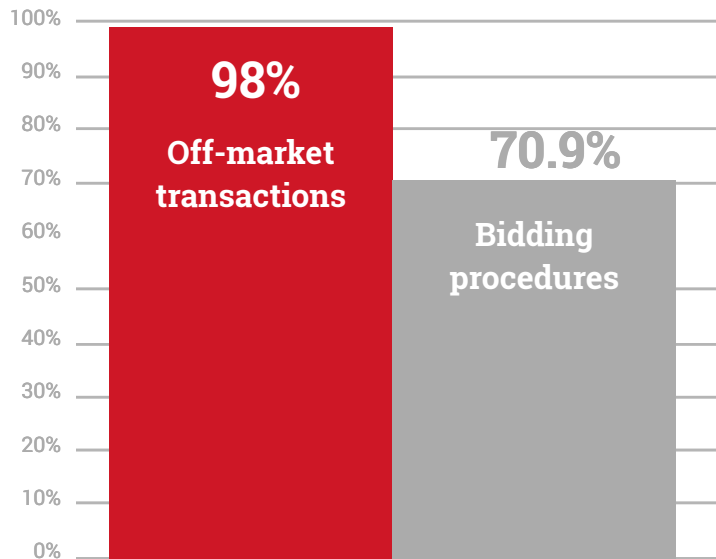


## Participants

In the past twelve months virtually all the market players (98 per cent) have participated in off-market transactions. 70.9 per cent have participated in bidding procedures.

Positive responses in per cent.

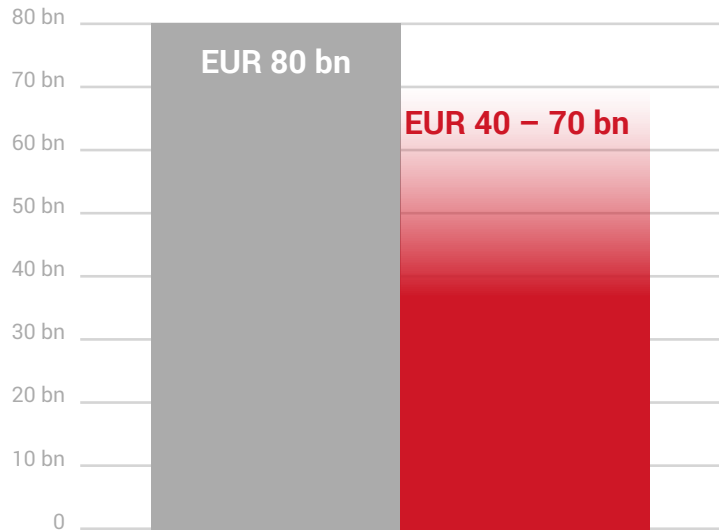


Have you participated in off-market transactions or bidding procedures in the past twelve months?

Positive responses in per cent.

Source: Bulwiengesa - 2nd HPBA Off-Market Study

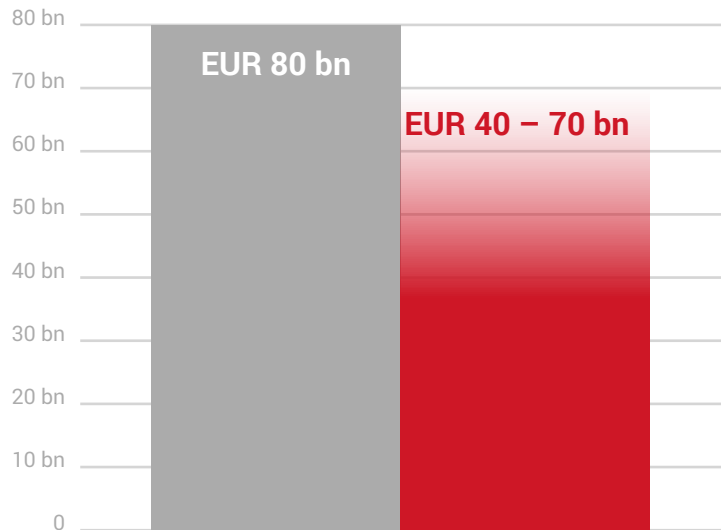
The results show that 29.1 per cent of all respondents do not participate in or fundamentally rule out bidding procedures. The market penetration of off-market transactions is higher, therefore; a greater ratio of market players is reached.



## Transaction volume

The off-market transaction volume of the German real estate investment market is currently more than 40 billion euros.

