



OFFICE LEASING Q3 2017

FRANKFURT



KEY FACTS

[Change year-on-year]

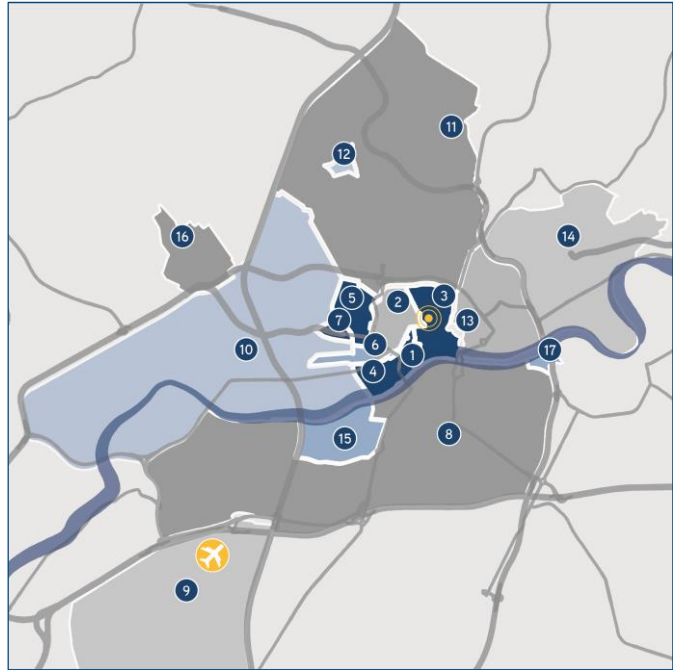
Take-Up of Space **[23.5%]**
425,100 sq m
 Leasing Performance **[13.2%]**
388,300 sq m

Vacancy **[-9.0%]**
1,201,800 sq m
 Vacancy Rate **[-100 bp]**
10.4%

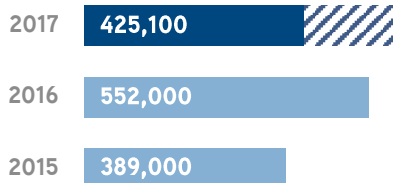
Prime Rent **[7.9%]**
41.00 € per sq m/month
 Average Rent **[6.7%]**
19.20 € per sq m/month

Outlook 2017
Demand ↗ Vacancy ↘ Rent →

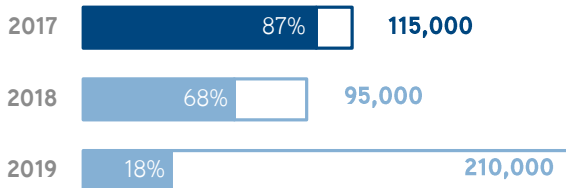
SUBMARKETS



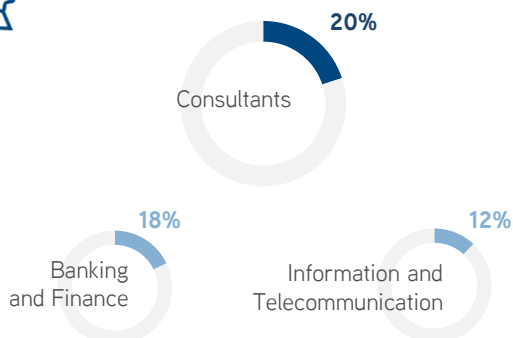
TAKE-UP OF SPACE (sq m)



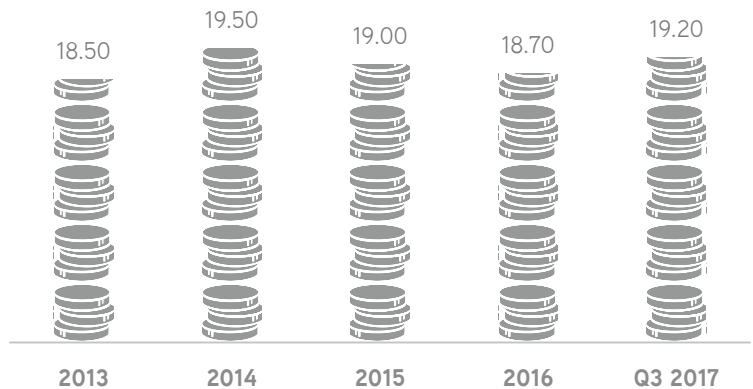
COMPLETION VOLUME (sq m, pre-let in %)



TOP 3 INDUSTRIES



AVERAGE RENT (in € per sq m/month)



MARKET AT A GLANCE

Activity on the Frankfurt office leasing market (including Eschborn and Kaiserlei) remained strong in Q3 2017 with take-up of around 425,100 sq m, an increase of roughly 24 % yoy. Large-scale leases have dominated the market such as the owner-occupier deal by Hessische Landesbank at Kaiserlei (27,500 sq m) or the take-up of roughly 14,400 sq m by the municipal administration at Mainzer Landstrasse. However, in the space segment of 2,000 to 5,000 sq m leasing activity remained strong as well.

