INVESTMENT MARKET GERMANY

PROPERTY REPORT 2020

RESEARCH

BNP PARIBAS REAL ESTATE

Real Estate
for a changing world

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BNP PARIBAS
REAL ESTATE

EXECUTIVE SUMMARY

Investment markets enter a new dimension

A good €73.4 billion was invested in commercial properties throughout Germany in 2019. This put last year's record investment volume in the shade (+19 %). In the final quarter in particular, the market's dynamic performance again surpassed all expectations. A positive trend for both individual and portfolio transactions contributed to the record result.

Office properties the unchallenged leaders

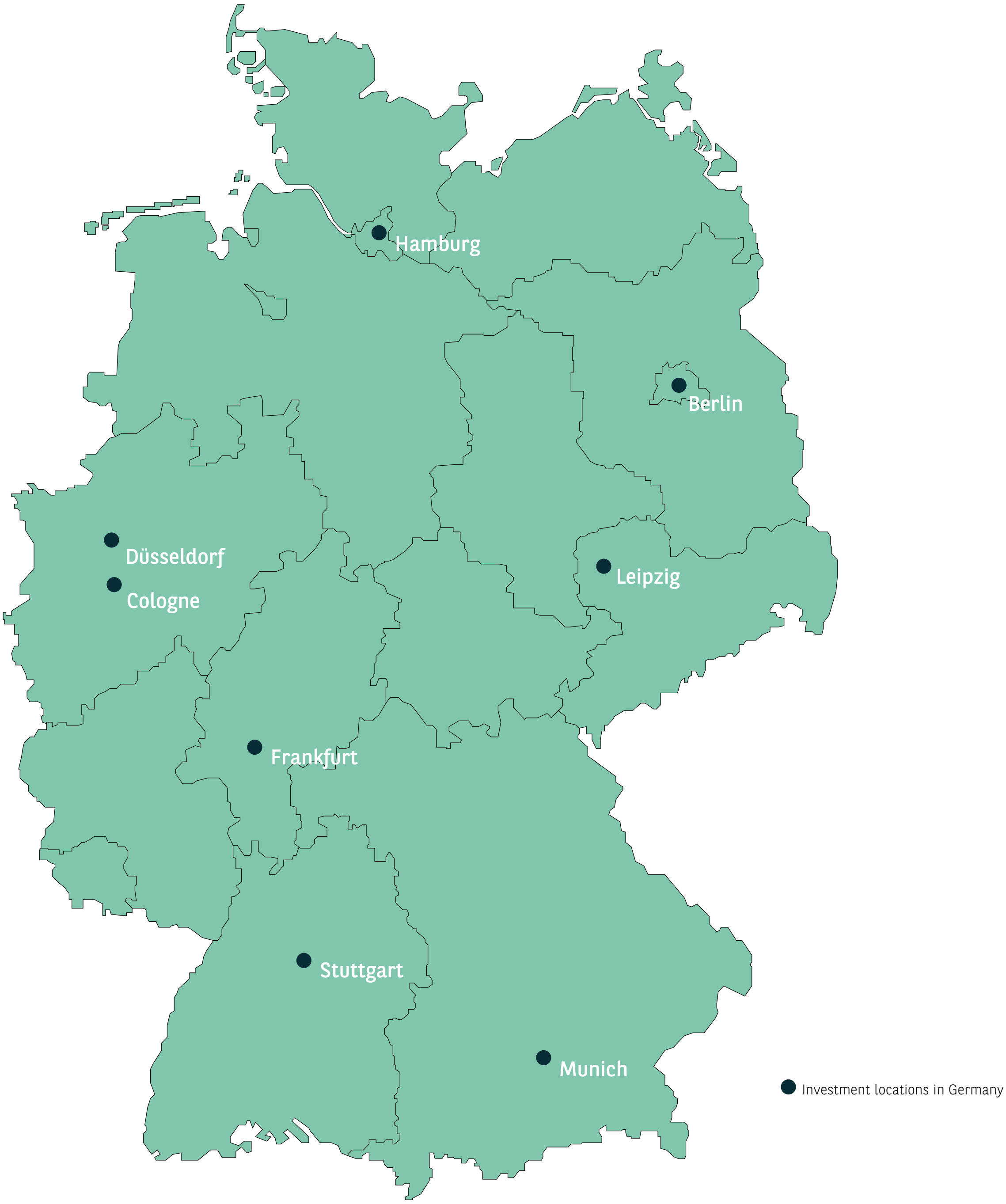
- The dominance of office properties has been further reinforced. They contribute more than half towards the total transaction volume, with a share of just under 53 %. Individual deals claim a large share, with a good €29.4 billion marking a new all-time high. A total of 70 transactions were reported in the price range above €100 million.
- Retail properties rank second, with a volume of almost €12.9 billion (+15 %).
- Logistics properties amassed a good 10 % share, on around €7.5 billion. This represents the second-best result ever.
- Hotels also achieved their all-time second-best performance, breaching the €5 billion threshold for only the second time, with a good €5 billion.

Major deals account for share of just under 60 %

- A share of 58 % marks the highest figure of the past ten years for sales over €100 million, in both relative and absolute terms.
- Foreign buyers claim a share of just under 41 % in the total transaction volume, thanks to a strong fourth quarter.
- €46.6 billion (+20 %) marks a new all-time high for the German A-locations. The €10 billion threshold was breached by two locations, with Berlin reporting €12.8 billion and Munich €10.7 billion.

Further decline in yields

- The net prime initial yields for office properties showed a further slight drop for all A-locations in the final quarter.
- A comparable, though slightly more dynamic trend was also observable on the logistics markets.
- Retail properties present a different picture: The sustained yield compression of recent years has evidently been brought to a halt for high street properties for the time being.



METHODOLOGY

The transactions covered by BNP Paribas Real Estate in this survey and the resultant total transaction volume do not represent the entire commercial investment market. The survey takes into account only those investments on which BNP Paribas Real Estate has assured information and which involve "professional players", in the widest sense of this term. Since the investment market is highly sensitive, with deals often being kept confidential, the possibility cannot be excluded that some transactions were not revealed and are therefore not included in this survey. In view of all this, the transaction volumes depicted here generally deviate from those shown in the data of the relevant officially appointed expert committees. The differences vary between individual cities. There are several reasons for this:

- The committees differ widely in the way they assign transactions to market segments and also in the depth of their analyses. Some operate only with catch-all terms such as "commercial property", others go into far more detail. In individual cases, the surveys are of a quite general nature.
- The data compiled by these committees cover all transactions. These include "internal transactions", for instance between companies belonging to the same business group. And these surveys also contain many small deals between private persons, such as people with adjacent sites.
- Even the use of professional research methods cannot prevent the proportion of transactions surveyed by BNP Paribas Real Estate from varying between cities or between one year and the next. Whether or not the necessary information is available always depends on the market players involved and on the wider general situation. Often, confidentiality is a contractual condition for a sale.

THE GERMAN INVESTMENT MARKETS AT A GLANCE

INVESTMENT MARKETS ENTER A NEW SPHERE

A good €73.4 billion was invested in commercial properties throughout Germany in 2019. This made short shrift of last year's record investment volume, which was surpassed by a good +19 %. The new all-time high breaches the €70 billion threshold for the first time. While it became apparent at the beginning of the second half of 2019 that a new record result could not be ruled out, the market's dynamic performance clearly surpassed all expectations once again, especially in the final quarter. The attractiveness of the German investment markets thus remains high, and has actually gained further ground both in an international context and in comparison to other asset classes. The trend which emerged in the first three quarters towards an increasing investment in existing portfolios, in some instances with comparatively small percentage stakes, has continued. The volume of this market segment for the year as a whole stood at a good €3 billion, which still represents a relatively minor share of the total transaction volume.

A positive trend for both individual and portfolio transactions contributed to the new record result. At just under €51.4 billion, individual deals achieved a new record volume which surpassed the all-time high reported in 2018 by almost 12 %. Their 70 % share of the total transaction volume is slightly below the ten-year average. Package sales rose sharply, outstripping the previous year's result by a good 42 % with a year-end result of €22 billion. This figure has only ever been surpassed in 2006 and 2007. An almost 42 % share, amounting to more than €9.2 billion, was amassed by office portfolios, which were in short supply in the preceding years. Examples here include the sale of the Millennium portfolio to Commerz Real brokered by BNP Paribas Real Estate for a good €2.5 billion and Blackstone's takeover of Canadian REIT Dream Global for a good €3 billion (German share).

In addition to the investments in commercial properties, a transaction volume of €19.5 billion was also reported for large-scale residential investments.

OVERVIEW OF THE INVESTMENT MARKETS

	Investment volume		Change
	2018 (€m)	2019 (€m)	2018-2019 (%)
Single investments	46,032	51,390	11.6
- Share of A-locations (Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Munich, Stuttgart)	33,009	36,219	9.7
Portfolios	15,504	22,047	42.2
- Share of A-locations (Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Munich, Stuttgart)	5,643	10,342	83.3
Commercial properties total	**61,536**	**73,436**	**19.3**
Residential portfolios	16,285	19,456	19.5
Total investment volume	**77,820**	**92,892**	**19.4**

OFFICE PROPERTIES THE UNCHALLENGED LEADERS

The dominance of office properties has been further reinforced. They contribute more than half towards the total transaction volume, with a share of just under 53 % corresponding to a total of €38.7 billion (+30 %). Individual transactions make up a large share here, with a total value of €29.4 billion marking a new all-time high and surpassing the previous year's result by a good 8 %. A total of 70 transactions were reported in the price range above €100 million. The most important deals in this category include the Squaire, which additionally incorporates hotel usage, and the Welle (both in Frankfurt), the Stream in Berlin and the Siemens Campus in Munich. Portfolios also upped their game, almost quadrupling their turnover to €9.2 billion – the best result for more than ten years.

Retail properties rank second, with a volume of almost €12.9 billion (+15 %) adding just under 18 % to the overall result. While a number of large portfolio transactions – such as Signa's takeover of the Kaufhof properties, which is among the year's biggest deals – made a substantial contribution towards the total transaction volume, other retail properties, in particular specialist stores and local shopping & service amenities, also met with great interest from investors. Turnover volumes of €5 to €6 billion have now been par for the course for the past five years, with investment in such properties also totalling around €5.1 billion in 2019.

Logistics properties amassed a good 10 % share, at around €7.5 billion. This is the second-best result ever and corresponds to a rise of nearly 5 %. While large-scale pan-European logistics platforms were the prime generators of turnover in the record year of 2017, individual sales proved to be the main driving force in 2019. Hotel sales also achieved their second-best result ever, reporting a good €5 billion and surpassing the previous year's result by just under 25 %. This is only the second time that they have breached the €5 billion threshold. The previous all-time high for individual deals (€3.6 billion) boasted a substantial upward revision. The healthcare property segment, which is enjoying an underlying growth trend, reported turnover of €2.2 billion (+11 %), which also represents the second-best result here, after the all-time high in 2016.

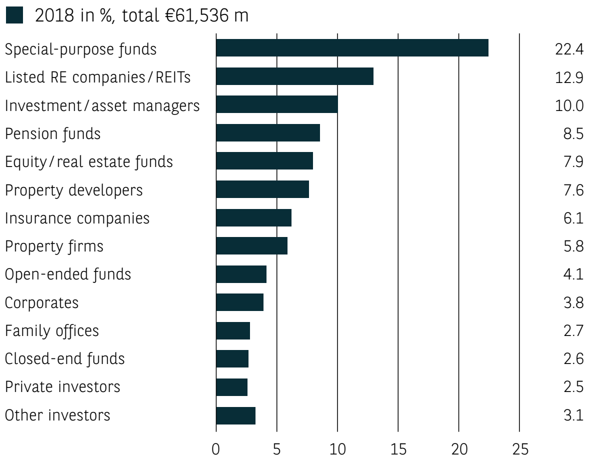
OVERVIEW OF INVESTMENT IN COMMERCIAL PROPERTIES

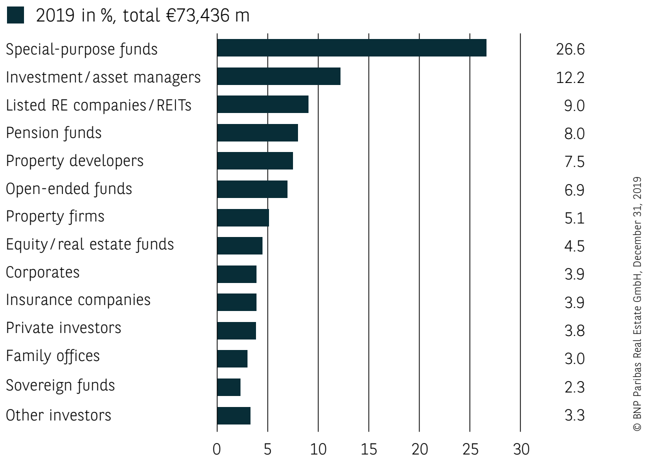
	Single investments		Portfolios		Total		Share	
Type of property	2018 (€m)	2019 (€m)	2018 (€m)	2019 (€m)	2018 (€m)	2019 (€m)	2018 (€m)	2019 (%)
Office	27,139	29,446	2,545	9,222	29,685	38,668	48.2	52.7
Retail	6,283	7,188	4,922	5,694	11,205	12,882	18.2	17.5
Logistics	3,193	4,737	4,009	2,790	7,202	7,527	11.7	10.3
Hotel	3,201	3,622	821	1,393	4,022	5,015	6.5	6.8
Others	6,215	6,396	3,207	2,947	9,422	9,344	15.4	12.7
Total	**46,032**	**51,390**	**15,504**	**22,047**	**61,536**	**73,436**	**100.0**	**100.0**

VERY BROAD SPECTRUM OF BUYERS

A record transaction volume of over €70 billion is only attainable when a broad spectrum of different investor groups is involved in the market. This is tellingly reflected in the very broad spread of turnover across many different investors. Consequently, only two buyer groups contribute double-figure percentage shares to the total turnover: As in 2018, special-purpose funds take the lead, with a share of just under 27 %. These involve a large number of different end investors who often use this vehicle to invest indirectly in property. Investors in this area commonly pursue a long-term investment strategy and attach greater importance to an adequately secure investment than to high returns. Investment managers, who are also commonly active on the market on behalf of third parties, take second place with a good 12 %. All other investors remain within the range of single-figure contributions to the total transaction volume. Substantial volumes were invested by listed real estate companies / REITs (9 %), pension funds (8 %), property developers (7.5 %) and open-ended funds (7 %), for example. A large volume of private capital was also invested in real estate. Private investors and family offices together account for just under 7 % of the total transaction volume.

