GERMANY

MARKET REPORT

INDUSTRIAL AND LOGISTICS MARKETS OVERVIEW

2018/2019

HIGH DEMAND FACES LOW SUPPLY

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The run on industrial and logistics real estate continues. The German industrial and logistics real estate market experienced another strong year in 2018. This asset class is now the third strongest on the overall commercial investment market and has won over even the most steadfast critics. With a total investment volume of €6.8bn, German industrial and logistics assets recorded an excellent result in 2018, securing second place in Europe behind the UK (around €8.7bn).

However, with the supply of new prime core assets quite limited, investors are turning towards alternative investment opportunities. Industrial assets attracted particularly strong demand in 2018, recording a share of around 42%, or €3bn, in total investment volume. For the first time, high-volume light industrial portfolios accounted for two of the three largest transactions with volumes of over €500m. A first for the industrial and logistics market! Ongoing limited supply of logistics assets is likely to keep this trend strong throughout 2019 as well.

Current excess demand has triggered an increase in speculative property developments in Germany's key logistics regions. The only thing putting the brakes on this trend is a lack of available land sites. In light of strong demand pushing up land site prices and construction costs, property developers are under pressure to secure building sites as fast as possible to fill the development pipeline. Neighboring regions with relatively moderate prices and higher availability of development sites may soon begin to benefit from the supply bottleneck in top markets such as Hamburg, Munich and Stuttgart.

CONTENTS

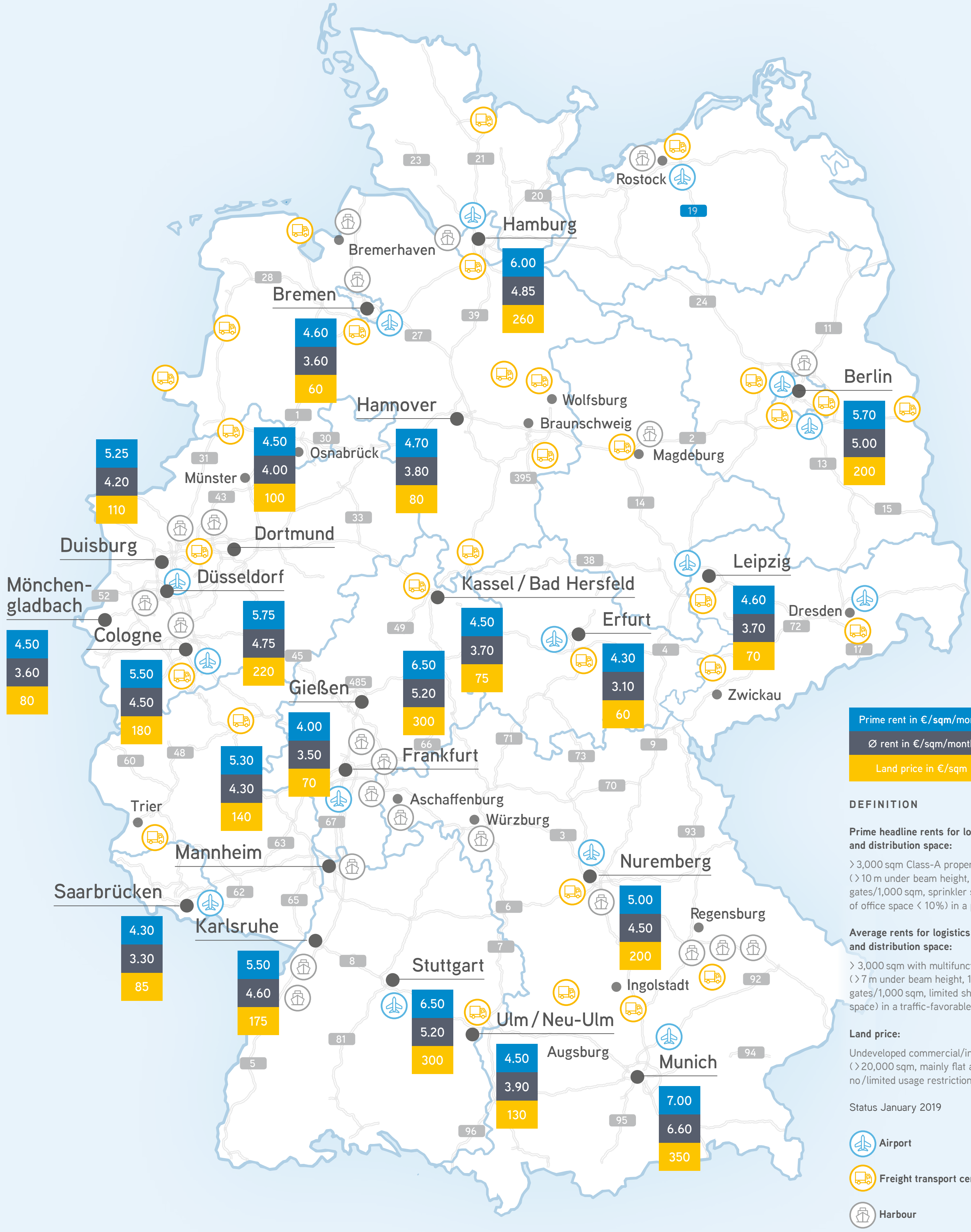
LOGISTICS IN GERMANY

Germany is one of the most attractive logistics markets worldwide thanks to its central location in Europe, excellent infrastructure, high technological standards and excellent building quality. The logistics sector is one of Germany's key economic engines with a turnover of around €274bn. The sector, however, is also facing significant challenges.

Limited supply of space and a shortage of workers are the greatest threats to growth. Companies on the lookout for space are increasingly taking the availability of labor and local business tax policies into consideration in their decisions. Although space is in short supply in densely populated areas, secondary locations still have relatively high space potential. These locations, however, are often not competitive due to a lack of available human resources. What's more, the logistics sector also has to compete for available space with other asset classes like residential and office. And, despite numerous image campaigns, the sector is still often associated with traffic, noise and low wages.

The lack of space and development sites can be felt in almost all of Germany's top 8 logistics markets. However, trends and drivers such as the thriving e-commerce sector will continue to ensure high demand for logistics properties. Ongoing economic growth accompanied by current demographic trends will further limit the supply of labor.

LOGISTICS REGIONS IN GERMANY



Prime rent in €/sqm/month

Ø rent in €/sqm/month

Land price in €/sqm

DEFINITION

Prime headline rents for logistics and distribution space:

> 3,000 sqm Class-A properties (> 10 m under beam height, 2–3 docking gates/1,000 sqm, sprinkler system, share of office space < 10%) in a prime location

Average rents for logistics and distribution space:

> 3,000 sqm with multifunctional usage (> 7 m under beam height, 1–2 docking gates/1,000 sqm, limited share of office space) in a traffic-favorable location

Land price:

Undeveloped commercial/industrial areas, (> 20,000 sqm, mainly flat and rectangular, no/limited usage restrictions)

Status January 2019

Airport

Freight transport centre

Harbour

MARKET DATA

Location Information

	Germany	Berlin	Düsseldorf	Frankfurt	Hamburg	Cologne	Leipzig	Munich	Stuttgart
Population in 1,000	82,792	3,613	617	747	1,831	1,080	582	1,456	633
Employees Paying Social Security Contributions in 1,000	32,660	1,464	416	580	969	568	267	865	413
Unemployment Rate in %	4.8	7.6	6.5	5.0	6.0	7.4	6.1	3.4	4.0
Per Capita Disposable Income in €	23,322	21,720	28,317	26,696	25,228	25,364	21,128	30,004	26,837

Sources: Federal Statistical Office, Land Statistical Offices, Federal Employment Agency, Nexiga GmbH

Industrial & Logistics Leasing

	TOP 8	Berlin/ Brandenburg	Düsseldorf	Frankfurt/ Rhine-Main	Hamburg	Cologne	Leipzig	Munich	Stuttgart
Take-up 2018 in sqm	2,968,200	422,500	317,600	650,200	484,600	248,100	343,700	201,100	300,400
Change year-on-year in %	– 1%	– 1%	– 27%	– 10%	5%	25%	196%	– 20%	– 24%
Leasing performance 2018 in sqm	2,544,900	322,300	295,600	563,600	393,400	236,100	275,800	201,100	257,000
Change year-on-year in %	2%	– 10%	– 27%	– 17%	14%	44%	380%	– 20%	6%
Forecast for 2019	▶	▶	▶	▶	▼	▼	▼	▶	▼
Number of Deals	571	102	66	83	78	37	25	97	83
Average Area Size in sqm	4,862	4,142	4,374	7,122	5,403	6,705	12,497	2,073	3,447
Strongest Branch	Transport & Logistics	Trade	Transport & Logistics	Transport & Logistics	Transport & Logistics	Transport & Logistics	Production & Manufacturing	Production & Manufacturing	Transport & Logistics
Prime Rent in €/sqm/month		5.70	5.75	6.50	6.00	5.50	4.60	7.00	6.50
Forecast for 2019		▲	▶	▶	▲	▶	▶	▲	▶
Average Rent in €/sqm/month		5.00	4.75	5.20	4.85	4.50	3.70	6.60	5.20
Forecast for 2019		▶	▶	▶	▲	▶	▲	▲	▲

Trade   Production & Manufacturing   Transport & Logistics

Industrial & Logistics Investment – TOP 8*

	TOP 8	Berlin	Düsseldorf	Frankfurt	Hamburg	Cologne	Leipzig	Munich	Stuttgart
Transaction Volume 2018 in m €	2,489	645	412	504	252	206	24	230	217
Change year-on-year in %	39%	179%	31%	24%	93%	9%	– 17%	– 6%	– 10%
Forecast for 2019									

* Refers to the defined logistics market areas

Industrial & Logistics Investment – Germany

	2013	2014	2015	2016	2017	2018
Transaction Volume 2018 in m €	2,284	3,592	3,972	4,579	8,662	6,814
Change year-on-year in %	40	57	11	15	89	– 21
Industrial Properties Share in %	16	27	32	31	12	42
Logistics Properties Share in %	84	73	68	69	88	58
Share in the Commercial Real Estate Market in %	7	9	7	9	15	11
Share by International Investors in %	46	62	53	38	65	47
Portfolio Transactions in %	40	50	47	40	71	56
Largest Buyer Group in %	Open-ended real estate funds/ Special funds 29	Open-ended real estate funds/ Special funds 33	Opportunity funds/ Private equity funds 22	Asset managers/ Fund managers 30	Open-ended real estate funds/ Special funds 33	Asset managers/ Fund managers 45
Largest Seller Group in %	Property developers 29	Property developers 31	Property developers 20	Property developers 26	Asset managers/ Fund managers 46	Property developers 30
Gross Initial Yield in % for Class-A properties	6.90	6.40	5.97	5.50	4.65	4.50

LEASING MARKET GERMANY

Take-up

Germany's top logistics regions, Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Leipzig, Munich and Stuttgart, generated total take-up (leasing and owner-occupiers) of around 3.0 million sqm in 2018, in line with previous year results. Net leasing performance (excluding owner-occupiers) kept pace with previous year results as well at 2.6 million sqm (+2%).

