

# LOGISTICS MARKET MUNICH

AT A GLANCE Q4 2022

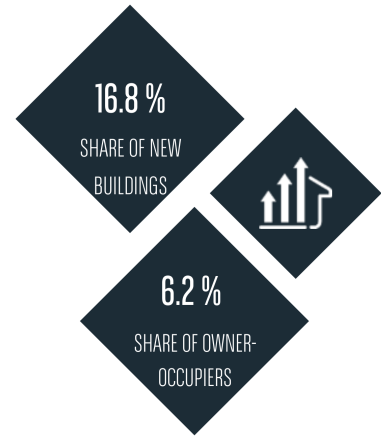
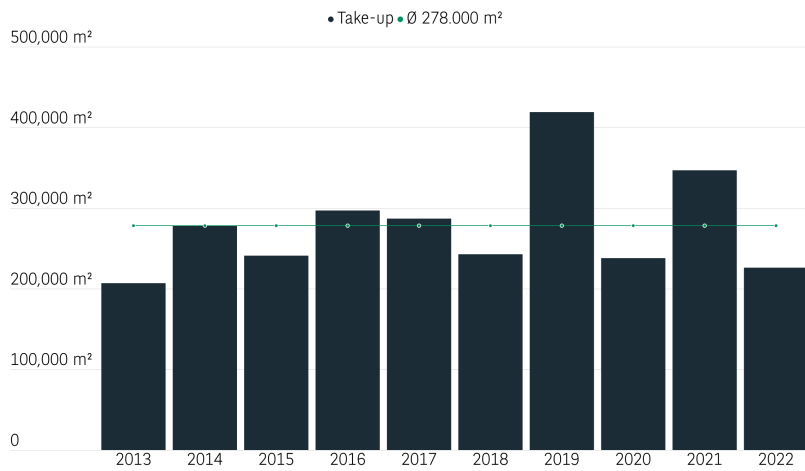


## LOW TAKE-UP DESPITE HIGH NUMBER OF DEALS

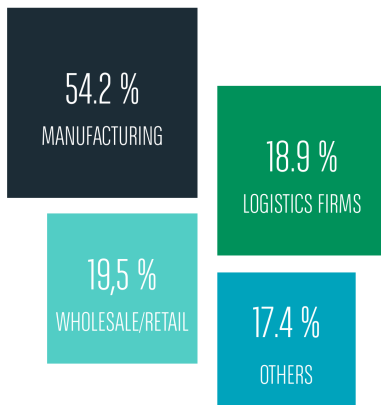
- / With take-up totalling 226,000 m<sup>2</sup> in 2022 the Munich logistics market achieved a weaker result than in the previous year (-35 %) and also a below-average volume in the long-term average (-19 %). But the overall result must be viewed in a differentiated manner: In terms of the number of deals included, the Bavarian capital even outperforms Berlin, where an exceptional result was achieved in the past 12 months due to very large-scale deals (around 1.0 million m<sup>2</sup>).
- / Accordingly, there was quite a lively market activity, which, however, only led to a relatively moderate take-up due to a very low average space size per deal (around 2,500 m<sup>2</sup>). The majority of the registered lettings were realized in the existing stock, which accounted for a good 83 % of take-up.
- / The rent level has risen noticeably over the course of the year, making Munich the first market to reach the marks of 9.00 €/m<sup>2</sup> for the prime rent and 7.00 €/m<sup>2</sup> for the average rent.

# SPACES UP TO 5,000 m<sup>2</sup> DOMINATE, PRODUCTION IN THE LEAD

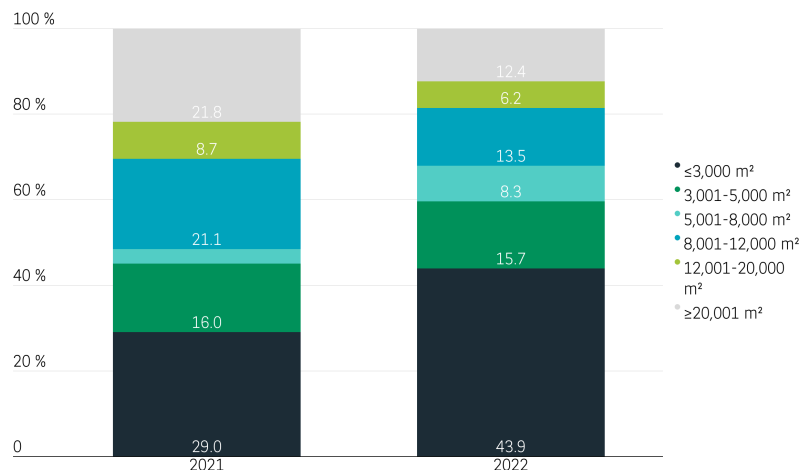
## Light industrial and logistics take-up in Munich



## Take-up by sector



## Take-up by size category



- / The traditionally very small-scale market is once again reflected in the size class distribution of take-up. It is not least intensified by shortage of supply regarding large-scale vacancies and speculative new construction projects. With almost 60 % of the total result, lettings take place predominantly in the segments up to 5,000 m<sup>2</sup>.
- / It is pleasing to note that despite the more subdued fourth quarter (36,000 m<sup>2</sup>), two of the largest lettings took place at the end of the year in the wake of the gloomy economic outlook: In addition to Rhenus Archiv Services in Karlsfeld, Proton Motor Fuel Cell also leased nearly 10,000 m<sup>2</sup> in Fürstenfeldbruck.
- / In terms of sectors, manufacturing companies were clearly ahead in 2022, accounting for 54 % of take-up.

