

HAMBURG

Key Investment Trends

The investment market for commercial real estate in Hamburg had a remarkable H1 2018, with major deals bringing the transaction volume up to over € 2 bn. The largest transaction, in early Q1 2018, was the sale of the Springer Quarter project development, carried out by the MOMENI Group, for around € 400 mn.

The main driver behind investor interest is a continuing product shortage of core properties, particularly persistent around the city centre. Nevertheless, yields are forecast to remain stable. With several major transactions still in the pipeline, we expect strong performance again in H2 2018, and therefore forecast a transaction volume of more than € 4 bn for 2018.

Market Position – Ranked by Yield

EMEA Rank	City	All sector Yield (%)	12 mth basis point change
1	Paris	3.23	-11
2	London	3.44	5
3	Hamburg	3.54	23
4	Frankfurt	3.56	-28
5	Berlin	3.58	-15
6	Munich	3.63	-7
7	Vienna	3.70	-16
8	Madrid	3.71	-41
9	Amsterdam	3.72	-55
10	Stuttgart	3.79	-22

Note: Lowest scoring yield ranks highest.

Yield Outlook

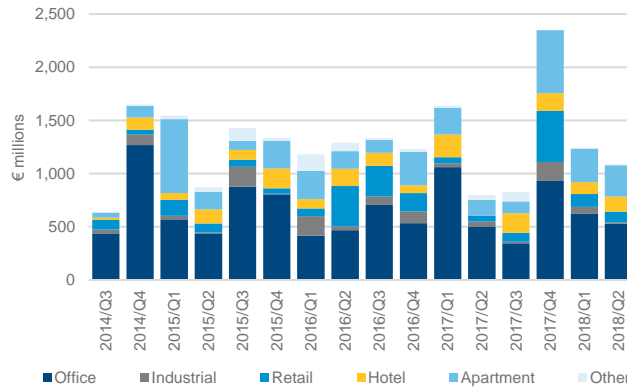


Sectors to watch out for in the next 12M

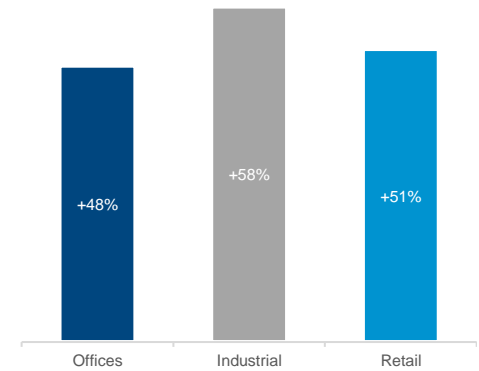


Source: Colliers International, Real Capital Analytics, Oxford Economics.

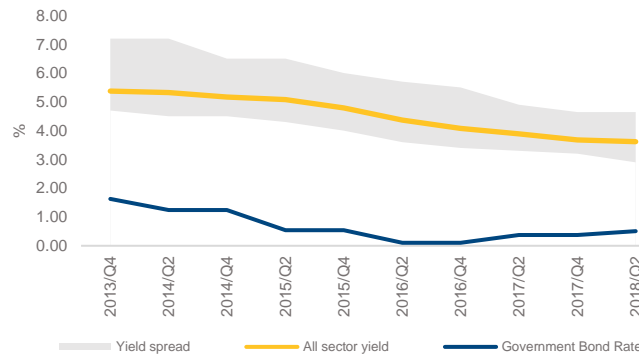
Quarterly investment volumes by sector (City & catchment)



