



Facts and Figures

Office market Frankfurt am Main
H1 2024

“As a general rule, the most successful man in life is the man who has the best information.”

Quote from Benjamin Disraeli

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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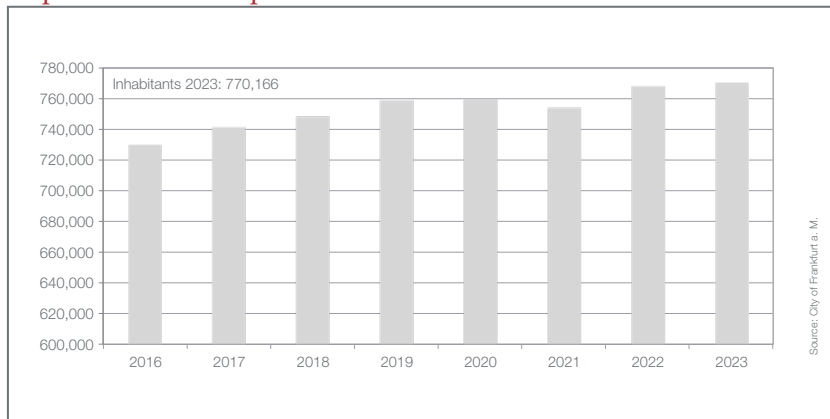
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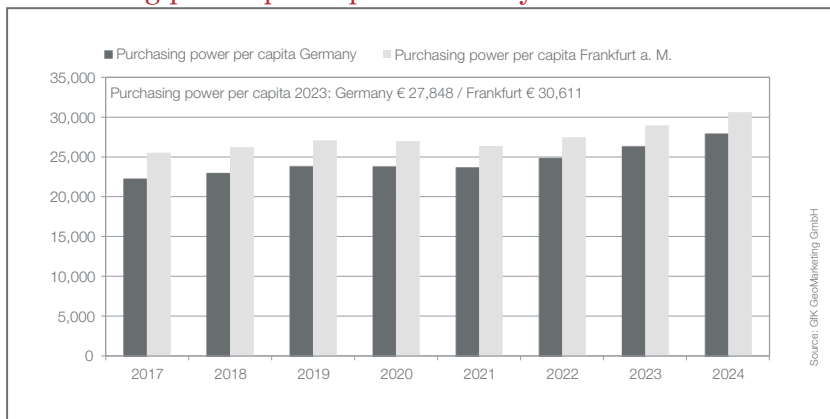
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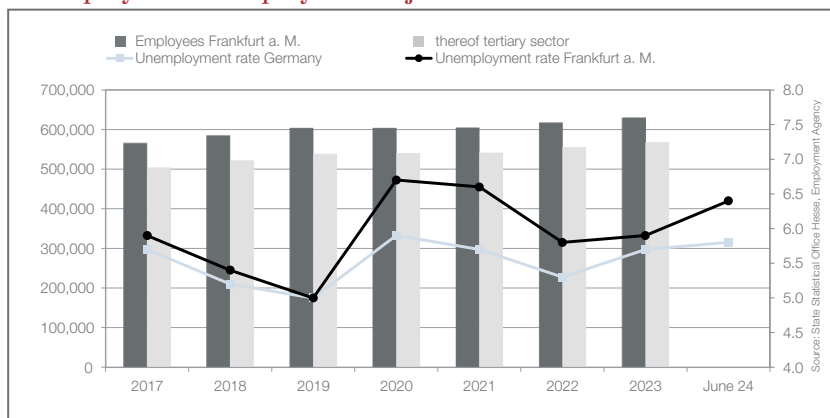
Population development Frankfurt a. M.



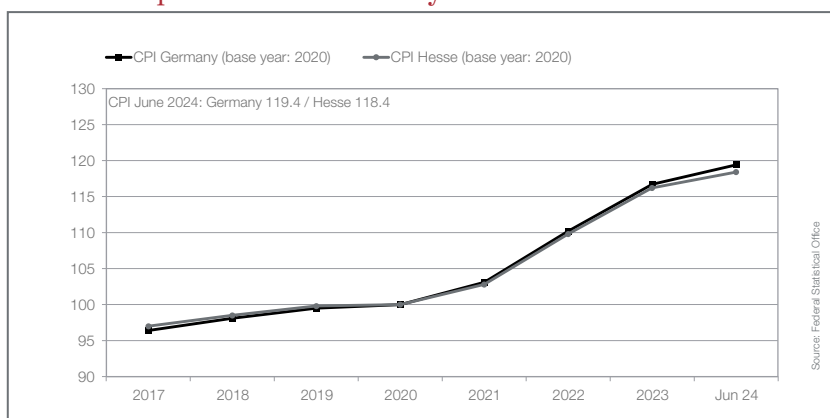
Purchasing power per capita Germany and Frankfurt a. M.



