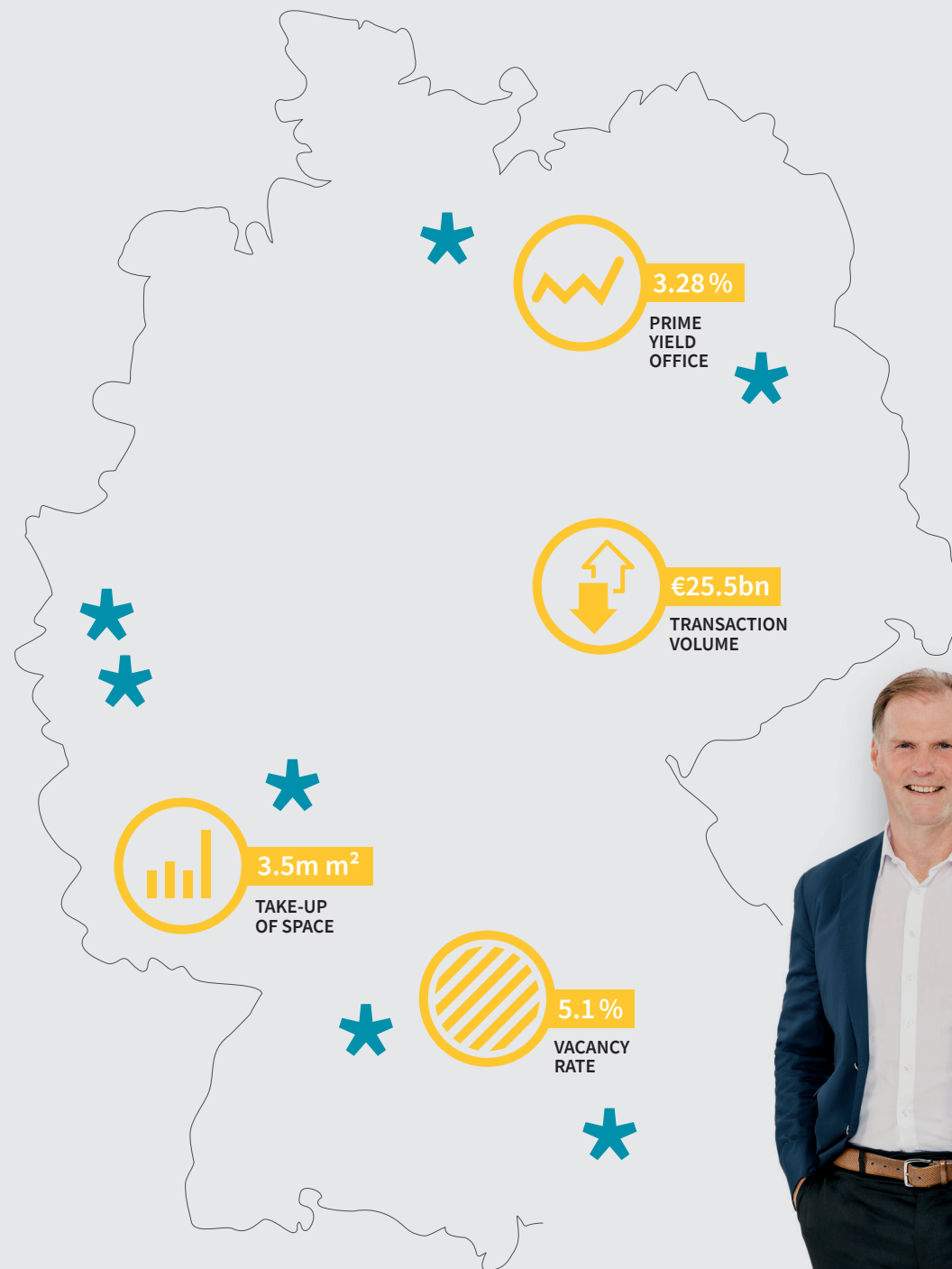


Top 7 Cities

MARKET SURVEY | Q 1-4 2022



» INVESTMENT | OFFICE LETTING



At the beginning of 2022 clients seeking large amounts of space were especially active, so that take-up of office space in Germany's top 7 cities closed the year with a result close to the pre-pandemic total. By contrast, large investment transactions were approached with great caution in the face of the deteriorating business environment. If market parameters stabilize in 2023 the investment trade should pick up speed again.

Andreas Rehberg
Managing Director and GPP Spokesperson
Grossmann & Berger

Overview



INVESTMENT

	HAMBURG	BERLIN	DÜSSELDORF	COLOGNE	FRANKFURT	STUTTGART	MUNICH	TOP 7
TRANSACTION VOLUME [€m]	4,520	7,800	2,783	1,200	4,203	1,000	3,959	25,465
YEAR-ON-YEAR CHANGE [%]	+41	-26	+4	-68	-26	-46	-34	-24
SHARE OF INTERNATIONAL INVESTORS [%]	50	60	52	19	49	50	20	47
SHARE OF ASSET CLASS OFFICE [%]	77	73	71	73	81	75	60	73
PRIME YIELD OFFICE [%]	3.10	3.00	3.40	3.50	3.35	3.50	3.10	3.28
YEAR-ON-YEAR CHANGE [%]	+0.50	+0.40	+0.60	+0.80	+0.60	+0.80	+0.40	+0.59
PRIME YIELD COMMERCIAL PREMISES [%]	3.20	3.25	3.60	3.60	3.40	3.80	3.10	3.42
YEAR-ON-YEAR CHANGE [pp]	+0.50	+0.50	+0.20	+0.30	+0.60	+1.00	+0.60	+0.53
PRIME YIELD LOGISTICS [%]	3.80	3.50	4.10	4.00	3.90	4.10	3.50	3.84
YEAR-ON-YEAR CHANGE [pp]	+0.30	+0.30	+0.65	+0.60	+0.70	+0.60	+0.40	+0.51

OVERVIEW – QUICK FACTS

INVESTMENT

- » Volume of transactions lower than prior year: €25.5bn (-24 % year on year)
- » Prime yields on office properties have risen appreciably in all top 7 cities: 3.28 %
- » Reversal of interest rate policy fuels rise in logistics property yields: 3.84 % (+0.51 percentage pts year on year)
- » Offices are still investors' preferred class of asset: 73 %

OFFICE LETTING

TAKE-UP OF SPACE [m ²]	565,000	820,000	279,200	315,000	428,100	300,000	763,000	3,470,300
YEAR-ON-YEAR CHANGE [%]	+15	+1	-1	±0	-12	+91	+21	+10
AVERAGE RENT [net €/m ² /mth]	21.00	30.20	17.75	18.50	23.80	18.30	24.95	-
YEAR-ON-YEAR CHANGE [%]	+16	+3	+6	+9	+10	+14	+2	-
PREMIUM RENT [net €/m ² /mth]	33.50	42.00	34.50	28.50	46.00	33.00	45.50	-
YEAR-ON-YEAR CHANGE [%]	+6	+4	+21	+6	+1	+32	+8	-
VACANT SPACE [m ²]	561,200	930,000	591,000	230,000	915,600	364,000	1,200,000	4,791,800
YEAR-ON-YEAR CHANGE [%]	+4	+35	+7	-10	-13	+36	+20	+10
VACANCY RATE [%]	4.0	4.4	8.0	2.8	7.8	4.3	5.1	5.1
YEAR-ON-YEAR CHANGE [pp]	+0.1	+1.1	+0.4	-0.4	-1.2	+1.1	+0.8	+0.4
COMPLETIONS 2022+2023 [m ²]	439,000	1,047,000	330,200	205,000	383,500	170,100	600,000	3,175,000
PRE-LET RATE [%]	65	43	33	68	42	26	55	48

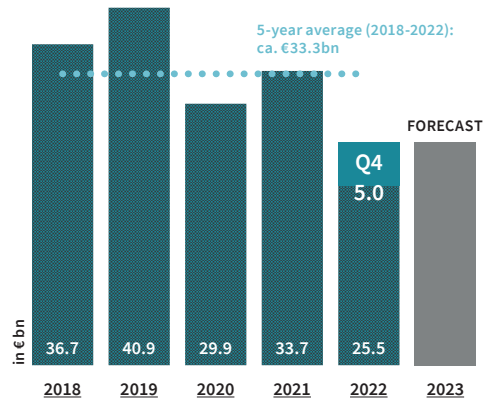
OFFICE LETTING

- » Good take-up of space, higher than the 10-year average: €3.5m m² (+10 % year on year)
- » Vacancy ratio rising slightly: 5.1 % (+0.4 percentage pts year on year)
- » Average and premium rents rising strongly in some of the top 7 cities
- » Pre-let ratio for 2023/2024 is some 47 %

