HAMBURG

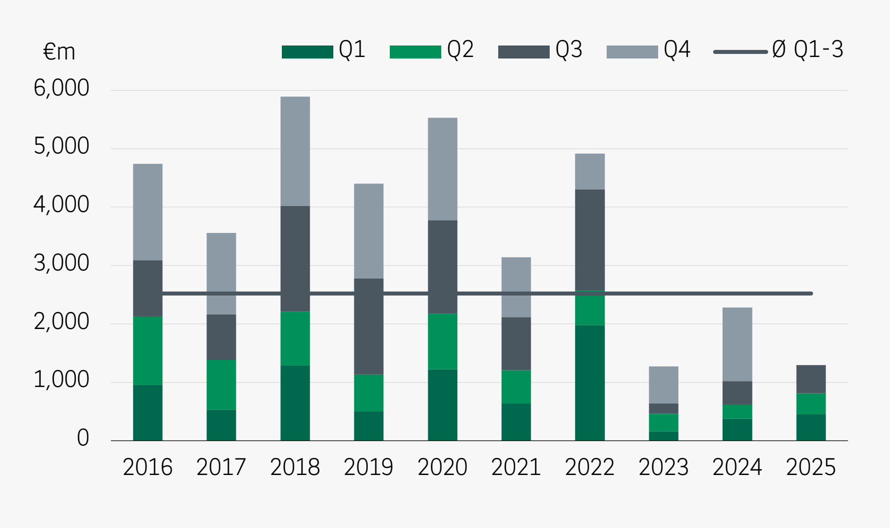
REPORT INVESTMENT MARKET

Q1-3 2025

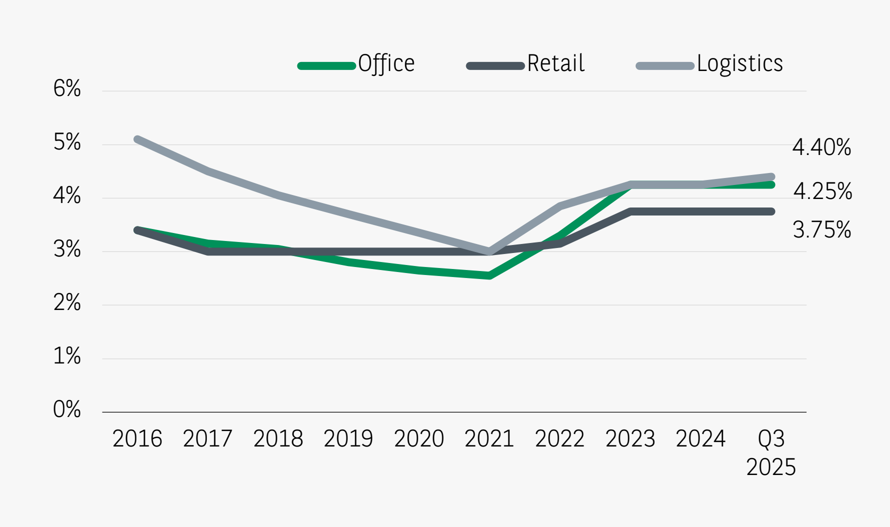
BNP PARIBAS REAL ESTATE

REAL ESTATE for a changing world

Development of investment volume



Net prime yields by type of property



BEST RESULT IN THREE YEARS

- In the first three quarters of 2025, the Hamburg investment market achieved an investment volume of almost €1.3 billion. This represents an increase of 27% compared to the same period last year. It is also by far the best result of the past three years. Nationwide, the Hanseatic city is thus the only A-location to record a higher transaction volume than in the previous year. Only Berlin and Munich saw more investment than Hamburg in the current year. Notably, in Hamburg turnover was distributed relatively evenly across the individual quarters. This indicates a broad demand base and stable investor interest.

