

Munich Office Spotlight



Q2 2023

Spotlight Munich highlights the key issues in the Munich office market - supply, demand and prices are examined from the past, present and future.

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Munich Overview

► The subdued start to the year continued in the second quarter. A total of 118,900m² of office space was transacted on the Munich office market in the second quarter. The half-year result of 239,100m² is thus almost 40% below the previous year's figure.

Take-up remains low, prime rent at a new all-time high

At €46.00/m², the prime rent reached a new all-time high in the middle of the year. Within the last 12 months prime rent has risen by €3.50/m² or 8%. The vacancy rate has risen by 300 basis points quarter-on-quarter and currently stands at 5.7%. This is the highest value since 2014.

239,100

Take-up [sqm]

5.70

Vacancy rate [%]

46.00

Prime rent [€/sqm/Month]

196,700

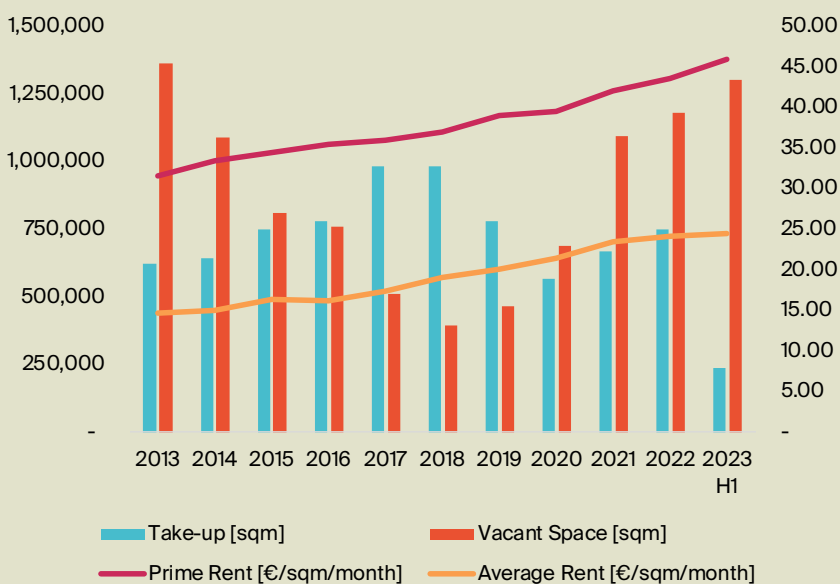
Completions [sqm]

711,100

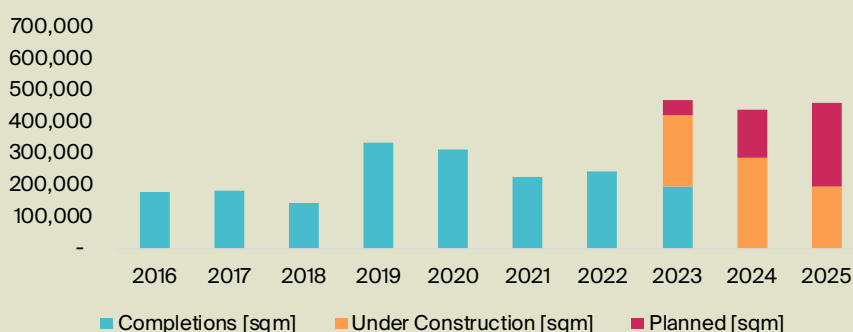
Under construction [sqm]



