

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
2,199,900	▲	▲
Take-up (cum.), m ²		
9.4%	▲	▲
Vacancy Rate		
4.0%	▼	▼
Prime Rent Growth*		
2.6 mn	▼	▼
Under Construction, m ²		

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
0.2%	▲	▲
Germany GDP Growth (2025 vs. 2025)		
6.2%	▲	▼
Germany Unemployment Rate (Dec 2025)		

* Average annual change in the prime rent index

Source: Federal Statistical Office, Federal
Employment Agency

BOTTOM REACHED – DEMAND REMAINS SELECTIVE

In 2025 as a whole, the Top 5 office markets achieved space take-up of around 2.20 million m², exceeding the previous year's level by around 3%, which indicates that demand is beginning to stabilise. In addition, nearly 700 leases were signed in the Top 5 in the final quarter, the highest number of transactions in 2025. Many companies used 2025 to adapt their real estate strategies to new working models – a process that also influenced employment structures. Accordingly, the unemployment rate at the end of the year was 6.2% (+0.2 percentage points), while demand focused more strongly on specific needs and high-quality space. Frankfurt stood out significantly in a year-on-year comparison with office space take-up of 549,300m² (+56%). The other four markets remained below their respective previous year's levels: Berlin with 484,200m² (-11%), Munich with 560,500m² (-7%), Hamburg with 393,600m² (-5%) and Dusseldorf with around 212,300m² (-5%).

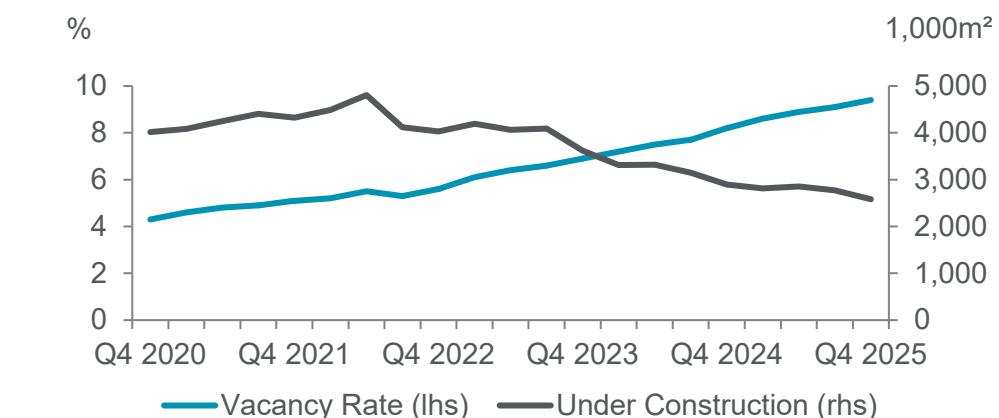
VACANCY RATES CONTINUE TO RISE, CONSTRUCTION ACTIVITY DECLINES

Vacancy rates in the Top 5 markets continued to rise over the course of the year, averaging 9.4% at the end of 2025. This represents an increase of 0.3 percentage points within three months and 1.2 percentage points compared with the previous year. A total of 7.39 million m² is available at short notice – around 0.95 million m² more than at the end of 2024. The highest vacancy rates are recorded in Frankfurt (11.9%) and Dusseldorf (11.0%), while Berlin has now also exceeded the 10% mark at 10.4%. At the same time, new construction activity is declining significantly: after 1.46 million m² of completions in 2023 and 1.23 million m² in 2024, only 1.05 million m² were completed in 2025. The space under construction will fall to around 2.58 million m², the lowest level since 2018, and more than half of this will still be available. Frankfurt will have the lowest completion volume in 2025 with around 60,000m², while Berlin will remain the most active market with 387,700m².

