

# G&B Real Estate Market Survey

Commercial | Office letting

2023/Q1–4

Hamburg



Photo: © Grossmann & Berger GmbH



## Fading willingness to choose new offices in 2023

Even the strong showing – 130,000 m<sup>2</sup> – in the 4th quarter was not enough to turn the result for 2023 around. At some 455,000 m<sup>2</sup> the result was 5% below the five-year average and 15% lower than the ten-year average (2014 to 2023). Thus the momentum reflected in agreements concluded in 2022 ebbed in 2023. Indeed, potential tenants were far more reluctant to make a decision, which frequently led to lengthier talks about renting property. Year on year, take-up of space fell by 19%. In the size category 5,000 m<sup>2</sup> or more, take-up dropped by 28% year on year to 144,000 m<sup>2</sup>. The number of large-volume contracts concluded fell from 19 to 16. Hamburg Port Authority signed the largest agreement in 2023 when it bought 22,200 m<sup>2</sup> of offices for its own use.

## Average rent falls slightly

At the end of the year the average rent was €20.60/m<sup>2</sup>/month. This was slightly less than in the prior year, softening by 1.9% partly because more than half of the biggest leases were signed for properties outside City and HafenCity districts. In the case of the central sub-markets City and HafenCity, by contrast, the average rent rose by a modest 1.5% to €27.50/m<sup>2</sup>/month. Premium rents climbed by 3.0% to €34.50/m<sup>2</sup>/month.

## Volume of vacant space still at a healthy level

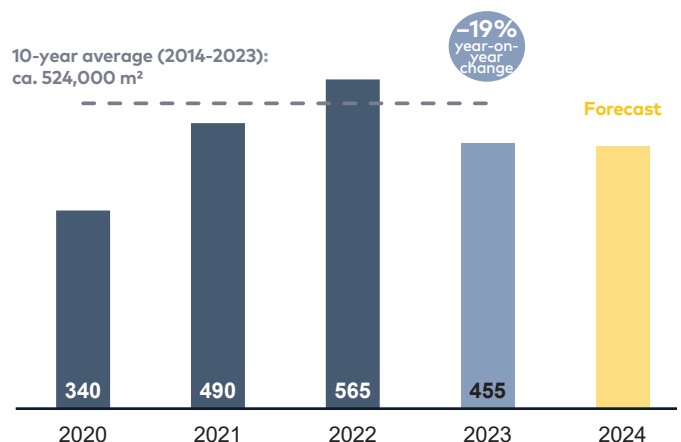
Year on year the amount of space available at short notice grew by 17% to 657,000 m<sup>2</sup>. Consequently the vacancy rate leapt from 4.0% to 4.6%. Completion of some developments was delayed. The year thus closed with a projected completion volume of 432,000 m<sup>2</sup> for 2024 and 2025 in 44 different developments. At present around 155,000 m<sup>2</sup> of new office space is being built on speculation.

## Andreas Rehberg | Management Board Spokesperson

>> In 2023 the trend towards better quality became established, as may be seen from the year-on-year growth in premium rents. As in the past, there is much demand for prime quality office space in attractive parts of the central sub-markets. Overall, however, circumstances on the office-letting market have grown more difficult. We observe that businesses are more reluctant to make a decision than in 2022. In view of the less than rosy prospects for the economy in 2024, take-up of space at the start of the new year could be marked by a cautious approach. <<

