G&B

Real Estate Market Survey 2022/2023

Commercial | Retail

Hamburg

GERMAN PROPERTY PARTNERS

Grossmann & Berger

G&B Real Estate Market Survey 2022

Commercial | Retail

Date: 2023/January

Hamburg

Photo: © Bucher & Prexel

Rents in the retail sector still under pressure

At the end of the third year of the pandemic, the rents for retail and catering spaces remained under pressure. The strong increase in service charges caused by skyrocketing energy prices was, and still is, a large burden for most retailers and caterers. The result was a noticeably higher price sensitivity among many prospective tenants, leading to an enormous increase in the time required for the marketing of retail and catering spaces. This, in turn, had an impact on the rental price trend in the Hamburg city centre. An average decrease of about 8% in the highest achievable rental prices was observed, notably for retail spaces in the segment of 300 to 500 m². Regarding the significantly more expensive spaces between 80 and 120 m², the average decrease was about 4%. Peak rents were still achieved in the classical prime locations. In this segment, the luxury mile Neuer Wall and the Spitalerstraße scored highest, with maximum rental prices of 250 resp. 240 €/m/mth. For the first time, the luxury location Neuer Wall achieved higher rents than the consumer location Spitalerstraße. While the luxury mile Neuer Wall maintained its price level, the consumer-oriented Spitalerstraße dropped by ca. 11%.

Trend to smaller retail spaces persists

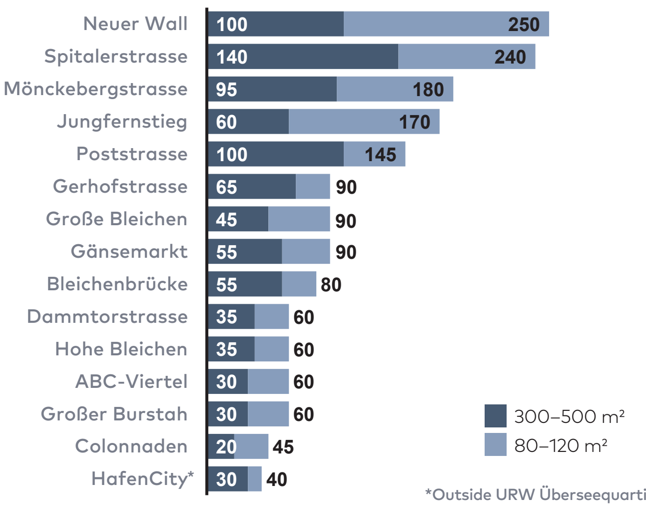
The trend of the last years to smaller retail spaces continued also in 2022. The underlying reason is that the space productivity of modern retail and catering concepts continues to remain on a significantly lower level. About 40% of all rental agreements recorded were concluded for a rental space of up to 150 m². The segment of 150 to 500 m² accounted for 36%, while the share of contracts registered for spaces of more than 1,000 m² in the city centre was only 10%.

Sven Bechert | Authorized Signatory, Head of Retaill

>> With the war in Ukraine, but also supply bottlenecks and a high inflation rate, the retail trade is facing major challenges once again after the COVID-19 pandemic. Despite all these problems, the Hamburg city centre was still able to welcome a large number of new retailers even in 2022. The flexibility and adaptability of the Hamburg city centre, demonstrated more than once in the past, continues to boost the confidence of the business sector that the Hanseatic City is a highly attractive location. <<

Maximum attainable rents

Hamburg | central locations | in €/m²/mth.



