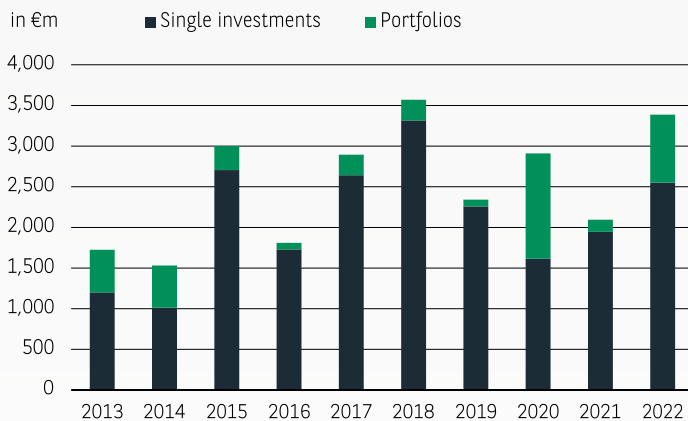




At a Glance **Q2 2022**

INVESTMENT MARKET FRANKFURT

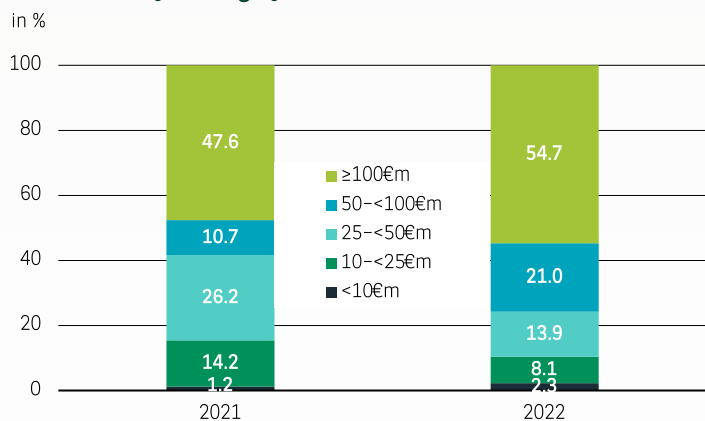
Investment volume H1



► STRONG HALF-YEAR RESULT THANKS TO START OF YEAR

The Frankfurt investment market achieved an extraordinarily strong result at the half-year mark. The current commercial investment volume of €3.39 billion not only exceeds the long-term average by more than a third, but also represents the third-best interim result ever recorded in the banking metropolis. In the nationwide ranking of A-locations, Frankfurt is thus in second place, beaten only by Berlin (€4.6 billion). With a share of 75%, individual transactions once again contributed the most to the result. However, the overall good performance is largely due to the outstanding start to the year with a good €2.5 billion. Due to the geopolitical turmoil, the gloomy economic outlook and the interest rate turnaround now announced by the ECB, many investors took a much more wait-and-see approach in the course of the second quarter. Accordingly, the current quarterly result of around €880 million is clearly below average.

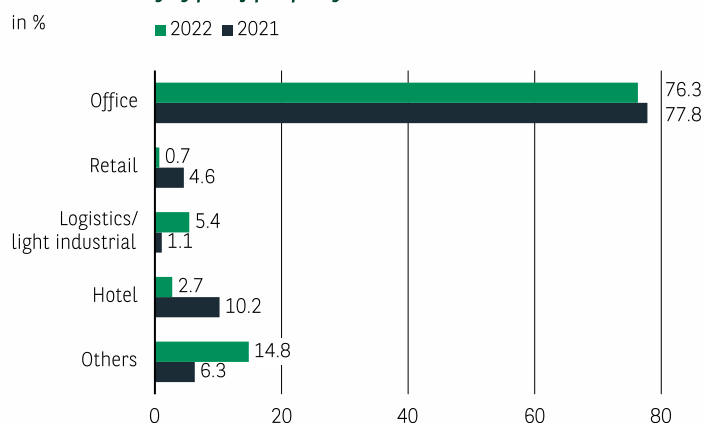
Investments by € category H1



► LARGE DEALS DOMINATE RESULT

More than €1.85 billion was accounted for by large deals with a volume of at least €100 million in the first half of the year, which is a new record. The sale of the Marienturm, which DWS acquired for a pension fund for more than €800 million and which was brokered by BNPPRE, made a significant contribution to this result. The mid-sized segments are also very dynamic. The category from €50 to 100 million, for example, topped its long-term average by almost 30% with a registered volume of around €712 million. Transactions in the €25 to €50 million range, which contribute almost 14% to the result, also account for a significant share of the result.

