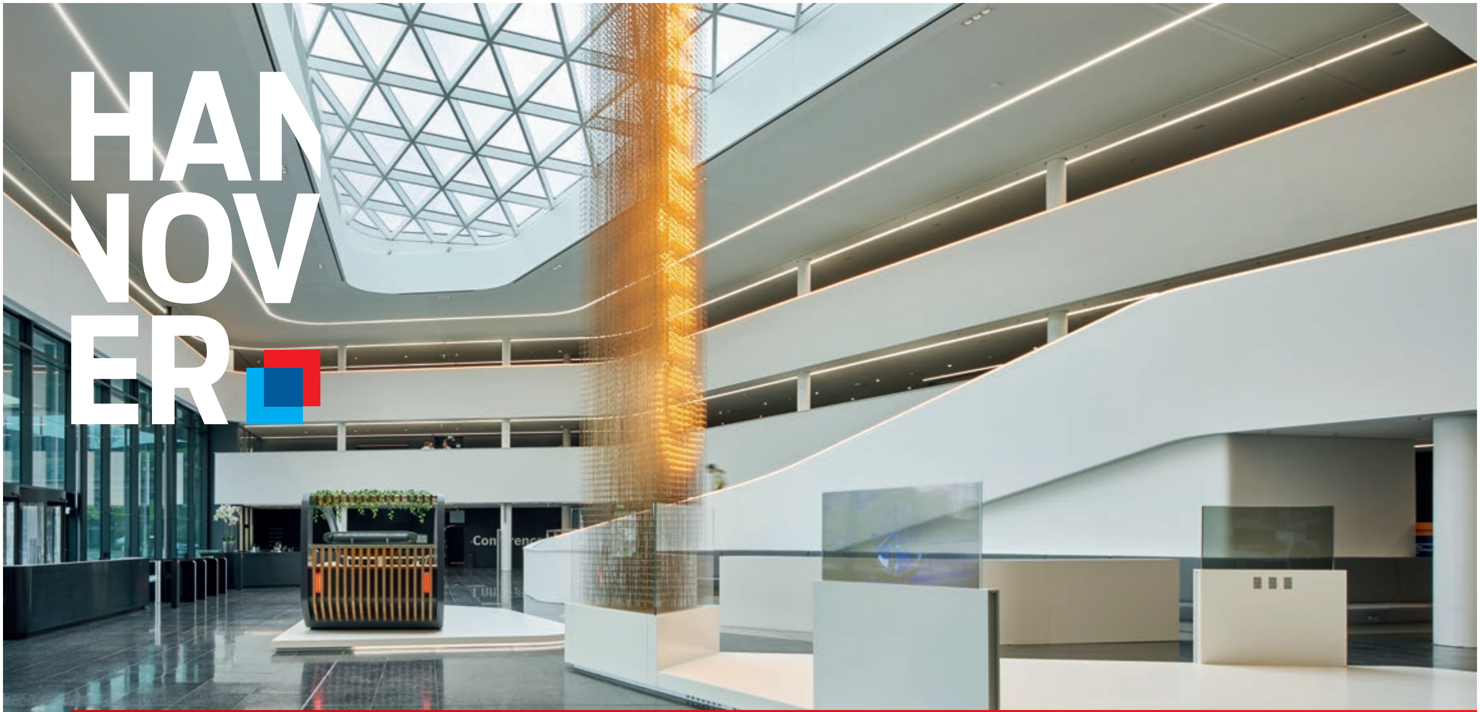


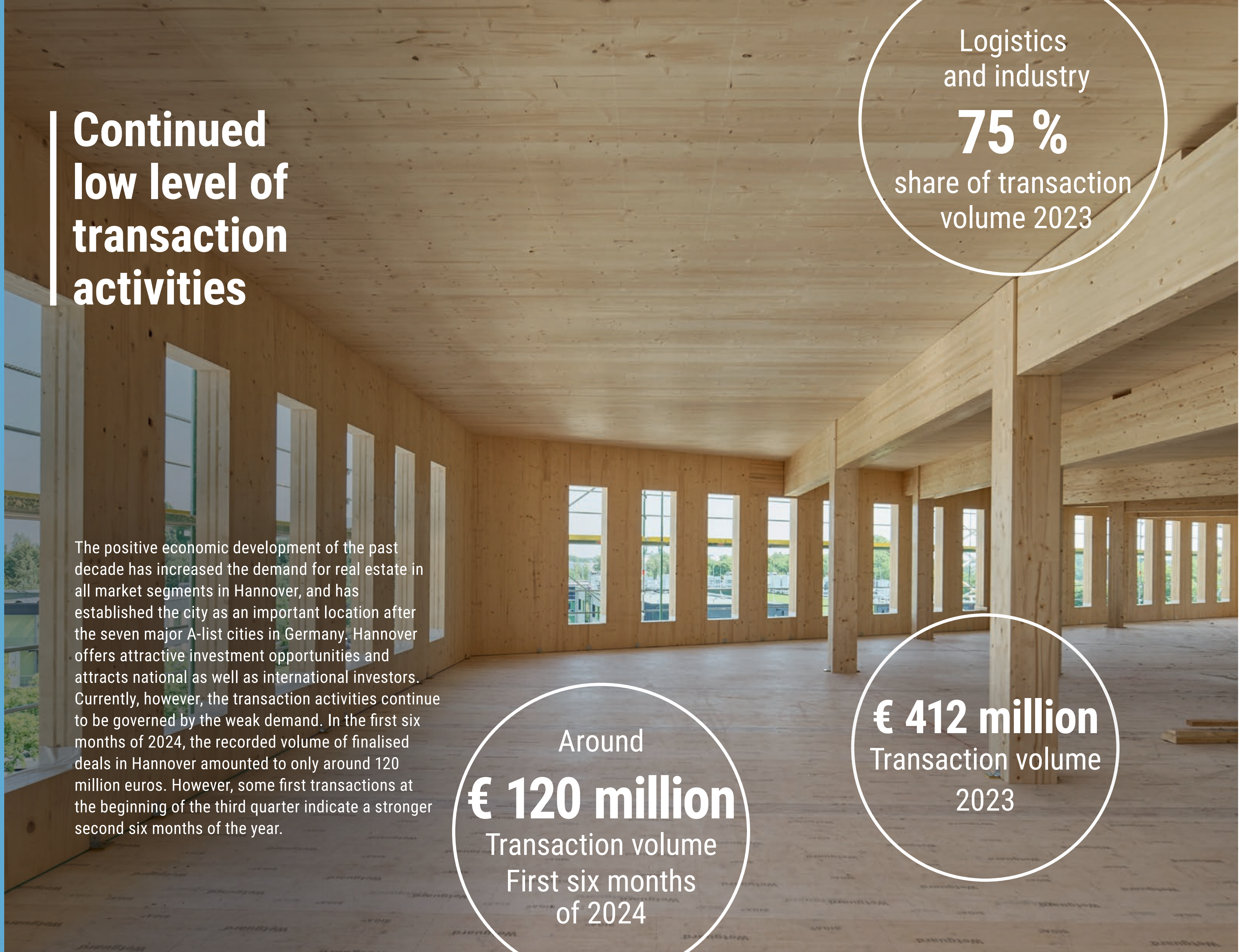
PROPERTY MARKET REPORT 2024

COMPACT

WIRTSCHAFTSFÖRDERUNG

Region Hannover

Investment market



Continued low level of transaction activities

The positive economic development of the past decade has increased the demand for real estate in all market segments in Hannover, and has established the city as an important location after the seven major A-list cities in Germany. Hannover offers attractive investment opportunities and attracts national as well as international investors. Currently, however, the transaction activities continue to be governed by the weak demand. In the first six months of 2024, the recorded volume of finalised deals in Hannover amounted to only around 120 million euros. However, some first transactions at the beginning of the third quarter indicate a stronger second six months of the year.