Unemployment / employees subject to social insur. contribution



Consumer price index Germany and Hesse



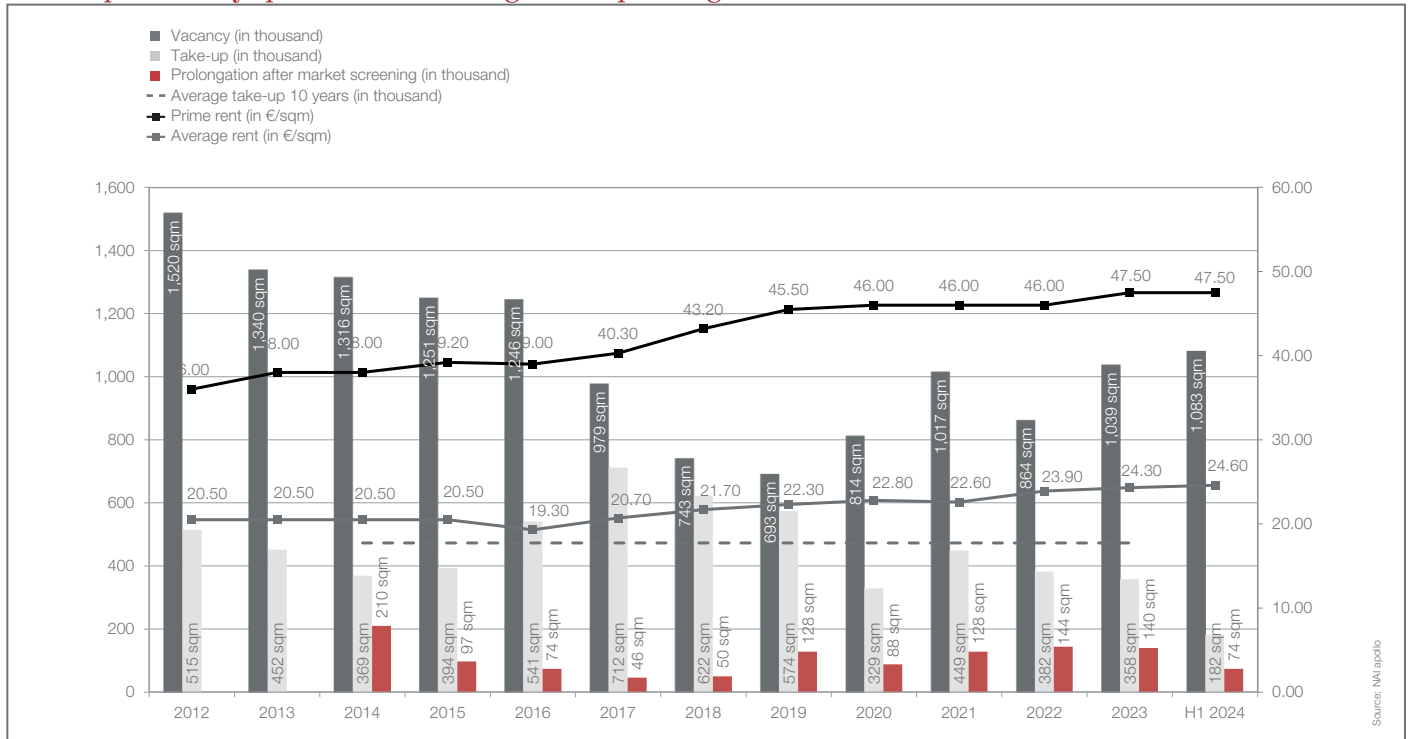
The macroeconomic outlook for Germany has improved somewhat for 2024. In the summer of 2024, the ifo Institute forecast price-adjusted GDP growth of 0.4 % for 2024, doubling the previous forecast. Economic growth of 1.5 % is expected for 2025. This is likely to be accompanied by a further decline in inflation, which is also reflected in the current data: in June 2024, the consumer price index in Germany was estimated at 2.2 %. At the same time, a price increase of 1.8 % was recorded for Hesse.

However, the German labour market remains noticeably sluggish. The unemployment rate in Germany in June 2024 is 0.3 percentage points above the previous year's level and a rapid decrease is not expected. The ifo employment barometer fell to 95.9 points in June 2024. Many companies are currently holding back from expanding their workforce, as reflected by the declining number of registered job vacancies at the employment agency. Around 701,000 jobs were registered in June 2024, about 69,000 fewer than in June 2023.

This overall German trend is also evident in the Rhine-Main region. In Frankfurt am Main, the unemployment rate rose by 0.6 percentage points to 6.4 % in June 2024 compared to the previous year. The number of registered jobs currently stands at around 8,400, which is 1,600 fewer than in the same period last year.

However, according to the latest survey conducted by the Frankfurt Chamber of Industry and Commerce (IHK) in early summer 2024, sentiment among companies in the Rhine-Main region has improved slightly, meaning that the business climate index is now just above the growth threshold at 102 points. At 11 points, the current situation is rated significantly better than expectations about future developments, which remain in negative territory at -6 points. Along with the shortage of skilled labour, local companies see domestic demand as the biggest risk to further economic development.

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

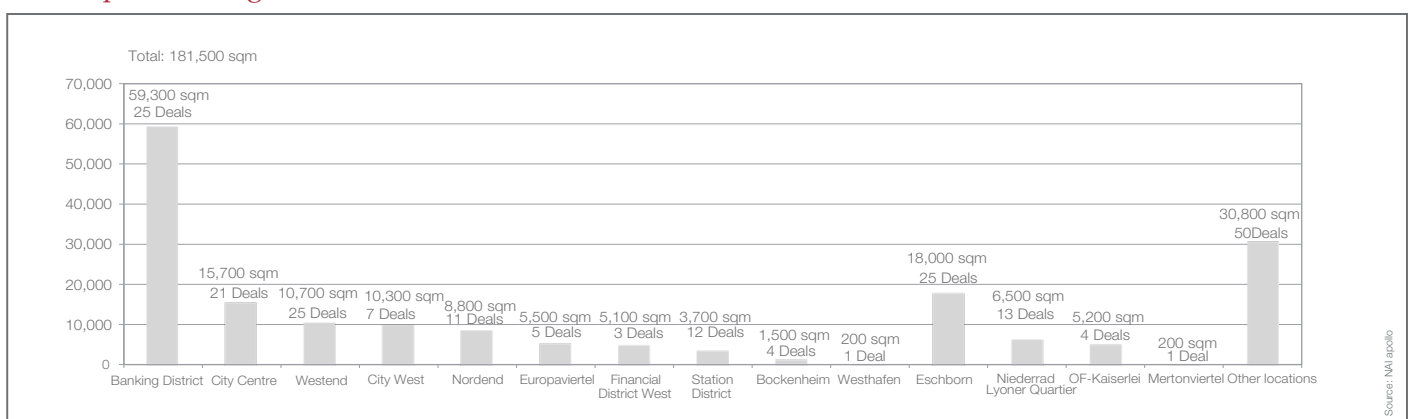


The Frankfurt office space market, including Eschborn and Offenbach-Kaiserlei, again saw a limited level of activity in the second quarter of 2024. A take-up by tenants and owner-occupiers of 88,400 sqm for the months from April to June 2024 was recorded. Not only is this figure 3.2 % below the already weak prior-year quarter, and 13.3 % less than the long-term average for second quarters, it also represents the third-worst interim result in the last ten years. Take-up for the first six months of 2024 totalled 181,500 sqm, which was slightly up on the previous year (H1 2023: 174,100 sqm). The largest deals so far this year – the ECB’s lease signing for 36,800 sqm in Gallileo at 7, Gallusanlage in the first quarter and the recent owner-occupier purchase of the 1, Hauptwache project development by Frankfurter Sparkasse with around 7,200 sqm of office space – account for around a quarter of take-up. Without these two deals, the first half of 2024 would have been the second-weakest H1 of the past 20 years after the first six months of 2020.

