



**RESEARCH**

At a Glance **Q1 2018**

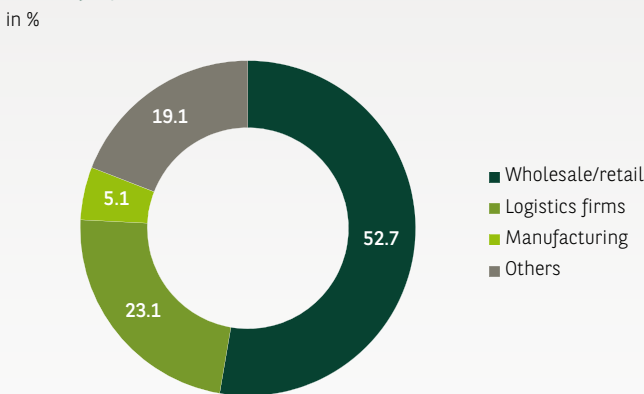
# LOGISTICS MARKET BERLIN

Take-up of light industrial and logistics space in Berlin



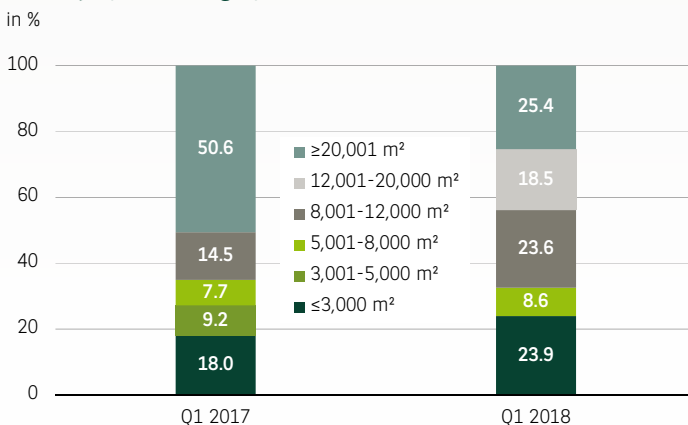
© BNP Paribas Real Estate Industrial Services, March 31, 2018

Take-up by sector in Berlin Q1 2018



© BNP Paribas Real Estate Industrial Services, March 31, 2018

Take-up by size category in Berlin



© BNP Paribas Real Estate Industrial Services, March 31, 2018

➤ **COMPARATIVELY SLOW START TO THE YEAR**

After the phenomenal start to 2017, the Berlin logistics market has made a comparatively slow start to 2018. The take-up of warehouse and logistics space in the market region totals 80,000 m² in the first three months. This result is not only 41 % below the previous year's record, but is also approx. 12 % below the long-term average. One reason for the rather low result is the extremely limited availability of space in the inner city. It is precisely in this area that much of the demand is concentrated, while for example the southern Berlin market region tends to have more space available, but at the same time sees less demand. It also needs to be taken into account that in the previous year the ASOS deal alone contributed over 40,000 m² of the take-up. Deals on this scale had not previously been recorded. The share of new-build space is currently still very low: After having accounted for around two thirds of take-up in the previous year, new-build space currently amounts to just a little over 15 %. The already low owner-occupier share in Berlin is also below its usual level: To date they have not registered one major deal.

➤ **RETAIL COMPANIES AGAIN IN THE LEAD**

Traditionally retail companies are the most important demand group in the Berlin market, and nothing has changed here in the first quarter. They are responsible for around 53 % of the volume. In second place are logistics firms with just over 23 % ahead of manufacturing companies (5 %). A large number of other sectors were also looking for logistics space, though, and these are grouped under the collective category others. They also make an important contribution to the result with almost one fifth of take-up.

➤ **EVEN DISTRIBUTION BY SIZE CATEGORY**

On the whole the distribution of take-up by size category shows a much more even picture than in the same quarter of the previous year. After major deals made a significant contribution to take-up in 2017 primarily due to the ASOS deal, their share has now reduced to just over 25 %. They are followed closely by the smallest category below 3,000 m², which makes the second-biggest contribution with 24 % and is almost tied with the category between 8,000 and 12,000 m² (just under 24 %). Deals between 12,000 and 20,000 m² also account for a high share with 19 %.

Major contracts in Berlin Q1 2018

Company	Location	Area (m <sup>2</sup> )
Def Shop	Genshagen	20,100
E-commerce company	Berlin	14,600
JMT Event Service	Berlin	8,600
Nikos Transporte	Berlin	6,800

© BNP Paribas Real Estate Industrial Services, March 31, 2018

Key figures of logistics market Berlin

	Q1 2017	Q1 2018	Trend remaining year
Prime rent	4.90 €/m <sup>2</sup>	5.50 €/m <sup>2</sup>	↗
Average rent	4.10 €/m <sup>2</sup>	4.70 €/m <sup>2</sup>	→
Take-up	135,000 m <sup>2</sup>	80,000 m <sup>2</sup>	↗
- Thereof owner-occupier	30.7 %	0.0 %	↗
- Thereof new building	66.9 %	15.2 %	↗