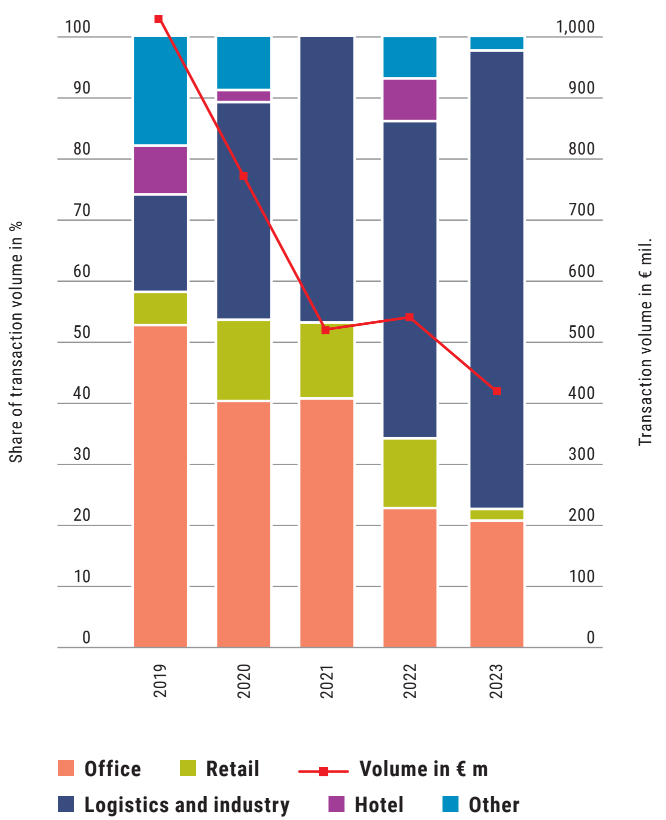
Logistics and industry
75 %
share of transaction volume 2023

Around
€ 120 million
Transaction volume
First six months of 2024

€ 412 million
Transaction volume
2023

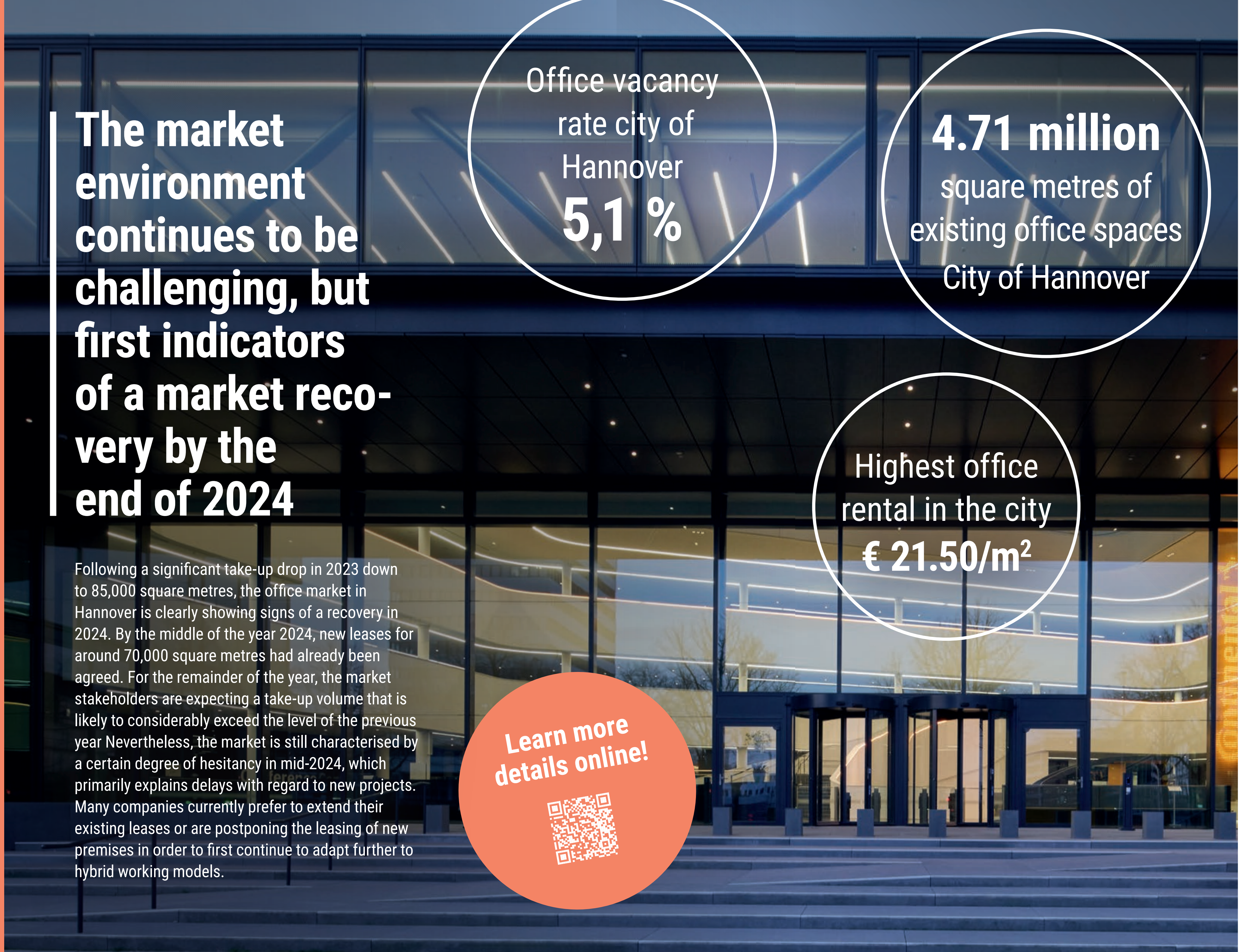
Learn more details online!

