



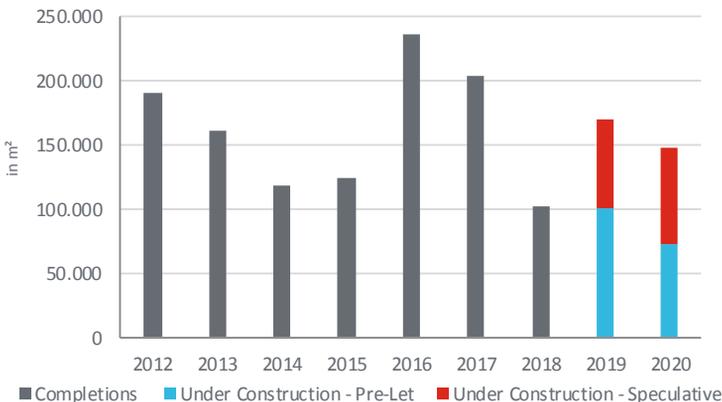
OFFICE MARKET HAMBURG Q4 2018



Overview

The Hamburg office market had once again an above-average year. Although the record result from 2017 (630,000m²) could not be sustained, with 550,000m² the take-up was still 9.2% above the 10-year average. With a letting volume of 140,000m² in the fourth quarter, a solid year-end can be reported. During 2018, vacancy decreased by 14.1% and the vacancy rate is now recorded below 4% for the first time since 2000. Parallel, the prime rent rose by 1.9%.

Completion Volume



KEY MARKET FIGURES

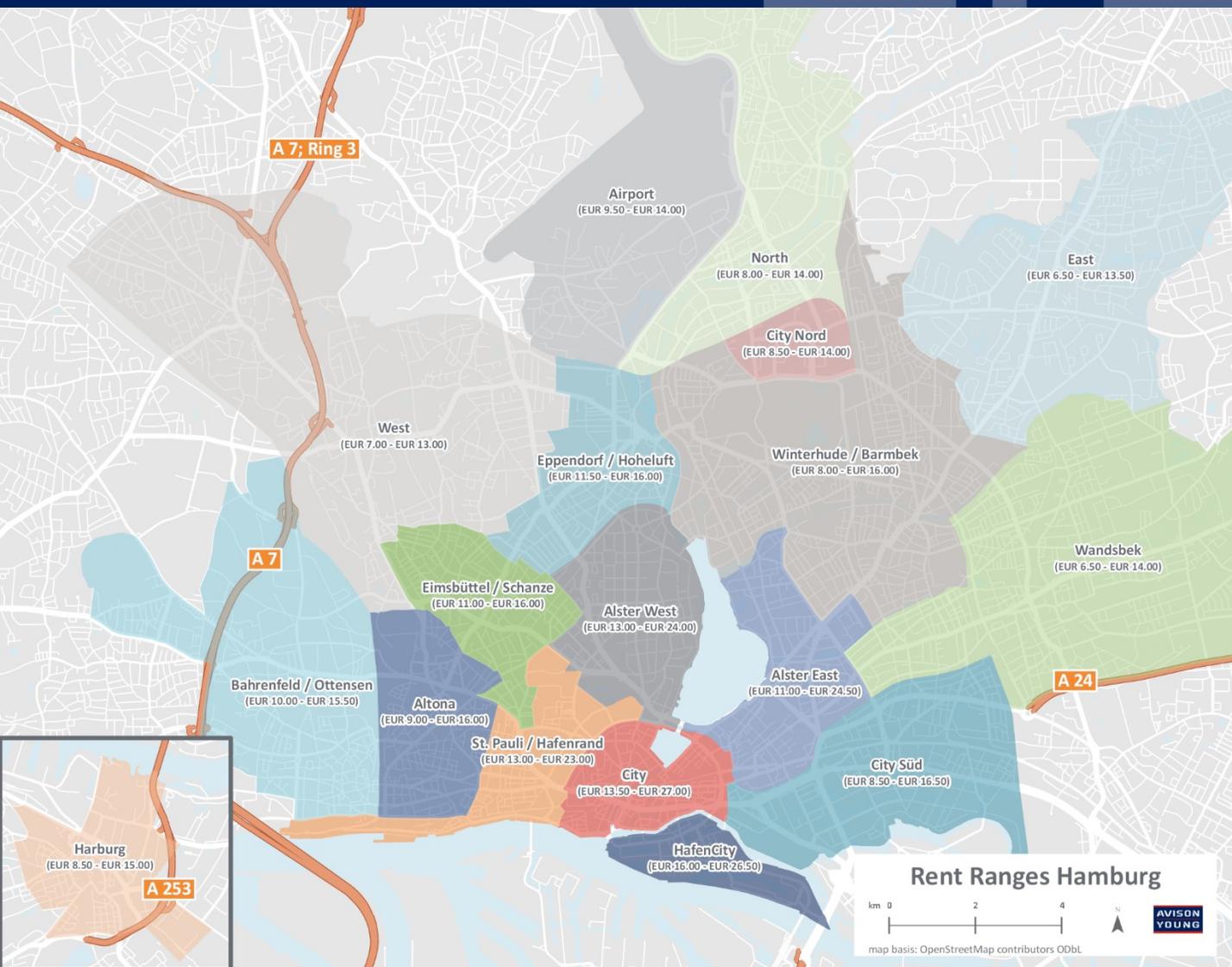
Market Area* Hamburg

Take-Up	550,000m ²
Vacancy	595,000m ²
Vacancy Rate	3.9%
Completions	102,000m ²
Under Construction	325,000m ²
Prime Rent	27.00 €/m ² /month
Prime Yield (net initial)	3.00%

HAMBURG

Inhabitants (12-2017)	1,830,584
Unemployment Rate (12-2018)	5.9% (German Average 4.9%)
Trade Tax Rate	470%

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



Outlook

- The diversified corporate landscape of the Hanseatic city in combination with a robust German economy provide the basis for another strong year for the Hamburg office market. Once again we expect a result beyond the 500,000m² mark.
- The low vacancy rate is becoming an obstacle for companies that want to move into new office space at short notice. Existing office space is increasingly in short supply, and furthermore the number of available space in projects under construction is also limited – already at the end of December, around 55% of this space was pre-let. Vacancies will be further reduced with stable letting activity, which should further aggravate the situation.
- The Hamburg office market will continue to be a landlord market in 2019. Against this background, both prime and average rents will remain under upward pressure for the time being and further rent increases can be expected.

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

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