

G&B Real Estate Market Survey

Commercial | Office letting

2024/Q1

Berlin



Photo: © Grossmann & Berger GmbH

Market remains slow – lengthy talks precede agreements

At the start of the year, business was still rather slow on the market for office-letting in Berlin. Between January and March 2024 take-up totalled 147,000 m². To date, only 5 agreements for more than 5,000 m² of space were noted. The office-letting market was dominated by a few large-volume agreements signed by public sector bodies, which accounted for more than 60 per cent of take-up. In the same period a year ago, this sector had a 20% share of the market, similar to rates posted by consultancies and IT.

The preferred locations on the market were Tiergarten, Kreuzberg and Friedrichshain, where 105,000 m² of the total take-up was registered. An ongoing shortage of space in the top locations diverted attention to the adjoining City locations and peripheral areas.

Rents remain high

When looking for new office space, companies remain quality-conscious. Currently, the highest rents are being paid for properties on Potsdamer Platz/Leipziger Platz at well over €50/m²/month. Altogether, 54,800 m² of space was newly let at rents above the €30/m² mark.

Appreciable increase in available space

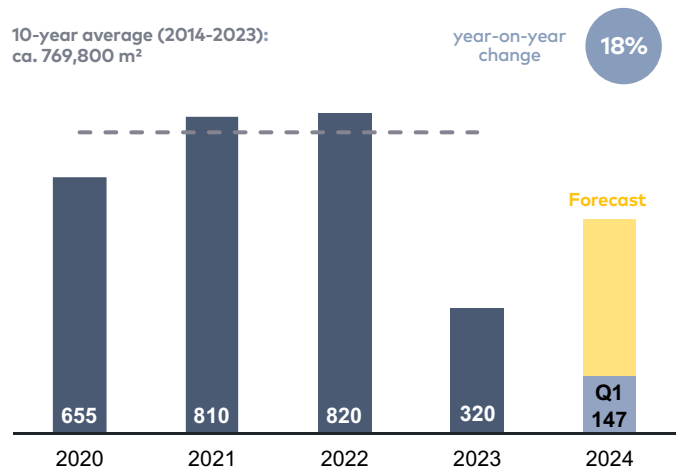
In the early part of the year, the range of office space in the German capital available at short notice has further increased. A growing number of sub-let leases, expiring rental agreements and building completions combined to push the vacancy rate up again, to 5.7%.

Antje Helmer | Head of office letting Berlin

>> Potential tenants continue to attach very great value to good quality consultancy. But at the same time they find it harder to reach a decision because there are more premises available to choose from. <<

Take-up of space

2020–2024 | Berlin | in 000s m² | incl. owner-occupiers



Source: Grossmann & Berger GmbH

Office letting

Berlin | Key Facts

2024/Q1



Top contracts

2024/Q1 | Berlin | Selection

- 1 | **Federal Chancellery** | ca. 25,000 m²
Willy-Brandt-Strasse 1 | Tiergarten
- 2 | **Federal Property Agency BIMA for Federal Building Ministry** | ca. 25,000 m²
Markgrafenstrasse 19 | Kreuzberg
- 3 | **Federal President's Office** | ca. 10,000 m²
Spreeweg 1 | Tiergarten
- 4 | **Tax Office** | ca. 8,200 m²
Blissestrasse 5 | Wilmersdorf
- 5 | **Wooga GmbH** | ca. 6,700 m²
Dockyard Waterfront Offices | Stralauer Allee 15-16
Friedrichshain

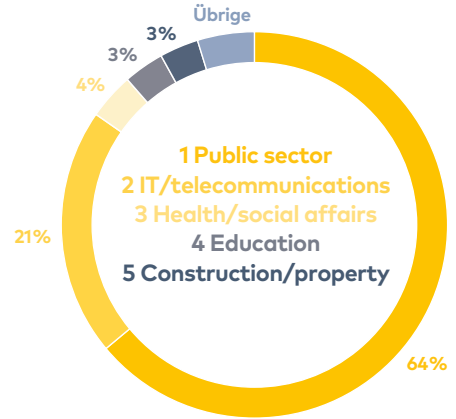
Highest-turnover sectors

2024/Q1 | Berlin | Take-up of space by industry

Top-5-Industries

Take-up of space year-on-year change

- 1 | **94,000 m²**
+262%
- 2 | **30,500 m²**
+7%
- 3 | **5,700 m²**
+128%
- 4 | **5,000 m²**
+471%
- 5 | **4,800 m²**
-9%



