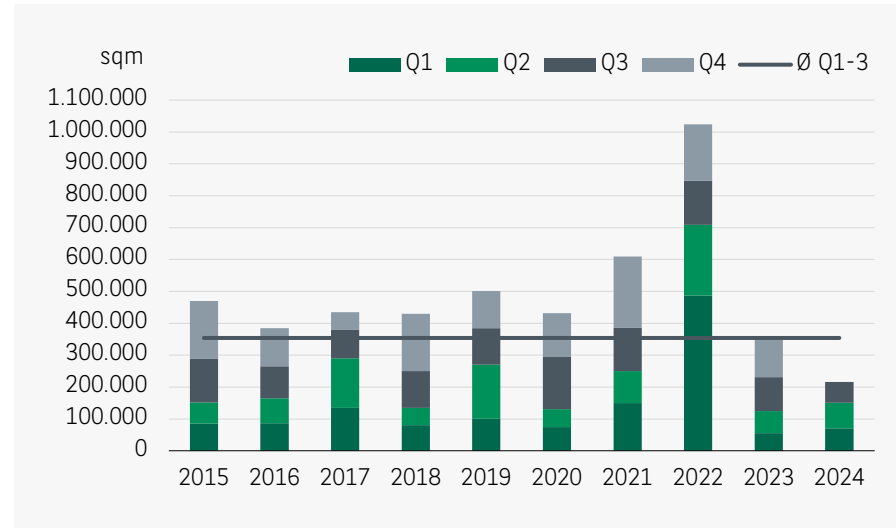


REPORT LOGISTICS MARKET

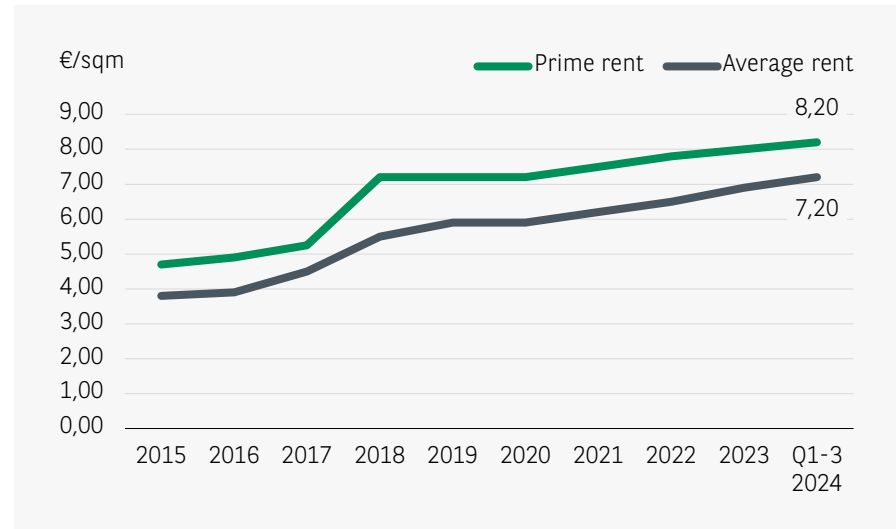
BERLIN

Q1-3 2024

Development of light industrial and logistics take-up



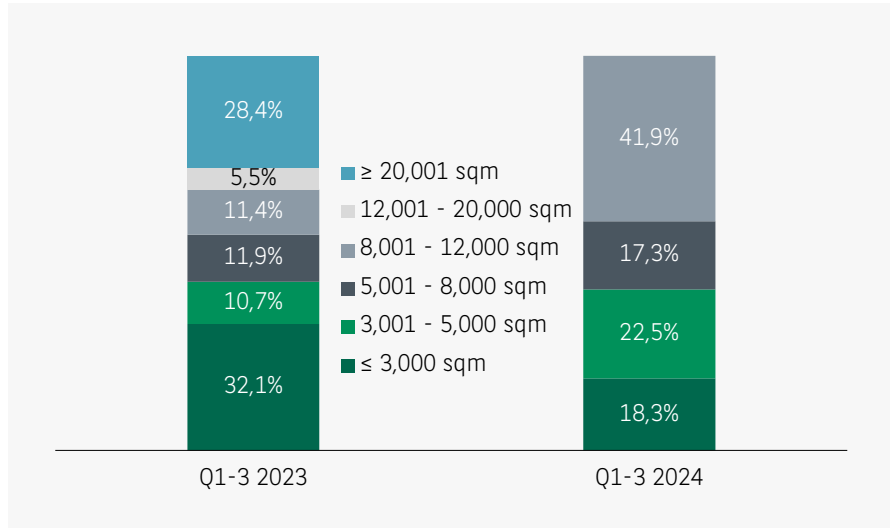
Prime and average rents



TAKE-UP SLIGHTLY BELOW PREVIOUS YEAR'S LEVEL

- The Berlin warehouse and logistics market achieved take-up of 216,000 m² in the first three quarters of the year. Thus, the weak economic development has not spared the capital region implying that the result is around 6% below the comparable result of the previous year and falls significantly short of the ten-year average (-39%).
- Berlin's market development is largely in line with the nationwide trend of predominantly moderate take-up. Nevertheless, Berlin is in second place in the location ranking behind Frankfurt (304,000 m²) and ahead of Cologne (204,000 m²).
- Potential users are still hesitant, particularly in the large-scale warehousing segment, and are tending to wait and see how the economy develops and remain in existing space instead of changing their space and location. Against this backdrop, there is somewhat less market activity overall and no contracts above the 12,000 m² mark have been concluded to date. The largest lease currently signed is for the pharmaceutical wholesaler Alliance Healthcare with 11,800 m².
- Meanwhile, the supply of space is expanding, primarily due to building completions that have not yet been absorbed by the market. However, this trend will reverse again in the medium term, as fewer new projects are currently being realised.
- While the rent level is higher than in the previous year, it has stabilised since the second quarter at a peak of €8.20 per m² and an average of €7.20 per m².

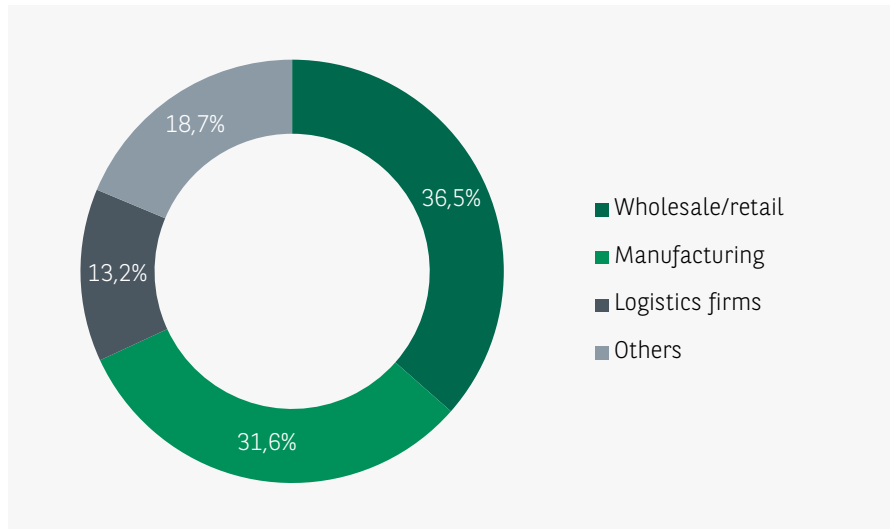
Take-up by size category



RETAIL COMPANIES LARGEST DEMAND GROUP

- In terms of the distribution of take-up by size category, the segment between 8,000 and 12,000 m² accounts for the lion's share of the result at 42%. It is particularly noteworthy that this size category therefore has the highest absolute take-up of the past ten years. The other occupied segments also made a significant contribution to the recorded take-up volume, accounting for 17 % to 23 %.
