**Hamburg: Industrial, warehouse and logistics property market,**

**1st-3rd quarters of 2020
Building starts for large developments boost quarterly result**

**Hamburg, 14 October 2020** - Proving many fears unfounded, take-up of space for industrial, storage and logistics purposes in Hamburg and its environs closed the 3rd quarter of 2020 with a huge rise of 48 %. Nevertheless, the total of 365,000 m² is not a sign that significantly more rental agreements are being concluded. Five of the six contracts involving more than 10,000 m² of space were construction starts for owner-occupier developments. Accordingly, the ratio of owner-occupiers was an impressive 53 %. *“Initial planning work started on most of these developments in 2019 or 2018, and thus long before the coronavirus pandemic,”* says **Felix Krumreich**, consultant for industrial, warehouse and logistics properties at Grossmann & Berger, a member of German Property Partners (GPP). *“Due to the coronavirus, letting activity remained slow after the summer holidays, unlike the pattern in previous years. However, certain industries, such as trade/retail displayed a fair amount of activity and properties of less than 5,000 square metres were popular.”*

**Market details:**

* Four agreements for premises offering more than 10,000 m² of space boosted the quarterly result to 195,000 m². This was higher than any other 3rd-quarter result apart from in 2011 and 2012. In contrast, not one single large-volume agreement was signed in the same quarter a year ago. Accordingly, the size sector of 10,000 m² or more accounted for the largest slice of the market, 54 %.
* One single agreement for 86,500 m² dominated the quarterly result, comprising more than a quarter of total take-up of space. This transaction was the long-planned construction start of a logistics and administrative centre for REWE in Henstedt-Ulzburg, which will be the company’s base to supply food retailers in Hamburg and Schleswig-Holstein. Moreover, in terms of space, this development is the second-largest deal ever undertaken in Hamburg and its environs.
* In contrast with the previous year, trade/retail was the predominant industry, accounting for 38 % of take-up and ousting logistics and forwarding companies from the top slot; their share fell to 30 % (2019: 51 %).
* So far, as a result of the REWE project now under construction, North-West Environs was the strongest sub-market with 30 % of the volume of take-up. For the same reason there was a marked shift in the focus of marketing activities in the 3rd quarter towards the environs, whose share of the market rose from 31 % to 56 % year on year.

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| **Industrial, warehouse, logistics | Hamburg and Environs | 2020** | **Q1-3** |
| **Space take-up** [m²] | 365,000 |
| against prior yr [%] | +48 |
| **Ratio of owner-occupiers** [%] | 53 |
| against prior yr [percentage points] | 35 |
| **Premium rent** [€/m²/month net of services] | 6.30  |
| against prior yr [%] | ±0.0 |
| **Average rent** [€/m²/month net of services] | 5.20  |
| against prior yr [%] | +4.0 |
| **Most popular sub-market** | North-West Environs |
| Most popular sub-market [%] | 30 |
| **Industry with highest turnover** | Trade/retail |
| Industry with highest turnover [%] | 38 |

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**Selected top agreements | industrial, warehousing, logistics properties in Hamburg and Environs |**

**1st to 3rd quarters of 2020**

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| **City** | **Road/street** | **Property/project** | **Tenant/owner-occupier** | **Floor area**[ca. m²] |
| Henstedt-Ulzburg | Rudolf-Diesel-Strasse | Logistics and administrative centre (construction start) | REWE Region North (owner-occupier) | 86,500 |
| Hamburg | Am Genter Ufer | New build (construction start) | Airbus (owner-occupier) | 30,600 |
| Hamburg | Am Altenwerder Kirchtal 1-5 | Existing building | Spedition Mickeleit | 28,400 |
| Neu Wulmstorf | Gottlieb-Daimler-Strasse | New build (construction start) | Kroop & Co. Transport + Logistik (owner-occupier) | 22,500 |
| Bad Oldesloe | Bergkoppel 4 | Central warehouse (construction start) | Asklepios Kliniken(owner-occupier) | 14,400 |

Transactions occurring in the quarter covered by this report are highlighted

The next comprehensive [market survey](https://www.grossmann-berger.com/marktbericht/gewerbe/industrie-lager-logistik/) will be published in the 4th quarter on our website.

**About Grossmann & Berger**

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