



At a Glance **Q4 2021**

# LOGISTICS INVESTMENT MARKET GERMANY

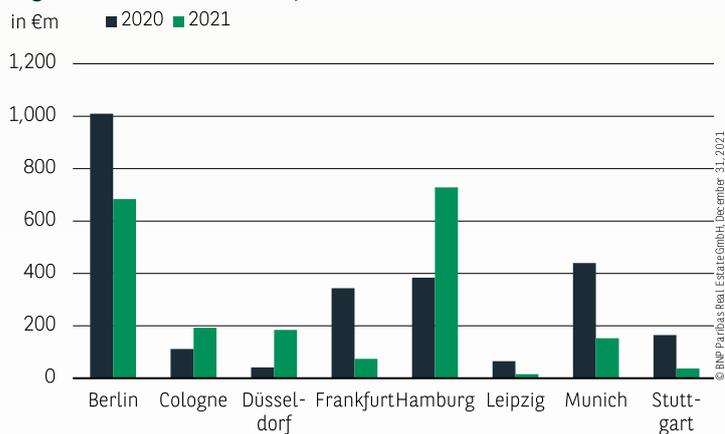
## Logistics investments in Germany



### NEW RECORD VOLUME

The logistics investment market closes 2021 with a new record result: the investment volume of €9.9 billion exceeds the previous outstanding result of 2017 by almost 8% and leaves the ten-year average far behind (+66%). Compared with the previous year, this represents an increase of a good 24%. Throughout the year, the market proved to be very lively and defied the ongoing Corona pandemic environment with a very large number of deals. This asset class, which is considered to be crisis-resistant, is attracting more and more investors. Single deals broke through the €6 billion mark for the first time, accounting for the lion's share of the overall result at a good 62%. Portfolios also achieve an above-average volume of €3.7 billion, but do not dominate the result as strongly as in 2017, when they were responsible for two-thirds of investments. Due to a total of almost 300 transactions, the average volume per deal fell from €35 million in the previous year to €34 million.

## Logistics investments in important markets



### HAMBURG AHEAD OF BERLIN AT THE TOP

The picture in the major real estate markets is heterogeneous. Across all locations, the investment volume of €2.1 billion is a good 19% below the excellent result of the previous year. Hamburg leads the way with a new record volume of almost €730 million. Berlin follows in second place with €684 million, well below the exceptionally high result of the previous year but still the second-highest volume ever achieved. In addition, the two Rhine metropolises of Cologne (€192 million) and Düsseldorf (€185 million) saw year-on-year growth. Below-average results were achieved in the other markets, mainly due to a lack of product in the central locations.

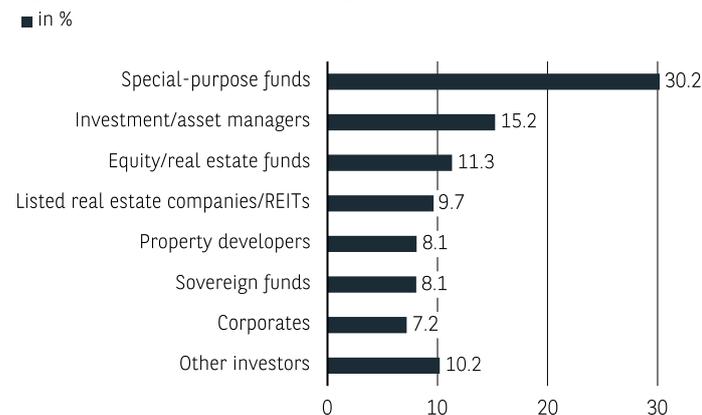
## Logistics investments by € category



### HIGH DEMAND IN ALL SIZE CLASSES

In terms of the distribution of investments by size class, large-volume deals of €100 million or more are in first position as usual, accounting for a good 47% of the total. In addition, the volumes in the €10 million to €25 million and €25 million to €50 million segments are remarkably high. At more than €1.5 billion each, they are reaching unprecedented levels. Overall, in absolute terms all classes are up 11% to 57% year-on-year, underlining the broad demand in all segments.

