

PRESS RELEASE

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Baytree Logistics Properties enters the German market with first logistics development site in Hannover

Baytree Logistics Properties ("Baytree"), a pan-European logistics and industrial development platform launched by AXA Investment Managers ("AXA IM - Real Assets") in 2015, will undertake an up to 30,000 sqm logistics development in Hannover, Germany, on a build-to-suit basis. It represents a significant milestone for Baytree, being its first development project in Germany. The site has been purchased by Logistics Development Club⁽¹⁾, a fund managed by AXA IM - Real Assets.

Strategically located in the industrial Brink-Hafen area of the city, the site benefits from its proximity to major road, rail and river routes; 10 minutes from the center of Hannover, 5 minutes from the A2 motorway and 10 minutes from Hannover Airport. The site may be operated by tenants for urban, regional or national distribution.

Baytree plans to develop up to 30,000 sqm in a single Grade-A logistics warehouse on the brownfield site, to include office space and storage in mezzanine. The site is zoned for industrial use and Baytree is proceeding with the demolition of existing structures on site.

Hannover is the sixth largest logistics occupier market in Germany, with the current prime vacancy rate estimated at just 4%. Take-up in Germany has been steadily increasing since 2014 driven primarily by the growth of e-commerce, changing consumer habits and the reconfiguration of supply chains. Baytree intends to grow its presence in Germany through new development of logistics sites in locations underpinned by a demand/supply imbalance.

Rabih Modad, Managing Director of Baytree Logistics Properties, commented: "This new development project represents a significant milestone for Baytree as we expand our activities into one of Europe's largest logistics markets and is in line with our ambition to build a market-leading pan-European logistics platform. We look forward to progressing this project and marketing it to those potential occupiers who will benefit from its strategic location and excellent transport links."

Laurent Jacquemin, European Head of Transactions at AXA IM - Real Assets, added: "The logistics and industrial sector remains attractive, being supported by structural changes in the way consumers and businesses operate, driven by e-commerce. This off-market purchase demonstrates our ability to source projects that offer investors opportunistic returns through development. We will continue to look for logistics development investment opportunities such as Hannover, in order to deliver value for our clients."

Baytree in the UK and France

Baytree recently commenced the first phase of development at **Baytree Dagenham**, East London, with the construction of two urban industrial units totaling 10,000 sqm, with no pre-let. At **Baytree Luton**, key infrastructure works are underway including the installation of utilities and construction of a new roundabout, to enable the development of 38,000 sqm of logistics assets.

At the **Baytree Mer** site in France, the building permit for the first unit of 38,000 sqm has been secured. Located at "Les Portes de Chambord" industrial zone near Orleans, the three proposed build-to-suit warehouses will total c.130,000 sqm of Grade-A space, with additional office facilities, designed to be attractive to a wide variety of industrial, logistics and manufacturing occupiers.

Baytree projects are aiming to achieve BREEAM "Very Good" ratings and certification through the WELL Building Standard, which focuses on promoting the health and wellbeing of people working in the buildings. The first WELL Building Standard certification for an industrial building is being piloted at Baytree Dagenham.

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⁽¹⁾ Logistics Development Club is managed by AXA REIM SGP, an affiliate of AXA IM - Real Assets

Press Contacts

FTI Consulting Inc.

Richard Sunderland, Richard Gotla, Ellie Sweeney, Tom Gough

Tél: +44 20 3727 1000

AXAIMRealAssets@fticonsulting.com

Note to editors

Baytree Logistics Properties is a pan-European logistics and industrial development company focusing on the UK, German and French markets. Baytree was launched in 2015 by AXA Investment Managers - Real Assets, Europe's largest real estate portfolio and asset manager⁽²⁾. Baytree provides development management services to the institutional investor clients of AXA IM - Real Assets. This service includes site identification, master planning, design, project management, procurement, delivery and aftercare. Baytree is focused on delivering high quality logistics, commercial and industrial buildings that meet the changing property needs of our customers. The Baytree team is highly experienced, previously having delivered over 5m sq m of logistics space for customers across Europe, China and the Middle East.

More information: www.baytree.com

⁽²⁾ Source: INREV/ANREV Fund Manager Survey – May 2017

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