HOUSING MARKET REPORT BERLIN 2018

Berlin Hyp & CBRE

Living at the flower market

Emerging new quarter at the Jewish academy p. 34

Perspectives on Berlin

Gero Bergmann, Dr Henrik Baumunk

Dear reader,

If you think back to the start of the 2000s, Eberhard Diepgen was still the mayor of Berlin and many apartments cost less than 4 Euros per square metre per month. The central station was then just Lehrter station, to the north of which golf balls were flying through the Berlin night. The city was struggling under acres of vacant office space and, back then, it was hardly imaginable that corporations like Amazon, Google, eBay and Zalando should be based in Berlin.

More than 15 years and a financial crisis later, Berlin is on its way to becoming one of the most inspiring, powerful and liveliest cities in the world; a world in which modern living and working environments are coalescing. Troy McMullen, our guest author from New York, presents an animated description of this trend in his "View of Berlin from the outside", and Boris Pofalla underlines this in our cover article on the former wholesale flower market in Kreuzberg. The enormous population growth in recent years is creating major challenges for the city.

Rising prices and excess demand are only two of the current catchwords in this context. In our detailed examination, we analyse the current trends at neighbourhood level, while the analysis of the surrounding areas extends well beyond the boundaries of Berlin. In the report, a developer and a tenants' representative discuss how the players in the Berlin housing market are coping with this balancing act – with some significant overlaps.

We warmly invite you to explore these and other phenomena. Let the variety of Berlin inspire you!

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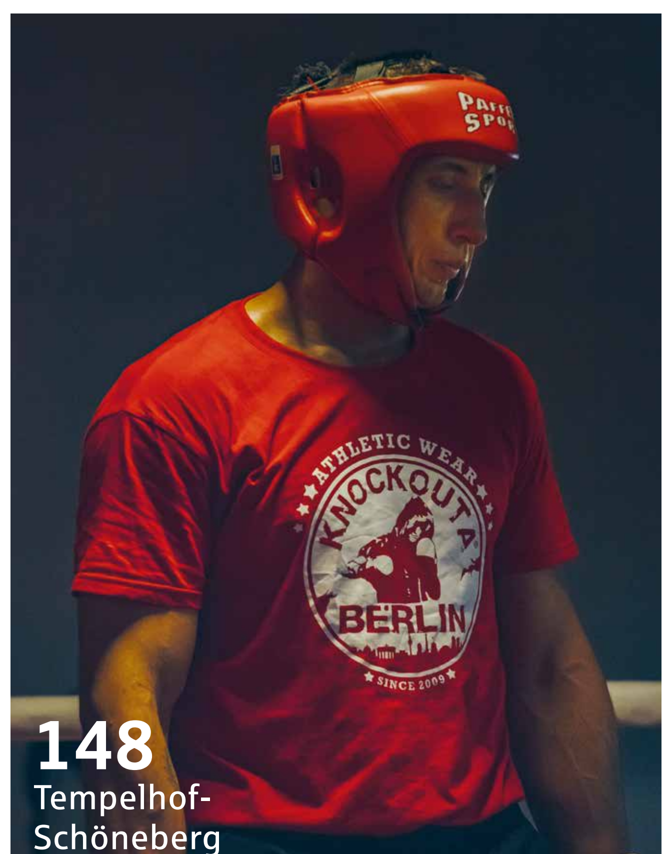

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What is happening on the capital's property market? A look at current trends and developments in Berlin, its metropolitan area and other larger German cities

Where rents are increasing with prosperity

Asking rents in Berlin are catching up: rental growth is higher than in Germany's other top cities. The reverse is true of construction activity

Facts

Berlin's unemployment rate is under 10 percent
—
Construction activity still too low

Berlin has the lowest average household purchasing power and the highest unemployment rate of Germany's seven major cities. It also has the lowest median asking rent. The historic long-term effects of division, the isolated status of West Berlin and socialism in the East, followed by the drastic upheavals in the 1990s, are still evident. The other six cities have economic structures that are heavily dominated by corporate headquarters, very productive service providers and industrial operations. In Berlin, the public sector and more basic consumer-oriented services, such as the tourism sector, are more important. None of the 30 companies in the DAX index has its headquarters in Berlin, while only three of the 50 MDAX companies are based there: Deutsche Wohnen, Axel Springer and Zalando.

However, the last two in particular represent the growing and most promising sectors in Berlin: electronic media, online retailing and close connections with flourishing start-up activities. Other sectors boosting the upswing include a wide range of service providers and the construction industry. The positive trend is clearly reflected in the employment market. In 2016, the unemployment rate in the city fell below 10 percent for the first time since 1990. The number in employment increased by 48,800 in 2016, the fastest annual growth since 1990.

10-Euro threshold in sight

The population influx into the city, the trend towards single households and the growing economic performance are all increasing the demand for housing. The providers are reacting with increased asking rents on new lettings. If the current trend continues, the median asking rent in Berlin will exceed 10 Euros per square metre per month by 2018. In Dusseldorf it is already exactly at this level. Lately, the median asking rent there has been only 0.21 Euros higher than in Berlin, despite the far higher purchasing power in Dusseldorf.

The asking rents in Munich are much higher than in any other city – over 60 percent above the comparable figures in Berlin and Dusseldorf. Frankfurt is in second place, followed by Stuttgart, Hamburg and Cologne. Overall, the league table of asking rents almost corresponds to that of household purchasing power: the only exception is Dusseldorf. For apartment hunters, that city has the best ratio of asking rents to purchasing power. If this ratio is taken to be 100 in Berlin, Dusseldorf scores only 79. This means that, if a Dusseldorf household with typical local average purchasing power rents an average apartment, its outlay is over 20 percent less than a similarly-placed Berlin household would have to pay. The ratios in Cologne, Stuttgart and Hamburg range between 87 and 92 and so are also more favourable for apartment hunters than those in the capital.

Above: Architectural practices such as Kinzo benefit from the increasing demand for space

Left: A successful company from Berlin: Florida Eis from Spandau

Two major cities have ratios of asking rent to purchasing power that are higher than in Berlin. Not significantly so in Frankfurt, with 101, but considerably higher in Munich, at 110. The asking rents there are disproportionately high. The ratio between asking rents and purchasing power in Berlin is therefore in the midrange of the seven major cities. This could set limits on future rental growth, because Berlin households have the least financial leeway. Those on low incomes have more difficulty than high earners in coping with an outlay on rent of e.g. 30 percent of their purchasing power.

High purchasing power – lively new construction

In relation to population, Berlin, together with Cologne, was the backmarker in construction of new apartment blocks in 2016. Munich and Frankfurt – the two cities with the highest median asking rents and household purchasing power – led the field. This combination exerts pressure on policy makers to allow more new construction, at the same time encouraging developers to build new, higher-priced housing. In Berlin, purchasing power is much lower, as is the proportion of apartment hunters able to afford new property. In addition, the interests of residents are being increasingly asserted. They can influence new development projects through public participation and decisively affect the processes of realisation.

On the other hand, the pressure of scarcity is increasing. Vacancy, estimated to be five percent of the stock at the turn of the millennium, has fallen to 1.2 percent. Although this is still the second highest percentage among the seven cities, it means that, in practice, there is no longer any possibility of apartments in Berlin being unlettable. Only Dusseldorf has a somewhat higher vacancy rate, at 1.5 percent.

No significant differences in apartment sizes

The average size of the apartments on offer in the seven cities varies much less than the other data. Here too, however, the league table looks essentially familiar. Frankfurt, Munich, Dusseldorf and Stuttgart – the four cities with the highest purchasing power – are at the top, with 74 to 76 square metres. Unlike in asking rents, Munich is in second place, although the margins are negligible. In view of its rather low household purchasing power, Berlin has relatively large apartments, averaging 72 square metres, on offer. It is therefore ahead of Cologne (68 sqm) and Hamburg (69 sqm), although they are considerably wealthier.

As regards population density, the cities with the most expensive and cheapest asking rents stand out clearly from the other major cities. While the average population density in Berlin is around 4,100 per square kilometre, in Munich it is almost 5,000. Conversely, the best ratios of population to area are found in the city of Hamburg, where there are 2,464 persons per square kilometre, and in the cathedral city of Cologne, with 2,672 per square kilometre. In contrast, Dusseldorf, Frankfurt and Stuttgart, the other top cities, have population densities of only around 2,900 to 3,000 per square kilometre.

City comparison: Key figures for Germany's seven largest cities

City	Residents 2016[1]	Purchasing power index 2017, Germany = 100	Vacancy rate 2015[2] in %	Average asking rent[3] 2017, in €/m²/month	Average area of apartments listed 2017 in m²	Newly finished apartments[4] 2016, per 1,000 residents
Berlin	3,670,622	93.3	1.2	9.79	72.0	2.4
Dusseldorf	635,704	118.8	1.5	10.00	73.8	2.6
Frankfurt a.M.	729,624	114.7	0.5	12.90	75.9	4.5
Hamburg	1,860,759	110.4	0.6	10.94	69.4	3.2
Cologne	1,081,701	107.0	1.1	10.55	68.2	2.4
Munich	1,542,860	133.9	0.2	16.09	74.8	3.9
Stuttgart	616,391	112.9	0.8	11.90	73.8	2.7

1) 31.12, based on population register **2)** Vacancies in apartment buildings on the active market **3)** Data collection period: Q1-Q3 **4)** In new buildings with three or more apartments, incl. residential halls **Sources:** CBRE-empirica vacancy index, CBRE based on data from empirica-systeme, Michael Bauer Research, Federal Statistical Office, State Statistical Offices

Growth, where there is still room

The population, economy and housing supply are still growing. The greatest vitality is in the eastern peripheral areas with large reserves of development land

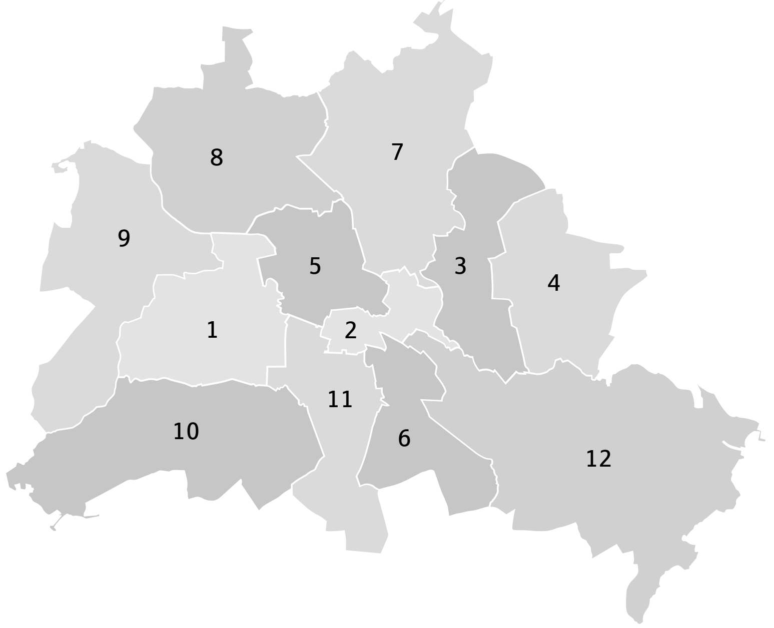
The growth in the population, economic output and jobs in Berlin is continuing. The population increase of over 60,000 in 2016 was a record high. This is largely explained by the influx of foreigners and the catching-up effect of the registration of refugees. The population increased by 18,400 in the first half of 2017. All forecasts by the city confirm that there will be continued growth in the foreseeable future. The latest population forecast by the senate administration assumes that there will be a 7.5 percent increase in the population between 2015 and 2030.

Growth in the economy and the labour market

As well as the demographic growth, the economy and employment market in the capital are developing faster than average. In 2016, the working population of the city increased by 48,800, a 2.6 percent increase in relative terms. In parallel, the unemployment rate fell below ten percent for the first time in decades. However, the demographic and economic data for the twelve districts of Berlin differ widely from each other. Pankow heads the field in many respects. Already the city's most populous district, by 2030 it will see the greatest growth in both absolute and percentage terms, according to official forecasts. The existing residents are thriving economically. The district boasts the lowest unemployment rate in Berlin, 7.5 percent in 2016. The relatively large reserves of land in Pankow are a major driver of further development. Particularly in the north of the district, there are wide expanses that are sparsely or even unpopulated. In 2016, Pankow ranked third for completions of new multi-storey apartments, after Mitte and Treptow-Köpenick. In some areas, however, momentum is being lost. Large areas with development potential are subject to civil protests and the politics of the development process. The patchy infrastructure is also a hindrance. The north of the district has no U-Bahn connections and only a handful of S-Bahn stations.

Four eastern districts with top prospects

A particularly strong increase in population by 2030 is predicted for a district that is entirely in the outskirts: Marzahn-Hellersdorf, in the extreme east of Berlin. Potential development land also plays a major part here. For a long period, this was barely exploited for building new apartment blocks. In 2016 the district was the backmarker in Berlin, with only 73 apartments completed. However, with newly granted planning consents for 1,478 units in buildings with three or more apartments, it has now moved up into the midrange of the city. The unemployment rate of 8.6 percent is below average for Berlin. In Treptow-Köpenick, in the southeast, unemployment is even lower, at 7.7 percent. In 2016 this district led the field for completions, both of apartment blocks and individual and duplex houses. However, it was outdone by Mitte, Pankow and Lichtenberg in numbers of planning consents. Lichtenberg has similar data, as well as lively development activity. According to the official forecast, these districts will rank equally, with the second highest percentage population increase after Pankow, 9.8 percent by 2030.



Stagnation in the affluent West

A weaker population trend than in the districts mentioned is forecast for Charlottenburg-Wilmersdorf and Steglitz-Zehlendorf. In terms of planning consents, the latter took last place in city in 2016. The potential development land there has largely been used up. Tempelhof-Schöneberg was similar. Weaker new development and, according to forecasts, by far the smallest percentage population increase are predominant there.

Berlin-Mitte was the front runner in apartment block construction in 2016. It led the field for planning approvals and was in second place only to Treptow-Köpenick for completed units. Here, the reserves of land have been and are being most thoroughly exploited. Centrality, and the associated expectations of high rents and prices make development particularly attractive. The population forecast indicates a slight levelling-off of the boom. Population growth by 2030 is expected to be below the city average.

The four districts not mentioned so far, Friedrichshain-Kreuzberg, Neukölln, Reinickendorf and Spandau, present a mixed picture. All four have unemployment rates that are above the Berlin average and, apart from Friedrichshain-Kreuzberg, as yet somewhat slower new development activity. However, Spandau is undergoing the most revitalisation. This peripheral district is benefiting from its large areas of development land.

Berlin Barometer

District	Residents 2016[1]	Population density per km², 2016[1]	Population development from 2016 to 2015[1], absolute value	Population forecast [2] 2015 – 2030, change in %	Unemployment rate[3], average 2016 in %	Permits for building new apartments[4] 2016	Newly finished apartments[4] 2016
1 Charlottenburg-Wilmersdorf	336,249	5,198	5,781	4.4	8.7	1,419	396
2 Friedrichshain-Kreuzberg	281,323	13,790	2,930	7.2	10.5	835	795
3 Lichtenberg	283,121	5,432	7,979	9.8	8.5	2,622	918
4 Marzahn-Hellersdorf	262,015	4,238	2,642	9.1	8.6	1,478	73
5 Mitte	371,407	9,410	8,171	6.8	10.7	3,322	1,868
6 Neukölln	327,522	7,290	-540	4.4	14.0	938	196
7 Pankow	397,406	3,853	7,430	16.0	7.5	2,692	1,162
8 Reinickendorf	261,919	2,932	5,302	9.4	12.3	697	386
9 Spandau	239,942	2,611	5,312	7.7	11.2	1,336	95
10 Steglitz-Zehlendorf	304,086	2,965	4,321	2.8	8.6	582	801
11 Tempelhof-Schöneberg	346,108	6,524	4,947	2.6	9.7	675	189
12 Treptow-Köpenick	259,524	1,547	6,191	9.8	7.7	2,378	1,984
Berlin total / Average	**3,670,622**	**4,119**	**60,466**	**7.5**	**9.8**	**19,244**	**8,863**

1) As of 31.12, based on population register for Berlin **2)** Average forecast variant **3)** All employable civilians **4)** In residential buildings with three or more apartments

Sources: Berlin-Brandenburg Statistics Office, Federal Employment Office (unemployment rate), Senate Administration for Urban Development and Environment (population forecast), compiled by: CBRE

Higher rents and prices, fewer properties on offer

The asking prices of rental and condominium apartments and apartment buildings all increased in 2017. At the same time, the markets became tighter

Asking rents in Berlin are still on the rise in 2017. The median rent per square metre of the 41,125 recorded offers was up by 8.8 percent on same period in 2016. It is now 9.79 Euros, although there are major variations between the districts. The most important factor in the difference is the location. In Friedrichshain-Kreuzberg, Mitte and Charlottenburg-Wilmersdorf, the three districts with the largest inner-city sections, the median asking rents were all above 11 Euros. Five other districts have medians between 9 and 11 Euros.

Methodology of the Housing Market Report – rental properties on offer

Asking rents (excluding service charges and heating) for apartments in Berlin are used in the analysis. In the periods from the first to third quarters of both 2016 and 2017, 85,074 rental offers were analysed. From these, the medians for each year were determined – i.e. the rental values that are higher than half of all the offers and lower than the other half. In order to show extreme values, the lowest-priced and most expensive deciles (i.e. 10 percent) of the rental offers were separately analysed. These represent the upper and lower segments of the market. The medians of the figures in these segments were also determined.

Apart from Lichtenberg, these all extend from the city centre to the periphery. Only four districts have median rents of less than 9 Euros. Large parts of all of these are in the periphery.
There are a number of explanations for the particularly high rents and sharp rises in the city centre. The present, particularly numerous, newcomers to Berlin often arrive with relatively young and small households, with urban interests and locational aspirations. In addition, favourable transport connections and locations, as well as local amenities, are an important factor for many people relocating within the city. In contrast, residential areas of outlying districts and the periphery have lower fluctuation of tenants. The demand for apartments has a more local than city-wide origin and is correspondingly weaker.

Heavier demand, fewer properties on offer

However, even in peripheral locations the asking rents are consistently increasing, in consequence of the scarcity throughout the city. On the bottom line, compared with the 60,466 new residents of Berlin in 2016, i.e. around 30,000 households, only 10,781 apartments were completed, 8,863 of which are in multi-storey blocks. Although the increased number of planning consents in 2017 indicates a higher rate of completions, these will not be enough to absorb the level of influx. The shortage of supply is further exacerbated by growing demand from existing residents, many of whom are enjoying increasing incomes because of the good economic situation, and are seeking more living space.

Whereas demand increased, the supply of rental apartments offered on the open market has shrunk. 6.4 percent fewer were on offer in the first three quarters of 2017, compared with the same period in 2016. Reduced tenant fluctuation may be the prime reason for this. In times of scarcity and rapidly rising asking rents, the hike in rent payable after moving home may often be particularly large, so that this is more likely to be forgone. Tenants of larger apartments in particular may decide not to move, even if e.g. reduced household size means that they would really prefer to change to a smaller apartment. The total costs after moving might well be higher than those paid in the present apartment under the existing tenancy.

The second reason for the reduction in supply is an unmeasurable but plausible factor: in times of great scarcity many apartments are no longer offered on the open market. Prospective tenants increasingly make enquiries in the private sphere. Landlords have long waiting lists and do not need to advertise. Both of these factors primarily apply to the highly sought-after lower-priced segment. In contrast, more expensive apartments must generally still be offered on the open market. The result is that the focus of prices is shifted upwards. The statistically recorded increase in the median asking rents would probably be lower if the apartments that are let out without being advertised could be included.

Insofar as low-priced apartments are still offered on the open market, the rents asked for them have risen at a much slower rate than the market as a whole, i.e. only 5.7 percent for the lowest decile of apartments, rather than 8.8 percent. Apart from Charlottenburg-Wilmersdorf, in all districts the lowest segment has a median asking rent below 7 euro per square metre, although only Marzahn-Hellersdorf and Spandau have median values below 6 Euros. It should be borne in mind, however, that barely more than 2,000 apartments in this bottom price bracket were on offer during the nine-month survey period.

Above: The focus is shifting increasingly to districts such as Marzahn

Left: The Aufbauhaus in Neukölln – one of many new developments

Current rental development. Rental price range for new lettings, 2017

District	Number of rental offers	Middle market segment[1] price range in €/m²/month	Bottom market segment: Median in €/m²/month	Bottom market segment: Change from 2016 in %	Top market segment: Median in €/m²/month	Top market segment: Change from 2016 in %	All market segments: Median in €/m²/month	All market segments: Change from 2016 in %
Charlottenb.-W.	4,278	8.18–15.55	7.19	+3.9	17.20	+10.9	11.23	+10.0
Friedrichshain-K.	3,332	8.14–15.60	6.99	+5.7	17.04	+9.6	11.91	+7.9
Lichtenberg	2,291	6.89–11.90	6.25	+5.9	13.05	+6.4	9.10	+7.2
Marzahn-H.	2,364	5.58–10.00	5.30	+1.9	11.10	+11.0	7.34	+9.6
Mitte	5,321	7.61–17.03	6.72	+7.2	18.51	+6.0	11.83	+12.9
Neukölln	2,757	6.74–13.90	6.18	+4.6	15.11	+10.5	9.83	+3.8
Pankow	5,295	7.16–14.21	6.50	+2.2	15.48	+6.9	10.06	+5.1
Reinickendorf	2,383	6.66–11.11	6.21	+6.7	12.41	+15.3	8.62	+9.1
Spandau	3,016	6.00–10.00	5.61	+3.3	11.00	+9.9	7.95	+9.1
Steglitz-Z.	3,410	7.42–12.97	6.99	+7.5	14.07	+7.4	9.80	+5.9
Tempelhof-S.	2,946	6.94–13.51	6.47	+6.4	15.00	+13.6	9.70	+10.2
Treptow-Köpenick	3,723	6.80–11.87	6.35	+5.7	12.51	+4.3	8.98	+10.6
Berlin total	**41,125**	**6.82–14.29**	**6.17**	**+5.7**	**16.00**	**+10.7**	**9.79**	**+8.8**

1) Excl. bottom and top tenth percentile of quotes **Source:** CBRE, based on data from empirica-systeme

Facts

Scarcity characterises the condominium market
—
Focus: city centre

At the other end of the market, the increase in median asking rents in the topmost segment was particularly strong.

Home ownership: preferably urban

Rising prices and scarcer supply characterised the Berlin condominium apartment market in 2017. The mean asking price in the first three quarters was 12.7 percent higher year-on-year, at most recently 3,706 Euros per square metre. Despite the rise in prices, for owner-occupiers buying is often cheaper than renting, provided that the mortgage interest rate is low and the tenant does not benefit from an old and very favourable tenancy agreement. Investors buying a condominium apartment to rent out are now generally achieving a much lower yield than those who purchased in earlier years. However, at least there is still a return, unlike the virtually zero-interest capital market. There is also the hope of increasing value and/or later owner occupation.

In percentage terms, asking prices in the lower market segment have risen particularly strongly. For the lowest-priced decile of apartments they rose by an average of 17.2 percent, with up to 25 percent or even more in some districts. On closer examination, however, this is not so spectacular, because it is based on a very low starting point. In absolute terms the increase is weaker than that in the overall market. In the top segment, the most expensive decile of the apartments on offer, the average prices in Mitte and Friedrichshain-Kreuzberg rose by more than 1,100 Euros per square metre year on year. Elsewhere, however, the increases were considerably less than this.

The shortage of supply is also influencing prices. In the 2017 survey period, 12.5 percent fewer condominium apartments were advertised than in the equivalent period in 2016. Many owners are unwilling to sell, in view of the lack of alternative investments and the hope of further appreciation in value. In addition, several districts of Berlin are trying to restrict the conversion of rental apartments to condominiums by applying conservation area bylaws. Finally, in new construction the emphasis is clearly shifting from condominiums to the rental sector.

One market segment over 8,000 Euros

The focus of the condominium market, in terms of both quantity and prices, is in the inner city. More than 40 percent of the properties offered recently are in the three mainly urban districts of Charlottenburg-Wilmersdorf, Mitte and Friedrichshain-Kreuzberg. Charlottenburg-Wilmersdorf has by far the largest single market, with almost a fifth of all properties on offer in Berlin. The asking prices in these three districts and in Pankow are above the overall Berlin average. Excluding Pankow, they are actually well over 4,000 Euros per square metre.

In the top segment, the most expensive decile, apart from Pankow these districts have averages in excess of 7,000 Euros, reaching a peak of 8,645 Euros in Mitte. The top segments in Pankow, together with Steglitz-Zehlendorf and Tempelhof-Schöneberg, have values of over 6,000 Euros.

Steglitz-Zehlendorf and Tempelhof-Schöneberg also rank just behind the top four in terms of average prices for the overall offer. Tempelhof-Schöneberg has upmarket properties on offer close to City-West, while Steglitz-Zehlendorf is a special case. Although it has the highest purchasing power of all the districts, this is absorbed by the ownership market in this leafy district, with its good proportion of individual houses. In contrast, apartment hunters tend more towards inner city locations. Despite the prestigious addresses in Steglitz-Zehlendorf, the mean asking price is therefore slightly lower than the Berlin average.

Catch-up effects on the edge of the city centre

The next districts in the price ranking, Lichtenberg and Neukölln, include locations that are reasonably close to the city centre as well as peripheral areas.

Neither has any prestigious, "top addresses" in the market for property ownership. The leap of around 20 percent in median asking prices there, from well below 3,000 Euros per square metre to high above it, can be explained by catch-up effects in comparison with the city centre and people moving out from there. There is now even an upmarket segment here, with median values over 5,000 Euros per square metre. Compared with the expensive areas already mentioned, the overall supply of condominium apartments is significantly lower.

Treptow-Köpenick registered by far the largest number in the four peripheral districts, with 1,711 apartments offered. Although peripheral, the district features numerous attractive waterside and leafy locations, some with good connections to the city centre, where there is dynamic new construction activity. It is the only peripheral district to have median asking prices in excess of 2,500 Euros.

The lowest asking prices and the smallest markets are found in the Marzahn-Hellersdorf, Reinickendorf and Spandau districts. Like Steglitz-Zehlendorf, Reinickendorf has a few well-known and sought-after addresses in the countryside. However, most have been built up with individual owner-occupied houses and are even further away from the city centre. The parts of the district that are closer to the centre have only a few particularly attractive locations for buyers, for example in Alt-Tegel. Other areas are affected by the uncertainties around the continued operation of Tegel airport. Overall, Reinickendorf has the weakest top segment of all the Berlin districts. Only here are even the most expensive decile of apartments on offer for an average of less than 4,000 Euros per square metre. Although the market in Spandau is somewhat more extensive, its median value is by far the cheapest in Berlin. The average prices in the smallest submarket – Marzahn-Hellersdorf – are on a par with those in Reinickendorf.

Current price development, condominiums. Purchase price range, 2017

District	Number sale offers	Middle market segment[1] price range in €/m²/month (1,000 3,000 5,000 7,000)	Bottom market segment: Median in €/m²/month	Bottom market segment: Change from 2016 in %	Top market segment: Median in €/m²/month	Top market segment: Change from 2016 in %	All market segments: Median in €/m²/month	All market segments: Change from 2016 in %
Charlottenb.-W.	5,066	2,771–6,611	2,373	+17.9	7,560	+3.4	4,111	+10.7
Friedrichshain-K.	3,052	3,022–6,563	2,657	+19.4	7,460	+18.4	4,359	+11.0
Lichtenberg	1,210	1,854–4,704	1,523	+19.7	5,050	+4.2	3,474	+21.1
Marzahn-H.	374	1,539–3,939	1,381	+24.9	4,100	+16.6	2,442	+27.4
Mitte	3,399	2,500–7,645	1,992	+13.2	8,645	+14.7	4,688	+13.3
Neukölln	1,310	2,177–5,169	1,889	+29.0	5,500	+15.4	3,314	+19.3
Pankow	3,272	2,485–5,504	2,181	+18.8	6,250	+10.0	3,874	+12.5
Reinickendorf	1,190	1,807–3,560	1,689	+20.4	3,926	+9.4	2,425	+7.7
Spandau	1,208	1,613–3,643	1,445	+31.5	4,235	+14.6	2,185	+12.7
Steglitz-Z.	2,504	2,286–5,428	1,932	+15.9	6,122	+8.6	3,649	+17.9
Tempelhof-S.	2,750	2,100–5,509	1,837	+12.7	6,314	+9.3	3,514	+12.6
Treptow-Köpenick	1,711	1,812–4,350	1,667	+12.0	4,744	+5.8	2,780	+4.9
Berlin total	**27,046**	**2,100 –6,000**	**1,832**	**+17.2**	**6,960**	**+11.4**	**3,706**	**+12.7**

1) Excl. bottom and top tenth percentile of quotes **Source:** CBRE, based on data from empirica-systeme

Properties such as Galeriehaus on Linienstrasse from BCO Architekten are shaking things up in Berlin Mitte

Methodology of the Housing Market Report – condominium apartments and investments

In the periods from the first to third quarters of both 2016 and 2017, 57,971 offers of condominium apartments for sale and 1,801 offers of apartment buildings were analysed. In the same way as the rental offers, the medians were calculated. The cheapest and most expensive 10 percent of the offers for sale of condominium apartments were again considered separately.

Recognised by the market: Stalin-era apartment blocks on Karl Marx Allee

Investments: Few apartment buildings

In 2017, the market for apartment buildings was dominated by even higher price increases and shortages than the condominium apartment market. Would-be vendors were asking an average of 16.4 percent more per square metre than the year before. Here as well, asking prices and their latest increases are clearly linked to the centrality of the property. In two of the inner-city districts, i.e. Charlottenburg-Wilmersdorf and Friedrichshain-Kreuzberg, the median asking prices have already crossed the 3,000 Euros per square metre threshold. Only in one district – Spandau – are median asking prices below 2,000 Euros still to be seen. In 2016, this was true of four districts.

Notwithstanding the price increases, supply continued to decline in 2017. Whereas 944 apartment buildings were advertised for sale in 2016, this year there were only 857. The number of advertised properties was particularly small in Lichtenberg and Marzahn-Hellersdorf, as well as in central Friedrichshain-Kreuzberg and in Spandau. In these districts, the small numbers of properties advertised allow only limited conclusions about price levels and the changes in them.

State of Berlin plans major acquisitions

The prevailing conditions in the market environment for apartment buildings are similar to that for condominium apartments: low interest rates, a lack of attractive alternative investments and little motivation for existing owners to sell. In simple terms, there are too few properties on offer for the numbers of equity-rich potential investors who want to place capital in the Berlin market. The excess demand therefore leads to further increases in asking prices. In addition to the numerous investors already operating in the Berlin market, the federal state of Berlin and its housing companies aim to be increasingly active as purchasers. Under the 2016 coalition agreement, the state housing companies should acquire around 25,000 existing apartments in five years. This is partly to be achieved by open-market acquisitions but also by exercising pre-emptive rights over contracts between third parties. The effects of such a programme of acquisitions on asking prices, as well as the state's fiscal and administrative resources, remain to be seen.

Based on CBRE research, in 2016 an investment volume of around 3.4 bn Euros was placed in assets with 50 or more residential units in Berlin. The volume was slightly lower than the 3.6 bn Euros recorded in the previous year, which however included the former Gagfah portfolio, taken over by Deutsche Annington (Vonovia). Even if the record volume in the previous year was not quite equalled, no end to the investment boom in Berlin is in sight. The investment volume in Berlin made up around a quarter of the total transaction volume in Germany recorded by CBRE. A notable feature of 2016 was the decline in the transaction volume of existing portfolios, although this was offset by a concurrent sharp increase in investment in development projects. Developments accounted for over a billion Euros (2015: 550 million), almost a third of the total transaction volume. Despite the shortage of existing portfolios on offer, this resulted in a high total volume.

The major buyers in the largest transactions in the first three quarters of 2017 were primarily Deutsche Wohnen AG, the ADO Group and Berlin's state-owned housing associations. The latter were mainly involved in acquiring development projects.

Current price development, apartment buildings. Purchase price range, 2017

District	Number sale offers	Middle market segment[1] price range in €/m² (1,000 3,000 5,000 7,000)	All market segments: Median in €/m²	All market segments: Change from 2016 in %
Charlottenb.-W.	104	1,000–7,143	3,385	+18.6
Friedrichshain-K.	46	1,696–5,368	3,323	+32.7
Lichtenberg	26	–	2,184	+12.0
Marzahn-H.	27	–	2,192	+20.9
Mitte	97	547–4,887	2,667	+29.9
Neukölln	64	2,000–3,559	2,738	+25.3
Pankow	92	1,774–4,133	2,686	+14.9
Reinickendorf	88	978–3,721	2,509	+13.7
Spandau	52	748–2,815	1,943	+6.6
Steglitz-Z.	114	1,506–4,926	2,776	+5.3
Tempelhof-S.	66	1,093–4,138	2,348	+7.0
Treptow-Köpenick	81	1,570–3,716	2,441	+23.9
Berlin total	**857**	**1,170–4,483**	**2,621**	**+16.4**

Top and bottom segment:

In the apartment building segment, different quality levels and locations have a substantial impact on price development. There were relatively few purchase offers at the district level during the observation period, meaning that in the top and bottom segments, prices and price comparisons with the previous year are not significant. For this reason, they are not represented in this report.

1) Excl. bottom and top tenth percentile of quotes **Source:** CBRE, based on data from empirica-systeme

Selected residential property portfolio transactions in Berlin Q1-3 2017

Buyer	Seller	Number of apartments, approx.	Price in € million
Deutsche Wohnen AG	Helvetica Property Investors AG	3,900	655
ADO Group Ltd.	Mähren AG	1,467	263
Immeo AG	in-west Partners GmbH	1,800	202
ADO Group Ltd.	confidential	712	156
Round Hill Capital	Taekker Group	770	155
Gewobag	BWBG Berliner Wohnbau	607	143
confidential	Helvetica Property Investors AG	798	130
ADO Group Ltd.	confidential	581	123
Howoge	ELAD Group	400	105
Round Hill Capital	confidential	577	95
Company from Luxembourg	Berggruen Holdings GmbH	400	75
Howoge	BWBG Berliner Wohnbau	233	55
Gesobau	BWBG Berliner Wohnbau	202	50
Family Office	Accentro Real Estate	259	45
STADT UND LAND	confidential	112	30

Source: CBRE

Facts

Investments in developments increasing

—

Excess demand rising further

Heavy demand for home ownership

As in the previous year, the panel registered a decline in both the number of sale transactions and the total transaction volume. The volume fell by 18 percent to 9.09 billion Euros (2015: 11.15 bn Euros), while the number of sale transactions was down by 8 percent to 4,513.

The median sale price for purely residential investments was 2,317 Euros per square metre of residential / usable space in 2016, an increase of around 20 percent on the 2015 figure. In the same way as the market as a whole, the number of sales fell, from 569 in 2015 to 515 in 2016, while the transaction volume was also lower, at 1.39 billion Euros compared with 1.64 billion in 2015. The number of sales of mixed residential and commercial properties was almost unchanged on the previous year, with 658 buildings (2015: 660). Unlike purely residential investments, however, the volume in this segment increased. The 2.91 billion Euros registered was around 5 percent higher than in 2015. The median sale price of mixed residential and commercial properties continued the trend in 2015, increasing by around 20 percent to 2,442 Euros per square metre of residential / usable space.

Condominium apartments accounted for the majority of transactions in the freehold and partial ownership sector. The Berlin valuation panel registered around 22,550 sales of condominium apartments in 2016, some 7 percent fewer than in 2015. However, the transaction volume recorded increased by 7 percent, to 5.64 billion Euros. The median sale price was 3,204 Euros per square metre of residential accommodation, an increase of around 12 percent on the previous year. The rise was therefore almost on a par with that in 2015 (+14 percent). The top price reported by the valuation panel was around 30,000 Euros per square metre of residential accommodation paid for a unit in a new building near the Brandenburg Gate, a total price of approx. 12.8 million Euros.

To summarise, the figures reported by the valuation panel show that the heavy demand for apartments and residential investments in Berlin is continuing.

Major projects and infill development

New construction: emphasis shifting from home ownership to rental apartments. The latter largely built by or for municipal companies

Facts

Municipal companies very active
—
City centre in the focus

Both the number of new construction projects and the apartments included in them have continued to grow in 2017. The survey covered 267 developments that are at the concrete planning stage, where construction is about to commence, or has already begun and will be completed shortly. The projects examined include almost 35,000 planned apartments. In comparison, last year there were 247 projects and around 32,200 apartments. After many years when condominium apartments have dominated development activity in Berlin, more than half the units now planned are being built for rental. The actual proportion will be even greater because, as expected, a proportion of the new condominium apartments will be acquired for letting as investment properties. In terms of numbers of projects, developments of condominium apartments still predominate. They account for 166 of the 267 developments analysed, although on average the projects include fewer units than those for rental apartments.

Increasing activity by the municipal undertakings is an important trend. Around 9,600 of the apartments analysed, they are either developing themselves, or have agreed to take over from private companies on completion. It remains to be seen, however, whether the municipal undertakings will be fully able to realise their plans. According to the coalition agreement at the end of 2016, participation by existing tenants is to be significantly expanded, so that, in particular, projects for increasing the density in or around their estates could founder. Such instances have already occurred.

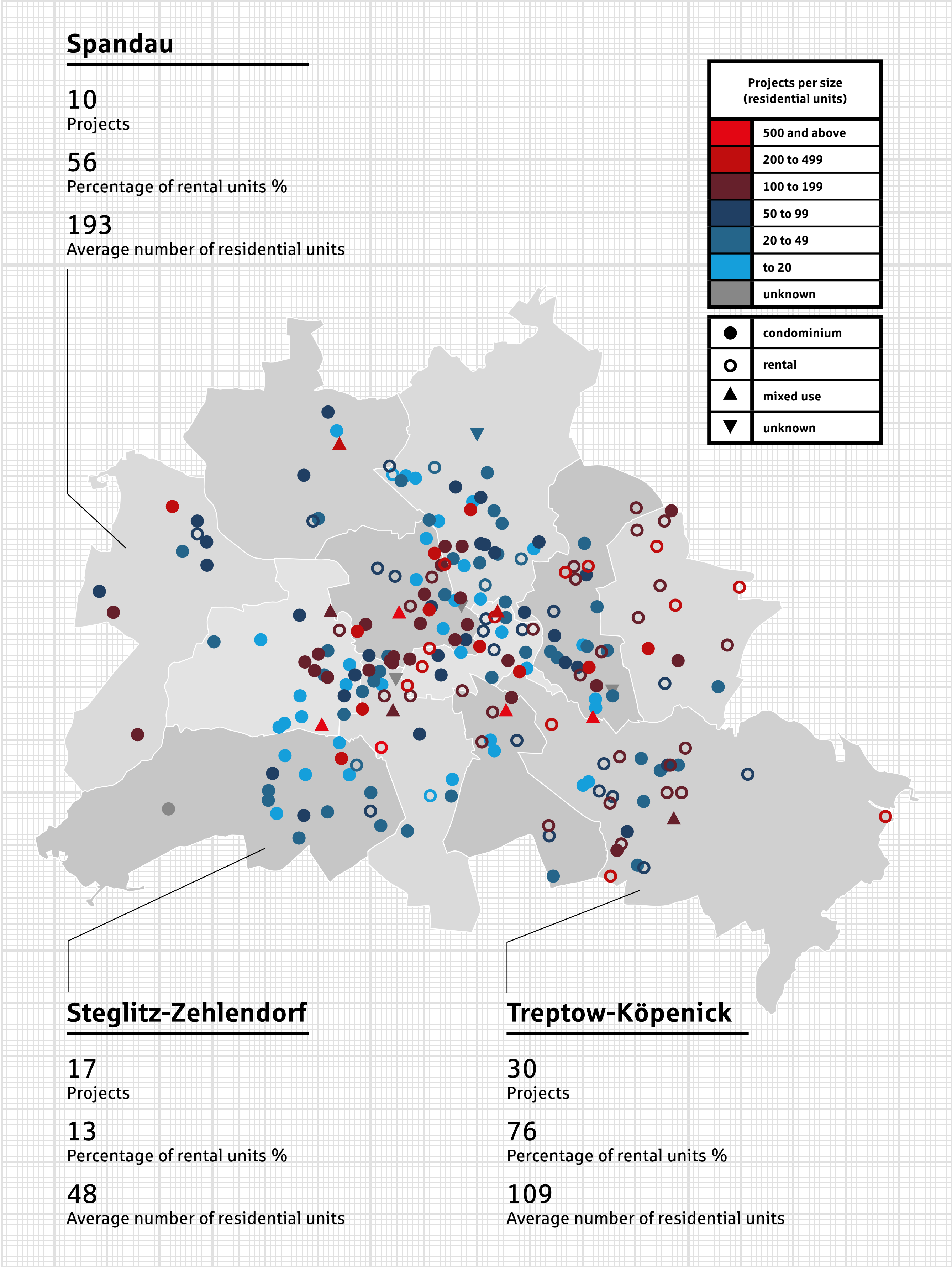
Currently, cooperative and ecclesiastical foundation developers are playing only a minor role. After experiencing initial difficulties, construction of the major “Möckernkiez” cooperative project in the Kreuzberg district is now well advanced. Even the private construction groups, which were very active in earlier years, are no longer of much importance: land prices are now mostly too high for them. As their projects often change considerably during the planning phase and/or only limited data are published, they have not been included in the figures shown here.

Boom in the centre and the east

Development is primarily concentrated in the centre, east and southeast of the city. Conversely, in the north, west and southwest, construction activity is somewhat weaker. Half of all the planned apartments are concentrated in the Mitte, Lichtenberg and Friedrichshain-Kreuzberg districts. In contrast, Neukölln, Steglitz-Zehlendorf and Reinickendorf together account for less than ten percent of the units planned. The boom in the city centre is primarily due to the good locations and development opportunities there. In the east, there is an abundance of large and relatively low-priced development sites. Such sites are rarer in the western peripheral locations, which were more heavily built up during the period when the city of Berlin was divided.

The Mitte district leads the development field in almost every respect: in the number of planned projects and the number of rental and condominium apartments they will provide, as well as in the rents and sale prices so far published. Nearly a quarter of all apartments planned in the city are to be built in this district, with ownership and rental approximately in balance. The historic centre is the setting for 19 projects, two of which include around 500 apartments – one on the former wall strip on the border to Kreuzberg, the other in a high-rise building on Alexanderplatz. Upmarket new developments dominate the historic centre. In some cases, prices in excess of 20,000 Euros per square metre are being quoted. About two thirds of the apartments will be offered for sale as condominiums.

The volume of projects is considerably smaller in the northern sub-districts of Wedding and Gesundbrunnen. Less than 1,500 apartments in total are planned here, half for rental and half for the condominium sector. The largest projects planned or



Source: CBRE, own research, as per October 2017

Facts

Large development project Europacity — Reduced activities on the outskirts of the city

under construction are in the western part of Mitte. The most important new development area currently under way is situated here, to the north of Berlin central station. More than 3,000 apartments are to be built on the former railway goods station and disused site north of the central station, on Heidestrasse and Lehrter Strasse. They are mainly marketed as "Europacity" but some are in the "Mittenmang" project. The high proportion of rental apartments, almost 80 percent, is noteworthy. Overall, it is apparent that a very densely built-up city district for mobile residents and workers is in the offing, with a few quieter areas near the Spandau ship canal.

Public sector development in Lichtenberg

Lichtenberg ranks second for the number of apartments being constructed. Developments for rental are dominant, accounting for nearly 70 percent of the total project volume. The municipal company HOWOGE, which is developing around 1,900 apartments in nine projects in its home district, has the lion's share. Together with two other state companies, it has also acquired some of the apartments in another project.

The private condominium projects in Lichtenberg are concentrated in favoured green areas like Karlshorst and the Rummelsburger Bucht, and in Friedrichsfelde. In Archibaldweg, the vendors are asking prices up to 8,000 Euros per square metre – demanded from the buyers of so-called "microapartments" with floor areas from 15 square metres. These are the smallest apartments planned in Berlin. The marketer is advertising the project, called "Fuchsbau" (fox hole), under the strapline "Micro living – Macro profit".

As in the previous year, Friedrichshain-Kreuzberg ranks third for the number of new-build apartments planned, just under 3,400. Seven projects were identified in the Kreuzberg district. The focus is on the larger open space near the Gleisdreieck Park and the former postal cheque office on Hallesches Ufer. Construction activity is concentrated in three areas in Friedrichshain: the area between the river Spree and the east-west railway tracks, with the well-known "East Side Gallery"; the area of older buildings in the east of Friedrichshain, where there are smaller infill projects; and the neighbourhoods alongside Karl Marx Allee. During the GDR period, high-rise buildings were constructed there in leafy and spacious surroundings.

A dark horse: Altglienicke

Development activity in Treptow-Köpenick features a wide range of projects of all sizes, with varied content. Although a range of private developers are also involved, three state-owned companies will construct around two thirds of the rental apartments planned. Some of the condominium projects stand out for their somewhat restrained pricing. In one project in Altglienicke, primarily comprising terraced houses, asking prices even well under 2,000 Euros per square metre are being advertised. However, in projects near the waterside – often on former industrial sites – prices sometimes exceed 5,000 Euros per square metre. New development is concentrated in the western parts of the district. The most important individual location is Altglienicke, which was previously quiet and barely considered. 900 apartments in six projects are now planned there. The new major airport, completion of which has been pending for a long time, is only a short distance away. A more important reason for the building boom in Altglienicke could well be the local land reserves, however.

In fifth place in the development league table is Charlottenburg-Wilmersdorf, the first district that is entirely in West Berlin. The last infill sites near the Kurfürstendamm are being developed, while in Schmargendorf and Grunewald there are mostly small "city villa" projects, with four or five apartments and prices often in excess of 10,000 Euros per square metre. However, larger projects are also under way in the district. The renamed "Maximilians Quartier", better known as the former "Kolonie Oeynhausen" allotment gardens, accounts for more than a third of the planned volume of new construction. In order to preserve a part of the allotment "colony", the remaining area will be even more densely developed. This project includes a balanced offer of rental and condominium apartments, while condominiums dominate almost all the other projects in the district. The municipal companies have not undertaken any developments in Charlottenburg-Wilmersdorf recently.

