



## Facts and Figures

Investment Market for Residential Portfolios Germany  
H1 2019



“As a general rule, the most successful man in life is the man who has the best information.”

Quote from Benjamin Disraeli

If you require any further information, please do not hesitate to contact us. We can put you in touch with our specialists who are always happy to provide you with expert support. We look forward to hearing from you!



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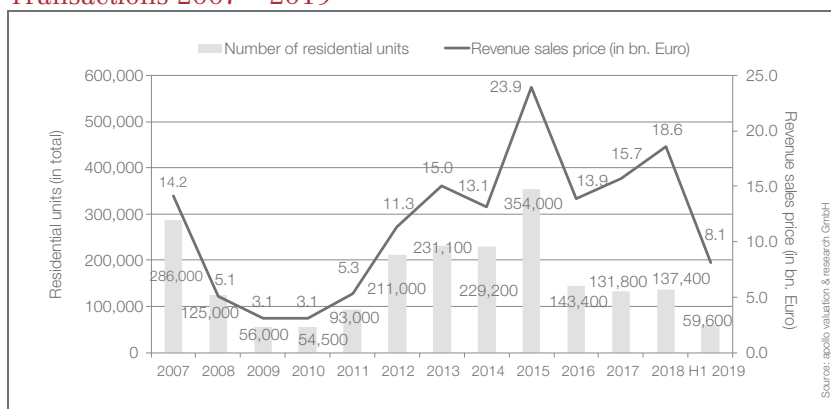
## Market overview H1 2019

|                            |   |
|----------------------------|---|
| Transaction volume         | €8.1 billion, 27 % below the volume of the previous year  |
| Sales of residential units | 191 transactions with approx. 59,600 units  |
| Regional focus             | Metropolises in focus, secondary locations continue to be of great importance, North Rhine-Westphalia with the most transactions among the federal states |
| Type of investors          | Open-ended funds / Special funds (€3.2 billion) dominant investors  |
| Origin of investors        | German investors are strongest market players with purchases of €7.3 billion  |

Source: apollo valuation & research GmbH

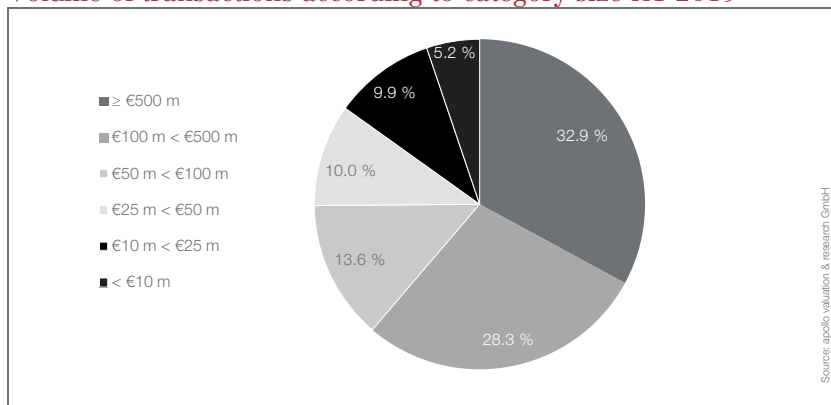
The strong investment activity that was evident on the German residential portfolio market\* in the first three months of the year also continued into the second quarter. The transaction volume amounted to €4.2 billion in the last three months, exceeding the €3.9 billion that was recorded in the first quarter. The market has slightly picked up pace and is therefore heading for an above-average result by the end of the year.

## Transactions 2007 – 2019



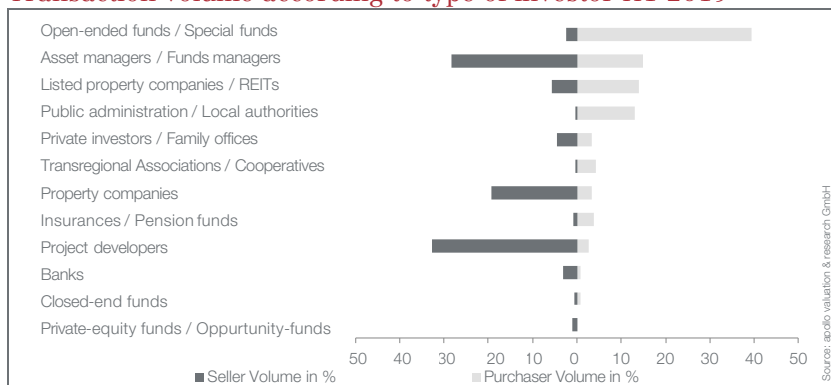
The investment volume for the full six months amounted to €8.1 billion, although this fell short of the first-half result for 2018. However, last year's volume of €11.1 billion was largely owing to a single deal involving Vonovia's acquisition of Buwog. Worth noting is that the recent result is more than 30 % higher than the €6.1 billion that was recorded in the first half of 2017. The number of traded residential units fell by around 25,000 compared to last year (H1 2018: about 84,700 units including 27,000 Buwog units) and now lies at close to 60,000 units.

