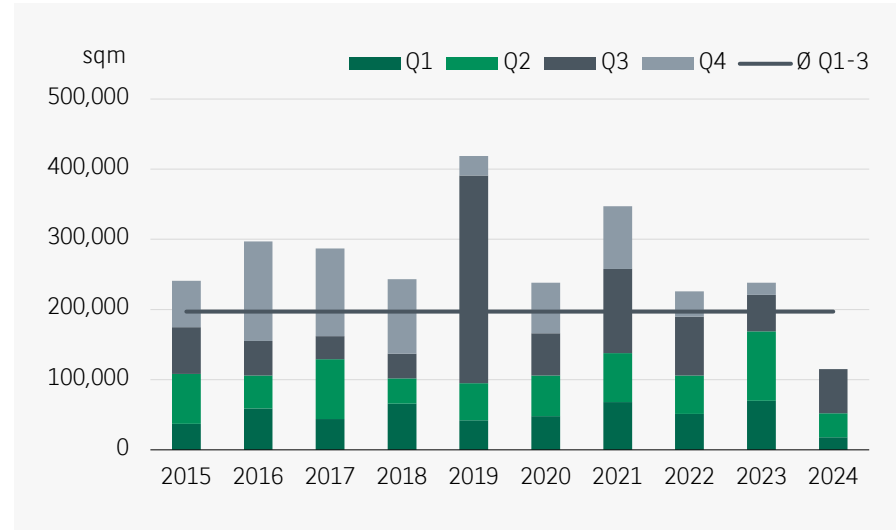


MUNICH

REPORT LOGISTICS MARKET

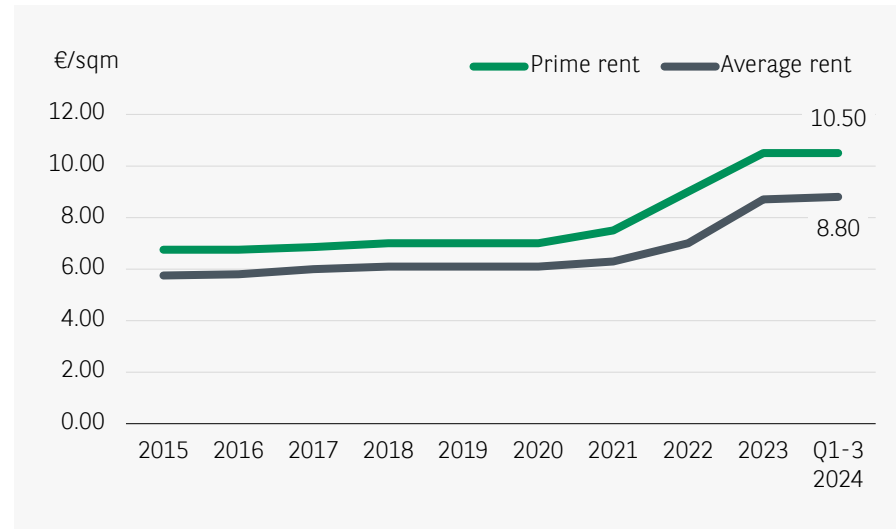
Q1-3 2024

Development of light industrial and logistics take-up



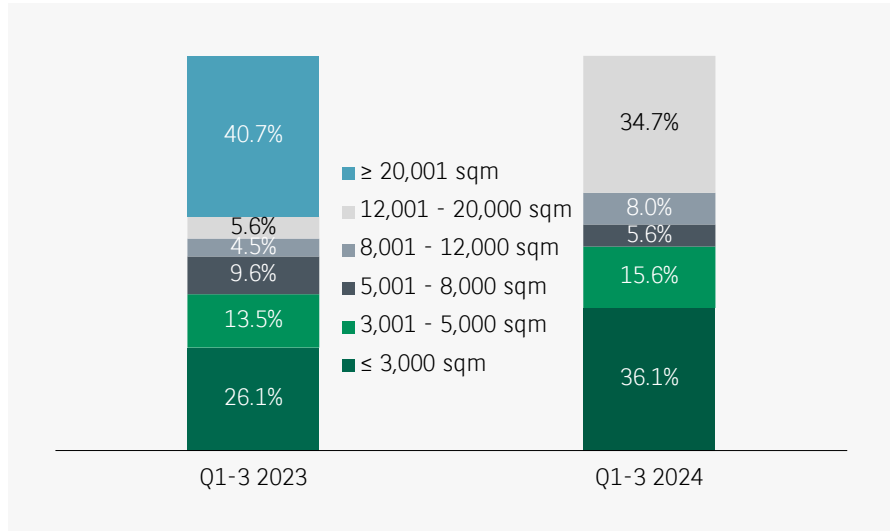
**SIGNIFICANT INCREASE IN TAKE-UP,
RENTS STABLE AT A HIGH LEVEL**

Prime and average rents

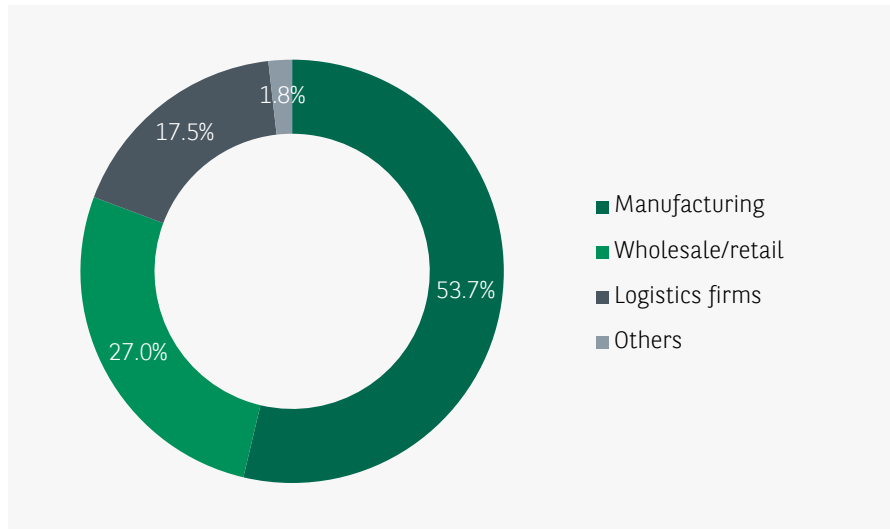


- Despite the continuing slow economic development and the overall challenging conditions, the Munich logistics market is registering a significant increase in take-up from quarter to quarter. After a very weak start to the year with only 18,000 m², take-up almost doubled in the second and third quarters (Q2: 34,000 m² and Q3: 63,000 m²). Accordingly, the result at the end of September was 115,000 m².
- However, the increasing momentum is not enough to bring the market back up to average levels for the time being. The previous year's result was undercut by 48% and the 10-year average of 197,000 m² remains a long way off (-42%).
- Market activity in the Munich region continues to be dominated by a clear discrepancy between supply and demand. There is a noticeable surplus in demand, particularly in the 5,000 to 10,000 m² segment. In general, many requests, particularly for modern space, can still not be met.
- In view of the continuing shortage of supply and even rising demand for modern, particularly ESG-compliant space, the high rent level in the Munich market has stabilised. The prime rent remains unchanged at €10.50 per m². After three stable quarters in a row, the average rent has recently risen by €0.10 per m² to €8.80 per m².

Take-up by size category



Take-up by sector



MANUFACTURING MOST IMPORTANT PLAYER

- In almost all size segments, take-up has declined significantly both year-on-year and compared to the long-term average. This applies to both the small and large-volume segments. One exception, however, is the size category of 12,000 m² to 20,000 m², which is generally scarcely occupied in the Munich market. At 40,000 m², the figure is 76% above the long-term average. Overall, market activity in the course of 2024 is very fragmented. There have been no deals for over 20,000 m² so far.
