

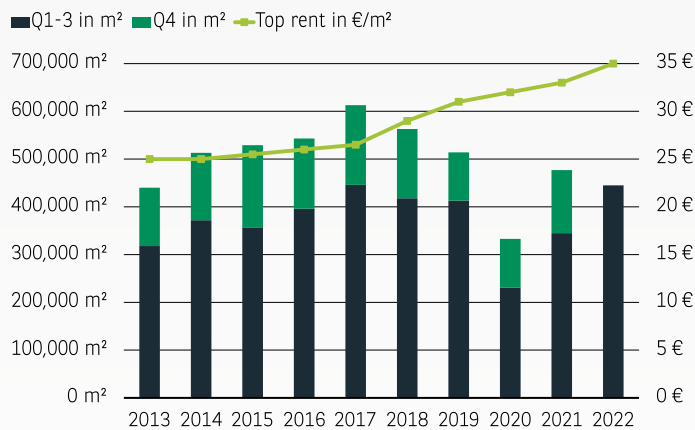


RESEARCH

At a Glance **Q3 2022**

OFFICE MARKET HAMBURG

Development of take-up and top rents

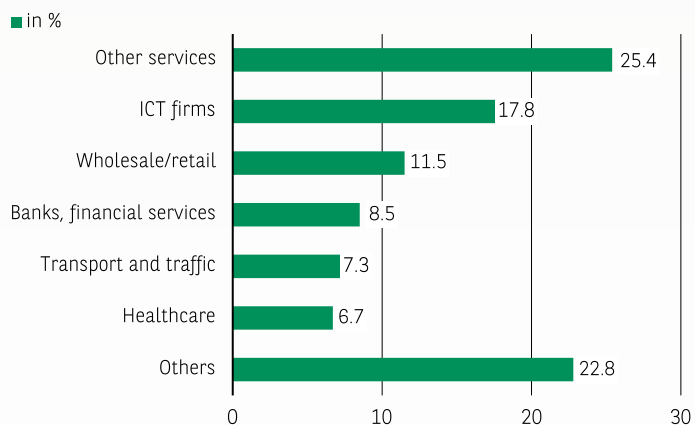


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TOP RESULT IN THE HANSEATIC CITY

At the end of September 2022, the Hamburg office market recorded an above-average take-up of 445,000 m². Therefore after just nine months, the full-year result for 2021 has almost been achieved. The current result represents an increase of 29% on the same period last year, and the 10-year average has been exceeded by 19%. On top of that the take-up volume is nearly on par with 2017 (446,000 m²). So consequently the latest result is at the top level of the past 20 years. After a brilliant second quarter with 188,000 m² of take-up, a further 143,000 m² were registered in Q3. The decline in the quarterly comparison results due to a reduced completion activity in the medium size classes between 1,000 m² and 10,000 m². In contrast, the volume of letting under 1,000 m² increased by 21% as well as lettings of over 10,000 m², which rose by 30%. The latter result is solely based on the Dataport AöR contract (around 40,000 m²).

Take-up by sector Q1-3 2022

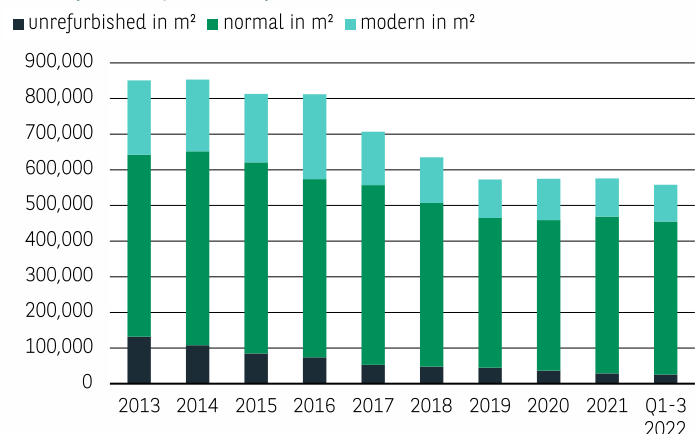


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MANY SECTORS ABOVE AVERAGE

As so often, the take-up by sector is led by the collective category other services with an above-average result of over 25%. Small and medium-sized deals in particular contributed to this result. In second place are ICT companies, which achieved a record outcome with 79,000 m² of take-up. At 40,000 m², the deal concluded by Dataport AöR, which is also the biggest deal of the year so far in the Hamburg market area, is particularly significant. With a market share of 11.5% or around 30,000 m², the retail sector recorded its second-best result of the decade, driven among other things by four lettings, each with around 8,000 m² of rentable space.

