

Future Cities

# Upgrading Frankfurt's City Center

## VIEWPOINT

Key factors for ensuring the sustainability and economic viability of the city center include implementing mixed use, creating attractive recreational space, and devising concepts for the integrated use of buildings.

CBRE RESEARCH  
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# High-Rise Development Plan as a catalyst for upgrading Frankfurt's City Centre

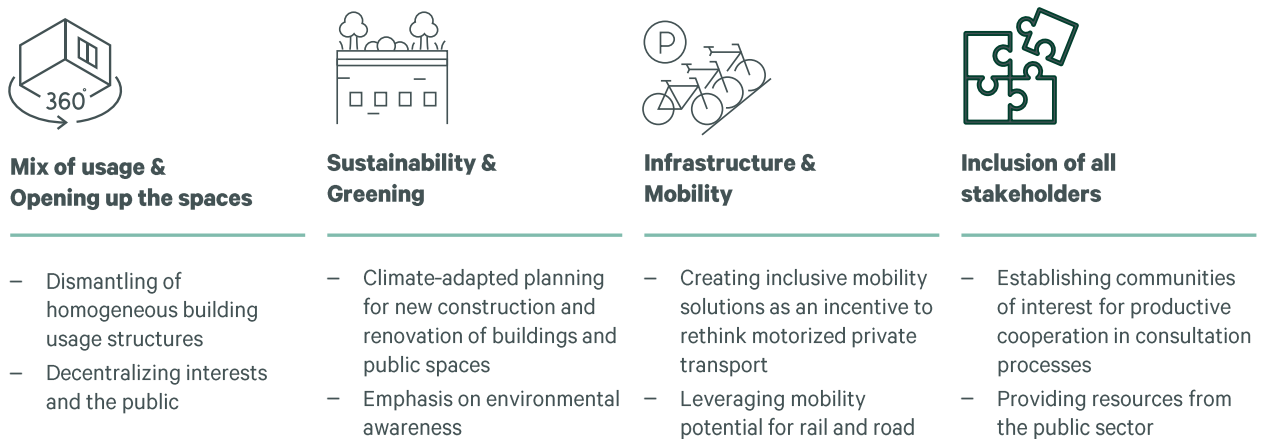
The High-Rise Development Plan published in April 2024 reflects the requirements of contemporary, urban living while creating impetus for changes in urban development that go beyond the boundaries of the Banking District by developing sustainable and integrated built environment concepts.

## Mainhattan - more than just a skyline

Virtually no other city in Europe has a skyline that is as striking as Frankfurt am Main's. Frankfurt's skyline is an intrinsic element of urban development and contributes to the city's collective identity. The High-Rise Development Plan (HEP) 2024 aims to further consolidate the skyline, particularly in Frankfurt's Banking District. New requirements for contemporary, urban living play a decisive role here. Factors include diverse usage, attractive public spaces, along with new forms of mobility and urban integration into the surrounding area. These aspects are of fundamental importance for taking the development of "Mainhattan" forward.

The positive development of the Banking District stands in contrast to Frankfurt's city center that has become increasingly less attractive over time. The coronavirus pandemic negatively impacted on retail and gastronomy, while exposing the shortfalls of Frankfurt's city center. Ongoing weak consumption and an ailing economy have led to a partial erosion of these sectors in the inner city, which is also reflected in parts of the office submarket location City being downgraded. Enhancing the quality of the city center is imperative for ensuring its future viability. Measures are aimed primarily at developing the city center into a strong, multifunctional business location, with retail as an important player in guaranteeing its appeal over the long term.

