

REVIEW OFFICE INVESTMENT MARKET

GERMANY Q3 2026

RESEARCH & INSIGHTS



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Real Estate for a changing world



Q3 2026

OFFICE INVESTMENT MARKET GERMANY

- INVESTMENT VOLUME BROADLY IN LINE WITH THE PREVIOUS YEAR
- OFFICE REMAINS THE NO. 1 COMMERCIAL ASSET CLASS

KEY FIGURES

4,391

Investment volume (€m)

▽ -1.7% y/y

7.4

Portfolio share (in %)

△ +7.4%pts y/y

28.1

Ø Deal size (in €m)

△ +6.5% y/y

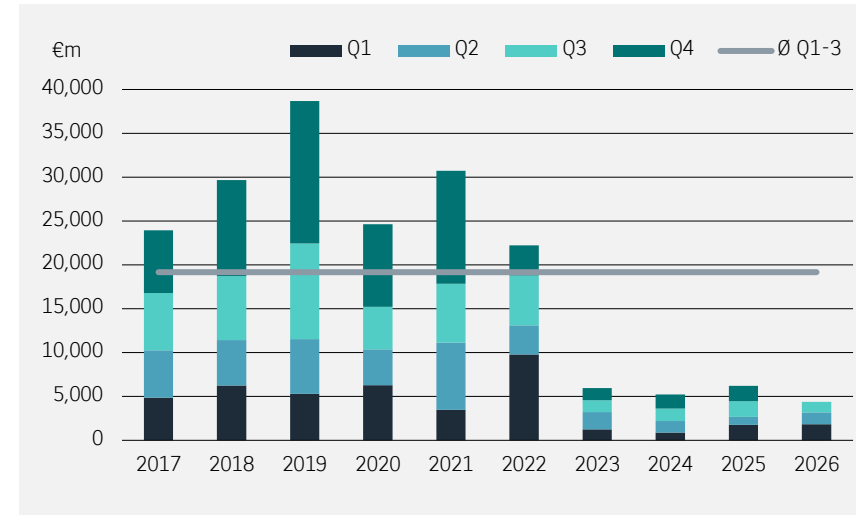
MARKET OVERVIEW

Between January and September 2026, around €4.4bn was invested in the German office investment market, consequently transaction volume is roughly on a par with the previous year (-1.7%). Offices therefore remain the strongest asset class in terms of transaction volume, ahead of logistics investments at around €4.0bn. Nevertheless, market momentum has slowed somewhat since the outbreak of the war in Iran. At the same time, the interest rate hikes of recent months have triggered renewed price discovery processes, increasingly prolonging transaction timelines. While the year got off to a promising start with a transaction volume of just over €1.8bn, indicating signs of a market recovery, volumes declined to €1.3bn and €1.2bn in the subsequent quarters.

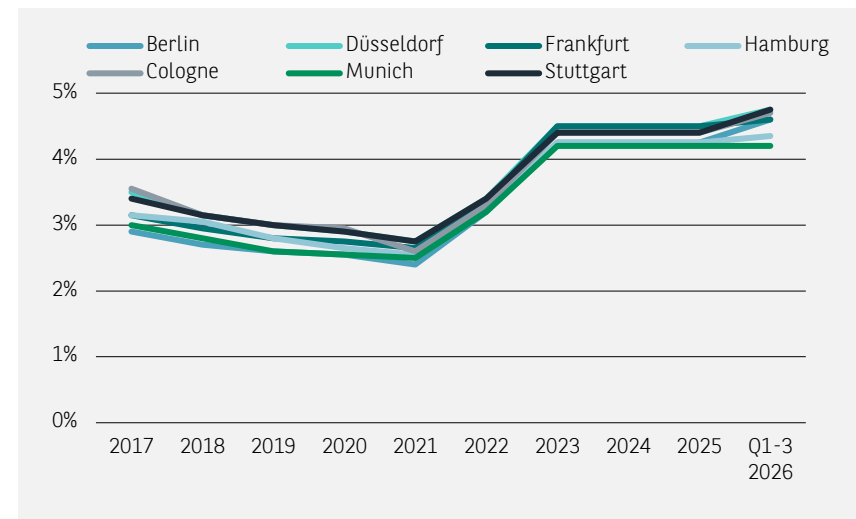
Against this backdrop, prime net yields already saw some adjustment in the second quarter, a trend that continued across almost all major markets in Q3. By the end of the third quarter, the average prime net yield across the major markets was just over 20 basis points higher than a year earlier, although trends varied considerably between individual cities. Munich remains the most expensive investment market, with a prime net yield of 4.20%, and is the only market where yields have remained stable since the end of 2023. Hamburg currently stands at 4.35% (+10 bp), while Berlin and Frankfurt both record 4.60% (+35 bp and +10 bp, respectively). Cologne follows at 4.70% (+30 bp), slightly ahead of Düsseldorf and Stuttgart at 4.75% (+25 bp and +35 bp, respectively).



