Munich Office Spotlight

Q2 2026

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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Overview leasing market

Munich's office leasing market gained further momentum in the second quarter of 2026, building on the solid start to the year. Take-up reached approximately 170,400 sqm in Q2, bringing total take-up in the first half of the year to 327,000 sqm, significantly above the previous year's level (256,000 sqm). The result was supported by both several large-scale transactions and stable demand within the mid-sized segment of up to 3,000 sqm, which accounted for around 47% of all lease deals.

The largest transactions in H1 2026 included:

- **29,500 sqm occupied by Apple (owner-occupier) on Seidlstraße**
- **23,000 sqm leased by JetBrains in Tucherpark**
- **21,500 sqm leased by E.ON SE at An den Brücken**
- **10,000 sqm leased by NXP Semiconductors at AER**
- **7,400 sqm leased by Bavarian Nordic at the Life Science Center**

Technology and industry-related occupiers once again proved particularly active, further reinforcing Munich's position as one of Germany's most dynamic office markets.

Demand remains clearly focused on central and well-connected locations. Modern, ESG-compliant office space with high specification standards continues to attract the greatest interest, while older stock in peripheral areas faces increasing pressure. This growing differentiation by quality has a stronger influence on market dynamics than a traditional cyclical recovery.

Rental growth also confirms the ongoing flight-to-quality trend. Prime rents reached €58.00/sqm/month at mid-year, while average rents remained stable at €28.00/sqm/month. In certain premium locations and for high-quality office space, higher rental levels are already being achieved, indicating further upside potential in the prime segment.

Overall, Munich's office leasing market presents a stable to positive picture at mid-year. Demand remains selective but is clearly focused on quality, location and future-proof assets. As a result, market performance in the coming quarters is likely to be determined less by the overall volume of available space and more by the marketability of the space on offer.

327,000

Take-up in sqm (H1)

8.1

Vacancy rate in %

58.00

Prime rent in €/sqm/month

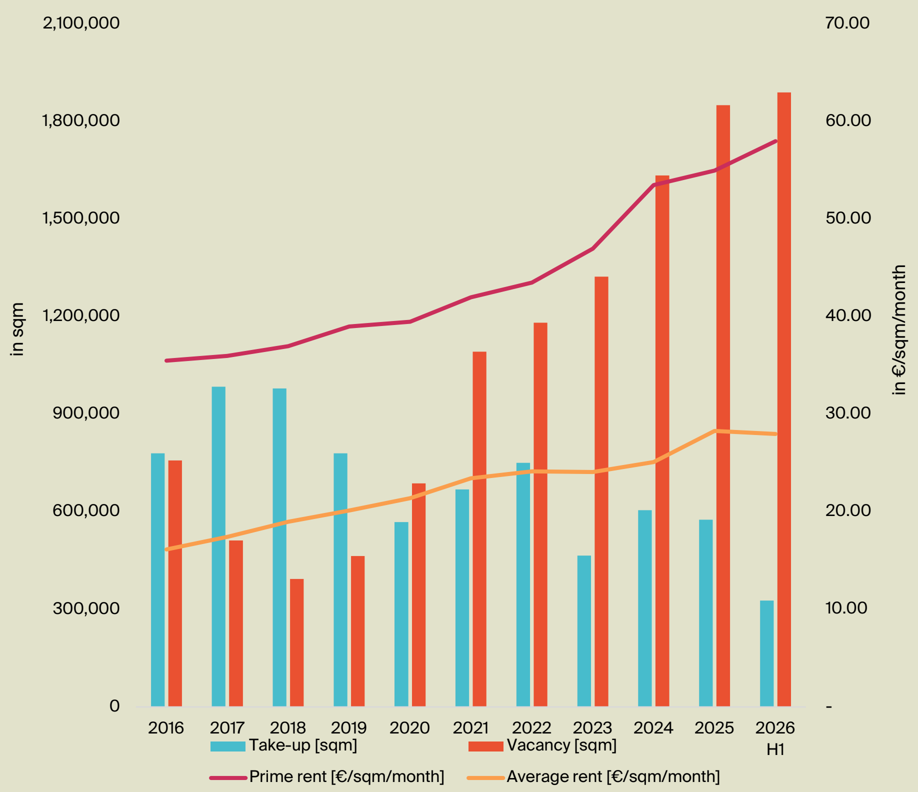
172,000

Completions in sqm (H1)

697,800

Under construction in sqm

OVERVIEW



OVERVIEW SUBMARKETS

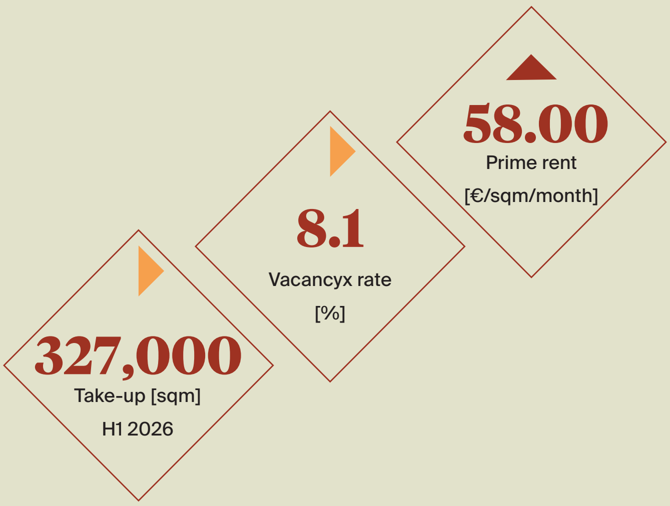
	CBD	City Centre	City Area	Periphery
Rental range [€/sqm/month]	35.00 - 63.00	26.00 - 55.00	16.50 - 35.00	11.00 - 24.00
Vacant space [sqm]	13,200	324,850	896,250	655,700
Vacancy rate [%]	1.4	4.3	9.8	13.6
Take-ups [sqm]	17,200	190,700	88,700	30,400

OUTLOOK

Munich's office leasing market is expected to maintain a stable to slightly positive trajectory during the second half of 2026. Occupier activity is likely to remain driven by technology, industrial and knowledge-based companies, while demand continues to focus on modern, ESG-compliant office space in central locations. Against the backdrop of several active large-scale requirements, an annual take-up volume of around 600,000 sqm appears achievable.

