



RESIDENTIAL MARKET HAMBURG

REPORT | 2021



CONTENTS

CITY AND METROPOLITAN REGION OF HAMBURG - ECONOMIC MOTOR OF NORTHERN GERMANY

Vibrant city with maritime flair: Hamburg is growing - thanks to a diversified economic structure and a high quality of life. With modern urban development concepts in the residential sector.



20

HAMBURG -
CENTRE OF
NORTHERN
GERMANY



HAMBURG – CENTRE OF NORTHERN GERMANY

With a population of around 1.9 million, Hamburg is Germany's second-largest city, with a further 3.5 million people living in the surrounding metropolitan region.



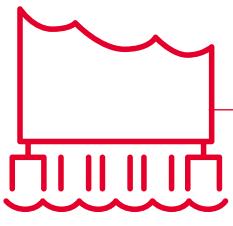
11.6%



10.1%



10.4%



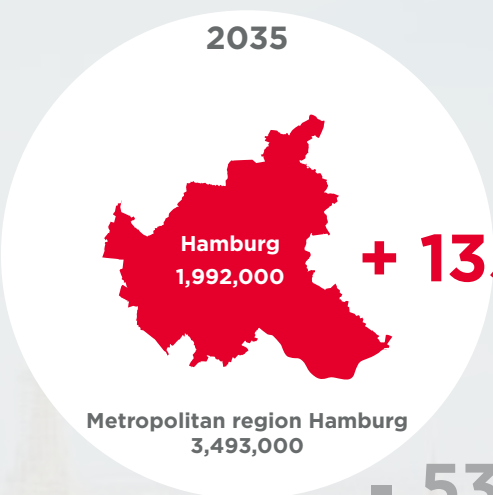
7.3%



7.0%



EXPECTED POPULATION GROWTH IN THE **TOP 5** BY 2035.

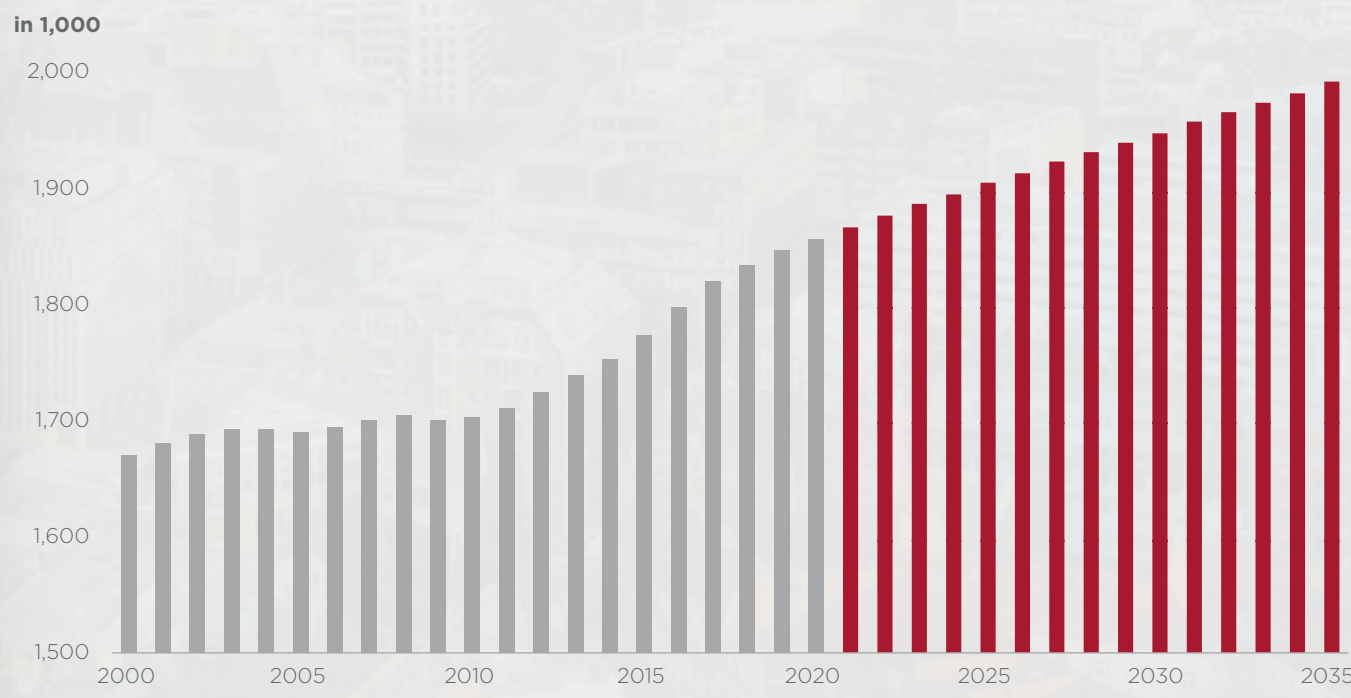


+ 135,000

- 53,000

Source: Oxford Economics

POPULATION GROWTH IN THE CITY OF HAMBURG



Source: Oxford Economics

Source: Oxford Economics

HAMBURG – CENTRE OF NORTHERN GERMANY

HAMBURG, THE GATEWAY TO THE WORLD



Antwerpen | Rotterdam | Hamburg

No. 3: With Europe's third-largest port, the Hanseatic city of Hamburg is an important interface for overseas trade and a central goods transshipment hub for northern Europe. Hamburg is advantageously located between Western Europe, Scandinavia and the Eastern European countries.

FACTS



HAMBURG AIRPORT (1*)

- ✓ 130 direct flights to national and international destinations
- ✓ 17.3 million passengers in 2019



HAMBURG HARBOUR (2*)

- ✓ 810,000 cruise ship passengers in 2019 via three cruise terminals



HAMBURG MAIN RAILWAY STATION (3*, 8*)

- ✓ With 450,000 passengers daily, Hamburg's main station is one of the busiest in Germany. Around 720 local and long-distance rail services stop at Hamburg's main transport hub every day.
- ✓ Direct links to almost all German federal states as well as to Denmark, Austria, the Czech Republic, Hungary, Switzerland and the Netherlands



ROADS

- ✓ 8 motorways and 10 major trunk roads



TOURISM (4*)

- ✓ Overnight stays: 15.3 million in 2019, 72 percent more than ten years ago



DAYTIME POPULATION* (4*)

- ✓ 2,074,000
- ✓ Top 2 commuter capital of Germany (commuter balance +227,000 (2019))

*Figures were used from 2019 as 2020 figures would be unrepresentative due to COVID-19.
Sources: Hamburg Airport (1*), Cruise Gate (2*), City of Hamburg (3*), Federal and State Statistical Offices (4*), hamburg.de (8*)

HAMBURG – CENTRE OF NORTHERN GERMANY

HAMBURG, GATEWAY TO THE WORLD



ECONOMIC SECTORS

- ✓ 38 percent of employees in Hamburg work in an office compared to 26 percent nationally. ^(5*)
- ✓ 75 percent of gross value added is generated in the services sector ^(5*)
- ✓ Information and communication is a growth sector - in 2035, 9 percent more people are expected to be employed in this sector and gross value added will increase by 38 percent. ^(5*)
- ✓ Hamburg is one of the world's most important locations for the civil aviation industry, with over 300 companies, including the market leaders Airbus and Lufthansa Technik. The aviation cluster employs around 40,000 people. ^(6*)



GROSS WEALTH CREATION

- ✓ In 2019, 3.6 percent of national gross domestic product was generated in Hamburg. ^(5*)
- ✓ The GDP per capita in Hamburg was 67,400 euros in 2019, 62 percent above the national figure. ^(5*, 7*)



QUALITY OF LIFE ^(10*)

- ✓ Mercer lists Hamburg among the 20 cities with the highest quality of life in the world. Excellent healthcare facilities, transport infrastructure, high-quality education, a wide range of cultural offerings and the beautiful, natural maritime surroundings offer an excellent quality of life.



TALENT BASE ^(7*, 8*)

- ✓ 27 universities and colleges
- ✓ 38 research institutions
- ✓ 110,000 students



HAFENCITY ^(11*)

- ✓ Has developed into a brand & landmark symbol of Hamburg - and a tourist and cultural magnet.
- ✓ Europe's largest waterfront urban development project, in which various uses are closely integrated.
- ✓ A 157-hectare "New Downtown" is being created on the Elbe with over 7,500 apartments and up to 45,000 jobs.

Sources: Oxford Economics (5*), Hamburg Aviation (6*), Statistisches Bundesamt (7*), hamburg.de (8*), Statistisches Amt für Hamburg und Schleswig-Holstein (9*), Mercer (10*), HafenCity Hamburg (11*)

HAMBURG IS A TRADITIONAL TRADING PORT; A “FREE AND HANSEATIC CITY”, AND GOES ITS OWN WAY.

THE FOCUS HAS ALWAYS BEEN ON TRADE THAT IS AS FREE AS POSSIBLE.

HAMBURG – CENTRE OF NORTHERN GERMANY

SOCIO-ECONOMIC ENVIRONMENT - HAMBURG IN COMPARISON

	HAMBURG	HAMBURG METROPOLITAN REGION	GERMANY
Population in thousands	1,857	5,403	83,191
Proportion of foreign nationals in %	16.5	-	12.5
Population density in Inhabitants per sq km	2,450	189	233
Unemployment rate in %	7.7	5.9	5.9
Office employees in thousands	474	845	11,843
Employees making social insurance contributions in thousands	1,014	2,154	33,587
Employees making social insurance contributions in the services sector in %	84	81	71
Gross domestic product (GDP) in € billion	123	-	3,449
GDP growth (2018-2019) in %	3.7	-	2.8
Purchasing power per head in €	25,981	-	23,766

Sources: Bundesagentur für Arbeit, Oxford Economics, Statistisches Bundesamt, Statistische Ämter des Bundes und der Länder

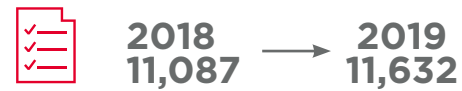


MO

EXCESS DEMAND IN
THE HAMBURG
RESIDENTIAL
MARKET

EXCESS DEMAND IN THE HAMBURG RESIDENTIAL MARKET

BUILDING PERMITS



In 2019, 36 percent more building permits were issued than the 10-year average. The “Contract for Hamburg” and the “Alliance for Housing” set a target of at least 10,000 residential units being approved annually. 30 percent of these socially subsidised. This was also achieved in the crisis-ridden 2020.

