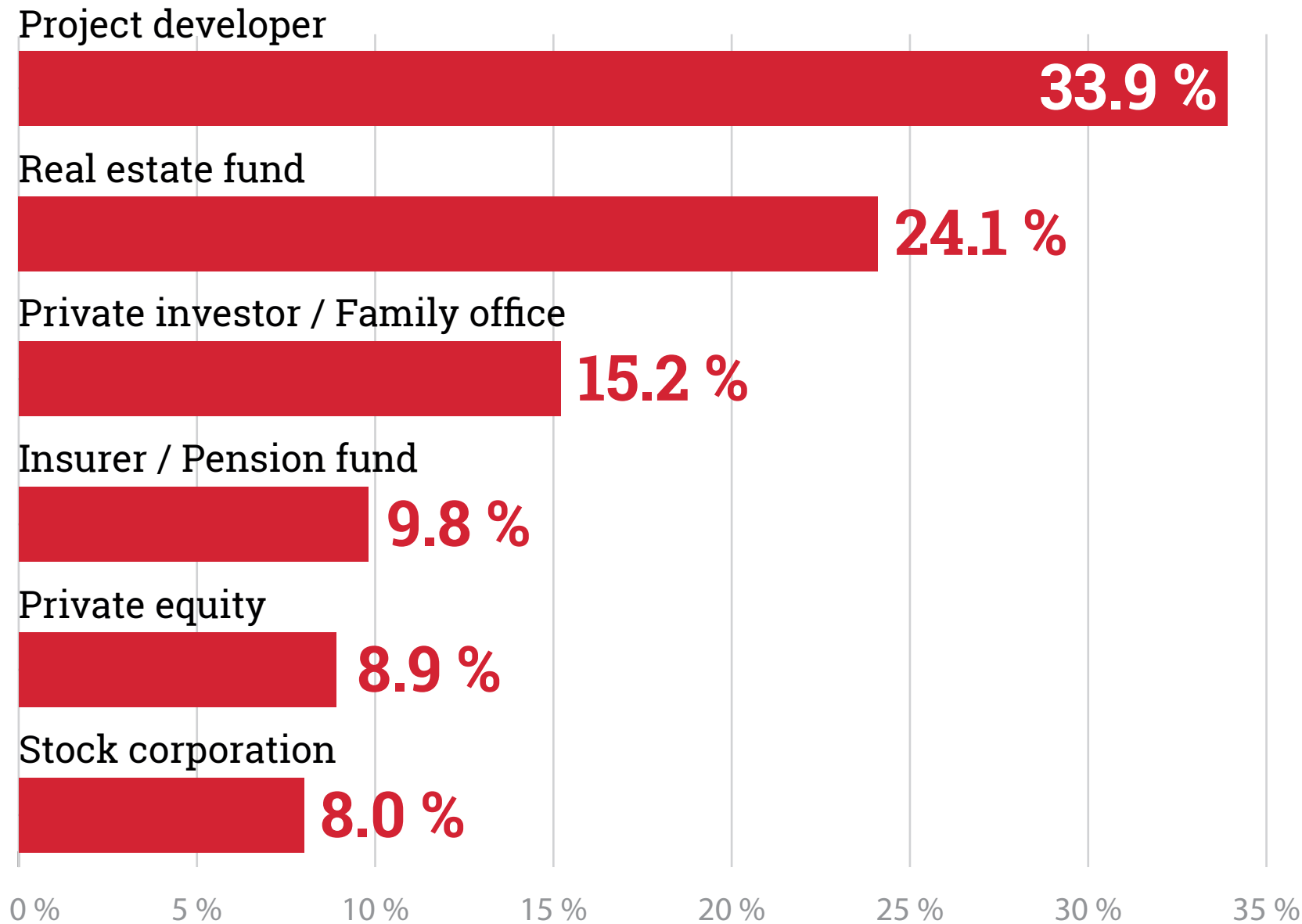


Categories of the participants in off-market transactions

Professional and institutional actors dominate the off-market segment.

Yes responses in per cent

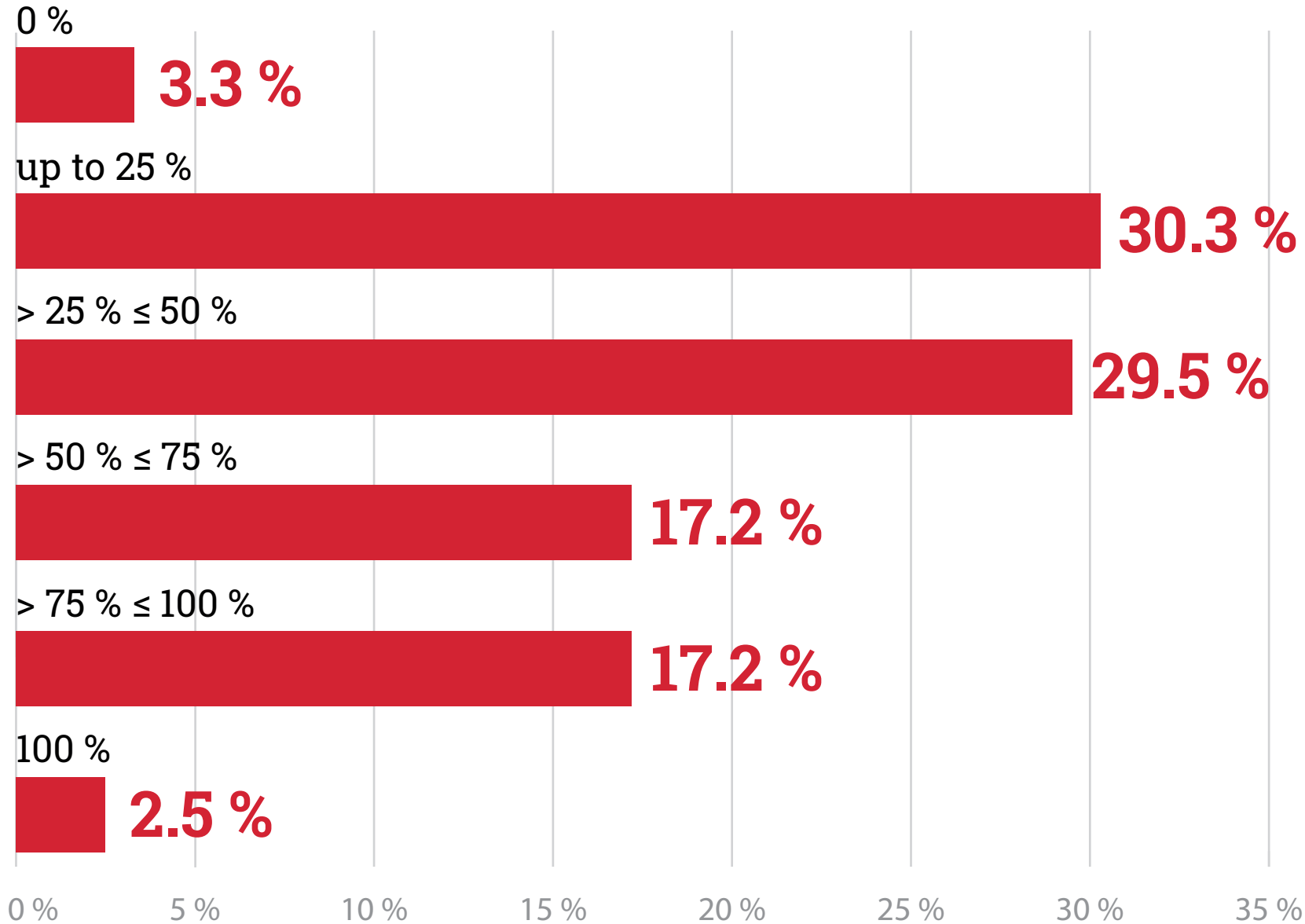


Were you involved in off-market transactions in the past 12 months?

Yes responses in per cent

Source: bulwiengesa – 3rd HPBA Off-Market Study

Off-market models are firmly anchored in the institutional market: more than half of all transactions are conducted by project developers and real estate funds. Family offices frequently also rank among the actors.

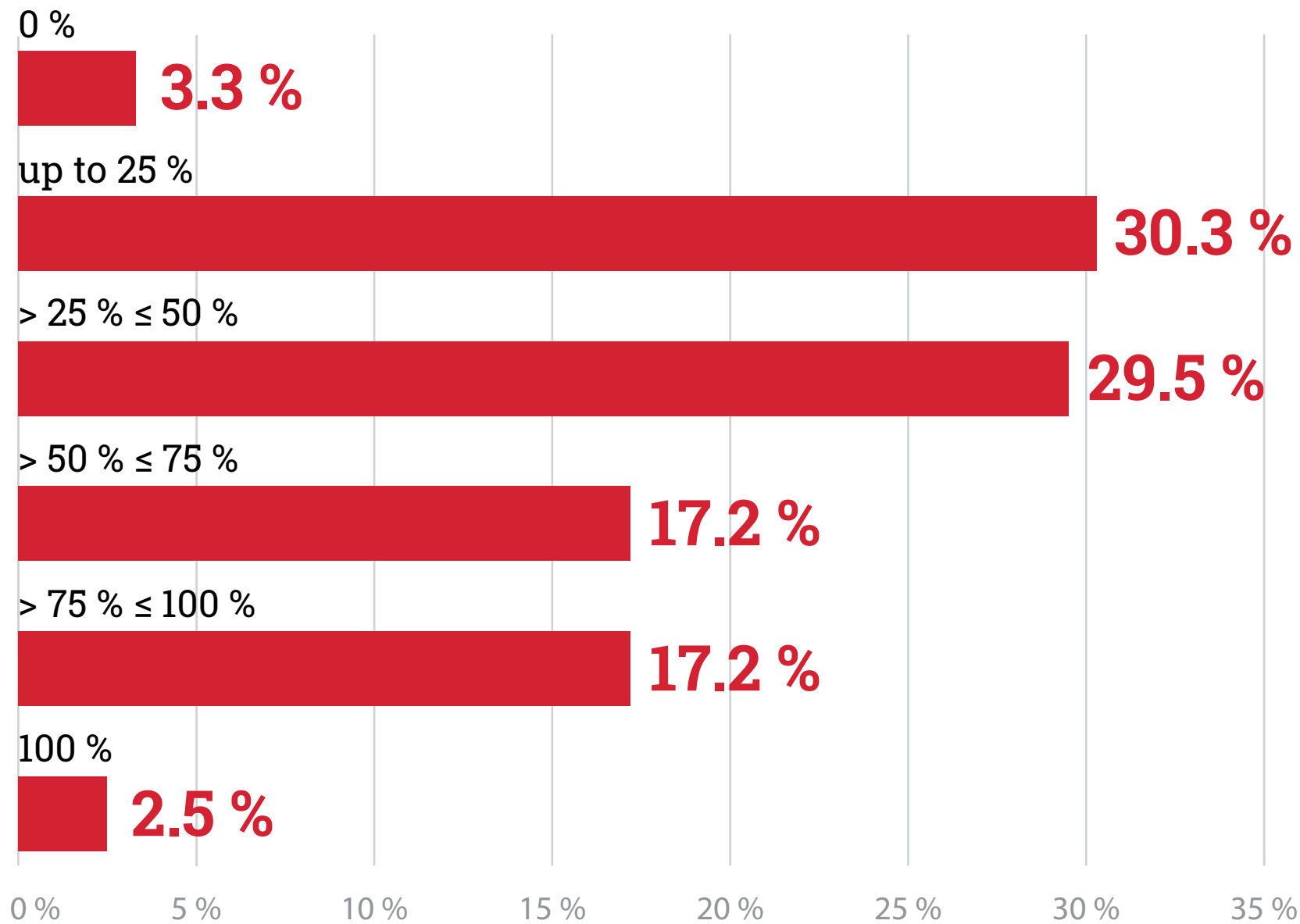


Percentage share of off-market transactions

Purchases

The majority of all the investors are still involved in off-market purchases.

