

Basel Office, Q4 2018

Basel office market will be tested in the long-term only

MARKET SUMMARY Q4 2018

CITY OF BASEL

61,000 sq m →
Availability

2.4% →
Availability rate

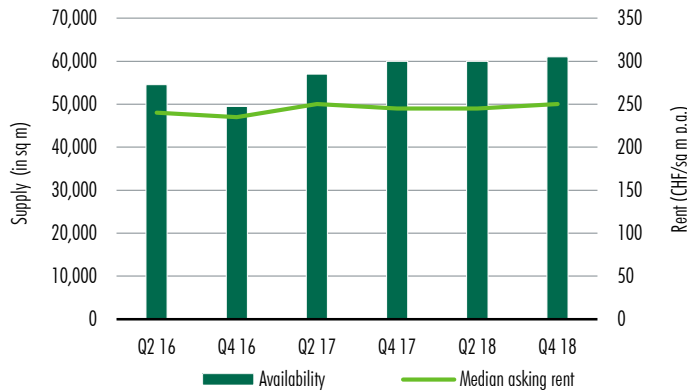
CHF 250/sq m p.a. →
Median asking rent

CHF 420/sq m p.a. ↕
Prime rent

170,000 sq m
New developments by 2023

Trend compared to previous quarter

Figure 1: Availability and median asking rent in the city of Basel



Source: CBRE Research, 2019

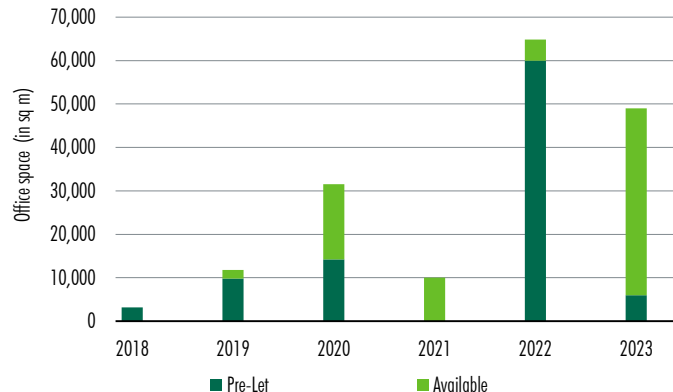
AVAILABILITY & RENTS

In Q4 2018, the amount of office space being advertised in Basel did almost not change compared to the preceding quarters. The availability adds up to 61,000 sq m, which translates into a rate of 2.4%.

The market does therefore not behave very dynamically, even though some larger office units have been freed up due to ongoing consolidation processes. Much more space is expected to be vacated within the next 18-24 months only. This may lead to a slight increase in availability in the mid-term. Thanks to the economic growth and the (yet) limited number of speculative builds, the availability rate is expected to remain clearly below 3% however.

The level of the Basel prime rent has advanced, which can be traced back to the new developments around Basel SBB train station.

Figure 2: Pipeline in the city of Basel



Source: CBRE Research, 2019

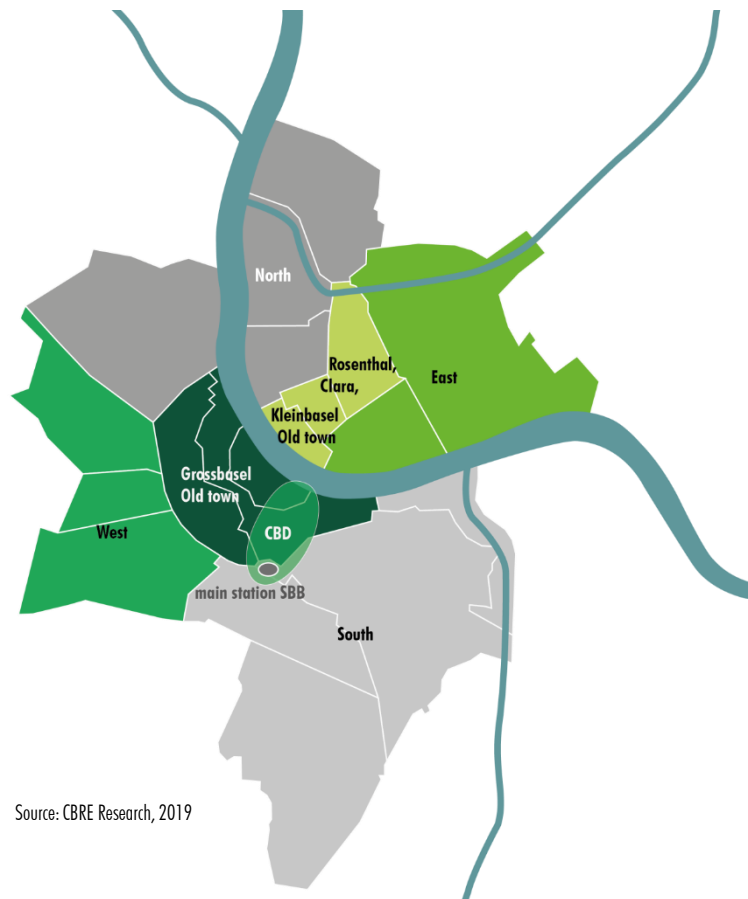
PIPELINE

The development pipeline until 2023 still is promising. Because of the strong construction activity of owner occupiers and the healthy economic growth at the same time the availability will most likely see a more notable increase as of 2023 only.

In the long-term, i.e. with the (re-)development of the Rosental, Nauentor, Dreispitz, Volta Nord, Wolf, Klybeck, etc. sites, the Basel market will face an expansion in supply like almost no other Swiss city.

The more important it will be that the extension of the Basel tram network – as recently made public – will also support the emerging office locations apart from the traditional axis between Basel SBB train station and Basel German railway station (Badischer Bahnhof).

Figure 3: City of Basel submarkets



Source: CBRE Research, 2019

Methodology

The cutoff date for the availability and rent data was December 3rd, 2018. Only rental space offering more than 50 sq m (previous years: ≥ 150 sq m) and available within three months were included in our statistics.

Figure 4: Office market key data

Submarkets		Availability (in sq m)	Availability rate (in %)	Range of asking rents* (CHF/sq m p.a.)	Median asking rent (CHF/sq m p.a.)
CBD, Grossbasel old town	➡	18,000	2.8	220-330	270
Kleinbasel old town, Clara, Rosental	⬆	10,000	5.3	190-290	240
South	⬆	22,000	3.4	180-280	250
North	⬇	7,000	1.2	140-260	225
West	⬆	2,000	1.8	150-250	225
East	⬆	2,000	1.6	150-230	220
City of Basel Total	➡	61,000	2.4		250

*The range of asking prices excludes the highest and lowest 10% and may have been adapted according to the data quality.

Source: CBRE Research, 2019

FOR MORE DETAILED INFORMATION PLEASE CONTACT OUR EXPERTS

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