

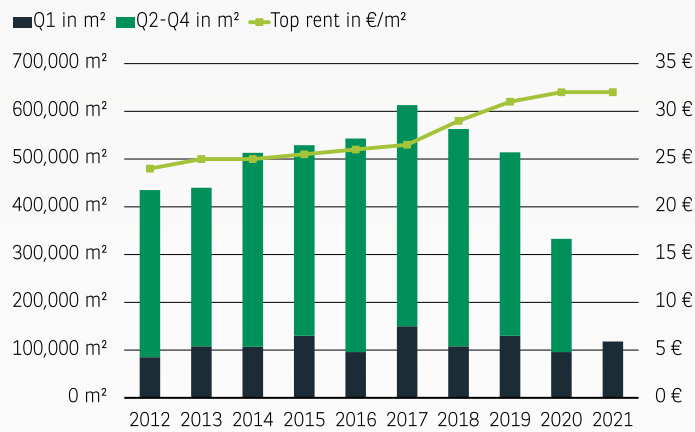


**RESEARCH**

At a Glance **Q1 2021**

# OFFICE MARKET HAMBURG

### Development of take-up and top rents

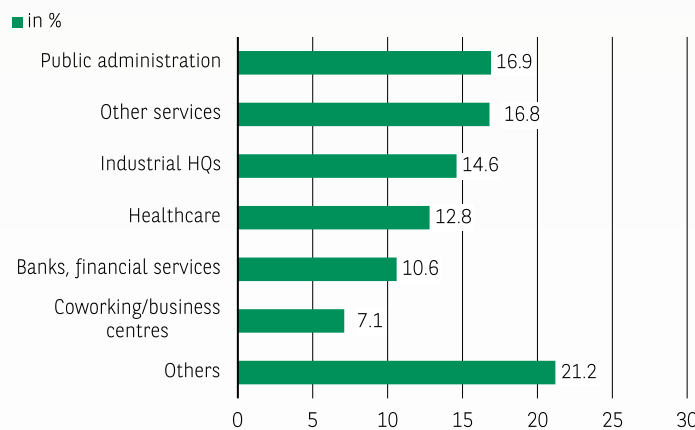


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### OFFICE MARKET RESUMS MOMENTUM

The Hamburg office market has recorded a take-up of 118,000 m² in the first quarter of 2021, exceeding the previous year's result by almost 23%. It is also a very good result in a long-term comparison, around 4% above the ten-year average and in addition it is the highest quarterly figure since mid-2019. The major deals concluded by the Hamburg public attorney's office in the City (17,600 m²), Wintershall DEA Deutschland in Hafencity (11,600 m²) and Deutsche Bank in City Nord (9,600 m²) made a significant contribution to this result. The 5,000 to 10,000 m² and in particular the 2,000 to 5,000 m² size segments saw above-average take-up. This contrasts with 2020 as a whole, in which only one contract for 10,000 m² was registered and a cautious attitude was often observed, particularly for the larger spaces. Current demand is still somewhat more restrained in the small and medium-sized space segments between 200 and 2,000 m². However, overall it can be concluded that market activity has become more lively again.

### Take-up by sector Q1 2021

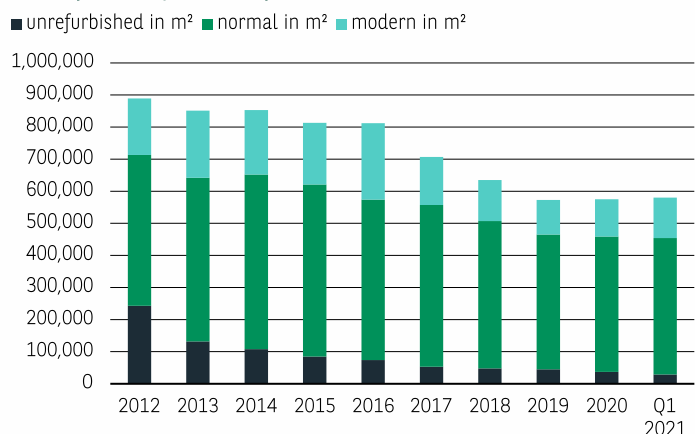


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### BROAD SECTOR DISTRIBUTION

Once again, the distribution of take-up among the different industries underlines the broad demand base of the Hamburg market. With just under 17% each, public administration, mainly due to the conclusion of the public prosecutor's office deal, and the very busy category of other services are in front. Administrations of industrial companies follow in third place with around 15%. Noteworthy is the high take-up of the healthcare sector, which accounts for just under 13%. Pharmaceuticals group and vaccine manufacturer AstraZeneca, which has leased around 4,900 m² in the Ottensen-Bahrenfeld office market zone, is responsible for the largest deal in this group.

