

	YoY Change	12-Month Forecast
291,900m² Take-Up (cum.)	▲	▲
7.9% Vacancy Rate	▲	▲
1,318,800m² Under Construction	▼	▼
€45.00 Prime Rent, €/m ² /month	▲	▬

LABOUR MARKET

95.9 YoY Change ▼
Ifo Employment Barometer
Germany (Jun 2024)

853,000 ▲
Berlin Office Employees
(Jun 2024)

9.5% ▲
Berlin Unemployment Rate
(Jun 2024)

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

ECONOMIC OVERVIEW

Despite the continuing fall in the inflation rate and the first cut in the base rate in mid-June, Berlin's economy is sceptical about its future business development according to the latest IHK economic survey. Compared to the beginning of the year, both the indicators for the current business situation and expectations have fallen. In contrast, both the industrial and construction sectors stand out, recording an improvement in their situation. Overall, it is a combination of a shortage of skilled labour and consumer reticence that is presenting the Berlin economy with challenges.

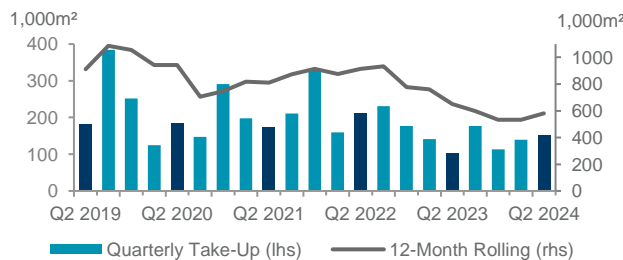
TAKE-UP

In the Berlin office property market, 291,900m² of office space was let or taken by owner-occupiers in the 1st half of 2024. Take-up totalled around 226,100m², with owner-occupiers accounting for 65,800 m². In the 1st half of 2024, there were ten deals in the over 5,000m² size category. Owner-occupiers accounted for five of these. In the 1st half of 2023, there were only seven deals, including one owner-occupier. The three largest lettings in the 1st half of the year were concluded by the Federal Ministry of Housing, Urban Development and Building (25,000m²), BIM Berliner Immobilienmanagement (17,000m²) and a provider of short-term lettings (13,000m²). With the laying of the foundation stone for the first construction phase of "Siemensstadt Square", an owner-occupier contract for over 18,000m² was added in the 2nd quarter. As a result of the numerous large public-sector contracts concluded both on the letting market and through own construction projects, the education, social services, administration and lobbyist sector accounted for 46% of half-year take-up. This is the highest proportion recorded by Cushman & Wakefield in Berlin in the last ten years.

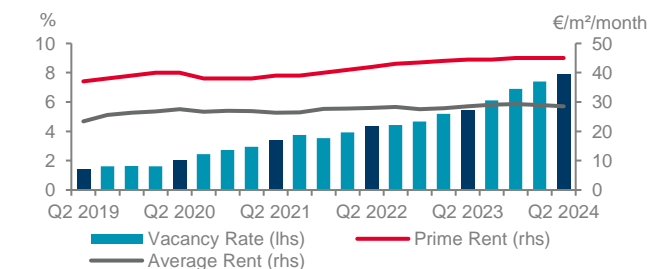
VACANCY

The office vacancy rate in Berlin has risen for the tenth time in a row and stood at 1.68 million m² at the end of Q2 2024. This corresponds to a vacancy rate of 7.9%. A year ago, it was still at 5.6%. 176,000m² or around 10% of the vacant space is sublet space. Companies in the information and communications sector in particular are offering their space here.

TAKE-UP



VACANCY & RENT



COMPLETIONS

In the 2nd quarter, 94,500m² of office space was completed in new buildings or refurbishments, such as the Bahntower at Potsdamer Platz or the "SPARK" on Storkower Strasse. This brings the total volume of completions to around 300,000m² in the 1st half of the year. Of these, 35% were still available at the time of completion. The year 2024 will close at the record level of the previous year (669,200m²) with completed space of around 660,000m². Of the remaining space planned for this year, only around 38% is currently occupied.

RENTS

In the 2nd quarter, the prime rent remained at €45.00/m²/month compared to the previous quarter and was €0.50 higher than twelve months ago. The area-weighted average rent is €28.55/m²/month. This takes into account the agreements concluded in the previous twelve months. It has therefore fallen by 45 cents compared to the end of the 1st quarter and by 70 cents since the beginning of the year. The rent-free periods are 5.8% 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 is likely towards the end of the year.

SELECTED PROJECT DEVELOPMENTS

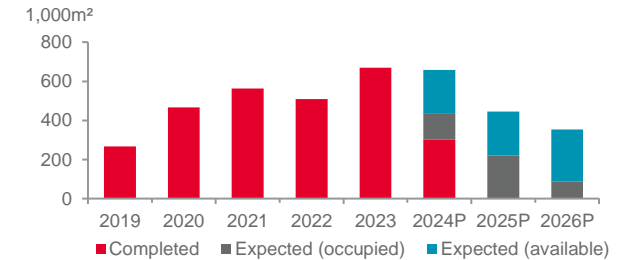
Property/Project	Micro-Submarket	Status	Year of Completion	Office Space (m ²)	Owner
SPARK	Prenzlauer Berg II	Completed	2024	12,500	Townscape
Dockyard	MediaSpree	Under Construction	2024	27,300	Aermont Capital
Huthmacher-Haus	CBD West	Under Construction	2025	15,200	Bayerische Hausbau
upbeat	Europacity	Under Construction	2025	33,500	CA Immo

