



Facts and Figures

Office market Frankfurt am Main
Q3 2019

“To understand matters rightly we should understand their details.”

Quote from François VI. Duc de La Rochefoucauld

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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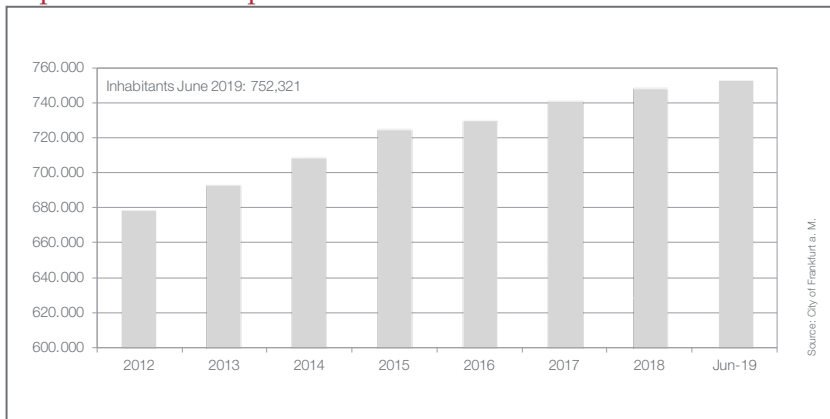
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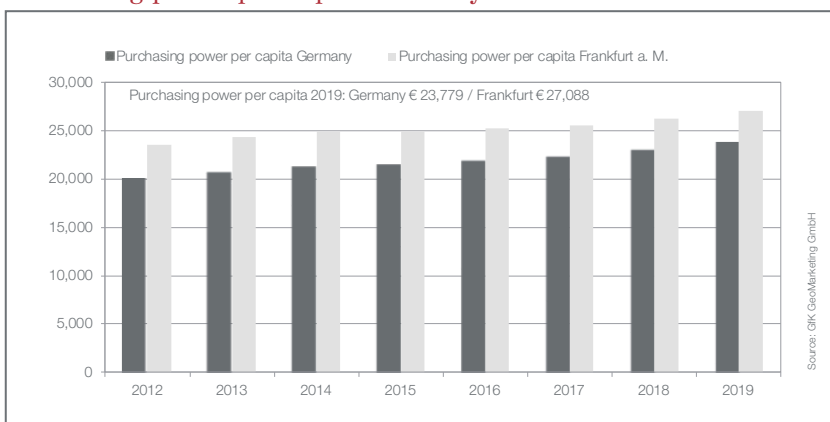
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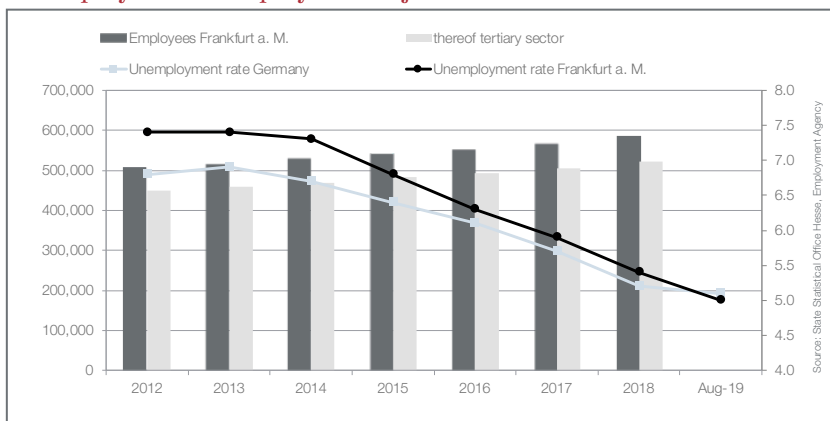
Population development Frankfurt a. M.



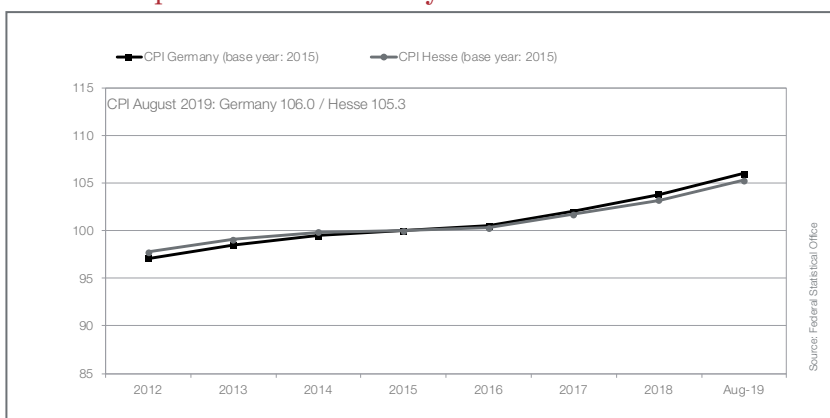
Purchasing power per capita Germany and Frankfurt a. M.