**Figure 1: Leveraging potential for the city center of the future**



Source: CBRE 2025

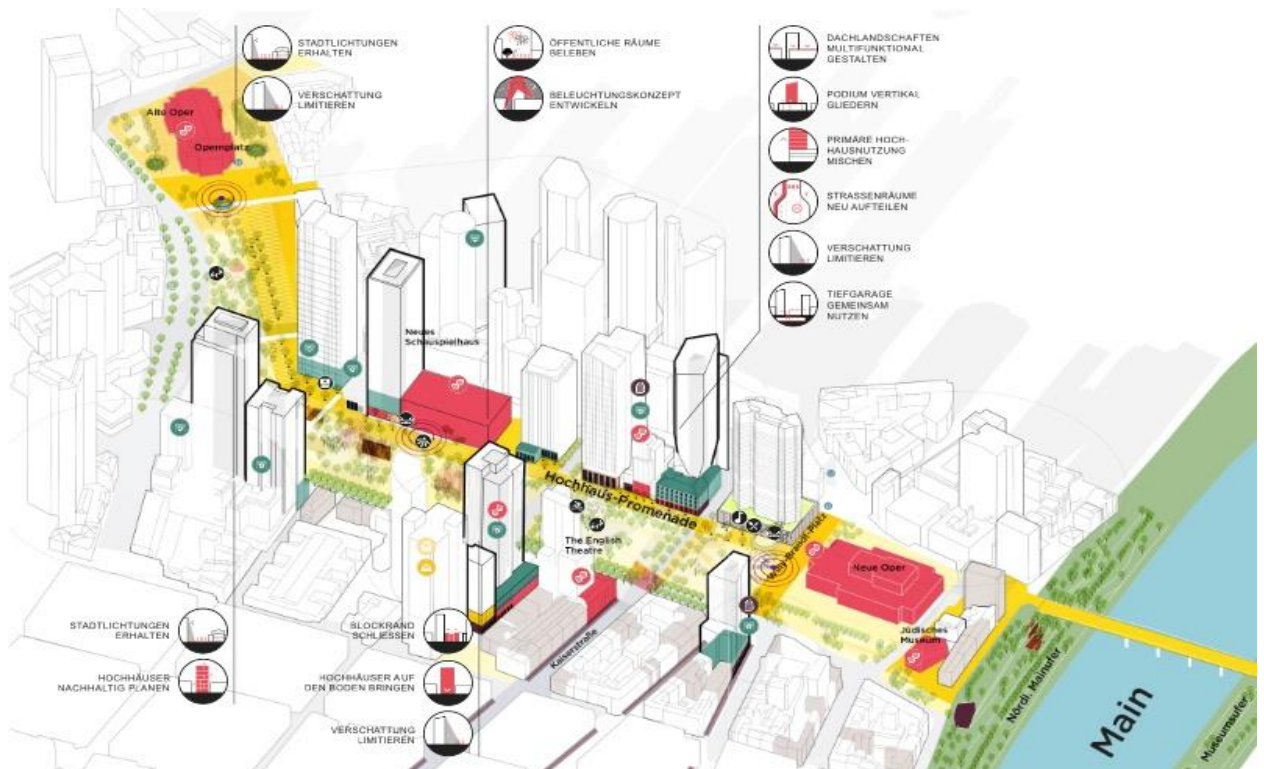
## Further development of the existing building fabric

Frankfurt's Banking District is undergoing a transformation process that aims to break up the monofunctional office cluster and develop it into an open, sustainable urban quarter. Streets and squares with low footfall are also to be given a new lease of life outside of business hours, hence the targeted mixture of retail, entertainment, work and public spaces. High-rise buildings and their surroundings are interconnected in mutual influence, an insight that is critical for a different approach to planning and policy. The high-rise building is to become an integral part of urban life in Frankfurt am Main. The city's local identity is to be reinforced, flanked by sustainable and liveable urban development.

Opening up ground and basement floor levels for public use in cultural and social settings will generate high value added for both the buildings and the neighborhood. Residential space constitutes a significant aspect of the mixed use as it is needed in the city and ensures a constant revitalization of the neighborhood. Another key concern is the sustainability of the buildings and their structure. The climate protection goals of the City of Frankfurt am Main require high-rise planning to be consistently optimized in ecological, economic and socio-cultural terms. Planners and investors must comply with more stringent climate compatibility regulations and develop innovative solutions to safeguard their competitive edge and ensure a location's future viability.

HEP 2024 therefore focuses on the developing and densification of the existing building stock, while integrating resilient and sustainable strategies. Using the existing building fabric, harnessing energy-efficient concepts and factoring in local climate scenarios will reduce waste and carbon dioxide emissions.