Transaction volume commercial real estate market
Distribution across market segments 2019 to 2023



Source: bulwiengesa AG, data for the Hannover Region, data as at Q2/2024

OFFICE PROPERTY MARK



The market environment continues to be challenging, but first indicators of a market recovery by the end of 2024

Following a significant take-up drop in 2023 down to 85,000 square metres, the office market in Hannover is clearly showing signs of a recovery in 2024. By the middle of the year 2024, new leases for around 70,000 square metres had already been agreed. For the remainder of the year, the market stakeholders are expecting a take-up volume that is likely to considerably exceed the level of the previous year Nevertheless, the market is still characterised by a certain degree of hesitancy in mid-2024, which primarily explains delays with regard to new projects. Many companies currently prefer to extend their existing leases or are postponing the leasing of new premises in order to first continue to adapt further to hybrid working models.

Office vacancy rate city of Hannover
5,1 %

4.71 million
square metres of existing office spaces City of Hannover

Highest office rental in the city
€ 21.50/m²

Learn more details online!

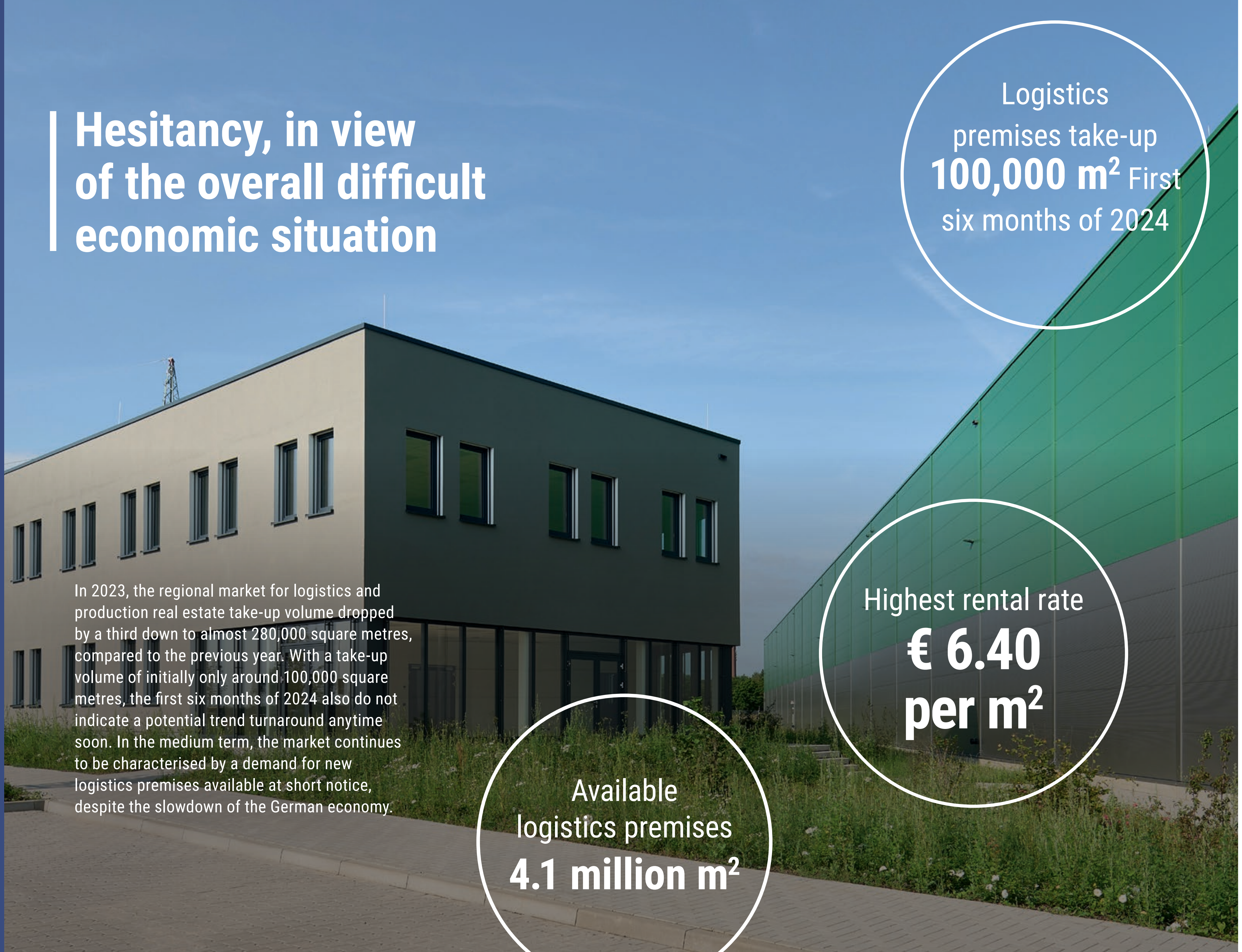
Office

Office rental space 2023 in m² MF-G	**5.23 m**
Hannover city	4.71 m
Surrounding towns of Garbsen, Laatzen and Langenhagen	0.51 m
Office space turnover 2022 in m² MF-G	**85,000**
