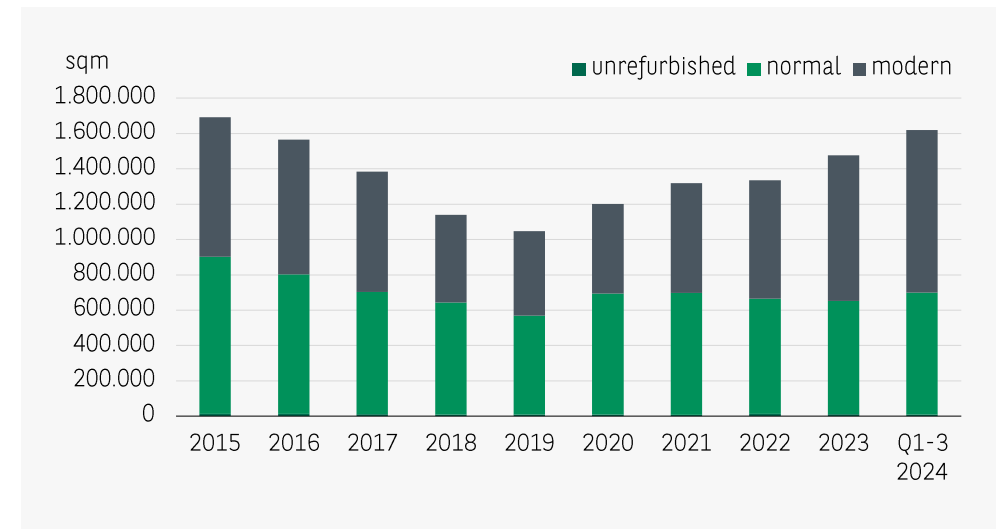
Major contracts Q1-3 2024

Quarter	Sub-market	Company	sqm
Q1	1.1	ECB	36,800
Q1	5.1.3	Cosnova	15,600
Q2	1.3	Frankfurter Sparkasse	7,200
Q3	3.1	Frankfurt School of Finance	6,700
Q3	4.1	BRD - Finanzagentur	5,800
Q1	4.7	Air Liquide Global E&C Solutions Germany	5,000

BANKS, RETAIL AND CONSULTANCIES LEADING IN TAKE-UP

- In the overview of the most active demand groups, three sectors stand out, each of which played a decisive role in market activity with shares of more than 10% in the running year. While the traditionally strong financial sector, driven by the ECB's major deal, led the way with almost 26% market share, the retail sector achieved a very high volume by long-term standards (just under 17%), not least due to the rental of Cosnova GmbH. Consultancies accounted for a further 13% of take-up.
- Office vacancy has increased by a good 13% year-on-year and currently amounts to 1.6 million m², which in turn implies a stabilization quarter-on-quarter. Also, in the segment of space with modern fit-out quality, an increase of almost 19% had to be recorded in the past twelve months, mainly due to building completions. At 920,000 m², almost 57% of vacancies are therefore in the modern segment. The vacancy rate in both the market area and the more narrowly defined gif area is 10.4%.

