



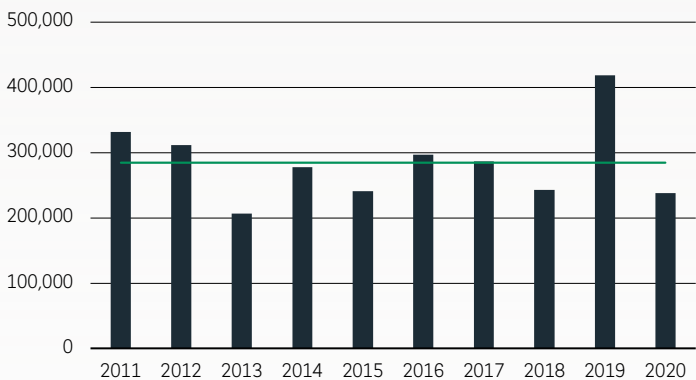
RESEARCH

At a Glance **Q4 2020**

LOGISTICS MARKET MUNICH

Light industrial and logistics take-up

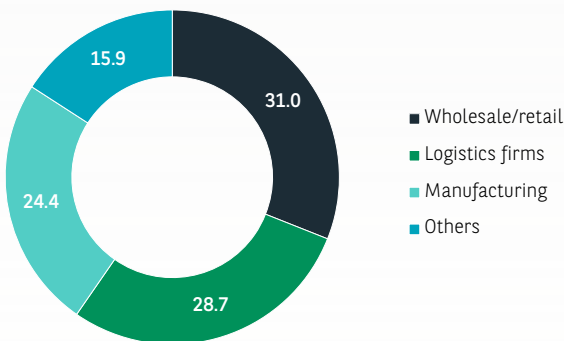
in m² ■ Take-up — Ø 285,000 m²



© BNP Paribas Real Estate GmbH, December 31, 2020

Take-up by sector

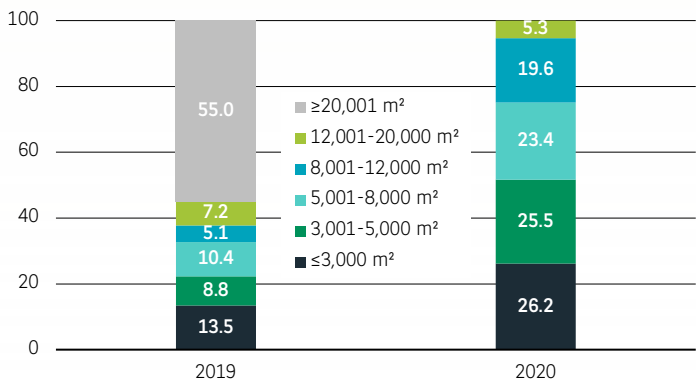
in %



© BNP Paribas Real Estate GmbH, December 31, 2020

Take-up by size category

in %



© BNP Paribas Real Estate GmbH, December 31, 2020

➤ STILL WIDE DEMAND BASE

Even in times of pandemic, the Munich logistics and storage market is characterised by broad demand. With a take-up of 238,000 m², the record result of the previous year was missed very clearly (-43 %), but it must be taken into account that in 2019 more than half of the take-up was accounted for by only one deal. If one leaves this special effect out of the equation, it can be seen that the current result was 26 % higher than the previous year's figure adjusted for the large letting. The fact that the Munich market also performed well in the difficult year of 2020 is also underscored by the fact that the result is at the same level as 2018. This is all the more remarkable as Munich not only had to cope with an almost standstill in demand during the first lockdown - like all other locations - but was also particularly hard hit by the structural changes and weak business figures in the automotive sector. However, the resulting decline in demand was compensated for by other sectors.

➤ STRONG DEMAND FROM WHOLESALE/RETAIL

The fact that certain areas of retailing, above all food retailing and e-commerce, are among the winners of the Corona crisis is also reflected in demand. With a 31 % share of take-up, wholesale/retail companies have taken the lead among all industry groups and exceeded the long-term average. Logistics firms follow in second place, contributing just under 29 % to the result and also participating much more strongly than usual. In contrast, the industrial companies, which are traditionally disproportionately strong in Munich, suffered losses as expected. With a contribution of just under a quarter, they remain noticeably behind their traditional values.

➤ GOOD RESULT DESPITE LACK OF LARGE DEALS

It is particularly noteworthy that the relatively high take-up was achieved without a single large deal over 20,000 m². This is only the second time in the last ten years that this size class has not contributed to take-up. Consequently, almost all smaller classes were able to significantly increase their shares. How lively demand was across the board is underlined by the fact that the small and medium-sized contracts were also able to increase significantly in absolute terms. If one compares only the contracts up to 12,000 m², take-up is even an impressive 42 % above the previous year's figure. This is proof that significantly more take-up would be possible if a larger supply were available in the large-space segment.

Major contract

Quarter	Company	Location	Area (m ²)
Q2	Logistics firm	Oberding	12,500
Q4	Hummel Mietmöbel	Poing	10,000
Q4	Logistics firm	Weilheim i.OB	9,000
Q4	Knuspr	Garching bei München	8,500
Q2	DHL	Freising	8,000

© BNP Paribas Real Estate GmbH, December 31, 2020

➤ RISING RENTS ONLY A MATTER OF TIME

The top rent remains at 7.00 €/m² and the average rent is also unchanged at 6.10 €/m². Although the rents in 2020 were stable, a slight increase seems to be only a matter of time from today's perspective. The decisive factor here is the supply, which is still far too low. This situation is becoming more acute as more and more retail and e-commerce companies are dependent on a location as close to the city as possible. This demand cannot be met due to the often restrictive attitude of many municipalities towards logistics. As a consequence, competition for the few available offers continues to increase, which is likely to be reflected in the future rent development.

