


HAFENCITY HAMBURG
NEWS EXTRA

MIPIM 2015

**HAFENCITY
HAMBURG**


Relaunch for southern Überseequartier

Unibail-Rodamco, Europe's leading publicly traded real estate group, is taking over development of southern Überseequartier. The City of Hamburg has found a builder and operator with the right retail trade experience to position Hafencity's commercial heart in the market



Christophe Cuvillier, CEO Unibail-Rodamco, with Hamburg's First Mayor Olaf Scholz and CEO of Hafencity Hamburg GmbH, Jürgen Bruns-Berentelg

The image used by Hamburg's First Mayor Olaf Scholz in announcing the successful acquisition of a new investor for southern Überseequartier was an unusual one: "We were dancing in the ballroom with all the international players with enough breathing capacity to develop such huge projects," said Scholz. In the end the best dancer with the best staying power was Unibail-Rodamco. Now Europe's top listed real estate company plans to put realization of the commercial core of Hamburg's vast inner-city urban development project on a new footing. To do this, the group, with a presence in 12 European countries and a real estate portfolio valued at around EUR 33.6 billion, has agreed with the Free and Hanseatic City of Hamburg to invest some EUR 860 million. It brings with it enormous expertise and experience in the retail property sector and will be creating 1,900 jobs in shops, catering and entertainment alone.

Überseequartier has always been planned to be the central shopping destination in Hafencity, but as an urban blend of homes, offices, leisure and entertainment as well as high quality public spaces. These conditions remain unchanged. "We didn't want a closed, air-conditioned shopping center. We wanted an open public space. And we have kept it that way," explained Scholz (see interview, page 3). The new version of southern Überseequartier will therefore tie in with the original plans – and thus the existing northern section. This was mainly completed back in 2010 by a consortium of three investors, a German real estate developer and two major European banks, before the repercussions of the global financial crisis led one of the partners to withdraw. Retailing in the first section of Überseeboulevard is dominated by shops serving everyday needs and includes many owner-managed shops, often with unusual

concepts, as well as office buildings and some 350 apartments.

The new concept for the southern part under Unibail-Rodamco foresees a considerable reduction of the proportion of office space in Überseequartier (northern and southern parts together from 142,000 sqm to 90,300 sqm GFA). For the first time, it also includes the provision of residential floorage in the south (48,000 sqm GFA). At the same time retailing accommodation here will increase to 80,500 sqm GFA. In addition there will be space for cultural and entertainment uses (10,000–12,000 sqm), bars and restaurants (6,000 sqm) and a hotel (23,500 sqm). Unibail-Rodamco will not only be taking over the sites from the old consortium in southern Überseequartier, it is also to buy two other sites in the immediate neighborhood owned by the City.

The new investor is particularly enthusiastic about the urban development objectives for Überseequartier. "The City's stipulations (for the project) are very uncompromising: that it should become a lively public place which will radiate its atmosphere into surrounding neighborhoods and the City itself," said CEO Christophe Cuvillier. At the same time, he said, Unibail-Rodamco's policy is also to focus on creating an attractive shopping experience through specially selected shops and catering establishments, and an exclusive atmosphere.

A number of urban planning corrections to southern Überseequartier have emerged through the interplay of the City's planning framework and Unibail-Rodamco's expertise. The buildings will be more thoroughly protected against exposure to wind by a glass roof and reorientation of their position. Shop floors will be accommodated on three stories – the basement, ground floor and first floor – with pedestrian flow on two levels. This will allow a better mix of shop sizes, provide a larger expanse of shop windows and avoid a shopping center structure (e.g. with bridges between buildings). Thus, the quality of the shopping experience will be improved, while retaining the public thoroughfare between the buildings.

Rounding off Überseequartier on the Elbe embankment, Unibail-Rodamco will also be integrating the Hafencity Cruise Center. Plans for this are also to be revised. With premises of 4,600 sqm GFA (previously 3,000 sqm), the new Cruise Center will be upgraded considerably and better linked into the surrounding area. The building accommodating it will also contain a hotel and other commercial spaces, complemented by an underground bus station and taxi stand. The ensemble seems certain to become an important element among Hamburg's attractions to tourists – not only for the increasing numbers of shipborne holidaymakers.

