

	YoY Change	12-Month Forecast
<b>147,200m<sup>2</sup></b> Take-Up (cum.)	▼	—
<b>5.2%</b> Vacancy Rate	▲	▲
<b>1,755,300m<sup>2</sup></b> Under Construction	▲	▼
<b>€44.00</b> Prime Rent, €/m <sup>2</sup> /month	▲	▲

## LABOUR MARKET

**99.9**

 Ifo Employment Barometer  
Germany (Mar 2023)

 YoY  
Change

**839,100**

 Berlin Office Employees  
(Mar 2023)

**9.0%**

 Berlin Unemployment Rate  
(Mar 2023)

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

## ECONOMIC OVERVIEW

In 2022, Berlin's overall economy grew by 4.9% in real terms, which is much stronger than the national average of 1.8%. Growth impetus for GDP are provided, among other things, by strong immigration from abroad. The population increased by 75,300 from January to November 2022. In addition to the high level of immigration from Ukraine and Russia due to the war, immigrants from India are also increasingly moving to Berlin. However, the office sector in Berlin is currently burdened by high inflation and increased interest rates. These are particularly negatively impacting highly-valued growth companies and unprofitable companies, where hiring freezes and layoffs are taking place. As a start-up hotspot, Berlin is significantly adversely affected by this development.

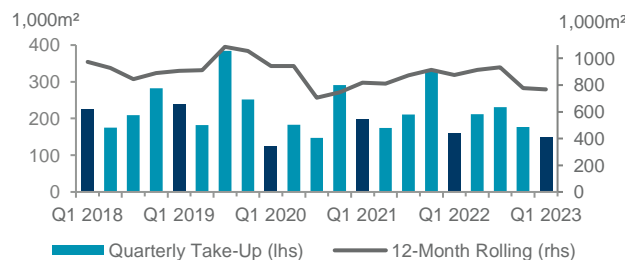
## TAKE-UP

Office take-up in Q1 2023 was 147,200m<sup>2</sup>. This is 7% below last year's equivalent result and 22% below the 5-year average. The rolling 12-month take-up fell for a second successive quarter. Whereas in the previous year the decline in take-up was due to the reduced number of large deals, take-up in Q1 2023 was below the 5-year average in all size segments. There were also only two lettings of over 10,000m<sup>2</sup>. The largest was in the "AP15" development where 19,200m<sup>2</sup> was leased by the Boston Consulting Group. Industrial companies were responsible for the largest proportion of take-up, contributing 25,900m<sup>2</sup>, having already increased their proportion last year. The growth sectors of (renewable) energy, chip technology and biotechnology were strongly represented. The IT sector, which has dominated in recent years, was only in fourth place, with 19,200m<sup>2</sup>. The low take-up by tech companies is one of the reasons for the currently weak letting activity.

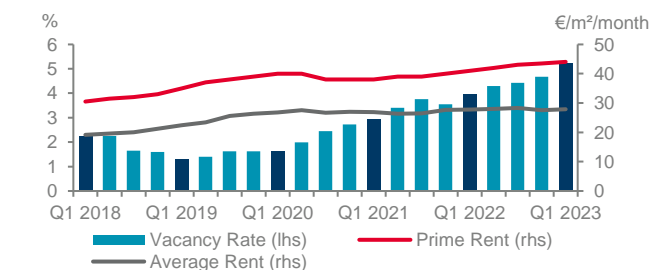
## VACANCY

At the end of the first quarter of 2023, the vacancy rate including space offered for subletting was 5.2%. At present, 1.06 million m<sup>2</sup> is available for immediate occupancy, which represents a year-on-year increase of 273,200m<sup>2</sup> or 35%. As recently as the beginning of 2019, the rate was only 1.3% and vacancy stood at 241,100m<sup>2</sup>. The supply of subletting space also continues to grow: 108,600m<sup>2</sup> is available for immediate occupancy, 59,900m<sup>2</sup> more than a year ago. As a result of the high completion volume, the vacancy rate will continue to increase this year and next year.

## TAKE-UP



## VACANCY & RENT





## COMPLETIONS

Completions in new-build and core refurbishment developments totalled 152,900m<sup>2</sup> in the first quarter, which is 37% above the Q1 5-year average. 102,300m<sup>2</sup> or two-thirds of the space was still without an occupier on completion. A further 738,000m<sup>2</sup> is expected to be completed across the entire market area by the end of the year, although with a significantly higher pre-letting rate of 74%. 2023 is on track to be a record completion year, at around 890,000m<sup>2</sup>. The total volume of office space under construction is still very high at 1.76 million m<sup>2</sup>. However, with the record completions scheduled for this year, the volume will be reduced as the number of speculative construction starts is decreasing at the same time.