*Outside URW Überseequartier

Source: Grossmann & Berger GmbH

Retail 2022/2023

Hamburg | Key Facts

Date: 2023/January

Key figures retail

Hamburg

01 | Retail purchasing power per capita | 7,806 €
+7.6% compared with 2021

02 | Retail purchasing power index* | 107.2
–0.1 Points compared with 2021

03 | Retail turnover per capita | 7,144 €
+5.7% compared with 2021

04 | Retail turnover index* | 119.6
–1.2 Points compared with 2021

05 | Retail centrality index* | 111.6
–1.0 Points compared with 2021

Source: Michael Bauer Research GmbH, Nürnberg 2022 | *Germany = 100

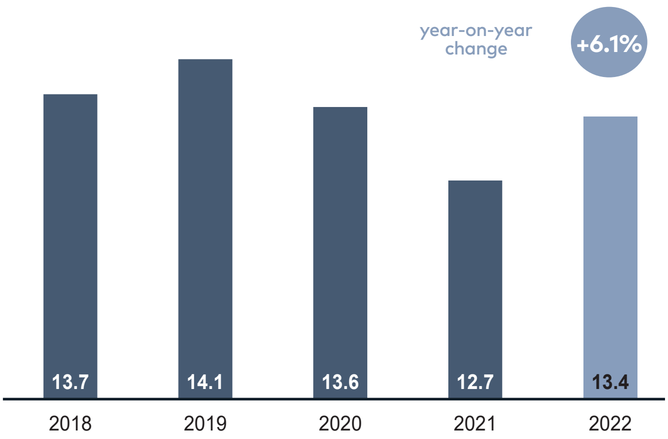
New challenges – new opportunities
Already in pre-pandemic times, the stationary retail trade had to address a number of challenges. The inner cities, particularly, were forced, by strongly increased competition from the e-commerce and decreasing frequency of passers-by, to restructure and diversify their offering. Then, as the pandemic seemed over and the market sentiment was brightening up, retailers and caterers were confronted with new challenges again. The Ukraine war, as well as supply bottlenecks and the inflation rate, notably driven by high energy and food prices, do not only have an impact on the cyclical trend of the German economy, but also on peoples' consumer habits. There is an overall tendency of consumers to be more prudent when it comes to purchases that are not absolutely necessary. Compared to this, the food retail trade remained relatively stable, and there were new and experimental, and in some cases even fully-automated, supermarket concepts launched to market. There is high confidence that the existing challenges can be countered by suitable answers. This includes also making the most out of the opportunities presented by digitalisation. It is important to develop new, contemporary retail concepts which focus on the shopping experience.

Total sales went up significantly
In 2022, the retail sales in Hamburg amounted to 13.4 billion euros, which is a pronounced rise compared to the previous year. Compared to 2021, this is a plus of roughly 6.1%. The retail-relevant buying power and the per capita sales have increased as well. At about 7,800 euros, the buying power increased by 7.6% while sales went up 5.7% to reach an amount of 7,144 euros. A slight decrease, compared to the previous year, was recorded for Hamburg's buying power index, sales-volume figure and centrality ranking figure.

Online commerce continues to grow
Despite a slight loss in its growth rates, the online commerce is still on the rise in Germany. After the record-breaking years of 2020 and 2021 with growth rates of 23 resp. 19.1%, the outlook for 2022 was rather measured due to the economic uncertainties. The "HDE-Online-Monitor" published by the German Retail Federation (HDE) predicted a growth of about 10.7 bn euros, which is a plus of ca. 12.4%. The clothing industry, particularly, has recently experienced an enormous increase in its online business. With a share of about 46.5% in 2021, nearly half of the sales across Germany were generated online.

