

ENGEL & VÖLKERS

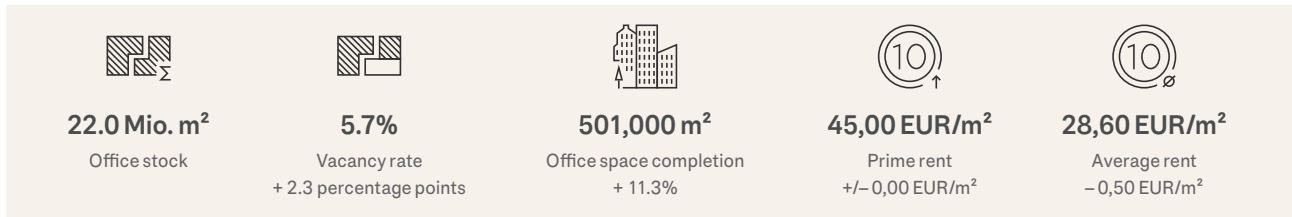
COMMERCIAL



Market Report 2024 · Berlin

OFFICE SPACE

Berlin

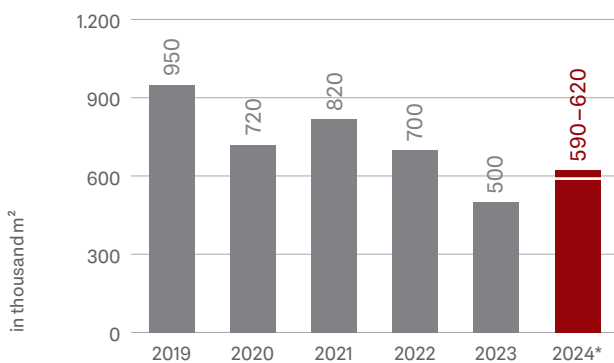


Reference year of key figures: 2023, change compared to the previous year; Sources: bulwiengesa, Engel & Völkers Commercial

In 2023 Berlin had office space take-up of approximately 500,000 m², which was less than in the previous year. The reasons for this included the fact that there was no year-end rally and no major deals. Despite this, the city's office rental market still has the greatest volume of leasing activity in Germany. Uncertainty caused by economic developments and planning of space requirements is currently delaying decisions on leasing contracts. Owners of lower-quality office space, which for example does not meet ESG criteria, in particular are being impacted by this. While prime office locations have generally remained unaffected by the increased vacancy rate, the most recent average vacancy rate in Berlin has climbed to 5.7%. In some locations, the market now appears to be turning in favour of tenants, offering them favourable conditions to negotiate better contract leasing terms and incentives such as rent-free periods or contributions towards building costs.

In the current challenging economic environment, small and medium-sized companies in particular are placing great value on choosing appropriate office space which has low running costs and can be used flexibly. Correspondingly, there is a greater need for consulting advice when searching for premises or looking for sub-tenants, especially if the amount of office space is being reduced. Strong demand for high-quality office premises has resulted in prime rents remaining at a high level of 45,00 euros/m². The hike in building costs and interest rates together with the related fall in the number of new development projects have also contributed to this trend. The shortage of new-build offerings is primarily benefiting modernised existing office premises and is expected to stimulate market activity in 2025. In the current year 2023, however, Engel & Völkers Commercial forecasts only moderate total take-up of 590,000 to 620,000 m².