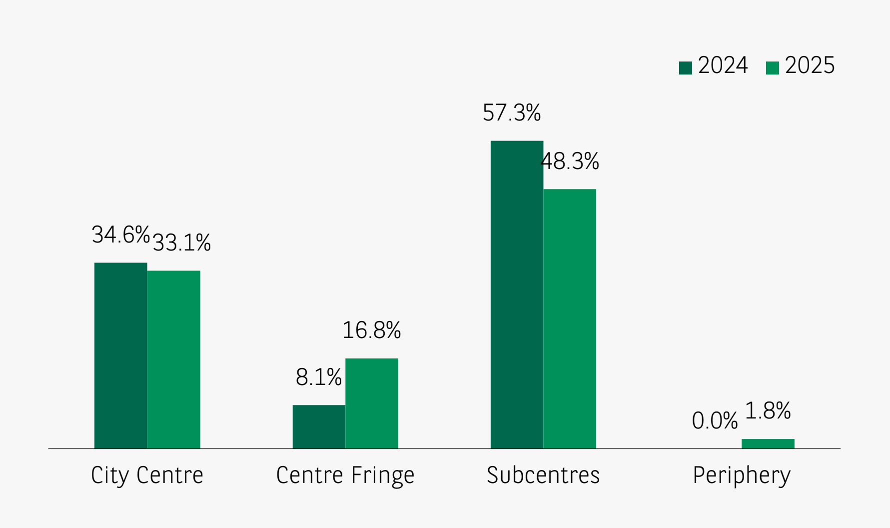
- With just under 50 transactions recorded, the number is roughly on a par with last year, whereas the average value per deal has risen to €28 million. This puts it back at the average level of the last 15 years. Several large transactions also contributed to the higher turnover. These include the sale of the Pflege & Wohnen portfolio, which comprises 13 care facilities in Hamburg and was sold for several hundred million euros, and the sale of the office tower Atlantic Haus. The retail segment, including shopping centres, is also picking up. The sale of the Rahlstedt Centre is proof of this.

- As expected, prime yields have remained largely stable. This is primarily due to the financing environment, with capital costs remaining higher than anticipated. Only in the logistics sector prime yields rose in the third quarter by 15 basis points to 4.40%. In the other asset classes, they have remained unchanged. Accordingly, they are holding at 4.25% for prime office properties and 3.75% for premium retail high street buildings.

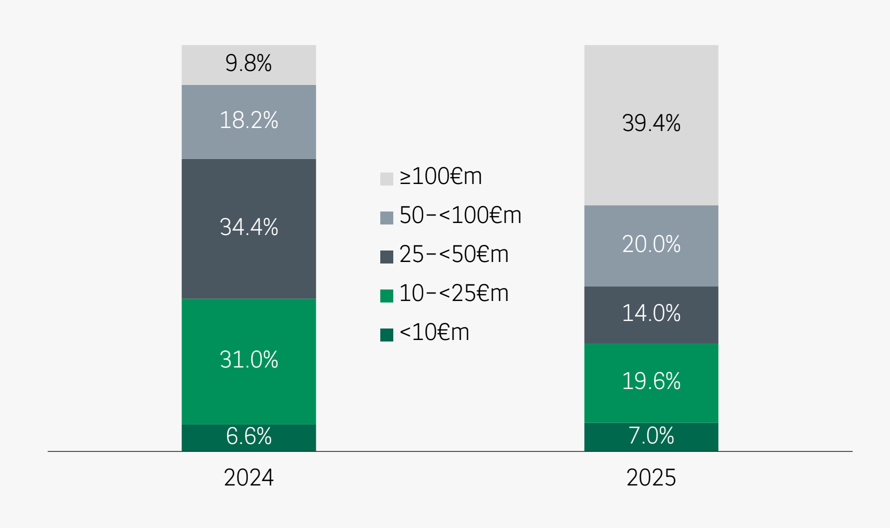
OFFICE INVESTMENT MOMENTUM PICKS UP SIGNIFICANTLY

- The distribution of investment volume across asset classes remained relatively stable throughout the year. Office properties rank first, with a transaction volume of around €500 million and an increase in volume of almost 35%. Second place went to the collective category 'Others' (just under 35%), which mainly comprises the Pflege & Wohnen portfolio. Retail properties accounted for almost 15% of the transaction volume.
- The distribution of investments by location and size category is largely influenced by Pflege & Wohnen portfolio. Against this backdrop, the Subcentres accounted for 48% of investment volume, ahead of the City Centre where a third of the volume was generated. The Centre Fringe contributed a further 17%. A similar situation applies to the size categories. Almost 40% of the total result was achieved in the €100 million-plus category. The remaining volume is distributed relatively evenly across the other size categories.

