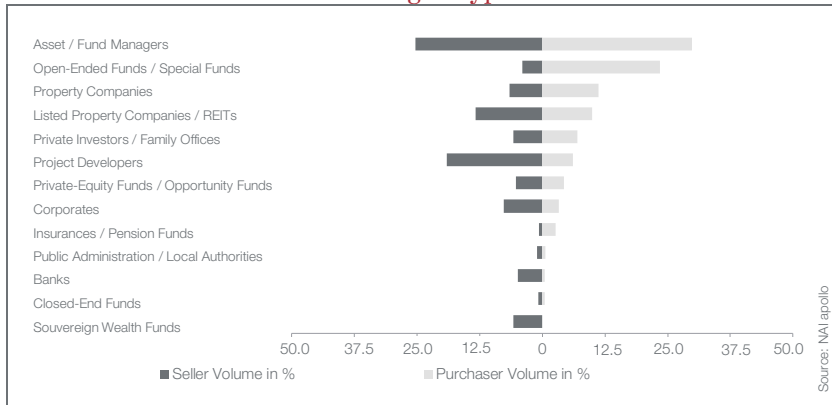
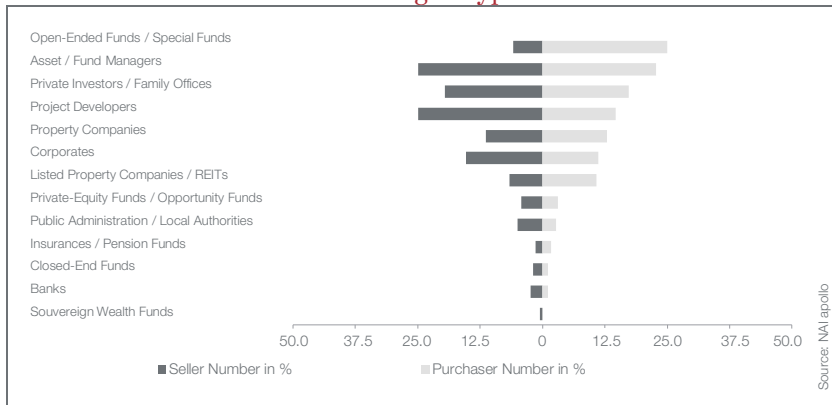


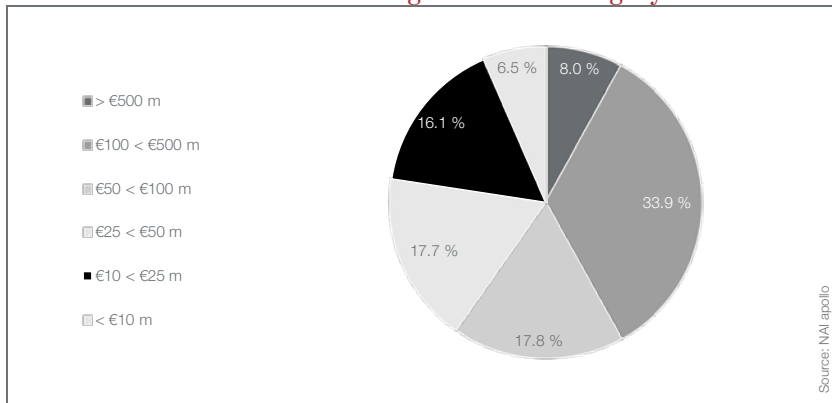
Volume of transactions according to type of investor H1 2019



Number of transactions according to type of investor H1 2019



Volume of transactions according to volume category H1 2019



Prime yields Q2 2019

	Prime office yields	Prime retail yields	Prime logistics yields
Berlin	2.80 %	2.80 %	3.95 %
Dusseldorf	3.15 %	3.10 %	4.00 %
Frankfurt a. M.	2.95 %	3.00 %	3.95 %
Hamburg	2.95 %	3.00 %	3.95 %
Munich	2.80 %	2.80 %	3.90 %
Total	Ø = 2.95%	Ø = 2.95%	Ø = 3.95%

Source: NAI apollo

The trend that has seen German investors continue to build market share was still evident at the end of the second quarter. The market share of domestic players grew to 58.5 % (€13.7 billion) in the first half of 2019, from 55.9 % in the first six months of 2018. Foreign investors came into play on a disproportionately less frequent basis during the first half, which was largely owing to the sharp decline in portfolio deals. These market players invested €9.7 billion in German commercial property, which was about €1.4 billion less than in the first half of 2018. Countries with the highest transaction volumes were the USA, Austria and the UK. Austria's good position is primarily attributable to the full takeover of the Galeria Karstadt Kaufhof department store group by Signa.

