



# Facts and Figures

Investment Market 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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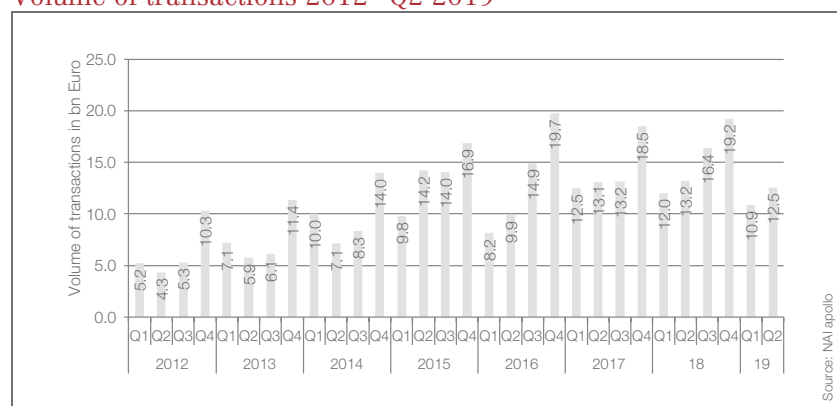
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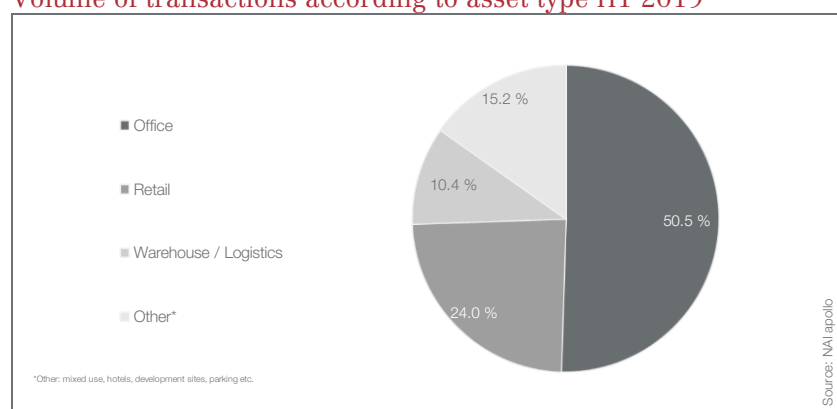
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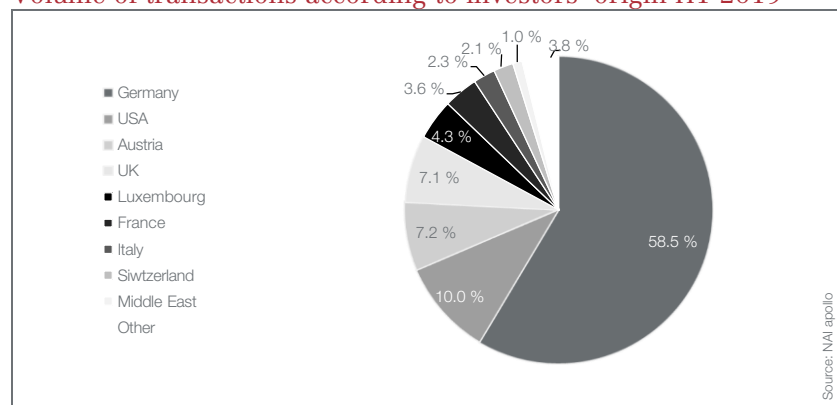
### Volume of transactions 2012 –Q2 2019



