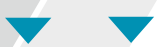
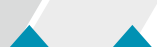
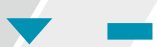
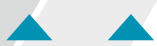


YoY
Change 12-Month
Forecast
238,000m²
Take-Up (cum.)

5.6%
Vacancy Rate

817,000m²
Under Construction

€44.50
Prime Rent, €/m²/month


LABOUR MARKET

YoY
Change
98.4

 Ifo Employment Barometer
Germany (Jun 2023)

460,800

 Munich Office Employees
(Jun 2023)

4.3%

 Munich Unemployment Rate
(Jun 2023)

 Sources: ifo-Institut, Moody's Analytics,
Federal Employment Agency

ECONOMIC OVERVIEW

Munich as a business location is not immune to the effects of the pandemic and Russia's war of aggression against Ukraine. Companies here are also confronted with energy bottlenecks, price increases, supply chain problems and a shortage of skilled workers. In addition, there are changing office work environments due to mobile working and desk-sharing models. With 38,300 people registered as unemployed, the number has risen by 5.0% compared to June 2022. The unemployment rate has remained almost constant compared to the same time last year and was 4.3% at the end of June 2023. Office workers showed a positive development with an increase of 2.3% compared to June 2022.

TAKE-UP

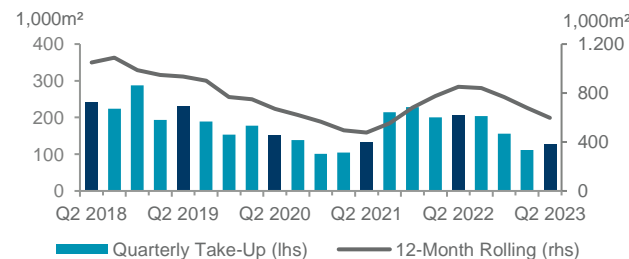
In Q2, take-up increased slightly to 126,000m² compared to Q1 (111,500m²). Nevertheless, overall take-up in H1 2023 was 41% lower than a year earlier. This is mainly due to the lack of large-scale lettings and owner-occupier transactions. The majority of the letting activity in the first six months of 2023 (236 of 307 recorded deals or 77%) took place in the less than 1,000m² size category.

To the end of June, there had only been three lettings above the 5,000m² mark and five in the 3,000m² to below 5,000m² size category. The most significant lettings in Q2 were the leasing of 6,400m² by City of Munich in the property Gustav-Heinemann-Ring 12 (Ramersdorf-Perlach), the leasing of 4,200m² in Hybrid.M by Mouser Electronics Inc. and the leasing of 3,300m² in the property Barer Strasse 24 (Moosach) by the Federal Office for Migration and Refugee

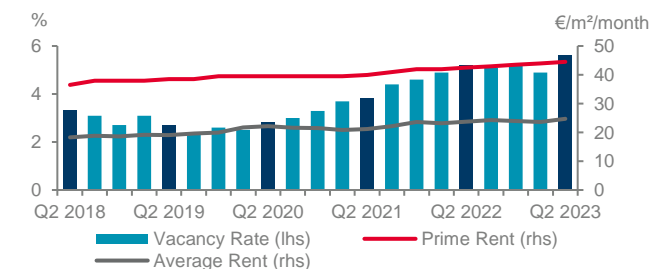
VACANCY

At the end of June 2023, vacancy totalled around 1.2 million m², of which 103,200m² was subletting space. The vacancy rate was thus 5.6%, an increase of 0.4 percentage points compared to 12 months previously. Companies are increasingly recognising that their originally leased office space is not required in its entirety and are releasing some areas for subletting. A further increase in the vacancy rate is expected in the future.

TAKE-UP



VACANCY & RENT





COMPLETIONS

In H1, 284,600m² of office space was completed in Munich (H1 2022: 87,500m²). Of this, 57% or 161,800m² was attributable to Q2. At the time of completion, 60% of the space was already occupied, which underlines the high demand for new-build quality. A total of 817,000m² of office space is currently under construction, 40% of which is pre-let. In addition, around 1.1 million m² of office space is currently at the planning stage.

RENTS

In the 2nd quarter, the sustainably achievable prime office rent in Munich once again reached a record high of €44.50/m²/month. Compared to a year earlier, this represents an increase of €2.00/m²/month and compared to the previous quarter an increase of €0.50/m²/month. The prime rent is achieved primarily in the Old Town, Centre North and Centre West submarkets. In particularly high-quality properties in very good locations, prices beyond €50/m²/month are occasionally achievable. The office average rent across new leases over the past twelve months also reached a new all-time high. It now stands at €24.70/m²/month, an increase of €1.00/m²/month compared to Q2 2022.

