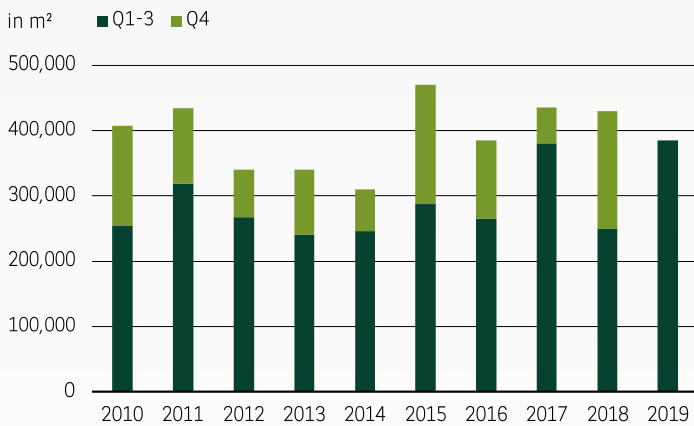




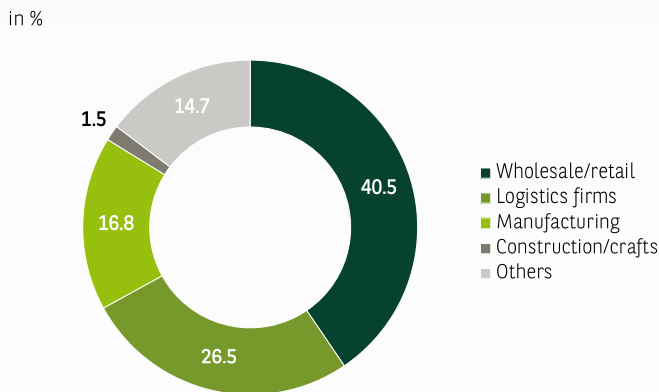
At a Glance **Q3 2019**

LOGISTICS MARKET BERLIN

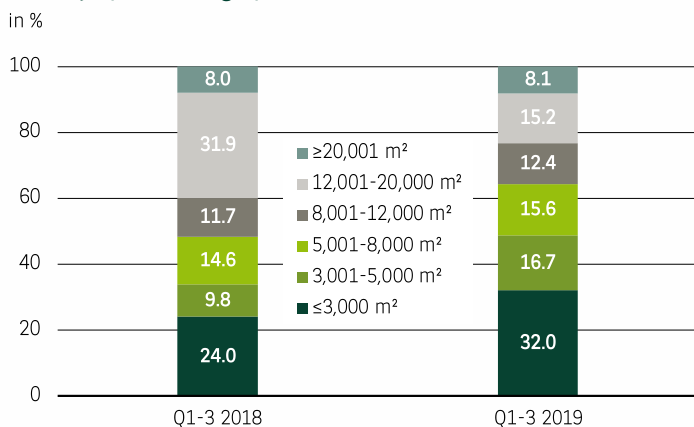
Light industrial and logistics take-up



Take-up by sector Q1-3 2019



Take-up by size category



NEW TAKE-UP RECORD ON THE LOGISTICS MARKET

Not only the office and investment markets are booming in Berlin, but also the logistics market (including the surrounding area) is setting a new record at the end of the third quarter of 2019. At around 385,000 m², take-up exceeds the previous year's figure by more than half. The 10-year average was also surpassed by a good 33%. Like almost no other market, Berlin is driven by a very broad-based demand, which is confirmed both by the distribution of take-up by sector and by size category. A total of more than 120 contracts were counted, doubling the previous year's figure. Although only a few large contracts were recorded, these were all the more significant, such as the 31,000 m² deal of an e-commerce company in Kiebusch or the 20,000 m² deal of Kühne & Nagel in Oberkrämer. While the share of new buildings has risen by almost 50% compared to the previous year, owner-occupiers continue to make only a small contribution, at just under 6%.

WIDE DISTRIBUTION OF DEMAND

With no less than three groups holding double-digit shares on the result, the distribution of take-up by sector is currently remarkably balanced even by Berlin standards. The ranking is led by the traditionally strong trading companies, accounting for almost 41% of the result, followed by logistics service providers, contributing about 27%. Manufacturing companies have also signed numerous contracts and are therefore generating 17% of take-up. The high share of all other industries (15%) underlines the diversified nature of demand in Berlin.

ONE THIRD OF TAKE-UP IN SMALLEST SIZE CATEGORY

The fact that the smallest size category makes the highest contribution to the result is unusual and reflects the consistently good demand which is backed by an increasing number of occupier groups not belonging to the classic logistics tenants. One third of the take-up and even almost three quarters of all contracts fall into this category. The majority of these contracts (almost 58%) relate to the attractive core area. With shares of between 12 and 17%, all other size categories are quite close to each other, with only the uppermost segment above 20,000 m² performing comparatively poorly with only 8%.

