

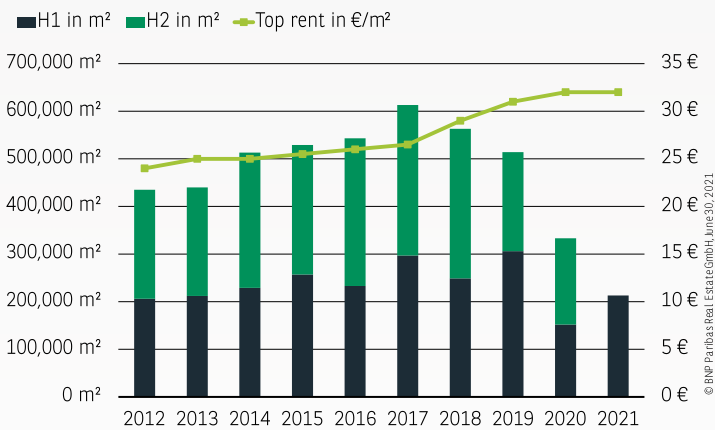


**RESEARCH**

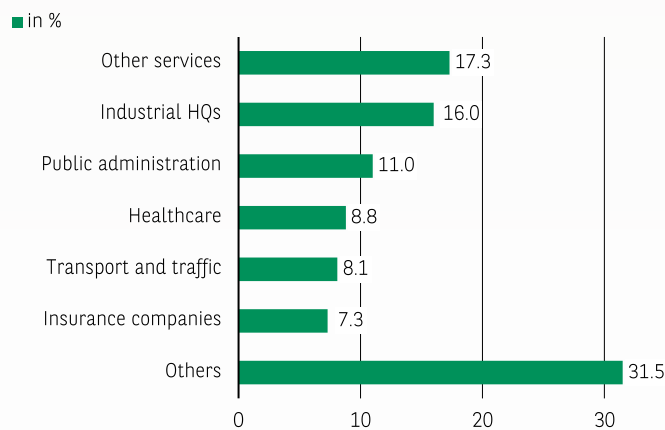
At a Glance **Q2 2021**

# OFFICE MARKET HAMBURG

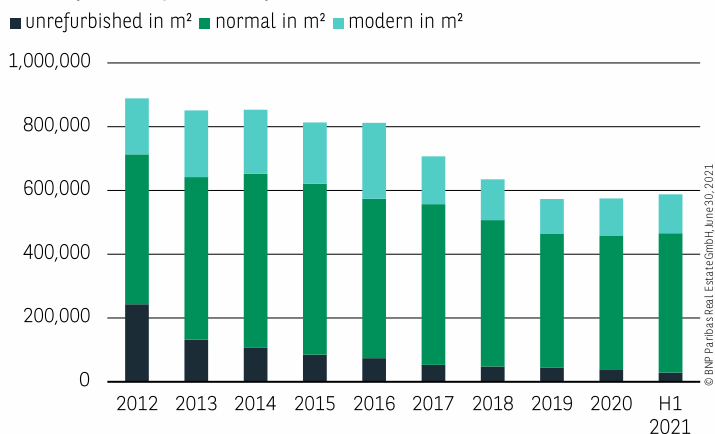
### Development of take-up and top rents



### Take-up by sector H1 2021



### Development of vacant space



### MARKET RECOVERY CONTINUES

The Hamburg office market achieved a take-up of 213,000 m² in the first half of the year, exceeding the weak result of the previous year by a good 40%. This is a further step along the positive trend of the first three months, which had already seen a significant market revival. While 2020 was strongly characterised by the effects of the Corona crisis and a related reluctance on the office market, companies are now increasingly focusing on changes in office space again. Nevertheless, there are still some sectors, such as coworking or the travel industry, that are demanding less space than before the crisis. It is therefore unsurprising that the current half-year result is still around 9% below the ten-year average. However, in contrast to the previous year, three large contracts over 10,000 m² have already been registered, including the Staatsanwaltschaft Hamburg (Department of public prosecution) with 17,600 m² in the City, Signal Iduna with 13,000 m² in City Nord and Wintershall DEA with 11,600 m² in HafenCity.