INVESTMENTS BY BUYER GROUP

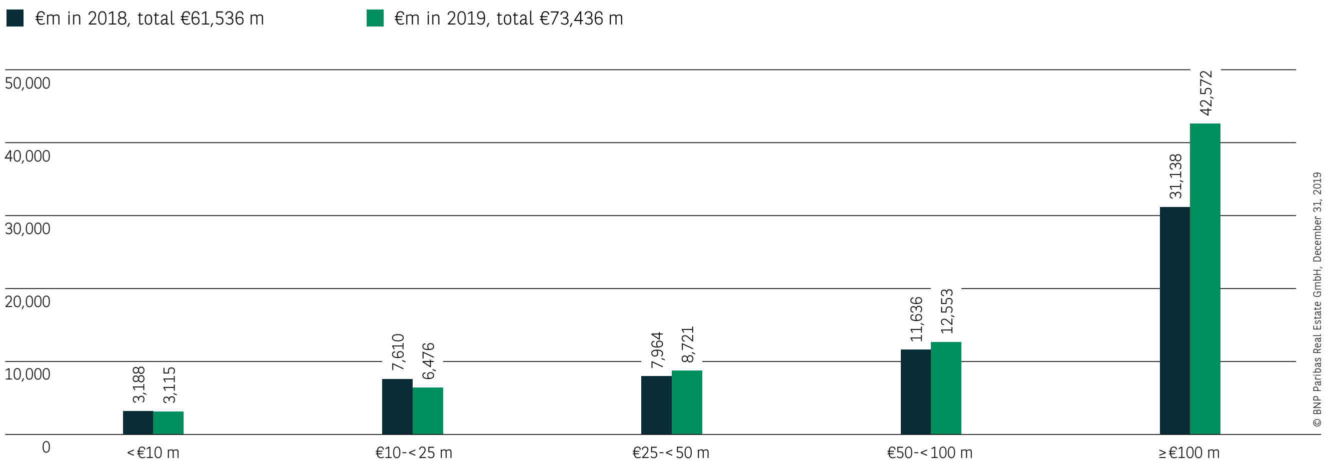




MAJOR DEALS ACCOUNT FOR SHARE OF JUST UNDER 60 %

In addition to a broad buyer base, a large number of major deals are also necessary in order to set new records. Accounting for 58 % of the total transaction volume, sales over €100 million not only make by far the largest contribution to the overall result but also report both the highest relative share and the highest absolute volume of the past ten years. The level of invested capital also rose in the segment of mid-range deals between €25 and €100 million. Meanwhile, investment in the smaller size categories was down slightly – primarily as a result of inadequate supply.

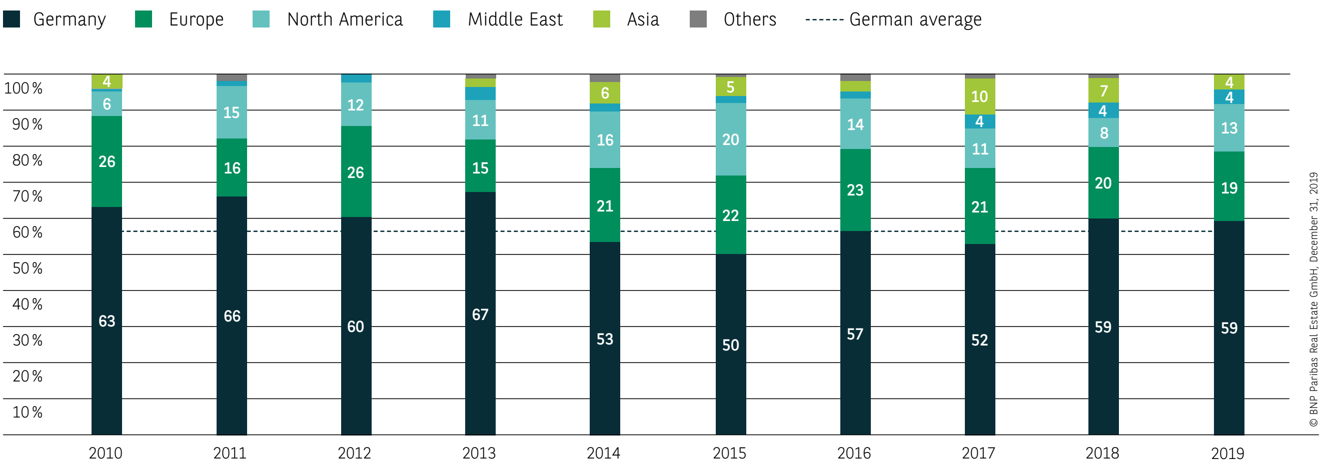
INVESTMENTS BY € CATEGORY



FOREIGN INVESTORS VERY ACTIVE

A strong fourth quarter saw foreign investors increase their share of the transaction volume slightly to just under 41 %, which is on a par with the average level over the past ten years. They are traditionally strong above all in the portfolio segment, where they even account for the majority of the year-end volume, with a share of almost 56 %. In contrast, their participation in individual sales amounts to only a good 34 %. Their total investment volume of almost €30 billion represents the highest level in absolute terms for more than ten years. True to form, European investors were the most active, amassing a 19 % share. The three most important countries were the United Kingdom (6 %), France (5 %) and Austria (just under 4 %). North American investors take second place, having markedly increased their share compared to the previous year and investing heavily in both individual sales and the portfolio segment. Asian investors and buyers from the Middle East each contribute shares in the order of 4 %, corresponding to an absolute investment volume of just under €3 billion in each instance.

INVESTMENTS BY ORIGIN OF CAPITAL

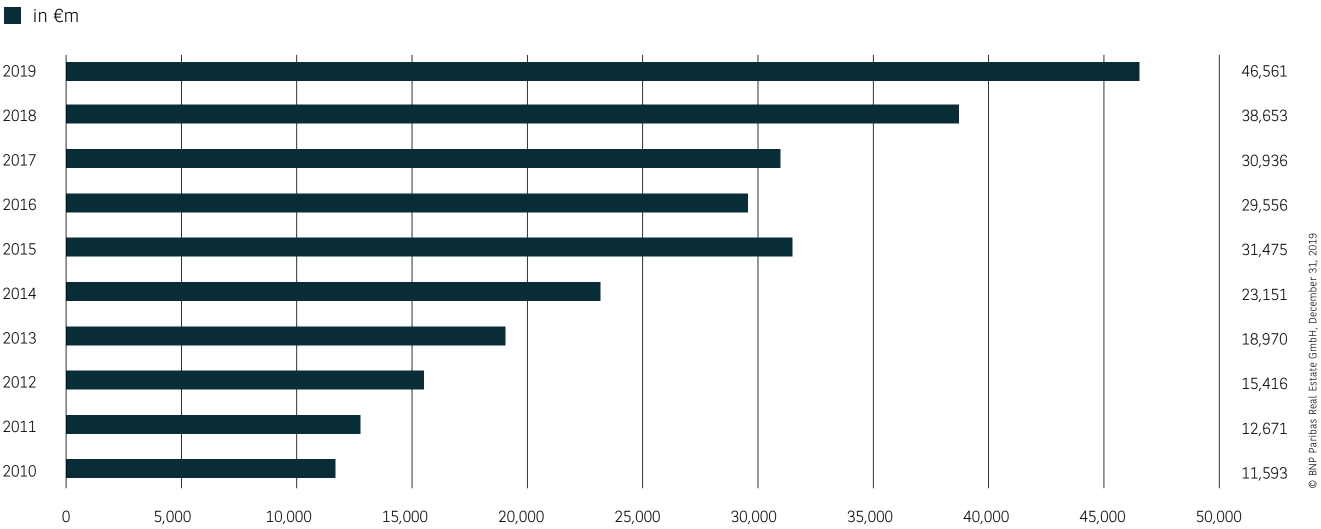


OVERVIEW OF MAJOR LOCATIONS AND MARKET DATA

The German A-locations (Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Munich, Stuttgart) remain in record-breaking form, establishing a new record volume of €46.6 billion (+20 %). Following the all-time high in 2018, Frankfurt has to settle for third place with a good €8.9 billion (-13 %). Berlin is the undisputed leader, with €12.8 billion (+72 %). Munich also reports a new all-time high, with €10.7 billion (+60 %) assuring the city of second place in the nationwide rankings. Fourth place goes to Hamburg, where €4.4 billion was invested and only the short supply prevented an even better result. New records are reported by the two Rhineland cities of Düsseldorf and Cologne: In Düsseldorf the transaction volume topped €4 billion for the first time (up by 6 % at €4.1 billion), swiftly breaking the record set in 2018. Cologne also put in a very strong performance, increasing its result by 60 % to over €3.1 billion. Stuttgart fell only just short of its previous year's record, reporting €2.5 billion.

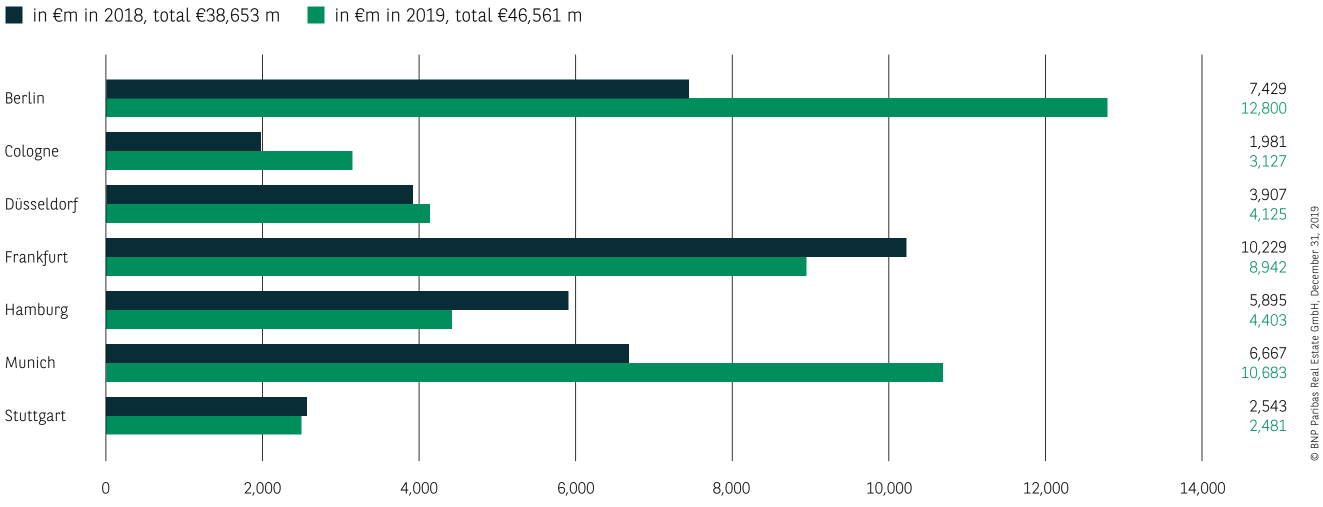
DEVELOPMENT OF INVESTMENTS IN THE A-LOCATIONS

Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Munich, Stuttgart



OVERVIEW OF INVESTMENTS IN THE A-LOCATIONS

Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Munich, Stuttgart



FURTHER DECLINE IN YIELDS

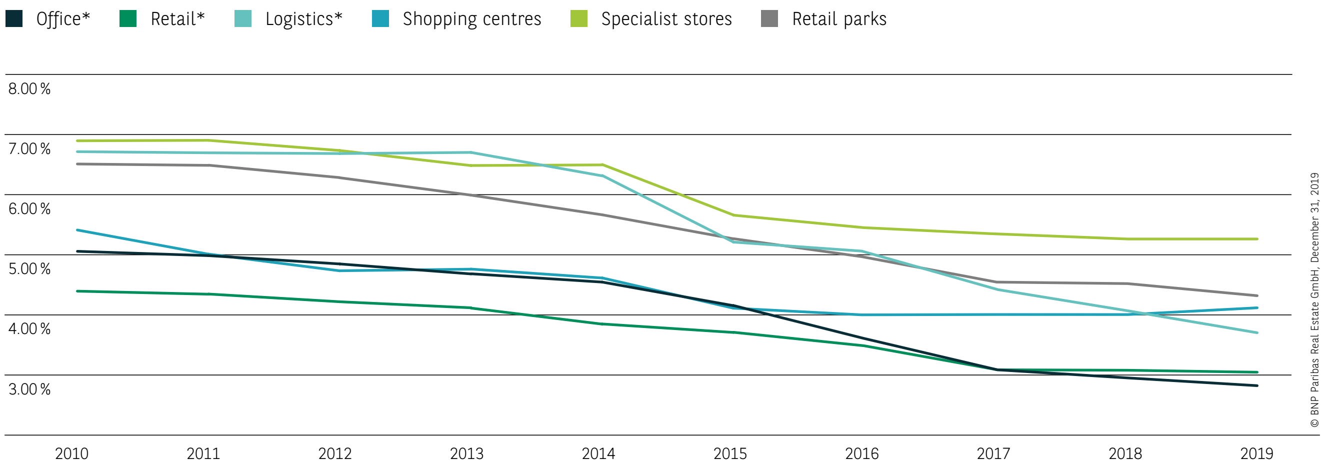
The pressure on yields has been maintained by the strong investor demand and the continuing positive spread in the direction of AAA government bonds, many of which are still returning negative yields, and also towards many corporate bonds of investment grade quality, resulting in a further slight drop in prime net initial yields for office properties in all A-locations in the final quarter of 2019. The prime yield remains at its lowest in Berlin, at 2.60 %, though the German capital now shares its leading position with Munich, which is also on 2.60 %. Frankfurt and Hamburg share third place, each on 2.80 %. Prime yields have also fallen outside of the four top locations, in Cologne, Düsseldorf and Stuttgart, where they currently stand at 3.00 %. Yield compression has thus continued across the board.