Investment



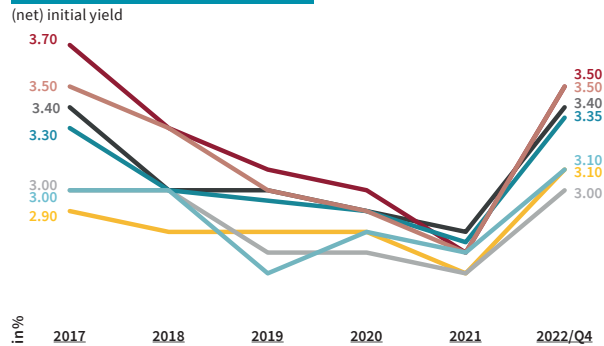
TRANSACTION VOLUME



TOP 10 TRANSACTIONS

- FRANKFURT "MARIENTURM"** >>> €800m
 Taunusanlage 9+10
 Buyer: DWS
 Vendor: Aermont Capital
- BERLIN "SONY CENTER"** >> ca. €677m
 Potsdamer Platz 2
 Buyer: Norges Bank Investment Management
 Vendor: Oxford Properties/Madison International
- BERLIN "VOLTAIR"** >> ca. €460m
 Voltairestrasse
 Buyer: Norges Bank Investment Management/Swiss Life
 Vendor: Gaedeke & Sons/ABG
- BERLIN "QH SPRING/QH CORE"** >> ca. €460m
 Heidestrasse
 Buyer: Vivion Group
 Vendor: Aggregate Holdings
- HAMBURG "ALTES FERNMELDEAMT"** >> ca. €400m
 Schlüterstrasse 51-55
 Buyer: Values Real Estate
 Vendor: Peakside Capital
- MUNICH "4 BUILDINGS"** >> ca. €360m
 Brienner Strasse 22-28
 Buyer: Doblinger
 Vendor: Bayerische Landesbank
- MUNICH "OLYMPIA BC"** >> ca. €300m
 Georg-Brauchle-Ring 23-25
 Buyer: Athos Family Office
 Vendor: Europa Capital/Bayern Projekt
- BERLIN "URBAN TECH REPUBLIC"** >> ca. €261m
 Airport Tegel
 Buyer: Land Berlin
 Vendor: BIMA
- MUNICH "WACKER CHEMIE"** >> ca. €250m
 Gisela-Stein-Strasse
 Buyer: Wacker Chemie pension fund
 Vendor: Patrizia
- DÜSSELDORF "ECLIPSE"** >> ca. €250m
 Georg-Glock-Strasse 22
 Buyer: Union Investment
 Vendor: die developer

PRIME YIELDS OFFICE



BERLIN DÜSSELDORF FRANKFURT HAMBURG COLOGNE MUNICH STUTTGART

INVESTMENT – QUICK FACTS

- » Volume of transactions has dipped: €25.5bn (-24 % year on year)
- » Very wide range of trading results due to outlier effects: Hamburg (+41 %) | Düsseldorf (+4 %) | Frankfurt (-26 %) | Berlin (-26 %) | Munich (-34 %) | Stuttgart (-46 %) | Cologne (-68 %)
- » Despite a relatively weak year Berlin returns highest transaction volume: Berlin (€7.8bn) | Hamburg (€4.5bn) | Frankfurt (€4.2bn) | Munich (€4.0bn) | Düsseldorf (€2.8bn) | Cologne (€1.2bn) | Stuttgart (€1.0bn)
- » Offices are most-traded class of asset: 73 %
- » Prime yields on office buildings grow appreciably: Cologne (3.50 %) | Stuttgart (3.50 %) | Düsseldorf (3.40 %) | Frankfurt (3.35 %) | Munich (3.10 %) | Hamburg (3.10 %) | Berlin (3.00 %)
- » International investors are very active: 47 % (+13 percentage pts year on year)
- » Many investors were cautious in view of the reversal of interest rate policy and the economic uncertainties in the wake of the war in Ukraine. A slow start to the year 2023 is expected. If and when interest rates settle and investors feel more certain about planning for the future, the market could rally during the course of the year.

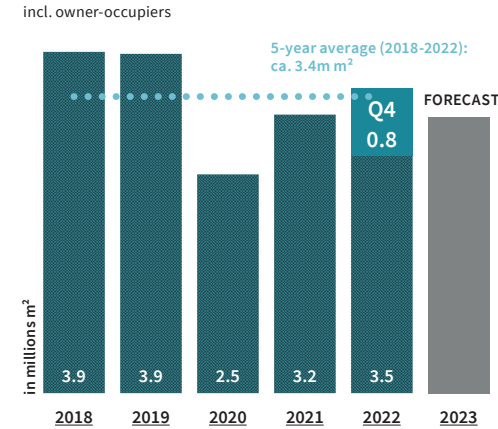
Office letting



TOP OFFICE LETTINGS

- | | | | | | |
|----------|---|--------------------------------------|-----------|---|--------------------------------------|
| 1 | STUTT GART "ALLIANZ PARK"
Allianz (owner-occupier)
Hessbrühlstrasse | >> 65,000 m² | 6 | COLOGNE
City of Cologne
Leonhard-Tietz-Strasse 1 | >> 38,800 m² |
| 2 | COLOGNE
Public institution
Location north of the CBD | >> 45,000 m² | 7 | HAMBURG "DEUTSCHLANDHAUS"
Hamburger Sparkasse
Dammtorstrasse 1 | >> 30,800 m² |
| 3 | BERLIN
BIM (owner-occupier)
Otto-Braun-Strasse 70-72 | >> 40,000 m² | 8 | FRANKFURT
GIZ (Int. developement agency, owner-occupier)
Ludwig-Erhard-Strasse 7, Eschborn | >> 28,000 m² |
| 4 | HAMBURG "HANSE CENTER"
Dataport
Wikingerweg 1/Normannenweg 25-29 | >> 40,000 m² | 9 | BERLIN "QH SPRING/QH CORE"
Volkswagen Software
Heidestrasse 13 | >> 23,000 m² |
| 5 | MUNICH "ELEMENTUM"
Personio
Bayerstrasse 49-53/Paul-Heysel-Strasse 7 | >> 40,000 m² | 10 | STUTT GART "W 11"
Komm.ONE
Weissacher Strasse 11 | >> 21,500 m² |

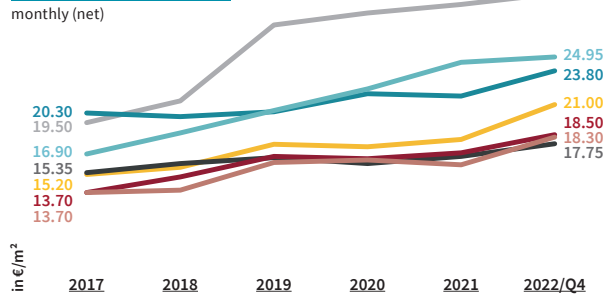
TAKE-UP OF SPACE



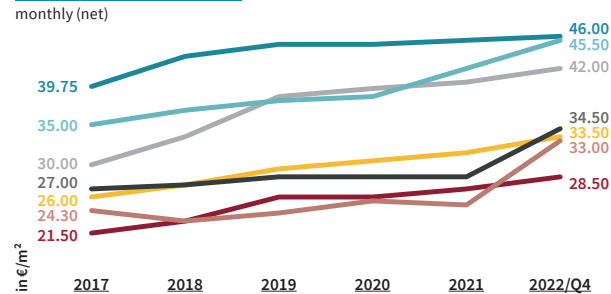
OFFICE LETTING – QUICK FACTS

- » Good take-up of space, higher than the 5-year average: €3.5m m² (+10% year on year)
- » Highest take-up growth seen in Stuttgart: Berlin (820,000 m², +1%) | Munich (763,000 m², +21%) | Hamburg (565,000 m², +15%) | Frankfurt (428,100 m², -12%) | Cologne (315,000 m², ±0%) | Stuttgart 300,000 m², +91%) | Düsseldorf (279,200 m², -1%)
- » Vacancy ratios higher in most cities: Cologne (2.8%) | Hamburg (4.0%) | Stuttgart (4.3%) | Berlin (4.4%) | Munich (5.1%) | Frankfurt (7.8%) | Düsseldorf (8.0%)
- » Growing amount of available space: volume of completions in 2023/2024 at 3.2m m² – pre-let ratio: 48%
- » Average and premium rents have continued to increase
- » Despite the economic problems, a degree of pent-up demand and some rental agreements for large amounts of space combined to produce a good take-up result. However, at the end of the year a slight dip in demand was noted in some cities.

