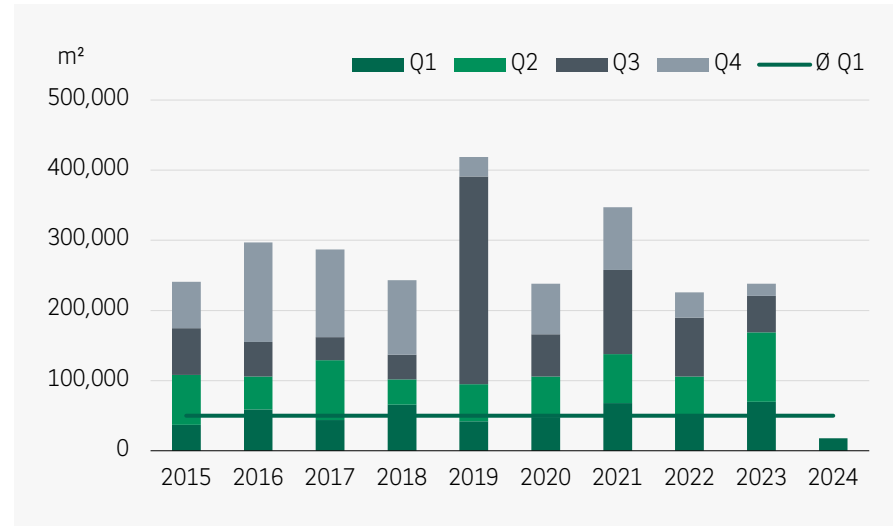


MUNICH

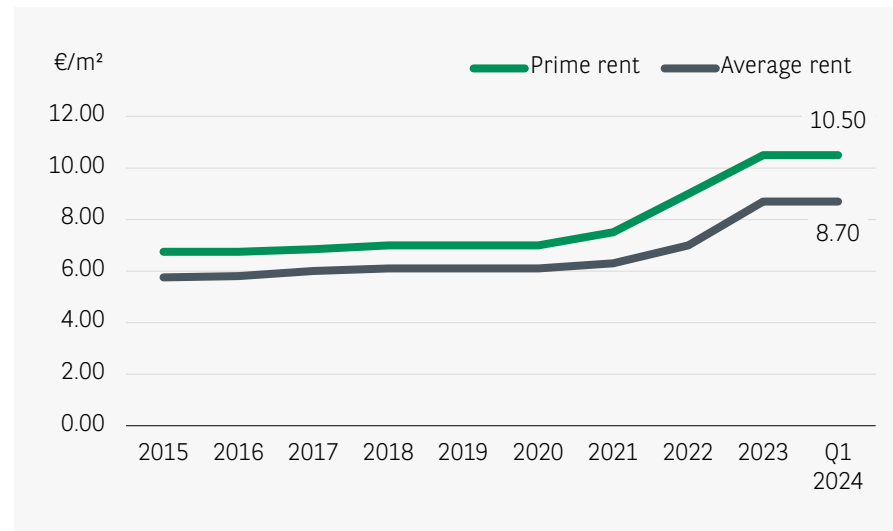
REPORT LOGISTICS MARKET

Q1 2024

Development of light industrial and logistics take-up



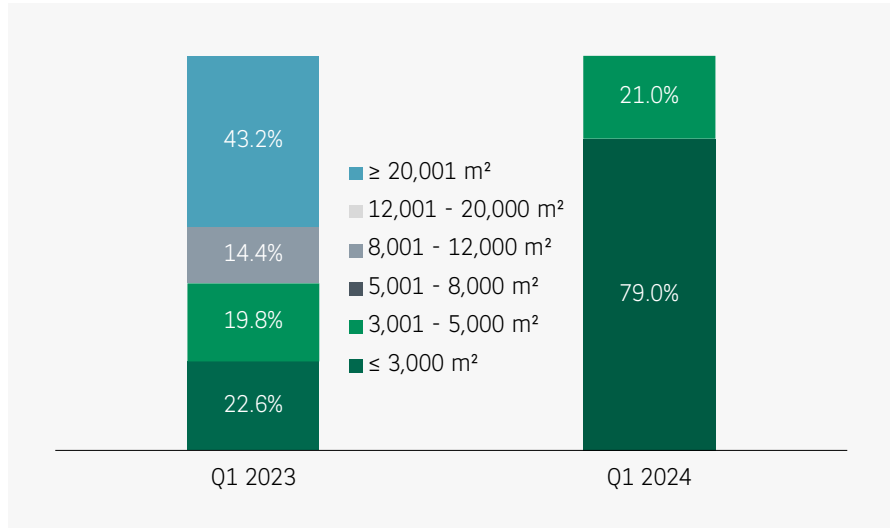
Prime and average rents



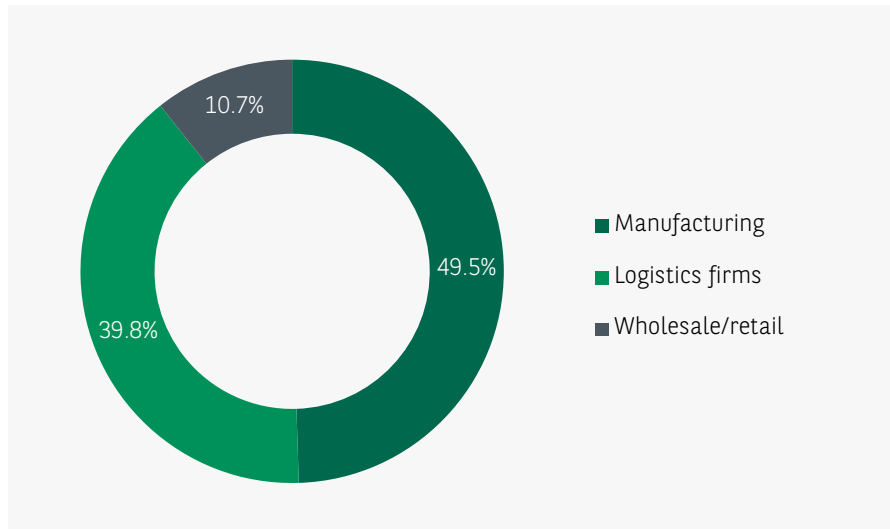
SMALL-SCALE LETTINGS DETERMINE THE START OF 2024

- The Munich warehouse and logistics market started the year with a very low take-up of 18,000 m². This result is below both the very high result of the previous year (-74%) as well as significantly below the ten-year average (-64%). So far, only lettings in the small-scale segment of less than 5,000 m² have been registered, meaning that the lack of larger, take-up generating contracts has led to the lowest result in the last ten years.
- Across Germany and in most other large logistics agglomerations, take-up was also well below average in the 1st quarter. The weakening economy and uncertainty about future developments are causing companies in many places to hesitate when making rental decisions, meaning that they are staying in their existing space when in doubt.
- In addition, the Munich market has lacked a sufficient supply of space for years. The generally very high price level and strong competition among all types of use, coupled with a very dynamic economy, make it difficult for the logistics segment to provide sufficient space for a functioning market. Large-scale developments such as the new building by logistics firm Group 7 in Oberding (60,000 m²), which increased take-up in the previous year, remain the exception.
- Both prime and average rents remained unchanged compared to the end of 2023. While the prime rent is still 10.50 €/m², the average is quoted at 8.70 €/m².

