

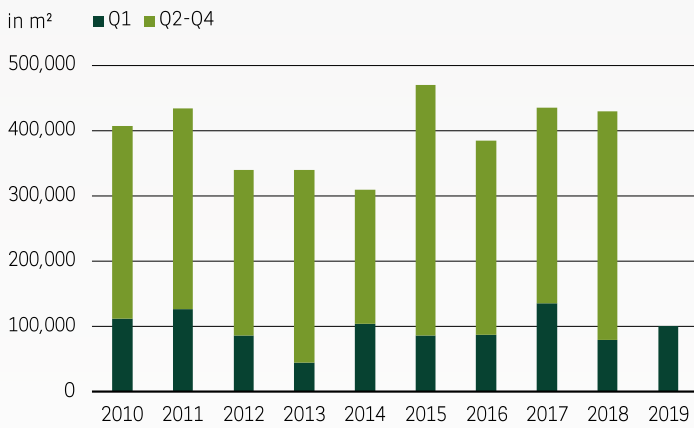


RESEARCH

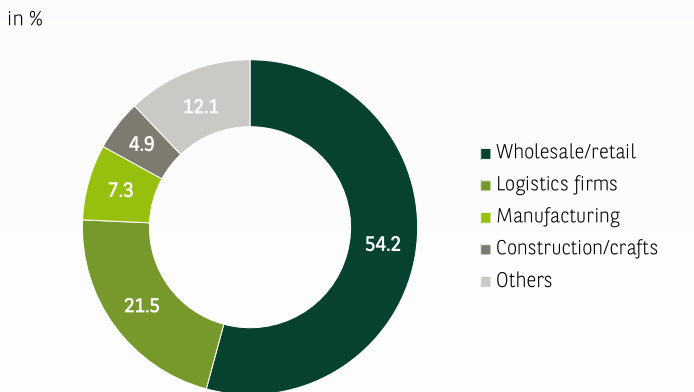
At a Glance **Q1 2019**

LOGISTICS MARKET BERLIN

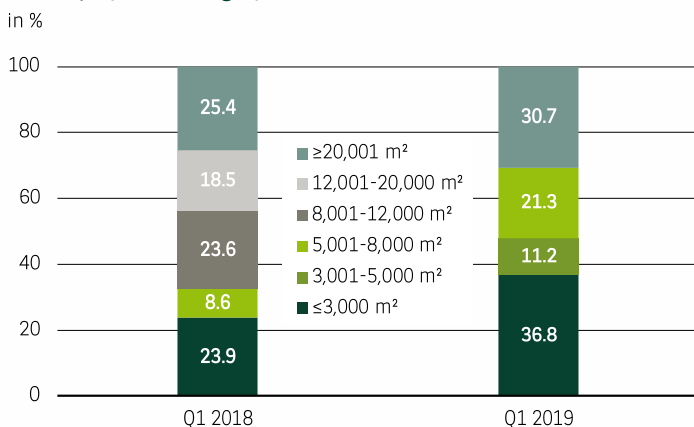
Light industrial and logistics take-up in Berlin



Take-up by sector in Berlin Q1 2019



Take-up by size category in Berlin



STRONG DYNAMICS AT THE START OF THE YEAR

At the start of the year, the Berlin logistics market (including the surrounding area) is linking up with the strong final quarter of 2018. While many other major hubs suffered a slight downturn, the German capital, with a take-up of 101,000 m², was able to exceed the result of the previous year by around 26 % and the long-term average by around 5 %. In addition to a large transaction by a company from the e-commerce sector, small and medium-sized transactions (such as the purchase of an 8,000 m² warehouse complex by Kaluza + Schmid or a lease of 7,700 m² by the logistics company Kraftverkehr Nagel) mainly contributed to the good result. The very high number of transactions registered (35) illustrates how dynamic the market was overall in the first three months of the year. In the long-term comparison only a single quarter reaches a similar level.

TRADING COMPANIES DOMINATE

Berlin's traditionally very strong trading-sector continues to be the most important demand group in the first quarter. With a share of around 54 %, it was responsible for the take-up of more than every second square metre. Especially the e-commerce companies continue to act as demand drivers. With a result of 21.5 %, which is slightly below the long-term average, logistics service providers ranked second, followed by industrial and production companies (approx. 7 %). Whereas they did not occur in the same period of the previous year, craft businesses and companies from the construction industry currently account for around 5 % of turnover on the market. Due to Berlin's highly diversified sector mix, the aggregated group of other companies also contributes significantly to the take-up on a regular basis. In the first three months of the year it reaches around 12 %.

SMALLEST SEGMENT AT THE TOP FOR THE FIRST TIME

Although it is characteristic to the Berlin logistics market that small-volume contracts of less than 3,000 m² are strongly represented in terms of numbers, with a share of around 37 % they currently also rank as the size categorie with the highest turnover. The major deals with more than 20,000 m² only come second. The categories 5,000-8,000 m² (approx. 21 %) and 3,000-5,000 m² follow on the other ranks, whereas the remaining categories still left blank in the first quarter.