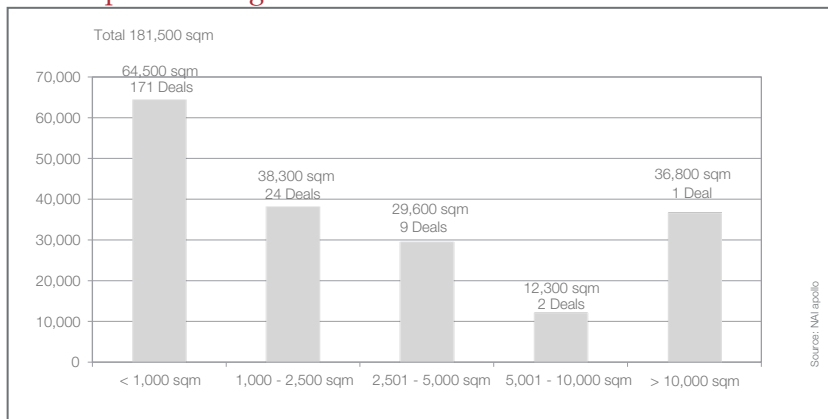
The very subdued take-up momentum is also reflected in the low number of registered deals, which amounted to 207 in total. Compared to the ten-year average for H1s, this represents a 25 % decline or 71 fewer deals (H1 2014 – H1 2023: 278 deals).

Lease extensions or renewals following an active exploration of the market accounted for around 74,000 sqm of office space in the first six months. Indications are that we will see an above-average volume of lease renewals for the year as a whole.

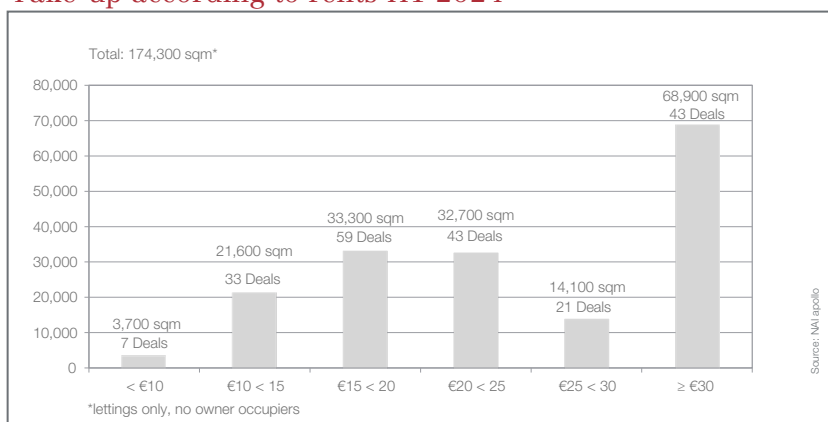
Take-up according to location H1 2024



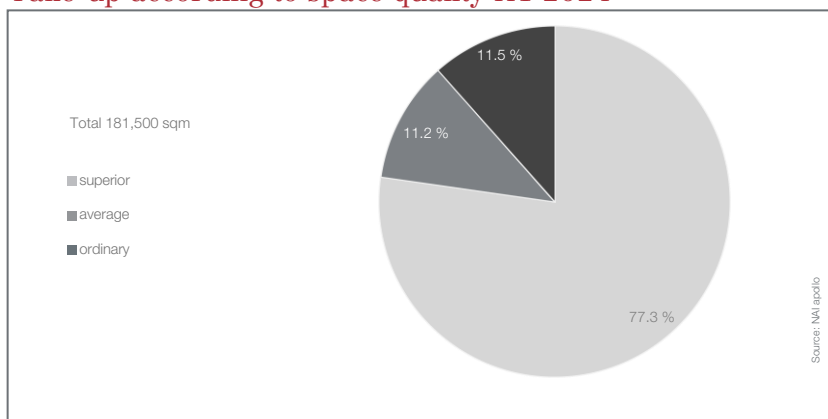
Take-up according to unit size H1 2024



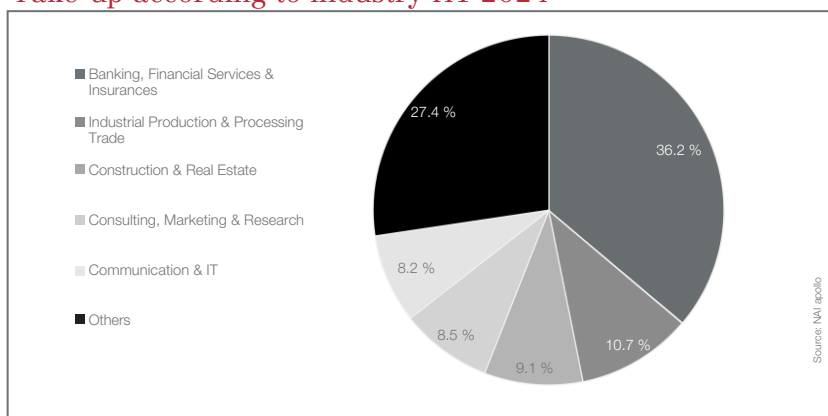
Take-up according to rents H1 2024



Take-up according to space quality H1 2024



Take-up according to industry H1 2024



In the first half of 2024, take-up activity declined once again in the sub-1,000-sqm and 2,501-10,000-sqm categories. In particular, the volume in the 5,001-10,000-sqm segment fell by more than two thirds compared to the previous year. The 1,001-2,500-sqm category was slightly above the previous year's level. The lease signing by the ECB also meant that one deal was registered in the segment above 10,000 sqm, after no deals of this size took place during the first six months of 2023.

The largest deals that took place by the end of June this year contributed significantly to the fact that the group comprising banks, financial service providers and insurance companies recorded the highest take-up in this period, with 65,600 sqm or 36.2 % of the market. Next were "industrial production and processing trade" with 19,500 sqm and "construction and real estate" with 16,400 sqm, closely followed by "consultancy, marketing and research" with 15,400 sqm.

Among the sub-markets, the banking district plays a dominant role with 59,300 sqm and a market share of 32.7 %. In addition, demand was high in Eschborn with 18,000 sqm, the city centre with 15,700 sqm and the airport with 11,000 sqm.