- Off-market transactions
- On-market share

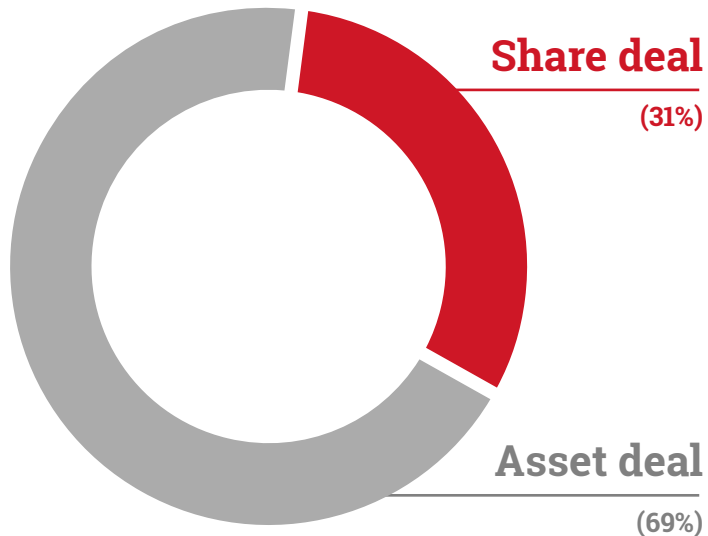


## Transaction volume 2018 – on-market and off-market

- Off-market transactions
- On-market share

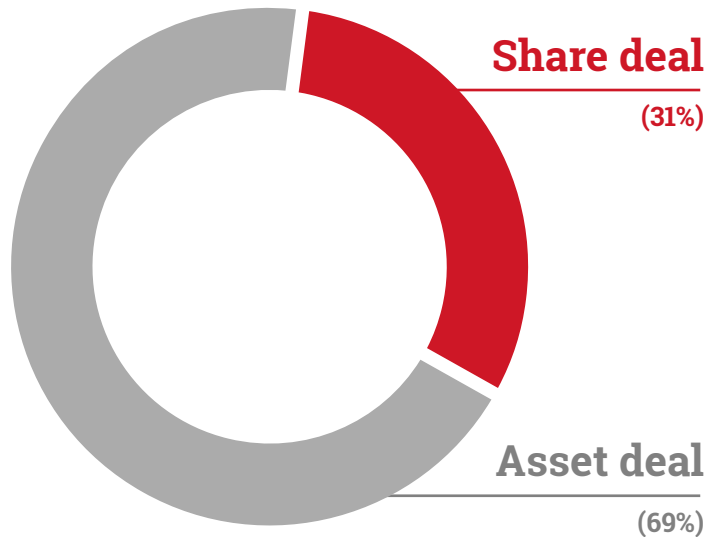
Source: Bulwiengesa · 2nd HPBA Off-Market Study

Compared to the first HPBA Off-Market Study the transaction volume this year was considered in a more differentiated manner. The volume primarily comprises asset and share deals for commercial properties, multi-family houses and other properties. This figure also includes the off-market transactions that were published belatedly.



## Proportion of share deals

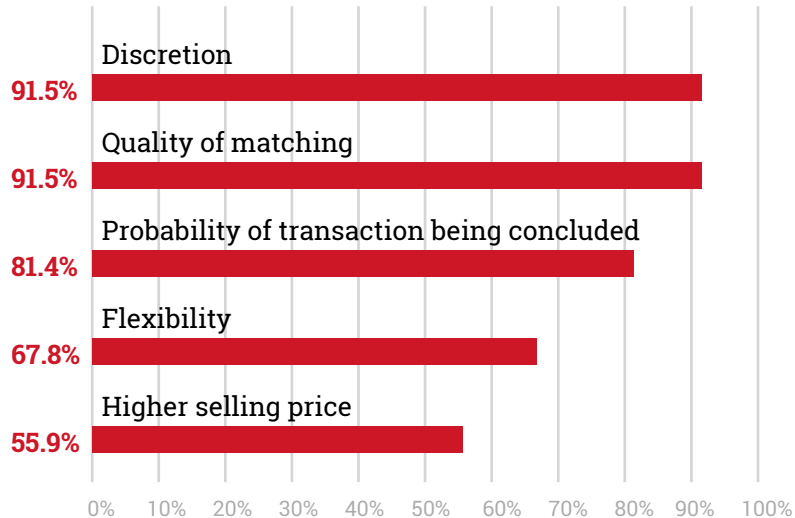
Nearly one third of all off-market transactions were processed as a share deal.



What percentage of your off-market transactions were processed in the form of a share deal in the past twelve months?

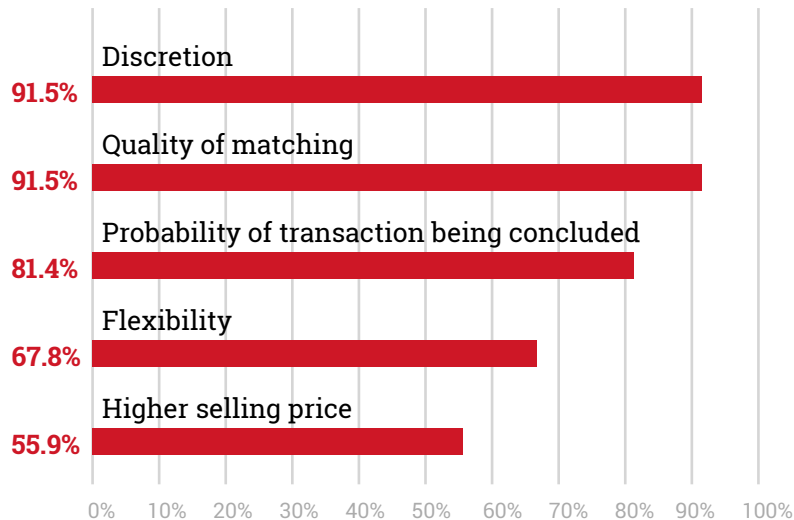
Source: Bulwiengesa · 2nd HPBA Off-Market Study

In the past twelve months the respondents processed nearly one third of all their off-market transactions in the form of a share deal. The current number of 31 per cent thus clearly exceeds our estimate from last year – in 2018 the proportion of share deals was estimated to be approx. 20 per cent (of the total market).



