

G&B Real Estate Market Survey

Commercial | Office letting

2022/Q1-4

Hamburg



Photo: © Bucher & Prexel



Weak close to a strong year of office letting

Between January and the end of September the letting business was very brisk, and several companies, such as Dataport, Haspa Bank and VTG signed agreements for extensive amounts of space. Because other firms were actively seeking large office suites, the estate agency sector was optimistic in autumn that 2022 would set a new record. However, in posting take-up of 100,000 m², the 4th quarter fell far below expectations. Since several firms requiring large amounts of space were unable to conclude an agreement in the 4th quarter, this uncompleted business is likely to generate a strong start to the year. Nevertheless, the office market in Hamburg closed 2022 with a very good result that was 15% higher than in 2021. Take-up for the year was 565,000 m². This was 8% above the ten-year average (from 2013 to 2022) of 522,500 m².

Rents settle at the record levels seen in the previous quarter

Both the area-weighted average rent (€21.00/m²/month) and the premium rent (€35.00/m²/month) closed the year at the same record level noted in the previous quarter. However, the average rent could slip back in 2023 because it is assumed that the majority of firms seeking premises will be mid-sized companies. These tend to be more price-conscious.

Higher pre-let ratios for new-build offices

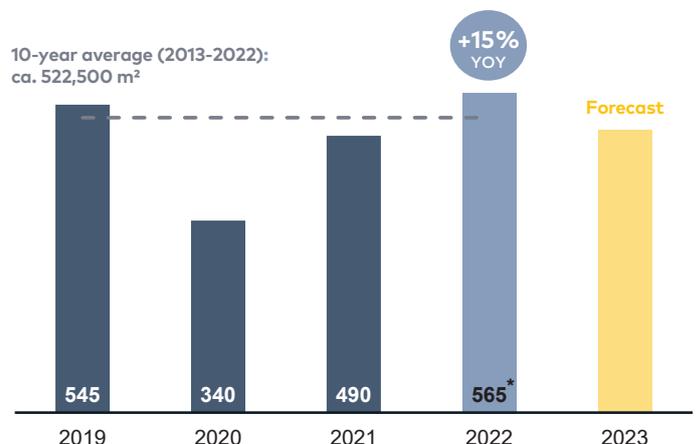
The volume of new-build completions is likely to peak in 2023 at 247,000 m². In the longer term, however, construction activity will lessen. Developers will erect fewer buildings on speculation in view of the difficult business environment caused by shortages of materials and the high costs of construction and borrowing. A relatively high pre-let ratio will then become the general rule.

Andreas Rehberg | Spokesperson for the management board

>> When developing strategies for the future, many companies currently face enormous challenges in view of the numerous risks. The issue of flexibility is at the top of the list when firms seek to find new spaces to suit new types of workplace models. Firms look for rental space that offers creative solutions and can be readily adjusted to any changes in requirements. <<

Take-up of space

2019-2023 | Hamburg | in 000s m² | incl. owner-occupiers



Source: Grossmann & Berger GmbH

* Municipal aid organization F&W rented 29,000 square metres of office space in the disused Postbank head office (Überseering 26, City North) in order to house refugees. This space is not included in take-up figures because the building has been empty for a long time and is scheduled for re-development; as such, it is not listed in the statistics under available office space or vacant premises.



Office letting

Hamburg | Key Facts

2022/Q1-4



Top contracts

2022/Q1-4 | Hamburg | Selection

1 | **Dataport** | ca. 40,000 m²
"Hanse Center" | City Süd

2 | **Hamburger Sparkasse** | ca. 30,800 m²
"Deutschlandhaus" | Dammtorstrasse 1 | City

