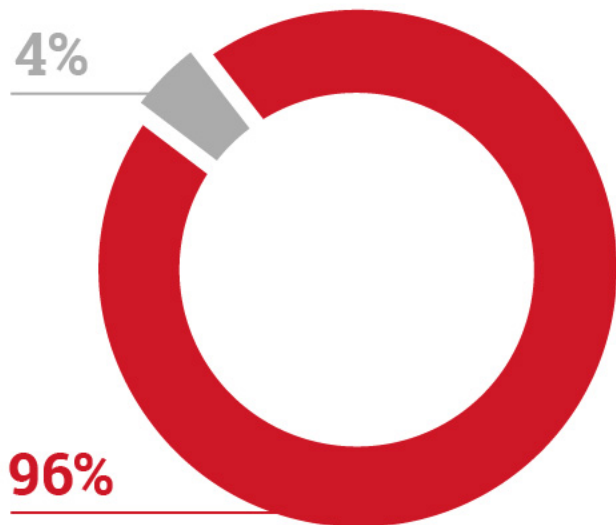


Have you participated in off-market transactions in the past 12 months?

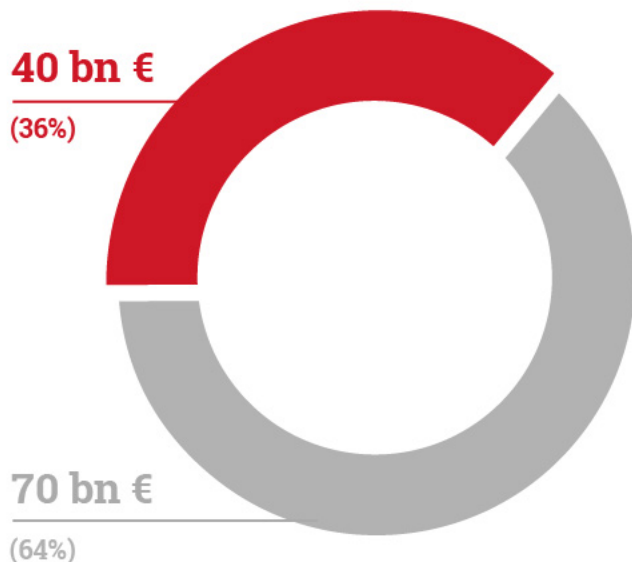


Source: Bulwiengesa - HPBA Off-Market-Study

Virtually all market participants engage in off-market transactions. This includes traditional institutional investors such as pension funds and pension plans, but also many private equity investors and family offices.

Transaction volume 2017 – on-market and off-market

- On-market transaction volume
- Off-market transaction volume

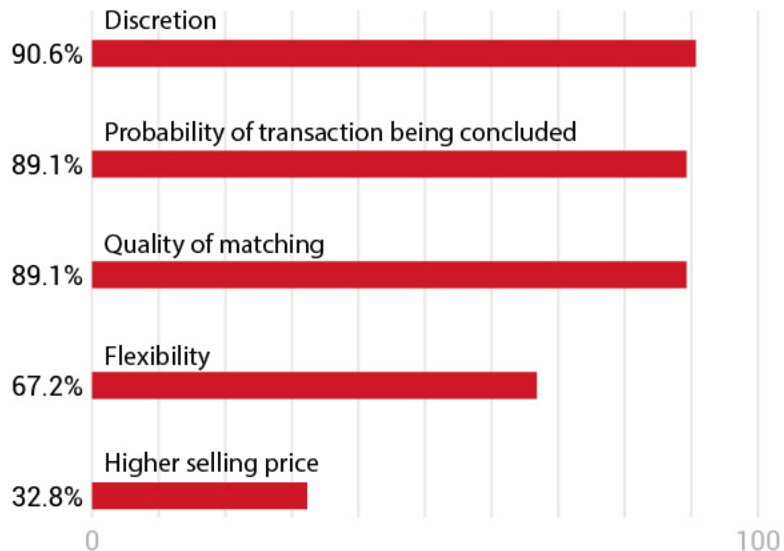


Source: Bulwiengesa · HPBA Off-Market-Study

The off-market share of the German real estate transaction market amounts to 40 bn Euros – the equivalent of 36 per cent. An off-market transaction in the real estate sector describes the trading of one or more properties behind closed doors.

Benefits of off-market transactions compared to on-market transactions

Answers from respondents in per cent.



