

LABOUR MARKET



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

ECONOMIC OVERVIEW

According to the latest results of the FrankfurtRhineMain Chamber of Industry and Commerce's early summer survey 2024, most companies see a slight improvement in their economic situation. The two components of the current situation and expectations, which contribute to the business climate index, are developing slightly positively compared to the economic survey at the start of the year. The companies surveyed see the greatest risks to economic development in the shortage of skilled labour and domestic demand. These are followed by economic policy conditions and labour costs.

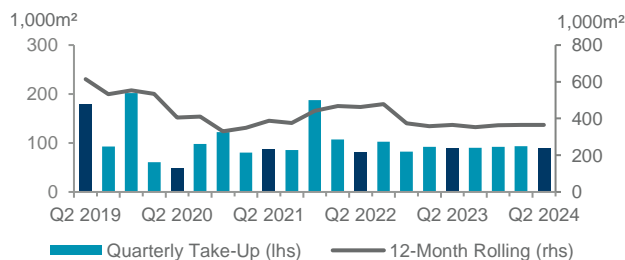
TAKE-UP

Office take-up via lettings and owner-occupancy in Frankfurt's real estate market area totalled around 182,000m² in the first half of 2024, which corresponds to the previous year's level. The quarterly result of 88,300m² is around 9% below the 5-year average and falls short of the 10-year average by around 7%. At around 38,000m², the largest letting in the year to date remains the letting by the banking supervisory authority of the European Central Bank in the "Gallileo" highrise in Frankfurt's banking district from the 1st quarter. The second-largest deal of 7,200m² was concluded by Frankfurter Sparkasse in the "Hauptwache Eins" project development, which the bank acquired as an owner-occupier purchase from the insolvent project developer Signa in the 2nd quarter. Three lettings above 5,000m² account for around 28% of take-up. In the first half of 2023, five deals (21%) were recorded in this size category. In 2019, there were eight lettings (41%) in the same period. The share of lettings in the size segment between 1,000m² and 5,000m² was around 36% of total take-up at the end of the first half of 2024, as in the same period of the previous year. In 2019, this figure was 27% after the first two quarters. These figures clearly reflect the ongoing trend towards downsizing in favour of high-quality office space in central locations.

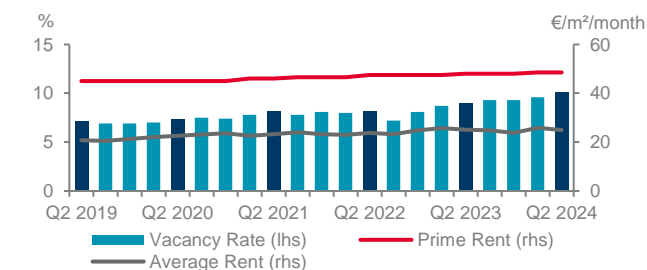
VACANCY

At the end of June, around 1.16 million m² of office space was available for immediate occupancy. This corresponds to a vacancy rate of 10.1% and is 1.2 percentage points above previous year's figure. Compared to the previous quarter, the vacancy rate increased by 0.5 percentage points. At around 134,000m², the supply of subletting space increased by around 30,000m² compared to the previous year and currently accounts for around 12% of vacancy.

TAKE-UP



VACANCY & RENT



COMPLETIONS

Around 66,000m² of office space was completed in the Frankfurt market area in the first half of 2024, including around 51,000m² in the 2nd quarter. These include the new-build developments "Eschborn Gate - Hochhaus" and "Eschborn Gate - The Hub" with a combined total of around 22,000m² as well as the "Atreeum" (14,700m²) in Frankfurt's Eastend and the "Timber Pioneer" (14,100m²) in the Europaviertel. Only 12% of the office space was available for rent at the time of completion. Cushman & Wakefield expects a completion volume of around 179,000m² for 2024 as a whole. At the time of completion, 80% of this space has already been pre-let. Around 405,000m² of office space was under construction at the end of June 2024. Compared to June 2023, this corresponds to a 35% decrease in construction volume (Q2 2023: 621,600m²).

