

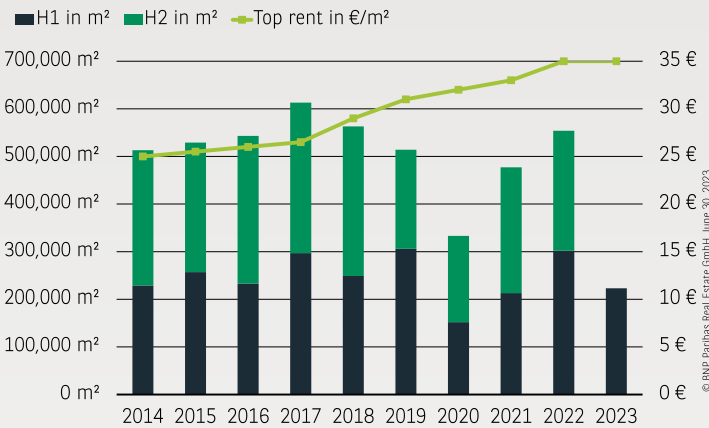


RESEARCH

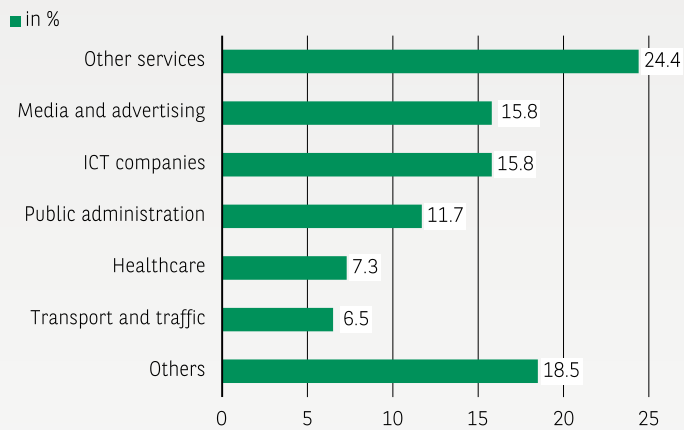
At a Glance **Q2 2023**

OFFICE MARKET HAMBURG

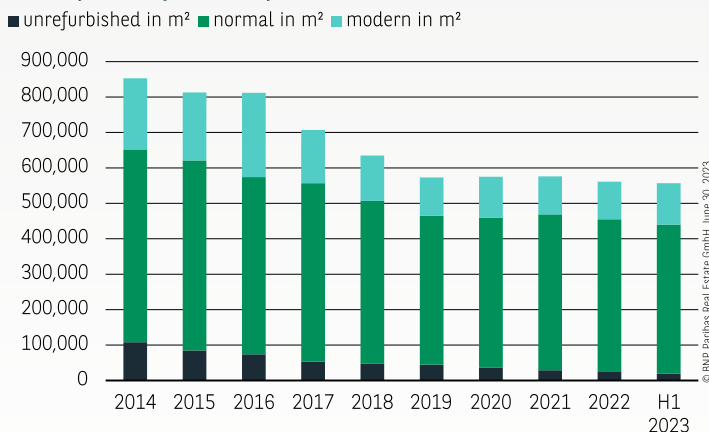
Development of take-up and top rents



Take-up by sector H1 2023



Development of vacant space



➤ SOLID RESULT IN A CHALLENGING ENVIRONMENT

Despite difficult conditions, the Hamburg office market benefited from its broadly established demand base in the first half of the year and achieved take-up of 223,000 m². This result is 26% below the very high prior-year result and a good 9% below the ten-year average. In a nationwide comparison, some of the other major locations recorded higher take-up losses, nevertheless Hamburg is in third place behind Berlin (262,000 m²) and Munich (237,000 m²). Overall, there is still good demand in all size classes, although some companies are tending to downsize. RTL Deutschland was responsible for the largest letting to date, taking 17,200 m² in HafenCity following its takeover of the Gruner + Jahr publishing house. In the City submarket, the Hamburg Parliament rented around 9,800 m² on Alter Wall and Deutsche Gigantetz occupied 7,300 m² in the TRIIO office ensemble, the former headquarters of Hamburg Süd.

