

Updated quarterly, our dashboards provide a concise synopsis of occupier activity in Europe's markets.



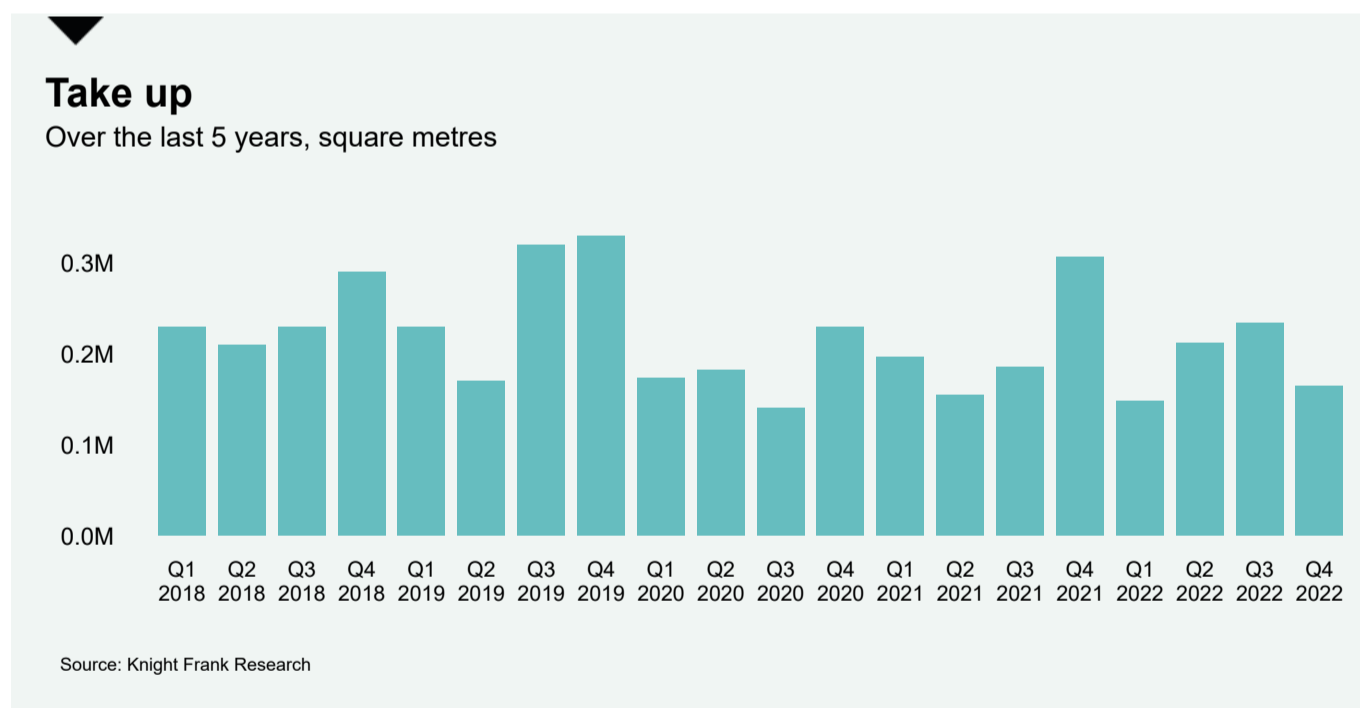
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Berlin Office Market

Research, Q4 2022

OCCUPIER MARKET HEADLINE FIGURES

TAKE UP		VACANCY RATE		PRIME RENT	
164,600	-46.4%	3.3%	2.1%	€ 522	1.2%
SQM	YOY CHANGE	RATE	5 YR AVERAGE	RENT (PSQM)	YOY CHANGE



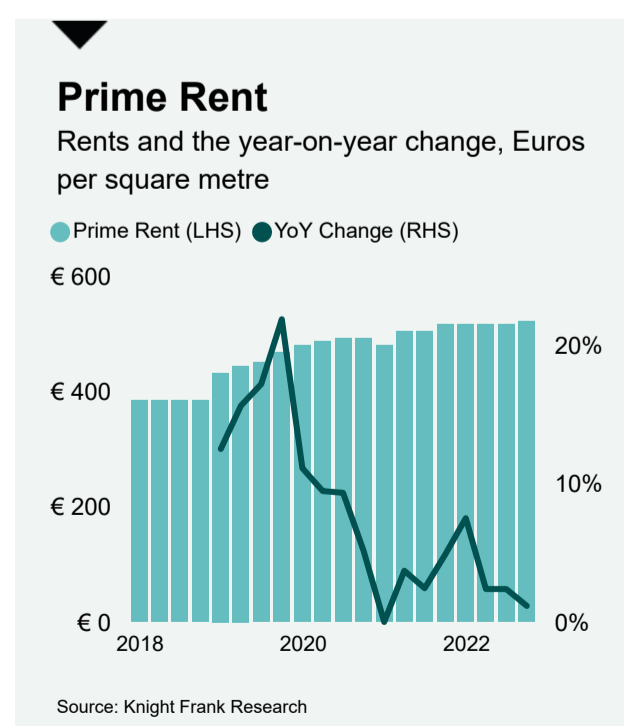
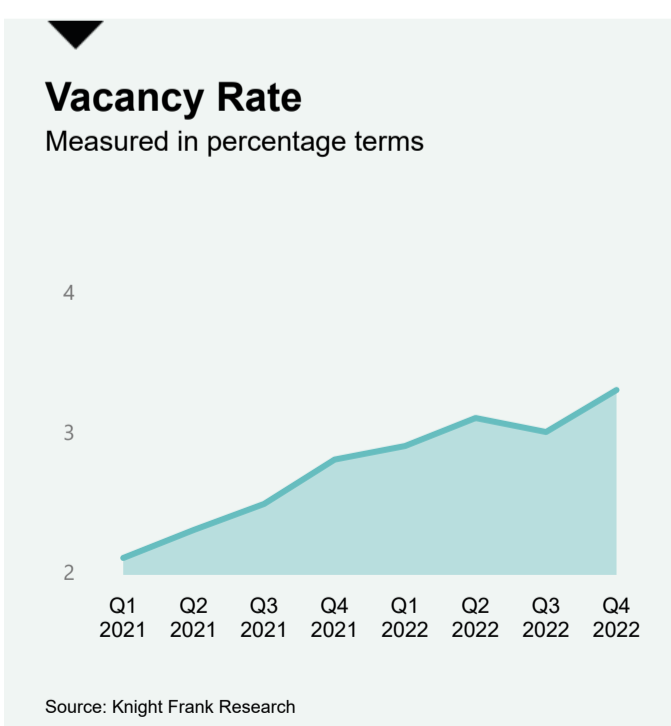
OCCUPIER HEADLINES

