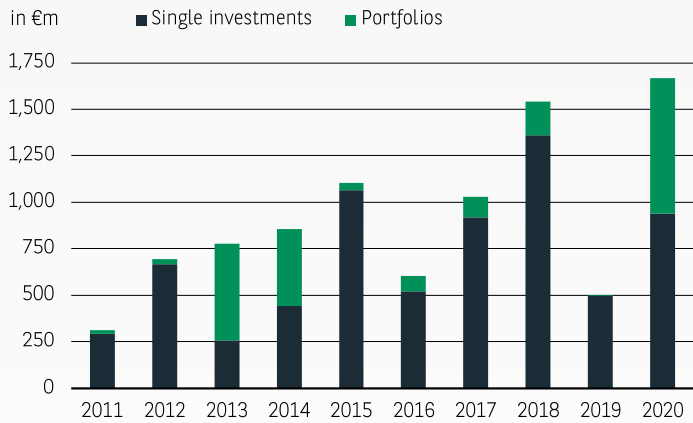




At a Glance **Q1 2020**

INVESTMENT MARKET FRANKFURT

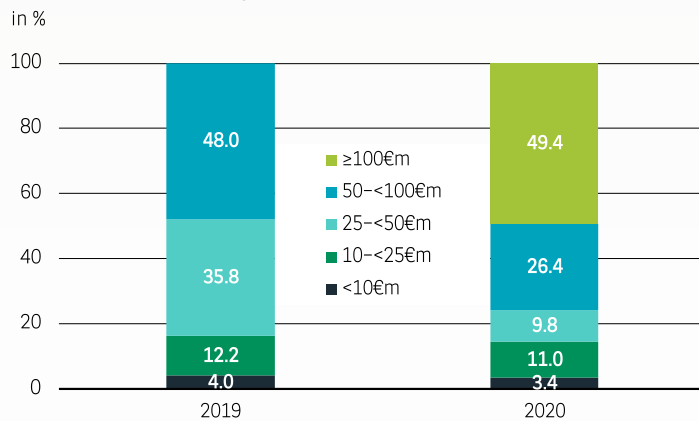
Investment volume Q1



PORTFOLIO VOLUME ENSURES RECORD TURNOVER

In the first quarter, the investment market in Frankfurt benefited from a proportionately high turnover with partly included portfolio transactions. As a result, a new record is set with a transaction volume of almost €1.67 billion, more than tripling the previous year's figure. At around €729 million, more than ever before, this volume is attributable to properties from package sales located in the Frankfurt market area. First and foremost are properties resulting from the takeover of TLG by Aroundtown, which contributed over half a billion euros to the result. However, individual sales of €938 million also produce a very good result, which has only been exceeded twice in the past. Against this background, it is not surprising that Frankfurt came second in the nationwide ranking and only had to concede defeat to the German capital Berlin. Possible effects of the corona crisis are therefore not yet reflected in the turnover of the first three months - as is the case all over Germany. Among the most important transactions were the sale of MaRo and Westend Carree.

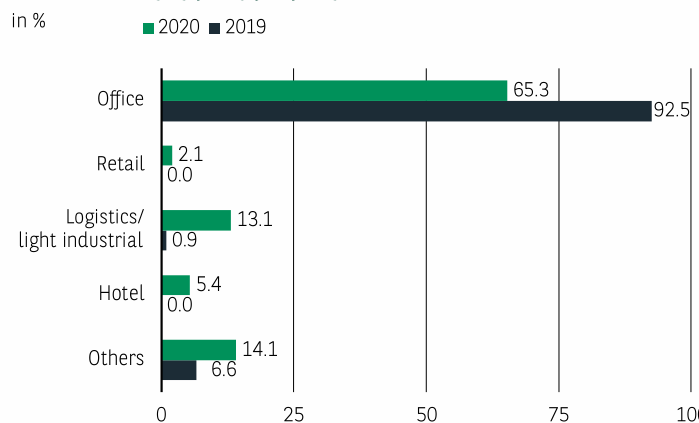
Investments by € category Q1



LARGE DEALS CONTRIBUTE HALF OF THE TURNOVER

In the first quarter of 2020, major deals in the triple-digit million range, which are traditionally important for the Frankfurt market, again made a significant contribution to the good investment turnover. Overall, almost half of the volume is attributable to this market segment. This means that it remains at the long-term level. The second-largest category between €50 and €100 million also contributed another good 26% to the result. On the other hand, the analysis shows that even in the smaller category of up to €25 million, brisk market activity could be observed. Here, the turnover shares of the previous year were almost maintained. However, the absolute volume has increased significantly.

