

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
563,800 Take-up (cum.), m ²	▲	▼
10.6 % Vacancy Rate	▲	▲
49.00 Prime Rent, €/m ² /month	▲	▲

LABOUR MARKET

	YOY Chg	12-Month Forecast
858,300 Office Employees City of Berlin (Sep 2026)	▼	▲
10.4 % Unemployment Rate City of Berlin (Sep 2026)	▬	▼

Sources:
Moody's Analytics, Federal Employment Agency

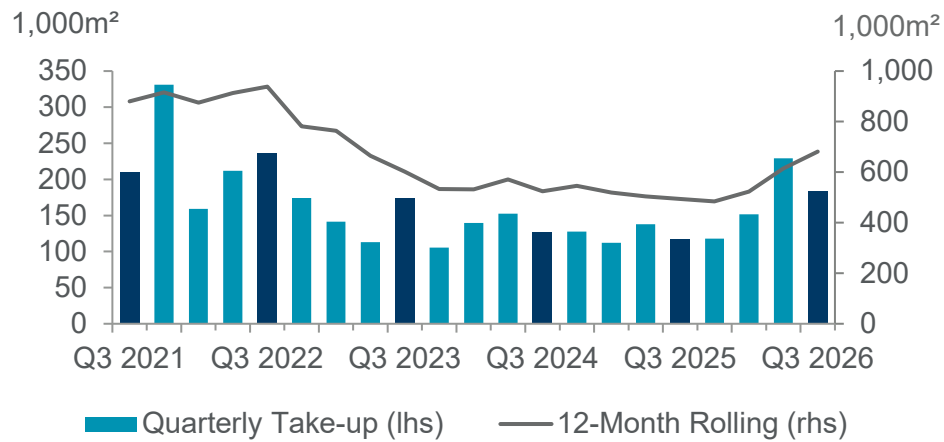
ECONOMIC OVERVIEW

Berlin's economy was shaped by opposing trends in the third quarter of 2026. Noticeable headwinds stemmed from persistent sluggishness in the labor market: the traditional autumn pickup largely failed to materialize, the unemployment rate stood slightly above the previous year's level at 10.4% in September, and office employment edged down year-on-year to 858,000. Against the backdrop of subdued economic expectations, cost discipline and cautious hiring continue to prevail across many companies. Meanwhile, economic tailwinds stem from the relative stability of knowledge-intensive services and the digital sector as key pillars of the local economy. Furthermore, the 12-month outlook points to a gradual brightening: both declining unemployment and a turnaround in employment are expected to provide positive momentum next year.

