TURNOVER WELL DOWN ON PRIOR-YEAR LEVEL
With take-up of warehouse and logistics premises totalling just 59,000 m², turnover in the Hamburg market (including environs) was less than half that achieved in the first three months of last year. The result was also lower than the average of the last five years. This marked decline was due above all to the lack of any deals in the field of large-unit complexes with an area upwards of 8,000 m². In the small size segments, on the other hand, activity is still lively, and this produced turnover similar to that registered in the first quarter of 2012. Overall, though, demand for logistics premises is somewhat more reticent than it was a year ago; contributory factors here are the still unresolved euro-crisis and the weaker scale of transhipments in the port of Hamburg. First-quarter take-up was in fact lower in most of the other major German centres as well. Exceptions were Leipzig and Frankfurt, both of which registered slight increases and produced better results than that in Hamburg.

LOGISTICS FIRMS MAIN SOURCE OF DEMAND
In the distribution of take-up according to business sectors, logistics firms ended the first quarter well out in the lead, with close to 62% of the total. This result, fuelled by both the largest number of deals and also some sizeable new leases, put them well ahead of wholesale/retail (over 19%), which last year had narrowly headed the ranking. In third place came manufacturing companies with around 15%. A small contribution to the total was also made by construction and ancillary trades (just over 3%).

SMALL CONTRACTS GENERATE BIGGEST SHARE OF TURNOVER
Since no large deals at all have been concluded in Hamburg up to now, the first-quarter spread across the various size classes is considerably different from that observed last year. In first place this year come small deals of up to 3,000 m² with a share of just over 64%. What is particularly gratifying is that the volume generated in this size bracket was also higher in absolute terms. New contracts for premises of between 3,000 and 5,000 m² accounted for one quarter of all turnover. So, while demand for smaller premises is still lively, there is only hesitant demand for larger complexes, with deals in the 5,000 to 8,000 m² bracket contributing just around 11% to the total and larger leases so far non-existent.
The supply situation hardly changed at all during the first quarter. The strong demand registered in recent years means that hall and warehouse space in the particularly favoured locations like Billbrook, Allermöhe and Western Hamburg is still scarce. Except in Altenwerder and Waltershof, there is a particular shortage of functional, modern logistics complexes in the large size segment, since hardly any newly built premises are coming onto the market. However, in the Waltershof harbour area a large speculative project development is at the planning stage and should create around 40,000 m² of relevant space by the end of this year.

The top rent in the Hamburg market area remained unchanged at 5.60 €/m² in the first quarter. This is the figure obtained for premium premises in the heavily favoured locations, such as Altenwerder and the general vicinity of the harbour. The only German centres with higher top rents are Frankfurt and Munich, with 6.20 €/m² and 6.30 €/m² respectively. Overall, rental prices in Hamburg are on much the same level as last year.

A look at the distribution of analysable take-up across the rental price classes shows that the biggest share of new leases, nearly 39 %, was in the class of rents up to 4.00 €/m², mainly comprising smaller premises of ordinary standard. The 4.00-4.50 €/m² bracket accounted for a further 28 % or so, while nearly 11 % were in the 4.50-5.00 €/m² class. The remaining slice of just under 23 % of leases were in the price class upwards of 5.00 €/m², involving high-grade premises in very good areas.

Following the rather slow start to the year, the coming quarters can be expected to exhibit a slight increase in demand for logistics and warehouse space in Hamburg. If economic momentum picks up later in the year, 2013 as a whole should be able to generate turnover close to the ten-year average (450,000 m²). This could be even higher if some anticipated large-unit deals are actually concluded. Since it is still the case that there is hardly any new space coming onto the market, the supply situation within the municipal boundaries looks likely to remain tight. In view of this, fewer incentives are being granted, but all the same, the top rent will probably remain at its present level for the time being.