

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
560,500 Take-up (cum.), m <sup>2</sup>	▼	▲
8.2% Vacancy Rate	▲	▼
55.00 Prime Rent, €/m <sup>2</sup> /month	▲	▲

LABOUR MARKET

	YOY Chg	12-Month Forecast
465,500 Office Employees City of Munich (Dec 2025)	▲	▲
5.3% Unemployment Rate City of Munich (Dec 2025)	▲	▼

Sources: Moody's Analytics, Federal  
Employment Agency

ECONOMIC OVERVIEW

At the turn of the year 2025/2026, the economic situation in Munich remained challenging. Against this backdrop, only a gradual recovery is expected in the short term. The unemployment rate stood at 5.3% in December 2025, around 40 basis points above the previous year's level.

TAKE-UP

The Munich office market achieved a take-up of around 560,500 m<sup>2</sup> in 2025 as a whole, remaining around 7% below the previous year's figure (605,200 m<sup>2</sup>). Compared to the 5-year average (617,700 m<sup>2</sup>) and the 10-year average (738,700 m<sup>2</sup>), the result was also down by 9% and 24% respectively. While much of the year was characterised by prolonged decision-making processes and a high degree of selectivity on the part of users, the fourth quarter saw a significant upturn with 158,900 m<sup>2</sup> and proved to be the key driver of the annual results.

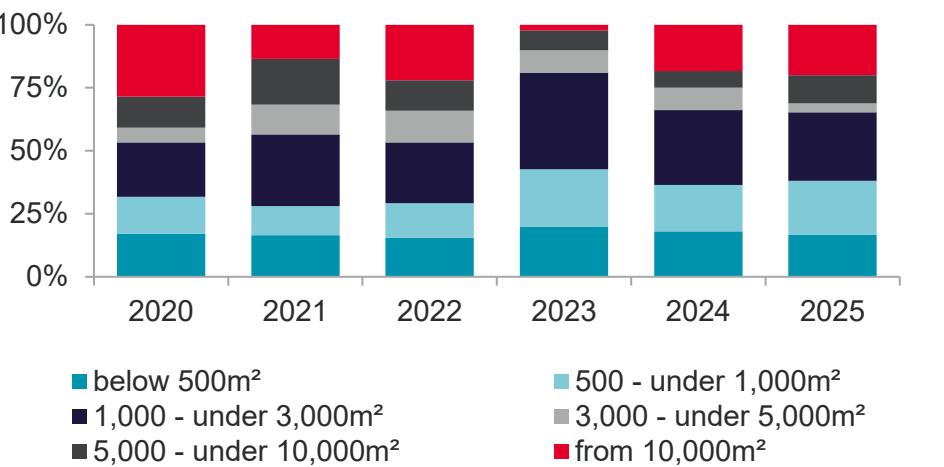
More than 30% of the annual take-up was accounted for by deals above the 5,000 m<sup>2</sup> mark. Market-defining transactions included the leases brokered by Cushman & Wakefield for 12,900 m<sup>2</sup> in the TOMORROW project in the Werksviertel district and 11,700 m<sup>2</sup> by Penguin Random House in the "SUN" property on Levelingstraße. In addition, a project lease of 33,000 m<sup>2</sup> by Siemens in the "PANDION OFFICEHOME BEAT" was registered.

The CBD and city centre submarkets dominated market activity, accounting for around 60% of total take-up. This result was supported by a broad mix of sectors with four user groups each achieving market shares above the 10% mark – evidence of the structural strength and breadth of demand in Munich's office market.

