

City View - Berlin Office Market

Q4 2007



“2008 will see a continuing high demand for sub-divided rentable areas. Due to the general high demand we anticipate a total take-up of around 650,000 sqm for the current year.”



Christian Leska (Managing Director)

- Berlin ended 2007 with the second-highest take-up rate in its history - a total take-up of around 706,200 sqm during the course of the year. This result is based on the analysis of 1,266 lease contracts on the Berlin office market.
- The vacancy rate was reduced by around 9.9% during the course of the year and 2007 ended with the rate at 8.0%. Vacant office space in the Berlin market region thus amounts to roughly 1.46 million sqm.
- Demand for sub-divided rental units on the Berlin office market is very high. Around 80% of signed lease contracts were for space segments up to 500 sqm.
- In comparison to the previous year, the area-weighted average rent rose by 8,5% to 11.06 €/sqm/month. The Postdamer Platz sub-market, however, achieved a much higher average rent of 18.41€/sqm/month.
- During the course of the year, the nominal prime rent increased by 8.6% in comparison to that of last year and presently stands at 21.73 €/sqm/month.
- Total office stock in Berlin currently amounts to around 18.33 million sqm. By the end of 2008, approx. 176,500 sqm of new office space will be added to that figure during the course of the year; however, according to our latest information, 115,000 sqm have already been pre-let.

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Location data

Key indicators Q4 2007	Germany	Berlin
Area in sqkm	357,092	892
Inhabitants in million	82.3	3.39
Unemployment rate in %	8.1	15.6
GDP growth 06-07 in %	2.5	1.8
Purchasing price index 07	100.0	93.7
Office stock in sqm	365,000,000	18,330,000
Vacancy rate in %	na	8.0
Take-up in sqm	na	706,200