Development of office investment volume



Office net prime yields in A-locations





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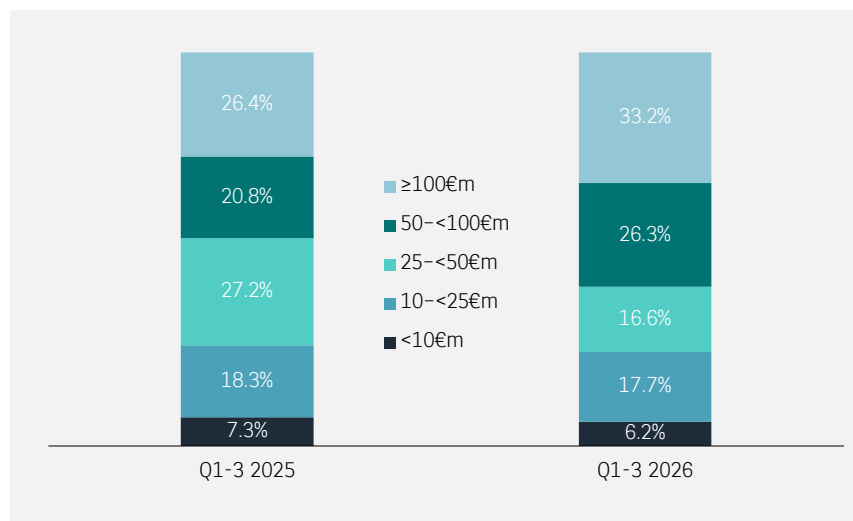
- **SOLID TRANSACTION VOLUMES
ACROSS THE A-LOCATIONS; BERLIN
STILL UNDERREPRESENTED**
- **HIGHER INVESTMENT VOLUME IN
DEALS ABOVE €50M**

INVESTMENT MARKET STRUCTURE

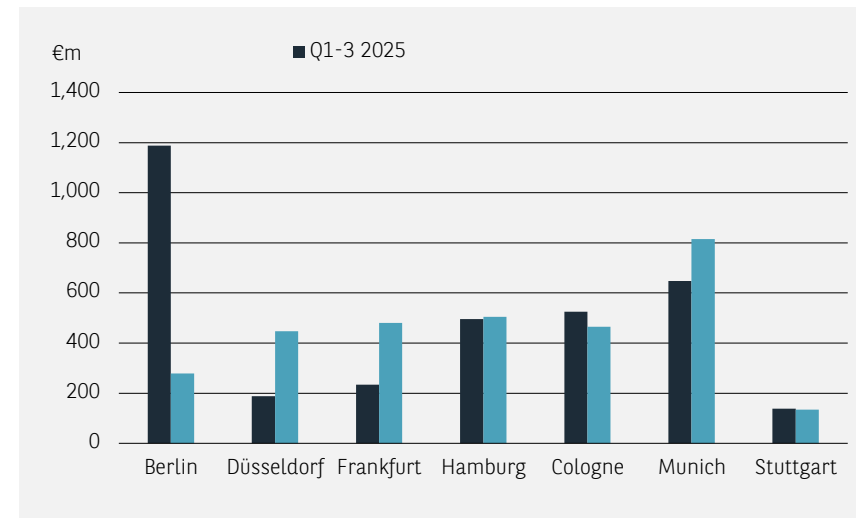
Office investment volume across Germany's A-locations totaled just over €3.1bn, down almost 9% compared with Q3 2025. A large part of this decline is attributable to Berlin, where only €280m has been recorded so far. Munich posted a strong increase of 26% to almost €820m, while Duesseldorf, Frankfurt, Hamburg and Cologne also recorded solid results, with transaction volumes ranging from around €450m to €500m. Stuttgart achieved a volume of more than €130m, broadly in line with the previous year. Particularly noteworthy is the contribution from locations outside the major markets: around 29% of total office investment volume was generated in B, C and even D locations. This clearly demonstrates that transactions can still be completed in the current market environment, if properties offer core quality and/or are priced appropriately.

