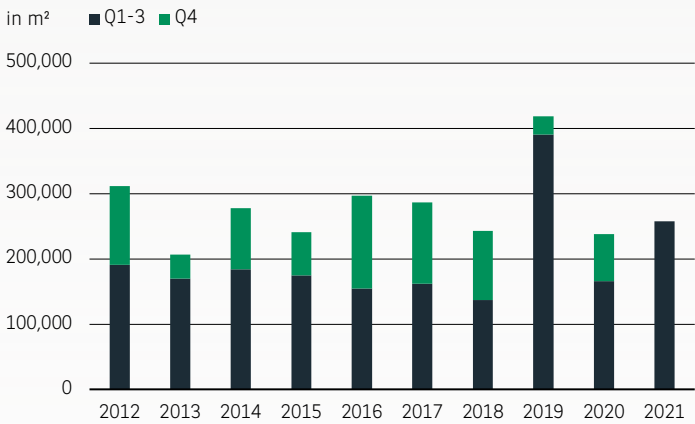




At a Glance **Q3 2021**

LOGISTICS MARKET MUNICH

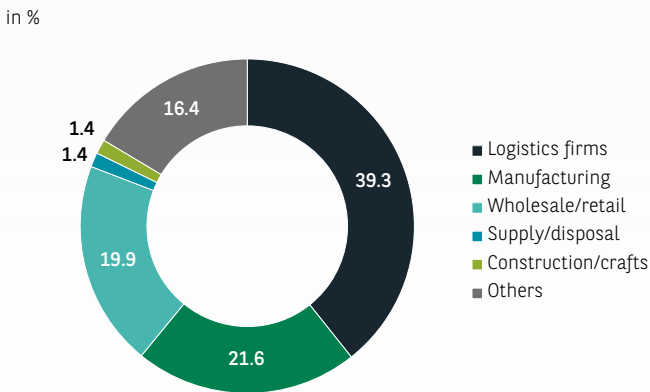
Light industrial and logistics take-up



▶ THIRD BEST TAKE-UP RESULT EVER

In the third quarter, the Munich logistics and warehouse market continued its strong performance from the first half of the year. As a result, take-up at the end of September was 258,000 m². This not only exceeded the previous year's figure by 55 %, but also the ten-year average by almost 30 %. How strong the demand was is also underpinned by the fact that it is the third best result on record. Munich thus joins the ranks of logistics locations with exceptionally good results. What is particularly pleasing is that the market recovery extends across all sectors and is not due to individual special effects. In contrast to last year, large deals over 20,000 m² also contributed to the strong take-up. The most significant deals include a public sector lease in Kirchheim for around 25,000 m² and Rudolph Logistik in Reichertshofen for around 12,000 m². In addition, two owner-occupier deals by the Noerpel Group in Odelzhausen (25,000 m²) and DHL in Aschheim (16,200 m²) made a significant contribution to the good result.

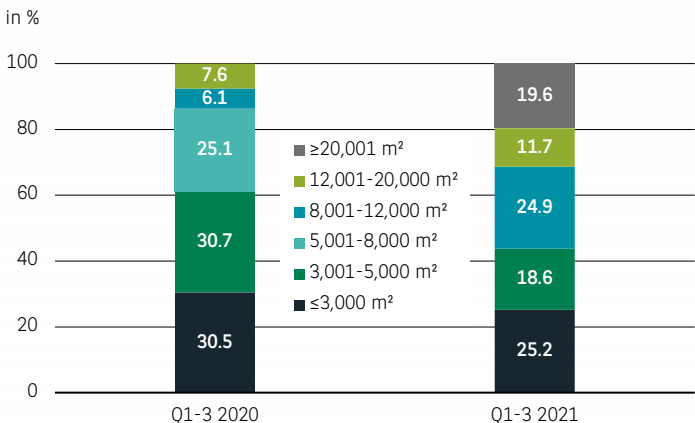
Take-up by sector



▶ LOGISTICS FIRMS WITH STRONG CONTRIBUTION

Logistics firms are at the top of industry ranking, with a take-up share of 39 %. This is around ten percentage points above their long-term average. In addition to the general recovery of the German economy, this also reflects the restructuring of supply chains that can be observed in some cases. In second place come the production companies, which are traditionally very important for the Munich market, with just under 22 %. The contribution of retail companies is only slightly lower, at around 20 %. Their share would certainly have been even higher if the many requests for space relatively close to the city centre for last-mile logistics could have been met. However, there is still a pronounced shortage of space in this segment in particular.

Take-up by size category



▶ BALANCED DISTRIBUTION ACROSS THE SIZE CLASSES

In contrast to the previous year, a broad diversification across almost all market segments was recorded in the current year. A quarter is accounted for by small contracts up to 3,000 m², which together with contracts between 3,000 and 5,000 m² contribute approx. 44 % to the result. Just under a quarter is also generated by the 8,000 to 12,000 m² class. It is also pleasing that the Munich market can once again boast some large contracts, so that areas larger than 20,000 m² have a market share of almost 20 %.