## Benefits

Discretion, improved matching and greater probability of a transaction being concluded are regarded as the most important benefits of off-market transactions.

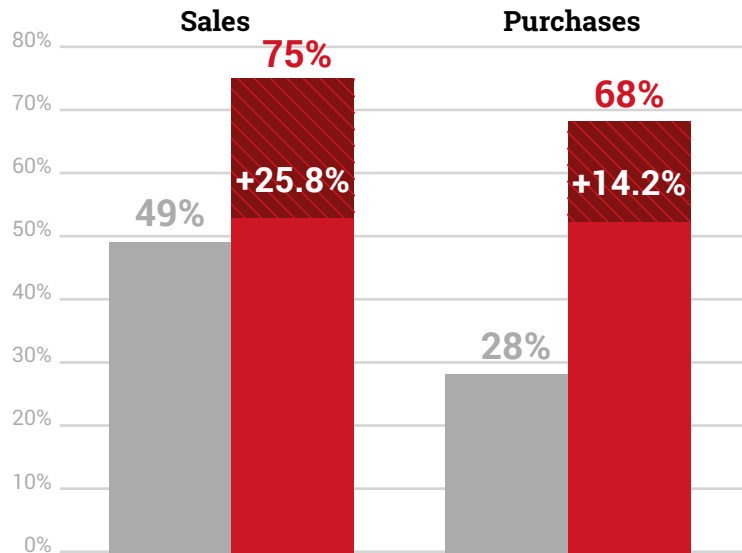


What in your opinion are the essential benefits of off-market transactions?

Source: Bulwiengesa · 2nd HPBA Off-Market Study

The surveyed investors evaluate benefits such as discretion, the quality of the matching and the selling/purchase prices a little more highly than last year. All in all there is a high degree of continuity compared to the first HPBA Off-Market Study.

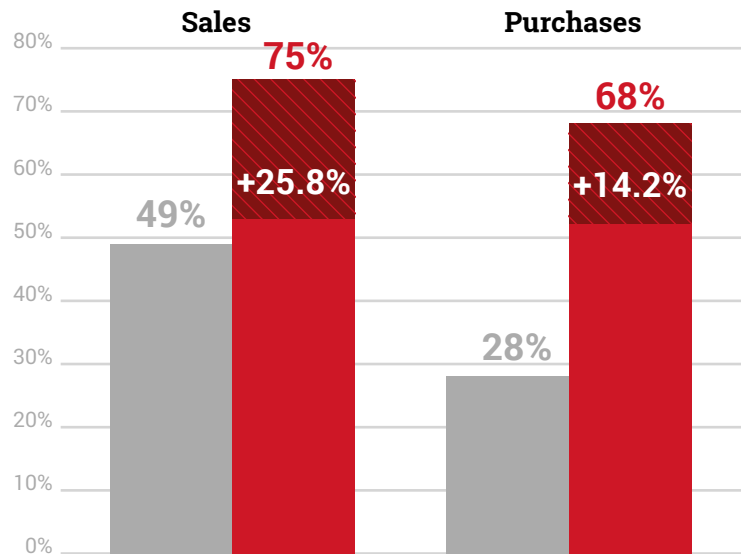




## Success Rate

Compared with on-market models the proportion of buyers who have successfully completed sales in the off-market segment is 40 percentage points higher. For sellers this figure is 26 percentage points.

- On-market transactions
- Off-market transactions
- ▨ Increase compared to first HPBA Off-Market Study

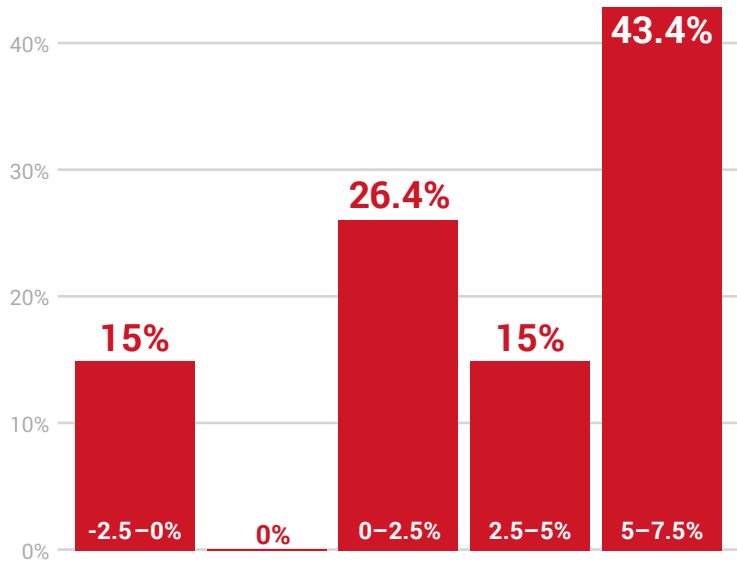


Was the number of completed sales with your on- or off-market endeavours in the past twelve months higher than 50 per cent?

