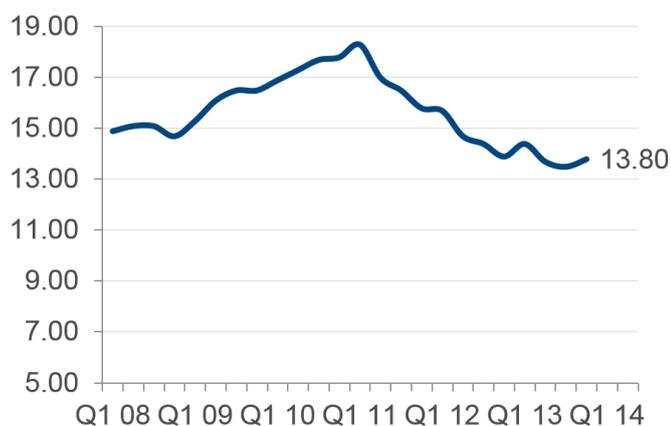


CBD still the most in-demand market

The Central Business District (CBD) was again the most in-demand location in Frankfurt in 2013. It has increased its market share of roughly one third in recent years considerably to 43.6%. The deals show that the supply of centrally located prime space created by project developments and redevelopments is being accepted by tenants. These include the TaunusTurm, due for completion in the first quarter of 2014, and the Taunusanlage 8 and 11 (T8 und T11) developments. Four new office buildings are being erected on the former Degussa site, with the new name of the MainTor quarter, including a high-rise building and prime residential property.

Vacancy rate (in %)



● Vacancy rate in %

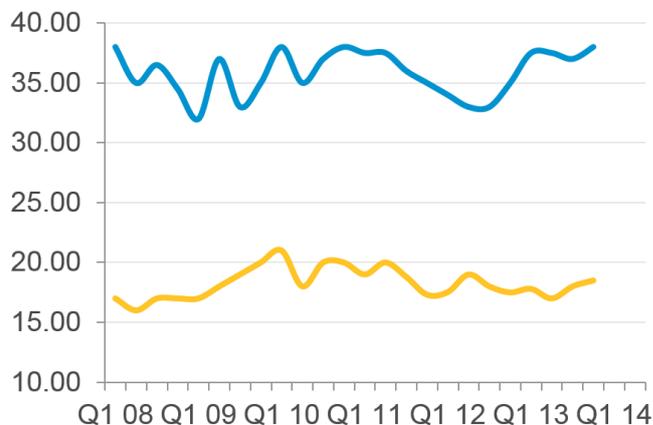
In the Frankfurt West sub-market the take-up of space by the Commerzbank, more than 46,000 sqm in the Lateral Towers (formerly the HQ of the German Stock Exchange), Deutsche Telekom's take-up of 14,500+ sqm and Deutsche Bahn's approx. 5,500 sqm took the total clearly over 77,000 sqm, equating to a market share of 17%. In the previous year take-up in this sub-market was about 39,000 sqm.

Vacancy rate constant despite high volume of completions

In 2013 there was some 167,000 sqm of new office space completed, a rise of 76% to the previous year. Because of the high pre-letting rate of 84%, the volume has only a minimal effect on the vacancy rate. With a vacancy rate of 13.8% available space is practically constant (-10 base points). With the completion of sizeable projects, like the TaunusTurm and the new European Central Bank HQ, there is expected to be about 300,000 sqm of office space coming onto the market in 2014. However, approx. 77% of this space has already been

pre-let or is owner-occupied, due primarily to the ECB's 104,000 sqm. So, not much change in the supply of space is expected in the course of 2014.

Prime rent and average rent (in €/m²)



● Prime rent ● Average rent

Average rent slightly up, prime rent rising further

The supply of premium central space in projects like the TaunusTurm, T8 and the MainTor quarter pushed the prime rent up in 2013 by € 3.00 (8.6%) to 38.00 €/sqm. Here the modern, high-quality level of supply meets the demand from companies with a very good credit rating. Further projects mean that in 2014 and beyond there will also be supply of space in the top locations, especially in the banking quarter. Hence the prime rent is not expected to go down. The average rent achieved in the Frankfurt market area last year was also up on the previous year. The average rent rose by 1.00 €/sqm (5.7%) to 18.50 €/sqm. Besides the deals in the top properties there were also other major deals in the upper price segment from 20.00 €/sqm upwards that were responsible for the rise in the average rent. One in four contracts signed was in this price category.

Banks and financial service providers the most active tenants

Banks and financial service providers stepped up their activity markedly in 2013, and at 31% represented the busiest sector by far, concluding 78 new tenancy agreements in 2013 as opposed to 49 in 2012. In addition to the Commerzbank letting referred to above, the interim letting of the new European Banking Regulator in the Japan Center and Universal Investment's conclusion of a tenancy agreement in the IBC contributed to the good result for the sector. Management consultants were also just as busy (approx. 74,600 sqm) as in the previous year (roughly 73,500 sqm), yet their market share rose from 14 to 17% owing to the lower overall take-up.