BNP PARIBAS REAL ESTATE

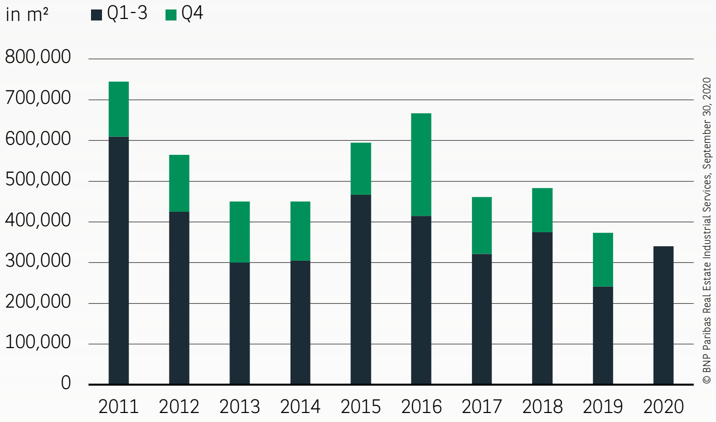
Real Estate for a changing world

RESEARCH

At a Glance Q3 2020

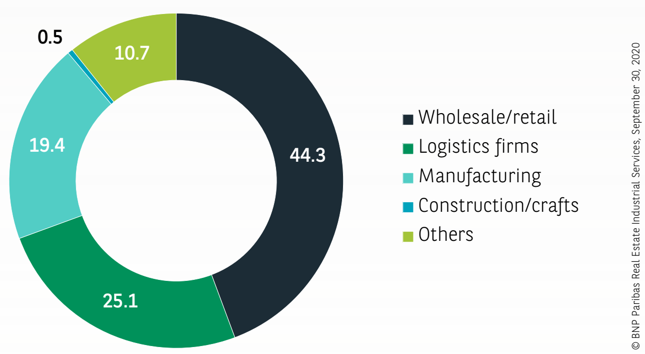
# LOGISTICS MARKET HAMBURG

### Light industrial and logistics take-up



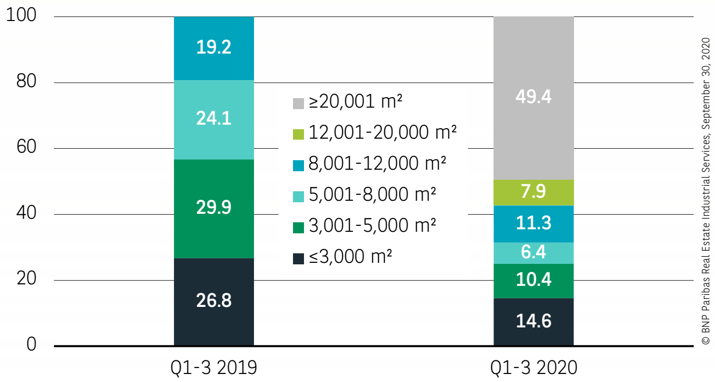

### Take-up by sector Q1-3 2020

in %




### Take-up by size category

in %




### TAKE-UP INCREASES IN THE THIRD QUARTER

The Hamburg warehouse and logistics market (including surrounding areas) achieved a take-up of 340,000 m² in the first three quarters of 2020. This means that the previous year's result was exceeded by 41 %, but falls short of the ten-year average by almost 11 %. After a very weak second quarter, in which the effects of the Corona pandemic were clearly felt and only 38,000 m² were registered, take-up has been picking up again in the course of the third quarter. A significant share of this development was accounted for by a number of large-scale owner-occupier construction starts, most notably Rewe in Henstedt-Ulzburg with 86,500 m², but also Kroop & Co. Transport + Logistik in Neu Wulmstorf (22,500 m²) and the Asklepios Kliniken in Bad Oldesloe (14,500 m²). However, there is still little demand for space from companies associated with the port industry, which is normally one of the main drivers of take-up. The comparatively low demand in this location is currently manifested in a considerable amount of available space in the port area, especially in comparison with previous years.

### RETAIL COMPANIES CLIMB TO THE TOP

Rewe's new logistics facility pushes the market share of retail companies to the top of the sector distribution and relegates the usually leading logistics firms to second place. At a good 44 %, they achieve above-average results both proportionately and in absolute terms. Logistics firms, on the other hand, contribute only a quarter of the take-up, which is far below the ten-year average (47 % ).This mainly reflects the lower demand from the port industry. Nevertheless, the forwarding company Mickeleit (28,000 m²) and Kroop & Co. Transport + Logistik (22,500 m²) delivered two large contracts in this category. Manufacturing companies achieved a solid result with a good 19 % - to which Airbus made a significant contribution with 30,600 m².

### MAJOR DEALS ACCOUNT FOR ALMOST HALF OF THE TAKE-UP

In the distribution of take-up by size category, the segment over 20,000 m² has achieved a result of almost 50 % through the four deals mentioned above alone. It is noteworthy that in the generally weaker year 2019, no deal above 12,000 m² was recorded by the end of September. Another remarkable feature in the year to date is the low take-up in the two categories up to 5,000 m², where demand is normally lively. At 85,000 m², they are at their lowest level in the last ten years and remain well below average.