Proportion of participants in per cent



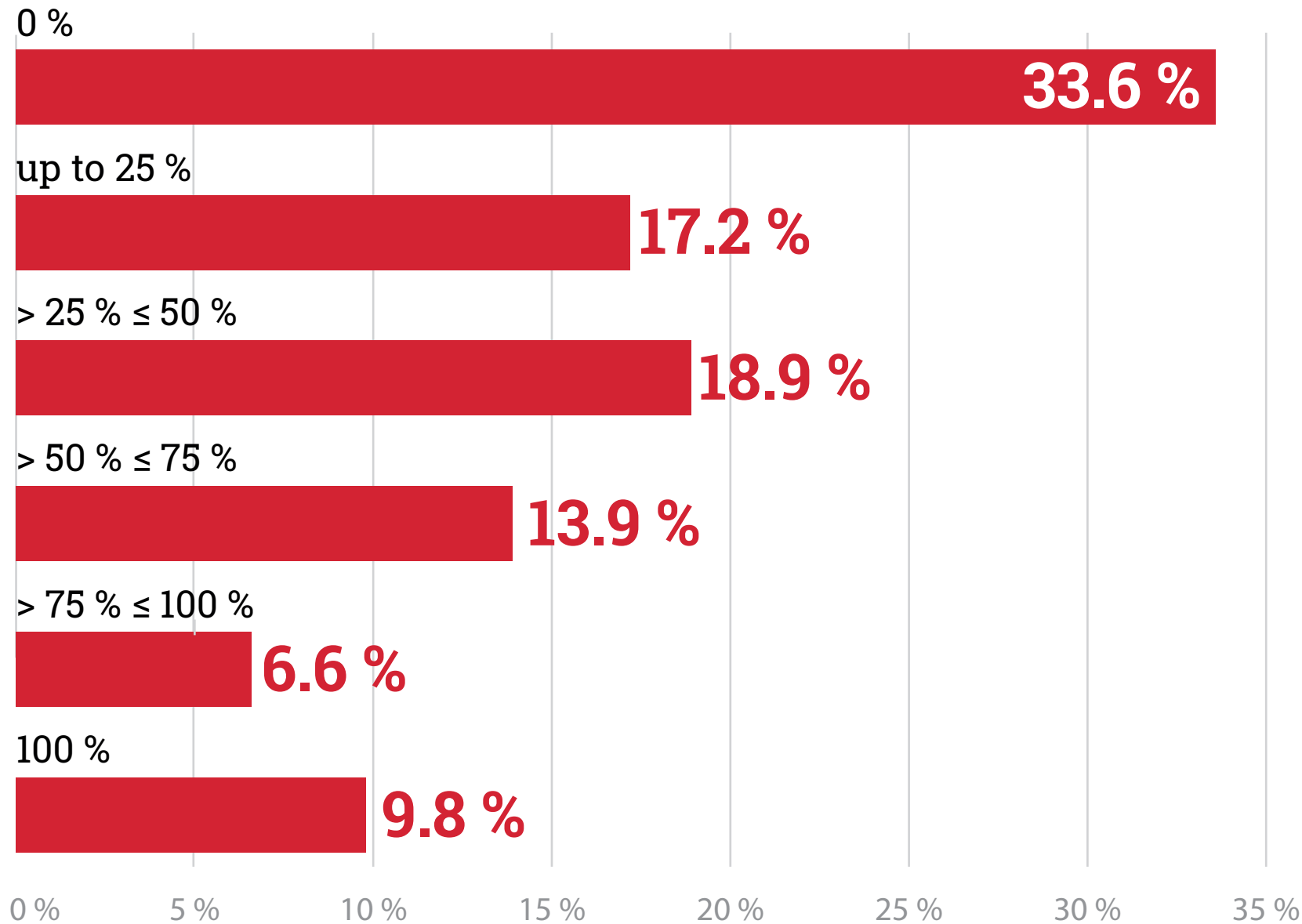
Purchases

How high was your proportion of off-market purchases in the past 12 months (in per cent)?

Proportion of participants in per cent

Source: bulwiengesa – 3rd HPBA Off-Market Study

With a share of 96.8 per cent virtually all actors pursue purchases in the off-market segment. In addition, more than one third of the respondents predominantly or exclusively purchase off-market.

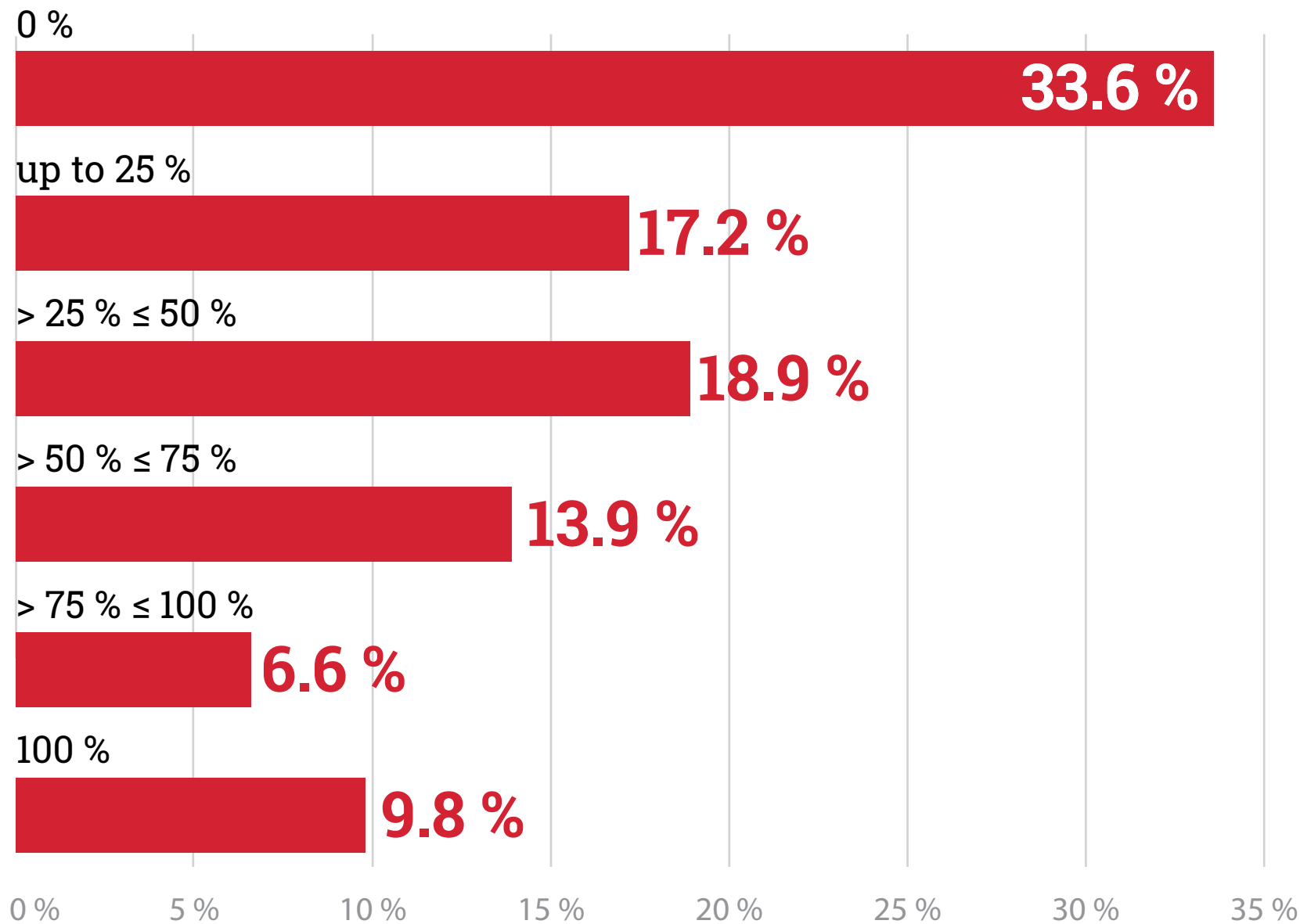


Percentage share of off-market transactions

Sales (in the past 12 months)

Some actors continue to be hesitant about selling their properties off-market. Yet one out of ten exclusively sells off-market.

Proportion of participants in per cent



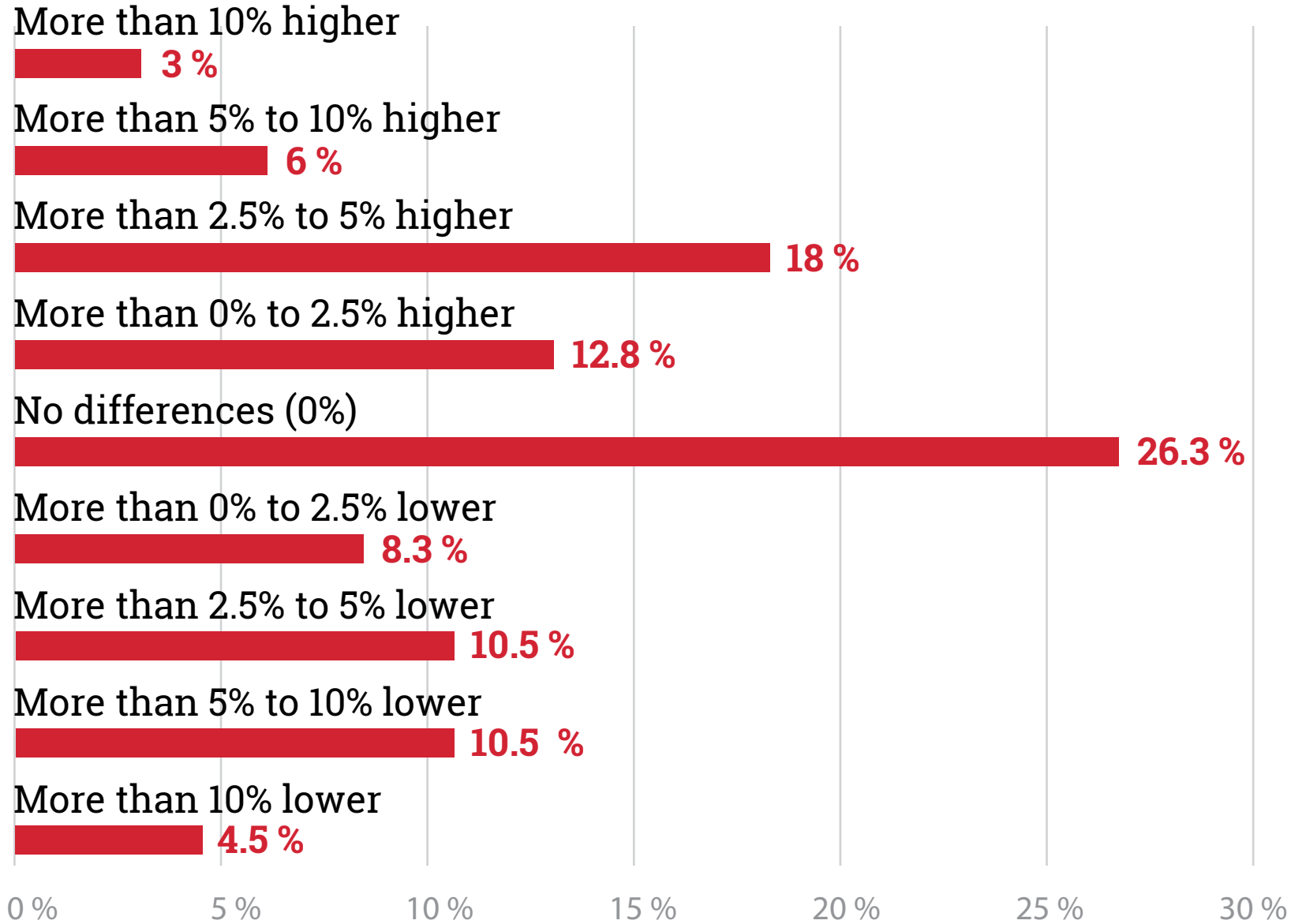
Sales (in the past 12 months)

How high was your proportion of off-market purchases in the past 12 months (in per cent)?