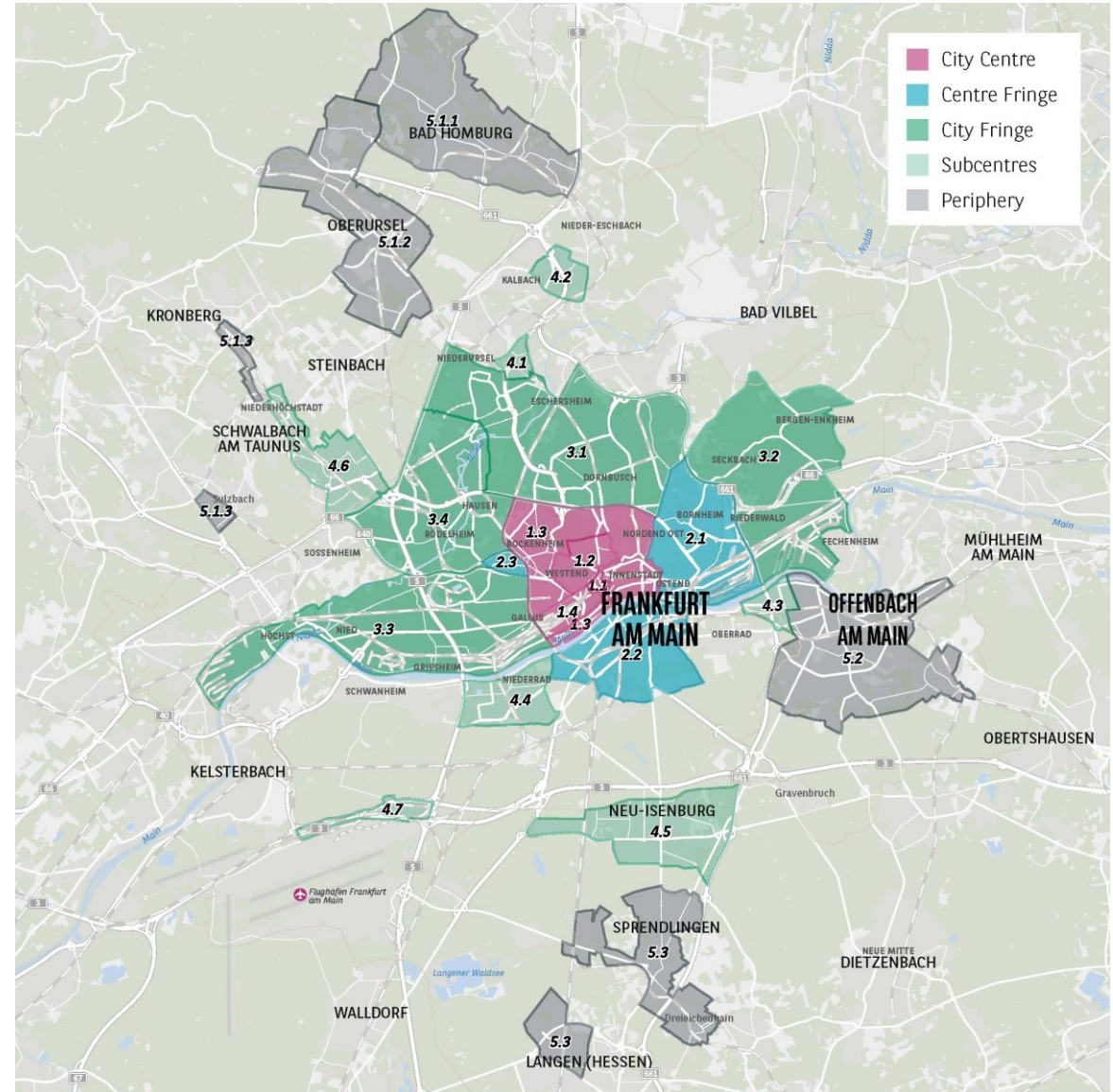
Development of vacant space



OUTLOOK

- Like other German top markets, the Frankfurt office market continued on its recovery path in the third quarter and, at the end of September, recorded constant letting activity overall over the course of the year to date.
- One positive sign here is that in market phases in which large deals are generally less common, contracts for 5,000 m² and above saw above-average growth in the past few months. However, the majority of take-up was generated in the small and medium-sized categories (77% up to 5,000 m²), which is an indication of the broad spectrum of demand.
- In addition, both take-up and vacancy data reflect the currently very heterogeneous development in the various office submarkets. While demand pressure in the most attractive locations remains at a high level, a slight supply surplus is emerging in other predominantly decentralized submarkets.
- At the same time, the persistently challenging conditions for project developments and the planned completions of projects at construction stage are leading to a further decline in construction activity. Modern space available in premium locations in the short term therefore remains scarce which implies that pressure on prime rents will persist high.
- A take-up of around 450,000 m² appears reasonable by the end of the year. Thus, last year's level is expected to be surpassed while the long-term average is likely to be missed again. In terms of prime rents and vacancy levels, sideways movements are expected for the final quarter of 2024.

Office submarkets Frankfurt



Key indicators office market Frankfurt

	PRIME RENT* (€/sqm)		TAKE-UP (sqm)	VACANT SPACE (sqm)			SPACE UNDER CONSTRUCTION (sqm)		SPACE ON OFFER (sqm)	
	from	to	Q1-3 2024	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		49.00	73,000	101,800	97,600	2,800	67,000	67,000	168,800	53,600
1.2 Westend		47.00	14,600	55,300	30,700	0	25,900	17,100	72,400	27,600
1.3 Inner City		45.00	46,300	238,000	172,200	9,500	81,600	23,800	261,800	41,400
1.4 Central Station		25.00	3,500	31,700	12,200	0	0	0	31,700	21,200
2 Centre Fringe	24.00 -	26.00	39,300	174,900	115,600	9,500	56,000	56,000	230,900	0
3 City Fringe	16.00 -	19.50	20,400	151,200	74,600	0	0	0	151,200	4,300
4 Subcentres	13.00 -	26.00	69,900	542,100	305,100	34,200	107,500	60,100	602,200	159,900
Total Frankfurt			267,000	1,295,000	808,000	56,000	338,000	224,000	1,519,000	308,000
5 Periphery	15.00 -	24.00	40,000	325,000	112,000	13,000	24,000	24,000	349,000	160,000
Total			307,000	1,620,000	920,000	69,000	362,000	248,000	1,868,000	468,000
N. B. gif market area			258,000	1,195,000	762,000	56,000	338,000	224,000	1,419,000	296,000

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

** The relevant submarket can be found on our website under „Research“.

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