Retail turnover

2018–2022 | Hamburg | turnover in € billions

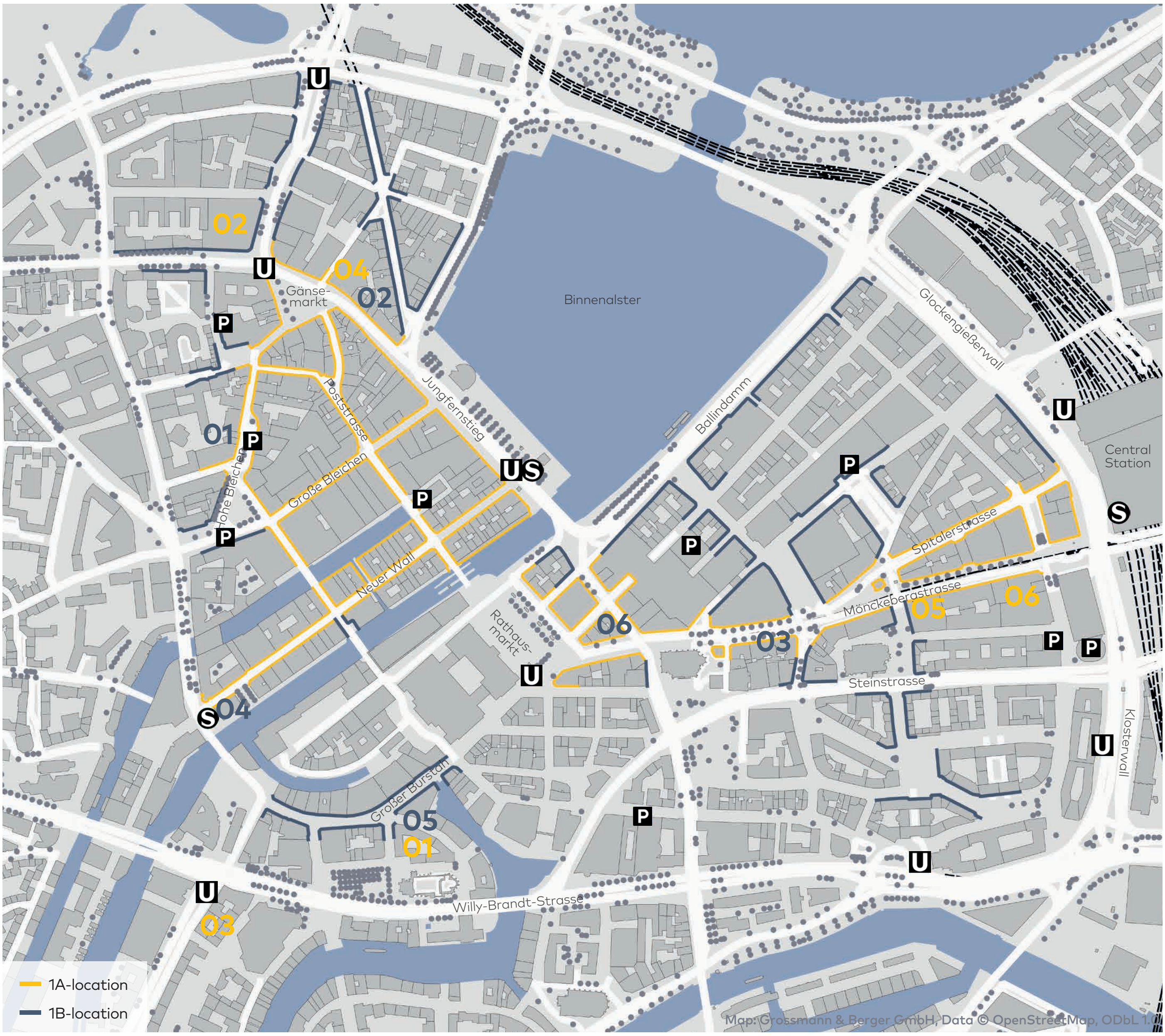


Source: Michael Bauer Research GmbH

Retail 2022/2023

Hamburg | City

Date: 2023/January



Projects

2023–2026 | Hamburg City | Selection

01 | **Burstah** | Großer Burstah
approx. 4,300 m² retail space | from 2023

02 | **Deutschlandhaus** | Dammtorstrasse/Valentinskamp
approx. 4,000 m² retail space | from 2023

03 | **Flüggerhöfe** | Rödingsmarkt
approx. 1,000 m² retail space | from 2023

04 | **C&A Haus** | Mönckebergstrasse
approx. 4,000 m² retail space | 2025 and later

05 | **Gänsemarkt Passage** | Gänsemarkt
approx. 2,300 m² retail space | 2025 and later

06 | **Klöpperhaus** | Mönckebergstrasse
approx. 9,000 m² retail space | 2026 and later

New lettings

2022 | Hamburg City | Selection

01 | **Live Fast Die Young | Fashion/Apparel**
Hohe Bleichen 13 | approx. 300 m²

02 | **FDB Møbler | Furniture**
Jungfernstieg 50 | approx. 220 m²

03 | **C&A | Fashion/Apparel**
Mönckebergstrasse 15 | approx. 3,000 m²

04 | **Technogym Germany | Sports/Leisure**
Neuer Wall 77 | approx. 110 m²

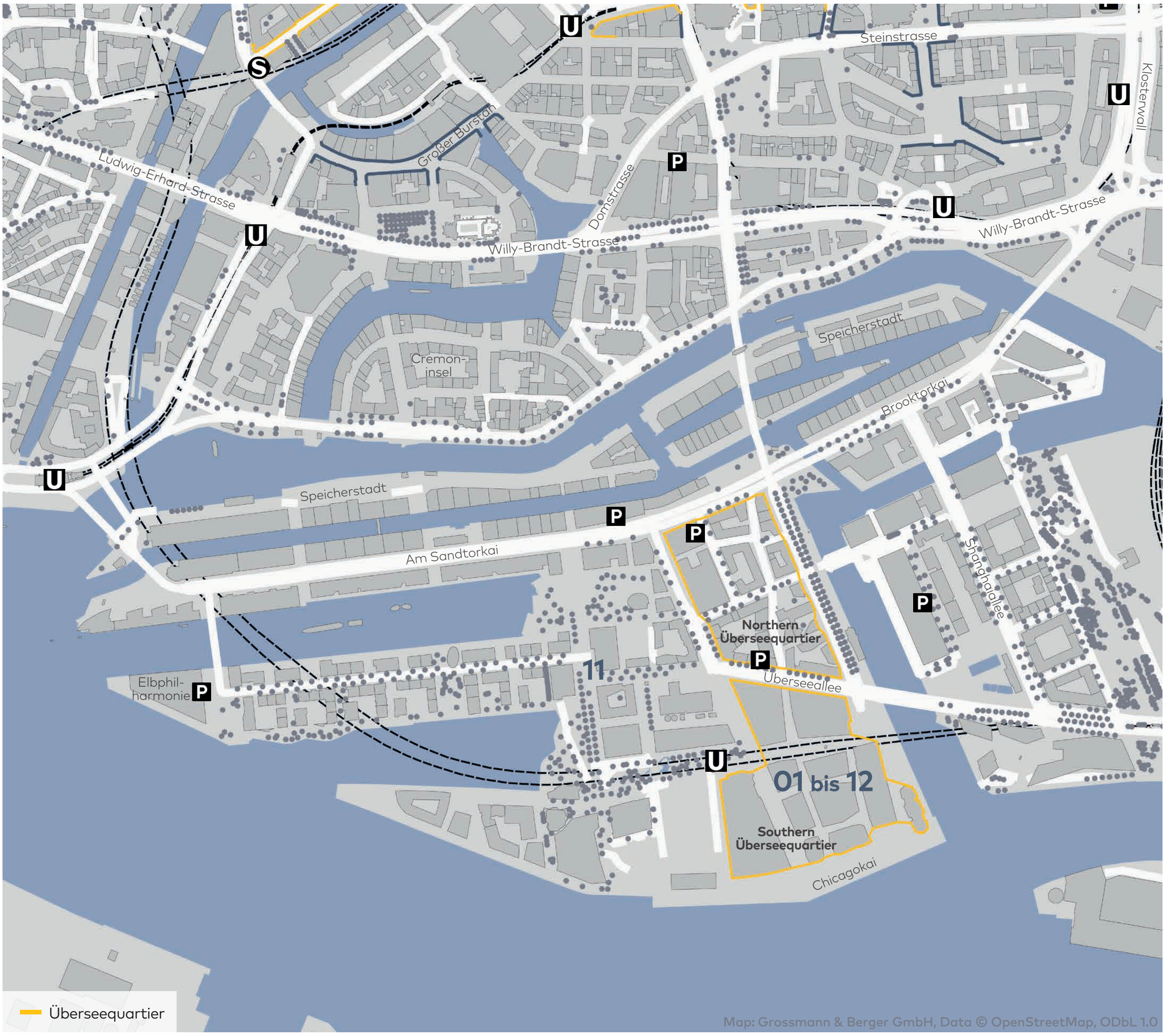
05 | **60 seconds to Napoli | Gastronomy**
Großer Burstah 3 | approx. 800 m²

