

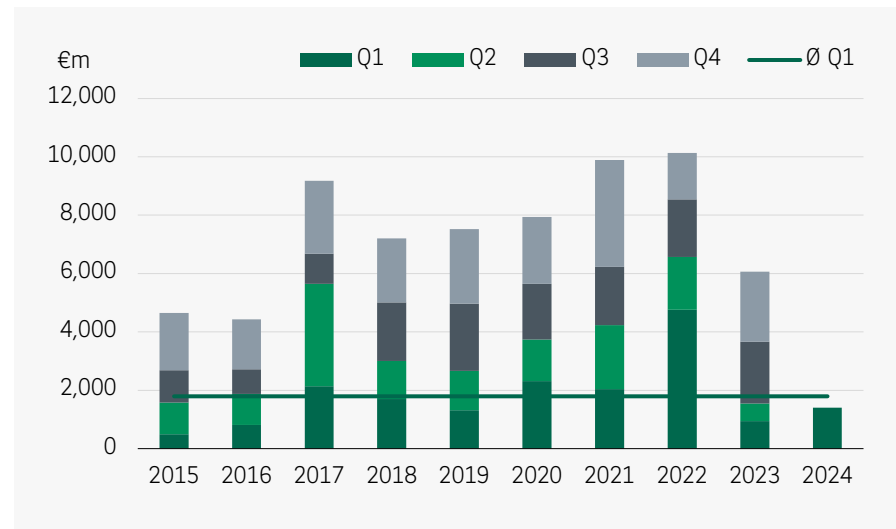
GERMANY

# REPORT

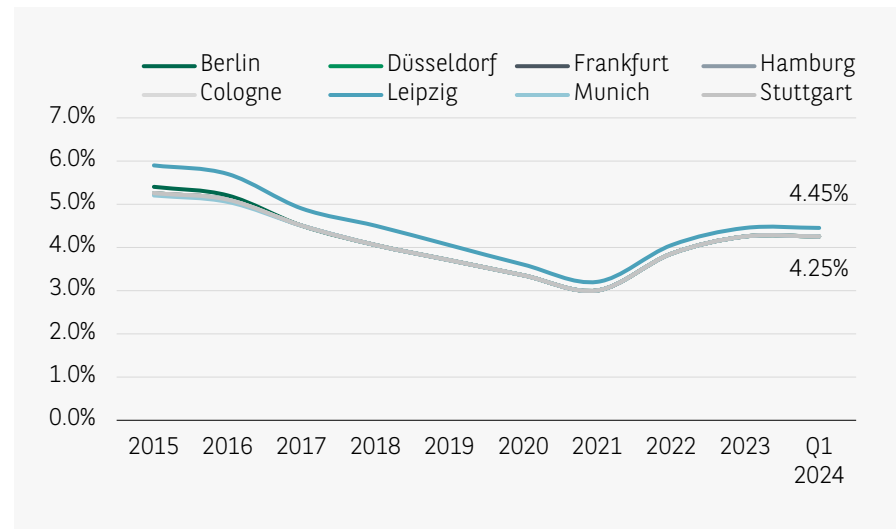
# LOGISTICS INVESTMENT MARKET

Q1 2024

## Development of logistics investment volume



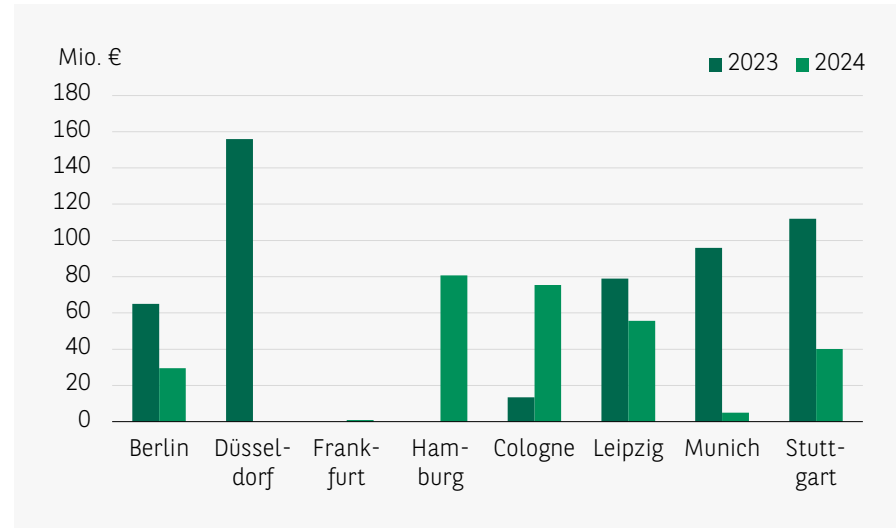
## Logistics net prime yields in A-locations



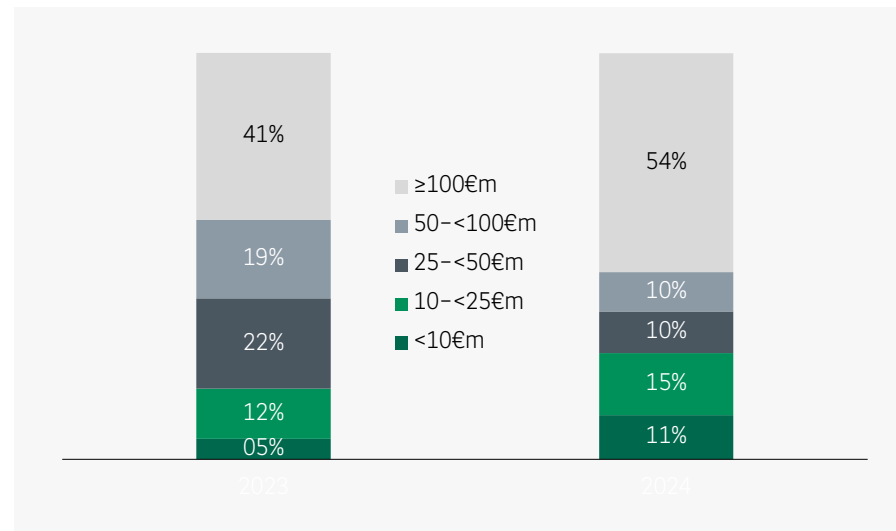
## YEAR-ON-YEAR INCREASE IN TURNOVER AND MOST IMPORTANT PILLAR IN THE PORTFOLIO SEGMENT

- After very strong activity on the logistics investment market, especially in the second half of 2023, logistics investments started 2024 with a transaction volume of around € 1.4 billion in the first quarter, which represents a good performance (+48% compared to Q1 2023), although below the long-term average (-22%).
- Among the top property types, logistics investments, with a market share of just over a quarter at the start of the year, was behind retail (36%) but well ahead of office (16%).
- Considering only the portfolio segment, logistics portfolios clearly dominate investment activity in this sector with €647 million (57% of the nationwide volume) in an asset class comparison.
- However, the brighter market sentiment in comparison to the first quarter of 2023 is not only reflected in the transaction volume, but also in the number of deals, which also increased by 38%.
- The upturn in market activity is supported by current signs indicating that the pricing phase seems to be coming to an end. Accordingly, there were no further adjustments to the net prime yields in the first quarter.
- As a result, the A-locations are still quoted at 4.25%, while the figure for Leipzig stands at 4.45%.