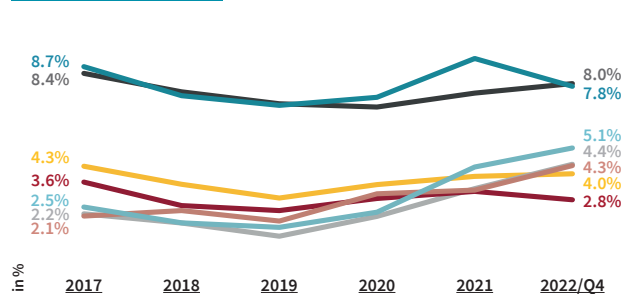
AVERAGE RENT



PREMIUM RENT



VACANCY RATE



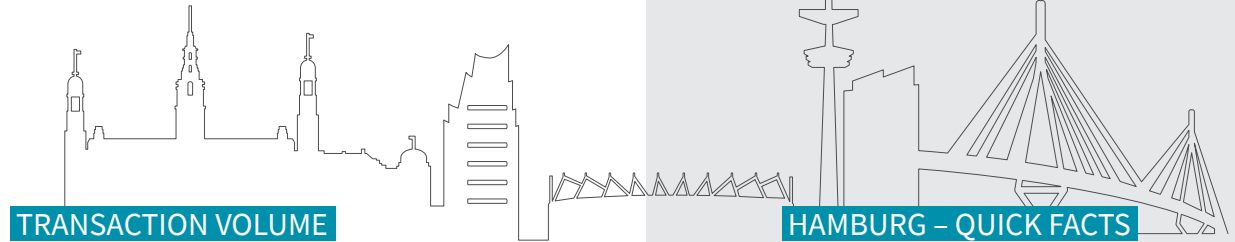
Investment Hamburg



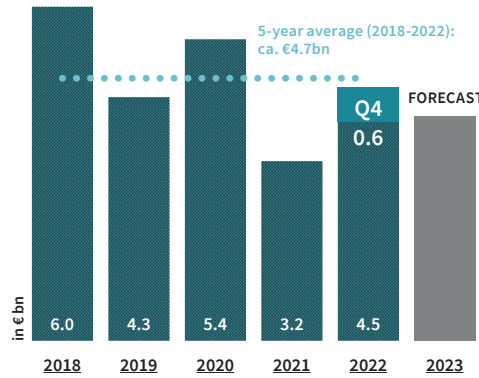
Moin!

The good year-end result is attributable to outlier transactions and not to classic asset trades. Volatile interest rates and political uncertainties had a considerable impact on the Hamburg market.

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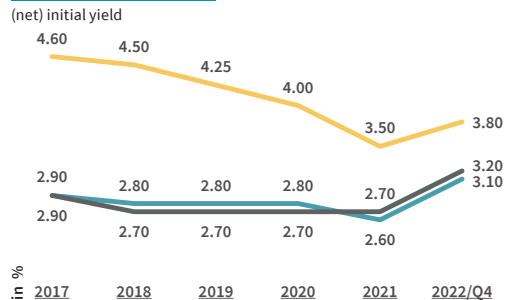
TRANSACTION VOLUME



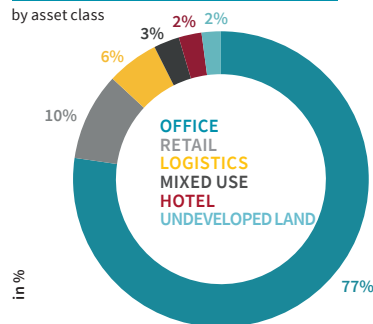
HAMBURG – QUICK FACTS

- » Outlier transactions responsible for **high volume**: €4.5bn (+41 % year on year)
- » Office properties still most sought-after **class of asset**: 77 %
- » **Yields** higher on all classes of asset: offices 3.10 % (+ 0.5 percentage points) | commercial buildings 3.20 % (+0.5 percentage pts) | industrial and logistics properties 3.80 % (+0.3 percentage pts)
- » **Largest transaction** of the year: “Altes Fernmeldeamt” (Schlüterstrasse 51-55, Alster West – around €400m)
- » **Biggest group of buyers**: fund and asset-managers (37 %)
- » **Biggest group of vendors**: listed property investment AGs/REITs (38 %)
- » **International investors** take a large share of the market: 50 % (+26 percentage pts year on year)

PRIME YIELDS



TRANSACTION VOLUME



SELECTED TRANSACTIONS

- "ALTES FERNMELDEAMT"** >> ca. €400m
 Schlüterstrasse 51-55
 Buyer: Values Real Estate
 Vendor: Peakside Capital
- "CONNEXION OFFICE"** >> ca. €170m
 Kloostertor 1
 Buyer: Erste Immobilien
 Vendor: Becken Development
- "KLÖPPERHAUS"** >> > €160m
 Mönckebergstrasse 3
 Buyer: Tishman Speyer
 Vendor: Württembergische Lebensversicherung

Office letting Hamburg

Moin!

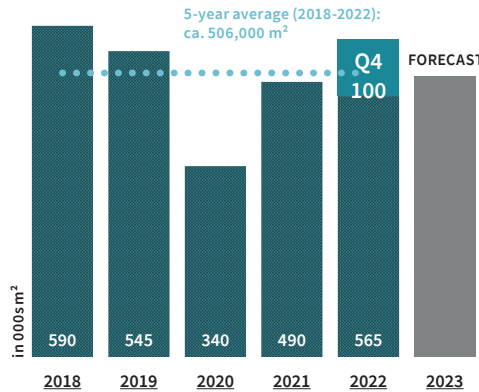


With take-up higher by some 15 % the office market in Hamburg returned a very good result. Since some clients are still engaged in negotiations for large properties, it is to be assumed that the year will start well.

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TAKE-UP OF SPACE

incl. owner-occupiers



HAMBURG – QUICK FACTS

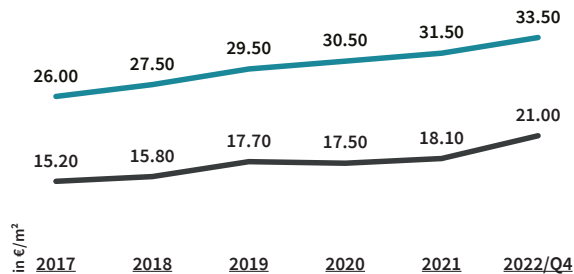
- » Good office-letting year: **take-up of space** about 15% up year on year: 565,000 m²
- » Large number of **agreements for big suites** (>5,000 m²): +73% year on year
- » Share of **owner-occupiers** higher than a year before: 11%
- » **Premium rent** rises to new high: €33.50/m²/month (+6.3% year on year)
- » **Average rent** soars: €21.00/m²/month (+16% year on year)
- » **Industry** with highest turnover: IT/telecoms (101,100 m² 17.9%)
- » Amount of **available office space** slightly higher - vacancy ratio: 4.0%
- » The volume of **new-build completions** will peak in 2023: 247,000 m² (2024: 192,000 m²)
- » Between January and the end of September business was very brisk, and several **agreements for large office suites** in Hamburg were signed. However, the 4th quarter failed to live up to expectations because many firms seeking large amounts of space did not bring their negotiations to a successful conclusion. These uncompleted deals indicate that **take-up at the start of the year will be strong.**

TOP 3 CONTRACTS

- DATAPORT**
"Hanse Center", Wikingergweg 1
» ca. 40,000 m
- HAMBURGER SPARKASSE**
"Deutschlandhaus", Dammtorstrasse 1
» ca. 30,800 m
- VTG**
"Building site 101", Versmannstrasse
» ca. 11,500 m²

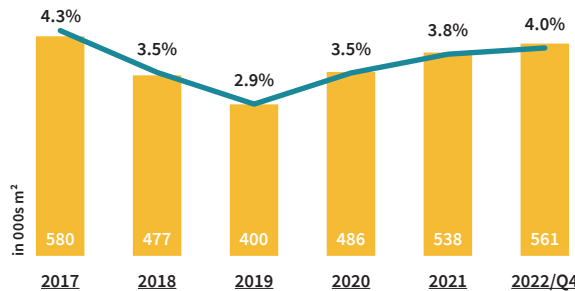
PREMIUM AND AVERAGE RENT

monthly (net)



PREMIUM RENT AVERAGE RENT

VACANT SPACE AND VACANCY RATE



Investment Berlin

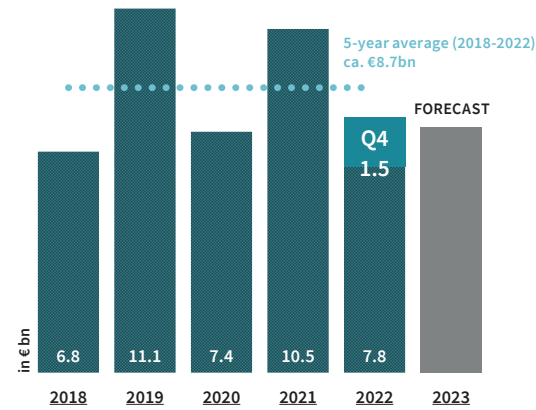
Hallo!



