

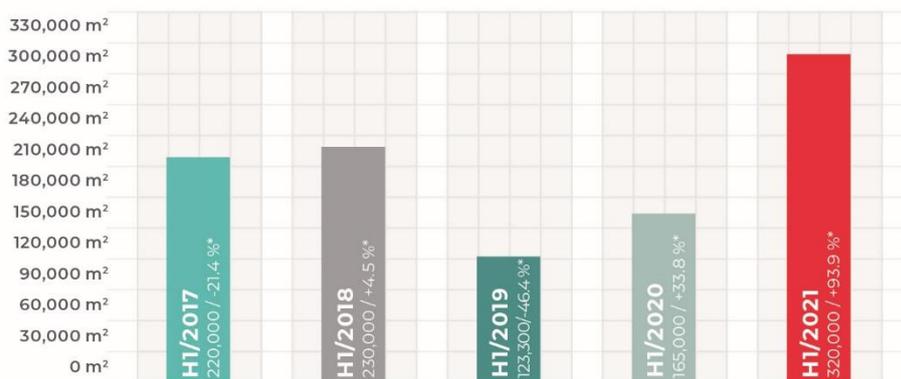
PRESS RELEASE

Up 94%: Hamburg industrial and logistics property market achieves historic record in H1 2021

- Most successful first half of year since records began: take-up of 320,000 m²
- Up 51% on 5-year average
- Strong northern Hamburg with two major deals
- Logistics/distribution in first place among sectors
- Trend and biggest individual deal: Chinese e-commerce companies enter the market
- Increase in prime rent to EUR 6.30/m²
- Forecast: Take-up of over 500,000 m² by end of 2021
- 2021/2022: Large-volume new builds in Billbrook and Wilhelmsburg

Hamburg, 20 July 2021 – The Hamburg industrial and logistics property market marked a record high in the first half of 2021, with take-up by all market participants for rent and for their own use totalling 320,000 m². “The first six months of the year were very lively. It is the strongest half-year since our records began and around 14% above the previous record from H1 2016 of 280,000 m²,” reports **Jörg Lojewski, Managing Director of Realogis Immobilien Hamburg GmbH**. The second quarter in particular contributed to the top result with 185,000 m² (Q1 2021: around 135,000 m²), according to the latest market report by Realogis, the leading consultant for industrial and logistics properties and business parks in Germany, with 70 experts.

■ Take-up of logistic property and industrial space in the greater Hamburg area



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*Percentage change compared to the first half of the previous year

“The previous year’s H1 result of 165,000 m² has now been almost doubled with an increase of 94% and the absolute low from H1 2019 of 123,000 m² is exceeded by 160%,” explains his fellow **Managing Director Stefan Imken**. “In addition, the five-

year average for the first half of the year of 211,600 m² is exceeded by a significant 51%.”

An impressive seven major deals, all over 10,000 m², together accounted for 154,000 m² and thus represented 48% of total take-up in H1 2021. These include lettings by Riess Ambiente (40,000 m² of new space), Greiwing logistics for you (28,000 m² of existing space), Group7 (26,000 m² of new space) and Boeing Distribution Services (16,000 m² of new space).

Almost every second newly let square metre is in southern Hamburg

As in the first half of each of the past two years, the South region was in first place in H1 2021 with take-up of 146,000 m² (46%). Although it increased significantly by 49% in absolute terms (H1 2020: 98,000 m² to 146,000 m²), its relative share of take-up saw the largest decline out of all regions at 14 percentage points (coming from 98,000 m² or 59% in H1 2020).

In second place, as in the previous years, is the East region with a share of 30% or 95,000 m² (H1 2020: also a 30% share with 49,000 m²). It is followed by the North region with a share of 22% or 69,000 m². Compared to 7% or 11,000 m² in H1 2020, it significantly increased its take-up in both absolute terms – growing more than sixfold – and relative terms. The relative increase of 15 percentage points is the highest out of all regions. Two of the top deals are attributable to this region: the biggest deal of 40,000 m² by Riess Ambiente and the letting of 16,000 m² by Boeing Distribution Services. As in the same period of the previous year, last place goes to the Western region at 3% or 10,000 m², coming from 4% or 7,000 m².