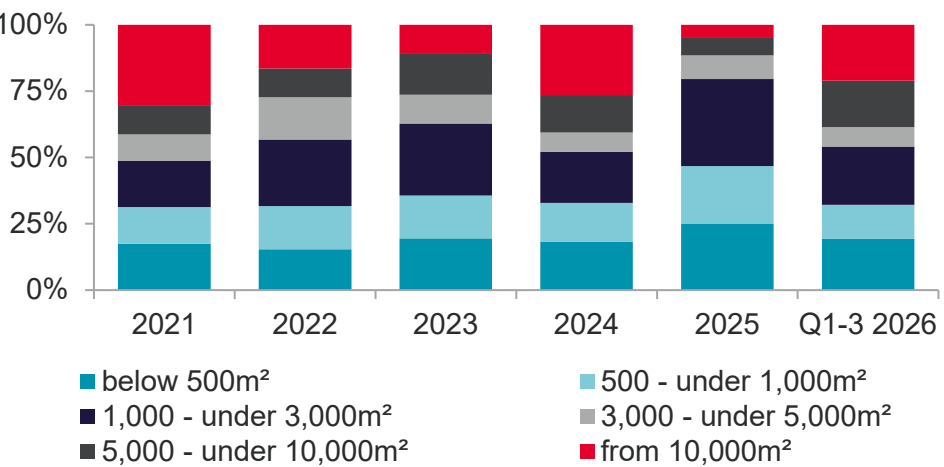
TAKE-UP

Office take-up in the Berlin market totaled 563,800m² in the first nine months of 2026. This marks a significant increase of 54% compared to the same period last year and exceeds the five-year average by 17% (landing exactly on par with the ten-year average). Following the exceptionally strong second quarter (229,000m²), the third quarter also delivered an impressive performance with 183,400m². The primary driver of this recovery was the comeback of large-scale deals: with five transactions of 10,000m² or more (Q1-Q3 2025: 1) and 15 deals in the 5,000m² to 10,000m² bracket (previous year: 4), activity in the large-scale segment gained substantial momentum. The resulting take-up increase of nearly 179,000m² accounts for almost the entire year-on-year growth. Notably, 85% of take-up in the 5,000m² and above category was concentrated across four sectors: public administration, ICT, transport and logistics, as well as construction and real estate. The largest transaction of the year was signed in Q3 by public transport operator BVG for 39,400m² in the Re:o refurbishment development. Further key highlights of the year included the owner-occupier scheme for the Federal Ministry for the Environment (31,500m² in Q2), JetBrains in the Hainwerk project (19,000m² in Q2), and Strabag in the B'Ella Berlin development (12,000m² in Q1).

