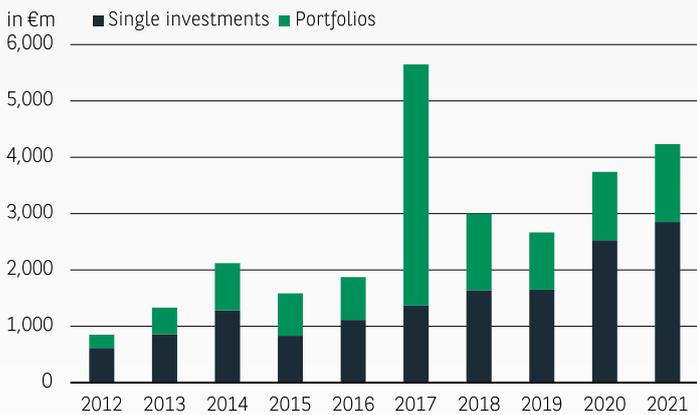




At a Glance **Q2 2021**

LOGISTICS INVESTMENT MARKET GERMANY

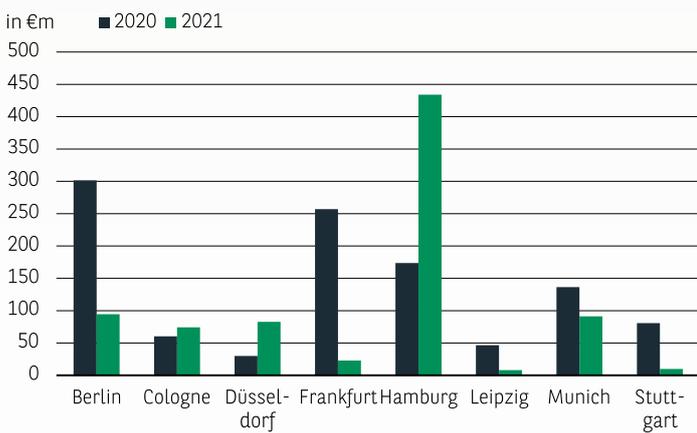
Logistics investments in Germany Q2



LOGISTICS MARKET CONTINUES TO RUN AT FULL SPEED

The success story on the logistics investment market continues. A total of €4.23 billion was invested in German logistics real estate in the first half of the year, €2.2 billion of this in the second quarter. This is the second-best half-year result ever. Compared with the already very strong result of the previous year, a further increase of 13% was registered. Individual and portfolio deals contributed equally to this growth in volume, with increases of 13% and 14% respectively. However, the investment focus in 2021 has so far remained on single deals, in which around €2.9 billion had been invested by the middle of the year, compared with €1.4 billion in the portfolio segment. The high attractiveness of German logistics real estate is also reflected in the fact that, in addition to the established national and international players in this segment, a number of investment managers are now launching new logistics funds, although they have not yet been active in this asset class.

Logistics investments in important markets Q2



HAMBURG IN THE FAST LANE IN THE 2ND QUARTER

After a comparatively weak start to the year (€26 million), the Hamburg market got into the fast lane with a record quarterly result of over €400 million. The half-year result of around €434 million, driven primarily by individual transactions, has catapulted the Hanseatic city to the top of the list of German locations. Berlin and Munich are almost on a par, with investment volumes of €94.5 million and a good €91 million respectively. It is the lack of product that has led to the year-on-year decline of 69% and 33% respectively. The Düsseldorf market, on the other hand, recorded significant growth to just under €83 million (+177%), partly due to one major deal. The general lack of product in Germany's leading logistics regions is reflected in the half-year results of the other locations, which were all below average with the exception of Cologne (€74 million).

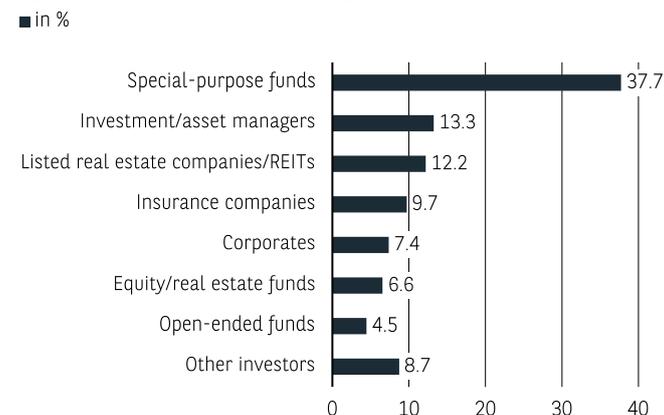
Logistics investments by € category Q2



MAJOR TRANSACTIONS REMAIN MARKET-DEFINING

Transactions above the €100 million mark continue to drive the market. Their share is almost exactly the same as last year, now 47.5%. In absolute terms, a good €2 billion flowed into this size segment, more than half of it in a good handful of individual transactions. With the exception of the €25 to €50 million size category, for which a slight decline in absolute transaction volume of around 6% was recorded, rising transaction volumes were reported for all size categories. In particular, investments below €25 million soared to over €930 million (+38% year-on-year).