3 | **VTG AG** | ca. 11,500 m²
"Baufeld 101" | Versmannstrasse | HafenCity

4 | **Generali Deutschland** | ca. 11,100 m²
Überseering 2 | City North

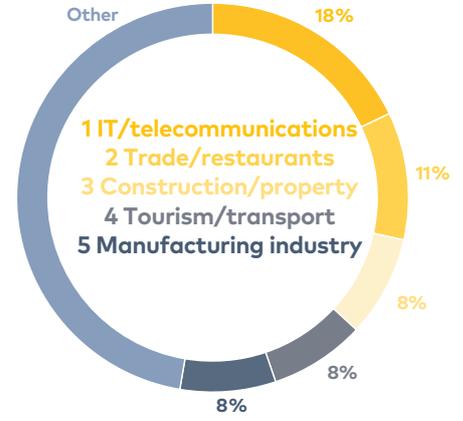
5 | **Kasse.Hamburg** | ca. 8,900 m²
Gasstrasse 27 | Bahrenfeld

Highest-turnover sectors

2022/Q1-4 | Hamburg | Take-up of space by industry

Top-5-Industries
Take-up of space
year-on-year change

- 1 | **101,100 m²**
+357%
- 2 | **59,900 m²**
+63%
- 3 | **47,500 m²**
+2%
- 4 | **44,600 m²**
-21%
- 5 | **44,600 m²**
-13%



Source: Grossmann & Berger GmbH

Market outlook | Office

Hopes for a brisk start to the year

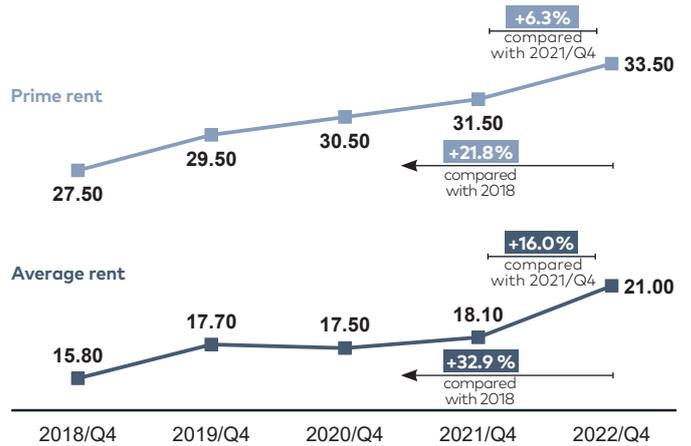
Take-up of space: The anticipated economic downturn in 2023 could, in the view of some researchers, be less severe than originally thought. Despite the numerous crises, recent ifo surveys of business confidence found that the sense of uncertainty had diminished. Because some agreements remained in the pipeline at the end of 2022 the new year is expected to begin with brisk take-up of space. In the course of the year the volume of space let will probably shrink, because it is thought that fewer tenants will require large office suites.

Rents: In view of the ongoing trend to move into smaller premises in a better location offering superior quality rooms and fit-out, premium and average rents are expected to remain practically unchanged at their current high levels.

Available space: More space will become available in the coming months. Nevertheless, despite the relatively high volume of building completions, very little speculative new-build space will come onto the market.

Office rents

2018-2022/Q4 | Hamburg | in €/m²/mth (net)



