PRESS RELEASE

Market report on the letting of logistics properties and industrial spaces in the Greater Berlin area 2018

- Berlin logistics and industrial properties market tops the previous year
- Project developments account for over 60% of total take-up
- Southern Berlin region continues to be strong
- “>10,000 sqm” segment with lion’s share
- Retail confirms leadership
- Prime rent increases by 24%
- Forecast for 2019: decline in result by up to 15% due to shortage of space

Berlin, 21 January 2019 – According to Realogis, with a take-up of approximately 442,200 sqm, the Berlin logistics and industrial properties market succeeded in topping its good result of the previous year by 7% (2017: 412,000 sqm). “At the same time, the letting volume generated by all market participants last year is the second-best result in the last five years and is 9% above the 5-year average of approximately 405,200 sqm,” said Ben Dörks, department head at Realogis Immobilien Berlin GmbH. “In particular, the driving force was the new construction sector, which accounted for 272,200 sqm or a share of 61%.”

Take-up by region
According to the expert for logistics properties Realogis, more than half of the take-up was generated in the surrounding region to the south of Berlin. Due to the availability of high-volume units for industrial and logistic use, 227,700 sqm (51%) in total were newly let. However, from the second half of the year, demand in this segment stagnated due to a shortage of workers and the orientation of companies towards the city centre to achieve short routes to the customer.
By contrast, demand remained high within the borders of Berlin for the year as a whole—and this was the case in all units. However, the supply is limited in particular with regard to new sites. Owing to these limitations, this region only contributed approximately 155,800 sqm (35%) to the total take-up. The East region took third place at 10% (45,700 sqm).

Take-up by size category

“With approximately 275,800 sqm, leases in the usual size category of more than 10,000 sqm contributed the lion’s share to total take-up (62%), more than half of which even exceed 20,000 sqm,” reports Irina Lysenko, research analyst at the Realogis Group. Decathlon (45,000 sqm), DHL (40,000 sqm) and Chefs Culinar (40,000 sqm) were among the top 3 tenants of the year.

In 2018, leases in the 5,001 sqm to 10,000 sqm unit achieved take-up of approximately 71,000 sqm (16%). Sites under 1,000 sqm made the lowest contribution (approximately 14,000 sqm, just under 3%). The two units of 3,001 to 5,000 sqm (38,000 sqm) and 1,001 to 3,000 sqm (43,300 sqm) were almost on a par in terms of percentage.
Relevant deals in 2018

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Square Meters</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decathlon</td>
<td>Ludwigsfelde</td>
<td>45,000</td>
<td>Expansion</td>
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<tr>
<td>DHL</td>
<td>Ludwigsfelde</td>
<td>40,000</td>
<td>Expansion</td>
</tr>
<tr>
<td>Chefs Culinar</td>
<td>Ludwigsfelde</td>
<td>40,000</td>
<td>Expansion</td>
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<tr>
<td>Rewe</td>
<td>Berlin</td>
<td>32,800</td>
<td>Prolongation</td>
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<td>Defshop</td>
<td>Ludwigsfelde</td>
<td>20,000</td>
<td>Expansion</td>
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<tr>
<td>Zalando</td>
<td>Ludwigsfelde</td>
<td>20,000</td>
<td>Expansion</td>
</tr>
<tr>
<td>Amazon</td>
<td>Berlin Süd</td>
<td>14,600</td>
<td>Expansion</td>
</tr>
</tbody>
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Take-up by sector
Take-up was dominated again by retail, which defended its leading role with a share of 45% (about 197,000 sqm), of which 100,000 sqm was attributable to the e-commerce industry and online retail. Second and third place were taken by logistics providers and production companies, which concluded leases in 2018 with a total volume of 105,500 sqm (24%) and 73,000 sqm (16%) respectively.

Rents
"Momentum on the Berlin logistics market within the city is also very clearly reflected in the trends in rents," said Ben Dörks. With an increase of 24%, the prime rent has increased sharply in 2018 and is now at EUR 6.80/sqm. A similarly high increase was recorded in the average rent, which was 22% higher than in the previous year and reached a plateau at EUR 5.50/sqm towards the end of the year. Thus, the Berlin logistics market has reached the level of the top 7 logistics markets and is now at a similar level to Hamburg, Düsseldorf and Stuttgart.

"In previous years, users were always offered good opportunities in vacant, cheap areas. This is now almost impossible due to the virtually full occupancy, and sites under EUR 4.00/sqm are a rarity. The construction costs have also risen significantly, which also
comes into effect in the conversion or expansion of existing properties,” said Ben Dörks about the unusually high increases in rental prices.

**Forecast for 2019**

According to Ben Dörks, “Although the prime rent will reach EUR 7/sqm in the current year, it will not exceed it, and the average rent will remain reasonably constant and
increase to a maximum of EUR 5.80/sqm." Due to the current decline in the amount of space available, Realogis expects a letting performance of between 350,000 and 400,000 sqm in 2019.

**Greater Berlin area**

Berlin is a growing logistics location and THE start-up location in Europe. Realogis defines the sub-market of the relevant available storage, logistics, industrial and production space in the surrounding areas as follows: in the north up to Neuruppin, Oranienburg, Eberswalde; in the east: Straußberg, Fürstenwalde; in the south: Ludwigsfelde/Großbeeren, Zossen, Königs Wusterhausen; in the west: Brieselang, Wustermark, Werder. Geographically, the Greater Berlin area forms part of an important traffic hub for the east-west connection and for north-south motorways. It contains nine motorways (A100 (city motorway), A9, A10, A11, A12, A13, A24, B96(a) and B101), inland ports and airports.

**Graphics** Graphics can be printed free of charge citing the source: “Realogis – [www.realogis.de](http://www.realogis.de)”

**Pioneers in logistics since 2005: Realogis – [www.realogis.de](http://www.realogis.de)**

Realogis is the leading German consulting company for letting and investments in industrial, logistics and commercial properties in Germany. Realogis provides nearly 60 experts looking after the real estate needs of national and international companies and private and institutional investors. The Realogis Group is operating its own branches at the key German logistics locations. Active throughout Germany since 2005, the first mover in the growth market of logistics real estate reported a turnover of nearly EUR 13.5 million in 2018.

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