



MUNICH

# REPORT OFFICE MARKET

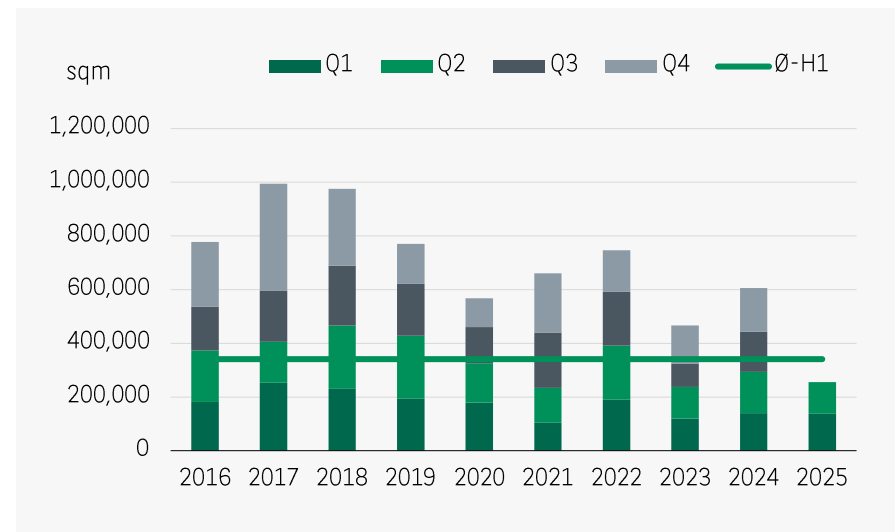
H1 2025



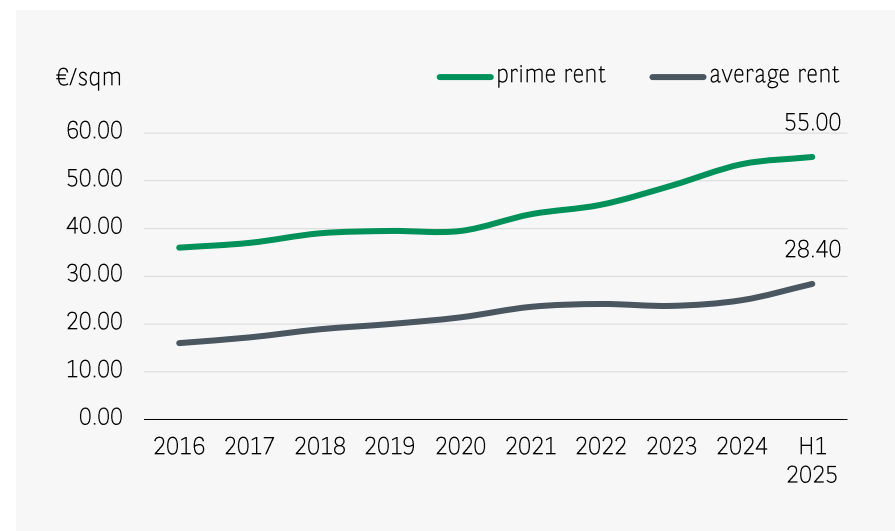
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## Development of take-up