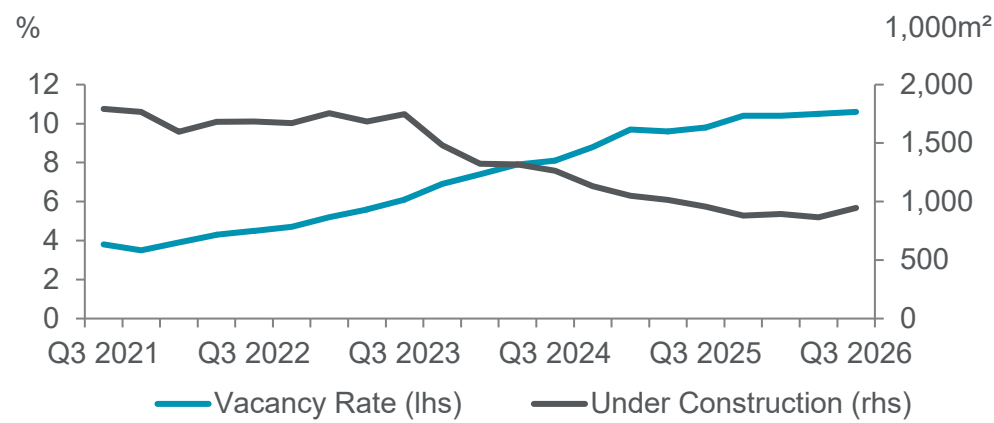
TAKE-UP



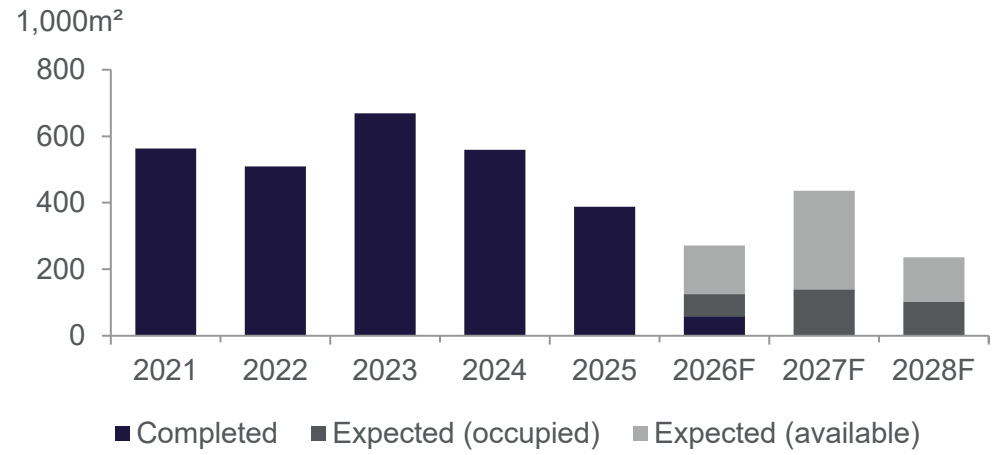
TAKE-UP BY SIZE CLASS



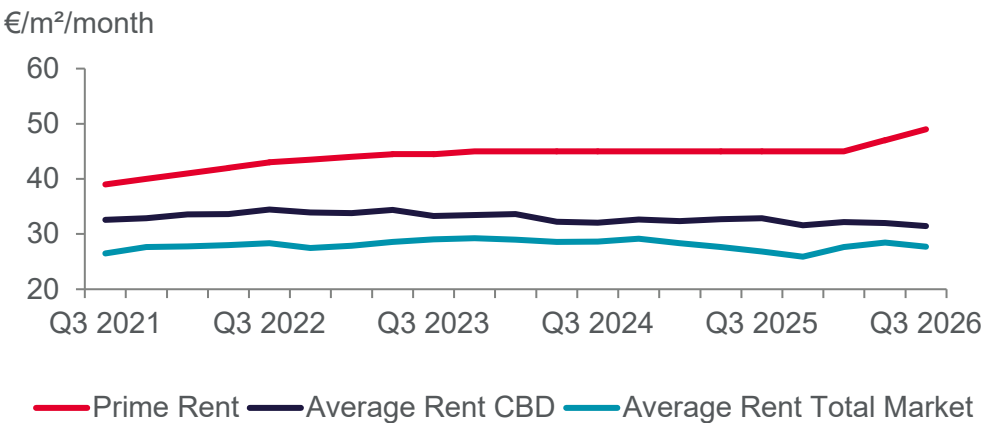
VACANCY / UNDER CONSTRUCTION



COMPLETIONS



RENTS



VACANCY

The vacancy rate rose by 10 basis points quarter-on-quarter and 80 basis points year-on-year to 10.6% in the third quarter of 2026, with just under 2.29 million m² currently available at short notice. With an increase of only 44,000m² since the beginning of the year, growth remained modest once again, whereas the expansion was more than five times as high in the prior-year period. This slowdown is primarily attributable to sustained strong letting activity combined with a very low completion volume to date.

COMPLETIONS

In the first three quarters, only 58,500m² of office space was completed, representing 212,000m² less than in the same period last year. However, with more than 200,000m² expected in Q4, the annual decline will be more moderate at just over a quarter. Thanks to several major developments, the total completion volume is expected to rise above 400,000m² again in 2027. The increase in the under-construction volume to 947,000m² is only temporary, as upcoming completions in Q4 will resume the broader downward trend.

RENTS

Prime rents increased for the second consecutive quarter to reach €49.00/m²/month, standing €4.00 (or 9%) above the previous year’s level. Prime assets remain in high demand. By contrast, the area-weighted average rent edged down by 3% quarter-on-quarter to €27.70 but remains 3% above the prior-year level. The average rent has remained within a corridor of €25.00 to €29.00 for seven years and sits approximately 14% below its Q3 2019 level in inflation-adjusted terms.

