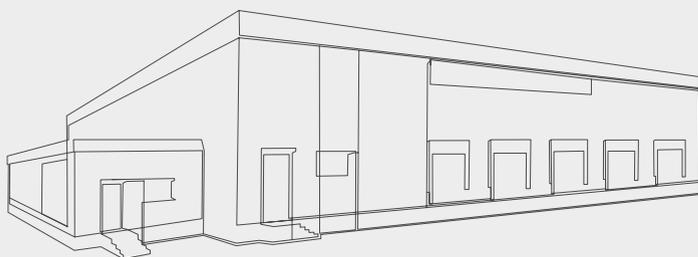


Top 7 Regions

MARKET REPORT | Q 1-4 2022

» INDUSTRIAL | LOGISTICS PROPERTIES



“The asset class of industrial and logistics properties remains attractive, thanks to a demand surplus and rising rents.”

Andreas Rehberg
Managing Director and Spokesperson of GPP
Grossmann & Berger

Overview



INVESTMENT

	HAMBURG	BERLIN	DÜSSELDORF	COLOGNE	FRANKFURT	STUTT GART	MUNICH	TOP-7
TRANSACTION VOLUME [m. €]	400	455	100	550	548	79	153	2,286
YEAR-ON-YEAR CHANGE [%]	-49	-52	-59	+72	+363	-63	+1	-18
PRIME LOGISTICS YIELD [%]	3.80	3.50	4.1	4.00	3.90	4.00	3.50	3.83
YEAR-ON-YEAR CHANGE [% pts.]	+0.30	+0.30	+0.65	+0.60	+0.70	+0.50	+0.40	+0.50
LAND PRICES CITY AREA [MAX.; €/m ²]	480	490	600	400	530	500	800	-
YEAR-ON-YEAR CHANGE [%]	+6.7	+8.9	+66.7	+5.3	+8.2	±0	+5.3	-
LAND PRICES SURROUNDING REGION [MAX.; €/m ²]	240	290	350	300	340	400	770	-
YEAR-ON-YEAR CHANGE [%]	+9.1	+11.5	+29.6	±0	+9.7	±0	+2.7	-

OVERVIEW – IN A NUTSHELL

INVESTMENT

- » From the 2nd quarter onwards, the **interest rate turnaround** forced investors to change their strategies. Numerous ongoing transactions were abandoned and buyers demanded considerable price cuts.
- » At around EUR 2.3 billion, the **transaction volume** generated in the TOP 7 was slightly lower than the five-year average.
- » **Prime logistics yields** rose significantly by around 0.50% points after several years of steady decline.
- » The asset class remains popular among investors. However, the interest rate environment remains unstable and inhibits investment.

LETTING

TAKE-UP OF SPACE [m ²]	525,000	696,250	270,000	325,000	391,000	387,000	191,600	2,785,850
YEAR-ON-YEAR CHANGE [%]	-17	+24	-21	-18	-53	+2	-33	-19
SHARE OF TAKE-UP LOGISTICS [%]	33	23	30	24	68	24	27	32
YEAR-ON-YEAR CHANGE [% pts.]	-13	-7	-20	-3	+33	±0	-19	-4
SHARE OF TAKE-UP RETAIL [%]	50	49	59	30	14	33	19	39
YEAR-ON-YEAR CHANGE [% pts.]	+24	+25	+19	-10	-33	+13	+4	+7
SHARE OF TAKE-UP INDUSTRIAL, PRODUCTION [%]	14	14	9	29	7	36	12	17
YEAR-ON-YEAR CHANGE [% pts.]	-9	-23	+2	+1	-6	-12	-8	-7
PRIME RENT CITY AREA [€/m ² per month, net]	7.50	8.10	7.30	8.00	7.80	7.00	8.60	-
YEAR-ON-YEAR CHANGE [€/m ² per month, net]	+1.00	+0.60	+0.90	+2.05	+0.30	+0.10	+0.40	-
PRIME RENT SURROUNDING REGION [€/m ² per month, net]	6.50	6.20	6.50	6.00	6.70	8.20	7.30	-
YEAR-ON-YEAR CHANGE [€/m ² per month, net]	+1.00	+0.40	+0.30	+0.75	+0.20	+1.10	+0.30	-

Letting

- » Take-up of space was some 19% below the record level achieved in the previous year. A significant increase could be observed in Berlin only.
- » Prime rents in the TOP 7 increased by over 10% on average.
- » The availability bottleneck is going to have a considerable impact on market development and will limit take-up figures also in 2023. Further rent increases are likely to occur in a number of markets.

Overview

1. HAMBURG

- ① 7.50 €/m²
- ② 6.50 €/m²
- ③ 3.80%
- ④ 260-480 €/m²
- ⑤ 180-240 €/m²
- ⑥ 100-180 €/m²

2. DÜSSELDORF

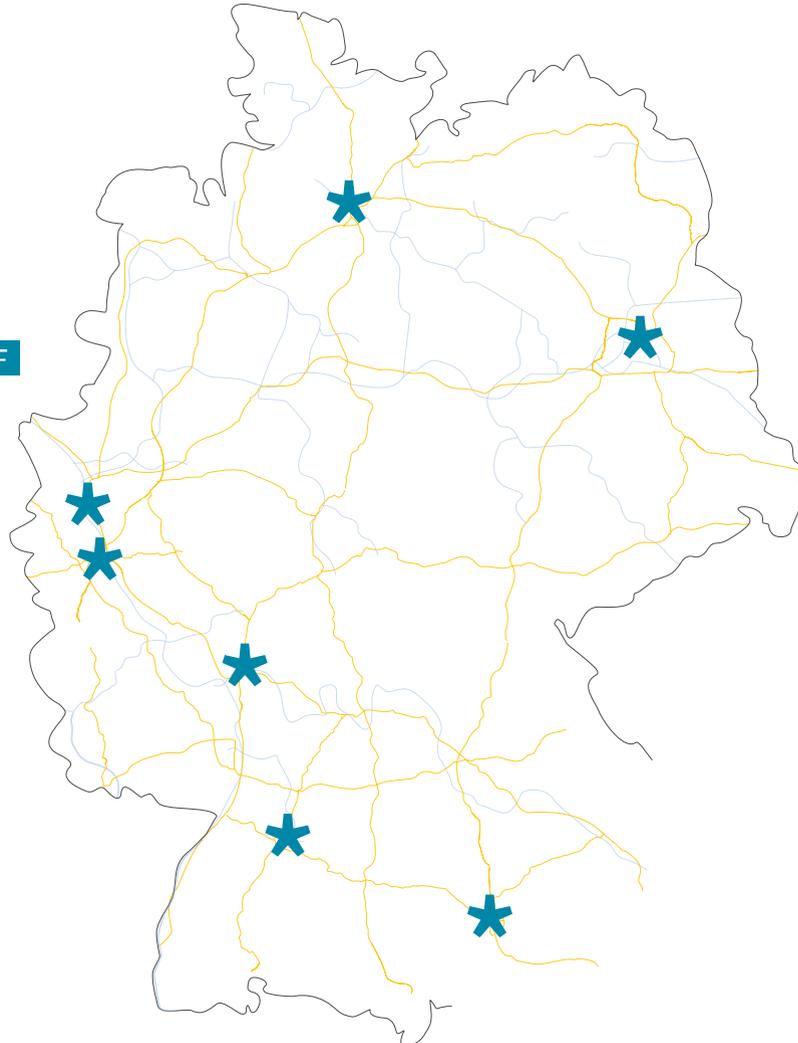
- ① 7.30 €/m²
- ② 6.50 €/m²
- ③ 4.10%
- ④ 400-600 €/m²
- ⑤ 300-350 €/m²
- ⑥ 200-250 €/m²

3. COLOGNE

- ① 8.00 €/m²
- ② 6.00 €/m²
- ③ 4.00%
- ④ 200-400 €/m²
- ⑤ 150-300 €/m²
- ⑥ 120-150 €/m²

4. STUTTGART

- ① 7.00 €/m²
- ② 8.20 €/m²
- ③ 4.00%
- ④ 280-500 €/m²
- ⑤ 200-400 €/m²
- ⑥ 100-200 €/m²



5. BERLIN

- ① 8.10 €/m²
- ② 6.20 €/m²
- ③ 3.50%
- ④ 120-490 €/m²
- ⑤ 100-290 €/m²
- ⑥ 70-190 €/m²

6. FRANKFURT

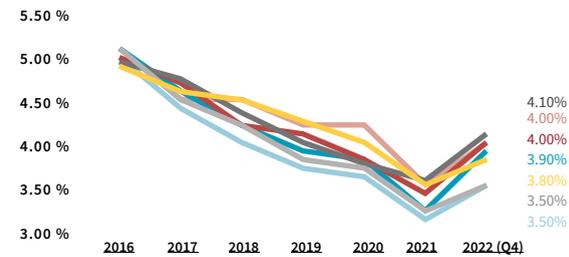
- ① 7.80 €/m²
- ② 6.70 €/m²
- ③ 3.90%
- ④ 300-530 €/m²
- ⑤ 200-340 €/m²
- ⑥ 90-280 €/m²

7. MUNICH

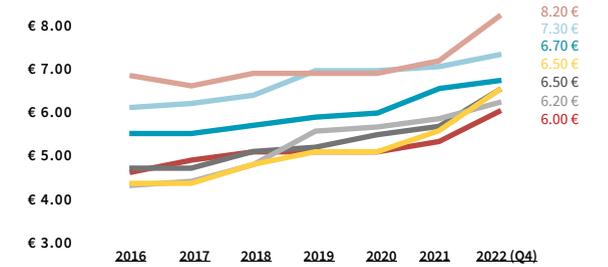
- ① 8.60 €/m²
- ② 7.30 €/m²
- ③ 3.50%
- ④ 460-800 €/m²
- ⑤ 220-770 €/m²
- ⑥ 170-500 €/m²

BERLIN DÜSSELDORF FRANKFURT HAMBURG COLOGNE MUNICH STUTTGART

NET PRIME LOGISTICS YIELDS



PRIME RENTS SURROUNDING REGIONS €/m²



LEGEND

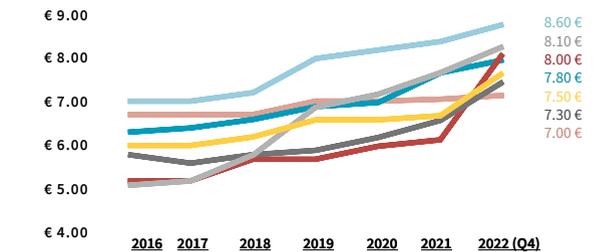
- ① Prime rent logistics* (city area)
- ② Prime rent logistics* (surrounding region)
- ③ Net prime yield
- ④ Land prices** (city area)
- ⑤ Land prices** (surrounding region)
- ⑥ Land prices** (greater area)

- Motorway
- Federal waterway

* Logistics: min. 5,000 m², min. 10 m height to lower edge roof trusses, min. 1 dock loading bay / 1,000 m², state-of-the-art, new building or first letting period

