



MUNICH

REPORT LOGISTICS MARKET

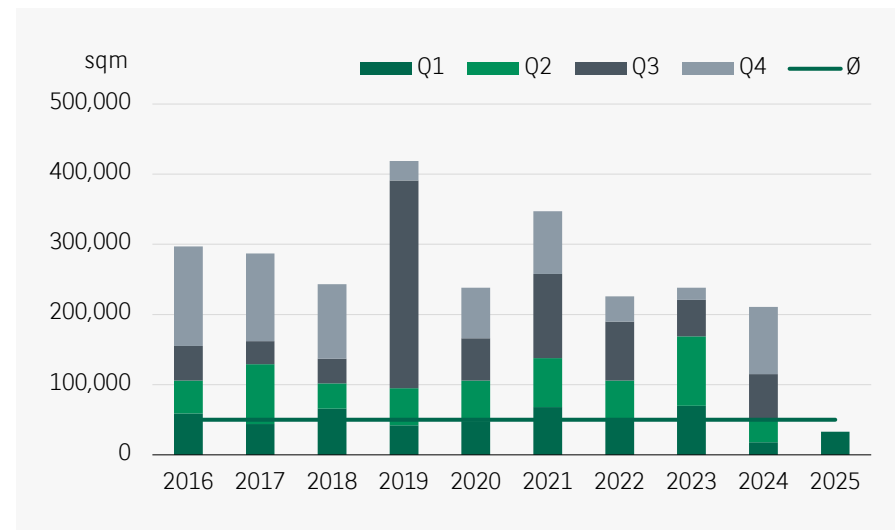
Q1 2025



BNP PARIBAS
REAL ESTATE

REAL ESTATE for a changing world

Development of light industrial and logistics take-up



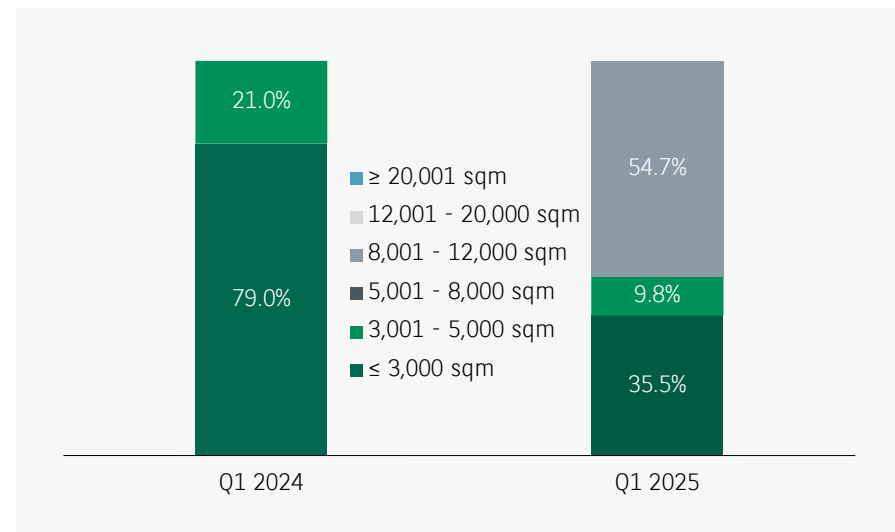
**TAKE-UP INCREASES SIGNIFICANTLY
COMPARED TO THE PREVIOUS YEAR**

- Although take-up in Munich's warehouse and logistics market increased significantly to 33,000 sqm in the first quarter compared to the weak start to the year last year (+83%), it once again missed the ten-year average (-34%). In a nationwide comparison, the market in the Bavarian state capital thus shows a similar trend to many other major logistics hotspots. Nearly all major markets were able to increase compared to the rather weak previous year, but the majority did not reach the long-term average.
- Due to the difficult economic conditions, many companies are still hesitant to make investments and rent new space. Nevertheless, there has been a significant increase in requests in the small and medium-sized space segment in Munich.
- While the first three months of the previous year were mainly characterised by rather small leases of up to 5,000 sqm, contracts above this mark have now also been registered with around 9,000 sqm. These include a logistics service provider in Markt Schwaben and a production company in Erding.
- The rent level did not change in the first quarter. While the prime rent remains at €10.50 per sqm, the average rent rose to €9 per sqm over the course of 2024 and has since stabilised. In a nationwide comparison, market rents in Munich remain by far the highest.

