

REVIEW OFFICE INVESTMENT MARKET

GERMANY Q1 2026

RESEARCH & INSIGHTS



**BNP PARIBAS
REAL ESTATE**

Real Estate for a changing world



- OFFICE INVESTMENTS SLIGHTLY ABOVE LAST YEAR'S LEVEL
- NUMBER 1 AMONG THE COMMERCIAL ASSET CLASSES

KEY FIGURES

1,832

Investment volume (€m)

△ +4.9% y/y

9.4

Portfolio share (in %)

△ +9.4pts y/y

33.9

Ø Deal size (in €m)

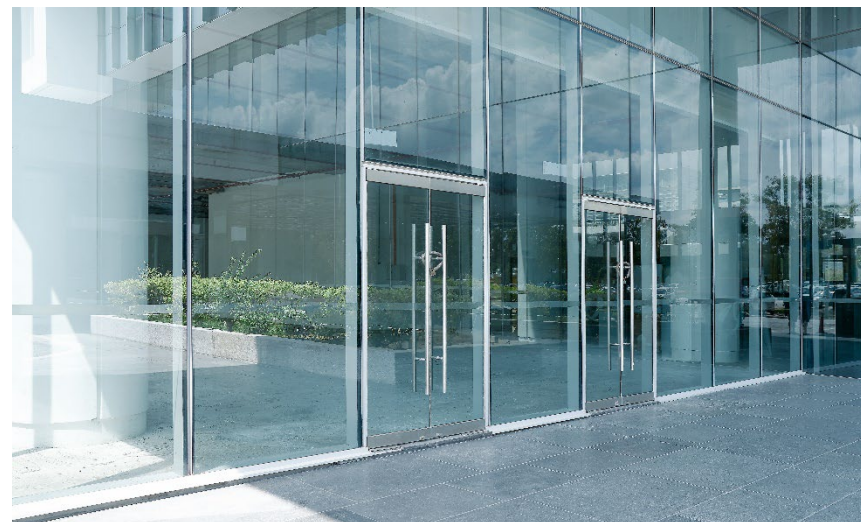
△ +14.6% y/y

MARKET OVERVIEW

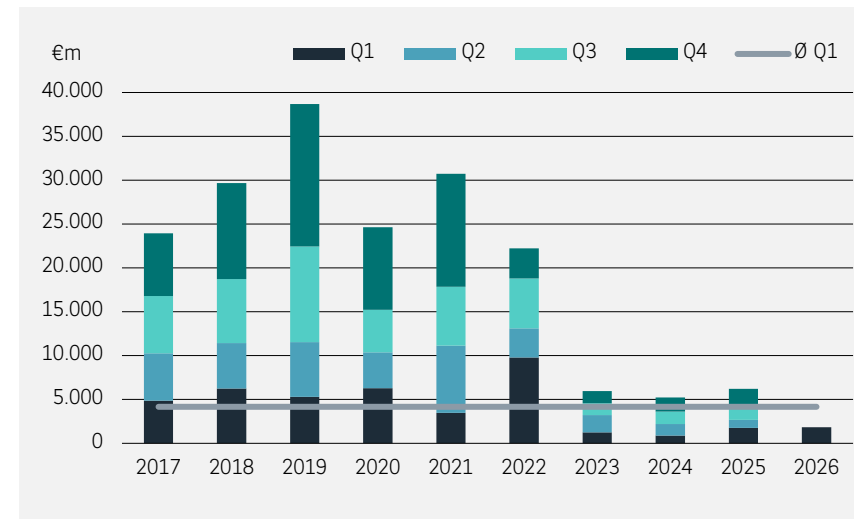
The German office investment market started the new year with a transaction volume of €1.8 billion and as the strongest commercial asset class. This is the third time in a row that the result is at a stable level with a moderately increasing momentum. Compared to the previous year, an increase of 5% is registered. Even if the 10-year average is clearly missed, it is the best result since the interest rate turnaround.

In addition to a continuously brisk investment momentum in the smaller segments, the increasing number of large-volume deals is currently having a positive impact, including the new building of the NRW financial administration in Kaarst. Furthermore, German investors are particularly involved with 88% market share, but this is to be understood as a snapshot. Foreign investors are currently intensively exploring the attractive investment opportunities offered by the German office investment market. They are aware of the stabilised tenant structures, rental markets and the potential for rental growth.

