

LOGISTICS MARKET MUNICH

AT A GLANCE Q3 2022

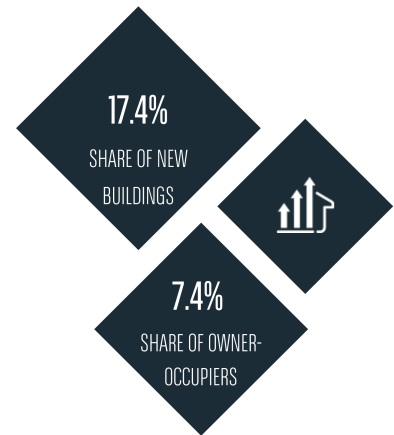
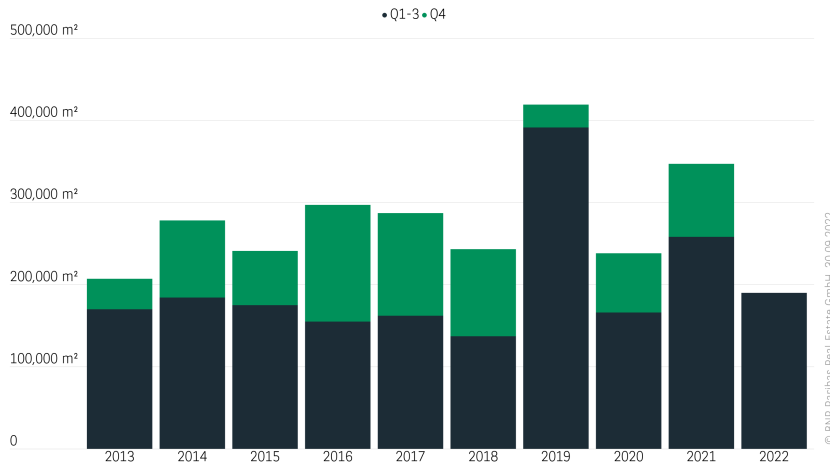


DEMAND STABLE IN Q3

- / Take-up in the Munich logistics market amounts to 190,000 m² at the end of Q3. Although this fell 26% short of the exceptionally good result achieved in the previous year, the market proved stable overall. With 84,000 m², turnover in the third quarter was also good by long-term standards. The challenging economic environment and the sharp rise in energy costs have not yet been reflected in a decline in demand.
- / Much the contrary, the market continues to be dominated by the insufficient supply of space and many requests cannot be met. This primarily affects the large-area segment of 10,000 m² and above, where hardly any logistics space is available. However, offers between 5,000 and 10,000 m² are now also in short supply.
- / The prime rent, which rose to 8.00 €/m² in the first half of the year, remained stable in the third quarter, whereas the average rent climbed anew by just under 2% to 6.50 €/m².

HIGH TAKE-UP IN THE SMALL-SCALE SEGMENT

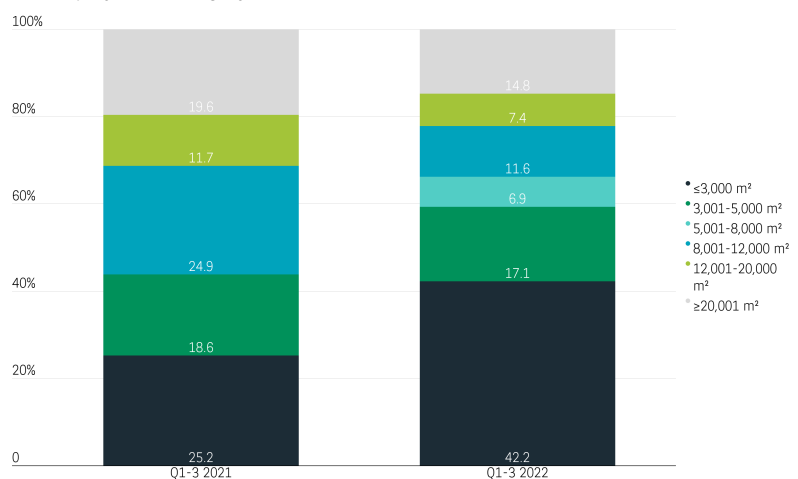
Light industrial and logistics take-up in Munich



Take-up by sector



Take-up by size category



- / Manufacturing companies have taken the lead among the industry groups involved in market activity, achieving a historically high level with a share of turnover of almost 61%. By contrast, both logistics service providers (14%) and retail companies (8%) are lagging well behind their usual levels.
- / The disproportionately high share of smaller deals up to 3,000 m², which contribute a good 42% to total take-up, is also noteworthy. Their share is thus twice as high as the long-term average. By contrast, contracts in excess of 20,000 m² account for just under 15% of the result.
- / Both the proportion of owner-occupiers (just over 7%) and the proportion of new builds (around 17%) are below average. One of the main reasons for this is the insufficient and, above all, expensive supply of land, which makes it difficult to realize new projects.