Figure 2: High-Rise Development Plan Frankfurt am Main



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## Climate-adapted urban design

Along with buildings, the climate-adapted design of open spaces in the city also plays an important part in mitigating climate change, ensuring the recreational quality of open spaces, and enhancing the city's overall attractiveness. With the Design Regulations for Open Space and Climate that entered into force on March 30, 2023, the city has set out mandatory requirements for climate-adapted design in new buildings and conversions:

- Improving the microclimate by greening roofs and façades and creating shaded areas to reduce overheating
- Improving the quality of life by avoiding ground sealing and promoting water-permeable surfaces to reduce the risk of flooding and ensure healthier living and working conditions
- Aesthetic enhancement to create a more appealing environment for residents and visitors
- Preservation and promotion of biodiversity for plants, insects and animals

Figure 3 illustrates the design envisaged for Goetheplatz and Rathenauplatz, with an emphasis placed on greening and unsealing the area. The redesign is also expected to result in more intensive use of the areas by all swathes of the population. At Hauptwache square, the Zeil and the Konstablerwache square the starting point is similar.

### Growing heat stress

Higher temperatures both day and night with less air circulation, especially in the city center

### Longer dry periods

Reduction of biodiversity and of groundwater recharge

### Increase in heavy rainfall and hail

Extreme weather can lead to flooding, compounded by an overloaded sewer system and a lack of available seepage areas

**Figure 3: Planned greening of Goethe-/Rathenauplatz Frankfurt am Main**



© Mapbox, © OpenStreetMap, CBRE Research

## Mobility

The City of Frankfurt am Main is characterized by the steady expansion of the population, with growth of 6.8% anticipated by 2035. Frankfurt is also a traditional commuter city. Despite protracted discussions about the effects of working from home, the number of people commuting to the city is not set to dwindle in the future. The growing demand for more services needs to be accommodated within the existing transport infrastructure.

Along with the traffic flow, more cycle paths, loading and unloading processes on the carriageway, parcel delivery stops and construction site facilities on lanes all contribute to the high traffic loads on the road network, with capacity bottlenecks expected to increase.

In a move to counteract these bottlenecks, the strategic survey of the City of Frankfurt's Mobility Master Plan analyzes population and workplace development, commuting behavior, mobility behavior, traffic congestion, environmental and climate impacts, as well as traffic safety. The Mobility Master Plan shows that although the proportion of environmentally compatible means of transport is on the rise private passenger cars continue to dominate. According to the report, carbon emissions from traffic have remained high for thirty years. With a view to transporting more people within the city, public transport needs to be greatly expanded as it is the more scalable means of travel compared with private transportation.

Strategic goals have been prioritized under Vision 2035+ that places people at the center of the mobility transition and strives for a mobile and liveable city. Sub-measures affecting the inner-city area are aimed at creating more areas with traffic calming, forging ahead with more safe road crossings for pedestrians and cyclists, encouraging a redistribution of road space, parking spaces and sidewalks, and speeding up local public transport by increasing the frequency of subway trains, new streetcar routes and building up the bus network.

Sustainable accessibility in the city must be guaranteed, taking into account economic development, environmental quality and, first and foremost, social equity and the inclusion of all transport and mobility participants.

Population projection  
2035<sup>1</sup>

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827,500

Commuters subject to social  
insurance contributions working  
in Frankfurt am Main (June  
2024)

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417,920

Duration of a 10 km car route  
during rush hour<sup>2</sup>

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26 min.

Length of newly developed  
cycling facilities since 2020<sup>3</sup>

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34 km

<sup>1</sup> City of Frankfurt am Main - statistik.aktuell, February 2023

<sup>2</sup> Evaluation of navigation provider Tomtom, 2024

<sup>3</sup> City of Frankfurt am Main - The cycling portal of the City of Frankfurt am Main, 2025

### New concepts for traditional retail

The Zeil has been a pedestrian zone for many years. Automated counts operated by Hystreet recorded around 23.68 million passers-by on the main shopping street in 2024. Figure 4 shows the frequency distribution within the city center. The majority of the footfall originates at the Hauptwache and Konstablerwache public transport stations, which are the starting and anchor points for arriving in the city, but also for onward travel.