Due to several leases signed in prime-objects and project developments, prime rents have increased to a level of 41.00 € per sq m. Thus, prime rents exceed the mark of 40.00 € per sq m the first time since 2001.

On the other hand, a further drop of vacant space can be registered, which adds up to around 1.2 million sq m. This is mainly due to the fact that there is a high demand for existing buildings and low construction activity. Over the course of the year, a high level of market activity is to be expected. Therefore, take-up results of around 600,000 sq m for the entire year seem realistic.





INVESTMENT Q3 2017 FRANKFURT



KEY FACTS

[Change year-on-year]

Transaction Volume **[+13%]**

€ 3.42 bn

Most Important Property Type

Office (€ 3.2 bn)

Prime Yield Office **[-50 bp]**

3.80%

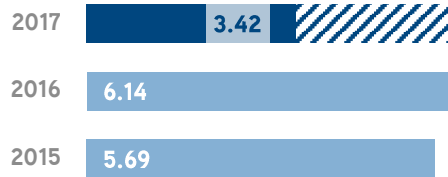
Largest Buyer Group

Open-ended Funds/Special Funds

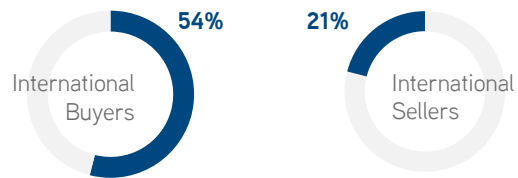
Outlook 2017

Transaction Volume ↗ Prime Yield ↘

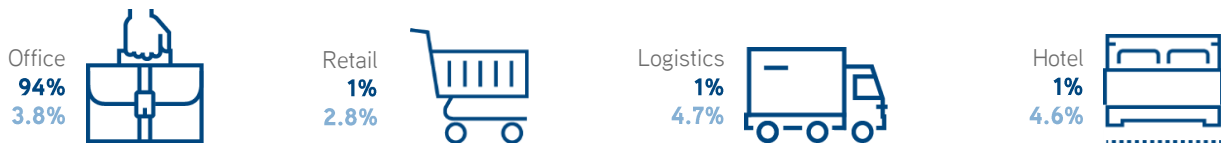
TRANSACTION VOLUME (TAV, bn €)



ORIGIN OF CAPITAL (TAV in %)

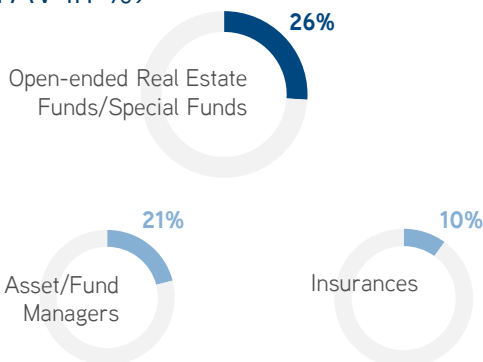


IMPORTANT PROPERTY TYPES (by TAV, Prime Yield)

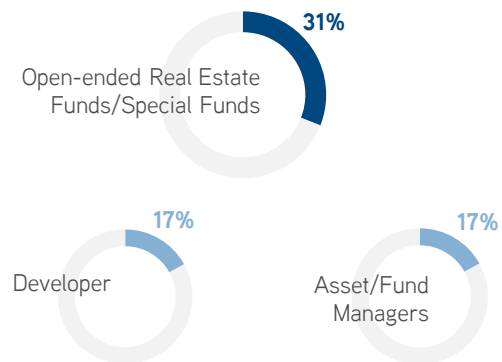


TOP 3 BUYER GROUPS

(TAV in %)



TOP 3 SELLER GROUPS (TAV in %)



MARKET AT A GLANCE

In the third quarter, the Frankfurt investment market once again gained considerable momentum, which is reflected in an increase in the transaction volume by around 13% yoy to more than € 3.4 bn. The result was mainly driven by high-volume deals for more than € 100 m, such as the project acquisition of the new DB Netz headquarters by Amundi in proximity to the central railway station, the transaction of the Ernst & Young headquarters in Eschborn or the sale of the high-rise T8 at Taunusanlage.

Frankfurt continues to be a highly attractive real estate investment location which is reflected in the high proportion of foreign capital currently flowing into the market. International investors, which have been particularly active in the core-segment this year, therefore account for a market share of roughly 53%.

The ongoing very good economic conditions coupled with the positive economic outlook are expected to ensure a high demand for commercial real estate in Frankfurt. After a cautious start to the year, all signs indicate a once again above-average year-end result after the first three quarters.



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