■ Take-up of logistic property and industrial space by regions in the greater Hamburg area H1 2021



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Logistics/distribution dominates with 4 of 7 top deals

Logistics/distribution has consistently been the leading sector since H1 2016, and was again in H1 2021 with a share of 52% or 166,400 m², representing almost 2.5 times the previous year’s take-up. The segment managed to increase its relative importance the

most significantly year-on-year among all sectors with a rise of 11 percentage points (coming from 41% or 67,650 m² in H1 2020).

Four of the seven top deals are from the logistics/distribution segment: Greiwing logistics for you (28,000 m²), Group7 (26,000 m²), Kd-projekt-consulting (15,500 m²) and Heinrich Dehn Int. Spedition (15,000 m²). With a total of 84,500 m², these four deals account for 50.7% of all newly used square metres in this sector.

In second place is retail/wholesale with a share of 25% or 80,000 m², after 14% or 23,100 m² in H1 2020. Retail/wholesale last reached second place in H1 2018 with 43,700 m² or 19%: Alongside the logistics/distribution sector, retail recorded the highest relative increase at 11 percentage points.

This good performance was particularly due to two of the six main sources of take-up: the top deal by Riess Ambiente (40,000 m²) and the sixth-place take-up source, Teamwork Instore Services with 13,500 m².

■ Take-up of logistic property and industrial space by industry in the greater Hamburg area H1 2021



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“It is primarily retail companies from the e-commerce segment that are entering the market, as reflected in the biggest deal in this category by Riess Ambiente. We are seeing huge demand from Chinese e-commerce companies,” says Jörg Lojewski.

In third place is the manufacturing sector with a share of 16% or 51,200 m². Compared to 52,800 m² or 32% in H1 2020, manufacturing saw the biggest decline in relative importance out of all sectors, at 16 percentage points. Only one of the top deals is in this sector: Boeing Distribution Services with 16,000 m².

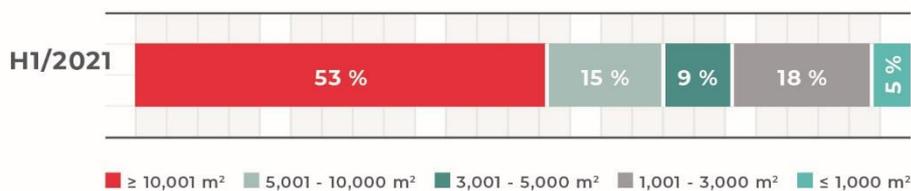
The miscellaneous category “Others” comes in last with a share of 7% or 22,400 m², after having been in last place in the same period of the previous year, too, with 13% or 21,450 m² (thus dropping 6 percentage points).

Major deals dominate market

As all top deals were for units of more than 10,000 m², it is not surprising that this was the biggest category in H1 2021 with a share of 53% or 169,600 m². With growth of a whole 17 percentage points, the large size category further increased its relative importance year-on-year: In absolute terms, it grew by a factor of 2.8 (from 59,000 m² in H1 2020 to 169,000 m² in H1 2021). All other size segments saw decreases in their relative take-up.

Large sizes had also obtained the top ranking in the same period of the previous year with a share of 36% or 59,000 m². This was particularly attributable to the Airbus deal for around 30,600 m² and the Spedition Mickleit letting of around 28,400 m². However, “only” two of the six deals were in this size category, whereas now all of the seven biggest deals are.

■ Take-up of logistic property and industrial space by size in the greater Hamburg area H1 2021



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Smaller sizes in the category of 1,001 m² to 3,000 m² come in second at 18% or 57,600 m² (H1 2020: 21% or 34,500 m², down 3 percentage points). The category of larger sizes between 5,001 and 10,000 m² accounts for a share of 15% or 48,000 m². Among all the categories, it saw the biggest decline at 8 percentage points due to the strong performance of the biggest size category, although in absolute terms it increased by 26% (H1 2020: 38,000 m² or 23%).

