



Facts and Figures

Office market Frankfurt am Main
Q3 2022

“The essence of knowledge is, having it, to apply it.”

Quote from Confucius

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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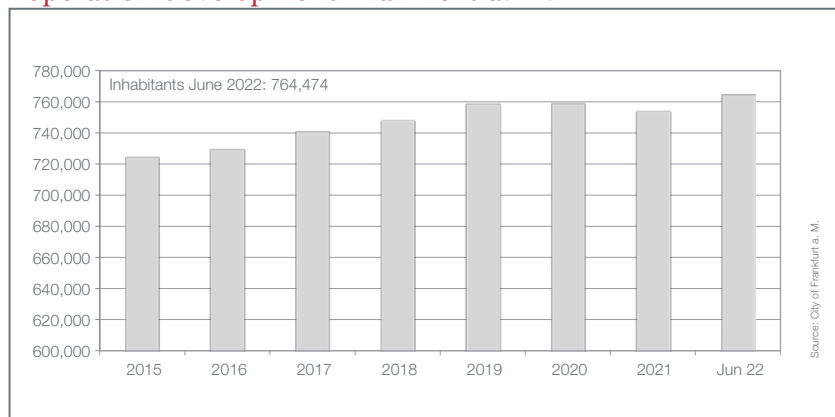
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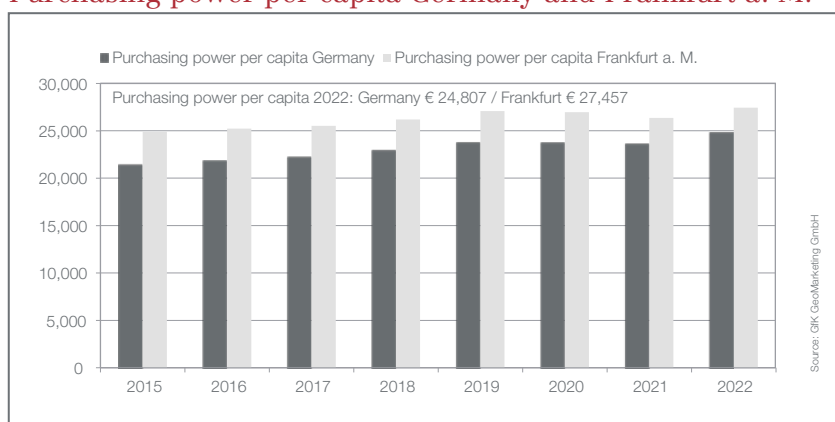
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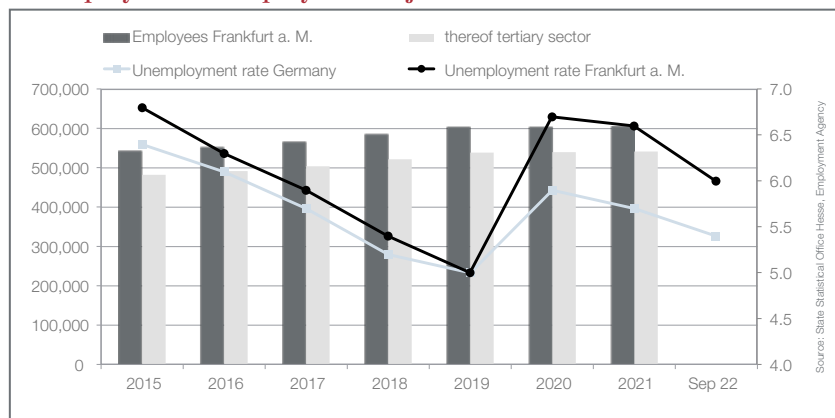
Population development Frankfurt a. M.



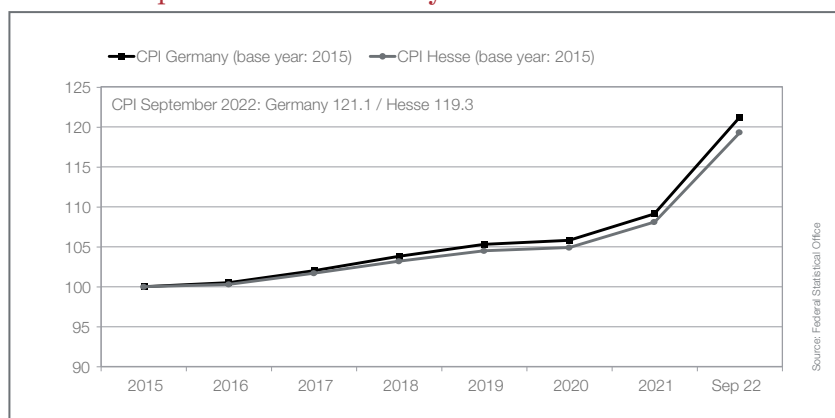
Purchasing power per capita Germany and Frankfurt a. M.