- On-market transactions
- Off-market transactions
- Increase compared to first HPBA Off-Market Study

Source: Bulwiengesa · 2nd HPBA Off-Market Study

Compared to on-market transactions the proportion of respondents who regularly completed sales with off-market transactions was significantly higher among buyers (up 40 percentage points) and sellers (up 26 percentage points).

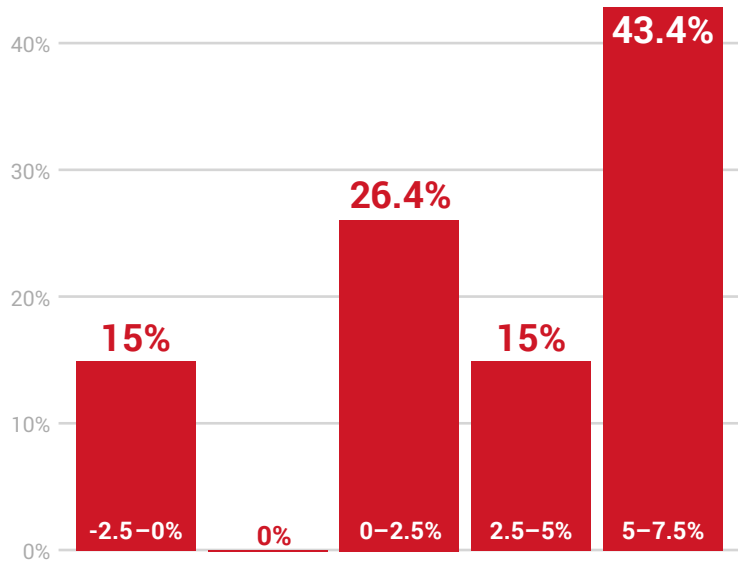


Price delta 2.23%; basis: all responses in the range from -2.5 to 7.5%

Price delta 5.0%; basis: all responses in the range from 0 to 7.5%

## Selling prices

84.8 per cent of all investors are prepared to pay a higher purchase price for off-market transactions.



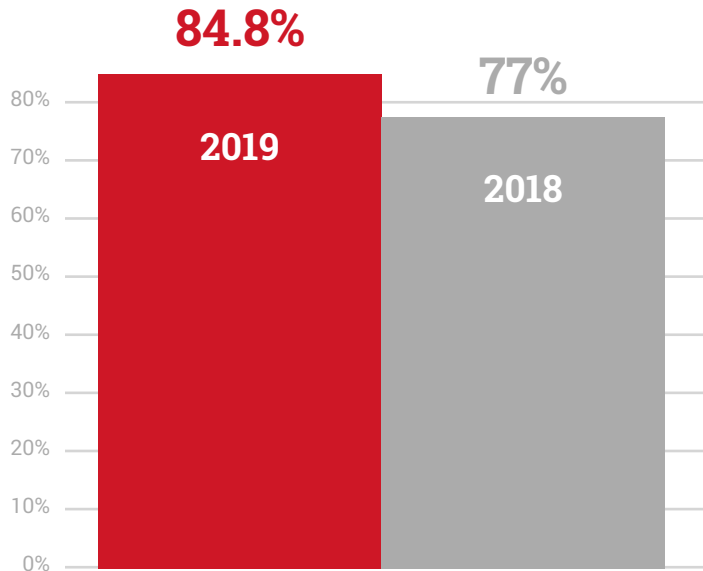
Price delta 2.23%; basis: all responses in the range from -2.5 to 7.5%

Price delta 5.0%; basis: all responses in the range from 0 to 7.5%

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

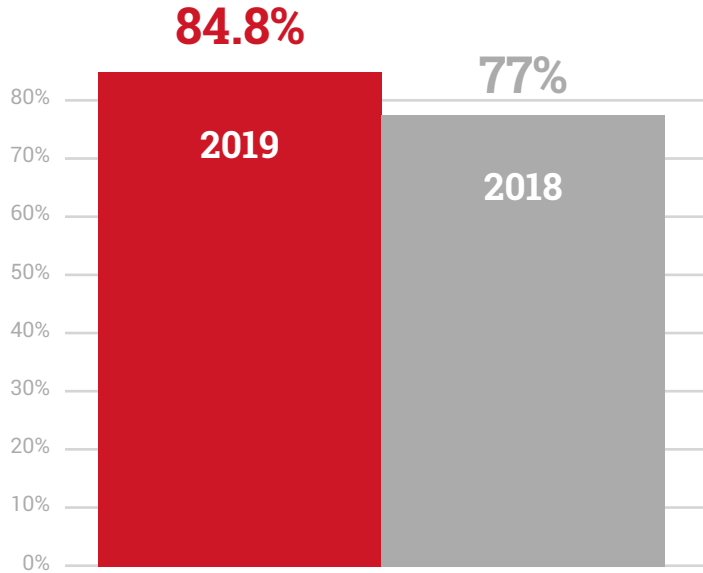
Source: Bulwiengesa · 2nd HPBA Off-Market Study

Compared to the first HPBA Off-Market Study the proportion of market players who are prepared to pay higher prices increased by 7.8 percentage points to 84.8 per cent. More than 43 per cent of the respondents would even accept a price delta of between 5 and 7.5 per cent. In this respect the price delta has remained stable in an overall comparison.



