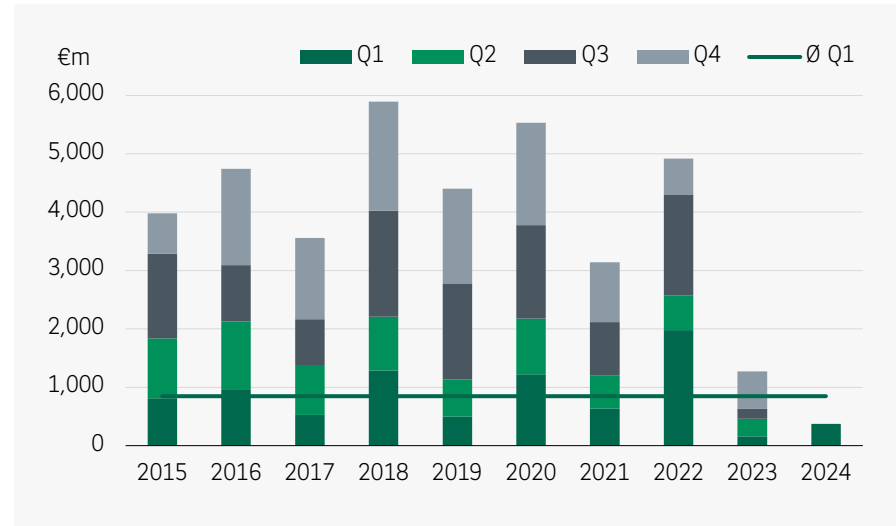


HAMBURG

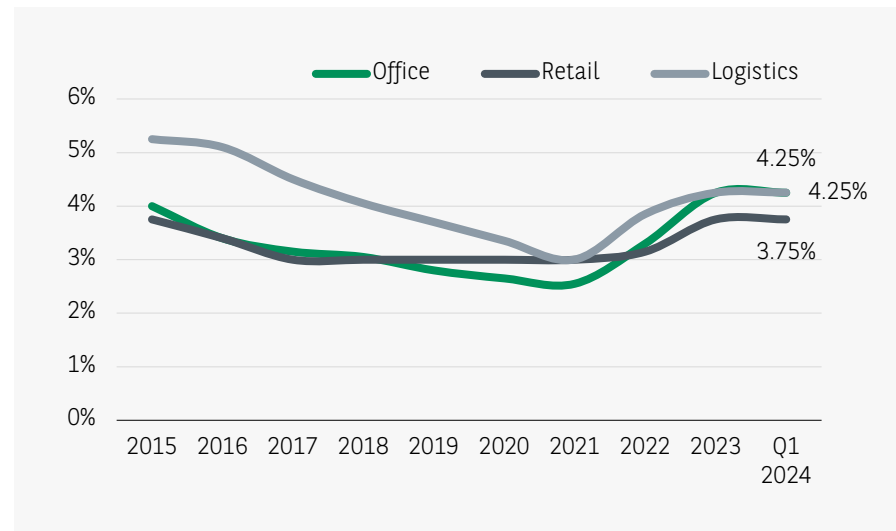
# REPORT INVESTMENT MARKET

Q1 2024

## Development of investment volume



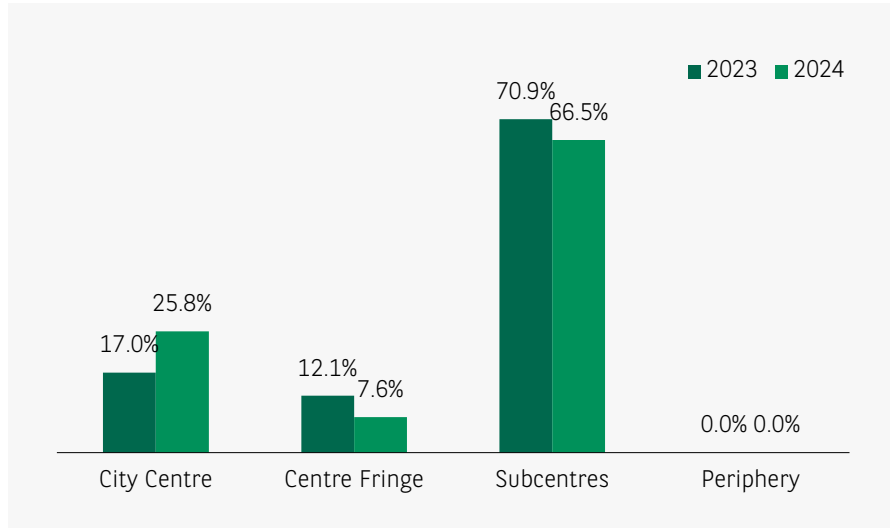
## Net prime yields by type of property



## HAMBURG THIRD STRONGEST INVESTMENT MARKET BEHIND MUNICH AND BERLIN

- In the first quarter of 2024, the Hamburg investment market continues to be confronted with the changed conditions (new interest rate regime, geopolitical uncertainties and weak economic environment). Commercial properties totalling around €376 million were traded in the first three months.
- Although this exceeded the relatively weak result from the same quarter of the previous year (€161 million) by 133%, it is still 56% below the long-term average (average 10 years: €846 million). Like the other top German cities, Hamburg's investment market is therefore still in a consolidation phase.
- In a comparison of the A-cities, the logistics sector with €81 million (highest turnover in Germany) and the office property market with €144 million (second highest turnover in Germany after Munich) in Hamburg are relatively robust.
- Hamburg's investment volume is also some way behind the very strong Munich investment market (€1.28 billion) and the Berlin investment market (€457 million).
- Year-on-year, prime yields for office properties rose by 70 basis points (to 4.25%) and by 30 basis points each for high street properties (to 3.75 %) and logistics properties (to 4.25%). Compared to the fourth quarter of 2023, however, the prime yields remained unchanged in each case.

