

YoY
Change 12-Month
Forecast**327,000m²**

Take-Up (cum.)

**4.6%**

Vacancy Rate

**560,900m²**

Under Construction

**€33.00**Prime Rent, €/m²/month

LABOUR MARKET

YoY
Change**95.8**Ifo Employment Barometer
Germany (Sep 2023)**501,500**Hamburg Office Employees
(Sep 2023)**7.6%**Hamburg Unemployment Rate
(Sep 2023)Sources: ifo-Institut, Moody's Analytics, Federal
Employment Agency

ECONOMIC OVERVIEW

According to the latest quarterly survey conducted by HK Hamburg, the locally-based companies surveyed assess the current business situation negatively for the first time since the start of the Covid pandemic. Around 33% expect a rather unfavourable business situation for the upcoming 12 months. Less than 10% expect a rather favourable business situation. In addition, the cloudy outlook, in the midst of a weakening economy, is affecting the personnel and investment plans of many companies. 65% of the companies see the shortage of skilled workers as the greatest business risk.

TAKE-UP

Take-up in the Hamburg office market was 327,000m² with 385 deals to the end of September 2023. With the exception of 2020, which was marked by Covid-19, this is the lowest nine-month result since 2013. It is 31% below the strong prior-year period, 16% behind the 5-year average and 15% behind the 10-year average of the first three quarters. At 61% (234), the highest number of deals were registered in the smallest space category, below 500m². Thus, the office leasing activity in the course of the year so far has been dominated by small companies. In the reporting period, nine large lettings of 5,000 m² or more totalled around 80,000m². In the same period of 2022, there were 17 such deals totalling around 180,000m². The largest letting was 17,200m² to RTL at Koreastrasse 7 in submarket HafenCity.

Almost half of the letting activity was in the prime City, HafenCity and Harbour Edge submarkets, of which just under 70% was in A-quality buildings. Location and fit-out quality therefore remain occupiers' focus of attention.

The sector ranking is led by companies from the telecommunications, media and technology sector (50 deals; 67,200m²). This result was significantly boosted by the RTL lease.

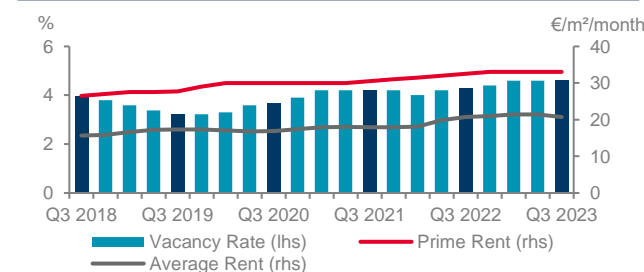
VACANCY

Compared to a year previously, the vacancy rate rose by 0.3 percentage points and stood at 4.6% at the end of September, as in the 1st and 2nd quarters. The last time the vacancy rate was higher was in early 2018. Absolute vacancy grew by 62,700m² to around 706,000m². Additional vacancy in existing space and space released for subletting could cause the vacancy rate in Hamburg to continue to rise moderately for the remainder of 2023.

TAKE-UP



VACANCY & RENT





COMPLETIONS

From January to the end of September 2023, around 167,800m² of new and refurbished office space was completed in Hamburg. A total of 560,900m² of office space is currently under construction for expected completion by 2026. This is roughly in line with the high level of the past five years. Of this space, 63% is already allocated to users. In addition, there are concrete plans for development projects totalling around 481,700m², with planned completion by 2028. This is 26% or around 165,000m² less than at the end of 2022. Increased construction and financing costs make calculation and exit possibilities more difficult. This is increasingly leading developers to postpone speculative new construction.

RENTS

For the fourth successive quarter, prime rents are at their highest level ever, recorded at €33.00/m²/month. Compared a year ago, this corresponds to an increase of €0.50/m²/month or just under 2%. Around 20% of the total take-up was concluded for a rent of at least €30.00/m²/month, compared to a 5-year average of only about 6% (2018-2022).

