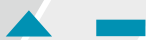


YoY Change 12-Month Forecast

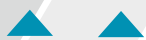
107,100m²

Take-Up (cum.), m²



8.0%

Vacancy Rate



498,900m²

Under Construction, m²



€46.50

Prime Rent, €/m²/month



LABOUR MARKET

YoY Change

102.1

Ifo Employment Barometer Germany (Mar 2022)



319,900

Frankfurt Office Employees (Mar 2022)



5.7%

Frankfurt Unemployment Rate (Mar 2022)



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

ECONOMIC OVERVIEW

After the annual outlook for Frankfurt promised economic growth, the mood has weakened considerably due to the war in Ukraine. According to a survey conducted by the Frankfurt Chamber of Commerce and Industry in March 2022, companies based in Frankfurt are struggling with rising energy costs, supply bottlenecks and transport problems among other things. Around 62% of the companies surveyed see themselves as being directly or indirectly affected by the consequences of the war. However, the latest upheavals are not yet visible in the labour market: The unemployment rate fell by 1.4 percentage points year-on-year to 5.7% in March.

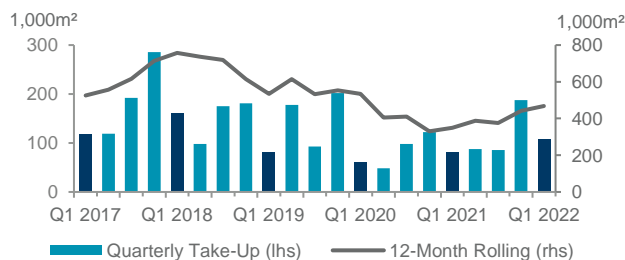
TAKE-UP

In Q1 2022, 107,100m² of space was taken up in the office letting market. This exceeded the previous year's equivalent figure by 34% and also represents an increase of around 8% on the Q1 10-year average. Owner-occupiers in particular have played a significant role in the year to date. GIZ started construction of its new campus in Eschborn with around 28,000m² of office space, thus ensuring by far the largest deal of the first quarter. Sparda-Bank will also move into around 9,100m² in its high-rise project in the Europaviertel district on completion in 2025. The largest letting was to Deutsche Bank at IBC in the City-West submarket, with approx. 6,100m². Letting take-up (excluding owner-occupiers) rose by 11% compared with Q1 2021 to around 69,000m².

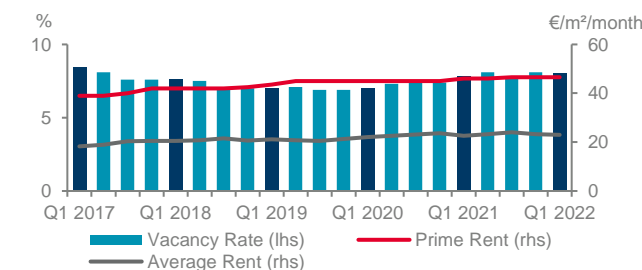
VACANCY

The vacancy rate rose by 0.2 percentage points year-on-year to 8.0%. Overall, around 944,000m² was available for immediate occupancy at the end of the first quarter. Slight increases in vacancy are expected over the course of the year in view of the anticipated completions of speculative construction projects. In the CBD, however, space availability has fallen again significantly following temporary increases as a result of the pandemic. The vacancy rate here is currently 4.2%. Demand exceeds supply, particularly in the absolute prime segment. As many users in this segment prefer properties with better building quality when relocating, the pressure to modernise older existing buildings is increasing. Despite rising vacancy rates, the shortage of prime space in central locations will thus lead to competition on the user side in the coming years.