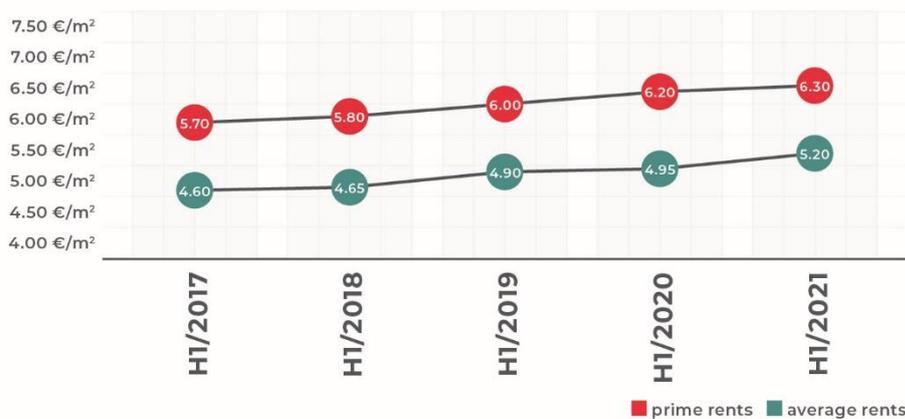
In fourth place is the category of medium-sized space between 3,001 and 5,000 m² with a share of 9% or 28,800 m², as against 24,000 m² or 15% in H1 2020 (when it was also in fourth place). It fell by 6 percentage points. Such space was most recently in the highest demand back in H1 2016, when it was in first place with 86,800 m² or 31%.

At the bottom of the table are the smallest spaces of less than 1,000 m² with a share of 5% or 16,000 m², after previously also being in last place with 9,500 m² or 6%. These smallest spaces were last particularly sought-after in H1 2019, when they even represented the largest category with a share of 29% or 35,600 m².

Prime and average rent reach highest levels to date

Compared to the last five half-year periods, over which it rose consistently except in H1 2017, prime rent reached its highest level to date of EUR 6.30/m² in the first half of 2021 (H1 2020: EUR 6.20/m²). Its increase as against the previous years was thus moderate at 1.6%. In H1 2020, there had been price growth of 3.3% (to EUR 6.20/m²) and in H1 2019 of 3.4% (to EUR 6.00/m²). However, the five-year average of EUR 6.00/m² has now been exceeded by 5.0%.

■ Prime and average rents of logistic property and industrial space in the greater Hamburg area



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Average rent has developed in line with prime rent (rising four times and stagnating once in the past five half-year periods). In the first six months of the current year, it also reached its current record high of EUR 5.20/m² (up 5.1%). The highest increase of the past five years was recorded by Realogis in H1 2019 at 5.4% to EUR 4.90/m². The current five-year average of EUR 4.86/m² has been exceeded by 7%.