Unemployment / employees subject to social insur. contribution



Consumer price index Germany and Hesse



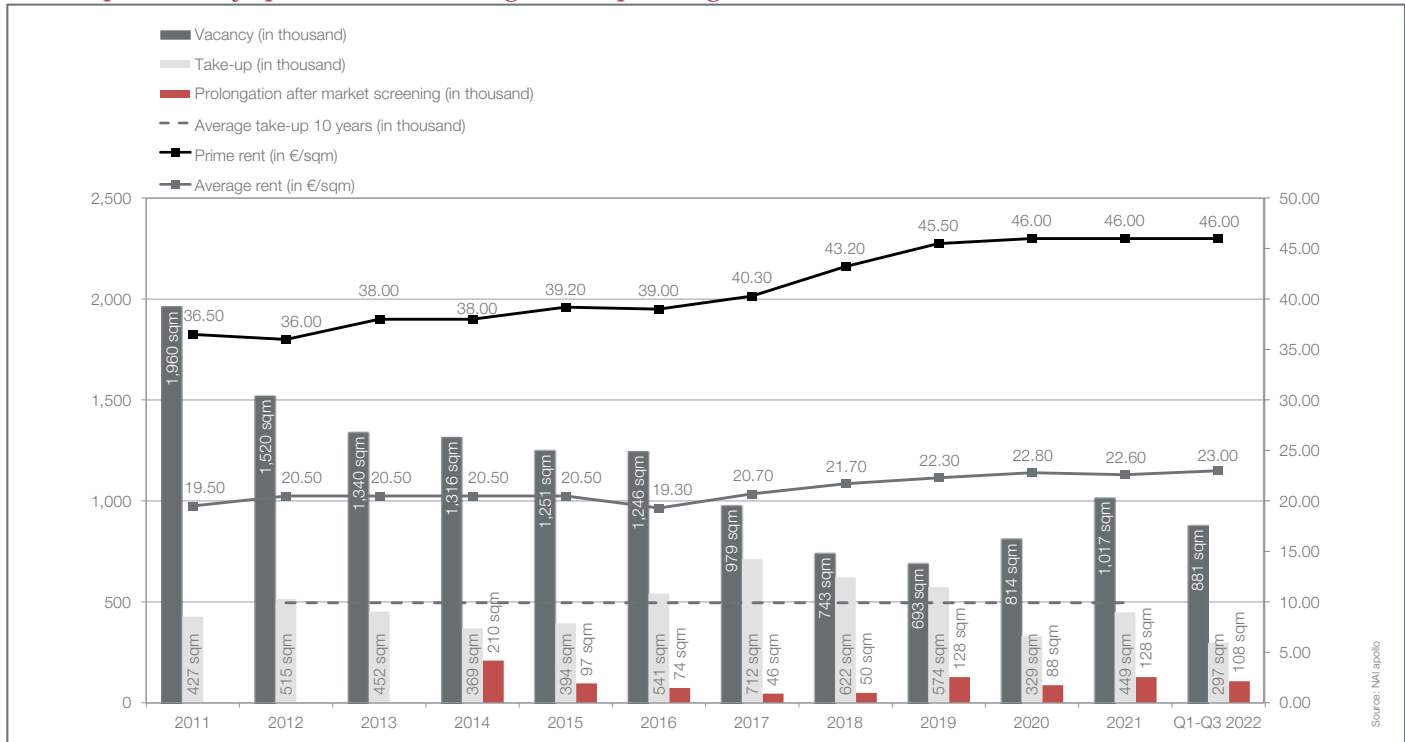
The ongoing war in the Ukraine and the related consequences continue to overshadow economic development in Germany and are also having a negative impact on the Frankfurt economy. As a result, consumer price inflation rose to a record level of 9.4 % in Hesse (10.0 % in Germany) in September, driven by high energy and food prices. Recent price growth has also prompted the economic institutes to raise their joint inflation forecast to 8.4 % for 2022.

The issues surrounding energy security, delivery bottlenecks and the renewed increase in coronavirus case numbers are causing persistent economic uncertainties and placing further burdens on future economic development. Latest GDP forecasts still predict weak growth of 1.4 % for 2022, but anticipate a recession for 2023 with a decline of 0.4 %.

Despite the economic challenges, the unemployment rate in Frankfurt fell by 0.1 %-points compared to the previous month to 6.0 % in September 2022. The labour market in the Rhine-Main metropolis therefore remains stable and is 0.3 %-points below the previous year's level. This is also reflected by current registered vacancies, which rose again in September 2022 in Frankfurt and now stand at an overall high level of around 10,400.

The stable employment market indicators, coupled with significantly positive net migration, boosted Frankfurt's population to an all-time high. As of June 2022, the number of inhabitants in the city reached 764,474, an increase of around 10,850 people in the last six months. Of these, around 7,270 new citizens are of Ukrainian origin. This means that robust labour market data and rapid population growth are counteracted by rising inflation and an imminent recession.

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

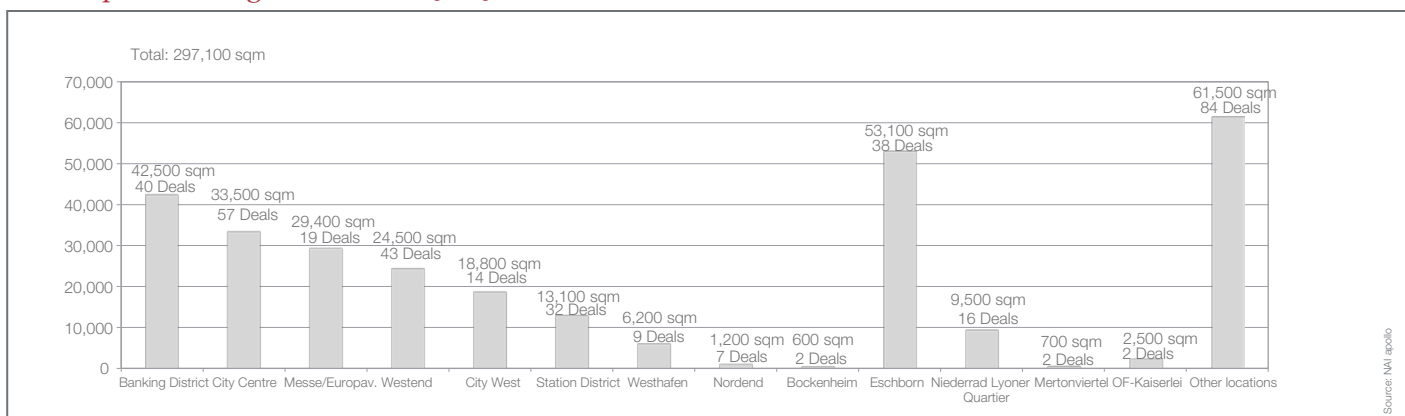


The Frankfurt office market including Eschborn and Offenbach-Kaiserlei continued to register strong take-up growth in the third quarter of 2022. In the past three months, take-up by tenants and owner-occupiers amounted to 106,200 sqm, which is 13 % above the previous year's result. Nevertheless, the figure was still lower than both the medium-term (Q3 2017 – Q3 2021: 131,600 sqm) and long-term average (Q3 2012 – Q3 2021: 123,000 sqm). The recent quarterly performance was boosted by an 18,600 sqm office letting. Without this contract signing, a negative development would have been reported. This downward trend is also evident from the number of deals. While 144 contracts were signed in the third quarter of 2021, the number fell to 129 in the recent quarter.

