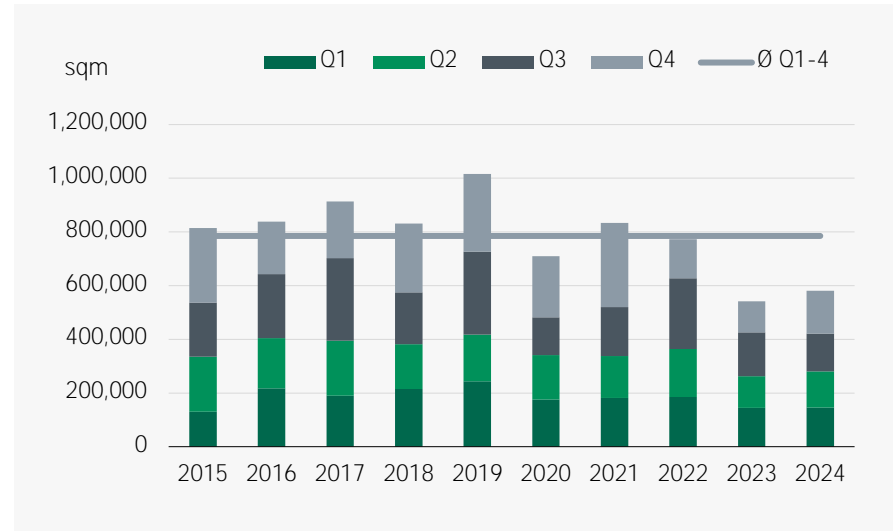


BERLIN

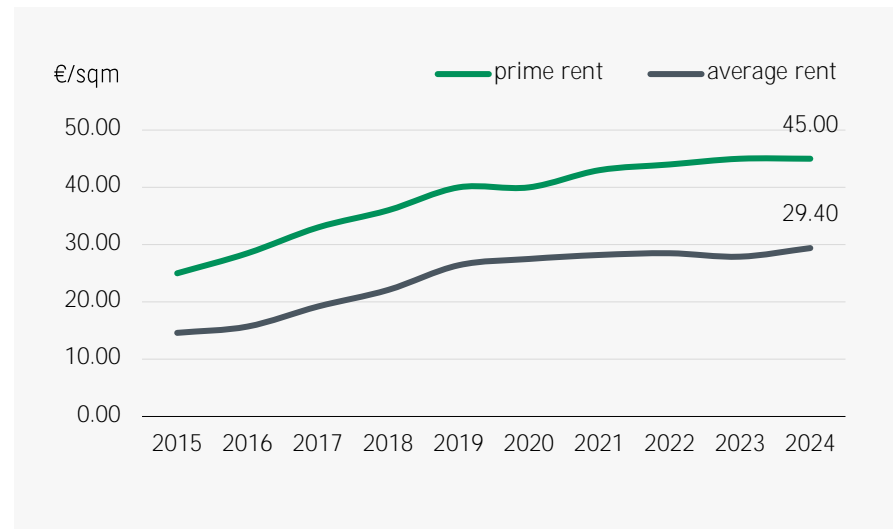
REPORT OFFICE MARKET

2024

Development of take-up



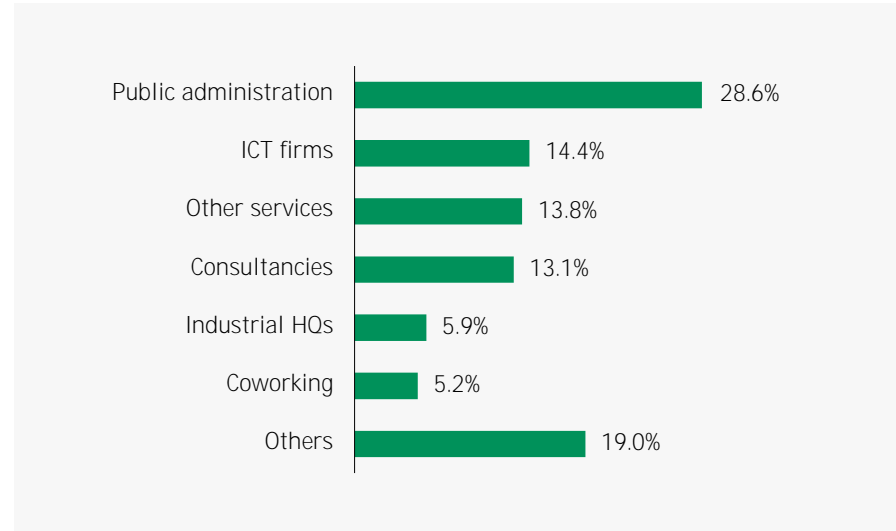
Prime and average rents



BEST QUARTER AT THE END OF THE YEAR, EXCEEDING PREVIOUS YEAR'S TOTAL RESULT

- The Berlin office market confirmed the upward trend of the first three quarters at the end of the year, although it was unable to match the good results of 2021 and 2022. The main reason for this is primarily the continuing delayed economic recovery, which is still slower than expected at the beginning of 2024.
- Despite the challenging conditions in the last three months, it is nevertheless pleasing that the Berlin office market achieved its best quarterly result of the year in Q4, exceeding the previous year's total result by more than 7% with 581,000 sqm now registered. The fact that the biggest deal in terms of take-up in the fourth quarter (20,300 sqm in the Hackescher Markt campus), was signed by Deloitte, also shows that in addition to the large-volume lettings by the public sector (in particular BIWA), companies are increasingly getting active in the large-scale segment again.
- In line with this, take-up in the large-scale categories of over 5,000 sqm, which are usually the main drivers of high overall volumes, has risen by a remarkable 70% compared to the weak figure of 2023 due to the economic situation.
- In terms of prime rents, the strong momentum of the years up to 2023 has slowed in the last 24 months: at currently €45 per sqm, no change can be observed in the prime rent sector in 2024, as in the previous year. Slightly more movement was observed in the average rent segment, which has risen further and is approaching the €30 per sqm mark at €29.40 per sqm.