## Selling prices

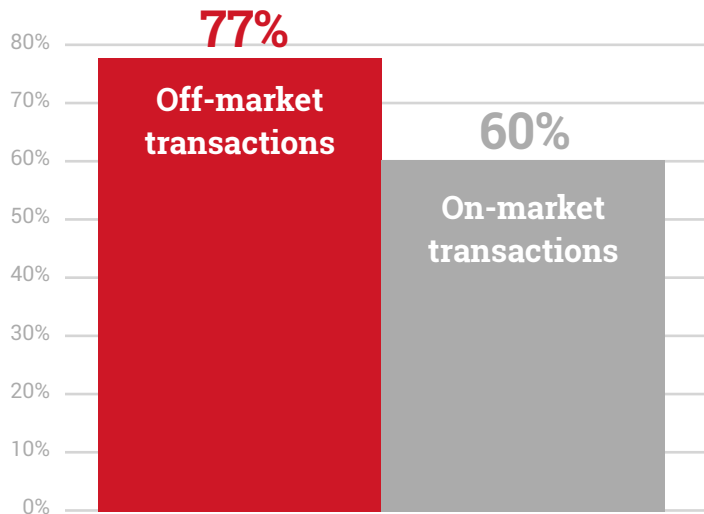
Proportion of investors prepared to accept a price mark-up.



Proportion of investors prepared to accept a price mark-up.

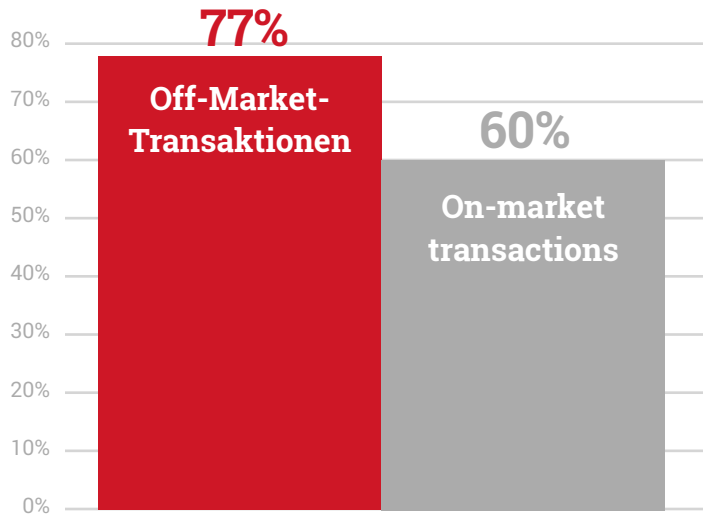
Source: Bulwiengesa · 2nd HPBA Off-Market Study

Compared to the first HPBA Off-Market Study the proportion of those investors prepared to pay a higher purchase price for the benefits of off-market transactions is 7.8 percentage points higher.



## Satisfaction with prices attained

Higher satisfaction ratio with the prices for off-market transactions

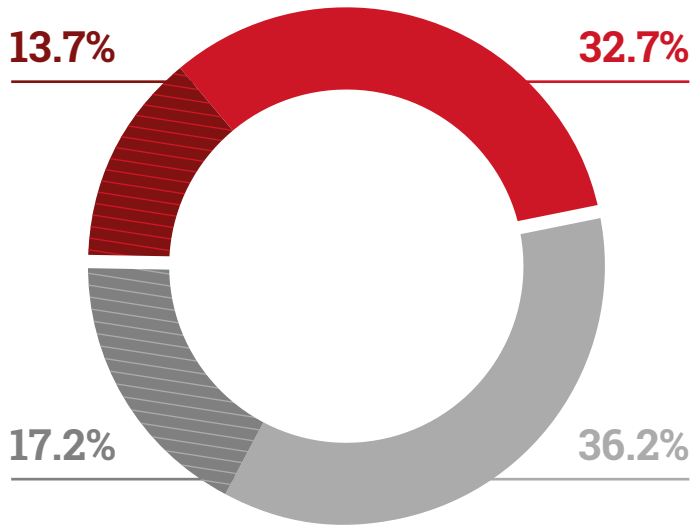


How satisfied are you on a scale from 0 to 100 with the prices attained to date for your successful off-market transactions?

