

Germany - Stuttgart

Key Performance Indicators

Prime Yield

4.9%

Expected Investment Returns
Change YoY: -20bps

Prime Rent

€37.00

Monthly, per sq m
Change YoY: 0%

Total Stock

8,66K

Square meter
8,095K occupied stock

Office Investment Volume

€87M

In Stuttgart during H2 2025
€139M (Rolling 12 months)

Take-up

151K

Square meter
Change YoY: -25%

Vacancy Rate

6.6%

Percentage of stock vacant
Change YoY: 90bps

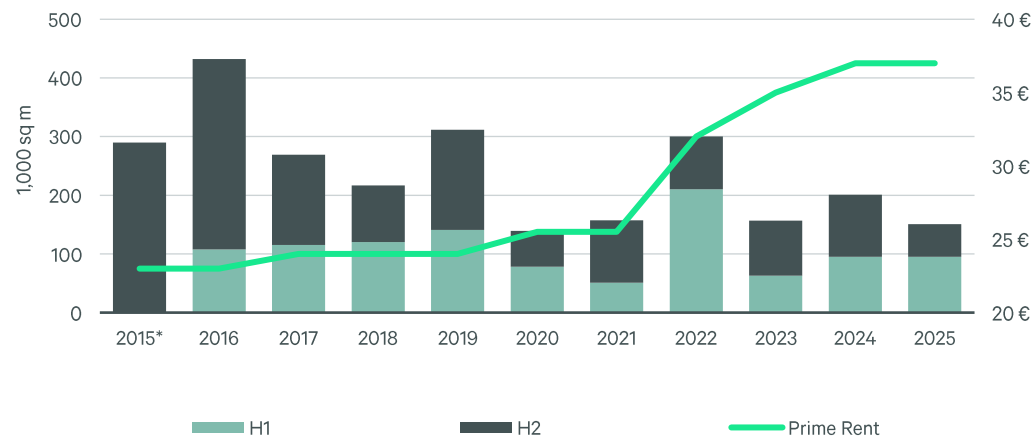
Demand for office space remained subdued in 2025. By year-end, take-up amounted to around 151,000 sq m, representing a 25% decline year-on-year. The number of lease agreements also decreased slightly. Market dynamics were significantly influenced by the absence of large-scale lease transactions in the second half of the year. While 95,000 sq m were transacted in the first two quarters, take-up dropped noticeably in the remainder of the year to some 56,000 sq m.

Despite the overall weaker market environment, several large new leases above the 5,000 sq m mark supported the result in the first half of the year. At around 12,700 sq m, the largest lease was signed by Daimler Truck AG in the Sternhöhe property in the Vaihingen/Möhringen submarket. The second-largest deal was a lease of around 11,200 sq m by the City of Stuttgart. This was followed by a deal concluded in Stuttgart-Feuerbach by the state of Baden-Württemberg for around 6,200 sq m. Across all sectors, the public sector and industry and construction companies dominated market activity, with the public sector alone accounting for 27% of take-up.

The supply of office space increased significantly over the past twelve months, with the vacancy rate reaching 6.6% at year-end. Vacancies have increased particularly in existing buildings from the 1990s and early 2000s, as companies are increasingly focusing on modern, sustainable buildings, which means that older buildings are increasingly facing the challenge of finding new tenants. Despite the expanding supply base, high-quality, modern office space remains scarce, especially in central locations.

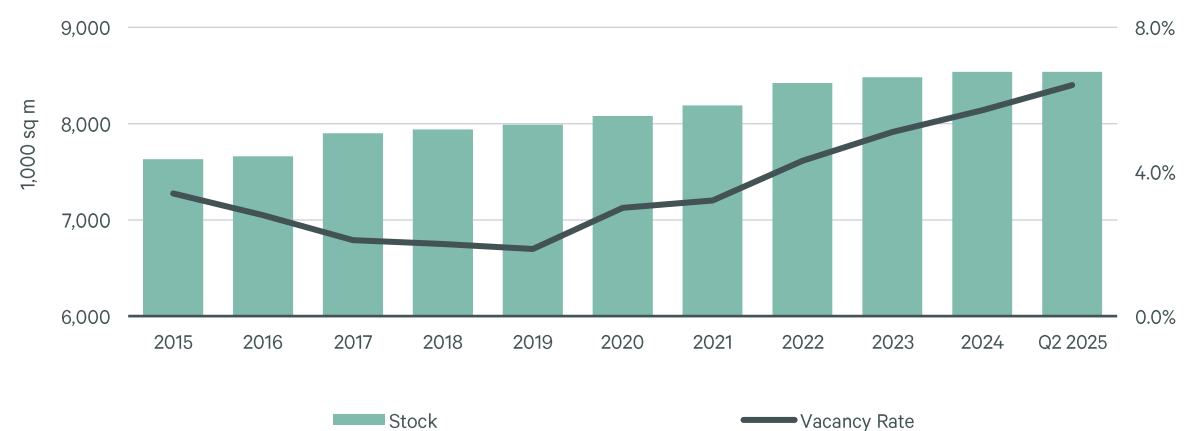
Rental trends varied: while the prime rent remained stable at €37.00/sq m/month since the end of 2024, the average rent declined by 16% to around €18.80/sq m/month. This decline is mainly attributable to the lack of high-priced large-scale deals.

