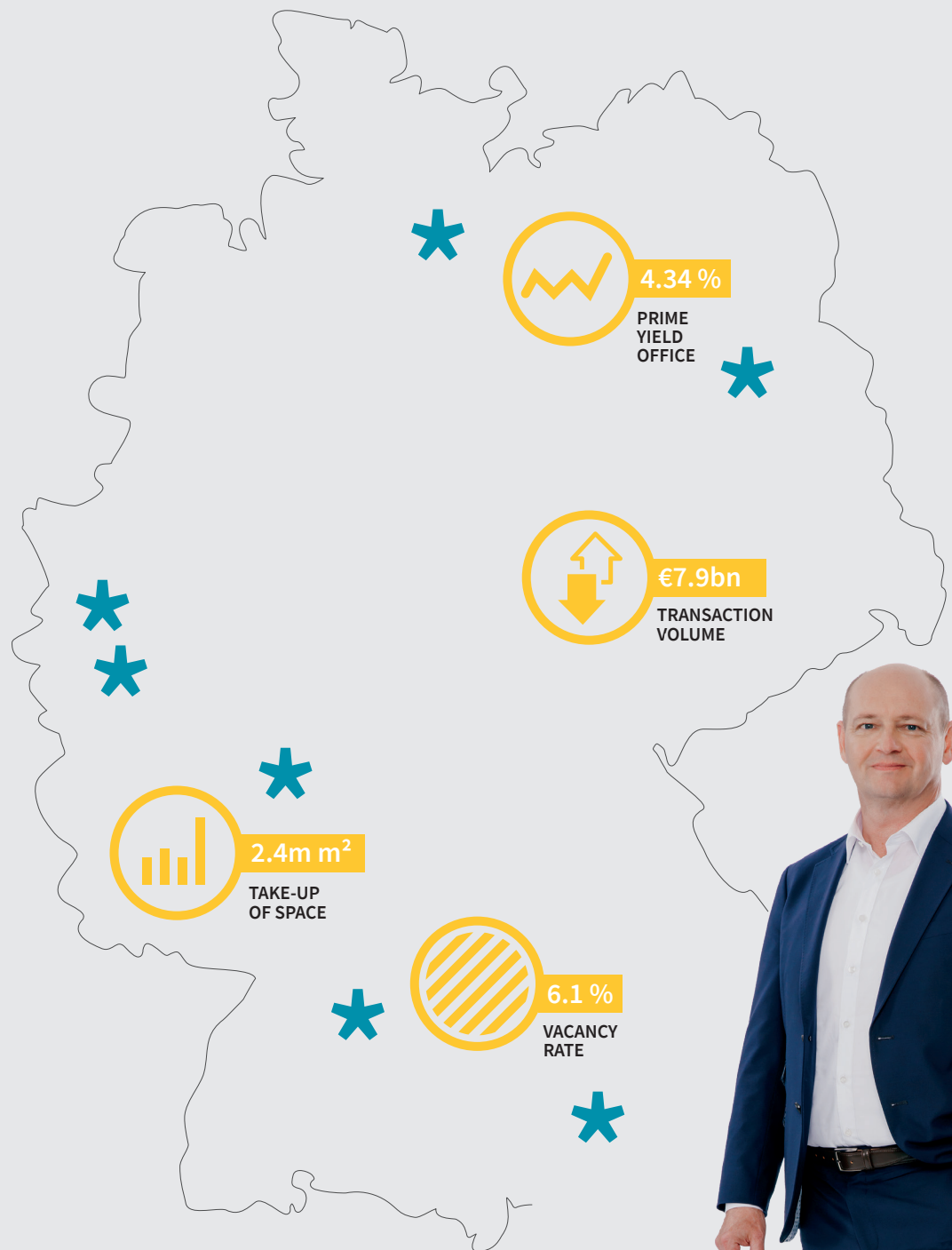


Top 7 Cities

MARKET SURVEY | Q 1-4 2023



» INVESTMENT | OFFICE LETTING



Throughout the year 2023 there was a low level of investment activity due to the difficult environment. Overall, only a few contracts were signed. Economic developments and the lack of large-volume agreements had an impact on the office-letting business in Germany's Top 7 Cities.

Björn Holzwarth
 Managing Partner and GPP Spokesperson
 E & G Real Estate

Overview



INVESTMENT

	HAMBURG	BERLIN	DÜSSELDORF	COLOGNE	FRANKFURT	STUTTGART	MUNICH	TOP 7
TRANSACTION VOLUME [€m]	1,300	2,700	610	800	658	450	1,356	7,874
YEAR-ON-YEAR CHANGE [%]	-71	-65	-78	-33	-84	-55	-66	-69
SHARE OF FOREIGN INVESTORS [%]	12	33	1	4	22	7	28	21
SHARE OF ASSET CLASS OFFICE [%]	61	51	46	43	47	30	58	51
PRIME YIELD OFFICE [%]	4.30	4.20	4.25	4.40	4.60	4.40	4.20	4.34
YEAR-ON-YEAR CHANGE [pp]	+1.20	+1.20	+0.85	+0.90	+1.25	+0.90	+1.10	+1.06
PRIME YIELD COMMERCIAL PREMISES [%]	4.10	4.30	4.20	4.40	4.10	4.30	4.20	4.23
YEAR-ON-YEAR CHANGE [pp]	+0.90	+1.05	+0.60	+0.80	+0.70	+0.50	+1.10	+0.81
PRIME YIELD LOGISTICS [%]	4.40	4.40	4.50	4.40	4.50	4.40	4.40	4.43
YEAR-ON-YEAR CHANGE [pp]	+0.60	+0.90	+0.40	+0.40	+0.60	+0.30	+0.90	+0.59

OVERVIEW – QUICK FACTS

INVESTMENT

- » Very low volume of transactions: €7.9bn (-69% year on year)
- » Prime yields on office properties have risen appreciably in all top 7 cities: 4.34%
- » Prime yields on all classes of asset starting to converge
- » Office properties are strongest class of asset – but less dominant than a year ago: 51 % (2022: 73 %)

OFFICE LETTING

TAKE-UP OF SPACE [m ²]	455,000	510,000	245,900	200,000	387,000	157,000	451,000	2,405,900
YEAR-ON-YEAR CHANGE [%]	-19	-38	-12	-37	-10	-48	-41	-31
AVERAGE RENT [net €/m ² /mth]	20.60	29.20	21.30	19.60	22.90	17.30	24.70	-
YEAR-ON-YEAR CHANGE [%]	-2	-3	+8	+5	-4	-5	-1	-
PREMIUM RENT [net €/m ² /mth]	34.50	44.30	40.10	33.00	47.00	35.00	52.30	-
YEAR-ON-YEAR CHANGE [%]	+3	+5	+20	+16	+2	+6	+15	-
VACANT SPACE [m ²]	657,000	1,150,000	700,920	312,000	1,125,300	432,000	1,440,000	5,817,220
YEAR-ON-YEAR CHANGE [%]	+17	+24	+19	+18	+23	+19	+20	+21
VACANCY RATE [%]	4.6	5.3	9.3	3.8	9.7	5.1	6.1	6.1
YEAR-ON-YEAR CHANGE [pp]	+0.6	+0.9	+1.4	+1.0	+1.9	+0.8	+1.0	+1.0
COMPLETIONS 2024 [m ²]	179,000	725,000	166,500	100,000	131,600	149,700	300,000	1,751,800
PRE-LET RATE [%]	67	55	67	80	72	52	63	61

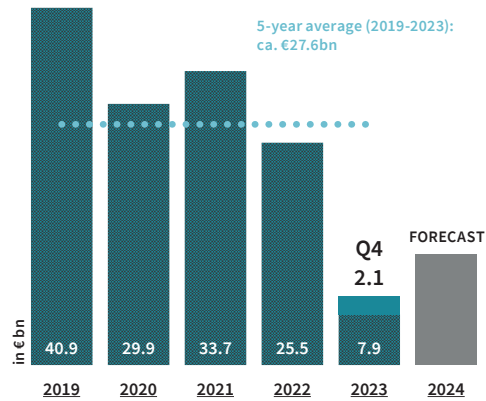
OFFICE LETTING

- » Below average take-up of space: 2.4m m² (-31% year on year)
- » Vacancy rate has grown: 6.1% (+1.0 percentage points year on year)
- » Average rents relatively stable – premium rents climb higher
- » Pre-let ratio for 2024 is some 61%

