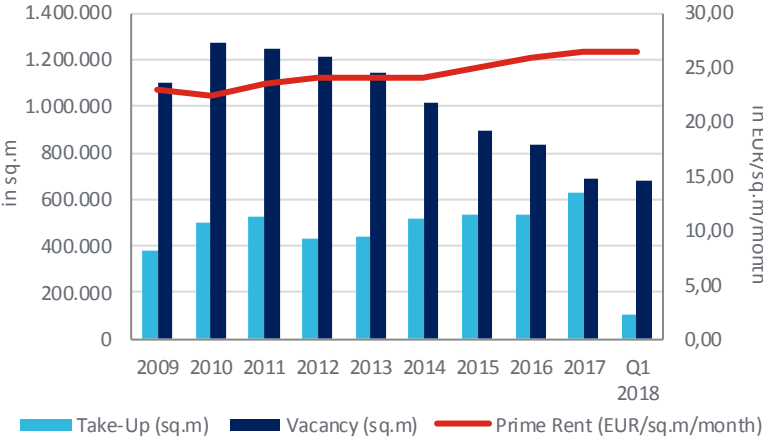




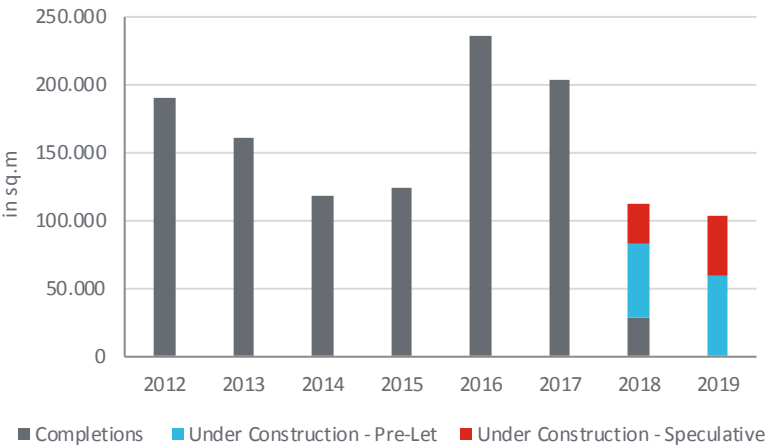
OFFICE MARKET Hamburg Q1 2018



Overview

It was a solid start to the year for the Hamburg office market with a take-up volume of 102,000 sq.m in Q1 2018. Albeit last year's record letting volume was missed by 31%, the latest result was still above the long-term average. Office space demand remains high and gives reason to expect strong market activity in the months to come. Office vacancy further decreased to 4.5% and it is the lowest level recorded since 2001. Pressure on rents is clearly felt in selected locations, nevertheless, the prime rent held firm in Q1.

