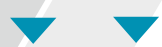


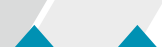
YoY
Change

12-Month
Forecast

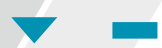
87,700m²
Take-Up (cum.)



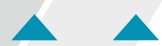
5.6%
Vacancy Rate



813,300m²
Under Construction



€44.50
Prime Rent, €/m²/month



LABOUR MARKET

YoY
Change

95.8

Ifo Employment Barometer
Germany (Sep 2023)



460,500

Munich Office Employees
(Sep 2023)



4.6%

Munich Unemployment Rate
(Sep 2023)



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

ECONOMIC OVERVIEW

The results of the latest economic survey conducted by the ifo Institute in Bavaria show a further deterioration in the business climate in the industrial sector. The climate indicator stood at -18.3 points at the end of September (previous month: -15.3 points). In the service sector, the climate was less gloomy, with the latest indicator reading at -5.4 points (previous month: -7.2). Delivery problems and sharp price increases for energy, raw materials and goods became less dramatic, but demand is now weakening. Rising interest rates continue to dampen orders and investment. While the unemployment rate in Munich remained almost constant at 4.6% compared with a year ago, the number of office workers increased by 1.9%.

TAKE-UP

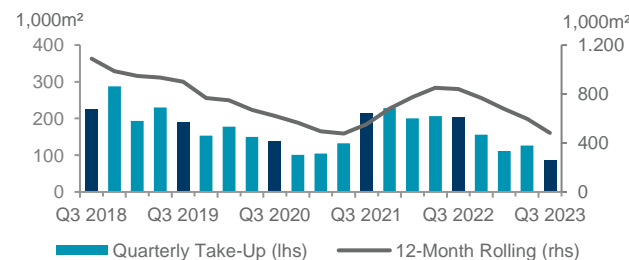
In Q3, take-up totalled 87,700m², bringing the total for the year to date to 325,800m². This figure is 47% below the result for the same period last year. This is primarily due to the absence of large-scale lettings and owner-occupier transactions. Larger deals are also increasingly being postponed.

The focus of lettings activity in the 3rd quarter (123 of 143 registered transactions) was in the up to 1,000m² space category, which means that the trend towards smaller transactions continues as in the two previous quarters. Between July and September there was only one letting in the 3,000m² to 5,000m² space segment, with the conclusion of a lease by Ramboll GmbH in the "Fabrik". In second and third places came the lettings to Jungheinrich AG of 2,500m² in the "Neue Balan" property and to a public administration tenant, of 2,400m² in the "Campus C" property. 34% of the take-up took place in the periphery; within the city boundary the focus of take-up was on the city centre south and west.

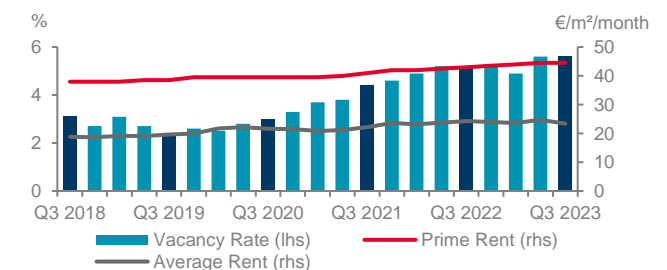
VACANCY

The vacancy rate at the end of Q3 is 5.6%, an increase of 50 basis points compared to Q3 2022. Absolute vacancy totals around 1.2 million m² at the end of September 2023. These levels have remained constant since the 2nd quarter. In contrast, the vacancy rate for subletting space has risen further. While 97,500m² was recorded in the 3rd quarter of 2022, the figure in the 3rd quarter of 2023 rose to already 121,200m². There was also a substantial increase compared to the previous quarter's 103,200m².

TAKE-UP



VACANCY & RENT





COMPLETIONS

In the first three quarters of 2023, a total of 359,100m² of office space was completed in the Munich office market area. Of this, 21% or 74,500m² was completed in the 3rd quarter. At the time of completion, 51% of the space was already let. Currently, a total of 818,300m² of office space is under construction, 45% of which is pre-let. With around 1.0 million m² of office space in planning, Munich continues to have a well-filled project pipeline.

