August 2022

Research Germany

Residential market Hamburg

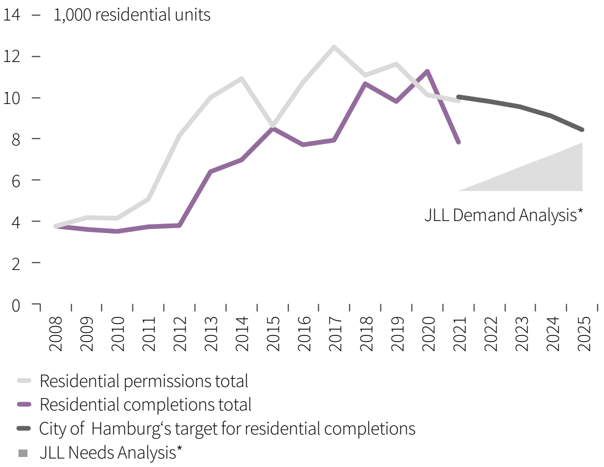
Number of completed apartments plummeted

Residential market
Hamburg

Number of completed apartments plummeted

Last year, significantly fewer apartments were completed in Hamburg's housing market than in the year before. In 2021, a total of only 7,461 apartments were completed and 9,852 apartments were approved. Compared with the previous year, this means that around 34% fewer apartments were completed. Both the number of completions and the number of permits are below the self-imposed target of the "Alliance for Housing". The self-imposed targets of this alliance are to approve 10,000 new apartments per year, of which 35% should be social housing with a price commitment period of 30 years, according to last year's resolution. The completion level from last year is approximately at the estimated level of additional housing needed in the coming years.... About +7,238 additional apartments p.a. (39 apartments p.a. per 10,000 inhabitants) are needed in the medium scenario. The current completion rate in Hamburg is 40 new apartments per 10,000 inhabitants. Compared with the other Big 8 cities, Hamburg is therefore in the middle of the field and thus also offers room for improvement. Increased construction costs and a shortage of suitable building land pose the greatest challenges for the city in the coming years. The demand for housing will continue in the coming years. Although population growth was only slight last year (+0.3%) and the current net migration for 2021 is also negative, a positive trend can be seen, especially in the younger age cohorts. This is due, among other things, to Hamburg's attractiveness and importance as a university and business location. Furthermore, with the Elbtower, Paloma-Viertel and the demolition of the Commerzbank high-rise on the Neß, there are three exciting residential construction projects that could provide relief with regard to the demand for living space.

Housing supply and demand for new buildings
Hamburg



*Additional annual need for housing units (includes also apartments in detached houses) without consideration of current construction deficits.
Source: destatis, JLL (Status: July 2022)

Selected developments under construction
Hamburg

Name	Location	Residential units	Completion date
Quartier Dudenweg	Billstedt	660	2024
Quartier Ü30 Ipanema	Winterhude	ca. 525	2024
Luisenhof Wohnviertel	Farmsen-Berne	275	2024
Leo	Uhlenhorst	185	2022
Helling	Barmbek-Nord	150	2022

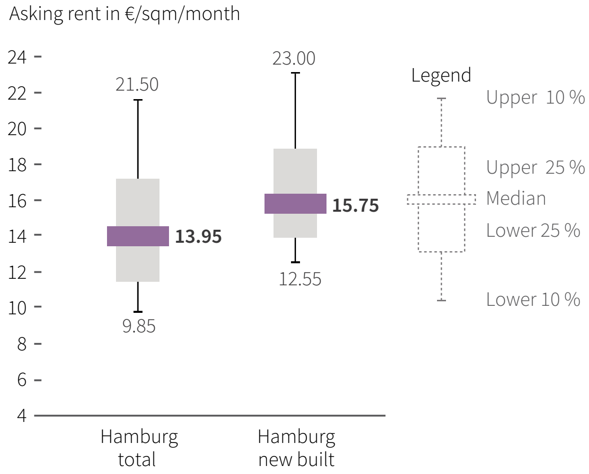
Source: Thomas Daily, JLL (Status: July 2022)

