

Q-Trend Berlin

Q1 - 2025

The Q-Trend examines the latest quarterly data on the Berlin office market, categorises it in the context of current market trends and provides an outlook on future market developments.

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Numerous leasing transactions, but overall little take-up at the start of the year

► In terms of take-up, the Berlin office leasing market got off to a subdued start in 2025. Although there were numerous deals in the segment between 1,000 and 3,000 sq m, no major transactions occurred. The vacancy rate has continued to rise, as has the prime rent.

The Berlin office leasing market was characterised by a high number of leases in the first quarter of the year. Approximately 160 leases along with a few - comparatively smaller - owner-occupier agreements resulted in a total take-up of 106,000 sq m. Compared to the same quarter of the previous year, this represents a significant decrease of almost 25%. However, the difference is mainly

as it shows the trend independently of the turn of the year, take-up fell by around 6% compared with both the previous quarter and the same quarter last year.

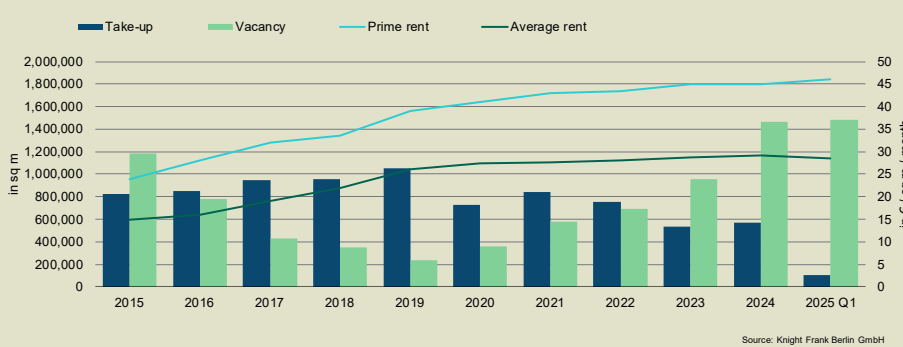
Whilst there were no leases exceeding 3,000 sq m in the first three months of the year, there was significantly greater activity in the 1,000 to 3,000 sq m seg-

Key figures

(Change against previous year)

Take-up in sq m	
106,000	-24.7%
Completions in sq m	
110,500	-14.2%
Vacancy in sq m	
1,480,900	+36.5%
Stock in million sq m	
21.5	-1.0%
Vacancy rate in %	
6.9	+190bps
Prime rent in €/sq m/month	
46.00	+2.2%
Average rent in €/sq m/month	
28.60	-1.0%

Take-up, vacancy and rents in longterm comparison



due to two major owner-occupier construction starts by the public sector totalling almost 35,000 sq m which took place in the first quarter of 2024. If we look at the rolling take-up of space over the last 12 months, which is less volatile

ment. There were 30 transactions (including 4 owner-occupiers) as opposed to 12 transactions in the same quarter last year. The shift towards the smaller space segments is thus continuing. Demand for larger spaces above 3,000

sq m is still present, but much lower than in previous years. The economic weakness combined with high levels of uncertainties across the financial, political and trade sectors are causing a noticeable reluctance.

Rental range by submarket

In €/sq m/month

Ku'damm 1A	25.00 - 43.00
Charlottenburg	20.00 - 35.00
Schöneberg/Wilmersdorf	17.50 - 35.00
Tiergarten	26.00 - 36.00
Wedding/Moabit	20.00 - 28.00
Siemensstadt	15.00 - 28.00
Europacity	27.00 - 37.00
Mitte	20.00 - 42.00
Prenzlauer Berg	20.00 - 39.00
Hackescher Markt	27.00 - 45.00
Potsdamer Pl./Leipziger Pl.	29.00 - 49.00
Gendarmenmarkt	27.00 - 41.00
Presseviertel	21.00 - 37.00
Mediaspree	21.00 - 34.00
Kreuzkölln	18.00 - 35.00
Friedrichshain	21.00 - 30.00
Südkreuz	24.00 - 30.00
Adlershof	16.00 - 21.00
Schönefeld	15.00 - 20.00
Periphery West	15.00 - 21.00
Periphery North	13.00 - 24.00
Periphery East	12.00 - 23.00
Periphery South	18.00 - 21.00

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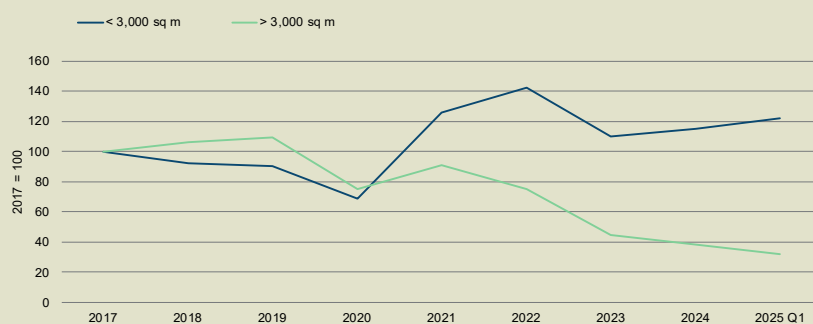
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We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.

Development of number of transactions by size segment



Source: Knight Frank Berlin GmbH

The market is becoming more differentiated, and not just in terms of space sizes. The disparity is also expanding somewhat in terms of rent levels. Compared to the previous quarter, rents for high-quality spaces in prime locations rose by 2.2% to EUR 46.00. This indicates that the availability of such space remains scarce. In contrast, average rents decreased by 2.1% to EUR 28.60. This results from the large number of leases in the medium and smaller space segment, which are distributed relatively evenly across all rental price ranges and submarkets within the city.

The vacancy trend is particularly striking. The vacancy rate has continued to rise, from 5.0% to 6.9% over the past 12 months (+20 bps compared to the previous quarter). In absolute terms, around 400,000 sqm of office space has been added over the last 12 months, meaning that a total of just under 1.5 million sqm was vacant at the close of the first quarter. A similarly high

vacancy rate was last observed in 2014 and the years before.

Around half of the office space coming onto the market this year, either as new builds or refurbishments, remains available for lease. Approximately 517,000 sqm of office space is expected to enter the market in 2025, of which 110,000 sqm were already completed in the first quarter. This means that there will be less space available on the market this year compared to prior years (average of the last 5 years: 571,000 sqm). According to current plans, an additional 1.1 million sqm of office space will be added over the next two years. However, considering the current market situation, it remains to be seen whether all these projects will actually be realised and completed as planned.

Outlook

Good medium-term prospects for the Berlin office market

Although the first quarter marks a weak start to the year in terms of take-up, a result slightly below last year's level is still achievable for the year as a whole (2024: 573,000 sqm). Several larger enquiries are already in the pipeline, so that we will definitely see leases exceeding 5,000 sq m being recorded in the course of the year. The medium-term prospects for the Berlin office market are also good. The cur-

rent economic downturn cannot disguise the fact that Berlin, with its above-average growth in office employment, is set to become Europe's fourth largest office market regarding the number of office employees. As the economy recovers, Berlin's important technology and start-up sector is likely to provide an additional boost to the market, which is currently more supported by the public sector.