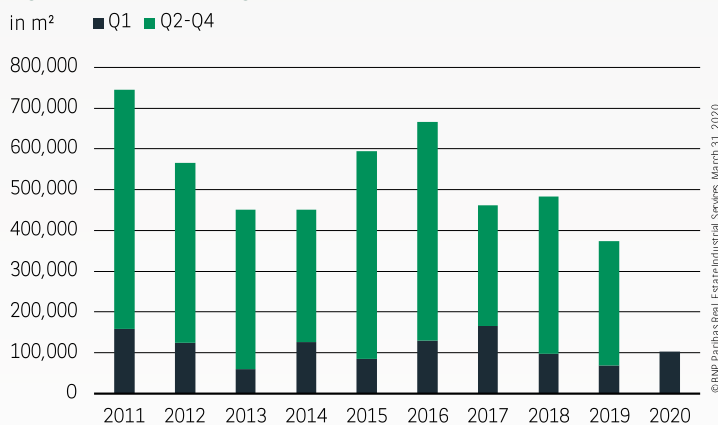




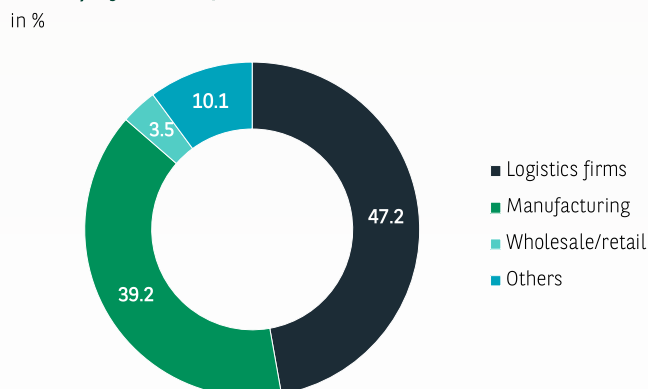
At a Glance **Q1 2020**

# LOGISTICS MARKET HAMBURG

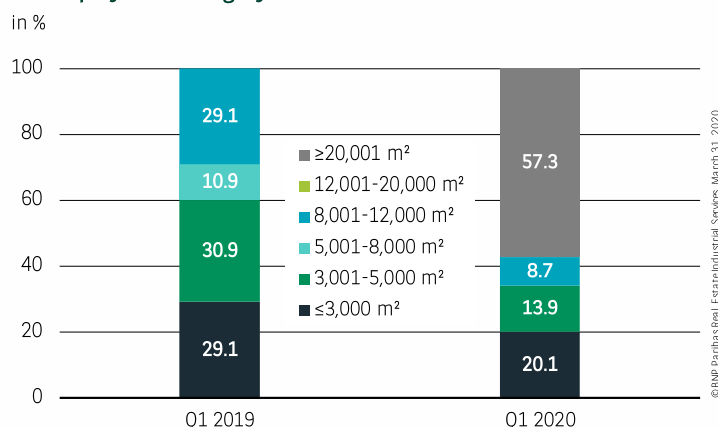
## Light industrial and logistics take-up



## Take-up by sector Q1 2020



## Take-up by size category



## ➤ LARGE DEALS COVER UP LACK OF SUPPLY

With a take-up of 103,000 m² the Hamburg market for warehouse and logistics space (including the surrounding area) was the only metropolis in Germany to reach the 100,000 m² mark after the first three months of the year. Nevertheless, the result is 8% below the long-term average and was significantly influenced by two major deals for above 20,000 m². However, with just over twenty contracts registered, the market shows the slowest dynamics of the past ten years which characterises the shortage of supply in the Hanseatic city that has existed for some time now. The result cannot yet be directly linked to the current corona crisis either. The majority of the contracts concluded were negotiated with a considerable period of preparation, which means that the economic effects of the lockdown are not yet reflected in the take-up. Realistically, it can be assumed that this will not be the case until the middle of the year. However, at this point in time it cannot yet be foreseen how short-term increases in demand - for example from retailers - could compensate for a possible wait-and-see attitude of other market players.

## ➤ "FIVE WIN'S" - LOGISTICS SERVICE PROVIDERS DOMINATE

Hamburg has a universal port, whose main advantage is its location at the intersection of expanding markets. This makes the Elbe metropolis a strategically important location for many logistics service providers. This is also reflected in the distribution take-up by sector. At 47%, this demand group accounted for almost half of the outcome, making it the leader in the ranking for the fifth year in a row. With a 39% share, companies from the industry and production sector have positioned themselves in second place. Trading companies played almost no role with a share of just 3.5% and also recorded the weakest result ever in absolute terms, but this can only be seen as a snapshot at the beginning of the year.

## ➤ TOTALLY DIFFERENT PICTURE OF THE SIZE DISTRIBUTION

While the size category above 20,000 m² came to just 29,000 m² in the entire previous year, this year it is already more than doubled after the first quarter (59,000 m²). This means that just two deals are responsible for more than 57% of the total result. Accordingly, only 43% of the space under 20,000 m² (44,000 m²) was taken up. This historically low figure once again underlines the current supply bottleneck on the market.