Take-up by sector 2024



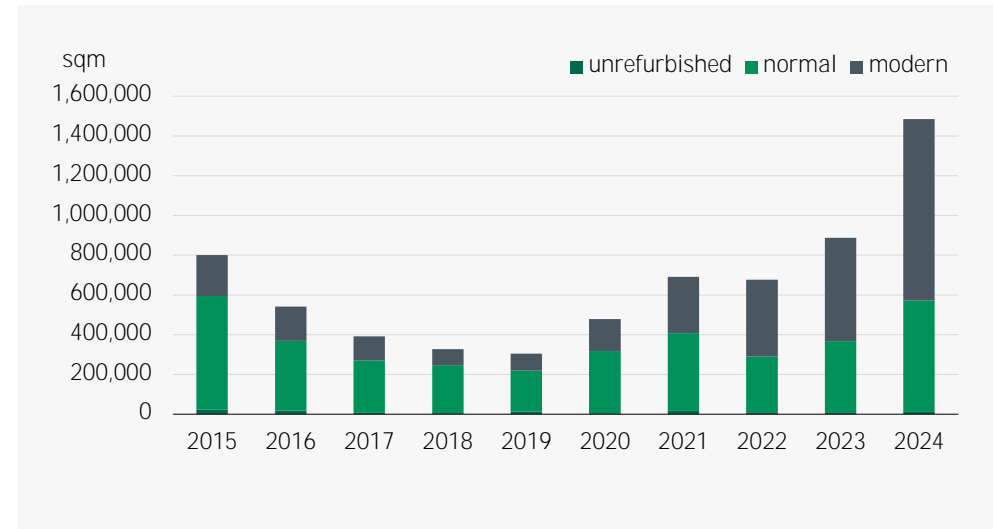
PUBLIC ADMINISTRATION STILL AHEAD, BUT OTHER SECTORS CATCHING UP IN Q4

- Even though public administration continues to set the pace in the ranking with a take-up share of just under 29%, its gap to the other groups of users has narrowed somewhat, not least due to the Deloitte letting in the fourth quarter. According to this, consulting companies were the most active with the largest and a few medium-sized contracts at the end of the year. In the overall ranking, they account for a good 13% and, along with the ICT sector and other services, rank closely in second to fourth place (~14% each).
- On the supply side, the volume of vacant space has continued to rise and is back at around 1.5 million sqm for the first time since 2008. The completion of numerous project developments that are not yet or only partially let is a decisive factor in the increase in modern vacancies (912,000 sqm; +76% compared to Q4 2023). As a result, the vacancy rate has risen by 2.8 percentage points to 6.9% in the last twelve months.

Major contracts 2024

Quarter	Sub-market	Company	sqm
Q1	2.1	BlmA	25,200
Q1	2.6	BlmA (Bundeskanzleramt)	25,000
Q4	1.2	Deloitte	20,300
Q3	2.5	BlmA	19,500
Q2	3.3	Siemens	18,400
Q2	3.3	BIM	17,000

