

Updated quarterly, our dashboards provide a concise synopsis of occupier activity in Europe's markets.



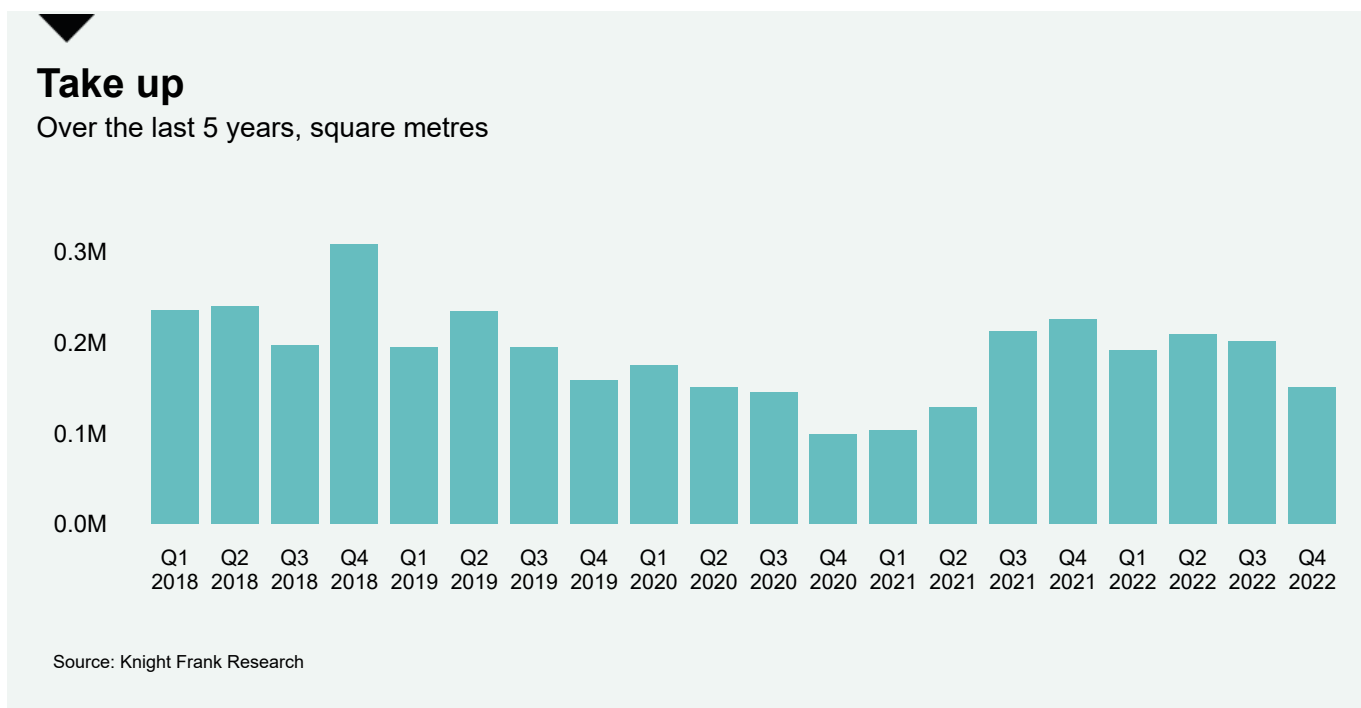
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Munich Office Market

Research, Q4 2022

OCCUPIER MARKET HEADLINE FIGURES

TAKE UP		VACANCY RATE		PRIME RENT	
150,400	-33.2%	5.3%	3.3%	€ 522	3.6%
SQM	YOY CHANGE	RATE	5 YR AVERAGE	RENT (PSQM)	YOY CHANGE