The weighted average rent across all transactions in the past twelve months has declined slightly compared to the previous quarter (€21.45/m²/month) to €20.70/m²/month.

SELECTED PROPERTY DEVELOPMENT PROJECTS

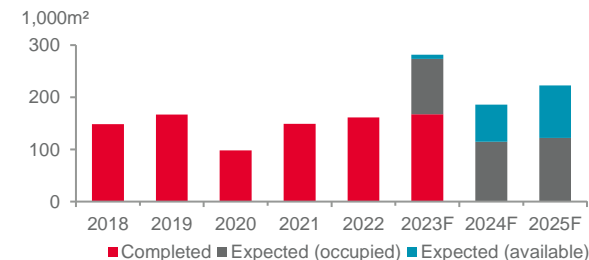
Property/Project	Submarket	Status	Year of Completion	Office Space (m ²)	Owner
KAP 5	City North	Completed	2023	23,000	Hansainvest
Deutschlandhaus	City	Under Construction	2023	30,000	ABG
EDGE HafenCity	HafenCity	Under Construction	2023	19,000	Allianz
Ajour	City	Under Construction	2026	21,000	Tishman Speyer

MARKET STATISTICS

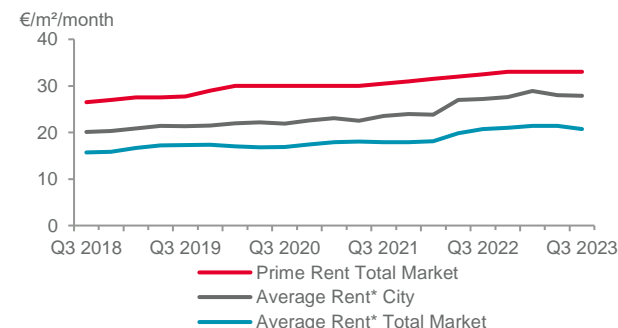
Selected Submarkets	Take-Up YTD (m ²)	Completions YTD (m ²)	Space under Construction Current Quarter (m ²)	Prime Rent Current Quarter (€/m ² /month)	Average Rent* Current Quarter (€/m ² /month)
City	65,300	25,000	100,400	33.00	27.85
HafenCity	40,800	0	185,200	33.00	27.95
Harbour Edge	35,200	2,000	16,100	30.00	25.15
City South	27,900	11,400	8,300	18.00	14.85
Total Market Hamburg	327,000	167,800	560,900	33.00	20.70

* Weighted Average Rent (12 months)

