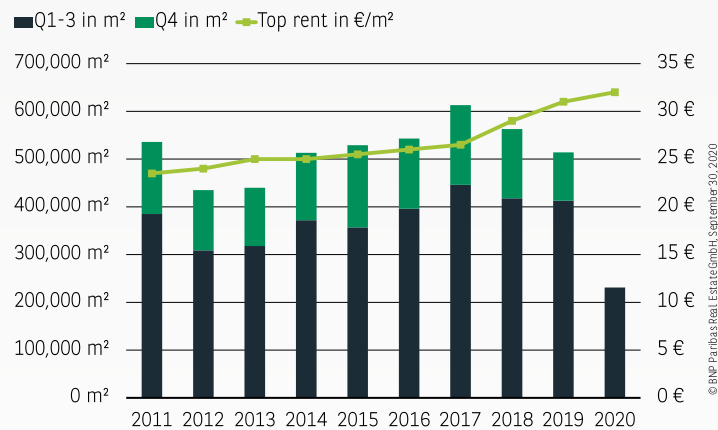




At a Glance **Q3 2020**

OFFICE MARKET HAMBURG

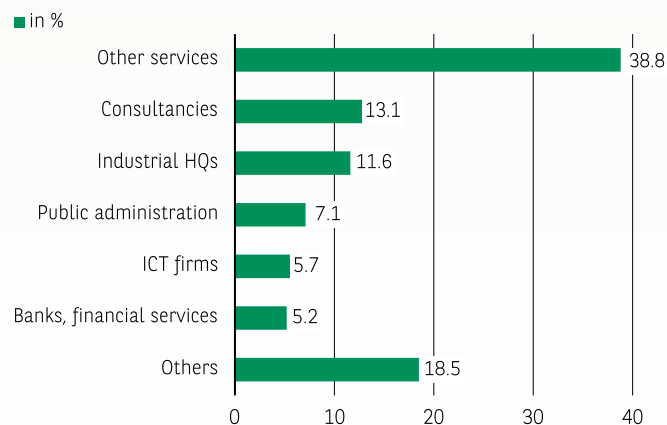
Development of take-up and top rents



➤ LOWER DEMAND DUE TO CORONA

The effects of the Corona crisis are still evident on the Hamburg market. With a take-up of 231,000 m² in the first three quarters, the Hanseatic City recorded a 44% decline in take-up compared to the same period of the previous year and ended up almost 37% below the ten-year average. The results of the other major German office markets are also noticeably lower than in the previous year, with a decline between just under 18% and 45%. In Hamburg, the fact that there has so far been no deal in the large-scale segment above 10,000 m² is particularly noticeable, but there has also been less take-up than in the previous year in most other size categories. Due to the economic implications of the Corona crisis, many companies are postponing relocation and expansion plans in order to await further developments.

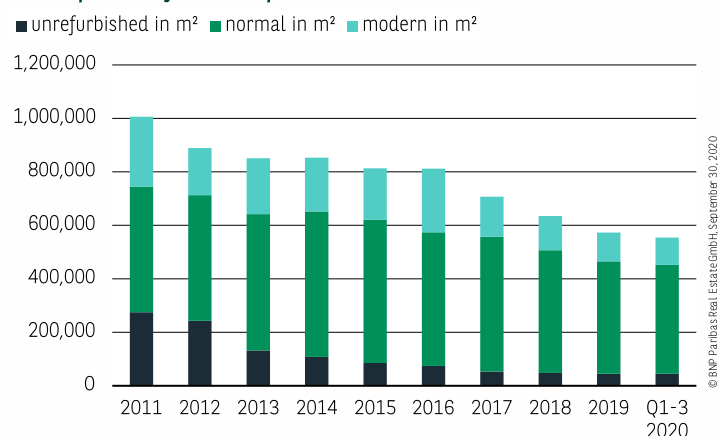
Take-up by sector Q1-3 2020



➤ OTHER SERVICES WAY AHEAD

The distribution of take-up by sector is dominated by other services by a large margin. With about 39% market share, they achieve an extraordinarily high proportion for a single category, which is actually unusual for the broad-based economic structure of the Hanseatic city. This can be explained by the diverse business activities of this group. In addition, this is where most of the deals are usually recorded. Only consultancies (13%) and administrations of industrial companies (12%) have a double-digit volume share by the end of Q3. Public administration follows with around 7%, with companies in the information and communications technology sector accounting for just under 6%.

