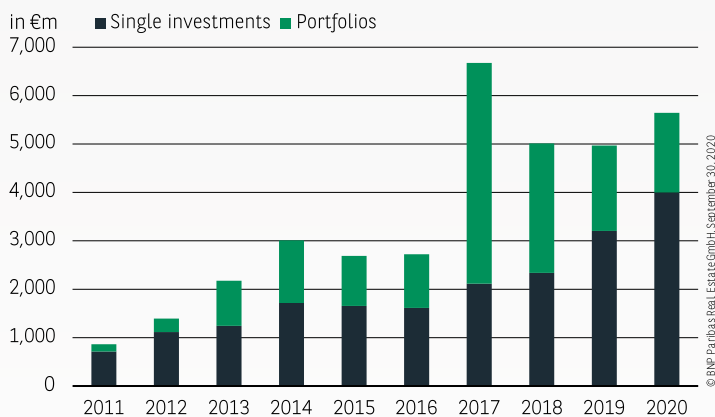




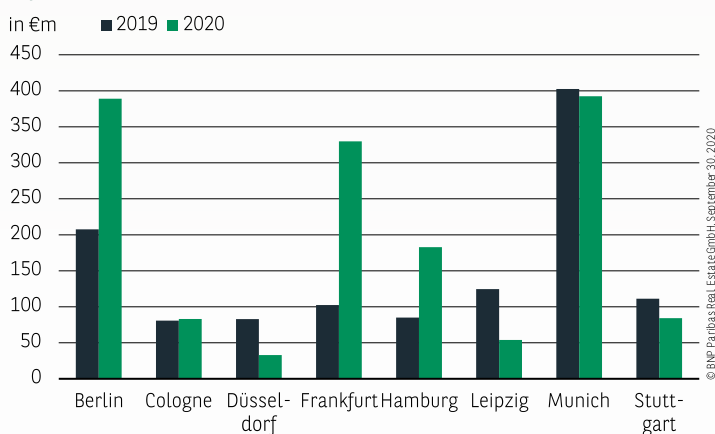
At a Glance **Q3 2020**

# LOGISTICS INVESTMENT MARKET GERMANY

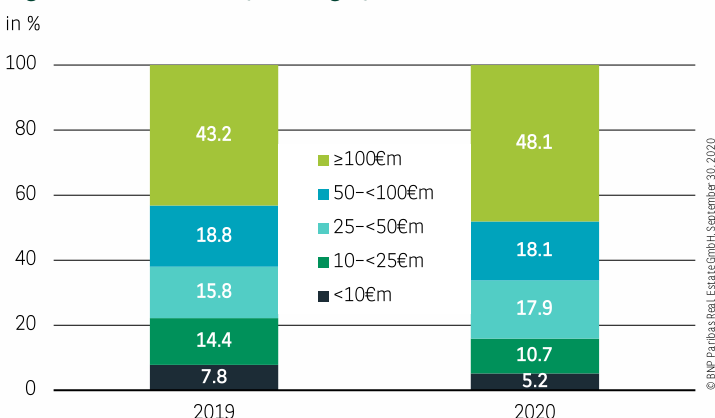
## Logistics investments in Germany Q1-3



## Logistics investments in important markets Q1-3



## Logistics investments by € category Q1-3



## LOGISTICS INVESTMENTS DEMONSTRATE THEIR RESILIENCE

While some of the other commercial investment classes have in some cases felt the negative effects of the corona pandemic, the market for logistics investments is proving to be extremely robust. With a transaction volume of more than € 5.6 billion, the previous year's result was exceeded by 14% and the long-term average by almost 61%. This is the second-best result ever recorded at the end of a third quarter. The strong performance can be attributed to the fact that although there has been a significant drop in demand for capacity within the logistics sector, this has been limited to certain sectors, such as the automotive industry. At the same time, other sectors, such as e-commerce or classic food logistics, even managed to significantly increase their importance during the crisis and to underpin their systemic relevance generating strong logistics take-up. For many investors, it has therefore become even more attractive to invest in logistics real estate over the past few months, no doubt partly due to a lack of high-yield alternatives. The fact that, with currently almost € 4 billion, more investment volume than ever before is being generated through single transactions impressively confirms this statement and shows that the investor base is becoming broader.

