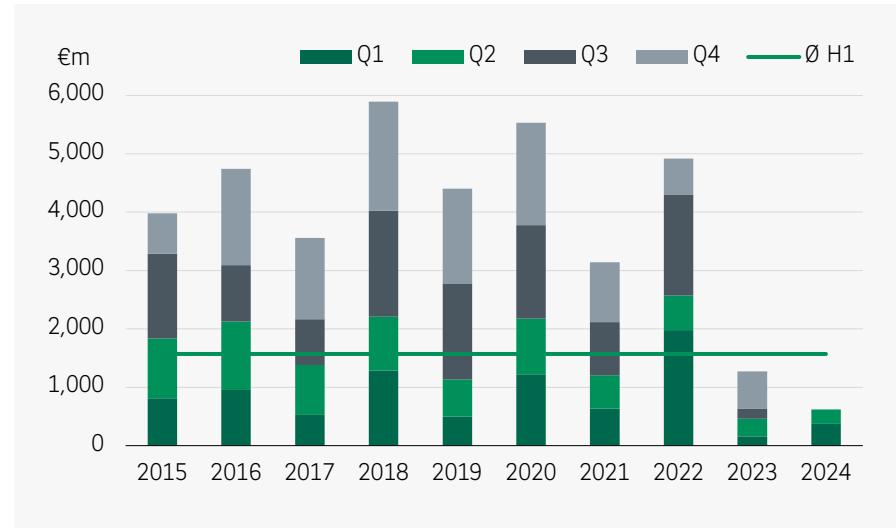


HAMBURG

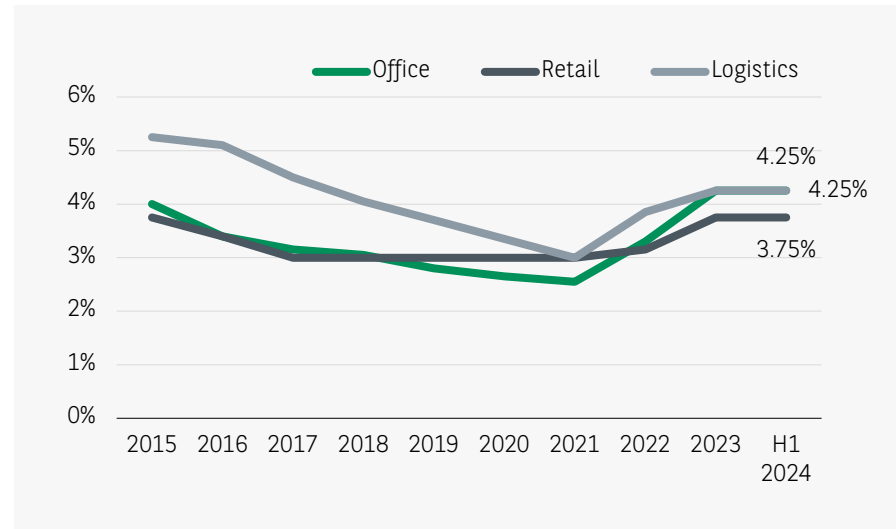
REPORT INVESTMENT MARKET

H1 2024

Development of investment volume



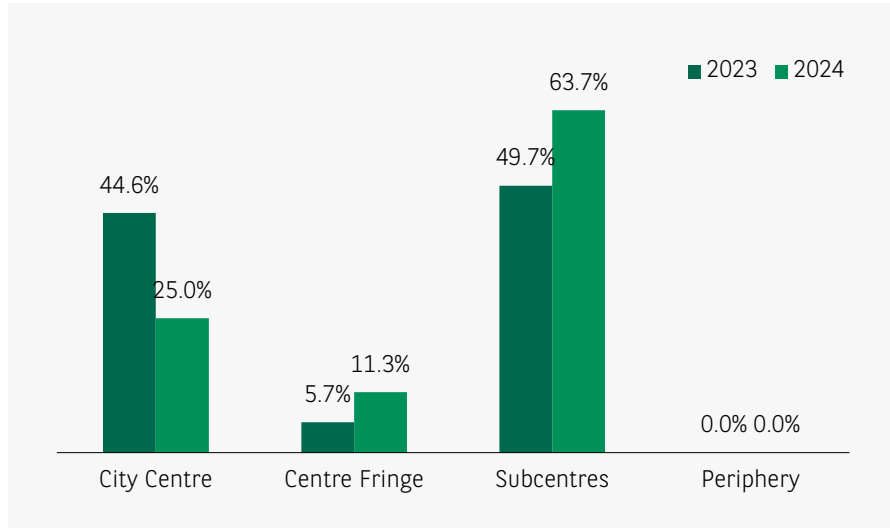
Net prime yields by type of property



NO BIG DEALS YET INVESTMENT VOLUME RISING BROAD DIVERSIFICATION OF ASSET CLASSES

- Although the Hamburg investment market was somewhat weaker in q2 than in the first three months of the year (€376 million) with a volume of €246 million, the half year result was recorded above the previous year's H1 figure. It is worth noting that this result was achieved without a major deal signed in the three-digit million range.
- With an investment volume of €622 million at the end of the first half of the year, the result was an impressive 34% higher than in the previous year. Despite this positive trend, the figure is around 60% below the ten-year average. This demonstrates that there is still a considerable distance to go before the market is back to normal.
