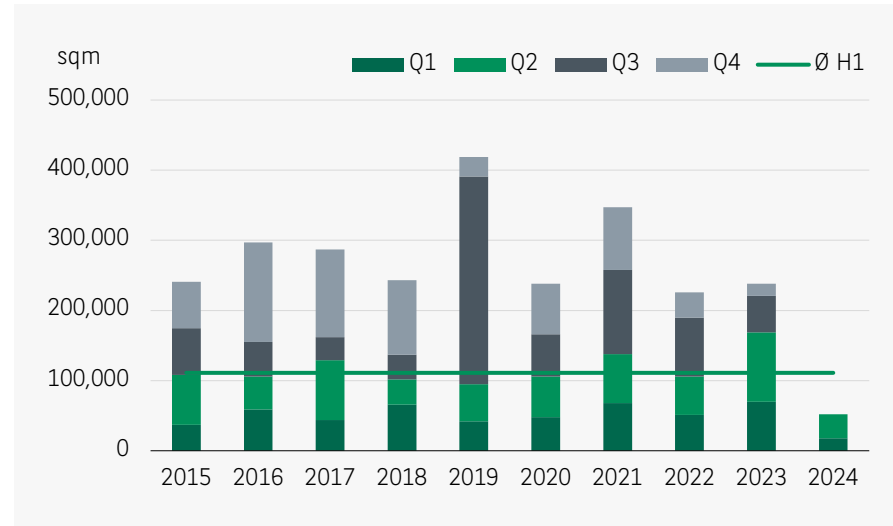


MUNICH

# REPORT LOGISTICS MARKET

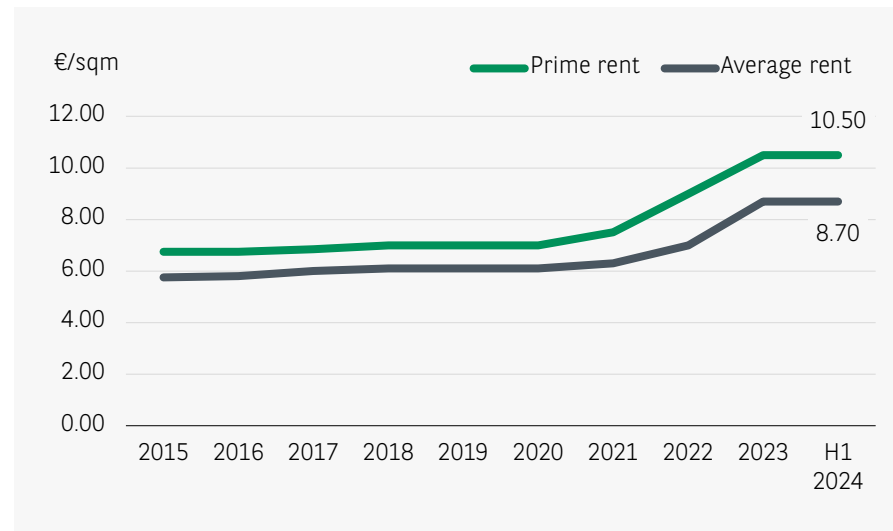
H1 2024

## Development of light industrial and logistics take-up



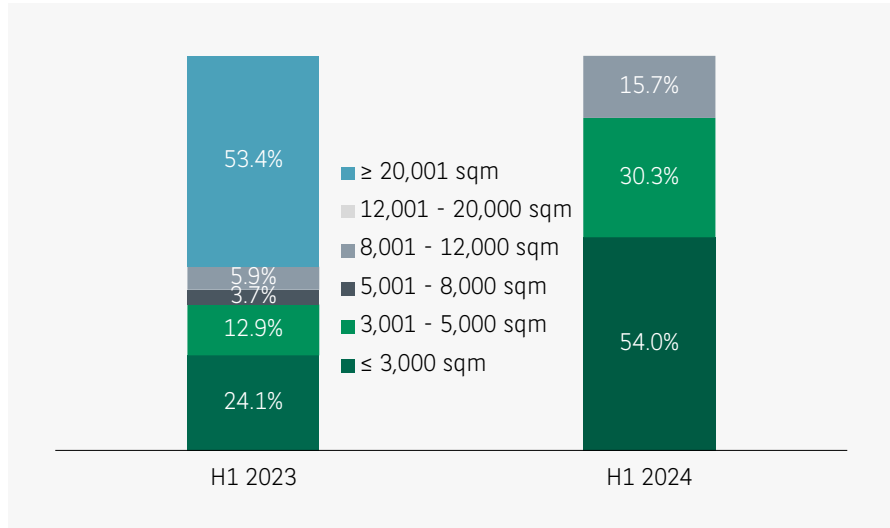
**LOW HALF-YEAR RESULT  
DUE TO LACK OF MAJOR DEALS**