RENTS

The sustainable prime rent remained stable compared to the previous quarter at €44.50/m² per month. Compared to the same quarter of the previous year, this value corresponds to an increase of €1.50/m². The prime rent is mainly achieved in the Old Town, City Centre North and City Centre West submarkets. The 3rd quarter again showed that rents of €50.00/m²/month are possible in some particularly high-quality properties in very good locations.

The area-weighted average rent across new lettings over the past twelve months was €23.35/m² per month at the end of September 2023, a decrease of €0.95/m² compared to Q3 2022.

SELECTED PROPERTY DEVELOPMENT PROJECTS

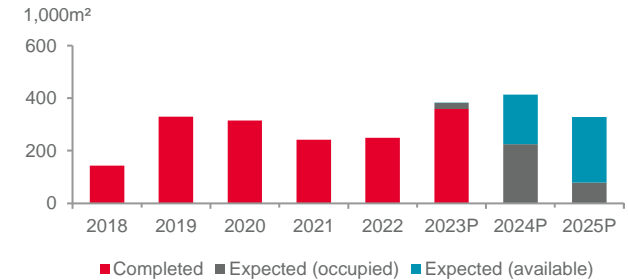
Property/Project	Submarket	Status	Year of Completion	Office Space (m ²)	Owner
Der Bogen	City Centre East	Under Construction	2024	64,300	Giesecke & Devrient GmbH
HEADS	Periphery East	Completed	2023	41,800	Rock Capital Group GmbH
FABRIK	City Area South – South-West	Under Construction	2024	21,100	Becken Development GmbH
LUMEN MUNICH	Old Town	Under Construction	2024	16,200	Hanseatische Investment GmbH

MARKET STATISTICS

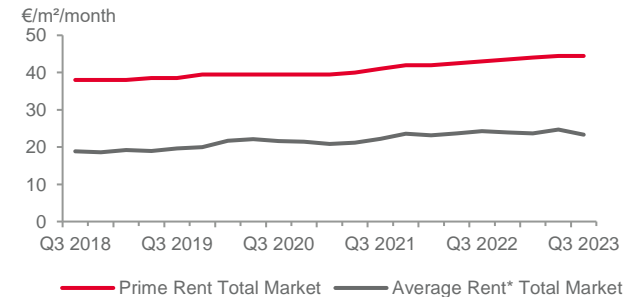
Submarket	Take-Up YTD (m ²)	Completions YTD (m ²)	Space under Construction Current Quarter (m ²)	Prime Rent Current Quarter (€/m ² /month)	Average Rent* Current Quarter (€/m ² /month)
Old Town	18,200	16,100	43,300	44.50	36.90
City Centre	123,800	132,900	377,600	40.50	29.15
City Area	88,900	128,900	297,500	28.00	20.65
Periphery	94,900	81,200	99,900	21.00	14.30
Total Market Munich	325,800	359,100	818,300	44.50	23.35

* Weighted Average Rent (12 months)

