

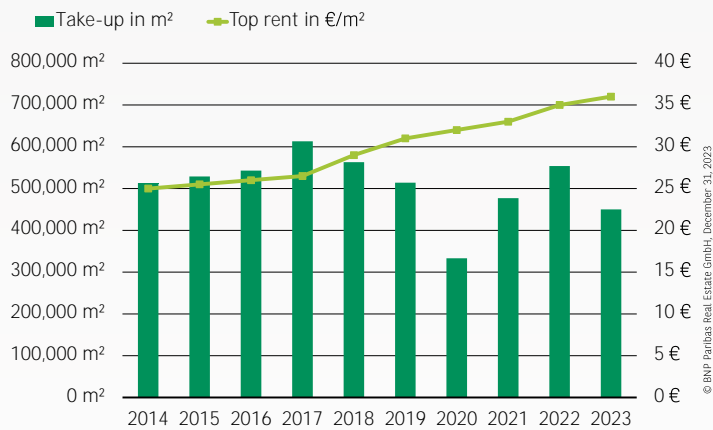


RESEARCH

At a Glance **Q4 2023**

OFFICE MARKET HAMBURG

Development of take-up and top rents

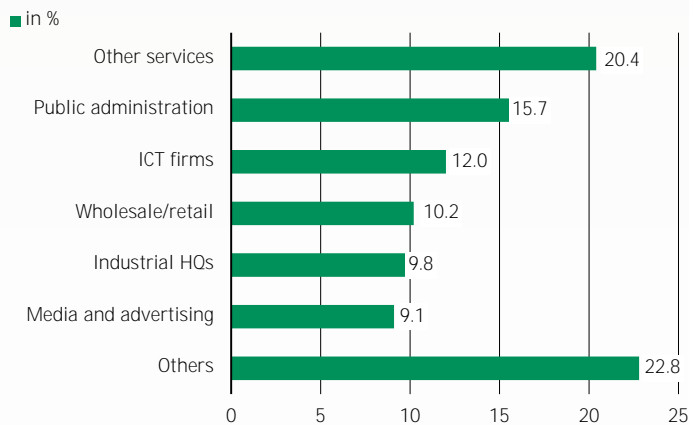


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➤ HAMBURG OFFICE MARKET HAS DEMONSTRATED RESILIENCE

Despite the absence of an economic tailwind and the ongoing debate about home office rates, the Hamburg office market demonstrated relative resilience in the past year. With take-up of 450,000 m², the strong result of the previous year was undercut by almost 19% and the long-term average by 12%. However, there was a noticeable market revival towards the end of the year. Around 129,000 m² of take-up was achieved in the last three months of the year, which is also an above-average quarterly figure in a 10-year comparison. This was mainly due to the year's largest registered deal, the acquisition of the Strandkai 1 office building in HafenCity by the Hamburg Port Authority (HPA). The port authority is set to relocate its headquarters to the 22,200 m² building in 2026. Additionally, the Fielmann Group has let approximately 15,000 m² in Quartier 21 in Hamburg-Barmbek, marking another significant deal in the final quarter.

Take-up by sector 2023

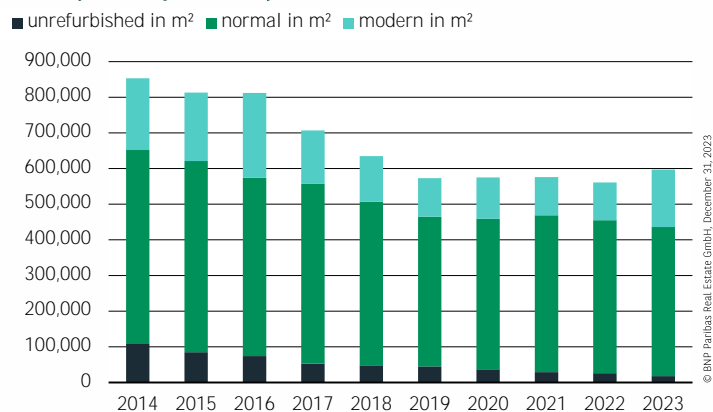


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➤ BROADLY DIVERSIFIED SECTOR DISTRIBUTION

The distribution of take-up across different sectors was highly varied in the past year. As usual, the collective category of other services ranked highest, accounting for around one fifth of take-up. Public administration followed in second place, contributing just under 16% to the result. It also achieved a strong result in absolute terms in a long-term comparison, with more than 70,000 m². ICT companies accounted for 12% of the shares, while wholesale and retail companies accounted for 10%. The industrial headquarters, which have traditionally been strong in Hamburg, fell just below this mark.

