NEW RECORD IN FIRST QUARTER

With a transaction volume of 1.29 bn €, the Hamburg investment market generated a new record volume in the first quarter. This is more than double the result achieved in the previous year’s rather slow first quarter and almost twice the ten-year average. The sale of the Springer Quartier in the City Centre, which at approx. 400 m € is the biggest single transaction ever registered in the Hamburg market, made a significant contribution to this excellent result. In addition, many more sales were again recorded than in the previous year, including in the high tens of millions. The average volume per deal has increased significantly and is, at almost 45 m €, very high. Single transactions alone have passed the billion mark, portfolio sales included on a proportionate basis account for just under 14 %. In a nationwide comparison, Hamburg has just managed to push Berlin (1.27 bn €) off the winners podium, taking third place behind Munich (2.65 bn €) and Frankfurt (1.54 bn €).

HIGH SHARE OF MAJOR DEALS

The distribution of investments by size category shows a similar picture to the same period of the previous year, although the absolute values are currently much higher. Transactions above 50 m € are responsible for just under 58 % of the volume and gain almost 8 percentage points. Sales between 25 and 50 m € are at the previous year’s level with slightly under 28 %. Deals in the category 10 to 25 m € (just over 14 %) and below 10 m € (just under 1 %) have so far made an unusually small contribution.

OFFICE PROPERTIES UNDISPUTED NUMBER ONE AGAIN

In the analysis of investments by property type, office properties are by some distance the number one in the rankings with 60 % of the volume. They regained their customary lead position, after having been relegated into second place by hotels in the previous year. Thanks to greater sales, retail properties take second place with just over 17 % and also gain significantly. A further 11 % is accounted for by logistics properties, which achieve a very good quarterly result with this figure and once again underline the on the whole much increased interest of investors in this asset class. After benefiting from the sale of the Radisson Blu in the previous year, this category so far only accounts for just over 3 %.
SUBCENTRES AHEAD OF CITY CENTRE
With just over 45%, Subcentres lead the distribution of investments in the market region. By far the most properties were sold here and a very high volume was achieved compared to the long-term average. City Centre locations, boosted in particular by the sale of the Springer Quartier, take second place with just over 41%. This is around 21 percentage points up on the quieter first quarter of 2017. Centre Fringe locations, the clear number one in the same period of the previous year, are currently somewhat under-represented and take third place with almost 12%. The Periphery so far only accounts for just under 2%.

PENSION FUNDS IN FIRST PLACE
With the purchase of the Springer Quartier by several pension funds, they top the table of investments by buyer group with 31%. Special-purpose funds take second place with just under 21%. Together these two investor groups are responsible for around half of the result. The top three is completed by equity/real estate funds, which contribute around 15%. Corporates (9%), insurance companies (8.5%) and listed real estate companies/REITs (7%) also account for significant shares above 5%. The interest of foreign investors in Hamburg remains high - their share in the first quarter totals 30%.

PRIME YIELDS STABLE
After falling again in 2017, net prime yields stabilised in the first quarter of 2018 at the level reached. For office properties in the top segment the net prime yield is 3.15% and therefore 10 basis points below the comparable figure for the previous year. The top yield for office buildings has not changed since the third quarter of 2017 and is 3.00%. The net prime yield for logistics properties in the premium segment is 4.50%, which is 40 basis points lower than twelve months ago.

OUTLOOK
For the first three months the Hamburg investment market has recorded an extraordinarily high investment volume which benefits among other things from deals not completed in the previous year and is unlikely to be repeated in this scale in the coming quarters. The huge demand is limited by the largely inadequate supply of attractive investment properties. All the same, against the background of the general conditions remaining positive, it is expected that the total result will be well above the previous year’s volume (3.56 bn €).