The Frankfurt/Rhine-Main region continued to defend its strong lead with around 650,200 sqm in take-up. Although this reflects a decrease of 10% yoy, the drop can be attributed to shortage of supply as demand in the region remains high. Hamburg came in second, closing the gap somewhat over the course of the year. Thanks to several large-scale deals, the Hamburg region managed to keep pace with previous year activity (484,600 sqm, +5%). Berlin also kept up the momentum of the previous year with a solid result of 422,500 sqm (–1%). Düsseldorf (317,600 sqm, –27%) took the hardest hit in terms of take-up in 2018, not only due to a lower number of large-scale deals in general but because of the large-scale deal signed by Amazon in 2017 (around 141,000 sqm). Munich (201,100 sqm, –20%) and Stuttgart (300,400 sqm, –24%) saw a decrease in

FAST FACTS TOP 8

	2018	2017	Change
Take-up in sqm	2,968,200	3,000,400	–1%
Leasing Performance in sqm	2,544,900	2,498,600	2%
Owner-Occupiers in %	14%	17%	–18%
Number of Deals	571	578	–2%
Average Area Size in sqm	4,862	5,010	–3%

FIGURE 1: **Take-up** in 1,000 sqm

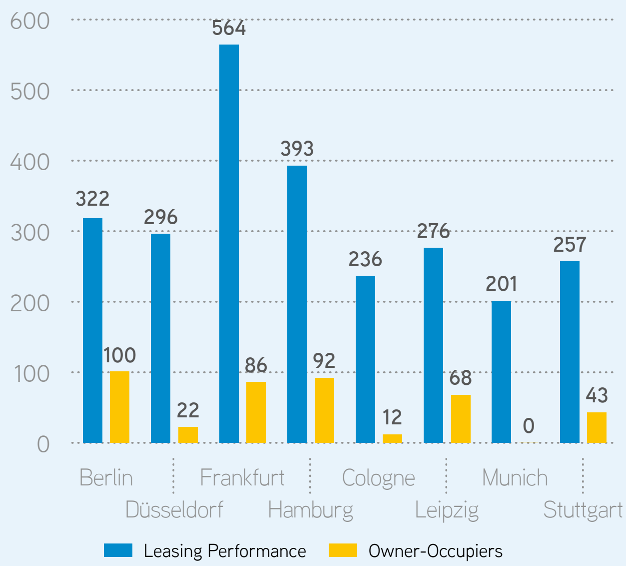
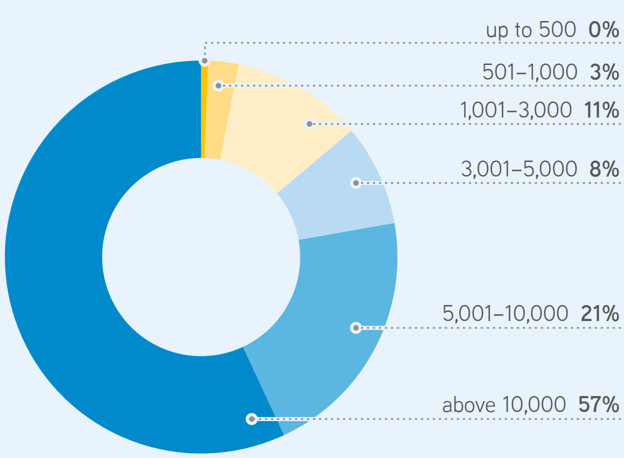


FIGURE 2: **Take-up by Size Category** in %



take-up due to limited supply. In contrast, Cologne (248,100 sqm) posted a 25% yoy increase in take-up, thanks in part to several property developments that added space to the market. The Leipzig logistics region almost tripled its take-up result yoy to 343,700 sqm thanks to a number of large-scale deals and was able to hold onto its status as one of Germany's most popular logistics regions locations.

Supply and Demand

Current excess demand has triggered an increase in speculative property developments in Germany's key logistics regions. The only thing putting the brakes on this trend is a lack of available land sites. Unless new space is added to the market soon, this trend will become even more pronounced. In addition, tenants are proving willing to sign longer-term leases. With construction and land-site costs rising, property developers are increasingly stocking up on land sites. Tenants with larger space requirements (more than 10,000 sqm) are struggling to find space in all of Germany's top 8 logistics markets and are having to compromise. Demand will likely shift to the surrounding areas in the medium to long-term, with neighboring logistics regions like Hanover and Nuremberg, which have comparatively favorable prices and higher space potential, set to benefit in the future. Demand for business parks with good access to infrastructure is on the rise in almost all conurbations as well. We are also seeing an increase in demand for smaller urban logistics space instead of big box options.

Rents

Similar to 2017, rents for logistics units of over 3,000 sqm in Germany's key regions remained largely stable. Munich continues to be the most expensive location in terms of both average and prime rents at €7.00 per sqm (+2%). Stuttgart (€6.50 per sqm), Frankfurt/Rhine-Main (€6.50 per sqm, +2%) and Hamburg (€6.00 per sqm, +3%) follow in the ranks. High demand combined with limited supply in the North Rhine-Westphalian logistics regions of Düsseldorf and Cologne caused rents levels to rise in 2018. In Düsseldorf, prime rents

FIGURE 3: **Take-up by Branch** Share in %

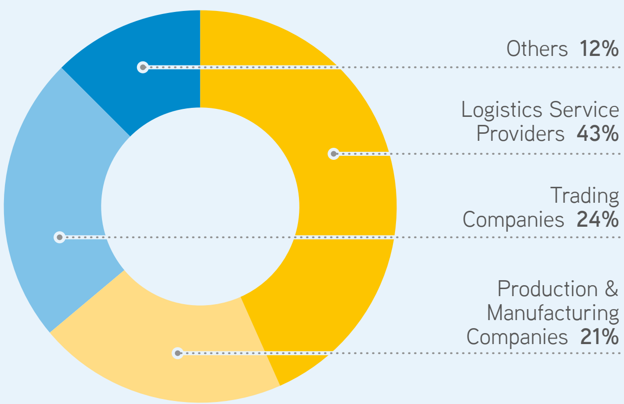
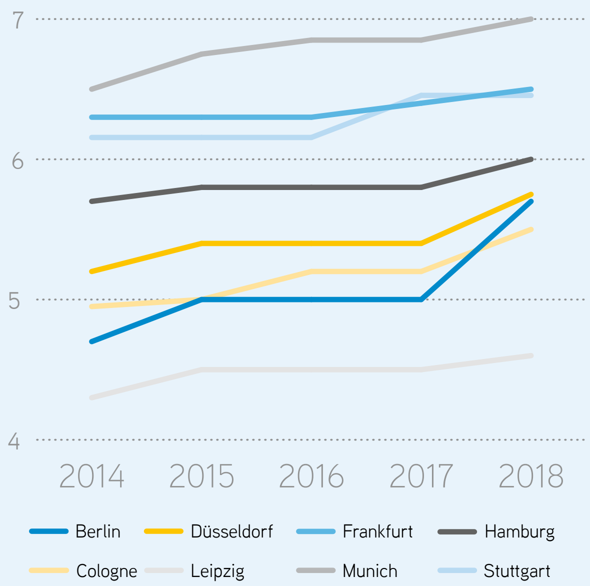


FIGURE 4: **Prime Rents in the TOP 8** in €/sqm

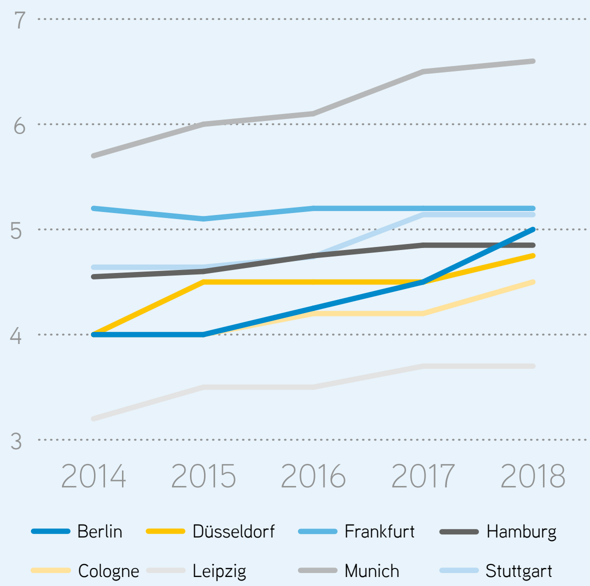


(€5.75 per sqm) and average rents (€4.75 per sqm) both rose by 6%. The situation in the Cologne region was similar with prime and average rents up €0.30 each (€5.50 per sqm and €4.50 per sqm, respectively). Rents in Berlin skyrocketed due to the attractive market situation. Tenants are currently paying up to €6.70 per sqm for modern new-build space within Berlin city limits, and prime rents in the city outskirts currently come to €4.50 per sqm (southern city outskirts). Comparatively speaking, Leipzig still offers the most attractive rent levels for tenants with prime rents at €4.60 per sqm (+2%).

Summary and Outlook

No end to high-demand is currently in sight. As in previous years, 2018 also saw substantial excess demand for industrial and logistics space. In view of the high pre-leasing rates at new-build developments, we do not expect availability to increase significantly in the next 1 to 2 years. This will put further pressure on prices, which will likely cause rents to continue to rise, particularly for stock space. Despite the satisfactory market trend, supply bottlenecks continue to limit take-up, especially in markets like Hamburg, Munich and Stuttgart. In view of the slightly weaker economic performance expected for 2019, take-up will likely fall short of 2018 results. However, we can expect to see leasing performance come in at between 2.1 and 2.3 million sqm, a result still well above the long-term average.

FIGURE 5: **Average Rents in the TOP 8** in €/sqm

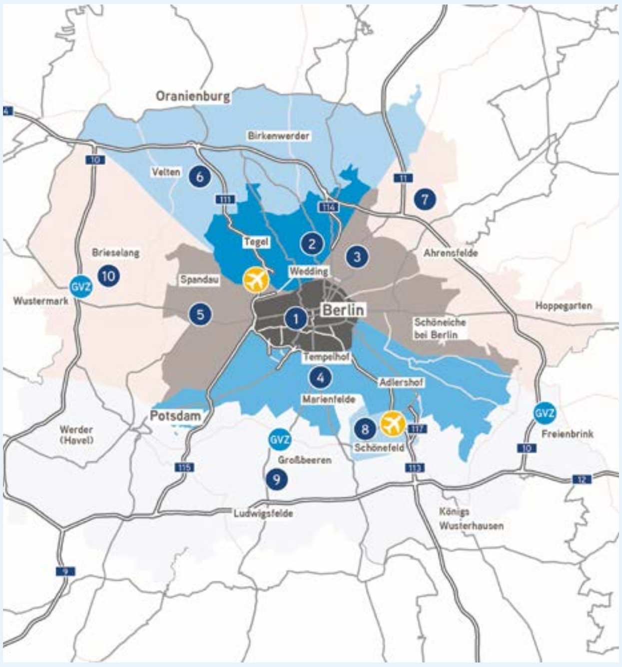


BERLIN/BRANDENBURG

FAST FACTS

	2018	2017	Change
Take-up in sqm	422,500	424,800	–1%
Leasing Performance in sqm	322,300	359,800	–10%
Number of Deals	102	80	28%
Prime Rent* in €/sqm/month	5.70	5.00	14%
Average Rent in €/sqm/month	5.00	4.50	11%

*achievable top rent in new buildings



Take-up according to Location

Submarket	Take-up in sqm	Share
1 Center	19,500	5%
2 City North	30,800	7%
3 City East	8,500	2%
4 City South	86,000	20%
5 City West	15,900	4%
6 Periphery North	12,500	3%
7 Periphery East	1,000	0%
8 Airport Area BER	10,500	3%
9 Periphery South	219,400	52%
10 Periphery West	18,400	4%
Total	422,500	100%

LEASING

Take-up

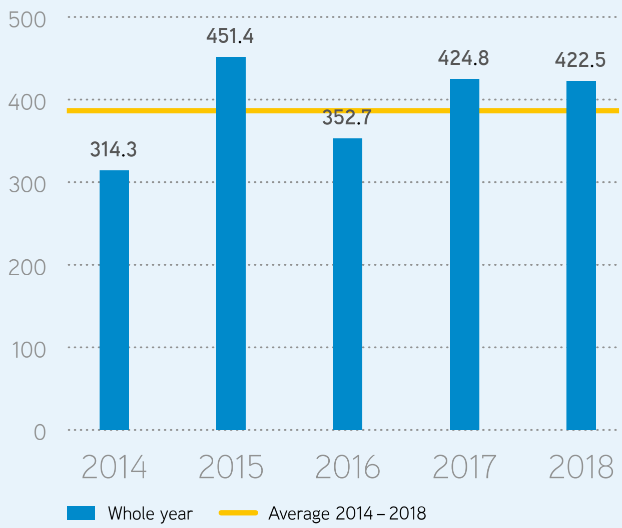
The Berlin industrial and logistics real estate market recorded a take-up volume of 422,500 sqm in 2018, in line with the previous year's result. Ongoing lively activity in Berlin once again outperformed the 5-year average (+12%). Net take-up (excluding owner-occupiers) came to roughly 322,300 sqm with 95 leases signed. High-volume owner-occupier deals such as those signed by wholesaler Chefs Culinar and Deutsche Post at Industriepark 4.0 Eichspitze for around 40,000 sqm each pushed down leasing performance by 10% yoy.

Supply and Demand

The space segment of over 10,000 sqm accounted for more than half of total take-up with five deals even breaching the 20,000 sqm mark. All of these deals were signed in the Ludwigsfelde submarket in the southern Berlin periphery. As such, the latter accounted for more than half of total take-up in terms of location. In addition to large-scale owner-occupier developments by Chefs Culinar and Deutsche Post, retailers Decathlon (roughly 40,000 sqm) and DefShop (around 20,000 sqm) as well as an online retailer (around 20,000 sqm) also moved to the Brandenburg Park.

