

# G&B Real Estate Market Survey

Commercial | Industrial & Logistics

2023/Q1-2

## Hamburg and Environs



Photo: © Zixp@ack-stock.adobe.com

### Shortage of available space slows letting business

While demand for industrial and logistics space inside the Hamburg region remains at a good level, the shortage of available space led to a lower result for the half year. Take-up of 170,000 m<sup>2</sup> translated into a year on year decline of 32%. Results fell more dramatically within city limits, by -45%, than in the environs. Year on year, take-up of real estate measuring over 10,000 m<sup>2</sup> fell by about two thirds, the number of agreements registered dropped by over half. No owner-occupier agreements were noted in this size category. By contrast the total of agreements and construction starts for owner-occupiers was about 10% up year on year. However, these contracts were primarily for small or mid-sized properties.

### Rents stabilize at a high level

Premium rates stabilized at the high of €8.00/m<sup>2</sup>/month seen in the previous quarter. Average rents likewise remained unchanged from the previous quarter at €6.00/m<sup>2</sup>/month. Year on year the average rent rose by +7.1% and the premium rent by +15.9%.

### Logistics firms return to the top slot

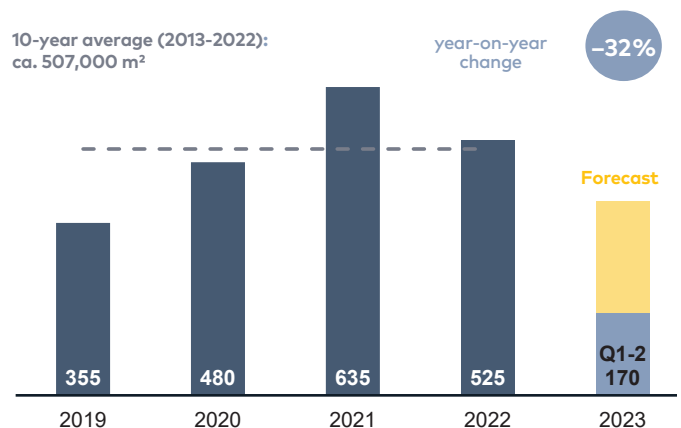
Whereas in 2022 the market was dominated by retail firms, logistics and forwarding companies regained the pole position in the 1st half of 2023. Three of the five biggest agreements were signed by logistics companies. Their share was some 39%. Manufacturing and industrial companies were close behind with 35% of the market.

### Felix Krumreich | Consultant for Industrial & Logistics

>> Against the backdrop of current economic developments, demand for industrial and logistics properties is less intense than it has been. Despite that, shortage of space continues to dominate the market and is leading to rent increases. Even peripheral locations are now of interest to potential occupants, especially if the properties are modern and conform to ESG standards. New build space is still being absorbed well, but in view of banks' restrictive loan policies hardly any speculative logistics developments are under construction. <<

### Take-up of space

2019-2023 | Hamburg region | in 000s m<sup>2</sup> | incl. owner-occupiers



Source: Grossmann & Berger GmbH

# Industrial & Logistics

Hamburg and Environs | Key Facts

2023/Q1-2



## Top contracts

2023/Q1-2 | Hamburg region | Selection

1 | TST Logistics | ca. 20,500 m<sup>2</sup>  
Neu Wulmstorf | Environs Southwest

2 | Trading company | ca. 14,600 m<sup>2</sup>  
Am Altenwerder Kirchthal 1-3 | Hamburg South

3 | IGEPa Group | ca. 13,600 m<sup>2</sup>  
Barsbüttel | Environs East

4 | H-Tec Systems | ca. 11,400 m<sup>2</sup>  
Victoriaring | Hamburg North-East

5 | OHI Fulfilment | ca. 9,400 m<sup>2</sup>  
Neuer Höltigbaum 6 | Hamburg North-East

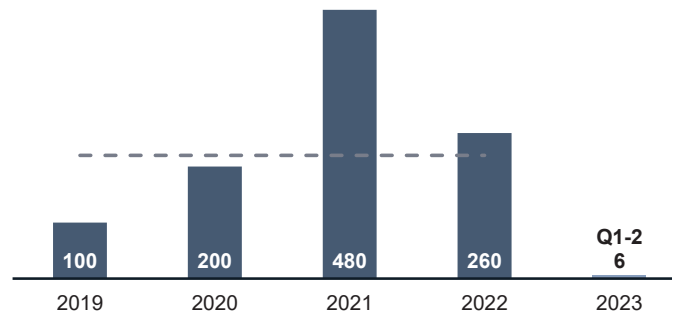
## Transaction volume

2019-2023 | Hamburg | Industrial & Logistics | in € m

10-year average (2013-2022):  
ca. €220m

year-on-year  
change

-94%



Source: Grossmann & Berger GmbH

## Market outlook | Industrial & logistics

Availability of space determines what happens on the market

**Take-up of space:** Due to the ongoing shortage of space, current needs cannot be met at short notice. There is a particular lack of large-volume rental premises in the building stock and in new-build developments. Over the course of the year the shortage of space will retard take-up activity.

