

Q-Trend Berlin

Q2 - 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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Momentum picks up in the second quarter, but take-up remains below average

- Due to the return of somewhat larger deals, take-up in the Berlin office leasing market was 25% higher in the second quarter than in the previous quarter. At the same time, the vacancy rate also increased. The current levels represent the new normal in the Berlin market.

After a subdued start to the year in the Berlin office letting market, take-up in the second quarter was a good 25% higher than at the beginning of the year. A total of 136,000 sq m was let or taken by owner-occupiers from April to June. Take-up in the first half of the year thus totalled 244,000 sq m, which is 13% below the comparable figure for the previous year. The recent upturn in momen-

not hide the fact that only some of these enquiries have so far resulted in an actual deal and that market activity in terms of take-up remains below average. Over the past five years, the average take-up per quarter has been around 165,000 sq m. Looking at take-up over the last 12 months (Q3 2024 - Q2 2025), however, the decline compared to the 12-month-period of the previous quarter

Key figures

(Change against previous year)

Take-up in sq m (H1-25)

244,000 -12.9%

Completions in sq m (H1-25)

159,200 -35.4%

Vacancy in sq m

1,552,000 +28.9%

Stock in million sq m

21.0 -3.6%

Vacancy rate in %

7.4 +190bps

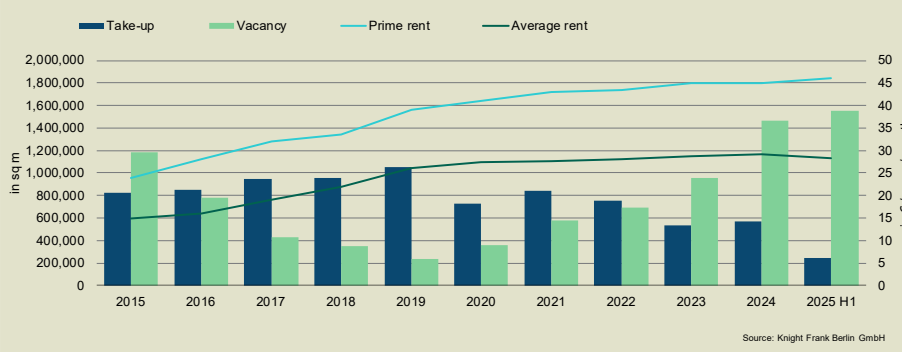
Prime rent in €/sq m/month

46.00 +2.2%

Average rent in €/sq m/month

28.20 -2.4%

Take-up, vacancy and rents in longterm comparison



tum is also reflected in the fact that many users are currently looking for high-quality space in order to offer their employees an attractive office for in-person collaboration, team communication or creative work. However, this can-

(Q2 2024 - Q1 2025) is only 0.6%.

While there were still no lease transactions recorded in the over 3,000 sq m space segment in the first quarter, there were at least four deals of this size in the

past three months, most notably the letting for the House of Games in Kreuzberg by a state-owned subsidiary, which even exceeded 10,000 sq m in total size. However, the shift in focus towards the smaller space segments continues.

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 - 23.00
Schönefeld	15.00 - 23.00
Periphery West	15.00 - 22.00
Periphery North	13.00 - 24.00
Periphery East	12.00 - 23.00
Periphery South	18.00 - 22.00

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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.

The trend towards smaller space sizes and the overall lower take-up of space has been leading to rising vacancy rates for some time. The vacancy rate continued to rise in the second quarter and now stands at 7.4%. This corresponds to an absolute vacancy rate of more than 1.55 million sq m. Central locations are significantly less affected by this than peripheral locations. If the location and traffic connections are not right, even modern space with sustainable features are not always easy to let. The supply of vacant space, particularly in properties in peripheral locations or with poorer connections, is therefore continuing to increase, which strengthens the position of existing and new tenants in contract negotiations. This also has an impact on the average rent. The falling rent level in the periphery is dragging down the

average rent for the market as a whole, which fell by 2.4% to EUR 28.20 per sq m compared to the same quarter of the previous year. By contrast, the prime rent remained stable at EUR 46.00 per sq m, even though the number of leases agreed above the EUR 40.00 per sq m mark was not particularly noteworthy in the second quarter.

Higher take-up is expected for the second half of the year due to the rising upward trend, the positive market dynamics and some larger deals already in the pipeline. The extent to which the full-year mark of 500,000 sq m will be exceeded remains to be seen. Exceeding the 535,000 sq m mark achieved in 2023 would be a positive sign for the Berlin market - especially after the weak take-up in the first half of the year.

New normality The Berlin office market in face of the new reality

A lot has changed in the office markets in recent years. As a result of the COVID-19 pandemic, the German economy is in recession. Working behaviours have changed. Working from home is here to stay - at least to a certain extent. In addition, the tools and possibilities of artificial intelligence are changing the way we work and the efficiency of many office jobs, making certain human office tasks increasingly superfluous. Last but not least, all of these factors are contributing to greater uncertainty. All of this has an impact on the demand for office space. How much space is still needed? How should the office space be designed and equipped? Where should the office be located? The new normal that has crystallised is as follows.

Significantly less office space is being taken up than a few years ago. Take-up is levelling off at between 500,000 and 600,000 sq m per year. The focus is on the smaller space segments. The number of transactions has recently risen again. However, the average amount of space rented is significantly lower than a few years ago. In particular, deals in the segment above 3,000

sq m are becoming increasingly rare. The gap between central locations and the periphery is widening. This relates to demand as well as to rents and vacancy rates. While demand for prime space is high, properties on the periphery are finding it much harder to find tenants. Prime rents will remain at their current high level with the possibility of further slight increases. In peripheral locations, on the other hand, rents are falling, which is leading to lower average rents in the market as a whole. And while the supply of space in the top locations is comparatively scarce, the vacancy rate in the peripheral locations is rising. Overall, the vacancy rate in Berlin has risen to over 1.5 million sq m since the record low of 235,000 sq m in 2019. And the trend is still rising. This new normal is unlikely to change much for the time being. The federal government's special investment fund (Sondervermögen) could have a positive effect, as a result of which any economic upturn would also benefit demand for office space with a slight time lag.