Proportion of participants in per cent

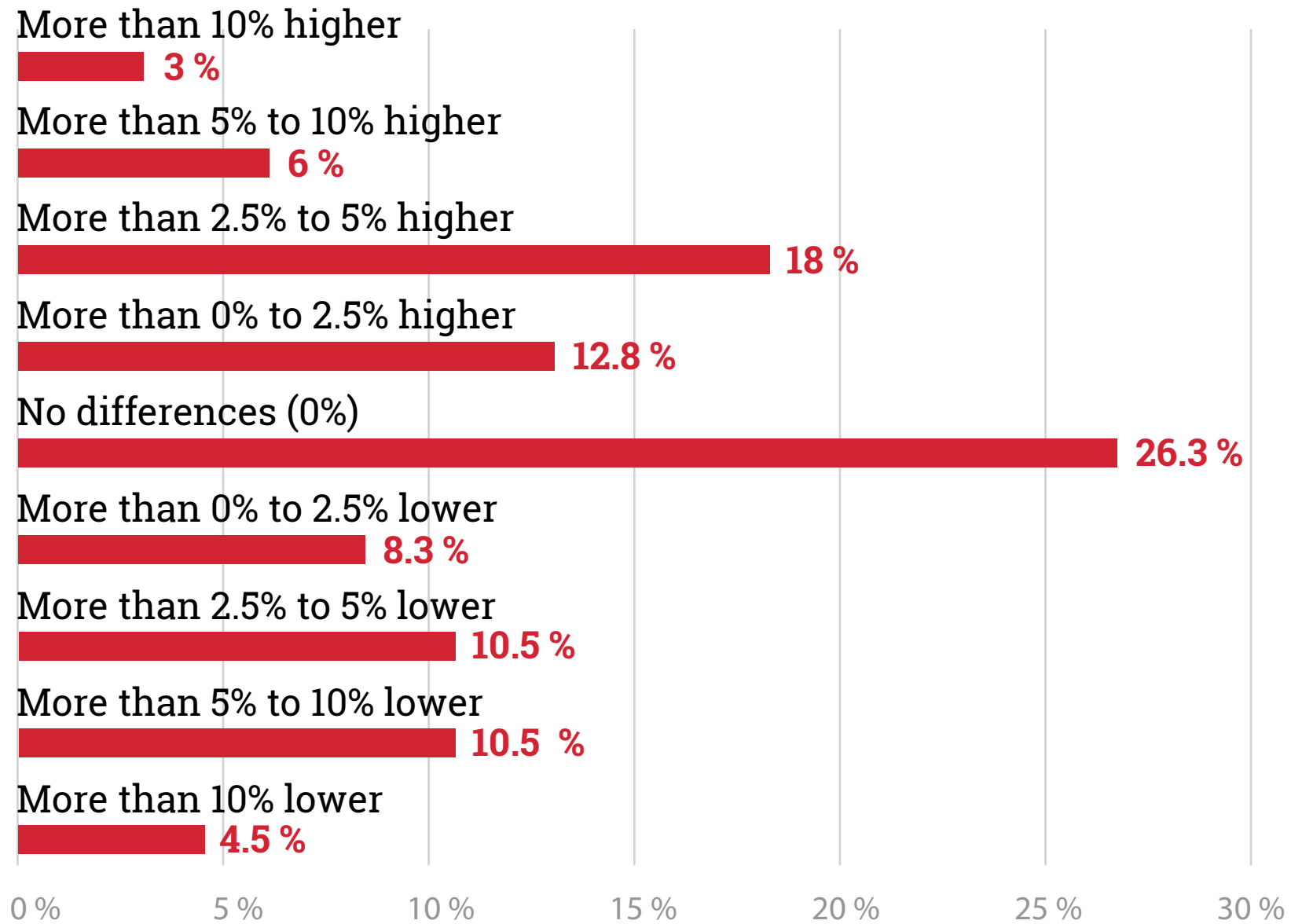
Source: bulwiengesa – 3rd HPBA Off-Market Study

About one third of all actors exclusively pursue on-market models with sales. One possible reason for this lies in their own compliance rules. About ten per cent exclusively sell off-market, however.



Price delta

The possible price increase or decrease for off-market transactions is large.



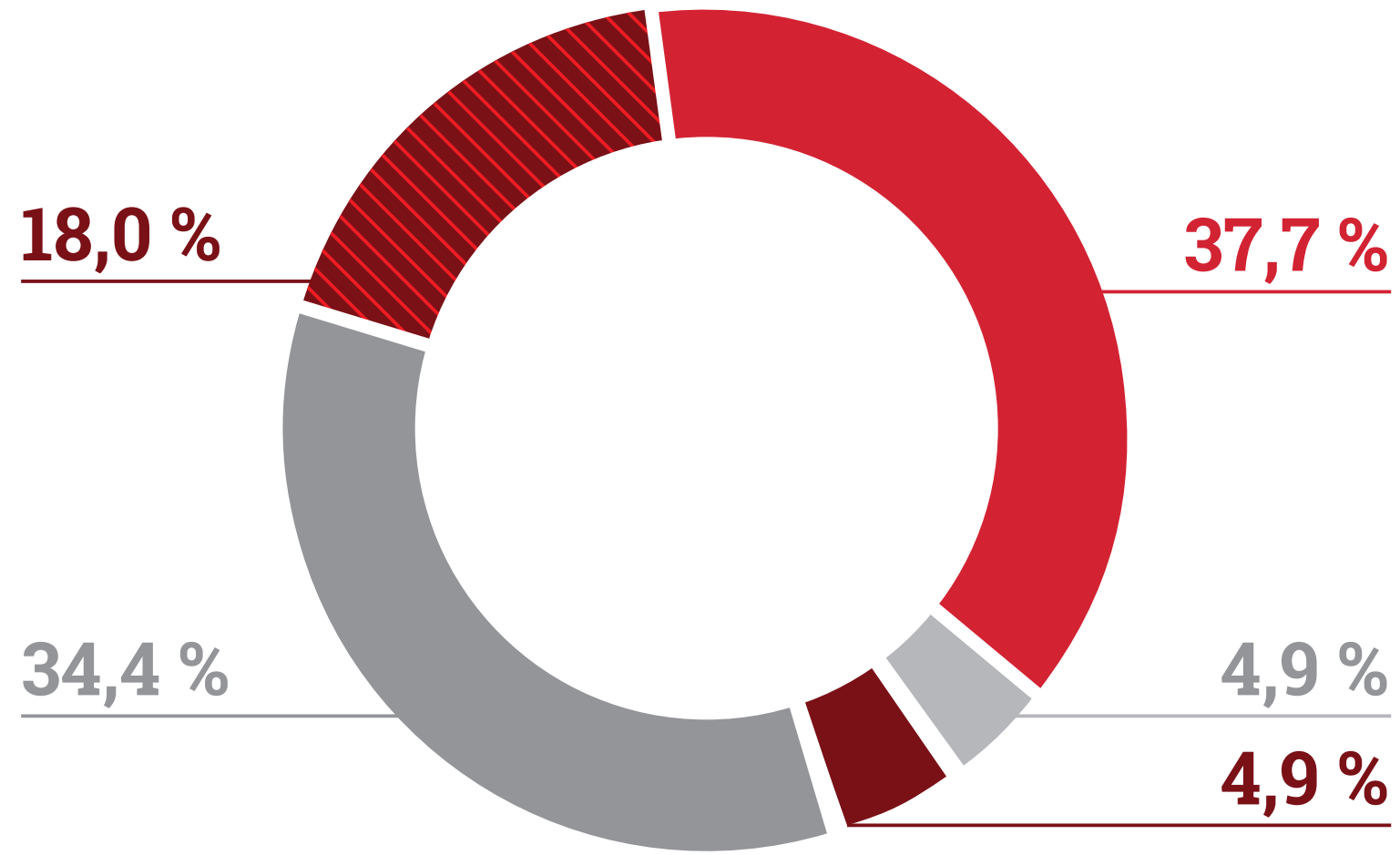
What in your opinion is an appropriate price delta with off-market transactions in the next 12 months?

Source: bulwiengesa – 3rd HPBA Off-Market Study

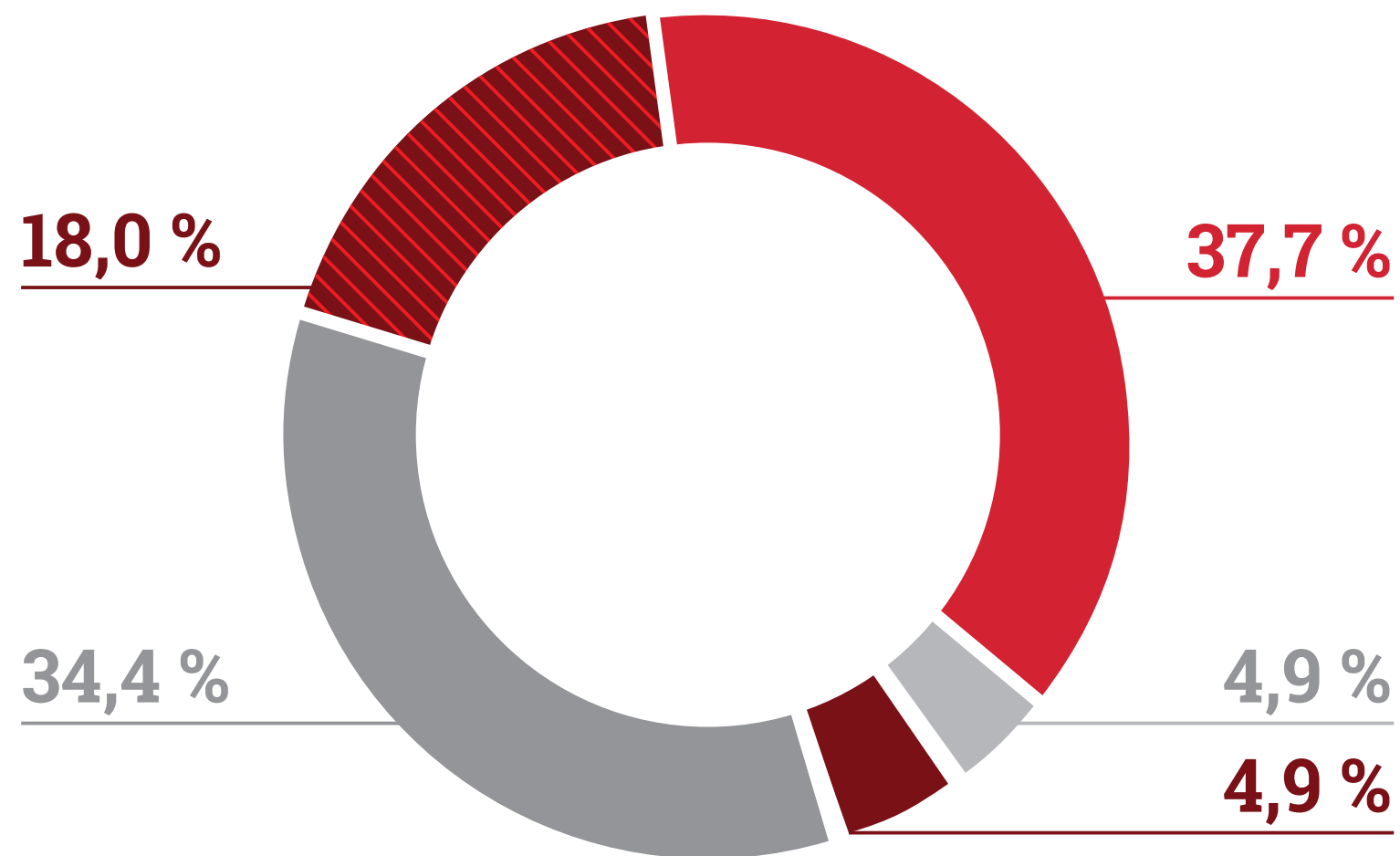
The range of off-market transactions is large. This may also be seen in the wide spread in the price delta: 39.8 per cent of the participants are of the opinion that price mark-ups are appropriate for off-market transactions – 33.8 per cent, in contrast, expect price mark-downs.

Existing properties Purchases

With regard to existing properties, office real estate is the most important asset class on the transaction markets.



- Office real estate
- Retail
- Logistics / industrial real estate
- Residential real estate
- Other



Which asset class was at the focus of your off-market transactions in the past 12 months?

