

LOGISTICS MARKET MUNICH

238,000 m²

TAKE-UP

+5 %

2023 vs. 2022

-15 %

IN COMPARISON TO
10-YEAR AVERAGE

AT A GLANCE
Q4 2023

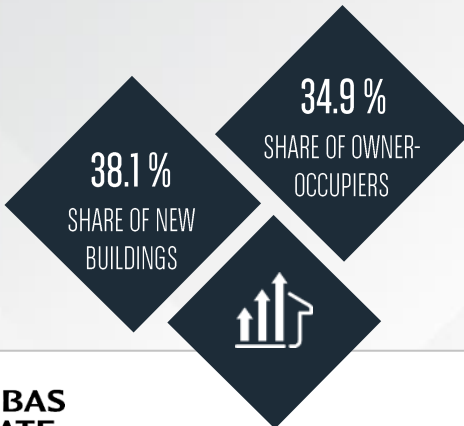
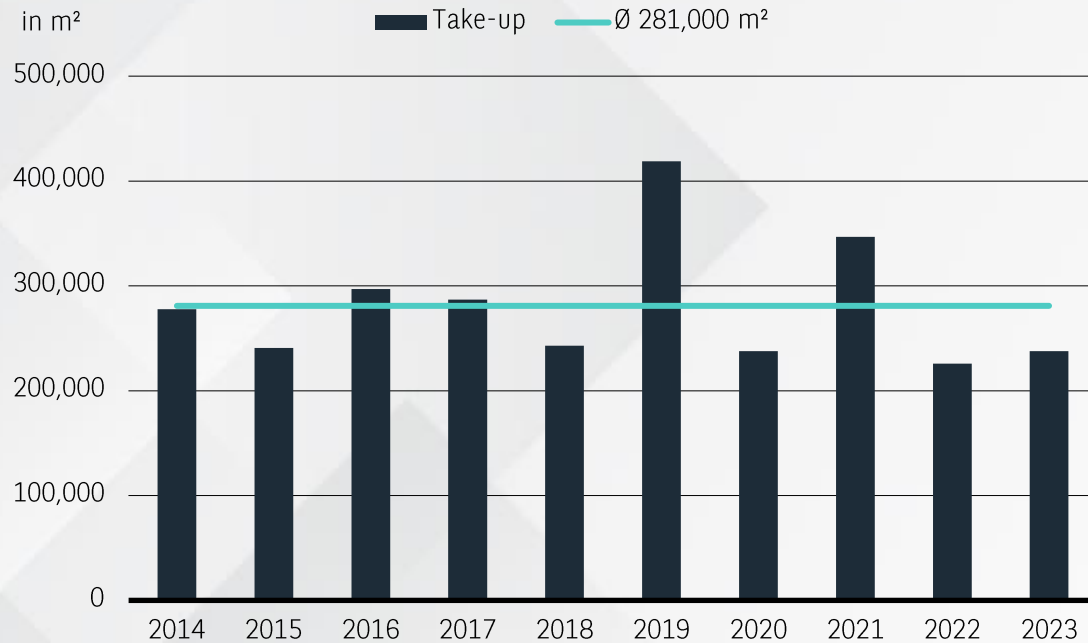


