



Facts and Figures

Office market Frankfurt am Main
2020

“Reliable information is imperative for the success of an enterprise.”

Quote from Christopher Columbus

If you require any further information, please do not hesitate to contact us. We can put you in touch with our specialists who are always happy to provide you with expert support. We look forward to hearing from you!



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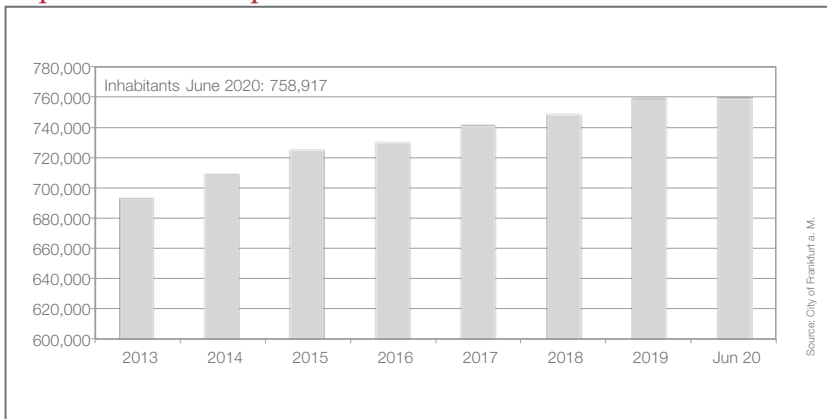
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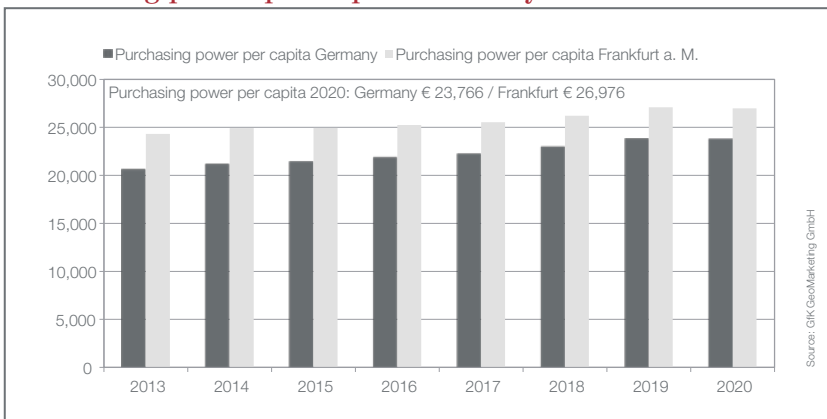
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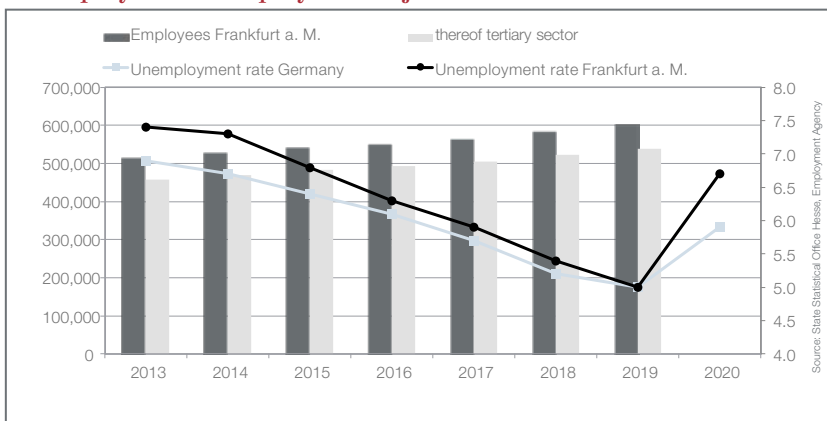
Population development Frankfurt a. M.



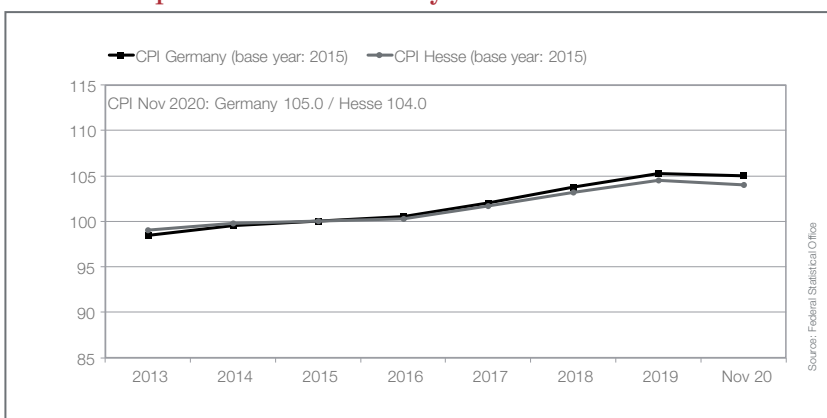
Purchasing power per capita Germany and Frankfurt a. M.