Source: Grossmann & Berger GmbH

Market outlook | Office

Focus remains on top-quality space in central locations

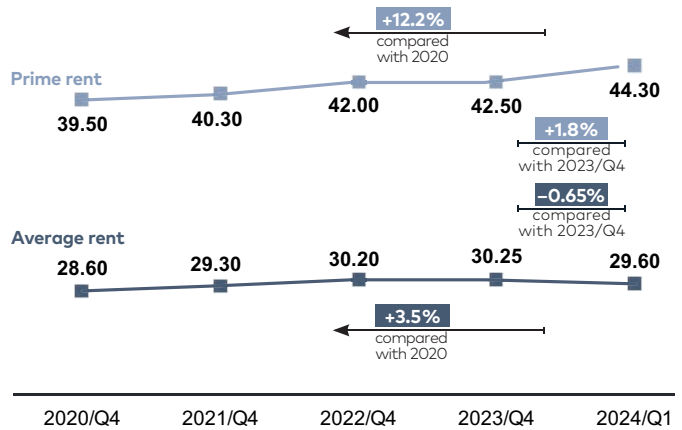
Take-Up of space: The market should revive a little in the 2nd half year, although it is not to be expected that there will be many agreements for more than 10,000 m² of space. Therefore total take-up of space in 2024 is likely to be about the same as last year, possibly slightly more, with a final result of up to 550,000 m².

Rents: Demand remains high for top-quality space conforming to ESG criteria and located in central areas. Overall, rents are thus likely to remain at their current high level.

Available space: The building development pipeline is well filled. By the end of 2025 it is expected that 910,000 m² of new office space will come onto the market, more than half of which has been let off plan.

Office rents

2020–2024/Q1 | Berlin | in €/m²/mth (net)

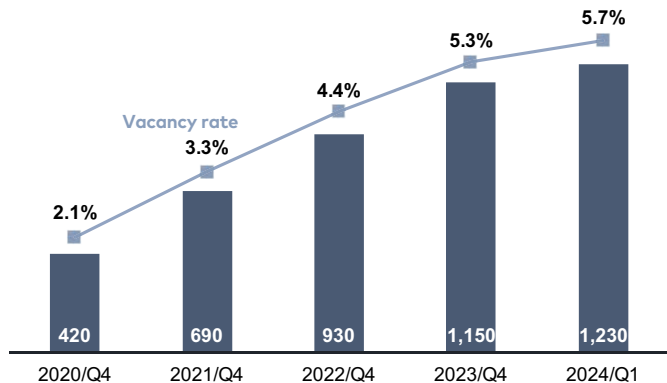


Source: Grossmann & Berger GmbH

Vacant space

2020–2024/Q1 | Berlin | in 000s m²

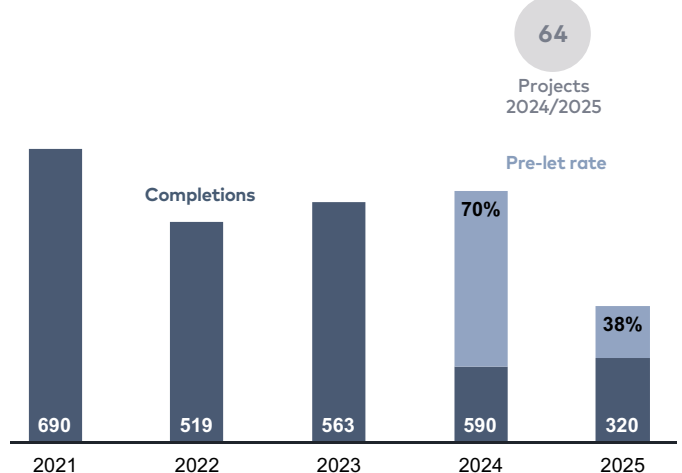
Vacant space includes all office space that is available within three months