**BNP PARIBAS
REAL ESTATE**

Real Estate for a changing world

SHORTAGE OF SUPPLY CONTINUES TO LIMIT TAKE-UP

LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN MUNICH

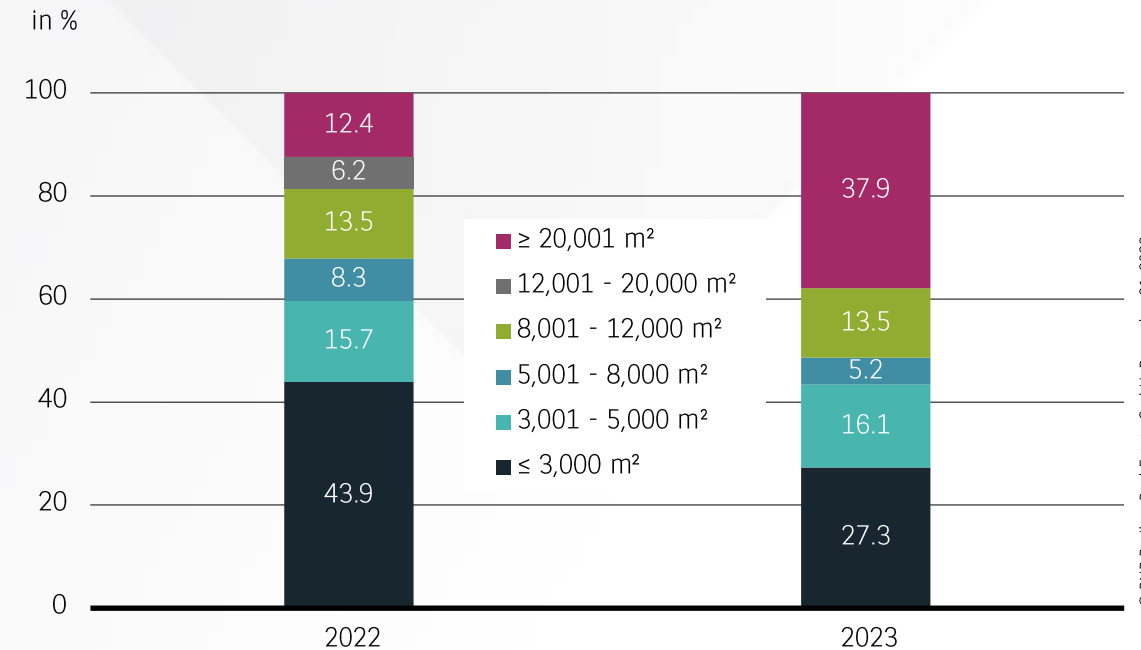


- The Munich warehouse and logistics market is recording broad demand even in the current tense economic situation. With take-up of 238,000 m², the long-term average was missed by 15 %, but there was a slight increase of 5 % compared to the previous year.
- In addition to brisk market activity overall, two major contracts made a significant contribution to the result. These include the 60,000 m² new build for a logistics firm in Oberding (owner-occupier) and the 30,000 m² expansion by Siemens Mobility at its site in Munich-Allach.
- Furthermore, the shortage of supply continues to characterise the market, with hardly any adequate space available for rent, particularly in the large-space segment. In 2023, owner-occupier developments predominantly contributed to take-up of 10,000 m² or more, resulting in an owner-occupier share of almost 35 %, which is well above the long-term average.
- Due to the scarcity of supply and increased construction costs, rents have continued to rise over the course of the year. The prime rent now stands at 10.50 €/m², while the average rent is 8.70 €/m².

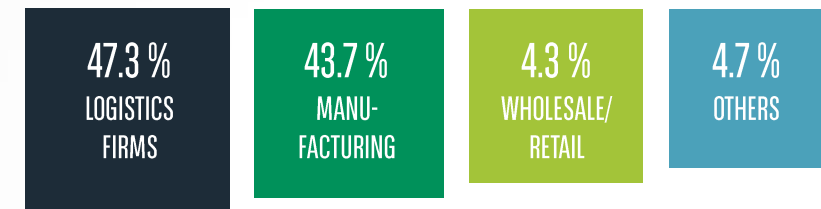
MAJOR CONTRACTS DOMINATE SECTOR & SIZE CLASS DISTRIBUTION

- The sector statistics are dominated by the two major lettings already mentioned, which provide logistics and industrial companies with above-average market shares of 47 % and 44 % respectively. In absolute terms, logistics firms also generated significantly more take-up than the average of the last 10 years (78,000 m²). The relative share of take-up contributed by retail companies (4 %) is correspondingly lower.
- The fact that the segment over 20,000 m² accounts for a clearly above-average share of take-up of 38 % is also entirely due to the aforementioned major contracts of an owner-occupier and an expansion at the existing location.
- However, demand in the smaller-space segment of up to 3,000 m², which is traditionally important for the Munich market, was also lively once again, accounting for 27 %. In addition, greater participation was recorded in the size segment from 3,000 to 5,000 m² as well as between 8,000 and 12,000 m², with market shares of 16 % and 14 % respectively.