Despite being a historically well-performing quarter, the fourth quarter of 2022 saw weakening leasing activity, with take-up recorded at 164,600 sqm. This represents a 29.5% decrease since Q3, and a year-over-year drop of 46.4%, largely driven by a lack of large-scale deals at the end of the year.

Total annual take-up for 2022 amounted to 758,300 sqm, down 10% from 2021 but very close to levels seen in 2020. With the uncertain economic environment, some tenants may choose to defer decision-making and extend their current leases. As such, take-up below the 10-year average of 803,000 sqm is anticipated in 2023.

Construction completions for the year totalled 628,000 sqm, 8.7% less than the previous year. 725,000 sqm are expected for 2023, 60% of which is pre-let. There are currently 1.5m sqm under construction in the Berlin market.

Sustainable, ESG-compliant and high-quality furnished office space continue to be highly sought after, pushing prime rent upwards this quarter to € 522 psqm per annum.



ECONOMIC INDICATORS

New Businesses in Germany

12-month Rolling Average



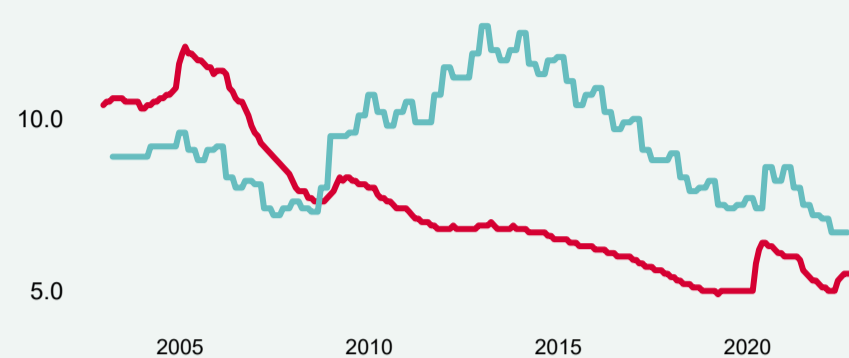
Source: German Federal Statistical Office (Statistisches Bundesamt)

After a slump in new business starts during the pandemic in Germany, activity exceeded pre-COVID normals in 2021 and have since levelled slightly in 2022.

Unemployment Rate in Germany

vs Euro Area, as a Percent of Civilian Labour Force %

● Germany ● Euro Area



Source: Eurostat/ German Federal Employment Agency (Bundesagentur fuer Arbeit)

The unemployment rate in Germany has held firm since August at 5.5% and is expected to tick upwards slightly in 2023 before declining in 2024.

Employment Expectations in the Service Sector in Germany

Over the next 3 months, %

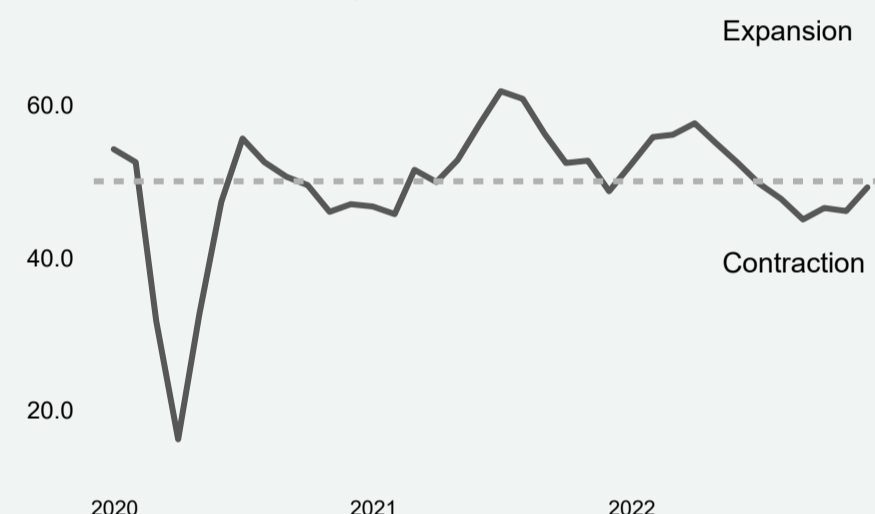


Source: European Commission (DG ECFIN)

Employment expectations in the German service sector continue to decline as recession worries weigh on business sentiment.

Services PMI in Germany

Services PMI for the last 5 years, Index



Source: S&P Global

The service sector PMI improved in Q4 2022, reaching 49.2 in December, up from 45.0 in September. The reading still points to a fall in the services sector, but is a sign the downturn is easing.

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

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