Available land near the logistics hotspots is becoming increasingly scarce. There are no vacant development sites left at the Großbeeren freight center and the Brandenburg Park in Ludwigsfelde is now almost fully occupied due to several owner-occupier developments and additional letting activity. The largest space potential is concentrated in the city's southern periphery, mostly in the Schönefeld region and near the western motorway ring, which is particularly suitable for occupiers with larger space requirements. New property developments such as one for just under 38,000 sqm are also adding to the supply in Schönefeld.

FIGURE 1: **Take-up** in 1.000 sqm



Take-up according to Size Category

Size in sqm	Take-up in sqm	Share
up to 500	2,400	1%
501–1,000	21,400	5%
1,001–3,000	58,000	14%
3,001–5,000	39,300	9%
5,001–10,000	84,300	20%
above 10,000	217,100	51%
Total	422,500	100%

Rents

In 2018, high demand and the increasing scarcity of space manifested noticeably in higher prices. Prime rent (overall market) increased by a substantial 14% to €5.70 per sqm. Average rent was also up by 11% to €5.00 per sqm due to the increasing lack of stock properties featuring standard market fitout. Berlin is seeing the largest difference in prime rents between the city outskirts and the municipal area of all Germany's 8 top logistics regions. Due to high demand in the city center and the supply bottleneck, tenants are paying prime rents of €6.70 per sqm for state-of-the-art new-build logistics space in the municipal area. The highest rents in the periphery are being paid in Großbeeren and Schönefeld at €4.50 per sqm. This difference suggests that there is still potential for rental growth in the periphery.

Summary and Outlook

In the wake of this dynamic year and with the city's potential still high, Berlin has solidified its position as one of Germany's most attractive logistics regions. In addition to limited supply of land sites, companies on the lookout for space are also having a hard time finding people looking for jobs in the city's southern periphery. This can be attributed to the fact that unemployment reached a new historical low in late 2018. We expect annual take-up to come close to 400,000 sqm in 2019 as supply will most likely continue to fall short of demand despite high development activity.

FIGURE 2: **Take-up by Branch** Share in %

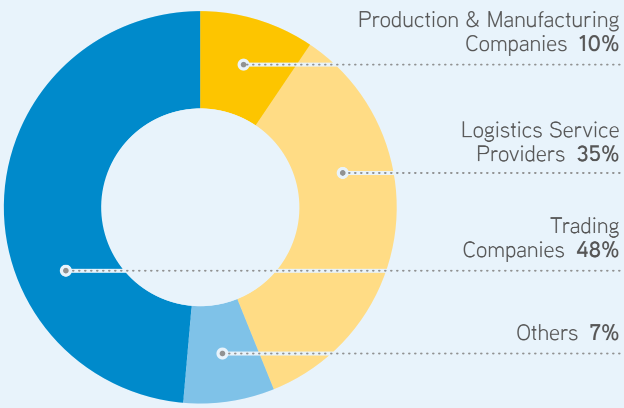
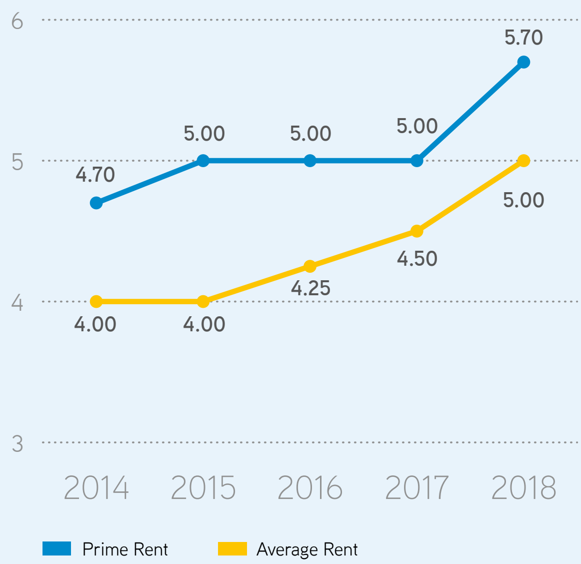


FIGURE 3: **Prime and Average Rents** in €/sqm

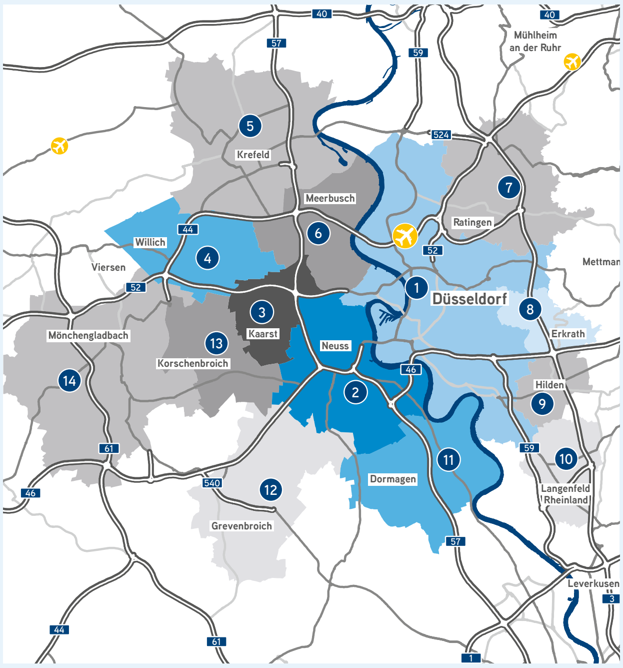


DÜSSELDORF

FAST FACTS

	2018	2017	Change
Take-up in sqm	317,600	435,700	– 27%
Leasing Performance in sqm	295,600	405,400	– 27%
Number of Deals	66	51	29%
Prime Rent* in €/sqm/month	5.75	5.40	6%
Average Rent in €/sqm/month	4.75	4.50	6%

*achievable top rent in new buildings



Take-up according to Location

Submarket	Take-up in sqm	Share
1 Düsseldorf	67,000	21%
2 Neuss	70,700	22%
3 Kaarst	1,500	1%
4 Willich	26,500	8%
5 Krefeld	62,100	20%
6 Meerbusch	400	0%
7 Ratingen	39,000	12%
8 Erkrath	0	0%
9 Hilden	800	0%
10 Langenfeld	8,000	3%
11 Dormagen	29,400	9%
12 Grevenbroich	8,900	3%
13 Korschenbroich	0	0%
14 Mönchengladbach	3,300	1%
Total	317,600	100%

LEASING

Take-up

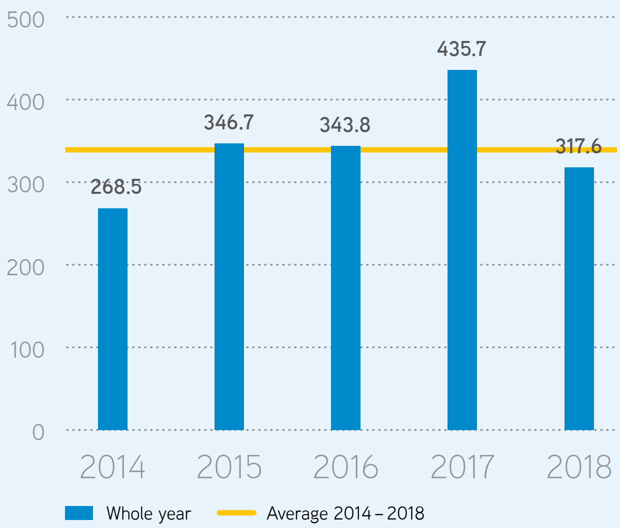
The Düsseldorf industrial and logistics real estate market recorded total take-up (including owner-occupiers) of around 317,600 sqm in 2018. That means results are down by around 27% compared to the previous year, which was, however, heavily affected by Amazon's new logistics center in Mönchengladbach (around 141,000 sqm). Although activity picked up in the second half of the year, particularly due to several property development completions, the overall result fell 9% short of the 5-year average (348,000 sqm). With a letting performance of 295,600 sqm, the share of owner-occupiers was roughly at the level of the previous year.

Supply and Demand

Several property developments were fully let in 2018, further solidifying the regional supply bottleneck. In response to lively demand for modern logistics space, Segro launched the expansion of the Krefeld-Süd logistics park with an additional 30,000 sqm of warehouse space. Another 11,000 sqm of built-to-suit space is under development for logistics service provider DSV. In mid-2018, Segro also started expanding the City Park Düsseldorf business park. Construction phases 4 and 5 are scheduled for completion by late 2019 and will bring 12,000 sqm of new logistics space to the market.

Demand for space in the Düsseldorf municipal area mirrored the previous year in terms of regional distribution of take-up. The neighboring Neuss submarket secured first place, however, accounting for 22% of total take-up. This can largely be attributed to the large-scale lease signed by Seacon Logistics for around 35,000 sqm. The space segment over 5,000 sqm claimed the lion's share of total take-up, while the space segment of below 5,000 sqm accounted for only around one-fifth of the total result.

FIGURE 1: **Take-up** in 1.000 sqm



Take-up according to Size Category

Size in sqm	Take-up in sqm	Share
up to 500	1,600	0%
501–1,000	11,500	4%
1,001–3,000	28,600	9%
3,001–5,000	20,500	6%
5,001–10,000	75,000	24%
above 10,000	180,400	57%
Total	**317,600**	**100%**

The availability of land in outskirt locations continues to shrink. Property developer Goodman acquired the last vacant development site at the popular Regiopark business park in Mönchengladbach, where it is planning to develop around 33,000 sqm of logistics space. With similar development opportunities becoming increasingly rare, brownfield development is beginning to play an increasingly significant role in replenishing regional supply. Examples include projects like the revitalization of the former Rhebau Betonwerke site in Dormagen where an online retailer has leased more than 30,000 sqm of new-build logistics space from property developer IDI Gazeley.

Rents

Ongoing demand for modern logistics space combined with moderate construction activity is impacting prices and caused prime and average rents to rise by 6% each. Prime rents for modern logistics space of over 3,000 sqm are being recorded at €5.75 per sqm and are currently being paid for space in the Düsseldorf port area. Average rents increased by 25 cents to €4.75 per sqm due to a lack of stock properties featuring current fitout standards.

Summary and Outlook

The Düsseldorf market is in good shape as can be seen in the number of speculative developments. As such, we expect consistently high demand and take-up to match previous year results in 2019. In light of the lack of supply, occupiers are likely to also be more willing to accept longer lease terms. With several scheduled property developments planned, the situation should relax over the course of the year, making further rent increases unlikely.

FIGURE 2: **Take-up by Branch** Share in %

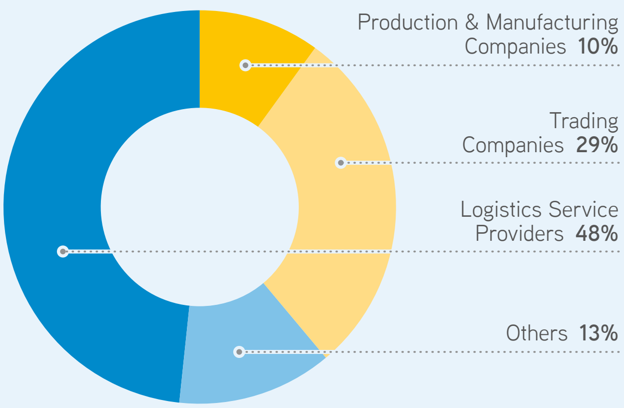
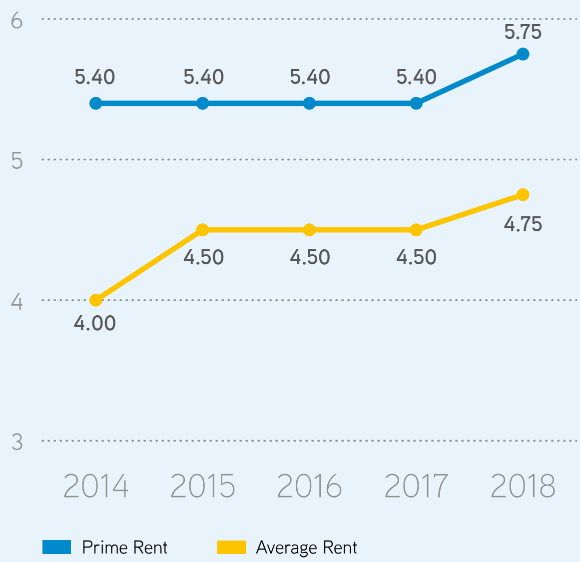


