



OFFICE LEASING Q2 2018

FRANKFURT



KEY FACTS

[Change year-on-year]

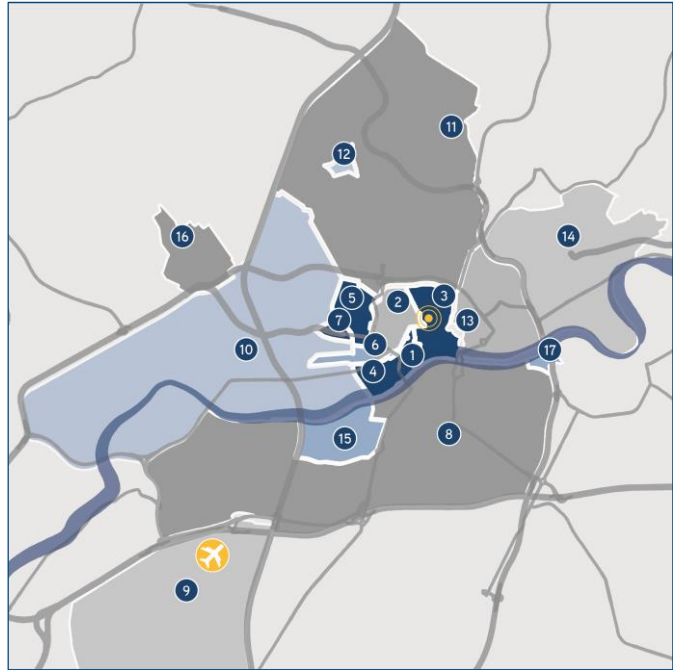
Take-Up of Space **[3.9%]**
254,500 sq m
 Leasing Performance **[5.8%]**
252,000 sq m

Vacancy **[-24.2%]**
938,800 sq m
 Vacancy Rate **[-260 bp]**
8.2%

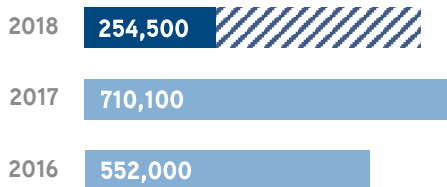
Prime Rent **[9.3%]**
41.00 € per sq m/month
 Average Rent **[6.9%]**
20.10 € per sq m/month

Outlook 2018
Demand ↗ Vacancy ↘ Rent ↗

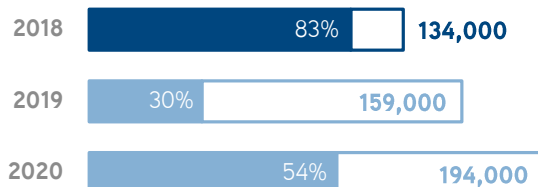
SUBMARKETS



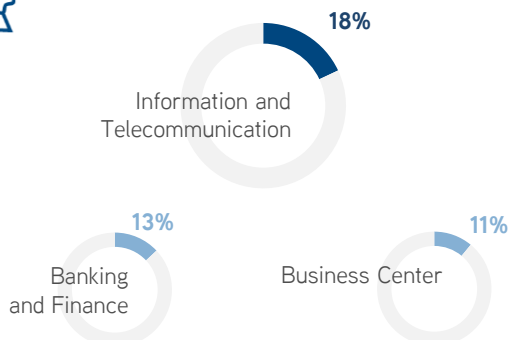
TAKE-UP OF SPACE (sq m)



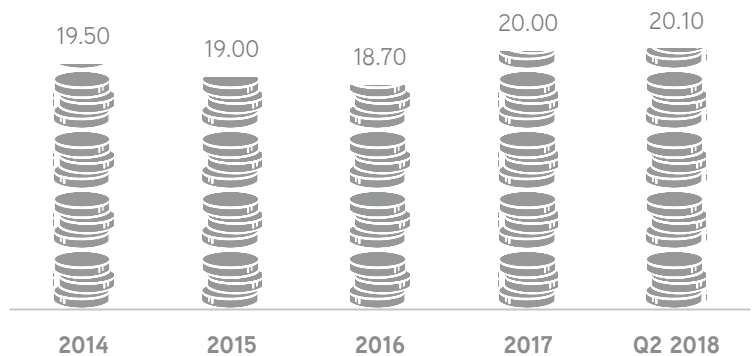
COMPLETION VOLUME (sq m, pre-let in %)



TOP 3 INDUSTRIES



AVERAGE RENT (in € per sq m/month)



MARKET AT A GLANCE

After an already record-breaking previous year, the office letting market has continued its positive development with a take-up result of 254,500 sq m. Since only one large contract for more than 10,000 sq m was registered in the first half of the year, the good result is primarily attributable to a high activity in the other floor-space segments. Due to the continued high demand, vacancy rates fell below the 1 million sq m mark. At the end of the second quarter,

less than 940,000 sq m were available for short-term lease in the market area, which corresponds to a decline of almost 25% compared to the previous year. Especially in central submarkets and submarkets close to the CBD, vacancy rates were already significantly below the level for the market as a whole at the end of the first half year. In the medium term, too, vacancy rates will continue to decline due to the ongoing high demand situation and a moderate construction activity at the same time.





