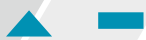


YoY Change 12-Month Forecast

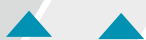
288,500m²

Take-Up (cum.)



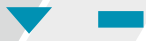
6.3%

Vacancy Rate



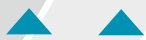
701,300m²

Under Construction



€51.00

Prime Rent, €/m²/month



LABOUR MARKET

YoY Change

95.9

Ifo Employment Barometer Germany (Jun 2024)



456,800

Munich Office Employees (Jun 2024)



4.3%

Munich Unemployment Rate (Jun 2024)



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

ECONOMIC OVERVIEW

The economy in Bavaria remains subdued in the first half of 2024. The BIHK economic index stands at 107 points, still below the long-term average of 112 points, despite a slight improvement since the beginning of the year. Due to global uncertainties and structural challenges, companies do not expect a significant recovery in the coming months. While the retail sector benefits from slowly increasing consumer spending, sentiment in the industry and construction sectors remains cautious. In the second quarter, the unemployment rate in Munich remained unchanged at 4,3% compared to the same period last year, and the number of office workers also showed stable development.

TAKE-UP

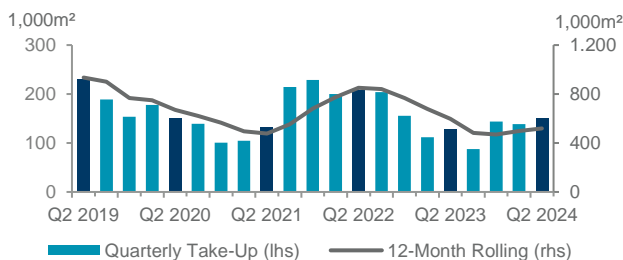
The recorded take-up of 288,500m² in the first half of the year is 19% below the 10-year average for respective first halves. Nevertheless, this result reflects a positive trend compared to the previous year period of only 238,100m². Around 65% of take-up was accounted for by grade A buildings. This figure corresponds to the average of the past ten quarters.

By June 2024, there have already been seven transactions in the size category of 5,000m² and above. In contrast, there were only six such transactions throughout the entire previous year. In the 2nd quarter, Bayerische Versorgungskammer secured the largest transaction of the year so far. They will open their new headquarters, occupying approximately 25,000m² in the 'Tridea' project development as owner-occupiers. The second largest leasing remains Bayerische Allgemeine Versicherung AG's lease of around 11,600m² at 'The Source' from the 1st quarter.

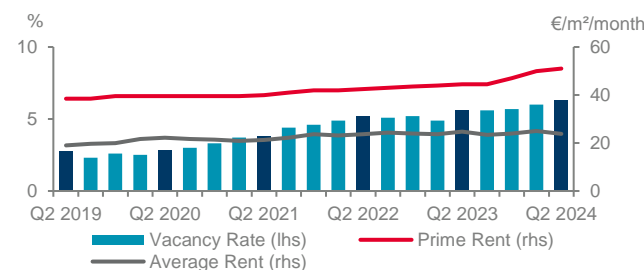
VACANCY

At the end of the 2nd quarter, the office vacancy in Munich stood at 1.37 million m². This corresponds to a vacancy rate of 6.3% and is 0.7 percentage points higher than 12 months previously. Compared to the previous quarter, this reflects a slight increase of 0.3 percentage points. A total of 123,800m² of the vacant space in Q2 2024 is subletting space. This figure represents a slight decrease compared to the previous quarter and an increase of 20% compared to Q2 2023.

TAKE-UP



VACANCY & RENT



COMPLETIONS

In the first six months of 2024, around 139,000m² of office space was completed (new-build or core refurbishment). 54% of this space were already let or assigned to owner-occupiers on completion. For the remainder of 2024, further completions of 182,900m² are expected, of which 36% are currently still available. Around 700,000m² of office space are currently under construction. 32% of this space have already been pre-let or assigned to owner-occupiers.

RENTS

In Q2 the prime rent in Munich reached €51.00 /m²/month, exceeding the all-time high of the previous quarter and thus setting a new record. Compared to the 1st quarter of 2024, the prime rent increased by €1.00/m². Compared to the 2nd quarter of 2023, the figure corresponds to an increase of €6.05/m² (+15%).

