

Germany - Munich

Key Performance Indicators

<p>Prime Yield</p> <p>4,40%</p> <p>Expected Investment Returns Change YoY: -20 bps</p>	<p>Prime Rent</p> <p>€ 61,00</p> <p>Monthly, per sq m Change YoY: 5,2%</p>	<p>Average Rent</p> <p>€ 26,82</p> <p>Monthly, per sq m Change YoY: -7,5%</p>
<p>Office Investment Volume</p> <p>€ 419M</p> <p>In Munich during Q1 2026 € 1.03B (Rolling 12 months)</p>	<p>Take Up</p> <p>155K</p> <p>Square Meter 155K Year2Date</p>	<p>Vacancy Rate</p> <p>9,17%</p> <p>Percentage of Stock vacant Change YoY: 68 bps</p>
<p>Completions</p> <p>18K</p> <p>Square Meter 18K Year2Date</p>	<p>Total Stock</p> <p>22.874K</p> <p>Square Meter 20.776K Occupied Stock</p>	<p>(Forecast) Completions</p> <p>269.488 (2026)</p> <p>Square Meter 344.288 (2027) // 472112 (2028)</p>

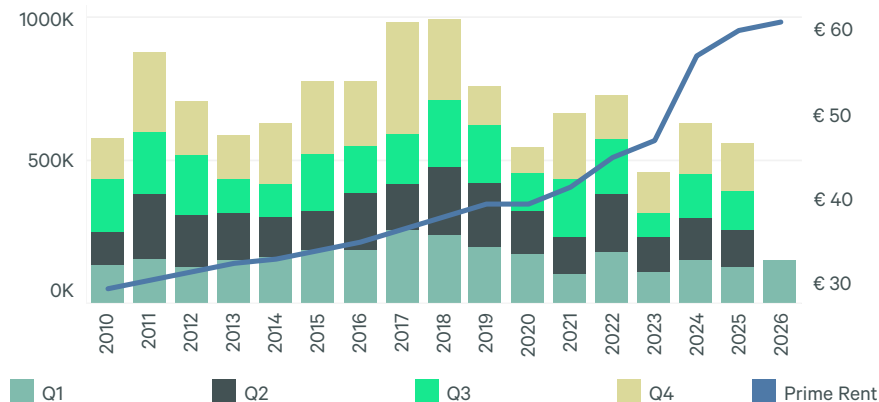
Munich's office leasing market recorded an office take-up of 155,000 sq m in the first quarter, which was 18% above the level of the prior-year quarter. Although companies continue to act cautiously amid the strained overall economic environment, the market was characterized by positive momentum, which also resulted in larger lease transactions. A total of six lettings above 5,000 sq m were recorded, twice as many large-scale deals as in the prior-year period.

Overall, a clear, quality-driven focus of occupier demand on inner-city locations as well as space with high-quality fit-out and the highest sustainability standards was confirmed.

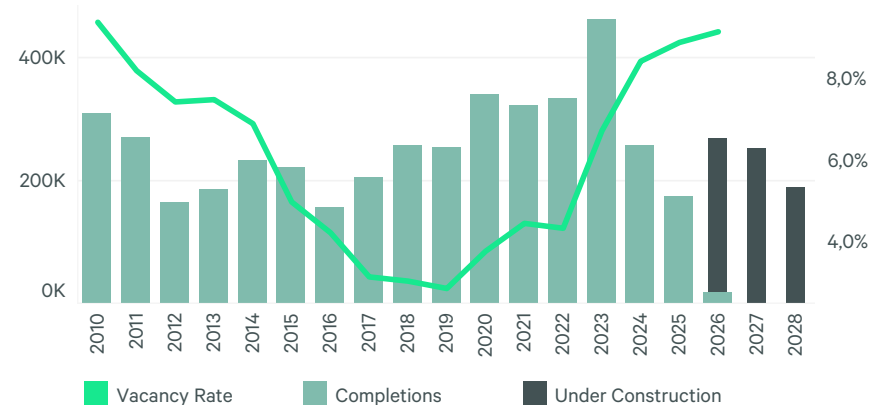
Vacancy rate on the total market increased by 0.8%-points year-on-year to 8.4%. While the already very limited vacancy in the CBD declined further, a moderate increase was recorded in city fringe / non-CBD locations. In the periphery, vacancy rose more sharply.