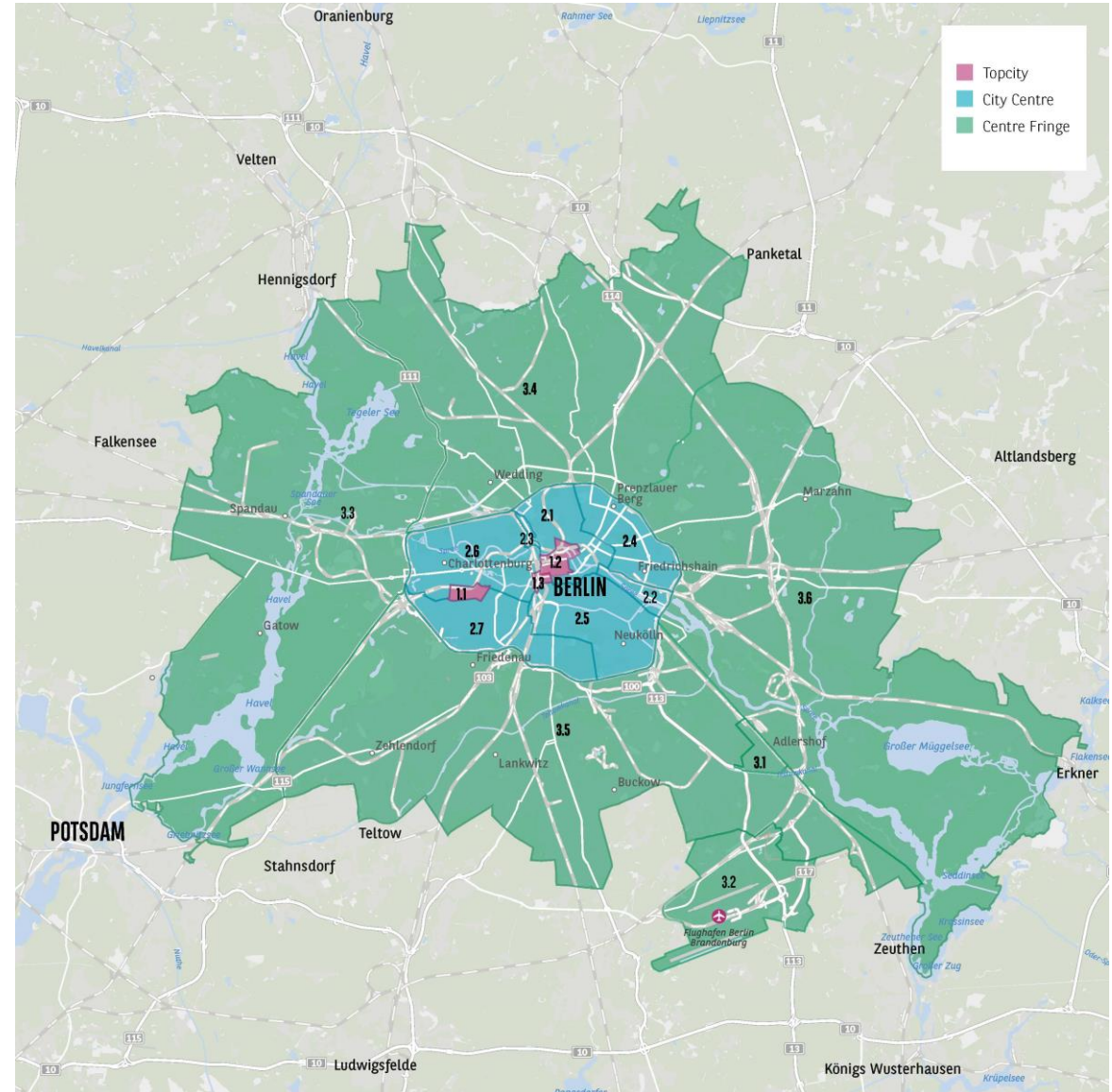
Development of vacant space



OUTLOOK

- Even if market conditions didn't take a 360-degree turn in the past 12 months, the slight upward trend observed in the Berlin office market over the course of 2024 sends a positive signal for the upcoming quarters. While public administration accounted for over 50% of the result at the beginning of the year, the full-year share was only 29%, reflecting companies' slowly yet firmly returning confidence in a more positive economic trend.
- The significant increase in user requirements for individual office locations and the quality of fit-out are reflected in the result and are therefore the most important factors for the office market development in the German capital. Almost 80% of take-up can be localized within Berlin's S-Bahn ring and around 60% of the total volume was generated by deals in modern office spaces. Both results represent high results in a long-term comparison.
- At the same time, the concentration of demand on specific sub-locations and the premium office space sector is responsible for an increasingly heterogeneous vacancy trend across the market area. Regarding the overall market, a further increase in vacancies is likely in 2025, although the cyclical peak is probably already exceeded.