OCCUPIER HEADLINES

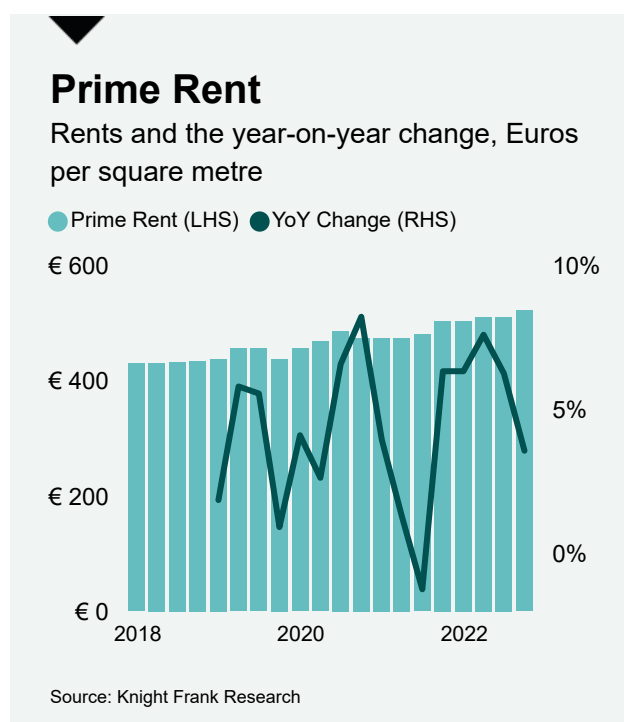
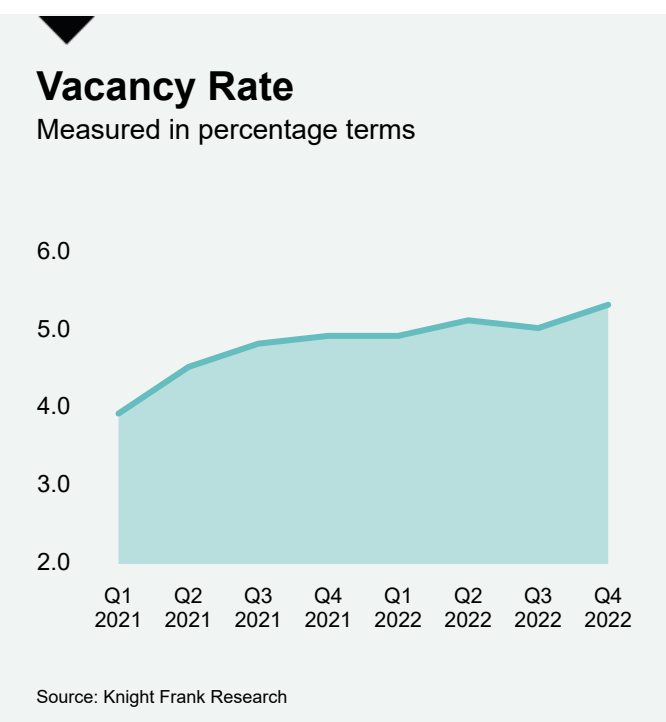
As anticipated, take-up figures for Q4 2022 of 154,400 sqm indicate that a year-end rally did not materialise in the Munich office market. Nevertheless, total take-up for the year exceeded levels seen in 2021 by 12%, amounting to 751,300 sqm. This is also the highest annual take-up in 4 years.

Overall vacancy for the city ticked upwards slightly to 5.3%. Munich CBD vacancy remains low at 2.2%, and the City Centre saw a moderate drop to 3.0%.

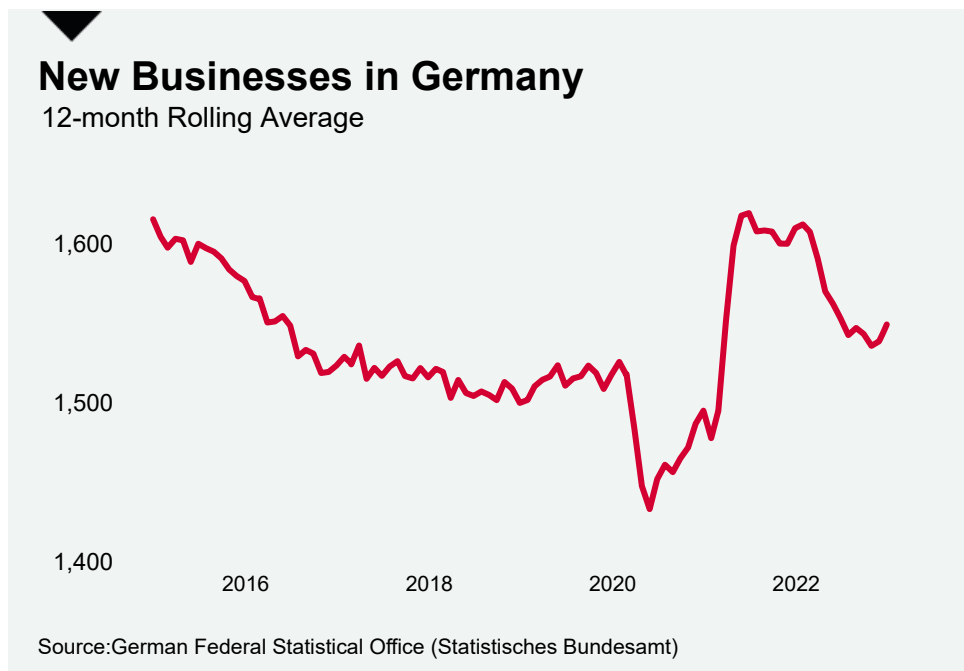
Scarcity of supply in central locations continues to drive prime rental growth to a historic high of €522 psqm per annum, representing a 4% increase when compared to Q4 2021.