Investment

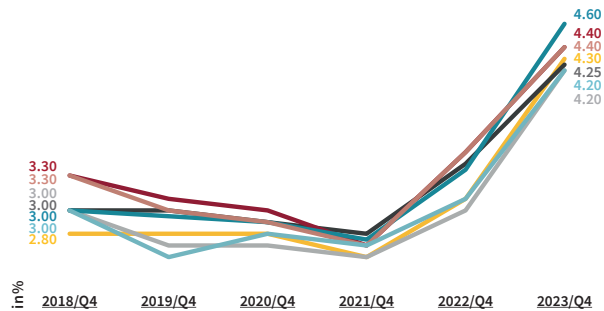


TRANSACTION VOLUME



PRIME YIELDS OFFICE

(net) initial yield



BERLIN DÜSSELDORF FRANKFURT HAMBURG COLOGNE MUNICH STUTTGART

TOP 10 TRANSACTIONS

- MUNICH "APPLE CAMPUS"** >> ca. €251m
 Seidlstrasse 15-19
 Buyer: Apple
 Vendor: Free State of Bavaria
- HAMBURG "NEW WORK HARBOUR"** >> ca. €157m
 Am Strandkai 1
 Buyer: Hamburg Port Authority
 Vendor: DWS
- DÜSSELDORF "BÖHLER SITE"** >> ca. €156m
 Hansaallee 321
 Buyer: Jamestown
 Vendor: Voestalpine
- STUTTGART "CALWER PASSAGE"** >> ca. €150m
 Rotebühlplatz
 Buyer: Versicherungskammer Bayern
 Vendor: Piech Holding
- HAMBURG "TREASURY BUILDING"** >> ca. €120m
 Gänsemarkt 36
 Buyer: City of Hamburg
 Vendor: PPS Immobilien
- MUNICH "VINZENT"** >> ca. €110m
 Rupprechtstrasse 22-24/Gabrielenstrasse 3
 Buyer: Kommunale Unfallversicherung Bayern
 Vendor: Bauwerk Capital
- MUNICH "MOTEL ONE"** >> ca. €100m
 Schillerstrasse 3
 Buyer: Wirtgen Invest
 Vendor: Concrete Capital
- FRANKFURT "KÖ-CAMPUS"** >> ca. €70m
 Kölner Strasse 10+12
 Buyer: Advenis
 Vendor: Investcorp
- HAMBURG "CUBE 10"** >> ca. €60m
 Amelungstrasse 9-11
 Buyer: Ofi Invest
 Vendor: Amundi
- STUTTGART "KAUFHOF"** >> ca. €59m
 Eberhardstrasse 28/Steinstrasse 34
 Buyer: City of Stuttgart
 Vendor: Signa

INVESTMENT – QUICK FACTS

- » **Volume of transactions** appreciably lower: €7.9bn (-69% year on year)
- » **Volume of transactions** plummets in all cities: Frankfurt (-84%) | Düsseldorf (-78%) | Hamburg (-71%) | Munich (-66%) | Berlin (-65%) | Stuttgart (-55%) | Cologne (-33%)
- » Berlin has **highest volume of transactions**: Berlin (€2.7bn) | Munich (€1.4bn) | Hamburg (€1.3bn) | Cologne (€0.8bn) | Frankfurt (€0.7bn) | Düsseldorf (€0.6bn) | Stuttgart (€0.5bn)
- » Offices are most-traded **class of asset**: 51% (2022: 73%)
- » **Prime yields on office buildings** grow appreciably: Frankfurt (4.60%) | Cologne (4.40%) | Stuttgart (4.40%) | Düsseldorf (4.25%) | Hamburg (4.30%) | Munich (4.20%) | Berlin (4.20%)
- » **International investors** not very active: 21% (-26 percentage points year on year)
- » The sharp rise in **interest rates** combined with **political and economic uncertainty** produced the anticipated weak result for the year. Provided that the business environment stabilizes in **2024**, a modest market revival is expected over the course of 2024.

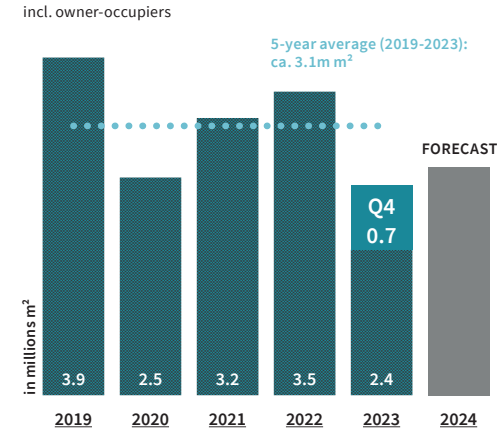
Office letting



TOP OFFICE LETTINGS

- | | | | |
|----------|--|-----------|---|
| 1 | DÜSSELDORF "TWIN CUBES" >> 27,100 m ²
Deutsche Rückversicherung & ÖRAG (owner-occupier)
Heerdter Lohweg 53 | 6 | COLOGNE "RHEINPARK-METROPOLE" >> 14,000 m ²
DEVK Versicherung
Charles-de-Gaulle-Platz 1 |
| 2 | HAMBURG "NEW WORK HARBOUR" >> 22,200 m ²
Hamburg Port Authority (owner-occupier)
Am Strandkai 1 | 7 | COLOGNE >> 13,000 m ²
Chamber of Commerce and Industry Cologne
Unter Sachsenhausen 5-7 |
| 3 | BERLIN "AP15" >> 19,600 m ²
Boston Consulting Group
Am Postbahnhof 15 | 8 | BERLIN >> 12,800 m ²
Jobcenter Marzahn-Hellersdorf (owner-occupier)
Märkische Allee 171+173 |
| 4 | HAMBURG "MARQUARD & BAHL BUILDING" >> 17,200 m ²
RTL/Gruner + Jahr
Koreastraße 7 | 9 | FRANKFURT "PHOENIX" >> 12,400 m ²
dwp Deutsche WertpapierService Bank
Kölner Straße 5 |
| 5 | HAMBURG "Q21 OFFICES" >> 15,300 m ²
Fielmann Group
Fuhlsbüttler Straße 399 | 10 | DÜSSELDORF "LE COEUR" >> 10,500 m ²
Freshfields Bruckhaus Deringer
Königsallee 37 |

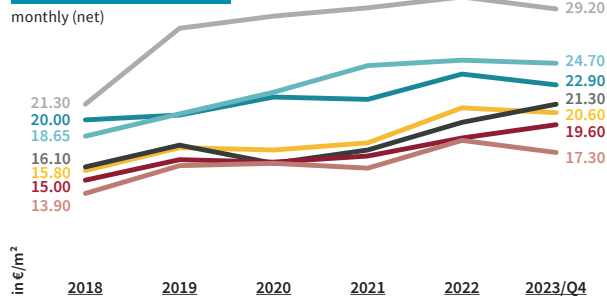
TAKE-UP OF SPACE



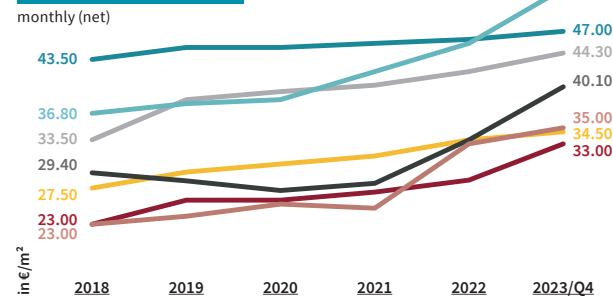
OFFICE LETTING – QUICK FACTS

- » Weak result for take-up of space: 2.4m m² (-31% year on year)
- » Berlin posts highest take-up figure: Berlin (510,000 m², -38%) | Hamburg (455,000 m², -19%) | Munich (451,000 m², -41%) | Frankfurt (387,000 m², -10%) | Düsseldorf (245,900 m², -12%) | Cologne (200,000 m², -37%) | Stuttgart (157,000 m², -48%)
- » Higher vacancy rates: Cologne (3.8%) | Hamburg (4.6%) | Stuttgart (5.1%) | Berlin (5.3%) | Munich (6.1%) | Düsseldorf (9.3%) | Frankfurt (9.7%)
- » Average rents relatively stable – premium rents climb higher
- » The office-letting business in the Top 7 Cities has felt the effects of the economic downturn in conjunction with geopolitical conflicts and other factors creating difficulties or uncertainty, resulting in below-average take-up. A slow start is expected for 2024. If the economy should gather momentum during the year, it would probably have a knock-on effect on the take-up of office space.

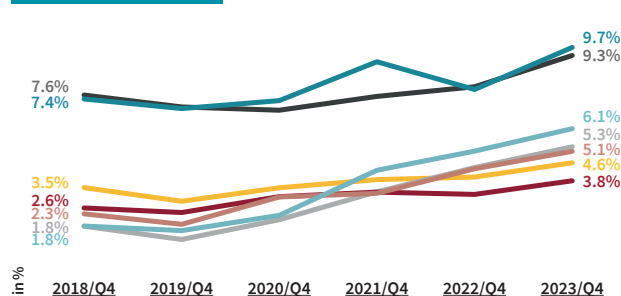
AVERAGE RENT



PREMIUM RENT



VACANCY RATE



Investment Hamburg

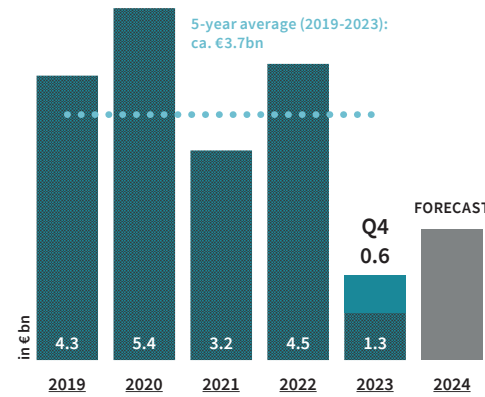
Moin!