The slight fall in the average rent reflects the current price sensitivity of a large proportion of office users. The rate has fallen by €0.40/sqm compared to the previous quarter and €0.30/sqm year-on-year to €24.60 /sqm. The prime rent, on the other hand, has stabilised at €47.50/sqm for the time being, although current offers and lease contract negotiations point to an additional increase. There is still clearly demand for high-quality ESG-compliant space in central locations. Projects, new buildings and refurbished buildings remain popular and are responsible for over 40 % of take-up. Overall, significantly higher rents have been obtained for as-new spaces than for existing buildings. The average rent achieved in as-new buildings in the first half of the year was €32.90/sqm – a third above the average overall market rent.

Office Locations Frankfurt a.M. H1 2024

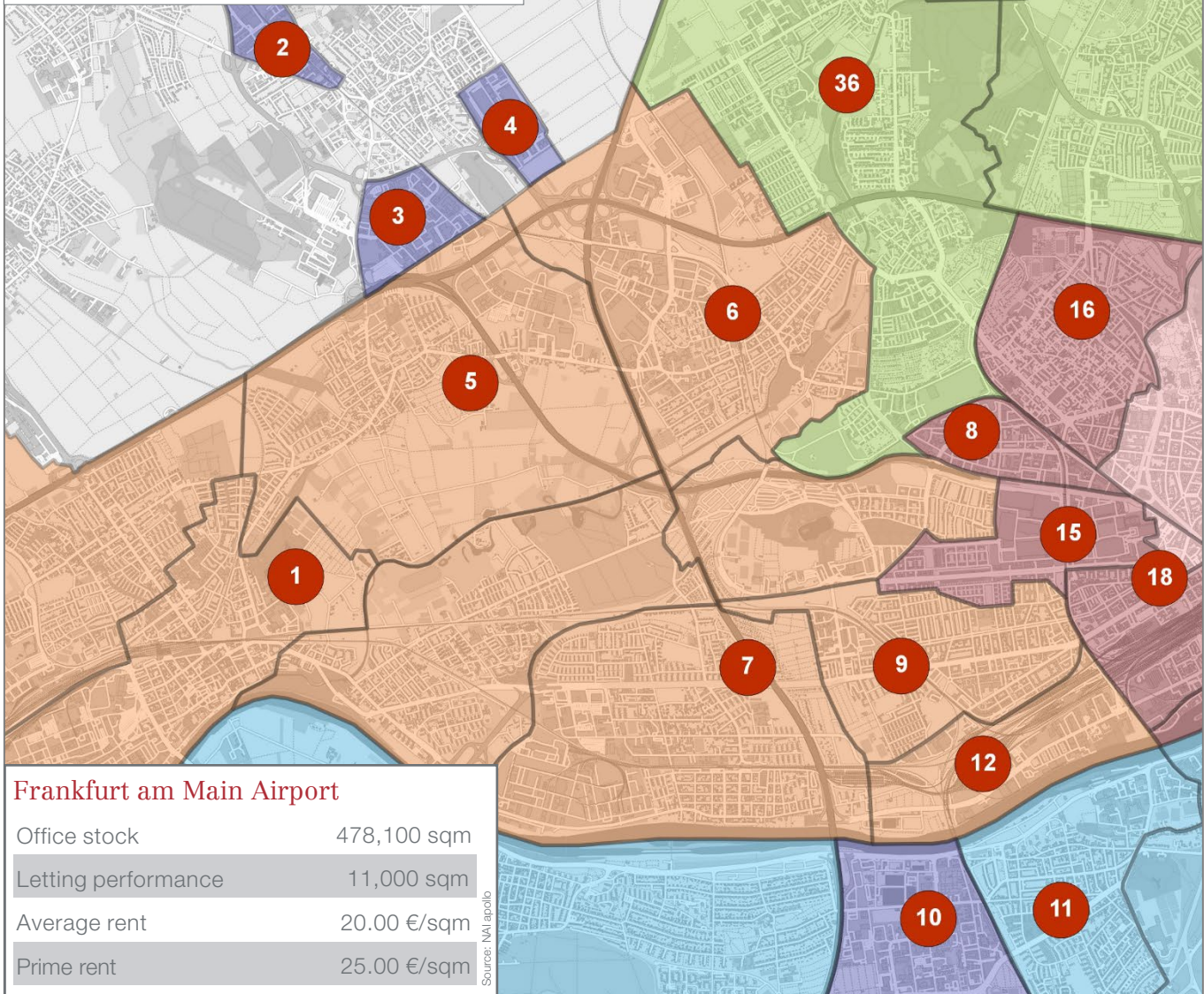
We have divided the office market Frankfurt into the most important main locations and have colored them separately. In addition, every location is divided into the particular borough and identified with the corresponding appellation of site.

Main Location	Vacancy*
F-CBD	233,200 sqm
F-CITYRING	180,600 sqm
F-WEST	81,100 sqm
F-SOUTH	102,300 sqm
F-NORTH	34,900 sqm
F-EAST	103,100 sqm
OFFICE CENTRES	347,900 sqm
TOTAL	1,083,000 sqm

data as of 30.06.2024

*Main locations and submarkets updated as of Q1 2024 due to changed importance for the office market. *inclusive subletting spaces

Source: NAI apollo, created with QGIS, QGIS.org (2024). QGIS Geographic Information System. Data: © OpenStreetMap contributors, Rendering: © terrestris

