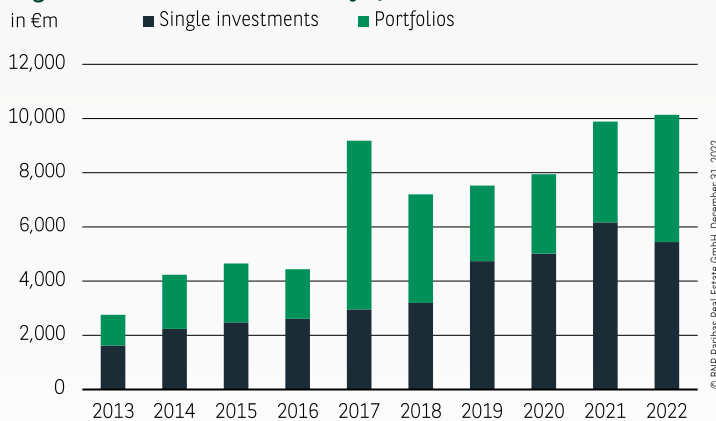




At a Glance **Q4 2022**

# LOGISTICS INVESTMENT MARKET GERMANY

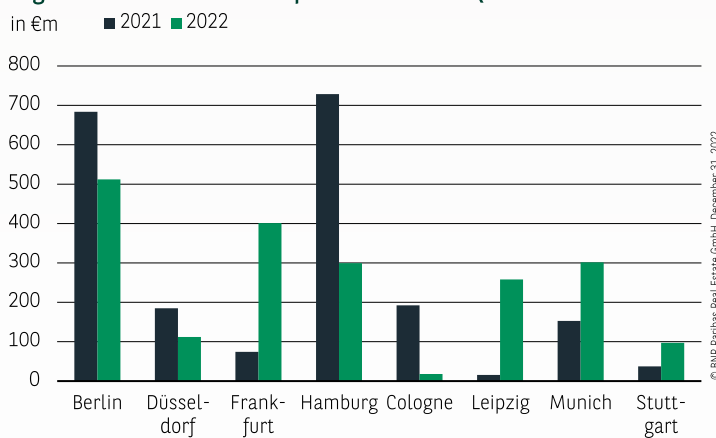
## Logistics investments in Germany Q1-4



## ➤ € 10 BILLION EXCEEDED FOR THE FIRST TIME

The logistics investment market was able to end the year where it began in the first quarter: Logistic investments therefore achieve a share of 19 % from the commercial investment market. This puts the asset class in second place for the second time in a row, ahead of retail (17%) and behind of office properties (41%). With this figure, logistics investments, with a turnover share of 19 % of the commercial investment market, can also move ahead of the retail sector (17 %) and behind the office sector (41 %) into second place in the asset class ranking for the second time in a row. Nevertheless, these aggregated numbers do not fully reflect developments in the interest rate environment and the uncertain geopolitical situation, which have changed over the course of the year. Compared to the same periods of the previous year, the increase in investment volume has decreased noticeably from a plus of 133 % in the strong first quarter to a result that is only 3 % higher for the full-year 2022. In terms of the two segments of single (€ 5.4 billion) and portfolio deals (€4.7 billion), there is a balanced ratio of 54 % to 46%. Portfolio transactions accounted for a larger share (+ 26 %) and individual transactions for a slightly smaller share (- 12 %) of investment activity than in 2021.

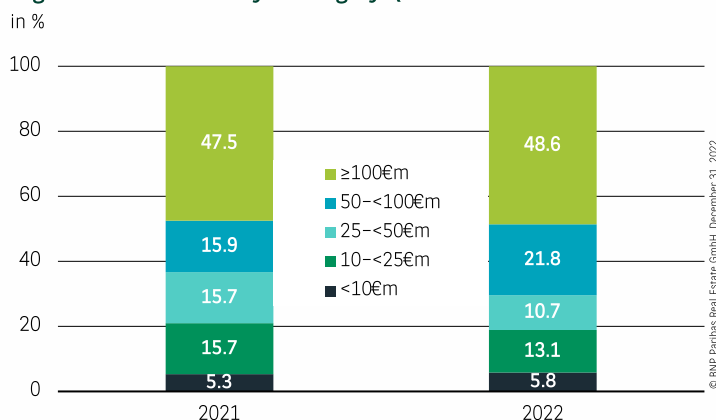
## Logistics investments in important markets Q1-4



## ➤ TOP MARKETS AT PREVIOUS YEAR LEVEL

The major locations accounted for around €2 billion in 2022, which corresponds to a comparable result to the previous year. The number of locations reporting a decline is balanced with those showing increased investment volumes. It is also noteworthy that, with a share of 80 %, a very high volume is once again generated outside the top markets. The most decisive driver among the major logistics regions is the capital Berlin, which leads the way with a volume of €512 million. Over €250 million was also invested in Frankfurt (€401 million), Munich (€301 million), Hamburg (€299 million) and Leipzig (€258 million). By contrast, Düsseldorf (€112 million), Stuttgart (€97 million) and Cologne (€18 million) are below the €250 million mark.

