

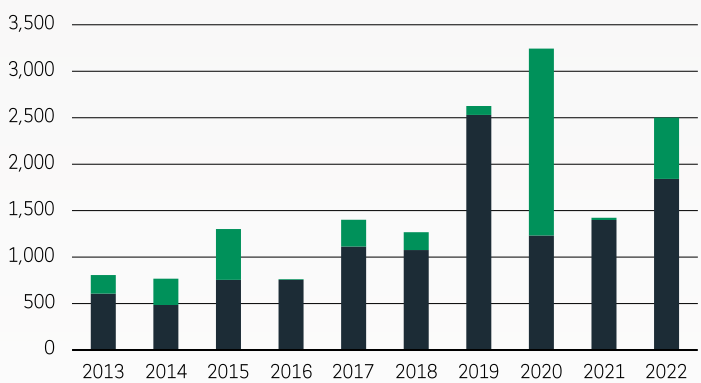


At a Glance **Q1 2022**

INVESTMENT MARKET BERLIN

Investment volume Q1

in €m ■ Single investments ■ Portfolios



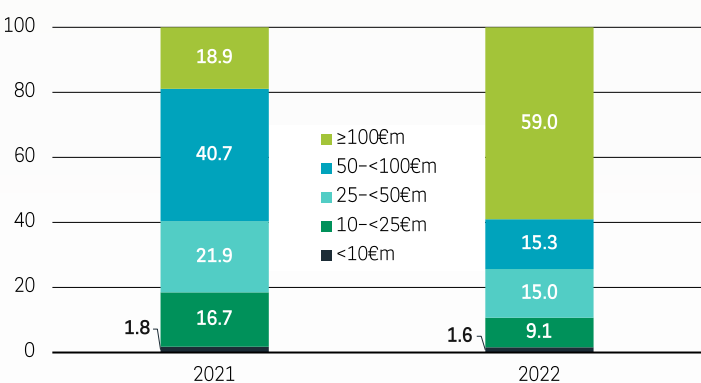
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THIRD BEST RESULT OF ALL TIME

The Berlin investment market is off to a dynamic start in 2022. With an investment volume of €2.5 billion, not only did it exceed the previous year's result by 76%, but it was also the third-best start into the year of all time. The ten-year average was also exceeded by 55%. Despite the Corona pandemic still affecting wide areas of economic life, investors continue to focus on a long-term positive future for the German capital and are placing substantial investments in order to participate in this development. The expected lower economic growth in the current year caused by the war in Ukraine and the imposed sanctions has not yet been reflected in the investment market so far. In the nationwide comparison, Berlin has joined Frankfurt at the top of the list of major German cities. Encouragingly, both individual and portfolio transactions contributed to the good start on a large scale, each achieving their second-best result ever. Overall, six individual transactions in the triple-digit million range have already been recorded in the first three months.

Investments by € category Q1

in %



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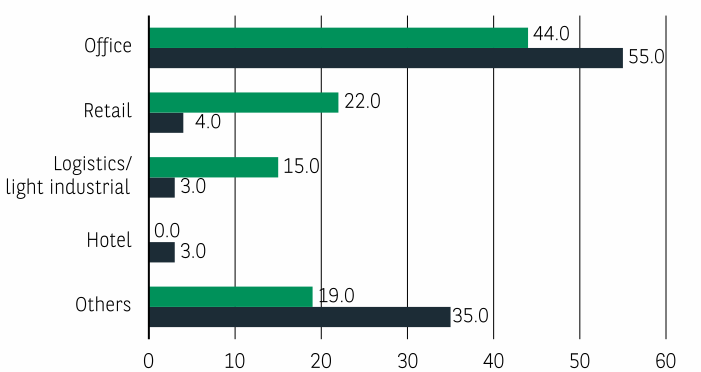
HIGH SHARE OF LARGE VOLUME INVESTMENTS

The excellent result is based to a large extent on a high share of large-volume investments in the triple-digit million range. In total, this size category is accountable for 59% of investments. Over the past few years, this figure has averaged only 41%. This result demonstrates that investors are not afraid to make large investments in Berlin, as they believe that occupier markets will continue to perform well in the future. Therefore, the share of the category between €50 million and €100 million is significantly lower, contributing only about 15% to the investment volume (previous year: 41%), which is on the same level as transactions between €25 million and €50 million. Investments of up to €25 million have so far contributed around 11%.

