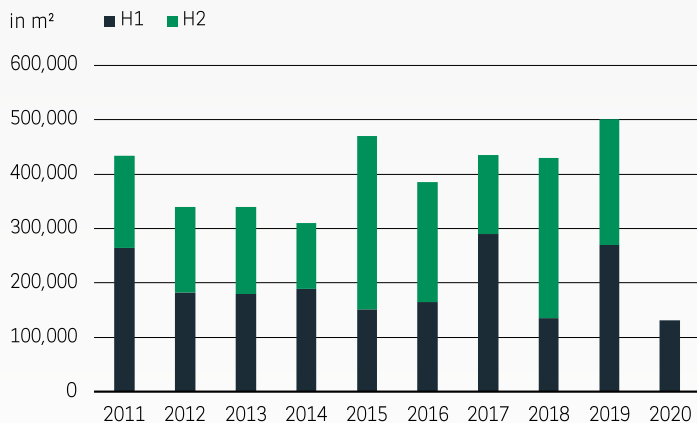




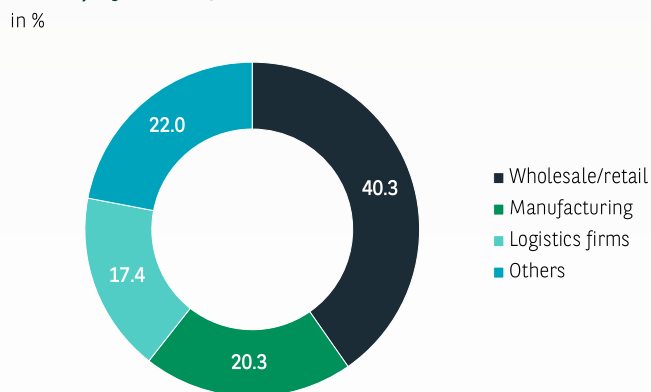
At a Glance **Q2 2020**

LOGISTICS MARKET BERLIN

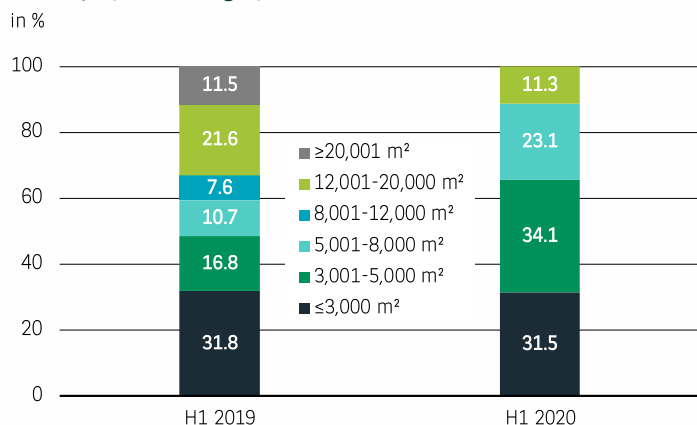
Light industrial and logistics take-up



Take-up by sector Q2 2020



Take-up by size category



► HIGH MARKET DYNAMICS BUT LOW TAKE-UP

The Berlin market for warehouse and logistics space (including the surrounding area) achieved a relatively modest result at mid-year with a take-up of 131,000 m². The result is thus only about half as high as in the previous year, which was admittedly strong though. However, the long-term average was also clearly undercut (-33%). Given that some companies have temporarily put planned letting decisions "on hold" and postponed them for a few weeks due to the uncertainties surrounding the economic and social lockdown, the current downturn is not particularly surprising. Nevertheless, this does not mean that the market has come to a complete freeze due to Corona. More than 50 registered deals prove that the market as a whole was very lively in the first half of the year. However, the registered deals are increasingly concentrated in the small-scale segment, to which the current good availability of modern space in business parks in the nearby Berlin area has also contributed.

► TRADING COMPANIES AS STRONG AS USUAL

The breakdown of take-up by sector shows a more or less familiar picture for Berlin at the half-year point. Driven by e-commerce, the retail companies, which are traditionally strong in the capital region, are at the top of the ranking with a share of 40%. The biggest deal concluded in this sector was the lease of 7,800 m² from an online retailer in Werder. In second place are manufacturing companies (20%), followed by logistics service providers (17%), which, both proportionately and in absolute terms, achieve a result that is well below average in a long-term comparison. An unusually high proportion of almost 21% is accounted for by the category of other industries. This is partly due to the fact that the largest transaction to date, the contract for the municipal hospital operator Vivantes for 13,700 m², falls into this class.

► MAJORITY OF TAKE-UP IN THE SMALL SEGMENT

As only one deal in the five-digit range has been registered to date, the small-scale segments account for a high proportion of take-up. Thus it is not surprising that the deals under 5,000 m² set a new record with a proportion of 66%. But even when this number is translated into absolute figures, it is no less impressive: a good 86,000 m² is equivalent to the second-best half-year result ever.