Source: Bulwiengesa · 2nd HPBA Off-Market Study





On the buyer and seller sides the satisfaction ratio with off-market transactions is 17 percentage points higher than with on-market processes. The proportion of the “very dissatisfied” responses is also considerably lower than with conventional on-market transactions. The positive price delta is probably responsible for the greater satisfaction on the part of sellers.

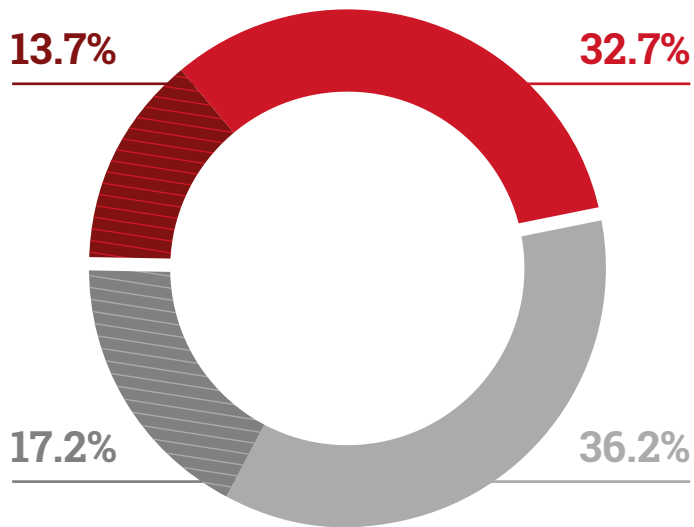




## Transparency

More than half of the investors see drawbacks in terms of transparency with off-market transactions.

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

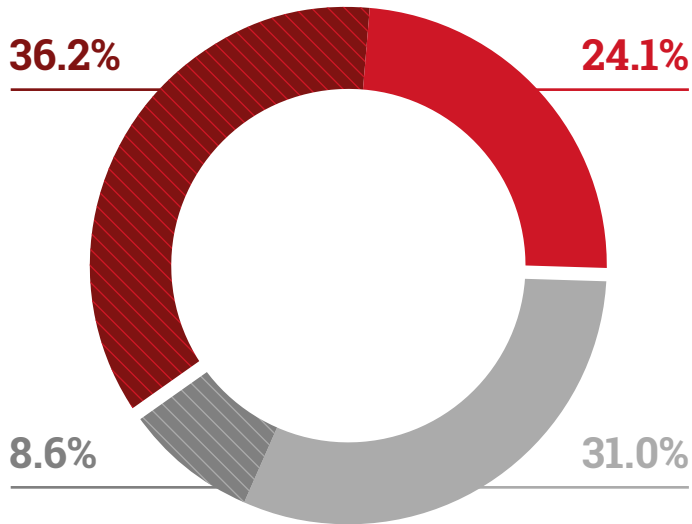


Are off-market processes significantly less transparent than structured bidding procedures?

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

Source: Bulwiengesa · 2nd HPBA Off-Market Study

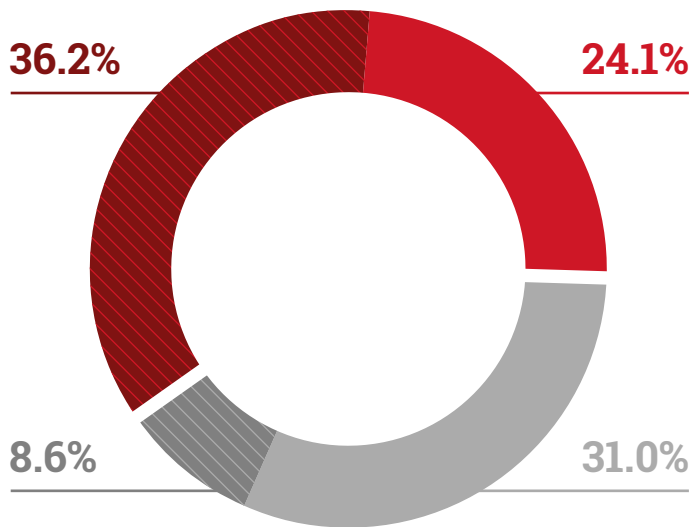
At present 46 per cent of the respondents fear scarcely any drawbacks in terms of transparency with off-market processes. Nevertheless, compared to the first study the number of those respondents who perceive off-market processes as being less transparent has increased slightly.



## Compliance

For more than 60 per cent of the respondents off-market processes are still consistent with their own compliance rules.

