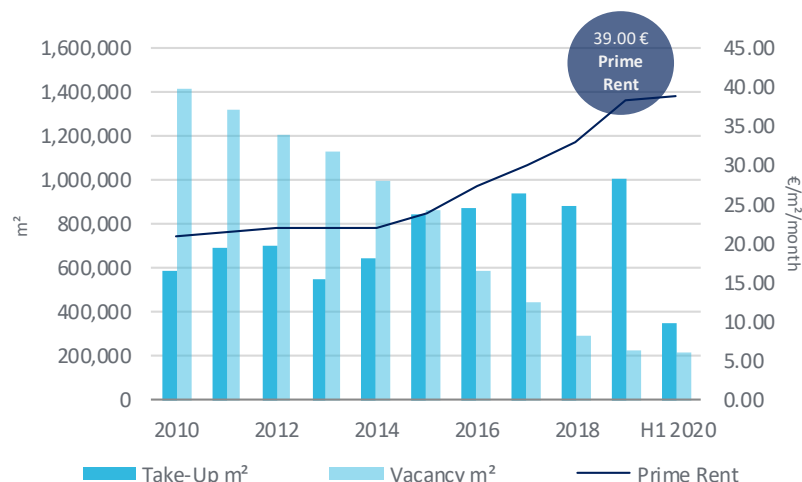


Take-Up, Vacancy and Prime Rent

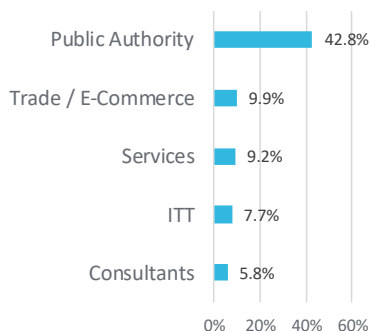


Take-Up	351,000m²
Vacancy	220,000m²
Vacancy Rate	1.2%
Completions	128,000m²
Under Construction	1,292,000m²
Prime Rent	39.00 €/m²/month
Average Rent	27.10 €/m²/month
Prime Yield (NIY)	2.65%

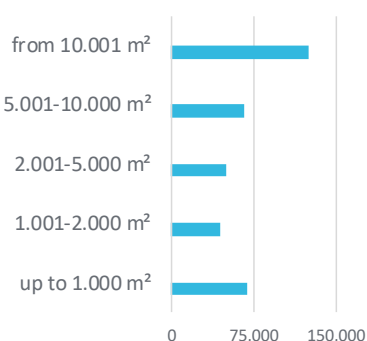
Market Area = State Berlin, Parts of Brandenburg (Airport Area)

Take-Up H1 2020 by:

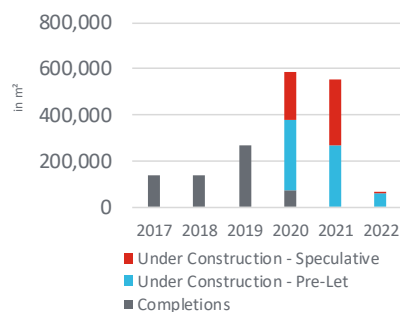
Industry



Size



Completions

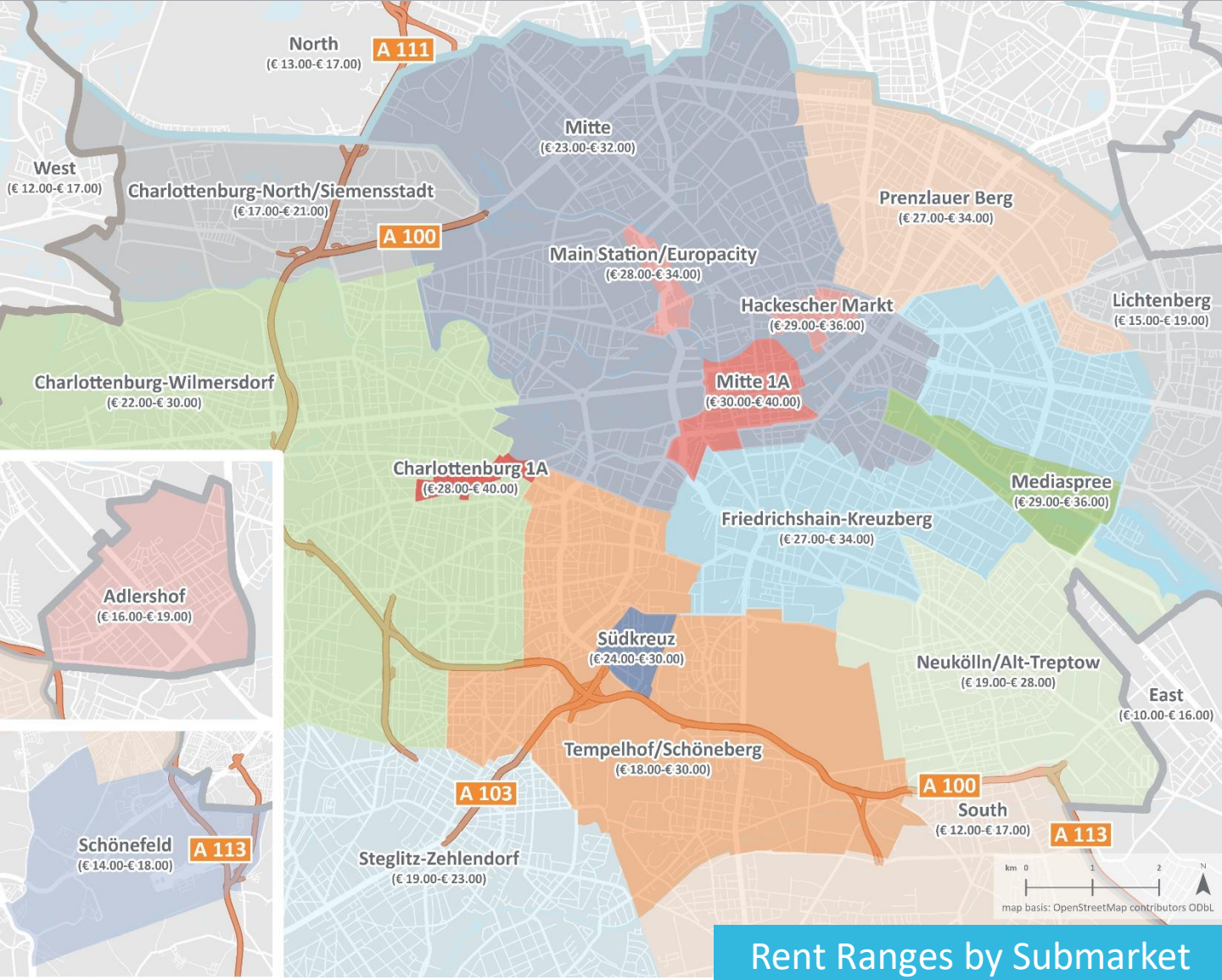


Overview

The Berlin office market was surprisingly active even during lockdown. The market never came to a complete standstill. Supported by the approx. 84,000m² deal signed by Deutsche Rentenversicherung, 198,000m² were newly let in the second quarter, so that the half-year result amounted to remarkable 351,000m² (-14.6% compared to H1 2019). A total of 7 contracts were closed in the size segment above 5,000m². In city comparison, Berlin is well ahead the other markets in this respect. The public sector was once again a pillar of the market, with a market share of 42.8%. The vacancy rate has been recorded at 1.2% since Q4 2019. The average rent rose again in Q2, while the prime rent remained stable at € 39.00 m²/month.

Berlin in Numbers

Inhabitants (12-2018)	3,644,800
Unemployment Rate (06-2020)	10.5% (Germany 6.2%)
Trade Tax Rate	410%



Rent Ranges by Submarket

Outlook

The Berlin office market will not remain unaffected by the COVID 19 pandemic. In early summer 2020 it is becoming apparent that many companies that should actually be looking for new space now are currently adjusting their space requirements while keeping a close eye on what's going on in the market. The total annual letting volume will not be able to match the record results of the previous years, however there is still a very solid result beyond the 700,000m² on the horizon. There are quite a few large-scale deals in the market that should be successfully closed in 2020. We expect the vacancy rate to increase moderately in the coming months, which can also be an opportunity for the Berlin market as this will give Berlin companies the chance to grow again at short notice. Overall, the rent level should remain stable in the second half of the year.

Source: Statistik Berlin Brandenburg, Federal Labour Office, Destatis, Avison Young

Avison Young - Germany GmbH

Knesebeckstraße 3
10623 Berlin

Nicolai Baumann Principal & Managing Director
Tel: +49 30 920 320 110 | nicolai.baumann@avisonyoung.com

Inga Schwarz Head of Research Germany
Tel: +49 40 360 360 41 | inga.schwarz@avisonyoung.com



avisonyoung.de