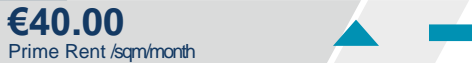
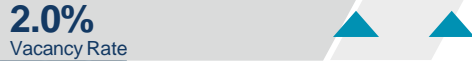


YoY Chg 3-Mo. Forecast



(Overall, Office)

ECONOMIC INDICATORS Q2 2020

YoY Chg 3-Mo. Forecast



Sources: Oxford Economics, Federal Employment Agency

OVERVIEW

With 3.67 million inhabitants and 1.56 million employees contributing to social insurance, Berlin is Germany's capital and its largest city. At €74,200, the GDP per employed person is still 2% 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.

SUPPLY AND DEMAND

At 175,400 sqm, take-up in the first quarter was 4% lower than in the previous quarter and 5% lower than the five-year average of second quarters. However, this was much better than expected, considering the second quarter included the peak of uncertainty and economic impact of the COVID-19 pandemic. The public sector, continued to lease space on a large scale. Deutsche Rentenversicherung alone signed a pre-lease over 84,300 sqm in the CULE development project. Overall, the public sector accounted for 68% of take-up. For the private sector, however, the first shock phase of the corona crisis caused a sharp drop in leasing activity in the second quarter. The twelve-month take-up decreased slightly to a still very high 940,900 sqm. Q3 2020 is expected to be roughly at the same level as Q2, as demand from the private sector is likely to pick up slightly and the public sector will still play a major role.

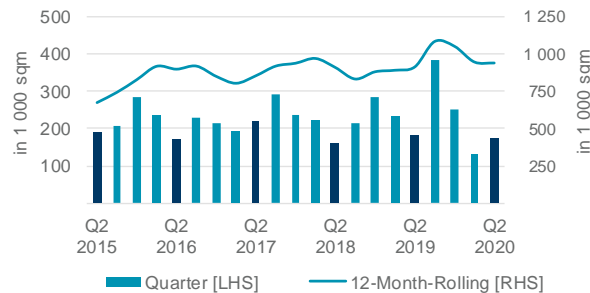
During the second quarter of 2020, the vacancy rate rose from 1.6% to 2.0%. Some companies that are particularly affected by the crisis are handing back or trying to sublet office space and at the same time, some completed but as-yet unlet development projects are coming into the market. There is currently 374,600 sqm available for occupation within three months.

In Q2 2020, 32,300 sqm of new construction and core refurbishment space was completed, bringing the H1 total to 123,300 sqm, which is 51% above the five-year average. A further 362,200 sqm of completions are planned for the remainder of the year, of which 44,800 sqm is still available. Overall, 1.85 million sqm is currently under construction, an increase of 35% on one year ago.

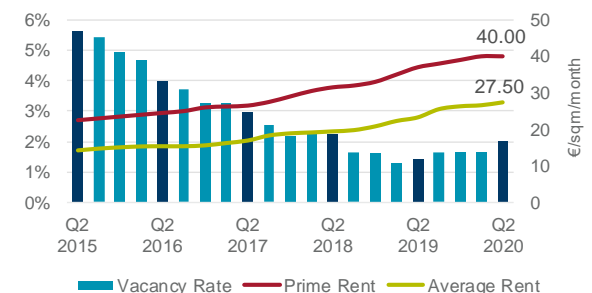
PRICING

The prime rent remained stable at the €40.00/sqm/month seen the previous quarter. In contrast, the average rent once again increased, by 3%, or 70 cents, to €27.50/sqm/month. However, incentives are being granted somewhat more frequently again, lowering effective rents in some cases.

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	33,400	4,450,200	1.0%	75,200	368,000	51%	40.00	31.20
Central Office Location West	35,700	2,159,500	1.4%	11,900	258,500	49%	40.00	27.70
Central Office Location MediaSpree	106,900	730,100	3.5%	3,500	414,500	89%	38.00	31.35
Central Office Location Potsdamer Platz	4,200	745,900	2.8%	0	37,200	32%	40.00	36.10
Berlin (Total Market)	305,100	18,843,200	2.0%	123,300	1,857,700	58%	40.00	27.50

KEY LEASE TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	MICRO-SUBMARKET	TENANT	SQM	TYPE
CULE Campus	Central Office Location MediaSpree	MediaSpree - Kreuzberg	Deutsche Rentenversicherung	84,300	Pre-Lease
DGZ-Bürostadt	Berlin North	Weißensee	BIMA Bundesanstalt für Immobilienaufgaben	8,600	Expansion and Renewal
Südkreuz Offices - SKB 2	Berlin South	Schöneberg	Deutsches Zentrum für Luft- und Raumfahrt	7,100	Pre-Lease

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KEY SALES TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	MICRO-SUBMARKET	SELLER / BUYER	SQM	PRICE IN MIO. €
berlinbiotechpark	Berlin West	Charlottenburg	Corestate / BEOS	22,100	112
Ehemaliges Postamt	Berlin West	Charlottenburg	Riva Immobilien / International Campus	8,300	60
C82 - Mebes Haus	Central Office Location East	Presseviertel	Quest / KanAM	4,000	60

KEY CONSTRUCTION COMPLETIONS Q2 2020

PROPERTY	SUBMARKET	MICRO-SUBMARKET	MAJOR TENANT(S)	SQM OFFICE	OWNER / DEVELOPER
Mariendorfer Zentrum	Berlin South	Tempelhof	no major tenants yet	8,500	HGHI
OfficeLab B5 – Tower (Am Oktagon)	Berlin East	Treptow	no major tenants yet	3,600	immobilien-experten-ag (Immexa)

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