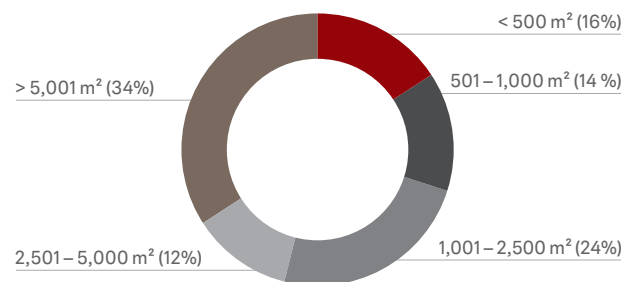
Take-up



* Forecast

Source: Engel & Völkers Commercial

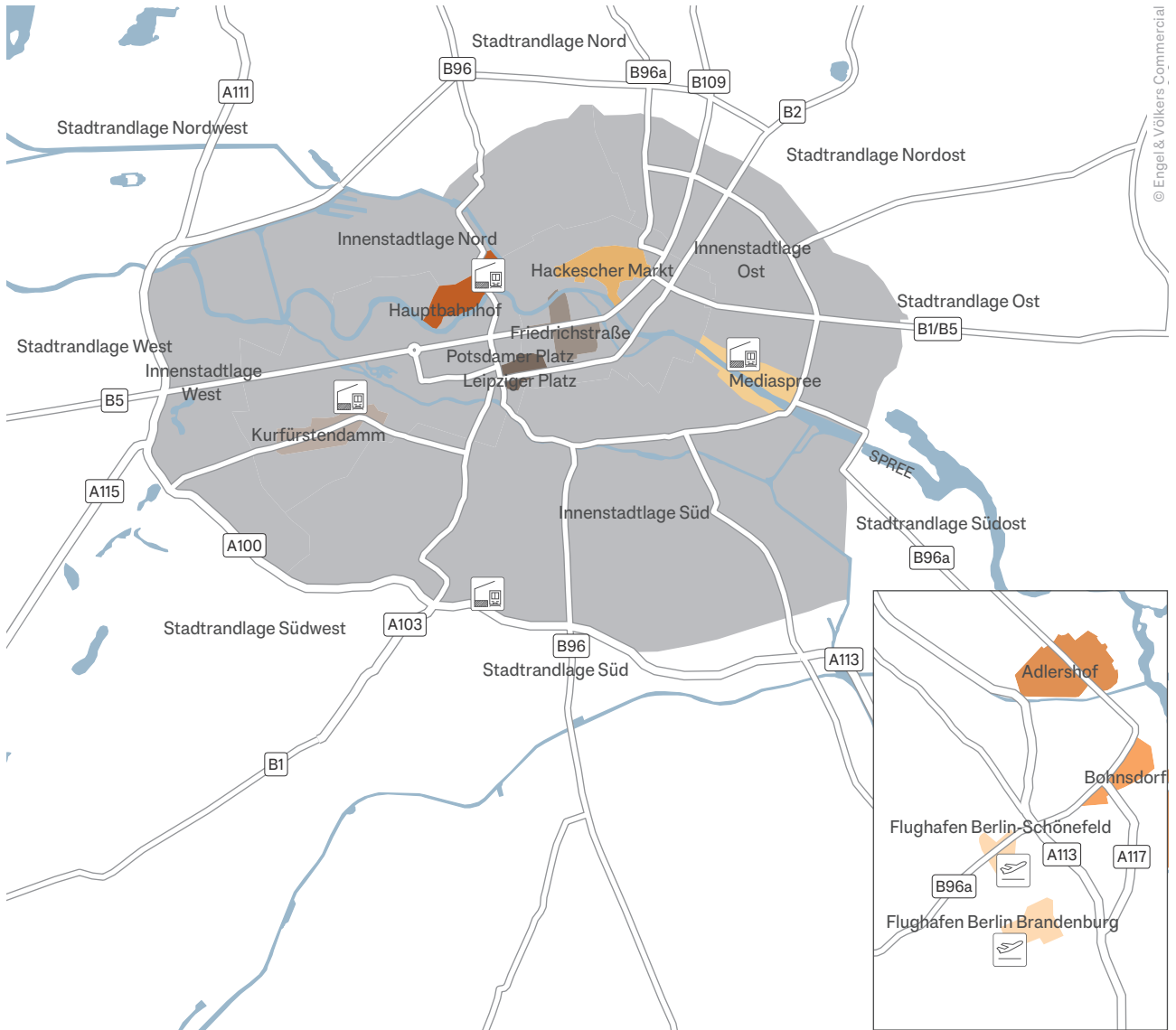
Take-up – size categories (area)*



* Year 2023

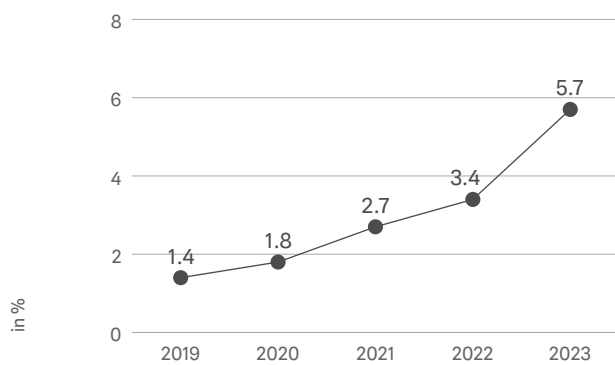
Source: Engel & Völkers Commercial

Office rental prices by location (EUR/m²)



- ◆ Potsdamer Platz/
Leipziger Platz
35,00 – 50,00 EUR/m²
- ◆ Friedrichstraße/
Unter den Linden
32,00 – 46,00 EUR/m²
- ◆ Kurfürstendamm
25,00 – 45,00 EUR/m²
- ◆ Hackescher Markt
30,00 – 40,00 EUR/m²
- ◆ Mediaspree
35,00 – 40,00 EUR/m²
- ◆ Hauptbahnhof
32,00 – 38,00 EUR/m²
- ◆ Adlershof
17,00 – 23,00 EUR/m²
- ◆ Schönefeld
17,50 – 19,00 EUR/m²

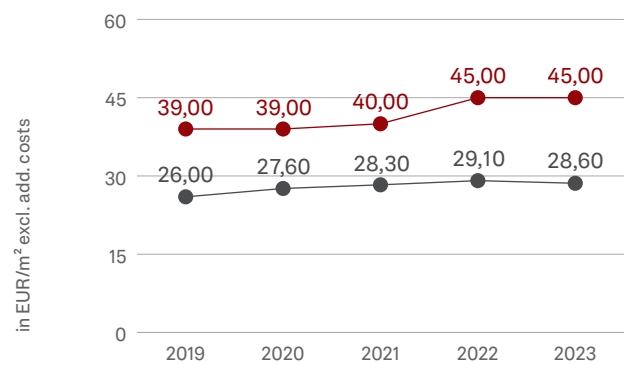
Vacancies



● Vacancy rate

Source: Engel & Völkers Commercial

Office rents



● Prime rent ● Average rent

Source: Engel & Völkers Commercial

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BERLIN

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