Major contracts Q2 2020

Quarter	Company	Location	Area (m²)
Q1	Vivantes	Berlin	13,700
Q2	E-Commerce company	Werder	7,800
Q1	Jonas & Redmann	Berlin	7,700
Q2	Flaschenpost	Berlin	6,700
Q1	Emsland-Stärke	Ludwigsfelde	6,000

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Key figures logistics market Berlin

	H1 2019	H1 2020	Trend remaining year
Prime rent	7.20 €/m²	7.20 €/m²	→
Average rent	5.50 €/m²	5.90 €/m²	→
Take-up	270,000 m²	131,000 m²	↗
- Share of owner-occupiers	4.4 %	19.8 %	→
- Share of new buildings	52.5 %	48.9 %	↗

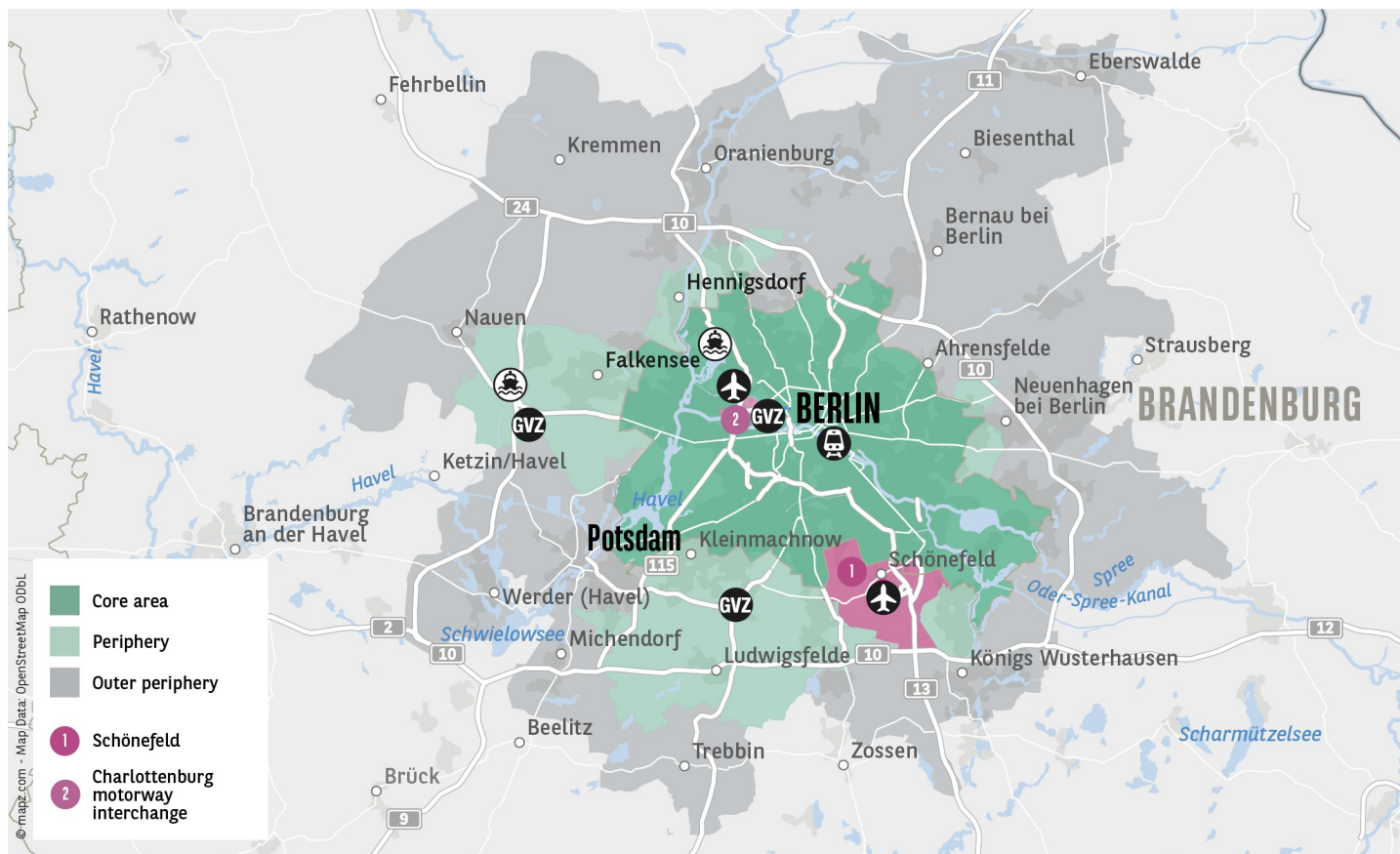
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HIGH DEMAND DESPITE CORONA CRISIS

Despite the corona crisis, a significant excess demand was noticeable in the central area of the logistics region. In the central locations, the prime rent for modern premises is therefore still at 7.20 €/m². Due to the many speculative new buildings in the surrounding area, modern spaces are available here from just 4.00 €/m². In the southern Berlin area, however, the market has already absorbed large parts of the available supply in certain areas, such as Ludwigsfelde and Großbeeren, so that price increases seem possible again. The average rent across the entire market has increased by 7% to 5.90 €/m² compared to the same period last year, but has remained unchanged since the beginning of the year.

OUTLOOK

For the second half of the year, the market is expected to pick up again significantly in terms of take-up. For instance, a number of strategic leases that have been negotiated for some time are in the final phase. In addition, growing demand from logistics service providers and suppliers is noticeable around the future TESLA gigafactory in Grünheide, which will also be reflected in take-up in the near future. Should the electric car manufacturer receive the final building permit for its plant in the coming months, it is even possible to achieve an above-average result compared to the long-term average by the end of the year.



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