

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
546,400 Take-up (cum.), m ²	—	▲
8.8% Vacancy Rate	▲	▲
45.00 Prime Rent, €/m ² /month	—	—

LABOUR MARKET

	YOY Chg	12-Month Forecast
866,500 Office Employees City of Berlin (Dec 2024)	—	▲
9.7% Unemployment Rate City of Berlin (Dec 2024)	▲	▲

Sources: Moody's Analytics, Federal Employment Agency

ECONOMIC OVERVIEW

According to the latest IHK economic report, the business situation in Berlin's industry improved over the course of 2024, contrary to the overall German trend. Nevertheless, the overall situation is challenging, particularly due to the current global environment. Expectations for Berlin remain positive, not least because of its magnetic effect on young people. This can be seen, for example, in the growing number of students in Berlin. In the last winter semester (2023/24), it rose again to over 200,000, around a quarter of which were foreign students.

TAKE-UP

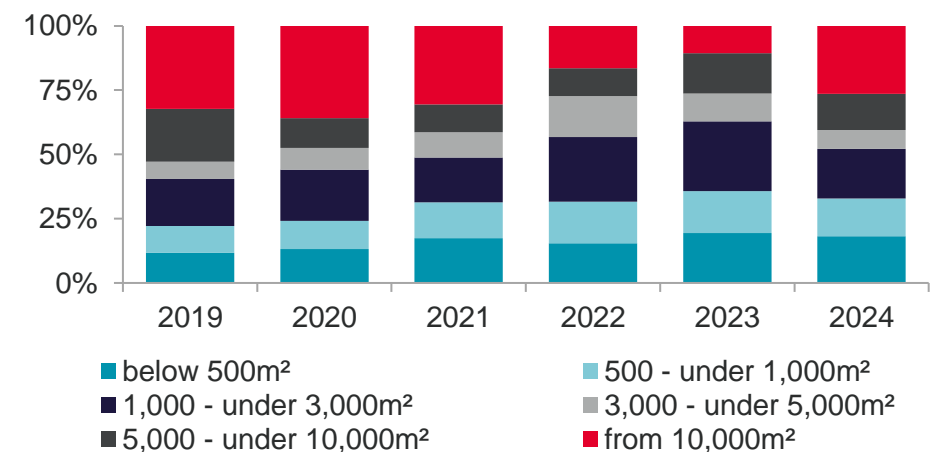
A total of 546,000m² of office space was let or taken by owner-occupiers on the Berlin office market in 2024. The take-up was around 463,000m², with owner-occupiers accounting for around 83,000m². At 149, the number of deals in Q4 2024 was lower than in the previous quarter (163) and totalled 598 for the year. This means that there were 63 fewer deals than in the previous year, although take-up remained almost stable with an increase of around 2%.

The largest deal in the 4th quarter was concluded by the consulting firm Deloitte with around 20,000m² in Hackesches Quartier. The largest take-up of the year as a whole remains that of the Federal Ministry of Housing, Urban Development and Building (25,000m²) in the 1st quarter. The number of deals for more than 10,000m² halved from 16 in 2019 to 8 in 2024. As the take-up fell in the same period, the proportion remained roughly the same. The share of space under 5,000m² rose from 47% to 59% in the same period. In 2023, the share was as high as 74%.