Take-up by size category

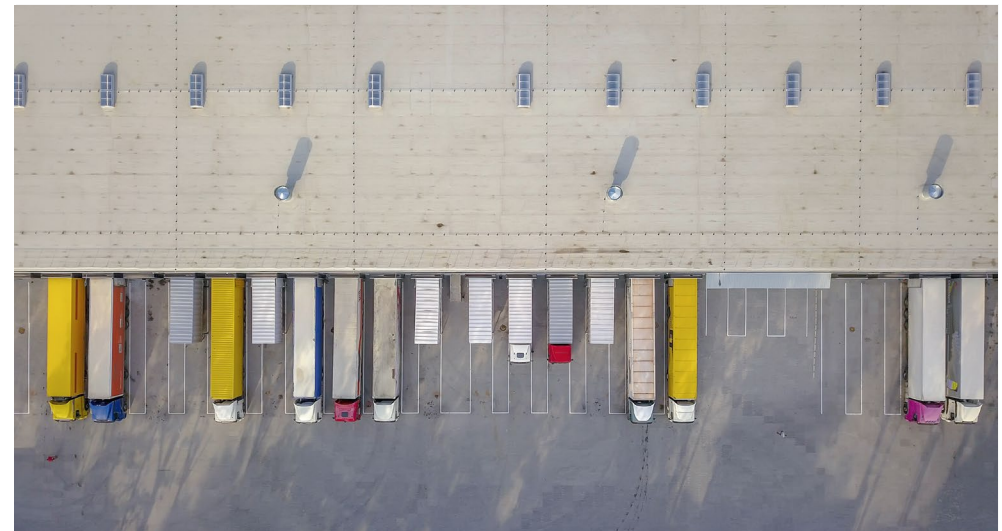


Take-up by sector



INDUSTRIAL COMPANIES WITH THE USUAL HIGH SHARE

- The distribution of take-up by size category shows an exceptional structure due to the concentration on small-scale contracts. At 79%, the majority of the result is accounted by the segment up to 3,000 m², with a further 21% contributed by contracts between 3,000 and 5,000 m².
- The sector distribution, on the other hand, shows a more typical picture. Manufacturing companies are in the lead with almost half of the take-up, emphasizing their high significance for the Munich market despite the low overall result. Logistics firms follow with 40%, relegating retail companies, which are still underrepresented at 11%, to third place.
- While owner-occupiers were not yet active at the start of the year, the proportion of new lettings is around 8%.



OUTLOOK

- The result for the first quarter is well below the ten-year average of 50,000 m² and indicates that take-up for the full year is also unlikely to reach an exceptionally high level. The currently still subdued economic outlook in conjunction with the low supply of space is having a limiting effect on market momentum.
- Nonetheless, demand should increasingly gain momentum over the course of the year - particularly if the positive impetus from the individual economic sectors increases again - and lead to significantly higher take-up in the individual quarters.
- On the supply side no significant changes are expected. New construction activity should remain at a low level due to the limited availability of suitable land and older properties, meaning that the market is primarily reliant on fluctuation in existing properties. More movement is generally expected in this segment, even if many companies tend to come to terms with their existing space and opt for lease extensions due to the lack of alternative space or the high rents that may be demanded.
- Whether prime and average rents, which are already at a very high level, will be able to increase somewhat over the course of the year remains open so far. However, a dynamic comparable to that of the past two years is no longer to be expected.

