EMEA

City Offices

October 2025

Executive summary

European CRE rebounds as investors adapt to volatility

While economic sentiment continues to fluctuate in the short term, recent trends indicate a growing acceptance of market instability as a structural feature rather than a temporary disruption. Interest rates have been cut back in line with lower inflation across the Eurozone. In the UK, stubborn inflation has resulted in a slower normalisation of interest rates to meet 2% targets. Despite this, investors are demonstrating increased confidence in decision-making across the region. Although investment turnover in the first half of 2025 has been similar to the previous year, activity in the market is picking up - and notably for offices.

Renewed investor interest for offices

The office sector recorded a transaction volume of €21.4 bn in H1 2025, representing 22.5% of total EMEA investment activity. While this share remains below pre-pandemic levels, offices reclaimed their position as the most actively traded asset class in the region.

Recent market activity indicates renewed interest from institutional investors in high-quality, well-located office assets that are positioned to perform strongly in the post-pandemic landscape. Lower interest rates and wider yield spreads are enabling more vendors and buyers to engage in prime asset transactions. There has been a marked increase in cross-border investment, particularly from U.S. and Asian investors targeting prime opportunities in European capitals.

Office pricing stabilises across EMEA.

There has been a notable price correction for offices across Europe in recent years. If 2023 was a year of price correction, 2024 was one of yields starting to stabilise. Year to date, yields have been largely unchanged with only two markets recording further yield compression. Prime rental growth has moderated so far this year, so capital values have been broadly stable.

Occupier activity recovering, but a slow and uneven path

Office markets across EMEA are gradually recovering, albeit on an uneven path. In Q2 just over half (54%) of markets recorded a fall (y/y) in rolling annual take-up while 46% recorded a rise. Overall, rolling take-up declined by -4.0% y/y in Q2. Buoyed by renewed corporate confidence and expansion, London Docklands and Canary Wharf saw a strong rebound in take-up in Q2, recording 12-month rolling growth rates of 103.7% and 50.1% (q/q), respectively. Other markets showing notable growth (q/q) were Szczecin (62.0%), Amsterdam (35.1%), and Krakow (25.3%). Generally soft demand is reflected in tenant-oriented conditions being most prevalent across EMEA, accounting for 40% of markets. Neutral markets are expected to gain slightly from 35% today to 38% in Q2 2026, while landlord-oriented markets' share is forecast to ease from 26% to 24% over the next 12 months. A reflection of the anticipated slow recovery.

Upgrading through tactical switch

Occupiers continue to use lease breaks as an opportunity to upgrade their office spaces while simultaneously downsizing. Modern buildings in attractive locations remain most in demand, while stock in secondary districts increasingly require incentives such as rent-free periods. Pre-letting activity remains generally high as the fight for stock that truly encompasses best-in-class amenities in central locations is intense. This trend will continue going forward as office space is gradually recalibrated to provide occupiers with modern, efficient, high-performance assets.

Construction activity slows, with diverging market trends

Space under active construction (UAC) as well as the volume of completions have been trending down in EMEA since mid-2022, and this continued in Q2. There are significant differences between markets. Expansive activity was sporadic in London Mid-Town, Helsinki, Johannesburg and Riyadh. Construction activity saw notable declines in Poland, particularly in Warsaw and Gdansk.

Vacancy stable at 9.1%, but slightly above long-term average

The aggregate office vacancy rate for EMEA has been on a gradual upward trajectory for years and now stands at 9.1%. This is slightly higher than the long-term average vacancy rate of 8.4%, and well above the pre-Covid rate of 5.7% at end-2019. Markets with particularly low vacancy rates (below 5%) are Cologne, Belgrade, Vienna and Zagreb. Vacancy in Copenhagen, Hamburg, Oslo, Porto, Dubai and Ljubljana remains below 6%.

Prime rental growth reflects tight availability of quality space

Colliers EMEA prime office rent index has continued to rise, albeit at a slower rate - growing by 5.8% (y/y) and 0.9% (q/q) in Q2 2025. Markets that recorded particularly strong growth in prime CBD rents (y/y) were Paris, Paris La Défense, Dubai, Abu Dhabi, Riyadh and Cairo. Four markets saw prime CBD rents fall (y/y): Vilnius, Poznan, Johannesburg and Wroclaw. Looking ahead, 52% of prime CBD markets expect further uplift in prime rents over the next 12 months, including Amsterdam, Berlin, Dubai, Copenhagen, London, Madrid, Milan, Paris, Prague and Warsaw.

Key Metrics In Major EMEA Cities: Q2 2025

CITY	Take-up 12M rolling ['000 sq m]	Take-up 12M change [%]	Vacancy Current [%]	Vacancy 12M change [bps]	Vacancy 12M outlook	Prime rent Current [€/sq m/mth]	Prime rent 12M change [%]	Prime rent 12M outlook
Abu Dhabi	n/a	n/a	10.0	-1000	◀▶	24.0	+3.9	◀▶
Amsterdam	315	+31.3	8.0	+160	▲	50.0	+4.3	▲
Athens	n/a	n/a	10.0	0	◀▶	35.0	0.0	◀▶
Berlin	544	-2.9	7.8	+100	▲	52.3	+6.7	▲
Bratislava	193	+0.2	12.6	-67	▼	20.5	+7.9	▲
Brussels	300	-4.2	8.1	+72	▲	33.3	+2.6	◀▶
Bucharest	282	-32.5	12.8	-225	▼	22.0	0.0	▲
Budapest	477	-5.9	12.8	-113	▲	25.5	+0.4	◀▶
Copenhagen	n/a	n/a	5.4	-145	◀▶	25.7	+4.5	▲
Dubai	n/a	n/a	5.0	-300	◀▶	54.9	+4.0	▲
Dublin	200	+17.5	14.9	-280	▼	56.1	0.0	◀▶
Frankfurt	524	+42.8	11.6	+178	▲	52.0	+8.3	▲
Helsinki	n/a	n/a	16.4	+170	▲	43.2	+6.1	◀▶
Johannesburg	n/a	n/a	12.8	-410	▼	12.5	-9.9	▲
Lisbon	127	-36.8	7.6	-15	◀▶	29.0	+3.6	◀▶
Istanbul	64	-49.9	8.6	n/a	◀▶	46.9	+0.5	▲
London - City	607	-0.1	10.2	-197	▼	97.0	+8.3	▲
London - West End	376	+14.8	7.3	-61	◀▶	167.8	+7.3	▲
Madrid	482	+36.9	9.0	-171	▼	39.0	+4.0	▲
Manchester	121	+21.2	9.5	-100	◀▶	47.2	+1.2	▲
Milan	396	-7.6	9.0	+50	◀▶	62.5	+7.1	▲
Munich	567	+8.5	9.6	+202	▲	55.5	+7.8	▲
Paris	1,652	-14.2	10.8	+180	▲	97.5	+17.0	▲
Paris - La Defense	n/a	n/a	15.4	+90	◀▶	50.0	+13.2	◀▶
Prague	573	-1.2	6.6	-139	▼	30.0	+3.4	▲
Sofia	205	+14.8	13.7	-72	▼	16.0	0.0	▲
Stockholm	n/a	n/a	13.8	+93	◀▶	70.3	+3.6	◀▶
Vienna	124	-20.2	4.2	+67	◀▶	35.0	0.0	◀▶
Warsaw	735	-1.6	10.8	-10	◀▶	29.0	+3.6	▲
Zurich	n/a	n/a	n/a	n/a	◀▶	87.4	+6.3	◀▶