SELECTED PROPERTY DEVELOPMENT PROJECTS

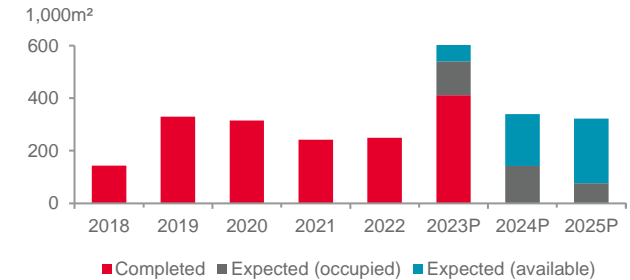
Property/Project	Submarket	Status	Year of Completion	Office Space (m ²)	Owner
SOuth HOriзон	City Centre South – South-West	Completed	2023	31,500	Ampega Investment GmbH
HEADS	Periphery East	Under Construction	2023	41,800	Rock Capital Group GmbH
LUMEN MUNICH	Old Town	Under Construction	2023	16,200	Hanseatische Investment GmbH
FABRIK	City Centre South – South-West	Under Construction	2024	21,100	Becken Development GmbH

MARKET STATISTICS

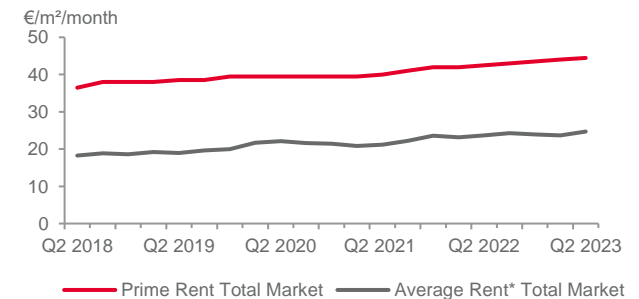
Submarket	Take-Up YTD (m ²)	Completions YTD (m ²)	Space under Construction Current Quarter (m ²)	Prime Rent Current Quarter (€/m ² /month)	Average Rent* Current Quarter (€/m ² /month)
Old Town	12,000	15,600	47,700	44.50	35.75
City Centre	95,700	100,900	386,800	40.50	31.60
City Area	65,200	128,900	222,000	30.00	20.35
Periphery	65,100	39,200	160,500	21.50	14.70
Total Market Munich	238,000	284,600	817,000	44.50	24.70

* Weighted Average Rent (12 months)

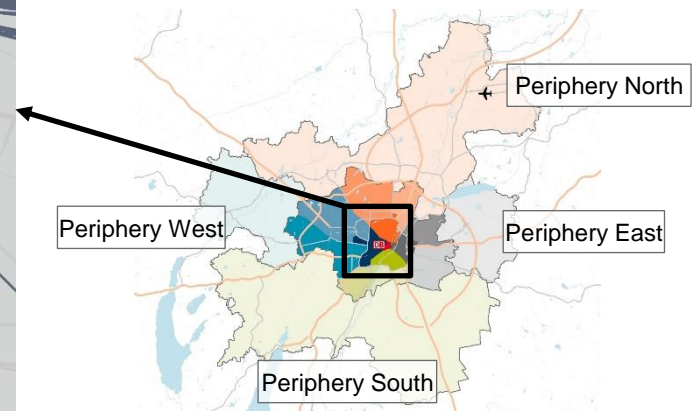
COMPLETIONS



RENTS



RENTAL PRICE RANGES Q2 2023



MARKETBEAT

MUNICH

Office Market Q1 2023



CUSHMAN &
WAKEFIELD

Hubert Keyl

Head of Office Agency Munich

Head of Munich Branch

Tel: +49 89 24 21 43 350

hubert.keyl@cushwake.com

Christian Steilen

Senior Research Analyst

Tel: +49 89 24 21 43 300

christian.steilen@cushwake.com

Helge Zahrnt MRICS

Head of Research & Insight Germany

Tel: +49 40 300 88 11 50

helge.zahrnt@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 52,000 employees in over 400 offices and approximately 60 countries. In 2022, the firm had revenue of \$10.1 billion across core services of property, facilities and project management, leasing, capital markets, and valuation and other services. To learn more, visit www.cushmanwakefield.com or follow [@CushWake](https://twitter.com/CushWake) on Twitter.

©2023 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

cushmanwakefield.com