

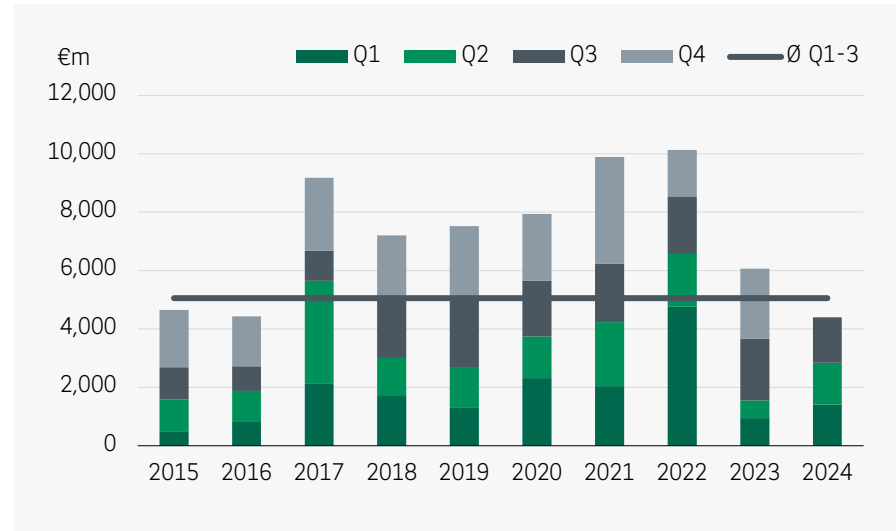
GERMANY

# REPORT

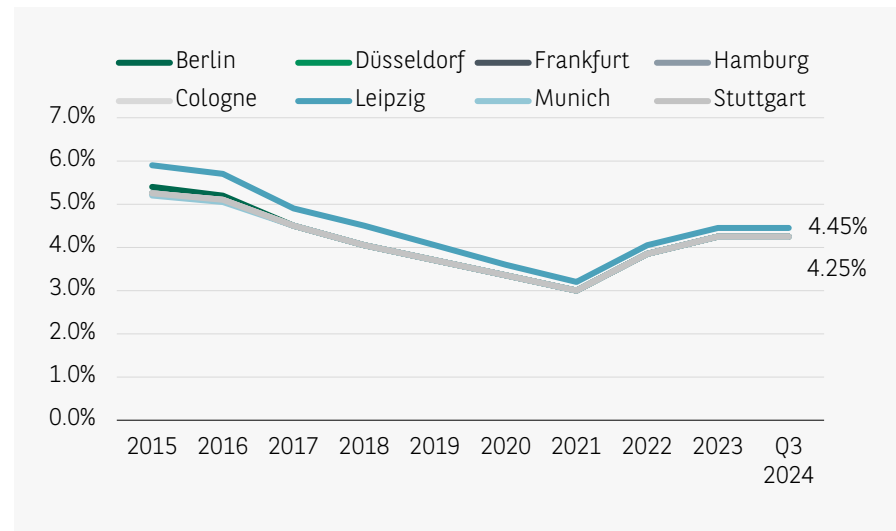
# LOGISTICS INVESTMENT MARKET

Q1-3 2024

## Development of logistics investment volume



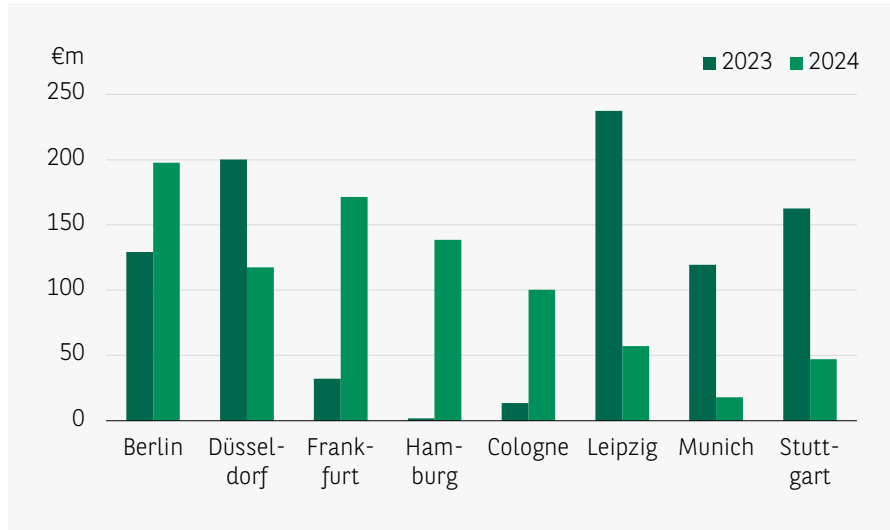
## Logistics net prime yields



## SECOND PLACE IN THE ASSET CLASS RANKING, HIGHEST PORTFOLIO SHARE BY FAR

- Even if the very good conditions from the record year 2022 (around €8.5 billion in Q1-3) are not yet achievable again, the logistics investment market is on a noticeable upswing in the current year. With a transaction volume of almost €4.4 billion, logistics investments exceeded the previous year's figure by 20%.
- It is particularly pleasing that not only was the previous year's result significantly improved, but also that the decline compared to the long-term average was comparatively low. With a drop of just 13%, logistics investments show the smallest difference compared to their respective 10-year average among the asset classes, with retail properties at -38% and office assets