

MARKETBEAT OFFICE SNAPSHOT

HAMBURG

A Cushman & Wakefield Research Publication

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OVERVIEW

Hamburg benefits from its multifaceted economic structure as a trading hub, a centre of IT and Media, an industrial location as well as a cultural metropolis and tourist magnet. With 1.7 million inhabitants, it is the second-largest city in Germany. The unemployment rate was 7.6% at the end of March, which is slightly

above the German average of 6.8%.

OCCUPIER FOCUS

Hamburg's office space market began 2015 with an above-average take-up volume. Including owner-occupation, take-up totalled some 130,000m². This is an increase of some 16% in comparison to the same period last year (112,000m²). In a longer-term view the result is 33% above the five-year average and 31% above the ten-year average.

VACANCY AND PROJECTS

In total, Hamburg's office stock comprises some 14.4 million m², some 1.1 million m² was available at short notice. Vacancy declined slightly to 7.3% by the end of March. The low level of completions, especially of speculative office construction, coupled with above average take-up figures, is likely to lead to a further reduction in vacancy levels. Between January and March some 17,000m² was completed. At the end of the first quarter around 380,000m² was under construction.

RENTS

Submarket rents are still under slight upward pressure, however they remained static, as did Hamburg's prime rent, which is still recorded at EUR 24.00 per m²/month and is realised in the City submarket.

INVESTMENT FOCUS

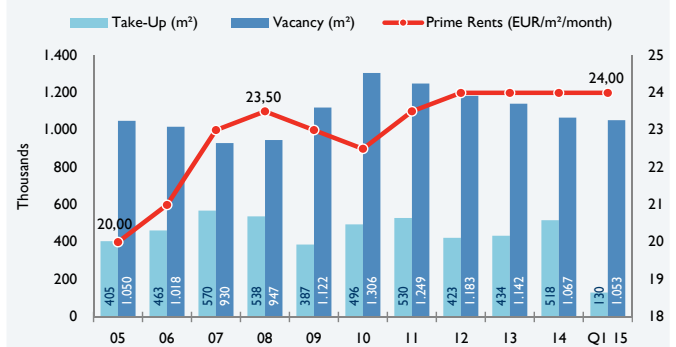
Between January and March some EUR 780 million was invested in commercial real estate within the city boundaries of Hamburg, 29% more than in the same period in 2014. Prime yields for high quality office space decreased over the first three months from 4.50% to 4.25%.

IMPORTANT TRANSACTIONS

The City of Hamburg purchased some 32,000m² in the 'Axel-Springer-Haus' building for its own use. The property is in the City submarket.

Dr. Weiland & Partner became new tenants in the HafenCity submarket, renting approx. 3,000m² of office space.

OFFICE MARKET HAMBURG



RENTS FOR OFFICE SPACE

SUBMARKET	EUR/m ² /Month
City	13.00 – 24.00
Harbour	12.00 – 22.00
HafenCity	15.50 – 22.50
Eppendorf/Harvestehude/Rotherbaum	11.50 – 19.00
Alster Area East/St. Georg	10.00 – 18.00
Altona/Ottensen	8.50 – 14.00
Winterhude/Uhlenhorst	9.00 – 15.00
Barmbek/Bramfeld	7.00 – 12.50
Airport	6.50 – 12.50
Hamburg-West	6.50 – 11.50
City North	6.50 – 11.00
City South – Core Area	8.50 – 13.00
City South – Fringe Area	7.00 – 10.00

LOCAL MARKET OUTLOOK

PRIME RENTS	▲
PRIME YIELDS	▶
SUPPLY	▶
DEMAND	▲

Source: Cushman & Wakefield