



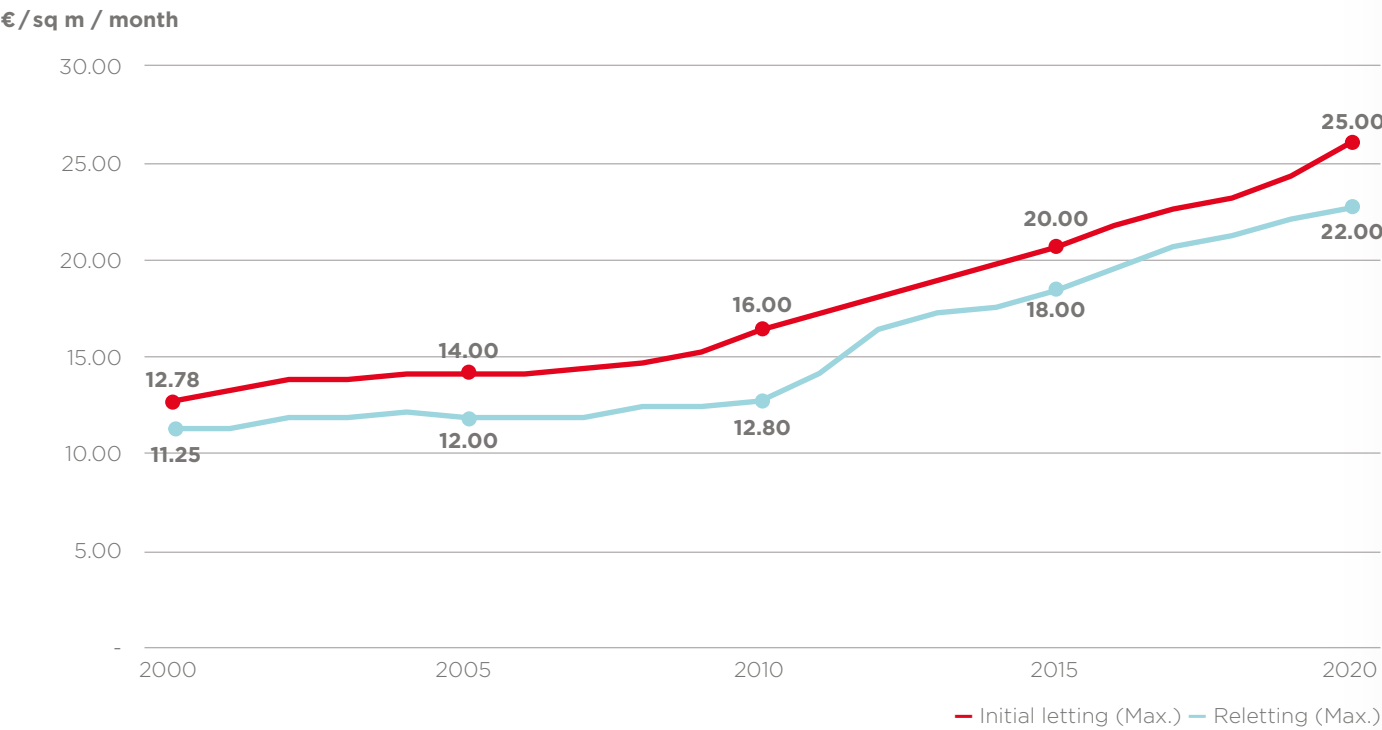
CUSHMAN &
WAKEFIELD

RESIDENTIAL MARKET FRANKFURT

HALF-YEAR UPDATE 2021

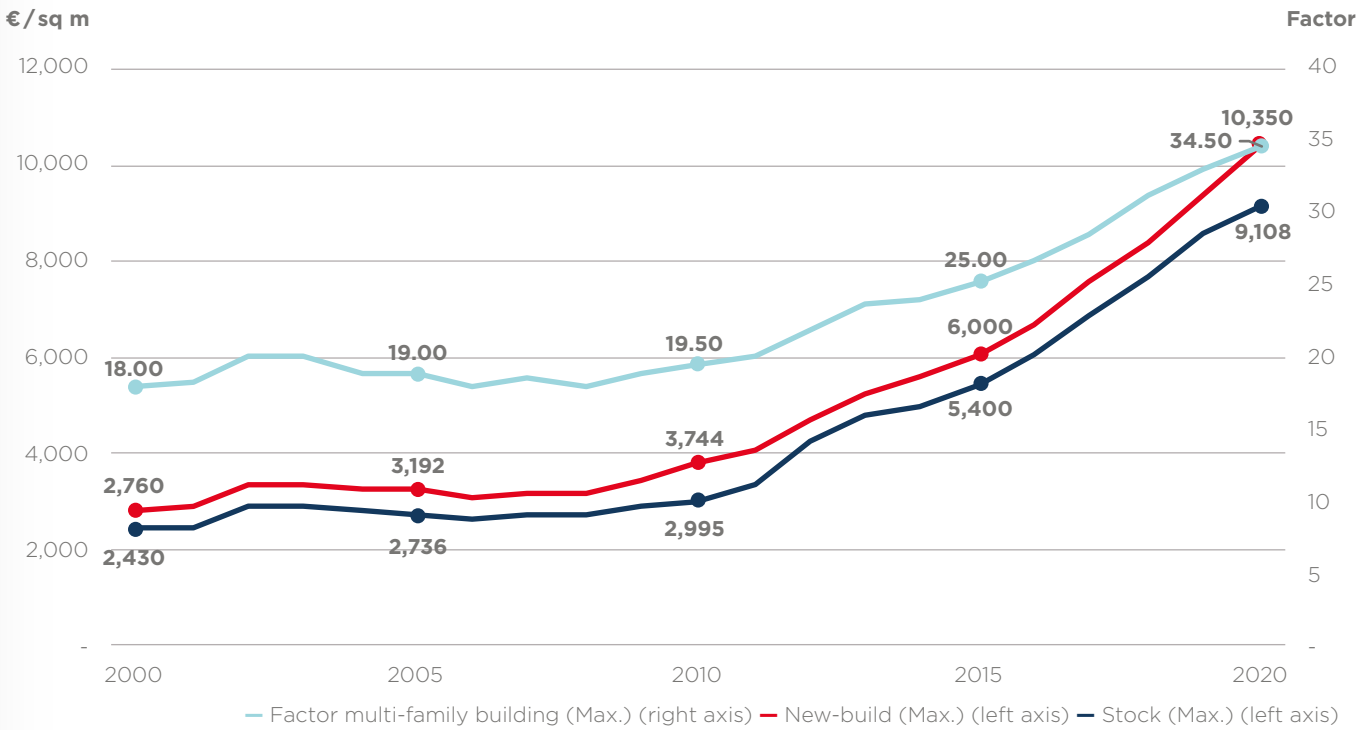
RENTING AND BUYING IN FRANKFURT

RENTAL PRICE DEVELOPMENT IN FRANKFURT



Source: bulwiengesa, C&W Research

CAPITAL VALUE DEVELOPMENT IN FRANKFURT



Source: bulwiengesa, C&W Research



DEVELOPMENT
2000-2020

RELETTING (MAX.)
+96%



INITIAL LETTING (MAX.)
+96%



DEVELOPMENT
2000-2020

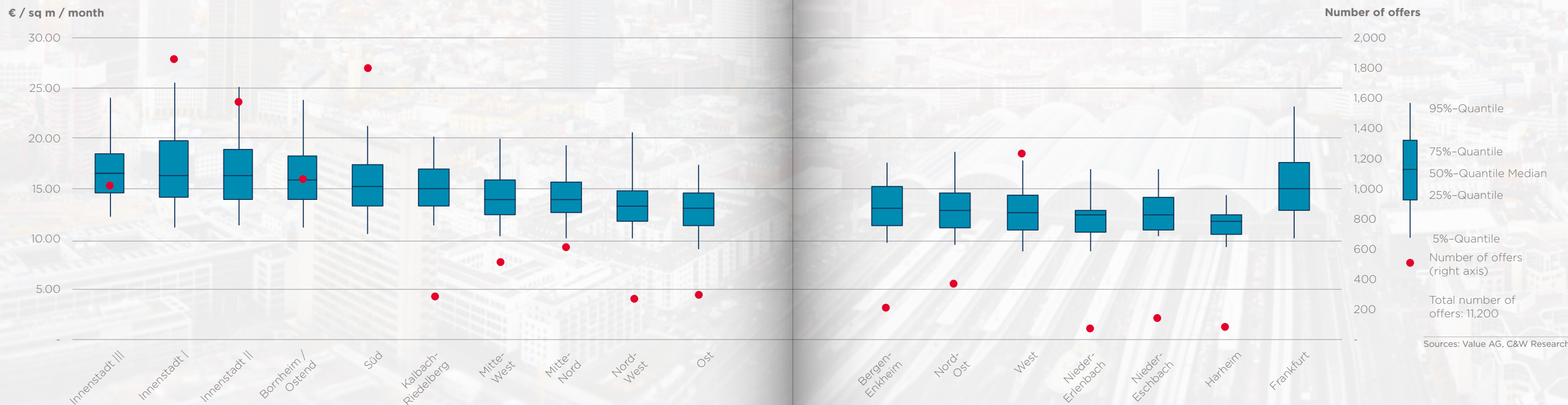
EXISTING STOCK (MAX.)
+275%



NEW-BUILD (MAX.)
+275%

RENTING AND BUYING IN FRANKFURT

FRANKFURT - APARTMENT RENTS H1 2021

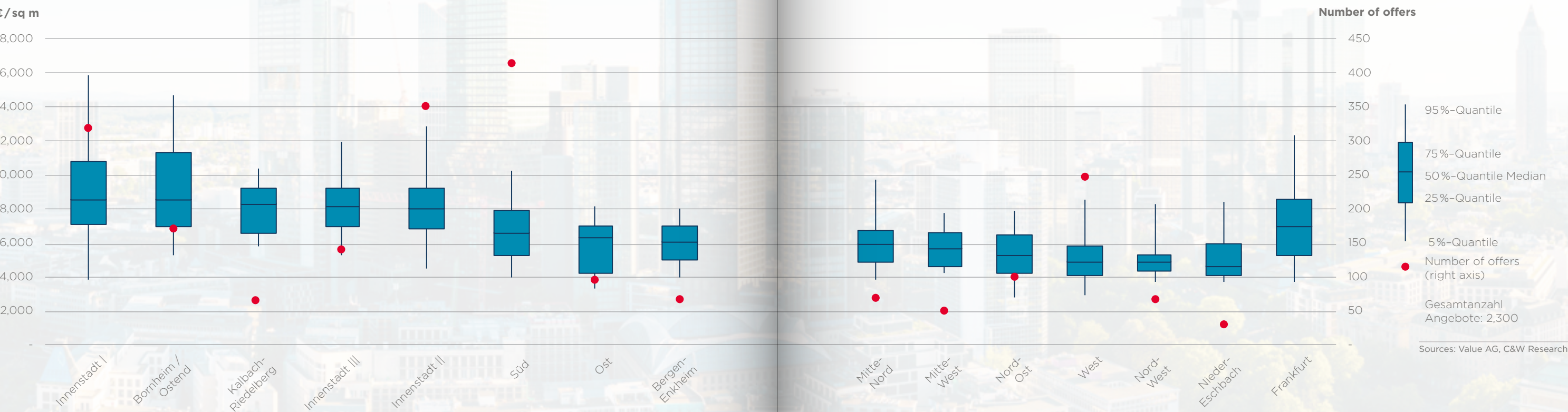


