

	YoY Change	12-Month Forecast
<b>131,000m<sup>2</sup></b> Take-Up (cum.)	▲	▬
<b>4.0%</b> Vacancy Rate	▼	▲
<b>462,000m<sup>2</sup></b> Under Construction	▼	▲
<b>€31.50</b> Prime Rent, €/m <sup>2</sup> /month	▲	▲

## LABOUR MARKET

**102.1**  
Ifo Employment Barometer Germany (Mar 2021)

YoY Change ▲

**475,300**  
Hamburg Office Employees (Mar 2022)

▲

**6.7%**  
Hamburg Unemployment Rate (Mar 2022)

▼

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

## ECONOMIC OVERVIEW

Hamburg, with 1.9 million inhabitants, is Germany's northernmost major city and a centre of international trade. However, after the annual outlook for Hamburg initially promised vigorous economic development, the mood has darkened considerably with the start of the war in Ukraine. Many Hamburg-based companies are struggling with rising energy costs, supply chain and transport problems, among others. As a result, the economic analyst Moody's Analytics has also revised its growth forecast for gross value added in Hamburg for 2022 downwards from 5.5% to 4.1%. On the labour market, however, the recent disruptions have not yet made their mark: the unemployment rate fell by 1.3 percentage points year-on-year to 6.7% in March.

## TAKE-UP

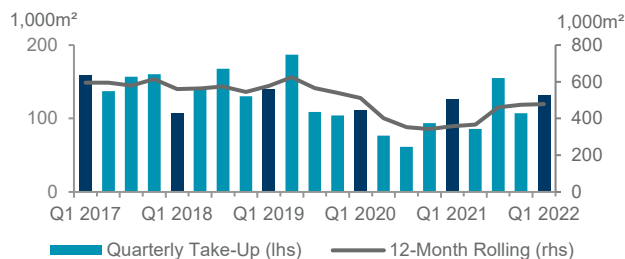
Take-up in the Hamburg office market was 131,000m<sup>2</sup> in Q1 2022. The result corresponds to a year-on-year increase of 4% and exceeds the Q1 10-year average by more than 12%. From January to March, four large lettings of over 5,000m<sup>2</sup> were registered, as in the same period last year, accounting for around 22% of take-up. While this space segment accounted for the largest proportion of take-up a year ago, lettings ranging from 1,000m<sup>2</sup> to less than 3,000m<sup>2</sup> predominated in Q1 2022 (26%). The implementation of new workplace concepts, the increasing focus of office users on sustainability and the overall increase in demand across all space segments lead us to expect a total take-up of 490,000m<sup>2</sup> in 2022.

The largest lease in Q1 2022 was signed by VTG AG for 11,500m<sup>2</sup> in a new development project on the construction site 101 in the HafenCity's Elbbrückenquartier.

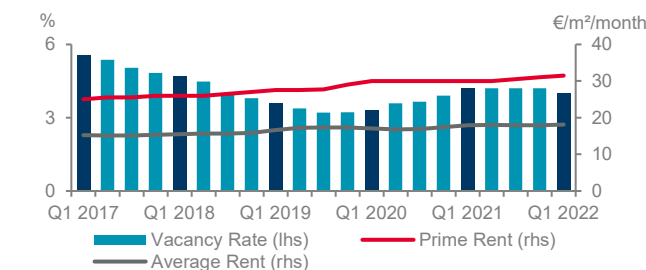
## VACANCY

Office vacancy fell by 3% on a year-on-year comparison, to around 605,000m<sup>2</sup>. The vacancy rate in the market area fell by 0.2 percentage points to 4.0%. In 2022, vacancy is likely to increase again due to a combination of existing space becoming vacant and available space in newly-completed developments.

## TAKE-UP



## VACANCY & RENT





## COMPLETIONS

In Q1 2022, around 67,000m<sup>2</sup> of new and refurbished office space was completed in Hamburg – 82% of this was already pre-let or owner-occupied. The largest completion is the first section of the Beiersdorf Campus Hamburg extension in the Hamburg North-West submarket, with around 45,000m<sup>2</sup> of office space, which is fully owner-occupied by Beiersdorf.

In addition, a total of 462,000m<sup>2</sup> of office space is under construction – 63% of this is already pre-let or owner-occupied. Plans are also in place for further development projects of over 908,000m<sup>2</sup> of office space, of which more than a third is already pre-let or owner-occupied.

## RENTS

The intensified demand for modern office space in city centre locations and in new buildings caused the prime rent to rise to a record high for the third consecutive quarter. It is now quoted at €31.50/m<sup>2</sup>/month. The current inflation trend, continuing material constraints due to supply chain problems and, as a result, further increases in construction costs lead us to expect significant increases in prime rents in 2022.

The weighted average rent rose to a new high, at €18.15/m<sup>2</sup>/month, having risen by €0.25 or 1%, compared to Q1 2021.

