

# News release

## COMFORT city report Hamburg 2018

### Hamburg – the star of the north for shopping

#### Current market analysis of prime shopping locations

- **Hamburg takes second place in the COMFORT City Ranking**
- **Gateway to the German market for Scandinavian brands and top international brands**
- **The investment market is still dynamic**

Germany's second-largest city with a population size of 1.8 million is becoming increasingly popular, partly as a result of the publicity surrounding the opening of the new Elbphilharmonie concert hall. The Hanseatic city of Hamburg has a first-rate cultural scene, plus a solid trade, transport and service infrastructure: making it a property location that ticks all the boxes. The Port of Hamburg has always played a significant role in Hamburg. It is today the third largest container port in the world and as much a part of the cityscape as the waterside locations along the inner and outer Alster lakes. These areas of natural beauty combined with metropolis flair in one single city are appealing to a rising number of tourists from all over the world, which is reflected in hotel bed capacity growth (by 8,000 to a total of 61,000 over the past four years). Hamburg is also world famous as a shopping city.

Source: COMFORT Research & Consulting

Hamburg is one of the top-ranked German shopping cities. With 90 out of a total of 100 achievable points in the COMFORT City Ranking, Hamburg shares second place with Berlin and Düsseldorf. The COMFORT City Ranking is a substantiated annual benchmarking based on 35 sociodemographic, economic, retail and property-related that COMFORT compiles every year.

#### COMFORT CITY RANKING



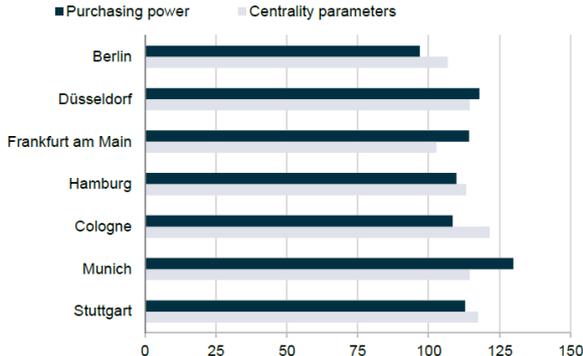
Source: COMFORT Research & Consulting

#### Hamburg's city centre retail space productivity is only surpassed by Munich

The metropolis on the banks of the river Elbe draws upon a large catchment area extending from Schleswig-Holstein into Lower Saxony. It provides potential demand from some 3.5 million consumers with impressive purchasing power. According to GfK, Hamburg has an above-average retail

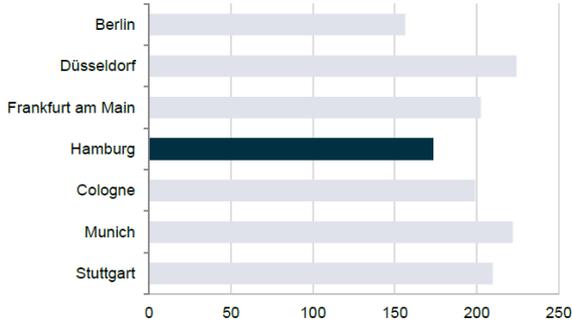
purchasing power index of 110 (national average = 100). It also has a very positive retail centrality index that is 13.2 higher than the national average and an even higher fashion centrality index of 173.6 (average = 100). *‘These very positive parameters make Hamburg a particularly appealing “first base” for Scandinavian retailers expanding into the German market. Stadium, Clas Ohlson and Illum’s Bolighus are three examples of Scandinavian brands opening stores in Hamburg over recent years,’* said Frank Reitzig, Managing Director of COMFORT Hamburg. The city that has always been described as the “Gateway to the World” is also a gateway to the international markets for retailers. Turkish fashion label *Koton* also chose Hamburg as the location of its first German store.

