

G&B Real Estate Market Survey

Commercial | Industrial & Logistics

2023/Q1-4

Hamburg and Environs



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Weak result for the year due to lack of large-volume agreements

In 2023 take-up of space in industrial and logistics real estate in the Hamburg region totalled some 290,000 m². This result fell well short of expectations and was 45% below the figure posted in the prior year. This steep drop was largely due to the lack of agreements for more than 10,000 m² of space. In this size category take-up was a mere 90,000 m² made up of six separate agreements. Year on year this translates into a fall of 70%. In general, however, there was a brisk market for small to mid-sized properties in Hamburg. Overall, despite the low volume of take-up, only 14% fewer leases and construction starts for owner-occupiers were agreed than in the prior year.

Rents rise to new highs

Both average and premium rents had reached new highs by the end of the year. Year on year premium rents rose by 10.7% to €8.30/m²/month. At the same time average rents rose by 6.9% to €6.20/m²/month. In view of the ongoing shortage of available space, rates will probably rise further during the year ahead.

Logistics firms take the top slot

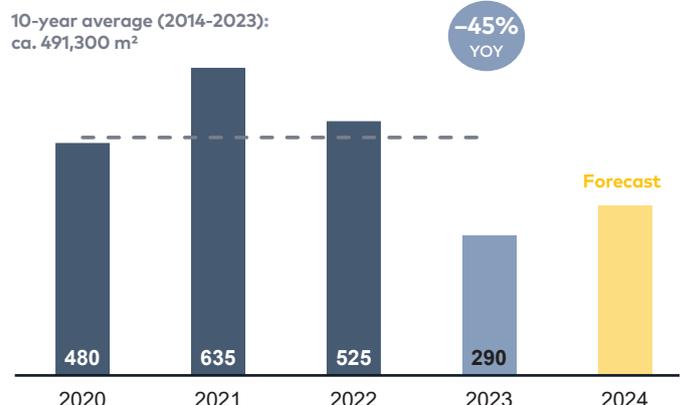
Once again, logistics firms and forwarders were the dominant players on the market. Seven of the ten biggest agreements were signed by logistics companies. These include the two biggest agreements of the year, one signed by TST Logistics in Neu Wulmstorf and the start of construction on an extension to Nagel Group's logistics centre in Hamburg-Allermöhe. Logistics companies accounted for a share of some 40%.

Felix Krumreich | Consultant for Industrial & Logistics

>> Against the backdrop of economic uncertainties, demand for industrial and logistics properties is rather less urgent than it has been. One may assume that caution will prevail at the start of 2024. Nevertheless, there is still a shortage of logistics space in and around Hamburg, above all of the kind of new-build premises the market needs. Total take-up of space is therefore likely to be less than the long-term average. <<

Take-up of space

2020-2024 | Hamburg region | in 000s m² | incl. owner-occupiers



Source: Grossmann & Berger GmbH

Industrial & Logistics

Hamburg and Environs | Key Facts

2023/Q1-4



Top contracts

2023/Q1-4 | Hamburg region | Selection

1 | **TST Logistics** | ca. 20,500 m²
Neu Wulmstorf | Environs South-West

2 | **Nagel Group** | owner-occupier | ca. 15,000 m²
Hans-Duncker-Strasse 12 | Hamburg East

3 | **Pandora Group** | ca. 14,800 m²
Bredowstrasse 34 | Hamburg East

4 | **MediaMarktSaturn** | ca. 14,600 m²
Am Altenwerder Kirchtal 1-3 | Hamburg South

5 | **IGEPA Group** | ca. 13,600 m²
Stemwarder Landstrasse 15a | Environs East

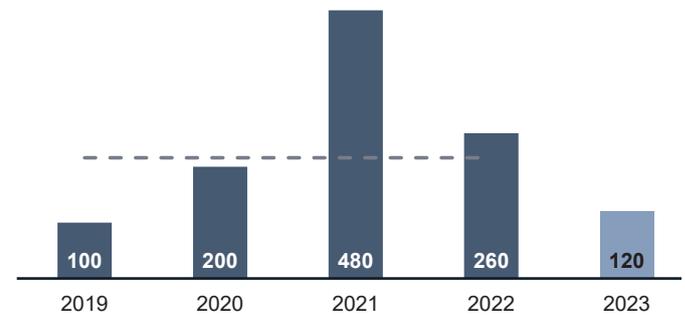
Transaction volume

2019-2023 | Hamburg | Industrial & Logistics | in € m

10-year average (2014-2023):
ca. €216m

year-on-year
change

-54%



Source: Grossmann & Berger GmbH

Market outlook | Industrial & logistics

Availability of space determines what happens on the market

Take-up of space: The shortage of available space continues to determine market activity in the Hamburg region. Large, modern premises are in especially short supply. In the year ahead take-up of space is expected to fall below the long-term average.

