

YoY Change 12-Month Forecast

€465 m

Transaction Volume (cum.)



44%

Share of Foreign Capital



4.90%

Office Prime Yield, net



32%

Share Office Investment Volume



ECONOMIC INDICATORS

YoY Change 12-Month Forecast

7.8%

Hamburg Unemployment Rate (Jun 2024)



497,800

Hamburg Office Employees (Jun 2024)



4.25%

ECB Interest Rate (Jun 2024)



2.53%

10-Year Government Bond Yield (Q2 2024)



Sources: Federal Employment Agency, ECB, Moody's Analytics

LOGISTICS AND INDUSTRIAL PROPERTIES REMAIN STRONGEST ASSET CLASS

With a transaction volume of around €465 million, the second-lowest half-year result in the past ten years was recorded. Although the total transaction volume slightly exceeds the previous year's result of €450 million, the result is 67% below the H1 5-year average of around €1.4 billion. Contributing 44% of the total transaction volume, international investors were more active again compared to the same period last year (34%). This is in line with the H1 5-year average.

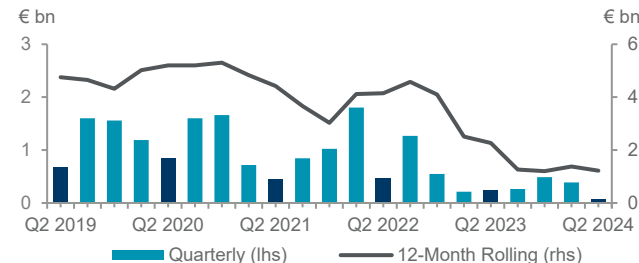
Sales of logistics and industrial properties generated a transaction volume of around €155 million in the 1st half of 2024 and, contributing 33% of the total CRE transaction volume, were the strongest asset class. The previous year's figure of €100 million was exceeded by 55%. The largest single-property transaction in the Hamburg real estate investment market area was the sale of a logistics centre at Vollhöfener Weiden by a fund managed by Tristan Capital Partners to Montea (around €50 million) in the 1st quarter.

Office properties were the second-strongest sector in the 1st half of 2024 with a transaction volume of around €150 million and a contribution of 32%. The result is 44% below the previous year's figure of around €270 million. There were no sales of office properties with a volume exceeding €50 million. One of the largest was the sale of the office and commercial building at Dornbusch 2 and 4 in the Inner City submarket by French investor Ofi Real Estate to investment manager Montano Real Estate for around €37 million.

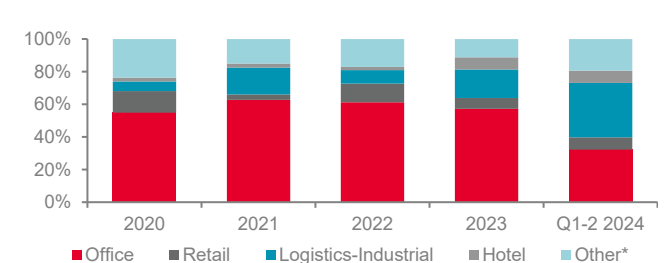
There were no transactions in the retail real estate segment in the 2nd quarter. Thus, the transaction volume remains unchanged at around €35 million, which corresponds to 8% of the CRE total. This is 17% more than in the equivalent period last year.

Hotel properties and retail properties both accounted for 8% or €35 million. The previous year's figure was exceeded by 250%.

COMMERCIAL TRANSACTION VOLUME*



SHARE OF TRANSACTION VOLUME BY ASSET CLASS



*Office, Retail, Logistics-Industrial, Hotel, Other (Leisure, Health Care, Mixed Use, Development Plots)

MAJORITY OF TRANSACTION VOLUME IS ACCOUNTED FOR BY CORE-PLUS PROPERTIES

In the 1st half of 2024, 82% of the total transaction volume was generated by sales of core and core-plus properties. Higher-risk investments in value-add or opportunistic properties accounted for 16%. Institutional investors remained very cautious due to the persistently uncertain macroeconomic environment and the ongoing pricing phase, particularly for core office properties.

NO TRANSACTIONS OF OVER €100 MILLION IN THE FIRST HALF OF 2024

Following the 1st quarter of the year, there were no major transactions €100 million or more in the 2nd quarter due to the ongoing restraint of institutional investors. 89% of the transaction volume was accounted for by deals with a volume of less than €50 million, with a clear focus on core-plus properties.