BUILDING COMPLETIONS



Compared to the previous year, residential completions declined by 8 percent in 2019, but still achieved the second-highest result of the last ten years. This means 56 percent more dwellings were completed than the ten-year average.

Sources: Statistisches Amt für Hamburg und Schleswig-Holstein

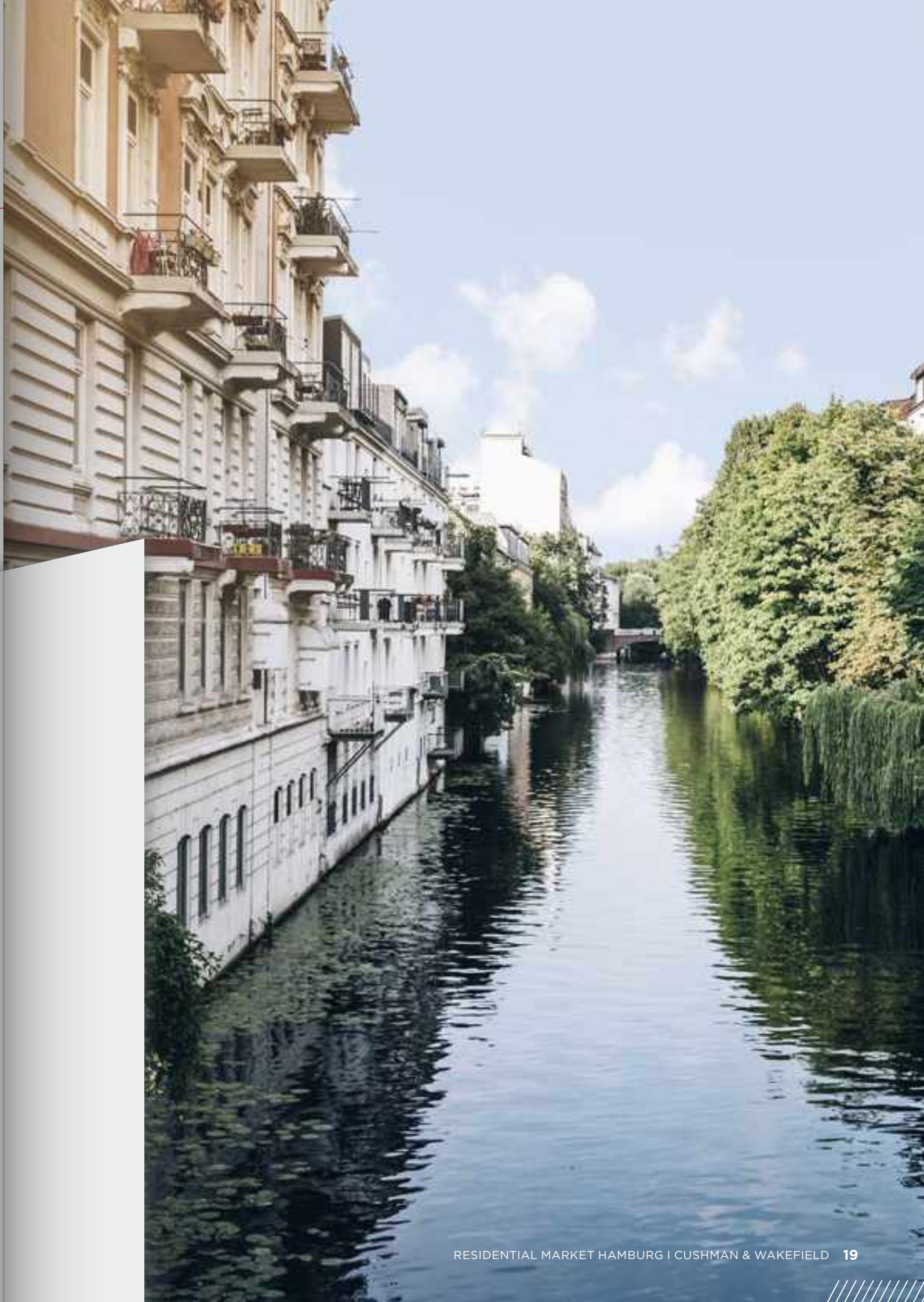
Contract for Hamburg:

- To promote housing construction, the Senate concluded a contract with the district authorities in 2011.
- The goals include speeding up approval procedures, more building permits and fulfilling the 30 percent quota for subsidised housing.

Alliance for Housing:

- The Senate, various housing associations, SAGA and several tenants’ associations formed the Alliance for Housing in order to promote socially sustainable housing construction activity. The alliance is currently being renegotiated for the 22nd legislative period.
- So far, the goals have been, among others, to approve at least 10,000 new apartments per year (30 percent of these subsidised), to meet climate protection and energy efficiency targets and to preserve the brick facades that characterise the cityscape.

Sources: hamburg.de



EXCESS DEMAND IN THE **HAMBURG** RESIDENTIAL MARKET

At the end of 2019, there were around 975,000 residential apartments in Hamburg - a figure that is significantly below current demand. Today, an excess housing demand of about 90,000 apartments is estimated. This could be reduced to 22,000 by 2030. Pent-up demand is currently responsible for some 85 percent of total housing demand in Hamburg. Even if the completion level remains high in the coming decades, this figure will decline only slowly.

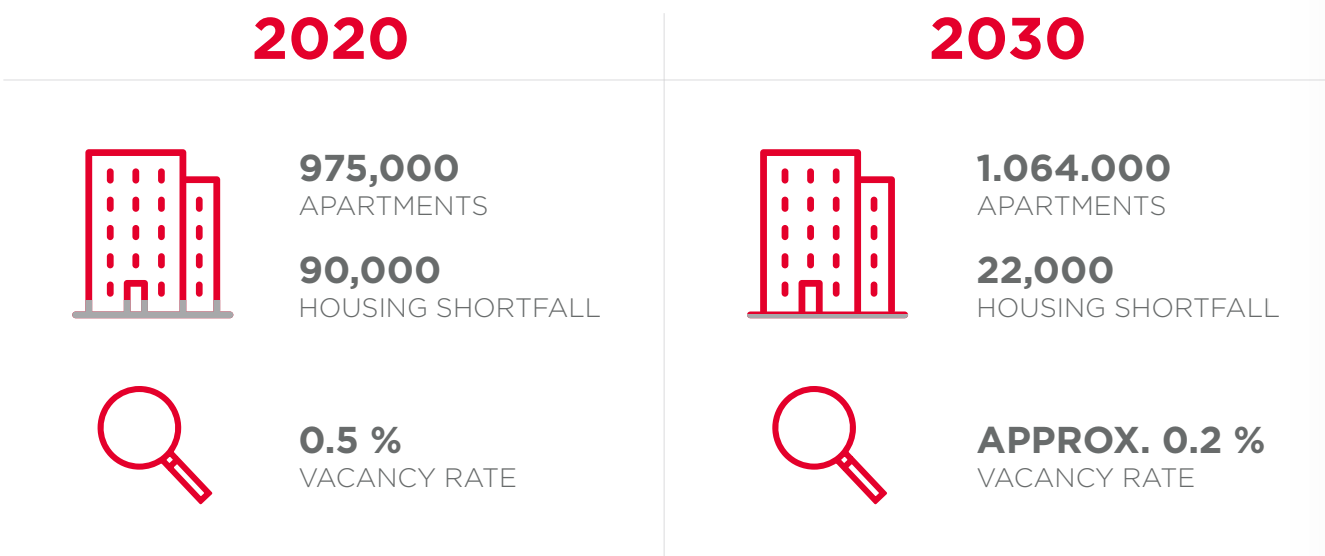
Unlike in other large cities, however, there will be a slow but continuous reduction - thanks to Hamburg's coordinated housing policy. The expected increase in the number of households is four percent

by 2030, which is less than the expected 10 percent growth in residential stock over the same period and will thus fulfil demand - unlike in Frankfurt am Main, for example. A current market active vacancy rate* of only 0.5 percent confirms the shortfall in housing supply. The low vacancy rate and the excess demand will lead to further increases in rental and purchase prices, at least in the medium term.

Sources: CW Research, CBRE-empirica-Leerstandsindex, bulwiengesa, Statistisches Bundesamt, Statistische Ämter des Bundes und der Länder, hamburg.de
*market active vacancy: unlet flats offered on the market. Apartments taken into account are immediately disposable or can become disposable in less than six months.

