

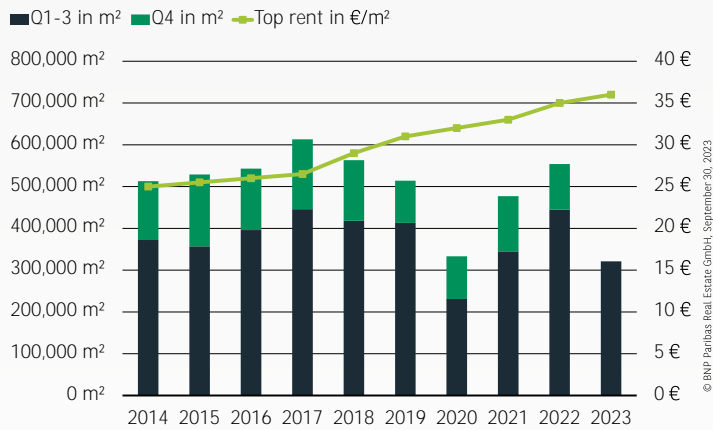


RESEARCH

At a Glance **Q3 2023**

OFFICE MARKET HAMBURG

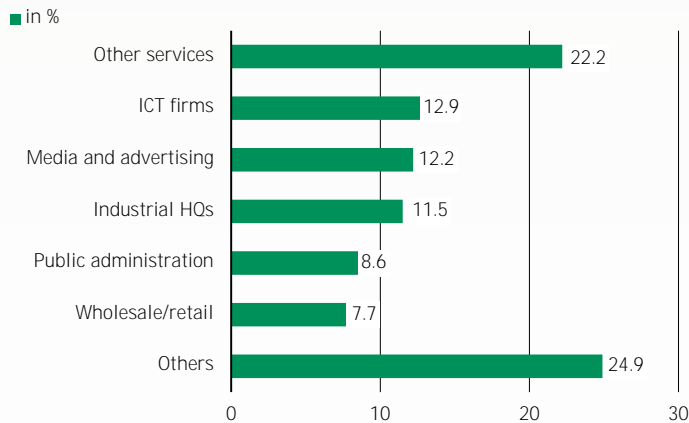
Development of take-up and top rents



➤ HAMBURG OFFICE MARKET COMPARATIVELY ROBUST

By the end of September 2023, a take-up of 321,000 m² had been registered on the Hamburg office market, of which around 98,000 m² is attributable to the third quarter. The market in the Hanseatic city thus presents itself as quite dynamic in a nationwide comparison and, with the current result, once again underlines its resilience even in economically challenging times. However, the weak economic trend combined with the ongoing debate surrounding the issue of home offices has led to a considerable slowdown in letting activity. Compared with the very strong prior -year period, a decline of 28% has to be reported, and the 10-year average was also missed by a good 14%. It is primarily lettings beyond 5,000 m² that the market lacks for a better result. By contrast, letting activity for rental space between 1,000 and 5,000 m² remained at a good average level overall.

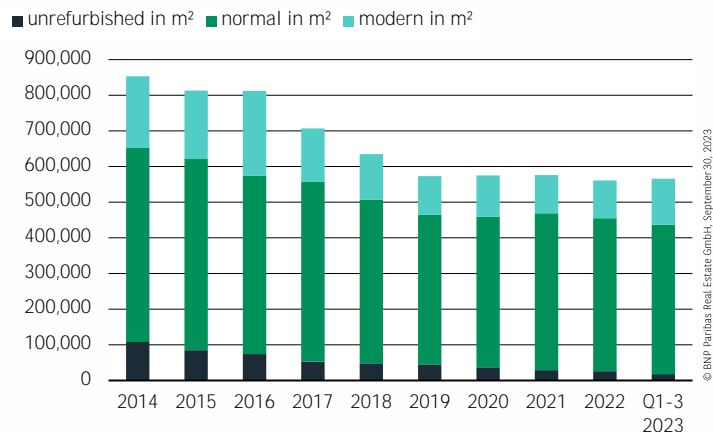
Take-up by sector Q1-3 2023



➤ BROAD DEMAND BASE SUPPORTS MARKET

In addition to the traditionally high share of other services, Hamburg's companies in the ICT and media and advertising sectors are particularly active. They accounted for market shares of just under 13% and a good 12% respectively. For ICT firms, a good average result of 41,000 m² can be registered, media and advertising stand out positively with the highest take-up since 2019 (currently a good 39,000 m²), including the largest contract signed to date by RTL with 17,200 m². The market share of industrial companies is also in the double-digit percentage range, accounting for 11.5% of take-up.

