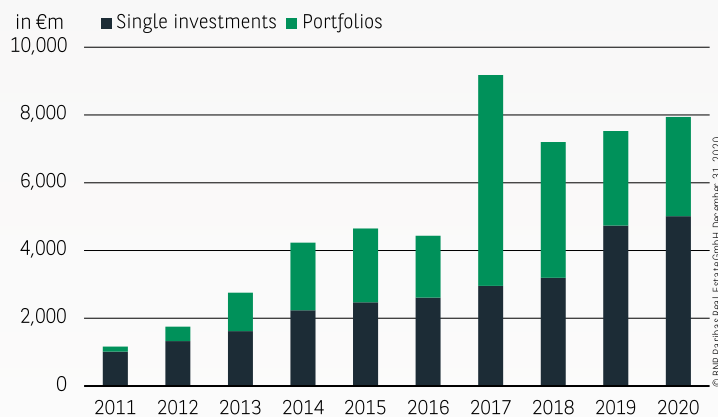




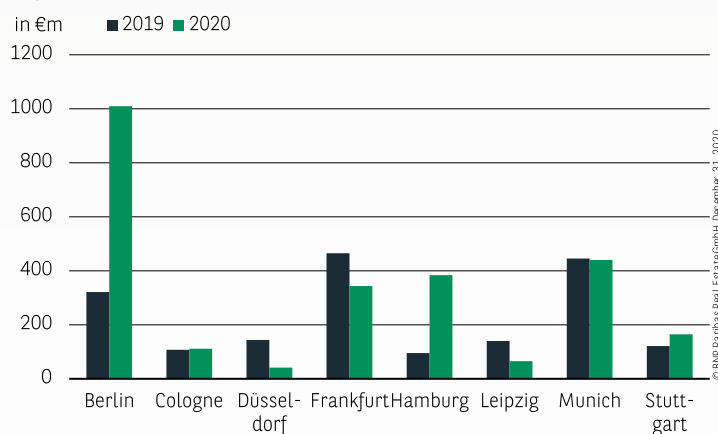
At a Glance **Q4 2020**

# LOGISTICS INVESTMENT MARKET GERMANY

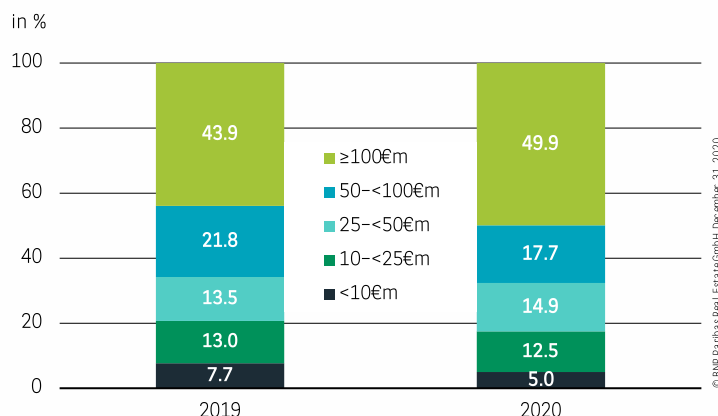
## Logistics investments in Germany



## Logistics investments in important markets



## Logistics investments by € category



## LOGISTICS INVESTMENTS WITH A STRONG RESULT

A statement that was already declared at the beginning of the Corona crisis has largely been confirmed by the end of 2020: Compared to many other asset classes, the logistics investment market is extremely resistant to the economic crisis and can even be described as a crises winner. With a transaction volume of more than €7.9 billion, the previous year's result was exceeded by 5.5% and the long-term average by 56%. Thus, it is the second-best result ever recorded, beaten only by 2017, in which a number of major portfolio transactions had pushed the result. In contrast, the largest share is now attributable to single transactions, which account for more than €5 billion and at the same time set a new all-time high. The very strong overall performance is attributable to the fact that, although the logistics sector has also seen a decline in demand in some segments, the negative effect was limited to specific sectors, such as the automotive industry. On the other hand, industries such as food logistics as well as e-commerce in particular were able to significantly increase their importance. For many investors, investing in logistics real estate has therefore become even more attractive over the course of the year, also due to the lack of high-yield alternatives.

## BERLIN STANDS OUT

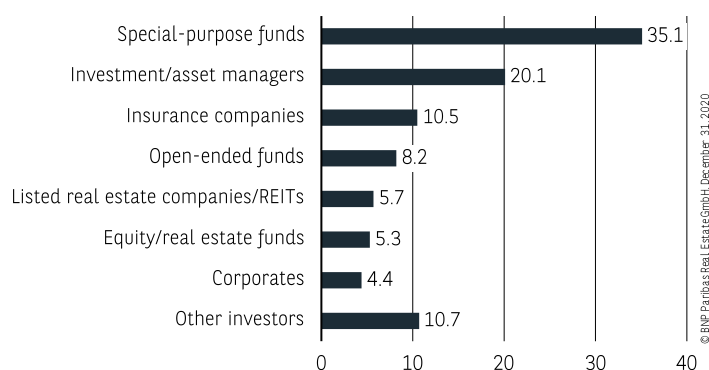
At €2.6 billion, the result for the major German conurbations is a good 39% up year-on-year. Berlin made a significant contribution to that figure, tripling the previous year's volume thanks to a whole series of major transactions. The city thus broke the € 1 billion threshold - a new record. A glance at the other locations reveals a mixed picture: While Hamburg (€384 million) also generated a new all-time high and Munich (€440 million; -1%), Stuttgart (€165 million; +36%) as well as Cologne (€112 million; +4%) achieved strong results, Frankfurt (€344 million; -26%), Düsseldorf (€41 million; -71%) and Leipzig (€65 million; -53%) reported lower transaction volumes.