## FRANKFURT WITH A NEW RECORD

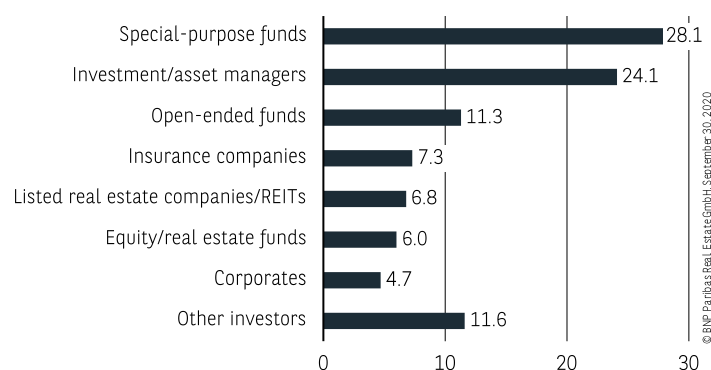
A look at the major logistics hubs reveals a very mixed picture. While a new record of € 330 million was set in Frankfurt and a record was only just missed in Berlin (€ 389 million) and Munich (€ 392 million), a significant year-on-year decline was recorded in Düsseldorf (€ 33 million; -60%), Stuttgart (€ 84 million; -24%) and Leipzig (€ 54 million; -57%). However, at least Leipzig's current performance must be interpreted against the background of the strong result of the previous year. In absolute terms, Leipzig's investment volume outperformed the long-term average. Hamburg also achieved a strong figure in long-term comparison, with €183 million.

## MEDIUM SIZE CLASSES GAIN IMPORTANCE

With a share of sales of a good 48%, the segment above € 100 million is clearly at the top of the rankings, but the mid-size categories in particular are also showing activity that is well above average in a long-term comparison. By the end of the third quarter, investments of € 2 billion had already been made in the segments of € 25 million to € 100 million. This is a mark that is normally - if at all - only cracked at the end of the year.

## Logistics investments by buyer group Q1-3 2020

■ in %

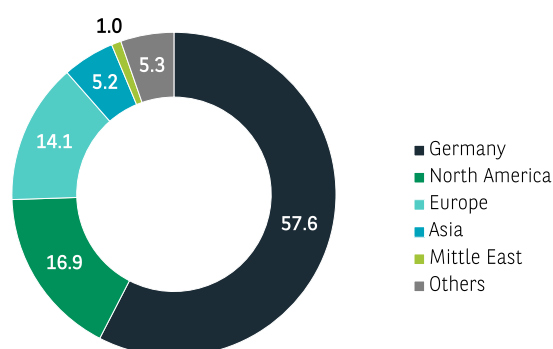


## SPECIAL-PURPOSE FUNDS MOST ACTIVE

Although they have long been considered a niche market, logistics investments are increasingly developing into a mass product. Not least through fund structures, a broad spectrum of investors is enabled to participate in the market. It is therefore hardly surprising that special-purpose funds currently contribute the major share of the result with a good 28% and, in absolute terms, with almost € 1.6 billion, have recorded their best result to date in a long-term comparison. The same also applies to open-ended funds, which generate € 640 million or 11%. Investment/Asset Managers were also particularly active and account for almost a quarter of the total. In addition, insurance companies (7%), listed real estate companies/REITs (7%), equity/real estate funds (6%), and corporates (5%) accounted for significant volume shares.

## Logistics investments by origin of capital Q1-3 2020

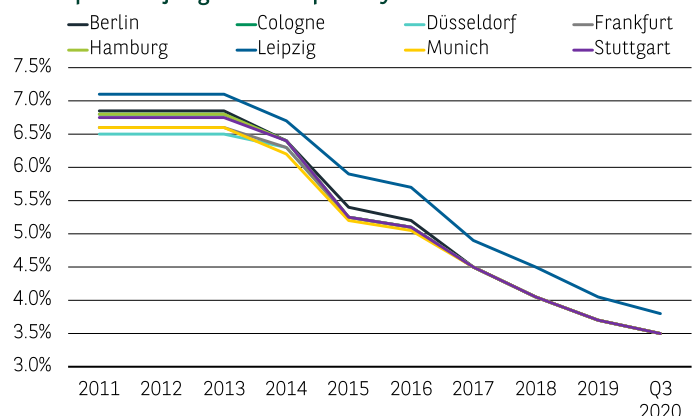
in %



## GERMAN INVESTORS DISCOVER LOGISTICS FOR THEMSELVES

The logistics investment market is traditionally comparatively strongly influenced by foreign investors. Thus, the good overall results of the past years were almost always directly related to large portfolio transactions of international investors. Asian investors, who usually generate large sales in this context, are currently very restrained and account for 5 % of the total. However, since North American buyers (17%) and investors from other European countries (14%) were particularly active, foreign investors generated a remarkable € 2.4 billion at the end of the third quarter 2020. And yet, with € 3.2 billion or 58% of the total, German investors are currently dominating the market as never before. By way of comparison: Their long-term average is just € 1.85 billion.

## Development of logistics net prime yields



## YIELDS ARE FALLING AGAIN

The further increase in demand for logistics investments is also reflected in the price development. After the first market uncertainties in the context of the corona crisis had led to a sideways movement in the prime net yield, it had fallen again significantly by 20 basis points to 3.50% by the end of the third quarter in almost all markets.

## OUTLOOK

Due to the continuing popularity of logistics investments, it cannot be entirely ruled out that prime yields will decline slightly again by the end of the year. As the fourth quarter in particular is traditionally much stronger in terms of turnover than the middle of the year, and as some transactions that were initially placed on hold during the peak phase of the lockdown are likely to be finalized, it is likely that the €7 billion mark will be exceeded significantly for the fourth year in succession.

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