**Rents:** As a result of the continuing imbalance between supply and demand, further rent rises may be expected. In expectation of a prolonged period of good demand, rents could rise during the rest of the year.

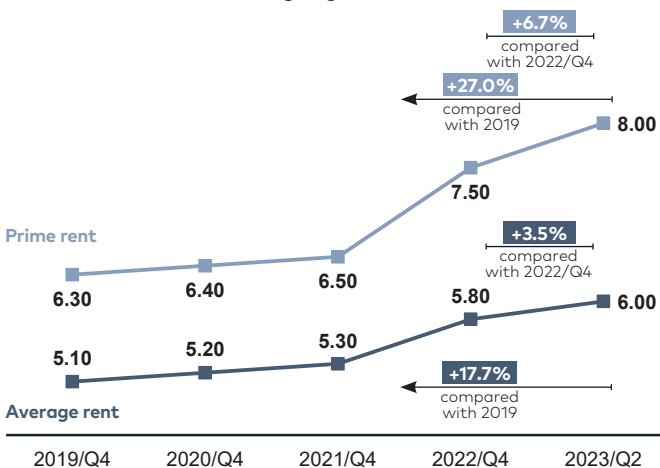
**Available space:** Supply in Hamburg and the region will remain problematic in the foreseeable future. New build activity is shrinking noticeably due to the sharp rise in borrowing and construction costs and the lack of building land.

**Transaction volume:** The additional rise in the base rate and the expectation that more increases will follow have complicated the price discovery phase for investments in Hamburg's logistics and industrial real estate. Many investors remained hesitant because they are unable to plan with any degree of certainty. Provided the end of rising interest rates is in sight, the volume of transactions may be expected to increase next year and business to return to normal.

**Yields:** Yields on industrial and logistics properties have risen appreciably year on year. Depending on how interest rates rise, yields could increase slightly before the year ends.

## Industrial & logistics rents

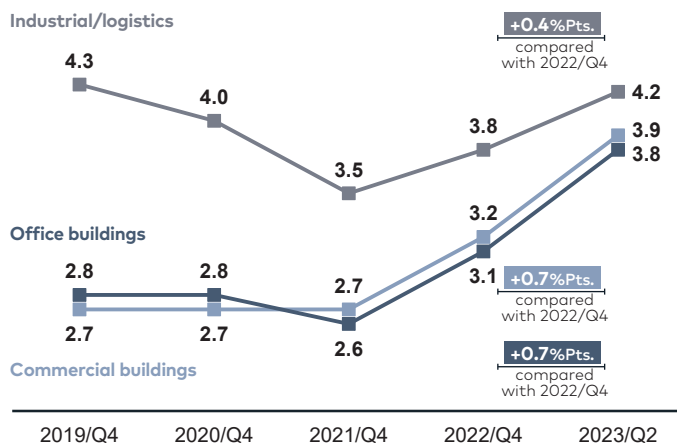
2019-2023/Q2 | Hamburg region | in €/m<sup>2</sup>/mth (net)