Unemployment / employees subject to social insur. contribution



Consumer price index Germany and Hesse

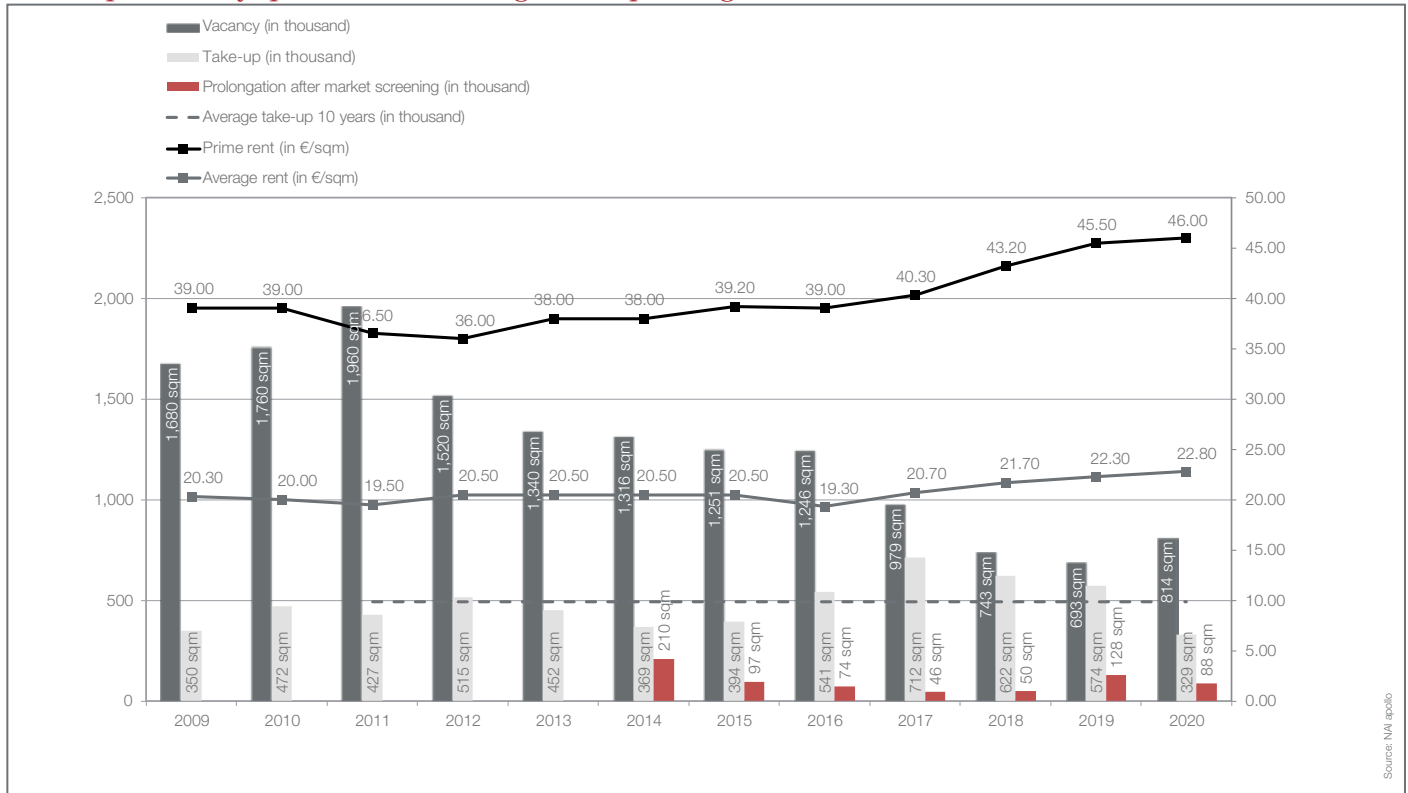


The new coronavirus-related lockdown, which began in November as a 'light version' only for restrictions to be tightened in December 2020, is currently the dominant topic in all spheres of society. Before the latest restrictions were imposed, there had in fact been some signs of improvement. For example, after reaching an annual high of 7.7 % in August 2020, the rate of unemployment in Frankfurt am Main fell back to 7.0 % by December 2020. However, the rate had increased by two percentage points compared to the previous year. The average annual rate was 1.7 percentage points higher than a year ago at 6.7 %. Owing to the current lockdown, we can again expect to see a noticeable increase in the number of those unemployed.

According to the most recent survey carried out in autumn 2020 by the Frankfurt Chamber of Industry and Commerce (IHK), assessments of the current local economic situation had improved somewhat compared to previous surveys. However, the survey took place before the latest lockdown measures were implemented. These assessments are likely to have worsened again at the turn of the year in view of the tighter measures to contain the spread of COVID-19. This will also apply to the finance, credit and insurance sector, which is a particularly heavy user of office space. In the autumn, a clear majority of companies here provided a significantly more positive assessment of the current situation as well as a much brighter outlook than had previously been the case.

The population also grew year-on-year in the banking metropolis. As of June 2020, the number of residents in Frankfurt increased by 0.9 % to 758,917 compared to the same period of the previous year. However, the momentum has slowed considerably as a result of the more restricted mobility and the related fall in the number of people switching jobs in the first half of the year. The population during this period increased by only 343 people.

Take-up, vacancy, prime rent, average rent, prolongation

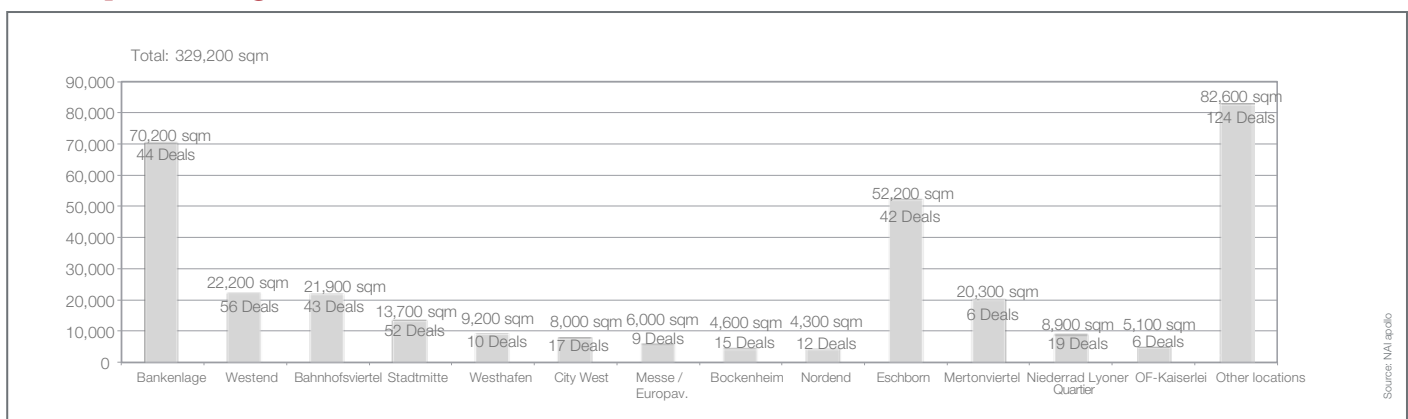


The Frankfurt office market including Eschborn and Offenbach-Kaiserlei ended 2020 on a stronger note after a year that was shaped by the coronavirus and the measures taken to contain it. In the fourth quarter, office space take-up by tenants and owner-occupiers amounted to 121,700 sqm. While take-up was low as expected, falling a whopping 42.0 % below the previous year's level, it was still 33.2 % above the prior quarter. In view of the 'lockdown light' that has been in force since November, followed by the introduction of tougher restrictions in the middle of December, this year-end rally on the Frankfurt office market is a remarkable result.

