

MUNICH

Cushman & Wakefield

Global Cities Retail Guide

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 COMFORT

Munich is one of the retail hot spots in Germany which is unsurprising considering the affluent clientele in Munich and its surroundings. The purchasing power of Munich and regions such as Starnberger See are unmatched in Germany. Accordingly, Munich is in the focus of national and international retailers alike.

The city is often the first choice of international retailers when it comes to expanding into the German retail market. Good examples of such an approach are Swedish retailer H&M in regard of the new format Arket or Canadian retailer Lululemon who both opened their first German stores in the Bavarian capital. Munich's high street retailing is very much focused on the city's CBD. In the vicinity of the world famous Frauenkirche and Viktualienmarkt shoppers can find everything from mass consumption to luxury goods.

The extremely attractive Munich market draws in all market players. Despite high prices, spaces and business premises in the traditional prime locations of Munich are in high demand among tenants, investors and developers alike. Besides the soft location-related factors, this is especially due to the following reasons. Firstly, the sustainably outstanding socio-economic parameters combined with the large catchment area of more than 3 million inhabitants with a very high purchasing power (130,0 in comparison to the national average of 100,0). Secondly, the population growth is far above the national average: the population of Munich is predicted to exceed 1.6 million as early as 2030.

Furthermore, Munich is an absolute hot spot for tourism: 17.1 million overnight stays with a particularly high amount of foreign visitors (nearly 50%) strengthen the location further. The compact urban design of the city centre and the clearly defined sales locations are extremely user-friendly which has a definite positive impact on sales figures.



Central Munich boasts around 494,000 sqm of total sales spaces, making it the largest retail destination in Germany and the best-performing location in the country with a sales density of approximately €6,800/ sqm. Germany's top high street is also located in Munich. The country's most frequented prime pitch is Kaufinger Straße with more than 14,000 pedestrians per hour on a Saturday followed by Neuhauser Straße with some 13,000 shoppers per hour. These extraordinary retail figures, combined with the continued low interest rates, have an extremely high impact on the investment market in particular: the corresponding factors and returns especially of top objects are completely detached from regular market developments at this stage. This has resulted in very short supplies for institutional investors seeking such business premises. Especially family offices that are positioned accordingly have been strengthened by the increasing rarity of investment opportunities. Overall, the market is highly competitive and dynamic.

Even outside the city, the retail market is highly dynamic. Especially the revitalisation of the district centre of Schwantalerhöhe by HBB and Bayerische Hausbau and the recently finished modernisation and expansion of the two shopping centres PEP in Neuperlach and Riem Arcaden are worth noting. Furthermore in 2018 an intensive refurbishment of well-known Olympia Einkaufszentrum (OEZ) started.

Given Munich's historic CBD and the fact that most streets are for pedestrians only, the shopping atmosphere is very relaxed and attractive. Local shoppers enjoy and value the CBD's retail scene as much as visitors from abroad.



MUNICH OVERVIEW

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KEY RETAIL STREETS & AREAS

NEUHAUSER STRASSE / KAUFINGERSTRASSE AND MARIENPLATZ

Neuhauser Straße, Kaufingerstraße and the adjoining Marienplatz are a trend-setting, classic prime location with the highest rent prices and the highest standard ground values in the country. The focus in the pedestrianised street is on youth fashion and mass consumption with major department stores and national and international retailers in the medium-price segment. There is a permanent strong footfall, additionally boosted by a large number of tourists. Despite a large number of chain stores, there is a stable and relatively high amount of local retailers and traditional traders such as Hirmer and Ludwig Beck.

THEATINERSTRASSE / WEINSTRASSE AND ROSENSTRASSE

Weinstraße is the unifying element between the famous Marienplatz and Theatinerstraße. The street exhibits little fluctuation and demand from national and international retailers is high. Even more international retailers would like to locate a store in this upscale pitch. Thanks to the compact sizes of the individual stores, the area offers great variety for window shopping. The well-established shopping centres Fünf Höfe and Schäfflerhof strengthen the area of Theatinerstraße, Weinstraße and Maffeistraße for the long-term. It is also one of the few centres located in the CBD. A number of prime retail concepts are located in this part of Munich's retail landscape e.g. TAG Heuer, Hugo Boss and Michael Kors.