➤ HETEROGENEOUS SECTOR MIX

As so often, the distribution of take-up by sector is led by the collective category of other services, which contributes a good 24% to the result through several large contracts. It is followed by media and advertising companies as well as ICT firms, each accounting for just under 16% of the total. In addition, public administration achieved a double-digit share of take-up with almost 12%, too. The weak performance of the industrial administration sector, which has only been active on the market with smaller contracts, is conspicuous.

➤ VACANCY REMAINS STABLE

The vacancy volume has hardly changed in recent quarters and, at 557,000 m², is at a similar level as a year ago. The vacancy rate thus remains low at 3.9%. In the City office market zone, which is in high demand, the total amount of vacant space has risen to 107,000 m², increasing the vacancy rate by one percentage point to 4.0%. Especially gratifying in this context, the supply of modern space has also increased and amounts to now 42,000 m² of available space within this category. In HafenCity, only 4,000 m² of modern space is currently vacant. However, the supply of space in this area will be expanded in the future by various construction projects.

Major contracts

Sub-market	Company	m ²
1.3	RTL Germany	17,200
1.1	Bürgerschaft der Freien und Hansestadt Hamburg	9,800
1.1	Deutsche Gigasetz	7,300
3.7	IU Internationale Hochschule	6,800
1.1	Telefónica Germany	6,700
3.7	Other services	6,200

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➤ CONSTRUCTION ACTIVITY AT A HIGH LEVEL

Space under construction has risen by 26% to 437,000 m² over the past twelve months due to the start of several major projects. The size of the space still available for rent, which is more interesting for the market, has even increased by 54% to 171,000 m². Signa's striking Elbtower high-rise in HafenCity accounts for a total of over 70,000 m² of office space by oneself. However, this and several other large-scale developments are expected to be completed from 2025 at the earliest.

➤ PRIME RENT CONTINUES TO BE CONSTANT

The prime rent already rose to 35 €/m² in the third quarter of 2022 and has not changed since then. It is achieved for modern space in the City Centre submarket, which thus remains ahead of HafenCity, where the peak is 32 €/m². At 22.30€/m², the average rent for the entire market has hardly changed compared with the previous year.

Trends in important market indicators

	H1 2022	H1 2023	Trend remaining year
Take-up	302,000 m ²	223,000 m ²	➔
Vacant space	559,000 m ²	557,000 m ²	➔
Space under construction (total)	346,000 m ²	437,000 m ²	➡
Space under construction (available)	111,000 m ²	171,000 m ²	➡
Top rent	33.00 €/m ²	35.00 €/m ²	➡

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➤ OUTLOOK

The demand is expected to remain stable as the year progresses, meaning that take-up is unlikely to reach the average of more than 500,000 m² seen over the past ten years. On the supply side, no major changes are expected in vacancies, while space under construction as well as the space still available therefrom should again decline noticeably. The severely limited supply of modern space, especially in the City Centre - combined with low construction activity in this submarket - is likely to lead to a further increase in prime rents.

Key indicators H1 2023

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 2023	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		64,000	107,000	42,000	9,000	71,100	11,300	118,300	185,700
1.2 Eastern Harbour Fringe	29.00		1,000	5,500	0	0	0	0	5,500	0
1.3 HafenCity	32.00		35,500	10,000	4,000	2,000	144,400	82,100	92,100	94,800
1.4 Western City Fringe - St. Pauli	24.50		10,000	15,500	15,000	0	9,300	0	15,500	0
2 Centre Fringe	17.50 - 26.00		39,500	150,000	28,000	2,000	86,400	39,600	189,600	283,500
3 Subcentres	12.00 - 21.00		73,000	269,000	28,000	12,000	125,800	38,000	307,000	308,000
Total			223,000	557,000	117,000	25,000	437,000	171,000	728,000	872,000

* 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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