- Considering the ongoing stagnating economic development, the Berlin market is likely to continue to lack a strong momentum for now. Nevertheless, certainty appears to be gradually returning, meaning that the current level of demand is likely to trend upwards again as the year progresses. Pressure of demand in the premium office space sector could lead to a slight increase in prime rents during the course of the year.

Office submarkets Berlin



Key indicators office market Berlin

	PRIME RENT* (€/sqm)		TAKE-UP (sqm)	VACANT SPACE (sqm)			SPACE UNDER CONSTRUCTION (sqm)		SPACE ON OFFER (sqm)	
	from	to	2024	total	modern	of this, since completion	total	available	available	projected
Submarkets**	1		2	3	4	5	6	7	8 = (3 + 7)	9
1 Topcity										
1.1 Topcity West		42.00	24,400	51,900	35,200	3,700	52,200	52,200	104,100	9,500
1.2 Topcity East		45.00	46,000	68,800	47,800	0	0	0	68,800	19,200
1.3 Potsdamer/ Leipziger Platz		45.00	11,000	58,100	52,200	0	0	0	58,100	33,300
2 City Centre	34.00 -	41.00	380,100	837,200	503,700	26,700	579,600	478,500	1,315,700	1,525,500
3 Centre Fringe	17.50 -	26.00	119,500	468,000	273,100	35,600	131,200	99,300	567,300	2,029,500
Total			581,000	1,484,000	912,000	66,000	763,000	630,000	2,114,000	3,617,000

* The prime rent given applies to market segment of 3-5 % in each case.

** The relevant submarket can be found on our website under „Research“.

*** The key indicator table at submarket level can be found under the following link: [key indicator table 2024](#)

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