FRANKFURT'S CENTRAL SUBMARKETS ACHIEVE THE ABSOLUTE PRIME RENTS WHILE PROVIDING ABOVE-AVERAGE SUPPLY. THE HIGH LEVEL OF NEW CONSTRUCTION ACTIVITY IN THE SOUTH AND WEST OF THE CITY IN THE LYONER QUARTER AND IN HÖCHST - ENSURES A LIVELY LETTING MARKET.

CITY DISTRICTS	CONSTITUENT SUB-DISTRICTS
Bergen-Enkheim	Bergen-Enkheim
Bornheim/Ostend	Bornheim, Ostend
Harheim	Harheim
Innenstadt I	Gallus, Gutleutviertel Bahnhofsviertel, Altstadt, Innenstadt
Innenstadt II	Bockenheim, Westend-Süd, Westend-Nord
Innenstadt III	Nordend-West, Nordend-Ost
Kalbach-Riedberg	Kalbach-Riedberg
Mitte-Nord	Ginnheim, Eschersheim, Dornbusch
Mitte-West	Praunheim, Hausen, Rödelheim
Nieder-Erlenbach	Nieder-Erlenbach
Nieder-Eschbach	Nieder-Eschbach
Nord-Ost	Preungesheim, Eckheim, Berkersheim, Frankfurter Berg, Bonames
Nord-West	Niederursel, Heddernheim
Ost	Fechenheim, Riederwald, Seckbach
Süd	Sachsenhausen Nord & Süd, Niederrad, Flughafen, Oberrad
West	Zeilsheim, Sindlingen, Unterliederbach, Höchst, Griesheim, Schwanheim, Nied, Sossenheim

RENTING AND BUYING IN FRANKFURT

FRANKFURT - APARTMENT PRICES H1 2021



WITH MEDIAN PURCHASE PRICES OF OVER 8,000 EUROS PER SQUARE METRE THE NEW RIEDBERG DISTRICT, WHICH IS SOON TO BE COMPLETED, IS ONE OF THE MOST SOUGHT-AFTER CENTRAL RESIDENTIAL LOCATIONS IN FRANKFURT. DEVELOPMENT PROJECTS IN SACHSENHAUSEN AND NIEDERRAD, MEANWHILE ENSURE A VERY HIGH DENSITY OF SUPPLY IN THE SOUTHERN DISTRICTS OF THE CITY.