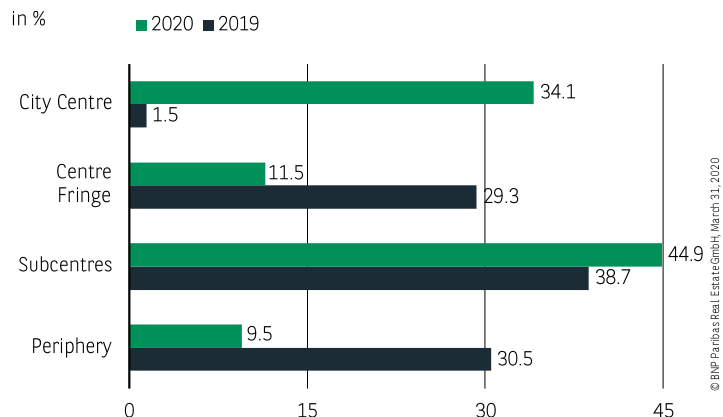
Investments by type of property Q1



OFFICE SLIGHTLY BELOW AVERAGE

With a turnover share of just under two thirds, office again represents the most important asset class on the Frankfurt market. However, the figure is several percentage points lower than the long-term average. Logistics properties follow in second place with around 13%, to which the purchase of part of the Necker-mann plot on Hanauer Landstrasse contributed significantly. Hotel investments, which have gained noticeably in importance in the banking metropolis in recent years, also contributed a good 5%. Retail objects account for a good 2% and are thus in a similar order of size as in the years 2018 and 2019 as a whole.

Investments by location Q1

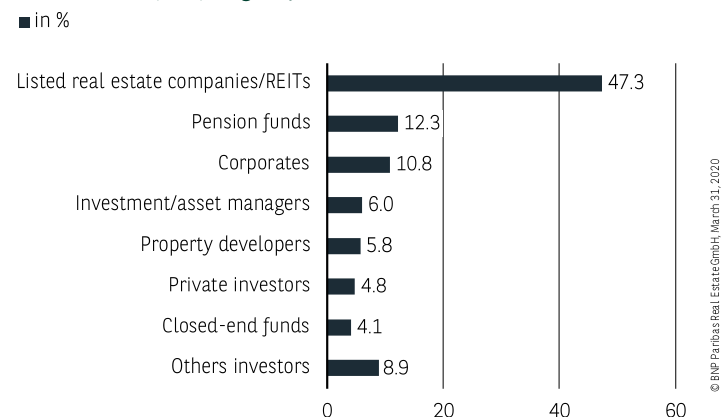


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SUBCENTRES WITH HIGHEST TURNOVER

The Subcentres in Frankfurt, which were already strong last year, were able to increase their share of sales once again in the first three months and have now taken the lead among all locations with almost 45%. This is partly due to many properties from proportionately included package sales, which are located here and thus have a significant impact on turnover. As a result, the City Centre which is usually the dominant location in Frankfurt, is only in second place, although it still brings more than a third of the overall result to the table with 34%. With a contribution of 11.5% and 9.5% respectively, the City Fringe zones and locations on the Periphery complement the distribution of the transaction volume over the market area.

Investments by buyer group Q1 2020

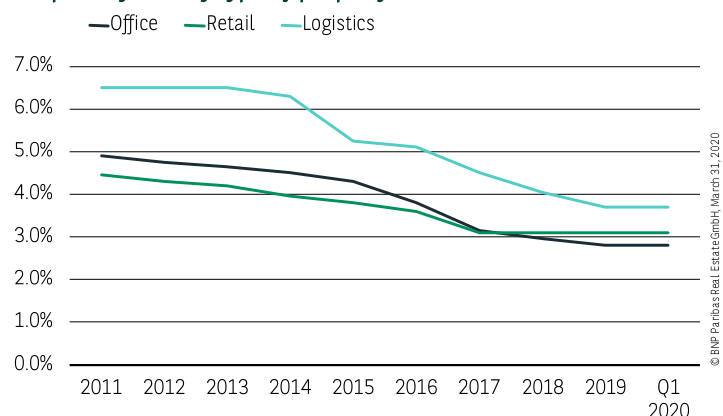


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LISTED REAL ESTATE COMPANIES/REITS IN FRONT

The distribution of turnover among investor groups is also determined to a large extent by the high proportion of portfolios, with the result that listed real estate companies/REITs have an unusually high turnover share of 47%. In recent years, this figure has typically been between 10 and 15%. Pension funds follow on the podium with a good 12% and corporates with just under 11%. In contrast, the traditionally strong funds in Frankfurt have so far played only a minor role. Investment managers, project developers, private investors and closed-end funds each contribute between 4 and 6%.

Net prime yields by type of property



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PRIME YIELDS UNCHANGED IN THE FIRST QUARTER

At the beginning of the year, slight price increases were still apparent. Ultimately, however, the sales concluded in the first quarter, many of which were already at an advanced stage of negotiations at the beginning of the year, generated yields comparable to those at the end of 2019. Since the introduction of the measures to contain the corona crisis, no significant properties have been sold that would reflect a changed yield level. Accordingly, no adjustments have been made so far. Against this background, the prime net yield for offices remained at 2.80% in the first quarter. For inner-city retail properties in prime locations, the rate keeps stable at 3.10% and logistics properties are quoted at 3.70%.

PERSPECTIVES

Even though the investment markets got off to a very good start to the year, it can be assumed that the effects of the corona crisis will also be felt on the investment markets as the year progresses. At this point, the expected transaction volume for the year 2020 cannot be reliably estimated due to the still unchanged uncertainty about the further course of the crisis. However, the probability that results will be significantly lower than in 2019 is very high. The future development of yields also remains to be seen at present.

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