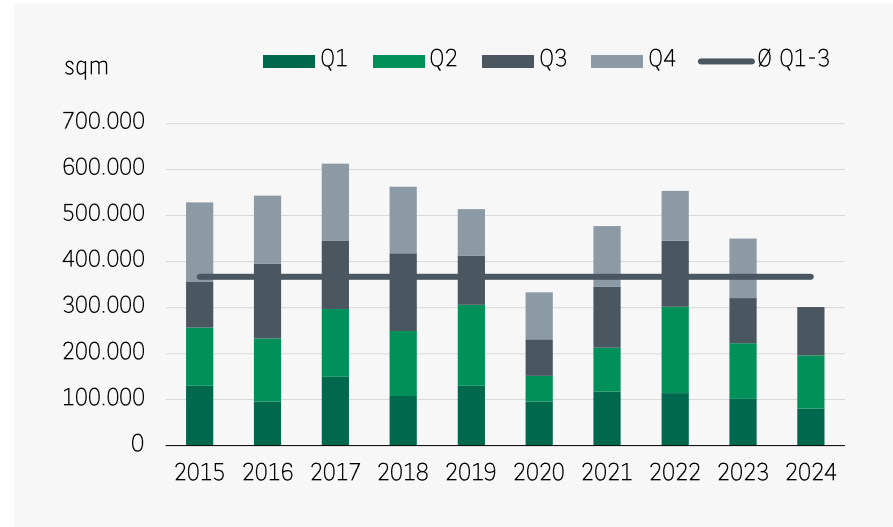


HAMBURG

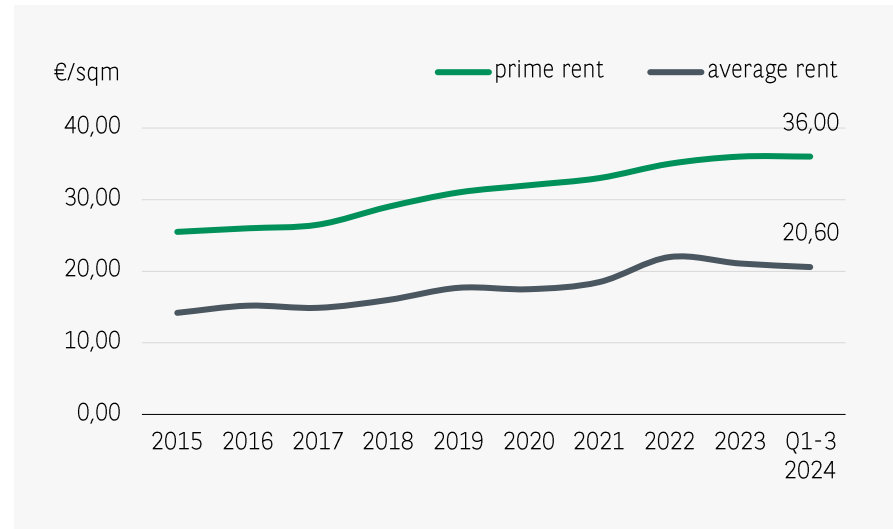
REPORT OFFICE MARKET

Q1-3 2024

Development of take-up



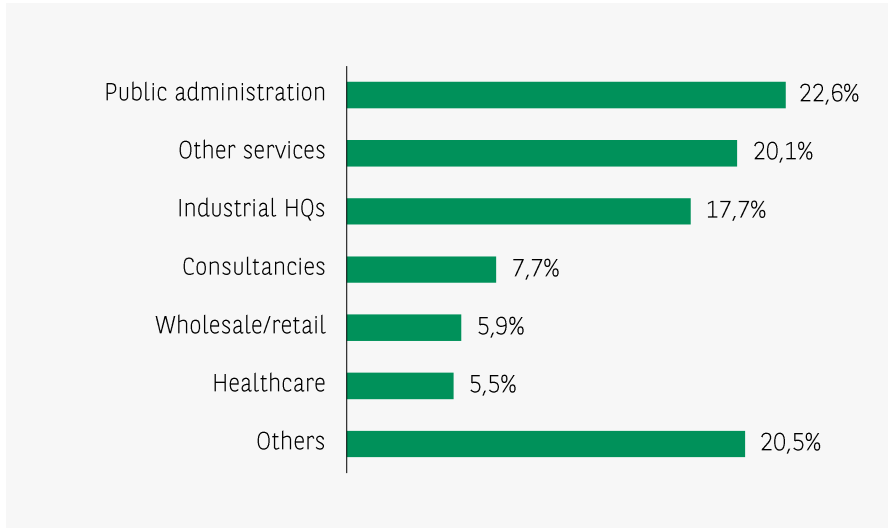
Prime and average rents



NUMBER OF LARGE-SCALE LETTINGS RISING BUT DEMAND REMAINS BELOW PRIOR YEAR'S LEVEL

- The Hamburg office market recorded take-up of 301,000 sqm in the first three quarters of 2024 missing the previous year's result by a good 6 %. The long-term average also remains out of reach (-18%). After demand gained considerable momentum in Q2, companies were somewhat more cautious again in the third quarter. In a nationwide comparison, Hamburg's result to date places it in fourth position, just behind Frankfurt (307,000 sqm).
- Encouragingly, more large-scale lettings of over 10,000 sqm were recorded overall. This size segment is responsible for around 21% of take-up (+12 percentage points compared to the previous year). Noteworthy are the lettings to the City of Hamburg (Sprinkenhof ISZ) for almost 21,000 sqm on the western centre fringe and the tax authorities for just under 15,000 sqm in Hamburg city centre, as well as the owner-occupier building by Strabag Real Estate (18,000 sqm) in Borgfelde. Letting activity is also lively in the small and medium-sized segment up to 2,000 sqm. This segment accounts for around 58% of total take-up.
