

HIH Invest Real Estate Acquires New-Build Logistics Complex in Rhine-Neckar Metro Region

- Around 43,550 square metres of modern and fully pre-let floor area
- Asset acquired via an off-market transaction
- Demand for logistics and warehousing units expanding into secondary locations
- “Logistics and Real Estate 2021” survey: HIH Invest among Germany’s top four logistics investors

Hamburg, 09 November 2021 – HIH Invest Real Estate (“HIH Invest”) just acquired a logistics property development in Kronau near Karlsruhe. The new-build property is being developed and sold by a project company of the Machmeier Group (INWO) based in Sandhausen.

The property, which occupies about 43,550 square metres of floor area is already pre-let in its entirety to POCO Einrichtungsmärkte GmbH and the V&V Dabelstein Group. Slated for completion by the end of 2022, the new-build complex is designed for alternative use options and for multi-user occupancy, and will be certified under the DGNB Gold sustainability standard. The logistics property was acquired directly from the developer via an off-market transaction on behalf of a single mandate.

“Investments in the logistics segment have continued to gain in appeal in the wake of the COVID-19 pandemic. Stable growth forecasts point to e-commerce as sustainable driver for the domestic and international logistics industry, and to a growing demand for new logistics facilities. At the same time, customer requirements for goods deliveries keep increasing – especially with respect to delivery times. This will further raise the pressure to find space,” said Lars Bothe, Head of Transaction Management Logistics at HIH Invest Real Estate.

The findings of the “Logistics and Real Estate 2021” survey by bulwiengesa confirm this development: On the investment market for German logistics, Unternehmensimmobilien-type and industrial real estate, 2020 ended with an investment total of more than 9.7 billion euros – an all-time high. New-build construction activities are also at peak level. In 2020, delays in the start of construction projects caused the sum total of new logistics facilities completed (3.7 million square metres) to fall short of the prior-year total (4.9 million square metres). But the increase in construction activities in 2021/22 is expected to deliver record completions volumes of more than 5 million square metres.



The survey lists the leading investors on the German logistics market for the first half-year of 2021, with HIH Invest ranking fourth: “Between 2020 and mid-year 2021, we already invested 480 million euros in logistics real estate, and the first six months of 2021 account for nearly 300 million euros thereof. At this time, several logistics properties are already in the due diligence process, so that the coming months are likely to see additional signings. In all of this, a property’s location still remains the main criterion,” elaborated Lars Bothe. “The new-build complex in Kronau is located in one of the most sought-after logistics hot-spots in Germany where strong demand coincides with a short supply in facilities.”

The asset in Kronau just purchased by HIH Invest is located directly next to the A5 motorway between Heidelberg and Mannheim, just north of Karlsruhe, the second-largest city in Baden-Württemberg. The region is one of the most competitive and wealthiest anywhere in the European Union. The robust local services and trading sector, the growth in e-commerce logistics, and the keen demand generated by manufacturing businesses fuel the need for more logistics real estate.

The legal and fiscal due diligence process for the new-build complex purchased was handled by Ashurst LLP from Frankfurt. The technical and environmental due diligence (TEDD) was conducted by Arcadis Germany, a company based in Darmstadt.

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**Lars Bothe, Head of Transaction Management Logistics
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About HIH Invest Real Estate

HIH Invest Real Estate ("HIH Invest") is one of the leading investment managers for real estate in Germany and elsewhere in Europe. We find, develop and control real estate and investments under a forward-looking approach in the best interest of our clients. Decades of experience, close proximity to real estate markets and tight networking enable us to identify real estate opportunities and to act on them quickly during the right market cycle.

Around 220 institutional clients entrust their investments to HIH Invest. They benefit from the structuring, product development, property management and market development specialists we make available for the purpose of developing just the right investment solutions for them.

HIH Invest maintains a presence in ten different locations across Europe. As part of the HIH-Group, we cover the entire real estate investment value chain with in-house capacities. The early recognition of market changes, the implementation of regulatory requirements and forward-looking digital management are part of our corporate philosophy.

At the moment, we have 14.6 billion euros worth of assets under administration in 81 investment funds.

For more details, visit the company homepage at: www.hih-invest.de