**PURCHASING POWER AND CENTRALITY PARAMETERS**



Source: GfK GeoMarketing GmbH

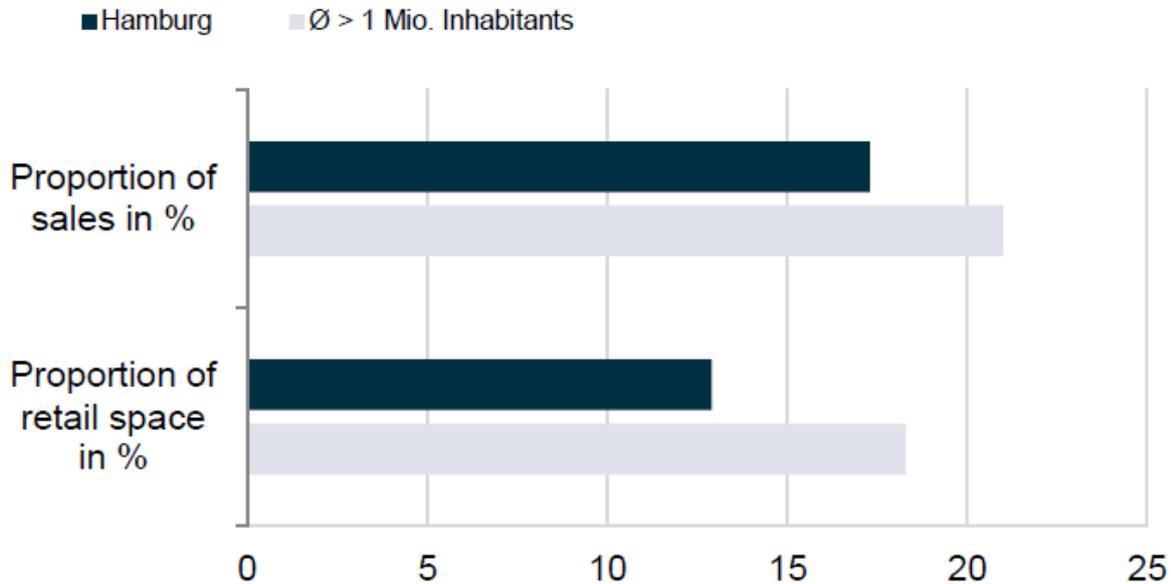
**FASHION CENTRALITY**



Source: COMFORT – Research & Consulting

The city centre’s almost 2.7 million m<sup>2</sup> of retail space generates revenue of approx. EUR 11.3 billion, which is only topped by Berlin. However, these figures only represent 13 percent of Hamburg’s total retail space and 17 percent of its total revenue. This is due to the size of the city and its historical development. The modern-day district centres of Altona, Wandsbek and Harburg were all independent towns until 1937, when they became part of Hamburg. Despite this, the city’s retail space productivity of EUR 5,600 per m<sup>2</sup> is excellent in comparison with other major German cities.

# CITY CENTRE AREA



Source: COMFORT Research & Consulting

## Central Hamburg is still the most attractive retail location in the city and metropolitan area

Although Hamburg has many district centres, most consumers – particularly international visitors – focus on the city centre where all the top shopping locations can be reached on foot. Spitalerstrasse extends from the central station. It has both the highest retail space productivity and the largest number of chain stores in the entire city. This street has top international brand stores and the largest H&M store in Germany. *Mango*, *Reserved*, *Koton* and *O<sup>2</sup>* recently moved into the building leased exclusively through COMFORT on Spitalerstrasse 22-26 and the second *Clas Ohlson* store in Hamburg city centre, also leased through COMFORT, is nearby. 'This is a special location because it runs parallel to *Mönckebergstrasse*. *Peek & Cloppenburg*, *Anson's* and *Zara* all have entrances on both shopping streets, providing them with access to pedestrians in two retail locations,' added Reitzig. The most attractive section of *Mönckebergstrasse* is between the *Galeria Kaufhof* and *Karstadt* department stores, and it profits from the *Europa-Passage* shopping centre's magnetic appeal. New tenants on *Mönckebergstrasse* since last year include *IQOS* and *Sephora*, which has a shop in the *Galeria Kaufhof* department store. H&M will also be opening new *Arket* and *Home* stores there soon. Rents on these two highstreets differ considerably despite their proximity. On Spitalerstrasse tenants pay EUR 310 per square metre for small units. On *Mönckebergstrasse* the maximum square metre rent for small units is EUR 240. The *Mönckebergstrasse* Business Improvement District (BID) with a budget in excess of 10 million euros, which includes a lighting concept and a service package, will have a positive impact on the area.

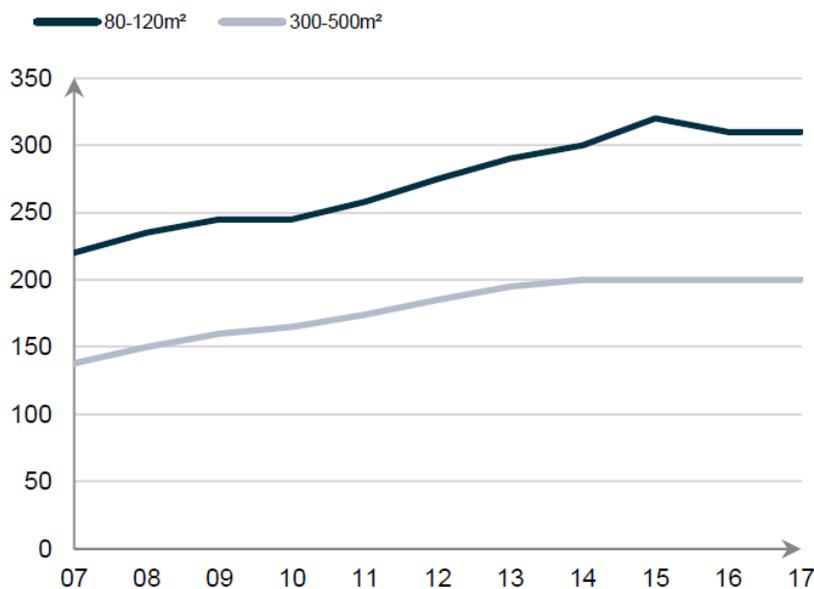
## The Alsterhaus redevelopment will boost business on Jungfernstieg