- The prime rent has remained stable at €36.00 per sqm since the end of September 2023. It continues to be achieved for high-quality office space in Hamburg city centre. The generally more volatile average rent is listed at € 20.60 per sqm after the first three quarters (-4% compared to the previous year).

Take-up by sector Q1-3 2024



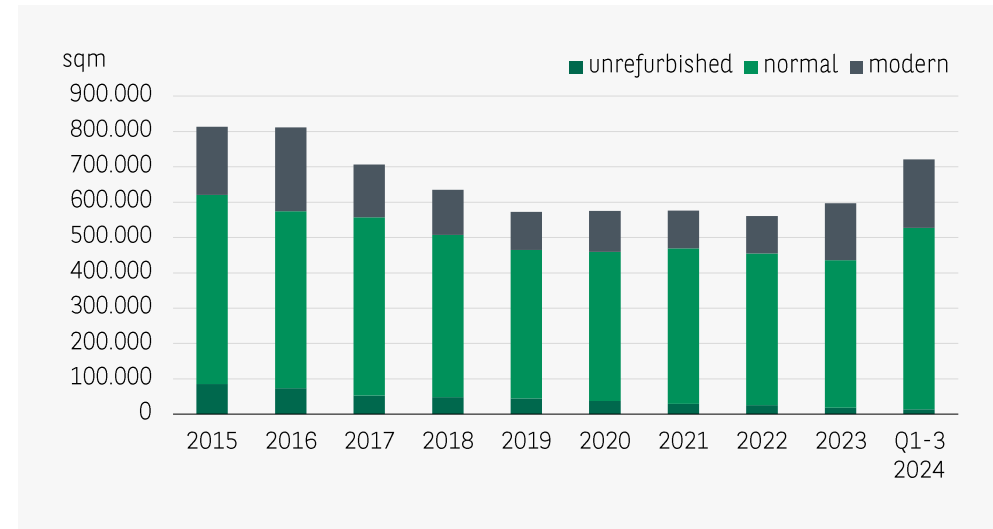
Major contracts Q1-3 2024

Quarter	Sub-market	Company	sqm
Q3	1.4	Sprinkenhof (ISZ)	20,800
Q2	2.5	STRABAG Real Estate	18,000
Q2	1.1	Finanzbehörde Hamburg	14,900
Q2	3.5	Polizei Hamburg	10,200
Q1	1.3	Mazars	5,600
Q3	2.1	HDI Germany	5,200

PUBLIC ADMINISTRATION LEADING SECTOR DISTRIBUTION

- Public administration takes first place in the distribution of take-up by sector with a share of almost 23%. This excellent position is primarily due to the large contracts already mentioned. The strong group of other services accounts for a share of just under 20%, followed by the administration of industrial companies with around 18%.
- By the end of Q3 2024, the office vacancy volume had risen to 721,000 sqm and the vacancy rate now stands at 5.0%. It is worth noting that almost 43% of the space available at short notice is located in subcentres while only 26% is situated in city centre. A good quarter of all vacant office space is of a modern standard, of which just under 10% can be rented as first-time occupancy.

