

Munich Office Spotlight



Q3 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

► The Munich office leasing market continued its solid performance in the third quarter of 2026. Take-up totalled 451,000 sqm in the first nine months of the year, up 11.1% on the previous year's 406,000 sqm. At 124,000 sqm, take-up in the third quarter was around 27.2% lower than in the strong second quarter, primarily due to the absence of large-scale transactions. At the same time, occupiers are scrutinising their space requirements more closely and are becoming increasingly selective in their location decisions. In a medium-term comparison, take-up was 1.5% above the five-year average, but remained 12.4% below the ten-year average.

Market activity in the third quarter was predominantly concentrated in the small and medium-sized space segments, which accounted for around 54% of all transactions.

The largest transactions in the first nine months included:

- **29,500 sqm occupied by Apple (owner-occupier) on Seidlstraße (Q2)**
- **23,000 sqm leased by JetBrains in Tucherpark (Q1)**
- **21,500 sqm leased by E.ON SE at An den Brücken (Q1)**
- **10,000 sqm leased by NXP Semiconductors at AER (Q1)**
- **9,000 sqm occupied by Rohde & Schwarz (owner-occupier) on Trausnitzstraße (Q3)**

The broad mix of sectors underlines the market's stable demand base. Technology- and industry-related occupiers in particular continue to reinforce Munich's position as a dynamic and innovation-driven office location within Germany. The most active occupier group was the industry, transport, traffic and logistics sector, accounting for 28.6% of space turnover. This was followed by companies from the technology, media and telecommunications (TMT) sectors with 22.7%, consultancy firms with 13.1%, and the finance and insurance sector with 11.9%. Prime rents increased by 5.5% year-on-year to €58.00/sqm/month. Average rents remained broadly stable at €28.00/sqm/month, 0.7% below the previous year's level. Overall, the market remains robust. However, demand is increasingly focused on modern, high-quality and well-connected office space, further widening the gap between marketable properties and older stock. As a result, quality, location and cost efficiency are becoming increasingly important drivers of occupier decisions, rather than the overall volume of available space.

451,000

Take-up in sqm (Q1-Q3)

124,000

Take-up in sqm (Q3)