Unemployment / employees subject to social insur. contribution



Consumer price index Germany and Hesse

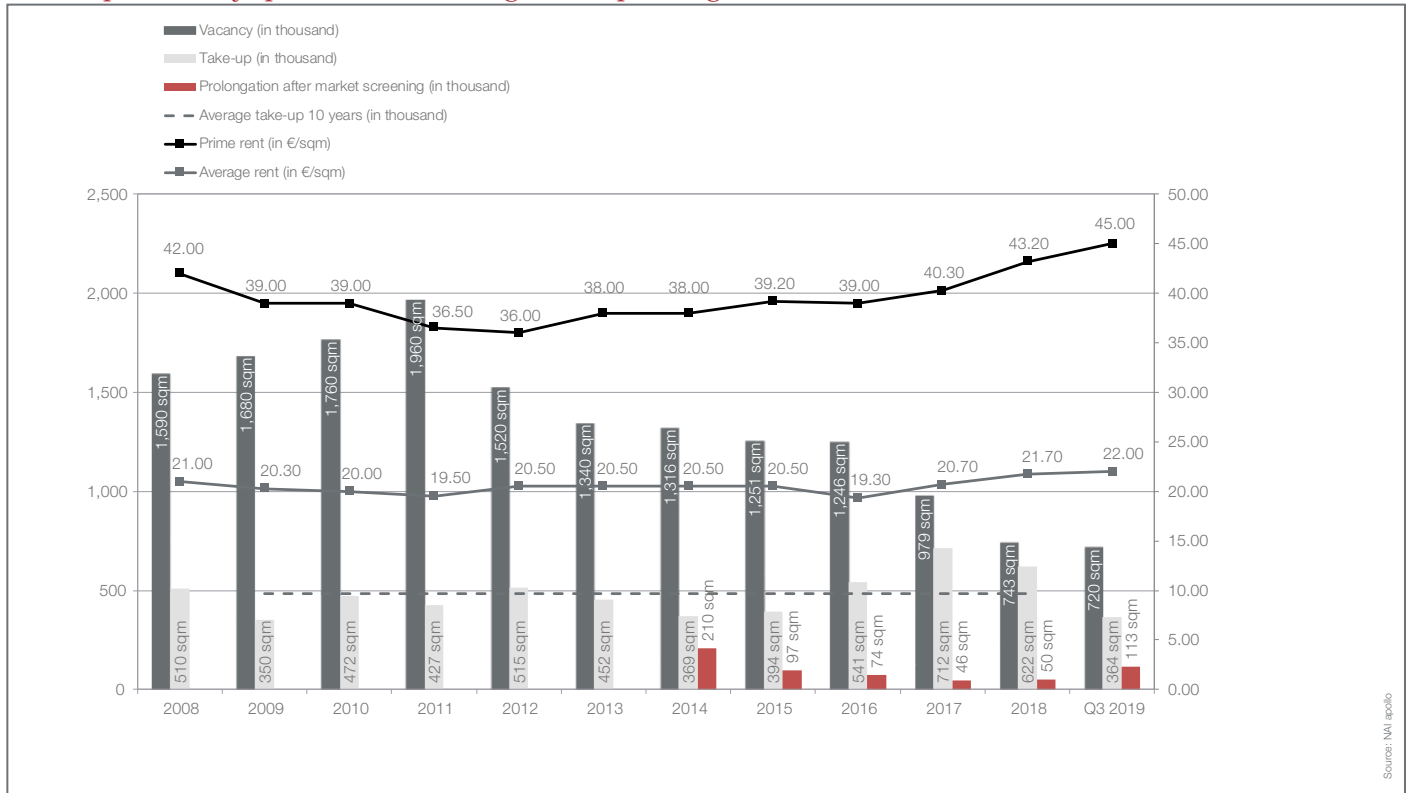


Frankfurt am Main registered continuing population growth in the first six months of 2019. According to municipal statistics, the city is gaining around 25 citizens per day this year, and reached a new all-time high of 752,321 inhabitants as of 30 June 2019. This means that Frankfurt's population has risen by around 8,200 inhabitants or 1.1 % in the past 12 months. A foreseeable end to this development is not yet in sight.

Although Frankfurt's economic development also appears to be cooling off a little, unemployment on the labour market has continued to fall. As of August 2019, the rate of unemployment in the city stood at 5.0 %. The number of employees subject to social insurance contributions amounted to 596,722 as of 31 December 2018 - representing an increase of over 21,000 employees or 3.7 % compared to the previous year. This rate of growth puts Frankfurt well ahead of both Hesse (2.3 %) and Germany (2.1 %).

The current economic situation of companies in Frankfurt still appears to be positive, although topics such as Brexit and international trade disputes are slowly making themselves felt in the local economy. While future business expectations have deteriorated compared to previous surveys, 87.5 % of respondents to the Mittelstandsbericht 2019 (Report on Small and Medium-Sized Enterprises 2019) from the Frankfurt Chamber of Industry and Commerce provided consistent or improved assessments of their business situation in the coming months. On balance, 12 % of SMEs current plan to recruit more staff, signaling continuing moderate growth. As a result, further robust demand for space on the Frankfurt office market is expected from Frankfurt-based companies.

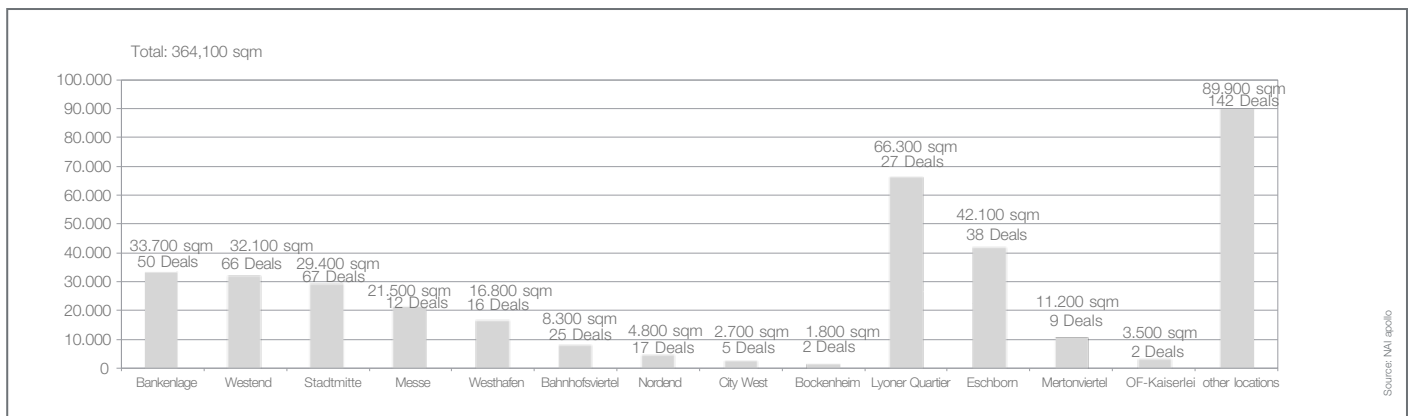
Take-up, vacancy, prime rent, average rent, prolongation