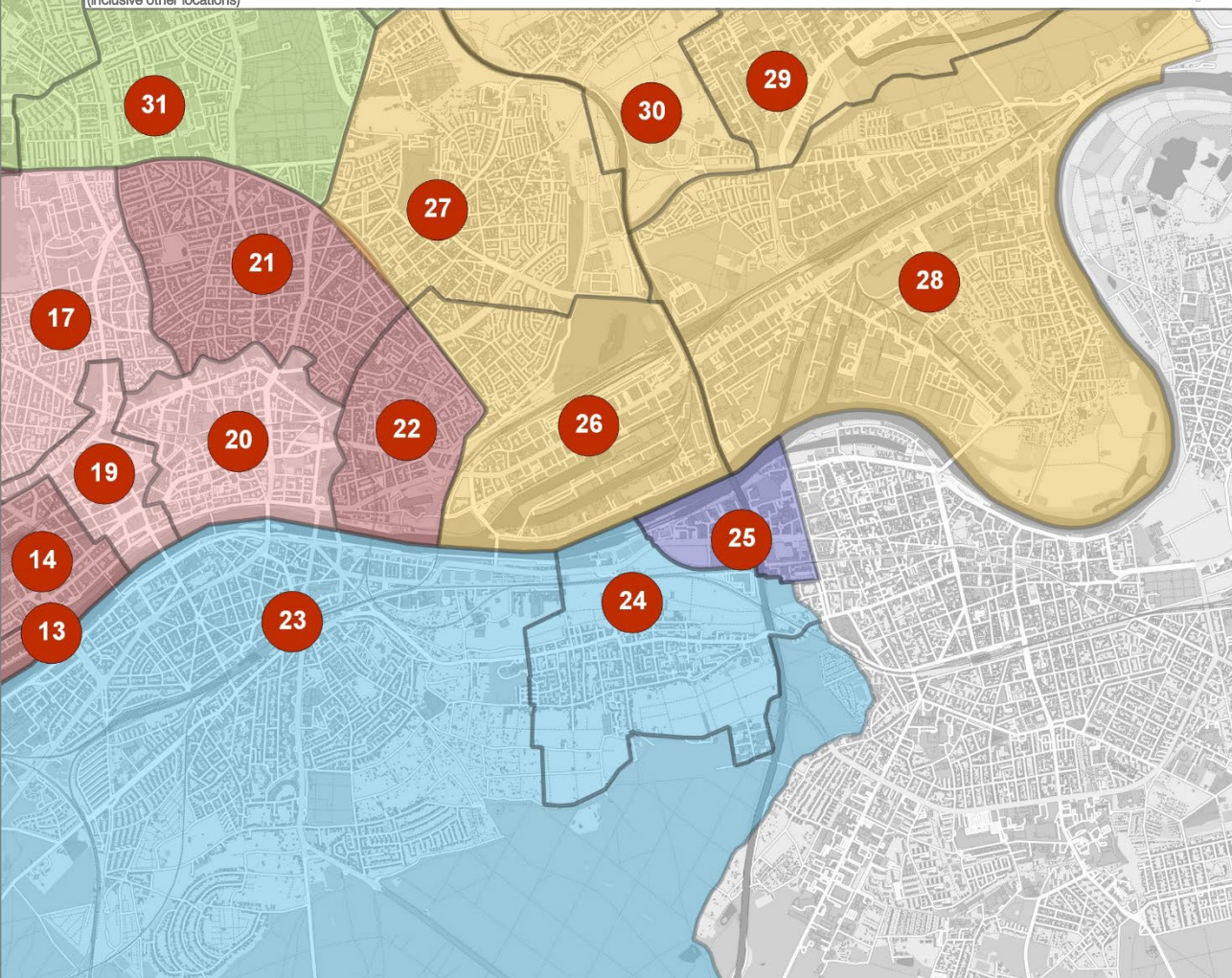


Frankfurt am Main Airport

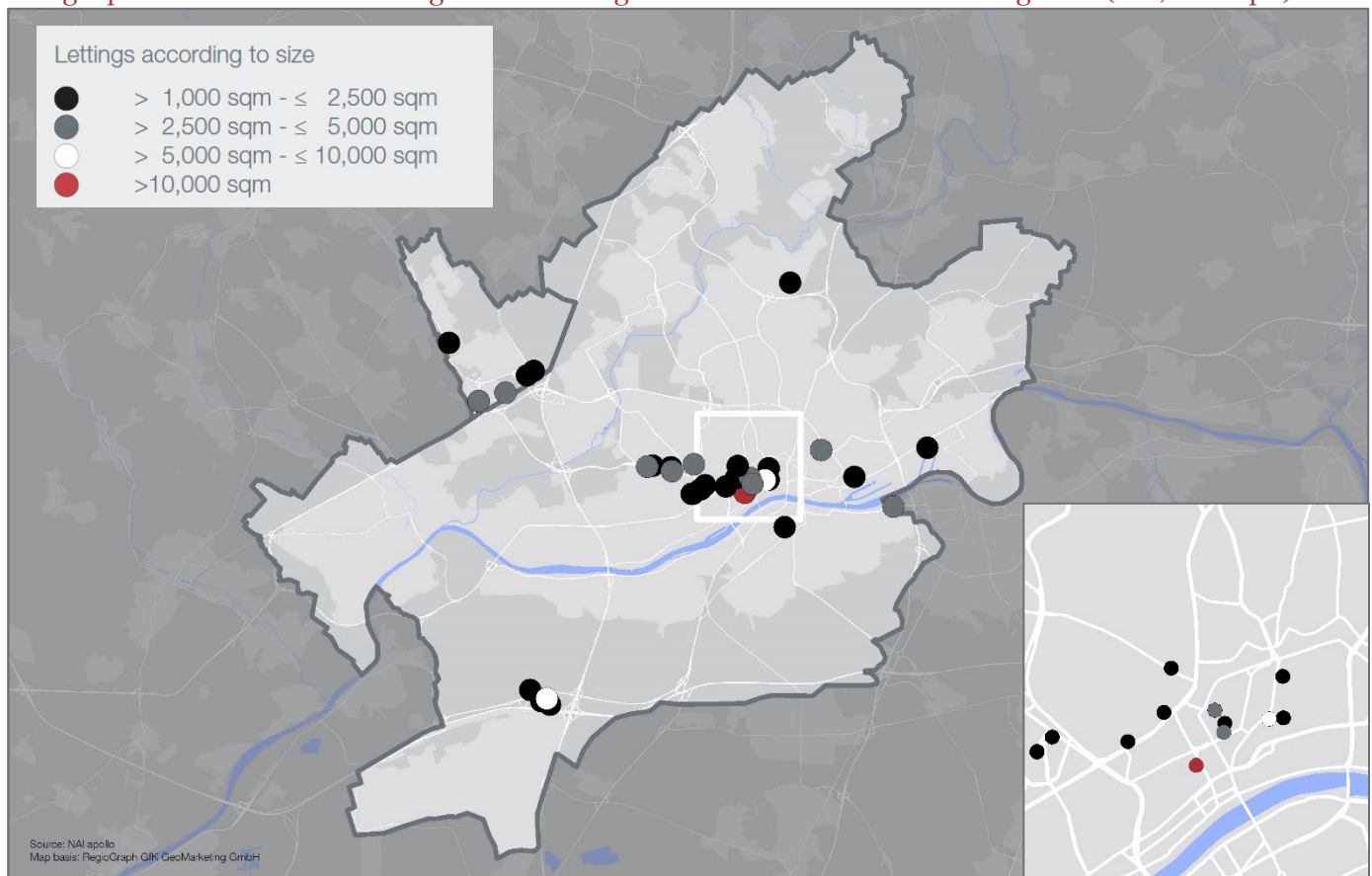
Office stock	478,100 sqm
Letting performance	11,000 sqm
Average rent	20.00 €/sqm
Prime rent	25.00 €/sqm