8.9

Vacancy rate in %

58.00

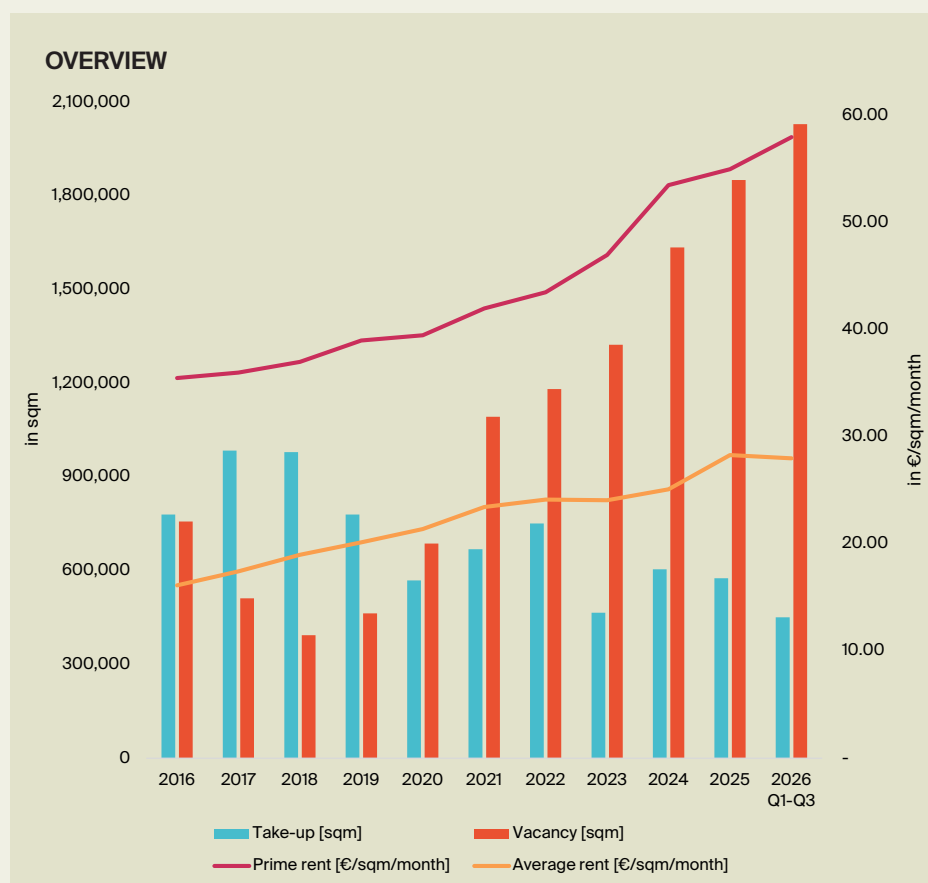
Prime rent in €/sqm/month

202,800

Completions in sqm (Q1-Q3)