MAXIMILIANSTRASSE / PERUSASTRASSE

Maximilianstraße and Perusastraße are considered Germany's most sought-after location for flagship stores of international, renowned luxury labels. The Maximilianstraße is the classical high-end luxury location and an important factor in the city's image. The Perusastraße is a somewhat more "charming" location with a higher footfall. Over recent years, demand from luxury retailers has been very strong. With supply limited, prime rents are at a comparatively high level and among the highest paid for shops in Munich's top high streets.

RESIDENZSTRASSE / DIENERSTRASSE

Residenzstraße and Dienerstraße are traditional, middle-class shopping locations. As the location is linked to one of the city's famous tourist attractions, the Bavarian State Opera House, it has a comparatively high footfall. Both streets benefit from the direct connecting axis with the luxury locations of Maximilian- and Perusastraße. Luxury retailers located in the area include Prada, Tiffany & Co. and Burberry.



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KEY RETAIL STREETS & AREAS

SENDLINGER STRASSE

Sendlinger Straße is a highly popular shopping location, with an extremely positive development. Significant drivers for this location are Hofstatt (since 2013) as a relatively new shopping and service centre, combined with the well-received second expansion of the pedestrian precinct up to Sendlinger Tor. The area will be completed by the planned development of the neighbouring Neuer Sattlerplatz, where the entire area between Hofstatt and Kaufingertor and between the post building and the Hirmer car park (the latter will be demolished) near Färbergraben will undergo a process of repositioning and urban redesign.

TAL

Tal is a popular, increasingly attractive location located in the prolongation of Marienplatz as far as Isator. It has a slightly unstructured retail line-up with a clear focus on gastronomy and an improved, good quality of stay especially on account of the passenger-friendly, broad pavements. Crowd-pullers include the small Müller department store and Globetrotter and the traditional Bavarian brewery-restaurants alongside trendy burger joints and steakhouses.

BRIENNER STRASSE

Brienner Straße is a traditional shopping location whose attractiveness has considerably increased again. Positive developments of the location are especially due to the attractive mix of exclusive stores and unique gastronomical concepts. Special highlights are the extremely sophisticated original store of the traditional Munich supplier Ed. Meier and the veritable Munich institution Café Luitpold at Luitpoldblock. Overall, the area is well positioned as a unique premium location once again with a large series of new concepts.

LEOPOLDSTASSE / HOHENZOLLERNSTRASSE

Alongside the traditional shopping locations of central Munich, this area is considered the most interesting place for chain retail stores outside of Altstadttring. This applies especially to the intersection of Leopoldstraße and Hohenzollernstraße, the so-called “Schwabinger T”. The locations have a diverse mix of tenants and sectors including unique concepts and an increasing number of chain stores.



