

Future Cities

A New Urban Center for Hamburg West

The New Hamburg-Altona Railway Station

VIEWPOINT

Relocating the regional and long-distance Altona railway station to Diebsteich Station situated to the north unlocks an opportunity for developing a new urban quarter in the western part of Hamburg.

CBRE RESEARCH
MAY 2024



Quarter development, combining living and working: Hamburg-Altona Station is moving to Diebsteich

Regional and long-distance Hamburg-Altona Station’s relocation will enable the creation of a new transport hub in the west of Hamburg, along with opportunities for developing a new office district.

“Mover and shaker” relocation

Relocating Altona Station 1.8 km further north to Diebsteich S-Bahn station (rapid urban transit train service) is an opportunity for significantly easing the high footfall at Hamburg’s main train station. The planned inauguration of the station in 2027 will mark the starting point for the second construction phase of the new “Mitte Altona” district with 1,900 new homes on the site of the former train station.

For the quarter surrounding the Hamburg-Altona regional and long-distance station the new site offers fresh potential for establishing an office center in part of the city that was formerly dominated by industry. Refurbishing the quarter will be decisively shaped by replanning the former ThyssenKrupp site in the northern part, redesigning the post office center, and developing the metro area in the southern part. Plans include expanding the range of cultural activities and sports on offer through a concert hall and regional league football stadium on the ThyssenKrupp site. Enhancing the quality of life is at the heart of the project, flanked by new housing and offices, in conjunction with integrating working, living and culture into one location.

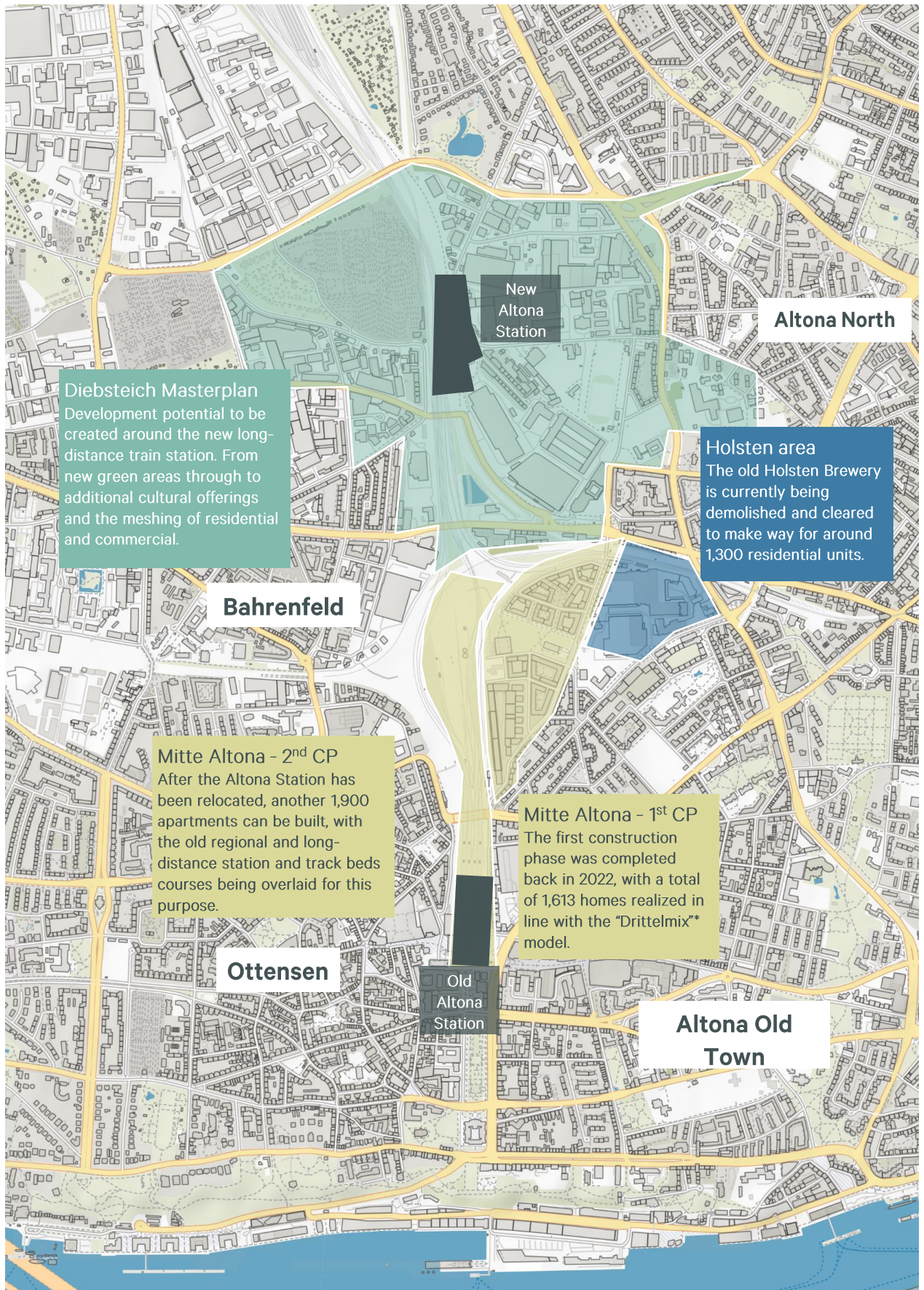
For the companies in the Hamburg-West office sub-market, Altona Station’s relocation will generally raise the location’s appeal while offering new possibilities for expansion.