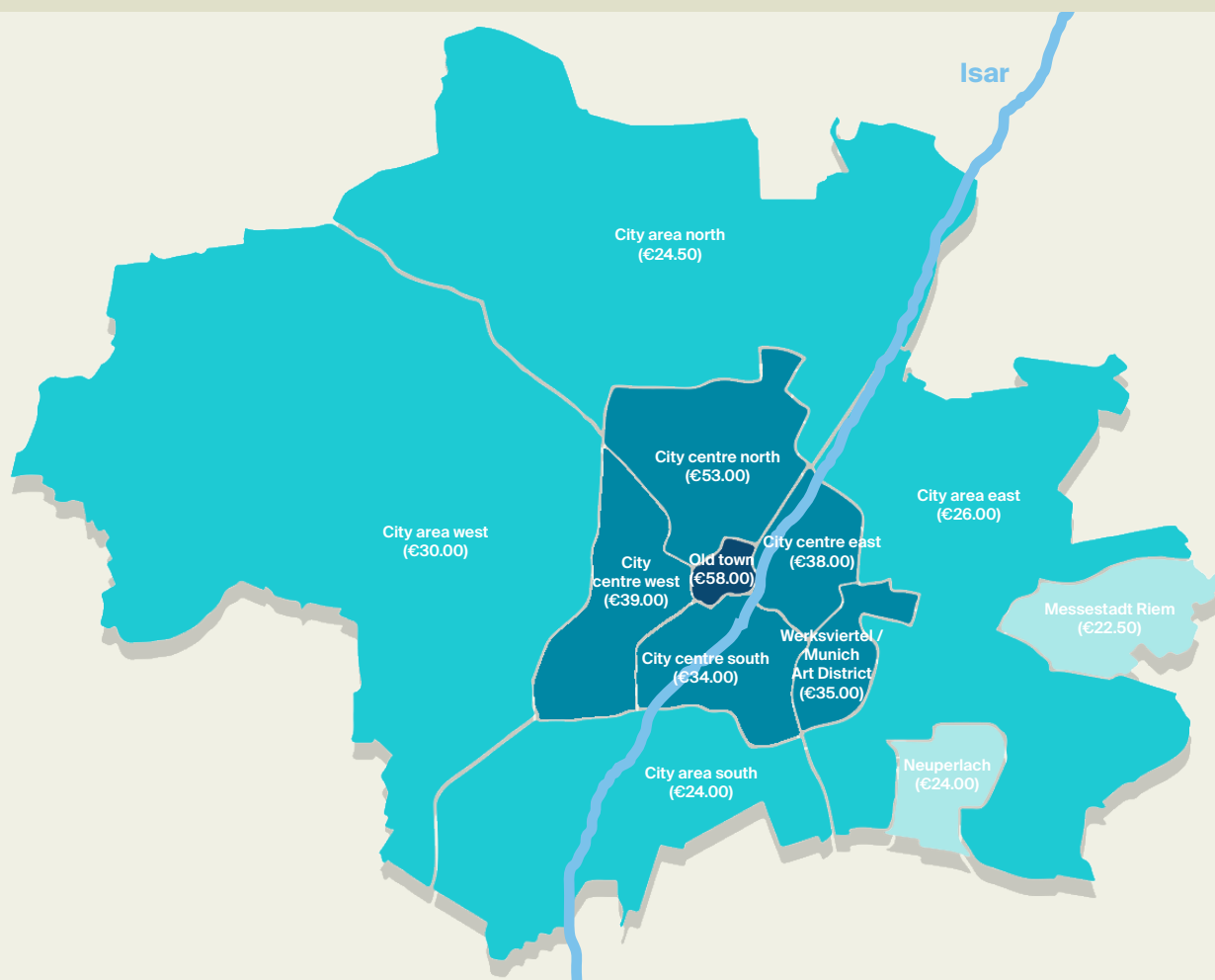
883,500

Under construction in sqm



OVERVIEW SUBMARKETS

	CBD	City Centre	City Area	Periphery
Rental range [€/sqm/month]	35.00 - 65.00	26.00 - 57.50	16.50 - 35.00	11.00 - 24.00
Vacant space [sqm]	16,950	348,745	946,410	679,845
Vacancy rate [%]	1.4	4.4	10.7	13.9
Take-up [sqm]	24,600	251,700	128,000	46,700

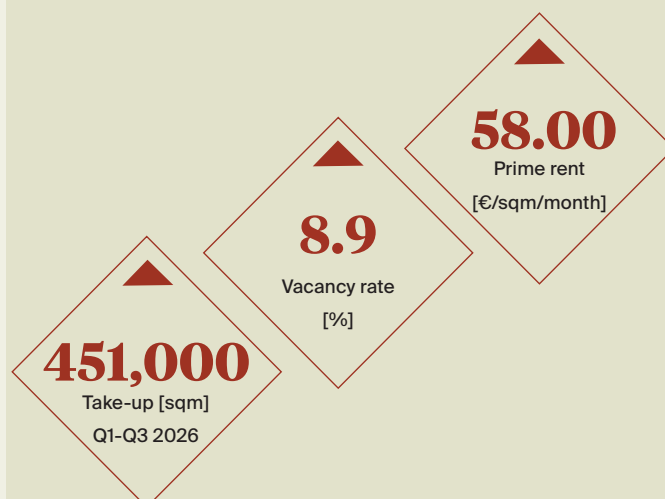


OUTLOOK

The Munich office leasing market is expected to remain stable to slightly positive in the final quarter of 2026. Demand is likely to continue to be driven particularly by technology-, industry- and knowledge-based companies. Modern, high-quality and ESG-compliant space in central or well-connected locations will remain the primary focus. Against the backdrop of robust market activity, annual take-up of around 600,000 sqm remains achievable.

At the same time, the divergence between marketable office space and older stock is expected to become more pronounced. While overall vacancy is likely to remain elevated, the supply of high-quality space in sought-after locations remains limited. This should support further rental growth in the premium segment, while average rents are expected to remain comparatively stable. Quality, location and future viability will therefore remain key market drivers for both occupiers and landlords.

TREND



Investment Market Overview

► The Munich investment market recorded a transaction volume of approximately €1.32 billion in the first three quarters of 2026. This represents a decline of around 7.3% year-on-year and approximately 45% compared with the average for the first nine months of 2021 to 2025. Following a comparatively strong start to the year, market momentum slowed noticeably. In the third quarter, transaction volume amounted to just €210 million, around 52% below the previous quarter.

