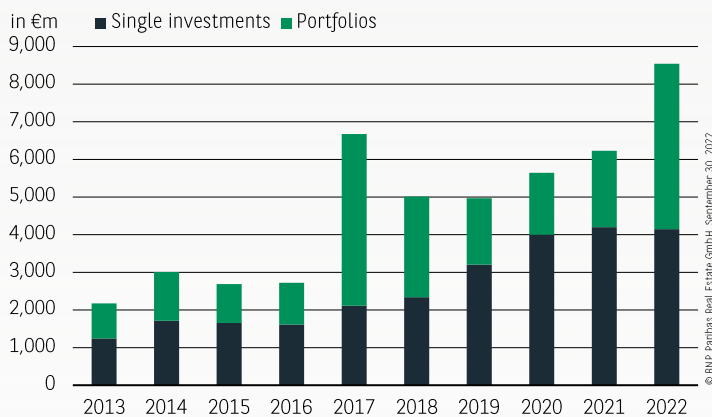




At a Glance **Q3 2022**

LOGISTICS INVESTMENT MARKET GERMANY

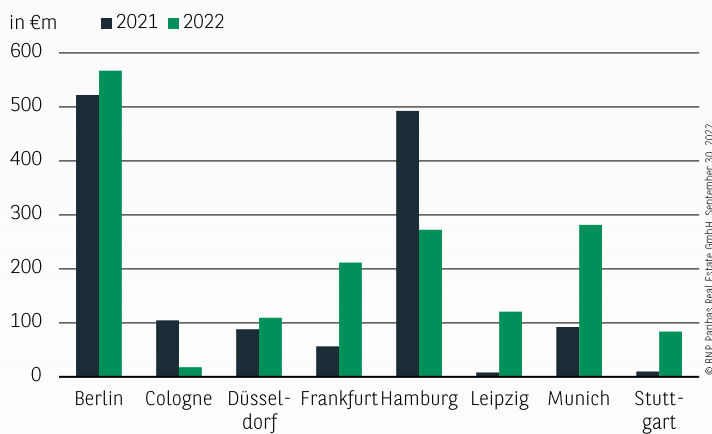
Logistics investments in Germany Q1-3



➤ ANOTHER RECORD, SINGLE AND PORTFOLIO DEALS ON TRACK

Having already set new records in the first and second quarters, the logistics investment market picked up exactly where it left off at the end of the third quarter: Overall, the transaction volume amounts to a good €8.5 billion, which not only marks the third consecutive increase, but also corresponds to a volume that is almost 80% higher than the long-term average. Although the market continues to benefit from the very strong first quarter (almost 56% of the result), with a volume of almost €2 billion in the last three months, the momentum has not slowed down yet (+10% vs. Q2 2022). This can be considered an indication of investors' ongoing trust in the German logistics investment market, despite the geopolitical and financial market-driven uncertainties. The single investments segment and the portfolio segment contributed almost equally to the total volume, with just over €4 billion or around 50% each. Compared to previous years, portfolio deals in particular achieve a high volume with more than ten transactions in the triple-digit million segment, while single investments once again manage to match their already very good results from the last two years.

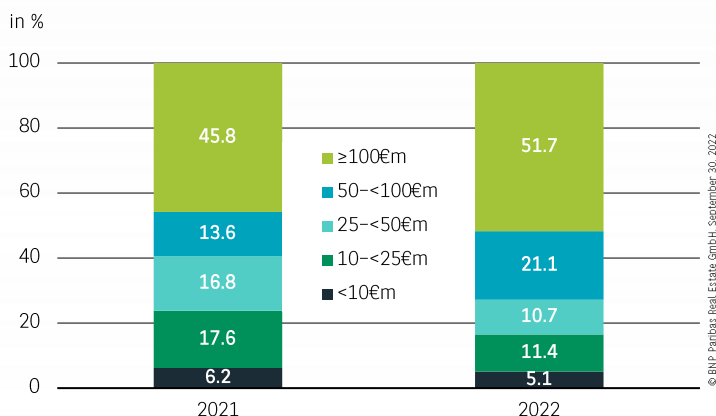
Logistics investments in important markets Q1-3



➤ TOP MARKETS +21%, VOLUME INCREASE IN 6 LOCATIONS

The major locations recorded an investment volume of almost €1.7 billion after the first nine months, once again setting a new record. Six out of the eight major logistics hubs saw their investment volumes rise, enabling the top markets overall to achieve a 21% higher result than in the previous year. The most decisive driver is Berlin, the capital city, which clearly stands out at the top with a volume of €567 million. Between €100 million and €300 million was also invested in Munich (€281 million), Hamburg (€272 million), Frankfurt (€212 million), Leipzig (€121 million) and Düsseldorf (€109 million). Both Stuttgart (€84 million) and Cologne (€18 million), on the other hand, fall short of the €100 million mark. It is also worth noting that, at a good 80% share, a very high volume is once again generated outside the top markets.