Figure 1: District development opportunities for the Altona neighborhood and environs



Source: CBRE Research 2024

Figure 1: Map of Diebsteich, Mitte Altona, Holsten site



Source: CBRE Research, MapTiler, 2024

* *Drittelmix*: mixed tenure – one third publicly subsidized rental housing, one third privately financed rental housing, one third owner-occupied housing

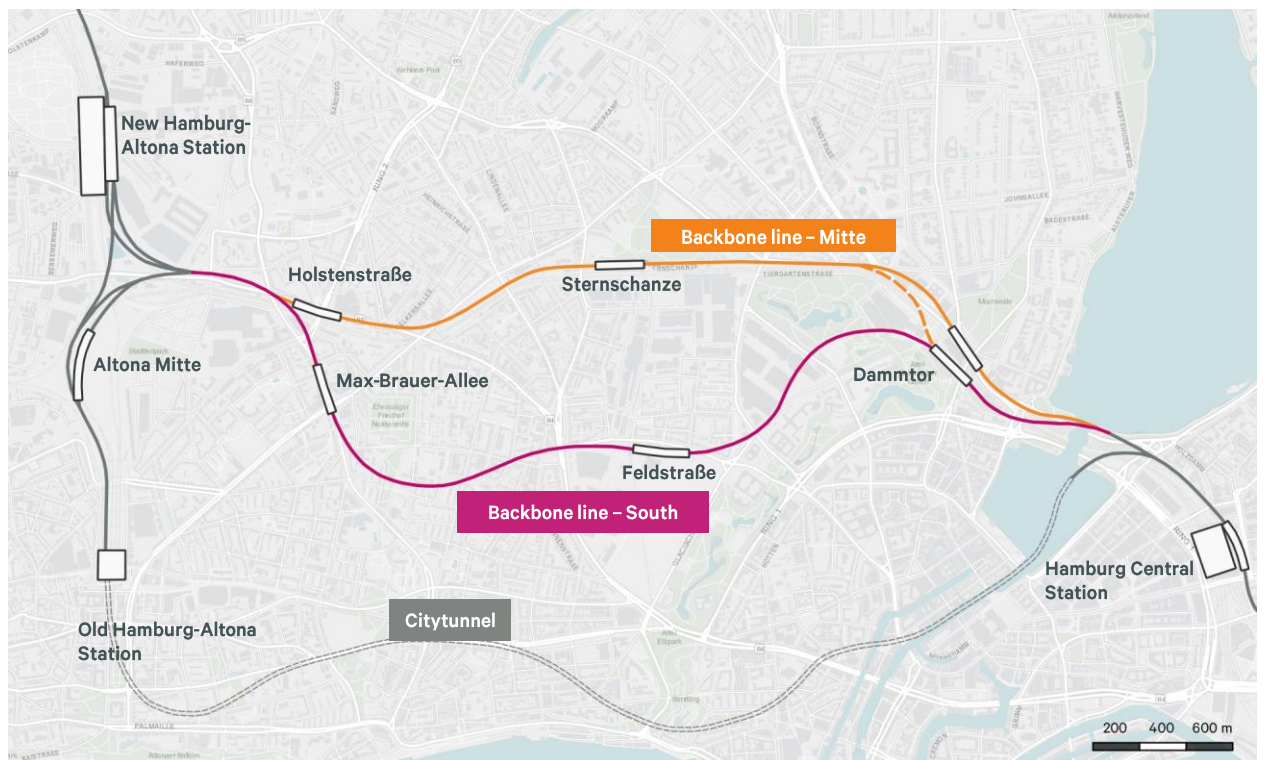
Expanding mobility options at the new Altona Station