Hannover city	76,000
Surrounding towns of Garbsen, Laatzen and Langenhagen	9,000
Office space turnover H1/2023 in m² MF-G	**70,000**
Hannover city	62,000
Surrounding towns of Garbsen, Laatzen and Langenhagen	8,000
Vacancy rate 2023 in m² MF-G	**282,000**
Hannover city	240,000
Surrounding towns of Garbsen, Laatzen and Langenhagen	42,000
Vacancy rate 2023	**5.4 %**
Hannover city	5.1 %
Surrounding towns of Garbsen, Laatzen and Langenhagen	8.2 %
Peak rent 2023 in m² MF-G	
City	21,50
city periphery	16,50
Average rent 2023 in m² MF-G	
City	15,40
city periphery	12,50
Net initial yield in prime city locations 2023	**5,0 %**

Source: bulwiengesa AG; Hannover Region surveys; information provided by market stakeholders,data as at Q3/2024

Note: Definitions according to gif (Gesellschaft für Immobilienwirtschaftliche Forschung e. V., German real estate market research association)

LOGISTICS PROPERTY MARKET



Hesitancy, in view of the overall difficult economic situation

In 2023, the regional market for logistics and production real estate take-up volume dropped by a third down to almost 280,000 square metres, compared to the previous year. With a take-up volume of initially only around 100,000 square metres, the first six months of 2024 also do not indicate a potential trend turnaround anytime soon. In the medium term, the market continues to be characterised by a demand for new logistics premises available at short notice, despite the slowdown of the German economy.