## Take-up of space

2020–2024 | Hamburg | in 000s m<sup>2</sup> | incl. owner-occupiers



Source: Grossmann & Berger GmbH

# Office letting

## Hamburg | Key Facts

2023/Q1–4

TOP  
5

### Top contracts

2023/Q1–4 | Hamburg | Selection

**1 | HPA | owner-occupier | ca. 22,200 m<sup>2</sup>**  
"New Work Harbour" | HafenCity

**2 | RTL /Gruner & Jahr | ca. 17,200 m<sup>2</sup>**  
"Marquard & Bahls Building" | Koreastraße 7 | HafenCity

**3 | Fielmann Group | ca. 15,300 m<sup>2</sup>**  
"Q21 Offices" | Fuhlsbüttler Straße 399 | Barmbek

**4 | Airbus | ca. 12,500 m<sup>2</sup>**  
"KAPZWEI" | Kapstadtring 2 | City North

**5 | Hamburgische Bürgerschaft | ca. 9,900 m<sup>2</sup>**  
"Haus der Bürgerschaft" | Alter Wall 38 | City

### Highest-turnover sectors

2023/Q1–4 | Hamburg | Take-up of space by industry

#### Top 5 Industries

Take-up of space  
year-on-year change

**1 | 70,100 m<sup>2</sup>**

–31%

**2 | 65,100 m<sup>2</sup>**

+135%

**3 | 53,200 m<sup>2</sup>**

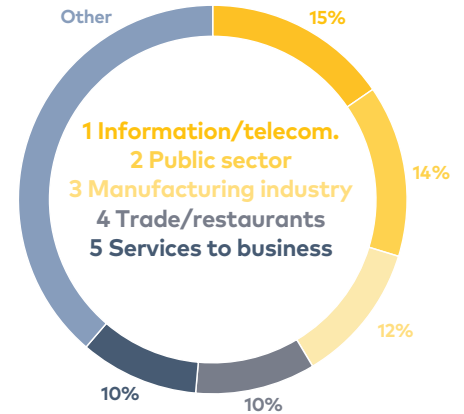
+19%

**4 | 45,500 m<sup>2</sup>**

–24%

**5 | 45,000 m<sup>2</sup>**

+3%



Source: Grossmann & Berger GmbH

## Market outlook | Office

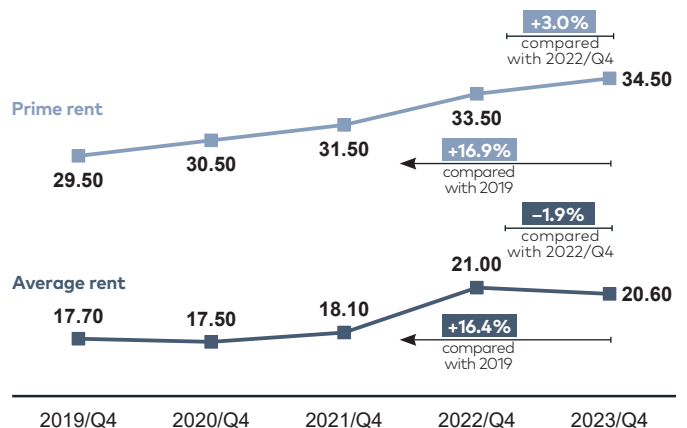
An economic upswing is not expected before 2025

**Take-up of space:** The economy is proving slow to recover. Following negative growth in 2023, experts predict that Germany's return to economic growth will be a slow process. A clearer upswing is not expected until 2025, provided that the many geopolitical crises do not escalate further. In view of sinking inflation it seems probable that the base rate of interest will start to fall too. Lower interest rates on the capital market and reduced borrowing costs would be a positive signal for the real estate markets. It is to be expected that in 2024 take-up of office space in Hamburg will be similar to the volume seen in 2023.

**Rents/Available space:** The amount of office space available over the coming months is set to increase, especially in the City and HafenCity districts. This situation should encourage landlords to negotiate terms and offer attractive lease packages. As a rule, however, tenants are still prepared to pay the asking price for good-quality space.

## Office rents

2019–2023/Q4 | Hamburg | in €/m<sup>2</sup>/mth (net)



