

# LOGISTICS MARKET BERLIN



AT A GLANCE  
Q3 2023

231,000 m<sup>2</sup>  
TAKE-UP

-73 %  
Q3 2023 vs. Q3 2022

-35 %  
IN COMPARISON TO  
10-YEAR AVERAGE

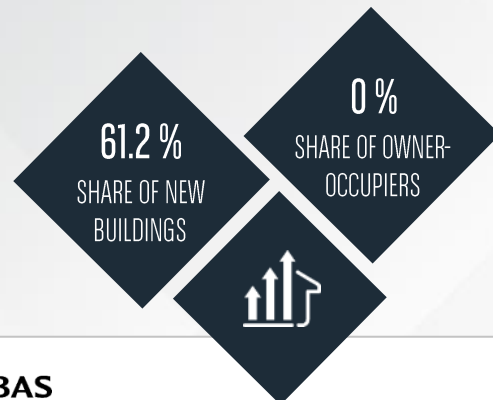
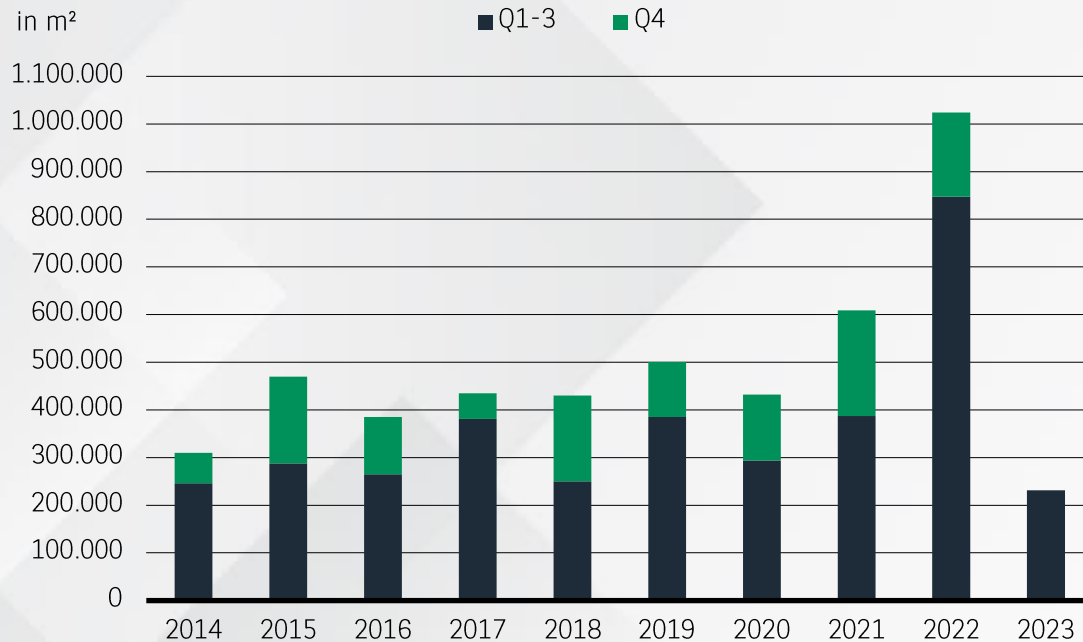


