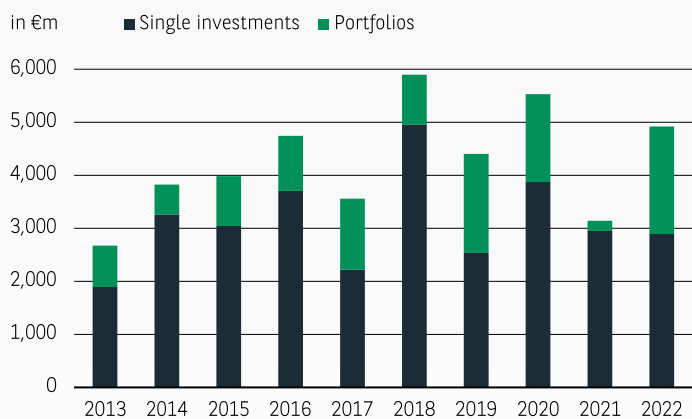




At a Glance Q4 2022

INVESTMENT MARKET HAMBURG

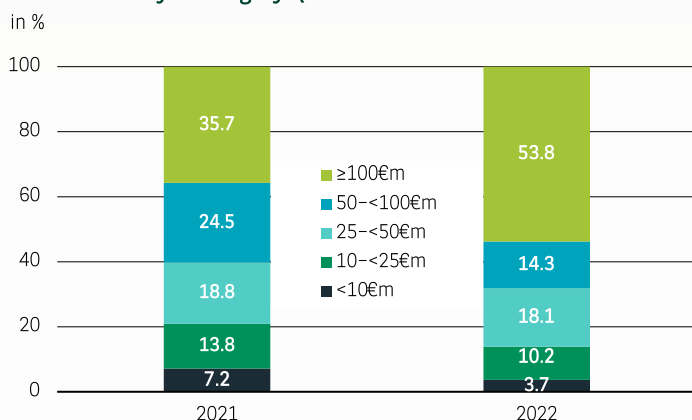
Investment volume Q1-4



INVESTMENT VOLUME ABOVE THE AVERAGE

With a transaction volume of €4.92 billion, Hamburg's investment market grew by a good 56% compared to the rather weak result of the previous year and also exceeded the 10-year average by around 15%. The result was significantly influenced by portfolios, reaching a volume of €2.03 billion, the highest value after 2006 and 2007. The takeover of alstria by Brookfield, which was already completed in the first quarter, was the main contributor. Single investments contributed almost €3 billion to the overall result. Consequently, single investments remained approximately at the previous year's level, but lost almost 8% in comparison to the 10-year average. Overall, the changed economic environment has slowed down market momentum slightly. The fourth quarter thus remained well below the billion euro mark for the first time since 2015. In a nationwide comparison, Hamburg ranks third behind Berlin (€8.54 billion) and Frankfurt (€5.0 billion). The average volume per deal has increased considerably compared to the previous year (2021: €30 million) and, at €42 million, is also at a high level in a long-term comparison.

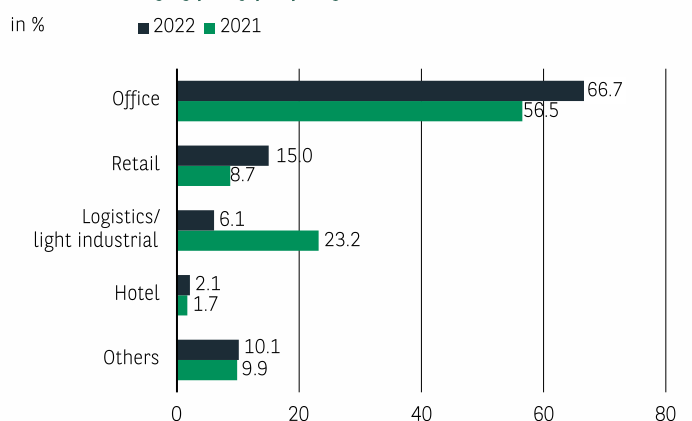
Investments by € category Q1-4



LARGE-VOLUME PROPERTIES WITH STRONG RESULTS

In the distribution of investments by size category, more than half of the total volume is attributable to transactions in the three-digit million range. At € 2.6 billion, this category recorded one of its highest volumes ever, with portfolios making a significant contribution. In general, the Hamburg market shows a comparatively balanced picture in the size categories with less large transactions than in other investment markets such as Berlin or Frankfurt. In absolute terms, the two segments between €25 and 50 million (a good 18%) and €10 to 25 million (around 10%) were able to increase, somewhat considerably, compared to the previous year.