## Logistics investments in A-locations Q1



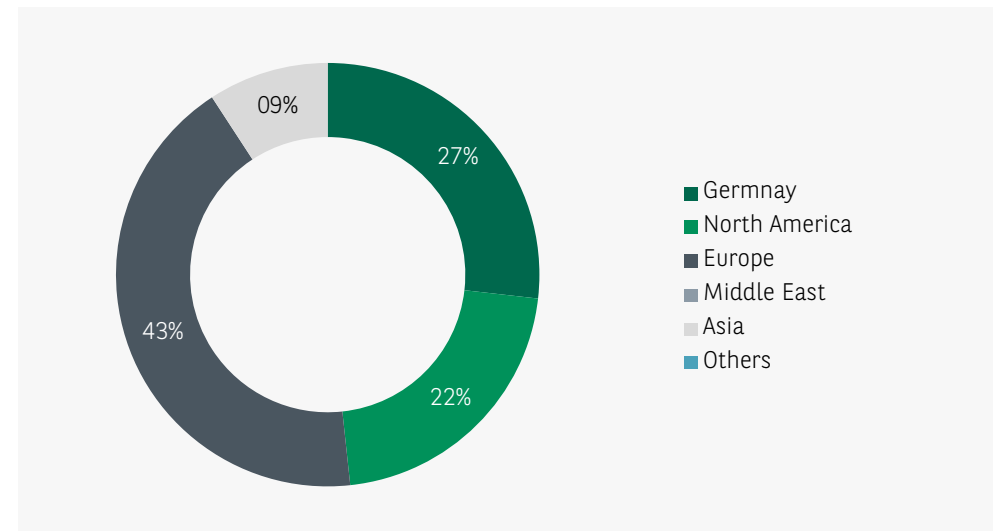
## Logistics investments by € category Q1



## INVESTMENT FOCUS: OUTSIDE A-CITIES, AND OVER €100M

- The major markets contributed only marginally towards the good start into the new year on the logistics investment market in the first quarter: at just under €288 million, the eight largest German logistics centres accounted for only 20% of total transactions in the opening quarter.
- Against this backdrop, it is hardly surprising that investment activity in the top locations was limited to the small-scale segment up to €50 million at the beginning of the year.
- Nevertheless, between January and April, individual transactions with a volume of more than € 100 million (54% pro rata) were realised in the portfolio segment. These included a portfolio of six properties (two in the Netherlands) sold by Blackstone to Clarion.

## Logistics investments by origin of capital Q1



## OUTLOOK

- The logistics investment market was able to carry the momentum from the second half of 2023 into the first quarter and achieved a good result in view of the continuing challenging conditions.
- Considering that many transactions, including some larger ones, were still finalized at the end of 2023, it is hardly surprising that the quarterly result after the first three months remained below the long-term average.
- Furthermore, the good overall number of deals emphasizes the impression that the upward trend seen in recent quarters is likely to continue, even beyond the larger sales drivers and portfolios in the triple-digit million segment.
- In addition, logistics investments have repeatedly confirmed their good positioning in the asset class comparison and in the favor of investors over the last twelve months, particularly in comparison to office investments.
- The significantly reduced momentum in the pricing process is also having a positive impact on market activity. The prospect of a sustained stabilisation of prime yields is having a positive impact on investors' ability to plan and invest.

### Key facts logistics investment market Germany

INVESTMENT VOLUME	Q1 2023	Q1 2024	CHANGE
Total (€m)	951	1,408	48.0%
Portfolio share	0.0%	46.0%	46.0%-Pkte
Share above €100 million	16.4%	53.9%	37.5%-Pkte
Share of major markets	54.8%	20.4%	-34.4%-Pkte
Share of foreign investors	43.8%	73.2%	29.4%-Pkte

NET PRIME YIELDS	Q1 2023	Q1 2024	CHANGE
Berlin	3.95%	4.25%	+30bps
Düsseldorf	3.95%	4.25%	+30bps
Frankfurt	3.95%	4.25%	+30bps
Hamburg	3.95%	4.25%	+30bps
Cologne	3.95%	4.25%	+30bps
Leipzig	4.15%	4.45%	+30bps
Munich	3.95%	4.25%	+30bps
Stuttgart	3.95%	4.25%	+30bps

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