MARKETBEAT OFFICE SNAPSHOT

BERLIN

A Cushman & Wakefield Research Publication



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 regis-

tered 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 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 IA 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.

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QI 2015





RENTS FOR OFFICE SPACE

SUBMARKET	EUR/m ² /Month
Potsdamer / Leipziger Platz	17.50 – 22.50
Mitte IA	14.50 – 22.50
Charlottenburg IA	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	4
DEMAND	
Source: Cushman & Wakefield	

Cushman & Wakefield LLP Bergstraße 16 · 20095 Hamburg Tel.: +49 (0) 40 3 00 88 11 – 41 E-mail: office.de@eur.cushwake.com www.cushmanwakefield.de This report has been produced by Cushman & Wakefield LLP for use by those with an interest in commercial property solely for information purposes. It is not intended to be a complete description of the markets or developments to which it refers. The report uses information obtained from public sources which Cushman & Wakefield LLP believe to be reliable, but we have not verified such information and cannot guarantee that it is accurate and complete. No warranty or representation, express or implied, is made as to the accuracy or completeness of any of the information contained herein and Cushman & Wakefield LLP shall not be liable to any reader of this report or any third party in any way whatsoever. All expressions of opinion are subject to change. Our prior written consent is required before this report can be reproduced in whole or in part. Should you not wish to receive information from Cushman & Wakefield LLP or any related company, please email unsubscribe@eur.cushwake.com with your details in the body of your email as they appear on this communication and head it "Unsubscribe".@2015 Cushma & Wakefield LLP, All rights reserved.