Logistics premises take-up **100,000 m²** First six months of 2024

Highest rental rate **€ 6.40 per m²**

Available logistics premises **4.1 million m²**

Learn more details online!

Logistics and production

Logistics space available in 2023 in m²	**4.1 m**
of which investable space (built after 01/2014)	1.3 m
Logistics space turnover in 2022 in m²	**280,000**
of which rentals	230,000
of which owner-occupied	50,000
Logistics space turnover H1/2023 in m²	**100,000**
of which rentals	88,000
of which owner-occupied	12,000
Rents in prime locations 2023	
Peak rent in €/m²	6.40
Average rent in €/m²	5.00
Net initial yield of logistics centres in prime locations 2023	**4.9 %**

All values relate to the Hannover Region.

Source: bulwiengesa AG; Hannover Region surveys; the existing premises figure is an extrapolation based on surveys regarding the existing premises volume in Q4/2022, information provided by market stakeholders, data as at Q3/2024, and own calculations.

RESIDENTIAL PROPERTY MARKET

Market dynamics are slowing down, polycrises are impacting negatively on supply and demand

Highest new build rental
€ 17.50/m²

Around
5,300 homes completed in the city and the surrounding areas in 2023

Leading group
€ 6,450/m²
owner-occupied new builds

In 2023, Hannover recorded a record figure of completions, whilst the number of planning permissions is falling drastically. The numerous crises and the uncertainties with regard to the implementation of the EU taxonomy are leading to slumps in supply and demand. Forecasts show a fall in purchasing prices for existing and new build homes; however, this appears to have stopped towards the middle of the year. At the same time, rents are going up and are exacerbating the already difficult market situation. Investors and project developers are increasingly backing off, and are observing the market to wait and see, which leads to new project delays.

Learn more details online!

Residential

Permissions 2023	
City of Hannover	1.856
Surrounding area	2.387
Completions 2023	
City of Hannover	3.937
Surrounding area	1.381
Rents 2024	
Newbuild, peak rent in €/m²	17.50
Newbuild, average rent in €/m²	13.80
Re-let, peak rent in €/m²	14.00
Re-let, average rent in €/m²	10.40
Home buying 2024	
Owner-occupied apartment, newbuild, prime group in €/m²	6,450
Owner-occupied apartment, newbuild, average in €/m²	5,050
Multipliers 2024	
Apartment blocks / investment properties, newbuild, prime group	22.5
Apartment blocks / investment properties, newbuild, average	19.5
Apartment blocks / investment properties, stock, prime group	21.5
Apartment blocks / investment properties, stock, verage	19.1

All values relate to Hannover, the regional capital, unless stated otherwise. Source permissions, completions: Landesamt für Statistik Niedersachsen (Federal State of Lower Saxony Office for Statistics), 2024 Source of all

other information: bulwiengesa AG, information provided by market stakeholders

data as at Q3/2024

RETAIL PROPERTY MARKET

Transformation of retail and inner city is making progress

The Hannover Region is one of Germany's highest turnover generating retail locations. For 2024, the retail turnover in the region is expected to amount to around 9.05 billion euros, an increase of more than 400 million euros compared to the previous year.

Hannover's prime locations Georgstrasse, Grosse Packhofstrasse, Bahnhofstrasse and Karmarschstrasse are attracting customers back to the inner city, after some difficult years. In the surrounding area, the retail location Hannover is characterised by specialist retail store parks, shopping centres, local high streets and attractive town centres.