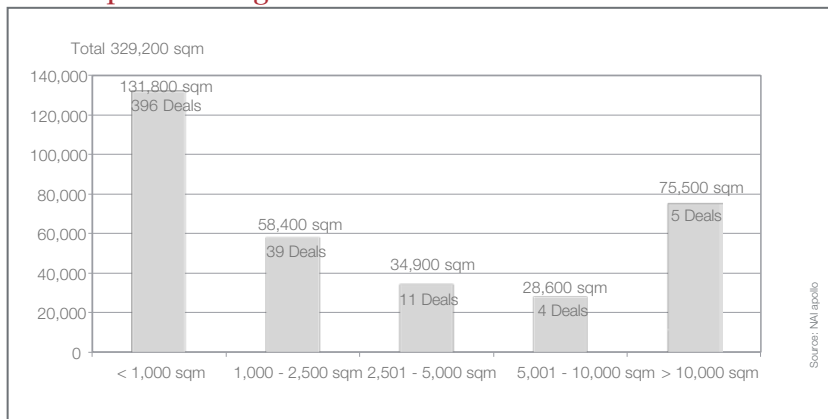
In the year as a whole, take-up reached a total of 329,200 sqm, which was well above the expected 300,000 sqm. However, 2020 goes down in recent history with the lowest take-up volume since 2004 (327,000 sqm). Last year's result was also 33.3 % below the ten-year average (approx. 494,000 sqm) while also the number of contract signings was well below last year's level with 455 (2019: 646).

The practice of renewing existing leases after active market searches was of greater relevance in the fourth quarter, accounting for around 88,000 sqm at the end of the year.

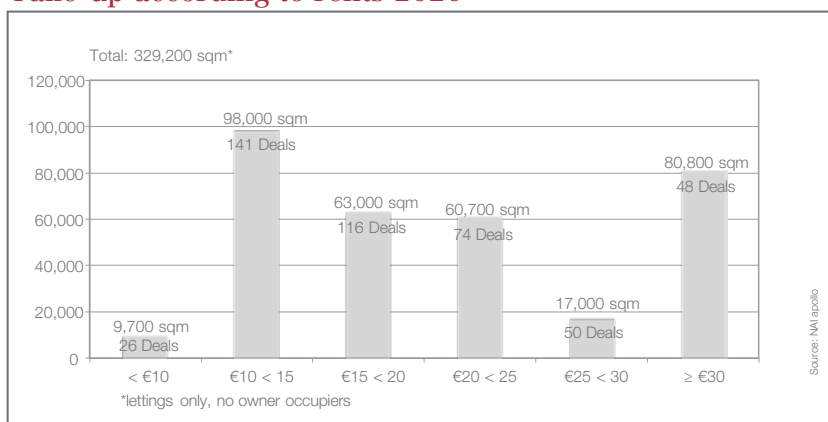
Take-up according to location 2020



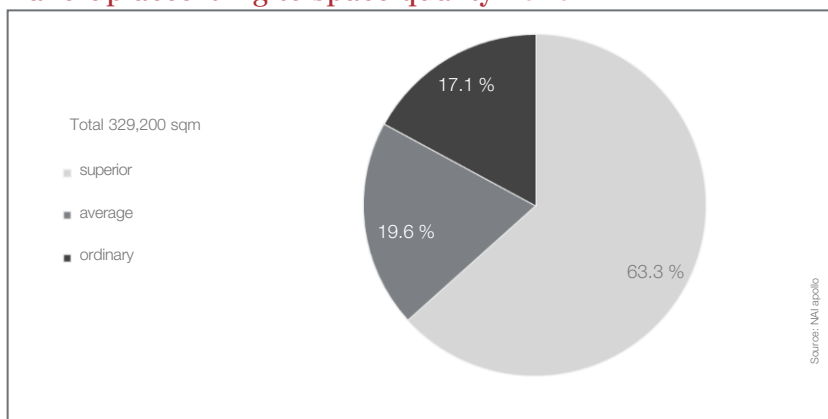
Take-up according to unit size 2020



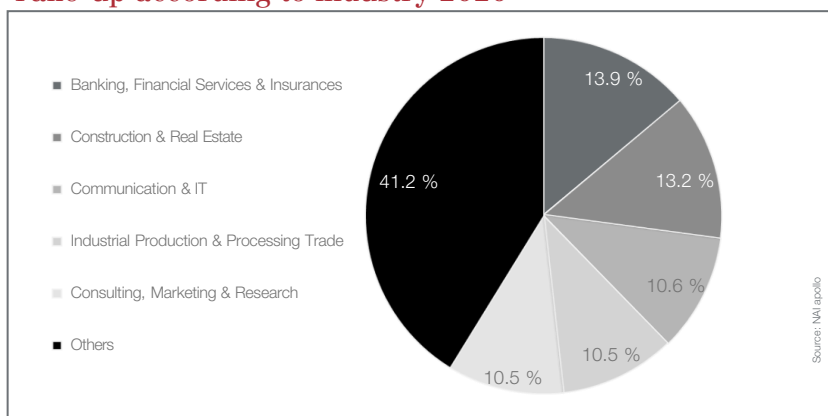
Take-up according to rents 2020



Take-up according to space quality 2020



Take-up according to industry 2020



As in the first three quarters of the year, the significance of sub-1,000 sqm deals was also apparent in recent months in terms of the distribution of take-up by the size of rented spaces. At the same time, fewer deals for large spaces were registered. As a consequence, small lettings dominated take-up activity last year with a market share of 40 %. At the same time, total take-up in this category fell by around a third year-on-year to 131,800 sqm. The other segments also registered declines of between 19.9 % and 59.4 %.

