



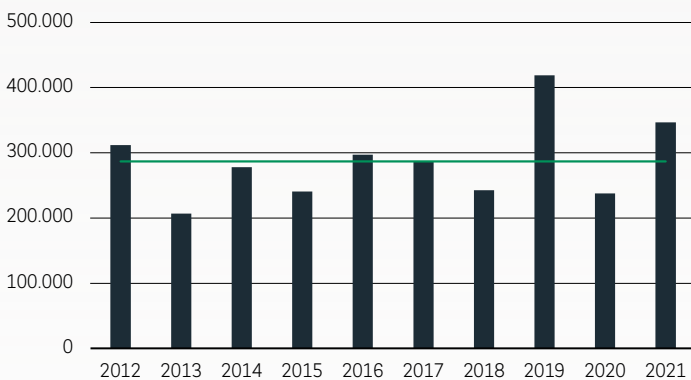
RESEARCH

At a Glance **Q4 2021**

LOGISTICS MARKET MUNICH

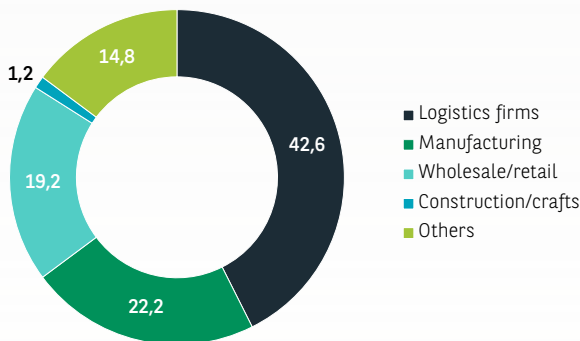
Light industrial and logistics take-up

in m² ■ Take-up — Ø 287,000 m²



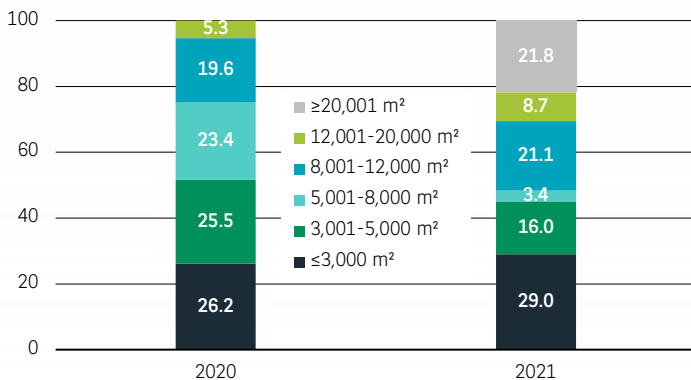
Take-up by sector

in %



Take-up by size category

in %



➤ SECOND HIGHEST TAKE-UP OF ALL TIME

The Munich logistics market joins the ranks of locations with exceptionally high take-up. A total of 347,000 m² was achieved in 2021. This not only exceeded the previous year's figure by 46 %, but also the ten-year average by an impressive 21 %. At the same time, it is the second best result ever recorded. If one takes into consideration that more than half of the record year 2019 was accounted for by large lettings by KraussMaffei, it becomes clear how well the market performed in 2021. It is pleasing that a noticeable upturn in demand was observed in all market segments. This shows that after the great uncertainty in the first year of the pandemic, users have now adapted to the changed framework conditions and can rely on higher planning certainty. Locations in the fringe belts of Munich (the so called "Speckgürtel"), primarily the Munich East/North axis as well as in the west to Bergkirchen, were particularly sought after. The most significant deals include a public sector lease in Kirchheim for a good 25,500 m² and an owner-occupier deal by the Noerpel Group in Odelzhausen (25,000 m²).

➤ LOGISTICS FIRMS IN 1ST PLACE

Logistics firms can look back on a very strong year. With a take-up share of almost 43 %, they not only took the lead among the industry groups, but also topped their long-term average by around 16 percentage points. In absolute terms, too, the take-up of 148,000 m² represents a new record. On the one hand, this result reflects certain catch-up effects from 2020, but on the other hand also the restructuring of supply chains, which generate additional demand. In second and third place follow manufacturing companies with a good 22 % and the wholesale/retail sector with over 19 %. The category "others" contributes an unusually high share of almost 16 %, not least due to the public sector lease in Kirchheim brokered by BNPPRE.

➤ BROAD DIVERSIFICATION ACROSS THE SIZE CLASSES

The broad demand base is mirrored by the distribution of take-up. At 29 %, the largest share is accounted for by contracts up to 3,000 m², which impressively confirm their traditionally important role in Munich. Large contracts over 20,000 m² with 22 % are almost on a par with the medium class between 8,000 and 12,000 m², which contributes another 21 % to the result. Particularly in the large-scale segment, an even higher result would have been possible with the matching supply. Forced by the lack of appropriate supply, some companies now had to opt for peripheral locations outside the market area.