Hamburg's second-largest prime location is on the inner Alster lake and the surrounding canals. Jungfernstieg is the city's most famous and most touristy shopping destination. Nevertheless, the maximum rents here are comparatively moderate at around EUR 210 per square metre for smaller units. The Alsterhaus redevelopment project, which is currently underway, will boost business in this area of the city. New tenants include brands such as *Subdued* (leased by COMFORT), *Schöffel Lowa* and *Kauf Dich Glückliche*. Neuer Wall, a street that leads off Jungfernstieg, is Hamburg's luxury high street. The most prestigious brands can be found between Poststrasse and Bleichenbrücke. Rents for

small units here are EUR 275/m<sup>2</sup>. Despite the city centre location and big-name brand tenants, there are vacant units on Neuer Wall. When the Stadthöfe development is completed next year this is likely to change for the better. The maximum rents for stores in the adjacent Passagenviertel quarter between Grosse Bleichen, Hohe Bleichen and Poststrasse are lower. The stores here are predominantly new retail concepts with a focus on quality that don't depend on high footfall.

## PRIME RETAIL RENTS

from 2007- 2017 in EUR / m<sup>2</sup>



Source: COMFORT Research & Consulting

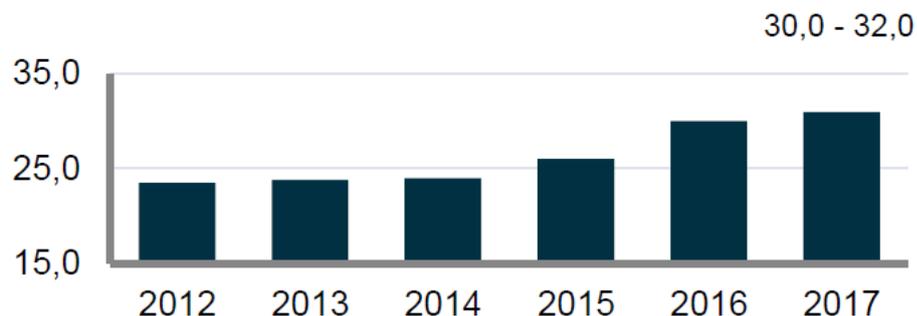
### A dynamic investment market plus constant high demand

Investors are likely to be following the city's urban development plans with avid interest. One of those plans is the demolition of the City-Hochhäuser high-rise buildings and the construction of a mixed residential and office building with restaurant and retail units in their place. However, another development project will have far more significance in the years to come: the Überseequartier district in HafenCity. It will have some 80,500 m<sup>2</sup> of retail space in addition to apartments, hotels, cafes and restaurants and entertainment. *'We'll be following this project very closely. Sooner or later, when retailers move into the units that are created in this massive urban regeneration project, the city centre will feel the impact,'* said Olaf Petersen, Managing Director of COMFORT Research & Consulting. There are several more development and conversion projects in the pipeline for the city centre, including the modernisation of Gerhard-Hauptmann-Platz, the enhancement of Domplatz and the establishment of the Natural History Museum there, and Artinvest's development project on Alter Wall. Online retailer Zalando's flagship store at Grosser Bleichen 19 will increase footfall on this shopping street. One major project with a broader horizon is the modernisation of the overcrowded central station building and the establishment of a better link between the station and the shopping streets.

The Hamburg investment market remained dynamic in 2017 with a total volume of EUR 4 billion. However, the investment volume declined year-over-year, mainly due to the lack of suitable properties on the market. There is still demand for properties from both national and international investors. *'The reason for the decline is hesitance on the part of owners to sell, even though there are some very good disposal gains to be achieved on some properties. The problem is that there are too few options available to reinvest the disposal gains in new, yield-oriented projects,'* explained Thomas Heckh, COMFORT Managing Director with responsibility for investment business in Hamburg. The deals in excess of EUR 100 million that have gone through indicate a high level of liquidity in the market.

## PURCHASE PRICE FACTOR

from 2012 - 2017



Source: COMFORT Research & Consulting



Spitalerstrasse 22-26: A new city highlight in a top location

Source: SCHÖN Project Hamburg on behalf of COMFORT Hamburg

### About the COMFORT Group

Since it was founded in 1979, the COMFORT Group has specialised in the sale and letting of commercial properties, specialist stores and retail units. As a proven retail property expert, COMFORT makes its know-how available via a consultancy services portfolio which includes expertises, second opinion appraisals and third party due diligence reports. COMFORT continuously analyses rent and purchase price factors in Germany, Austria and Switzerland. It also provides shopping centre consultancy services and has a separate Luxury Retail unit. The retail specialist is also exclusive partner of Cushman & Wakefield for retail property letting in Germany. The COMFORT Group is headquartered in Düsseldorf, with offices in Berlin, Düsseldorf, Hamburg, Leipzig, Munich, Vienna and Zurich. [www.comfort.de](http://www.comfort.de)

### COMFORT Group media contact

Karolina Müller

Corporate Communications | Kaistraße 8A, 40221 Düsseldorf | Tel. +49 211 9550-144 | [mueller@comfort.de](mailto:mueller@comfort.de)