Office Market Report

Munich Office Market
Q1 2026

REPORT

Munich office leasing market shows positive signals

CBRE RESEARCH

APRIL 2026

Overview

Munich's office leasing market recorded an office take-up of 155,000 sq m in the first quarter. This result was 18% above the level of the prior-year quarter and therefore remained stable overall, but continued to be subdued in a longer-term comparison.

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, preferably new-builds or comprehensively refurbished space, for example at Tucherpark.

The overall vacancy rate on the Munich market increased by 0.8%-points year-on-year to 8.4%. While the already very limited vacancy in the CBD declined further compared with the prior year, a moderate increase was recorded in city fringe / non-CBD locations. In the Munich periphery, vacancy rose sharply by 19% to a vacancy rate of 14.7%.

The upward trend in rents continued unabated at the start of the year. Prime rent increased by a further 5% to €61.00/sq m/month. Currently quoted asking rents for prime properties in the CBD exceed this level by a significant margin. Average rent across the overall market increased only slightly compared with the prior-year quarter, 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, particularly in the Munich periphery.

FIGURE 1

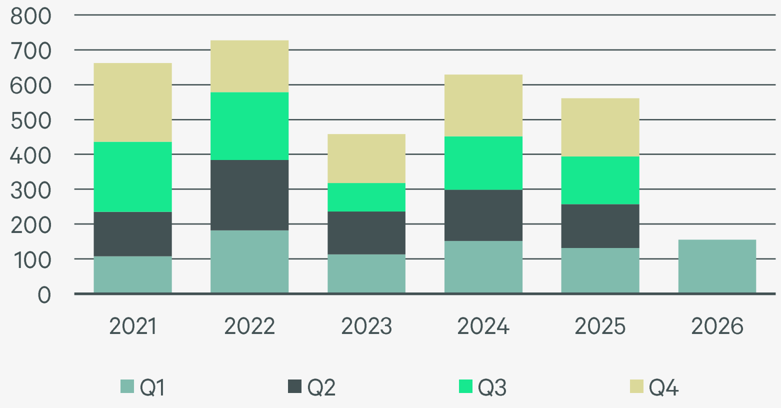
Key Performance Indicators Office Market

	Q1 2026	**Year-on-Year comparison**	**6-months-trend**
Take-up accumulated	155,000 sq m	17.6%	→
Vacancy rate	8.4%	0.8%-Pts.	↑
Prime rent	€61.00 per sq m	5.2%	↑
Completions accumulated	18,500 sq m	-63%	↑
Prime yield	4.4%	-0.2%-Pts.	→

Source: CBRE Research Q1 2026

FIGURE 2

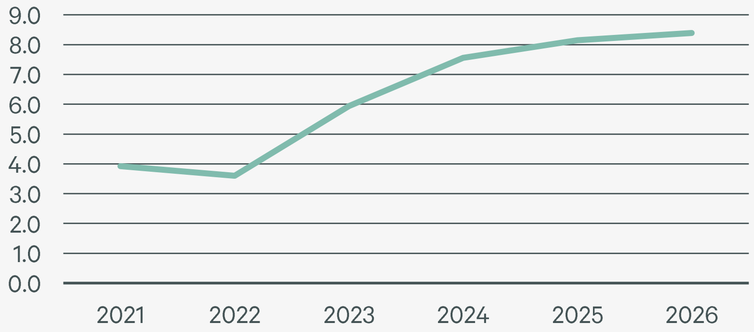
Take-up (in 1,000 sq m)



Source: CBRE Research Q1 2026

FIGURE 4

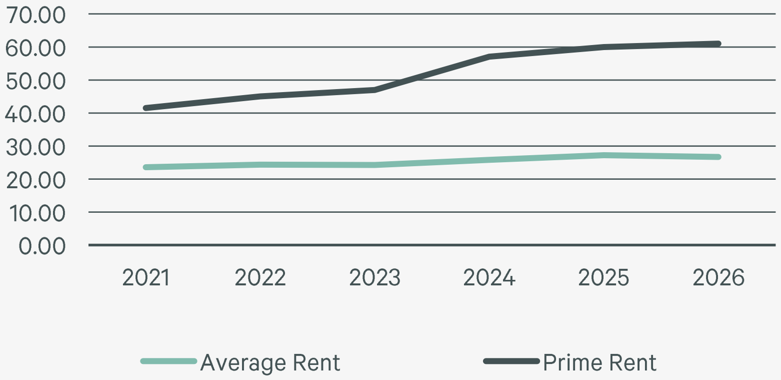
Vacancy rate (in %)