A comparable, though slightly more dynamic trend was also observable on the logistics markets. Mid-year saw the prime yield below the 4 % mark for the first time in the key conurbations (Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Munich and Stuttgart), and price increases continued unabated up to the end of the year. The prime yield here currently stands at 3.70 %. Even in Leipzig, where prices are generally somewhat lower, the 4 % threshold is now looming. The net prime yield here fell by a further 45 basis points over the past twelve months, to 4.05 %.

Retail properties present a different picture. The sustained yield compression of recent years appears to have bottomed out for high street properties for the time being. Only Munich and Berlin have experienced additional slight price increases

DEVELOPMENT OF NET PRIME YIELDS

* Avg. for A-locations (Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Munich, Stuttgart)



for retail / office buildings in prime locations, with prime yields dropping slightly to 2.80 % in both cities and setting them thus a little further apart from Hamburg (3.00 %). A breakdown according to property types reveals divergent trends, however: The prime yields for well-performing and readily accessible retail parks, which many investors value as attractive alternative investment options, have fallen by 20 basis points since the end of 2018, to 4.30 %. This brings them into a similar bracket as shopping centres, which rose by 10 basis points to 4.10 %.

PROSPECTS FOR THE INVESTMENT MARKETS

While a new record cannot be achieved every year, there is every indication that 2020 will again spawn an above-average transaction volume. This assessment is based on a whole range of positive factors. The markets are likely to benefit from the improved prospects of a rallying economy, particularly in the service sector, and a continuing stable to positive trend on the labour market. At the same time, the large volume of capital already on the market is likely to increase still further: German bonds in the hundreds of millions are due to mature in the coming years and there is a growing, disproportionately large volume of private assets held in demand deposits at banks. The fact that many large-volume individual and portfolio deals are again in the preparatory stages for marketing corroborates this assessment. A number of global dilemmas, such as the trade disputes which have yet to be fully resolved or the crisis in the Middle East, mean that 2020 will once again confront the capital markets with risks which are difficult to assess. In such an environment, many investors turn to comparatively safe investments, and this may benefit the German investment markets. Against this background, a transaction volume above €60 billion is again likely in 2020. At the same time, a further slight drop in yields cannot be ruled out, as long as the spread in the direction of comparatively safe alternative investments remains as positive as it is at present.

BERLIN

ANOTHER RECORD TOPPLED

In hindsight, it looks as if the Berlin investment market merely took a breather in 2018, before going full tilt in the following year. The German capital was certainly in a league of its own in 2019, reporting a commercial investment volume of €12.8 billion (+72 %) and toppling in its stride the €10 billion mark which was surpassed for the first time in Frankfurt in 2018. This top result is attributable not only to the large number of transactions over €100 million, which raised the average volume of properties sold to €64 million. The number of sales also increased by a hefty 42 % to an impressive 200. Forward deals also made a remarkable contribution, accounting for a good quarter of the total result. In view of the statistics, this high share comes as no surprise, however – in four out of the five largest transactions alone, the properties were sold prior to completion.

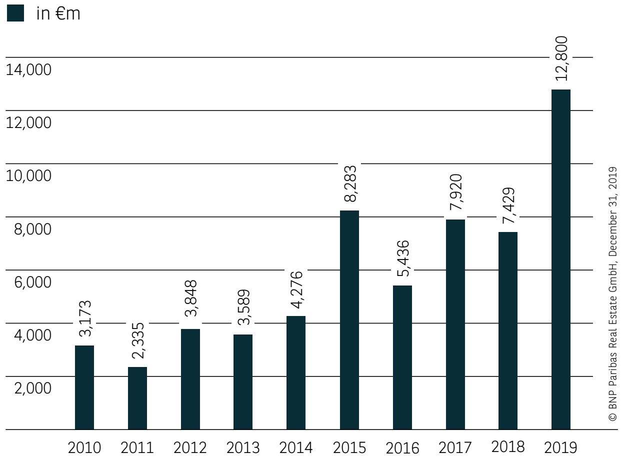
SIGNIFICANTLY MORE TURNOVER ABOVE €100 MILLION

An impressive 35 transactions in the range over €100 million, including the sale of the Stream office high-rise, have raised the volume in this class to €7.6 billion (+116 %). Its share of the total transaction volume has also grown, to almost 60 %. The second-largest category between €50 and €100 million follows up at some distance, with a good 23 % share. Substantial growth across all size categories in terms of both the numbers of transactions and transaction volumes attests to the very lively investment activity throughout all market segments.

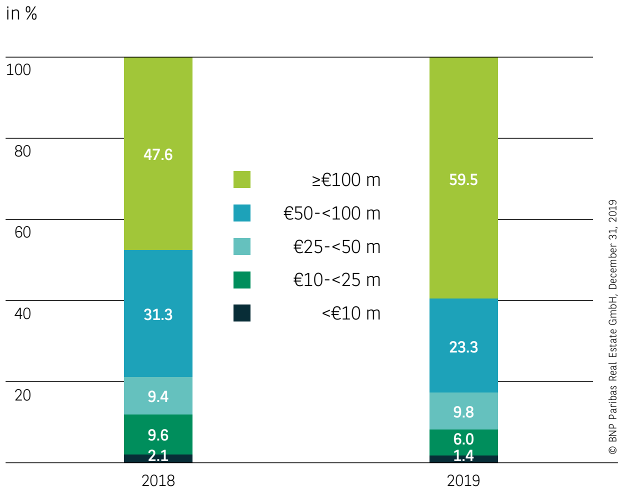
OFFICES ARE THE GOLD STANDARD

The Berlin office market is booming: There has been a significant excess in demand for a number of years now, and rising rents reflect the short supply. Construction activity is higher than it has been for decades, providing for more investment product than was available only a few years ago. Against this background, €8.7 billion, representing more than two thirds of the total volume, was invested in this sought-after asset class. The importance of construction activity to the result is illustrated by the share of forward deals, which is particularly high for offices, at 38 %. In the light of these figures, the contributions made by the other types of usage appear relatively modest, at just under 3 % to 12 %, despite the substantial sums involved in some instances.

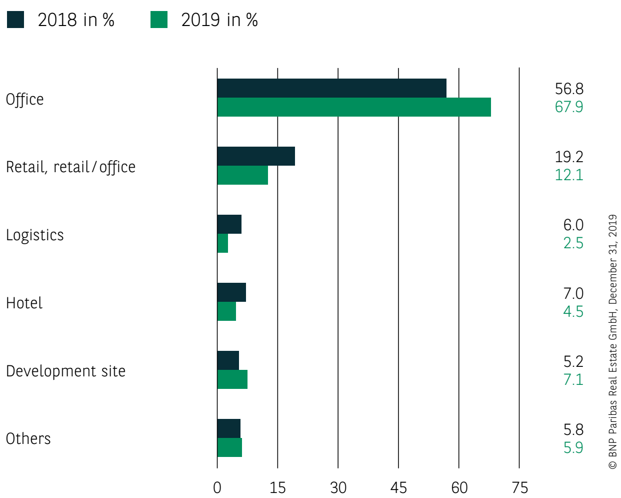
INVESTMENTS 2010 TO 2019 IN BERLIN



INVESTMENTS BY € CATEGORY IN BERLIN



INVESTMENTS BY TYPE OF PROPERTY IN BERLIN



SPECIAL-PURPOSE FUNDS ACCOUNT FOR ONE QUARTER

Several groups of institutional investors lead the rankings of leading players on the investment market once again in 2019. Special-purpose funds take first place, with almost 26 %, followed by investment managers (19 %), who act on behalf of a broad range of different types of investor. Equity / real estate funds complete the leading trio, having secured a number of larger assets to attain an 11 % share. In view of the vast overall volume, private investors are also in a strong position, with a 10 % share also representing a double-digit contribution. With regard to investors' origins, Berlin remains the most popular city among foreign buyers, who make up a good 51 %. Almost one quarter of the total investment volume originates from the North America region. European investors contribute 17 %, followed by investors from the Middle East (7 %) and Asia (3 %).

OFFICES YET MORE EXPENSIVE

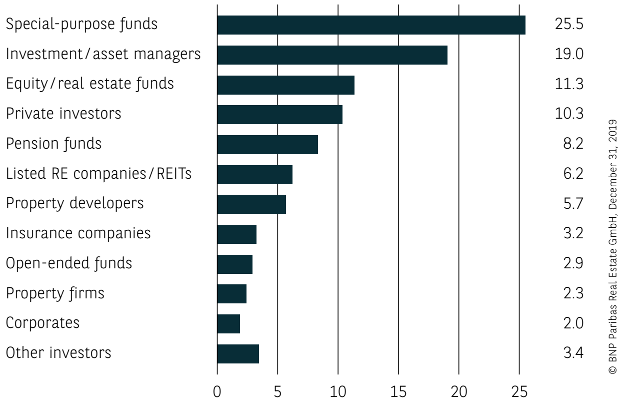
In the face of immense, sustained demand pressure, the net prime yields for offices fell once again in the final quarter, whereby the strong rent increases on the office markets are priced in by investors. Along with Munich, Berlin is now the most expensive office location in Germany, with a prime yield of 2.60 %. Premium logistics properties have also become more expensive, returning prime yields in the order of 3.70 %, as in other major locations. As such, they have fallen over the course of the year by a total of 35 basis points. Only retail / office buildings in premium high street locations reveal a stabilisation process, which has been observable since the beginning of the year (2.80 %). In contrast to the office and logistics markets, however, the rent trend here has been downward for some time now.

NO NEW RECORD ON THE CARDS

In view of this repeat record-breaking performance, it is barely conceivable that a considerable demand surplus still exists on the Berlin investment market and that many investors are left without any opportunities. This result nevertheless provides an idea of what business potential lurks in the German capital, if only a corresponding supply were available. As things stand, however, it is unlikely that the current result will be topped to set a new record. That said, if the yield spread continues to favour secure investments so strongly, a further decline in the prime yield cannot be ruled out.

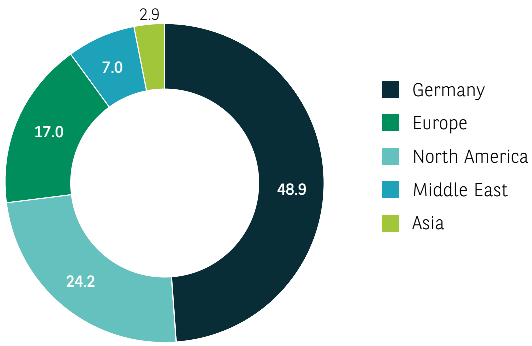
INVESTMENTS BY BUYER GROUP IN BERLIN

in %, foreign investment share **51.1 %**



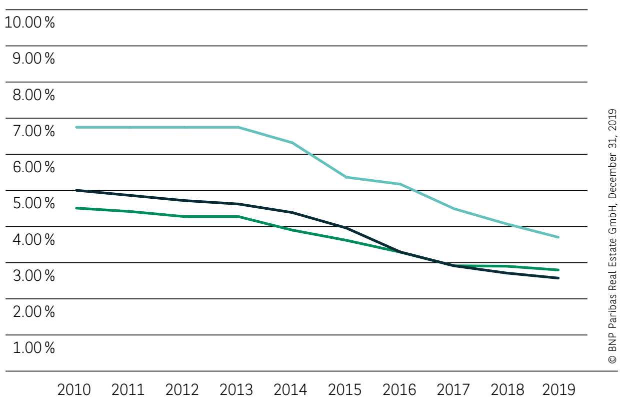
INVESTMENTS BY ORIGIN OF CAPITAL IN BERLIN

in %



NET PRIME YIELDS BY TYPE OF PROPERTY IN BERLIN

Office Retail Logistics



COLOGNE

TRANSACTION VOLUME TOPS THE €3 BILLION MARK

The Cologne investment market is breaking new ground with an impressive record transaction volume of over €3.1 billion. Apart from outstripping the previous year's result by almost 58 %, this also surpasses the previous record from 2015 by almost €950 million, or 43 %. While the number of transactions reported (60) is par for the course, the average deal volume per transaction is higher than ever before at about €50 million. A key contributory factor to this figure was the sale of the Stadthaus city administration centre, which represents the biggest individual deal in the history of the Cologne investment market, at €500 million. A new record would have been attained even without this exceptional deal, however, thanks to a number of spectacular purchases. Individual deals account for around 72 % of the result, although the Cologne-related content of portfolio deals also contributed an above-average sum of almost €900 million.