New apartment construction: 267 projects in development

District	Projects	Total number of apartments	Total number of condominiums	Total number of rental apartments	Quoted purchase price in €/m²	Apartment size in m²
Charlottenb.-W.	24	2,700	1,960	740	3,500–15,200	19–203
Friedrichshain-K.	22	3,390	1,270	2,120	3,100–12,000	24–350
Lichtenberg	32	5,440	1,750	3,690	3,100–7,900	15–175
Marzahn-H.	13	2,650	660	1,990	1,900–4,200	30–180
Mitte	45	8,510	4,040	4,470	3,500–19,800*	19–470*
Neukölln	12	1,100	310	790	3,100–6,500	37–130
Pankow	38	1,980	1,470	510	3,100–7,700	31–201
Reinickendorf	7	670	430	240	3,000–4,800	34–140
Spandau	10	1,930	850	1,080	2,900–6,100	28–201
Steglitz-Z.	17	820	710	110	3,700–11,500*	32–310*
Tempelhof-S.	17	2,020	650	1,370	3,300–9,700	24–256
Treptow-Köpenick	30	3,260	790	2,470	1,600–5,800	27–230
Berlin total	**267**	**34,470**	**14,890**	**19,580**	**1,600–19,800***	**19–470***

* Considerably higher in some cases **Source:** CBRE, own research, as per October 2017

Project of BUWOG Group (THE ONE)

Project of Instone Real Estate (Quartier Luisenpark)

Project of Diamona & Harnisch (Carré Voltaire)

Gutshof (estate) instead of Plattenbau

Most of Marzahn-Hellersdorf is dominated by large residential areas dating from the GDR period. Even now, the district still has the largest development projects, averaging 204 apartments each. 90 percent of the nearly 2,000 rental apartments planned in the district will be built by municipal companies – e.g. in the largest project on the Alt-Biesdorf estate, where 500 apartments will be built for a state-owned provider.

Tempelhof-Schöneberg is the first of the six districts that have less than 2,500 planned apartments – in this case around 2,020. Activities are concentrated on inner-city Schöneberg, where 17 of the projects analysed are in progress. Only five smaller developments, with a total of around 170 apartments, were recorded in the widespread but more remote parts of Tempelhof. State-owned companies are not involved in any of these projects.

Pankow is unexpectedly low down the new development league table, with barely 2,000 planned apartments. This is unexpected, because the district is attested to have the fastest population growth in the next 15 years and, theoretically, it also has the largest reserves of development land to cope with this growth. In practice, opposition from the neighbourhood and from politicians has halted the largest project, the Elisabethaue, where there is potential for 5,000 apartments, and roughly halved the 2,500 apartments that were planned for the Michelangelostrasse area. At present, therefore, the growth in Pankow is having to be channelled into mostly smaller and medium-sized projects. The development projects here average only 52 apartments each, the second-lowest average in the city. They are spread over all parts of the district, from Prenzlauer Berg to very suburban Französisch Buchholz.

The four remaining districts play only minor roles in the planned new construction. Spandau would be even further down the league table, were it not for the Pepitahöfe development site, with around 1,000 apartments that will be transferred to municipal ownership. In Steglitz-Zehlendorf, until a major development in Lichterfelde South begins, by far the largest project at the moment is the conversion of the Steglitzer Kreisel high rise building to provide over 300 condominium apartments. In Neukölln, the current phase of the conversion of a former hospital will create 116 rental apartments. In the long term there will be more than 600 units. At the bottom of the league table is Reinickendorf, where there are only seven projects.

It doesn’t always have to be the capital

Rents and sale prices are rising in the areas surrounding Berlin as well. The range on offer in towns, exclusive suburbs and quiet villages is increasingly differentiated.

Facts

Focus:
Construction of family houses
—
High-priced Kleinmachnow

Apartment providers and potential purchasers and tenants have long been looking beyond the city boundaries. Berlin has close everyday interrelations with the surrounding area, primarily with the so-called “Ergänzungsgebiet” (supplementary area) and “engere Pendlerverflechtungsraum” (nearer commuter belt) – defined for statistical purposes by the Federal Institute for Building, Urban and Spatial Research, based on commuter movements. 55 towns, cities and municipalities in this area, with a total population of around 992,000, were investigated during the survey period for this report. The largest city in the surrounding area is Potsdam, the state capital of Brandenburg, which has a population of about 170,000. The smallest is the Seddiner See municipality, with around 4,300 inhabitants. The towns, cities and municipalities investigated differ greatly, not just in size but also in structure, economic strength, and property markets. The residents of over 70 percent of the municipalities have a higher purchasing power than in Berlin. Conversely, lower asking rents per square metre than in Berlin were registered in 53 of the 55 municipalities. In terms of income, the housing cost burden in the surroundings is therefore lower virtually overall. On the other hand, transport costs are mostly higher.

Potsdam more expensive than Berlin

Potsdam, the state capital of Brandenburg, is in a class of its own. Other than Berlin, it is the only city in the region to have a concentration of administration and services, tourism, scholarship and culture. It has the leading residential property market in the surrounding area, both in terms of the number of properties on offer and the level of asking rents. In 2016, the median asking rent was 9.32 Euros per square metre, 0.32 Euros more than the equivalent figure in Berlin. The purchasing power, 21,874 Euros per capita in 2017, was 4.3 percent higher than in Berlin.

The population of Potsdam has increased by 5.5 percent in the last four years. It is not a cheap alternative for people moving out of Berlin, although its urban and landscape qualities make it attractive.

Residential construction is brisk: there were 1,559 completions in 2016. Per capita of population, this is some 340 percent higher than in Berlin. Most of the completions were in multi-storey apartment blocks. On average, individual and duplex houses have accounted for only around a quarter of completions in recent years. Upmarket residential areas are primarily situated in the north of the city, with modest areas mainly in the southeast.

Unbounded mansion area

Berlin’s preferred suburbs for mansions and individual houses constitute a separate category. Two of them lead the field by a wide margin: Kleinmachnow, which adjoins Berlin Zehlendorf, and Glienicke/Nordbahn, to the east of the Berlin mansion area in Frohnau. In both, the median asking prices for individual and duplex houses were over 3,000 Euros per square metre in 2016. The asking rents, ranging from 8.50 (Glienicke/Nordbahn) to 9.20 Euros per square metre (Kleinmachnow), are also among the front runners in the surrounding municipalities. The price levels, buildings and social structure are largely in line with their Berlin neighbours, so that the former border is barely perceptible. The purchasing power per capita in both areas is the highest in the whole region. However, in both municipalities the number of houses advertised for sale has declined in recent years – in parallel with the shortage of supply in Berlin.

The other municipalities on the Berlin boundary have similar basic structures, albeit with lower prices, rents and purchasing power. These include (in descending order of rental value) Hoppegarten in the east, Stahnsdorf in the southwest, Woltersdorf and Zeuthen in the southeast, and Birkenwerder to the north of the capital. Living in individual houses predominates everywhere. On the other hand, commerce, service providers and amenities of all types are rather poorly represented. None of the municipalities mentioned has a centre that is worthy even of being called provincial. New construction is concentrated on individual houses.

Potsdam

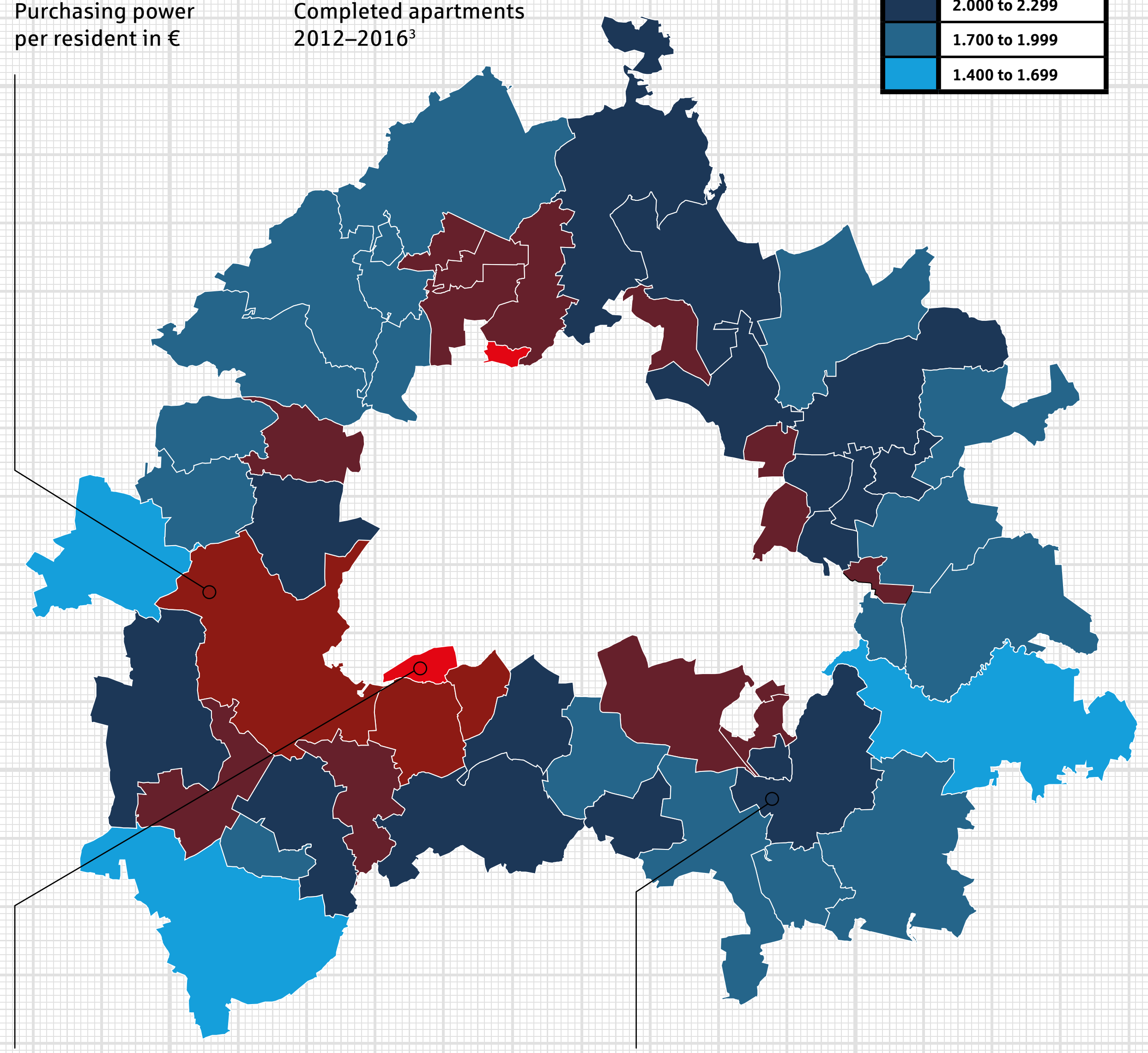
15,608 (ranked 1st)
Commuter balance[1]

13.8 (ranked 27th)
Rental price development 2012–2016[2] in %

21,874 (ranked 34th)
Purchasing power per resident in €

5,183 (ranked 1st)
Completed apartments 2012–2016[3]

Quoted purchase price for detached houses (median) in €/m²
2.900 and above
2.600 to 2.899
2.300 to 2.599
2.000 to 2.299
1.700 to 1.999
1.400 to 1.699



Kleinmachnow

31,474 (ranked 1st)
Purchasing power per resident in €

3,945 (ranked 1st)
Detached houses purchase price 2016[4] in €/m²

9.20 (ranked 2nd)
Asking rent 2016[4] in €/m²

294 (ranked 30th)
Completed apartments 2012–2016[3]

Königs Wusterhausen

-4,470 (ranked 50th)
Commuter balance[1]

1,194 (ranked 3rd)
Completed apartments 2012–2016[3]

24.9 (ranked 6th)
Rental price development 2012–2016[2] in %

1,397 (ranked 3rd)
Building permits (apartments) 2012–2016[3]

1) Employees subject to social insurance requirements as of 30.06.2016 **2)** Average asking rent (median) **3)** New residential units in residential buildings **4)** Median
Sources: CBRE based on data from empirica-systeme, Michael Bauer Research (purchasing power), Federal Employment Office (unemployment rate), Berlin-Brandenburg Statistics Office; **Edited by:** CBRE

Facts

Important: access to regional trains or S-Bahn
—
More condominiums than rental apartments on offer

Affordable medium-sized towns

The medium-sized towns in the surroundings of Berlin, which have populations ranging from 25,000 to nearly 44,000, are quite differently structured. In descending order of population these are Oranienburg, Falkensee, Bernau, Königs Wusterhausen, Hennigsdorf, Hohen Neuendorf, Teltow and Ludwigsfelde. In all of them, construction activity is concentrated on individual and duplex houses, while in most municipalities the numbers of rental apartments and individual / duplex houses on offer are roughly equal. The asking rents range from 6.98 Euros per square metre in Hennigsdorf to 8.51 Euros in Teltow. They increased by between 16 and 30 percent between 2012 and 2016. However, the purchasing power of the residents is mainly only below-average to moderate by regional comparison. In Oranienburg, Ludwigsfelde, Bernau and Hennigsdorf it is still less than that in Berlin. Teltow, on the south-western boundary of Berlin, boasts the highest asking rents and prices, as well as by far the greatest population growth in the last five years. There were, and still are, some traditional industries in these towns. The municipalities in which rental or purchase are much more affordable than in Berlin are popular as dormitory towns for commuters, All of them are connected to the capital by regional railways or S-Bahn lines, in some cases both. Journey time to the centre of Berlin is around half an hour. The restored historic centres of some of the towns add particular local qualities.

Smooth transition on the city boundary

The small towns and municipalities just outside the Berlin boundary but with particularly close connections to the city form another relatively homogeneous group. Often, only the town sign indicates the transition from a city with a population in millions to such a suburb. Numerous areas on the Berlin boundary consist of village centres, large areas of individual houses and smaller neighbourhoods with apartment blocks. Many of these municipalities have come into being only recently, as a result of the fusion of smaller communities. They lack a clear centre and have only a weak communal identity. The median asking rents, ranging from 7.27 to 8.04 Euros per square metre, are similar to those in many peripheral areas of Berlin. In descending order of asking rents are Panketal in the northeast, Dallgow-Döberitz in the west, Blankenfelde-Mahlow and Eichwalde in the south, Schöneiche and Neuenhagen in the east, Mühlenbecker Land in the north. Next come the airport municipality Schönefeld and the logistics hub Grossbeeren in the south, followed by Ahrensfelde, which has the same name as part of the large Marzahn estate in Berlin, in the northeast.

The residents in these communities have fairly reasonable average purchasing power, ranging from around 22,000 to 26,600 Euros per capita. Individual and duplex houses are on offer for prices averaging 2,000 to 2,400 Euros per square metre. They dominate the local markets, particularly as regards completions. As a result, more houses are advertised for sale than apartments to let in almost all these municipalities. Sale prices have been rising faster than asking rents in the last few years.

Long travel time – low rents

The next group comprises towns, and municipalities with structures resembling towns, situated further away from the centre of Berlin. The journey time to the centre is 45 to 60 minutes. The diminished attractiveness for commuters has a significant effect on the property markets in these localities. The median asking rents range from 6.00 Euros per square metre in the "asparagus town" of Beelitz to 7.80 Euros in Werder. Between them, in descending order of rental values, are Wildau, Mittenwalde, Wandlitz, Schönwalde / Glien, Erkner, Velten, Altlandsberg, Rüdersdorf and Strausberg. Overall, however, the numbers of rental apartments advertised in these municipalities are fairly low. Apartment hunters can find a significant supply primarily in Werder and Strausberg.

The median asking prices for individual houses are at a maximum of just under 2,300 Euros per square metre in Werder and a minimum of less than 1,700 Euros, where once again Beelitz is the most affordable. Individual and duplex houses clearly dominate new construction in all the municipalities. Overall, these account for over 70 percent of all completions, whereas in Beelitz, Velten and Wildau, only individual homes were constructed between 2012 and

Commuters (balance)[1]

high		low	
Potsdam	15,608	Falkensee	-8,143
Schönefeld	8,982	Panketal	-5,997
Großbeeren	3,116	Hohen Neuendorf	-5,839
Ludwigsfelde	2,892	Bernau	-4,771
Wildau	1,991	Wandlitz	-4,730

Purchasing power index 2017[2]

high		low	
Kleinmachnow	140.0	Rüdersdorf	82.5
Glienicke/Nordbahn	123.1	Velten	84.9
Ahrensfelde	118.5	Seddiner See	87.0
Schönwalde-Glien	118.2	Hennigsdorf	87.6
Zeuthen	116.6	Wustermark	88.4

1) Employees subject to social insurance requirements as of 30.06.2016 2) Germany = 100
3) Residential units in residential buildings, incl. resident halls

Tradition meets modern design at the Steintor in Bernau – just a half-hour train ride from Berlin's city centre

2016. The highest economic strength is to the north, northeast and northwest of Berlin. Wandlitz, Altlandsberg and Schönwalde-Glien have mean household purchasing power in excess of 23,000 Euros per capita.

Small towns, medium-sized markets.

The sixth category comprises municipalities that do not directly adjoin Berlin, have small populations (7 to 15,000) and where a smaller number of rental apartments but over 100 individual and duplex houses were on offer in 2016. In the majority of them, over 90% of completions were accounted for by small-scale housing construction. They are Wustermark, Michendorf, Petershagen / Eggersdorf, Bestensee, Brieselang, Oberkrämer, Rangsdorf, Fredersdorf-Vogelsdorf, Schwielowsee and Schulzendorf.

The median asking prices of houses in these municipalities are at their highest, around 2,400 Euros per square metre, in the beautiful landscape of Schwielowsee, falling to 1,760 Euros in Wustermark, which is criss-crossed by dual carriageways, railway lines and a canal, and where the logistics sector is correspondingly important. The other eight municipalities not listed here have populations of less than 10,000, with only minor rental and sales markets. The asking prices for individual houses mostly average well under 2,000 Euros per square metre, while median asking rents can be as low as 5.38 Euros.

Asking rents 2016

high		low	
Potsdam	9.32	Ketzin/Havel	5.38
Kleinmachnow	9.20	Beelitz	6.00
Nuthetal	8.56	Rüdersdorf	6.25
Hoppegarten	8.52	Strausberg	6.49
Teltow	8.51	Grünheide (Mark)	6.62

Newly finished apartments 2012-2016[3]

high		low	
Potsdam	5,183	Velten	40
Falkensee	1,427	Leegebruch	73
Kön. Wusterhausen	1,194	Amt Spreenhagen	105
Teltow	1,024	Eichwalde	120
Bernau	935	Wildau	120

Sources: CBRE based on data from empirica-systeme, Michael Bauer Research (purchasing power), Federal Employment Office (unemployment rate), Berlin-Brandenburg Statistics Office; **Edited by:** CBRE

Panorama

Scarce housing supply, rising prices: Properties in Berlin are in great demand. How experts assess the situation on the housing market.

Reiner Wild, Tenants' Association of Berlin (left) and Christoph Gröner, CG-Gruppe (right)

Massive political pressure

Developer Christoph Gröner and tenants' representative Reiner Wild discuss housing, land and municipal policy – opinionated but with some surprising points of agreement. We report their unfiltered views

Facts

Berlin Tenants' Association: > 160,000 members
CG-Gruppe: > 300 employees

With more than 200 volunteers and full-time employees, the Tenants' Association of Berlin represents the interests of its more than 160,000 members, offering a comprehensive range of advice and support services. The beginnings of the association go back to the end of the 19th century. Reiner Wild joined the tenants' association in 1981 and has been managing director since 2009.

CG-Gruppe AG was founded more than 20 years ago by its current CEO Christoph Gröner. Over the years, the company has developed into one of the leading project developers in Germany, employing more than 300 people and realising more than 3,000 apartments throughout Germany since 2013.

As this report shows, rents per square metre in Berlin have risen again – by almost ten percent. What does this figure mean for you?

Reiner Wild The figure shows that the supply of affordable housing is rapidly shrinking. The Mietpreisbremse [statutory brake on rent increases] is having virtually no effect. Only a few landlords, the municipal companies and cooperatives are complying with it. In the interests of the city and its residents, we need to change course urgently. Around 55 percent of households in Berlin have incomes that are low enough to entitle them to live in social housing.

Christoph Gröner The rent per square metre, although an important indicator, is not the key figure for tenants or developers. We and they are more concerned with floor layouts that are functional and don't feel cramped, while being highly efficient and saving space. For the occupier, it's not square metres that matter but the number of rooms. A pensioner wants two rooms, while a family wants four. They can have them in a reasonable form in 80 square metres, which we can offer at a net rent of less than 1,000 Euros a month in a new building. The rent of twelve Euros per square metre there is, in total, less than that payable for an inefficiently laid-out, older four-room apartment, with 130 square metres at eight Euros. The basic rent is higher, and on top of that there are even higher energy costs.

RW But if the existing tenant has to pay an extra 2.50 Euros per square metre after modernisation, he doesn't get a more efficient layout in return. The problem is the existing stock, where the costs are running away from the tenants. Recently, investors in an estate in Kreuzberg were notified of a rent increase from six to twelve Euros after modernisation, because this was the only way to achieve the returns that the investors had been promised.

CG Years ago, when interest rates were much higher, returns of say ten percent were in prospect. At the time that was justified but, with today's ultra-low interest rates, not any more. This leads to apartments becoming too expensive. However, realistic investors no longer insist on such returns.

RW Neither should the others. It would not hurt the landlord of an existing unit to receive only 8.50 Euros per square metre after modernisation instead of twelve. That is, unless he had paid far too much to buy the property. But then, that's his problem.

CG Yes, there are very greedy speculators and, unfortunately, developers as well that are active in the city. But, luckily, there are many respectable entrepreneurs, who want to develop projects in consensus with the city. It's working – we ourselves have built over 3,000 apartments in the last five years.

RW But not in the segment where they are most urgently needed.

CG Oh yes, we are helping your clientele as well! If I build apartments in good locations in Berlin to let at rents of twelve or 15 Euros per square metre, I attract wealthy outsiders into the city, and Berliners whose incomes have increased. They are then no longer in competition with a police officer, for example, for an existing apartment. It might appear that the real estate industry is not building for the greatest demand. But it's also making things easier for those who simply can't afford new apartments.

RW However, often that's only a drop in the ocean. If 80 people apply for an affordably-priced existing flat and one of them drops out because they find a new building, allowing for the one that gets the tenancy that still leaves 78 people looking for an apartment. Increases in the supply in the top segment has no great effect on the overall market. We can't rely just on new properties let at market conditions; we need larger numbers of new properties on offer at reasonable rents. Firstly, this requires more companies in the housing industry that are prepared to offer permanently affordable housing for lower and medium income groups. We propose that tax incentives should be given to companies that are committed to the common good and that build affordable housing. Those without overblown expectations of returns can also do this, with stable and secure framework conditions. Secondly, of course this requires a massive revitalisation of social housing, which must be supported accordingly.

> **»*By building new apartments, the real estate industry indirectly makes things easier for those who can't afford to buy*«**
>
> CHRISTOPH GRÖNER

CG But not in the way it used to be. I estimate that, at present maybe 30 percent of social housing in Berlin is wrongly occupied – that is, not by those it was intended for. This means we could help many people on low incomes, without having to pay out huge subsidies once again.

RW Inappropriate tenants are not the main problem. Even in social housing, rents should be more closely oriented to incomes. The basic problem is, with only 100,000 social housing units left in Berlin and tenant fluctuation of maybe five percent each year, there is only a minimal supply. This urgently needs to be expanded. Even many people with incomes too high to qualify for social housing can no longer find anything affordable. In the past, inexpensive older apartments fulfilled a very important function. However, when they are re-let that doesn't apply any more. If this trend is to be slowed or if possible stopped, we need a more effective policy for existing housing. And we need new social housing.

CG Of course, that's what we are doing. In the X-Berg-Tower development in Kreuzberg there are 210 subsidised apartments, behind the same facades as apartments with a sale price of 6,000 Euros per square metre. In projects like this we want to avoid "the expensive apartments are on the right, the modest social housing is on the left". I am convinced that social mix is one of the great qualities of our cities and that it makes a major contribution to our coexistence.

»Land prices are ridiculously high and a lot of development land is being hoarded in the hope of further rises, instead of being used. We need to intervene in the trend of property prices.«

REINER WILD

RW For this we also need publicly-oriented providers, rent controls, protection of social environments and more. Protection of tenants also involves protecting social structures that are worthy of preservation, such as the social mix. Where new construction is taking place, the cooperative development land model is exactly the right approach. Under this, the development plans stipulate that social housing must constitute 30 percent of the floor area of each project.

CG However, the cooperative development land model has an unappealing effect. No subsidies are paid, instead I have to finance the lettings at 6.50 Euros a square metre by building apartments next door that let at 16 Euros. Even if I thought there was more demand and better market opportunities for letting at ten or twelve Euros, I can no longer afford to do so. It's precisely the rent-controlled middle segment that needs to be strengthened, not very highly subsidised or cross-financed apartments.

RW A scandal that can't be solved by subsidies – and neither should it – is land speculation. The prices are ridiculously high, while a lot of development land is being hoarded in the hope of further price increases, instead of being used. We need to intervene in the trend of land and property prices, for example by imposing an obligation to develop in a fixed period directly after planning consent is granted.

CG I agree. Because of speculation, land costs now have more effect on prices than do construction costs. In cooperation with the reputable developers, the city should introduce regulations that make life harder for the speculators. This could also involve tying the planning consent on the land to the person that applied for it.

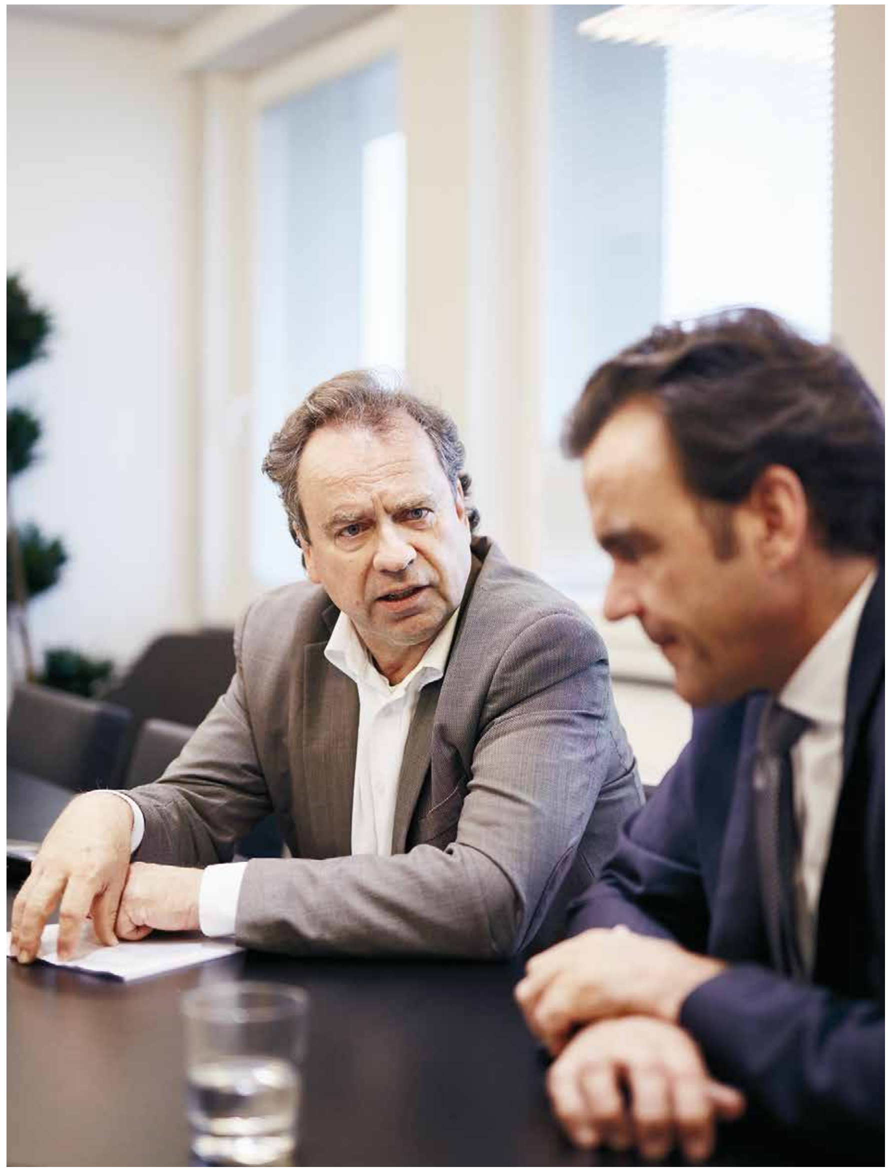
RW I'm afraid that curbing speculation won't work at federal state level. It requires other planning and tax law instruments that only the federal government can introduce.

You mean: No speculation – no shortage of development land?

CG That would be nice. However, the state of Berlin also shortens the supply of building land if it stops selling sites to the private sector. Instead of that, it should flood the land market and designate new development land. There is more than enough potential development land in the city. Give me half an hour with the city map and I'll show you the potential for half a million apartments by adding extra storeys, increasing density, building in parallel roads and so on.

RW In order to get something moving with this, we need simpler planning regulations. The district authorities are too badly understaffed to draw up competent development plans; this can take up to three years.

CG Where are these people going to come from? Nowadays, I can only find a good project manager for an annual salary close to 100,000 Euros. The city offers him 55,000 Euros, then he's caught up in public service law with no real career opportunities. But even if there were enough people, the local politicians must want to draw up development plans. In Rigaer Strasse in Friedrichshain the word was: "district councils don't want to dirty their hands with a plan for a capitalist".



Mr Wild, are the local authorities and citizens of Berlin opposed to development?

RW We represent the interests of apartment hunters but also, of course, those of the tenants that are resisting excessively dense development and more disagreeable, darker residential environments. I can understand why those who are threatened by this should protest. My beef is that the present state government is squandering the opportunity to design an attractive, forward-looking image of the city for its residents, to bring a new boldness, and to promote initiatives that achieve this. This is happening on a small scale but not as a collaborative project for the city.

CG Yes, there is some hostility to change. In Berlin, the left is more conservative than the so-called Conservatives. In all three coalition parties in Berlin the left is not what it should be – a force that takes advantage of interesting models and ideas to drive the conservatives forward, a force that promulgates enthusiasm and vision, in the way that Willy Brandt once did. Instead, they want to inhibit and obstruct. The councillor in charge of development in Friedrichshain-Kreuzberg actually said: "I don't want any people with higher purchasing power in my district."

Or no residents at all, such as on Tempelhofer Feld?

RW As a tenants' association we were basically in favour of a perimeter development. However, the quality of the planning was not terrific and the public participation was farcical. On top of that, the politicians and officials should have made an offer to the neighbouring areas: We will ease the pressure on your markets and create a new municipal supply on the "Feld". This sort of thing is happening in many smaller-scale projects and things are going reasonably well.

CG The message from the referendum on Tempelhof was: We would rather have nothing at all than something in which we are not involved. You can't plan and construct over the heads of the citizens. Of course, we don't do that either. However, there is a fundamental problem if residents can consistently impede development on the opposite side of the street. The people wanting to delay or block are easier to mobilise than those who, one day, will benefit from the project.

The municipal companies are to play a stronger role in Berlin. Some say: too much of a role.

RW They are subject to enormous political pressure. They are told to build 6,000 apartments a year, while on the other hand they are repeatedly being thwarted. Look at Tempelhof, the Elisabethaue and now Tegel. These should be their three largest development areas. Now there's no progress on any of them.

CG I wouldn't change places with them. I know them well and even collaborate well with them. But they are constantly being given contradictory political demands: They must keep existing rents low and promote climate protection, they must develop new buildings while protecting neighbours and allotment gardens, they must offer new apartments to let at eight Euros per square metre – but they have to be barrier-free and energy efficient. Local policies certainly don't make it easy for us private companies. But they make it even more difficult for their own housing industry.

Taking a look at Berlin from the outside

The Berlin market in the international focus. The impressions of a New York-based real estate journalist

A guest commentary by Troy McMullen

Facts

Construction boom and international buyers
–
A premier location for investments

Visitors to Berlin these days won't have to look far for signs of its booming property market. Nearly every corner of the German capital is awash with new real estate developments, ranging from soaring luxury condominium towers to fully renovated pre-war buildings. Many of the new properties boast prices and upscale amenities virtually unthinkable in Berlin just a decade ago.

The construction boom is being fueled, in part, by international buyers who have flooded the German capital in recent years pushing property prices higher. Condo prices per square metre on offer have risen about 13 percent this year; about 64 percent over the last five years. The swelling numbers underscore Berlin's rising profile as a place to invest. The city now ranks high among global markets worthy of increased real estate investment, several international surveys show. Few cities in Europe have greater capital appreciation potential. It wasn't always this way, of course. In the years following German reunification in 1990, Berlin was hardly considered a solid place for real estate investment.

Despite the German government pouring billions of Deutschmarks into rebuilding a then crumbling East Berlin, much of the city's eastern half was still lined with decaying buildings and empty housing lots. At the time, even the most bullish property analysts remained skeptical, with most suggesting international investors seek out more established areas of Germany to invest such as Frankfurt am Main, Cologne and Munich.

But as the years past, Berlin began emerging as a hip place live for many young people as international travellers poured in. Berlin's decay was seen as gritty but chic with its Mayor Klaus Wowereit aptly describing the city back in 2003 as "poor but sexy." Many of the newcomers were artists and other creative types who were attracted to the city's cheap rents and expanding nightlife. The infusion of artists helped the city evolve into Europe's creative hub. Today about 8,000 artists are still registered with the city's specialist social insurance plan, the Künstlersozialkasse.

Global city Berlin

But Berlin's appeal to property investors goes well beyond art. After years of struggling, the city's economy is expanding while its population is again growing. Berlin's fast-growing tech sector has attracted major domestic and international firms like Google, Siemens and Samsung which have all opened start-up accelerators in Berlin. They join Microsoft, German software giant SAP SE and networking firm Cisco Systems in making up part of Berlin's expanding tech landscape.

The arrival of private equity is also helping Berlin. Venture capitalists invested €2.16 billion in a total of 264 equity deals in German-based start-ups in the first half of 2017, according to EY, the consultancy. That compares with €972 million in 248 deals in the first half of last year. According to the 2016 edition of Deutscher start-up Monitor, 42 percent of all Berlin startup employees are not German citizens. "Berlin is now a global city," says Carsten Sellschopf, managing director at Instone Real Estate Development GmbH. "It has become international in a way that wasn't really possible a decade ago."

Renowned architects

And that international appeal is luring celebrated architects from around the globe to Berlin. Daniel Libeskind has designed Sapphire, a 73-unit property on Chausseestrasse, a street cut through by the Wall during the cold war but now a hotspot for development. Penthouses, with ceiling heights up to 7.5 metres, are priced at about €4.5m.

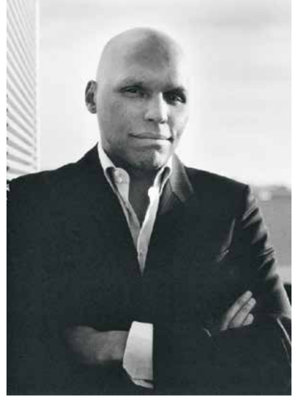
David Chipperfield has designed Palais Varnhagen, a 52-apartment block on Französische Strasse. Prices range from €500,000 to €6.6m for a penthouse. These high profile projects are translating into higher real estate sales to foreigners. Foreign investors, emboldened by Germany's economic stability, accounted for 30 percent of high end buyers in Berlin compared with 10 percent a decade ago, according to market experts. The sale of luxury property in Berlin has nearly doubled in the last five years.

Continuous growth

Meantime, after years of declines, Berlin's population is rapidly growing. A recent growth forecast by the Senate Administration for Urban Development and Environment puts Berlin's population at 3.83 million people; by 2030, around 266,000 more people will live in Berlin. "The economy in Berlin is expanding and growing and that's ultimately good for property developers," says Horst Lieder, CEO property developer International Campus AG. "But it also helps to create an environment where a city like Berlin can grow to its full potential as a European capital."

> *» The rapidly growing tech-sector in Berlin has attracted large companies such as Google to the city. «*
>
> TROY MCMULLEN

Left: View of the historic centre of Berlin from the high rises on Potsdamer Platz



Troy McMullen reports on European real estate markets for the Wall Street Journal, the Financial Times, ABC News and the Washington Post, among others

Back to concrete

To do things right – that's the aim of a new creative quarter in the heart of Berlin. Can it work?

Author: **Boris Pofalla**

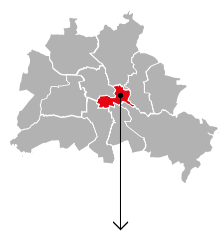
The Australian tree fern must be freezing to death. The plant, with its lush green leaves, is growing in a huge concrete building in the centre of Berlin. It's cold under the vast shed roof – the former wholesale flower market on Lindenstrasse in Kreuzberg never had a heating system. That's why the new users have only converted a fraction of the space.

Since 2013, the building in which flowers were traded for almost half a century, has been occupied by the Jewish Museum as a library, an archive, educational facilities – and the "Diaspora Garden", with plants from all over the world. Although the main building on the other side of the street is one of Berlin's most popular museums, only a few visitors stray into the Academy. Hardly surprising: the exterior of the building is windowless and forbidding. But once inside, the elegance, brightness and expansiveness of the concrete arches are jaw-dropping.

The wholesale flower market was designed by the Berlin architect Bruno Grimmek. In the scope of the reconfiguration, Daniel Libeskind has positioned a tilted, sunken cube, reminiscent of a wooden crate, as an entrance. By 2019, the children's museum that is to be built in the western section will at last turn this insider tip into a lively destination. This is excellent timing, because around the Academy the "KuKQ" (Artistic and Creative District around the former wholesale flower market) is springing up. Everything should be completed by 2020.

"A completely new district in the city centre" promised city planner Andreas Krüger, when planning started in 2012.

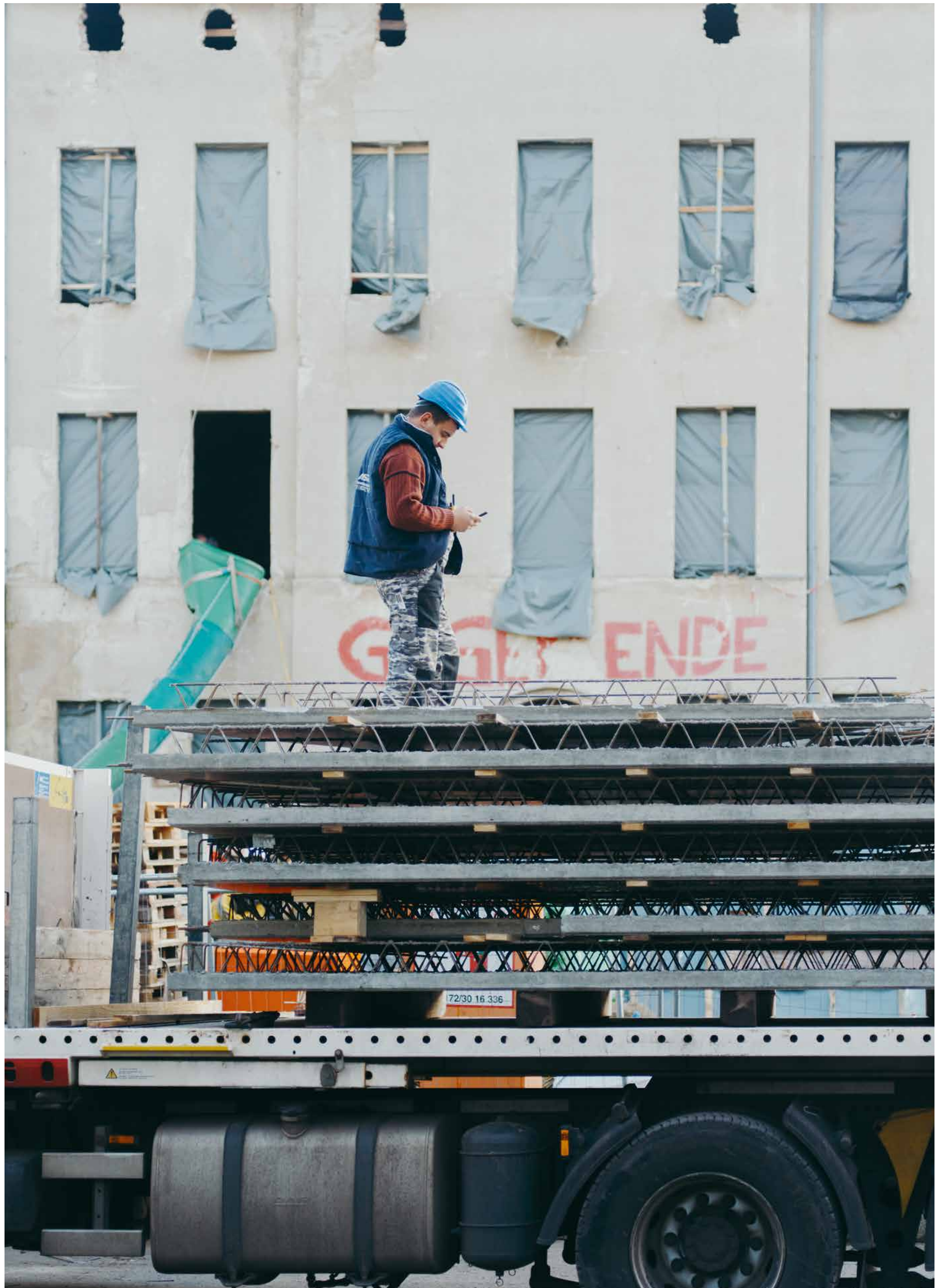
In times of soaring property prices, Berlin is more than ever hoping for affordable housing and conservation of existing neighbourhoods – but combined with development. The KuKQ aims to get everything right. Unusually, the sites were not sold by auction to the highest bidder among the Berlin investment funds. The decisive factors were not just the price offered but also the bidder's use concept. This was followed by a veritable audition of building contractors, with the participation of the administrative district, the state and local residents. The criteria were complex and differently



In 2010, the Berlin flower market moved from Lindenstrasse in Kreuzberg to Moabit. A new living and working quarter will be developed on the market's former site. Author Boris Pofalla took a look around

This page: Wholesale flower market around 1970

Right: The new development Frizz23



weighted for each site. The results are now visible. Standing at the northeast corner of the Academy, on the junction of Friedrichstrasse and Besselpark, is the new building for the daily newspaper “taz”. It will be occupied in 2018. More than 250 entries for the architectural competition were submitted.

The contract was awarded to Zurich-based architects Piet and Wim Eckert (“E2A”). In a congenial way, FAZ architecture critic Niklas Maak considers that, by designing such a large and conspicuous building, the architects have delusions of grandeur. “What I like about the building is that it’s visible from afar, it’s a symbol.” The facades are not clad with sandstone panels but resemble a machine, while the open floor layout reminds the critic of “a roofed landscape”.

The taz is a cooperative, so that strictly speaking its new headquarters has 17,000 owners.

The adjoining building, Frizz23, does not have quite so many. Some thirty owners have teamed up here, in Germany’s first co-ownership development of a commercial building. The western side, adjoining the taz building, is to be occupied by a vocational training association, while the central section fronting Besselpark will be shared by authors, game developers, curators and cartoonists. By creating small units and using timesharing, the architects, from the “Deadline” practice, aim to avoid a lack of activity in the building after office hours. The purchase contract for the site stipulates 30 percent arts and creative activities and 30 percent education, for a fixed period of ten years.

The architectural expert and author Maak (“the Residential Complex”) is an advocate of such development cooperatives. The shortage of space prevalent in cities is primarily because the construction industry’s plans pay no attention to the needs of the residents.

“They are mostly formulated for lifestyles that no longer exist. They are still building for young families, although families make up only 20 percent of the population of Berlin.” The structural framework for today’s requirements seems to be lacking. “Building cooperatives are a good way to say: we will decide for ourselves the way we want to live,” writes Maak. 93 percent of the Frizz23 building is for commercial occupation, although so-called “minilofts” for modern working nomads and short-term occupiers are planned on the east side.

Using the “Concept procedure”, the Friedrichshain-Kreuzberg district and the city want to make amends for things that have gone wrong in Berlin during the last 20 years. With the mass sales of state-owned land, the politicians relinquished the instruments with which they could have actively shaped the way Berliners live together. According to Matthew Griffin of Deadline architects (Frizz23), however, the new policy doesn’t go far enough.

Cities should not sell any more land but solely lease it out. “Urban development land is a scarce and finite resource that must be carefully and sustainably exploited,” he wrote in the book “Neue Standards. Zehn Thesen zum Wohnen” [New standards. Ten theses on housing]. Politicians and administrators involved in urban development should act as trustees for future generations, not as short-term crisis managers.

At least, the mix of uses posted for the area around the wholesale flower market was coordinated with local residents in a dialogue process and was stipulated in the property contract: around 32 percent education, 22 percent creative industries, 15 percent retail, 15 percent short-term housing and 12 percent culture.

No one can make a fast buck with their investment. Benita and Matthias Braun-Feldweg believe that the upgrading of the area through new development should not make a profit but rather a

Left page:
Refurbishment of the residential property Neuhouse

This page:
Architects Georg Gewers and Henry Pudewill

Right page: Ladders on a construction site in Südliche Friedrichstadt, a district long overshadowed by the Wall

"civic yield". They are building the "Metropolenhaus Am Jüdischen Museum", on the northeast side of the Academy. 40 percent of the space in the building on Lindenstrasse is earmarked for "social and cultural commitment". The reasonable rents on the project areas, six Euros per square metre per month, are to be cross-financed by the owners, creating an "intercultural mosaic". On the ground floor, retail shops, showrooms and training workshops will predominate. All the 37 residential units above are already sold.

40 percent of the condominium apartments in the next-door property to the east have already been snapped up, even before the shell of the building was completed. The architects Gewers Pudewill are refurbishing and building a residential and retail building here.

The listed building, dating from 1848, is one of the oldest still to exist in Kreuzberg. Next to it, a new building, faced in light-coloured brickwork with gently rounded corners, will soon be completed. The old building will provide 14 apartments, with 61 in the new. The complex, styled "NeuHouse", benefits from its developing surroundings, even though it's not part of the creative district.

Anyone with enough money can buy here – a three-room apartment costs 5,450 Euros per square metre. Half a million Euros for an apartment! Such prices must sound utopian to many residents of southern Friedrichstadt, the area that is to be enlivened by the new creative district. This is an area for ordinary people. It has avoided public attention for decades. In the 1950s and 60s a new district was planned and constructed here, on the edge of the zone, to include a large amount of social housing and the American Commemorative Library as its architectural highlight.