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MARKET OVERVIEW

KEY AREAS / STREETS/ SHOPPING CENTRES	CONSUMER PROFILE	MAJOR RETAILERS PRESENT	NEW ENTRANTS	TYPICAL RENT FOR 80-120 SQM UNIT	RANGE OF UNIT SIZES
Neuhauser Straße / Kaufingerstraße and Marienplatz	Mid-market	Karstadt Oberpollinger, Sport Scheck, Mango, Saturn, Swarovski, Desigual, Snipes, Hirmer, C&A , New Yorker, Wormland, Reserved	LUSH-Spa, Görtz, Andechser, Euronet mit Ria, Deichmann (relocation), Cheese & More (upcoming)	€370 / sqm / month	100 - 1,000
Theatiner Straße / Weinstraße and Rosenstraße	Premium Market	Eckerle Herrenmode, Cos, Tommy Hilfiger, H&M, Talbot Runhof	PHILIPP PLEIN, DoDo, Juwelier Rüschenbeck, Sandro, MAJE, FURLA (relocation), Meisterwerk Chocolaterie, FC Bayern Erlebniswelt, HUGO BOSS, EssBar, H Fünf, AIRFIELD (relocation)	€280 / sqm / month	100 - 400
Maximilianstraße / Perusastraße	Germany's most sought-after luxury locations	Dolce&Gabbana, Valentino, Hermès, Giorgio Armani, Chanel, Dior	Dior (relocation), FABIANA FILIPPI, MARNI (upcoming), Loro Piana (relocation), SAINT LAURENT, Café Roma	€370 / sqm / month	100 - 400
Residenzstraße / Dienenstraße	Premium Market	Max Dietl Haute Couture, Bogner, Prada, Burberry, Windsor, Hogan	Berluti, RIMOWA	€225 / sqm / month	100 - 400
Sendlinger Straße	Mid-market	Apple, Abercrombie & Fitch , Calvin Klein, The North Face by Schuster, Superdry, Hallhuber	Harman, Love Stones, lululemon, CAMP DAVID / SOCCX, Douglas, Boggi Milano	€175 / sqm / month	100 - 600
Tal	Mid-market	Globetrotter, Drogerie Müller	dm-drogerie markt, Zum Stiftl-Mein Wirtshaus, Samsonite, Hans im Glück	€135 / sqm / month	
Brienner Straße	Premium Market	Ed Meier, Closed, Jacadi Paris	Steiff, FLEURS DE PARIS, Kate Spade, COCO-MAT, Karl Rothmüller, Thai Atrium	€140 / sqm / month	
Leopoldstraße / Hohenzollernstraße	Mid-market	Douglas, Rituals, Edeka, dm-drogerie markt	Deutsche Bank (relocation), BOYCO, THE BODY SHOP, RITUALS, PENNY	€80 / sqm / month	



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SHOPPING CENTRES

FÜNF HÖFE

The comparatively small Fünf Höfe shopping centre with a mall GLA of 17,500 sqm is one of the most upscale in Germany and consists of several buildings arranged around five courtyards. Fünf Höfe was completed in 2003 and features stunning architecture. There are more than 60 shop units and countless cafés and bars. Premium tenants are: Boggi Milano, Lagerfeld, Longchamp, St. Emile, Niessing and S. Baumeister.

HOFSTATT

Hofstatt, located in the historic centre of Munich, opened in 2013 with 16,000 sqm rental space. Flagship-Stores of international retail chains like Abercrombie & Fitch, adidas, Subdued and Hollister are next to exclusive, creative designers, modern boutiques and stylish interior stores. Furthermore, Hofstatt is just a few steps away from shopping spots Sendlinger Straße, Kaufinger- and Neuhauserstraße.

STACHUS PASSAGE

The Stachus Passage is located right in the heart of Munich, close to the Karlsplatz. As it is directly besides the transport nodal point Karslplatz, it is easily accessible by public transportation. With its 7,800 sqm rental space, it is Europe's biggest underground shopping centre. A wide range of 60 shops attract around 250,000 visitors daily, commuter, stroller and tourists from Germany and the rest of the world. Among the tenants are Decathlon Connect, Edeka, dm drogerie markt and The Body Shop.



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SHOPPING CENTRES

OLYMPIA CENTRUM

The Olympia shopping centre (OEZ) is located in the north of Munich in close proximity to the famous Olympia park. After the extension in 2002 the centre contains 136 shops on 56,000 sqm mall rental space. Currently an extensive refurbishment (volume 30 million. €) is in realization. Anchor tenants are Kaufhof, Karstadt, Wöhrl, C&A, Apple, Zara and H&M.

PASING ARCADEN

Pasing Arcaden is located in Munich's district Pasing. The shopping centre has a rental space of 39,000 sqm, accommodating 144 shops and restaurants on three floors. In the building, on top of the shopping centre, there are 60 apartments. Additionally, the shopping centre offers its visitors a car park with 700 spaces. The modern shopping centre features rolling corridors and a wedged roof area, resembling architectural features of a cruise ship. Among the tenants are C&A, Media Markt, Scotch & Soda and H&M.