- With a market share of around 54%, manufacturing companies are once again the most important demanders on the market. However, despite the largest deal in the market (Thyssen Krupp Automotive with 20,000 m²), they were unable to match their previous year's result (-37%) or the long-term average (-29%). Take-up generated by retail companies increased considerably compared to the previous year and the retail segment missed its long-term average only by around 12%.

Quarter	Company	Location	sqm
Q3	Thyssen Krupp Automotive	Allershausen	20,000
Q2	Wholesale/retail	Erding	19,900
Q2	Manufacturing	Neufahrn	8,100
Q3	Garmin	Maisach	5,700

OUTLOOK

- At a significantly below-average level, the Munich logistics market was able to noticeably pick up speed over the course of 2024. At the end of September, the signs are promising that the still subdued but overall positive trend could consolidate. Demand currently remains very robust and sustainable, particularly in the size category between 5,000 and 10,000 m² and above.
- However, the market environment in Munich remains challenging for the time being. On the one hand, the German economy has still not managed to regain momentum and the economic engine has yet to pick up. Secondly, the low supply on the Munich market will continue to limit take-up in the coming months. Large-scale requests in the modern quality segment in particular often cannot be met in the short term.
- Nevertheless, more tailwind and relief is expected in the coming months, as falling inflation, the ECB's looming interest rate cuts and the prospect of rising incomes should ensure increasing momentum on the logistics markets and a sustained increase in take-up. At the same time, a number of speculative, large-scale projects are currently under construction, which should ensure a slight increase in supply, at least temporarily.
- The already very high rent level is likely to stabilise further in the coming months. Both prime and average rents are expected to move sideways until the end of the year.