FIGURE 3: **Prime and Average Rents** in €/sqm

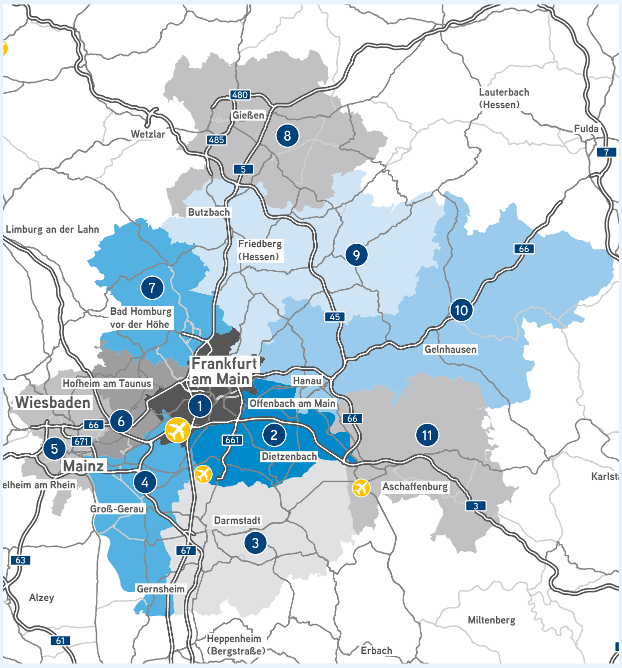


FRANKFURT/RHINE-MAIN

FAST FACTS

	2018	2017	Change
Take-up in sqm	650,200	720,200	–10%
Leasing Performance in sqm	563,600	675,800	–17%
Number of Deals	83	87	–5%
Prime Rent* in €/sqm/month	6.50	6.40	2%
Average Rent in €/sqm/month	5.20	5.20	0%

*achievable top rent in new buildings



Take-up according to Location

Submarket	Take-up in sqm	Share
1 Frankfurt am Main	51,800	8%
2 Offenbach	116,700	18%
3 Darmstadt	44,300	7%
4 Groß-Gerau	232,900	36%
5 Mainz + Wiesbaden	10,700	2%
6 Main-Taunus-District	2,600	0%
7 Hochtaunus-District	25,200	4%
8 Gießen	41,200	6%
9 Wetteraukreis	3,300	0%
10 Main-Kinzig-District	104,200	16%
11 Aschaffenburg	17,300	3%
Total	650,200	100%

LEASING

Take-up

The Frankfurt industrial and logistics real estate market was able to match the previous year's record performance in 2018. Take-up was recorded at just under 650,200 sqm, exceeding the 10-year average by 10%. This exceptional result has again put the region in first place in a Germany-wide comparison. Net take-up (excluding owner-occupiers) came to roughly 563,600 sqm (-17%). The largest-scale lease was signed in the final quarter of the year by logistics service provider RWL for a 39,000 sqm logistics new-build in Trebur.

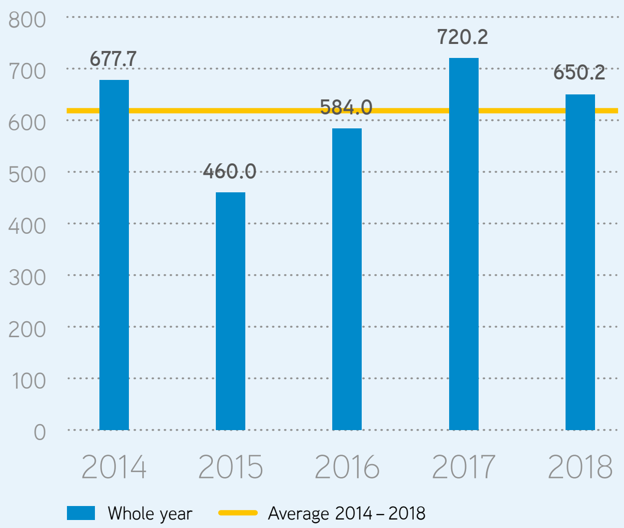
Supply and Demand

The breakdown of tenant groups was similar to that of the two previous years: Almost half of take-up can be attributed to the transport and logistics sector, followed by retailers with a market share of 20%. Manufacturing companies and other sectors came in practically neck-and-neck, accounting for around one-third of total take-up combined.

As in the previous year, the space segment over 5,000 sqm claimed the lion's share of total take-up. Leases signed for units larger than 10,000 sqm generated three quarters of total-take up alone. In addition to the Trebur transaction, this result can be attributed to the lease signed by logistics service provider ID Logistics for around 38,500 sqm of logistics space in Hammersbach and the lease signed by REWE for about 32,500 sqm in Kelsterbach.

Supply at the moment is not sufficient to meet ongoing high demand. This particularly applies to the large-scale segment, where demand is primarily being satisfied by new-build developments. As a result, the new-build segment accounted for almost 71% of total take-up, claiming eight of the year's ten largest deals. Land sites in excess of 30,000 sqm became even harder to find in 2018 as several were

FIGURE 1: **Take-up** in 1.000 sqm



Take-up according to Size Category

Size in sqm	Take-up in sqm	Share
up to 500	3,400	1%
501–1,000	8,500	1%
1,001–3,000	32,600	5%
3,001–5,000	37,300	6%
5,001–10,000	80,300	12%
above 10,000	488,100	75%
Total	**650,200**	**100%**

snapped up. Property developers and occupiers therefore have to be increasingly flexible when it comes to location and be willing to accept subpar options among other drawbacks.

This excess demand and shrinking supply of land sites is encouraging property developers to take more risks with speculative or partly speculative developments. One such development is the multi-user logistics park, Panattoni Park Frankfurt-Ost, encompassing around 28,000 sqm of logistics space, which is being developed at a filled-in former gravel pit in Rodenbach. Another speculative development is the logistics park being built by property developer P3 in Pfungstadt, comprising around 12,500 sqm.

Rents

Prime rents saw a yoy increase of €0.10 to a current €6.50 per sqm due to high demand. Prime rents are no longer only being paid within city limits and around the airport but also at locations boasting excellent infrastructure throughout the entire Rhine-Main region. Average rent remained stable at €5.20 per sqm. That makes the Rhine-Main region one of the three most expensive logistics locations in Germany along with Munich and Stuttgart.

Summary and Outlook

Several speculative property developments available for lease somewhat eased the tension on the market last year. The Rhine-Main region is one of Germany's top logistic regions as well as one of the most dynamic in terms of property developments and new-build activity.

With several developments scheduled for completion in the next 12 months, we expect market activity to remain lively, possibly outperforming the 5-year average of 590,800 sqm.

FIGURE 2: **Take-up by Branch** Share in %

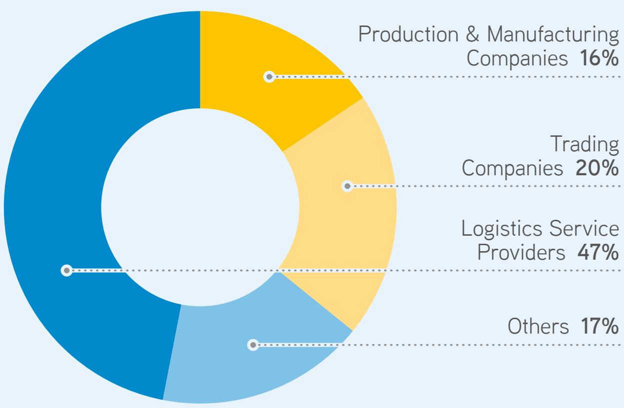
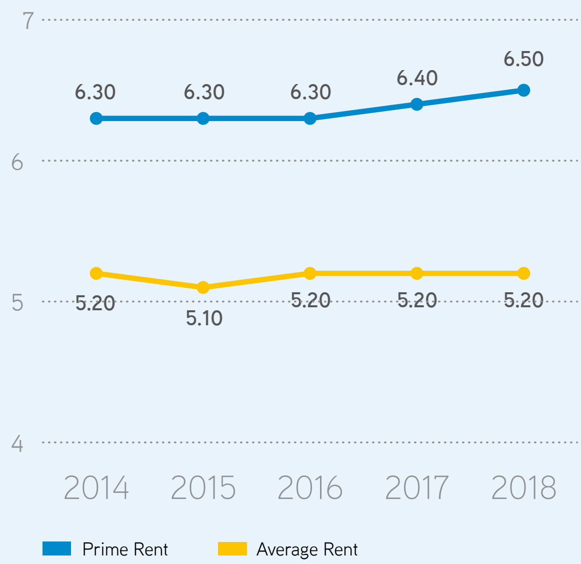


FIGURE 3: **Prime and Average Rents** in €/sqm

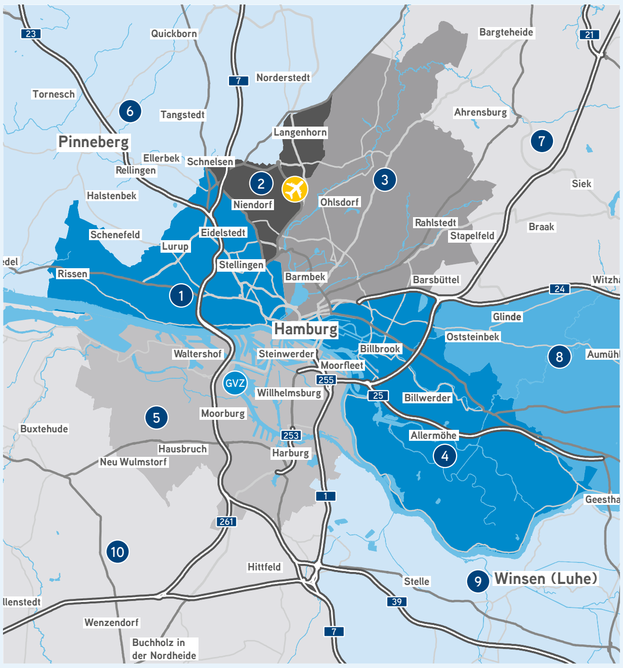


HAMBURG

FAST FACTS

	2018	2017	Change
Take-up in sqm	484,600	460,900	5%
Leasing Performance in sqm	393,400	343,800	14%
Number of Deals	78	113	– 31%
Prime Rent* in €/sqm/month	6.00	5.80	3%
Average Rent in €/sqm/month	4.85	4.85	0%

*achievable top rent in new buildings



Take-up according to Location

Submarket	Take-up in sqm	Share
1 City West	4,300	1%
2 City North-West	17,100	3%
3 City North-East	12,000	2%
4 City East	73,100	15%
5 City South	197,300	41%
6 Periphery North-West	14,200	3%
7 Periphery North-East	43,400	9%
8 Periphery East	28,700	6%
9 Periphery South-East	3,700	1%
10 Periphery South-West	90,800	19%
Total	484,600	100%

LEASING

Take-up

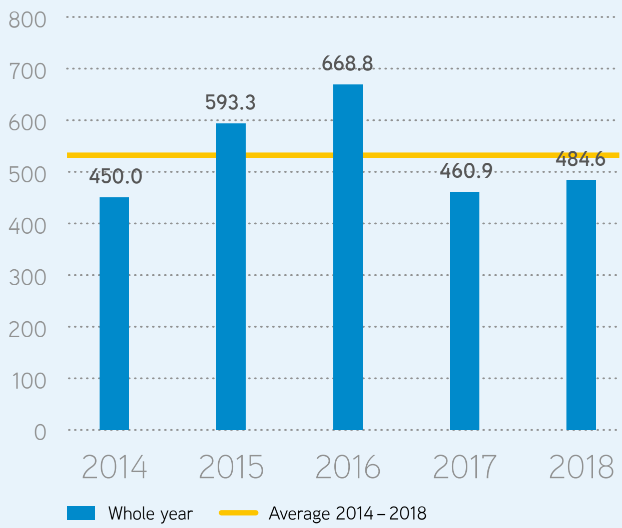
Although the Hamburg industrial and logistics real estate market was able to match previous year results (+5%) thanks to several large-scale deals, take-up remained below the 5-year average at 484,600 sqm (-8%). Net take-up (excluding owner-occupiers) was recorded at 393,400 sqm, up 14% yoy. The two most notable transactions were a lease signed by forwarding agent Nord Logistics in the City South submarket and a lease signed by BOR Consulting in the southern port area, both exceeding 29,000 sqm.