In particular, the reversal in interest rate policy has had a lasting impact. Many investors still do not have a reliable basis on which to assess the costs of buying property.

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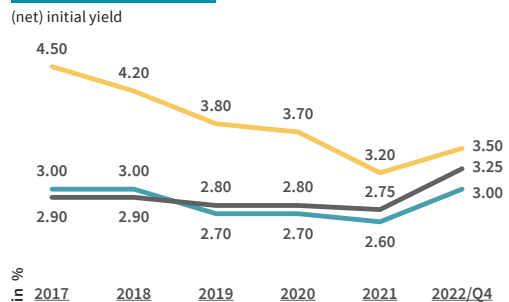
TRANSACTION VOLUME



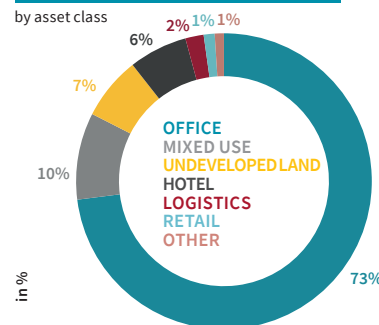
BERLIN – QUICK FACTS

- » Volume of transactions around €7.8bn (-26% year on year)
- » Chief features of the investment business in 2022 were the unprecedented leap in interest rates, the conflict in Ukraine and the overall macro-economic environment.
- » Once again office properties were the most sought-after asset: about 73%
- » Trading in the CBD: approx. €3.39bn, 43%
- » Largest transaction of the year: “Sony Center” (50%): around €677m.
- » Fund managers were the biggest group of investors with around 16% of the market
- » Fund managers were also the most active vendors: about 21% of the total volume
- » Berlin remains popular with international investors: about 60%
- » A return to stable parameters for calculating interest charges, construction costs and time-lines is likely towards the middle of the year; it should lead to more reliable processes and, in part, a market revival. The transaction volumes noted in the past and the speed of trading seen in the record years will, however, not be achieved.

PRIME YIELDS



TRANSACTION VOLUME



SELECTED TRANSACTIONS

- 1 **"SONY CENTER" (50%)** >> ca. €677m
Potsdamer Platz 2
Buyer: Norges Bank Investment Management
Vendor: Oxford Properties/Madison International
- 2 **"VOLTAIR"** >> ca. €460m
Voltairestrasse
Buyer: Norges Bank Investment Management/Swiss Life
Vendor: Gaedeke & Sons/ABG
- 3 **"QH SPRING/QH CORE"** >> ca. €460m
Heidestrasse
Buyer: Vivion Group
Vendor: Aggregate Holdings

Office letting Berlin

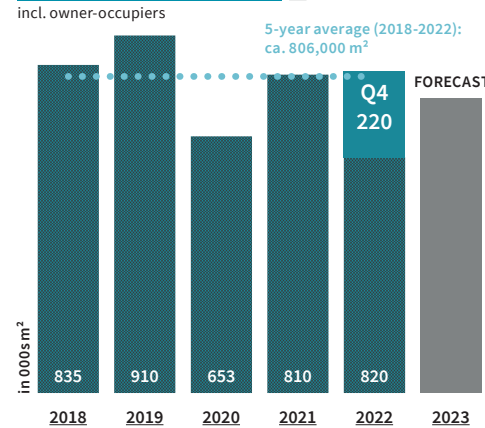
Hallo!



Despite a decline in the number of large properties rented, Berlin's office-letting business has proved resilient, featuring a wide range of smaller rentals.

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TAKE-UP OF SPACE



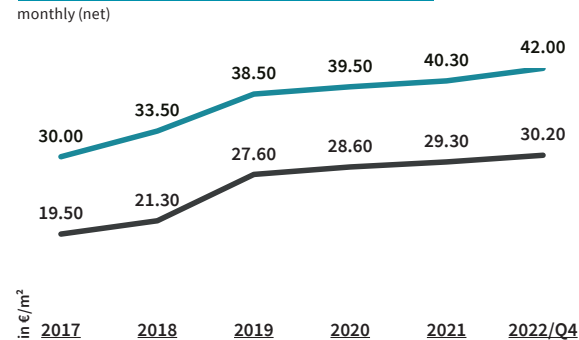
BERLIN – QUICK FACTS

- » **Take-up of space** at 820,000 m² - growth nearly stagnant: +1%
- » **Premium rent** rose by 4% year on year: +€1.70/m²/month to €42.00/m²/month
- » **Average rents** rose to €30.20/m²/month (+3% year on year)
- » The **public sector** accounted for more take-up than others (200,900 m², about 25%)
- » Amount of **available office space** rose by about 35% to 930,000 m² – vacancy ratio: 4.4%.
- » **Scheduled completions** (2023/2024): 1.05 million m²
- » Depending on how the economy develops, a letting volume of 750,000 m² in 2023 seems realistic.

TOP 3 CONTRACTS

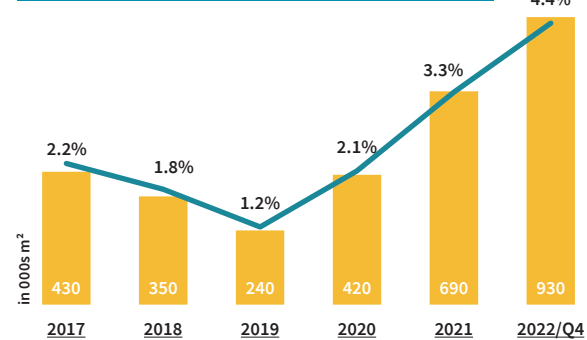
- BERLINER IMMOBILIENMANAGEMENT (OWNER-OCCUPIER)**
Otto-Braun-Strasse 70-72
» ca. 40,000 m²
- VOLKSWAGEN SOFTWARE**
"QH Spring/QH Core", Heidestrasse 13
» ca. 23,000 m²
- MBITION**
"Berlin Decks", Friedrich-Krause-Ufer 16-21
» ca. 17,500 m²

PREMIUM AND AVERAGE RENT



PREMIUM RENT AVERAGE RENT

VACANT SPACE AND VACANCY RATE



Investment Düsseldorf



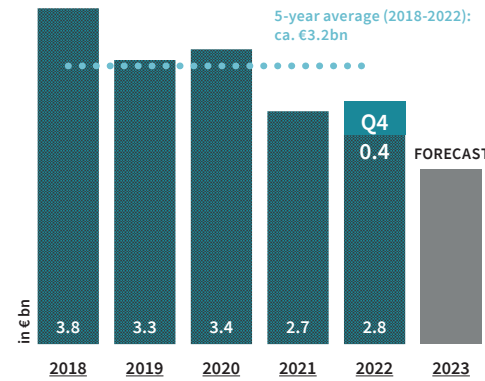
Tach!