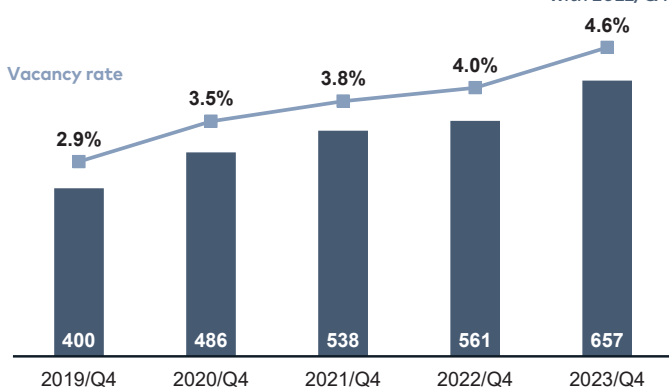
Source: Grossmann & Berger GmbH

## Vacant space

2019–2023/Q4 | Hamburg | in 000s m<sup>2</sup>

#### Vacancy volume

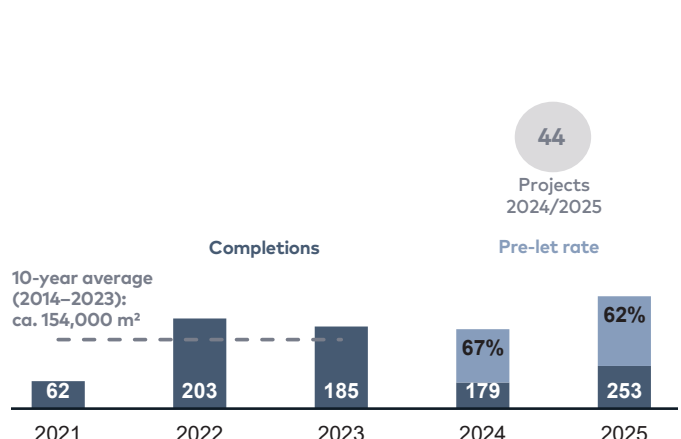
includes all office space that is available within six months