Major contracts

Quarter	Company	Location	Area (m ²)
Q3	Behörde	Kirchheim	25.500
Q3	Noerpel-Gruppe	Odelzhausen	25.000
Q3	DHL	Aschheim	16.200
Q1	TE Connectivity Germany	Ottobrunn	14.000
Q2	Rudolph Logistik	Reichertshofen	12.000

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Key figures logistics market

	2020	2021	Trend 2022
Prime rent	7,00 €/m ²	7,50 €/m ²	↗
Average rent	6,10 €/m ²	6,30 €/m ²	↗
Take-up	238.000 m ²	347.000 m ²	↘
- Share of owner-occupiers	6,3 %	11,9 %	→
- Share of new buildings	24,3 %	23,1 %	↗

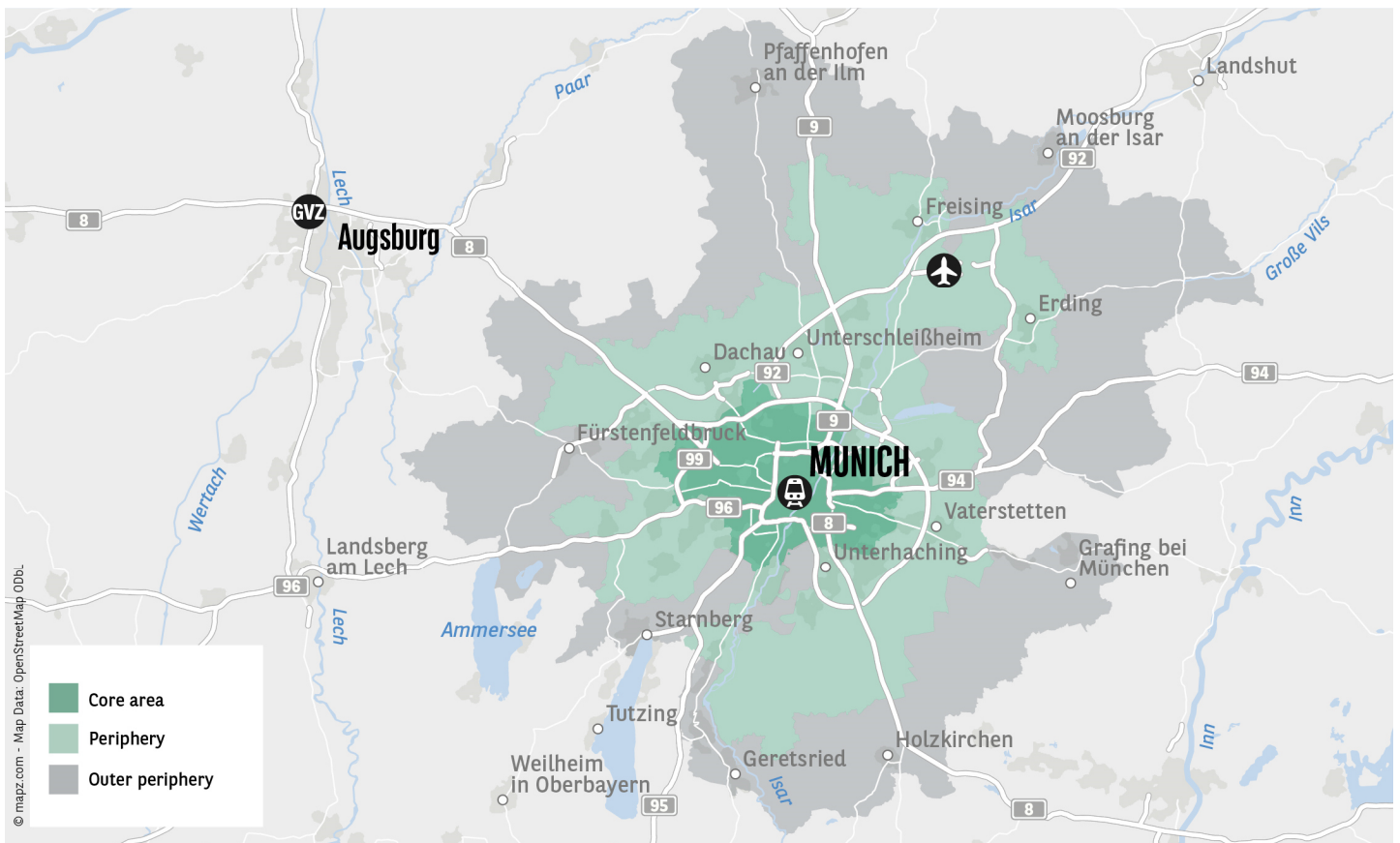
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➤ SUPPLY BOTTLENECK HAS PERSISTED

The Munich logistics market has been struggling with insufficient supply for years. This situation has not changed in 2021. Since there are only a few projects in the large-scale new-build sector, for which also the sharp rise in land prices can be held responsible, tenants are increasingly having to switch to older existing space. But even in this market segment, space in excess of 10,000 m² is hardly available. One consequence of this is a noticeable increase in rents: The prime rent has risen by 7 % to 7.50 €/m² within a year, and the average rent was up by around 3 % to 6.30 €/m².

➤ OUTLOOK

The observed upturn in demand will continue in 2022. This is supported by both the accelerating economic recovery and structural developments in the economy; be it the continuing e-commerce boom, new technical trends such as e-mobility or changing supply chains. Therefore, an above-average take-up is also expected for 2022. How high this will be, however, depends to a large extent on the bottleneck of supply. Basically, the supply/demand ratio is likely to remain tense, so that further increases in rents are to be expected. At the same time, if the still rising land prices are taken into account, the 8 €/m² mark for prime rents will come into sight and could already be broken in the current year.



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