

Office Market Profile

Berlin | 1st quarter 2020
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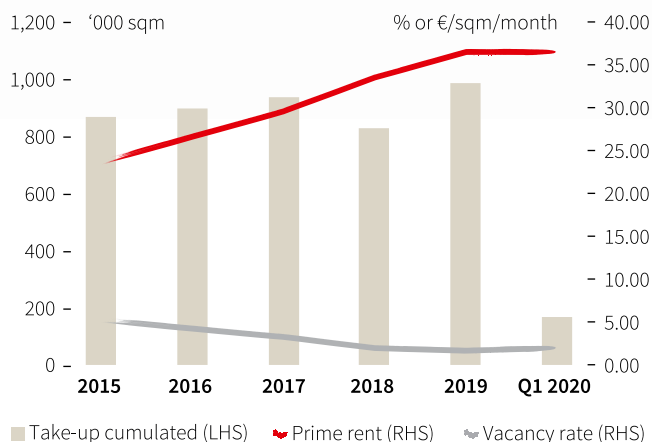


Berlin

Weak start to the year in the federal capital

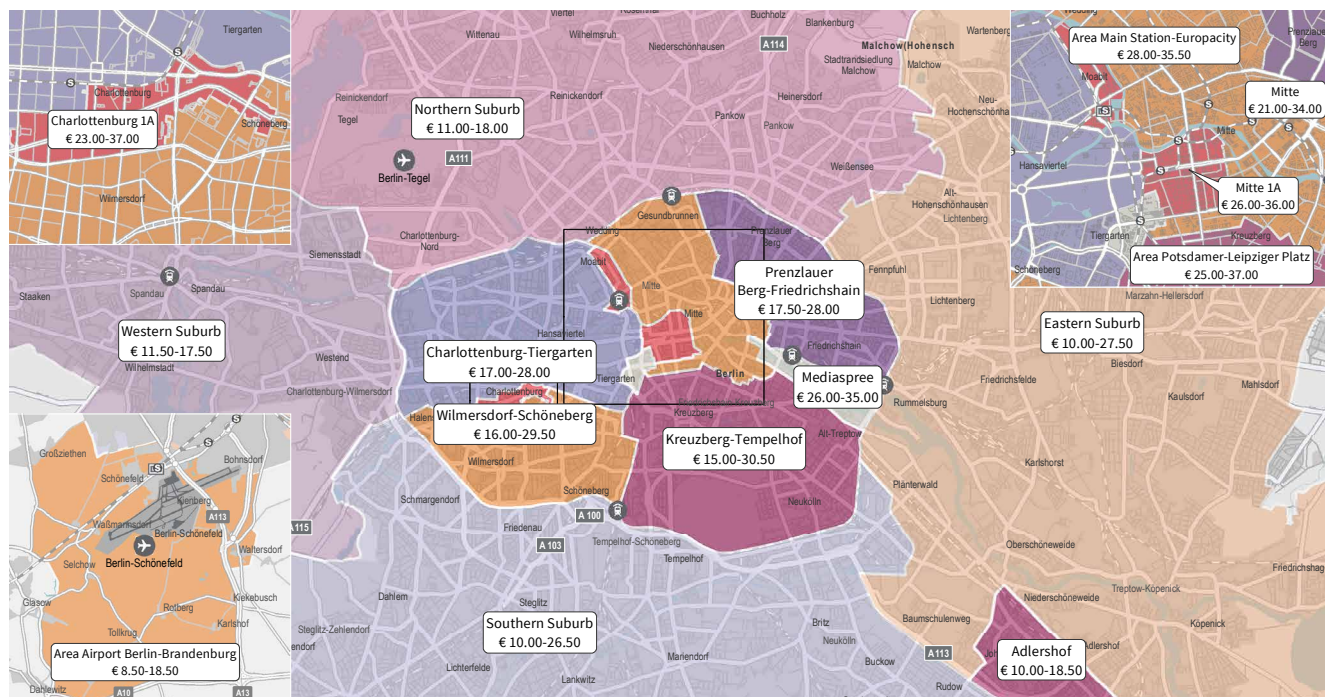
The Berlin office letting market began the year with a take-up volume of 172,000 sqm. This is a reduction of around 38% compared to the previous quarter and 20% lower than the five-year average of respective comparative quarters. One of the reasons for this weak result was the strong year-end result in 2019 with few deals pending completion in 2020. Once again, the main drivers of space take-up in the first quarter of this year were high volume lettings. While the three largest transactions accounted for 20% of total take-up in the first quarter of the previous year, they were responsible for 29% in the first three months of the current year. Most of the quarterly result was attributed to deals concluded in the > 10,000 sqm size category. On a local level, it is apparent that the new and centrally-located "Areal Hauptbahnhof-Europacity" submarket is attracting an increasing number of tenants. This can be attributed to the growing attractiveness of the location and the progressing project developments. Last year

Development of Main Indicators



alone, the supply of space in this submarket increased by around 45,000 sqm. In view of the current high level of construction activity there, it can be assumed that this trend will continue in the future. At the beginning of the year, the vacancy rate in the federal capital was 1.9%. The prime rent was unchanged at €37.00/sqm/month compared to the previous quarter, whereas the weighted average rent increased by 2.6% to €26.36/sqm/month.

Berlin: Office Space Market Areas with Rental Bands (€/sqm/month)



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