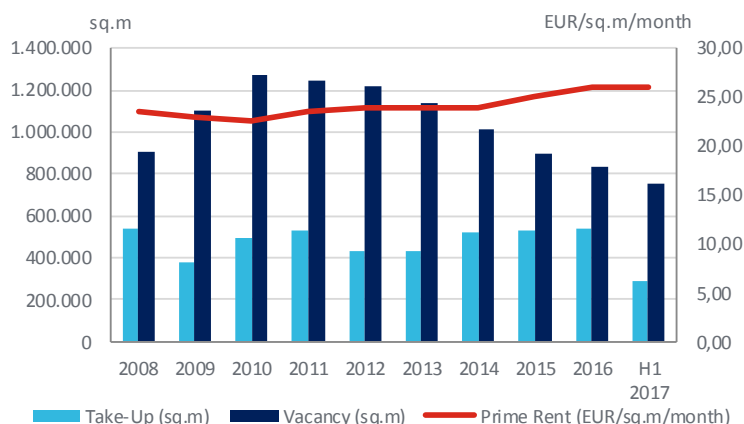


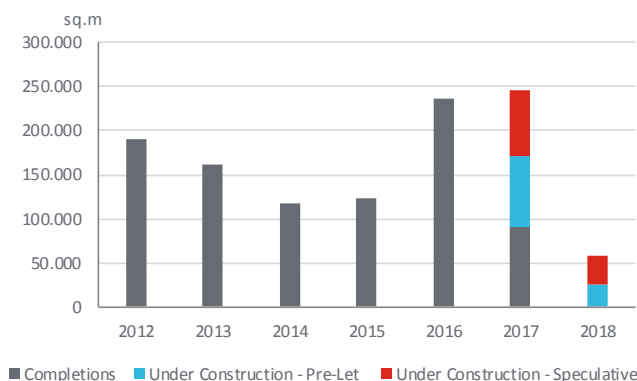
## OFFICE MARKET HAMBURG H1 2017



### Overview

Office take-up reached a record high in Hamburg at mid-year 2017. Approximately 285,000 square metres was taken up in the first half – an increase of 26% compared with the same period in 2016. With a market share of 30%, large-scale deals (greater than 5,000 sq.m) contributed noticeably to the strong result. Office vacancy is currently at 750,000 sq.m respectively 5.0%. It is the lowest level recorded in 15 years. Prime rents rose by 4% year-over-year to €26 per sq.m per month at mid-year 2017. The noticeable supply decrease puts upward pressure on rental rates in all submarkets – especially the centrally located ones.

### Completion Volume



## KEY MARKET FIGURES

### Market Area Hamburg\*

Take-Up	285,000 sq.m
Vacancy	750,000 sq.m
Vacancy Rate	5.0%
Completions	90,700 sq.m
Under Construction	307,000 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 (06-2017)	6.7% (German Average 5.5%)
Trade Tax Rate	470%

\*Market Area = City of Hamburg





## Outlook

- On the back of a robust and growing German economy, the outlook for Hamburg's office market is favourable for the second year half. Office demand is high and in the lee of a record take-up in H1, annual letting volume is likely to reach the 600,000 sq.m mark.
- Albeit also sepectulative construction activity rose – at the end of June some 307,000 sq.m was under construction with a pre-letting share of 57% - office vacancy is forecast to decrease in the months to come driven by strong letting activity.
- For the second half of the year, rent levels are expected to move upwards, most of all in the highly sought-after submarkets City, Hafencity and City Süd.

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

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