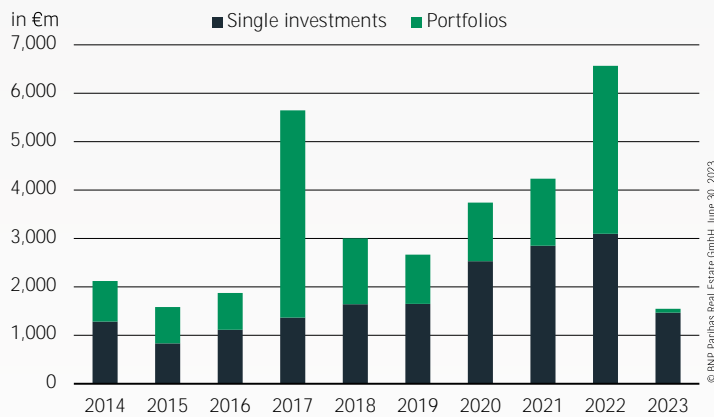




At a Glance **Q2 2023**

LOGISTICS INVESTMENT MARKET GERMANY

Logistics investments in Germany H1

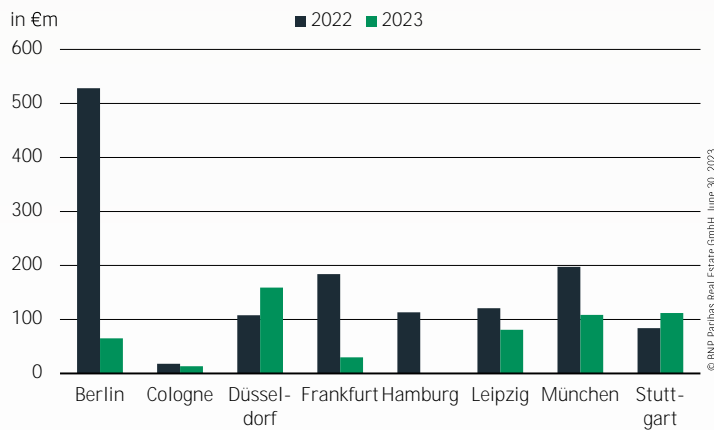


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NO REBOUND IN THE SECOND QUARTER

After a subdued start to the year, the German logistics investment market did not pick up noticeably in the second quarter. In the past three months, only a transaction volume of just under € 600 million has been registered, corresponding to the second-lowest quarterly figure in the past 10 years. At mid-year, the volume totalled € 1.55 billion, falling short of the record result of the previous year by 76% and the long-term average by 53%. Specifically, the current lack of larger portfolio transactions is noticeable here. Only € 80 million can be attributed to this segment at the moment, which is by far the lowest amount in the past 10 years. Although single deal volumes (€ 1.47 billion) are also below the long-term average, it is on a par with the Pre-Covid level.

Logistics investments in important markets H1

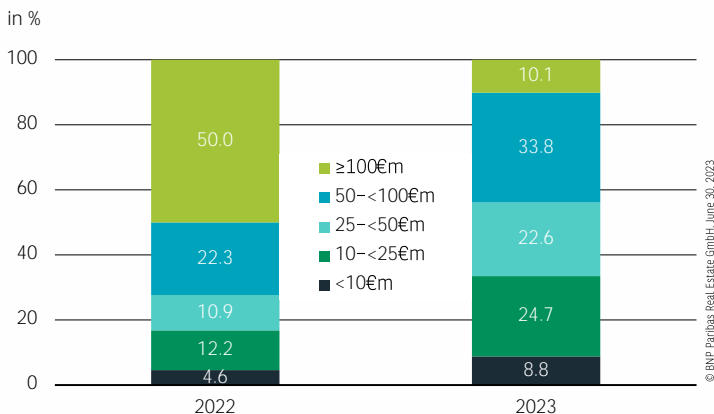


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DÜSSELDORF AND STUTTGART WITH GOOD RESULTS

In the first six months of the year, around € 569 million was invested in the major logistics locations, undercutting the long-term average by a good third. Driven by the largest transaction of the year so far, the sale of the "Areal Böhler" business park for more than € 150 million, Düsseldorf currently leads the ranking of the major markets. While Stuttgart (€ 112 million, +33% compared to 2022) also achieved a comparatively good result, all other locations recorded volumes that were considerably lower than usual. Munich ranks third with a good € 108.5 million (-45%). Leipzig (€81 million; -33%), Berlin (€65 million; -88%), Frankfurt (€30 million; -84%) and Cologne (€13.5 million; -25%) rank next. In Hamburg, meanwhile, no transaction has yet been registered.