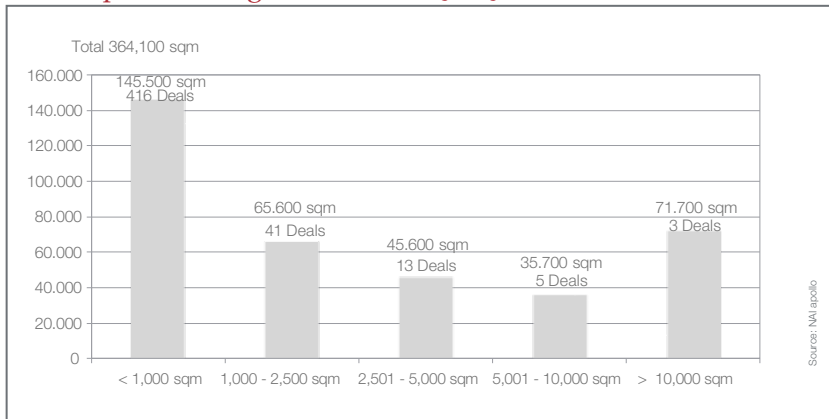
The Frankfurt market for office space including Eschborn and Offenbach-Kaiserlei experienced a temporary lull in the third quarter of 2019 following a strong first half. Space take-up by tenants and owner-occupiers amounted to 101,400 sqm during this period. Expected deals, such as the rental of more than 25,000 sqm by the City of Frankfurt in City West, have yet to be finalised. Thus, the recent quarterly result was about 14 % below the ten-year average for third quarters.

Take-up in the first nine months of 2019 reached a total of 364,100 sqm. Although the figure is more than 17 % below the previous year’s result of 440,900 sqm, it is still almost 5 % above the long-term average of about 347,000 sqm. Lease renewals that took place after office users were unable to find new spaces despite intensive explorations of the market increased significantly to 113,100 sqm, representing the highest volume realised since 2014.

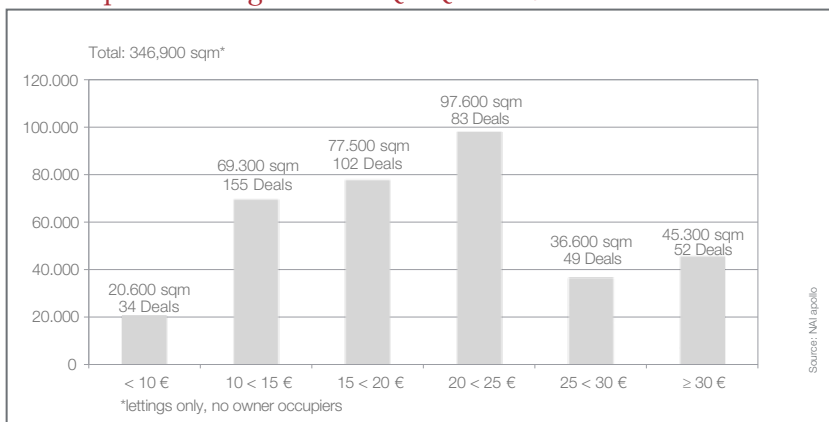
Take-up according to location Q1-Q3 2019



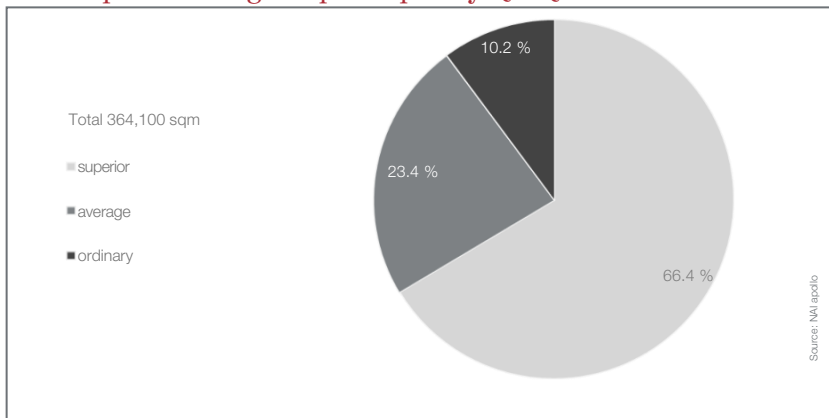
Take-up according to unit size Q1-Q3 2019



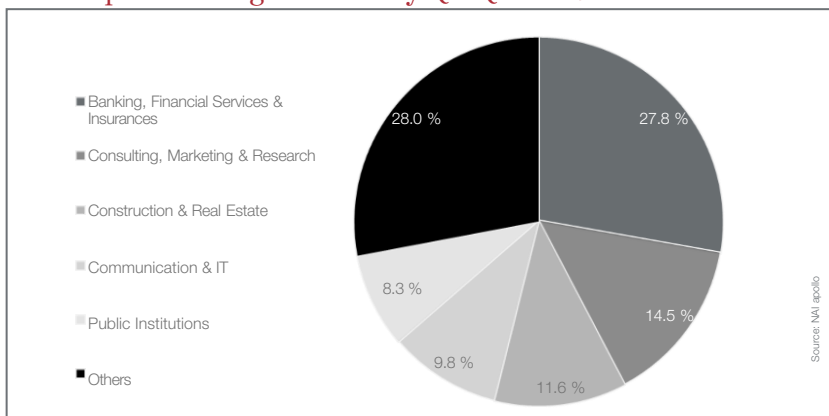
Take-up according to rents Q1-Q3 2019



Take-up according to space quality Q1-Q3 2019



Take-up according to industry Q1-Q3 2019



Large contracts signed in the second quarter continue to dictate this year’s market development. Higher take-up was registered only in the segment including deals above 10,000 sqm, with an increase of around a fifth.