2023 was a year of many challenges. However, there are first signs that circumstances will gradually improve and lead to a moderate rise in investment activity during the coming year.

Jens Mollenhauer
Research consultant
Tel. +49 40 350 802 231
j.mollenhauer@grossmann-berger.de

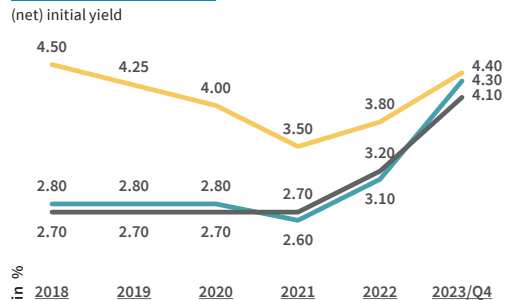
TRANSACTION VOLUME



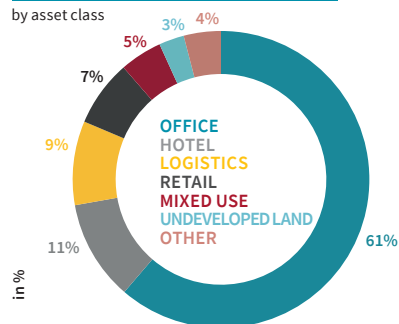
HAMBURG – QUICK FACTS

- » Weak transaction volume: €1.3bn (-71% year on year)
- » Office properties again most sought-after class of asset: 61%
- » Yields higher on all classes of asset: offices 4.30% (+ 1.2 percentage points) | commercial buildings 4.10% (+0.9 percentage pts) | industrial and logistics properties 4.40% (+0.6 percentage pts)
- » Largest single transaction of the year: “New Work Harbour” (Am Strandkai 1, Hafencity) – about €157m
- » Biggest group of buyers: Public sector (33%)
- » Biggest group of vendors: Open-ended property mutual funds (19%)
- » Foreign investors rather inactive: 12% (-38 percentage points year on year)

PRIME YIELDS



TRANSACTION VOLUME



SELECTED TRANSACTIONS

- 1 **"NEW WORK HARBOUR"** >> ca. €157m
Am Strandkai 1
Buyer: Hamburg Port Authority
Vendor: DWS
- 2 **"TREASURY BUILDING"** >> ca. €120m
Gänsemarkt 36
Buyer: City of Hamburg
Vendor: PPS Immobilien
- 3 **"CUBE 10"** >> ca. €60m
Amelungstrasse 9-11
Buyer: Ofi Invest
Vendor: Amundi

Office letting Hamburg



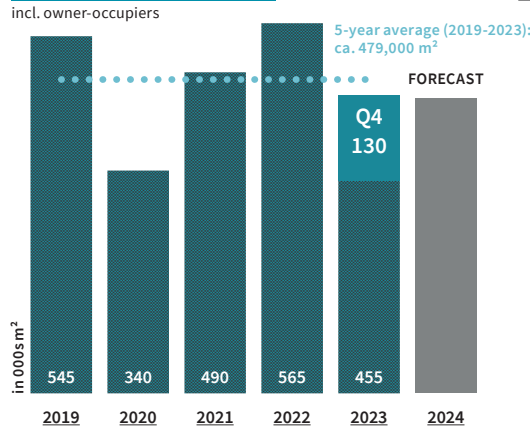
Moin!



The momentum reflected in agreements concluded in 2022 ebbed in 2023. Indeed, potential tenants were far more reluctant to make a decision, generating lower take-up figures.

Anna Martens
Research consultant
Tel. +49 40 350 802 615
a.martens@grossmann-berger.de

TAKE-UP OF SPACE



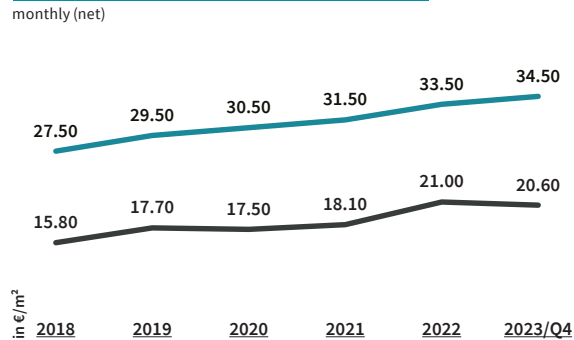
HAMBURG – QUICK FACTS

- » Despite a strong 4th quarter, **take-up** fell some 19% below the prior year's result: 455,000 m²
- » **Fewer agreements for big suites** (>5,000 m²): -16% year on year
- » **Owner-occupiers'** share of take-up drops by some 10,000 m² to total about 50,000 m²; -17% year on year
- » **Premium rents** have risen: €34.50/m²/month (+3.0% year on year)
- » Slight fall in **average rents**: €20.60/m²/month (-2.0% year on year)
- » As in the prior year, the **sector** with the biggest share of take-up is: IT/telecoms (70,100 m², 15%)
- » Far more **office space available** – **vacancy rate** grows year on year from 4.0% to 4.6%
- » Numerous postponements – **volume of completions** set to peak in 2025: 179,000 m² in 2024, 253,000 m² in 2025 – **pre-let ratio** > 60%
- » It is to be expected that in 2024 take-up of office space in Hamburg will be similar to the volume seen in 2023. The amount of office space available will increase in the months to come. As a rule, however, tenants are still prepared to pay the asking price for good-quality space.

TOP 3 CONTRACTS

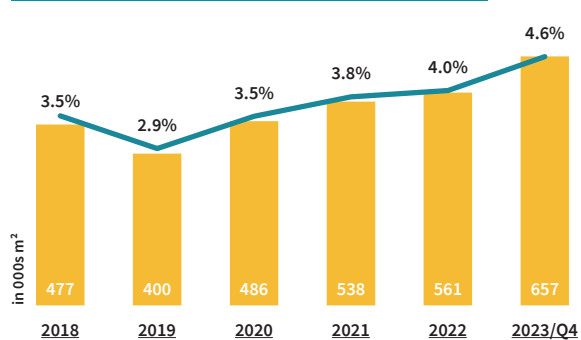
- HAMBURG PORT AUTHORITY (OWNER-OCCUPIER)**
"New Work Harbour", Am Strandkai 1
» ca. 22,200 m²
- RTL/GRUNER & JAHR**
"Marquard & Bahls Building", Koreastrasse 7
» ca. 17,200 m²
- FIELMANN GROUP**
"Q21 Offices", Fuhlsbüttler Strasse 399
» ca. 15,300 m²

PREMIUM AND AVERAGE RENT



PREMIUM RENT AVERAGE RENT

VACANT SPACE AND VACANCY RATE



Investment Berlin

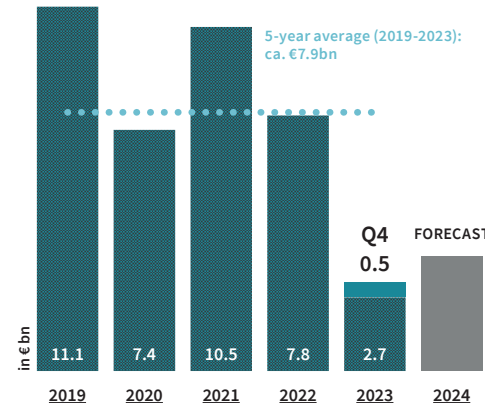
Hallo!



The market for investment in commercial real estate was extremely muted and will get off to a slow start in 2024. If interest rates settle during the course of the year, one might see a modest revival of trading activity.

