MARKETBEAT
MUNICH
OFFICE MARKET Q1 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
139,200 Take-up (cum.), m²	▬	▲
8.8% Vacancy Rate	▲	▲
56.00 Prime Rent, €/m²/month	▲	▲

LABOUR MARKET

	YOY Chg	12-Month Forecast
460,200 Office Employees City of Munich (Mar 2026)	▼	▲
5.6% Unemployment Rate City of Munich (Mar 2026)	▲	▼

Sources: Moody's Analytics, Federal Employment Agency

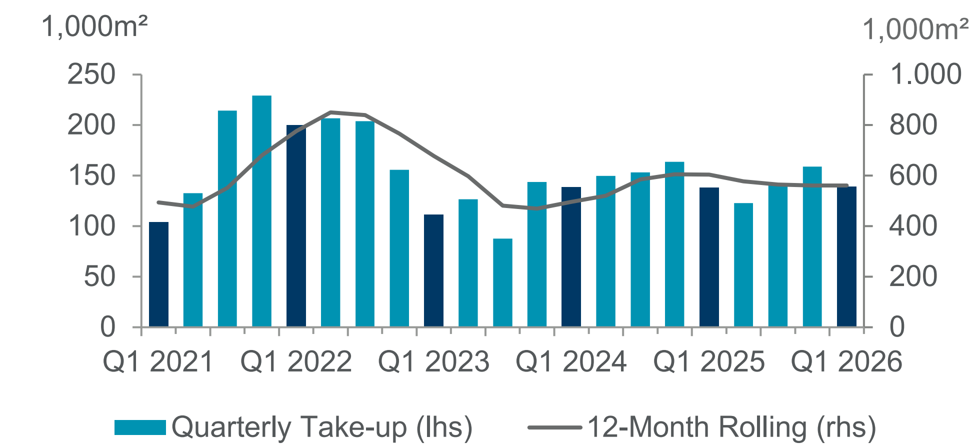
ECONOMIC OVERVIEW

By the end of the first quarter of 2026, real gross value added in Munich increased by 0.2% quarter-on-quarter. On an annual basis, this represents an increase of 0.8% compared with Q1 2025, pointing to a slight stabilisation of economic activity amid continued moderate growth. At the same time, the situation in the labor market deteriorated. The unemployment rate rose to 5.6% at the end of March 2026, after standing at 5.3% in both Q4 2025 and Q1 2025.

