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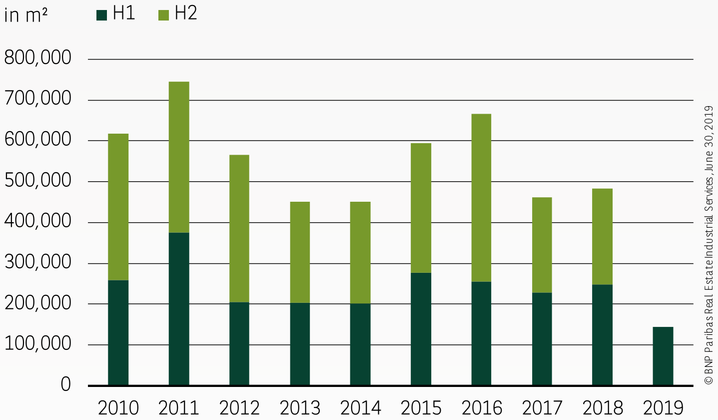
RESEARCH

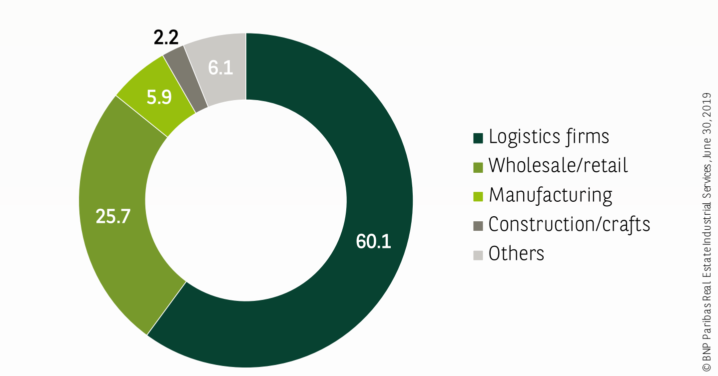
At a Glance Q2 2019

LOGISTICS MARKET HAMBURG

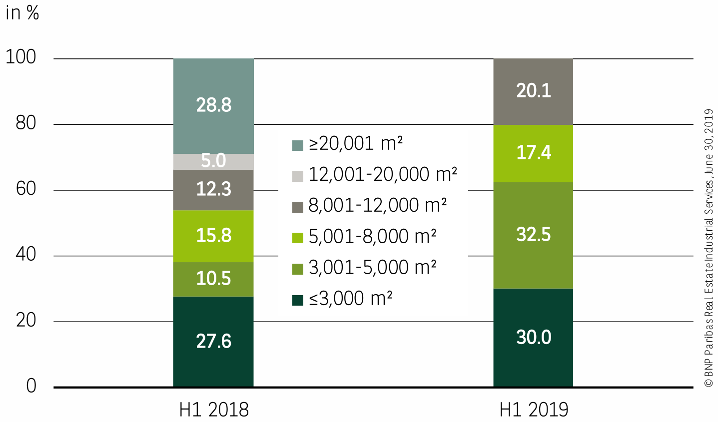
Light industrial and logistics take-up in Hamburg



Take-up by sector in Hamburg H1 2019



Take-up by size category in Hamburg



SUPPLY BOTTLENECK IS REFLECTED IN TAKE-UP

With a take-up of 145,000 m², the mid-year result on the Hamburg market for warehouse and logistics space (including the surrounding areas) is comparatively modest. The result marks the lowest figure since 2008 and is around 39.5% below the 10-year average. Like many other prospering logistics regions in Germany, the Hanseatic city is struggling with an increasing shortage on the supply side. Primarily outside the core area, almost all the large spaces available have been absorbed by demand in recent years. With only 31,000 m², in the first six months of the year the lowest activity for over ten years was registered here. A major reason for this is that almost no new construction developments are currently being realised in the entire metropolitan region, as hardly any land is available to project developers. Only 4.5% of the volume was generated in the new construction segment. These supply-side restrictions also cause problems for owner-occupiers: At just under 7%, their share was well below the results of recent years.

LOGISTICS FIRMS AHEAD FOR FOURTH YEAR IN A ROW

With regard to the sectors operating on the market, the Hanseatic city is showing a familiar picture due to the economic structure and the international significance of the port: for the fourth year in a row, logistics service providers are by far the strongest demand group and account for 60% of the take-up. The most important contracts in this segment were for Hertling GmbH (9,000 m²) and TCO Transcargo (8,400 m²). With more than a quarter of the registered take-up, companies from the wholesale/retail sector follow in second place. The weakest result in more than ten years was achieved by manufacturing sector, which only reached 6% and completes the leading trio.

LACK OF LARGE DEALS IS A DEFINING FACTOR

The breakdown of take-up by size category clearly illustrates the structural circumstances that limited market activity in Hamburg in the first half of the year. Due to the lack of supply of large and available spaces both in the core area and in the outskirts, not a single contract above 12,000 m² could be registered. In the same period last year, by contrast, this size segment accounted for around 84,000 m². However, the broad demand in the smaller space categories, which can be served much more flexibly by the supply, is a positive aspect.