In addition to the big deals already recorded, such as the rental by DekaBank of 46,200 sqm in the Lyoner Quartier or the lease signed by Randstad for about 14,800 sqm in Eschborn, the rental of almost 7,500 sqm by Check24 at 55 Speicherstraße in the third quarter also counts as one of the largest contract signings during the first nine months of 2019. In terms of the industry ranking, “banking, financial services & insurances” remained in a dominant position with a market share of 27.8 % or a take-up volume of 101,200 sqm. The “consulting, marketing & research” sector was a distant second with a 14.5 % share, while “construction & real estate” was in third place with an 11.6 % market share.

With regard to location, the Lyoner Quartier again accounted for the highest take-up volume of 66,300 sqm because of the Deka deal. Eschborn was next with 42,100 sqm, ahead of the banking district, Westend and the city centre, where similarly high lettings performances in the range of 29,400 sqm and 33,700 sqm were achieved.

Rentals in recently completed office developments in the banking district had a positive influence on the prime rent in the third quarter of 2019. In the last three months, the rate rose by €1/sqm to €45.00/sqm – an increase of 8.4 % year on year. This means that the prime rent in the Frankfurt office market has increased to the third-highest level ever achieved after 2001 and 2000. The average rent currently stands at €22.00/sqm, an increase of 2.3 % over the past 12 months, although it has remained stable.

Office Locations Frankfurt a.M. Q3 2019

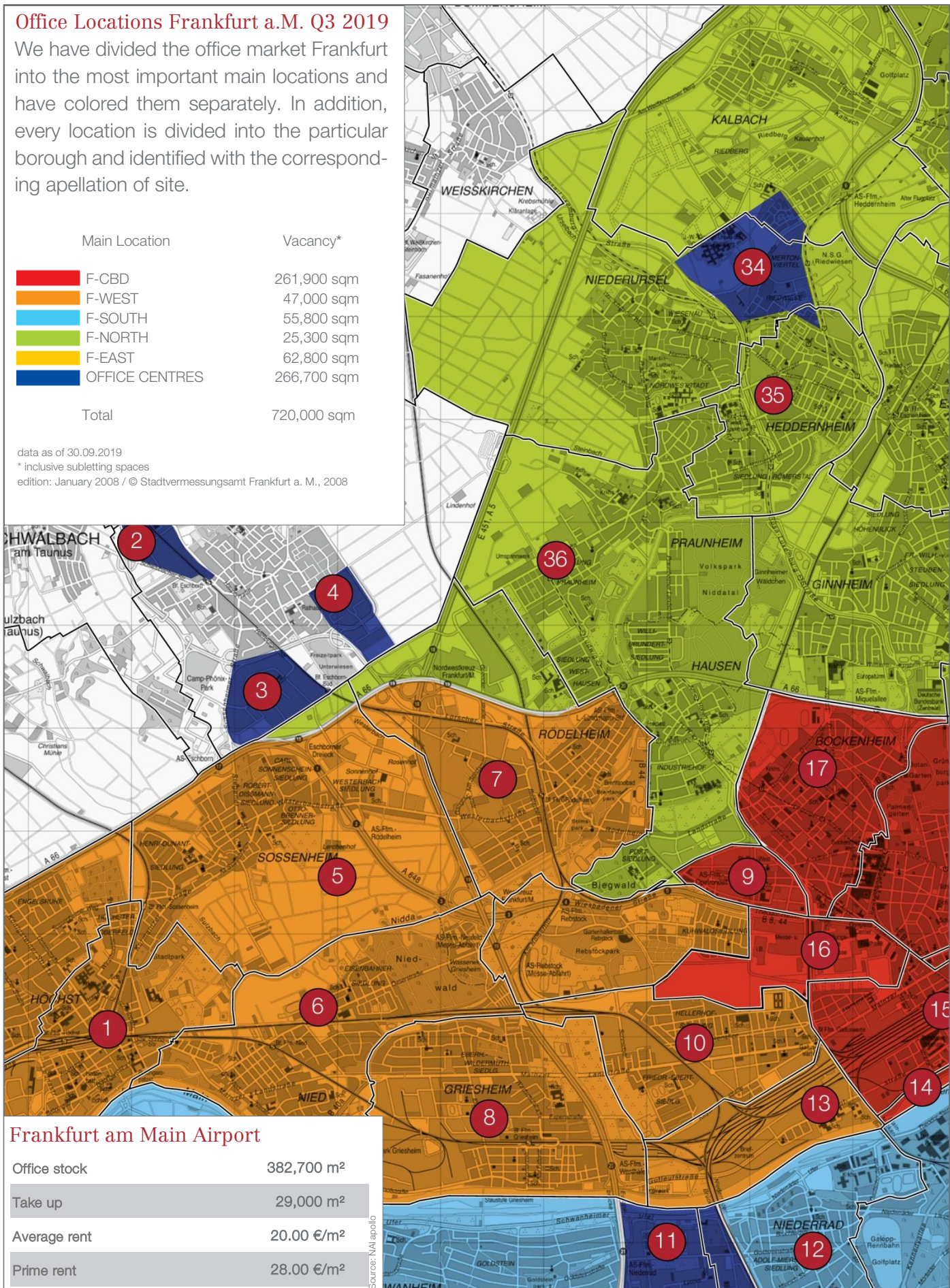
We have divided the office market Frankfurt into the most important main locations and have colored them separately. In addition, every location is divided into the particular borough and identified with the corresponding appellation of site.