RENTS

The prime rent in Frankfurt remained unchanged at €48.50/m²/month in the current reporting quarter. Compared to the 2nd quarter of 2023, this is an increase of €0.50 or 1.1%.

The weighted average rent across all new lettings in the past twelve months is €25.00/m²/month. Compared to the previous quarter, this corresponds to a decrease of €0.80 or 3.1%. Compared to the same quarter of the previous year, this is also a slight decrease of €0.10 or 2.3%.

SELECTED PROJECT DEVELOPMENTS

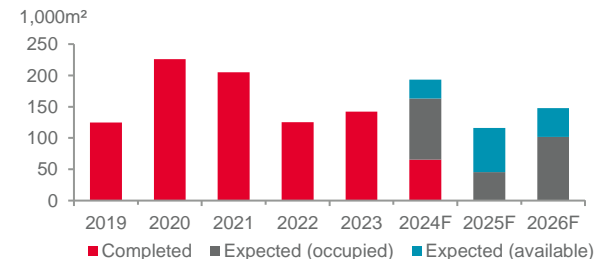
Property/Project	Submarket	Status	Year of Completion	Office Space (m ²)	Owner
Atreeum	Eastend	Completed	2024	14,700	OFB
Kreisler	Station Area	Under Construction	2024	23,100	Quest / Competo
Mergenthaler	Eschborn	Under Construction	2025	11,000	Wöhr & Bauer
Greenique	Banking District	Planned	2025	5,400	Cells

MARKET STATISTICS

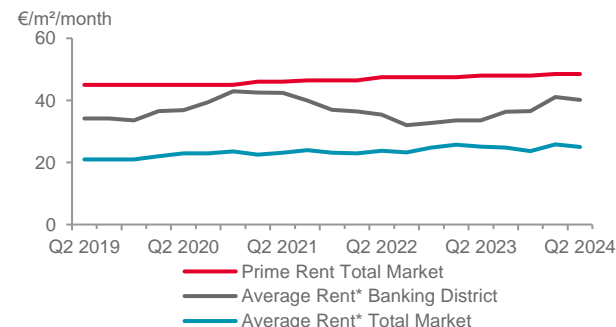
Selected Submarkets	Take-Up YTD (m ²)	Completions YTD (m ²)	Space under Construction Current Quarter (m ²)	Prime Rent Current Quarter (€/m ² /month)	Average Rent* Current Quarter (€/m ² /month)
Banking District	60,100	0	142,800	48.50	40.20
Westend	8,900	1,400	10,600	47.00	31.00
City	16,900	1,000	38,100	40.00	24.40
Station Area	4,800	0	23,100	32.00	23.50
Total Market Frankfurt	182,100	65,600	405,100	48.50	25.00

* Weighted Average Rent (12 months)