** Land: commercial / industrial area, from 1 hectare, developed, contamination-free, virtually rectangular in shape

PRIME RENTS CITY AREAS €/m²

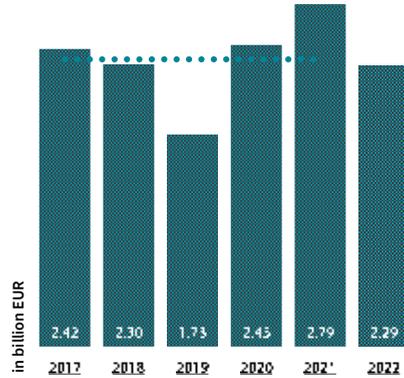


>> Source: German Property Partners (GPP) / bulwiengesa for Berlin, Frankfurt and Munich

Investment

TRANSACTION VOLUME

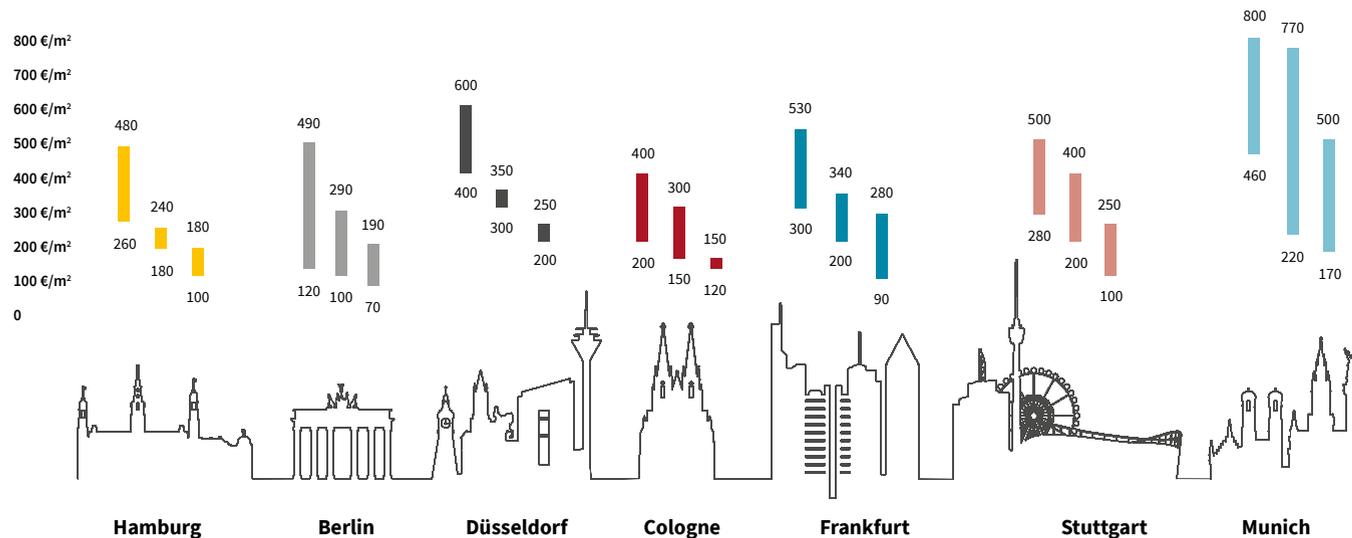
5-year average (2017-2021):
approx. EUR 2.33 billion



BIGGEST TRANSACTIONS BASED ON WAREHOUSE SPACE

HAMBURG	HAMBURG, LOGISTICS FACILITY >> 42,000 m ² Werner-von-Siemens Strasse 63 Buyer: Kaldox Group (fund manager) Seller: Aroundtown (property corporation)	COLOGNE	KERPEN, NEW LOGISTICS BUILDING >> 59,000 m ² Röntgenstrasse Buyer: ABG Capital Seller: Dietz (property developer)
BERLIN	LUDWIGSFELDE, INDUSTRIAL PARK >> 62,000 m ² Brandenburgische Strasse 51-53 Buyer: Verdion (property developer) Seller: MCAP Global Finance	FRANKFURT	LIEDERBACH AM TAUNUS, PRODUCTION >> 31,500 m ² Sindlinger Weg 1 Buyer: Stack Infrastructure (corporation) Seller: Coca-Cola (corporation)
DÜSSELDORF	DÜSSELDORF, LOGISTICS PARK >> 29,700 m ² Heltorfer Strasse 12-22 Buyer: Sirius for a specialist fund Seller: M7 RE (specialist fund)	STUTTGART	BIETIGHEIM-BISSINGEN, LOGISTICS FACILITY >> 30,500 m ² Höpfigheimer Strasse Buyer: GLP (property developer) Seller: Hofmeister (retailer)
		MÜNICH	GARCHING, LOGISTICS FACILITY >> 15,400 m ² Dieselstrasse 22 Buyer: Carlyle Group Seller: PS Stiftung (corporation)

LAND PRICES (CITY AREA, SURROUNDING REGION, GREATER AREA)



INVESTMENT – IN A NUTSHELL

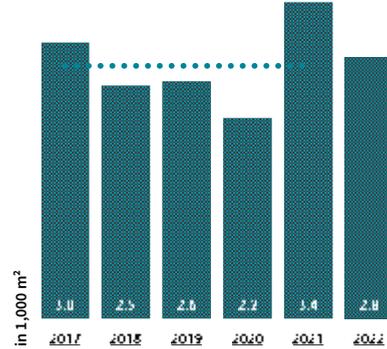
- » The **interest rate turnaround** had a massive impact on the investment market from the 2nd quarter of 2022 onwards.
- » Thanks to the strong 1st quarter, the **transaction volume** generated in the TOP 7 markets was only slightly below average at around EUR 2.29 billion (year-on-year change of -18%).
- » Owing to price reductions, **prime logistics yields** rose to a current average of 3.83% in the TOP 7 (year-on-year change of +0.50% points).
- » This means that the yield compression that occurred in 2021 was undone at the overall market level.
- » **Land prices** went up in most regions, however, the dynamics of this development vary from place to place.
- » **The asset class is expected to remain attractive for many investors in 2023**, thanks to low vacancy rates and largely inflation-proof rents.
- » Nevertheless, many investors are still awaiting further interest rate hikes and announcements by the ECB.
- » Prime yields might increase further.
- » Price expectations of sellers and buyers will increasingly converge and investment activity will increase, once the interest rate environment is more predictable again.
- » Properties from the value-add segment are currently in greater demand than core products.

Letting

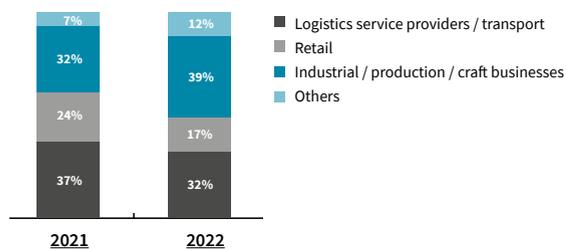
TAKE-UP OF SPACE

incl. owner-occupiers

5-year average (2017-2021):
approx. 2.7 million m²



TAKE-UP SHARES BY INDUSTRY



TOP TRANSACTIONS

HAMBURG

STELLE

Aldi
Harburger Strasse

>> 42,500 m²

BERLIN

LUDWIGSFELDE

Chefs Culinar (retailer)
An der Eichspitz 1

>> 40,000 m²

DÜSSELDORF

GREVENBROICH

LIDL
Lilienthalstrasse

>> 50,700 m²

COLOGNE

COLOGNE

Deutz AG (industrial)
Hansestrasse 67-71

>> 46,600 m²

FRANKFURT

HAMMERSBACH

B+S Logistik
Haarstrach 9-15

>> 41,340 m²

STUTTGART

EBERSBACH / FILS

Retail company
Strutstrasse

>> 36,700 m²

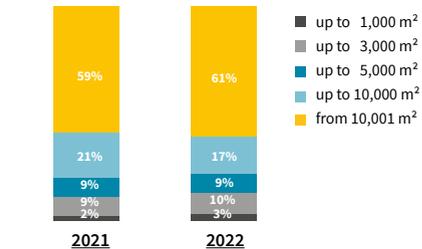
MUNICH

PENZBERG

Winning BLW (industrial)
Seeshaupter Strasse

>> 28,000 m²

TAKE-UP SHARES BY UNIT SIZE



AVERAGE RENTS

	CORE CITY	REGION
HAMBURG	6.20 €/m ²	5.30 €/m ²
BERLIN	5.70 €/m ²	5.00 €/m ²
DÜSSELDORF	€ 5.90/m ²	€ 5.60/m ²
COLOGNE	5.60 €/m ²	5.50 €/m ²
FRANKFURT	5.90 €/m ²	5.20 €/m ²
STUTTGART	5.80 €/m ²	6.00 €/m ²
MUNICH	6.40 €/m ²	6.00 €/m ²

LETTING – IN A NUTSHELL

- » At around 2.8 million m², an average amount of **warehouse space was taken up** in 2022, however, the record level achieved in the previous year was missed by some 19%.
- » Nevertheless, take-up figures were above the respective five-year average in the logistics regions of Berlin, Hamburg, Cologne and Stuttgart.
- » **Rent levels** rose across Germany. Prime rents in Cologne, Hamburg, Düsseldorf and Stuttgart increased by between 14% and 34%.
- » Availability of space was scarce everywhere, once again, and this will remain the case for the time being.
- » Demand for space is still strong in the regions of Stuttgart, Düsseldorf and Hamburg in early **2023**.
- » However, the predicted economic downturn is likely to dampen take-up, at least over the first few months of the year.
- » In addition, take-up potential is limited by the space shortage.
- » Owing to low availability and high construction costs, the upwards trend of rents is expected to continue in many places.

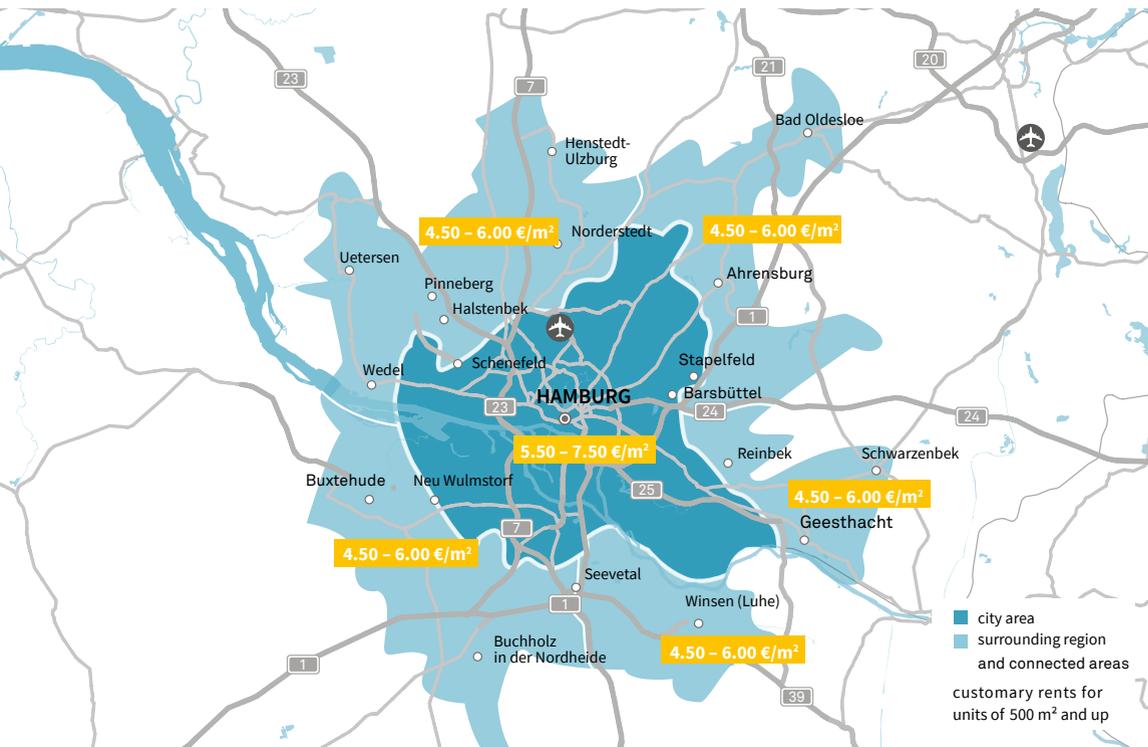
Hamburg

Hello!