Source: Grossmann & Berger GmbH

Completions

2021–2025 | Berlin | in 000s m²

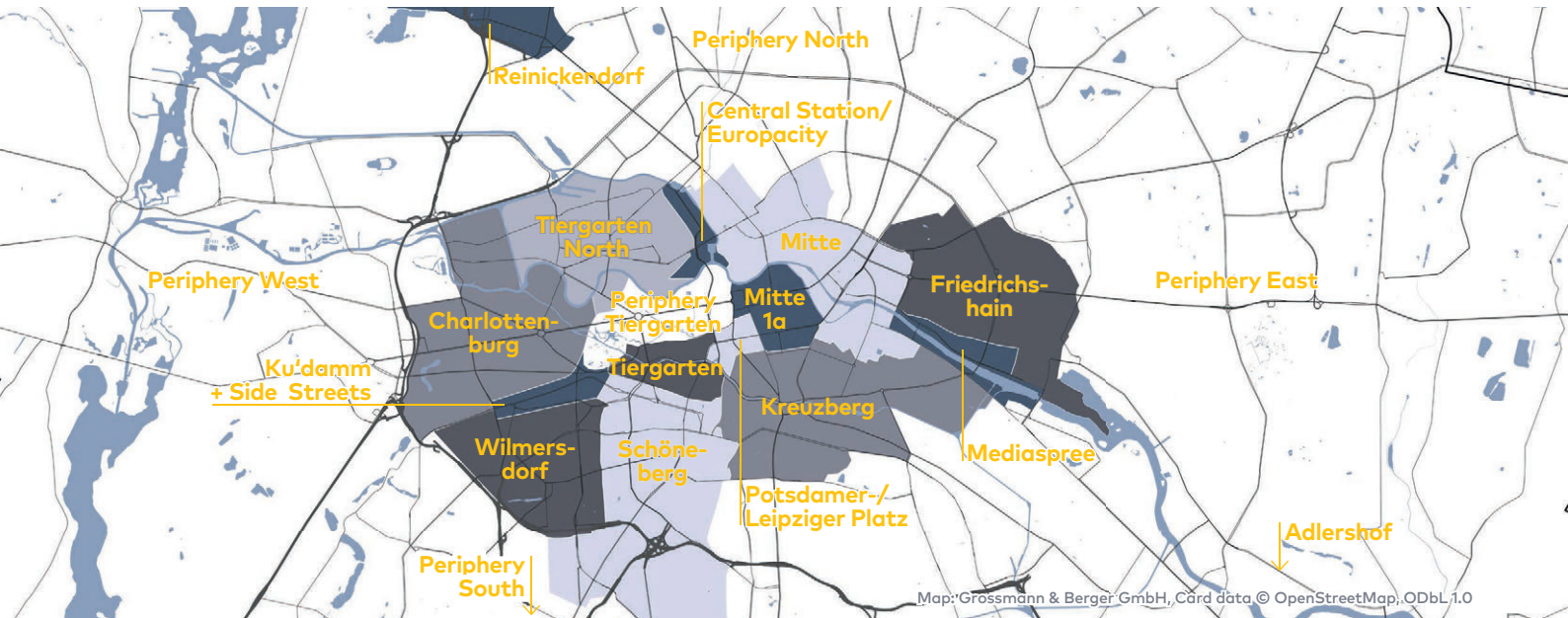


Source: Grossmann & Berger GmbH

Office letting

Berlin | Office sub-markets

2024/Q1



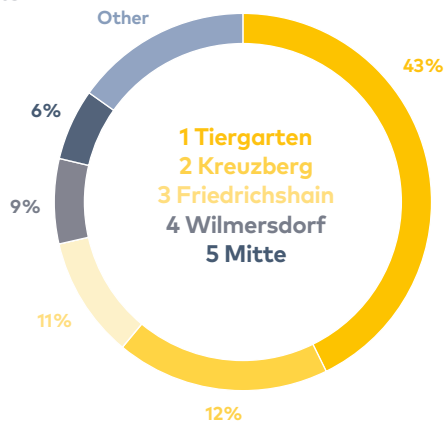
Hot Spots

2024/Q1 | Berlin | distribution of space take-up

Top-5-Sub-markets

Take-up of space year-on-year change

- 1 | 62,800 m² +290%
- 2 | 26,700 m² +99%
- 3 | 15,300 m² +308%
- 4 | 10,700 m² na
- 5 | 9,000 m² -40%



Source: Grossmann & Berger GmbH

Rent level

2024/Q1 | Berlin | Ø Office rents | in €/m²/mth (net)

Potsdamer- / Leipziger Platz	38.70
Central Station / Europacity	37.60
Kreuzberg	37.40
Mitte 1a	32.80
Mitte	32.70
Mediaspree	31.00
Ku'damm plus Side Streets	30.20
Tiergarten	28.00
Schöneberg	27.60
Friedrichshain	27.30
Periphery South	25.40
Charlottenburg	25.30
Wilmersdorf	24.90
Periphery North	23.70
Adlershof	17.20
Periphery East	16.10
Reinickendorf	15.50

29.60
€/m²/mth
Ø rent

Source: Grossmann & Berger GmbH



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We draw your attention to the fact that all statements made here are non-binding. Most of the information is based on third-party reports. The sole intention of this market survey is to provide general information for our clients.

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