The ranking of investors by type was unchanged from previous quarters. In the first six months of 2019, "asset / fund managers" and "open ended funds / special funds" accounted for the highest shares with 29.9 % and 23.5 % respectively. Next were "property companies" (11.2 %) and "listed property companies / REITs" (9.9 %). On the sellers' side, dominant players were "asset / fund managers" with 25.3 % and "project developers / contractors" with 19.0 %.

Following the complete buyout of Galeria Karstadt Kaufhof for well over €1 billion and the acquisition of Frankfurter Welle by Invesco for €620 million, the size category above €500 million recorded a market share of 8.0 %. However, the "€100 m < €500 m" cluster accounted for the largest volume with a 33.9 % market share.

Selected commercial transactions H1 2019

Kaufhof-Portfolio (50 %-Share)	
Purchaser	Signa
Purchase Price (ca.)	€1,250,000,000
Asset Type	Retail
Die Welle, Frankfurt	
Purchaser	Invesco Real Estate
Purchase Price (ca.)	€620,000,000
Asset Type	Office
Büroquartier Oberbaumcity, Berlin	
Purchaser	Blackstone / Quincap
Purchase Price (ca.)	€475,000,000
Asset Type	Office
Siemens-Campus, Munich (60 %-Share)	
Purchaser	RFR / Aroundtown
Purchase Price (ca.)	€450,000,000
Asset Type	Office
T8, Frankfurt	
Purchaser	Wirtgen Invest
Purchase Price (ca.)	€400,000,000
Asset Type	Office
"Neuer Kanzlerplatz", Bonn	
Purchaser	Union Investment
Purchase Price (ca.)	€400,000,000
Asset Type	Office
Pressehaus, Berlin	
Purchaser	GEG German Estate Group
Purchase Price (ca.)	€365,000,000
Asset Type	Office
Blue Chip Portfolio	
Purchaser	GreenOak / Apeiron
Purchase Price (ca.)	€350,000,000
Asset Type	Logistics
Königsbau-Passagen, Stuttgart	
Purchaser	Antirion / Poste Vita
Purchase Price (ca.)	€280,000,000
Asset Type	Retail, Office
Zoom, Berlin	
Purchaser	Corpus Sireo (BVK)
Purchase Price (ca.)	€265,000,000
Asset Type	Retail, Office

Source: NAI Apollo

Current conditions on the finance market, including the ongoing zero interest rate policy of the ECB and record employment levels, ensure that German commercial property remains in strong demand despite the more moderate economic outlook. Owing to the supply shortage, prime yields have fallen further in some asset classes. Accordingly, average prime yields for the top five markets fell by two basis points for office property and six basis points for logistics property in the second quarter of 2019. The prime yield for retail property was unchanged from the first quarter.

As indicated, the logistics segment registered the sharpest drop in prime yields. Compared to the previous quarter, it fell by between 0.05 %- and 0.10 %-points. Thus prime yields currently stand at 3.95 % in Berlin, 4.00 % in Düsseldorf, 3.95 % in Frankfurt and Hamburg, and 3.90 % in Munich.

In the office property asset class, further declines were registered in two locations. Prime yields in both Frankfurt and Hamburg stood at 2.95 % and were five basis points lower on a quarterly basis. Munich and Berlin remained stable at 2.80 % and still represented the most expensive office markets in Germany. The yield was also unchanged in Düsseldorf at 3.15 %.