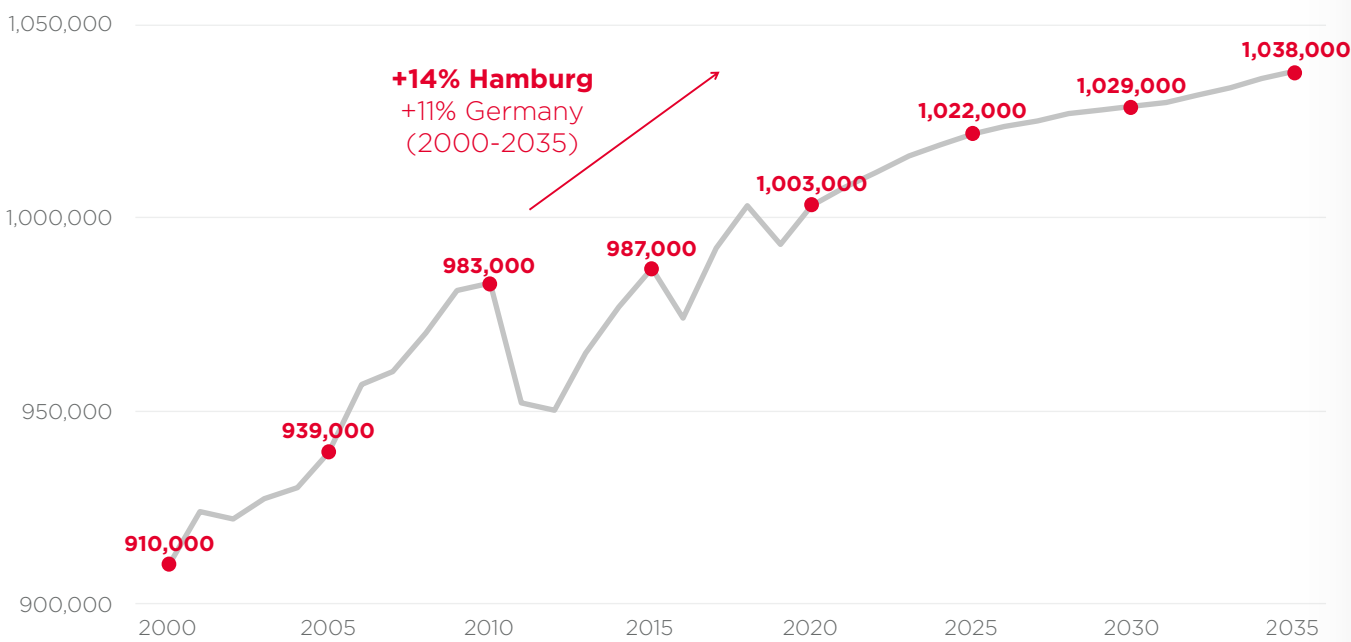
EXCESS DEMAND IN THE HAMBURG RESIDENTIAL MARKET

CONTINUING HOUSING SHORTAGE



Sources: CW Research, CBRE-empirica-Leerstandsindex, bulwiengesa, Statistische Ämter des Bundes und der Länder

NUMBER OF HOUSEHOLDS IN HAMBURG



Source: Statistisches Bundesamt

AT 14 PERCENT
(2000-2035),
THE NUMBER
OF HOUSEHOLDS
IN HAMBURG IS
GROWING FASTER
THAN THE NATION-
AL AVERAGE OF 11
PERCENT.

HOUSEHOLD STRUCTURE 2030



AVERAGE 1.87
RESIDENTS PER
HOUSEHOLD



40

LIVING IN HAMBURG – A
VIEW FROM ABOVE

LIVING IN **HAMBURG** - A VIEW FROM ABOVE



AIRPORT

25 minutes by S-Bahn from the city centre



HIGHWAY

5 minutes' drive from city centre



MAIN RAILWAY STATION

Central location within Hamburg city centre and main hub for connections to the north (Denmark), north-east (Lübeck, Rostock), east (Berlin, Prague), south (Hanover) and south-west (Bremen)



E-SCOOTER AND CITY BIKE

Comprehensive supply of e-scooters and city bikes in central locations

Alliance for cycling - continuous development towards a cycle-friendly city



HVV SWITCH

Networking of local public transport

79 Switch points already extend the range of classic local public transport services to include bike sharing, car sharing, MOIA shuttle, and combines everything in one app.

TIERPARK
HAGENBECK (ZOO)

VOLKSPARK-
STADIUM

VOLKSPARK

STERNESCHANZE

TRADE FAIR AND
EXHIBITION CENTRE
REEPERBAHN

LANDUNGSBRÜCKEN

ELBSTRAND

ELBPHILHARMONIE
CONCERT HALL

AIRPORT ✈

STADTPARK

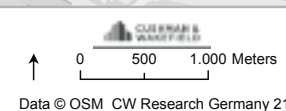
UNIVERSITY
OF HAMBURG

PLANTEN UN BLOMEN

HAMBURG MAIN
RAILWAY STATION

SPEICHERSTADT

HAFENCITY





LIVING IN **HAMBURG** - A VIEW FROM ABOVE

AS A GATEWAY TO THE WORLD AND A CITY ON THE WATER, HAMBURG COMBINES URBAN LIVING WITH PLENTY OF NATURE.

IN TIMES OF CHANGE, THE NORTHERN METROPOLIS ON THE BANKS OF THE ELBE ALSO REINVENTS, BUT NEVER FORGETS ITS ROOTS AS A TRADITIONAL PORT AND MERCHANT CITY. ITS UNIQUE CHARM MAKES HAMBURG ONE OF GERMANY'S MOST POPULAR CITIES TO LIVE AND WORK IN.

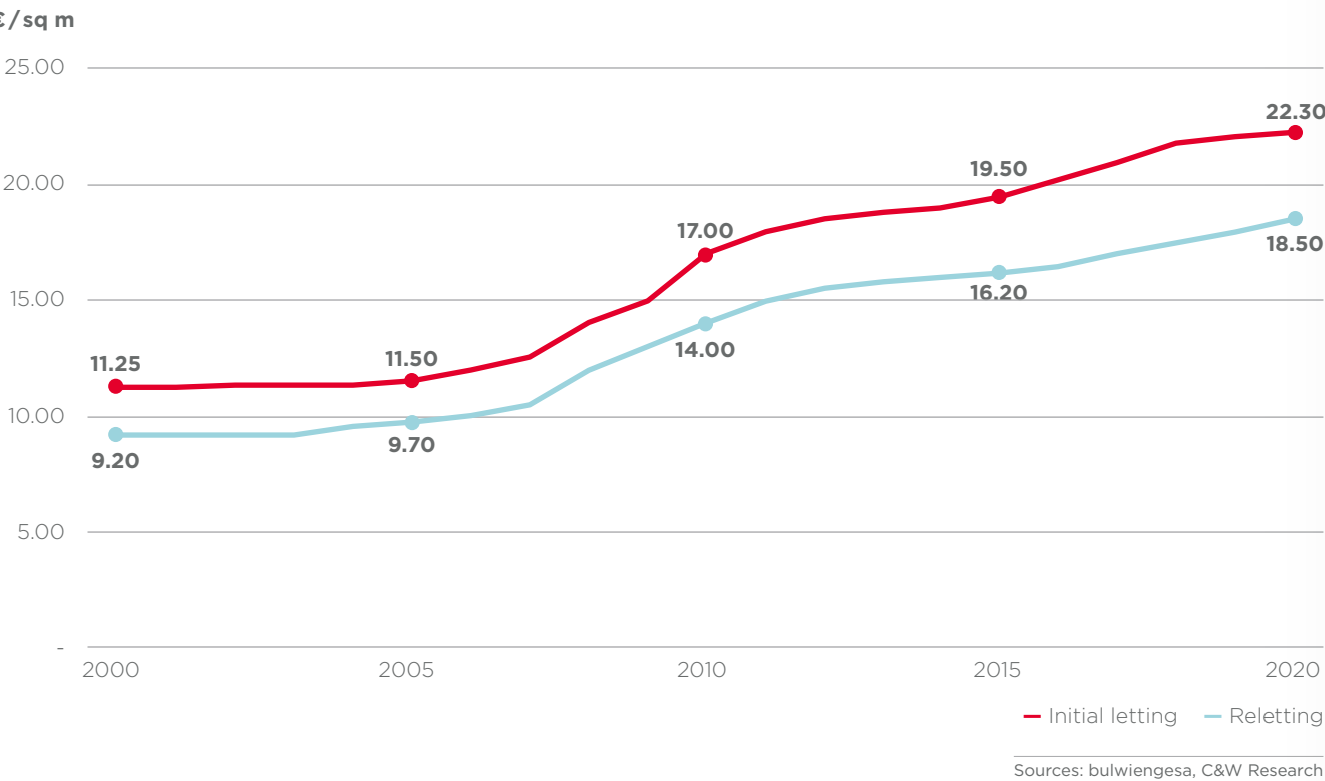


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RENTING AND BUYING IN HAMBURG

