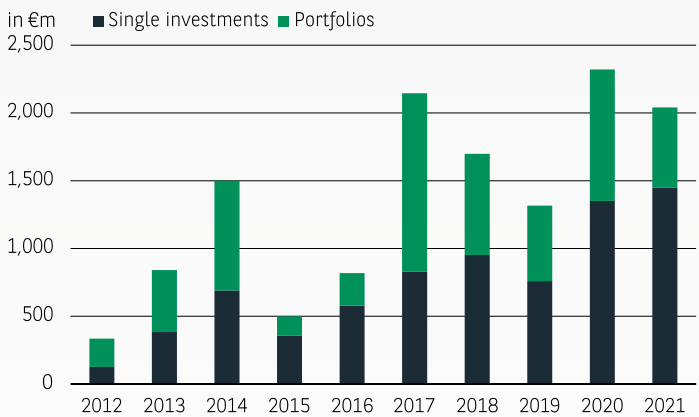




At a Glance **Q1 2021**

LOGISTICS INVESTMENT MARKET GERMANY

Logistics investments in Germany Q1

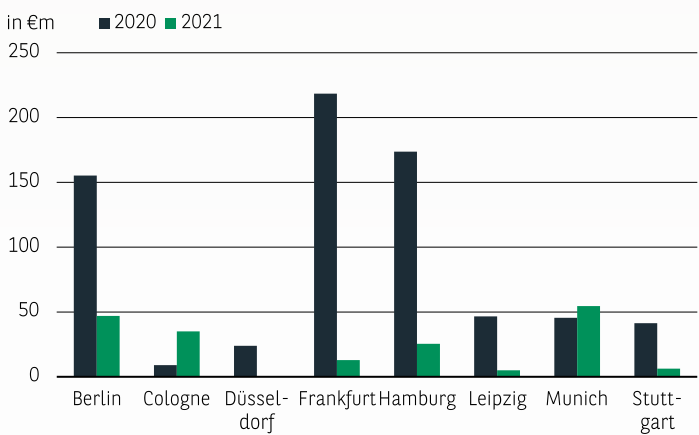


© BNP Paribas Real Estate GmbH, March 31, 2021

➤ SINGLE DEALS WITH RECORD VOLUME

The high demand for logistics investments continues unabated, as reflected in a transaction volume of €2.04 billion in the first quarter. Although this is 12% below the record volume of the previous year, it is the third-best figure ever reported and exceeds the ten-year average by 51%. At €1.45 billion, single deals are once again up on the previous year, setting a new record at the start of the year. Significantly more transactions were concluded than in the previous year, underlining how lively the market is despite the ongoing corona pandemic. Portfolio transactions contributed a further €600 million to the overall result with a share of just under 29%. This is significantly less than in the same period last year, but roughly in line with the long-term average.

Logistics investments in important markets Q1

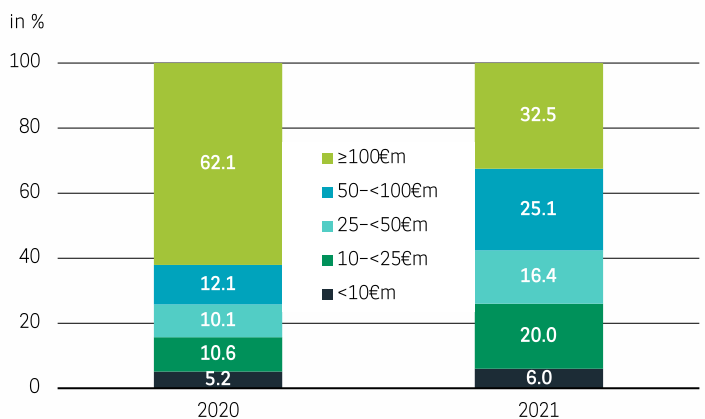


© BNP Paribas Real Estate GmbH, March 31, 2021

➤ SIGNIFICANT MARKETS WITH MODEST PERFORMANCE

Despite the high overall result, comparatively low volumes have so far been realized in the major investment locations. However, this is solely due to insufficient supply; otherwise, transaction volumes would have been significantly higher. While at the start of the previous year three locations were already in the triple-digit million range, Munich is currently leading the way with €55 million (+20%). Apart from this, only in Cologne, with a result of € 35 million, a rise in investment volume was recorded compared with the weak prior-year quarter, while all other markets saw declines. Berlin came in at €47 million (-70%), Hamburg at €26 million (-85%) and Frankfurt at €13 million (-94%).

Logistics investments by € category Q1

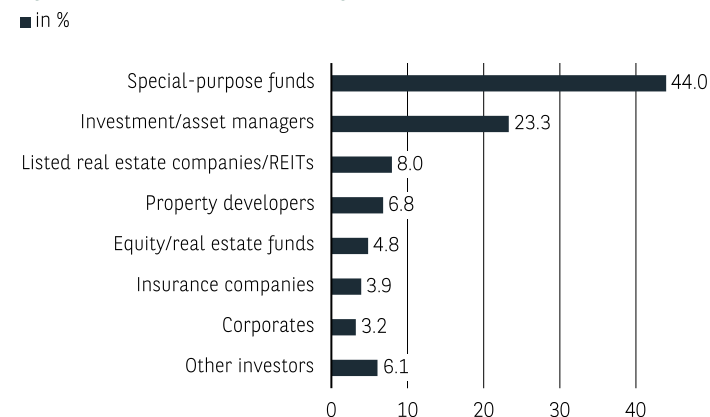


© BNP Paribas Real Estate GmbH, March 31, 2021

➤ INVESTMENTS BROADLY DIVERSIFIED

The distribution of investments across the size categories shows a very homogeneous picture. Whereas large-volume deals worth €100 million or more dominated market activity in the same period last year, accounting for 62% of the total, they currently contribute only one-third of the result. It is worth noting that all the other segments achieved very strong growth in absolute transaction volumes in some cases. In the class between €50 and €100 million, more than half a billion euros were invested with a share of 25%, which represents one of the three highest quarterly figures ever recorded. In addition, the segment between €10 and €25 million set a new record with over €400 million, accounting for 20%. A good 16% was contributed by deals between €25 and €50 million.

