ONGOING STRONG DEMAND
With take-up of 265,000 m², the Berlin logistics premises market has produced another good result. Although this fell slightly short of the very strong prior-year figure (-8 %), it was some 4 % higher than the long-term average. Whereas the rental market has been developing quite dynamically, generating a year-on-year rise of over 14 %, owner-occupiers have so far been less active, accounting for only 6 % of the total, which is low by long-term standards, too. At the same time, the proportion of newly-built premises has grown, climbing by 6 percentage points to 42 % of the aggregate volume. Where the spread of take-up across the market area is concerned, there has been a change compared with the first three quarters of 2015, with considerably greater activity in the outer periphery and in the special areas Schönefeld and Charlottenburg motorway interchange. Up to now, these locations have been responsible for around 37 % of the total, as against just 14 % last year.

RETAILERS AND LOGISTICS FIRMS DOMINATE FIELD
At the half-year point, retailers had generated far more take-up than all the other sectors, but in the third quarter, logistics firms exhibited buoyant demand and have almost closed the gap on the leader. Retailers have retained the top slot, with around 40 %, but logistics service-providers are only just behind, with nearly 37 %, fuelled for instance by the two biggest deals so far: leases concluded by Rieck Logistik-Gruppe for premises of 19,600 m² in the municipal area, and by GLX Logistik, with 17,300 m² in Grünheide (Mark). Companies in the manufacturing sector have generated slightly more than 15 % of turnover. Together, all the other business sectors were responsible for just over 8 % of the result.

NO DEALS YET OF OVER 20,000 m²
One notable fact about the size-class spread of take-up is that so far there have been no deals in the biggest segment, upwards of 20,000 m². In contrast, activity in the second-biggest category, of 12,000 to 20,000 m², has been very buoyant; it was responsible for by far the largest slice of turnover, with around 30 % (+26 percentage points). Further indications of the breadth of demand are the high proportion obtained by the smallest bracket (leases up to 3,000 m²), which once again accounted for almost one quarter of the total, and the strong year-on-year increase registered by the 3,000-5,000 m² category, which generated 18 % (+13 percentage points).
Slight fall in supply

Space availability has declined slightly, not least because strong demand has resulted in virtually all speculatively built premises being snapped up quickly. Demand exceeds supply above all along the municipal motorway, in the southern districts and the southern environs. Somewhat less tight is the supply situation in the northern and eastern environs, where sufficient premises are currently available. Despite the generally good scale of take-up, rental prices – which last year had risen modestly – remained stable in the third quarter. So the prime rent continues to stand at 4.90 €/m², which is the figure that can be obtained above all in inner-city locations, against the backdrop of a shortage of space. The average rent also stays unchanged, at 3.90 €/m².

Outlook

There are already indications that the fourth quarter will produce several large-unit lettings, especially in the field of e-commerce. In view of this, activity in the months ahead is set to be very lively, with turnover climbing. The year as a whole should once again post a result that is well above the long-term average, with a possibility that the 400,000 m² mark can be passed. At the same time, the ongoing strength of demand could well lead to a slight increase in average rents.