Logistics investments by buyer group Q2 2020

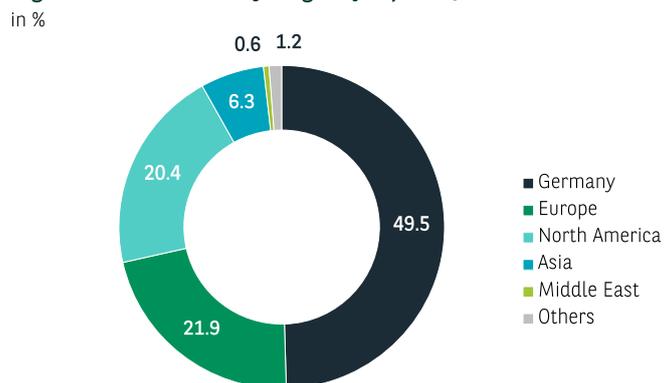


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SPECIAL-PURPOSE FUNDS LEADING THE FIELD

Special-purpose funds have invested almost €1.6 billion in German logistics properties this year. With a market share of almost 38%, they are by far the strongest buyer group. They are particularly active in the single deals segment, where their transaction volume is above the €1 billion mark. But they also hold the top position in portfolio deals. Investment/asset managers have been able to achieve a market share of a good 13%, primarily through single deals. Listed real estate companies/REITs follow in third place. Due to some large-volume single deals, the share of insurance companies currently amounts to almost 10%. Corporates have invested a good €300 million, mainly in small and medium-sized investment transactions.

Logistics investments by origin of capital Q2 2021



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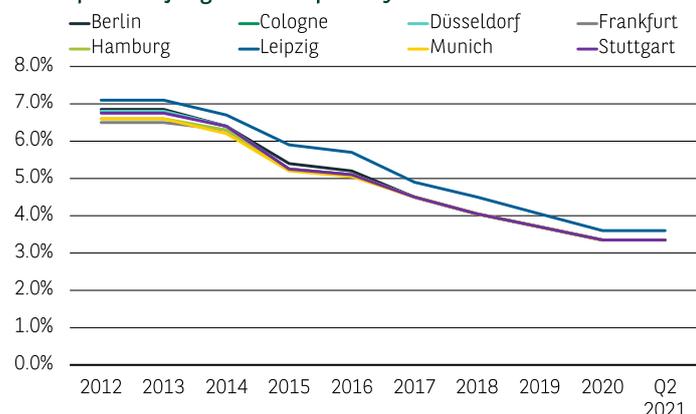
GERMAN INVESTORS WITH ALMOST 50% MARKET SHARE

With a market share of almost 50%, German investors are clearly the strongest buyer group at the half-year stage. In individual transactions alone, they placed around €1.7 billion on the market. European and North American investors followed almost equally, with just under 22% and just over 20% respectively. While the share of North American buyers is primarily attributable to single deals, European investors have attracted attention with successful deals in the portfolio segment. Asian investors also further expanded their market share, currently a good 6%.

SIDEWAYS MOVEMENT IN YIELDS

Despite continuing demand pressure, prime yields have remained stable at a low level since the beginning of the year. Currently, prime yields in the top locations nationwide are quoted at 3.35%. One exception is Leipzig, where the net initial yield is currently at 3.60%.

Development of logistics net prime yields



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OUTLOOK

The German market for logistics real estate will remain one of the preferred investment targets of national and international investors, although yields for high-quality properties are currently already at historically low levels. In addition to further growth in the e-commerce sector, the central location in Europe as an important transit corridor, the economic strength of German manufacturing companies and a possible restructuring of supply chains are all factors in favor of logistics investments. Accordingly, transaction activity is expected to remain brisk in the second half of the year. Whether the impressive prior-year figure of almost €8 billion can be matched will be primarily a question of product supply. Further yield compression in the second half of the year is very likely.

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