Source: Grossmann & Berger GmbH

## Completions

2021–2025 | Hamburg | in 000s m<sup>2</sup>

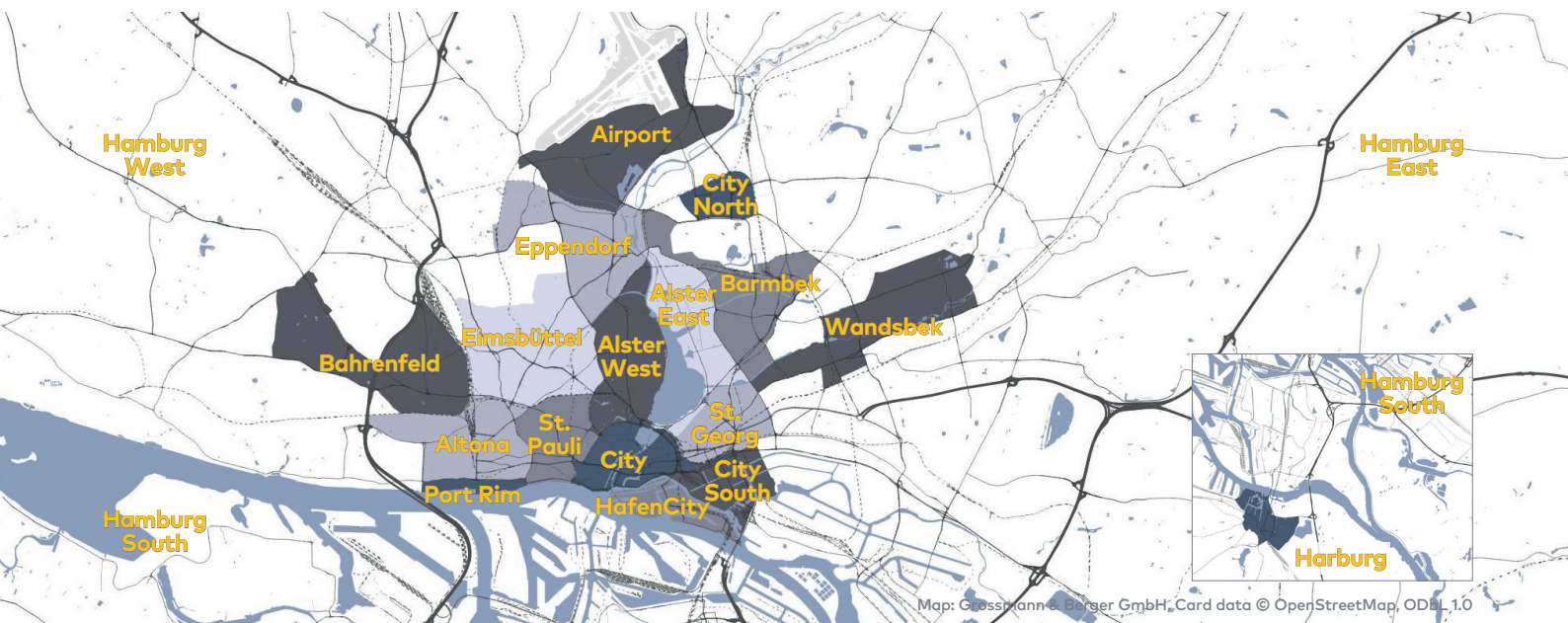


Source: Grossmann & Berger GmbH

# Office letting

Hamburg | Office sub-markets

2023/Q1–4



## Hot Spots

2023/Q1–4 | Hamburg | distribution of space take-up

### Top 5 Sub-markets

Take-up of space  
year-on-year change

1 | 116,800 m<sup>2</sup>

–25%

2 | 68,300 m<sup>2</sup>

–24%

3 | 51,400 m<sup>2</sup>

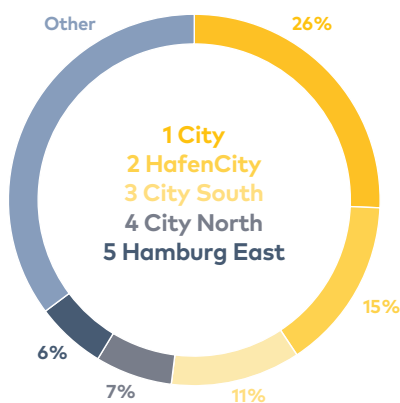
–40%

4 | 30,500 m<sup>2</sup>

+124%

5 | 27,800 m<sup>2</sup>

–32%



Source: Grossmann & Berger GmbH

## Availability of office premises

2023/Q4 | Hamburg | distribution of vacant space

### Top 5 Sub-markets

Vacant space  
year-on-year change

1 | 157,200 m<sup>2</sup>

+18%

2 | 128,200 m<sup>2</sup>

+46%

3 | 46,900 m<sup>2</sup>

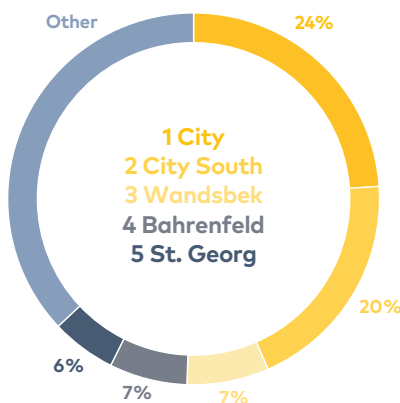
+14%

4 | 44,500 m<sup>2</sup>

+9%

5 | 37,000 m<sup>2</sup>

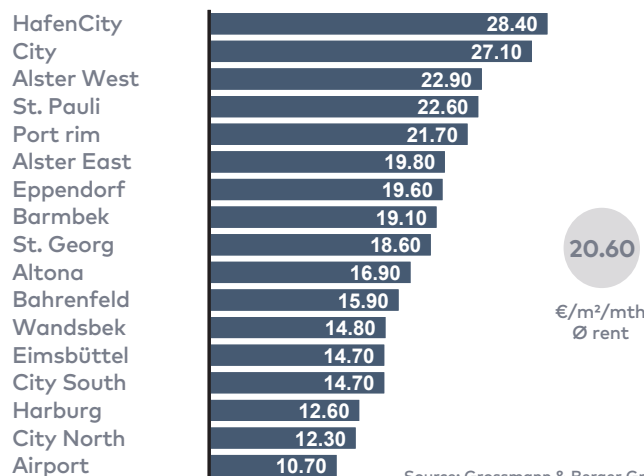
+19%



Source: Grossmann & Berger GmbH

## Rent level

2023/Q4 | Hamburg | Ø Office rents | in €/m<sup>2</sup>/mth (net)



Source: Grossmann & Berger GmbH

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We draw your attention to the fact that all statements made here are non-binding. Most of the information is based on third-party reports. The sole intention of this market survey is to provide general information for our clients.

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