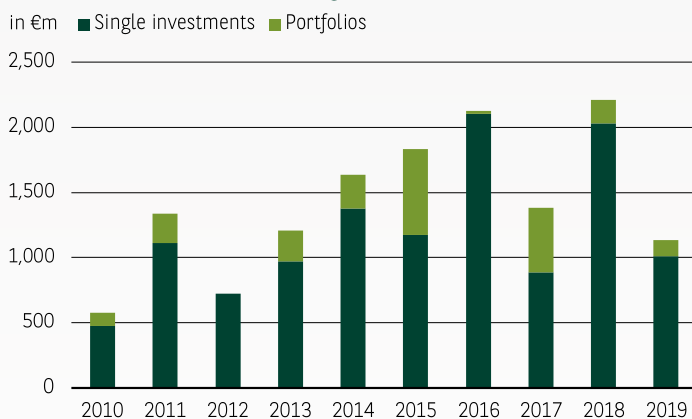




At a Glance **Q2 2019**

# INVESTMENT MARKET HAMBURG

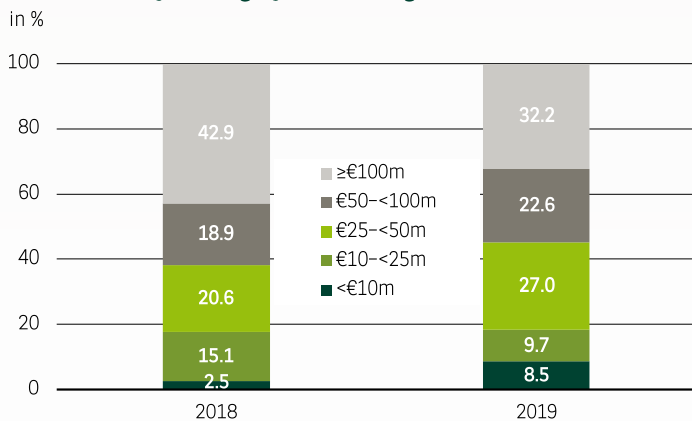
## Investment volume in Hamburg H1



## ➤ OFFER LIMITS INVESTMENT VOLUME SIGNIFICANTLY

The transaction volume of the Hamburg investment market in the first half of 2019 is around €1.14 billion, almost 49% lower than the outstanding result of the previous year. However, the fact that significantly less investment was made than in the previous year is by no means an indication of a decline in demand. On the contrary, there is a lack of corresponding offer in almost all segments, so that noticeably fewer properties were sold overall than in previous years. The lack of a suitable product in the core segment is particularly pronounced, although it is particularly in demand in the current market environment. In contrast to other A-locations such as Berlin, Frankfurt or Munich, no transactions above €200 million were observed in the Hanseatic City in the first six months, which is also reflected in the decline in the average volume per property to €27 million. The largest deals in the Elbe metropolis include the resale of the "Burstah Ensemble" project site in the city to a company of the Tchibo heirs and the sale of the ModeCentrum Hamburg (MCH) to GLO Properties.

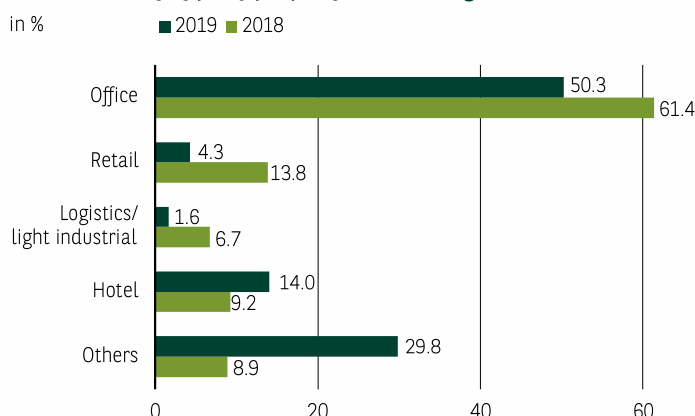
## Investments by € category in Hamburg H1



## ➤ BALANCED DISTRIBUTION BY SIZE CLASSES

As in the previous year, the investment volume is distributed very evenly across the various size classes. Approximately 55% of the investment are accounted for by properties of €50 million or more. In the same period of the previous year, around €1.4 billion was invested in these two categories, more than the total transaction volume to date. This comparison illustrates the supply bottleneck in the upper two-digit and three-digit million range. Overall, however, volumes declined in all size classes except the smallest segment below €10 million. With an investment volume of €96 million, its share rose significantly to 8.5%.

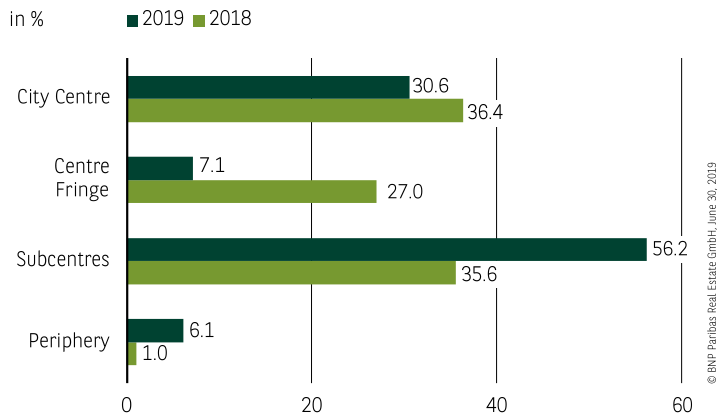
## Investments by type of property in Hamburg H1



## ➤ YEAR AFTER YEAR - OFFICES AT THE TOP

When it comes to the distribution of the investment volume among the asset classes, office properties traditionally occupy first place. At slightly more than 50%, however, they recorded a noticeable decline and no longer dominate the ranking as clearly as in the previous year (around 61%). Hotel investments follow at a significant distance in second place with around 14%. The largest decline was recorded in retail: A volume of €49 million is enough for just 4%. Overall, only the Other category - which mainly comprises mixed-use properties and development sites - was able to increase its volume (€339 million), resulting in a share of 30%.

