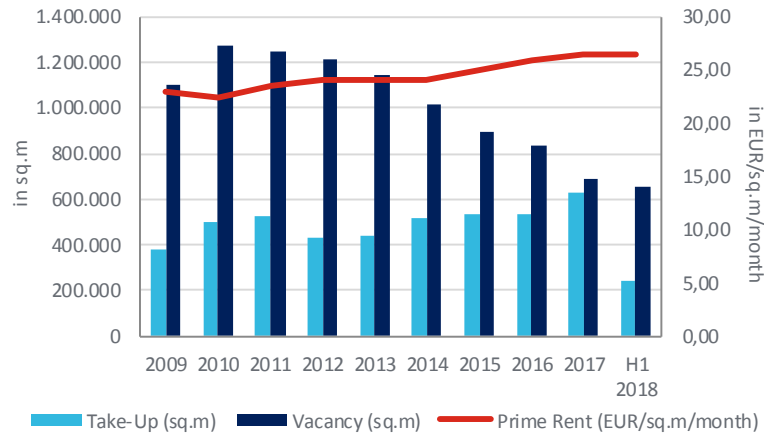




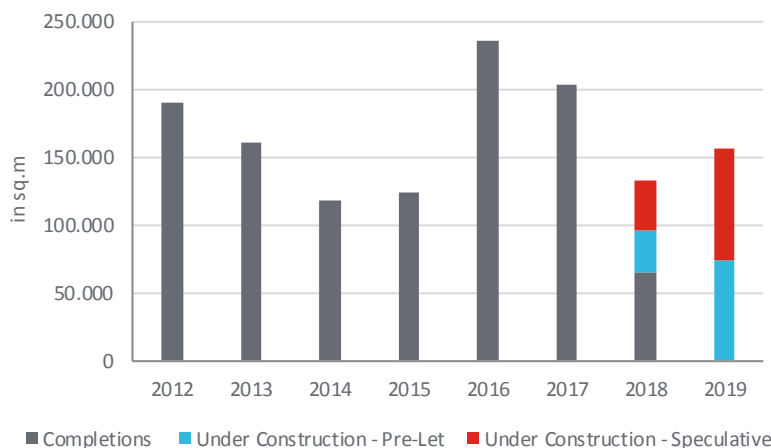
OFFICE MARKET HAMBURG H1 2018



Overview

Hamburg’s office market gained momentum in the second quarter 2018. While 102,000 sq.m was let in Q1, letting volume rose to 145,000 sq.m in Q2. The half year total of 245,000 sq.m fell 14% short of the previous year’s result. The high demand for office space led to a further decrease in vacancy. The current level of office vacancy is the lowest since the turn of the millenium. In consequence, rents are under upward pressure in the entire Hamburg market area. Prime rents are expected to further rise.