## Prime and average rents

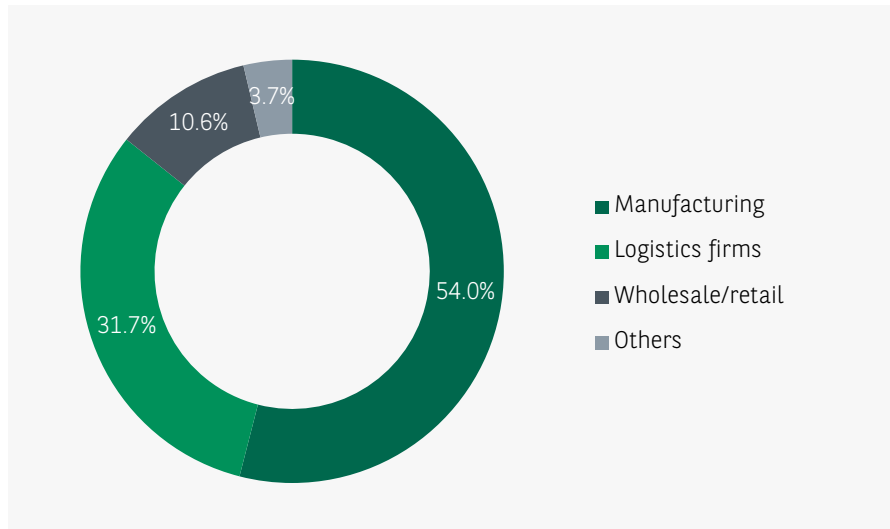


- The Munich warehouse and logistics market (including owner-occupiers) mainly recorded small-scale lettings in the first half of 2024, resulting in take-up of 52,000 sqm, which is around 53% below the ten-year average.
- While the new building of the logistics service provider Group 7 in Oberding alone pushed the previous year's take-up by 60,000 sqm, the largest contract registered to date only covers 8,100 sqm. The weak economic conditions are reflected in a somewhat subdued demand trend, with companies acting more hesitantly overall and tending to extend leases rather than rent new space.
- The high level of rents and the generally low supply on the Munich market have also been slowing market momentum for some time. Furthermore, no owner-occupier contracts have been registered to date.
- After rents rose significantly in 2022 and 2023 in particular, there are currently signs of stabilisation in Munich as in most other major logistics locations.
- The prime rent has remained unchanged at € 10.50 per sqm since the third quarter of 2023 and the average rent has also remained constant at € 8.70 per sqm.

## Take-up by size category



## Take-up by sector



## MANUFACTURING COMPANIES WITH HIGHEST SHARE

- The distribution of take-up by size category shows a rather unusual picture in the interim balance sheet. Due to the lack of larger deals, more than half of take-up is in the segment up to 3,000 sqm. Contracts between 3,000 and 5,000 sqm account for 30%, while a further 16% is accounted for by the 8,000 to 12,000 sqm category, which only includes one contract for 8,100 sqm in Neufahrn.
- In terms of sector distribution, however, at least the ranking is in line with the long-term development of the market, albeit somewhat skewed. The traditionally strong manufacturing sector in Munich is responsible for more than half of take-up (54%), logistics firms account for almost a third of the result, while retail companies contribute 11%. The industry/production sector is currently above its long-term average of 39%, while the retail sector is still underrepresented (21% on a 10-year average).

Quarter	Company	Location	sqm
Q2	Manufacturing	Neufahrn	8,100
Q2	Loxess München Logistik	Garching	5,000

## OUTLOOK

- Due to the weakening economy, the logistics market nationwide is no longer developing as dynamical as in previous years and, as a result, noticeably lower take-up is currently being recorded in almost all markets. As the leading economic institutes are also forecasting only low growth for the second half of the year, it is to be expected that there will be no strong stimulus for demand for warehouse and logistics space.
- Nonetheless, the large-space segment in Munich will also be occupied again and the result will increase noticeably as soon as known contracts are signed after planning permission has been granted. Due to the weak first half of the year, however, the result for the year as a whole is unlikely to come close to the ten-year average of a good 280,000 sqm.
- On the supply side, project developments are expected to be completed from 2025 in particular, which should provide some relief in the modern hall space segment. Overall, however, the lack of available space remains a strong limiting factor on the Munich market, which is unlikely to change in the future due to the strong competition between the various types of real estate uses for limited development land esp. within the city boundaries but also in the greater Munich region.
- From today's perspective, rents are expected to stabilise at the current level for the time being.