OVERVIEW

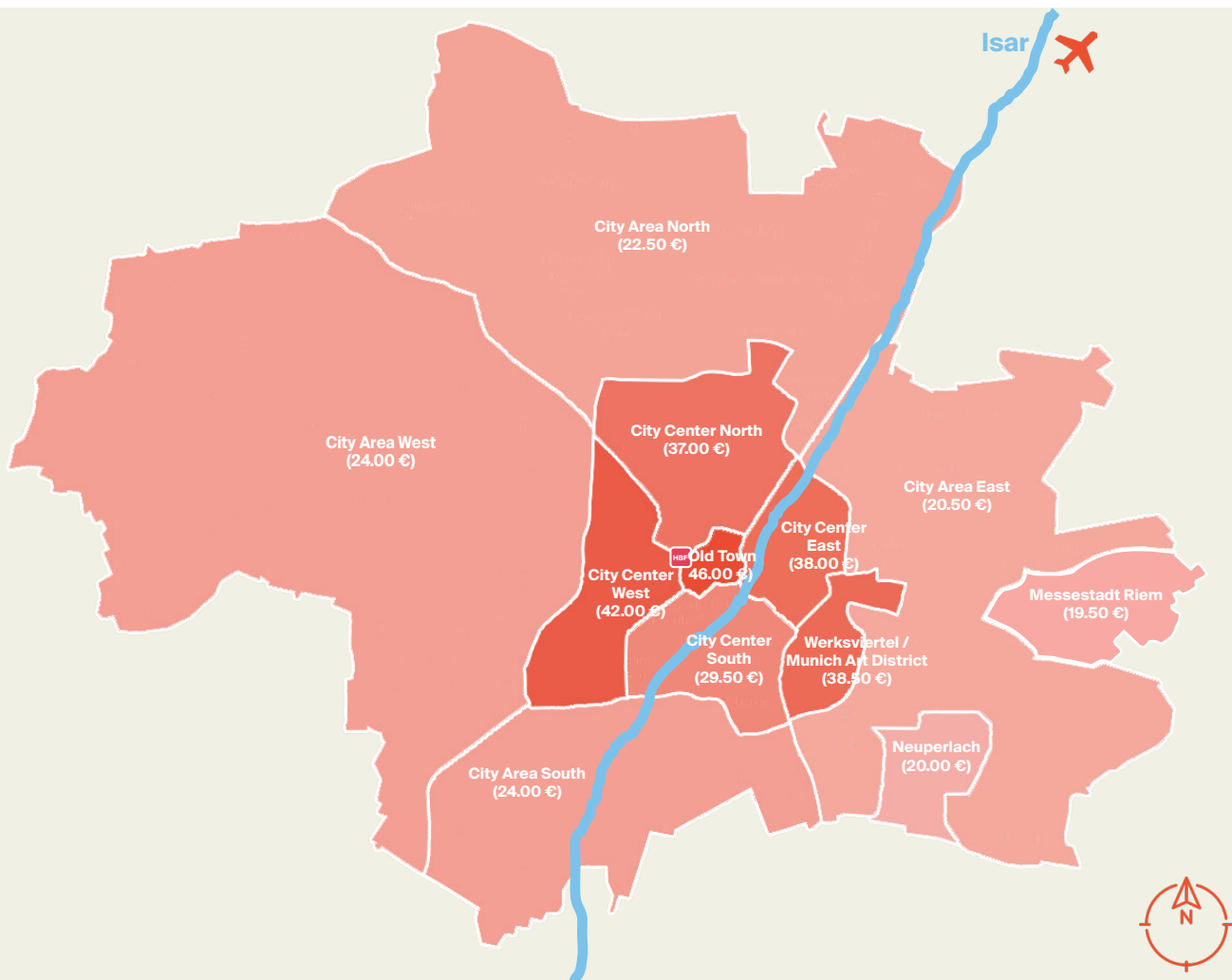


DEVELOPMENTS



OVERVIEW SUBMARKETS

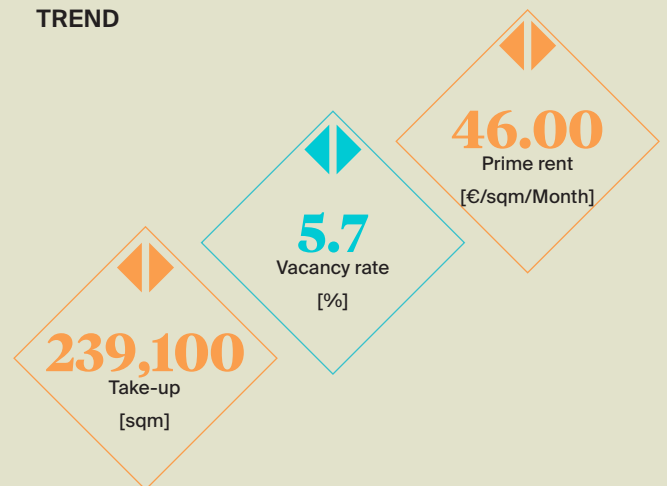
	Old Town	City Center	City Area	Periphery
Rental Range [€/sqm/Month]	27.00 - 46.00	18.00 - 42.00	12.50 - 24.00	9.50 - 18.50
Vacant Space [sqm]	15,300	276,400	536,900	471,200
Vacancy Rate [%]	1.9	3.5	6.0	9.4
Completions [sqm]	12,900	36,100	115,700	32,000
Under Construction [sqm]	20,400	341,900	385,500	66,300



OUTLOOK

We expect a similar picture on the Munich office market for the second half of the year. The demand for office space will stay restrained in the coming months. The previous year's result will therefore be missed. The available supply of space will maintain its level and will presumably settle around the 6% mark. Until the end of the year, the prime rent is expected to continue its upward trend due to the low supply of space in central locations.

TREND



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