Rental market
Hamburg

Strong rise in prime rents, moderate growth in new construction

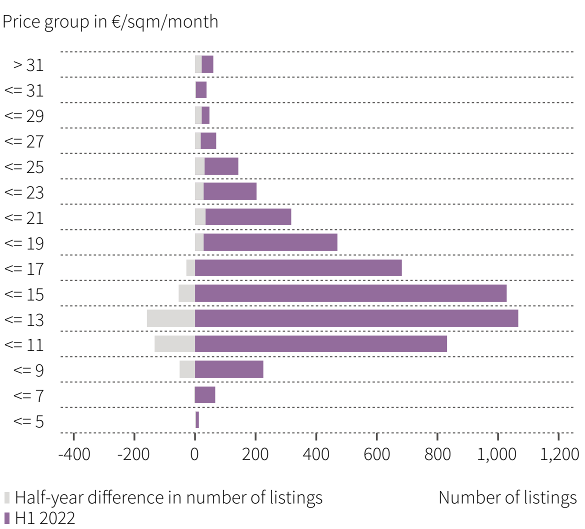
Rental price development in Hamburg recorded moderate growth in the first half of 2022. The median rent rose by +3.7% to 13.95 euros/m²/month. This development is only slightly above the figure for the same period last year (+3.5%) and the five-year average (+3.2% p.a.). In the prime segment, on the other hand, rents have developed much more dynamically than in the same period last year. The current prime rent is currently around 21.00 euros/m²/month. This represents growth of +7.5%. In the lower price segment (9.85 euros/m²/month), the first half of 2022 shows a slight downward trend. Prices rose by +3.1%, but this development is 0.1 percentage points below the figure for the same period last year (+3.2%). For new buildings, a much more positive growth can be seen (+4.3%), compared to the same period last year (+3.8%) as well as the five-year average (+2.5%). The current rental price for new builds is quoted at €15.75/m²/month. In the districts of Altona and Eimsbüttel, the highest rents are currently being charged at 15.70 euros/m²/month. In Harburg, on the other hand, the lowest rent is 11.50 euros/m²/month.

Rental price bands for listed apartments
Hamburg – H1 2022



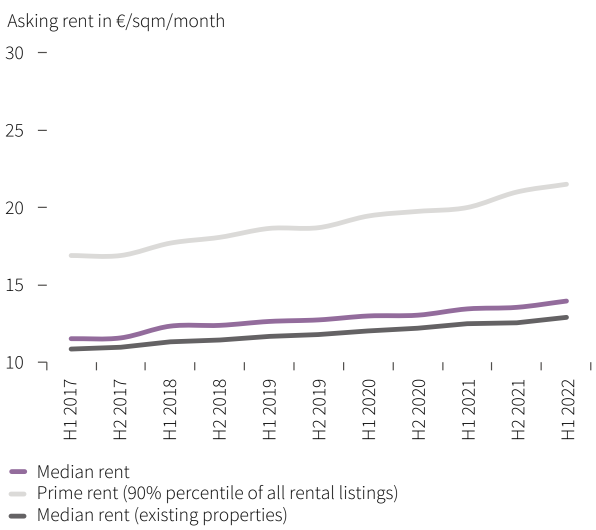
Source: JLL. VALUE Marktdaten (Status: July 2022)

