REVIEW OFFICE MARKET

GERMANY Q1 2026

RESEARCH & INSIGHTS

BNP PARIBAS REAL ESTATE

Real Estate for a changing world

Q1 2026 OFFICE MARKET GERMANY

- OVERALL MODERATE START INTO THE YEAR 2026
- MUNICH AND BERLIN LEAD WITH STRONG TAKE-UP GROWTH

KEY FIGURES

603,000 ▽ -14.3% y/y
Take-up (in sqm)

59.50 △ +10.2% y/y
Prime rent (in €/sqm)

21.80 △ +3.3% y/y
Average rent (in €/sqm)

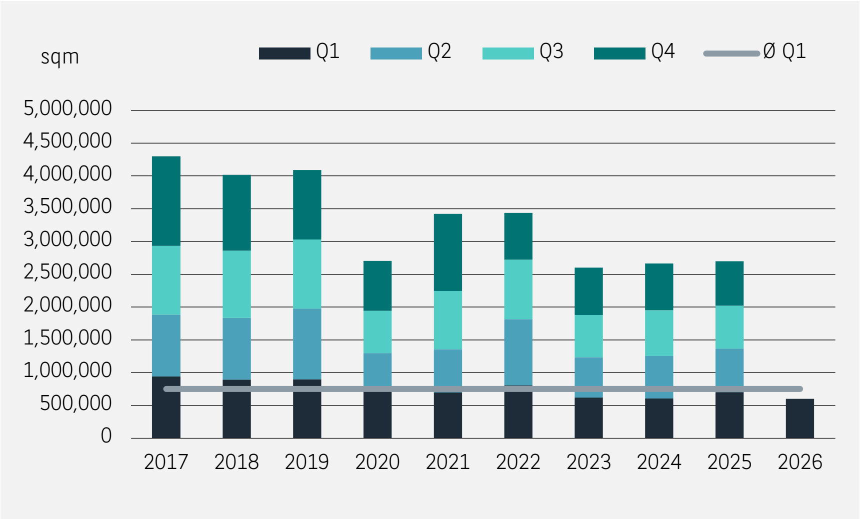
MARKET OVERVIEW

Overall, the German office markets recorded a moderate start to the year. Across Germany's key office markets—Berlin, Cologne, Düsseldorf, Essen, Frankfurt, Hamburg, Leipzig and Munich—office take-up totaled 603,000 sqm in the first quarter of 2026, representing a year-on-year decline of 14%. In an environment that remains persistently challenging, however, Berlin and Munich stood out, posting strong positive momentum with take-up increases of 42% and nearly 26%, respectively.

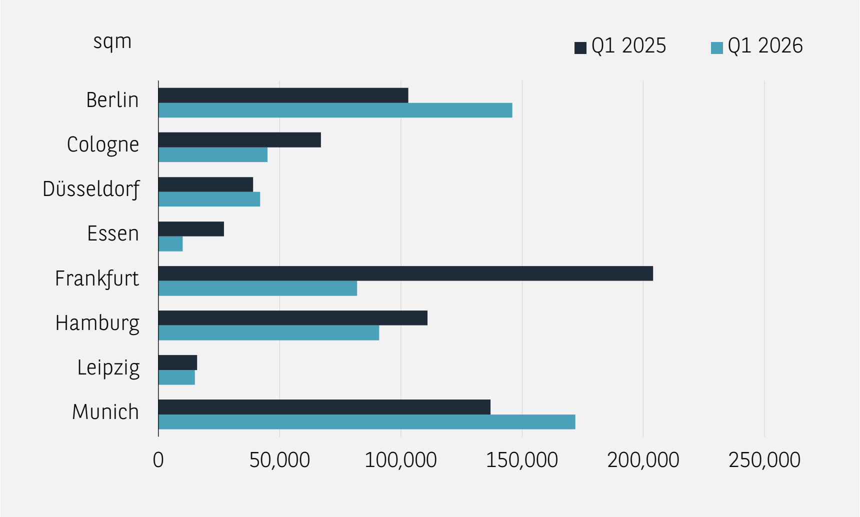
With office take-up of 172,000 sqm and a 25.5% increase compared with the opening quarter of 2025, Munich has impressively moved to the top of Germany's office markets. As in the previous year, the Bavarian capital recorded three large-scale lettings within the first three months. Particularly strong signals were sent by the two lettings exceeding 20,000 sqm each, concluded by E.ON SE and the software developer JetBrains. Both contracts—E.ON SE, with the former successfully advised by BNP Paribas Real Estate, as well as JetBrains—were realized in highly attractive office space in established centre fringe locations.