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

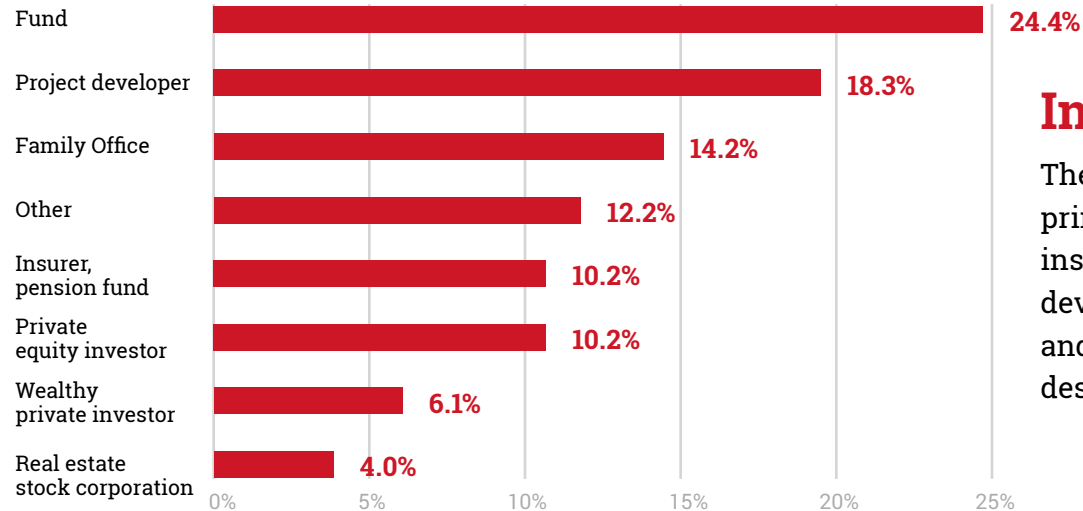


Is your own governance frequently not consistent with the process?

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

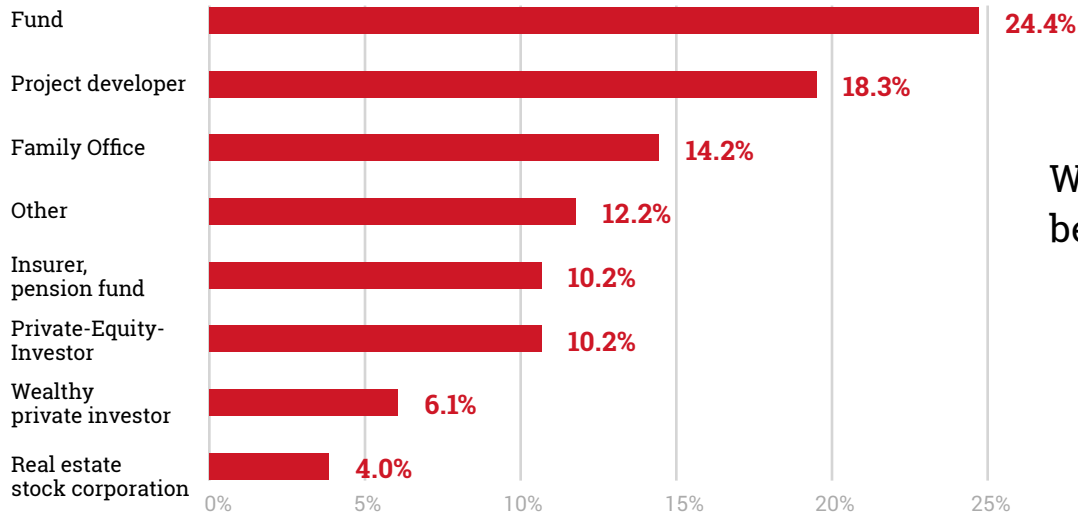
Source: Bulwiengesa - 2nd HPBA Off-Market Study

For more than 60 per cent of the respondents their own compliance is not or is scarcely at “odds with the process”. Compared to the first HPBA Off-Market Study this figure is some nine percentage points higher. This could indicate that the market players have recently given greater consideration to the modalities of off-market transactions.



## Investor profile

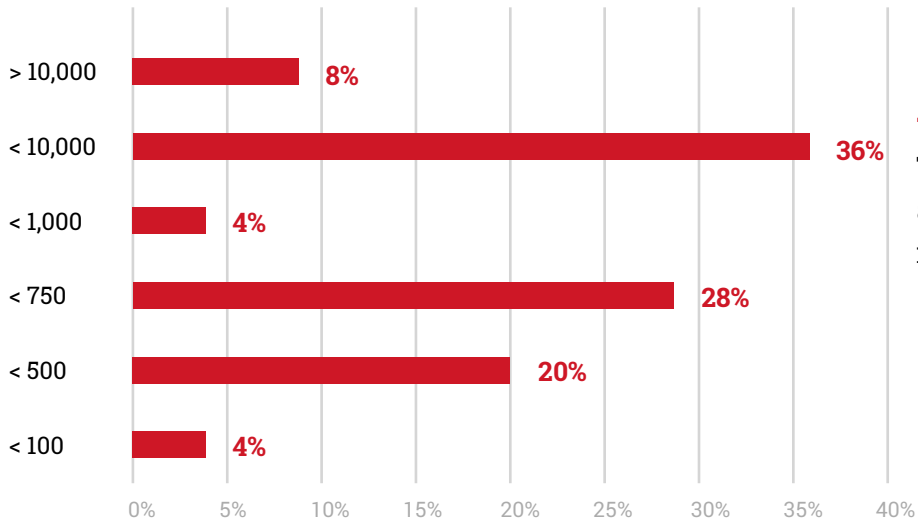
The panel of surveyed investors primarily comprises funds and institutional investors, project developers, family offices, insurers and other investor profiles not described in more detail.