Supply and Demand

The space segment over 10,000 sqm claimed the lion's share of total take-up. A total of 10 deals in this segment accounted for more than half of total take up or about 275,000 sqm. 2018 also saw 5 deals exceeding 20,000 sqm, in contrast with 2017 where no activity was seen in this segment. The majority were owner-occupier deals. Logistics company In-Time, for example, started construction of its logistics center encompassing roughly 28,000 sqm in Buchholz to the south of Hamburg in early 2018. Deals involving units of up to 3,000 sqm accounted for only 10% of total take-up. In terms of location, City South remained the city's top submarket, generating 41% of take-up. The Southwest City Outskirt and City East submarkets followed at quite some distance, posting 19% and 15%, respectively.

The Hamburg market is struggling to keep up with growing demand, and companies are keeping an eye out for additional space in the form of speculative developments. Hamburg's city outskirts are also beginning to be confronted with supply bottlenecks, motivating property developers to start redeveloping outdated stock properties. Speculative developments are also becoming increasingly popular as an opportunity to tap Hamburg's full space potential. The two developments involved in the Vollhöfner Weiden logistics

FIGURE 1: **Take-up** in 1.000 sqm



Take-up according to Size Category

Size in sqm	Take-up in sqm	Share
up to 500	1,000	0%
501–1,000	9,600	2%
1,001–3,000	40,800	8%
3,001–5,000	42,300	9%
5,001–10,000	115,900	24%
above 10,000	275,000	57%
Total	484,600	100%

park's second construction phase, encompassing 12,000 sqm and 5,000 sqm of modern logistics, mezzanine and office space, are excellent examples.

Rents

Prime rents rose to a current €6.00 per sqm (+3%) over the course of the year and are being paid by tenants for modern logistics space exceeding 3,000 sqm in the City East and City South submarkets. With the supply of new-build space still limited on the overall market, we could see rents continue to rise over the next 12 months. In this scenario, average rent, which currently comes to €4.85 per sqm, would be no exception.

Summary and Outlook

Limited supply continues to put the brakes on activity on the Hamburg industrial and logistics real estate market. We do not expect to see a shift in this trend over the next few years due to the shrinking number of available development sites. Larger units of over 5,000 sqm and sites with easy access to infrastructure are particularly scarce. We expect demand to remain high in 2019, although much of this will not be met due to increasingly limited supply.

FIGURE 2: **Take-up by Branch** Share in %

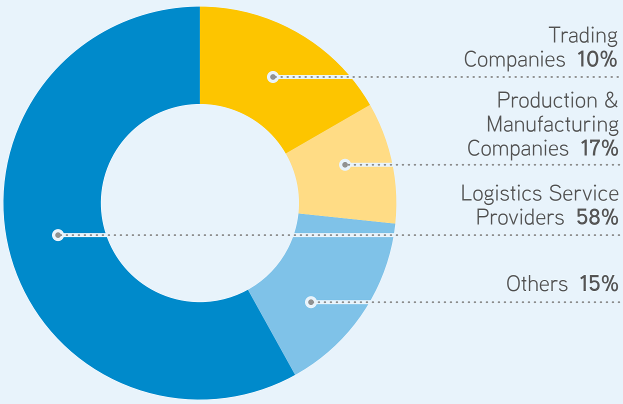
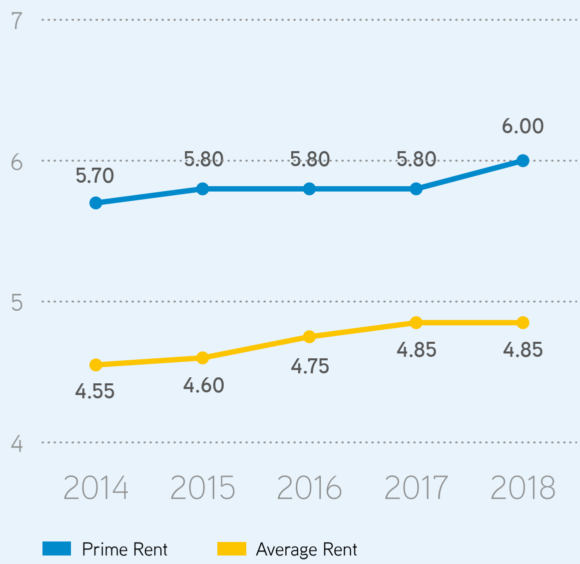


FIGURE 3: **Prime and Average Rents** in €/sqm

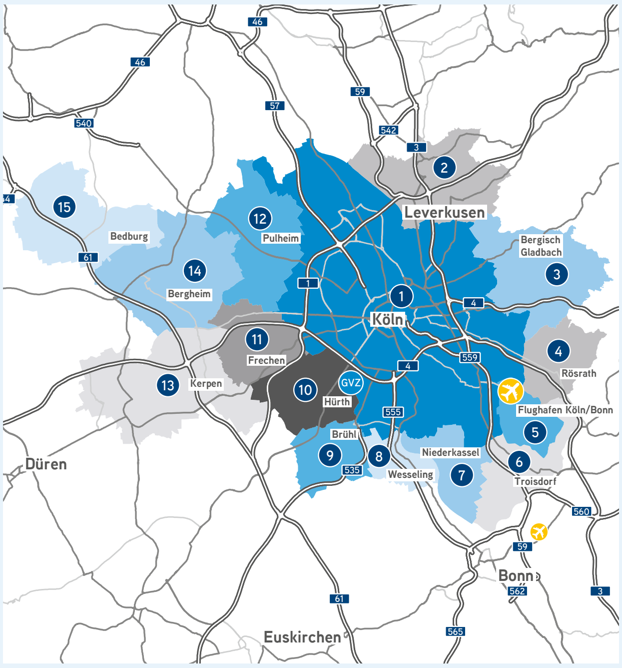


COLOGNE

FAST FACTS

	2018	2017	Change
Take-up in sqm	248,100	198,200	25%
Leasing Performance in sqm	236,100	163,400	44%
Number of Deals	37	21	76%
Prime Rent* in €/sqm/month	5.50	5.20	6%
Average Rent in €/sqm/month	4.50	4.20	7%

*achievable top rent in new buildings



Take-up according to Location

Submarket	Take-up in sqm	Share
1 Cologne	30,000	12%
2 Leverkusen	24,000	10%
3 Bergisch Gladbach	0	0%
4 Rösrath	0	0%
5 Airport Area Cologne/Bonn	0	0%
6 Troisdorf	14,100	6%
7 Niederkassel	0	0%
8 Wesseling	19,500	8%
9 Brühl	10,000	4%
10 Hürth	9,400	4%
11 Frechen	36,800	15%
12 Pulheim	12,200	5%
13 Kerpen	35,700	14%
14 Bergheim	11,400	4%
15 Bedburg	45,000	18%
Total	248,100	100%

LEASING

Take-up

Following a relatively calm first half of the year, activity on the Cologne industrial and logistics real estate market picked up speed in Q3. Total take up (including owner-occupiers) came to roughly 248,100 sqm, the highest result in the past five years. Net take-up (excluding owner-occupiers) came to 236,100 sqm, up 44% yoy. The most significant transactions in 2018 included leases signed by logistics service provider Offergeld in Frechen (total area of around 35,000 sqm), by Grieshaber Logistik in Bedburg (around 12,000 sqm) and by a retailer in Kerpen (around 13,000 sqm). The expansion of DPI headquarters in Brühl (around 12,500 sqm) also contributed to this strong result.

Supply and Demand

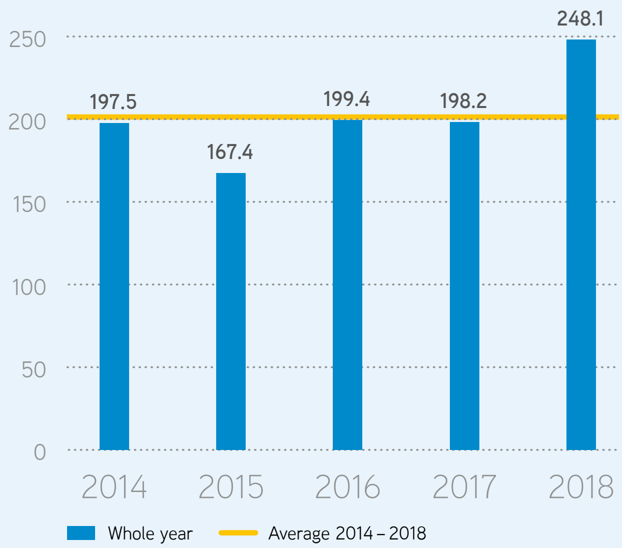
While the Cologne metropolitan area registered the highest take-up volume in 2017, peripheral submarkets dominated in 2018 due to limited supply within city limits. The Bedburg, Frechen and Kerpen submarkets alone generated almost half of total take-up.

Despite five leases signed, the space segment over 10,000 sqm saw take-up decline to the benefit of rising take-up results in the small- and medium-scale space segments. This can mainly be attributed to the fact that demand for space exceeding 10,000 sqm can barely be met due to limited availability. Leases signed for space of up to 5,000 sqm almost doubled their market share yoy in contrast.

Logistics service providers were the most active user group by far, accounting for just under 147,800 sqm in take-up. Several high-volume deals including the leases signed by Offergeld and Grieshaber helped generate an above-average market share of about 60%.

Current excess demand is encouraging developers to launch an increasing number of speculative developments. Property developer Prologis, for example, began

FIGURE 1: **Take-up** in 1.000 sqm



Take-up according to Size Category

Size in sqm	Take-up in sqm	Share
up to 500	0	0%
501–1,000	0	0%
1,001–3,000	32,900	13%
3,001–5,000	23,700	9%
5,001–10,000	83,300	34%
above 10,000	108,200	44%
Total	**248,100**	**100%**

construction on a 24,000 sqm logistics facility in Pulheim in 2018. The planned logistics park in Cologne-Niehl encompassing roughly 55,000 sqm of warehouse space is speculative as well. As only very few sites are available at competitive prices, even in peripheral areas, property developers are increasingly focusing on revitalizing outdated space. Alcaro Invest, for example, is developing a 26,000 sqm logistics center on a brown-field site in Kerpen. Another logistics property encompassing 11,000 sqm is scheduled for completion by 2020. The development will be constructed on a vacant lot in Cologne-Poll to the right of the Rhine and will be used for city logistics.

Rents

The current supply bottleneck combined with increasing construction costs and land prices have put prices under pressure. Both prime rents and average rents rose by €0.30 in 2018. Prime rents for modern logistics space currently come to €5.50 per sqm. Average rents are recorded at a current €4.50 per sqm due to limited supply of space in stock properties featuring current fitout standards.

Summary and Outlook

Speculative property developments, especially in the Cologne periphery, will relieve tension on the market somewhat this year and boost the supply of modern logistics space. Nevertheless, space added to the market by completions will still not be enough to meet high demand. This will encourage developers to keep tackling speculative projects in 2019. In light of the fact that activity on the market remains lively, 2019 results could come in above the long-term average.

