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PROPERTY MARKET REPORT 2025 COMPACT

WIRTSCHAFTSFÖRDERUNG



Region Hannover

Investment market stabilises

The German property market was once again characterised by uncertainty in the first half of the year. Fluctuating conditions on national and international markets make reliable forecast difficult. Depending on the sector, the situation continues to cause reluctance with regard to investments as well as lower take-up.

After the sharp declines experienced between 2020 to 2022, the Hannoverian investment market has stabilised at a level of just over 400 million euros in the past two years. On average, annual take-up of around 650 million euros has been achieved over the last ten years.

Currently, transaction activities are characterised by stable demand. In the first six months of 2025, the recorded volume of finalised deals in Hannover amounted to around 160 million euros. Initial transactions at the beginning of the second half of the year point to a strong second half.

€413 million
transaction
volume in 2024

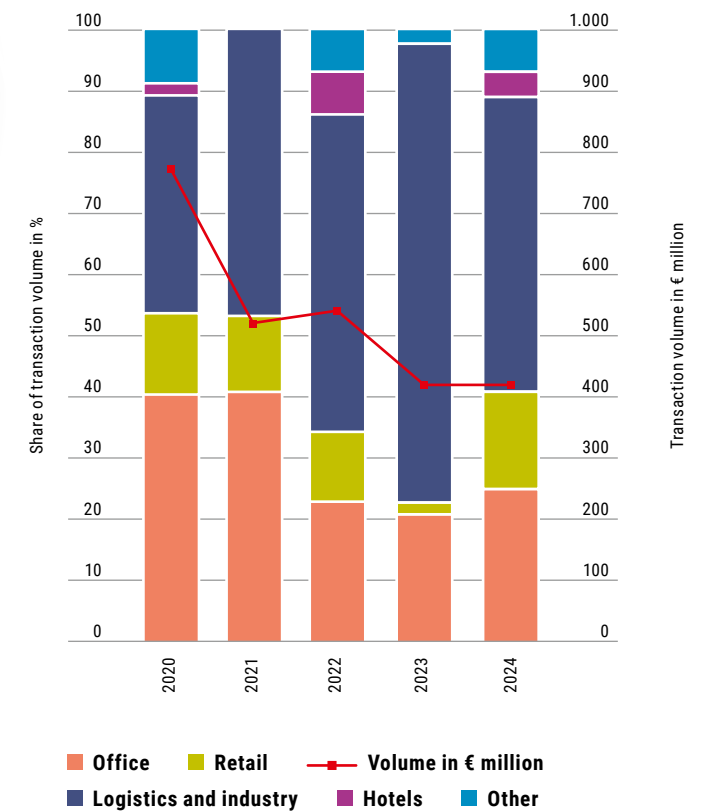
Around
€160 million
transaction volume
in 1st half of 2025

Logistics and
industry
49%
share of transaction
volume in 2024

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Transaction volume commercial real estate market
Distribution across market segments 2010 to 2024



Source: bulwiengesa AG, data for the Hannover region, data as at Q2/2025

Recovery on the market – companies focus on better location and higher quality

By mid-2025, around 63,000 square meters of office space had already been taken up – more than in the first half of 2024 (50,000 square meters). Take-up for the full year is expected to exceed 120,000 square meters. The market is thus stabilising at the level it had reached before the slump in 2022. Between 2020 and 2024, average take-up was around 135,000 square meters, with almost 140,000 square meters taken up last year.

Clear trend: Companies are increasingly looking for more attractive locations and quality when renting. At the same time, individual space requirements are decreasing, as new workplace concepts and more home offices enable smaller and more efficient offices.

For the highest rents, market participants therefore expect a significant increase to up to 24.50 euros per square metre – compared to 21.50 euros in the previous year.

