



YoY
Change

12-Month
Forecast

440,000m²

Take-Up (cum.)



4.8%

Vacancy Rate



513,800m²

Under Construction



€34.00

Prime Rent, €/m²/month



LABOUR MARKET

YoY
Change

96.5

Ifo Employment Barometer
Germany (Dec 2023)



496,400

Hamburg Office Employees
(Dec 2023)



7.6%

Hamburg Unemployment Rate
(Dec 2023)



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

ECONOMIC OVERVIEW

The German economy entered a recession in 2023. According to initial estimates by the Federal Statistical Office, price-adjusted gross domestic product fell by 0.3%. The uncertain macroeconomic environment, including higher interest rates, uncertain financing conditions and high inflation, dampened economic activity. The Hamburgische WeltWirtschaftsinstitut expects an end to the interest rate hike cycle and a strengthening of private consumption in 2024 in view of falling consumer prices and a significant increase in wages. As a result, economic growth is likely to be positive again in 2024.

TAKE-UP

Take-up in the Hamburg office market was 440,000m² in 2023. This is 22% below the strong prior-year period and 11% behind the 5-year average. Four major deals of 10,000m² or more, two of these in the 4th quarter, totalled around 63,700m². This is in line with the 10-year average. The largest deal of the year was the owner-occupier purchase of Am Strandkai 1 in HafenCity, with total office space of around 22,000m², by the Hamburg Port Authority in the 4th quarter. It will use the vast majority of this area, around 19,000m², itself.

At over 54%, letting activity was concentrated in the CBD and in central locations (City, HafenCity, Harbour Edge and City South). The 5-year average is 52%. Telecommunications, media and technology is the sector with the highest take-up, with 65 deals totalling 89,300m². The result was significantly influenced by four deals of over 5,000m². The largest of these was the leasing of 17,200m² at Koreastrasse 7 in HafenCity by RTL.

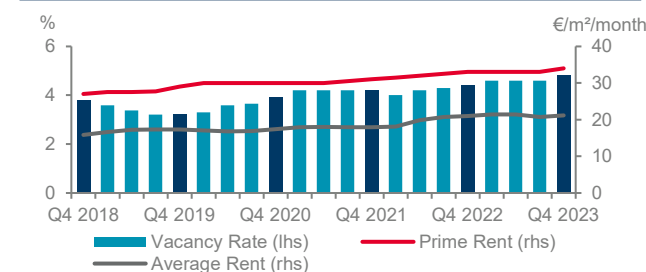
VACANCY

Compared to the previous year, the vacancy rate increased by 0.4 percentage points and stood at 4.8% at the end of the fourth quarter. Absolute vacancy grew by 57,700m² to around 722,700m². The supply of subletting space also continues to rise: around 50,000m² is on offer for immediate occupancy, 51% more than a year previously. Vacant existing space and space released for subletting, as well as the reduction of space by many companies in the course of renewals, will cause the vacancy rate to rise further in the coming years.

TAKE-UP



VACANCY & RENT





COMPLETIONS

In 2023, around 204,000m² of new and refurbished office space was completed in Hamburg. At the time of completion, 89% of this was already let or assigned for owner-occupation. The largest completion of the year took place in the 4th quarter: The Deutschlandhaus in the City submarket, rented by Hamburger Sparkasse, provides around 30,000m² of office space. The construction volume at the end of 2023 was 513,800m², 5% below the level of a year previously and 7% below the 5-year average – with around 40% of the space still vacant. Without the construction stops on the Signa projects Elbtower and FlüggerHöfe, the construction volume would have been over 80,000m² higher.

RENTS

The prime rent reached a new high of €34.00/m²/month at the end of 2023. This represents an increase of 3% over the 12-month period. The persistently high demand for high-quality space in central locations, combined with the recent sharp rise in construction costs for office properties, is expected to cause prime rents to rise slightly again in 2024.

The weighted average rent of all transactions in the past twelve months is quoted at €21.20/m²/month. This is €0.20 more than at the end of 2022.

SELECTED PROPERTY DEVELOPMENT PROJECTS

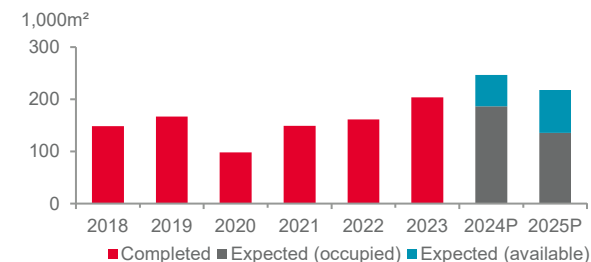
Property/Project	Submarket	Status	Year of Completion	Office Space (m ²)	Owner
Deutschlandhaus	City	Completed	2023	30,000	ABG
EDGE HafenCity	HafenCity	Under Construction	2024	19,000	Allianz
FLOW	Airport / G. Borstel	Under Construction	2025	24,000	Matrix / BH
Ajour	City	Under Construction	2026	21,000	Tishman Speyer

MARKET STATISTICS

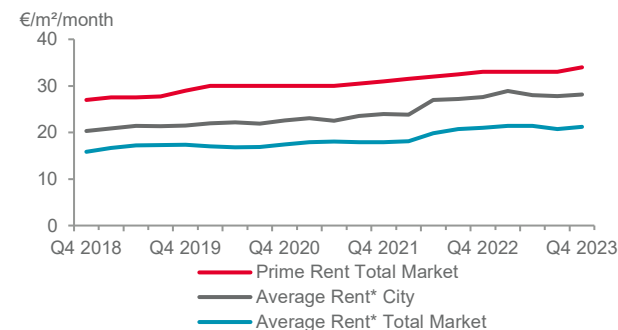
Selected Submarkets	Take-Up YTD (m ²)	Completions YTD (m ²)	Space under Construction Current Quarter (m ²)	Prime Rent Current Quarter (€/m ² /month)	Average Rent* Current Quarter (€/m ² /month)
City	81,200	54,500	85,900	34.00	28.15
HafenCity	67,000	0	108,100	34.00	27.55
Harbour Edge	42,300	2,000	26,500	30.00	26.95
City South	41,300	11,400	26,800	19.00	15.25
Total Market Hamburg	440,000	203,600	513,800	34.00	21.20