Completion Volume



KEY MARKET FIGURES

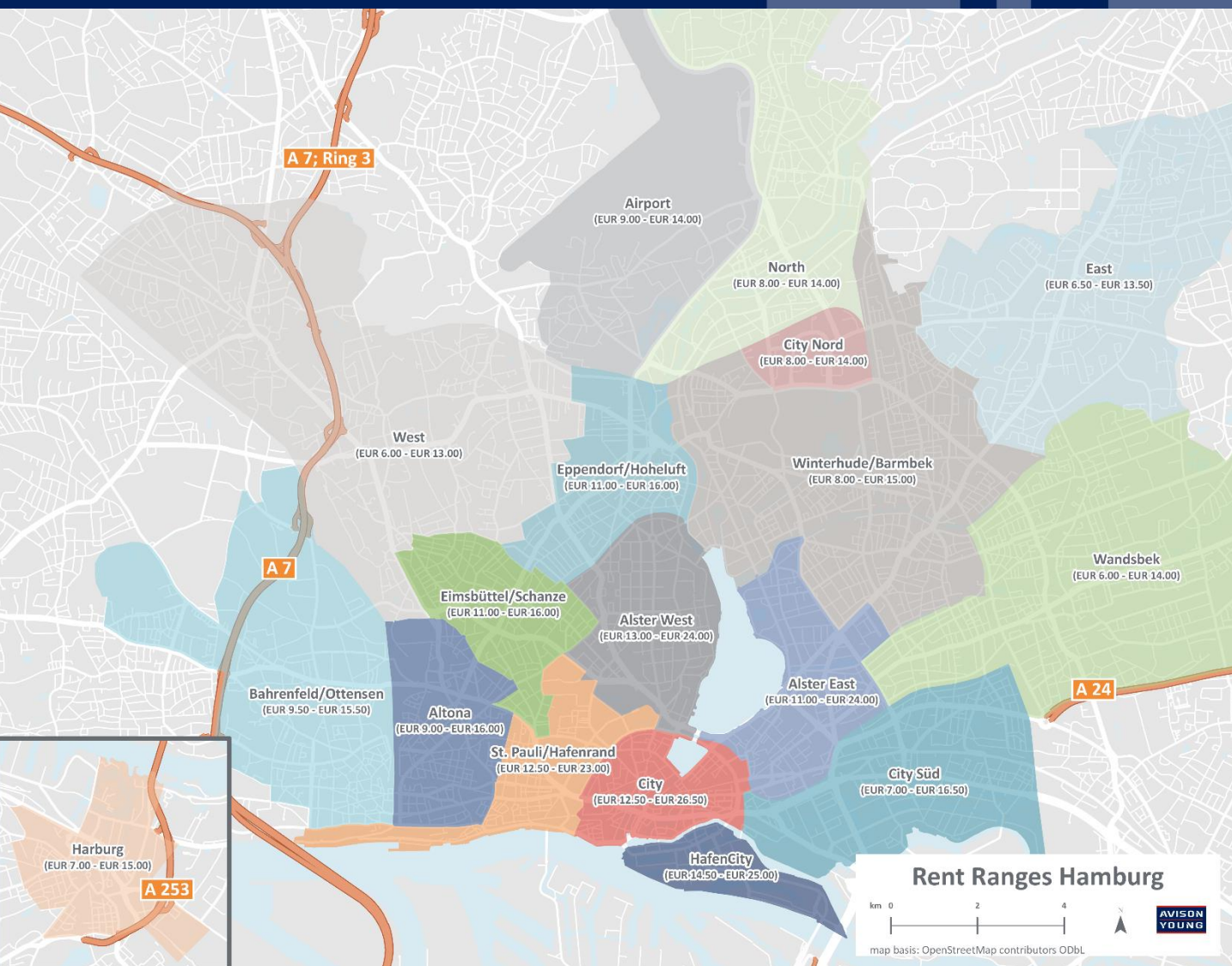
Market Area* Hamburg

Take-Up	102,000 s.qm
Vacancy	683,000 s.qm
Vacancy Rate	4.5%
Completions	28,000 s.qm
Under Construction	234,000 s.qm
Prime Rent	26.50 EUR/s.qm/month
Average Rent	15.30 EUR/qm/month
Prime Yield (net initial)	3.25%

HAMBURG

Inhabitants (12-2016)	1,860,759
Unemployment Rate (03-2018)	6.6% (German Average 5.5%)
Trade Tax Rate	470%

*Market Area = City of Hamburg
Average Rent according to gif



Outlook

- The German economy is on track, sentiment among entrepreneurs is above average and demand for office space is high. This combination is also felt in the Hamburg office market. A number of large scale deals is in the pipeline and given the vivid demand for office space in the small and medium sized segment an annual letting volume of 500,000 sq.m is on the horizon.
- Office vacancy remains on a downward trend and we expect this development to continue in the near future. Most of all the supply in the high quality segment is forecast to further decrease as only 84,000 sq.m new office space is expected to be completed by year-end 2018 – with a pre-letting rate of 65% by the end of March.
- Office rents are likely to edge up further in the year 2018, most of all in the central locations. We expect a noticeable rise for prime and average rents.

Sources: Thomas Daily, Bundesagentur für Arbeit, City of Hamburg, Avison Young

Avison Young – Germany GmbH

Caffamacherreihe 7
20355 Hamburg

Marit Gockel
Tel: +49 40 360 360 21 | marit.gockel@avisonyoung.com

Niklas Kranz
Tel: +49 40 360 360 23 | niklas.kranz@avisonyoung.com

Aram Savci
Tel: +49 40 360 360 22 | aram.savci@avisonyoung.com



Platinum member

avisonyoung.de