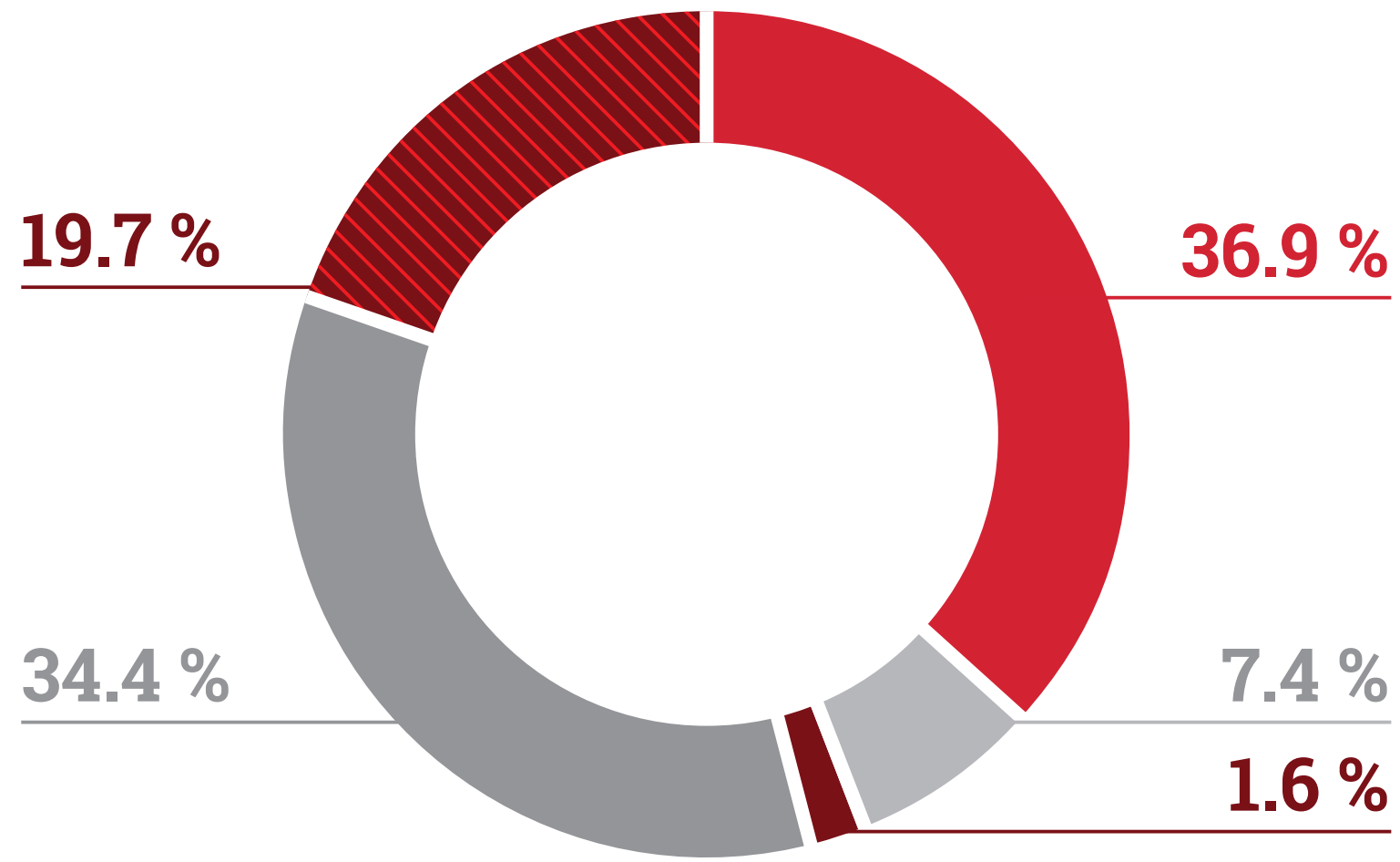
- Office real estate
- Retail
- Logistics / industrial real estate
- Residential real estate
- Other

Source: bulwiengesa – 3rd HPBA Off-Market Study

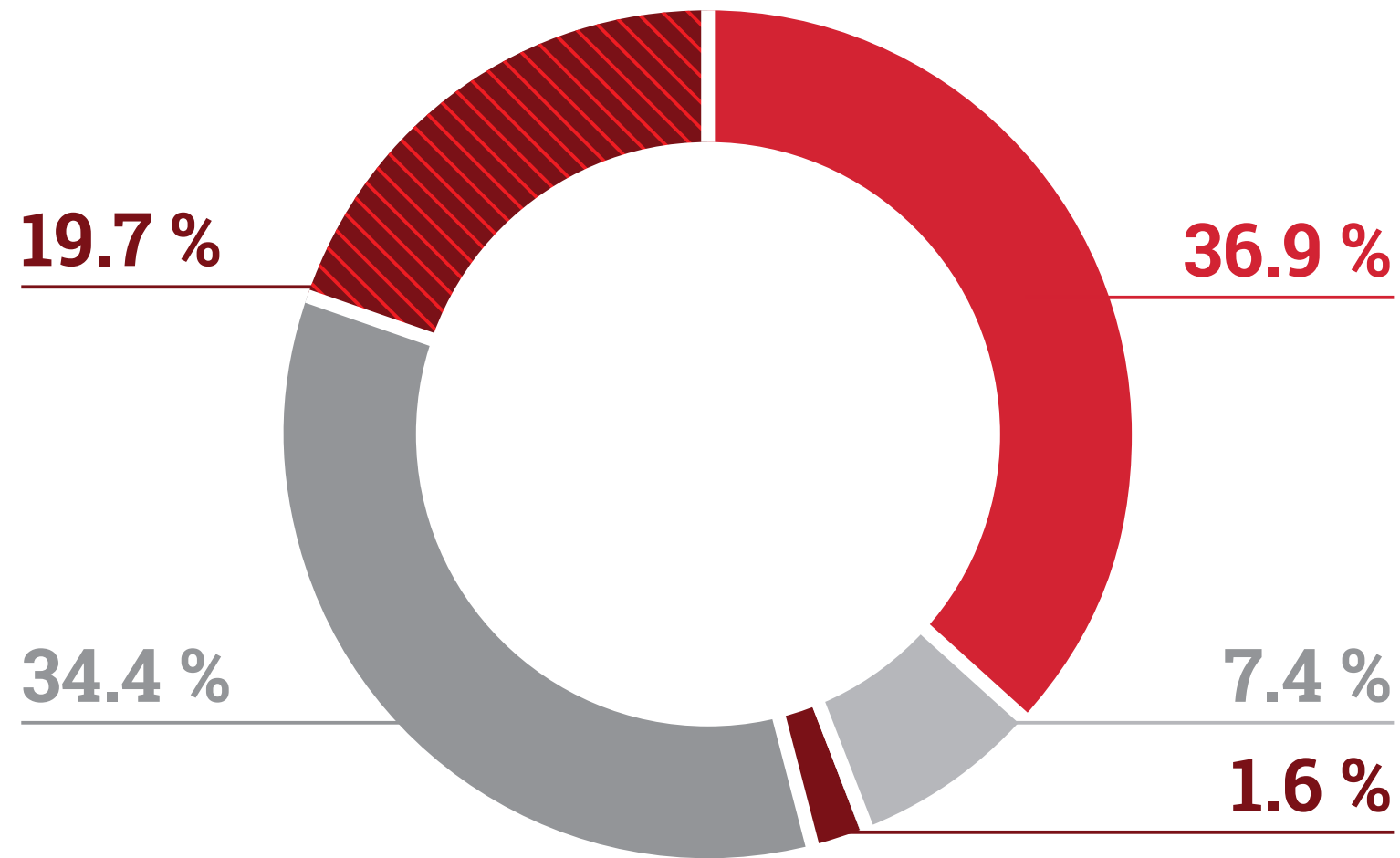
With existing properties the office sector dominates market events, closely followed by residential real estate. Retail and logistics real estate account for about one tenth of the market volume in purchases and sales.

Existing properties Sales

With regard to existing properties, office real estate is the most important asset class on the transaction markets.



- Office real estate
- Retail
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- Residential real estate
- Other



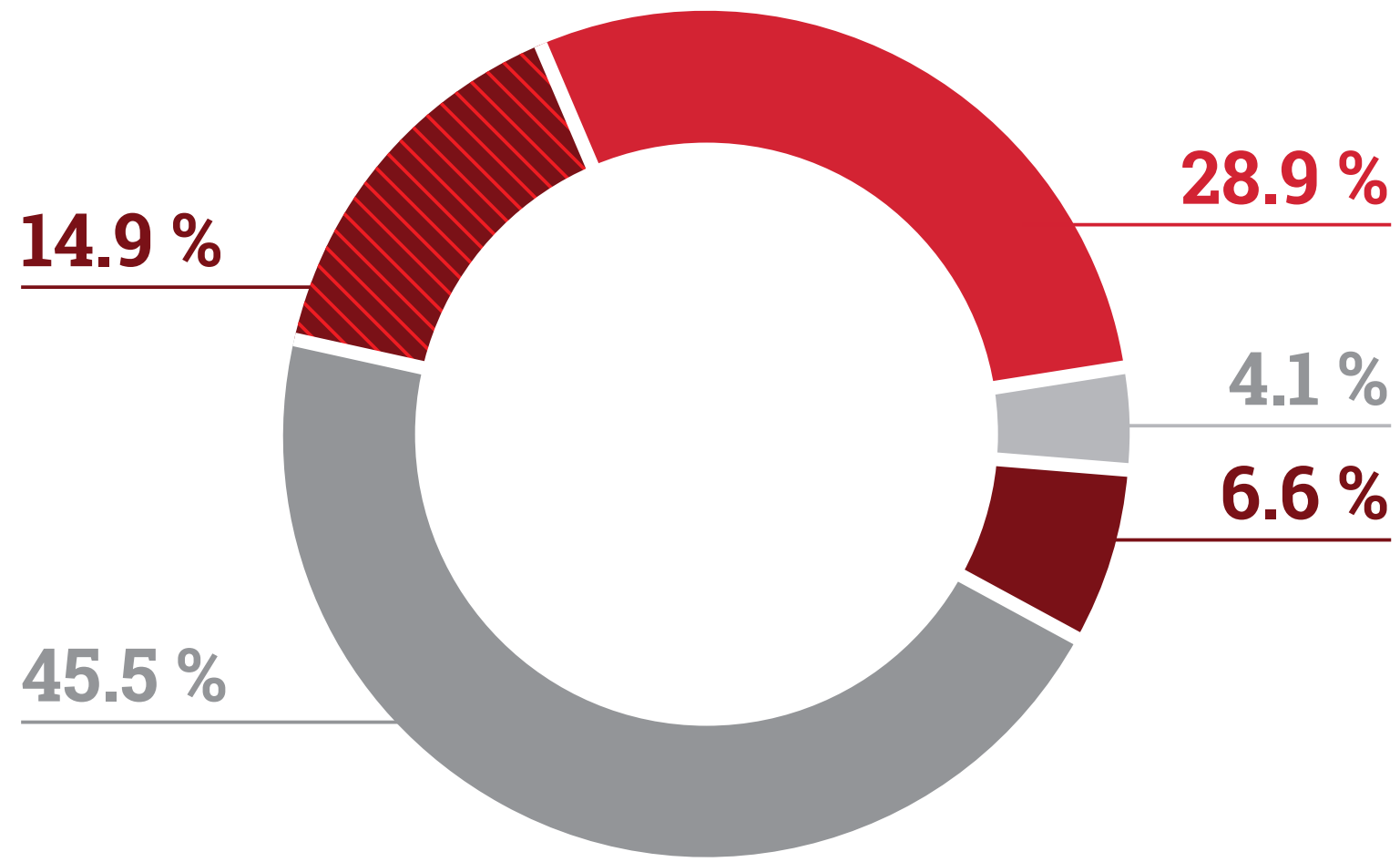
Which asset class was at the focus of your off-market transactions in the past 12 months?

- Office real estate
- Retail
- Logistics / industrial real estate
- Residential real estate
- Other

Source: bulwiengesa – 3rd HPBA Off-Market Study

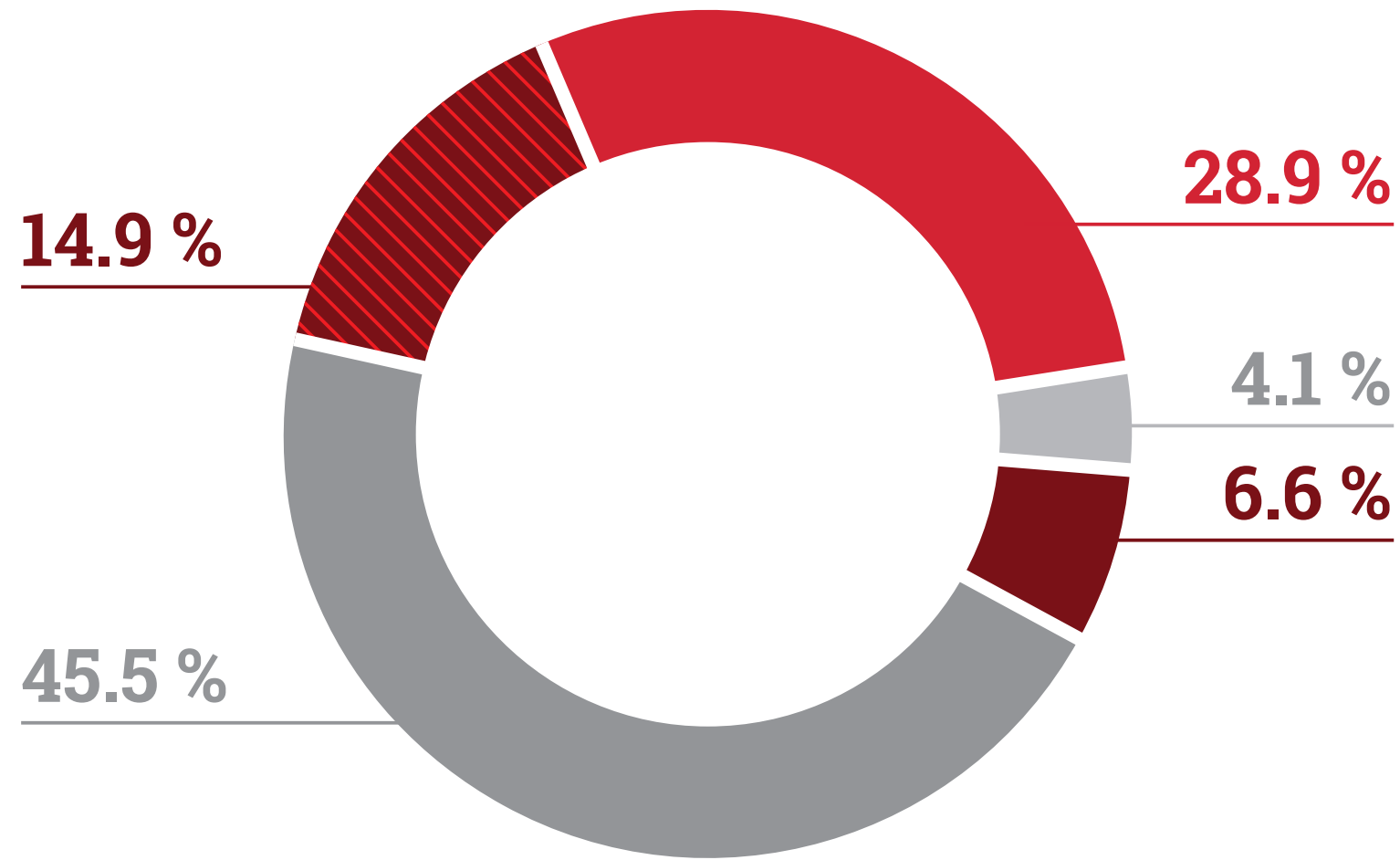
Market activities for existing properties are dominated by the office sector, closely followed by residential real estate. Retail and logistics properties account for about one tenth of the market volume for purchases and sales.