Main Location	Vacancy*
 F-CBD	261,900 sqm
 F-WEST	47,000 sqm
 F-SOUTH	55,800 sqm
 F-NORTH	25,300 sqm
 F-EAST	62,800 sqm
 OFFICE CENTRES	266,700 sqm
Total	720,000 sqm

data as of 30.09.2019

* inclusive subletting spaces

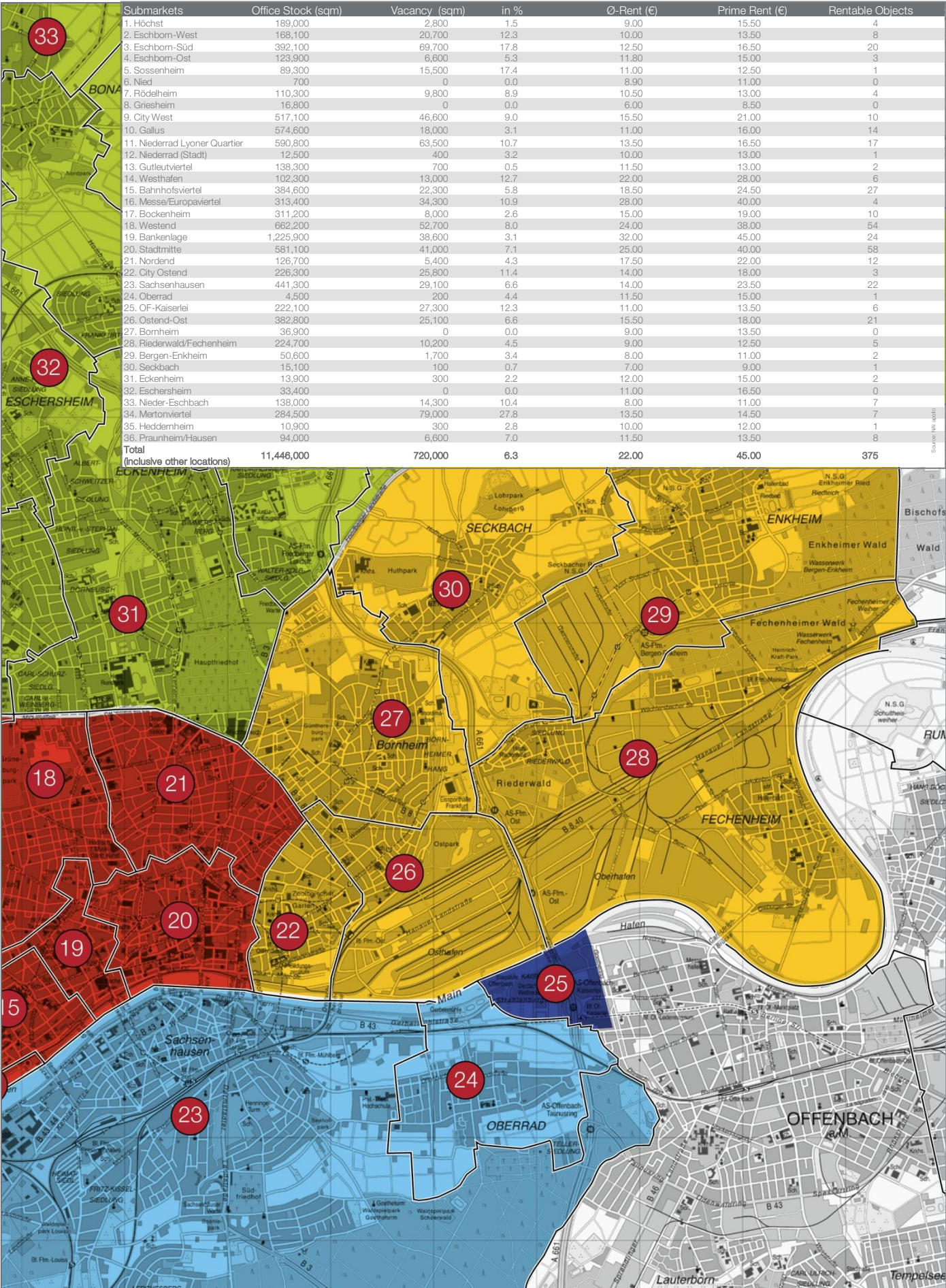
edition: January 2008 / © Stadtvermessungsamt Frankfurt a. M., 2008