Major contracts in Hamburg H1 2019

Quarter	Company	Location	Area (m²)
Q1	nutwork Handelsgesellschaft	Hamburg	11,700
Q2	Hertling	Bad Oldesloe	9,000
Q1	TCO Transcargo	Hamburg	8,400
Q1	MCL MyCargoLogistics	Hamburg	7,500
Q2	Pahlhammer	Hamburg	6,100

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Key figures logistics market Hamburg

	H1 2018	H1 2019	Trend remaining year
Prime rent	5.80 €/m²	6.20 €/m²	→
Average rent	4.85 €/m²	4.90 €/m²	→
Take-up	248,000 m²	145,000 m²	↘
- Share of owner-occupiers	22.5 %	6.8 %	→
- Share of new buildings	39.8 %	4.5 %	→

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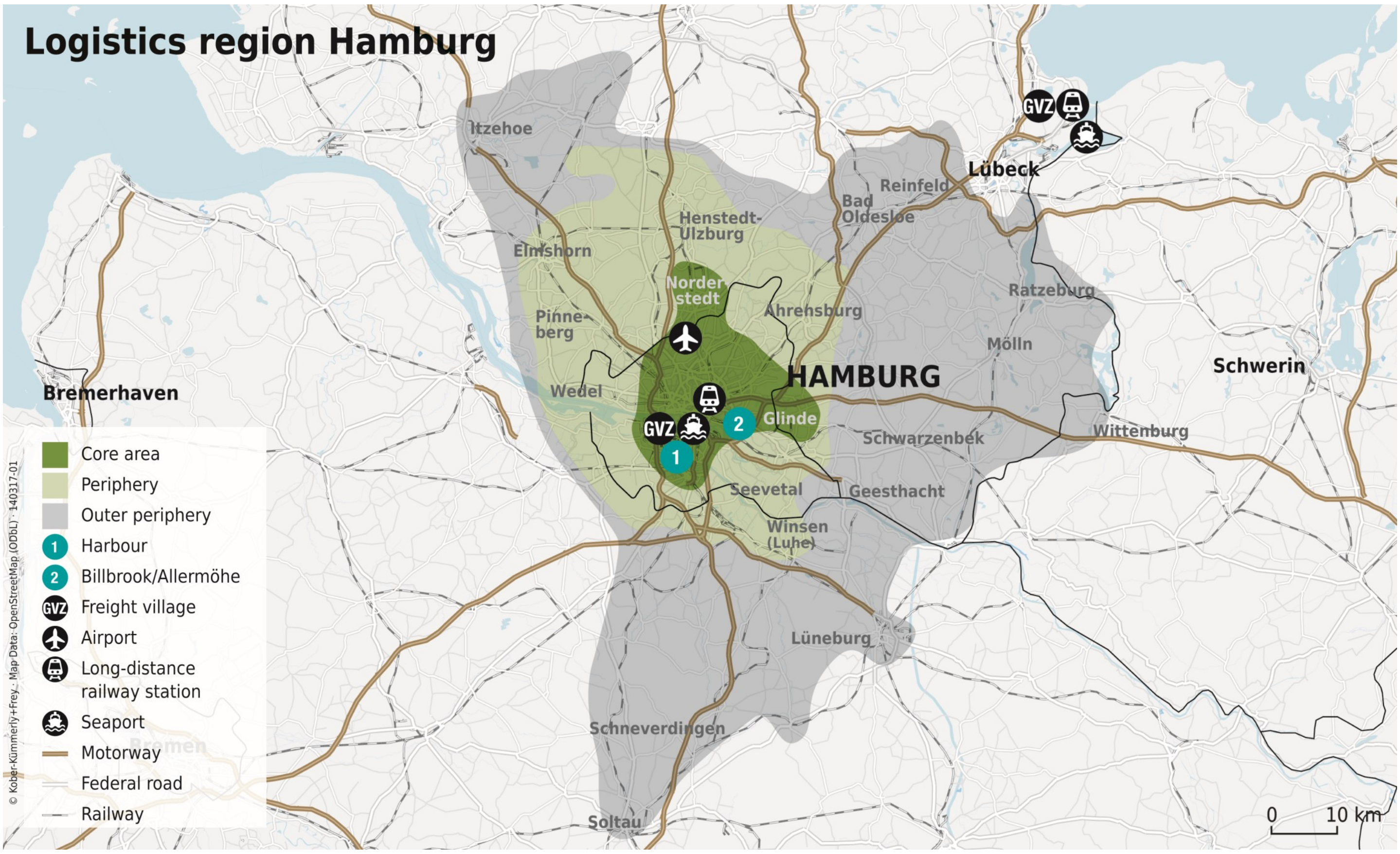
MODERATE INCREASE IN RENTS

Even users with a demand starting at 3,000 m² are increasingly struggling to find spaces without compromising quality and location requirements. In the current market situation, contract logistics spaces are often prolonged, which makes the search even more difficult. However, since hardly any new construction projects are currently being completed and there are also tendencies to relocate to locations outside the Hamburg market area, rents are rising continuously but at a moderate pace. Thus, the average rent increased only slightly by 1% and is quoted at € 4.90 per m². The top rent, on the other hand, rose by around 7 % compared to the previous year and is currently at 6.20 €/m². This price is primarily achieved at locations close to the port and inner-city locations, which are particularly in demand from city logistics and customer-oriented retail concepts.

OUTLOOK

After the first half of the year was marked by a shortage of space, there are signs of a slight recovery in the second half of the year. Due to some large-scale terminations of contracts, urgently needed space capacities will be available on the market, which should lead to the successful conclusion of some contracts. On the other hand, newly constructed space is unlikely to provide any further relief until next year, leading to a significantly weaker final-year result than in the previous year.



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