

YoY Change 12-Month Forecast

€1.45 bn

Transaction Volume (cum.)



3%

Share of Foreign Capital



4.60%

Office Prime Yield, net



26%

Share Office Investment Volume



ECONOMIC INDICATORS

YoY Change 12-Month Forecast

4.3%

Munich Unemployment Rate (Jun 2024)



456,800

Munich Office Employees (Jun 2024)



4.25%

ECB Interest Rate (Jun 2024)



2.53%

10-Year Government Bond Yield (Q2 2024)



Sources: Federal Employment Agency, ECB, Moody's Analytics

OFFICE TRANSACTION VOLUME DESPITE INCREASE BELOW LONG-TERM AVERAGE

In the first half of 2024, the commercial investment market in Munich recorded a transaction volume of €1.45 billion. Compared to the previous year, an increase of 109% was recorded, more than doubling the result. Despite this significant growth, the current result is 21% below the five-year average. The strong performance is mainly attributable to the 1st quarter of 2024. With €205 million, the transaction volume in the second quarter was 83% below the previous quarter's value (€1.24 billion).

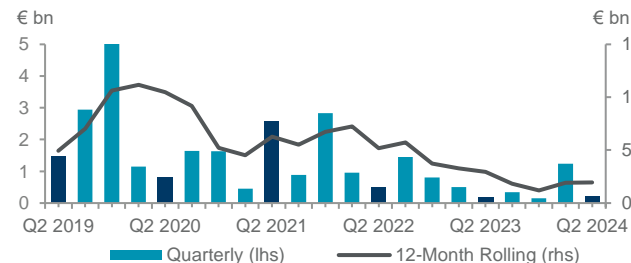
Mixed-use properties achieved the highest transaction volume in the 1st half of 2024 with €1.03 billion (71%). This was primarily due to the sale of the mixed-use property "Fünf Höfe" by Union Investment to Athos in the first quarter of 2024. The core uses of this property are retail and office.

The transaction volume of office properties in the 1st half of 2024 amounted to €375 million, representing an increase of 42% compared to the 1st half of 2023. However, compared to the five-year average of the respective first halves, there was a decrease of 90%. One of the largest office transactions in 2024 so far is still the sale of the office and commercial building "Romy" at Rosenstraße 8 by Signa Prime Selection to Concept Reals for around €85 million from the 1st quarter of 2024.

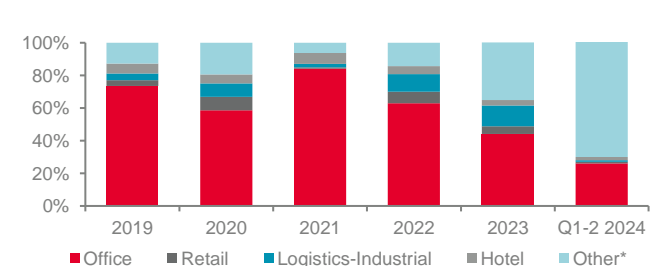
Unlike the previous quarter, where no transactions involving hotel properties were recorded, hotel properties worth €25 million were traded in the 2nd quarter of 2024, representing an increase of 150% compared to the same period last year. This includes the sale of the Gambino Hotel at Goethestraße 26 in Munich to G&G Holding.

The half-year result for industrial and logistics properties, as well as retail properties, was weak, with each category contributing €10 million, making up only 2% of the commercial transaction volume in the Munich market by the end of the 1st half of the year.

COMMERCIAL TRANSACTION VOLUME*



SHARE OF TRANSACTION VOLUME BY ASSET CLASS



* Office, Retail, Logistics-Industrial, Hotel, Other (Leisure, Health Care, Mixed Use, Development Plots)

CORE TRANSACTIONS AS THE STRONGEST RISK CLASS

In the 1st half of 2024, the largest share of the transaction volume (65%) was allocated to the core segment. Overall, transactions in the core and core-plus segments amounted to 80%. The remaining 19% of the transaction volume was distributed among properties in the value-add and opportunistic categories. These include properties with development and enhancement potential, particularly those with high vacancy rates and land intended for future development.

STABLE PRIME YIELDS FOR THREE CONSECUTIVE QUARTERS

From June 2023 to June 2024, the prime office yield for core properties in prime locations increased by 90 basis points to 4.60%. The prime for high-street retail properties in prime locations rose by 70 basis points year-over-year to 4.10%. The prime yield for logistics properties currently stands at 4.50%, which is 35 basis points higher than a year ago. On a quarterly comparison, prime yields across all asset classes have remained stable for three consecutive quarters.

