

# LOGISTICS MARKET MUNICH

AT A GLANCE Q1 2023

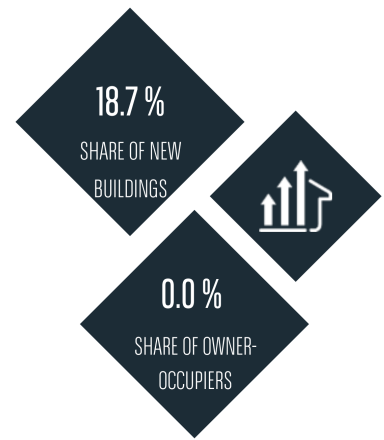
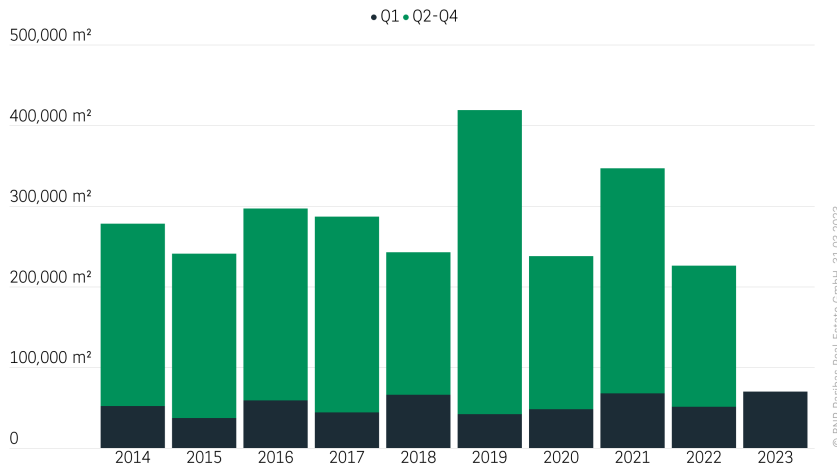


## SUCCESSFUL START TO THE YEAR IN A DIFFICULT ENVIRONMENT

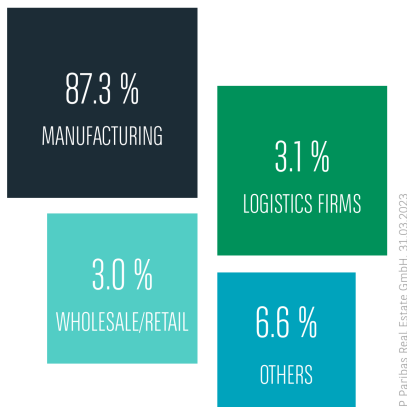
- / Despite the difficult overall economic situation, the Munich logistics market has started 2023 with a very good result in the first quarter. With take-up totalling 70,000 m², the Bavarian capital achieved an above-average result (+30 % compared to the long-term average) and is thus one of the few top markets to have managed this at the beginning of the year.
- / However, a major contribution to the record result was made by an unusually large deal for Munich: Siemens Mobility leased a further 30,000 m² at its corporate location in Munich-Allach.
- / While lettings in stock again accounted for the main part of the volume (81 %), there was also a major new-build deal to report with the new Yaskawa headquarters (10,000 m²).
- / Rents are now listed at a high of 9.00 €/m² and at an average of 7.20 €/m².

# LARGE DEALS BY PRODUCTION COMPANIES AS DRIVERS

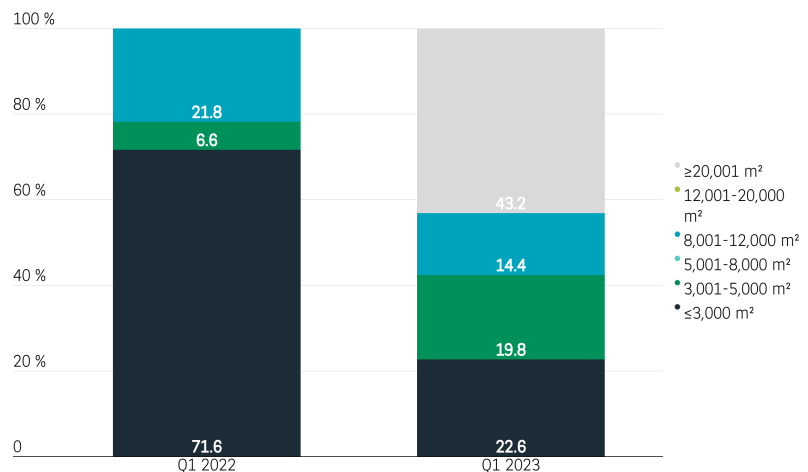
## Light industrial and logistics take-up in Munich



## Take-up by sector



## Take-up by size category



- / As the aforementioned major lettings already suggest, the production sector once again boosted market activity in the first quarter. Overall, the category has a very high market share of 87 %. However, not only the largest deals, but also the most deals went to the manufacturing sector.
- / In the size categories, the large deals (43 %) and the traditionally strong yet smaller space categories up to 5,000 m² (around 42 %) almost balance each other out and form the two opposing centres of demand.
- / That there are still no owner-occupiers participating in the take-up is a clear indication of the lack of development sites to realise such projects. The distribution of demand across the market area also reflects the supply-driven shift of many occupiers from the core area to peripheral locations. Here, compromises increasingly have to be accepted in favour of well-connected locations in the periphery.