The area-weighted average rent across new leases over the past twelve months was € 23.80/m²/month, €1.35/m² lower than in the previous year's quarter.

SELECTED PROJECT DEVELOPMENTS

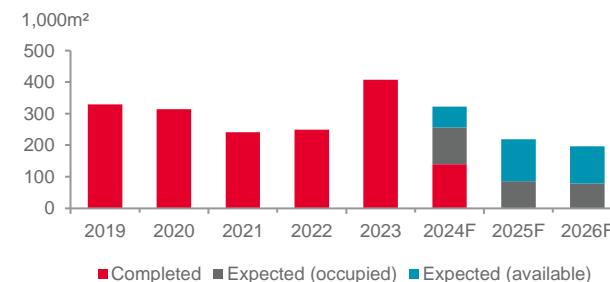
Property/Project	Submarket	Status	Year of Completion	Office Space (m ²)	Owner
Der Bogen	Inner City East	Completed	2024	64,300	Giesecke & Devrient
FABRIK	City Area South – South-West	Completed	2024	21,000	Becken Development
VINZENT	City Centre West	Under Construction	2024	6,400	Bauwerk Capital
Briener Gärten	City Centre West	Under Construction	2024	6,100	Bayerischer Fußball-Verband

MARKET STATISTICS

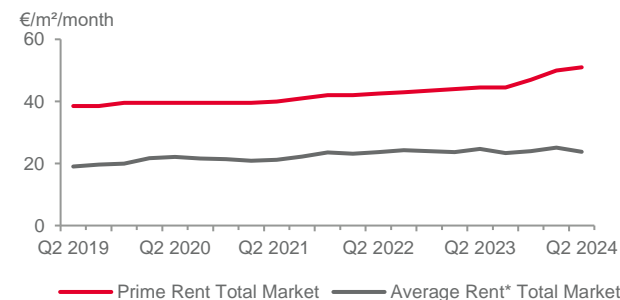
Submarket	Take-Up YTD (m ²)	Completions YTD (m ²)	Space under Construction Current Quarter (m ²)	Prime Rent Current Quarter (€/m ² /month)	Average Rent* Current Quarter (€/m ² /month)
Old Town	15,400	30,800	0	51.00	44.70
Inner City East	50,900	70,700	2,900	41.50	31.25
City Area South – South-West	33,600	21,000	0	27.00	22.35
Periphery North	31,100	0	28,900	22.00	13.65
Total Market Munich	288,500	139,400	701,300	51.00	23.80

* Weighted Average Rent (12 months)