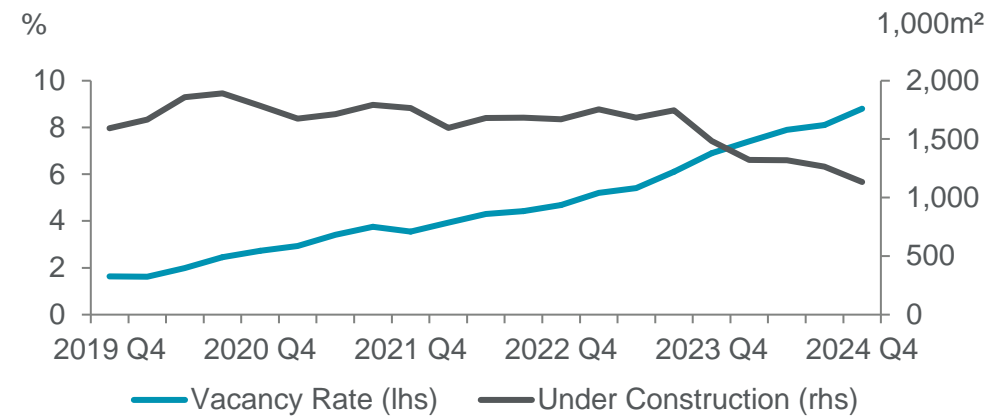
TAKE-UP



TAKE-UP BY SIZE CLASS



VACANCY / UNDER CONSTRUCTION



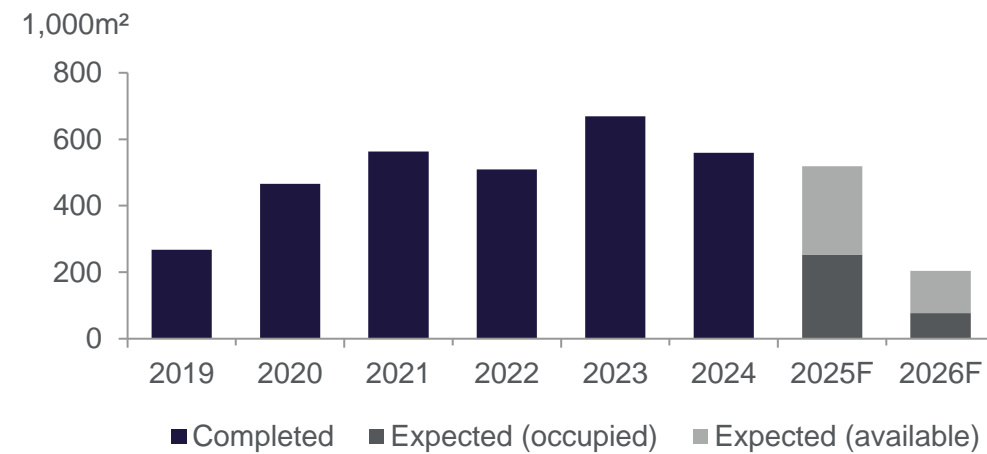
VACANCY

The office vacancy rate in Berlin has risen for the twelfth time in a row and stood at 1.87 million m² at the end of Q4 2024. This corresponds to a vacancy rate of 8.8%. A year ago, it was still at 6.9%. Around 171,000m² or 9% of the vacant space is sublet space. Companies in the information and communications sector in particular offer such space.

COMPLETIONS

In the 4th quarter, 150,600m² of office space was completed in new buildings or refurbishments, such as the 'Dockyard' or the 'M40' (Die Macherei). This brings the completion volume for 2024 to around 559,000m². Of these, 48% were still available at the time of completion. The cycle of high completions will not end until 2026.

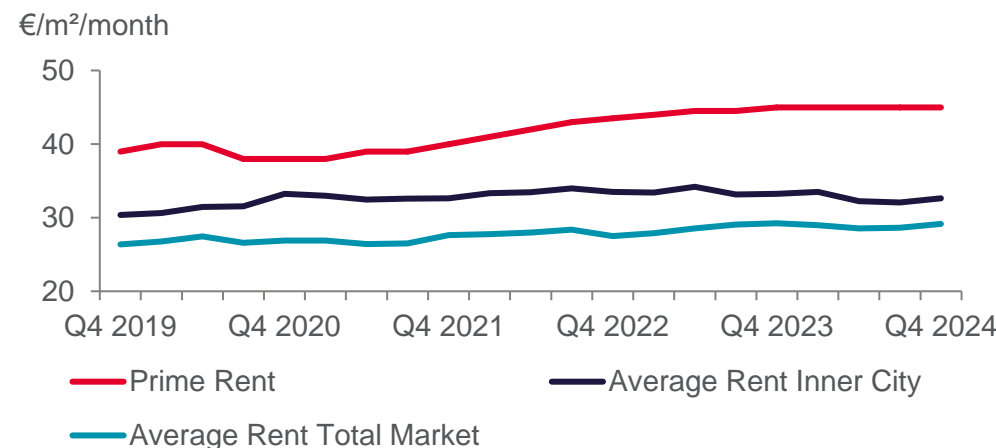
COMPLETIONS



RENTS

The prime rent remained stable in the 4th quarter at €45.00/m² per month and has thus remained unchanged since the end of 2023. The space-weighted average rent at the end of 2024 was €29.15/m² per month, down only slightly on the end of 2023 (€29.25/m²). Owners are increasingly relying on incentives to let their space. The rent-free periods are 8.3% based on a 5-year lease in Berlin's best city centre locations.