* Weighted Average Rent (12 months)

COMPLETIONS

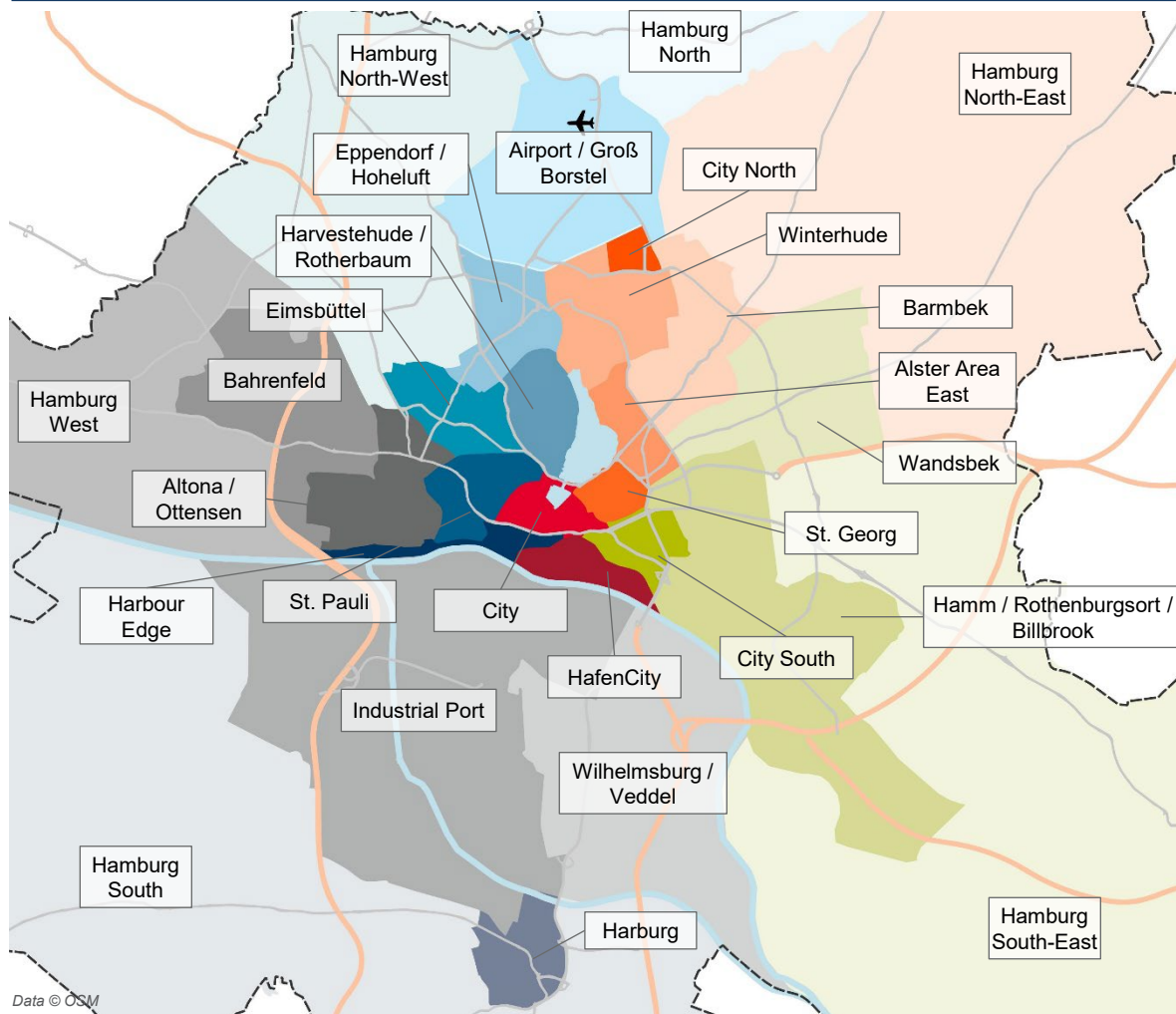


RENTS





SUBMARKET OVERVIEW



RENTAL PRICE RANGES Q4 2023

Submarket	€/m ² /month
City	15.00 – 34.00
St. Georg	10.00 – 23.00
HafenCity	16.50 – 34.00
City South	9.50 – 19.00
Harbour Edge	14.00 – 30.00
Alster Area East	12.00 – 20.00
City North	10.00 – 18.50
Harvestehude / Rotherbaum	15.00 – 27.00
Winterhude	12.50 – 20.00
St. Pauli	12.50 – 25.00
Eimsbüttel	12.50 – 18.00
Altona / Ottensen	10.00 – 20.00
Bahrenfeld	10.50 – 19.50
Eppendorf / Hoheluft	13.50 – 21.00
Barmbek	10.50 – 21.00
Airport / Groß Borstel	9.00 – 16.00
Wandsbek	8.50 – 18.00
Hamm / Rothenburgsort / Billbrook	8.50 – 12.00
Harburg	11.50 – 17.50
Hamburg North	8.50 – 16.00
Hamburg North-East	8.50 – 17.00
Hamburg South-East	8.50 – 17.50
Hamburg South	8.50 – 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 Q4 2023



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