

# REVIEW INVESTMENT MARKET

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MUNICH Q3 2026

RESEARCH & INSIGHTS



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REAL ESTATE**

Real Estate for a changing world



# Q3 2026

## INVESTMENT MARKET MUNICH

- **CLEAR LEADER AMONG THE A-CITIES**
- **ONLY MARKET WITH STABLE PRIME OFFICE YIELDS**

### KEY FIGURES

1,706

Investment volume (€m)

△ +18.2% y/y

16.2

Portfolio share (in %)

△ +15.4pts y/y

36.3

Ø Deal size (in €m)

△ +0.6% y/y

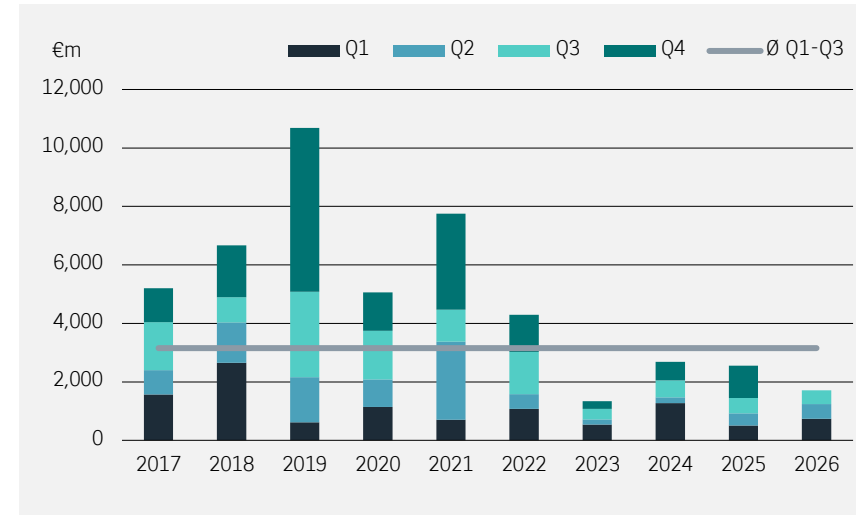
### MARKET OVERVIEW

The Munich investment market closed September with a commercial investment volume of around €1.7 billion, retaining its position as the strongest investment market among Germany's A-cities. Against the backdrop of the latest interest rate hike and ongoing geopolitical conflicts, transaction volume in the third quarter was somewhat lower at around €470 million, in line with the nationwide trend. However, the fact that both large-volume transactions and several non-core deals were successfully completed in recent months reflects the continued high level of confidence in Munich. This is further underpinned by the office occupier market, which posted its strongest result since 2022 and continues to generate strong rental growth, particularly in the premium segment. Compared with prior year, a higher number of large-volume transactions was also recorded. These include the sale of Alte Akademie to the Thiele Foundation in the retail segment, as well as the sales of the centrally located office properties at Prinzregentenplatz 7-9 and Sonnenstraße 15 (formerly Lindbergh-Haus).

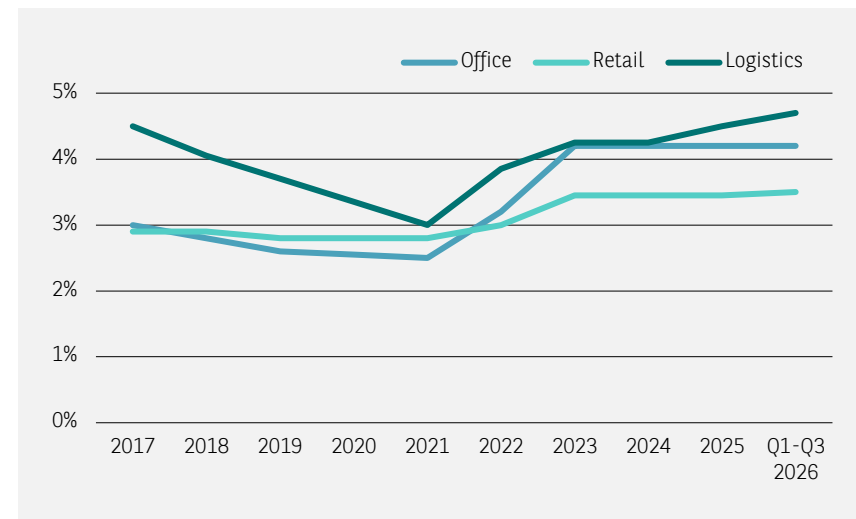
In terms of prime office yields, Munich remains one of the most stable markets. While initial adjustments have been recorded in other cities in response to changing capital market conditions, the net prime office yield has remained stable at 4.20% since 2023. Adjustments for high-street assets have also been relatively limited, with yields currently standing at 3.50% (+5 basis points y-o-y). Only logistics properties have followed the nationwide trend, with the prime yield rising to 4.70%, 30 basis points above the prior-year level.



