

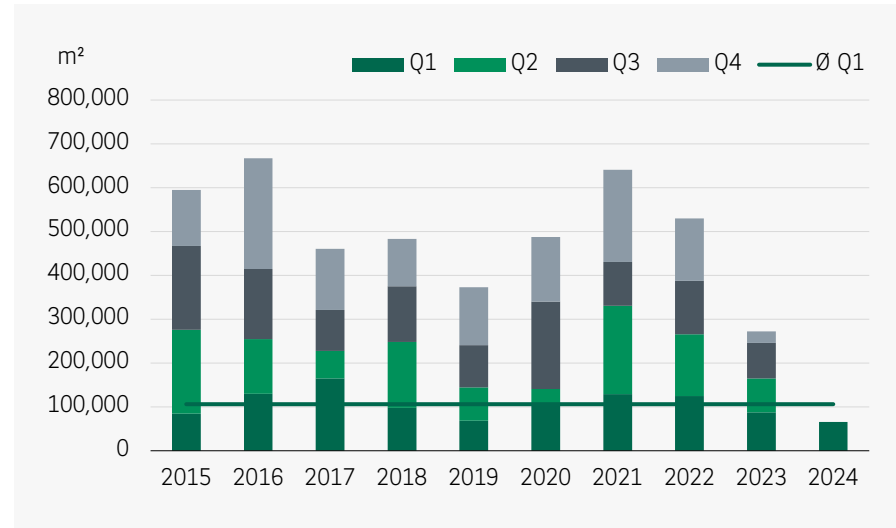


HAMBURG

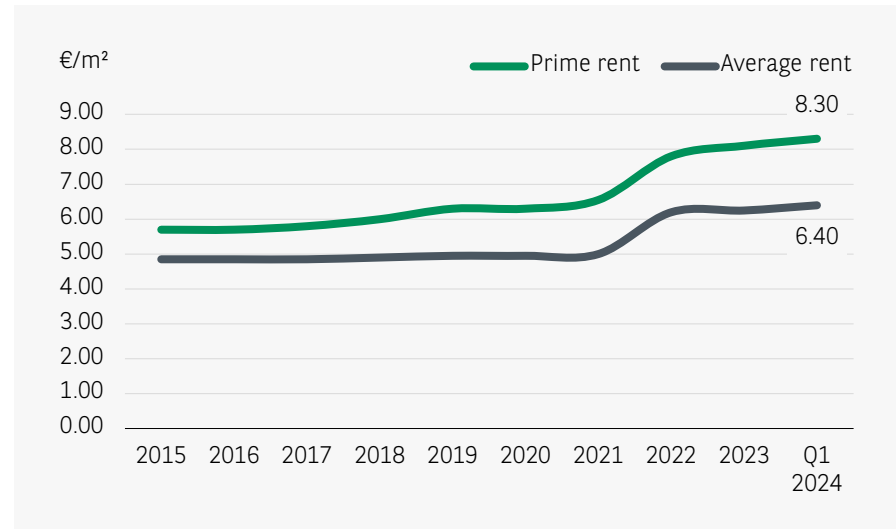
REPORT LOGISTICS MARKET

Q1 2024

Development of light industrial and logistics take-up



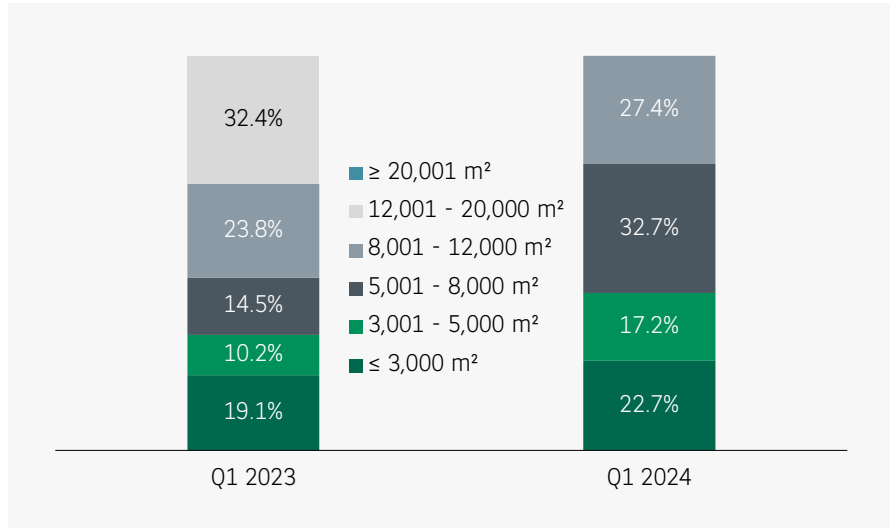
Prime and average rents



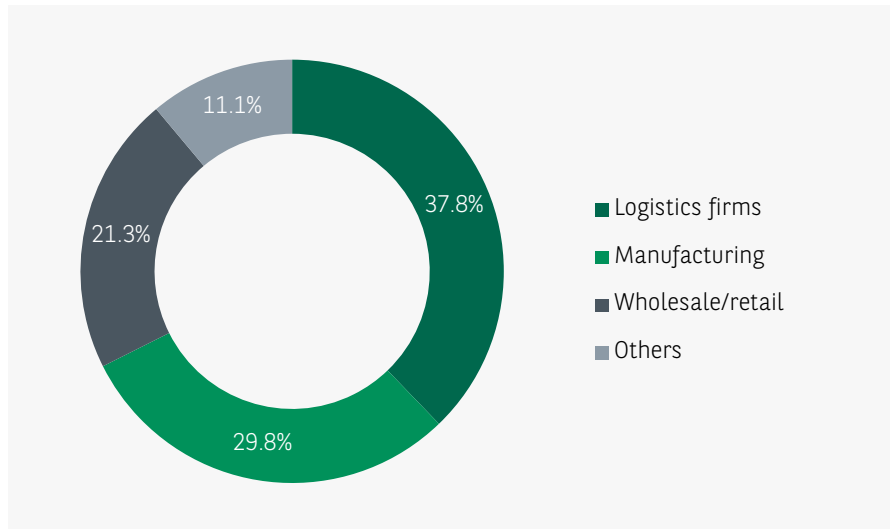
NO MAJOR LETTINGS AT THE BEGINNING OF THE YEAR

- The Hamburg market for warehouse and logistics space started the new year on a subdued note. With take-up of 66,000 m², the comparable figure for the previous year was missed by a quarter as well as the long-term average by around 38%.
- The fact that the first quarter of 2024 recorded the lowest annual opening figure in the past 10 years is attributable primarily to the fact that no contracts above the 10,000 m² mark have been signed to date. The largest contract registered so far is the letting of 9,100 m² by the logistics company Kühne + Nagel in Hamburg Billbrook.
- There is still lively demand for properties with good access to the highway and public transport, particularly in the core area. On the one hand, however, the supply of properties with these attributes is severely limited due to the high letting performance of recent years. On the other hand, the duration of letting processes has also lengthened noticeably in recent months against the backdrop of increased costs and global economic uncertainty, which is certainly having a dampening effect on take-up.
- Meanwhile, a further increase in rents was also recorded in the first quarter of 2024. While the prime rent of 8.30 €/m² represents an increase of around 20 cents on the year-end figure for 2023, the average rent rose by 15 cents to 6.40 €/m².

Take-up by size category



Take-up by sector



LOGISTICS FIRMS MOST ACTIVE SECTOR

- Germany's largest port location is traditionally dominated by logistics firms. These companies continue to lead the ranking in the first quarter of 2024 with a share of 38%, even though they generate significantly less take-up than usual in absolute terms at around 33,000 m² (average 10 years: 47,000 m²). In addition to the aforementioned letting by Kühne + Nagel, the sector accounted for two more of the five largest lettings in the first quarter with the agreements