Frankfurt am Main Airport

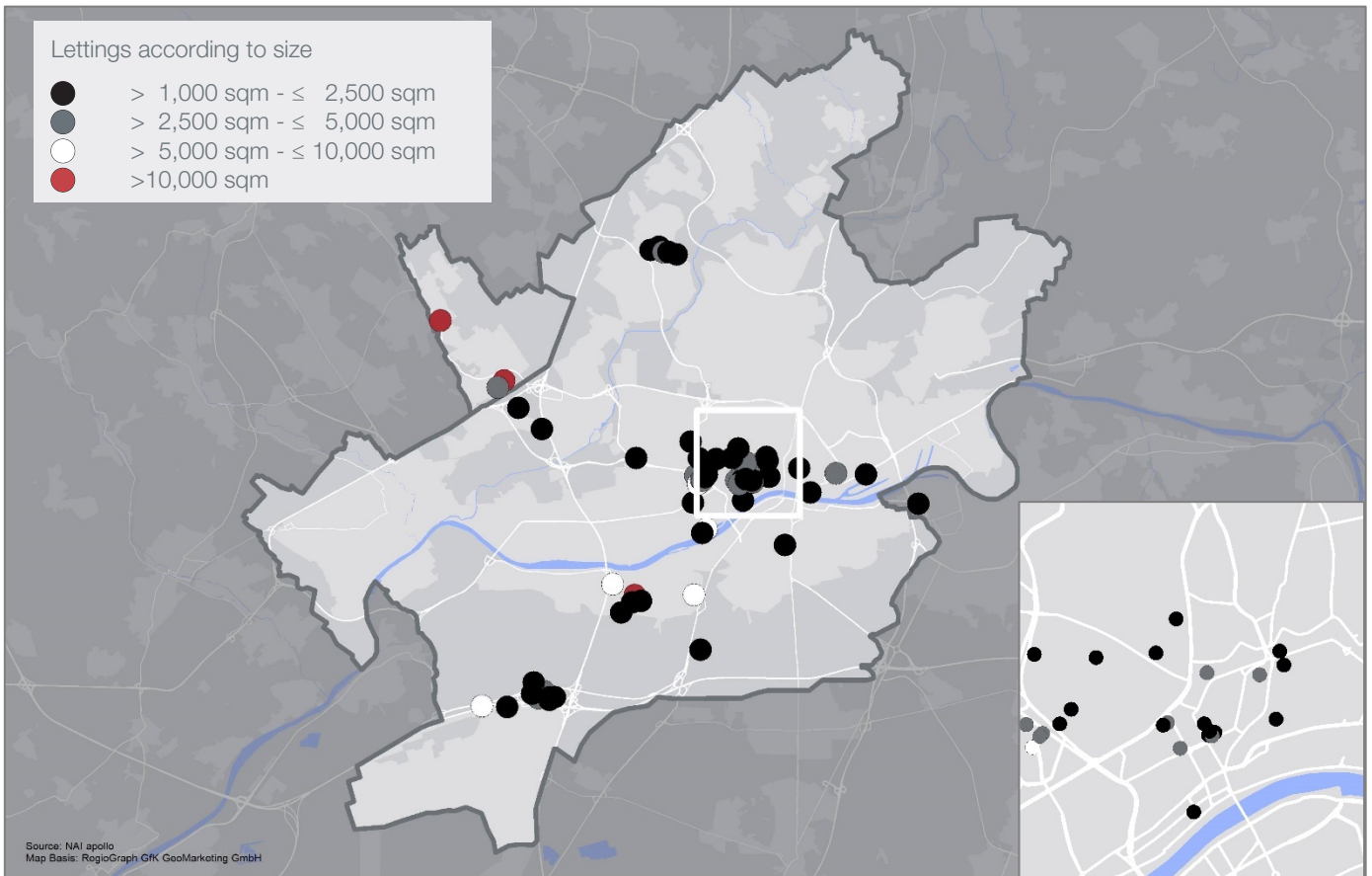
Office stock	382,700 m ²
Take up	29,000 m ²
Average rent	20.00 €/m ²
Prime rent	28.00 €/m ²

