

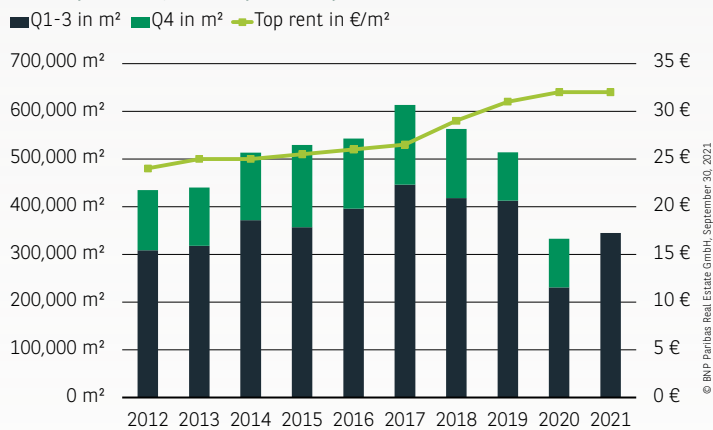


RESEARCH

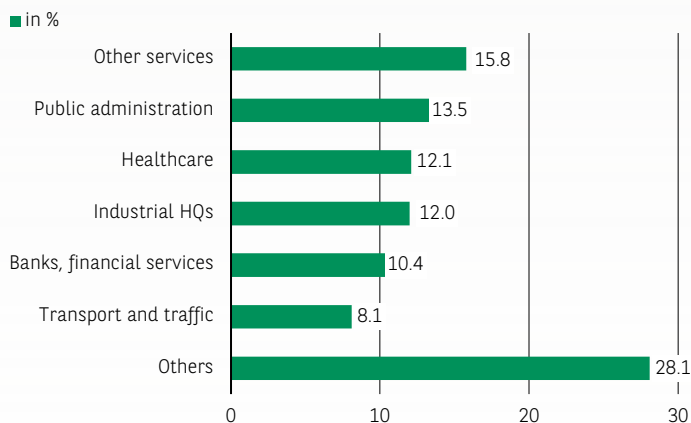
At a Glance **Q3 2021**

OFFICE MARKET HAMBURG

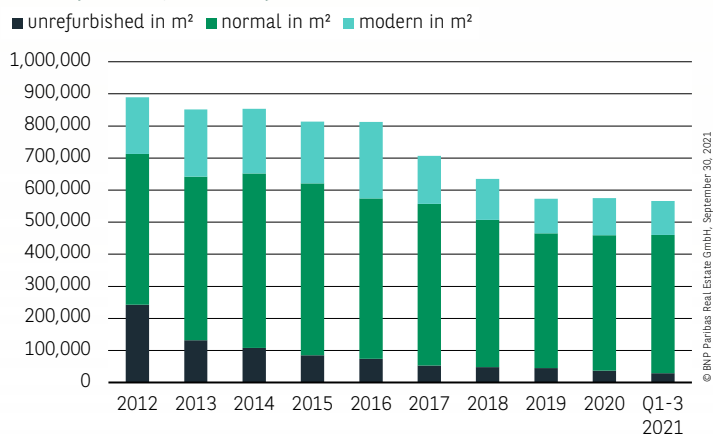
Development of take-up and top rents



Take-up by sector Q1-3 2021



Development of vacant space



➤ SIGNIFICANT INCREASE IN TAKE-UP

The Hamburg office market recorded take-up of 345,000 m² in the first three quarters. Accordingly, the Hanseatic city exceeded the weak result the same period last year by almost 50% and also the total result for 2020. The positive development after the difficult year 2020, which was affected by the Corona pandemic, is continuing. A large contribution to this performance was made by no less than six major deals beyond the 10,000 m² mark. These include Berenberg Bank with 19,200 m², which will leave the City Centre after completion of the Ipanema building in City Nord, the Hamburg Staatsanwaltschaft, which is relocating within the City Centre (17,600 m²), and Techniker Krankenkasse, which is expanding its headquarters in Barmbek with a new 14,500 m² building. Despite an overall noticeable market recovery with a significant increase in demand, take-up in the smaller and medium size categories has not yet quite returned to the level seen before the Corona crisis. Overall, however, the result is only around 4% below the ten-year average.