Berlin ranks second with 146,000 sqm of take-up, reflecting a robust year-on-year increase of nearly 42%. Hamburg follows at a considerable distance, recording 91,000 sqm and a decline of 18% compared with the previous year. Frankfurt takes fourth place with 82,000 sqm of office take-up. As expected, Frankfurt was unable to replicate the exceptional record result achieved at the beginning of 2025, marking a 60% year-on-year decline.

Total take-up of selected office centres*



Take up by location



Source: BNP Paribas Real Estate GmbH, March 31, 2026

Q1 2026 OFFICE MARKET GERMANY

- VACANCY RISES TO 8.9 M SQM
- FURTHER UPWARD MOVEMENT IN PRIME RENTS IN FRANKFURT, HAMBURG AND MUNICH

KEY FIGURES

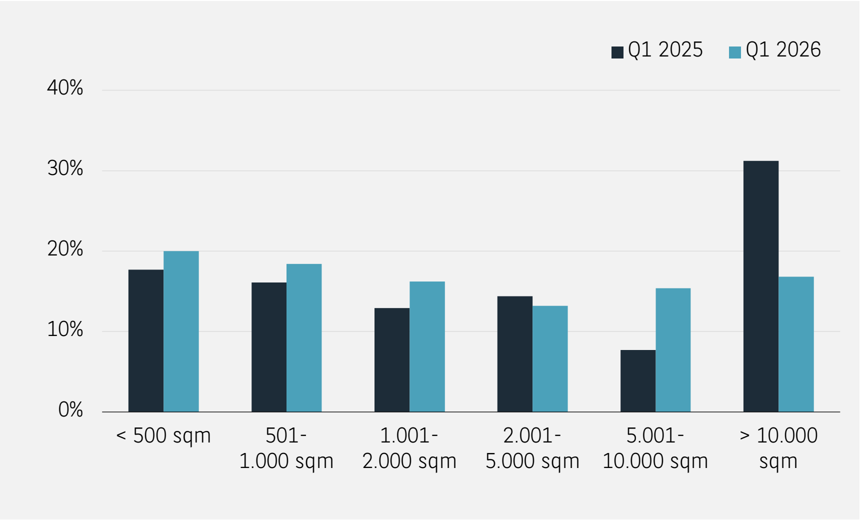
8,887,000 Vacant space (in sqm)	△ +10.7% y/y
8.9 Vacancy rate (in %)	△ +0.9% pts y/y
1,239,000 Available space under construction (in sqm)	▽ -10.0% y/y

SIZE CLASSES, VACANCY AND PRIME RENTS

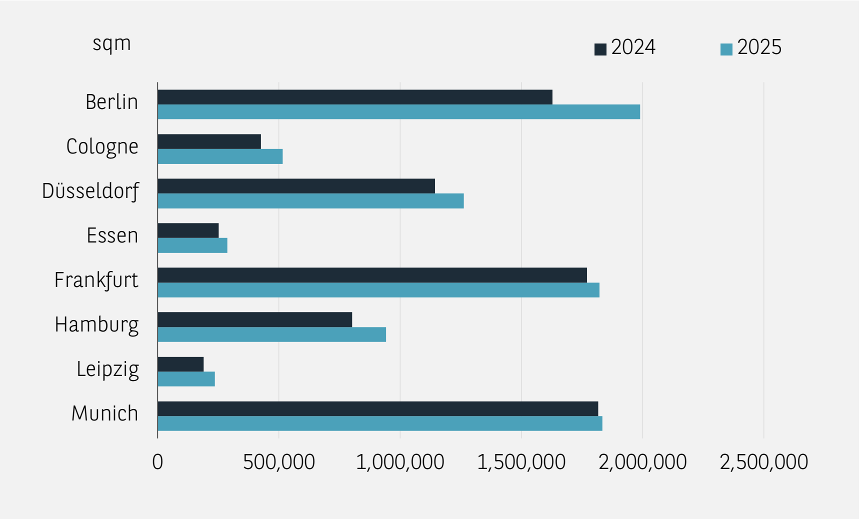
Across the office markets analyzed, total vacancy currently amounts to approximately 8.9 million sqm, representing a year-on-year increase of 11%. However, developments over the past three months indicate a marked slowdown in the pace of vacancy growth, with the first markets beginning to show signs of reaching a cyclical peak. Vacancy rates remain comparatively low in Leipzig at 5.8%, followed closely by Hamburg (6.4%) and Cologne (6.5%). Munich currently records a vacancy rate of 8.0%, while Essen stands at 8.9%. Vacancy rates above the 9% threshold are reported in Berlin (9.1%), Frankfurt (11.7%) and Düsseldorf (12.6%).

