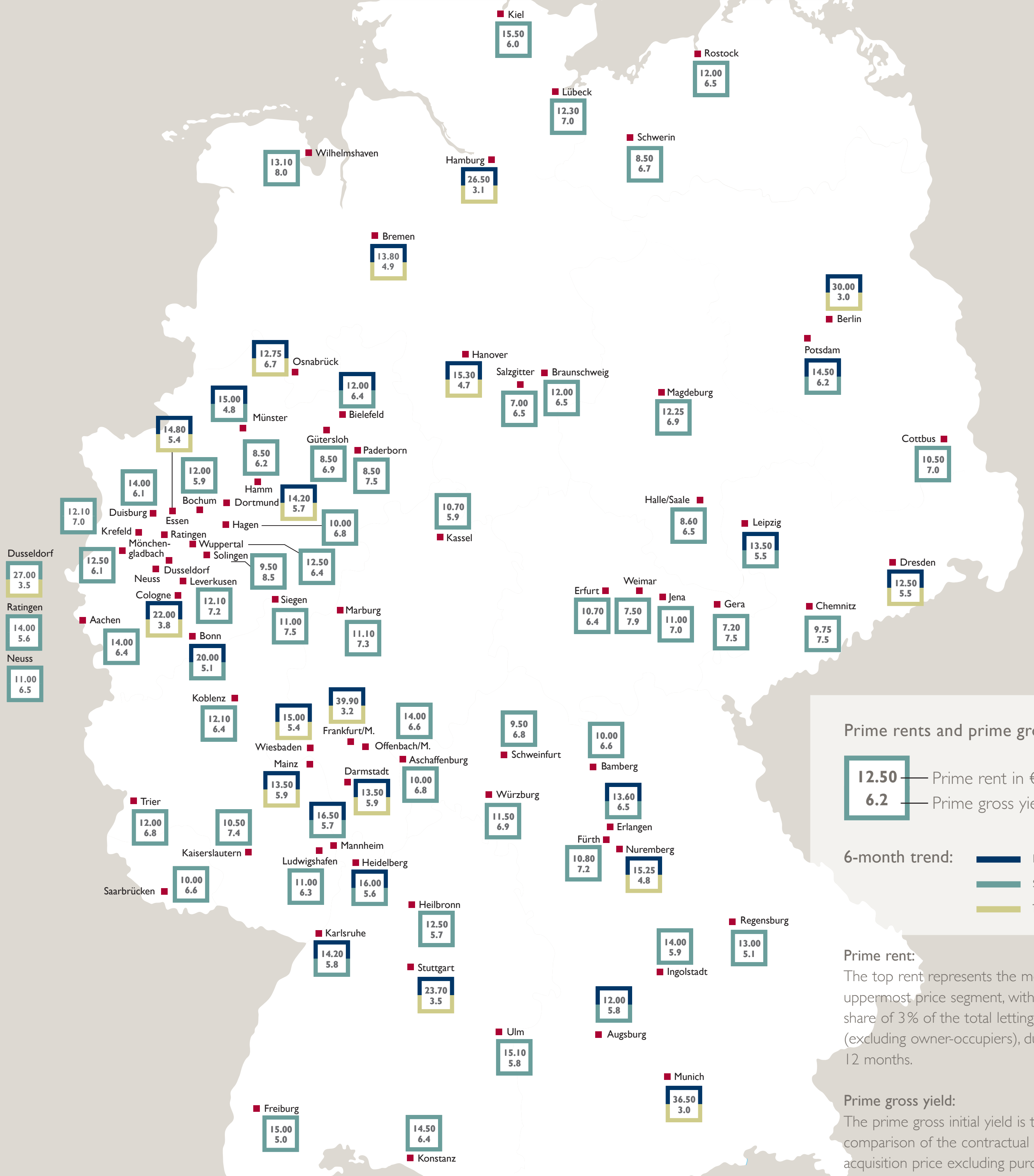
Investment locations Germany 2018
Office – rents and yields

The positive economic conditions are reflected in the German office market – especially in the demand for office space in central and urban locations. Shortages in new-builds and the reduction of office space per employee define the increase in rent. The cyclical lag of project developments and the reduction of classical, monofunctional office properties launches beginning of a phase of mixed-use property in CBD locations – investors see many opportunities here. This trend is also visible at B- and C-locations.



Prime rents and prime gross yields:

12.50 – Prime rent in €/sq m
6.2 – Prime gross yield in %

6-month trend: rising / stable / falling

Prime rent:
The top rent represents the median of the uppermost price segment, with a market share of 3% of the total letting take-up (excluding owner-occupiers), during the last 12 months.

Prime gross yield:
The prime gross initial yield is the simple comparison of the contractual rent with the acquisition price excluding purchaser's costs. The prime gross initial yield corresponds to the multiplier normally used in the market.

