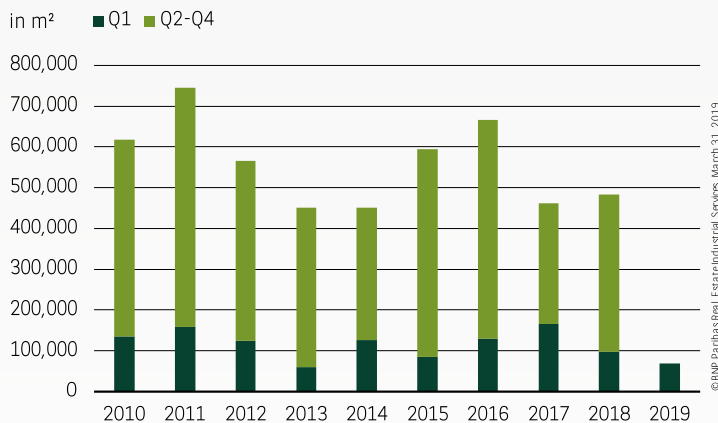




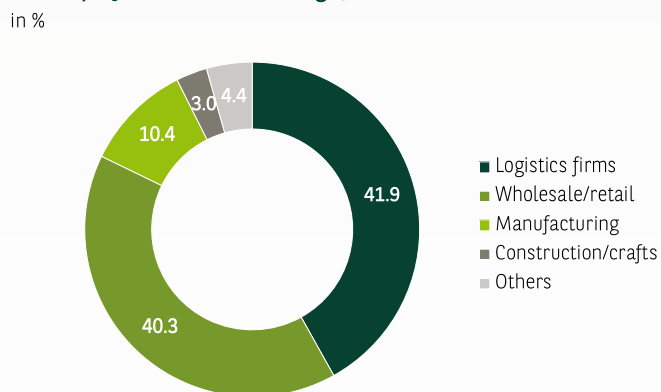
At a Glance **Q1 2019**

LOGISTICS MARKET HAMBURG

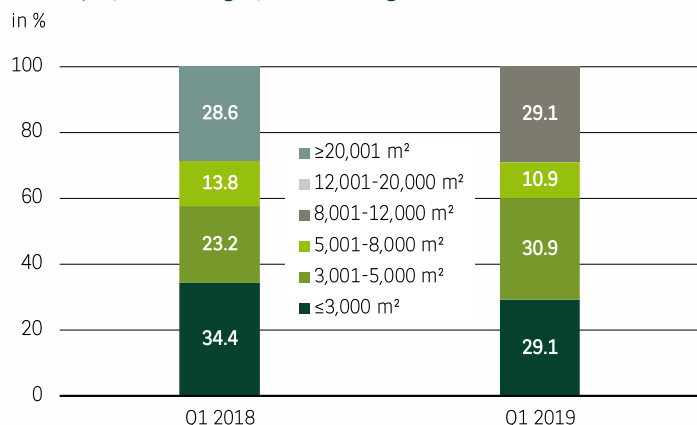
Light industrial and logistics take-up in Hamburg



Take-up by sector in Hamburg Q1 2019



Take-up by size category in Hamburg



➤ VERY CAUTIOUS FIRST QUARTER

The Hamburg logistics market (including the surrounding area) recorded a moderate start to the year in the first quarter. The total registered take-up amounts to only 69,000 m² and is thus around 30 % below the comparable figure of the previous year. The 10-year average was even missed by 40 %. However, there can be no discussion of declining demand. The decisive factor for the rather moderate take-up is the fact that it has not yet been possible to record any major deals. To date, a letting agreement with nutwork Handelsgesellschaft in the Port of Hamburg, at 11,700 m², is the largest one. Overall, almost all market activity in the first three months was concentrated in Hamburg's core area. However, the demand for modern space in the urban area with good connections to the inner-city locations can only be met insufficiently on the supply side. This is reflected in the relatively low quarterly result. At present, this development can not only be observed in the Hanseatic city, but is also transferable to other urban hubs such as Frankfurt, Munich or Cologne.

➤ TWO INDUSTRIES DOMINATE AT THE START OF THE YEAR

Germany's largest port location has traditionally been dominated by logistics service providers. Also after the first three months they lead the table with a share of about 42 %. Trading companies are also in the same size category, accounting for more than 40 %. The result was particularly favoured by the aforementioned lease of the nutwork trading company, which specialises in the transport of nuts and dried fruits. The winner's podium is completed by companies from the manufacturing sector (approx. 10 %). At the beginning of the year, all other branches barely made a noteworthy appearance with just under 7 %.

➤ LACK OF SUPPLY LEADS TO MARKET SHIFTS

In the first three months of the year, no major contracts for more than 12,000 m² were registered, which is a result of the current lack of supply in this space segment. If this is disregarded, the volume of space is at almost the same level as at the same time last year (-1 %). Around 60 % of market activity took place in the segment up to 5,000 m². Although this lively activity can be seen as positive as it reflects the high fragmentation and diversity of the Hamburg market, it also highlights the current imbalance. Many large-scale applications simply cannot be served at the moment.