A continued shortage of premium office space, combined with the necessity to accommodate large-scale top-tier searches primarily within development projects, is keeping upward pressure on prime rents. As a result, prime rents increased further in Frankfurt, Hamburg and Munich during the first quarter. In Frankfurt and Hamburg, prime rents rose by €1.00/sqm to €55.00/sqm and €39.00/sqm, respectively. Munich reported an even stronger increase of €1.50/sqm, bringing prime rents to €59.50/sqm. Munich therefore remains Germany's most expensive office market, with prime rents now approaching the €60/sqm mark. Prime rents at a high but stable level were also recorded in Berlin (€47.00/sqm), Düsseldorf (€46.00/sqm) and Cologne (€33.50/sqm), followed by Leipzig (€21.00/sqm) and Essen (€20.00/sqm).

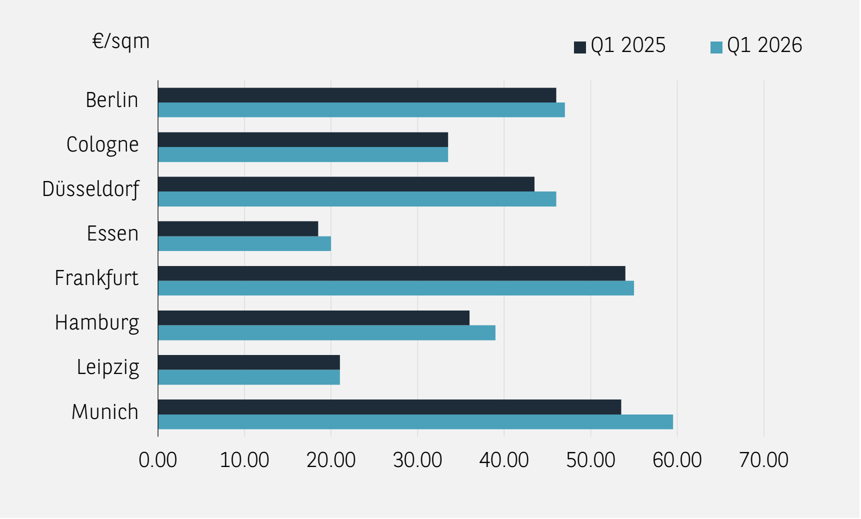
Take-up by size category



Vacancy by location



Prime rent by location



Source: BNP Paribas Real Estate GmbH, March 31, 2026

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OUTLOOK

Once again, the German office markets are entering a new quarter amid challenging external conditions. Considering the ongoing military conflicts in the Middle East, economic expectations have deteriorated noticeably, while consumer, business and financial market sentiment—according to GfK, ifo and ZEW—was significantly more pessimistic at the end of March than in February. There is currently little indication that the German economy will provide the sustained tailwind for office markets that had still been anticipated just a few months ago.

Nevertheless, Germany's largest office markets are likely to achieve a stable—and potentially even stronger—annual result compared with the previous year, supported by a structurally resilient underlying market dynamic. Ongoing solid leasing activity in the small-size segment is increasingly being complemented by higher take-up in the mid-sized segment. In addition, large-scale searches that have been in preparation for many months are expected to be successfully concluded over the coming months.

For the remainder of the year, several factors point toward a selective but robust level of market activity. While a broad-based acceleration across all market segments appears unlikely, an increase in take-up within the core letting sizes, combined with continued strong rental pressure in the prime segment, remains the most plausible scenario.