Source: CBRE Research Q1 2026

FIGURE 3

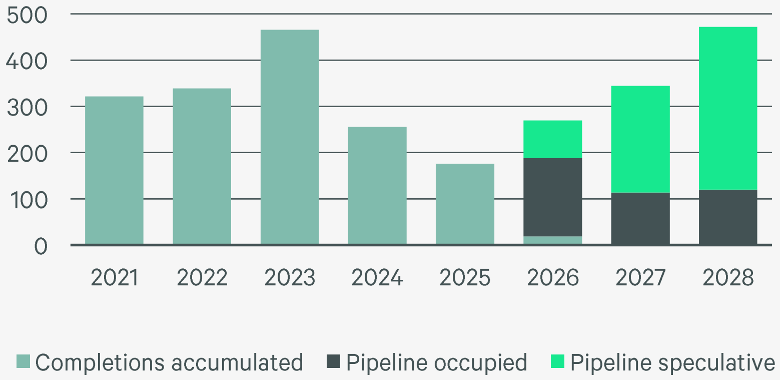
Rents (in €/sq m/month)



Source: CBRE Research Q1 2026

FIGURE 5

Completions/future supply (in 1,000 sq m)

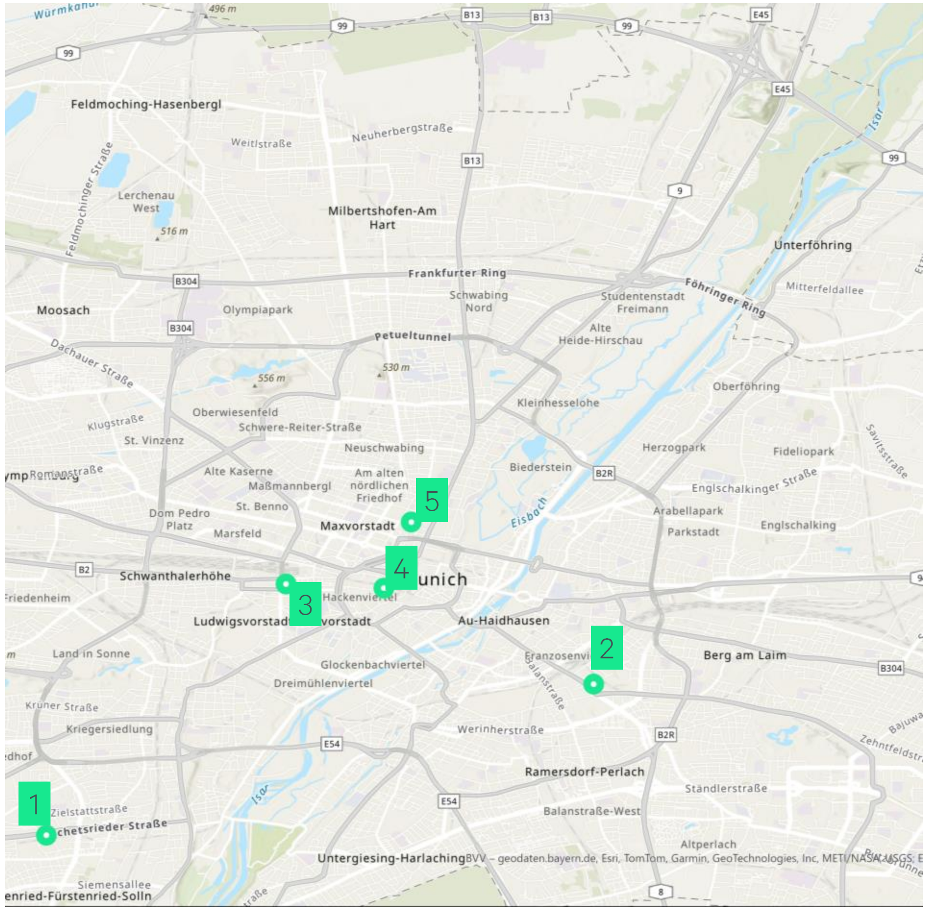


Source: CBRE Research Q1 2026

Trends

- The ongoing flight to quality is underscored by the fact that almost three quarters of take-up was attributable to the sought-after locations within the Mittlerer Ring, of which 40% was Grade A space
- In particular, several large-scale deals were responsible for industrial and IT companies together contributing almost three quarters of the Q1 take-up, underscoring Munich's strong position as a technology hub and production location
- The 17% increase in the office space expansion volume compared with the prior-year quarter can be interpreted as a signal of a gradual recovery in the Munich office market
- Rental levels in Munich continue to increase: average rent at €26.72/sq m/month was around 9% above the five-year average, while prime rent recorded an increase of 22%
- Prime office yields for institutional capital edged down slightly by 0.2%-points year-on-year to 4.4%, while private investors are willing to accept lower yields in order to secure high-quality properties in unique locations

Selected developments



#	Projectname	Adress	Office-submarket	Construction -Year	Office space total (sq m)	Occupied (%)
1	Municorn	Boschetsrieder Straße 127	Urban Area South-West	Q4/2027	9,900	0.0
2	LOVT (buildings VIBE and VISION)	Rosenheimer Straße 145 a-i	City South-East	Q3/2027	60,900	0.0
3	THE VERSE	Bayerstraße 49-53	City South-West	Q1/2028	60,600	0.0