Source: Colliers

Capital Markets

Office transaction activity

Between 2012 and 2019, the office segment consistently dominated the commercial real estate investment landscape in EMEA, accounting for 40–45% of total annual transaction volumes. However, this dominance began to erode in 2020 as hybrid working cast doubts over long-term office space demand, and increasingly stringent ESG requirements rendered a significant portion of the existing office stock functionally obsolete. By the end of 2024, the office sector's share of investment had almost halved, to just over 24%.

While activity remains well below pre-pandemic levels, offices have nonetheless reclaimed their position as the most actively traded asset class. The €21.4 bn of offices that transacted in H1 accounts for 22.5% of total EMEA investment activity, signalling renewed investor interest in the sector across multiple markets.

In Paris La Défense, Norges Bank Investment Management acquired an 80% stake in the Trinity office tower from Unibail-Rodamco-Westfield (URW) for €347.4 mn. The deal establishes a new joint venture, with URW continuing to provide asset and property management services. Delivered in Q4 2020, Trinity is a 49,900 sqm multi-let office tower, certified BREEAM Construction Excellent, HQE Excellent, and BREEAM In-Use Excellent.

Dublin saw the return of prime office transactions in Q2, marked by the sale of 20 Kildare Street to Deka Immobilien for €70 mn and 10 Hanover Quay to Pontegadea for €66 mn. These represent the first prime office deals in Dublin since Deka's acquisition of 40 Molesworth Street in Q2 2024, signalling renewed investor confidence in the market.

In London, the largest lot to change hands in H1 was State Street Bank confirming its prospective relocation from 20 Churchill Place E14, in Canary Wharf, to Helical and Orion's 100 New Bridge Street in the City. The bank paid €386 mn for the 18,000 sqm scheme, due for completion in Q2 2026. London West End recorded six separate transactions for individual lots above €100 mn in H1, including Delancey's' purchase of 11-12 Hanover Square (3,250 offices and 1,210 sqm retail for €195 mn) and the London School of Economics' acquisition of Centrium, 61 Aldwych (16,700 sqm office and retail) for £170 mn for its own occupation.

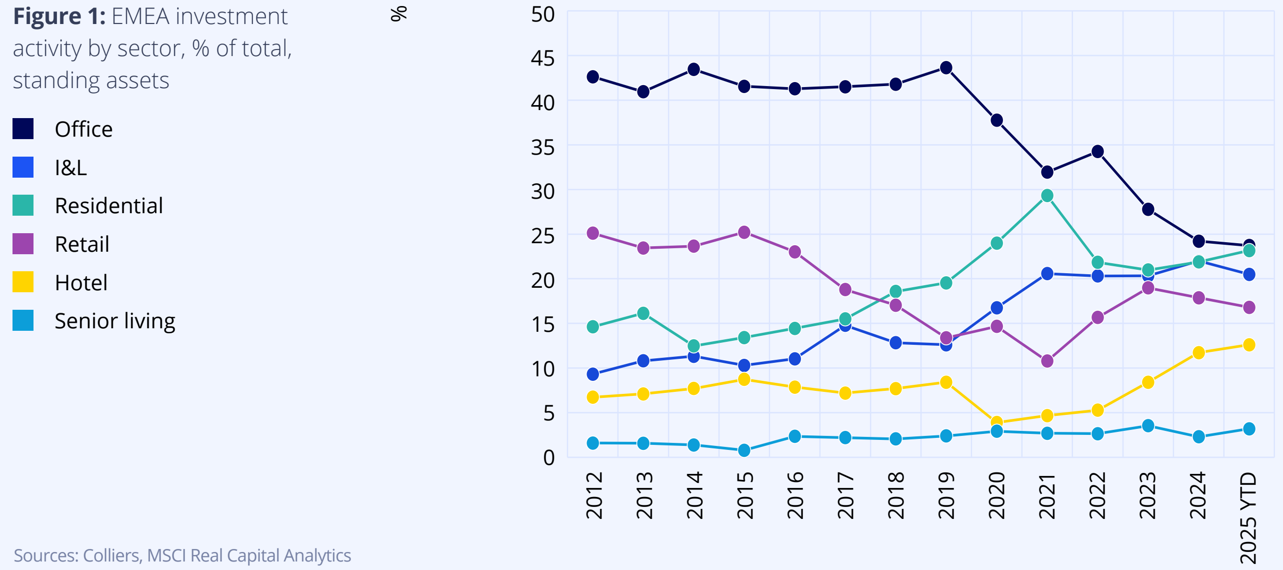
Both Madrid and Barcelona saw office investment gain momentum in Q2. In Madrid, IBA Capital Partners and Batipart, together with a consortium of investors, acquired the 61,000 sqm Prado Urban Business Park for €262.5 mn from AXA IM. The 60,000 sqm office complex houses Amazon's corporate headquarters in Spain, as well as various offices of the Autonomous Region of Madrid and the Madrid City Council.
Also in Marid, Banco de Crédito Cooperativo (BCC), led by Cajamar, has purchased a 2,562 sqm office building at 13 Alberto Bosch Street, the former headquarters of the Royal Spanish Football Federation (RFEF), from Mapfre. The office will serve as BCC's new headquarters. In Barcelona, Blackstone sold the 28,000 sqm office building at Avinguda Diagonal 662—currently leased to Spanish publishing group Planeta—to Amancio Ortega's investment arm, Pontegadea Inversiones, for €240 mn, marking the city's largest real estate transaction so far this year.

The office segment accounted for the lion's share of Poland's total investment volume in H1. In Warsaw, the largest pure office transaction was Uniqua Real Estate's €69 mn purchase of Wronia 31, a 16,600 sqm asset developed by Ghelamco in 2017 and previously acquired by LaSalle IM in 2019. There was also the mixed-use Bohemia scheme acquired by AFI Europe for €85 mn. Krakow recorded three office transactions in H1, the largest being Stena Real Estate's €67 mn acquisition of two fully let buildings totalling 23,000 sqm within the High5ive office complex with tenants including PwC, Hitachi Energy, and Business Link. Niam was the vendor.