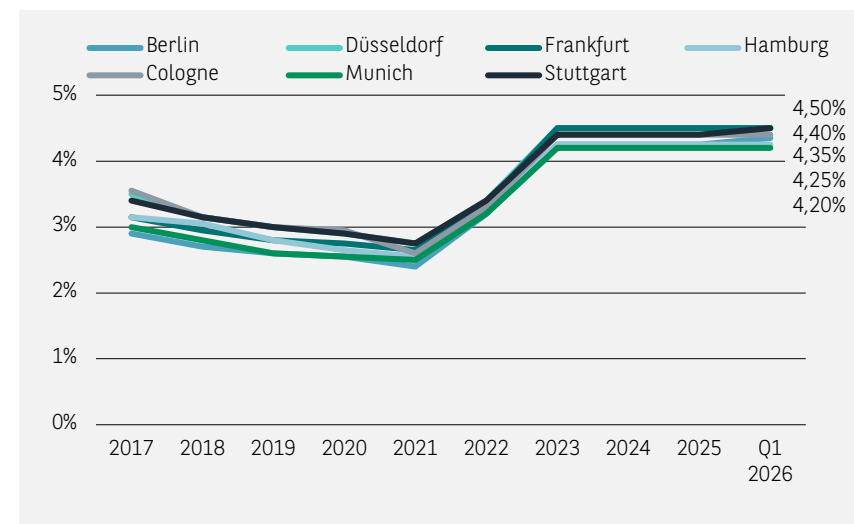
Prime yields have largely solidified at the previous year's level. There were only singular adjustments in Berlin and Stuttgart, with an increase of 10 basis points each. Munich remains the most expensive location with 4.20%, followed by Hamburg with 4.25%. The net prime yield in Berlin is now 4.35%, followed by Cologne with 4.40%. Düsseldorf, Frankfurt and Stuttgart are trading at a peak of 4.50%.



Development of office investment volume



Office net prime yields in A-locations





INVESTMENT MARKET STRUCTURE

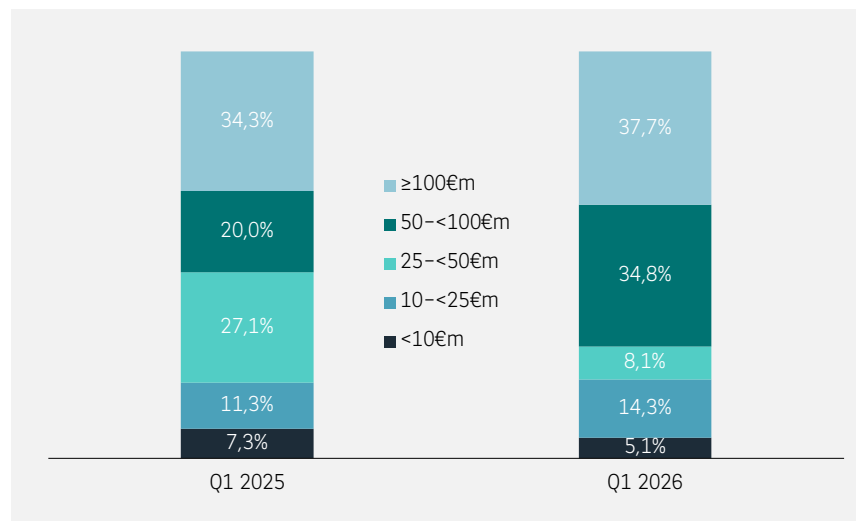
In contrast to the previous year, the volume of office investments is much more diverse: the distribution is very balanced, both between the A-locations and the other cities (54% to 46%), as well as within the A-locations.

With Munich (€248 million), Frankfurt (€224 million), Hamburg (€206 million) and Cologne (€203 million), four locations have exceeded the €200 million mark. In addition, Stuttgart (€110 million) and Düsseldorf (€50 million) can report increases in volume. Only the capital, which achieved an excellent result last year, not least thanks to the Upper West, fell short of expectations at less than €40 million. Investment activity in Berlin is also likely to pick up significantly in the further course of the year. The investment product on the market is meeting with a high level of investor interest.

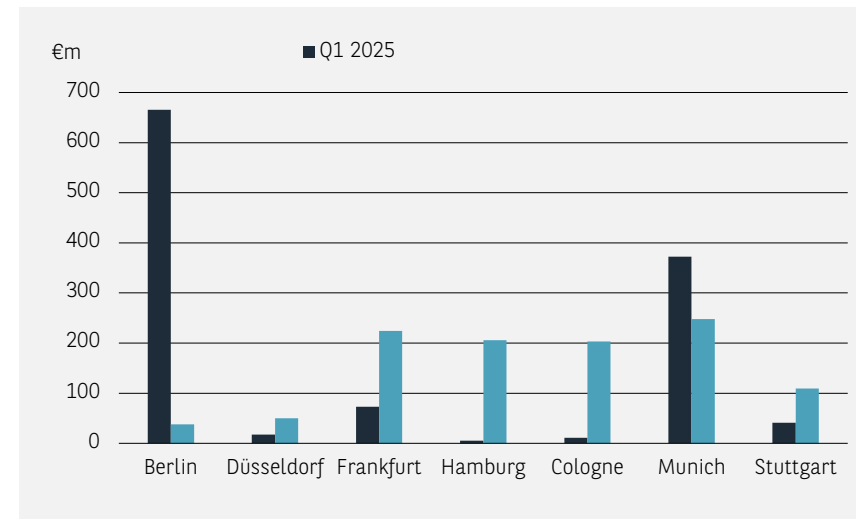
Interest in larger properties has clearly returned nationwide. As in the previous year, the size segment above €100 million was the largest in terms of volume (38%). However, the highest year-on-year increase in volume was registered for the category between €50-100 million. At around €640 million, its market share amounts to a strong 35%. While investment activity between €25 million and €50 million is not yet particularly pronounced, the investment volume for deal sizes between €10 million and €25 million has risen by a third. More than €250 million was placed here, which corresponds to a market share of 14%.