## Key figures logistics market Munich

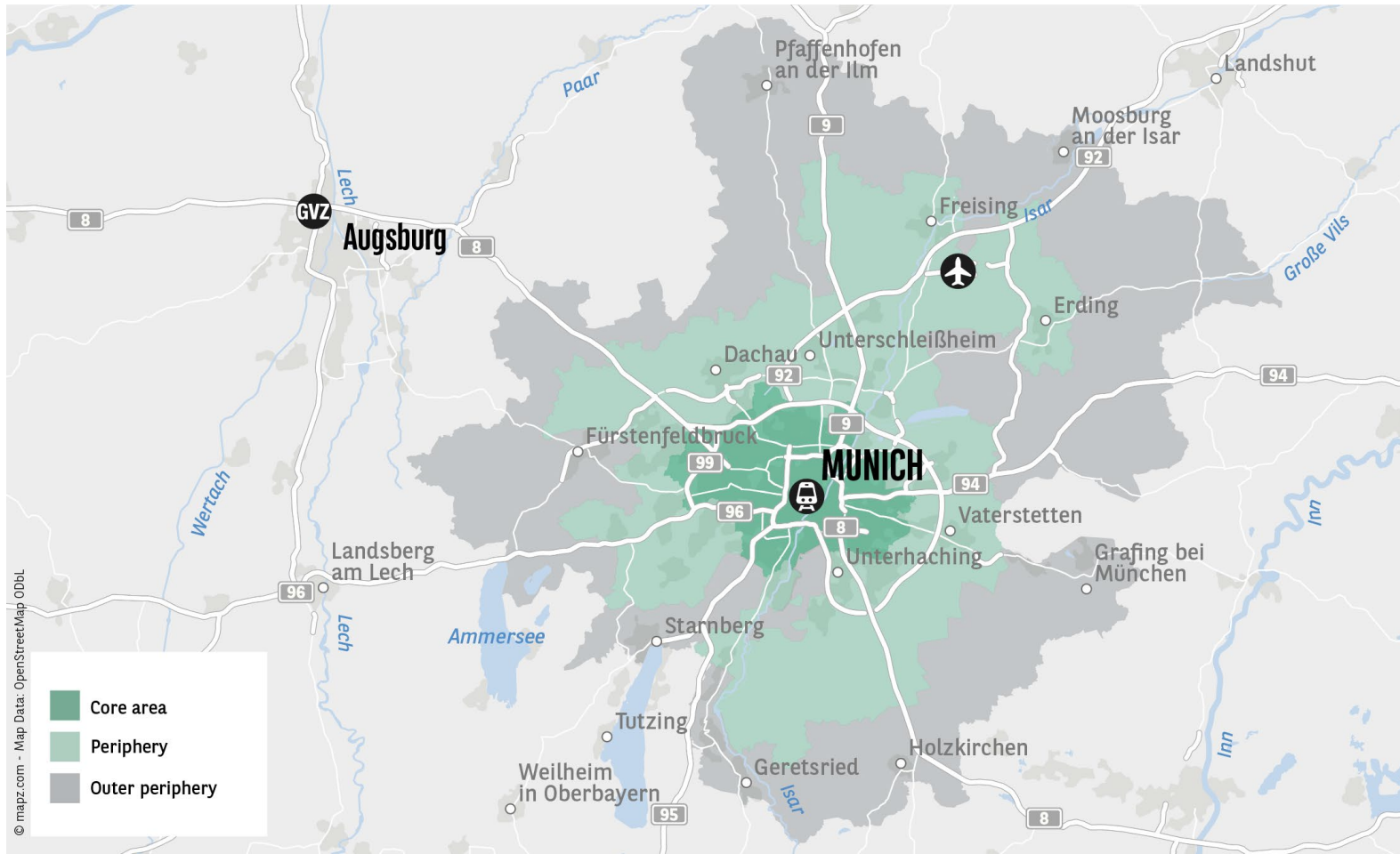
RENTS AND TAKE-UP	H1 2023	H1 2024	%-DIFFERENCE
Prime rent (in €/sqm)	9.50	10.50	10.5%
Average rent (in €/sqm)	7.50	8.70	16.0%
Total take-up (in sqm)	<b>169,000</b>	<b>52,000</b>	<b>-69.2%</b>

SECTORS	H1 2023	H1 2024	LONG-TERM Ø
Logistics firms	46.3%	31.7%	30.3%
Wholesale/retail	2.4%	10.6%	22.0%
Manufacturing	43.3%	54.0%	38.8%
Others	8.0%	3.7%	8.9%

SIZE CATEGORIES	H1 2023	H1 2024	LONG-TERM Ø
Share of deals > 20,000 sqm	53.4%	0.0%	8.5%
Share of deals ≤ 20,000 sqm	46.6%	100.0%	91.5%

OWNER-OCCUPIERS/NEW BUILDING SHARE	H1 2023	H1 2024	LONG-TERM Ø
Share of owner-occupiers	41.5%	0.0%	13.6%
Share of new buildings	46.0%	2.8%	26.3%

# LOGISTICS MARKET MUNICH



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