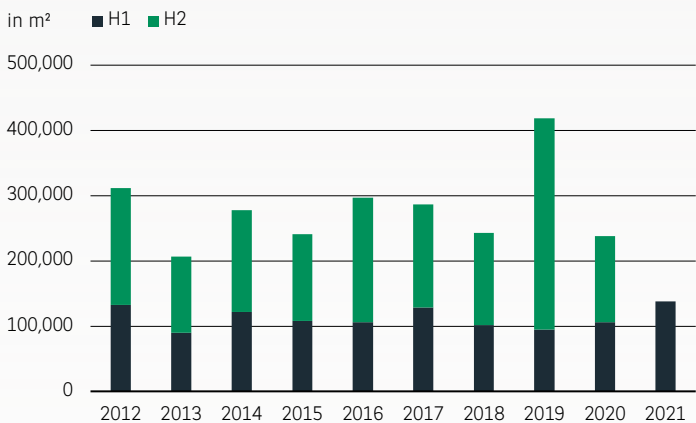


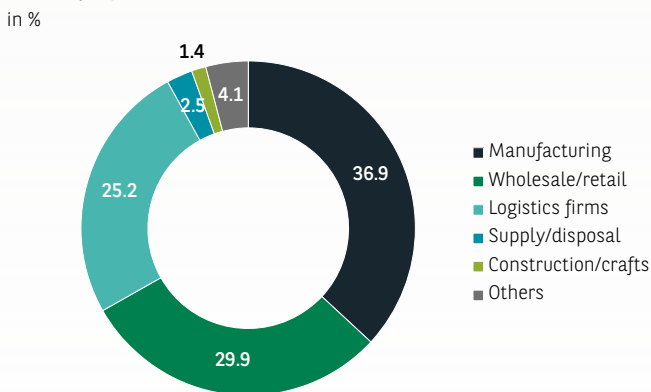
At a Glance Q2 2021

LOGISTICS MARKET MUNICH

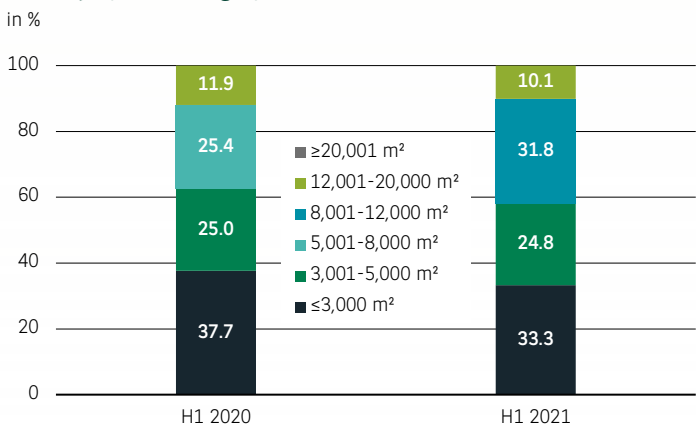
Light industrial and logistics take-up



Take-up by sector



Take-up by size category



➤ HIGHEST TAKE-UP IN THE LAST TEN YEARS

The dynamic of the Munich logistics and storage market registered at the beginning of the year continued unabated in the second quarter. With a half-year take-up of 138,000 m², not only was the previous year's figure exceeded by around 30 %, but the best result of the last ten years was also achieved. Just how lively demand was is also reflected in the fact that the ten-year average was also significantly topped by 22 %. The broad demand base is encouraging. The fact that the retail sector, especially e-commerce, continues to expand was to be expected, whereas the noticeable increase in demand from manufacturing companies is somewhat surprising. This shows that the industry is gearing up both for the expected economic upturn and for ongoing restructuring processes in many sectors. The largest deals include leases by Rudolph Logistik for 12,000 m² and by KP Family International for just under 12,000 m² (both in Reichertshofen), as well as by mechanical engineering company ASM Assembly Systems in Weßling (around 10,000 m²).

➤ FAMILIAR DISTRIBUTION PATTERN BY SECTOR INTACT AGAIN

The fact that the temporary effects of the Corona crisis on the demand structure have now been overcome, at least in the logistics markets, is underlined by the distribution of take-up, which shows the familiar pattern for Munich. As in the past, manufacturing companies, whose demand has picked up significantly, are in first place. It is noteworthy that in many cases they have also leased smaller and medium-sized spaces. They certainly benefited from a slight increase in supply, triggered by a number of medium-sized project developments being built on a speculative basis. Second place is taken by retail companies, which contribute just under 30 % to the result. They continue to face competition from other uses, particularly in their search for locations close to the innercity. Logistics firms account for around a quarter of take-up, in line with the long-term average.

➤ THE SMALL MARKET SEGMENT DOMINATES

Compared with other logistics regions, Munich has traditionally seen fewer large deals. It is therefore unsurprising that not a single contract in excess of 20,000 m² has been recorded this year. In contrast, smaller leases of up to 5,000 m² once again dominated the market. In total, a good 58 % of leasing performance was attributable to these size categories - a disproportionately high figure even by Munich standards. Contracts between 8,000 and 12,000 m² also made a strong contribution, accounting for just under 32 %.

