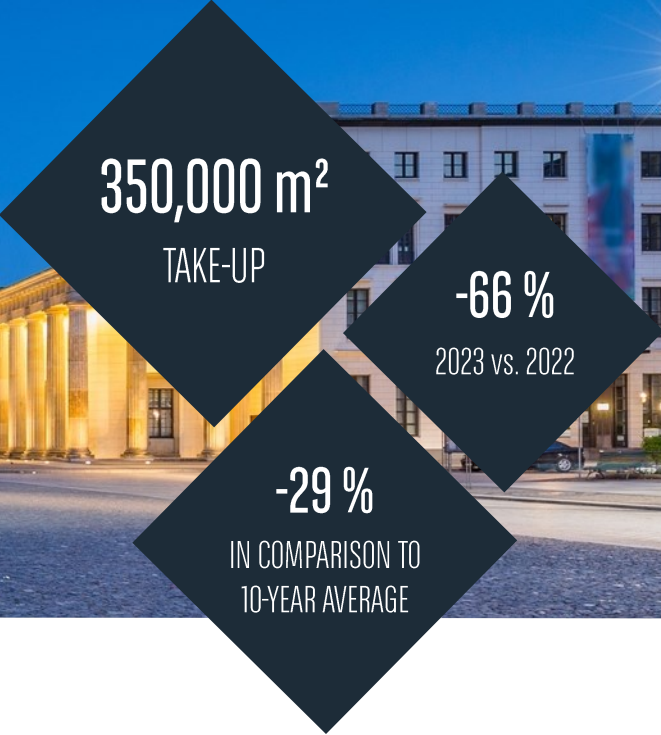


# LOGISTICS MARKET BERLIN



AT A GLANCE  
Q4 2023

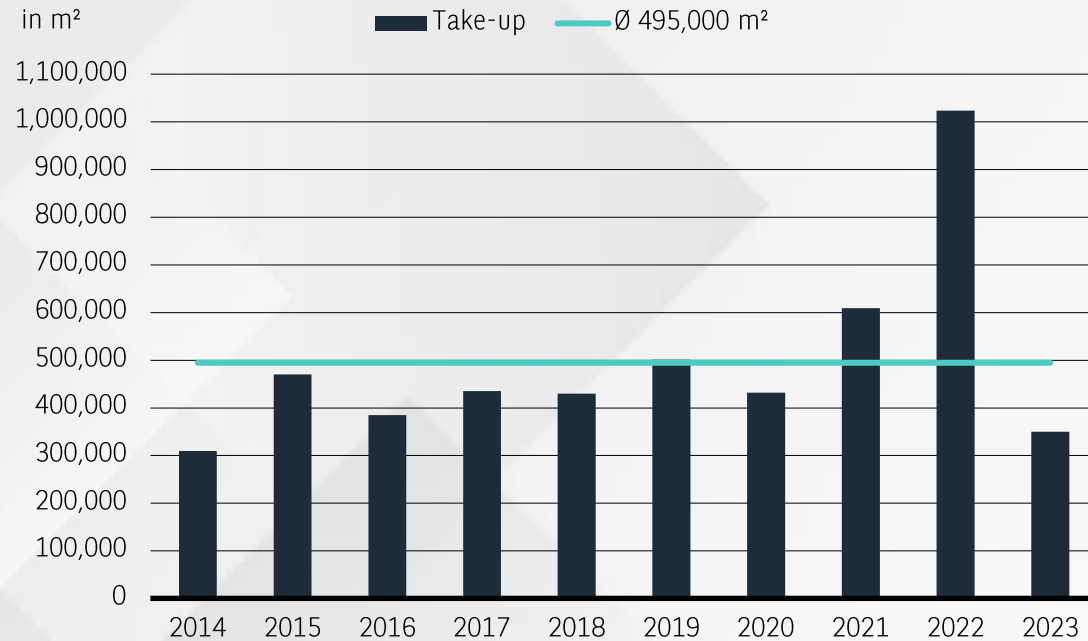


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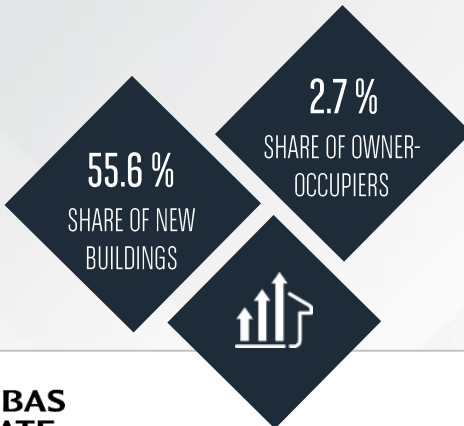
Real Estate for a changing world

# OVERALL WEAK RESULT FOR 2023 DESPITE STRONGER SECOND HALF

## LIGHT INDUSTRIAL AND LOGISTICS TAKE-UP IN BERLIN



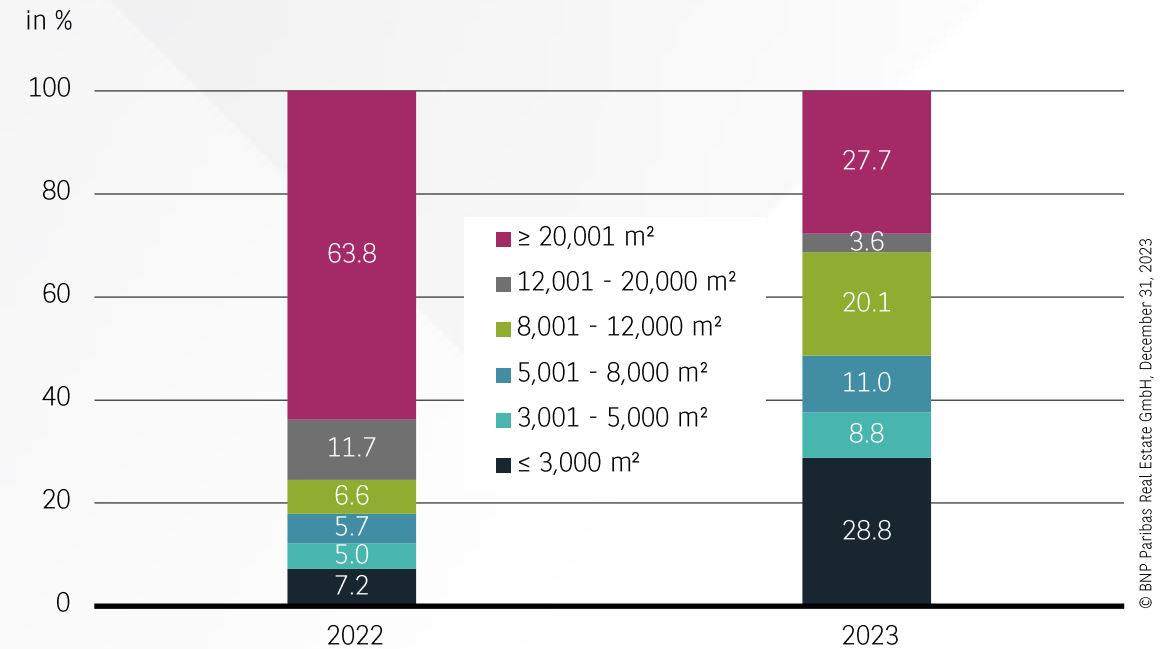
- The Berlin logistics market barely developed any momentum in the first half of the year. It was only in the second half of the year that market activity returned to a significantly higher and more stable level. Nevertheless, the total take-up of 350,000 m<sup>2</sup> is well below the 10-year average (-29 %).
- The continued lack of supply had a dampening effect on take-up. The low availability of space and the steadily rising level of rents in the Berlin market area are prompting many companies to opt for lease extensions. For lack of alternatives, a new lease is out of the question. In addition, the weak economic development in 2023 prevented a further increase in demand.
- Owner-occupiers behaved very cautiously in 2023. Although their long-term average is at 15 % of the market in Berlin, this segment only generated around 3 % of take-up this year.
- Modern space continues to be in high demand among occupiers. Their share amounts to an above-average 56 % in a long-term comparison. However, these spaces are in short supply, especially in city centre locations, which is preventing an increase in take-up.



