# Munich Office Spotlight

**Q3 2025**

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

Following a slight slowdown in the second quarter, the Munich office market regained momentum in Q3 2025. With total take-up of around 150,000 sqm, the quarter ended significantly stronger than the previous months. This brings total take-up for the first three quarters to approximately 406,000 sqm, representing a decline of around 9% year-on-year and also compared with the five-year average.

Among Germany's Top 7 office markets, only Frankfurt recorded higher take-up - roughly 493,000 sqm in the first three quarters - largely driven by a few exceptionally large transactions.

Munich's strong third-quarter performance was primarily supported by several major lettings, including:

- **12,300 sqm leased by Schaeffler in "Tomorrow"**
- **7,800 sqm leased by the Bavarian State Ministry for Digital Affairs in "Lehel Carré"**
- **7,300 sqm leased by REPA GEV in Unterschleißheim, Siemensstraße 16**

Industrial companies were the most active occupier group in Q3, accounting for around 27% of total take-up, followed by the education sector (16%) and the TMT sector (technology, media, telecommunications) (15%). Overall, Munich once again demonstrated its characteristic broad sector diversification.

The vacancy rate edged up slightly from 8.0% to 8.1%, corresponding to a total vacant volume of roughly 1.87 million sqm. While vacancy continues to increase, the pace has slowed notably. Demand for modern, high-quality space remains strong, keeping the prime rent stable at €55.00 per sqm per month. The average rent rose by €0.70 to €28.20 sqm/month.

**406,000**

Take-up [sqm] (Q1-Q3 2025)

**8.1**

Vacancy rate [%]

**55.00**

Prime rent [€/sqm/month]

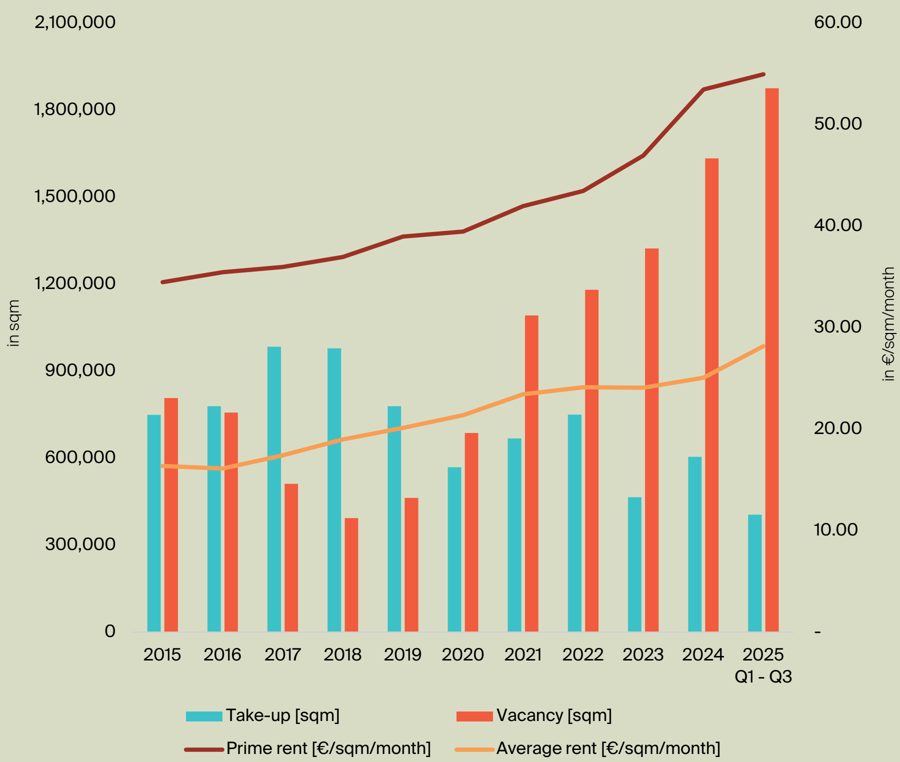
**151,000**

Completions [sqm] (Q1-Q3 2025)

**562,400**

Under construction [sqm]

**OVERVIEW**




## OVERVIEW SUBMARKETS

| | CDB | City Centre | City Area | Periphery |
|---|---|---|---|---|
| Rental range [€/sqm/month] | 38.00 - 55.00 | 27.00 - 50.00 | 16.00 - 28.00 | 11.00 - 20.00 |
| Vacant space [sqm] | 11,900 | 309,400 | 865,700 | 690,000 |
| Vacancy rate [%] | 1.5 | 4.0 | 8.3 | 13.0 |
| Completitions [sqm] | 8,000 | 65,200 | 44,800 | 33,000 |
| Under construction [sqm] | 118,700 | 269,100 | 148,600 | 26,000 |


## OUTLOOK

Despite an overall below-average performance year-to-date, market sentiment in Munich has improved noticeably. With total take-up of around 406,000 sqm after three quarters, a year-end result of approximately 550,000 sqm remains realistic. This outlook is supported by several large-scale active requirements and increasing interest in transactions exceeding 5,000 sqm, which already accounted for about 35% of quarterly take-up in Q3. This trend highlights corporate confidence in Munich's long-term strength and attractiveness as a business location.