LARGE TRANSACTIONS OVER €100 MILLION SHAPE TRANSACTION VOLUME

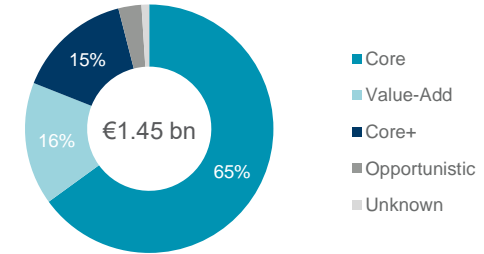
The transaction volume by size categories was significantly influenced by two transactions exceeding €100 million: the sale of 'Fünf Höfe' and 'Moshammer Haus' at Theatinerstraße 7-11. Both transactions took place in the 1st quarter.

The share of international capital in the total volume amounted to approximately 3% in the 1st half of 2024, which is about 50 percentage points below the previous year's value. This represents the lowest international transaction volume for the first half of the year in the Munich commercial real estate market in the past seven years.

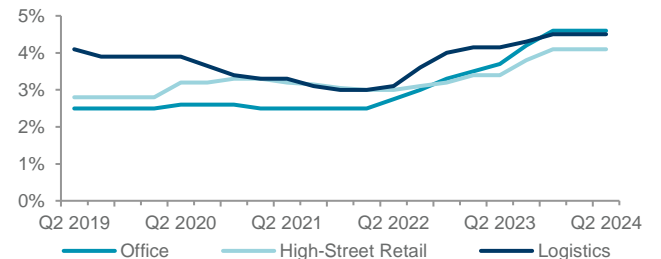
Outlook

- The rise in interest in real estate investments and the stabilization of purchase prices in the 1st half of 2024 offer an optimistic outlook for the future. These trends could lead to an increase in successful transactions.
- The stability of prime yields over three quarters could indicate that the peak of yields has been reached.
- The consolidation of yields, supported by moderate interest rate cuts by the ECB, reinforces this view and could favor a consistently positive development of the investment market throughout the rest of the year.

TRANSACTION VOLUME BY RISK CATEGORY Q1-2 2024

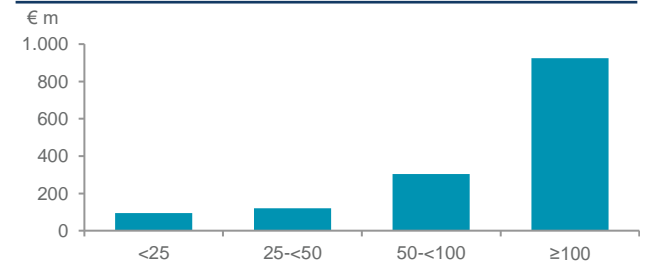


PRIME YIELD BY ASSET CLASS*



*Net initial yield

TRANSACTION VOLUME BY SIZE CATEGORY Q1-2 2024*



*Each size category in euro million

MARKET STATISTICS Q1-2 2024

MARKET	Transaction Volume (€ bn)	Share of Office Volume	Share of Retail Volume	Share of Logistics-Industrial Volume	Share of International Capital	Office Prime Yield*	Retail High Street Prime Yield*	Logistics Prime Yield*
Frankfurt	1.45	26%	1%	1%	3%	4.60%	4.10%	4.50%
YoY Change	109%	-12pp	-3pp	-9pp	-48pp	90bp	70bp	35bp
Top-7 Markets	6.0	25%	21%	10%	30%	4.91%	4.46%	4.50%
YoY Change	46%	-8pp	10pp	-6pp	-5pp	87bp	47bp	35bp
Germany	11.16	21%	22%	23%	37%	-	-	-
YoY Change	22%	-5pp	3pp	4pp	8pp	-	-	-

*Prime yield is net initial yield, displaying achievable values. Prime yield for Germany = Average of Top-7 Markets

pp = percentage points; bp = basis points

SELECTED TRANSACTIONS 2024

Property / Address	Quarter	Type Of Use	City	Vendor / Buyer	Price (€ million)
Fünf Höfe, Theatinerstraße 7-11	Q1	Mixed use	Munich	Union Investment / Athos	~ 700
Moshammer Haus, Maximilianstraße 12-14	Q1	Mixed use	Munich	Centrum / Commerz Real	~ 250
Romy, Rosenstraße 8	Q1	Office	Munich	Signa / Concept Real	~ 85
Gambino Hotel, Goethestraße 26	Q2	Hotel	Munich	Unkown / G&G Holding	Confidential

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