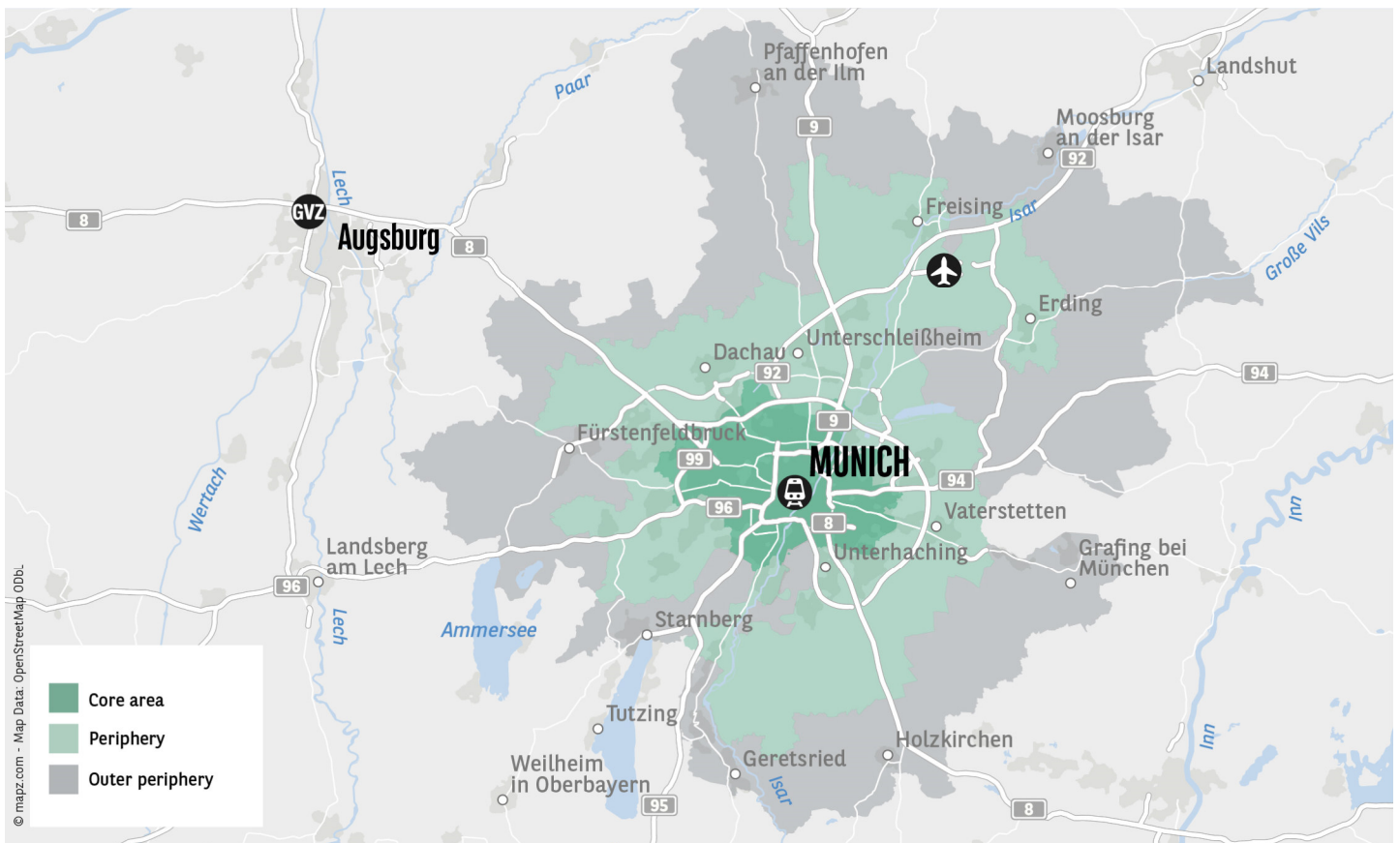
Key figures logistics market Munich

	2019	2020	Trend 2021
Prime rent	7,00 €/m ²	7,00 €/m ²	↗
Average rent	6,10 €/m ²	6,10 €/m ²	↗
Take-up	419.000 m ²	238.000 m ²	➡
- Share of owner-occupiers	10,7 %	6,3 %	➡
- Share of new buildings	69,3 %	24,3 %	↘

© BNP Paribas Real Estate GmbH, December 31, 2020

➤ OUTLOOK

Demand is also expected to remain high and diversified in 2021. In addition to the strong take-up driver e-commerce, the foreseeable overall economic recovery should also cause demand from manufacturing to pick up again somewhat. Added to this are restructuring processes, e.g. in the area of e-mobility, for which new production capacities and thus also space will be needed. However, there are no signs of a noticeable easing of the supply bottleneck, especially in the large-size segment, which on the one hand will probably lead to rising rents, and on the other hand is likely to further strengthen the trend to move to ever more peripheral locations.



All rights reserved. At a Glance is protected in its entirety by copyright. No part of this publication may be reproduced, translated, transmitted, or stored in a retrieval system in any form or by any means, without the prior permission in writing of BNP Paribas Real Estate GmbH.

The statements, notifications and forecasts provided here correspond to our estimations at the time when this report was prepared and can change without notice. The data come from various sources which we consider reliable but whose validity, correctness or exactness we cannot guarantee. Explicitly, this report does not represent a recommendation of any kind, nor should it be regarded as forming a basis for making any decisions regarding investment or letting or renting property or premises. BNP Paribas Real Estate can accept no liability whatsoever for any information contained or statements made herein.

Imprint Publisher and copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 31.12.2020

Further Information BNP Paribas Real Estate GmbH | Branch office Munich | Phone +49 (0)89-55 23 00-0 | www.realestate.bnpparibas.de