Major contracts in Hamburg Q1 2019

Company	Location	Area (m ²)
nutwork Handelsgesellschaft	Hamburg	11,700
TCO Transcargo	Hamburg	8,400
MCL MyCargoLogistic	Hamburg	7,500
Darguner Brewery	Hamburg	4,500
Schwarz + Hansen	Hamburg	4,400

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Key figures logistics market Hamburg

	Q1 2018	Q1 2019	Trend remaining year
Prime rent	5.80 €/m ²	6.60 €/m ²	↗
Average rent	4.85 €/m ²	4.90 €/m ²	↗
Take-up	98,000 m ²	69,000 m ²	↘
- Share of owner-occupiers	47.2 %	6.0 %	→
- Share of new buildings	54.6 %	3.5 %	↗

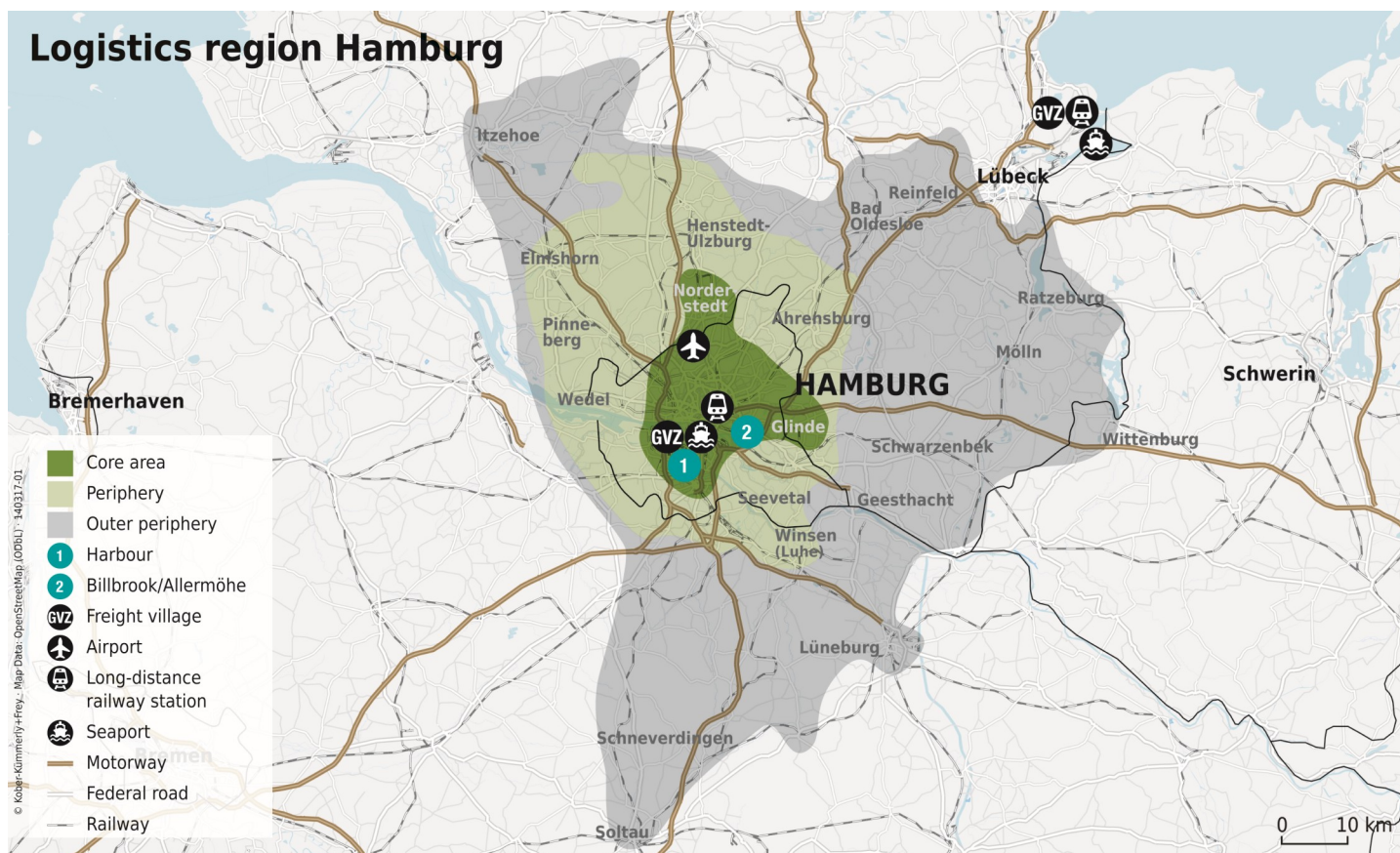
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▶ SLIGHT INCREASE IN RENTAL PRICE LEVEL

Compared to the same period of the previous year, a moderate increase can be observed for both prime and average rents. The top rent increased by around 3 % within one year and currently amounts to 6 €/m², which is primarily achieved for new hall areas near the harbour and in central districts such as Bahrenfeld. The almost predominant full occupancy in all locations means that more and more companies are moving to the surrounding area. However, a clear shortage of new and developable properties can also be observed here. Brownfield developments, in particular, are increasingly coming into the focus of project developers and investors in Hamburg. However, the situation is not expected to ease until 2020, when larger speculatively constructed spaces will come onto the market.

▶ PERSPECTIVES

The continuing bottleneck of supply represents the decisive restrictive factor on the Hamburg logistics market and is likely to have a limiting effect on the take-up in the further course of the year. Despite a persistent surplus in demand, it will therefore be difficult to achieve the same result as in the previous year. In order to provide the market with urgently needed space capacities, new plots of land for large-scale project developments would have to be designated, especially in the surrounding area. In the urban area, on the other hand, meaningful redensification is likely to become more and more an issue.



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