Source: NAI apollo

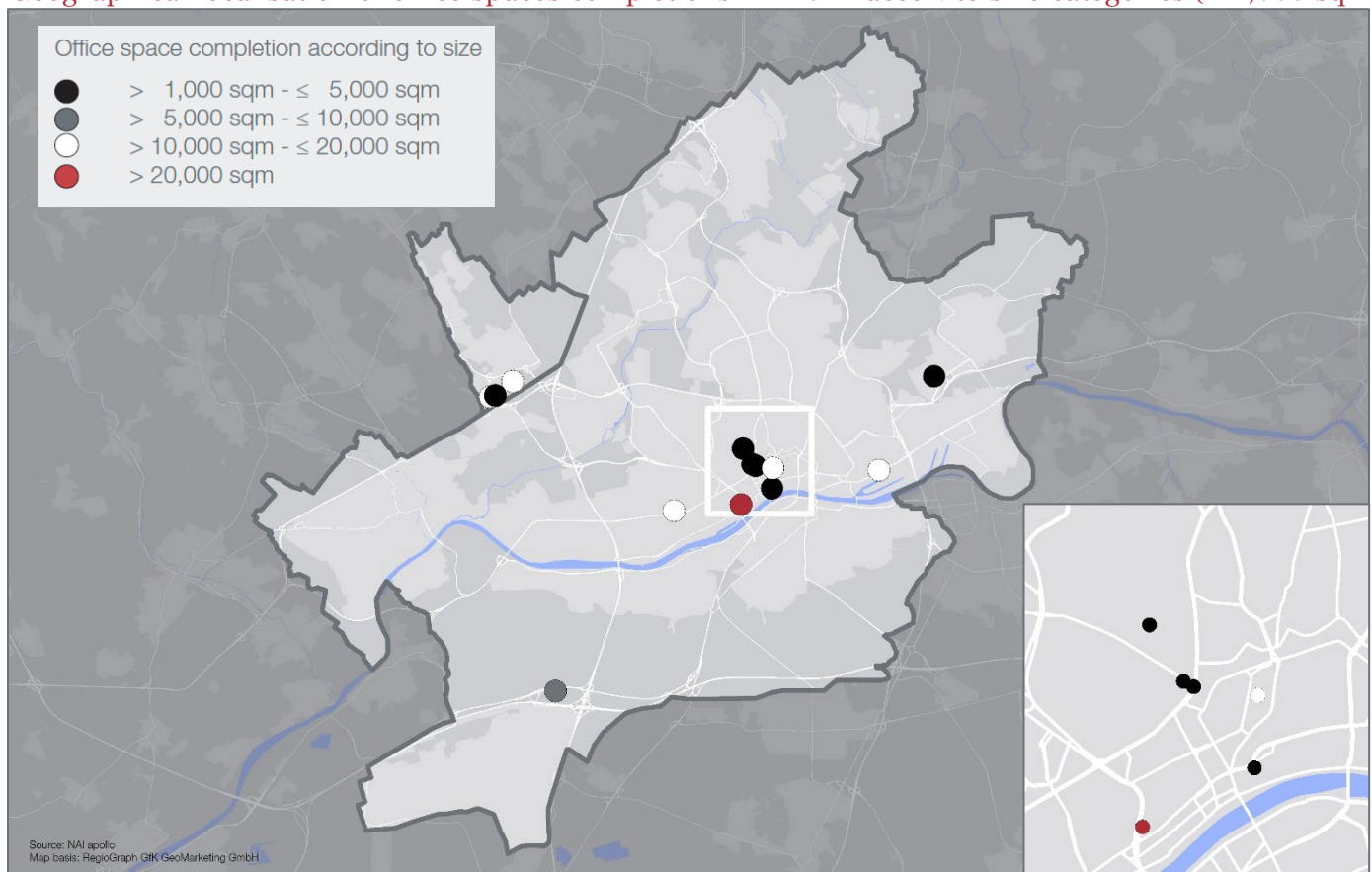
Submarkets	Office Stock (sqm)	Vacancy (sqm)	in %	Ø-Rent (€)	Prime Rent (€)	Rentable Objects
1. Höchst	193.000	1.100	0,6	10,00	14,00	4
2. Eschborn-West	161.800	39.000	24,1	12,00	14,00	7
3. Eschborn-South	428.000	72.500	16,9	15,00	21,50	22
4. Eschborn-East	123.900	23.800	19,2	12,00	14,00	4
5. Sossenheim	89.300	34.900	39,1	12,00	14,00	4
6. Rödelheim	102.400	15.900	15,5	12,00	15,00	8
7. Griesheim	16.800	0	0,0	8,00	11,00	0
8. City West	479.500	90.000	18,8	18,50	25,00	17
9. Gallus	552.900	28.200	5,1	17,00	23,00	18
10. Niederrad Lyoner Quartier	640.300	124.300	19,4	14,50	18,50	21
11. Niederrad (City)	12.500	1.000	8,0	10,00	13,00	1
12. Gutleutviertel	138.300	1.000	0,7	13,00	14,50	3
13. Westhafen	102.300	5.100	5,0	20,00	25,50	5
14. Station District	363.900	49.900	13,7	20,50	32,00	44
15. Europaviertel*	207.500	20.100	9,7	25,00	28,00	4
16. Bockenheim	311.200	12.400	4,0	17,00	21,00	12
17. Westend	679.900	56.200	8,3	29,50	42,00	36
18. Financial District West*	265.100	46.300	17,5	32,00	40,00	5
19. Banking District	1.264.900	67.100	5,3	36,50	47,50	26
20. City Centre	529.900	63.600	12,0	28,00	42,00	45
21. Nordend	124.200	3.100	2,5	21,00	27,50	6
22. City Ostend	226.300	23.400	10,3	15,00	22,00	7
23. Sachsenhausen	427.500	29.600	6,9	17,50	25,00	20
24. Oberrad	4.500	0	0,0	11,50	15,00	0
25. OF-Kaiserlei	212.900	62.000	29,1	15,00	19,00	9
26. Ostend-East	440.000	50.900	11,6	18,00	24,00	30
27. Bornheim	36.900	8.700	23,6	14,00	16,00	2
28. Riederwald/Fechenheim	180.100	13.200	7,3	10,00	13,50	7
29. Bergen-Enkheim	50.600	6.800	13,4	9,00	12,00	4
30. Seckbach	15.100	100	0,7	11,00	13,00	1
31. Dornbusch/Eckenheim	81.000	3.000	3,7	12,50	14,00	3
32. Eschersheim	32.600	0	0,0	11,00	16,50	0
33. Nieder-Eschbach	129.500	14.400	11,1	9,50	13,00	9
34. Mertonviertel	208.300	26.300	12,6	12,50	15,50	6
35. Heddenheim	10.900	0	0,0	8,00	11,00	0
36. Praunheim/Hausen	90.800	17.000	18,7	11,50	13,50	10
Total (inclusive other locations)	11.531.000	1.083.000	9,4	24,60	47,50	418