Margit Lippold
Research consultant
Tel. +49 30 20 29 53 36
m.lippold@grossmann-berger.de

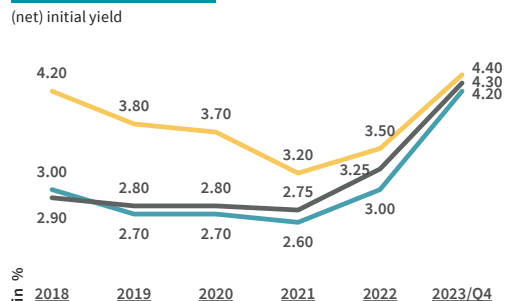
TRANSACTION VOLUME



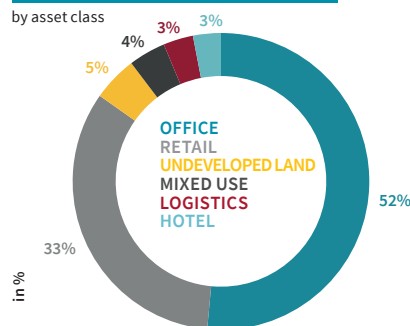
BERLIN – QUICK FACTS

- » Volume of transactions around €2.7bn (-65% year on year)
- » Office properties were the most sought-after asset: about 51%
- » Volume of transactions in the CBD: approx. €1.7bn – 61%
- » Largest transaction of the year: sale of shareholding in “MYND”+Galeria Kaufhof on Alexanderplatz
- » Open-ended property mutual funds were the biggest group of investors with around 37% of the market
- » Biggest group of vendors: Project developers (about 43%)
- » International investors remain cautious: about 33%
- » Prime yields climbed higher – converging at similar rates between 4.20 and 4.40%

PRIME YIELDS



TRANSACTION VOLUME



SELECTED TRANSACTIONS

- 1 "MYND"+GALERIA KAUFHOF (80%) >> CONFIDENTIAL
Alexanderplatz
Buyer: Commerz Real
Vendor: Signa
- 2 "KADEWE" (50%) >> CONFIDENTIAL
Tautenzienstrasse 21-24
Buyer: Harg Central
Vendor: Signa
- 3 "BEAM" >> CONFIDENTIAL
Schicklerstrasse
Buyer: Kühne Holding
Vendor: Signa

Office letting Berlin

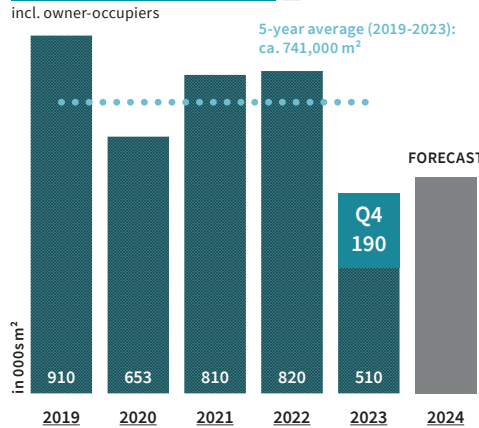
Hallo!



The limited number of large-volume rental agreements slowed the office-letting market. And 2024 will start slowly too. Few agreements for more than 10,000 m² of space are expected, so that the take-up result will be no more than 600,000 m².

Margit Lippold
Research consultant
Tel. +49 30 20 29 53 36
m.lippold@grossmann-berger.de

TAKE-UP OF SPACE



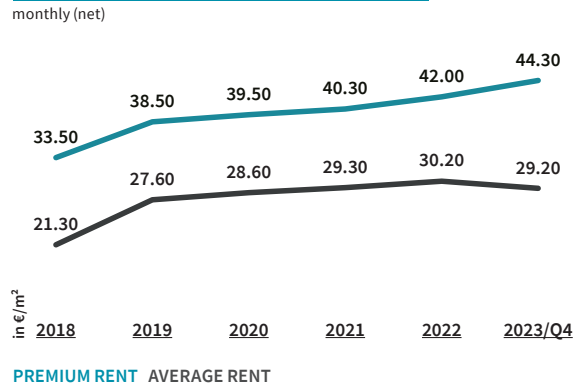
BERLIN – QUICK FACTS

- » **Take-up of space** is only 510,000 m² (-38 % year on year) – lack of large-volume agreements
- » **Premium rent** rose by 5 % year on year: +€2.20/m²/month to € 44.30/m²/month
- » **Average rents** soften slightly: € 29.20/m²/month (-3 % year on year)
- » The **public sector** accounted for more take-up than any other (110,300 m², about 21 %)
- » Amount of **available office space** has risen to more than 1m square metres – **vacancy rate: 5.3 %**
- » **Scheduled completions (2024):** about 725,000 m² – pre-let ratio some 55 %
- » Demand remains high for top-quality space conforming to ESG criteria and located in central areas. Rents will probably stabilize in 2024 at their current high levels. Premium rents could increase a little. Depending on how the economy develops, an **office-letting volume** of 600,000 m² at most is a realistic assumption for 2024.

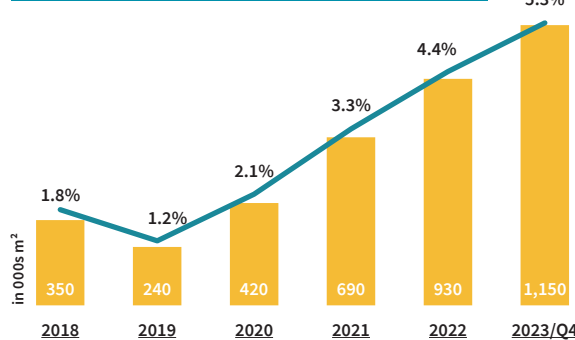
TOP 3 CONTRACTS

- BOSTON CONSULTING**
“AP15“, Am Postbahnhof 15
» ca. 19,600 m²
- BIMA FOR BKA**
“Evolve“, Eisenstrasse 87-96
» ca. 19,500 m²
- JOBCENTER MARZAHN-HELLERSDORF (OWNER-OCCUPIER)**
Märkische Allee 171+173
» ca. 12,800 m²

PREMIUM AND AVERAGE RENT



VACANT SPACE AND VACANCY RATE



Investment Düsseldorf

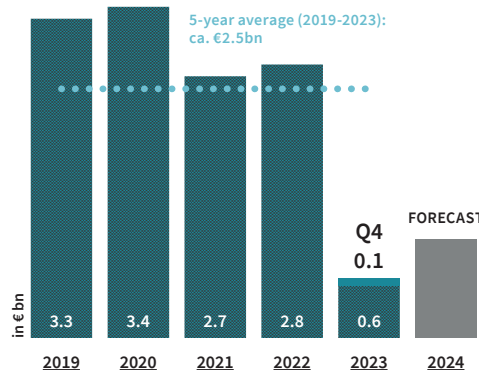


Tach!

The year 2023 brought no noticeable improvement in trading activity. Market players remained cautious in view of increased investment costs, resulting in fewer transactions and the absence of the normal end-of-year rally.

Paulina Wingenroth
Head of Research | Investment
Tel. +49 211 58 59 89 12
p.wingenroth@anteon.de

TRANSACTION VOLUME

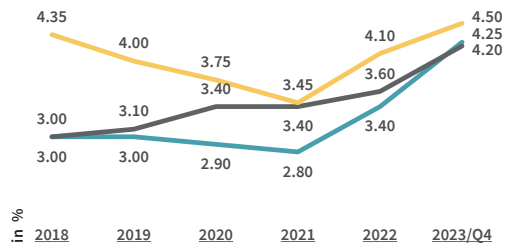


DÜSSELDORF – QUICK FACTS

- » **Transaction volume** of a mere €610m falls 78% short of the prior year's total
- » Traditionally the most **sought-after assets**, office properties remained the biggest-selling items with 46% of the total trading volume.
- » The year closed with turnover in the **CBD** at €63m; (10%)
- » The **biggest transaction** was Jamestown's purchase of the Böhler site (about €156m) at the start of the year.
- » Taking 48% of the market, **developers** bought more than other groups
- » Corporates/owner-occupiers/non-properties were the **most active vendors**, responsible for 64% of the total volume.
- » Commercial **real estate investors from abroad** made only a marginal contribution: 1%
- » The **forecast for 2024** is €1.0bn

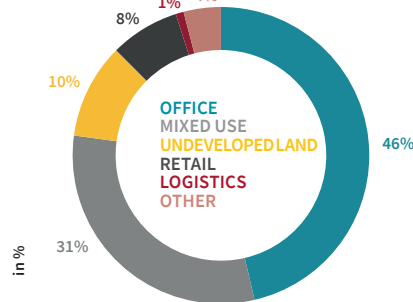
PRIME YIELDS

(net) initial yield



TRANSACTION VOLUME

by asset class



SELECTED TRANSACTIONS

- "BÖHLER SITE"** >> ca. €156m
 Hansaallee 321
 Buyer: Jamestown
 Vendor: Voestalpine
- "MAXFREI OFFICES"** >> CONFIDENTIAL
 Ulmenstrasse 91
 Buyer: Barmeria
 Vendor: HTTP/Interboden
- MEDICAL CENTER** >> ca. €10m
 Einbrunger Strasse 66
 Buyer: Mondial
 Vendor: Graf Recke Stiftung

Office letting Düsseldorf

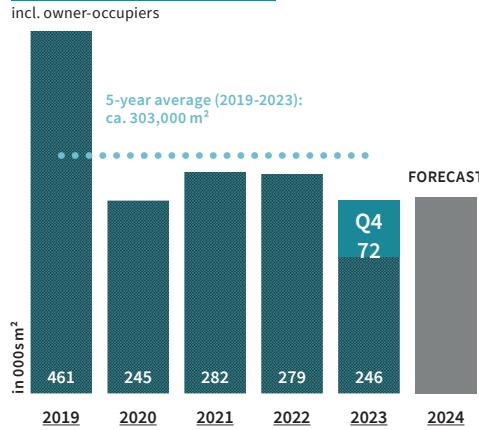


Tach!

