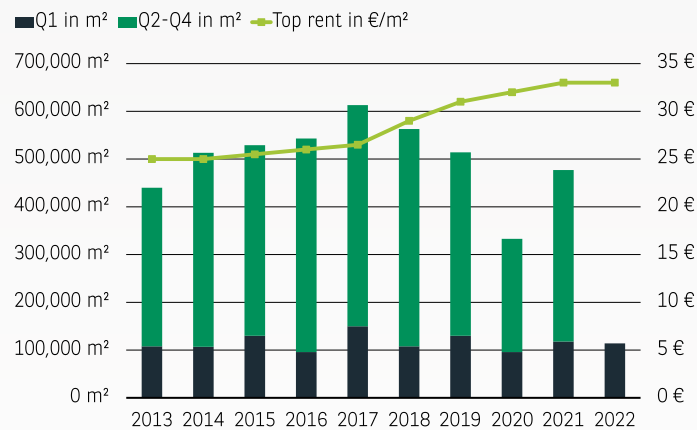




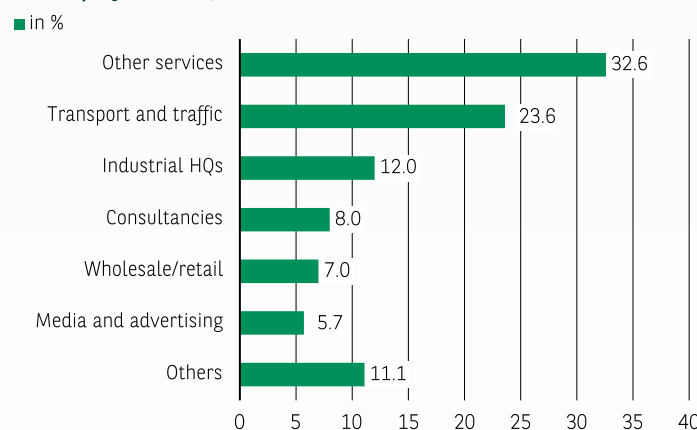
At a Glance **Q1 2022**

OFFICE MARKET HAMBURG

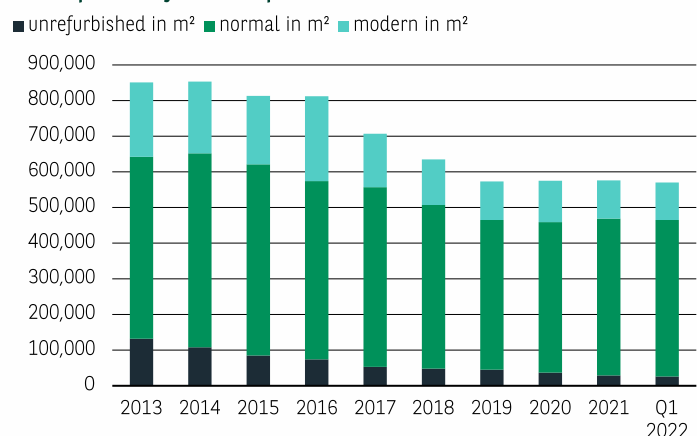
Development of take-up and top rents



Take-up by sector Q1 2022



Development of vacant space



RESPECTABLE START INTO THE YEAR

The Hamburg office market starts into the new year with a solid result. Although the current take-up of 114,000 sqm is around 3% below the comparable value of the previous year, the result is nevertheless roughly in line with the long-term average. With around 90 registered deals, the market was also very lively overall. A higher result was missed primarily because comparatively few contracts have been signed to date in the segment above 5,000 m². Thus, the size class currently contributes around 20% to sales, 10 percentage points less than the long-term average. The biggest deal of the year so far is the lease of 11,500 sqm by a logistics company in a project development in HafenCity. The Centre fringe (32,500 sqm) presented itself as the office market zone with the highest take-up in the first three months of the year. However, demand for attractive modern space in central locations continues to be particularly strong, partly as a result of the efforts of many companies to attract qualified specialists and young talent.

