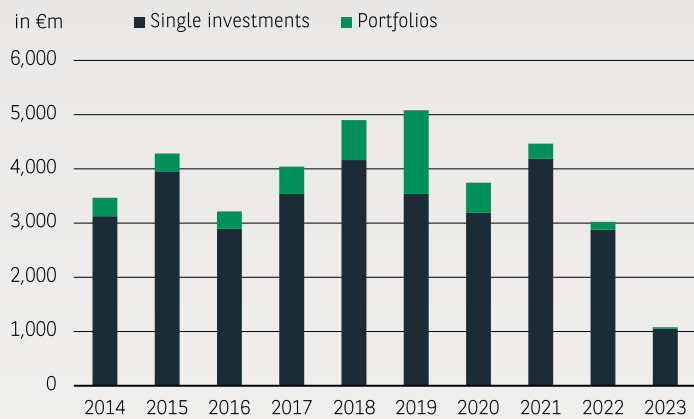




At a Glance **Q3 2023**

# INVESTMENT MARKET MUNICH

### Investment volume Q1-Q3

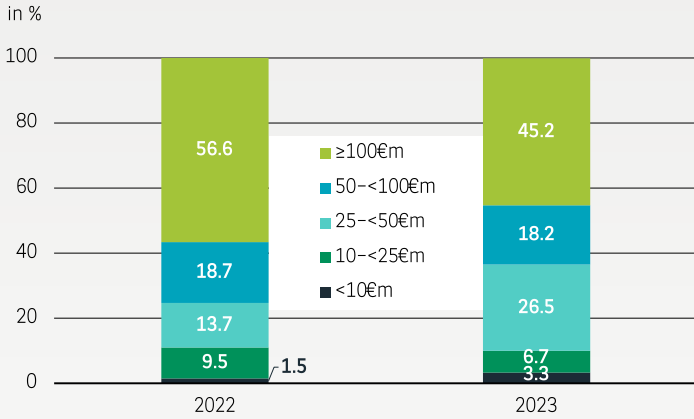


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### ➤ SECOND-BEST A-CITY, BUT VOLUME BELOW AVERAGE

At the beginning of the second half of the year, there have been no signs of a sustained reversal of the trend in transaction activity on either the national or the Munich investment market. Thus, with a total investment volume of just under €1.1 billion, the Bavarian capital continues to remain well below the comparable result for the previous year (-64%) and the long-term average (-71%). On a positive note, however, Munich is the only top market apart from Berlin (around €2.5 billion) to exceed the €1 billion mark after three quarters. Thus, although the financial market-driven adjustment processes continue to have a considerable impact on the Munich market, the city still compares very favorably with other locations. Furthermore, it is encouraging that one of the largest deals in the third quarter was attributable to the Munich market area with the project participation in the Bruckmann Quartier by the family office Athos. Overall, single transactions generated almost the entire volume, at just over one billion euros.

### Investments by € category Q1-Q3

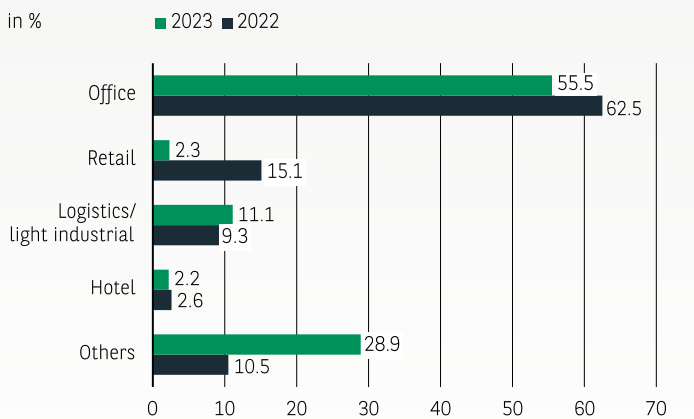


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### ➤ MANY LARGE TRANSACTIONS IN MUNICH

In terms of the distribution of investments across the size categories, larger investments in the triple-digit segment and medium-sized properties between €25 million and €100 million accounted for the bulk of the transaction volume in the first three quarters (together just under 90%). Despite the challenging market environment, a relatively large number of large deals above the €100 million mark (45% of the total) were successfully concluded in the form of the Apple Campus extension, the Bruckmann Quartier and the office part of the "Vinzent" project, compared with other top cities. Another important pillar of market activity was mid-sized transactions with a volume of €25 million to €100 million, which also accounted for just under 45% of the total. By contrast, smaller investments of up to €25 million played a smaller role, contributing around 10% of the volume to date.