# LOGISTICS FIRMS IN THE LEAD

- Generalizing the letting activity by size category is impossible in 2023, as take-up increased not only in the small segment below 3,000 m<sup>2</sup> compared to 2022 (+37 %), but also in the medium segment between 8,001 and 12,000 m<sup>2</sup> (+4 %). Compared to the 10-year average, above-average take-up of around 101,000 m<sup>2</sup> (+2 %) and 70,000 m<sup>2</sup> (+13.5 %) was recorded for both size categories. The market shares amount to 29 % and 20 % respectively.
- Large contracts above the 20,000 m<sup>2</sup> mark accounted for a high market share of 28 %. As expected, the outstanding result from the previous year remained unrivalled.
- Logistics firms represent by far the most important sector with a share of almost 51 %. Although with around 180,000 m<sup>2</sup> of take-up these companies missed the high level of the two previous years, they exceeded the long-term average by 19.5 %. The sector is also responsible for the three largest contracts on the market.
- Following the expansionary trend in 2020 to 2022, the pressure on demand from wholesale/retailers has eased considerably. Although it is still the second strongest sector, it is around 46 % below the long-term average.

## TAKE-UP BY SIZE CATEGORY



## TAKE-UP BY SECTOR



# OUTLOOK

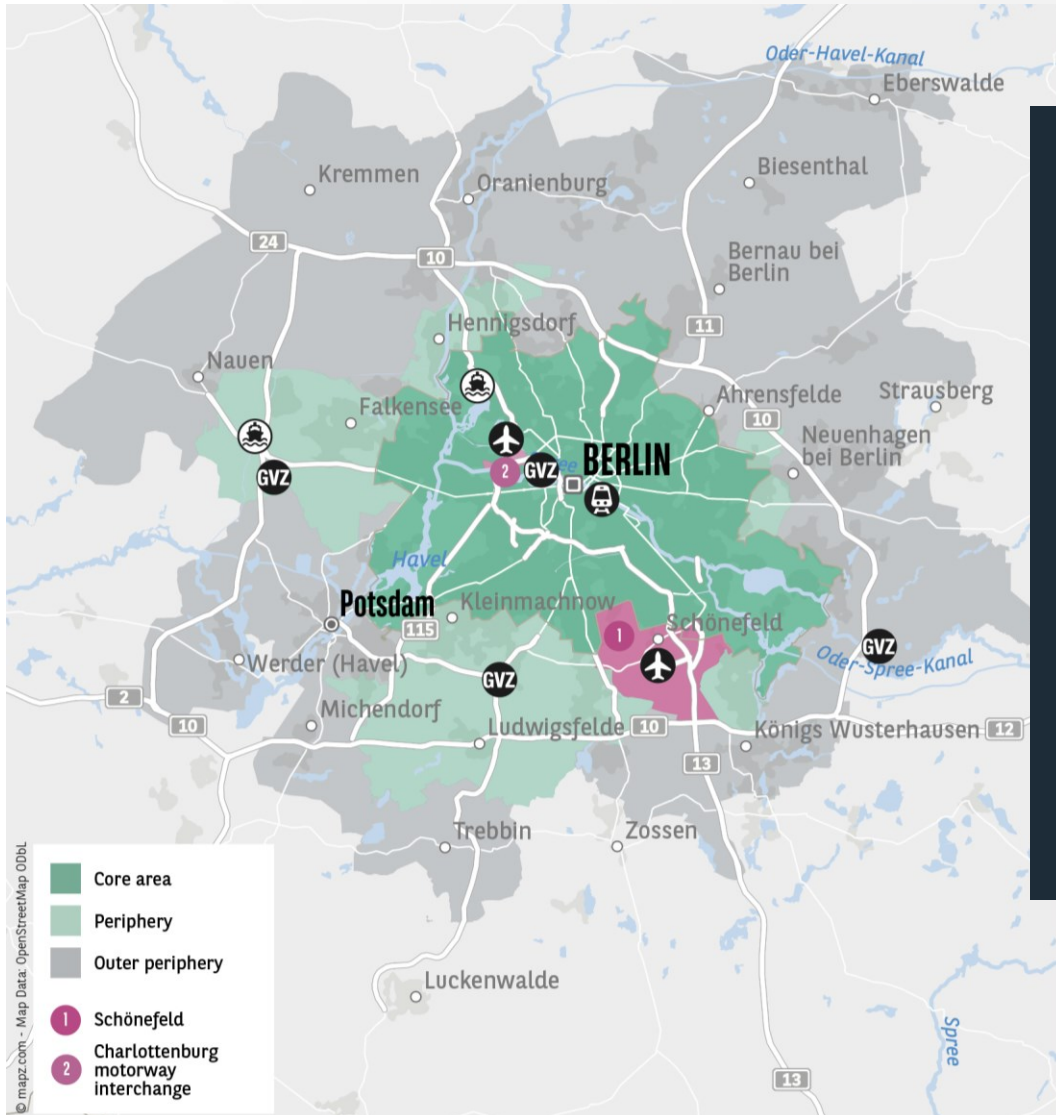
## KEY FIGURES

Rents	2022	2023	%-Difference
Prime rent (in €/m <sup>2</sup> )	7.80	8.00	2.6%
Average rent (in €/m <sup>2</sup> )	6.50	6.90	6.2%
Take-up and sectors	2022	2023	Long-term average
Total take-up	1,024,000 m <sup>2</sup>	350,000 m <sup>2</sup>	495,000 m <sup>2</sup>
Logistics firms	19.8%	50.8%	31.7%
Wholesale/retail	30.4%	27.9%	37.8%
Manufacturing	45.9%	9.6%	19.4%
Others	3.9%	11.7%	11.1%
Size categories	2022	2023	Long-term average
