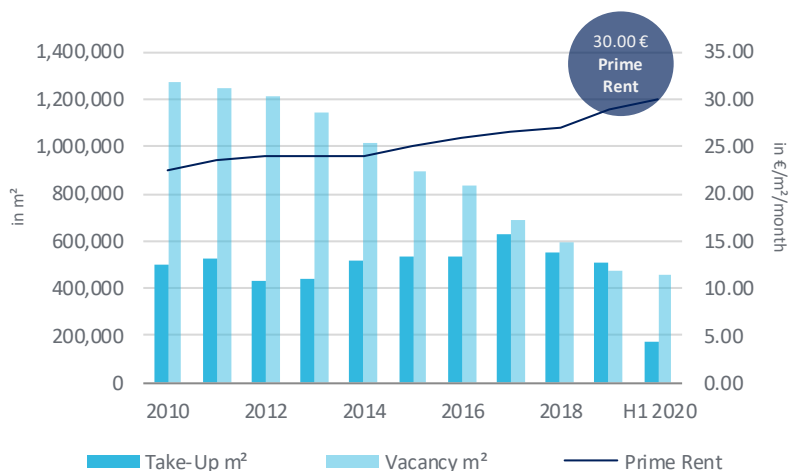


Take-Up, Vacancy and Prime Rent

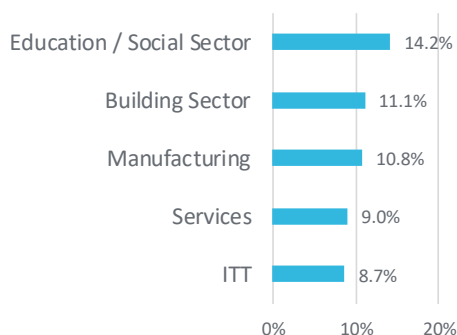


Take-Up	171,000m²
Vacancy	455,500m²
Vacancy Rate	3.0%
Completions	38,700m²
Under Construction	593,000m²
Prime Rent	30.00 €/m²/month
Average Rent	18.10 €/m²/month
Prime Yield (NIY)	2.80%

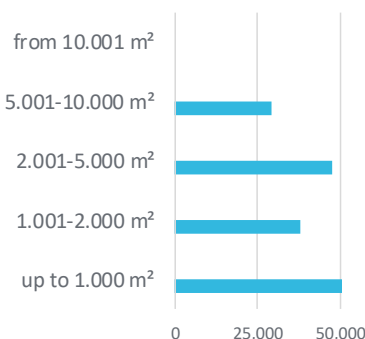
Market Area = City of Hamburg

Take-Up H1/2020 by:

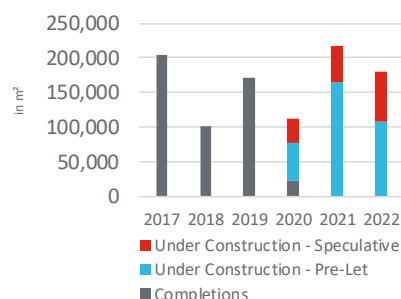
Industry



Size



Completions

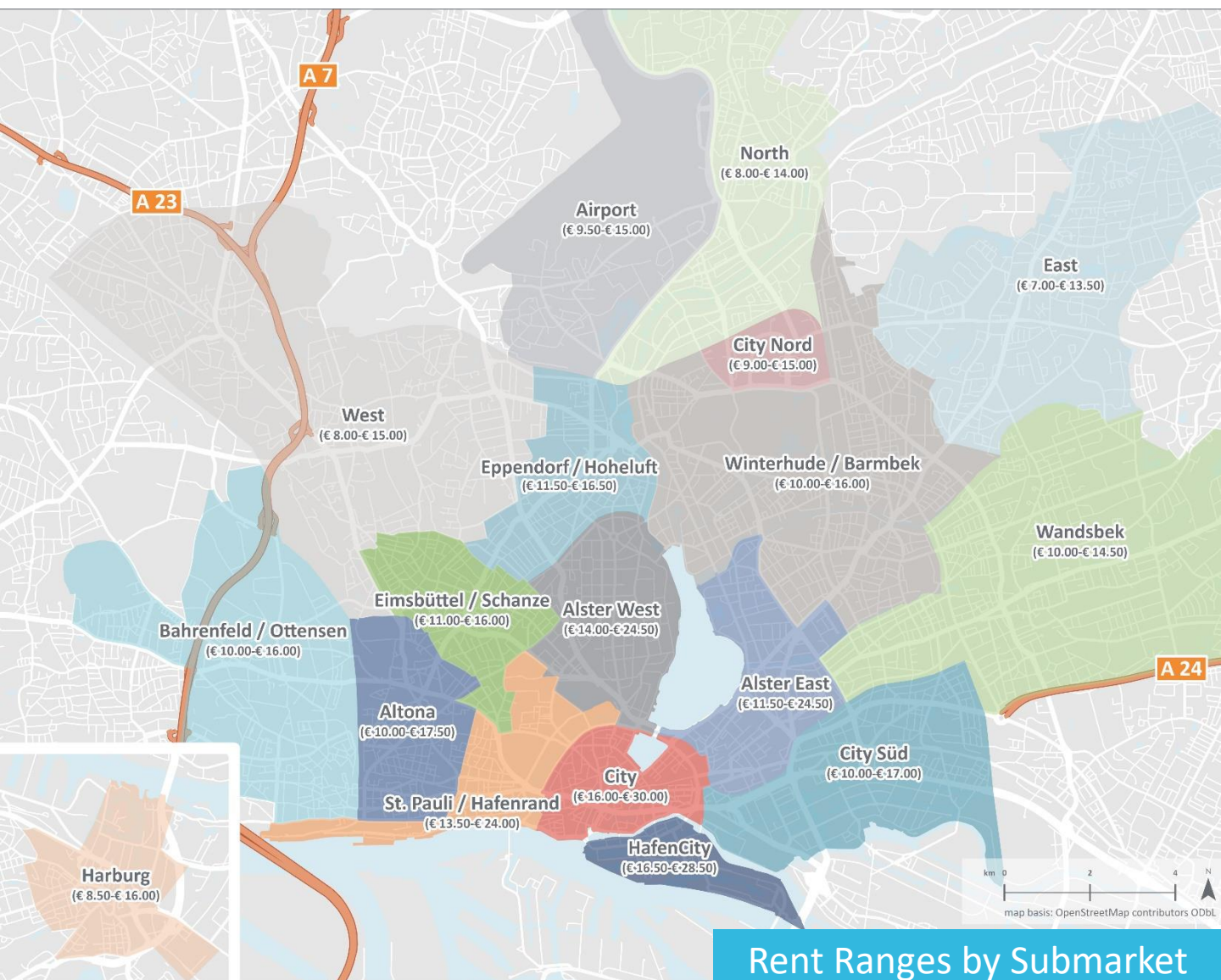


Overview

While the effects of the COVID 19 pandemic had no obvious impact on take-up in the first quarter, they are now clearly visible in the half-year results. With a take-up of 171,000m², the Hamburg office market clearly misses the record value from last year (297,000m²) by 42%. In the segment over 10,000m², which played a key role in the H1 2019 record volume, no single contract has been signed so far this year. The trend of falling vacancy rates did not continue in the first half of the year. The office vacancy rate is currently at 3.0%. The prime rent nevertheless climbed by € 50 cents to € 30.00 /m²/month.

Hamburg in Numbers

Inhabitants (12-2019)	1,847,253
Unemployment Rate (06-2020)	8,2% (Germany 6.2%)
Trade Tax Rate	470%



Rent Ranges by Submarket

Outlook

The economic slowdown in consequence of the COVID 19 pandemic is also leading to high levels of uncertainty in the Hamburg real estate market. Whether there will be catch-up effects in office take-up in the latter half of the year depends largely on a potential "second wave" and how quickly the German economy will return to sustainable growth. However, it is obvious that the previous year's result will be clearly missed. The building completions expected for the current year will hardly contribute to the expansion of office supply, since the pre-letting rate is already at 60%. Nevertheless, a gradual rise in vacancies can be expected while take-up is likely to weaken. Despite a slight increase in vacancy, we predict stable prime rents for the time being, as demand is likely to concentrate primarily on high-quality space in central locations.

Source: Statistisches Amt für Hamburg und Schleswig-Holstein, Federal Labour Office, Destatis, Avison Young

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