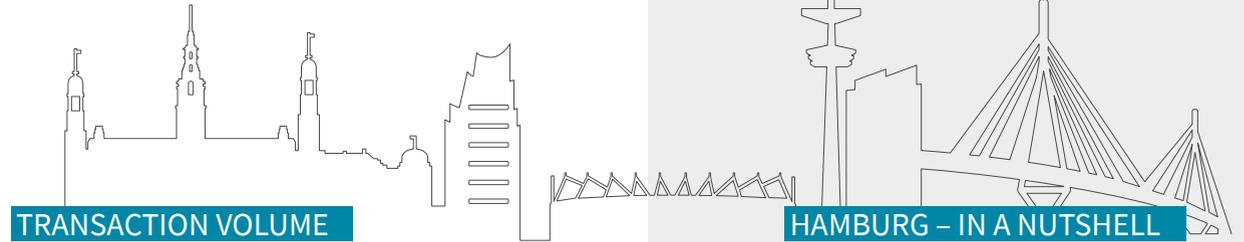


Hamburg's industrial and logistics property market is currently characterised by the scarcity of space that has been pushing rents to new record highs.

Felix Krumreich
Industrial and Logistics Property Consultant
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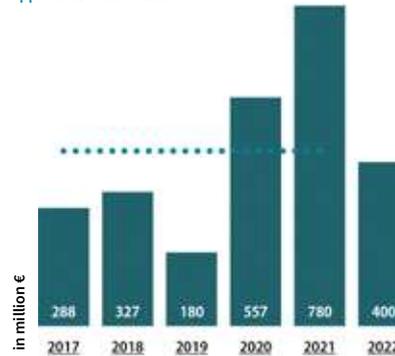


Investment



TRANSACTION VOLUME

5-year average (2017-2021):
approx. EUR 426 million



HAMBURG – IN A NUTSHELL

- » At around EUR 400 million, the **transaction volume** was significantly lower than in the previous record-breaking year (year-on-year change of -49%).
- » Investor demand remains high for the asset class, but pricing negotiations continue to be challenging.
- » Planned sales are still being postponed, as some sellers are not yet willing to accept certain price cuts.
- » The **prime yield** rose to 3.80% (+0.3% points).
- » Commercial building land continues to be very scarce across the entire logistics region, and this will remain the case for the time being. **Land prices** increased in many places, and by up to 25% in some cases.
- » **A cautious start of the year is to be expected for 2023.** It is anticipated that the situation will brighten up over the course of the year, provided that the interest rate environment allows for reliable calculations. The prime yield might increase further.

TOP 3 TRANSACTIONS BY UNIT SIZE

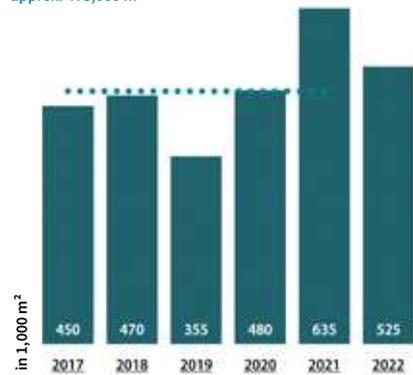
- HAMBURG, LOGISTICS FACILITY** >> 42,000 m²
 Werner-Siemens-Strasse 63
 Buyer: Kaldox-Group (fund and asset managers)
 Seller: Arountown
- NORDERSTEDT, INDUSTRIAL WAREHOUSE** >> 26,000 m²
 Gutenbergring 50-52
 Buyer: Adolf Weber (property developer)
 Seller: Rudolf Dankwart GmbH (corporation)
- NORDERSTEDT, LOGISTICS BUILDING** >> 12,200 m²
 Oststrasse 73c
 Buyer: AEW Europe (acting as developer)
 Seller: Hopp Family Office

Hamburg Letting

TAKE-UP OF SPACE

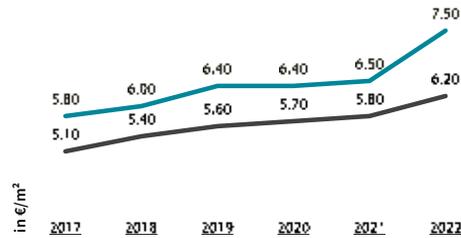
incl. owner-occupiers

5-year average (2017-2021):
approx. 478,000 m²



RENTS IN THE CITY AREA

monthly basic net rent



PRIME RENT AVERAGE RENT

TOP 3 UNITS TAKEN UP

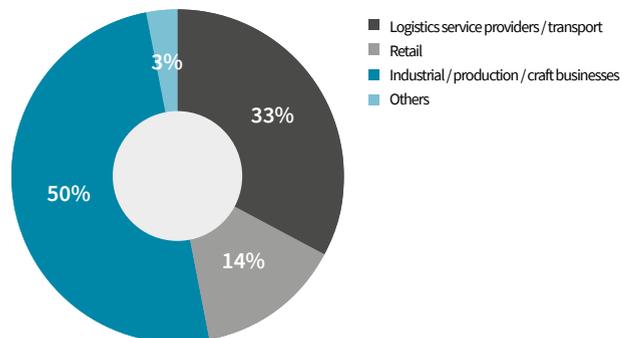
- ALDI (CONSTRUCTION START FOR OWNER-OCCUPIER)**
Stelle, Harburger Strasse
» approx. 42,500 m² warehouse space
- AIRBUS**
Submarket Hamburg South
» approx. 30,000 m² warehouse space
- PFAFF LOGISTIK**
Geesthacht, Düneberger Strasse 70
» approx. 29,500 m² warehouse space

HAMBURG – IN A NUTSHELL

- » At around 525,000 m², **take-up of space** was lower than the strong result achieved in the previous year (year-on-year change of -17%), but still above the five-year average.
- » Market activities were characterised mostly by **contracts concluded for large units and the start of construction of buildings for owner-occupation** with over 10,000 m² (62% of the total take-up).
- » **Retail companies** were the biggest demander group: around 50% of take-up.
- » **Availability of space** is lower than the demand for both existing and new buildings.
- » The **prime rents** in Hamburg's city area and the surrounding region rose by approx. 15% and 18%, respectively.
- » The supply situation is unlikely to relax in the medium-term.
- » **No price reductions are to be expected in 2023**, owing to the scarce availability. Demand for space will stay high, despite the general economic downturn. Take-up of space is expected to remain below average, nevertheless. The scarcity of space is likely to have a slight restraining effect on letting activities.

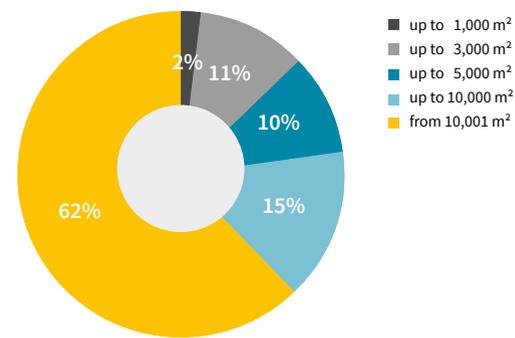
TAKE-UP OF SPACE BY INDUSTRY

2022/Q1-4 | in %



TAKE-UP OF SPACE BY UNIT SIZE

2022/Q1-4 | in %



TOP 3 PROJECTS COMPLETED IN 2022

- HAMBURG** » 115,000 m² WAREHOUSE SPACE
Tenant: Satair (Airbus), Jysk and others
- HENSTEDT-ULZBURG** » 90,000 m² WAREHOUSE SPACE
User: REWE (owner-occupier)
- STAPELFELD** » 23,000 m² WAREHOUSE SPACE
Tenant: SoBuy Commercial

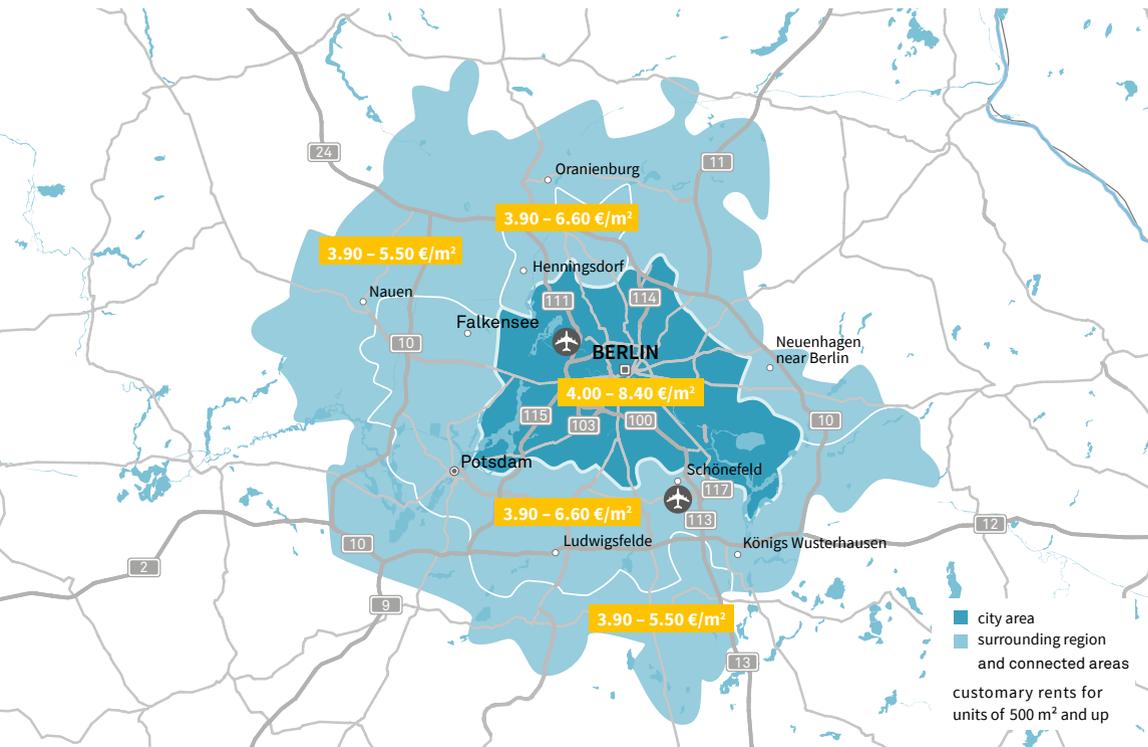
Berlin

Hello!