### Development of vacant space



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### SLIGHTLY INCREASED VACANCY

Compared to the previous year, the amount of vacant space has risen by just under 5% and now stands at 580,000 m². Although it is pleasing that the space available at short notice with modern fit-out has also increased - at 126,000 m² just over a fifth corresponds to this quality of space - larger spaces are still lacking in this segment. The City Centre submarket, which is in strong demand, continues to have the largest vacancy reserves with a total of 95,000 m² which corresponds to a vacancy rate of 3.5%. Therefore, 35,000 m² is modern office space. The vacancy rate for the market as a whole is 4.1%.

**Major contracts**

Sub-market	Company	m <sup>2</sup>
1.1	Staatsanwaltschaft Hamburg	17,600
1.3	Wintershall DEA Deutschland	11,600
3.5	Deutsche Bank	9,600
2.1	Factory Works	7,000
3.3	AstraZeneca	4,900
3.3	Jobcenter team.arbeit.hamburg	4,700

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**➤ SPACE UNDER CONSTRUCTION DECLINES BRIEFLY**

While the space under construction in the first quarter of the previous year had reached a level of almost 500,000 m<sup>2</sup>, which had not been reached for a long time, it has lately fallen to 468,000 m<sup>2</sup>. In contrast, the volume of speculative space, which is more relevant for the market, has risen to 226,000 m<sup>2</sup>. This represents a share of a good 48 %. However, only 44,000 m<sup>2</sup> of this is expected to be completed within the next twelve months. The City Centre and HafenCity are the two office submarkets with the highest construction activity - but the bulk of this space will be completed in two years at the earliest.

**➤ RENT LEVEL ALMOST UNCHANGED**

The rent level of the overall market has hardly changed compared to the previous year. While the prime rent held firm at 32 €/m<sup>2</sup> and is achieved in the City Centre, the average rent is at 19.40 €/m<sup>2</sup>. However, changes in one direction or another can be observed in the different submarkets. In the HafenCity, both the top rent and the average rent rose to 30 and 25 €/m<sup>2</sup> respectively.

**Trends in important market indicators**

	Q1 2020	Q1 2021	Trend remaining year
Take-up	96,000 m <sup>2</sup>	118,000 m <sup>2</sup>	➔
Vacant space	554,000 m <sup>2</sup>	580,000 m <sup>2</sup>	➔
Space under construction (total)	496,000 m <sup>2</sup>	468,000 m <sup>2</sup>	➔
Space under construction (available)	197,000 m <sup>2</sup>	226,000 m <sup>2</sup>	➔
Top rent	32.00 €/m <sup>2</sup>	32.00 €/m <sup>2</sup>	➔

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**➤ OUTLOOK**

The pleasing start to the year on the Hamburg market and the existing space requests suggest an overall positive development for the year as a whole. Nevertheless, large parts of the economy are still suffering from the effects of the Corona pandemic, so that office space changes, especially from particularly affected industries, are being postponed. Against this backdrop, it remains to be seen how close the market can come to the ten-year average of around 500,000 m<sup>2</sup> for the year as a whole.

**Key indicators Q1 2021**

Submarkets**	Top rent* (€/m <sup>2</sup> )		Take-up (m <sup>2</sup> )	Vacant space (m <sup>2</sup> )			Space under construction (m <sup>2</sup> )		Space on offer (m <sup>2</sup> )	
	from	to	Q1 2021	total	modern	of this, since completion	total	available	available	projected
	1		2	3	4	5	6	7	8 = (3 + 7)	9
1 City Centre										
1.1 City Centre	32.00		36,000	95,000	35,000	4,000	81,500	75,500	170,500	150,900
1.2 Eastern Harbour Fringe	24.50		1,000	4,000	0	0	0	0	4,000	0
1.3 HafenCity	30.00		21,000	17,500	12,500	4,000	125,200	78,800	96,300	102,900
1.4 Western City Fringe - St. Pauli	23.50		1,000	3,000	1,000	0	0	0	0	3,000
2 Centre Fringe	20.00 - 24.00		15,500	166,500	30,000	500	40,600	14,600	181,100	290,100
3 Subcentres	12.50 - 20.00		43,500	294,000	47,500	10,500	220,700	57,100	351,100	297,100
<b>Total</b>			<b>118,000</b>	<b>580,000</b>	<b>126,000</b>	<b>19,000</b>	<b>468,000</b>	<b>226,000</b>	<b>803,000</b>	<b>844,000</b>

\* 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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