06 | **New Yorker | Fashion/Apparel**
Kleine Rosenstrasse 14 | approx. 2,600 m²

Retail 2022/2023

Hamburg | HafenCity

Date: 2023/January



Southern Überseequartier | from 2024

New lettings 2021-2022 | Selection

01 | **Breuninger | Fashion/Apparel**
Überseequartier | approx. 14,000 m²

02 | **Zara | Fashion/Apparel**
Überseequartier | approx. 10,000 m²

03 | **Legoland Discovery Centre | Culture/Entertainment**
Überseequartier | approx. 3,400 m²

04 | **H&M | Fashion/Apparel**
Überseequartier | approx. 3,200 m²

05 | **Port de Lumières | Culture/Entertainment**
Überseequartier | approx. 3,100 m²

06 | **Intersport Knudsen | Fashion/Apparel**
Überseequartier | approx. 2,000 m²

07 | **Mango | Fashion/Apparel**
Überseequartier | approx. 800 m²

08 | **JD Sports | Fashion/Apparel**
Überseequartier | approx. 800 m²

09 | **Only | Fashion/Apparel**
Überseequartier | approx. 520 m²

10 | **Oysho | Fashion/Apparel**
Überseequartier | approx. 300 m²

11 | **GANT | Fashion/Apparel**
Überseequartier | approx. 180 m²

12 | **Scotch & Soda | Fashion/Apparel**
Überseequartier | approx. 170 m²

Retail 2022/2023

Hamburg | Selected location profiles

Date: 2023/January

Mönckebergstrasse

Hamburg's premier shopping address

- Hamburg's best known shopping street with a range of different quality sites
- High incidence of familiar chain stores and consumer goods
- Europa Passage mall attracts
- customers and generates footfall
- New tenants include: C&A

Maximum attainable rents

by space | in €/m²/mth.

- 300–500 m²: 95 €/m/mth.
- 80–120 m²: 180 €/m²/mth.

Spitalerstrasse

Exremely busy connecting road

- High footfall shopping street between main station and Mönckebergstrasse
- Large proportion of chain stores focussing on well-known labels
- Household-name anchor tenants such as Peek & Cloppenburg, Zara, Anson's, H&M and Görtz
- New tenants include: Mister Spex

Maximum attainable rents

by space | in €/m²/mth.

- 300–500 m²: 140 €/m/mth.
- 80–120 m²: 240 €/m²/mth.

Neuer Wall

Hamburg's luxury street

- Shopping street focussed on the luxury segment
- Attractive mix of retailers and established, busy location
- Spurs to growth come from the construction of the Stadthöfe and Alter Wall developments in the immediate vicinity
- New tenants include: Technogym, Hermès, DoDo, Ami Paris, Iro Paris

Maximum attainable rents

by space | in €/m²/mth.

- 300–500 m²: 100 €/m/mth.
- 80–120 m²: 250 €/m²/mth.