2018	Ø prime rent	Δ 2017/2018	Ø prime gross yield	Δ 2017/2018
A-location	29.37€/sq m	+3.05%	3.30%	-37Bp
B-location	14.93€/sq m	+2.40%	5.33%	-13Bp
C-location	12.71€/sq m	+1.60%	6.24%	-10Bp
D-location	10.31€/sq m	+0.58%	6.98%	-4Bp

* bp = basis point

As of 1st quarter 2018
Contact: research@catella.de
Source: Catella Research 2018

Yield/risk profile for office markets in 2018

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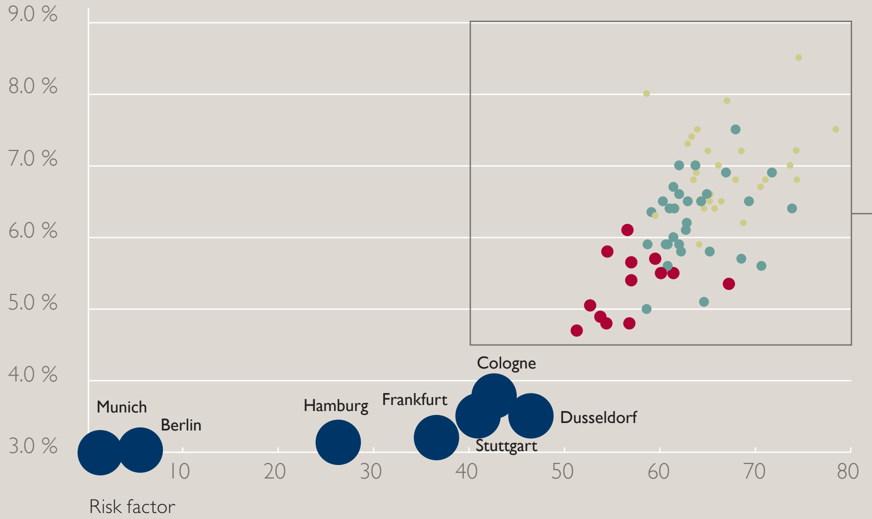

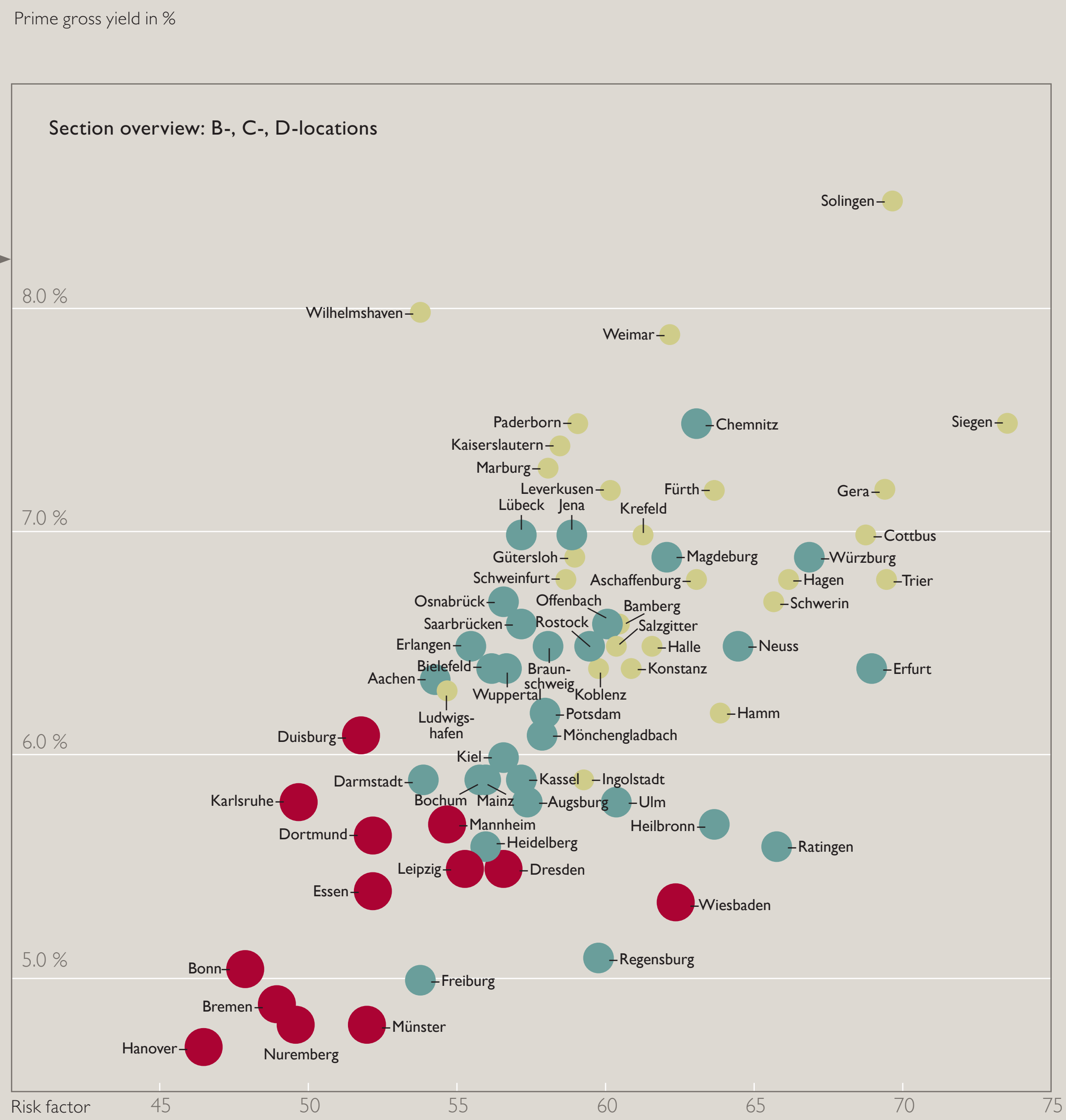

Office markets have been classified according to their size (existing stock).

Category A = > 5 million sq m
B = ≥ 2 million to 5 million sq m
C =
D = } < 2 million sq m (further differentiation for C & D in terms of regional significance)

Methodology: Risk model Catella Research 2018, schematic presentation on the basis of a fully leased property in a new building/first-time lease, A-location category

As of 1st quarter 2018
Source: Catella Research 2018