In the fourth quarter of the year, two major deals above 10,000 sqm were recorded. These included the rental of 17,600 sqm of office space by Samsung Electronics Holding in 'Eschborn Gate' on Frankfurter Straße in Eschborn. In addition, the state of Hesse secured 17,000 sqm for the police in 'MC 30' at 30 Marie-Curie-Straße.

In an industry comparison, companies from the "construction & real estate" sector gained market importance as a result of a large number of lease signings in the fourth quarter, achieving a market share of 13.2 % with take-up of 43,400 sqm. However, "banking, financial services & insurances" remained in first place with take-up of 45,800 sqm and a 13.9 % market share.

Further deals in the banking district underline the central importance of the CBD for the Frankfurt office market. Take-up of 160,100 sqm was recorded here in 2020, and this prime location is responsible for almost half of the total market volume with a 48.6 % share.

Several high-priced signings in the 'FOUR' project as well as in 'TaunusTurm' caused the prime rent to jump 1.1 % year-on-year to €46.00/sqm. Contrary to more pessimistic expectations, the average rent remained stable at €22.80 per sqm at the end of 2020 and is thus 2.2 % higher than in the previous year.

Office Locations Frankfurt a.M. 2020

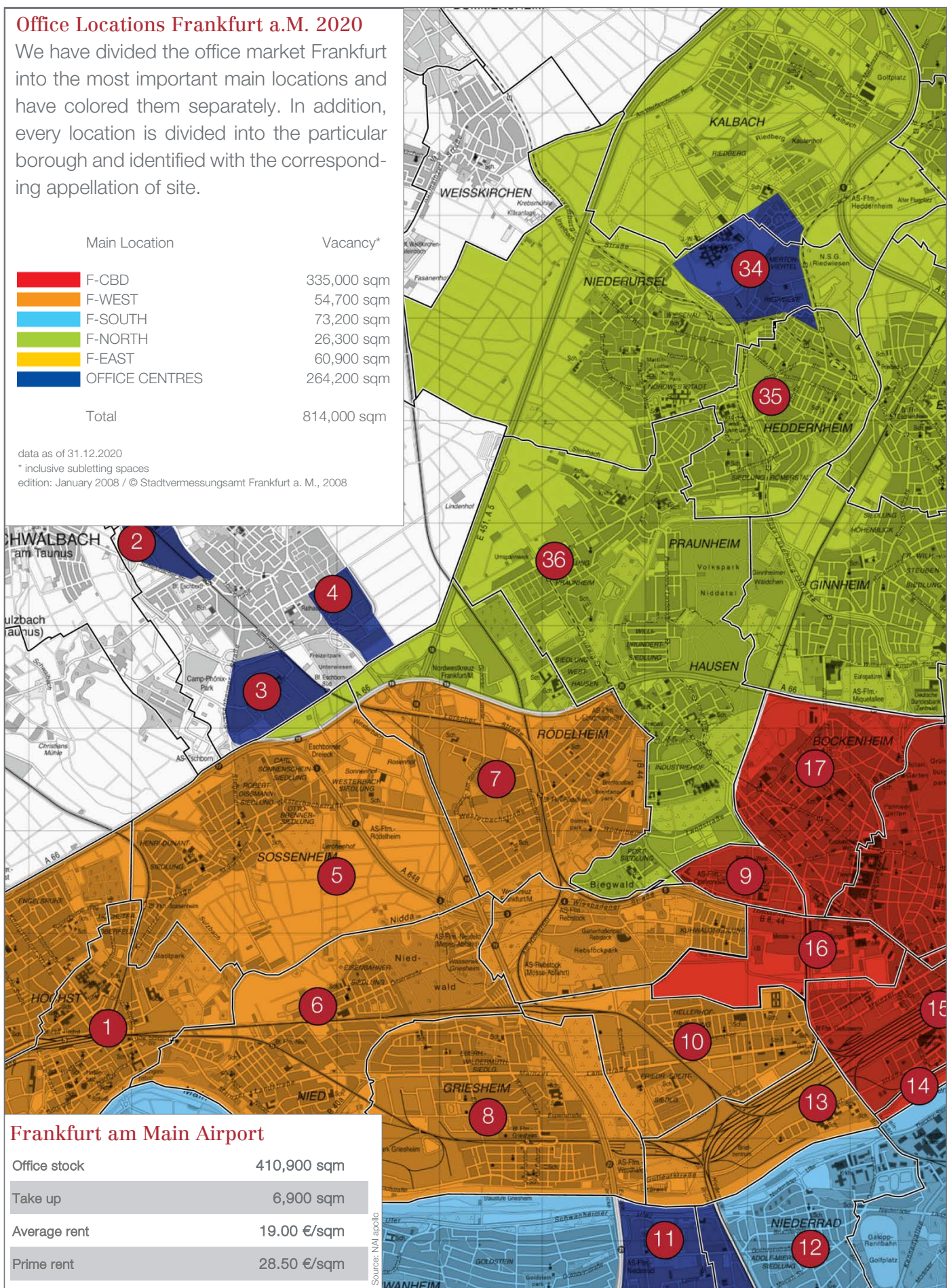
We have divided the office market Frankfurt into the most important main locations and have colored them separately. In addition, every location is divided into the particular borough and identified with the corresponding appellation of site.