Retail 2022/2023

Hamburg | Selected location profiles

Date: 2023/January

Jungfernstieg

Shopping on the boulevard

- Traditional shopping boulevard with view of the Binnenalster (Inner Alster Lake)
- High footfall because area attracts many tourists
- New development impetus will come from the conversion of the "Hamburger Hof"
- New tenants include: Westwing, FDB MØbler, Brammibal's Donuts

Maximum attainable rents

by space | in €/m²/mth.

- 300–500 m²: 60 €/m/mth.
- 80–120 m²: 170 €/m²/mth.

Große Bleichen/Hohe Bleichen/Poststrasse

The premium district

- Several small malls mostly with higher-end goods; highly inviting spaces
- Heterogeneous range of goods and varying footfalls in the different areas
- Repositioning of the "Hanseviertel" by reducing the sizes of shop units and new gastronomy concept
- New tenants include: Live Fast Die Young, Rockhats, Copenhagen Studios

Maximum attainable rents

by space | in €/m²/mth.

- 300–500 m²: 45/35/100 €/m²/mth.
- 80–120 m²: 90/60/145 €/m²/mth.

Überseequartier

Modern Shopping at Hamburg's Waterfront

- Mixed-use project as the new centre of the HafenCity
- Broad spectrum of businesses and international supply structure
- Flagship-project with high tourist attraction
- New tenants include: Breuninger, Zara, H&M, Intersport, Mango, Only, Oysho, GANT, Rituals

Maximum attainable rents

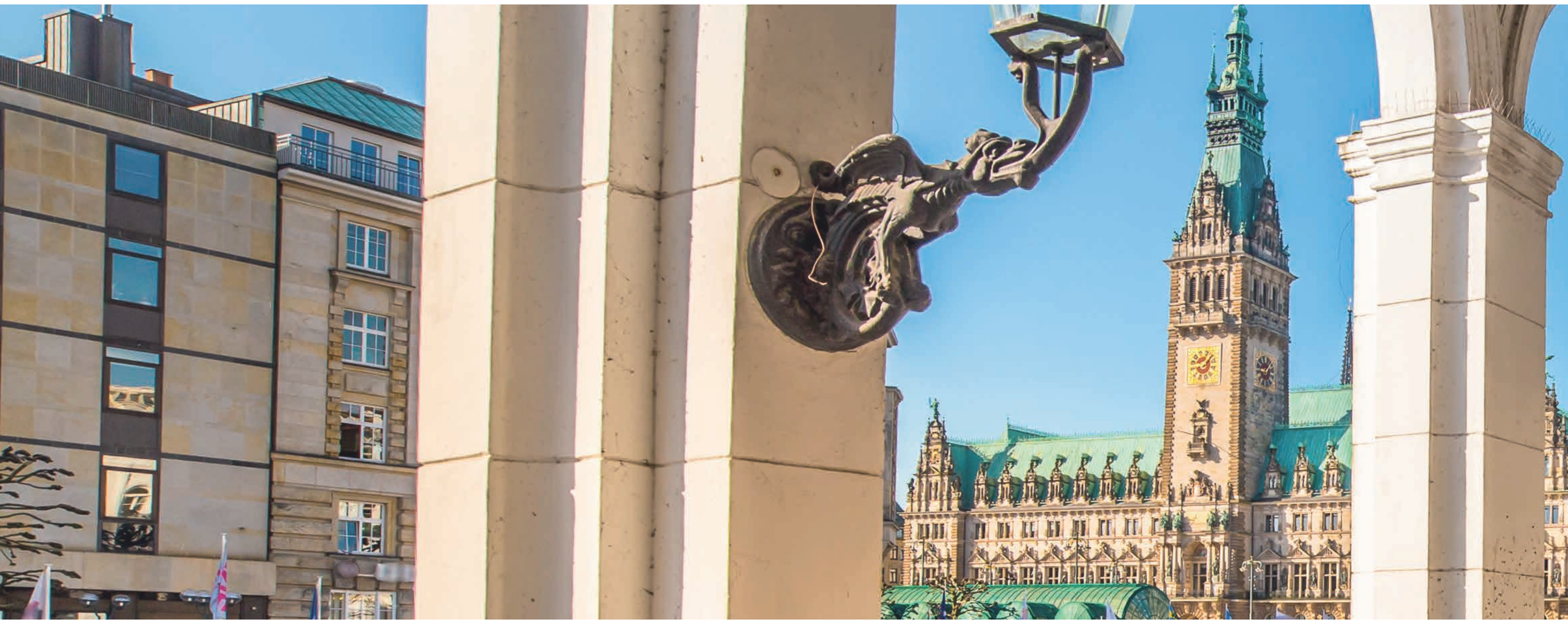
by space | in €/m²/mth.

