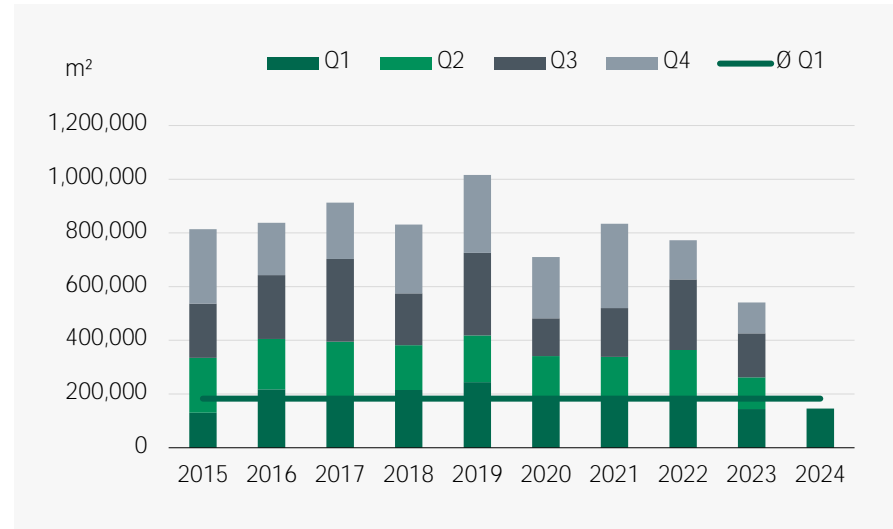


BERLIN

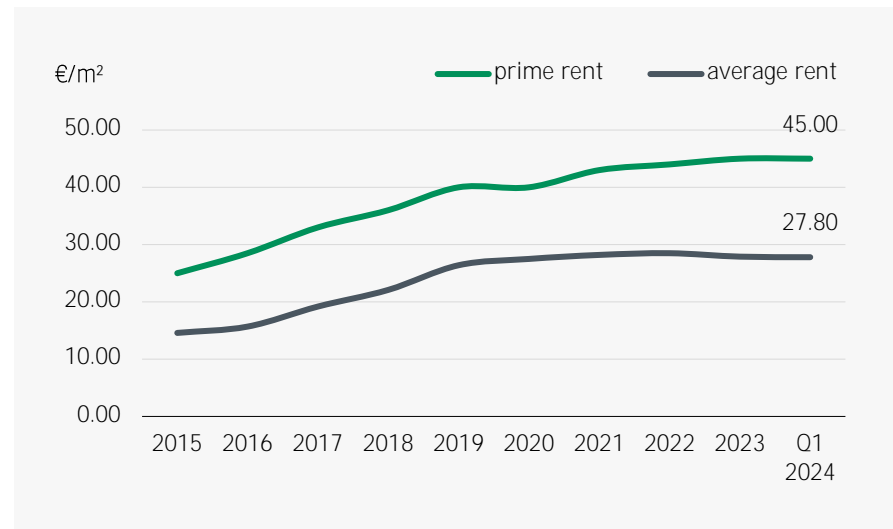
REPORT OFFICE MARKET

Q1 2024

Development of take-up



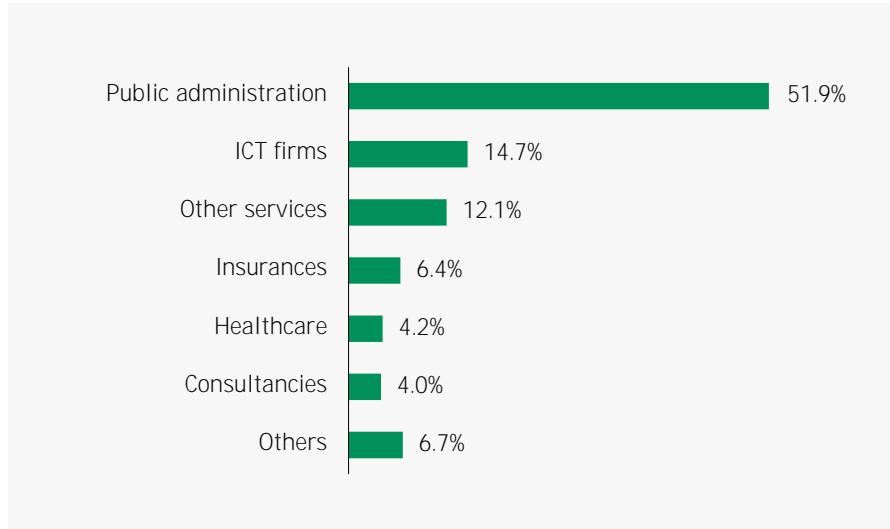
Prime and average rents



EQUALISED PREVIOUS YEAR'S RESULT AND REMAINS AT TOP OF THE LEADING MARKETS

- With take-up totaling 146,000 m² in the first quarter, the capital recorded a market dynamic comparable to that of the same period last year (144,000 m²). Even though the result is once again below the long-term average (183,000 m²; -20%), the Berlin office market retains its leading position among the top markets ahead of Munich (140,000 m²) and Frankfurt (119,000 m²).
- The main take-up drivers in this context are the large deals of over 5,000 m² (51 % share), including in particular the two owner-occupier deals by BlmA for the Federal Chancellery (25,000 m²) and the Office of the Federal President (9,900 m²) in the Charlottenburg/Tiergarten submarket and the letting by BlmA in Mitte (25,200 m²).
