

## LABOUR MARKET



Sources: ifo-Institut, Moody's Analytics, Federal Employment Agency

## ECONOMIC OVERVIEW

The Berlin economy is robust despite global uncertainties. Even though the number of people in employment has continued to rise, the demand for skilled labour still cannot be met. This has recently prompted Berlin to enter into further city partnerships abroad. The challenge is that the lack of housing is becoming an increasingly important factor in the decision to work in Berlin. Nevertheless, the city remains popular internationally, particularly due to its importance as a centre for science and technology and for the creative industries.

## TAKE-UP

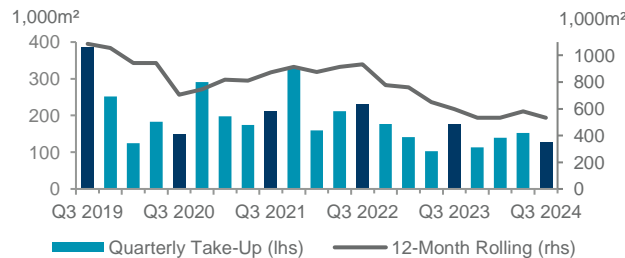
In the Berlin office letting market, 418,600m<sup>2</sup> of office space was let or taken by owner-occupiers in the first nine months of the year. Take-up totalled around 346,000m<sup>2</sup>, with owner-occupiers accounting for 72,500m<sup>2</sup>. At 163, the number of agreements signed in Q3 2024 was higher than in the previous quarter (146) and totalled 610 for the year. Although this is significantly higher than the previous year's figure (504), take-up fell by 3% in the same period.

The three largest lettings between January and September all came from the public sector: The Federal Ministry of Housing, Urban Development and Construction (25,000m<sup>2</sup>), BIMA (19,500m<sup>2</sup>) and BIM Berliner Immobilienmanagement (17,000m<sup>2</sup>). The largest owner-occupier was also the public sector with the laying of the foundation stone for the extension to the Federal Chancellery in the 2nd quarter (25,000m<sup>2</sup>). This was followed by the 'Siemensstadt Square' development with over 18,000m<sup>2</sup> by Siemens AG.

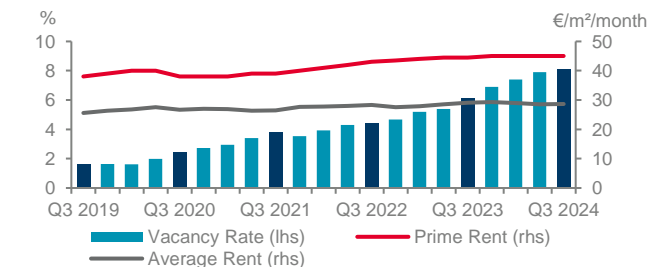
## VACANCY

The office vacancy rate in Berlin has risen for the eleventh time in a row and stood at 1.71 million m<sup>2</sup> at the end of Q3 2024. This corresponds to a vacancy rate of 8.1%. A year ago, it was still at 6.1%. A total of 161,800m<sup>2</sup> or around 9% of the vacant space is subletting space. Companies in the information and communications sector in particular are offering their space here.

## TAKE-UP



## VACANCY & RENT



## COMPLETIONS

In the 3rd quarter, 108,800m<sup>2</sup> of office space was completed in new buildings or refurbishments, such as 'Kalle Neukölln' or 'B44' (formerly 'My Tegel'). This brings the total volume of completions to around 409,000m<sup>2</sup> in the first nine months. Of these, 38% were still available at the time of completion. The year 2024 will close with completed space of over 600,000 m<sup>2</sup>, just below last year's record level (669,200 m<sup>2</sup>). Of the remaining space planned for this year, only around 39% is currently occupied.

## RENTS

In the 3rd quarter, the prime rent remained stable at €45.00/m<sup>2</sup>/month compared to the previous quarter and was €0.50 higher than twelve months ago. The weighted average rent of all leases concluded in the past twelve months is €28.65/m<sup>2</sup>/month. This corresponds to a decrease of 60 cents since the beginning of the year. The rent-free period is 8.3% based on a 5-year contract in Berlin's top city centre locations. Owners are increasingly relying on incentives to let their space. An increase in rent-free periods towards the end of the year is likely.

## SELECTED PROJECT DEVELOPMENTS

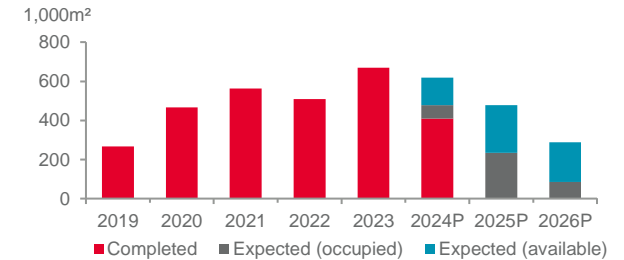
Property/Project	Micro-Submarket	Status	Year of Completion	Office Space (m <sup>2</sup> )	Owner
Kalle Neukölln	Inner City South	Completed	2024	24,700	MREI
Dockyard	MediaSpree	Under Construction	2024	27,300	Aermont Capital
Huthmacher-Haus	CBD West	Under Construction	2025	15,200	Bayerische Hausbau
upbeat	Europacity	Under Construction	2025	33,500	CA Immo