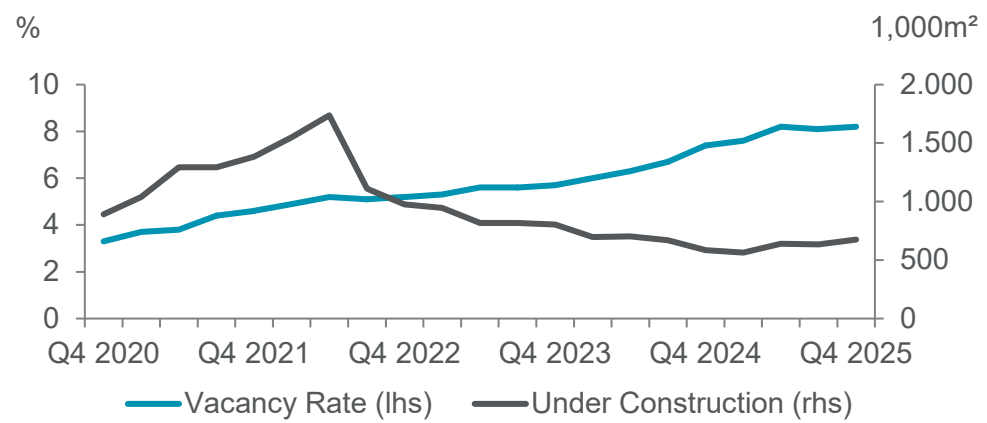
TAKE-UP



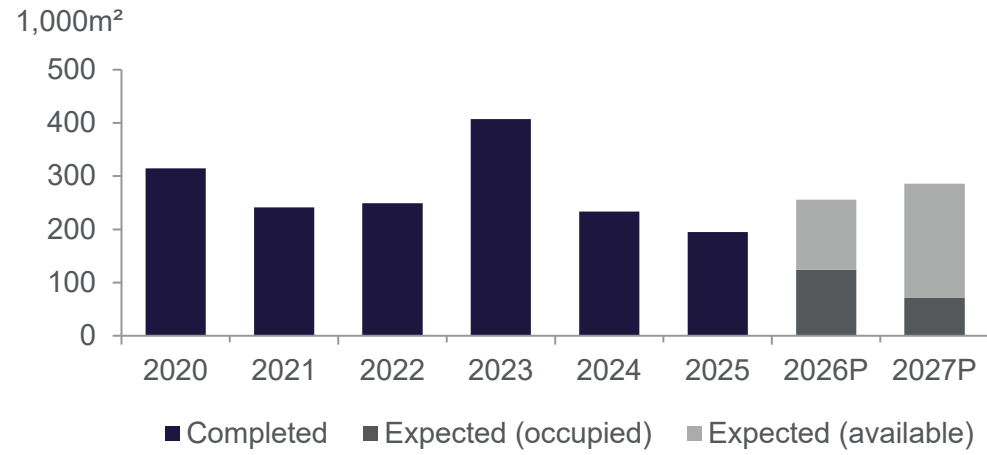
TAKE-UP BY SIZE CLASS



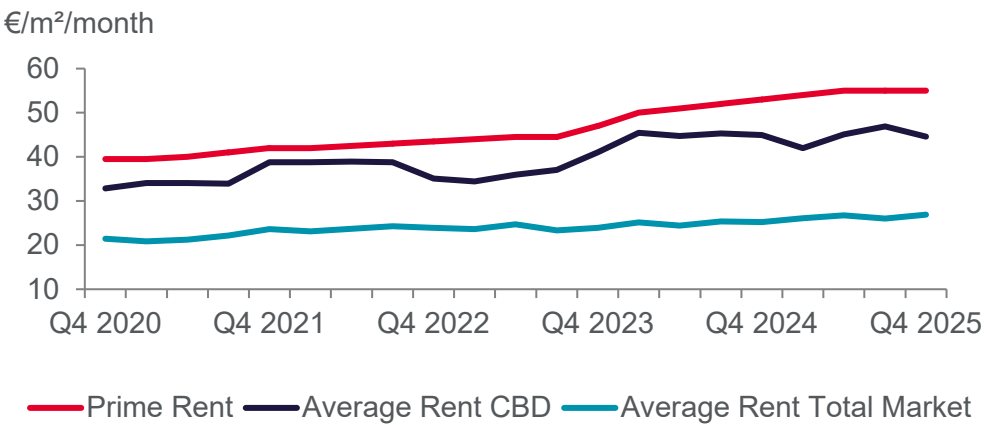
VACANCY / UNDER CONSTRUCTION



COMPLETIONS



RENTS



VACANCY

At the end of 2025, the office vacancy rate in Munich stood at around 1.79 million square metres. This corresponds to a vacancy rate of 8.2%, representing an increase of 0.8 percentage points compared with the previous year (end of 2024: 7.4%). Vacancies are increasingly concentrated in secondary locations and properties in need of modernisation or repositioning. Only around one third of the total vacancy rate is attributable to the CBD and the city centre.