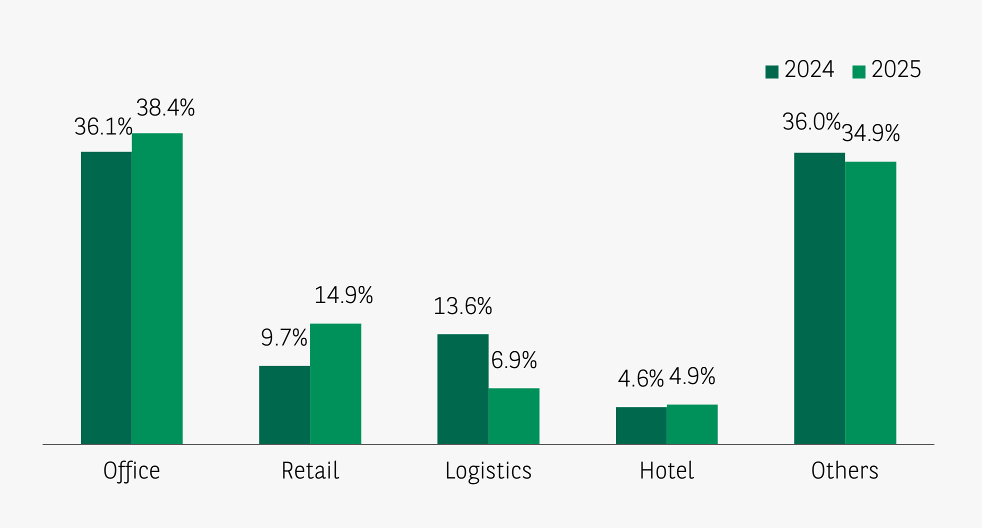
Investments by location Q1-3



Investments by € category Q1-3



Investments by type of property Q1-3



OUTLOOK

- Although the Hamburg investment market has performed better than any other in Germany to date in terms of stability quarter-on-quarter, it should be noted when analysing the figures that the sale of the nursing home portfolio had a disproportionately large impact on performance. Without this deal, Hamburg would have experienced a slight decline in investment volume, as all other A-locations.
- Nevertheless, there has been a general improvement in sentiment, contributing to growing investor interest. This is also reflected in the completion of several major transactions, which have been rare over the past two years. Whether this trend continues or even accelerates will depend on Germany's overall economic development. If GDP growth increases significantly in 2026, the markets would feel economic tailwind for the first time in a long while.
- In addition, there is currently a slight positive trend in occupier markets. For example, office take-up increased in the first three quarters, indicating greater confidence among companies. In addition, it has been observed for some time now that the previously prevailing expectation that real estate purchase prices will rise in the foreseeable future is becoming increasingly less significant. This changing market assessment is also likely to lead to higher transaction volumes.
- Taking all the various influencing factors into account, both opportunities and risks arise. From today's perspective, it is likely that the slight upward trend in the markets will continue next year. Yields are expected to remain stable.

Key facts investment market Hamburg

INVESTMENT VOLUME	Q1-3 2024	Q1-3 2025	CHANGE
Total (€m)	**1,020**	**1,295**	**+27.0%**
Portfolio share	22.0%	37.6%	+15.6%pts
Share above €100 million	9.8%	39.4%	+29.6%pts
Office share	36.1%	38.4%	+2.3%pts
Share of city locations	34.6%	33.1%	-1.5%pts
Share of foreign investors	37.8%	33.6%	-4.2%pts

NET PRIME YIELDS	Q3 2024	Q3 2025	CHANGE
Office	4.25%	4.25%	+0bps
Retail	3.75%	3.75%	+0bps
Logistics	4.25%	4.40%	+15bps

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