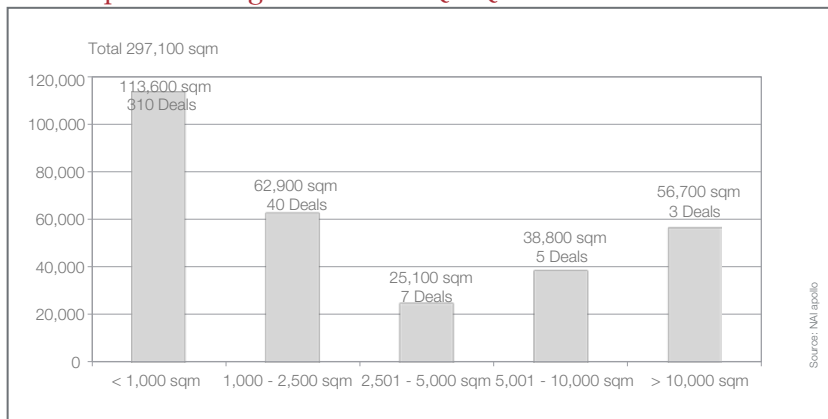
In the first three quarters of the year, total space take-up amounted to 297,100 sqm. Although this is well above the figure for the two previous years, it is below the average for both the last five and ten years. As was the case in the current quarter, the number of deals was lower in the nine-month period, falling by 34 to 365.

Recent market developments have prompted far more office users to renew existing leases following an active exploration of the market. Overall, companies have renewed leases for about 108,000 sqm in the period from January to September, doubling the volume compared to a year previously.

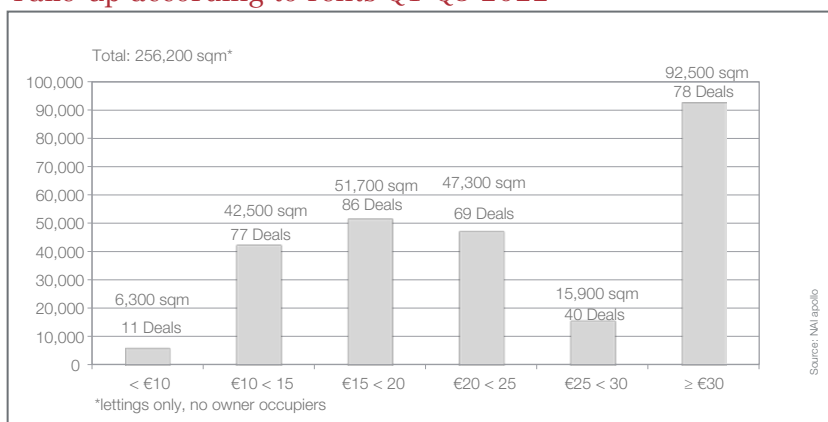
Take-up according to location Q1-Q3 2022



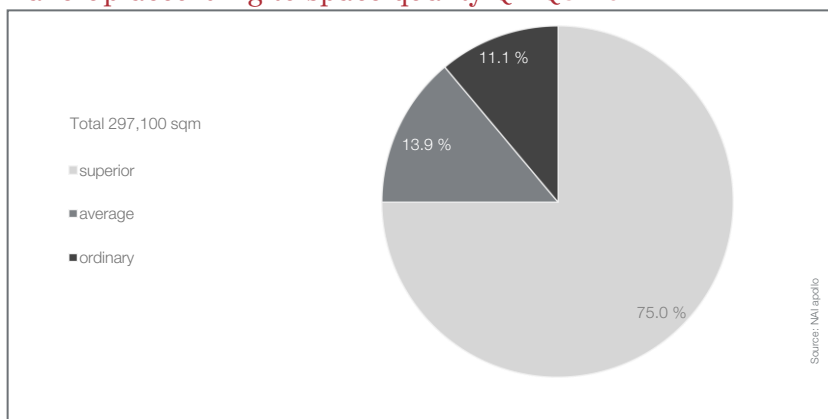
Take-up according to unit size Q1-Q3 2022



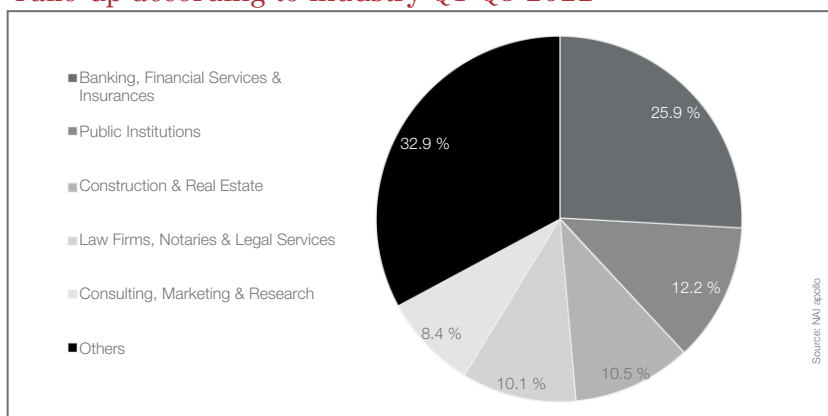
Take-up according to rents Q1-Q3 2022



Take-up according to space quality Q1-Q3 2022



Take-up according to industry Q1-Q3 2022



The increase in take-up in the first nine months was largely owing to contract signings in the 10,000-sqm-plus segment. Here, take-up increased 62 % year-on-year to 56,700 sqm. In addition, the volume increased significantly in the “1,000 – 2,500 sqm” cluster to 62,900 sqm. In contrast, take-up in other size categories was broadly in line with last year.

