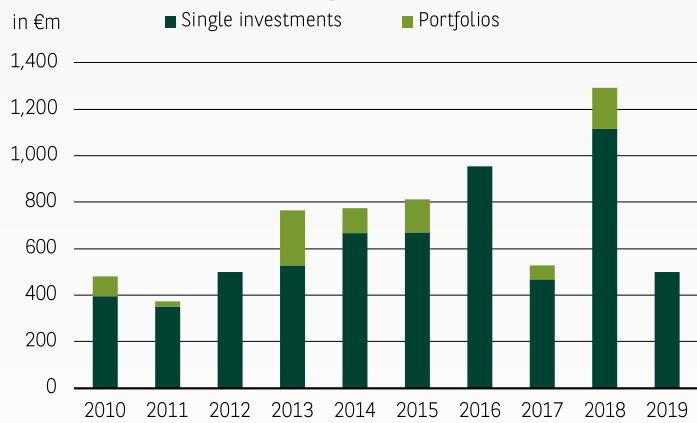




At a Glance **Q1 2019**

INVESTMENT MARKET HAMBURG

Investment volume in Hamburg Q1

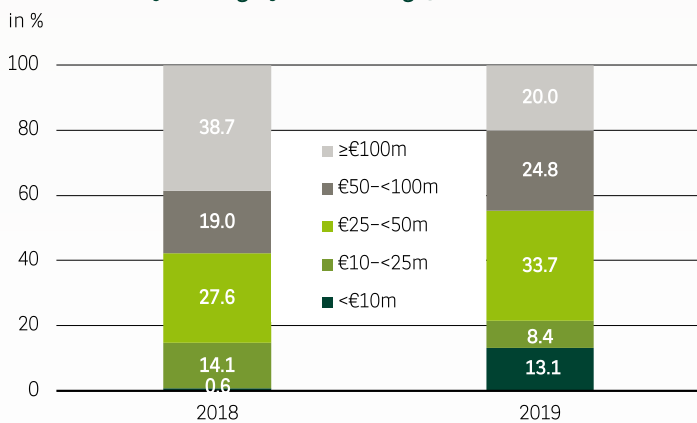


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➤ **QUIET START TO THE YEAR**

After the Hamburg investment market had already set a new record at the start of the previous year and was still able to grow considerably in the second half of the year, the first three months of 2019 developed much more calmly. With a transaction volume of 500 million €, the Hanseatic City achieved a result more than half as low as in 2018 and remains around 28 % below the ten-year average. This rather quiet start to the year is primarily attributable to the numerous sales concluded in the previous year, with few current transactions slipping into the new year. The unbroken high demand is therefore not yet reflected in corresponding volumes. A very similar development can be observed at other locations, in particular Frankfurt (502 million €) and Munich (617 million €). In addition, the very low share of portfolio deals nationwide is also noticeable in the Hanseatic City: no portfolio sales with Hamburg participation have been recorded so far. The average volume per deal fell significantly again compared with the previous year (45 million €) and amounted to 22 million €.

Investments by € category in Hamburg Q1

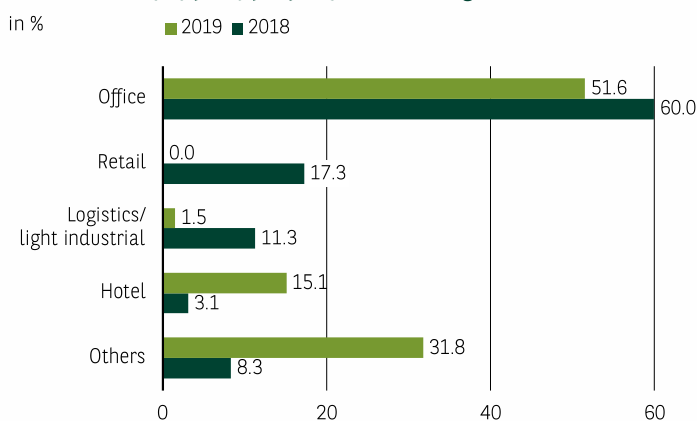


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➤ **MEDIUM-SIZED DEALS HAVE SET THE TONE SO FAR**

The distribution of the investment volume among the size classes is somewhat more balanced than in the same period of the previous year. Deals between 25 and 50 million € account for the largest share of the total, accounting for a good third of the investment volume. This is followed by large transactions with almost a quarter (50 - 100 million €) and a fifth (≥ 100 million €) of the investment turnover. While the 10 to 25 million € category is still underrepresented at a good 8 %, the 10million € segment is much more lively than before at around 13 % and is also the only class that can grow in absolute terms compared with the first quarter of the previous year.

