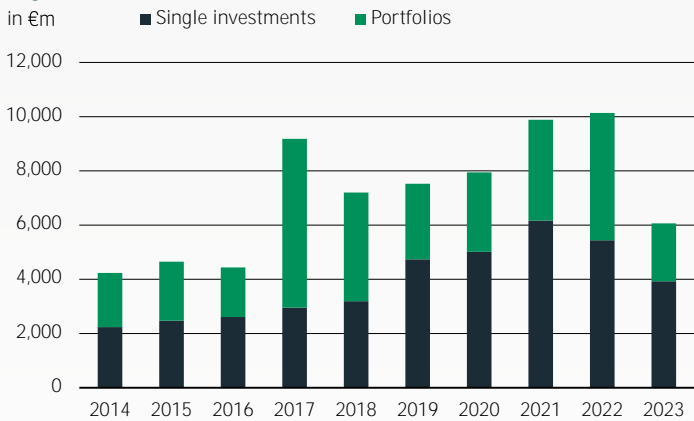




At a Glance **Q4 2023**

LOGISTICS INVESTMENT MARKET GERMANY

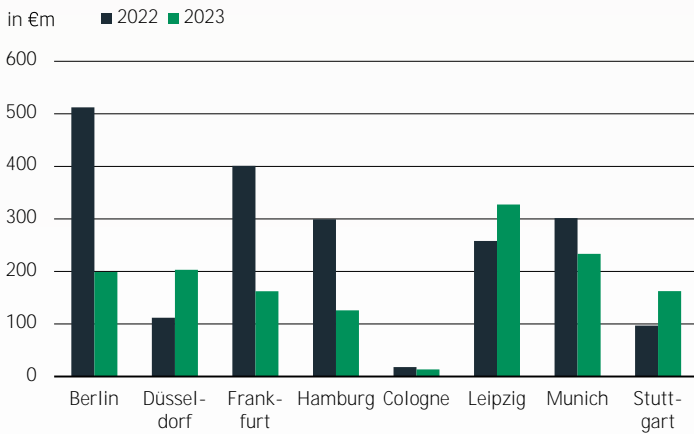
Logistics investments in Germany



➤ NOTICEABLE REVIVAL AT THE END OF THE YEAR

The logistics investment market continued to gain momentum in the fourth quarter, reaching a transaction volume of €6.1 billion for the full year. Nevertheless, the result cannot match the record result from the previous year (-40%) and also remains around 15% below the ten-year average. The first half of the year was particularly subdued, with low market activity and a comparatively small number of deals due to significant changes in the interest rate environment. The third quarter experienced a boost from larger portfolio transactions and increased investment in single properties. This is highlighted by the impressive second-highest quarterly result ever recorded in this segment, which amounted to €1.7 billion. The fourth quarter ended ahead of the five-year average, up 15.2% to €2.4 billion, driven by the sale of portfolios. As a result of this finishing performance and the weak development of the office asset class (€6.0 billion), logistics property is now, for the first time, the leading property type in the total commercial investment volume of €23.3 billion.

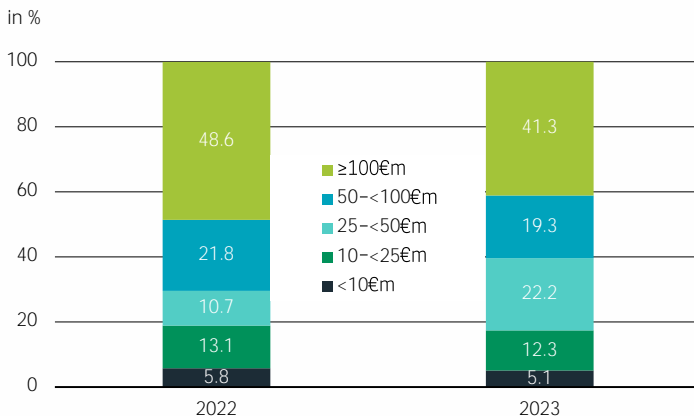
Logistics investments in important markets



➤ LEIPZIG LEADS THE RANKING OF THE TOP LOCATIONS

In 2023, the eight major locations invested significantly less than in previous years, with a decline of 29% to €1.43 billion. Leipzig led the field with a record-breaking volume of €327 million, after the sale of Demire's LogPark logistics property to HIH Invest Real Estate. Munich came in second place with €233 million, which marks a decrease of 23%. Düsseldorf completed the podium with €203 million, benefiting from the sale of the 'Areal Böhler' to Jamestown in the first quarter. Berlin ranks closely behind with just under €200 million, which refers to a decrease of 61%. Stuttgart, Frankfurt, and Hamburg followed with €163 million, €162 million, and €126 million respectively. Cologne recorded a very low result of only €14 million.