Property developers are faced with great challenges. However, user demand for new logistics buildings remains high.

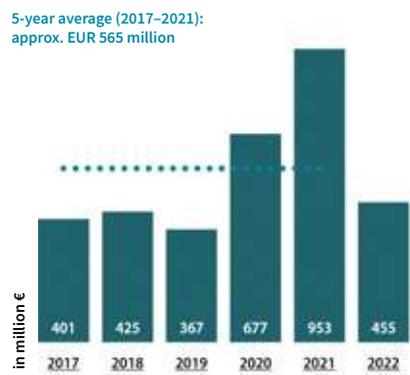
Nico Beckmann
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n.beckmann@grossmann-berger.de



Investment



TRANSACTION VOLUME



BERLIN – IN A NUTSHELL

- » The **transaction volume** in the Berlin region decreased by about half compared to the year before, to approx. EUR 455 million (year-on-year change of -52%).
- » Investment activity declined in the surrounding region in particular, while a significant increase to almost EUR 200 million was recorded in Berlin's city area.
- » Nevertheless, the biggest property sold was located in Ludwigsfelde and over 62,000 square metres big (purchasing price above EUR 140 million).
- » Most properties sold were existing buildings.
- » The **prime logistics yield** rose to 3.50%.
- » **Land prices** for commercial building land increased considerably in Berlin, owing to the lack of available land. This price hike impacted the surrounding region, too.
- » No significantly higher transaction volume is expected for **2023**.

TOP 3 TRANSACTIONS BY UNIT SIZE

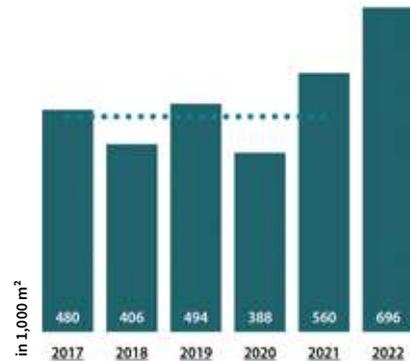
- 1 LUDWIGSFELDE, INDUSTRIAL PARK** >> 62,000 m²
 Brandenburgische Strasse 51-53
 Buyer: Verdion GmbH (property developer)
 Seller: MCAP Global Finance (private equity firm)
- 2 BERLIN, INDUSTRIAL WAREHOUSE** >> 20,000 m²
 Lange Enden 1
 Buyer: Garbe Group
 Seller: Industrial company
- 3 BERLIN, BUSINESS PARK** >> 20,000 m²
 Wendenschlossstrasse 142-152
 Buyer: PROJECT Immobilien Gruppe (property developer)
 Seller: Instone Real Estate Group (property developer)

Berlin Letting

TAKE-UP OF SPACE

incl. owner-occupiers

5-year average (2017-2021):
approx. 465,000 m²



RENTS IN THE CITY AREA

monthly basic net rent



PRIME RENT AVERAGE RENT

TOP 3 UNITS TAKEN UP

- 1 SONEPAR DEUTSCHLAND (RETAILER)**
Werder a.d. Havel, Am Magna Park
» approx. 45,680 m² warehouse space
- 2 CHEFS CULINAR (RETAILER)**
Ludwigsfelde
» approx. 40,000 m² warehouse space
- 3 LIDL**
Werder a.d. Havel, Am Magna Park
» approx. 35,570 m² warehouse space

BERLIN- IN A NUTSHELL

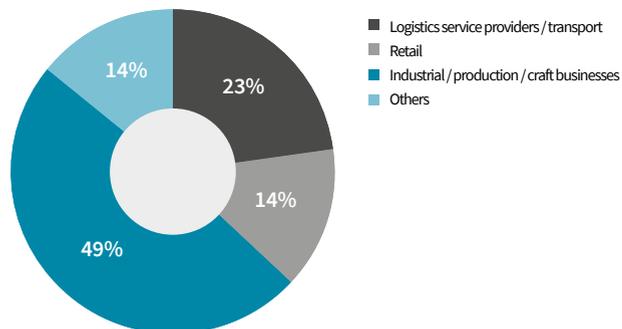
- » **Take-up of space** increased significantly in the Berlin region in 2022, to approx. 696,000 m² of warehouse space (year-on-year change of +24%).
- » Berlin was thus the only TOP 7 market where take-up increased considerably. This was due, in particular, to a number of very large transactions.
- » **Demand for space was dominated by retail companies** who accounted for almost 50% of take-up.*
- » The southern part of the region continued to be the most important sub-area for new construction projects and letting.
- » Further noticeable construction activities took place in the Velten / Oranienburg area.
- » The **level of rents** rose across the entire logistics region. This is true for both average and prime rents.

- » While a number of new buildings will be completed in **2023**, these will not suffice to cover the demand.
- » The demand surplus and high construction costs are expected to give rise to further rent increases.

* Construction of the Tesla Gigafactory (owner-occupier) started in 2020, and is therefore not considered in this analysis.

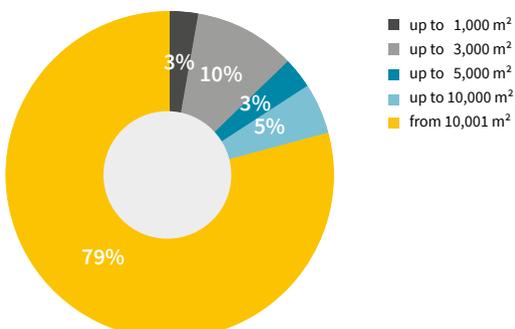
TAKE-UP OF SPACE BY INDUSTRY

2022/Q1-4 | in %



TAKE-UP OF SPACE BY UNIT SIZE

2022/Q1-4 | in %



TOP 3 PROJECTS COMPLETED IN 2022

- 1 GRÜNDHEIDE** » 327,000 m² WAREHOUSE SPACE
User: Tesla (owner-occupier)
- 2 MITTENWALDE** » 117,910 m² WAREHOUSE SPACE
Tenants: Oda Deutschland (retailer), Raben Group (logistics) and others
- 3 RANGSDORF** » 32,570 m² WAREHOUSE SPACE
Tenants: Schnellecke Group (logistics) and others

Düsseldorf

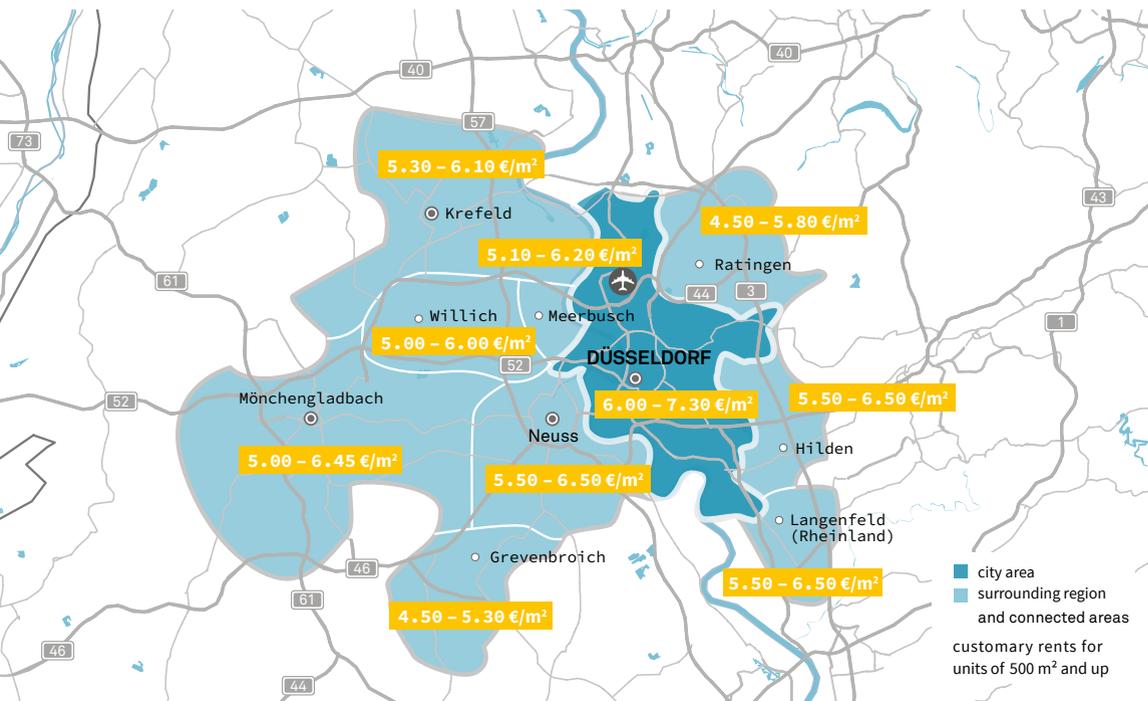
Hello!



Demand remains strong but is met by a pronounced lack of available space.

Timm Georg Roche
Head of Industrial and Logistics

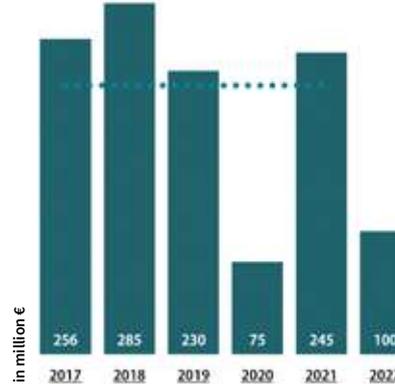
Properties I Authorised Signatory
Phone: +49 211 585889-80
t.roche@anteon.de



Investment

TRANSACTION VOLUME

5-year average (2017-2021):
approx. EUR 218 million



DÜSSELDORF - IN A NUTSHELL

- » Owing to the general conditions and the resulting reluctance of investors, the **transaction volume** generated with industrial and logistics properties more than halved compared to 2021, to around EUR 100 million (year-on-year change of -59%).
- » Many property developers became more cautious, reviewed opportunities more carefully and repeatedly rejected class C and D locations.
- » Investors acted very cautiously and selectively, especially in the 2nd half of the year.
- » Nevertheless, **land prices** for logistics and light industrial properties increased rather sharply, due to the fact that availability continues to be extremely limited.
- » The **prime logistics yield** increased considerably to now 4.10%.
- » **At least the first half of 2023** will be characterised by a rebalancing of pricing arrangements between sellers and buyers, and investment activity will be reduced as a result.
- » The market will become noticeably more lively again, once a reliable overall situation has been re-established.

