POSITIVE TREND FOR LOGISTICS INVESTMENTS CONTINUES

The nationwide transaction volume totalled 3 bn € in the first half-year. Compared to the previous year this equates to a reduction of just under 47 %, which at first sounds dramatic. However, when analysing the figures it needs to be taken into account that the record set in the previous year was due to a few extraordinarily large portfolio transactions, such as the sale of Hansteen for almost 1 bn € and the sale of Logicolor, the logistics platform of Blackstone. This was an exceptional situation, which is highlighted by the fact that the current turnover is, despite the reduction, the second-best result of all time by some distance and two thirds above the ten-year average. The positive trend for logistics investments has therefore also continued in the first half of 2018. This statement is underlined by the fact that a new record was set for single transactions with 1.64 bn €, while the investment volume in the portfolio segment was down by almost 70 %.

MIXED DEVELOPMENT IN TOP LOCATIONS

The much lower turnover with portfolio sales is also reflected in the major locations, where an investment turnover of 983 m € was registered. However, the reduction of 24 % is significantly lower than the reduction nationwide. This is also the second-best result of all time for the top agglomerations. The greatest volume of investment was attracted by Berlin, with 259 m €, followed by Munich, with 191 m €. In the capital of Bavaria the volume has therefore reduced by 45 %, because a new record was set here last year. The top three is completed by Hamburg, where 149 m € was recorded and the result was improved by one third. Stuttgart (115 m €; +17 %), Düsseldorf (113 m €; -39 %) and Frankfurt (112 m €; -55 %) recorded similar volumes. Investment was also down significantly in Cologne (29 m €; -84 %) and Leipzig (16 m €; -65 %).

MORE EVEN DISTRIBUTION OF VOLUME

As fewer major deals over 100 m € were completed, the turnover is spread more evenly across all size categories than in the previous year. Although sales over 100 m € still top the table with just over 41 %, they are less dominant. The three categories between 10 and 100 m € contribute almost equal shares of between 15 and 19 %. The relative share of smaller deals up to 10 m € (9 %) has almost tripled, underlining the fact that market activity is lively across all categories.
Three buyer groups account for double-digit shares in turnover. Listed real estate companies are the clear leaders with a share of just under 37%. Two larger portfolio sales for well over 100 m€ are mainly responsible for this. In second place are investment managers, who add almost 15% to the result. The top three is completed by special-purpose funds, which are responsible for around 13%. These three investor types alone therefore contribute almost two thirds to total turnover. Equity/real estate funds (8%), corporates (7%), pension funds (6.5%) and property developers (5%) also contribute larger shares.

Foreign investors traditionally have a big influence on the logistics investments market segment. Nothing has changed here in the first half of 2018. This investor group accounts for around two thirds of the turnover. Although this is much less than the corresponding figure for the previous year (80%), the share of foreign investors is still much higher than in the commercial investment market as a whole. It is notable that Asian buyers have taken top spot with one third. These investors in particular are generally interested in major transactions, often pan-European. The silver medal position is taken by North American investors, who account for just over 15% and are therefore ahead of European buyers (12%).

The continuing high level of demand for logistics investments, not least from foreign buyers, who have long been active in this asset class, has pushed prices up significantly in the last twelve months. This is the case for both top and average yields. The net prime yields for major logistics hubs have fallen once again, on average by around 50 basis points. Currently net prime yields in Germany are around 4.40%. The wide range of investors who are interested in logistics investments market segment. Nothing has changed here in the first half of 2018. This investor group accounts for around two thirds of the turnover. Although this is much less than the corresponding figure for the previous year (80%), the share of foreign investors is still much higher than in the commercial investment market as a whole. It is notable that Asian buyers have taken top spot with one third. These investors in particular are generally interested in major transactions, often pan-European. The silver medal position is taken by North American investors, who account for just over 15% and are therefore ahead of European buyers (12%).