even at -75%. This gives the logistics investment market (25% share of commercial investments) a good second place just behind the retail segment (27%) and ahead of office transactions (20%).
- In contrast, the logistics investment market is leading across all asset classes in the portfolio segment, in which just under €2.1 billion, or 47% of the total volume, was invested. Overall, package sales in the triple-digit million range were registered in all three quarters. The largest transactions of the last three months and the year as a whole included the Blackstone acquisition of an 80% stake in the Burstone Group's pan-European logistics platform, of which seven properties are located in Germany.
- Meanwhile, prime yields have stabilised since the beginning of the year. The net prime yields in the A-locations remain unchanged at 4.25%. A sideways movement has also been recorded in Leipzig. There, 4.45 % can still be estimated.

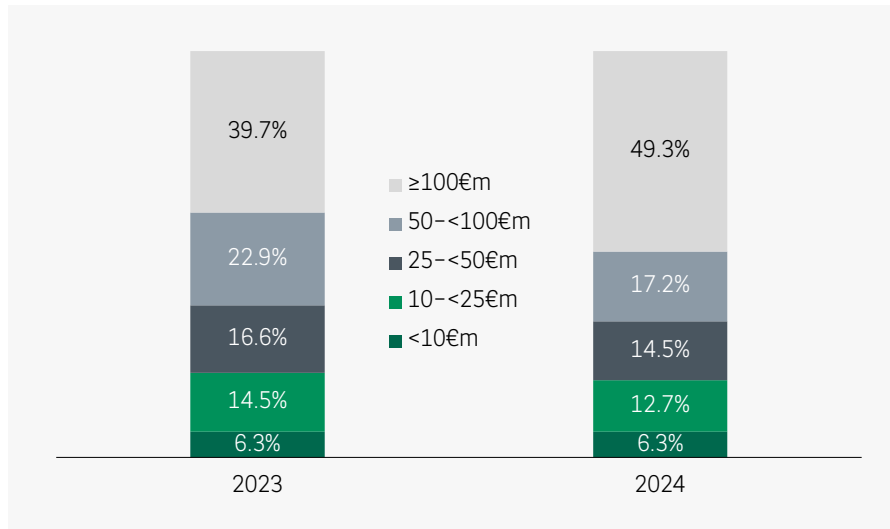
### Logistics investments in significant locations Q1-3



