

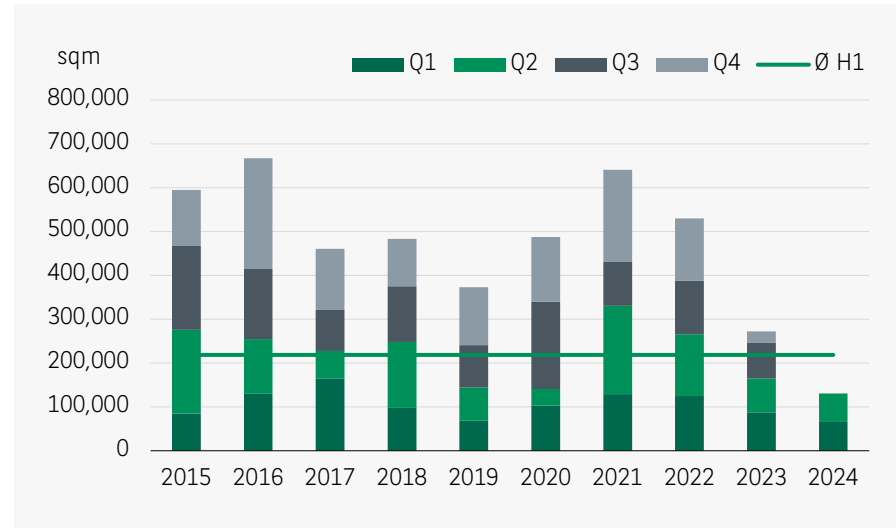


HAMBURG

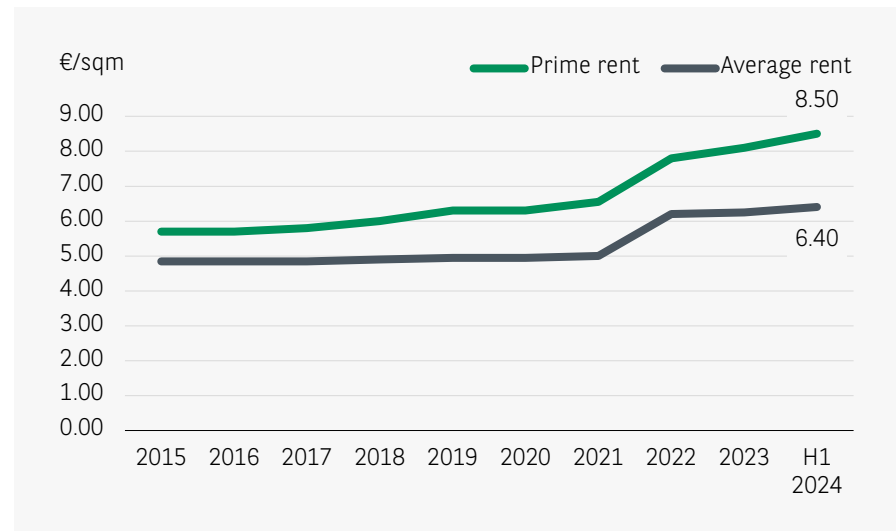
REPORT LOGISTICS MARKET

H1 2024

Development of light industrial and logistics take-up



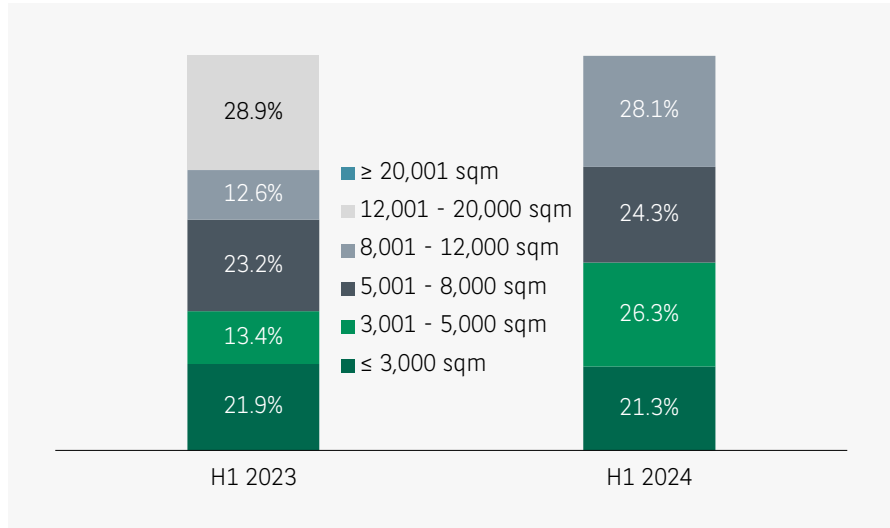
Prime and average rents



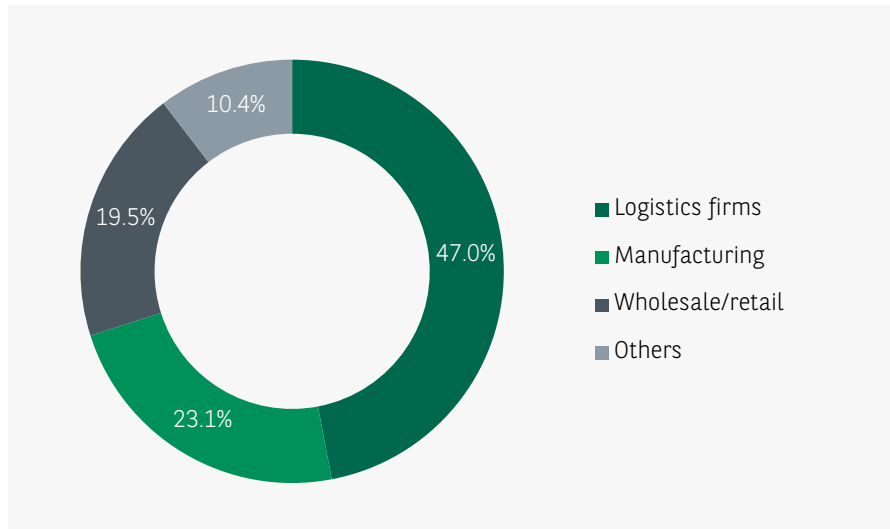
TAKE-UP AT A VERY LOW LEVEL AT HALF-YEAR

- At the end of the first half of 2024, the Hamburg market for warehouse and logistics space was subdued. With take-up of only 131,000 sqm, the previous year's result was missed by around a fifth and the long-term average by 40%. The current half-year result is therefore the lowest in the past 10 years.
- The low market momentum is largely due to the weak economic phase. Although there is currently still a solid demand base, in general the letting process has been significantly prolonged. Against the backdrop of economic uncertainty, many companies are weighing up letting decisions much more carefully. This also implies that location factors, such as proximity to motorways and good public transport connections for employees, are becoming even more important. In the modern segment in particular, however, the supply of large space that fulfil these criteria is limited. Accordingly, it is unsurprising that no major deals have yet been concluded in the >12,000 sqm segment. At 10,000 sqm, the largest deal in the first half of the year was signed by owner-occupier Sterac Transport & Logistic in Braak, Schleswig-Holstein.
- Despite the subdued take-up activity, a further slight upward trend in prime rents can be observed. Compared to the first quarter, it rose by 2% to €8.50 per sqm, which is a clear indication that the moderate demand in the high-quality space segment is nevertheless outstripping the scarce supply. The average rent is still at €6.40 per sqm.

Take-up by size category



Take-up by sector



LOGISTICS FIRMS BY FAR THE MOST ACTIVE

- The distribution of take-up across the different sectors is clearly led by logistics firms with a market share of 47%. This branch accounted for four of the five largest deals of the year. Only the rental of 8,700 sqm by the production company Freudenberg Sealing Technologies in the business park Victoriapark in Hamburg's Rahlstedt city district is attributable to another sector.