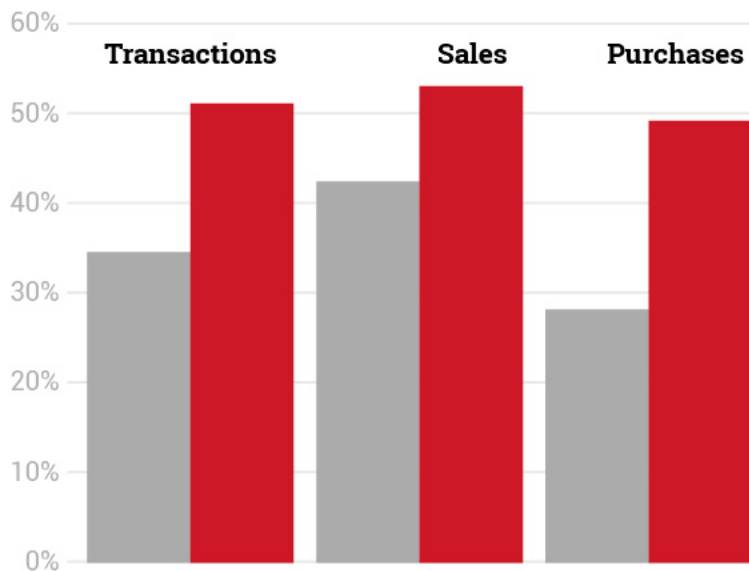
Source: Bulwiengesa - HPBA Off-Market-Study

The most important advantages of off-market transactions are the more discrete processing as well as the higher probability of settlement. The fact that buyers and sellers are strategically matched, however, is equally important.

Was the number of completed sales with your on- or off-market transaction endeavours in the past 12 months higher than 50 per cent?

Positive responses in per cent.




- On-market transaction volume
- Off-market transaction volume

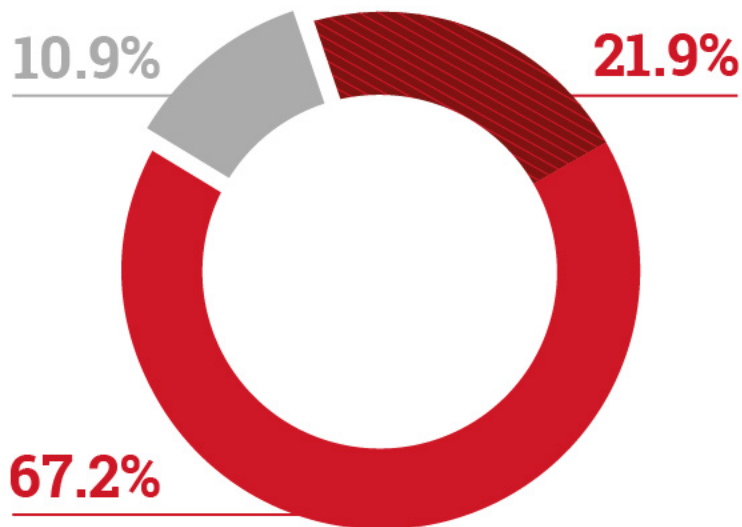


Source: Bulwiengesa - HPBA Off-Market-Study

For more than 50 per cent of respondents, at least every second off-market transaction conducted is successful. With on-market transactions, the share of investors with the same success rate is 16 per cent lower.

Is there an improvement in the strategic matching between investor and investment object with off-market transactions?

-  agree entirely
-  agree generally
-  do not agree

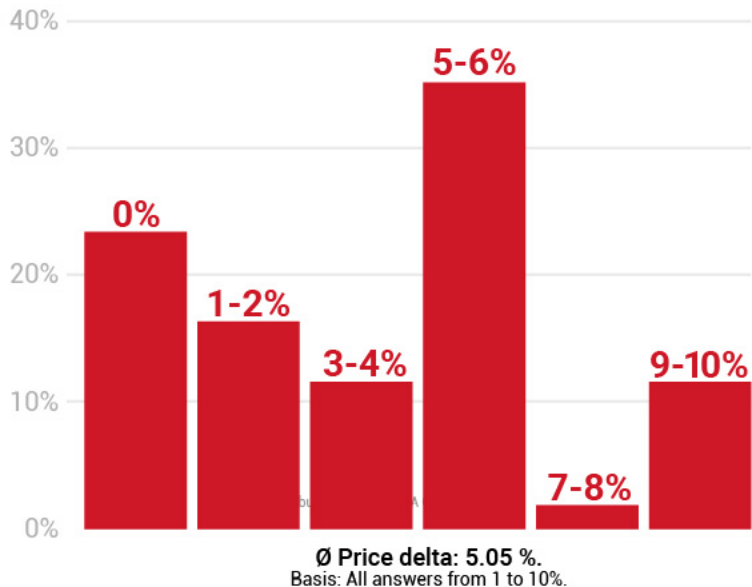


Source: Bulwiengesa - HPBA Off-Market-Study

Above all, it is the high share of market participants and the more qualified preselection of the investor which ensure that the majority of respondents is convinced of better strategic matchmaking between buyer and seller in off-market transactions.