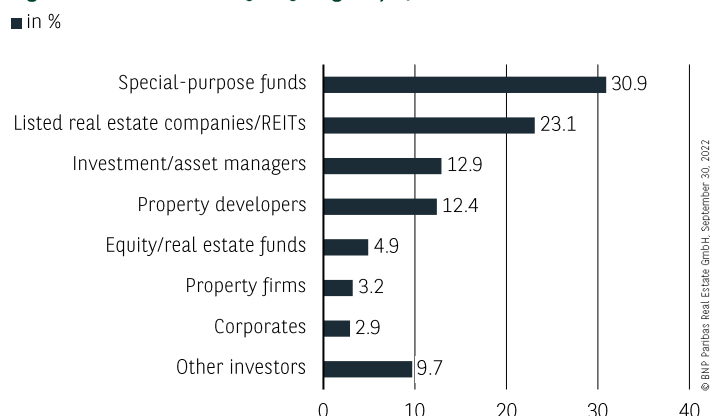
Logistics investments by € category Q1-3



➤ 50% WITH BIG DEALS, 50% WITH PROPERTIES UP TO €100M

The numerous large-volume portfolios and some big deals of new buildings have led to a remarkable all-time high in the category of €100 million and above (€4.4 billion; 52% share), exceeding the previous record of 2017 (€4.1 billion). Outstanding results were also recorded, in the medium (€25 to 100 million) and smaller (up to €25 million) categories, which account for 32% and 17% respectively.

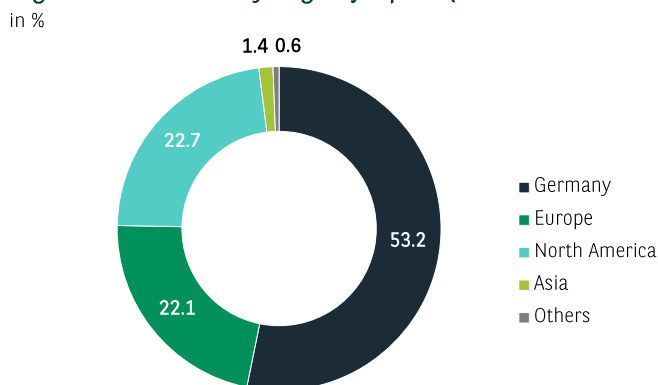
Logistics investments by buyer group Q1-3 2022



SPECIAL-PURPOSE FUNDS ONCE AGAIN TAKING THE LEAD

With a combined share of almost 54% of the total result, the majority of the logistics investment volume at the end of the first three quarters is split between two investor groups, both of which achieved top results. Special-purpose funds account for almost 31%, putting them ahead of Listed real estate companies/REITs with a good 23%. Interestingly, the investment structure of the two investors is completely different: While Listed real estate companies/REITs primarily invested in the portfolio segment, Special-purpose funds were the most important buyers in the single investment segment. Investment/asset managers and property developers also account for double-digit numbers (over 12% each). The high market activity of the property developers in particular underlines the high appeal of the booming occupier markets, as they constantly launch new projects with the aim of reselling them.

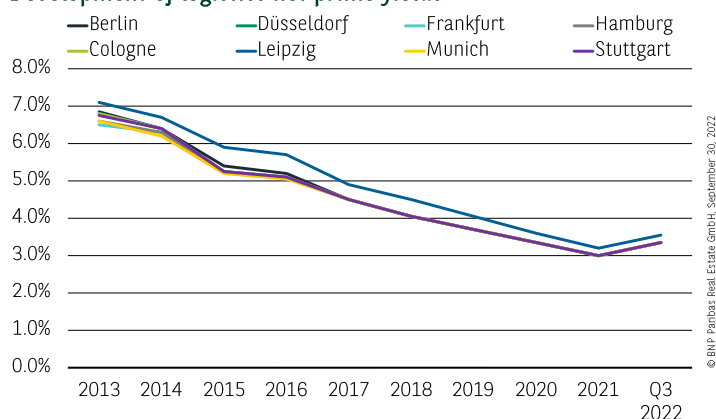
Logistics investments by origin of capital Q1-3 2022



HIGH VOLUMES OF DOMESTIC AND FOREIGN INVESTORS

After the market for logistics investments was initially dominated by foreign investors during the course of the year, in the third quarter German investors contributed significantly and exceeded the 50% mark (53% of total investments). They account for a good €4.5 billion and therefore reached an unprecedentedly high volume. Although foreign buyers were slightly more hesitant in the last three months, they also generated a new record of around €4 billion (almost 47%). North American and European investors have been the major drivers, investing almost 23% and just over 22% respectively in logistics assets.

Development of logistics net prime yields



YIELD COMPRESSION TEMPORARILY INTERRUPTED

Although investors' demand is still at a high level, the changed interest rate conditions on the financial markets have not left logistics prime yields unaffected. As a consequence, the yield compression of the past few years ended and reversed into a slight expansion of 25 basis points in prime yields of the top markets. The A-cities currently note prime net initial yields at 3.35% and Leipzig at 3.55%.

OUTLOOK

Although the geopolitical, economic and financial market-driven uncertainties are likely to continue in the next quarter, the logistics investment market started the second half of the year with a good third quarter performance so far. All in all, it remains to be seen how the further pricing negotiations between buyers and sellers progress in the coming months and, above all, how international investors evaluate the market conditions from their perspective. However, another record full-year result would already be achieved with a somewhat more modest end-of-year rally. The booming occupier markets remain a positive factor at all events.

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