Distribution of rental listings by price group
Hamburg



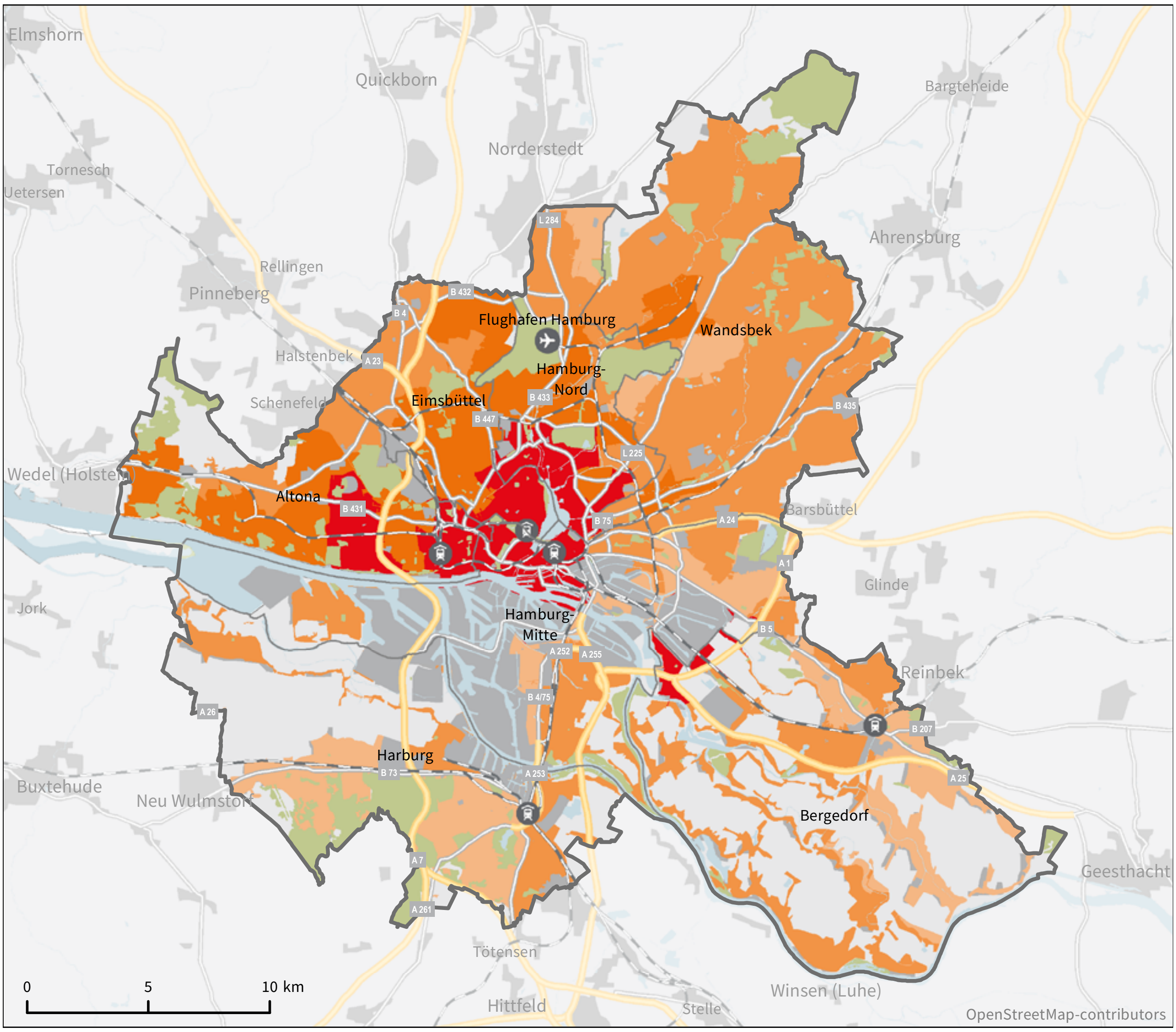
Source: JLL. VALUE Marktdaten (Status: July 2022)

Development of rental prices
Hamburg



Source: JLL. VALUE Marktdaten, IDN immodaten (Status: July 2022)

Asking rental prices Hamburg



Rent Level

Average in €/sqm/month on postcode level

- < 10.00
- 10.00 < 12.00
- 12.00 < 14.00
- 14.00 < 16.00
- >= 16.00
- Water Area
- Green Area
- Industrial or Traffic Area
- Other Area