PEP EINKAUFSCENTER

The Perlacher Einkaufszentrum (Pep) opened in 1981 in Munich's district Neuperlach. The centre has a total rental space of 58,000 sqm and around 120 shops on three floors and 2,000 parking spots. In 2002 it was the centre with the highest sales in Germany and also today, it is still one of Germany's most profitable centres. After a big renovation in 2018 Primark opened its first store in Bavaria in Pep. Current anchor tenants are H&M, P&C, Kaufland, EDEKA and Saturn.

RIEM ARCADEN

After the Olympia-Einkaufszentrum OEZ and the Einkaufs-Center Neuperlach Pep, the Riem Arcaden opened in 2004, it is the third largest shopping mall in Munich with currently 46,500 sqm of rental space. After the finished renovation in 2018, the rental space was expanded by 10,000 sqm. The centre houses more than shops and restaurants on three floors and 2,600 parking spaces. Additionally to the shopping center, there are 30,000 sqm office spaces, 62 apartments and a Novotel-Hotel with around 250 rooms. Due to the fact that there were no other supermarkets or shops built in this district, the centre supports the entire region with its daily needs. Among the tenants are C&A, H&M, Saturn, P&C and EDEKA.

MUNICH

FOOD & BEVERAGE

Munich's food and beverage landscape is well-known across the globe for its famous beer gardens, its Hofbräuhaus, its local breweries and its restaurants serving typical Bavarian dishes.

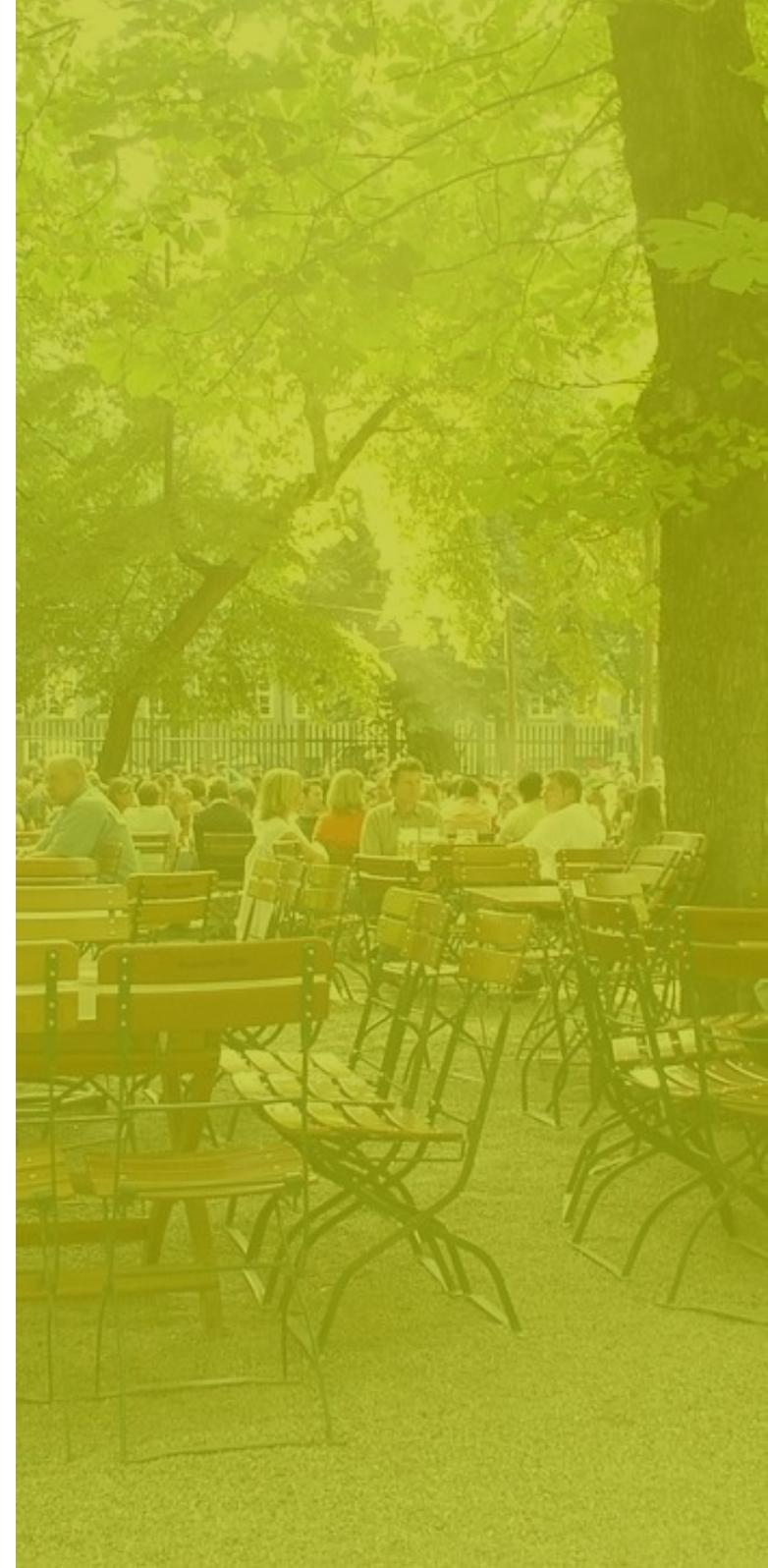
Apart from this unique local restaurant scene, Munich is home to eleven restaurants which have been awarded at least one Michelin star. Tantris by Hans Haas, Restaurant Dallmayr by Diethard Urbansky and Esszimmer by Bobby Bräuer, which have been awarded two Michelin stars. Whereas the latter is located in BMW World at Olympiapark, Tantris and Restaurant Dallmayr are located in the renowned Schwabing submarket in the heart of the CBD.

