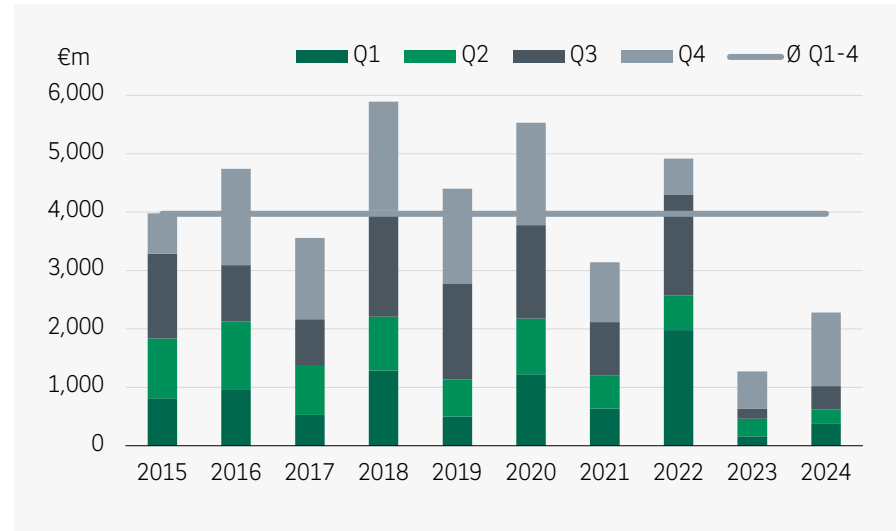


HAMBURG

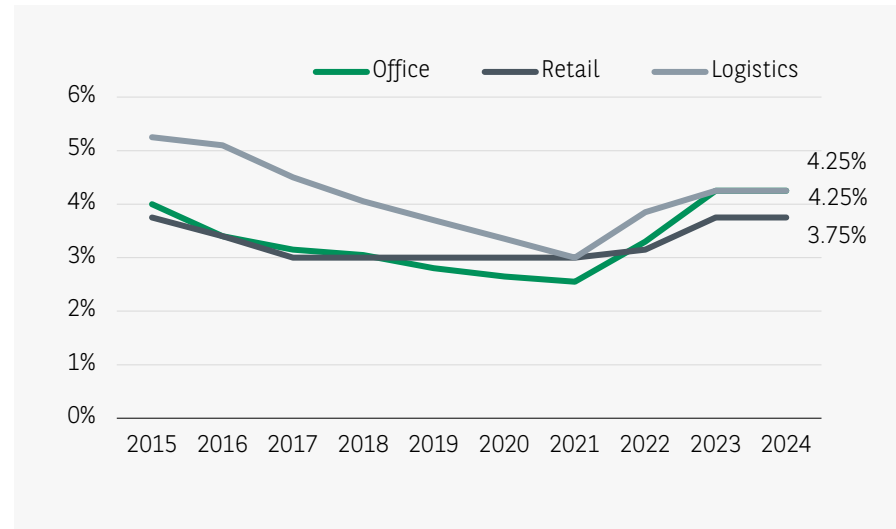
REPORT INVESTMENT MARKET

2024

Development of investment volume



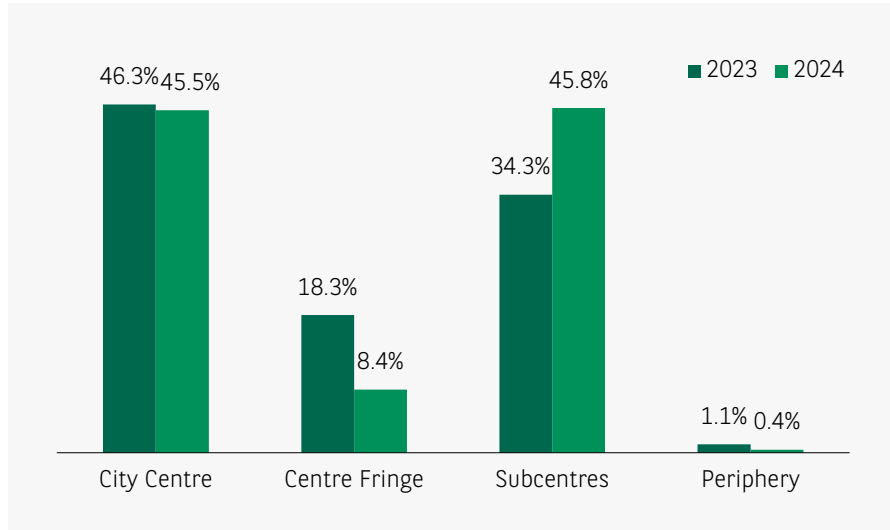
Net prime yields by type of property



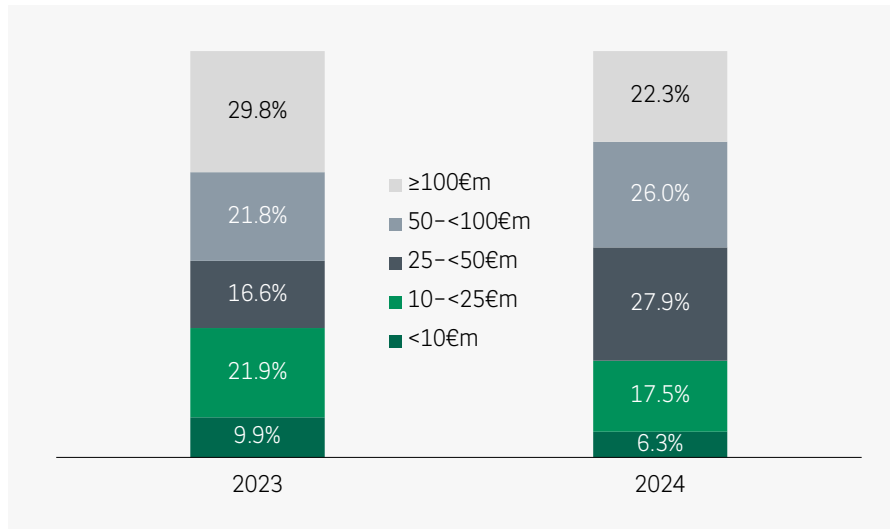
UPWARD TREND CONTINUES: YEAR-END RALLY ENSURES STRONG FINAL QUARTER

- The upward trend on the Hamburg investment market not only continued in the fourth quarter, but also accelerated. In total, the commercial investment volume amounted to just under €2.3 billion, which corresponds to growth of 79% - and therefore significantly higher than the nationwide figure of 15% compared to 2023.
- More than half of the result (almost €1.3 billion) was generated in the final quarter, meaning that Hamburg's investment market enjoyed a real year-end rally. No other location can boast such a high volume in the final quarter. At the same time, it is the highest quarterly result in Hamburg since the interest rate turnaround in 2022.
- In the nationwide ranking, Hamburg is in third place behind Berlin (€3.6 billion) and Munich (€2.7 billion). Although the 10-year average was missed by 43%, this is a comparatively good result in the current market environment. Among the A-locations, only Cologne can boast a lower deficit (-40%).
- The investment volume of foreign investors has increased significantly. After just 16.5% in the previous year, their share amounted to 42.7% in 2024.
- Prime yields have continued to consolidate at the level achieved. Accordingly, net initial yields for office buildings are at 4.25%. Prime yields for logistics properties remain at the same level. For inner-city high street properties, yields remain at 3.75%.