➤ DEMAND WIDELY DIVERSIFIED

In terms of the distribution of take-up by sector, five groups make a double-digit contribution, highlighting the Hanseatic city's broad demand base. With almost 16%, the category of other services takes the lead, as so often the case. Next in line are public administration (13.5%), healthcare and the administrative departments of industrial companies (12% each). Banks and financial service providers achieve an above-average result with a good 10% and move up to fifth place. In addition, the transport and traffic sector makes a notable contribution with around 8%.

➤ VACANCIES ALMOST UNCHANGED

The volume of vacant space at the end of the third quarter was 566,000 m², an negligible increase year-on-year, and the vacancy rate is currently at 4.0%. The proportion of space with modern fit-out, which is in high demand across the market, has also barely changed and remains at a low level of just under 19%. The largest volume of vacant space continues to be located in the City Centre submarket. Standing currently at 90,000 m², office vacancy in this submarket has risen compared to the previous year. Nevertheless, the vacancy rate is only at 3.3% in this prime location.

Major contracts

Sub-market	Company	m ²
3.5	Berenberg Bank	19,200
1.1	Staatsanwaltschaft Hamburg	17,600
2.5	Techniker Krankenkasse	14,500
3.5	SIGNAL IDUNA-Gruppe	13,000
3.7	Systemx Deutschland	11,700
1.3	Wintershall DEA Deutschland	11,600

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► HIGH CONSTRUCTION ACTIVITY IN THE CITY CENTRE AND HAFENCITY

Compared to the previous year, space under construction decreased by just under 2% to 454,000 m². In a long-term comparison, this is still a high volume. It is however put into perspective if the availability and the expected completions of the different projects are taken into account. At just over 41%, only 187,000 m² of the space under construction is currently available to the market. The bulk of this (144,000 m²) will not be completed until 2023, though, and will be built predominantly in the City Centre and HafenCity submarkets, where large, contiguous spaces of a modern standard are highly in demand.

► AVERAGE RENT SLIGHTLY HIGHER

The prime rent for the market as a whole has not changed, at 32 €/m², and continues to be achieved for first-class properties in the City Centre. Apart from this, HafenCity is the only submarket in which 30 €/m² is also achievable. Mainly as a result of the large-scale deals signed in the new-build segment, the average rent has climbed slightly and now stands at 18.30 €/m².

Trends in important market indicators

	Q1-3 2020	Q1-3 2021	Trend remaining year
Take-up	231,000 m ²	345,000 m ²	➔
Vacant space	554,000 m ²	566,000 m ²	➔
Space under construction (total)	463,000 m ²	454,000 m ²	➔
Space under construction (available)	196,000 m ²	187,000 m ²	➔
Top rent	32.00 €/m ²	32.00 €/m ²	➔

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► OUTLOOK

The market is expected to remain stable until the end of the year. Although further major deals are likely to be concluded in the fourth quarter, the ten-year average of 500,000 m² is unlikely to be surpassed. As no significant changes are predicted on the supply side either, prime rents should therefore stay stable.

Key indicators Q1-3 2021

Submarkets**	Top rent* (€/m ²)		Take-up (m ²)	Vacant space (m ²)			Space under construction (m ²)		Space on offer (m ²)	
	from	to	Q1-3 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	71,500	90,000	28,000	4,500	81,200	78,000	168,000	170,900
1.2 Eastern Harbour Fringe		23.00	1,500	3,500	500	0	0	0	3,500	0
1.3 HafenCity		30.00	30,000	20,000	11,000	3,000	121,700	77,300	97,300	102,900
1.4 Western City Fringe - St. Pauli		24.00	2,500	3,000	1,000	0	0	0	3,000	0
2 Centre Fringe	20.00 -	23.00	78,000	175,500	34,000	1,000	35,600	9,600	185,100	317,100
3 Subcentres	12.50 -	20.00	161,500	274,000	31,500	6,500	215,500	22,100	296,100	296,100
Total			345,000	566,000	106,000	15,000	454,000	187,000	753,000	887,000

* The top rent given applies to a market segment of 3-5 % in each case.

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

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