Source: Grossmann & Berger GmbH

## Prime yields

2019-2023/Q2 | Hamburg | (Net) initial yield | in %

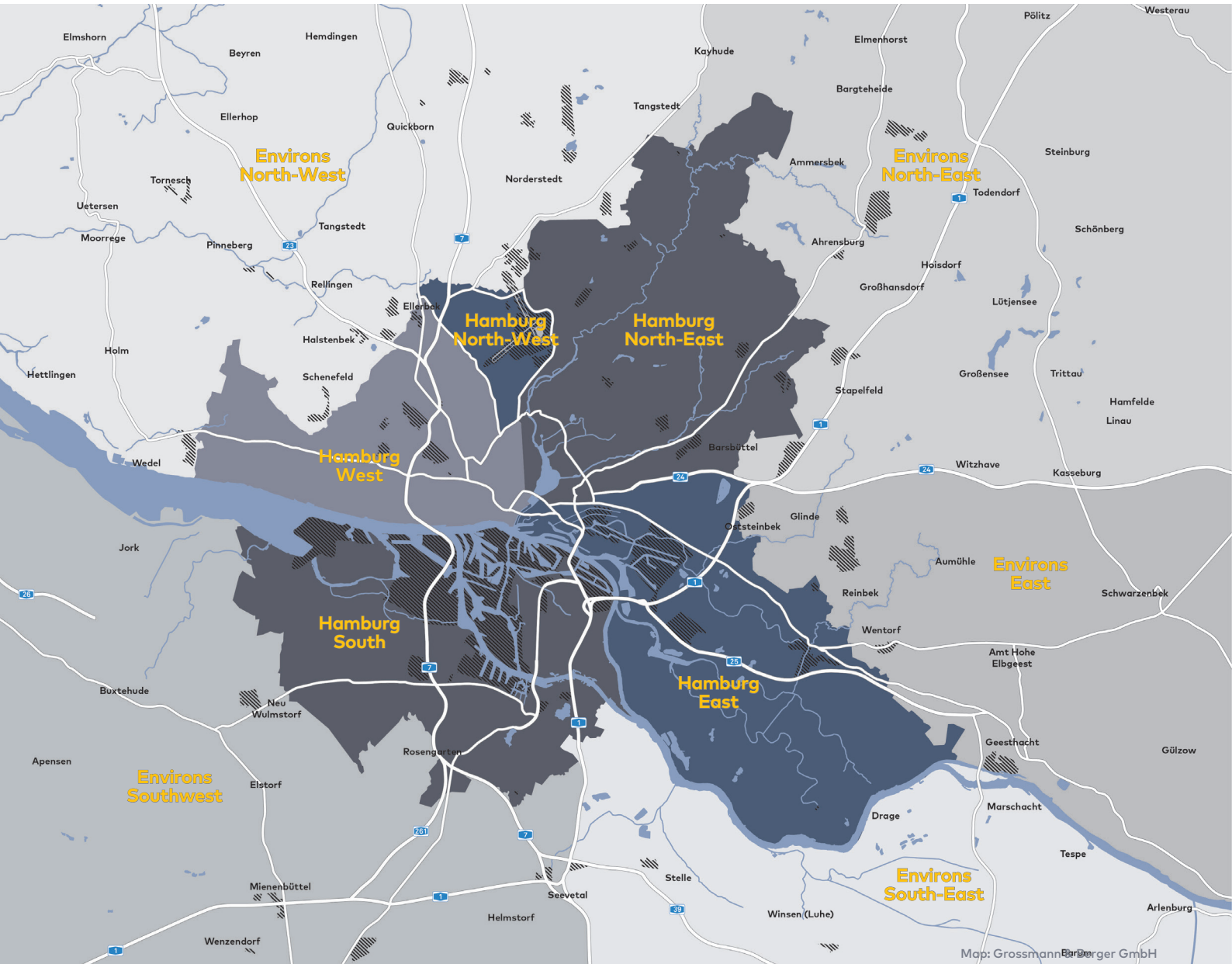


Source: Grossmann & Berger GmbH

# Industrial & Logistics

Hamburg and Environs | Sub-markets

2023/Q1-2



## Hot Spots

2023/Q1-2 | Hamburg region | distribution of space take-up

**Hamburg**  
75,700 m<sup>2</sup> | -45%  
Take-up of space  
year-on-year change

**Environs**  
94,300 m<sup>2</sup> | -16%  
Take-up of space  
year-on-year change

- 1 | Hamburg South**  
27,500 m<sup>2</sup> | -67%
- 2 | Hamburg North-East**  
26,200 m<sup>2</sup> | +337%
- 3 | Hamburg East**  
18,400 m<sup>2</sup> | -57%
- 4 | Hamburg West**  
3,600 m<sup>2</sup> | +140%
- 5 | Hamburg North-West**  
0 m<sup>2</sup> | -100%

- 1 | Environs North-West**  
32,000 m<sup>2</sup> | +33%
- 2 | Environs East**  
27,900 m<sup>2</sup> | -21%
- 3 | Environs South-West**  
23,800 m<sup>2</sup> | +156%
- 4 | Environs South-East**  
7,100 m<sup>2</sup> | +788%
- 5 | Environs North-East**  
3,500 m<sup>2</sup> | -92%



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We draw your attention to the fact that all statements made here are non-binding. Most of the information is based on third-party reports. The sole intention of this market survey is to provide general information for our clients.

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