TOP 3 TRANSACTIONS BY UNIT SIZE

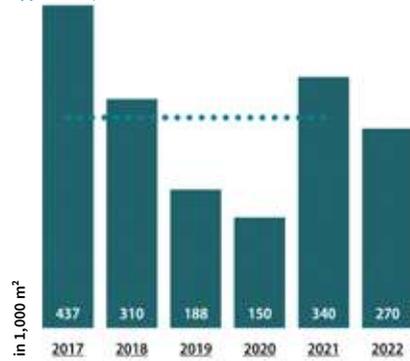
- DÜSSELDORF, LOGISTICS / LIGHT INDUSTRIAL PARK**
 Heltofer Strasse 12 >> **29,700 m²**
 Buyer: Sirius (for a specialist fund)
 Seller: M7 RE (for a specialist fund)
- LANGENFELD, LOGISTICS FACILITY** >> **13,500 m²**
 Ernst-Telling-Strasse 54
 Buyer: OXW RE (specialist fund)
 Seller: ERN Group (family office)
- MÖNCHENGLADBACH, LOGISTICS FACILITY**
 Hamburgiring 30 >> **7,050 m²**
 Buyer: HIH Invest (for a specialist fund)
 Seller: Lange FO (family office)

Düsseldorf Letting

TAKE-UP OF SPACE

incl. owner-occupiers

5-year average (2017-2021):
approx. 285,000 m²



RENTS IN THE CITY AREA

monthly basic net rent



PRIME RENT AVERAGE RENT

TOP 3 UNITS TAKEN UP

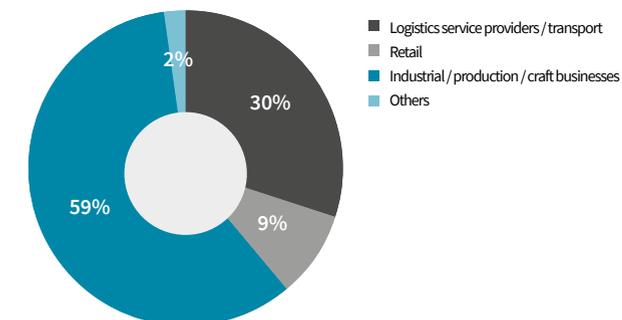
- LIDL**
Grevenbroich, Landstrasse 361 / Lilienthalstrasse
» approx. 50,700 m² warehouse space
- RHENUS HOME DELIVERY (LOGISTICS)**
Hilden, Diekhaus 16
» approx. 15,000 m² warehouse space
- DIGITEC GALAXUS AG (RETAILER)**
Krefeld, Odilia-von-Goch-Strasse 1
» approx. 12,300 m²

DÜSSELDORF- IN A NUTSHELL

- » **Take-up of space** decreased significantly in the logistics region of Düsseldorf in 2022, to around 270,000 m² (year-on-year change of -21%).
- » While good take-up figures were recorded over the first three quarters, the faltering macroeconomic situation became noticeable in the fourth quarter.
- » **Retail companies** were the biggest demander group (approx. 59% of take-up), while the share accounted for by logistics companies dropped from 50% in the year before to just 30%.
- » **The share of take-up accounted for by owner-occupiers** increased once again (22%, approx. 60,000 m²).
- » **Availability of space** continues to fall short of the demand. The planned large-scale projects will only help to relax the situation in the medium term.
- » **Prime rents** in the city area and the surrounding region increased considerably (year-on-year change of +14% and +16%). Few incentives were granted to new tenants.
- » While a challenging market situation is forecast for **2023**, a significant decrease of demand appears unlikely. Strategic and ad-hoc requests for space are to be expected at the very least.

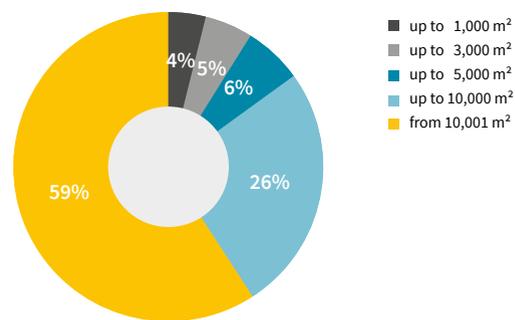
TAKE-UP OF SPACE BY INDUSTRY

2022/Q1-4 | in %



TAKE-UP OF SPACE BY UNIT SIZE

2022/Q1-4 | in %



TOP 3 PROJECTS COMPLETED IN 2022

- HILDEN** » 35,000 m² WAREHOUSE SPACE
Tenants: Rhenus Home Delivery and others
- HILDEN** » 17,500 m² WAREHOUSE SPACE
Tenants: Tactical Solutions (production) and others
- NEUSS** » 12,000 m² WAREHOUSE SPACE
Tenant: REWE

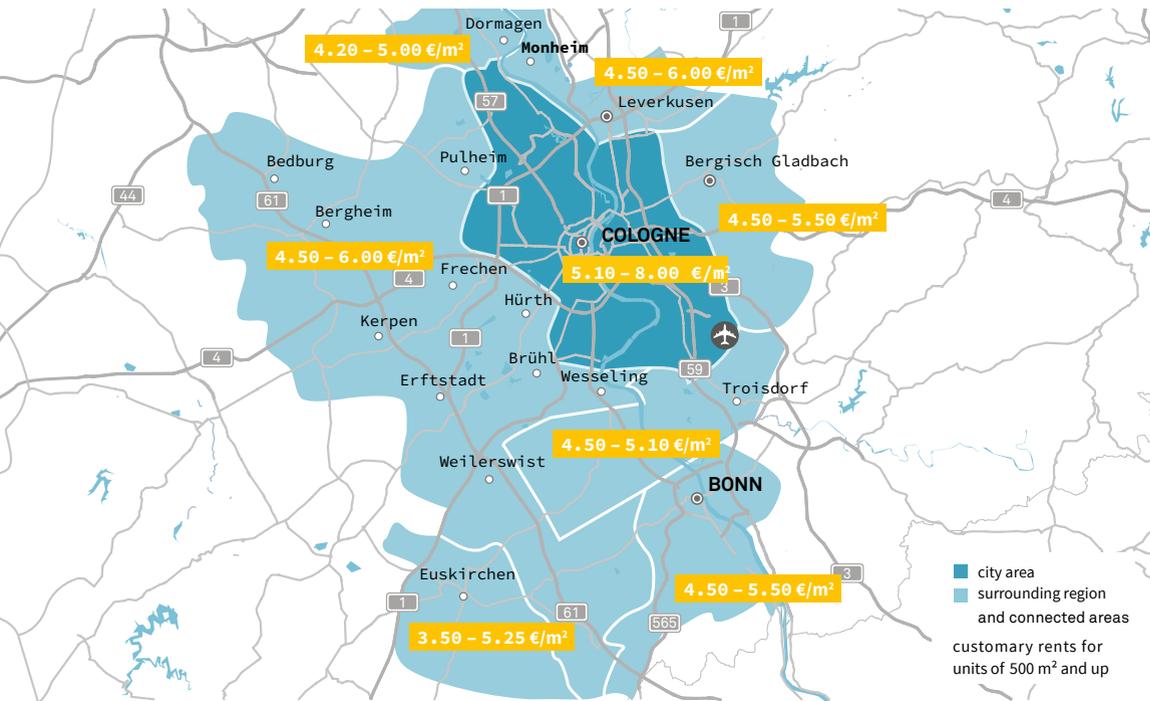
Cologne

Hello!



The low availability of vacant space puts landlords in a strong negotiating position. Rents were raised considerably.

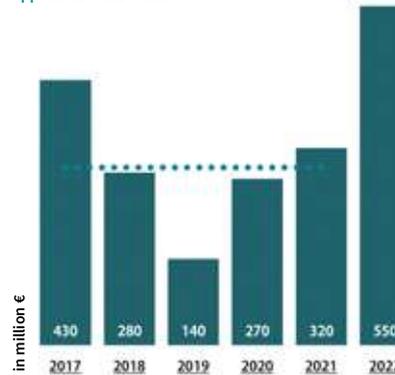
Frank Klähn
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Investment

TRANSACTION VOLUME

5-year average (2017-2021):
 approx. EUR 288 million



COLOGNE - IN A NUTSHELL

- » At around EUR 550 million, the **transaction volume** increased significantly in the logistics region in 2022 once again (year-on-year change of +72%).
- » This increase was in part due to the sale of a number of large new logistics buildings.
- » Most investment transactions took place in the 1st half of the year. The interest rate turnaround then prompted many investors to take a wait-and-see stance, which led to a noticeable decline in investment activity.
- » The probably biggest transaction with an estimated price of EUR 115 million took place in Kerpen in the 3rd quarter, nevertheless.
- » The **prime logistics yield** rose noticeably from 3.40% to 4.00%.
- » **Land prices** still increased in many areas in the 1st half of the year, but remained largely stable thereafter.
- » Property developers are burdened with higher construction costs and interest rates, as well as sales price cuts.
- » **Prospective buyers are likely to remain reluctant over the first few months of 2023.** Yields might increase further. Property values are backed up by scarce availability paired with rising rents in the Cologne region.

TOP 3 TRANSACTIONS BY UNIT SIZE

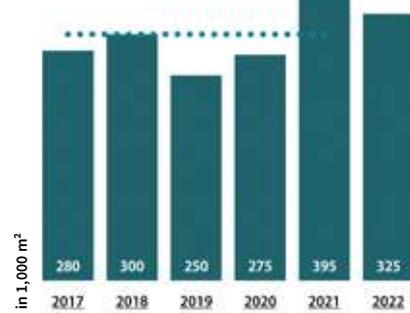
- 1 KERPEN, NEW LOGISTICS BUILDING >> 59,000 m²**
 Röntgenstrasse
 Buyer: ABG Capital
 Seller: Dietz AG
- 2 DORMAGEN, NEW LOGISTICS BUILDING >> 36,000 m²**
 Düsseldorfer Strasse
 Buyer: Tritax Eurobox
 Seller: Dietz AG
- 3 EUSKIRCHEN, NEW LOGISTICS BUILDING >> 32,000 m²**
 Heinrich-Barth-Strasse 18
 Buyer: "RLI-GEG Logistics & Light Industrial III" fund
 Seller: Evolutique (property developer)

Cologne Letting

TAKE-UP OF SPACE

incl. owner-occupiers

5-year average (2017-2021):
approx. 300,000 m²



RENTS IN THE CITY AREA

monthly basic net rent



PRIME RENT AVERAGE RENT

TOP 3 UNITS TAKEN UP

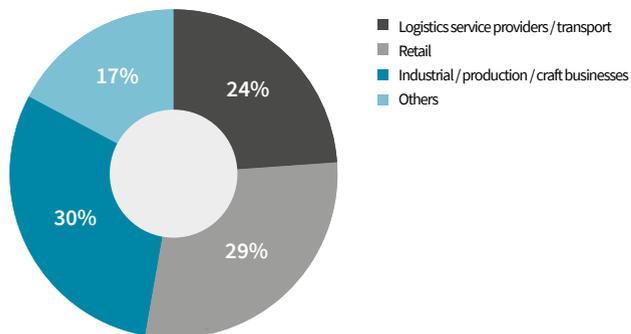
- DEUTZ AG**
Cologne, Hansestrasse 67-71
» approx. 46,600 m² warehouse space
- LIDL**
Bergheim, Ben-Cammarata-Strasse 2
» approx. 30,000 m² warehouse space
- PRODUCTION RESOURCE GROUP**
Kerpen, Röntgenstrasse
» approx. 20,000 m² warehouse space

COLOGNE – IN A NUTSHELL

- » At around 325,000 m², **take-up of space** was lower than the very strong result recorded in the logistics region in the previous year (year-on-year change of -18%), but the five-year average was still exceeded considerably.
- » Demand for space decreased over the course of the year to a rather moderate level. The number of contracts concluded and construction projects taken up for warehouse units of over 10,000 m² was slightly lower (56% of overall take-up).
- » **Retail companies** and **industrial and production businesses** were the biggest demander groups once again, accounting for 30% and 29% of take-up, respectively (2021: 40% and 28%).
- » The amount of **vacant space** decreased further in 2022, especially in the surrounding region. Availability of existing space is now very low across the entire region.
- » The scarce availability caused **prime rents** to increase steeply to now EUR 8.00/m²/month in Cologne's city area. EUR 6.00/m²/month were reached in the surrounding region.
- » **Average rents** also increased considerably.
- » **Owing to the forecast economic downturn, it is to be expected that demand for space will initially be low in 2023.** Rents are likely to remain stable, nevertheless, thanks to the lack of availability.