- While many retail companies were still expanding in the recent past and made a major contribution to the high take-up in the last few years, their market share is currently below average. With a proportion of 19.5% or around 26,000 sqm of take-up, they are almost 60% below their long-term average. Due to the economic uncertainties, many retailers are currently increasingly turning to logistics service providers for short-term requirements instead of creating their own new warehouses.

Major contracts

Quarter	Company	Location	sqm
Q2	Sterac Transport & Logistik	Braak	10,000
Q1	Kühne & Nagel	Hamburg	9,100
Q2	FW Fulfillment	Hamburg	9,000
Q1	Freudenberg Sealing Technologies	Hamburg	8,700
Q1	PTS Logistics	Glinde	7,700

OUTLOOK

- The sluggish German economy was clearly reflected in the take-up on the Hamburg logistics market in the first half of the year. Moreover, leading economic institutes are forecasting only slightly positive growth prospects, if at all, for the second half of the year. Weakening global trade in particular continues to act as a handbrake on the export-orientated German economy.
- As the logistics market in the port city is directly dependent on the global exchange of goods, little tailwind is expected in the coming months, meaning that logistics take-up is likely to remain at a low level. Although there is still a solid demand base, particularly in locations close to the city centre, this can only be partially met. There is a lack of adequate supply, particularly in the modern space segment. If private consumer spending picks up again as a result of rising real wages and retail companies also become more active in the search for space again, this lack of supply could prove to be an inhibiting factor.
- From today's perspective, the most realistic scenario is therefore that take-up will be in the region of around 270,000 sqm at the year-end. This would fall well short of the long-term average of 500,000 sqm. Meanwhile, rents are likely to stabilise at the current level.