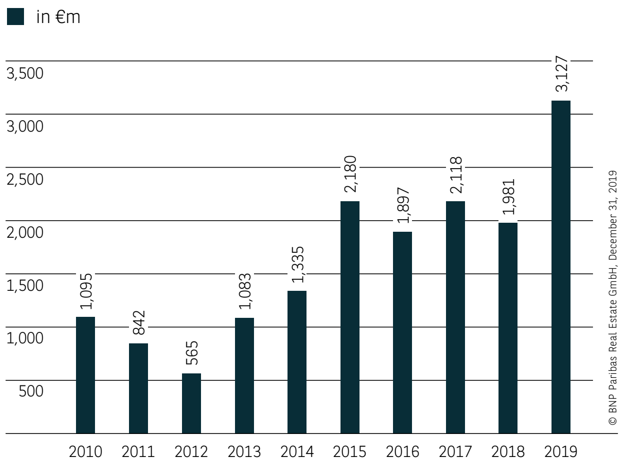
BIG TICKETS PUT THEIR STAMP ON THE MARKET

The breakdown by size categories is dominated more strongly than ever by large-volume deals. Transactions of over €100 million in value claim a share of almost 55 %, thanks to sales such as the Barthonia Forum or the Technologiepark. With the €50-100 million range also achieving a good result and contributing a 21 % share, more than three quarters of the total transaction volume is attributable to these two classes. Market performance is also highly positive aside from these defining deals, however, with the €25-50 million segment slightly increasing its share to over 13 %.

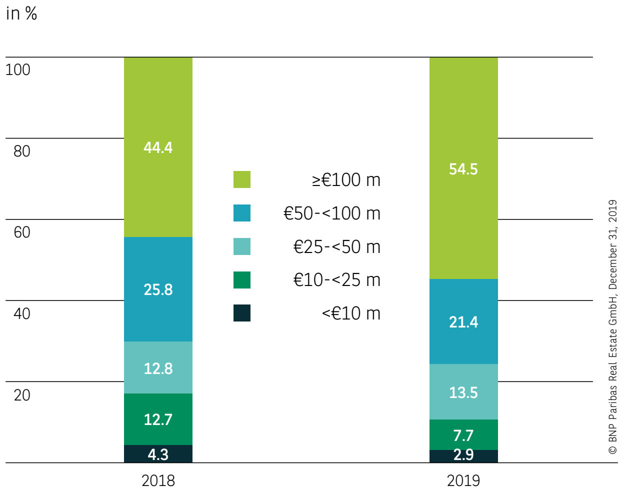
OFFICE SEGMENT DOMINANT, HOTELS ALSO STRONG

Office properties outshine everything else on the Cologne investment market. With a transaction volume of almost €2.2 billion, they would assure the city of a new record year on their own. Their share of over 70 % puts all other property types in the shade, although the market was also very lively outside of this segment. The hotel sector is worthy of special mention, reporting a new all-time high of €440 million. The Steigenberger Hotel in the City Centre or the Southern Cross development in Deutz serve as examples of the transactions reported here. In contrast, the retail and logistics segment primarily involved sales of small-scale properties, thus limiting the share here to single figures.

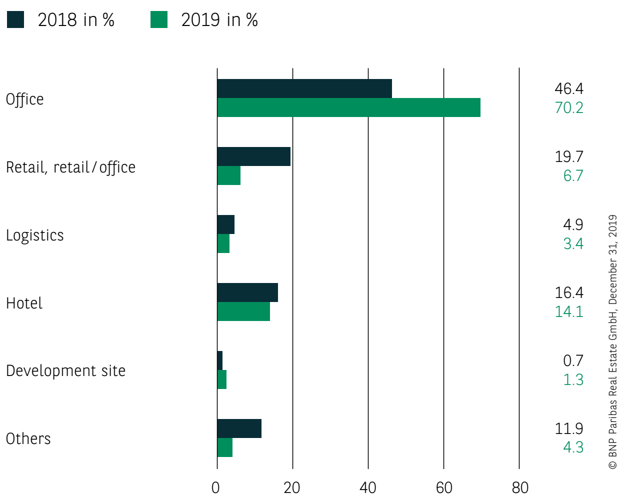
INVESTMENTS 2010 TO 2019 IN COLOGNE



INVESTMENTS BY € CATEGORY IN COLOGNE



INVESTMENTS BY TYPE OF PROPERTY IN COLOGNE



PENSION FUNDS AND SPECIAL-PURPOSE FUNDS AHEAD

Pension funds accounted for around 25 % of the total investment volume, taking first place with a small number of large-volume deals. Second-ranking special-purpose funds (just under 20 %) were involved in substantially more purchases across all asset classes. Third place went to open-ended funds, inching just ahead of equity/real estate funds (both on just under 10 %), which were tailed closely by property developers, who made up the most active buyer group. Their large number of deals is attributable to the vast need for new developments in Cologne. Foreign investors contributed the highest transaction volume for over 10 years, with a share of 36 % once again clearly surpassing the €1 billion mark and underscoring Cologne's high standing as an investment location.

OFFICE AND LOGISTICS PRIME YIELDS CONTINUE TO FALL

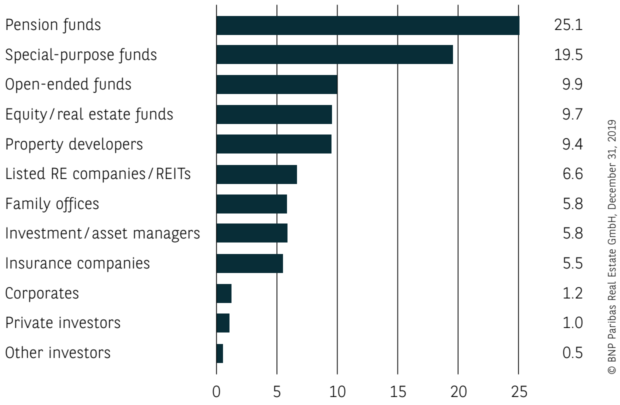
The continuing low interest rate policy and the lack of alternative investment options are driving demand from institutional investors and putting yields under pressure. In the office property segment in particular, high demand faces a very short supply, leading to rising prices and falling yields. The yields for office properties fell by 15 percentage points over the course of the year, to a new record level of 3.00 %. Yield compression also continues for logistics properties, with prime yields now below the 4 % mark for the first time, at 3.70 % (-35 basis points). Only high street properties appear to have stopped this trend for the time being, with the net prime yield here stable at 3.20 %.

OUTLOOK FOR 2020 REMAINS POSITIVE

A repeat of such a record year is not necessarily to be expected for the Cologne investment market, as such a large number of exceptional deals cannot be taken for granted. Nevertheless, the final quarter in particular shows just what can happen when the frequently cited high demand is finally able to exploit an adequate supply. The prospects of another successful investment year in 2020 are nevertheless good, particularly as a number of larger properties are already in the marketing phase. In addition, the overall positive economic outlook will continue to buoy up the lively demand resulting from the above-stated underlying conditions. The general scenario of a market-wide excess in demand is nevertheless unlikely to change. Against this backdrop, a renewed slight fall in yields cannot be ruled out, either.

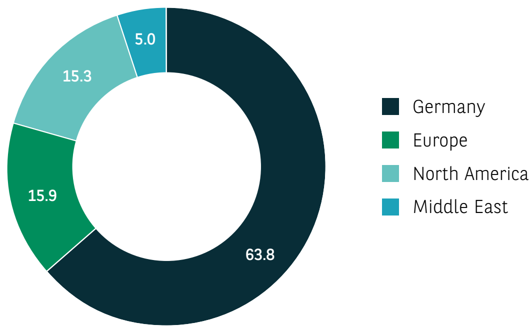
INVESTMENTS BY BUYER GROUP IN COLOGNE

in %, foreign investment share **36.1 %**



INVESTMENTS BY ORIGIN OF CAPITAL IN COLOGNE

in %



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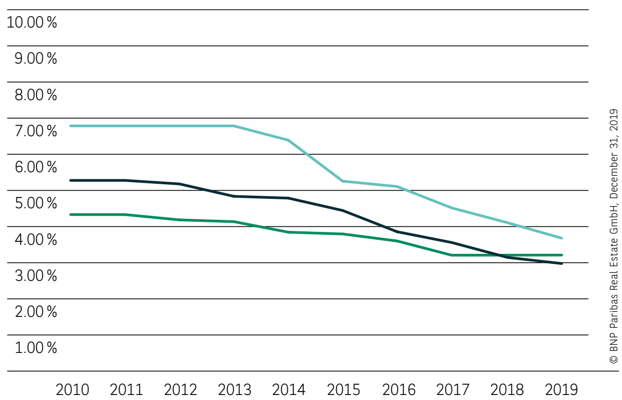
NET PRIME YIELDS BY TYPE OF PROPERTY IN COLOGNE

Office Retail Logistics



DÜSSELDORF

NEW RECORD YEAR – Q4 TAKES OFF WITH A VENGEANCE

In Düsseldorf an exceptional investment year closed with a new record of over €4.1 billion. This was 6 % up on the previous year's record-breaking result. The market experienced an astounding surge in the fourth quarter, which generated more than half of the total volume, thereby breaching the €4 billion threshold for the first time. This strong result was founded on a total of almost 130 transactions registered throughout the market area. Over 90 of these were individual deals, which made up around 76 % of the annual total. While this is no unusual figure among A-locations, it is notable that these deals alone would have amounted to the fourth-best result of all time. When the Düsseldorf-related content of portfolio deals is also taken into account, the result enters a new dimension beyond the €4 billion mark.

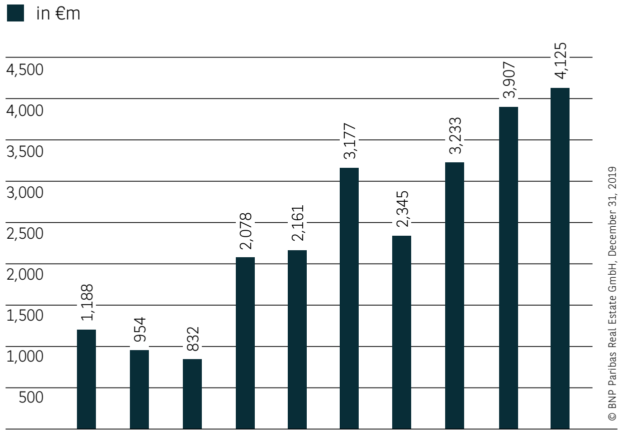
RANGE OVER €50 MILLION SOARING

Such an outstanding overall result is difficult to achieve without an adequate number of large-volume deals. As such, it is gratifying that the record year did not hinge on any single outstanding mega deal, but rather included numerous large-scale sales, with one in five transactions above the €50 million mark. Transactions with a volume of over €100 million actually generated the most turnover. Their relative share of a good 30 % is nevertheless almost 11 percentage points down on the previous year. The €50-100 million class came up with a share of just under 29 %, achieving an absolute record result of around €1.2 billion. It should not be overlooked that the other size categories also put in very good and above-average performances.

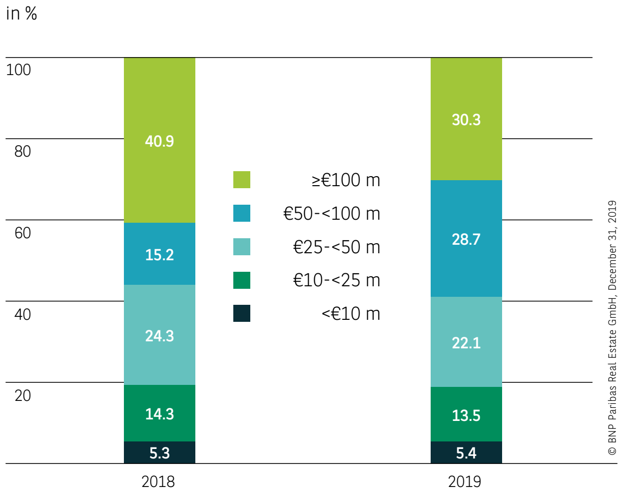
OFFICES AND HOTELS SET NEW RECORDS

Office properties are always by far the most important asset class in Düsseldorf. No less than six deals over €100 million made a decisive contribution to a new all-time high of over €2.7 billion (corresponding to a good 66 % share). Notable deals of the year include Herzogenterrassen or Palais Dôme. Hotel investments follow up behind office properties, with a new record putting them in second place on just under 11 %. With 10 properties sold, including the Hotel Maritim for over €160 million, they rank ahead of retail properties (on a good 9 %) and development sites (8 %).