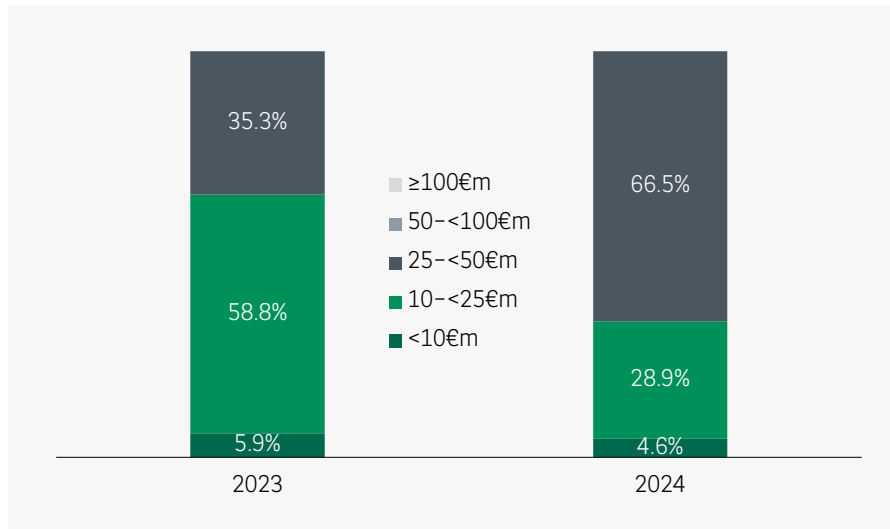
### Investments by location Q1



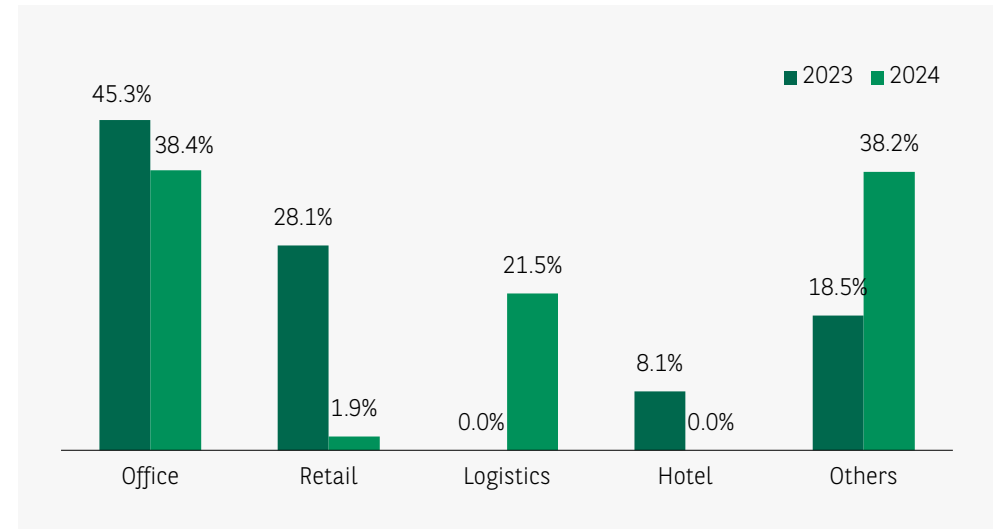
### HIGH DEMAND FOR PROPERTIES IN SUBCENTRES

- Around two thirds of the investment volume (67 %) is attributable to the Subcentres. With an investment volume of €250 million, they are also robust in absolute terms in a long-term comparison (average 10 years: €289 million), with transactions in the logistics sector and development sites contributing to this. In contrast, although more was invested in the City Centre than in the same quarter of the previous year (€97 million), the long-term average (-71%) was not reached, which is due to the more complex pricing process and the general lack of product.
- The high share of 38% of the total volume in the other category is due to a number of transactions involving mixed-use properties and development sites, such as the Freudenberger site in Hamburg-Harburg (Subcentres).

### Investments by € category Q1



### Investments by type of property Q1



## OUTLOOK

- In the first three months of 2024, Hamburg's investment market was comparatively solid at a consolidated level. Hamburg recorded the third-highest investment volume behind Munich and Berlin and can look back on a significantly better start to the year than last year.
- Nevertheless, in absolute terms, the investment volume remains at a low level compared to the long-term average. The changed framework conditions continue to determine the Hamburg investment markets. This is currently reflected in particular in the reluctance of investors to buy in the office property and retail sectors. On the other hand, the above-average portfolio share of 24% (average 10 years: 19%) and the keen interest shown by foreign investors (51% market share) are the first positive signs that the consolidation phase is likely to be coming to an end.
- The unchanged prime yields compared to the fourth quarter and the valuation corrections that have already been largely completed indicate that the pricing phase is already well advanced. Against the backdrop of falling inflation in recent months and a persistently weak economic environment, there are increasing signs that the ECB is likely to switch back to a more expansive monetary policy in the course of the second half of the year. More favourable financing costs, greater planning certainty and the prospect of the economic engine picking up again point to a revival of the Hamburg investment market over the remainder of 2024.

### Key facts investment market Hamburg

INVESTMENT VOLUME	Q1 2023	Q1 2024	CHANGE
Total (€m)	161	376	+132.9%
Portfolio share	18.2%	24.0%	+5.8%pts
Share above €100 million	0.0%	0.0%	+0.0%pts
Office share	45.3%	38.4%	-6.9%pts
Share of city locations	17.0%	25.8%	+8.8%pts
Share of foreign investors	0.0%	51.0%	+51.0%pts

NET PRIME YIELDS	Q1 2023	Q1 2024	CHANGE
Office	3.55%	4.25%	+70bps
Retail	3.45%	3.75%	+30bps
Logistics	3.95%	4.25%	+30bps

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