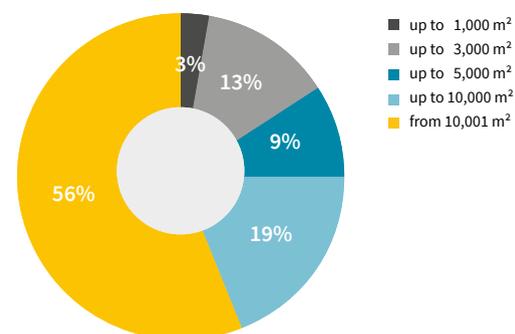
TAKE-UP OF SPACE BY INDUSTRY

2022/Q1-4 | in %



TAKE-UP OF SPACE BY UNIT SIZE

2022/Q1-4 | in %



TOP 3 PROJECTS COMPLETED IN 2022

- BEDBURG** » 56,000 m² WAREHOUSE SPACE
User: P&C Mode-Logistik (owner-occupier)
- COLOGNE** » 31,000 m² WAREHOUSE SPACE
Tenant: EUZIEL International (logistics)
- KERPEN** » 28,000 m² WAREHOUSE SPACE
User: REWE (owner-occupier)

Frankfurt

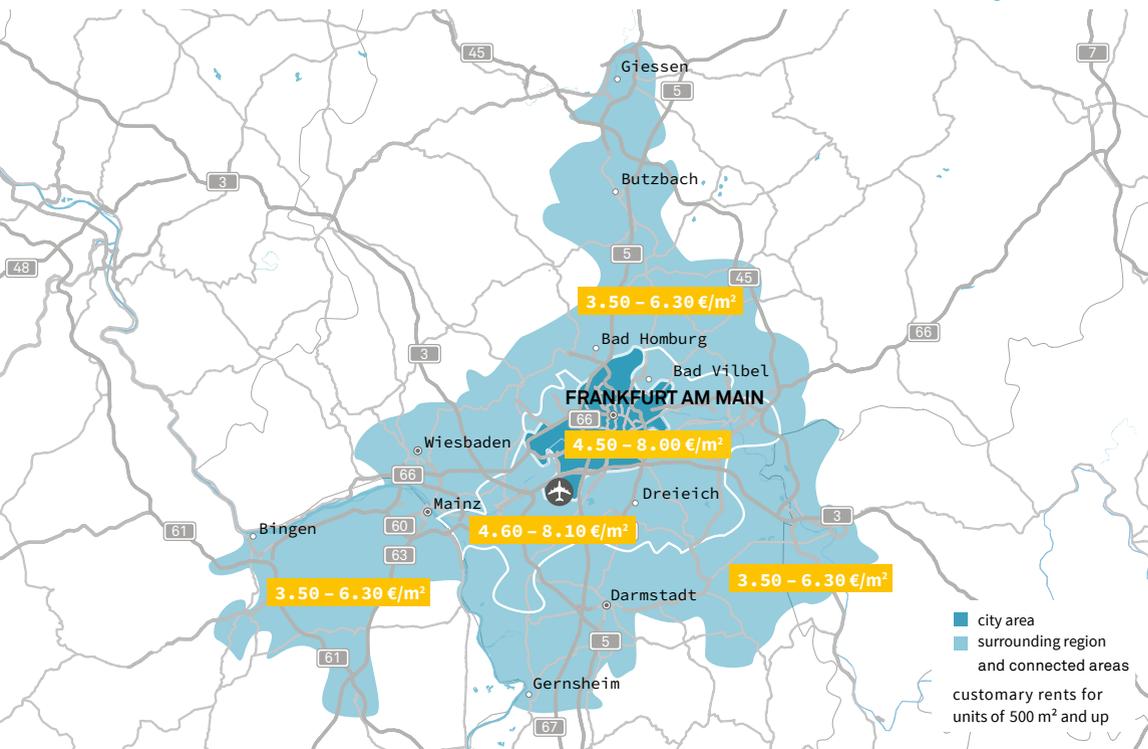
Hello!



With several large-scale transactions, the Frankfurt region was able to demonstrate its high appeal for investors even in the 4th quarter.



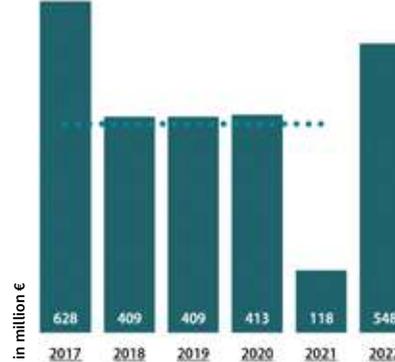
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Investment

TRANSACTION VOLUME

5-year average (2017-2021):
approx. EUR 395 million



TOP 3 TRANSACTIONS BY UNIT SIZE

- 1 LIEDERBACH AM TAUNUS, PRODUCTION FACILITY** >> 31,500 m²
 Sindlinger Weg 1
 Buyer: Stack Infrastructure (corporation)
 Seller: CocaCola (corporation)
- 2 HANAU, LOGISTICS FACILITY** >> 28,000 m²
 Heideäcker 3
 Buyer: AEW Europe
 Seller: Inbright (property developer)
- 3 GERMERSHEIM, LOGISTICS CENTRE** >> 22,000 m²
 Alte Schiffbrückenstrasse
 Buyer: Patrizia AG
 Seller: ID Logistics (corporation)

FRANKFURT – IN A NUTSHELL

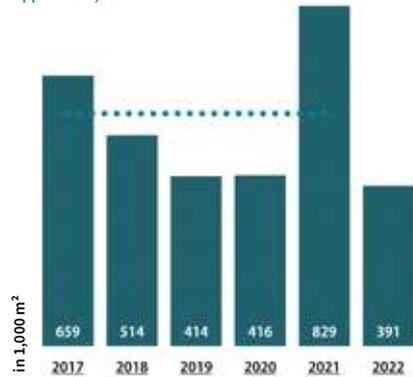
- » The **transaction volume** increased significantly in the logistics region to approx. EUR 548 million in 2022, and the level of recent years was therefore matched and even exceeded (year-on-year change of +363%).
- » The number of transactions realised in Frankfurt's city area also increased, however, a large share of the investment volume was realised in the surrounding region.
- » A number of construction projects were sold.
- » The **prime logistics yield** rose to 3.90%.
- » **Land prices** increased further, but dynamics slowed down slightly.
- » **Investors will continue to act cautiously at least over the first few months of 2023**, and this will affect the transaction volume.
- » The Frankfurt region will remain one of Germany's most popular locations, thanks to its economic power and its favourable geography and traffic infrastructure.

Frankfurt Letting

TAKE-UP OF SPACE

incl. owner-occupiers

5-year average (2017-2021):
approx. 566,000 m²



RENTS IN THE CITY AREA

monthly basic net rent



PRIME RENT AVERAGE RENT

TOP 3 UNITS TAKEN UP

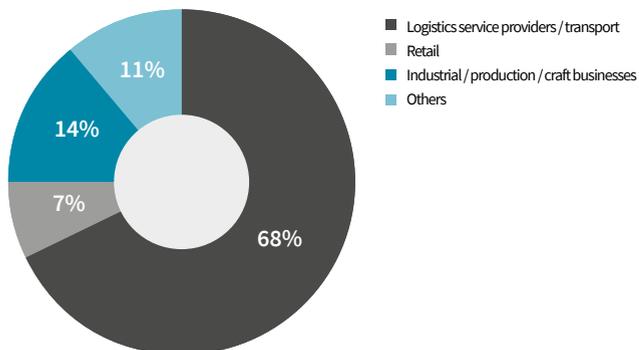
- B+S LOGISTIK**
Hammersbach, Zum Haarstrauch 9-15
» approx. 41,340 m² warehouse space
- REXEL GERMANY (RETAILER)**
Raunheim, Themsestrasse 1
» approx. 25,600 m² warehouse space
- DHL GLOBAL FORWARDING**
Frankfurt, Cargo City Süd
» approx. 25,000 m² warehouse space

FRANKFURT – IN A NUTSHELL

- » A below-average amount of around 391,000 m² of warehouse space was **taken up** in the Frankfurt logistics region in 2022 (year-on-year change of -53%).
- » The increasing space shortage is among the main causes of this decline. Vacant space is limited and new buildings cannot cover the entire demand either.
- » The share accounted for by owner-occupiers rose from 14% to 22%.
- » **Logistics companies** were the biggest demander group, accounting for a share of 68% of take-up.
- » The **level of rents** increased across the region.
- » **The demand surplus is going to persist, and the lack of available space will once again limit take-up in 2023.**
- » Further rent increases are to be expected.