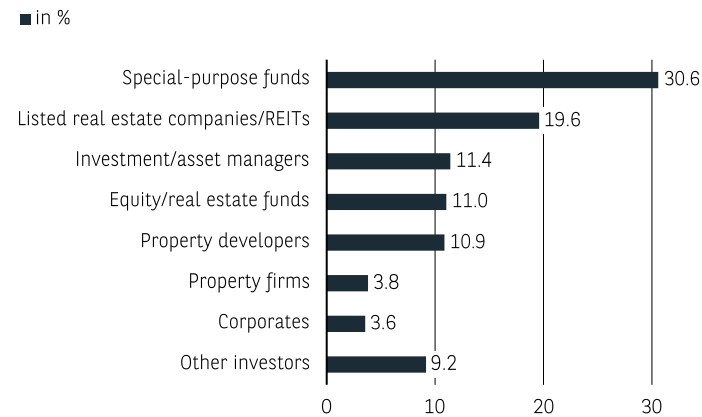
## Logistics investments by € category Q1-4



## ➤ PORTFOLIOS AND BIG DEALS: LARGE TRANSACTIONS IN FRONT

Numerous large-volume portfolios and several big tickets single transactions once again led to a significant volume in the category of €100 million and above (€4.9 billion; 49% pro rata). However, an exceptional result can also be reported in particular in the segment between €50 and €100 million, which with a good €2.2 billion accounts for a share of almost 22%. Transactions of up to €50 million also account for another 29%.

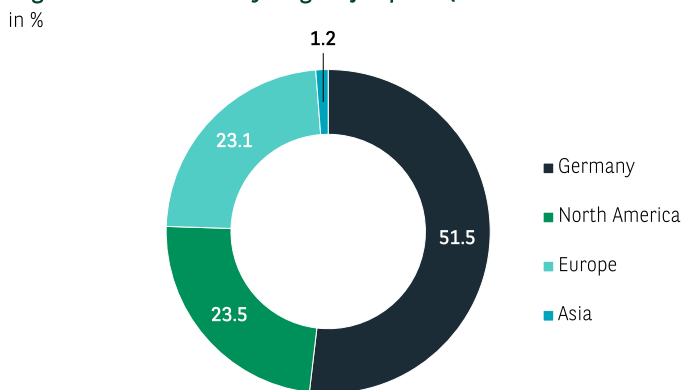
## Logistics investments by buyer group Q1-4 2022



## SPECIAL-PURPOSE FUNDS DOMINATING

With a combined share of just over 50%, half of the logistics investment volume at the end of the year was distributed among two investor groups. Special-purpose funds are at the top, with a share of almost 31%, ahead of listed real estate companies/REITs (just under 20%). Interestingly, the investment structure of the two groups of investors is rather different: While listed real estate companies/REITs were particularly active in the portfolio segment, special purpose funds represent the most important buyers in the single deal segment. Investment/asset managers, equity/real estate funds and property developers also account for double-digit shares (around 11% each). The strong activity of the property developers in particular underlines the high attractiveness of the booming occupier markets, as they continue to initiate new projects and also successfully sell them.

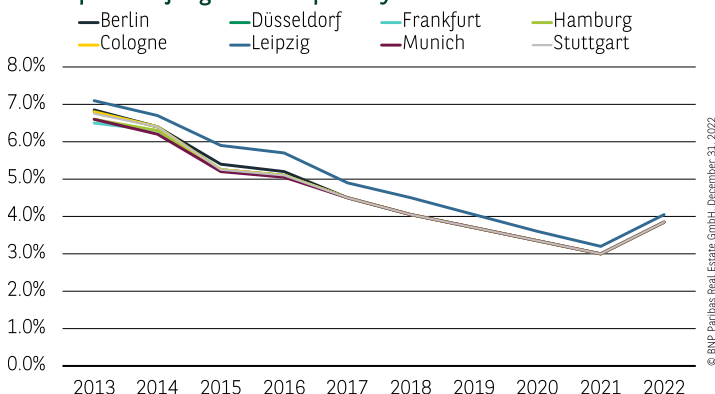
## Logistics investments by origin of capital Q1-4 2022



## DOMESTIC AND CROSS-BORDER DEALS BALANCED

After the market for logistics investments initially was firmly in the hands of international investors by mid-year, German investors actively participated in the market in the second half of the year and surpassed the 50% mark. They accounted for a good €5.2 billion and thus a higher volume than ever before. Although international buyers were somewhat more restrained than before in the second half of the year due to the changed general conditions, overall they also generated above-average volumes (around €5 billion and a share of around 48%). North American and European investors in particular stand out here. With shares of 24% and 23% respectively they almost invested to the same extent in logistics assets.

## Development of logistics net prime yields



## YIELD EXPANSION CONTINUES IN THE FOURTH QUARTER

Although demand can still be classified as high, the changed interest rate environment has also left its mark on logistics prime yields. Accordingly, the yield compression of the last few years has been stopped and reversed into an increase in prime yields of 85 basis points year-on-year (+50 bps in the fourth quarter) in the top markets. As a result, the A-cities currently quote at 3.85% and Leipzig at 4.05%.

## OUTLOOK

The logistics investment market managed to increase its volume for the fourth year in a row, lifting the full-year transaction volume of 2022 to a new level. Nevertheless, almost two-thirds of the result was generated in the first half of the year, which is a clear indication of the existing economic and financial market-driven uncertainties. However, the booming occupier markets in combination with improvements in the general conditions should provide a noticeable boost for logistics investments in the course of 2023.

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