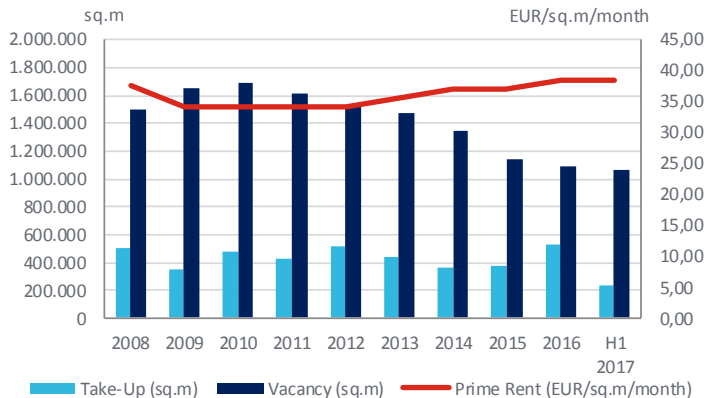




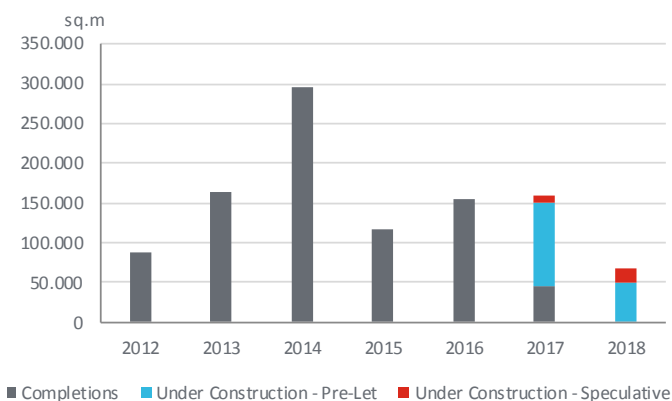
## OFFICE MARKET FRANKFURT H1 2017



### Overview

Frankfurt's office market recorded one of its strongest first-half results of recent years during the first six months of 2017. Some 232,000 sq.m was taken up – an increase of 6.4% year-over-year. Ironically, the higher letting volume was achieved without any large-scale deals. For the first time in 15 years, vacancy fell below 9%. The combination of high demand for office space and decreasing vacancy puts rent levels under upward pressure – most of all in Frankfurt's central submarkets. In the past twelve months, the prime rent rose by 2.7% to EUR 38.50 per sq.m/month.

### Completion Volume



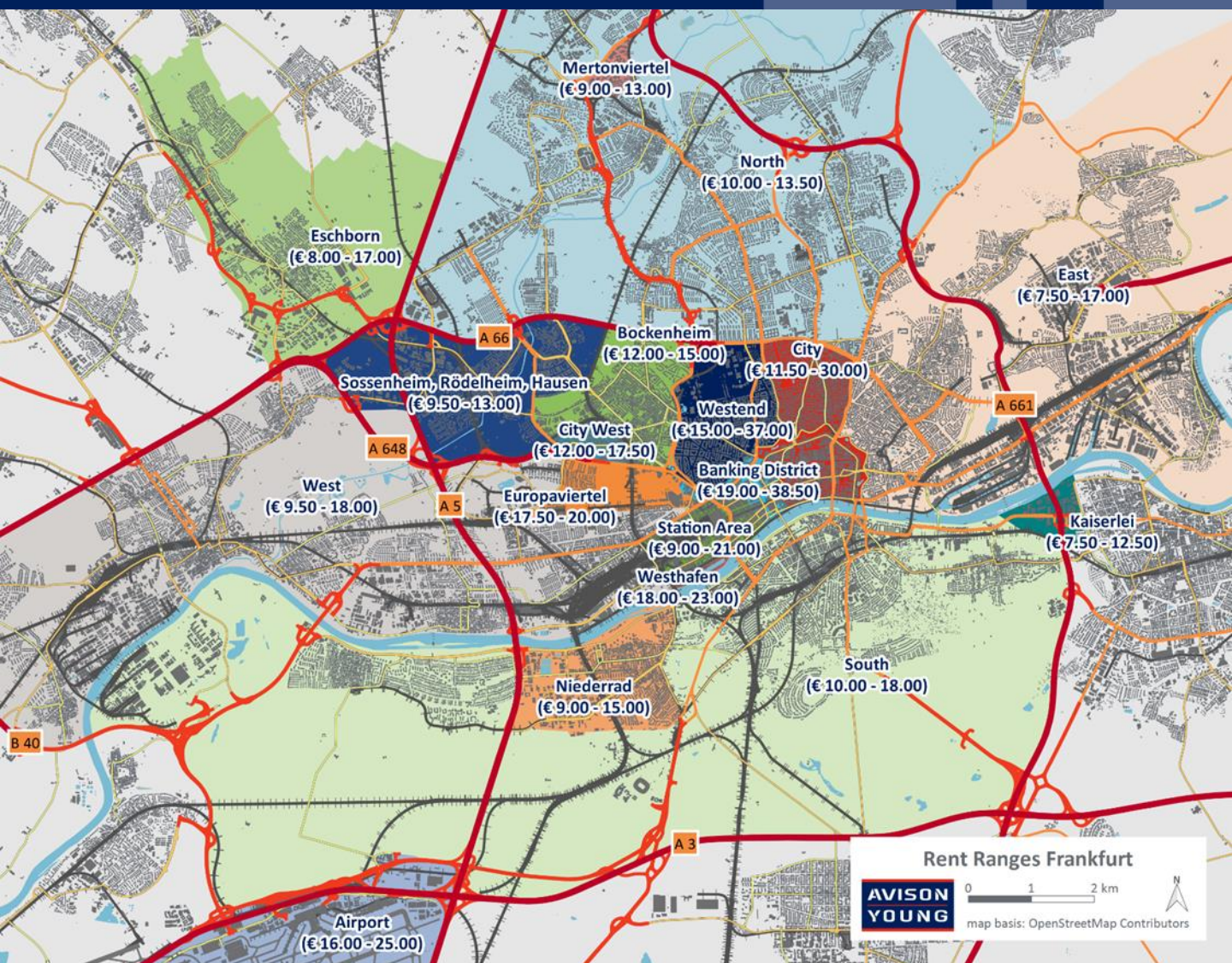
## KEY MARKET FIGURES

### Market Area Frankfurt\*

Take-Up	232,000 sq.m
Vacancy	1,059,000 sq.m
Vacancy Rate	8.8%
Completions	44,700 sq.m
Under Construction	253,000 sq.m
Prime Rent	38.50 EUR/sq.m/month
Prime Yield (net initial)	3.60%

## FRANKFURT

Inhabitants (12-2016)	729,624
Unemployment Rate (06-2017)	5.7% (German Average 5.5%)
Trade Tax Rate	460%



## Outlook

- A bustling second year lays ahead of the Frankfurt office leasing market.
- Several large lease deals are expected to close in the second half of the year. In general, office space demand is high in summer 2017.
- More than 70% of office space under construction is currently pre-let. More office space will be taken-up prior of completion in the months to come. High office space demand will accelerate the decrease in office vacancy.
- Across all submarkets rent levels are tending upwards. Frankfurt's office prime rent is forecast to further rise until year end.
- Given that Frankfurt is likely to be one of the biggest beneficiaries of Brexit, annual letting volume is expected to surpass the 600,000 sq.m mark.

Sources: Thomas Daily, Bundesagentur für Arbeit, Destatis, Stadt Frankfurt am Main, Avison Young

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