Project developments Purchases



In the case of project developments (forward deals), residential real estate dominates the off-market segment.

- Office real estate
- Retail
- Logistics / industrial real estate
- Residential real estate
- Other



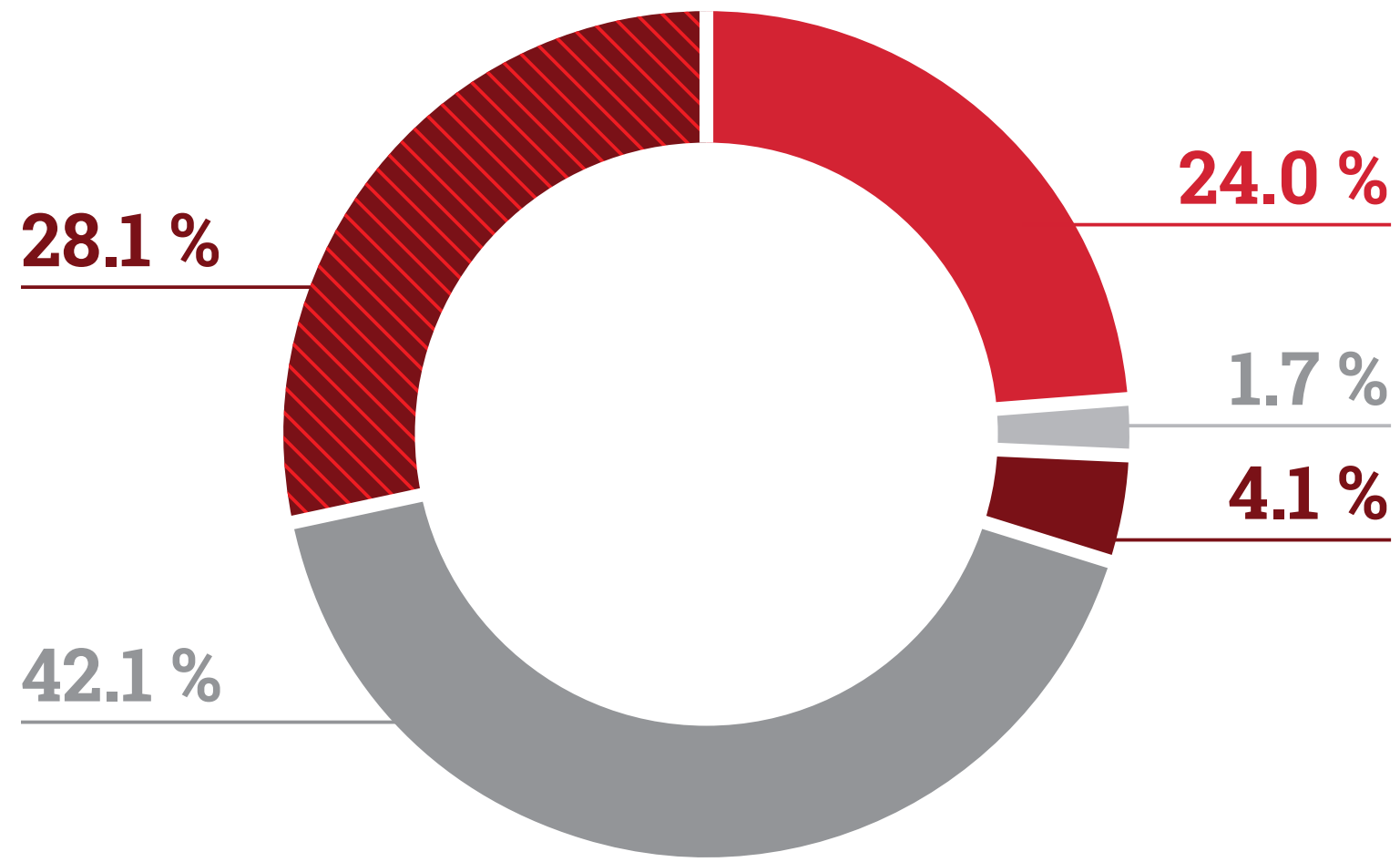
Which asset class was at the focus of your off-market transactions in the past 12 months?

- Office real estate
- Retail
- Logistics / industrial real estate
- Residential real estate
- Other

Source: bulwiengesa – 3rd HPBA Off-Market Study

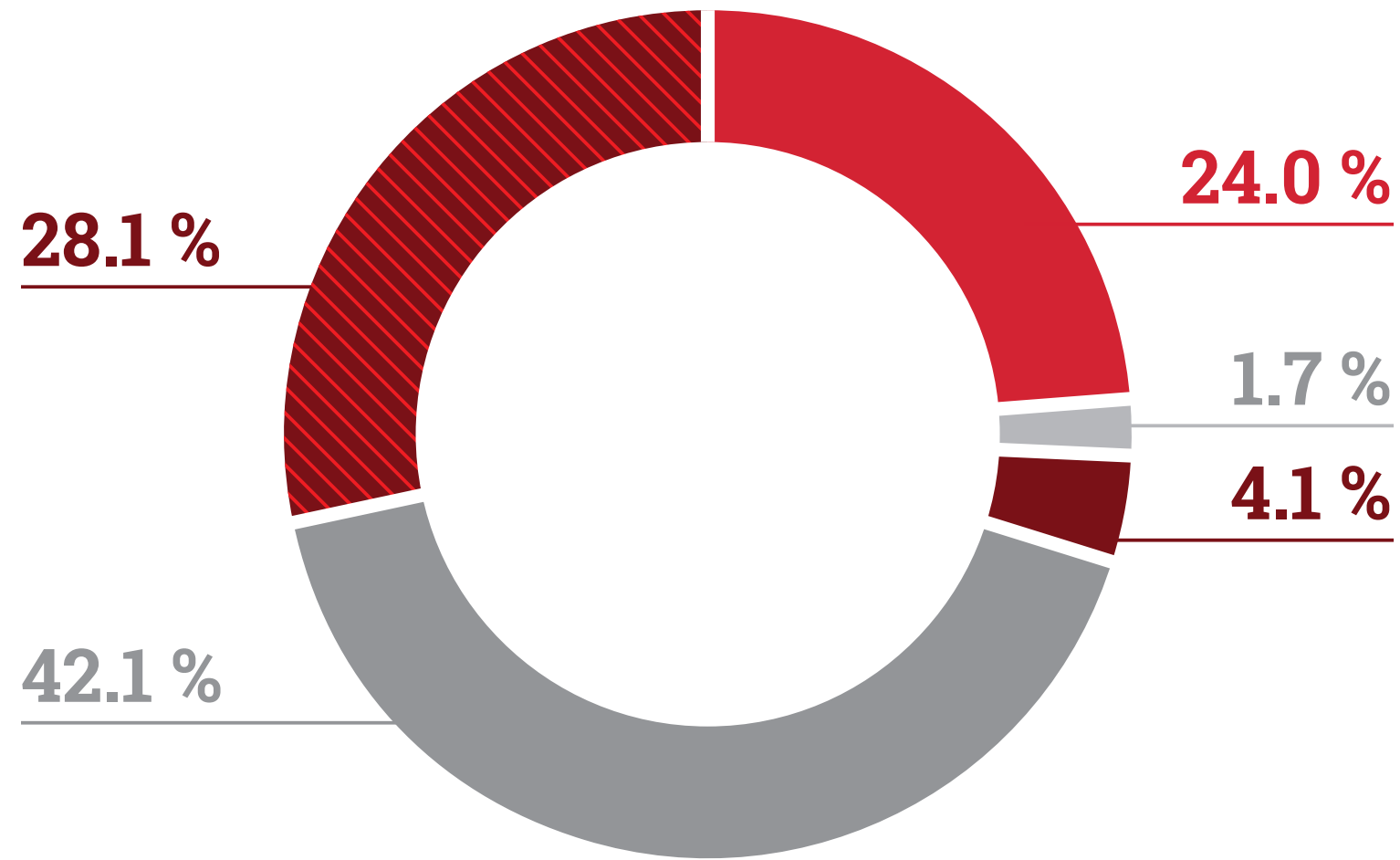
With project developments the ratio of office to residential real estate is reversed. Residential usage dominates there. The ratio of retail and logistics real estate, in contrast, is similar.

Project developments Sales



In the case of project developments (forward deals), residential real estate dominates the off-market segment.

- Office real estate
- Retail
- Logistics / industrial real estate
- Residential real estate
- Other

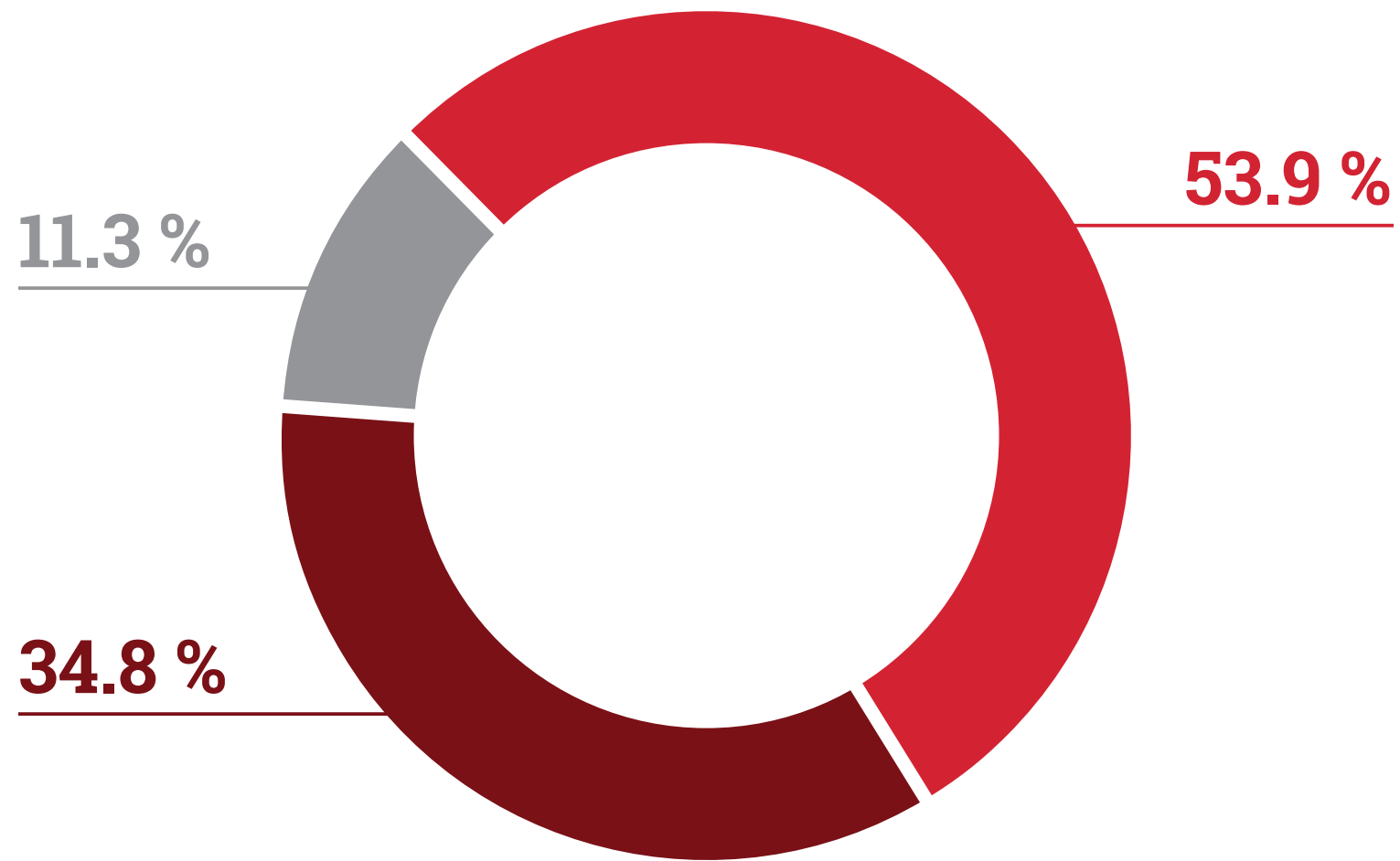


Which asset class was at the focus of your off-market transactions in the past 12 months?