Investments by type of property Q1

in %

■ 2022 ■ 2021

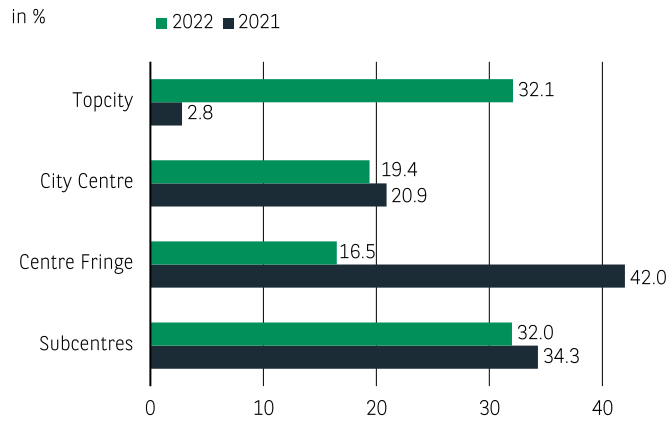


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WIDE DISTRIBUTION ACROSS ALL ASSET CLASSES

The wide distribution across the different asset classes is quite remarkable, indicating buyers' overall belief in the city of Berlin. Although the top position is once again held by offices (44%), their share is below the long-term average. Retail properties, which have suffered considerably in recent years, are in second place with a share of 22%. Significant contributions to this were generated by the transaction of the Galeries Lafayette. Logistics investments have also made strong gains, putting them in third place with a remarkable share of 15%.

Investments by location Q1

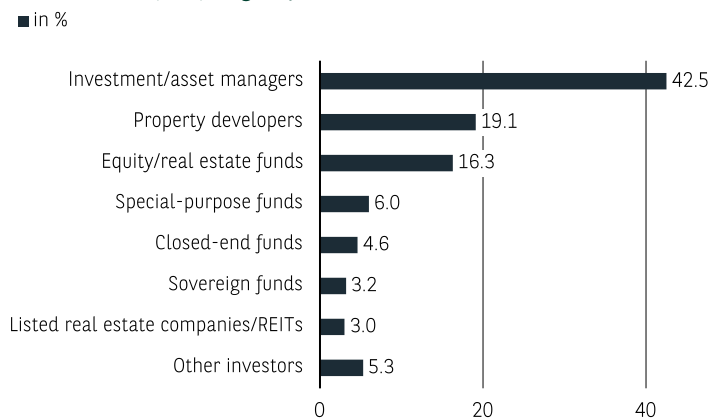


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TOPCITY LOCATIONS CONTRIBUTING ABOUT ONE THIRD

While the Topcity locations made below-average contributions over the past few years, due to the lack of supply, they have experienced a revival so far this year. With almost one third (€804 million) of the result, they have taken the lead amongst Berlin's locations. The main reason for this was the transactions of several large retail buildings. Once again, subcentres (32%) were almost on a par. Here, investors focus has been primarily on development sites and logistics properties. However, the comparatively high shares of the City Centre (19%) and Centre Fringe (16.5%) underline that investors are not only interested in the TopCity locations, but also in a wide range of different locations.

Investments by buyer group Q1 2022



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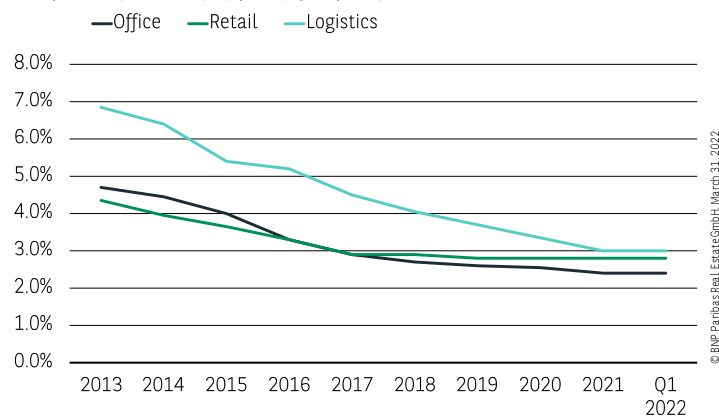
INVESTMENT MANAGERS STRONGEST BUYER GROUP

In total, three investor groups account for double-digit shares of transaction volume. Investment managers have come out on top by a wide margin, contributing 42.5% and predominantly secured a couple of large-volume transactions. Project developers follow in second place with a share of just over 19%, having invested primarily in logistics properties and development sites. The leading trio is completed by equity/real estate funds, accounting for further 16%.

STABLE YIELDS IN FIRST QUARTER

After yields had dropped noticeably in the previous year, they have been stable in the first quarter of 2022. Prime net yields for office properties remain at 2.40%, high street properties at 2.80%, and logistics properties at 3.00%.

Net prime yields by type of property



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OUTLOOK

Although the development of the investment markets has become difficult to predict due to the uncertainties caused by the war in Ukraine and its impact on the economic recovery, there are numerous indications that investors will continue to show great interest in Berlin as investment location. Given this situation, the investment volume in the ongoing year is likely to exceed the long-term average. One of the main reasons for this is the multitude of large-volume assets available in the market that are facing a strong demand. Yields are likely to move sideways in the short term. The mid-term outlook will depend primarily on further developments of interest rates and inflation, which cannot yet be predicted with any certainty.

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