COMPLETIONS

The volume of completions in 2025 amounted to around 194,900 m², which was 17% below the previous year’s level. Of the newly completed space, around 29% is currently still available to the market at short notice. Project development activity remains on the decline overall, which limits the supply of modern, marketable space in the future and further intensifies competition, especially in prime locations.

RENTS

The prime rent remained unchanged at €55.00/m²/month at the end of the year and moved sideways in the fourth quarter. This represents an increase of 3.8% year-on-year (2024: €53.00/m²/month). The average rent rose significantly over the course of the year, reaching €26.90/m²/month at the end of 2025, which corresponds to an increase of around 7% compared to the previous year (€25.20/m²/month). This development was driven in particular by high-priced contracts in central locations and the continuing high willingness to pay for modern, efficient and ESG-compliant office space.

SELECTED DEVELOPMENT PROJECTS

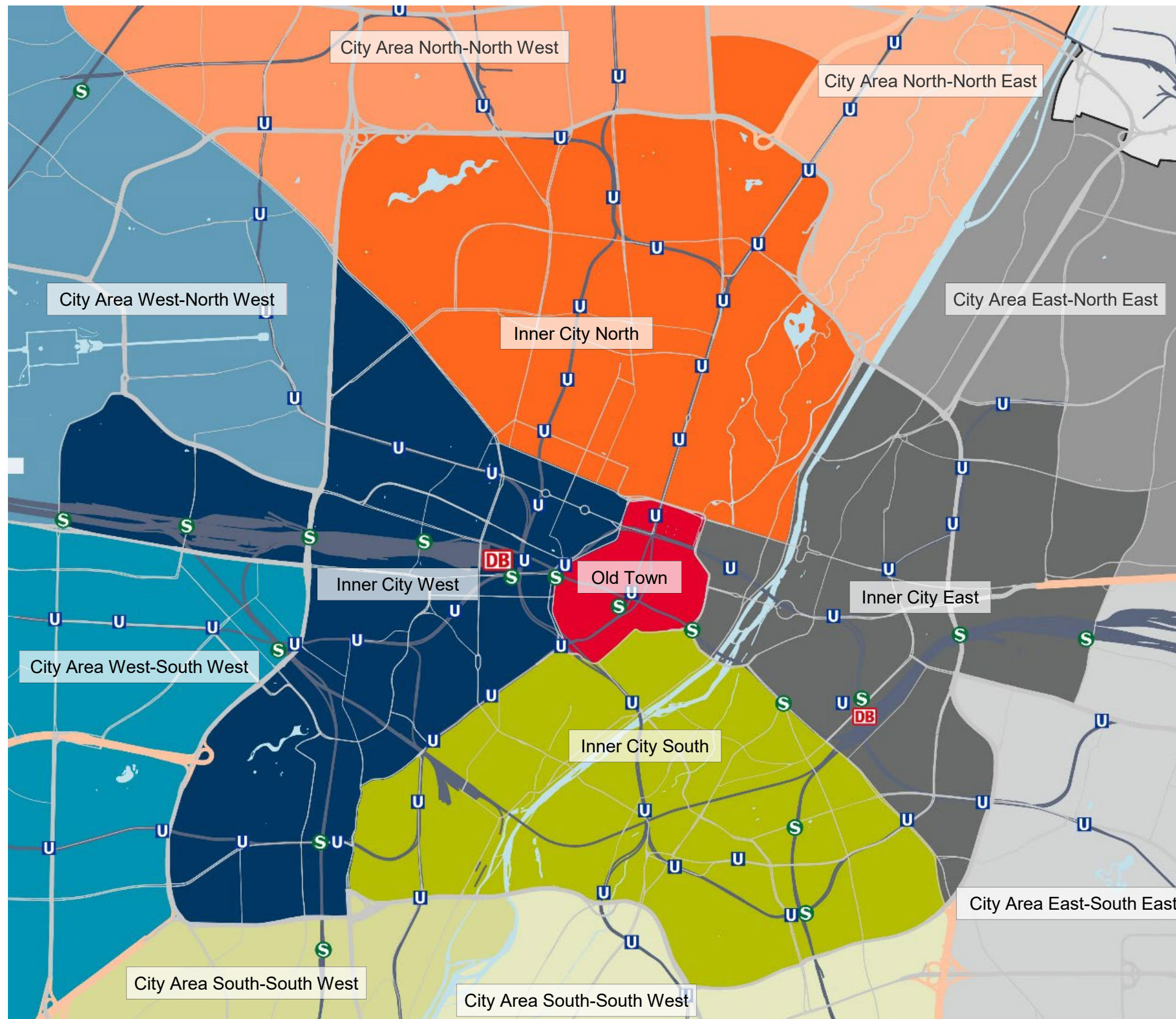
Property	Submarket	Status	Year of Completion	Office Space (m²)	Owner
Tridea – Trio am Denninger Anger	Inner City West	Under construction	2028	77,000	Bayerische Versorgungskammer
F 71	City Area North – North-West	Proposed	2028	28,000	Wöhr + Bauer
LOVT Vision	Inner City East	Under construction	2027	47,800	Union Investment
Google Campus	Inner City West	Under construction	2026	33,500	Google