## Investments by location in Hamburg H1



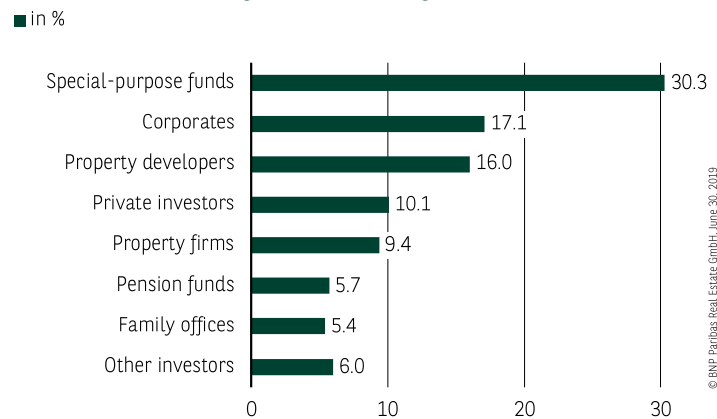
## SUBCENTRES DOMINATE INVESTMENT ACTIVITY

A somewhat unusual picture emerges when looking at investment activity by location: more than half of the volume (56%) was generated in the Subcentres, while less than a third (around 31%) was invested in the City Centre. This is an extraordinarily low value in a long-term comparison, which is due to the extremely low supply in the central locations. As a result of investment pressure, investors are increasingly switching to more decentralised locations outside the City Centre, where higher returns can be achieved in addition to the better supply situation.

## SPECIAL-PURPOSE FUNDS INVEST THE MOST

When it comes to the distribution of transaction volume among the individual buyer groups, the traditionally strong special-purpose funds lead with a good 30% of the result. In addition, corporates (17%), property developers (16%) and private investors (10%) achieve double-digit shares. In addition, property firms (9%) also invested in a three-digit million range in the Hanseatic city. All in all, this shows that demand is widely distributed across the various investor groups. Foreign investors were somewhat reserved in the first half of the year and account for only 20% of the result. This figure is also well below the national average of 38.5%.

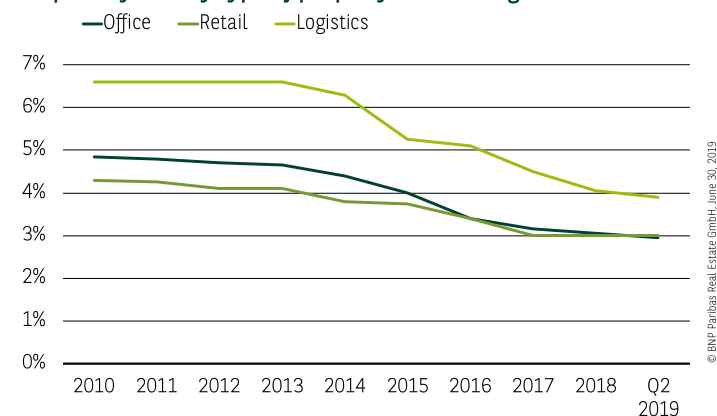
## Investments by buyer group in Hamburg H1 2019



## OFFICE NET PRIME YIELD BELOW 3% FOR THE FIRST TIME

Hamburg's internationality and popularity with investors as well as the tight supply side can also be seen in the development of yields: In the office segment, the net prime yield fell by 20 basis points in the past twelve months and, at 2.95%, is below the 3% mark for the first time. Only in Berlin and in Munich the figures are even lower. The yield compression on logistics properties was even stronger. The prime yield fell by 50 basis points in the same period and is currently quoted at 3.90%. The situation is different for retail: at 3.00%, the value for first-class high street properties has remained unchanged for almost two years now.

## Net prime yields by type of property in Hamburg



## PERSPECTIVES

Although the half-year result of the Hamburg investment market is below the volume of the last few years, a lively second half of the year can still significantly boost the result. The previous transaction activity was primarily limited by the lack of offer. In principle, however, the Hanseatic City has very well functioning occupier markets and a robust and diversified urban economy that many investors appreciate. The actual amount will therefore be significantly influenced by the availability of large-volume properties.

All rights reserved. At a Glance is protected in its entirety by copyright. No part of this publication may be reproduced, translated, transmitted, or stored in a retrieval system in any form or by any means, without the prior permission in writing of BNP Paribas Real Estate GmbH.

The statements, notifications and forecasts provided here correspond to our estimations at the time when this report was prepared and can change without notice. The data come from various sources which we consider reliable but whose validity, correctness or exactness we cannot guarantee. Explicitly, this report does not represent a recommendation of any kind, nor should it be regarded as forming a basis for making any decisions regarding investment or letting or renting property or premises. BNP Paribas Real Estate can accept no liability whatsoever for any information contained or statements made herein.

Imprint Publisher and copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 30.06.2019

Further Information BNP Paribas Real Estate GmbH | Branch office Hamburg | Phone +49 (0)40-348 48-0 | [www.realestate.bnpparibas.de](http://www.realestate.bnpparibas.de)