



BERLIN

REPORT OFFICE MARKET

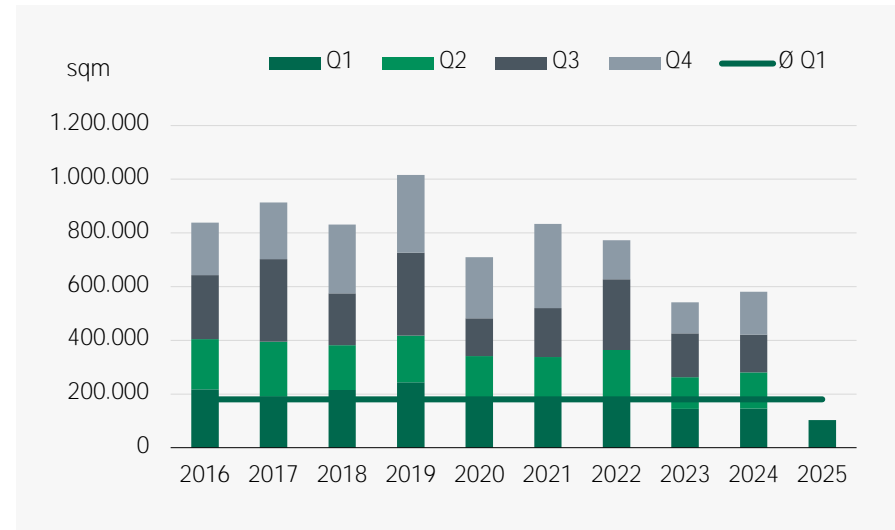
Q1 2025



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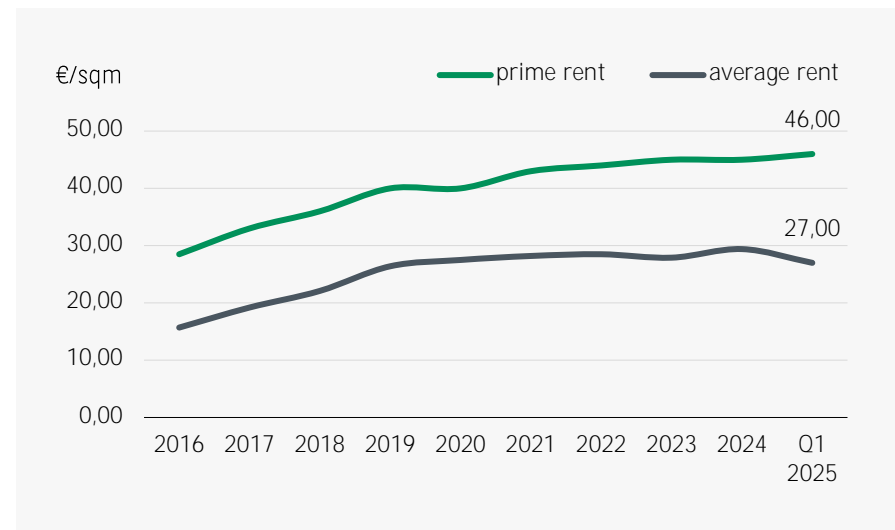
Development of take-up



