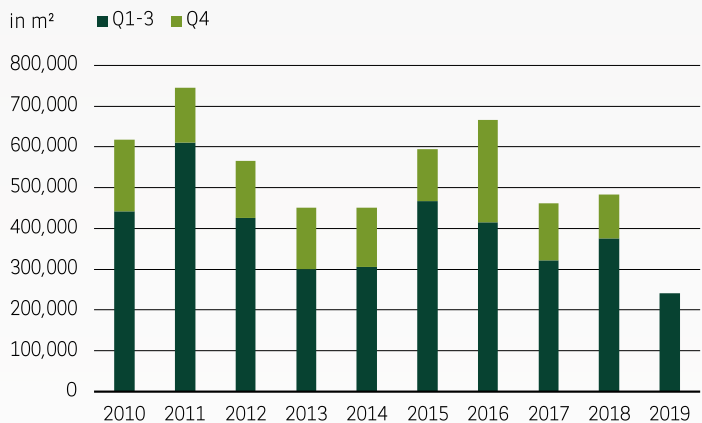




At a Glance **Q3 2019**

LOGISTICS MARKET HAMBURG

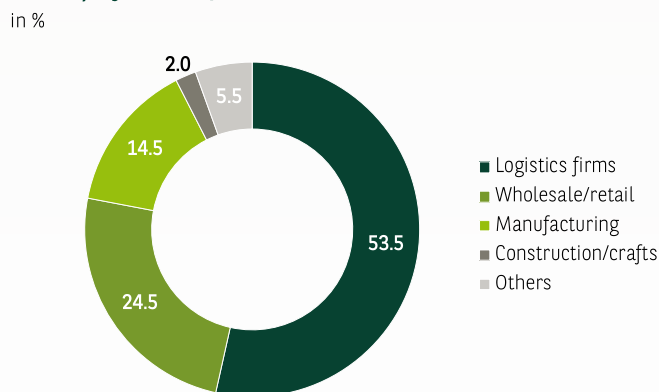
Light industrial and logistics take-up



➤ LACK OF SUPPLY LIMITS MARKET ACTIVITY SIGNIFICANTLY

With a take-up of 241,000 m², the result on the Hamburg market for warehouse and logistics space (including the surrounding area) is still at an unusually low level. Although market activity increased in the third quarter (take-up: 96,000 m²), the result was still around 36% lower than in the previous year and even 38% below the 10-year average. This is also the lowest take-up for more than ten years. The reasons for the development observed throughout the year are unchanged: There is still a lack of supply. While especially in the periphery there used to be a wide range of modern and large-scale properties available, now almost all capacities have been rented out. After the first nine months, this otherwise so important submarket accounts for just 13% of the take-up. The effects of the supply-side bottleneck can also be seen in the quality of the space. More than one third of take-up was generated in properties of only basic standard.

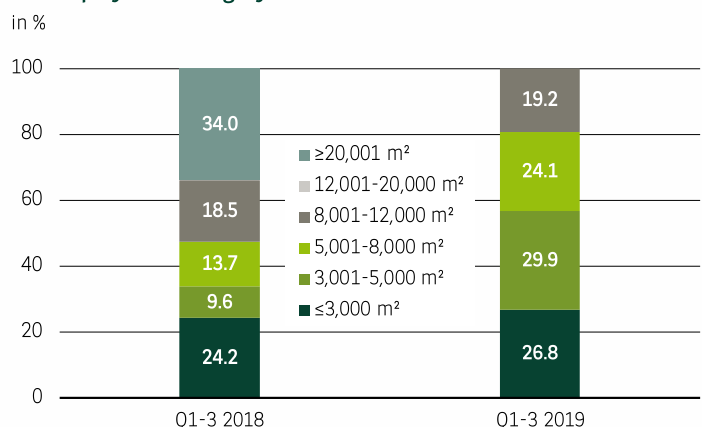
Take-up by sector Q1-3 2019



➤ "SAME AS USUAL" - LOGISTICS FIRMS IN THE LEAD

Hamburg has a universal port in which goods of all kinds are handled. One of its major advantages is its location at the intersection of expanding markets. As a result, the city is a strategically important location for many logistics service providers. This is also reflected in the distribution of take-up by sector. At 53.5%, this demand group accounted for more than half of the take-up, making it the leader in the ranking for the fourth consecutive year. In absolute terms, however, it was the weakest year in this decade. Companies from the retail sector took second place with a share of 24.5%. Manufacturing companies (14.5%) complete the podium.

Take-up by size category



➤ NOVELTY: NO LARGE DEALS REGISTERED

Although three quarters of the year have already passed, not a single transaction above 12,000 m² has been registered in Hamburg. At 11,700 m², network Handelsgesellschaft was responsible for the largest deal in the past nine months. Looking at the past ten years, this represents a novelty. At the same time last year, this size segment already accounted for 127,500 m². Nevertheless, in the smaller size categories it is quite possible to speak of lively market activity, whereby all segments are close together with their shares.