Main Location	Vacancy*
F-CBD	335,000 sqm
F-WEST	54,700 sqm
F-SOUTH	73,200 sqm
F-NORTH	26,300 sqm
F-EAST	60,900 sqm
OFFICE CENTRES	264,200 sqm
Total	814,000 sqm

data as of 31.12.2020

* inclusive subletting spaces

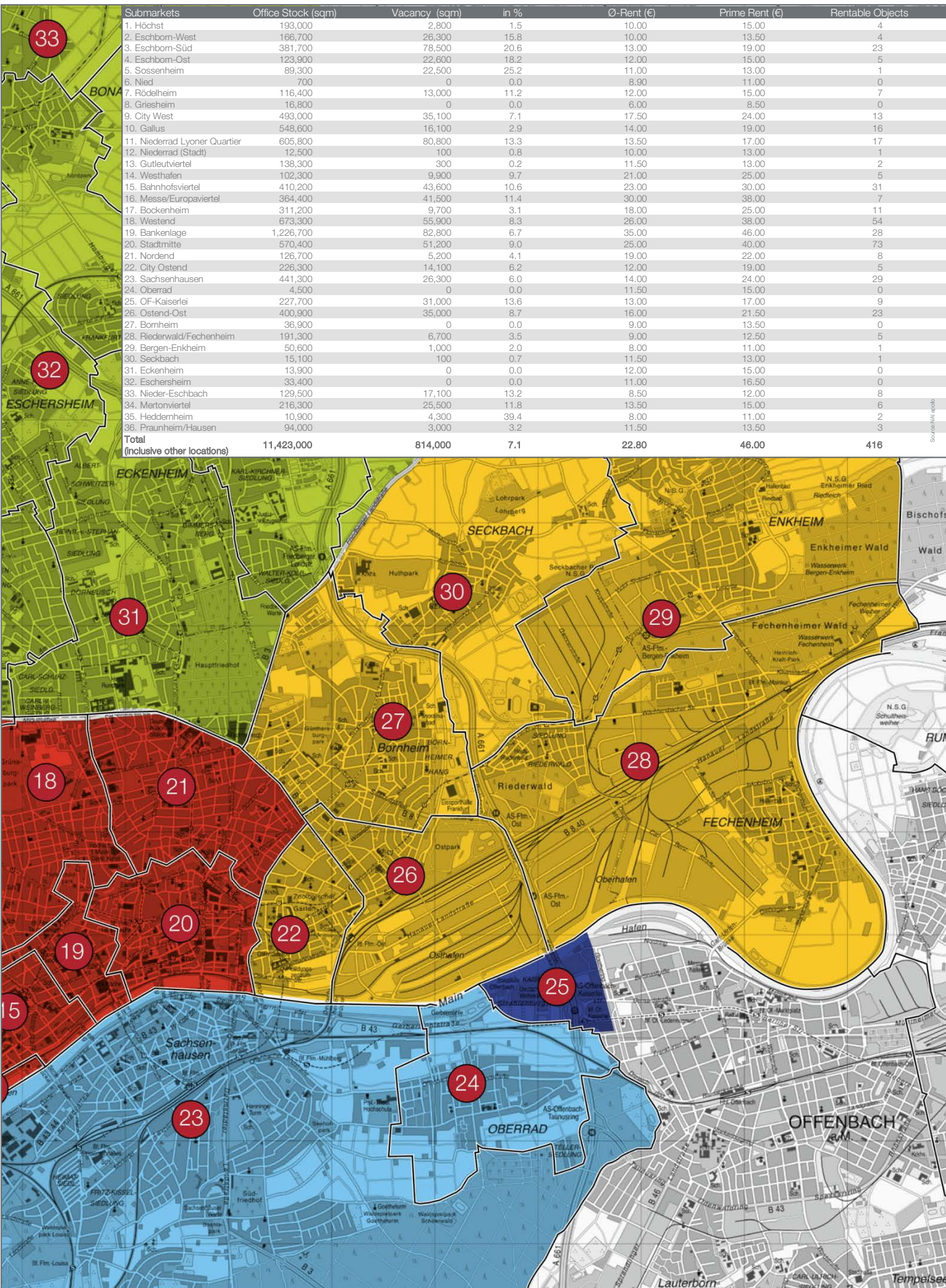
edition: January 2008 / © Stadtvermessungsamt Frankfurt a. M., 2008