FIGURE 2: **Take-up by Branch** Share in %

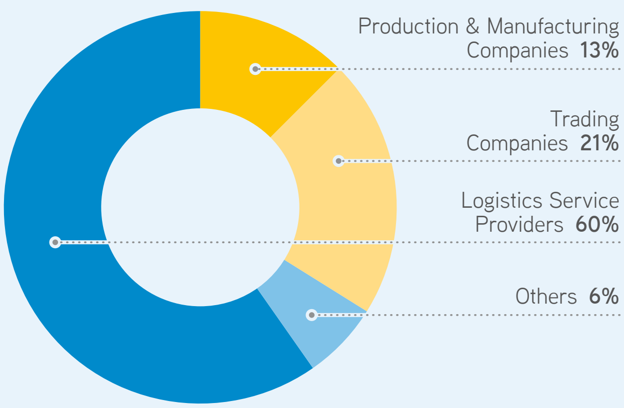
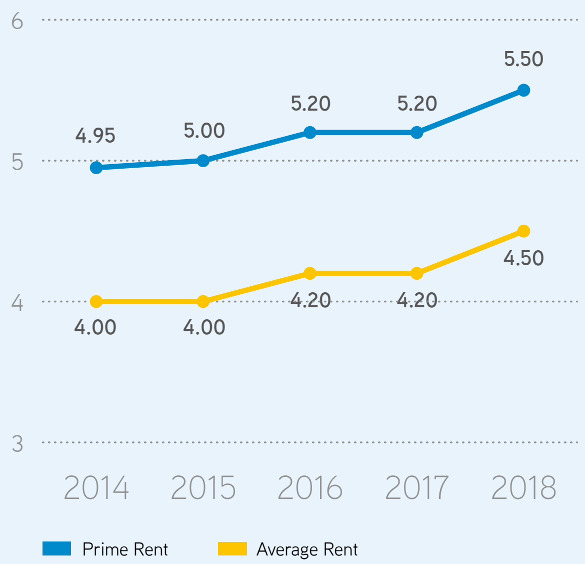


FIGURE 3: **Prime and Average Rents** in €/sqm

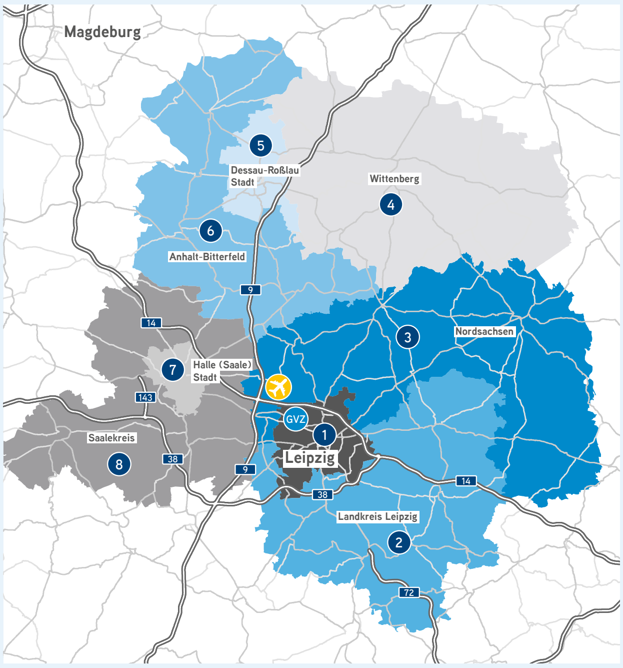


LEIPZIG

FAST FACTS

	2018	2017	Change
Take-up in sqm	343,700	116,000	196%
Leasing Performance in sqm	275,800	57,400	380%
Number of Deals	25	28	– 11%
Prime Rent* in €/sqm/month	4.60	4.50	2%
Average Rent in €/sqm/month	3.70	3.50	6%

*achievable top rent in new buildings



Take-up according to Location

Submarket	Take-up in sqm	Share
1 Leipzig	118,000	34%
2 District Leipzig	5,000	2%
3 Nordsachsen	3,300	1%
4 Wittenberg	0	0%
5 Dessau-Roßlau	0	0%
6 Anhalt-Bitterfeld	4,700	1%
7 Halle (Saale)	167,800	49%
8 Saalekreis	44,900	13%
Total	343,700	100%

LEASING

Take-up

In 2018, Leipzig's industrial and logistics real estate market recorded a total take-up of 343,700 sqm, surpassing the weak result of the previous year by a remarkable 196%. A number of large-scale deals signed for new-build developments helped put 2018 results over the 300,000 sqm mark, which tripled take-up yoy. The largest deal of the year was signed at the Star Park industrial estate near the city of Halle, where a 65,000 sqm logistics center is currently being developed for online retailer Home24. Automotive supplier Schaeffler is also building a new spare parts warehouse encompassing 40,000 sqm at Star Park.

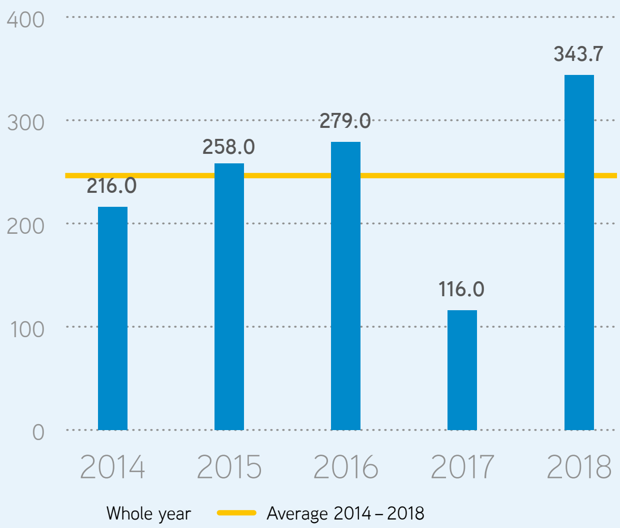
Supply and Demand

Unlike the previous year, the space segment over 10,000 sqm dominated the market, accounting for 85% of total take up and reflecting high demand for large-scale rental space. Land sites, however, have become increasingly scarce over the last few years in the wake of several major developments. Development sites exceeding 50,000 sqm are in short supply within city limits and the nearby periphery.

Total take-up was fueled in part by (online) retailers. Only a few hundred meters away from the Home24 logistics center, another distribution center encompassing 35,000 sqm is being developed at Star Park in Halle for online retailer Zalando. Demand was also high among manufacturing companies, primarily from the automotive sector. In the immediate vicinity of the Leipzing BMW plant, roughly 50,000 sqm of logistics space is currently under development for the BMW Group along with another 20,000 sqm for Thyssenkrupp Automotive Systems.

In terms of regional distribution, activity was highest in the Halle (Saale) region, which accounted for almost half of total take-up. This can be attributed to the new deals signed at Star Park in Halle men-

FIGURE 1: **Take-up** in 1.000 sqm



Take-up according to Size Category

Size in sqm	Take-up in sqm	Share
up to 500	0	0%
501–1,000	500	0%
1,001–3,000	17,700	5%
3,001–5,000	16,300	5%
5,001–10,000	18,200	5%
above 10,000	291,000	85%
Total	**343,700**	**100%**

tioned above, which have drastically reduced the supply of new-build space currently available in the area. Potential has shifted in favor of Leipzig as a result, which is expected to offer an increased supply of new-build space going forward. A new-build property development by Baytree, the company's largest adjoining new-build development in Leipzig to date, is primarily behind this increased availability and addresses the growing demand for automotive logistics space. The development will encompass up to 100,000 sqm of new-build space, which may be completely taken up by BMW and automotive suppliers in the area over the next one to two years.

Rents

Most companies currently on the lookout for space are having to turn to property developments due to the limited supply of stock space. The market share generated by property developments has increased significantly yoy with new-builds accounting for almost 85% of take-up. High demand, particularly for modern space within Leipzig city limits, has caused prime rents to rise to a current €4.60 per sqm. Average rents increased as well, up 6% to a current €3.70 per sqm. We can expect this trend to continue in light of the ongoing high demand and steady depletion of available land sites.

Summary & Outlook

The above-average result generated in 2018 is a clear indication of the growing importance of Leipzig as a logistics region. The region's good economic situation and moderate land and rental prices compared to other logistics regions as well as the comparatively large pool of available labor in the region all serve to make the location so attractive. With the development pipeline well-filled, we can expect market activity to remain high in 2019. However, whether or not 2019 will be able to keep pace with this year's record take-up result will largely depend on the number of major deals signed.

FIGURE 2: **Take-up by Branch** Share in %

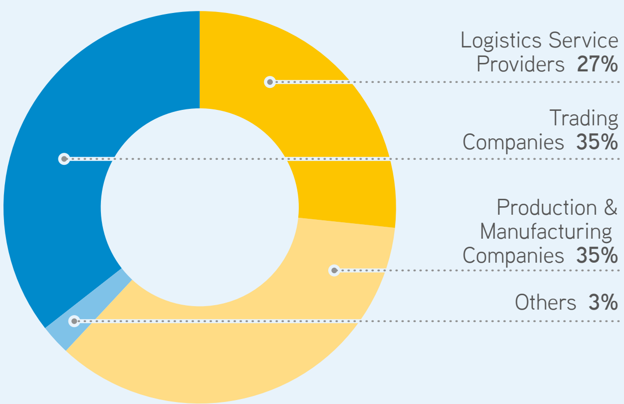
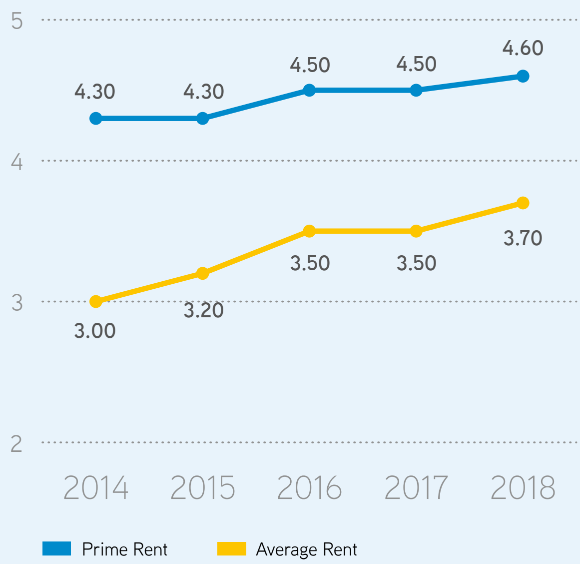


FIGURE 3: **Prime and Average Rents** in €/sqm

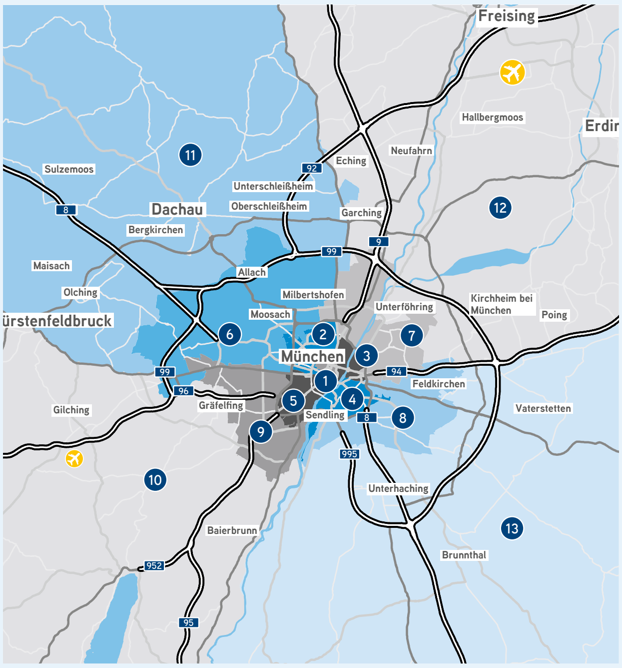


MUNICH

FAST FACTS

	2018	2017	Change
Take-up in sqm	201,100	250,700	– 20%
Leasing Performance in sqm	201,100	250,700	– 20%
Number of Deals	97	113	– 14%
Prime Rent* in €/sqm/month	7.00	6.85 €	2%
Average Rent in €/sqm/month	6.60	6.50 €	2%

*achievable top rent in new buildings



Take-up according to Location

Submarket	Take-up in sqm	Share
1 Center	0	0%
2 Center North-West	0	0%
3 Center North-East	0	0%
4 Center South-East	0	0%
5 Center South-West	0	0%
6 City North-West	5,800	3%
7 City North-East	7,800	4%
8 City South-East	8,600	4%
9 City South-West	11,000	5%
10 Periphery South-West	1,400	1%
11 Periphery North-West	66,100	33%
12 Periphery North-East	88,100	44%
13 Periphery South-East	12,300	6%
Total	201,100	100%

LEASING

Take-up

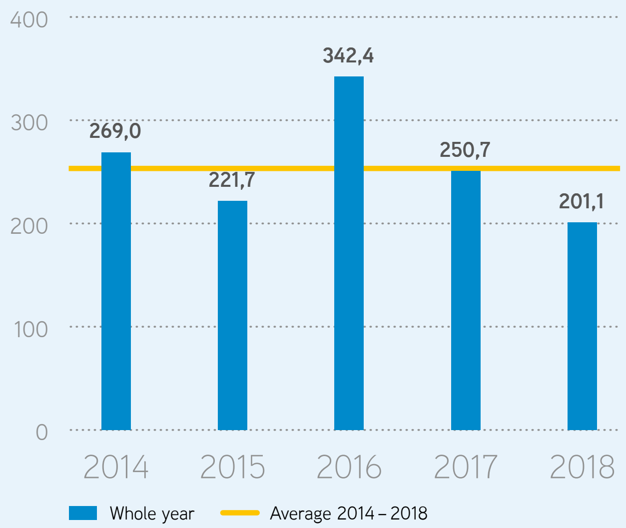
In 2018, the Munich industrial and logistics market generated net take-up totaling at roughly 201,100 sqm, falling short of previous year take-up levels (-20%). This is the lowest result recorded in the past five years with no significant owner-occupier deals that could have boosted take-up further. This drop in take-up can be attributed to the absence of large-scale leases as well as the shortage of stock and new-build space available for immediate tenancy. As in previous years, the majority of take-up (around 85%) was generated by deals signed for space at stock properties. In addition, very few land sites are currently zoned in the area for logistics. The year's most significant deals included leases signed by Schustermann & Borenstein in Aschheim (12,700 sqm), Rewe Digital in Feldkirchen (around 10,000 sqm) and XXXLutz in Poing (around 8,800 sqm).