Regarding vacancy, signs of stabilization are emerging. The peak level is likely to be reached soon, with further increases mainly affecting older existing stock in peripheral submarkets. In contrast, demand for modern office space in prime and established submarkets remains robust, while available supply is limited, leaving further upward potential for rents.

## TREND

**55.00**
Prime rent
[€/sqm/month]

**8.1**
Vacancy rate
[%]

**406,000**
Take-up
[sqm]

# Overview investment market

With a transaction volume of around €523 million, the Munich investment market recorded its strongest quarter of the year in Q3 2025. Nevertheless, total volume remains about 29% below the previous year's level and approximately 40% below the five-year average. With an accumulated total of roughly €1.42 billion, Munich once again ranks second among Germany's Top 7 markets, behind Berlin (€2.2 billion).

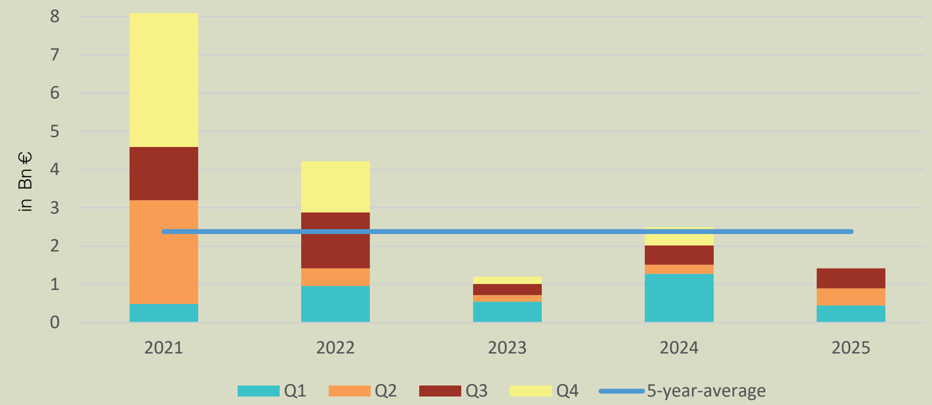
The decline is primarily due to exceptionally large-scale transactions in the previous year-notably the sales of "Fünf Höfe" and "Pasing Arcaden"-which had significantly inflated last year's result. Excluding these one-off effects, the current volume would actually be slightly above last year's figure.Noteworthy is the sharp increase in mid-sized transactions between €50 and €100 million, which rose by around 88% year-on-year, providing a noticeable boost to market activity.

After two weaker years, office assets have regained significance, accounting for around 50% of total transaction volume so far in 2025. Major deals include the project development "Momenturm" at Rosenheimer Straße 139 (approx. €150 million) and "Novella 7" at Leopoldstraße 7 (over €100 million).

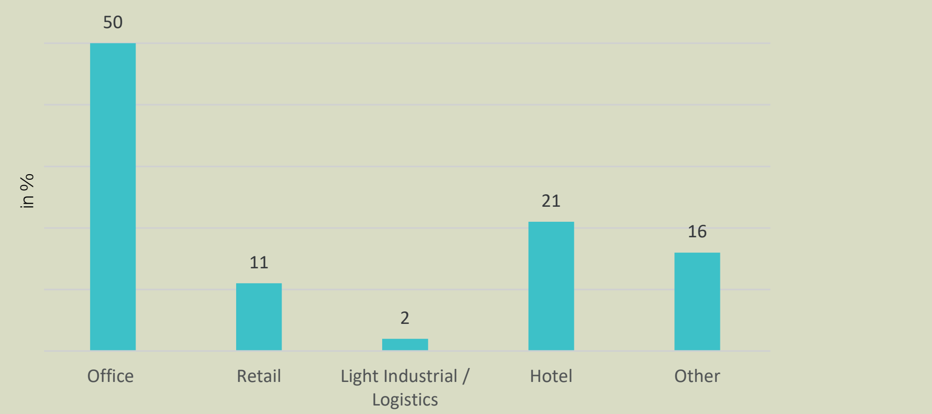
The hotel sector ranks second with a market share of about 21%, supported by the disposals of the "Mandarin Oriental" (approx. €150 million) and the "Courtyard by Marriott" (€74.9 million), alongside several smaller transactions.

Despite the sale of "Sporthaus Schuster" (over €110 million), the retail segment could not replicate last year's exceptional performance and accounted for around 11% of total volume (previous year: 68%).

## TRANSACTION VOLUME




## TRANSACTION VOLUME BY ASSET CLASS Q1-Q3




## OUTLOOK

Although the Munich investment market did not reach the previous year's level or the long-The still subdued transaction activity shows that the market recovery anticipated at the beginning of the year has only partially materialized. The main reasons remain the weak economic environment and ongoing geopolitical uncertainties. At the same time, signs of renewed momentum are emerging towards year-end. Many sales processes are well advanced, the pipeline increasingly includes high-quality core and prime assets, and buyers and sellers are once again finding common ground. All these factors point to a significantly more active fourth quarter, making a year-end volume of around €2 billion now appear realistic. Whether this positive trend will continue into 2026 will largely depend on the broader economic outlook.

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