Logistics investments by € category H1

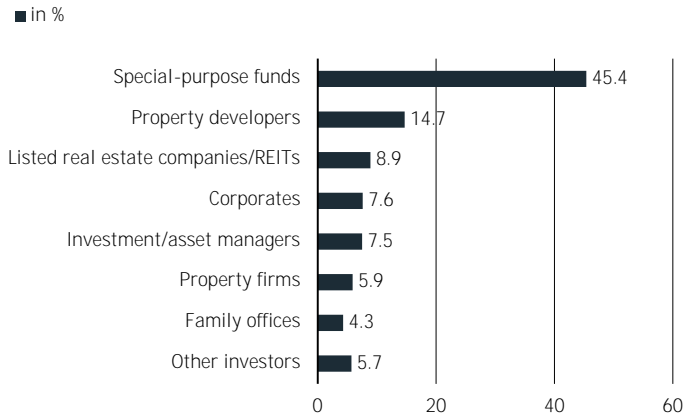


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TRIPLE-DIGIT MILLION SEGMENT BARELY PRESENT

The lack of large portfolio transactions so far can clearly be seen in the distribution by size category. The share of large transactions above the €100 million mark, for instance, is only 10% and therefore at the lowest level ever registered. Only one transaction can be assigned to this category so far. With a contribution of € 523 million, the largest share is attributable to the € 50 to 100 million segment, which is only slightly below the long-term average.

Logistics investments by buyer group H1 2023



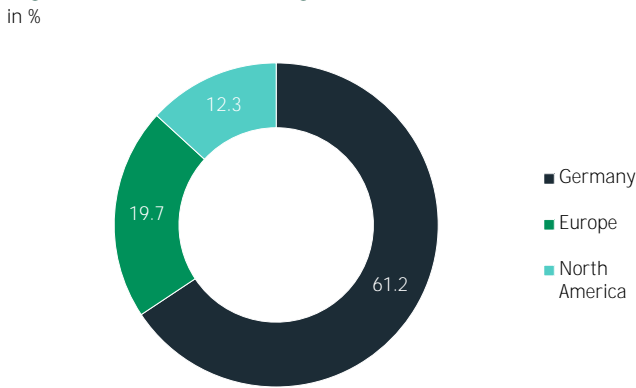
SPECIAL-PURPOSE FUNDS AT THE TOP BY A WIDE MARGIN

Like in previous years, the current distribution of the investment volume among the buyer groups is led by special-purpose funds, which contribute around 45% to the result. This corresponds to a good € 700 million in absolute terms, which is in line with their usual level of activity. Project developers follow in second place by a wide margin (just under 15%). By the half-year, they invested a total of € 228 million, which is mainly attributable to the transaction of the "Areal Böhler". All other buyer groups only hold single digit shares. Listed real estate companies/REITs rank third with just under 9%.

DOMESTIC BUYERS WITH ABOVE-AVERAGE PARTICIPATION

The German logistics investment market was clearly dominated by domestic buyers in the first half of the year. With a share of 61%, they make an unusually high contribution. These figures clearly reflect the fact that current market activity is almost exclusively taking place in the single deal segment. In contrast, the high shares of turnover by foreign investors in recent years have been consistently related to large portfolio transactions. European investors are currently the most active foreign buyer group, with a share of 20%. North American investors also make a noteworthy contribution (12%).

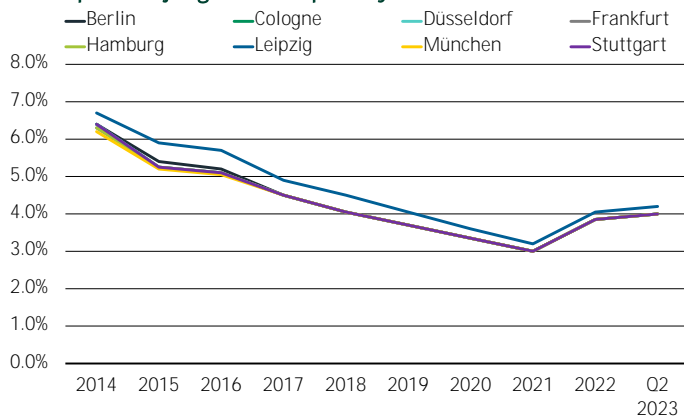
Logistics investments by origin of capital H1 2023



MODERATE YIELD EXPANSION IN Q2

Against the background of further interest rate hikes by the major central banks, financing costs continued to rise in the second quarter. Consequently, the net prime yields for logistics properties have also seen a further slight increase, as anticipated. At 5 basis points, however, the increase over the last three months has been quite moderate. Currently, the A-cities each have net prime yields of 4.00%. Last time they were at this level was in the course of the second quarter of 2019. In Leipzig, 4.20% can currently be applied (also +5 basis points compared to Q1 2023).

Development of logistics net prime yields



OUTLOOK

The current environment suggests that further, though moderate, interest rate hikes will follow in the second half of the year. Consequently, the end of the price finding phase will keep dragging on, making a significant revival in transaction activity within the next six months very unlikely. Even if the current economic outlook in itself does not suggest a major tailwind from the occupier markets, the very low vacancy rates should nevertheless lead to a further increase in rental prices. Equity-heavy investors in particular might therefore find opportunities in the current period.

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