The use of space in the city center is in transition, triggered on the one hand by the coronavirus pandemic and, on the other, by the quality and appeal of some of the properties and their specific usage by the respective user groups. Retail in large city centers has long and successful track record but is currently having to deal with vacancies in these locations. The Karstadt department store as well as large Esprit and Zara stores have had to shut. The space required by retail is on the decline, partly due to growing competition from e-tailers. A loss of function is a threat looming for long-established building stock, and owners are losing capital as a result. Meeting these challenges will require the retail that characterizes the area around the Zeil to be transformed into mixed usage.

High street prime rent in Q4 2024 in sq m per month

Goethestrasse	€265
Zeil	€260
Fressgass'	€195
Hauptwache/ Biebergasse	€175
Rossmarkt	€115
Kaiserstrasse	€105

Average rental growth of retail locations since 2020

**+6.7%**

Figure 4: Footfall analysis of Banking District and City Frankfurt



Source: CBRE Location Intelligence

### Integration of new office concepts

Almost 70% of the office space in the city center shopping locations can be attributed to category B or C space. In the past, the focus was on retail space, which accounted for the majority of rental income. Upgrading the existing office space will create an attractive offer that can meet the challenges of corporate real estate management in terms of new work, ESG and the flexibilization and hybridization of the office world. Using the developments in the Banking District as a starting point, the aim in the City submarket is also to raise the proportion of mixed usage in existing building structures in order to stem the tide of the occupiers' "flight to quality" and satisfy the growing demand for high-quality offices in central locations going forward, all the while creating value added for occupiers and owners.

The refurbishments that have already been completed, as well as those still under construction or planned in the city center, will not only create supply for prospective tenants, but will also contribute significantly to enhancing the cityscape. Furthermore, the upgrading and opening up of the public space, particularly around the Konstablerwache square and the square around the Hauptwache, will also fuel demand and lead to potential rent increases.

Share of category B/C space in office vacancies in the City submarket

44%

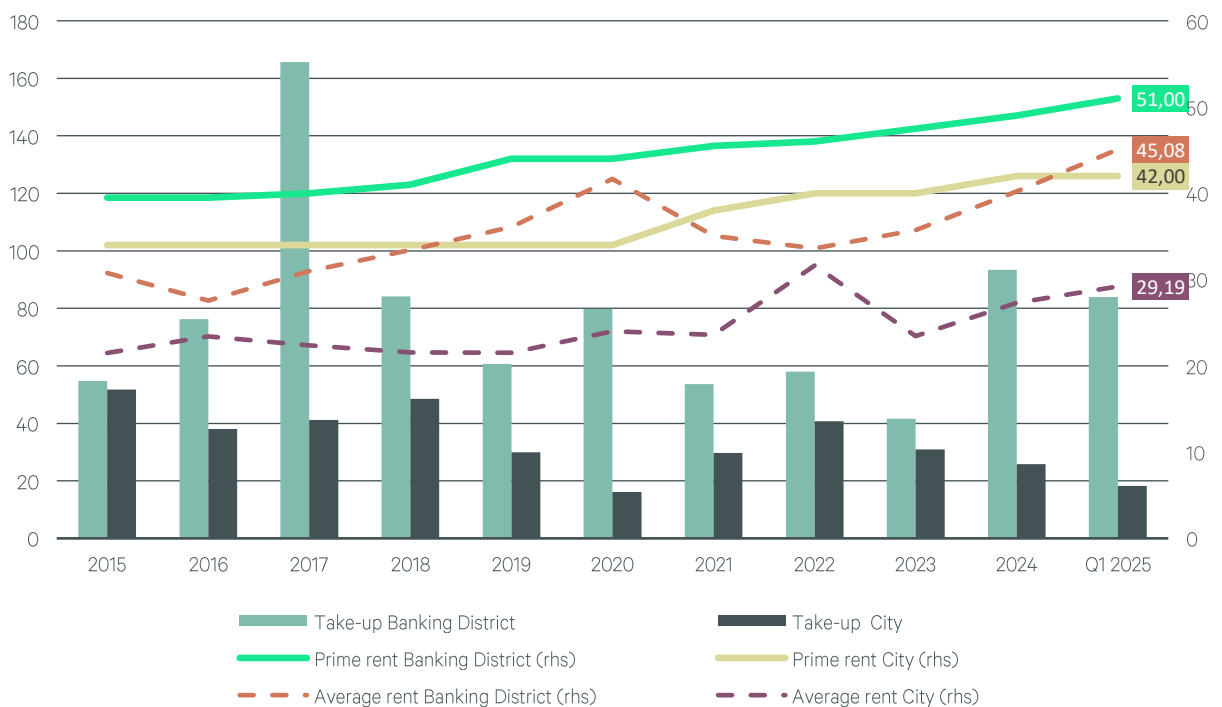
New supply in the City submarket due to refurbishment by 2030