RENTING AND BUYING IN HAMBURG

RENTAL PRICE DEVELOPMENT IN HAMBURG





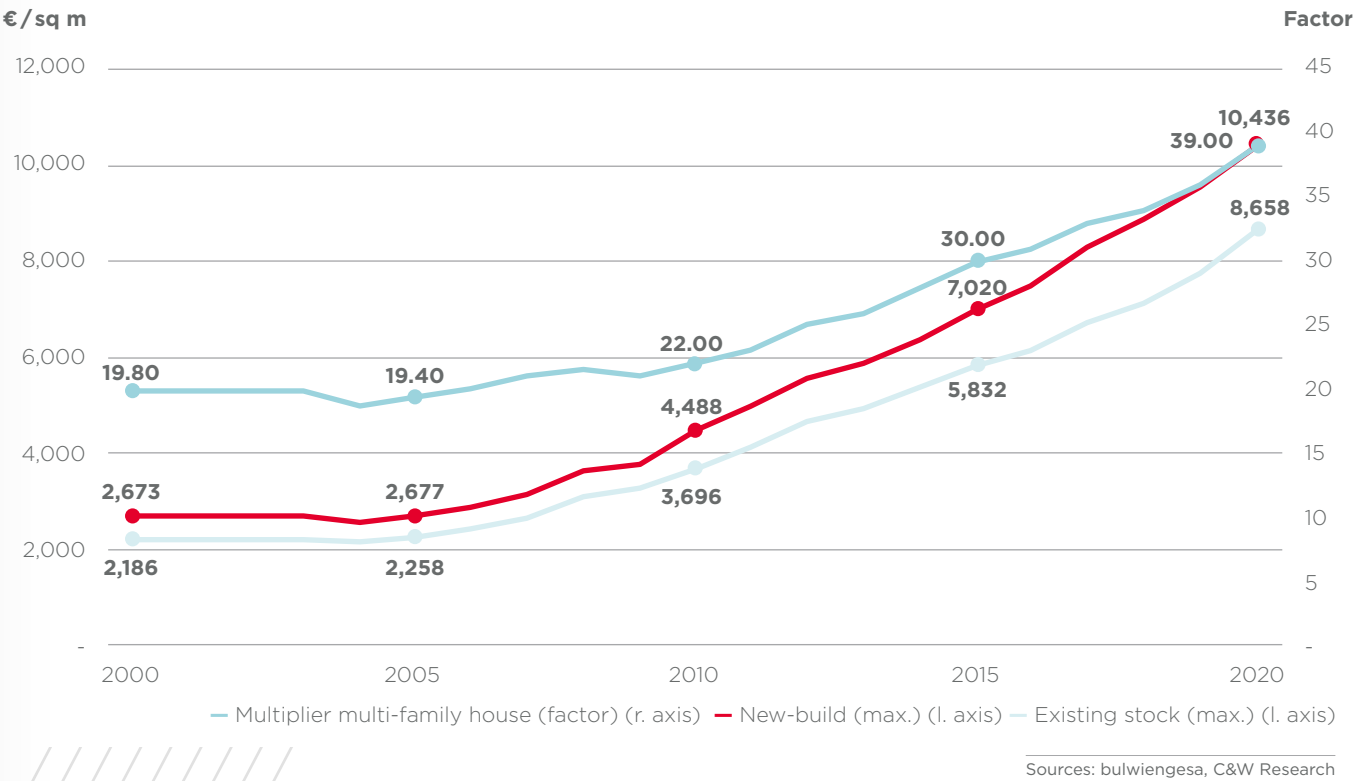
2000-2020

RELETTING
+ 101%



INITIAL LETTING
+ 98%

CAPITAL VALUE DEVELOPMENT IN HAMBURG





2000-2020

EXISTING STOCK
+ 296%



NEW-BUILD
+ 290%

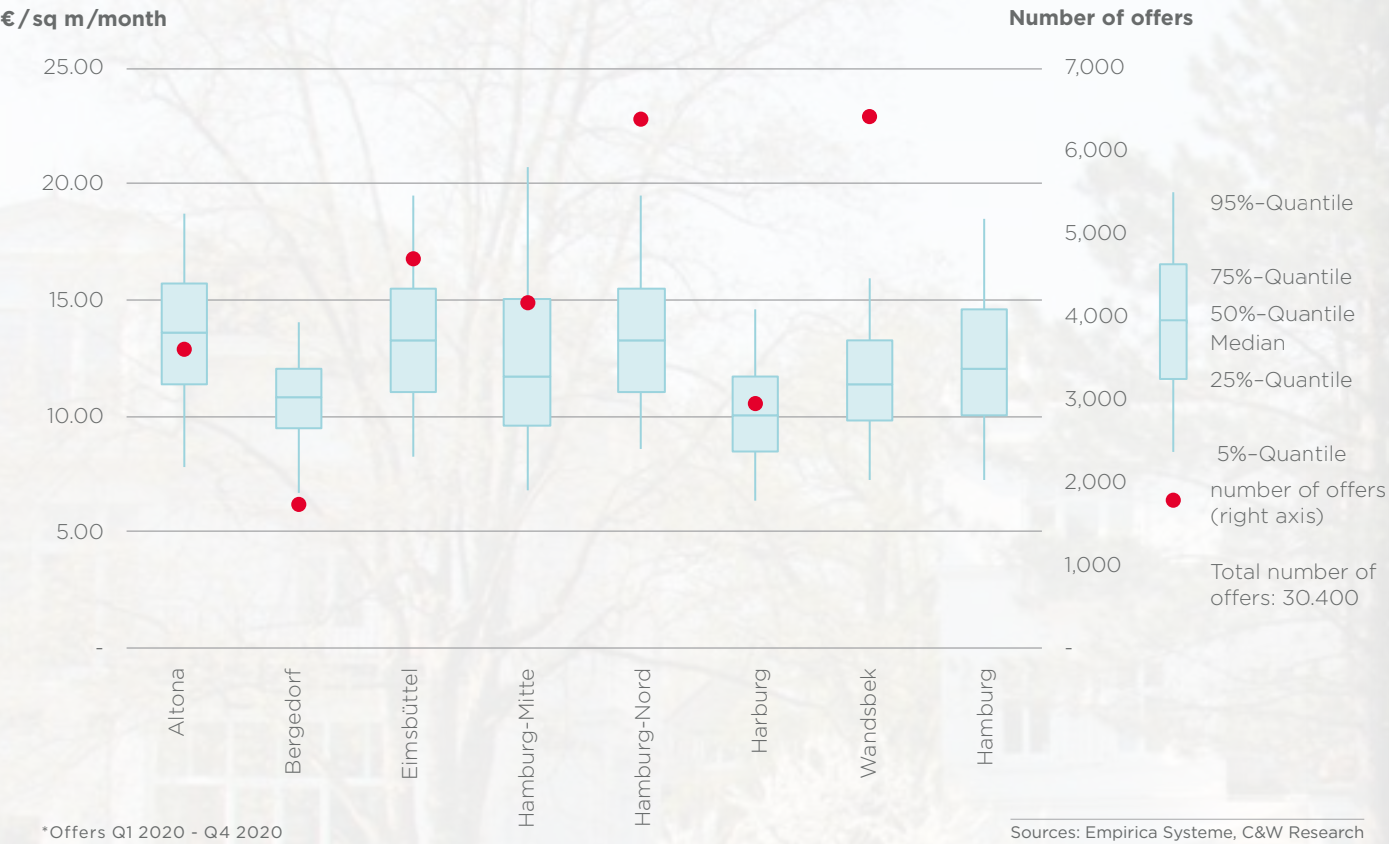
RENTING AND BUYING IN HAMBURG

THE KEY INDICATORS FOR THE RESIDENTIAL INVESTMENT MARKET IN HAMBURG HAVE BEEN SHOWING A STEEP UPWARD TREND FOR OVER 20 YEARS. **FURTHER GROWTH IS ALSO EXPECTED IN THE NEAR TERM.**

RENTING AND BUYING IN HAMBURG

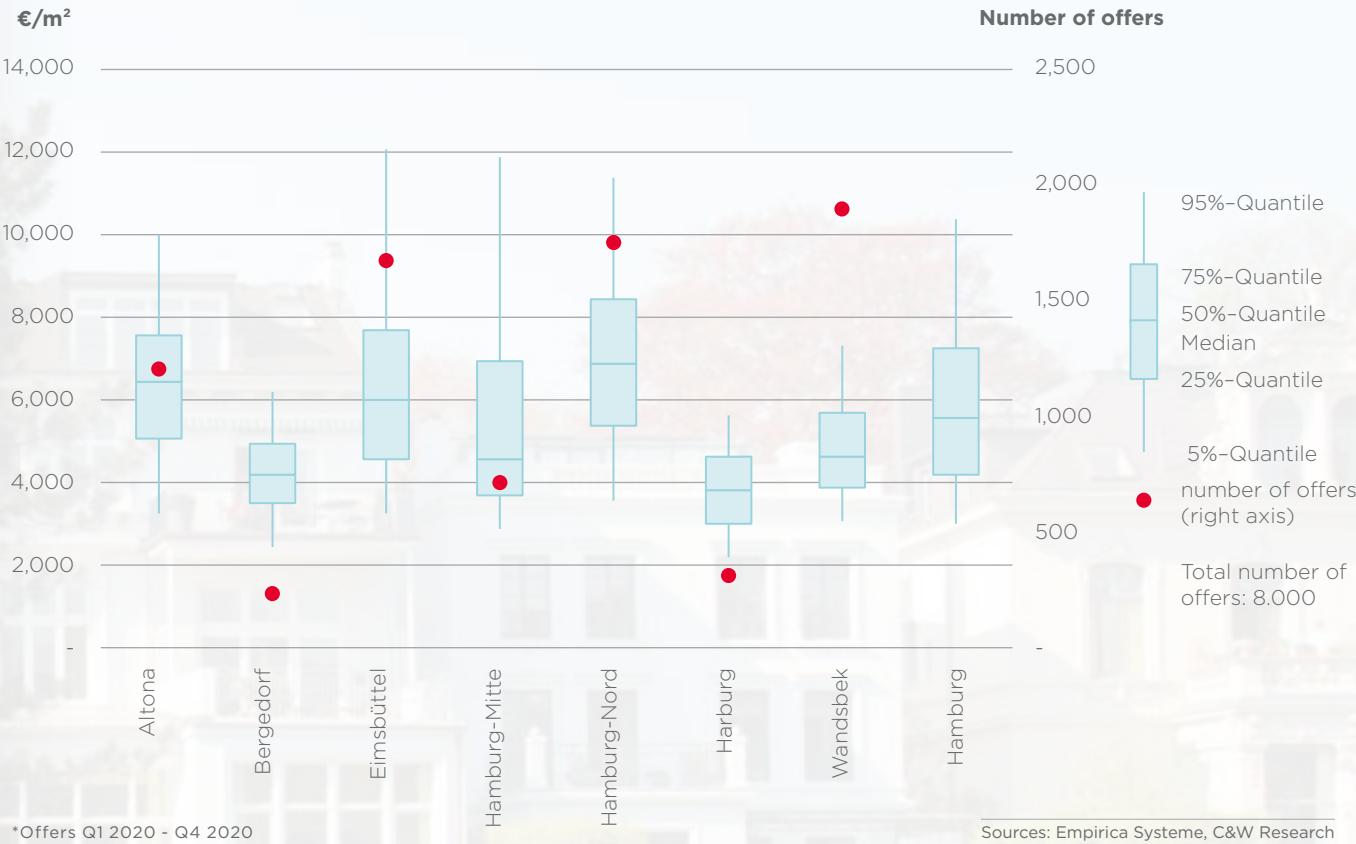
HAMBURG - APARTMENT RENTS* 2020

APARTMENT PURCHASE PRICE* 2020



PRIME RENTS ARE ACHIEVED NEAR THE ALSTER AND IN THE HAFENCITY IN THE DISTRICTS OF HAMBURG-MITTE, -NORD AND IN EIMSBÜTTEL. THE LARGEST SUPPLY OF RENTAL FLATS IN TERMS OF THE NUMBER OF ADVERTISEMENTS CAN BE FOUND IN HAMBURG-MITTE, EIMSBÜTTEL AND THE DISTRICT OF WANDSBEK.

