

# LOGISTICS MARKET BERLIN

AT A GLANCE Q1 2023

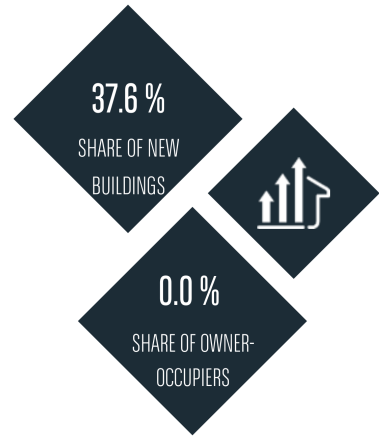
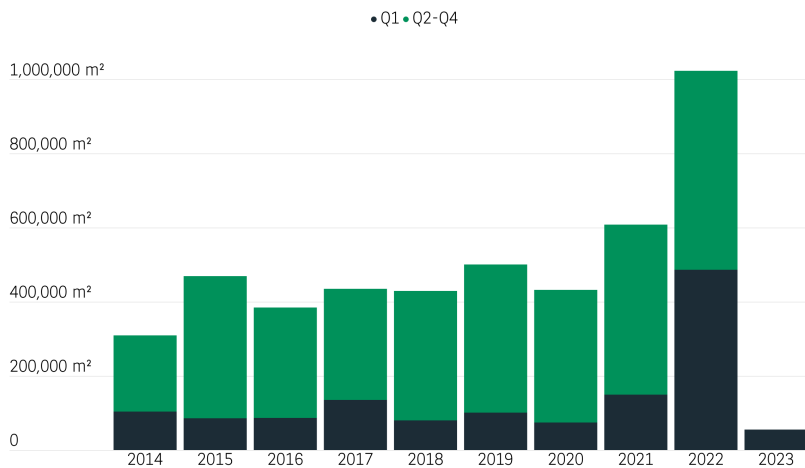


## SLOW START TO THE YEAR

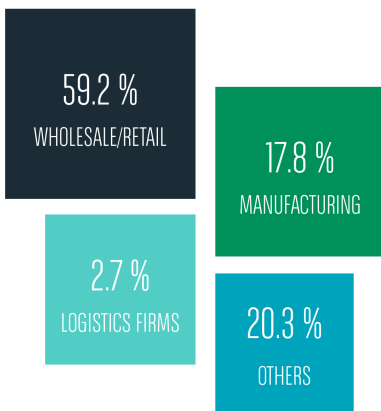
- / The Berlin logistics market got off to a subdued start to the year with take-up of 55,000 m<sup>2</sup>. The current result is significantly below the record result from the previous year (487,000 m<sup>2</sup>; -89 %), which was, positively influenced by the TESLA gigafactory. But even without this special effect, the decline would still be around 66 %. Meanwhile, the long-term average was missed by 60 %.
- / Although the current economic uncertainties are leading to a somewhat more wait-and-see attitude on the part of some companies overall, they cannot be regarded as the single factor for the restrained start to the year. For example, the high letting performance of the record year 2022 has led to a noticeable decrease in available supply. In addition, instead of moving to new premises, more tenants are exercising their option to extend their lease in order to avoid a higher rent level.
- / Both the prime and average rent have remained stable at a high level of 7.80 €/m<sup>2</sup> and 6.50 €/m<sup>2</sup> respectively since the beginning of the year.

# NUMBER OF CONTRACTS CONCLUDED ONLY SLIGHTLY BELOW AVERAGE

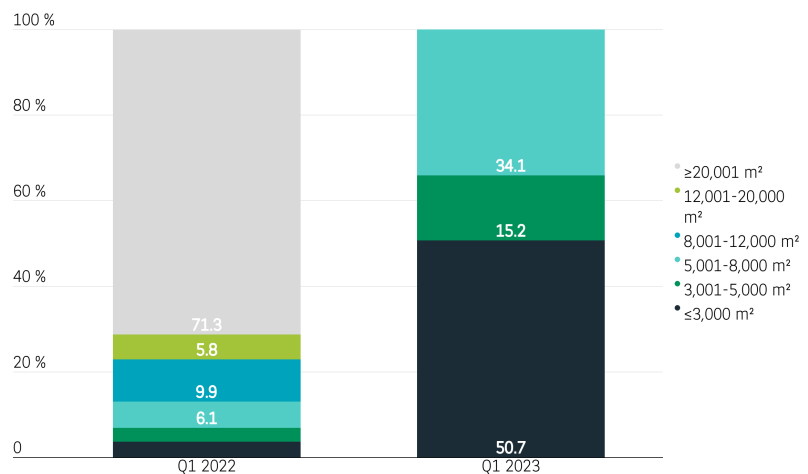
Light industrial and logistics take-up in Berlin



Take-up by sector



Take-up by size category



- / The fact that take-up is currently comparatively low is also related to the lack of contracts in the segment above the 8,000 m² mark in the first quarter of 2023. For the first time in many years, no contract of such size was signed in Q1. Unlike take-up, the number of more than 20 registered deals is only slightly below the long-term average.
- / As usual in Berlin, the distribution of take-up by sector is led by wholesale/retail companies, which currently contribute around 59 % of the result. The largest deal in this segment is the leasing of 5,900 m² by an express food delivery service in Ludwigsfelde. Other significant shares are accounted for by the collective category others (20 %) and production companies (18 %). Logistics firms, meanwhile, achieved a remarkable low take-up. Only one deal can be attributed to this sector, making it the weakest start to the year so far in a long-term comparison.