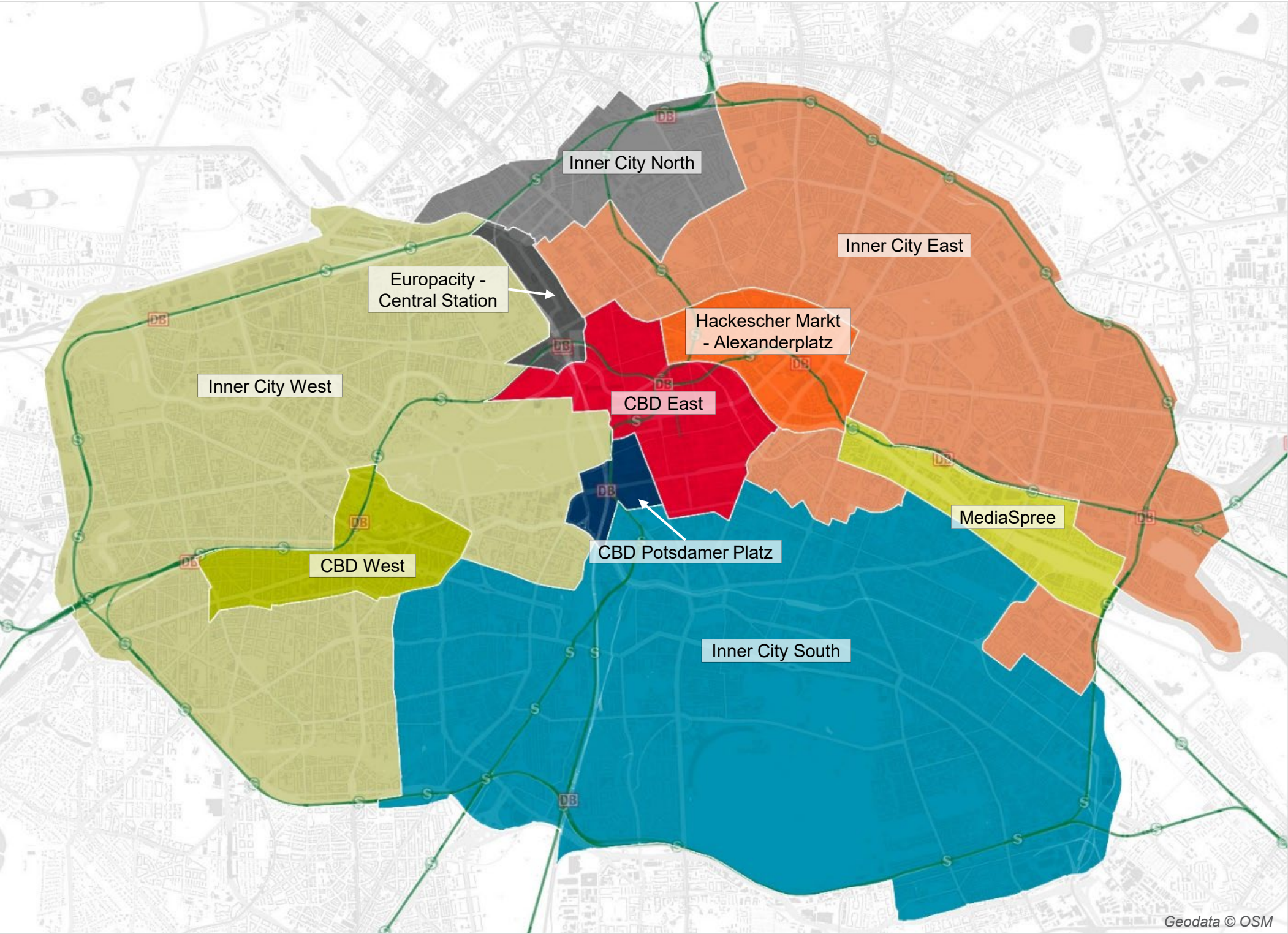
SELECTED DEVELOPMENT PROJECTS

Property	Submarket	Status	Year of Completion	Office Space (m²)	Owner
Red City West	CBD West	Completed	2026	12,000	Occupational Pension Fund
LXK	MediaSpree	Under construction	2026	51,600	Tishman Speyer, RB Real, CESA
Die Macherei – M50	Inner City South	Under construction	2026	23,300	Art-Invest
030BLN	Hackescher Markt - Alexanderplatz	Under construction	2027	26,700	Covivio

