EXCELLENT PERFORMANCE
With a transaction volume of 3.09 bn €, the Hamburg investment market turned in its third-best performance of the past ten years. Admittedly, the total fell nearly 6 % short of the very good prior-year result but it exceeded the long-term average by around 44 %. It is notable that the volume of single deals – which accounted for some 93 % of aggregate turnover – set a new record. This shows that Hamburg remains at the focus of investor interest and is benefiting from the positive mood in the marketplace. In the first nine months of the year, almost 120 sales were registered – the largest number nationwide apart from Berlin. The average volume per sale was about 26 m €. In five cases, prices were in the triple-digit million euro range. The assets concerned included the Telekom building in Centre North and the Alter Wall new-build project in the City Centre.

DEALS UPWARDS OF 100 M € IN LEAD
In the distribution of investment in terms of size classes, three categories stood out. The top slot was taken by deals of more than 100 m €, with a share of 28 %. In second place, with just over 26 %, came the 25–50 m € bracket. The 50–100 m € class suffered a year-on-year fall of nearly 9 percentage points to post a share of around 23 %. Next, with slightly more than 15 %, came the category of smaller assets priced at between 10 and 25 m €. Completing the ranking was the small-unit class of properties up to 10 m €, with a share of just over 7 %.

RETAIL PROPERTIES ON THE ADVANCE
Office buildings are currently once again the most important asset class in Hamburg and even though their share slipped by nearly 11 percentage points, they still accounted for more than half of all investment (53 %). Retail properties, on the other hand, gained almost 14 percentage points year-on-year, attracting almost one fifth of all the capital deployed. With 9 %, hotels secured a slightly smaller slice than they had last year, and so had to be content with third place. At around 5 %, the share generated by logistics complexes was only half the prior-year figure. The collective category of other forms of real estate, which has so far primarily comprised development sites, finished the third quarter with over 13 %, which must be seen as a sign of the confidence that project developers are exhibiting in the development of the market.
Investments according to location in Hamburg Q1-3

<table>
<thead>
<tr>
<th>Location</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Centre</td>
<td>45.0</td>
<td>42.0</td>
</tr>
<tr>
<td>Centre Fringe</td>
<td>20.4</td>
<td>29.7</td>
</tr>
<tr>
<td>Subcentres</td>
<td>24.9</td>
<td>32.0</td>
</tr>
<tr>
<td>Periphery</td>
<td>2.6</td>
<td>3.4</td>
</tr>
</tbody>
</table>

CITY CENTRE WITH HIGHEST VOLUME

In the geographical spread of investment, the highest volume was generated by the City Centre (share: 45%). But it was the sub-centres which were responsible for the greatest number of individual deals and that gave them a 32% share of the total, equivalent to a year-on-year increase of over 7 percentage points. In contrast, the Centre Fringe submarket saw its share fall by over 9 percentage points to only slightly more than 20%. This development was due chiefly to limited availability in the more central areas, obliging buyers to invest in assets in other zones. As before, the periphery played a somewhat subordinate role, with just under 3%.

SPECIAL-PURPOSE FUNDS HEAD FIELD

With a share of nearly 38%, special-purpose funds finished well ahead of all the other investor groupings. In fact, this category of buyers was responsible for a greater volume of investment in Hamburg than anywhere else in Germany. Pension funds, which took second place in this city, deployed considerably less capital than the leaders, giving them only just under 18%. In third place, with almost 11%, came property developers. Then came private investors (around 9%), investment/asset managers (nearly 6%), property firms (almost 5%) and open-ended funds (just under 4%). The remaining groupings, bunched together in the category of “Others”, accounted for just over 11%.

FURTHER FALL IN PRIME YIELDS

In the past 12 months, net prime yields in all asset classes have fallen further, taking them to their lowest level ever. The sharpest fall, of 60 basis points, was posted by office buildings, giving them a new prime yield of 3.65%. Retail/office buildings have registered a more moderate decline of 25 basis points to 3.50%. The yield for logistics complexes has eased 50 basis points and now stands at 5.10%.

OUTLOOK

The good result posted at the end of the third quarter underlines the positive mood apparent in the Hamburg investment market. From today’s angle, and given an ongoing favourable economic framework, this trend should continue. So with a lively final quarter, the 4 billion euro threshold for the year as a whole is set to be passed again. The restricted supply in the face of sustained very robust demand will maintain pressure on yields, meaning that the possibility of further modest yield compression cannot be excluded.