- In terms of sector distribution, retail companies lead the ranking as the largest demand group with 36.5% and their share is in line with their ten-year average. In second place are manufacturing companies (32%), which make an above-average contribution to the result. Logistics service providers, on the other hand, have been underrepresented to date, accounting for 13% of market activity and thus lagging far behind their usual take-up of space.

Take-up by sector



Major contracts

Quarter	Company	Location	sqm
Q1	Alliance Healthcare	Berlin	11,800
Q3	Mercedes-Benz	Ludwigsfelde	10,500
Q3	Bausch + Lomb	Falkensee	10,400
Q1	Peek & Cloppenburg	Falkensee	8,700

OUTLOOK

- The Berlin logistics market is forecast to remain stable and move sideways until the end of the year. As hardly any decisive impetus is currently to be expected from economic developments, the significant brightening of market sentiment could extend into next year.
- However, good demand and constant take-up can still be expected in the small to medium-sized space segments. If large-scale contracts will be signed in the final quarter, this would noticeably increase the momentum in demand and lead to a distinct rise take-up.
- The positive signals from the retail sector are also encouraging, with demand for space in other German markets also significantly higher than in the previous year. It remains to be seen when the logistics service providers, which have been very cautious to date, will regain their former strength.
- If demand picks up, the market should benefit from the recent slight increase in available space which now enables a significant increase in take-up. From today's perspective, however, a result below the previous year's take-up (350,000 m²) appears to be the most likely scenario for 2024 as a whole.
- The stabilisation of rent level is likely to continue in the coming months, meaning that no further increase is expected for the time being, especially for prime rents.