- A-LOCATIONS SLIGHTLY BELOW THE PREVIOUS YEAR'S RESULT
- SIGNIFICANTLY MORE EVEN DISTRIBUTION OF VOLUME: FOUR LOCATIONS WITH MORE THAN €200 MILLION

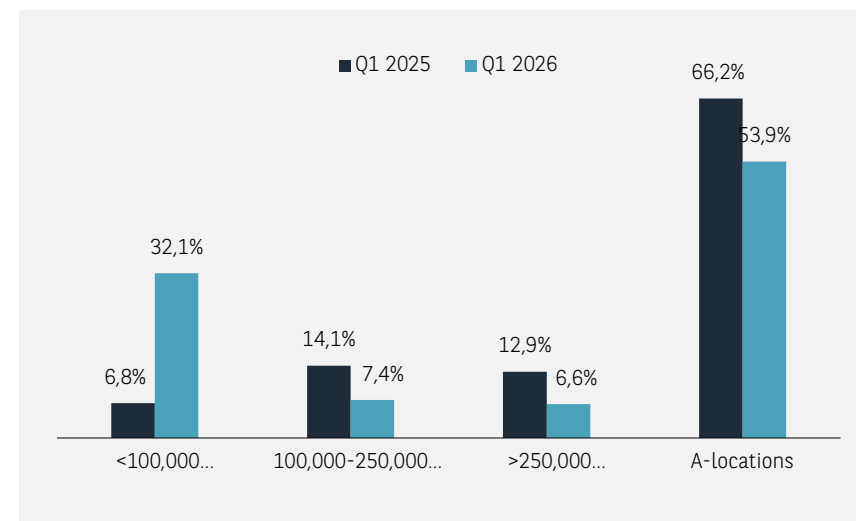
Office investments by € category



Office investments in A-locations



Office investments by city size*



*excl. portfolios



- MACR-LEVEL UNCERTAINTIES PERSIST
- INCREASING TRANSACTION MOMENTUM REMAINS REALISTIC

ECONOMIC INDICATORS

+0.6

GDP Forecast 2026
(in %)

2.86

10ys bond yield
0 Q1 2026 (in %)

86.4

ifo business climate index
(3/2026)

△ +15bps q/q

▽ -2.0pts m/m

Source: ifo economic forecast, Deutsche Bundesbank, ifo Institut

OUTLOOK

In a continuously uncertain market environment, the German office investment market has confirmed the trend from 2025: the investment volume is at a slightly higher and stabilised level. Transaction momentum is picking up in all markets, although the sustained increase in investor interest in this asset class has not yet manifested itself in all office locations at the beginning of the year.

Although marketing processes still take longer, there is generally more movement in the market. In terms of pricing, too, the approaches on the seller and buyer sides are increasingly converging, both in the premium segment and in the less risk-averse investment segments. However, in view of the armed conflicts in the Middle East with their possible implications for energy supply, inflation and interest rates, it remains to be seen for the moment whether and, if so, to what extent the changed capital market environment will become entrenched and influence further pricing.

Aside from the negative geopolitical environment, there is much to suggest that the momentum in the German office investment market will stabilise and accelerate. The range of marketable products has expanded and, in addition to investors with strong equity, international investors are also increasingly showing sustained interest in transactions again. Exceeding the €6 billion mark by the end of the year remains realistic.



Investment market data

	Q1 2025	Q1 2026	CHANGE
Total (€m)	1,747	1,832	+4.9%
Portfolio share	0.0%	9.4%	+9.4%pts
Share above €100 million	34.3%	37.7%	+3.4%pts
Share of A-cities	67.9%	58.8%	-9.1%pts
Share of foreign investors	17.8%	11.8%	-6.0%pts

NET PRIME YIELDS	Q1 2025	Q1 2026	CHANGE
Berlin	4.25%	4.35%	+10bps
Düsseldorf	4.50%	4.50%	+0bps
Frankfurt	4.50%	4.50%	+0bps
Hamburg	4.25%	4.25%	+0bps
Cologne	4.40%	4.40%	+0bps
Munich	4.20%	4.20%	+0bps
Stuttgart	4.40%	4.50%	+10bps



Q1 2026

OFFICE INVESTMENT MARKET

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