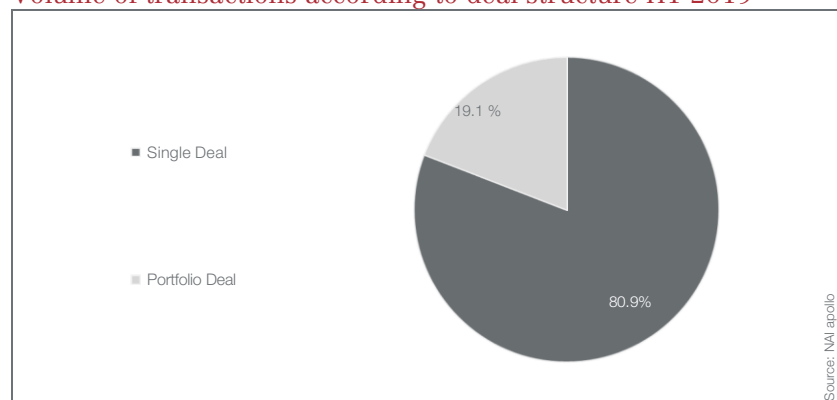
### Volume of transactions according to asset type H1 2019



### Volume of transactions according to investors' origin H1 2019



### Volume of transactions according to deal structure H1 2019

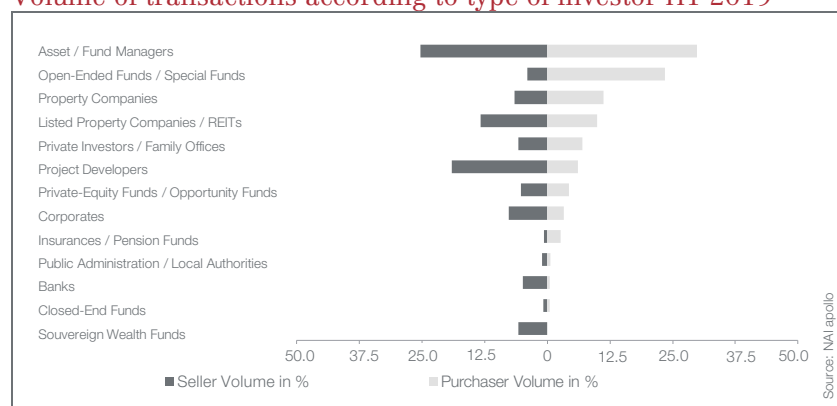


The German investment market for commercial real estate generated an investment volume of about €23.4 billion in the first half of 2019, which corresponds to a 7.2 % decline compared to the first six months of 2018. Around €10.9 billion was invested in German commercial property during the first quarter of 2019, followed by a further €12.5 billion in the second quarter. Although the amount invested in the period from April to June was also slightly below the previous year's level, it was still 8.8 % above the average Q2 value for the past five years.

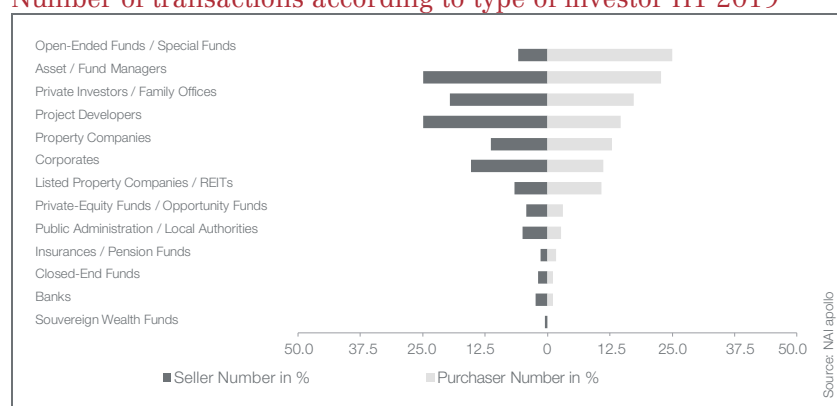
Market activity in the first half of 2019 was primarily influenced by the decline in portfolio investments. The transaction volume derived from portfolio deals amounted to about €4.5 billion, which was almost a third below the previous year. In contrast, single-asset transactions were slightly higher year-on-year at almost €18.9 billion (H1 2018: €18.8 billion).

