

**4.03 m**

Take-up (cum.), m<sup>2</sup>

YoY Change 12-Month Forecast



**€8.50\***

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



**4.50%\***

Prime Avg. Yield



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

### ECONOMIC INDICATORS

**-0.41%**

GDP Growth Germany (Q3 2024 vs. Q3 2023)

YoY Change 12-Month Forecast



**84.4**

Business Climate Sentiment: Current Situation (Sep 2024)



**86.4**

Business Climate Sentiment: Expectations (Sep 2024)



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

### INFLATION AND INTEREST SURFACE DROP, ATTRACTIVE TIME FOR REAL ESTATE INVESTMENTS

In September, the ZEW's economic expectations fell to 3.6 points and the Ifo business climate sentiment deteriorated to 84.4 points compared to 86.4 points in the previous month. There is still no economic upturn. According to Consensus Economics forecasts, zero growth or a slight recession is expected in Germany in 2024, while slight growth of 0.8% is forecast for 2025. Inflation in the eurozone fell to 1.7% in September, with the result that the European Central Bank (ECB) lowered the deposit rate, which is decisive for the financial markets, to 3.25% in October. In view of the still very high core inflation of 2.7%, further interest rate easing remains heavily dependent on the data situation. Due to the comprehensive revaluation of real estate, falling interest rates, stable yield levels in the core segment and a higher risk premium compared to German government bonds, the conditions for entering the German real estate market are once again favorable and promising for investors.

### MACROECONOMIC FACTORS PUT THE BRAKES ON TAKE-UP

The economic environment remains tense and the low economic growth is having a negative impact on the expansion plans of many companies and therefore on the demand for additional logistics and industrial space: New lettings and owner-occupiers totaled around 4.03 million m<sup>2</sup> of logistics, warehouse and industrial space in Germany in Q1-3. The result is 6% below the previous year's figure and 23% below the 5-year average for the first three quarters of each year. In view of the economic uncertainties and high operating costs, many companies have decided to extend existing leases rather than rent new space.

The investment transaction volume for logistics and industrial properties totaled around €4.02 billion by the end of September. This corresponds to an increase of 12% compared to the same period last year, but a decrease of 25% compared to the 5-year average for the first three quarters of each year.

### STABILITY IN PRIME RENTS AND PRIME YIELDS CONTINUES

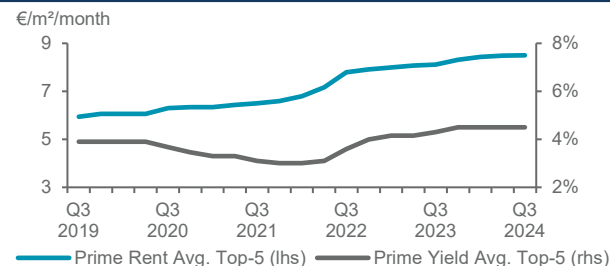
The average logistics prime rent in the 24 logistics industry clusters rose by 3% and by 5% in the top-5 markets over the last twelve months. Both have been moving sideways since the beginning of the year in a subdued market situation. Munich is the most expensive location at €10.80/m<sup>2</sup>/month.

The average prime yield in the top-5 markets rose by 20 basis points over the 12-month period to stand at 4.50% by the end of September. Compared to the previous quarter, this corresponds to a sideways movement.

### TAKE-UP



### RENTS & YIELDS LOGISTICS



## MARKET STATISTICS

Markets	Prime Rent (€/m <sup>2</sup> /month) *	Change YoY	Outlook YE 2024	Prime Yield*	Change YoY	Outlook YE 2024
Berlin	7.20	0%	Up	4.50%	20bp	Stable
Düsseldorf	8.00	3%	Up	4.50%	20bp	Stable
Frankfurt	8.50	7%	Up	4.50%	20bp	Stable
Hamburg	8.00	1%	Up	4.50%	20bp	Stable
Munich	10.80	11%	Stable	4.50%	20bp	Stable
Top-5 Markets	8.50	5%	Stable	4.50%	20bp	Stable
Outside Top-5**	6.28	2%	Stable	4.77%	17bp	Stable
Germany**	6.67	3%	Stable	4.73%	18bp	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, bp = basis points

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## SELECTED LEASE TRANSACTIONS Q3 2024

Property	Cluster	Tenant	m <sup>2</sup>	Type
Production property, Straßkirchen	Danube	BMW Group	150,000	Owner-occupier
Logistics centre, Bietigheim-Bissingen	Rhine-Neckar	Lidl	43,800	Owner-occupier
Logistics centre, Leipzig	Leipzig/Halle	Beiersdorf AG	40,000	Owner-occupier
Logistics centre, Werl	Eastern Ruhr Area	CS Parts Logistic	33.000	New let

## SELECTED SALES TRANSACTIONS Q3 2024

Property	Cluster	Seller / Buyer	m <sup>2</sup>	Price (€ million)
Logistics portfolio Burstone (7 properties in Germany)	Nationwide	Burstone Group / Blackstone	234,500	~333
Logistics portfolio Prime (5 properties)	Nationwide	PRIME Selfstorage / Shurgard	32,800	~100
Brookfield majority stake in Garbe portfolio (6 properties in Germany)	Nationwide	Garbe / Brookfield	150,000	Confidential
Logistics portfolio Prologis (2 properties), Lower Saxony and Bavaria	Nationwide	Union Investment / Prologis	141,000	Confidential

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