MARKET STATISTICS

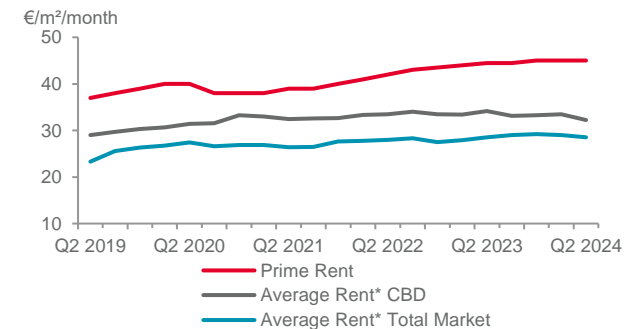
Selected Submarkets	Take-Up YTD (m ²)	Completions YTD (m ²)	Space under Construction Current Quarter (m ²)	Prime Rent Current Quarter (€/m ² /month)	Average Rent* Current Quarter (€/m ² /month)
CBD Potsdamer Platz	5,800	24,900	5,700	45.00	33.75
CBD East	86,500	12,200	118,500	45.00	33.00
CBD West	10,600	0	67,800	45.00	31.75
MediaSpree	17,000	34,200	157,000	39.50	33.40
Total Market Berlin	291,900	300,800	1,318,800	45.00	28.55

* Weighted Average Rent (12 months)

COMPLETIONS

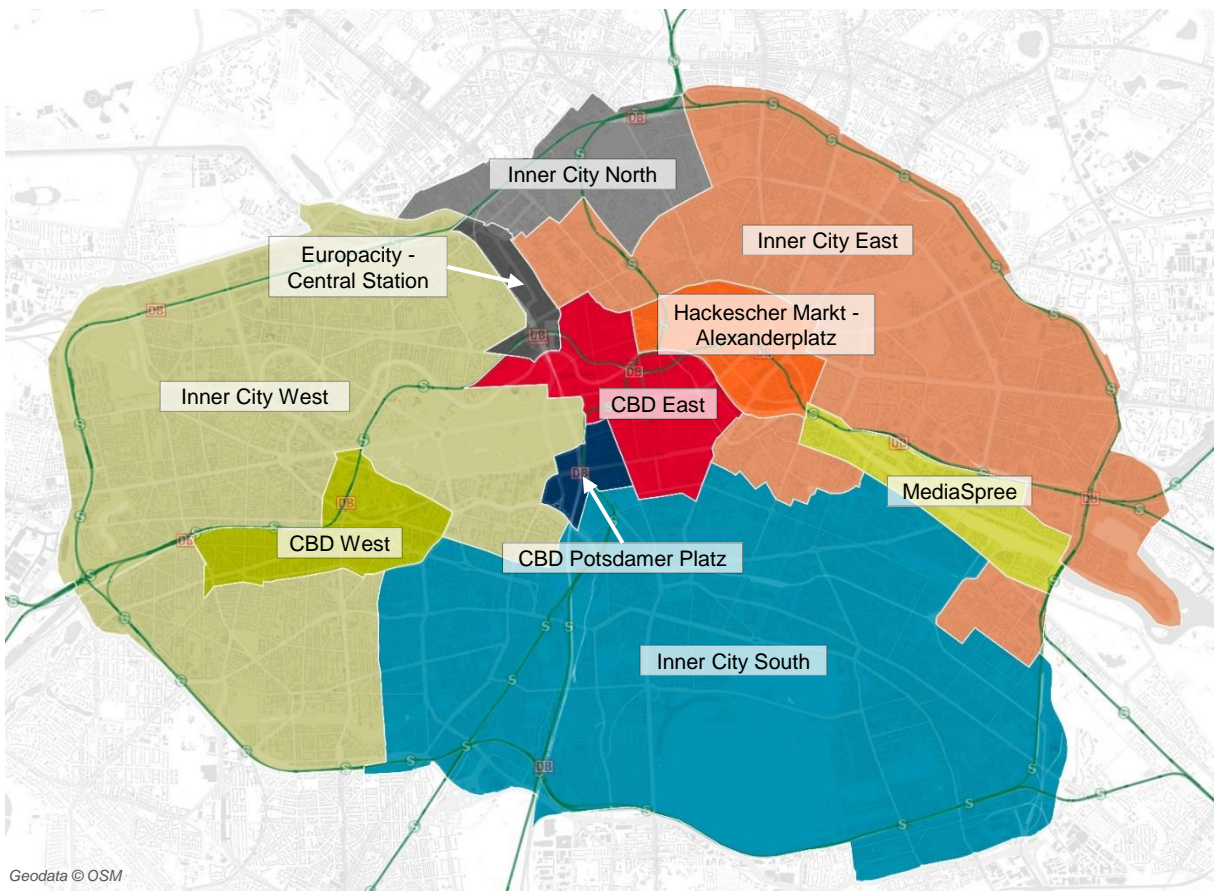


RENTS





SUBMARKET OVERVIEW



Geodata © OSM

RENTAL PRICE RANGES Q2 2024

Submarket	€/m ² /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 - 44.50
MediaSpree	23.00 - 39.50
Europacity - Central Station	25.00 - 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 - 29.50
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 - 20.50



Geodata © OSM

MARKETBEAT

BERLIN

Office Market Q1 2024



CUSHMAN &
WAKEFIELD

Dominic Rausch

Head of Office Agency Berlin

Tel: +49 (0) 30 726 218 226

dominic.rausch@cushwake.com

Robert Schmidt

Senior Research Analyst

Tel: +49 30 72 62 18 280

robert.schmidt@cushwake.com

Helge Zahrt MRICS

Head of Research & Insight Germany

Tel: +49 40 300 88 11 50

helge.zahrt@cushwake.com

Karl Klaffke

Research Analyst

Tel: +49 30 726 214 66

karl.klaffke@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.

©2024 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

cushmanwakefield.com