

	YoY Change	12-Month Forecast
296,000m² Take-Up (cum.)	▼	▲
5.2% Vacancy Rate	▲	▬
470,400m² Under Construction	▼	▲
€34.50 Prime Rent, €/m ² /month	▲	▲

LABOUR MARKET

94.0

Ifo Employment Barometer
Germany (Sep 2024)

YoY Change



508,900

Hamburg Office Employees
(Sep 2024)



8.1%

Hamburg Unemployment Rate
(Sep 2024)



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

ECONOMIC OVERVIEW

In the first half of 2024, Hamburg experienced unexpectedly strong economic growth, with real GDP increasing by 2.2%. This positive trend contrasts with the nationwide development, where GDP declined by 0.2% over the same period. Particularly notable was growth in the main construction industry, which rose by 1.6% in real terms, primarily driven by public investments in infrastructure projects. Residential construction also performed well, with an inflation-adjusted increase of 3.6%. However, challenges remain: corporate insolvencies increased by 25% year-on-year to 428 cases.

TAKE-UP

By the end of September 2024, around 296,000m² of office space had been leased or acquired by owner-occupiers. Excluding the Covid-19-affected year of 2020, this is the lowest nine-month result since 2004. Compared to the previous year, this marks a decline of approximately 9%, falling short of the 5-year average for the first three quarters by around 20%. The number of deals totaled 390, surpassing last year's figure of 385 by 1%, but representing a decrease of 4% compared to the 5-year average for the same period (408 deals). The distribution of office take-up by size categories reveals that the largest shares of take-up (each around 22%) were in the smallest size category under 500m² (66,300m² across 249 deals) and the largest category over 10,000m² (63,800m² across 4 deals). Notably, three out of the four large transactions were conducted by the public sector. The largest deal was the lease of around 21,000m² in the "Tanzende Türme" on Reeperbahn by the City of Hamburg. These spaces will be used by the Hamburg Ministry of Economy and Innovation, the Ministry of Transport and Mobility Transition, as well as Hamburg Marketing entities. Overall, the public administration sector was the strongest contributor in terms of take-up, with seven deals amounting to around 57,200m².

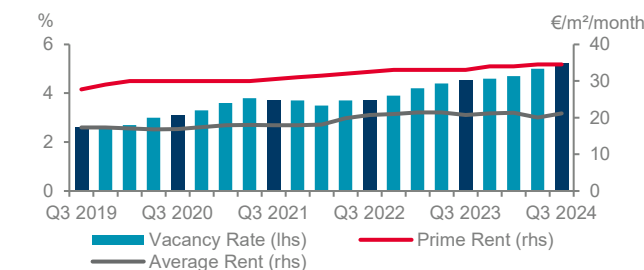
VACANCY

Compared to the previous year, the vacancy rate increased by 0.7 percentage points, standing at 5.2% at the end of September. Absolute vacancy grew by approximately 100,000m², reaching around 731,000m². The last time the vacancy rate was at this level was in Q1 2017.

TAKE-UP



VACANCY & RENT



COMPLETIONS

In the first three quarters of 2024, around 90,000m² of new and refurbished office space was completed in Hamburg. 89% of this was already let or assigned to owner-occupiers upon completion. The largest completion remains the “EDGE ElbSide” in HafenCity, providing approximately 22,000m² of office space, most of which is leased to Vattenfall.

As of the end of September, construction volume stood at around 470,000m², which is 16% below the previous year's figure. The 5-year average (2019-2023) for construction volume was around 569,000m². About 36% of space currently under construction is still available. The decline in construction volume is primarily due to reluctance in speculative projects and the temporary suspension of construction work on Signa's development projects.

RENTS

The prime rent remains stable at the peak level of €34.50/m²/month compared to the previous quarter. This represents an increase of €1.50 year-on-year. The demand for high-quality space in prime locations is expected to continue pushing prime rents upward.

The weighted average rent for all leases concluded over the past twelve months is €21.20/m²/month, representing an increase of €0.50 compared to last year.

SELECTED PROJECT DEVELOPMENTS

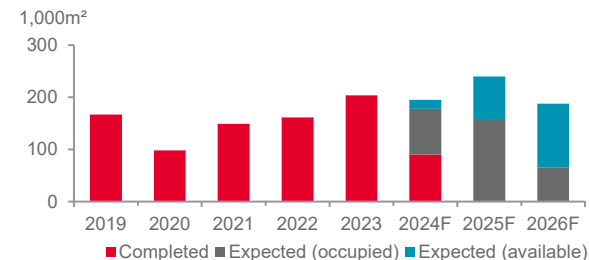
Property/Project	Submarket	Status	Year of Completion	Office Space (m ²)	Owner
Johann Kontor	Inner City	Completed	2024	16,000	Aug. Prien
FLOW	Airport / G. Borstel	Under Construction	2025	24,000	Matrix / BH
Ajour	Inner City	Under Construction	2026	21,000	Tishman Speyer
Hamburg Decks	Harbour Edge	Proposed	2027	36,000	Tishman Speyer

