

Logistics Market Report

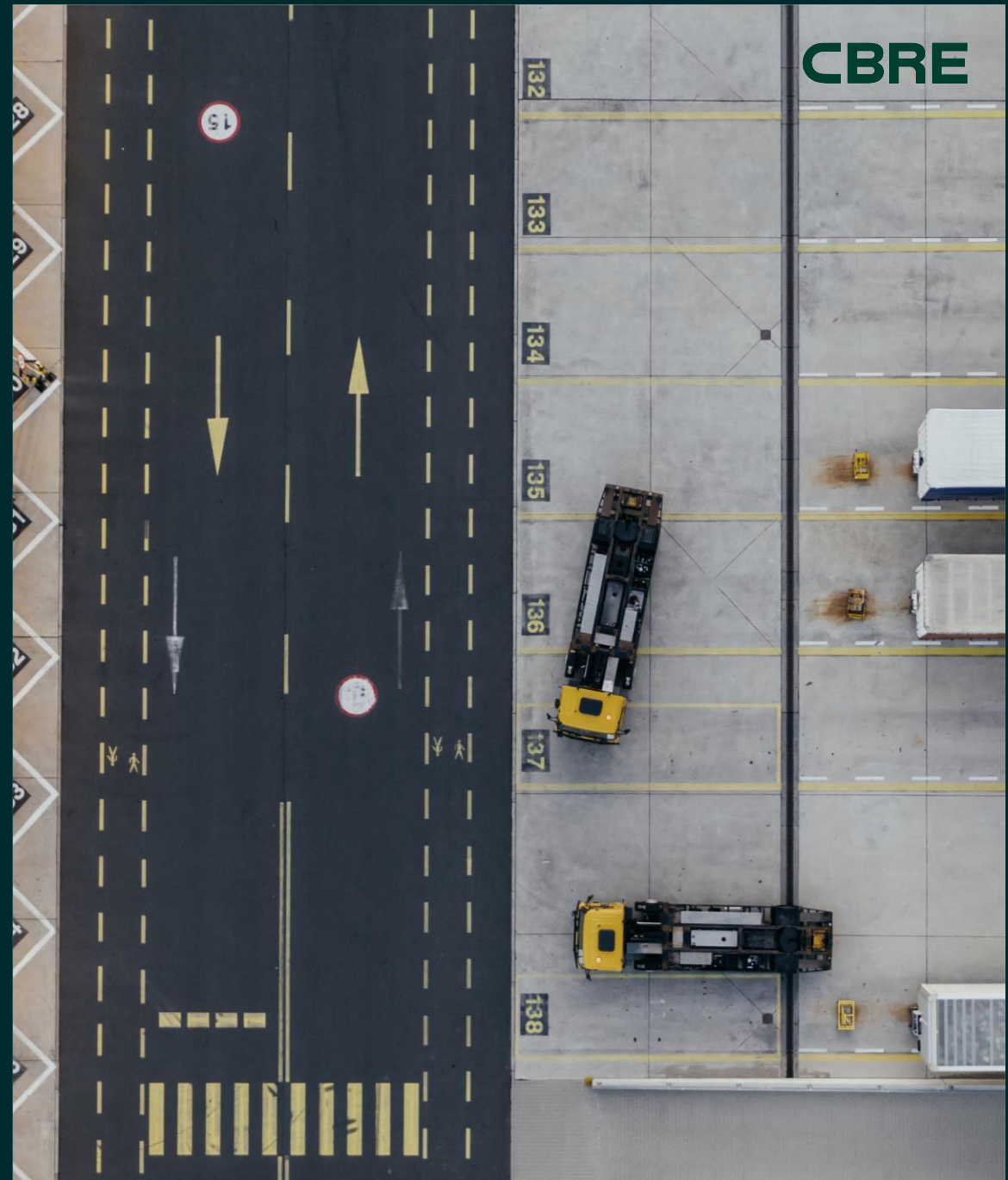
# Berlin Logistics Market Q4 2023

REPORT

Berlin's industrial and logistics market recovered slightly in the second half of the year 2023

CBRE RESEARCH

JANUARY 2024



# Overview

The Berlin industrial and logistics market achieved take-up of 339,400 sq m in 2023 as a whole. Compared to the same period of the previous year, which was largely characterized by Tesla's owner-occupation in Grünheide, this represents a decrease of 67%. At around 214,000 sq m, the market regained some momentum in the second half of the year - primarily in the form of several large lettings, such as in Werder (Havel) to weLOG (35,000 sq m) and LGI Logistics (30,400 sq m) and in Ludwigsfelde to Fiege Logistik (31,400 sq m).