Core deals in Prague include Conseq Realitni's acquisition of the Visionary office building from CA Immo. The modern 25,500 sqm office building, located in the Holesovice district, is let to Accenture, Scott.Weber and Carrier, among others.

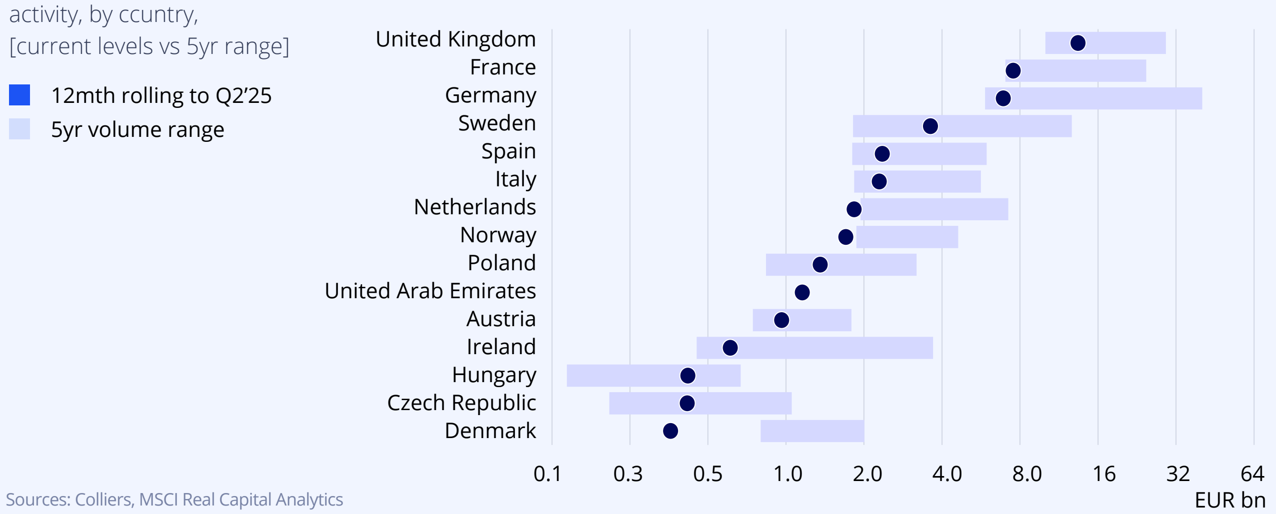
An increase in the volume of repositioned assets coming to market is driving liquidity in the office sector and reducing the levels of obsolete stock.
In Paris, Ardian sold the iconic Renaissance building to a French institutional investor for €300 mn. Situated in the prestigious Golden Triangle, the asset has undergone a major repositioning into a high-end, mixed-use office and retail space, now aligned with modern sustainability and performance standards. The former headquarters of Europe 1 radio has a new tenant mix including law firm A&O Shearman, art gallery Hauser & Wirth, fashion house Issey Miyake, and Jaguar Land Rover. In Milan, the recently refurbished and repositioned Via Principe Amedeo 5 asset was sold by Thesaurus fund. Managed by Kryalos SGR and sponsored by Blackstone, the off-market sale was closed with Cassa Forense for approximately €110 mn. Rome saw the historic Banca Monte dei Paschi di Siena headquarters on Via del Corso being acquired by Corso Gestioni Alberghiere Srl (controlled by Gruppo Eco Holding) and Talia Gestioni Alberghiere Srl for €123 mn. The 11,000 sqm building is set to be transformed into a mixed-use luxury retail and hospitality destination.

Figure 1: EMEA investment activity by sector, % of total, standing assets



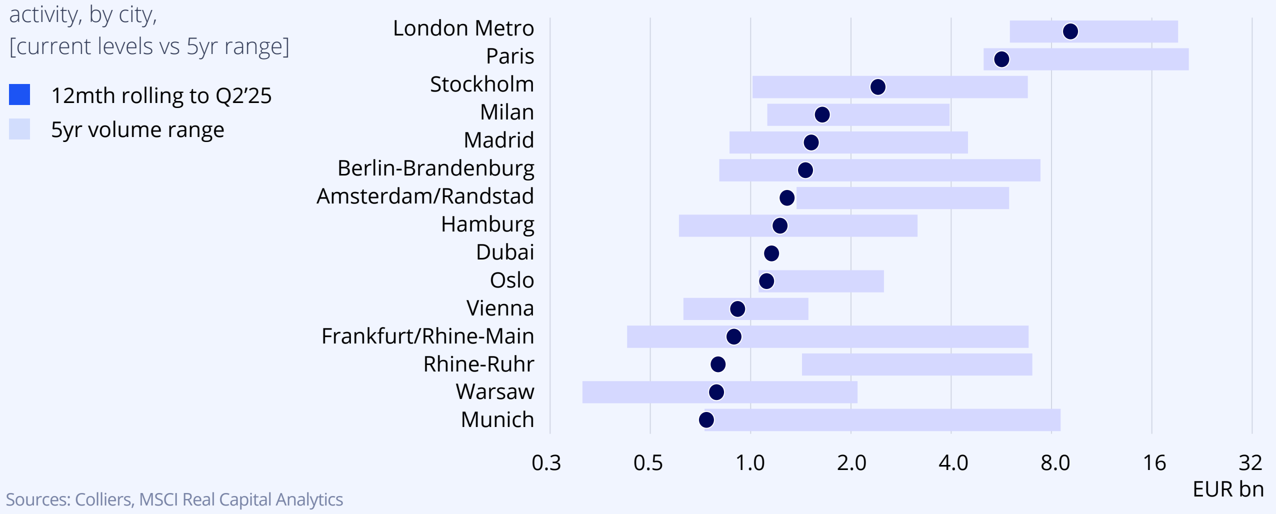
Sources: Colliers, MSCI Real Capital Analytics

Figure 2: Office investment activity, by ccuntry, [current levels vs 5yr range]



Sources: Colliers, MSCI Real Capital Analytics

Figure 3: Office investment activity, by city, [current levels vs 5yr range]



Sources: Colliers, MSCI Real Capital Analytics

Capital Markets

Office transaction activity *(cont.)*

Meanwhile, the Blakeburg – a striking brutalist landmark in the heart of Rotterdam's Blaak district – was sold for €20.1 mn to Ered and Flow Real Estate Development. Earlier plans to demolish the building and replace it with a mixed-use tower have been shelved. Instead, the 23,000 sqm property will be upgraded into a modern office building with a BREEAM Excellent certification.