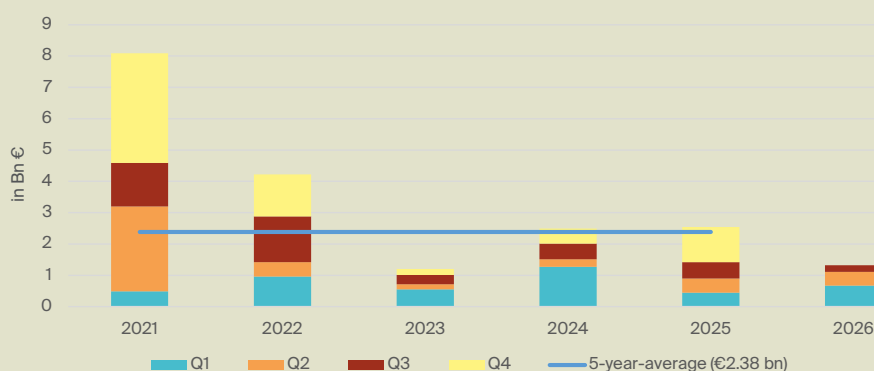
Market activity continued to be shaped by high financing costs, geopolitical uncertainty and ongoing price discovery. Investable capital remains available but is being deployed selectively. Investor focus is primarily on high-quality assets in established locations offering resilient cash flows and long-term income security. At the same time, properties with realistically priced value enhancement, development or conversion potential are attracting interest.

Office properties remained the dominant asset class, accounting for approximately €749 million, or 56.8% of total transaction volume. The “Other” category, including mixed-use properties, reached around €323 million (24.5%), followed by hotels at €95 million (7.2%), light industrial/logistics at €83 million (6.3%) and retail at €70 million (5.3%).

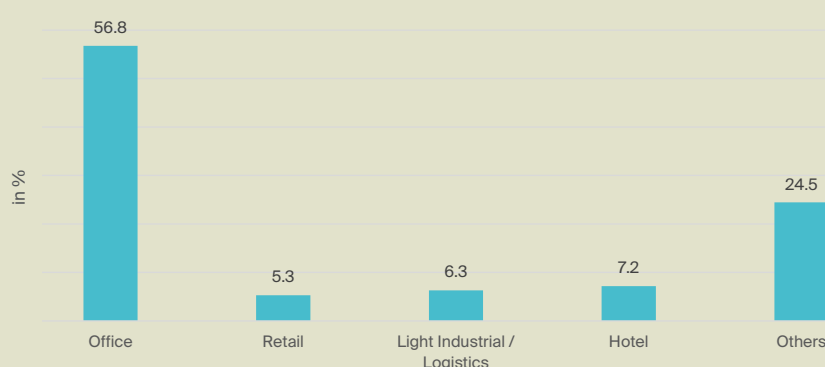
Pricing in the prime segment remained comparatively stable. The prime yield on office properties rose by 10 basis points in the third quarter to 4.4%. At the same time, changing capital market conditions continue to exert adjustment pressure. Nevertheless, Munich remains a sought-after investment destination, with location, asset quality, cash flow security and market-aligned pricing remaining key factors for successful transactions.



TRANSACTIONS VOLUME



TRANSACTION VOLUME BY ASSET CLASS Q1-Q3 2026



OUTLOOK

The Munich investment market is expected to remain highly selective in the final quarter of 2026. A well-filled deal pipeline offers potential for a stronger fourth quarter, although ongoing transactions could slip into next year due to the challenging financing environment and continued price discovery. Investor focus is expected to remain on high-quality core and core-plus assets in established locations with stable cash flows. At the same time, realistically priced value-add opportunities offering rental growth, development or conversion potential may present attractive investment opportunities. Munich's resilient occupier market and rental growth for high-quality office space provide further support. Nevertheless, a broad-based market recovery is unlikely in the short term. Transaction activity is therefore expected to remain driven by individual larger deals and a high degree of selectivity regarding location, quality, future use potential and capital expenditure requirements.

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