

MARKETBEAT OFFICE SNAPSHOT

BERLIN

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OVERVIEW

Germany's Federal Capital Berlin, with some 3.4 million inhabitants, is the most populous city in the country. As one of the most innovative national locations, the economic structure and work environment is marked by a broad sectoral mix. At the end of March 2015 Berlin's unemployment rate was registered at 11.0% (Ø Germany: 6.8 %).

OCCUPIER FOCUS

After a strong final quarter 2014, Berlin's office space market started 2015 well. Although the take-up volume of 152,000m² (Q1 2014: 160,000m²) lagged 5% behind the result of the same period the previous year, it was the second-strongest start to a new year ever. The five and ten -year averages were substantially surpassed; by +12.3% and +38.4% respectively. Berlin's office space remained in high demand by companies of all sectors.

VACANCY AND PROJECTS

Berlin's office vacancy is decreasing little by little. With a total of office stock of 17.8 million m² at the end of March 2015, some 1.06 million m² was available at short notice, corresponding to a vacancy rate of 6.0% (Q1 2014: 6.4%). Berlin's vacancy rate is the lowest among the top-5 locations. In the first quarter some 42,900m² of new office space was completed. Building activity increased, with some 361,300m² currently under construction, which includes 186,000m² for completion in 2015.

RENTS

Prime rents in the German Capital increased by EUR 0.50 in the early months of 2015 to the current EUR 22.50 per m²/month. These are achieved for modern standard office space in the Potsdamer-/Leipziger Platz and Mitte 1A submarkets.

INVESTMENT FOCUS

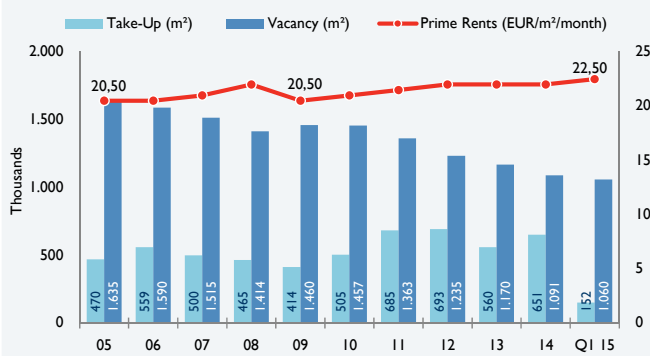
With the above average result of the first quarter, Berlin's investment market took the lead among the top-5 cities: some EUR 1.17 billion was invested in commercial real estate, 90% more than in the first quarter of 2014. Prime yields for modern office space held firm at 4.50%.

IMPORTANT TRANSACTIONS

Rocket Internet Group leased some 22,000m² in Berlin-Kreuzberg (City East submarket).

In the City West submarket Medizinische Dienst der Krankenkassen (MDK) signed a lease agreement for some 9,900m².

OFFICE MARKET BERLIN



RENTS FOR OFFICE SPACE

SUBMARKET	EUR/m ² /Month
Potsdamer / Leipziger Platz	17.50 – 22.50
Mitte 1A	14.50 – 22.50
Charlottenburg 1A	14.00 – 21.00
Hackescher Markt	15.50 – 19.00
Media Spree	10.50 – 17.00
City East	9.00 – 16.50
City West	8.50 – 15.00
North	6.00 – 9.00
East	5.50 – 9.50
South	6.50 – 11.50
West	6.50 – 11.50

LOCAL MARKET OUTLOOK

PRIME RENTS	▶
PRIME YIELDS	▶
SUPPLY	▶
DEMAND	▶

Source: Cushman & Wakefield