

	YoY Change	12-Month Forecast
195,000m² Take-Up (cum.)	▼	▲
5.0% Vacancy Rate	▲	▲
460,700m² Under Construction	▼	▲
€34.50 Prime Rent, €/m ² /month	▲	▲

LABOUR MARKET

95.9

Ifo Employment Barometer Germany (Jun 2024)

YoY Change



497,800

Hamburg Office Employees (Jun 2024)



7.8%

Hamburg Unemployment Rate (Jun 2024)



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

ECONOMIC OVERVIEW

According to the latest quarterly survey by HK Hamburg, about half of the locally-based companies assess the current business situation as satisfactory and normal for the time of year. Around 58% expect it to remain the same over the next 12 months. Only 15% expect a more favourable situation, while 27% expect it to be rather unfavourable (balance: -12). Sectors with significantly pessimistic expectations include the construction industry, with a balance of -45. This persistent pessimism results from factors like rising construction financing and material costs, a skilled worker shortage, and falling demand for construction projects.

TAKE-UP

Take-up in the Hamburg office market was 195,000m² in the 1st half of 2024. This is 14% less than in the equivalent period last year (226,000m²) and 11% less than the 5-year average for the first two quarters. In the past ten years, the 200,000m² mark was only missed in the comparative period of 2020, marked by the Covid-19 pandemic.

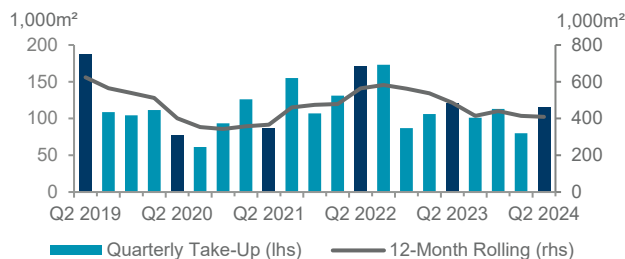
The largest share of office take-up (22%) was from lettings of more than 10,000m², with 43,000m² from three lettings in Q2. Lettings of less than 500m² accounted for 21% (40,800m² in 158 deals), and those between 500 and 1,000m² also accounted for 21% (40,700m² in 59 deals). The largest letting was the owner-occupier construction start of the office building "Borx" with around 22,000m² by Strabag, who will occupy 18,000m² for its own use. Owner-occupier construction starts totaled 13% (25,200m²) of total take-up in the 1st half of the year.

As with the long-term average, letting activity by the end of June was concentrated in the Inner City, Hafencity, and City South submarkets, with 104 lettings for 96,600m², which corresponds to half of total take-up. Cushman & Wakefield expects a take-up of around 400,000m² in 2024, the lowest result since 2020.

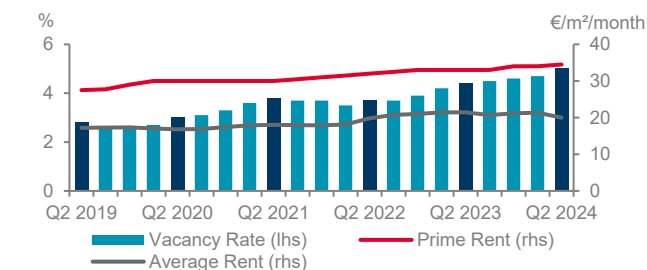
VACANCY

Compared to the previous year, the vacancy rate increased by 0.6 percentage points to stand at 5.0% at the end of June. Absolute vacancy grew by 80,400m² to around 707,000m². The supply of subletting space available for immediate occupancy fell by 8% to around 51,000m² compared to a year ago. Space which becomes vacant in existing buildings, space released for subletting, and the reduction in space requirement by many companies when concluding new leases will cause the vacancy rate to continue to rise moderately.

TAKE-UP



VACANCY & RENT



COMPLETIONS

In the 1st half of 2024, around 68,000m² of new and refurbished office space was completed in Hamburg. 94% of this was already let or assigned to owner-occupiers on completion. The largest completion is that of “EDGE ElbSide” in the HafenCity submarket which provides around 22,000m² of office space, most of which is let to Vattenfall.

At the end of the 2nd quarter, construction volume was around 461,000m², 15% below the figure of a year previously – around 33% of this space is still available. The decline in construction volume is attributable to a combination of the reluctance to engage in speculative projects and the temporary suspension of construction work on Signa’s development projects.

RENTS

Compared to the previous quarter, the prime rent increased by €0.50 to €34.50/m²/month, an increase of 5% over the 12-month period. The high demand for high-quality space in prime locations is expected to cause prime rents to rise further in 2024.

The weighted average rent of all leases concluded in the past twelve months is €20.00/m²/month, which corresponds to a decrease of €1.45 compared to last year.

SELECTED PROJECT DEVELOPMENTS

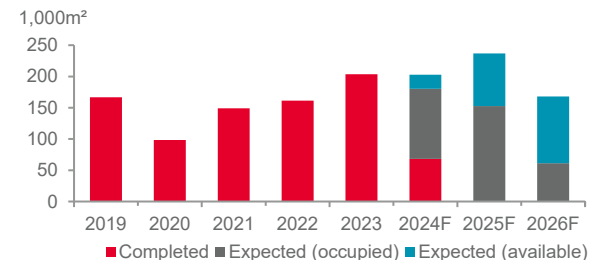
Property/Project	Submarket	Status	Year of Completion	Office Space (m ²)	Owner
Johann Kontor	Inner City	Completed	2024	16,000	Aug. Prien
FLOW	Airport / G. Borstel	Under Construction	2025	24,000	Matrix / BH
Ajour	Inner City	Under Construction	2026	21,000	Tishman Speyer
Hamburg Decks	Harbour Edge	Proposed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