Just as in any other of Germany's top cities, Munich's restaurant scene is diverse: from grilled Emu to vegan dishes, from Bavarian Sauerkraut and Bratwurst to gala dinners in one of the city's high quality gourmet temples.

Munich is well-known for its various street cafés which give the city a Mediterranean flair in summer. Whereas these cafés are mostly owner-occupied, the number of chain operated cafés such as Starbucks is constantly rising. Among the most popular are Coffee Fellows, San Francisco Coffee, Deli Star Bagel & Coffee and Black Bean.

Next to the Germany-wide operations of restaurant chains Block House, Maredo, Vapiano and Osteria Munich has seen a rise in local chain concepts with various restaurants across the city. Popular amongst these are Kaimug, gast [open kitchen], ocui [open cuisine] and le copain.

The number of International food and beverage operators is limited in Munich. However, among these are McDonald's, Burger King, Subway, Dunkin Donuts and Starbucks.



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FOOD & BEVERAGE MARKET OVERVIEW

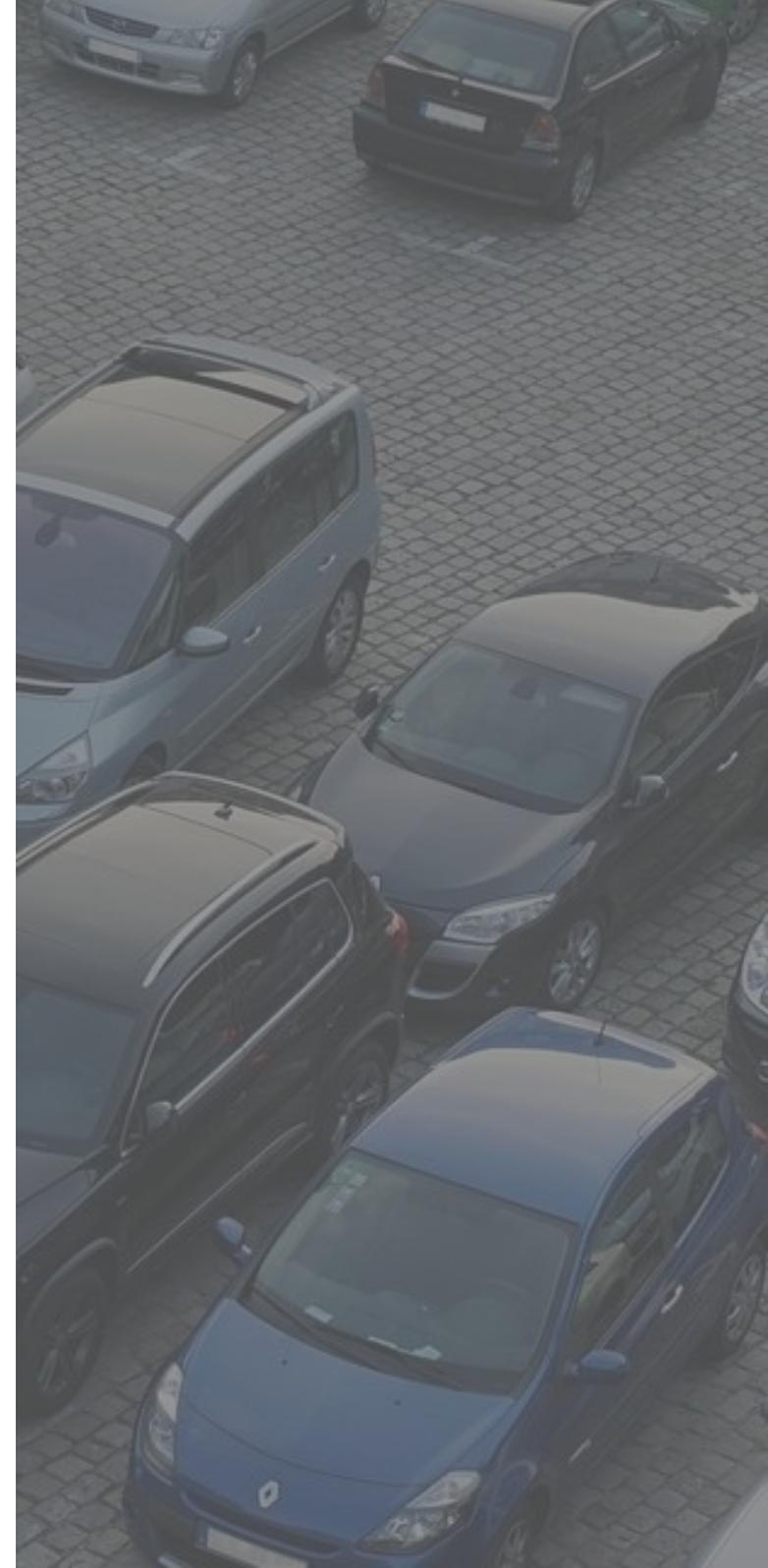
KEY AREAS	CONSUMER PROFILE	FOOD & BEVERAGE OPERATORS
Englischer Garten	Famous and popular leisure area. The park is highly frequented by locals and tourists. The restaurant landscape is dominated by restaurants serving traditional Bavarian dishes.	Seehaus im Englischen Garten, Milchhäusl, Hirschau, Mini-Hofbräuhaus, Hirschau Zum Aumeister, Osterwaldgarten, Restaurant und Biergarten am Chinesischen Turm, P1