## Major contracts Q1 2020

Company	Location	Area(m²)
Airbus	Hamburg	30,600
Spedition Mickleit	Hamburg	28,000
Senator International Spedition	Hamburg	9,000
MWH	Hamburg	4,500

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## Key figures logistics market Hamburg

	Q1 2019	Q1 2020	Trend remaining year
Prime rent	6.00 €/m²	6.30 €/m²	➔
Average rent	4.90 €/m²	4.95 €/m²	➔
Take-up	69,000 m²	103,000 m²	➔
- Share of owner-occupiers	6.0 %	33.2 %	➡
- Share of new buildings	3.5 %	37.2 %	➡

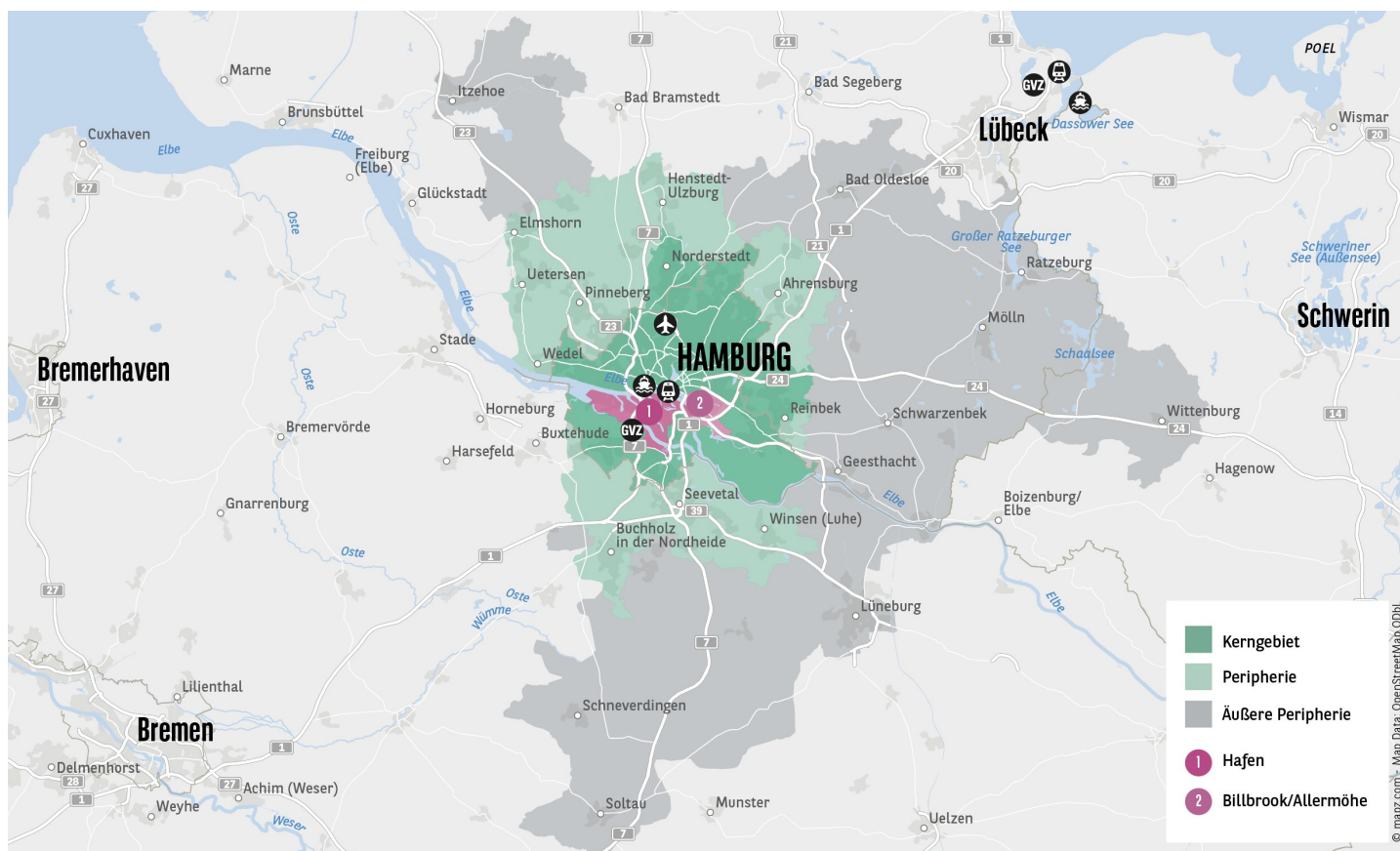
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## ▶ DESPITE THE LACK OF SUPPLY - RENTS REMAIN CONSTANT

In the Hanseatic city, in particularly in highly demanded locations such as the port or Billbrook/Allermöhe, many buildings are at an advanced stage of their economic life cycle. At the same time, the scarcity of suitable land makes it almost impossible to realise new projects that are in line with the market. As a result, rents have only moved sideways compared to the previous quarter despite the prevailing excess demand. The top rent is currently 6.30 €/m² and the average rent is 4.95 €/m².

## ▶ OUTLOOK

The extent to which the corona crisis will ultimately affect the development of the logistics market cannot be reliably quantified at the moment. While on the one hand it is to be expected that lease requests as well as investments by production companies will be postponed in some cases, many logistics and trading companies are currently adapting in record time to the changing conditions caused by the crisis and are looking for opportunities to restructure their supply chains at short notice. Therefore, it cannot be ruled out that some companies are willing to pay higher prices for contracts with short periods. However, this is unlikely to be a sustained trend, so it is more likely that rents will remain generally stable.



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