Retail-relevant purchasing power
€ 9.05 billion

Retail centrality value
121.3
city of Hannover

Highest rental rate
€ 160/m²

Learn more details online!

Retail

Sales area Hannover Region in m²	**2.1 m**
Surrounding area	1.2 m
Hannover city	0.9 m
of which inner city Hannover (Mitte district)	253,000
Retail centrality 2023 (Germany = 100)	
Hannover city	121.3
Surrounding area	108.7
Retail purchasing power 2023 in €	**9.05 m**
Hannover city	4.14 m
Surrounding area	4.91 m
Retail sales 2023 in €	**8.57 m**
Hannover city	4.38 m
Surrounding area	4.19 m
Rents 2023	
Peak rent, prime city location, in €/m²*	160
Average rent, prime city location, in €/m²*	125
Yields 2023	
Net initial yield in prime locations*	4.8 %
Net initial yield in specialist retail centres	5.6 %

* Bahnhofstrasse, Grosse Packhofstrasse, Georgstrasse, Karmarschstrasse

Source: Existing retail premises survey commissioned by the Hannover Region (2017); retail and centre concept, local amenities concept and integrated entertainment venue concept for the regional capital Hannover (2019); MB Research 2024; assessments by market stakeholders, data as at Q3/2024

HOTEL PROPERTY MARKET

Upward trend is continuing, over 4 million overnight stays in the city and the surroun-ding areas

4.1 million overnight stays 2023

Around **16,400** beds in hotels in the city and the surrounding areas in 2023

Around **115** hotels in the city and the surrounding areas in 2023

In Germany and the Hannover Region, tourism has noticeably picked up since the pandemic: For the first time since 2019, the number of overnight stays in the Hannover Region once again numbered over 4 million last year, in 2023. In the regional capital Hannover, the number of overnight stays even reached a new record high with 2.36 million, or actually a good 20,000 stays more than in 2019.

Learn more details online!

Hotel

Number of tourist accommodation establishments 2023	**342**
Hannover city	125
Surrounding area	217
Hotels 2023	**115**
Hannover city	43
Surrounding area	72
Number of beds (all accommodation types) 2023	**33,694**
Hannover city	16,764
Surrounding area	16,930
Beds in hotels 2023	**16,372**
Hannover city	10,483
Surrounding area	5,889
Nights (all accommodation types) 2023	**4.06 m**
Hannover city	2.36 m
Surrounding area	1.70 m
Nights in hotels 2023	**2.16 m**
Hannover city	1.41 m
Surrounding area	0.74 m
Arrivals (all accommodation types) 2023	**2.19 m**
Hannover city	1.40 m
Surrounding area	0.79 m
Average length of stay in days (all accommodation types) 2023	**1.9**
Hannover city	1.7
Surrounding area	2.1
Key figures for hotel chains, Hannover city (Fairmas/ STR) 2023	
Occupancy rate	58.1 %
Room price in €	104.80
RevPAR (revenue per room) in €	60.90
Net initial yield hotel 2024	6.0 %

Source: Landesamt für Statistik Niedersachsen (Federal State of Lower Saxony Office for Statistics); MKG Consulting, data as at Q2/2024. Data for the hotel market usually relates to the average annual value 2023.

Region Hannover

IMPRINT

Regional President
Business and employment promotion department

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This document is an excerpt from the 2024 Real Estate Market Report for the Hannover Region.
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You can find information about current projects, further data and maps at:
www.immobilienmarktbericht-hannover.de

Regarding the data collection methods

Note: The office real estate market area encompasses the towns of Langenhagen, Garbsen, Laatzen and Hannover. The logistics premises data takes the take-up throughout the entire region into account. Decisive for the take-up statistics is not the date of completion or occupation of a new building, but the date the lease or contract of purchase was signed, or the date of the commencement of the building work, for owner-occupied premises. The region was therefore guided by the rules specified by the Gesellschaft für Immobilienwirtschaftliche Forschung e. V. (gif, German real estate market research association), which are applied in all major German cities.

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