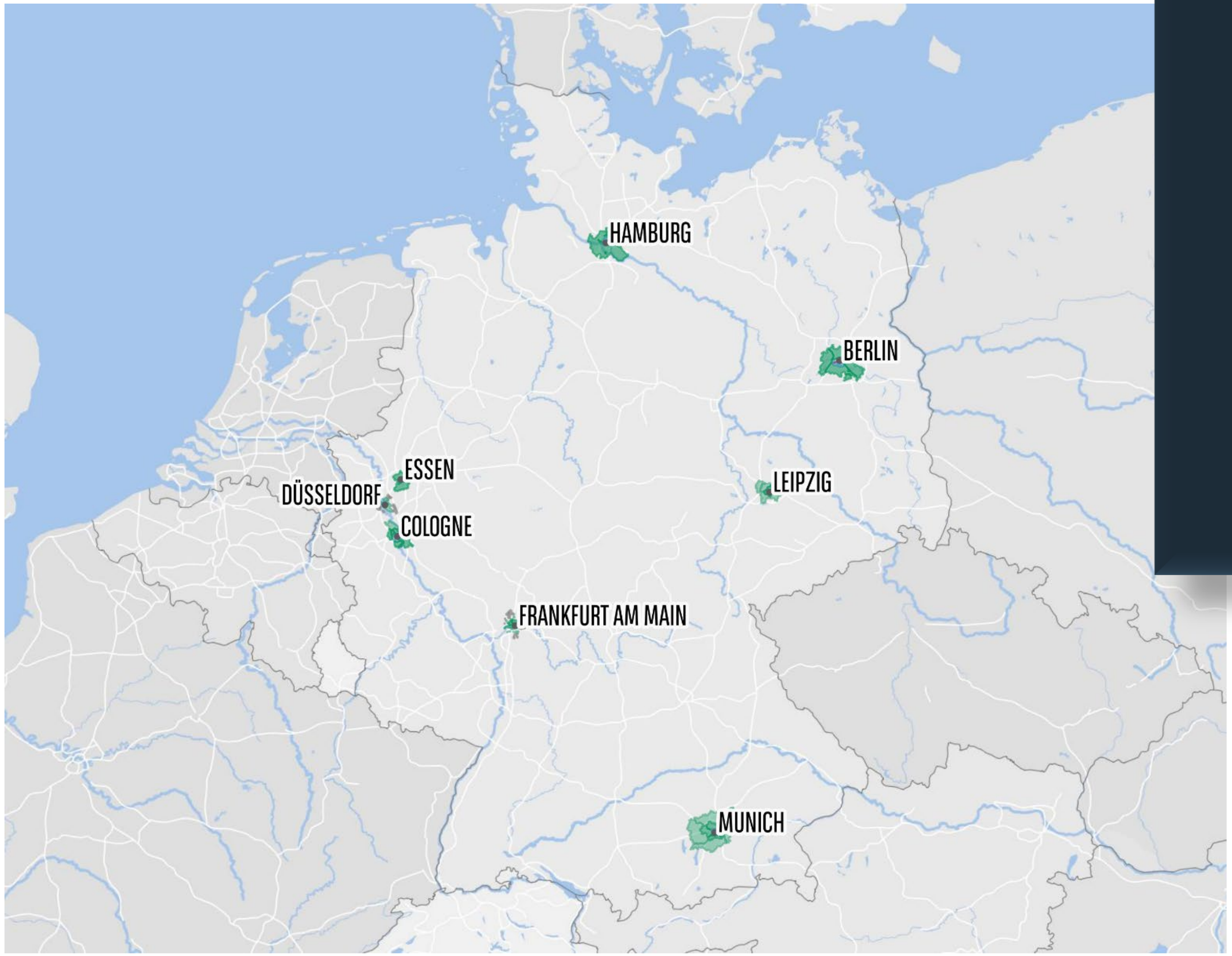
Key indicators office markets Germany

	PRIME RENT* (€/sqm)	TAKE-UP (sqm)	VACANT SPACE (sqm)				SPACE UNDER CONSTRUCTION (sqm)		SPACE ON OFFER (sqm)	
	at	Q1 2026	total	modern	of this, since completion	vacancy rate	total	available	available	projected
1	2	3	4	5	6	7	8	9	10 = (4+9)	11
Berlin	47.00	146,000	1,990,000	1,220,000	98,000	9.1%	492,000	399,000	2,389,000	3,363,000
Cologne	33.50	45,000	515,000	115,000	1,000	6.5%	190,000	52,000	567,000	193,000
Düsseldorf	46.00	42,000	1,262,000	570,000	143,000	12.6%	176,000	100,000	1,362,000	562,000
Essen	20.00	10,000	287,000	59,000	0	8.9%	34,000	12,000	323,000	181,000
Frankfurt	55.00	82,000	1,822,000	1,021,000	44,000	11.7%	432,000	190,000	2,012,000	368,000
Hamburg	39.00	91,000	942,000	262,000	40,000	6.4%	191,000	98,000	1,040,000	912,000
Leipzig	21.00	15,000	235,000	108,000	21,000	5.8%	51,000	23,000	258,000	380,000
Munich	59.50	172,000	1,834,000	828,000	300,000	8.0%	655,000	365,000	2,199,000	2,511,000
Total		603,000	8,887,000	4,183,000	647,000		2,221,000	1,239,000	10,150,000	8,470,000

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

Source: BNP Paribas Real Estate GmbH, March 31, 2026

OFFICE MARKETS GERMANY



Major contracts

XXX sqm
Unternehmen
Quartal – Markt

XXX sqm
Unternehmen
Quartal – Markt

XXX sqm
Unternehmen
Quartal - Markt

LEARN MORE

MARKET REPORTS

DASHBOARDS

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