With more than 12 million overnight stays in 2014, Hamburg

has clearly become very attractive to tourists. Hafencity is already playing a leading role as an attraction in its own right. Christophe Cuvillier is therefore keen that Überseequartier should also be regarded as an "architecture destination". Some designs for the new waterfront on southern Überseequartier have already been prepared by Pritzker award-winner Christian de Portzamparc: an office building rising to around 70 meters at the entrance to Magdeburger Hafen. This was once planned as the site for the Science Center to designs by Rem Koolhaas, however in 2008/09 the Hamburg Senate had to withdraw its planned financial contribution to the project. The new building will take its place.

The overall architectonic ensemble will form a new face of the City on the banks of the River Elbe. Designs for the other buildings are to follow during 2015. A new land-use development plan is being worked out, on the basis of which the sites will be transferred from the old consortium to the new investor. Construction could get under way in 2017. "We still have a great deal of planning work in front of us. But the most crucial step has been taken: we contracted an investor with the expertise and financial muscle required to develop Überseequartier in the spirit of its urban functions for Hafencity," said the CEO of Hafencity Hamburg GmbH, Jürgen Bruns-Berentelg.

Hamburg/Hafencity at MIPIM

Where to find us

Riviera 8 (former Lerins Hall), R8 (R8.B2o.)

Event at the stand

Wednesday, 11 March 2015, 4 pm:

Hamburg / Hafencity Reception

Dr Rolf Strittmatter, CEO HWF Hamburg

Business Development Corporation /

Prof. Jürgen Bruns-Berentelg, CEO Hafencity Hamburg GmbH

Event tip

Tuesday, 10 March 2015, 2 pm, Grand Auditorium

Leading Powerhouses of the Future – Mipim City

Investment Forum

Speakers (among others): Prof. Bruns-Berentelg /

Debra Mountford, Senior Policy Analyst, OECD / Sir

Howard Bernstein, CEO, Manchester City Council

Überseequartier at a glance

On an area of 10.5 hectares, Überseequartier is a complex urban quarter. Up to 6,000 people will be employed and around 2,000 live here eventually. When the neighborhood is finished, 40,000–50,000 visitors a day are expected. In 2015, the architecture of Southern Überseequartier is being defined



Southern Überseequartier

- retail, offices, cruise terminal, hotel, residential and entertainment
- architectural design to be revised in 2015
- 228,000 sqm gross floor area

- ① **Cruise terminal (hotel, retail, residential)**
Plans for the cruise terminal have been worked out. With gross floor area of 4,600 sqm instead of 3,000 sqm it will be much more efficient. The building will also accommodate a hotel, commercial spaces as well as an underground bus station and taxi stand. A residential tower will be built to the north.
- ② **Waterfront Towers**
Designs for the two office towers are being revised in architectural workshops 2015. They may be reduced to one single building.
- ③ **Open shopping district**
Around southern Überseeboulevard an open retail neighborhood on two levels will be built, partly protected against weather exposure by glass roofing. The basement will also accommodate shops.
- ④ **Office building**
Where Überseequartier comes to an end between the Elbe and Magdeburger Hafen harbor basin, a 70-meter

building designed by French architect and Pritzker laureate Christian de Portzamparc will stand (instead of the Science Center originally planned).

- ⑤ **Maritime open spaces**
Southern Überseequartier will have spacious public squares and promenades with views of visiting cruise ships and the port.
- ⑥ **Living**
The blocks on Überseeallee are to include retail (on the ground floor and in one block also on the first floor) and apartments – the first to be planned for southern Überseequartier. Architectural workshops for the buildings are due in 2015.

Northern Überseequartier

- retail, offices, residential, hotel and entertainment
- mostly operating since 2010
- 107,000 sqm GFA

- ⑦ **Sumatra Kontor (operating)**
Homes, offices and retailers (shopping for everyday needs with fresh food supermarket and health and beauty store) are to be found in Sumatra Kontor.