In 2023, a limited supply of space, rising rents and the increasing caution of market participants in light of the slight recession led to more restraint on Berlin's industrial and logistics market.

In the Berlin market, demand is primarily for smaller areas, such as those used by a wide range of companies in business parks. Even if the Tesla special effect is factored out, take-up in units of 10,000 sq m or more fell by 73% (to 130,000 sq m). In the 5,000 to 9,999 sq m segment, there was a decline of 28% (to 81,000 sq m) and in the 3,000 to 4,999 sq m segment a fall of 14% (to 33,000 sq m.) By contrast, take-up in the 1,500 to 2,999 sq m segment rose by 42% (to 56,000 sq m). Take-up of the smallest areas up to 1,500 sq m even rose by 71% (to 40,000 sq m).

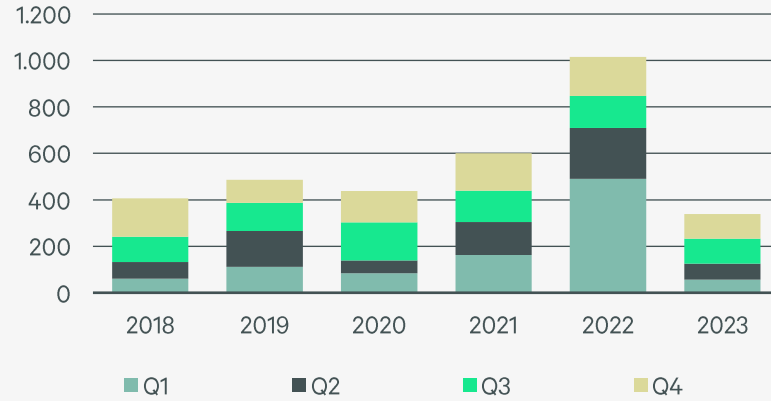
FIGURE 1

## Key Performance Indicators Logistics

	Q1-Q4 2023	Year-on-Year comparison	6-months-trend
Take-up	339,400 sq m	-66.6%	→
Prime rent	8.25 €/sq m	+25.0%	↑
Prime yield	4.30%	+0.5%-Pts.	→
Investment volume	€173.9m	-63.4%	↑