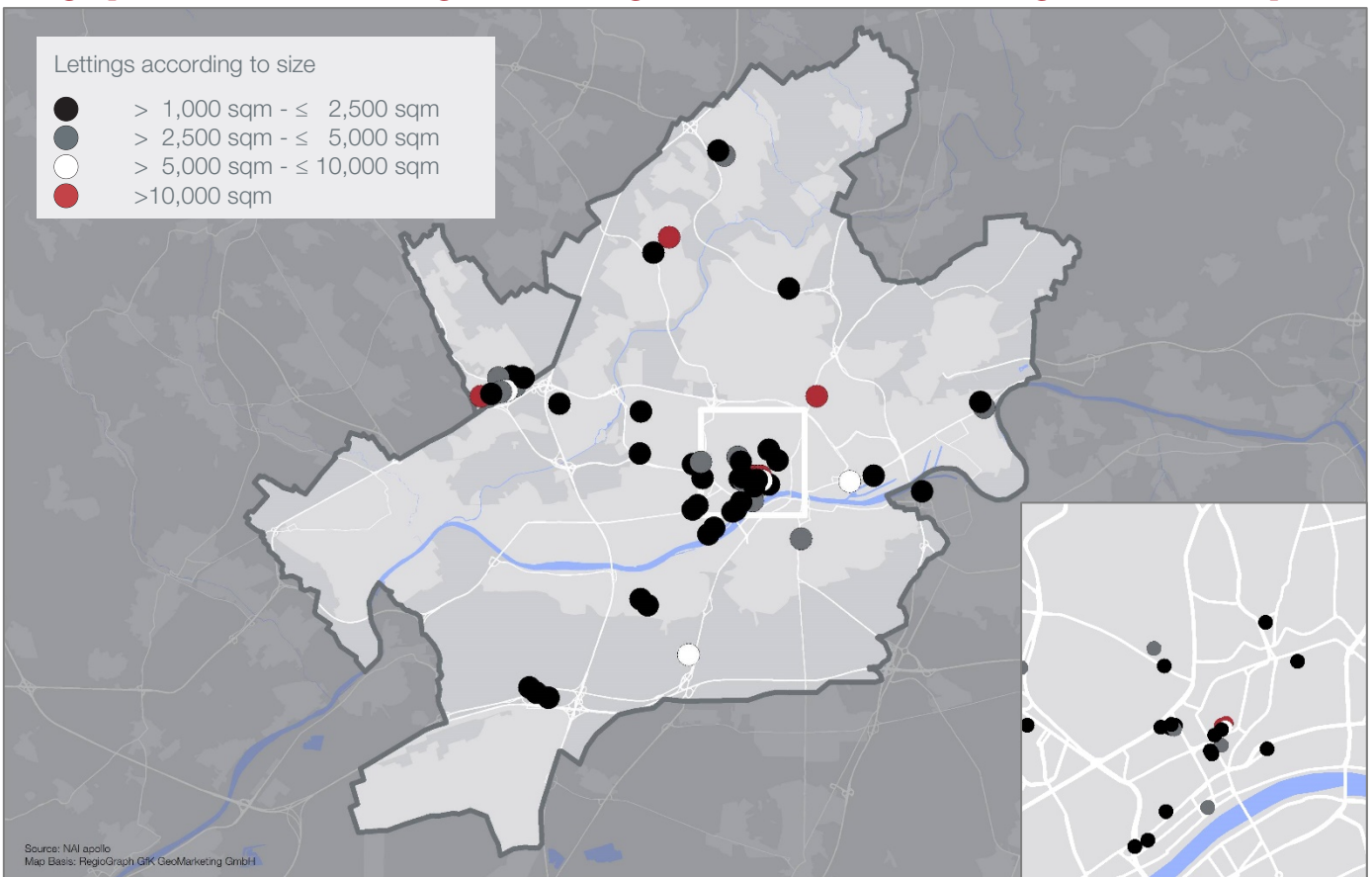
Frankfurt am Main Airport

Office stock	410,900 sqm
Take up	6,900 sqm
Average rent	19.00 €/sqm
Prime rent	28.50 €/sqm