Key figures logistics market Hamburg

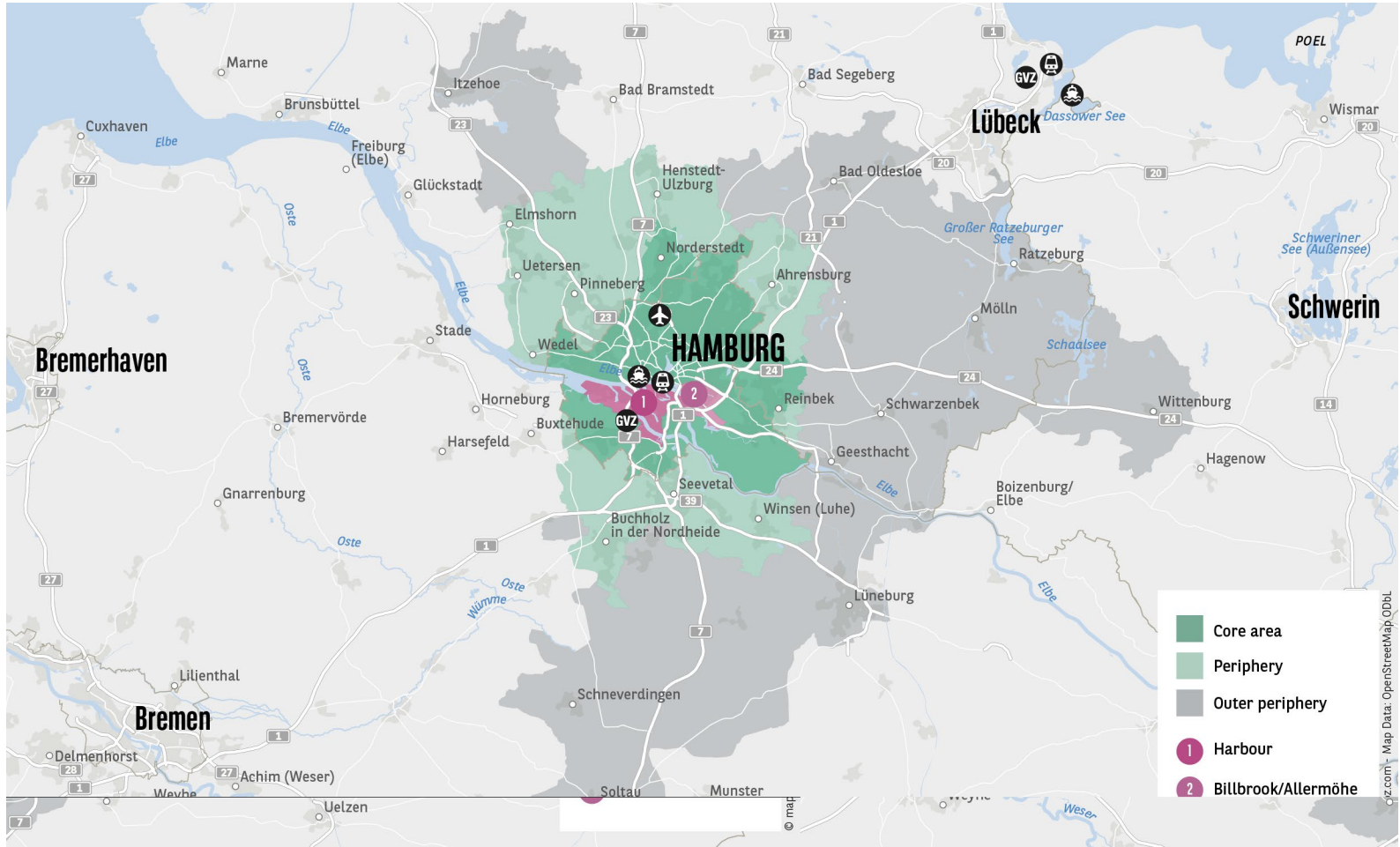
RENTS AND TAKE-UP	H1 2023	H1 2024	%-DIFFERENCE
Prime rent (in €/sqm)	7.90	8.50	7.6%
Average rent (in €/sqm)	6.20	6.40	3.2%
Total take-up (in sqm)	165,000	131,000	-20.6%

SECTORS	H1 2023	H1 2024	LONG-TERM Ø
Logistics firms	29.0%	47.0%	46.1%
Wholesale/retail	32.6%	19.5%	27.4%
Manufacturing	26.6%	23.1%	17.4%
Others	11.8%	10.4%	9.1%

SIZE CATEGORIES	H1 2023	H1 2024	LONG-TERM Ø
Share of deals > 20,000 sqm	0.0%	0.0%	13.7%
Share of deals ≤ 20,000 sqm	100.0%	100.0%	86.3%

OWNER-OCCUPIERS/NEW BUILDING SHARE	H1 2023	H1 2024	LONG-TERM Ø
Share of owner-occupiers	19.1%	10.4%	16.2%
Share of new buildings	42.0%	44.1%	31.2%

LOGISTICS MARKET HAMBURG



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