

YoY
Change

12-Month
Forecast

92,200m²

Take-Up (cum.),

**8.7%**

Vacancy Rate

**543,000m²**

Under Construction,

**€47.50**Prime Rent, €/m²/month

LABOUR MARKET

YoY
Change

99.9Ifo Employment Barometer Germany
(Mar 2023)**324,700**Frankfurt Office Employees
(Mar 2023)**5.8%**Frankfurt Unemployment Rate
(Mar 2023)

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

ECONOMIC OVERVIEW

The economic survey conducted by the Frankfurt-Rhine-Main Chamber of Commerce and Industry at the beginning of 2023 signals a slight easing, but not yet an all-clear for the currently tense situation of the regional economy. In almost every sector surveyed, such as industry and construction, the mood has improved and slight increases in turnover are expected in contrast to the previous survey. However, the companies surveyed in the Frankfurt-Rhine-Main economic region are still faced with an acute shortage of skilled workers and high energy and raw material prices. With regard to energy prices, around 63% intend to pay particular attention to saving in future, a third plan to pass on the costs and around 20% intend to invest in energy efficiency measures.

TAKE-UP

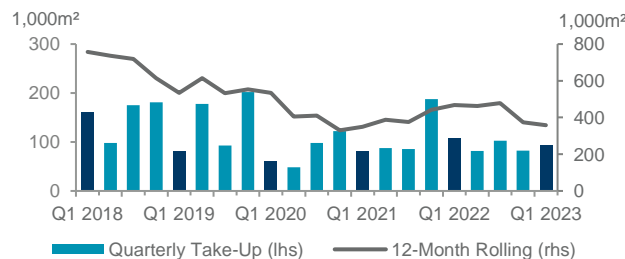
Frankfurt's office market began 2023 with moderate quarterly take-up. Lettings and owner-occupied deals totalling around 92,200m² took place in the first quarter. Although this represents a 12% increase in take-up compared to the weak fourth quarter of 2022, the year-on-year result is 14% weaker. Despite this, the number of lettings increased by around 13%. While 114 deals were recorded in Q1 2022, there were a total of 129 in Q1 2023. This trend applies above all to the up to 500m² size category.

The largest lease in the first quarter, at just under 9,600m², was signed by Universal Investment in the "Timber Pioneer" development project in Frankfurt's Europaviertel. The next largest deal was signed by a public administration tenant for around 9,100m² at Breitlacher Strasse 92 in the Rödelheim submarket. A further 5,800m² was let to Massif Central in Bethmannhof in the city centre.

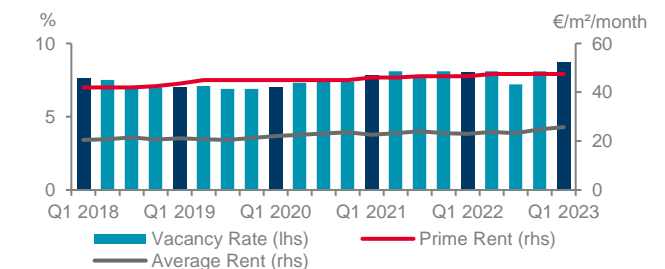
VACANCY

The vacancy rate at the end of the first quarter of 2023 was 8.7%. Around 1 million m² of office space was available for immediate occupancy at the end of March. This means that the vacancy rate rose by 0.6 percentage points compared to the previous quarter and by 0.7 percentage points compared to the same juncture last year.

TAKE-UP



VACANCY & RENT





COMPLETIONS

In the first quarter, around 24,000m² of new office space was completed in the Frankfurt market area. These include "The Move Orange" at the airport with 12,000m² of office space and the second construction phase of "Oststern" in the Ostend submarket with 9,400m² of office space. A completion volume of around 170,000m² is expected for 2023 as a whole. The current occupancy rate here is just under 44%. Approximately 258,000m² of office space is expected to be completed in 2024. Of this, 56% has already been pre-let.