Which investor profile best describes you?

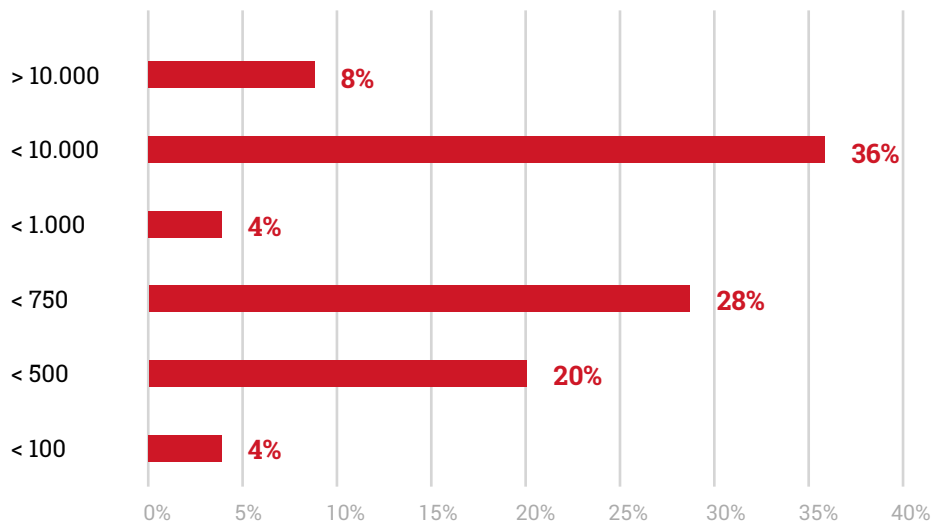
Source: Bulwiengesa · 2nd HPBA Off-Market Study

In comparison to the first HPBA Off-Market Study the study participants were surveyed on their investor profile this year. The respondents are a representative cross-section of the professional real estate market.



## Assets under management

The majority of the surveyed investors have assets under management of between 100 million and 750 million euros.



How high – at a rough estimate  
– was the value of your assets  
under management at the  
end of 2018?

figures in € m

Source: Bulwiengesa · 2nd HPBA Off-Market Study

The panel for the second HPBA Off-Market Study comprises market players of all sizes and is thus also a representative cross-section of the total market with a view to the assets under management.

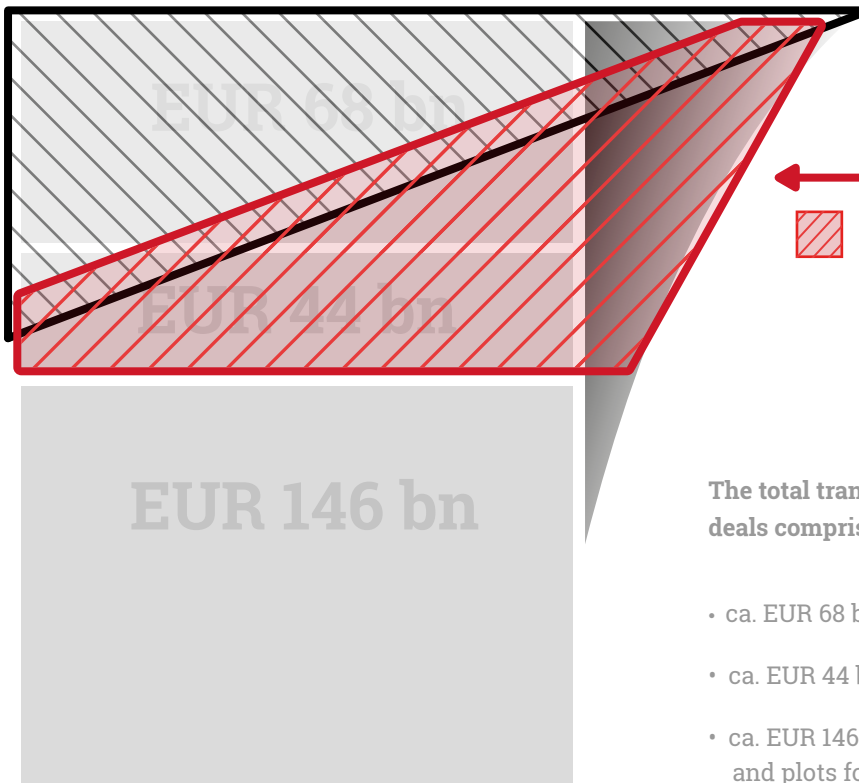


Asset deals 2018  
ca. EUR 270 bn in total

Share deals 2018  
ca. EUR 10 – 30 bn

→  
**Institutional real estate market  
("documented on-market share")  
ca. EUR 80 bn**

→  
**Off-market share included  
in the documented  
on-market share**



←  
**Off-market share  
ca. EUR 40 – 70 bn**

The total transaction volume of the recorded asset deals comprises:

- ca. EUR 68 bn commercial properties
- ca. EUR 44 bn multi-family houses and others
- ca. EUR 146 bn privately-owned homes, condominiums and plots for privately-owned homes