Even now, the drabness of post-war West Berlin is still palpable in the streets around the Jewish Museum. Very little has happened in recent years. Some residential buildings look as if large birds have descended on their facades and manically pecked off the render. The entrance doors are sturdy and tiled with small tiles, while all variations on white lace curtains hang in the windows. Rows of numbered garages, their dimensions conceived for the cars of the 1950s, stand ready. These are the proportions, materials, design principles and priorities of the lifestyles in the Federal Republic.

There are no shops in these post-war buildings, no restaurants, no cafés, just a kiosk here and there. Back then, nobody went out for a "Banh Mi" baguette every night: the landlady of the corner pub would perhaps butter a Mettbrötchen for you, if you were lucky.

In this part of the city, a Berlin that has long disappeared elsewhere has managed to survive. Southern Friedrichstadt has resisted the changes that have shaped the remainder of Berlin in the last three decades. It stayed under wraps, made no headlines, but without doing anything that was badly wrong.

The withdrawal into the domestic and the separation of residential and commercial buildings, promoted by the architecture of the post-war period, now have indisputable advantages. Here, there are few terraces of apartment blocks and no courtyard complexes like those in the Wilhelminian neighbourhoods. There are green areas and daylight that is not swallowed-up by heavily built-up streets.

Nowhere else in Kreuzberg are there so many trees so close to residential buildings – and so little graffiti. Will this area soon be as hip as Kreuzberg 36? By next summer, will a Tuscan-style piazza emerge from the cobbled square outside the wholesale flower market hall? Will the scriptwriters stagger out of FRIZZ23 in the evening, to join the journalists from taz for a well-earned, refreshing drink? The decisive question is whether – and to what extent – the profound tranquillity of the area will be actively disturbed by the new neighbours.

Nobody lives in the new creative district yet. However, if you look around the area, you can see the first signs of change. Two years ago, one of the most talked-about restaurants in the country, Nobelhart & Schmutzig, moved into lower Friedrichstrasse. It features radically local cuisine, with a Michelin star and a huge wine list. You can't peep inside, let alone take photos. The window display consists of an empty Sternburger beer crate. Go a few steps further, to Friedrichstrasse 215, and you are standing outside the "westberlin": a café that could easily be found in Copenhagen or Los Angeles.

Some Berliners even come here from neighbouring districts, although there is no Gucci boutique and no Galeries Lafayette, like those in the northern part of Friedrichstrasse. However, there are the discount clothing chain "kik", a second-hand shop and a casino. That's what makes it so appealing.

In one respect, southern Friedrichstadt is like the wholesale flower market: until you've been inside, you can't recognise its qualities. A handful of new buildings don't make a neighbourhood: the existing stock has to be reactivated as well. The history of St. Agnes demonstrates what an appreciative view of existing buildings can do for an area. The catholic church is on Alexandrinenstrasse, in a quiet area only a few metres to the east of the former wholesale flower market. In 1967, Werner Düttmann, the Senate's Director of Construction, designed it as a mud-coloured concrete block.

It's windowless and rather clunky – and forbidding, just like the wholesale flower market.

Yet, when you walk into the hall, it opens up as stunningly spacious modern architecture.

Gallery owner Johann König saw the potential of the brutalist building. He took a lease on St. Agnes and commissioned Brandlhuber + Emde, Schneider to reconfigure it. With success: in 2016 it won the Berlin Architecture Prize.

Since then, the spectacular exhibition area has attracted famous artists like moths to a flame.

That's good for König's business, and word gets around – 032c magazine has relocated its editorial staff from Mitte to the parish rooms next to the church. There is now a café here, and sometimes actual parties.

In summer, St. Agnes is now what the neighbouring Kreativquartier am Jüdischen Museum would like to be one day: blooming with life.

Local insights

Sometimes urban, sometimes rural, but always colourful and varied: Berlin has 190 postcode areas and none is like the other. Portrait of 12 districts

Detailed analysis of 190 areas

The housing cost atlas exposes small-scale markets and trends, rental values and apartment sizes, the residents' purchasing power and outlay on rent.

The housing cost atlas on the following 96 pages provides a differentiated view of the housing market in 190 Berlin areas, defined by their postcodes. In mid-2017, the average population of these areas was around 19,000. A handful had less than 100 residents, the largest almost 39,000. The breakdown by postcode facilitates a small-scale view that is far more detailed than the more common analysis by district. On average, these have populations of around 306,000 and correspondingly diverse structures. In contrast, the postcode areas are usually fairly homogeneous, both structurally and socially. Although the number of offers recorded varies considerably between postcodes, in 161 of them at least a hundred properties were registered. The monthly rent per square metre is calculated from the figures for floor area and net asking rent stated by the landlord. If the market is large enough, valid conclusions about the dearest and least expensive market segments can also be made. The tables of average rents on the following pages show, in each case, the median, i.e. the figure that separates the upper and lower halves of all the offers. This is generally more meaningful as an average than taking the arithmetical mean, which can be heavily distorted by extreme outliers.

The mean floor area of the apartments on offer is instructive supplementary information. It varies considerably, ranging from 57 square metres in Tegel-Borsigwalde (postcode 13509) to 107 square metres in Dahlem (14195). Such extreme figures provide, in particular, a good indication of the structure of the housing supply in the area concerned.

Apartment size decisive

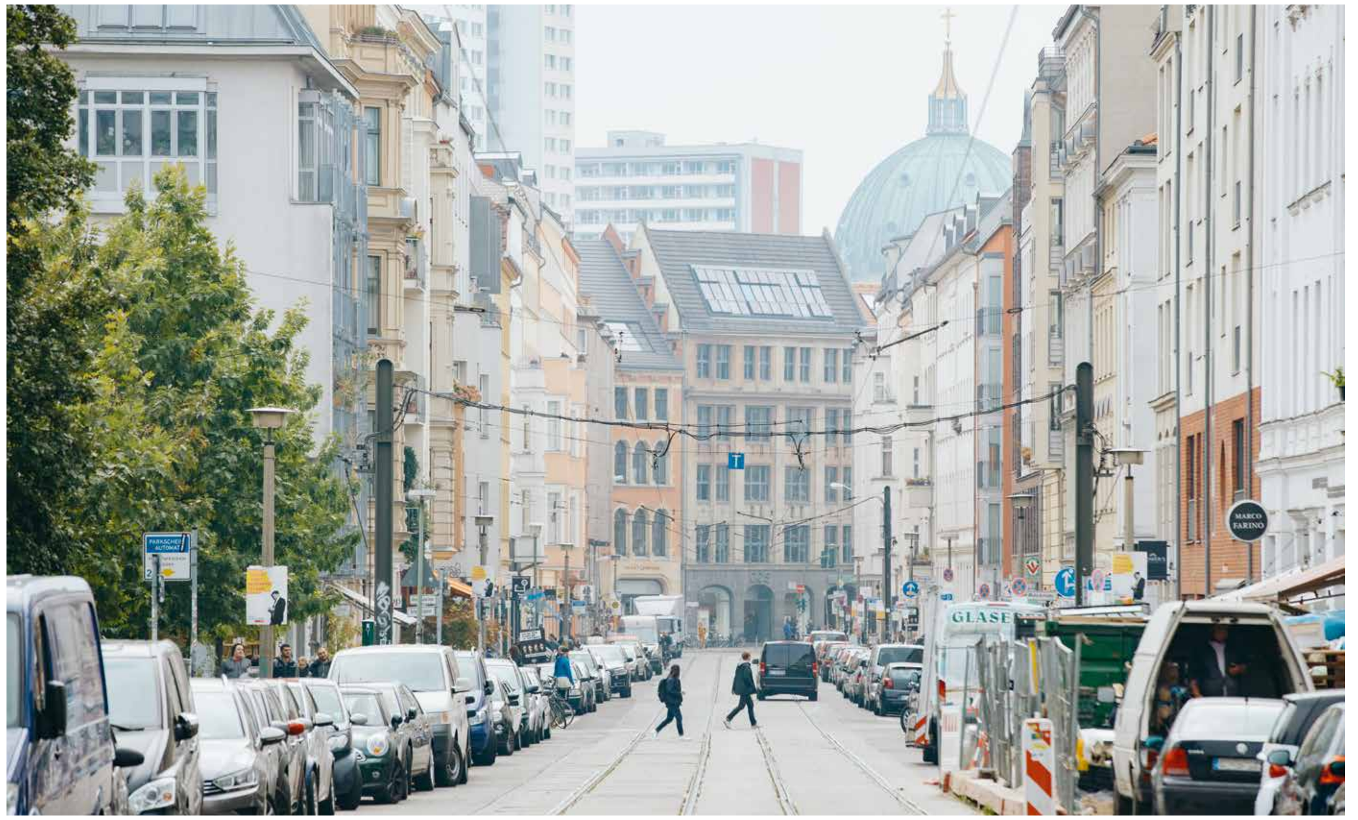
The figure obtained by multiplying the average floor area by the median asking rent per square metre is particularly significant; this is the average net rent (excluding heating etc.) of an apartment on offer in the area. This figure is more significant than the rent per square metre for assessing the real financial burden. For example, at first glance the area around Richardplatz (12055) in Neukölln appears to be one of the city's most expensive: it has a rent of 12.22 Euros per square metre. In contrast, the Gatow-Kladow (14089) area of Spandau, with a rent of 9.48 Euros per square metre, looks relatively affordable. However, the apartments on offer around Richardplatz average only 63 square metres, compared with 95 square metres of floor area in Gatow-Kladow. Expressed as total rent, the apartments in Gatow-Kladow are actually nearly 18 percent more expensive.

Combining statistical figures enables further conclusions to be drawn about dynamic processes. The data on average household purchasing power, also provided for each postcode, play an important role in this. For example, they clearly indicate whether the area is more affluent or poorer. And the presumption

Methodology of the Housing Cost Atlas

The 41.125 apartments on offer in the first three quarters of 2017, where floor area and asking rent were stated, were ascribed to the 190 Berlin postcodes. This provided a statistically adequate number of offers for all areas apart from 13059 (Wartenberg), 13129 (Blankenburg), 13159 (Blankenfelde) and 14053 (Olympiastadion). The tables give the median asking rent per square metre (excluding heating and services) of all the properties on offer, as well as the medians of the upper and lower deciles of those advertised. This enables the local high- and low-priced segments to be portrayed. In order to assess the so-called "warm" rents (i.e. including heating and services) flat-rate ancillary costs of €2.73 per square metre for the western districts of Berlin and €2.23 for the eastern districts were added. These figures are based on the current data provided by the BBU. The average purchasing power per capita and per household is calculated annually at postcode level by Michael Bauer Research GmbH. The average housing cost ratio of a household was calculated using the following formula:

$$\frac{\text{(average asking rent + ancillary costs)} \times \text{average apartment floor area}}{\text{average purchasing power}} = \text{average housing cost ratio}$$



Asking rents in the area around Hackescher Markt are among the highest in Berlin

that families with relatively high average household purchasing power tend to be dominant, or small households, often with low purchasing power.

High ratio – dynamic neighbourhood

The housing cost ratio, i.e. the ratio of median net asking rent to mean purchasing power, is informative statistical indicator of activity in a particular market. The higher the housing cost ratio, the more difficult it would be for a resident household to afford to move to an apartment currently available in the area. It gives no direct indication of existing rents or their trend: these can be much less eventful. However, the ratio provides an indication of whether the present social structure and housing conditions are relatively stable or are changing.

The areas with the highest housing cost ratios in Berlin feature the highest asking rents, combined with above-average-sized apartments and below-average to medium purchasing power. Apartment-hunting households often have to sacrifice space and live more closely together if they want to continue living in the area. If they are highly committed to the area, this could be an enforced sacrifice, although it might not be perceived in this way if the location is their priority and living space is less important. Gentrification, tightening or appreciation of the neighbourhood: a high housing cost ratio can be an indicator of all of these. However, it always points to strong forces at work in the neighbourhood. It is no coincidence that central locations and trendy areas have the highest ratios.

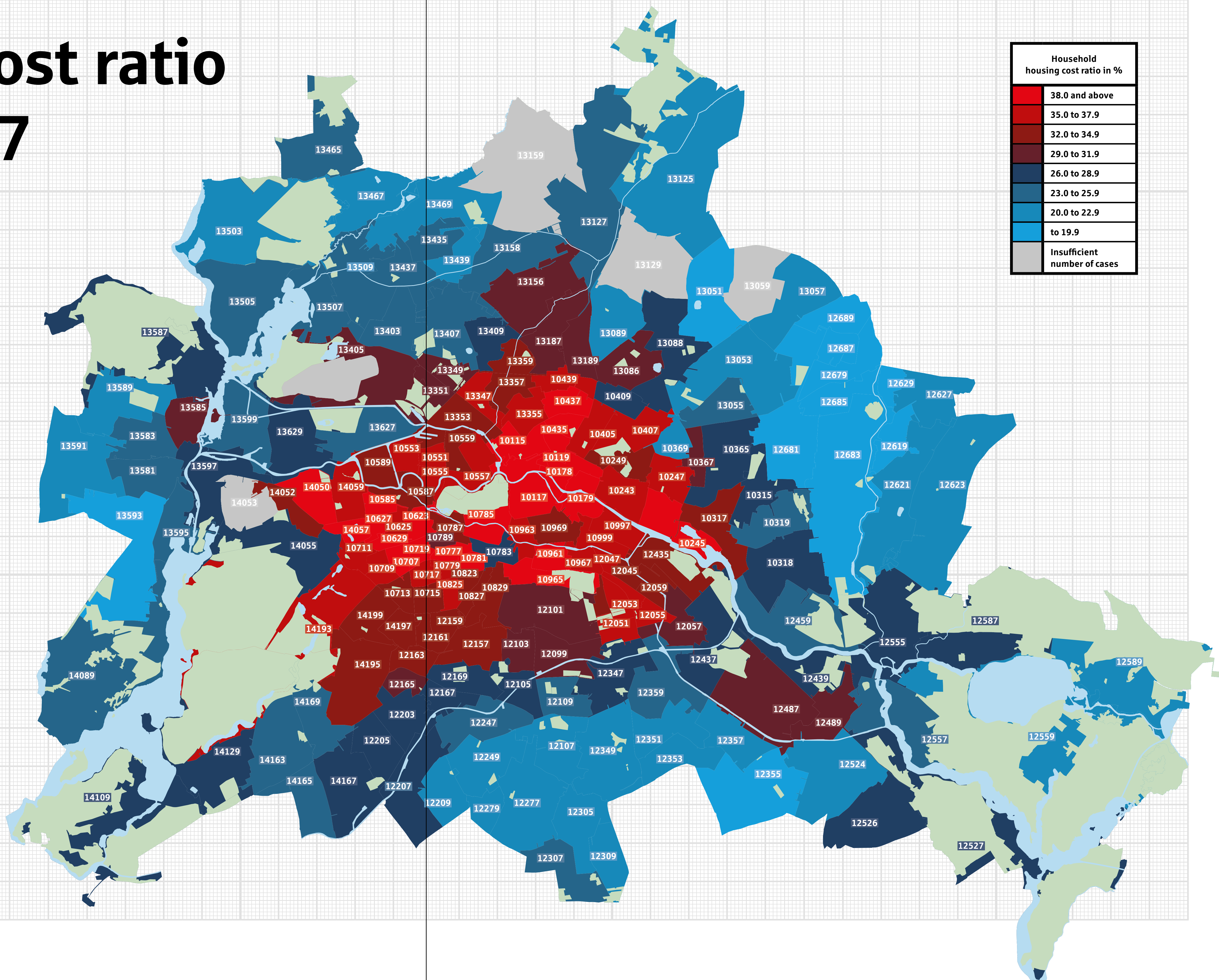
The areas with very low housing cost ratios all have the lowest rental costs and small apartments. At the same time, the purchasing power in many of these areas is above the city average. On a potential removal, residents would have to outlay a smaller proportion of their income than comparable households in other districts. In some cases, less than 20 percent of purchasing power would have to be spent on rent, inclusive of ancillary costs. Areas with the low housing cost ratios are usually in the periphery, often in high-density post-war estates. The Marzahn-Hellersdorf district particularly stands out for low housing cost burdens.

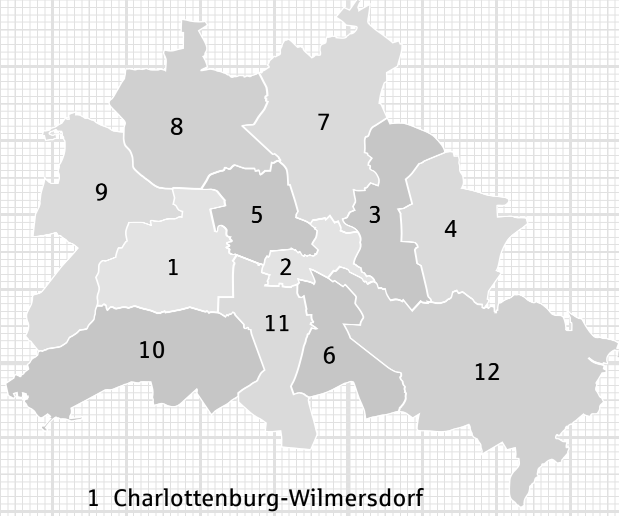
When owner-occupation distorts values

In individual cases, however, a low housing cost ratio can result from there being a mixture of modest rental apartments and upmarket owner-occupied homes in the area. The former gives a low cost ratio, the latter high average purchasing power. However, the purchasing power of the tenants in the area is well below this average, so that for them the actual housing cost ratio is higher than the statistics show. This can only be assessed by a differentiated analysis of an area.

A housing cost ratio that is higher than reality can occur in areas where major development projects, with correspondingly high rents, come onto the market. This increases the asking rents but, before the arrival of high-income new tenants, it has no effect on the average purchasing power. Statistically, the existing tenants in such an area appear to be particularly heavily burdened. In fact, however, if wealthy people in the area choose the new development, the pressure on existing local apartments is reduced.

Housing cost ratio Berlin 2017





1 Charlottenburg-Wilmersdorf
2 Friedrichshain-Kreuzberg
3 Lichtenberg
4 Marzahn-Hellersdorf
5 Mitte
6 Neukölln
7 Pankow
8 Reinickendorf
9 Spandau
10 Steglitz-Zehlendorf
11 Tempelhof-Schöneberg
12 Treptow-Köpenick

Sources: CBRE based on data from empirica-systeme
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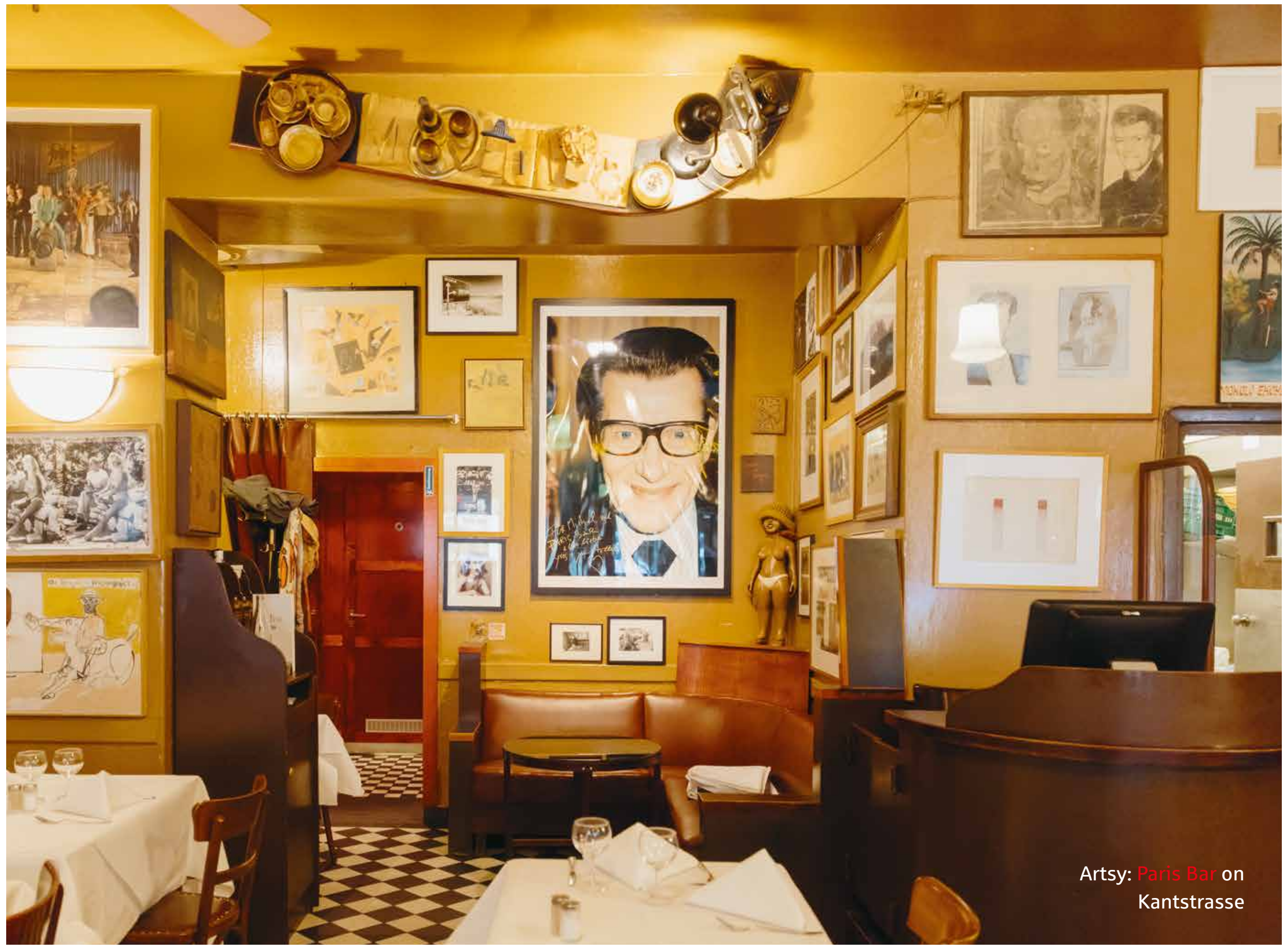

Artsy: Paris Bar on Kantstrasse

Charlottenburg-Wilmersdorf

Bourgeois urbanity characterises the district – whether around the Kurfürstendamm, around Schloss Charlottenburg or in Grunewald. Many of the apartments are particularly spacious and rents are high. However, the streets are there for everyone – you will meet people shopping or strolling, office workers and schoolchildren, students and tourists

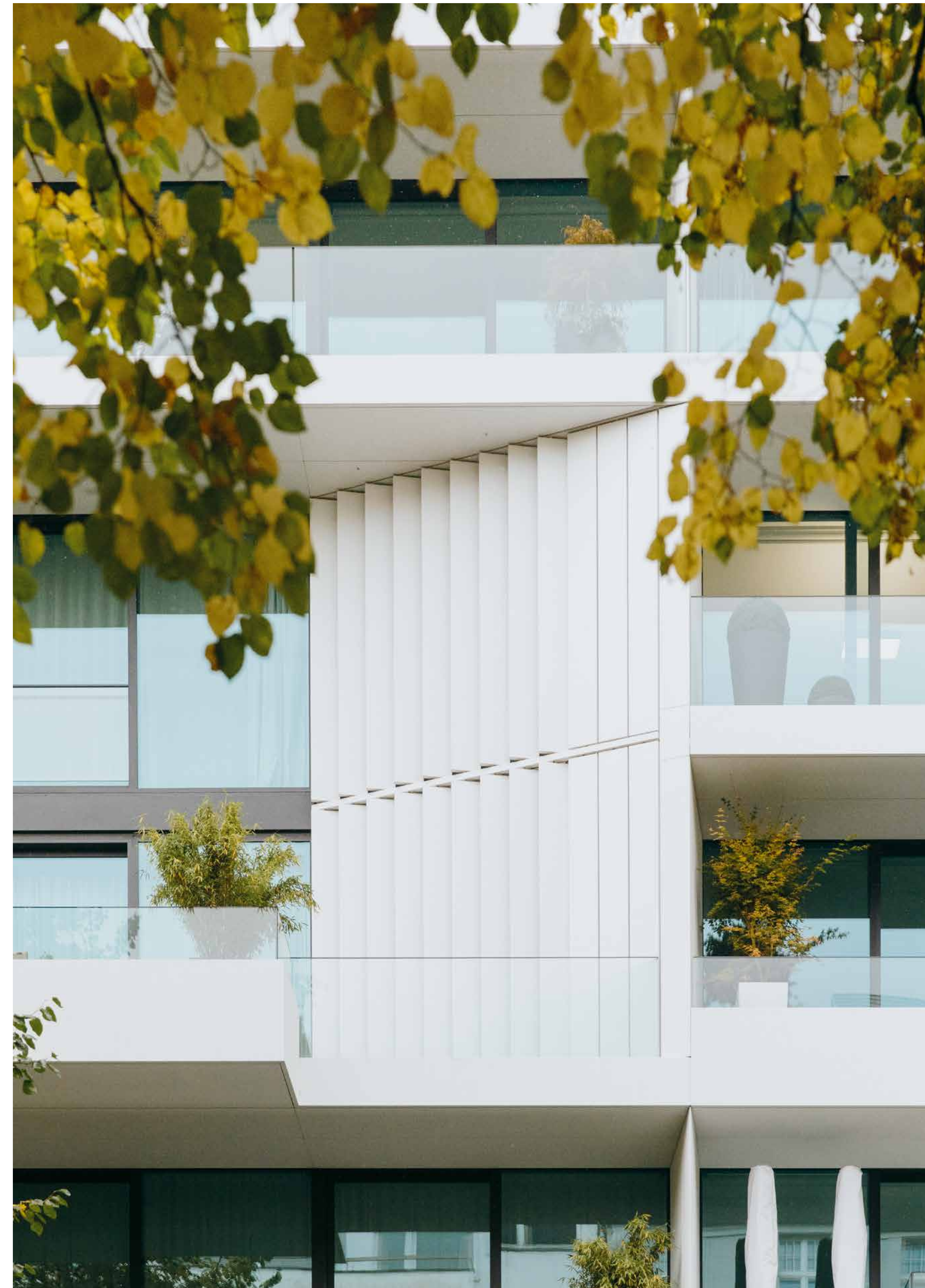

A renovated old building in Bleibtreustrasse

District:

336,249	64.69 km²	183,897
Residents	Surface area	Residential units

This page:
Eisenzahnstrasse 1 by
Sebastian Treese

Right:
Schlüterstrasse 40
by Axthelm + Rolvien
architects



Kudamm, trendy “Kieze”– but also low prices

In the western city centre, rents for urban living are high. Low-priced areas are extremely scarce

Facts

Steep price increase in Grunewald

—

Asking prices of less than € 9 / m² only in the far north

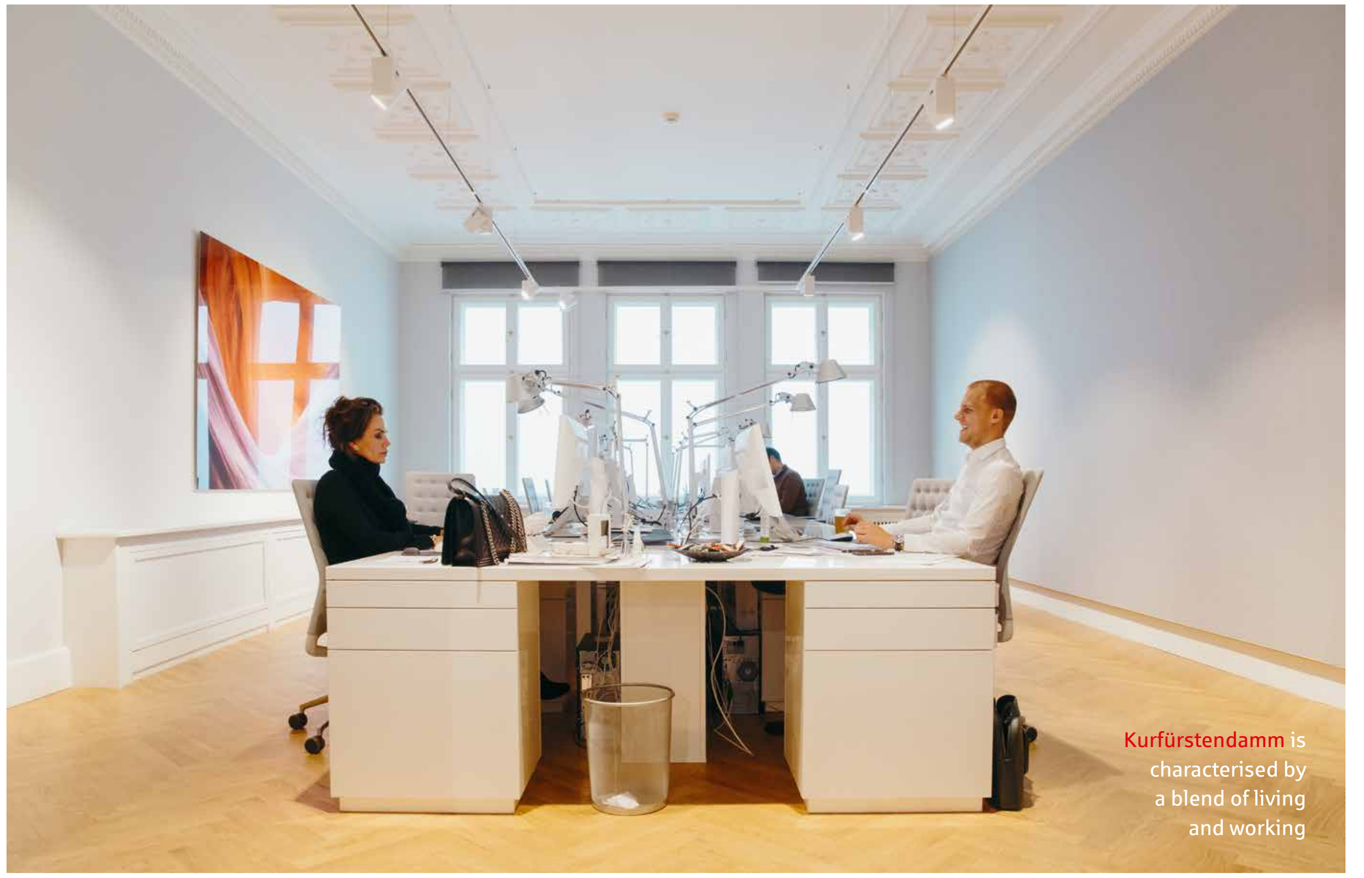
Charlottenburg-Wilmersdorf covers a large part of Berlin’s western city centre, as well as leafy areas of detached and duplex houses outside the S-Bahn ring. The most famous road in the district is the Kurfürstendamm, to the north and south of which are largely middle-class housing areas, with numerous older buildings dating from the imperial period. The former centre of West Berlin, the area around the Gedächtniskirche and the Zoo has now become the second most important centre in the entire city – dominated by hotels as well as older and newer retail and office buildings. However, property prices and rents here are lower than in the historical centre of Berlin. Wilmersdorf extends to the south and west, far beyond the city centre. It includes the mansions in the Grunewald “villa quarter” and the popular, leafy Schmargendorf area, which is dominated by apartment blocks. In the north of the district, a few more modest areas, predominantly near to the so-called Siemensstadt and Tegel airport, are also part of the Charlottenburg area.

Bourgeois urban living

Trendy neighbourhood? This applies rather less to the Kurfürstendamm. Instead, sophisticated urbanity is in demand here: attractive Wilhelminian facades, wide, mostly tree-lined pavements, often still independent retailers and restaurants, with law firms and medical practices on their upper floors. The areas around Ludwigkirchplatz (postcode 10719), Olivaer Platz (10707) and Sybelstrasse (10629) are amongst those with the highest median asking rents in Charlottenburg-Wilmersdorf.

For residents, the quiet side streets of the Kurfürstendamm are particularly attractive. Here, a lively but not overcrowded Berlin can be enjoyed. The ren-

Marquetry flooring in the lobby of the former Hotel Bogota, Schlüterstrasse 45



Kurfürstendamm is characterised by a blend of living and working

3 Projects Exciting new uses for previously vacant land

No. 1 Charlottenburg

Area: **Charlottenburg**
Street: **Wegelystrasse**
Residential units: **272**
Type of use: **condominium**
Sale prices €/m²: **avg. 7,000**

Residenz am Ernst-Reuter-Platz

Area: **Charlottenburg**
Street: **Fraunhoferstrasse**
Residential units: **147**
Type of use: **rent**
Rent €/m²: **14.00–19.00**

Momente Berlin

Area: **Wilmersdorf**
Street: **Nachodstrasse**
Residential units: **73**
Type of use: **condominium**
Sale prices €/m²: **from 5,040**

tal apartments on offer here average over 100 square metres and are among the city's most spacious. High rents per square metre, large apartments – this means top rankings in overall rents. However, the average household purchasing power is lower than in some of the peripheral areas of individual and two-family (duplex) houses in Berlin. Those wanting to live close to the Kurfürstendamm must usually be prepared to devote a higher proportion of their household budget for the particular qualities of the location. Nevertheless, as asking rents have already reached a very high level, particularly in the most sought-after locations close to the Kurfürstendamm, growth in median asking rents is almost consistently only average.

Grunewald: strong rental growth
The "Villenkolonie" [mansion area] of Grunewald (14193), situated between the eponymous forest and the Kurfürstendamm, with lakes, green areas and very prestigious mansions, at one time was indisputably the most elegant area of Berlin. In the frugal decades after the war it lost some of its glamour, as new terraced houses and modest prefabricated houses were built.

Location

7,877
Dogs

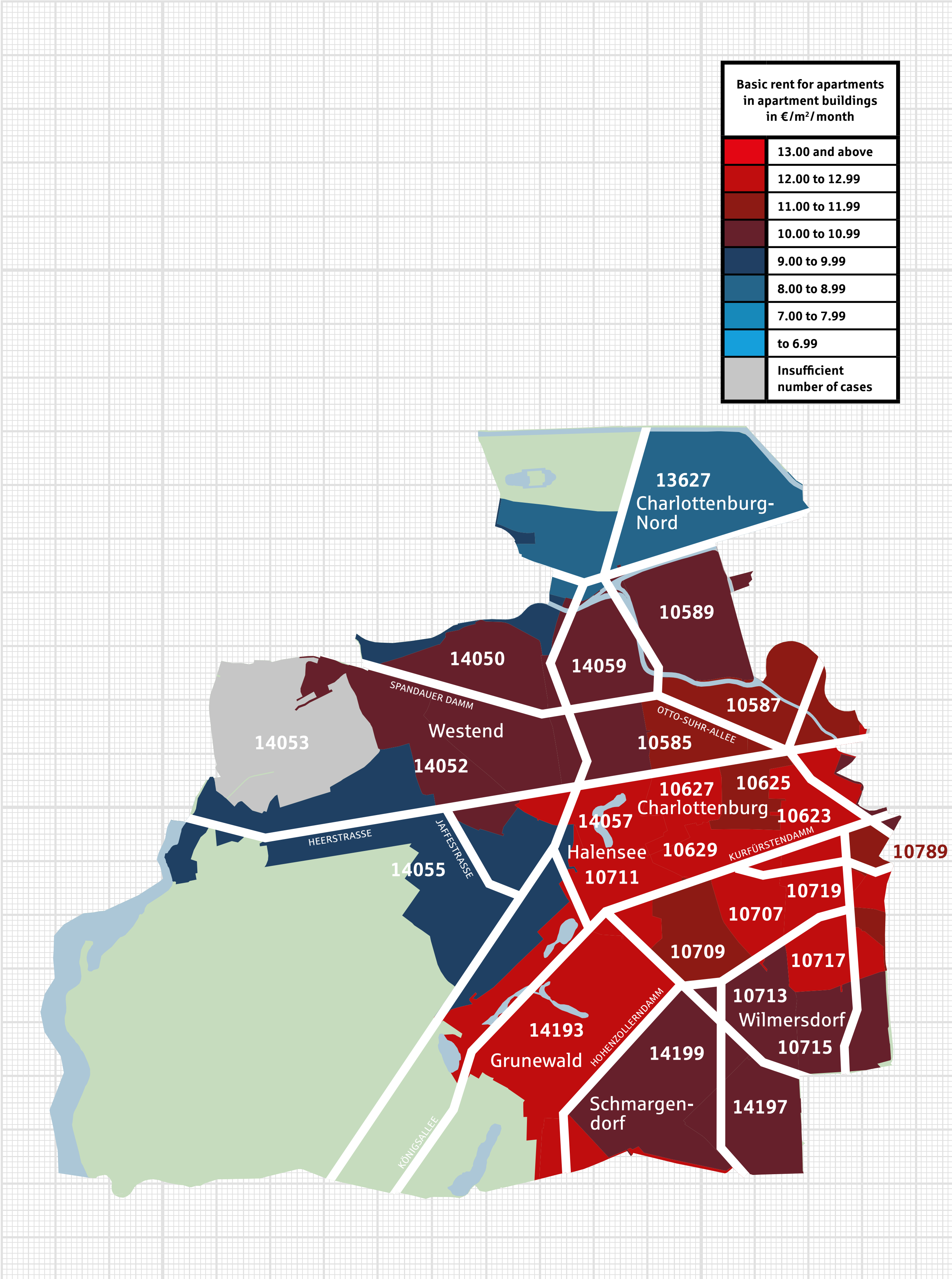
43,319
Roadside trees

2.34
Schools
per 1,000 pupils

Housing market data / **Housing cost**

Postcode	Number of rental offers	Basic rent in all market segments[1] in €/m²/month	Basic rent in bottom market segment[1] in €/m²/month	Basic rent in top market segment[1] in €/m²/month	Apartment size, avg. in m²	Total housing cost[2], avg. in €/month	Household purchasing power, avg. in €/month	Housing cost ratio[3] in %
10585	296	11.73 (32)	7.04 (59)	17.25 (29)	84 (23)	1,208 (24)	2,846 (120)	42.4 (9)
10587	187	11.09 (45)	7.41 (33)	15.25 (58)	69 (99)	957 (67)	2,949 (102)	32.5 (72)
10589	165	10.62 (62)	7.25 (42)	13.95 (88)	68 (108)	909 (79)	2,739 (144)	33.2 (69)
10623	68	12.95 (7)	8.48 (3)	22.57 (1)	106 (2)	1,669 (1)	3,700 (24)	45.1 (6)
10625	161	11.81 (30)	7.86 (17)	16.07 (46)	75 (67)	1,096 (39)	3,116 (79)	35.2 (46)
10627	271	12.04 (19)	8.32 (5)	16.67 (38)	84 (23)	1,237 (19)	2,928 (104)	42.2 (11)
10629	191	12.03 (20)	8.13 (11)	18.95 (11)	105 (3)	1,551 (5)	3,649 (29)	42.5 (8)
10707	232	12.50 (13)	8.32 (5)	18.90 (12)	101 (5)	1,534 (6)	3,642 (30)	42.1 (12)
10709	169	11.07 (46)	7.77 (21)	19.01 (9)	82 (32)	1,128 (33)	3,204 (71)	35.2 (46)
10711	165	12.02 (21)	8.28 (8)	18.65 (13)	86 (18)	1,266 (16)	3,372 (51)	37.6 (26)
10713	122	10.49 (67)	6.94 (68)	13.37 (101)	79 (43)	1,037 (52)	3,051 (87)	34.0 (54)
10715	210	10.79 (58)	6.73 (83)	13.92 (91)	77 (55)	1,046 (50)	3,116 (78)	33.6 (62)
10717	195	11.78 (31)	8.05 (12)	17.58 (26)	85 (20)	1,233 (20)	3,259 (62)	37.8 (24)
10719	149	12.50 (13)	7.82 (19)	18.40 (16)	102 (4)	1,557 (4)	3,696 (25)	42.1 (12)
10789	58	11.88 (28)	7.62 (25)	21.03 (3)	79 (41)	1,156 (30)	3,752 (23)	30.8 (81)
13627	133	8.20 (154)	6.07 (141)	11.21 (154)	60 (168)	655 (170)	2,531 (177)	25.9 (121)
14050	135	10.72 (60)	7.14 (51)	14.88 (68)	100 (6)	1,342 (12)	3,307 (56)	40.6 (16)
14052	180	10.50 (64)	7.98 (14)	16.52 (40)	92 (14)	1,211 (23)	3,552 (35)	34.1 (52)
14053	1	—	—	—	—	—	3,412 (46)	—
14055	107	9.33 (112)	7.33 (38)	14.31 (78)	93 (13)	1,116 (37)	3,946 (16)	28.3 (98)
14057	218	12.00 (22)	8.25 (9)	21.04 (2)	96 (8)	1,416 (9)	3,530 (38)	40.1 (17)
14059	258	10.44 (69)	6.59 (97)	15.00 (63)	78 (47)	1,028 (53)	2,795 (130)	36.8 (32)
14193	296	12.71 (10)	9.00 (1)	17.64 (25)	99 (7)	1,530 (7)	4,265 (7)	35.9 (41)
14197	153	10.29 (72)	7.02 (61)	13.00 (110)	79 (43)	1,027 (54)	3,040 (90)	33.8 (59)
14199	167	10.50 (64)	6.00 (149)	15.83 (52)	89 (15)	1,176 (26)	3,423 (45)	34.4 (50)
District	4,287	11.23	7.19	17.20	86	1,204	3,259	37.0
Berlin	41,125	9.79	6.17	16.00	72	884	3,046	29.0

1) Median **2)** Includes operating costs (BBU 2015) 2.23 (eastern Berlin), 2.73 €/m² (western Berlin) and 2.48 €/m² (all of Berlin) **3)** Rent (incl. utilities) as percent of household purchasing power **( )** Rank among the 190 postcodes with rental data **Sources:** CBRE based on data from empirica-systeme, Michael Bauer Research (purchasing power); compiled by CBRE



Sources: CBRE based on data from empirica-systeme
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Since the 1920s, apartment buildings have been constructed close to the Hohenzollerndamm. In keeping with the zeitgeist, these are in leafy surroundings and with almost no commercial element. After the war, rents remained fairly low for a long period. Even the current boom in the Berlin housing market initially had little effect on the area. Demand was primarily concentrated on mixed, inner-city districts. Anyone who developed projects or acquired apartments in Grunewald (14193) focussed on the owner-occupier market. Now, however, the median asking rent has soared by almost 13 percent. At 12.71 Euros per square metre per month, it has almost reached the Kurfürstendamm level. The landlords are apparently banking on wealthy potential tenants. On the other hand, for an exclusive residential district, the rental market in Grunewald is remarkably large. Its centre of gravity is still close to the Hohenzollerndamm.

Potential in the extreme north

Can you still rent apartments in Charlottenburg-Wilmersdorf for well under 9 Euros per square metre? Yes, but only in the extreme north of the district, in the postcode area Charlottenburg-Nord (13627). This area is situated between the river Spree and Tegel airport, neighbouring the district of Spandau with the Siemensstadt in the west and Wedding and Moabit in the east. Initially a working-class neighbourhood for the Siemens factories, it is still dominated by more modest residential buildings, dating from all periods of the 20th century, providing homes for many households with smaller housing cost budgets. Terraced housing separated by green areas dominates the setting. The proximity to Tegel airport has never been an advantage, as few of the residents are frequent fliers. However, the airport provides a nearby workplace. Even if it closes, the area is likely to remain in demand because of its still moderate rents. In addition, a new district of the city developed on the site of the present airport could bring new life to Charlottenburg-Nord. The area has good transport connections and, for local recreation, there is the extensive Jungfernheide public park. In 2008, like five other large Berlin estates, the adjoining "Ringsiedlung" [Ring estate], which was built in the early 1930s, became a UNESCO World Heritage Site.

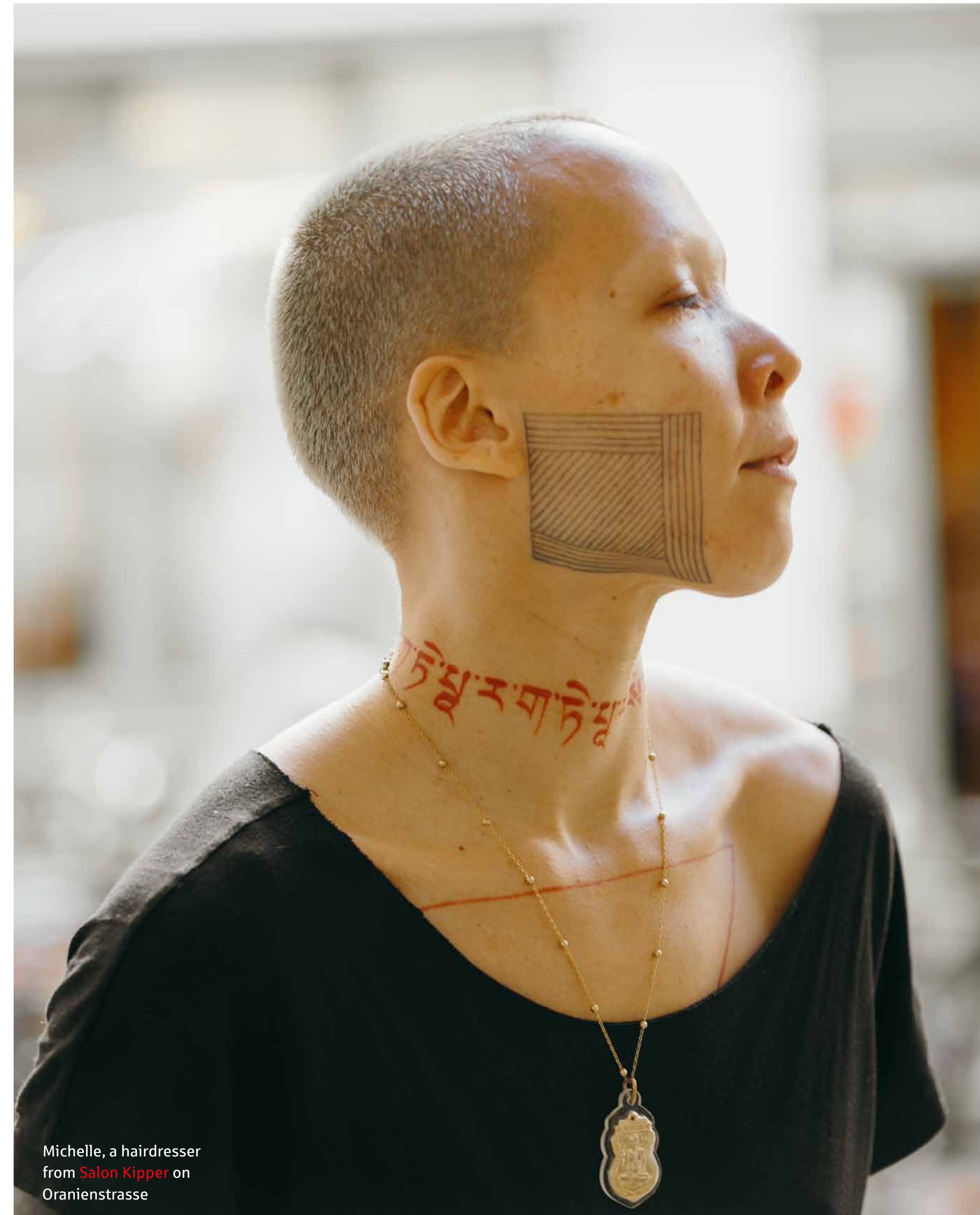
Bourgeois lifestyle in an urban setting

Theater des Westens beautifully juxtaposed with Hotel Waldorf Astoria, close to Kantstrasse, the Zoo and Kaiser Wilhelm Memorial Church

Heinrichplatz in Kreuzberg is one of the many places in the district bustling with life

Friedrichshain-Kreuzberg

Nowhere else in Berlin is as varied as here. Bar-goers rub shoulders with heads of law firms, developers meet punk rockers, migrants encounter start-up millionaires. This causes friction – but also creative energy. Openness and mutual understanding are in demand in the city's most densely populated district.



