BERLIN

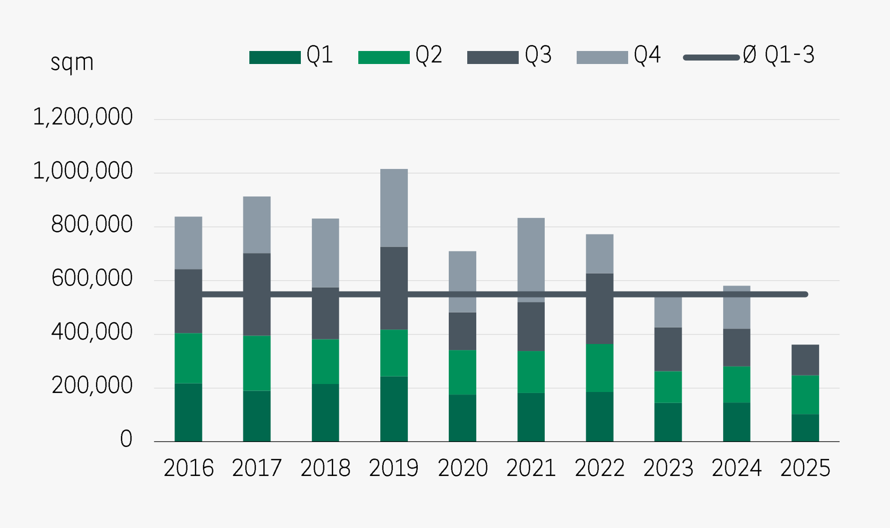
REPORT OFFICE MARKET

Q1-3 2025

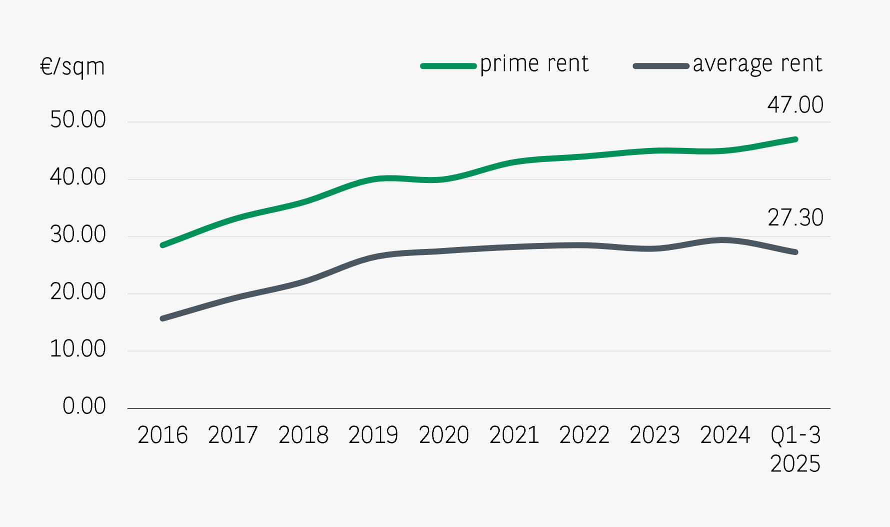
BNP PARIBAS REAL ESTATE

REAL ESTATE for a changing world

Development of take-up



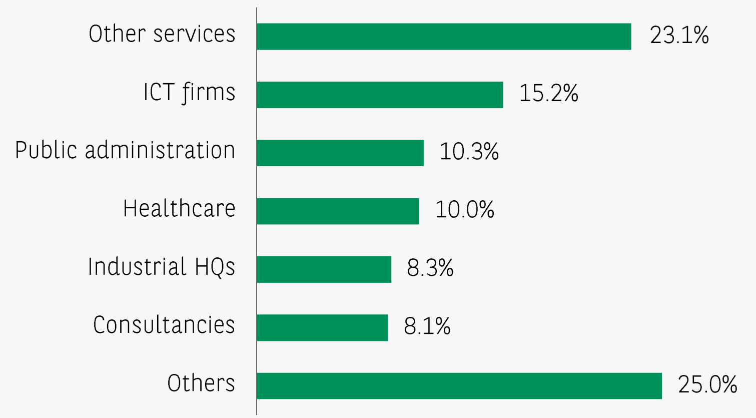
Prime and average rents



SLIGHT DECLINE IN RESULTS – HIGHEST TAKE-UP IN THE CATEGORIES UP TO 5,000 SQM SINCE 2019

- The results achieved in the Berlin office market after three quarters must be viewed from two perspectives. On the one hand, the amount of space taken up was around 362,000 sqm, which is around 14% lower than the previous year. However, it is also worth noting the very active market in segments of up to 5,000 sqm, which, at 320,000 sqm (89%), was almost as high as in 2019 (around 346,000 sqm).
- Accordingly, it is not the general demand situation that is preventing an overall high result, but rather the lack of large-scale deals. Between January and September, only three deals exceeding 5,000 sqm were recorded: Wista Management in the Lux Tower on Mediaspree (10,900 sqm), Goldbeck in SXF ONE in Schönefeld (7,000 sqm), and Schönefeld Town Hall's new space in the BB Business Hub (7,000 sqm).
- In terms of distribution of take-up across individual submarkets, city zones are particularly noteworthy, with a 60% share. These zones include Mitte (57,100 sqm), Kreuzberg/Neukölln (44,700 sqm) and Charlottenburg/Tiergarten (40,700 sqm). They offer many users a suitable profile in terms of the significantly increased requirements for office site location qualities in recent years and also have the highest proportion of space under construction (71%) and available construction volume (73%).
