



1.6%

Vacancy Rate

YoY  
Chg3-Mo.  
Forecast

241K

Take-Up in sqm

€39.00

Prime Rent /sqm/month

(Overall, Office)

ECONOMIC INDICATORS  
Q4 2019

+ 0.4%

YoY Change in GDP  
Germany

4.9%

German  
Unemployment Rate

7.7%

Berlin  
Unemployment Rate

Source: OxfordEconomics, Federal Employment Agency

## OVERVIEW

With just under 3.7 million inhabitants and almost 1.5 million employees contributing to social insurance, Berlin is Germany's capital and its largest city. At €73,400, the GDP per employed person is still 3% below the national average and well below the figures for the other major German cities. For historical reasons, Berlin is in the process of catching up economically. Both the GDP and the number of employees have been growing at an above-average rate for many years. The sharp rise in the number of employees (+3.5% in 2018 and +33.1% from 2009 to 2018) is colliding with the very tight availability of office space.

## SUPPLY AND DEMAND:

At 240,600 sqm take-up in the fourth quarter was 8% higher than an average quarter of the previous five years, but 15% lower than the previous quarter, which set an all-time record due to multiple large pre-leases in development projects. Only compared to fourth quarters, which are usually strong in Berlin, Q4 2019 was actually slightly below average. The twelve-month rolling take-up is still following a slight upward trend. When looked at it on a yearly basis, 2019 was the strongest year ever recorded in Berlin with 1,016,900 sqm. A well filled development pipeline will contribute to an above average take-up further on.

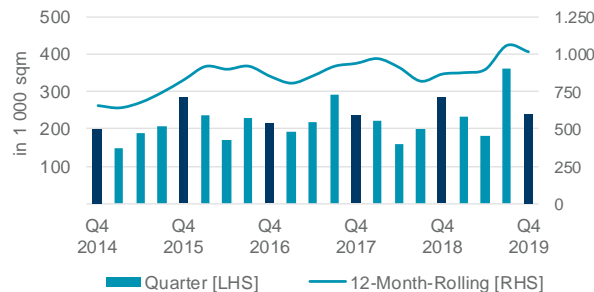
The vacancy rate remained unchanged year-on-year, at a very low 1.6%. Especially in the central office locations there is a lack of space available for immediate occupancy - only 27% of this space, approximately 81,500 sqm, is located here, and this is also limited to small and medium-sized spaces.

A total of 268,100 sqm of office space was completed in 2019 in new buildings and core refurbishment developments - 5% more than the previous year. Construction delays were conspicuous. At the beginning of 2019, 314,200 sqm was planned for completion within the year, but 15% of this was postponed to 2020. At 634,200 sqm, a historically large amount of space from new construction and core renovation is expected to be completed in 2020, but 80% of this space has already been pre-let.

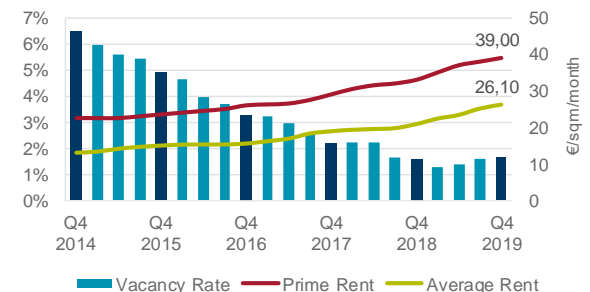
## PRICING: Highest average rent in Germany

In the last twelve months the sustainably achievable prime rent increased by 18% to €39.00/sqm/month, the weighted average rent increased by 26% to €26.10/sqm/month. In no other office market in Germany did companies pay as much rent on average for new leases in 2019 as in Berlin.

## TAKE-UP



## VACANCY RATE, PRIME RENT AND AVERAGE RENT





## MARKET STATISTICS

SUBMARKET	TAKE-UP YTD (SQM)	STOCK (SQM)	VACANCY RATE	COMPLETIONS YTD (SQM)	UNDER CONSTRUCTION (SQM)	UNDER CONSTRUCTION PRE-LET	PRIME RENT (€/SQM/MONTH)	WEIGHTED AVERAGE RENT (€/SQM/MONTH)
Central Office Location East	242,800	4,402,200	0.6%	77,500	351,400	58%	38.00	29.65
Central Office Location West	127,600	2,175,600	1.3%	25,200	186,500	51%	40.00	27.40
Central Office Location MediaSpree	164,500	726,600	2.1%	9,500	389,800	73%	38.00	32.20
Central Office Location Potsdamer Platz	36,300	745,900	1.7%	0	19,500	62%	40.00	36.05
<b>Berlin (Total Market)</b>	<b>1,016,900</b>	<b>18,775,900</b>	<b>1.6%</b>	<b>268,100</b>	<b>1,591,600</b>	<b>59%</b>	<b>39.00</b>	<b>26.10</b>

## KEY LEASE TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	MICRO-SUBMARKET	TENANT	SQM	TYPE
Ringbahnstraße 126-134	Berlin South	Tempelhof	Landeskriminalamt Berlin / BIM	26,000	Pre-Lease
IMPULS	Central Office Location Potsdamer Platz	Askanischer Platz	Zukunft-Umwelt-Gesellschaft gGmbH	12,000	Pre-Lease
Haus am Bundesrat	Central Office Location Potsdamer Platz	Leipziger Platz	BIMA	9,200	New Lease

## KEY SALES TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	MICRO-SUBMARKET	SELLER / BUYER	SQM	PRICE IN MIO. €
Stream	Central Office Location MediaSpree	MediaSpree - Friedrichshain	Signa / PGIM	50,000	Over 500
The Brighter Hub	Central Office Location MediaSpree	MediaSpree - Friedrichshain	Gleichfeld-Gruppe / Hines	20,000	200 - 300
Treptower	Central Office Location MediaSpree	MediaSpree - Kreuzberg	ARB / Patrizia	25,000	200 - 300
Haus am Bundesrat	Central Office Location Potsdamer Platz	Leipziger Platz	Blackstone, Quincap / Tishman Speyer (for E.ON)	10,000	100 - 200

## KEY CONSTRUCTION COMPLETIONS Q4 2019

PROPERTY	SUBMARKET	MICRO-SUBMARKET	MAJOR TENANT(S)	SQM OFFICE	OWNER / DEVELOPER
Allianz Campus, Rudower Chaussee	Berlin East	Treptow	Allianz	51,200	Corpus Sireo
Pressehaus am Alexanderplatz (Refurbishment)	Central Office Location East	Alexanderplatz - Klosterviertel	Wayfair, Naspers	24,500	Tishman Speyer

## URSULA-BEATE NEISSER

Head of Research Germany

+ 49 (0) 69 50 60 73 - 140

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

## ROBERT SCHMIDT

Research Analyst

+ 49 (0) 30 72 62 18 - 280

[robert.schmidt1@cushwake.com](mailto:robert.schmidt1@cushwake.com)[cushmanwakefield.com](http://cushmanwakefield.com)

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