Key figures logistics market Berlin

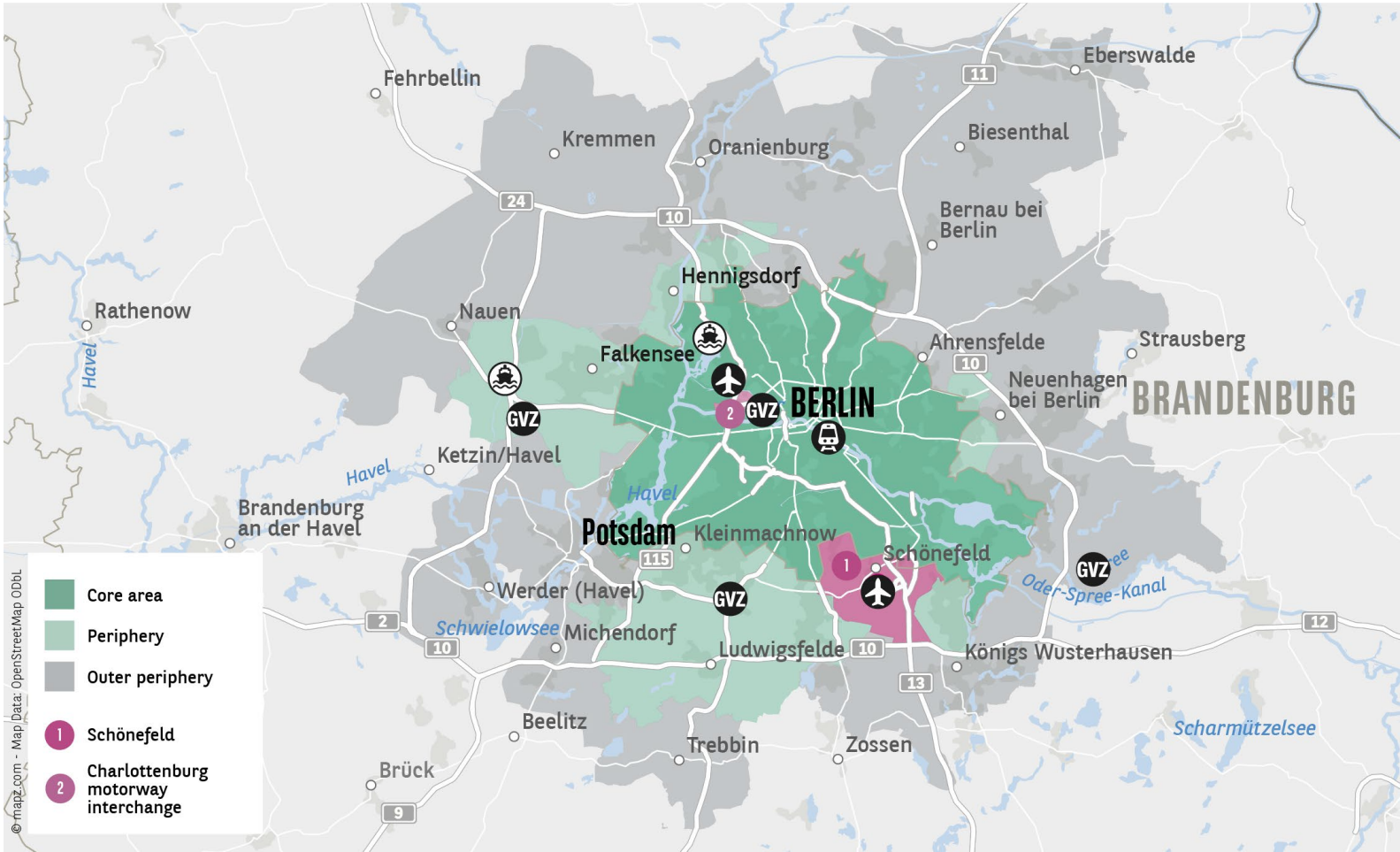
RENTS AND TAKE-UP	Q1-3 2023	Q1-3 2024	%-DIFFERENCE
Prime rent (in €/sqm)	7.90	8.20	3.8%
Average rent (in €/sqm)	6.70	7.20	7.5%
Total take-up (in sqm)	231,000	216,000	-6.5%

SECTORS	Q1-3 2023	Q1-3 2024	LONG-TERM Ø
Logistics firms	45.7%	13.2%	31.0%
Wholesale/retail	31.7%	36.5%	36.8%
Manufacturing	8.4%	31.6%	20.3%
Others	14.2%	18.7%	11.9%

SIZE CATEGORIES	Q1-3 2023	Q1-3 2024	LONG-TERM Ø
Share of deals > 20,000 sqm	28.4%	0.0%	17.9%
Share of deals ≤ 20,000 sqm	71.6%	100.0%	82.1%

OWNER-OCCUPIERS/NEW BUILDING SHARE	Q1-3 2023	Q1-3 2024	LONG-TERM Ø
Share of owner-occupiers	0.0%	8.1%	12.4%
Share of new buildings	61.2%	37.3%	48.7%

**LOGISTICS MARKET
BERLIN**



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