Around 130,000 people use the Altona Station every day, 117,000 to make regional connections on the suburban rail system. Together with the regional trains, the long-distance service extends via Itzehoe as far north as Sylt and with the ICE to the south all the way to Munich. As journeying on to the main station using regional trains is not possible, passengers have to switch to the fast urban railway lines (S-Bahn).

Diebsteich S-Bahn is close to the A7 Federal Highway and borders a neighboring Jewish cemetery, along with adjacent land used for industrial purposes and allotments. The location is only connected to the public transport network via the urban railway lines S3 and S5 (formerly S21) from Pinneberg and Eidelstedt in the northwest to the public transport network and by Bus 180 from Stellingen to Altona.

The plan involving relocating the station is to create a highly efficient transport hub that will provide regional and supra-regional connections in Hamburg and to other German metropolitan areas. Four more bus lines will be added to the local transport network to improve connections to the northwest of Hamburg. The hybrid S-Bahn urban-suburban rail system is also to be expanded further over the period through to 2030, and two additional S-Bahn lines (S4, S6) will be introduced, so that four S-Bahn lines will pass through the new Altona Station. Furthermore, the location will be integrated into the system of cycle paths, and 600 bicycle stands will be provided at the station. The motorail train facility will be moved to Eidelstedt to facilitate faster and more direct access to the highway. Consultations on a new city tunnel, locally known as the “Verbindungsbahntentlastungstunnel” (VET), which would essentially be a subterranean rail link linking the main station and the new Hamburg-Altona Station, are currently under way. This tunnel would permit a total of four (instead of two) underground S-Bahn tracks and eight (instead of six) above-ground mainline tracks to be built at the new Altona station. The final decision on the route has been scheduled for the end of 2024. Depending on the route, further regional train stops are planned at Sternschanze and Holstenstraße, to be supplemented by developing the urban areas by S-Bahn stations.

Figure 2: Potential VET routes



Source: CBRE Research, ESRI, DB Netz AG, 2023

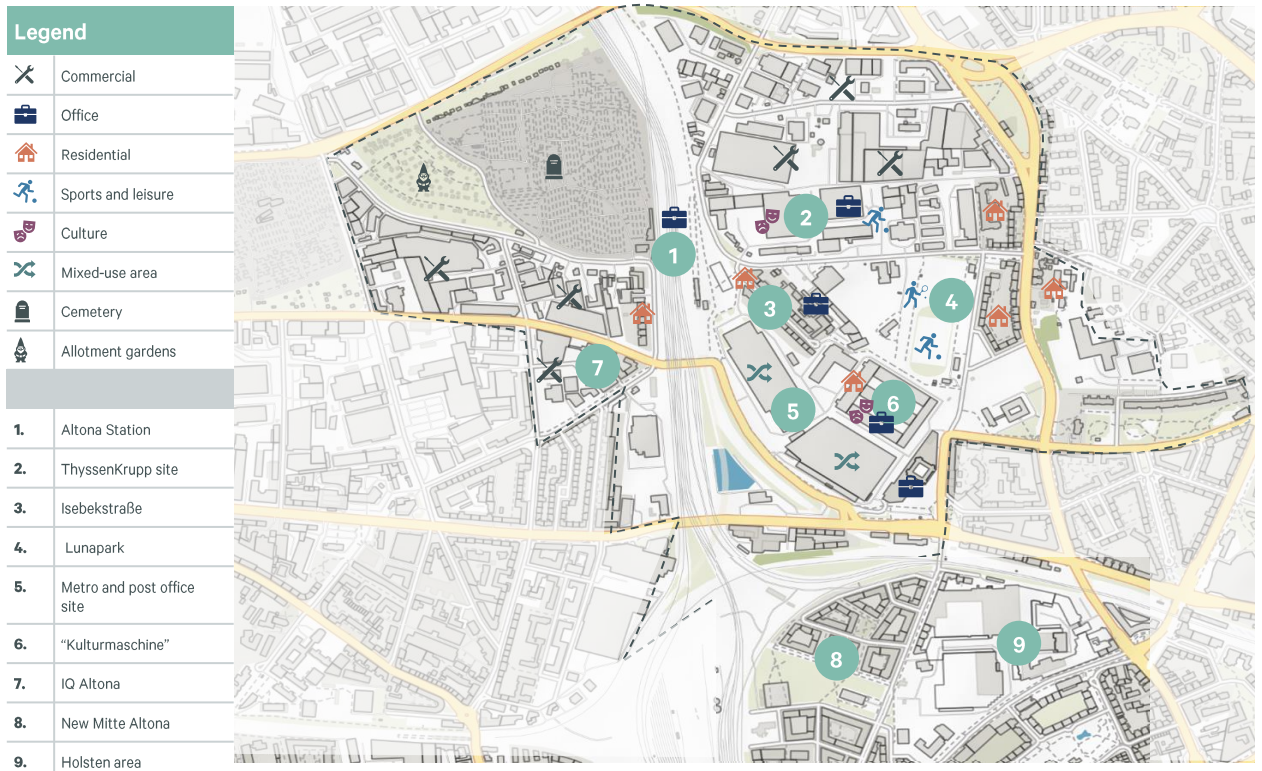
Vision 2040 as part of the Diebsteich Masterplan