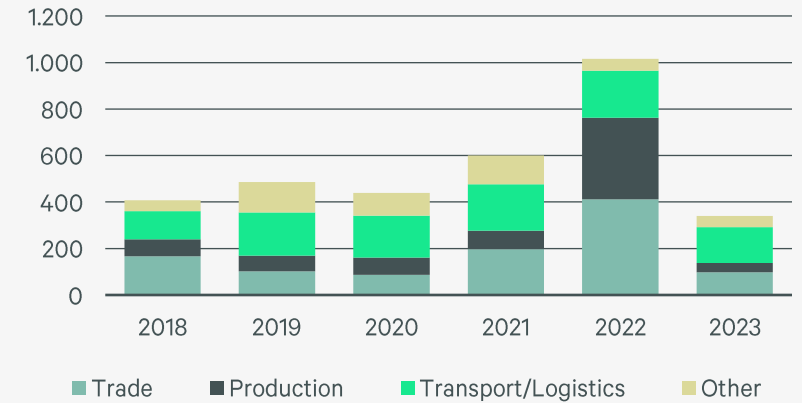
Source: CBRE Research Q4 2023

**FIGURE 2**  
Take-up  
(in 1,000 sq m)



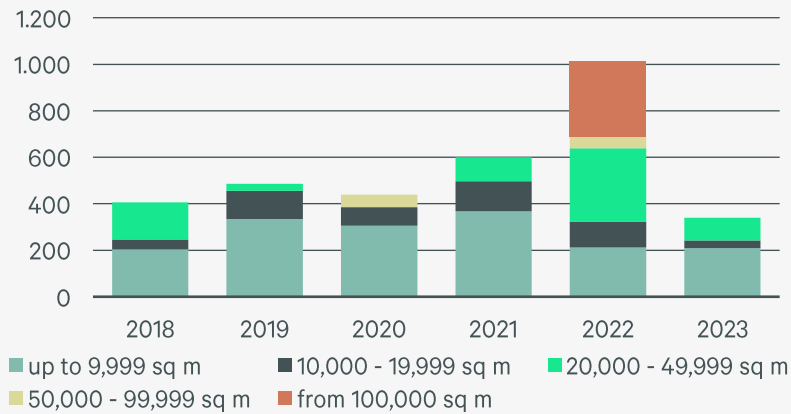
Source: CBRE Research Q4 2023

**FIGURE 4**  
Take-up by sector  
(in 1,000 sq m)



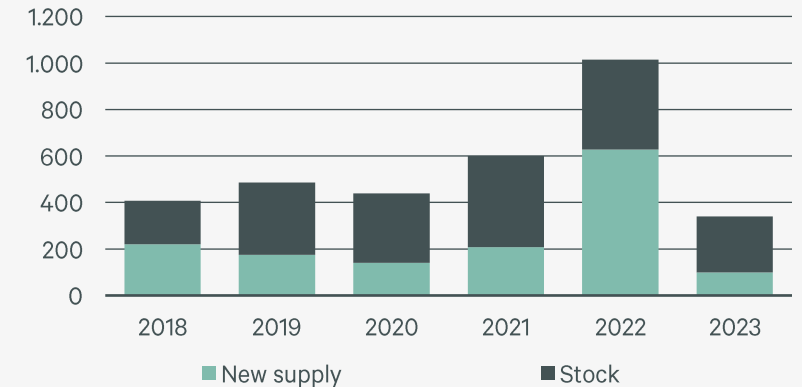
Source: CBRE Research Q4 2023

**FIGURE 3**  
Take-up by size-class  
(in 1,000 sq m)



Source: CBRE Research Q4 2023

**FIGURE 5**  
Take-up by  
stock vs. new supply  
(in 1,000 sq m)



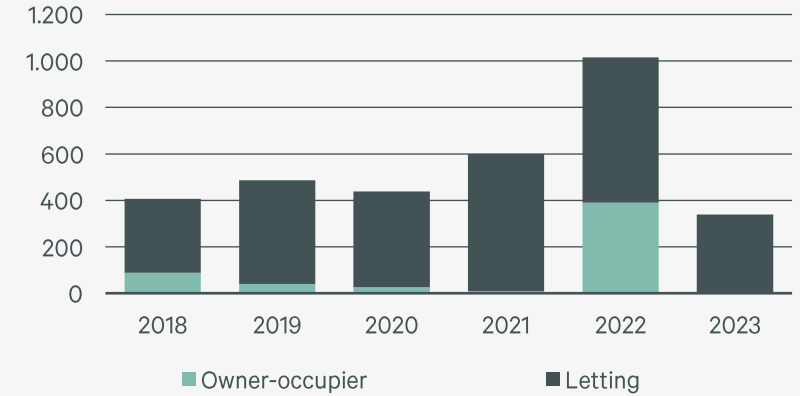
Source: CBRE Research Q4 2023

# Trends

- While take-up in the Berlin city area fell by 20% year-on-year to 45%, Berlin periphery recorded a drop of 77%
- Take-up by retail companies (including online retailers) fell by 76% year-on-year to 97,000 sq m, manufacturing companies recorded a decline of 89% to 40,000 sq m (excluding Tesla +60%) and logistics companies a drop of 24% to 155,000 sq m - however, logistics companies accounted for the largest share of the market at 46%
- The vacancy rate plus space that can be occupied at short notice through subletting for modern big-box properties rose to around 5% in 2023
- Prime rent for logistics properties rose from €6.60 to €8.25/sq m/month despite subdued demand - this corresponds to an increase of 25% over the course of the year
- Due to inflation of 5.1%, many existing rents, which are often inflation-indexed, also increased significantly in 2023

FIGURE 6

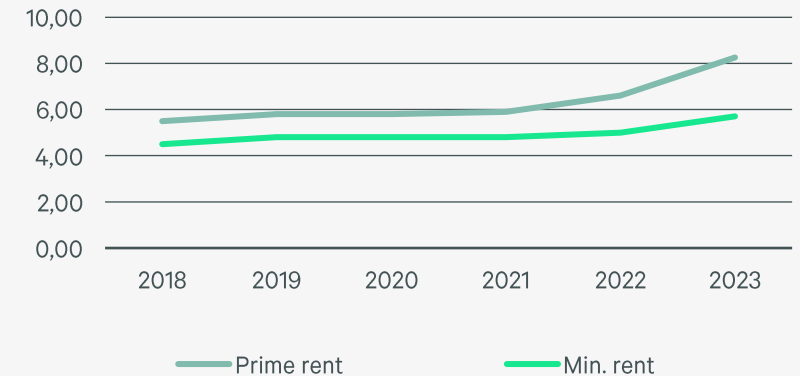
Take-up by letting vs. owner-occupier (in 1,000 sq m)



Source: CBRE Research Q4 2023

FIGURE 7

Rents (in €/sq m/month)