Development of vacant space



➤ VACANCIES CONTINUE TO DECLINE

Despite weaker demand, the volume of vacant space has been further decreased (-5%) and amounted to 554,000 m² at the end of the third quarter. The segment of modern space that is in greatest demand has seen a disproportionately large decline and now only covers 102,000 m². The vacancy rate for the overall market has fallen to 3.9%. The largest supply of space available continues to be in the City submarket, which generates high take-up. Business relocations and construction completions pushed office vacancy in the City submarket by 38% to 74,000 m². Although the vacancy rate in this office market zone has risen to 2.8%, it remains at a very low level.

Major contracts

Sub-market	Company	m²
3.7	Hamburger Verkehrsanlagen	6,800
3.7	SUND Holding	6,400
3.5	Hansainvest Hanseatische Investment	6,000
3.3	Wärtsilä SAM Electronics	5,900
1.3	MSH Medical School Hamburg	5,800
3.3	Wärtsilä SAM Electronics	5,700

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Trends in important market indicators

	Q1-3 2019	Q1-3 2020	Trend remaining year
Take-up	413,000 m²	231,000 m²	➔
Vacant space	582,000 m²	554,000 m²	↗
Space under construction (total)	337,000 m²	463,000 m²	➔
Space under construction (available)	56,000 m²	196,000 m²	➔
Top rent	31.00 €/m²	32.00 €/m²	➔

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VOLUME OF SPACE UNDER CONSTRUCTION INCREASES

Construction activity has picked up considerably in the last twelve months due to the persistently low supply of space. With the start of major projects, such as the Deutschlandhaus and the Burstah Ensemble in the City, or the southern Überseequartier and the Edge HafenCity, space under construction has risen to 463,000 m², an increase of a good 37%. In comparison to last year the available space under construction more than tripled to 196,000 m². For a good 84% of this space completion is not expected until 2022.

TOP RENT STABLE

The top rent, which rose to 32.00 €/m² in the first quarter, has further stabilized and is being achieved for high-quality space in the City submarket. Overall, rents have been able to maintain their level in spite of weaker demand. This applies in particular to the modern segment, where available space at short notice remains limited. The average rent for the market as a whole is at 17.80 €/m² and has thus hardly changed at all.

OUTLOOK

Against the backdrop of the Corona pandemic, no major change in the market development is expected until the end of the year. Although demand and thus take-up, picked up again slightly in the third quarter, it remained below its long-term average, as in previous quarters. On the supply side, a moderate increase in vacancies is expected with space ready for subletting to come onto the market in the months to come.

Key indicators Q1-3 2020

	Top rent* (€/m²)		Take-up (m²)	Vacant space (m²)			Space under construction (m²)		Space on offer (m²)	
	from	to	Q1-3 2020	total	modern	of this, since completion	total	available	available	projected
	1		2	3	4	5	6	7	8 = (3 + 7)	9
Submarkets**										
1 City Centre										
1.1 City Centre		32.00	55,000	74,000	27,000	10,000	91,000	73,500	147,500	251,700
1.2 Eastern Harbour Fringe		25.00	3,000	2,000	0	0	0	0	2,000	0
1.3 HafenCity		30.00	22,000	15,500	12,000	1,000	74,900	70,000	85,500	274,000
1.4 Western City Fringe – St. Pauli		23.50	3,000	3,000	1,000	0	0	0	3,000	9,300
2 Centre Fringe	19.50	- 25.00	54,000	165,000	27,500	1,500	78,300	20,500	185,500	447,500
3 Subcentres	11.50	- 20.00	94,000	294,500	34,500	18,500	218,800	32,000	326,500	451,500
Total			231,000	554,000	102,000	31,000	463,000	196,000	750,000	1,434,000

* The top rent given applies to a market segment of 35 % in each case.

** The relevant office market zone can be found on our website under "Research".

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