43,000 sq m

Indicative rent potential City submarket<sup>4</sup>

+43%

Figure 5: Development of take-up and rents in 1,000 sq m and €/sq m/month



Source: CBRE Research

<sup>4</sup> Comparison of weighted average rents for office space of medium and poor quality compared with prime existing and project space

Figure 6: Selected new buildings & project developments Frankfurt - City



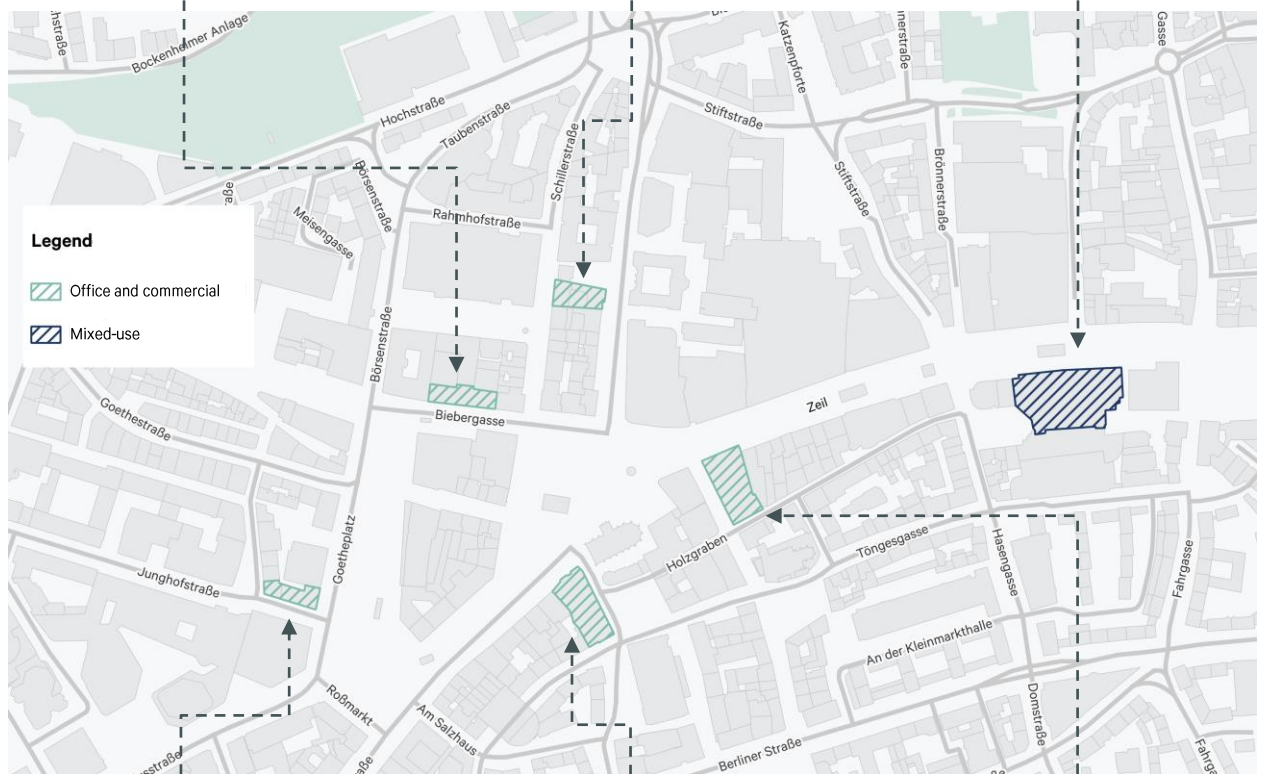
TAURUS	
Address	Börsenplatz 7-11
Total area	15,400 sq m
Anchor tenant	Citigroup, Uniql
Completion	2024