Despite the rapid changes in interest rates and the resulting price reductions, outlier trades led to a good trading result on the market for commercial properties in Düsseldorf

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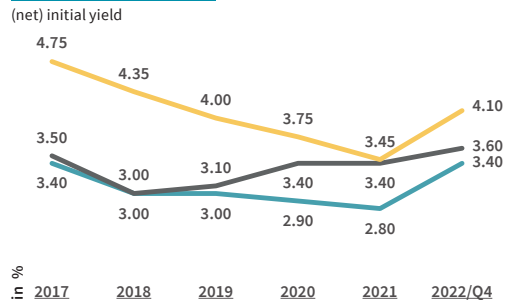
TRANSACTION VOLUME



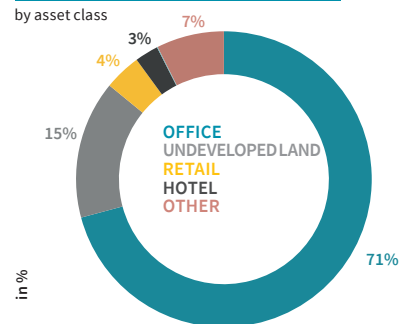
DÜSSELDORF – QUICK FACTS

- » **Transaction volume** of some €2.8bn was 4% higher than the prior year's total
- » Traditionally the most sought-after **assets**, office properties remained the biggest-selling items with 71% of the total trading volume.
- » The year closed with turnover in the **CBD** at €114m; (4%)
- » The **biggest transaction** was Brookfield's take-over of the Alstria portfolio: 20 properties, some €750m.
- » Asset and fund managers comprised the biggest **group of buyers** at 49%.
- » Among **sellers**, listed property investment AGs / real estate investment trusts were most prominent: about 33%.
- » **International investors** spent €1.45bn (52%) on commercial real estate.
- » The forecast for 2023 is €2.0bn.

PRIME YIELDS



TRANSACTION VOLUME



SELECTED TRANSACTIONS

- "ECLIPSE"** >> ca. €250m
 Georg-Glock-Strasse 22
 Buyer: Union Investment
 Vendor: die developer
- "DOUBLE U"** >> ca. €100m
 Derendorfer Allee 4/4a
 Buyer: BLB-Bau und Liegenschaftsbetrieb NRW
 Vendor: Officefirst
- "L4"** >> CONFIDENTIAL
 Lippestrasse 4/4a
 Buyer: Becken Invest
 Vendor: Confidential

Office letting Düsseldorf



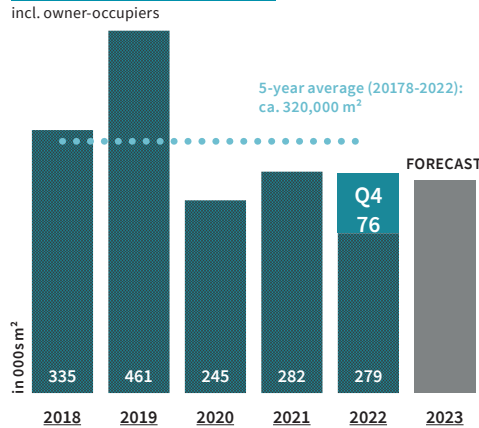
Tach!



Greater interest in high-quality, ESG compliant real estate in top locations drove the premium rent to a new record height by the end of the year.

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TAKE-UP OF SPACE



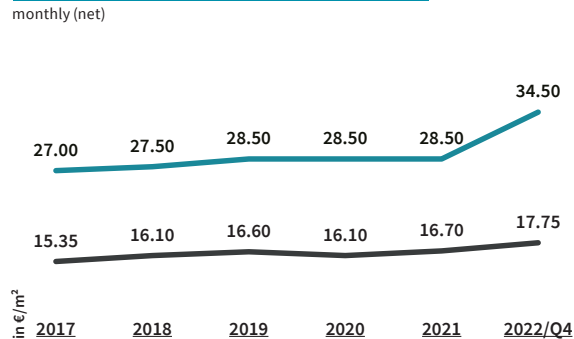
DÜSSELDORF – QUICK FACTS

- » **Take-up** totalled 279,200 m² – a mere 1% short of the prior year's result.
- » **Premium rent** has risen by 21% year on year – up by €6.00 to €34.50/m²/month.
- » **Average rents** rose to € 17.75/m²/month (+6% year on year)
- » The **public sector** accounted for more take-up than others: 21%, 57,800 m²
- » Amount of **available office space** grew by 7% to 591,000 m² – vacancy ratio: 7.95%
- » **Scheduled completions** (2023/2024): 330,200 m²
- » A volume of 270,000 m² of let office space is realistic for 2023.

TOP 3 CONTRACTS

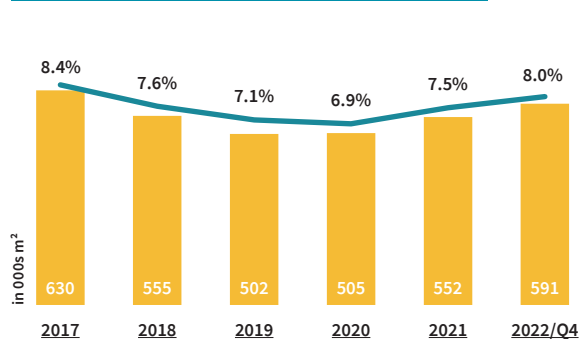
- VOLKSHOCHSCHULE DÜSSELDORF** (adult education centre)
"Yorcks", Yorckstrasse 19-29
» ca. 17,600 m²
- ERNST & YOUNG**
"Pandion Rise", Völklinger Strasse 2
» ca. 14,700 m²
- BLB-BAU UND LIEGENSCHAFTSBETRIEB NRW**
Derendorfer Allee 4/4a
» ca. 12,900 m²

PREMIUM AND AVERAGE RENT



PREMIUM RENT AVERAGE RENT

VACANT SPACE AND VACANCY RATE



Investment Cologne

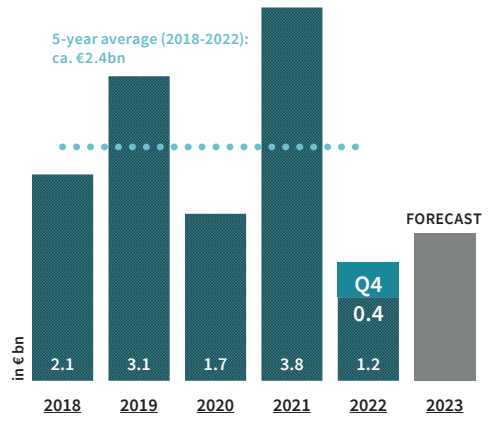


Hallo!

If interest rates stop rising or the ECB makes a policy announcement, more reliable investment plans can be made and business should become brisker.

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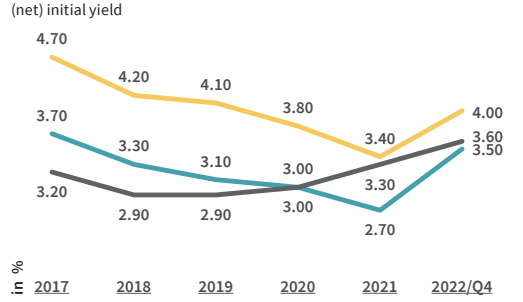
TRANSACTION VOLUME



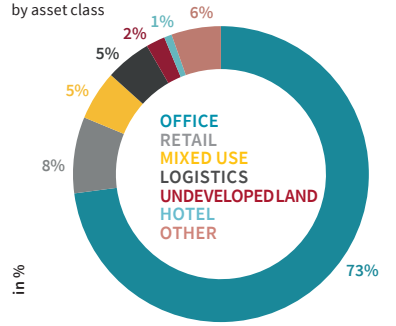
COLOGNE – QUICK FACTS

- » The **trading volume** has slumped year on year by more than two thirds to €1.2bn
- » Several sales were halted following the rapid rise of borrowing costs.
- » **Strongest asset class:** office real estate continued to dominate the investment market, even if sellers had to accept reduced prices
- » An increased number of office buildings sold in the 4th quarter. They were purchased for sums in the mid to high eight-figure range. In particular far fewer large transactions costing over €100m were noted than a year ago.
- » **Prime yield, offices:** 3.50% (+0.8 percentage pts year on year)
- » In the **1st half of 2023** one may continue to expect rather cautious investment activity. How many interest rate adjustments the ECB announces and implements will play a role here. Yields are likely to continue rising.

PRIME YIELDS



TRANSACTION VOLUME



SELECTED TRANSACTIONS

- ALSTRIA-PORTFOLIO** >> > €150m
 4 buildings
 Buyer: Brookfield Properties
 Vendor: Alstria Office REIT-AG
- OFFICE DEVELOPMENT** >> > €80m
 Schildergasse 56-58/Herzogstrasse 2-12/Perlenpfuhl 39
 Buyer: Union Investment
 Vendor: Bauwens
- OFFICE BUILDING IN COLOGNE WEST** >> ca. €70m
 Confidential
 Buyer: Confidential
 Vendor: Confidential

Office letting Cologne



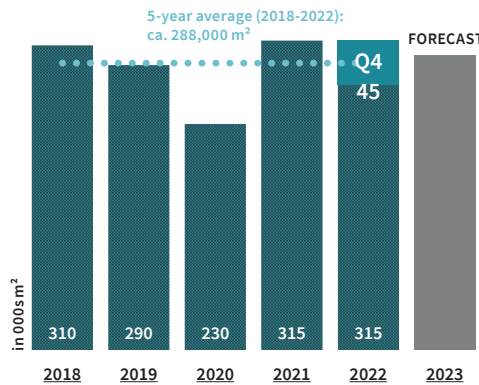
Morje!