## SELECTED PROPERTY DEVELOPMENT PROJECTS

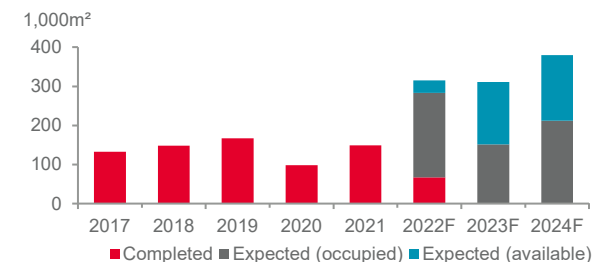
Property/Project	Submarket	Status	Year of Completion	Office Space (m <sup>2</sup> )	Owner
Katharinenkai	Harbour Edge	Completed	2022	8,500	Momeni
Deutschlandhaus	City	Under Construction	2023	30,000	ABG
Elbtower	HafenCity	Proposed	2026	78,000	Signa
EDGE HafenCity	HafenCity	Under Construction	2023	19,000	Allianz

## MARKET STATISTICS

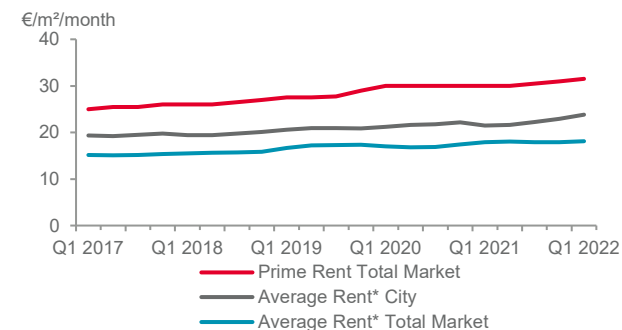
Selected Submarkets	Take-Up Q1 2022 (m <sup>2</sup> )	Completions Q1 2022 (m <sup>2</sup> )	Space under Construction Q1 2022 (m <sup>2</sup> )	Prime Rent Q1 2022 (€/m <sup>2</sup> /month)	Average Rent* Q1 2022 (€/m <sup>2</sup> /month)
City	31,600	0	83,800	31.50	23.85
HafenCity	28,600	3,600	120,300	27.50	24.15
City South	9,700	0	11,600	17.50	14.20
Harbour Edge	8,800	8,500	5,000	25.00	22.35
<b>Total Market Hamburg</b>	<b>131,000</b>	<b>67,000</b>	<b>462,000</b>	<b>31.50</b>	<b>18.15</b>

\* Weighted Average Rent (12 months)