signed by DREI-D for 7,500 m² in Elmshorn and TEAM-SPED Seehafenspedition for 6,200 m² in Billbrook. While wholesale/retail companies also achieved a low take-up of around 19,000 m² in a long-term comparison (-36%), industrial and manufacturing companies were the only segment to record significant growth in absolute terms (26,000 m²; +22%).
- In regard to the size structure, the market is currently dominated by the mid-sized segment of 5,000 to 12,000 m², which accounts for 60% of the market volume.

Major contracts

Company	Location	m²
Kühne + Nagel	Hamburg	9,100
Freudenberg Sealing Technologies	Hamburg	8,700
Nefab Packaging Germany	Hamburg	7,600
DREI-D	Elmshorn	7,500
Team-sped Seehafenspedition	Hamburg	6,200

OUTLOOK

- The Hamburg market for logistics space clearly reflected the economic downturn in the first quarter of 2024. However, unlike many of the other major logistics agglomerations in Germany, the Hamburg market is particularly dependent on global trade due to its status as a port location. While this was still considered a risk factor, especially during the pandemic and in the wake of the geopolitical upheavals caused by the Russian war of aggression, this could lead to positive impetus for logistics take-up in the Hanseatic city in the coming months.
- While the latest economic forecasts assume that Germany will only record minimal GDP growth in 2024, the recovery of the global economy is much more advanced. Logistics companies focusing on international goods flows are likely to respond to this with a growing demand.
- Although demand is expected to increase in the coming months, the limited supply of modern space in the core area remains a restrictive factor. For structural reasons it is therefore unlikely that the full-year result for 2024 will approach the long-term average of almost 500,000 m².
- Regarding the development of rent levels, slight upward adjustments are expected for the remaining year. The high construction costs continue to be a key factor influencing prices. Since the share of new construction in take-up is currently comparatively high (56%) due to the lack of modern existing space, it is likely that the average rent will increase slightly more than the prime rent.

