

YoY Change 12-Month Forecast

**€1.34 bn**

Transaction Volume (cum.)



**30%**

Share of Foreign Capital



**4.90%**

Office Prime Yield, net



**51%**

Share Office Investment Volume

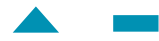


## ECONOMIC INDICATORS

YoY Change 12-Month Forecast

**6.5%**

Frankfurt Unemployment Rate (Sep 2024)



**330,700**

Frankfurt Office Employees (Sep 2024)



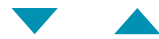
**3.65%**

ECB Interest Rate (Sep 2024)



**2.31%**

10-Year Government Bond Yield (Q3 2024)



Sources: Federal Employment Agency, ECB, Moody's Analytics

## TOTAL CRE TRANSACTION VOLUME 2023 ALREADY EXCEEDED AFTER THE 3RD QUARTER OF 2024

A CRE transaction volume of around €1.34 billion was recorded for the Frankfurt market in the first three quarters of 2024. This exceeds the previous year's result by 135%. The 10-year and 5-year averages were both missed by around 60%. The sales result for the 3rd quarter totalled €565 million and remained stable compared to the 2nd quarter (€560 million). The sales result for commercial property transactions in the first three quarters of 2024 was the second-lowest in over ten years. Nevertheless, the transaction volume for 2023 as a whole has already been exceeded.

Office properties have accounted for 51% of transactions in the year to date, totalling around €680 million. Eight sales with a total volume of around €285 million were registered in the 3rd quarter. The acquisition of the 'Canyon' project development in the banking district by Tite Street Capital made a major contribution to this.

The logistics and industrial sectors contributed around 28% and €370 million respectively to the commercial transaction volume on the Frankfurt market. Their share increased by 17 percentage points compared to the previous year. Large portfolio transactions comprising individual properties in the Frankfurt logistics market area contributed to the growth in the logistics share in the 3rd quarter. These include, for example, the acquisition of several properties by Shurgard from Prime Selfstorage or a property in Cargocity South, which was acquired by Blackstone. The sale of the Fechenheim industrial park from the Swiss chemicals group Clariant to the Lugman Group for €95 million also took place during the 3rd quarter.

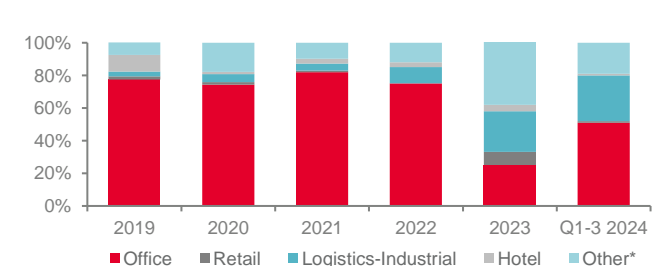
Mixed-use properties and development plots accounted for 19% of total sales, totalling €255 million. This was due in part to the partial sale of the 'Am Opernplatz 2' property from Signa to Capital Land Holding for a group of family offices.

Hotel properties were traded for around €15 million, which corresponds to a 1% share of CRE transaction volume. Sales of retail properties have generated around €20 million in the year to date.

## COMMERCIAL TRANSACTION VOLUME\*



## SHARE OF TRANSACTION VOLUME BY ASSET CLASS



\* Office, Retail, Logistics-Industrial, Hotel, Other (Leisure, Health Care, Mixed Use, Development Plots)



### CORE-PLUS STRONGEST RISK CLASS

Core-plus transactions accounted for just under 36%, meaning that sales in this risk class dominate transaction activity in the current year. A total of nine transactions in the core-plus risk class were registered by the end of the 3rd quarter of 2024. With a total of 11 sales in the same period, value-add transactions represent the risk class with the highest number of sales and account for around 31% of the transaction volume. The Opportunistic risk class combines ten sales with a share of around 21%.

### STABILISATION OF PRIME YIELDS IN QUARTERLY COMPARISON

From September 2023 to September 2024, the prime office yield for core properties in Frankfurt rose by 55 basis points to 4.90%. The prime yield for high-street properties increased by 35 basis points year-on-year to 4.55%. The prime yield for logistics properties is currently 4.50%, up 20 basis points on the previous year.