CITY DISTRICTS	CONSTITUENT SUB-DISTRICTS
Bergen-Enkheim	Bergen-Enkheim
Bornheim/Ostend	Bornheim, Ostend
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West	Zeilsheim, Sindlingen, Unterliederbach, Höchst, Griesheim, Schwanheim, Nied, Sossenheim

EXCESS DEMAND IN **FRANKFURT'S** RESIDENTIAL MARKET

BUILDING PERMITS



2019
5,829 → **2020**
4,228

The number of building permit applications has declined due to the pandemic, but not as much as was feared by the building inspectorate. It approved 4,228 apartments in 2020, compared to 5,829 in the previous year, which was, however, above average. Overall, the largest number of approvals was in Niederrad (837). This was followed by Sachsenhausen-Süd (500), Nordend-West (483) and Gallusviertel (463).

Around 25 per cent of the apartments approved in 2020 are apartment conversions on already developed sites. Micro-apartments continued to play a subordinate but growing role, with only 187 permits (2019: 155). In addition, the building inspectorate gave its approval for 314 apartments to be created via roof extensions or loft conversions. This is almost the same as the previous year's figure of 312.

Construction investments in Frankfurt declined sharply during the pandemic

The construction investment volume approved in Frankfurt fell to 873 million euros in 2020, the lowest level for more than ten years. In 2019, 1.28 billion euros were still invested and in 2018 even reached a good 1.84 billion euros. The reason for the decline was primarily pandemic-related decreases due to declining building applications in the airport, office, hotel and trade fair sectors.

COMPLETIONS



2019
3,663 → **2020**
4,349

The number of completed apartments has risen sharply since 2019 from 3,663 to 4,349, which is the second highest figure of the last 40 years. Only in 2017 were more (4,722) dwelling units completed. In 2020, the Gallusviertel accounted for the largest number of new apartments, at 864, followed by Niederrad (736), Nordend-West (436) and Ostend (376).

The high level of demand for housing already described in the 2020 report continues unabated. In addition, the number of approved apartments fell, further exacerbating Frankfurt's housing shortage.

In 2020, apartments were once again the dominant category in the approved construction investment volume in Frankfurt, at 330 million euros. Construction investment in the airport shrank from just under 250 million euros in 2019 to 92 million euros in 2020, putting it in third place behind apartments and the "mixed-use and other" category (206 million euros). Offices follow in fourth place, with 79 million euros.



WHAT'S CURRENTLY HAPPENING IN **FRANKFURT'S** RESIDENTIAL MARKET?

LUXURY RESIDENTIAL TOWERS: ABSOLUTE BEST-SELLER?



Germany's tallest residential tower: The Grand tower in Frankfurt is rising in the newly-developing Europaviertel between the main railway station and the trade fair and exhibition centre. One year after opening, the residential skyscraper still has a significant level of vacancy. Is this only due to the pandemic?

The planned Porsche Design Tower - also located in the Europaviertel - and the former Union Investment Tower in the Gutleutviertel will not be residential, but will probably be completed / refurbished as office buildings. In certain locations, office use appears more attractive for high-rise buildings than residential space.

WHAT'S CURRENTLY HAPPENING IN **FRANKFURT'S** RESIDENTIAL MARKET?

SUBSIDISED HOUSING: VACANCIES DESPITE HIGH DEMAND

Around 80 flats in the Frankfurt Platensiedlung, under the Förderweg II affordable housing scheme, have been vacant since Spring 2020. And this despite enormous demand in the market for affordable housing.

Although demand is high and the number of applicants is large, the group of suitable candidates is too small. So is the income corridor too narrow? Department head Mike Josef and the Frankfurt Planning & Housing Department are currently looking into relaxing the guidelines to allow more applicants to move in.

EXCURSUS FRANKFURTER FÖRDERWEG II (SUBSIDISED HOUSING FOR MIDDLE INCOMES)

Aimed at middle-income groups who earn too much to qualify for social housing but do not exceed certain income limits. Example: A three-person household may have a net annual income of approximately 34,795 euros to 49,293 euros.*

Depending on income and household size, the apartments are let at 8.50 to 10.50 euros per square metre.

*Suitability can be assessed under
<https://www.frankfurt-fairmieten.de/rechner/>

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**REPORT WITH DATA FOR
ENTIRE YEAR 2021
TO FOLLOW IN SPRING 2022**



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