

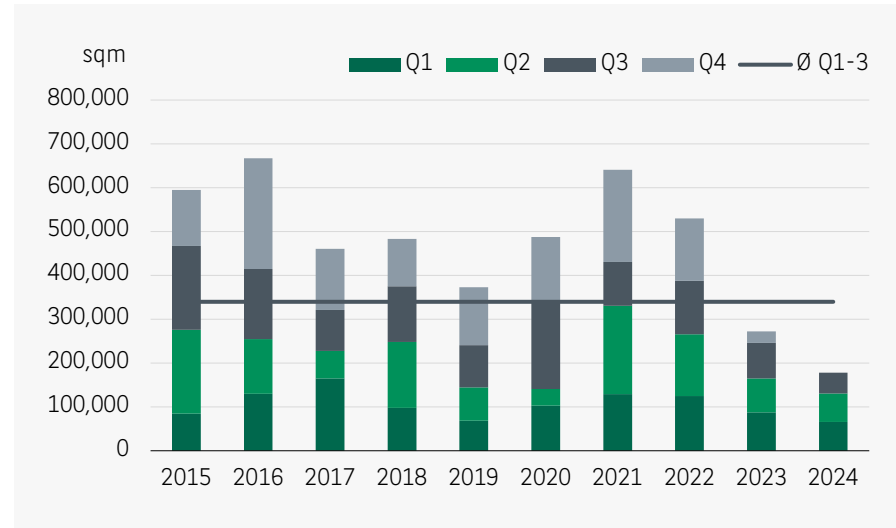


HAMBURG

REPORT LOGISTICS MARKET

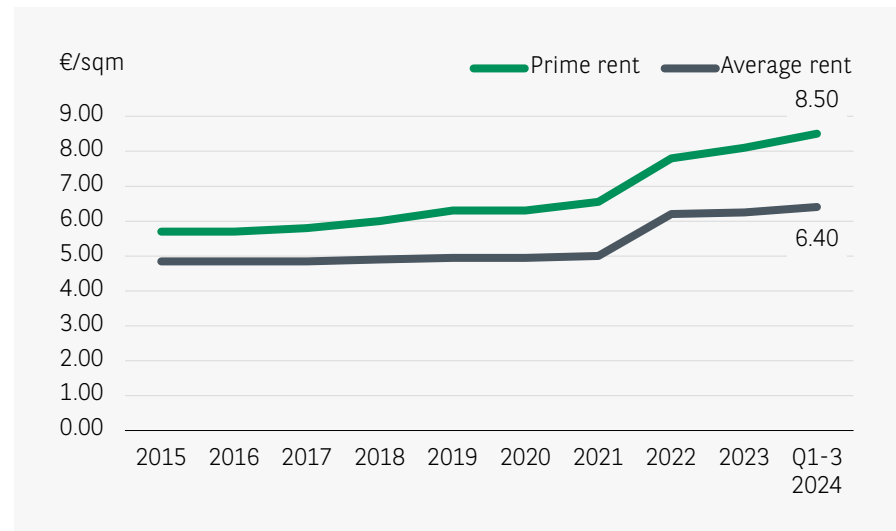
Q1-3 2024

Development of light industrial and logistics take-up



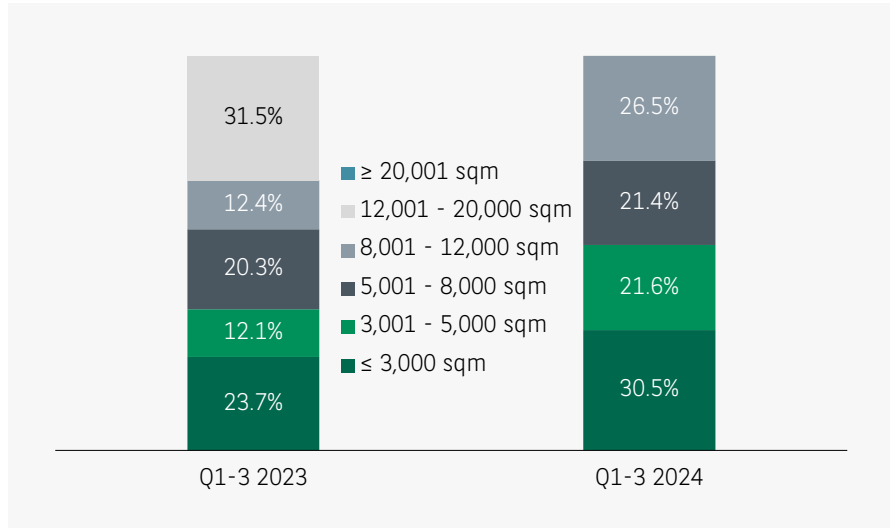
**NO MAJOR CONTRACTS SIGNED YET,
TAKE-UP AT A LOW LEVEL**

