

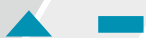


YoY
Change

12-Month
Forecast

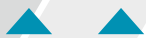
365,000

Take-Up (cum.), m²



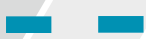
4.2%

Vacancy Rate



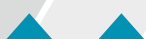
550,000

Under Construction, m²



€30.50

Prime Rent, €/m²/month



LABOUR MARKET

YoY
Change

104.3

Ifo Employment Barometer
Germany (Sep 2021)



472,900

Hamburg Office Employees
(Dec 2020)



7.0%

Hamburg Unemployment Rate
(Sep 2021)



Source: ifo-Institut, Moody's Analytics, Federal
Employment Agency

ECONOMIC OVERVIEW

With 1.9 million inhabitants, Hamburg is Germany's northernmost international trading city. However, as a result of the Covid-related economic downturn, the unemployment rate rose to 8.5% in July 2020. Since May 2021, it has been declining again in a year-on-year comparison for the first time and was at 7.0% in September 2021. According to the latest figures from Moody's Analytics, gross value added declined by 6.3% in 2020. However, in 2021 growth of 3.4% is projected.

TAKE-UP

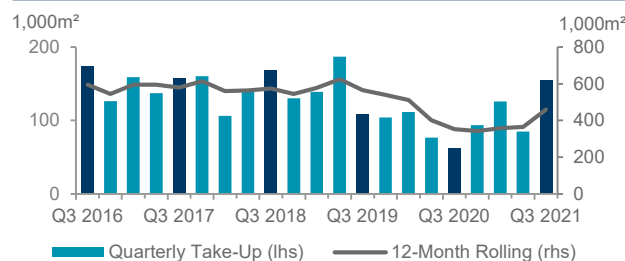
January to September take-up in the Hamburg office market was 365,000m². Although the result is 7% below the 5-year and 1% below the 10-year Q1-3 averages, it increased by 46% compared to last year's result. So far in 2021, six large lettings for a total area of 89,000 m², thereof more than 71,000m² in development projects, have taken place, accounting for around 24% of total take-up. The recovery in leasing activity is mainly the result of many companies' desire for change. During the Covid pandemic, they developed new workplace concepts that are now being implemented. The increased demand and further major lettings in the pipeline lead us to expect a strong final quarter. With an expected annual take-up of around 480,00m², the year-end result would be significantly above 2020's 343,000m².

The largest lease in the current year was signed by Berenberg Bank for 19,200m² in the Ipanema development project in the City-North submarket in Q3. Overall, City contributed around 85,000m², some 23% of Hamburg's total office market take-up. The second-strongest submarket in terms of take-up was City South with 47,000 m² or 13%.

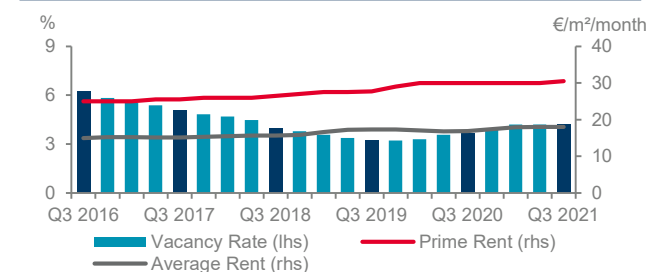
VACANCY

Office vacancy rose by 16% compared to last year, to around 637,000m². At 4.2%, the vacancy rate in the market area is now as high as it was in mid-2018, but it has remained stable in the current year. Next year, the vacancy rate is likely to increase further due to a combination of existing space becoming vacant and available space in newly-completed developments.

TAKE-UP



VACANCY & RENT





COMPLETIONS

Completions added 112,000m² to Hamburg's office stock in the first three quarters – 92% of this was already pre-let or owner-occupied. The largest completion is that of Olympus Campus in the City South submarket in Q2, with around 47,000m² of office space, which is fully let to Olympus and Design Offices.

In addition, a total of 550,000m² of office space is under construction – 62% of this is already pre-let or owner-occupied. Plans are also in place for further development projects of over 700,000m² of office space, of which more than a third is already pre-let or owner-occupied.

RENTS

The consistently high interest in modern office space in city centre locations caused the prime rent to rise by €0.50 year-on-year to a new high of €30.50/m² per month in the third quarter. The continuing construction boom with further increases in construction costs and the shift in the office working world with a focus on high quality locations and fit-out lead us to expect a moderate growth in prime rents in the medium term.

The weighted average rent is €18.00/m²/month, having risen by €1.10 or 7%, compared to the same point last year.