KEY FIGURES



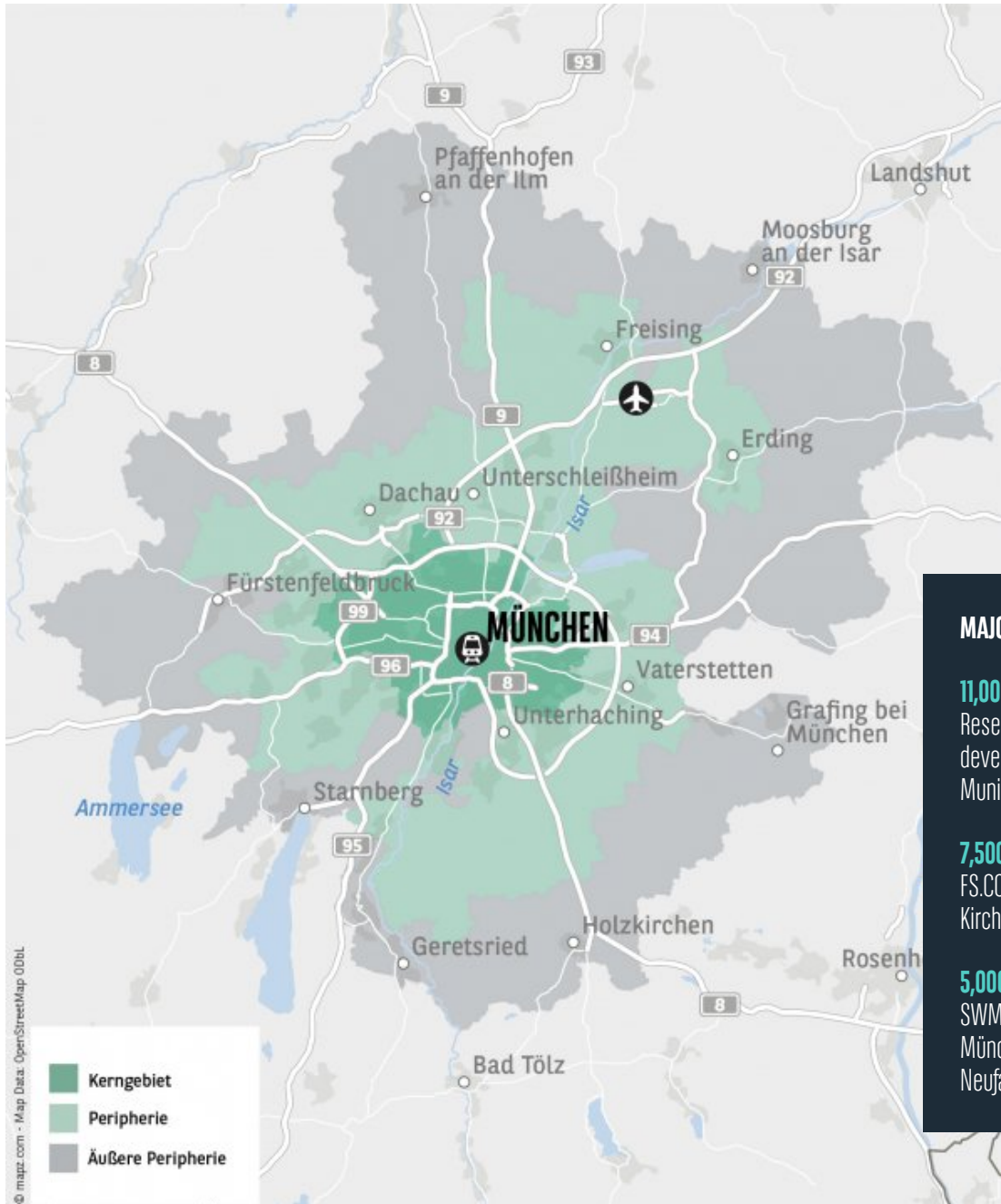
Rents	Q1-Q3 2021	Q1-Q3 2022	%-Difference
Prime rent (in €/m²)	7.50	8.00	6.7%
Average rent (in €/m²)	6.30	6.50	3.2%
Take-up and sectors	Q1-Q3 2021	Q1-Q3 2022	Long-term average
Total take-up	258,000 m²	190,000 m²	199,000 m²
Logistics firms	39.3%	13.9%	28.1%
Wholesale/retail	19.9%	7.7%	24.3%
Manufacturing	21.6%	60.5%	36.1%
Others	19.2%	17.9%	11.5%
Size categories	Q1-Q3 2021	Q1-Q3 2022	Long-term average
Share of deals > 20,000 m²	19.6%	14.8%	14.2%
Share of deals ≤ 20,000 m²	80.4%	85.2%	85.8%
Owner-occupiers/new building share	Q1-Q3 2021	Q1-Q3 2022	Long-term average
Share of owner-occupiers	16.0%	7.4%	12.1%
Share of new buildings	18.2%	17.4%	29.7%

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OUTLOOK

- / Even though the weakening economy as a whole is unlikely to leave no trace on demand in the logistics markets over the next few quarters, from today's perspective Munich's logistics market is likely to record good take-up in the final quarter. This is also attributable to a number of major deals which are close to successful signing.
- / There are no signs of any easing on the supply side, as only relatively few new buildings will provide additional space. The fundamental shortage of supply will consequently remain, which could have a slight dampening effect on demand.
- / In the lee of this development, it is expected that both average and prime rents will continue to rise, even if there is only limited corresponding supply, especially in the high-quality new-build segment.

LOGISTICS MARKET REGION MUNICH



MAJOR CONTRACTS

11,000 m²
Research and
development company
Munich

7,500 m²
FS.COM
Kirchheim b. München

5,000 m²
SWM - Stadtwerke
München
Neufahrn

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