**Hamburg: Industrial and logistics property market, 1st-4th quarters of 2020
Owner-occupier construction starts feature heavily in 2020**

**Hamburg, 28 January 2020** **–** The trends observed in the 3rd quarter of 2020 on the market for industrial and logistics properties in Hamburg and its environs continued into the last quarter of the year. By the end of 2020, despite the coronavirus pandemic, take-up of space had grown by more than a third compared with the close of 2019. The result for the year was 480,000 m². Owner-occupiers were the mainstay of the market, their share of take-up rose from just 15 % to 51 % within the space of one year. Commenting the result **Felix Krumreich**, consultant for industrial and logistics real estate at Grossmann & Berger, a member of German Property Partners (GPP), explains that, *“It is pure coincidence and a consequence of lengthy lead times that so many owner-occupiers in Hamburg and its environs started their building projects in 2020.* *As the year closed, the classic letting business was still lagging behind. This is reflected in the fact that only 237,500 square metres of space was let during the whole year. Since the pandemic is not yet over, many companies have adopted a wait and see attitude.”*

**Market details:**

* Four agreements for large premises were signed in the 3rd quarter, followed by three more for over 10,000 m² of space in the 4th quarter. 2020 thus closed with a total of nine agreements in this segment of the market (2019: 3). Consequently, this size category dominated the market with 53 % of take-up for the year (2019: 15 %). Six of the nine agreements for space in excess of 10,000 m² were construction starts for owner-occupiers.
* Omnitrade Handelsgesellschaft signed the largest new contract of the 4th quarter. This wholesaler launched its expansion project to add 30,550 m² to its premises in the Jacobsrade trading estate in Siek (North East Environs).
* The biggest construction project started in the year 2020 is an 86,500-square-metre logistics and administrative centre for REWE in Henstedt-Ulzburg (North West Environs). In the 1st quarter Mickeleit, a forwarding company, signed the biggest lease of the year, taking 28,400 m² of space at Altenwerder Kirchtal 1-5 (Hamburg South).
* Unlike the prior year logistics firms were not the main players on the market in 2020, and relinquished their former top slot (2019: 57 %; 2020: 29 %) to trading companies (34 %).
* There was a pronounced shift from the city to the environs, where the proportion of total take-up rose from 38 % to 55 %. This was due to the fact that six of the nine high-volume agreements related to sites in the environs. The REWE construction start boosted the market share of North West Environs to a quarter; this sub-market was followed by Hamburg South, where the other three large agreements pushed its market share to one fifth.

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| **Industrial, logistics |****Hamburg and environs | 2020** | **Q1-4** |
| **Space take-up** [m²] | 480,000 |
| against prior yr [%] | +35 |
| **Ratio of owner-occupiers** [%] | 51 |
| against prior yr [percentage points] | +36 |
| **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 [%] | +2.0 |
| **Most popular sub-market** | North-West Environs |
| Most popular sub-market [%] | 25 |
| **Industry with highest turnover** | Trade/retail |
| Industry with highest turnover [%] | 34 |

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**Selected top transactions | industrial and logistics market Hamburg and environs |**

**1st-4th 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 |
| Siek | Jacobsrade 86 | Production and warehouse facilities (building start) | Omnitrade Handelsgesellschaft (owner-occupier) | 30,550 |
| 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 |

Transactions occurring in the quarter covered by this report are highlighted.

The detailed [market survey](https://www.grossmann-berger.com/marktbericht/gewerbe/industrie-lager-logistik/) will be available from our website soon.

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