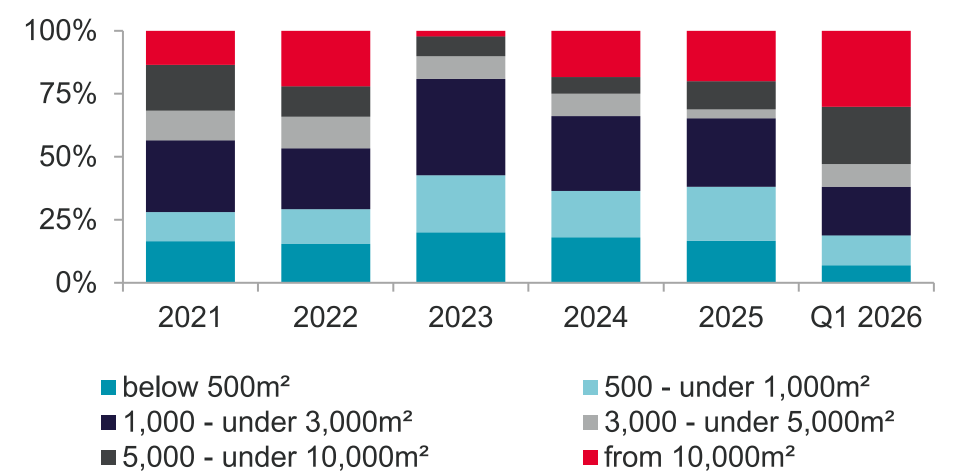
TAKE-UP

The Munich office leasing market recorded a take-up of approximately 139,200m² in the first quarter of 2026, broadly in line with the level of the prior-year quarter (Q1 2025: 138,100m²). Compared with the fourth quarter of 2025, when take-up totalled 158,900m², leasing activity was lower. Relative to the ten-year average, take-up remained around 21% below the long-term benchmark. Take-up in the first quarter was largely driven by individual large-scale transactions. Around 30% of the quarterly volume alone was attributable to two lettings exceeding the 20,000m² mark. One of these involves the lease of more than 20,000m² by E.ON at Landsberger Straße 84–90 in the Inner City West submarket. At submarket level, the City Centre West accounted for 27% of total take-up, followed by the City Centre North with just over 20%. In terms of occupier sectors, industry, transport and logistics represented the largest share with 45%, followed by the technology, media and telecommunications sector with 30% of total take-up.