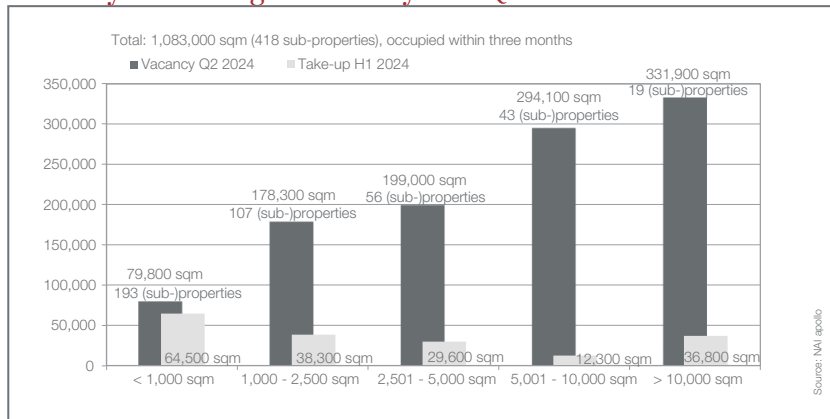
Geographical localisation of large-scale lettings H1 2024 accor. to size categories (> 1,000 sqm)



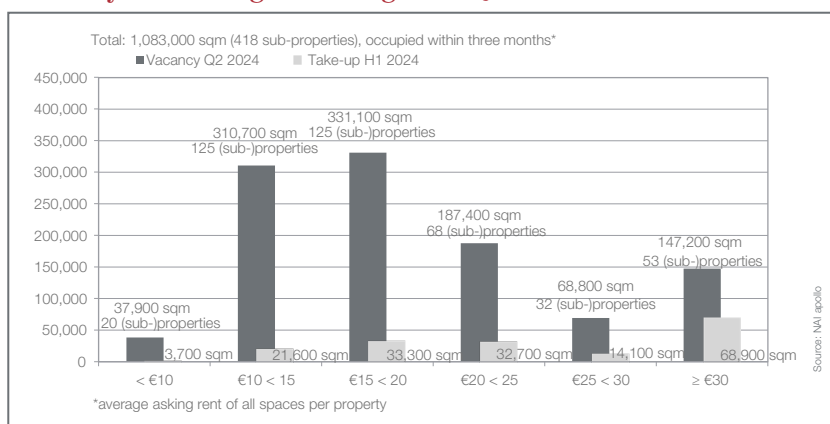
Geographical localisation of office spaces completions H1 2024 accor. to size categories (> 1,000 sqm)



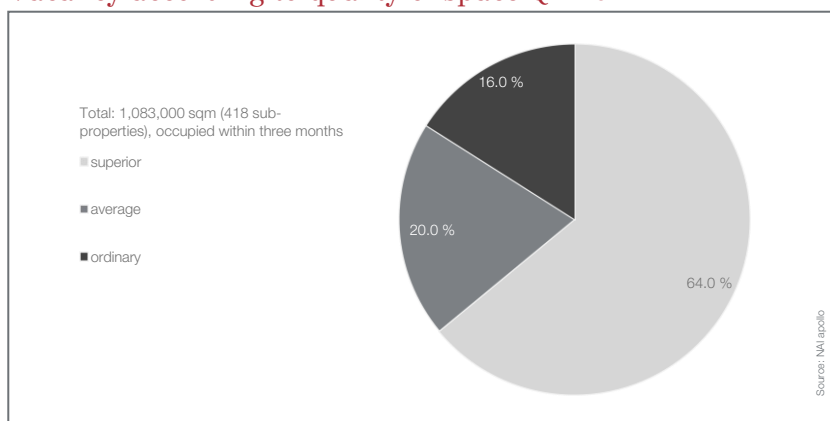
Vacancy according to vacancy size Q2 2024



Vacancy according to asking rent Q2 2024



Vacancy according to quality of space Q2 2024



At the end of the second quarter of 2024, total office stock amounted to around 11.53 million sqm. Completions in the second quarter include the 'Timber Pioneer' with around 14,000 sqm in the Europaviertel as well as the 'Tower' with 17,600 sqm and 'The Hub' with around 4,000 sqm in the 'Eschborn Gate' project site. A total of around 109,500 sqm is expected to be completed in 2024. Here, the pre-let quota is now at 80 %.