APARTMENT PURCHASE PRICE* 2020

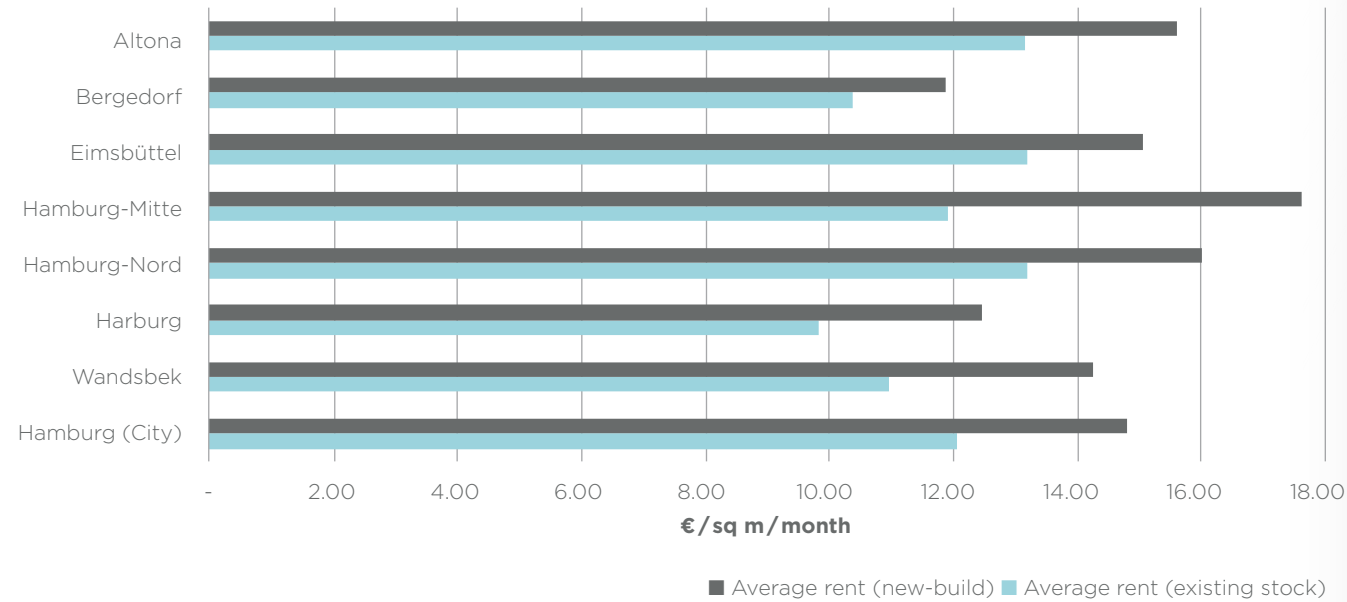


THE HIGHEST APARTMENT PURCHASE PRICES ARE ACHIEVED IN THE DISTRICTS OF EIMSBÜTTEL, HAMBURG-MITTE AND HAMBURG-NORD. THE LARGEST NUMBERS OF OFFERS ARE FOR APARTMENTS IN WANDSBEK, HAMBURG-NORD AND EIMSBÜTTEL.

RENTING AND BUYING IN HAMBURG

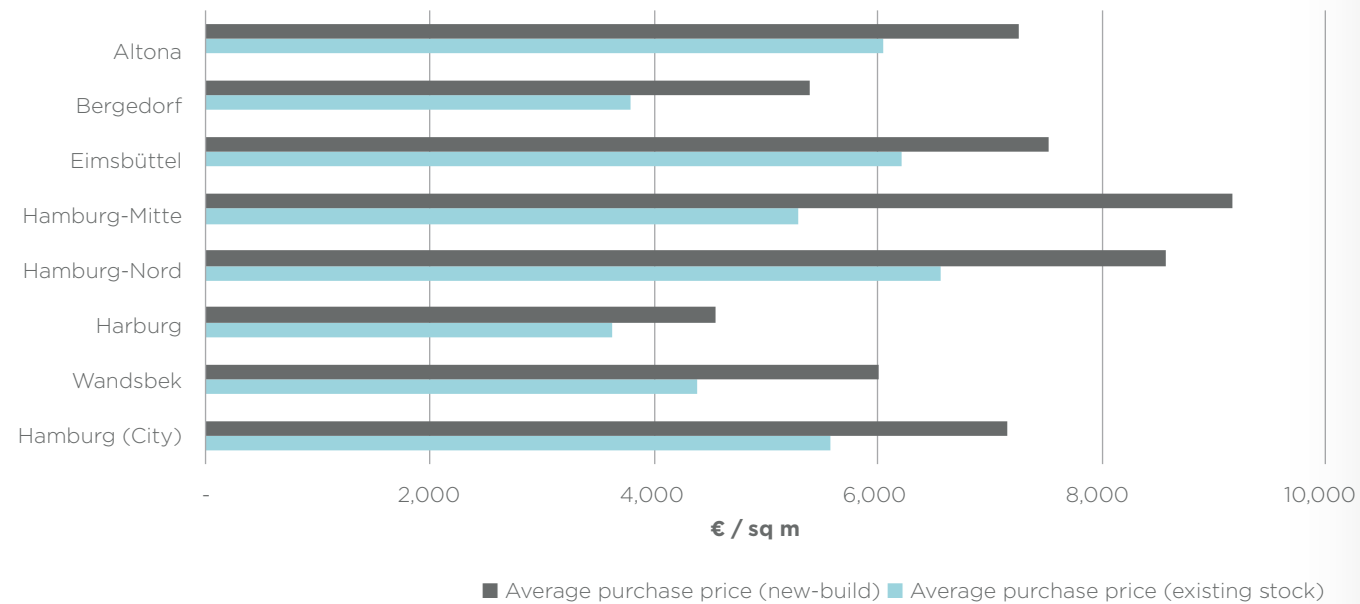
ASKING RENTAL AND PURCHASE PRICES IN HAMBURG BY CITY DISTRICT

RENTAL PRICES - AVERAGE* IN THE CITY DISTRICTS
(NEW-BUILD AND EXISTING STOCK 2020)



*Arithmetic average Sources: Empirica Systeme, C&W Research

PURCHASE PRICES - AVERAGE* IN THE CITY DISTRICTS
(NEW-BUILD AND EXISTING STOCK 2020)



*Arithmetic average Sources: Empirica Systeme, C&W Research

THE DISTRICT OF HAMBURG-MITTE LEADS IN TERMS OF BOTH AVERAGE RENTS AND PURCHASE PRICES IN THE NEW-BUILD SEGMENT

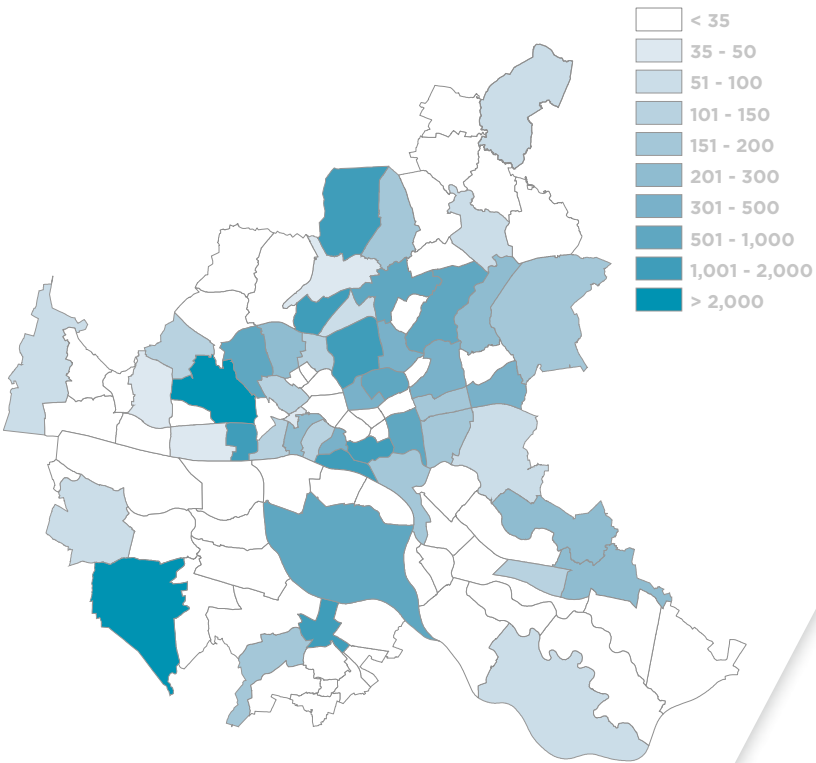


RESIDENTIAL DEVELOPMENT PROJECTS IN HAMBURG

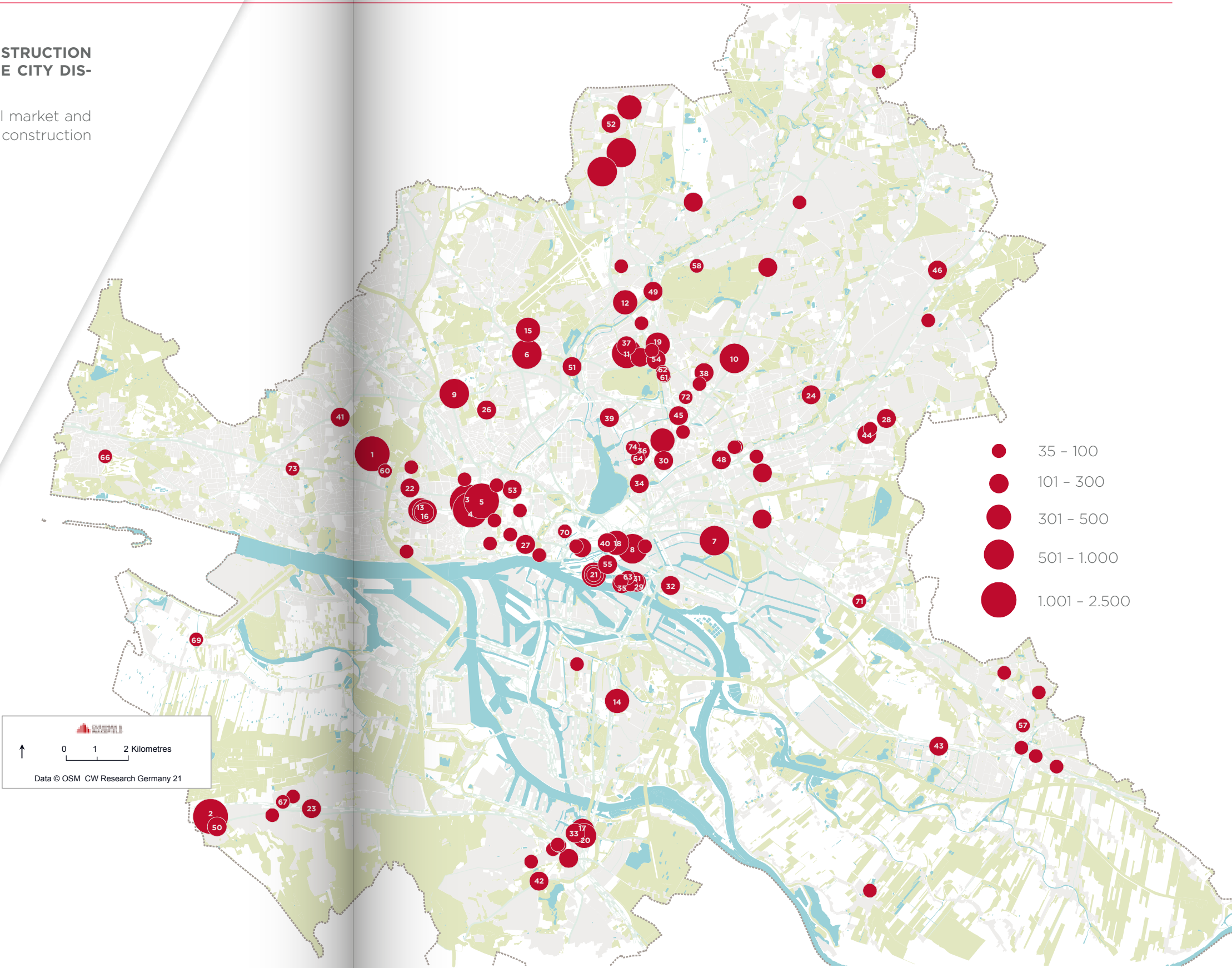
RESIDENTIAL DEVELOPMENT PROJECTS IN HAMBURG

