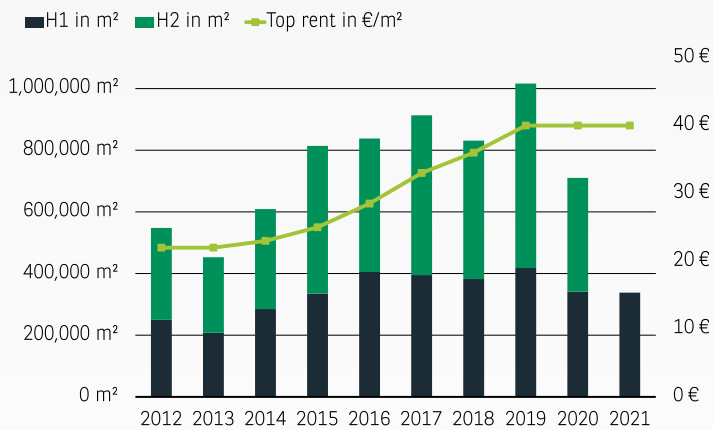




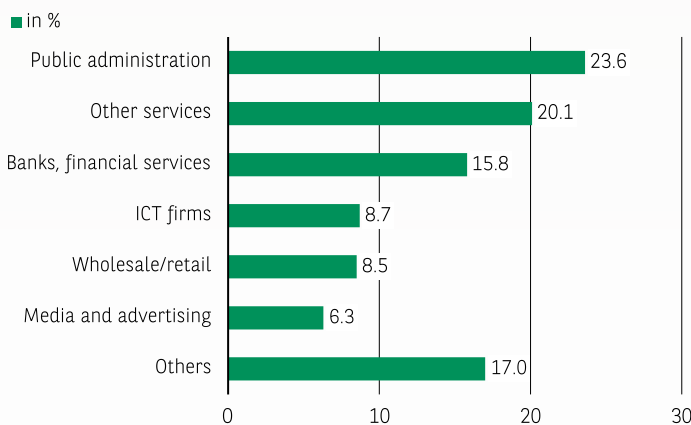
At a Glance **Q2 2021**

OFFICE MARKET BERLIN

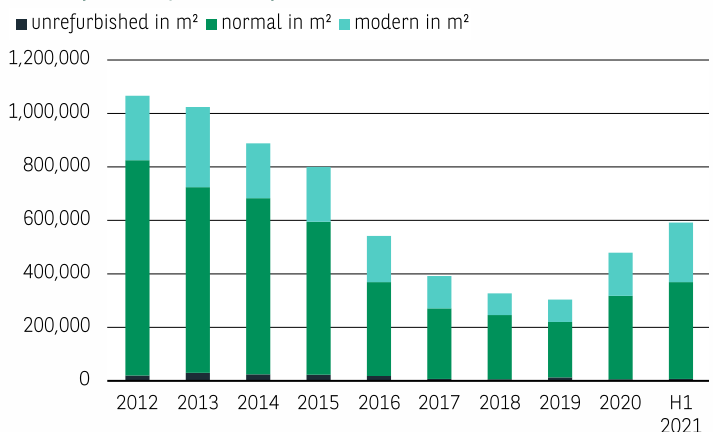
Development of take-up and top rents



Take-up by sector H1 2021



Development of vacant space



➤ VERY GOOD HALF-YEAR RESULT

With a remarkable outcome, the Berlin office market remains the leader when comparing take-up nationwide. A strong start into the year (181,000 m²) was followed by a very solid second quarter. At around 338,000 m², the half-year result in the federal capital is only 1% below the previous year's result and on a par with the ten-year average. This clearly puts Munich (234,000 m²) in second place. The high level of leasing activity in Berlin across all size segments is particularly noteworthy. Around 34% or more than 115,000 m² of the take-up is attributable to large lettings above the 10,000 m² mark. Thus, their result is clearly above average and it is the second highest half-year figure ever after 2020 (just under 132,000 m²). Deals between 5,001 and 10,000 m² also remain at a high level, with take-up exactly in line with the ten-year average of 40,000 m². While the leasing activity in the medium size range is currently somewhat more restrained, a clearly above-average result can be reported for the size category below 500 m².