Forecast for end of 2021 and further outlook

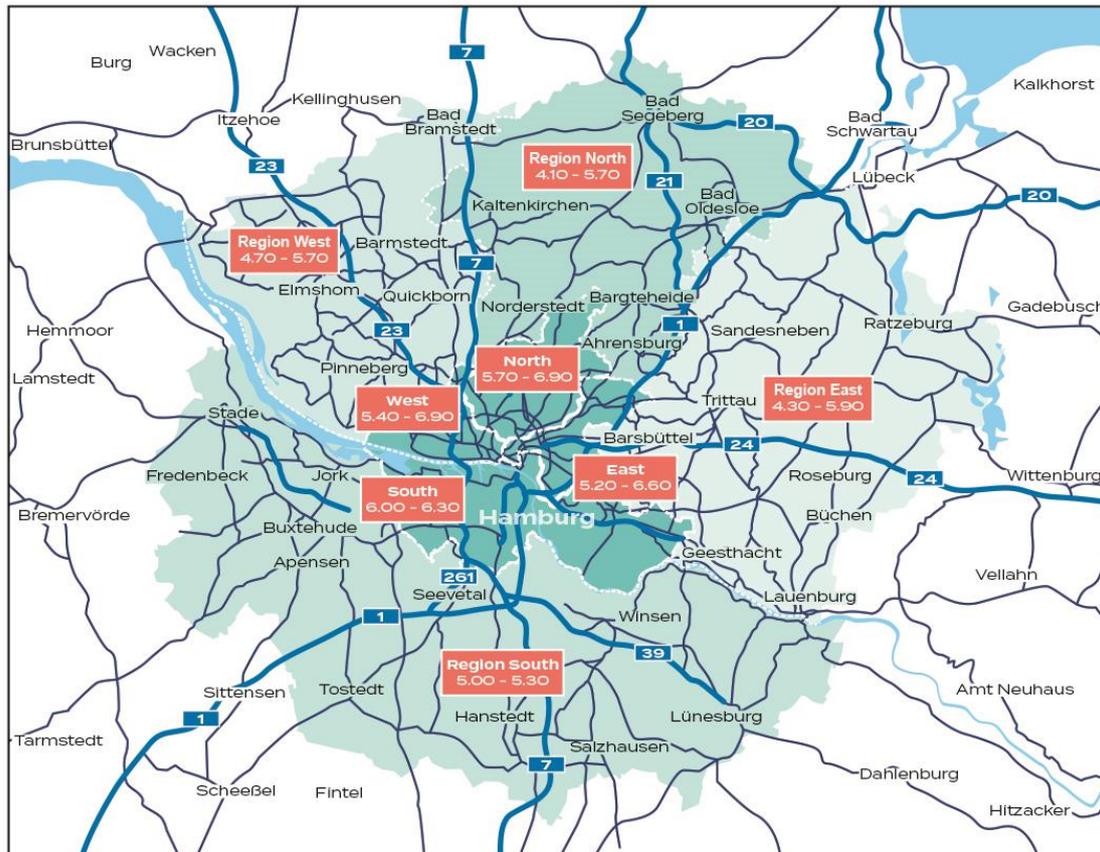
“Everything indicates that the dynamic development on the Hamburg industrial and logistics property market will continue until the end of the year,” explains Jörg Lojewski. “Due to the broad-based demand from different user groups and the positive economic outlook, we consider total take-up of more than 500,000 m² by the end of 2021 to be very likely.”

With regard to the development of the sub-markets, Jörg Lojewski said that “in the Altenwerder/Waltershof port area, full occupancy will be achieved by the end of 2021. Those who gain from this may include the Mach2 project from Four Parx with over 100,000 m² of warehouse and logistics space in Wilhelmsburg due for completion at the end of 2021. The new build could benefit from very good demand along with short supply.”

“At the same time, the lack of suitable land for development is mobilizing brownfield developers in Billbrook,” adds Stefan Imken. “ECE and Goodman have secured such plots

of land here, which are to be repurposed in 2022 and where two-storey logistics is planned in some cases, for example in Wilhelmsburg.”

■ Logistics Property Market Hamburg: Rental Prices H1/2021 (€/m²)



Lessors with the highest take-up

Name of company	Region	Take-up	Type	Sector
Riess Ambiente	HH northern vicinity	40,000 m²	New build	Retail
Greiwing logistics for you	HH Port	28,000 m²	Existing property	Logistics
Group7	HH East	26,000 m²	New build	Logistics
Boeing Distribution Services	HH northern vicinity	16,000 m²	New build	Production
kd-projekt-consulting	HH southern vicinity	15,500 m²	Existing property	Logistics
Heinrich Dehn Int. Spedition	HH East	15,000 m²	New build	Logistics
Teamwork Instore Services	HH East	13,500 m²	Existing property	Retail

Graphics: Graphics can be printed free of charge citing the source: "Realogis – www.realogis.de"

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