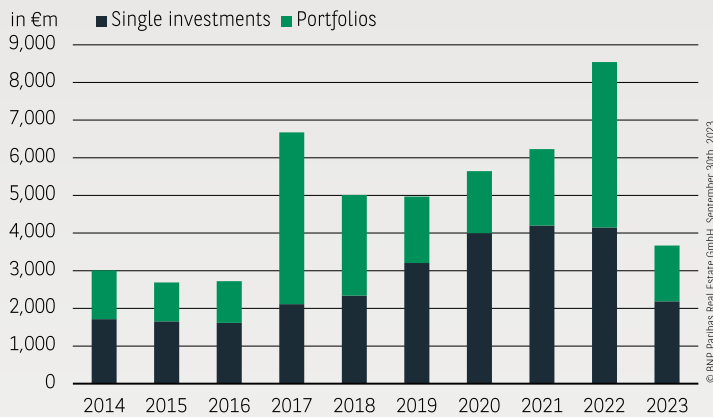




At a Glance **Q3 2023**

LOGISTICS INVESTMENT MARKET GERMANY

Logistics investments in Germany Q1-Q3

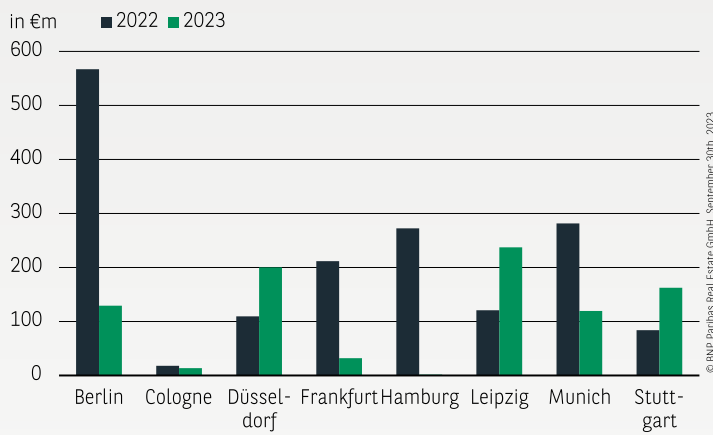


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➤ VOLUME ROSE IN THE THIRD QUARTER DUE TO PORTFOLIOS

The logistics investment market achieved a transaction volume of €3.67 billion by the end of the third quarter. Following the exceptionally high record result achieved in the previous year, this represents a decline of 57%. Against the background of the changed interest rate environment and the still incomplete adjustment processes on the investment market, the ten-year average was also missed by around a quarter. However, the strengthening of portfolio transactions in the third quarter is particularly pleasing. After hardly any transactions were attributable to this segment in the first half of the year, €1.40 billion was registered here in the last three months. This is the third-highest quarterly result in the last five years, approximately 75% above the ten-year average. The largest deal was for Deka Immobilien, which acquired 50% of the shares in a five-property portfolio from VGP for around €560 million. In contrast, the volume of single deals remains below the long-term average, which is mainly due to the very few transactions in the triple-digit million range. Despite fundamentally strong demand, this is attributable to the change in financing conditions.

Logistics investments in important markets Q1-Q3

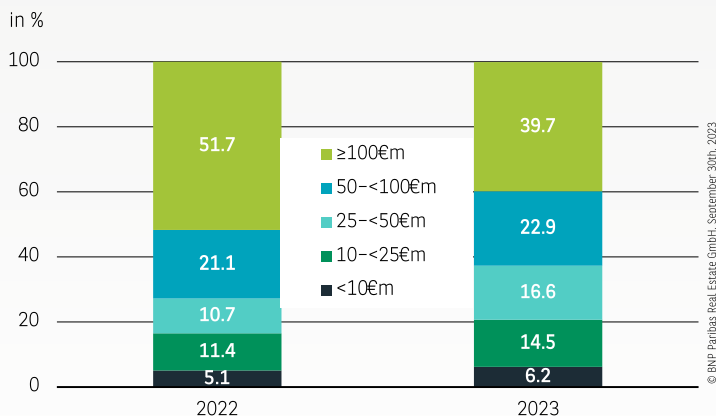


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➤ LEIPZIG AND DÜSSELDORF IN THE LEAD

The current overall decline in transaction activity is also reflected in the major locations, which together accounted for investments of just under €900 million, around 27% below their long-term average. Leipzig has taken the top position in the rankings due to a proportionate portfolio transaction with a record volume of more than €237 million. Düsseldorf follows close behind with around €200 million. It also accounts for the largest single deal of the year so far: the sale of the "Areal Böhler" business park for more than €150 million. Stuttgart ranks third with a strong €163 million, to which the sale of a business park for just under €100 million made a significant contribution. Most of the other locations remained well below their long-term averages.