MARKET STATISTICS

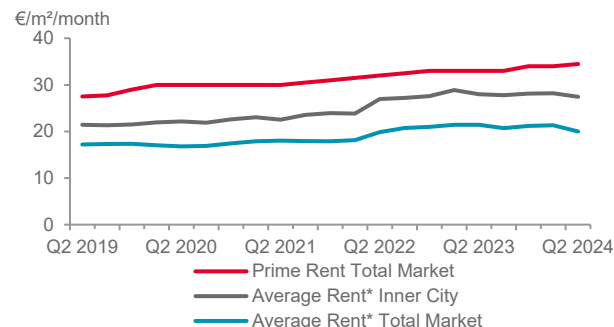
Selected Submarkets	Take-Up YTD (m ²)	Completions YTD (m ²)	Space under Construction Current Quarter (m ²)	Prime Rent Current Quarter (€/m ² /month)	Average Rent* Current Quarter (€/m ² /month)
Inner City	43,400	16,200	61,100	34.50	27.45
HafenCity	26,700	40,800	59,400	34.50	26.25
Harbour Edge	7,900	0	22,300	31.00	25.30
City South	26,500	0	30,300	19.00	15.20
Total Market Hamburg	195,000	68,300	460,700	34.50	20.00

* Weighted Average Rent (12 months)

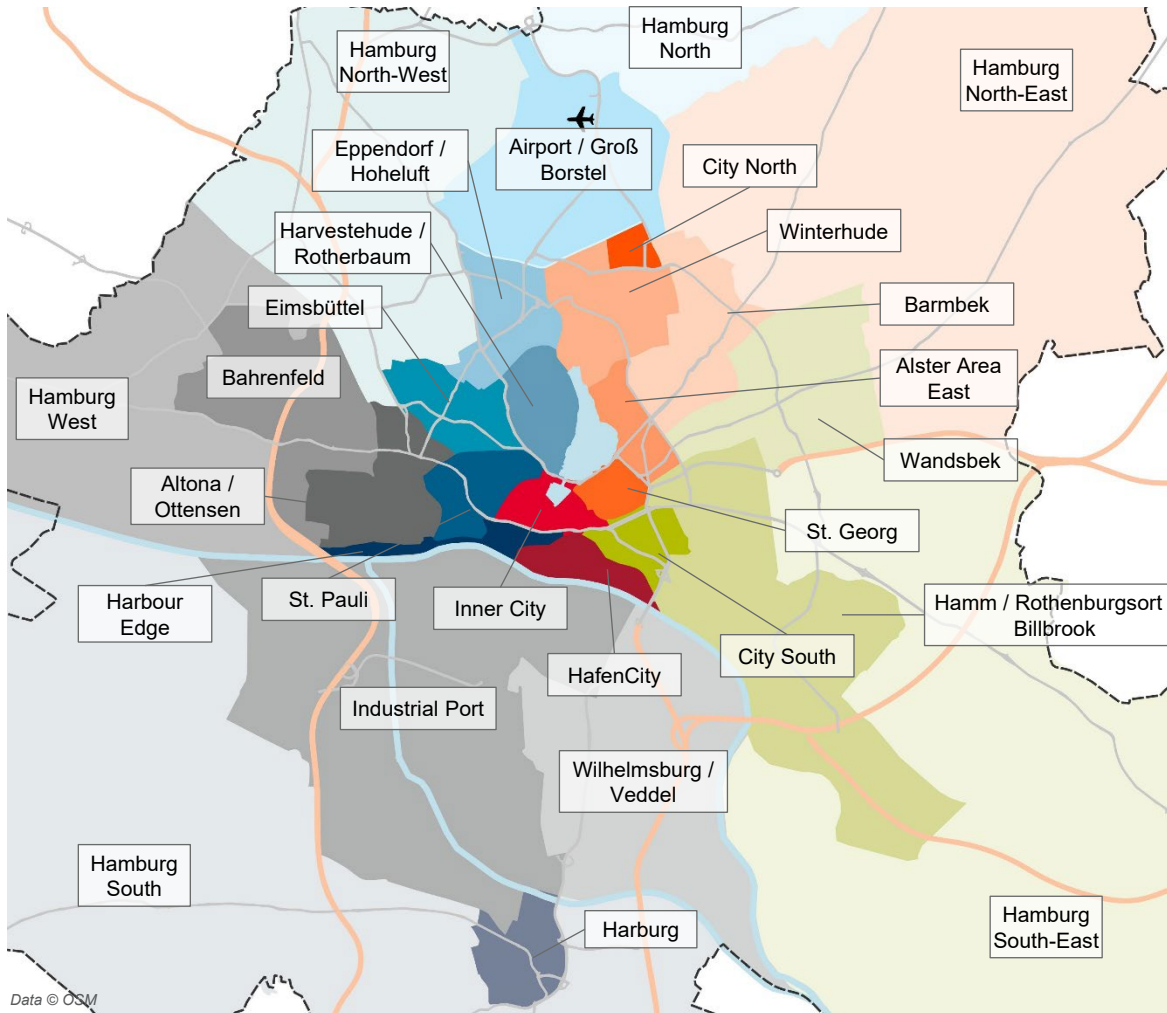
COMPLETIONS



RENTS



SUBMARKET OVERVIEW



RENTAL PRICE RANGES Q2 2024

Submarket	€/m ² /month
Inner City	15.00 - 34.50
St. Georg	13.00 - 23.00
HafenCity	16.50 - 34.50
City South	9.50 - 19.00
Harbour Edge	14.00 - 31.00
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 - 20.00
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 - 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 Q2 2024



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