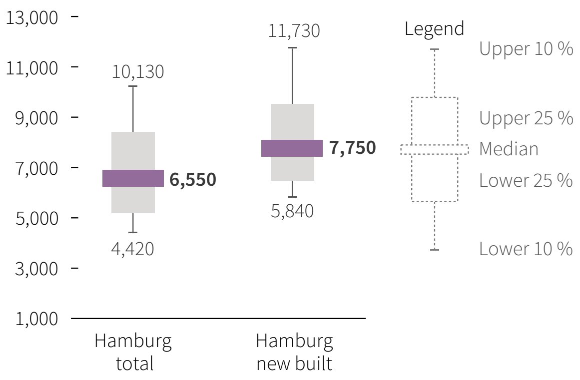
Source: JLL. VALUE Marktdaten

Market for condominium apartments
Hamburg

Sharp decline in purchase prices in both the prime and new-build segments

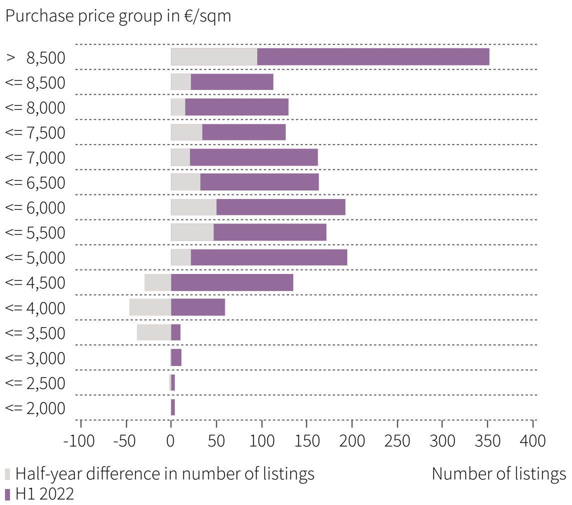
Growth in median purchase prices in Hamburg is slowing sharply in the first half of 2022. With an increase of only +4.8%, the development is significantly behind the figure for the same period in the previous year (+20.9%). The current median purchase price in Hamburg is currently 6,550 euros/m². The same development can also be observed in the area of prime purchase prices. While an increase in purchase prices of 18.3% was recorded in the same period of the previous year, prices are only rising by +1.3% this year. This figure is also well below the five-year average (+9.1% p.a.). This trend is also continuing in the lower price segment. Last year, purchase prices rose by +11.1% to €4,420/m², a much less dynamic increase than in the same period of the previous year (+20.2%). Purchase prices in the new-build segment in Hamburg also rose less strongly (+8.1%) than in the previous year (+16.8%). Moreover, the current trend is also around 1.9 percentage points below the five-year average (+10.0% p.a.). The highest median purchase prices in the current six months are being offered in the Hamburg-Nord district (€7,990/m²). The district of Harburg continues to offer the most favorable median purchase prices of 4,780 euros/m².

Purchase price bands for condominiums
Hamburg – H1 2022



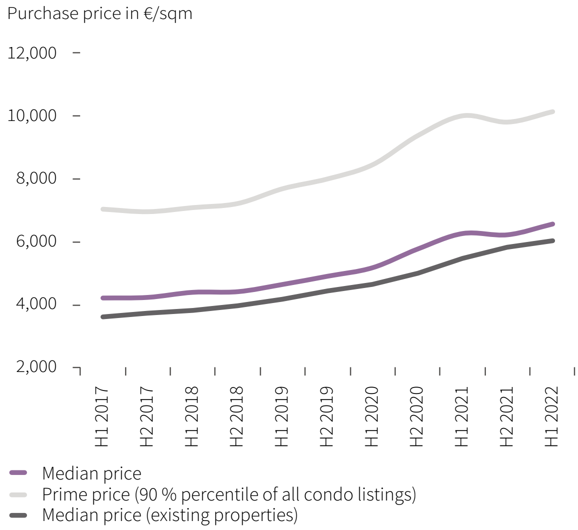
Source: JLL. VALUE Marktdaten (Status: July 2022)