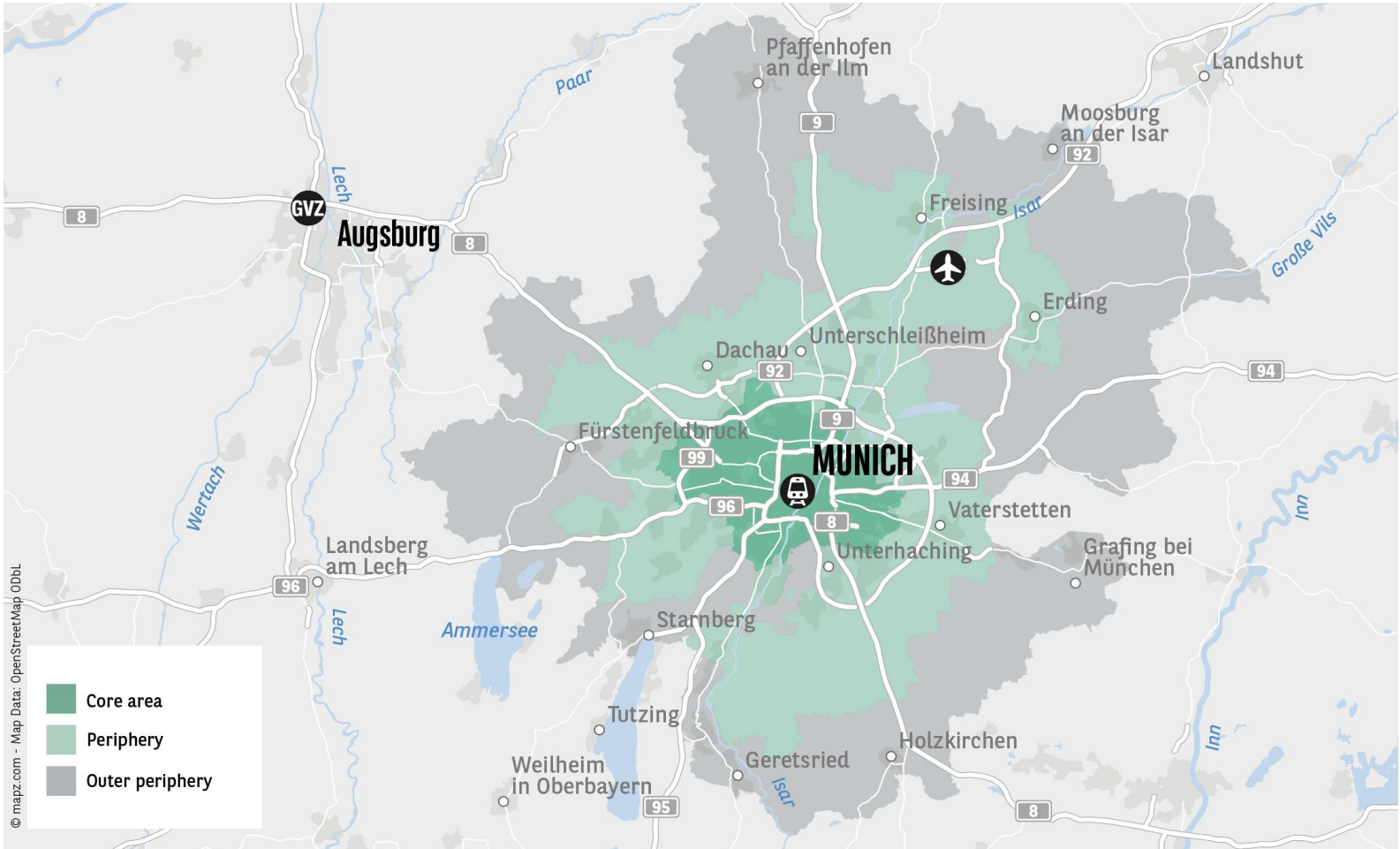
Key figures logistics market Munich

RENTS AND TAKE-UP	Q1-3 2023	Q1-3 2024	%-DIFFERENCE
Prime rent (in €/sqm)	10.50	10.50	0.0%
Average rent (in €/sqm)	8.50	8.80	3.5%
Total take-up (in sqm)	221,000	115,000	-48.0%

SECTORS	Q1-3 2023	Q1-3 2024	LONG-TERM Ø
Logistics firms	46.7%	17.5%	29.0%
Wholesale/retail	2.9%	27.0%	19.8%
Manufacturing	44.4%	53.7%	40.8%
Others	6.0%	1.8%	10.4%

SIZE CATEGORIES	Q1-3 2023	Q1-3 2024	LONG-TERM Ø
Share of deals > 20,000 sqm	40.7%	0.0%	15.9%
Share of deals ≤ 20,000 sqm	59.3%	100.0%	84.1%

OWNER-OCCUPIERS/NEW BUILDING SHARE	Q1-3 2023	Q1-3 2024	LONG-TERM Ø
Share of owner-occupiers	31.7%	0.0%	11.0%
Share of new buildings	35.1%	39.1%	30.8%



LOGISTICS MARKET MUNICH

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