Michelle, a hairdresser from Salon Kipper on Oranienstrasse

District:	281,323	20.40 km^2	150,177
	Residents	Surface area	Residential units

On left:
Reichenberger Strasse 50
by Heide & von Beckerath architects

This page:
Haus am Engelbecken
designed by Bruno and Max Taut

From working class to boom area

Where poverty once prevailed, some of the highest rents in Berlin are being asked. In particular Kreuzberg, the western part of the district, is gaining.

Facts

Low purchasing power in the quarter Prinzenstrasse

—

Highest rents around Möckernstrasse

Friedrichshain-Kreuzberg is situated to the east and south of the centre of Berlin. Until reunification, the Friedrichshain part of the district belonged to East Berlin, while the Kreuzberg side was part of West Berlin. The river Spree marks the boundary between the present-day parts of the district. For many years the dividing line dominated both parts of the inner city. The property market in the district has seen an enormous upswing in recent years, which has led to the highest level of asking rents in the twelve Berlin districts. In particular, there has been a major change in the eastern part of Kreuzberg and the western section of Friedrichshain, on either side of the Oberbaumbrücke – from modest residential areas to an internationally sought-after tourist, cultural and residential district. There are bars, clubs and restaurants en masse here. Particularly on the banks of the Spree, the many catering establishments are often open until late into the night. However, many households are still on relatively low incomes.

Hustle and bustle in the southeast

For many years, the area between Ostkreuz and Warschauer Strasse (postcode 10245), between the Spree and Boxhagener Strasse, was regarded as run-down and remote. Now it has many features that predestine it as a boom area: a nightlife and bar area around Simon Dach Strasse and Boxhagener Platz, club culture in the former railway repair workshops (RAW), smart new buildings around Osthafen and, not least, Ostkreuz, one of the busiest S-Bahn stations in Berlin. It is therefore not surprising that this “Kiez” attracts many young people from all over the world. The asking rents are, correspondingly, relatively high. Many

The fashion and shoe boutique Voo Store on Oranienstrasse

The architecture practice Kinzo on Rudi Dutschke Strasse specialises on start-ups

3 Projects

Exciting new uses for previously vacant land

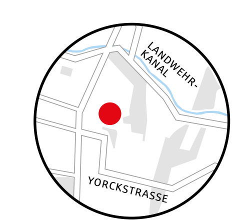
HYMAT

Area: **Kreuzberg**
Street: **Hallesches Ufer**
Residential units: **496**
Type of use: **rent**
Rent €/m²: **10.00–16.00**

WAVE waterside living berlin

Area: **Friedrichshain**
Street: **Stralauer Allee**
Residential units: **161**
Type of use: **condominium**
Sale prices €/m²: **from 4,320 to >10,000**

Wohnpanorama am Park



Area: **Kreuzberg**
Street: **Dennewitzstraße**
Residential units: **167**
Type of use: **condo / rent / subsidised**
Price €/m²: **from 4,800 / subsidised rent from 6.50**

long-standing residents of this area, lacking a high level of purchasing power, can presumably only still afford to live there thanks to their old tenancy agreements. Wealthier prospective occupiers are attracted by a range of new developments, for which there is still room on former industrial and railway land and on infill sites. The lively new construction partly explains the high median rent, as do the very large apartments on offer, by Friedrichshain standards.

The area to the north, on either side of Frankfurter Allee (10247), with mainly densely developed older buildings, is structurally similar and very urban and lively, if not quite so colourful. The residential areas around the Volkspark Friedrichshain (10249) are much quieter. They are characterised partly by older buildings and partly by large-scale Plattenbau (prefab construction) apartment blocks, dating from the GDR period. Attractive features between these include not only the Volkspark, after which the area is named, but also an extensive cemetery area between Friedenstrasse and Landsberger Allee. These three areas have the most extensive ranges of property on offer in the district, partly because of recently-constructed new buildings but also the high turnover of the young residents. In these areas, most recently more apartments have been on offer than in the whole of the rest of the district.

Not only the urbanity of a major city

At the lower end of the rental scale of the district is the area including the neighbourhoods around Prinzenstrasse (10969), to the north of the elevated railway line U1. Here there is little inner-city feel. The area predominantly features terraced buildings with occasional high-rise blocks, as well as wide lawned areas and parking spaces. By Kreuzberg standards, the streets are relatively quiet. Commercial activity is concentrated in a few parades of shops. The purchasing power of the households living in the area is also low by

Location

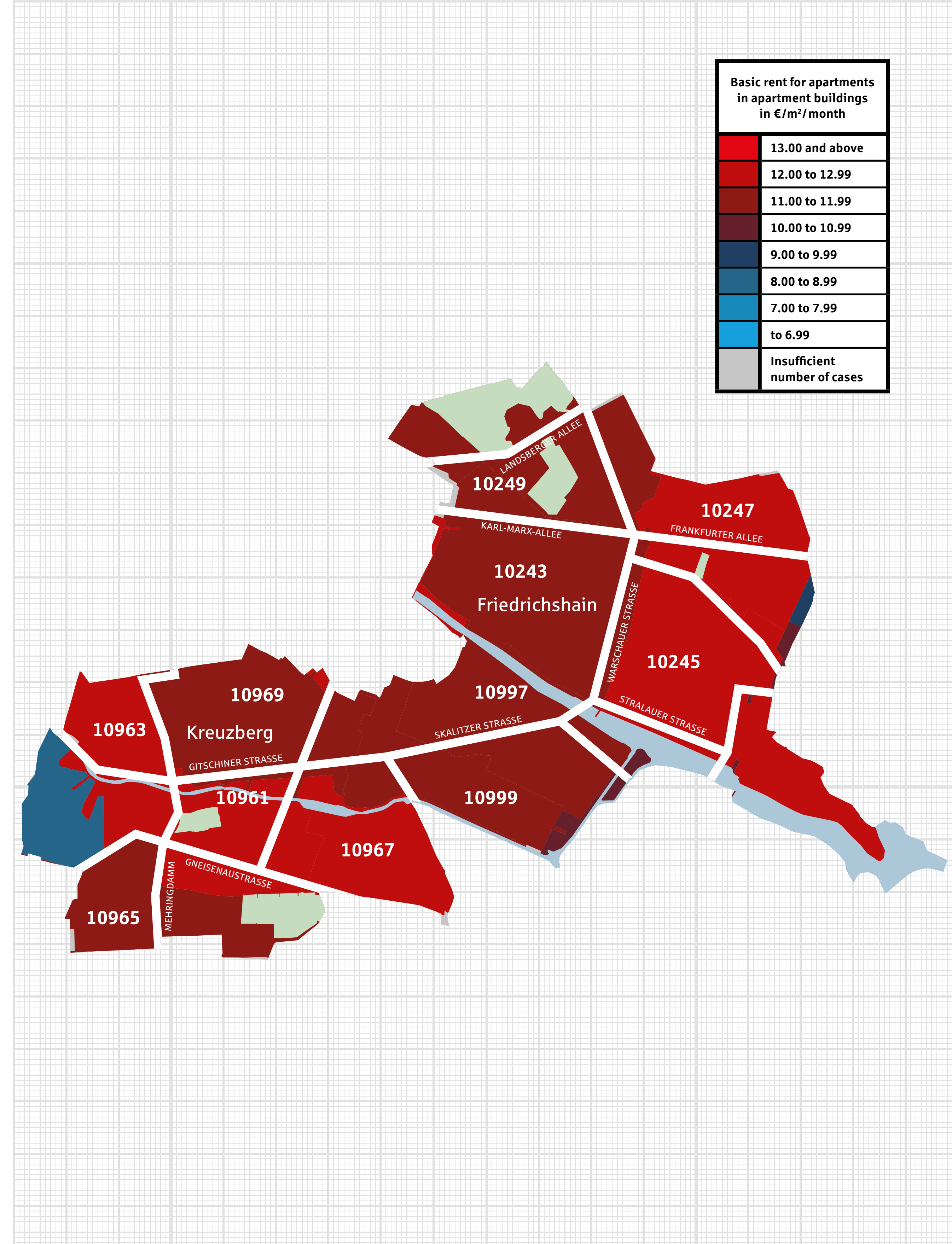
4,340
Dogs

16,176
Roadside trees

2.53
Schools
per 1,000 pupils

Housing market data					Housing cost			
Postcode	Number of rental offers	Basic rent in all market segments[1] in €/m^2/month	Basic rent in bottom market segment[1] in €/m^2/month	Basic rent in top market segment[1] in €/m^2/month	Apartment size, avg. in m^2	Total housing cost[2], avg. in €/month	Household purchasing power, avg. in €/month	Housing cost ratio[3] in %
10243	331	11.50 (38)	7.25 (42)	18.01 (18)	72 (85)	985 (59)	2,648 (158)	37.2 (29)
10245	553	12.48 (15)	7.88 (16)	16.27 (44)	77 (55)	1,129 (32)	2,750 (143)	41.1 (14)
10247	670	12.00 (22)	7.70 (22)	17.19 (33)	68 (108)	974 (65)	2,694 (153)	36.1 (38)
10249	468	11.34 (42)	8.00 (13)	16.39 (42)	68 (108)	928 (73)	2,757 (142)	33.6 (62)
10961	196	12.00 (22)	7.31 (39)	16.02 (47)	73 (78)	1,080 (43)	2,792 (131)	38.7 (20)
10963	206	12.94 (8)	6.91 (71)	18.97 (10)	77 (55)	1,212 (22)	3,255 (63)	37.2 (29)
10965	157	11.01 (48)	6.71 (84)	18.59 (14)	82 (32)	1,125 (36)	2,851 (118)	39.5 (18)
10967	140	12.00 (22)	7.13 (54)	18.15 (17)	73 (78)	1,068 (45)	2,830 (124)	37.7 (25)
10969	227	11.00 (49)	5.76 (165)	16.00 (48)	66 (124)	908 (81)	2,667 (156)	34.1 (52)
10997	165	11.50 (38)	6.83 (74)	16.19 (45)	69 (99)	982 (62)	2,705 (151)	36.3 (36)
10999	219	11.69 (35)	6.55 (98)	17.86 (24)	76 (62)	1,093 (41)	2,987 (98)	36.6 (34)
District	3,332	11.91	6.99	17.04	72	1,038	2,779	37.4
Berlin	41,125	9.79	6.17	16.00	72	884	3,046	29.0

1) Median **2)** Includes operating costs (BBU 2015) 2.23 (eastern Berlin), 2.73 €/m^2 (western Berlin) and 2.48 €/m^2 (all of Berlin) **3)** Rent (incl. utilities) as percent of household purchasing power **( )** Rank among the 190 postcodes with rental data **Sources:** CBRE based on data from empirica-systeme, Michael Bauer Research (purchasing power); compiled by CBRE



Sources: CBRE based on data from empirica-systeme
© Cartography: Nexiga, 2006–2014 Tom Tom

city-wide comparison. The north-western part of the area comprises the southern part of Friedrichstrasse, which differs distinctly from its northern section. The challenging factors include the currently modest building structures and amenities, the paucity of cultural and recreational facilities, and the absence of the liveliness and flair that otherwise make Kreuzberg so attractive. Nevertheless, there are clear indications of improvement. There are also projects in course of development or already completed here. However, the purchasing power remains very low.

Where Kreuzberg has a city centre atmosphere

The extreme western part of the area, south of Potsdamer Platz and around Möckernstrasse (10963) and bordering on Schöneberg, is much more varied. The area features many attractive older buildings, quiet side streets, and small shops and restaurants. The population is very diverse and many families live in the neighbourhood. The new buildings that are gradually coming onto the market in this postcode are contributing to the increase in price levels. Another attraction in this corner of Kreuzberg is the Park am Gleisdreieck, which has become an extremely popular leisure and recreational area in recent years. The park, on land used for traffic to and from Anhalter station and later Potsdamer station from the middle of the 19th century, was created as a "compensation" area to offset the dense development on Potsdamer Platz. The area now includes extensive green spaces, sports and play areas, and café / restaurant facilities.

Nowhere is Berlin as colourful as here

Turkish kebabs in the Grillhaus Adana on Manteuffelstrasse

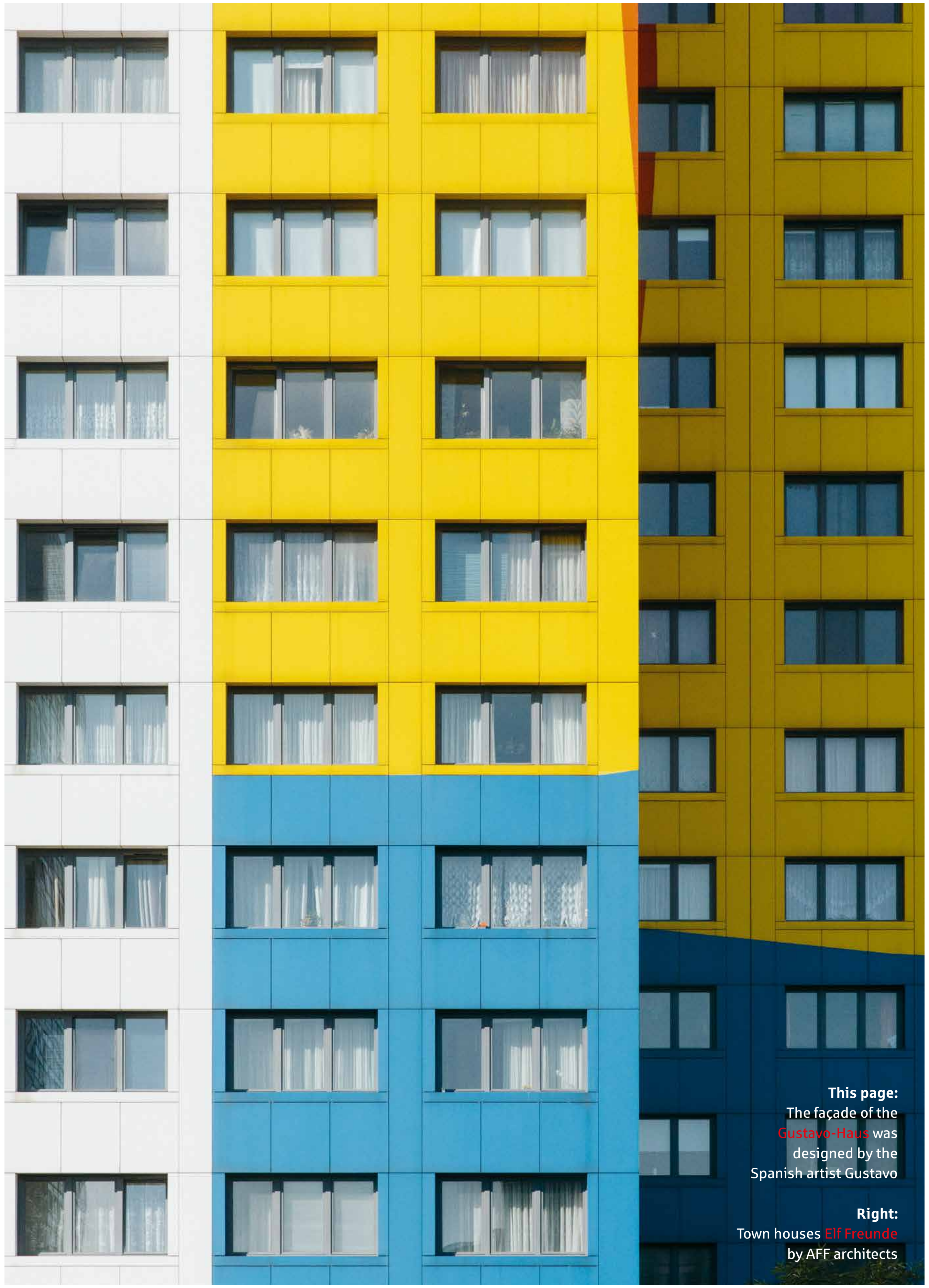
Lichtenberg

Close to the city centre but leafy, clean, as well as yet practical and affordable – the district combines apparent extremes. Once regarded as grey and nondescript, Lichtenberg is becoming increasingly attractive for residents and investors who find the city centre too cramped and pricey but the periphery too remote. From Wilheminian neighbourhoods and mansion areas to GDR prefab estates, it has everything – and still has potential for expansion or refurbishment.

On left: Schloss Friedrichsfelde is the historic gem of the district

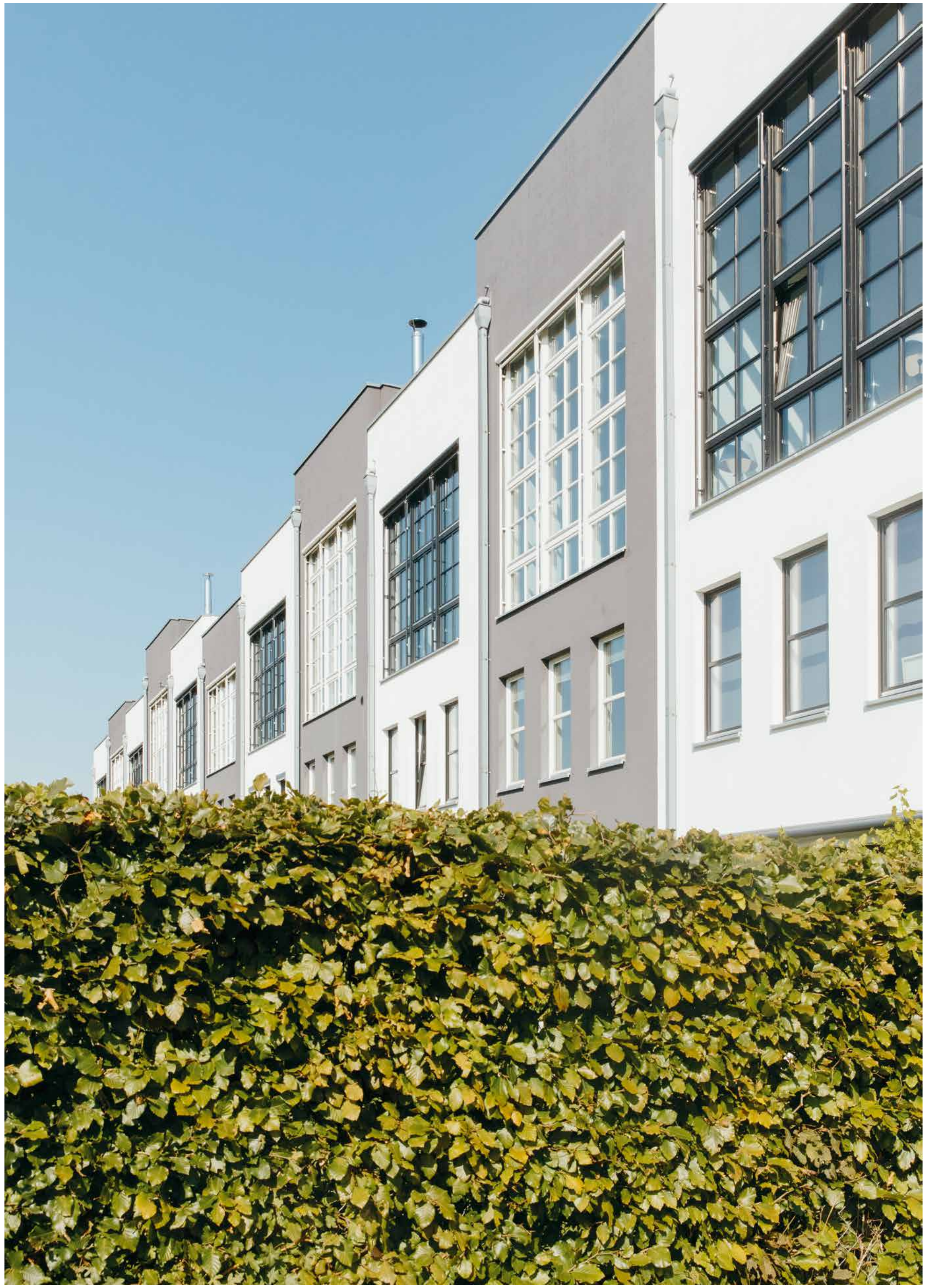
This page: the animal shelter Falkenberg is a major employee

District:	283,121	52.12 km²	150,845
	Residents	Surface area	Residential units



This page:
The façade of the Gustavo-Haus was designed by the Spanish artist Gustavo

Right:
Town houses Elf Freunde by AFF architects



High-rise apartments and rural idylls

Lichtenberg is increasingly being discovered by apartment hunters and investors who appreciate its proximity to the city centre and new potentials.

Facts

Brisk construction activity in Karlshorst

—

Many offers in Friedrichsfelde-Nord

The Lichtenberg district stretches from the eastern edge of the city centre to the northeast boundary of Berlin. It has a very varied structure. There are large areas of residential buildings dating from the imperial and inter-war periods, areas of owner-occupied houses in the north (around the Obersee and Orankesee lakes), large-scale commercial areas around Herzbergstrasse and Siegfriedstrasse, and, not least, extensive areas of Plattenbau prefab apartment blocks from the GDR period, primarily around Landsberger Allee, Frankfurter Allee and in Neu-Hohenschönhausen. Stately Karlshorst, in the extreme southeast of the district, plays a special role.

Provincial and close to the city centre

Travelling along Frankfurter Allee, the transition from Friedrichshain to the Lichtenberg side is dominated by large-scale structures. Where there was a bustling town only a short while ago, there is now an eight-lane arterial road with high-rise prefab apartment blocks to the left and right, and the site of the former GDR Ministry of State Security (MfS). For a long period these dominated the image of the district. Now, however, you can also look into the side streets, where the postcode area 10367 in western Lichtenberg looks completely different. Here you will come across a village green, village church and the Stadtpark, a few blocks dating from the Wilhelminian period and airy, leafy inter-war estates. And prefab apartment blocks, which have good connections to the city centre, local amenities and greenery.

The area directly adjoins the S-Bahn Ring, generally regarded as the demarcation between the inner city and peripheral locations. In recent years, developers and apartment hunters alike have discovered that the western part of Lichtenberg is an attractive

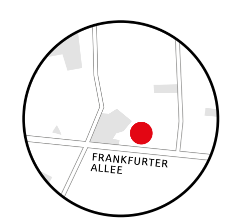
Dong Xuan Center specialises in Asian food

Little Vietnam in Berlin: Dong-Xuan-Center on Herzbergstrasse

3 Projects

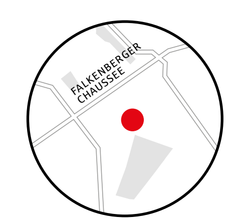
Exciting new uses for previously vacant land

Rathausstrasse



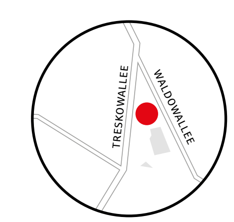
Area: **Lichtenberg**
Street: **Rathausstrasse**
Residential units: **136**
Type of use: **rent, partly subsidised**
Rent €/m²: **6.50 (subsidised)–11.50**

Mühlengrund



Area: **Neu-Hohenschönhausen**
Street: **Rüdickenstrasse**
Residential units: **400**
Type of use: **rent, partly subsidised**
Rent €/m²: **6.50 (subsidised)–10.00**

bopparder1



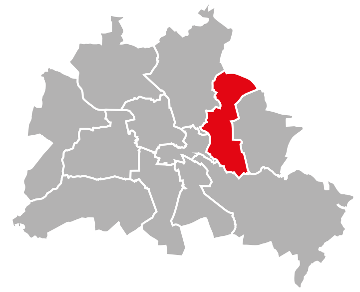
Area: **Karlshorst**
Street: **Bopparder Strasse**
Residential units: **25**
Type of use: **condominium**
Sale prices €/m²: **3,590–5,310**

transition zone. For one thing, it is situated close to lively Friedrichshain and, particularly in the southern section around Frankfurter Allee railway station, has excellent local public transport connections and good shopping facilities. On the other hand, it has low-density development, with many extensive inner courtyards. The second-highest median asking rents in the whole district are currently being demanded in this area. They are now even a touch above the city average. It is no coincidence that rents in the nearby area, including Rummelsburg, Kaskelkiez and the neighbourhood south of Lichtenberg station (10317) are somewhat higher. This is also dominated by blocks in leafy surroundings, close to the city centre and, on the Rummelsburger Bucht, attractive lakeside locations with newer buildings.

Prefab-construction, greenery and new buildings

Further to the east of Lichtenberg station, the Lichtenberg stereotype appears to apply once again: ever more massive prefab-construction blocks on ever-wider arterial roads. At first glance, for example, Friedrichsfelde-Nord (10315) confirms this impression. However, a second look reveals, even here, a few provincial islands, such as the former and still distinguishable village centre on Alfred Kowalke Strasse. There are fast U-Bahn and S-Bahn connections to the city centre. There are also two attractive recreational facilities in and around the area: the Herzberge country park and the generously proportioned Tierpark Berlin. This area boasts Lichtenberg's largest rental market. Al-though the asking rents here have recently been increasing at an above-average rate, they are still slightly below the Berlin average.

Lichtenberg's second-largest submarket, south of Konrad Wolf Strasse (13055), has a suburban feel. It even has something of a boulevard character, with older buildings and a variety of small shops. The area



Location

8,227
Dogs

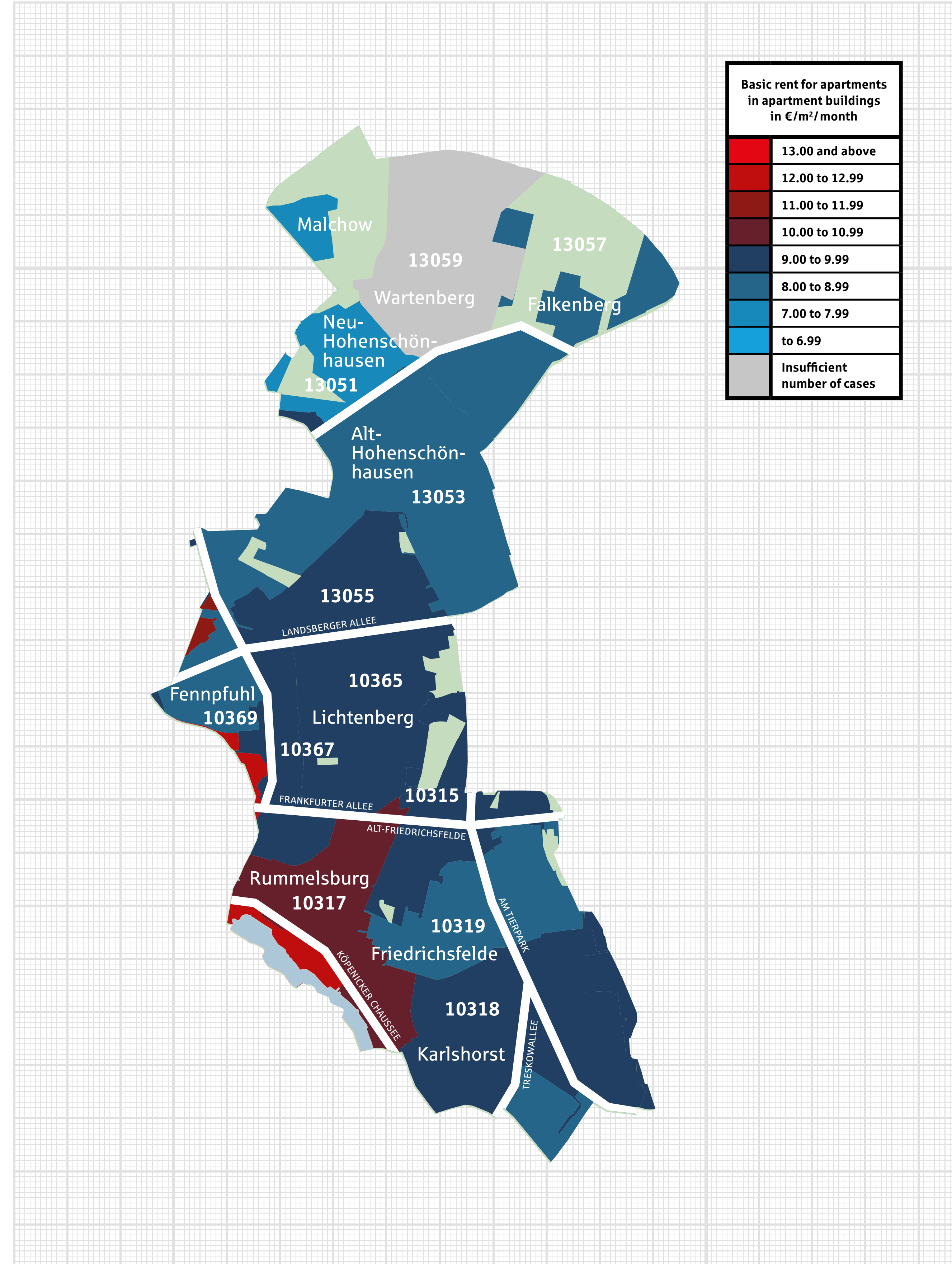
31,634
Roadside trees

2.26
Schools
per 1,000 pupils

Housing market data | **Housing cost**

Postcode	Number of rental offers	Basic rent in all market segments[1] in €/m²/month	Basic rent in bottom market segment[1] in €/m²/month	Basic rent in top market segment[1] in €/m²/month	Apartment size, avg. in m²	Total housing cost[2], avg. in €/month	Household purchasing power, avg. in €/month	Housing cost ratio[3] in %
10315	495	9.50 (100)	6.28 (125)	13.33 (102)	61 (160)	713 (152)	2,736 (146)	26.1 (118)
10317	303	10.19 (74)	6.61 (93)	13.50 (99)	68 (108)	839 (102)	2,541 (176)	33.0 (71)
10318	300	9.35 (111)	6.81 (76)	12.00 (134)	76 (62)	876 (96)	3,252 (64)	26.9 (112)
10319	126	8.29 (151)	6.03 (145)	11.09 (159)	63 (152)	658 (167)	2,763 (140)	23.8 (137)
10365	212	9.26 (113)	6.22 (135)	11.20 (155)	62 (158)	716 (151)	2,731 (148)	26.2 (116)
10367	137	9.92 (86)	6.77 (79)	15.98 (49)	65 (133)	784 (120)	2,613 (163)	30.0 (83)
10369	116	8.80 (135)	6.26 (128)	14.64 (70)	60 (168)	657 (168)	3,087 (84)	21.3 (162)
13051	80	7.97 (164)	5.08 (184)	11.05 (160)	60 (168)	612 (177)	3,170 (72)	19.3 (180)
13053	86	8.71 (141)	6.19 (136)	12.50 (119)	69 (99)	754 (136)	3,466 (40)	21.7 (156)
13055	318	9.00 (122)	6.34 (120)	12.78 (115)	67 (118)	756 (134)	3,156 (73)	23.9 (135)
13057	89	8.15 (157)	5.97 (154)	11.05 (160)	58 (182)	601 (178)	2,854 (116)	21.1 (165)
13059	29	—	—	—	—	—	2,954 (101)	—
District	2,291	9.10	6.25	13.05	65	737	2,933	25.1
Berlin	41,125	9.79	6.17	16.00	72	884	3,046	29.0

1) Median **2)** Includes operating costs (BBU 2015) 2.23 (eastern Berlin), 2.73 €/m² (western Berlin) and 2.48 €/m² (all of Berlin) **3)** Rent (incl. utilities) as percent of household purchasing power **( )** Rank among the 190 postcodes with rental data **Sources:** CBRE based on data from empirica-systeme, Michael Bauer Research (purchasing power); compiled by CBRE



Sources: CBRE based on data from empirica-systeme
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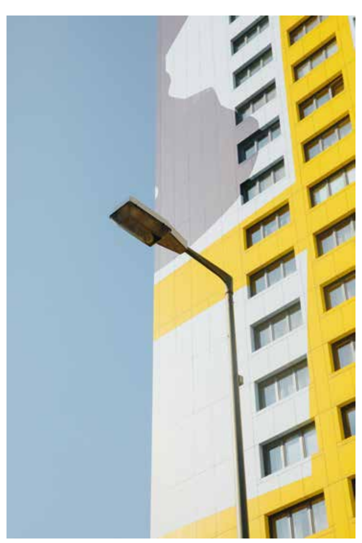
also includes owner-occupied housing and low-rise terraced estates. Prefab buildings become increasingly dominant with proximity to Landsberger Allee, on the southern edge of the area. However, the environment has been made friendlier by green corridors, most of the blocks have been modernised, and the area is quite well connected to Alexanderplatz by several tram lines.

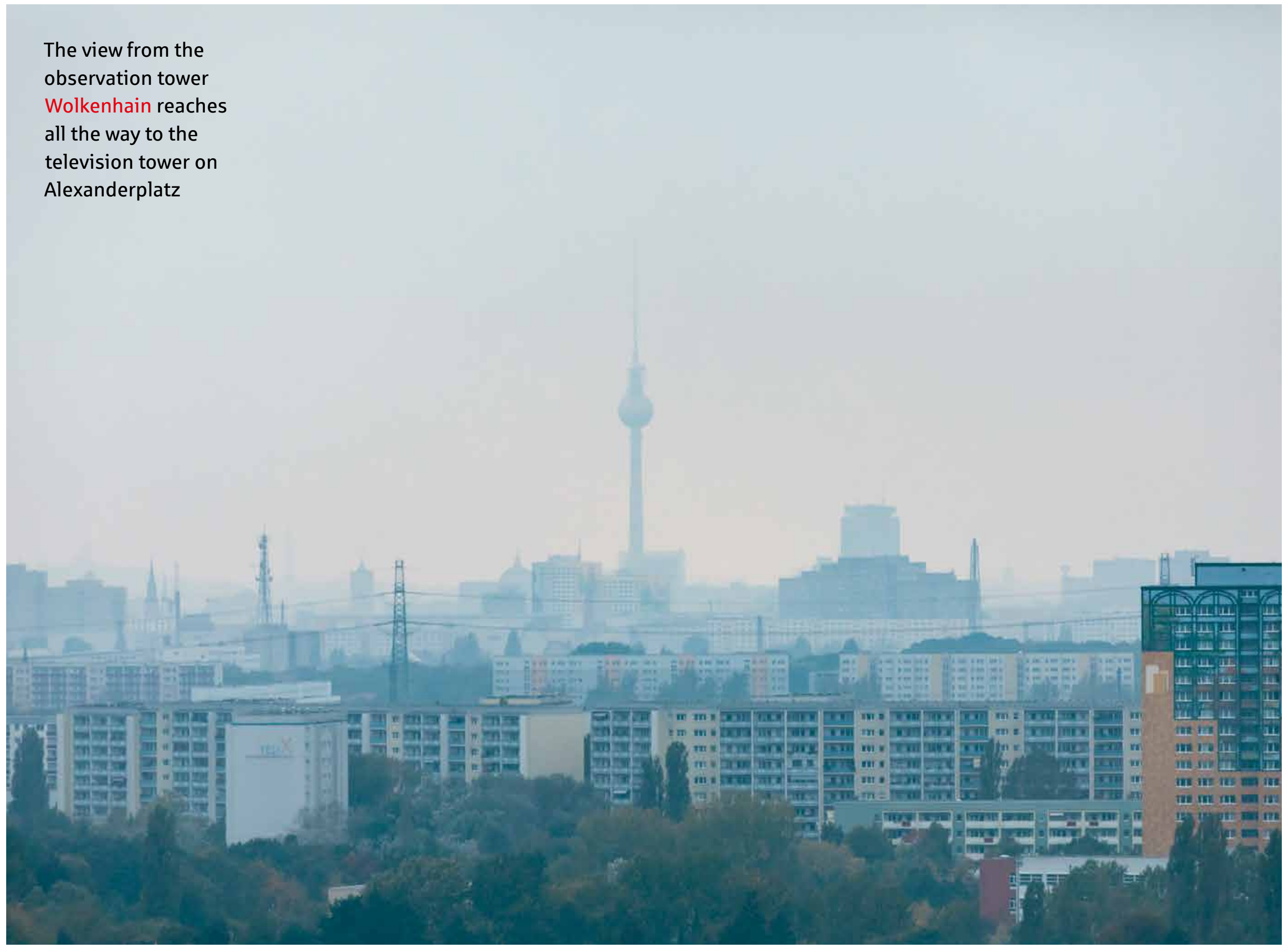
Major projects in green Karlshorst

"Parkstadt" and "Gartenstadt" are the two largest development projects in Karlshorst (10318) that have recently been completed or are still under construction. More than 2,000 apartments, individual and duplex houses are to be built here over the next few years. They will be constructed in numerous phases by different developers. After they are completed, apartment-hunting households intending to move to Karlshorst will have a choice of units to rent or to buy. At least a hundred subsidised rental apartments will also be constructed. Alongside the major projects, construction activity in Karlshorst is currently led by smaller developments, with a focus on the ownership segment. The vendors' asking prices mainly equate to between 3,500 and 5,500 Euros per square metre of residential accommodation. In the south of the Lichtenberg district, the upmarket residential area in Karlshorst, although it also includes small apartment buildings, was once called the "Dahlem of the East" by a local newspaper. In comparison with its counterpart in Steglitz-Zehlendorf, however, rents and purchasing power in Karlshorst are lower. Whereas Dahlem tops the league table of Berlin postcodes in respect of purchasing power, Karlshorst is down at 64th place. The asking rents in Dahlem are as much as 3.05 Euros per square metre higher than at Karlshorst. The average floor area of the apartments on offer in Karlshorst is significantly above the average, compared with other areas of Lichtenberg. However, on average the apartments are 31 square metres smaller than in Dahlem. Unlike Dahlem, however, Karlshorst still has plenty of sites available for development, such as former industrial areas and in the periphery of the racetrack. This, and its good image, make it a focus of new residential development in the district.



A residential alternative to the busy city centre

Homemade ice cream: Eismanufaktur Winkels on Kaskelstrasse



The view from the observation tower Wolkenhain reaches all the way to the television tower on Alexanderplatz

Marzahn-Hellersdorf

Behind its dominant prefab construction scenery, Marzahn-Hellersdorf is a varied and flourishing district. It has modern neighbourhood centres and historic village greens, high-rise agglomerations, extensive areas of detached houses and, on the Wuhle, an idyllic, elongated river valley with hilltop viewpoints.

The flower shop Pusteblume on Marzahner Promenade

District:

262,015	61.82 km²	134,887
Residents	Surface area	Residential units

Left:
Low-Priced apartments in the high rises of Marzahn

This page:
The Biesdorf complex designed by Léonwohlhage architects

Affordable apartments and owner-occupation in the countryside

Marzahn-Hellersdorf's huge housing estates still have the lowest rents in Berlin. But the district is becoming more popular – even with buyers.

Facts

Affordable rents in the north

—

Marked growth of construction activity

Marzahn-Hellersdorf is structurally dichotomous: there are the large GDR-era estates but also extensive areas of individual and duplex houses to the south and east of them. The cheapest rental apartments in Berlin can still be found in the district's extensive Plattenbau (prefab construction) estates, which many Berliners directly associate with the district. However, because of incomers from other districts, the social structure is no longer as homogenous as it was only a few years ago. The International Garden Show 2017 has greatly enhanced the green heart of the two large estates Marzahn and Hellersdorf, the Kienberg and the surrounding area. However, in the residential estates, which are primarily situated in the southern areas of Biesdorf, Kaulsdorf and Mahlsdorf, and which form one of the largest continuous areas of individual and duplex houses in Germany, there is a continuing trend away from small-scale, low-density development towards more densely developed areas.

Areas with high purchasing power

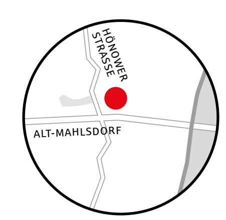
Prosperity and high purchasing power are not normally the first impression of Marzahn-Hellersdorf. And yet three areas, Biesdorf (postcode 12683), Kaulsdorf (12621) and Mahlsdorf (12623) are among Berlin's top 25 districts for average household purchasing power. This is because Marzahn-Hellers-

Bowling Hellersdorf on Feldberger Ring

Not as edgy as the apartment blocks – the Eastgate on Marzahner Tor

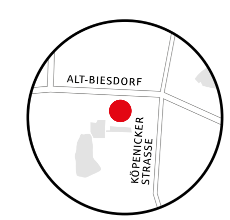
3 Projects Exciting new uses for previously vacant land

Wohnen im alten Mahlsdorf



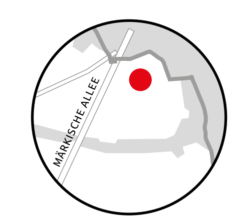
Area: **Mahlsdorf**
Street: **Strasse an der Schule**
Residential units: **143**
Type of use: **rent**
Rent €/m²: **11.00–12.00**

Biesdorfer Stadtgärten (1st construction phase)



Area: **Biesdorf**
Street: **Weißenhöher Strasse**
Residential units: **325**
Type of use: **condominium**
Sale prices €/m²: **e.g. 2,780–4,210**

Eichhorst14



Area: **Marzahn**
Street: **Eichhorster Strasse**
Residential units: **176**
Type of use: **condominium**
Sale prices €/m²: **e.g. 3,510–4,030**

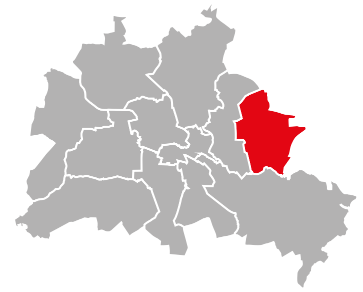
dorf does not consist of just prefabs and highrises: in the south and extreme east there are areas of trim individual and duplex houses. The median asking rents there are by far the highest in the district.

The start of the extensive development of the area dates back even before the Second World War. Following the parcelling out and provision of roads and services in the 1920s, for the most part small estates and individual houses were constructed. It was only after reunification that the district became a focus of owner-occupier housing construction in Berlin, as a result of infill development, division and redevelopment of sites. Gradually, small buildings and garden sheds have been – and are still being – demolished and replaced by new residential buildings. The small-scale structure of the area, however, means that it is not very attractive for investors.

Almost the only multi-storey buildings in this southern part of the district are in the strips adjoining the S-Bahn and U-Bahn lines, near to federal road B1 and the historic village centres, and on through roads like Chemnitzer Strasse and Köpenicker Strasse. Only in the north of Biesdorf are there a few prefab complexes from the GDR era. Structurally these form part of the large Marzahn estate. The rather small numbers of rental apartments on offer are concentrated in the multi-storey buildings. A further around 1,200 units are shortly to be added, primarily in Biesdorf. In the areas dominated by individual houses, the idyllic life is mostly unimpaired by larger construction sites, traffic noise and commercial uses, although they are somewhat lacking in urban amenities.