At the same time, the increasing divergence between high-quality premium space and older stock is expected to become even more pronounced. While the overall vacancy rate is likely to remain stable at an elevated level, the limited supply in prime locations and continued strong demand for high-quality office space support the prospect of further rental growth. Prime rents are therefore expected to exceed €60.00/sqm/month during the course of the year and continue their upward trajectory.

TREND

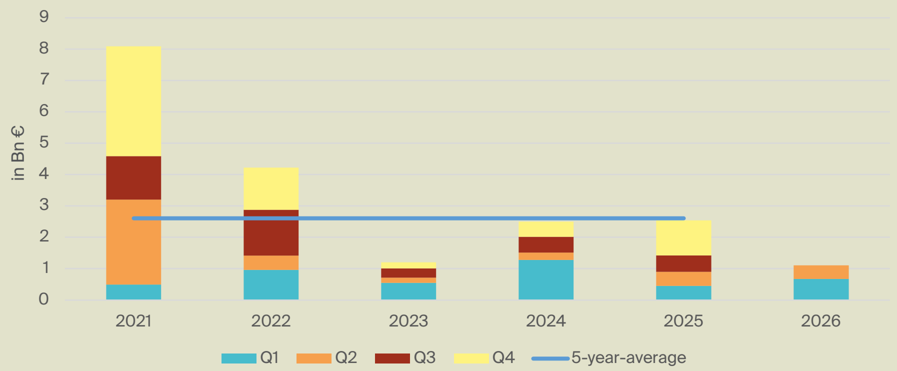


Investment Market Overview

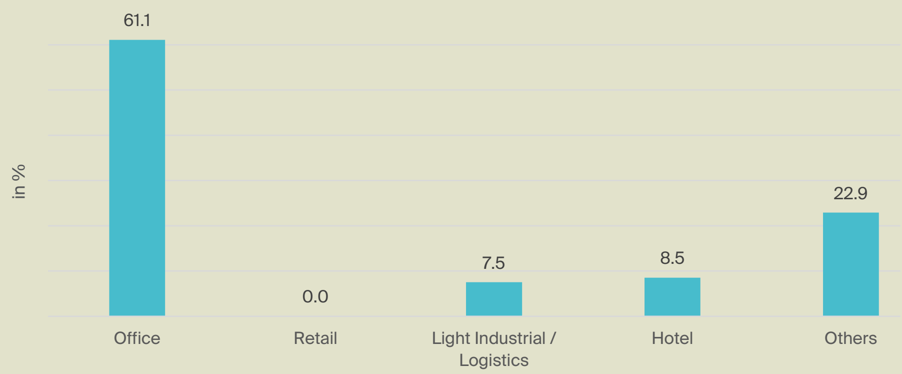
Munich's investment market records a transaction volume of approximately €1.11 billion in the first half of 2026, representing an increase of around 23% year-on-year (H1 2025: €900 million). Compared to other German gateway cities, Munich remains one of the stronger markets in terms of transaction volume, although market activity continues to be driven primarily by a limited number of larger transactions. Market activity remains concentrated on a small number of large-scale deals. Key transactions include the sale of the Alte Akademie as well as further core transactions in prime city-centre locations. Despite the still-challenging financing environment, buyer and seller expectations are gradually converging, supporting transaction activity compared with previous years. Nevertheless, the market remains selective, with investment decisions continuing to be strongly influenced by asset quality, location and income security. With approximately €678 million, representing nearly 61% of total transaction volume, office properties remain the dominant asset class. Investor demand is primarily focused on high-quality core and core-plus assets in established locations offering stable long-term rental income and modern building specifications. In addition, logistics, hotel and mixed-use assets are increasing their share of investment activity, while demand for secondary properties and less established locations remains subdued.

Pricing remains broadly stable overall. While geopolitical uncertainty and changing financing conditions continue to influence market sentiment, significant price corrections have not materialised. The prime office yield remains unchanged at approximately 4.3%. Looking ahead, the market is expected to remain stable but selective throughout the remainder of the year. Transaction activity is likely to continue to be influenced by individual large-scale deals, while location quality, ESG compliance, asset quality and long-term income resilience remain key factors in investment decision-making.

TRANSACTIONS VOLUME



TRANSACTION VOLUME BY ASSET CLASS Q2 2026



OUTLOOK

Munich's investment market is expected to remain broadly stable in the second half of 2026. The market environment continues to be shaped by geopolitical uncertainty, elevated interest rates and demanding financing conditions, leading investors to maintain a cautious and selective approach. Although pricing has largely stabilised across many market segments, transaction momentum remains subdued by historical standards. Larger transactions remain possible but are likely to have a greater impact on overall market activity than a broad-based market recovery. Investor focus is expected to remain on high-quality core and core-plus assets in established central locations. By contrast, secondary assets and peripheral locations are likely to continue facing more limited liquidity. Overall, current market conditions point to a continuation of the stabilisation phase, although a significant acceleration in transaction activity appears unlikely in the short term.

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