Prime and average rents

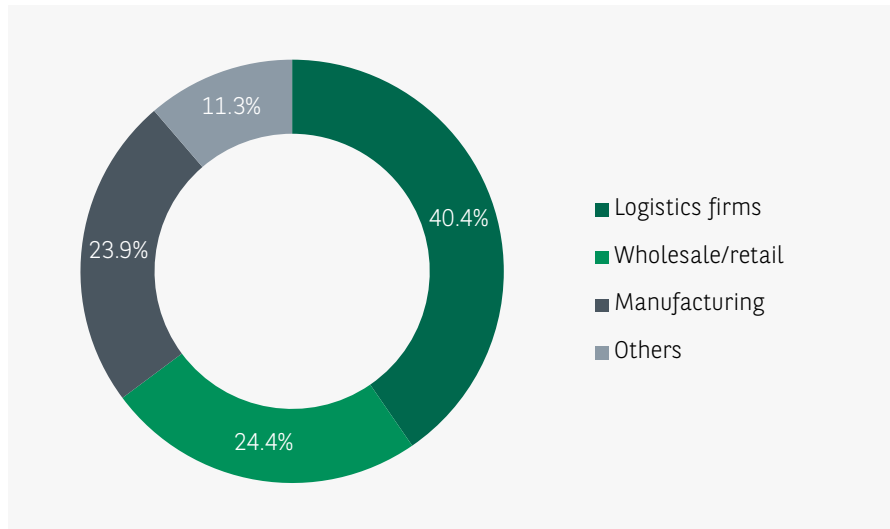


- The Hamburg market for warehouse and logistics space recorded take-up of around 178,000 m² by the end of the third quarter. This implies that the current result is only around half the long-term average. Meanwhile, the already subdued result of the previous year was undercut by 28 %. Furthermore, the current take-up at the lowest level in the past ten years for the Hanseatic city.
- The moderate market momentum can be attributed to the economic headwind that is still clearly noticeable. Although there is generally solid demand for space, particularly in the core area of the Hamburg logistics region, many companies are delaying their rental decisions against the backdrop of the currently uncertain overall economic development. This is particularly evident in the large-scale segment. For example, no contract for more than 12,000 m² has yet been registered this year. The largest agreements to date, such as that of owner-occupier Sterac Transport & Logistik in Braak, are in the 10,000 m² range. However, with a total of only around 60 registered contracts (-28 % compared to the 10-year average), the Hamburg market is currently characterised by comparatively low momentum, even apart from the lack of large contracts.
- However, the rental trend gives proof that the supply side is also preventing higher take-up. Despite the low market momentum, both the prime rent (€8.50 per m²; +20 cents) and the average rent (€6.40 per m²; +15 cents) have increased since the beginning of the year underscoring the lack of supply in the region. Modern space in the core area in particular continues to be in demand with only limited availability.

Take-up by size category



Take-up by sector



LOGISTICS FIRMS BY FAR THE MOST ACTIVE

- The distribution of take-up across the individual sectors shows a familiar picture. As usual, logistics service providers dominate take-up in the market area with a 40% share. In addition to the above-mentioned owner-occupier agreements, three of the largest contracts of the year are attributable to this sector: 9,100 m² by Kühne+Nagel in Billbrook, 9,000 m² by FW Fulfillment in Altenwerder and 7,700 m² by PTS Logistics in Glinde. As tradition, wholesale/retail companies come in second place currently with a share of 24%, their take-up of only around 43,000 m² is almost 60% below the standard level.
- The general lack of large deals is also reflected in the distribution of take-up by size category. More than half of the overall result is attributable to the small-scale segment below 5,000 m². On a long-term average, contracts in this size category only account for around a third of the result.

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 Hamburg logistics market clearly reflected the economic downturn in Germany in the first three quarters, which underlines the strong correlation between economic momentum and take-up. Against this backdrop, market activity is likely to accelerate sustainably in the slipstream of an economic recovery. While there are signs that the market will move sideways in the final quarter of the year, there are many indications that there will be more economic tailwind and a significant increase in demand in 2025.
- Another factor inhibiting take-up could be the short supply of modern space in the core market area. In addition to the hard location criteria, ESG criteria are increasingly becoming the focus of letting decisions, particularly for larger companies and corporations. However, there is currently a lack of supply in space meeting these requirements which in turn prevents higher take-up.
- The overall result for the Hamburg logistics market at the end of the year is expected to remain well below the long-term average of around 500,000 m². From today's perspective, the most likely scenario is a take-up at around the previous year's level (approx. 270,000 m²).
- Meanwhile, rents are forecast to move sideways in the final quarter. Against the backdrop of low supply in the modern segment, however, it can be assumed that rents will also see a further upward trend in the coming year as demand for space picks up.