RENTS

The weighted average rent across all new lettings in the last twelve months is €25.70/m²/month. Compared to Q4 2022, this corresponds to an increase of €0.90 or 3.6%. Compared to the previous year, the weighted average rent has risen by €2.70/m²/month (11.7%). The growth is mainly due to lettings in modern, energy-efficient and thus higher-priced office space. The prime rent at the end of the first quarter was 47.50 €/m²/month, unchanged from the previous quarter. Within the last twelve months, the prime rent has risen by €1.00. Rents will continue to rise over the course of the year, as the willingness of many occupiers to rent higher-quality, ESG-compliant space in central locations remains high.

SELECTED PROPERTY DEVELOPMENT PROJECTS

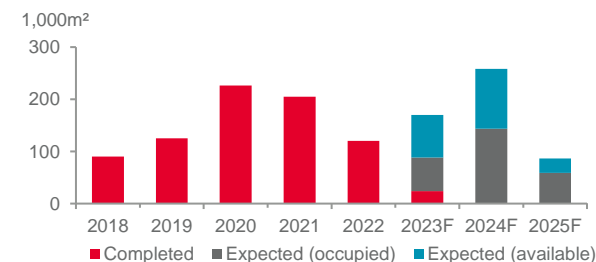
Property/Project	Submarket	Status	Year of Completion	Office Space (m ²)	Owner
Timber Pioneer	Europaviertel/Fair	Under Construction	2023	14,100	UBM / Paulus Immobilien
FLOW	Airport	Under Construction	2023	19,000	Europa-Center
Atreum	Eastend	Under Construction	2023	14,700	OFB
Kreiser	Station Area	Under Construction	2024	23,100	Quest

MARKET STATISTICS

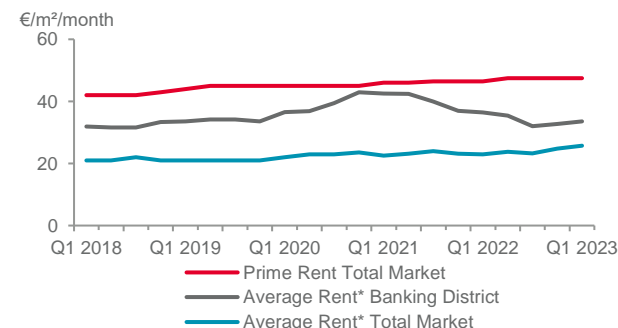
Selected Submarkets	Take-Up YTD (m ²)	Completions YTD (m ²)	Space under Construction Current Quarter (m ²)	Prime Rent Current Quarter (€/m ² /month)	Average Rent* Current Quarter (€/m ² /month)
Banking District	14,900	0	163,100	47.50	33.60
Westend	7,100	0	14,100	45.00	36.20
City	11,800	0	37,700	47.50	32.40
Station Area	3,600	0	23,100	35.00	22.90
Total Market Frankfurt	92,200	23,800	543,000	47.50	25.70

* Weighted Average Rent (12 months)