NUMBER OF PROJECTED RESIDENTIAL UNITS UNDER CONSTRUCTION AND IN PLANNING (FROM 35 DWELLING UNITS (DU) IN THE CITY DISTRICTS)

In order to counteract the pressure of demand on the residential market and to meet the objectives of the coordinated housing policy, more construction projects are necessary in Hamburg.



RESIDENTIAL DEVELOPMENT PROJECTS UNDER CONSTRUCTION AND IN PLANNING IN HAMBURG (35 DWELLING UNITS AND MORE)



RESIDENTIAL DEVELOPMENT PROJECTS IN HAMBURG

SELECTION OF RESIDENTIAL PROJECTS UNDER CONSTRUCTION AND IN PLANNING IN THE HAMBURG URBAN AREA (FROM 35 DU)

ID (MAP)	PROJECT NAME	CITY DISTRICT	NUMBER OF DWELLING UNITS
1	Science City	Bahrenfeld	2,500
2	Fischbeker Reethen	Neugraben-Fischbek	2,300
3	Mitte Altona - Bauabschnitt 1	Altona-Nord	1,900
4	Mitte Altona - Bauabschnitt 2	Altona-Nord	1,600
5	Holsten Quartier	Altona-Nord	1,300
6	Tarpenbeker Ufer	Groß Borstel	950
7	Osterbrookhöfe	Hamm	800
8	SonninPark	Hammerbrook	750
9	Neue Mitte Stellingen	Stellingen	700
10	Moosrosenquartier	Bramfeld	550
11	Quartier Ü30 - Ipanema	Winterhude	523
12	Wohnquartier - Am Weißenberg	Ohlsdorf	485
13	Ottenser Höfe	Ottensen	460
14	Neues Korallusviertel	Wilhelmsburg	460
15	Petersen Park	Groß Borstel	420
16	Kolbenhöfe	Ottensen	420
17	Quartier New-York	Harburg	400
18	Quartier Münzviertel	Hammerbrook	400
19	Pergolenviertel	Winterhude	379
20	Neuländer Quarree	Harburg	333
21	Überseequartier Süd - Residential A	HafenCity	306
22	Bahrenfelder Carré	Bahrenfeld	290
23	Wohnquartier Dorflageweg	Neugraben-Fischbek	280
24	Charlie-Mills-Quartier	Farmsen-Berne	274
25	Überseequartier Süd - Residential B	HafenCity	244
26	Julius-Vosseler Siedlung	Lokstedt	238
27	Paloma Viertel	St. Pauli	200
28	Quartierszentrum Berliner Platz	Jenfeld	200
29	Moringa	HafenCity	190
30	Leo	Uhlenhorst	185
31	Quartier Roots Elbbrücken	HafenCity	181
32	Wohnquartier Marckmannstraße	Rothenburgsort	175
33	SMARTments Harburger Binnenhafen	Harburg	174
34	Wohn- und Geschäftshaus Mundsburger Damm 24	Uhlenhorst	165
35	Quartier der Generationen	HafenCity	159
36	Wohnquartier Beethovenstraße	Barmbek-Süd	150
37	Ü26 Büro- und Geschäftscampus	Winterhude	150

ID (MAP)	PROJECT NAME	CITY DISTRICT	NUMBER OF DWELLING UNITS
38	Quartier Helling	Barmbek-Nord	149
39	Hood House	Winterhude	148
40	Johann Kontor	Hamburg-Altstadt	146
41	Luruper Höfe	Lurup	145
42	Wohnquartier Eisenbauverein	Eißendorf	144
43	Achter de Fleet	Neuallermöhe	138
44	Jenfelder Au Baufeld 9,11	Jenfeld	137
45	Wohnen am Osterbekkanal	Barmbek-Nord	132
46	Meiendorfer Höfe	Rahlstedt	130
47	Kolbenhöfe	Ottensen	130
48	YOURS	Wandsbek	117
49	Alsterkant Wohnquartier	Ohlsdorf	116
50	Fischbeker Höfe	Neugraben-Fischbek	116
51	Salomon-Heine-Weg 50	Eppendorf	115
52	OxPark Quartier	Langenhorn	114
53	Amanda	Eimsbüttel	113
54	My One	Winterhude	112
55	Am Lohsepark	HafenCity	112
56	We-House Baakenhafen	HafenCity	100
57	LoMa4	Lohbrügge	100
58	Urban Village	Ohlsdorf	97
59	Überseequartier Süd - Residential E3	HafenCity	96
60	Bahrenfelder Bogen	Bahrenfeld	93
61	Pergolenviertel Baufeld 8b	Winterhude	92
62	Pergolenviertel Baufeld 7	Winterhude	88
63	Ankerplatz Baakenhafen	HafenCity	82
64	Waterlofts Kanalstraße	Uhlenhorst	80
65	Pergolenviertel Baufeld 3a	Winterhude	76
66	Ried Höfe	Rissen	73
67	Vogelkamp Neugraben, Johannis Gärten	Neugraben-Fischbek	73
68	Quartier Elbkant Baakenhafen	HafenCity	64
69	Hasselwerder Straße 7	Neuenfelde	61
70	Springer Quartier	Neustadt	53
71	Quartier Marienblick	Billstedt	52
72	Barmbeker Bogen	Barmbek-Nord	48
73	53 WEST	Osdorf	45
74	The Yard	Uhlenhorst	38



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CASE STUDIES: RESIDENTIAL PROPERTY AND URBAN NEIGHBOURHOOD DEVELOPMENT PROJECTS

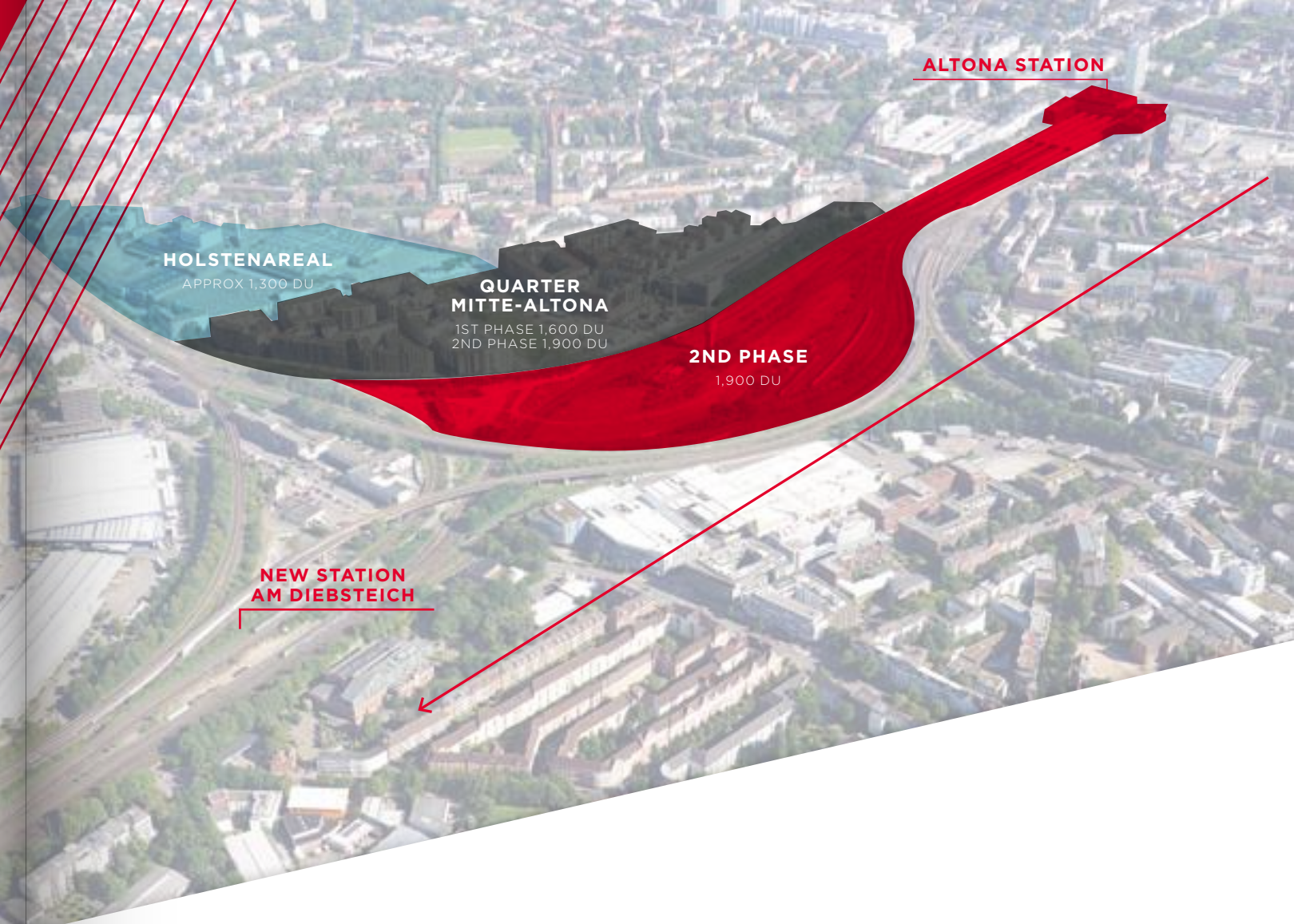
CASE STUDIES

CASE STUDY 1 | MITTE ALTONA

Mitte Altona is one of Hamburg's most important urban neighbourhood developments and is being realised in two construction phases following a civic master plan. The first phase began in 2015 and is expected to be completed in 2022.