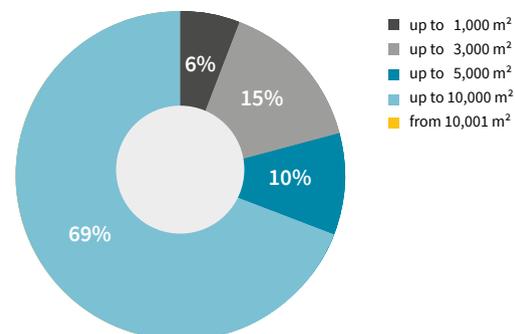
TAKE-UP OF SPACE BY INDUSTRY

2022/Q1-4 | in %



TAKE-UP OF SPACE BY UNIT SIZE

2022/Q1-4 | in %



TOP 3 PROJECTS COMPLETED IN 2022

- KLEINOSTHEIM** » 67,960 m² WAREHOUSE SPACE
Tenants: ID Logistiks and FF Europe (e-commerce)
- HAMMERSBACH** » 42,910 m² WAREHOUSE SPACE
Tenant: Hager Group
- ALZENU** » 37,400 m² WAREHOUSE SPACE
Tenant: B+S Logistik

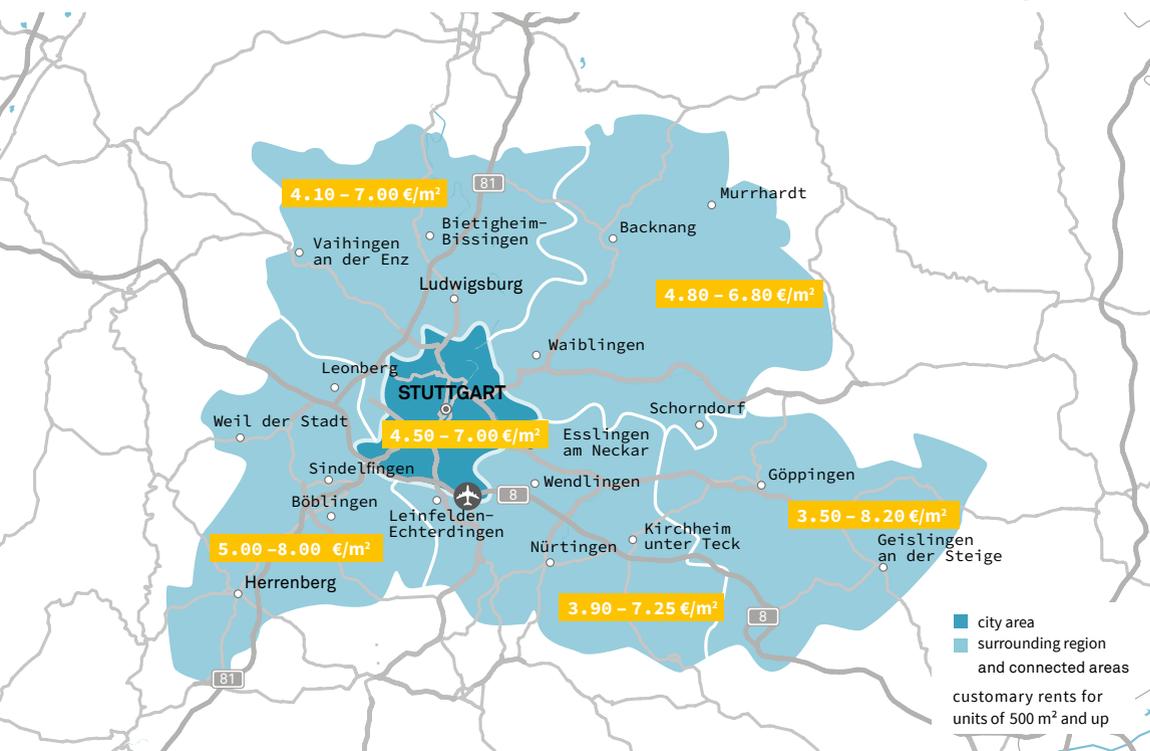
Stuttgart

Hello!



Industrial and logistics properties have rather good future prospects on the whole. Price increases can be passed on in the logistics industry.

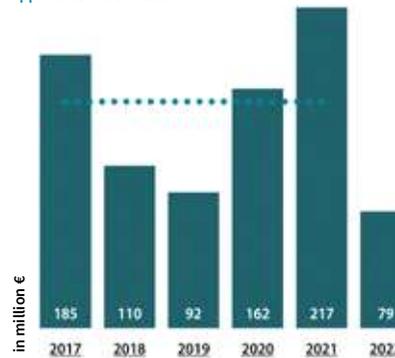
Markus Knab
 Head of Industrial and Logistics Properties
 Phone: +49 711 20702-740
 markus.knab@eug-re.de



Investment

TRANSACTION VOLUME

5-year average (2017-2021):
 approx. EUR 153 million



STUTTART- IN A NUTSHELL

- » The **transaction volume** generated in the business region of Stuttgart decreased to about EUR 79 million in 2022 (year-on-year change of -63%). Many investors put planned sales on hold due to the interest rate turnaround.
- » Demand from prospective buyers is still high, but the focus has shifted from the core segment to value-add products.
- » The **prime logistics yield** rose to 4.00%.
- » **Land prices** have stabilised on a high level. The shortage of available large-scale logistics developments persists.
- » Buyers and sellers often struggle to agree on a price. While selling is not advisable for some owners owing to the new factors, some buyers are still hoping for further price cuts.
- » Due to the development of interest rates, it is to be expected that investors will continue to be reluctant at least into the 2nd quarter of **2023**.
- » The rising trend of the prime yield continues.
- » Land prices will continue to stagnate for the time being.

TOP 3 TRANSACTIONS BY UNIT SIZE

- BIETIGHEIM-BISSINGEN, LOGISTICS FACILITY** >> 30,500 m²
 Höpfigheimer Strasse
 Buyer: GLP (property developer)
 Seller: Hofmeister (corporation)
- BIETIGHEIM-BISSINGEN, LOGISTICS FACILITY** >> 22,000 m²
 Laiernstrasse
 Buyer: Octogon (private equity firm)
 Seller: Emil-Breckle GmbH (corporation)
- SINDELFINGEN, LOGISTICS FACILITY** >> 7,000 m²
 Fronäckerstrasse
 Buyer: BEOS (property developer)
 Seller: Dietz (property developer)

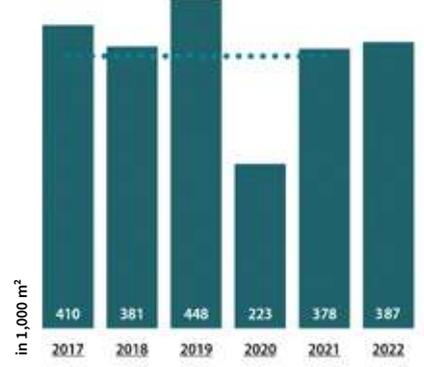
Stuttgart Letting



TAKE-UP OF SPACE

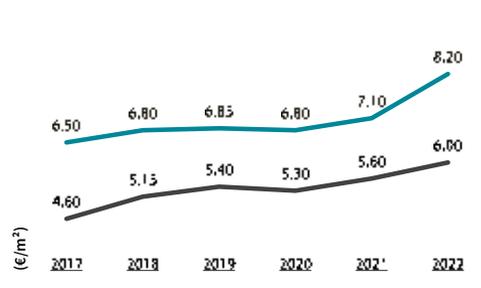
incl. owner-occupiers

5-year average (2017-2021):
approx. 367,000 m²



RENTS IN THE CITY AREA

monthly basic net rent



PRIME RENT AVERAGE RENT

TOP 3 UNITS TAKEN UP

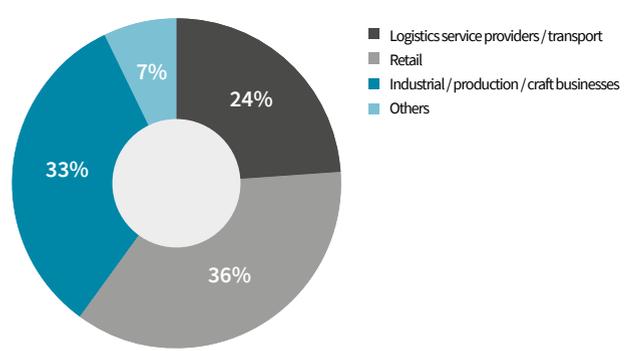
- 1 RETAIL COMPANY**
Ebersbach / Fils, Strutstrasse
» approx. 36,700 m² warehouse space
- 2 REWE**
Bondorf, Am Römerfeld
» approx. 35,000 m² warehouse space
- 3 BREUNINGER (RETAILER)**
Bietigheim-Bissingen, Laiernstrasse
» approx. 22,000 m² warehouse space

STUTTGART – IN A NUTSHELL

- » The **record-breaking take-up figures** achieved in 2021 were slightly exceeded in 2022 with approx. 387,000 m² (year-on-year change of +2%).
- » **Demand** for multifunctional warehouse space was **high**, especially in new buildings.
- » Availability of space in existing buildings declined, as many tenants chose to stay in their established premises.
- » The demand surplus caused both average rents and prime rents to rise.
- » Demand for **dated facilities** with poor suitability for alternative use decreased, however, and this development is reinforced by increasing ESG requirements. From a marketing point of view it is therefore advisable to swiftly take modernisation measures.

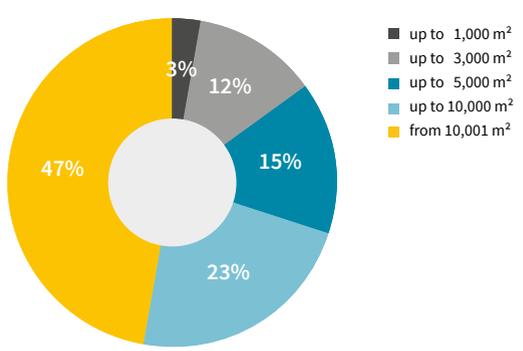
TAKE-UP OF SPACE BY INDUSTRY

2022/Q1-4 | in %



TAKE-UP OF SPACE BY UNIT SIZE

2022/Q1-4 | in %



TOP 3 PROJECTS COMPLETED IN 2022

- 1 SACHSENHEIM** » 29,000 m² WAREHOUSE SPACE
User: Porsche AG (owner-occupier)
- 2 ALTBAACH** » 25,100 m² WAREHOUSE SPACE
Tenants: Yusen (logistics) and Krannich Solar (retailer)
- 3 MARBACH/NECKAR** » 11,200 m² WAREHOUSE SPACE
User: Leopold Verpackungen (owner-occupier)

- » **Demand for space remains high at the start of 2023.** However, availability is low and no new multifunctional warehouses are available at short notice.
- » Those looking for space are frequently required to extend their search radius beyond the Stuttgart region.