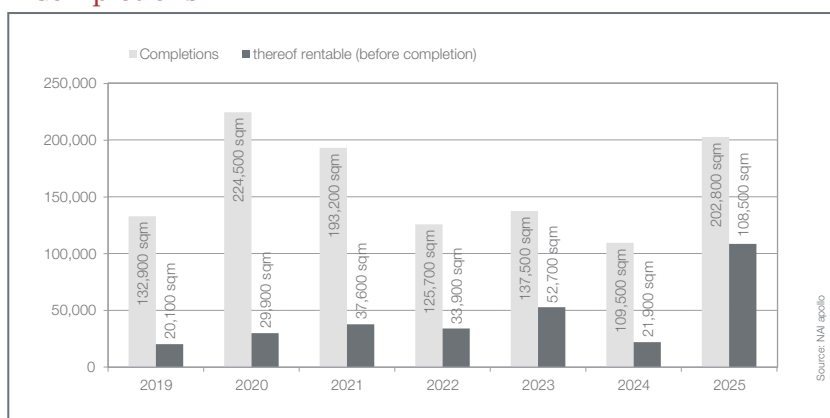
Compared to the same period last year, market-active vacancies on the Frankfurt office market – that is, office space that could be occupied within three months of signing the lease – has increased by 60,000 sqm. This means that a total of 1.083 million sqm are available on the market for short-term letting. This corresponds to a vacancy rate of 9.4 %. A further increase in sublet space is evident here. While this type of space accounted for 12.5 % of total vacancies in the previous quarter, the figure has now risen to 13.4 %.

Although certain GDP forecasts for Germany as a whole have been raised and sentiment in the local economy appears to be improving slightly, this will not have any significant impact on the Frankfurt office market for the time being. A possible revival of the office market is only likely to become apparent after a delay of several quarters. Although there are signs of increasing demand, particularly for medium-sized office spaces, and potential large-scale deals are on the table, this will not be sufficient to offset the moderate overall demand. Accordingly, market activity is expected to remain subdued in the coming months, with a below-average take-up volume for 2024 as a whole.

Outlook next 12 months

Office Stock	➔
Vacancy	➔
Take-Up	➔
Prime rent	➔
Average rent	➔

Completions



Market Data Surroundings of Frankfurt Average and Prime Rents



Source: NAI apollo

Map Basis: RegioGraph GfK GeoMarketing GmbH

Based on 2,395 offers (06/2023 - 05/2024)

from VALUE Marktdatenbank

Cities

Office space, vacancy, prime rent, average rent Q2 2024

	Office Space (in m. sqm)	Take-Up (sqm)	Vacancy (in %)	Prime rent (€/sqm)	Average rent (€/sqm)
Berlin	20.40	290,000	5.8	44.50	28.40
Dusseldorf	7.53	102,000	8.6	42.00	20.80
Frankfurt a. M.	11.53	181,500	9.4	47.50	24.60
Hamburg	14.48	194,000	4.7	35.00	20.20
Munich	21.40	295,000	6.7	52.00	24.40

Source: NAI Apollo

Prime yields Q2 2024

	Prime office yields	Prime retail yields	Prime logistics yields
Berlin	4.40 %	4.15 %	4.40 %
Dusseldorf	4.50 %	4.30 %	4.40 %
Frankfurt a. M.	4.50 %	4.30 %	4.40 %
Hamburg	4.45 %	4.25 %	4.40 %
Munich	4.40 %	4.10 %	4.40 %
Total	Ø = 4,45 %	Ø = 4,20 %	Ø = 4,40 %

Source: NAI Apollo

Frankfurt a.M.

Top take-up H1 2024

Property + Location	Tenant / Owner Occupier	Leased area in sqm
Gallileo, Gallusanlage 7 / Banking District	European Central Bank	36,800
Hauptwache 1 / City Centre	Frankfurter Sparkasse	7,200
The Move Orange, De-Saint-Exupéry-Strasse 3-7 / Airport	Industrial Company	5,100
LEIQ, Nordring 144 / OF-Kaiserlei	The Lorenz Bahlsten Snack-World	4,500
Sandweg 94 / Nordend	WM Gruppe	4,400

Source: NAI Apollo

Top investments H1 2024

Property + Location	Purchaser	Purchase Price in €*
Hauptwache 1	Frankfurter Sparkasse	confidential
LEIQ Bauteil A, Nordring 144, Offenbach	HT Group (HT Top 8 Invest)	confidential
Office Mozartplatz, Bockenheimer Anlage 15	ConrenLand	35,000,000
Große Bockenheimer Strasse 6	confidential	16,000,000
Liebigstrasse 6	confidential	10,000,000

Source: NAI Apollo
*partly estimated

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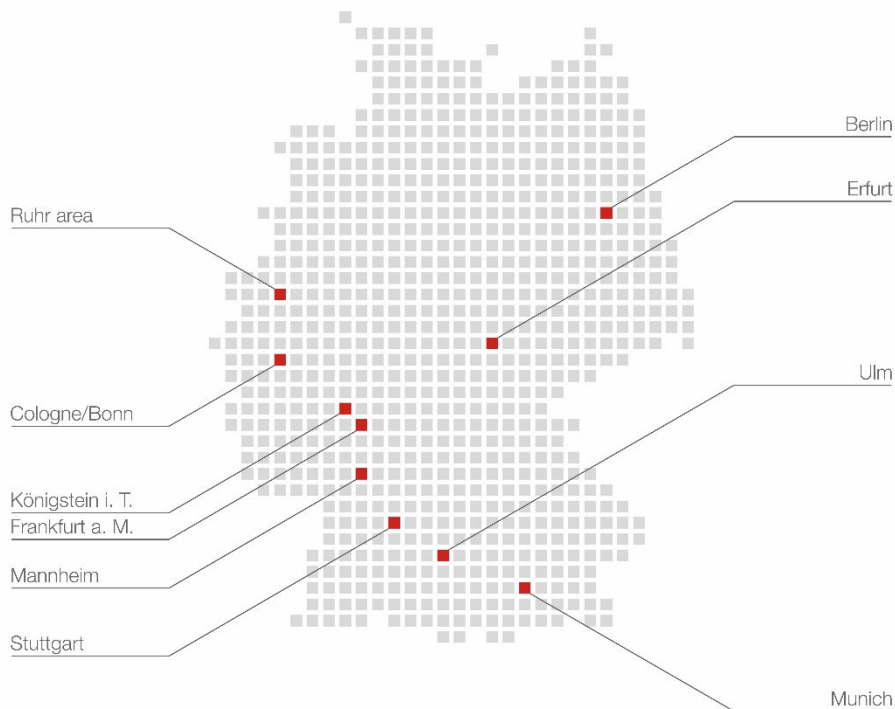
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