- However, the analysis of the recorded lettings reflects another fact: around 94 % of the registered contracts are in the space categories up to 2,000 m². These figures emphasize the trend towards smaller, but very well connected and modern office space.
- The prime rent remained stable over the last 12 months at the high level of €45/m² reached in the first quarter of 2023.
- Meanwhile, the more volatile average rent stands at €27.80/m² and is therefore at a comparable level to the end of 2023.

Take-up by sector Q1 2024



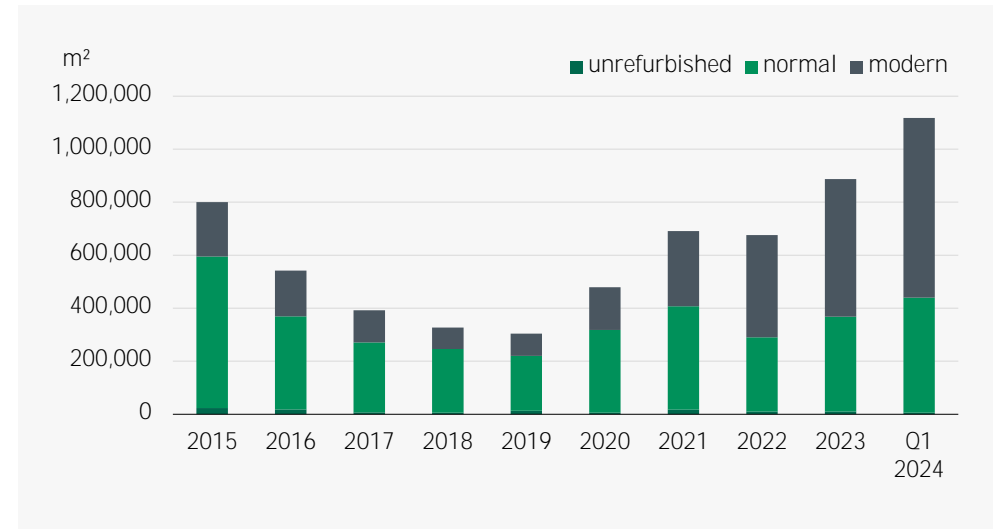
Major contracts Q1 2024

Sub-market	Company	m ²
2.1	BlmA	25,200
2.6	BlmA (Bundeskanzleramt)	25,000
2.6	BlmA (Bundespräsidialamt)	9,900
2.2	Versicherung	7,800
2.2	Wooga	6,400
1.2	Design Offices	2,000

