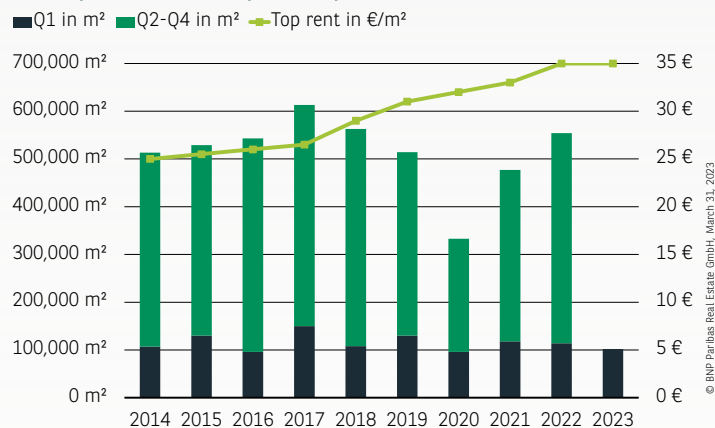




At a Glance **Q1 2023**

OFFICE MARKET HAMBURG

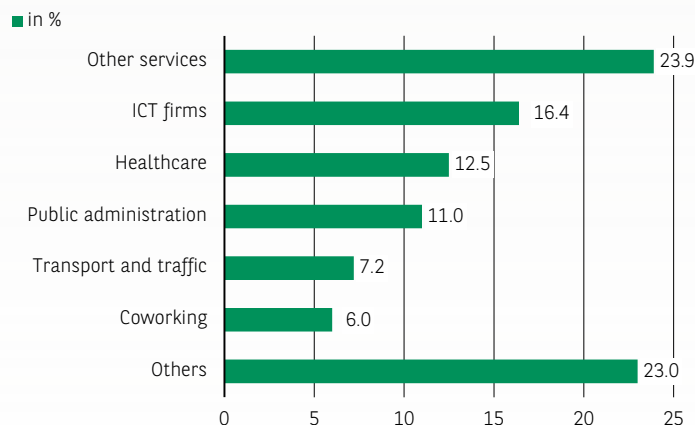
Development of take-up and top rents



SOLID START TO THE YEAR

Despite the challenging economic framework conditions, the Hamburg office market has held up very well, closing the first quarter with a take-up of 102,000 m². This is around 11% below the previous year's figure as well as 11% below the ten-year average. The other major office locations mostly suffered higher take-up losses, but the Hanseatic city nevertheless ranks third behind Berlin (144,000 m²) and Munich (120,000 m²). Market activity in Hamburg is comparable to previous years level, which is underlined by the average number of contracts concluded over the past five years. While in the space segment from 2,000 to 10,000 m² a considerably higher take-up was achieved than on average (+27%), no contract beyond 10,000 m² has been recorded yet. The largest lettings are accounted for by IU International University with 6,800 m² in Eppendorf and Telefónica Germany with 6,700 m² in the City.

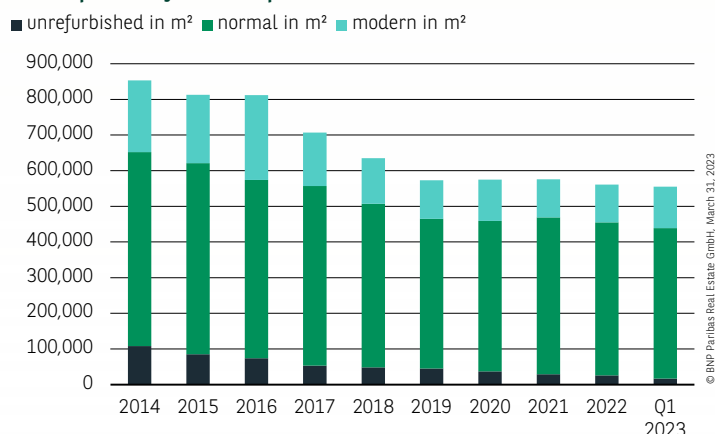
Take-up by sector Q1 2023



BROADLY DISTRIBUTED DEMAND BASE

In the distribution of take-up by sector, the grouped category of other services is in first place with just under 24%, thus defending its top position. ICT firms follow in second place with a good 16%, benefiting not least from the letting of Telefónica Germany. In addition, healthcare (12.5%) and public administration (11%) contribute double-digit results to the overall take-up. In total, the ranking reflects the broad demand base of the Hamburg market.