# KEY FIGURES



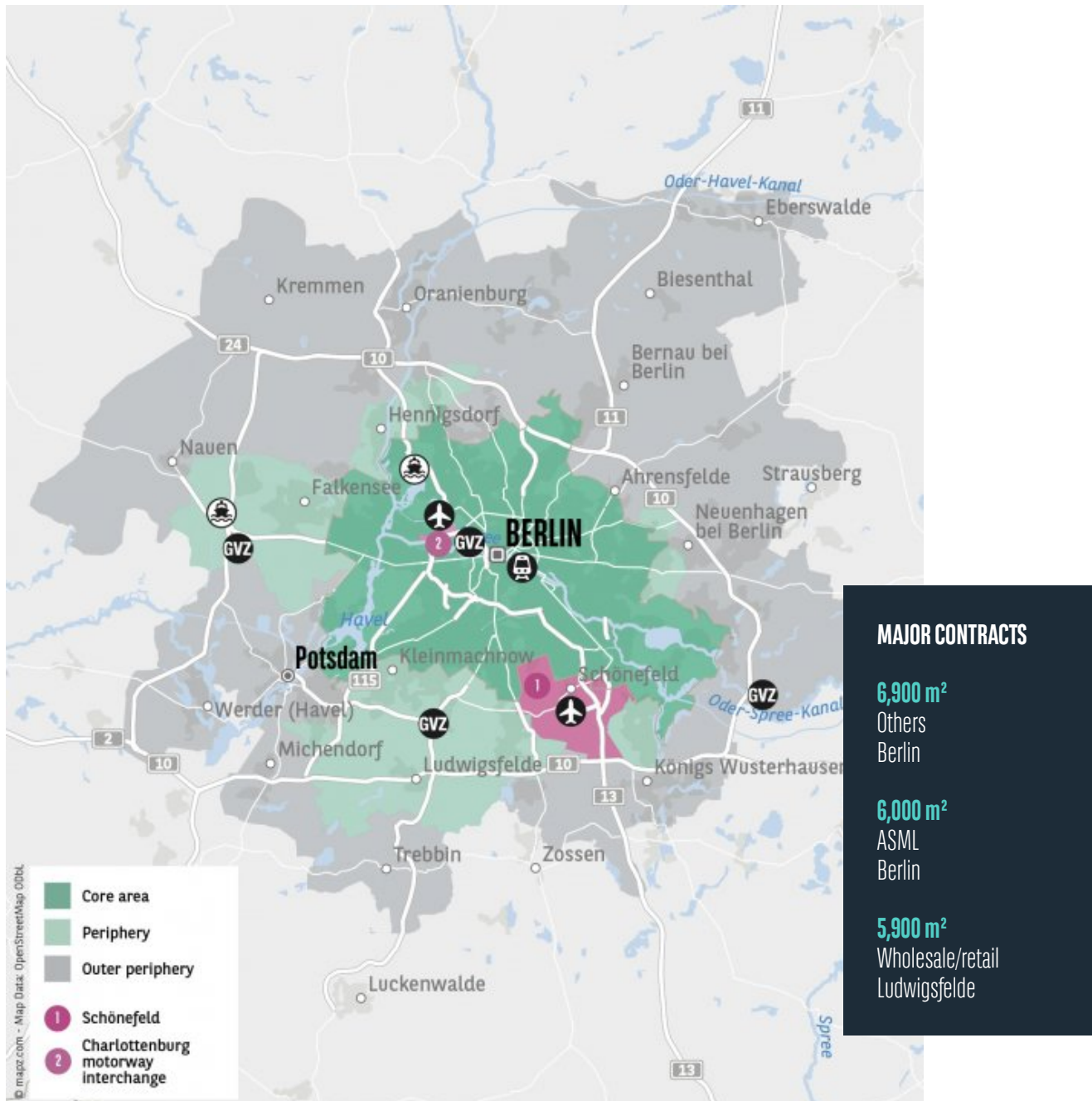
Rents	Q1 2022	Q1 2023	%-Difference
Prime rent (in €/m <sup>2</sup> )	7.50	7.80	4.0%
Average rent (in €/m <sup>2</sup> )	6.20	6.50	4.8%
Take-up and sectors	Q1 2022	Q1 2023	Long-term average
Total take-up	487,000 m <sup>2</sup>	55,000 m <sup>2</sup>	136,000 m <sup>2</sup>
Logistics firms	11.7%	2.7%	21.3%
Wholesale/retail	9.8%	59.2%	42.7%
Manufacturing	74.7%	17.8%	23.0%
Others	3.8%	20.3%	13.0%
Size categories	Q1 2022	Q1 2023	Long-term average
Share of deals > 20,000 m <sup>2</sup>	71.3%	0.0%	21.9%
Share of deals ≤ 20,000 m <sup>2</sup>	28.7%	100.0%	78.1%
Owner-occupiers/new building share	Q1 2022	Q1 2023	Long-term average
Share of owner-occupiers	69.0%	0.0%	19.6%
Share of new buildings	79.8%	37.6%	47.0%

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## OUTLOOK

- / The first quarter's interim result already indicate that Berlin's logistics market will probably not be able to match the previous year's record in 2023. Even if the economic outlook is likely to brighten somewhat in the coming months, the shortage of space will probably lead to a result below average.
- / Against the background of the changed economic framework conditions short-term supply in the coming quarters is likely to result primarily from the fact that companies are putting their distribution networks under review. Thus, it is possible that larger spaces may come onto the market for subletting and re-letting in isolated cases and at very short notice.
- / For the time being, stabilisation at the current high level is the most likely scenario for both prime and average rent.

# LOGISTICS MARKET REGION BERLIN



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