

MARKETBEAT GERMANY: TOP 5 OFFICE MARKET Q1 2026



MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
499,200 Take-up (cum.), m ²	▼	▲
9.7% Vacancy Rate	▲	▲
3.4% Prime Rent Growth*	▼	▼
2.5 mn Under Construction, m ²	▼	▼

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
0.5% Germany GDP Growth (Q1 2026 vs. Q1 2025)	▲	—
6.4% Germany Unemployment Rate (Mar 2026)	▲	▲

* Average annual change in the prime rent index

Source: Federal Statistical Office, Federal Employment Agency

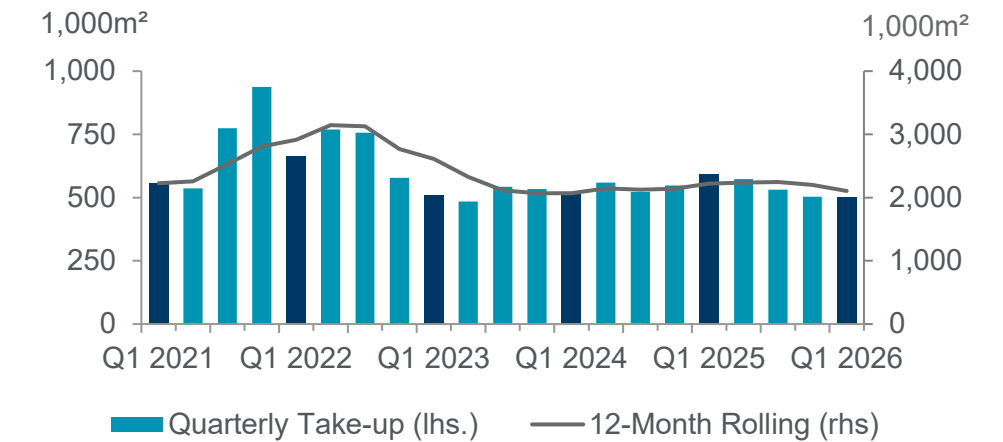
SUBDUED START AMID MIXED MARKET DEVELOPMENT

In Q1 2026, the Top 5 office markets recorded take-up of 499,200m². This was 16% below the same quarter last year and 24% below the 10-year average for first quarters. This reflects the continued challenging economic environment, marked by subdued investment appetite, weak economic momentum and cautious leasing decisions. Market development was mixed: Berlin recorded the highest take-up at 151,400m² and posted significant year-on-year growth, supported by seven deals over 5,000m² (+35%). Dusseldorf also recorded slight growth (+8%), while Munich remained almost at the previous year's level. In contrast, Hamburg (-9%) and particularly Frankfurt (-65%) recorded declines, with Frankfurt unable to repeat its exceptionally strong prior-year quarter. In Frankfurt and Munich, the result was supported by individual large-scale deals, while in Dusseldorf larger lettings over 5,000m² were entirely absent.

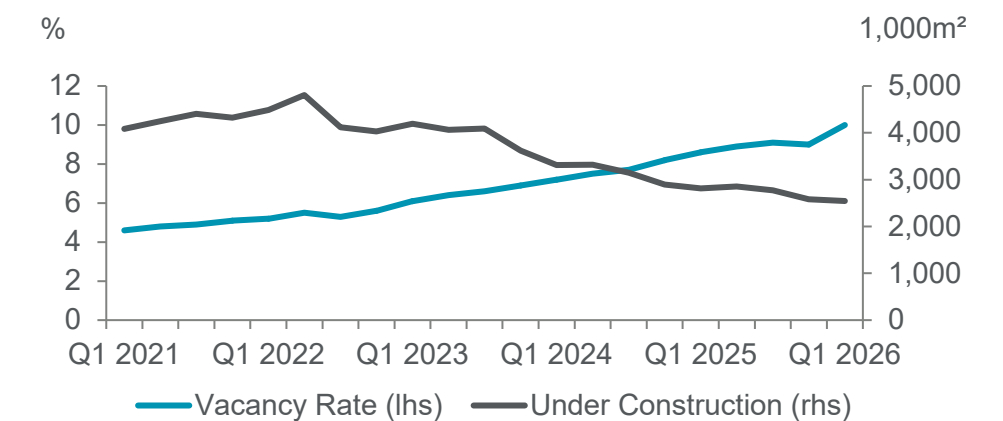
VACANCY CONTINUES TO RISE, CONSTRUCTION VOLUME DECLINES

Vacancy in the Top 5 markets rose to 7.62 million m² at the end of Q1 2026. The aggregate vacancy rate stood at 9.7%, up 1.1 percentage points compared with the same quarter last year. The highest vacancy rates were recorded in Frankfurt at 12.0% and Dusseldorf at 11.6%. Berlin, at 10.4%, also remained above the 10% mark, while Munich reached 8.8% and Hamburg 6.6%. The increase continues to be driven by space reductions, consolidations and a stronger focus on space efficiency in new leases. In Q1, 192,400m² of office space was completed across the Top 5 markets, 14% less than in the same period last year. Construction volume stood at 2.54 million m² at the end of the quarter and therefore remains on a downward trend.