### Investments by type of property Q1-Q3

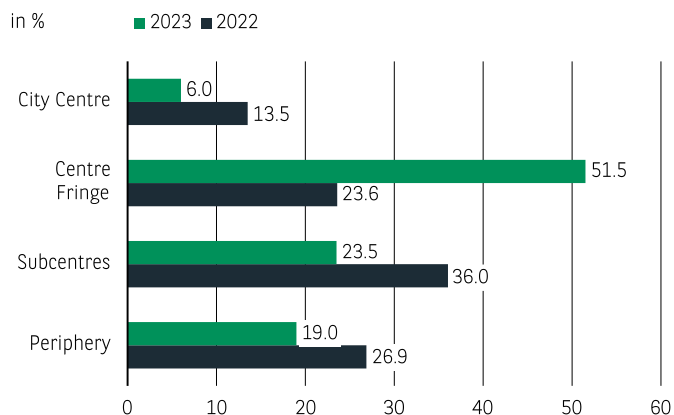


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### ➤ OFFICES AND DEVELOPMENT PROPERTIES DOMINATE

Against the background that office properties account for two of the three largest (Bruckmann Quartier, "Vinzent" project) as well as the most transactions in terms of numbers, office investments are once again pushing their way to the top of the ranking (just under 56%). Development properties such as the Apple Campus are also worthy of mention, having emerged as another important investment product in the 'Other' category in the current year (just under 29%). Logistics investments account for a good 11%, while the figure for retail and hotel properties is only around 2% each.

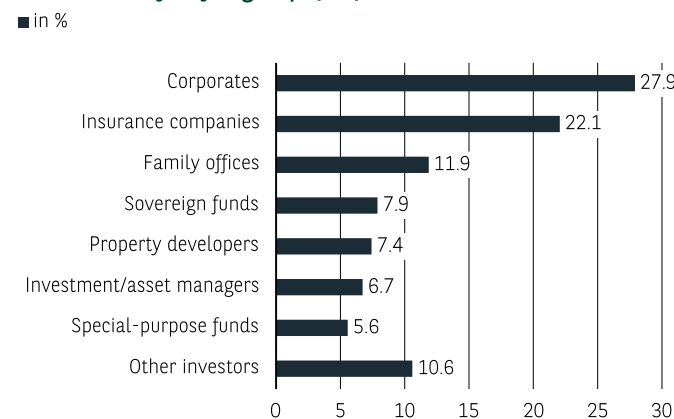
### Investments by location Q1-Q3



### ➤ CENTRE FRINGE REMAINS AT THE TOP

As with the distribution of investments by size class and property type, the influence of the largest transactions is also evident in the ranking of location categories: Accordingly, all deals in the triple-digit million segment are located in the centre fringe, which means that this submarket accounts for almost 52%. A good number of transactions with a significantly lower average volume per deal were also registered in the subcentre locations and in the periphery. In the subcentre locations (almost 24%), small and medium-sized office properties were the main drivers, while in the peripheral locations (just over 19%), it was primarily development sites and logistics properties that were sold. In the city center, on the other hand, which accounts for only 6%, there is currently a lack of large-volume transactions.

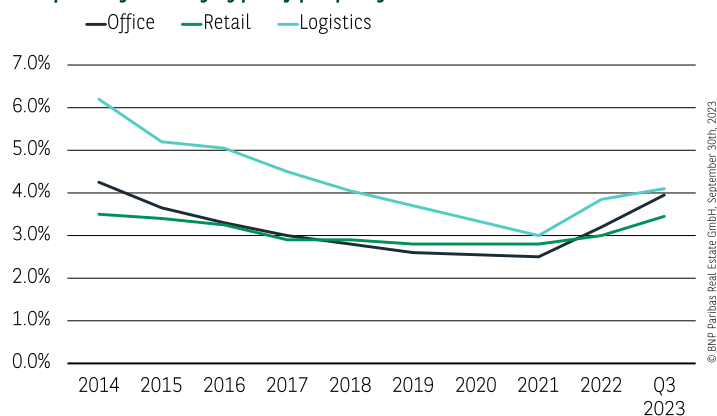
### Investments by buyer group Q1-Q3 2023



### ➤ CORPORATES AND INSURANCE COMPANIES SET APART

The ranking of transaction volume by buyer group reflects the strategic efforts of corporates to secure expansion or development sites for their own companies in Munich (e.g. Apple Campus). At just under 28%, they have the highest market share among the various investors after three quarters. Insurance companies, which are for example responsible for the Vinzent office project (bought by Kommunale Unfallversicherung Bayern), among others, come in second (a good 22%). In addition, only family offices (almost 12%), which benefit from the project participation in the Bruckmann Quartier, are above the 10% mark. In terms of the distribution of investments between national (51%) and international purchasers (49%), a balanced ratio has been recorded to date.

### Net prime yields by type of property



### ➤ YIELDS CONTINUE TO RISE IN THE THIRD QUARTER

Against the backdrop of the still tense financial market situation, yields continued to rise in the last three months. For office properties, the net prime yield was adjusted by a further 25 basis points to 3.95%, although Munich remains the only location below the 4.0% mark. The logistics sector saw an increase of a further 10 basis points to 4.10%, while no further adjustments were observed in the retail sector in the third quarter (3.45%).

### ➤ OUTLOOK

In the third quarter, across all locations and asset classes, it became clear that the pricing phase has not yet been completed. However, positive signs are that Munich, together with Berlin, continues to stand out somewhat from the other top markets in a location comparison, which is underlined by the investment volumes and prime yields achieved. However, the long-term average is likely to be missed even at the end of the year, and further slight increases in yields are quite possible.

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