Before the second phase, and the construction of its 1,900 additional apartments, can begin, various planning procedures and the relocation of the railway station are still necessary. The station is scheduled to open at its new location at Diebsteich in spring 2027. The municipal building plan procedure will probably not be initiated before 2024 and the development work will not begin until 2029 at the earliest. Thus, much has already happened in Altona, but future development will also be very dynamic and make a significant contribution to urban development.

CREDIT: C.F. MØLLER ARCHITECTS



USES
Predominantly residential,
up to 80-90%



RESIDENTIAL UNITS
1/3 social housing
(approx. 1,200 apartments)
1/3 rental flats
1/3 condominiums



up to **20%** areas for building
associations



1,600 DWELLING UNITS
in the first development phase
and
1,900 DWELLING UNITS in the
second development phase



EXTENT
First phase **12.3 HECTARES**
Second phase **13.6 HECTARES**



Approx. **8 HECTARES** of
green and open spaces
(equivalent to approx. **10**
FOOTBALL PITCHES), of which
3 HECTARES are in the first
development phase.

Sources: Behörde für Stadtentwicklung und Wohnen,
hamburg.de, DB Netz AG, DSK

CASE STUDIES

CASE STUDY 2 | IPANEMA

The project is located within the City Nord submarket which is also known as the “office city in the green” due to its proximity to Hamburg city park. The various uses; residential, office, retail and daycare facilities will create an urban quarter with a vibrant infrastructure. The increasingly high proportion of residential units is a decisive factor in breaking up the cliché of a pure office location. As a result of the planned U5 underground line (construction to begin in 2021), the eastern side of the Alster will be connected to the city centre and the City Nord location will be upgraded further with optimum infrastructure.



PROJECT DEVELOPER
PEG



ARCHITECT
KBNK Architekten



THE PROJECT
A total of 76,000 sq m GFA
above ground



RESIDENTIAL
approx. 54,000 sq m
523 apartments (2-5 rooms)
of which 157 publicly
subsidised rental flats
227 underground parking
spaces



CONSTRUCTION TIME
Q4 2020 - Q3 2024



OFFICE
Approx. 18,500 sq m of
lettable area
Approx. 193 underground
parking spaces



TOTAL INVESTMENT COSTS
Approx. € 200 million



RETAIL/DAYCARE
Approx. 2,000 sq m of ground-
floor children's daycare and
commercial space

Sources: Hamburg Team, Thomas Daily, C&W Research

CASE STUDIES

CASE STUDY 3 | ÜBERSEEQUARTIER SÜD

Überseequartier Süd, which is being developed by Unibail-Rodamco-Westfield, is to be a future-oriented urban neighbourhood with a mix of living, working, hotel, retail, entertainment and gastronomy uses..

Residential building A

Estimated completion: 2022/23
Living space: approx. 20,100 sq m
Residential units: 306

Residential building B

Expected completion: 2022/23
Residential area: approx. 15,000 sq m
Residential units: 244

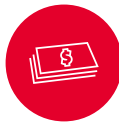
Residential building E3

Expected completion: 2022/23
Living space: approx. 7,500 sq m
Residential units: 96

Sources: Unibail-Rodamco ÜSQ, DC Developments



TOTAL LETTABLE AREA
~ 100,000 sq m



TOTAL INVESTMENT COSTS
> € 1 billion



**EXPECTED VISITORS
PER YEAR**
16.2 million



TOTAL FLOOR AREA
419,000 sq m



BUILDINGS
14



PARKING SPACES
2,500

Sources: Unibail-Rodamco ÜSQ, DC Developments



RESIDENTIAL INVESTMENT MARKET HAMBURG

RESIDENTIAL INVESTMENT MARKET **HAMBURG**

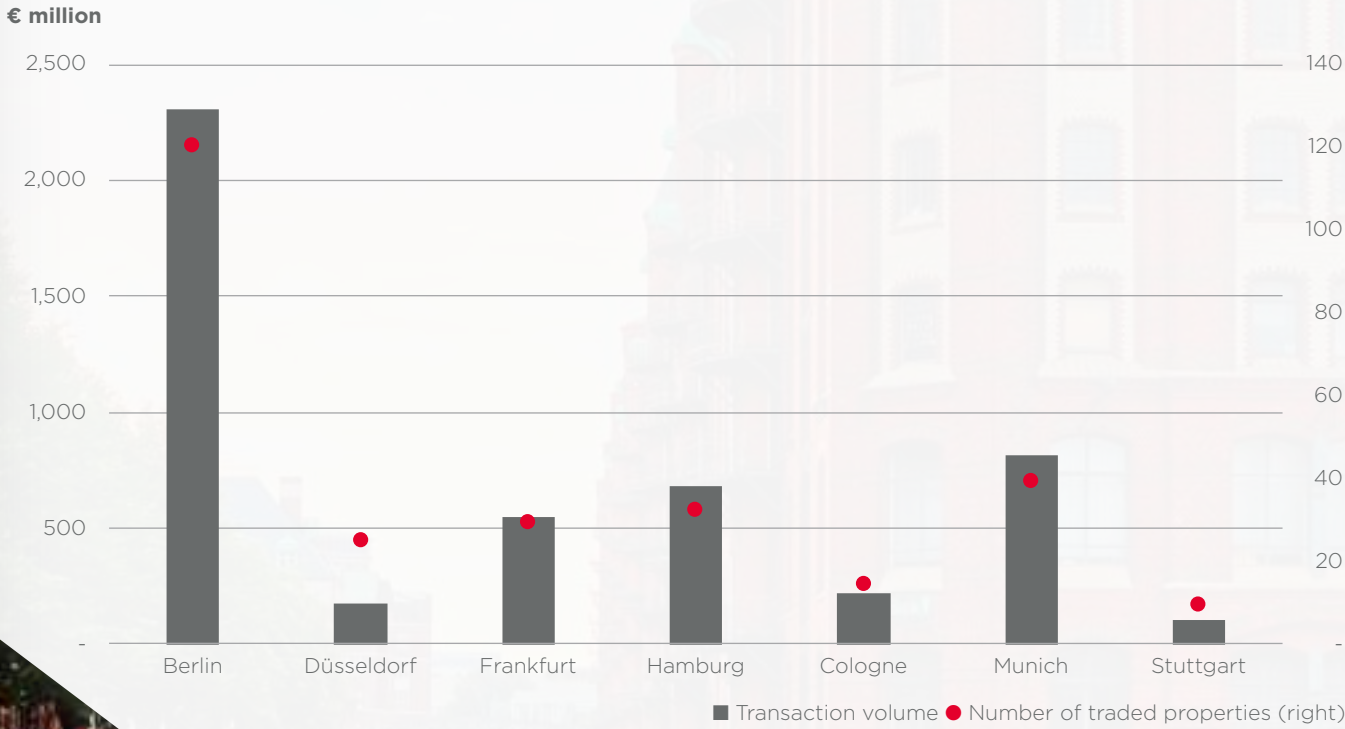
The high demand for residential space has created a strong dynamic in Hamburg's residential investment market in recent years. Compared to Berlin and Munich, Hamburg's residential key indicators such as rents and purchase prices have grown somewhat more conservatively. As a result, investor interest in Hamburg has increased particularly strongly in recent years. Meanwhile, apartment purchase prices and rents have also risen sharply. In the prime locations, prices of over 20,000 euros per square metre and rents of over 25 euros per square metre and month are being paid. The expansion of the city, via HafenCity in particular, has led to strong growth in residential space. Sustainable building designs, new mobility concepts, improved infrastructure and the constant improvement of accessibility through the expansion of the public transport network are leading the way and make Hamburg a prime focal point for national and international investors.

