

Germany - Frankfurt am Main

Key Performance Indicators

Prime Yield

4,90%

Expected Investment Returns
Change YoY: -20 bps

Prime Rent

€ 55,00

Monthly, per sq m
Change YoY: 7,8%

Average Rent

€ 22,41

Monthly, per sq m
Change YoY: -40,7%

Office Investment Volume

€ 207M

In Frankfurt am Main during Q1 2026
€ 502M (Rolling 12 months)

Take Up

69K

Square Meter
69K Year2Date

Vacancy Rate

12,53%

Percentage of Stock vacant
Change YoY: 146 bps

Completions

37K

Square Meter
37K Year2Date

Total Stock

11.631K

Square Meter
10.173K Occupied Stock

(Forecast) Completions

178.271 (2026)

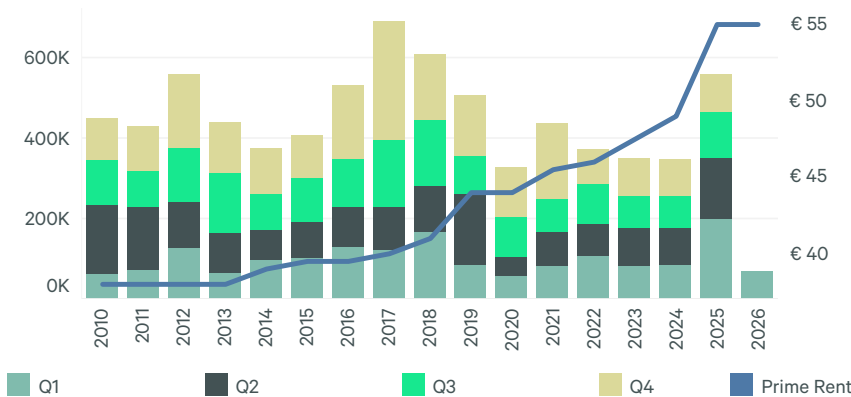
Square Meter
108.014 (2027) // 285524 (2028)

After the exceptionally strong leasing activity in 2025, a slowdown had been expected at the start of this year. Nevertheless, the result was surprisingly weak, at around 37% below the five-year average, and marks the lowest quarterly figure since Q2 2020. The largest leasing transaction was the purchase of a 19,600 sq m building by an owner-occupier in the Banking District. Apart from this transaction, no others above 5,000 sq m were recorded.

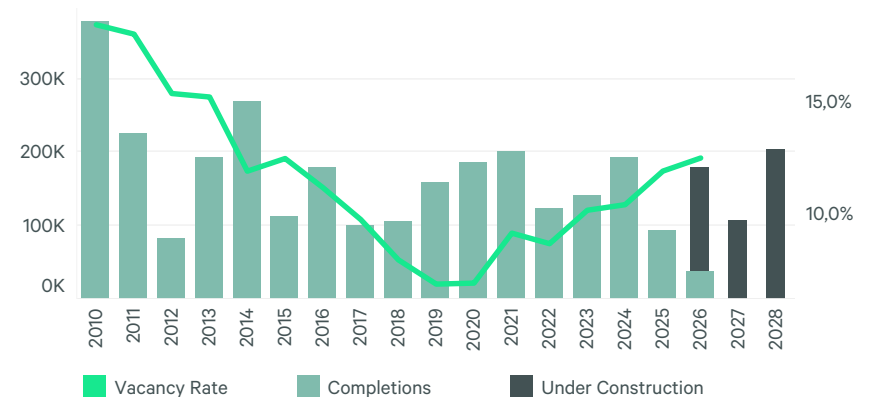
Vacancy rates continued to increase across the entire market. The vacancy rate (excluding sublet space) recently stood at 11.5%. The most pronounced increases, in both quarterly and annual comparisons, were recorded in the City West and Banking District submarkets. In the Banking District, however, there is a clear differentiation between the overall vacancy rate of 8.1% and the vacancy rate of Category A properties, which stood at 5.3%, underlining the demand for high-quality properties in central locations.

Following the strong increase in the prime rent over the course of 2025, it remained stable in the first quarter at €55.00/sq m/month. At the same time, no transactions in the upper prime rent segment have been registered so far in the first months of 2026. As a result of the absence of high-priced, large-scale transactions over Q1 2025, the area-weighted average rent based on transactions over the past twelve months therefore declined by 6% from Q4 2025 to Q1 2026. However, an upward adjustment is expected over the course of the year.

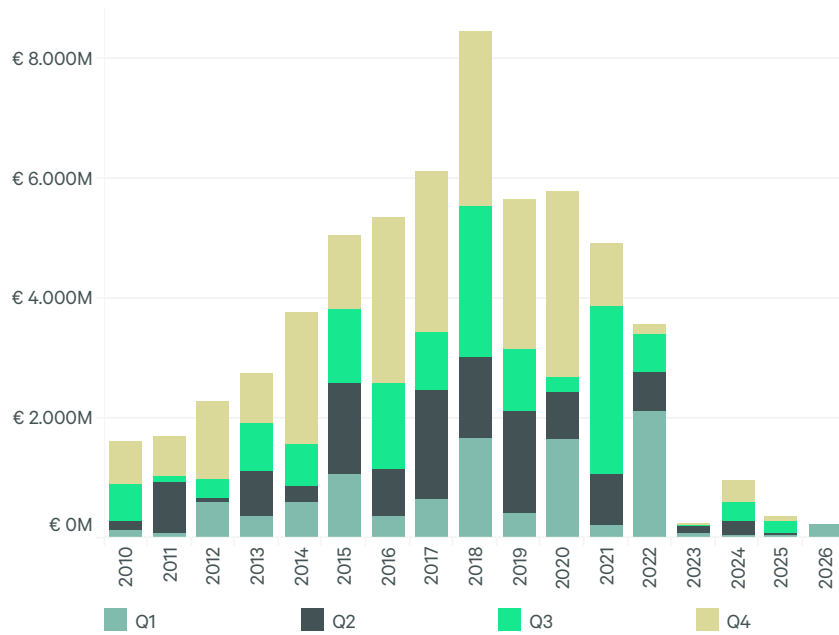
Market Trend (Take-Up | Prime Rent)



Development Activity (Completions | Vacancy Rate)



Frankfurt am Main Office Investment Volumes



Note: 2026 annual numbers till 31.03.2026

Overall, the supply structure and the persistently quality-driven demand underline that the office leasing market, despite short-term uncertainties, continues to be in a stable, selective recovery process. For the full year, the outlook remains positive. Leasing volume is expected to reach some 400,000 sq m, which is largely in line with the five-year average. However, this also depends on how global uncertainties will affect economic development and the associated decision-making processes in the coming months.

In the office investment market, €207m was invested in the first quarter of 2026, representing a year-on-year increase of 275%. The result was largely driven by two major transactions in the Banking District submarket, each exceeding €70m. Despite ongoing geopolitical and economic uncertainty, Frankfurt continues to benefit from its role as a safe haven and established investment location, with investment activity primarily supported by European and Anglo-American capital. In 2025, classic core transactions were partly constrained by divergent price and yield expectations. A convergence of these expectations will be anticipated in 2026, which should lead to an increase in transaction activity. Investor focus is expected to remain on assets offering active asset management and repositioning potential, underpinned by sustained demand for high-quality office space in the leasing market and the resulting rental growth prospects for value-add products.

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