Despite the current increases in service costs, which concern many tenants, the long term view should focus on the quality of the property and the location.

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TAKE-UP OF SPACE

incl. owner-occupiers



COLOGNE – QUICK FACTS

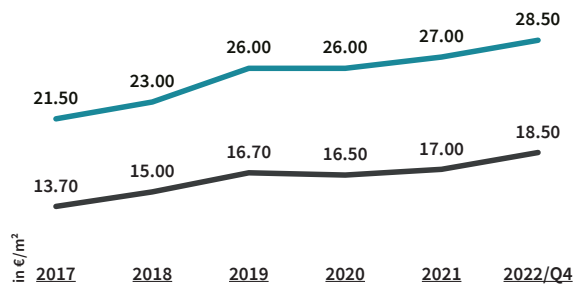
- » **Take-up of space** is once again above average: 315,000 m² (±0 % year on year)
- » **Three large-volume agreements** for between 16,000 m² and 44,800 m²
- » Slightly less **space is standing empty**: 230,000 m² – vacancy ratio 2.8 %
- » Increased building costs and shortage of available space led to **higher rents**.
- » **Average rents** rose to €18.50/m²/month (+9.0 % year on year)
- » **Premium rent**: €28.50/m²/month (+5.5 % year on year)
- » **Major tenant groups**: public sector facilities, education, software/IT and industrial firms
- » **Completions** in 2022: 110,000 m² – planned in 2023: 115,000 m²
- » In **2023** the low volume of available space and high construction costs will help to keep rents as they are. Although a recession is forecast, no serious consequences for the office-letting market in Cologne are expected (take-up of space some 300,000 m²).

TOP 3 CONTRACTS

- PUBLIC INSTITUTION**
Location north of the CBD
» ca. 45,000 m²
- CITY OF COLOGNE**
Leonhard-Tietz-Strasse 1
» ca. 38,800 m²
- CBS COLOGNE BUSINESS SCHOOL**
Konrad-Adenauer Strasse 25/Bahnstrasse
» ca. 16,000 m²

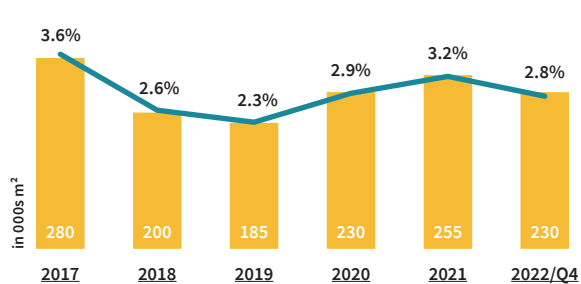
PREMIUM AND AVERAGE RENT

monthly (net)



PREMIUM RENT AVERAGE RENT

VACANT SPACE AND VACANCY RATE



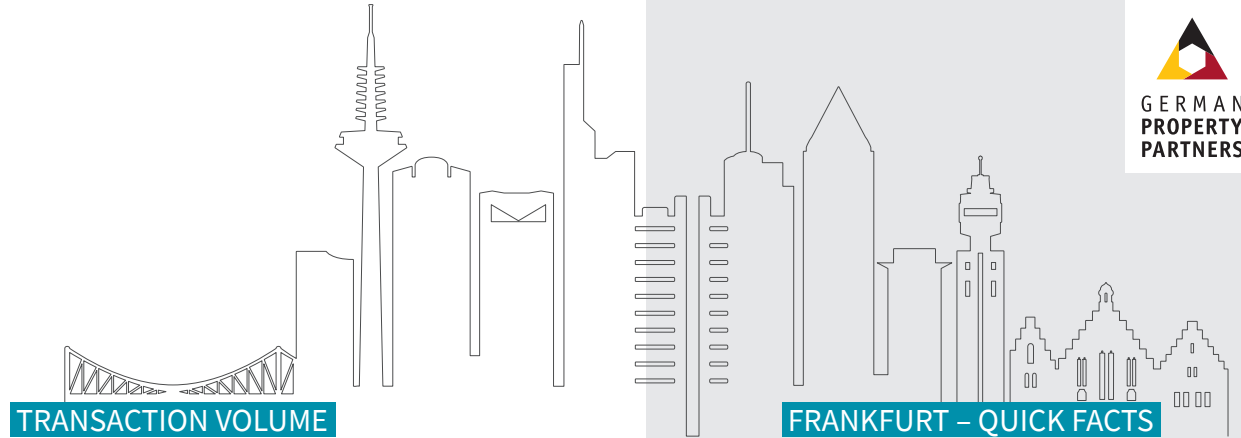
Investment Frankfurt



Quote!

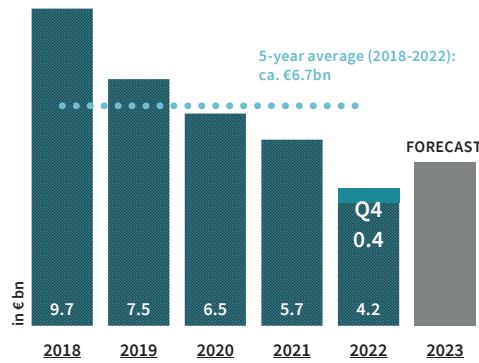
A 'new world' prevailed on the market, fuelled by high inflation, growing capital market and construction costs, political upheaval, the aftermath of the pandemic and the disruption of global supply chains. 2022 was thus also the year of the 'broken deals'.

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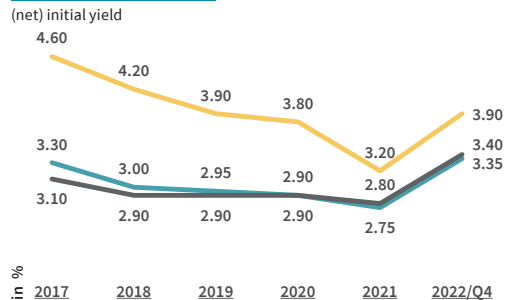
TRANSACTION VOLUME

FRANKFURT – QUICK FACTS

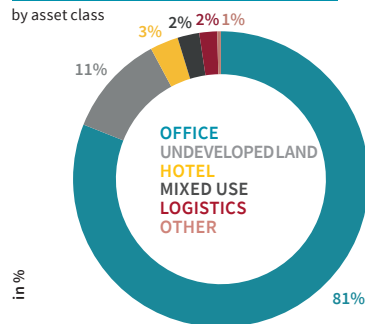


- » Transaction volume of €4.2bn is some 26 % lower than a year ago.
- » Office properties accounted for around 81 % of the total volume traded.
- » Turnover in the CBD was about €2bn (51%), partly due to the big-ticket sale of Marienturm
- » The "Marienturm" trade (Tanusanlage 9+10, banking district) was the largest transaction: > €800m.
- » Pension providers, professionals' pension schemes and pension funds were the biggest group of buyers with 27 % of the market
- » By volume traded, developers formed the biggest group of sellers: 30 %
- » International investors were more in evidence, accounting for close to half of the volume of transactions.
- » Forecast for 2023: €5.0bn

PRIME YIELDS



TRANSACTION VOLUME



SELECTED TRANSACTIONS

- "MARIENTURM"** >> > €800m
 Taunusanlage 9+10
 Buyer: DWS/NPS
 Vendor: Aermont Capital
- "MAIN TOWER"** (leasehold land) >> ca. €232m
 Neue Mainzer Strasse 52-58
 Buyer: Landesbank Hessen-Thüringen (Helaba)
 Vendor: Helicon Verwaltungsgesellschaft
- "KASTOR"** >> CONFIDENTIAL
 Platz der Einheit 1
 Buyer: Brookfield Asset Management
 Vendor: Alstria Office REIT-AG

Office letting Frankfurt

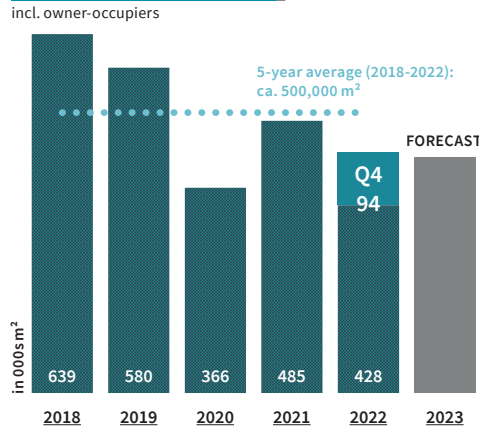
Quote!