Construction completions for the year totalled 242,200 sqm, with more than half of this located in the City Centre submarket. There are an additional 801,600 sqm of new supply under construction in the Munich office market as a whole.

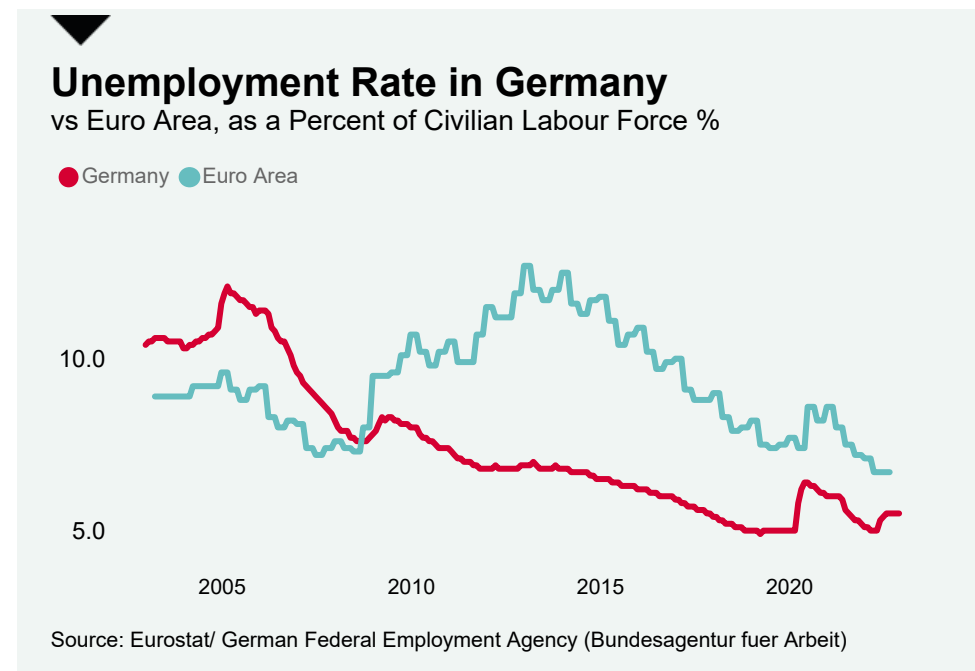
Demand and vacancy are anticipated to remain stable in 2023, and further upticks in prime rental rates are expected.