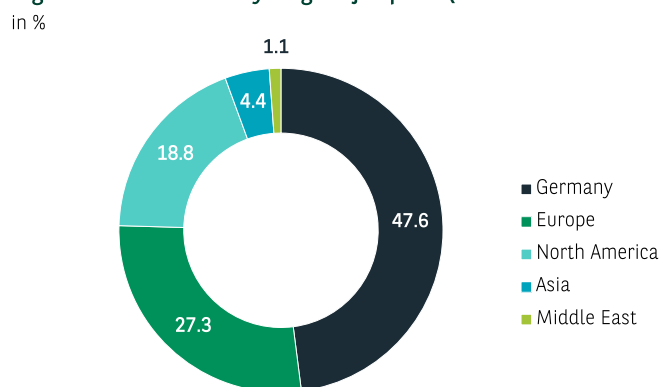
Logistics investments by buyer group Q1 2020



SPECIAL-PURPOSE FUNDS SECURE LION'S SHARE

In terms of the distribution of investment volume among buyer groups, special-purpose funds are far and away in the lead. They account for a share of 44% and secure the most assets. This also includes the single deals with the largest volume - first and foremost the sale of an automotive logistics center in Meerane, Saxony, which Deka acquired from property developer MetaWerk. In second place come investment/asset managers, who achieve a good 23%, mainly through portfolio purchases. Other notable contributors are listed real estate companies/REITs with just under 8% and property developers with around 7%. All other investors remain below the 5% mark.

Logistics investments by origin of capital Q1 2021



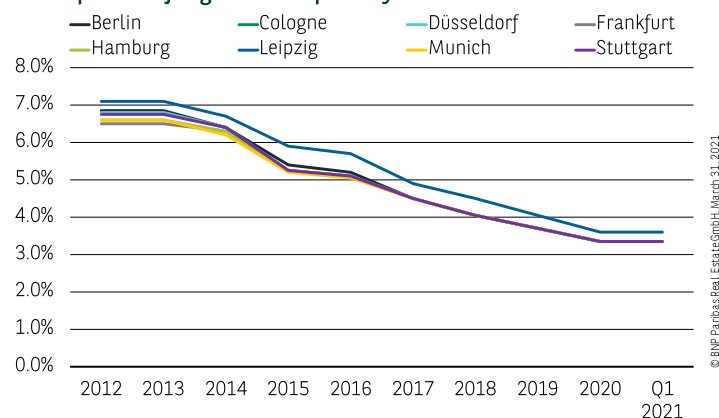
GERMAN BUYERS WITH HIGH LEVEL OF ACTIVITY

In general, more and more capital is flowing into logistics properties from various investors. In particular, very steady growth from German investors has been observed for around ten years. In the first quarter, they acquired almost half of the investment volume, at 48%. Although this is significantly less than in the same period last year, it is still the second-highest figure for a start to the year. A further 27% came from European buyers, who invested slightly more in portfolios than in single deals. North American investors account for just under 19%, with more than 4% coming from Asia.

YIELDS AT YEAR-END LEVEL

Due to the high demand for logistics properties coupled with limited supply, net initial yields have fallen continuously in recent years. Over the past twelve months, they have fallen in several steps to 3.35% by the end of 2020 and stabilized at this level at the end of the first quarter 2021. Overall, this corresponds to a year-on-year decline of 35 basis points. Among the major investment locations, only Leipzig, at 3.60%, is still calling for somewhat more moderate prices.

Development of logistics net prime yields



OUTLOOK

The logistics investment market already showed last year that it is extremely crisis-resistant compared with other asset classes. This applies also to the current situation as there is a lot of momentum in the market across all size classes and investor groups. Thus a high investment volume can also be expected for the rest of the year. Upcoming portfolio transactions, in particular, could lead to a considerable rise in turnover. However, it remains to be seen whether the volume for the year as a whole will again significantly exceed €7 billion. This will depend not least on the supply available.

All rights reserved. At a Glance is protected in its entirety by copyright. No part of this publication may be reproduced, translated, transmitted, or stored in a retrieval system in any form or by any means, without the prior permission in writing of BNP Paribas Real Estate GmbH.

The statements, notifications and forecasts provided here correspond to our estimations at the time when this report was prepared and can change without notice. The data come from various sources which we consider reliable but whose validity, correctness or exactness we cannot guarantee. Explicitly, this report does not represent a recommendation of any kind, nor should it be regarded as forming a basis for making any decisions regarding investment or letting or renting property or premises. BNP Paribas Real Estate can accept no liability whatsoever for any information contained or statements made herein.

Imprint Publisher and copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 31.03.2021

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