➤ OTHER SERVICES WITH VERY HIGH LETTING ACTIVITY

Public administration remains the sector with the highest take-up at the end of the first half of 2021. With a take-up of around 80,000 m², the excellent result of the previous year was missed by 43%, but the latest volume is clearly above the long-term average (+26%). Public administration showed a high level of leasing activity in the entire market area and across all size classes. In contrast, leases in the smaller space segment were primarily responsible for the good result of 20% for the other services. Larger deals are still fairly rare in this sector. The well above-average market share of banks and financial service providers of almost 16% is mainly due to the large deal concluded by DKB Service GmbH (around 33,500 m²).

➤ VACANCIES CONTINUE TO INCREASE MODERATELY

The rise of vacancies continued moderately in the second quarter. Currently, around 590,000 m² are available at short term notice. The vacancy rate of 2.9% is thus still significantly below the fluctuation reserve. Particularly in the category of modern space, there are many indications that the pace of vacancy growth is losing momentum. Just under 38% of vacant space currently has a modern fit-out standard. Especially in the Top-City and Potsdamer/Leipziger Platz submarkets, high-quality space remains rare.

Major contracts

Sub-market	Company	m ²
2.1	DKB Service	33,500
3.3	Bundesanstalt für Immobilienaufgaben	19,200
4.4	Bundesanstalt für Immobilienaufgaben	14,800
3.2	Home24	13,000
3.4	SRH Berlin University of Applied Sciences	13,000
3.2	Universal Music	12,400

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STABLE CONSTRUCTION VOLUME

Currently, around 1.34 million m² of office space is under construction. This figure remains stable year-on-year and construction activity continues to be at a high level. This clearly demonstrates the great confidence of project developers in Berlin as an office location. Around 40% of all space under construction is currently already pre-let. This figure is likely to remain high, as modern vacancies are limited and over the past five years the modern quality segment was responsible for 58% of take-up. With more than 200,000 m² of space under construction, development is currently concentrated in the submarket Kreuzberg/Friedrichshain, followed by Mediaspree (just under 180,000 m²) and Central Station (more than 120,000 m²).

PRIME RENT STABLE

Berlin's prime rent remains stable at 40.00 €/m² at mid-year. As expected, the average rent is somewhat more volatile. It currently stands at 27.30 €/m² and is thus still by far the highest in Germany. In the past three months it increased by 0.4%

Trends in important market indicators

	H1 2020	H1 2021	Trend remaining year
Take-up	341,000 m ²	338,000 m ²	↗
Vacant space	369,000 m ²	592,000 m ²	↗
Space under construction (total)	1,382,000 m ²	1,397,000 m ²	→
Space under construction (available)	730,000 m ²	835,000 m ²	↘
Top rent	40.00 €/m ²	40.00 €/m ²	↗

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OUTLOOK

Market activity is likely to accelerate again in the second half of the year. An annual take-up volume slightly above the previous year's level and thus above 700,000 m² is quite realistic. Against the background of a continuing low level of vacancies and sustained strong demand for modern space, rental price levels are expected to remain at least stable or even rise slightly.

Key indicators H1 2021

	Top rent* (€/m ²)		Take-up (m ²)	Vacant space (m ²)			Space under construction (m ²)		Space on offer (m ²)	
	from	to	H1 2021	total	modern	of this, since completion	total	available	available	projected
	1		2	3	4	5	6	7	8 = (3 + 7)	9
1 Topcity										
1.1 Topcity West		38.50	8,000	18,000	9,000	4,500	57,200	57,200	75,200	15,800
1.2 Topcity East		40.00	10,000	14,000	13,000	0	7,000	2,300	16,300	6,000
1.3 Potsdamer/Leipziger Platz		40.00	2,000	22,000	20,000	0	8,000	8,000	30,000	0
2 City Centre	31.00 -	36.00	91,000	147,000	58,000	1,000	535,800	377,100	524,100	752,700
3 Centre Fringe	26.00 -	36.00	142,000	203,000	79,000	17,000	585,100	232,000	435,000	1,280,000
4 Subcentres	16.00 -	20.00	85,000	188,000	44,000	16,000	203,900	158,400	346,400	1,648,500
Total			338,000	592,000	223,000	38,500	1,397,000	835,000	1,427,000	3,703,000

* The top rent given applies to a market segment of 35 % in each case.

** The relevant office market zone can be found on our website under "Research".

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