Key figures logistics market Hamburg

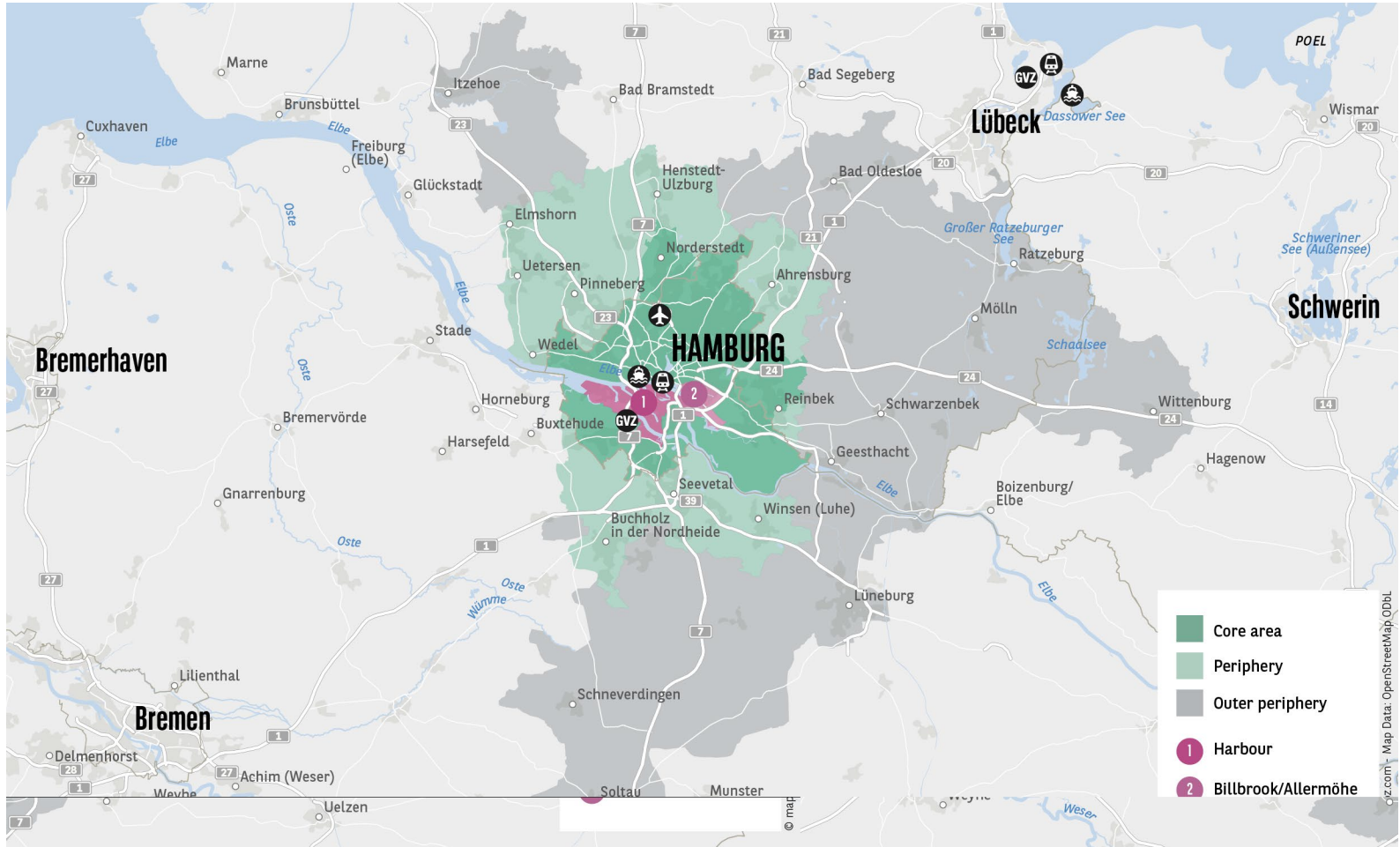
RENTS AND TAKE-UP	Q1 2023	Q1 2024	%-DIFFERENCE
Prime rent (in €/m ²)	7.90	8.30	5.1%
Average rent (in €/m ²)	6.20	6.40	3.2%
Total take-up (in m ²)	88,000	66,000	-25.0%

SECTORS	Q1 2023	Q1 2024	LONG-TERM Ø
Logistics firms	18.8%	37.8%	41.9%
Wholesale/retail	38.4%	21.3%	27.0%
Manufacturing	29.1%	29.8%	21.2%
Others	13.7%	11.1%	9.9%

SIZE CATEGORIES	Q1 2023	Q1 2024	LONG-TERM Ø
Share of deals > 20,000 m ²	0.0%	0.0%	12.7%
Share of deals ≤ 20,000 m ²	100.0%	100.0%	87.3%

OWNER OCCUPIERS/NEW BUILDING SHARE	Q1 2023	Q1 2024	LONG-TERM Ø
Share of owner-occupiers	10.0%	0.0%	20.0%
Share of new buildings	28.8%	55.7%	29.7%

LOGISTICS MARKET HAMBURG



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