Rents: Further increases in rental charges may be expected since demand continues to exceed supply.

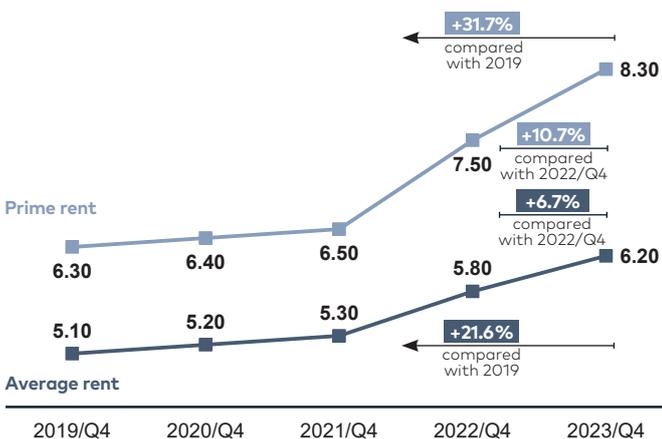
Available space: The supply of logistics space in the Hamburg region will not improve greatly in the near future. New build activity is shrinking noticeably due to the rise in borrowing and construction costs and the lack of building land. At present it is rare for a developer to start a speculative building project.

Transaction volume: In anticipation of a more stable business environment and, possibly, softening interest rates over the course of the year, it is expected that the market will revive a little and more investment transactions will be concluded. Industrial and logistics properties are relatively secure investments because demand for space is greater than the supply and there is potential for rent increases.

Yields: Yields on industrial and logistics properties have risen appreciably year on year. Recently first signs of a return to stability were noted. Because it is more difficult to obtain loans, yields remain under pressure even if there are no increases in interest rates.

Industrial & logistics rents

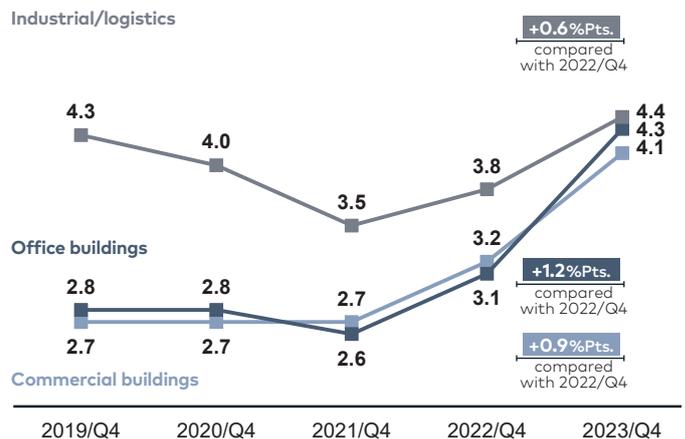
2019-2023/Q4 | Hamburg region | in €/m²/mth (net)



