

YoY Change 12-Month Forecast

**€775 m**

Transaction Volume (cum.)



**21%**

Share of Foreign Capital



**4.90%**

Office Prime Yield, net



**51%**

Share Office Investment Volume



## ECONOMIC INDICATORS

YoY Change 12-Month Forecast

**6.4%**

Frankfurt Unemployment Rate (Jun 2024)



**326,300**

Frankfurt Office Employees (Jun 2024)



**4.25%**

ECB Interest Rate (Jun 2024)



**2.53%**

10-Year Government Bond Yield (Q2 2024)



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

## TRANSACTION VOLUME MORE THAN DOUBLED YEAR ON YEAR

With a CRE transaction volume in the Frankfurt market area totalling around €775 million for the 1st half of 2024. Compared to the previous year, the sales result more than doubled with an increase of around 110%. However, both the 10-year average and the 5-year average were missed by 64%. With a commercial transaction volume of € 560 million, the sales result for the 2nd quarter of 2024 was around 160 % higher than the previous quarter and exceeded the same quarter of the previous year by around 180 %.

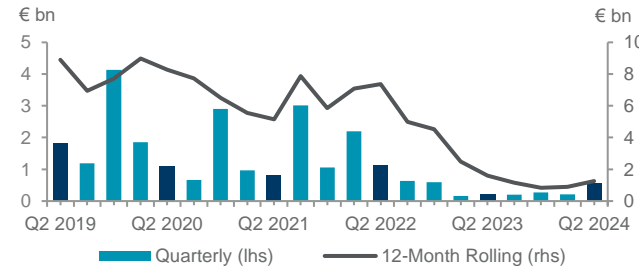
Sales of office properties dominate the result for the first half of 2024 with € 395 million and a share of sales of around 50%. Year-on-year, the share of office investments in the overall result increased by 7 percentage points. Seven sales with a combined volume of around €320 million were registered within this utilisation class in the 2nd quarter alone. The owner-occupier purchase of Hauptwache 1 by Frankfurter Sparkasse from Signa in Frankfurt city centre and the acquisition of the Access Tower by Abaton Real Estate from Preos in Frankfurt-Niederrad contributed to this result.

Mixed-use properties and land accounted for a total of 32% and €250 million of turnover respectively. 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.

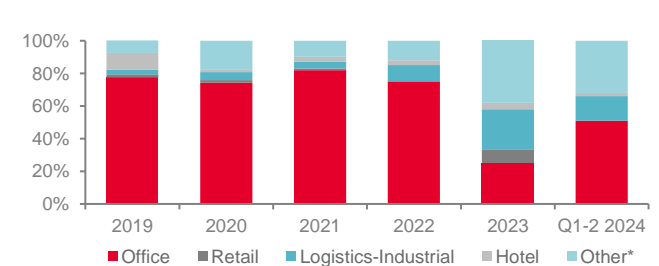
The logistics and industrial sectors contributed around 15% and €115 million respectively to the commercial transaction volume on the Frankfurt market. Their share increased by one percentage point compared to the previous year.

Hotel properties were traded for around €15 million, which corresponds to a share of turnover of 2%. No sales of retail properties have been recorded 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)



### RISK CLASSES WITH VALUE CREATION POTENTIAL PREDOMINATE

At around 51%, sales in the Opportunistic and Value-Add risk classes predominated in the first half of the year. As in the first half of 2023, the two risk classes with particularly high value creation potential therefore dominated the transaction activity. Core-plus transactions accounted for just under 38%. Sales with comparatively lower risk are therefore responsible for more than a third of the transaction volume.

### SLIGHT INCREASE IN OFFICE PRIME YIELD

From June 2023 to June 2024, the office prime yield for core properties in Frankfurt rose by 95 basis points to 4.90%. The prime yield for high street properties increased by 45 basis points year-on-year to 4.55 %. The logistics prime yield is currently 4.50 %, up 35 basis points on the previous year. Logistics Prime yield and high street prime yield have thus stabilized since the end of 2023. The office prime yield has risen slightly by 20 basis points quarter-on-quarter.

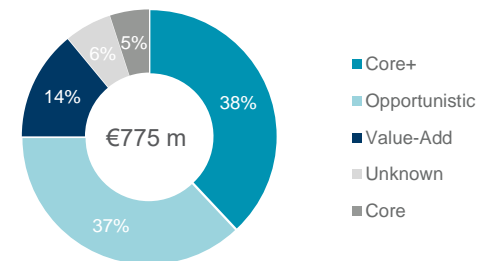
### SHARE OF INTERNATIONAL CAPITAL DOWN YEAR-ON-YEAR

The proportion of purchases by international investors was around 21%, 36 percentage points lower than in the previous year (Q1-2 2023: 57%). Both the owner-occupier purchase of Hauptwache 1 by Frankfurter Sparkasse and the sale of the Opernplatz 2 property to Capital Land Holding for several family offices and the acquisition of Bockenheimer Anlage 15 by the German investment company Conren Land have strengthened the share of national capital on the Frankfurt market.

### Outlook

- The result provides positive impetus for the Frankfurt commercial investment market. Market activity will continue to gain momentum in the second half of the year.
- Cushman & Wakefield expects yields to remain stable across all asset classes for the remainder of the year. The ECB's moderate reduction of the key interest rate by 0.25 percentage points in June sends a positive signal to the market, which could once again increase investor focus on property.

### TRANSACTION VOLUME BY RISK CATEGORY Q1-2 2024

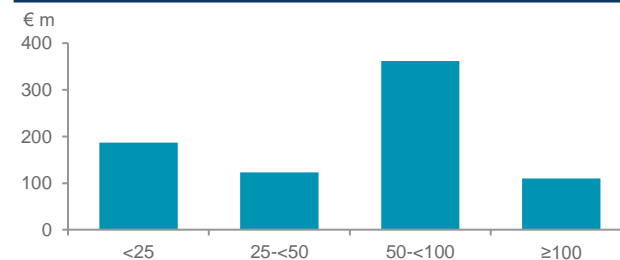


### PRIME YIELDS BY ASSET CLASS\*



\* Net initial yield

### TRANSACTION VOLUME BY SIZE CATEGORY Q1-2 2024\*



\* Each size category in euro million

## MARKET STATISTICS Q1-2 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	0.78	51%	0%	15%	21%	4.90%	4.55%	4.50%
YoY Change	112%	7pp	-16pp	1pp	-36pp	95bp	45bp	35bp
<b>Top-7 Markets</b>	<b>6.00</b>	<b>25%</b>	<b>21%</b>	<b>10%</b>	<b>30%</b>	<b>4.91%</b>	<b>4.46%</b>	<b>4.50%</b>
YoY Change	46%	-8pp	10pp	-6pp	-5pp	87bp	47bp	35bp
<b>Germany</b>	<b>11.16</b>	<b>21%</b>	<b>22%</b>	<b>23%</b>	<b>37%</b>	-	-	-
YoY Change	22%	-5pp	3pp	4pp	8pp	-	-	-

\*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)
An der Hauptwache 1	Q2	Office	Frankfurt	Signa / Frankfurter Sparkasse	Confidential
Mozartplatz, Bockenheimer Anlage 15	Q2	Office	Frankfurt	Parklane / Conren Land	~35
Parkstadt Liederbach, Hortensienring	Q1	Development plot	Frankfurt	KEG / City of Frankfurt am Main	~10
B&B Hotel, Wilhelm-Fay-Straße 53	Q1	Hotel	Frankfurt	a.a.a. Aktiengesellschaft / Imaxxam	Confidential

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