- Another sign of the healthy demand situation overall is the development of prime rents, which rose by 2% in the third quarter and by 4% year-on-year, reaching €47/sqm at present terms.

Take-up by sector Q1-3 2025



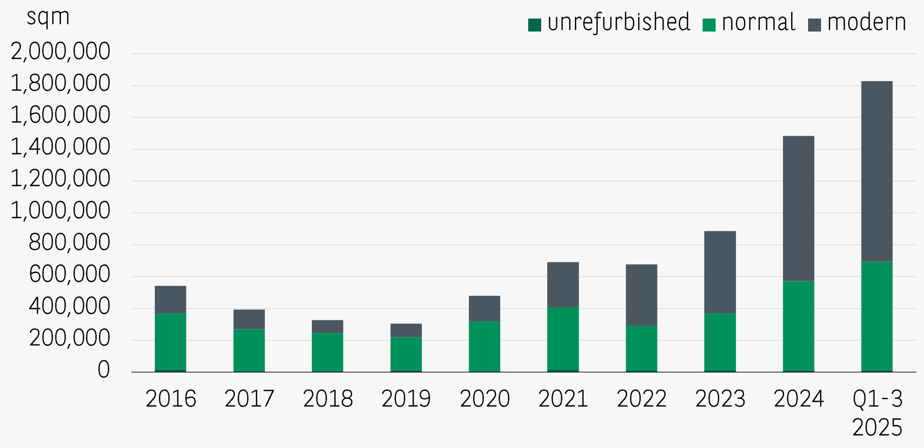
USER DIVERSITY IN TAKE-UP, VACANCY RATE AT 8.4%

- Due to the very small average size of the contracts recorded (well below 1,000 sqm per letting), many sectors contributed a significant take-up in the sector ranking. Against this backdrop, the two collective categories of 'other services' (23.1%) and 'other' (25.0%) dominate market activity. Nevertheless, the traditionally strong sectors of ICT (just under 16%), public administration (10%) and healthcare (also 10%) remained active.
- Vacancy continued to rise in the first nine months of 2025. Around 1.82 million sqm of office space are currently vacant, which is a 7% increase in volume over the last three months. Almost 62% of this space is modern. Most of this new space is being created by office complexes built without a pre-letting rate, such as the QH Track in Europacity. At the end of September, the vacancy rate for the whole market stood at 8.4%.

Major contracts Q1-3 2025

Quarter	Sub-market	Company	sqm
Q2	2.2	Wista Management	10,900
Q2	3.2	Goldbeck	7,000
Q3	3.2	Rathaus Schönefeld	7,000
Q2	2.6	TU Berlin	5,900
Q3	2.1	Bayer	5,400
Q1	3.5	Umweltbundesamt	5,300