Institutional investors are showing renewed interest in modern, centrally located office buildings in Stockholm, as demonstrated by Alecta Fastigheter's acquisition of Blekholmen 1 from M&G Real Estate (34,000 sqm). The building, also called Klara Strand, is situated near Alecta's World Trade Centre next to the central railway station in the CBD. This is a swap deal where Alecta divests the 3,283 sqm Skravelberget Större 19, located between Stureplan and Nybroviken.

There is a noticeable uptick in cross-border investment, especially from U.S. and Asian capital targeting European capitals. A notable example is CA Immo's sale of the IP West office building in Budapest to BYD, the Chinese electric vehicle and battery manufacturer, which will establish its European headquarters and R&D centre in the 32,100 sqm building. Marking the largest deal in Hungary in Q2 2025, the transaction signals a potential turning point for the market this year. In Bucharest, the office segment (including mixed-use assets with office components) accounted for nearly 90% of the transaction volume in H1. A standout deal was the €52 mn sale of Skanska's Equilibrium 1 office building to Hungarian fund Granit Asset Management—the largest office transaction in nearly three years and notable for being closed by a new entrant to the local market.

The trend of fresh capital entering Romania was further underscored by Solida Capital, a Dubai-backed investor, which acquired Victoria Center, a prime, 8,600 sqm office asset in Bucharest CBD, highlighting growing international interest and the market's increasing appeal. In Luxembourg, two private Spanish investors acquired the 4,810 sqm Charlotte 10 building in the CBD (€64.6 mn) and the 4,510 sqm Vertbois building on Kirchberg (€62.5 mn).

Meanwhile, Germany's office investment market has been subdued over the first half of 2025, exhibited by a lack of large-scale deals, slow transaction processes, and limited institutional activity. Real estate corporations (AGs) continue to dominate the sell side, including Branicks Group AG's sale of the Silo 23 and ECR buildings in Cologne's Rheinauhafen to entities represented by PAMERA Real Estate Partners. Looking forward, signs of recovery are emerging through a strengthening rental market and an improving economic backdrop.

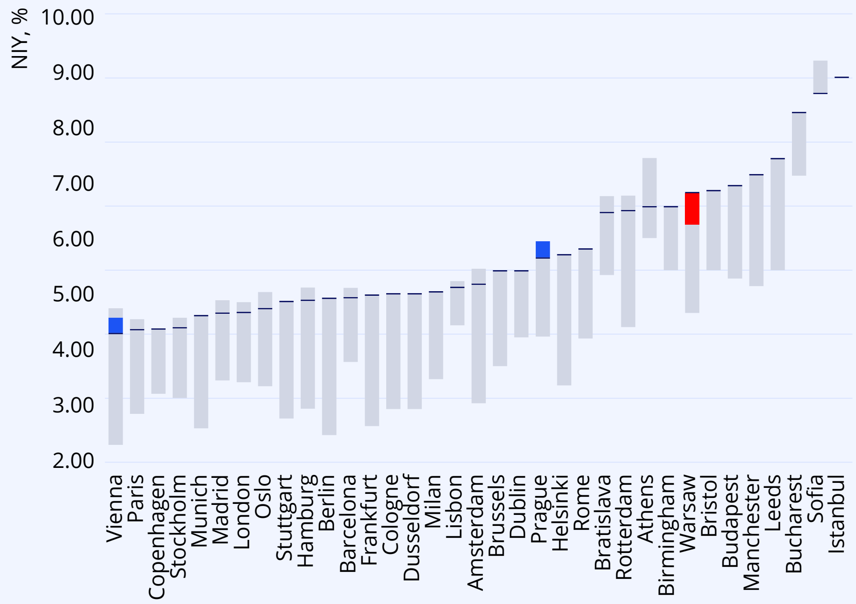
Further evidence of momentum in the sector is visible through ongoing, large deals. In Paris, Blackstone is in the process of acquiring the CityQuartier Trocadero office complex from Union Investment. This is a landmark property, originally constructed in 1913, located near the Arc de Triomphe. Spanning over 41,000 sqm it incorporates a mix of offices, apartments, and hospitality. Office occupiers include Swatch Group, Lindt & Sprüngli, and Reed Smith. The acquisition price is reportedly €705 mn, with Blackstone seeking €500 mn in financing—marking it the largest European office loan since 2022. This move is seen as a strong vote of confidence in the recovery of Europe's prime office market.

Yields & capital values

So far this year, yields have been broadly stable with only two markets recording further yield compression: Prague (-25bps in Q2) and Vienna (-24bps in Q2). Capital values remained unchanged in 68% of markets surveyed in Q2, while 29% recorded an upward movement in capital values over the quarter. Vienna recorded the strongest capital value growth in Q2 (5.9%), followed by Rome (5.5%), Prague (4.8%) and Paris (3.5%). Overall, our office capital value index rose by 1.1% in Q1 and 1.0% in Q2. This is slower than the previous two quarters (2.4% and 2.5% respectively), reflecting more moderate prime rental growth so far in 2025.

Figure 4: Prime CBD office yields, [current levels vs 5yr range]

- Current levels
- Yields moving in q/q
- Yields moving out q/q
- 5yr range



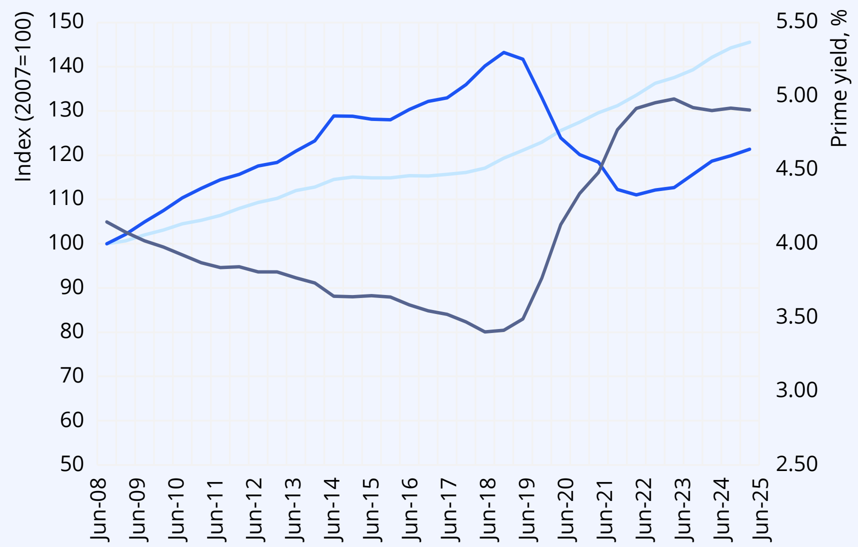
Average weighted net initial yield, CBD offices, Europe

4.91%

Source: Colliers

Figure 5: CBD office pricing indices, EMEA aggregate

- Prime yield
- Prime capital value index
- Prime rent index



Source: Colliers

Occupier demand

Take-up

Occupier demand is shaped by a mix of trends, some of which are conflicting. Their impact varies across markets, industries, and individual companies. Hybrid work, return-to-office strategies, and the war for talent are just a few of the forces at play. While some corporates are downsizing, others are expanding. Many occupiers are renewing leases, buying time to assess their space needs, even as new leasing activity gains momentum in certain markets.