OVERVIEW RESIDENTIAL INVESTMENT MARKET 2020

	TRANSACTION VOLUME IN MILLION €	NUMBER OF TRADED PROPERTIES	MULTIPLIER*
Berlin	2,303	120	32
Düsseldorf	178	25	27,5
Frankfurt	545	29	30,5
Hamburg	682	32	29
Köln	218	14	27
München	812	39	40
Stuttgart	106	9	30

*Average value multi-family houses
Sources: RCA, Riwis

RESIDENTIAL INVESTMENT VOLUME TOP 7 MARKETS 2020



Source: RCA

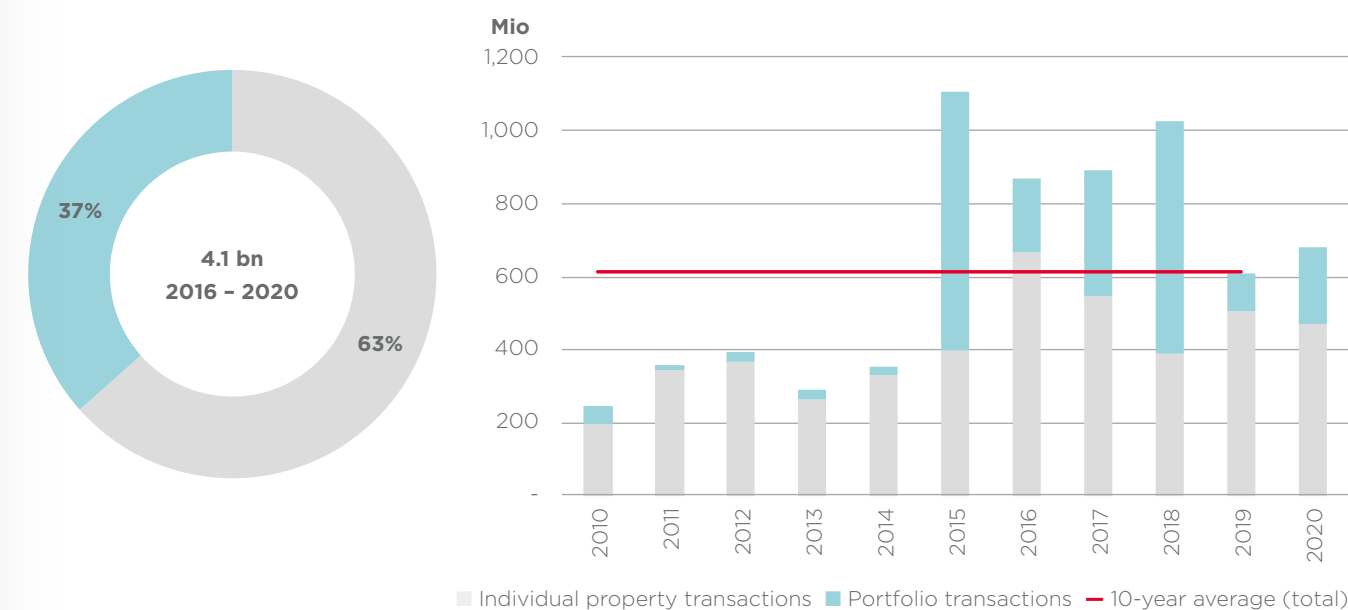
Together with Berlin and Munich, Hamburg is one of the top 3 residential investment markets in 2020. Since 2016, total investment volume in residential real estate has amounted to over 4 billion euros.

RESIDENTIAL INVESTMENT MARKET **HAMBURG**

Despite COVID-19, the transaction volume in residential real estate in 2020 exceeded that of the previous year as well as the average of the past ten years. The result confirms that residential real estate remains a strong investor focus. It became clear in 2020 that the residential investment market reacted more resiliently to the COVID-19 crisis than other asset classes due to high demand, stable cash flows and few rent defaults.

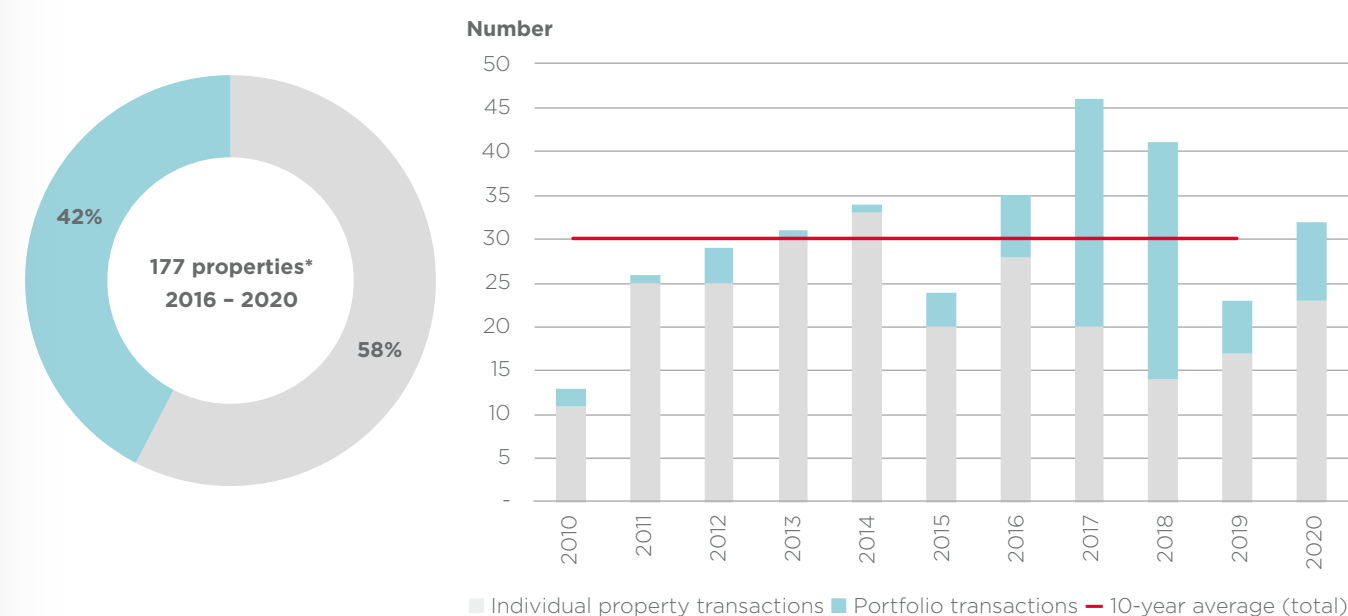
Accounting for 63 percent of residential investment volume, individual property transactions have dominated Hamburg's residential investment market transaction activity over the past five years. 58 percent of transactions involved an individual property.

HAMBURG RESIDENTIAL INVESTMENT VOLUME



Source: RCA

NUMBER OF HAMBURG RESIDENTIAL PROPERTIES* TRANSACTED

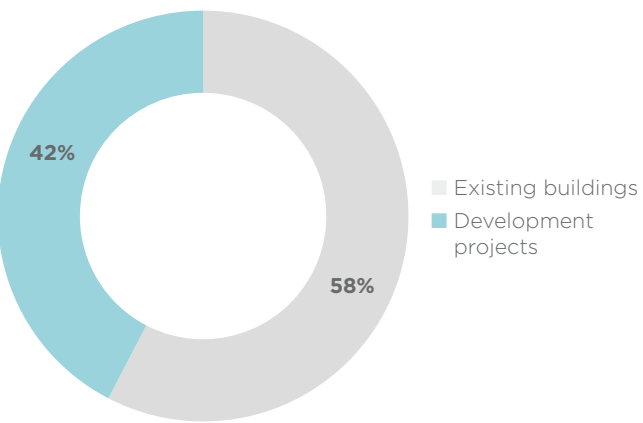


*Solely larger multifamily properties
Source: RCA

RESIDENTIAL INVESTMENT MARKET **HAMBURG**

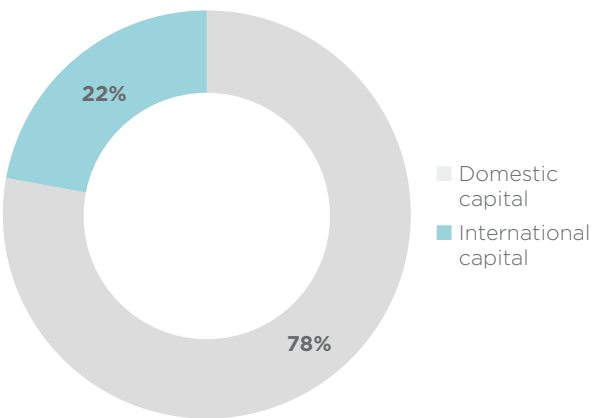
TRANSACTION VOLUME OF DEVELOPMENT PROJECTS 2020

Existing buildings contributed the most to residential investment turnover last year at 58 percent. In contrast, the share of forward deals was lower at 42 percent. In absolute terms some 290 million euros, only about 6 percent less, was invested in development projects than the average of the past five years. This confirms the continued high level of investor interest in development projects.



TRANSACTION VOLUME BY CAPITAL SOURCE 2020

As in previous years, Hamburg's residential investment market is dominated by domestic investors. They accounted for about 75 percent of the total transaction volume on average over the last five years.



Source: RCA

SELECTED TRANSACTIONS IN THE HAMBURG RESIDENTIAL INVESTMENT MARKET IN 2020

PROPERTY/PROJECT	CITY DISTRICT	PROPERTY TYPE	PURCHASER	RESIDENTIAL UNITS	PURCHASE PRICE (€ MILLION)
Quartier Neuer Hühnerposten	Hammerbrook	Microapartments/ Co-living	Domicil	341	approx. 59
Alte Sülldorfer Landstraße 400-411	Rissen	Multi-family building	Patrizia	92	approx. 49
Baakenhafen-Quartier, Creative Blocks Teilfläche	HafenCity	Residential and commercial building	Catella	75	approx. 40
Herrengraben	Neustadt	Multi-family building	Catella	184	approx. 40
Hood House	Winterhude	Microapartments/ Co-living	La Francaise	148	approx. 35
Diebsteich	Altona-Nord	Multi-family building	Hamburg Team	55	approx. 20

OUTLOOK

The Hamburg residential property investment and rental market has proven itself to be crisis-resistant during the COVID-19 pandemic with a low risk of rent defaults and further increases in rental and purchase prices. The shortfall in supply, among other factors, contributes to the fact that further growth in rental and purchase prices can be expected in the near term, even if this trend is not as dynamic as in other major German cities due to the coordinated housing policy. In the course of the COVID-19 pandemic, the residential property asset class has come even more into focus and a large number of investors are increasingly shifting quotas in favour of residential property. The very low vacancy level and the continuing excess demand continue to offer investors good conditions. For 2021, a result in line with the average of recent years therefore seems realistic.

CONTACT

Marc Rohrer

Head of Hamburg Branch
Head of Capital Markets Hamburg

Tel: +49 40 300 88 11 14
marc.rohrer@cushwake.com

Helge Zahrnt MRICS

Head of Research & Insight Germany

Tel: +49 40 300 88 11 50
helge.zahrnt@cushwake.com

Sebastian Becker

Research Analyst Hamburg

Tel: +49 40 300 88 11 49
sebastian.becker@cushwake.com

Verena Bauer

Head of Marketing &
Communications Germany

+49 69 50 60 73 360
verena.bauer@cushwake.com



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