# KEY FIGURES



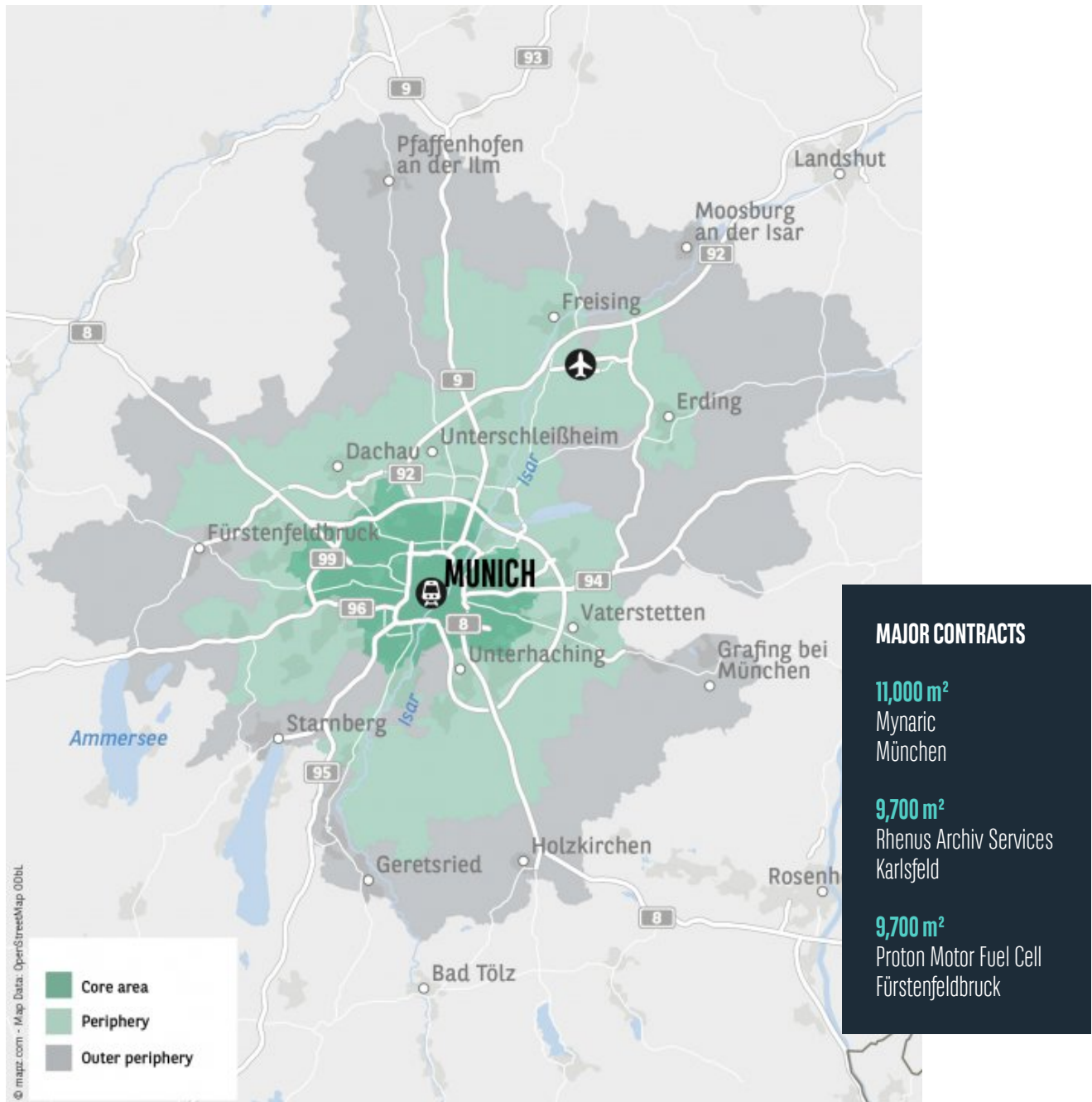
Rents	2021	2022	%-Difference
Prime rent (in €/m <sup>2</sup> )	7.50	9.00	20.0%
Average rent (in €/m <sup>2</sup> )	6.30	7.00	11.1%
Take-up and sectors	2021	2022	Long-term average
Total take-up	347,000 m <sup>2</sup>	226,000 m <sup>2</sup>	278,000 m <sup>2</sup>
Logistics firms	42.6%	18.9%	26.0%
Wholesale/retail	19.2%	9.5%	25.1%
Manufacturing	22.2%	54.2%	35.5%
Others	16.0%	17.4%	13.4%
Size categories	2021	2022	Long-term average
Share of deals > 20,000 m <sup>2</sup>	21.8%	12.4%	17.3%
Share of deals ≤ 20,000 m <sup>2</sup>	78.2%	87.6%	82.7%
Owner-occupiers/new building share	2021	2022	Long-term average
Share of owner-occupiers	11.9%	6.2%	12.7%
Share of new buildings	23.1%	16.8%	36.0%

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## OUTLOOK

- / The leasing situation on the Munich logistics market can be viewed from different perspectives: While smaller spaces have been re-let and new occupiers have been found for existing properties, the situation in the segments of 10,000 m<sup>2</sup> and above, where in other logistics regions the new-build sector often helps out, is much more difficult.
- / Against this background, the continuing tight supply situation and economic uncertainties remain limiting factors of the overall very good demand impulses. One of the consequences of this development is that occupiers, who under other circumstances would tend to relocate or expand, are increasingly opting for a contract extension in their existing properties. It can be observed that rents above 10 €/m<sup>2</sup> are also being agreed for top properties.
- / These outlined general conditions are likely to continue in 2023 and ensure further upward trends in prime and average rents.

# LOGISTICS MARKET REGION MUNICH



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