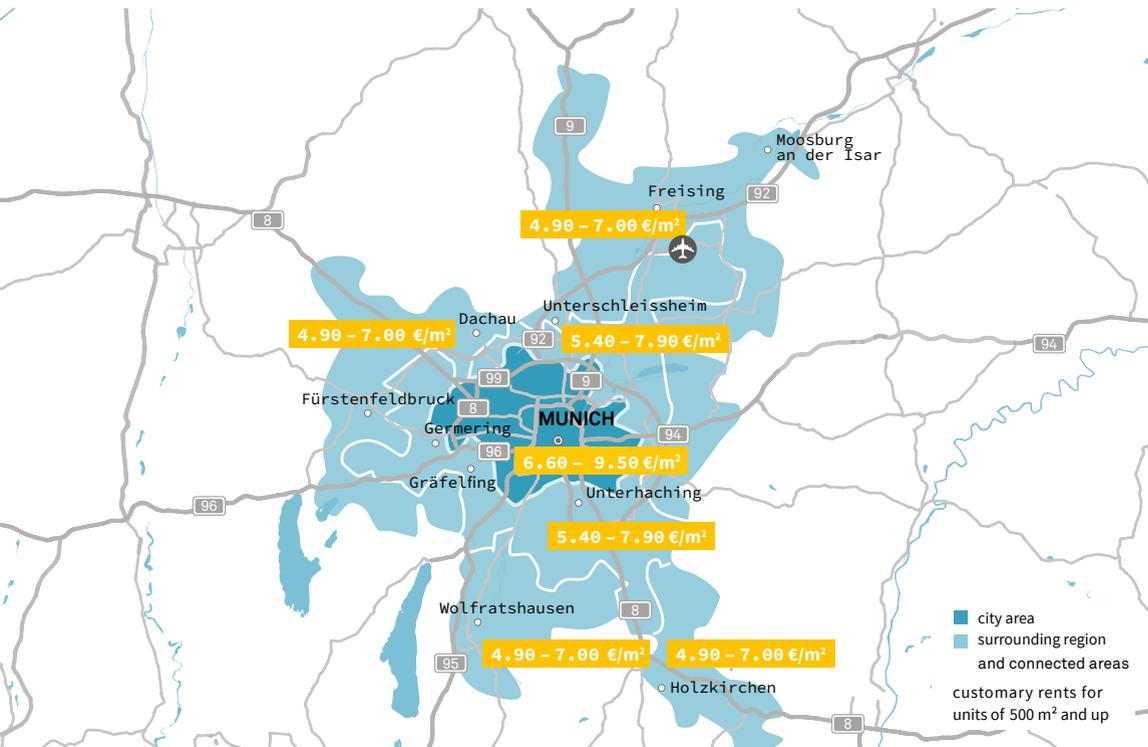
Munich

Hello!

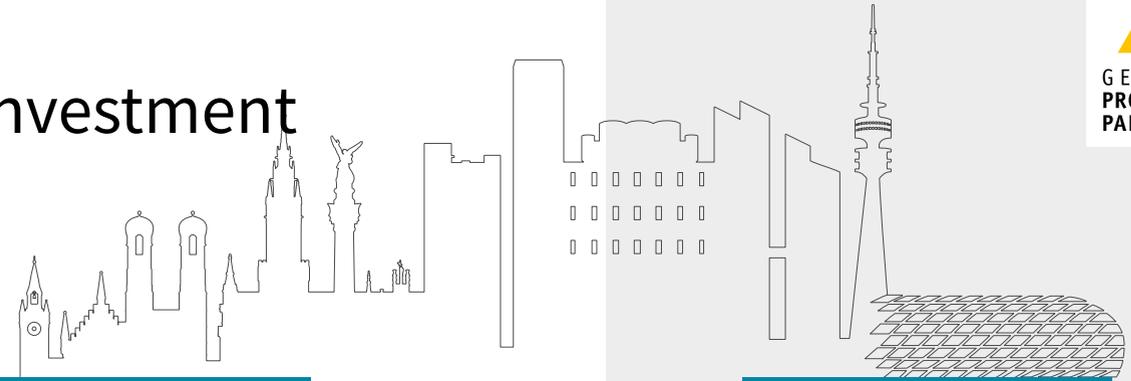


Rents are going to rise further in Munich's logistics market in 2023, owing to the scarce availability of space.

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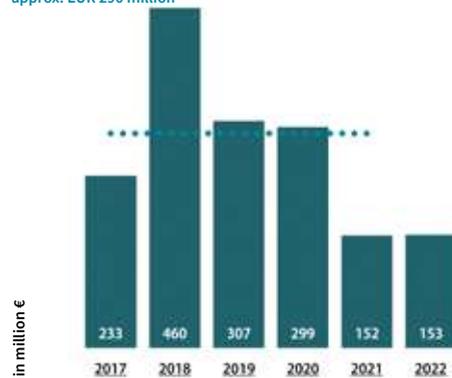


Investment



TRANSACTION VOLUME

5-year average (2017-2021):
 approx. EUR 290 million



MUNICH - IN A NUTSHELL

- » The **transaction volume** generated in 2022 was barely higher than the relatively poor result of the previous year (year-on-year change of +1%).
- » A large share of investment transactions concerned **commercial estates and production facilities**. This is also reflected by the local economy with its focus on the technology and production sector.
- » A large proportion of sales took place in the surrounding region (approx. 89% of the transaction volume).
- » As in the previous year, the biggest logistics facility was bought by the Carlyle Group: a property in Garching with around 15,000 m² of warehouse space.
- » Land prices increased further. The price level in the surrounding region approached the prices obtained in Munich's city area.
- » The **prime logistics yield** rose to 3.50%.
- » **The prime yield is likely to rise further in 2023**, also in the Munich region.
- » The transaction volume is expected to be low once again, especially in the first half of the year. However, a decrease of land prices could revive the investment market.

TOP 3 TRANSACTIONS BY UNIT SIZE

- 1 | GARCHING, LOGISTICS FACILITY** >> 15,400 m²
 Dieselstrasse 22
 Buyer: Carlyle Group
 Seller: PS Stiftung (corporation)
- 2 | KARLSFELD, LOGISTICS FACILITY** >> 12,000 m²
 Röntgenstrasse 18
 Buyer: Ivanhoe Cambridge
 Seller: WACKER-WERKE (corporation)
- 3 | FÜRSTENFELDBRUCK, LOGISTICS FACILITY** >> 9,700 m²
 Fraunhoferstrasse 9
 Buyer: PGIM Real Estate / Aventos Management
 Seller: Singulus Technologies (corporation)

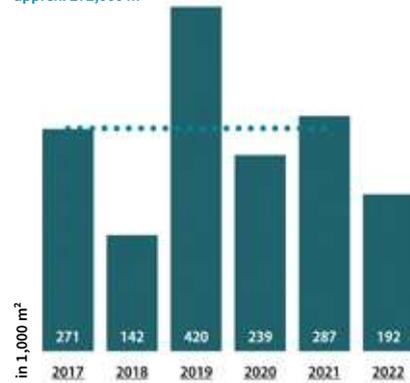
Munich

Letting

TAKE-UP OF SPACE

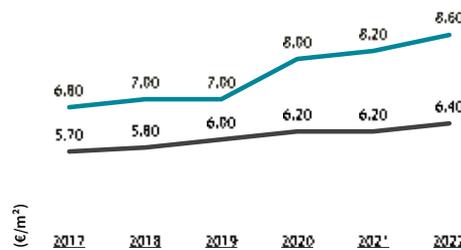
incl. owner-occupiers

5-year average (2017-2021):
approx. 272,000 m²



RENTS IN THE CITY AREA

monthly basic net rent



PRIME RENT AVERAGE RENT

TOP 3 UNITS TAKEN UP

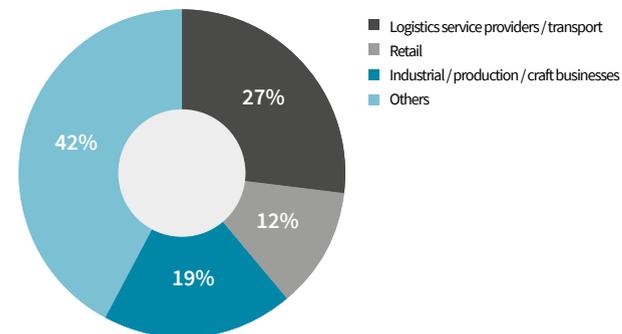
- WINNING BLW (INDUSTRIAL)**
Penzberg, Seeshaupter Strasse
» approx. 28,000 m² warehouse space
- DHL EXPRESS GATEWAY**
Freising, Südallee 15
» approx. 11,000 m² warehouse space
- KRAFTVERKEHR NAGEL**
Schweitenkirchen, Otto-Hahn-Ring 10
» approx. 10,000 m² warehouse space

MUNICH – IN A NUTSHELL

- » **Take-up of space** decreased by about a third in 2022, to approx. 192,000 m² (year-on-year change of -33%).
- » Take-up was made up of demand from a wide range of industries. No user group accounted for a share of more than 28%.
- » **Availability of space** in existing buildings was low. The amount of newly constructed space was also low, due to the lack of building land.
- » Unlike in some of the other TOP 7 regions, units of over 10,000 m² accounted for a relatively small share of just 23% of take-up.
- » **Prime rents** increased slightly more rapidly than in the previous year (city area: year-on-year change of +4.9%, surrounding region: year-on-year change of +4.3%). In addition, **average rents** increased once again after they had stagnated in 2021.

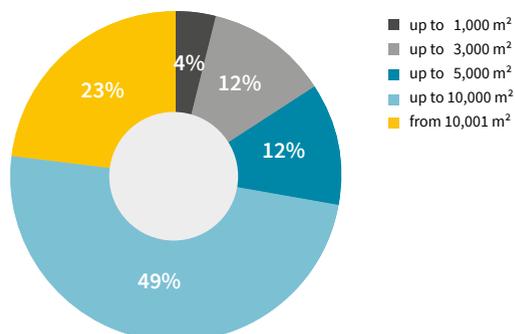
TAKE-UP OF SPACE BY INDUSTRY

2022/Q1-4 | in %



TAKE-UP OF SPACE BY UNIT SIZE

2022/Q1-4 | in %



TOP 3 PROJECTS COMPLETED IN 2022

- MUNICH** » 211,500 m² WAREHOUSE SPACE
Tenant: KraussMaffai Group (industrial)
- ODELZHAUSEN** » 25,000 m² WAREHOUSE SPACE
User: C.E. Noerpel (logistics, owner-occupier)
- ASCHHEIM** » 14,000 m² WAREHOUSE SPACE
User: DHL parcel centre (owner-occupier)

- » Further rent increases are to be expected in 2023. Despite the fact that a number of property developments are scheduled for completion in 2023, there will not be nearly enough available space to cater for the demand.

Services – in a nutshell

GPP. A NETWORK WITH PERSONALITY.



All for one.
All for you.

We are your single point of contact for competent expert support in all matters regarding commercial real estate in Germany. Our service spectrum includes both property investments and commercial letting. We are familiar with all risk classes and property types. Our network enables you to access everything you need to sustainably promote your endeavours.

- » Property investment
- » Commercial letting
- » Corporate real estate management (CREM)
- » Research
- » Banking and financing services
- » Equity financing of development projects
- » Fund and asset management
- » Property management
- » Real estate evaluation (valuation reports)
- » Agriculture and forestry real estate

Partners



GPP BRANCHES

With offices in Hamburg and Berlin, Grossmann & Berger provides real estate services in Northern Germany, while E & G Real Estate, with branch offices in Stuttgart and Munich, takes care of Southern Germany.

Anteon Immobilien is your partner for the property market of Düsseldorf and the surrounding region, and GREIF & CONTZEN is always on top of things regarding the metropolitan region of Cologne and Bonn. Frankfurt's entire office space market is covered by blackolive.

PARTNERS – IN A NUTSHELL

As leading commercial real estate companies in our respective regions, we have joined forces to form a nationwide real estate network. We are five strong partners.

We have established the German Property Partners network with the goal to provide outstanding services in all of Germany's major real estate centres. Whatever your commercial real estate requirements, wherever you are in Germany, you can obtain your advice from a single provider, and that is us. Via our network and thanks to our respective market positions, we have excellent local knowledge and priority market access across Germany.

The many years of service our employees have put in with us, make German Property Partners a reliable partner.

ANTEON

DÜSSELDORF

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blackolive

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