COMPLETIONS INCREASE MODERN VACANCIES

- On the supply side, the vacancy volume has continued to rise and, at around 1.1 million m² in total, has exceeded the one million m²-mark for the first time since 2014. This can be explained by the completion of numerous projects that have not yet been let or have only been partially let. Correspondingly, the modern vacancy rose by 31% to 678,000 m² at the beginning of the year, with a proportionate increase of just under 61%. As a result of these developments, the vacancy rate for the whole market has now passed the 5 % mark, while only the top city locations are still below the fluctuation reserve at just under 4.5 %.
- In terms of the distribution of take-up among the sector groups, public administration stands out, dominating the rankings with 52% due to the major deals concluded by BlmA. Larger lettings in the Mediaspree submarket of over 7,800 m² and 6,400 m² respectively were also contributed by insurance companies (proportionately over 6 %) and ICT technologies (just under 15 %).

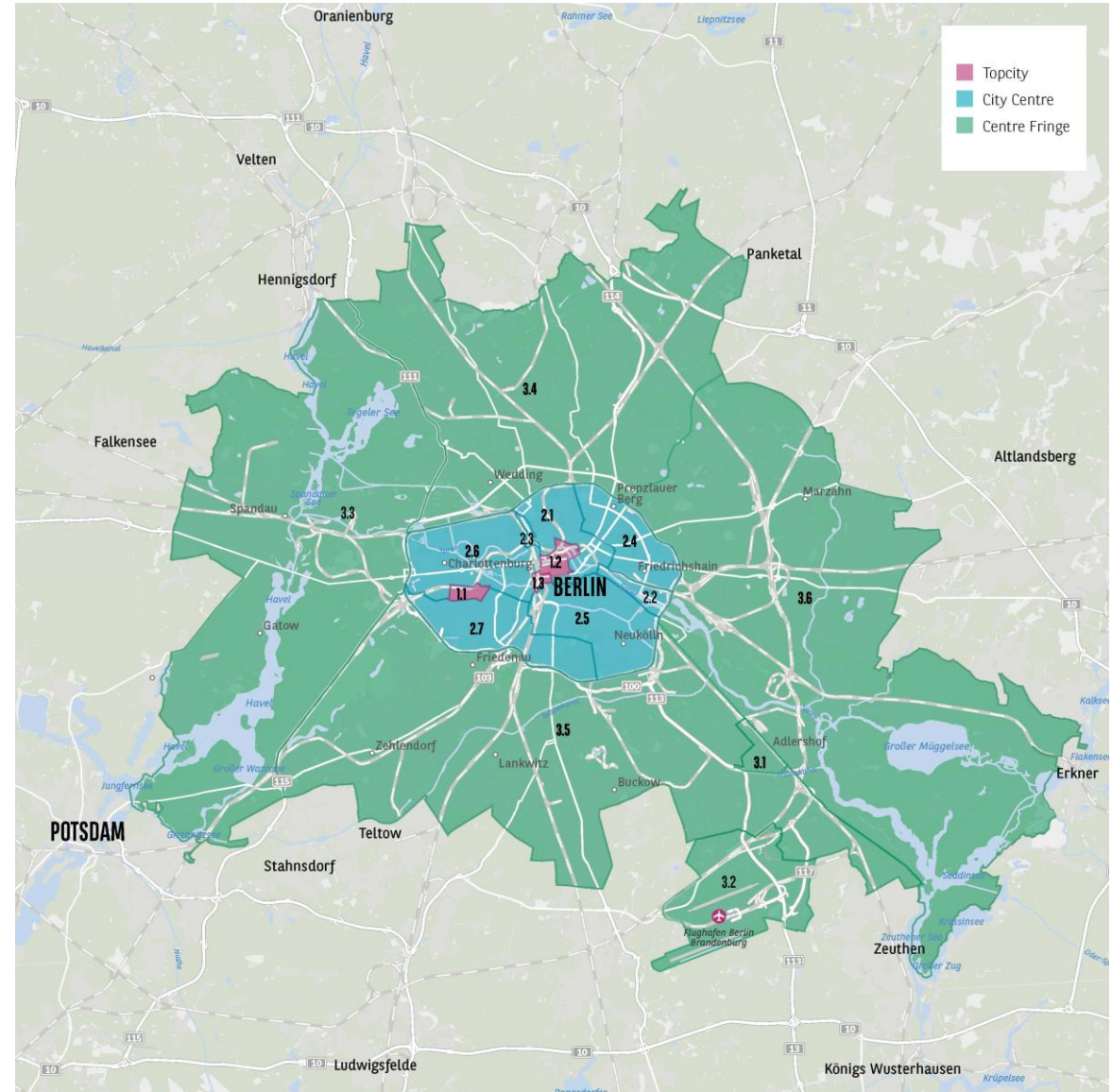
Development of vacant space



OUTLOOK

- Although the Berlin office market did not achieve an exceptionally high result at the start of 2024, it was able to maintain its position compared to other locations and establish a solid basis for the rest of the year in the first three months.
- The overall good result is attributable to the special factor of three very large-volume public sector deals, which together accounted for around 60,000 m². The owner-occupier segment in particular contributed to this.
- However, this factor conceals the general market trend, as small-scale letting activity accounts for the majority of market movements on the Berlin office market. The fact that the location aspect has also become an even more important issue in letting decisions is emphasized by nearly 87% of the volume being accounted by city centre and top city locations.
- On the supply side, further increases in vacancies are initially expected over the course of the year, although it cannot be ruled out that the 1.5 million m² mark will come within reach. At the same time, the persistently challenging conditions for project developments and the planned completions will lead to a noticeable decline in construction activity in the coming quarters.