Office vacancy rate
5,8%
for the city of Hannover

4.74 million sqm
existing office space in the city of Hannover

Highest rental rate
€24.50/sqm

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Office space

Existing office rental space 2025 in sqm MF-G	5.25 m
Hannover city	4.74 m
Surrounding towns of Garbsen, Laatzen and Langenhagen	0.51 m
Office space take-up 2024 in sqm MF-G	139,000
Hannover city	124,000
Surrounding towns of Garbsen, Laatzen and Langenhagen	15,000
Office space take-up 1st half of 2025 in sqm MF-G	63,000
Hannover city	60,000
Surrounding towns of Garbsen, Laatzen and Langenhagen	3,000
Vacancy 2025 in sqm MF-G	323,000
Hannover city	273,000
Surrounding towns of Garbsen, Laatzen and Langenhagen	50,000
Vacancy rate 2025	6.1%
Hannover city	5.8%
Surrounding towns of Garbsen, Laatzen and Langenhagen	9.7%
Peak rent 2025 in €/sqm MF-G	24.50
Net initial yield in prime locations 2025	5.2%

Source: bulwiengesa AG; Hannover region surveys; information provided by market stakeholders, data as at Q3/2025

Note: Definitions according to gif (Gesellschaft für Immobilienwirtschaftliche Forschung e. V., German real estate market research association); MF-G = commercial rental space (Mietfläche-Gewerbe)

New construction projects about to start, rents rising

In 2024, the regional market for logistics and production real estate closed weakly, with take-up of just over 130,000 square meters. The first half of 2025, which saw take-up of around 85,000 square meters, does not yet show a clear reversal of this trend, although take-up seems to be stabilising as rents rise.

Despite the slowdown of the German economy and an uncertain situation with regard to international supply chains and tariff restrictions, demand for rapidly available new logistics space will continue to shape the market in the medium term. Several projects in the Hannover region are almost completed and will be available to the market shortly.

131,000 sqm
logistics space
take-up in 2024

Highest
rental rate
€6.60/sqm

Available
logistics space
4.2 million sqm

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Logistics and production

Existing logistics space 2025 in sqm	4.2 m
of which investable space (built after 01/2016)	1.4 m
Logistics space take-up 2024 in sqm	131,000
of which rentals	109,000
of which owner-occupied	22,000
Logistics space take-up 1st half of 2025 in sqm	85,000
of which rentals	85,000
of which owner-occupied	–
Rents for prime locations 2025	
Peak rent in €/sqm	6.60
Average rent in €/sqm	5.10
Net initial yield Logistics centres in prime locations 2025	4.9%

All values relate to the Hannover region.

Source: bulwiengesa AG; Hannover region surveys; the existing space figure is an extrapolation based on surveys regarding the existing space in Q4/2022, information provided by market stakeholders, data as at Q3/2025, and own calculations.

High demand, little new construction: Market situation remains tense

The demand for housing in Hannover remains high. Nevertheless, construction activity in the city and surrounding area of Hannover is currently settling at a low level. In 2024, only around 2,600 residential units were completed. The fact that permit numbers are also falling indicates that the situation is unlikely to ease in the medium term.

It remains to be seen how quickly the new amendment to the Lower Saxony Building Code will take effect and promote residential construction, both with regard to new builds and conversion of existing buildings. Investors and project developers had recently kept a closer eye on developments, which led to delays and hesitancy, especially with regard to new projects.

Highest rental rate
€18.20/sqm
for new builds

Around **2,600**
homes completed
in the city and
surrounding
areas in 2024

Leading group
€6,550/sqm
for owner-occu-
pied new builds

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Housing

Permits 2024 (residential units)

Hannover city	933
Surrounding area	1,685

Completions 2024 (residential units)

Hannover city	1,234
Surrounding area	1,374

Rentals 2025

New build, peak rent in €/sqm	18.20
New build, average rent in €/sqm	14.40
Re-rental, peak rent in €/sqm	14.50
Re-rental, average rent in €/sqm	10.80

Purchases 2025

Owner-occupied new build flats, leading group in €/sqm	6,550
Owner-occupied new build flats, average in €/sqm	5,200

Multipliers 2025

Multi-family dwellings, leading group	23.0
Multi-family dwellings, average	19.5

The values for rentals, purchases and multipliers refer to the regional capital Hannover.