Source: Grossmann & Berger GmbH

Prime yields

2019-2023/Q4 | Hamburg | (Net) initial yield | in %

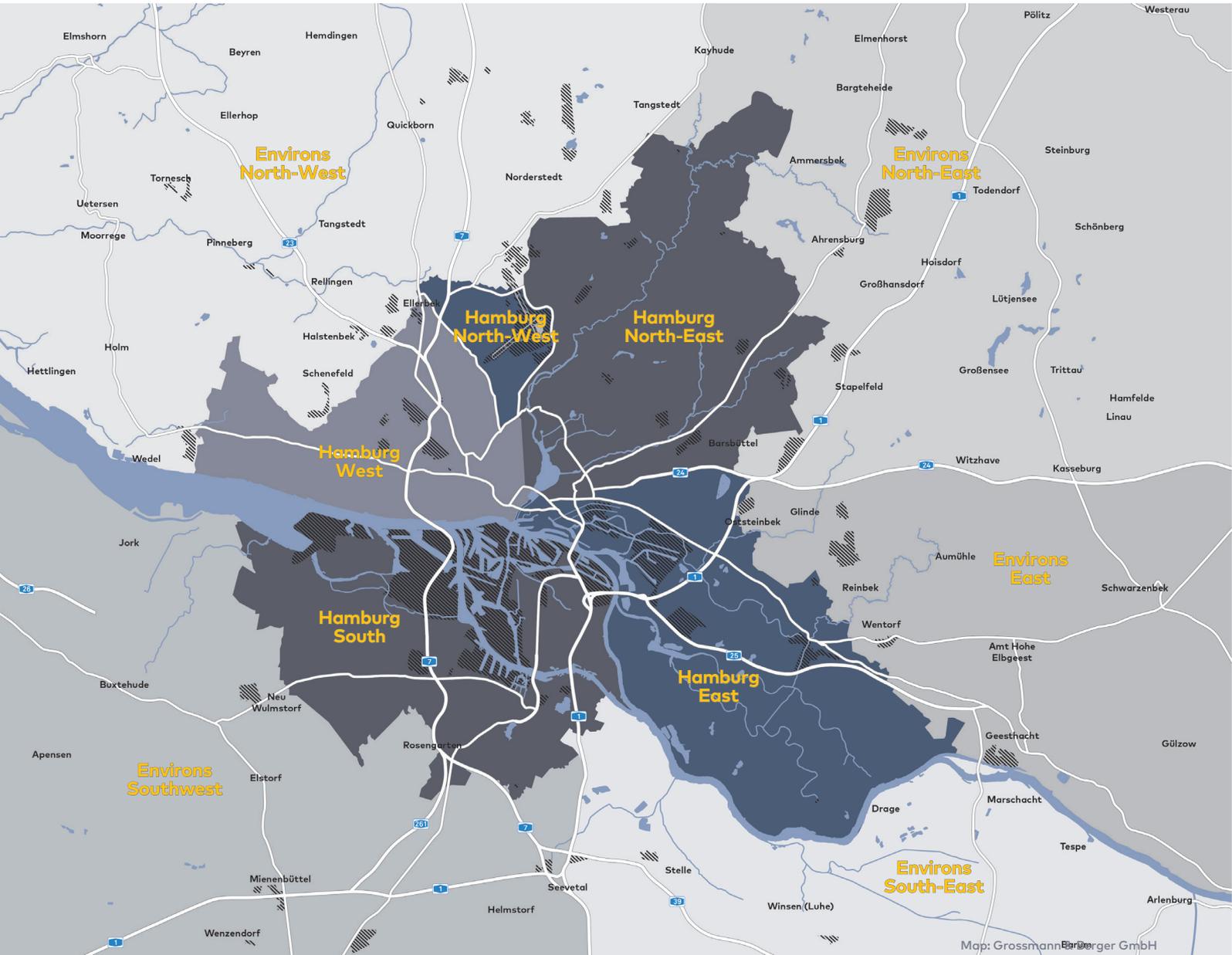


Source: Grossmann & Berger GmbH

Industrial & Logistics

Hamburg and Environs | Sub-markets

2023/Q1-4



Hot Spots

2023/Q1-4 | Hamburg region | distribution of space take-up

Hamburg

142,700 m² | -47%

Take-up of space
year-on-year change

- 1 | Hamburg East
59,500 m² | -34%
- 2 | Hamburg South
48,700 m² | -68%
- 3 | Hamburg North-East
27,800 m² | +3%
- 4 | Hamburg West
3,500 m² | -51%
- 5 | Hamburg North-West
3,200 m² | -14%

Environs

147,300 m² | -43%

Take-up of space
year-on-year change

- 1 | Environs North-West
51,300 m² | -13%
- 2 | Environs East
36,500 m² | -27%
- 3 | Environs South-West
25,500 m² | +120%
- 4 | Environs North-East
18,300 m² | -77%
- 5 | Environs South-East
15,700 m² | -72%



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We draw your attention to the fact that all statements made here are non-binding. Most of the information is based on third-party reports. The sole intention of this market survey is to provide general information for our clients.

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