Development of vacant space



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VACANCY REMAINS AT LOWEST LEVEL

With 558,000 m² of vacant space and a resulting vacancy rate of 3.9%, the level of the first half of the year is being maintained and thus remains at a long-term low level. Only 18% of the vacant space has a modern fit-out standard. The situation is now particularly tense in HafenCity, where the overall vacancy rate has fallen significantly to a historically low of 1.2% for the office market zone. Only in the Alsterlagen is the vacancy rate even lower, at 1.1%.

Major contracts

Sub-market	Company	m ²
2.1	Dataport AöR	40,000
1.1	Hamburger Sparkasse	30,000
1.3	Transport & traffic	11,500
3.7	NDR	9,800
3.3	FHH Kasse.Hamburg	9,000
3.3	Reemtsma Cigarettenfabriken	8,100

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➤ SHORTAGE OF SPACE UNDER CONSTRUCTION

At 295,000 m², space under construction reduced almost 35% year-over-year and 15% in comparison to H1 2022. This is the lowest level since Q1 2019. At just over 36%, only 105,000 m² of this space under construction is currently available on the market. The high pre-letting rate (64%) impressively underscores the supply shortage on the Hamburg market as well as the generally high demand for prime space, regardless of location. Pre-letting rates range from 44% in HafenCity to 95% in Subcentres. In the latter, it is primarily owner-occupier developments that are responsible for the value.

➤ PRIME RENTS CONTINUE TO RISE

The prime rent is quoted at 35 €/m² and has thereby risen by 3.00 €/m² compared with the previous year and 2.00 €/m² in comparison to Q2 2022. It continues to be achieved in the City Centre, although in HafenCity the rental growth in Q3 was a good 14% (+2.00 €/m²), which is particularly strong. The prime rent in this submarket is now quoted at 32 €/m². The average rent in the market area is virtually unchanged at 22 €/m².

Trends in important market indicators

	Q1-3 2021	Q1-3 2022	Trend remaining year
Take-up	345,000 m ²	445,000 m ²	↗
Vacant space	566,000 m ²	558,000 m ²	→
Space under construction (total)	454,000 m ²	295,000 m ²	↘
Space under construction (available)	187,000 m ²	105,000 m ²	→
Top rent	32.00 €/m ²	35.00 €/m ²	↗

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➤ OUTLOOK

Despite the prevailing economic and geopolitical uncertainties, the Hamburg office market is very likely to record an annual result significantly above the long-term average of just under 500,000 m². At the same time, the volume of construction is likely to decline further, so that a continuing reduction in vacancy rates can be expected as a trend. The pressure on rental prices is likely to consolidate for the time being.

Key indicators Q1-3 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	Q1-3 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		35.00	114,500	74,500	24,500	6,000	68,800	30,000	104,500	194,500
1.2 Eastern Harbour Fringe		29.00	2,000	4,500	0	0	0	0	4,500	0
1.3 HafenCity		32.00	85,000	7,500	5,500	2,000	93,200	51,500	59,000	146,700
1.4 Western City Fringe - St. Pauli		23.00	2,000	6,500	5,000	0	0	0	6,500	0
2 Centre Fringe	17.50 -	25.00	108,500	189,500	31,500	4,000	51,100	19,500	209,000	250,700
3 Subcentres	12.00 -	21.00	133,000	275,500	36,500	21,000	81,900	4,000	279,500	343,100
Total			445,000	558,000	103,000	33,000	295,000	105,000	663,000	935,000

* 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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