Take-up in the Hamburg office market by the end of the third quarter totalled 372,000 m², 17 % above the prior-year figure. This above-average result was due above all to an exceptional accumulation of large-scale deals, which also contributed to a high owner-occupier proportion of aggregate turnover. In all, seven users concluded contracts in the range upwards of 10,000 m², thus accounting for almost one third of total take-up. The two biggest were signed by Telekom in Centre North (32,000 m²) and the VBG employers’ liability insurance organisation in Barmbek (22,000 m²). Although only one of the big deals was located in downtown Hamburg – by Funke Mediengruppe (Hamburger Abendblatt) for 12,000 m² – the City Centre was once again by far the most favoured office market zone (22 %). It benefited from buoyant demand in all the size categories.

The spread of turnover across the different business sectors was naturally influenced strongly by the major deals. The ranking is headed by information and communications technology firms, with 18.5 %, more than 11 percentage points up on the prior-year period. In second place come industrial headquarters with over 15 %, followed by media/advertising, with slightly more than 12 %. Last year’s leader, other services, has this year achieved only a single-digit share, with just over 9 %. Overall, the result has been fuelled by very broadly based demand, something underlined by the fact that all the other business sectors together have generated the high proportion of 28 %.

Empty office units currently amount to a volume of 858,000 m². Although this means that vacancy has sunk by 1.5 % compared with the third quarter of 2013, it has actually risen again slightly from the low point reached at the beginning of this year. So after declining steadily in recent years, aggregate vacancy appears to be stabilising at its present level, at least for the time being. The proportion of vacant space of modern quality has remained more or less unchanged at just one quarter. Alongside the collective categories of Extended Inner City and Remaining Municipal Area, the biggest reserves of space are located, as before, in the City Centre (108,000 m²) and in Centre South (97,500 m²). The vacancy rate at the end of September was 6.3 %. 

MARKED RISE IN TAKE-UP
BALANCED BUSINESS-SECTOR DISTRIBUTION
VACANCY LEVEL STABILISING
LOW VOLUME OF AVAILABLE SPACE UNDER CONSTRUCTION
In the past twelve months, space under construction has expanded by nearly 30% to 267,000 m². But the volume of still available premises within this total - which from the market angle is the more interesting aspect - has actually shrunk by more than one quarter in the same period. This now totals 123,000 m², which is a very low level by long-term standards. The biggest stocks of ready-to-rent new space (37,000 m²) are being built in the Alster Precincts but these are not scheduled for completion until 2016 onwards.

PRIME RENT STAYS AT 25 €/M²
After already climbing by just over 4% to 25 €/m² at the end of last year, the prime rent in Hamburg has since then simply settled at that level. That is the figure obtained for first-class premises in the City Centre, which thus puts that zone ahead of HafenCity, where the top rent has stayed at 24 €/m². Viewed across all the office market zones, an upward trend is apparent for both top and average rents.

OUTLOOK
The Hamburg office market's fine performance was fuelled substantially by numerous large-unit deals, something which generated a very high take-up particularly in the third quarter (143,000 m²). Demand up to the end of the year is likely to develop in stable fashion, making it seem realistic to expect turnover for 2014 as a whole to be slightly above the ten-year average (470,000 m²). While vacancy is likely to stay much the same as at present, the strong interest in modern office premises should bring a further reduction in the volume of available space under construction. The prime rent will probably continue to firm up at its present level.