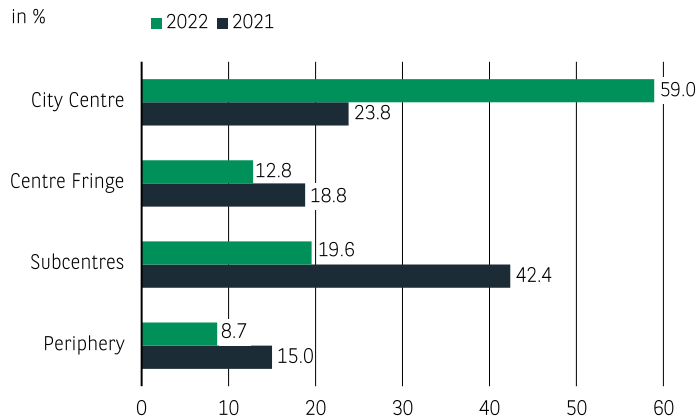
Investments by type of property H1



► OFFICE INVESTMENTS REMAIN THE MOST POPULAR

Office investments remain by far the most popular property class in the banking and finance metropolis in the first half of 2022. Although their market share has fallen minimally compared to 2021, the current contribution of 76% corresponds to around €2.58 billion, exceeding the previous year's result by almost 60%. Logistics properties also account for significant shares. At €184 million, they achieved their third-best half-year result to date. The collective category of other types of property, which includes a number of land sales and mixed-use properties, also made a conspicuously large contribution.

Investments by location H1



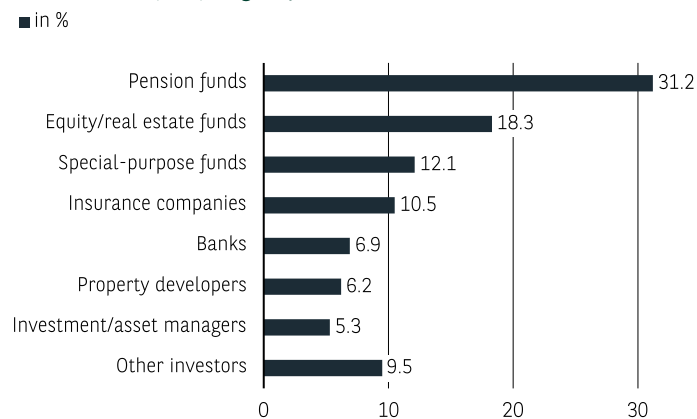
CITY CENTRE LOCATIONS BY FAR THE STRONGEST

Almost €2 billion was invested in Frankfurt's City Centre in the first half of the year, which means that it leads the investment volume distribution by location by a wide margin. In addition to the Marienurm, several other large-volume transactions are also responsible for the good performance. The strongest decline compared to the previous year was recorded in the Subcentres with 23 percentage points. In absolute terms, however, the €662 million registered here still represents a slightly above-average result.

PENSION FUNDS AT THE TOP

Pension funds are at the top of the ranking of buyer groups with a share of 31% at the half-year point, which is largely due to the purchase of the Marienurm. Equity/real estate funds also made an unusually high contribution to the total with 18%, which is related to the Alstria acquisition by Brookfield. Special-purpose funds (12%) and insurance companies (10.5%) also generated double-digit shares.

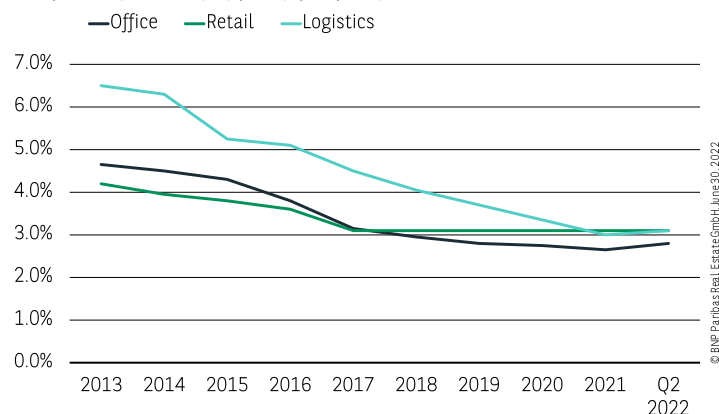
Investments by buyer group H1 2022



YIELDS RISE FOR THE FIRST TIME SINCE THE FINANCIAL CRISIS

The change in financing conditions is increasingly noticeable in the development of yields. The net prime yields in both the office and logistics segments have risen for the first time since the financial crisis. While the increase in the logistics segment amounts to 10 basis points compared to the previous quarter and is therefore now 3.10%, the increase in the office segment is 15 basis points, so that the prime yield here is currently 2.80%. In contrast, a sideways movement has so far been reported for high street properties. In Frankfurt's prime locations, a stable 3.10% is being quoted.

Net prime yields by type of property



OUTLOOK

Due to the new reality on the financial markets and the changed interest rate environment, the investment markets are in a price-finding phase for the time being, in which sellers and buyers must first agree on a new level that is acceptable to both sides. Experience shows that this is likely to be a gradual process that will take some time. The fact that the user markets continue to perform well in the majority of asset classes should be seen as a positive sign. From today's perspective, the net prime yields should continue to differentiate depending on the type of property and move upwards in the coming months. There is currently not enough evidence to make a serious statement about the level at which they will eventually settle. However, it does not seem unlikely that transaction activity will pick up again somewhat by the end of the year.

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