- With an increase in investment volume of around one third, the Hamburg investment market is in line with the national average. As some other major locations recorded an even higher uplift in investment volume, pushed most of all by some large scale single deals, which are still completely absent in the Hanseatic city, Hamburg falls back to sixth place among the A-locations in a nationwide comparison. However, the cities of Düsseldorf and Cologne are performing at almost the same level, so this is only a momentary observation.
- As expected, prime yields stabilised further in the second quarter of the year, so no changes can be observed. The net initial yields for office buildings remain at 4.25%. Prime yields for logistics properties are at the same level. For mixed-use highstreet assets with focus on retail, they are unchanged at 3.75%.

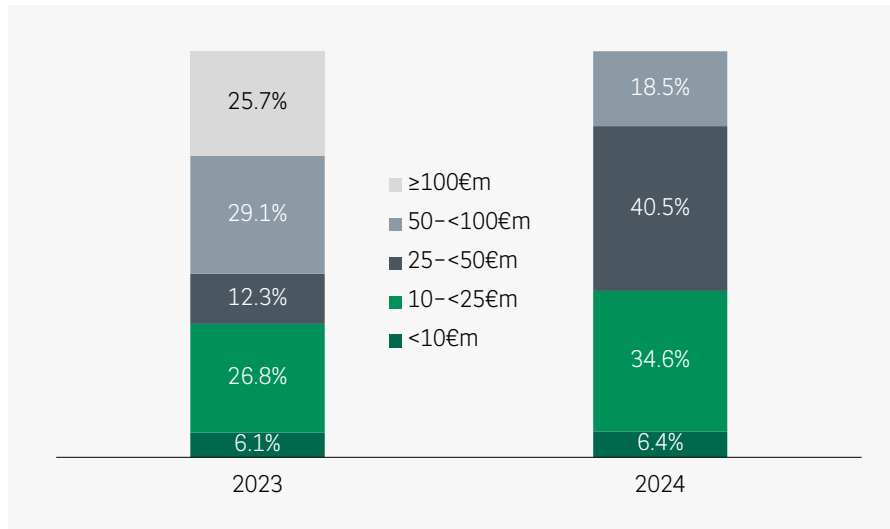
Investments by location H1



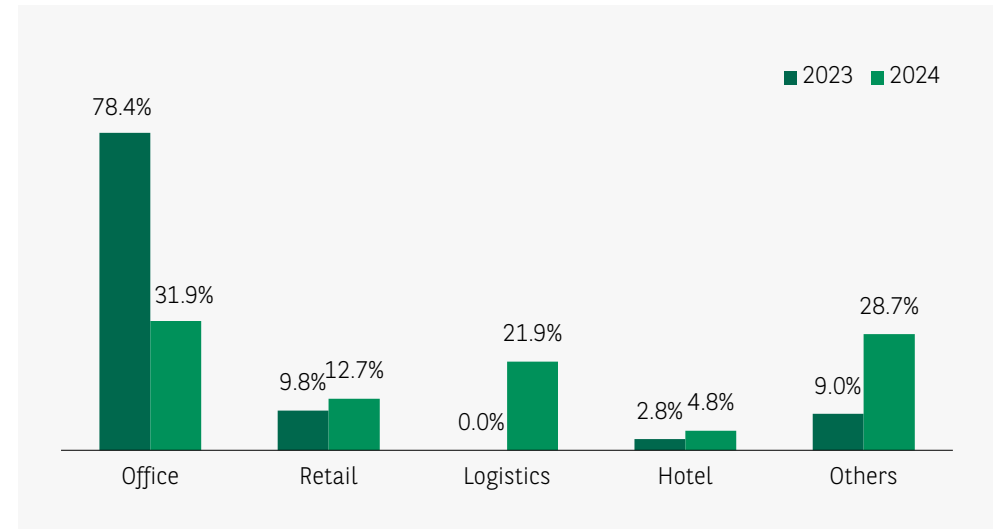
HIGH DEMAND FOR PROPERTIES IN SUBCENTRES

