



Munich

- The Munich office letting market recorded a below-average half-year result, with take-up of 260,900 sq.m. Compared to the previous year and the 5-year average, this represents a decrease of 13% in each case; compared to the 10-year average, the first half of 2025 even falls by 26%.
- As in previous quarters, the office vacancy rate in Munich continued to rise in the second quarter; currently, around 1.7 million sq.m. of office space is available at short notice, equating to a vacancy rate of 7.6%.
- The prime rent for the Munich office market also rose again at the middle of the year, currently standing at €58.00/sq.m./month, an increase of €6.00 or 12% within one year.

The overall below-average half-year result for the Munich office letting market was also due to a somewhat weaker result of 119,400 sq.m. in the second quarter. So far in 2025, 297 deals have been registered in Munich, compared to around 360 at the same time last year and the 10-year average. It is encouraging that several larger deals are currently being finalized, which should significantly improve the amount of take-up in the second half of the year. In the second quarter, two deals larger than 10,000 sq.m. were again recorded; the Munich tax office realized an owner-occupier deal for 16,000 sq.m. in the city center, and a lease of around 12,300 sq.m. was registered in the eastern suburbs. The strongest sector in terms of take-up in the first half of the year was the industrial sector, with a share of around 31% of total office space take-up, largely driven by the Siemens deal in the first quarter. This is followed by business-related service providers with 20% and construction and real estate with 10%. The strongest submarket in 2025 to date has been the city center with a 22% share, followed by the east with 21%.

At mid-year, vacancy in Munich has increased again and currently stands at around 1.7 million sq.m., equating to a vacancy rate of 7.6%. The highest vacancy rate is in the eastern suburbs with 13%, while the lowest rate is in Bogenhausen with 2.5%. The vacancy rate in the city center is only slightly higher at 3.1%. So far in 2025, 121,000 sq.m. of office space have been completed in Munich, around 70% less than in the same period last year. The dynamic development of prime rents continued in the second quarter due to higher-priced deals in the city center; the prime rent is currently €58.00/sq.m./month. The weighted average rent is €26.36/sq.m./month.

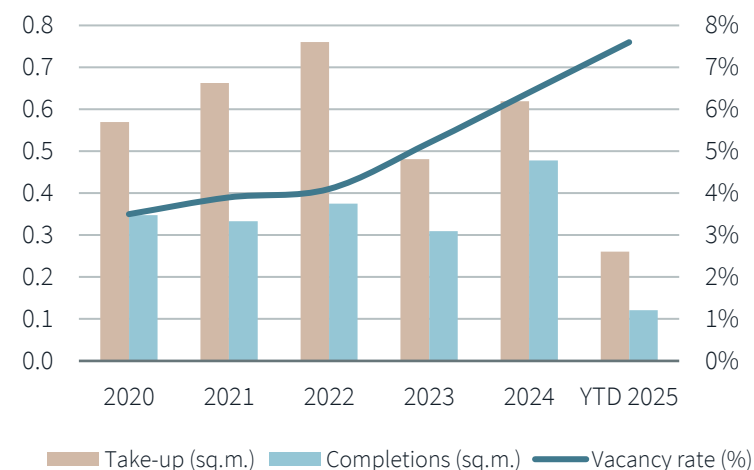
Outlook

For the full year 2025, take-up of 650,000 sq.m. is expected in Munich, which would correspond to a slight increase of 5% compared to the previous year. Vacancy is expected to continue to rise over the course of the year. Prime rents are also expected to rise further to €62.00/sq.m./month.

Fundamentals		Forecast
Take-up (YTD)	260,900 sq.m.	↑
Vacancy rate	7.6%	↑
Prime rent	€58.00/sq.m./month	↑
Stock	22.30 million sq.m.	↑
Completions (YTD)	121,000 sq.m.	↑
Under construction	894,900 sq.m.	↑
Preleased	30%	↑

Historical supply and demand trends

Sq.m. (million)



**Stephan Hagenhoff**

Director Research

München

stephan.hagenhoff@jll.com**Fritz Maier-Hartmann**

Senior Team Leader Office Leasing

München

fritz.maier-hartmann@jll.com**Andreas Eichwald**

Senior Team Leader Office Investment

München

andreas.eichwald@eu.jll.com

COPYRIGHT © JONES LANG LASALLE IP, INC. 2025

This report has been prepared solely for information purposes and does not necessarily purport to be a complete analysis of the topics discussed, which are inherently unpredictable. It has been based on sources we believe to be reliable, but we have not independently verified those sources and we do not guarantee that the information in the report is accurate or complete. Any views expressed in the report reflect our judgment at this date and are subject to change without notice. Statements that are forward-looking involve known and unknown risks and uncertainties that may cause future realities to be materially different from those implied by such forward-looking statements. Advice we give to clients in particular situations may differ from the views expressed in this report. No investment or other business decisions should be made based solely on the views expressed in this report.