JLL SEE A BRIGHTER WAY

Research

Germany Big 7

Office | Q1 2025

Germany Big 7

- At the start of 2025, a total office space take-up of 728,100 sq.m. was achieved in the seven German office metropolises (Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Munich, Stuttgart), representing an increase of 14% compared to the same quarter of the previous year.
- The rise in office space vacancy continues in early 2025. In the Big 7, approximately 7.3 million sq.m. of office space is currently available for short-term use, corresponding to a vacancy rate of 7.4%. This rate in the Big 7 is thus 1.4 percentage points higher than a year ago.
- Prime rents in the Big 7 remained constant in the first quarter. The only exception is Munich, where they have once again increased to €56.00/sq.m./month. Compared to the same period last year, prime rents in Big 7 have risen by an average of around 5%.

Fundamentals		Forecast
Take-up (YTD)	728,100 sq.m.	↑
Vacancy rate	7.4%	↑
Vacancy	7,315,100 sq.m.	↑
Stock	99.21 million sq.m.	↑
Completions (YTD)	159,800 sq.m.	↑
Under construction	3,542,600 sq.m.	→
Preleased	42%	→

In the first quarter of the year, a take-up of 728,100 sq.m. was registered in the Big 7, representing the best result for a year start since 2022. Looking at individual markets, a heterogeneous picture emerges. While Frankfurt, significantly influenced by the large-scale deal with Commerzbank, more than doubled the result of the previous year's quarter (+115%) with over 200,000 sq.m. of take-up, and Cologne (+79%) and Hamburg (41%) also recorded substantial gains, comparisons in the other four metropolises were overall negative. It is noteworthy that several large-scale deals over 10,000 sq.m. from the private sector were again registered in the first quarter. Besides the Commerzbank deal in Frankfurt with 73,000 sq.m., other examples include Siemens with 33,000 sq.m. in Munich, ING-DiBa with 32,000 sq.m. also in Frankfurt, and Hamburg Commercial Bank with 13,300 sq.m. in the Hanseatic city. Additionally, larger deals from public administration, for example in Cologne, also contributed to the quarterly result.

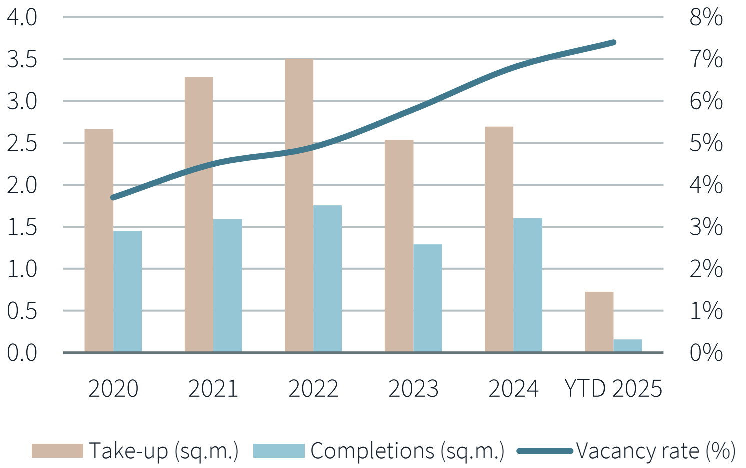
The vacancy rate in the Big 7 continued to rise at the beginning of the year, with approximately 7.3 million sq.m. available for short-term use in the market, corresponding to an average vacancy rate of 7.4%. All seven markets show increasing vacancies. So far in 2025, only about 160,000 sq.m. of completions have been documented, with an expected 1.02 million sq.m. to follow over the course of the year. Furthermore, some project delays are still being registered in the Big 7. An increase in prime rents was documented only in Munich at the start of the year, while all other markets remained constant in this regard.

Outlook

For the full year 2025, JLL expects an office space take-up of around 2.9 million sq.m. for the Big 7, which would correspond to an increase of 8% compared to 2024. Further increases in vacancy rates are also expected, potentially raising the average vacancy rate to 7.8% by the end of the year. The trend towards rising prime rents remains unbroken and is likely to continue throughout the year. Overall, the development of the German office letting market in 2025 will depend crucially on the political and economic conditions. In addition to the policy directions set by a german new federal government, the impacts of U.S. tariff policies are more relevant than ever.

Historical supply and demand trends

sq.m. (million)



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