

**2,600,000m<sup>2</sup>**

Take-up (cum.)

YoY  
Change

12-Month  
Forecast

**€8.07\***

Prime Avg. Rent, €/m<sup>2</sup>/month

**4.15%\***

Prime Avg. Yield

\*Average of prime over five major markets  
Prime Yield = Net Initial Yield

### ECONOMIC INDICATORS

**0.20%**

GDP Growth Germany  
(Q2 2023 vs. Q2 2022)

**93.7**

Business Climate  
Sentiment: Current  
Situation (Jun 2023)

**83.6**

Business Climate  
Sentiment: Expectations  
(Jun 2023)

Sources: Moody's Analytics, ifo institute,  
Index: 2015=100

### GERMAN ECONOMY NOT YET PICKING UP

The German economy is in difficult waters: there are some positive factors such as falling energy prices and restored supply chains. But uncertainty remains high due to the foreign and security policy situation, continued high inflation, rising interest rates and labour costs as well as declining order backlogs and weakening consumer demand. This reduces the willingness of companies to invest and hire, especially in the industrial sector. Due to its close connection, the transport and logistics sector is also particularly affected by the industrial sector's negative development. The ifo Institute states in June 2023 that the logistics sector's hiring momentum of recent months has stopped for the time being. Overall, the German economy is finding it difficult to climb out of the recession, and a thorough recovery is no longer expected this year, as there is no prospect of an upswing in the second half of the year, as was hoped in the spring.

### TAKE-UP BELOW HALF-YEAR AVERAGE

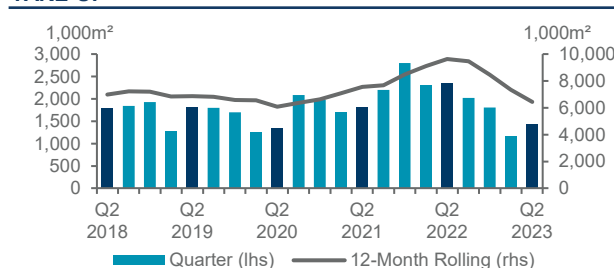
The continuing economic uncertainties are having a clear impact on the logistics and industrial space market - take-up in the first half of 2023 has therefore failed to match the figures of the booming previous years. New lettings and owner-occupier deals totalled 2.6 million m<sup>2</sup> of logistics, warehouse and industrial space in the first half of the year. Q1 accounted for 1.17 million m<sup>2</sup> and Q2 for a slightly higher 1.43 million m<sup>2</sup>. The mid-year result is thus 44% below the exceptionally strong figure of a year previously and 17% below the Q1-2 10-year-average. The year-on-year decline is due to the low number of large deals - only four deals of over 50,000 m<sup>2</sup> were recorded. In the top-5 markets, take-up of 665,500m<sup>2</sup> of logistics, warehouse and industrial space was registered - this corresponds to a decline of 55% compared to a year previously and is also the lowest-ever first half result since records began in 2012.

The investment transaction volume for logistics and industrial properties amounted to around € 1.70 billion in the first half of the year, including € 905 million in Q2. The half-year result is 71% lower than a year previously and is the weakest performance since 2015 (€ 1.58 billion).

### INCREASE IN PRIME RENTS WITH STATIC PRIME YIELDS

The average logistics prime rent rose by 12% in Germany and by 13% in the top-5 markets over the last 12 months. The excess demand for prime space with a lack of suitable availability as well as significantly increased construction costs are the drivers here. In Q2 2023, Berlin achieved a monthly prime rent of €7.20/m<sup>2</sup> and Munich €9.50/m<sup>2</sup>. The prime yield rose by 105 basis points in the top-5 markets over the course of 12 months; at the end of Q2 it was 4.15% and remains static compared to the previous quarter.

### TAKE-UP



### MARKET STATISTICS

Markets	Prime Rent (€/m <sup>2</sup> /month) *	Change YoY	Outlook YE 2023	Prime Yield*	Change YoY	Outlook YE 2023
Berlin	7.20	11%	Up	4.15%	105 bp	Up
Düsseldorf	7.75	15%	Up	4.15%	105 bp	Up
Frankfurt	7.95	11%	Up	4.15%	105 bp	Up
Hamburg	7.95	14%	Up	4.15%	105 bp	Up
Munich	9.50	12%	Up	4.15%	105 bp	Up
Top-5 Markets	8.07	13%	Up	4.15%	105 bp	Up
Outside Top-5**	6.07	12%	Up	4.45%	103 bp	Up
Germany**	6.41	12%	Up	4.40%	103 bp	Up

\*Rents/yields for top-5 markets, outside top-5 and Germany reflect average of the respective prime values of the included markets / clusters

\*\*Germany = 24 Logistics-Industrial-clusters, Outside Top-5 = 20 clusters

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### SELECTED LEASE TRANSACTIONS Q2 2023

Property	Cluster	Tenant	m <sup>2</sup>	Type
bauwo Logistikparc, Pilsting	Danube	BMW	83,000	Pre-let, completion Q2 2024
Logistics centre, Lehrte	Hannover	Aldi Nord	43,000	Owner-occupier, completion Q4 2024
P3 Logistics centre, Ebersbach a.d. Fils	Stuttgart	Lidl	38,500	Pre-let, completion Q4 2023

### SELECTED SALES TRANSACTIONS Q2 2023

Property	Cluster	Seller / Buyer	m <sup>2</sup>	Price (€ million)
Logistik-Campus, Hannover	Hannover	Panattoni / AEW	100,000	confidential
Emmerich II, Emmerich am Rhein	Duisburg/Lower Rhine	Fiege / Real I.S.	40,000	~ 68

### SELECTED CONSTRUCTION COMPLETIONS Q2 2023

Property	Cluster	Major Tenants	m <sup>2</sup>	Owner / Developer
Logistik-Center Heilbronn, Möckmühl	Outside	DSV Solutions	62,500	ECE Projektmanagment
Coreport Leipzig II, Schkeuditz	Leipzig/Halle	Mytheresa	54,400	Values Projektentwicklung / Intaurus
Logistics centre, Wülfrath	Duisburg/Lower Rhine	Vaillant, Picnic	50,000	Beos Logistics