MARKET STATISTICS

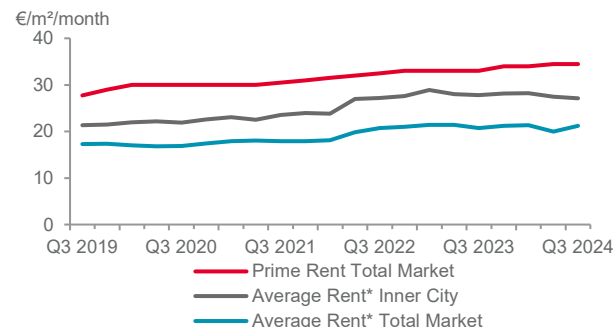
Selected Submarkets	Take-Up YTD (m ²)	Completions YTD (m ²)	Space under Construction Current Quarter (m ²)	Prime Rent Current Quarter (€/m ² /month)	Average Rent* Current Quarter (€/m ² /month)
Inner City	65,400	16,200	68,100	34.50	27.15
HafenCity	33,400	42,500	69,200	34.50	27.05
Harbour Edge	19,600	0	26,800	31.00	25.35
City South	37,300	0	30,300	19.00	15.60
Total Market Hamburg	296,000	90.200	470,400	34.50	21.20

* Weighted Average Rent (12 months)

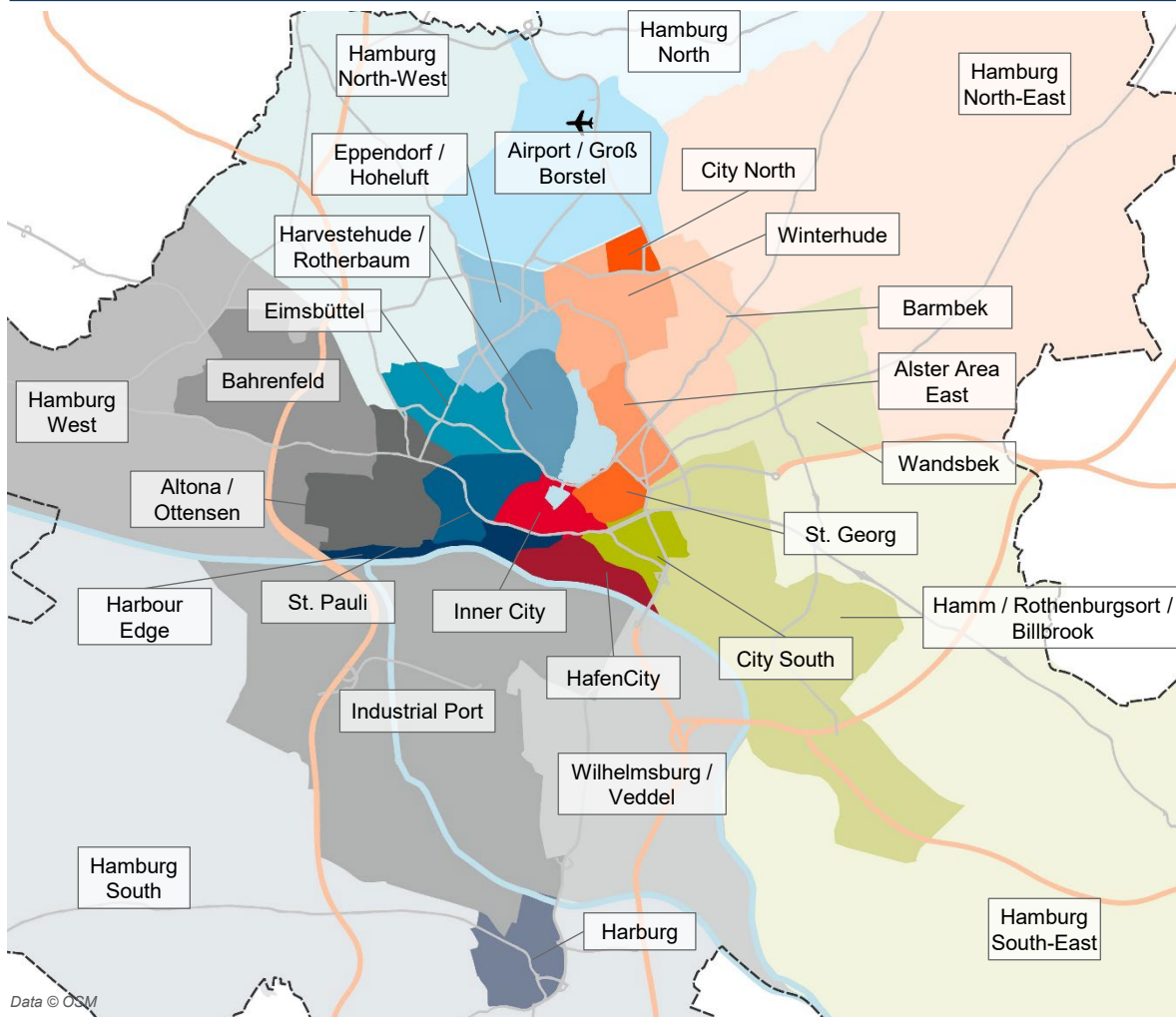
COMPLETIONS



RENTS



SUBMARKET OVERVIEW



RENTAL PRICE RANGES Q3 2024

Submarket	€/m ² /month
Inner City	15.00 - 34.50
St. Georg	13.00 - 23.00
Hafencity	16.50 - 34.50
City South	10.00 - 19.00
Harbour Edge	14.00 - 31.00
Alster Area East	12.00 - 20.00
City North	10.00 - 18.50
Harvestehude / Rotherbaum	15.50 - 27.00
Winterhude	12.50 - 20.50
St. Pauli	12.50 - 25.00
Eimsbüttel	12.50 - 18.00
Altona / Ottensen	10.50 - 20.00
Bahrenfeld	11.00 - 20.00
Eppendorf / Hoheluft	13.50 - 21.00
Barmbek	11.00 - 21.00
Airport / Groß Borstel	9.00 - 17.00
Wandsbek	8.50 - 18.00
Hamm / Rothenburgsort / Billbrook	8.50 - 14.00
Harburg	11.50 - 18.00
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 Q3 2024



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