### Major contracts Q1-3 2020

| Quarter | Company | Location | Area (m²) |
|---|---|---|---|
| Q3 | REWE | Henstedt-Ulzburg | 86,500 |
| Q1 | Airbus | Hamburg | 30,600 |
| Q1 | Spedition Mickeleit | Hamburg | 28,000 |
| Q3 | Kroop & Co. Transport + Logistik | Neu Wulmstorf | 22,500 |
| Q3 | Asklepios Kliniken | Bad Oldesloe | 14,500 |



### Key figures logistics market Hamburg

| | Q1-3 2019 | Q1-3 2020 | Trend remaining year |
|---|---|---|---|
| Prime rent | 6.30 €/m² | 6.30 €/m² | → |
| Average rent | 4.90 €/m² | 4.95 €/m² | → |
| Take-up | 241,000 m² | 340,000 m² | → |
| - Share of owner-occupiers | 10.6 % | 57.2 % | ↗ |
| - Share of new buildings | 6.0 % | 60.1 % | → |

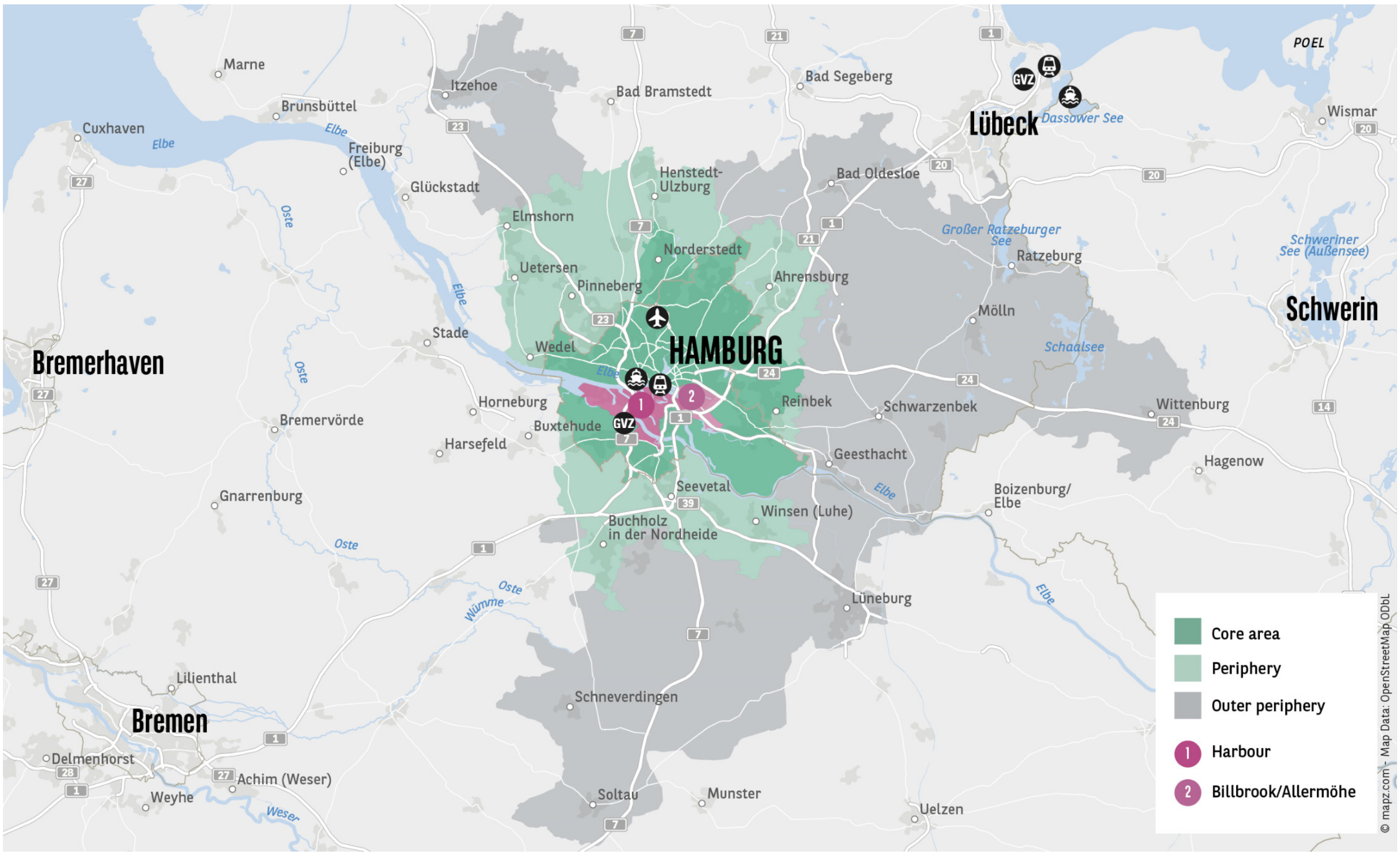


## AVAILABLE SPACE IN THE PORT AREA

The sharp reduction in global supply chains in the second quarter due to corona pandemic led to a noticeable drop in port turnover, which is reflected in correspondingly lower demand in the logistics market. In addition, in some cases only short-term rental contracts were concluded and not extended. After a long period characterised by a lack of supply - especially in the port - considerably more halls are available again. The high-priced space segment is particularly affected by this, so that the rent level is currently under some pressure. Nevertheless, the top rent remains unchanged at 6.30 €/m² and the average rent is 4.95 €/m². Due to the large-scale construction starts, both the owner-occupier and new building shares are above average at 57 % and 60 % respectively.

## OUTLOOK

Market conditions are unlikely to change much before the end of the year. The further impact of the corona pandemic on the development of the global economy can hardly be seriously assessed, and there are also uncertainties arising from the Brexit and the upcoming US elections. The high level of demand for e-commerce throughout Germany has not yet been reflected to a comparable extent in Hamburg. Overall, a sideways movement of the market therefore appears to be the most likely scenario.



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