Key figures logistics market Hamburg

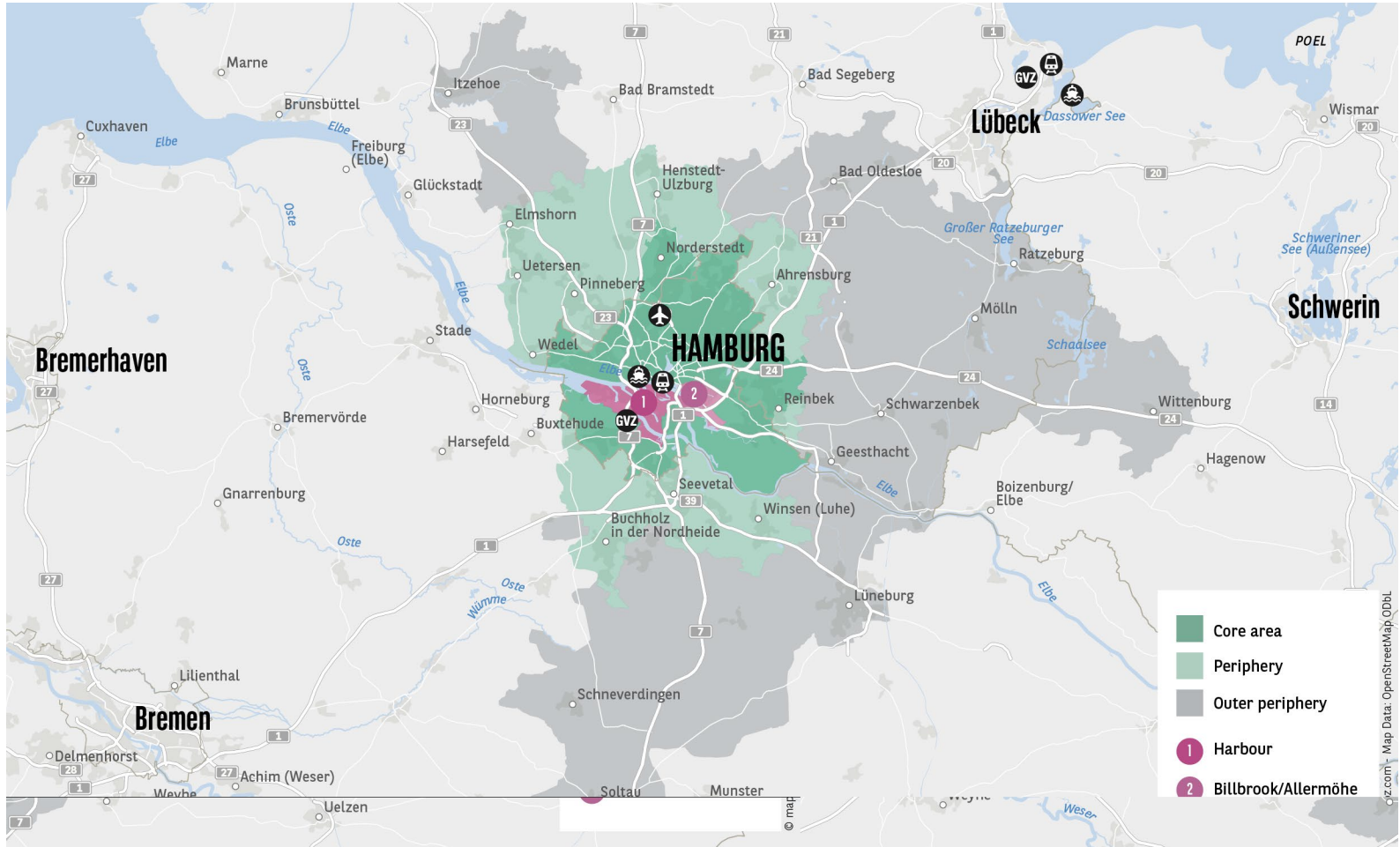
RENTS AND TAKE-UP	Q1-3 2023	Q1-3 2024	%-DIFFERENCE
Prime rent (in €/sqm)	8.10	8.50	4.9%
Average rent (in €/sqm)	6.25	6.40	2.4%
Total take-up (in sqm)	246,000	178,000	-27.6%

SECTORS	Q1-3 2023	Q1-3 2024	LONG-TERM Ø
Logistics firms	37.1%	40.4%	42.9%
Wholesale/retail	28.7%	24.4%	30.5%
Manufacturing	21.0%	23.9%	18.1%
Others	13.2%	11.3%	8.5%

SIZE CATEGORIES	Q1-3 2023	Q1-3 2024	LONG-TERM Ø
Share of deals > 20,000 sqm	0.0%	0.0%	17.8%
Share of deals ≤ 20,000 sqm	100.0%	100.0%	82.2%

OWNER-OCCUPIERS/NEW BUILDING SHARE	Q1-3 2023	Q1-3 2024	LONG-TERM Ø
Share of owner-occupiers	25.9%	11.7%	23.4%
Share of new buildings	47.2%	37.6%	34.8%

LOGISTICS MARKET HAMBURG



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