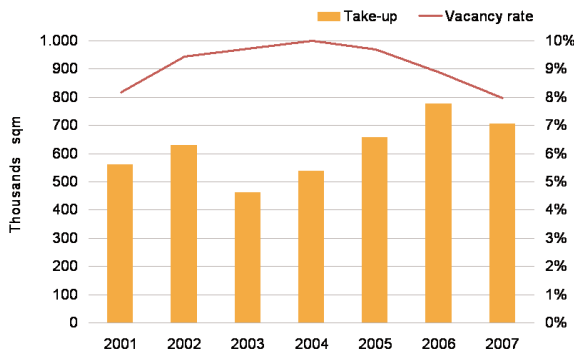
Source: various

GDP / Employment



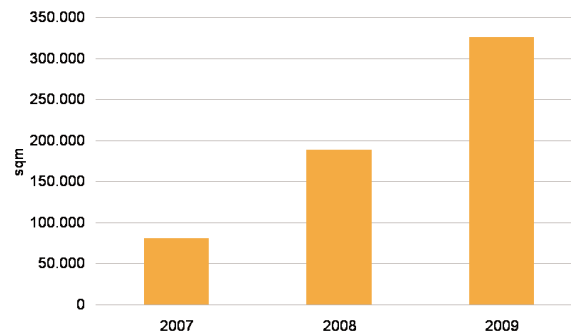
Source: Experian

Take-up / Vacancy rate



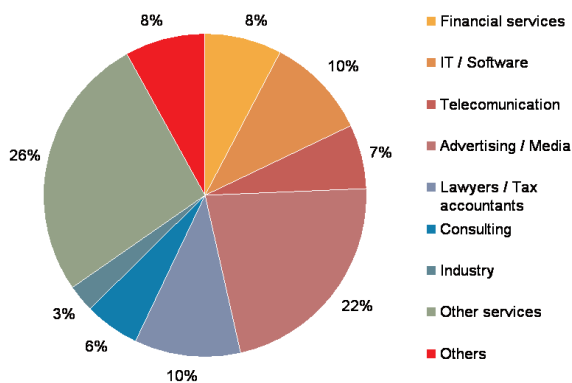
Source: Savills Research

Development pipeline



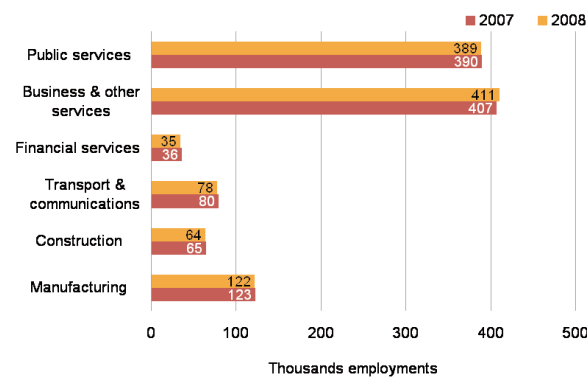
Source: Savills Research

Take-up by sector



Source: Savills Research

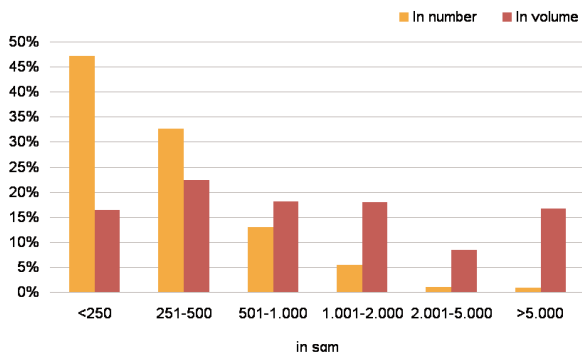
Employment by sector



Source: Experian

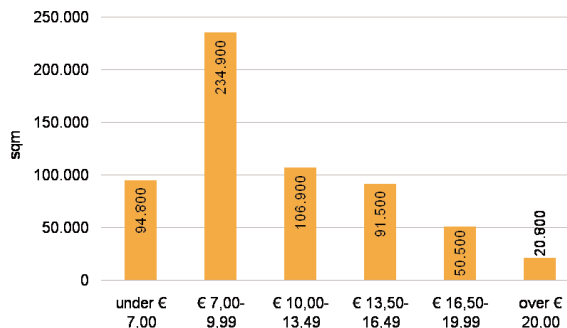
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Take-up by space segment



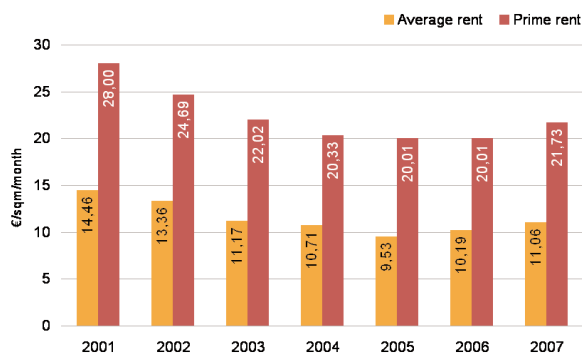
Source: Savills Research

Take-up by price segment



Source: Savills Research

Rental values



Source: Savills Research

Prime yields



Source: Savills Research

Major letting deals

Tenant	Submarket	Area in sqm
BVG	City East	25.300
Pfizer AG	City West	13.200
Tagesspiegel	City Outskirts	9.800
Bild/Axel-Springer	City Outskirts	8.500
VdAK	City Outskirts	8.300
Scholz & Friends	City East	8.000

