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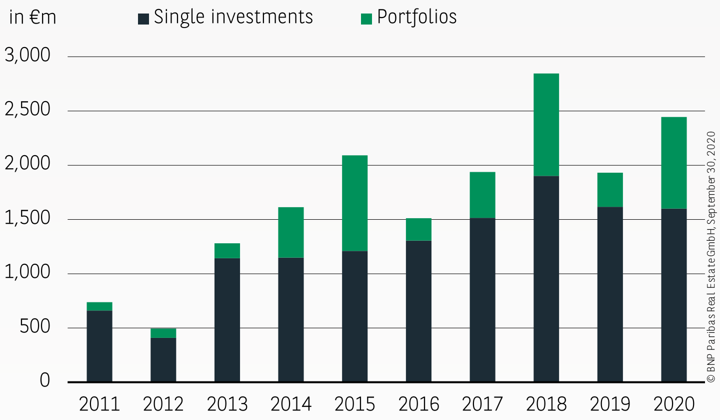
RESEARCH

At a Glance Q3 2020

INVESTMENT MARKET DÜSSELDORF

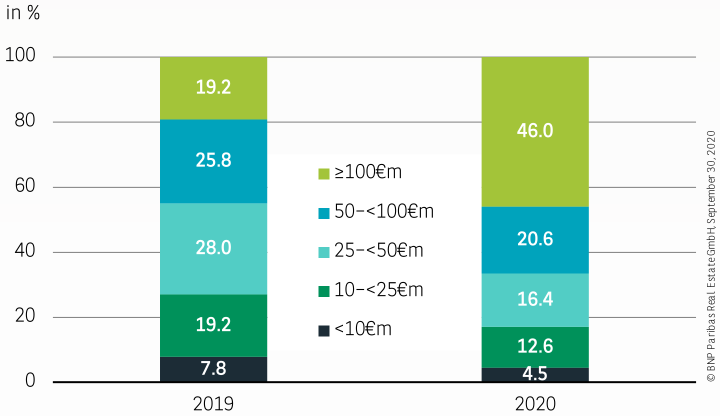
Investment volume Q1-3



AGAINST THE TREND: INCREASING INVESTMENT VOLUME

The Düsseldorf investment market is in very good shape in the crisis year 2020. Contrary to the nationwide trend of moderately decreasing investment volumes, Düsseldorf can report a clear increase compared to the same period of the previous year and also compared to the long-term average. In the first three quarters of 2020, around €2.5 billion was invested, an increase of almost 27% over the previous year. The ten-year average is exceeded by around 45%. It is the second highest investment volume ever recorded at the end of September. Impressive in this context is the investment volume of €845 million placed in portfolios to date, which is 168% above the previous year's level and only 10% below the record result of 2018. Around €1.6 billion were invested via individual transactions. The investment volume of single transactions is thus at the same level as in the previous year (with a current market share of 65.5%).

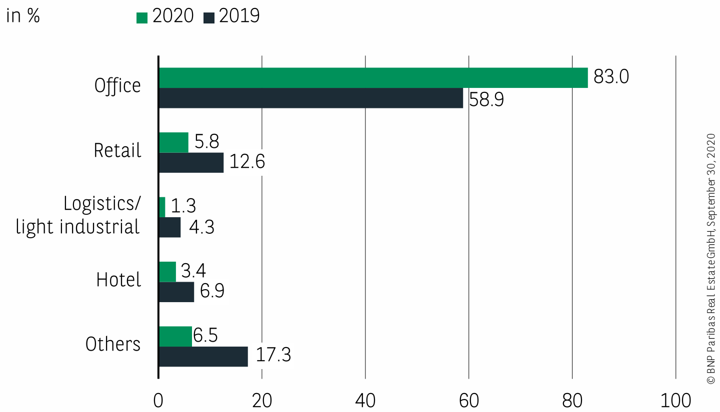
Investments by € category Q1-3



LARGE CONTRACTS GENERATE ALMOST 50% OF SALES

The five contracts concluded in the first half of the year, each with an investment volume of more than €100 million, represent a large part of the total result to date. At around €1.0 billion, their market share at the end of September was 46%. In the third quarter, the sale of the Medicus portfolio brokered by BNPPRE represents a transaction of this magnitude. Recently, three further contracts in the size segment between € 50 and 100 million were successfully signed, pushing the investment volume here to a good € 500 million or almost 21% market share. Another three contracts in the range between € 25 and 50 million were concluded in the third quarter. The total investment volume here currently amounts to € 401 million.