# KEY FIGURES



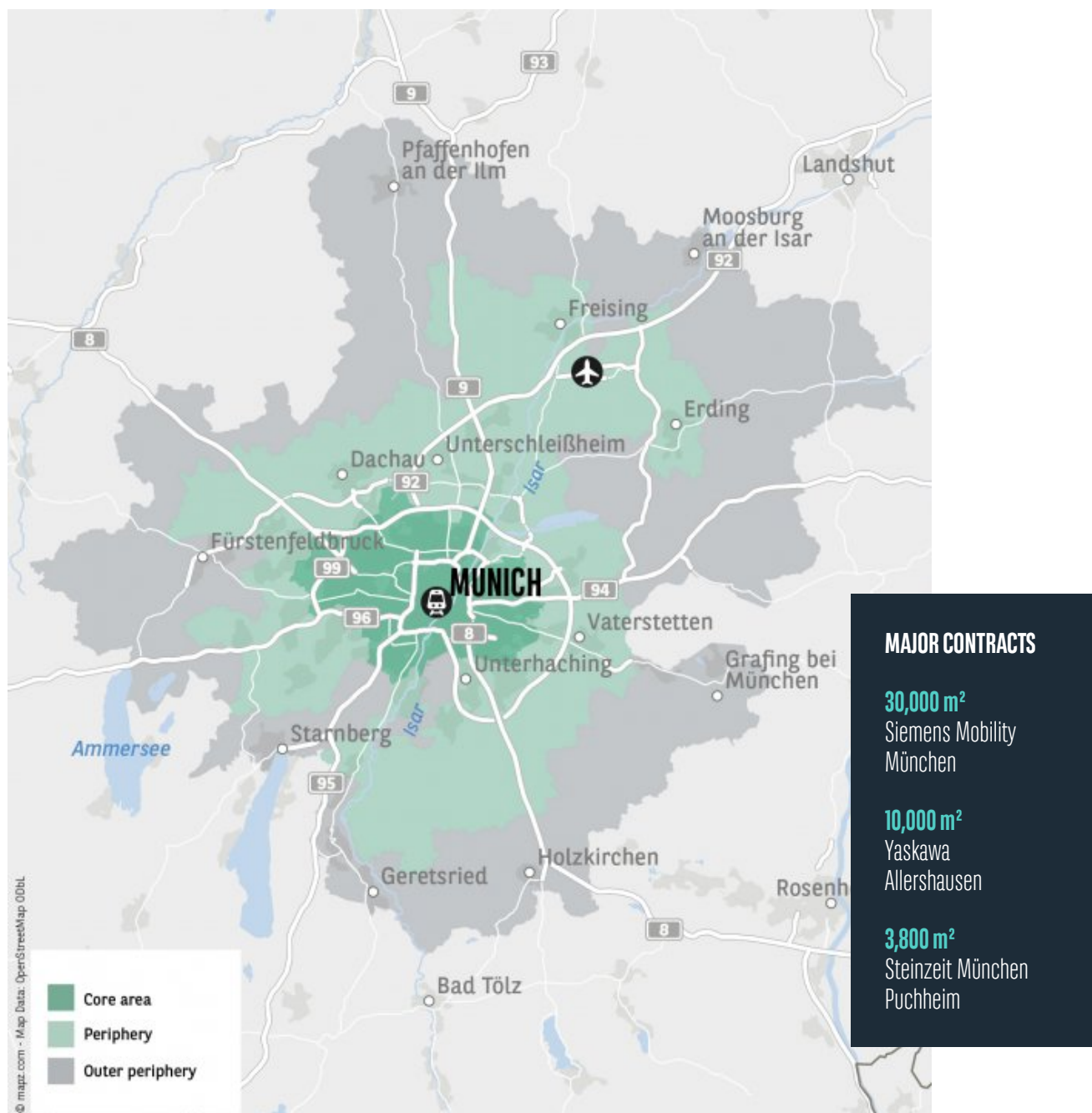
Rents	Q1 2022	Q1 2023	%-Difference
Prime rent (in €/m²)	7.50	9.00	20.0%
Average rent (in €/m²)	6.30	7.20	14.3%
Take-up and sectors	Q1 2022	Q1 2023	Long-term average
Total take-up	51,000 m²	70,000 m²	54,000 m²
Logistics firms	10.7%	3.1%	25.1%
Wholesale/retail	18.5%	3.0%	28.1%
Manufacturing	48.7%	87.3%	39.6%
Others	22.1%	6.6%	7.2%
Size categories	Q1 2022	Q1 2023	Long-term average
Share of deals > 20,000 m²	0.0%	43.2%	4.3%
Share of deals ≤ 20,000 m²	100.0%	56.8%	95.7%
Owner-occupiers/new building share	Q1 2022	Q1 2023	Long-term average
Share of owner-occupiers	0.0%	0.0%	7.7%
Share of new buildings	21.8%	18.7%	21.6%

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## OUTLOOK

- / The economic development has not yet been reflected in the letting dynamics on the Munich logistics market. However, it should also be noted that the market was able to benefit from major take-up drivers in the first three months, which are not to be expected every quarter due to the price and supply structure of the Munich logistics region.
- / In addition, there are hardly any large-scale speculative developments on the horizon at the moment that could have a positive effect on the tight supply situation. Consequently, the trend for occupiers to extend their existing leases and exercise their lease options is becoming entrenched.
- / As there are currently no signs of easing on the supply side and the demand situation is somewhat more restrained in some areas, but still good overall, the pressure on rents will remain high for the rest of the year.

# LOGISTICS MARKET REGION MUNICH



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