

Logistics & Industrial Q4 2023

5.85 m

Take-up (cum.), m²

YoY
Change

12-Month
Forecast

€8.31*

Prime Avg. Rent, m²/month

4.50%*

Prime Avg. Yield

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

ECONOMIC INDICATORS

-0.16%

GDP Growth Germany
(Q4 2023 vs. Q4 2022)

88.5

Business Climate
Sentiment: Current
Situation (Dec 2023)

84.3

Business Climate
Sentiment: Expectations
(Dec 2023)

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

GERMAN ECONOMY CONTINUES TO STAGNATE

The German economy stagnated in 2023. The reasons for this include a sharp drop in purchasing power as a result of the energy price crisis, which has weakened private consumption. The weakening global economy and geopolitical tensions and crises also had a dampening effect on the economy. Gross domestic product fell by around 0.2% in 2023 compared to the previous year. The still-high inflation rate, at 3.7% in December 2023 and averaging around 5.9% over the full year, also had a negative impact on consumers. Sentiment among companies remains gloomy, as shown by the Ifo Institute's December 2023 economic survey: Companies rated their business situation at the end of the year as being 5.7 points worse than at the same point the previous year. Hopes for 2024 are pinned on a further fall in inflation and interest rate cuts by the ECB over the course of the year. As a result, the economy may return to minimal growth in 2024.

TAKE-UP 2023 AFFECTED BY ECONOMIC ENVIRONMENT

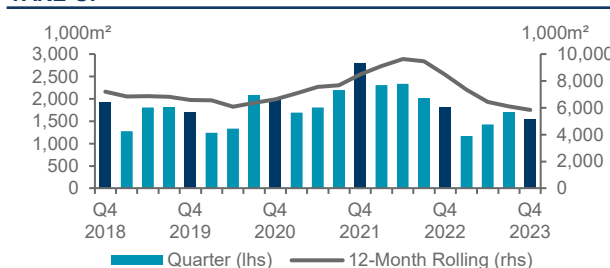
The economic challenges and uncertainty regarding future financial and economic policy are also affecting the logistics and industrial space market - take-up in 2023 therefore failed to match the record figures of the two previous years, but still achieved a respectable result: New lettings and owner-occupier deals totalled around 5.85 million m² of logistics, warehouse and industrial space in 2023 as a whole. This is 31% below the previous year's figure, but only 12% below the 10-year average. The decline also stems from a burgeoning shortage of space on the market and the growing importance of lease renewals. Take-up of 1.49 million m² of logistics, warehouse and industrial space was recorded in the top-5 markets (-39% compared to 2022).

The investment transaction volume for logistics and industrial properties reached €5.82 billion by the end of the year (-37% compared to 2022), of which more than a third (71%) of the volume (€4.12 billion) was attributable to the stronger second-half of the year.

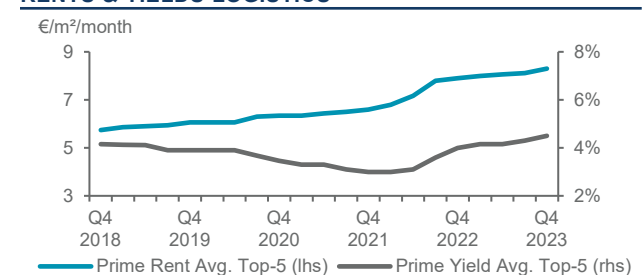
CONTINUING INCREASE IN PRIME RENTS AND PRIME YIELDS

The average logistics prime rent rose by 4% in Germany as a whole and by 5% in the top-5 market areas over the last twelve months. Excess demand for prime space encountering a lack of suitable availability in addition to elevated construction costs are the drivers here. In the final quarter of 2023, Berlin achieved a monthly prime rent of €7.20/m² and Munich €10.50/m². The prime yield rose by 50 basis points in the top-5 markets year-on-year. Compared to the previous quarter, it increased by 20 basis points to 4.50% at the end of Q4.

TAKE-UP



RENTS & YIELDS LOGISTICS



MARKET STATISTICS

Markets	Prime Rent (€/m ² /month) *	Change YoY	Outlook YE 2024	Prime Yield*	Change YoY	Outlook YE 2024
Berlin	7.20	1%	Up	4.50%	50 bp	Stable
Düsseldorf	7.95	5%	Up	4.50%	50 bp	Stable
Frankfurt	7.95	1%	Up	4.50%	50 bp	Stable
Hamburg	7.95	1%	Up	4.50%	50 bp	Stable
Munich	10.50	15%	Up	4.50%	50 bp	Stable
Top-5 Markets	8.31	5%	Up	4.50%	50 bp	Stable
Outside Top-5**	6.23	3%	Up	4.77%	45 bp	Stable
Germany**	6.59	4%	Up	4.73%	47 bp	Stable

*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

SELECTED LEASE TRANSACTIONS Q4 2023

Property	Cluster	Tenant	m ²	Type
Logistics centre, Langenau	Swabia	Winkler Logistik	65,000	Pre-let, completion Q3 2025
Logistics centre, Bottrop	Duisburg/Lower Rhine	Yusen Logistics	58,800	Pre-let, completion Q4 2024
Logistics centre, Grammettal	Erfurt	CATL	54,800	Pre-let, completion Q1 2025

SELECTED SALES TRANSACTIONS Q4 2023

Property	Cluster	Seller / Buyer	m ²	Price (€ million)
LogPark Leipzig, Leipzig	Leipzig/Halle	Demire / HIH Invest	160,000	~105
Portfolio - 2 properties, Neufahrn	Munich	Branicks Group / GIC	72,800	~80
Portfolio - 5 Self Storage properties: Essen, Duisburg, Köln, Wiesbaden, Mannheim	nationwide	Top Box / Shurgard	17,000	~69

SELECTED CONSTRUCTION COMPLETIONS Q4 2023

Property	Cluster	Major Tenants	m ²	Owner / Developer
Exeter Logistik Park Berlin-Süd, Mittenwalde	Berlin/Brandenburg	Tesla, Raben Group, Oda	110,400	GIC / Exeter Property Group
Logistics centre, Ludwigsau	Central Germany	---*	96,000	Garbe Industrial Real Estate
Tegut-Logistikzentrale, Hünfeld	Central Germany	Tegut	90,000	Tegut

*speculative development project still without pre-letting

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