Marienplatz	Historical square in front of the city hall. The square is located in the very heart of Munich. Various Cafés and restaurants attract locals and tourists alike.	Wirtshaus zur Weiß-blauen Rose, Ratskeller, Café am Marienplatz, Café Glockenspiel, Woerner's
Gärtnerplatz	Urban, trendy area. Many cafés are located in this vibrant neighbourhood.	Cotidiano - The Bakery Restaurant, Gärtnerplatz Alm, del fiore officine alimentary, Le Pain Quotidien, Kochspielhaus
Leopoldstraße / Belgradstraße / Kurfürstenstraße	Located in Munich's affluent and famous Schwabing city district, the variety of restaurants and bars is impressive.	Tantris, Geisels Werneckhof, M Belleville, Tem Thai Cooking, Blue Mediterraneo, Da Angelo

MUNICH

RETAIL WAREHOUSING/ BIG BOX RETAIL

FACHMARKTZENTRUM ASCHHEIM

The Fachmarktzentrum Aschheim retail park is located east of Munich in Aschheim. It was built in 2011 and has a total GLA of 5,000 sqm. It is anchored by dm, Takko Fashions and Fressnapf, along with several smaller retailers such as AWG Mode, Happy Schuh, and Alnatura.



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WHAT'S NEXT

REDEFINING THE LANGUAGE OF
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