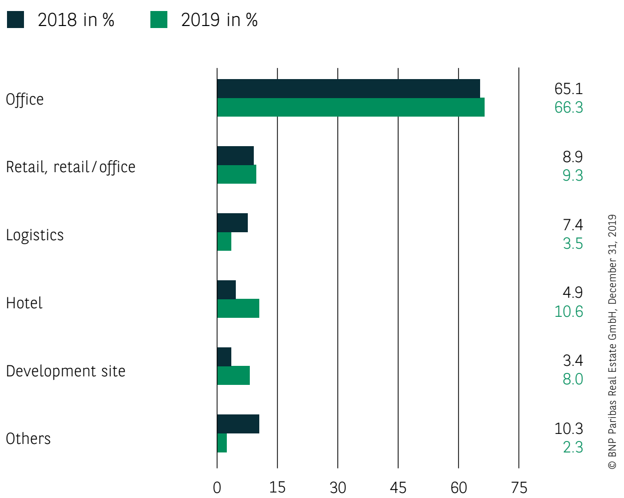
INVESTMENTS 2010 TO 2019 IN DÜSSELDORF



INVESTMENTS BY € CATEGORY IN DÜSSELDORF



INVESTMENTS BY TYPE OF PROPERTY IN DÜSSELDORF



SPECIAL-PURPOSE FUNDS WITH RECORD TURNOVER

Special-purpose funds again represent the most important buyer category in Düsseldorf. With a good 25 % share they are pushing the investment volume beyond the €1 billion mark for the first time. Property developers follow up in second place on just under 19 %, reporting an all-time high of €780 million. Third place also goes to a record performance, with pension funds claiming a 12 % share with a transaction volume of almost €500 million, ahead of investment/asset managers, who also contributed a double-figure share of a good 10 %. The market was dominated by domestic investors, for whom the clear upward trend of recent years represents an important investment criterion. At 24 %, the share of foreign investors is not only the lowest of all A-locations but also markedly under the multi-year average for Düsseldorf.

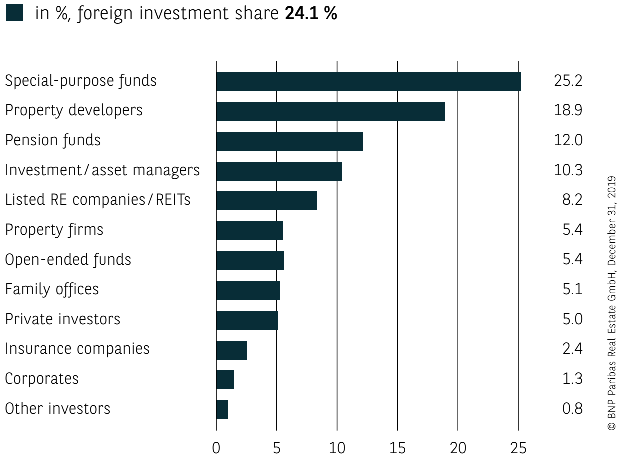
YIELDS SHRINKING, LOGISTICS UNDER 4 %

Yields have been falling across all asset classes over the past decade, though on varying tangents. While the yields for retail/office buildings remained stable for the third year in succession at a level of 3.20 %, office and logistics properties showed a further decline in 2019. The prime yields for offices (3.00 %) have been falling since 2009, and they have constituted the most expensive type of property for two years now. In the logistics area, yield compression has only really been gathering pace since 2014. 2019 saw a further drop by 35 percentage points, plunging below the 4 % mark to 3.70 %.

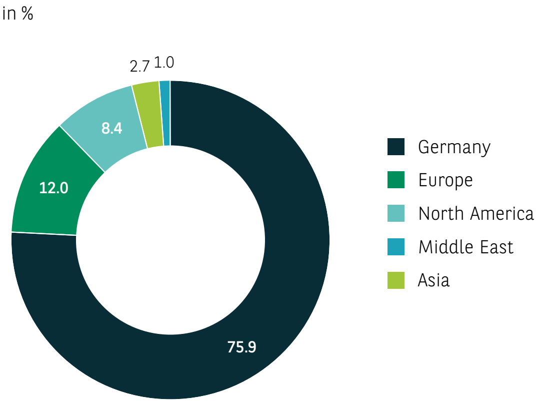
POSITIVE INVESTMENT YEAR TO BE EXPECTED IN 2020

The exceptional final quarter shows the extent to which investors are eager to buy German properties and how Düsseldorf benefits from the resulting dynamism. This momentum should be largely maintained in 2020, as many key underlying conditions are unlikely to alter. Low interest rates and a lack of alternative investment options continue to attract capital to the markets with undiminished appeal. The essentially stable economic outlook continues to strengthen the German market, notwithstanding the fact that international political conflicts add an element of uncertainty. An above-average result should nevertheless be on the cards once again in Düsseldorf, especially as various properties and developments are already in the marketing phase. It cannot be ruled out that yields may come under pressure and incur another slight drop in 2020.

INVESTMENTS BY BUYER GROUP IN DÜSSELDORF



INVESTMENTS BY ORIGIN OF CAPITAL IN DÜSSELDORF



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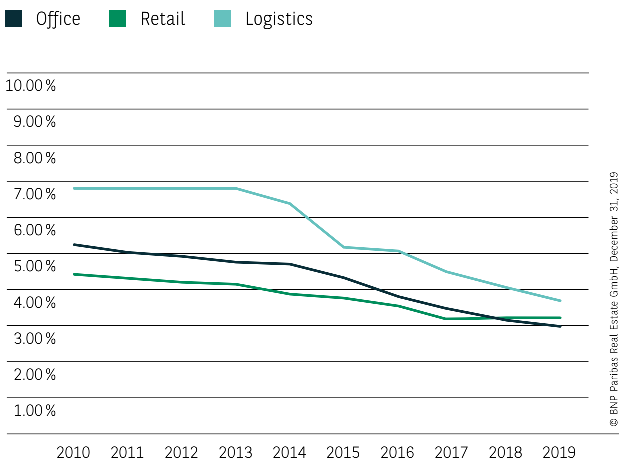
NET PRIME YIELDS BY TYPE OF PROPERTY IN DÜSSELDORF



FRANKFURT

SECOND-BEST RESULT OF ALL TIME

Although not quite able to match the previous year's outstanding record, the Frankfurt investment market nevertheless recorded its second-best result ever, highlighting its attractiveness in impressive manner with a transaction volume of over €8.9 billion (-13 %). This places the Hessian city third in the nationwide rankings behind Berlin and Munich, both of which managed to breach the €10 billion turnover threshold, a first achieved by Frankfurt back in 2018. Once again, a whole series of large-volume deals contributed to the excellent result. In all, 17 individual deals were reported in the category over €100 million. The most prominent deals include the sales of the Squaire at the airport, Frankfurter Welle, Taunusanlage 8 (T8) and 99 West. The Frankfurt-related content of portfolio transactions also makes a notable contribution, at 14 %.

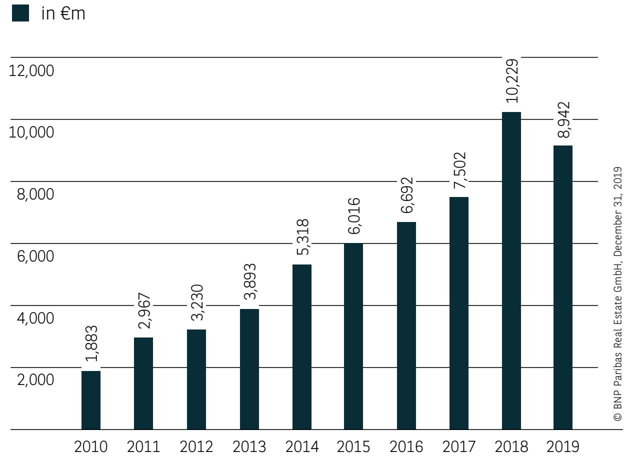
MARKED GROWTH IN TURNOVER FROM MEDIUM-SIZED DEALS

The drop in the volume compared to the all-time high of 2018 is attributable solely to the segment over €100 million. While still contributing the lion's share (56 %), this segment was unable to repeat the previous year's exceptional performance primarily on account of an inadequate supply. In contrast, the transaction volume in the size categories between €10 and €100 million showed another substantial rise in both relative and absolute terms. This indicates that the Frankfurt market is of interest to many different types of investor, even though the spectacular sales of high-rise buildings are often the focus of attention.

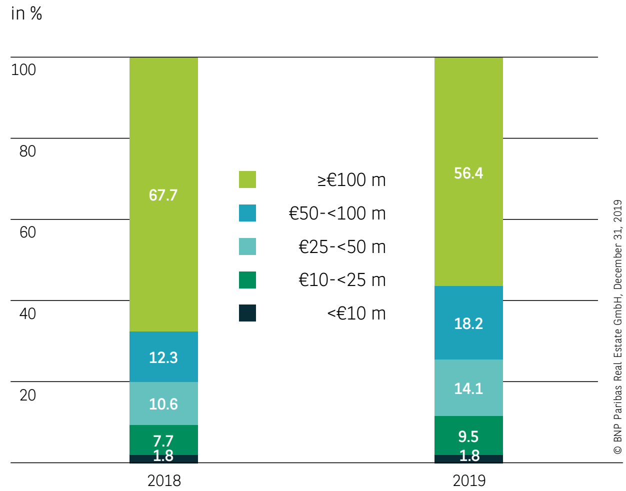
OFFICE INVESTMENTS ON PAR WITH MULTI-YEAR AVERAGE

Office properties attracted three quarters of the total investment volume, once again confirming Frankfurt's standing as the capital city of office investments. This share is on a par with the multi-year average, but falls short of the exceptional contribution from 2018 (82 %). Second place goes to hotels, whose 9.5 % share is attributable to a substantial extent to the hotel component of the Squaire deal. The leading trio is rounded off by logistics properties, at 5 %, achieving one of the best results of the past ten years. Retail properties and development sites each claim a share in the order of 3 %.

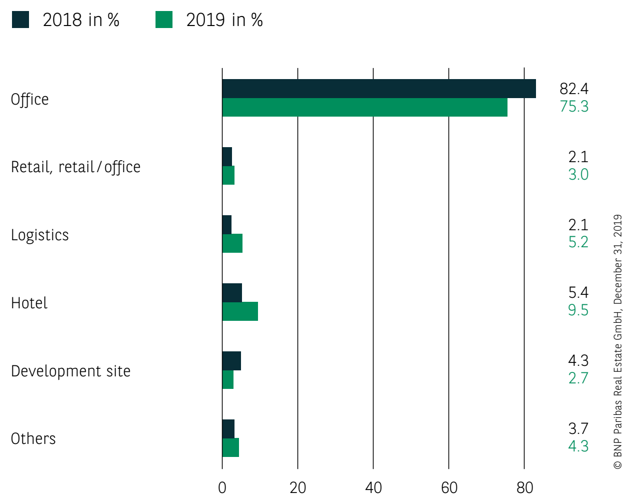
INVESTMENTS 2010 TO 2019 IN FRANKFURT



INVESTMENTS BY € CATEGORY IN FRANKFURT



INVESTMENTS BY TYPE OF PROPERTY IN FRANKFURT



FOUR BUYER GROUPS WITH DOUBLE-DIGIT SHARES

The extensive participation by various types of investor underscores the Frankfurt investment market's broad-ranging appeal. Special-purpose funds lead the rankings on just under 22 %, followed by listed real estate companies / REITs and investment managers, each with a 14.5 % share. Sovereign funds also report a double-digit share in turnover, at just under 11 %. These funds contribute a share in Frankfurt which is markedly above the nationwide average, as is the share of foreign investors, at just under 48 %. Frankfurt's international character plays a crucial role here, as reflected not least of all in the fact that buyers from the Middle East (with a good 13 % share) and Asian investors (just under 9 %) invest substantially more heavily in Frankfurt than in other German cities. The city's metropolitan appeal is a particularly important aspect of the investment rationale for the two latter investor categories.

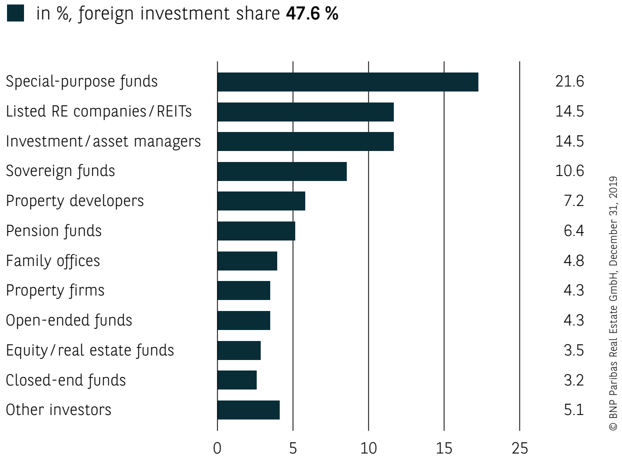
YIELD COMPRESSION CONTINUES

The net prime yields have fallen once again in response to the strong demand and continuing good underlying financing conditions. For office properties they have dropped by 15 basis points over the past twelve months, to a current level of 2.80 %, putting Frankfurt in third place nationally, behind Berlin and Munich. In the logistics segment they have fallen over the same period by as much as 35 basis points and now stand at 3.70 %, as in the other major locations. The net prime yields for inner-city retail / office buildings remain unchanged at 3.10 %.

CONTINUING GOOD OUTLOOK FOR 2020

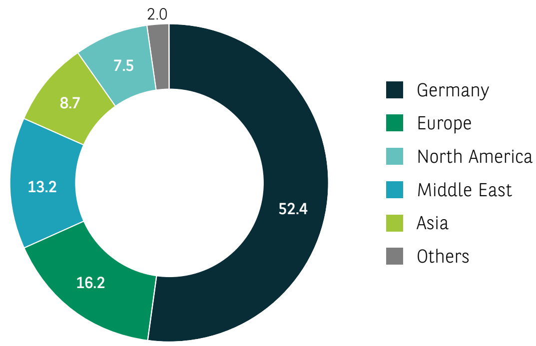
As things stand, 2020 also looks set to witness an above-average transaction volume. A key contributory factor here will be the continuing good financing environment combined with an expected further increase in investment pressure due to additional capital inflow resulting from maturing government bonds, for example. The good shape of the user markets, with foreseeable potential for rent increases and a further array of major transactions in their preparatory stages, also supports this assessment. In the light of this situation, a result well in excess of €6 billion and thus markedly up on the multi-year average appears realistic. A further slight drop in yields cannot be ruled out, in the face of strong competition on the investor side.