The biggest deal in the third quarter of 2022, and the second-largest deal in the year to date, is the lease signed by ODDO BHF financial services group for 18,600 sqm of office space at 8, Gallusanlage. Other standout deals in the third quarter include the lease signings by University Hospital Frankfurt, which will occupy 8,200 sqm in Allianz-Kai, and an engineering company for around 6,900 sqm in the ‘Atreem’ project development.

“Banks, financial service providers and insurance companies” remained at the top of the industry ranking, registering 76,800 sqm in the first nine months. The ODDO BHF letting made a significant contribution here, although the financial sector would still have ranked as number one even without this deal. “Public institutions” were next with 36,200 sqm, followed by “construction and property” with 31,300 sqm.

As before, the sub-market with the highest take-up within the Frankfurt office market area is Eschborn with a total of 53,100 sqm in the year to date, mainly owing to the start of an owner-occupier project by GIZ in the first quarter. The second-placed “banking district” significantly extended its lead over other sub-markets with 42,500 sqm.

Rental activity in Q3 2022 primarily took place in existing buildings, causing the average rent to fall slightly to €23.00/sqm compared to the previous quarter. However, the figure has remained stable in an annual comparison. A similar trend was evident with prime rents, which remained unchanged at €46.00/sqm compared to both the previous year and the previous quarter. In the next few months, rents should remain stable at a high level as a result of increased construction costs and a stronger focus on sustainable and therefore more expensive space.

Office Locations Frankfurt a.M. Q3 2022

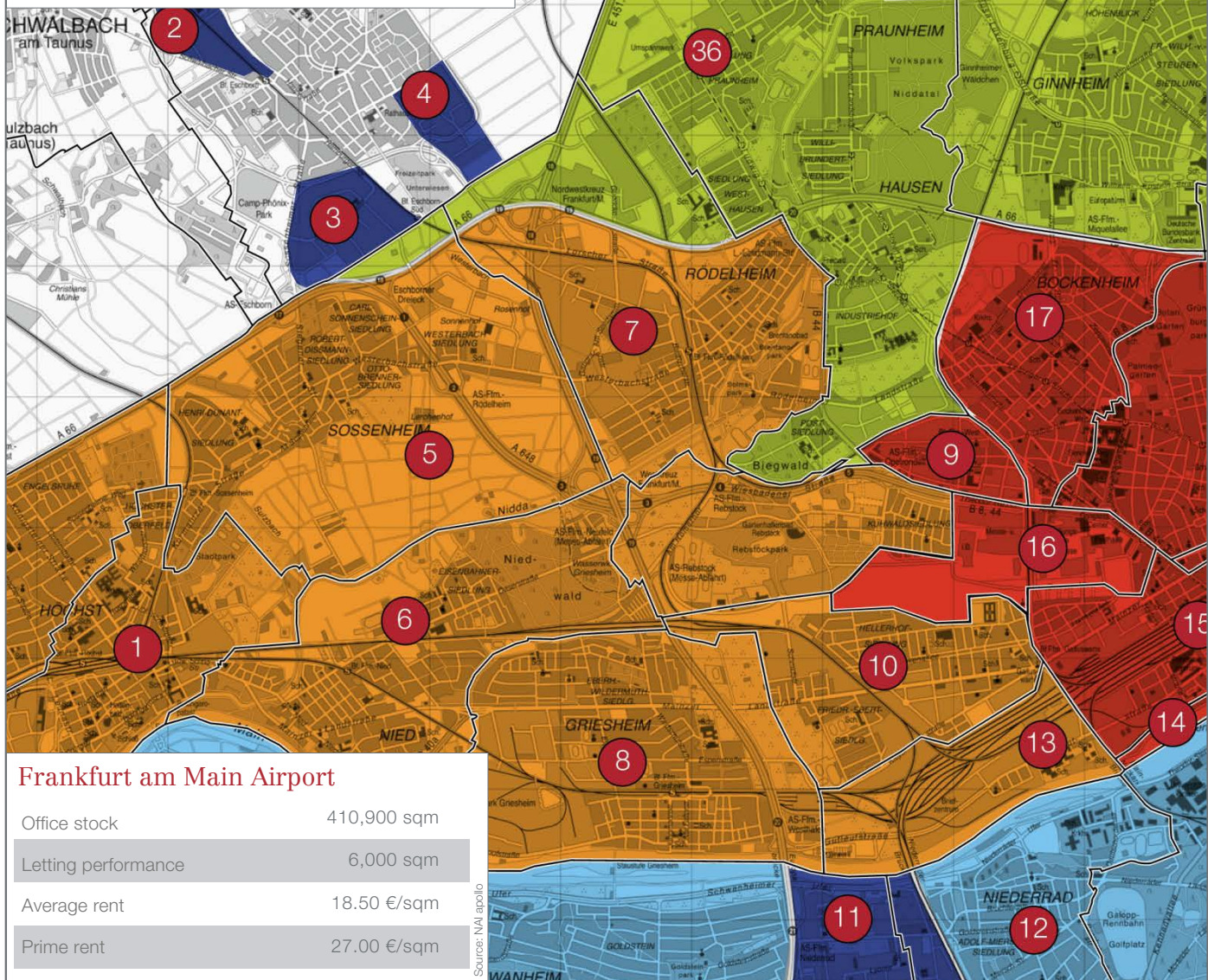
We have divided the office market Frankfurt into the most important main locations and have colored them separately. In addition, every location is divided into the particular borough and identified with the corresponding appellation of site.