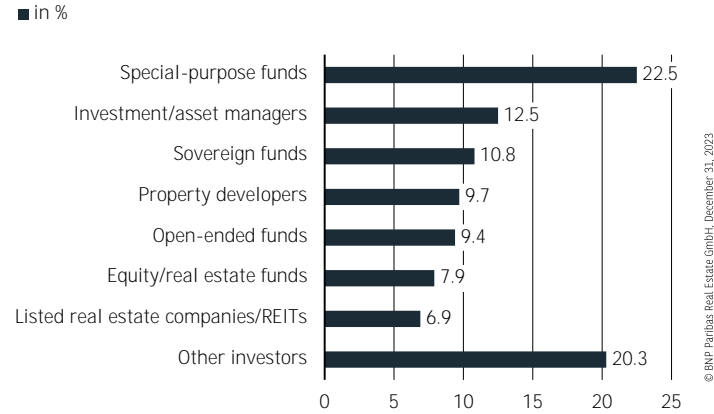
Logistics investments by € category



➤ LARGE TRANSACTIONS DOMINATE THE MARKET

Large transactions in the three-digit million euro range dominated the market in 2023, accounting for 41% of the total volume. Three-quarters of this category's volume is attributable to portfolio deals. Notably, investments between €25 million and €50 million also registered a high value, comprising around 22% of the market and achieving the second-best result in absolute terms in the last ten years.

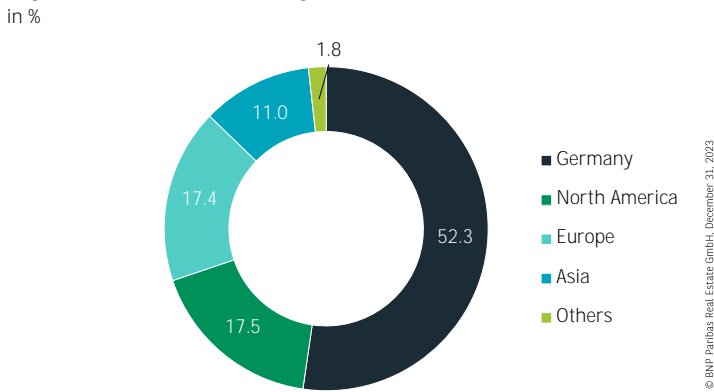
Logistics investments by buyer group 2023



SPECIAL-PURPOSE FUNDS REMAIN TOP BUYER GROUP

As in previous years, special purpose funds led the distribution of investments by buyer group. With 22.5% they are by far the largest group, mainly due to a large number of single deals. Investment/asset managers achieved 12.5%, ranking them in second place. Sovereign funds, on the other hand, invested mainly in portfolios and accounted for just under 11%. Property developers, who secured smaller and larger properties for redevelopment and new development, also accounted for almost 10%. Open-ended funds contributed a good 9% in total and were responsible for the largest deal of the year. In the third quarter, Deka Immobilien acquired 50% of the shares in a portfolio comprising five properties from VGP for around €560 million.

Logistics investments by origin of capital 2023



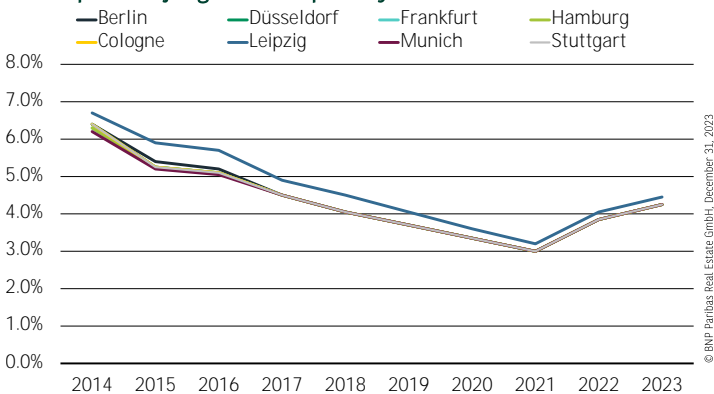
NATIONAL INVESTORS JUST AHEAD

German investors made just over half of the investments, with an absolute volume of around €3.2 billion. This is significantly less than the record year of 2022, but still in line with their ten-year average. International investors, on the other hand, invested below their long-term average overall, although they made strong gains in the second half of the year and returned to an above-average volume in the fourth quarter. North American and European buyers invested equally throughout the year, each contributing 17%, while 11% of investments came from Asia.

YIELDS INCREASED AS EXPECTED

In 2023, net prime yields continued to rise following interest rate hikes by major central banks. In the fourth quarter, interest rates increased by 15 basis points to 4.25% in the A locations, with 4.45% scheduled for Leipzig. This was expected as the interest rate cycle of major central banks has not yet been fully completed.

Development of logistics net prime yields



OUTLOOK

The recent positive developments allow an optimistic outlook for 2024. Although economic growth is expected to be limited, with interest rates at their peak and financing conditions likely to improve, there are indications that momentum will significantly increase and investment volumes will rise throughout the year. Logistics properties are now considered an asset class and are benefiting from growth potential in rental prices, especially in major logistics hubs where supply shortages exist.

All rights reserved. At a Glance is protected in its entirety by copyright. No part of this publication may be reproduced, translated, transmitted, or stored in a retrieval system in any form or by any means, without the prior permission in writing of BNP Paribas Real Estate GmbH.

The statements, notifications and forecasts provided here correspond to our estimations at the time when this report was prepared and can change without notice. The data come from various sources which we consider reliable but whose validity, correctness or exactness we cannot guarantee. Explicitly, this report does not represent a recommendation of any kind, nor should it be regarded as forming a basis for making any decisions regarding investment or letting or renting property or premises. BNP Paribas Real Estate can accept no liability whatsoever for any information contained or statements made herein.

Imprint Publisher and copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 31.12.2023

Further Information BNP Paribas Real Estate GmbH | Christopher Raabe, Head of Logistics & Industrial Advisory | Phone +49 (0)40-348 48-0 | christopher.raabe@bnpparibas.com | www.realestate.bnpparibas.de