Source: CBRE Research Q4 2023

# Selected top deals

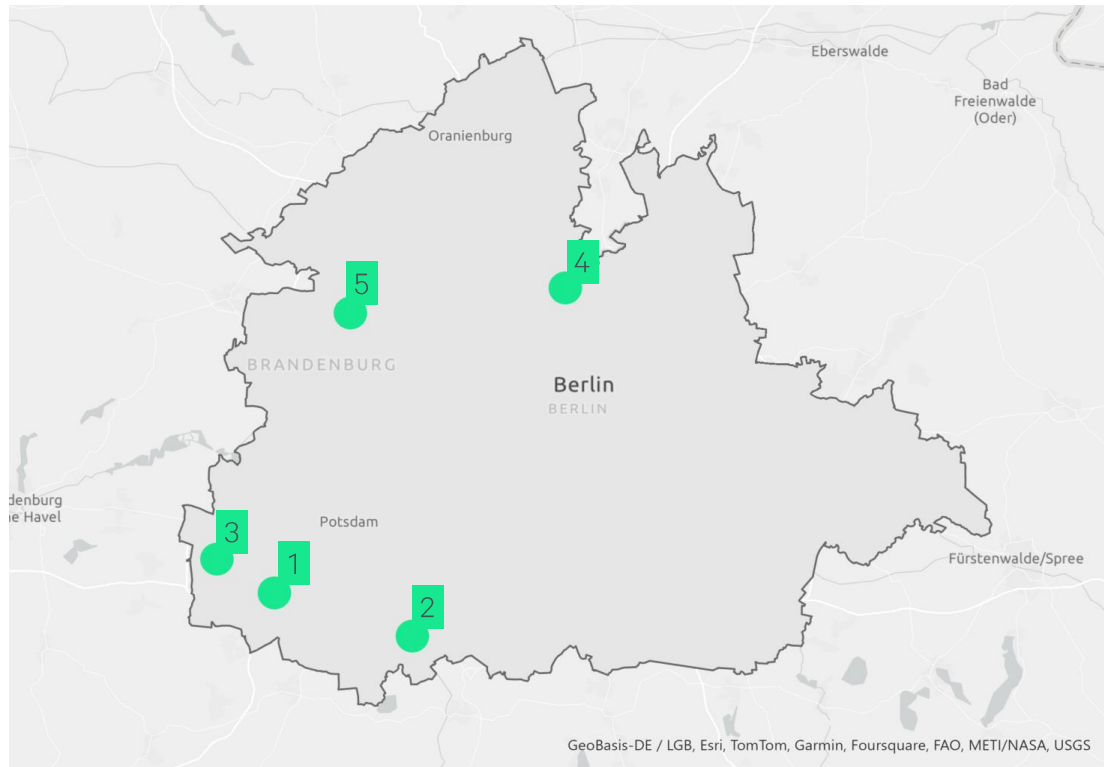


FIGURE 8  
Selected top deals

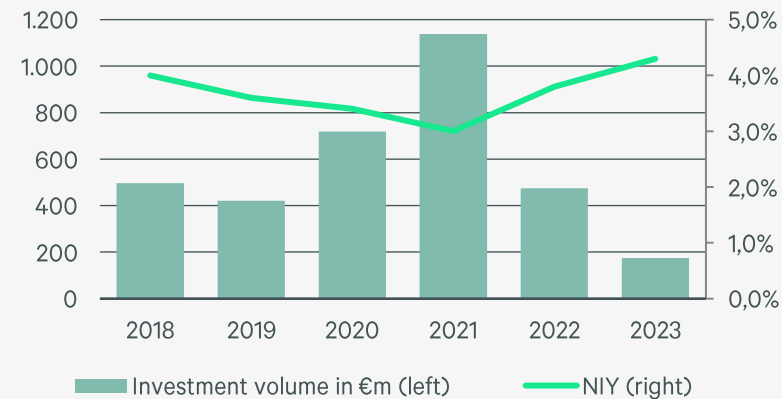
	Location	Size (sq m)	Sector	Company	Type of transaction	Status
1	Werder	35,000	Transport/ Logistics	weLOG	Letting	New Supply
2	Ludwigsfelde	31,400	Transport/ Logistics	Fiege	Letting	New Supply
3	Werder	30,400	Transport/ Logistics	LGI Logistics	Letting	New Supply
4	Berlin	12,700	Trade	Bär & Ollenroth KG	Letting	Stock
5	Falkensee	10,400	Transport/ Logistics	BLG	Letting	New Supply

Source: CBRE Research Q4 2023

# Outlook

As no construction has started since mid-2023, the space available in 2024 will be very limited. Due to Tesla's expansion plans, further new construction in the eastern market area will also be very limited. This is because new buildings on green fields always require ecological compensation areas, which are only available to a very limited extent.

FIGURE 9  
Investment volume and prime yield (NIY)



Source: CBRE Research Q4 2023



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