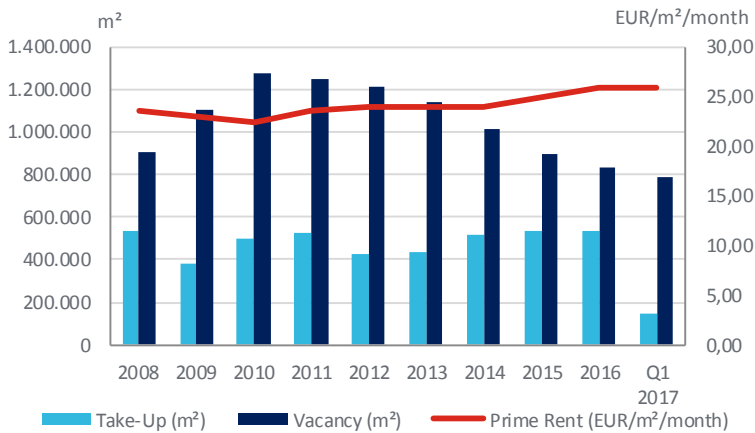




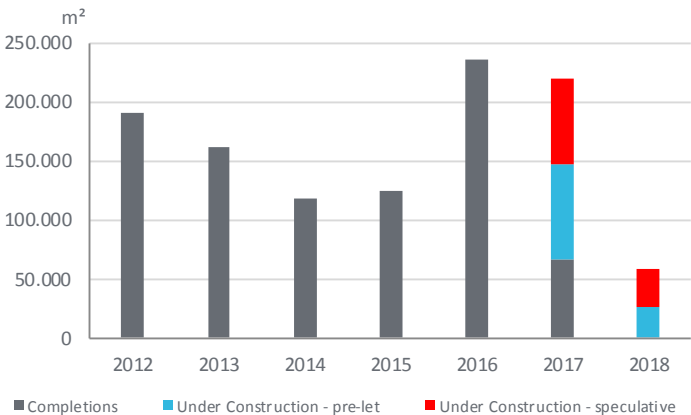
OFFICE MARKET HAMBURG Q1 2017



Overview

With a letting volume of 148,000 sq.m, the Hamburg office market had a very strong start into the new year. The result is above the 10-year average and moreover, the previous year's result was exceeded by 57%. Leasing activity was lively across all size segments and the first contract exceeding 10,000 sq.m is already to be announced with 19,700 sq.m (University of Hamburg in Überseering). Against this backdrop, the vacancy rate has fallen further to 5.3%. The prime rent was stable at EUR 26.00 per square meter and month in Q1.

Completion Volume



KEY MARKET FIGURES

Market Area Hamburg*

Take-Up	148,000 sq.m
Vacancy	790,000 sq.m
Vacancy Rate	5.3%
Completions	65,900 sq.m
Under Construction	260,400 sq.m
Prime Rent	26.00 EUR/sq.m/month
Prime Yield (net initial)	3.30%

HAMBURG

Inhabitants (12-2015)	1,787,408
Unemployment Rate (03-2017)	7.1% (German Average 6.0%)
Trade Tax Rate	470%

*Market Area = City of Hamburg



Outlook

In the spring of 2017 the Hamburg office market is well on target and a strong year end result is expected. The positive overall economic fundamentals as well as the high demand for office space lend credence to a total take-up beyond 500,000 sq.m at the end of the year. The total office completion volume is forecast to be 220,000 sq.m, of which more than 64% is already pre-let at the end of March. A significant increase in vacancy is not expected considering the high pre-letting rate and the high demand for modern office space. In the entire market area, rent levels are likely to continue to rise slightly. This also applies to the top rent which is currently achieved in the City submarket.

Sources: Thomas Daily, gif, Bundesagentur für Arbeit, Hansestadt Hamburg, Avison Young

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