This myriad of trends are reflected in take-up activity across EMEA, where the past two years have been marked by a fragile and uneven post-pandemic recovery. Year-on-year, 12 month rolling take-up declined by -4.0% in Q2, and by -1.6% (q/q). This means that the five-year take-up average declined slightly in Q2, offsetting the rise recorded in the previous four quarters.

Variations in take-up performance between markets underpins the uneven regional progress. Just over half (54%) of EMEA markets monitored recorded a fall (y/y) in rolling annual take-up while 46% recorded a rise. London Docklands and Canary Wharf made strong comebacks in take-up in Q2, recording 12-month rolling growth rates of 103.7% and 50.1% (q/q), respectively. JPMorgan taking just under 13,800 sqm of overflow space, roughly a third of Credit Suisse's former UK headquarters in One Cabot Square, Canary Wharf was a significant deal for the sub-market. Other markets showing notable growth (q/q) were Szczecin (62.0%), Amsterdam (35.1%), and Krakow (25.3%). Dublin saw a significant portion of Q2 activity driven by US technology firm Workday, leasing 38,654 sqm at College Square.

At the opposite end of the spectrum, the greatest declines in take-up were observed in Copenhagen (-42.9%), Vilnius (-28.0%), Lisbon (-22.8%) and Lodz (-21.0%). A lack of larger, high-quality office space and a general hesitance by corporates to make relocation decisions is holding back activity in Copenhagen. Hybrid work continues to affect office demand in Vilnius, with smaller deals - averaging around 500 sqm – generating low take-up.

Space expansion and leasing activity differs across industries. Law and Accountancy firms remain active in many markets. A notable lease in Barcelona was Deloitte taking 14,100 sqm in Diagonal 471. In Luxembourg, PwC secured 9,500 sqm in Eosys in the Cloche d'Or district and Baker McKenzie took 2,640 sqm in the wooden office building Ekxo, also in Cloche d'Or. KPMG has signed 33,000 sqm leases in the neighbouring Park Tower and OpernTurm in Frankfurt.

Financial services led demand in London during Q2, accounting for half of the ten largest deals. Education providers also made a notable impact by leasing or purchasing over 23,000 sqm of space. Banking also stood out in Dusseldorf in Q2, with Helaba leasing 7,800 sqm in the Heylo building in Kenneydamm. Major contracts were signed in Frankfurt in Q1, including Commerzbank's lease of c. 73,000 sqm in the Central Business Tower and ING's lease of c. 32,000 sqm in the Hafenpark Quarter.

Leasing activity in Brussels is supported by EU institutions relocating to ESG-compliant buildings. Recent examples include the European Commission taking 22,360 sqm in the LOOM building and the European Parliament signing a 18,400 sqm lease in the Monterra building (formerly Belmont Court).

Its central location and flexible architecture were key factors in Visma's choice of the 18-story office tower in Sørkedalsveien 6, Oslo, for their new headquarters (17,600 sqm). The building is currently being completely rehabilitated according to strict environmental standards, including energy class A and BREEAM certification.

Sub-letting

Generally, modern buildings in attractive locations remain most in demand by occupiers, while stock in secondary districts often require incentives such as rent-free periods. Occupiers are increasingly using relocation or lease renegotiation as an opportunity to upgrade their office spaces while simultaneously downsizing. Such space optimisation has given rise to the expansion of 'grey space' in certain markets. Dublin was hit when the tech sector shed surplus space two to three years ago, but this grey space is now being absorbed. Around 120,000 sqm—17% of total availability—remains on the market. Berlin continues to face the twin challenge of absorbing a growing supply overhang while modernising its ageing stock to meet ESG standards and tenant expectations.

Pre-letting

Across EMEA, pre-letting activity remains generally high as the fight for stock that truly encompasses best-in-class amenities in central locations is intense. In Dublin, over 46,000 sqm of new or refurbished offices will complete this year, with 80% already pre-let or reserved.

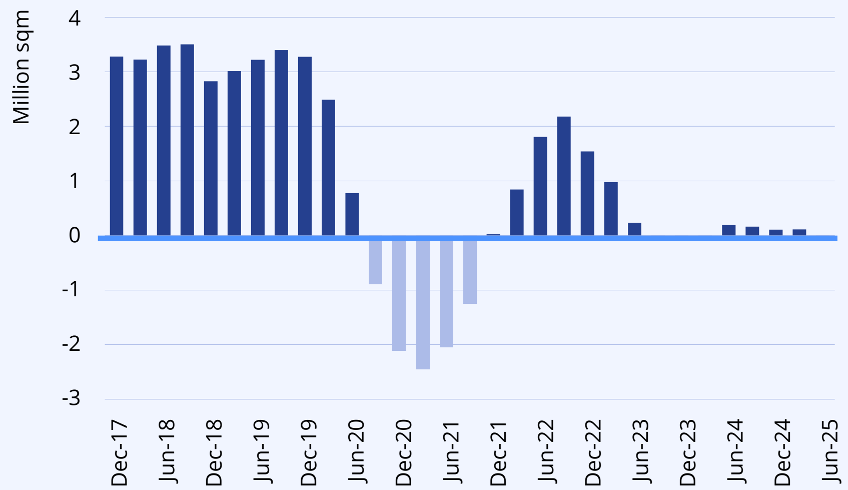
Not all projects, however, enjoy such strong uptake. In Q2, Antwerp saw the completion of Infiniti (15,837 sqm) and Plant I (4,000 sqm), both only partially pre-let, adding to rising vacancy. In Brussels, 60% of the 25,300 sqm that is due for delivery in 2025 is speculative.

