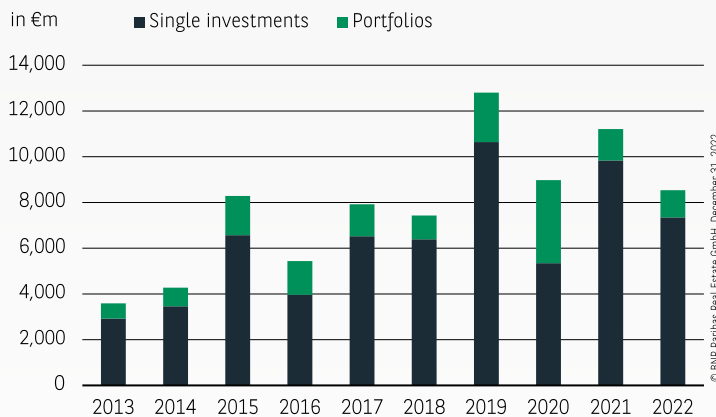




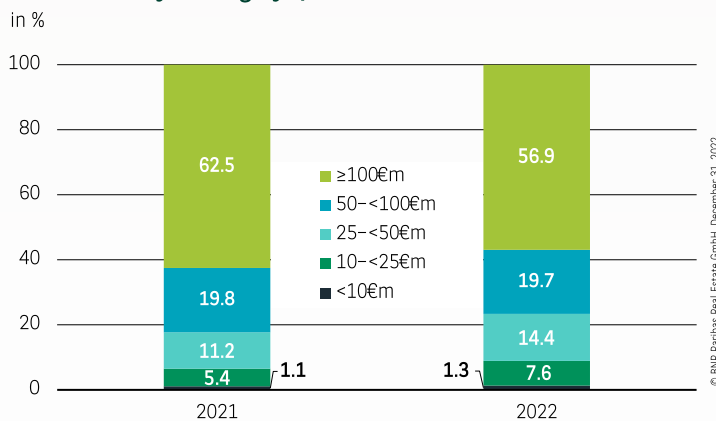
At a Glance **Q4 2022**

INVESTMENT MARKET BERLIN

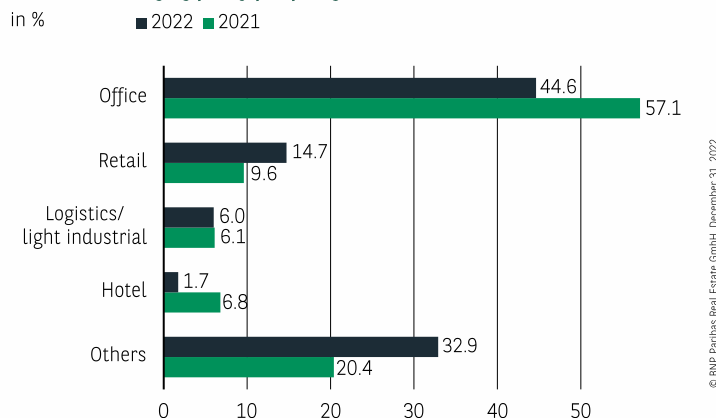
Investment volume Q1-4



Investments by € category Q1-4



Investments by type of property Q1-4



GOOD RESULT DESPITE DIFFICULT ENVIRONMENT

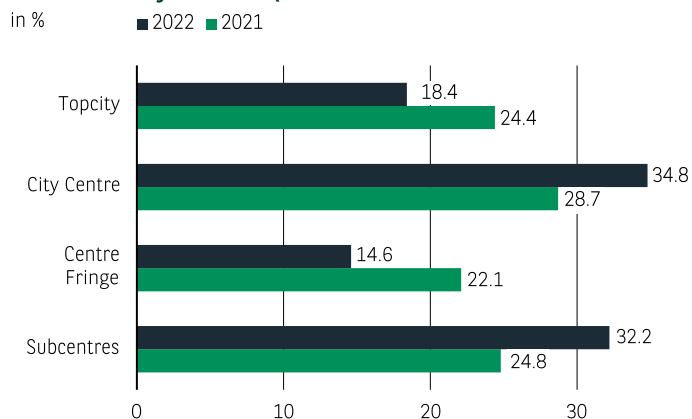
The Berlin investment market performed strongly in a difficult environment. Although transaction volume was almost 24% lower than in the previous year and totaled around €8.54 billion, it nevertheless represents the fourth best result ever recorded in the capital. Like all other locations, Berlin had to deal with considerable losses in volume, especially in the fourth quarter, for which, in addition to the moderate economic development, the increased financing costs are particularly responsible. As a result, the transaction volume in the last three months of the year only amounted to €1.63 billion, a value that is around 37% lower than the ten-year average. In a nationwide comparison, the capital continues to lead in the ranking of the A-cities by a wide margin in 2022. Even in the difficult fourth quarter, in no other city was a higher volume registered than in Berlin. This is a clear indication that Berlin continues to attract both national and international investors and that currently lower investment volumes are only due to the changed financing environment. The most prominent deals include Norges' 50% share in the Sony Center and the transaction of VoltAir brokered by BNPPRE.

