

## Press Release

### **GARBE Completes First Closing for its New Pan-European Logistics Fund, Acquires Seed Portfolio for over 650 Million Euros**

- GARBE established its first evergreen fund for core-plus logistics real estate
- Article 8 fund with manage-to-ESG strategy
- Approximately 400 million euros in equity funds already raised
- Acquired portfolio consists of 22 properties in Germany and Poland
- Planned cash-on-cash yield of 4 percent p.a., IRR of 7 percent p.a.

**Hamburg, 13 July 2022.** GARBE Industrial Real Estate GmbH (“GARBE”), one of the leading specialists for logistics and industrial properties in Germany and elsewhere in Europe, raised approximately 400 million euros in equity among German and international investors for its investment fund, “GARBE Logistics Real Estate Fund Plus III” (“GLIF+III”). The Luxembourg special AIF (SICAV-RAIF) without maturity is an Article-8 fund with a manage-to-ESG strategy. With a planned investment volumes of five billion euros, it is GARBE’s largest pan-European fund for institutional investors to date.

It marks a plausible continuation of the company’s European growth strategy. The new logistics fund invests in established logistics sites across Europe as well as in selected growth regions, in some cases pursuing value-add and development strategies in addition to its main core-plus strategy. Its seed portfolio consists of 22 assets with an investment volume of more than 650 million euros and about 400,000 square metres of lettable area. Located in Germany (21) and Poland (1), the properties show an occupancy rate of 95 percent and a WALT of more than ten years. Meanwhile, over one billion euros worth of assets remain in the pipeline for GLIF+III. A second closing is therefore planned before the end of this year.

Christopher Garbe, Managing Partner of GARBE, commented: “We set up the GLIF+III during a very challenging market cycle. On the part of our clients, it is thus a remarkable sign of confidence in the logistics real estate market, in the fund strategy and in the competencies of GARBE as leading manager and developer of logistics real estate in Europe.” Garbe went on to say: “This represents a strategic milestone, and is the result of our active European expansion strategy. The GLIF+III combines our entire management competence while opening our platform up to international institutional investors.”

Jan Philipp Daun, Managing Director of GARBE, added: “Due to their indexed rents, logistics properties act like a stabilising anchor during times of crisis, and offer a maximum in protection against value erosion due to inflation. It has been a lessor’s market that offers us a reliably strong demand for logistics space everywhere in Europe, meaning both in primary and specifically in secondary locations, and we are aware of additional rent upside here. You need to remember that rents, making up five percent of the overall costs, play a negligible role in the logistics industry in general and for our clients in particular.” And Daun added: “The fund taps the principally robust market sentiment, and gives institutional investors an opportunity to participate in the ongoing logistics boom. Our well-filled project pipeline enables us to ensure speedy capital drawdowns despite the keen demand for logistics real estate.”

The focus of the GLIF+III is on logistics assets in the core-plus segment, with an add-on component of selected core- and light-industrial properties. The strategy is supplemented by property developments and value-add properties. It targets a net cash-on-cash return of 4 percent p.a. and an internal rate of return (IRR) of 7 percent p.a.; institutional investors may buy into the fund with a minimum investment amount of 10 million euros.

GARBE was advised by Linklaters LLP on the fund launch, CBRE Capital Advisors provided support in international sales outside Germany.

For the acquisition of the initial portfolio, the fund was also advised on legal and tax matters by Linklaters LLP, Ernst & Young provided tax structuring advice, Drees und Sommer provided technical and ESG due diligence, MÖHRLE HAPP LUTHER Consultants provided financial due diligence and CBRE acted as acquisition advisor.

On the seller's side, Greenberg Traurig Germany LLP was mandated for legal support, HLB Stückmann provided tax advice and BNP Paribas Real Estate accompanied the sales process.

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**About GARBE Industrial Real Estate GmbH**

GARBE Industrial Real Estate GmbH is one of the leading platforms for logistics properties, multi-let properties of the Unternehmensimmobilien type and technology properties in Germany and elsewhere in Europe. For more than 25 years, the manager-owned company, headquartered in Hamburg, has counted among the main independent collaboration partners for transport and logistics service providers, the trade sector and the manufacturing industry. GARBE develops, buys, sells, lets, manages and finances high-end commercial properties in attractive European locations. At present, GARBE has around 5.0 million square metres of lettable area and a property development volume of around 1.7 million square

metres in Germany and elsewhere in Europe under management that represent property and fund assets in a combined value of c. 9.5 billion euros. (Baseline date: 15 January 2022).