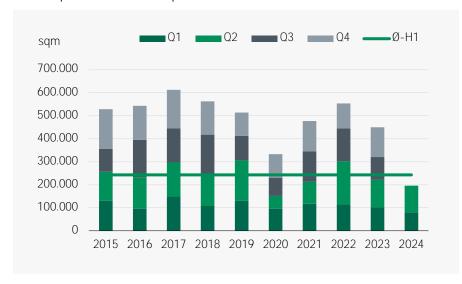




# BNP Paribas Real Estate GmbH, June 30, 2024

#### Development of take-up



#### Prime and average rents



## TAKE-UP CONTINUES TO RISE IN Q2 •

- At 196,000 sqm (including owner-occupiers), take-up on the Hamburg office market in the first half of the year was low compared to the long-term average (243,000 sqm). Also, the previous year's result was missed by around 12%. Compared to the comparatively weak first quarter (81,000 sqm), however, letting activity picked up to 115,000 sqm in q2. Over the course of the year, a trend towards a somewhat larger-volume structure of lettings can be observed, although the result remains below average. This is partly due to the uncertain macroeconomic situation, which is causing large users in particular to adopt a cautious stance regarding larger lettings.
- The largest letting is attributable to the construction company STRABAG (18,000 sqm), which is realizing a new building on the centre fringe as an owner-occupier. A five-digit take-up was also reported for the Hamburg City Finance Authority which signed a 14,900 sqm deal in the city centre.
- Hamburg's central submarkets (City Centre) recorded the highest office take-up (41%, 79,500 sqm), although the City Centre dominated letting activity to a slightly lower extent than in previous years. Driven by the STRABAG deal, for the Centre Fringe the highest take-up since 2019 was recorded with 56,500 sqm.
- In the first half of 2024, prime rents of €36.00 per sqm remained unchanged. The somewhat more volatile average rent fell slightly by around 3% to €20.40 per sqm compared to the previous guarter.



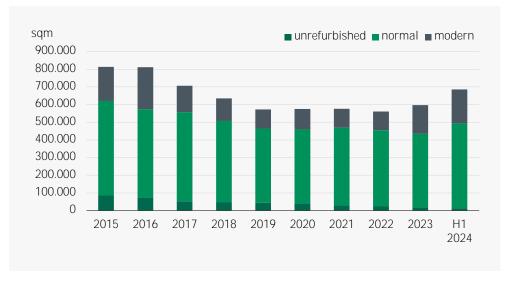
#### Major contracts H1 2024

	Cub			
Quarter Sub- market		Company	sqm	
Q2	2.5	STRABAG	18.000	
Q2	1.1	Stadt Hamburg - Finanzbehörde	14.900	
Q2	3.5	Polizei Hamburg	10.200	
Q1	1.3	Mazars	5.600	
Q2	3.3	Reemtsma Cigarettenfabriken	4.300	
Q2	1.1	WECOYA UNDERWRITING	4.300	

# PUBLIC ADMINISTRATION LEADS SECTOR DISTRIBUTION •

- Public administration accounted for an above-average share (10-year average: 14.5%) of almost 22% or a good 42,000 sqm. The Hamburg Finance Authority and the Hamburg Police contributed to this with two large-volume deals. The relatively borad sector diversity is characteristic of the office demand in Hamburg. The collective category of "Other Services" accounted for just under 21% of take-up, while a good 16% was generated by the administrative offices of manufacturing companies.
- Vacancies rose by almost 15% y-o-y to stand at 686,000 sqm by mid-year 2024. Nevertheless, the vacancy rate of 4.7% has remained below its long-term average (4.8%) and continues to be lower than the fluctuation reserve. The particularly sought-after space with modern fit-out quality only accounts for just under 28% of total vacancy.