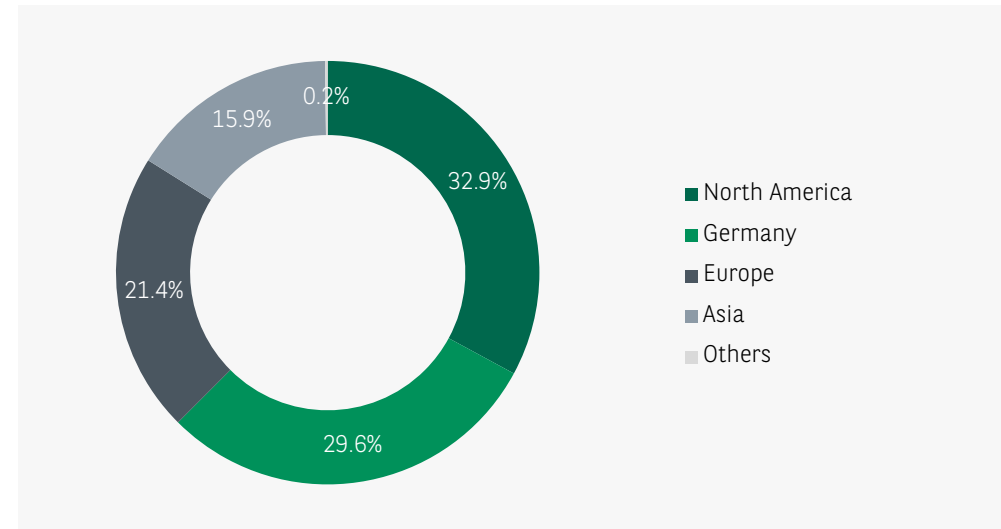
**81% OUTSIDE THE MAIN LOCATIONS**

- The distribution of volume among the top markets clearly reflects the fact that it is not the largest logistics regions, but the locations outside the most important agglomerations that are largely responsible for the increase in sales. The most important logistics hubs together contributed around €848 million (-5%), while the other locations increased by 28% to €3.5 billion. Berlin (€198 million), Frankfurt (€171 million) and Hamburg (€139 million) form the leading trio within the top markets.
- A look at the size categories confirms the improved market sentiment to the extent that large deals are now possible again. With a total of more than ten transactions in the single-deal and portfolio segment, investments in the three-digit million range account for a market share of a good 49%. A not inconsiderable proportion of these sales are attributable to international capital. Investors from North America (33%) and other European countries (21%) are currently particularly active.

### Logistics investments by € category Q1-3



### Logistics investments by origin of capital Q1-3 2024



## OUTLOOK

- The logistics investment market was able to capitalise on the improved conditions in the first three quarters and even move within striking distance of its long-term average. This leads to the assumption that investor confidence in an imminent end to the pricing phase in the logistics segment is returning more quickly than in the office sector, for example.
- The regained stability in this context is characterised, among other things, by the fact that the market did not benefit exclusively from a single good quarterly result over the course of the year, but was able to record three quarters with good volumes in each case. The fact that major deals were also brought across the finish line in all three quarters confirms the continuing upward trend.
- Another positive factor is the lively market activity in the portfolio sector: In total, around 53% of the nationwide portfolio result is attributable to the logistics segment, which confirms the observation that logistics investments are at the top of investors' lists when it comes to portfolio sales. As a result, further portfolios and company takeovers are already in the finalisation phase, which should boost sales in the final quarter.
- Even if the long-term average of around €7.1 billion for the year as a whole will probably be difficult to achieve in the coming months, from today's perspective we must assume that the fourth quarter will also be good and that the overall balance at the end of the year will be convincing compared to other asset classes. In any case, there are currently no signs of further price declines.

### Key facts logistics investment market Germany

INVESTMENT VOLUME	Q1-3 2023	Q1-3 2024	CHANGE
Total (€m)	3,670	4,394	+19.8%
Portfolio share	40.4%	47.2%	+6.8%pts
Share above €100 million	39.7%	49.3%	+9.6%pts
Share of major markets	24.4%	19.3%	-5.1%pts
Share of foreign investors	41.3%	70.4%	+29.1%pts

NET PRIME YIELDS	Q3 2023	Q3 2024	CHANGE
Berlin	4.10%	4.25%	+15bps
Düsseldorf	4.10%	4.25%	+15bps
Frankfurt	4.10%	4.25%	+15bps
Hamburg	4.10%	4.25%	+15bps
Cologne	4.10%	4.25%	+15bps
Leipzig	4.30%	4.45%	+15bps
Munich	4.10%	4.25%	+15bps
Stuttgart	4.10%	4.25%	+15bps

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