- ⑧ **25hours Hotel and Living (operating)**
The Virginia building houses the 25hours Hotel Hamburg Hafencity plus private residences.
- ⑨ **Altes Hafenamt (to be opened at beginning of 2016)**
The only original building left in the quarter is being converted to house a mix of hotel, catering uses and a weekly market on the adjacent square.
- ⑩ **Cinnamon residential tower (opening spring 2015)**
The Cinnamon residential tower creates an urban silhouette on Magdeburger Hafen.
- ⑪ **Northern Überseeboulevard (operating since 2010)**
Überseeboulevard comes to an end by the mixed use buildings Ceylon, Pacamara, Java and Arabica (retail, offices, residential). Their red-brick façades and proportions harmonize well with the nearby Speicherstadt.
- ⑫ **Living, hotel, entertainment (to be opened 2017)**
A former logistics site is the last lot to be developed in northern Überseequartier. It will have an original mix of residential, hotel, retail and catering uses, as well as an entertainment complex including a premium cinema. Construction begins in spring 2015.



The central shopping area is partly protected by a glass roof but remains part of the open public neighborhood. Überseeboulevard is the focus, running through varied urban spaces down to the River Elbe. Architectural workshops to define the design of most buildings will start in 2015

INTERVIEW

“A remarkable private investment for Hamburg”

Urban development topics are high on the agenda for Hamburg’s First Mayor Olaf Scholz. As chairman of the supervisory board of HafenCity Hamburg GmbH he also focuses on plans for southern Überseequartier

HafenCity News: The development of Southern Überseequartier is now able to continue. What does this mean for Hafencity and for Hamburg?

Olaf Scholz: This fresh start will benefit Hamburg residents and visitors to our city alike. A new urban, open shopping district is going to emerge, right on the embankment of the River Elbe. There will be large and small stores, bars and restaurants, a cinema, a cruise terminal, offices – and the new plans also include homes. So in the center of the city we will have a development that is literally mixed-use, with streets and a variety of publicly accessible buildings and high quality open spaces, infused with a maritime atmosphere. That’s unique. Above all, southern Überseequartier will not be air-conditioned and the ground floor level will be accessible 24/7. New access route connections will develop, open to the sky. And even where a glass roof is erected, there will be no “outside” or “inside”.

HafenCity News: Unibail-Rodamco seems to be convinced by this concept. After all they are investing EUR 860 million.

Olaf Scholz: It’s a really impressive privately funded investment in Hamburg. Nothing comparable has been done in Germany in the real estate project development sector in the last 20 years, apart from Potsdamer Platz in Berlin. In retail and the catering sector alone, southern Überseequartier will be creating 1,900 jobs. This commitment is another sign of the excellent standing that Hamburg has. Without it no international investor would be prepared to come up with this kind of money. By the



Olaf Scholz, Hamburg’s First Mayor

way, Unibail-Rodamco is not only coming as the builder; it will be the proprietor and manager of essential sites in the long term. This is not about short-term maximization of profits. And the investment is needed urgently. Retailers in Hafencity have already been waiting far too long for pedestrian flow to increase in Überseequartier.

HafenCity News: But could the success of Überseequartier pose a threat to shops in the city?

Olaf Scholz: There is no reason to think so. There is plenty of interest in shopping premises in Hamburg. Demand is considerable and almost impossible to satisfy. Compared with Cologne or Munich, the proportion of sales space available for retail in the City of Hamburg, at about 13 percent, is relatively small. But we have five million people living in the Metropolitan Region and increasing numbers of tourists visiting our city. That is why I see growth in

retailing in Hafencity as positive and reasonable. Success in Überseequartier will reinforce the process of convergence between Hafencity and downtown, which is already apparent, as well as offering visitors new concepts and experiences. This will spill over to the benefit of trading in general. In short: Überseequartier will bring new impetus to trading and tourism in the city. It has its own enormous growth momentum.

HafenCity News: Do you believe in the future of retail in local stores?