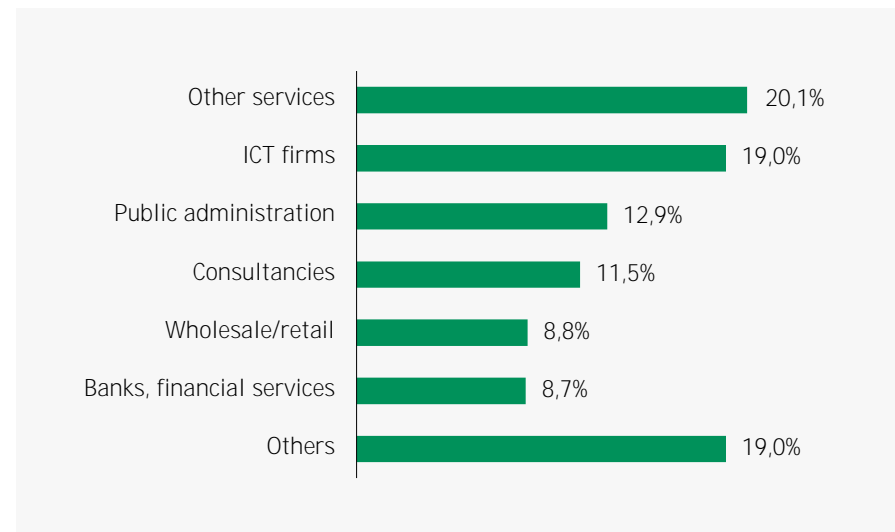
LOTS OF DEALS, BUT ONLY MODERATE TAKE-UP: SLOW START TO THE YEAR

- The Berlin office market has started the year 2025 with a moderate first quarterly result: A total of around 103,000 sqm has been taken up after the first three months, which leaves the current result below the previous year's figure and the long-term average.
- Considering that the number of contracts (-13%) has declined to a much lower extent than the take-up (-42%), there has been a complete absence of major lettings in the first quarter. To date, the largest contract is the Federal Environment Agency as an owner-occupier in the southern part of the city. Given that the next largest rental agreements are in the range between 2,000 and 5,000 sqm, in a top market like Berlin with regular deals above the 10,000 sqm mark, it is clear how fragmented the market has become at the beginning of the year. However, it is pleasing to note that take-up of contracts up to 5,000 sqm increased by as much as 37%.
- When looking at the distribution of take-up across the market area, Kreuzberg (17,100 sqm) and Mitte (14,000 sqm) stand out in particular, accounting for around 30% of the total volume due to numerous smaller and medium-sized leases. As a result, the city centre zones remain the sub-market with the highest take-up (63,800 sqm), while the top city is still under-represented with just under 10,000 sqm so far this year.
- Very high-priced lettings were registered again in the first quarter, with premium space in top properties and locations conforming to the ESG now commanding rents of up to €46 per sqm.

Prime and average rents



Take-up by sector Q1 2025



Major contracts Q1 2025

| Sub-market | Company | m² |
|------------|--|-------|
| 3.5 | Umweltbundesamt | 5,300 |
| 3.3 | Kontron | 2,300 |
| 2.6 | Creditreform Berlin Brandenburg | 2,200 |
| 2.1 | ABB Allgemeine Beamten Bank | 2,100 |
| 2.5 | Optimal Systems | 2,100 |
| 2.5 | Evangelischer Kirchenkreis Berlin Stadtmitte | 2,100 |

DIVERSITY IN SECTOR RANKING; VACANCY RATE AT 7.6 %

- Due to the very small-scale letting activity, many sectors are involved in the occupier ranking with large shares of take-up. The biggest lettings are split among public administration (Umweltbundesamt and Evangelical Church District of Berlin City Centre), ICT (Kontron and Optimal Systems) and banks/financial service providers (Creditreform Berlin Brandenburg and ABK Allgemeine Beamten Bank). Their respective market shares are just under 9% and around 19%. Due to numerous smaller contracts, other services (a good 20%) and consulting companies are also among the active sectors (almost 12%)
- Vacancies continued to rise in the first quarter of 2025. A total of around 1.63 million sqm of office space is currently vacant, representing an increase of around 10% in the last three months. Almost 62% of this space has a modern fit-out. At 5.9%, the vacancy rate in the CBD is currently still in the range of the fluctuation reserve, while the overall market currently stands at 7.6%.