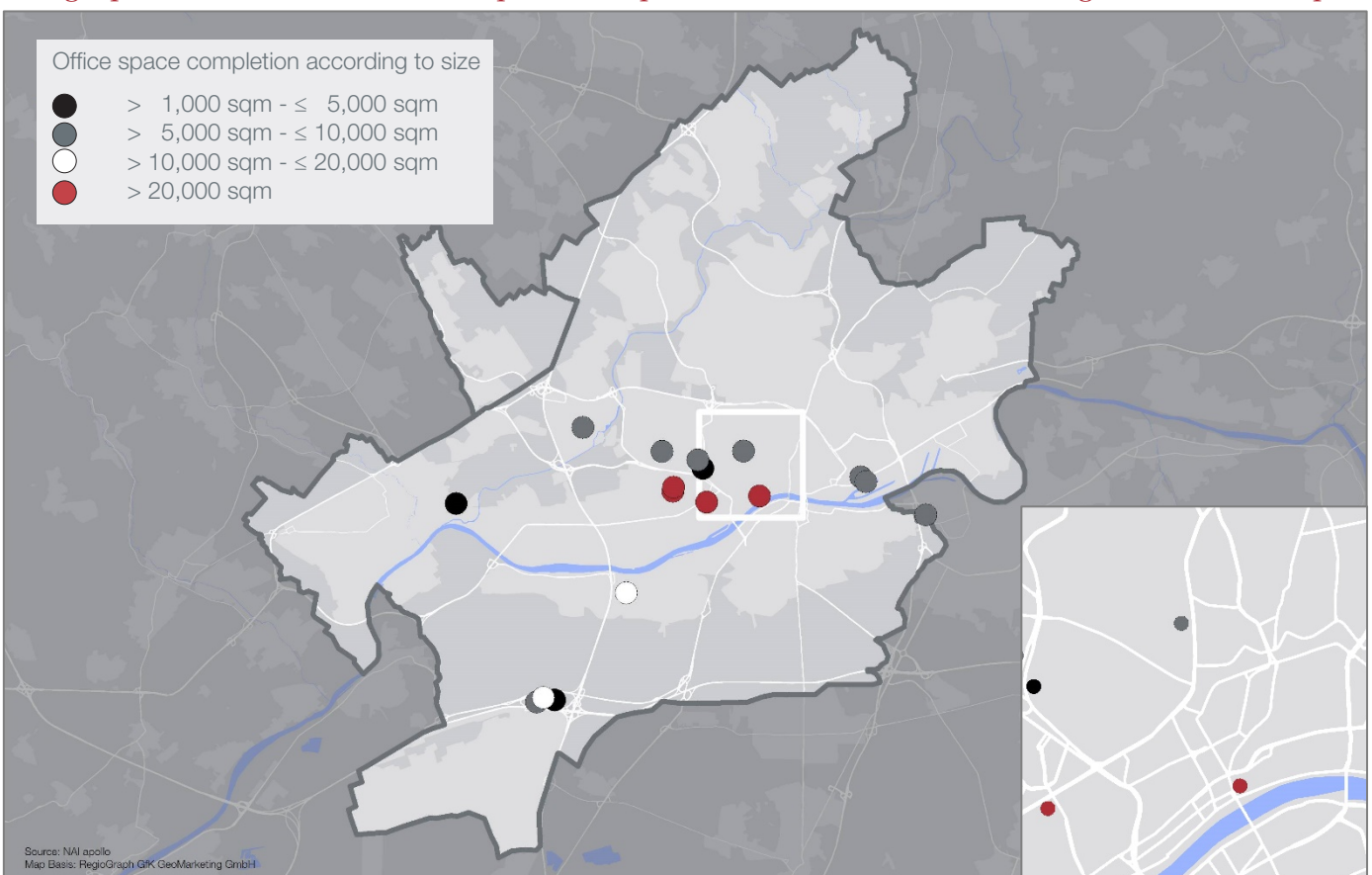
Source: NAI apollo



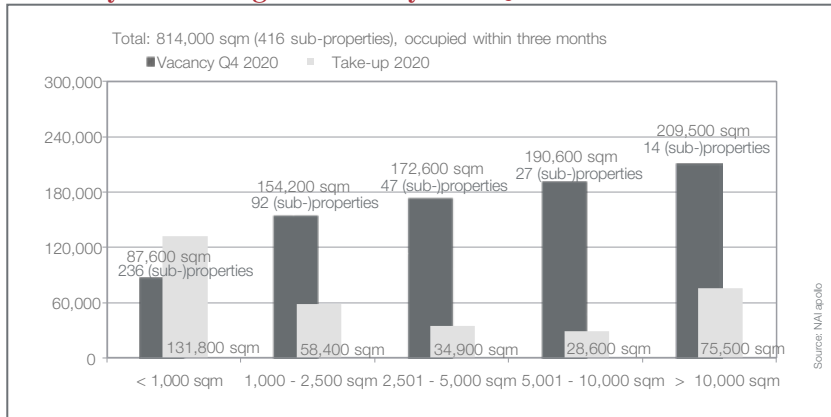
Geographical localisation of large-scale lettings Q4 2020 accor. to size categories (> 1,000 sqm)



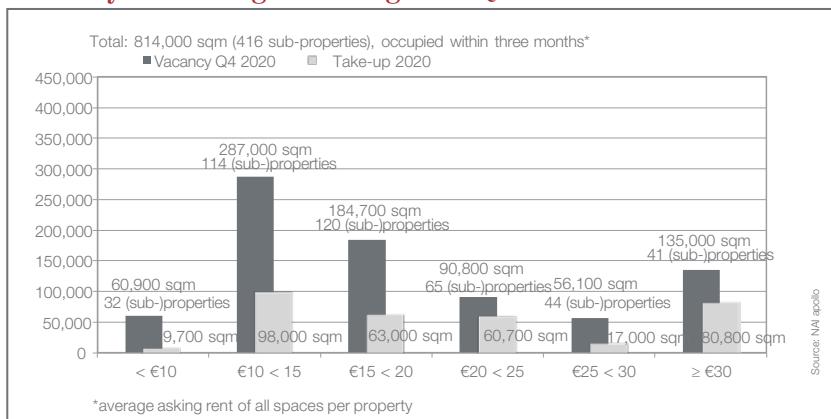
Geographical localisation of office spaces completions 2020 accor. to size categories (> 1,000 sqm)



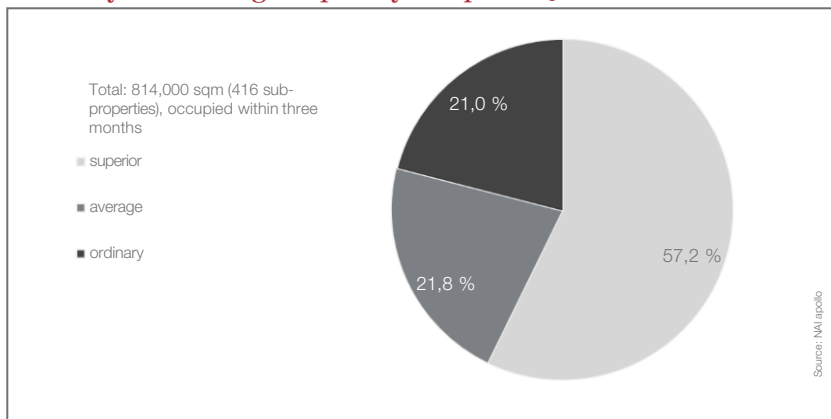
Vacancy according to vacancy size Q4 2020



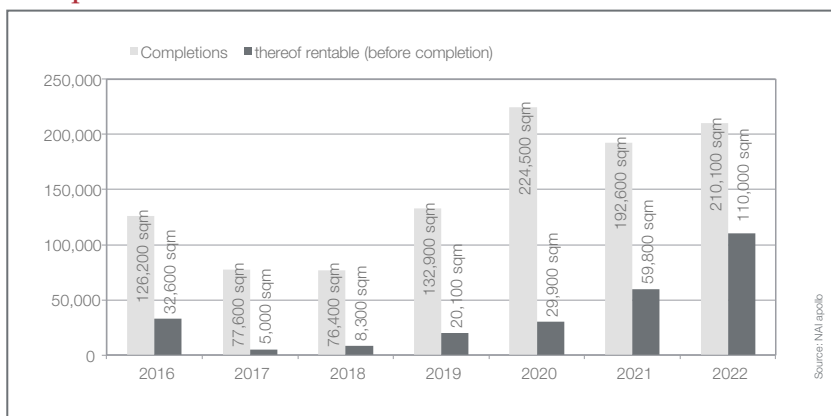
Vacancy according to asking rent Q4 2020



Vacancy according to quality of space Q4 2020



Completions

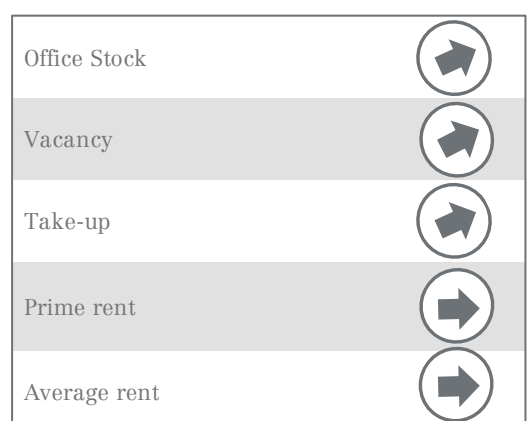


In Q4 2020, office properties with total space of 106,700 sqm were completed in the Frankfurt market area. Only 7.4 % of this space is still available. For 2020 as a whole, the volume of completions amounts to 224,500 sqm, with a pre-letting rate of 86.7 %. Recent completions include offices for Deutsche Bahn in the “DB Tower” and “DB Brick” as well as the “Grand Central”. In contrast, the amount of space that was removed from the office market in Q4 totaled 94,000 sqm. Worth noting here is the conversion of 68,000 sqm of office space in Mertonhaus into residential space. On balance, total office stock at the turn of the year amounts to 11.423 m. sqm.