OUTLOOK

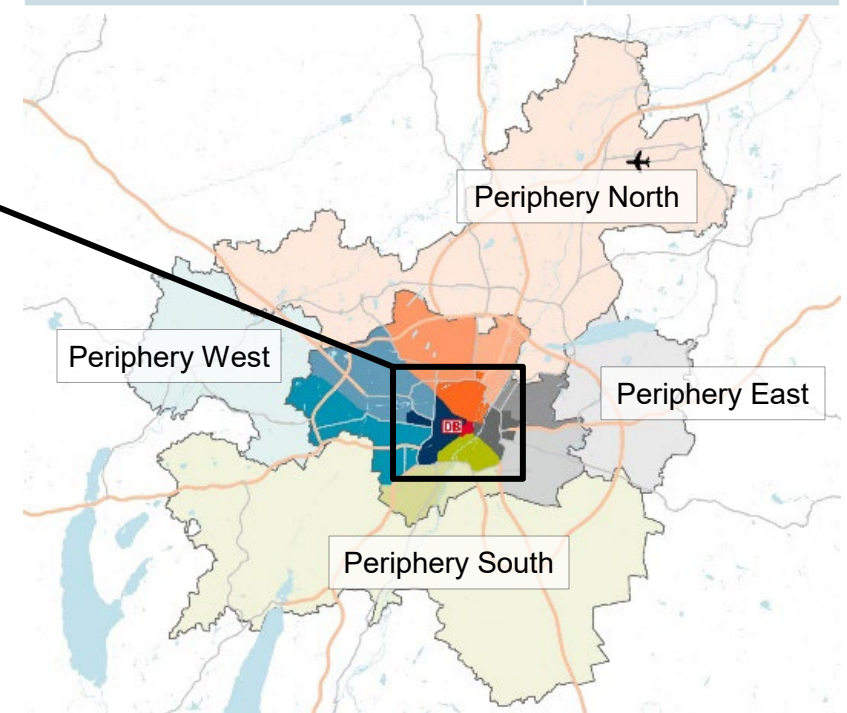
- With more stable macroeconomic conditions, the moderate market recovery is expected to continue in 2026.
- Space quality and location remain key differentiating factors: while high-quality and ESG-compliant space remains in demand, rental pressure is increasing in secondary locations and older existing properties, requiring repositioning and additional investment.
- Willingness to pay top rents in central locations is likely to remain high given the limited supply of high-quality space.



## RENTAL PRICE RANGES Q4 2025



Submarket	€/m²/month
Old Town	30.00 – 55.00
Inner City North	15.00 – 41.00
Inner City East	15.00 – 42.00
Inner City South	15.00 – 33.00
Inner City West	20.00 – 49.50
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 – 23.00
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	35,800	5.0	0	19,100	44.60
Inner City East	105,500	8.4	72,300	214,300	33.50
City Area South – West-South	28,600	10.8	17,100	23,900	21.80
Periphery North	52,600	7.5	12,700	3,600	13.65
Munich Market	560,500	8.2	194,900	676,200	26.90

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.

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TOP 5 MARKETS



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