RENTS



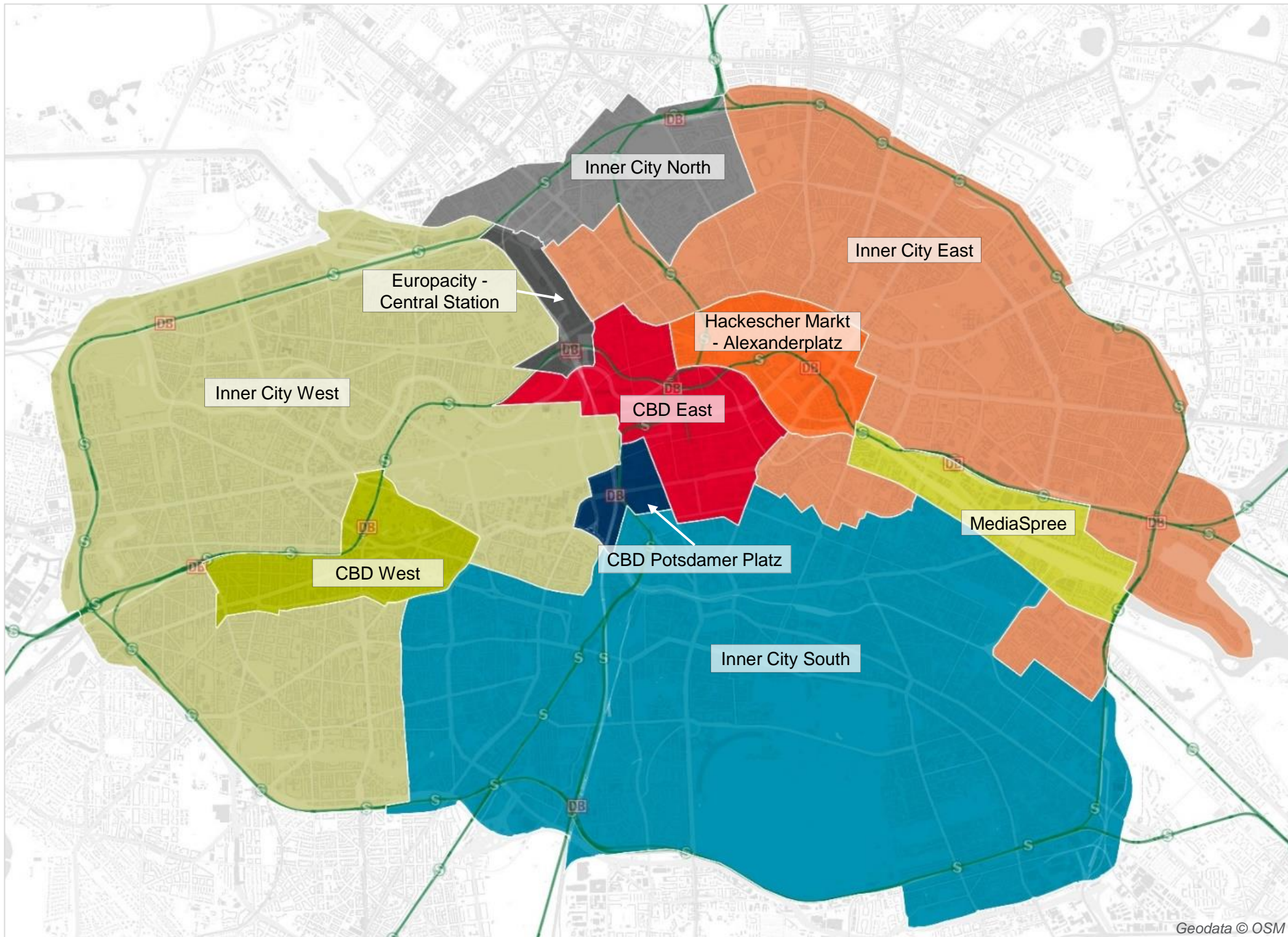
SELECTED DEVELOPMENT PROJECTS

Property	Submarket	Status	Year of Completion	Office Space (m ²)	Owner
Kalle Neukölln	Inner City South	Completed	2024	24,700	MREI
Huthmacher-Haus	CBD West	Under construction	2025	15,200	Bayerische Hausbau
upbeat	Europacity	Under construction	2025	33,500	CA Immo
LXK	Mediaspree	Under construction	2027	50,000	Tishman Speyer

OUTLOOK

- Two factors will have a significant impact on demand for office space in 2025: The economic outlook and companies' remote working policies.
- Around half a million square metres of office space will be completed in 2025. Half of this space is currently still available.
- This will lead to a further increase in vacancies in view of the subdued demand compared with many years ago.
- At the same time, interest in the best properties in the best locations remains high, meaning that prime rents remain stable.

SUBMARKET OVERVIEW



RENTAL PRICE RANGES Q4 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 - 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 Ost	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



MARKET STATISTICS REPORTING QUARTER

Selected Submarkets	Take-up YTD (m ²)	Vacancy Rate (%)	Completions YTD (m ²)	Under Construction (m ²)	Average Rent (€/m ² /month)
CBD Potsdamer Platz	12,700	10.7	24,900	5,700	36.85
CBD East	107,400	6.8	36,500	94,200	32.25
CBD West	32,300	10.2	8,000	95,400	33.35
MediaSpree	27,500	18.5	90,600	119,400	30.85
Berlin Market	546,400	8.8	559,400	1,132,700	29.15

EXPLANATION OF TERMS

Take-up: Office space that has been newly let, acquired by owner-occupiers or whose construction has been started for owner-occupation. This also includes subleases, interim leases and expansions. However, extensions do not count.

Vacancies: Office space that is unused on the reporting date, ready for marketing and available for occupation at short notice. This also includes sublet space offered on the market by a main tenant for a sublease with third parties.

Vacancy rate: Share of vacancies as percentage of total office stock.

Completions: Newly built or completely refurbished office space that was ready for occupation in the period under review or is ready for occupation in the short term. Space for which the tenant fit-out only begins once the tenant has been confirmed is considered completed.

Space under construction: Space in all new construction and core refurbishment projects that are in the development phase. This begins with the laying of the foundations.

Prime rent: The sustainably achievable prime rent is the nominal rent that can be expected for a high-quality space of at least 500 m² in the best submarket at the end of the period under review.

Average rent: Space-weighted average rent of all new lettings in the past twelve months.

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TOP 5 MARKETS



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