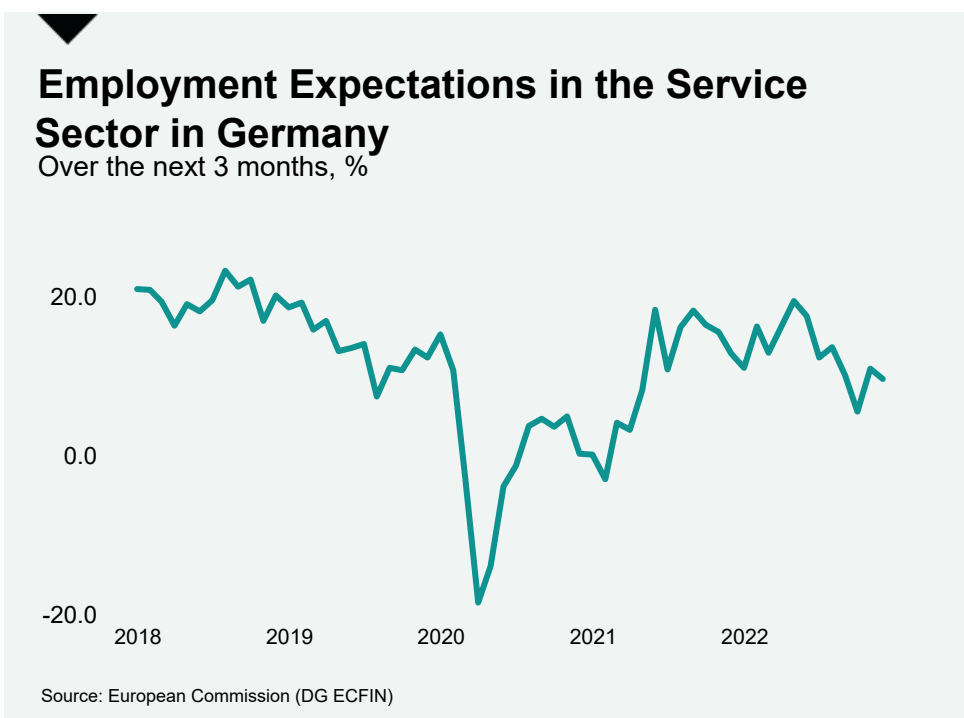
ECONOMIC INDICATORS



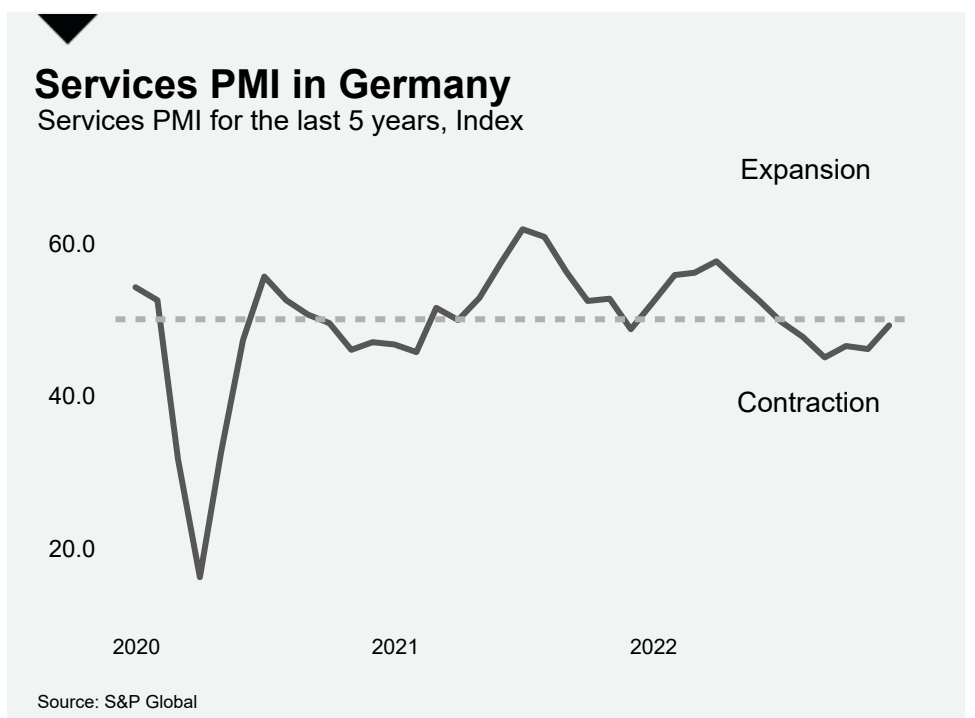
After a slump in new business starts during the pandemic in Germany, activity exceeded pre-COVID normals in 2021 and have since levelled slightly in 2022.



The unemployment rate in Germany has held firm since August at 5.5% and is expected to tick upwards slightly in 2023 before declining in 2024.



Employment expectations in the German service sector continue to decline as recession worries weigh on business sentiment.



The service sector PMI improved in Q4 2022, reaching 49.2 in December, up from 45.0 in September. The reading still points to a fall in the services sector, but is a sign the downturn is easing.

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you

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