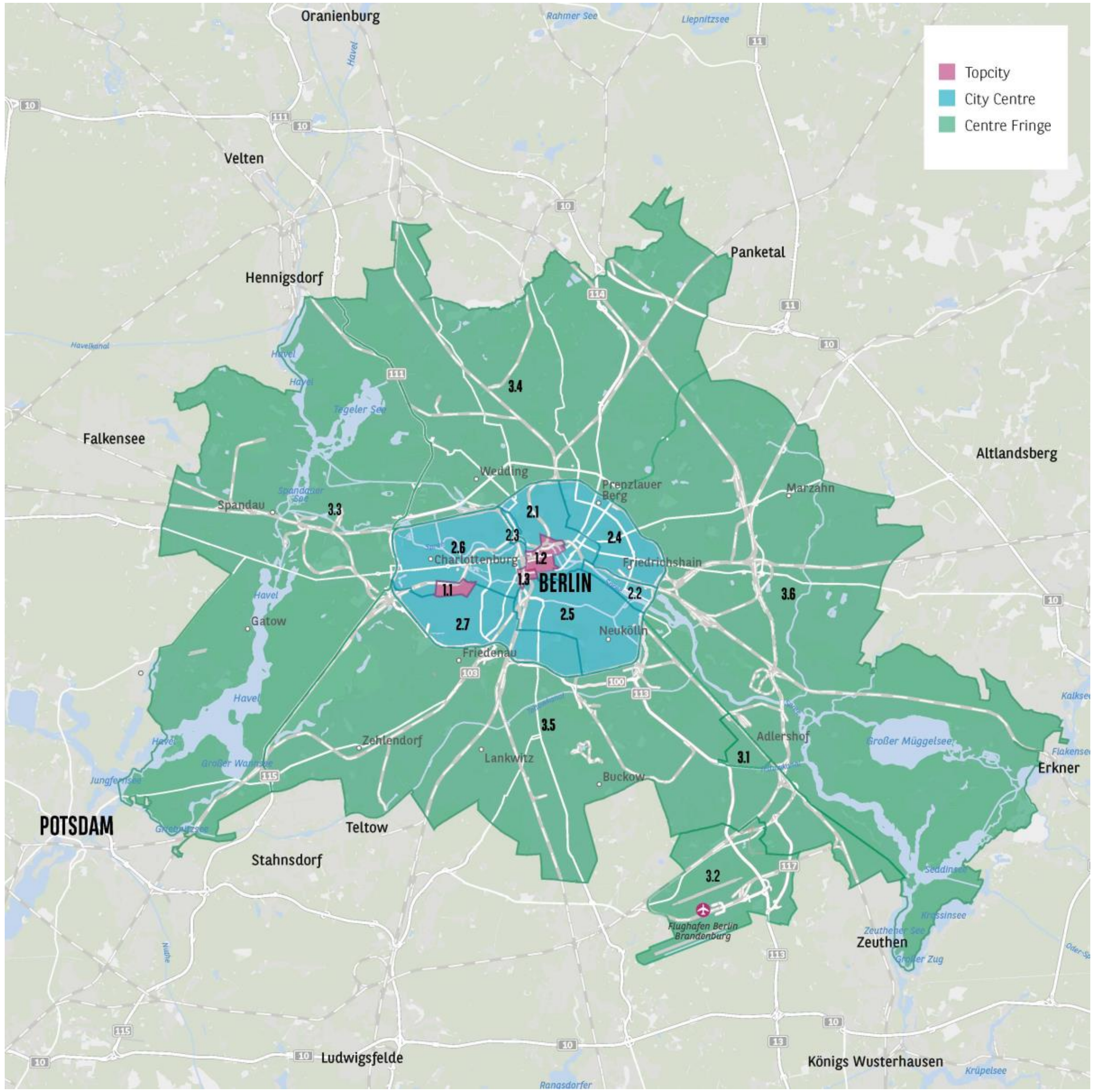
Development of vacant space



OUTLOOK

- By the end of September, the capital's office market could reflect on a very dynamic year. The long-standing general trend towards smaller premium spaces in highly connected office locations has had a noticeable impact on take-up. While this trend is expected to continue, the anticipated economic recovery is also predicted to increase demand for larger spaces. However, market movements in this segment are being limited by landlords' willingness to make concessions in contract negotiations to retain existing tenants.
- Nevertheless, the Berlin office market is well positioned for the final quarter, with a diverse range of sectors involved in lettings and continuing demand from a variety of companies. While it will not be possible to achieve a total volume comparable to the long-term average by the end of December due to the absence of major take-up drivers, a year-end result similar to that of the previous year is still likely.
- In terms of vacancy, the cyclical peak has not yet been reached. This means that downward pressure on rents in submarkets with a weaker supply-demand ratio continues to increase. At the same time, due to the shortage of space in the absolute premium segment in terms of quality of fittings and location, it cannot be ruled out that prime rents could increase slightly again.

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	Q1-3 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	15,200	68,200	30,400	3,700	55,600	55,600	123,800	9,500
1.2	Topcity East		46.00	13,200	67,600	41,200	0	28,000	28,000	95,600	19,200
1.3	Potsdamer/ Leipziger Platz		47.00	10,200	51,500	49,700	0	0	0	51,500	33,300
2	City Centre	34.00 -	41.00	217,700	1,065,500	697,200	59,900	428,000	355,800	1,421,300	1,529,100
3	Centre Fringe	17.50 -	26.00	105,700	575,200	314,500	34,400	88,400	49,600	624,800	2,012,900
	Total			**362,000**	**1,828,000**	**1,133,000**	**98,000**	**600,000**	**489,000**	**2,317,000**	**3,604,000**

* 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

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