Main Location	Vacancy*
■ F-CBD	328,500 sqm
■ F-WEST	73,700 sqm
■ F-SOUTH	98,800 sqm
■ F-NORTH	34,200 sqm
■ F-EAST	65,700 sqm
■ OFFICE CENTRES	280,600 sqm
TOTAL	881,000 sqm

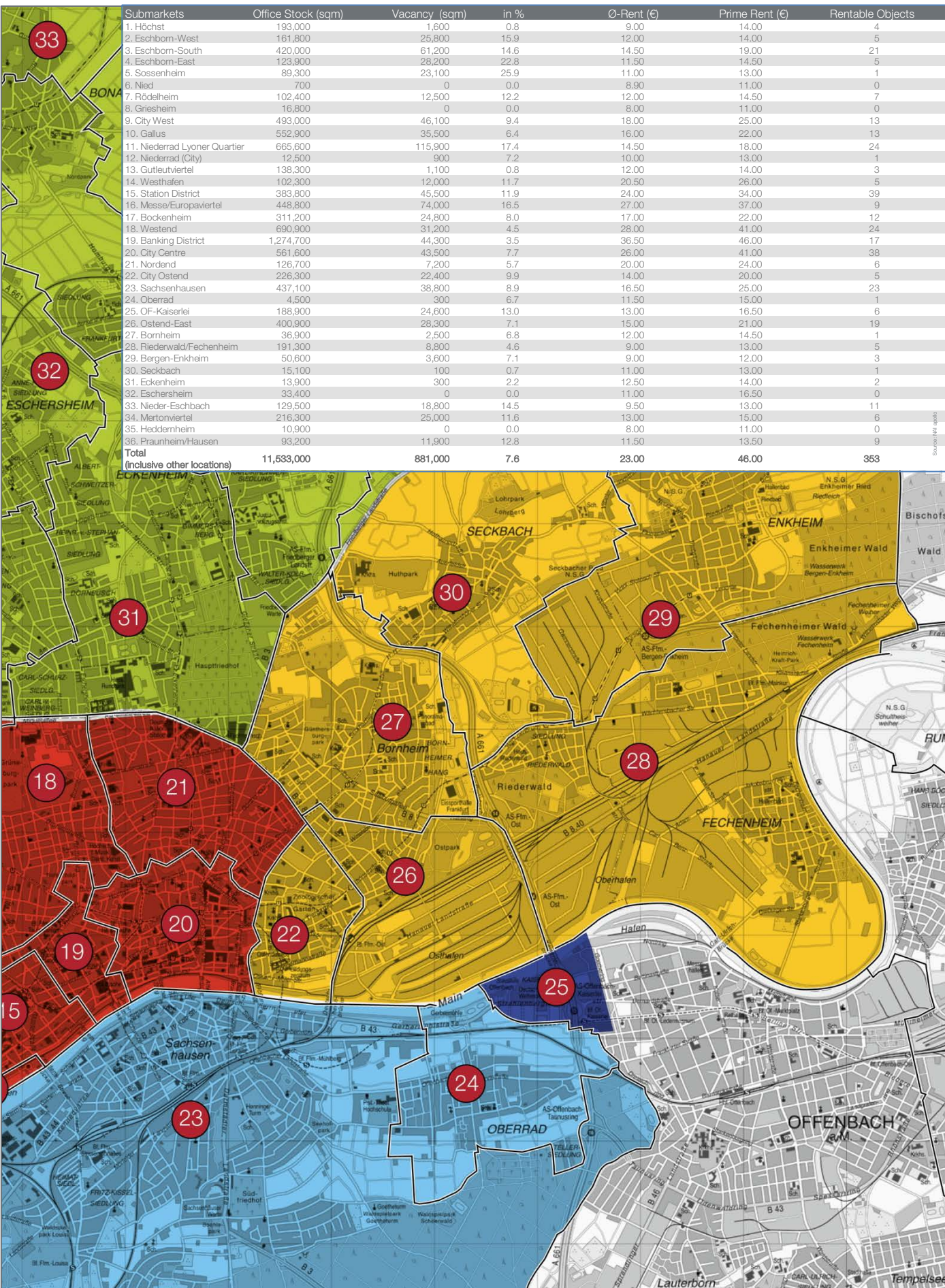
data as of 30.09.2022

* inclusive subletting spaces

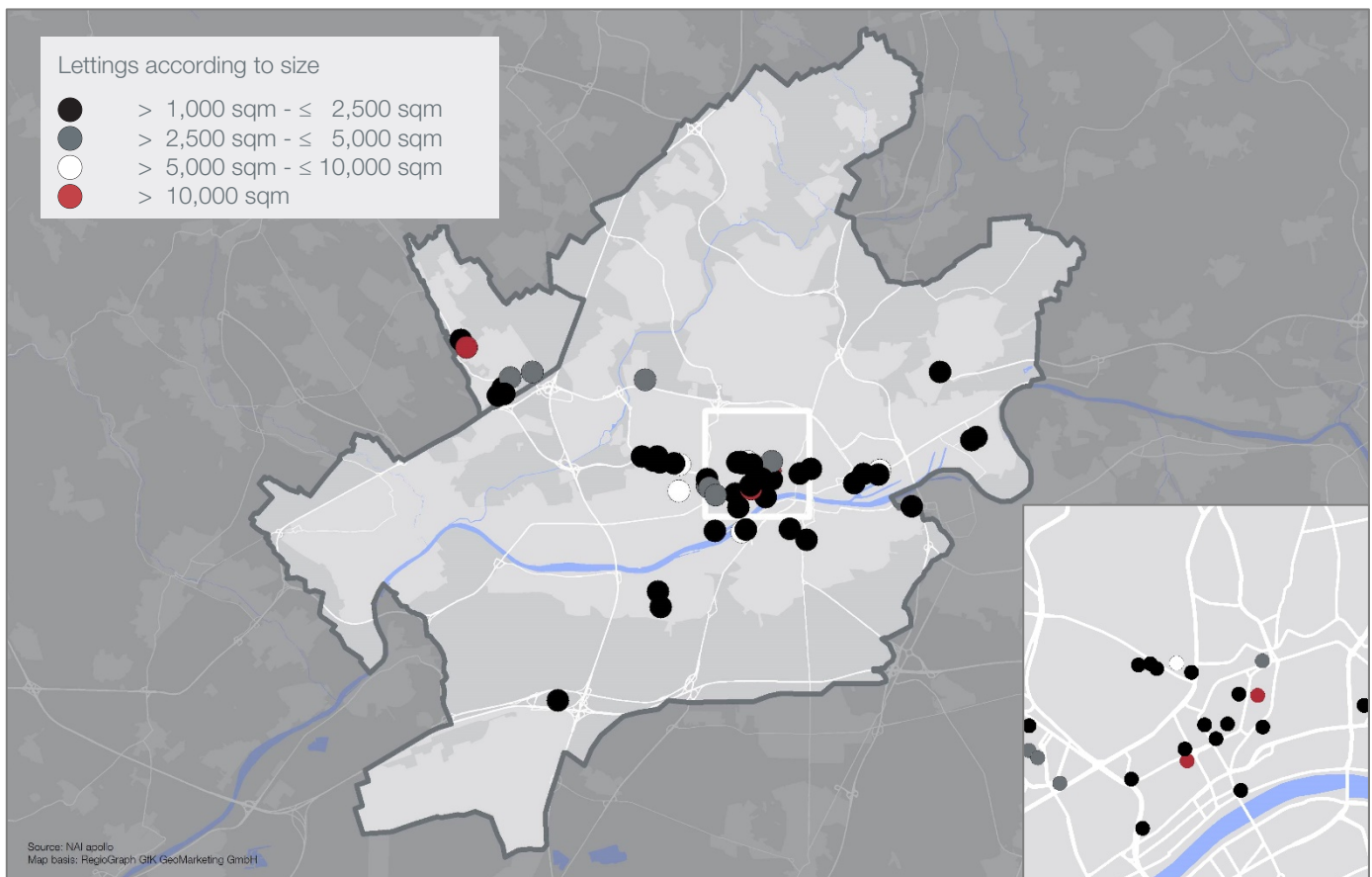
edition: January 2008 / © Stadtvermessungsamt Frankfurt a. M., 2008