Completion Volume



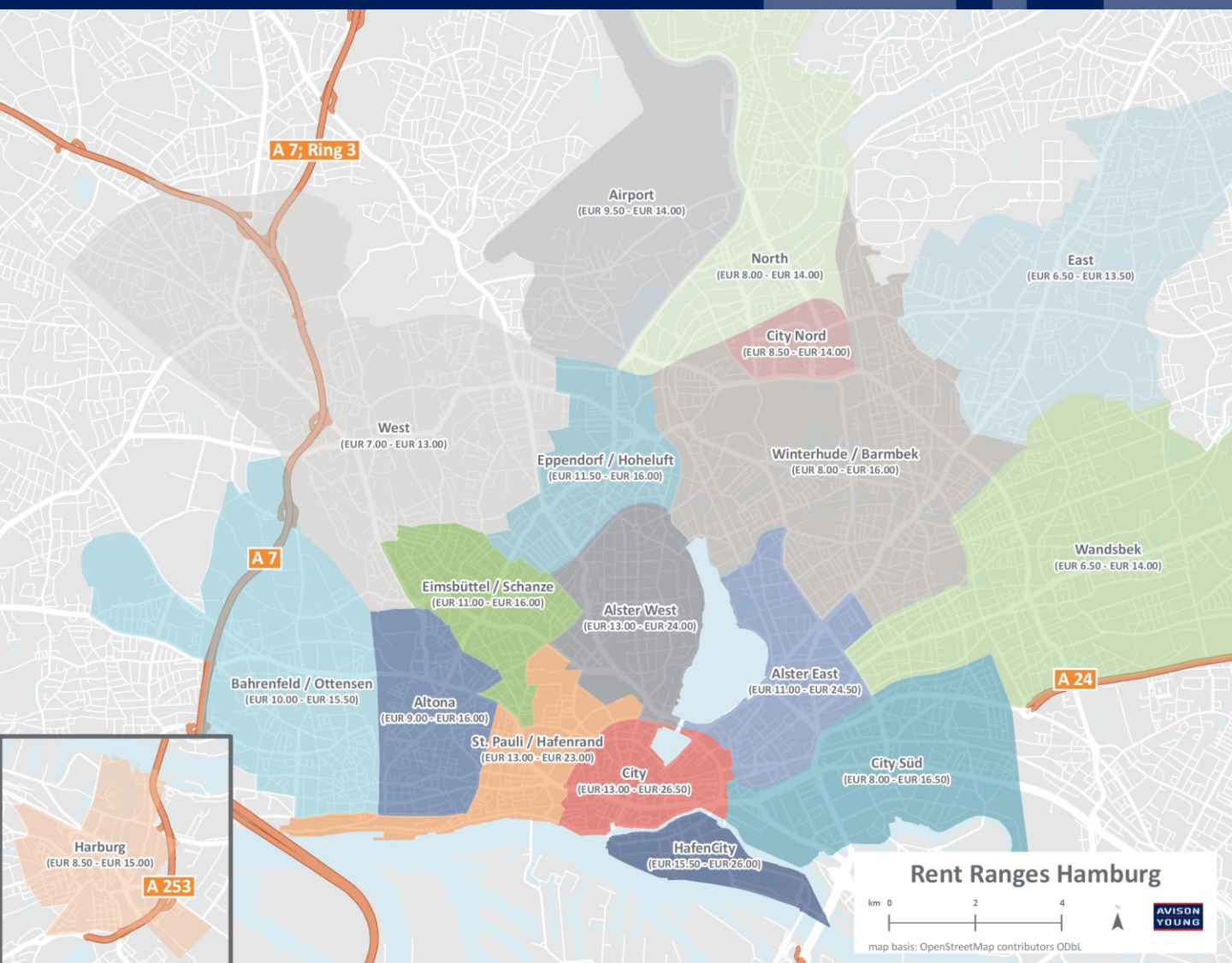
KEY MARKET FIGURES

Market Area* Hamburg	
Take-Up	245,000 s.qm
Vacancy	655,000 s.qm
Vacancy Rate	4.4%
Completions	65,600 s.qm
Under Construction	276,000 s.qm
Prime Rent	26.50 EUR/s.qm/month
Average Rent	15.50 EUR/qm/month
Prime Yield (net initial)	3.20%

HAMBURG

Inhabitants (12-2016)	1,860,759
Unemployment Rate (06-2018)	6.1% (German Average 5.0%)
Trade Tax Rate	470%

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



Outlook

- The German economy continues on its growth path and many companies in Hamburg are expanding. Accordingly, demand for office space is high and we expect the annual office take-up to be above the long term average. Although the low vacancy level is slowly turning into an obstacle for companies looking for new premises at short notice, take-up is set to surpass the 500,000 sq.m mark by the end of 2018.
- Office vacancy will further decrease in the following months and the office vacancy rate is likely to be recorded below 4% by the end of December.
- Across all submarkets office rents are tending upwards. This trend will continue well into the second half of the year. Prime rents are also forecast to rise further.

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

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