The upward trend in rents continued unabated at the start of the year. Prime rent increased by 5% to €61.00/sq m/month. Average rent increased only slightly year-on-year, but here too the differentiation in demand by location and quality was once again evident: rising at the upper end in the CBD, stable in city fringe locations, and declining for older, poorly connected properties in decentral locations.

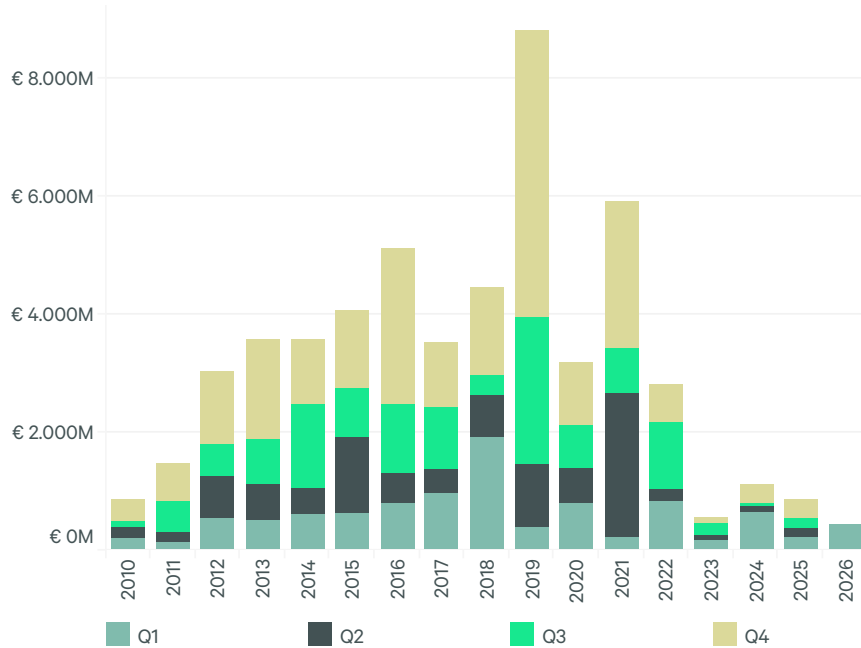
Market Trend (Take-Up | Prime Rent)



Development Activity (Completions | Vacancy Rate)



Munich Office Investment Volumes



Note: 2026 annual numbers till 31.03.2026

Contacts

Dr. Jan Linsin

Managing Director - Head of Research
 jan.linsin@cbre.com
 +49 69 170077404

Tobias Brandt

Associate Director, Research
 tobias.brandt@cbre.com
 +49 89 24206076

Georg Illichmann

Managing Director - Head of Office
 Leasing München
 georg.illichmann@cbre.com
 +49 89 24206050

Peter Tomas

Managing Director - Head of
 Investment Munich
 peter.tomas@cbre.com
 +49 8924206033

Overall, a continuation of the recovery in the office leasing market can also be expected over the coming months, with the well-known trends continuing to shape market activity. On the demand side, occupiers are therefore likely to remain highly selective going forward, in line with users' high quality requirements.

The high asking rents for Munich's prime office properties, combined with strong demand in the CBD locations, where available supply remains limited, point to a further increase in prime rent in the coming months. In addition, vacancy in sought-after office locations is likely to continue to decline.

Following a low completion volume in the first quarter of just 18,500 sq m completion volumes are expected to increase slightly in the next quarters based on currently available information. However, the increase in supply will remain manageable, even though developers are once again initiating some new developments in in-demand locations, which will enrich the market in the near future and provide these locations with urgently needed new space.

Prime office yields remained stable for the time being at 4.40%, unchanged from the previous quarter; further development in the investment market, and also with regard to yields, is currently difficult to forecast given the strained overall economic environment and uncertain future interest rate developments.

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