Major contracts

| Quarter | Company | Location | Area (m ²) |
|---------|------------------|----------------|------------------------|
| Q3 | Public sector | Kirchheim | 25,500 |
| Q3 | Noerpel-Gruppe | Odelzhausen | 25,000 |
| Q3 | DHL | Aschheim | 16,200 |
| Q2 | Rudolph Logistik | Reichertshofen | 12,000 |

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RENTS INCREASED

The high demand combined with a still insufficient supply has caused rent levels to rise. Compared to the same period last year, the prime rent has increased by 7 % to now 7.50 €/m². The average rent has risen, albeit somewhat more moderately, by 3 % to 6.30 €/m². One of the reasons for this is the still very limited supply of land for new developments, with land and construction costs continuing to rise at the same time. An indication of this is the low share of new construction in total take-up, which at only 18 % is clearly below the long-term average. In contrast, the share of owner-occupiers has increased somewhat to 16 %. In a nationwide comparison, however, this is still a very low figure.

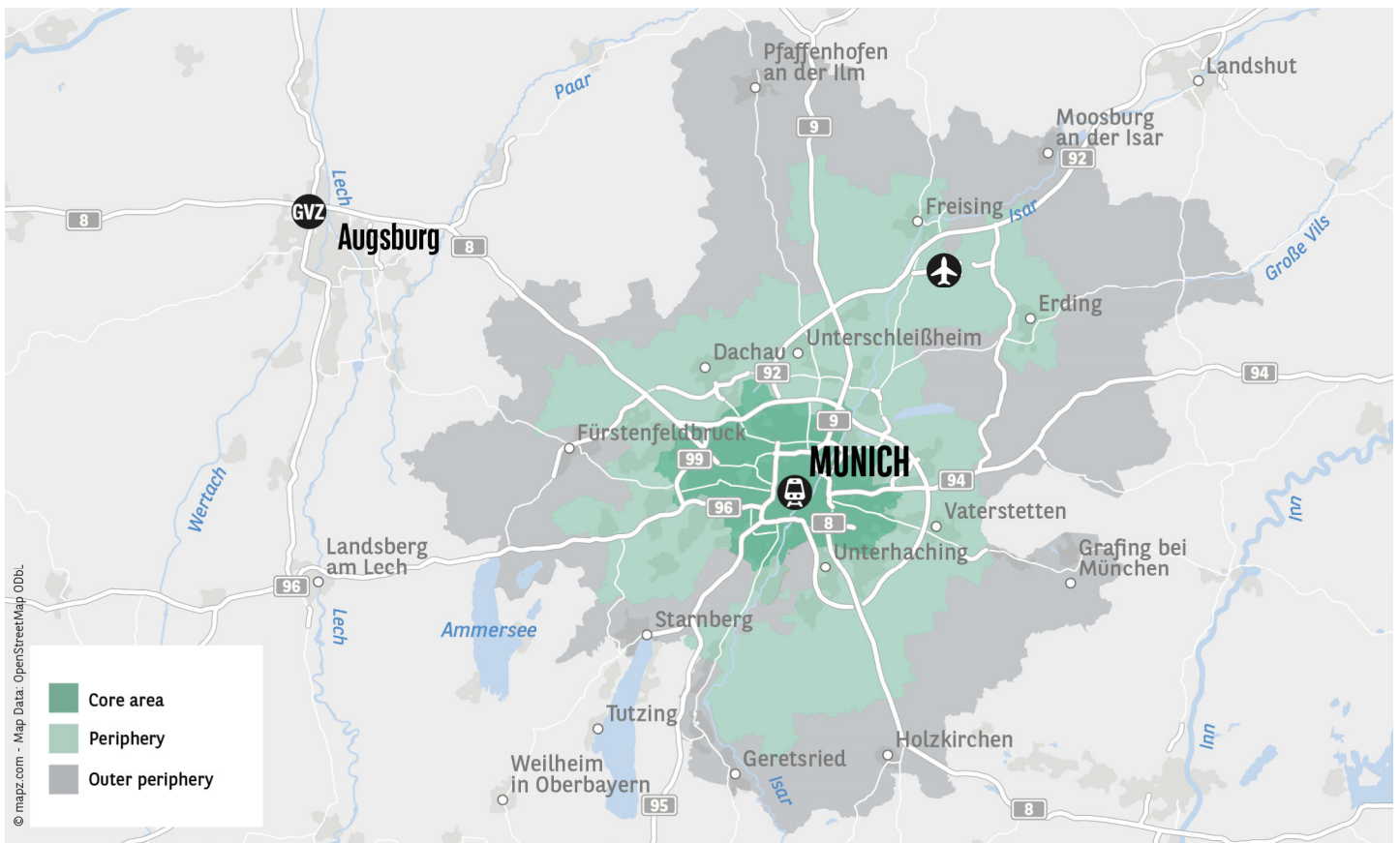
Key figures logistics market

| | Q1-3 2020 | Q1-3 2021 | Trend remaining year |
|----------------------------|------------------------|------------------------|----------------------|
| Prime rent | 7.00 €/m ² | 7.50 €/m ² | ↗ |
| Average rent | 6.10 €/m ² | 6.30 €/m ² | ↗ |
| Take-up | 166,000 m ² | 258,000 m ² | → |
| - Share of owner-occupiers | 6.0 % | 16.0 % | → |
| - Share of new buildings | 8.8 % | 18.2 % | ↗ |

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OUTLOOK

In view of the current requests and the overall very positive mood on the logistics markets, demand is expected to remain high in the final quarter. The only limiting factor could be the insufficient supply, which does not appear to be easing in the short term. Nevertheless, an above-average result beyond the 300,000 m² threshold is to be expected for the year as a whole. At the same time, there is much to suggest that the pressure on rents will continue, so that further rent increases are the most likely scenario from today's perspective.



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