## RENTS

The prime rent in Q1 2023 stood at €44.00/m<sup>2</sup>/month. This is €3.00 more than in the equivalent period last year and €0.50 more than in the previous quarter. Further modest growth is expected by the end of the year. This is driven by lettings in development projects and high-quality existing buildings in prime locations. The weighted average rent was €27.90/m<sup>2</sup>/month, 15 cents higher than a year earlier. Cushman & Wakefield expects static to moderately increasing average rent over the remainder of the year.

## SELECTED PROPERTY DEVELOPMENT PROJECTS

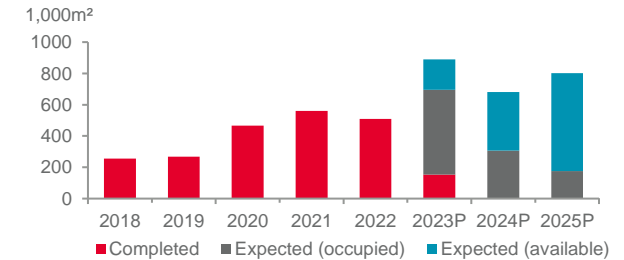
Property/Project	Micro-Submarket	Status	Year of Completion	Office Space (m <sup>2</sup> )	Owner
OfficeLab-Campus Adlershof	Adlershof	Completed	2023	25,800	immobilien-experten-ag
Am Tacheles	Oranienburger Straße – Hackescher Markt	Under Construction	2023	42,500	Aermont Capital
EDGE East Side	MediaSpree –Seite Friedrichshain	Under Construction	2023	68,800	Allianz / BVK
Die Macherei	Kreuzberg	Under Construction	2024	50,000	Art-Invest

## MARKET STATISTICS

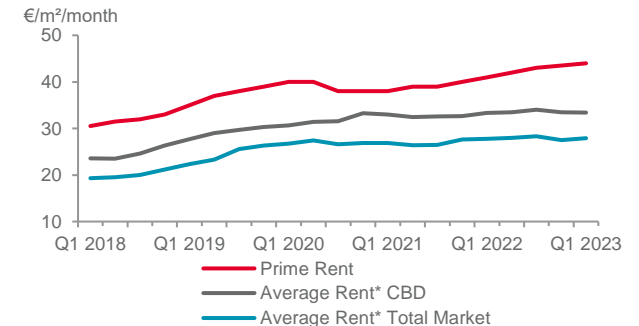
Selected Submarkets	Take-Up YTD (m <sup>2</sup> )	Completions YTD (m <sup>2</sup> )	Under Construction Current Quarter (m <sup>2</sup> )	Prime Rent Current Quarter (€/m <sup>2</sup> /month)	Average Rent* Current Quarter (€/m <sup>2</sup> /month)
CBD Potsdamer Platz	2,200	0	29,700	44.00	35.20
CBD East	11,600	2,700	120,500	44.00	34.35
CBD West	4,700	20,700	108,000	44.00	31.20
MediaSpree	24,300	0	263,200	40.00	37.30
<b>Total Market Berlin</b>	<b>147,200</b>	<b>152,900</b>	<b>1,755,300</b>	<b>44.00</b>	<b>27.90</b>

\* Weighted Average Rent (12 months)