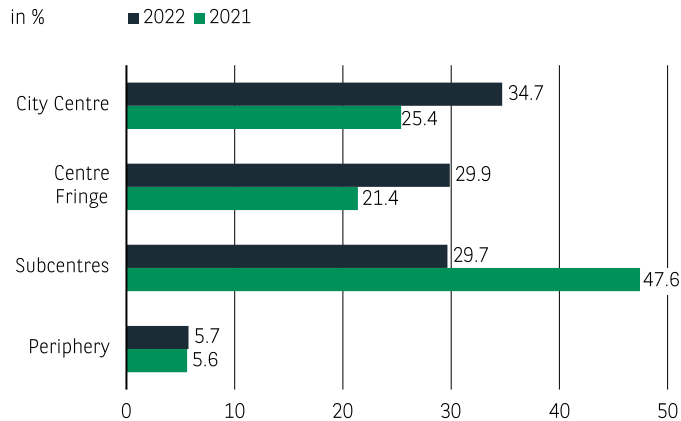
Investments by type of property Q1-4



OFFICE ASSETS DOMINATE THE RESULT

The alstria takeover is reflected significantly in the distribution of investment volumes by asset classes: Office properties account for around two thirds of the investment volume, the second highest since 2007. Retail properties take second place with 15%. Benefiting from the second largest portfolio deal, the majority takeover of Deutsche EuroShop. After their record result in the previous year, logistics properties lost noticeable ground, accounting for just over 6%, which is clearly due to a lack of supply.

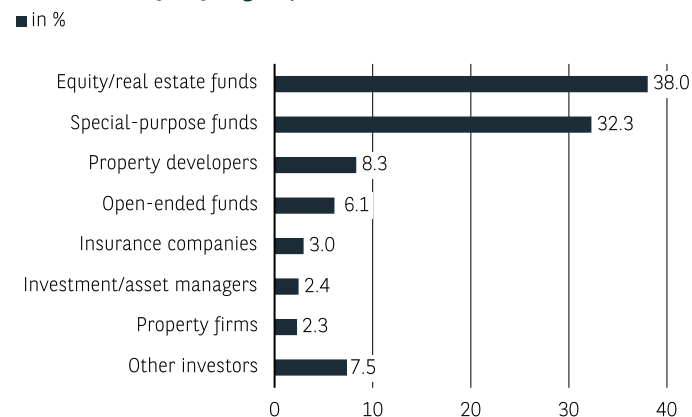
Investments by location Q1-4



BALANCED DISTRIBUTION BY LOCATION

The distribution of investments across the city area is extremely homogeneous. While the city centre often leads the ranking by a wide margin, they are currently just at 35%, only a few points ahead of the centre fringe and the subcentre locations, which reach 30% each. In absolute terms, this result puts the city centre roughly in line with its long-term average, while the centre fringe has achieved the highest volume in the last 10 years. Numerous alstria properties have contributed to this result. Despite considerable losses in share, the subcentres again reach the level of the previous year in absolute terms with just under €1.5 billion in invested capital.

Investments by buyer group Q1-4 2022



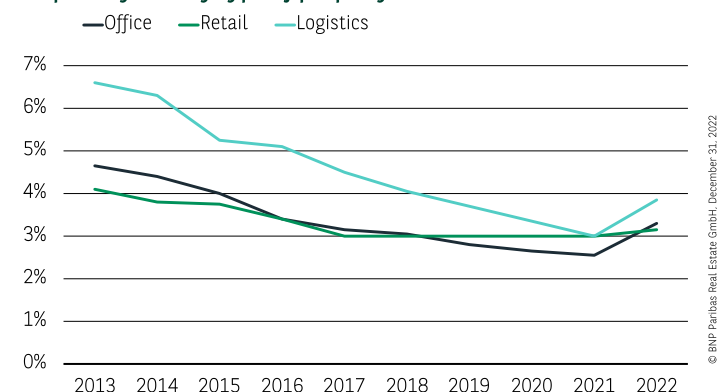
STRONG INFLUENCE OF PORTFOLIOS ON GROUPS OF BUYER

Due to the large-volume portfolios, Equity/real estate funds lead the distribution by buyer group. At 38 %, they invested more capital in the Hanseatic city for the first time since 2007, when portfolio transactions also dominated. The Special funds, in second place, remain strong as usual with a contribution of just under one third, therefore achieve an absolute result similar to previous years. Property developers contribute a good 8%. They secure projects in a wide range of asset classes. Beyond that, only open-ended funds surpassed the 5% hurdle with a share of 6.1%. All other buyer groups played a rather subordinate role.

PRIME YIELDS CONTINUE TO EXPAND

Primarily due to the increased financing costs, net prime yields have risen noticeably in several steps over the course of the year. This affects all asset classes, but with varying intensity. For top office properties, prime yields at the end of the year quote at 3.30%, corresponding an increase of 75 basis points compared to the previous year. Hamburg is thus the third most expensive market behind Munich and Berlin (both 3.20%). For logistics properties, the prime yield expand by a total of 85 basis points to 3.85%. For retail properties, the increase is significantly lower at 15 basis points. The prime yield is quoted at 3.15%.

Net prime yields by type of property



OUTLOOK

The current general conditions with rising interest rates, high inflation, a weakening economy and the continuation of geopolitical conflicts will initially continue to determine the market in 2023. Against this background, the investment market is expected to gain momentum after a rather restrained start only in the course of the year, when sellers and buyers are again more certain about their price expectations and the economy starts to recover. Nevertheless, the Hanseatic city is a very constant and balanced market benefiting from broad investors interest across all asset classes and deal sizes.

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