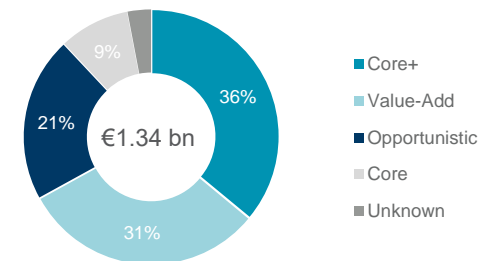
### SHIFT IN SIZE CATEGORIES YEAR-ON-YEAR

The size categories of commercial investment transactions on the Frankfurt market in the €50 million and above range together account for 62% or more than half of the total transaction volume in the current year 2024. Compared to the previous year's result, the share has thus increased by 30 percentage points. Sales of less than €25 million currently account for around 24% of the transaction volume. This corresponds to a reduction of around 20 percentage points compared to the previous year's figure. A shift in investment activity towards large-volume sales can be observed year-on-year, which also has a positive effect on the overall volume.

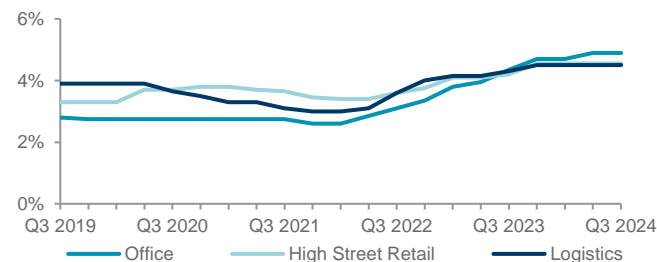
### Outlook

- The falling level of inflation and interest rates are contributing to a general stabilisation of yield levels and the end of the pricing phase on the investment market.
- Cushman & Wakefield expects stable prime yields across all asset classes until the end of the current year.
- The current transaction volumes and a much more positive mood in the market support confidence in a slow but steady recovery of the Frankfurt investment market.

### TRANSACTION VOLUME BY RISK CATEGORY Q1-3 2024

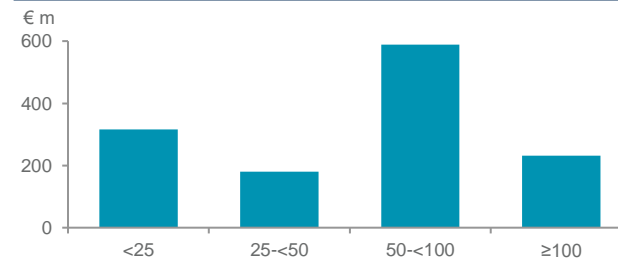


### PRIME YIELDS BY ASSET CLASS\*



\* Net initial yield

### TRANSACTION VOLUME BY SIZE CATEGORY Q1-3 2024\*



\* Each size category in euro million

## MARKET STATISTICS Q1-3 2024

MARKET	Transaction Volume (€ bn)	Share of Office Volume	Share of Retail Volume	Share of Logistics-Industrial Volume	Share of International Capital	Office Prime Yield*	Retail High Street Prime Yield*	Logistics Prime Yield*
Frankfurt	1.34	51%	1%	28%	30%	4.90%	4.55%	4.50%
YoY Change	135%	14pp	-10pp	17pp	-15pp	55bp	35bp	20bp
<b>Top-7 Markets</b>	<b>8.66</b>	<b>28%</b>	<b>21%</b>	<b>14%</b>	<b>35%</b>	<b>4.91%</b>	<b>4.46%</b>	<b>4.50%</b>
YoY Change	51%	-6pp	9pp	-1pp	4pp	42bp	27bp	20bp
<b>Germany</b>	<b>16.43</b>	<b>22%</b>	<b>22%</b>	<b>24%</b>	<b>40%</b>	-	-	-
YoY Change	11%	0pp	-1pp	0pp	7pp	-	-	-

\*Prime yield is net initial yield, displaying achievable values. Prime yield Germany = Average of Top-7 Markets  
pp = percentage points; bp = basis points

## SELECTED TRANSACTIONS 2024

Property / Address	Quarter	Type of Use	City	Vendor / Buyer	Price (€ million)
Canyon, Mainzer Landstraße 23	Q3	Office	Frankfurt	CV Real Estate / Tite Street Capital	Confidential
An der Hauptwache 1	Q2	Office	Frankfurt	Signa / Frankfurter Sparkasse	Confidential
Industriepark Fechenheim	Q3	Logistics-Industrial	Frankfurt	Clariant / Lugman Group	-95
Mozartplatz, Bockenheimer Anlage 15	Q2	Office	Frankfurt	Parklane / Conren Land	-35

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