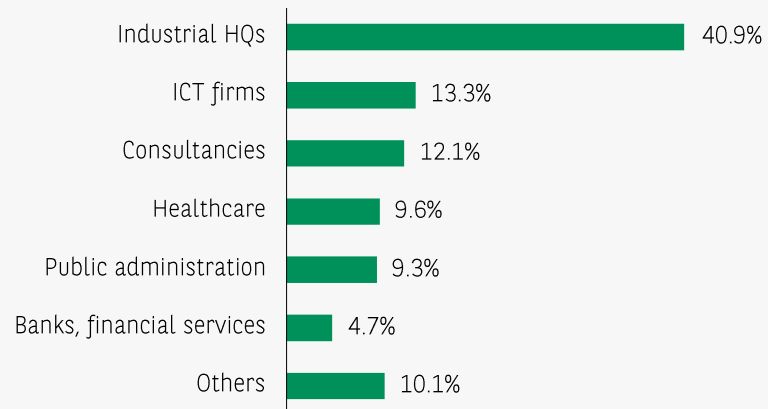
## Prime and average rents



## BELOW THE LONG-TERM AVERAGE, BUT SECOND PLACE IN NATIONWIDE COMPARISON

- Even though the Munich office market missed its ten-year average as well as the previous year's figure, it still achieved a very respectable result in a comparison of locations. With a total of around 256,000 sqm, only Frankfurt (366,000 sqm) generated significantly higher take-up, driven by several exceptionally large contracts.
- Another point that favors is that, alongside Frankfurt, Munich is one of the office markets in which a comparatively large number of major lettings over 10,000 sqm were reported. Against the backdrop of the steadily improving but still uncertain economic development, this is a clear indication of companies' confidence in Munich as a business location.
- With Siemens (33,000 sqm; Q1), the owner-occupier deal of Munich tax office (16,000 sqm; Q2) and two further industrial companies (12,300 + 14,000 sqm), four major contracts were concluded in the first six months, which were split equally between the first and second quarter. In terms of the distribution of take-up across the market area, the centre fringe is currently the submarket with the highest take-up due to the three largest deals, accounting for around 43% of the volume. This illustrates that, in addition to the top city locations, the focus of demand is primarily on well-connected locations within the central ring.
- The high proportion of modern space in total take-up (just under 73%) is also noteworthy. This has contributed to the average rent gradually approaching the €30/sqm mark (€28.40/sqm). At the same time, the prime rent has risen to €55.00/sqm and is still under upward pressure.

## Take-up by sector H1 2025



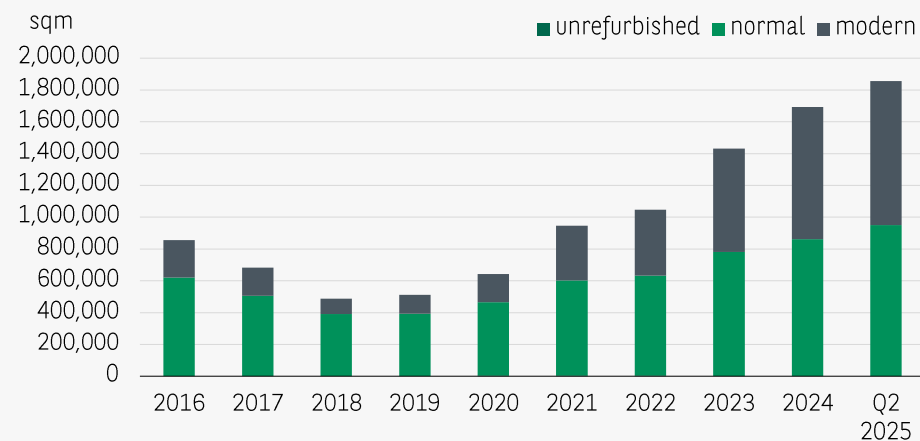
## Major contracts H1 2025

Quarter	Sub-market	Company	sqm
Q1	2.2	Siemens	33.000
Q2	2.4	Tax office Munich	16.000
Q1	2.4	Industrial HQs	14.000
Q2	4.3	Industrial HQs	12.300
Q2	3.4	innoscripta	5.600
Q1	4.1	Sana Klinik Munich	5.400

## INDUSTRIAL HEADQUARTERS BESTRIDE AGAIN

- In the first half of the year, the traditionally strong administrative offices of industrial companies accounted for three of the four largest deals as well as an overall dynamic letting activity in the smaller and medium-sized segment. Accordingly, a very high share of just under 41% and almost 105,000 sqm can be attributed to the industry sector. ICT firms (a good 13%), consulting companies (around 12%) and the healthcare sector (almost 10%) were also active, ensuring a diversified sector mix in the contracts recorded.
- On the supply side, the vacancy has risen further and now stands at around 1.82 million sqm. The vacancy rate notes at 8.1%. While the vacancy in the B and C locations remains unchanged, new-build first occupancy space in the top locations remains scarce. Their volume in the city center amounts to only 3,000 sqm and in the centre fringe to a low 42,100 sqm.