### Development of investment volume



### Net prime yields by type of property





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INVESTMENT MARKET  
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- OFFICE TRANSACTIONS DOMINATE
- ABOVE-AVERAGE SHARE OF LARGE DEALS

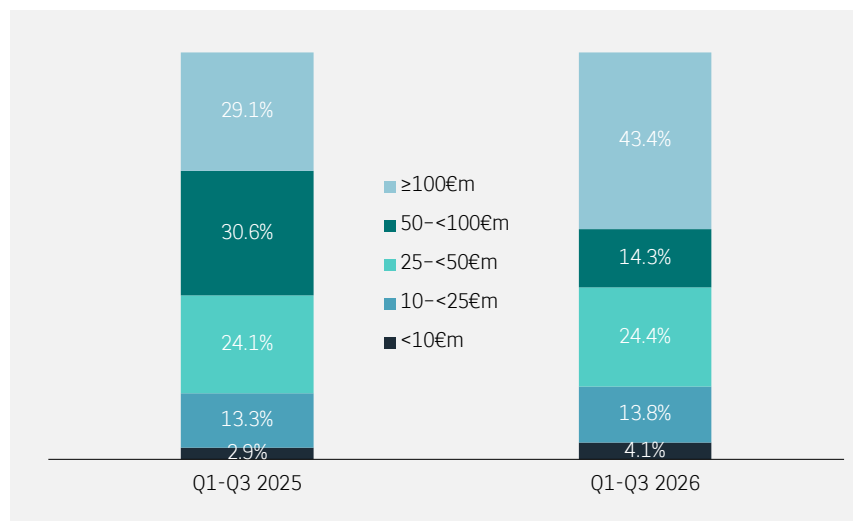
## INVESTMENT MARKET STRUCTURE

The breakdown of investment volume by asset class is broadly similar to the same period last year. Once again, office properties account for almost half of the total volume, representing a significantly higher share than the nationwide figure of 26%. While most investments were generated in the city centre, around €200 million was also invested in decentralized locations. Retail properties account for just over one fifth of the total, mainly driven by the Alte Akademie transaction. Hotels, which contributed 19% in the previous year due to the sale of the Mandarin Oriental, have returned to a more typical share of 8%.

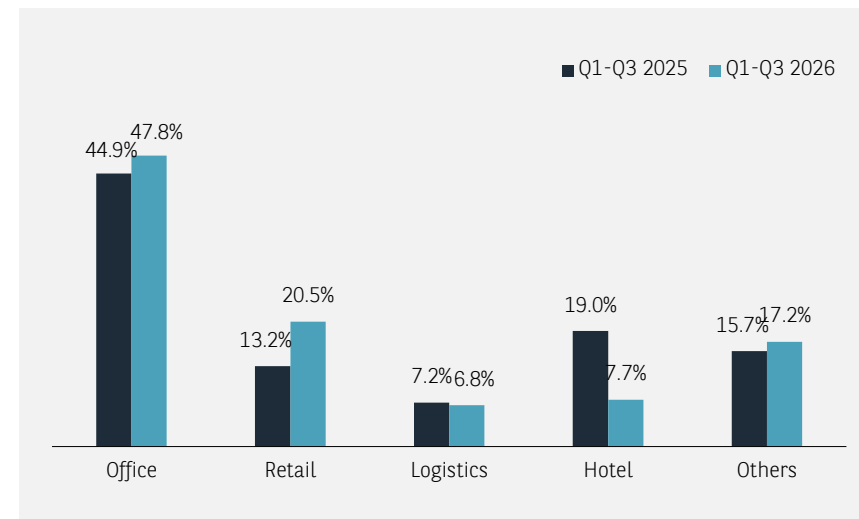
From a geographical perspective, the city centre accounts for the bulk of investment volume at 56% and also registered all transactions in the triple-digit million-euro range. Significant investment activity was also recorded in subcentres (18%) and peripheral locations (21%), including investments in office properties and development sites. By contrast, the centre fringe remains underrepresented with a share of just under 5%.