Source: Savills Research

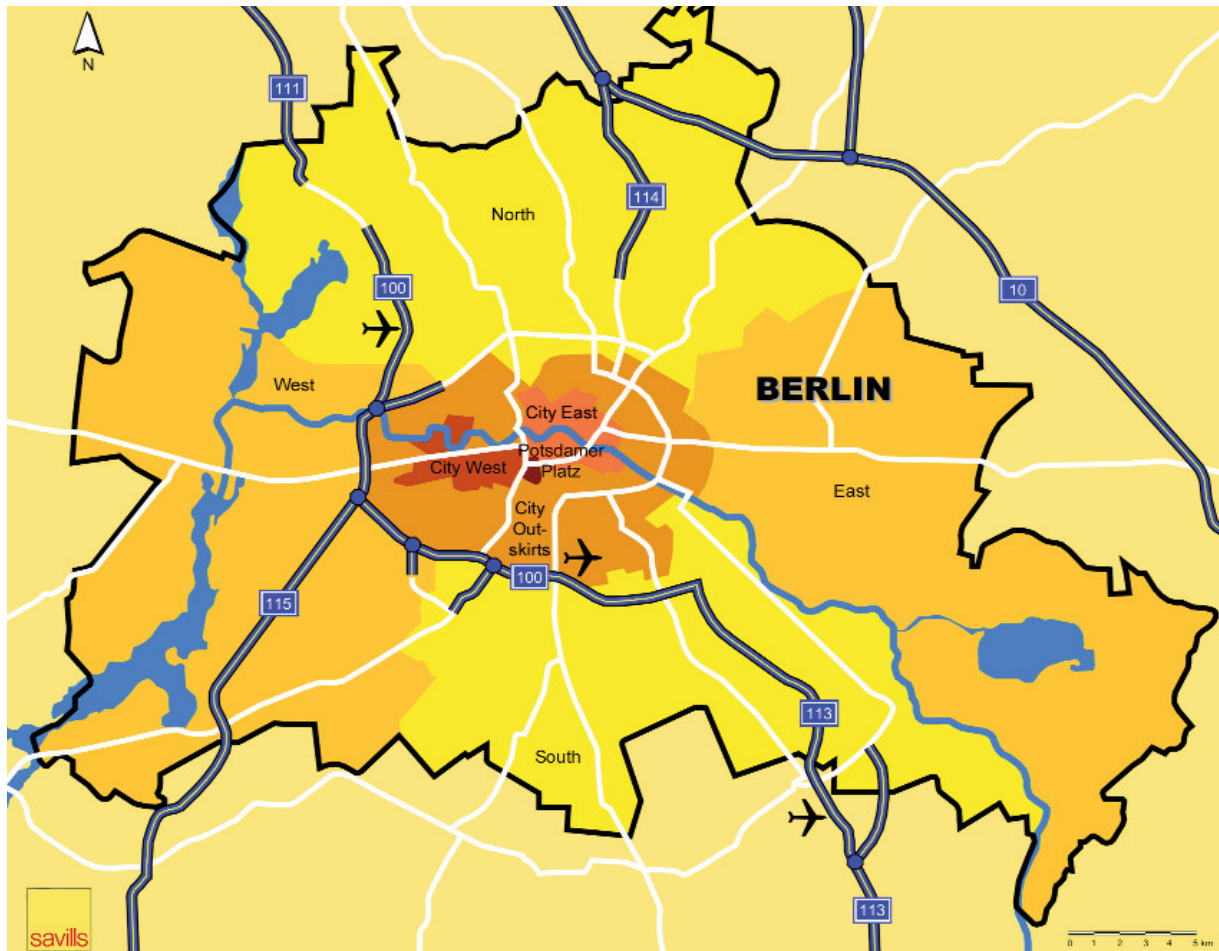
Major investment deals

Property	Buyer	Vendor	Price in million €
Potsdamer Pl. Areal	SEB	Daimler	1.200
Quartier 205	Banco Banif / Ponte Gadea	Tishman Speyer	275
Kudamm-Karree	Ballymore	Eurocastle	155
Pascalstr. 11 (T-Systems)	Macquarie		84
Knobelsdorff-str. 92	Alstria	Fondgesellschaft	55
Schützenstr. 18	Rutley Capital		54

Source: Savills Research

City View - Berlin Office Market

Berlin office submarkets*



*Berlin office market: Berlin city area excluding surroundings



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