Development of vacant space



➤ VACANCY STABLE AT LOW LEVEL

The vacancy volume remains nearly unchanged at 566,000 m² and the vacancy rate is low at 3,9 %. The volume of vacant space has been at this level for two years now, and Hamburg thus occupies a positive exceptional position among German office strongholds. The vacancy volume of modern space in the top locations, which are in high demand, continues to be below average. This applies in particular to HafenCity, where only 9,000 m² of modern vacancy is currently recorded. Tenants continue to be very keen on new-build space for first-time occupation. In the entire market area, only 23,000 m² of this is available at short notice, of which around 13,000 m² is in Hamburg's City and HafenCity.

Major contracts

Sub-market	Company	m ²
1.3	RTL Germany	17,200
3.5	Transport and traffic	12,500
1.1	Bürgerschaft der Freien und Hansestadt Hamburg	9,800
1.1	Deutsche Gigasetz	7,300
3.7	IU Internationale University	6,800
1.1	Telefónica Germany	6,700

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Trends in important market indicators

	Q1-3 2022	Q1-3 2023	Trend remaining year
Take-up	445,000 m ²	321,000 m ²	➔
Vacant space	558,000 m ²	566,000 m ²	➔
Space under construction (total)	295,000 m ²	408,000 m ²	➔
Space under construction (available)	105,000 m ²	176,000 m ²	➔
Top rent	35.00 €/m ²	36.00 €/m ²	➔

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➔ SLIGHT DECLINE IN CONSTRUCTION VOLUME

The volume of space under construction currently amounts to 408,000 m² and is thus slightly down on the previous quarter. However, a year-on-year increase of a good 38% can still be reported, which is a strong sign for the Hamburg market. 57% of the space under construction has already been pre-let, underlining the high demand in the top segment. In the city center, the pre-letting rate is around 62%, which confirms the general letting trend towards central, very well-connected and modern office space.

➔ PRIME RENT RISES

The prime rent increased by 1.00€/m² to 36.00€/m² in Q3. This represented the first movement in the prime rent since Q2 2022 (+3%). The development of the average rent is traditionally much more volatile. There is no consistent trend over the year. An increase in Q2 to 22.30 €/m² was followed in the third quarter by a decline to a still significantly above-average level of 21.50 €/m².

➔ OUTLOOK

The Hamburg office market will remain in choppy waters for the time being, as the German economy is not expected to pick up momentum again until 2024 and many companies in Hamburg are also likely to opt increasingly for smaller, but higher-quality space due to the established hybrid working. Despite these overlapping trends, we expect a pleasing result for Q4, as some major contract negotiations are on the finishing straight. A stable development is likely in vacancy and rental price levels.

Key indicators Q1-3 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	Q1-3 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	36.00		86,000	106,000	52,000	10,500	53,300	20,000	126,000	177,000
1.2 Eastern Harbour Fringe	27.00		1,000	5,500	0	0	0	0	5,500	0
1.3 HafenCity	34.50		39,500	18,500	9,000	2,500	144,000	78,400	96,900	94,800
1.4 Western City Fringe - St. Pauli	24.50		12,000	14,000	13,500	0	9,300	0	14,000	0
2 Centre Fringe	17.50 - 28.00		64,500	164,500	33,500	3,500	86,400	40,000	204,500	283,800
3 Subcentres	12.00 - 21.00		118,000	257,500	21,000	6,500	115,000	37,600	295,100	304,400
Total			321,000	566,000	129,000	23,000	408,000	176,000	742,000	860,000

* 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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