SECTOR DISTRIBUTION REMAINS HIGHLY DIVERSIFIED

The distribution of take-up once again reflects the broadly diversified sector mix typical for Hamburg. Companies in the collective category of other services are currently in the lead, accounting for around a third of the take-up. This includes the second-largest deal of the quarter, with Veolia Umweltservice leasing 5,780 sqm in HafenCity. Transport companies follow at a fair distance (just under 24%), accounting for around 27,000 sqm. This is their best ever start to the year. Administrations of industrial companies (12%) also make a double-digit contribution.

MODERN VACANCY DECLINING CLEARLY

Vacancy has fallen by just under 2% year-on-year and currently stands at 570,000 sqm, which corresponds to a vacancy rate of 4.1%. In the most sought-after category of space with modern fittings, however, there was a much sharper fall of 17% over the same period, leaving only around 105,000 sqm available. In addition, there is still a particular lack of larger contiguous spaces here. The largest vacancy reserves in this segment are to be found in secondary locations, where they total 44,500 sqm. Around 30,000 sqm of modern space is available at short notice in both the city center and the peripheral locations.

Major contracts

Sub-market	Company	m²
1.3	Transport and traffic	11,500
1.3	Veolia Umweltservice	5,780
2.5	Vestas Germany	5,200
1.1	Hapag Lloyd	4,600
3.7	Airbus	4,000
1.3	MSH Medical School Hamburg	4,000

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Trends in important market indicators

	Q1 2021	Q1 2022	Trend remaining year
Take-up	118,000 m²	114,000 m²	↗
Vacant space	580,000 m²	570,000 m²	↘
Space under construction (total)	468,000 m²	425,000 m²	→
Space under construction (available)	226,000 m²	159,000 m²	→
Top rent	32.00 €/m²	33.00 €/m²	↗

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➤ SIGNIFICANTLY LESS SPACE UNDER CONSTRUCTION

Space under construction fell by around 9% year-on-year to 425,000 sqm. In a long-term comparison, this is still a significantly above-average value, but the volume of the size of the available space which is more relevant to the market has fallen by 67,000 sqm within 12 months to just 159,000 sqm. Accordingly, it is unsurprisingly that developers are reacting to the emerging supply bottleneck and that, as a consequence, the volume of projected space has risen significantly again compared with previous quarters. They currently total 940,000 sqm.

➤ NOTICEABLY RISING AVERAGE RENT

While the prime rent has stabilized at a high level of 33.00€/sqm since the end of 2021, the realized average rent has risen significantly to 21.50€/sqm. This is attributable to the fact that a large number of leases were concluded for properties with very good quality space. The most expensive submarket is still the city center, where the average rent is 25€/sqm

➤ OUTLOOK

The noticeable increase in market activity is expected to continue in the second quarter of the year. In the medium term, however, the impact of the current geopolitical and economic uncertainties cannot yet be fully assessed. Either way the limited supply of modern space is likely to keep up the pressure on rents, at least for now.

Key indicators Q1 2022

	Top rent* (€/m²)		Take-up (m²)	Vacant space (m²)			Space under construction (m²)		Space on offer (m²)	
	from	to	Q1 2022	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	33.00		27,000	81,000	21,000	5,000	68,800	59,800	140,800	192,800
1.2 Eastern Harbour Fringe	25.50		500	4,500	500	0	0	0	4,500	0
1.3 HafenCity	28.00		28,000	16,000	7,500	2,000	104,000	72,800	88,800	131,900
1.4 Western City Fringe - St. Pauli	24.00		0	2,500	1,000	0	0	0	2,500	0
2 Centre Fringe	20.00 - 24.00		32,500	179,500	30,500	2,500	45,300	10,900	190,400	284,400
3 Subcentres	13.00 - 21.00		26,000	286,500	44,500	5,500	206,900	15,500	302,000	330,900
Total			114,000	570,000	105,000	15,000	425,000	159,000	729,000	940,000

* 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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