

# REVIEW INVESTMENT MARKET

MUNICH Q1 2026

RESEARCH & INSIGHTS



**BNP PARIBAS  
REAL ESTATE**

Real Estate for a changing world



- **FIRST PLACE IN THE CITY RANKING**
- **PRIME YIELDS MAINTAIN THEIR TOP LEVEL**

### KEY FIGURES

740

Investment volume (€m)

△ +45.8% y/y

29.9

Portfolio share (in %)

△ +29.9%pts y/y

32.2

Ø Deal size (in €m)

▽ -30.3% y/y

### MARKET OVERVIEW

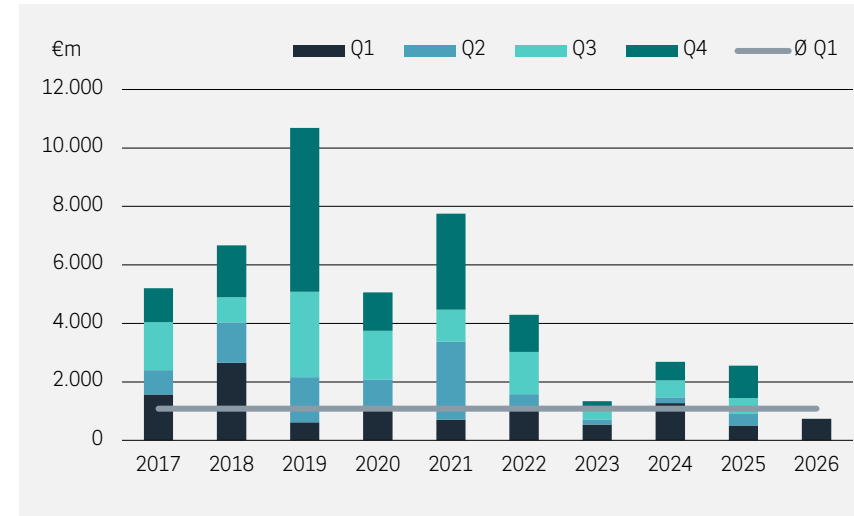
In the first quarter of 2026, the Munich investment market was able to create a good basis for the rest of the year: With a transaction volume of around €740 million, the weak result of the previous year was exceeded by almost 46%. Over the past five years, good results have been slightly above the €1 billion mark (Q1 2024: €1.28 billion), while lower volumes were tending towards €500 million (Q1 2025: €508 million). Thus, the current volume is exactly between the pleasing and the more subdued starts to the year since 2022.

In this context, it is noteworthy that year after year, prominent major deals are recorded in Munich which are among the largest transactions of the respective quarter in their asset class or even nationwide. An example is the recent sale of the Alte Akademie which is the largest single retail transaction of the first three months in Germany. Especially against the background that major deals continue to be observed rather sporadically and often drag on over long marketing periods, it is all the more pleasing that Munich repeatedly records such transactions thanks to its very good framework conditions and prospects. However, the number of deals, which at over 20 has been high both in comparison with the A-cities and compared to recent years, also speaks for good market dynamics.

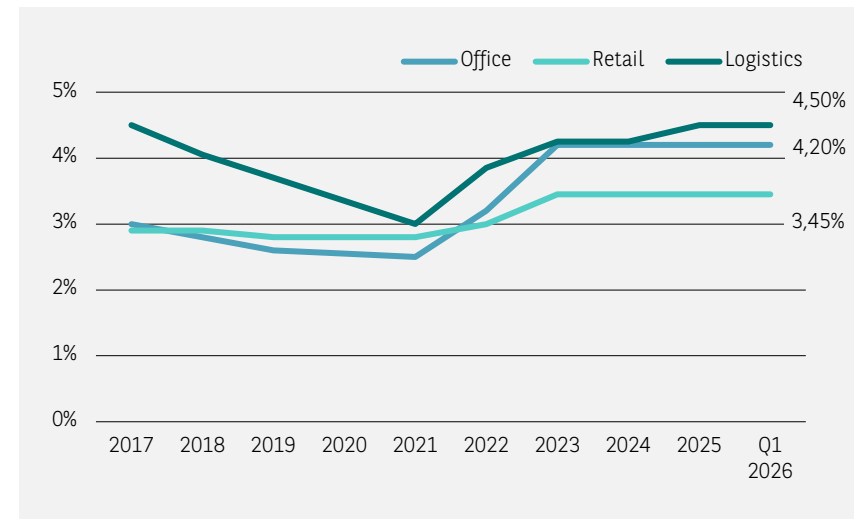
Since the end of 2025, no market-relevant shifts have been observed in prime yields. This implies that premium retail assets in Munich note at 3.45%, prime office yields are at 4.20% and in the logistics sector, a net prime yield of up to 4.50% can be achieved.