Olaf Scholz: Yes. Retailing is extremely important in a major city, both in terms of economic strength in general and for the employment market in particular. In order for it to generate positive impulses, an appropriate urban structure and high level of connectivity need to be in place. In other words, an open concept that invites visitors to wander along to the Elbphilharmonie Concert Hall, the maritime terminal at Landungsbrücken, towards City Hall and downtown shops on Mönckebergstrasse – or in reverse. The U-Bahn subway is a necessity, connecting the Jungfernstieg shopping district with Hafencity in just a few minutes; also architecture that arouses curiosity and attracts. Überseequartier will provide us with a strong new cityscape abutting the River Elbe. And we will have versatile public spaces and multifunctional uses, with cruise ships and port atmosphere thrown in, all easy to reach on foot and by public transport. I believe in this combination – in spite of Internet trading.

HafenCity News: Earlier plans provided for less retailing in the mix of uses in southern

Überseequartier. Why is there now to be more?

Olaf Scholz: A “critical mass” of shops is required to ensure that the merging of Hafencity and downtown Hamburg succeeds. In order to establish southern Überseequartier and allow it to unfurl its attractions, it is necessary to exceed the magnitude of the earlier plans. We now have a financially robust investor, experienced in the retail sector, with the capability to plan and build the southern section basically in one go. That will engender security and confidence.

HafenCity News: Urban development topics have high priority on your agenda: the “Leap over the Elbe”, the rediscovery and strengthening of Hamburg’s east. What role does Hafencity play?

Olaf Scholz: I have always said that Hafencity is a vital building block for the city’s onward development. In recent years it has played a part in revitalizing the Elbe. But it is also important that development continues to the south and the east. Hafencity will enlarge Hamburg’s downtown by 40 percent. But we will not stop at the Elbbrücken bridges. The new transport and connections – notably the extension of the U4 subway – and new opportunities for work and leisure in eastern Hafencity will also provide impetus for Rothenburgsort, Hamm-Süd, Veddel and Wilhelmsburg. Then there is the further development of these city districts themselves. All of these are positive prospects.

How is northern Überseequartier progressing?

Northern Überseeboulevard is the most densely built space in HafenCity so far and strategically connects to the existing inner City of Hamburg. With Hines Immobilien, a new owner steps in. The development will be completed in 2015 up to early 2016.

Important new prospects have opened up for northern Überseequartier, too, since the beginning of the year. Hines Immobilien GmbH, the German subsidiary of the United States real estate company, has acquired five key buildings on Überseeboulevard for a special German fund; they are considered as long-term investments in the fund's strategic portfolio. Hines will be responsible for asset management, which will trigger positive impulses for the quarter's onward development.

The buildings concerned – Arabica, Ceylon, Java, Pacamara and Virginia – contain 262 rental apartments together with around 10,000 sqm of leased office space, 7,000 sqm floor space in retail and catering units, as well as a 6,800 sqm hotel use (25 hours HafenCity). Christoph Reschke, managing director of Hines Immobilien GmbH, is very taken with the mix of uses. "That is the principle of the European city: lively diversity," he says. In conjunction with its southern sister, northern Überseequartier is planned to form the future commercial core of HafenCity, which makes it ideal as a long-term investment. Reschke is also optimistic about convergence with Hamburg's existing downtown: "HafenCity has proven that it complements and enlarges the central business district," he said.

Hines plans to bring renewed momentum into northern Überseequartier primarily through retailing and catering. When the southern section is finished, it will boost shopping frequency anyway along the whole of Überseeboulevard, Reschke is certain. Until that time comes the location needs strengthening to build a brand image of its own – for example with the addition of more strong concept shopping and destination retailing, known to encourage customer loyalty.



View from Überseeboulevard to the existing City Center's core retail area which is only 700 meters away

Since 2007, more than 100,000 sqm gross above ground floor area has been completed by a consortium of investors consisting of Groß & Partner, ING Real Estate and SNS Property Finance (now Propertize). Another element of the newbuild ensemble is Sumatra Kontor, housing a large Edeka fresh food supermarket and health and beauty supply store, and the Cinnamon residential tower,

which is in the throes of completion (developed by Groß & Partner alone). Overall more than two dozen shops, bars and restaurants have located here, most of them owner-managed, and 350 apartments have been built. The only old building in northern Überseequartier that existed previously, the former harbour master's office (Altes Hafenamts), is in the process of being converted into a

gastro-highlight until the beginning of 2016. The last remaining unbuilt site in the northern part of the quarter is under development: The former logistics site between Sandtorkai and Tokiostrasse (34/15 and 34/16) is being transformed into a highly diversified mix of apartments and a family hotel, while a premium cinema, the Astor film lounge, is taking shape. The opening is expected in 2017. ■