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# RISE IN THE THIRD QUARTER, PREVIOUS YEAR NOT COMPARABLE

## LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN BERLIN

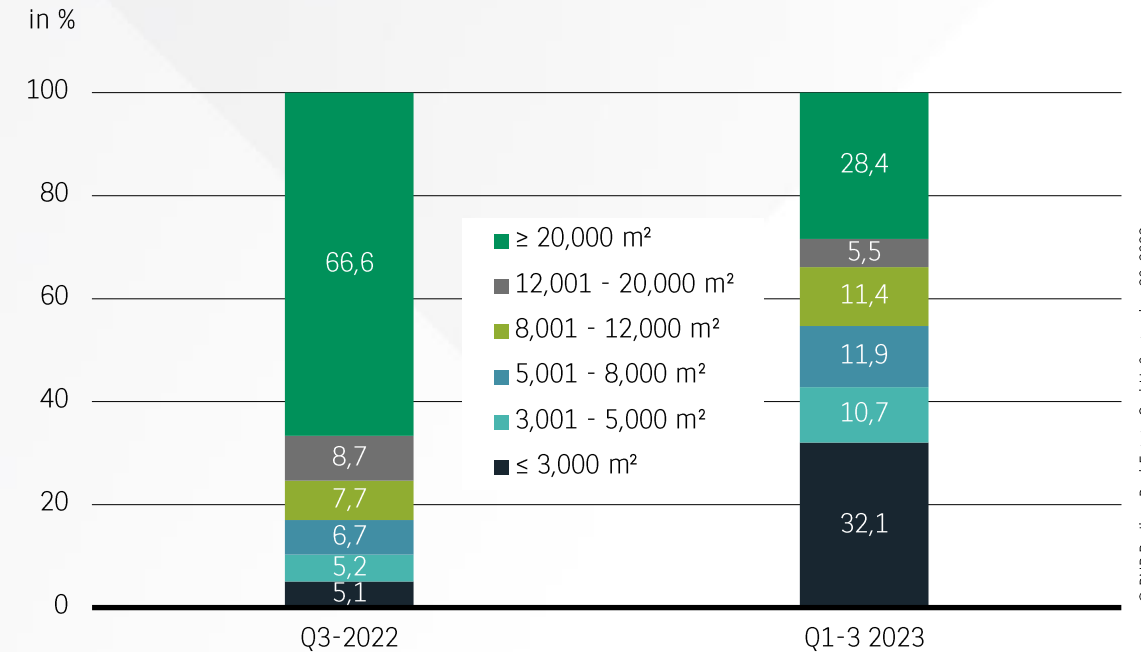


- The take-up on the Berlin logistics market must be considered in a differentiated manner after the first three quarters: On the one hand, the interim result of 231,000 m<sup>2</sup> contrasts with the exceptional volume from the previous year (847,000 m<sup>2</sup>), which could not be repeated in this form. On the other hand, however, the capital region was able to record the first major contracts by logistics firms We Log (35,000 m<sup>2</sup>) and LGI (30,500 m<sup>2</sup>) in Magna Park Berlin in the last three months and achieve the best quarterly result of the year (106,000 m<sup>2</sup>).
- The aforementioned major deals also provided a boost to take-up in the new-build segment, increasing the market share in this sector from almost 46 % at mid-year to 65 %. Nevertheless, the overall volume continues to be below average, mainly due to a lack of available space and the challenging conditions for project developments.
- Following a constant trend up to the middle of the year, rents rose again slightly at the top (7.90 €/m<sup>2</sup>) and on average (6.70 €/m<sup>2</sup>) in the third quarter as the supply/demand situation remained tight.

# LOGISTICS FIRMS BENEFIT FROM MAJOR LETTINGS

- While the ranking of sector groups was led by retail companies in the first half of the year, logistics firms were able to take the lead at the end of the third quarter with a share of 46 %, driven by the two major deals concluded by We Log and LGI. It is pleasing to note that with a take-up of 98,000 m<sup>2</sup> they almost reached their long-term average (-2 %).
- Wholesale/retail companies, on the other hand, are predominantly represented with smaller contracts in the current year, which means they have to be content with second place and a contribution of 32 % to total take-up. The industrial sector accounts for 8 %.
- In terms of size categories, the smaller spaces up to 3,000 m<sup>2</sup> (around 32 %), which are primarily located in the core area, and the large new leases of 20,000 m<sup>2</sup> and more (28 %) are particularly significant.