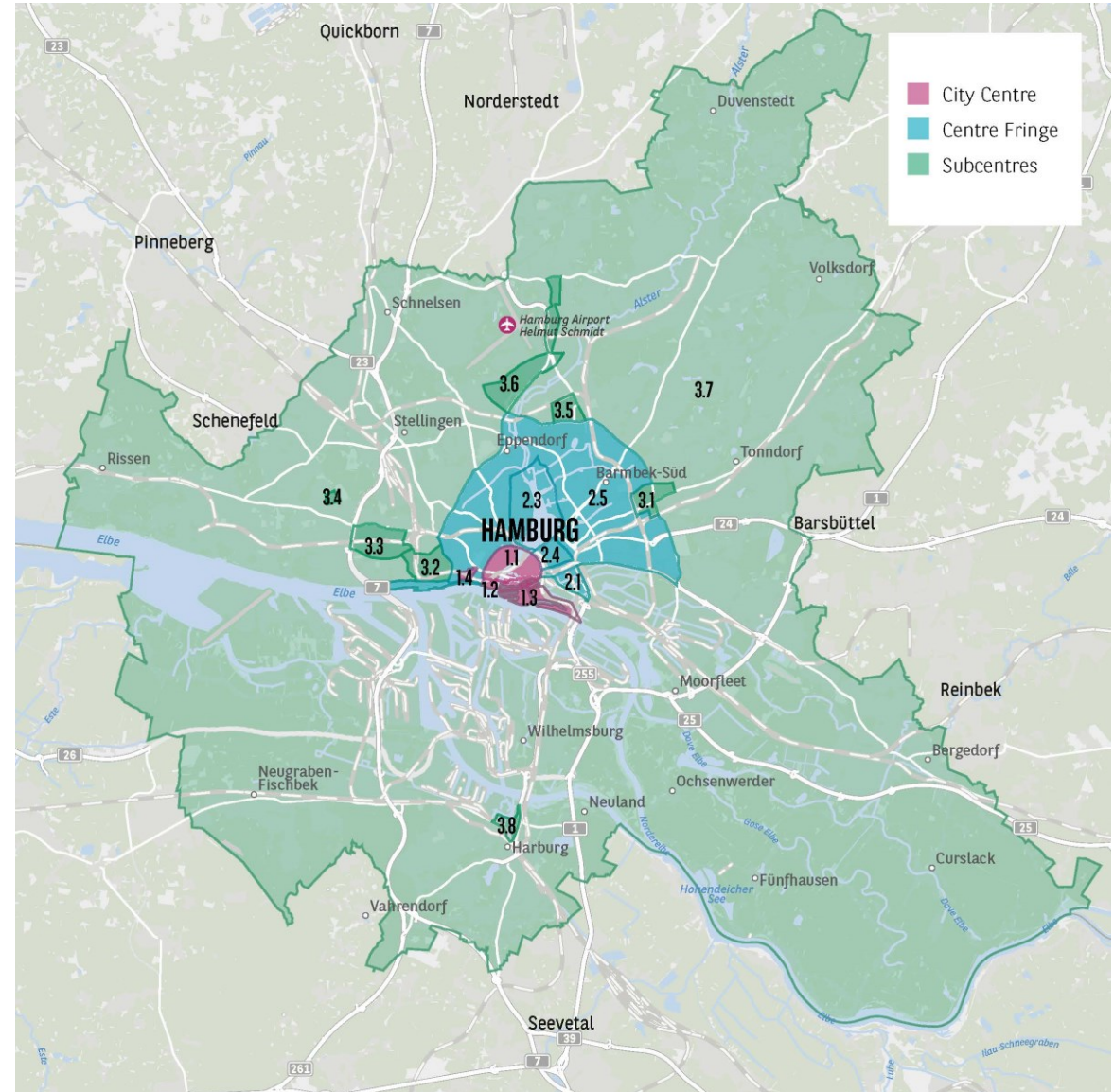
Development of vacant space



OUTLOOK

- The rather subdued development of demand in the third quarter and the continuing uncertainty regarding future economic developments indicate that a result in line with the long-term average (508,000 sqm) is unlikely for the year as a whole. However, considering that a number of large-volume contracts are still in the pipeline, which are likely to be successfully concluded before the end of the year, a result at the previous year's level (450,000 sqm) is quite realistic.
- On the supply side, a further moderate increase in vacancies cannot be ruled out for the time being, albeit at a slower pace in the coming months. Particularly in the segment of older buildings and in decentralized locations, an increase in the volume of vacancies would be hardly surprising.
- At the same time, new construction activity is likely to stabilize at a comparatively low level or possibly fall even slightly further due to the ongoing challenging conditions for developers. The current construction volume (302,000 sqm) is already 26% below the previous year's level. Only 146,000 sqm of this is still available to the letting market, which corresponds to a decline of 17% y-o-y and reflects the rapid absorption of new-build space.
- With regard to the level of rents, a stable to slightly rising trend is currently emerging, particularly regarding prime rents.

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	Q1-3 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	66,000	128,500	69,500	4,500	63,800	45,000	173,500	140,700
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	33,500	41,500	21,000	8,000	30,600	20,400	61,900	94,800
1.4 Western City Fringe - St. Pauli		27.00	23,000	10,500	10,000	0	9,300	0	10,500	0
2 Centre Fringe	17.50 -	28.00	97,000	227,500	64,500	0	101,000	51,500	279,000	335,800
3 Subcentres	12.50 -	20.50	80,500	306,500	28,500	6,500	81,800	19,600	326,100	349,700
Total			301,000	721,000	194,000	19,000	302,000	146,000	867,000	921,000

* 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“.

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