SELECTED PROJECT DEVELOPMENTS

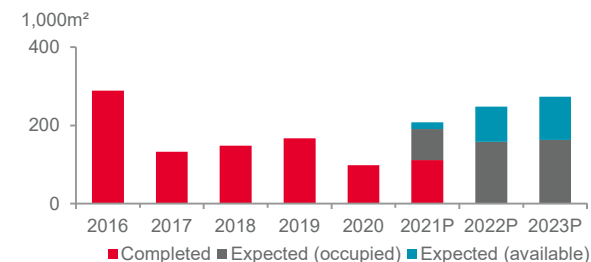
Property/Project	Submarket	Status	Year of Completion	Office Space (m ²)	Owner
Olympus Camus	City South	Completed	2021	47,000	Hines, AEVWL
Deutschlandhaus	City	Under Construction	2022	30,000	ABG
Campus Hamburg	Extended Areas North	Under Construction	2022	26,000	Warburg-HIH
EDGE ElbSide	HafenCity	Under Construction	2023	22,000	HMG AG

MARKET STATISTICS

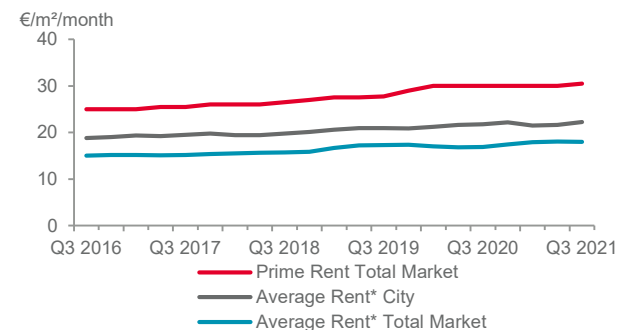
Selected Micro-Submarkets	Take-Up Q1-3 2021 (m ²)	Completions Q1-3 2021 (m ²)	Space under Construction Q3 2021 (m ²)	Prime Rent Q3 2021 (€/m ² /month)	Average Rent* Q3 2021 (€/m ² /month)
City	85,000	27,500	111,000	30.50	22.25
City South	47,300	59,800	26,800	16.50	13.95
City-North	45,000	0	41,500	17.50	16.95
Ottensen-Bahrenfeld	35,200	0	16,900	18.00	15.80
Total Market Hamburg	365,000	111,600	549,800	30.50	18.00

* Weighted Average Rent (12 months)