Logistics investments by € category Q1-Q3

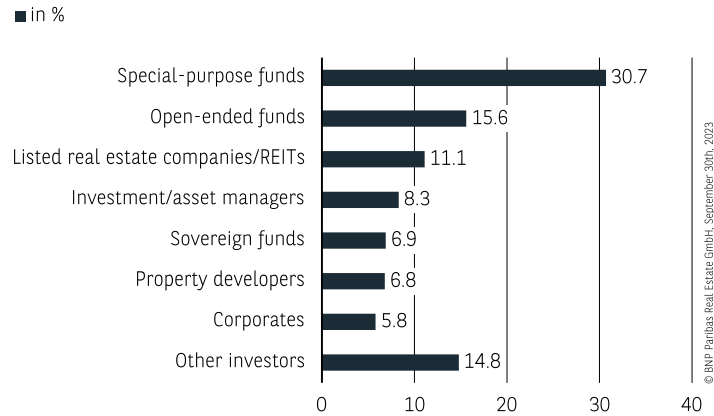


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➤ LARGE-VOLUME SEGMENT AHEAD DUE TO PORTFOLIO DEALS

The distribution of investments by size category is comparatively close to the long-term average in the segments up to €50 million, especially in percentage terms. In the larger deals, transactions in the triple-digit million range remain significantly below the level of previous years, especially in absolute terms, while investments between €50 million and €100 million, on the other hand, are the only segment to beat the average in absolute terms as well.

Logistics investments by buyer group Q1-Q3 2023



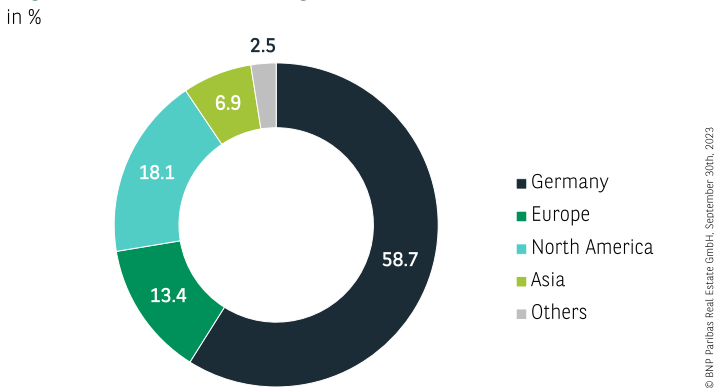
SPECIAL PURPOSE FUNDS IN THE LEAD

The distribution of investments among the individual buyer groups is led by special-purpose funds at a clear distance (just under 31%), which thus remains the most popular investment instrument. More remarkable is the very high investment volume of open-ended funds, which contribute 16% to the result and therefore rank second. The aforementioned portfolio purchase by Deka Immobilien contributed significantly to this. Listed real estate companies/REITs came third with a good 11%. They are followed by investment/asset managers (8%), sovereign funds and property developers (around 7% each).

DOMESTIC BUYERS MOST ACTIVE

In terms of the origin of capital, investors from Germany account for the majority of the total volume, at just under 59%. This above-average figure is mainly due to the fact that fewer large-volume transactions are taking place overall. Foreign investors in particular value the advantages of portfolio transactions as a way of quickly placing a high volume of investment. As in the long-term average, North American buyers (18%) are investing a higher volume than European investors (just over 13%). An additional 7% originated from Asia.

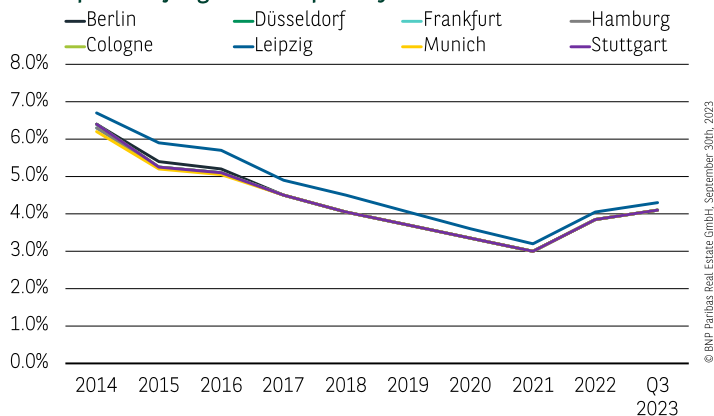
Logistics investments by origin of capital Q1-Q3 2023



YIELDS RISE SLIGHTLY ONCE AGAIN

As expected, net prime yields have once again risen slightly in the wake of further interest rate hikes by the major central banks. With an increase of 10 basis points in the third quarter, yields are now quoted at 4.10% in the A-locations. In Leipzig, the figure is slightly higher at 4.30%. As inflation rates remain high, a further slight increase in interest rates by the central banks in the fourth quarter appears realistic, so that yields are likely to be adjusted upwards again in the course of this.

Development of logistics net prime yields



OUTLOOK

Logistics remains a very attractive asset class for investors to diversify their portfolios from a risk-return perspective. The fundamental demand remains high and the intact user markets offer further growth potential for rental prices due to the lack of supply, particularly in the core markets. However, due to the change in financing conditions, the search for a balanced price level for buyers and sellers is leading to the current lower level of transactions. Against this backdrop, it can be assumed that once the interest rate peak is reached, investment activity will pick up again at a much faster pace in 2024. Nevertheless, the growth in investment activity already seen in the third quarter is likely to continue in the coming months. Opportunities will continue to open up in particular for investors with a strong equity base.

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