Q-Trend Berlin

Knight Frank

Q4 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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Take-up on the Berlin office market falls short of the half-million square metre mark

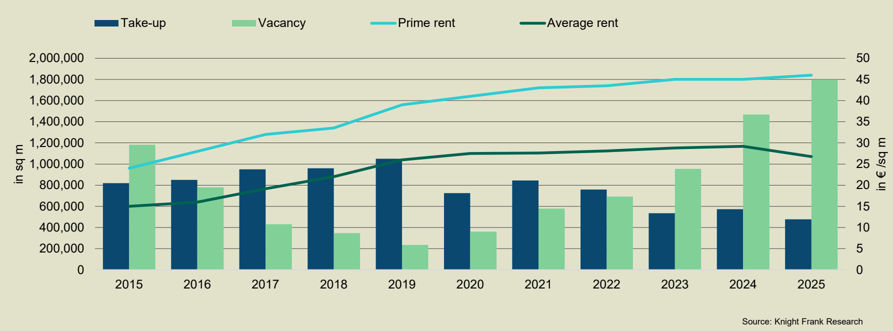
Various reasons have caused take-up to shrink further in 2025. Despite more transactions being completed last year, there was a shortage of large-volume deals. Vacancy rates have risen further, as have prime rents.

In 2025, the Berlin office leasing market recorded a take-up of 478,000 sq m, which corresponds to a decline of 16.7% compared to the previous year. In absolute terms, this represents a decline of roughly 100,000 sq m compared with the already weak previous year. An annual take-up of less than 500,000 sq m was last seen in 2013 and prior to that in 2008 and 2009. A historical comparison shows that average space take-up was markedly higher, averaging 688,000 sq m over the last five years and 807,000 sq m over the last decade.

The significantly lower level of take-up on the Berlin office market is attributable to several structural and economic factors. The now established hybrid working models have permanently reduced the space requirements of many companies. Demand for large spaces has been particularly affected: in the segment above 3,000 sq m, only 18 transactions were recorded last year, seven fewer than in the previous year. In the segment above 10,000 sq m, only two transactions were concluded, whereas a few years ago there were regularly more than ten per year. Although the total number of transactions rose for the second year in a row, the increase was exclusively in the size range up to 3,000 sq m.

In addition, subdued activity on the part of the public sector meant that space take-up was lower last year. Public sector users only accounted for 17,000 sq m of take-up, which reflects a share of less than 5% of total take-up. By comparison, this sector contributed more than 100,000 sq m in 2024, which corresponded to a

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-Q4 25)	477,800	-16.7%
Completions in sq m (Q1-Q4 25)	521,400	-10.4%
Vacancy in sq m	1,798,000	+22.5%
Stock in million sq m	22.2	+1.4%
Vacancy rate in %	8.1	+140bps
Prime rent in €/sq m/month	46.00	+2.2%
Average rent in €/sq m/month	26.75	-8.4%

Rental range by submarket

In €/sq m/month

Ku'damm 1A	25.00 - 43.00
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	20.00 - 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

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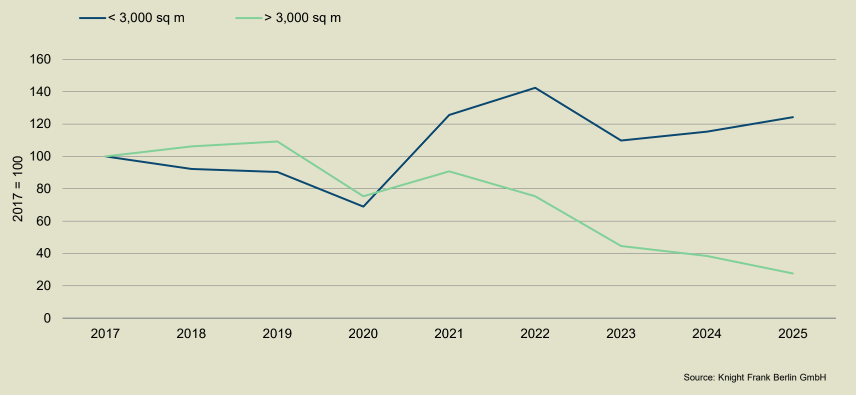
We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.

Development of number of transactions by size segment



share of just over 18% of total office space take-up.

Another key factor weighing on the market is the generally weak economic development. Historically, office demand has tended to lag overall economic performance. Although Berlin is seeing modest economic growth, many companies take their cues from the broader national outlook. In addition, geopolitical uncertainties are making tenants increasingly cautious.

Vacancy rates on the Berlin office market have been rising steadily since the start of the COVID pandemic in the first quarter of 2020, increasing every quarter since then. Six years ago, it stood at an all-time low of around 235,000 sq m, corresponding to a vacancy rate of just 1.2%. Today, roughly 1.8 million sq m of office space is available for rent in Berlin, representing 8.1% of total stock. This marks an almost eightfold increase in the vacancy rate over the past six years.

The rental trend presents a mixed picture. Although the prime rent increased by 2.2% year-on-year to €46.00 per sq m per month, rents – particularly for existing properties – are coming under pressure as supply continues to grow. This is reflected in the falling average rent, which dropped in 2025 for the first time since the 2009 crisis. Whilst the average rent was still above €29.00 per sq m per month a year ago, it has fallen by 8.4% to €26.75 per sq m per month over the last twelve months.

The completion pipeline remains high despite declining market momentum. Last year, 521,400 sq m of office space was completed, roughly half of which was new construction and the other half refurbished space. The completion volume was thus around 9% below the five-year average. A total of 443,000 sq m is currently under construction for 2026, around 15% less than the space completed in 2025 and just over half of these projects are still available to rent. A further million square metres are in the pipeline for 2027 and 2028, of which around 600,000 sq m is already under construction.

No significant change in the current market situation is expected in 2026. Without an economic upturn, no major leaps are anticipated on the Berlin office market this year either. Prime rents are likely to remain at least at their current level and may even rise slightly again this year. Against the backdrop of increased conversions of former office space, the rise in vacancy rates could slow down somewhat this year, as could the decline in average rents. For tenants, the current market situation offers ample opportunities, both through a broad range of available space and increased scope for negotiation with landlords. For landlords, the market environment remains challenging, but there are still grounds for optimism. Demand for smaller units of up to 3,000 sq m is expected to remain robust, while last year saw numerous examples of office space being repurposed for alternative uses, providing owners with long-term, stable cash flows. Both trends are likely to continue this year.

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