## HIGH MARKET ACTIVITY IN ALL SEGMENTS

With a market share of just over 50%, the segment above €100 million is clearly at the top of the ranking. However, due to the high number of single transactions, the other size classes also display a level which was significantly above the long-term average. For example, a good €990 million was invested in the €10 to €25 million segment, which is so far the highest volume on record.

## Logistics investments by buyer group 2020

■ in %

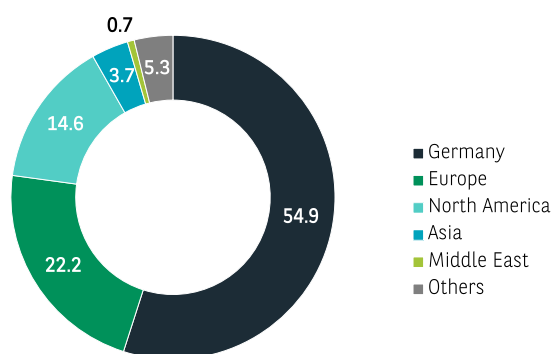


## SEVERAL INVESTOR GROUPS WITH NEW RECORDS

Like in four of the last five years, special-purpose funds top also the ranking in 2020 with a share of a good 35%. Investment/asset managers (20%) follow second, who due to a lack of high-yield alternatives are increasingly focusing on logistics investments. They achieved their best result to date with €1.6 billion invested. The same applies to insurance companies (10.5%) and open-ended funds (8%). Listed real estate AGs/REITs (6%), equity/real estate funds (5%), and corporates (4%) also account for significant shares of total transaction volume. The remaining investors account for almost 11%, which once again illustrates how diversified the demand for logistics real estate has become.

## Logistics investments by origin of capital 2020

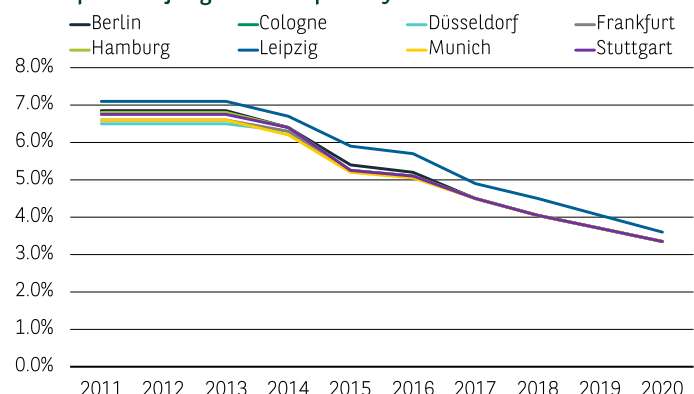
in %



## GERMAN INVESTORS PARTICULARLY ACTIVE

For years market for logistics investments was dominated by foreign investors. This changed in 2020 with German investors cracking the 50% mark for the first time since 2013. They account for almost €4.4 billion and thus more than ever before. This is directly related to the large number of single transactions, which are particularly often concluded by domestic investors. However, there is also a significant volume flowing in from other European countries, resulting in a new record figure (just under € 1.8 billion), which is around one-third higher than the long-term average. While North American investors (€1.2 billion) are also keen to invest, Asian investors, who are usually well represented in large portfolio transactions, have only made a very modest contribution. They generated just over €290 million, which is almost 74% below their long-term average.

## Development of logistics net prime yields



## HIGH DEMAND CONTINUES TO DRIVE PRICES

Due to the very good performance of logistics properties during the Corona crisis, demand has also continued to rise. Consequently, net prime yields have fallen by 35 basis points year-on-year in almost all major markets and now stand at just 3.35%. Only Leipzig is still somewhat more affordable. There, the decline amounted to 45 basis points to 3.6%.

## OUTLOOK

The market for logistics real estate proved its crisis resistance impressively in 2020 and thus became significantly more attractive once again. It can therefore be assumed that yield compression is likely to continue in. Given that the past year has highlighted that large volumes are also transacted even apart from the increasingly tight supply of core portfolios, it is within the realms of possibility that the € 7 billion threshold will be reached at the end of 2021 for the fifth year in a row.

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**Further Information** BNP Paribas Real Estate GmbH | Christopher Raabe, Head of Industrial Services & Investment | Phone +49 (0)40-348 48-0 | christopher.raabe@bnpparibas.com | [www.realestate.bnpparibas.de](http://www.realestate.bnpparibas.de)