COMPLETIONS

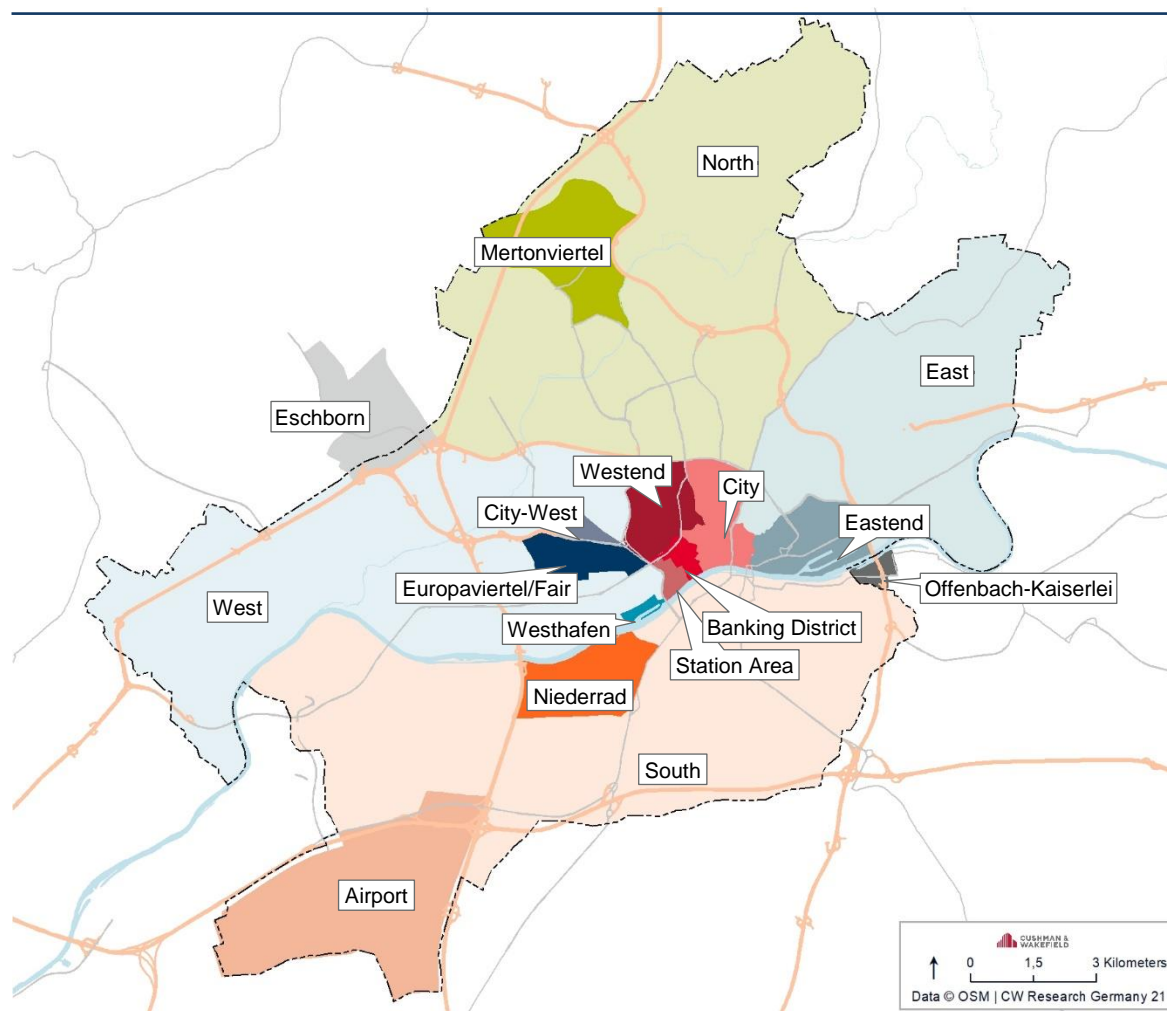


RENTS





SUBMARKET OVERVIEW



RENTAL PRICE RANGES Q1 2023

Submarket	€/m ² /month
Banking District	17.00 - 47.50
Westend	16.00 - 45.00
City	16.00 - 47.50
Station Area	14.00 - 35.00
City-West	15.00 - 24.00
Europaviertel/Fair	18.00 - 37.50
Westhafen	18.50 - 25.00
West	10.50 - 39.00
Niederrad	12.50 - 18.00
Airport	16.00 - 28.00
South	12.50 - 24.00
Eastend	12.50 - 23.00
East	9.50 - 15.00
Mertonviertel	11.00 - 15.00
North	9.00 - 16.00
Eschborn	10.50 - 22.00
Offenbach-Kaiserlei	9.00 - 17.00



MARKETBEAT

FRANKFURT

Office Market Q1 2023



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