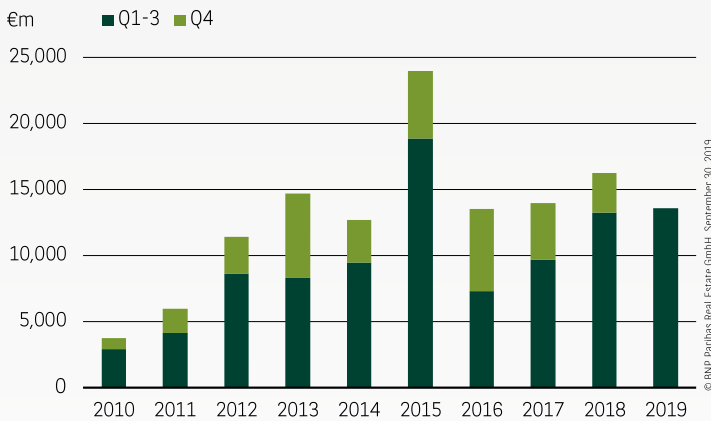




At a Glance **Q3 2019**

RESIDENTIAL INVESTMENT MARKET GERMANY

Investment volume residential portfolios

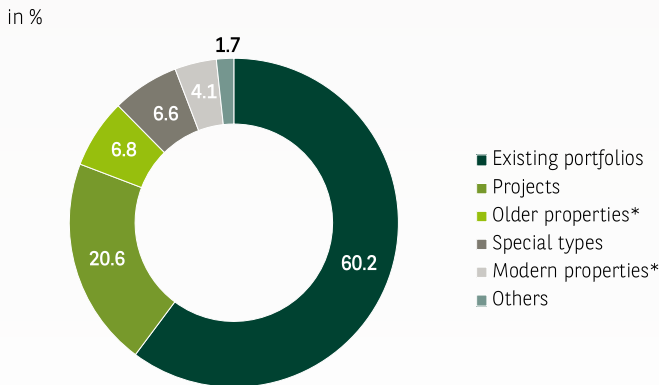


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RESIDENTIAL INVESTMENTS AT PREVIOUS YEAR'S LEVEL

At just under €13.6 billion, at the end of the third quarter the transaction volume with larger residential portfolios (30 residential units or more) is slightly above the previous year's level and thus represents the second-best result in the last 10 years. This figure was only exceeded in 2015, when the purchase of Gagfah by Vonovia and the acquisition of Süddeutsche Wohnen alone generated a volume of almost €10 billion. However, transactions of this magnitude have not materialised in the course of the year to date. Rather, the turnover is fed by a large number of sales in the three-digit million segment. By far the largest transaction so far has been the sale of the BGP Group with around 16,000 apartments to Union Investment, followed by the 33% stake held by Adler Real Estate in the Ado Group. A total of more than 230 sales with around 115,000 residential units were counted, with the average volume per sale of around €58 million almost matching the figure for the same period last year.

Investments by asset class Q1-3 2019



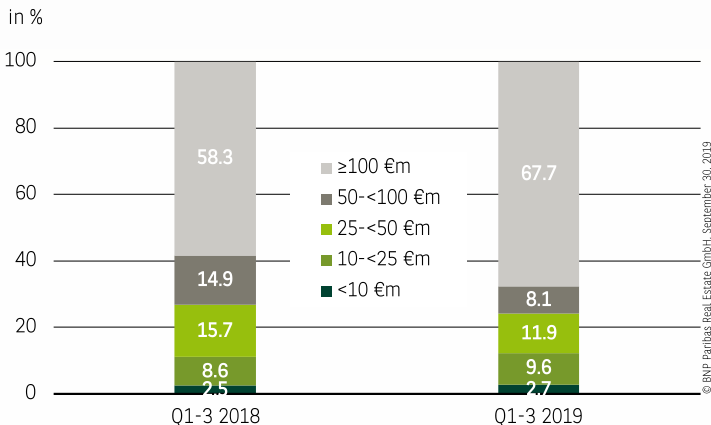
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SPECIAL TYPES AND PROJECTS STILL TRENDY

The volume which has been invested in into special forms of housing, such as student housing, assisted living or micro-apartments cannot reach the extra-ordinarily high level of the previous year. Nonetheless this does not detract from the general trend towards investments in special forms of housing. In absolute terms, the €900 million invested here is a respectable figure. Another long-term trend is the high level of interest in projects, which, at €2.8 billion, contribute more to the result than ever before. These are particularly interesting for core investors due to the manageable expenditure for maintenance and repair and the comparatively easily calculable cash flow. Nonetheless, large existing portfolios continue to be revenue drivers. At the end of Q3, they account for around 60% of the total volume.