” Apart from current crises, companies’ choice of office space is determined by sustainability issues, working from home and new work forms. The result has been a rather moderate volume of take-up but a strong rise in rents. This will cause a further increase in empty space but rates will remain under pressure.

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TAKE-UP OF SPACE



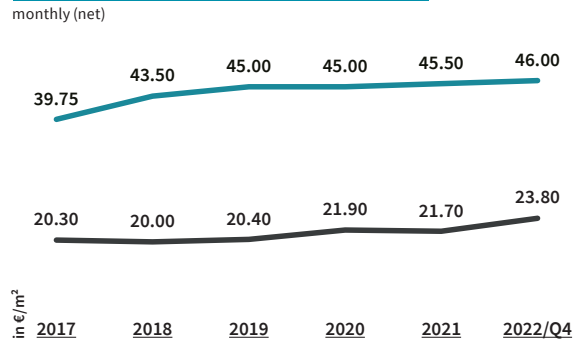
FRANKFURT – QUICK FACTS

- » 2022 was marked by **caution** but the year-end total of 428,000 m² of take-up was slightly above the 420,000 m² forecast; although more than in the first year of the pandemic (2020) this total is less than in 2021 (-12%).
- » The **premium rent** rose a little to end the year at €46.00/m²/month (+1%).
- » As a result of some agreements for large amounts of very expensive space, the **average rent** has climbed to €23.80/m²/month (+10%).
- » Financial services providers were the largest **group of clients** (22%) followed by consultants; in third place, with the highest number of agreements, the construction and property sector.
- » Another slight drop in the amount of **empty space** - overall vacancies on the market: about 915,600 m² or 7.8% – CBD 4.6%. This is only partly due to high letting activity as little new-build space has been completed and existing buildings are being modernized or demolished/redeveloped.
- » **Completions** some 140,000 m² below the prior year – for 2023 a good 140,000 m² is planned and under construction; many developments go ahead when space has been pre-let.
- » **Forecast** take-up of office space in 2023: 420,000 m²

TOP 3 CONTRACTS

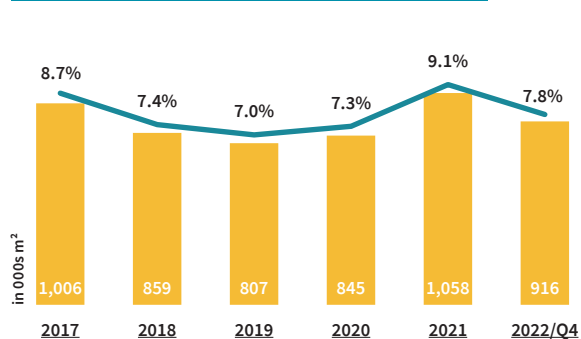
- 1 GIZ (OWNER-OCCUPIER)**
Ludwig-Erhard-Strasse 7, Eschborn
» ca. 28,000 m²
- 2 ODDO BHF**
"Silvertower", Taunusstrasse 7/Gallusanlage 8
» ca. 18,600 m²
- 3 CITIGROUP**
"TAURUS am Börsenplatz", Börsenplatz 7-11
» ca. 10,100 m²

PREMIUM AND AVERAGE RENT



PREMIUM RENT AVERAGE RENT

VACANT SPACE AND VACANCY RATE



Investment Stuttgart

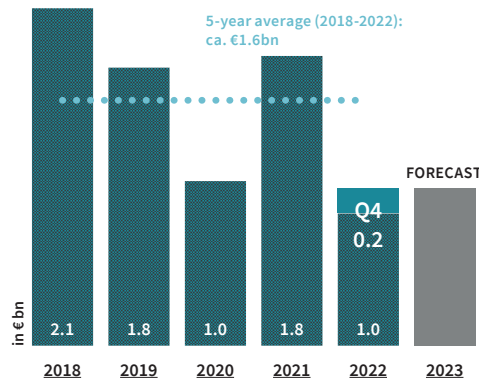


Hallo!

The year 2022 marked a change of mood. At present many players are keeping a low profile. As soon as interest rates stabilize, investments in Stuttgart properties are likely to revive.

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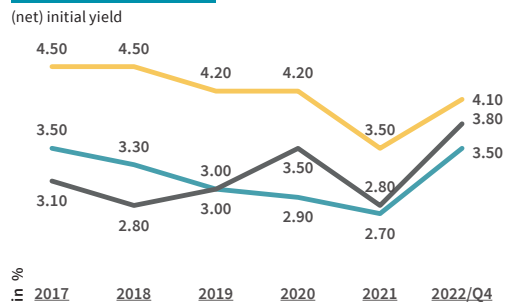
TRANSACTION VOLUME



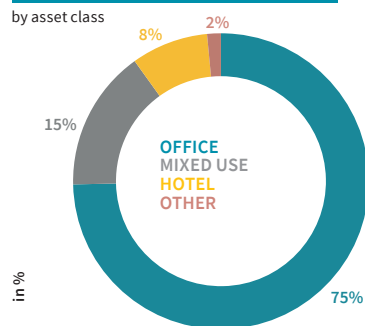
STUTTART – QUICK FACTS

- » **Volume of transactions** was about €1.0bn (-46% year on year)
- » First and foremost, the €410m investment in the take-over of Alstria Office REIT-AG characterized the year.
- » Office properties were the strongest **class of assets** at some 75% of the market
- » Transaction volume in the **CBD** totalled some €140m: about 14%
- » **Biggest transaction:** ALH portfolio in Stuttgart city centre at a cost of some €100m.
- » **Biggest group of buyers:** fund managers (41%)
- » **Biggest group of vendors:** listed property investment AGs/REITs (54%)
- » Some 50% of trading was by **international investors**.

PRIME YIELDS



TRANSACTION VOLUME



SELECTED TRANSACTIONS

- 1 ALH-PORTFOLIO** >> ca. €100m
 Several buildings
 Buyer: PANDION
 Vendor: Hallesche Krankenversicherung
- 2 "GREEN WEST"** >> ca. €65m
 Rotebühlstrasse 98-100/ Reuchlinstrasse 27-29
 Buyer: SV Sparkassenversicherung
 Vendor: Alstria Office REIT-AG
- 3 "ATLANTA BUSINESS CENTER"** >> ca. €63m
 Vaihinger Strasse 131
 Buyer: Züblin AG
 Vendor: Alstria Office REIT-AG

Office letting Stuttgart



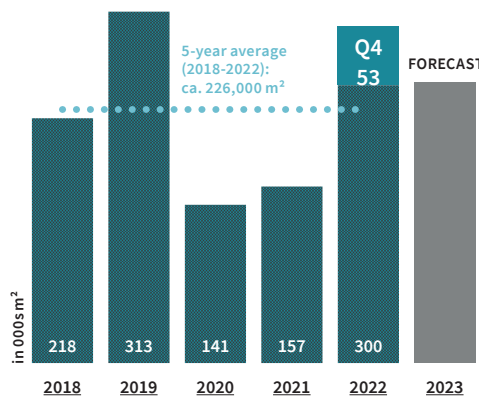
Hallo!

Owner-occupiers comprised a large share of the market so that take-up almost doubled year on year. Rents leapt up, because many tenants have opted for top quality space

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TAKE-UP OF SPACE

incl. owner-occupiers



STUTTART – QUICK FACTS

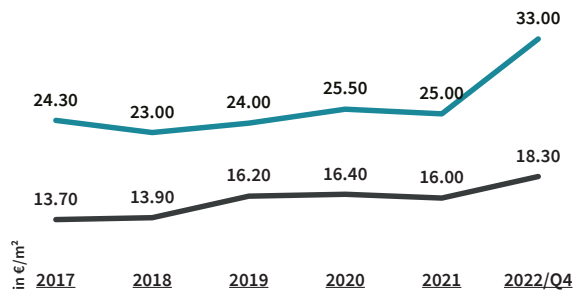
- » **Take-up** surged to 300,000 m² (+91 % year on year)
- » **Owner-occupiers** accounted for some 42 % of take-up
- » **Premium rents** rose from €25.00/m²/month to € 33.00/m²/month (+32 % year on year)
- » **Average rent:** increased by 14 % to € 18.30/m²/month).
- » **Biggest client group:** financial services providers at 32%, followed by the public sector at 16 %
- » Appreciably more **space standing empty:** 364,000 m² – vacancy rate: 4.3 %
- » **Scheduled completions (2023/2024):** 170,000 m² of which 26 % has been pre-let.
- » We believe that total office take-up in **2023** could reach about 250,000 m². More empty space expected, especially in peripheral locations.

