

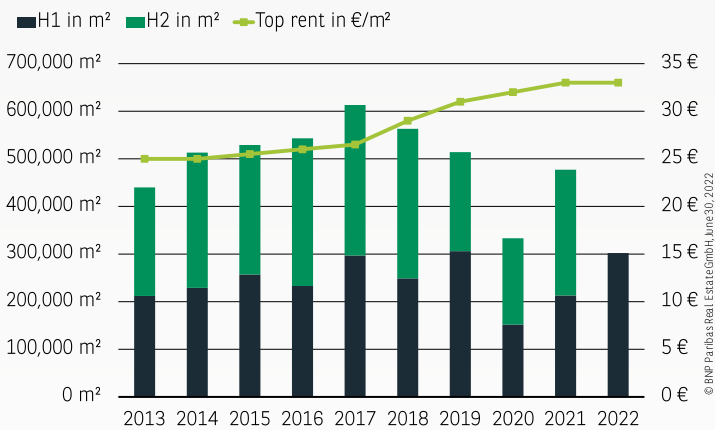


RESEARCH

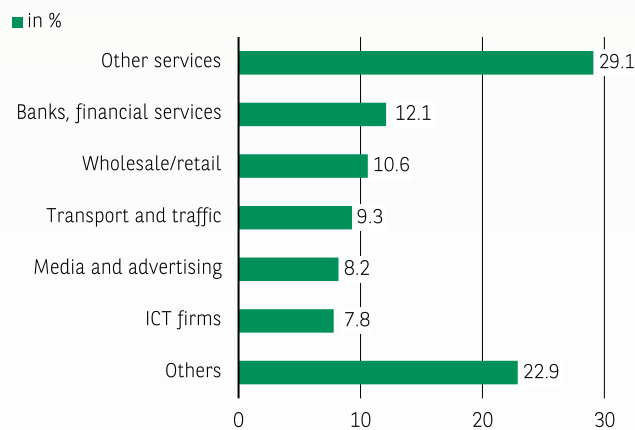
At a Glance **Q2 2022**

OFFICE MARKET HAMBURG

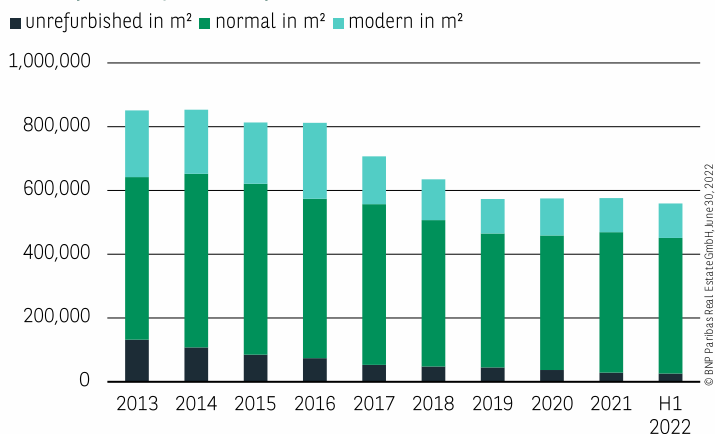
Development of take-up and top rents



Take-up by sector H1 2022



Development of vacant space



VERY GOOD HALF-YEAR RESULT

The Hamburg office market was extremely dynamic in the first six months of the year, with take-up currently standing at 302,000 m², the second-best half-year result ever was recorded. While the long-term average was exceeded by a good 23%, the previous year's result, which was still dominated by the Corona pandemic, was topped by as much as 42%. By far the largest deal of the current year is attributable to Hamburger Sparkasse, which will consolidate its existing office locations in the newly built Deutschlandhaus at Gänsemarkt on 30,800 m² of space. Contracts of this size are a rarity on the Hamburg office market. Nevertheless the fact that the strong half-year result is based on a very broad foundation is also shown by take-up in the segment below the 10,000 m² mark, which lies around 86 %. Thus, more than 190 registered contracts also speak for a very lively market activity overall. Major distortions due to the current geopolitical and economic uncertainties have thus not yet occurred on the office letting market in the Hanseatic city.