Source: Grossmann & Berger GmbH

Vacant space

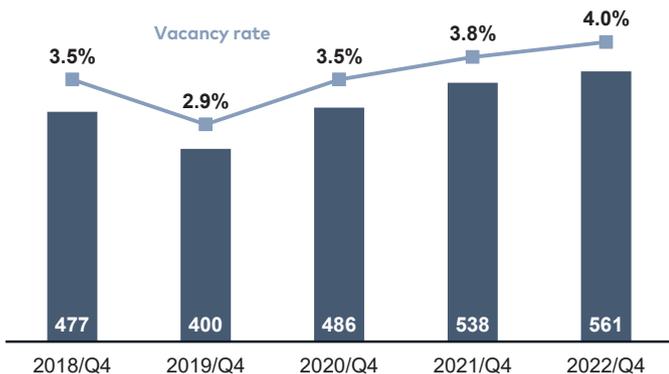
2018-2022/Q4 | Hamburg | in 000s m²

Vacancy volume

includes all office space that is available within six months

+4,4%

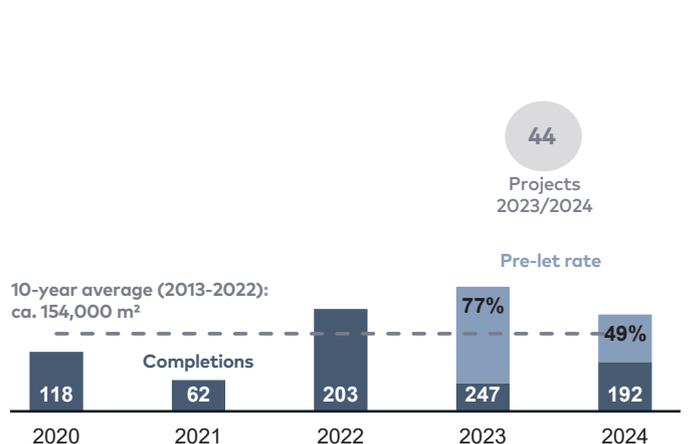
compared with 2021/Q4



Source: Grossmann & Berger GmbH

Completions

2020-2024 | Hamburg | in 000s m²

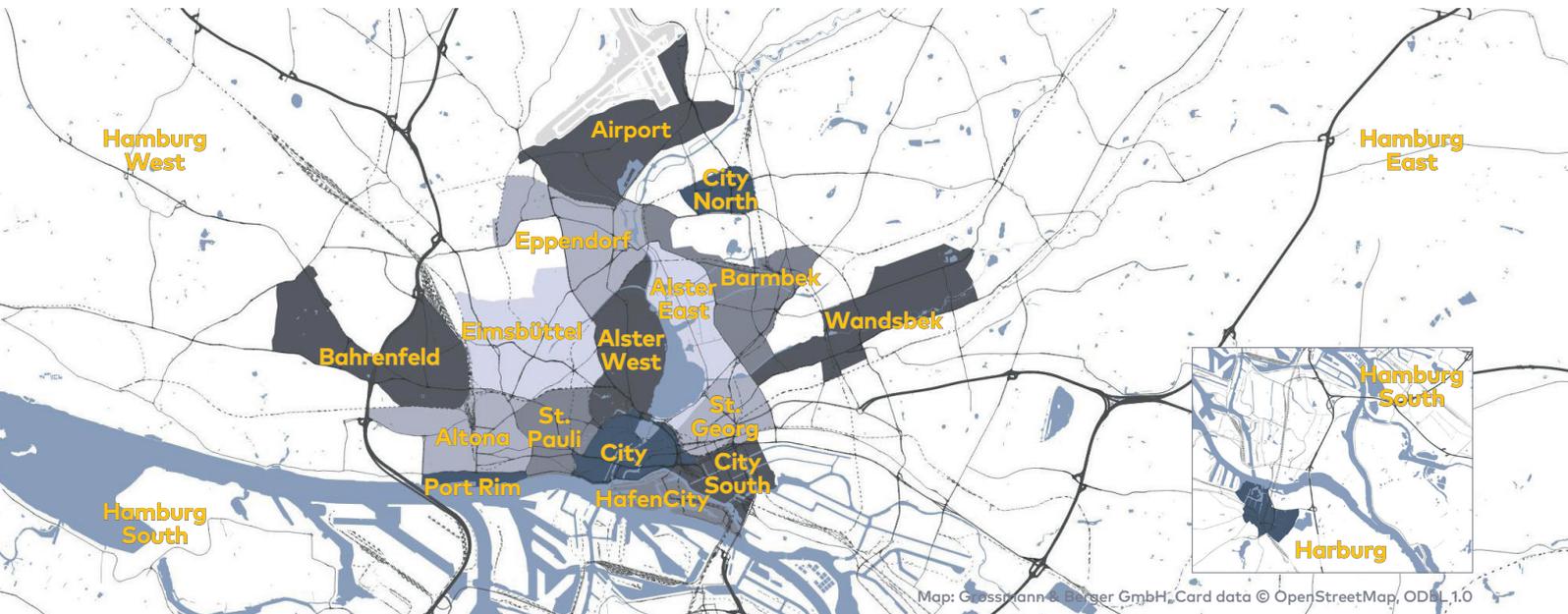


Source: Grossmann & Berger GmbH

Office letting

Hamburg | Office sub-markets

2022/Q1-3



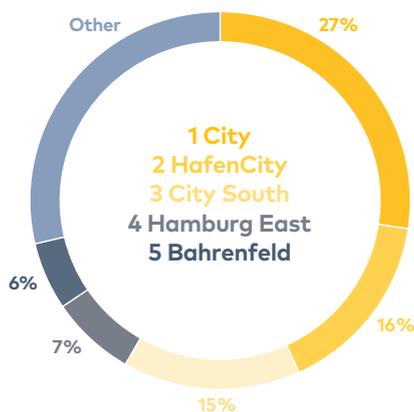
Hot Spots

2022/Q1-4 | Hamburg | distribution of space take-up

Top-5-Sub-markets

Take-up of space year-on-year change

- 1 | 154,800 m² +23%
- 2 | 89,300 m² +110%
- 3 | 85,300 m² +63%
- 4 | 40,600 m² -23%
- 5 | 32,800 m² +21%



Source: Grossmann & Berger GmbH

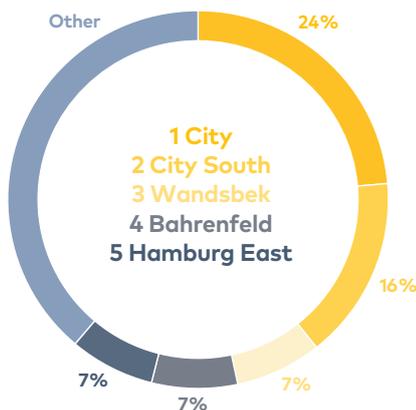
Availability of office premises

2022/Q4 | Hamburg | distribution of vacant space

Top-5-Sub-markets

Vacant space year-on-year change

- 1 | 132,700 m² +18%
- 2 | 87,900 m² +4%
- 3 | 41,200 m² +7%
- 4 | 40,900 m² -23%
- 5 | 40,600 m² -5%

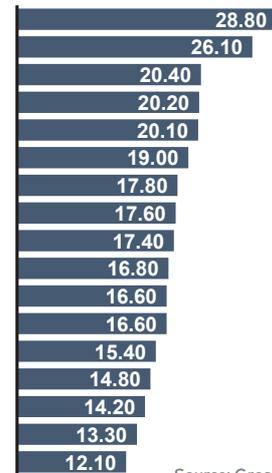