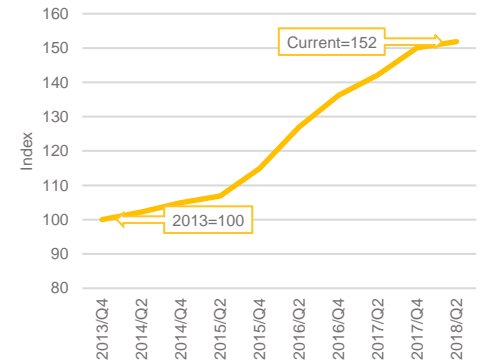
5yr cap. value growth – by sector



All sector yields vs. bond rates



All sector cap. value index

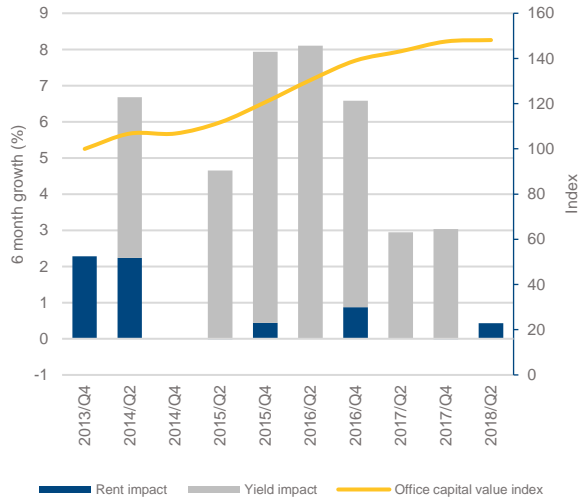


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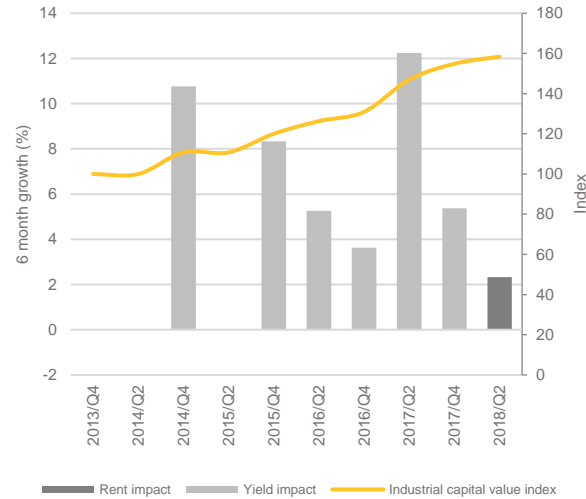
“Hamburg’s commercial investment market is currently performing well and will remain on the top of shopping lists both of national and international investors. This year German investors have been the front runners. CBD and HafenCity are in the focus, but prime periphery as City South, Altona, St. Georg or City North are picking up fast. Record breaking yields will stay stable, but low. Strong demand and scarcity of grade-A supply are pushing top rents to new record highs. As a result, Hamburg’s vacancy rate will further decline and follow Munich’s and Berlin’s footsteps.”

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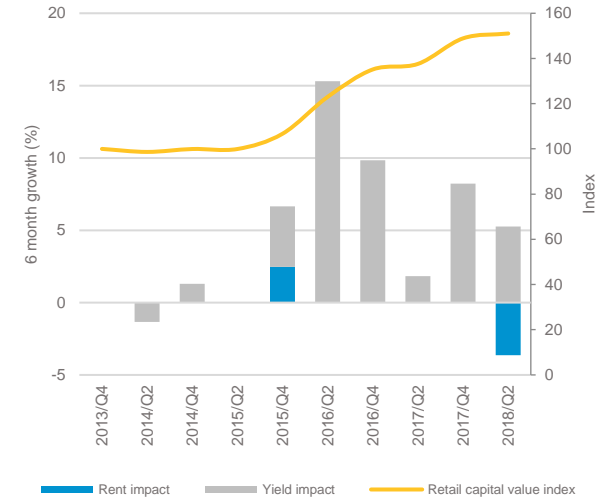
Cap. value index - rent/yield impact: Office



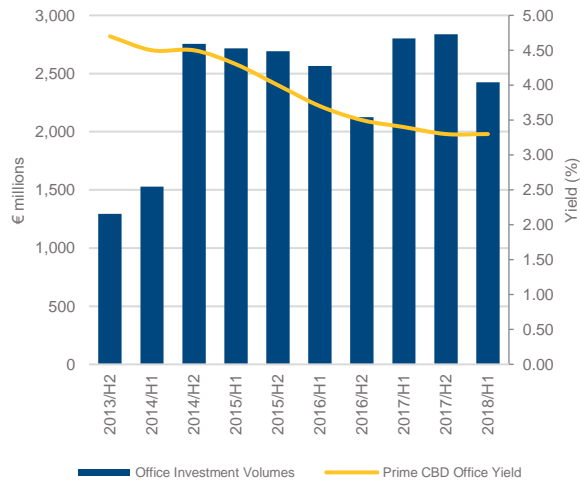
Cap. value index - rent/yield impact: Industrial



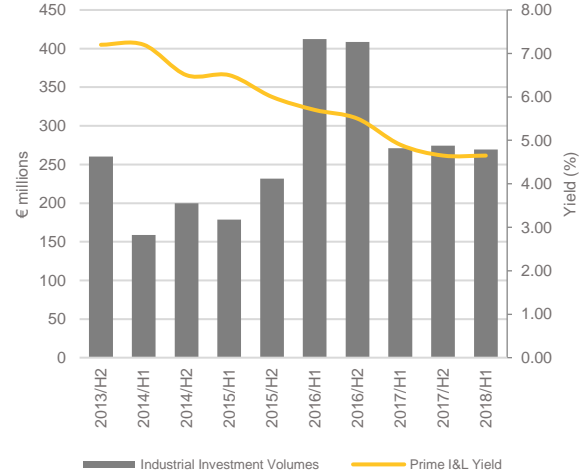
Cap. value index - rent/yield impact: Retail



Yields and 12M rolling investment volumes: Office



Yields and 12M rolling investment volumes: Industrial



Yields and 12M rolling investment volumes: Retail