Development of vacant space



DOWNWARD TREND IN VACANCY CONTINUES

The vacancy continues to decrease bit by bit and amounts to 555,000 m² at the end of the first quarter. This corresponds to a decline of just under 3% compared to the same period last year. Around one fifth of the vacant space has modern fittings. With a volume of 116,000 m², they have increased by around 10%, which is pleasing due to the high demand in this segment. Most vacant space is available in the two office market zones with strong demand, City Centre and City South. While 37,000 m² of this space is of modern quality in the City Centre, this volume amounts to only 7,000 m² in the City South. The vacancy rate for the market as a whole notes at 3.9%, in the City submarket only at 3.5%.

Major contracts

Sub-market	Company	m²
3.7	IU Internationale Hochschule	6,800
1.1	Telefónica Germany	6,700
3.7	Other services	6,200
3.8	Public administration	5,300
3.7	Oberberg	4,600
1.3	Edge Workspaces	4,000

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Trends in important market indicators

	Q1 2022	Q1 2023	Trend remaining year
Take-up	114,000 m²	102,000 m²	➔
Vacant space	570,000 m²	555,000 m²	➔
Space under construction (total)	425,000 m²	314,000 m²	➔
Space under construction (available)	159,000 m²	96,000 m²	➔
Top rent	33.00 €/m²	35.00 €/m²	➔

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➤ NOTICEABLE DECLINE IN SPACE UNDER CONSTRUCTION

The space under construction has fallen by a good 26% in the past twelve months and amounts to 314,000 m². The space available to the market has decreased even more sharply by almost 40% and has a volume of 96,000 m². Both figures are well below average in a long-term comparison and the majority of the space is not expected to be completed until 2024 or 2025. It is noteworthy that hardly any new space will come onto the market in the City Centre in the short to medium term.

➤ PRIME RENT AT 35 €/M²

Against this background, the prime rent achieved in the City Centre will assumably continue to rise in the coming quarters. It is currently at 35 €/m², which corresponds to an increase of 6% compared to the same period last year. The average rent for the market as a whole could not quite maintain the high level of the previous year and is now 21.10 €/m²; in the City Centre it has increased to 27.50 €/m².

➤ OUTLOOK

It's assumable that the economic uncertainties and geopolitical conflicts will continue to have a dampening effect on demand. It remains to be seen how strongly this will be reflected in take-up, because fundamentally there are some overriding demand trends that can also be observed in the Hanseatic City. Companies are adapting the amount of space they take to the (new) flexibility of their working culture and attach great importance to modern space in central locations in order to score points in the competition for qualified employees, among other things. In addition, ESG-compliant properties are increasingly being sought.

Key indicators Q1 2023

	Top rent* (€/m²)		Take-up (m²)	Vacant space (m²)			Space under construction (m²)		Space on offer (m²)	
	from	to	Q1 2023	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	35.00		23,000	96,000	37,000	9,000	46,000	3,000	99,000	205,900
1.2 Eastern Harbour Fringe	29.00		500	6,000	0	0	0	0	6,000	0
1.3 HafenCity	32.00		8,000	11,000	3,000	2,000	71,400	30,400	41,400	167,800
1.4 Western City Fringe - St. Pauli	24.50		3,500	15,500	15,000	0	0	0	15,500	9,300
2 Centre Fringe	17.00 - 26.00		20,000	163,000	32,000	2,000	86,400	39,600	202,600	225,800
3 Subcentres	12.00 - 21.00		47,000	263,500	29,000	12,000	110,200	23,000	286,500	344,200
Total			102,000	555,000	116,000	25,000	314,000	96,000	651,000	953,000

* 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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