In terms of deal size, the €100 million-plus segment has played a particularly important role this year. With a share of more than 43%, it is currently the largest deal-size category by volume and has also generated significantly more investment than in the same period last year. Investment volumes were also higher across all other size categories compared with Q1-Q3 2025, except for the mid-sized €25 million to €50 million segment.

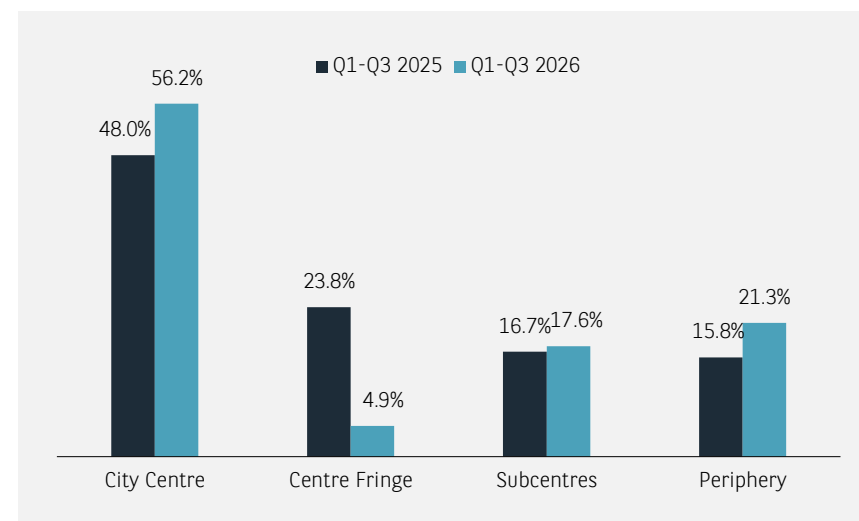
Investments by € category



Investments by type of property



Investments by location



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- MUNICH REMAINS GERMANY'S NO. 1 INVESTMENT LOCATION
- EXTENSIVE DEAL PIPELINE

## ECONOMIC INDICATORS

+1.4

GDP Forecast 2026  
(in %)

3.25

10ys bond yield  
Q3 2026 (in %)

△ +24bps q/q

89.9

ifo business climate index  
(9/2026)

△ +1.1pts m/m

Source: ifo economic forecast, Deutsche Bundesbank, ifo Institut

## OUTLOOK

The Munich investment market continues to demonstrate its strength, further consolidating its position as Germany's leading investment location. Due to many major transactions, Munich has recorded a significant year-on-year increase in investment volume, bucking the nationwide trend. Even following the latest increases in key interest rates, transaction activity did not record a significant decline over the past three months. The investment market is also benefiting from the strong economic environment and positive developments across the occupier markets, whether in the office, retail or logistics sectors.

Nevertheless, Munich is also exposed to a challenging environment characterized by several global conflicts, changing capital market conditions and the resulting impact on the investment market. Whether and to what extent investment activity will gain momentum in the final quarter will largely depend on the pace at which deals can be completed, which has slowed because of changing capital market conditions. It remains to be seen whether this will also lead to adjustments in Munich's prime office yield and, if so, to what extent. However, Munich has a well-filled pipeline of attractive investment opportunities and continues to attract investor interest to a degree matched by few other German cities.



## Investment market data

|                            | Q1-Q3 2025 | Q1-Q3 2026 | CHANGE    |
|----------------------------|------------|------------|-----------|
| Total (€m)                 | 1,443      | 1,706      | +18.2%    |
| Portfolio share            | 0.8%       | 16.2%      | +15.4%pts |
| Share above €100 million   | 29.1%      | 43.4%      | +14.3%pts |
| Office share               | 44.9%      | 47.8%      | +2.9%pts  |
| Share of city locations    | 48.0%      | 56.2%      | +8.2%pts  |
| Share of foreign investors | 50.0%      | 39.1%      | -10.9%pts |

| NET PRIME YIELDS | Q1-Q3 2025 | Q1-Q3 2026 | CHANGE |
|------------------|------------|------------|--------|
| Office           | 4.20%      | 4.20%      | +0bps  |
| Retail           | 3.45%      | 3.50%      | +5bps  |
| Logistics        | 4.40%      | 4.70%      | +30bps |



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