In the first half of 2017, the Berlin logistics premises market achieved a new record, with take-up of 290,000 m². Compared with the somewhat modest figure posted in the middle of last year, this represented an increase of 76% and it was more than half as high again as the long-term average (+56%). This out-of-the-ordinary performance was driven by greater momentum in the size segment upwards of 20,000 m², which generated a remarkable four deals, as against none at all in the prior-year period. All four of these deals were located outside the municipal boundaries, in the Berlin periphery, and all involved premises in newly built complexes or in planned projects. This was due to the shortage of sizeable existing modern units. Accordingly, the new-build proportion of take-up is high once again, accounting for considerably more than half of the total (just over 69%). Owner-occupiers were slightly more strongly represented than in the first six months of 2016, with around 22% – but by nationwide standards that is still low. By far the biggest deal in the market area was that concluded by the British online trader ASOS, which is having premises of 43,000 m² built in Grossbeeren.

In a result driven by the ASOS deal, retailers once again generated a substantial proportion of aggregate take-up (53% ). Additional support came from drugstore group dm, which is investing in a new 25,000 m² distribution centre in Wustermark. Quite a way behind in second place, with around 24% , came logistics service-providers, traditionally also one of the strongest sources of demand. Completing the leading trio were manufacturers, which contributed just over 13%. Together, all the other business sectors produced a turnover share of slightly more than 10%.

Thanks to the major contracts referred to above, the size category of premises upwards of 20,000 m² was responsible for easily the biggest slice of turnover (nearly 40%). In fact, though, the exceptionally good overall result was not due to just a few individual deals but rather to generally robust demand: the percentage contributions of the other size classes may well have slipped, but almost all of them generated year-on-year increases in absolute turnover. Only the 8,000-12,000 m² segment produced a lower volume than in 2016.
SUPPLY DEVELOPS IN DIFFERENT WAYS

The development of the supply of space calls for closer examination, since it varies between the different parts of the market area. Within the municipal boundaries, the very restricted scope for new construction in combination with the buoyant demand has led to a reduction in availability. On the other hand, especially in the southern environs, a moderate expansion of supply is evident, thanks to speculative new-build projects, some of which are close to completion. Rental prices have also developed in different ways: in Berlin itself they have been tending upwards, while in the outlying areas the greater availability of space has put them under pressure. Nevertheless, the prime rent in the overall market has stayed stable year-on-year at 4.90 €/m², while the average rent has climbed by about 10% to 4.30 €/m².

OUTLOOK

After the conclusion of numerous large deals in the first six months, the market looks set to get back to normal in the second half: a repeat of such a clustering of big leases is currently not in sight, but demand in all the other size classes remains lively. This means that the result for the year as a whole should be extremely good. In fact, there is even a possibility that the previous peak of 470,000 m², achieved in 2015, can be surpassed and a new record set.