

# Munich Office Spotlight



Q1 2024

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 Munich office market is off to a solid start in 2024. With a take-up of around 140,000 sqm in the first quarter, the previous year's result was exceeded (Q1 2023: 115,200 sqm), but the result is still around 23% below the 10-year average for the first quarters. The main drivers of take-up were two major deals above the 10,000 sqm mark (Bayerische Allgemeine Versicherung, DMG MORI Global Marketing GmbH). Demand for high-quality space in premium locations continues unabated.

## Take-up above previous year's level thanks to major deals, prime rents reach all-time high

This is reflected in particular in the prime rent, which not only reached a new all-time high of 51.00 €/sqm (+15% compared to Q1 2023), but also surpassed the € 50 mark for the first time. The average rent stood at 25.00 €/sqm (+ 0.90 €/sqm compared to Q1 2023). Vacancies reached just under 1.4 million sqm at the end of the first quarter, which corresponds to a vacancy rate of 6.2 % (+15 % compared to Q1 2023).

# 139,900

Take-up [sqm]

# 6.20

Vacancy rate [%]

# 51.00

Prime rent [€/sqm/month]

# 52,600

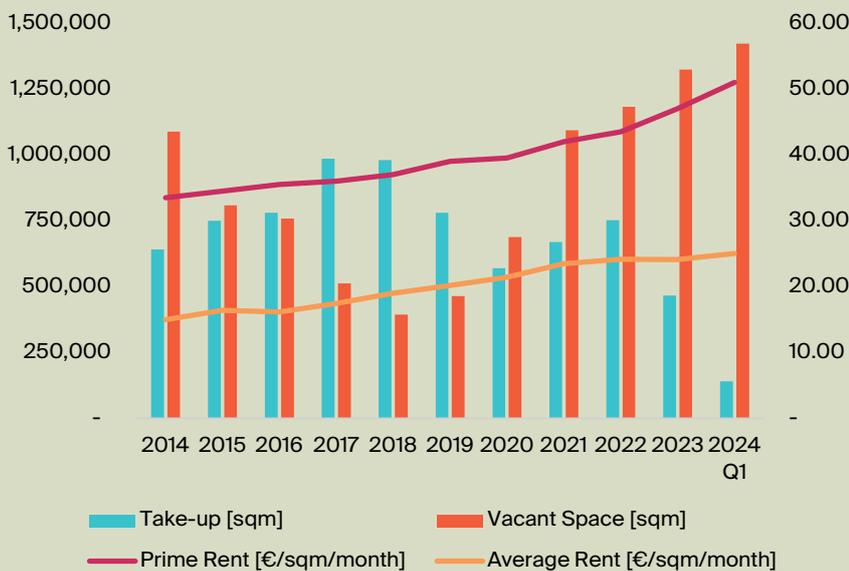
Completions [sqm]

# 729,400

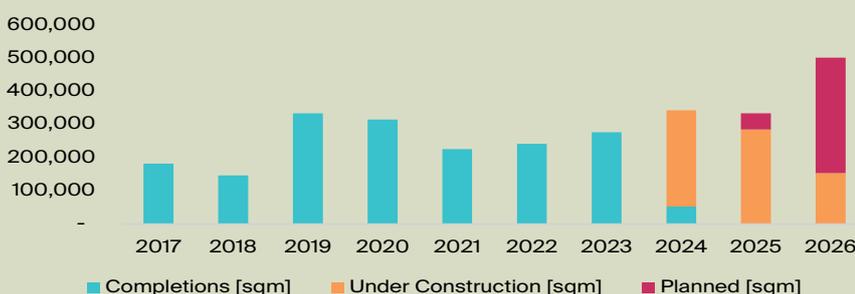
Under construction [sqm] (2024-2026)