## COMPLETIONS



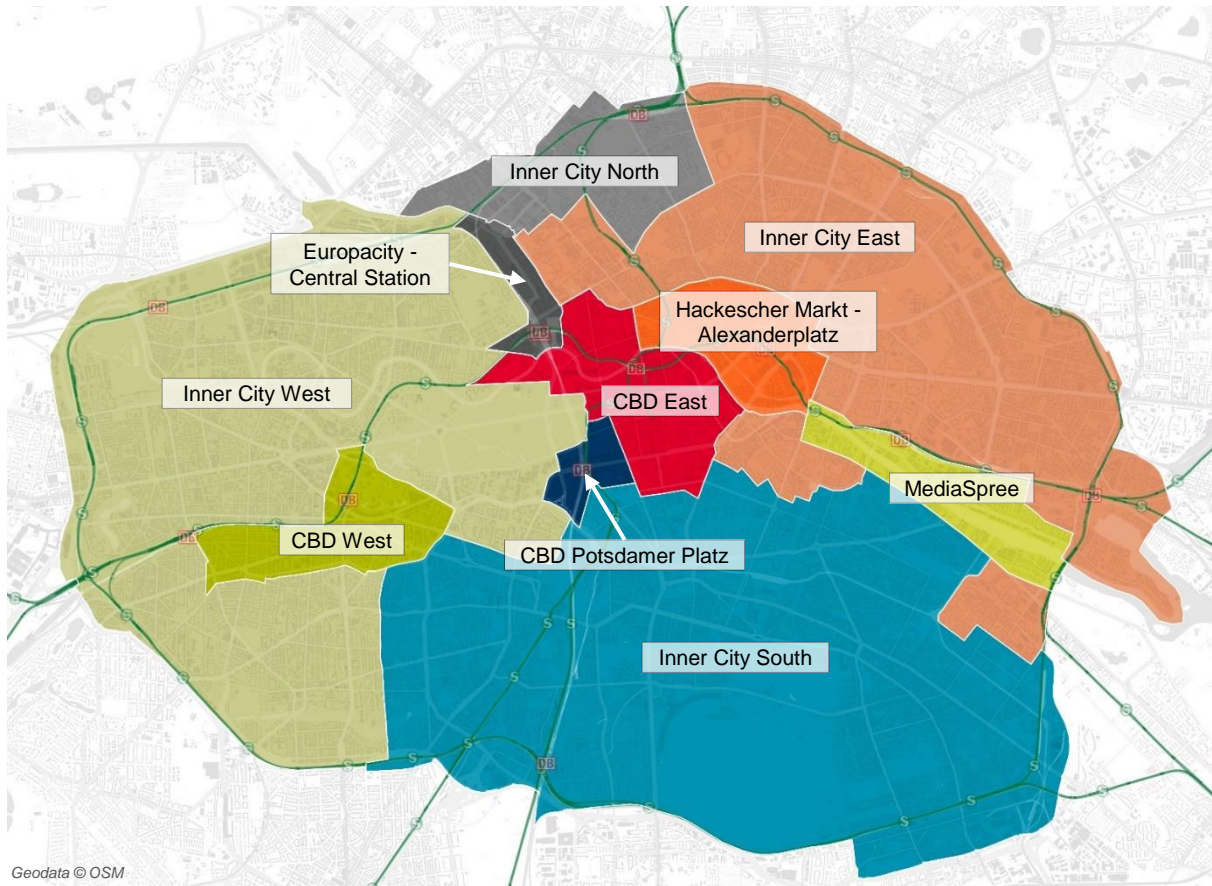
## RENTS





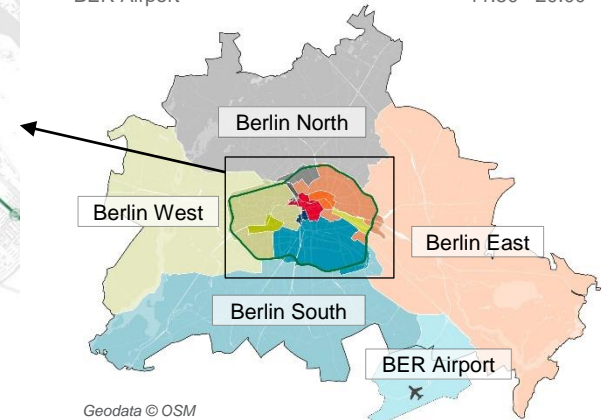


## SUBMARKET OVERVIEW



## RENTAL PRICE RANGES Q1 2023

Submarket	€/m <sup>2</sup> /month
CBD Potsdamer Platz	28.00 - 44.00
CBD East	22.00 - 44.00
CBD West	23.00 - 44.00
Hackescher Markt - Alexanderplatz	22.00 - 44.00
MediaSpree	23.00 - 40.00
Europacity - Central Station	25.00 - 39.00
Inner City East	20.00 - 39.00
Inner City South	17.00 - 39.00
Inner City West	16.00 - 36.00
Inner City North	15.00 - 30.00
Berlin East	8.00 - 26.00
Berlin South	10.50 - 22.50
Berlin West	8.00 - 25.00
Berlin North	8.00 - 26.50
BER Airport	11.50 - 20.00







MARKETBEAT

# BERLIN

Office Market Q1 2023



CUSHMAN &  
WAKEFIELD

**Heiko Himme**

*Head of Berlin Branch*

Tel: +49 30 72 62 18 217

[heiko.himme@cushwake.com](mailto:heiko.himme@cushwake.com)

**Robert Schmidt**

*Research Consultant*

Tel: +49 30 72 62 18 280

[robert.schmidt@cushwake.com](mailto:robert.schmidt@cushwake.com)

**Ursula Neißer**

*Head of Research Germany*

Tel: +49 69 50 60 73 140

[ursula-beate.neisser@cushwake.com](mailto:ursula-beate.neisser@cushwake.com)

**Helge Zahrnt MRICS**

*Head of Research & Insight Germany*

Tel: +49 40 300 88 11 50

[helge.zahrnt@cushwake.com](mailto:helge.zahrnt@cushwake.com)

**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 52,000 employees in over 400 offices and approximately 60 countries. In 2022, the firm had revenue of \$10.1 billion across core services of property, facilities and project management, leasing, capital markets, and valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow [@CushWake](https://twitter.com/CushWake) on Twitter.

©2023 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](http://cushmanwakefield.com)