Rents below 7 Euros per square metre

In the northern part of the district are the Plattenbau (prefab construction) areas of Marzahn and Hellersdorf. The median rent here is still around 7 Euros per square metre per month. In Ahrensfelde (12689), apartments are even on offer for an average of just



Location

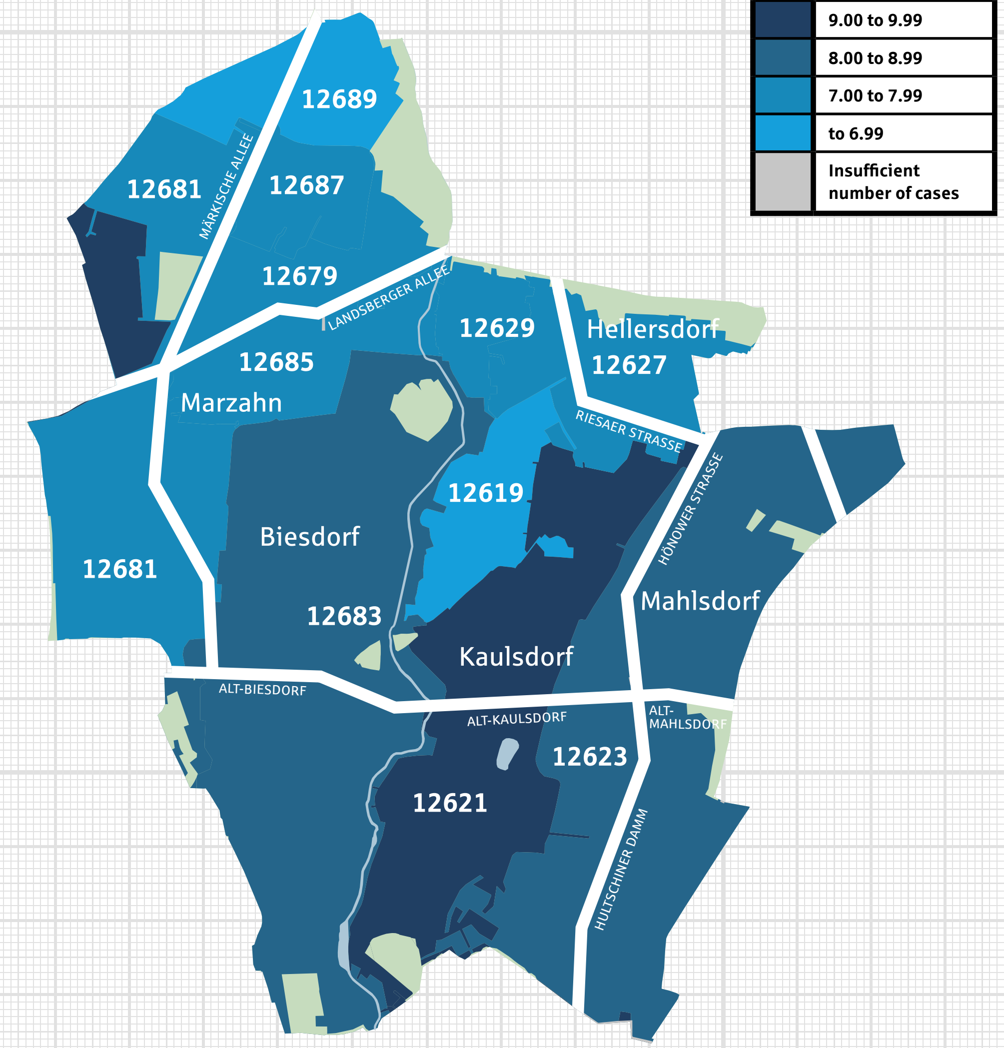
10,599
Dogs

44,661
Roadside trees

2.41
Schools
per 1,000 pupils

Housing market data					Housing cost			
Postcode	Number of rental offers	Basic rent in all market segments[1] in €/m^2/month	Basic rent in bottom market segment[1] in €/m^2/month	Basic rent in top market segment[1] in €/m^2/month	Apartment size, avg. in m^2	Total housing cost[2], avg. in €/month	Household purchasing power, avg. in €/month	Housing cost ratio[3] in %
12619	164	6.22 (184)	5.12 (182)	8.86 (183)	60 (168)	505 (185)	2,789 (132)	18.1 (183)
12621	75	9.00 (122)	7.26 (41)	12.50 (119)	74 (72)	834 (104)	4,041 (13)	20.6 (169)
12623	156	8.92 (129)	6.69 (87)	12.69 (117)	74 (72)	821 (107)	4,007 (14)	20.5 (171)
12627	554	7.31 (176)	5.83 (164)	11.18 (156)	63 (152)	599 (179)	2,760 (141)	21.7 (156)
12629	164	7.07 (180)	5.72 (167)	10.35 (176)	60 (168)	559 (182)	2,818 (127)	19.8 (177)
12679	267	7.06 (181)	5.23 (179)	10.00 (179)	60 (168)	555 (183)	2,838 (123)	19.5 (179)
12681	167	7.17 (178)	5.56 (174)	10.74 (166)	57 (184)	538 (184)	3,058 (86)	17.6 (185)
12683	185	8.31 (150)	5.96 (156)	12.08 (131)	60 (168)	632 (175)	3,773 (22)	16.7 (186)
12685	223	7.48 (171)	5.21 (180)	11.13 (157)	66 (124)	640 (174)	3,217 (68)	19.9 (176)
12687	183	7.27 (177)	5.20 (181)	10.17 (177)	61 (160)	580 (181)	3,001 (95)	19.3 (180)
12689	226	6.02 (186)	4.94 (186)	8.34 (186)	61 (160)	501 (186)	2,782 (134)	18.0 (184)
District	2,364	7.34	5.30	11.10	62	598	3,171	18.9
Berlin	41,125	9.79	6.17	16.00	72	884	3,046	29.0

1) Median 2) Includes operating costs (BBU 2015) 2.23 (eastern Berlin), 2.73 €/m^2 (western Berlin) and 2.48 €/m^2 (all of Berlin) 3) Rent (incl. utilities) as percent of household purchasing power ( ) Rank among the 190 postcodes with rental data **Sources:** CBRE based on data from empirica-systeme, Michael Bauer Research (purchasing power); compiled by CBRE



Sources: CBRE based on data from empirica-systeme
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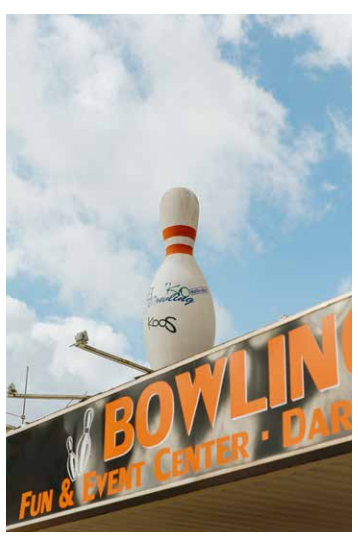
over 6 Euros. The architecturally rather homogenous areas, remote from the city centre, still provide havens of affordable housing. However, recently they have been discovered by apartment hunters from outside the area, who cannot or do not want to pay the rents demanded in other parts of the city.

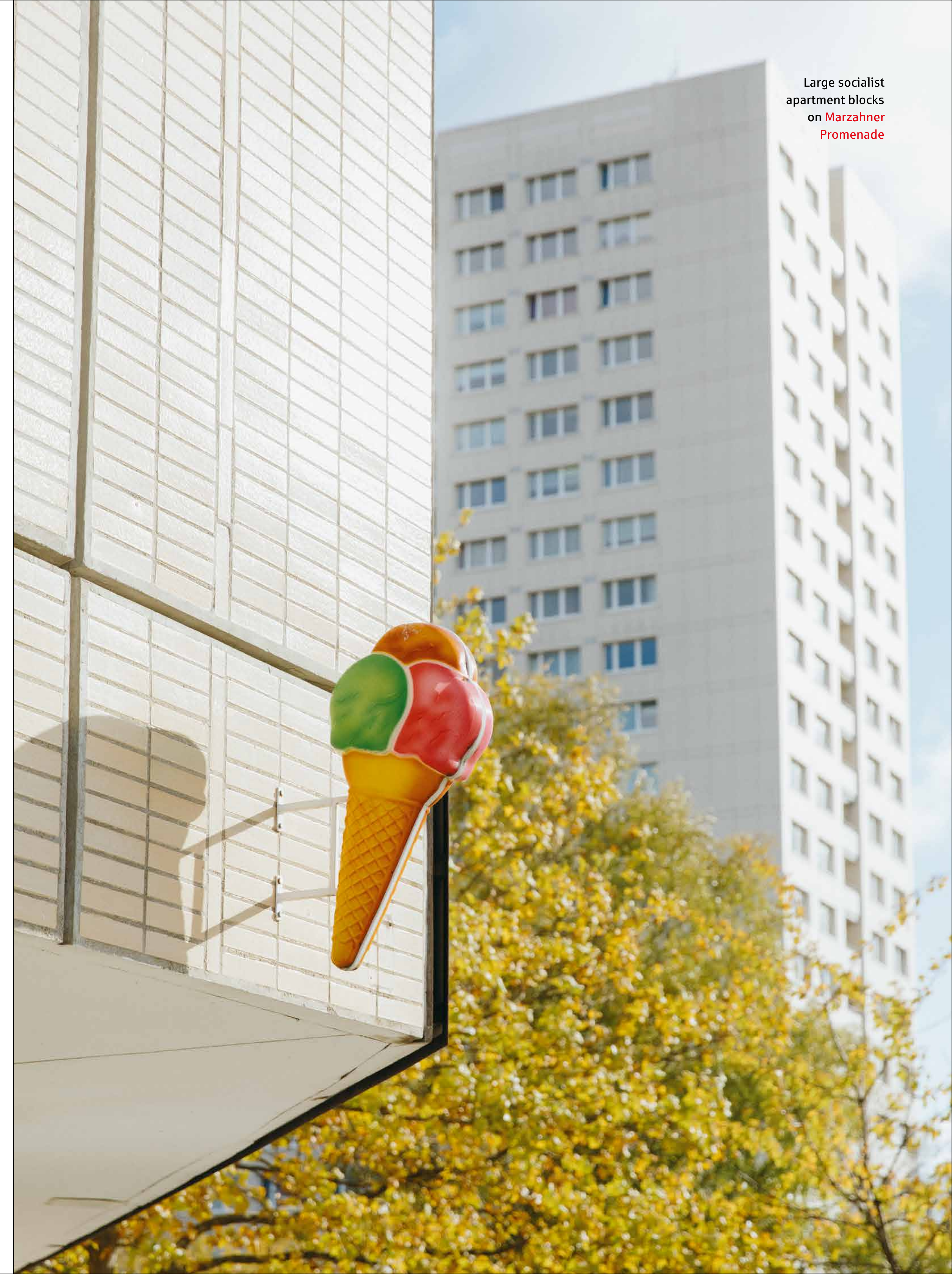
Nowadays the overall household purchasing power in the northern areas of Marzahn-Hellersdorf – apart from Hellersdorf-Nord and Ahrensfelde – is often close to the Berlin average. There are many double-income households here, while in general the large housing estates are not attractive for single pensioners or students, who usually have rather low purchasing power. Many residents who have been living here for decades greatly appreciate their residential areas and the environment.

Garden Show and new developments

The image and quality of life in the districts was boosted considerably in 2017. This was the effect of the International Garden Show (IGA), which was open until autumn 2017 on more than 100 hectares on and around a man-made hill, the Kienberg, between Marzahn and Hellersdorf. This now forms the upgraded green heart of the district, with wide views over the city. After completion of the IGA, there will be free access to the newly-constructed Kienbergpark, which will provide an attractive leisure and recreational area. Around the Kienbergpark, asking rents have recently risen faster than the district average, although they are still significantly less than the city-wide mean. In terms of quantity, however, the market focus is to the east of here, in Hellersdorf-Nord (12627). Of all the eleven postcodes in Marzahn-Hellersdorf, apartment-hunting households can find the largest numbers of apartments advertised to let here. The area is the remotest of the large prefab locations from the city centre. It also has the lowest average household purchasing power in the district. Its image and quality of life are gradually gaining momentum, as is new development activity in the north of the district. According to current information, almost 1,200 new residential units will be completed in 2018 and 2019 alone. More than 80 percent of them will be available for rental, a proportion of these will be subsidised units with monthly rents starting at 6.50 per square metre.



Prefab buildings reveal a colourful district



Large socialist apartment blocks on Marzahner Promenade

Soto Store on Torstrasse sells streetwear

Mitte

Berlin's historic centre is regaining its former role as the heart of a cosmopolitan city. Government, corporate headquarters, upmarket shops and culture of the highest level are found here. However, it is not a sterile boulevard but rather a frenetic city core for everyone. It has modest as well as luxury housing. The Moabit and Wedding sub-districts are working class areas with a rich tradition, in which the supply of housing and the population structure are becoming increasingly varied.

View from the city railway onto the television tower

District:	371,407	39.47 km²	194,023
	Residents	Surface area	Residential units

Left:
Joachimstrasse 11
by David Chipperfield

This page:
New-modern vs.
new-classicism – two
façades on
Auguststrasse

Robust trend on the edge of the city centre

The Mitte district is very heterogeneous. While the inner city and adjoining neighbourhoods are dominated by culture, politics and international flair, the north is changing only slowly.

Facts

Chausseestrasse expensive hot spot

—

Largest central development area of Berlin at the main railway station

The district comprises the historic city centre, the Tiergarten and Moabit areas to the west, and the former district of Wedding. Mitte includes the city's most expensive residential and retail locations, particularly in the area between Potsdamer Platz, Unter den Linden/Friedrichstrasse and Hackescher Markt. Moabit is developing, particularly near the central railway station, which opened twelve years ago. Near to the station there are large development areas like Europacity, where thousands of apartments, as well as office and commercial units, are being built. The southern part of Wedding benefits from its proximity to the city centre, whereas things are calmer in the remoter north.

A few years ago, even in the immediate vicinity of the historic centre of the city, there were still vacant areas that were avoided by both investors and apartment hunters. This applied in particular to the northwest, around Chausseestrasse (postcode 10115), where there were numerous brownfield sites on the erstwhile border strip along the Wall, on former industrial sites and the open area of a former sports stadium. Here, golf was once played, only a few minutes' walk from two federal ministries and Berlin central station. Nearby, suburban-looking terraces of houses are being built between the existing multi-storey buildings. Higher density buildings appeared to be unmarketable when they were built.

Since then, things have changed completely. The former golf course is now the site of the headquarters of the Federal Intelligence Agency, with more than 3,000 office workers. In recent years, the surround-

View from the low-level station Potsdamer Platz onto the Ritz Carlton Hotel

Andreas Richter works for one of the many large law firms on Potsdamer Platz

3 Projects

Exciting new uses for previously vacant land

So Berlin (Construction phase)

Area: **Gesundbrunnen**
Street: **Gleimstrasse**
Residential units: **391**
Type of use: **rent, partly subsidised**
Rent €/m²: **avg. 9.00 (priv. fin.)**

Alexander-Tower

Area: **Mitte**
Street: **Grunerstrasse**
Residential units: **475**
Type of use: **condominium**
Sale prices €/m²: **5,000–15,000**

G40

Area: **Tiergarten**
Street: **Genthiner Strasse**
Residential units: **113**
Type of use: **condominium**
Sale prices €/m²: **avg. 6,500**

ings were a focus of housing development in Berlin, so that numerous new rental apartments came onto the market. Among other things, this has led to the median asking rent in the area around Chausseestrasse increasing by 20 percent in 2017. At exactly 15 Euros per square metre per month, it is currently the highest in Berlin, just ahead of the Unter den Linden promenade, at 14.98 Euros per square metre. There are similar trends on the other, southern side of the historic centre, around the Jannowitzbrücke (10179) and in the surroundings of Potsdamer Platz (10785). However, the rental growth there was even more moderate, at 11.5 percent.

Affordable rents on Rehberge

The northern edge of the district, part of the former district of Wedding and on the boundary of Reinickendorf, provides the greatest contrast to the historic centre, in every respect. The areas with the lowest asking rents in the district, below 10 Euros per square metre, are around Soldiner Strasse (13359) and the Schillerpark (13349), while rents in Rehberge (13351) are precisely on this threshold.

Over wide expanses here, it's easy to imagine that one is no longer in Berlin-Mitte. Terraced buildings from the inter- and post-war periods predominate, often in leafy surroundings, but modestly designed and sometimes in need of refurbishment. Inside, although there are functional layouts, the ceilings are low compared with older buildings and the overall interior

Location

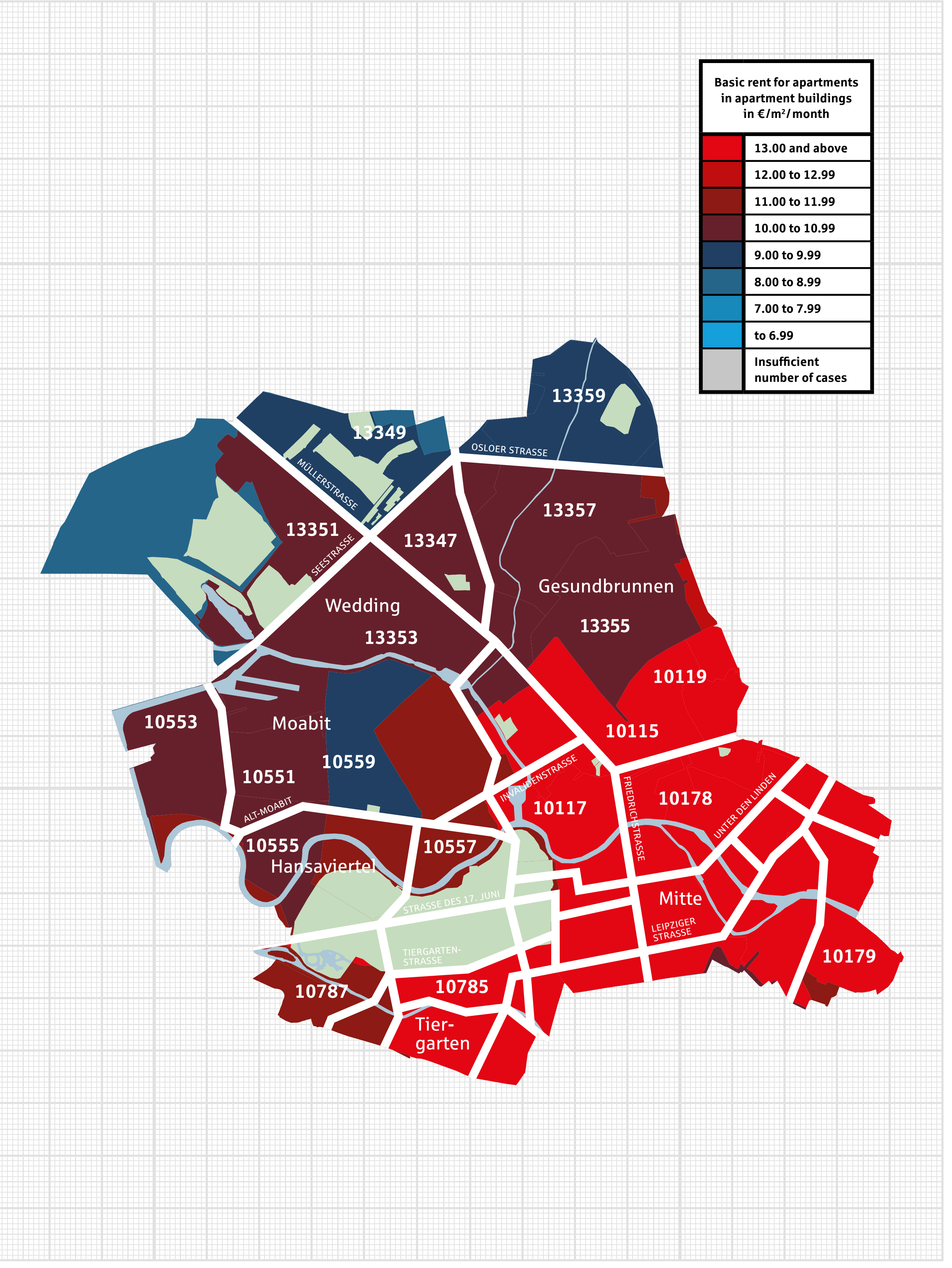
5,979
Dogs

26,225
Roadside trees

2.27
Schools
per 1,000 pupils

Housing market data					Housing cost			
Postcode	Number of rental offers	Basic rent in all market segments[1] in €/m²/month	Basic rent in bottom market segment[1] in €/m²/month	Basic rent in top market segment[1] in €/m²/month	Apartment size, avg. in m²	Total housing cost[2], avg. in €/month	Household purchasing power, avg. in €/month	Housing cost ratio[3] in %
10115	776	15.00 (1)	7.84 (18)	20.02 (6)	81 (39)	1,397 (10)	2,827 (125)	49.4 (1)
10117	552	14.98 (2)	7.50 (30)	20.45 (4)	96 (8)	1,648 (2)	3,533 (37)	46.6 (3)
10119	294	14.00 (5)	8.33 (4)	20.06 (5)	78 (47)	1,263 (18)	2,847 (119)	44.4 (7)
10178	204	14.00 (5)	6.51 (100)	20.00 (7)	85 (20)	1,376 (11)	2,928 (103)	47.0 (2)
10179	273	14.18 (4)	8.31 (7)	18.51 (15)	82 (32)	1,338 (13)	2,928 (105)	45.7 (4)
10551	230	10.75 (59)	6.37 (117)	14.50 (75)	68 (108)	917 (77)	2,601 (164)	35.3 (44)
10553	201	10.21 (73)	6.96 (67)	14.59 (73)	68 (108)	881 (92)	2,457 (188)	35.9 (43)
10555	212	10.96 (53)	7.18 (47)	17.21 (32)	74 (72)	1,012 (55)	2,701 (152)	37.5 (28)
10557	257	11.48 (40)	6.76 (81)	19.51 (8)	78 (47)	1,106 (38)	3,003 (94)	36.8 (32)
10559	191	9.91 (87)	6.26 (128)	13.03 (107)	67 (118)	845 (101)	2,615 (162)	32.3 (73)
10785	224	14.50 (3)	7.01 (64)	18.01 (18)	88 (17)	1,521 (8)	3,332 (54)	45.6 (5)
10787	72	11.94 (27)	7.27 (40)	17.36 (28)	80 (40)	1,171 (27)	3,443 (42)	34.0 (54)
13347	306	10.50 (64)	6.65 (91)	15.00 (63)	66 (124)	879 (94)	2,489 (182)	35.3 (44)
13349	134	9.50 (100)	6.31 (122)	15.01 (61)	59 (180)	727 (146)	2,458 (187)	29.6 (87)
13351	222	10.00 (78)	7.14 (51)	13.21 (104)	60 (168)	769 (125)	2,479 (184)	31.0 (80)
13353	385	10.00 (78)	6.84 (73)	13.76 (95)	60 (168)	761 (132)	2,374 (189)	32.0 (76)
13355	163	10.92 (54)	6.25 (131)	15.94 (51)	67 (118)	920 (76)	2,473 (185)	37.2 (29)
13357	354	10.03 (76)	6.00 (149)	13.41 (100)	65 (133)	836 (103)	2,511 (179)	33.3 (67)
13359	271	9.41 (109)	6.37 (117)	13.01 (109)	65 (133)	785 (119)	2,345 (190)	33.5 (64)
District	5,321	11.83	6.72	18.51	75	1,070	2,682	39.9
Berlin	41,125	9.79	6.17	16.00	72	884	3,046	29.0

1) Median **2)** Includes operating costs (BBU 2015) 2.23 (eastern Berlin), 2.73 €/m² (western Berlin) and 2.48 €/m² (all of Berlin) **3)** Rent (incl. utilities) as percent of household purchasing power **( )** Rank among the 190 postcodes with rental data **Sources:** CBRE based on data from empirica-systeme, Michael Bauer Research (purchasing power); compiled by CBRE



Sources: CBRE based on data from empirica-systeme
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standards are rather basic. The provision of shops, services and local public transport is less pronounced. In addition, large parts of this area are under the flightpath of Tegel airport, creating high levels of traffic and aircraft noise. Here as well, asking rents have consistently risen into the two-digit bracket, although in some cases the increase in percentage terms has been less than in the more central parts of the district.

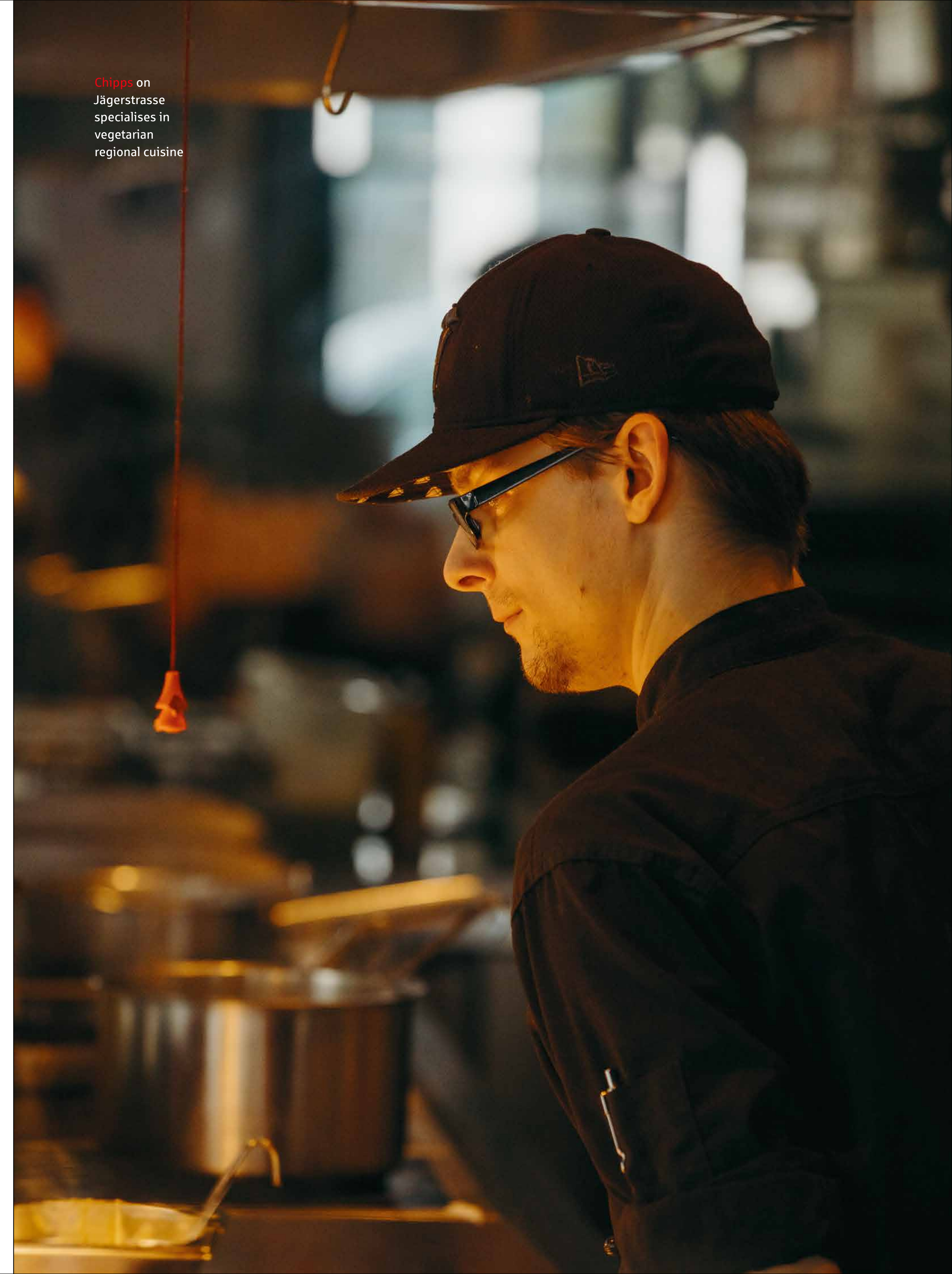
New Europacity near the central station

The neighbourhoods in Moabit and Wedding that are nearer to the centre, are undergoing more pronounced changes than those in the north of the district. The most significant are in the Hauptbahnhof / Bellevue (10557) area of Moabit. Before, and even long after the fall of the wall, this was in limbo between West and East. It is partly dominated by older and post-war buildings, partly by still derelict sites, such as the former railway goods station on Heidestrasse.

The Europacity, currently the largest development area in central Berlin, is now under construction immediately to the north of the central station. Some buildings have already been completed. A very mixed structure, with differing types of use, is already apparent: hotels and upmarket offices near the railway station, good residential areas on the Berlin-Spandau ship canal. Higher density and taller commercial and residential buildings are to be constructed alongside the railway tracks and the main roads. They include the “Mittenmang” project, with rental and condominium apartments, on Lehrter Strasse.

The image of a dynamic, heterogeneous and new city district is emerging. Heidestrasse, which suffers from heavy traffic, is to be converted to a “boulevard” (according to the marketing concept) and should provide the necessary amenities. Subsidised apartments will also be included in the project. After completion, a public housing association will take them into its portfolio. In a few years, the present extensive views over derelict land will be replaced by an outlook of densely developed streets, in some cases with high buildings.

The place for elegant dining, sophisticated shopping and fine arts



Chipps on Jägerstrasse specialises in vegetarian regional cuisine

Men only:
Jack's Barber Shop
on Sonnenallee

Neukölln

The lively north of the district is dominated by trendsetters, migrants, students and young tourists. The shopping, cultural and café / restaurant facilities are correspondingly wide-ranging. The leafier areas begin south of the S-Bahn and the motorway, including an estate that is a World Heritage Site, a well-maintained garden show park, an optimally connected and socially stable satellite town and extensive areas of private houses that are not just for the well-to-do.

The minaret of the
mosque on
Columbiadamm

District:	327,522	44.93 km²	162,842
	Residents	Surface area	Residential units

This page:
Ausbauhaus on Braunschweiger Strasse by Praeger Richter architects

Right:
Buildings from the turn of the 19th century on Weserstrasse

Kreuzkölln trendy, the south of the district middle-class

The north of the district is lively, densely developed and sought-after. In the leafy south of Neukölln, so far, rents are rising more moderately

Facts

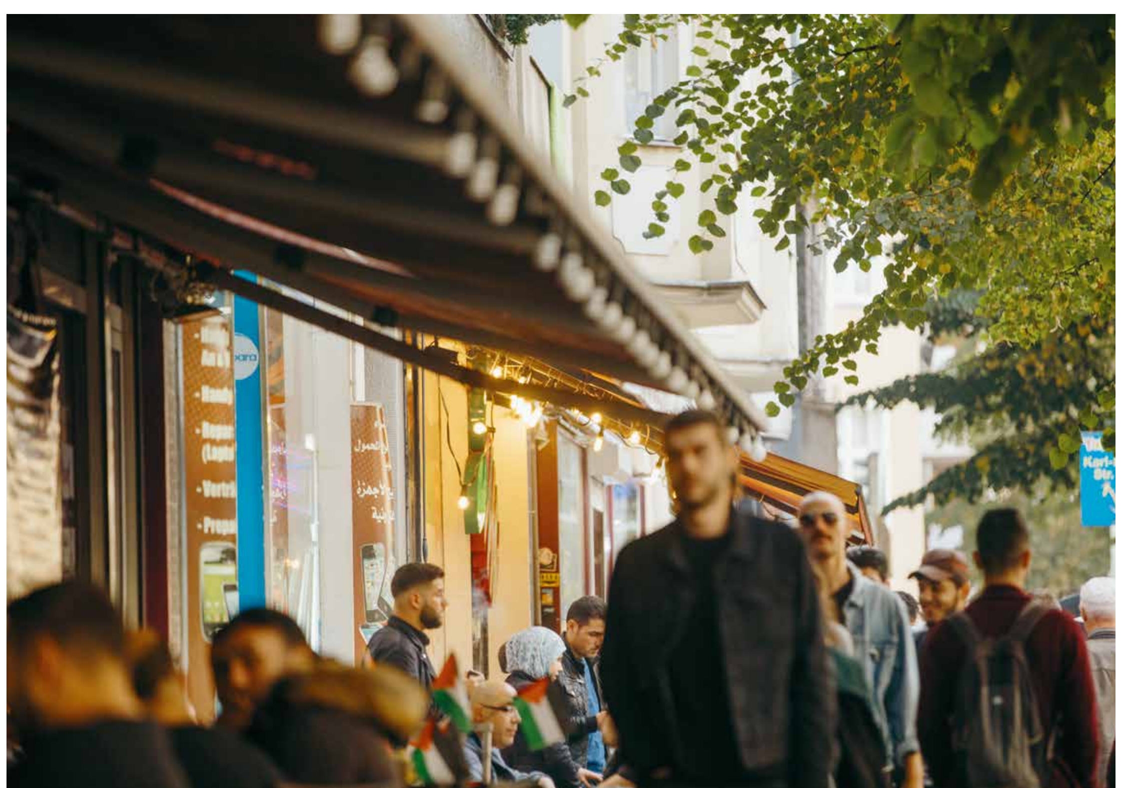
Low purchasing power in northern Neukölln
—
Affordable quarters in the south

Neukölln extends from the boundary of Kreuzberg to the southern edge of the city. Structurally, the district is in four parts. The north is a largely homogeneous area of older buildings, interspersed with post-war development. To the south of that, there is an area of mixed commercial and residential. The south includes the large Gropiusstadt housing estate, which apartment hunters are once again finding more attractive, and the surrounding large expanses of individual and duplex houses.

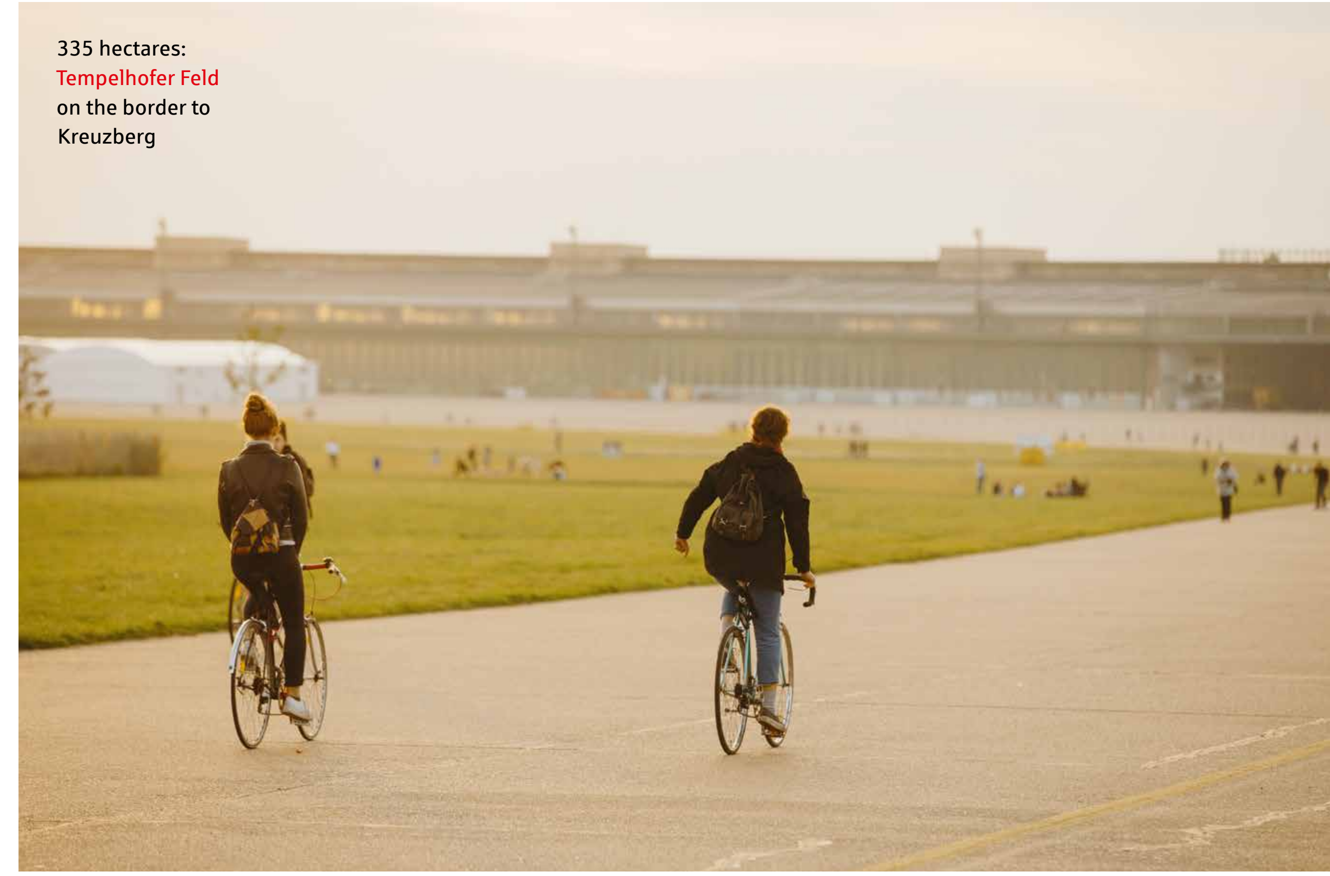
A Bohemian village in the city

In the northern part of the district there is a Bohemian village in the heart of the city – with village green, several churches, blacksmiths, cemetery, a row of barns, an orchard, the educational-philosophical Comenius Garden and even a Bohemian village museum, as a testimony to earlier immigration. Yet all this is set among the older, mainly Turkish and Arabic-influenced buildings in the Neukölln streetscape.

The area around Böhmisch-Rixdorf (postcode 12055), with its very special mixture, now boasts the highest median asking rents in Neukölln. That's even more surprising, because the majority of apartments on offer are not in the village but in narrow, Wilhelminian-era streets. The smaller area is all the more splendid: airy new buildings round the village green, ateliers around the graveyard and generously fitted-



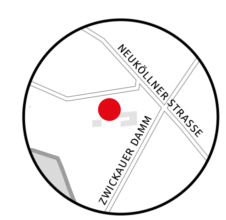
Oriental charm on the 4.5 km long Sonnenallee



335 hectares: Tempelhofer Feld on the border to Kreuzberg

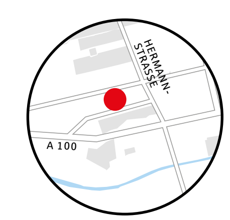
3 Projects Exciting new uses for previously vacant land

Fritz Erler Allee



Area: **Gropiusstadt**
Street: **Fritz Erler Allee**
Residential units: **102**
Type of use: **rent**
Rent €/m²: **8.50–10.50**

Wohnpark St. Marien (1st construction phase)



Area: **Neukölln**
Street: **Mariendorfer Weg**
Residential units: **116**
Type of use: **rent**
Rent €/m²: **approx. 10.00**

Pulse

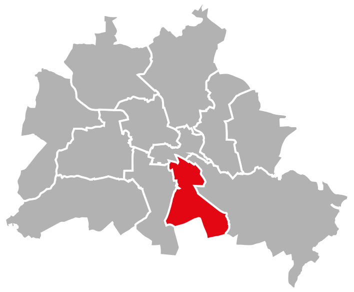
Area: **Neukölln**
Street: **Delbrückstrasse**
Residential units: **12**
Type of use: **condominium**
Sale prices €/m²: **4,600–6,500**

out loft storeys. On average, the apartments advertised are slightly larger than in other parts of North Neukölln, which are dominated by housing built for workers, with one to – at the most – three rooms. The amenities are excellent. There are U-Bahn and S-Bahn stops in the area, and, after its refurbishment/conversion, the nearby Karl Marx Strasse will be upgraded as a shopping and cultural area. Trendy meeting places, like the Klunkerkranich on the roof of a shopping mall, are in easy reach.

Where trendiness counts more than quality of life

Hotspots like this also make the rest of North Neukölln more attractive. Another advantage is that the area has recreational features on three sides: canals in the north and east and the Tempelhofer Feld in the west. The median asking rents are well over 10 Euros per square metre throughout. Northern Neukölln primarily attracts younger people, who cannot, or no longer want to, afford to live in nearby Kreuzberg. Scarcity of supply in Kreuzberg is also driving them into adjoining areas. Nightlife is important, for instance on Weserstrasse, formerly infamous for criminality, that has now become a bar area, so the high rent per square metre is offset by the smaller apartments.

The average household purchasing power of less than 2,600 Euros in the whole of the north of Neukölln is still at the bottom of the rankings in Berlin. High earners tend to stay away from a district in which apartments are frequently small, many windows rarely see sunshine, and where finding a parking spot in the evening is a matter of luck. Potential occupiers here therefore have a lower ability to pay



Location

8,486
Dogs

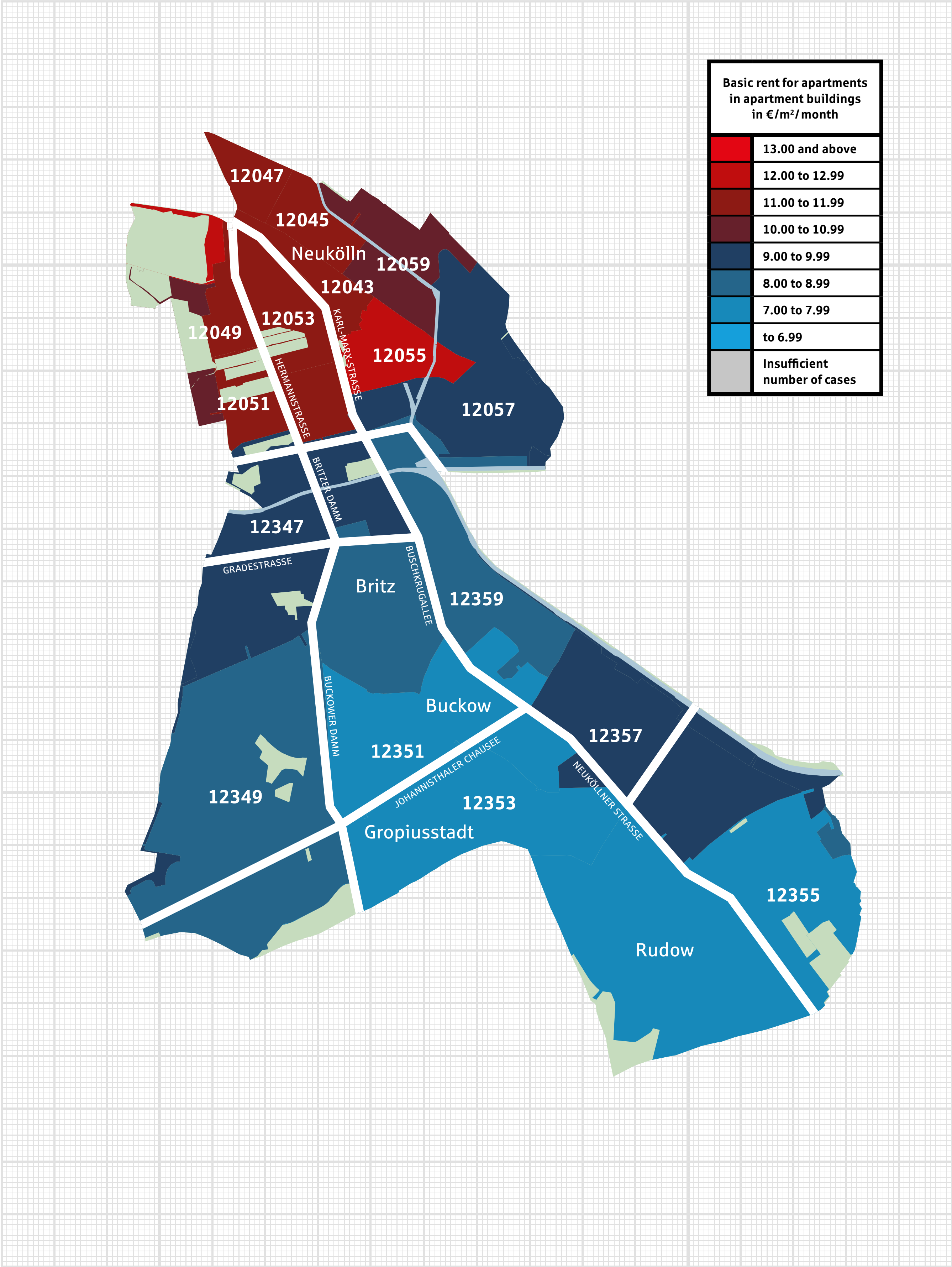
20,297
Roadside trees

2.35
Schools
per 1,000 pupils

Housing market data | **Housing cost**

Postcode	Number of rental offers	Basic rent in all market segments[1] in €/m²/month	Basic rent in bottom market segment[1] in €/m²/month	Basic rent in top market segment[1] in €/m²/month	Apartment size, avg. in m²	Total housing cost[2], avg. in €/month	Household purchasing power, avg. in €/month	Housing cost ratio[3] in %
12043	123	11.10 (44)	6.53 (99)	14.21 (79)	71 (87)	983 (61)	2,594 (166)	37.9 (22)
12045	187	11.88 (28)	6.82 (75)	16.43 (41)	61 (160)	891 (87)	2,588 (169)	34.4 (50)
12047	154	11.72 (33)	6.63 (92)	15.56 (54)	61 (160)	887 (89)	2,527 (178)	35.1 (48)
12049	240	11.70 (34)	7.17 (50)	17.92 (22)	57 (184)	826 (106)	2,481 (183)	33.3 (67)
12051	227	11.22 (43)	7.38 (35)	17.25 (29)	65 (133)	903 (83)	2,501 (180)	36.1 (38)
12053	121	11.64 (37)	6.27 (126)	15.31 (57)	65 (133)	931 (72)	2,592 (167)	35.9 (41)
12055	200	12.22 (18)	7.44 (32)	16.73 (37)	63 (152)	936 (70)	2,590 (168)	36.1 (38)
12057	147	9.22 (116)	6.00 (149)	12.00 (134)	60 (168)	717 (149)	2,466 (186)	29.1 (90)
12059	215	10.92 (54)	7.03 (60)	14.94 (67)	61 (160)	832 (105)	2,493 (181)	33.4 (66)
12347	268	9.53 (99)	6.27 (126)	13.79 (94)	67 (118)	817 (108)	2,891 (113)	28.3 (98)
12349	163	8.23 (153)	5.96 (156)	10.45 (175)	62 (158)	675 (162)	3,283 (58)	20.6 (169)
12351	115	7.88 (166)	5.66 (169)	10.47 (174)	63 (152)	673 (163)	3,124 (77)	21.5 (160)
12353	162	7.43 (175)	5.33 (178)	10.51 (173)	65 (133)	660 (166)	3,108 (80)	21.3 (162)
12355	135	7.49 (170)	6.02 (147)	10.65 (169)	66 (124)	677 (160)	3,595 (33)	18.8 (182)
12357	106	9.01 (120)	6.43 (113)	13.55 (97)	69 (99)	814 (111)	3,880 (19)	21.0 (167)
12359	194	8.45 (146)	6.05 (143)	11.81 (144)	60 (168)	671 (164)	2,846 (121)	23.6 (142)
District	2,757	9.83	6.18	15.11	63	793	2,857	27.7
Berlin	41,125	9.79	6.17	16.00	72	884	3,046	29.0

1) Median **2)** Includes operating costs (BBU 2015) 2.23 (eastern Berlin), 2.73 €/m² (western Berlin) and 2.48 €/m² (all of Berlin) **3)** Rent (incl. utilities) as percent of household purchasing power **( )** Rank among the 190 postcodes with rental data **Sources:** CBRE based on data from empirica-systeme, Michael Bauer Research (purchasing power); compiled by CBRE



Sources: CBRE based on data from empirica-systeme
© Cartography: Nexiga, 2006–2014 Tom Tom

than elsewhere. Although the asking rents are rising, in most areas the percentage increase is lower than the Berlin average. New construction projects are rare, because of the lack potential sites.