Supply and Demand

The space segment of between 5,000 sqm and 10,000 sqm recorded about 82,500 sqm, accounting for 41% of total take-up. The only lease exceeding 10,000 sqm in 2018 was that signed by Schustermann & Borenstein (around 12,700 sqm). The space segment of 10,000 sqm and above saw a 14% yoy drop due to the low number of leases signed. The space segment of between 1,000 sqm and 3,000 sqm remained a solid pillar of market activity with demand high and accounted for 29% of total take up. As in the previous year, almost 80% of take-up was generated in the northern outskirts of Munich (North-West and North-East Outskirts submarkets).

The breakdown of tenant groups was more homogeneous than in the previous year. An increasing number of (online) retailers are being drawn to Munich thanks to the city's above-average purchasing power. In 2018 they managed

FIGURE 1: **Take-up** in 1.000 sqm



Take-up according to Size Category

Size in sqm	Take-up in sqm	Share
up to 500	7,100	4%
501–1,000	18,100	9%
1,001–3,000	58,000	29%
3,001–5,000	23,300	11%
5,001–10,000	82,500	41%
above 10,000	12,100	6%
Total	201,100	100%

to increase their market share from 5% (2017) to 23%. Manufacturing companies generated only one-third of total take-up, down from a market share of 44% in 2017.

Rents

With a current vacancy rate of about 1.4%, very little space is currently available on the Munich market and rent levels continue to rise as a result. Prime rents for modern logistics units of over 3,000 sqm were up another 2% yoy to a current €7.00 per sqm. Tenants continue to pay these prime rents for space in the North-East Outskirts submarket near the airport. Rents being paid for modern light industrial space within city limits are much higher, with some units going for up to €14 per sqm. Average rents increased as well, climbing another €0.10 yoy to a current €6.60 per sqm.

Summary and Outlook

The tension on the market in terms of supply is unlikely to ease up in 2019 as land sites and rental space continue to be in short supply and some of the new-build space currently under development is being snapped up prior to completion. As such, vacancy rates remain extremely low. In addition, demand for modern light industrial space in and around Munich is expected to continue to grow in the coming years. New-developments dedicated solely to logistics will face greater challenges than ever before as a result, as skepticism towards logistics developments among the local authorities and residents in the Munich area is high due to the reputation these properties have of increasing traffic and noise levels. In light of the current market situation and the low number of developments in the pipeline, take-up is expected to come in at around 200,000 sqm in 2019.

FIGURE 2: **Take-up by Branch** Share in %

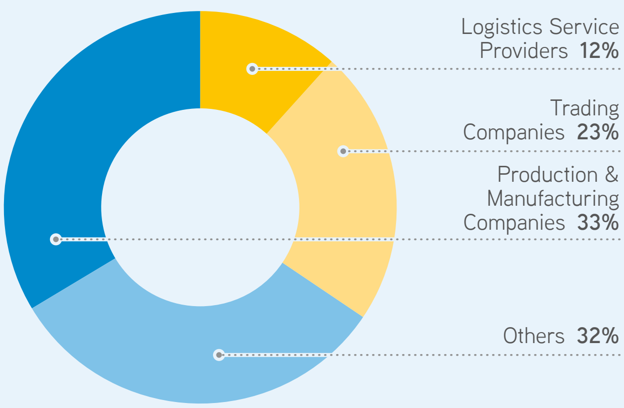
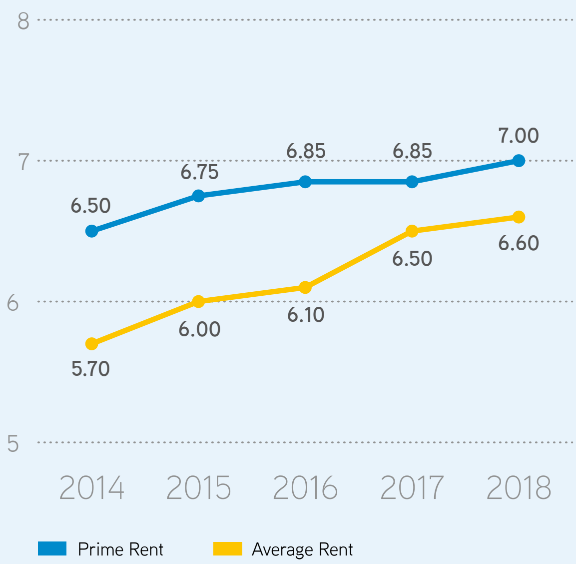


FIGURE 3: **Prime and Average Rents** in €/sqm

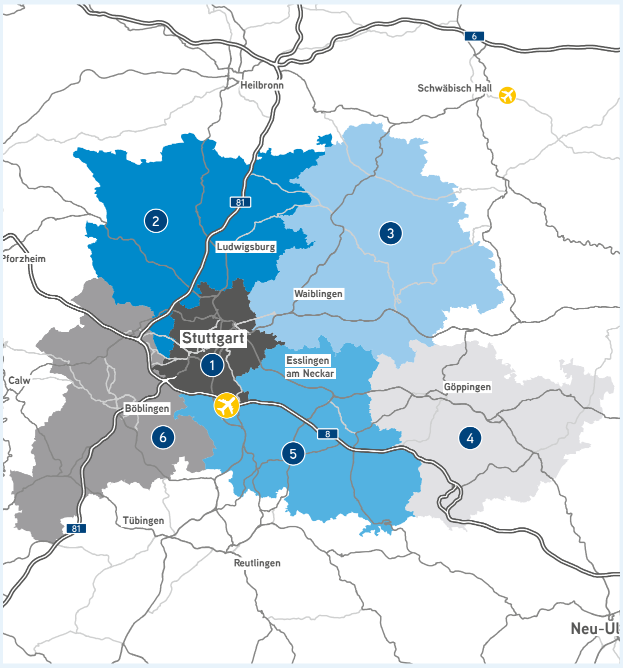


STUTTGART

FAST FACTS

	2018	2017	Change
Take-up in sqm	300,400	393,900	– 24%
Leasing Performance in sqm	257,000	242,300	6%
Number of Deals	83	85	– 2%
Prime Rent* in €/sqm/month	6.50	6.50	0%
Average Rent in €/sqm/month	5.20	5.20	0%

*achievable top rent in new buildings



Take-up according to Location

Submarket	Take-up in sqm	Share
1 Stuttgart	14,500	5%
2 Ludwigsburg	92,900	31%
3 Rems-Murr-District	35,500	12%
4 Göppingen	51,000	17%
5 Esslingen	58,200	19%
6 Böblingen	48,300	16%
Total	300,400	100%

LEASING

Take-up

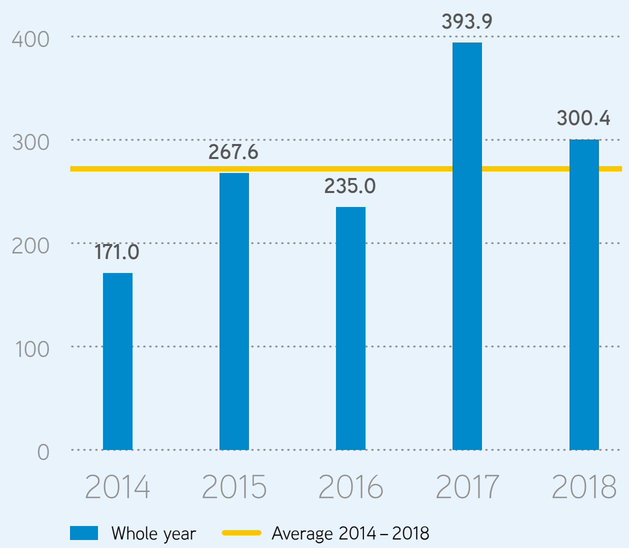
The Stuttgart industrial and logistics market (excluding office and common areas) posted take-up of roughly 257,000 sqm in 2018, up 6% yoy. Owner-occupiers tended to be more hesitant in 2018, only accounting for around 43,400 sqm (2017: 151,600 sqm, -71%), with total 2018 take-up on the Stuttgart industrial and logistics real estate market down 24% as a result to 300,400 sqm. Nevertheless, this is still the second best on record in the past 5 years.

As in the previous year, the space segment over 10,000 sqm accounted for the lion's share of total take-up. A total of 8 deals were signed in this segment, putting take-up at 108,400 sqm, or 36% of total results. Demand for units ranging from 5,001 sqm to 10,000 sqm was similarly high (27%), with units larger than 5,000 sqm accounting for around two-thirds of annual take-up. Aurelis Real Estate leased around 19,000 sqm of warehouse and office space in Böblingen to a well-known automotive group. The property is located at Hanns-Klemm-Straße 24/26 and is comprised of several building sections featuring warehouse, logistics and production space. Other large-scale deals include the lease signed by Schneider Logistik in Geislingen an der Steige (12,520 sqm) and the lease signed by logistics service provider Schmal+Schön for roughly 13,400 sqm of warehouse space in Frickenhausen (Esslingen district).

Logistics service providers and manufacturing companies were the most active user groups. Logistics service providers in particular signed more leases than in the previous year, increasing their share of total take-up from 26% to 46% (139,900 sqm). Manufacturing companies were right at their heals with 44% (131,900 sqm).

The district of Ludwigsburg again posted the highest take-up result, accounting for roughly 31%, or just under 92,900 sqm.

FIGURE 1: **Take-up** in 1.000 sqm



Take-up according to Size Category

Size in sqm	Take-up in sqm	Share
up to 500	1,400	1%
501–1,000	11,100	4%
1,001–3,000	54,500	18%
3,001–5,000	42,600	14%
5,001–10,000	82,400	27%
above 10,000	108,400	36%
Total	**300,400**	**100%**

One-third of all deals signed in 2018 involved space in this submarket, with units averaging at 3,400 sqm.

Rents

The popularity of this submarket is also reflected in current rent levels, and it is currently one of most expensive sub-markets in the Stuttgart logistics region alongside Esslingen, Stuttgart and Böblingen. Tenants are paying prime rents of up to €6.50 per sqm for logistics space in the area. Stuttgart currently shares second place with the Frankfurt/Rhine-Main region in a nationwide comparison. Munich is the only city in Germany with higher prime rents (€7.00 per sqm). The sharp rise in demand and scarcity of land sites and rental space will continue to fuel this trend with no end to rising rent levels in sight for the time being.

Summary and Outlook

Higher land site and construction costs combined with low completion rates will continue to put a damper on take-up in the Stuttgart metropolitan region in 2019. Rents are set to continue to rise as a result. The market is unable at the moment to fully satisfy high demand, causing companies to increasingly turn to more affordable locations somewhat outside the logistics region but with excellent access to transportation. Average lease terms are getting longer as well with an increasing number of leases being signed for five years or more.

FIGURE 2: **Take-up by Branch** Share in %

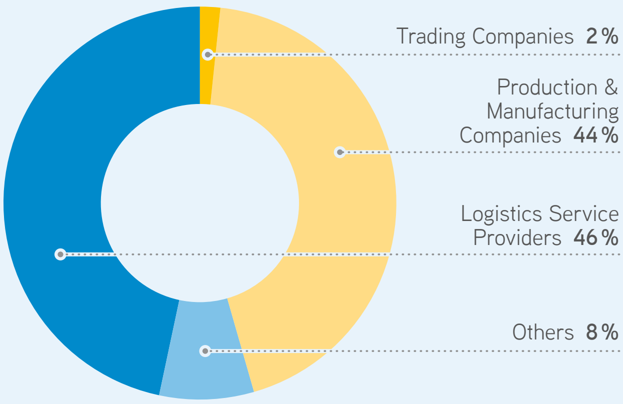
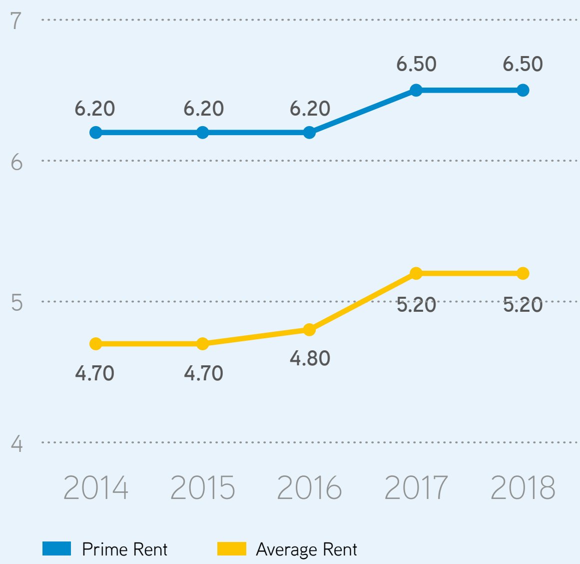


FIGURE 3: **Prime and Average Rents** in €/sqm



INVESTMENT

Transaction volume

German industrial and logistics assets generated a transaction volume of over €6.8bn in 2018. Although this result fell short of the exceptional previous year (2017: €8.7bn) due to a lack of larger portfolio deals and takeovers, take-up in 2018 was still impressive, particularly compared to the long-term average. The transaction volume generated in this segment topped the 5-year average by a significant 48%, reflecting the second best year-end result after record year 2017 despite the severe shortage of suitable investment opportunities, particularly in the core segment.