Source: NAI apollo

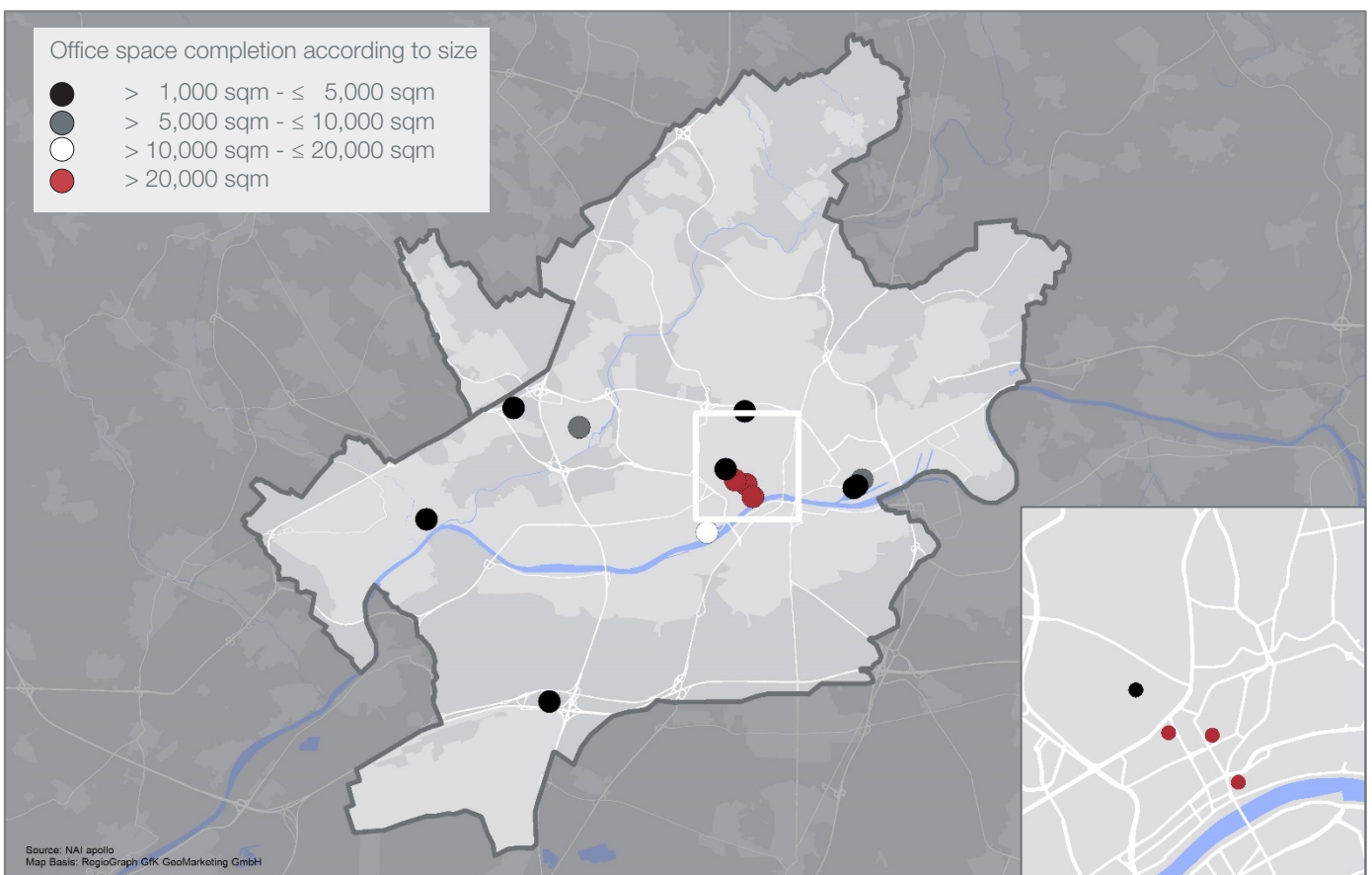


Source: NAI World

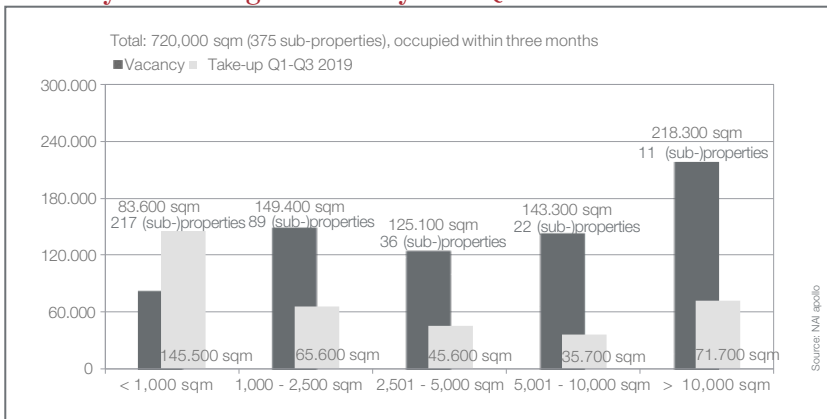
Geographical localisation of large-scale lettings Q1-Q3 2019 accor. to size categories (> 1,000 sqm)



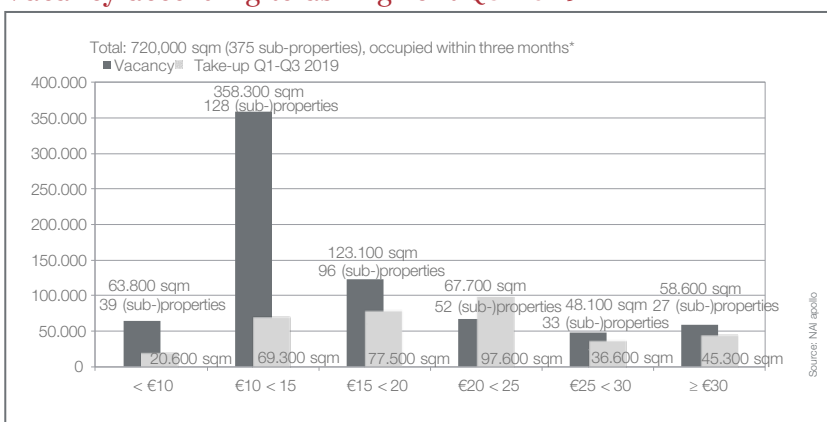
Geographical localisation of office spaces completions 2019 accor. to size categories (> 1,000 sqm)



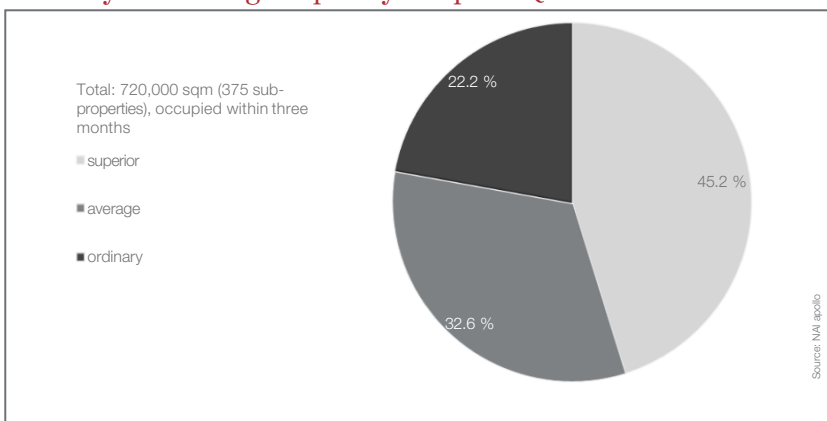
Vacancy according to vacancy size Q3 2019



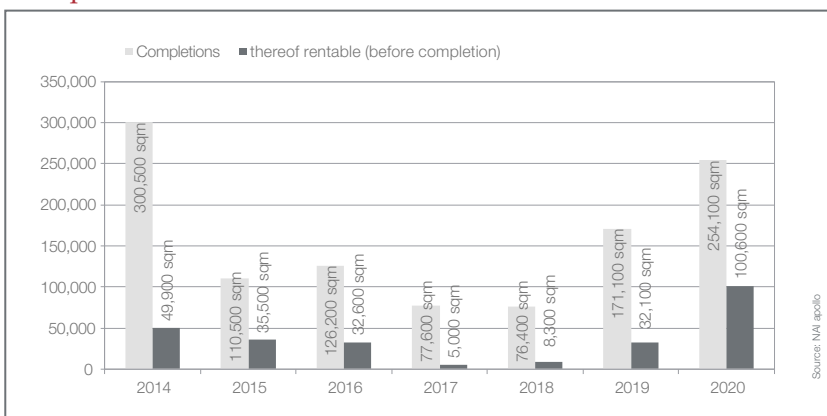
Vacancy according to asking rent Q3 2019



Vacancy according to quality of space Q3 2019



Completions

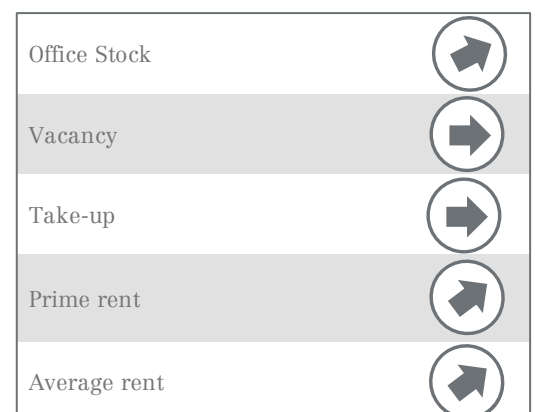


In the third quarter of 2019, seven office developments with total space of 146,200 sqm were completed in the Frankfurt market. The most prominent examples include the Omniturm with more than 45,600 sqm of office space and Marienturm with over 41,000 sqm. A total of 29,100 sqm was removed from the office market, and primarily affected the supply of small spaces. Thus, the Frankfurt market registered a slight increase in space and offers total office stock of about 11.45 m sqm. By the end of 2019, a further 22,900 sqm of office space should be completed. As things stand, 254,100 sqm is due to come onto the market in 2020, of which more than 60 % is already spoken for.