Cosmo	
Address	Schillerstrasse 16
Total area	4,900 sq m
Anchor tenant	n/a
Completion	2027



Midstad Frankfurt	
Address	Zeil 71-75
Total area	38,000 sq m
Anchor tenant	P&C Düsseldorf
Completion	2028



Goetheplatz 1-3	
Address	Goetheplatz 1-3
Total area	9,200 sq m
Anchor tenant	n/a
Completion	2027



HW 1	
Address	Hauptwache 1
Total area	11,300 sq m
Anchor tenant	Frankfurter Sparkasse
Completion	2027



ONE TWO ONE	
Address	Zeil 121
Total area	9,900 sq m
Anchor tenant	Thalia
Completion	2026

Source: CBRE Research

Figure 7: Selected new buildings & project developments Frankfurt – Banking District



Central Business Tower	
Address	Neue Mainzer Strasse 57-59
Total area	72,700 sq m
Anchor tenant	Commerzbank AG
Completions	2028



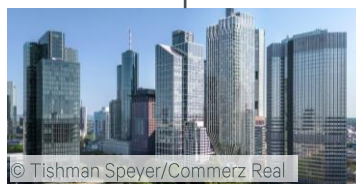
FOUR Frankfurt	
Address	Große Gallusstrasse
Total area	267,000 sq m
Anchor tenant	DekaBank, Kimpton Hotel
Completions	2023-2025



PALAIS ROSSMARKT	
Address	Roßmarkt 18
Total area	18,500 sq m
Anchor tenant	n/a
Completions	2029



Fürstenhof	
Address	Gallusanlage 2
Total area	19,800 sq m
Anchor tenant	n/a
Completions	2026



Gloria	
Address	Corner of Kaiserstrasse / Neue Mainzer Strasse
Total area	66,000 sq m
Anchor tenant	n/a
Completions	ab 2030



URBN	
Address	Bethmannstrasse 50-54
Total area	10,600 sq m
Anchor tenant	n/a
Completions	2027

Source: CBRE Research

## Challenges in the housing market

Frankfurt's housing market is tight. At 0.1% (2023), the CBRE empirica vacancy rate in marketable multi-storey residential buildings is one of the lowest in Germany. The median asking rent across the entire city has increased by 16% for existing rents and 33% for new-build rents over the last five years. Construction activity of 3,415 completed apartments also fell short of demand in 2023, further exacerbating the situation.

This is particularly evident in the city center. Supply is low and rents are correspondingly high. The mixed usage targeted in the area, which is intended to contribute to the upgrading and 24/7 occupancy of the city center, is juxtaposed to elevated standard land values, higher construction costs and the commensurate expected returns.

The creation of affordable housing at market prices is becoming a top priority, and not just for the City of Frankfurt. This objective is underpinned by a combination of new financial incentives and falling interest rates, changes to building regulations and revised development plans. The aim must be to create an attractive market for residential construction projects of all kinds and not just in the high-end segment.