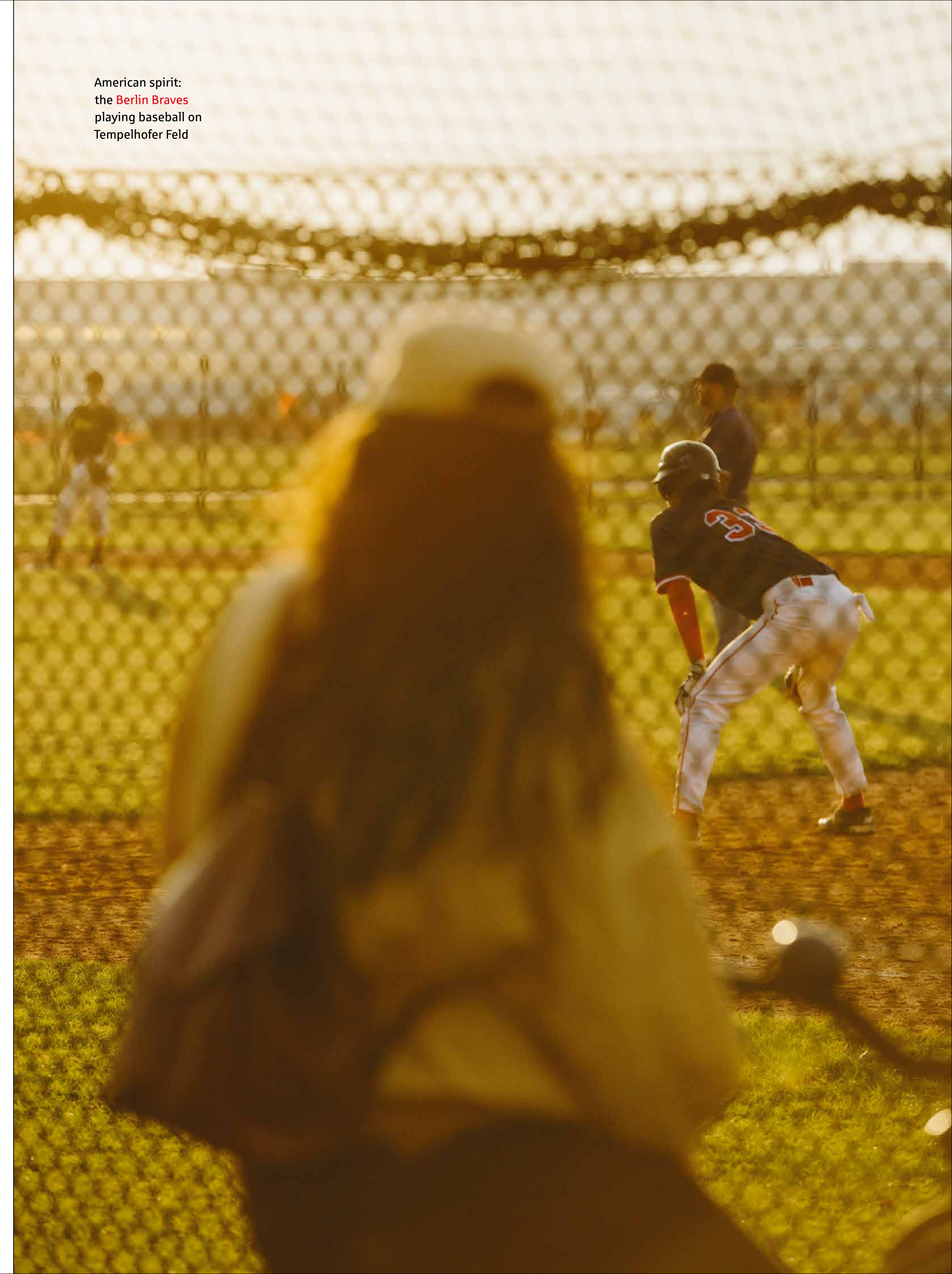
Infill development in Gropiusstadt

Things are quite different in the south of Neukölln. Firstly, it is dominated by the high-rise buildings of the Gropiusstadt, the famous large housing estate developed in the 1960s and 1970s, which extends like a ribbon through Britz, Buckow and Rudow. Since 2002, the Gropiusstadt is an independent urban district in the Neukölln district. This satellite town, named after its planner Walter Gropius, the architect and founder of the Bauhaus, contains more than 18,000 apartments, most of which are owned by a public housing association. The Gropiusstadt benefits from very good local public transport connections via its eponymous U-Bahn station. It also includes the Gropius-Passagen, the city's second-largest shopping centre, which is one of the largest in Germany.

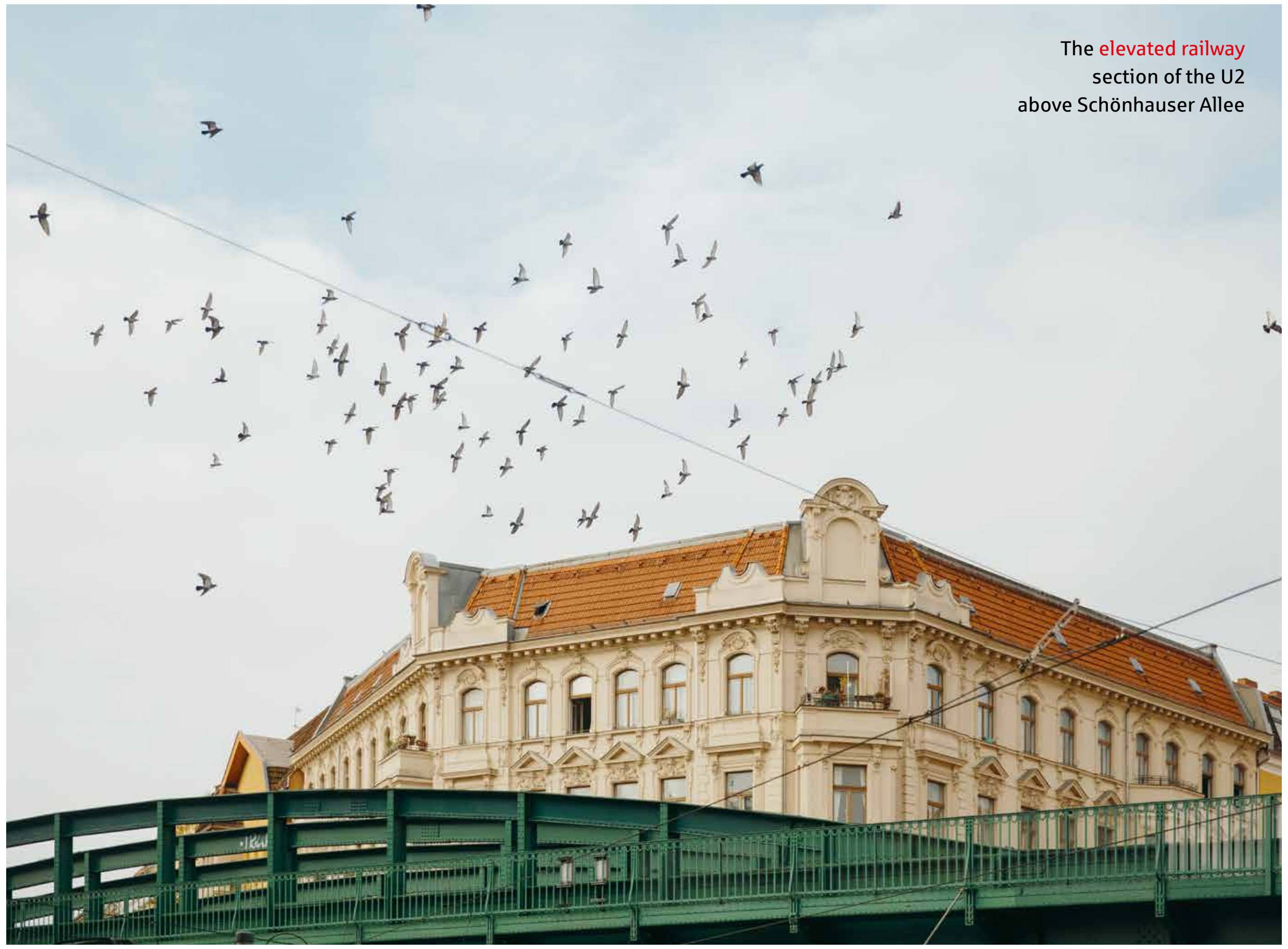
The Gropiusstadt is mostly in postcode area 12353, where the municipal company Degewo is carrying out some infill development in some of the sparsely-developed areas. Overall, relatively few apartments are publicly advertised in Gropiusstadt. This could be due to low tenant fluctuation but is also because the major landlords have extensive waiting lists, making public advertising unnecessary. The less densely developed parts of the Gropiusstadt are particularly sought-after. Terraced buildings often have only four storeys and are set in extensive greenery. Overall, because of the high level of excess demand in the city centre, the area is increasingly sought-after as a more affordable place to live. This large housing estate has considerably improved its reputation, which was formerly not always unproblematic. Although the median asking rent has recently risen sharply in percentage terms, on average it is still under 8 Euros per square metre per month.

Around the Gropiusstadt are extensive areas dominated by individual and two-family (duplex) houses. The household purchasing power here is above the Berlin average, the asking rents significantly lower. In purely arithmetical terms, therefore, occupiers need to lay out less than 24 percent of their household purchasing power for an apartment on offer, compared with over 30 percent almost everywhere in North Neukölln. This ratio is the most favourable in Rudow-South (12355), close to Schönefeld airport and the forthcoming new major airport BER. When this eventually opens, although Rudow will be very close to the airport, according to the latest plans for the flight routings, it will not be directly under the take-off and landing flight paths, with the associated noise pollution.

Hipsters, immigrants, students and young tourists



American spirit: the Berlin Braves playing baseball on Tempelhofer Feld



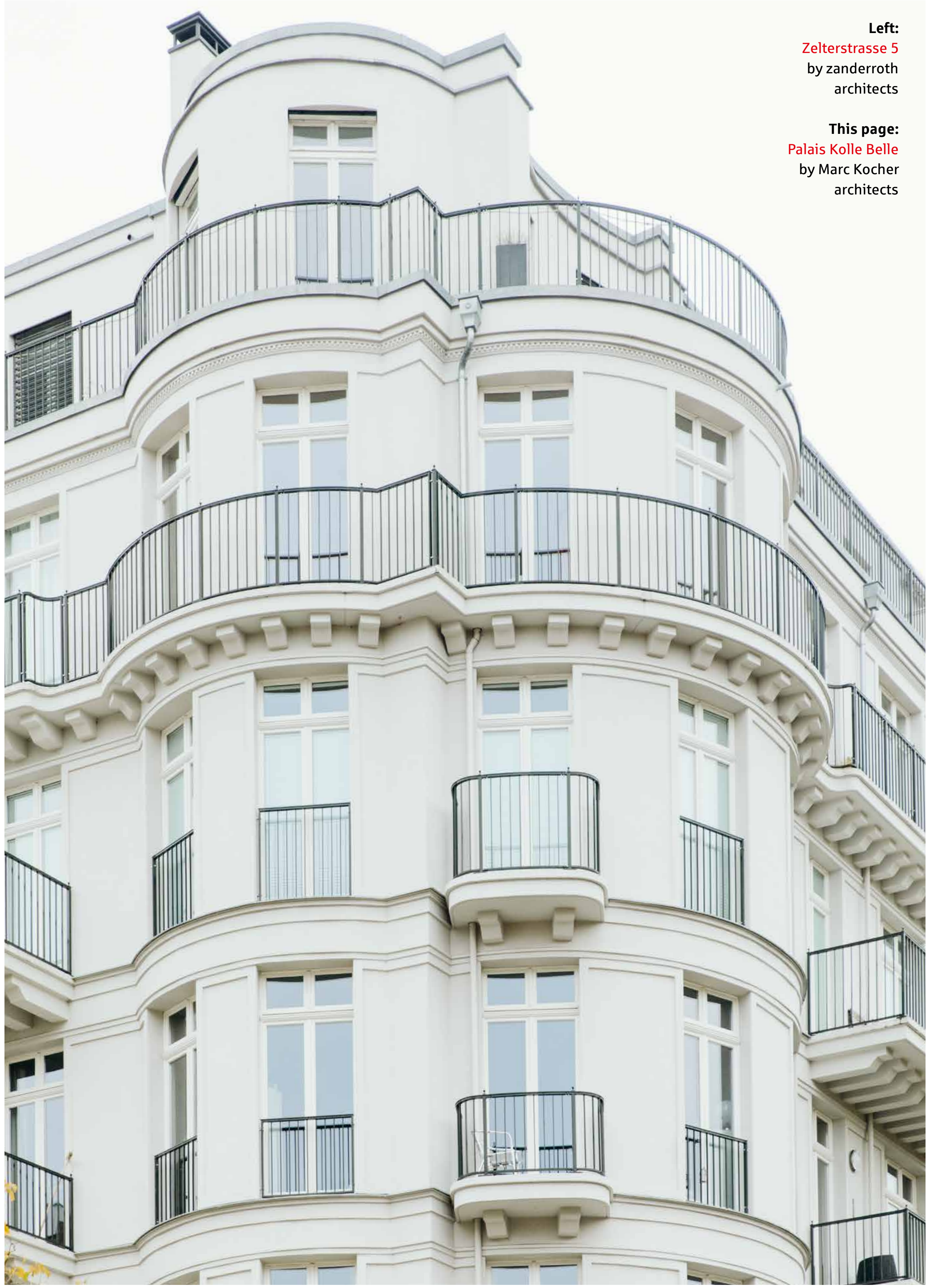
The elevated railway section of the U2 above Schönhauser Allee

Pankow

Pankow is urban and rural, trendy and dignified, history-conscious and modern. There are housing types for everyone – whether in a hip neighbourhood with cramped courtyards close to the city centre, or a garden home on the edge of a village. There is enormous development potential on undeveloped and underdeveloped sites, and extensive requirements for all types of infrastructure. This frequently requires major discussion and decision-making that is not always agreeable for all concerned.

The wooden butler waits for wealthy shoppers on the Kollwitzplatz market

District:	397,406 Residents	103.15 km^2 Surface area	214,136 Residential units



Left:
Zelterstrasse 5
by zanderroth
architects

This page:
Palais Kolle Belle
by Marc Kocher
architects

North-south divide

Prenzlauer Berg is expensive and diverse. Further northwards, apartment sizes and asking rents decline.

Facts

Small apartments around Ostseestrasse

—

High asking rents in southern part of Prenzlauer Berg

Pankow, the most populous district of Berlin, has the greatest prospects of demographic growth. The numerous undeveloped areas in the north and northeast of the district are another favourable factor. There is widespread prejudice that Prenzlauer Berg, in southern Pankow, has been gentrified and is homogeneous. In reality, however, it is still mixed. There are more affordable areas directly to the north. Instead of blocks dating from the Wilheminian era there are more recent buildings. Apartment hunting households can still find asking rents averaging less than 9 Euros per square metre, for example in Karow, Buch and Französisch Buchholz.

Variety in Prenzlauer Berg

According to the stereotype, Prenzlauer Berg is an area for bourgeois families, in which poorer people have long since not been welcome. However, the cityscape is still dominated by seniors and young people from all walks of life. As well as fashionable restaurants and family cafes, there are rustic pubs, shisha bars and takeaways. The average household purchasing power is on a par with or below the Berlin average. Nowhere in Prenzlauer Berg is it significantly higher. The urban structure is one reason for this. Throughout, there are still the classic Berlin Wilhelminian buildings, where the lower floors of the rear sections rarely or never see the sunlight. These apartments are often small, frequently lack balconies, and have views only across the courtyard or of the nearest firewall. Many other apartments are situated on the arterial roads through the district, Schönhauser Allee, Prenzlauer Allee, Greifswalder Strasse and Danziger Strasse. The more they are affected by traffic and/or lack sunlight, the harder it is to achieve high rents. Those paying moderate rents in Prenzlauer Berg often have either to accept possible disadvantages in terms of quality, have occupied the apartment for a long period, or rent it from a public housing company or association.

In general, the rental market is dominated by spacious, brighter apartments in quieter side streets. They are aimed at the supposedly typical occupants: families with high-earning parents, middle-class couples and affluent single people. Apartments like this dominate the asking rents in the south of Prenz-

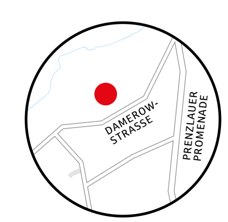
Fresh flowers whatever the season at the weekly market on Kollwitzplatz

A street that goes against the grain, diagonal to the Schönhauser Allee: Kastanienallee

3 Projects

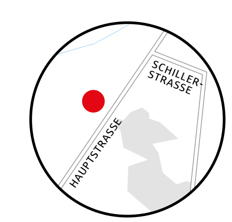
Exciting new uses for previously vacant land

Mendelstrasse



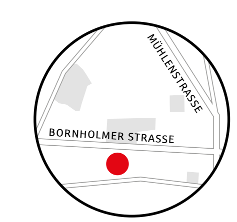
Area: **Pankow**
Street: **Mendelstrasse**
Residential units: **351**
Type of use: **rent, partly subsidised**
Rent €/m²: **from 6.50; avg. < 10.00**

Garibaldi 17



Area: **Wilhelmsruh**
Street: **Garibaldistrasse**
Residential units: **36**
Type of use: **condominium**
Sale prices €/m²: **3,750–4,990**

Nio



Area: **Prenzlauer Berg**
Street: **Bornholmer Strasse**
Residential units: **194**
Type of use: **condominium**
Sale prices €/m²: **3,400–5,200**

lauer Berg. They are among the most expensive in Berlin, particularly around Kollwitzplatz (postcode 10435). The neighbourhood is characterised by Wilhelminian streets, such as Choriner Strasse, with many diverse older buildings and a great deal of urbanity. Nevertheless, recent rent rises have only been average. On Prenzlauer Allee (10405) the median asking rent is actually stagnating.

Smaller apartments, lower rents

In contrast, in the rather more affordable area around Arnimplatz (10439), north of Prenzlauer Berg and the area around Danziger Strasse (10407), situated east of it, the rise in rents is in double digits. This is despite being somewhat further from the city centre, houses and shops often being more modest, and the apartments on offer smaller. The latter can even be an advantage: it slightly reduces the total rent payable. Households that can no longer find anything suitable in Prenzlauer Berg are moving out to the more northerly areas. Accordingly, the landlords' asking rents are already approaching the 12 Euros per square metre mark, putting them only slightly below the median asking rents in the area around Kollwitzplatz, Helmholtzplatz and Prenzlauer Allee.

The rule that applies to Pankow is: where the densely developed Wilhelminian buildings end and the 1920s and 1930s blocks start, asking rents and

Location

10,267
Dogs

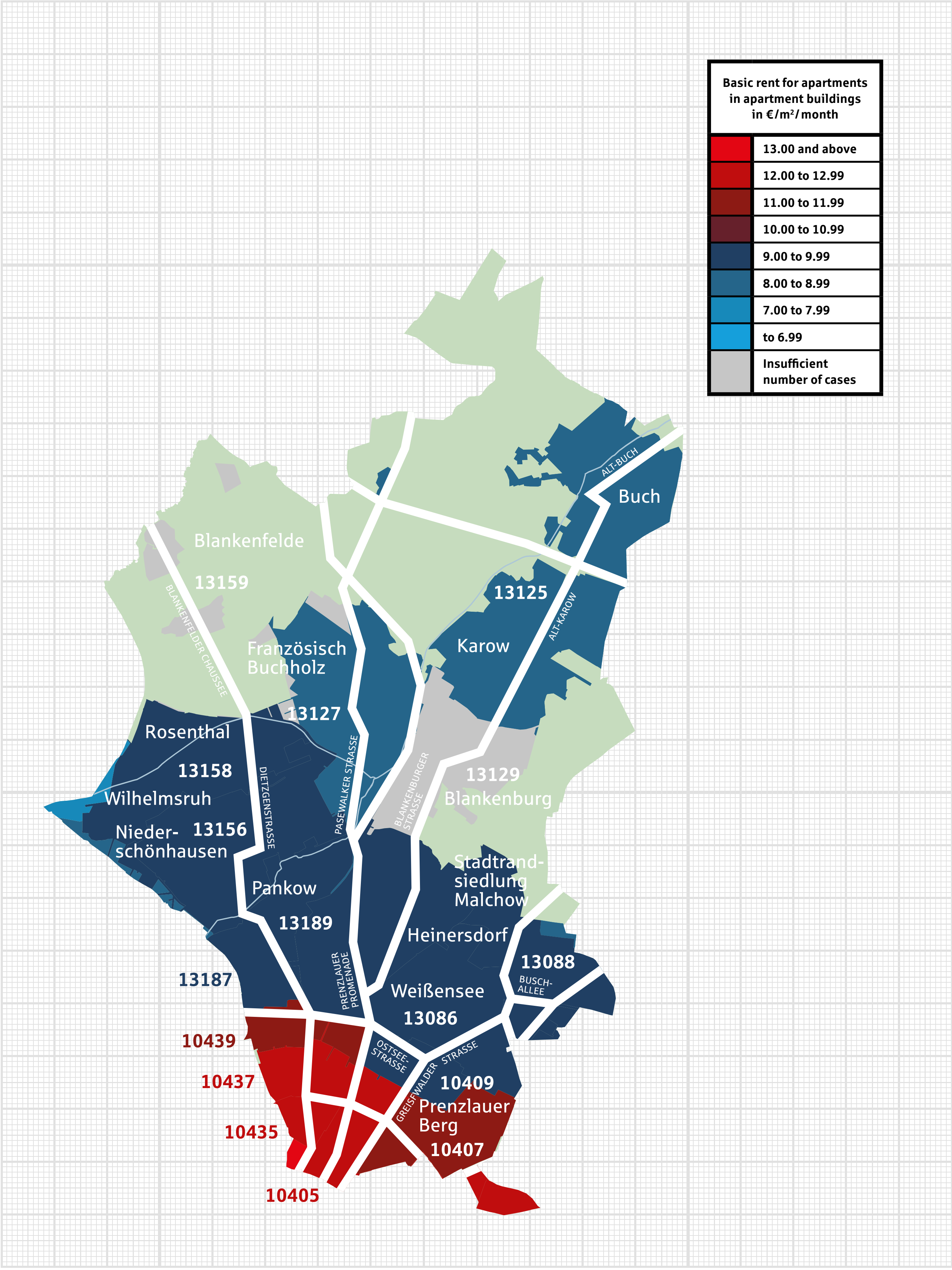
43,417
Roadside trees

2.55
Schools
per 1,000 pupils

Housing market data / **Housing cost**

Postcode	Number of rental offers	Basic rent in all market segments[1] in €/m^2/month	Basic rent in bottom market segment[1] in €/m^2/month	Basic rent in top market segment[1] in €/m^2/month	Apartment size, avg. in m^2	Total housing cost[2], avg. in €/month	Household purchasing power, avg. in €/month	Housing cost ratio[3] in %
10405	457	12.51 (12)	6.92 (69)	18.00 (20)	79 (41)	1,163 (28)	3,089 (83)	37.6 (26)
10407	301	11.69 (35)	5.84 (163)	17.23 (31)	70 (95)	979 (63)	2,796 (129)	35.0 (49)
10409	264	9.93 (85)	6.06 (142)	13.80 (93)	59 (180)	712 (154)	2,544 (175)	28.0 (100)
10435	224	12.67 (11)	6.77 (79)	17.54 (27)	82 (32)	1,217 (21)	2,987 (97)	40.7 (15)
10437	477	12.25 (17)	7.50 (28)	17.00 (34)	73 (78)	1,058 (46)	2,779 (135)	38.1 (21)
10439	553	11.99 (26)	7.57 (26)	15.44 (55)	69 (99)	984 (60)	2,597 (165)	37.9 (22)
13086	502	9.71 (92)	6.12 (138)	15.00 (63)	68 (108)	810 (113)	2,734 (147)	29.6 (85)
13088	327	9.37 (110)	5.88 (162)	14.09 (82)	68 (108)	788 (118)	2,898 (112)	27.2 (109)
13089	40	8.75 (137)	5.58 (171)	11.87 (142)	63 (152)	695 (157)	3,384 (50)	20.5 (171)
13125	429	8.00 (163)	6.39 (116)	11.67 (147)	69 (99)	710 (155)	3,294 (57)	21.5 (160)
13127	244	8.75 (137)	6.81 (76)	11.49 (151)	74 (72)	817 (108)	3,389 (49)	24.1 (134)
13129	17	—	—	—	—	—	3,630 (31)	—
13156	518	9.99 (84)	7.08 (57)	12.99 (112)	78 (47)	950 (69)	3,275 (59)	29.0 (92)
13158	202	9.24 (114)	7.50 (28)	12.00 (134)	75 (67)	864 (97)	3,396 (48)	25.5 (127)
13159	2	—	—	—	—	—	3,051 (88)	—
13187	407	9.68 (95)	6.66 (90)	13.94 (90)	74 (72)	878 (95)	2,763 (139)	31.8 (77)
13189	331	9.72 (91)	6.31 (122)	15.00 (63)	64 (146)	766 (127)	2,557 (171)	29.9 (84)
District	5.295	10.06	6.50	15.48	72	879	2,935	30.0
Berlin	41.125	9.79	6.17	16.00	72	884	3,046	29.0

1) Median **2)** Includes operating costs (BBU 2015) 2.23 (eastern Berlin), 2.73 €/m^2 (western Berlin) and 2.48 €/m^2 (all of Berlin) **3)** Rent (incl. utilities) as percent of household purchasing power **( )** Rank among the 190 postcodes with rental data **Sources:** CBRE based on data from empirica-systeme, Michael Bauer Research (purchasing power); compiled by CBRE



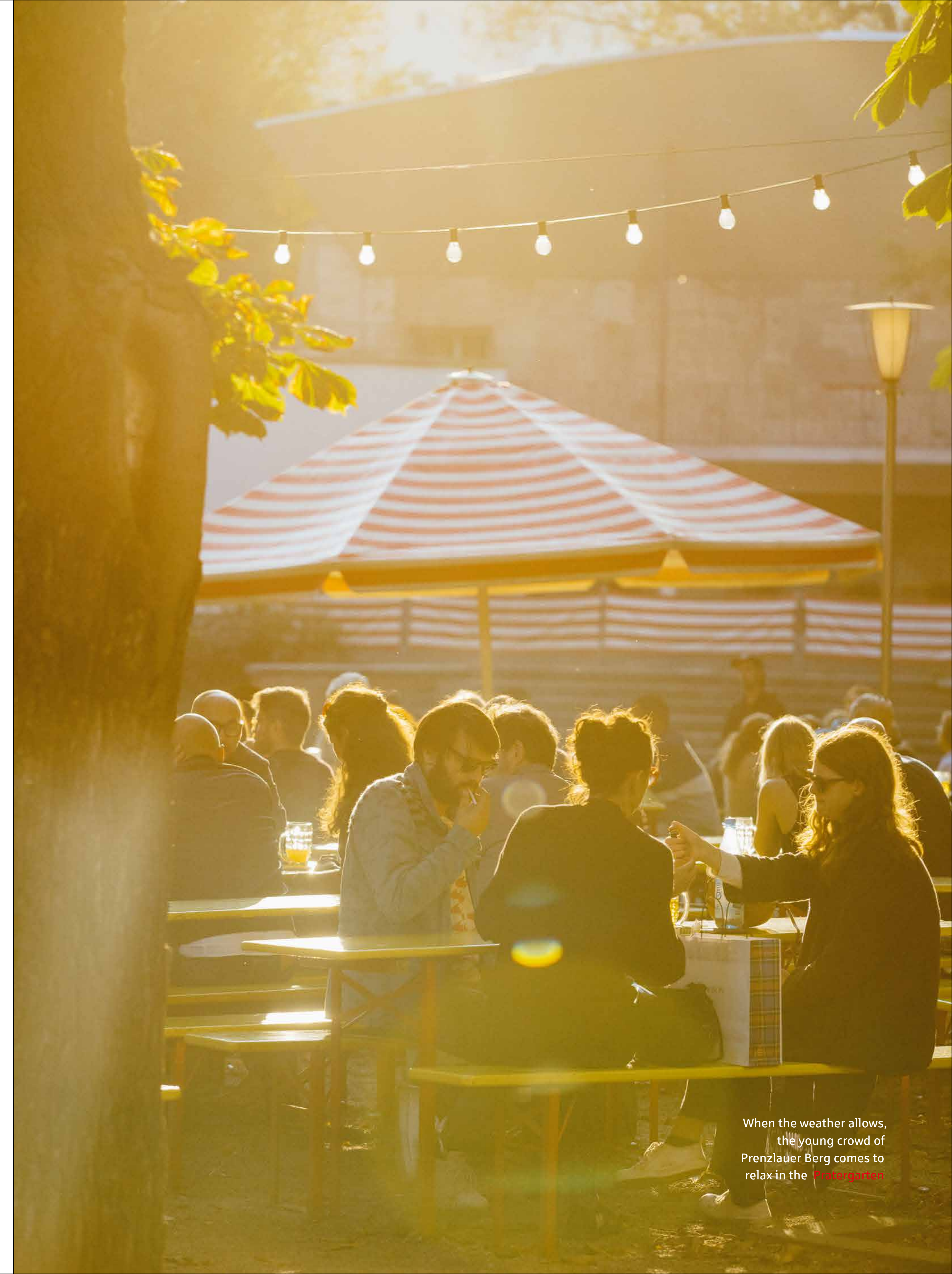
Sources: CBRE based on data from empirica-systeme
© Cartography: Nexiga, 2006–2014 Tom Tom

apartment sizes fall. Less dense development and more green areas may be advantageous. However, the neighbourhoods built following the maxim “Light, air and sunshine” appear more monotonous and lack the romance of stucco, suites of rooms and high ceilings.

Between Carl Legien and Michelangelo

This also applies to the Ostseestrasse area (10409), although such an estate, the Wohnstadt Carl Legien on Erich Weinert Strasse, is protected by UNESCO as one of the developments by the Berlin Modernists. Situated immediately outside the S-Bahn ring, apart from a few neighbourhoods with older buildings the area consists of more recent terraces and blocks. In the east, on Michelangelostrasse, there are also Plattenbau (prefab construction) buildings that belong to a municipal housing company and a cooperative. The apartments on offer are the smallest in the district, while the average household purchasing power is the lowest. This depends to some extent on the population structure of the area, which includes a relatively high proportion of senior citizens. The structure of development and characteristics of the area are also reflected in the advertised asking rents. The asking rents average 9.93 Euros per square metre per month, two or three Euros less than in the central part of the Prenzlauer Berg area. There will be changes resulting from the new development around Michelangelostrasse. According to plans by the Berlin Senate, new apartments are to be built here on former car parks and open space, as well as by infill between the high rise buildings. However, the plans to increase the density of development, which are concentrated on the broad undeveloped strips along the road between the low-density buildings, became the subject of controversial debate. In many cases they have met with rejection by the residents. The number of apartments planned has already been substantially reduced during the planning phase. Around 1,500 units are now envisaged.

Urban and rural, rooted in the past and state of the art



When the weather allows, the young crowd of Prenzlauer Berg comes to relax in the Pratergarten

View from Greenwich Promenade on the Tegeler See

Reinickendorf

Water dominates many locations in the district – most prominently on the Tegeler See and the river Havel, or in little idylls like the Fliesstal, Flughafensee and Schäfersee. However, most of Reinickendorf consists of developments of all types, with sharp contrasts cheek by jowl – such as the ranks of high-rise buildings in the Märkische Viertel and the farmhouses in Lübars village centre. The areas with mansions and detached houses in the periphery are entirely leafy and remote from the city centre.

Many river cruise ships stop at the pier

District:	**261,919** Residents	**89.32 km²** Surface area	**130,540** Residential units

This page:
The white modernist housing estates in Reinickendorf are listed as World Heritage Site in 2008

Right:
The Seggeluchbecken park is a great place to relax in the Märkisches Viertel

Living close to nature on the periphery of the district

Reinickendorf is not just a district with an airport, large housing estate and arterial roads. Unexpectedly, it also includes tranquil waterside areas.

Facts

Affordable Märkische Viertel

—

Calm haven in the district's far north

Reinickendorf occupies the northwest of Berlin. The district includes Tegel airport, large residential and commercial areas in the south, the large Märkische Viertel housing estate, and areas of mansions and individual houses between the forests and lakes in the north and northwest of the district. The historical and structural centres of the district are Alt-Tegel, with its beautiful lakeside locations, and Wittenau with the town hall and other central facilities.

Sought-after Märkische Viertel

Are there no longer any apartments available in the Märkische Viertel? During the research period, less than 100 apartments were on offer in an area with around 17,000 dating from around 1970 (postcodes 13435 and 13439). The majority of them belong to Gesobau, the municipal association. Presumably far more would be available but prospective tenants are already queueing up for them, making public advertising superfluous. In recent decades, Gesobau has also made some changes in order to attract long-term tenants. As far back as the 1980s, it had demolished parking decks and converted dark foyers into more spacious entrances. The energy-focused refurbishment of 13,500 apartments in the Märkische Viertel, in which Gesobau invested around 560 million Euros in the eight years up to 2015, was an extensive upgrade. The result was Germany's largest low-energy housing es-

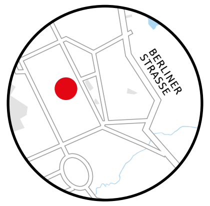
The Federal Foreign Office uses Villa Borsig on Tegel lake as a training centre for its diplomats

Boulevards such as Greenwich Promenade are part of Reinickendorf's charm

3 Projects

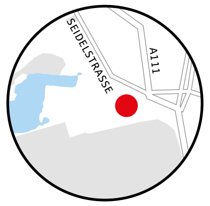
Exciting new uses for previously vacant land

Hermsdorfer Beletage (1st construction phase)



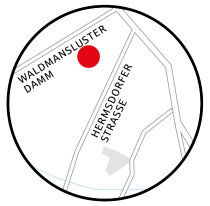
Area: **Hermsdorf**
Street: **Ulmenstrasse**
Residential units: **56**
Type of use: **condominium**
Sale prices €/m²: **3,900–4,450**

Waldstadt Tegel II



Area: **Tegel**
Street: **Rue du Capitaine Jean Maridor**
Residential units: **22**
Type of use: **condominium**
Sale prices €/m²: **3,730–4,760**

Cité Foch



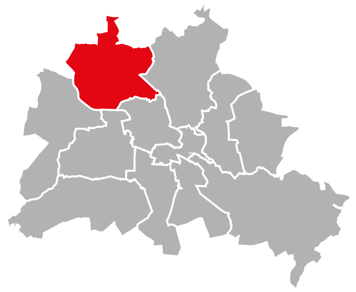
Area: **Wittenau**
Street: **Avenue Charles de Gaulle**
Residential units: **333**
Type of use: **condo./rent, partly subsidised**
Rent €/m²: **from 6.50 (subsidised)**

tate. The rental value – as far as can be discerned from the small number of apartments on offer – is still the lowest in the district though. The erstwhile poor reputation of the large estate has long been forgotten in the daily lives of the residents and the owners. Living between the high-rise buildings appears to be rather uneventful. The sobriquet "Langer Jammer" applied to Germany's largest residential building, with over 1,000 apartments, is now only a harmless nickname. For many residents of the area, the greatest flaw is now the lack of the U-Bahn connection that the Märkische Viertel has repeatedly been promised since it was built 50 years ago.

Post-war buildings in the south

Most of the apartments that are now publicly advertised in Reinickendorf are in the southeast of the district, e.g. around Residenzstrasse (13409), in Alt-Reinickendorf (13407) and around the Eichborndamm (13403). These are areas where there was considerable development in the 20th century. In the 1920s and 1930s, adjoining the older Wilhelminian districts, estates of mainly relatively low-rise apartments, as well as areas of smaller individual houses, were built. Among them, commercial operations were established along the arterial roads and, primarily, alongside the railway tracks towards Hennigsdorf and Oranienburg.

In the post-war period, allotment gardens, small estates and the remaining fields were turned into residential areas for broad sections of the population. The south of Reinickendorf is now one of the areas of Berlin that hardly changes in character throughout: a leafy suburb with a great deal of visible and audible traffic. The asking rents are still below average but are catching up. One reason for this is the fairly good



Location

10,374
Dogs

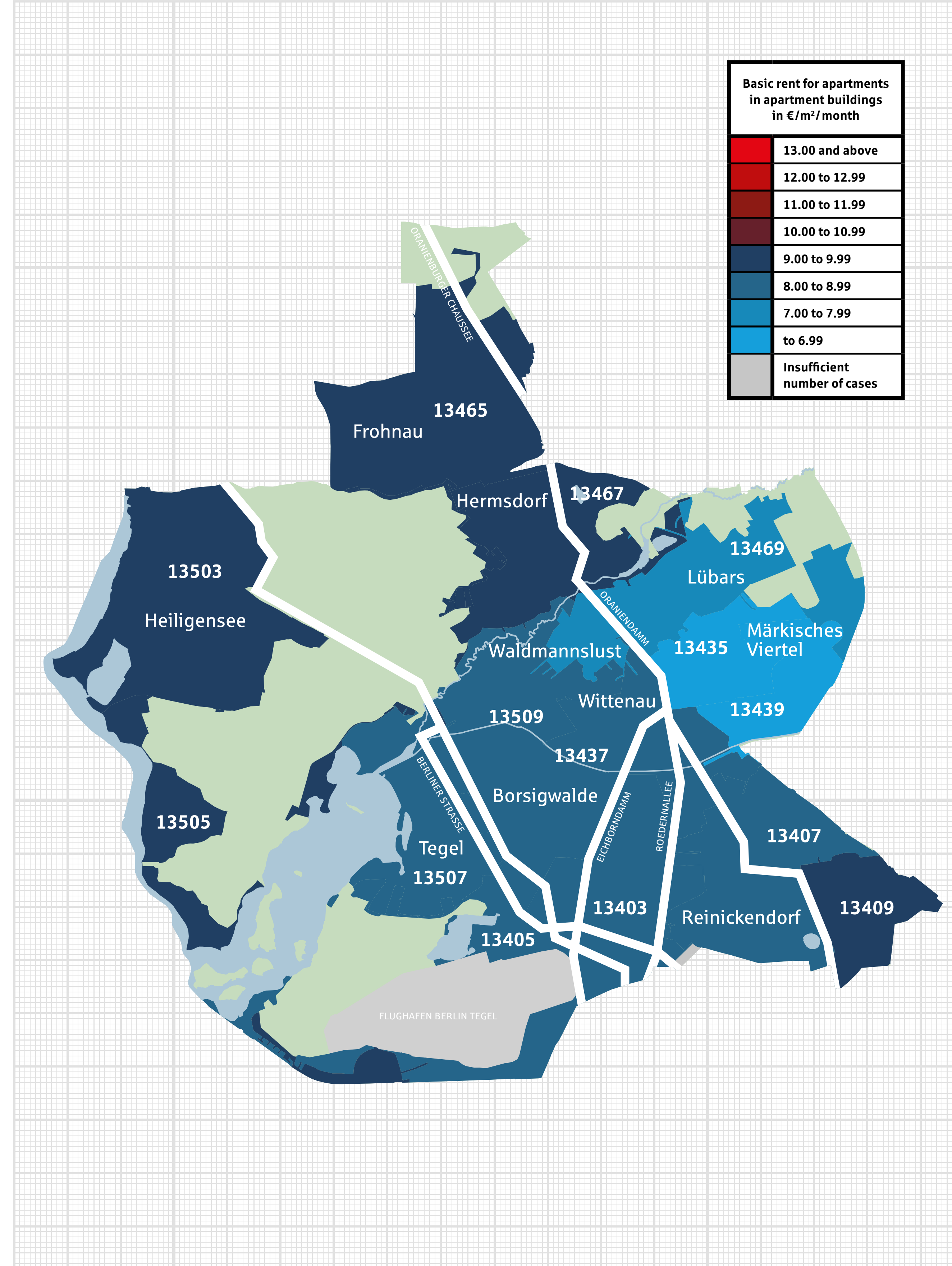
43,750
Roadside trees

2.45
Schools
per 1,000 pupils

Housing market data / Housing cost

Postcode	Number of rental offers	Basic rent in all market segments[1] in €/m²/month	Basic rent in bottom market segment[1] in €/m²/month	Basic rent in top market segment[1] in €/m²/month	Apartment size, avg. in m²	Total housing cost[2], avg. in €/month	Household purchasing power, avg. in €/month	Housing cost ratio[3] in %
13403	305	8.41 (148)	5.76 (165)	11.47 (152)	61 (160)	677 (160)	2,631 (159)	25.7 (122)
13405	78	8.55 (144)	6.50 (101)	13.57 (96)	76 (62)	857 (99)	2,712 (150)	31.6 (78)
13407	331	8.50 (145)	6.47 (107)	13.95 (88)	58 (182)	651 (172)	2,556 (172)	25.5 (127)
13409	487	9.00 (122)	6.75 (82)	12.40 (126)	61 (160)	713 (152)	2,623 (160)	27.2 (109)
13435	45	6.97 (182)	5.65 (170)	8.85 (184)	76 (62)	739 (141)	3,091 (82)	23.9 (135)
13437	148	8.44 (147)	6.32 (121)	11.00 (163)	65 (133)	722 (148)	3,029 (91)	23.8 (137)
13439	45	6.49 (183)	5.00 (185)	9.09 (182)	75 (67)	694 (158)	3,093 (81)	22.4 (150)
13465	96	9.48 (106)	6.26 (128)	12.50 (119)	89 (15)	1.086 (42)	4,570 (3)	23.8 (137)
13467	116	9.16 (119)	6.71 (84)	12.04 (133)	75 (67)	894 (86)	4,243 (9)	21.1 (165)
13469	151	7.13 (179)	6.03 (145)	10.97 (165)	75 (67)	736 (143)	3,538 (36)	20.8 (168)
13503	51	9.50 (100)	7.14 (51)	12.00 (134)	74 (72)	900 (84)	4,238 (10)	21.2 (164)
13505	43	9.48 (106)	7.38 (35)	14.61 (72)	83 (26)	1.011 (56)	4,316 (6)	23.4 (143)
13507	282	8.82 (133)	5.52 (175)	13.03 (107)	66 (124)	766 (127)	3,245 (67)	23.6 (141)
13509	205	8.70 (142)	6.85 (72)	11.41 (153)	56 (186)	645 (173)	2,853 (117)	22.6 (148)
District	2,383	8.62	6.21	12.41	65	742	3,212	23.1
Berlin	41,125	9.79	6.17	16.00	72	884	3,046	29.0

1) Median **2)** Includes operating costs (BBU 2015) 2.23 (eastern Berlin), 2.73 €/m² (western Berlin) and 2.48 €/m² (all of Berlin) **3)** Rent (incl. utilities) as percent of household purchasing power **( )** Rank among the 190 postcodes with rental data **Sources:** CBRE based on data from empirica-systeme, Michael Bauer Research (purchasing power); compiled by CBRE



Sources: CBRE based on data from empirica-systeme
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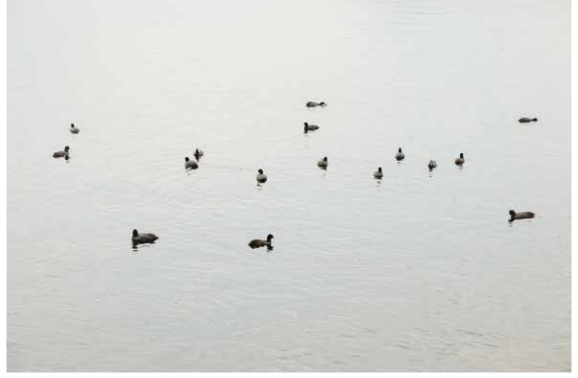
transport connections. Journey times to the centre of Berlin, via either of two U-Bahn lines, are only about ten minutes. Housing providers appear to be hoping for increasing demand from the inner city, where there is growing scarcity of supply. Asking rents in the southeast of Reinickendorf have risen by double-digit percentages year on year.

There are fine, but very small, rental markets in the extreme north and west of the district, where there are residential areas on the Berlin boundary, predominantly of individual houses, between forests, bodies of water and fields. Four of the ten areas of Berlin with the highest average household purchasing power are situated here, led by Frohnau (13465). This occupies the extreme northerly tip of Berlin, where the residents consider it something of an advantage that travel to the city centre by car or S-Bahn takes over half an hour. People live here precisely because of the undisturbed idyll that has characterised the area since imperial days, when it was developed as a homogenous project around Zeltinger Platz and Ludolfinger Platz.

Smaller rental markets in the north

Compared with Heiligensee (13503) and Konradshöhe (13505), Frohnau has only one disadvantage. It lacks the extensive waterside locations on the river Havel, on the Heiligensee and, in Tegelort, the Tegeler See. Despite their remoteness from the city centre, the asking rents in the three areas average around 9.50 Euros per square metre and therefore occupy the top three positions in the Reinickendorf postcodes. However, only a small number of apartments are advertised to let in all the peripheral areas of Reinickendorf. The median figure stated must therefore be interpreted against the background of a very small number of instances.

Alt-Tegel (13507), which is located north to Tegel airport is a somewhat more affordable alternative to the northern part of the district and also much closer to the city centre. Here you can live within walking distance of the lake, the Tegel Forest and the U-Bahn connecting to Friedrichstrasse. However, the area is much more densely built up and suffers from greater traffic pollution than out on the city boundary. Significantly more rental apartments are advertised in Alt-Tegel than in the three northern peripheral areas of Reinickendorf. In terms of rental value, the area is in the midrange of the district. Landlords are asking an average of 8.80 Euros per square metre for new lettings there. There has been positive, albeit not exorbitantly high, rental growth in recent years. The extent to which this will change after a possible closure of the airport remains to be seen.



A district shaped by high rises and rural tranquility alike

Picturesque countryside in Lübars in the nature reserve Tegeler Fließtal


Spandau is far away from the bustling city – particularly its islets such as Kleiner Wall, also known as "Lovers' island"

Spandau

Large areas of Spandau feel rather remote from the rest of Berlin. To get there, it's necessary to cross the river Havel and extensive industrial or green areas. Even now, the district is still maintaining its independence as far as possible, although the rest of the city increasingly regards it as a location for housing, work, commerce and recreation. Rents are rising here as well, although there are still residential areas in all price brackets.


Florida Eis is one of the most important employees in Spandau

District:	239,942	91.88 km^2	118,602
	Residents	Surface area	Residential units

Living peacefully far from the city – Finnenhaus Siedlung on Runebergstrasse in Kladow

The large Siemensstadt estate was built between 1929 and 1931 by Hans Scharoun, the architect of Berlin's philharmonic hall

Siemens, rivers and new developments

Developers and apartment hunters are rediscovering the relatively remote district of Spandau. Here there are attractive locations, particularly along the river Havel.

