



Image: BATO Group

Berlin City West – A Top Commercial Location

In today’s newsletter, we would like to resume our sequence about Berlin’s distinctive quarters by introducing yet another appealing area — Berlin City West. The City West is a central part of West Berlin, expanding over 650 hectares, mostly over the locality of Charlottenburg and smaller parts of Wilmersdorf, Schöneberg and Tiergarten. While the City West seemed to be overshadowed by the hype over the trendy City East after the reunification, it is experiencing a brilliant comeback — in many ways.

A Leading Retail Location

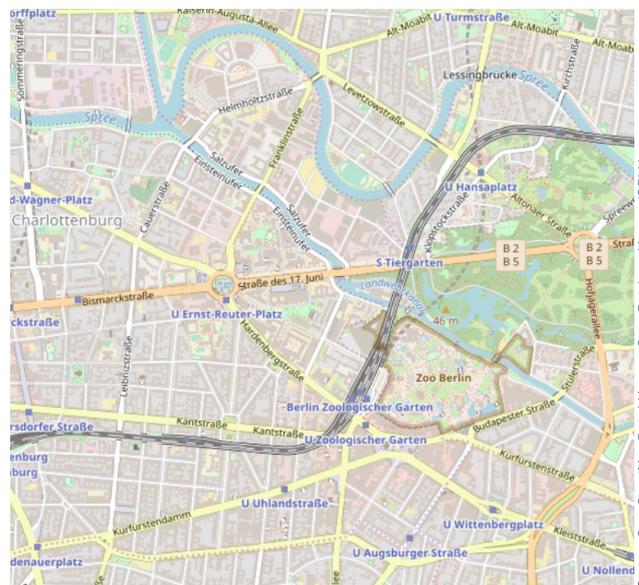
The City West is mostly popular for its shopping boulevards *Kurfürstendamm* and *Tauentzienstraße*, which are the most frequently visited shopping streets in Berlin — the highest pedestrian frequency has been recorded in *Tauentzienstraße* and counts up to 7,205 visitors per hour during peak times.

There is a high diversity in retailers. The *Tauentzienstraße* and the eastern part of *Ku’damm* are mainly dominated by mass brands while the western part of *Ku’damm* is associated with luxury labels.

More retail space has just been created in the lower storeys of the recently completed high rise development, the *UPPER WEST*, which also comprises a hotel and offices.

The retail area on *Joachimstaler Straße*, situated between *Kurfürstendamm* and the Zoo Station, is being overhauled with the new emerging retail and office complex *ZOOM* and the redeveloped open space shopping centre *Neues Kranzler Eck*.

North of *Ku’damm*, Berlin’s new design boulevard has established itself on *Kantstraße*. Next to the long-established *Stilwerk* — a large concept mall for international furniture and interior designs — there is a variety of further high-end stores, show rooms, antique shops and art galleries for furniture and home accessory.



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Berlin City West*

The retail property market City West (*Ku’damm/Tauentzienstraße*) provides top values in terms of pedestrian frequency, rents and rent growth dynamics of the past five years. Prime rents have reached €350/m² while the average prime rent in Berlin’s key shopping locations is below €200/m² (2016).

*There are no officially defined boundaries of the City West, hence the map gives only an approximate idea of the area

Business, Research & Science

The CBD of West Berlin is located around the *Tauentzienstraße* and *Kurfürstendamm* — bordered by *Olivaer Platz* to the west, *Lietzenburger Straße* to the south, *Kantstraße/Budapester Straße* to the north and *Nürnberger Straße* to the east.

The business structure of the CBD area is characterized by a high diversity of smaller firms or branches, such as medical practices, beauty & wellness salons, travel agencies, educational and cultural institutions, legal firms and financial advisors, banks, insurance agencies and real estate service providers.

Rents in CBD West are currently ranging from €12.00-32.00/m², the highest asking rent recently seen was € 43.00/m². Berlin's average in central areas is ca. €19.50/m².

Further north, around the *Ernst-Reuter-Platz* and *Tiergarten Station*, is one of city's top sites for science, technology, business, communications and art.

The *Technical University of Berlin* and the *University of Arts* are situated here as well as the adjacent research & development site *Campus Charlottenburg*. As a whole, they form one of the largest contiguous inner-city universities in Europe.

The nearby renowned research institutions, the *National Metrology Institute of Germany* and four *Fraunhofer Institutes*, add to the scientific landscape in the area.

The recently established incubator CHIC (*Charlottenburg Innovations Centre*) offers working space and the essential environment to young entrepreneurs and companies with research-oriented, innovative or creative projects.

The area is also favoured by international companies. Several medium-sized innovative businesses (e. g. IT, engineering, consulting service providers and others) have settled here. There are also branches from well-renowned companies in the area such as *Bayersdorf Manufacturing Berlin (Nivea)*, *KPM (Königliche Porzellan Manufaktur)* and *AXA Group*.

Rents in this area currently range between €13.00 and 18.00/m², in individual cases, asking rents of €25/m² could be observed.

Hotels, Culture & Lifestyle

The City West is also characterized by a high density of hotels, which is not a surprise as business tourism is very typical for this area, especially considering that the trade fair site *ICC/Messe Nord* is not far away.

Hotels are particularly concentrated along the *Hardenbergstraße* between *Ernst-Reuter-Platz* and *Zoo Station*, the *Kantstraße* between *Savignyplatz* and *Zoo Station*, *Kurfürstendamm* and *Lietzenburger Straße* and also in the *Schöneberg* part of the City West. Plenty of conference space is provided by hotels for business visitors.

Culture tourists as well as locals will find several cultural landmark places in the City West: The cultural event center *The Urania* (in the *Schöneberg* part of the City West), the famous *Theater und Komödie at Kurfürstendamm*, the *Amerika Haus* next to the Zoo Station (Berlin's leading gallery for international photography C/O Berlin), the *Museum of Photography* and the *Literaturhaus* on *Fasanenstraße* (a place for readings and exhibitions related to literature and art).

Our Conclusion

While the City West is well recognized as Berlin's leading retail location, it is also a magnet for (business) tourism and is one of the prime office locations in the capital. An appealing characteristic is the diversity of the local industry structure with the existing science, research and business campus — a great contributor to the City West as an outstanding commercial location.

What's more, current development projects in both the CBD as well as the campus area are still adding more office space to cityscape.

The high rise building *Upper West*, for example, provides 20.500 m² new office space; one of the tenants will be the co-working space provider *WeWork*, which will bring young entrepreneurs to the City West and revitalize the environment even more.

In vicinity of the campus area, next to the *Tiergarten Station*, 40.000 m² of office space are about to be added in the development project *EightFloors (Franklinstraße)*. More office buildings with 16.000 m² (*Englische Straße*), 10.800m² and 7.500 m² (*Franklinstraße*) are being planned. There are also some smaller office/mixed-use and residential developments in this area.

Consequently, the urban and, especially the office profile of the City West are still taking shape and allow a positive outlook for it as a top business location.

BATO Group's asset management portfolio comprises an office building next to the campus area and we watch the corresponding market developments in this district very closely. Please do not hesitate to contact us for detailed information regarding rents, price development and vacancies in this area, but also in general.

Please note that the contents of this newsletter have been researched and written according to the best of our knowledge; however they are in no way to be accepted as a legal advice or suggestion. Therefore we exclude any liability.

Sources

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