Despite the high amount of available space, interesting developments in premium and average rents are emerging, underlining the strong demand for top quality office space in prime locations.

Daniela Morsek
Research consultant
Tel. +49 211 58 58 89 61
d.morsek@anteon.de

TAKE-UP OF SPACE



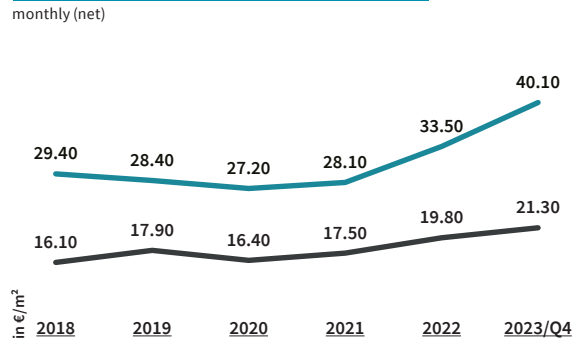
DÜSSELDORF – QUICK FACTS

- » **Take-up** of 245,900 m² falls 12 % short of the prior year's result.
- » The **premium rent** grew 20 % year on year, climbing by € 6.60 to € 40.10/m²/month
- » **Average rents** rose to € 21.30/m²/month (+8 % year on year)
- » Industry & trade comprised the **biggest group of new tenants** (16 %, 39,500 m²)
- » Amount of **available office space** grew by 19% to 700,920 m² – vacancy rate: 9.3 %
- » **Scheduled completions** (2024/2025): 301,500 m²
- » A volume of 250,000 m² of let office space is realistic for 2024

TOP 3 CONTRACTS

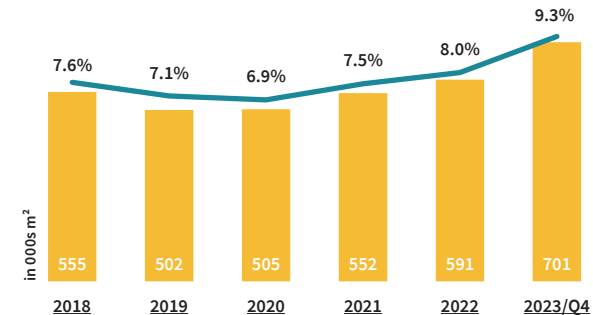
- 1 DEUTSCHERÜCKVERSICHERUNG&ÖRAG (OWNER-OCCUPIER)**
"Twin Cubes", Heerdter Lohweg 53
» ca. 27,100 m²
- 2 FRESHFIELDS BRUCKHAUS DERINGER**
"Le Coeur", Königsallee 37
» ca. 10,500 m²
- 3 HENGELER MUELLER LAW PARTNERSHIP**
"Trinkhaus Karee", Königsallee 21-23
» ca. 9,600 m²

PREMIUM AND AVERAGE RENT



PREMIUM RENT AVERAGE RENT

VACANT SPACE AND VACANCY RATE



Investment Cologne

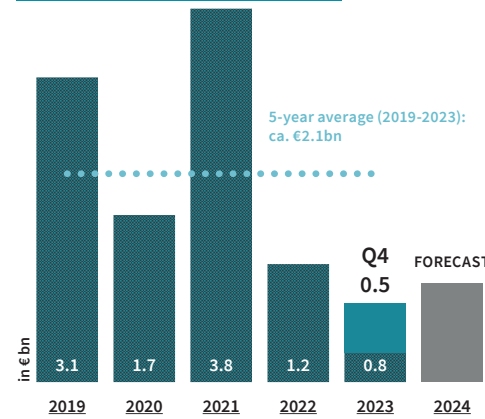


Hallo!

Currently, most investors remain cautious. Several indicators point to a market revival as the year 2024 progresses.

Thorsten Neugebauer
Head of Investment
Tel. +49 221 927 793 123
thorsten.neugebauer@greif-contzen.de

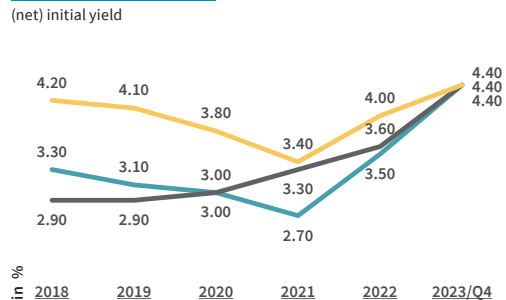
TRANSACTION VOLUME



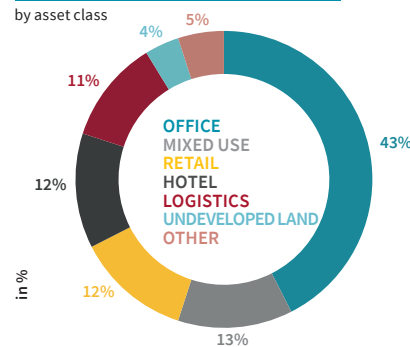
COLOGNE – QUICK FACTS

- » Even against the year 2022, itself impacted by changing interest rates, the **volume of transactions** fell by about a third in 2023 to €800m.
- » However, the decline of investments in the other Top 7 Cities was even more pronounced.
- » The **new interest rates** limit the profitability of the real estate on the market.
- » Many investors halted their sales plans because they felt that the prices the players still on the market were prepared to pay were not high enough.
- » Not until the **second half year** did the office sector revive somewhat (43% share of the transaction volume)
- » Two office properties fetched more than €50m each. Most purchase prices were appreciably below this mark.
- » The **prime net yields** on commercial buildings, offices and logistics assets have now converged at around 4.40 per cent.
- » Overall, it is possible that a slightly higher transaction volume in the region of a billion euros will be posted in **2024**.

PRIME YIELDS



TRANSACTION VOLUME



SELECTED TRANSACTIONS

- OFFICE BUILDING** >> > €60m
City
Buyer: Fund
Vendor: Fund
- OFFICE BUILDING** >> > €50m
Mülheim
Buyer: Confidential
Vendor: Confidential
- DORINT HOTEL** >> CONFIDENTIAL
Deutz-Mülheimer Strasse 22-24
Buyer: Alchemy Step Hotel Group
Vendor: Confidential

Office letting Cologne



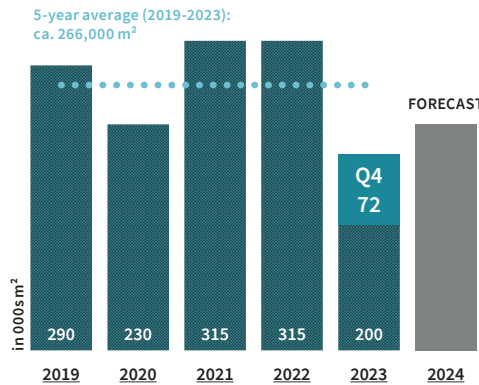
Morje!

Developers' construction costs for premium new-builds result in rents well above the top rents currently charged.

Andreas Reul
Head of Office Properties
Tel. +49 221 937 793 220
andreas.reul@greif-contzen.de

TAKE-UP OF SPACE

incl. owner-occupiers



COLOGNE – QUICK FACTS

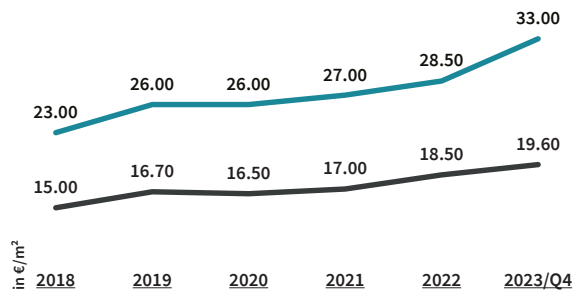
- » **Take-up of office space**, at 200,000 m², has reached a new low, falling 37% behind the volume seen in 2022.
- » Developers are passing the higher construction costs and interest rates on to the tenants via the rental charges. Despite decreasing demand, the **premium rent** continued its upwards trajectory, rising to €33.00/m²/month.
- » The **average weighted rent** increased from €18.50/m²/month to €19.60/m²/month.
- » Consultancies comprised the **biggest group of new tenants**, accounting for about 18% of total take-up. Year on year the **public sector's** market share has fallen dramatically to some 14% (2022: about 43%).
- » The **volume of empty space**, including space offered to sub-tenants, rose to 312,000 m² (vacancy rate: 3.8%).
- » In 2023 around 100,000 m² of **office space was completed**, thus equalling the five-year average.
- » For 2024 a slight increase in demand is expected to result in take-up of around 230,000 m². Risks do remain, however.

