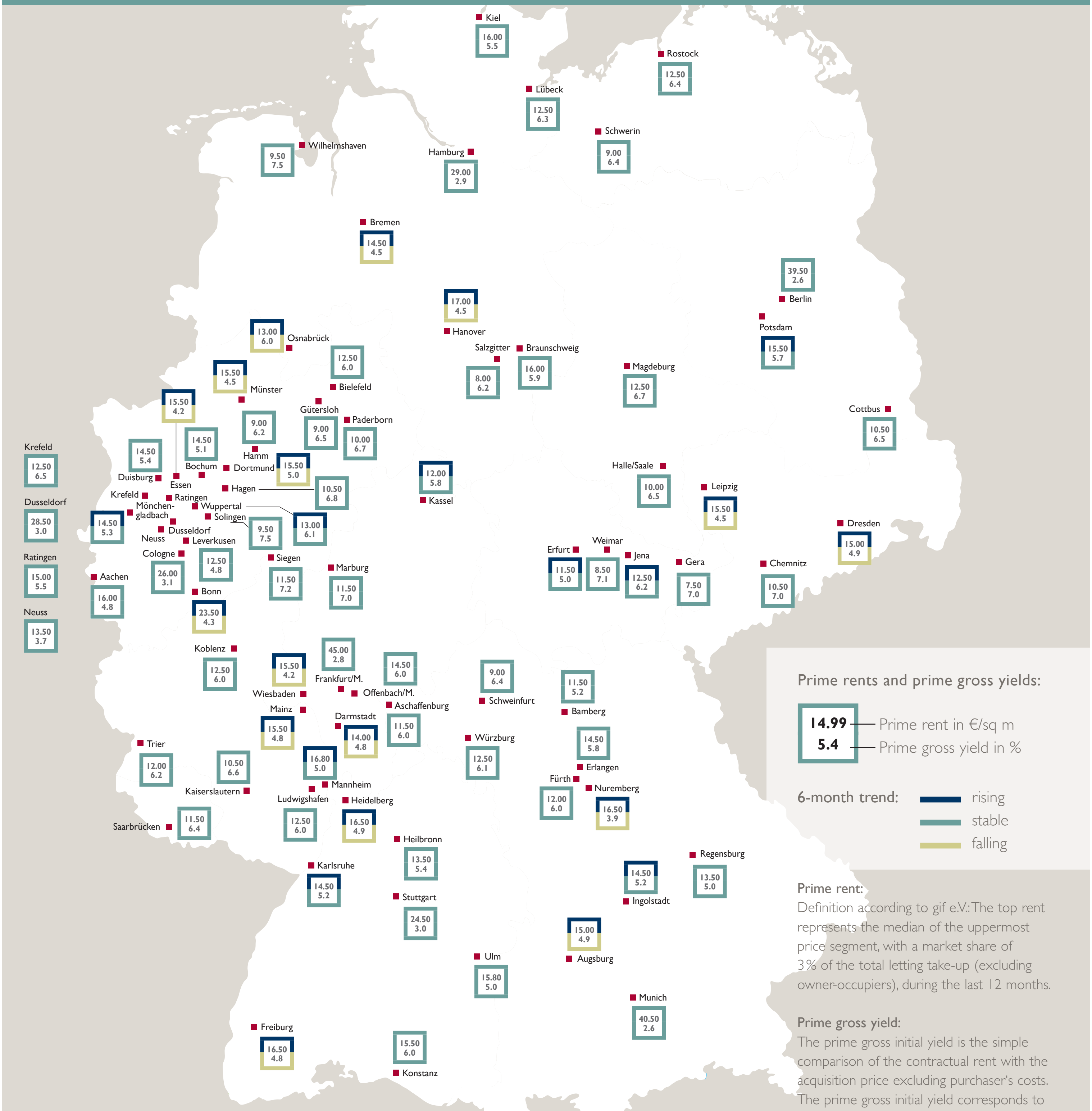
Investment locations Germany 2020
Office – rents and yields

The German office property markets have not yet been affected by the effects of the pandemic in terms of value. Three factors are decisive in this respect: the good economic development that continued until mid-February, the relatively low supply of new construction in the metropolitan regions or CBDs and the delaying effects of a recession on the floor-space markets. At present, we therefore do not see any significant change in our rental and yield forecast up to September, although economic development will leave its mark at the beginning of the third quarter.



Prime rent:
Definition according to gif e.V.: 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.

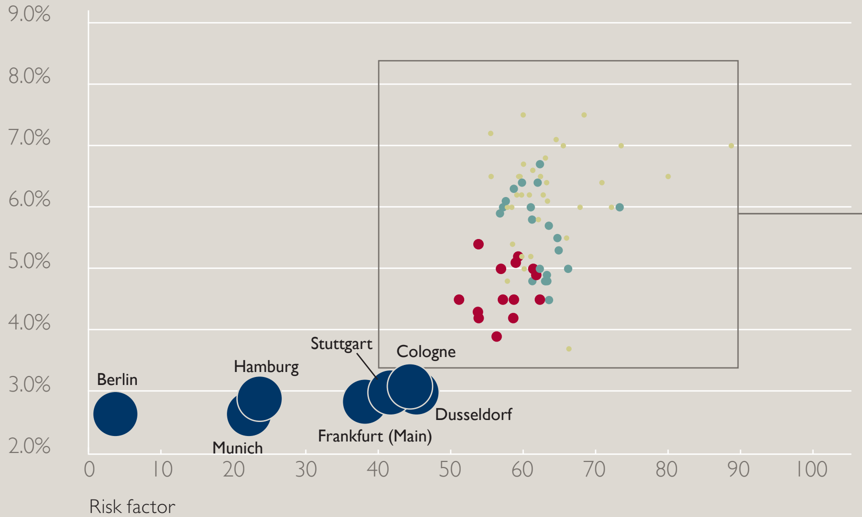
Prime gross yield:
The prime gross initial yield is the simple comparison of the contractual rent with the acquisition price excluding purchaser's costs. The prime gross initial yield corresponds to the multiplier normally used in the market.