OUTLOOK

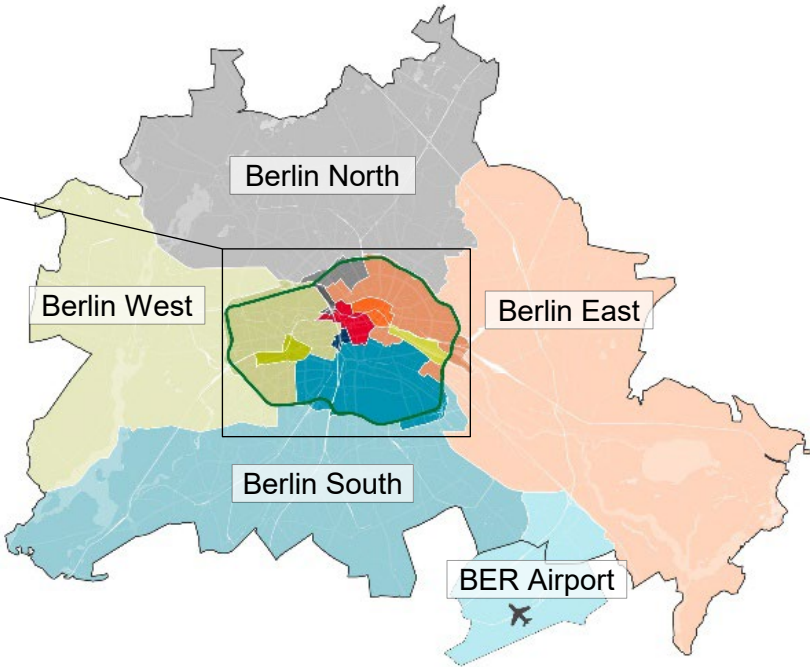
- The positive momentum in office take-up is likely to see a slight dampener next year, as 2026 was shaped by catch-up effects in large-scale transactions. However, the remarkable resilience of the market despite weak macroeconomic conditions provides grounds for optimism.
- As speculative construction starts have become the exception, annual completion figures are expected to level off at a lower rate for an extended period starting in 2028.
- Despite the trend toward declining completion volumes, vacancy is expected to increase further. Key drivers include ongoing space consolidations and the modest pre-letting rate of just 40% across space currently under construction.

SUBMARKET OVERVIEW



RENTAL PRICE RANGES Q3 2026

Submarket	€/m ² /month
CBD Potsdamer Platz	22.00 - 49.00
CBD East	18.00 - 49.00
CBD West	18.00 - 49.00
Hackescher Markt - Alexanderplatz	20.00 - 49.00
MediaSpree	18.00 - 40.00
Europacity - Central Station	24.00 - 47.00
Inner City East	16.00 - 40.00
Inner City South	15.00 - 39.00
Inner City West	14.00 - 37.00
Inner City North	15.00 - 29.00
Berlin East	8.00 - 25.00
Berlin South	9.00 - 25.00
Berlin West	10.00 - 25.00
Berlin North	8.00 - 25.00
BER Airport	12.50 - 20.00



MARKET STATISTICS REPORTING QUARTER

Selected Submarkets	Take-up YTD (m²)	Vacancy Rate (%)	Completions YTD (m²)	Under Construction (m²)	Average Rent (€/m²/month)
CBD Potsdamer Platz	48,100	16.5	0	5,700	32.60
CBD East	42,700	7.5	2,900	128,500	30.15
CBD West	39,100	13.0	41,700	62,600	30.30
MediaSpree	56,000	22.4	0	119,000	32.60
Berlin Market	563,800	10.6	58,500	946,500	27.70

EXPLANATION OF TERMS

Take-up: Office space that has been newly let, acquired by owner-occupiers or whose construction has been started for owner-occupation. This also includes subleases, interim leases and expansions. However, extensions do not count.

Vacancies: Office space that is unused on the reporting date, ready for marketing and available for occupation at short notice. This also includes sublet space offered on the market by a main tenant for a sublease with third parties.

Vacancy rate: Share of vacancies as percentage of total office stock.

Completions: Newly built or completely refurbished office space that was ready for occupation in the period under review or is ready for occupation in the short term. Space for which the tenant fit-out only begins once the tenant has been confirmed is considered completed.

Space under construction: Space in all new construction and core refurbishment projects that are in the development phase. This begins with the laying of the foundations.

Prime rent: The sustainably achievable prime rent is the nominal rent that can be expected for a high-quality space of at least 500 m² in the best submarket at the end of the period under review.

Average rent: Space-weighted average rent of all new lettings in the past twelve months.

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