- 300–500 m²: 30 €/m/mth.
- 80–120 m²: 40/70 €/m²/mth.

Retail 2022/2023

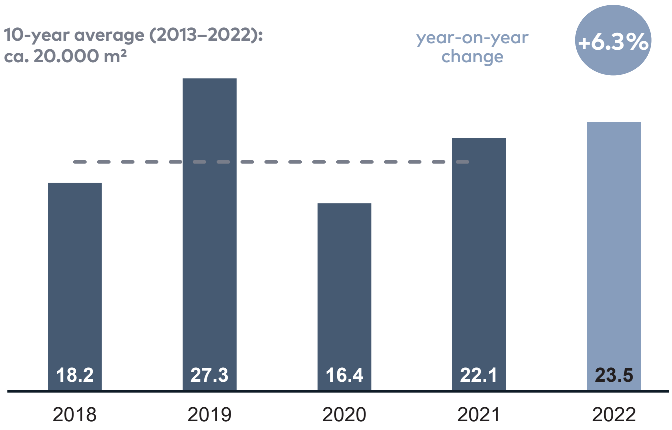
Hamburg | City and HafenCity

Date: 2023/January



Take-up of space

2018–2022 | City | Retail & Gastronomy | in 000s m²



Source: Grossmann & Berger GmbH

Highest-turnover sectors

2022 | City | Take-up of space by industry

Top-5-Industries
Take-up of space

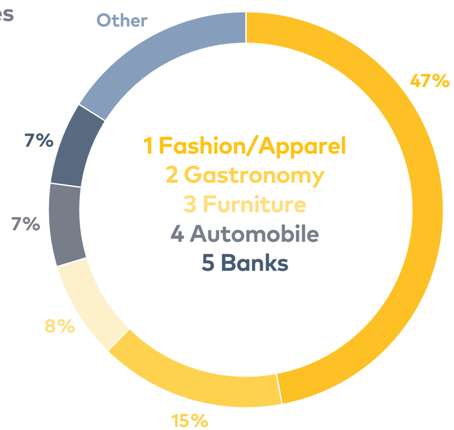
1 | 11,100 m²

2 | 3,600 m²

3 | 1,900 m²

4 | 1,600 m²

5 | 1,600 m²



Source: Grossmann & Berger GmbH

Area take-up stable within city centre

Against all political and economic odds, the retail rents market performed well in terms of the area take-up realized in the Hamburg city centre. With more than 23,000 m² of retail and catering spaces rented out in the city, the rental volume was not only higher than the ten-year-average, but also topped the value of the previous year by about 6%. With more than 60 contracts, the number of new lets in the city centre remained stable, too, compared to 2021. Among other things, New Yorker took over a space of more than 2,500 m² from Benetton/Salamander located at Kleine Rosenstrasse. A further example is the online furniture store Westwing signing a rental agreement for its first stationary shop at Jungfernstieg. With VinFast and Aston Martin, the Hamburg city centre succeeded in winning even two automotive brands at once. Other newcomers in Hamburg were the sneaker brand Allbirds which is going to open its second German site in the Kaisergalerie, after its first shop in Berlin, and the Düsseldorf-based streetwear brand "Live Fast Die Young" which opened its first Hamburg store at Hohe Bleichen in autumn. It is especially the small to medium-sized shop spaces that are being relet shortly after they become available, reflecting the city centre's sustained appeal for businesses.