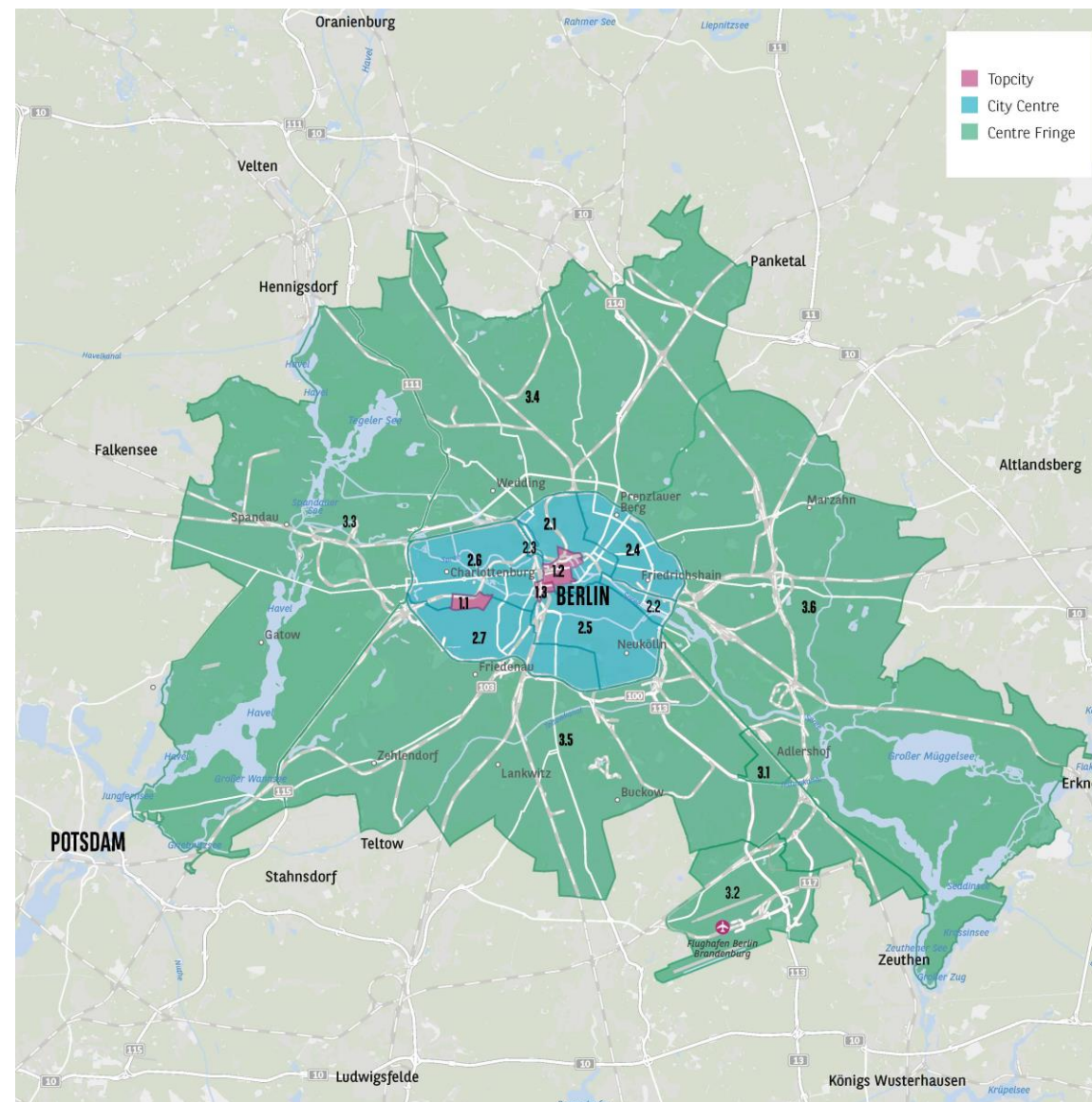
Development of vacant space



OUTLOOK

- The first quarterly result of the Berlin office market in 2025 must be viewed in a differentiated manner: On the one hand, the low take-up compared to both the previous year and other office locations is striking. However, a closer look at the volume indicators reveals the very lively market activity in the small-scale segment.
- This observation emerges even more clearly against the backdrop of the capital taking the lead in lettings of up to 5,000 sqm. At the same time, however, it only achieved an average ranking in terms of overall results. This shift in the focus of demand is likely to continue over the remainder of the year and ensure a consistently high letting dynamic, particularly in the segments up to 2,000 sqm.
- Not only in the size categories, but also in the submarket analysis, an increasingly heterogeneous development of demand is emerging in favor of the locations within the S-Bahn ring and at the expense of the more peripheral and less well-connected micro-locations.
- On the supply side, it can be assumed that the vacancy volume will approach the 2 million sqm mark in the coming quarters. However, this development is also likely to reach its cyclical peak in the medium term.
- No significant increase is currently anticipated in the prime rents segment during the first half of the year, suggesting that absolute premium space is likely to stabilise at around the €46 per sqm already achieved.

Office submarkets Berlin



Key indicators office market Berlin

| | PRIME RENT* (€/sqm) | | TAKE-UP (sqm) | | VACANT SPACE (sqm) | | SPACE UNDER CONSTRUCTION (sqm) | | SPACE ON OFFER (sqm) | |
|-----------------------------------|------------------------|-------|------------------|-----------|-----------------------|---------------------------|-----------------------------------|-----------|-------------------------|-----------|
| | from | to | Q1 2025 | 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 | | 42.00 | 3,500 | 47,400 | 31,400 | 3,700 | 52,200 | 52,200 | 99,600 | 9,500 |
| 1.2 Topcity East | | 46.00 | 5,200 | 73,200 | 52,000 | 0 | 28,000 | 28,000 | 101,200 | 19,200 |
| 1.3 Potsdamer/ Leipziger Platz | | 46.00 | 1,200 | 56,200 | 51,800 | 0 | 0 | 0 | 56,200 | 33,300 |
| 2 City Centre | 34.00 - | 41.00 | 63,800 | 909,400 | 559,400 | 21,700 | 513,700 | 412,800 | 1,322,200 | 1,518,300 |
| 3 Centre Fringe | 17.50 - | 26.00 | 29,300 | 541,800 | 308,400 | 38,600 | 113,100 | 76,000 | 617,800 | 2,012,700 |
| Total | | | 103,000 | 1,628,000 | 1,003,000 | 64,000 | 707,000 | 569,000 | 2,197,000 | 3,593,000 |

* 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“.

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