TAKE-UP BY SIZE CATEGORY



TAKE-UP BY SECTOR



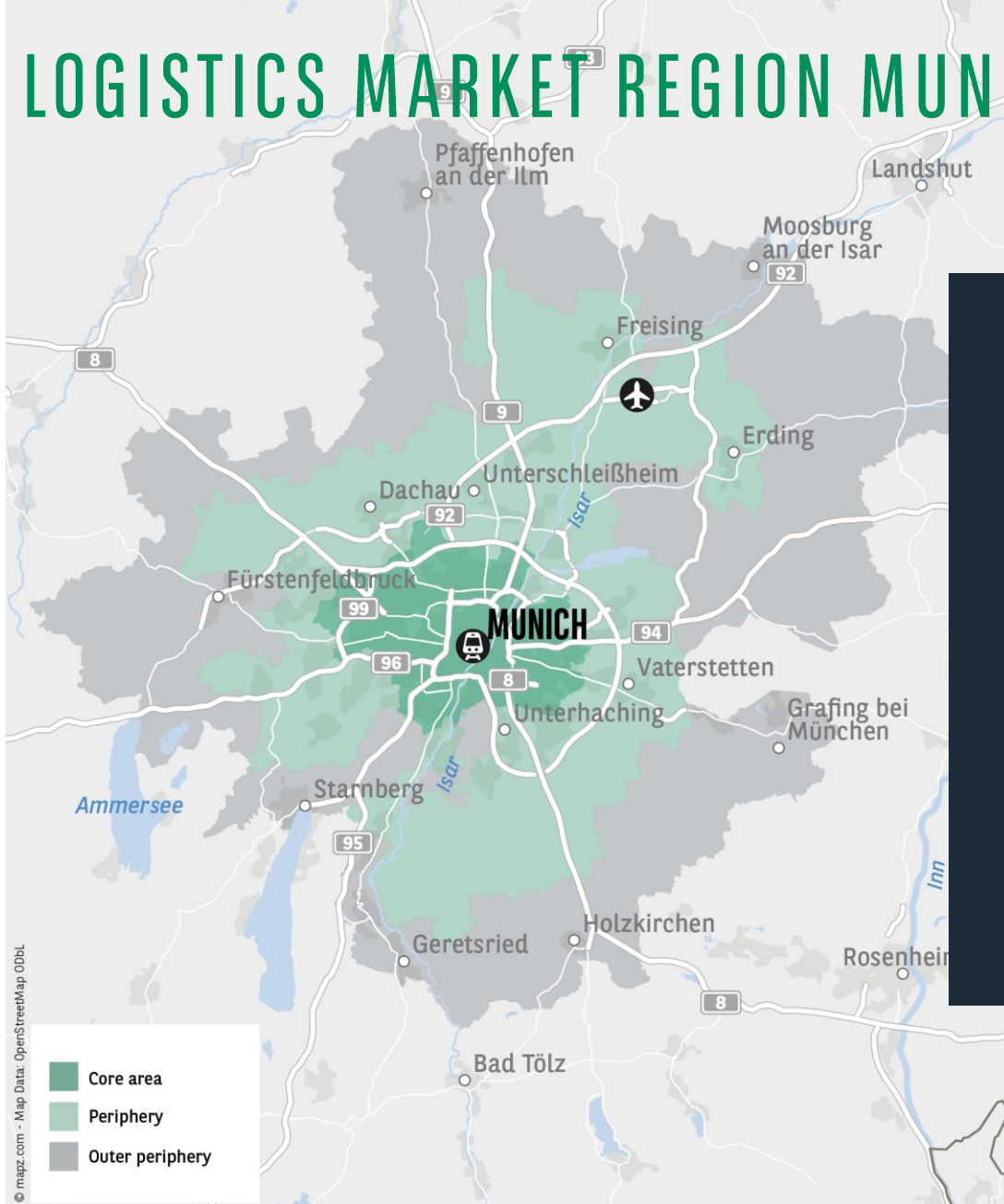
KEY FIGURES

Rents	2022	2023	%-Difference
Prime rent (in €/m ²)	9.00	10.50	16.7%
Average rent (in €/m ²)	7.00	8.70	24.3%
Take-up and sectors	2022	2023	Long-term average
Total take-up	226,000 m ²	238,000 m ²	281,000 m ²
Logistics firms	18.9%	47.3%	28.5%
Wholesale/retail	9.5%	4.3%	20.8%
Manufacturing	54.2%	43.7%	38.5%
Others	17.4%	4.7%	12.2%
Size categories	2022	2023	Long-term average
Share of deals > 20,000 m ²	12.4%	37.9%	19.2%
Share of deals ≤ 20,000 m ²	87.6%	62.1%	80.8%
Owner-occupiers/new building share	2022	2023	Long-term average
Share of owner-occupiers	6.2%	34.9%	12.0%
Share of new buildings	16.8%	38.1%	36.2%

© BNP Paribas Real Estate GmbH, December 31, 2023

- The weakening economy was reflected in the Munich logistics market, resulting in a slightly below-average result for 2023 in a long-term comparison. The increase in take-up compared to the previous year was largely due to the two large-size contracts and a very high proportion of owner occupiers (35 %) compared to the ten-years average.
- In 2024, demand is likely to be at a similar level to previous years. Although the pronounced shortage of space, which is limiting take-up in the large-scale segment, is unlikely to change, the supply and demand situation in the light/industrial sector is likely to ease slightly as a result of several business parks coming onto the market. Due to a lack of alternatives, some of these areas are even used for logistical processes.
- In view of the continuing shortage of supply accompanied by strong demand, high construction costs and the costs of increasing energy efficiency, a further rise in rental prices is the most likely scenario, both at the prime end and on average.

LOGISTICS MARKET REGION MUNICH



MAJOR CONTRACTS

60,000 m²
Logistics firm
Oberding

30,000 m²
Siemens Mobility
Munich

11,000 m²
Dachser
Allershausen

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.

Publisher and copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 31.12.2023
Further Information: BNP Paribas Real Estate | Branch office Munich | Phone +49 (0)89-55 23 00-0
Photo credits: Adobe Stock / magann; sveta

FOLLOW US ON



#BEYONDBUSINESS

www.realestate.bnpparibas.de