Major contracts

Quarter	Company	Location	Area (m ²)
Q2	Rudolph Logistik	Reichertshofen	12,000
Q1	KP Family International	Reichertshofen	11,800
Q1	ASM Assembly Systems	Weßling	10,000
Q2	KLG Liquida	Maisach	4,200

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Key figures logistics market

	H1 2020	H1 2021	Trend remaining year
Prime rent	7.00 €/m ²	7.20 €/m ²	↗
Average rent	6.10 €/m ²	6.20 €/m ²	↗
Take-up	106,000 m ²	138,000 m ²	↗
- Share of owner-occupiers	7.6 %	0.0 %	→
- Share of new buildings	15.1 %	4.0 %	↗

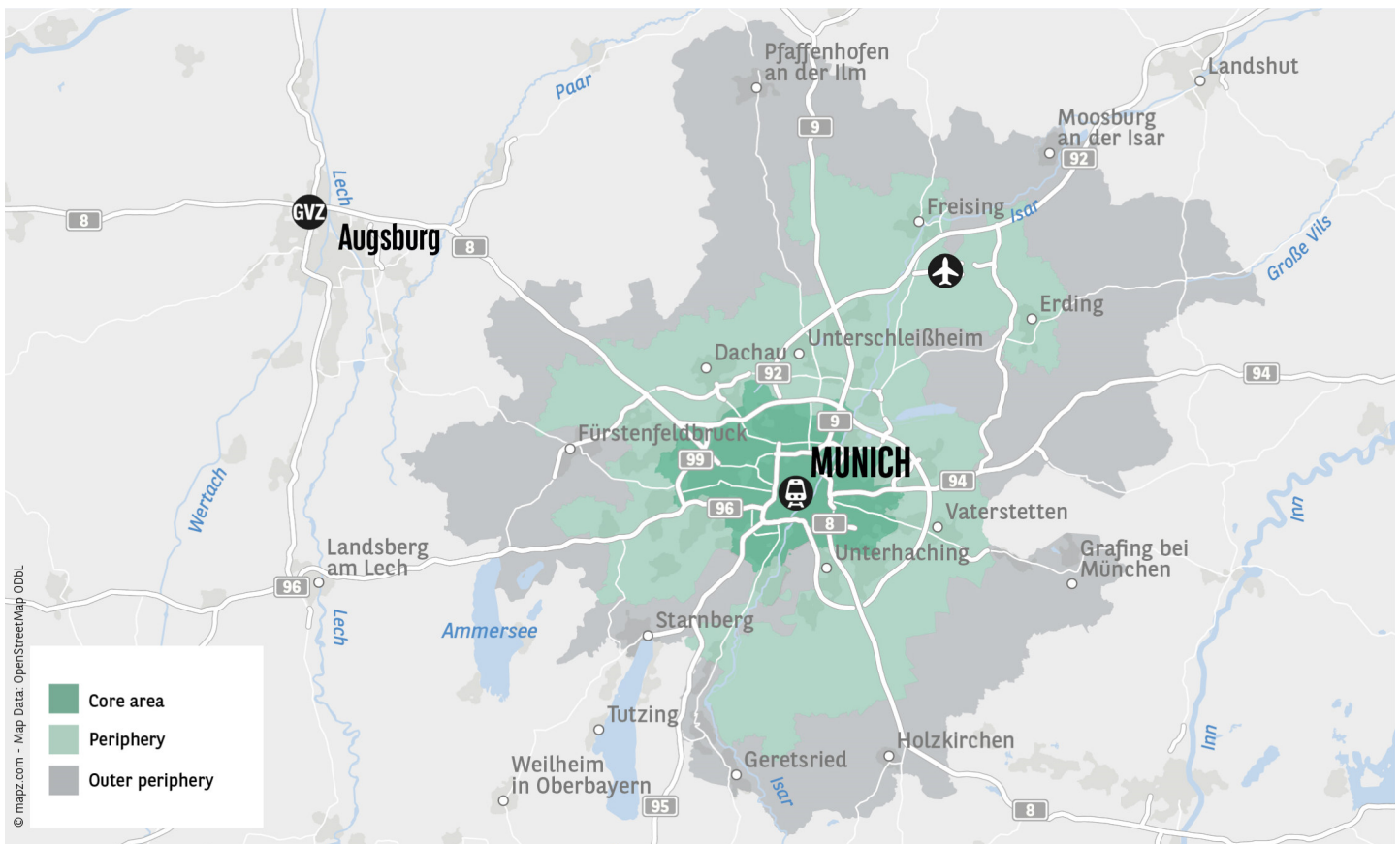
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SLIGHT INCREASE IN SUPPLY IN THE SMALL-SIZE SEGMENT

After the supply bottleneck in the Munich market area worsened for a long time, a slight increase in supply can currently be observed. This applies at least to the small-space segment, in which some project developments are taking place. The situation is different for large spaces: Offers for space of 10,000 m² or more are almost non-existent on the market. Both the prime and average rents remained stable in the second quarter at 7.20 €/m² and 6.20 €/m² respectively.

OUTLOOK

Very lively demand and correspondingly high take-up is also expected for the second half of the year. Progress in the vaccination campaign, growing confidence in the economy, and a significant upturn in the economy are the key pillars for the further development of the logistics markets. Against this background, take-up for the year as a whole is likely to be above the long-term average. Whether it will even be possible to exceed the 300,000 m² threshold once again will depend, however, on whether one or two major deals will be concluded. The lack of supply in the large-area sector could also have a limiting effect. At the same time, from today's perspective, there is much to suggest that strong demand will maintain pressure on rents, with the result that slightly rising prime and average rents are likely.



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