INVESTMENTS BY SIZE CATEGORY REMAINS UNCHANGED

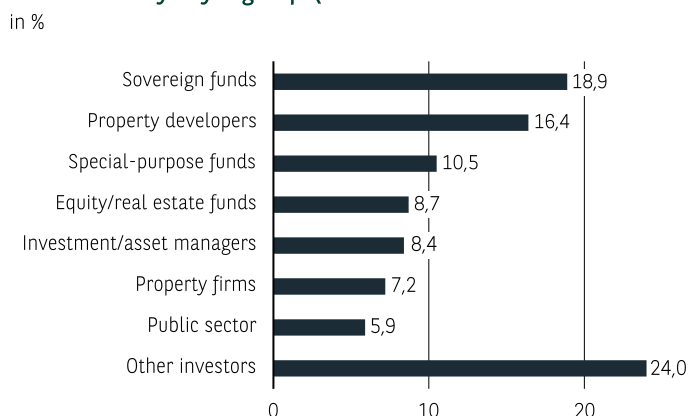
In terms of distribution of investments among the individual size classes, there are hardly any changes compared to the previous year. Once again, deals in the three-digit million range contribute by far the most to the current result with almost 57% of the volume. Deals between €50 and €100 million contribute just under 20%, which represents exactly the same share as in 2021. In relative terms, smaller investments are also at a comparable level as in the previous year. This underlines the problem caused by the current difficult financing conditions, which have no effect on the fundamental demand structure.

OFFICES AND RETAIL BUILDINGS IN HIGH DEMAND

As expected, most investments were made in office buildings, which contributed almost 45% to the transaction volume. In a long-term comparison, however, this share marks below average, which shows that large-volume core transactions are particularly affected by the changed financing environment. Retail properties follow in second place with almost 15% of investments. The transactions of a few large retail buildings contributed to this in particular. In addition, around one third of the result is accounted by the category "others", which primarily includes development sites and mixed-use properties.

Investments by location Q1-4**➤ HIGH VOLUME IN CITY CENTRE AND SUBCENTRES**

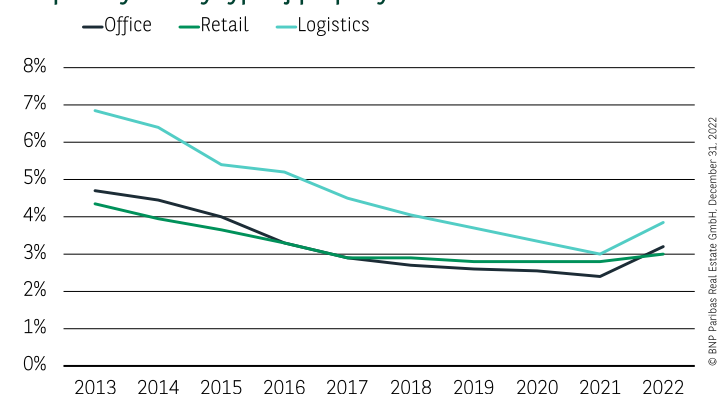
After a very homogeneous distribution of investments across all locations was recorded in 2021, the subcentres and the city centre in particular achieved disproportionately high volumes in 2022. With a good 32% (subcentres) and just under 35% (city centre), each contributed around one third of the transaction volume. In contrast, less than usual was invested in the top city and at the centre fringe. At just over 18% (Topcity) and just under 15% (centre fringe), they remain significantly behind their average transaction shares. Above all, the high volume of subcentres underlines the buyers great confidence in Berlin's further development potential overall.

Investments by buyer group Q1-4 2022**➤ THREE BUYER GROUPS ACCOUNT FOR HALF OF THE VOLUME**

Just under half of the transaction volume is accounted for by three buyer groups, which achieve double-digit shares each. Unusually, sovereign funds ranked in first place with 19% of the investment volume. Responsible for this were the two large purchases by Norges and the 90% share acquired by GIC in the TechnoCampus Berlin-Spandau. Property developers follow with a good 16%. This is an indication for the remaining conviction of the capital's long-term potential. Special funds rank third with a market share of 10.5%.

➤ CONTINUING RISE IN YIELDS

Due to the not yet completed increase in the key interest rates by major central banks - which have made financing even more expensive - yields rose again in the fourth quarter. As a result, the net prime yield for offices increased by a further 35 basis points to 3.20%. The rise for inner-city retail buildings was somewhat lower at 10 basis points to 3.00%. The strongest increase in prime yields occurred in the logistics sector, with an additional 50 basis points to currently 3.85%.

Net prime yields by type of property**➤ OUTLOOK**

In Berlin the investment year 2023 is likely to develop in a split manner. Especially in the first few months, a further increase of interest rates by the central banks and a moderate economic development will probably continue to influence the market. From the second quarter onwards, there are many indications that the interest rate increases are likely to come to an end and the phase of finding new, fair price levels should accelerate. In conjunction with a recovery of the economy as a whole, a significant market revival is likely to set in. For the second half of the year, a very lively market is expected. However, a slightly higher yield in the first quarter cannot be completely ruled out.

All rights reserved. At a Glance is protected in its entirety by copyright. No part of this publication may be reproduced, translated, transmitted, or stored in a retrieval system in any form or by any means, without the prior permission in writing of BNP Paribas Real Estate GmbH.

The statements, notifications and forecasts provided here correspond to our estimations at the time when this report was prepared and can change without notice. The data come from various sources which we consider reliable but whose validity, correctness or exactness we cannot guarantee. Explicitly, this report does not represent a recommendation of any kind, nor should it be regarded as forming a basis for making any decisions regarding investment or letting or renting property or premises. BNP Paribas Real Estate can accept no liability whatsoever for any information contained or statements made herein.

Imprint Publisher and copyright: BNP Paribas Real Estate GmbH | Prepared by: BNP Paribas Real Estate Consult GmbH | Status: 31.12.2022

Further Information BNP Paribas Real Estate GmbH | Branch office Berlin | Phone +49 (0)30-884 65-0 | www.realestate.bnpparibas.de