Q-Trend Berlin

Q1 2026

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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Strong start to the year for Berlin's office leasing market

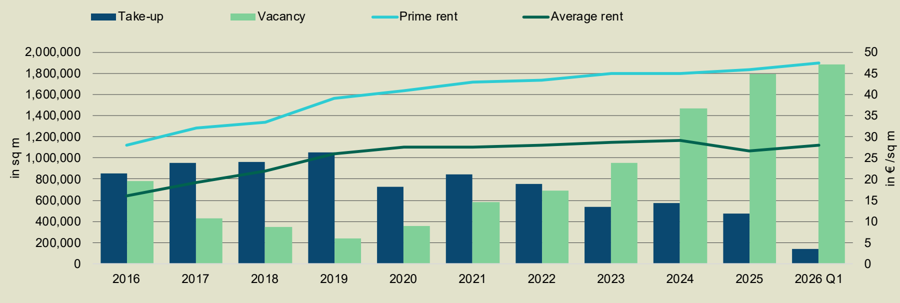
The resurgence of larger transactions resulted in higher take-up during the first quarter. Several high-value lettings also pushed both prime and average rents upward. While vacancy rates continued to increase, the pace of the rise moderated.

Berlin's office leasing market began 2026 with a marked increase in take-up compared with the previous year. Total take-up reached 142,400 sq m, representing a 32% year-on-year rise and marking the strongest quarterly result in the past 18 months. However, activity remained below the five-year quarterly average of approximately 160,000 sq m.

Market activity in the first three months of 2026 differed from that seen throughout the previous year. Whereas recent activity had been dominated by a high volume of smaller lettings, the number of transactions declined in the first quarter. This was offset by a notable increase in larger deals, with a sharp rise in transactions exceeding 3,000 sq m – a segment that had seen little activity in recent quarters. While only one transaction of this size was recorded in the first quarter of 2025, eight were completed this year. Unlike the usual pattern in the Berlin market, take-up was not driven by public sector lettings or the commencement of owner-occupier construction projects, but largely by private-sector companies across a broad range of industries, including IT and technology, construction and real estate, and retail and e-commerce.

Leases concluded in the first quarter were characterised not only by larger floorplates but also, in many cases, by premium pricing. This combination has driven a notable increase in rental levels. The anticipated upward movement in prime rents has materialised, bringing them closer to the 50€/sq m

Long-term comparison of take-up, vacancy and rents



Source: Knight Frank Research

Key figures

(Change against previous year)

Take-up in sq m (Q1 26)	142,400	-31.7%
Completions in sq m (Q1 26)	59,350	-32.9%
Vacancy in sq m	1,887,000	+24.6%
Stock in million sq m	22.2	+1.1%
Vacancy rate in %	8.5	+160bps
Prime rent in €/sq m/month	47.50	+3.3%
Average rent in €/sq m/month	28.00	-2.1%

Rental range by submarket

In €/sq m/month

Ku'damm 1A	25.00 - 47.50
Charlottenburg	18.00 - 34.00
Schöneberg/Wilmersdorf	17.50 - 35.00
Tiergarten	20.00 - 36.00
Wedding/Moabit	17.00 - 32.00
Siemensstadt	15.00 - 28.00
Europacity	29.00 - 36.00
Mitte	22.00 - 42.00
Prenzlauer Berg	20.00 - 39.00
Hackescher Markt	26.00 - 45.00
Potsdamer Pl./Leipziger Pl.	29.00 - 50.00
Gendarmenmarkt	27.00 - 39.00
Presseviertel	21.00 - 37.00
Mediaspree	21.00 - 34.00
Kreuzkölln	18.00 - 35.00
Friedrichshain	20.00 - 30.00
Südkreuz	24.00 - 30.00
Adlershof	16.00 - 24.00
Schönefeld	15.00 - 24.00
Periphery West	15.00 - 22.00
Periphery North	13.00 - 24.00
Periphery East	12.00 - 23.00
Periphery South	14.00 - 22.00

Research

Fabian Sperber
+49 30 23 25 74-385
fabian.sperber@knightfrank.com

Office Leasing

Verena Diekmann
+49 30 23 25 74-375
verena.diekmann@knightfrank.com

Philip Schneider
+49 30 23 25 74-372
philip.schneider@knightfrank.com

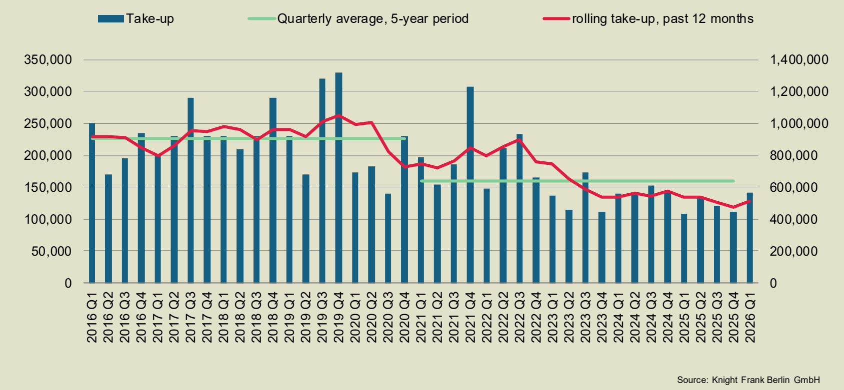
Alessia Sinkowska
+49 30 23 25 74-378
alessia.sinkowska@knightfrank.com

Occupier Strategy & Solutions

Ben Read
+49 30 23 25 74-370
ben.read@knightfrank.com

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

Take-up in long-term comparison



Source: Knight Frank Berlin GmbH

threshold. By the end of the first quarter, prime rent stood at 47.50€/sq m, reflecting a 3.3% year-on-year increase. Average rents also rose for the first time in over a year, driven by large-scale, high-value transactions. Although they remained below the level recorded a year earlier, average rents reached 28.00€/sq m, up 4.7% on the previous quarter.

Despite a more positive first quarter in terms of take-up, deal sizes and rental growth, several structural market trends remain unchanged. With few exceptions, high-value and large-scale transactions were concentrated in new-build developments or office space offering high-quality, modern fit-outs. By contrast, buildings in peripheral locations, of inferior quality or with poor energy efficiency, continue to face significant challenges in attracting tenants. Vacancy rates also continued to increase, although at a slightly slower pace than in the previous quarter. At the end of March, just under 1.9 million sq m of office space – equating to around 8.5% of Berlin's total stock – was vacant.

Outlook shaped by continued uncertainty

The positive start to the year has fuelled optimism for higher deal volumes and increased take-up. Until recently, the office market had settled at historically low levels, with take-up of around 500,000 to 600,000 sq m. Active search pipelines suggest that this renewed momentum should carry through into the second quarter.

The improving outlook is currently being overshadowed by geopolitical tensions in the Middle East. The armed conflict has resulted in rising energy costs and renewed inflationary pressures in the short term. While a swift resolution could see these effects reverse over time, a number of economic research institutes have already revised down their growth expectations for the German economy in 2026.

Given the close alignment between office leasing activity and overall economic performance, take-up towards the end of the year may fall short of the levels suggested by the strong start to the year.

Nevertheless, take-up this year is expected to reach between 500,000 and 600,000 sq m, well above last year's total of 478,000 sq m. Prime rents are set to continue their upward trajectory and could breach the €50 per sq m threshold before year-end. Vacancy rates are also likely to keep rising, with total vacant space expected to exceed 2 million sq m.

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