COMPLETIONS

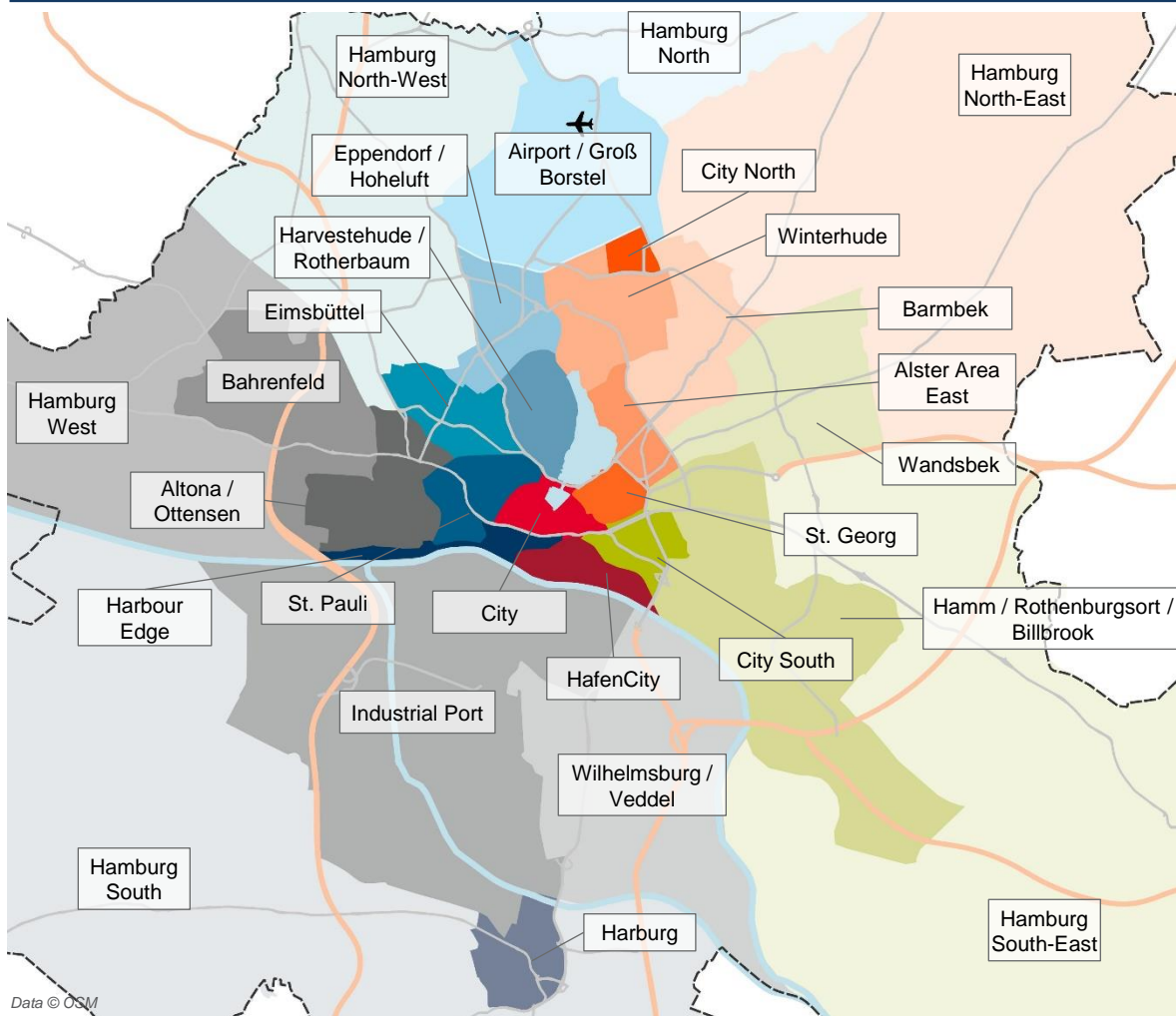


RENTS





SUBMARKET OVERVIEW



RENTAL PRICE RANGES Q3 2023

Submarket	€/m ² /month
City	15.00 – 33.00
St. Georg	10.00 – 23.00
HafenCity	16.50 – 33.00
City South	9.50 – 18.00
Harbour Edge	14.00 – 30.00
Alster Area East	12.00 – 20.00
City North	10.00 – 17.50
Harvestehude / Rotherbaum	15.00 – 26.50
Winterhude	12.50 – 20.00
St. Pauli	12.50 – 24.00
Eimsbüttel	12.50 – 17.50
Altona / Ottensen	10.00 – 19.50
Bahrenfeld	10.50 – 19.50
Eppendorf / Hoheluft	13.50 – 21.00
Barmbek	10.50 – 19.00
Airport / Groß Borstel	9.00 – 16.00
Wandsbek	8.00 – 17.50
Hamm / Rothenburgsort / Billbrook	8.50 – 12.00
Harburg	11.50 – 17.50
Hamburg North	8.50 – 16.00
Hamburg North-East	8.00 – 16.00
Hamburg South-East	8.00 – 17.50
Hamburg South	8.00 – 15.00
Wilhelmsburg / Veddel	8.00 – 12.00
Industrial Port	7.00 – 11.50
Hamburg West	8.00 – 16.50
Hamburg North-West	8.50 – 15.00



MARKETBEAT

HAMBURG

Office Market Q3 2023



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