

LOGISTICS MARKET MUNICH

AT A GLANCE Q2 2022

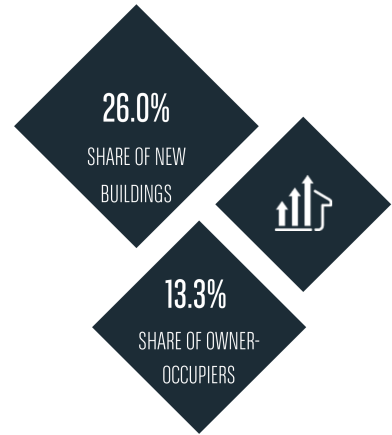
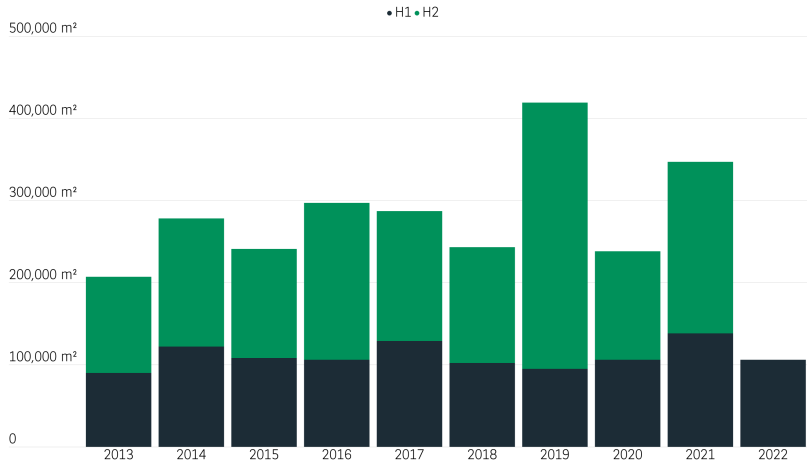


GOOD HALF-YEAR RESULT

- / By the middle of the year, Munich logistics market registered a take-up of 106,000 m². Although this fell short of the record result from the previous year (-23 %), the solid result from the first quarter and the good development in the winter months now continued. The half-year figure is at the average level of the past 10 years (Ø: 110,000 m²).
- / The now almost chronic shortage of available space continues to dominate the market. Despite the currently very challenging economic conditions, demand across all sectors and space sizes remains at a very high level, although a large number of requests cannot be realised in the existing stock. Particularly, this applies to requests above 10,000 m², for which no vacancies are reported in existing logistics properties.
- / This constellation has caused the prime rent to rise to 8.00 €/m² (+11 % compared to Q2 2021).

INDUSTRY/PRODUCTION REMAIN AT TOP LEVEL

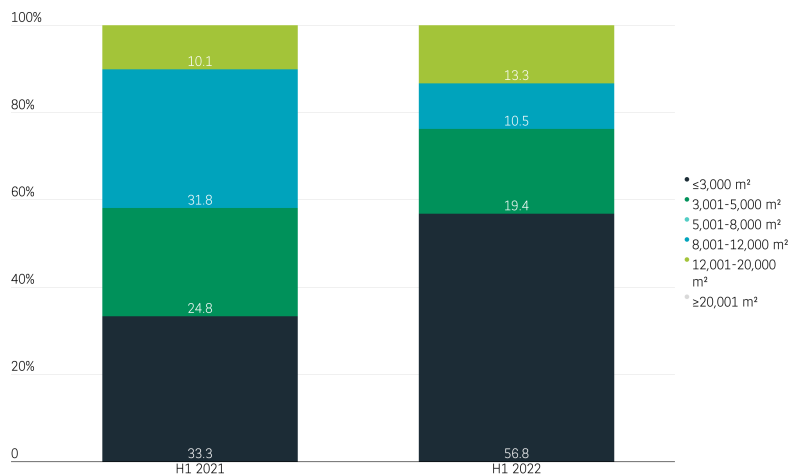
Light industrial and logistics take-up in Munich



Take-up by sector



Take-up by size category



- / With a take-up of just under 53,000 m², companies from industry/production were able to match the previous year's result (51,000 m²) and set a new record. Their market share is currently almost 50%. It is particularly noteworthy that a large number of contracts in the small and medium size segment are responsible for this result. Contracts beyond 12,000 m² have been missing to date.
- / The brisk letting activity in the smaller size segment remains the mainstay of the market for the moment. In the size class up to 3,000 m², 57% of take-up has been generated so far, under 5,000 m² even 76%. Not at least because of the lack of supply in the logistics stock outlined above, there is still a lack of contracts beyond 20,000 m², but also in the size class 5,000 to 8,000 m².
- / The proportion of owner-occupiers remains at the typically low level in Munich, at 13%.