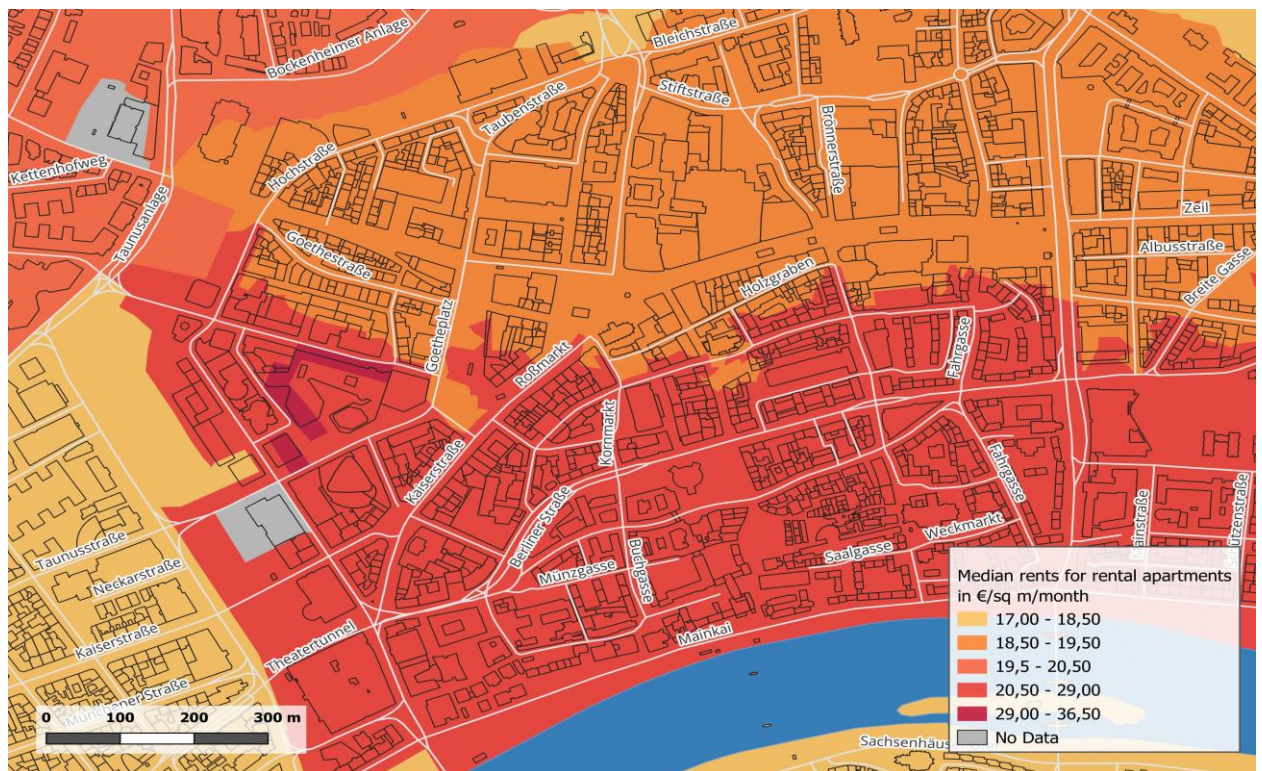
Median asking rent for existing properties in 2024 in sq m per month

€15.63

Median asking rent for new-build projects in 2024 in sq m per month

€21.36

Figure 8: Distribution of median rents Q2 2024-Q1 2025 for rental apartments by zip code area



Source: OpenstreetMap, Value AG, CBRE Research

## Case Study: FOUR Frankfurt

Under the FOUR Frankfurt project, a pioneering new district that combines working, living and urban life is being created on the former Deutsche Bank site, which was inaccessible to the public for decades. Groß & Partner Grundstücksgesellschaft is developing an ensemble of four high-rise buildings that sets new standards with a consistent focus on sustainability, social mix and urban diversity.

FOUR Frankfurt stands for a new generation of urban architecture: around 90,000 sq m of office space, 600 apartments totaling some 92,000 sq m of living space, two hotels, retail, restaurants, a daycare center and medical facilities will create a lively, mixed-use quarter. Around 80% of the office towers T1 (completion 2024) and T4 (completion 2023) are already occupied by tenants, which includes DekaBank, Freshfield Bruckhaus Deringer, Baker McKenzie and Boston Consulting Group, and are regarded as the benchmark for prime rents achieved in the banking location since marketing of the space began in 2017. The two hotels in the quarter, the first Kimpton brand hotel in Germany (opening March 2025) and Hyatt House brand serviced apartments (opening 2023), also enhance the location.

The integration of social infrastructure and publicly accessible space nevertheless plays a major role in the development. Of the planned apartments, 78 are intended as socially subsidized housing. While the project is ambitious in terms of urban planning and architecture, the proportion of social housing is comparatively low. However, the integration of these apartments marks an important step in the direction of an inner city with a mixed society.