TOP 3 CONTRACTS

- 1 ALLIANZ SE (OWNER-OCCUPIER)**
"Allianz Park", Heßbrühlstrasse
» ca. 65,000 m²
- 2 KOMM.ONE**
"W 11", Weissacher Strasse 11
» ca. 21,500 m²
- 3 ED. ZÜBLIN (OWNER-OCCUPIER)**
"Atlanta", Vaihinger Strasse 131
» ca. 21,400 m²

PREMIUM AND AVERAGE RENT

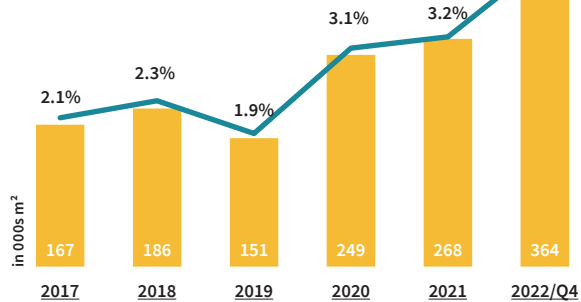
monthly (net)



PREMIUM RENT AVERAGE RENT

VACANT SPACE AND VACANCY RATE

in 000s m²



Investment Munich

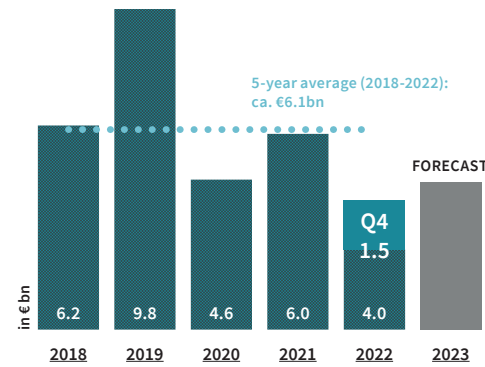


Servus!

In 2022 investors were unsure about asset pricing in view of the macro-economic situation and rising interest rates. This is reflected in a transaction volume of a mere €4bn.

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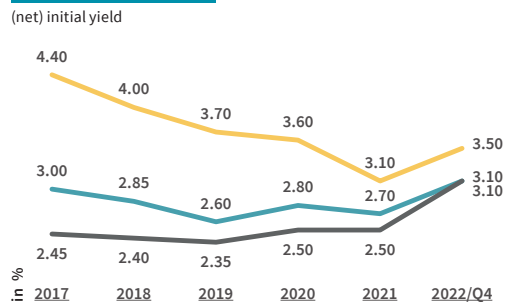
TRANSACTION VOLUME



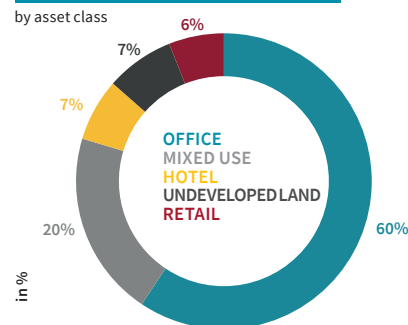
MUNICH – QUICK FACTS

- » **Volume of transactions** about €4bn (-34% year on year)
- » At 60% of the market, offices were again the most sought-after **asset**
- » Transaction volume in the **CBD** totalled €50m: about 1.5%
- » The **biggest transaction** was the sale of buildings on “Brienner Strasse 22-28” at a cost of about €360m
- » Taking 35% of the market, **developers** bought more than other groups
- » Developers were also the **most active sellers** with a 19% market share
- » Market share of **international investors**: about 20%
- » The environment for investment in commercial real estate remains challenging. In general it is assumed that there will be more investment activity in mid **2023** as soon as interest rates and prices have settled at new levels. Location factors will continue to play an important role. Investors already focus on central locations and strategic sites along the “Cityring”. In addition, buyers can always be found for top quality used and new buildings with good ESG ratings.

PRIME YIELDS



TRANSACTION VOLUME



SELECTED TRANSACTIONS

- 1 FOUR BUILDINGS** >> ca. €360m
 Brienner Strasse 22-28
 Buyer: Doblinger
 Vendor: Bayerische Landesbank
- 2 "OLYMPIA BUSINESS CENTER"** >> ca. €300m
 Georg-Brauchle-Ring 23-25
 Buyer: Athos Family Office
 Vendor: Europa Capital/Bayern Projekt
- 3 "NEW WACKER CHEMIE HQ"** >> ca. €250m
 Gisela-Stein-Strasse
 Buyer: Wacker Chemie pension fund
 Vendor: Patrizia

Office letting Munich



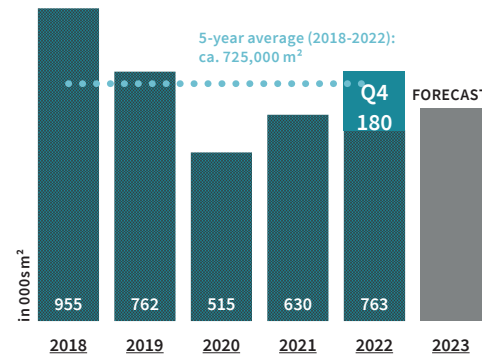
Servus!

Despite the challenging economic environment in 2022 office take-up in Munich proved resilient with persisting demand for modern, centrally located office space with the latest technology and fit-out.

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TAKE-UP OF SPACE

incl. owner-occupiers



MUNICH – QUICK FACTS

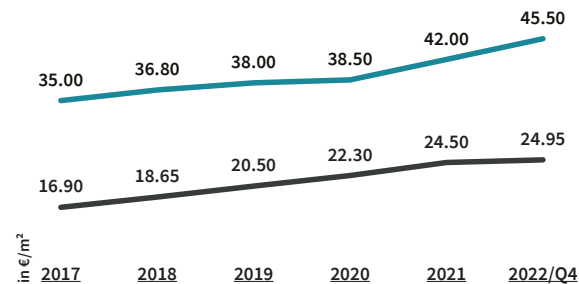
- » Strong rise in **take-up** to 763,000 m² (+21% year on year)
- » **Premium rent** soars: €45.50/m²/month (+8% year on year)
- » **Average rents** rose more moderately to €24.95/m²/month (+2% year on year)
- » Computer/IT/telecoms firms formed **biggest client group** (23%, 175,000 m²)
- » Supply of **available offices** is growing, but the total remains comparatively low – vacancy ratio: 5.1%
- » **Scheduled completions** (2023/2024): 600,000 m²
- » 650,000 m² of office take-up would seem to be a realistic estimate for 2023

TOP 3 CONTRACTS

- PERSONIO**
"Elementum", Bayerstrasse 49-53/Paul-Heyse-Strasse 7
» ca. 40,000 m²
- BOSCH BUILDING TECHNOLOGIES**
"AER", Fritz-Schäffer-Strasse 9
» ca. 20,000 m²
- NOERR LLP**
"CORBINIAN", Schützenstrasse/Prielmayerstrasse
» ca. 15,000 m²

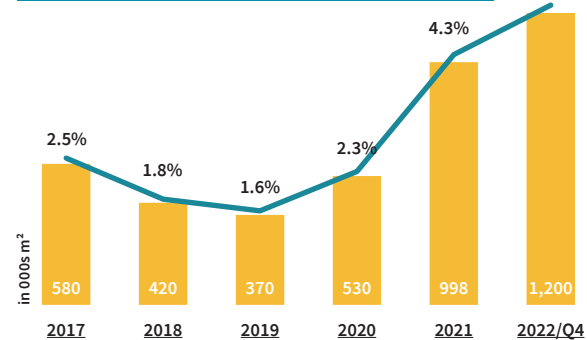
PREMIUM AND AVERAGE RENT

monthly (net)



PREMIUM RENT AVERAGE RENT

VACANT SPACE AND VACANCY RATE



Services – Quick facts

GPP. A NETWORK WITH PERSONALITY.



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- » Commercial letting
- » Corporate real estate management (CREM)
- » Research
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- » 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

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