SHORTAGE OF SUPPLY REMAINS MARKET-DOMINANT



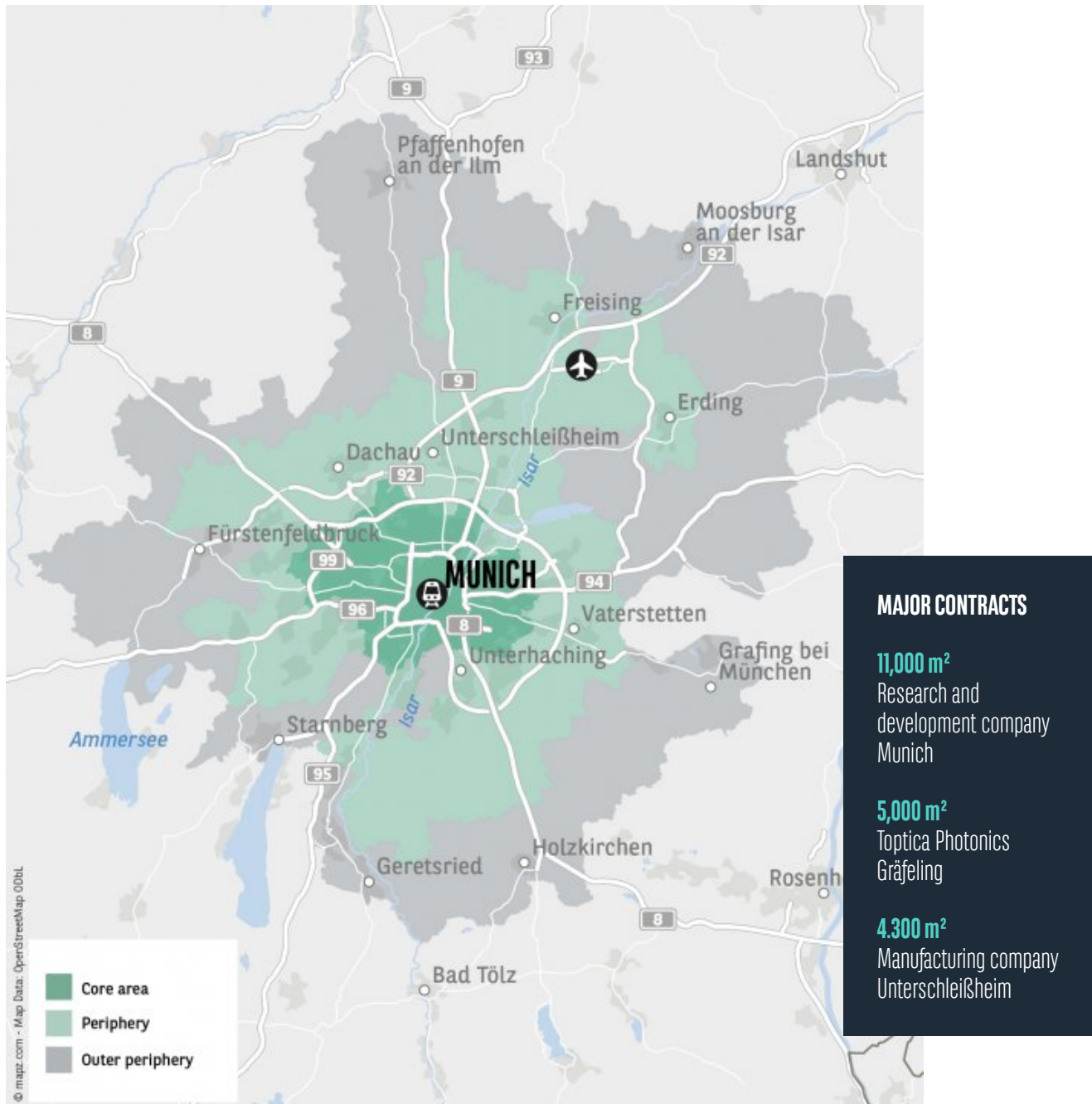
Rents	H1 2021	H1 2022	%-Difference
Prime rent (in €/m ²)	7.20	8.00	11.1%
Average rent (in €/m ²)	6.20	6.40	3.2%
Take-up and sectors	H1 2021	H1 2022	Long-term average
Total take-up	138,000 m ²	106,000 m ²	110,000 m ²
Logistics firms	25.2%	26.3%	30.8%
Wholesale/retail	29.9%	14.0%	24.6%
Manufacturing	36.9%	49.9%	33.8%
Others	8.0%	9.8%	10.8%
Size categories	H1 2021	H1 2022	Long-term average
Share of deals > 20,000 m ²	0.0%	0.0%	3.5%
Share of deals ≤ 20,000 m ²	100.0%	100.0%	96.5%
Owner-occupiers/new building shares	H1 2021	H1 2022	Long-term average
Share of owner-occupiers	0.0%	13.3%	10.6%
Share of new buildings	4.0%	26.0%	27.0%

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OUTLOOK

- / The prospects for the Munich logistics market in the second half of the year are promising despite all the adversities. Demand for space remains at a high level. This applies in particular to companies from industry/production and logistics as well as the so-called B2C sector, i.e. companies that serve the end consumer. Changing consumer behaviour is just as much a factor here as the restructuring of supply chains (keywords: near- and re-shoring) in response to the Corona pandemic and the war against Ukraine. The traditionally very strong local economy in the metropolitan region forms the stable basis for an annual result at least at the level of the long-term average.
- / The lack of supply will continue to dominate the market, but new trends in land use designation are emerging: urban and brownfield developments are increasingly being initiated.
- / Rents remain under pressure. Prime rents are likely to continue their upward trend.

LOGISTICS MARKET REGION MUNICH



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