TOP 3 CONTRACTS

- 1 DEVK VERSICHERUNG**
"Rheinpark-Metropole", Charles-de-Gaulle-Platz 1
» ca. 14,000 m²
- 2 CHAMBER OF COMMERCE AND INDUSTRY COLOGNE**
Unter Sachsenhausen 5-7
» ca. 13,000 m²
- 3 KIRCHL. ZUSATZVERSORGUNGSKASSE (CHURCH PENSIONS)**
"Gerling Garden", Im Klapperhof
» ca. 9,200 m²

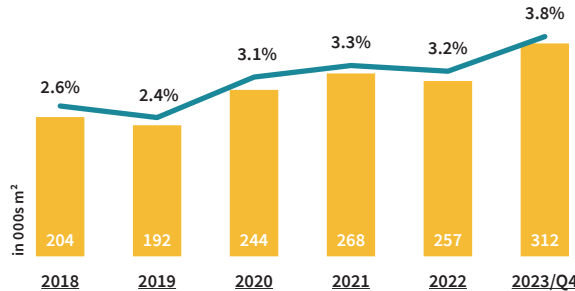
PREMIUM AND AVERAGE RENT

monthly (net)



PREMIUM RENT AVERAGE RENT

VACANT SPACE AND VACANCY RATE



Investment Frankfurt

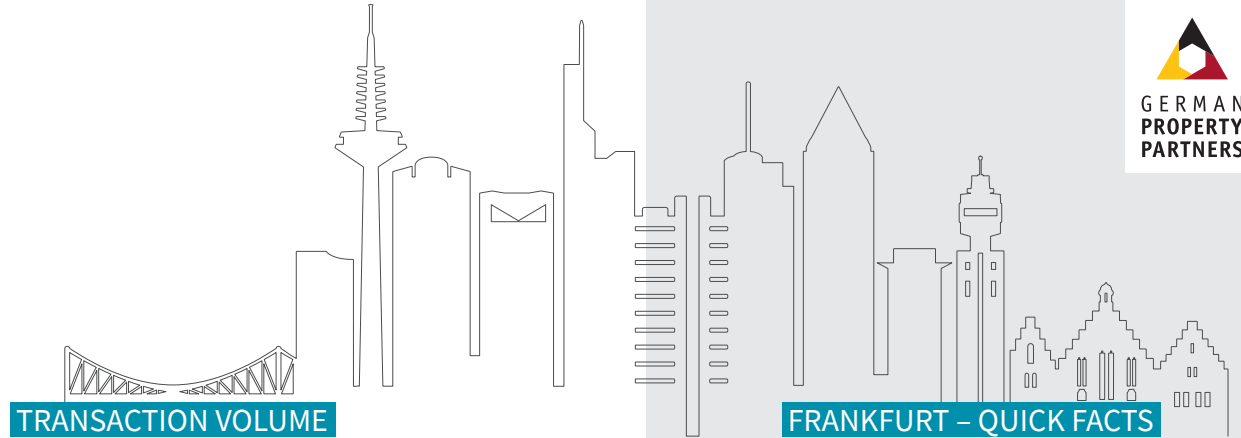


Quote!

Despite current interest rate trends, we do not expect the market to revive before the two final quarters. Even then, business will be comparatively quiet.

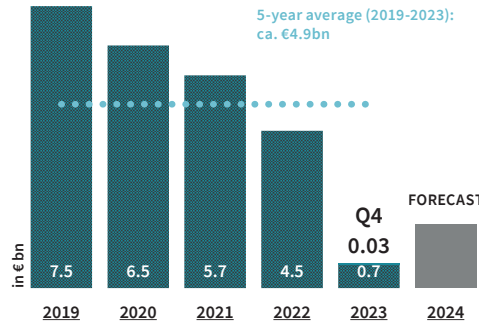


Maximilian Kühnaß
Co-Head Investment
Tel. +49 69 907 44 87 44
maximilian.kuehnass@blackolive.de



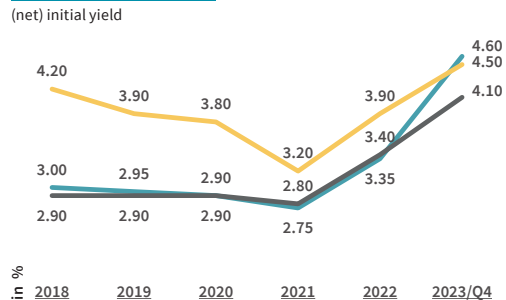
TRANSACTION VOLUME

FRANKFURT – QUICK FACTS

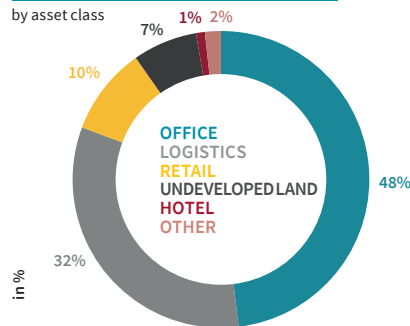


- » Transaction volume at an all-time low of some €658m
- » Office real estate's share of total trading is below average: about 47%
- » Biggest office trade was the sale of the "Kö-Campus" (Kölner Strasse 10+12, Eschborn) for about €70m
- » Biggest group of buyers: corporates/owner-occupiers/non-properties (28%) – owner-occupiers and private investors generated the highest number of transactions, purchasing 6 properties each
- » By volume traded, the biggest groups of sellers were specialist funds (25%) - private investors were involved in the largest number of transactions
- » National investors were behind the largest number of transactions, but international investors accounted for some 50% of the volume traded
- » Yields continued to rise up to and including the fourth quarter - prime yields on offices and logistics real estate are converging
- » The market is unlikely to stage a quick recovery. Although yield growth seems to have peaked, no significant yield compression is to be expected in the near future. Emergency sales in the wake of insolvencies are probable. A transaction volume of over €1.0bn is expected for 2024.

PRIME YIELDS



TRANSACTION VOLUME



SELECTED TRANSACTIONS

- "KÖ-CAMPUS"** >> ca. €70m
 Kölner Strasse 10+12
 Buyer: Advenis
 Vendor: Investcorp
- "FRA7/FRANKFURT WESTSIDE"** >> CONFIDENTIAL
 Stroofstrasse
 Buyer: CyrusOne
 Vendor: Beos
- LOGISTICS-PORTFOLIO** >> CONFIDENTIAL
 Cargo City South
 Buyer: Peakside Capital
 Vendor: Confidential

Office letting Frankfurt



Quote!

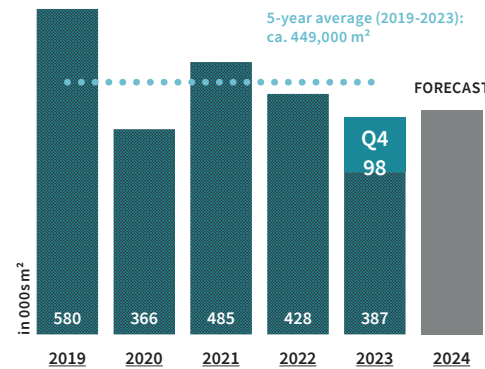
”

Frankfurt continues to offer considerable potential and will remain an attractive work location, but demand will be lower and prices higher. Rising rents could, in the medium to long term, even lead to cost-cutting efforts.

Kevin T. Nguyen
Managing Partner
Tel. +49 69 907 44 87 26
kevin.nguyen@blackolive.de

TAKE-UP OF SPACE

incl. owner-occupiers



FRANKFURT – QUICK FACTS

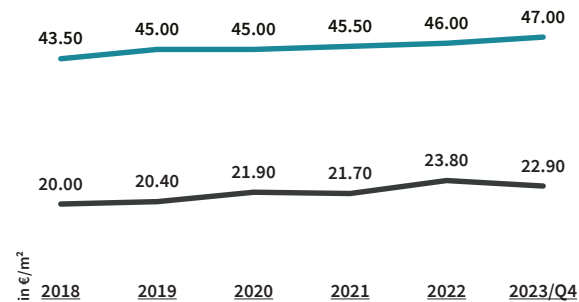
- » Only about 600 rental agreements totalling 387,000 m² of space (-10 % year on year)
- » Only 2 agreements for more than 12,000 m²
- » Demand for the mid-size segment, i.e. between 2,000 m² and 5,000 m², rose by 25 % – take-up of offices sized 1,000 m² or less fell by some 16 % against 2022
- » **Highest level of demand** in the City Edge sub-market – above all for rentals in new-builds and off-plan
- » Demand in the **CBD** slightly below average: about 29 % – no large-volume agreements
- » **Rental rate** gap is widening; average rents have softened by €0.90/m² to €22.90/m²/month. Premium rents have increased by €1.00/m² to €47.00/m²/month
- » The **biggest group of clients** are providers of financial services with 17 % of the total, followed by public authorities, construction & real estate services companies and technology firms, each with a share of some 12 %
- » **Vacant space** has reached a total of more than 1 million m² – **vacancy rate** 9.7 % or 1.9 percentage points higher than in 2022
- » **Completions** in 2023: about 140,000 m², occupancy rate 56 % – for 2024 only 130,000 m² is scheduled, **occupancy rate** >70 %
- » **Forecast for 2024:** 370,000 to 400,000 m²

