Q-Trend Berlin

Knight Frank

Q3 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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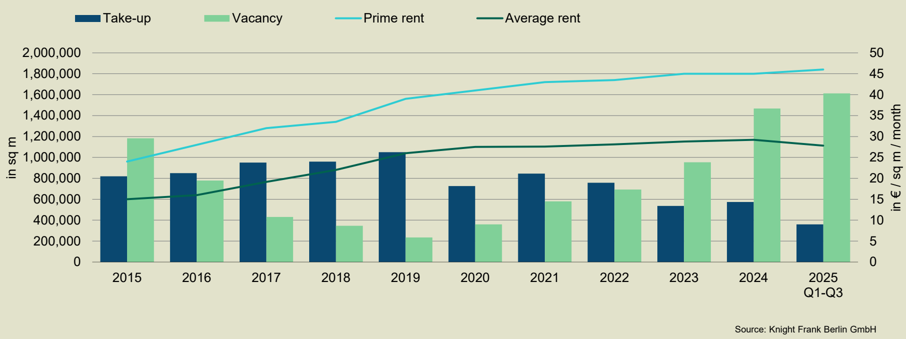
The Berlin office leasing market still facing the 'new normal'

Whilst large deals remain scarce, there is still a good amount of activity in the size segment below 3,000 sq m. Nevertheless, take-up is falling, as is the average rent. Vacancy rates, on the other hand, have continued to rise.

The ‘new normal’ on the Berlin office market means high and stable prime rents, but falling average rents, rising vacancy rates and significantly lower take-up compared to the pre-pandemic period. These developments, which we had already seen in the first half of the year, continued in to the third quarter. With an overall take-up of 121,900 sq m, the past quarter was a good 10% weaker than the previous quarter. In total, around 365,800 sq m of space was taken up on the Berlin office market in the first three quarters, 15% less than at the same time last year.

One key reason for this is the low number of large-volume transactions – this applies to both purchases and construction starts by owner-occupiers as well as new leases. Unlike last year, there have been no owner-occupier transactions exceeding 10,000 sq m so far this year. The picture is similar in terms of new leases. The largest lease recorded in the third quarter, at around 7,000 sq m, was outside the Berlin city limits in the BB Business Hub in the Schoenefeld submarket. A similar-sized owner-occupier transaction took place there in the second quarter, which is why this submarket has seen above-average space take-up this year. In addition, there were a handful of deals in the Berlin market in the third quarter in the space segment between 3,000 and 5,000 sq m. The majority of leases continue to be below the 3,000 sq m threshold.

Take-up, vacancy and rents in longterm comparison



Source: Knight Frank Berlin GmbH

Key figures

(Change against previous year)

Take-up in sq m (Q1-Q3 25)	365,800	-15.4%
Completions in sq m (Q1-Q3 25)	306,900	-10.4%
Vacancy in sq m	1,699,000	+30.6%
Stock in million sq m	22.1	+1.1%
Vacancy rate in %	7.7	+170bps
Prime rent in €/sq m/month	46.00	+2.2%
Average rent in €/sq m/month	27.80	-3.1%

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	18.00 - 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 - 24.00
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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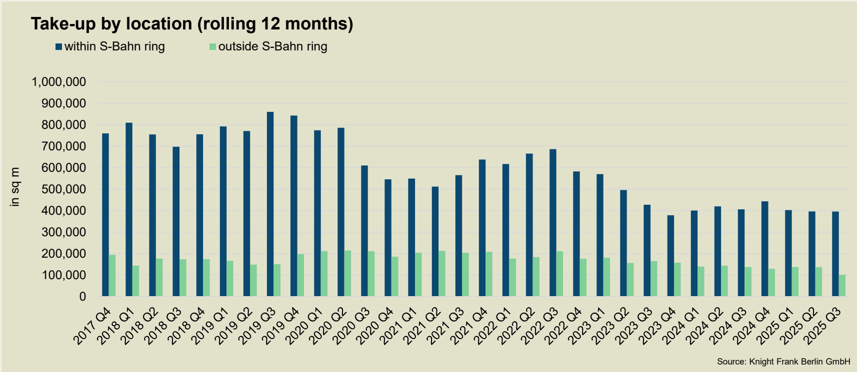
We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



The decline in overall take-up is primarily attributable to lower take-up within the S-Bahn ring. Here, annual take-up has been hovering around the 400,000 sq m mark since the end of 2023. Before the pandemic, this figure was almost twice as high. Outside the S-Bahn ring, space take-up has also fallen, with most recent figures fluctuating between 130,000 and 160,000 sq m. In the third quarter, this figure fell to around 100,000 sq m. The percentage declines in both locations are almost parallel and of the same magnitude.

Even though many former office spaces are being converted into other use concepts (see box below), the vacancy rate has nevertheless continued to rise further. The current vacancy rate of 7.7% is 30 basis points higher than in the previous quarter and corresponds to an available area of just under 1.7 million sq m. This puts occupiers in a strong negotiating position, which is reflected in the falling average rent for the market as a whole. Compared to the previous quarter, the average rent has fallen by 1.4% to €27.80 per sq m The prime rent remains stable at €46.00 per sq m, as the supply of state-of-the-art, available office space in sought after locations continues to be limited.

The market trends described above are likely to continue for some time. Current pipelines and projections suggest a strong fourth quarter, meaning that total take-up for 2025 should at least exceed the 500,000 sq m mark.

New uses for old offices

One trend that is becoming increasingly common in the current market period is the use of office space for other purposes. Such purposes often include event and meeting concepts, sports and fitness as well as all conceivable forms of accommodation – from hotels to residential forms such as micro-apartments or student accommodation concepts. These leases are not included in office take-up figures, but they ensure that office spaces in less desirable locations or with unfavourable layouts can be put to new and meaningful use. What is more, with comparable credit ratings, these deals not only ensure stable and, in most cases, even longer cash flows than office users (which has become more important for owners in the current climate), but also improve the service offering for other occupiers in the building as well as the neighbourhood. By creating fitness facilities, leisure activities or event and meeting spaces, office users in the immediate vicinity benefit from a greater variety of complementary amenities. By giving less attractive vacant office space a new, alternative use, this can help on several levels: it helps the owner financially, leads to an upgrade of the micro-location and ensures that vacancies are reduced and the office market is brought back into balance. Nevertheless, this approach is not a universal solution for reducing vacancies on a large scale, as many factors must be fulfilled in order to successfully implement such a strategy.