## MARKET STATISTICS

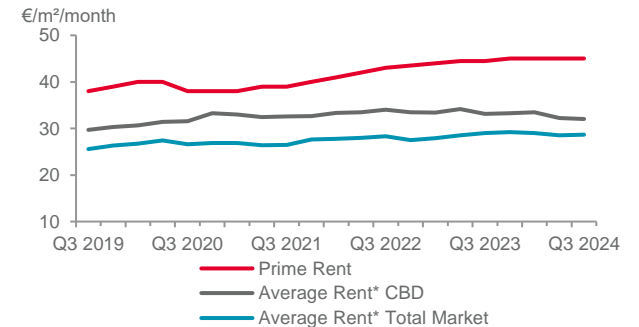
Selected Submarkets	Take-Up YTD (m <sup>2</sup> )	Completions YTD (m <sup>2</sup> )	Space under Construction Current Quarter (m <sup>2</sup> )	Prime Rent Current Quarter (€/m <sup>2</sup> /month)	Average Rent* Current Quarter (€/m <sup>2</sup> /month)
CBD Potsdamer Platz	11,300	24,900	5,700	45.00	37.20
CBD East	94,400	26,000	104,700	45.00	32.45
CBD West	17,600	0	103,400	45.00	31.60
MediaSpree	20,800	34,200	175,800	39.00	32.50
<b>Total Market Berlin</b>	<b>418,600</b>	<b>408,800</b>	<b>1,264,000</b>	<b>45.00</b>	<b>28.65</b>

\* Weighted Average Rent (12 months)

## COMPLETIONS



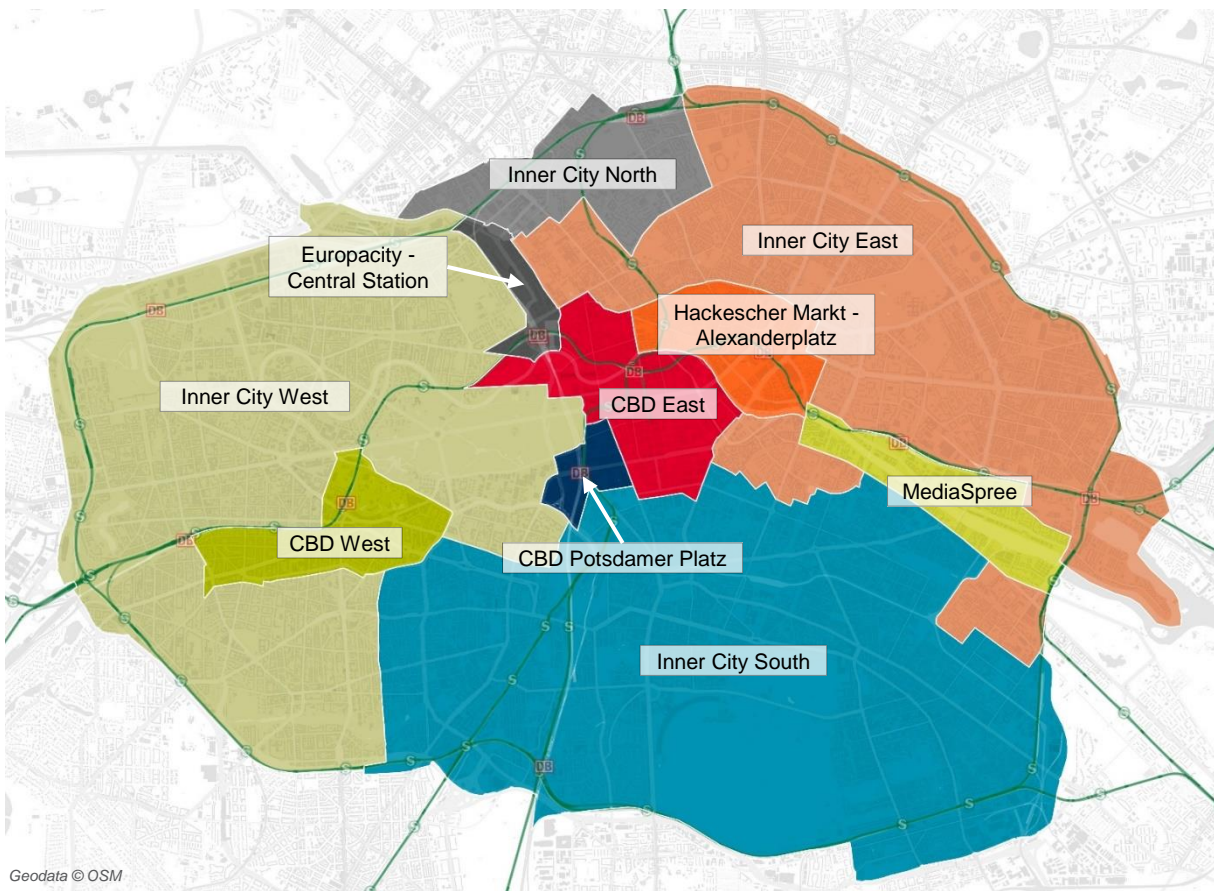
## RENTS







## SUBMARKET OVERVIEW



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## RENTAL PRICE RANGES Q3 2024

Submarket	€/m <sup>2</sup> /month
CBD Potsdamer Platz	27.00 - 45.00
CBD East	20.00 - 45.00
CBD West	22.00 - 45.00
Hackescher Markt - Alexanderplatz	22.00 - 45.00
MediaSpree	23.00 - 39.00
Europacity - Central Station	24.00 - 39.00
Inner City East	19.50 - 40.00
Inner City South	16.00 - 37.00
Inner City West	16.00 - 35.00
Inner City North	14.00 - 29.00
Berlin East	8.00 - 25.00
Berlin South	10.50 - 25.00
Berlin West	8.50 - 25.00
Berlin North	7.50 - 25.00
BER Airport	11.50 - 20.00



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MARKETBEAT

# BERLIN

Office Market Q3 2024



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