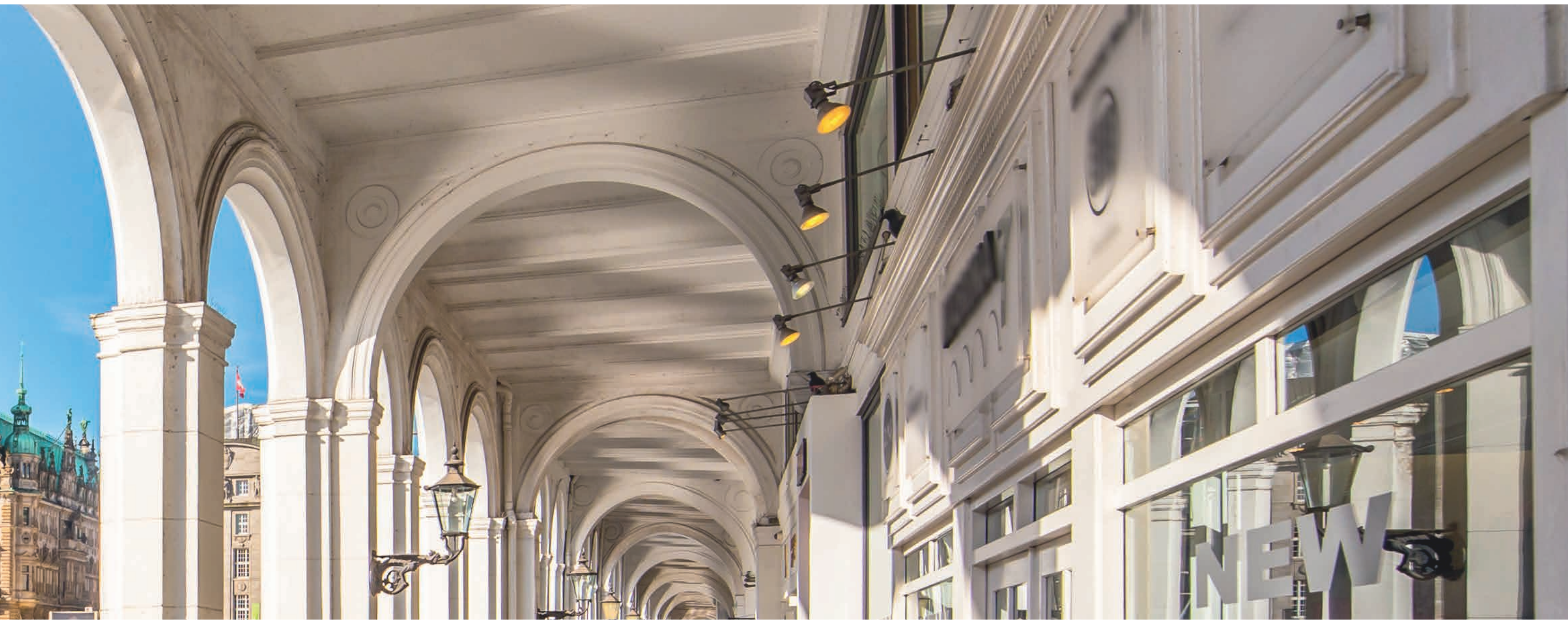
Clothing once more largest consumer of space

Typically, with a share of about 47%, the clothing sector was the largest consumer of space in Hamburg's city centre. In second place came the catering businesses with a share of about 15%, which corresponds to an increase of almost one third in their aggregate take-up. The furniture and furnishing stores followed in third position. Due to the spaces leased by VinFast and Aston Martin, the automotive sector came in fourth. This is a clear sign of the ongoing diversification and flexibility of the Hamburg city centre. In the past, a lease of spaces by automotive businesses would have been hardly imaginable.

Retail 2022/2023

Hamburg | City and HafenCity

Date: 2023/January



Überseequartier new shopping magnet of HafenCity
In 2022, the HafenCity reported a take-up volume of more than 25,000 m², which was driven primarily by the large spaces leased by the Inditex Group and many more contracts signed in the Westfield-Hamburg-Überseequartier. In the overall picture, more than 85% of take-up in the HafenCity was reported for the southern Überseequartier. The developer Unibail-Rodamco-Westfield intends to launch this large-scale project in 2024. Apart from the flagship stores Zara (this year) and Breuninger (previous year), more renowned tenants could be won, including H&M, Intersport, GANT and Hugo Boss. With a share of ca. 75%, the clothing sector, in the HafenCity again, was by far the biggest consumer of space. The catering sector with ca. 2% followed far behind. Along with many modern shopping opportunities, there are also innovative culture and leisure activities giving the Überseequartier its special character and combining the concepts of living, working, shopping and tourism in a completely new way. It is assumed that, thanks to the planned cruise ship terminal, there will be more than 16 million visitors per year. There is an overall area of 100,000 m² intended for use by shop owners and caterers, and the Überseequartier is considered the biggest retail competitor of the Hamburg city.

Hamburg still on course for growth
The city of Hamburg, second-largest metropolis of Germany, remains on course for growth. Counting about 1.91 million inhabitants in 2021, the Hanseatic city has grown by 1.4% since 2017. According to forecasts of the Statistikamt Nord, the population of the city on the banks of the Elbe will increase by a further 6.6% until 2035 and is expected to exceed the 2 million mark in 2031. With a plus of 7.7%, the GDP has also strongly increased since 2017. Hamburg's share in the all-German economic output was about 3.6% in 2022, which is above average, notably in relation to the number of inhabitants.

Tourism nearly on pre-pandemic level
Tourism is an essential commercial factor for the Hanseatic city in general, and for Hamburg's retail sector in particular. After sharp declines caused by the COVID-19 pandemic, the number of arriving visitors and overnight stays nearly reached its pre-pandemic level in 2022. From January to October, over 120% more arriving visitors and ca. 108% more overnight stays were counted, compared to the same period in the previous year. The HafenCity continues to evolve into a magnet for tourists, which adds even more to Hamburg's attractiveness. It is assumed that the tourist numbers, which evolved very positively in pre-pandemic times, will continue to grow, and that Hamburg will be able to further expand its position as a popular national and international travel destination.