## Development of vacant space

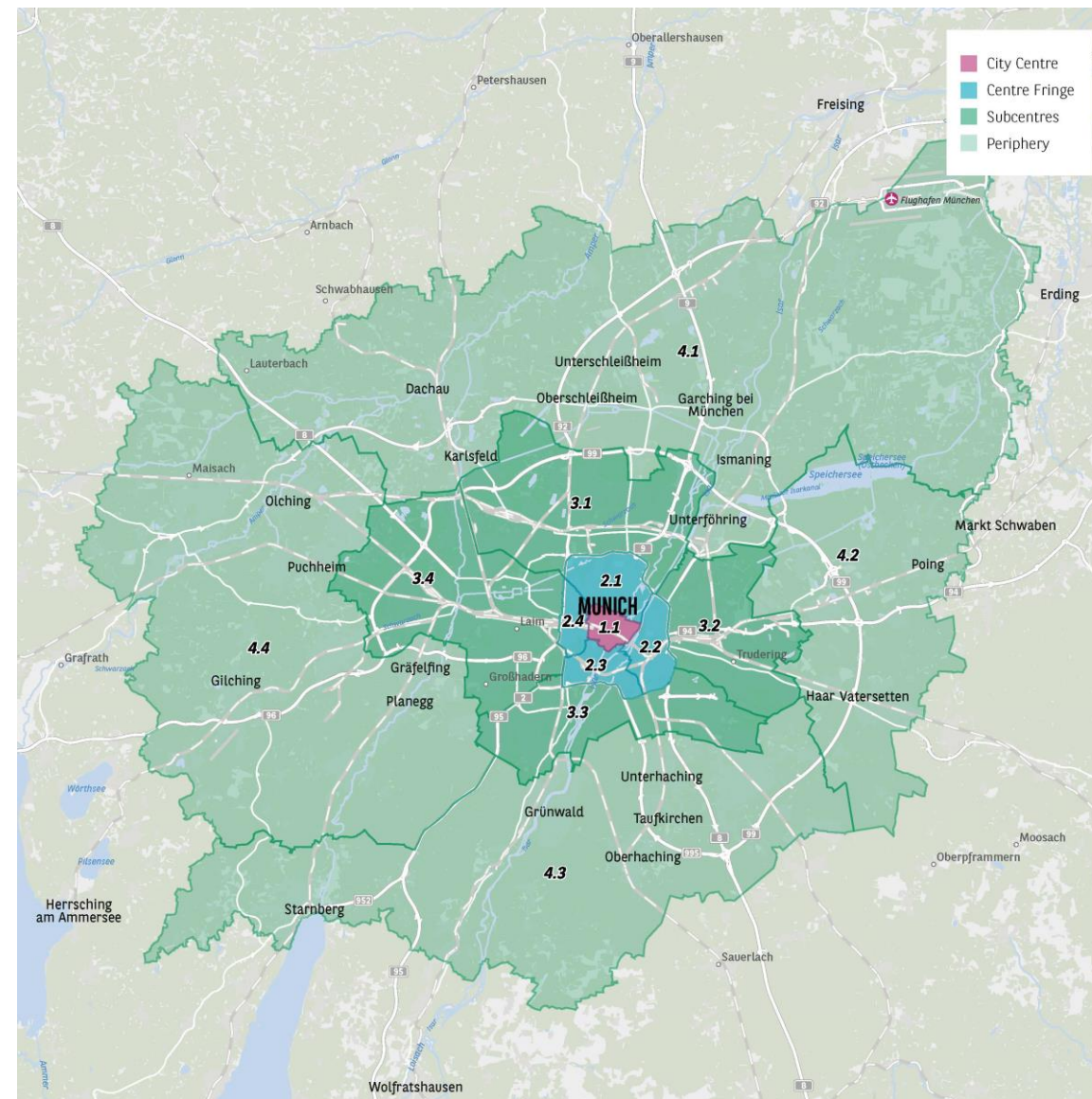




## OUTLOOK

- Looking exclusively at the overall development, the Munich office market has so far only recorded a moderate result in terms of take-up at mid-2025. Nonetheless, the lively market activity in the large-space segment and the good performance in the comparison of the top markets leads a positive interim result after the first six months.
- This assessment is also confirmed when looking at the current applications that were initiated in the first half of the year or are already in the finalization phase. Accordingly, it can be assumed that take-up is likely to continue to rise in the coming quarters. There is also a noticeable increase in demand from international corporations, which have been much more cautious about expansion or relocation decisions in recent years than in the current one.
- On the supply side, the 2 million sqm mark for vacancies is expected to remain within reach in the second half of the year. With this development, however, the momentum of recent years should slow noticeably in the short to medium term.
- Despite the already high level of prime rents (currently €55.00/sqm), demand pressure for ESG-compliant prime space and locations in the premium segment shows that there is still room for improvement. The extensive share of modern space take-up, the continuously rising average rent and the demanding requirement profiles of potential occupiers in terms of fit-out quality and locations are therefore likely to ensure that rents will continue to develop dynamically in the future.

## Office submarkets Munich



## Key indicators office market Munich

		PRIME RENT* (€/sqm)		TAKE-UP (sqm)		VACANT SPACE (sqm)		SPACE UNDER CONSTRUCTION (sqm)		SPACE ON OFFER (sqm)	
		from	to	H1 2025	total	modern	of this, since completion	total	available	available	projected
Submarkets**		1		2	3	4	5	6	7	8 = ( 3 + 7 )	9
1	City Centre										
1.1	City Centre		55,00	32.400	110.600	44.600	3.000	127.500	94.200	204.800	420.900
2	Centre Fringe	32,00	- 39,00	108.900	313.900	212.900	42.100	245.400	116.900	430.800	563.500
3	Subcentres	27,00	- 31,00	58.700	828.500	394.500	144.900	153.100	108.900	937.400	1.138.600
Total Munich				200.000	1.253.000	652.000	190.000	526.000	320.000	1.573.000	2.123.000
4	Periphery	19,00	- 20,00	56.000	603.000	254.000	121.000	42.000	13.000	616.000	586.000
Total				256.000	1.856.000	906.000	311.000	568.000	333.000	2.189.000	2.709.000

\* The prime rent given applies to market segment of 3-5 % in each case.

\*\* The relevant submarket can be found on our website under „Research“.

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