

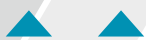


YoY
Change

12-Month
Forecast

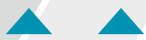
254,000

Take-Up (cum.), m²



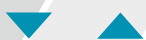
7.8%

Vacancy Rate



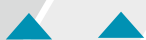
495,600

Under Construction, m²



€46.50

Prime Rent, €/m²/month



LABOUR MARKET

YoY
Change

104.3

Ifo Employment Barometer Germany
(Sep 2021)



315,000

Frankfurt Office Employees
(Dec 2020)



6.3%

Frankfurt Unemployment Rate
(Sep 2021)



Source: ifo-Institut, Moody's Analytics, Federal
Employment Agency

ECONOMIC OVERVIEW

Important key data for the financial and trade hub Frankfurt recently returned to indicating positive developments. The airport, for example, reported rising passenger numbers and the first international trade fairs were held. The upswing also continued in the labour market: The unemployment rate of 6.3% in September 2021 was 120 basis points below last year's equivalent figure and only slightly above the national average of 5.4%.

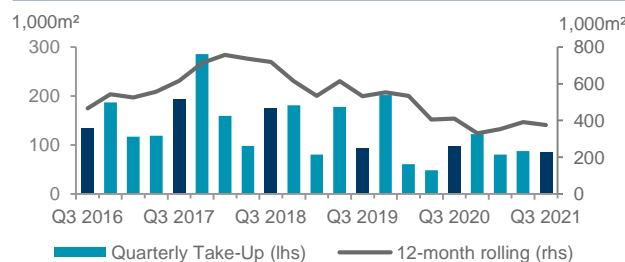
TAKE-UP

With take-up of around 86,000m², the recovery of the market in Frankfurt continued in the third quarter, bringing the total for the first nine months of the year to around 254,000m², which is around 22% above last year's figure. The 10-year average was underperformed by 23%. The number of leases signed has also increased significantly since last year. Whereas only 242 deals were counted in the prior-year period, there had already been 347 by the end of the third quarter of 2021. Modern high-rises remained in demand among occupiers in the third quarter, as evidenced by leases signed by Herbert Smith Freehills and Corestate for Marienurm and the lease signed by law firm Baker Tilly for ONE. The upward trend should continue through the end of the year, although the forecasted take-up of around 400,000m² would still be significantly below the pre-pandemic record levels (2018: 613,800m², 2019: 553,100m²).

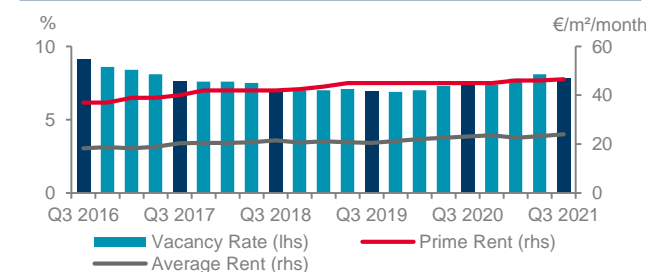
VACANCY

After significant increases in vacancy after the onset of the pandemic, the trend has been arrested for the time being in the third quarter. In addition to lettings in existing properties, ongoing refurbishment projects such as Omega-Haus at Kaiserlei contributed to this, as they are not available for near-term lettings. The vacancy rate fell accordingly, from around 950,000m² in the previous quarter to around 914,000m². This corresponds to a vacancy rate of 7.8%. The peripheral submarkets of Eschborn, Niederrad and Frankfurt East have particularly levels of availability: One third of the total vacancy is concentrated in these three submarkets.

TAKE-UP



VACANCY & RENT





COMPLETIONS

In the first nine months of the year, 127,600m² of office space was completed, with another 54,000m² to follow by the end of the year, of which more than 80% is already let. In the coming year, construction activity will remain high compared to the 10-year average, with a completion volume of almost 210,000m². This is meeting a corresponding demand, so that average letting rates are already at almost 60%. In turn, competitive pressure on older existing buildings is likely to increase further, especially in less sought-after locations.

RENTS

Compared to the previous quarter, the sustainable achievable prime rent rose slightly to €46.50/m²/month. Over the twelve-month period, the increase was 3.3% or €1.50. The weighted average rent across all new leases of the last twelve months was €24.00/m²/month at the end of September. Mainly driven by high-priced lettings in high-rise buildings, it rose by €0.80 compared to the second quarter of 2021. Rental increases are particularly pronounced in the banking district: Here, the average rent has risen by over 45% to €40.00/m²/month in the last five years.