TAKE-UP



VACANCY & RENT





COMPLETIONS

Around 141,000m² of office space is expected to be added to stock in 2022. This means that construction activity this year is significantly lower than in the previous two years, due to delays in some projects which, in turn, will result in an increased completion volume in 2023 (230,700m² expected) and 2024 (239,100m² expected). At 53%, the occupancy rate of the projects planned for completion in 2022 is comparatively low, so that the completions of the speculatively launched - and not yet let - projects "FLOW" and "The Move" in Gateway Gardens are expected to result in significant vacancy increases in the Airport submarket.

RENTS

The weighted average rent across all new lettings over the past twelve months currently stands at €23.00/m²/month. This represents a slight decrease of € 0.20/m²/month or 0.9% compared with the previous quarter. Compared with 12 months previously, the average rent has risen by € 0.40/m²/month. The prime rent in the first quarter was unchanged on the previous quarter at €46.50/m²/month. Both prime and average rents are expected to rise slightly by the end of the year due to higher commodity prices, which are impacting on the development of office space, and the focus of many users on rather high-priced new buildings.

SELECTED PROPERTY DEVELOPMENT PROJECTS

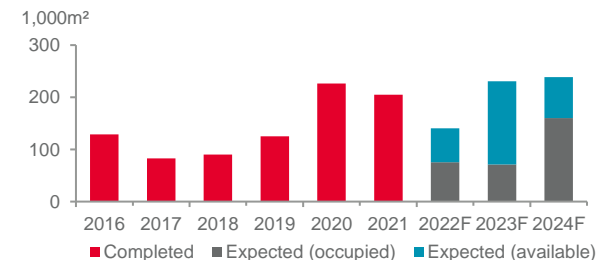
Property/Project	Submarket	Status	Year of Completion	Office Space (m ²)	Owner
The Spin	Europaviertel/Fair	Under Construction	2023	10,000	Ärztevers. Niedersachsen
Timber Pioneer	Europaviertel/Fair	Under Construction	2023	14,100	UBM
Atreem	Eastend	Under Construction	2023	14,600	OFB
FOUR T1	Banking District	Under Construction	2024	72,200	Groß & Partner

MARKET STATISTICS

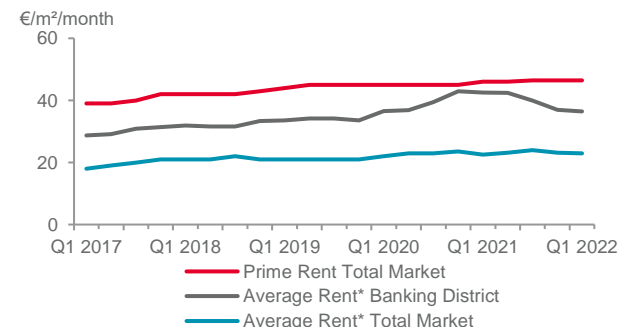
Selected Submarkets	Take-Up Q1 2022 (m ²)	Completions Q1 2022 (m ²)	Space under Construction Q1 2022 (m ²)	Prime Rent Q1 2022 (€/m ² /month)	Average Rent* Q1 2022 (€/m ² /month)
Banking District	7,700	0	96,100	46.50	36.50
Westend	5,600	800	1,400	43.50	30.20
City	6,400	1,500	37,200	43.00	24.50
Station Area	1,500	0	1,900	35.00	27.20
Total Market Frankfurt	107,100	2,300	498,900	46.50	23.00

* Weighted Average Rent (12 months)