- As in the first quarter, subcentres dominated the market at the half-year stage with a market share of 60%. In contrast, the long-term average is just over 40%. This is mainly due to a lack of investment supply in central locations.
- More than 80% of transactions were realised with properties up to €50 million. This is usually only just under half of the volume. This demonstrates that the market is still being impacted by the difficult framework conditions, particularly the financing environment, which is affecting large deals in particular.
- The asset classes involved once again present a heterogeneous picture. Office properties are in first place, accounting for 32%, followed by logistics properties with 22% and retail investments with 13%.

Investments by € category H1



Investments by type of property H1



OUTLOOK

- Roughly in line with the national average, there was a noticeable upward trend on the Hamburg investment market in the first half of 2024 year-on-year. Despite this fundamentally positive trend, however, it should be noted that the investment market in the Hanseatic city is far from having returned to normality and its average investment turnover.
- Nevertheless, there are a number of pleasing developments that indicate that the reversal towards an upturn has slowly begun. In addition to the increase in investment volume, the significantly higher (+63%) number of deals concluded should also be mentioned here. The fact that the proportion of foreign investors has risen to 41%, which is above the long-term average, also indicates that investor interest is noticeably increasing again. A further indication of this is the volume of portfolio deals included on a pro rata basis, which has increased almost fivefold compared to the previous year.
- On the one hand, the outlook is very much under the spell of difficult framework conditions, in particular the only moderate economic development and the unchanged high level of interest rates. On the other hand, a noticeable improvement in market sentiment can be observed. Investors are becoming increasingly confident in both the current and future market environment. From today's perspective, a moderate upward trend is therefore likely, which should accelerate somewhat in the second half of the year. However, a significant increase in investment volume is only to be expected once several interest rate cuts have been implemented. At the same time, stronger economic growth is required.

Key facts investment market Hamburg

INVESTMENT VOLUME	H1 2023	H1 2024	CHANGE
Total (€m)	464	622	+34.2%
Portfolio share	6.3%	22.7%	+16.4%pts
Share above €100 million	25.7%	0.0%	-25.7%pts
Office share	78.4%	31.9%	-46.5%pts
Share of city locations	44.6%	25.0%	-19.6%pts
Share of foreign investors	14.2%	40.7%	+26.5%pts

NET PRIME YIELDS	H1 2023	H1 2024	CHANGE
Office	3.90%	4.25%	+35bps
Retail	3.65%	3.75%	+10bps
Logistics	4.00%	4.25%	+25bps

CONTACT

BNP Paribas Real Estate GmbH

Hohe Bleichen 12| 20354 Hamburg

Phone: +49 (0)40-348 48-0

All rights reserved. This report is protected in its entirety by copyright. No part of this publication may be reproduced, translated, transmitted, or stored in a retrieval system in any form or by any means, without the prior permission in writing of BNP Paribas Real Estate GmbH. That applies in particular to reproductions, adaptations, translations, photographs (analogue and/or digital), microfilming and storage and processing in electronic systems. The statements, notifications and forecasts provided here correspond to our estimations at the time when this report was prepared and can change without notice. The data come from various sources which we consider reliable but whose validity, correctness or exactness we cannot guarantee. Explicitly, this report does not represent a recommendation of any kind, nor should it be regarded as forming a basis for making any decisions regarding investment or letting or renting property or premises. BNP Paribas Real Estate can accept no liability whatsoever for any information contained or statements made herein.

Imprint: Publisher and copyright: BNP Paribas Real Estate GmbH
Edited by: BNP Paribas Real Estate Consult GmbH | As of: 30.06.2024
Photo credits: ©TensorSpark - stock.adobe.com

LEARN
MORE 