COMPLETIONS

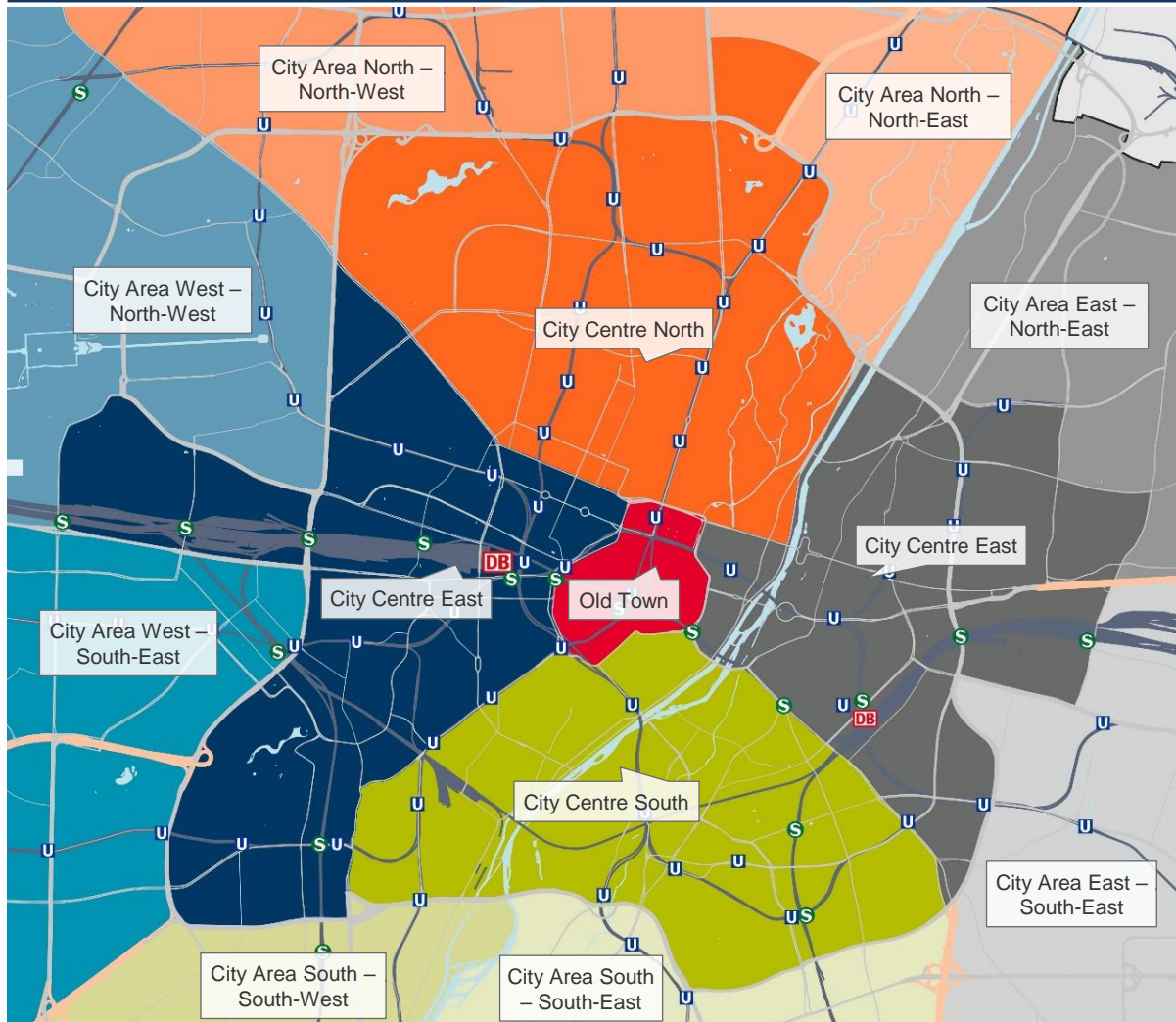


RENTS



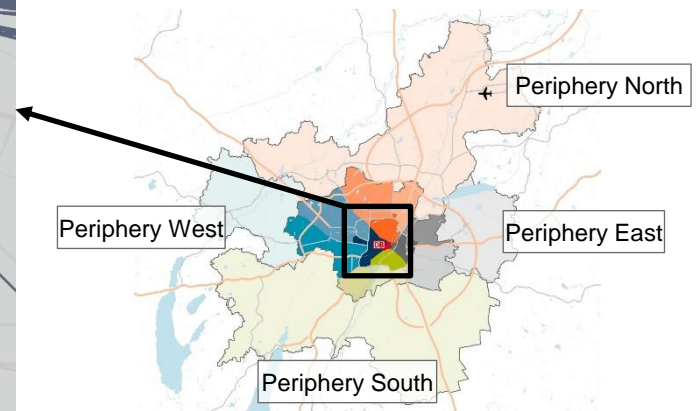


SUBMARKET OVERVIEW



RENTAL PRICE RANGES Q3 2023

Submarket	€/m ² /month
Old Town	24.50 – 44.50
City Centre North	17.00 – 40.00
City Centre East	16.00 – 38.00
City Centre South	12.50 – 30.25
City Centre West	17.00 – 40.50
City Area North – North-East	13.00 – 28.00
City Area North – North-West	13.00 – 25.00
City Area East – North-East	11.00 – 16.00
City Area East – South-East	12.00 – 19.50
City Area South – South-East	12.50 – 18.25
City Area South – South-West	14.00 – 25.00
City Area West – North-West	13.25 – 26.00
City Area West – South-West	14.00 – 26.50
Periphery North	7.80 – 21.00
Periphery East	8.50 – 15.50
Periphery South	7.25 – 18.75
Periphery West	8.50 – 13.50



MARKETBEAT

MUNICH

Office Market Q3 2023



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