BROAD SECTOR DISTRIBUTION

The broadly diversified industry typical of Hamburg is also shown in the first half of 2022. The collective category of other services is once again at the top of the industry with around 29%. The largest deal in this category is a letting of around 7,800 m² by HIH Real Estate. Fueled by the relocation of Hamburger Sparkasse, banks and financial service providers accounted for a good 12%, which is the best half-year result to date. Retail companies also account for a significant volume of take-up, at around 11%.

LOWEST VACANCY RATE IN LONG-TERM COMPARISON

The office vacancy volume has fallen by 3% since the beginning of the year and currently totals 559,000 m². The vacancy rate is now only 3.9%, which is the lowest level in a long-term comparison. Since the majority of vacancy reserves are located on the centre fringe and in subcentres, the situation in the particularly sought-after city locations is even more strained. The vacancy rate here marks just 2.6%. In addition, of the 94,000 m² of vacant space, only a good third is of the modern quality preferred by many users.

Major contracts

Sub-market	Company	m ²
1.1	Hamburger Sparkasse	30,800
1.3	Transport and traffic	11,500
3.7	NDR	9,800
3.3	FHH Kasse Hamburg	9,000
1.3	HIH Real Estate	7,800
1.1	Jebsen & Jessen	7,600

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Trends in important market indicators

	H1 2021	H1 2022	Trend remaining year
Take-up	213,000 m ²	302,000 m ²	➔
Vacant space	588,000 m ²	559,000 m ²	➔
Space under construction (total)	463,000 m ²	346,000 m ²	➔
Space under construction (available)	205,000 m ²	111,000 m ²	➡
Top rent	32.00 €/m ²	33.00 €/m ²	↗

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➤ LIMITED SPACE UNDER CONSTRUCTION

The volume of space under construction dropped by around a quarter year-on-year to 346,000 m². However, only one third of this space is still available for the office letting market. Many developers have recognized this supply bottleneck, with the result that the volume of planned space has risen by 15% year-on-year to 952,000 m². However, it remains to be seen how the changed financing conditions and economic expectations will be reflected in the realization rate.

➤ AVERAGE RENT RISES

The prime rent has remained stable at a high level of 33,00 €/m² since the end of 2021. It continues to be achieved for high-quality new-build space in the City Centre. Meanwhile, there has been considerably more movement in the average rent. For the market as a whole, it now stands at 22.20 €/m², which represents a further increase of 70 cents compared with the previous quarter. This is attributable to the large number of lettings concluded for new buildings.

➤ OUTLOOK

With a number of major contracts already on the home straight, it is likely that the solid performance of the Hamburg office market will continue in the coming quarter. However, it remains to be seen what impact the current uncertainties will have in the medium term. Not least due to the severely limited supply of modern space in the Hanseatic city, pressure on rents is likely to remain high, particularly in the high-end segment.

Key indicators H1 2022

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	H1 2022	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	33.00		94,000	81,500	25,000	8,500	68,800	33,500	115,000	192,800
1.2 Eastern Harbour Fringe	27.00		500	5,000	1,000	0	0	0	5,000	0
1.3 HafenCity	28.00		63,000	7,500	4,000	2,000	104,000	59,500	67,000	131,900
1.4 Western City Fringe - St. Pauli	23.00		500	2,500	1,000	0	0	0	2,500	0
2 Centre Fringe	18.50 - 25.00		50,000	182,000	31,000	7,000	27,500	8,000	190,000	284,400
3 Subcentres	12.00 - 21.00		94,000	280,500	46,000	14,500	145,700	10,000	290,500	342,900
Total			302,000	559,000	108,000	32,000	346,000	111,000	670,000	952,000

* 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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