Figure 6: 12-month rolling take-up changes, quarter-on-quarter, by market

<-20%	<-10%	<0%	>0%	>10%	>20%
Vienna	Hamburg	Bristol	Milan	Stuttgart	Amsterdam
Vilnius	Istanbul	Leeds	Sofia	Cologne	Frankfurt
Bratislava	Berlin	Birmingham	Rotterdam	Rome	Madrid
Budapest	Bucharest	Riga		Dusseldorf	London - West End
Warsaw		Manchester		London - City	Barcelona
Dublin					
Munich					
Brussels					
Lisbon					
Prague					
Paris					

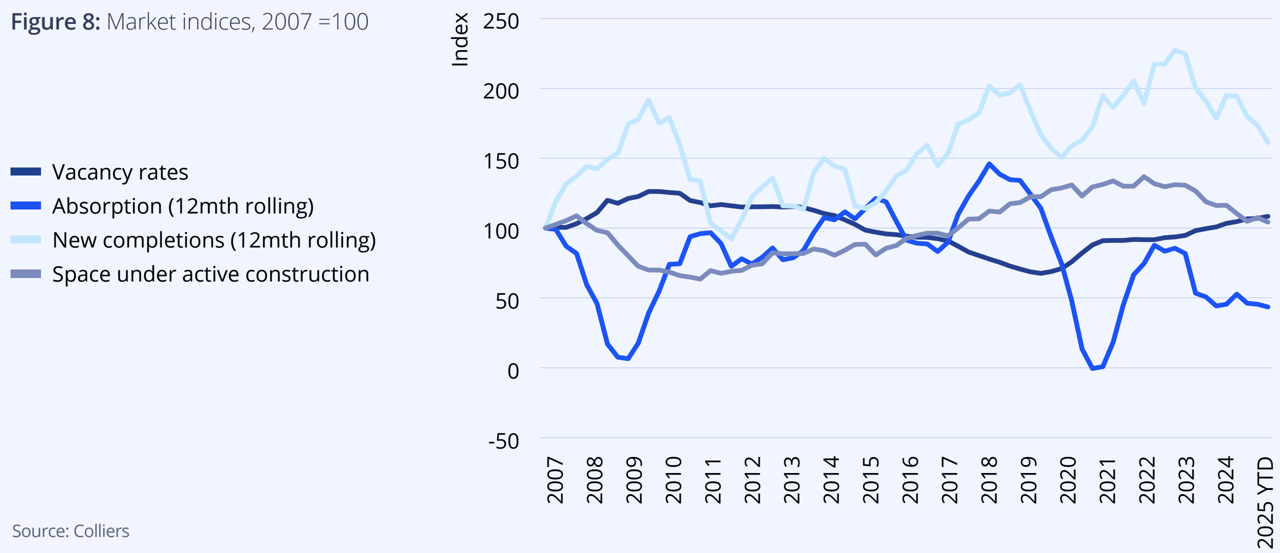
Source: Colliers

Figure 7: 12-month rolling take-up vs 5yr average



Source: Colliers

Figure 8: Market indices, 2007 =100



Source: Colliers

Development supply

Construction activity

Space under active construction (UAC) has been trending down in EMEA since mid-2022, and this continued in Q2 as the 12-month index dropped -10.3% y-o-y, and -3.0% q-o-q. **Across EMEA just over 11.7 mn sqm of office space is currently under active construction; 9% below the 10-year average volume.**

Just over one third of EMEA markets (38%) recorded a decline in construction activity, while 22% saw a rise, and 40% remained stable. Although the overall trend points to stability, the data reveals a fragmented landscape with notable disparities across individual markets.

Markets where construction activity slowed the most were Warsaw (-50.0%), Gdansk (-37.0%), Ljubljana (-33.7 %) and Cairo (-33.3%). The largest project under construction in Warsaw is Upper One (35,500 sqm), scheduled for completion in 2027.

Among the 22% of markets that saw volumes UAC increase in Q2 were London Mid-Town (158.7%), Helsinki (48.9%), Johannesburg (37.9%) and Riyadh (37.3%). Following a quiet period from 2021 to 2024, the Helsinki Metropolitan Area is entering a new phase of commercial development, with over 100,000 sqm of new office space under construction—mostly in Helsinki, with key projects including Skanska's Firdo (15,300 sqm) and Sponda's Signe (12,000 sqm). PwC has secured approximately 50% of the office space in the Signe project, making it the anchor tenant, followed by Bird & Bird committing to 4,000 sqm.

The volume of office completions in EMEA have been trending downwards over the past two years. Following a sudden quarterly increase of 9.1% in Q2 last year, volumes declined by -7.4% in the final quarter and fell further by -7.0% last quarter. This pattern underscores a sustained slowdown in delivery momentum.

Just under 4.2 mn sqm of office space were completed across EMEA in the last twelve months, reflecting a –17.3% decline (y/y), in rolling 12-month volumes.

Vacancy

Across EMEA, the overall vacancy rate has been on an upward trajectory since its nadir of 5.7% at end-2019. To date, the overall vacancy rate for EMEA has reached 9.1%, slightly higher than the long-term average vacancy rate of 8.4% (since Q1 2007). Disparities exist in both the availability of space and the fluctuation of vacancy rates across markets, driven by an array of influential factors.

With a vacancy rate of just 4.1%, Cologne has the lowest vacancy rate among Germany's top seven cities, and with 80% of the 2025 development pipeline either pre-let or owner-occupied, new supply is unlikely to impact the cathedral city's vacancy levels. Other markets with particularly low vacancy rates (below 5%) are Belgrade, Vienna and Zagreb. The vacancy rate in locations such as Copenhagen, Dubai, Hamburg, Ljubljana, Oslo and Porto remains below 6%.

Some 38% of markets monitored experienced a decline in vacancy rates (h/h) in Q2. Markets that observed substantial drops in vacancy over the last 6 months were Istanbul (-356 bps), London Docklands (-210 bps), Dubai (-200 bps), Jeddah (-200 bps) and Copenhagen (-187 bps). Buoyed by strong leasing momentum in Q2, London Canary Wharf recorded its sharpest quarterly drop in vacancy since Q4 2023 (-210 bps). At 12.2%, the vacancy rate is now approaching a three-year low.