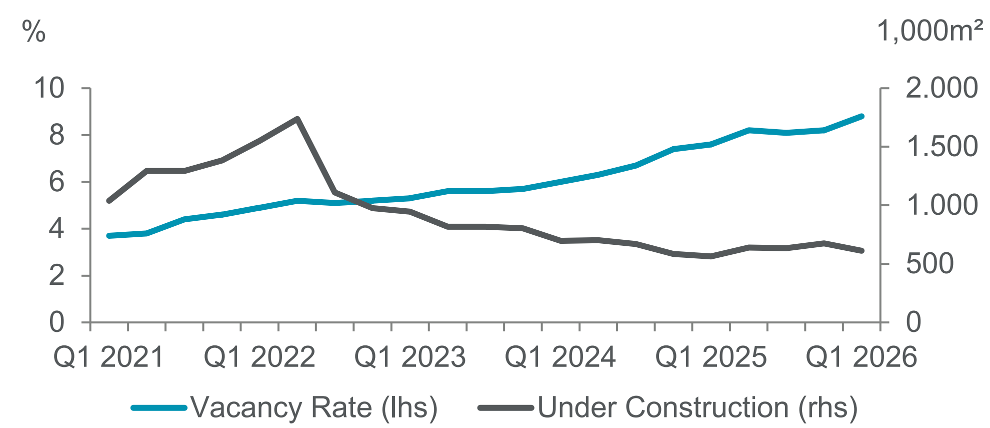
TAKE-UP



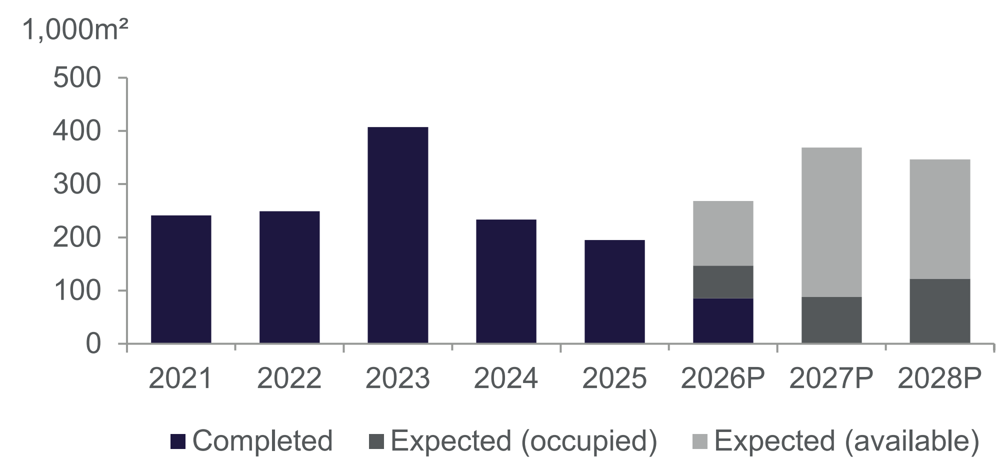
TAKE-UP BY SIZE CLASS



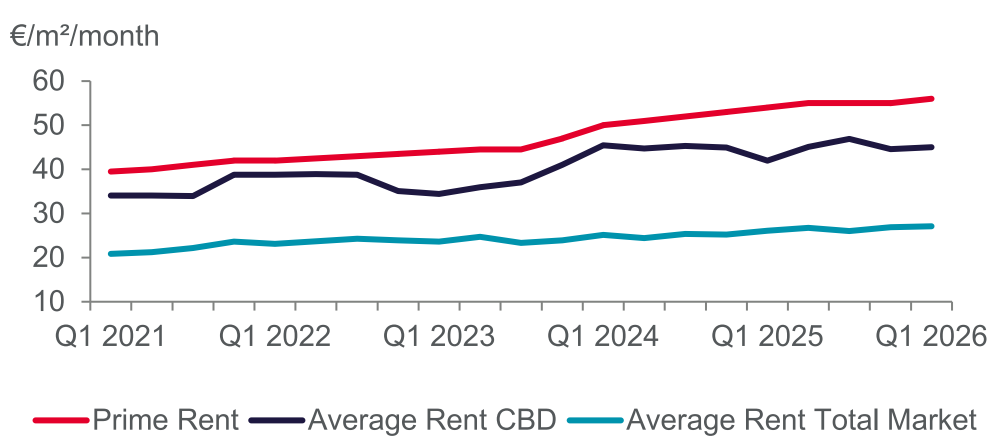
VACANCY / UNDER CONSTRUCTION



COMPLETIONS



RENTS



VACANCY

At the end of the first quarter of 2026, office vacancy in Munich amounted to approximately 1.94 million sq m. This corresponds to a vacancy rate of 8.8%, representing an increase of around 1.2 percentage points compared with the prior-year quarter (Q1 2025: 7.6%).

COMPLETIONS

By the end of the first quarter of 2026, completions amounted to a total of approximately 85,700m² of office space, representing an increase of around 19% compared with the prior-year period. Of the newly completed space, approximately 27% was still available to the market. Completed projects included the owner-occupied development "HTM – Hoffmann Trapez Munich" in the City Area West – South-West submarket with around 27,000m², the "M64 Gewerkschaftshaus Munich" with just over 20,000m², and the "BARER 24" project with approximately 5,700m², both located in City Centre West.

RENTS

Prime rents continued their upward movement in the first quarter of 2026, reaching €56.00/m²/month. This represents an increase of around 3.7% year on year, while compared with year-end 2025, prime rents rose by just under 2%. Average rents also continued to increase and stood at €27.10/m²/month in Q1 2026. On a year-on-year basis, this corresponds to growth of approximately 3.8%, while compared with year-end 2025, average rents rose by just under 1%.

OUTLOOK

- Following a positive start to 2026, with office take-up in Q1 stable year-on-year, C&W expects full-year results to be in line with the previous year, with a slight upward bias.
- Given the current occupancy rate of 46% in projects scheduled for completion in 2026 and the ongoing trend toward downsizing office space in new lettings, the vacancy rate could continue to rise by year-end.
- Prime rents could continue to increase over the course of the year, as the supply of high-quality space in central locations remains limited while demand stays strong.