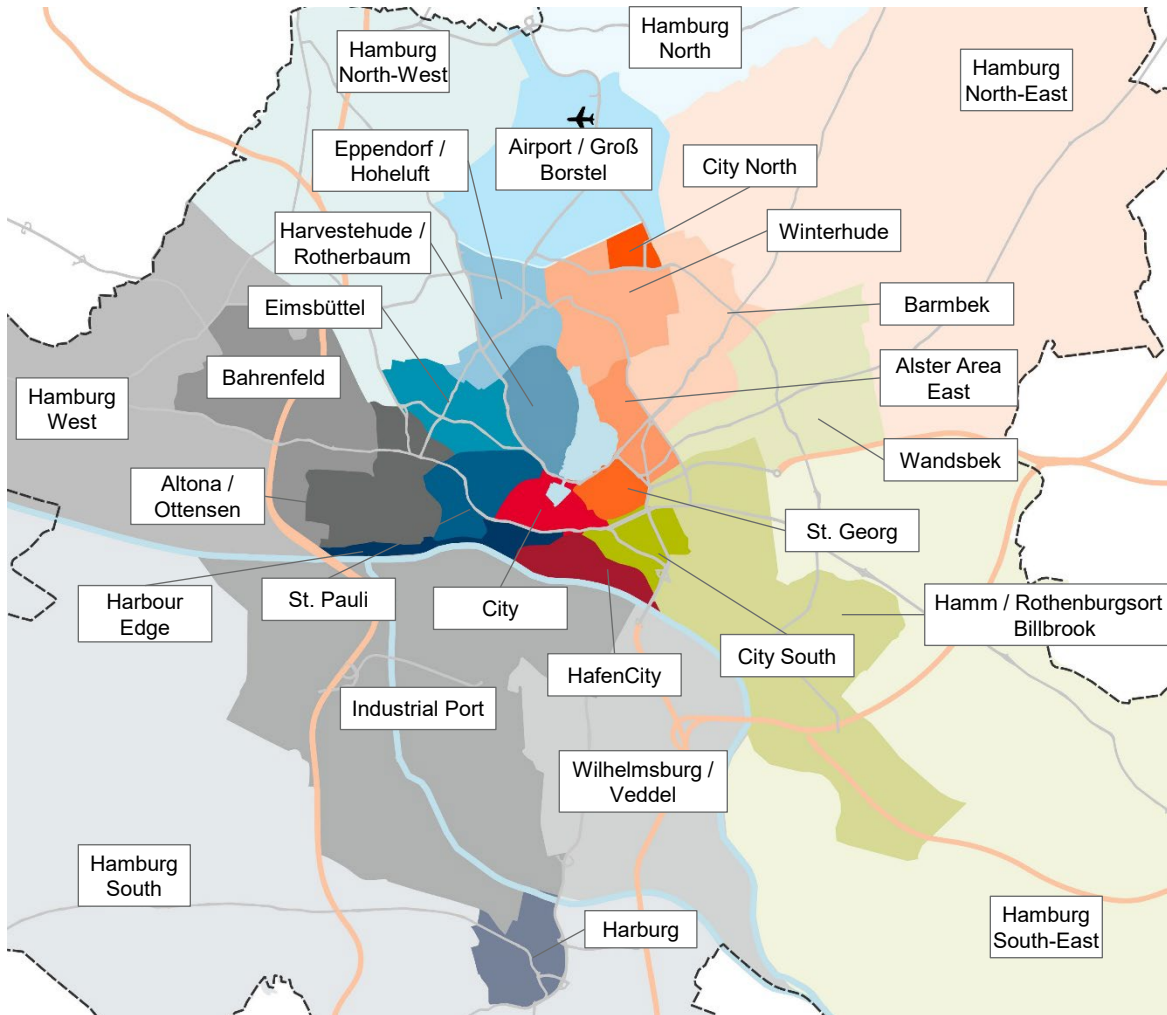
## COMPLETIONS



## RENTS



## SUBMARKET OVERVIEW



## RENTAL PRICE RANGES Q1 2022

Submarket	€/m <sup>2</sup> /month
City	15.00 - 31.50
St. Georg	10.00 - 21.50
Hafencity	16.00 - 27.50
City South	9.50 - 17.50
Harbour Edge	14.00 - 25.00
Alster Area East	11.50 - 18.00
City North	10.00 - 16.50
Harvestehude / Rotherbaum	15.00 - 25.50
Winterhude	12.50 - 17.50
St. Pauli	12.50 - 23.50
Eimsbüttel	12.50 - 17.00
Altona / Ottensen	10.00 - 19.00
Bahrenfeld	10.00 - 17.50
Eppendorf / Hoheluft	13.00 - 21.00
Barmbek	10.50 - 18.00
Airport / Groß Borstel	9.00 - 16.00
Wandsbek	7.50 - 16.00
Hamm / Rothenburgsort / Billbrook	8.00 - 11.50
Harburg	10.50 - 16.00
Hamburg North	8.50 - 15.50
Hamburg North-East	7.50 - 16.00
Hamburg South-East	7.00 - 17.50
Hamburg South	7.50 - 14.50
Wilhelmsburg / Veddel	7.00 - 12.00
Industrial Port	6.50 - 11.50
Hamburg West	8.00 - 16.50
Hamburg North-West	8.50 - 14.50



## OFFICE INVESTMENT MARKET

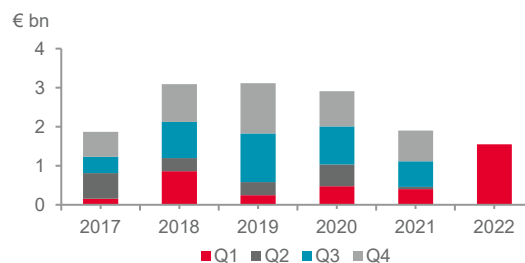
In Q1 2022, the Hamburg office investment market achieved an all-time first quarter record transaction volume at around €1.55 billion, contributing 86% of the total commercial real estate transaction volume. The previous year's equivalent figure was exceeded almost fourfold. The main driver for the result is the acquisition of alstria office REIT-AG by Brookfield Asset Management. The alstria-portfolio, which includes more than 30 office properties in Hamburg, was responsible for 96% of the total office transaction volume.

The net initial yield for prime office properties in Hamburg's central locations declined by 15 basis points year-on-year to 2.65%. In view of the already increased financing costs and the expected rise in interest rate, it is expected that further price increases are unlikely.

### KEY FIGURES



### OFFICE TRANSACTION VOLUME



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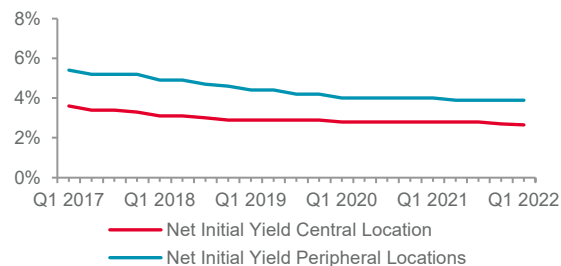
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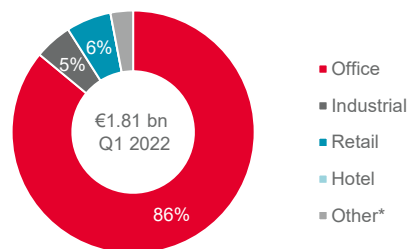
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### PRIME OFFICE YIELDS



### TRANSACTION VOLUME BY ASSET CLASS



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

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