Major contracts in Berlin Q1 2019

| Company | Location | Area (m ²) |
|---------------------|-------------------|------------------------|
| Kaluza + Schmid | Mühlenbecker Land | 8,000 |
| Kraftverkehr Nagel | Wustermark | 7,700 |
| Li-Mi International | Berlin | 5,900 |

Key figures logistics market Berlin

| | Q1 2018 | Q1 2019 | Trend remaining year |
|----------------------------|-----------------------|------------------------|----------------------|
| Prime rent | 5.50 €/m ² | 7.20 €/m ² | ↗ |
| Average rent | 4.70 €/m ² | 5.50 €/m ² | ↗ |
| Take-up | 80,000 m ² | 101,000 m ² | ↘ |
| - Share of owner-occupiers | 0.0 % | 8.9 % | → |
| - Share of new buildings | 15.2 % | 49.4 % | ↗ |

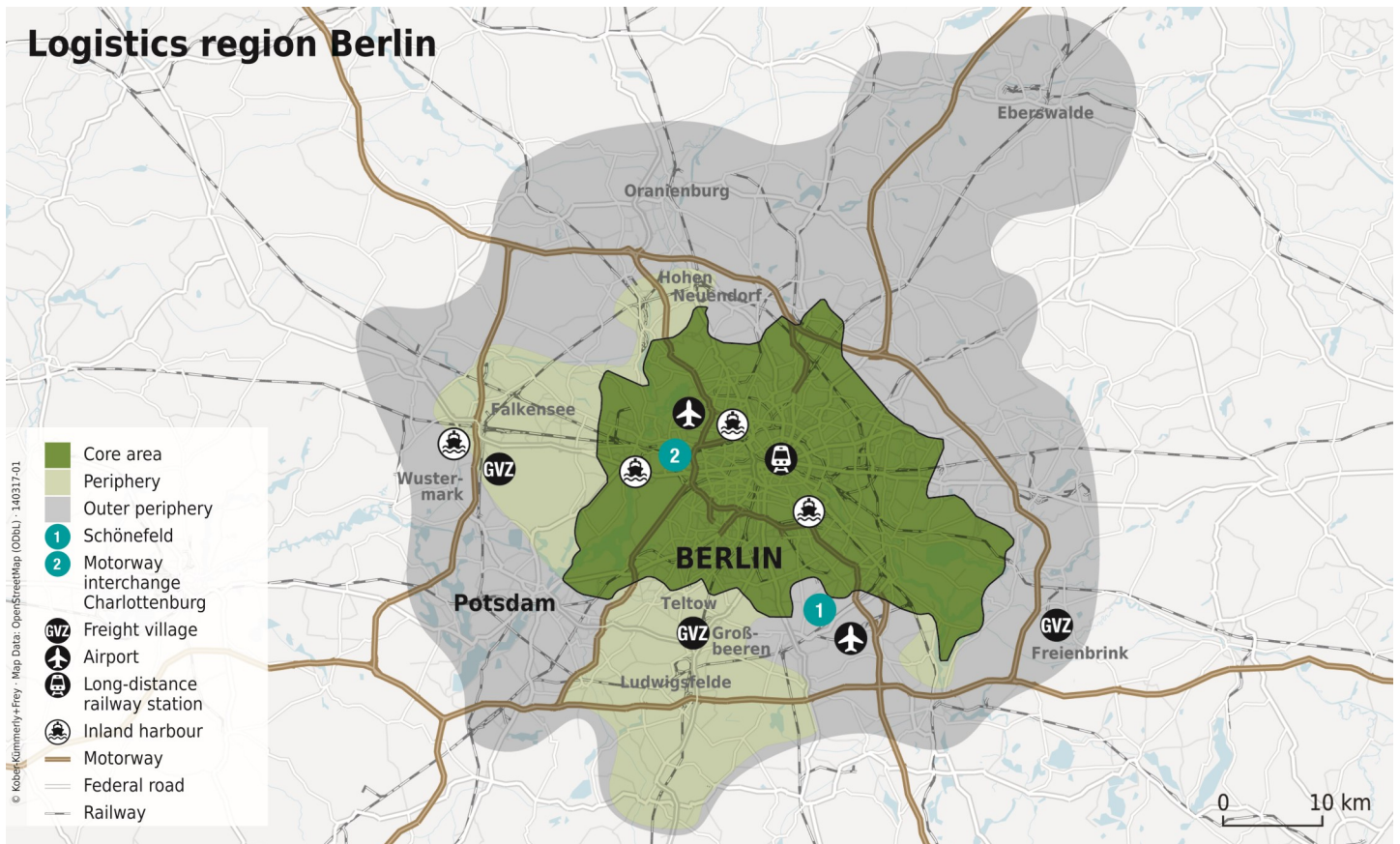
➤ CONTRARY MARKET DEVELOPMENT

Whilst large units in Berlin's inner-city locations have not been available on the market for years, the supply in the small-volume segment is also noticeably decreasing due to the currently high letting dynamics. As a result, in comparison to the previous year, the prime rent in central locations has climbed by 1.70 €/m² to 7.20 €/m². The average rent also increased significantly and currently amounts to 5.50€/m². However, the situation in the surrounding area is somewhat contrary, with the result that the fragmentation of the Berlin logistics market was further exacerbated by market activity in the first quarter. Due to speculative developments, there is a surplus of supply in certain locations, for example in some areas south of Berlin, leading to a situation in which some modern properties are already being offered between 4 and 4.50 €/m².

➤ PERSPECTIVES

The market activity in the further course of the year will be significantly influenced by the supply bottleneck in the central locations. Therefore, it cannot be ruled out that top rents will continue to rise. If demand increasingly shifts to the surrounding areas of Berlin, a very good overall result for the year beyond the 400,000 m² mark is again possible thanks to the very broad range of supply there.

© BNP Paribas Real Estate Industrial Services, March 31, 2019



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: 31.03.2019

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