INVESTMENTS BY BUYER GROUP IN FRANKFURT

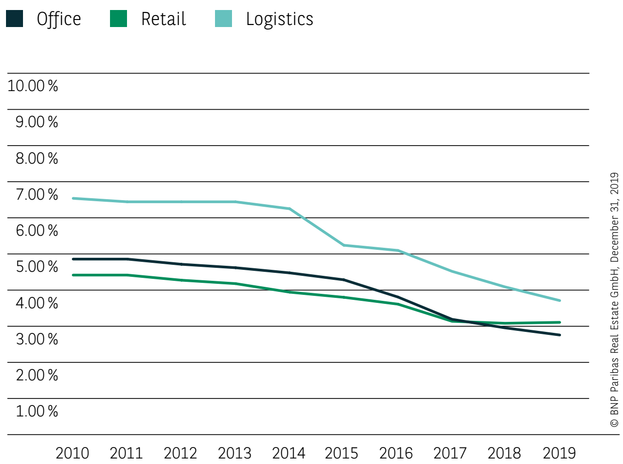


INVESTMENTS BY ORIGIN OF CAPITAL IN FRANKFURT

in %



NET PRIME YIELDS BY TYPE OF PROPERTY IN FRANKFURT



HAMBURG

SHORT SUPPLY CURBS INVESTMENT VOLUME

The Hamburg investment market was unable to maintain the previous record year's high momentum in 2019, closing the year more than 25 % down on 2018's result, with a transaction volume of a good €4.4 billion. In contrast to most other major locations, the very high level of demand which continues to exist in Hamburg is not reflected in rising investment volumes. The result nevertheless represents the third-best performance of the past ten years and is around 24 % up on the multi-year average. An adequate supply is lacking in virtually all segments, however, leading to a noticeable decline in the overall number of properties sold in comparison to previous years. The good year-end result for Hamburg ultimately hinged on a small number of large-volume deals. These included properties from the takeover of the Dream Global REIT and the Millennium portfolio. In all, portfolio transactions account for a volume of just under €1.9 billion, which represents the highest level since 2007.

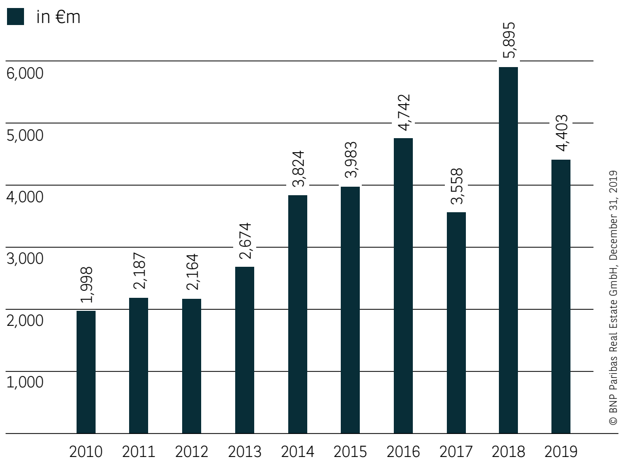
DEALS ON AVERAGE SMALLER THAN IN 2018

Following the previous year's exceptional result, with a mere sixteen deals making up almost half of the total transaction volume, the share of large-volume deals shrank significantly in 2019, to 31 %. In historical terms, this is nevertheless an above-average level which was last attained in 2012. A welcome aspect is the fact that a third of the volume derives from the size category between €50 and €100 million, which includes prominent urban developments such as Neue Burg 1. Smaller property volumes of up to €50 million contributed almost the same share as in the previous year, at 36 %, but declined in absolute terms by around 26 %. Overall, this results in an average transaction volume of €35 million which, while 13 % below the previous year's figure, is higher than in any other year.

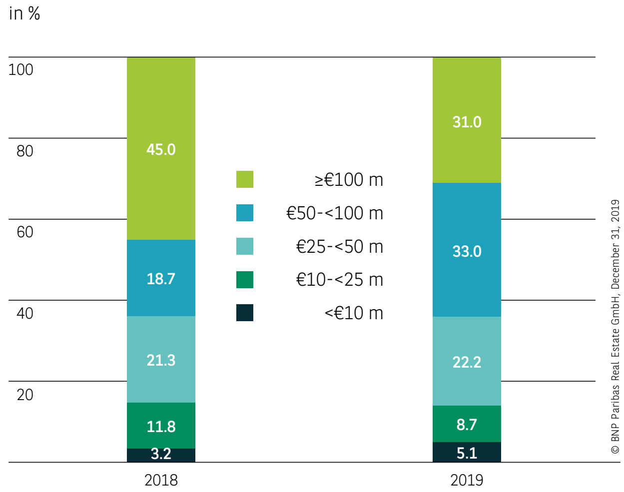
STRONG FOCUS ON OFFICE INVESTMENTS

The office segment, which traditionally represents an important asset class in Hamburg, contributed by far the largest share to the total transaction volume once again in 2019. Accounting for almost two thirds of the total, its contribution was markedly up on the multi-year average, at 54 %. While the result was slightly down on the previous year in absolute terms (-4 %), this was the only property class to remain roughly on the same level. Sharp drops are to be observed for the retail, logistics and hotel segments – these are clearly attributable to an inadequate supply, however.

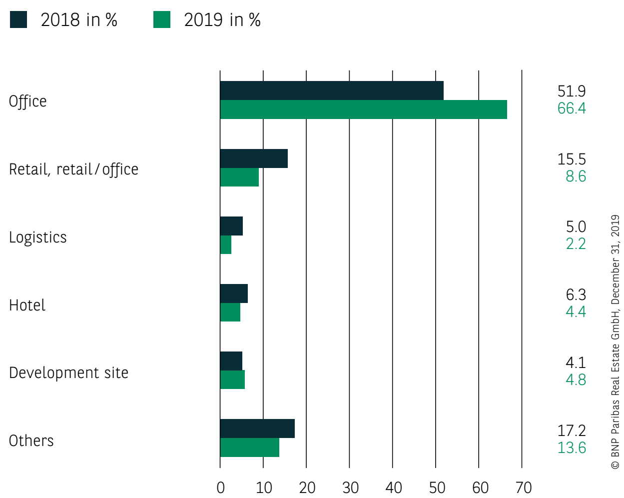
INVESTMENTS 2010 TO 2019 IN HAMBURG



INVESTMENTS BY € CATEGORY IN HAMBURG



INVESTMENTS BY TYPE OF PROPERTY IN HAMBURG



however.

SPECIAL-PURPOSE FUNDS STRONGER THAN EVER

As in the previous twelve months, special-purpose funds were particularly prominent, with a total of €1.5 billion marking a new record in Hamburg. Contributing a 34.5 % share, they clearly dominate the market and also include the year's three biggest deals. Open-ended funds invested substantially less, following up in second place on around 12 %. This investor category failed to make any impression whatsoever in the previous year. A major portion of the investment volume here derives from Commerz Real's acquisition of the Millennium portfolio for the HausInvest open-ended real estate fund, where numerous properties in Hamburg are held. The share of foreign investors is up on the multi-year average of 32 %, at 39 %. European and North American buyers were particularly active, together investing over €1.6 billion.

A DECADE OF YIELD COMPRESSION

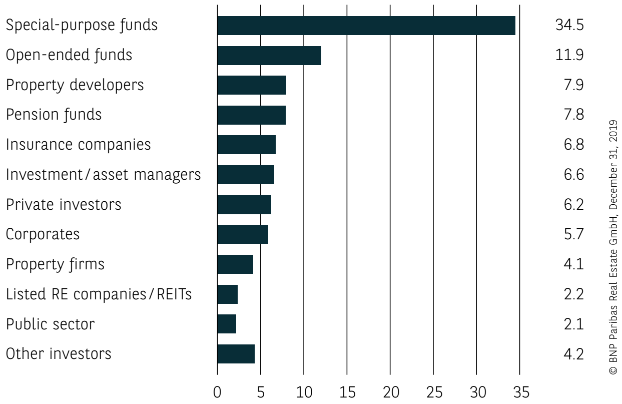
The continued high demand among investors, which faces an ever-diminishing supply particularly in the core segment, has further intensified the competition for the sought-after properties in Hamburg, prompting a further rise in prices. The sole exception here is inner-city retail / office buildings, which have been stable at 3.00 % for over two years now on account of the challenging times facing high street retailers. Office and logistics properties paint a very different picture, with yields here in continual decline for a decade now in the face of sustained low interest rates: Since 2009 – when the bottom of the last cycle was reached – office yields have dropped by no less than 240 basis points and logistics yields by as much as 340 basis points, to 2.80 % and 3.70 % respectively at year-end 2019.

DEMAND PRESSURE SET TO CONTINUE

Hamburg is regarded by both domestic and foreign investors as a safe haven within Germany. At present, all the signs are that the market will develop along similar lines in 2020 to what has been witnessed in 2019. Unchanged low interest rates, favourable financing terms, a lack of alternative investment options and stable occupier markets will continue to provide the underlying conditions for an unabated high level of demand. It remains to be seen whether the annual result will top the €4 billion mark once again, however, in view of the limited supply which dogs the large-volume core segment in particular.

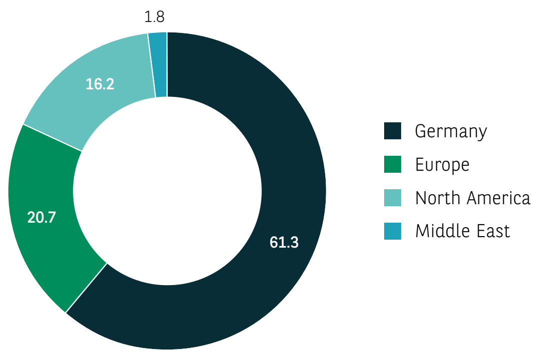
INVESTMENTS BY BUYER GROUP IN HAMBURG

in %, foreign investment share **38.7 %**



INVESTMENTS BY ORIGIN OF CAPITAL IN HAMBURG

in %



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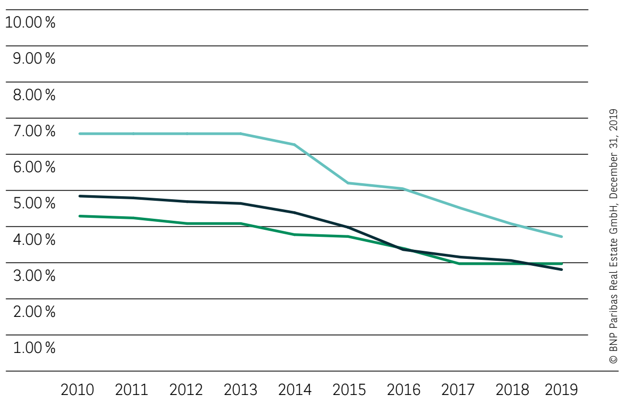
NET PRIME YIELDS BY TYPE OF PROPERTY IN HAMBURG

Office Retail Logistics

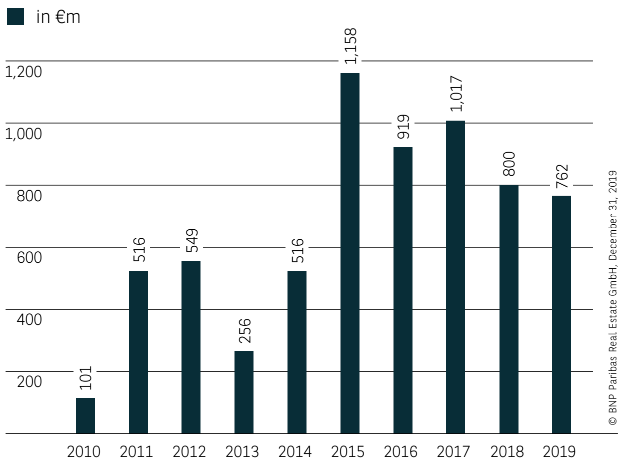


LEIPZIG

TURNOVER ALMOST ON A PAR WITH PREVIOUS YEAR

The Leipzig investment market was in robust shape once again in 2019, achieving a transaction volume of a good €760 million. While this fell just short of the previous year's result (-5 %), it was well up on the 10-year average (+16 %). It is nevertheless apparent that a downward trend has been in progress since 2015. The gradual decline in the investment volume is not attributable to any lack of interest among investors, however. Rather, the supply is so limited that it comes nowhere near being able to meet the prevailing demand. The lack of investment opportunities in the large-volume core segment has a particularly negative impact on the investment market's overall performance. In all, only 52 sales were recorded in 2019. A tally below this figure was last reported in 2014.