Facts

Rents in Siemensstadt second in the district

—

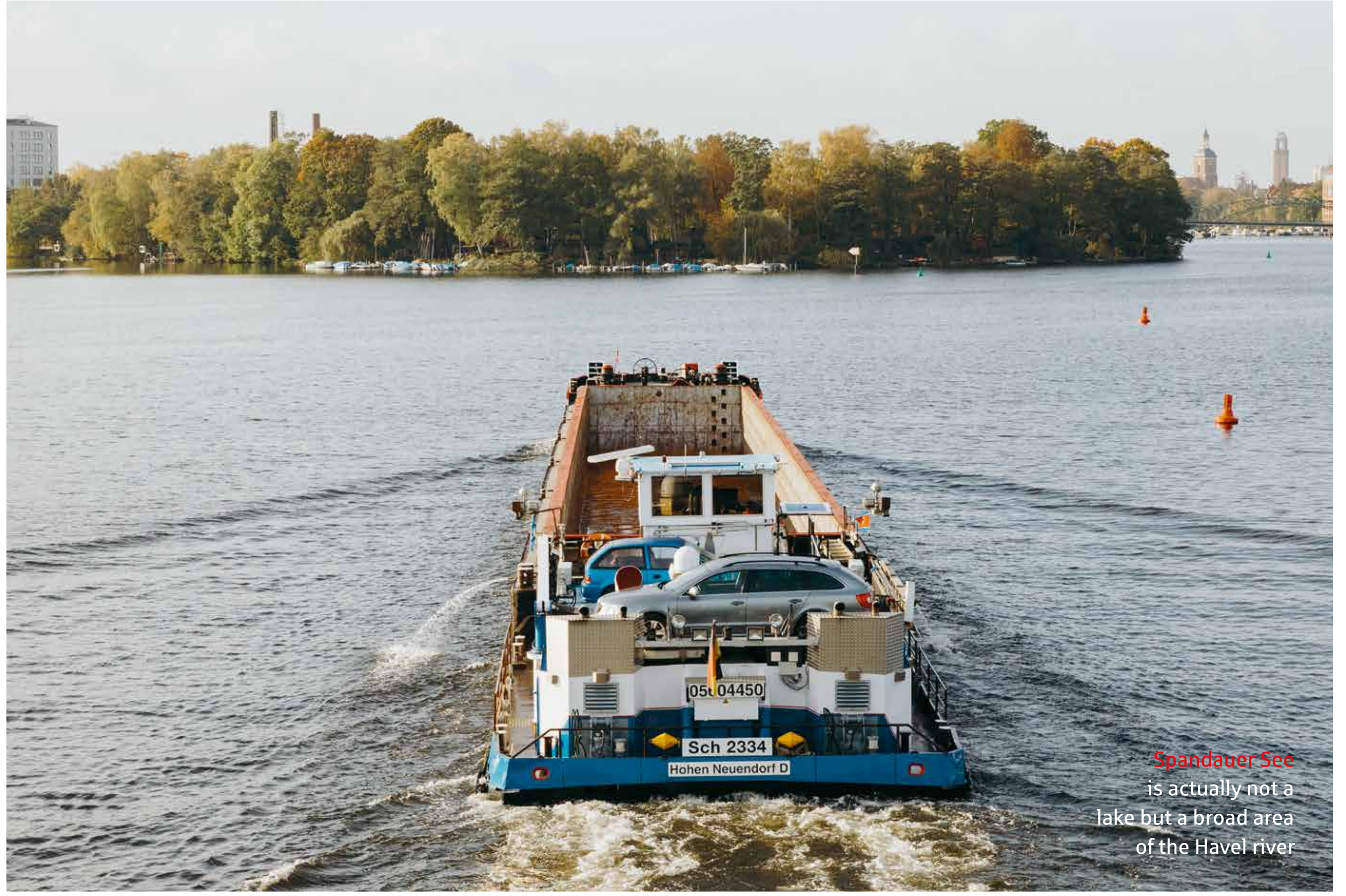
Enormous space potentials in the district

Spandau is Berlin's westernmost and least populous district. It has the attributes of an independent town, with its historic centre, administrative and shopping facilities, and is separated from the rest of Berlin by rivers, lakes and large industrial estates. For years, the housing market in Spandau has seen little effect from the upswing in the centre of Berlin. The median asking rent is second only to Marzahn-Hellersdorf as the lowest in the city. However, in view of the population influx and housing shortage, even Spandau is increasingly in demand. The district predominantly includes modest to medium locations. Public transport connections to the rest of Berlin from the core of the district and from Siemensstadt are good. However, from other areas long bus journeys are often the only alternative. The south, which is very remote from the city centre, is dominated by individual and duplex houses.

Siemensstadt (postcode 13629) has a special status in Spandau, in several respects. Built to house workers at the eponymous concern, it is the closest in the district to the city centre, and, after Gatow/Kladow, it has the second-highest median asking rents in the district. Outwardly, Siemensstadt is not very conspicuous. It appears to be a leafy inter- and post-war estate, predominantly with terraced buildings and a few Wilhelminian-style blocks near the works.

The area was built mainly for working class households. Even today, the average household purchasing power is below average. It is the third lowest of all the areas in Spandau, which overall is not a wealthy district. The advantages of the Siemensstadt are its good U-Bahn connections and the large Jungfernheide Volkspark. Tegel airport is only a few minutes away. The development of the former Gartenfeld industrial area, which has space for up to 4,000 apartments,

The stone walls of the village church of Gatow are more than 700 years old



Spandauer See is actually not a lake but a broad area of the Havel river

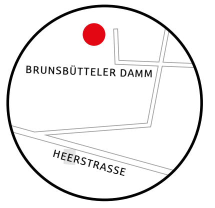
3 Projects

Exciting new uses for previously vacant land

Pepitahöfe

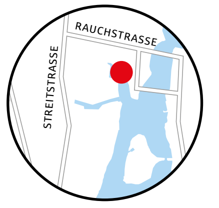
Area: **Hakenfelde**
Street: **Mertensstrasse**
Residential units: **1,024**
Type of use: **rent, partly subsidised**
Rent €/m²: **avg. 9.50 (priv. fin.)**

The Metropolitan Park (1st construction phase)



Area: **Staaken**
Street: **Schulstrasse**
Residential units: **50**
Type of use: **condominium**
Sale prices €/m²: **avg. 4,200**

HavelPerle



Area: **Hakenfelde**
Street: **Hugo Cassirer Strasse**
Residential units: **76**
Type of use: **condominium**
Sale prices €/m²: **e.g. 3,309–6,040**

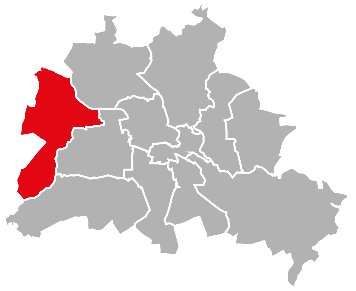
will be significant. A long-disused S-Bahn line, the so-called “Siemensbahn”, may be reopened in the future for this purpose.

Space for new waterside development

Gartenfeld is not the only area of the Spandau district to have major development potential. There are also areas on both sides of the wide northern section of the river Havel, which for marketing purposes was renamed the “Spandauer See” a few years ago. In the 1990s, construction of the “Wasserstadt Spandau” began on both banks of the river. However, it was put on hold due to the subsequent property and budget crises in Berlin. The cleared formerly industrial areas in Hakenfelde (13587) and Haselhorst (13599) are now being developed for housing. However, there are new uncertainties. The area is close to the runways of Tegel airport. In a referendum in autumn 2017, a clear majority voted to keep the airport open. A major project is currently under construction on a former industrial site in Hakenfelde. The “Pepitahöfe” in the Wasserstadt Oberhavel will have more than 1,000 rental apartments, all of them built for state-owned property companies. They should be completed in 2018.

Tranquil and affluent

Gatow and Kladow (14089), which are located in the southern part of the Spandau district, are mainly dominated by individual and duplex houses, while a large proportion is undeveloped. The average household purchasing power is the second highest in Berlin. Only in Dahlem is it even higher. These areas benefit from extensive greenery and quiet residential areas, however they are remote from the centre of Berlin. A car is a major advantage for the residents, as the nearest underground and S-Bahn stations are a long way away. Because of the small-scale structure of development, apartment-hunting households can



Location

9,056
Dogs

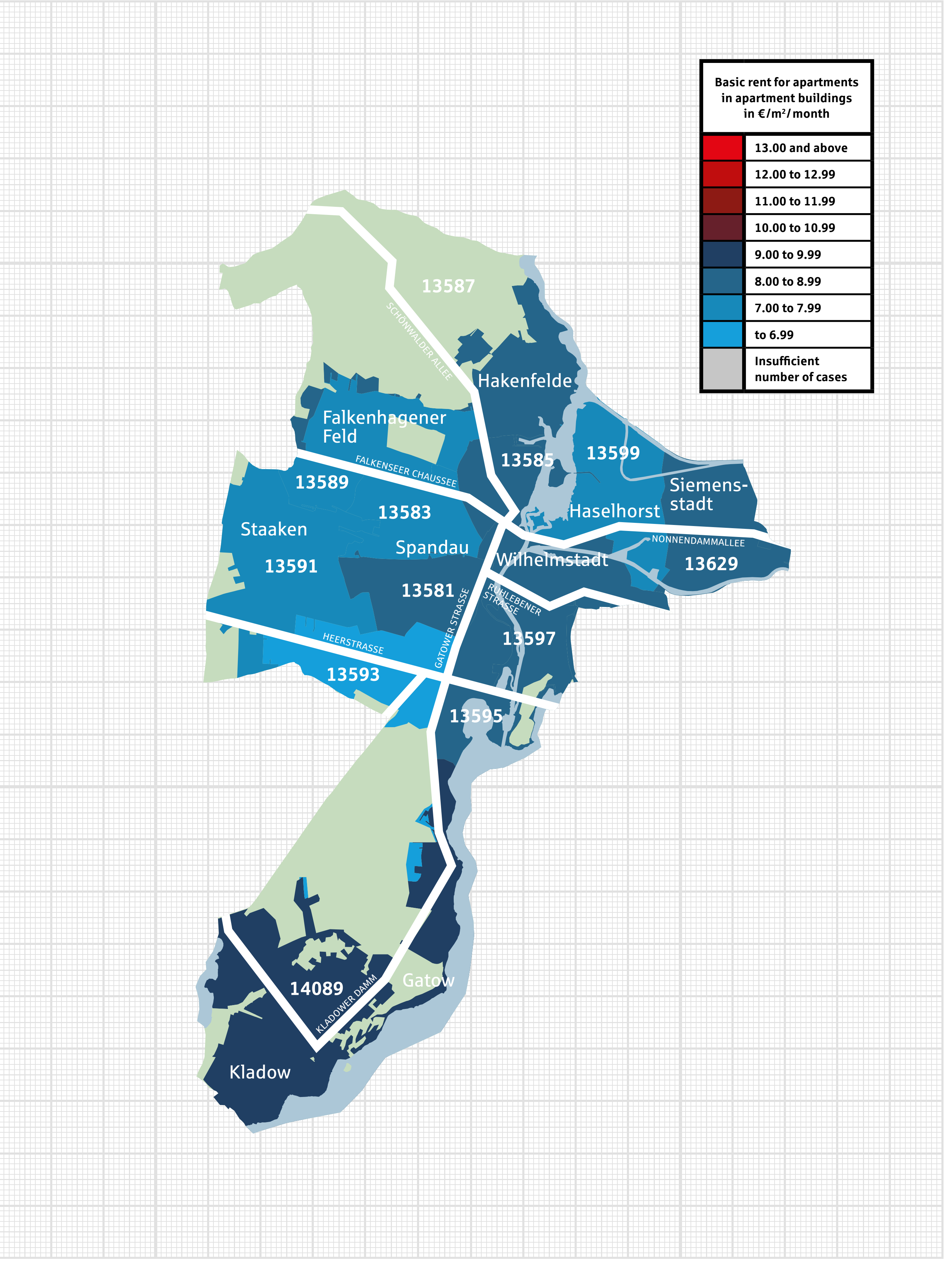
26,837
Roadside trees

2.50
Schools
per 1,000 pupils

Housing market data / Housing cost

Postcode	Number of rental offers	Basic rent in all market segments[1] in €/m²/month	Basic rent in bottom market segment[1] in €/m²/month	Basic rent in top market segment[1] in €/m²/month	Apartment size, avg. in m²	Total housing cost[2], avg. in €/month	Household purchasing power, avg. in €/month	Housing cost ratio[3] in %
13581	215	8.20 (154)	5.98 (152)	12.50 (119)	71 (87)	772 (124)	3,019 (93)	25.6 (124)
13583	317	7.48 (171)	5.38 (177)	10.73 (167)	60 (168)	613 (176)	2,617 (161)	23.4 (143)
13585	450	8.10 (158)	5.98 (152)	10.63 (170)	70 (95)	754 (136)	2,546 (173)	29.6 (85)
13587	264	8.08 (159)	6.23 (134)	10.63 (170)	69 (99)	750 (138)	2,864 (114)	26.2 (116)
13589	287	7.52 (169)	5.58 (171)	9.56 (181)	64 (146)	657 (168)	3,047 (89)	21.6 (158)
13591	186	7.96 (165)	6.45 (110)	10.72 (168)	71 (87)	763 (131)	3,485 (39)	21.9 (154)
13593	328	6.06 (185)	5.11 (183)	8.77 (185)	68 (108)	597 (180)	3,026 (92)	19.7 (178)
13595	358	8.25 (152)	6.17 (137)	11.00 (163)	66 (124)	723 (147)	2,961 (100)	24.4 (133)
13597	120	8.08 (159)	6.47 (107)	12.05 (132)	71 (87)	768 (126)	2,773 (137)	27.7 (105)
13599	190	7.60 (168)	6.04 (144)	11.10 (158)	65 (133)	671 (164)	2,822 (126)	23.8 (137)
13629	205	8.75 (137)	6.08 (139)	11.79 (145)	64 (146)	740 (140)	2,650 (157)	27.9 (103)
14089	96	9.48 (106)	6.48 (106)	14.50 (75)	95 (11)	1.159 (29)	4,588 (2)	25.3 (129)
District	3,016	7.95	5.61	11.00	68	725	3,044	23.8
Berlin	41,125	9.79	6.17	16.00	72	884	3,046	29.0

1) Median **2)** Includes operating costs (BBU 2015) 2.23 (eastern Berlin), 2.73 €/m² (western Berlin) and 2.48 €/m² (all of Berlin) **3)** Rent (incl. utilities) as percent of household purchasing power **( )** Rank among the 190 postcodes with rental data **Sources:** CBRE based on data from empirica-systeme, Michael Bauer Research (purchasing power); compiled by CBRE



Sources: CBRE based on data from empirica-systeme
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find only a small number of rental apartments on offer. The median rent, albeit the highest in the district, must therefore be interpreted with caution.

Increasing rents in large housing estates

Finally, a look at two areas that have some of the lowest asking rents in Berlin: Falkenhagener Feld (13589), in northwest Spandau, and Heerstrasse/Wilhelmstrasse (13593), which is part of the southwest of the district. Both areas include large social housing developments dating from the 1960s and 1970s. Both are close to the western boundary of the city and neither has any S-Bahn or U-Bahn links.

Only a few years ago, vacancy rates were still high and the advertised asking rents were at a correspondingly low level. The Heerstrasse/Wilhelmstrasse area, together with Kaulsdorf-North and Ahrensfelde in Marzahn-Hellersdorf, were the only three Berlin postcodes in which landlords have been asking less than 6 Euros per square metre, on average, in the last year.

However, the heavy pressure of demand in Berlin is leading to an influx here, while neighbourhood management projects are contributing to an increase in attractiveness. Vacancy rates in the areas have been reduced and asking rents have recently begun to rise again. Nevertheless, they are still among the most affordable residential locations in the city.

On average, landlords in Falkenhagener Feld have lately been asking 7.52 Euros per square metre, while in the Heerstrasse/Wilhelmstrasse area the equivalent rent was 6.06 Euros. The area, by far the most affordable in the Spandau district, is in second-to-last position in the Berlin league table. Only Ahrensfelde, in the Marzahn-Hellersdorf district, has cheaper asking rents. Despite the low rents, construction is in progress in the Heerstrasse/Wilhelmstrasse area. Almost 120 new apartments are to be developed on Gärtnereiring by 2019. However, all of them will be in the condominium segment, with sale prices between around 153,000 and 324,000 Euros.

Far from Berlin's pulsating centre

The Finnenhaus-Siedlung was commissioned by the Finnish government in the 50s

The neighborhood around Dahlem's Am Hirschsprung is one of the most exclusive residential districts in Berlin

Steglitz-Zehlendorf

The leafy areas of Zehlendorf are characterised by prosperity, spaciousness and many waterside locations. What makes Steglitz attractive, however, is its combination of peripheral idylls and very good infrastructure. Because of their relative remoteness from the city centre, there are still relatively affordable rental and condominium apartments.

Members of the rowing club get ready for a trip on Wannsee

District:	**304,086**	**102.56 km²**	**156,696**
	Residents	Surface area	Residential units

Haus Weyhe in the villa district Dahlem was designed by Kahlfeldt architects

The “urban village” Fünf Morgen, a housing ensemble on Clayallee

A pronounced east-west divide

Berlin's most prosperous district provides mansions near vibrant shops and soon, a major new development area

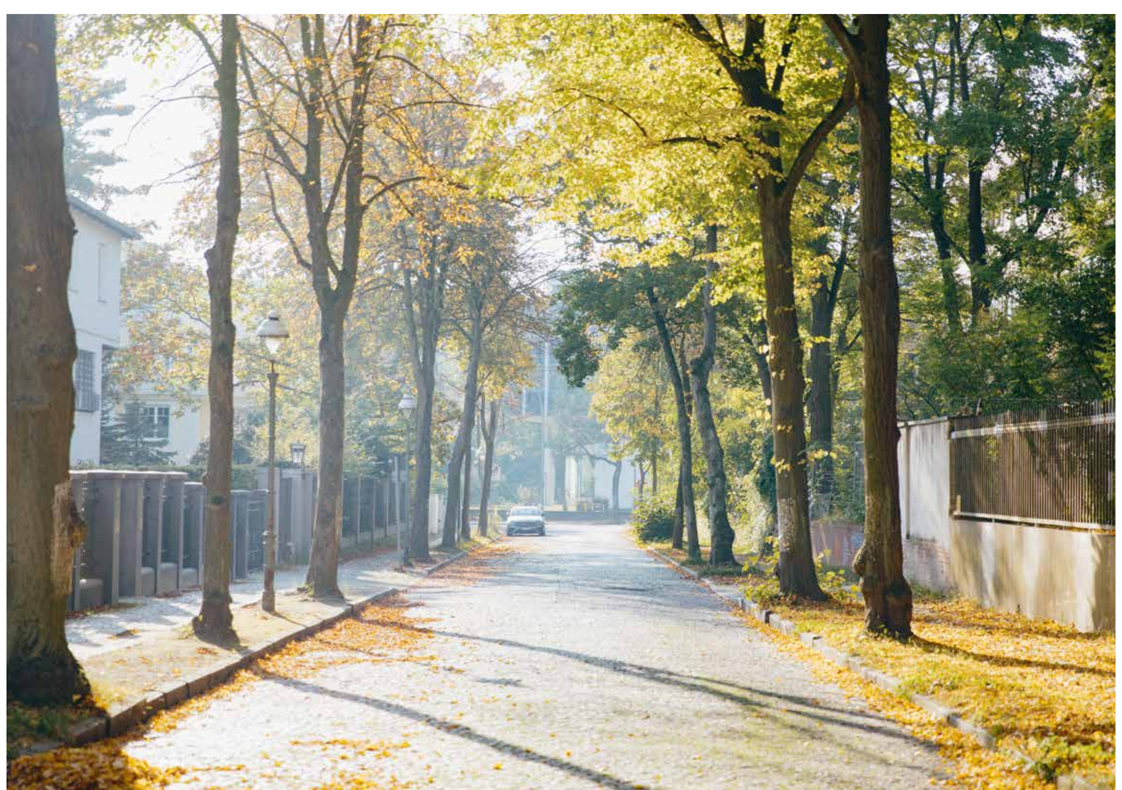
Facts

Affluent Dahlem
—
Asking rents of less than € 9 / m² only in the southeast

Steglitz-Zehlendorf is characterised by affluence, greenery and, for the outskirts of Berlin, good amenities. Nevertheless, the median asking rent per square metre is only slightly above the overall city average. There are three reasons for this. Firstly, the district is situated in the outskirts of the city. Secondly, there is apparently a tendency for the wealthy residents of Steglitz-Zehlendorf to prefer owner-occupation over living in rented accommodation, so that this affluent group is largely absent from the rental market. Thirdly, even this district is not universally wealthy, rather there is a distinct east-west differential. In western Zehlendorf, almost all households have above-average purchasing power. On the other hand, in central and eastern Steglitz there are areas with purchasing power ranking only in the middle range for Berlin.

The most prosperous area, Dahlem (postcode 14195), has both the highest average household purchasing power in Berlin and, on average, the largest apartments on offer in Berlin. Firstly there is a question. Where can the rental apartments in this area, which is largely dominated by mansions and the buildings of the Freie Universität Berlin, be found? The only major concentrations of apartment blocks are in the extreme south, near the federal road B1, and in the west, on the edge of Grunewald, where former US barracks have been converted and complemented by new buildings. However, both areas are not densely built up but are rather relatively low-density estates, in which almost every building is free-standing amid greenery.

In addition, there is a scattering of apartments in so-called urban villas and, not least, individual and duplex houses that are on offer to let. However, even taking this into account, the median asking rent in Dahlem, the front-running area of the district, ranks

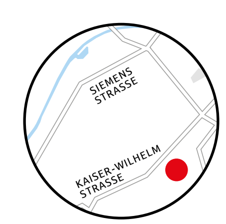


The highest average purchasing power is registered in Zehlendorf's neighbourhood Dahlem

A sailing boot in front of Strandbad Wannsee from 1930

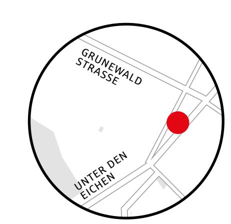
3 Projects Exciting new uses for previously vacant land

Ursulastrasse



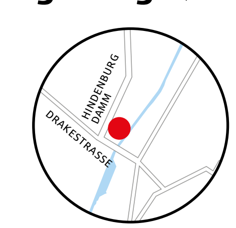
Area: **Lankwitz**
Street: **Ursulastrasse**
Residential units: **60**
Type of use: **rent**
Rent €/m²: **8.50–10.50**

Steglitzer Kreisel (Tower)



Area: **Steglitz**
Street: **Schlossstrasse**
Residential units: **329**
Type of use: **condominium**
Sale prices €/m²: **4,500–10,000**

Königsberg Quartier



Area: **Lichterfelde**
Street: **Hindenburgdamm**
Residential units: **48**
Type of use: **condominium**
Sale prices €/m²: **4,250–6,400**

only 16th in the city as a whole, well behind areas of Mitte and Charlottenburg-Wilmersdorf. Although it is a good address, many affluent apartment hunters appear to prefer more central, urban and better-connected areas, in which shops and services are not so thinly spread, to the quiet "villa" area.

Steglitz's urban Schlossstrasse

The urban counterbalance to Dahlem is the area around Schlossstrasse in Steglitz. It has one of the highest levels of sales turnover of the shopping streets in Berlin and features four large shopping centres and all types of services, including cinemas, a "culture villa" and a theatre. It also has U-Bahn and S-Bahn stations and one of the major city bus hubs. The immediate vicinity (12163) of Schlossstrasse is densely built up. In view of its location, it is no surprise that the asking rents are the highest in the eastern part of Steglitz. Nevertheless, the rents being demanded by landlords are only in the upper middle range of the city as a whole.

To the east and south, there are neighbourhoods with many old buildings, some of them with small and modest apartments from the interwar and post-war periods (12165, 12167 and 12169). The rents here are slightly lower than those directly on Schlossstrasse, while two of the three areas have the lowest average household purchasing power in Steglitz-Zehlendorf. In all three areas, the asking rents are below or close to the Berlin average and the conditions of the city centre. This is because central Berlin is around eight kilometres away. Even with such good amenities, there is lower demand for more peripheral locations.

Location

10,083
Dogs

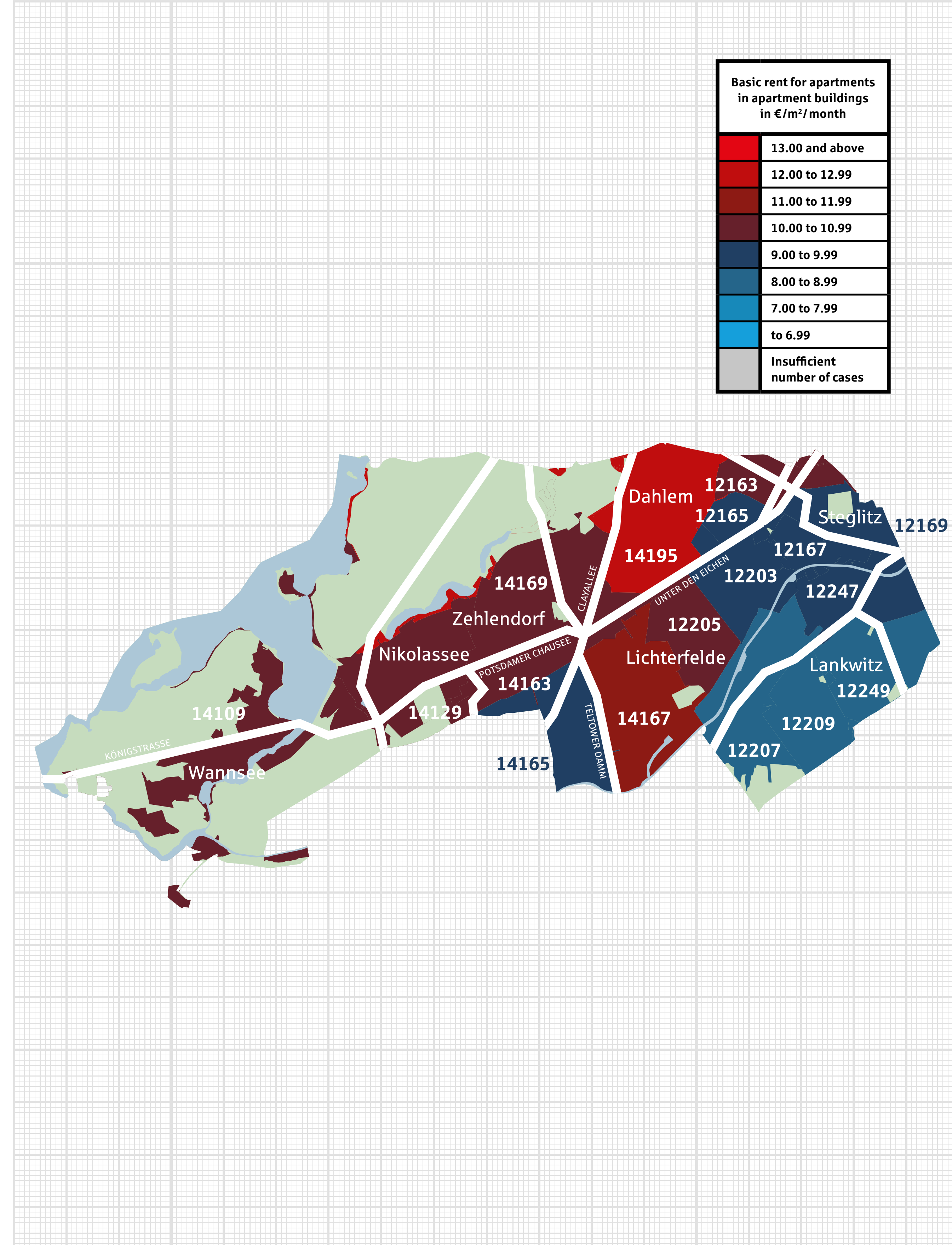
61,414
Roadside trees

2.25
Schools
per 1,000 pupils

Housing market data / Housing cost

Postcode	Number of rental offers	Basic rent in all market segments[1] in €/m²/month	Basic rent in bottom market segment[1] in €/m²/month	Basic rent in top market segment[1] in €/m²/month	Apartment size, avg. in m²	Total housing cost[2], avg. in €/month	Household purchasing power, avg. in €/month	Housing cost ratio[3] in %
12163	217	10.60 (63)	6.67 (89)	13.33 (102)	79 (43)	1,050 (49)	3,136 (75)	33.5 (64)
12165	60	9.88 (88)	7.12 (55)	16.87 (35)	83 (26)	1,041 (51)	3,336 (52)	31.2 (79)
12167	283	9.76 (90)	7.23 (44)	13.51 (98)	69 (99)	860 (98)	2,990 (96)	28.8 (94)
12169	196	9.64 (96)	7.07 (58)	14.09 (82)	65 (133)	802 (115)	2,901 (111)	27.6 (106)
12203	270	9.50 (100)	7.35 (37)	13.07 (106)	78 (47)	959 (66)	3,446 (41)	27.8 (104)
12205	224	10.01 (77)	7.22 (45)	14.50 (75)	84 (23)	1,076 (44)	4,141 (12)	26.0 (120)
12207	272	8.87 (132)	5.97 (154)	12.50 (119)	76 (62)	884 (90)	3,265 (61)	27.1 (111)
12209	150	8.80 (135)	7.02 (61)	11.78 (146)	78 (47)	896 (85)	3,979 (15)	22.5 (149)
12247	216	9.00 (122)	6.61 (93)	12.14 (130)	65 (133)	766 (127)	3,272 (60)	23.4 (143)
12249	247	8.70 (142)	6.25 (131)	12.46 (125)	64 (146)	735 (144)	3,204 (70)	22.9 (147)
14109	109	10.43 (70)	5.49 (176)	13.20 (105)	96 (8)	1,266 (16)	4,396 (5)	28.8 (94)
14129	152	10.68 (61)	7.18 (47)	14.13 (81)	95 (11)	1,275 (15)	4,548 (4)	28.0 (100)
14163	135	10.00 (78)	7.21 (46)	14.15 (80)	83 (26)	1,055 (48)	4,256 (8)	24.8 (132)
14165	210	9.23 (115)	5.96 (156)	12.84 (114)	77 (55)	924 (75)	3,604 (32)	25.6 (124)
14167	260	11.00 (49)	7.89 (15)	15.57 (53)	83 (26)	1,144 (31)	4,175 (11)	27.4 (107)
14169	204	10.00 (78)	7.53 (27)	14.00 (86)	77 (55)	975 (64)	3,796 (20)	25.7 (122)
14195	205	12.40 (16)	8.50 (2)	16.67 (38)	107 (1)	1,619 (3)	4,897 (1)	33.1 (70)
District	3,410	9.80	6.99	14.07	79	986	3,648	27.0
Berlin	41,125	9.79	6.17	16.00	72	884	3,046	29.0

1) Median **2)** Includes operating costs (BBU 2015) 2.23 (eastern Berlin), 2.73 €/m² (western Berlin) and 2.48 €/m² (all of Berlin) **3)** Rent (incl. utilities) as percent of household purchasing power **( )** Rank among the 190 postcodes with rental data **Sources:** CBRE based on data from empirica-systeme, Michael Bauer Research (purchasing power); compiled by CBRE



Sources: CBRE based on data from empirica-systeme
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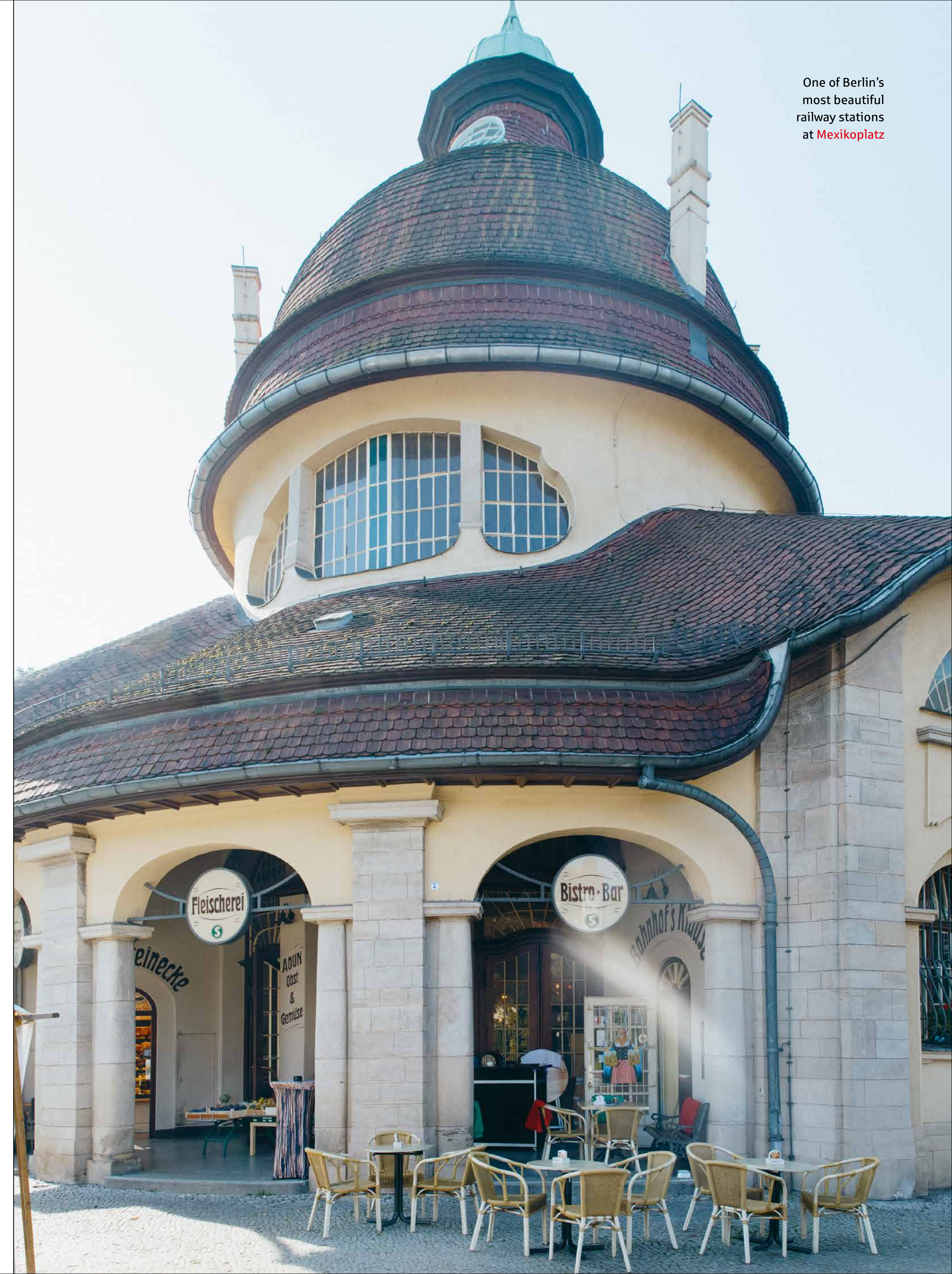
A major forthcoming project could increase the rental values. In the Steglitzer Kreisel complex, a vacant, 28-storey office building including plinth section is to be converted to provide more than 300 apartments, albeit mainly in individual ownership. Transport connections here can be assessed as excellent: there is a U-Bahn station under the building.

A major project in the southeast

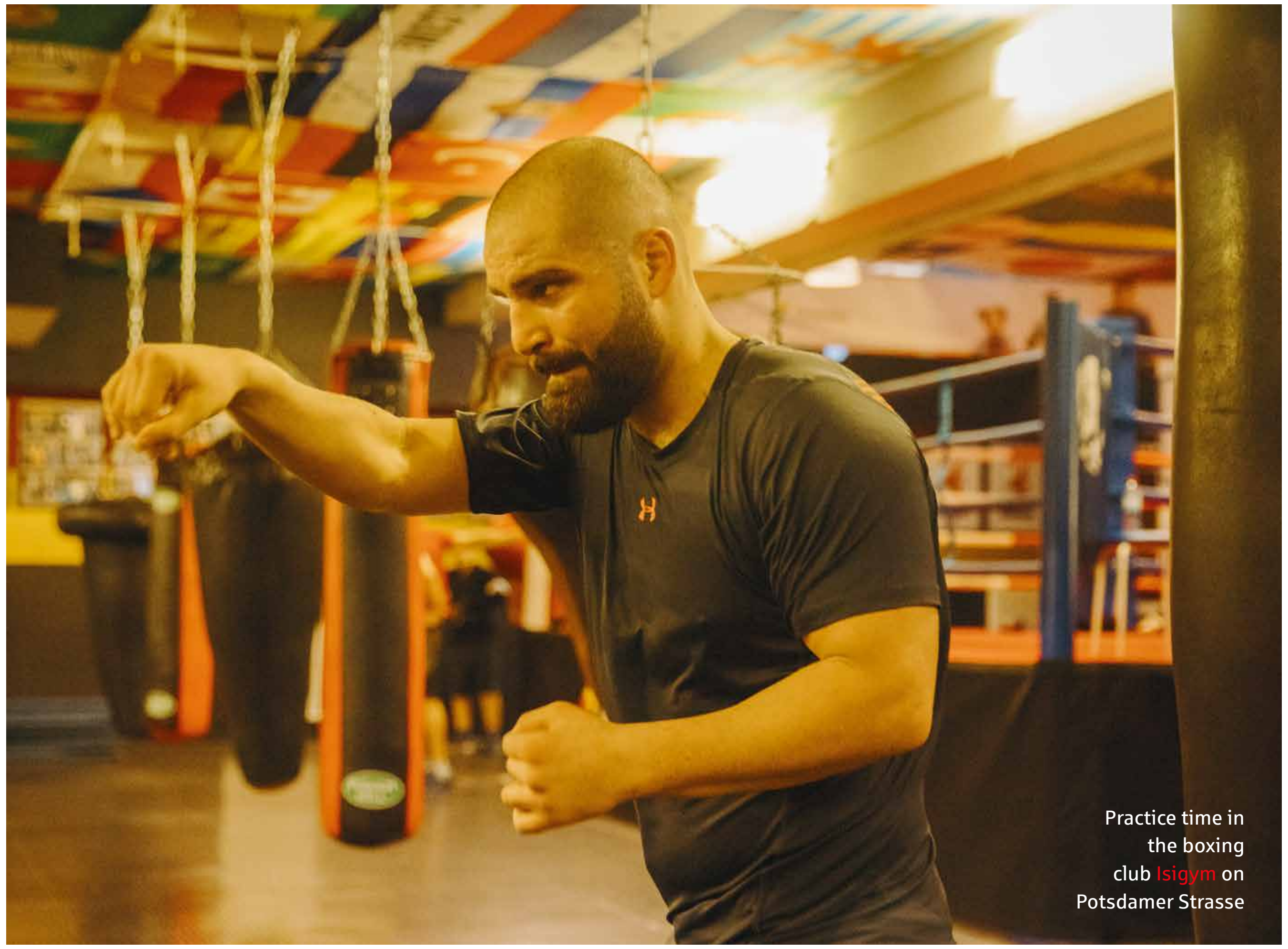
The south-eastern corner of Steglitz-Zehlendorf – part of Lankwitz (12249) and two areas in Lichterfelde (Ostpreußendamm (12207) und Hildburghauser Strasse West (12209)) – has the lowest asking rents in the district, as well as major development potential. Apartments are still on offer here at less than 9 Euros per square metre per month. In contrast, purchasing power is at least in the midrange of the Berlin postcodes and well above the city-wide average. In the Hildburghauser Strasse West area it is actually in the top 20 of all the 190 areas surveyed. The housing cost ratios in all three areas are correspondingly moderate.

Wide stretches are typical of city outskirts, with smaller individual houses and estates in green surroundings. The most conspicuous exception is the so-called “Thermometer” estate, where the roads, such as the euphonious Fahrenheitstrasse and Mercatorweg, are named after famous physicists and cartographers. It is a typical large estate, constructed between 1968 and 1974, with all the associated challenges. It includes numerous high-rise buildings of up to 22 storeys, housing thousands of residents. The meadowland next to the Thermometer estate and adjoining the southern city boundary has recently been making the headlines. A former training area for US troops, unused for around 20 years, it is now the site of the largest development project in the district. A new urban neighbourhood is to be constructed here, with over 2,500 apartments, retail units, day nurseries, schools and sports grounds. A public petition objecting on grounds of nature conservation has failed and the official planning process is currently under way.

Suburban heaven with good infrastructure



One of Berlin’s most beautiful railway stations at Mexikoplatz



Practice time in the boxing club Isigym on Potsdamer Strasse

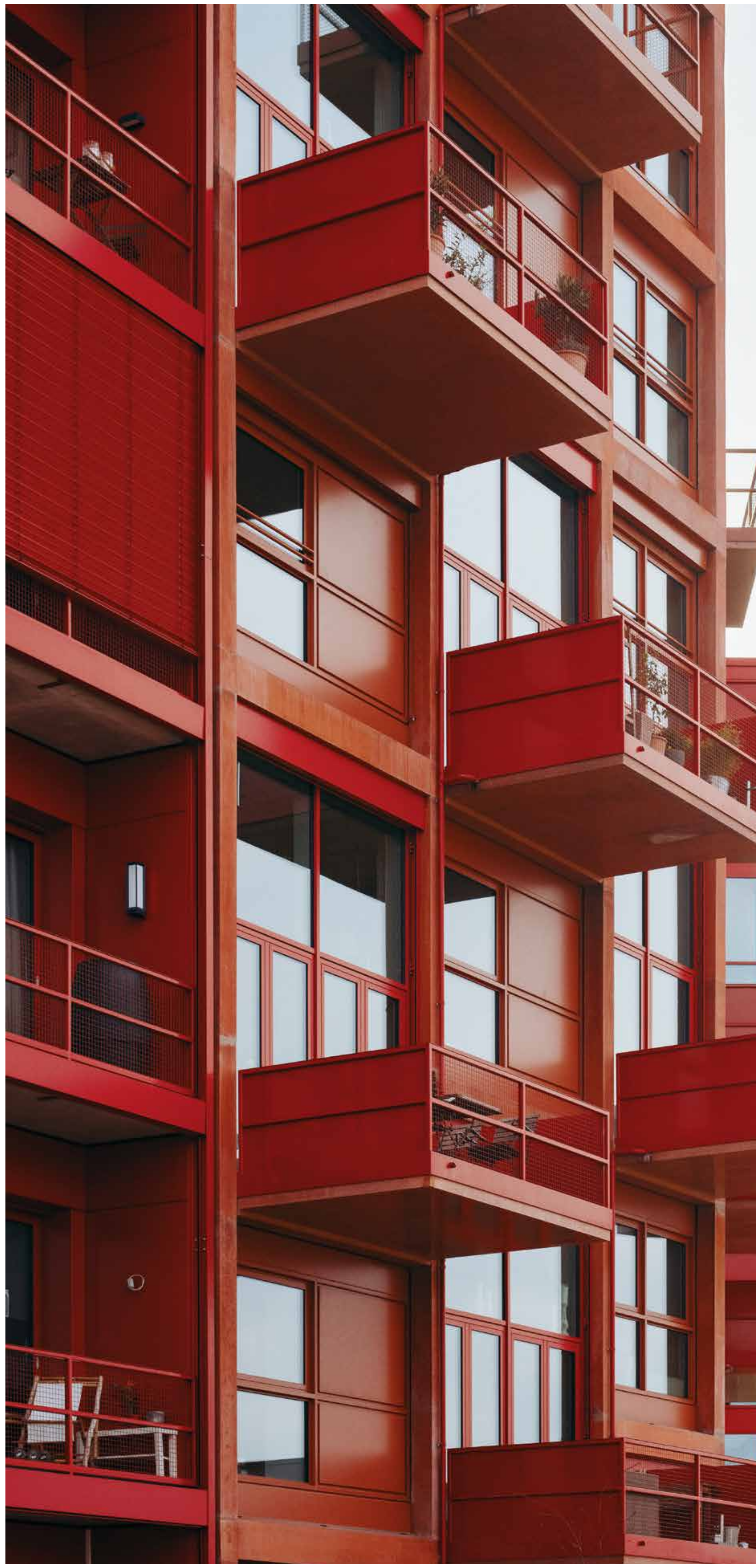
Tempelhof-Schöneberg

The area has a few rough edges, but also well-maintained, more upmarket areas. Here people looking to get ahead can meet those who have already made it – and fellow citizens with cosily furnished homes, hidden behind somewhat austere exteriors.

The Pallasseum, better known as Sozialpalast, has a wartime bunker as its foundation

District:

346,108	**53.05 km²**	**181,149**
Residents	Surface area	Residential units



Left:
A pre-war building in Bayerisches Viertel at the edge of City West

This page:
The residential development at the train depot by Robertneun architects

Calm in the centre, a concern on the periphery

This district has everything – areas with older buildings of differing quality, high-rise estates, idyllic peripheral locations and Berlin's largest open space

Facts

Marked north-south rent gap
—
High price increase around Viktoria Luise Platz

The elongated Tempelhof-Schöneberg district extends from the western city centre to the southern boundary of Berlin. Not surprisingly, it has a very diverse structure. Schöneberg, in the inner city, is dominated by neighbourhoods with older buildings in the mid- to upper price bracket. The dearest and most sought-after are close to the Kurfürstendamm with the famous KaDeWe, while to the south and east are more modest apartments, including a high proportion of state-owned, partially social housing resulting from refurbishments.