#### Development of vacant space

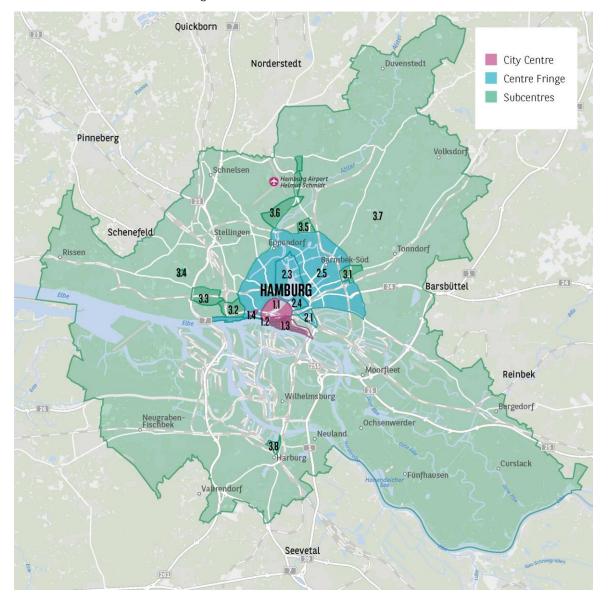




# **→** 0UTL00K

- The Hamburg office market recorded a slightly below average first half of 2024, with less dynamic letting activity than in the previous year. However, market activity gained some momentum over the course of H1. In the second quarter, three large-scale deals for over 10,000 sqm were registered. However, the trend towards reduced space demand for new lettings persists.
- Despite the somewhat weaker economic environment, demand is particularly strong for modern, high-quality office space. ESG taxonomies are also becoming increasingly important on the demand side.
- The supply side is likely to continue to be characterised by a slight increase in vacancies over the remainder of the year. Even if there is currently rather less space under construction compared to previous years. However, at 45%, the preletting rate is significantly lower than before.
- The latest statements from leading economic research institutes indicate that the German economy will recover slightly in the second half of 2024 before the economic engine is expected to accelerate more strongly in 2025. In anticipation of this, letting activity is likely to gain momentum as the year progresses. In view of the continued high demand for high-quality space in premium locations, a further increase in prime rents is on the horizon.

#### Office submarkets Hamburg





## Key indicators office market Hamburg

		PRIME RENT* (€/sqm)		TAKE-UP (sqm)	VACANT SPACE (sqm)			SPACE UNDER CONSTRUCTION (sqm)		SPACE ON OFFER (sqm)	
		from	to	H1 2024	total	modern	of this, since completion	total	available	available	projected
Submarkets**		1		2	3	4	5	6	7	8 = (3 + 7)	9
1	City Centre										
1.1	City Centre		36,00	52.000	131.000	70.000	3.000	63.500	45.200	176.200	134.700
1.2	Eastern Harbour Fringe		32,00	1.000	6.500	500	0	15.500	9.500	16.000	0
1.3	HafenCity		34,50	24.500	35.500	16.000	6.500	30.600	20.400	55.900	94.800
1.4	Western City Fringe - St. Pauli		27,00	2.000	12.000	11.500	0	9.300	0	12.000	0
2	Centre Fringe	17,50	- 28,00	56.500	227.500	69.500	2.000	101.200	51.400	278.900	306.600
3	Subcentres	12,50	- 20,50	60.000	273.500	24.500	6.500	88.900	42.500	316.000	349.900
	Total			196.000	686.000	192.000	18.000	309.000	169.000	855.000	886.000



<sup>\*</sup> The prime rent given applies to market segment of 3-5 % in each case.
\*\* The relevant submarket can be found on our website under "Research".

### BNP Paribas Real Estate GmbH

Hohe Bleichen 12 | 20354 Hamburg

Phone: +49 (0)40-348 48-0

All rights reserved. This report is protected in its entirety by copyright. No part of this publication may be reproduced, translated, transmitted, or stored in a retrieval system in any form or by any means, without the prior permission in writing of BNP Paribas Real Estate GmbH. That applies in particular to reproductions, adaptations, translations, photographs (analogue and/or digital), microfilming and storage and processing in electronic systems. The statements, notifications and forecasts provided here correspond to our estimations at the time when this report was prepared and can change without notice. The data come from various sources which we consider reliable but whose validity, correctness or exactness we cannot guarantee. Explicitly, this report does not represent a recommendation of any kind, nor should it be regarded as forming a basis for making any decisions regarding investment or letting or renting property or premises. BNP Paribas Real Estate can accept no liability whatsoever for any information contained or statements made herein.

Publisher and copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 30.06.2024 | Further information: BNP Paribas Real Estate GmbH | Branch office Hamburg | Phone +49 (0)40-348 48-0 Photo credits: © Antoine Huot