### BROAD DISTRIBUTION OF DEMAND

As usual, take-up is very broadly distributed among the various sectors. Other services are in first place with a good 17% and are responsible for the majority of contracts. Administrations of industrial companies follow in second place with 16%, to which not only Wintershall DEA but also the energy company E.ON made a significant contribution with 8,700 m². Primarily due to the upcoming move of the Hamburger Staatsanwaltschaft, public administration takes third place with 11%. The healthcare sector also accounts for just under 9%.

### VACANCIES SLIGHTLY INCREASED

Although the level of vacancies increased by around 5% to 588,000 m² in the course of the year, it remains at a very low level in a long-term comparison. From a market perspective, it is pleasing that supply in the highly demanded modern quality segment has also increased. With a total of 122,000 m², this category accounts for only a good fifth of vacant space. There is still a lack of larger contiguous spaces in this category. The office submarket City has the highest vacancy volume with over 100,000 m². However, against the background of a large stock of space, this only corresponds to a vacancy rate of 4.0% and therefore matches the low vacancy level of the market as a whole with a rate of 4.1%.

Major contracts

Sub-market	Company	m <sup>2</sup>
1.1	Staatsanwaltschaft Hamburg	17,600
3.5	Signal Iduna	13,000
1.3	Wintershall DEA Deutschland	11,600
3.5	Deutsche Bank	9,600
3.7	E-ON	8,700
2.1	Factory Works	7,000

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➤ BRISK CONSTRUCTION ACTIVITY

Compared to the previous year, the volume of space under construction has increased by a good 4% and totals 463,000 m<sup>2</sup>. 44% of this space is still available to the market. However, these numbers, which are comparatively high, become relative when considering the expected completions of the specific properties. In the next twelve months only 115,000 m<sup>2</sup> are scheduled to be completed, of which only 31,000 m<sup>2</sup> are still available. On the other hand, the bulk of the available space will not be finished before 2023. These include e.g. the Deutschlandhaus in the City submarket, the Edge in HafenCity and also the office space which will be part of the southern Überseequartier in HafenCity.

➤ STABLE RENT LEVEL

While rents in certain office market zones have slightly fluctuated due to supply conditions, the overall level of rents has remained stable. As in the previous year, the top rent is at 32 €/m<sup>2</sup> and is still realised for high-quality new space in the City submarket. The average rent for the market as a whole remains unchanged at 18.40 €/m<sup>2</sup>.

Trends in important market indicators

	H1 2020	H1 2021	Trend remaining year
Take-up	152,000 m <sup>2</sup>	213,000 m <sup>2</sup>	➔
Vacant space	558,000 m <sup>2</sup>	588,000 m <sup>2</sup>	↗
Space under construction (total)	444,000 m <sup>2</sup>	463,000 m <sup>2</sup>	➔
Space under construction (available)	174,000 m <sup>2</sup>	205,000 m <sup>2</sup>	➔
Top rent	32.00 €/m <sup>2</sup>	32.00 €/m <sup>2</sup>	➔

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➤ OUTLOOK

Even though there is still a certain degree of uncertainty due to the Corona pandemic, from today's perspective it is reasonable to assume that the office market will also develop positively in the second half of the year and take-up will continue to increase. However, it remains to be seen how close take-up can come to the ten-year average of 500,000 m<sup>2</sup>. Vacancies are likely to increase slightly due to construction completions. On the other hand, the development of space under construction as well as rents should remain stable.

Key indicators H1 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	H1 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	56,000	106,500	35,500	4,000	78,900	75,300	181,800	150,900
1.2 Eastern Harbour Fringe		24.50	1,000	1,500	0	0	0	0	1,500	0
1.3 HafenCity		30.00	24,500	18,500	9,000	2,500	121,800	77,000	95,500	102,900
1.4 Western City Fringe - St. Pauli		23.50	1,000	3,000	1,000	0	0	0	3,000	0
2 Centre Fringe	20.00 -	24.00	32,500	173,000	29,000	500	35,600	9,600	182,600	290,200
3 Subcentres	12.50 -	20.00	98,000	285,500	47,500	7,000	226,700	43,100	328,600	285,000
<b>Total</b>			<b>213,000</b>	<b>588,000</b>	<b>122,000</b>	<b>14,000</b>	<b>463,000</b>	<b>205,000</b>	<b>793,000</b>	<b>829,000</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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