Industrial and logistics assets again claimed a market share of 11%, solidifying their position as the third-strongest asset class on the German commercial investment market.

Supply and Demand

With their broader risk diversification and higher rental income compared to logistics assets, industrial assets were more popular with investors in 2018 than ever before, attracting an increasing number of both German and foreign investors. Two of the three highest-volume deals posted in 2018 were signed in this segment: the Optimus Prime portfolio acquired by Helaba Invest from Beos (21 light industrial assets, 565,000 sqm rental areas) for over €500m and a portfolio comprised of 32 assets sold by Aurelis Real Estate for over €600m, which was transferred to Beos' first corporate real estate fund CREFG IV.

The growing demand for light industrial assets can mainly be attributed to their attractive locations in large economic centers and conurbations with significant upside potential in terms of land value, rent levels and space consolidation, making them an attractive alternative to logistics properties and other asset classes.

FIGURE 1: **Transaction Volume Industrial & Logistics in bn €**

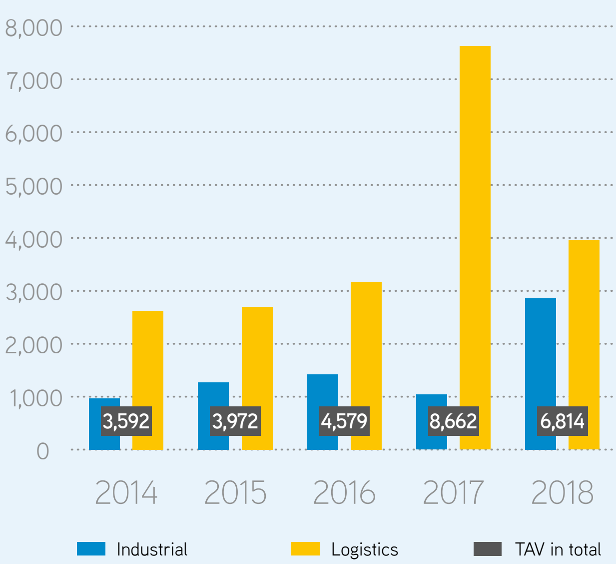
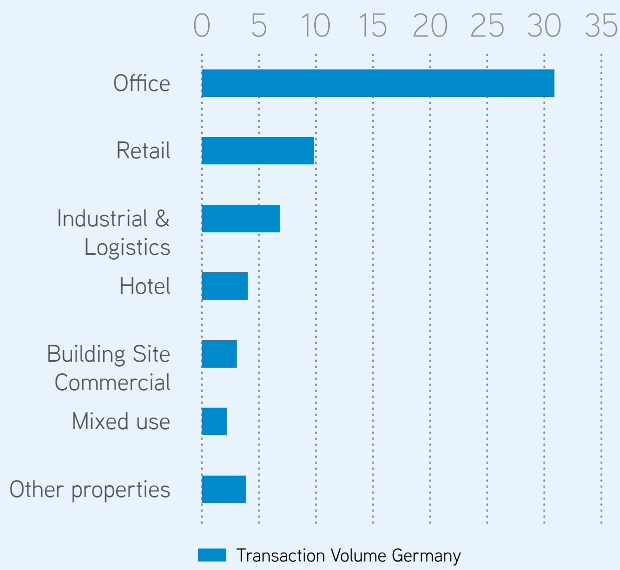


FIGURE 2: **Transaction Volume by Property Type in bn €**



Unlike 2017, German investors had considerably more opportunity in 2018 to invest in industrial and logistics assets, generating more than half of transaction volume as a result (52%). This stands in contrast with their 2017 market share of only 35%.

Portfolio deals accounted for around 56% of total transaction volume, or €3.8bn, down 21% yoy. As in previous years, foreign investors in particular took a strategic approach, waiting to secure most of the larger portfolio deals, while German investors accounted for two thirds of single-asset transactions, or €1.9bn. Of particular note is US-based asset manager Blackstone's takeover of the pan-European logistics joint venture, MStar Europe, from Starwood and M7 Real Estate. The deal involved 22 German light industrial assets in the core+ and value add risk classes. Blackstone also acquired a portfolio in Q3 2018 from Hines Global REIT comprising 10 logistics assets in Germany and Poland for roughly €450m.

Yields

Gross prime yields for the latest generation of Class-A logistics assets with a lease term of 10 years or more again dropped by 15 bps to 4.50% following a period of stability.

Yield compression for prime assets outside of Germany's top locations continued as well, down a total of 30 bps over the course of the year to 4.60% on average. However, we do not expect to see any significant changes over the course of 2019 as there is currently no indication that the supply of high-end core products will pick up any time soon. The trend around light industrial assets could paint a different picture, however. Current market conditions point to further movement in gross prime yields for light industrial assets throughout 2019, which fell by 30 basis points to 5.70% in 2018.

FIGURE 3: **Transaction Volume by Size Category in %**

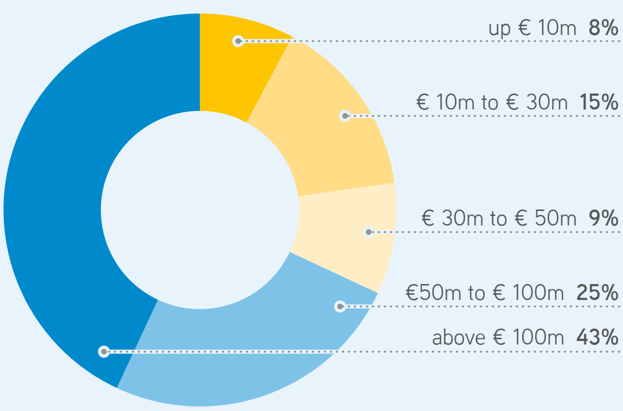
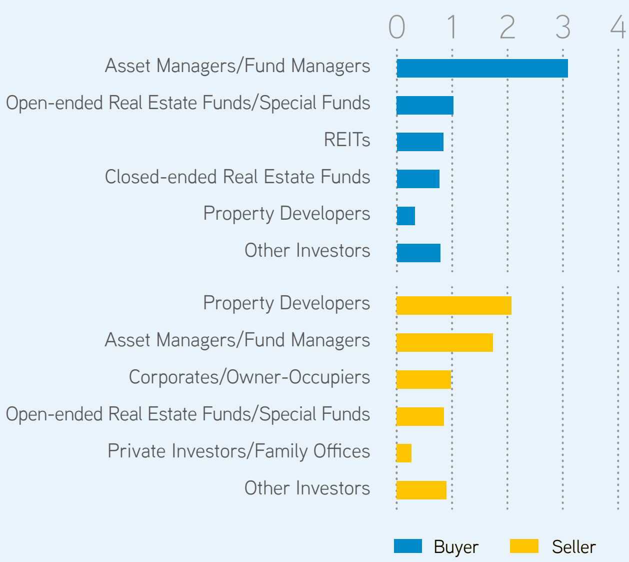


FIGURE 4: **Transaction Volume by Buyer/Seller Groups in bn €**



Summary and Outlook

The market has proven more popular with investors over the past several years than ever before. The shift toward alternative investment opportunities, the keyword here being "corporate real estate" (light industrial, business parks, transformation and production properties) is a clear indication that enough capital is currently liquid and that investors continue to search for fast, and more importantly, profitable ways to invest in German assets. They are even willing to hazard possible vacancy and renovation works.

Transaction volume in 2019 is expected to come in above the long-term average. Portfolio deals will continue to be a popular option for market players looking to invest in German industrial and logistics properties, although the shortage of suitable products will put a damper on investment activity. Speculative investments, however, could boost the market as a number of potential large-scale tenants are currently on the lookout for space. Sharply rising construction costs combined with the fact that many contractor calendars are already full could lead to increases in rental prices for industrial and logistics assets, also outside of prime locations. Even though no major takeovers or mega deals on the industrial and logistics investment market similar to those seen in record year 2017 are anticipated, total results in 2019 will be above average and industrial and logistics assets will again place among the top 3 asset classes on Germany's overall commercial market.

FIGURE 5: **Share of International Investors**
in %

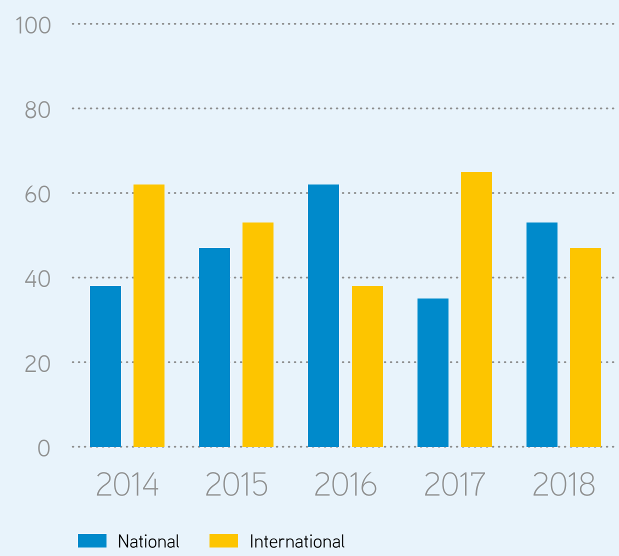
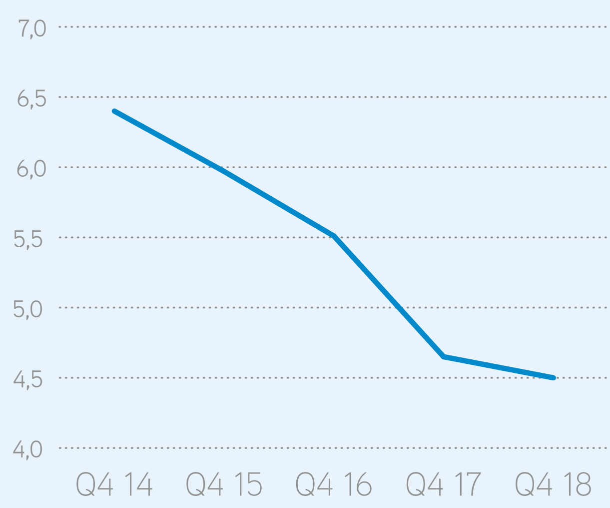


FIGURE 6: **Prime Yield Performance (Gross Initial Yield)**
Mean value in %



GLOSSARY

Take-up of space

Take-up of space is the sum of all spaces either newly let, or built by an owner-occupier within the period under consideration. The salient date is that on which the lease agreement is signed. The renewal of an existing lease is not counted in the take-up of space. Exclusively logistics and industrial space serves as the basis of calculation; pro-rata office and ancillary space is not taken into account.

Leasing Performance

Leasing performance reflects take-up excluding owner-occupied space. Exclusively logistics and industrial space serves as the basis of calculation; pro-rata office and ancillary space is not taken into account.

Prime Rent

Prime rent refers to latest generation logistics space exceeding 3,000 sqm (min. height 10 m bottom edge, 2–3 docking gates/1,000 sqm, sprinkler system, office share up to 10%).

Average Rent

Average rent refers to multi-functional logistics space exceeding 3,000 sqm (height > 7 m bottom edge, 1–2 docking gates/1,000 sqm, low office share).

Prime Yields

Gross prime yield refers to Class-A properties (latest generation logistics properties, max. age of building 10 years, > 5,000 sqm, height > 10.0 m bottom edge with docking gates, long lease terms) in Germany's top investment markets.

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