TOP 3 CONTRACTS

- DWP - DEUTSCHE WERTPAPIERBANK**
“Phoenix“, Kölner Strasse 5, Eschborn
» ca. 12,500 m²
- CONFIDENTIAL**
“The Move Orange“, De-Saint-Exupéry-Strasse 3, Gateway Gardens
» ca. 12,000 m²
- UNIVERSAL INVESTMENT**
“Timber Pioneer“, Europa-Allee 92
» ca. 9,600 m²

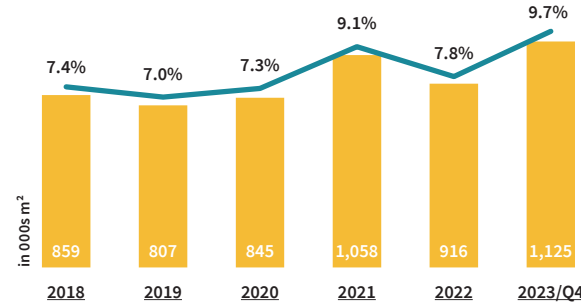
PREMIUM AND AVERAGE RENT

monthly (net)



PREMIUM RENT AVERAGE RENT

VACANT SPACE AND VACANCY RATE



Investment Stuttgart

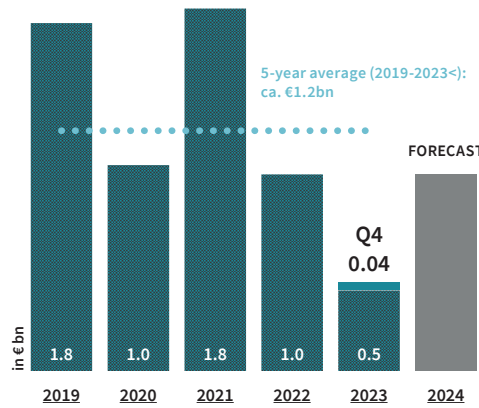


Hallo!

In the current market environment investors with deep pockets can benefit from falling prices for existing properties with ESG potential.

Simone Wiedmann
Real estate consultant
Tel. +49 711 207 02 724
simone.wiedmann@eug-re.de

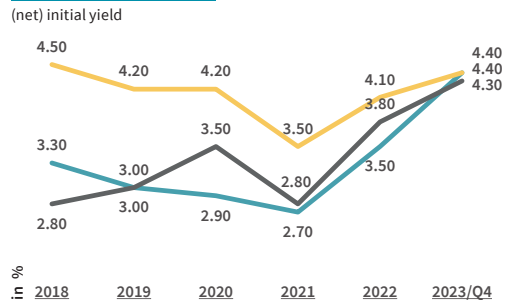
TRANSACTION VOLUME



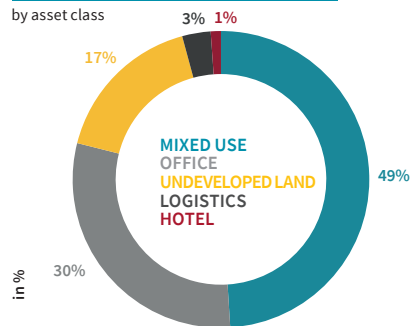
STUTTART – QUICK FACTS

- » **Volume of transactions:** €450m (-55% year on year)
- » Mixed-use real estate was the most popular **class of asset** (49% share)
- » Turnover in the **CBD** totalled some €240m: about 53%
- » **Biggest transaction:** 2nd-quarter sale of the shopping mall Calwer Passage to insurance company Versicherungskammer Bayern
- » **Biggest group of buyers:** Insurance companies (33%)
- » **Biggest group of vendors:** Private investors/family offices (43%)
- » **International investors** accounted for a mere 7% of trading
- » By the end of the year lower real estate prices and price-to-earnings ratios had led to rising yields. In general it is expected that in the new year interest rates and prices will settle at a rate that suits both buyers and sellers. A realistic forecast for the year **2024** is a maximum volume of €1.0bn.

PRIME YIELDS



TRANSACTION VOLUME



SELECTED TRANSACTIONS

- 1 **"CALWER PASSAGE"** Rotebühlplatz
Buyer: Versicherungskammer Bayern
Vendor: Piech Holding
» ca. €150m
- 2 **"KAUFHOF"** Eberhardstrasse 28
Buyer: City of Stuttgart
Vendor: Signa
» ca. €59m
- 3 **"RISE"** Röpplstrasse 17-19
Buyer: Lakeward
Vendor: Patrizia
» ca. €40m

Office letting Stuttgart



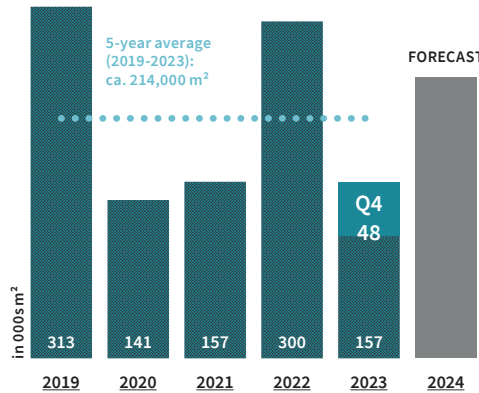
Hallo!

The number of agreements was on a par with last year. Unfortunately, large-volume agreements were lacking because long decision-making processes delayed completion.

Helga Schöner
Real estate consultant
Tel. +49 711 207 02 714
helga.schoener@eug-re.de

TAKE-UP OF SPACE

incl. owner-occupiers



STUTTART – QUICK FACTS

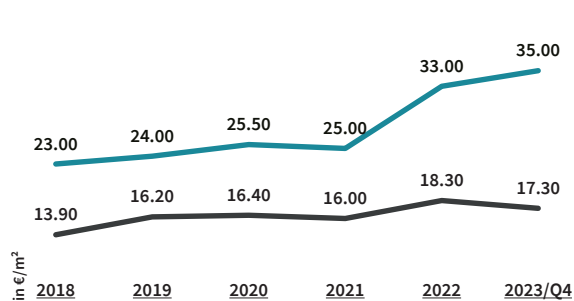
- » **Take-up** plummeted to 157,000 m² (-48% year on year)
- » **Biggest agreement** signed was for 7,000 m²
- » Further rise in **premium rents**, from €33.00/m²/month to €35.00/m²/month (+6% year on year)
- » **Average rent** fell by 5% to € 17.30/m²/month
- » **Public sector** generated **most demand** with 18% of take-up
- » Further increase in **empty space**: 432,000 m² – **vacancy rate**: 5.1%
- » **Scheduled completions** (2024/2025): 269,200 m² of which 37% has been pre-let
- » Thanks to large-volume agreements in the pipeline, take-up of office space in 2024 could reach 250,000 m². Some locations will continue to struggle with high vacancy rates.

TOP 3 CONTRACTS

- 1 DEUTSCHER APOTHEKER VERLAG (OWNER-OCCUPIER)**
Maybachstrasse 8
» ca. 7,000 m²
- 2 EXYTE GMBH**
"Leo", Löwentorstrasse 48
» ca. 5,900 m²
- 3 CITY OF STUTTART**
Löwentorbogen 11
» ca. 4,970 m²

PREMIUM AND AVERAGE RENT

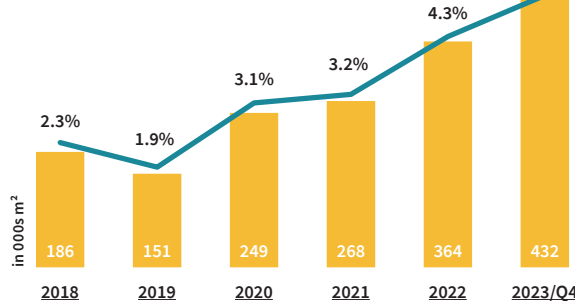
monthly (net)



PREMIUM RENT AVERAGE RENT

VACANT SPACE AND VACANCY RATE

in 000s m²



Investment Munich

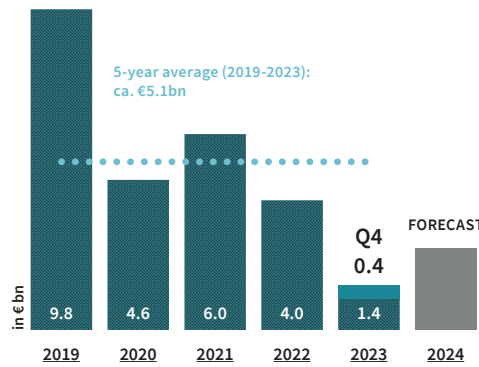


Servus!

The crisis-ridden year of 2023 will long be remembered. High borrowing costs put pressure on yields, so that investment transactions in Munich fell to an all-time low of €1.35bn.