- As far as rents are concerned, the strong momentum of recent years is expected to slow somewhat over the remainder of the year, while take-up is expected to be slightly above the previous year's level.

Office submarkets Berlin



Key indicators office market Berlin

	PRIME RENT* (€/m²)		TAKE-UP (m²)		VACANT SPACE (m²)		SPACE UNDER CONSTRUCTION (m²)		SPACE ON OFFER (m²)	
	from	to	Q1 2024	total	modern	of this, since completion	total	available	available	projected
Submarkets**	1		2	3	4	5	6	7	8 = (3 + 7)	9
1 Topcity										
1.1 Topcity West		40.00	4,200	34,300	23,500	3,700	18,400	18,400	52,700	7,400
1.2 Topcity East		45.00	6,400	55,600	41,000	0	0	0	55,600	19,200
1.3 Potsdamer/ Leipziger Platz		45.00	3,000	43,800	39,800	0	0	0	43,800	33,300
2 City Centre	33.00 -	40.00	113,400	598,100	344,000	20,500	546,300	414,900	1,013,000	1,518,500
3 Centre Fringe	17.50 -	27.00	19,000	386,200	229,700	33,800	180,300	108,700	494,900	2,037,600
Total			146,000	1,118,000	678,000	58,000	745,000	542,000	1,660,000	3,616,000

* The prime rent given applies to market segment of 3-5 % in each case.

** The relevant submarket can be found on our website under „Research“.

Contact

BNP Paribas Real Estate GmbH

Kranzler Eck | Kurfürstendamm 22 | 10719 Berlin

Phone: +49 (0)30-884 65-0

All rights reserved. This report is protected in its entirety by copyright. No part of this publication may be reproduced, translated, transmitted, or stored in a retrieval system in any form or by any means, without the prior permission in writing of BNP Paribas Real Estate GmbH. The statements, notifications and forecasts provided here correspond to our estimations at the time when this report was prepared and can change without notice. The data come from various sources which we consider reliable but whose validity, correctness or exactness we cannot guarantee. Explicitly, this report does not represent a recommendation of any kind, nor should it be regarded as forming a basis for making any decisions regarding investment or letting or renting property or premises. BNP Paribas Real Estate can accept no liability whatsoever for any information contained or statements made herein.

Publisher and copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 31.03.2024 | Further information: BNP Paribas Real Estate GmbH | Branch office Berlin | Phone +49 (0)30-884 65-0
Photo credits : © Antoine Huot

LEARN 
MORE