* Block sales in one location

Investments by size category

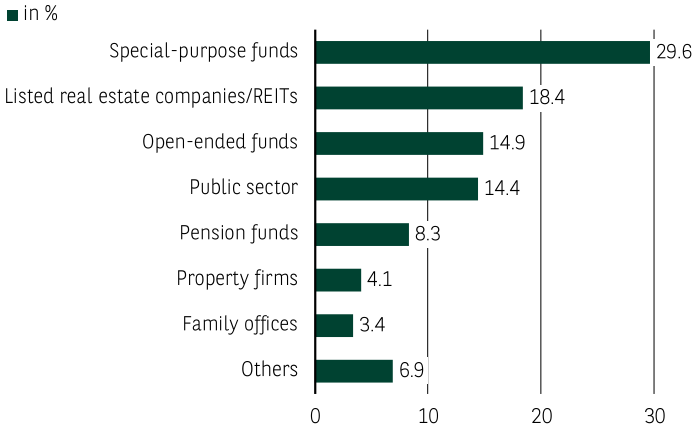


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SALES OVER €100 MILLION GENERATE TWO THIRDS

With a share of two thirds of the total volume, residential investments of more than €100 million once again increased significantly compared to the previous year, which is also attributable to the large number of transactions in this segment. On the other hand, significantly less turnover was generated in the second-largest segment between €50 and €100 million, which at 8% even contributes less than the second-smallest (10%). The category between €25 and €50 million is also heavily involved with around 12%.

Investments by buyer group Q1-3 2019

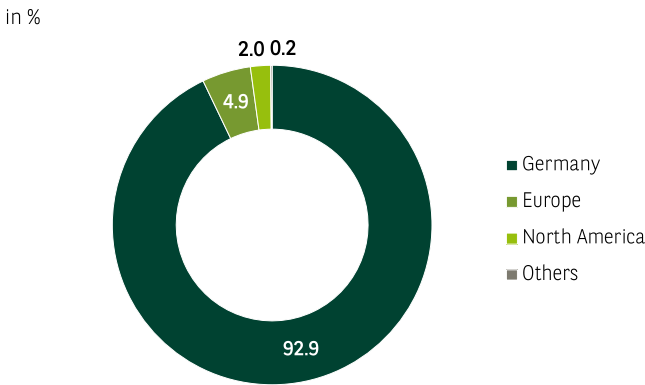


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SPECIAL-PURPOSE FUNDS HAVE THE UPPER HAND

As in previous years, special-purpose funds and listed real estate companies/REITs are the most active demanders for larger residential investments. With a share of 30%, at the end of Q3 the first mentioned have the upper hand ahead of listed real estate companies/REITs, which rank second with a good 18% ahead of open-ended funds (just under 15%). Their good positioning can also be attributed to the purchase of the BGP apartments. Growing importance can be assigned furthermore to the public sector, which currently contributes around 14%. In addition to the 50% takeover of Bremer Brebau, the sale of almost 6,000 Berlin apartments by ADO Properties to the municipal housing association Gewobag for alone over €900 million plays an important role. In addition, pension funds with around 8%, property firms with a good 4% and family offices with around 3% are also involved to a notable extent.

Investments by origin of capital Q1-3 2019



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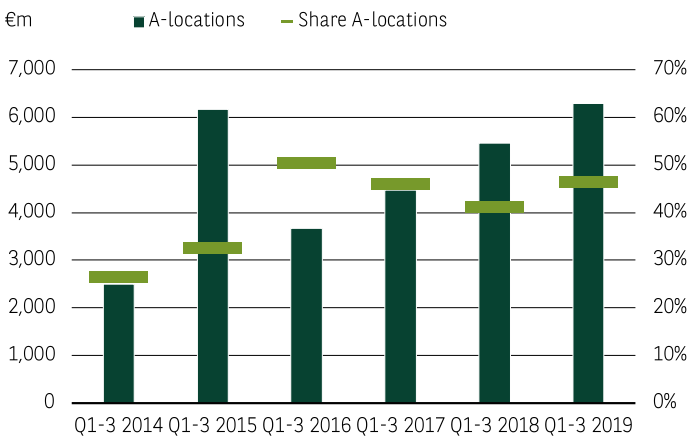
LOCAL INVESTORS DOMINATE

Compared to the commercial investment market, foreign investors are much less strongly represented on the residential market. Although they have already caught up somewhat in the course of the year, in total they contribute only 7% to the result. Buyers from other European countries remain the most active with around €670 million, followed by North American investors (€280 million). So far, all other regions have not played a significant role.

ABOUT HALF OF THE VOLUME IN THE A-LOCATIONS

With 46% of the residential investment volume, a similarly high share as in the previous year is accounted for by the A-locations Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Munich and Stuttgart. The capital city is the traditional class leader, generating almost €3.6 billion, or around a quarter of the nationwide volume. However, Hamburg also records an excellent result with almost one billion euros, far ahead of Frankfurt, where almost 500 million euros were invested. Cologne, Munich and Düsseldorf saw residential investments of between €300 and a good €400 million each.

Investment volume A-locations and share of total volume



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PERSPECTIVES

Residential investments offer wide range of opportunities - starting with high-quality developments in large cities, via special types such as student housing to widely diversified existing portfolios in conurbations or rural regions. Due to the associated different risk-return profiles they appeal to a broad group of buyers. This should ensure high demand in the final quarter as well, so that everything points to a result of around €18 billion for the year as a whole and therefore the second-best result of all time.

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