Thorsten Kraus
Head of Investment Munich
Tel. +49 89 179 594 20
thorsten.kraus@eug-re.de

TRANSACTION VOLUME

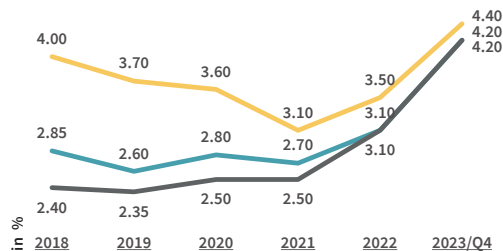


MUNICH – QUICK FACTS

- » **Transaction volume** at an all-time low of €1.35bn (-66% year on year)
- » Accounting for about 58% of the total traded, office properties remain the **best-selling assets**
- » Inner-city locations with good infrastructure are in focus
- » **Prime net yield** on offices: 4.20% – rising yields cannot compensate for high prices
- » Transaction volume in the **CBD**: around €40m
- » **Biggest transaction**: Apple Campus, Seidlstrasse 15-19 – €251m.
- » Taking around 23% of the market, **family offices/private investors** bought more than other groups
- » Developers were the **most active sellers** with a 37% market share
- » Market share of **foreign investors**: about 28%
- » Insolvencies and the threat of liquidity problems for open-ended property funds are currently clouding the mood on the market. However, sinking interest rates and a falling 10-year swap rate are hopeful signs that Munich's investment market will stabilize. Taking these developments into account, we are assuming that the volume of transactions will rise in 2024.

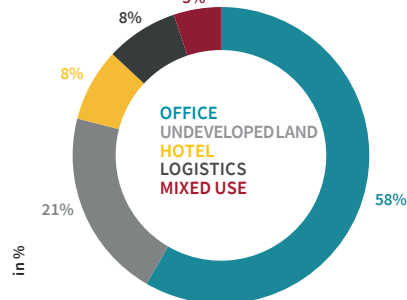
PRIME YIELDS

(net) initial yield



TRANSACTION VOLUME

by asset class



SELECTED TRANSACTIONS

- PROPERTY "APPLE CAMPUS"** >> ca. €251m
 Seidlstrasse 15-19
 Buyer: Apple
 Vendor: Free State of Bavaria
- "VINZENT"** >> ca. €110m
 Rupprechtstrasse 22-24
 Buyer: Kommunale Unfallversicherung Bayern
 Vendor: Bauwerk Capital
- "MOTEL ONE"** >> ca. €100m
 Schillerstrasse 3
 Buyer: Wirtgen Invest
 Vendor: Concrete Capital

Office letting Munich



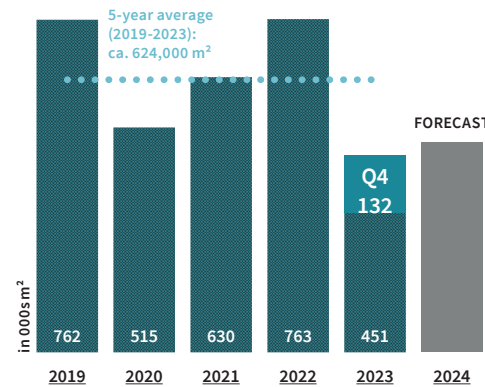
Servus!

Despite a revival in the fourth quarter, the year 2023 offered a challenging market environment and led to an all-time low level of office take-up. Growing demand from tenants is to be expected in the course of 2024.

Alexander Zigan
Managing Director
Tel. +49 89 179 594 20
alexander.zigan@eug-re.de

TAKE-UP OF SPACE

incl. owner-occupiers



MUNICH – QUICK FACTS

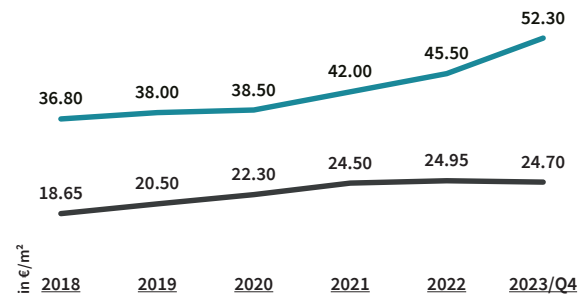
- » **Take-up of office space** in 2023 was some 451,000 m² – 40% lower year on year
- » **Premium rents** grew appreciably during the year: €52.30/m²/month
- » Year on year the **average rent** stayed relatively unchanged (€24.95/m²/month in 2022): €24.70/m²/month in 2023
- » **Biggest groups of occupiers:** consultants/lawyers/accountants/tax consultants with 15% of total – IT/telecoms with about 14% – industrial firms with about 11% – public sector with about 8%
- » The amount of **empty space** is considerably higher: about 1,440,000 m² – **vacancy rate** about 6.1%
- » In 2023 around 300,000 m² of **new office space** was completed
- » Based on a growing volume of enquiries, one may reckon with take-up of space totalling 550,000 m² in 2024.

TOP 3 CONTRACTS

- TU MÜNCHEN**
“LOC46“, Lena-Christ-Strasse 46
» ca. 9,600 m²
- AGILE ROBOTS**
“Isarwork“, Plinganserstrasse 134
» ca. 9,300 m²
- CITY OF MUNICH**
Gustav-Heinemann-Ring 12
» ca. 7,000 m²

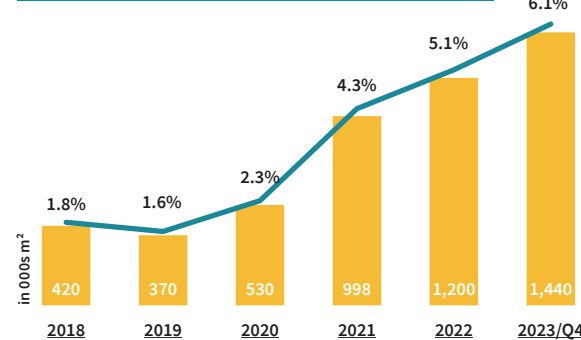
PREMIUM AND AVERAGE RENT

monthly (net)



PREMIUM RENT AVERAGE RENT

VACANT SPACE AND VACANCY RATE



Services – Quick facts

GPP. A NETWORK WITH PERSONALITY.



All for one.
All for you.

Naturally enough, when doing real estate business in Germany, you would like to work with a partner who can provide you with expert professional support in all issues relating to commercial property. Our spectrum of services covers both real estate investments and commercial letting. We are conversant with all risk classes and types of property. By consulting our network companies you can obtain everything you need to secure the effective long-term advancement of your project.

- » Real estate investments
- » Commercial letting
- » Corporate real estate management (CREM)
- » Research
- » Banking and financing services
- » Equity financing of development projects
- » Fund and asset management
- » Real estate management
- » Real estate valuation
- » Agricultural and forestry real estate

Partners



GPP LOCATIONS

In Northern Germany, Grossmann & Berger offers its real estate services out of its locations in Hamburg and Berlin, while E & G Real Estate covers Southern Germany from its bases in Stuttgart and Munich.

ANTEON Immobilien is the firm to contact about property matters in and around Düsseldorf and the Ruhr area, while GREIF & CONTZEN Immobilien are your eyes and ears in the metropolitan area of Cologne and Bonn. blackolive guarantees full market coverage in the Frankfurt region.

PARTNERS – QUICK FACTS

Each of us being a leading commercial real estate company in its respective region, we have joined together to form a Germany-wide real estate network. We are five strong partners.

We have founded German Property Partners with the aim of providing our special services in all of Germany's major real estate centres. That way, whatever your commercial real estate requirements, wherever you are in Germany, you can obtain your advice from a single provider, and that is us. Via our network and thanks to our respective market positions, we can offer you outstanding local knowledge and preferential market access throughout Germany.

The many years of service our employees have put in with us, make German Property Partners a reliable partner.

ANTEON

DÜSSELDORF | ESSEN

Anteon Immobilien GmbH & Co. KG

Ernst-Schneider-Platz 1
40212 Düsseldorf
Phone +49 211585889 - 0
Fax +49 211585889 - 88
gpp@anteon.de

GREIF&CONTZEN

COLOGNE | BONN

Greif & Contzen Immobilien GmbH
Pferdmengesstrasse 42

50968 Köln
Phone +49 221 937793 - 0
Fax +49 221 937793 - 77
gpp@greif-contzen.de

blackolive

FRANKFURT

blackolive advisors GmbH

Reuterweg 18
60323 Frankfurt
Phone +49 69 9074487 - 0
Fax +49 69 9074487 - 10
gpp@blackolive.de

Grossmann & Berger

HAMBURG & BERLIN

Grossmann & Berger GmbH

Bleichenbrücke 9 (Stadthöfe)
20354 Hamburg
Phone +49 40 350802 - 0
Fax +49 40 350802 - 36
gpp@grossmann-berger.de

Potsdamer Platz 9
10117 Berlin
Phone +49 30 2029532 - 0
Fax +49 30 2029532 - 5
gpp@grossmann-berger.de