Market Trend (Take-up | Prime Rent)

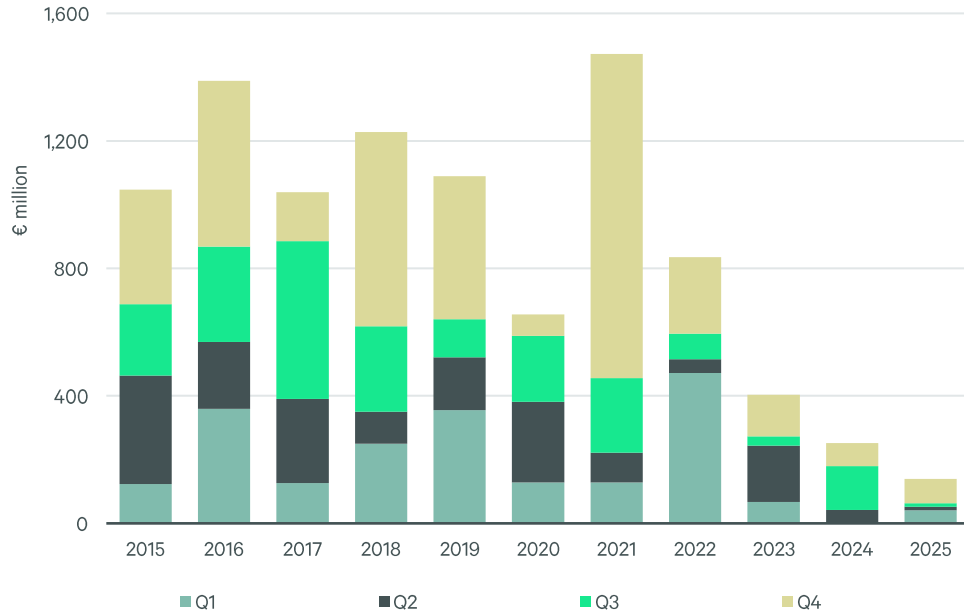


*only annual data available

Supply (Vacancy Rate | Stock)



Stuttgart Office Investment Volumes



Against the backdrop of a continuing challenging market environment, transaction volume on the Stuttgart investment market declined by 59% year-on-year to a total of €165m. Just under a third of this was attributable to the fourth quarter, in which several larger sales sent cautiously positive signals regarding further market development.

In view of low vacancy rates and sustainably stable investment parameters, investors are focusing on centrally located office and mixed-use properties and, increasingly, on properties with conversion potential, as illustrated by the sale of the former office property at Marienstraße 44-46 to Watzl Group in the fourth quarter, which is being converted into serviced apartments as part of a total refurbishment.

In terms of investment volume by asset class, the office segment accounted for just under half of the transaction volume last year, ahead of retail properties with 23% and hotels with 19%. Core and Core-plus investment strategies dominated with 82% of the total volume, with the remaining 18% accounted for by investments with value-add potential.

The reluctance of institutional investors due to the current investment environment also shaped market activity in Stuttgart last year. More than a fifth of the investment volume (23%) was attributable to private investors, for whom the current market situation offers unique investment opportunities in rare, high-quality properties in good locations in Stuttgart. In addition, special funds (32%) and asset/fund managers (22%) also recorded double-digit shares of the investment volume, closely linked to the few larger transactions.

The prime office yield in Stuttgart at the end of the year was 4.90%, as in the previous quarter, and continues to be considered stable in line with the other top markets in the institutional segment. Private investors, on the other hand, often accept lower yields for unique market entry opportunities.

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