Development of vacant space



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➤ VACANCIES INCREASED OVER THE COURSE OF THE YEAR

The volume of vacant space increased by 6% over the year to a total of 597,000 m². However, the overall vacancy rate of the market is still low at around 4.1%, even when compared nationally. The volume of vacant modern space has increased by 55,000 m² in the last twelve months due to expiring rental agreements, which has slightly eased the supply shortage that has persisted in this segment for years. However, the supply situation remains tight in some areas. For instance, in HafenCity, modern vacancies only totalled around 11,500 m².

Major contracts

Sub-market	Company	m ²
1.3	Hamburg Port Authority	22,200
1.3	RTL Deutschland	17,200
3.7	Fielmann Group	15,000
3.5	AIRBUS OPERATIONS	12,500
1.1	Bürgerschaft der Freien und Hansestadt Hamburg	9,800
1.1	Deutsche Giganetz	7,300

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➤ CONSTRUCTION ACTIVITY DOWN SINCE MID-YEAR

The volume of space under construction is currently 29% higher than the previous year's figure, but has declined significantly since the middle of the year, standing now at 354,000 m². This decline is mainly due to recent developments within the Signa Group, including the suspension of construction on the Elbtower, which comprises more than 70,000 m² of office space. The pre-letting rate in the market as a whole is around 56.5%, which is only slightly below the long-term average of 60%.

➤ SLIGHT INCREASE IN PRIME RENT

The prime rent increased by €1 to €36/m² over the year, indicating that high-quality space in prime locations is still in demand despite the subdued economy. Although the average rent was much more volatile and reached its all-time high in the middle of the year (€22.30/m²), it showed a downward trend in the second half of the year, and is currently standing at €21.10/m².

Trends in important market indicators

	2022	2023	Trend 2024
Take-up	554,000 m ²	450,000 m ²	➔
Vacant space	561,000 m ²	597,000 m ²	➔
Space under construction (total)	274,000 m ²	354,000 m ²	➔
Space under construction (available)	105,000 m ²	154,000 m ²	➔
Top rent	35.00 €/m ²	36.00 €/m ²	➔

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➤ OUTLOOK

The economic forecasts for 2024 predict only slight GDP growth. Therefore, take-up is expected to remain at a similar level to 2023. The trend of leasing smaller but significantly higher-quality office space is likely to continue when leases expire. Given this situation, prime rents are expected to increase further. As the volume of new construction is likely to decrease significantly in the medium term, only a moderate increase in vacancies is expected from today's perspective.

Key indicators 2023

	Top rent* (€/m ²)		Take-up (m ²)	Vacant space (m ²)			Space under construction (m ²)		Space on offer (m ²)	
	from	to	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		108,000	115,000	60,000	7,000	91,700	49,700	164,700	159,800
1.2 Eastern Harbour Fringe	31.00		7,500	5,500	0	0	0	0	5,500	0
1.3 HafenCity	34.50		68,500	22,000	11,500	6,500	71,500	26,700	48,700	94,800
1.4 Western City Fringe - St. Pauli	24.50		13,500	13,500	13,000	0	9,300	0	13,500	0
2 Centre Fringe	17.50 - 28.00		93,000	187,500	57,500	2,000	86,400	39,600	227,100	302,000
3 Subcentres	12.00 - 21.00		159,500	253,500	19,000	7,500	95,100	38,000	291,500	304,400
Total			450,000	597,000	161,000	23,000	354,000	154,000	751,000	861,000

* The top rent given applies to a market segment of 3-5 % in each case.

** The office market zone map and the key indicator table at submarket level can be found under the following link: [Office market zone map and key indicator table 2023](#)

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