- Office real estate
- Retail
- Logistics / industrial real estate
- Residential real estate
- Other

Source: bulwiengesa – 3rd HPBA Off-Market Study

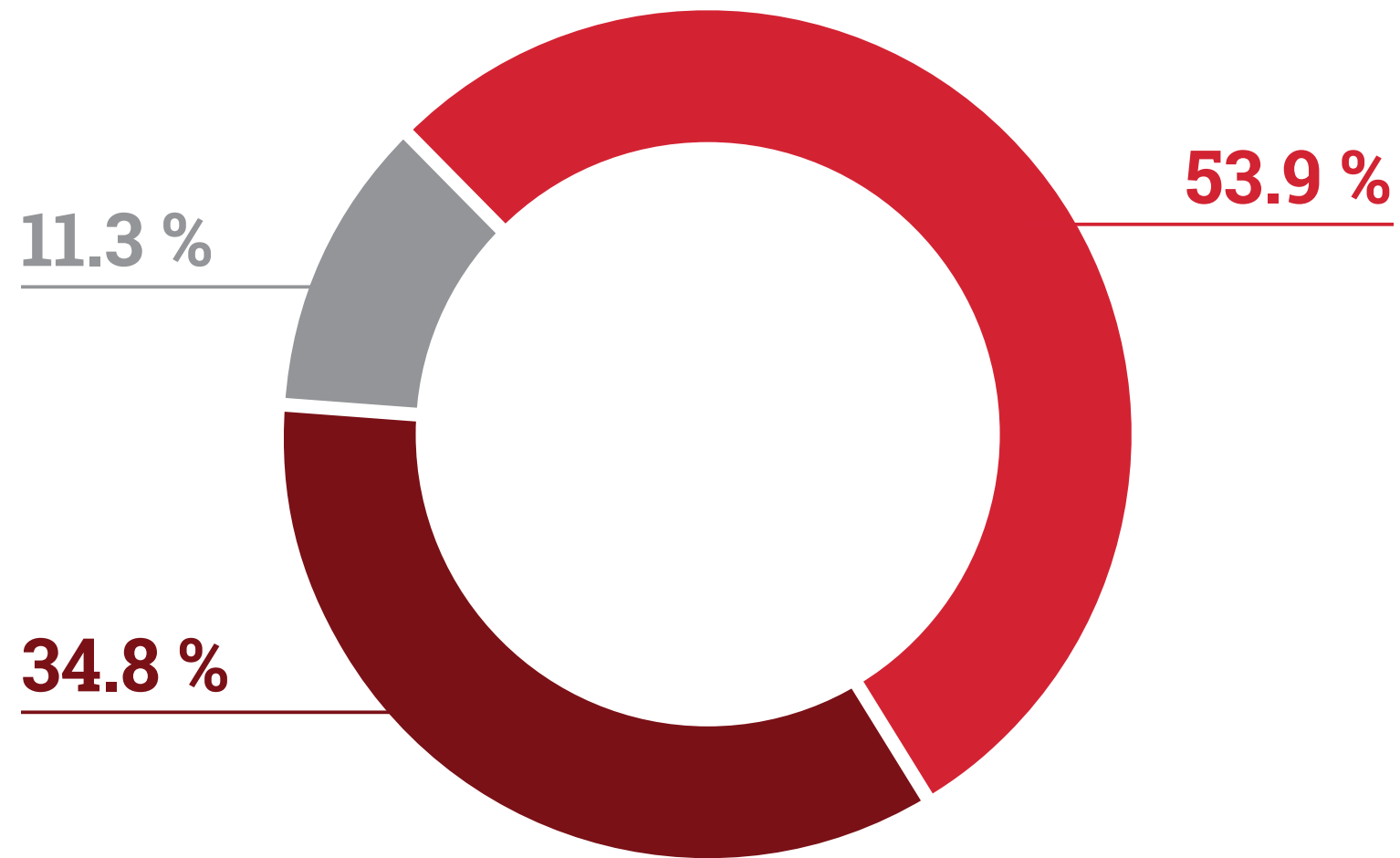
The residential segment clearly dominates with sales of project developments. The “Other” category is also strongly represented, which is probably due above all to mixed-use quarter developments and other forms of hybrid properties.



Off-market transactions

The respondents expect significant growth in the off-market segment.

- Increase
- No change
- Decrease

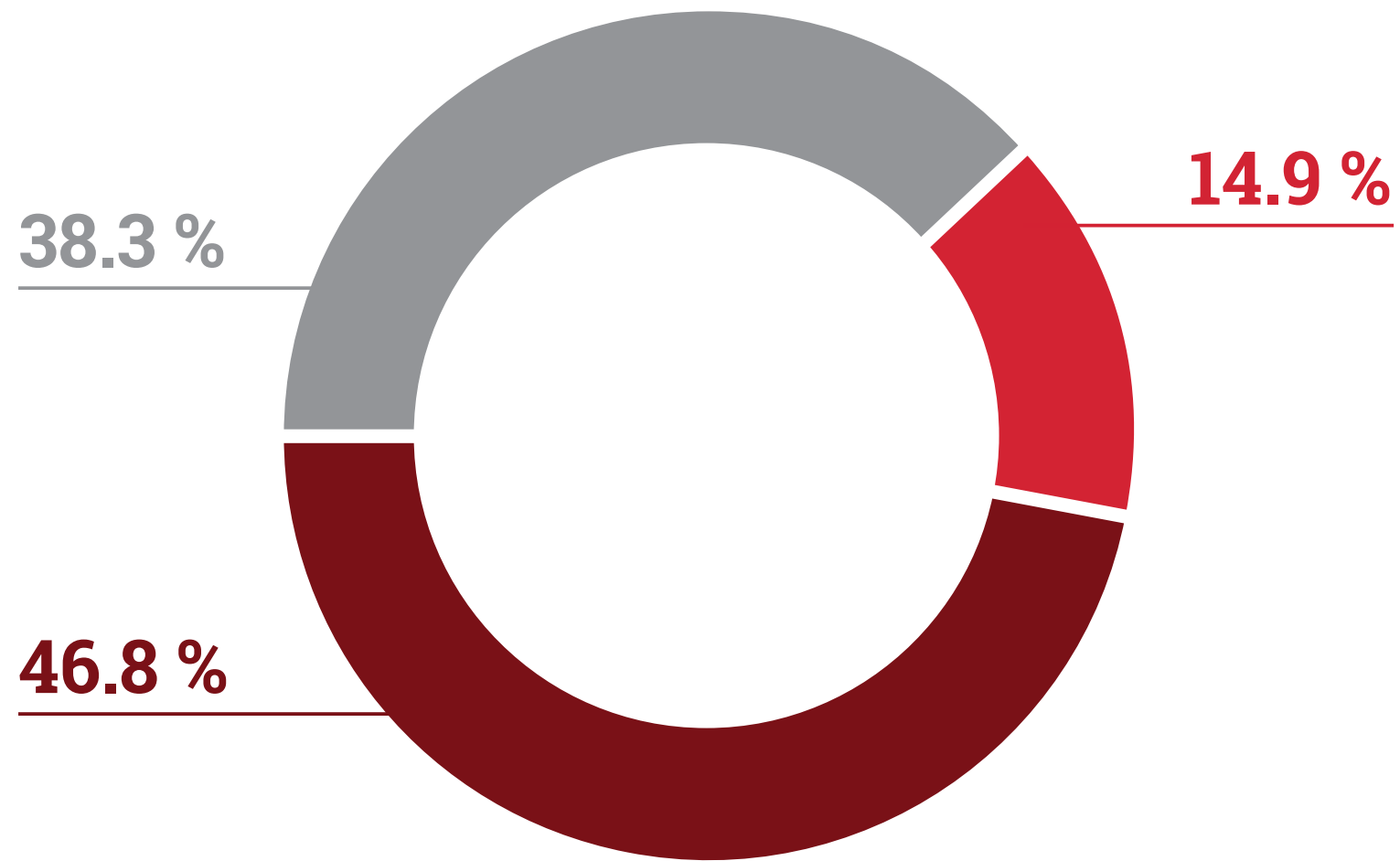


Will the volume of real estate transactions change in the coming 12 months in your opinion?

- Increase
- No change
- Decrease

Source: bulwiengesa – 3rd HPBA Off-Market Study

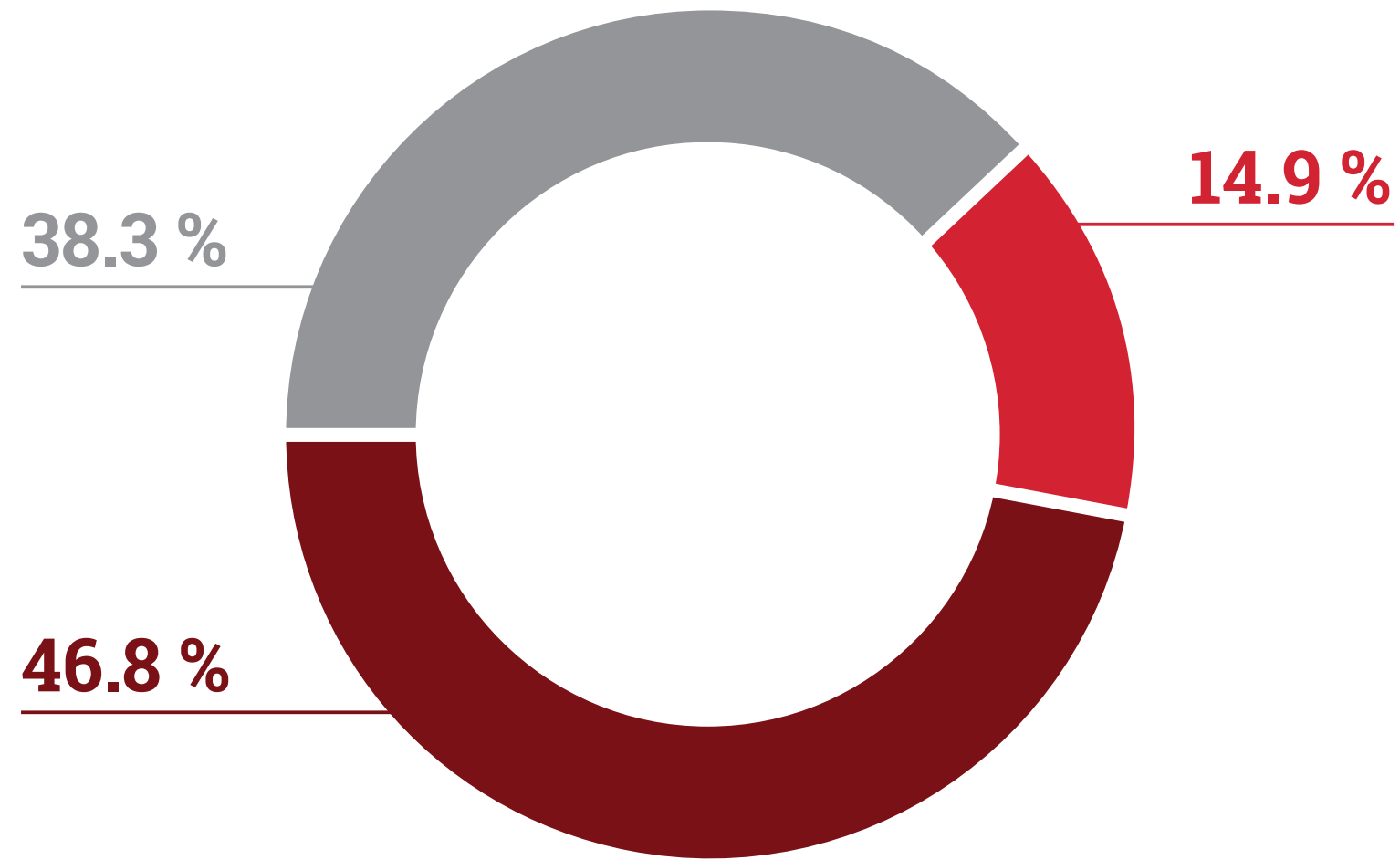
Whereas on the whole a tendency towards a downturn on the market is expected, the off-market segment will grow: nearly 54 per cent of the respondents expect a moderate to large increase in off-market transactions.