YIELD PEAK APPEARS TO HAVE BEEN REACHED

The net initial yield for prime office properties in Hamburg's central locations was 4.90% at the end of June 2024. This corresponds to an increase of 15 basis points compared to the previous quarter and is 95 basis points higher than 12 months previously.

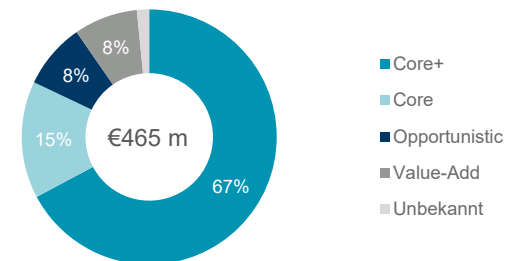
The prime yield for high-street commercial buildings in 1a locations remains stable at 4.50% compared to the previous quarter. The year-on-year increase is 40 basis points.

For first-class logistics properties, the prime yield is also stable at 4.50% compared to the previous quarter – 35 basis points more than a year ago.

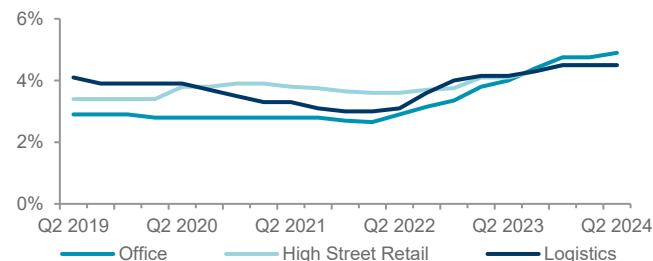
Outlook

- Investment activity is expected to increase moderately over the remainder of the year, as prices are slowly being reached at which there could be a willingness to sell again and purchases appear sensible. This will be supported by a macroeconomic environment that offers more certainty for planning.
- Cushman & Wakefield expects that the peak in the rise in yields has been reached. Given the ECB's first cut in key interest rates in June and the expectation of two further cuts by the end of the year, there is potential for subsequent falls in prime yields in 2025.

TRANSACTION VOLUME BY RISK CATEGORY Q1-2 2024

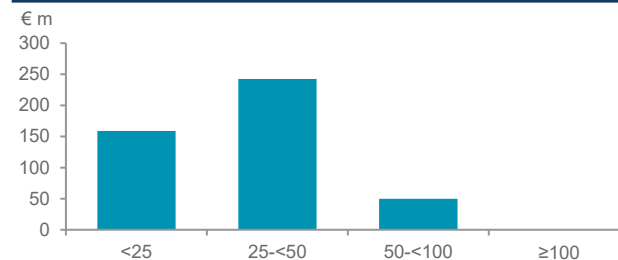


PRIME YIELD BY ASSET CLASS



* Net initial yield

TRANSACTION VOLUME BY SIZE CATEGORY Q1-2 2024*



* Each size category in euro million

MARKET STATISTICS Q1-2 2024

MARKET	Transaction Volume (€ bn)	Share of Office Volume	Share of Retail Volume	Share of Logistics-Industrial Volume	Share of International Capital	Office Prime Yield*	Retail High Street Prime Yield*	Logistics Prime Yield*
Hamburg	0.47	32%	8%	33%	44%	4.90%	4.50%	4.50%
YoY Change	3%	-28pp	1pp	11pp	10pp	90bp	40bp	35bp
Top-7 Markets	6.00	25%	21%	10%	30%	4.91%	4.46%	4.50%
YoY Change	46%	-8pp	10pp	-6pp	-5pp	87bp	47bp	35bp
Germany	11.16	21%	22%	23%	37%	-	-	-
YoY Change	22%	-5pp	3pp	4pp	8pp	-	-	-

*Prime yield is net initial yield, displaying achievable values. Prime yield Germany = Average of Top-7 Markets
pp = percentage points; bp = basis points

SELECTED TRANSACTIONS 2024

Property / Address	Quarter	Type of Use	City	Vendor / Buyer	Price (€ million)
Logistics centre, Vollhöfner Weiden 17	Q1	Logistics-Industrial	Hamburg	Tristan Capital Partners / Montea	~50
Quantum-HQ, Dornbusch 2 + 4	Q1	Office	Hamburg	Ofi / Montano Real Estate	~37
Takeover Pickens Selfstorage: subportfolio Hamburg (3 properties)	Q1	Logistics-Industrial	Hamburg	Pickens Selfstorage / Shurgard	Confidential
Atrium Office, Glockengießerwall 21/22	Q1	Office	Hamburg	Savills IM / Cells Group	Confidential

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