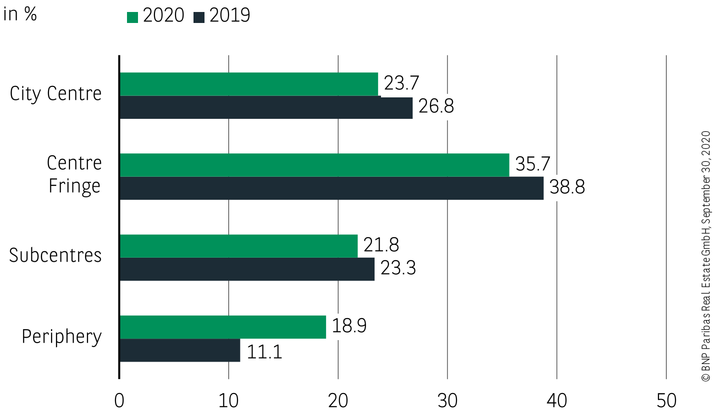
Investments by type of property Q1-3



OFFICE INVESTMENTS DOMINATE THE MARKET

Until the end of September, 83% of the investment volume or a good € 2.0 billion was invested in office properties. This result marks a new record. Compared to the same period of the previous year, an increase of 78 % is recorded, and even the value from the record year 2018 (a good € 1.7 billion) was exceeded by 16%. All transactions of more than € 100 million recorded to date were made in the office segment. Deals of this magnitude have been completely absent in the retail sector in the course of the year to date, which explains the comparatively low volume of a good € 140 million. The lack of product is also responsible for the so far moderate transaction activity in the logistics segment.

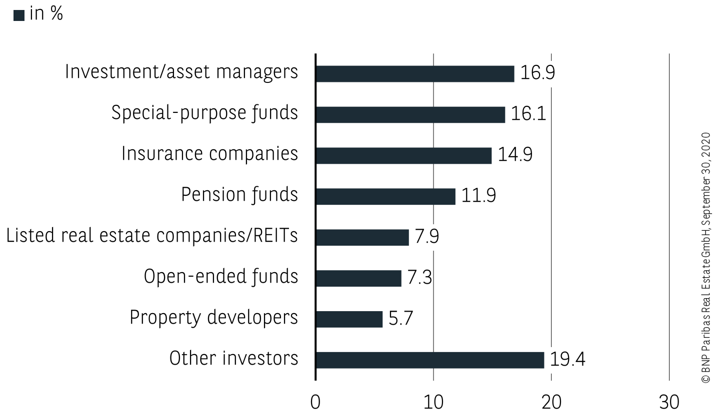
Investments by location Q1-3



MUCH ACTIVITY IN THE PERIPHERY

Compared to the same period last year, only the Düsseldorf Periphery was able to increase its market share to 19%. By the end of September, a good €460 million had been invested here (Q1-Q3 2019: around €210 million). The largest transaction was the Esprit European headquarters in Ratingen. There was also movement in the Subcentres locations in the third quarter, where six contracts were reported for Q3. In a comparison of the top cities in Germany, the market shares of the City Centre and Centre Fringe submarkets in Düsseldorf are above average at 24% and just under 36% respectively. The shortage of supply that is otherwise prevalent in the central locations is currently hardly noticeable here. Among other things, the core properties in the Medicus portfolio brokered by BNPPRE are responsible for the very good results in the City Centre submarket. In the outskirts of the city, numerous office buildings changed hands, including Capricorn (approx. € 180 million).

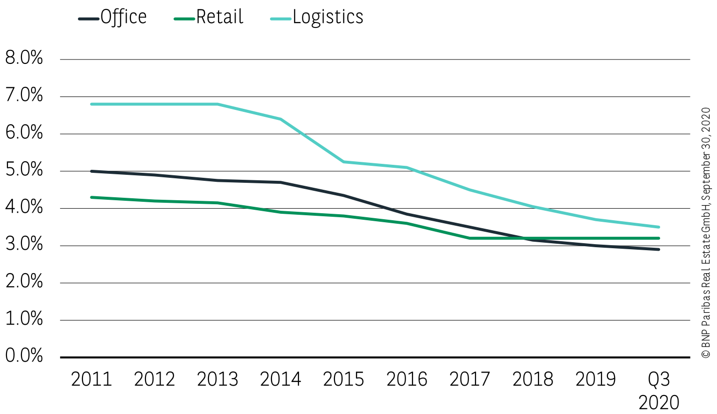
Investments by buyer group Q1-3



INVESTMENT MANAGERS & SPECIAL-PUROPOSE FUNDS AHEAD

Investment/Asset Managers have so far placed around €412 million in the Düsseldorf market area, 57% more than in the same period last year. The acquisition of Godewind by Covivio is a key driver in this regard. The special-purpose funds have been similarly strong on the market so far, with a current share of a good 16 %. They have been able to increase their previous year's result to a similar extent as investment / asset managers (+58%) and have invested €390 million to date. The third strongest group of investors are insurance companies, which have become very noticeable in connection with the acquisitions of Toniq II, CrefoCampus and Esprit European headquarters. Their market share is just under 15%. The contribution of foreign investors currently amounts to a good 24 %.

Net prime yields by type of property



PRIME YIELDS CONTINUE TO FALL

Prime yields continued their downward trend in the third quarter. The net prime yield for offices fell by 10 basis points to currently 2.90%. In the logistics segment, which is in high demand across Germany, the compression of yields has been even more pronounced. At the end of September, the prime yield was 3.50% (-20 basis points), whereas it has remained constant at 3.20% for inner-city commercial properties in prime locations since 2017.

RECORD RESULT FOR THE HALF-YEAR

For the coming months, there are signs of continued brisk investment activity, supported by the great confidence investors have in Düsseldorf as a location and in the German economy. From today's point of view, a result above the long-term average is to be expected with yields remaining constant for the time being.

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