### OVERVIEW

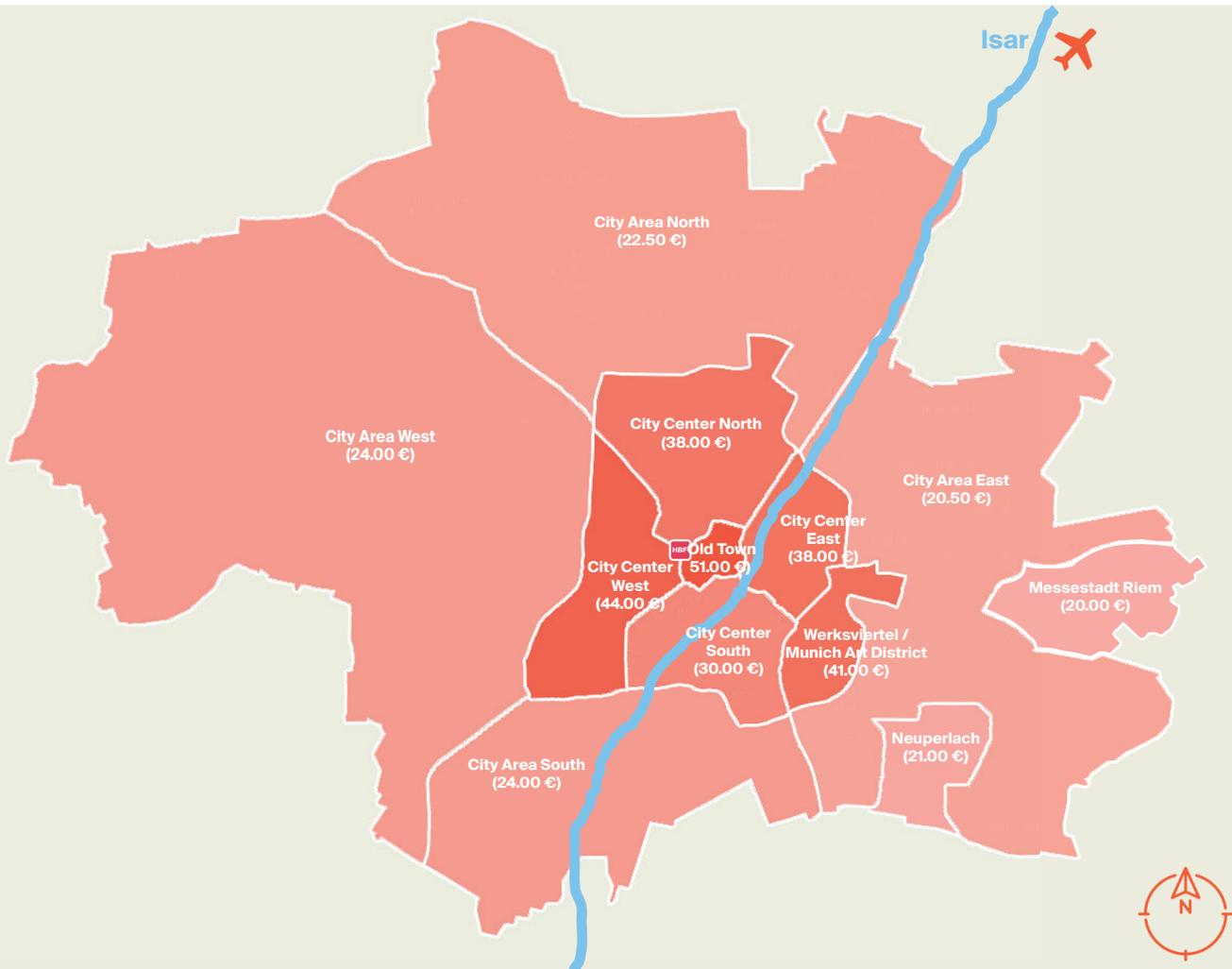


### DEVELOPMENTS



## OVERVIEW SUBMARKETS

	Old Town	City Center	City Area	Periphery
Rental Range [€/sqm/month]	33.00 - 51.00	19.50 - 41.00	12.50 - 24.00	9.50 - 19.50
Vacant Space [sqm]	15,700	302,500	567,800	536,300
Vacancy Rate [%]	1.9	3.8	6.4	10.5
Completions [sqm]	30,800	21,800	-	-
Under Construction [sqm]	12,500	340,800	288,100	88,000

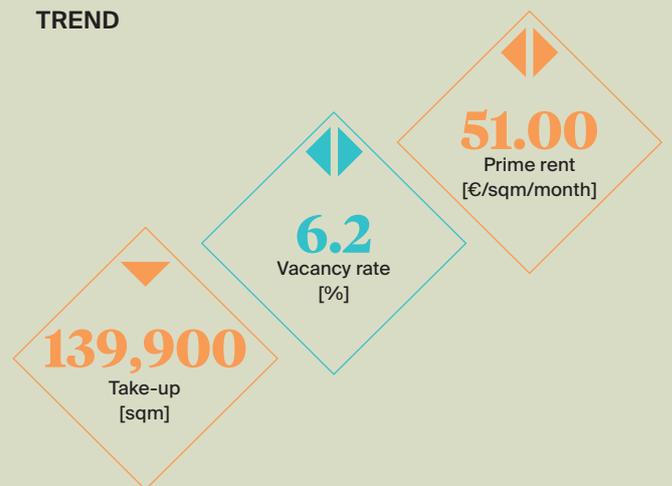


### OUTLOOK

The solid start to the year and an optimistic market sentiment point to a further recovery on the letting market.

Accordingly, increased letting activity is expected in the coming quarters, which will also have a positive impact on vacancy rates. The high demand for premium space coupled with low supply will lead to an increase in prime rents.

### TREND



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