Retail prime yields showed no change in the top five markets during the April to June period. Yields for commercial properties stood at 2.80 % in Berlin and Munich, 3.10 % in Düsseldorf, and 3.00 % in both Frankfurt and Hamburg.

Market activity in the second half of the year will be primarily influenced by large deals and portfolio transactions that are still outstanding. Thus a transaction volume in the range of €55 billion to €60 billion is still forecast for the commercial investment market in 2019 as a whole.

**ONE PARTNER. ALL SERVICES. ALL ASSET CLASSES.
OFFICE - RETAIL - LOGISTICS - RESIDENTIAL**

ASSET MANAGEMENT

ACCOUNTING

BUILDING MANAGEMENT

PROJECT DEVELOPMENT

VALUATION AND RESEARCH

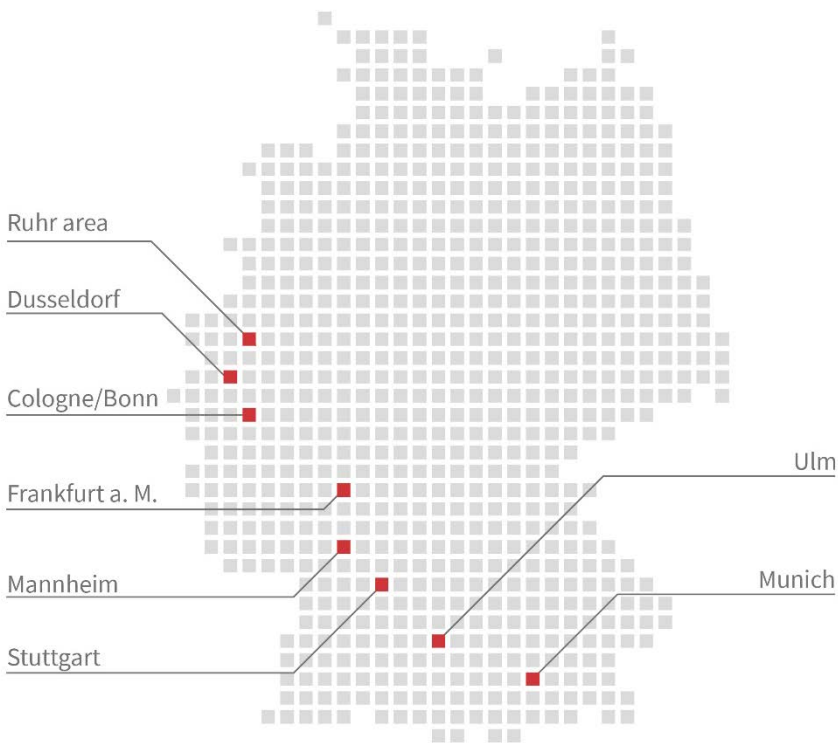
CORPORATE FINANCE ADVISORY

CORPORATE REAL ESTATE SERVICES

HEALTHCARE

SALES

LETTING



**YOUR PROPERTY PARTNER –
WE DISTINGUISH OURSELVES BY**

OWNER-MANAGED

PARTNER ACTIVE IN DAY-TO-DAY BUSINESS

MORE THAN 30 YEARS OF MARKET EXPERIENCE

INDEPENDENT - INNOVATIVE - SOLUTION-ORIENTED

LOCAL - NATIONAL - TOP NETWORK

FLEXIBLE - CUSTOMER-FOCUSED - COMPETENT



Copyright © NAI apollo, 2019.

This report is for information purposes only. It was compiled with the utmost care and is based on information from sources that we regard as being reliable, but for which we assume no liability for their accuracy, completeness or correctness. Estimates, figures and forecasts contained in this document are for guidance only. This report does not pursue the aim of promoting the purchase or sale of a particular financial investment and thus should not be considered as such an offer. The reader of this report must make his or her own independent decisions in regards to correctness and completeness. The NAI apollo assumes no liability for direct or indirect damage that arises through inaccuracies, omissions or errors in this report. We reserve the right to make changes and/or additions to the information contained therein at any time. Neither the report nor parts thereof may be published, reproduced or passed on without the written consent of the NAI apollo.