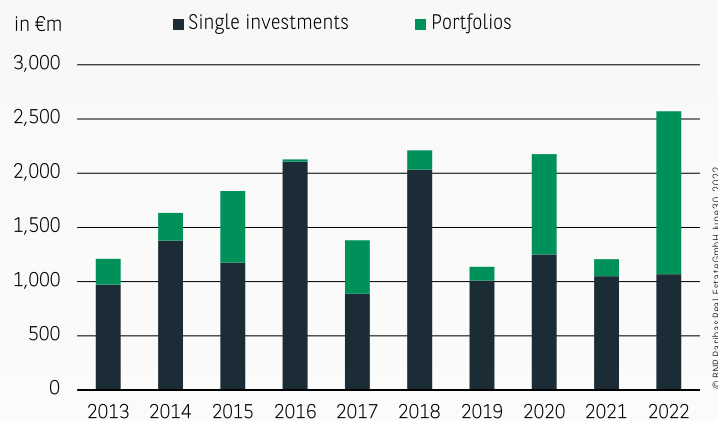




At a Glance **Q2 2022**

INVESTMENT MARKET HAMBURG

Investment volume H1



ALSTRIA TAKEOVER PUSHES INVESTMENT VOLUME

With a transaction volume of just under €2.6 billion, the Hamburg investment market reaches a new all-time high, breaking the €2.5 billion mark for the first time after only six months. The comparatively weak result of the previous year was more than doubled and the ten-year average was exceeded by almost 47%. However, the half-year result was decisively driven by portfolio transactions. They account for a volume of €1.5 billion, which is an all-time high. The acquisition of alstria by Brookfield in the first quarter is almost entirely responsible for this. Even though the record result would not have been possible without the portfolio segment, individual deals also made a contribution of over one billion euros (€1.1 billion), which is still in the range of the last three previous year's results. It is pleasing that in the segment of large-volume individual investments in particular the momentum in the generally weaker second quarter could once again increase noticeably, to which among other things the sale of the Klöpperhaus (formerly Kaufhof) in Mönckebergstraße could contribute.

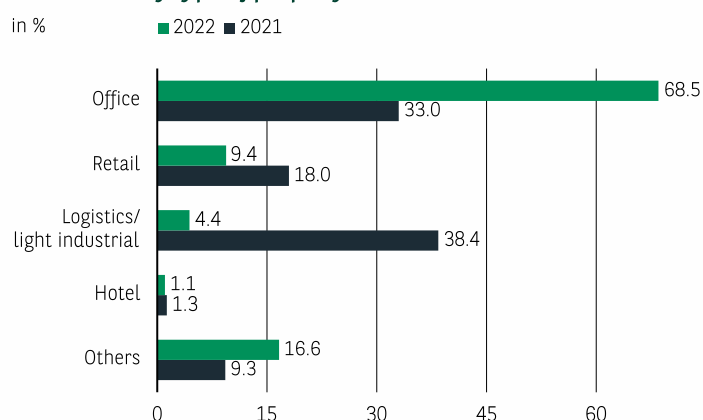
Investments by € category H1



BIG DEALS DETERMINE MARKET ACTIVITY

Large-volume deals with a purchase price of more than €100 million account for a good 47% of the investment volume in the first half of the year. The more than €1.6 billion invested in this segment thus set a new record. Around 53% of this volume is attributable to the alstria acquisition, compared to almost 84% in the first quarter. However, above-average results were not only achieved in the three-digit million range, but also in the three lower categories between €10 and 100 million. In the middle segment, transactions between €25 and 50 million (almost 22%) dominated the market in the first half-year, ahead of investments between €50 and 100 million (a good 15%). In addition, the smallest classes below the €25 million mark account for almost 16%.

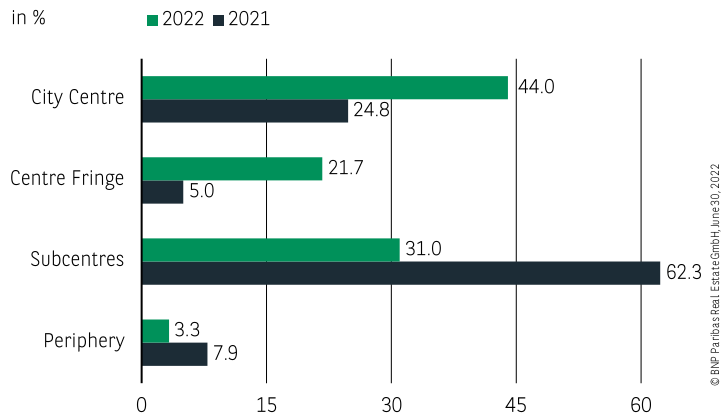
Investments by type of property H1



OFFICE PROPERTIES ARE AND REMAIN THE LEADER

With a market share of almost 69% or an investment volume of almost €1.8 billion, office properties are the undisputed number 1 among the property types. As outlined above, a large proportion changed hands as part of the alstria acquisition. In second place is the collective category Others with just under 17%, which also includes the highly sought-after Hamburg development properties. Retail investments generated a share of a good 9%, in particular due to the sale of the Klöpperhaus, while logistics and hotel assets have so far only accounted for a good 4% and 1% respectively.

