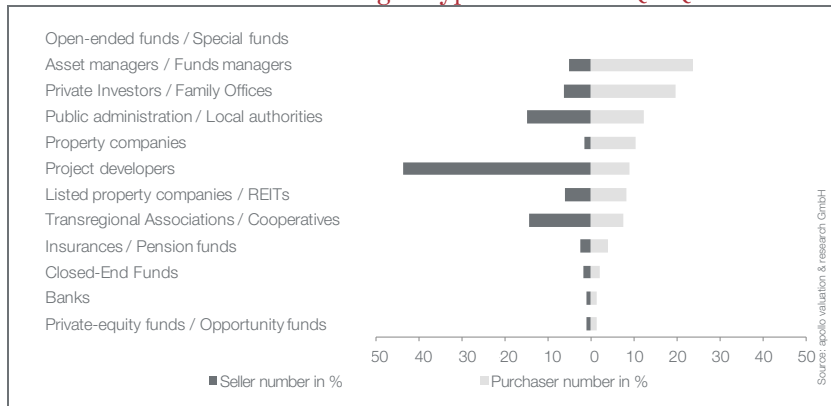




Facts and Figures

Investment Market for Residential Portfolios Germany
Q3 2019

Transaction number according to type of investor Q1-Q3 2019



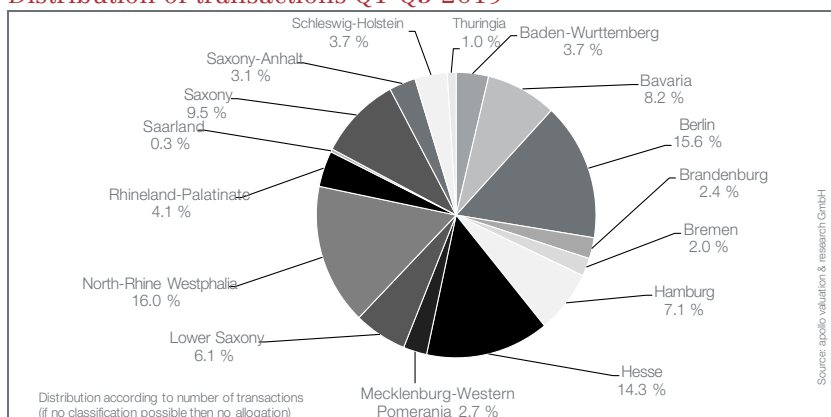
Transaction volume according to investors' origin 2007 - 2019



Transaction number according to investors' origin 2007 - 2019



Distribution of transactions Q1-Q3 2019



In addition, the ZBI Group completed another large transaction in the third quarter, paying about €615 million to Deutsche Wohnen for 6,350 units. Furthermore, Commerz Real acquired around 1,000 units as part of the Millennium portfolio from the Generali insurance group for its open property funds. Owing to the large-scale portfolio sales, deals above €500 million again account for the biggest share (€4.7 billion) of the 2019 transaction volume to date. Deals between “€100m and €500m” are next with a €3.8 billion share, while the remaining categories including “sub-€100 million” deals account for between 4 % and 14.9 %.

The purchase price per residential unit rose by 8.4 % year-on-year (Q1-Q3 2018: €135,500 / unit) to about €147,000, primarily owing to the strong growth in the value of housing stock in the top seven cities. For example, the Swedish housing group Akelius Property AB recently sold a portfolio of around 1,500 residential units in Hamburg and Munich for €420 million. The sale of the Millennium portfolio has further fuelled the pace of price growth. Open property/special funds represented the most active buyer group in the first three quarters of 2019 with a purchase volume of €4.7 billion, which was €2.3 billion higher than the previous year’s volume. Asset /fund managers were in second place, increasing their transaction volume from €0.8 billion in the corresponding period of 2018 to €2.9 billion. The public sector was ranked in third position with €2.2 billion. Compared to last year, this group increased its contribution to the transaction volume by around €1.7 billion. The strong market activity of the public sector has marked it out since the beginning of the year.