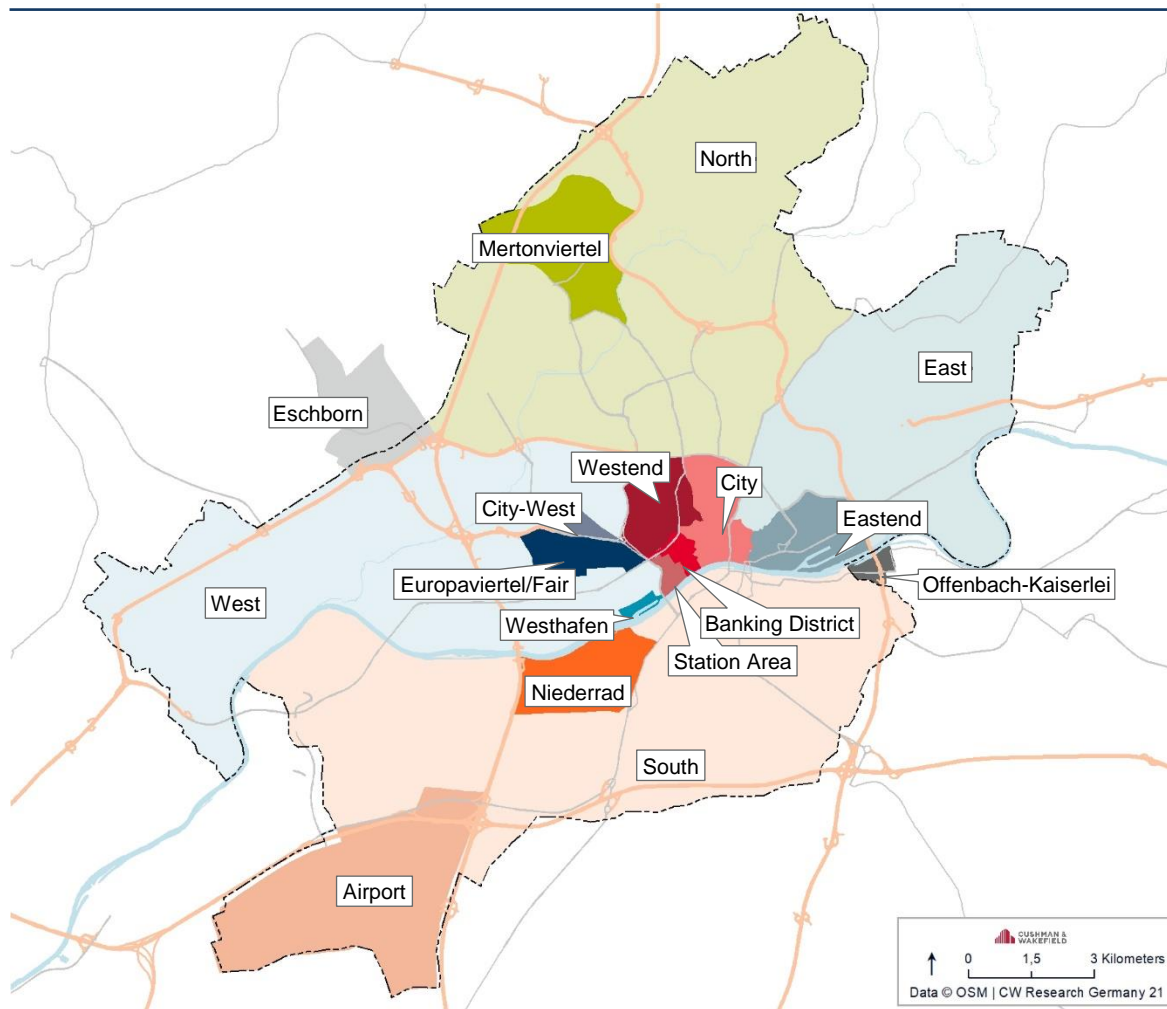
COMPLETIONS



RENTS



SUBMARKET OVERVIEW



RENTAL PRICE RANGES Q1 2022

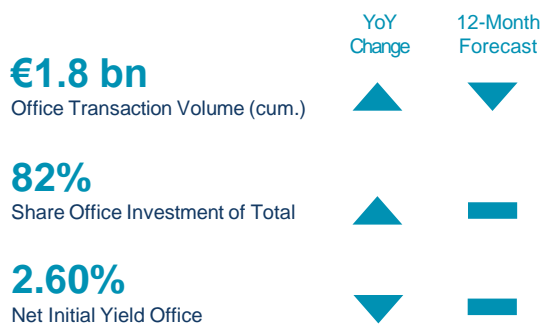
Submarket	€/m ² /month
Banking District	16.00 - 46.50
Westend	16.00 - 43.50
City	15.00 - 43.00
Station Area	16.00 - 35.00
City-West	12.00 - 23.50
Europaviertel/Fair	18.00 - 35.00
Westhafen	18.50 - 25.00
West	9.50 - 35.00
Niederrad	12.50 - 18.00
Airport	16.00 - 28.00
South	11.00 - 20.00
Eastend	10.00 - 23.00
East	8.00 - 15.00
Mertonviertel	11.00 - 16.00
North	9.00 - 15.00
Eschborn	10.00 - 20.00
Offenbach-Kaiserlei	8.00 - 17.00

OFFICE INVESTMENT MARKET

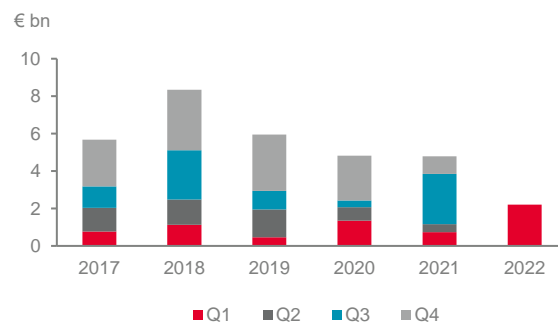
In the first three months of 2022, around €1.8 billion was invested in office properties in Frankfurt. This more than doubled the previous year's equivalent figure of €735 million. The driving force behind the strong result was the acquisition of alstria office REIT-AG by Brookfield Asset Management and the resulting change of ownership of numerous properties in the Frankfurt market area. The largest single-property transaction was the sale of Marienturm for over €800 million.