While the old Altona Station is located between the vibrant districts of Ottensen and Altona-Altstadt, with residents benefiting from a diverse cultural offering and good infrastructure, the site for the new station location is still undeveloped. Local amenities and social facilities are not yet available based on old development plans, but the potential offered by the land is sufficient for conceptualizing the vision for regenerating the area through to 2040. The development plans around the station have already been adapted to the development strategy, which will allow for planning redensification and expansion of the existing commercial zone to the west. The new “IQ Altona” project with 14,000 sq m of office space will mark the start of construction work here.

The former ThyssenKrupp site lies to the east of the station and, along with more office space and additional facilities, has been earmarked for a concert hall and football stadium. Old and new housing stock is also to be preserved and redensified. Fifty-three apartments were completed along Isebekstrasse in 2023.

The Lunapark forms the green heart of the district, offering sufficient green and recreational areas for a range of different sports. A new club sports center and the expansion and/or renovation of the existing sports facilities are being planned with the involvement of clubs, residents and other stakeholders. New footpaths and cycle paths will ensure that the neighborhoods are better connected. As some of the plots are still privately owned, the planning horizon is long term.

Figure 3: Visualization of the Diebsteich Masterplan 2040



Source: CBRE Research, MapTiler, 2024

Case study: urban versatility on the ThyssenKrupp site

Due to its location directly opposite the planned regional and long-distance Altona Station, the ThyssenKrupp site is especially important from an urban development standpoint. The site has been in municipal ownership since 2017 and the competition procedure for its regeneration was completed back in 2022.

More than 100,000 sq m GFA in total will be put to mixed use and developed through to 2027. The industrial architecture is to be preserved and the existing hall converted and extended into the Hamburg Music Hall. The historic administration building is to be retained and dedicated to social facilities. In addition to a football stadium as a venue for Altona 93, a six-storey office building forms part of planning, along with a striking, staggered height complex to house offices and restaurants along Waidmannstrasse/Grosse Bahnstrasse that will stand opposite the glass station towers envisaged.

Culture, work and sport are to be combined and foster a thriving, diverse community. Synergy effects between working and living areas should emanate from the heterogeneous and diverse nature of the user groups, thereby enabling a sustainable, attractive and liveable neighborhood structure to evolve.

Spectator capacity for concert hall and stadium

5,000

Investment volume (in € million)

400

Figure 4: Winning design for the ThyssenKrupp site



Source and image rights: Architectural practice: gmp Architekten; visualization: moka-studio

Case Study: Holsten Quarter

The Holsten Quarter development is a pioneering real estate project anchored in rejuvenating the site of the former Holsten brewery in Hamburg-Altona. The aim of the project is to transform the abandoned 86,500 sq m site into a contemporary and vibrant urban quarter and to create a harmonious mix of living, working and leisure activities.

A key component consists of the mobility concept with a special focus on cycling, e-mobility and car sharing. Bicycle paths and bicycle stands will be installed, the aim being to encourage the use of bicycles as an environmentally friendly and healthy means of transportation. The e-vehicle infrastructure is also being expanded, with car-sharing models being integrated to reduce the need for individual car use.