Investments by type of property in Hamburg Q1

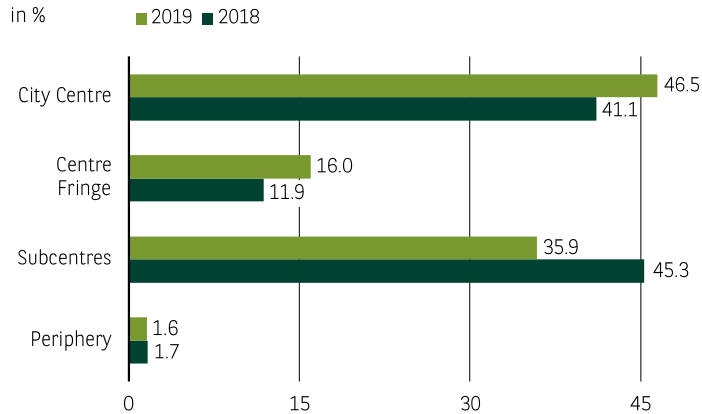


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➤ **OFFICE BUILDINGS STILL IN FRONT**

More than half of the investment volume was generated by office properties, which thus lost 8 percentage points compared to the previous year, but still dominate the distribution by type of property. At just under 32 % of the result, a very high proportion is also attributable to the Others category. Behind this are mainly mixed-use investments and several development properties. Hotels, which reach a good 15 % and thus also increase in absolute terms compared with the same period last year, are moving up to third place. So far, no significant retail deal has been recorded, underlining the product shortage in this segment.

Investments by location in Hamburg Q1

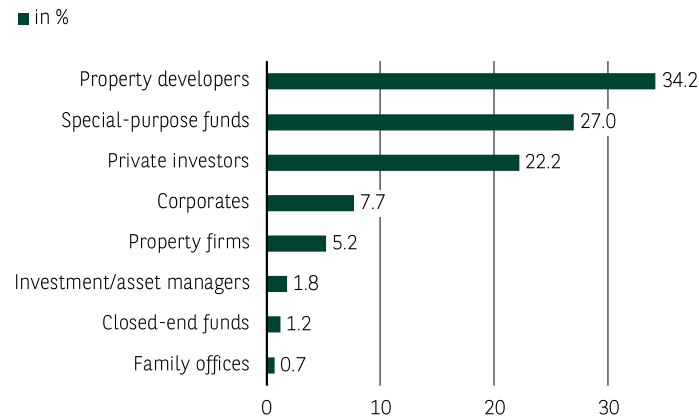


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CITY CENTRE EXPANDS SHARE

With just under 47 %, the City Centre has once again taken the lead in the distribution by location. Only few, but among other things the two largest deals were recorded in the City Centre. The Subcentres that were still leading in the first quarter of the previous year are currently ranked second. At around 36 % of the result, they are losing a good 9 percentage points. The Centre Fringe has increased its share and contributes a further 16 %. At just under 2 %, the share of the Periphery is similarly low as in the previous year.

Investments by buyer group in Hamburg Q1 2019



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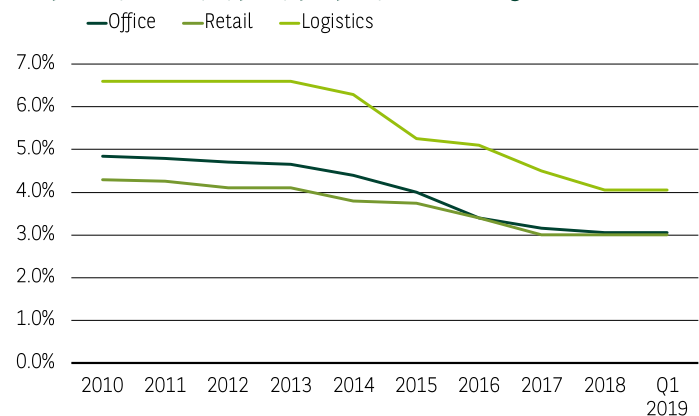
PROPERTY DEVELOPERS IN THE LEAD

Property developers have secured several properties and plots of land, investing more than ever before in a first quarter. As a result, they lead the distribution by buyer group with a good 34 %. As in the same period last year, special-purpose funds rank second (27 %). Private investors complete the management trio with a good 22 %. In addition, only corporates (just under 8 %) and property firms (a good 5 %) exceed the 5 % hurdle. The proportion of foreign investments fell by almost 9 percentage points year-on-year to a good 21 %.

PRIME YIELDS CONSTANT SINCE END OF YEAR

After having fallen even further in some cases by the end of 2018, net prime yields stabilised in the first quarter. Office properties in the premium segment generate 3.05 %, 10 basis points less than a year ago. The rate for highstreet retail properties has remained unchanged at 3.00 % for some time now. The net prime yield for first-class logistics properties in prime locations has fallen by 45 basis points to 4.05 % over the past twelve months.

Net prime yields by type of property in Hamburg



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PERSPECTIVES

The restrained start to the year of the Hamburg investment market should not be used as an indicator for the further course of the year. In the very lively previous year, numerous deals were concluded at the end of the year in particular, which made a substantial contribution to the extraordinary record year (5.9 billion €). The overall unbroken high demand will lead to a significant increase in the investment volume in the coming quarters. It remains to be seen, however, what effect the insufficient supply in all segments will have. Nevertheless, there are many indications that the 4 billion € mark will be surpassed again for the year as a whole.

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