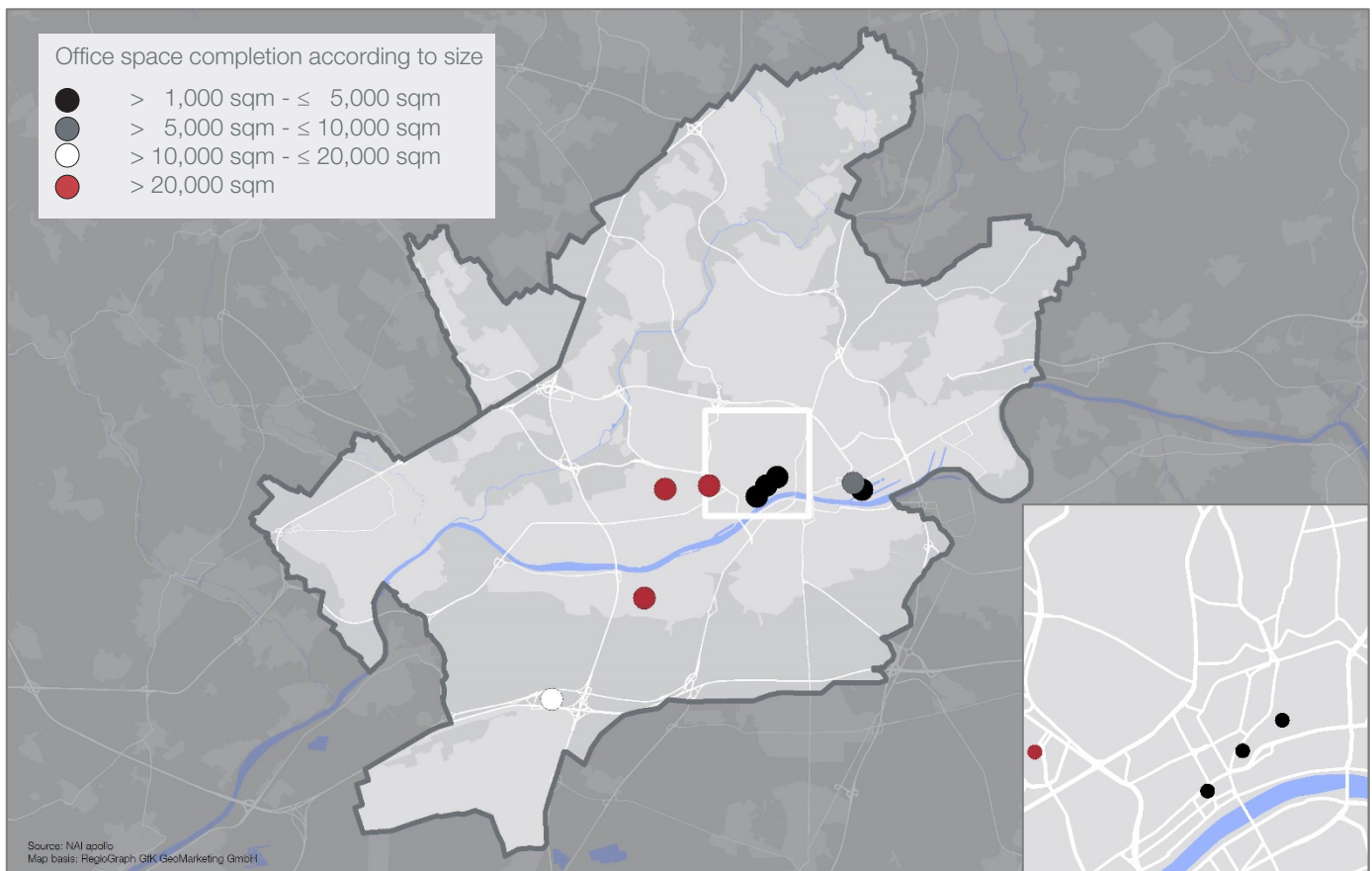
Office Locations



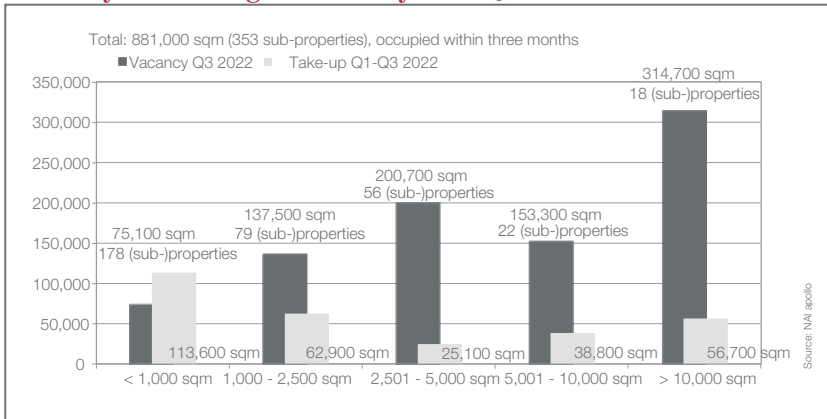
Geographical localisation of large-scale lettings Q1-Q3 2022 accor. to size categories (> 1,000 sqm)



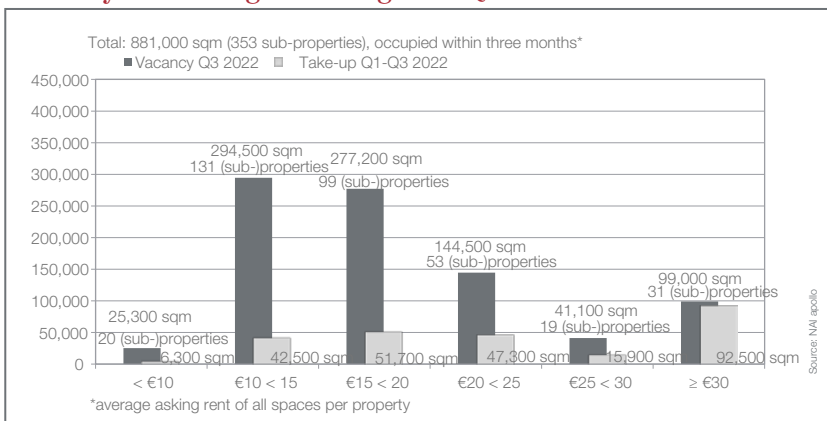
Geographical localisation of office spaces completions 2022 accor. to size categories (> 1,000 sqm)



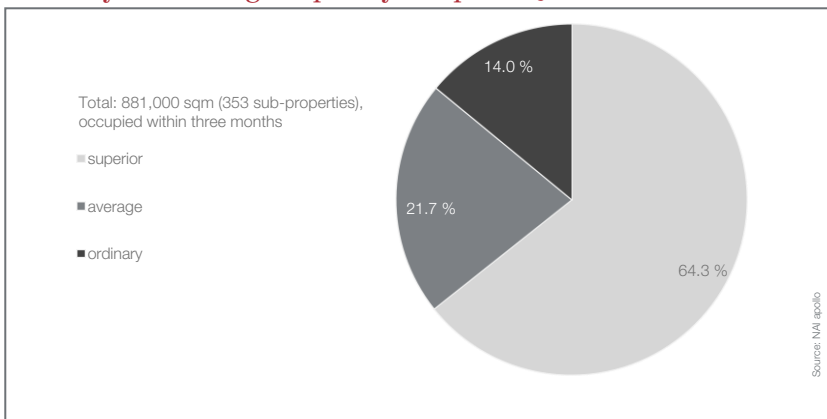
Vacancy according to vacancy size Q3 2022



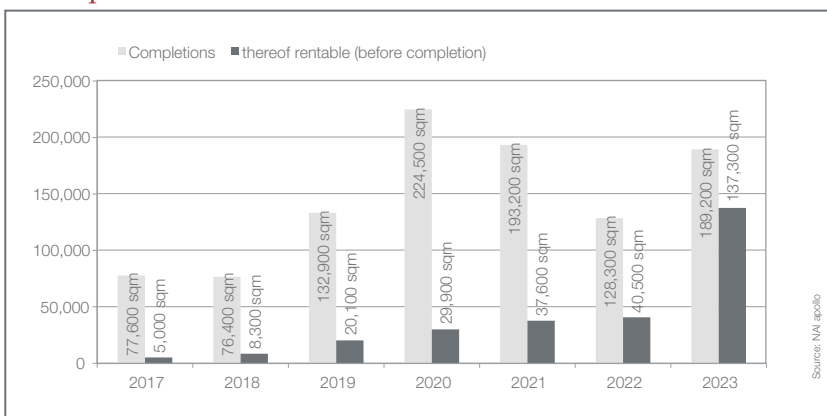
Vacancy according to asking rent Q3 2022



Vacancy according to quality of space Q3 2022



Completions

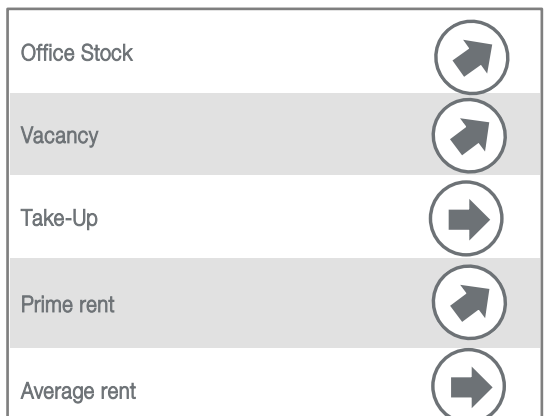


In the third quarter, 68,600 sqm of new office space was completed in the Frankfurt market area, of which around 27 % is still available for rent. Once again, completions slightly outweighed the removal of office space, boosting office stock to 11.53 million sqm. One of the most recently completed properties is "One" with around 45,000 sqm of office space.