COMPLETIONS

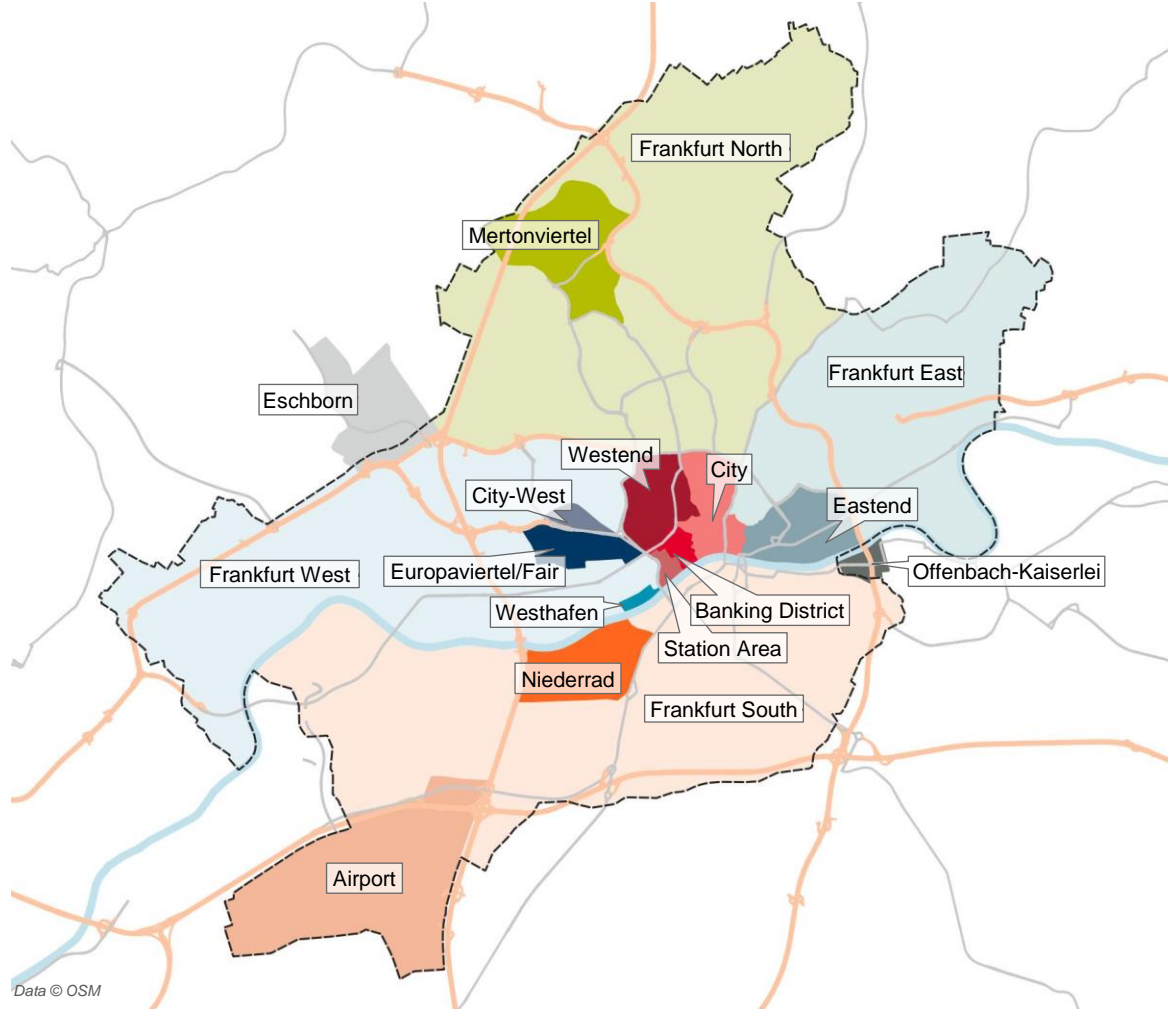


RENTS



SUBMARKET OVERVIEW

RENTAL PRICE RANGES Q2 2024



Submarket	€/m ² /month
Banking District	18.00 - 48.50
Westend	17.00 - 47.00
Station Area	14.00 - 32.00
City	15.00 - 40.00
City-West	15.00 - 24.00
Europaviertel/Fair	21.00 - 38.00
Westhafen	18.00 - 25.50
Eschborn	10.50 - 22.00
Airport	16.50 - 27.00
Mertonviertel	11.00 - 15.00
Niederrad	11.50 - 19.00
Offenbach-Kaiserlei	9.50 - 16.00
Eastend	12.50 - 25.00
Frankfurt North	9.00 - 16.00
Frankfurt East	10.00 - 14.00
Frankfurt South	13.00 - 23.00
Frankfurt West	11.00 - 25.50

Data © OSM

MARKETBEAT

FRANKFURT

Office Market Q2 2024



CUSHMAN &
WAKEFIELD

Hanjo Theiss

Head of Office Agency Frankfurt

Tel: +49 69 50 60 73 246

hanjo.theiss@cushwake.com

Nina Ranzenberger

Research Analyst

Tel: +49 69 50 60 73 072

nina.ranzenberger@cushwake.com

Helge Zahrnt MRICS

Head of Research & Insight Germany

Tel: +49 40 300 88 11 50

helge.zahrnt@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.

©2024 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

cushmanwakefield.com