ANOTHER GOOD OPENING QUARTER

With take-up of 87,000 m², the Berlin logistics market once again got off to a fine start to the year. The total was actually almost exactly the same as that achieved in the first quarter of last year (+1 %) and around 4 % above the long-term average. Particularly gratifying is the fact that the result was again due mainly to very buoyant market activity in the small and mid-range size segments rather than to just a few large contracts. The biggest new lease registered so far – concluded at the Am Borsigturm address by online trader Amazon – was for less than 14,000 m². Since especially the more sizeable contracts involved project developments and newly constructed premises, the new-build proportion of turnover is currently about half of the overall volume. So the proportion of modern space has also risen steeply year-on-year, to around three-quarters at the end of the first three months. The owner-occupier proportion, on the other hand, has been more or less halved, to around 11 % at present.

RETAILERS PARTICULARLY ACTIVE

Whereas last year, logistics firms generated over half of all take-up, this year, retail companies have taken a clear-cut lead with more than two-thirds of aggregate turnover. That is hardly surprising in view of the fact that the five biggest new leases in the first quarter were all concluded by retailers. Logistics firms, the second mainstay of demand in the Berlin market, have so far only been responsible for about 19 %, which is low by long-term standards. Manufacturing companies also accounted for a lower-than-average share of the total, with some 3 %. This distribution represents only an interim picture, though; in the course of the year, increases can be expected.

EXTREMELY EVEN SPREAD OF DEMAND

Just as in the prior-year period, the first quarter of 2016 has not produced any leases in the category upwards of 20,000 m². That results in a more balanced distribution of take-up across the other size classes, with shares of between just over 14 and around 26 %. The ranking is headed by the 5,000-8,000 m² bracket with some 26 %, just slightly in front of the smallest category, of up to 3,000 m² (23 %). Leases for premises of between 8,000 and 12,000 m² accounted for around one fifth. Then, comprising just the Amazon contract, came the 12,000-20,000 m² bracket. The remaining 14 % was generated by leases in the 3,000-5,000 m² segment.
COMPLETIONS BOOST SUPPLY SOMEWHAT

The positive development of the market in recent years has triggered numerous speculative projects, producing a moderate year-on-year growth in supply. Nevertheless, in the inner-city area there is still a shortage of premises. It is in these central precincts, especially in Reinickendorf and Neukölln, where space availability is particularly limited, that the prime rent is achieved. Following a lengthy consolidation phase, this has now – against the background of the shortage – risen to 4.90 €/m². In the outlying districts, on the other hand, especially in the south, rental prices are tending to come under pressure, even in the case of new premises. This is due to the greater availability of land and the number of new complexes all being built at the same time.

OUTLOOK

Thanks to the favourable economic framework and also the modest improvement on the supply side, take-up can be expected to increase slightly in the months ahead. This should lift the up-to-now sparse level of activity in the large-unit size segment, and this in turn should lead to an above-average turnover in the year as a whole. Whether this can exceed the record prior-year figure, though, remains to be seen. Following its moderate rise, the prime rent should for the time being simply firm up at its present level.