4	AIM	Kaufinger Straße 11a, 13 / Fürstenfelder Straße 1, 3	City Centre	Q3/2027	15,000	0.0
5	Amalie 33	Amalienstraße 33	City North-East	Q3/2026	11,100	0.0

Source: CBRE Research Q1 2026

Outlook

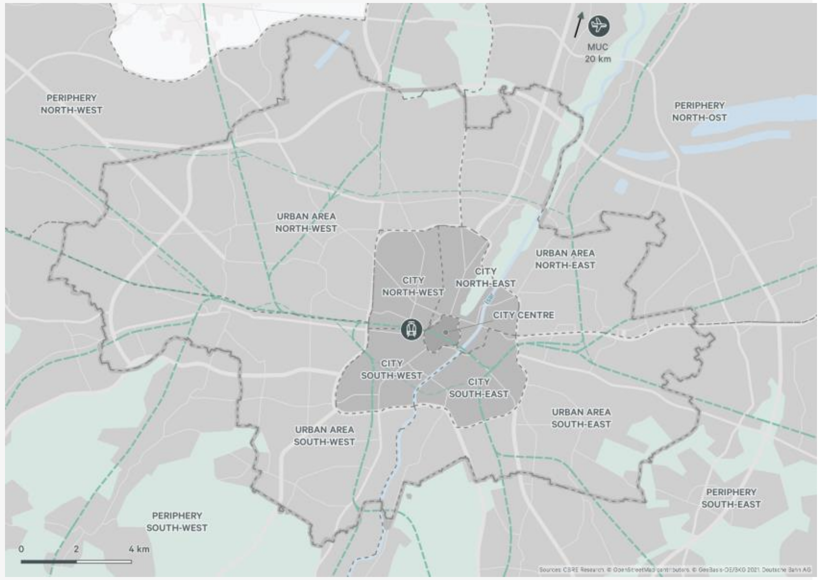
Overall, a continuation of the recovery in the office leasing market can also be expected over the coming months, with the well-known trends continuing to shape market activity. On the demand side, occupiers are therefore likely to remain highly selective going forward, in line with users' high quality requirements. In addition to the ongoing space requirements of established players, the market will also benefit from the increasingly strong presence of tech start-ups and the associated financing environment, as well as demand from the high-tech and defence sectors.

The high asking rents for Munich's prime office properties, combined with strong demand for space in the central inner-city 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, including, for example, "The Stack" in the Central Quartier, the total volume of completions currently known for 2026 amounts to around 251,000 sq m (68% pre-let). In the subsequent years 2027 and 2028, completion volumes are expected to increase slightly 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.

FIGURE 6

Overview Submarket Cluster



	City	City-Fringe	Periphery
Take-up accumulated (sq m)	7,700	117,500	29,700
Vacancy rate (%)	1.7	7.3	14.7
Prime rent (€/sq m/month)	61.00	57.00	27.00
Average rent (€/sq m/month)	45.22	27.95	15.46

Source: CBRE Research Q1 2026

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