On-market transactions

Downturns are expected for on-market transactions.

- Increase
- No change
- Decrease

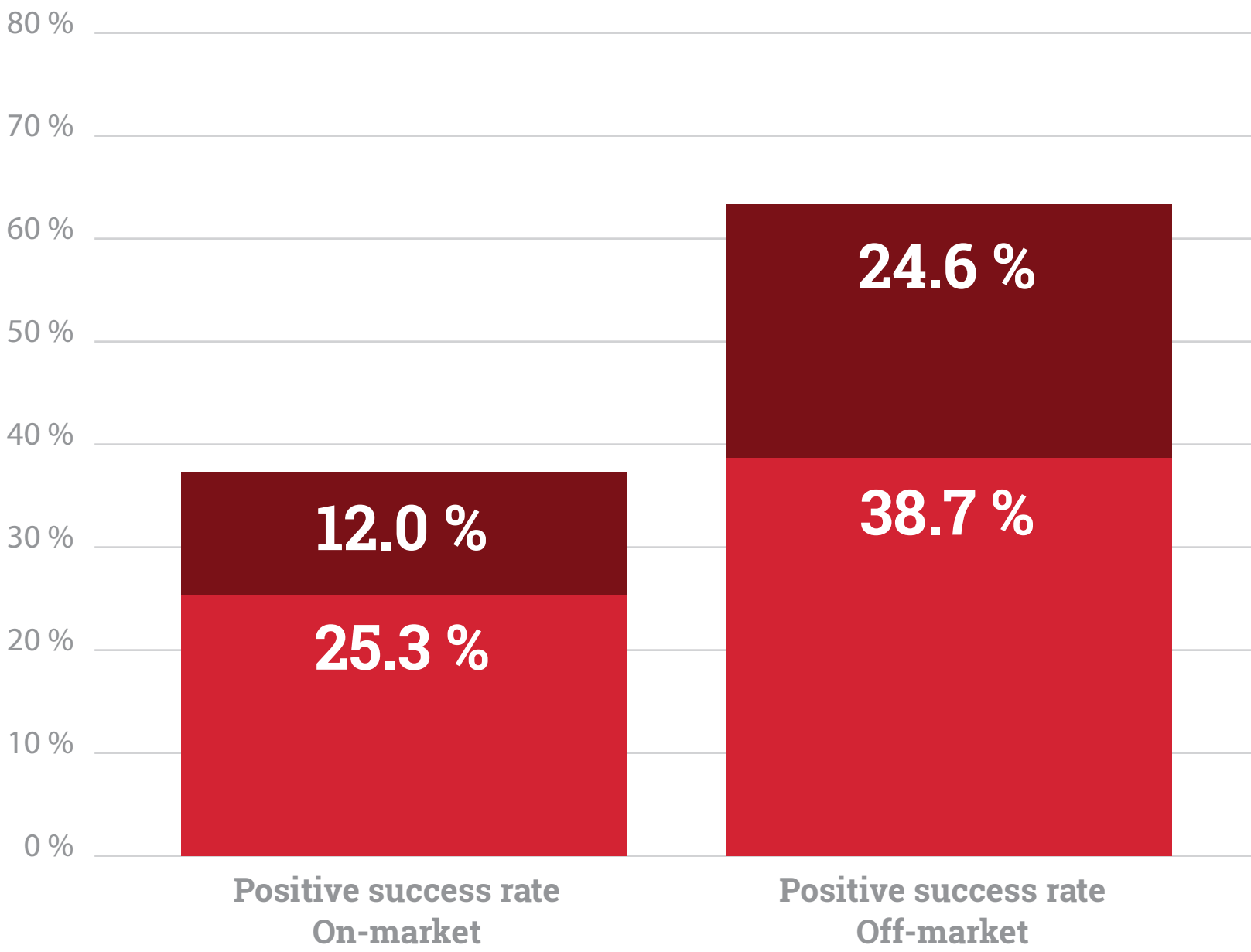


Will the volume of real estate transactions change in the coming 12 months in your opinion?

- Increase
- No change
- Decrease

Source: bulwiengesa – 3rd HPBA Off-Market Study

In contrast to the growing off-market segment, the market experts expect stagnation or even a downward trend for on-market transactions. A mere 15 per cent assume there will be an increase in the transaction volume.



Transaction success of on- and off-market transactions

The proportion of respondents with a one hundred per cent success rate off-market is twice as high as on-market.

- Transaction success 100 %
- Transaction success between 50 % and 99 %

Source: bulwiengesa – 3rd HPBA Off-Market Study

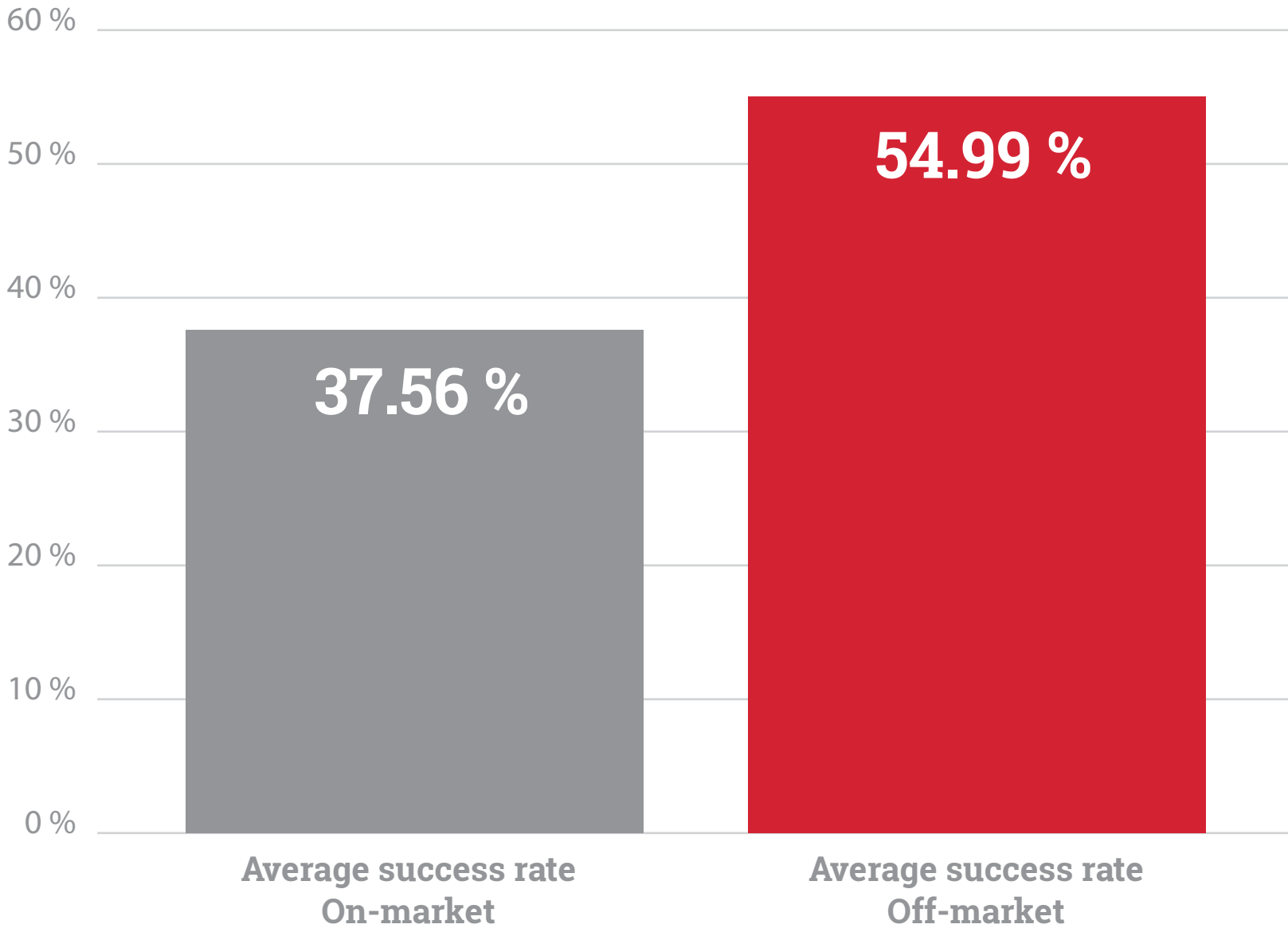


What proportion (in %) of off-market transaction processes came to a successful conclusion in the past 12 months?

- Transaction success 100 %
- Transaction success between 50 % and 99 %

Source: bulwiengesa – 3rd HPBA Off-Market Study

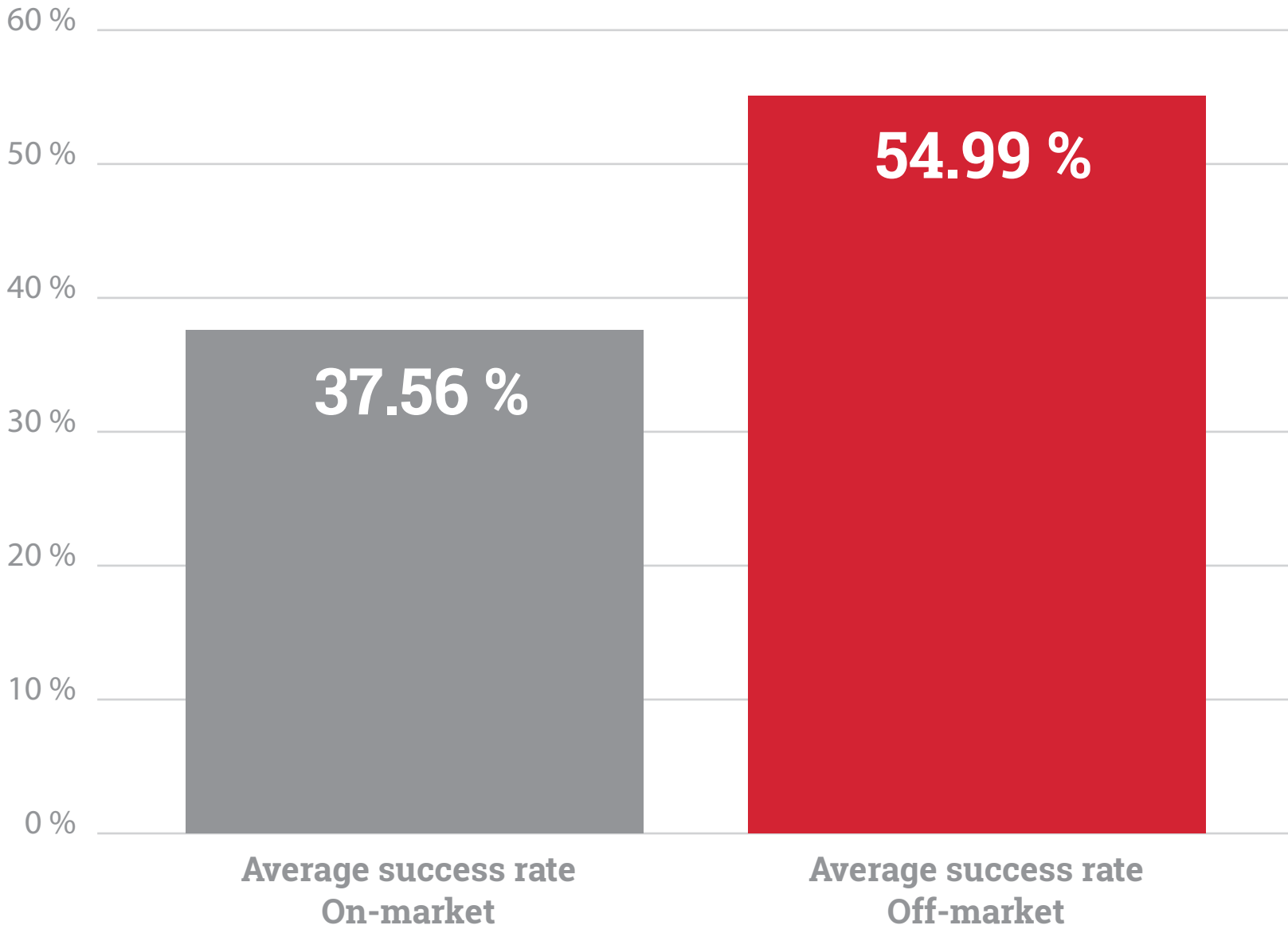
Nearly two thirds of all investors attain a positive success rate with off-market models. In addition, twice as many actors attain a one hundred per cent success rate with off-market models compared to on-market models.



