

Q1 2023

At some 137,000 sq m, take-up in the Berlin office rental market remained below the previous year's level. The vacancy rate has increased slightly, as did the average rent.

[knightfrank.com/research](https://knightfrank.com/research)

## Cautious start to the year for Berlin's office space market

After a good start to the first quarter of 2023, the Berlin rental market ran out of steam with quite a few occupiers still hesitant in view of the ongoing economic uncertainties. Two major deals over 10,000 m<sup>2</sup> were reported.

In the first quarter of 2023, some 137,100 sq m of office space was signed for in the Berlin market. This corresponds to a decline of -7.7% compared to the previous year and -30.0% compared to the 5-year average. Unlike Q1 2022, when no contract of more than 10,000 sq m was reported, two deals in this size class were recorded this year: Boston Consulting Group (BCG) committed to around 19,000 sq m and the Marzahn Job center around 12,000 sq m respectively.

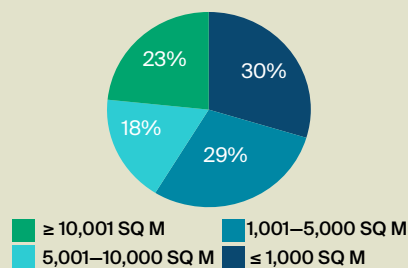
This also means that all size classes below 10,000 sq m experi-

enced a minus compared to the previous year.

Consulting firms contributed 18% to overall take-up in the first quarter,

### Take-up

By size in sq m



Source: Knight Frank Berlin GmbH

mainly thanks to the BCG deal. Industrial/energy companies also contributed 18%.

The leading submarket was Mediaspree with 17%, followed by Periphery East with 15% and Wedding/Moabit with 11%. All three submarkets thus closed better results than the 5-year average.

### Indicators (Q1 2023)

Take-up in sq m

137,100

Completion in sq m

115,000

Vacancy in sq m

754,400

Stock in sq m million

21.2

Vacancy rate in %

3.6

Prime rent in €/sq m/month

43.50

Average rent in €/sq m/month

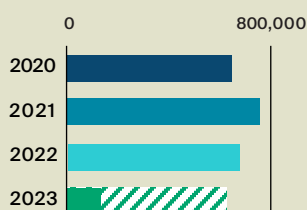
28.20

### VACANCY AND RENTS

The vacancy level increased by 25% to 754,400 sq m compared to the previous year. The vacancy rate rose from 2.9% to 3.6% in this period.

### Take-up

In sq m



Source: Knight Frank Berlin GmbH

## Rental Range by Submarket

in €/sq m/month

|                             |               |
|-----------------------------|---------------|
| Ku'damm 1A                  | 23.00 - 43.00 |
| Charlottenburg              | 17.00 - 35.00 |
| Schöneberg/Wilmersdorf      | 19.00 - 34.00 |
| Tiergarten                  | 20.50 - 34.00 |
| Wedding/Moabit              | 15.50 - 30.00 |
| Siemensstadt                | 14.50 - 28.00 |
| Europacity                  | 27.00 - 36.00 |
| Mitte                       | 20.00 - 41.00 |
| Prenzlauer Berg             | 18.00 - 38.00 |
| Hackescher Markt            | 25.00 - 43.00 |
| Potsdamer Pl./Leipziger Pl. | 28.00 - 45.00 |
| Gendarmenmarkt              | 26.00 - 40.00 |
| Presseviertel               | 23.00 - 38.00 |
| Mediaspree                  | 25.00 - 37.00 |
| Kreuzkölln                  | 20.50 - 34.50 |
| Friedrichshain              | 22.00 - 31.50 |
| Südkreuz                    | 24.00 - 30.00 |
| Adlershof                   | 14.00 - 21.00 |
| Schönefeld                  | 12.50 - 19.00 |
| Peripherie East             | 12.00 - 25.00 |
| Peripherie North            | 12.00 - 25.00 |
| Peripherie East             | 11.00 - 25.00 |
| Peripherie South            | 12.00 - 28.00 |

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



### Research enquiries

Jutta Susanne Rehfeld  
+49 30 23 25 74-385  
jutta.rehfeld@knightfrank.com



### Office Leasing enquiries

Hanna Pawlowski  
+49 30 23 25 74-372  
hanna.pawlowski@knightfrank.com

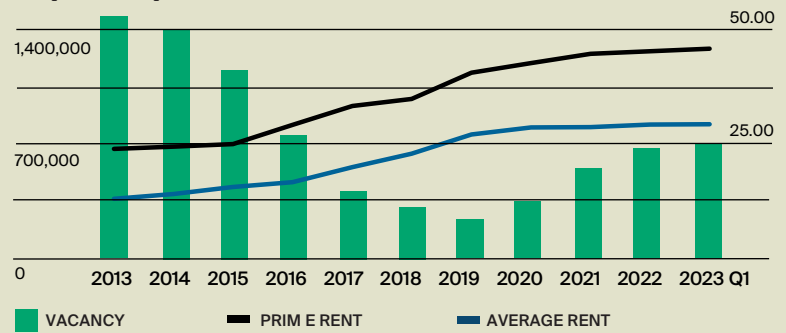


### Office Leasing enquiries

Antje Helmer  
+49 30 23 25 74-378  
antje.helmer@knightfrank.com

## Vacancy vs. Prime and Average Rent

in sq m; in €/sq m/month



Source: Knight Frank Berlin GmbH

A further increase is likely against the background of high completion volumes.

The average rent is €0.10 higher

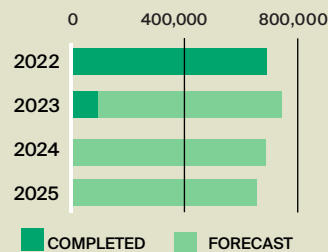
and the prime rent is €0.50 higher than in the previous year.

### UNDER CONSTRUCTION

In the first quarter of 2023, some 115,000 sqm was completed, with 30% pre-let. A completion volume of 744,000 sq m is targeted for 2023 as a whole. The pre-letting rate for the space that is yet to come is already over 70%. The developments which are due to be completed until the end of 2024 are mainly concentrated in the submarkets of Kreuzkölln, Mediaspree, Mitte and Europacity.

### Completion

in sq m (under construction and planned)



Source: Knight Frank Berlin GmbH

**The efforts of the companies to offer attractive analogue workplaces for exchange and retreat are still reflected in the high demand for new construction standards.**

**BERLIN 2023** The framework conditions have tended to solidify in recent months. Companies are challenged by geopolitical tensions, a changed financing environment and the task of overcoming the climate crisis. Nevertheless, the current economic forecasts give a cautiously optimistic signal in the direction of recovery. Like the Berlin economy as a whole, the Berlin office market has so far

proved to be robust, even if it is becoming difficult to keep up with the strong results of previous years where rental volumes were in excess of 800,000 sq m. Companies in the energy sector are emerging as a strong new user group. With approximately 1.2 million sq m coming into the market until the end of 2024, pre-letting will continue to drive rental levels.