SELECTED PROPERTY DEVELOPMENT PROJECTS

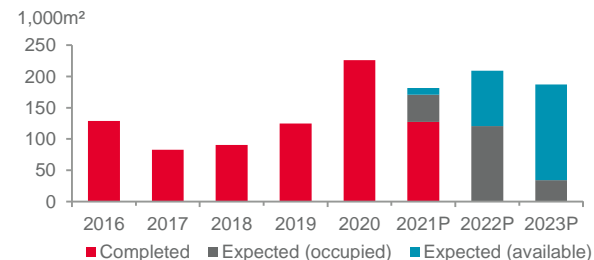
Property/Project	Submarket	Status	Year of Completion	Office Space (m ²)	Owner
Senckenberg Turm	West	Under Construction	2021	26,700	NAS Invest
EUROPA-CENTER	Airport	Under Construction	2022	32,200	EUROPA-CENTER AG
ONE	Europaviertel/Fair	Under Construction	2022	37,700	CA Immo
FOUR T1	Banking District	Under Construction	2024	72,200	Groß & Partner

MARKET STATISTICS

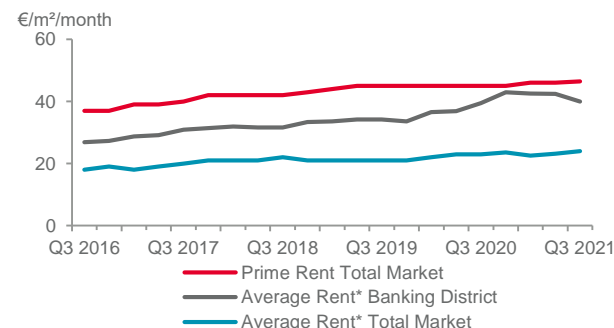
Selected Submarkets	Take-Up Q1-3 2021 (m ²)	Completions Q1-3 2021 (m ²)	Space under Construction Q3 2021 (m ²)	Prime Rent Q3 2021 (€/m ² /month)	Average Rent* Q3 2021 (€/m ² /month)
Banking District	40,200	22,800	150,900	46.50	40.00
Westend	25,400	0	8,800	39.50	29.70
City	17,900	0	8,100	38.00	22.50
Station Area	25,000	0	3,300	29.00	22.00
Total Market Frankfurt	254,000	87,000	495,600	46.50	24.00

* Weighted Average Rent (12 months)