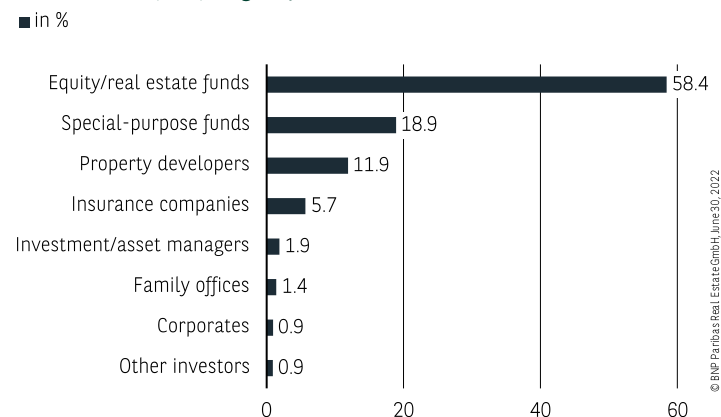
Investments by location H1



INVESTMENT FOCUS ON THE CITY CENTRE

Hamburg's City Centre accounts for a good 44% of the investment volume to date. This result was driven by the alstria takeover and the office and retail buildings located in the central locations. It is the second highest value registered to date in this location and by far the top result of the last ten years. The situation is similar in the Centre Fringe, where the alstria portfolio also generated an above-average result and thus a share of almost 22%. However, with a contribution of 31%, the Subcentres are ahead of the Centre Fringe, benefiting from by far the most investments, distributed across very different property types. Peripheral locations, on the other hand, have a minor share in the overall result, representing only a good 3%.

Investments by buyer group H1 2022



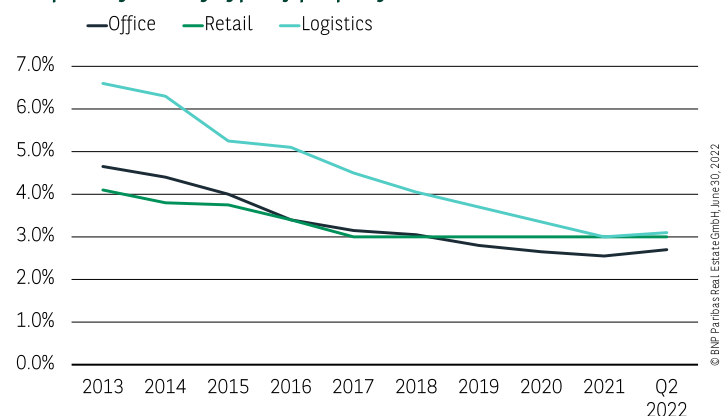
EQUITY/REAL ESTATE FUNDS DOMINATE THE RANKING

As expected, the takeover of alstria by Brookfield has also left its mark on the distribution by buyer group. To date, the market share of equity/real estate funds amounts to a remarkable 58%, and the investment volume of €1.5 billion is as high as it was last in 2007. Special-purpose funds rank second. They have contributed around €487 million and almost 19% to the result. Property developers are also involved to a greater extent in the volume, setting a new record in the interim result (€306 million; 12% share), primarily due to the transaction of the Klöpperhaus. Insurance companies also account for more than 5% (just under 6%), while all other investor groups fall below this mark.

PRIME YIELDS PICK UP SLIGHTLY

In view of the changed financing environment with higher interest rates, property yields have moved out again for the first time. This applies at least to the net prime yield for offices, which is currently quoted at 2.70% (+15 basis points), and for logistics properties, which has risen by 10 basis points to 3.10%. For retail highstreet properties in prime locations, which have not seen yield compression in the recent past, for now prime yields of 3.00% are still being registered.

Net prime yields by type of property



OUTLOOK

The Hamburg investment market can look back on an above-average first half of the year due to the alstria takeover, but also due to some larger investments in the second quarter. Nevertheless, it is possible that the changed interest rate environment will make itself felt in the course of the year, as in other top markets. However, the still well-performing occupier markets, especially in the office segment, offer enough security and attractive investment opportunities in Hamburg - even if it is likely that the slight upward trend in yields will continue.

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: 30.06.2022

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