

HIH Real Estate lets around 70,000 square metres in the first three quarters

- 101 rental agreements concluded so far, of which 70 per cent are new contracts
- Prospective tenants showing increased interest in flexible office space
- Vacancy rate of spaces managed is 0.9 per cent

Hamburg, 10. November 2020 – After the first three quarters, the HIH Real Estate lettings team is hoping to see a positive result for the year overall despite the coronavirus pandemic. HIH Real Estate has concluded 101 office rentals to date in 2020, almost 70 per cent of which have been new contracts. The total floor area rented so far amounts to around 70,000 square metres. The overall sum of managed spaces comes to approximately 2.2 million square metres with a vacancy rate of about 0.9 per cent. The biggest single letting was a new contract with Umweltbank in Nuremberg for around 1,200 square metres.

Ken Kuhnke, Head of Letting Management and executive board member at HIH Real Estate, says: “Due to a lack of larger vacant spaces this year, our new lettings business has been made up of many smaller deals in the segment up to 500 square metres. However we have not seen any heightened price sensitivity or increase in cost pressure from tenants. Their preferred criteria when renting is flexible space, high quality occupancy and shorter rental contract periods.”

After many rental decisions were postponed in the office markets, the first companies have now completed their analyses of location policy and mobile working and are becoming active again. When examining available spaces, prospective tenants are increasingly interested in whether internal reorganisation is possible without major conversion work. “Companies want to ensure that they can remain flexible enough to respond quickly to changes in office staff attendance times. But so far we haven’t noticed that a lower attendance rate is associated with a reduction in the amount of space required. Instead, spaces which are freed up are being used for better informal exchanges and team meetings when staff are present,” says Kuhnke.

By way of a forecast for the months to come, Kuhnke comments: “The fourth quarter will see an increase in rental activity. We are expecting an economic recovery in 2021 and a significant increase in the number of lettings, which will continue to be quality driven due to the very low vacancy rates. We are therefore not anticipating any significant pressure to adjust rental prices downwards. This would only occur if vacancy rates were to double in the markets.”



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**Ken Kuhnke, Head of Letting Management and executive board member
HIH Real Estate**

About HIH Real Estate

The HIH Group (HIH Real Estate) is the leading provider of all-in-one real estate investment management in Germany. Our service range covers the entire life cycle of commercial real estate and extends from project development and the structuring of real estate investments through to asset and property management. We stand out thanks to our bespoke investment solutions and efficient fund administration. Our clients benefit from the extensive service range of the individual companies, quick decision-making and close cooperation within the HIH Group.

With around EUR 38 billion in assets under management and 843 employees at eleven locations, we find, develop and manage commercial real estate throughout Europe.

More information can be found on the company’s website at: www.hih.de/en

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