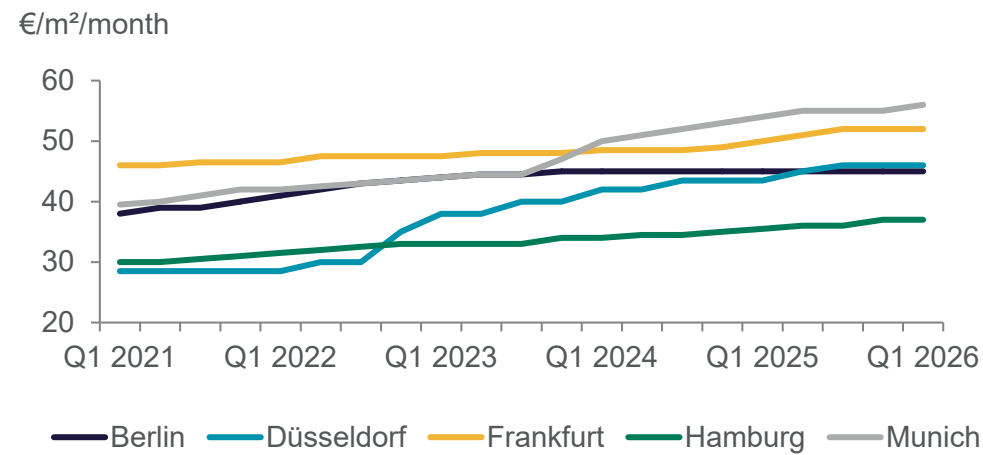
TAKE-UP



VACANCY / UNDER CONSTRUCTION



PRIME RENTS



PRIME RENTS REMAIN STABLE

Prime rents in the Top 5 markets remained largely stable despite subdued leasing momentum, with selective upward pressure in some markets. Average prime rental growth stood at 0.4% in Q1 2026. Munich again recorded the highest value at €56.00/m²/month and continued its upward trend. Frankfurt also remained stable at a high level of €52.00/m²/month. In Dusseldorf, the prime rent remained unchanged at €46.00/m²/month, while Berlin stayed at €45.00/m²/month and Hamburg at €37.00/m²/month. Average rents showed a more differentiated picture. While Dusseldorf and Munich recorded increases, Frankfurt and Hamburg saw declines. Overall, continued demand for high-quality, centrally located and ESG-compliant space, combined with limited availability in the quality segment, continues to support prime rental levels.

OUTLOOK

- For 2026, a selective recovery in leasing activity is expected across the Top 5 markets. However, demand will remain strongly dependent on economic development and occupiers' willingness to conclude deals.
- The vacancy rate is expected to continue rising. Key drivers remain space consolidations, more efficient workplace concepts and increasing pressure on older existing stock.
- Prime rents are expected to remain stable to slightly increasing. High-quality space in central locations remains limited and continues to attract strong demand.

SELECTED TAKE-UP TRANSACTIONS Q1 2026

Property	Address	Market	Submarket	Tenant	m ²	Type
Tucherpark	Sederanger 5	Munich	Inner City North	JetBrains	21,500	New letting
Fifty Avon	Mainzer Landstraße 50	Frankfurt	Banking District	DZ Bank	20,800	Owner-occupier
An den Brücken 2	Landsberger Straße 84-90	Munich	Inner City West	E.ON	20,500	New letting
MSC Deutschlandzentrale	Stockmeyerstraße	Hamburg	HafenCity	MSC - Schiffahrtsgesellschaft	12,800	Owner-occupier
B'Ella Berlin	Gotenstraße 26-28	Berlin	Inner City South	Strabag	12,000	Pre-let

MARKET STATISTICS

Market	Stock (m ²)	Vacancy (m ²)	Vacancy Rate (%)	Take-up YTD (m ²)	Completions YTD (m ²)	Under Construction (m ²)	Prime Rent* (€/m ² /month)	Average Rent** (€/m ² /month)	Prime Yield* (%)
Berlin	21,586,600	2,234,700	10.4	151,400	28,400	892,900	45.00	27.65	4.80
Dusseldorf	9,520,800	1,107,800	11.6	41,000	0	228,300	46.00	20.90	5.10
Frankfurt	11,700,900	1,402,500	12.0	67,200	37,300	367,700	52.00	29.60	4.90
Hamburg	14,290,700	943,300	6.6	100,400	41,000	441,900	37.00	21.85	4.80
Munich	21,872,800	1,935,400	8.8	139,200	85,700	612,700	56.00	27.10	4.60
Total	78,971,800	7,623,700	9.7	499,200	192,400	2,543,500	-	-	4.84

* Rental /Yields rates reflect achievable values

** Weighted average (12 months)

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.

Prime yield: Net initial yield for a property in a prime location and of the best quality that can be achieved at the end of the period under review. It is based on the market assessment of local experts and recent transactions.

TOP 5 MARKETS



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