GOOD RESULT THANKS TO LIVELY SECOND QUARTER
The transaction volume in the Hamburg investment market in the first half totalled around 1.4 bn €. This means that it gained momentum quite appreciably in the second quarter, following the somewhat reticent first three months. Turnover then was just 527 m €, something due to the fact that the excellent final quarter of 2016 left hardly any deals to be passed on to this present year. At the six-month point, the total is about one third down on the very high prior-year figure, but exceeds the ten-year average by all of 15 %. Market activity in the second quarter was very buoyant, reflected for instance by a large number of deals. After the sale of the Radisson Blu hotel in the first three months, the second quarter brought another triple-digit million-euro transaction when the HafenCity Gate office building changed hands. It was sold as part of a portfolio, which thus helped to lift the proportion of package sales (included on a pro-rata basis) to nearly 36 % of all turnover. The average volume per deal fell to about 22 m €.

TURNOVER HIGH IN SMALL AND MID-RANGE SEGMENTS
Just like the year before, the investment volume was spread very evenly across the different size classes. But turnover was driven in particular by the smaller and medium sized categories of up to 50 m €, which together accounted for well over half of the aggregate result (nearly 60 %). The biggest slice of capital was generated by the 25–50 m € bracket (35 %). In second place came deals in the three-digit million-euro spectrum (26 %), even though this category’s absolute volume was considerably lower than in the same period in 2016 (-41 %). Double-digit contributions were also made by the classes 10–25 m € (17 %) and 50–100 m € (15 %).

OFFICE BUILDINGS RETAIN THEIR LEAD
Accounting for more than half of the investment volume (over 53 %), office buildings once again took first place, heading the ranking by an appreciable margin. Fuelled decisively by the major deal mentioned above, hotels gained second place with a share of just over 15 %. They thus finished in front of retail properties, which – due to the shortage of relevant assets – contributed only about 10 % to the total. Logistics complexes produced close to 8 %, while the category of other forms of real estate, which includes development sites and mixed-use properties, generated a share of more than 14 %.
CENTRE FRINGE WITH ALMOST HALF OF ALL TURNOVER

The way investment was spread across the market area during the first half of this year was somewhat unusual. The Centre Fringe attracted almost half of all the capital deployed, while the City Centre was responsible only for just under one quarter. The latter is an exceptionally low proportion, by long-term standards, too. It was due firstly to the extremely restricted supply of assets in the downtown areas, but also to the fact that investors are exhibiting more and more interest in locations outside the City Centre, not just because of the greater supply but also because slightly higher yields can be achieved there. One further quarter of the result was produced by the subcentres; in relative terms this admittedly corresponds to a decline, but it is nevertheless a good result overall. And the subcentres generated by far the most sales.

SPECIAL-PURPOSE FUNDS AGAIN HEAD FIELD

The distribution of the transaction volume according to the various buyer groupings was headed by special-purpose funds with more than one quarter of the total; they thus defended their prior-year lead. Other double-digit percentage shares were obtained by family offices (18 %), equity/real estate funds (13 %), pension funds and investment/asset managers (each with 10 %). Property developers also deployed capital in the three-figure million-euro range in Hamburg, generating a turnover share of 9 %. So demand was spread broadly across a spectrum of investor categories. Foreign investors have also been exhibiting an undiminished scale of interest. They accounted for 38 %, which is, though, still below the nationwide average of 46 %.

MARKED DECLINE IN PRIME YIELDS

Net prime yields in all asset classes have eased again appreciably in the past twelve months against the background of lively demand for high-grade investment products combined with restricted availability. The yields for premium office buildings, for example, have slipped by 50 basis points to 3.25 %. There has also been a sharp decline in yields in the logistics sector; here, the prime yield fell by 35 basis points to 4.90 %.

OUTLOOK

In the second quarter, the Hamburg investment market exhibited renewed buoyancy, with a considerable increase in volume. In view of the bright economic climate, this development can be expected to continue in the months ahead, in line with the general national trend. And since several sizeable transactions are in the pipeline, the result for the year as a whole should definitely be above average.