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FOUR will transform a previously sequestered area into an open, integrative and vibrant urban quarter – a symbol of Frankfurt's urban future.

**Alexander Riegel**

Head of Office Leasing Frankfurt  
CBRE

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## Case Study: Midstad Frankfurt

The Weltstadthaus on the Zeil, built in 1988 and previously used exclusively by the Peek & Cloppenburg Group as a retail property, is to be converted into a multifunctional property over the next few years in ongoing operation. The aim is to revitalize urban centers with multifunctional buildings that adapt flexibly to the changing needs of city center visitors and users.

Midstad has brought together research and experts from EBS University, the Technical University and CBRE to develop its concept. The focus is on transparency regarding processes of social change and empirical recommendations for action to facilitate an awareness of the status quo of inner-city transformation, greater certainty in political decisions on project development, and to foster social discourse about the future of city centers. The building will combine multiple types of uses such as retail, offices, apartments and leisure facilities. Attractive green and open spaces as well as recreational areas will be created to enhance the quality of life. Office space will be designed flexibly and innovatively to meet the requirements of modern working environments – all under the premise of adhering to the highest sustainability standards.

The Midstad Frankfurt project aspires to shape the city center of tomorrow and to contribute to a vibrant, attractive and sustainable urban area.

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Midstad Frankfurt addresses the challenges of inner-city structural change and can be used as a model for the sustainable and creative revitalization of urban spaces.

**Peer N. Neiser**

City Lead & Head of  
Investment Frankfurt CBRE

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## City center of the future

The city center of the future is reinventing itself as a mixed-use lifestyle district. Transit-oriented, mixed-use districts with aesthetically designed public spaces can inject new life into faltering central business locations. Revitalization, repositioning or repurposing concepts open up opportunities for creating suitable offers for users and investors based on proactive strategies such as build-to-/manage-to-ESG, thereby strengthening Frankfurt's city center as a core location over the long term. The Frankfurt FOUR and Midstad Frankfurt projects demonstrate how urban spaces can be revitalized through innovative and flexible usage concepts: By anchoring these concepts in mixed use, cities can reinvigorate vacant central business locations twentyfour-seven, enabling personal experience, boosting sales and increasing the sense of security. This gives owners and operators the chance of turning neglected properties into profitable assets.

Public-private partnerships and strategic site planning are revitalizing cities. Mixed-use developments that incorporate improvements in the public realm can assist municipalities in unlocking land use potential and in transforming car-centric neighborhoods into more inclusive, accessible and pedestrian-friendly districts. Business Improvement Districts (BIDs) can play a crucial role here. BIDs are defined areas in which landowners and traders come together to finance and implement measures to improve the business environment. These measures often include additional cleaning services, security measures, marketing campaigns and infrastructure improvements. The targeted cooperation between public and private stakeholders and the implementation of innovative usage concepts will enable cities to sustainably revive their central business locations while transforming them into vibrant, attractive and safe environments.

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### Figure 9: Outlook – City Center of the future

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Developers are turning to vibrant, mixed-use environments to tap into opportunities that attract visitors, tenants and revenue streams in new and unexpected ways. Neighborhoods that combine living, working and leisure are drivers of economic growth and satisfy users' need for a collaborative, immersive experience.



Climate-adapted urban design not only contributes to improving the climate in a city that is heating up, but the aesthetics it creates will also encourage time spent in certain places, such as the Platz der Hauptwache or the Konstablerwache – a prerequisite for a functioning city center that is perceived as safe.



The city center thrives on fast and safe routes. Expanding the pedestrian and bicycle infrastructure is therefore essential. Equally relevant is safe and reliable local and long-distance public transport, which contributes to reducing private traffic through its high-frequency service.



Activating the capital market alone is insufficient for finding sustainable revitalization and repositioning solutions. Involving all stakeholders such as those in planning, politics, business, science, along with citizens, is recommended. An approach such as this can deliver innovative and inclusive solutions that contribute to enhancing the quality of life and reinvigorating city centers.

Source: CBRE Research

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