COMPLETIONS

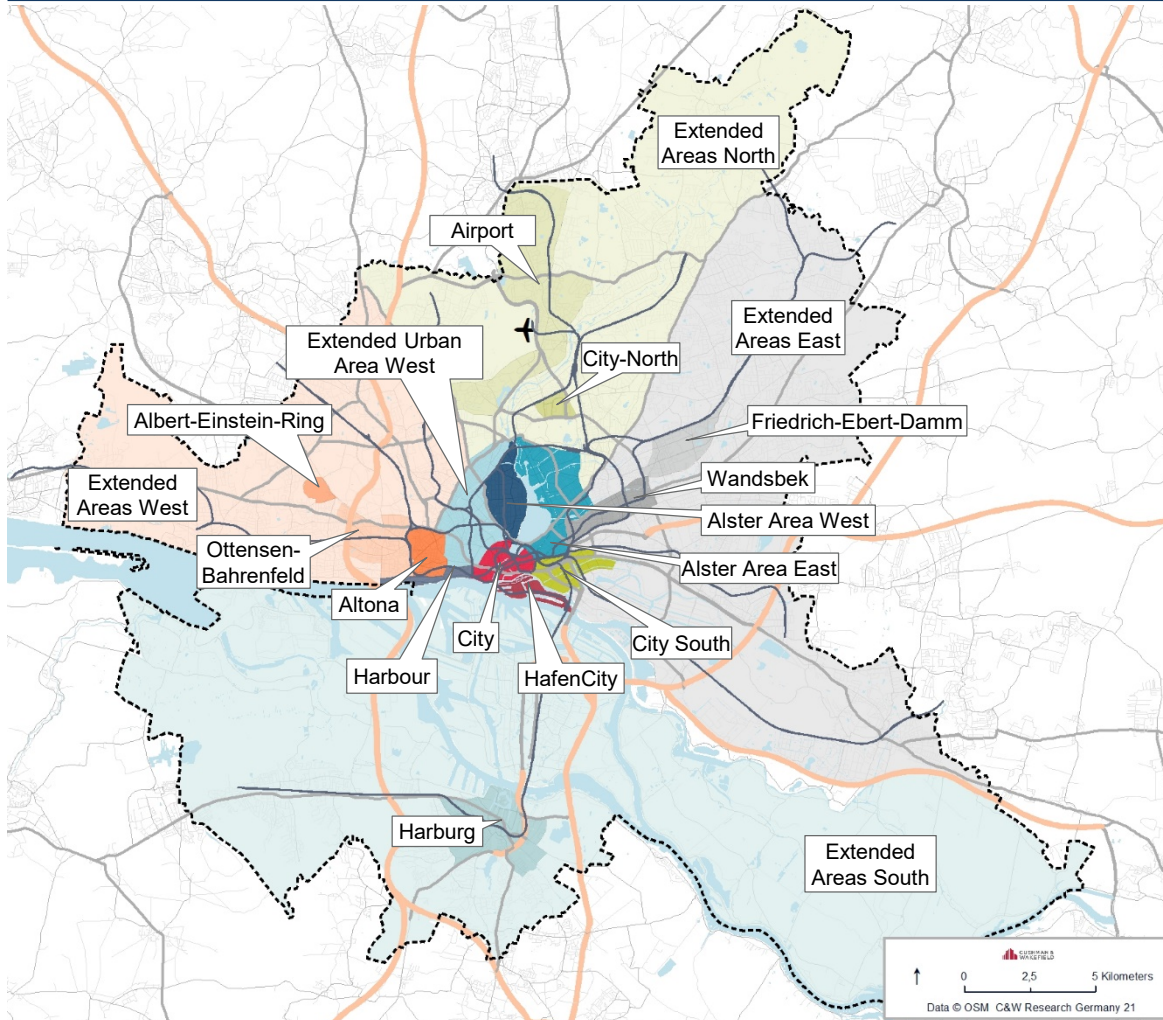


RENTS





MICRO-SUBMARKET OVERVIEW



RENTAL PRICE RANGES Q3 2021

Micro-Submarket	€/m ² /month
City	15.00 – 30.50
City South	10.00 – 16.50
HafenCity	16.00 – 26.50
Harbour	15.00 – 24.00
Alster Area West	14.00 – 24.00
Alster Area East	12.00 – 24.00
Extended Urban Area West	12.00 – 15.50
Wandsbek	9.50 – 15.00
Friedrich-Ebert-Damm	8.00 – 12.50
Extended Areas East	7.50 – 16.50
City-North	10.00 – 17.50
Airport	9.50 – 15.50
Extended Areas North	8.50 – 17.50
Harburg	10.00 – 15.50
Extended Areas South	7.50 – 11.00
Altona	10.50 – 17.00
Albert-Einstein-Ring	8.50 – 13.50
Ottensen-Bahrenfeld	10.50 – 18.00
Extended Areas West	8.00 – 15.00

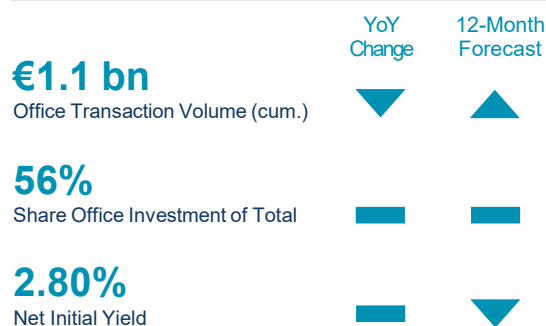


OFFICE INVESTMENT MARKET

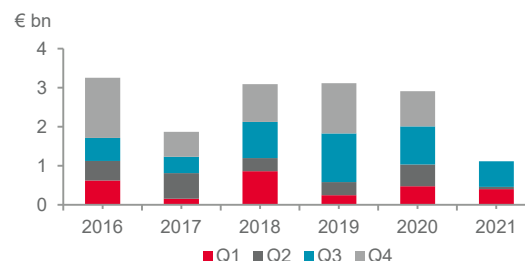
A total of around €1.1 billion changed hands in the acquisition of office properties and development projects from January to September, accounting for 56% of total commercial transaction volume. The largest office transaction above the €100 million mark was the approx. €170 million sale by the Jahr Group of Medienzentrum Rotherbaum in the Alster Area West submarket to Values Real Estate in Q3. As was the case last year, investment activity was heavily concentrated in central office locations, especially in the City submarket.

The net initial yield for prime office properties in Hamburg's central locations has been stable at 2.80% since the beginning of 2020, and at 3.90% in peripheral locations. High demand for core products is confronted by low supply, which is expected to lead to slight yield compression over the remaining course of the year.

KEY FIGURES



OFFICE TRANSACTION VOLUME



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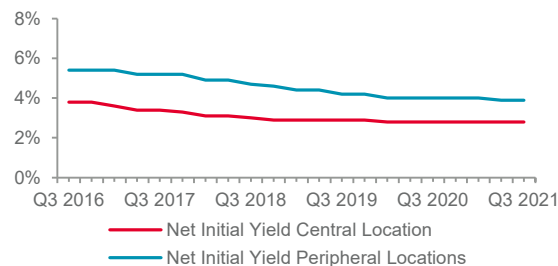
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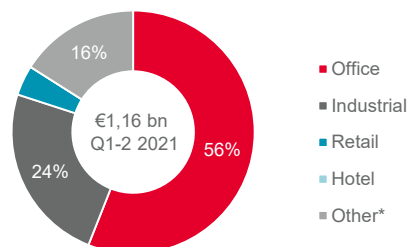
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PRIME OFFICE YIELDS



TRANSACTION VOLUME BY ASSET CLASSES



*Mixed-use Property, Development Plots, Nursing Homes etc.

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