As expected, market-active vacancies on the Frankfurt office space market — that is, office space that can be occupied within three months of signing the lease contract — continued to rise in the period from October to December. Vacancies amounted to 814,000 sqm at the end of 2020, which corresponds to a vacancy rate of 7.1 %. The rate not only increased by 0.2 %-points from the previous quarter, but also rose by 1.0 %- points compared to the previous year. Some 59,200 sqm of vacancies relate to sublet space, which is responsible for 7.3 % of total vacancies.

A partial normalisation of lettings activity can be expected this year, most likely from the second half of the year. The economic consequences of the coronavirus crisis, which will be exacerbated by the second lockdown, will leave further traces on the market and will particularly affect vacancy rates.

Outlook next 12 months



Market Data Surroundings of Frankfurt Average and Prime Rents



Source: NAI apollo

Map Basis: RegioGraph GfK GeoMarketing GmbH

On the basis of 4,452 offers (01/2020 - 12/2020)

empirica-systeme Marktdatenbank

Cities

Office space, vacancy, prime rent, average rent 2020

	Office Space (in m. sqm)	Take-Up (sqm)	Vacancy (in %)	Prime rent (€/sqm)	Average rent (€/sqm)
Berlin	19.10	725,000	2.3	40.50	28.10
Dusseldorf	7.42	239,000	7.1	28.50	15.70
Frankfurt a. M.	11.42	329,000	7.1	46.00	22.80
Hamburg	13.94	338,000	3.3	30.50	17.40
Munich	20.72	562,000	3.4	39.50	21.40

Source: NAI Apollo

Prime yields Q4 2020

	Prime office yields	Prime retail yields	Prime logistics yields
Berlin	2.60 %	2.90 %	3.40 %
Dusseldorf	3.00 %	3.25 %	3.45 %
Frankfurt a. M.	2.80 %	3.15 %	3.40 %
Hamburg	2.80 %	3.10 %	3.40 %
Munich	2.65 %	2.90 %	3.35 %
Total	Ø = 2,80%	Ø = 3,05%	Ø = 3,40%

Source: NAI Apollo

Frankfurt a. M.

Top take-up 2020

Property + Location	Tenant / Owner Occupier	Leased area in sqm
Eschborn Gate, Frankfurter Straße 2-8 / Eschborn-South	Samsung Electronics Holding	17,600
MC 30, Marie-Curie-Straße 30 / Mertonviertel	LBIH / Police	17,000
Four - T1, Neue Schlesingergasse / Banking district	DekaBank	16,000
Four - T1, Neue Schlesingergasse / Banking district	Freshfields Bruckhaus Deringer	14,600
Hungener Straße 6 / Bornheim	Frankfurt University of Applied Sciences	10,300

Source: NAI Apollo

Top investments 2020

Property + Location	Purchaser	Purchase Price in €*
Silberturm, Jürgen-Ponto-Platz 1	Imfarr / SN Beteiligungen Holding AG	approx. €630,000,000
Grand Campus (Trading Center), Mainzer Landstraße 151-157	Aminius (Junson Capital)	approx. €500,000,000
Deka Office Hub, Lyoner Straße 13	DIC / GEG	approx. €390,000,000
Maro, Neue Mainzer Straße 74/80	Luwin Real Estate Managers	approx. €200,000,000
Frankfurt Airport Center (FAC), Hugo-Eckener-Ring 1	Covivio	approx. €200,000,000 (share)

Source: NAI Apollo; *partly estimated

**ONE PARTNER. ALL SERVICES. ALL ASSET CLASSES.
OFFICE - RETAIL - LOGISTICS - RESIDENTIAL**

ASSET MANAGEMENT

VALUATION AND RESEARCH

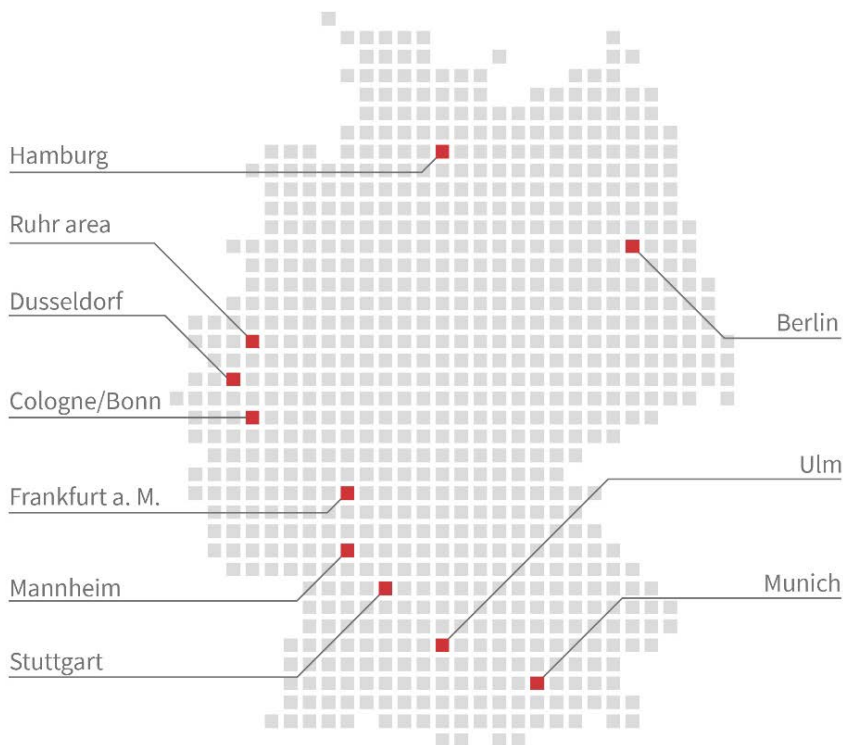
CORPORATE FINANCE ADVISORY

CORPORATE REAL ESTATE SERVICES

HEALTH CARE

SALES

LETTING



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PARTNER ACTIVE IN DAY-TO-DAY BUSINESS

MORE THAN 30 YEARS OF MARKET EXPERIENCE

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LOCAL - NATIONAL - TOP NETWORK

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