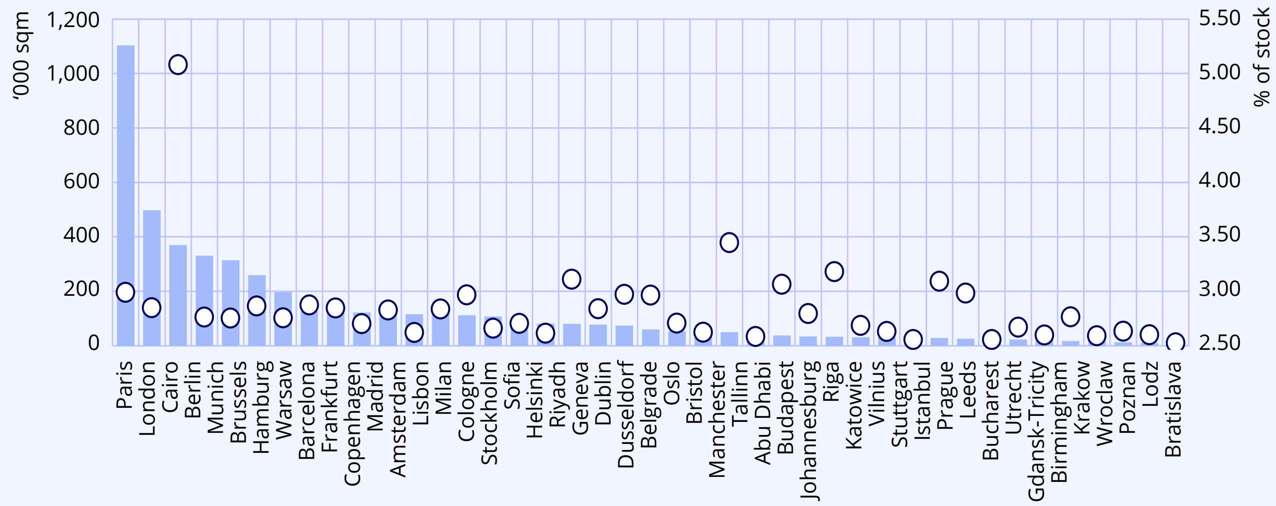
A rising vacancy trend (h/h) was recorded in 40% of markets, often originating from occupiers relocating from secondary to prime spaces while downsizing simultaneously. The largest upward shifts in vacancy (h/h) in Q2 were seen in Cairo (300 bps), Eindhoven (230 bps), Ljubljana (200 bps) and Poznan (140 bps). Despite the sharp rise in Ljubljana, the city has a low overall vacancy rate and with limited modern grade A space.

Going forward, the largest absorption of vacant space is anticipated for modern, fully fitted, ESG-compliant properties, particularly those located in vibrant, mixed-use, inner-city neighbourhoods.

Net absorption

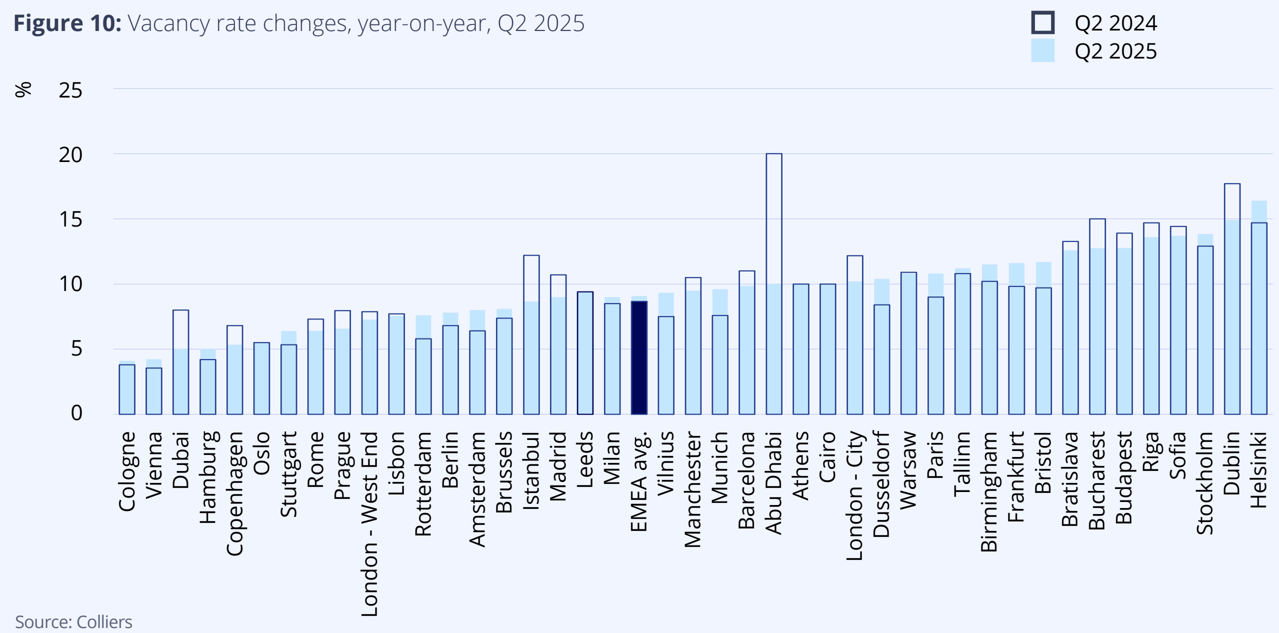
Regional net absorption trend has shifted quite dramatically in recent years. From a cyclical low in Q1 2021 our EMEA absorption index recovered sharply by 87 bps to its recent peak in Q1 2023. Since then, the index has gradually diminished by 43 bps as a result of muted take-up volumes, weak leasing activity and supply-side constraints.

Figure 9: Development completions, last 12 months



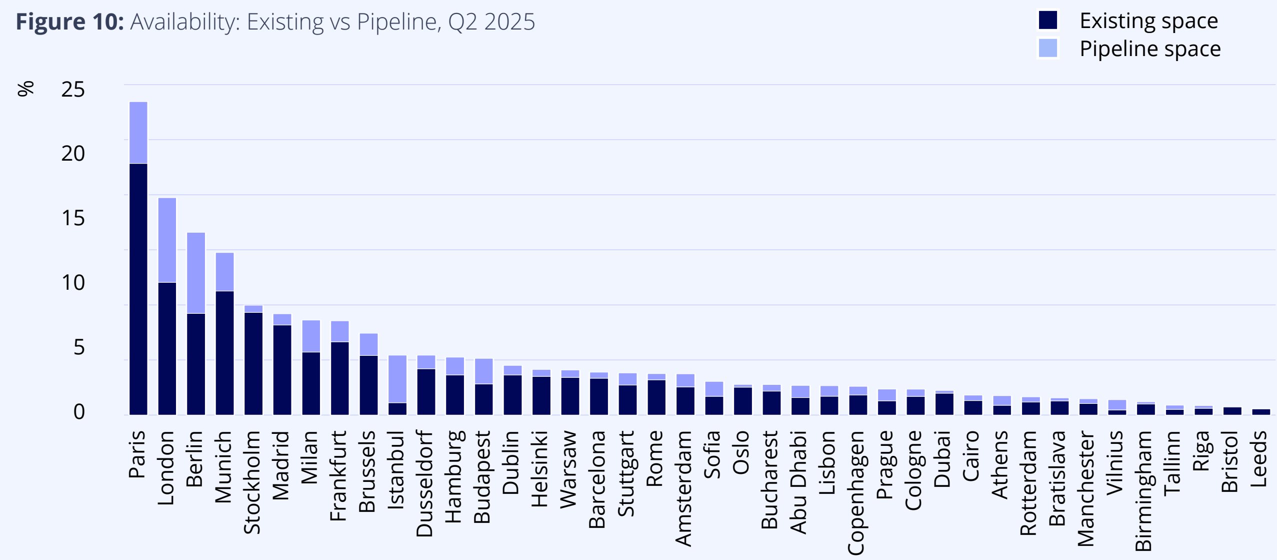
Source: Colliers

Figure 10: Vacancy rate changes, year-on-year, Q2 2025



Source: Colliers

Figure 10: Availability: Existing vs Pipeline, Q2 2025



Source: Colliers

Pricing & occupier conditions

Rental performance

After remaining broadly stable throughout 2020 and 2021, our EMEA prime office rent index took off sharply in the second half of 2021 and rose strongly over the years 2022-2024. However, while the upward trend persists, its pace has moderated in recent quarters: the index rose by 6.6% year-on-year in Q4 2024, and by 5.8% (y/y) and 0.9% (q/q) in Q2 2025.