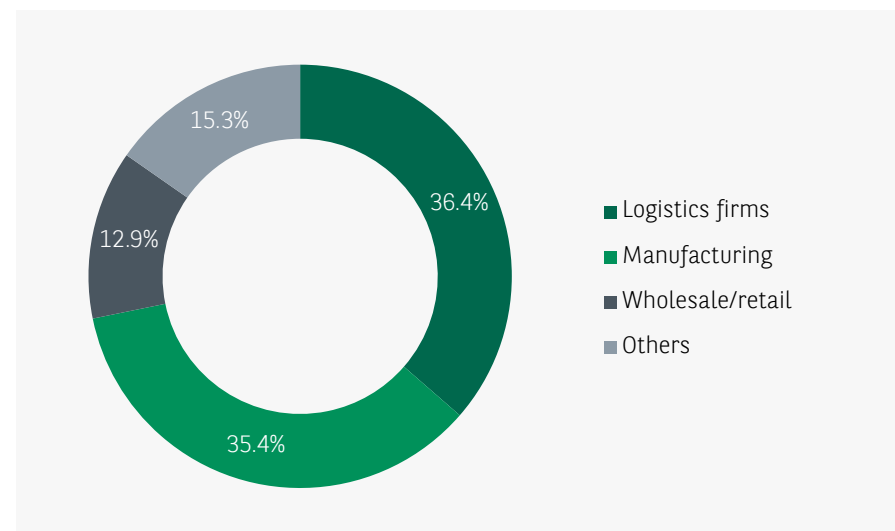
Prime and average rents



Take-up by size category



Take-up by sector



NO LARGE-SCALE CONTRACT CONCLUDED YET

- As in the same period last year, the distribution of take-up by size category is still characterised by the relatively low level of market activity. The two above-mentioned deals for around 9,000 sqm alone account for more than half of take-up and thus dominate the picture. In addition, the segment up to 3,000 sqm contributed a high share of 35.5% to the result.
- In terms of sector distribution, logistics service providers take the lead with 36%, narrowly overtaking the manufacturing companies (35%), which usually lead the Munich market. Retail companies have so far accounted for 13% of take-up.
- No contribution from owner-occupiers has yet been registered in the first quarter and the share of new construction in the result is hardly worth mentioning (1.5%).

Quarter	Company	Location	sqm
Q1	Logistics firm	Markt Schwaben	9,000
Q1	Manufacturing	Erding	9,000

OUTLOOK

- The Munich logistics market has started the year with a moderate take-up of space. Many companies are reacting rather cautiously in the lee of latest global economic developments, especially at the start of the year, and contract negotiations are also taking longer than a few years ago.
- However, a noticeable upturn in take-up can be expected for the remainder of the year as large-scale contracts are already being concluded. In addition, speculative project developments are expected to be completed this year, which will expand the modern space on offer and improve rental opportunities in the Munich logistics market, which is characterised by a shortage of space.
- According to the forecasts of leading German economic institutes, the economy is not likely to pick up any time soon, meaning that demand for logistics space can currently expect little tailwind from the economy. The unpredictable trade and tariffs policy of the US government is also leading to uncertainty on the global markets and making it more difficult to plan, especially for export-oriented companies. In addition, geopolitical crises persist.
- It remains to be seen to what extent the investments from the approved special funds for defence and infrastructure and the course set by the new German government will have a positive impact on the economy. Overall, a significant increase in take-up seems the most likely scenario for the remainder of the year, with a result for 2025 likely to be above the previous year's level (211,000 sqm).