### Development of investment volume



### Net prime yields by type of property





## INVESTMENT MARKET STRUCTURE

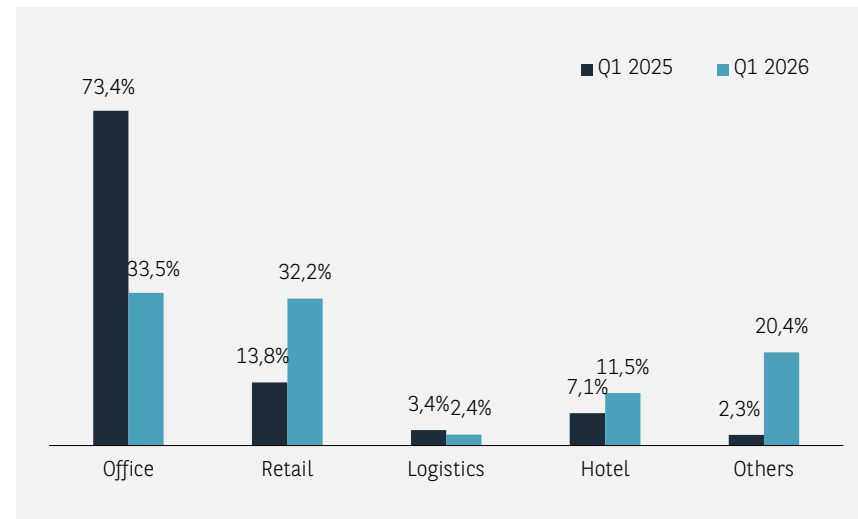
In view of the fact that the distribution of volume across property types, size classes and location is based on only one quarter so far, the structuring of the current result should initially be seen as a snapshot. However, as in recent years, the trend that location quality plays a major role is also reflected in the current result: a good 60% is accounted for by central inner-city locations, with the sale of older existing office buildings by the City of Munich being the main factor in addition to the Alte Akademie.

Away from Munich' City Centre locations, on the other hand, investments were made exclusively in the small and medium-sized segment. These include development sites and the defence industry, which is increasingly coming into focus, among other things.

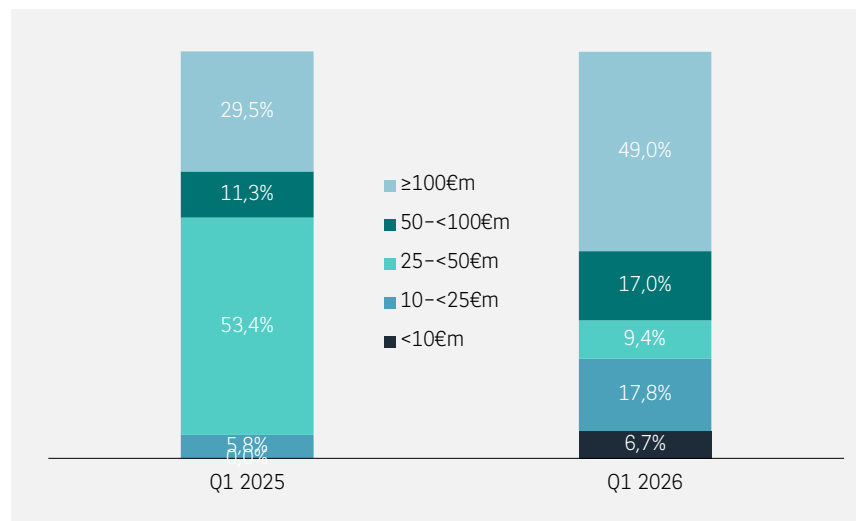
The individual larger investments are also decisive for the distribution of the result among the asset classes: Driven by office deals by the public sector and the Alte Akademie, the office and retail sectors are each represented with around a third of the result, while the collective category "Others" stands at a good 20% to date. Hotels are quoted at just under 12% and logistics properties are only at just over 2% so far.