INFO Our newsletter HafenCity News appears quarterly in German. For a free **subscription** or if you have **questions** or **comments**, please send us a fax to +49 (0)40 - 37 47 26 - 26 or e-mail us at: newsletter@hafencity.com

IMPRINT

Publisher: HafenCity Hamburg GmbH, Osakaallee 11, 20457 Hamburg, www.HafenCity.com
Responsible for content: Susanne Bühler
Author/editor: Henrike Thomsen
Design: lab3 mediendesign, Hamburg
Translation: Georgina Watkins-Spies
Final editing: Jo Dawes
Print: Langebartels & Jürgens, Hamburg

Reproduction of articles or excerpts requires the permission of HafenCity Hamburg GmbH. The information in this publication is intended for general use; it makes no claim to comprehensiveness or accuracy.

© 2015 All rights reserved



This publication is printed on environmentally friendly FSC-certified paper.

Stronger investment in Hamburg – thanks to HafenCity

HafenCity enlarges the city center of Hamburg and adds new qualities thanks to its mixed use concept and maritime location. It has become a prime force for the commercial real estate market – especially for international investors

Figures produced by CBRE and Jones Lang LaSalle (JLL) reveal that around EUR 3.6 billion was invested in commercial real estate in the Hamburg property market in 2014 – an increase of 25 percent compared with 2013 and the highest volume for eight years. Properties in HafenCity played a leading role. One of the biggest deals was northern Überseequartier, closed at the end of the year, where five mixed-use buildings valued at more than EUR 200 million changed hands, sold by the consortium of Groß & Partner and Propertize to Hines, the US fund manager (see above). Another building in the northern section was acquired for more than EUR 100 million by US asset manager Blackstone.

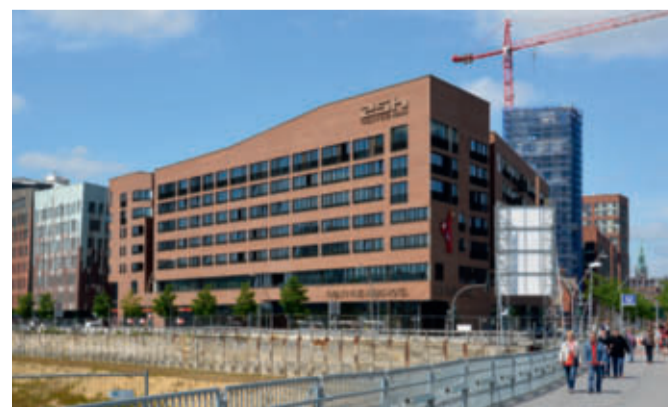
CBRE estimates that foreign investors have grown greatly in significance in the Hamburg real estate market: at EUR 1.8 billion they

represent almost half of overall sales volume, almost three times as much as in 2013. "International investors are often looking for assets in which they can invest EUR 100 to 200 million," says Andreas Wende, head of investment at Savills Deutschland. For him, it is no coincidence that the leading French group Unibail-Rodamco is getting involved in southern Überseequartier. "This will lead to positive expectations among investors," Wende commented.

Statistics for the large deals of 2014 also reflect the sale of Ericus-Contor in Brooktorkai neighborhood by ABG/Robert Vogel to IVG Institutional Funds. But owner demand also generated strong occupiers in the real estate market, according to JLL, at 46 per cent of the total. One example is Marquard und Bahls, which is building a new corporate headquarters in HafenCity for its 700 employees. ■



The ensemble of the SPIEGEL building and the Ericus-Contor (center left) was inaugurated 2011. Ericus-Contor was sold to IVG Institutional Funds in 2014.



Five buildings in northern Überseequartier were sold to a special fund managed by Hines Immobilien in 2014. One building was sold to Blackstone.