The net initial yield for prime office properties in central locations compressed by 15 basis points year-on-year to 2.60%. The prime yield in peripheral locations was 4.30%. Slight increases are expected here in the future in view of the changing financing environment.

KEY FIGURES



OFFICE TRANSACTION VOLUME



Pierre Nolte

Head of Office Agency Frankfurt
Head of Tenant Representation
Tel: +49 69 50 60 73 328
pierre.nolte@cushwake.com

Richard Tucker

Head of Capital Markets Frankfurt
Head of Frankfurt Branch
Tel: +49 69 50 60 73 231
richard.tucker@cushwake.com

Laura Müller

Associate Director Research Germany
Tel: +49 69 50 60 73 014
laura.mueller@cushwake.com

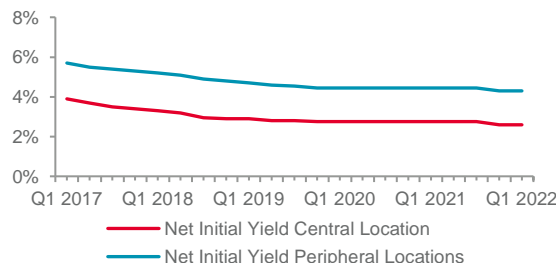
Ursula-Beate Neißer

Head of Research Germany
Tel: +49 69 50 60 73 140
ursula-beate.neisser@cushwake.com

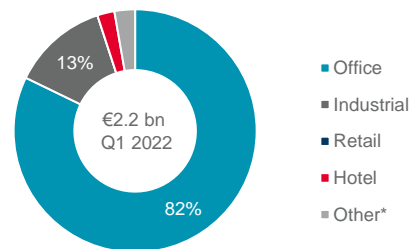
Helge Zahrnt MRICS

Head of Research & Insight Germany
Tel: +49 40 300 88 11 50
helge.zahrnt@cushwake.com

PRIME OFFICE YIELDS



TRANSACTION VOLUME BY ASSET CLASS



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

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