INVESTMENT Q2 2018

FRANKFURT



KEY FACTS

[Change year-on-year]

Transaction Volume **[+49.7%]**

€ 3.17 bn

Most Important Property Type

Office (€ 2.76 bn)

Prime Yield Office **[-55 bp]**

3.30%

Largest Buyer Group

Asset / Fund Managers

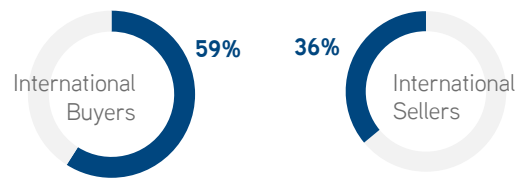
Outlook 2018

Transaction Volume ↗ Prime Yield →

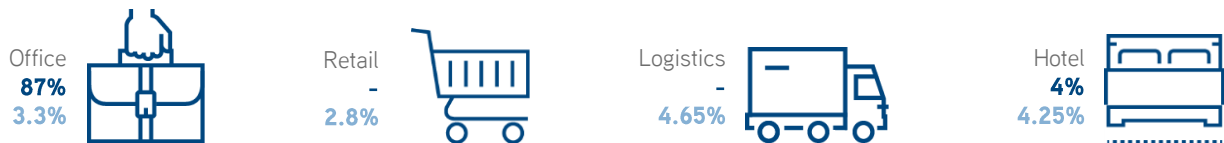
TRANSACTION VOLUME (TAV, bn €)



ORIGIN OF CAPITAL (TAV in %)

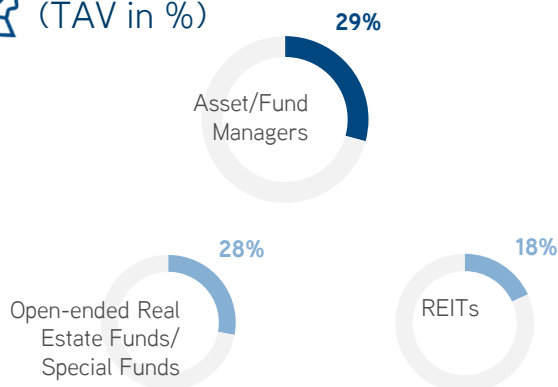


IMPORTANT PROPERTY TYPES (by TAV, Prime Yield)

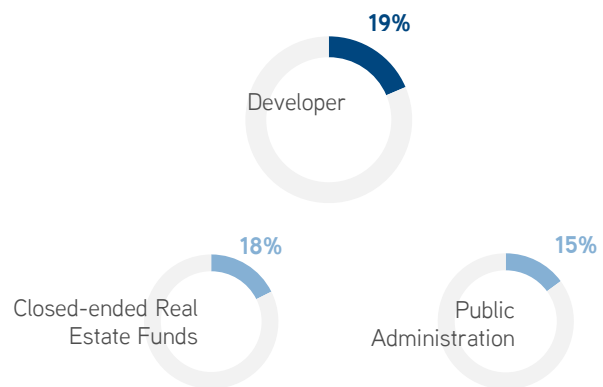


TOP 3 BUYER GROUPS

(TAV in %)



TOP 3 SELLER GROUPS (TAV in %)



MARKET AT A GLANCE

The extremely positive situation on the rental market, together with the continuing low interest rate environment, is currently giving the investment market a clear tailwind. A transaction volume of just under € 3.2 billion in the first half of 2018, which represents an increase of almost 50 % compared with the same period last year, reflects the continuing high demand. Several major transactions, such as the purchase of the Gallileo high-rise by Capitaland Commercial Trust from Singapore, contributed to this result.

In the course of the second quarter, international investors increased their share on the buyer side from around 40 % in the first quarter to currently around 60 %. Due to the continuing high demand, the yields of the individual asset classes remain at a low level, although the yield compression did not continue in the second quarter.

The high price level and the lively market activity will remain the two main driving factors for the investment market. Numerous major deals already in the pipeline will therefore continue to generate an above-average transaction volume in 2018.



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