Key figures logistics market Munich

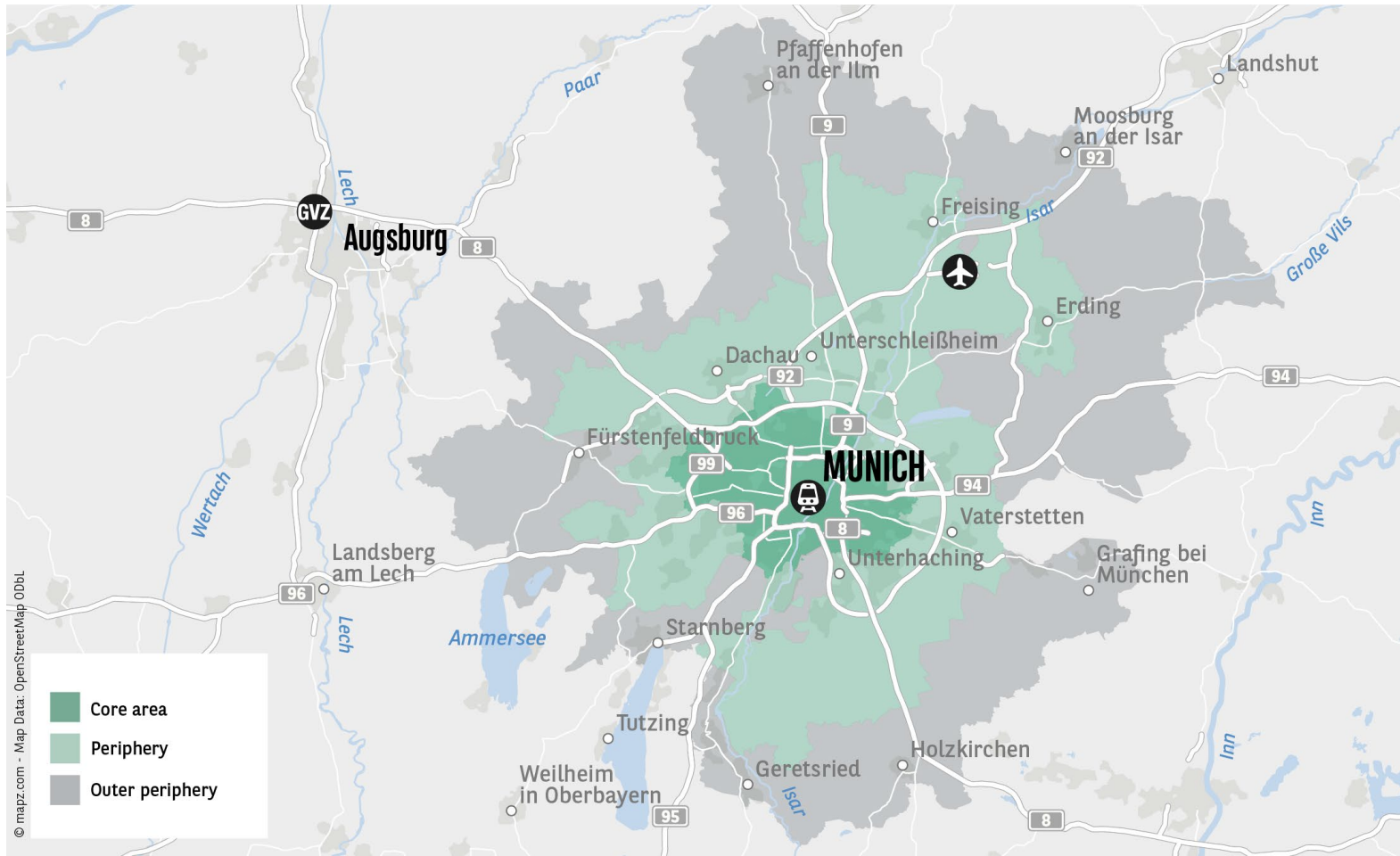
RENTS AND TAKE-UP	Q1 2023	Q1 2024	%-DIFFERENCE
Prime rent (in €/m ²)	9.00	10.50	16.7%
Average rent (in €/m ²)	7.20	8.70	20.8%
Total take-up (in m ²)	70,000	18,000	-74.3%

SECTORS	Q1 2023	Q1 2024	LONG-TERM Ø
Logistics firms	3.1%	39.8%	23.4%
Wholesale/retail	3.0%	10.7%	28.1%
Manufacturing	87.3%	49.5%	42.8%
Others	6.6%	0.0%	5.7%

SIZE CATEGORIES	Q1 2023	Q1 2024	LONG-TERM Ø
Share of deals > 20,000 m ²	43.2%	0.0%	4.3%
Share of deals ≤ 20,000 m ²	56.8%	100.0%	95.7%

OWNER OCCUPIERS/NEW BUILDING SHARE	Q1 2023	Q1 2024	LONG-TERM Ø
Share of owner-occupiers	0.0%	0.0%	7.5%
Share of new buildings	18.7%	8.1%	20.2%

LOGISTICS MARKET MUNICH



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