Major contracts Q1-3 2019

Quarter	Company	Location	Area (m ²)
Q1	E-Commerce company	Kiekebusch	31,000
Q2	Kühne + Nagel	Oberkrämer	20,000
Q2	kfzteile 24	Ludwigfelde	13,300
Q2	Automotive company	Kremmen	13,000
Q2	KW-Commerce	Großbeeren	12,100

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Key figures logistics market Berlin

	Q1-3 2018	Q1-3 2019	Trend remaining year
Prime rent	6.50 €/m ²	7.20 €/m ²	➔
Average rent	5.20 €/m ²	5.50 €/m ²	➔
Take-up	250,000 m ²	385,000 m ²	➔
- Share of owner-occupiers	3.1 %	5.9 %	➔
- Share of new buildings	30.4 %	47.2 %	➔

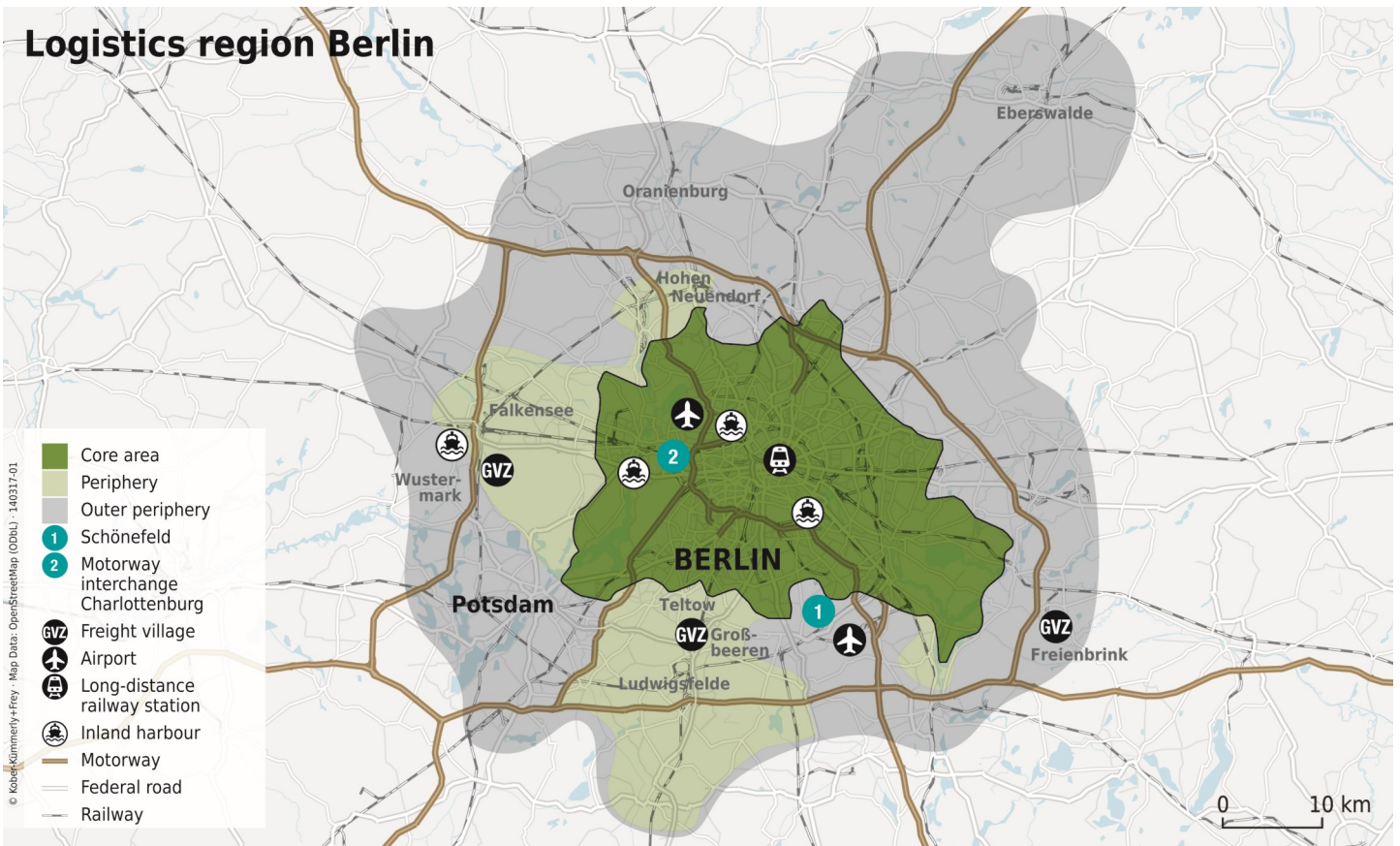
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UNBALANCED SUPPLY SITUATION

The supply situation in the Berlin market area can be described as divided. Particularly in the southern Berlin environs supply is sufficient even for large-scale requests, while in the core area there is already a lack of medium-sized spaces. In order to create new properties, development sites are necessary which are only rarely available due to the high competition with other uses such as housing or offices. The development reflects this excess demand and the competition with the higher-priced asset classes such as housing or offices. With 7.20 €/m², Berlin is currently the market with the highest prime rent in Germany (+11%). It is achieved in the city area at the Charlottenburg interchange. But the rent level has also risen on average across the market as a whole, albeit to a lesser extent with an increase of 6% to 5.50 €/m². This is also due to the relatively inexpensive new building areas in the southern periphery, some of which are already available at a price between 4 and 4.50 €/m².

OUTLOOK

Against the background of the currently high number of rental requests, the market is expected to be very dynamic in the final quarter, which could only be limited by the imbalance between supply and demand in the favoured locations. This is likely to fuel the further rise in average rents, while prime rents should stabilise at the level reached.



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