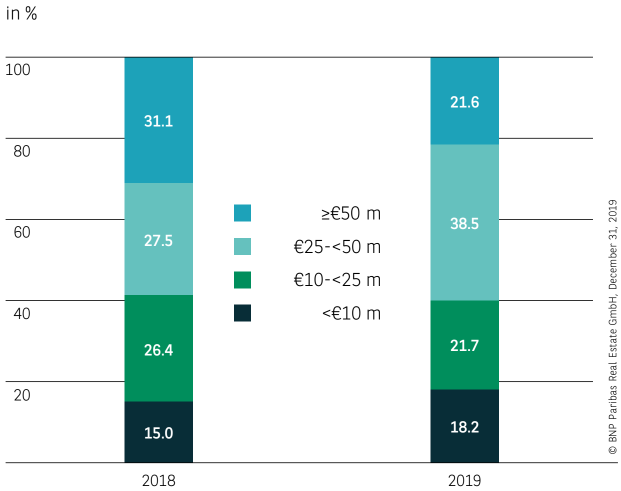
INVESTMENTS 2010 TO 2019 IN LEIPZIG



FEWER MAJOR TRANSACTIONS

The breakdown of turnover by size categories does not reveal any substantial structural changes: The two larger volume classes over €25 million attained a market share of around 60 %, as in 2018, while the remaining 40 % was generated by deals under €25 million. A notable shift has occurred within the two highest-volume size categories, however. While major transactions generated €50 million and accounted for almost one third of total turnover in 2018, the corresponding figure for 2019 was only 22 %. Thanks to a relatively high number of deals in the mid-range size categories, the average deal volume per sale was nevertheless up slightly on the previous year, at €14.7 million as compared to €13.8 million.

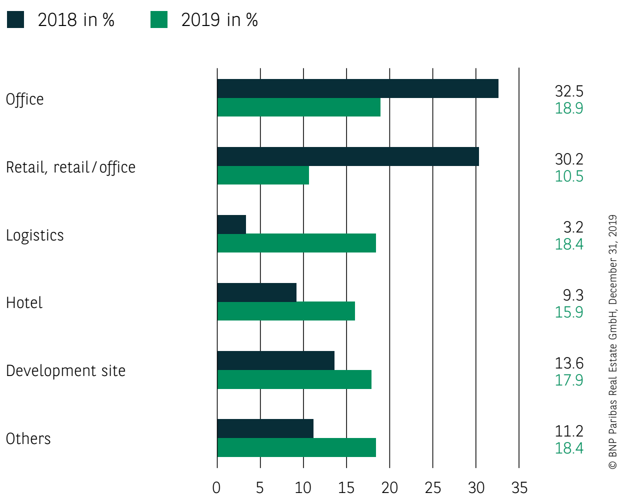
INVESTMENTS BY € CATEGORY IN LEIPZIG



EVEN SPREAD OF SHARES IN TOTAL TURNOVER

While office and retail properties alone made up almost two thirds of the total turnover in 2018, the breakdown of turnover in 2019 presents a very well-balanced picture. Office properties lead the rankings on just under 19 %, with logistics properties and development sites following up closely behind, each on 18 %. The latter categories are clearly benefiting from the sale of several large development sites located to the west of the central railway station, on the grounds of the former Eutritzscher Freiladebahnhof freight station and along the railway line in the area of the Bayerischer Bahnhof railway station. New districts assigned to mixed usage are to be developed at each of these sites. Hotels (16 %) and retail properties (11 %) also make a notable contribution to the total transaction volume, which means that all asset classes achieved a market share above the 10 % threshold in 2019.

INVESTMENTS BY TYPE OF PROPERTY IN LEIPZIG



SPECIAL-PURPOSE FUNDS AND DEVELOPERS AHEAD

The breakdown of turnover by buyer groups shows a broad spread of demand, with five buyer groups again claiming double-figure percentage shares. Special-purpose funds lead the field, accounting for a good 18 % of the investment volume. They are particularly predominant in the mid-range investment segment, where they are responsible for six transactions in the €10 to €25 million bracket. Property developers follow up shortly behind on 18 %, taking second place in particular on account of the large number of sites sold for urban development projects in Leipzig. Property firms (12 %), investment/asset managers (12 %) and listed real estate companies/REITs (10 %) also claim double-digit percentage shares of the total transaction volume.

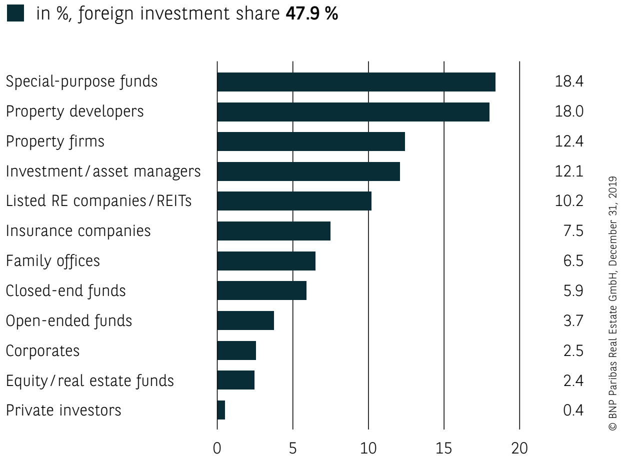
MARKED DROP IN YIELDS

The combination of favourable financing terms and a robust macro-economic situation has led to steeply rising prices and falling yields in Leipzig, too. Yield compression has nevertheless been moderate to date in comparison to the A-locations. A marked kink in the trend for prime yields was to be observed in 2019, however: While the yield for retail/office buildings in the prime locations fell by "only" 20 basis points to 4.00 %, the return on premium properties in the office segment is currently down by a full 50 basis points, at 3.80 %. Logistics properties show a similarly drastic drop in yields: Prime yields now stand at only 4.05 %, as compared to 4.50 % at the end of 2018. While the yields for office and retail properties are on average still around 1 percentage point higher than in the Top 7, pronounced catch-up effects are now discernible.

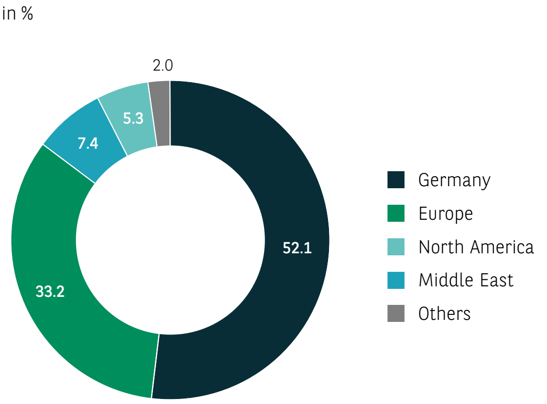
OUTLOOK REMAINS POSITIVE

A slight drop in turnover for the Leipzig investment market in 2019 forms part of a negative medium-term trend. In view of the keen demand, markedly higher turnover would have been possible, were it not thwarted by an ever shrinking supply. The upshot is continually rising prices and falling yields in all asset classes. The relatively high level of construction activity and, in particular, a number of urban district developments hold out hope that an improved supply might become available in the coming years, creating potential for substantially higher investment turnover.

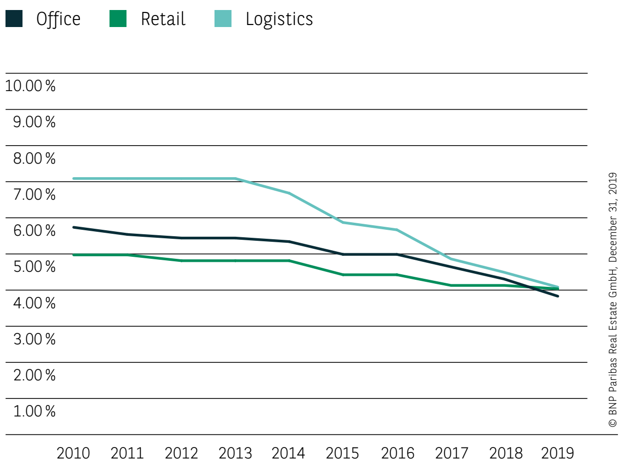
INVESTMENTS BY BUYER GROUP IN LEIPZIG



INVESTMENTS BY ORIGIN OF CAPITAL IN LEIPZIG



NET PRIME YIELDS BY TYPE OF PROPERTY IN LEIPZIG



MUNICH

€10 BILLION MARK TOPPED

Munich has joined Berlin and Frankfurt in an exclusive club by breaching the €10 billion threshold within a year for the first time, reporting a transaction volume of just under €10.7 billion. This obviously set a new all-time high, which is 60 % up on the previous year's already exceptional result and twice as high as the ten-year average. With this performance, Munich comes second only to the capital in the nationwide rankings. Individual deals account for just under €8.3 billion, which also represents a new record. The most important sales include the Siemens Campus, the Tucherpark Campus and Die Macherei. The Munich-related content of portfolio transactions also bolstered the result, contributing €2.4 billion. Only 2007 saw Munich benefit even more strongly from this market segment.

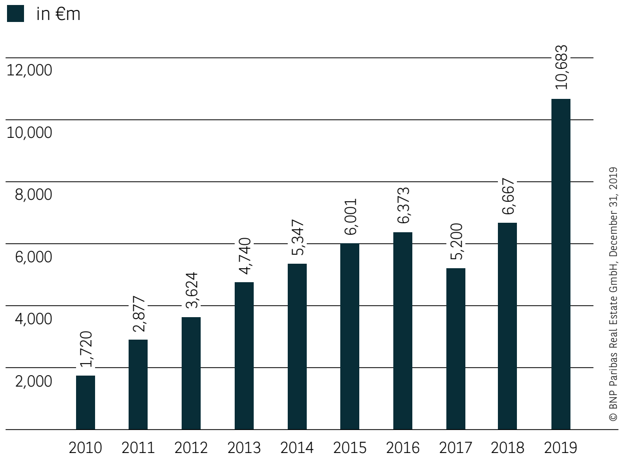
MAJOR DEALS PROVIDE FOR SURGE IN TURNOVER

While the market was extremely lively across all segments, large-volume deals in the range over €100 million nevertheless contributed the largest share to the new all-time high. This size category accounts for just under two thirds of the total transaction volume – an unprecedentedly large share in Munich. A good fifth of this total was invested in property developments. Plenty of activity was also to be observed in the other market segments. Sales between €25 and €50 million rose by almost 50 %, for example, while smaller properties under €10 million experienced a twofold increase in turnover. This result once again underscores the broad spectrum of different investors who have great confidence in the Munich market.

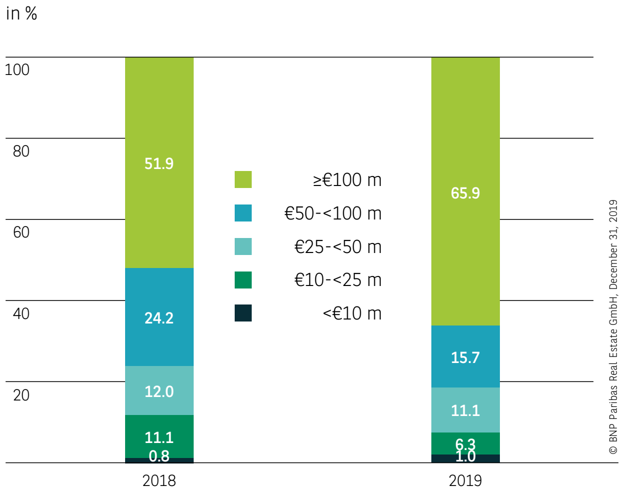
OFFICES REMAIN THE MOST POPULAR INVESTMENT PROPERTIES

Offices proved the leading asset class once again. While increasing their absolute transaction volume by almost 80 %, they also attained a share of total turnover in the order of 70 %, which is roughly on a par with the multi-year average. Retail properties follow up in second place, contributing a good 10 % to the result and rallying appreciably after a weak previous year. This market segment benefited not least of all from a number of portfolio transactions relating to Munich. Logistics properties account for a good 4 % share and hotels contribute just under 5 % to the result. The significance of development sites (a good 3 %) is waning, in part on account of the inadequate supply of sites.

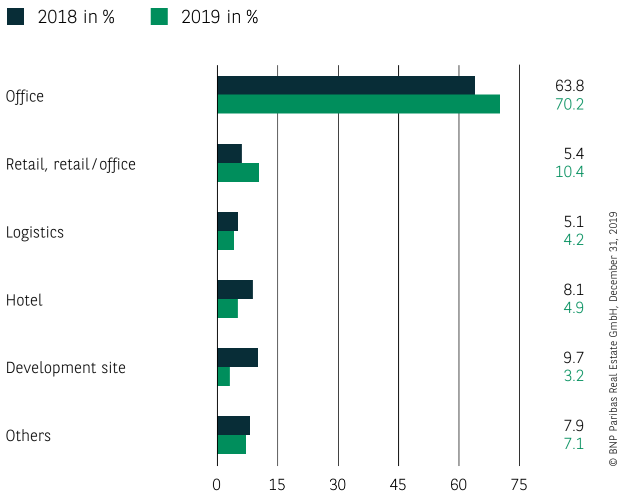
INVESTMENTS 2010 TO 2019 IN MUNICH



INVESTMENTS BY € CATEGORY IN MUNICH



INVESTMENTS BY TYPE OF PROPERTY IN MUNICH



INVESTORS WITH VARYING RISK PROFILES

The breakdown of turnover by types of investor shows Munich to be an important target market for a diverse spectrum of buyers. No less than four categories of investor achieved shares in double percentage figures. Special-purpose funds lead the field once again, even increasing their share to 24 %. Open-ended funds take second place, contributing 17.5 % to the result. Investment managers and pension funds are neck and neck in the following positions, both claiming a share of around 12 %. Listed real estate companies / REITs also invested strongly in the Bavarian capital, with a share of just under 9 %, and property developers contributed a good 7 %. While the contributions by all the other buyer categories, such as family offices or private investors, are only small in relative terms, they each nevertheless invested several hundred million euros.