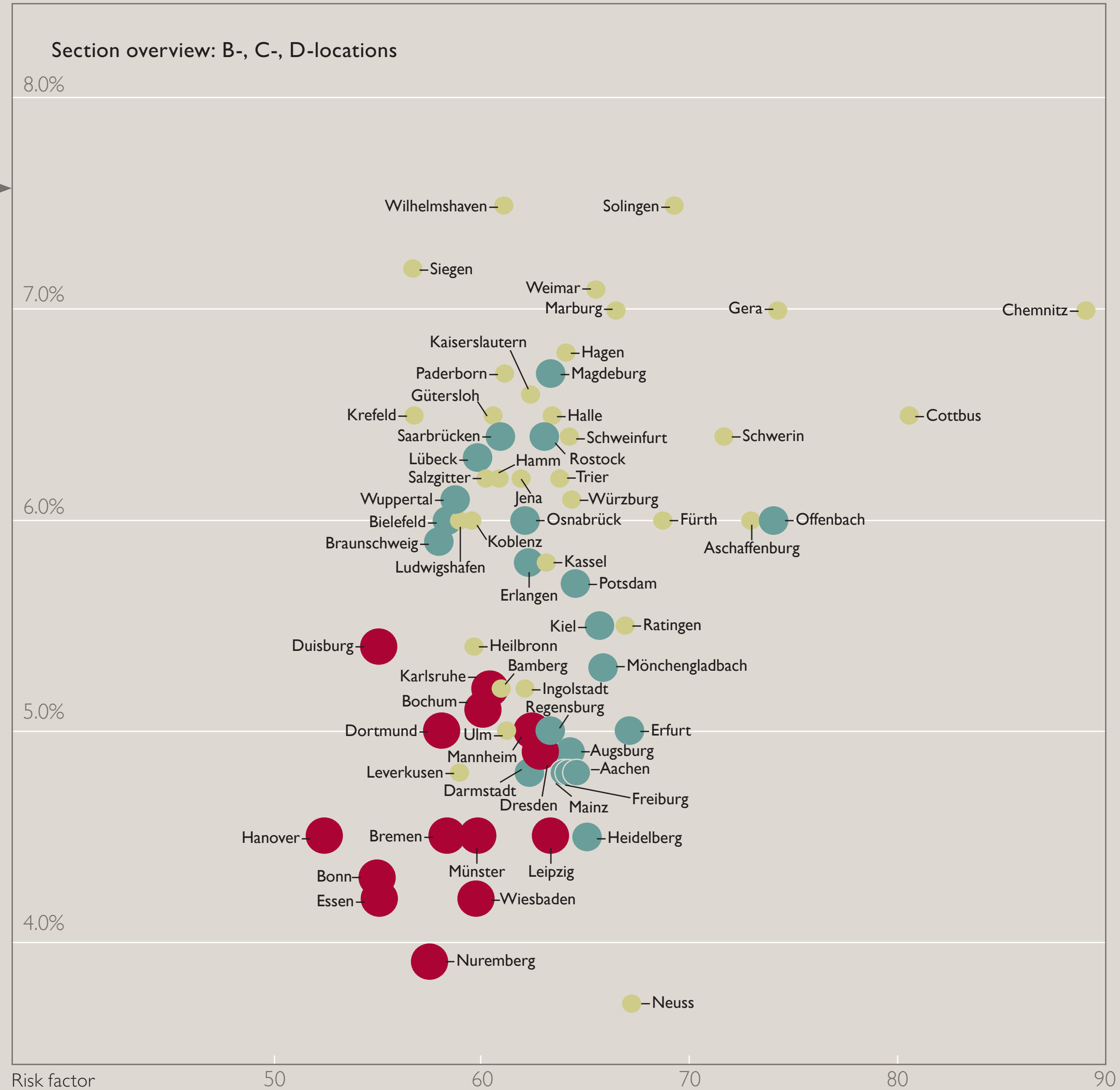
2020	Ø prime rent	Δ 2019/2020	Ø prime gross yield	Δ 2019/2020
A-location	33.29€/m²	7.25%	2.88%	-18Bp
B-location	16.02€/m²	3.09%	4.66%	-40Bp
C-location	14.10€/m²	5.62%	5.58%	-31Bp
D-location	11.35€/m²	8.30%	6.20%	-50Bp

* bp = basis point

As of 1st quarter 2020
Contact: research@catella.de
Source: Catella Research 2020

Yield/risk profile for office markets in 2020





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: Catella Research 2020 risk model is based on the volatility of office yields and the ratio of the respective office space stock to the total stock, including the vacancy rates of all locations. Schematic representation based on a fully let property in the category core or new construction in a prime location.

As of 1st quarter 2020
Source: Catella Research 2020