The vacancy rate fell in Q3 owing to the positive lettings performance in combination with offices that are still classed as vacant because they are being renovated or cannot be let within three months. Accordingly, market-active vacancies – that is, office space that can be occupied within three months of signing the lease – amounted to around 881,000 sqm at the end of September 2022, which corresponds to a rate of 7.6 %. The rate decreased by 0.8 %-points sequentially and by 0.7 %-points year-on-year. An increasing number of vacancies in project developments will come onto the market in the next few quarters, but will encounter falling demand for space.

A few large-scale searches are still underway on the Frankfurt office market, in some cases by office users that are not dependent on the economy. Nevertheless, fears of a recession and the rise in energy costs are now also having an impact on the demand for space. On the one hand, companies seeking space may end up extending their current leases or signing deals for smaller premises. On the other hand, users will focus on sustainable properties with low utility costs. Accordingly, space take-up in 2022 will be lower than average. At the same time, office rents will tend to remain stable, while the availability of space will increase.

Outlook next 12 months



Market Data Surroundings of Frankfurt Average and Prime Rents



Source: NAI apollo

Map Basis: RegioGraph GfK GeoMarketing GmbH

Based on 2,434 offers (09/2021 - 08/2022)

VALUE Marktdatenbank

Cities

Office space, vacancy, prime rent, average rent Q3 2022

	Office Space (in m. sqm)	Take-Up (sqm)	Vacancy (in %)	Prime rent (€/sqm)	Average rent (€/sqm)
Berlin	19.70	622,000	3.3	42.80	28.10
Dusseldorf	7.54	203,300	7.7	29.00	16.64
Frankfurt a. M.	11.53	297,100	7.6	46.00	23.00
Hamburg	14.24	457,000	3.8	33.30	20.80
Munich	21.09	586,000	4.6	44.00	24.30

Source: NAI Apollo

Prime yields Q3 2022

	Prime office yields	Prime retail yields	Prime logistics yields
Berlin	3.00 %	3.15 %	3.40 %
Dusseldorf	3.25 %	3.45 %	3.45 %
Frankfurt a. M.	3.15 %	3.40 %	3.45 %
Hamburg	3.10 %	3.35 %	3.45 %
Munich	3.00 %	3.15 %	3.40 %
Total	Ø = 3.10 %	Ø = 3.30 %	Ø = 3.45 %

Source: NAI Apollo

Frankfurt a.M.

Top take-up Q1-Q3 2022

Property + Location	Tenant / Owner Occupier	Leased area in sqm
GlZ Campus, Ludwig-Erhard-Straße 7 / Eschborn-West	Gesellschaft für Internationale Zusammenarbeit (GlZ)	28,000
Gallusanlage 8 / Banking District	ODDO BHF	18,600
Taurus, Biebergasse 6-10 / Stadtmitte	Citigroup	10,100
Sparda-Bank-Tower, Europa-Allee 68 / Messe/Europaviertel	Sparda-Bank	9,100
Central Parx, Bockenheimer Landstraße 10 / Westend	Noerr Partnerschaftsgesellschaft mbB	8,500

Source: NAI Apollo

Top investments Q1-Q3 2022

Property + Location	Purchaser	Purchase Price in €*
Marienturm, Taunusanlage 9+10	DWS / National Pension Service of Korea	> 800,000,000
Kastor, Platz der Einheit 1	Brookfield AM (Acquisition of Alstria)	n/a
Oststern, Hanauer Landstrasse 121, 123	Luwin Real Estate / BVK	approx. 165,000,000
K26, Neue Mainzer Strasse 28, Kaiserstrasse 26	Generali	approx. 155,000,000
Athlon-Place, Solmsstrasse 27-37	Brookfield AM (Acquisition of Alstria)	n/a

Source: NAI Apollo;
*fully realized

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ASSET MANAGEMENT

VALUATION AND RESEARCH

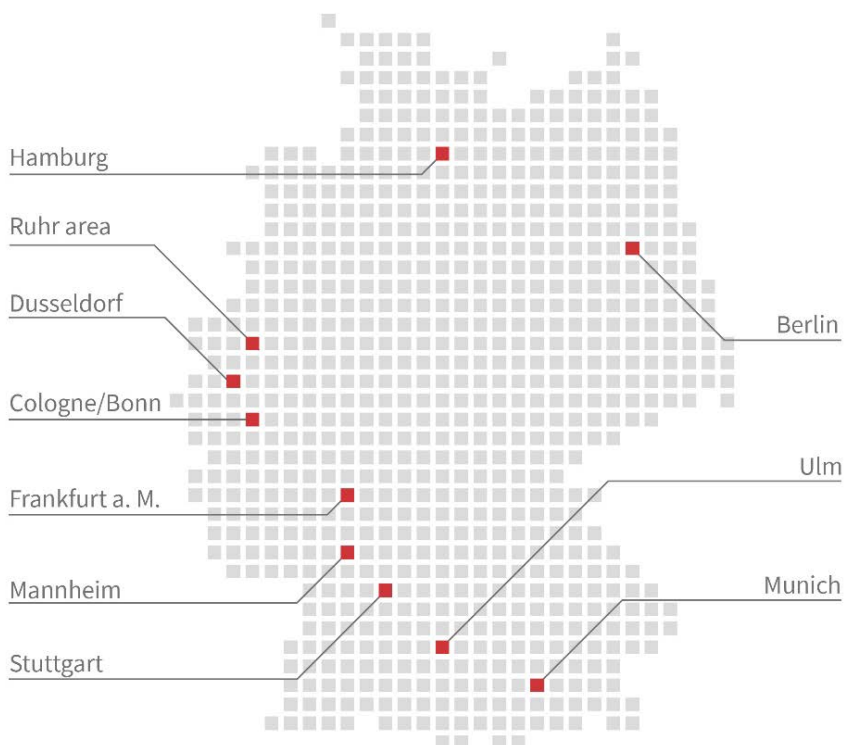
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CORPORATE REAL ESTATE SERVICES

HEALTH CARE

SALES

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