FURTHER RISE IN PRICES FOR OFFICES AND LOGISTICS PROPERTIES

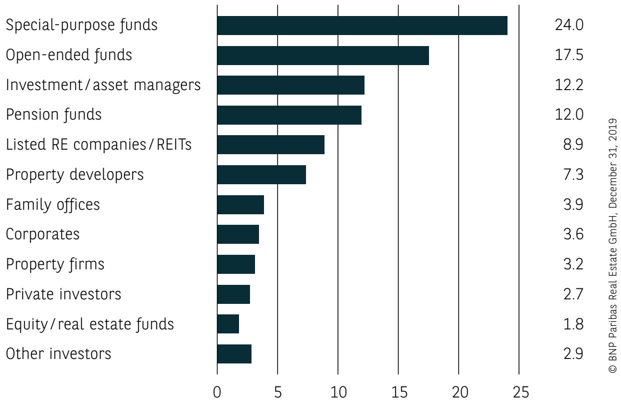
Strong investor demand combined with a limited supply in some instances has kept prices under pressure. The prime initial yields for office properties have fallen accordingly, and currently stand at 2.60 %. This means that Munich has now caught up with Berlin, together with which it now represents the most expensive location in Germany. A similar situation applies in the area of logistics properties. Here too, the available supply falls far short of meeting the prevailing demand, as a result of which the prime yield has now dropped to 3.70 %. In contrast, the prime yield for inner-city retail / office buildings remains unchanged at 2.80 %.

HIGH TRANSACTION VOLUME TO BE EXPECTED AGAIN IN 2020

There is every indication that a high transaction volume is to be expected once again for 2020. Various grounds give rise to this assessment. First and foremost, the terms for financing remain attractive and a high pressure to invest continues to apply. At the same time, there are virtually no alternative investment options available which promise similar yields combined with a comparable degree of security. Property developments additionally give rise to a growing supply and offer interesting prospects as forward deals. The rallying economy as a whole and the good outlook for the occupier markets also play an important role. Against this backdrop, an above-average result appears to be on the horizon for the current year as well. While a result in excess of €10 billion is not to be expected, a volume of between €6 and €8 billion appears realistic.

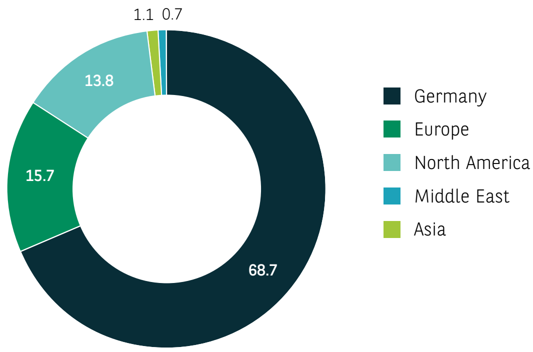
INVESTMENTS BY BUYER GROUP IN MUNICH

in %, foreign investment share **31.3 %**



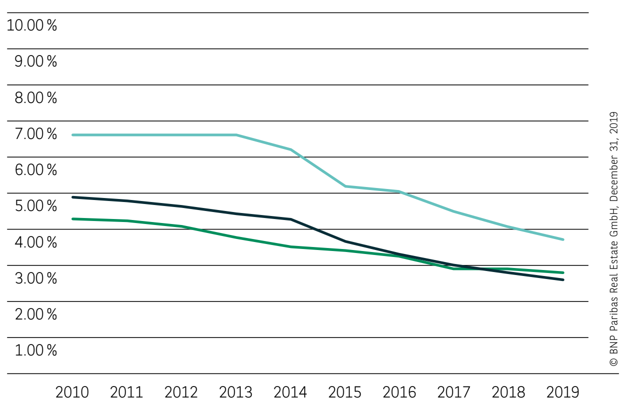
INVESTMENTS BY ORIGIN OF CAPITAL IN MUNICH

in %



NET PRIME YIELDS BY TYPE OF PROPERTY IN MUNICH

Office Retail Logistics



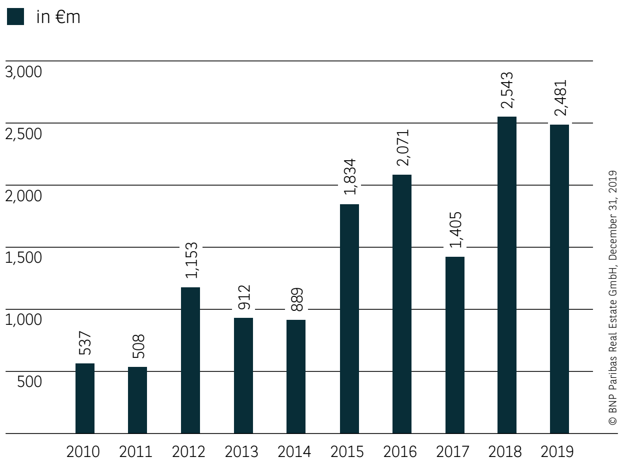
BNP PARIBAS
REAL ESTATE

STUTTGART

STRONG RESULT IN THE SWABIAN METROPOLIS

In 2019, the investment market in the capital of the German state of Baden-Württemberg maintained its outstanding performance of recent years. An investment volume of a good €2.48 billion represents the second-best result ever reported. While slightly down on the record result from 2018 (-2 %), the transaction volume is nevertheless a hefty 73 % above the multi-year average. A notable aspect of this result is that, in addition to the traditionally strong individual deals (just under €1.69 billion), portfolio deals also made a substantial contribution, at €796 million. Stuttgart even reported the second-largest share of portfolio transactions among Germany's A-locations, at around 32 %. Overall, this market activity once again shows investors to be focusing their attention increasingly on this Swabian city.

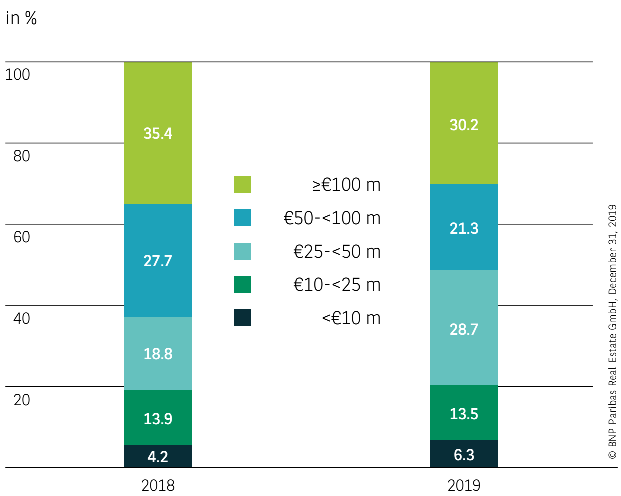
INVESTMENTS 2010 TO 2019 IN STUTTGART



WELL-BALANCED SPREAD OF SIZE CATEGORIES

On the basis of a number of major deals, of which the sale of the Königsbaupassagen (approx. €280 million) and the Thales headquarters (over €240 million) represent the most prominent examples, the size segment over €100 million contributed a good 30 % share to the total transaction volume and leads the corresponding breakdown of segments. Also, as in 2018, the other segments yet again contributed major shares to the result. Second place goes to sales between €25 and €50 million (29 %), which in absolute terms reported the best turnover of the past five years, thereby forcing property sales in the range from €50 to €100 million down into third position, on a share of 21 %. The result is rounded off by investments under €25 million, which amassed a share of just under 20 %.

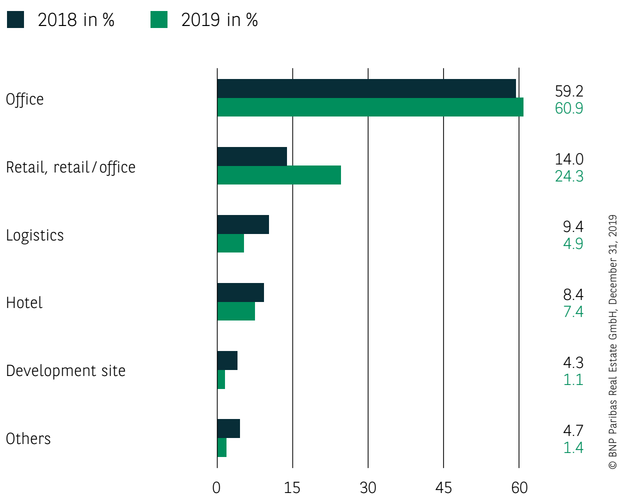
INVESTMENTS BY € CATEGORY IN STUTTGART



FOCUS ON OFFICE PROPERTIES

As in the preceding years, the office asset class contributed the lion's share of just under 61 % to the year-end result, equalling the transaction volume reported in the record year of 2018 in the process. This once again highlights investors' confidence that Stuttgart's office market will remain a dynamic force to be reckoned with. Retail properties represent the second mainstay behind the overall result, with a good 24 % share substantially raising their standing once again, even compared to 2018. The fact that the other asset classes – hotels (with a good 7 % share), logistics (just under 5 %) and development sites (around 1 %) – fell short of the previous year's levels can be seen as one reason why no new record was set.

INVESTMENTS BY TYPE OF PROPERTY IN STUTTGART



SPECIAL-PURPOSE FUNDS DOMINATE MARKET ACTIVITY

In all, three buyer categories contributed double-figure percentage shares to the result. Special-purpose funds lead the field with a dominant share of a good 27 %. Second and third places go to insurance companies (13 %) and pension funds (11 %), whose results benefited in each instance from the above-mentioned major investments. For all three buyer segments, both the shares and the absolute volumes represent the highest levels for five years. The overall broad demand for Stuttgart property investments is illustrated by the fact that corporates, property developers, closed-end funds, listed real estate companies / REITs and property firms all contributed shares of around 6 to 8 %. Stuttgart is also an interesting market for foreign investors, who claim a share of 51 % of the overall result. Berlin is the only location in Germany to attain a higher level.

OFFICE AND LOGISTICS YIELDS DOWN

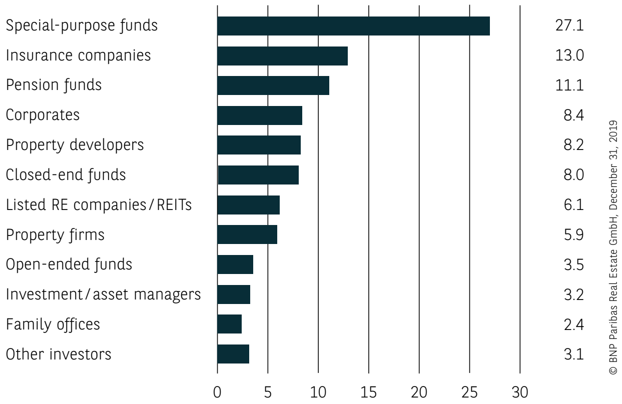
Investors' growing interest in investment properties in Stuttgart is intensifying competition for the limited supply of corresponding products. This situation has led to a further reduction in the net prime yields for office properties. Over the past 12 months, these have fallen by a further 15 basis points to a current level of 3.00 %. In nationwide terms, this puts Stuttgart on a par with Cologne and Düsseldorf. A marked change is also discernible for logistics properties (-35 basis points), which currently return a net prime yield of 3.70 %. In contrast, the yields for inner-city retail / office buildings have been stable since 2017.

ENCOURAGING PROSPECTS FOR 2020

There are various indications that the positive trend for the booming Stuttgart investment market will continue in 2020. As the traditional mainstay of Stuttgart's transaction volume, the office asset class should continue to attract a high level of interest from investors in view of the dynamic trend on the office market. This backdrop, together with an optimistic forecast for the economic situation in Stuttgart and the recovery of the German economy as a whole, make an above-average volume a likely scenario. Whether the €2 billion threshold is breached for the third year in succession will depend primarily on the available supply of attractive investment properties.

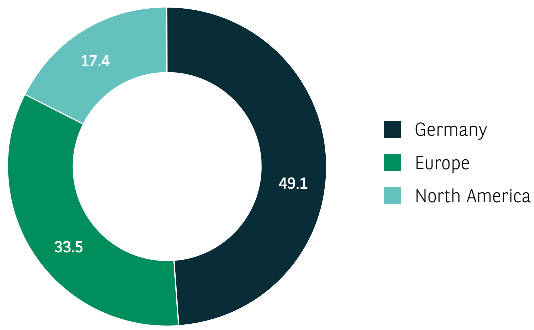
INVESTMENTS BY BUYER GROUP IN STUTTGART

in %, foreign investment share **50.9 %**



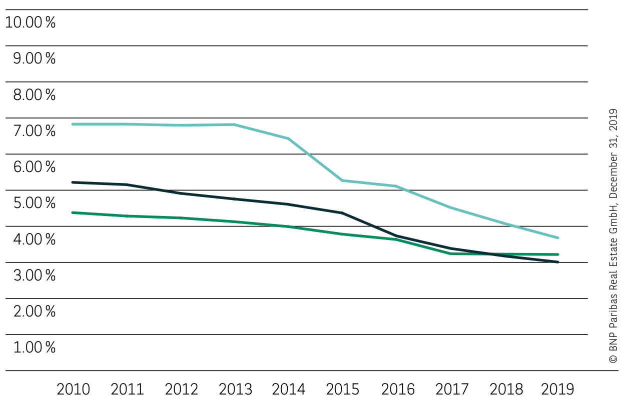
INVESTMENTS BY ORIGIN OF CAPITAL IN STUTTGART

in %



NET PRIME YIELDS BY TYPE OF PROPERTY IN STUTTGART

Office Retail Logistics



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