In terms of the different asset classes, office property continued to dominate the market. At €11.8 billion, this asset class almost matched the previous year's volume, while its market share increased from 47.2 % to 50.5 %. Retail property investments increased by 25.0 % to €5.6 billion, and the market share grew from 17.8 % in H1 2018 to 24.0 % in the recent period. Logistics property was in third place with an investment volume of €2.4 billion. "Other uses" accounted for a transaction volume of €3.5 billion, of which hotels were responsible for almost €1.7 billion. This was around 10 % below the prior year's level.

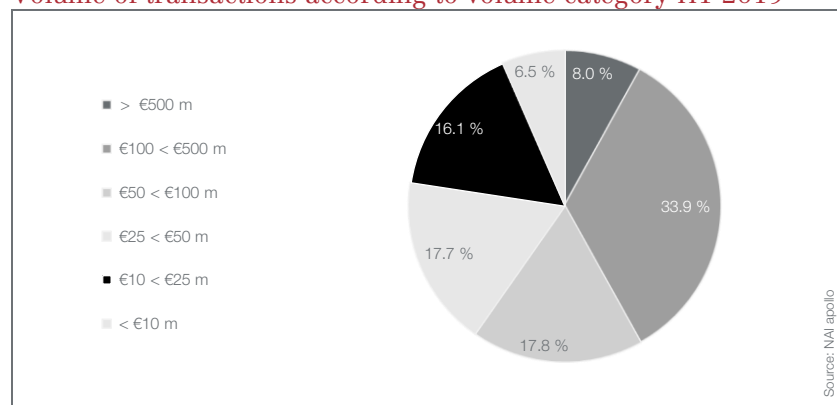
## Volume of transactions according to type of investor H1 2019



## 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.



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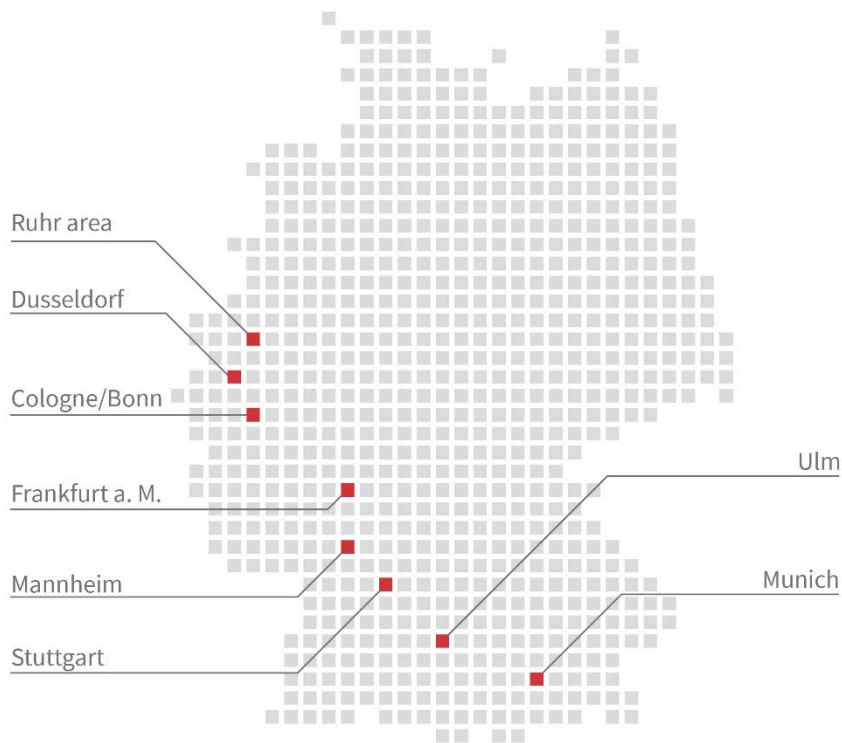
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