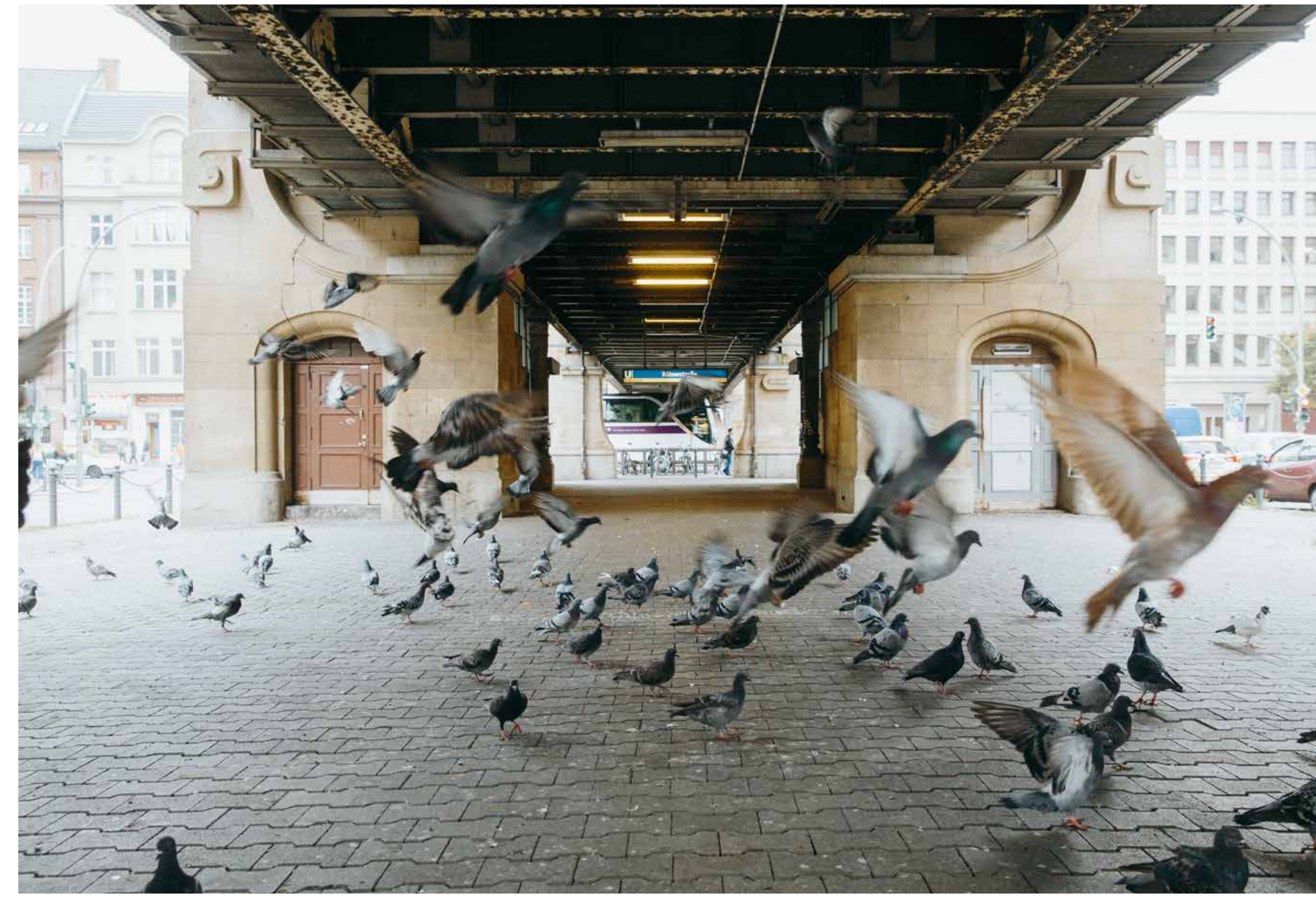
With a few exceptions, Tempelhof has a north-south differential in asking rents. Even here, proximity to the city centre is a decisive influence on rental value. In terms of buildings, the area has a mixed structure. There are Wilhelminian neighbourhoods near to erstwhile village centres, the city's largest open space on Tempelhofer Feld, large commercial areas, leafy residential districts with apartment blocks and terraced houses and, in the south, 1970s high-rise peripheral estates and expanses of individual houses. The relationship between purchasing power and rental values in both parts of the district is paradoxical. The asking rents in Schöneberg are almost consistently higher, although its average purchasing power is lower than in Tempelhof. In extreme cases, this can result in tenants having to expend almost twice as much of their purchasing power to rent an apartment in Schöneberg, compared with some locations in Tempelhof.

Leisurely Viktoria Luise Platz

The area around Viktoria-Luise-Platz (postcode 10777) has a pleasant and inviting, although rather upmarket, urban environment. The apartments on offer here are mostly large and stately, in older buil-

This page:
One of the many Turkish delis on Potsdamer Strasse

Right:
Bruno Möhring designed the U-Bahn station Bülowstrasse



3 Projects Exciting new uses for previously vacant land

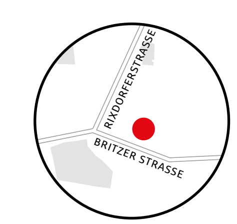
Pandion The Haus

Area: **Schöneberg**
Street: **Nürnberger Strasse**
Residential units: **75**
Type of use: **condominium**
Sale prices €/m²: **from 7,300**

Carré Voltaire

Area: **Schöneberg**
Street: **Kurfürstenstrasse**
Residential units: **127**
Type of use: **condominium**
Sale prices €/m²: **4,000–7,100**

Britzer Strasse

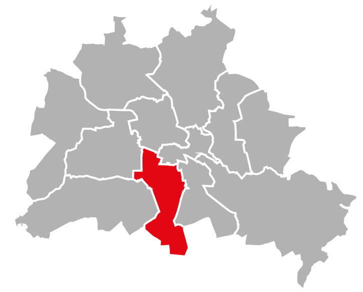


Area: **Mariendorf**
Street: **Britzer Strasse**
Residential units: **39**
Type of use: **condominium**
Sale prices €/m²: **from 3,300**

dings. In the west of the area they are mainly on quiet residential streets. In contrast, to the east of Martin Luther Strasse, they are in the trendy "Kiez" around Nollendorfplatz, with its many bars and shops. Restaurants and cafés are also lined up on the well-maintained Viktoria Luise Platz. This is only five minutes' walk from KaDeWe, the famous department store. The price of this attractive environment and central location is the ninth-highest asking rent in Berlin, which was up again, by almost 18 percent year-on-year, in 2017. Although the area is highly sought-after, in the recent past there has only been space for a handful of new developments. For example, 128 new apartments are currently being built in the former Berlin post and telegraph office, north of Viktoria Luise Platz. The area is largely densely built up, so that no major changes can be expected in the short and medium term.

Lichtenrade faces major changes

It is only a short distance from the bourgeois city-centre area to the middle-class suburban neighbourhood at the southern end of the district. The area around Lichtenrade railway station (12307) boasts the highest average household purchasing power in Tempelhof-Schöneberg. Outside Lichtenrade station there is a square with a small-town ambience, with church, civic offices and library. Bahnhofstrasse has a ran-



Location

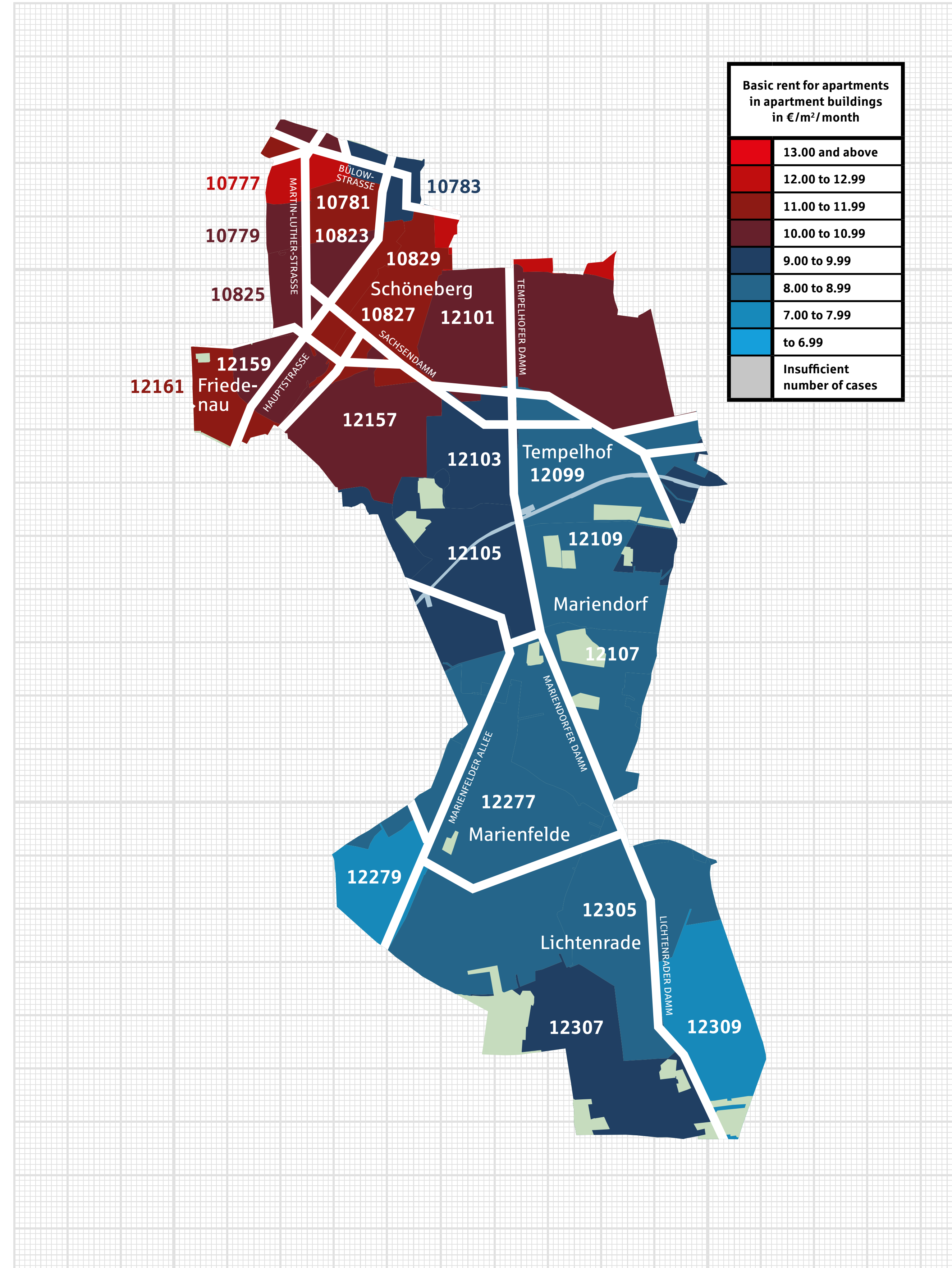
9,061
Dogs

36,086
Roadside trees

2.12
Schools
per 1,000 pupils

Housing market data					Housing cost			
Postcode	Number of rental offers	Basic rent in all market segments[1] in €/m²/month	Basic rent in bottom market segment[1] in €/m²/month	Basic rent in top market segment[1] in €/m²/month	Apartment size, avg. in m²	Total housing cost[2], avg. in €/month	Household purchasing power, avg. in €/month	Housing cost ratio[3] in %
10777	199	12.87 (9)	8.23 (10)	18.00 (20)	83 (26)	1,301 (14)	3,334 (53)	39.0 (19)
10779	81	10.32 (71)	7.69 (23)	16.82 (36)	86 (18)	1,126 (34)	3,077 (85)	36.6 (34)
10781	133	11.41 (41)	6.92 (69)	17.87 (23)	85 (20)	1,208 (24)	2,856 (115)	42.3 (10)
10783	82	9.56 (97)	5.91 (161)	12.98 (113)	65 (133)	793 (117)	2,775 (136)	28.6 (96)
10823	61	10.81 (57)	7.02 (61)	15.16 (59)	66 (124)	891 (87)	2,767 (138)	32.2 (74)
10825	99	10.90 (56)	6.08 (139)	16.33 (43)	78 (47)	1,058 (46)	2,910 (109)	36.3 (36)
10827	150	11.00 (49)	7.40 (34)	15.14 (60)	73 (78)	996 (58)	2,927 (106)	34.0 (54)
10829	117	11.00 (49)	7.45 (31)	15.98 (49)	66 (124)	906 (82)	2,693 (154)	33.7 (61)
12099	174	8.92 (129)	6.50 (101)	13.86 (92)	67 (118)	779 (122)	2,586 (170)	30.1 (82)
12101	85	10.00 (78)	6.69 (87)	14.67 (69)	71 (87)	909 (79)	3,126 (76)	29.1 (90)
12103	187	9.56 (97)	6.45 (110)	12.74 (116)	66 (124)	814 (111)	2,806 (128)	29.0 (92)
12105	164	9.21 (117)	6.49 (105)	14.62 (71)	64 (146)	759 (133)	2,843 (122)	26.7 (113)
12107	146	8.74 (140)	6.60 (95)	11.92 (141)	67 (118)	766 (127)	3,440 (43)	22.3 (152)
12109	154	8.88 (131)	7.00 (65)	11.58 (149)	65 (133)	755 (135)	2,983 (99)	25.3 (129)
12157	188	10.04 (75)	7.09 (56)	14.00 (86)	73 (78)	932 (71)	2,902 (110)	32.1 (75)
12159	111	10.45 (68)	7.69 (23)	14.59 (73)	83 (26)	1,096 (39)	3,247 (66)	33.8 (59)
12161	210	11.03 (47)	7.79 (20)	15.01 (61)	82 (32)	1,126 (34)	3,325 (55)	33.9 (58)
12277	84	8.41 (148)	6.42 (114)	10.54 (172)	70 (95)	783 (121)	3,571 (34)	21.9 (154)
12279	164	7.44 (173)	5.92 (160)	10.00 (179)	71 (87)	717 (149)	3,252 (65)	22.1 (153)
12305	141	8.18 (156)	5.93 (159)	10.13 (178)	68 (108)	737 (142)	3,689 (26)	20.0 (174)
12307	84	9.00 (122)	6.25 (131)	11.97 (140)	78 (47)	915 (78)	3,925 (18)	23.3 (146)
12309	132	7.44 (173)	5.57 (173)	11.86 (143)	73 (78)	742 (139)	3,434 (44)	21.6 (158)
District	2,946	9.70	6.47	15.00	73	904	3,117	29.0
Berlin	41,125	9.79	6.17	16.00	72	884	3,046	29.0

1) Median **2)** Includes operating costs (BBU 2015) 2.23 (eastern Berlin), 2.73 €/m² (western Berlin) and 2.48 €/m² (all of Berlin) **3)** Rent (incl. utilities) as percent of household purchasing power **( )** Rank among the 190 postcodes with rental data **Sources:** CBRE based on data from empirica-systeme, Michael Bauer Research (purchasing power); compiled by CBRE



Sources: CBRE based on data from empirica-systeme
© Cartography: Nexiga, 2006–2014 Tom Tom

ge of shops for daily needs. To the east and south of the station, Lichtenrade is dominated by individual houses, while to the north of Bahnhofsstrasse, 1970s apartment blocks prevail.

Unlike the north of Schöneberg, the southern end of the district is facing a major change. The mainline railway tracks that were closed after the war are to be reopened. Trains to Dresden and Prague and express trains to the future major airport BER will use them every few minutes. As a result, bridges, underpasses and high noise protection barriers will be built and there will be a significant reduction in tranquillity. Legal actions against the plans have been unsuccessful. The construction works are to begin shortly and should be completed by 2025.

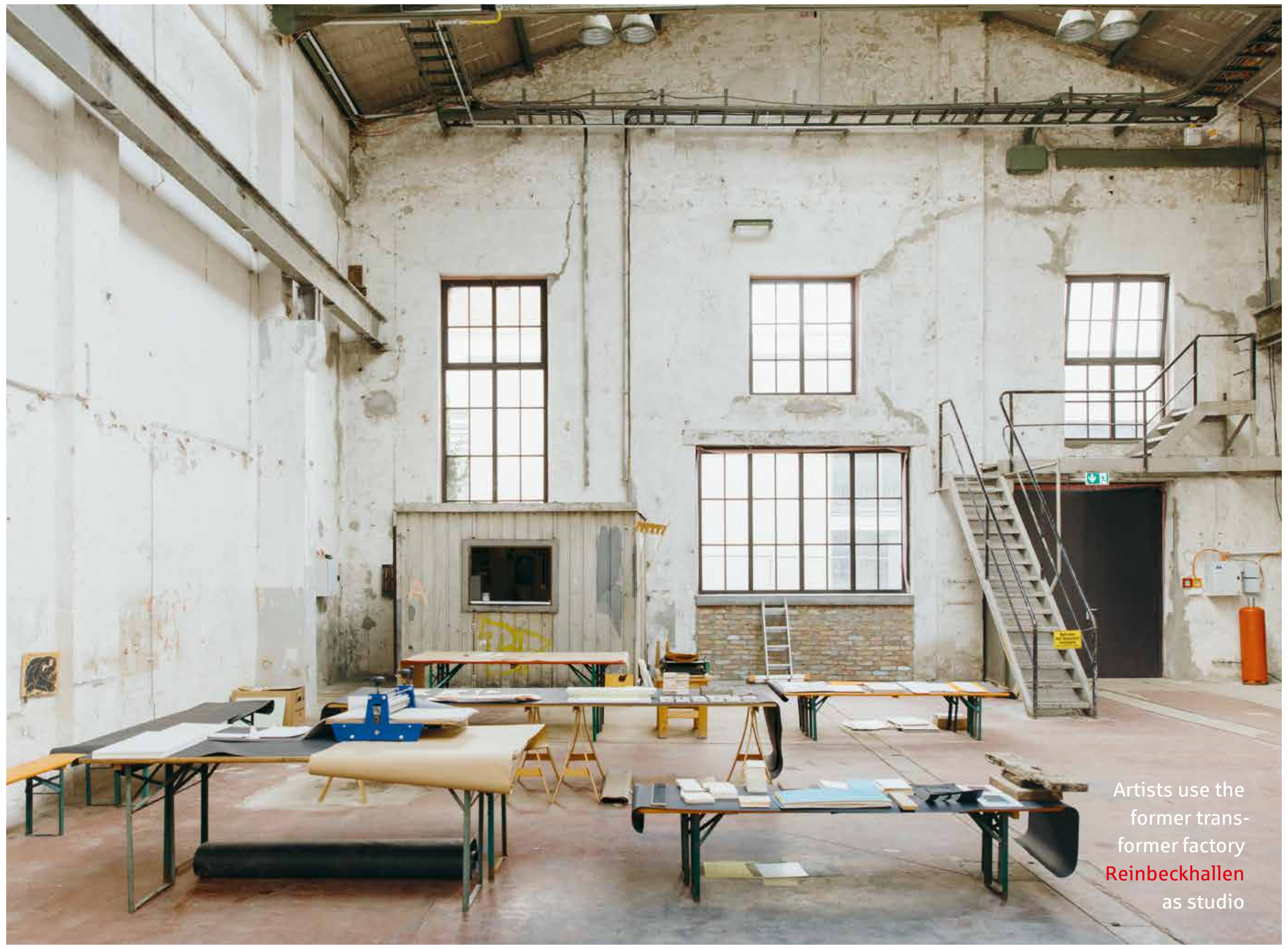
Friedenau's unobtrusive population density

In the northwest of the district, on the boundaries of Wilmersdorf and Steglitz there is another middle-class area that holds a surprising record: Friedenau (12161 and 12159) has the highest population density of all the 96 subdistricts of Berlin. More than 17,000 people live in an average square kilometre of Friedenau, although this is not evident in the area. The older buildings often have only four storeys, instead of the five typical of Berlin, in the streets there is room for front gardens and in many places there is space for idyllic, leafy squares.

The high density is explained by the fact that the area is almost completely developed with residential buildings. Commercial properties are the exception and there are no large railway or recreational areas. The residents of Friedenau enjoy life in their attractive, leafy streets, although there is no shortage of shops, restaurants and trendy "Kiez" culture. The purchasing power, like the rental values, is among the highest in the district. There is only one site with space for a major development. In the Friedenauer Höhe project, 940 new apartments are to be constructed on the former railway goods station in the north of the area. This will further enhance Friedenau's leading position in population density. Construction of this major project, which extends to the south of the city motorway and the S-Bahn ring, is to be phased gradually over a longer period of time. The development of the new district, which is to include privately financed rental apartments as well as retail and office space and a hotel, will not be completed until 2022.

Frank and authentic with an elegant and sophisticated edge

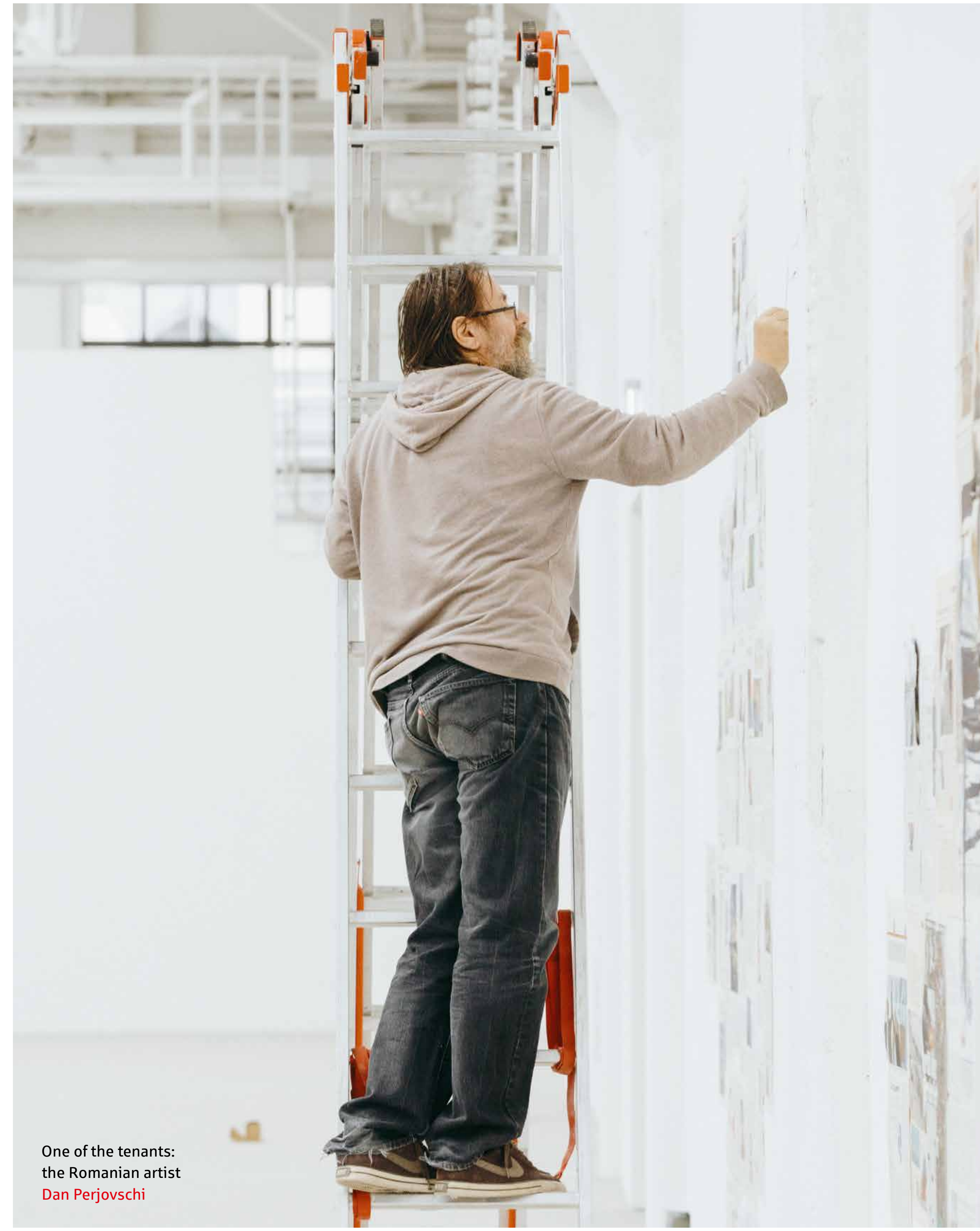
An Isigym boxer on Potsdamer Strasse



Artists use the former transformer factory Reinbeckhallen as studio

Treptow-Köpenick

Artists rather than manual workers occupy former industrial buildings, while on the riverside, houses with panoramic views are replacing warehouses. The extensive potential for housing development in Treptow-Köpenick is being actively exploited – in former factories as well as in waterside and woodland locations. The somewhat longer commute to the city centre is accepted.



One of the tenants: the Romanian artist Dan Perjovschi

District:	259,524	167.73 km²	138,723
	Residents	Surface area	Residential units

This page:
Schöneweide is characterised by listed industrial estates

Right:
Wohnen am Campus by Roedig.schop architects in Adlershof

Where open space is plentiful

The district is becoming more diverse through large and small development projects, some are still in attractive waterside and leafy locations

Facts

New construction activity remains high
—
Large offer in Adlershof

Treptow-Köpenick, in southeast Berlin, is the largest district in the city by area, with the most forest and bodies of water. It has a particularly diverse structure. Alt-Treptow and the area around Baumschulenstrasse and Oberschöneweide have typical, inner city Wilhelminian-style buildings. Southwards, in Johannisthal, Adlershof, Altglienicke and Bohnsdorf, there are less densely developed areas, interspersed with small areas of woodland and allotments, as well as large expanses of railway land and commercial areas. The same applies to Rummelsburg and Niederschöneweide, to as far as the west of Köpenick. There the density of development increases again. After that, the settlements in the southern and eastern areas, such as Wendenschloss and Müggelheim, Friedrichshagen and Wilhelmshagen, Rahnsdorf and Schmöckwitz, increasingly disappear into the greenery. The housing market is dominated by the moderate to medium price ranges. It is possible to live in a quiet environment, close to nature but remote from the city centre.

When new construction raises rents

Niederschöneweide (postcode 12439) impressively demonstrates why statistics should not be simply accepted but should always be interpreted. In 2017, this area saw the sharpest increase in asking rents in Treptow-Köpenick, which moved from sixth dearest to the top position in the district. In contrast, Oberschöneweide, the neighbouring, similarly structured area, was left far behind. Gentrification in Niederschöneweide? No, it wasn't that. Instead, the numerous apartments that came onto the market in a major development project exerted an influence on the median asking rent. Once these – primarily one-room – apartments are let, it can be assumed that the above-

Fuseroom Recording Studios on Schöneweider Wilhelminenhofstrasse

Alberto Rizzo Schettino, owner of Fuseroom Recording Studios

3 Projects Exciting new uses for previously vacant land

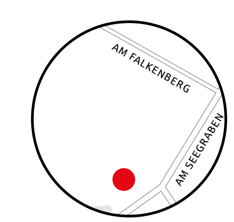
Joachimstrasse

Area: **Köpenick**
Street: **Joachimstrasse**
Residential units: **134**
Type of use: **rent, partly subsidised**
Rent €/m²: **6.00–11.00**

Living Spree 2.0

Area: **Oberschöneweide**
Street: **An der Wuhlheide**
Residential units: **36**
Type of use: **condominium**
Sale prices €/m²: **from 3,990**

Am Coloniapark



Area: **Altglienicke**
Street: **Kleiner Mohnweg**
Residential units: **32**
Type of use: **semi-detached**
Sale prices €/m²: **e.g. 1,960–2,400**

average trend of rents will once again normalise. The second-place ranking of Adlershof (12489) in the rental league table is also a result of lively development activity. Currently, even more projects are being developed here than in neighbouring Niederschöneweide. The state-owned housing associations Stadt und Land Wohnbauten and Howoge are very active in the construction of new buildings. After completion, the majority of the new residential units will therefore be offered for rental. Overall, in the survey period more than twice as many rental apartments were on offer in Adlershof than in Niederschöneweide. The dominant factor for Adlershof is primarily the "Wissenschaftsstadt" (science city) Adlershof, which is home to more than 1,000 companies, institutes of the Humboldt University of Berlin and numerous extramural research institutes.

Small-town qualities in Köpenick

However, Köpenick (12555) has the largest rental housing market in the district. Like Spandau, it is an area of Berlin that, in parts, has the appearance of an autonomous town. There is a historic centre – in Köpenick on an island with a castle. Bahnhofstrasse is the commercial focus, with two shopping centres. Nearby there are many apartment blocks. Uhlenhorst, in the northern part of the area, has the attractive early Modernist "Märchenviertel" and many individual houses close to woodland.

Numerous small and medium-sized development projects have been recently completed or are under construction in Köpenick. Recently, the increase in asking rents has been moderate. Despite good amenities and some attractive little corners, rental values in the district are in the midrange and, by general Berlin standards, are rather low. In addition, rents in the

Location

8,248
Dogs

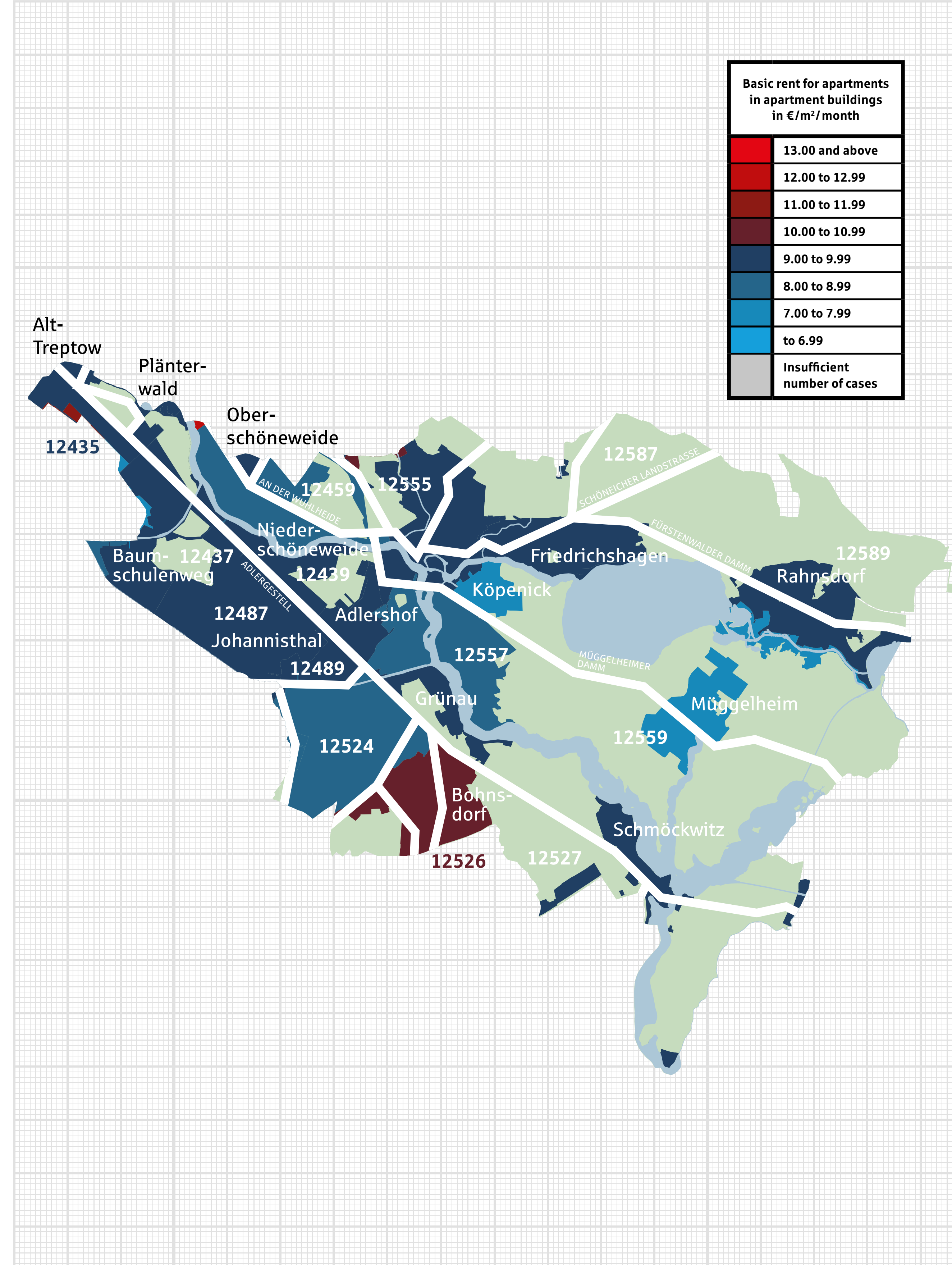
44,343
Roadside trees

2.51
Schools
per 1,000 pupils

Housing market data | **Housing cost**

Postcode	Number of rental offers	Basic rent in all market segments[1] in €/m²/month	Basic rent in bottom market segment[1] in €/m²/month	Basic rent in top market segment[1] in €/m²/month	Apartment size, avg. in m²	Total housing cost[2], avg. in €/month	Household purchasing power, avg. in €/month	Housing cost ratio[3] in %
12435	141	9.85 (89)	6.50 (101)	14.01 (85)	77 (55)	925 (74)	2,725 (149)	34.0 (54)
12437	281	9.00 (122)	6.79 (78)	12.00 (134)	63 (152)	704 (156)	2,670 (155)	26.4 (115)
12439	198	9.70 (93)	6.36 (119)	15.44 (55)	65 (133)	777 (123)	2,738 (145)	28.4 (97)
12459	517	8.04 (161)	6.30 (124)	12.34 (128)	64 (146)	653 (171)	2,546 (174)	25.6 (124)
12487	304	9.70 (93)	6.60 (95)	12.00 (134)	71 (87)	851 (100)	2,911 (108)	29.2 (89)
12489	434	9.50 (100)	6.70 (86)	12.19 (129)	70 (95)	817 (108)	2,786 (133)	29.3 (88)
12524	205	8.01 (162)	6.44 (112)	11.51 (150)	72 (85)	733 (145)	3,673 (27)	20.0 (174)
12526	51	10.00 (78)	6.02 (147)	12.57 (118)	82 (32)	1,007 (57)	3,784 (21)	26.6 (114)
12527	157	9.50 (100)	7.18 (47)	14.06 (84)	82 (32)	956 (68)	3,667 (28)	26.1 (118)
12555	549	9.01 (120)	6.40 (115)	12.49 (124)	71 (87)	797 (116)	2,914 (107)	27.4 (107)
12557	451	8.81 (134)	6.46 (109)	12.35 (127)	73 (78)	803 (114)	3,206 (69)	25.0 (131)
12559	160	7.83 (167)	5.67 (168)	11.04 (162)	69 (99)	691 (159)	3,403 (47)	20.3 (173)
12587	211	9.00 (122)	6.50 (101)	13.00 (110)	79 (43)	883 (91)	3,153 (74)	28.0 (100)
12589	64	9.19 (118)	7.00 (65)	11.67 (147)	77 (55)	880 (93)	3,929 (17)	22.4 (150)
District	3,723	8.98	6.35	12.51	70	789	3,074	25.7
Berlin	41,125	9.79	6.17	16.00	72	884	3,046	29.0

1) Median **2)** Includes operating costs (BBU 2015) 2.23 (eastern Berlin), 2.73 €/m² (western Berlin) and 2.48 €/m² (all of Berlin) **3)** Rent (incl. utilities) as percent of household purchasing power **( )** Rank among the 190 postcodes with rental data **Sources:** CBRE based on data from empirica-systeme, Michael Bauer Research (purchasing power); compiled by CBRE



Sources: CBRE based on data from empirica-systeme
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heart of Köpenick are curbed by two adjoining areas, whose somewhat remote locations lower rental values. One is the Salvador Allende Plattenbau (prefab construction) estate (12559), the postcode that also includes far-flung Müggelheim; the other is Wendenschloss (12557). Its rental market is dominated by older buildings and those from the GDR- era, both in the Fischerkiez and further south in the Zur Nachtheide area. In the extreme south of Wendenschloss, mansions stand side by side on the bank of the river Dahme and in the wooded area around the Müggelberge. However, the small amount of rental housing there is of little market relevance.

Green Friedrichshagen

Friedrichshagen (12587), whose qualities are increasingly becoming recognised elsewhere, also saw a considerable leap in asking rents during 2017. On centrally situated Bölschestrasse, there are still quite a few 18th century Kolonistenhäuser (small farmhouses), while the former poets' quarter there boasts a remarkable number of bookshops, cafés and galleries. These present varying exhibitions of works by artists from all over Europe. Friedrichshagen has flair – and it is situated on the northern lakeshore of the Müggelsee and the extensive forests on its southern and western shores. The S-Bahn service from Friedrichshagen to the city centre was reopened in summer 2017, after a break of many years. The journey time to Alexanderplatz is around 25 minutes, while travel to the central railway station from Friedrichshagen S-Bahn station takes just over half an hour.

Both the older and more recent apartment blocks in Friedrichshagen are mainly set amongst greenery, so that attractive and mainly tranquil residential areas can be found here. The median asking rents in the area are generally similar to those in the Treptow-Köpenick district, although last year the increase in Friedrichshagen was slightly lower than in the district. In a comparison of the 14 postcode areas in the district, by rental value Friedrichshagen ranks among the lower third. More affordable rents on new lettings in the district are being asked by providers in the Wendenschloss, Oberschöneweide, Altglienicke and Müggelheim areas.

Art scene and lofts in old industrial estates

One of the last industrial brick buildings: Großformatorenhalle was built in 1929 by architect Ernst Ziesel

Expensive core and cheap periphery

Medium-price brackets, with asking rents between 9 and 10.99 Euros, predominate in the inner city. The differential between the centre and the periphery is clear.

Facts

Majority at 9 up to almost €10 / m²
—
5 quarters below €7 / m²

The rental value map clearly shows the downward gradient of asking rents from the city centre to the periphery. Median asking rents of 13 Euros per square metre and above are only to be found in and around the historic centre and Potsdamer Platz. 3 percent of the residents of Berlin live in these postcodes. The next lower category, above 12 Euros, is more widely spread, with concentrations around the Kurfürstendamm, Prenzlauer Berg and in Friedrichshain-Kreuzberg. 9.6 percent of the Berliners, over 355,000 people, live in properties in this price bracket.

Quantitatively even more important, with over half a million citizens – 13.8 percent of the population – are the areas with median asking rents ranging from 11 to 11.99 Euros. These cover the majority of the inner city, inside the S-Bahn ring, as well as some areas of southern Berlin. There are some areas in the 10 Euros and above bracket on the northern edge of the city centre, primarily in Schöneberg and Moabit. With one exception, these are currently the most affordable inner-city locations. Otherwise, the same price category predominantly includes apartments in Wedding, Friedenau, Steglitz, Zehlendorf, northern Charlottenburg and Lichtenberg – either having a good address or within easy reach of the city centre. 14.7 percent of the city population live in these areas. The areas that are by far the most populous are concentrated in the 9 to 9.99 Euros price bracket, i.e. close to the Berlin average. Almost a quarter of all Berliners – around 930,000 people – live in this category, in different types of areas that have only one common factor: apart from one area in Schöneberg, all of them are outside the S-Bahn ring. This price bracket includes modest residential areas close to the city centre as well as mansion belts in the periphery.

It is followed by the second-largest group. Almost 791,000 people – nearly 20 percent of all the Berlin residents – live in areas with a median asking rent above 8 Euros. There are concentrations both in green areas and close to the city centre. The geographical focus is in Pankow, Reinickendorf, Tempelhof and Spandau.

Affordable post-war construction

Around 407,000 Berliners – 11 percent of the population – live in areas with median asking rents between 7 and 7.99 Euros per square metre. There are concentrations of this category in Marzahn and Hellersdorf, in Spandau and, in the south of the city, in Neukölln. Social housing and Plattenbau (prefab) estates on the city periphery are heavily represented. These are the locations in which the only five areas with median rents under 7 Euros can be found. 3.2 percent of Berlin residents live in this bracket, in Marzahn, Hellersdorf, the Märkische Viertel, and around Heerstrasse/Wilhelmstrasse in Spandau.

The biggest apartments

Postcode	District	Area	Apartment size[1] in m²
14195	Steglitz-Z.	Dahlem	107
10623	Charlottenburg-W.	Savignyplatz	106
10629	Charlottenburg-W.	Sybelstrasse	105
10719	Charlottenburg-W.	Ludwigkirchplatz	102
10707	Charlottenburg-W.	Olivaer Platz	101

The smallest apartments

Postcode	District	Area	Apartment size[1] in m²
13509	Reinickendorf	Borsigwalde	56
12681	Marzahn-H.	Bitterfelder Strasse	57
12049	Neukölln	Schillerpromenade	57
13057	Lichtenberg	Falkenberg	58
13407	Reinickendorf	Alt-Reinickendorf	58

1) Average of offers **Source:** CBRE based on data from empirica-systeme

The highest average rents (net, excl. utilities)

Postcode	District	Area	Basic rent[1] in €/m²/month
10115	Mitte	Chausseestrasse	15.00
10117	Mitte	Unter den Linden	14.98
10785	Mitte	Potsdamer Platz	14.50
10179	Mitte	Jannowitzbrücke	14.18
10119	Mitte	Rosenthaler Platz	14.00

The lowest average rents (net, excl. utilities)

Postcode	District	Area	Basic rent[1] in €/m²/month
12689	Marzahn-H.	Ahrensfelde	6.02
13593	Spandau	Heerstrasse/Wilhelmstr.	6.06
12619	Marzahn-H.	Kaulsdorf-Nord	6.22
13439	Reinickendorf	Märkisches Viertel Ost	6.49
13435	Reinickendorf	Märkisches Viertel West	6.97

1) Median of offers **Source:** CBRE auf Datenbasis empirica-systeme

The biggest rent increases

Postcode	District	Area	Change[1] from 2016 in %
12057	Neukölln	KöllnischeHeide	41.8
10963	Friedrichshain-K.	Möckernstrasse	23.6
10179	Mitte	Jannowitzbrücke	23.0
10115	Mitte	Chausseestrasse	20.0
10969	Friedrichshain-K.	Prinzenstrasse	18.9

The biggest rent decreases

Postcode	District	Area	Change[1] from 2016 in %
10965	Friedrichshain-K.	Mehringdamm	-5.5
14055	Charlottenburg-W.	Eichkamp/Heerstrasse	-1.8
12059	Neukölln	Weigandufer	-0.2
14129	Steglitz-Z.	Nikolassee/Schlachtens.	0.0
14167	Steglitz-Z.	Dahlemer Weg	0.0

1) Rent excl. utilities, only when more than 100 cases in both years **Source:** CBRE based on data from empirica-systeme

The highest purchasing power

Postcode	District	Area	Purchasing power[1] in €
14195	Steglitz-Z.	Dahlem	4,897
14089	Spandau	Gatow/Kladow	4,588
13465	Reinickendorf	Frohnau	4,570
14129	Steglitz-Z.	Nikolassee/Schlachtens.	4,548
14109	Steglitz-Z.	Wannsee	4,396

The lowest purchasing power

Postcode	District	Area	Purchasing power[1] in €
13359	Mitte	Soldiner Straße	2,345
13353	Mitte	Sprengelkiez	2,374
10553	Mitte	Beusselstrasse	2,457
13349	Mitte	Schillerpark	2,458
12057	Neukölln	Köllnische Heide	2,466

1) Per household and month **Source:** Michael Bauer Research; compiled by CBRE

The highest housing cost ratio

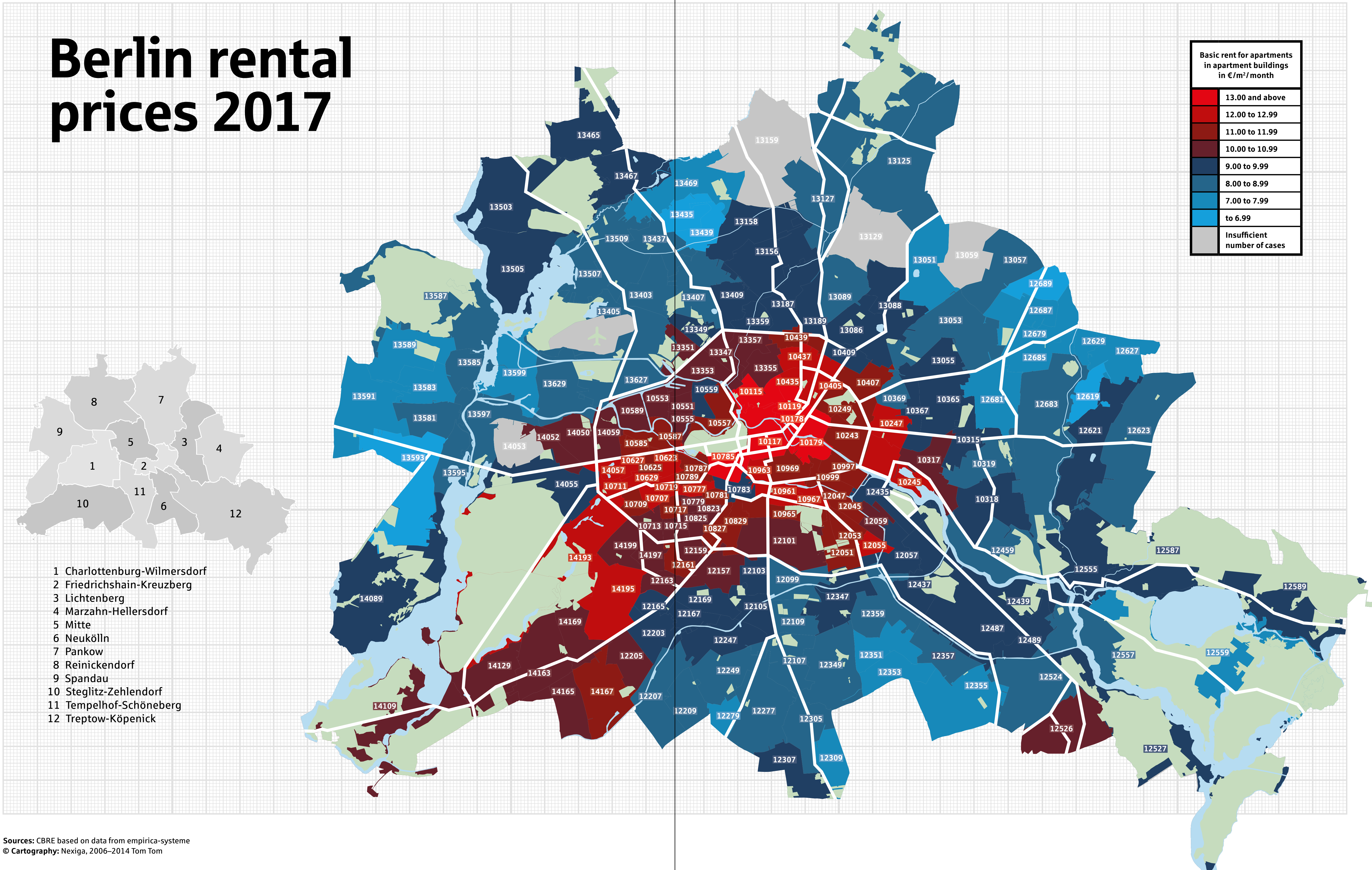
Postcode	District	Area	Housing cost ratio[1] in %
10115	Mitte	Chausseestrasse	49.4
10178	Mitte	Hackescher Markt	47.0
10117	Mitte	Unter den Linden	46.6
10179	Mitte	Jannowitzbrücke	45.7
10785	Mitte	Potsdamer Platz	45.6

The lowest housing cost ratio

Postcode	District	Area	Housing cost ratio[1] in %
12683	Marzahn-H.	Biesdorf	16.7
12681	Marzahn-H.	Bitterfelder Strasse	17.6
12689	Marzahn-H.	Ahrensfelde	18.0
12619	Marzahn-H.	Kaulsdorf-Nord	18.1
12355	Neukölln	Rudow-Süd	18.8

1) Average asking rent (incl. utilities) in relation to household purchasing power **Source:** CBRE

Berlin rental prices 2017



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