



# HANNOVER

Status January 2025

## PROPERTY MARKET REPORT 2024 COMPACT



WIRTSCHAFTSFÖRDERUNG

Region Hannover

## Continued low level of transaction activities

The fundamentally positive economic development over the last decade has resulted in sustained demand for property in all submarkets and has consolidated and expanded Hannover's position as the most important location after the seven major A cities in Germany. Hannover offers attractive investment opportunities and attracts national and international investors looking to invest in locations that retain their value.

Nevertheless, transaction activity is currently characterised by a nationwide slump in demand. Although the current investment volume is still characterised by weak demand, the previous year's result (€ 411 million) was slightly exceeded at € 413 million. At 49 %, the focus was once again on the Industry and Production segment, which nevertheless accounted for 75 % in 2023. The sales volume was primarily characterised by several large transactions of over € 20 million.

Around  
**€ 120 million**  
Transaction volume  
First six months  
of 2024

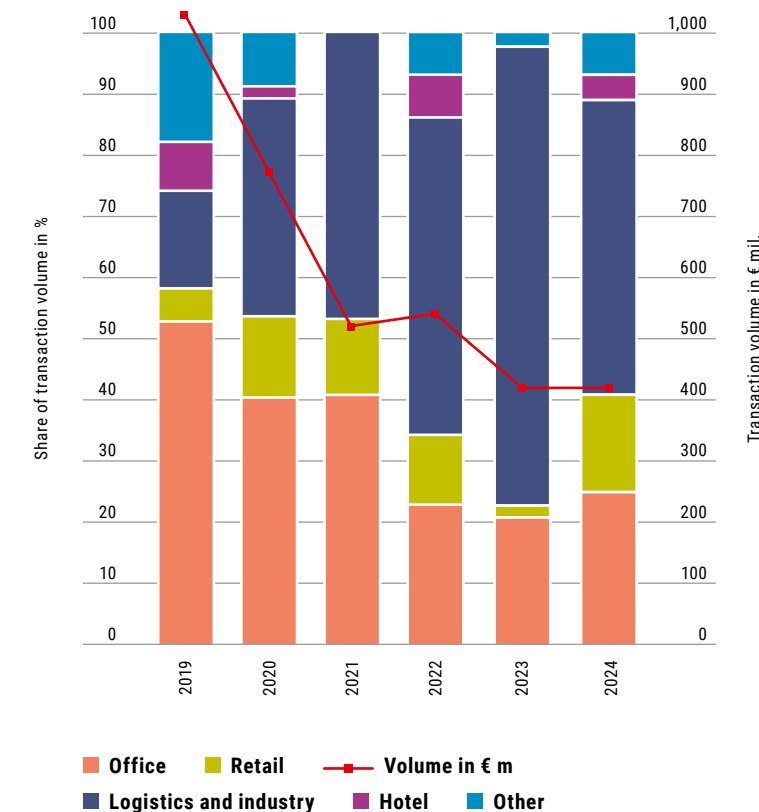
**€ 413 million**  
Transaction volume  
2024

Logistics  
and industry  
**49 %**  
share of transaction  
volume 2024

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**Transaction volume commercial real estate market**  
Distribution across market segments 2019 to 2024



Source: bulwiengesa AG, data for the Hannover Region, data status Q1/2025



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

Following the sharp decline in take-up in 2023 to 85,000 sqm of office space, the Hannover office market is showing a clear recovery with total take-up of 139,000 sqm. This almost matches the average take-up of 145,000 sqm since 2019. Many companies extended existing contracts or delayed new leases in order to adapt to hybrid working models. This phase now seems to be coming to an end, as the rising number of new leases shows.

Office vacancy rate city of Hannover  
**5,6 %**

**4.69 million** square metres of existing office spaces  
City of Hannover

Highest office rental in the city  
**€ 21.40/m<sup>2</sup>**

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## Office

<b>Office rental space 2024 in m² MF-G</b>	<b>5.20 m</b>
Hannover city	4.69 m
Surrounding towns of Garbsen, Laatzen and Langenhagen	0.51 m
<b>Office space turnover 2024 in m² MF-G</b>	<b>85,000</b>
Hannover city	124,000
Surrounding towns of Garbsen, Laatzen and Langenhagen	15,000
<b>Vacancy rate 2024 in m² MF-G</b>	<b>292,000</b>
Hannover city	250,000
Surrounding towns of Garbsen, Laatzen and Langenhagen	42,000
<b>Vacancy rate 2024</b>	<b>5.6 %</b>
Hannover city	5.3 %
Surrounding towns of Garbsen, Laatzen and Langenhagen	8.2 %
<b>Peak rent 2024 in m² MF-G</b>	
City	21,40
city periphery	16,50
<b>Average rent 2024 in m² MF-G</b>	
City	15,30
city periphery	12,50
<b>Net initial yield in prime city locations 2024</b>	<b>4,9 %</b>

Source: bulwiengesa AG; Surveys by the Hannover Region; Information from market participants, data as at Q1/2025

Note: Definition of space in accordance with the guidelines of gif Gesellschaft für immobilienwirtschaftliche gif Gesellschaft für Immobilienwirtschaftliche Forschung e. V. for the calculation of for commercial space



# Hesitancy, in view of the overall difficult economic situation

In 2024, the market for logistics and production properties saw another year-on-year decline from 230,000 to just over 130,000 square meters, after a record 420,000 square meters were taken up in 2022. This will continue in 2024, with take-up of just over 130,000 square meters. The last time such a low level of take-up was recorded was between 2012 and 2016.

Logistics  
premises take-up  
**131,000 m<sup>2</sup>**  
of 2024

Highest rental rate  
**€ 6.40**  
**per m<sup>2</sup>**

Available  
logistics premises  
**4.1 million m<sup>2</sup>**

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## Logistics and production

Logistics space available in 2024 in m <sup>2</sup>	4.1 m
of which investable space (built after 01/2014)	1.3 m
Logistics space turnover in 2024 in m <sup>2</sup>	131,000
of which rentals	109,000
of which owner-occupied	22,000
Rents in prime locations 2024	
Peak rent in €/m <sup>2</sup>	6.40
Average rent in €/m <sup>2</sup>	5.00
Net initial yield of logistics centres in prime locations 2024	4.8 %

Data status: Q1/2025

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.



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

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.

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

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## 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



# 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

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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 2024 in €	9.05 m
Hannover city	4.14 m
Surrounding area	4.91 m
Retail sales 2024 in €	8.57 m
Hannover city	4.38 m
Surrounding area	4.19 m
Rents 2024	
Peak rent, prime city location, in €/m²*	160
Average rent, prime city location, in €/m²*	125
Yields 2024	
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



Upward trend is continuing, over 4 million overnight stays in the city and the surrounding 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.

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#### 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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You can find information about current projects,  
further data and maps at:  
**[www.immobiliemarktbericht-hannover.de](http://www.immobiliemarktbericht-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.





**Region Hannover**

Landeshauptstadt

**Hannover**

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