Office space that is still available in the recently completed projects caused a slight increase in vacancies in the third quarter. That means active market vacancies on the Frankfurt office market - that is, office space that can be occupied within three months - amounted to 720,000 sqm by end-September 2019. This still represents a decline of 106,000 sqm over the past year. The corresponding vacancy rate stands at 6.3 % and is 1.0 percentage point below.

It is anticipated that some ongoing searches for large office spaces in the final quarter will have an effect on market figures. Vacancies will fall again as a result, and high-priced deals will further push up rents.

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 6,213 offers (08/2018 - 07/2019)
empirica-systeme Marktdatenbank

Cities

Office space, vacancy, prime rent, average rent Q3 2019

	Office Space (in m. sqm)	Take-Up (sqm)	Vacancy (in %)	Prime rent (€/sqm)	Average rent (€/sqm)
Berlin	18.74	731,000	1.3	38.00	24.90
Dusseldorf	7.50	355,000	7.0	28.00	16.45
Frankfurt a. M.	11.45	364,000	6.3	45.00	22.00
Hamburg	13.80	429,000	2.9	29.50	17.40
Munich	20.38	620,000	1.8	39.00	19.50

Prime yields Q3 2019

	Prime office yields	Prime retail yields	Prime logistics yields
Berlin	2.75 %	2.80 %	3.85 %
Dusseldorf	3.15 %	3.10 %	3.90 %
Frankfurt a. M.	2.90 %	3.00 %	3.85 %
Hamburg	2.90 %	3.00 %	3.85 %
Munich	2.75 %	2.80 %	3.80 %
Total	Ø = 2,90%	Ø = 2,95%	Ø = 3,85%

Frankfurt a. M.

Top take-up Q1-Q3 2019

Property + Location	Tenant / Owner Occupier	Leased area in sqm
Office develop., Lyoner Str. 13 / Lyoner Quartier	DekaBank Deutsche Girozentrale	46,200
Office develop., Frankfurter Straße 100 / Eschborn-South	Randstad Deutschland	14,800
Bürocenter Eschborn I, Ludwig-Erhard-Str. 30-34 / Eschborn-West	Gesellschaft f. Internationale Zusammenarbeit (GIZ)	10,700
DFB Zentrale / Akademie, Schwarzwaldstr. 125 / Sachsenhausen	Deutscher Fußballbund (DFB)	10,000
Werfthaus, Speicherstraße 55 / Westhafen	Check24 GmbH	7,500

Top investments Q1-Q3 2019

Property + Location	Purchaser	Purchase Price in €*
Die Welle, Reuterweg 16-18	Invesco Real Estate	approx. 620.000.000
T8, Taunusanlage 8	Wirtgen Invest	approx. 400.000.000
Main Airport Center (MAC), Unterschweinstiege 2-14	Capitaland Commercial Trust (CCT)	approx. 265.000.000
St. Martin Tower, Franklinstraße 61-63	Publity	approx. 130.000.000
Opernplatz 2	Signa	approx. 130.000.000

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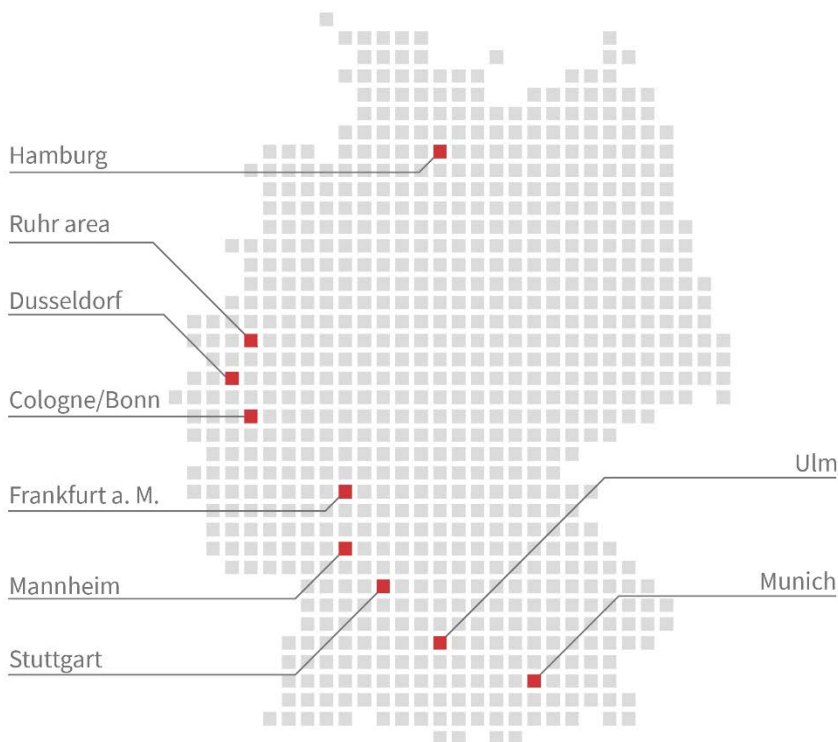
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