Source: Landesamt für Statistik Niedersachsen (Federal State of Lower Saxony Office for Statistics), bulwiengesa AG; information provided by market stakeholders, data as at Q3/2025

Note: The data for completions and permits refers to the construction of new residential buildings and construction work on existing buildings.

Hannover remains attractive for retail and gastronomy

The Hannover region is one of Germany's highest turnover-generating retail locations. For 2025, sales of around 8.73 billion euros are expected in the retail sector, over 160 million euros more than in the previous year.

After some difficult years, Hannover's prime city locations such as Georgstrasse, Grosse Packhofstrasse, Bahnhofstrasse and Karmarschstrasse are now attracting more customers again. In the surrounding area, the retail landscape is dominated by specialist retail store parks, shopping centres, local high streets and attractive town centres.

€9.08 billion
retail-relevant
purchasing power

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Retail
centrality value
122.8
city of Hannover

Highest rental
rate is
€150/sqm

Retail

Retail centrality 2025 (Germany = 100)	
Hannover city	122.8
Hannover region (incl. Hannover city)	110.1
Retail purchasing power 2025 in	
Hannover city	4,10 bn
Hannover region (incl. Hannover city)	4,98 bn
Retail turnover 2025 in €	
Hannover city	4,40 bn
Surrounding area	4,33 bn
Rentals 2025	
Peak rent, prime city location in €/sqm*	150
Average rent, prime city location in €/sqm*	120
Yields 2025	
Net initial yield in prime locations*	4.8%
Net initial yield in specialist retail centres	5.5%

* Bahnhofstrasse, Grosse Packhofstrasse, Georgstrasse

Source: MB Research 2025; estimates from market participants, data as at Q3/2025

Hotel market on the up – more than four million overnight stays in 2024

The number of overnight stays in the state capital of Hannover reached a new high of 2.38 million in 2024. In addition to classic business travel to leading trade fairs, this growth is increasingly attributable to tourist travel to popular major concerts and a broader range of conference activities and corresponding MICE events (meetings, incentives, conventions and exhibitions).

The attractiveness of Hannover as a location for the hotel real estate industry is underlined by numerous projects. Since the beginning of 2020, ten hotels with a total of around 1,500 rooms have opened in the Hannover city. Further new buildings are planned or already under construction.

Around **16,350** beds in hotels in the city and surrounding areas in 2024

4.03 million overnight stays in 2024

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114 hotels in the city and surrounding areas in 2024

Hotels

Number of tourist accommodation establishments 2024	349
Hannover city	131
Surrounding area	218
Of which hotels 2024	114
Hannover city	46
Surrounding area	68
Number of beds (all accommodation types) 2024	34,026
Hannover city	17,088
Surrounding area	16,938
Beds in hotels 2024	16,334
Hannover city	10,599
Surrounding area	5,735
Overnight stays (all accommodation types) 2024	4.03 m
Hannover city	2.38 m
Surrounding area	1.65 m
Overnight stays in hotels 2024	2.15 m
Hannover city	1.44 m
Surrounding area	0.71 m
Arrivals (all accommodation types) 2024	2.24 m
Hannover city	1.44 m
Surrounding area	0.79 m
Average length of stay in days (all accommodation types) 2024	
Hannover city	1.7
Hannover region (incl. Hannover city)	1.8
Key figures for chain hotels in Hannover city 2024	
Occupancy	62.5
Room rate in €	106.00
RevPAR (revenue per available room) in €	66.00
Net initial yield for leading hotel group 2025	5.9%

Source: Landesamt für Statistik Niedersachsen (Federal State of Lower Saxony Office for Statistics); MKG Consulting, data as at Q3/2025

Data for the hotel market usually relates to the average annual value 2024

IMPRINT

The regional President

Department of Economic and Employment Promotion

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the Hannover Property Market Report as at September
2025.
Errors and omissions excepted.

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.



Current project information, further data, and maps can be found at:
www.immobiliemarktbericht-hannover.de



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