Distribution of condo listings by price group
Hamburg



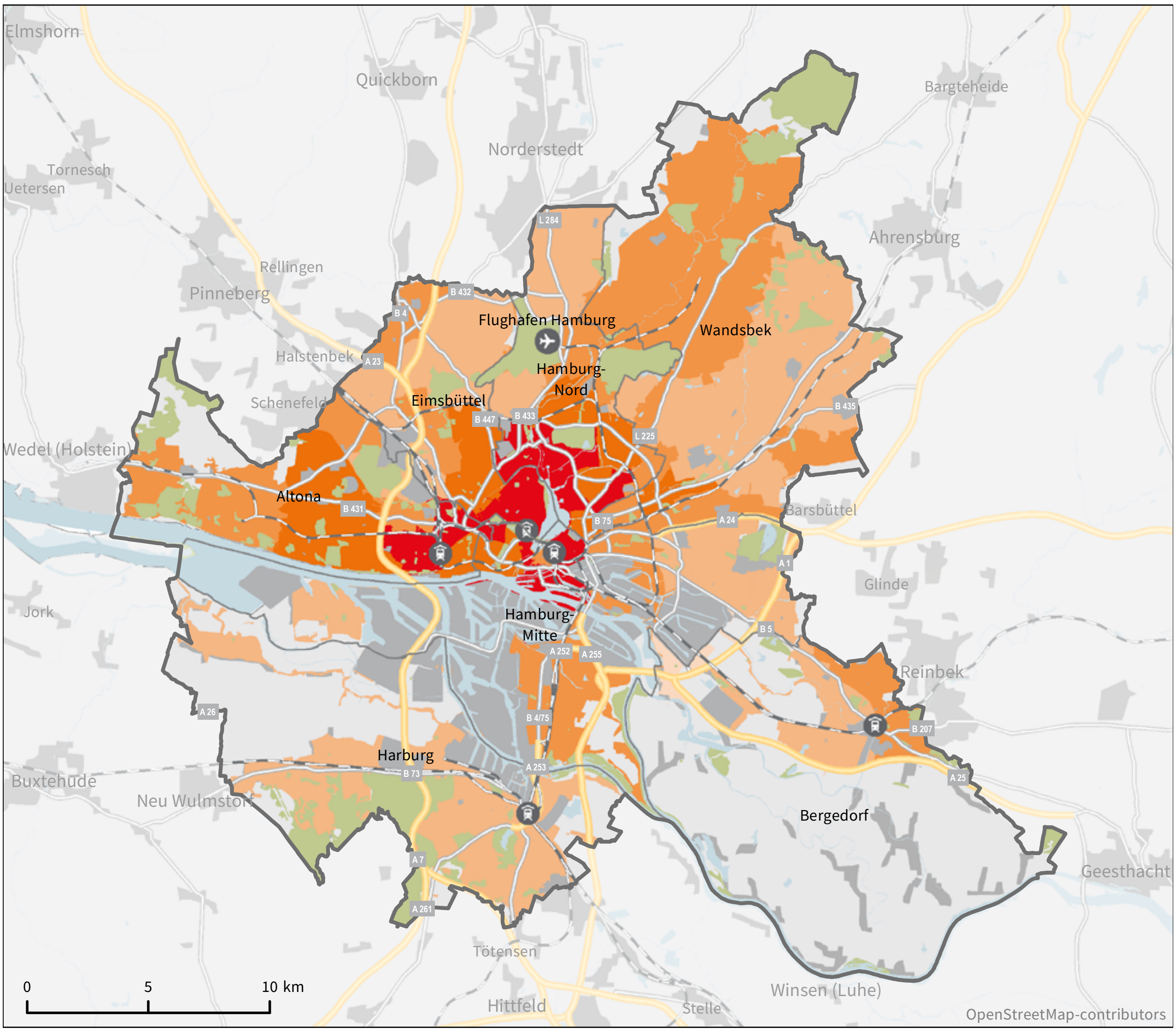
Source: JLL. VALUE Marktdaten (Status: July 2022)

Development of purchase prices for condominiums
Hamburg



Source: JLL. VALUE Marktdaten, IDN immodaten (Status: July 2022)

Asking condominium prices Hamburg



Condominium price level

Average in €/sqm on postcode level

- < 4,000
- 4,000 < 5,500
- 5,500 < 7,000
- 7,000 < 8,500
- > 8,500
- Water Area
- Green Area
- Industrial or Traffic Area
- Other Area

Source: JLL. VALUE Marktdaten

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