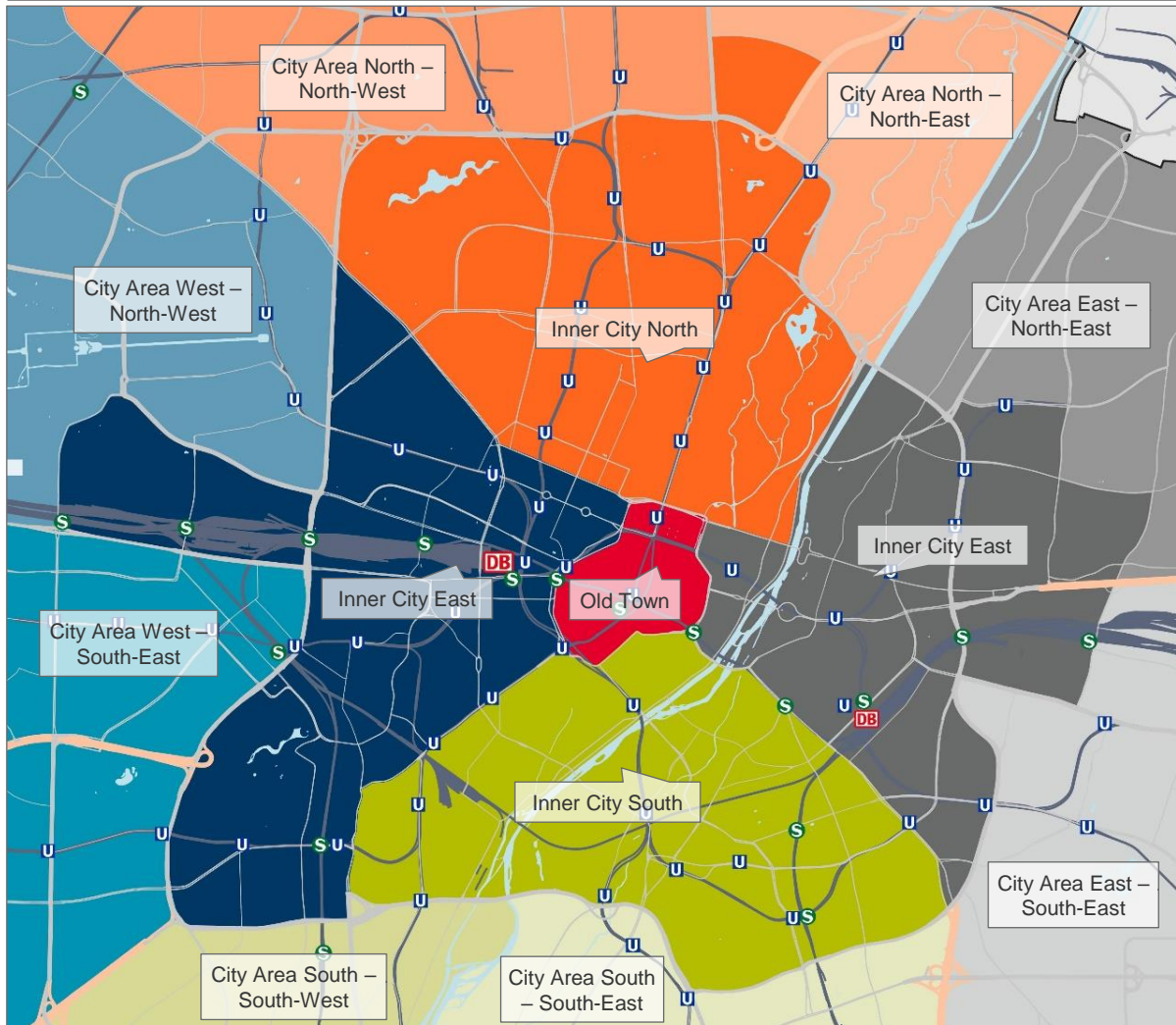
COMPLETIONS



RENTS

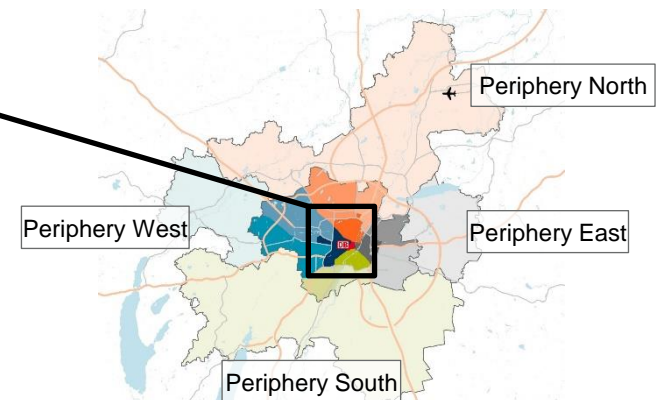


SUBMARKET OVERVIEW



RENTAL PRICE RANGES Q2 2024

Submarket	€/m ² /month
Old Town	31.50 - 51.00
Inner City North	15.00 - 40.00
Inner City East	14.00 - 41.50
Inner City South	15.00 - 33.00
Inner City West	18.00 - 48.00
City Area North – North-East	15.00 - 28.50
City Area North – North-West	13.00 - 26.00
City Area East – North-East	10.00 - 16.00
City Area East – South-East	15.00 - 25.00
City Area South – South-East	14.50 - 16.00
City Area South – South-West	15.00 - 27.00
City Area West – North-West	15.00 - 25.00
City Area West – South-West	15.00 - 26.00
Periphery North	8.50 - 22.00
Periphery East	11.00 - 19.00
Periphery South	10.00 - 20.00
Periphery West	10.00 - 13.00



MARKETBEAT

MUNICH

Office Market Q2 2024



CUSHMAN &
WAKEFIELD

Matthias Hofmann

Acting Head of Office Agency Munich

Tel: +49 89 242 14 33 38

matthias.hofmann@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 commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.

©2024 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