Major contracts Q1-3 2019

Quarter	Company	Location	Area (m²)
Q1	nutwork Handelsgesellschaft	Hamburg	11,700
Q2	Hertling	Bad Oldesloe	9,000
Q3	Trans Service Team	Hamburg	8,800
Q3	Durstexpress	Hamburg	8,400
Q1	TCO Transcargo	Hamburg	8,400

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Key figures logistics market Hamburg

	Q1-3 2018	Q1-3 2019	Trend remaining year
Prime rent	5.80 €/m²	6.30 €/m²	➔
Average rent	4.85 €/m²	4.90 €/m²	➔
Take-up	375,000 m²	241,000 m²	➔
- Share of owner-occupiers	23.0 %	10.6 %	➔
- Share of new buildings	37.7 %	6.0 %	➔

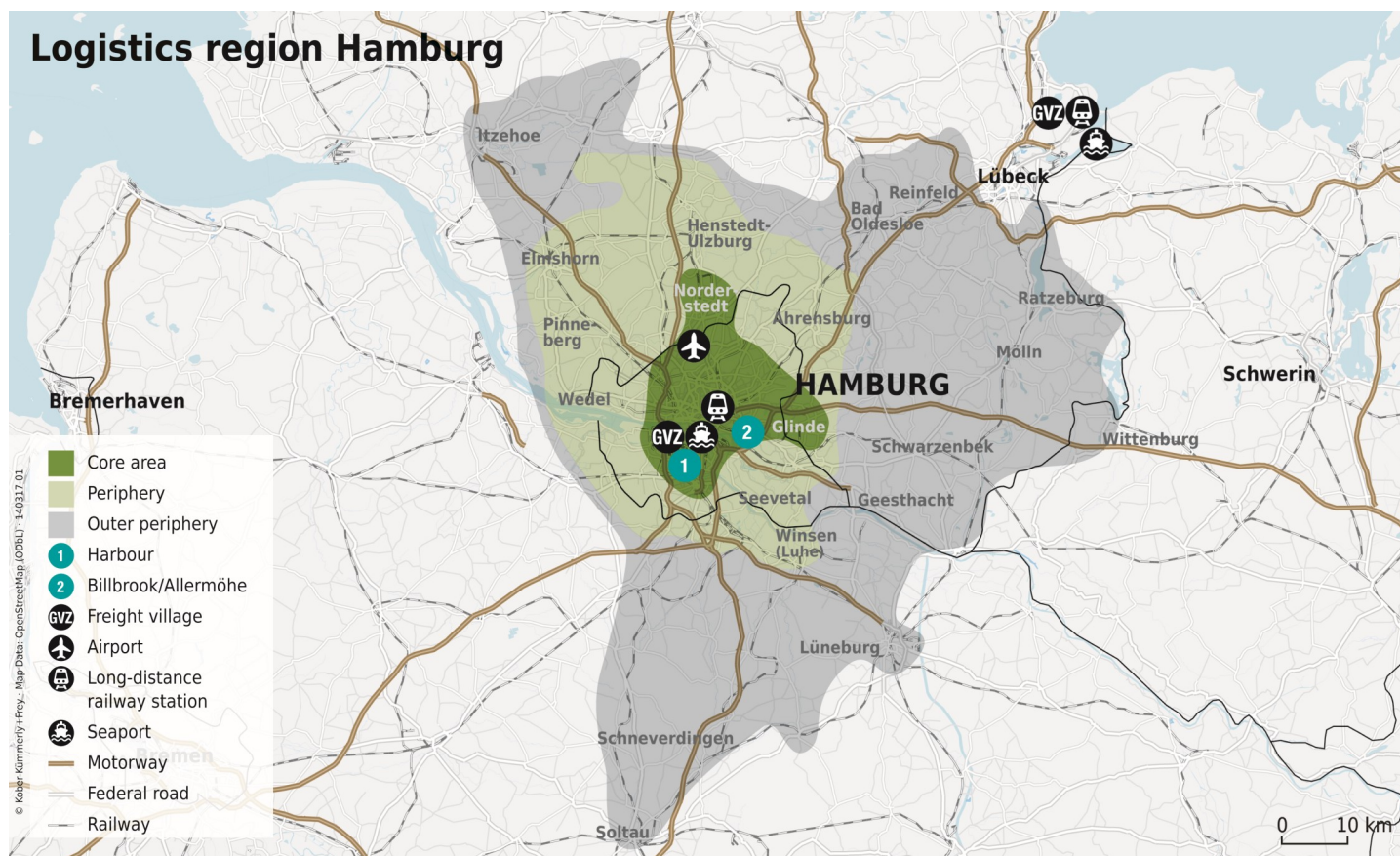
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DESPITE LACK OF SUPPLY - ONLY MODERATE RENT INCREASE

Even occupiers 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, lease contracts are often extended, 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 €/m². The prime rent, on the other hand, rose by around 9% compared to the previous year and is currently at 6.30 €/m². This price is primarily obtained in the port area and inner-city locations, which are particularly in demand with city logistics and customer-oriented retail concepts.

OUTLOOK

Demand is expected to stay at a high level in the final quarter of the year, although the supply situation will not ease in the short term. The year should therefore end with a comparatively low result. In the mid-term, innovative developments such as the "Four Parx Mach 2" project could ease the supply/demand ratio. The completion of the first two-storey logistics property in Germany with 102,000 m² is planned for the end of 2020.



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