Selected residential portfolio transactions > €500 m

Residential Portfolio with approx. 6,000 units	
Purchaser	Gewobag Housing Corporation Berlin
Purchase price (approx.)*	€920,000,000
Residential units*	6,000
Akelius-Portfolio (Cologne, Dusseldorf, Frankfurt, Wiesbaden und Mainz)	
Purchaser	Deutsche Wohnen AG
Purchase price (approx.)*	€685,000,000
Residential units*	2,800
Residential Portfolio with 6,350 units	
Purchaser	ZBI group
Purchase price (approx.)*	615,000,000 €
Residential units*	6,350

*partly includes data concerning commercial shares / partly estimated

Source: Apollo
valuations &
research GmbH

This group has continued to make purchases primarily with regard to the requirement for affordable housing below market rates. On the seller side, project developers and contractors are ranked in first place with a sales volume of around €4 billion (Q1-Q3 2018: €4.2 billion). Asset/fund managers are ranked second, more than doubling their turnover (€3.1 billion) compared to the previous year (Q1-Q3 2018: €1.4 billion).

German investors have the strongest presence on the domestic market. In absolute terms, they account for a purchase volume of about €12.4 billion, compared to €11.3 billion in the corresponding period of the previous year. International buyers have become more cautious as a result of the current debate on housing regulations and only invested around €1.5 billion (Q1-Q3 2018: €3.4 billion). In terms of the regional distribution of deals (based on the number of transactions) at state level, North Rhine Westphalia and Berlin were again in the lead with shares of 16 % (Q1-Q3 2018: 17.9 %) and 15.6 % (Q1-Q3 2018: 14.5 %) respectively.

Despite regulatory measures such as rental caps and rental price freezes, interest in investing in the German capital remains high. Although the absolute number of transactions has fallen, Berlin along with North Rhine Westphalia still accounts for the largest percentage of sales. The various purchases by the public sector have made an important contribution here, especially in Berlin. In contrast, private investors, particularly from the international community, appear to be increasingly adopting a wait-and-see approach.

At municipal level, investors are still primarily interested in the Big 7. However, thriving second-tier cities such as Leipzig, Dresden and even Magdeburg have stood out this year with an increased number of deals.

Owing to the dynamic nature of the market, especially in the last three months, we still expect to see an above-average result for the current year. We also anticipate a further increase in housing

prices in the next three months, followed by a trend towards increased stability in the coming year. Public sector interest in expanding housing stock is expected to remain high, while sellers, especially project developers, are likely to remain active. In addition, it has again been demonstrated that share purchases and company takeovers have a significant impact on turnover. In the coming months, such investments, as well as traditional asset deals, will again shape market activity.

For 2019 as a whole, we expect the transaction volume to exceed the figure reported for 2017, which represents the third-strongest year since NAI Apollo started gathering data, and come within range of the 2018 result (€18.6 billion). However, the record result reported for 2015 (€23.9 billion) will remain unsurpassed.

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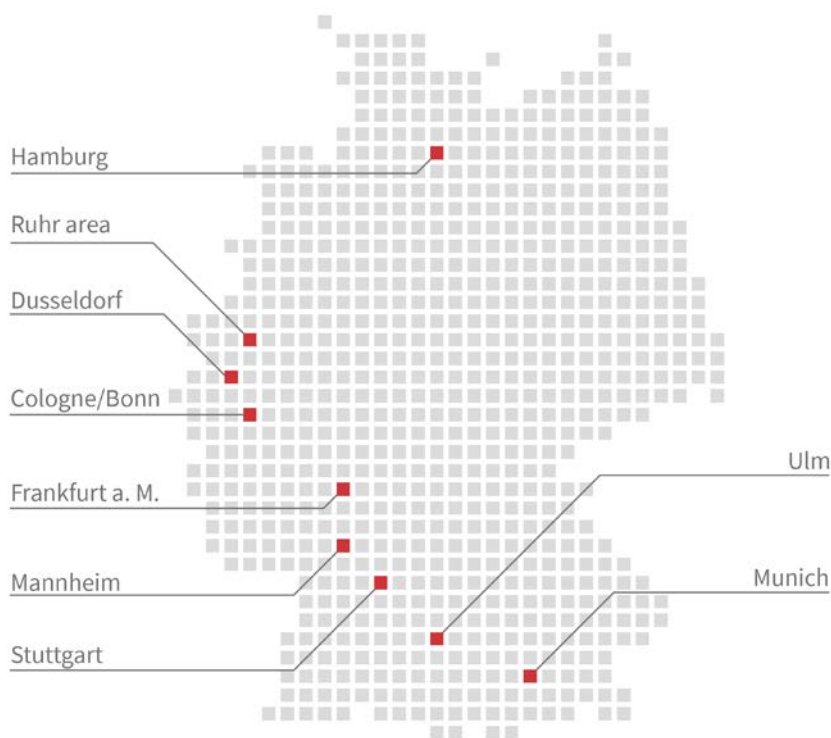
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