



PRESS RELEASE
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One year after its creation, Alpha Logistics positions itself as a major player in the investment and management of logistics assets

Resulting from the merger, in June 2021, of Arthur Loyd Asset Management and Belvedere Capital activities in logistics, Alpha Logistics Real Estate has quickly established itself as a leading player in the acquisition and management of real estate assets on behalf of third parties. Its status as a "pure player" exclusively dedicated to logistics enables it to offer its clients with tailor-made investment solutions in a specialized and extremely competitive market.

Seven transactions for a total of 228 million euros since its creation

Since its creation a year ago, Alpha Logistics has been involved in seven acquisition and asset management transactions, representing a total area of 214,000 sqm and a volume 228 million euros. The risk profiles are varied Core, Core + and Value-Add. Six of these transactions took place "off market", demonstrating Alpha Logistics' particular expertise as an acquisitions advisor that knows how to stand out from its competitors. Following this successful launch, Alpha Logistics' initial objective of 500,000 sqm of transactions by 2024 seems more realistic than ever.

Four of these transactions were carried out as part of a partnership with a global institutional investor on a Core/Core+ defensive strategy. True to its strategy of providing its customers with a "one-stop shop" offering a full range of services from investment to asset management, Alpha Logistics performs the asset management for all the premises acquired through this partnership. The transactions deal with existing logistics platforms fully leased to one or more tenants, including e-commerce operators, with sizes ranging from 13,000 sqm to 35,000 sqm. These assets are located in the Paris and Lyon regions.

In addition to this partnership, Alpha Logistics has completed two other acquisitions, with Value-Add and Core profiles, in Béziers (34) and Nantes (44) respectively. A last one is under sales agreement.

In Hérault, in association with the American fund management company Barings Real Estate, Alpha Logistics finalized the purchase, off market and through forward funding, of a class A speculative asset, delivered in November 2022. This 50,400 sqm logistics platform, acquired a year ago, was entirely sold to the hard discount giant Lidl before it was delivered.

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In Grandchamps-des-Fontaines, north of Nantes, Alpha Logistics accompanied the British Europa Capital in the acquisition of a 48,000 sqm class A logistics platform, entirely leased to Lidl for its strategic activity of managing its discount operations. Alpha Logistics remains the asset manager.

Despite an economic situation severely impacted by the energy crisis and dysfunctions in supply chains (particularly from China), ALRE has nonetheless managed to maintain a sustained pace of activity. The cost prices of real estate development projects have thus experienced significant increases, due to ever more demanding environmental standards and a trivialisation of appeals from administrations and associations on building and operating permits.

A weakened logistics market supported by new investors

For their part, investors are facing an explosion in financing costs due to the rise in interest rates, mechanically decreasing returns on investments for those using credit. Uncertainty about the evolution of interest rates is driving away some of the investors who expect better visibility on their landing, which many hope to see in the first half of 2023. To unblock this situation, sellers and promoters have had to adjust and revise their prices downwards, as evidenced by the increase in yield rates since their low point at the beginning of the year (from 0.50% to 0.75% for Core assets).

This situation is particularly attractive to investors who have little or no recourse to credit, such as SCPIs, certain individuals via club deals, and certain long-term institutional investors. They appreciate the quality of the fundamentals and the good long-term outlook for the French logistics real estate market (once the current financing crisis is over), in particular sustained and diversified demand, especially in urban logistics. Indeed, despite the decline in take-up since the beginning of the year, the scarcity of supply (and even a real shortage in some regions) is driving rental growth and yields on logistics real estate are still at a premium to other asset classes, in particular offices.

Some investors, such as new entrants from the United States and the Middle East, see this gap as an opportunity to enter the market on favourable terms. The volume of investment has thus remained at a high level in 2022, at €3.4 billion over the first 9 months, an increase of 22% over a sliding year (according to Arthur Loyd Logistique).

ABOUT - Alpha Logistics

Created in June 2021 by Jean-Bruno Bes de Berc, Bruno Cohen, and Silvio Estienne, through a joint venture between Belvedere Capital and Arthur Loyd Asset Management, Alpha Logistics Real Estate, an independent real estate investment management company exclusively dedicated to the logistics sector in France, is involved in the entire supply chain (from XXL warehouses to urban logistics) and covers all risk segments (core to opportunistic). It is aimed at domestic and foreign institutional investors.