The breakdown of investment volume by size category also paints a positive picture. The two largest segments, €50m to €100m and above €100m, accounted for by far the largest shares of transaction volume at 26% and 33%, respectively. Both segments also recorded higher volumes than in the previous year. By contrast, significantly less was invested in the €25m to €50m category, reducing its share to just 17%. Transactions between €10m and €25m accounted for almost 18% of total volume, while smaller deals of up to €10m contributed the remaining 6%.

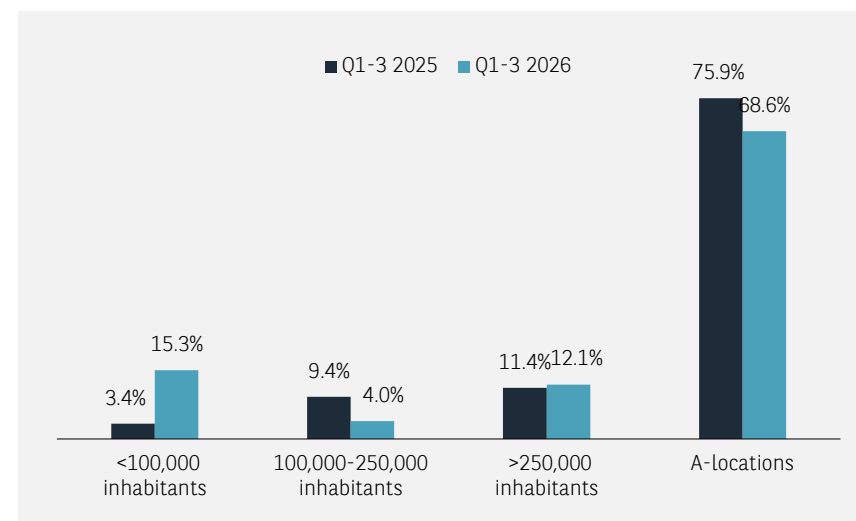
Office investments by € category



Office investments in A-locations



Office investments by city size*



*excl. portfolios



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Source: BNP Paribas Real Estate GmbH, September 30, 2026



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- PRICE DISCOVERY CONTINUES
AMID LATEST INTEREST RATE HIKE
- MARKET INCREASINGLY
POLARISED

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 outbreak of the war in Iran and renewed ECB interest rate hikes have temporarily interrupted the market recovery over the course of the year and triggered another period of adjustment in the commercial investment market. While buyers and sellers were still able to agree on pricing more quickly at the beginning of the year, price levels have come under renewed scrutiny given the improved returns offered by alternative investment opportunities, with corresponding effects on transaction timelines. Investor interest is currently focused on two very different types of assets: on the one hand, prime core properties offering the prospect of secure and stable long-term cash flows and, on the other, attractively priced assets offering short-term value-add potential. The latter segment is likely to see an increase in supply over the coming months as investors continue to streamline their portfolios.

Recent capital market developments, combined with ongoing and in some cases heightened geopolitical tensions, leave little scope for yield compression in the near term. Instead, the price discovery phase is likely to continue and lead to further adjustments. Value growth for office investments will therefore primarily have to come from rental growth or the realization of asset-specific potential. Support is coming from the occupier markets, most of which recorded notable take-up volumes by the end of Q3 and point to modest rental growth going forward. Office investments are therefore likely to remain a sought-after asset class, as also reflected in the volume of ongoing negotiations. If a large proportion of these transactions are completed, investment volume could well exceed the €6bn mark by year-end.



Investment market data

	Q1-3 2025	Q1-3 2026	CHANGE
Total (€m)	4,465	4,391	-1.7%
Portfolio share	0.0%	7.4%	+7.4%pts
Share above €100 million	26.4%	33.2%	+6.8%pts
Share of A-cities	76.5%	71.2%	-5.4%pts
Share of foreign investors	26.2%	27.9%	+1.6%pts

NET PRIME YIELDS	Q1-3 2025	Q1-3 2026	CHANGE
Berlin	4.25%	4.60%	+35bps
Düsseldorf	4.50%	4.75%	+25bps
Frankfurt	4.50%	4.60%	+10bps
Hamburg	4.25%	4.35%	+10bps
Cologne	4.40%	4.70%	+30bps
Munich	4.20%	4.20%	+0bps
Stuttgart	4.40%	4.75%	+35bps

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CONTACT

BNP Paribas Real Estate GmbH

Franc Gockeln
Head of Office Investment
Managing Director

Goetheplatz 4 | 60311 Frankfurt
Phone: +49 (0)69-298 99-0
E-Mail: franc.gockeln@bnpparibas.com

Inga Schwarz

Head of Research
inga.schwarz@bnpparibas.com



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