COMPLETIONS

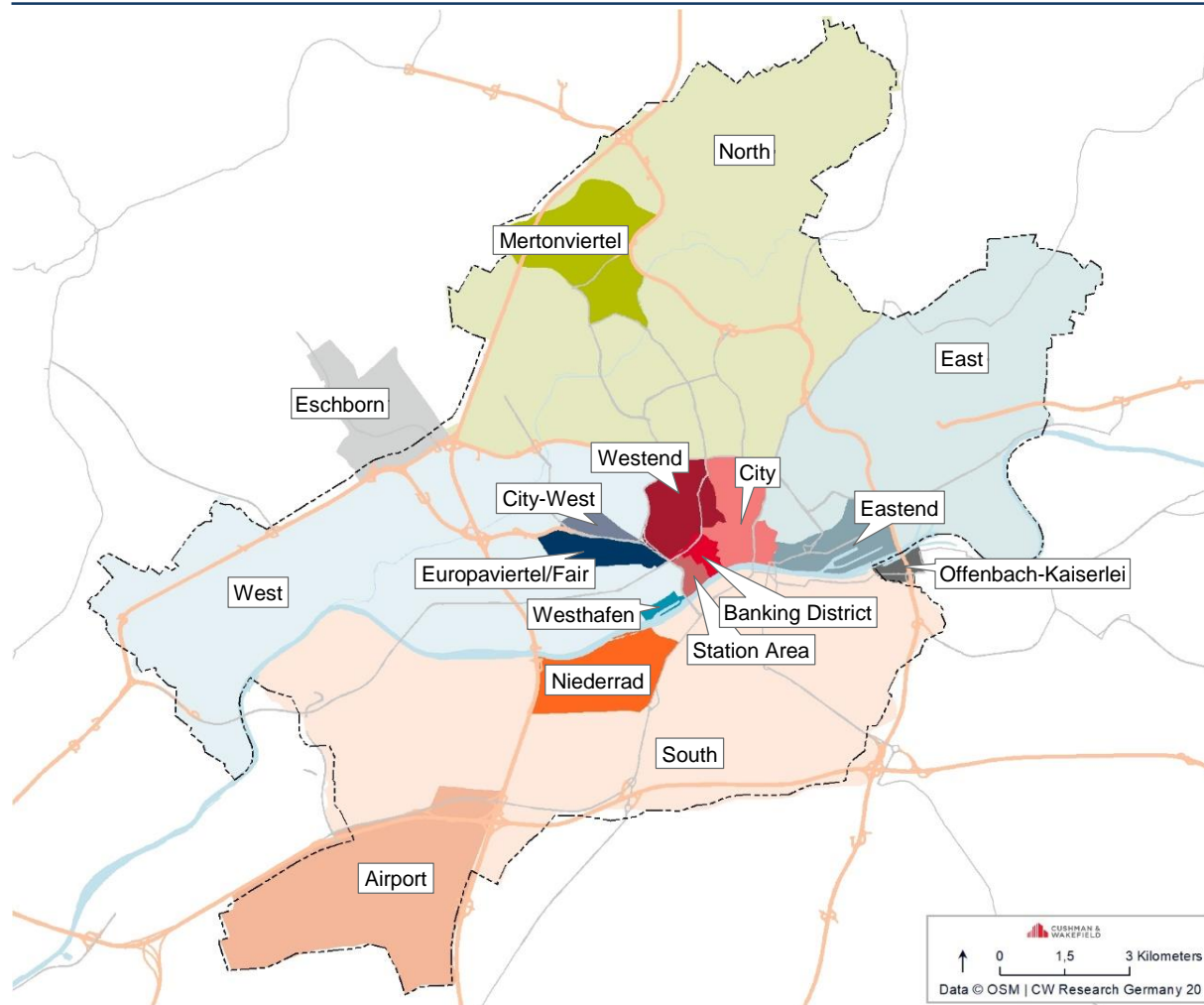


RENTS





SUBMARKET OVERVIEW



RENTAL PRICE RANGES Q3 2021

Submarket	€/m ² /month
Banking District	20.00 – 46.50
Westend	18.00 – 39.50
City	13.00 – 38.00
Station Area	16.00 – 29.00
City-West	13.00 – 20.00
Europaviertel/Fair	18.00 – 35.00
Westhafen	19.00 – 27.00
West	9.50 – 35.00
Niederrad	12.50 – 18.00
Airport	18.50 – 28.00
South	13.00 – 20.00
Eastend	12.50 – 23.00
East	8.00 – 15.00
Mertonviertel	11.00 – 16.00
North	9.00 – 16.00
Eschborn	9.50 – 20.00
Offenbach-Kaiserlei	9.00 – 17.00

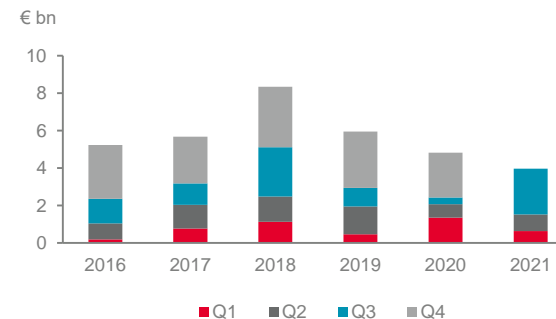
OFFICE INVESTMENT MARKET

After a moderate first half of the year, the office investment transaction volume in Frankfurt increased significantly in the third quarter with a volume of €2.4 billion. The sale of T1 in the high-rise project FOUR to Allianz and Bayerische Versorgungskammer for €1.4 billion contributed significantly to this result. Together with the second-largest transaction, the sale of Skyper for around €550 m, contributing more than 80% of the transaction volume in the third quarter. However, apart from these landmark deals, market activity remained subdued compared to the record years of 2018 and 2019, mainly due to product scarcity of sought-after core properties. The net initial yield for prime office properties in central locations is 2.75% and 4.45% in peripheral locations, with a slight decline expected in prime locations to the end of the year.

KEY FIGURES



OFFICE TRANSACTION VOLUME



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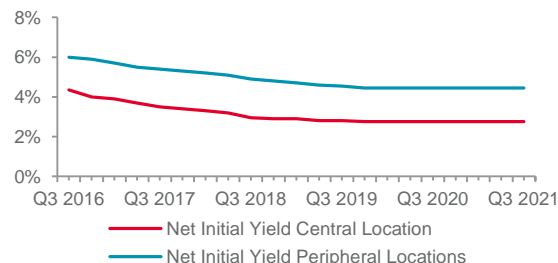
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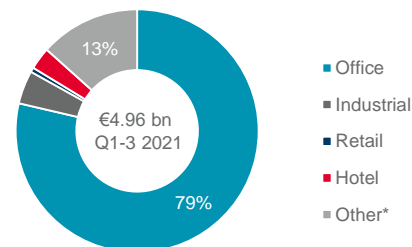
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PRIME OFFICE YIELDS



TRANSACTION VOLUME BY ASSET CLASSES



*Mixed-use Property, Development Plots, Nursing Homes etc.