## Volume of transactions according to category size H1 2019



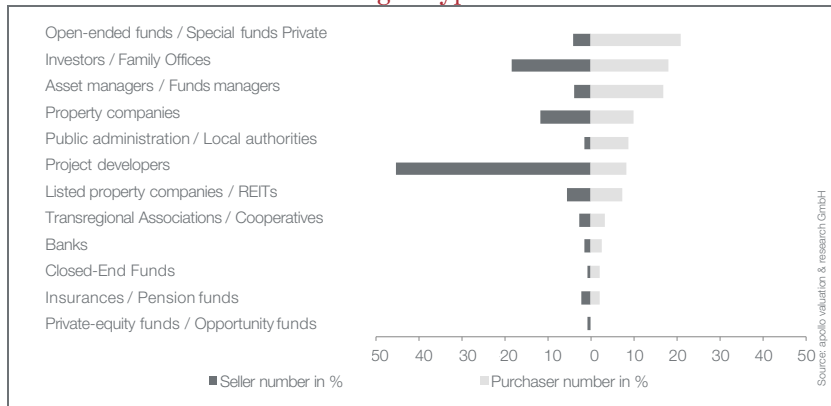
A company acquisition has also played an important role in the year to date. The largest transaction involved the joint acquisition of BGP Group by the partners Union Investment and ZBI Zentral Boden Immobilien, whereby around 16,000 residential units in various property funds were transferred to the purchasing consortium. The second-largest transaction in terms of number of units was carried out by the state of Thuringia, which acquired 94 % of the former municipal housing company GWB Elstertal with a total of about 5,000 units.

## Transaction volume according to type of investor H1 2019



\*Sale of residential property portfolios or residential complexes with at least 30 units each as well as the sale of corporate shares which give the purchaser a controlling interest; without consideration of IPOs

## Transaction number according to type of investor H1 2019



The previous owners were Benson Elliot and the city of Gera. The latter still owns about 6 % of the company.

As a result of the BGP acquisition, the “€500m-plus” category again accounted for the largest share of the transaction volume at 30 %. Next was the “€100m-€500m” category with €2.3 billion (28.3 % share), followed by the “sub-€100m” categories with shares of between 5 % and 14 %.

## Transaction volume according to investors' origin 2007 – 2019



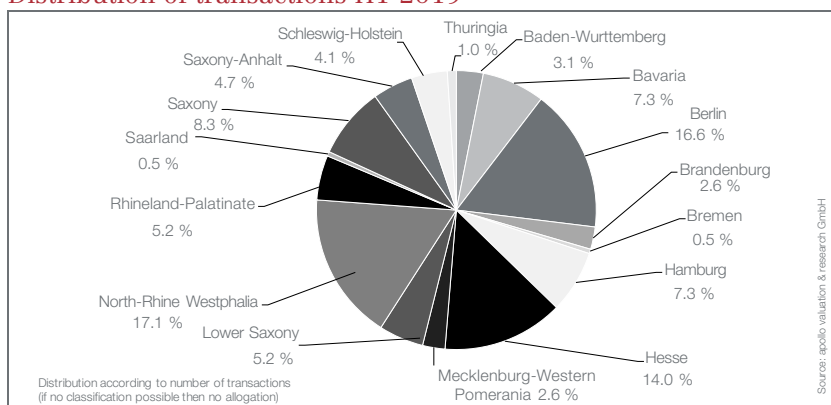
“Open property funds and special funds” established a leading position on the buyer side primarily owing to the BGP Group acquisition. Compared to the previous year, they almost doubled their purchase volume (H1 2019: €3.2 billion/H1 2018: €1.7 billion). The second-largest group comprises “asset and fund managers”, which increased their investments disproportionately to €1.2 billion (H1 2018: €0.4 billion) and pushed “listed property companies and REITs”, the most active investor group last year, into third place (€1.1 billion).

## Transaction number according to investors' origin 2007 - 2019



Also worth noting is the investment activity of the “public sector”, which increased its purchase volume from €431 million last summer to over €1 billion. Examples of deals by this group include the purchase of a 94 % stake in the former GWB Elstertal by the state of Thuringia in the recent quarter as well as the partial takeover of Brebau (50 %) with around 6,000 residential units by the state of Bremen and the acquisition of more than 1,800 units of Schönefeld Wohnen GmbH & Co. KG by Berlin state in the first quarter of the year.