Source: Grossmann & Berger GmbH

Rent level

2022/Q4 | Hamburg | Ø Office rents | in €/m²/mth (net)

- HafenCity
- City
- St. Pauli
- Alster West
- Port rim
- City North
- Alster East
- St. Georg
- Eppendorf
- Altona
- Barmbek
- Eimsbüttel
- City South
- Bahrenfeld
- Wandsbek
- Harburg
- Airport



21.00
€/m²/mth
Ø rent

Source: Grossmann & Berger GmbH

Quelle: Grossmann & Berger GmbH



Contact

Anna Martens

Master of Urban Planning
+49 (0)40 / 350 80 2 - 615
a.martens@grossmann-berger.de

We draw your attention to the fact that all statements made here are non-binding. Most of the information is based on third-party reports. The sole intention of this market survey is to provide general information for our clients.

Grossmann & Berger GmbH | Bleichenbrücke 9 (Stadthöfe) | 20354 Hamburg
Phone: +49 (0)40/350 80 2-0 | info@grossmann-berger.de
Managing directors: Andreas Rehberg (Spokesperson), Andreas Gnielka, Björn Holzwarth, Sandra Ludwig, Lars Seidel, Frank Stolz

Chairman of the supervisory board: Frank Brockmann
Registered office Hamburg | Registered at Hamburg no. B 25866