The draft development plan was presented to the public in 2021 but approval is still pending. The site has been divided into ten building plots, and an application for building permit has been submitted for Plot 8. Open competition procedures have already been completed for two further building plots.

Gross floor area in sq m

193,300

Planned office space in sq m

36,300

Figure 5: Drone aerial view of the Holsten area



Source and image rights: 360-virtuell

“Bahnstadt” Quarter development potential

One of the most important development areas consists of the site historically known as “Bahnstadt” between Plöner Straße, Isebekstraße and Kaltenkircher Platz. The areas on which the mail distribution center and the METRO wholesale store are located are privately owned. The City of Hamburg has a separate pre-emptive right to these parcels of land and is already in possession of the other former Deutsche Post properties.

Some of the areas have already been converted and rededicated. Following the expiry of the lease with Deutsche Post (2027), the potential sale of the METRO property and the mail distribution center, the properties will be available for sustainable urban development. The City focuses its proposed use on the development of an urban quarter through to 2040 with a diverse mix of uses, dominated by cultural and creative industries and a moderate proportion of residential space to complement the adjacent Holsten site and New Mitte Altona.

In 2023, Hamburg's short film festival took place on the site of the old post office, with open air events, exhibitions, cafés and bars and visitors from all over Europe. These events illustrate the location's potential, which the City views as a hub for improved networking and as an opportunity to strengthen the cultural and creative industries in Hamburg's metropolitan region.

Gainfully employed in Hamburg's cultural and creative industry

87,000

Companies in the media and creative industry*

>17,000

Annual revenue in € billion

11

Figure 6: View of the new Bahnstadt, with the old parcel post office on the right



Source and image rights: astoc Architects and Planners, Grit Koalick
 *Chamber of industry and Commerce (IHK) Hamburg, as per 2021

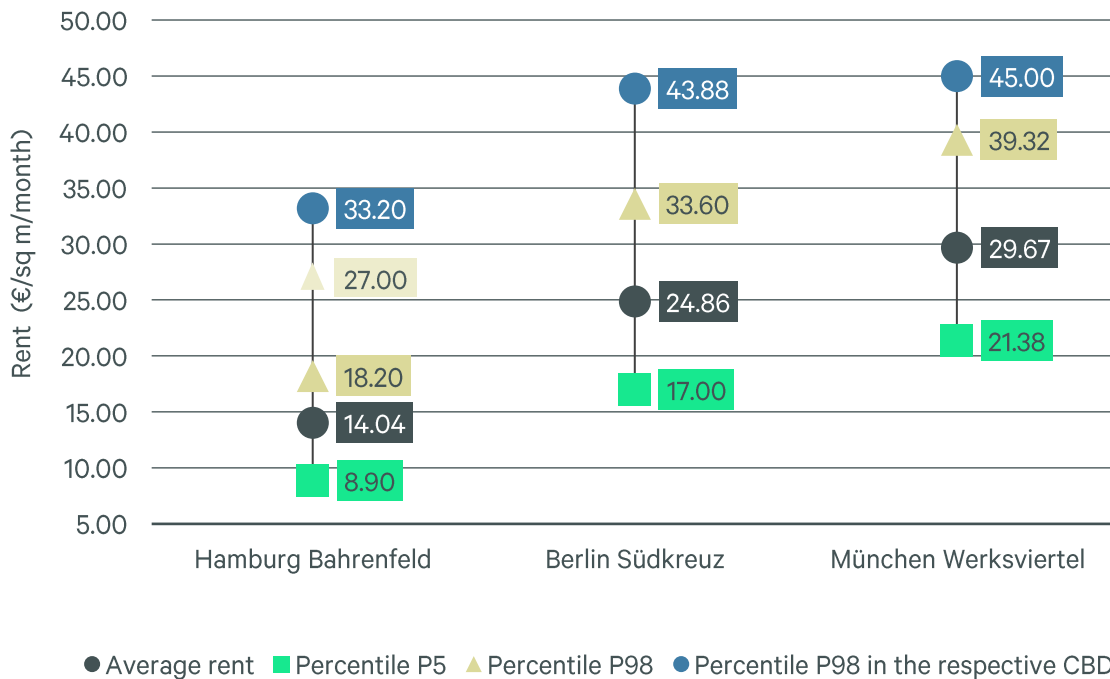
Development into a new office location in Hamburg-West office submarket

In terms of its square meterage, Hamburg West is one of the largest office submarkets in Hamburg. This area comprises the districts of Bahrenfeld, Ottensen and Altona and stretches from Kieler Strasse to the northwest city boundary. Significant district developments with complementary office projects, including the Kolbenhöfe, Otto-von-Bahrenpark, Marzipanfabrik and Kühnehöfe, have triggered fresh momentum in terms of supply and demand.