Likewise, between Q1 and Q2 this year the share of markets reporting accelerating prime CBD headline rents fell from 26% to 15%, and the share reporting slowing growth for such space increased from 12% to 9%. Similar, but less pronounced, shifts can be observed in secondary CBD rents and in prime peripheral rents.

Despite slowing momentum, 72% of prime CBD locations saw further rental uplifts (y/y) in Q2, as the ‘nothing-but-the-best’ trend lives on. The corresponding proportion of secondary CBD markets witnessing rental uplifts was 49%, and 35% of prime peripheral markets.

Markets that recorded particularly strong y/y growth in prime CBD rents were Riyadh (+23%), Cairo (+21%), Paris (+17%), Dubai (+14%), Abu Dhabi (+14%) and Paris La Défense (+13%). Four markets saw prime CBD rents fall (y/y): Vilnius (-5%), Poznan (-4%), Johannesburg (-4%) and Wroclaw (-3%).

Looking ahead, 52% of prime CBD markets expect further uplift in prime rents, including Amsterdam, Berlin, Dubai, Copenhagen, London, Madrid, Milan, Paris, Prague and Warsaw. Only one percent of markets expects a negative trend, with the remaining 47% foreseeing stable prime CBD rents over the next 12 months.

For secondary CBD space, the rental outlook is broadly stable (67% of markets), with just 24% of markets anticipating increasing rents.

The rental outlook for prime peripheral markets is evenly distributed between stability (47% of markets) and rising rents (51% of markets).

Incentives

Incentives, such as rent-free periods and construction cost subsidies are most common in development schemes, particularly for larger units. Prague, Paris La Défense, Krakow, Lodz, Geneva, Zurich, Riyadh and Dubai, saw incentives being trimmed back in the last half year. By contrast, Paris, Munich and Vilnius saw rent-frees being extended (h/h).

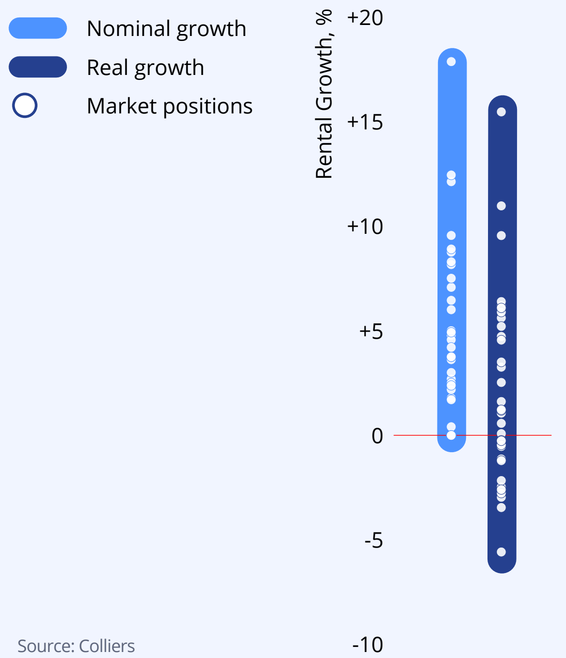
Looking back 12 months, incentives have been cut back in 13% of markets. More generous incentives (y/y) have been observed in just 6% of markets.

Occupier conditions

Generally soft demand is reflected in tenant-oriented markets being the largest category since Q1 2021. Q3 2023 saw a peak when tenant-oriented market reached 49%. Since then, their share has declined - tenant-oriented conditions are active in 40% of markets, while landlord-oriented conditions have grown their share to 26% of markets (from 20% in Q3 2023).

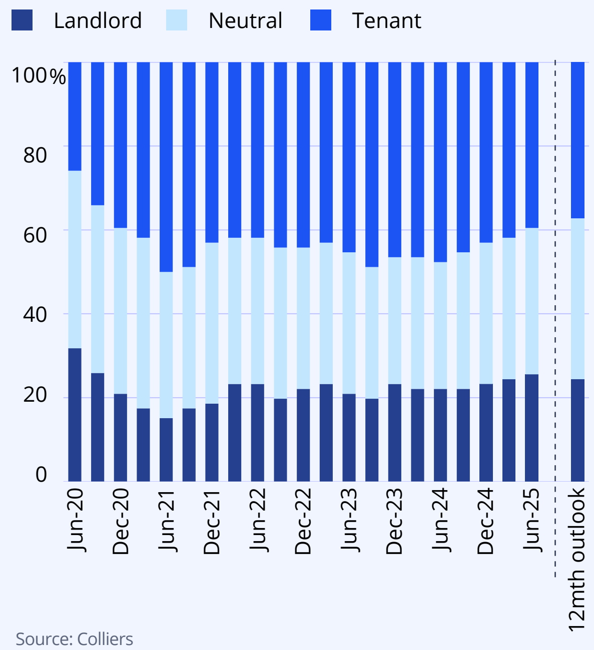
The outlook for the coming year shows a further dwindling in tenant-oriented markets, dropping to 37% in Q2 2026. Landlord-oriented markets’ share is forecast to ease to 24% over the next 12 months, with neutral conditions set to gain slightly from 35% of markets today to 38% in Q2 2026.

Figure 11: Prime CBD headline rental growth, year-on-year, %



Source: Colliers

Figure 12: Evolution of occupier conditions, by % of markets



Source: Colliers

For more information

Primary Authors

Karin Witalis
Associate Director, Commercial Real Estate, EMEA Research
+46 72 887 30 81
karin.witalis@colliers.com

Contributors

Damian Harrington
Director, Head of Global Capital Markets and EMEA Research
+44 7867 360489
damian.harrington@colliers.com

Istvan Toth
Director, Global Capital Markets and EMEA Research
+44 20 7487 1899
istvan.toth@colliers.com

Business Contacts

Andrew Hallissey
Chief Executive Officer, Occupier Services, Global
Occupier Services EMEA
+44 20 7344 6552
andrew.hallissey@colliers.com

Luke Dawson
Head of Global and EMEA Capital Markets
+44 7821 636148
luke.dawson@colliers.com

Accelerating success.