- MAJOR DEALS IN CITY CENTRE LOCATIONS AGAIN DECISIVE
- OFFICE AND RETAIL INVESTMENTS SO FAR ON SIMILAR LEVEL

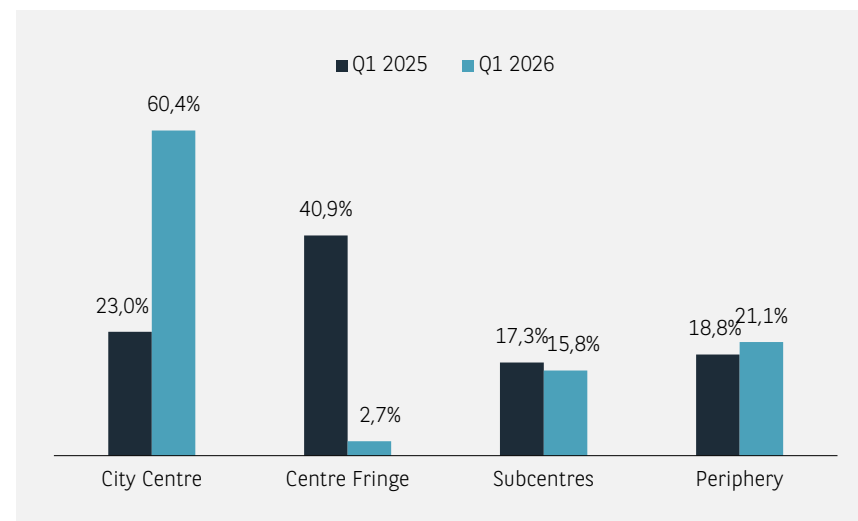
Investments by type of property



Investments by € category



Investments by location





- POSITIVE MARKET SENTIMENT, BUT GLOBAL UNCERTAINTIES REMAIN
- YIELD DEVELOPMENT DEPENDS ON THE GEOPOLITICAL ENVIRONMENT

### ECONOMIC INDICATORS

+0.6

GDP Forecast 2026  
(in %)

2.86

10ys bond yield  
Q1 2026 (in %)

86.4

ifo business climate index  
(3/2026)

▲ +15 bp q/q

▼ -2.0-Pkte. m/m

Source: ifo economic forecast, Deutsche Bundesbank, ifo Institut

### OUTLOOK

After the first good interim results, the Munich investment market can start the second quarter with confidence. On the one hand, it should be pointed out that the result was driven up by special effects such as the sale of the former Signa property Alte Akademie as well as office investments within the public sector. On the other hand, however, the high number of deals compared to the other A-locations and the best investment volume among the top markets underline how well the Bavarian capital is positioned in the competition of the most important investment markets in 2026. The important role played not only by the macro location, but above all by the micro location in uncertain times, is also reflected in the share of transactions in central locations and in the major deals that are usually located here.

For a positive outlook, the development of the geopolitical trouble spots will be crucial, which, as in the past, could have a serious impact on financing conditions at any time. In such an uncertain environment, the many deals in the small and medium-sized segment, which provide momentum in addition to the large transactions with sometimes complex financing models.

Against the background of the influencing factors outlined above, which are very difficult to predict, there are no signs of an increase in prime yields in Munich from today's perspective. However, an adjustment remains possible for the rest of the year.



### Investment market data

	Q1 2025	Q1 2026	CHANGE
<b>Total (€m)</b>	<b>508</b>	<b>740</b>	<b>+45.8%</b>
<b>Portfolio share</b>	0.0%	29.9%	+29.9%pts
<b>Share above €100 million</b>	29.5%	49.0%	+19.5%pts
<b>Office share</b>	73.4%	33.5%	-39.9%pts
<b>Share of city locations</b>	23.0%	60.4%	+37.4%pts
<b>Share of foreign investors</b>	52.8%	14.5%	-38.3%pts

NET PRIME YIELDS	Q1 2025	Q1 2026	CHANGE
<b>Office</b>	4.20%	4.20%	+0bps
<b>Retail</b>	3.45%	3.45%	+0bps
<b>Logistics</b>	4.25%	4.50%	+25bps



Q1 2026

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