Investments by location



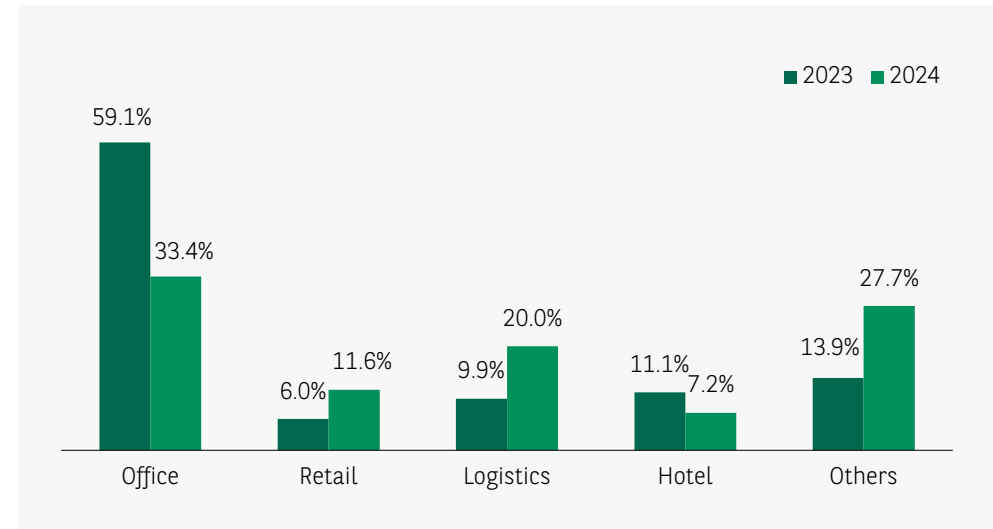
Investments by € category



MAJORITY OF VOLUME IN CITY CENTRE OR SUBCENTRES

- As in the previous year, both the City Centre and Subcentres are strong in terms of turnover with shares of just under 46% each. While office properties account for more than half of the volume in the central locations, some larger logistics properties are among the sales drivers in the Subcentres.
- While large-volume transactions were still rare in the first half of the year, several sales in the triple-digit million range were recorded in the second half of the year. These were all in city centre locations, meaning that the average volume per asset was by far the highest at €45 million.
- Office properties have lost ground proportionally despite an almost identical volume, but still occupy first place with over 33%, contrary to the nationwide distribution. Logistics assets are in second place with 20%, which increased by 262% in absolute terms.

Investments by type of property



OUTLOOK

- The noticeable recovery over the course of the year and not least the extraordinary final quarter show that the investment market in Hamburg has bottomed out. The Hanseatic city benefited on the one hand from an increasing supply of attractive investment opportunities and on the other hand from the fact that sellers and buyers have come closer together in terms of pricing.
- Even if only slight economic growth is expected in the coming quarters, there are a number of positive factors that have already led to an increase in transaction momentum in the Hanseatic city in recent months. Many investors appreciate the occupier market, which is characterized by medium-sized companies and diversification, and the comparatively high resilience that goes hand in hand with a low vacancy rate. In combination with continuously rising demand for modern space and the stalled project development pipeline as well as the still comparatively moderate rent level, there are opportunities for investors - particularly in the office segment. The market offers considerable scope for a further increase in rents for modern existing buildings and disproportionately for new buildings.
- Choosing the right time to (re)enter the market is therefore likely to become an increasingly important issue for investors in 2025. If central banks continue to cut interest rates, a slight yield compression over the course of the year is a likely scenario. Overall, the year 2025 is unlikely to bring the Hamburg investment market new turnover records or reach the long-term average, but under the given conditions it will still be well on the way to regaining its former strength.

Key facts investment market Hamburg

INVESTMENT VOLUME	2023	2024	CHANGE
Total (€m)	1,271	2,280	+79.3%
Portfolio share	22.2%	19.6%	-2.6%pts
Share above €100 million	29.8%	22.3%	-7.5%pts
Office share	59.1%	33.4%	-25.7%pts
Share of city locations	46.3%	45.5%	-0.8%pts
Share of foreign investors	16.5%	42.7%	+26.2%pts

NET PRIME YIELDS	2023	2024	CHANGE
Office	4.25%	4.25%	0bps
Retail	3.75%	3.75%	0bps
Logistics	4.25%	4.25%	0bps

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: 31.12.2024
Photo credits: ©TensorSpark - stock.adobe.com

LEARN
MORE 