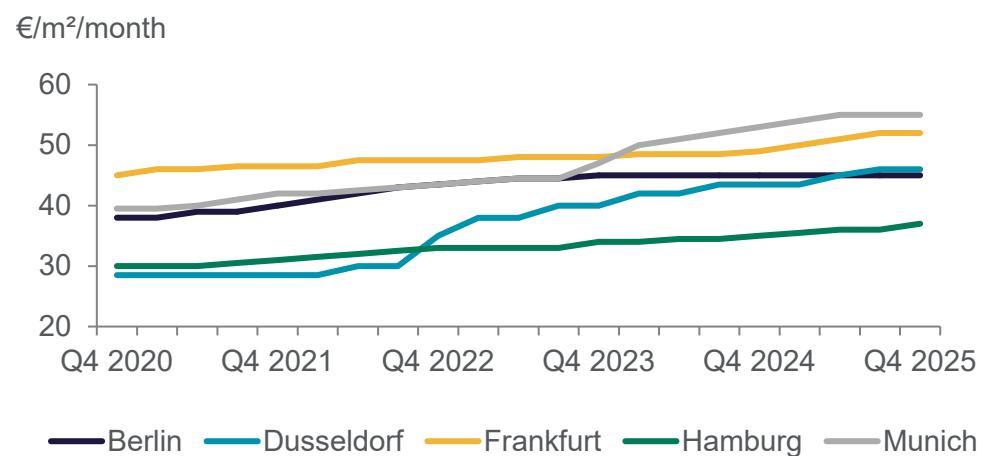
TAKE-UP



VACANCY / UNDER CONSTRUCTION



PRIME RENTS



DIFFERENTIATED RENT DEVELOPMENT

Prime rents in the Top 5 markets remain at a high level at the end of 2025, confirming the structural upward trend in central locations. Munich continues to lead as the most expensive office market at around €55.00/m²/month, followed by Frankfurt (€52.00/m²/month). Düsseldorf and Berlin are at €46.00/m²/month and €45.00/m²/month respectively, while Hamburg has the lowest prime rent level of the Top 5 at €37.00/m²/month. Over the course of the year, Frankfurt (+6.1%), Düsseldorf and Hamburg (both +5.7%) and Munich (+3.8%) continued to rise. Berlin remained at a high level. Average rents present a differentiated picture: Frankfurt recorded a strong increase of 29.1% due to high-priced deals. Munich, Hamburg and Düsseldorf recorded price increases of between 5 and 7.5%, while Berlin saw a significant decline of 11.1%.

SELECTED TAKE-UP TRANSACTIONS Q4 2025

Property	Address	Market	Submarket	Tenant	m ²	Type
SUN	Levelingstraße 10-18	Munich	Inner City East	Penguin Random House Verlagsgruppe GmbH	11,700	Pre-let
Karlsgärten	Am Karlsbad 11	Berlin	Inner City West	Real Estate Sector	11,500	Pre-let
	Alter Wall 40	Hamburg	Inner City	Accenture Dienstleistungen GmbH	7,900	Pre-let
RAW	Stephensonstraße 1	Frankfurt	Europaviertel/Fair	Deloitte GmbH	6,000	New letting
Mergenthaler	Mergenthalerallee 38-40	Frankfurt	Eschborn	Jack Wolfskin	6,000	New letting

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	21,558,200	2,241,100	10.40	484,200	387,700	880,000	45.00	25.90	4.80
Düsseldorf	9,534,400	1,050,500	11.00	212,300	192,000	263,900	46.00	19.95	5.10
Frankfurt	11,691,700	1,388,800	11.90	549,300	59,900	362,600	52.00	33.70	4.90
Hamburg	14,287,200	920,200	6.40	393,600	206,000	399,300	37.00	22.80	4.80
Munich	21,807,400	1,788,500	8.20	560,500	194,900	676,200	55.00	26.90	4.60
Total	78,878,900	7,389,100	9.40	2,199,900	1,040,500	2,582,000	-	-	4.84

* Rental /Yields rates reflect achievable values

** Weighted average (12 months)

OUTLOOK

- Office take-up is expected to increase moderately in 2026, supported by improved planning certainty and a more stable economic environment, although no strong demand rebound is anticipated.
- Vacancy is expected to continue rising, reaching approximately 9.6% during 2026. Despite a sharp decline in completions, low pre-letting levels will keep pressure on the market.
- Prime rents are anticipated to continue rising, driven by occupiers' ongoing focus on high-quality space.

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.

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