Hamburg Facts

1.91m | Residents
+1.4% | Change 2021 compared with 2017

2.03m | Population forecast
+6.6% | Change 2035 compared with 2021

€126.7bn | GDP Hamburg
+7.7% | Change 2021 compared with 2017

5.69m | Visitor arrivals
+121.5% | year-on-year change 2022/10

12.4m | Overnight stays
+108.2% | year-on-year change 2022/10

Source: Statistikamt Nord

References

Hamburg | Selection


01


02


03


04

MULBERRY
Pepe Jeans LONDON
Planet-Sports.com
HERMÈS PARIS
CLOSED
CHANEL
HENNY's
Paul Smith
LOUIS VUITTON
GIORGIO ARMANI


05


06


07


08

for all 7 mankind
H&M
Peter Pane
BoConcept
CHRIST
LFDY
KONGELIG HOFLEVERANDØR Illums Bolighus
Acne Jeans
Abercrombie & Fitch
FIVE GUYS
VIU
ZARA

A selection of our success

The satisfaction of our customers says it all

Over the past decades, we have let over **900 premises** in the city centre and other attractive districts. Satisfied clients have included top names such as Armani, Hermès, Louis Vuitton and Chanel.

01 | Chanel
Neuer Wall 73-75

02 | Louis Vuitton
Neuer Wall 34

03 | Five Guys
Jungfernstieg 41

04 | Technogym
Neuer Wall 77

05 | Live Fast Die Young
Hohe Bleichen 13

06 | GOA Tandoori
Großer Grasbrook 9

07 | CODOS
Mühlenkamp 7

08 | Polestar
Hohe Bleichen 8

WOOLRICH JOHN RICH & BROS.
Globetrotter.de Ausrüstung
TIGER
NIVEA
BUDNI
NORTH SAILS
TIFFANY & CO.
URBAN OUTFITTERS
hans im glück BURGERGRILL · BAR
BRUNELLO CUCINELLI
ROSSMANN
SUBWAY

Team Retail & Gastronomy

Hamburg

We find the right space for your business

With so much experience in-house, we really know our market. For retail clients we identify the best store space available in selected locations with high footfall and the right kind of environment.

Not only has our team tracked the Hamburg retail property market for decades, it has also actively helped shape it, from the planning of shopping arcades to assisting with many of the current business improvement districts (BIDs).

Market knowledge born of experience

>> Because we have been working in the real estate market for many, many years, we have close contacts within the Hamburg business world and with local landlords. In many cases, we are already dealing with second and third generations. Therefore we find out at an early stage where retail space is due to become available, where projects are being planned and which potential tenants are looking for premises. Thanks to our international networking, we also have excellent contacts with retail enterprises all round the world. As part of the German Property Partners (GPP) commercial network that we founded, we have close relationships with the most important national and international players on the market. <<

Services for tenants

- Advice on choice of location and targeted acquisition of retail spaces
- Assistance up to and beyond signing the lease
- Collaboration with project developers, architects, authorities, centre managers and bodies specialising in retail outlets and location analysis
- Recommending trade-specific service providers

Services for landlords

- Preparation of location analysis and planning
- Advice on setting rent levels, overheads, etc.
- Negotiating leases and conducting site visits
- Targeting potential tenants in Germany and abroad
- Advice on the market launch of shopping centres
- Advice on modernisation and new plans

Your contacts

Sven Bechert | Authorized Signatory | Head of Retail
+49 (0)40/350 80 2 50 | Mobile: +49 (0)162/23 230 02

Matthias Schücking | Authorized Signatory | Property consultant
+49 (0)40/350 80 2 457 | Mobile: +49 (0)162/23 230 12

Jan Stieghahn | Property consultant
+49 (0)40/350 80 2 611 | Mobile: +49 (0)162/23 230 69

Sabine Peickert | Assistant
+49 (0)40/350 80 2 572

Photos: Title © Bucher & Prexel, P. 3 © VadimGuzhva-stock.adobe.com, P. 6 © Bucher & Prexel, P. 7: Jungfernstieg © Jenner Egberts, Torquato © Bucher & Prexel, Überseequartier © moka-studio/URW, P. 8–9 © powell83-stock.adobe.com, P. 10: Five Guys, CODOS, GOA Tandoori, Polestar, Technogym © Bucher & Prexel | LFDY © Konstantin Lider, P. 11 © Morris Mac Matzen/Grossmann & Berger GmbH, Back © Jörg Bucher

Grossmann & Berger GmbH | Bleichenbrücke 9 (Stadthöfe) 20354 Hamburg | Phone: +49 (0)40 / 350 80 2-0 | info@grossmann-berger.de | Managing directors: Andreas Rehberg (Spokesperson), Andreas Gnielka, Björn Holzwarth, Sandra Ludwig, Lars Seidel, Frank Stolz. Chairman of the supervisory board: Frank Brockmann. Registered office Hamburg | Registered at Hamburg no. B 25866

Date: January 2023