## TAKE-UP BY SIZE CATEGORY



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## TAKE-UP BY SECTOR



# OUTLOOK

## KEY FIGURES

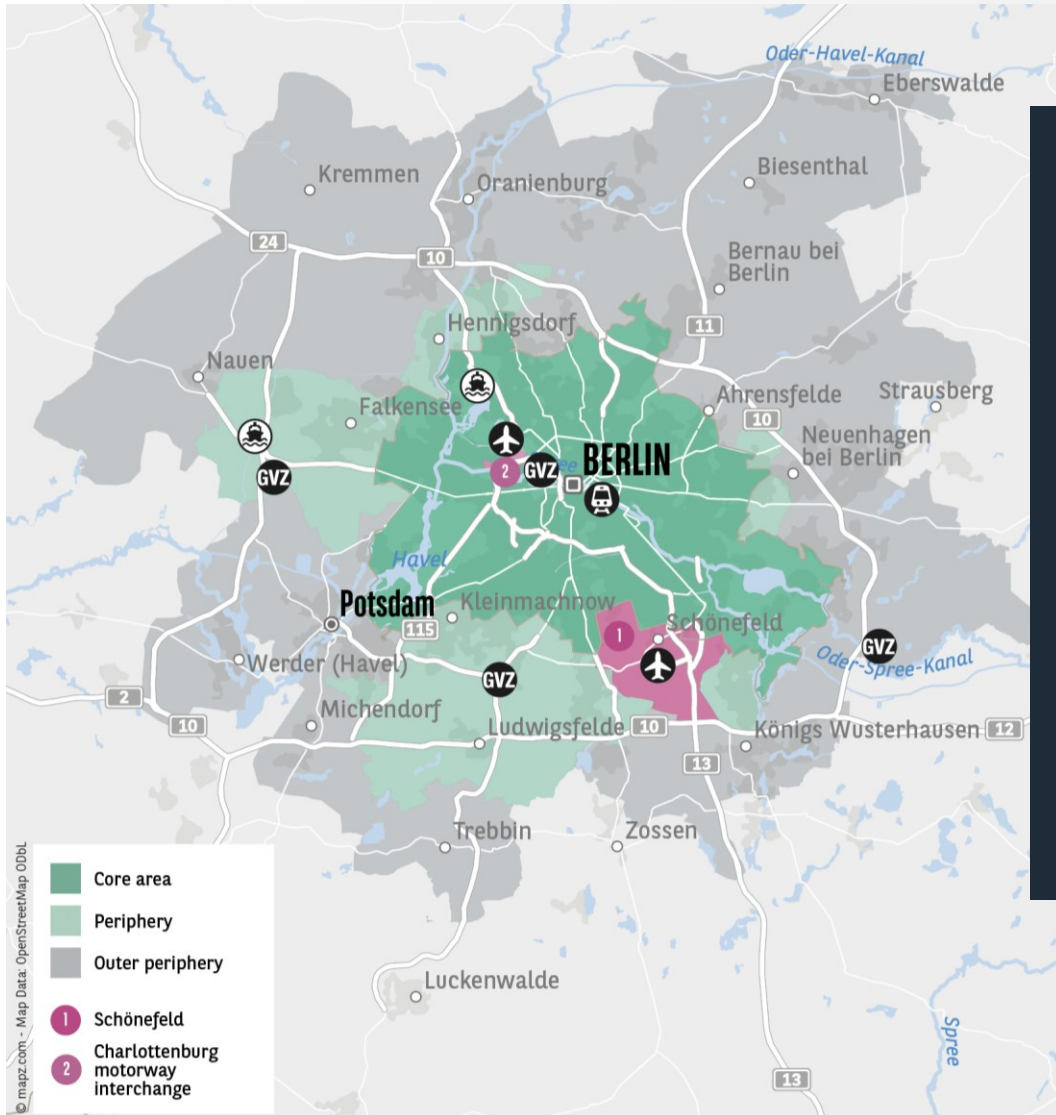
Rents	Q1-3 2022	Q1-3 2023	%-Difference
Prime rent (in €/m <sup>2</sup> )	7.50	7.90	5.3%
Average rent (in €/m <sup>2</sup> )	6.50	6.70	3.1%
Take-up and sectors	Q1-3 2022	Q1-3 2023	Long-term average
Total take-up	847,000 m <sup>2</sup>	231,000 m <sup>2</sup>	357,000 m <sup>2</sup>
Logistics firms	19.0%	45.7%	32.4%
Wholesale/retail	29.6%	31.7%	37.4%
Manufacturing	47.8%	8.4%	19.0%
Others	3.6%	14.2%	11.2%
Size categories	Q1-3 2022	Q1-3 2023	Long-term average
Share of deals > 20,000 m <sup>2</sup>	66.6%	28.4%	20.4%
Share of deals ≤ 20,000 m <sup>2</sup>	33.4%	71.6%	79.6%
Owner-occupiers/new building share	Q1-3 2022	Q1-3 2023	Long-term average
Share of owner-occupiers	45.7%	0.0%	13.8%
Share of new buildings	78.4%	61.2%	49.3%

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- Following the numerous very large contracts signed last year, the letting momentum in Berlin's logistics market is currently characterized by a much tighter supply situation in this segment. Even though two letting agreements were signed in the last three months for more than 30,000 m<sup>2</sup>, there are no adequate space offers for many requests.
- In addition to these trends in the large-space and new-build sectors, momentum in the existing-space segment is being hampered above all by the fact that lease extensions now play a much more important role than in recent years. Moreover, subletting's, which are increasingly being observed, cannot provide a general solution to the tight supply situation.
- Apart from the big box lettings, the demand trend in the segment for smaller, well-connected, and high-priced logistics space close to the city center is maintaining its momentum. These spaces are likely to continue to exert pressure on prime and average rents in the future. However, stable economic and geopolitical conditions will remain the main condition for generally high demand in the coming quarter.



# LOGISTICS MARKET REGION BERLIN



## MAJOR CONTRACTS

35,000 m<sup>2</sup>  
We Log  
Werder

30,500 m<sup>2</sup>  
LGI  
Werder

12,700 m<sup>2</sup>  
Bär & Ollenroth  
Berlin

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