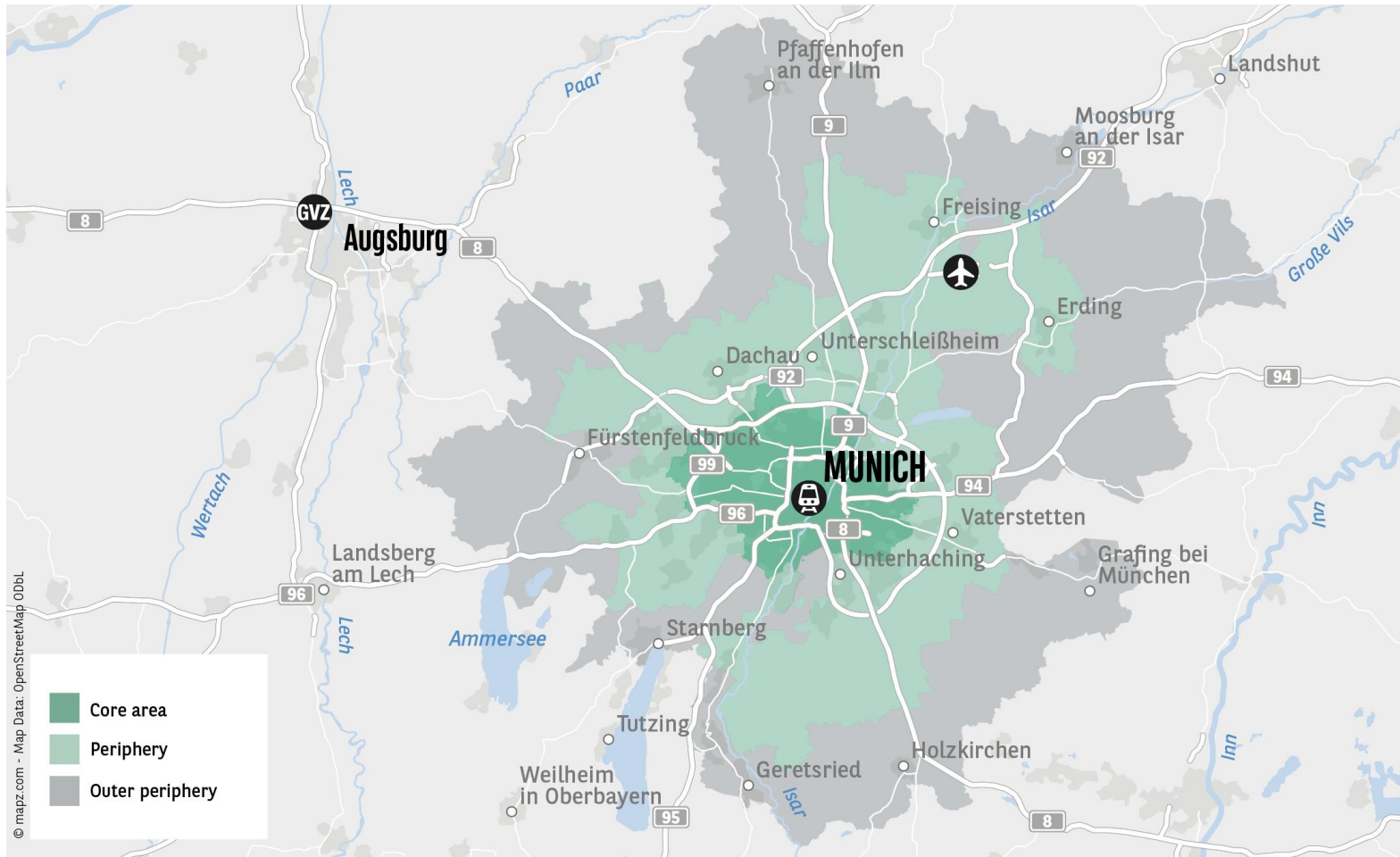
Key figures logistics market Munich

RENTS AND TAKE-UP	Q1 2024	Q1 2025	%-DIFFERENCE
Prime rent (in €/sqm)	10.50	10.50	0.0%
Average rent (in €/sqm)	8.70	9.00	3.4%
Total take-up (in sqm)	18,000	33,000	83.3%

SECTORS	Q1 2024	Q1 2025	LONG-TERM Ø
Logistics firms	39.8%	36.4%	19.3%
Wholesale/retail	10.7%	12.9%	28.9%
Manufacturing	49.5%	35.4%	45.4%
Others	0.0%	15.3%	6.4%

SIZE CATEGORIES	Q1 2024	Q1 2025	LONG-TERM Ø
Share of deals > 20,000 sqm	0.0%	0.0%	4.3%
Share of deals ≤ 20,000 sqm	100.0%	100.0%	95.7%

OWNER-OCCUPIERS/NEW BUILDING SHARE	Q1 2024	Q1 2025	LONG-TERM Ø
Share of owner-occupiers	0.0%	0.0%	5.9%
Share of new buildings	8.1%	1.5%	17.8%



LOGISTICS MARKET MUNICH

CONTACT

BNP Paribas Real Estate GmbH

Maximilianstraße 35 | 80539 Munich

Phone +49 (0)89-55 23 00-0

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