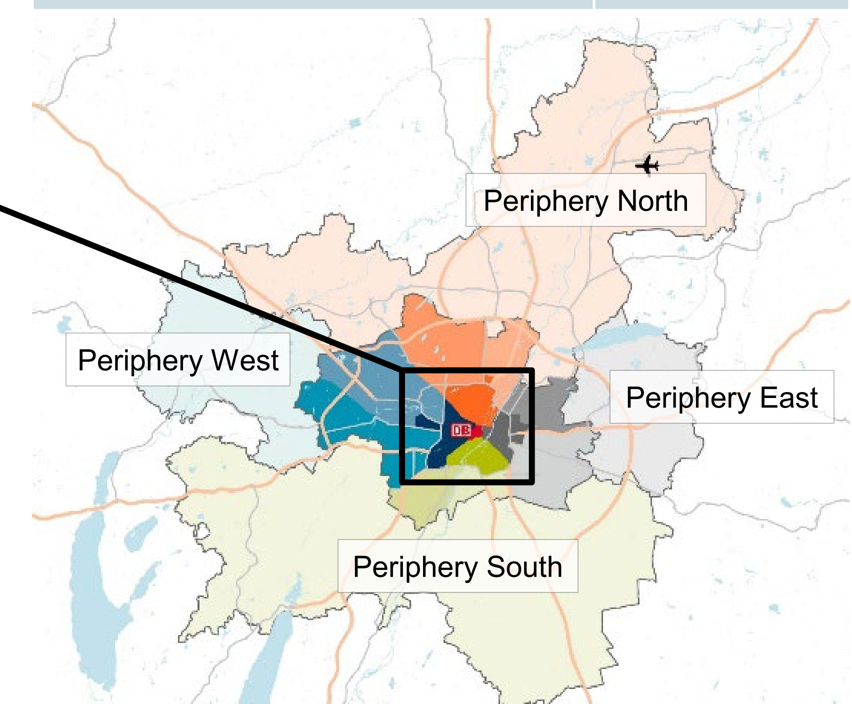
SELECTED DEVELOPMENT PROJECTS

Property	Submarket	Status	Year of Completion	Office Space (m²)	Owner
HTM – Hoffmann Trapez München	City Area West – South-West	Completed	2026	27,000	Hoffmann SE
M64 Gewerkschaftshaus München	Inner City West	Completed	2026	20,000	Industriegewerkschaft Metall
The Verse	Inner City West	Under construction	2027	58,000	Oaktree / Accumulata
M-BLOCK	City Area South – South-West	Planned	2029	56,600	Fiduciary Capital

SUBMARKET OVERVIEW

RENTAL PRICE RANGES Q1 2026

Submarket	€/m²/month
Old Town	30.00 – 56.00
Inner City North	15.00 – 42.00
Inner City East	18.00 – 42.50
Inner City South	15.00 – 33.00
Inner City West	20.00 – 50.00
City Area North – North-East	15.00 – 28.00
City Area North – North-West	14.00 – 27.50
City Area East – North-East	10.00 – 15.00
City Area East – South-East	15.00 – 25.00
City Area South – South-East	14.50 – 17.00
City Area South – South-West	15.00 – 28.00
City Area West – North-West	15.00 – 26.00
City Area West – South-West	16.00 – 28.50
Periphery North	8.50 – 20.00
Periphery East	11.00 – 20.00
Periphery South	10.00 – 23.50
Periphery West	10.00 – 12.50



MARKET STATISTICS REPORTING QUARTER

Selected Submarkets	Take-up YTD (m²)	Vacancy Rate (%)	Completions YTD (m²)	Under Construction (m²)	Average Rent (€/m²/month)
Old Town	7,800	4.3	2.000	22,400	45.00
Inner City East	3,400	9.5	0	217,400	32.15
City Area South – South-West	11,300	10.7	0	25,000	21.65
Periphery North	4,800	7.6	0	6,700	13.35
Munich Market	**139,200**	**8.8**	**85,700**	**612,700**	**27.10**

EXPLANATION OF TERMS

Take-up: Office space that has been newly let, acquired by owner-occupiers or whose construction has been started for owner-occupation. This also includes subleases, interim leases and expansions. However, extensions do not count.

Vacancies: Office space that is unused on the reporting date, ready for marketing and available for occupation at short notice. This also includes sublet space offered on the market by a main tenant for a sublease with third parties.

Vacancy rate: Share of vacancies as percentage of total office stock.

Completions: Newly built or completely refurbished office space that was ready for occupation in the period under review or is ready for occupation in the short term. Space for which the tenant fit-out only begins once the tenant has been confirmed is considered completed.

Space under construction: Space in all new construction and core refurbishment projects that are in the development phase. This begins with the laying of the foundations.

Prime rent: The sustainably achievable prime rent is the nominal rent that can be expected for a high-quality space of at least 500 m² in the best submarket at the end of the period under review.

Average rent: Space-weighted average rent of all new lettings in the past twelve months.

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of $10.3 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.

TOP 5 MARKETS

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