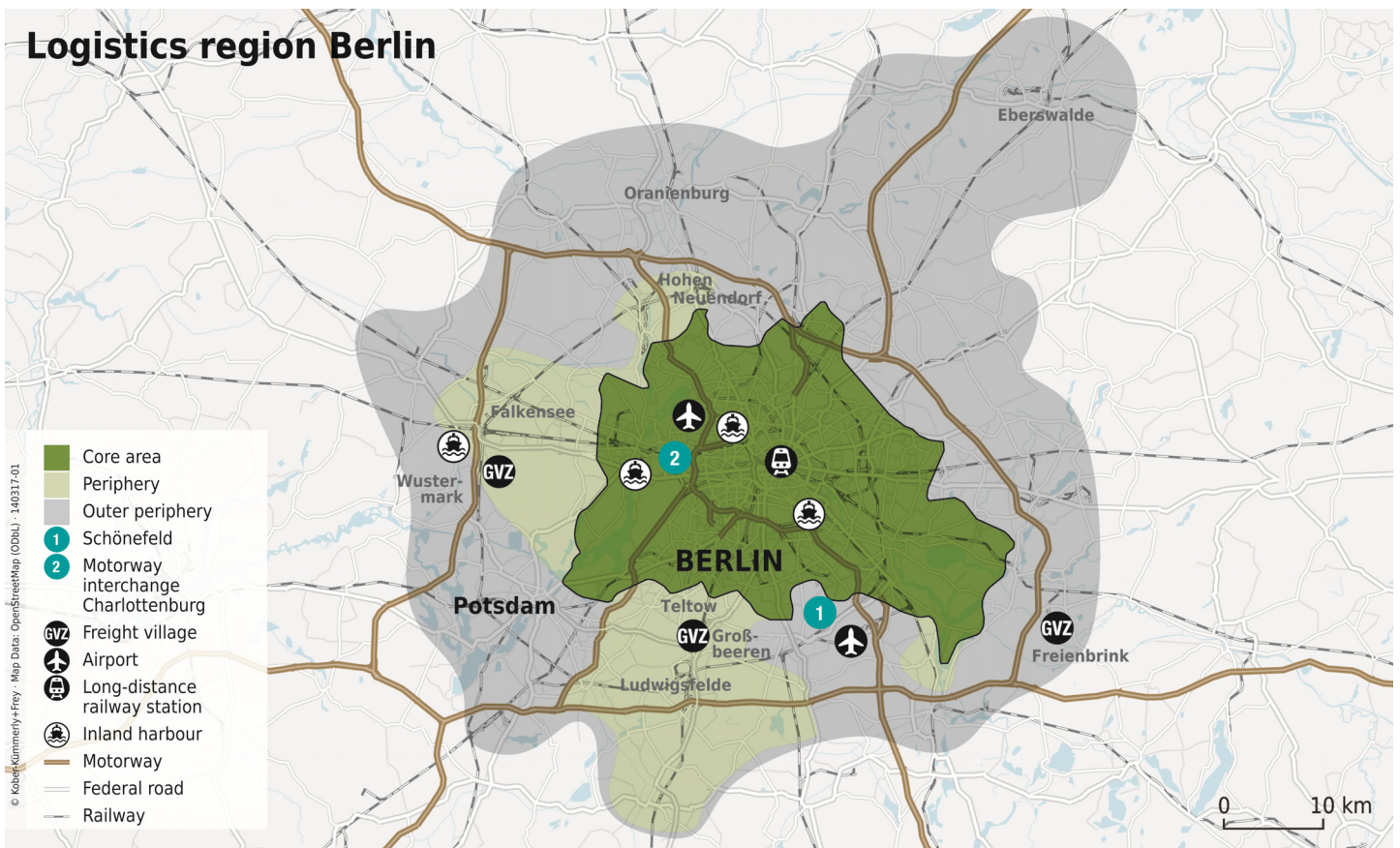
© BNP Paribas Real Estate Industrial Services, March 31, 2018

➤ DIVIDED MARKET

The distribution of supply across the market region is not consistent with the distribution of demand. Logistics space in the inner city of Berlin remains a rare commodity and owners accordingly reap the benefit of this. The top rent for new-build space, currently 5.50 €/m<sup>2</sup>, is also achieved here. In exceptional cases even higher rents can be achieved for premium properties in these locations. Compared to the previous year a significant increase of more than 12 % was recorded. The average rent also rose. It is at 4.70 €/m<sup>2</sup> around 15 % above the comparable figure for the previous year. The situation in some of the Periphery locations is very different. Particularly in the surrounding regions to the south, modern logistics space is offered in some cases for less than 4 €/m<sup>2</sup> due to the high competition.

➤ OUTLOOK

The logistics market will again be affected in the coming months by the short supply in the most sought-after inner city locations. Due to the sustained high level of demand, it remains to be seen, though, to what extent tenants will ultimately switch to other locations to cover their needs. Against this background, take-up is expected to rise slightly. At the same time, the top rent will not yet have peaked.



All rights reserved. At a Glance is protected in its entirety by copyright. No part of this publication may be reproduced, translated, transmitted, or stored in a retrieval system in any form or by any means, without the prior permission in writing of BNP Paribas Real Estate GmbH.

The statements, notifications and forecasts provided here correspond to our estimations at the time when this report was prepared and can change without notice. The data come from various sources which we consider reliable but whose validity, correctness or exactness we cannot guarantee. Explicitly, this report does not represent a recommendation of any kind, nor should it be regarded as forming a basis for making any decisions regarding investment or letting or renting property or premises. BNP Paribas Real Estate can accept no liability whatsoever for any information contained or statements made herein.

**Imprint** Publisher and copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 31.03.2018

**Further Information** BNP Paribas Real Estate GmbH | Branch office Berlin | Phone +49 (0)30-884 65-0 | [www.realestate.bnpparibas.de](http://www.realestate.bnpparibas.de)