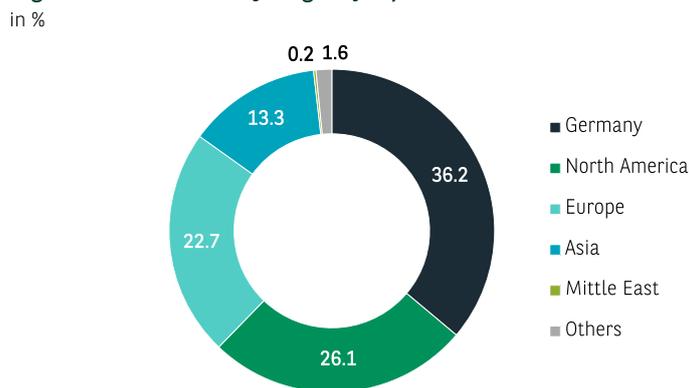
**Logistics investments by buyer group 2021**



**SPECIAL-PURPOSE FUNDS MOST ACTIVE GROUP OF BUYERS**

As has often been the case in recent years, the ranking of investors is led by special-purpose funds. With a good 30% of the investment volume and also the most transactions, they are once again by far the most active buyer group. Many institutional investors use corresponding fund structures to invest their capital, which means that these continue to gain in importance. In addition, only investment/asset managers (15%) and equity/real estate funds (11%) achieve double-digit shares. However, listed real estate companies/REITs are only just below this, with just under 10%. In addition, property developers, with a good 8%, are also taking advantage of the favorable market conditions and achieving record volumes in absolute terms.

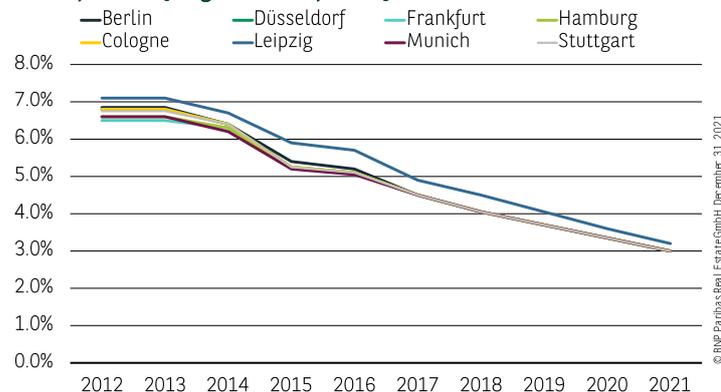
**Logistics investments by origin of capital 2021**



**FOREIGN INVESTORS EAGER TO INVEST**

After German investors invested more capital than foreign buyers in the past two years, significantly more was invested from abroad again in 2021: At around €6.3 billion, it is the second-highest result after 2017, with North America coming out on top with a good 26%, ahead of the rest of Europe with just under 23%. New record values were thus invested from both regions. Asian investors, who hardly made an appearance in the previous year, are back with a good 13%. Overall, German investors lead the distribution with around 36%. Although they invested less in absolute terms than in the two previous years, they still achieved their third-highest level.

**Development of logistics net prime yields**



**PRICES CONTINUE TO RISE**

The high investment volume underlines the strong demand for logistics properties. Due to the simultaneous limited supply - particularly of core properties - net prime yields have been falling continuously for many years. As was already the case in the third quarter, yields fell again at the end of the year and now stand at 3.00% in the top markets. Compared with the end of 2020, it has thus lost a total of 35 basis points. Only in Leipzig is it at a slightly higher level of 3.20%.

**OUTLOOK**

From today's perspective, it can be assumed that the high demand for logistics properties is likely to continue unabated. Interest in the asset class is continuing to grow from both German and foreign investors, so that a very high transaction volume can again be expected for 2022. However, the result could be limited by an insufficient supply of attractive investment opportunities. A further price increase and thus a drop in the prime yield below the 3.00% mark cannot be ruled out.

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