

Germany

Office Market Snapshot HAMBURG

Q3 | 2020



OVERVIEW

With 1.8 million inhabitants, Hamburg is Germany's northernmost international trading city. However, the economic downturn in April 2020 is leaving its mark on the economic outlook. The unemployment rate rose from 6.3% in March to 8.0% in September. According to the latest calculations by Oxford Economics, Hamburg's economy will recover in the short to medium term after a slump of 6.1% in the current year, with growth forecasts of 5.7% for 2021 and 3.5% for 2022.

OCCUPIER FOCUS

In the first nine months, take-up of about 249,000m² was registered in the Hamburg office market. This is the first time since 2009 that the nine-month take-up volume has fallen below the 300,000m² mark. Compared to the equivalent period last year (435,000m²), take-up is 43% lower. A lack of leases signed for spaces of over 10,000m² contributed significantly to this difference.

VACANCY AND PROJECTS

At the end of the third quarter, Hamburg's vacant office space amounts to 547,000m², having increased by 0.5 percentage points since this point in 2019 to the current 3.7%. Construction activity and pre-letting rates remain high. Around 81,000m² of modern office space was completed in Hamburg in the first nine months of the year. Another 75,000m² is expected to be completed over the remainder of the year. Of the space scheduled for completion in 2021 and 2022, 58 % has already been pre-let.

RENTS

Since its increase to €30.00/m²/month at the beginning of 2020, the prime rent has remained static at this level. Compared to last year, it has risen by €2.25 or eight percent. The weighted average rent is €17.10/m²/month and has fallen by €0.25, compared to the same point last year.

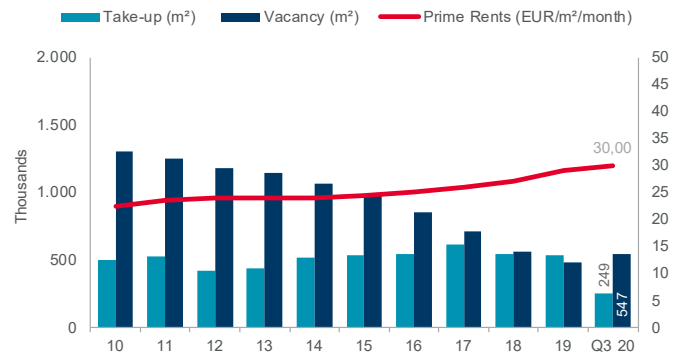
INVESTMENT FOCUS

With a transaction volume of over €2 billion in the first nine months, the Hamburg office investment market is proving to be robust in the crisis. The largest office transaction in the third quarter was the sale of the Gruner+Jahr house. The prime yield for central office properties is stable at 2.80% and is 4.00% in non-central locations.

IMPORTANT TRANSACTIONS

The largest letting in the Hamburg office market in the first nine months of 2020 was registered in Hamburg Rahlstedt. Here, Sund Holding will move into around 6,400m² of office space in Victoria Park for owner-occupation after completion.

OFFICE MARKET HAMBURG



RENTAL PRICE RANGES Q3 2020

SUBMARKET	EUR/M ² /MONTH
City	15.00 – 30.00
Harbour	15.00 – 24.00
HafenCity	16.00 – 26.50
Alster Area West	14.00 – 24.00
Alster Area East	12.00 – 24.00
City South	10.00 – 16.00
Altona	10.50 – 16.50
Ottensen-Bahrenfeld	10.50 – 18.00
City North	10.00 – 16.00
Airport	9.50 – 15.50
Wandsbek	9.50 – 15.00
Harburg	10.00 – 15.00

3-MONTH OUTLOOK

Prime Rent	▶
Prime Yields	▶
Vacant Space	▼
Take-up	▼

Source: Cushman & Wakefield