In addition to major occupiers in traditional sectors, examples being Allianz Trade (formerly Euler Hermes) and Reemtsma, Hamburg West is characterized by tech-savvy companies, start-ups, the cultural and creative industries, along with advertising service providers such as the WPP Group. Demand-side focus has so far been placed on the selective redensification in primarily residential areas such as Ottensen or around the up-and-coming Life Science Quarter at the DESY research site.

Regenerating the former ThyssenKrupp site, the Holsten Quarter and Bahnstadt will supplement and upgrade the quality of office space in the long term. The historically industrial area around Diebsteich in Bahrenfeld may possibly establish itself as a new center in the west as a result of relocating the train station and thanks to the improved infrastructure connections to local and long-distance transport and the planned neighborhood mix. With the new, contemporary space on offer in Bahrenfeld, a positive uptrend in office rents can be expected in the long term, both for the micro-location and for Hamburg West as a whole. Similar district developments already exist around Munich's Ostbahnhof and at Südkreuz Station in Berlin. Compared with these two locations, Hamburg Bahrenfeld offers upside potential of around 50%, signifying that prime rents of €27 per sq m and month are entirely realistic for Hamburg West.

Figure 7: Upside potential as illustrated by Berlin Südkreuz and München Werksviertel (2018-2023)



Source: CBRE Research 2024

Sustainable Development in international competition

The development around the new Altona Station is structured as a staged process. Construction work at Diebsteich is already fully under way. The commissioning of the Altona regional and long-distance station in 2027, along with the modernization of the transport network, is therefore not at risk at the present point in time. By contrast, implementing the urban master plan necessitates a long-term view and determination on the part of the respective stakeholders to integrate and implement innovative ideas.

The new transport hub unlocks the potential for the west of Hamburg to be perceived even more strongly as an attractive business location.

The balanced mix of living, working and leisure activities contributes to upgrading the district while sustainably enhancing the quality of life and the surroundings. In developing forward-looking neighborhoods, the City of Hamburg can position itself competitively in the domestic and international arena for skilled workers and companies alike, thereby reinforcing its economic strength.

“

The development at Diebsteich harbors the potential for underpinning growing demand for urban living in mixed-use quarters. The infrastructure environment, in combination with high quality office projects at moderate rents, will attract corporates in particular that will leave their mark on the location by generating momentum (or as place makers).

Julian Zadeh
Managing Director
CBRE Hamburg

”

Figure 8: Key components for the Center in the West of the Future



Expanding local and long-distance public transport and supplementing mobility services are key determinants. Well conceived infrastructure, accompanied by an efficient transport concept, connects up the neighborhoods, facilitates access, and increases the location’s recreational quality for all user groups.



Well balanced mixed usage combines economic efficiency with social and ecological objectives. Creating jobs in the immediate vicinity of residential areas and social and leisure facilities strengthens the local economy and cements sustainable synergies between work, living and leisure.



Coordinated cooperation between investors, developers and the public sector is essential. Collaboration hinges on a long-term perspective designed to promote sustainable developments and on a determination to integrate and implement innovative ideas.



Involving stakeholders through participation and co-determination guarantees that the various participant groups are taken into account and ensures inclusive and integrative neighborhood development. An approach of this kind promotes a vibrant and diverse community that meets the needs of its residents and users.

Source: CBRE Research 2024



Source and image rights: 360-virtuell

Contacts

Julian Zadeh
Managing Director
Head of A&T Office
julian.zadeh@cbre.com

Marc Rohrer
Managing Director
Head of Investment
marc.rohrer@cbre.com

Dr. Jan Linsin
Managing Director
Head of Research Germany
jan.linsin@cbre.com

Alicia Cinar
Senior Analyst
Research Germany
alicia.cinar@cbre.com

© Copyright 2024. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.