Berne Office, Q4 2018

What happens after the consolidation wave?

MARKET SUMMARY Q4 2018
CITY OF BERNE

65,000 sq m
Availability

2.7%
Availability rate

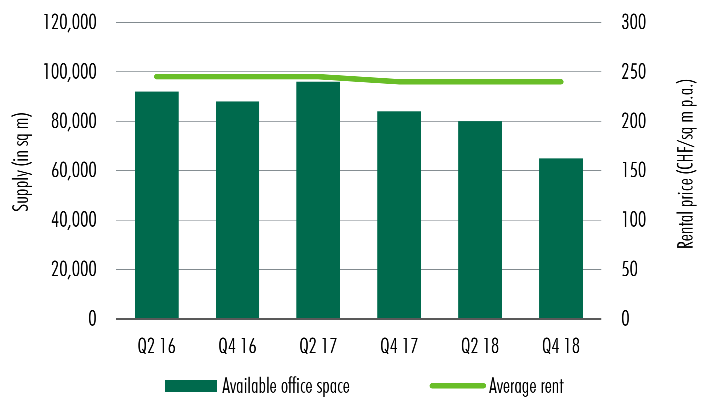
CHF 240/sq m p.a.
Median asking rent

CHF 390/sq m p.a.
Prime rent

105,000 sq m
New developments by 2021

Trend compared to previous quarter

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



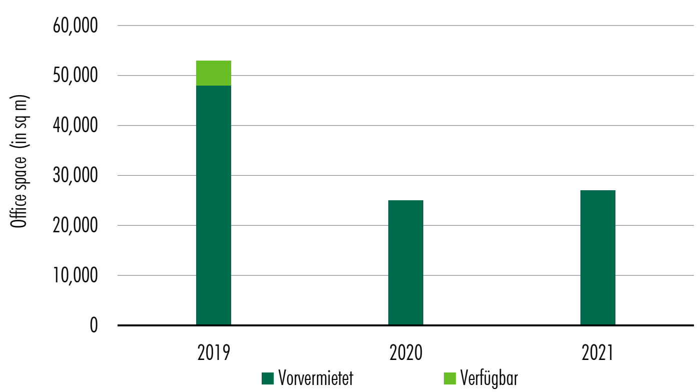
Source: CBRE Research, 2019

AVAILABILITY & RENTS

The amount of advertised office space (available within the next three months) dropped from 84,000 sq m at end of 2017 to currently 65,000 sq m. With up to 10,000 sq m, it has once more been the public sector that has predominantly contributed to the reduction in availability. Again, the Kirchenfeld / Schosshalde neighborhood has enjoyed most benefits from the public sector take-up.

With the exception of (para-)state enterprises, there are not many occupier groups in Berne looking for large office units. Large and flexible office space is rarely available and often has to be developed first. These missing market dynamics have led to rents moving more or less sideways or even slightly downwards in the past months.

Figure 2: Pipeline in the city of Berne



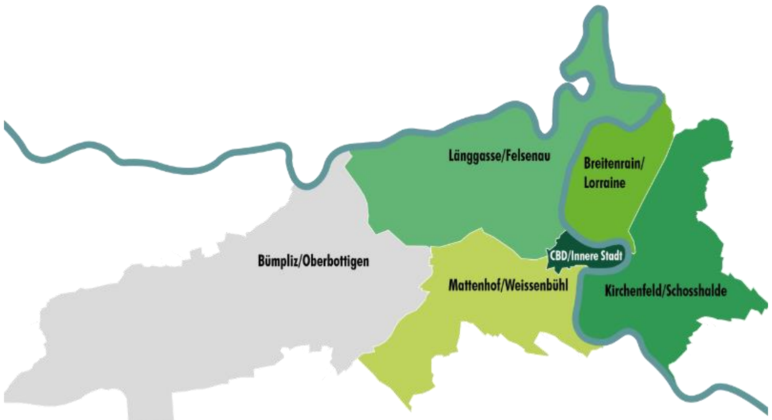
Source: CBRE Research, 2019

PIPELINE

A good example for the market situation as described above is the WankdorfCity area or more specifically the consolidation of administrative state functions on the «Zeughausareal» around Guisanplatz, where a new event hall called «BEmotion Base» shall be built in the next years, too. The project start however still is on-hold due to open issues around funding and ownership structures.

The relocation of many state-led institutions or parastatal enterprises to the fringe of the city or the suburbs – according to the overall location strategy ("Unterbringungskonzept 2024") – will lead to more efficient and flexible structures as this would have been the case in old inner city buildings. The space that will be freed up will likely be absorbed by smaller companies and universitarian institutions.

Figure 3: City of Berne submarkets



Source: CBRE Research, 2019

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/Inner city	↓	8,000	1.6	250-360	300
Länggasse/Felsenau	↑	6,000	2.5	220-270	250
Breitenrain/Lorraine	→	7,000	1.8	160-320	210
Kirchenfeld/Schosshalde	↓	15,000	4.4	190-240	210
Mattenhof/Weissenbühl	↓	13,000	1.9	180-290	240
Bümpliz/Oberbottigen	↑	19,000	7.3	140-250	190
City of Berne Total	↓	68,000	2.8		240

*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

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.

FOR MORE DETAILED INFORMATION PLEASE CONTACT OUR EXPERTS

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