Share of deals > 20,000 m <sup>2</sup>	63.8%	27.7%	24.7%
Share of deals ≤ 20,000 m <sup>2</sup>	36.2%	72.3%	75.3%
Owner-occupiers/new building share	2022	2023	Long-term average
Share of owner-occupiers	39.9%	2.7%	14.8%
Share of new buildings	77.7%	55.6%	49.7%

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- In 2023, letting activity in the Berlin logistics market was affected by economic developments and the ongoing supply shortage. This situation is likely to continue over the short term and have a subduing effect on demand in H1 2024. However, after a solid second half of 2023, indications point to a recovery in the course of 2024. The German economy is likely to gain momentum and provide a boost to the logistics market.
- On the demand side, there are many indications that the current improvement in consumer sentiment and the rising propensity to purchase will provide positive incentives for retail companies. As a result, demand for space in this important sector is expected to increase again in the growing metropolitan region of Berlin. Logistics firms and manufacturing companies might experience stronger demand in response to the renewed extensive economic growth.
- On the supply side, hardly any relief is to be expected, particularly in city centre locations, so that lease extensions will remain an issue. Nevertheless, take-up is likely to return to the long-term average.
- Against the backdrop of a shortage of available space, particularly in central locations, prime and average rents will continue their growth trend.

# LOGISTICS MARKET REGION BERLIN



**MAJOR CONTRACTS**

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

31,400 m<sup>2</sup>  
Fiege  
Ludwigsfelde

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

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