

## Press Release

### **GARBE Industrial Real Estate Continues to Expand in Europe and Benefits from Sustained Demand for Space**

- Rent increases of 11.7 percent implemented
- A further 57 property developments in planning or under construction in Europe
- New offices opened in the United Kingdom, Spain and Austria
- Assets under management increase to c. 10.2 billion euros

**Hamburg, 9 March 2023.** GARBE Industrial Real Estate (GARBE), one of the leading specialists for logistics and industrial properties in Germany and elsewhere in Europe, is moving ahead with its Europe-wide expansion, benefiting from the persistently strong demand for logistics space. For the 203 assets under its management as of 31 December 2022 (2021: 187 assets) with around 5.7 million square metres of lettable area (including open space), the company achieved rent increases averaging 11.7 percent through indexation provisions and by negotiating new lease agreements. The occupancy rate of the portfolio equals 98 percent. Moreover, the company responded to demand across Europe by delivering new sustainably designed logistics properties. For instance, eleven logistics assets with a combined floor area of about 340,000 square metres (2021: 338,000 square metres) were completed and handed over in Germany and Austria. Another 57 properties, thereof 34 located in European countries other than Germany, are either in planning or under construction in 2023.

Christopher Garbe, Managing Partner of GARBE, said: "We achieved best-in-class results even in the year just concluded with its difficult market environment. In addition, we continued our pan-European expansion by opening new offices in the United Kingdom, in Spain and in Austria, so that our footprint has grown to 16

branches in eleven countries.” Garbe added: “More than half of our new development projects are now located outside Germany. In Italy, for instance, we managed to acquire 230 million euros worth of properties both in the development and in the investment categories over the past 18 months. Similarly, we are in the process of developing five projects with around 146,000 square metres of logistics space in Austria, the Czech Republic and Slovakia.”

GARBE’s assets under management grew by seven percent to c. 10.2 billion euros by 31 December 2022 (2021: 9.5 billion euros). The company also completed transactions in a volume of c. 1.97 billion euros across Europe (2021: 1.2 billion euros).

Garbe elaborated: “We expect to keep seeing a keen demand for warehouse and logistics facilities this year, and are confident of our ability to keep raising rent levels. As a robust asset class, logistics real estate managed to stand its ground within a challenging market environment.” The PYRAMID Map that is compiled in-house provides GARBE with drilldown data on rent and yield rates in 122 submarkets in Europe, backing up its findings with well-informed insights about prospective market trends.

In the area of institutional investments, the company raised c. 600 million euros in equity capital in 2022. Jan Philipp Daun, Managing Director and Head of Investment Management, commented: “We assume that the investment sector will start regaining significant momentum by the end of the second quarter of 2023. The logistics market continues to benefit from its resilience, because rental growth makes up for the softened price-to-rent ratios and thereby safeguards and optimises the current cash flow.”

GARBE has also continued to pursue its ESG commitments. For instance, one of the most environmentally friendly logistics parks in Europe was developed in the town of Piešťany in Slovakia. Christopher Garbe explained: “It is not just with the

development of new projects that we prioritise sustainability. We generally equip all of our developments with PV systems, while having made it standard practice to replace radiant tube heating units with state-of-the-art heat pumps.”

To ensure a sustainable energy generation, GARBE installed photovoltaic systems with a combined output of 25 megawatt peak (MWp) on a total of 220,000 square metres of roof surfaces in 2022. In order to push forward with the development of these facilities, the company set up GARBE Infrastructure, a spin-off handling the various activities in the infrastructure and renewable energies segments.

GARBE also continued to reinforce all of its offices by hiring new staff. The number of employees rose by 52 specialists to a total of 282 during 2022. Not least, the company was awarded the “Top Job” seal as one of Germany’s most attractive employers by the Centre for Employer Attractiveness (zeag GmbH) on the basis of an evidence-based survey among employees and executives.

***Note on the Calculation of Assets under Management:***

*The market-oriented value of the assets under management is determined twice a year, and is based on the passing rents and the sale-price-to-rent ratios achievable on the market at the time. In a separate calculation, the same method is applied to determine the values of pipeline assets, using current market rents as benchmark.*

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## **About GARBE Industrial Real Estate GmbH**

Based in Hamburg, GARBE Industrial Real Estate GmbH ("GARBE") is one of Germany's leading companies selling and managing logistics, light industrial and technology real estate. For over 30 years, the company has counted among the most important collaboration partners for transport and logistics service providers, the trade sector and the manufacturing industry. GARBE develops, buys or sells, lets, manages and finances high-end commercial properties in attractive transport nodes and industrial locations inside and outside Germany. At present, GARBE has around 5.7 million square metres of lettable area and a property development pipeline of around 2.6 million square metres in Germany and elsewhere in Europe under management that represent property and fund assets in a combined value of c. 10.2 billion euros (as of 31 December 2022).