## Distribution of transactions H1 2019



## Selected residential portfolio transactions &gt; €200 m

| BGP corporate takeover  |   |
|---|---|
| Purchaser   | ZBI/Union Investment (Wohnen ZBI / ZBI Union Wohnen Plus) |
| Purchase price (approx.)*   | €1,900,000,000  |
| Residential units*  | 16,000  |
| Akelius-Portfolio (Cologne, Dusseldorf, Frankfurt, Wiesbaden und Mainz) |   |
| Purchaser   | Deutsche Wohnen AG  |
| Purchase price (approx.)*   | €685,000,000  |
| Residential units*  | 2,800   |
| Brebau corporate takeover (Bremen)                                      |   |
| Purchaser   | Federal state Bremen                                      |
| Purchase price (approx.)*   | €235,000,000  |
| Residential units*  | approx. 3,000 (50 % share of total stock)                 |

Source: Apollo  
valuation &  
research GmbH

\*partly includes data concerning commercial shares / partly estimated

On the sale side, “project developers” and contractors again recorded the highest transaction result at €2.6 billion (H1 2018: €3.3 billion). Their market share did fall from 44.2 % to 32.6 % on a quarterly basis, but it was still above the previous year’s level of 30.2 %. “Asset and fund managers”, bolstered by the BGP Group sale, were in second place on the sale side, doubling their sales volume to about €2.3 billion compared to last year and increasing their market share by 18 percentage points to 28.4 %.

With regard to the origin of buyers, German investors were mostly strongly represented with 90.6 % (H1 2018: 82.6 %). In absolute terms, this represents a purchase volume of around €7.3 billion compared to €9.1 billion in the corresponding period of the previous year. International investors reduced their transaction volume by 60 % and generated an investment volume of about €0.8 billion (H1 2018: €1.9 billion).

In terms of the geographic distribution of the transactions (according to number of transactions) at regional level, North Rhine Westphalia and the city state of Berlin remained the most important investment destinations with shares of 17.1 % (H1 2018: 17.0 %) and 16.6 % (H1 2018: 15.4 %) respectively. Hesse, Saxony, Bavaria and Hamburg also accounted for larger shares of the transaction volume at more than 7 % apiece.

At municipal level, the top German cities were again of most interest to investors, with Berlin, Hamburg and Frankfurt accounting for the largest number of transactions. There was also a large number of purchases in thriving second-tier cities especially in the new federal states. Here, most transactions took place in Leipzig, Dresden and Magdeburg. When looking at the residential units that have been sold, it is important to note the large purchases by

the states of Thuringia and Bremen that saw more than 7,500 units change hands in the cities of Gera and Bremen.

As a result of the high investment volume in the first half of the year, it can already be assumed that 2019 will be a stronger than average year. In particular, further large asset sales and forward deals are to be expected. During the second half of the year, investors will continue to have a big appetite for new residential units that are still in the construction phase. For 2019 as a whole, we forecast a transaction volume at the level of 2017, which is also the third-strongest year since the first started to keep records, and therefore in excess of €15 billion. Only in 2015 (€23.9 billion) and 2018 (€18.6 billion) has a higher transaction volume been achieved.



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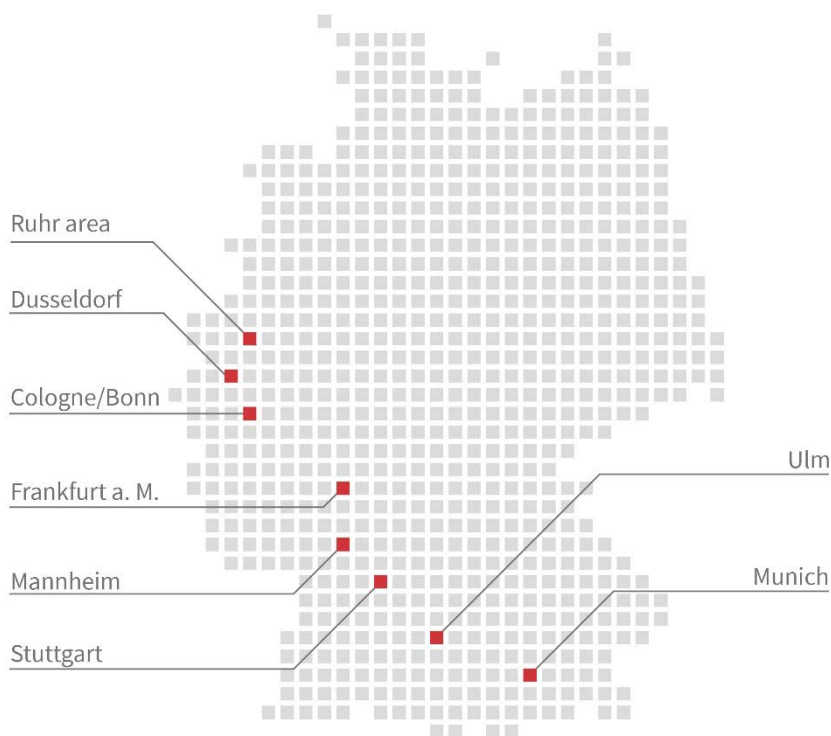
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