What in your opinion is an appropriate price delta for the benefits with off-market transactions?

Answers in per cent.

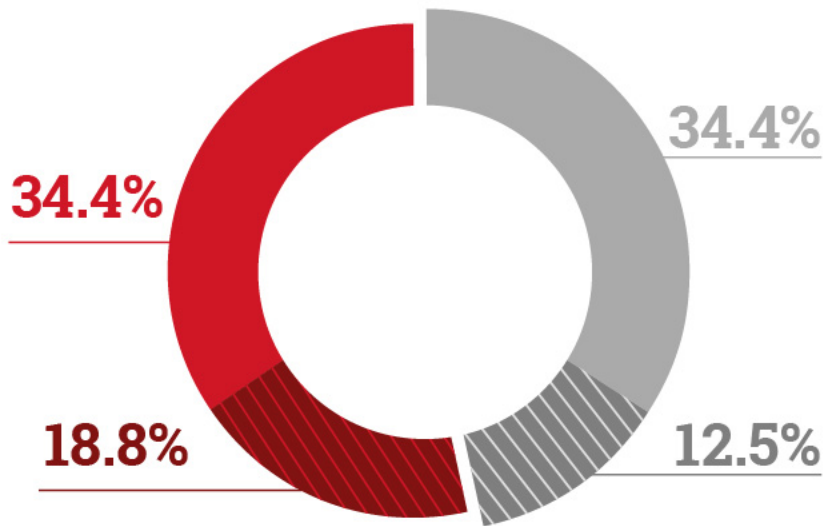


Source: Bulwiengesa - HPBA Off-Market-Study

Secure processing saves institutional investors both time and money. Not least of all, they avoid the high opportunity costs for a failed transaction. For these advantages, three quarters of all investors are willing to accept a price delta of as much as 10%.

Are off-market processes significantly less transparent than structured bidding processes?

- do not agree at all
- do not agree generally
- agree generally
- agree entirely

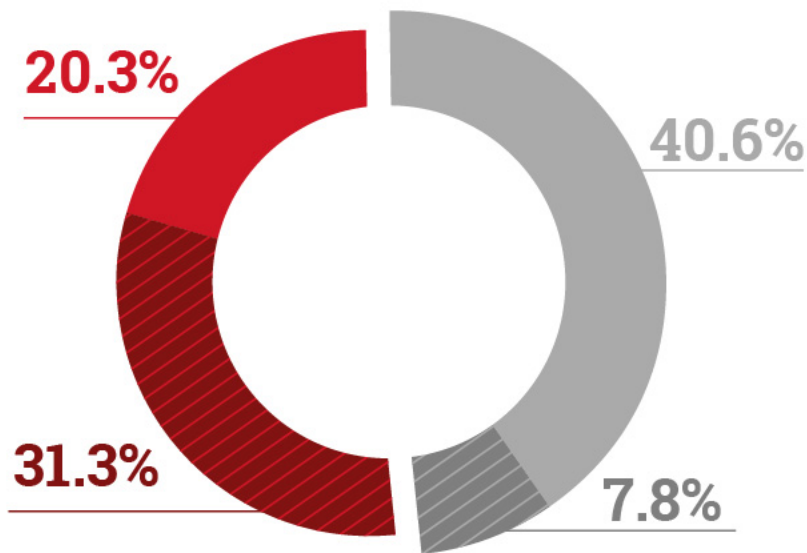


Source: Bulwiengesa - HPBA Off-Market-Study

More than half of all investors do not anticipate any draw-backs in transparency with off-market transactions. One reason for this is the variety of feasible models: For example, models with up to 15 prequalified investors, who submit their bids in a manner that is transparent for the seller, are possible.

Does your own governance frequently contradict the process?

- do not agree at all
- do not agree generally
- agree generally
- agree entirely



Source: Bulwiengesa · HPBA Off-Market-Study

More than half of the respondents have no or very few concerns regarding compliance in off-market transactions. The targeted selection of potential transaction partners can factor in the demands of corporate governance on business partners.