Transaction success of on- and off-market transactions

On average, more than every second off-market transaction is successful.

- On-market
- Off-market



What proportion (in %) of off-market transaction processes came to a successful conclusion in the past 12 months?

- On-market
- Off-market

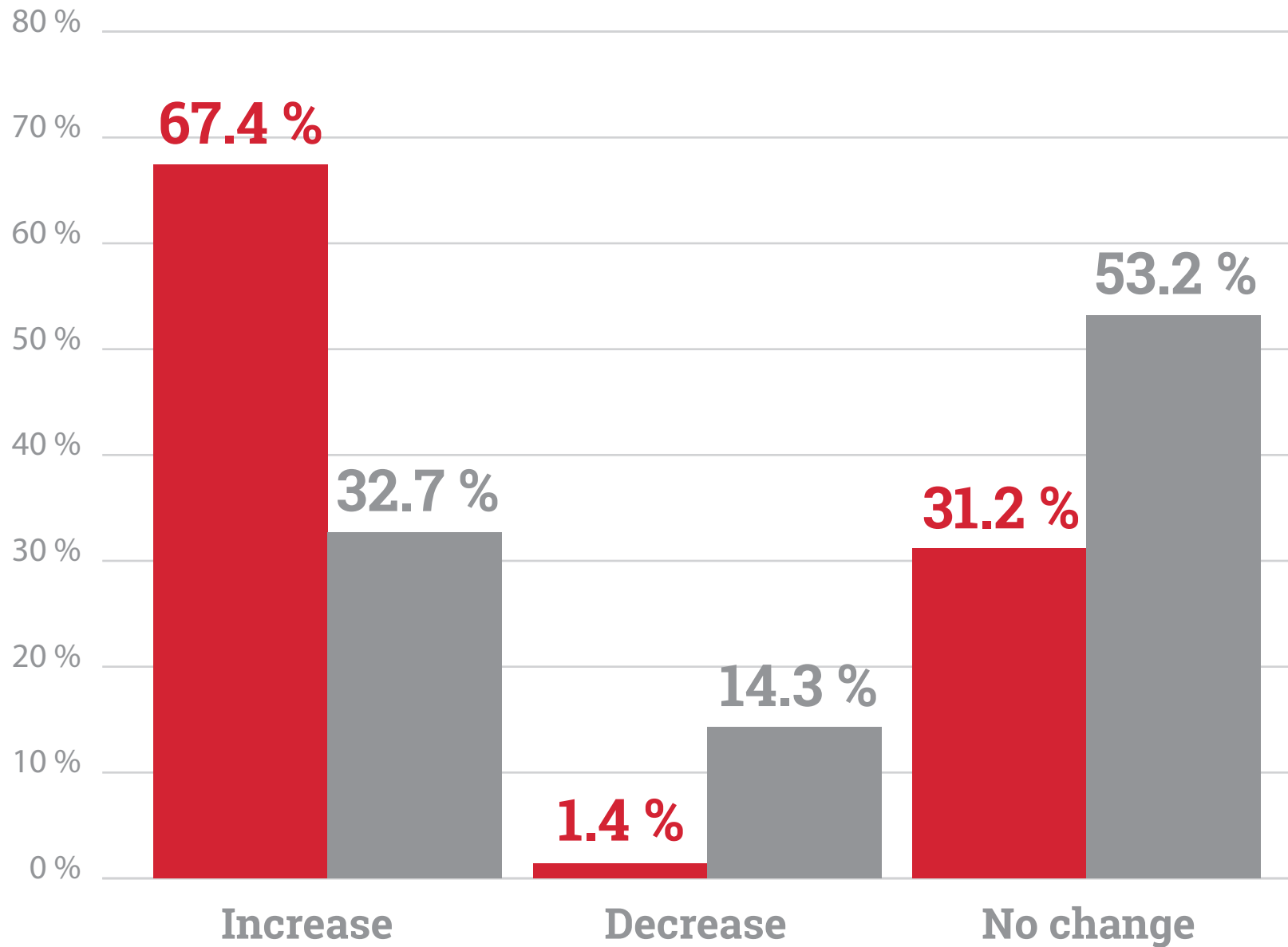
Source: bulwiengesa – 3rd HPBA Off-Market Study

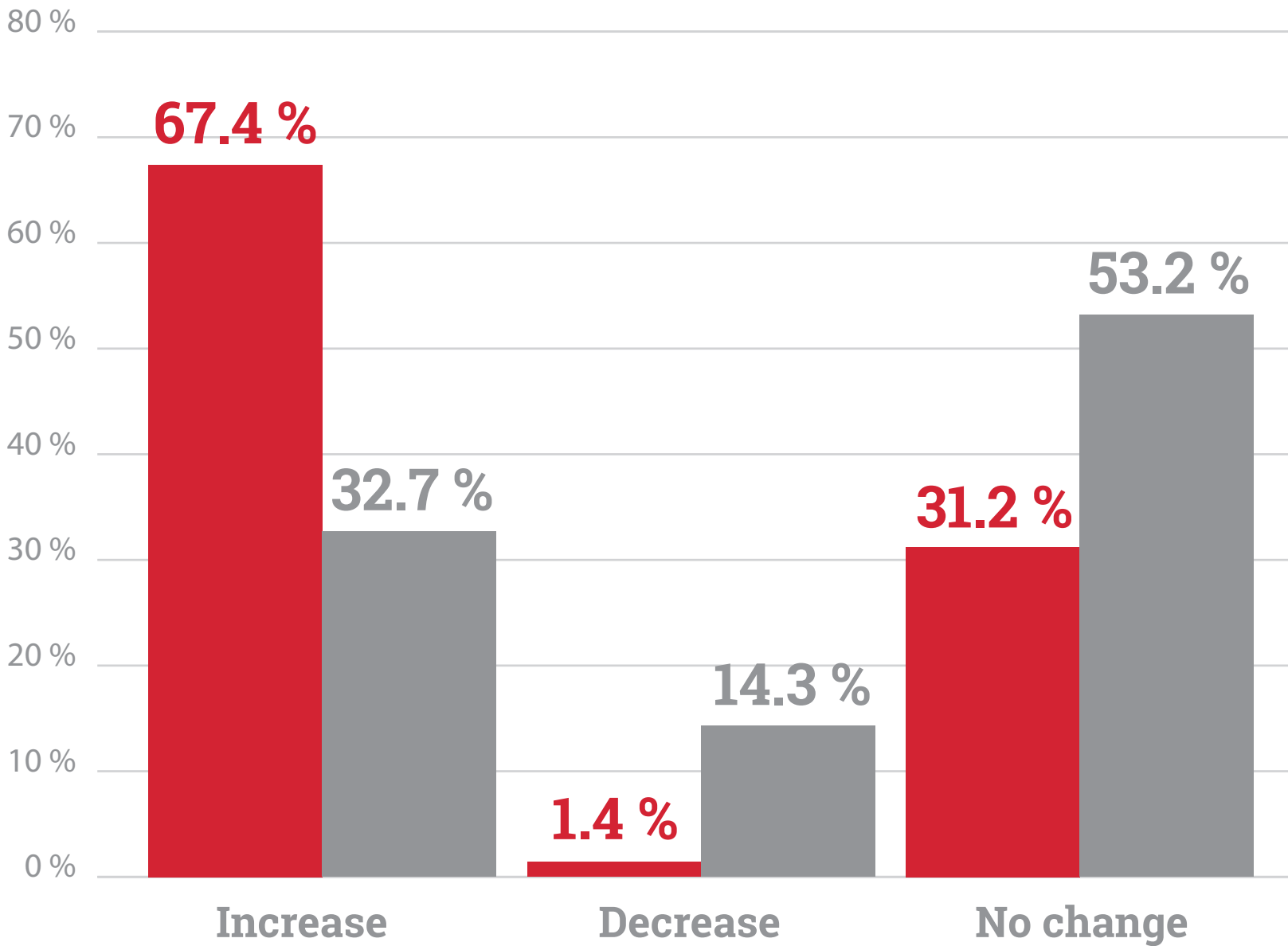
On average more than every second off-market transaction is successful. This figure is more than 17 percentage points lower for on-market processes.

Increase or decrease in joint ventures and distress sales as a result of Covid-19

A moderate increase in distress sales seems likely.

- Distress sales
- Joint ventures



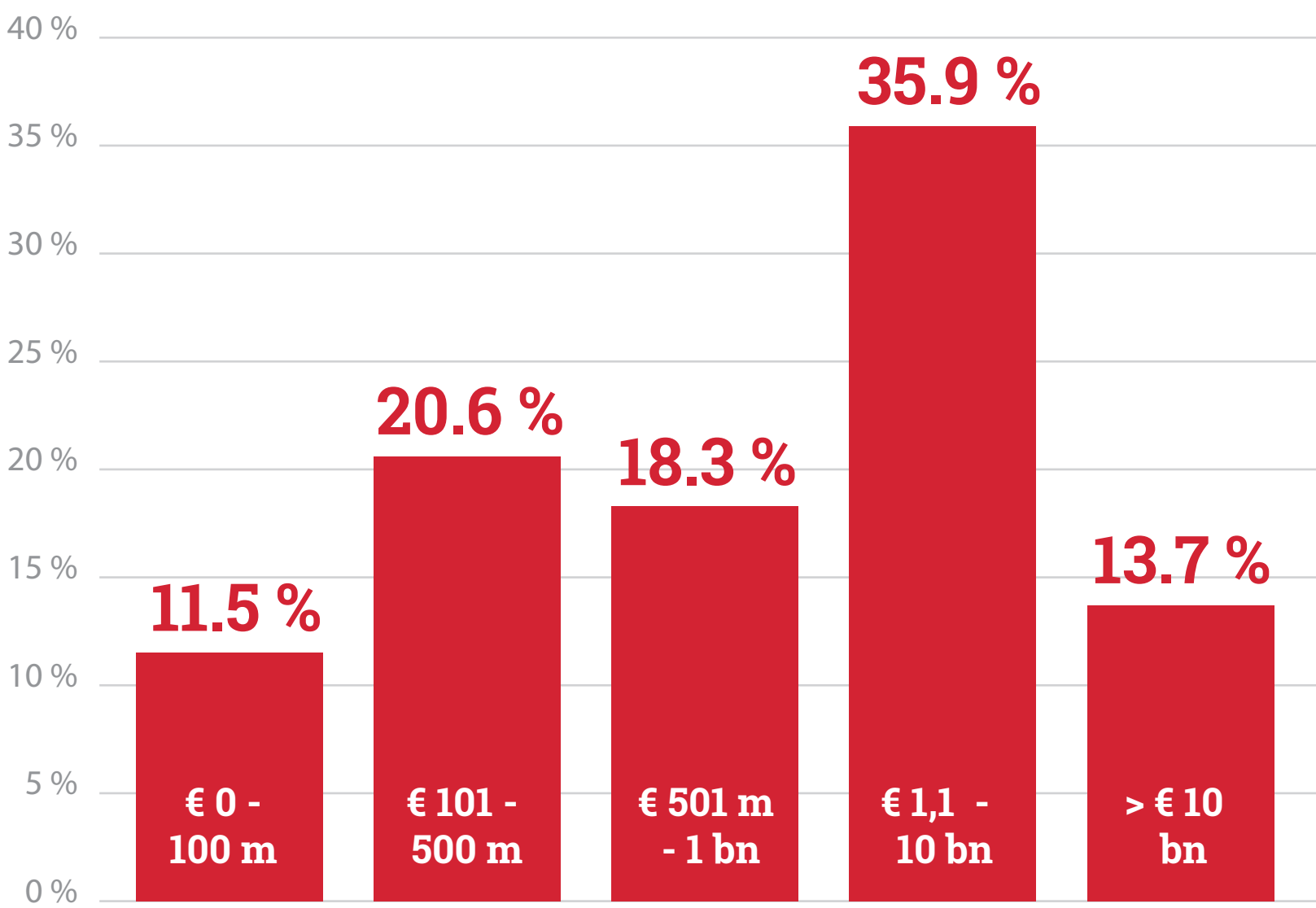


Will in your opinion the volume of real estate transactions change in the coming 12 months?

- Distress sales
- Joint ventures

Source: bulwiengesa – 3rd HPBA Off-Market Study

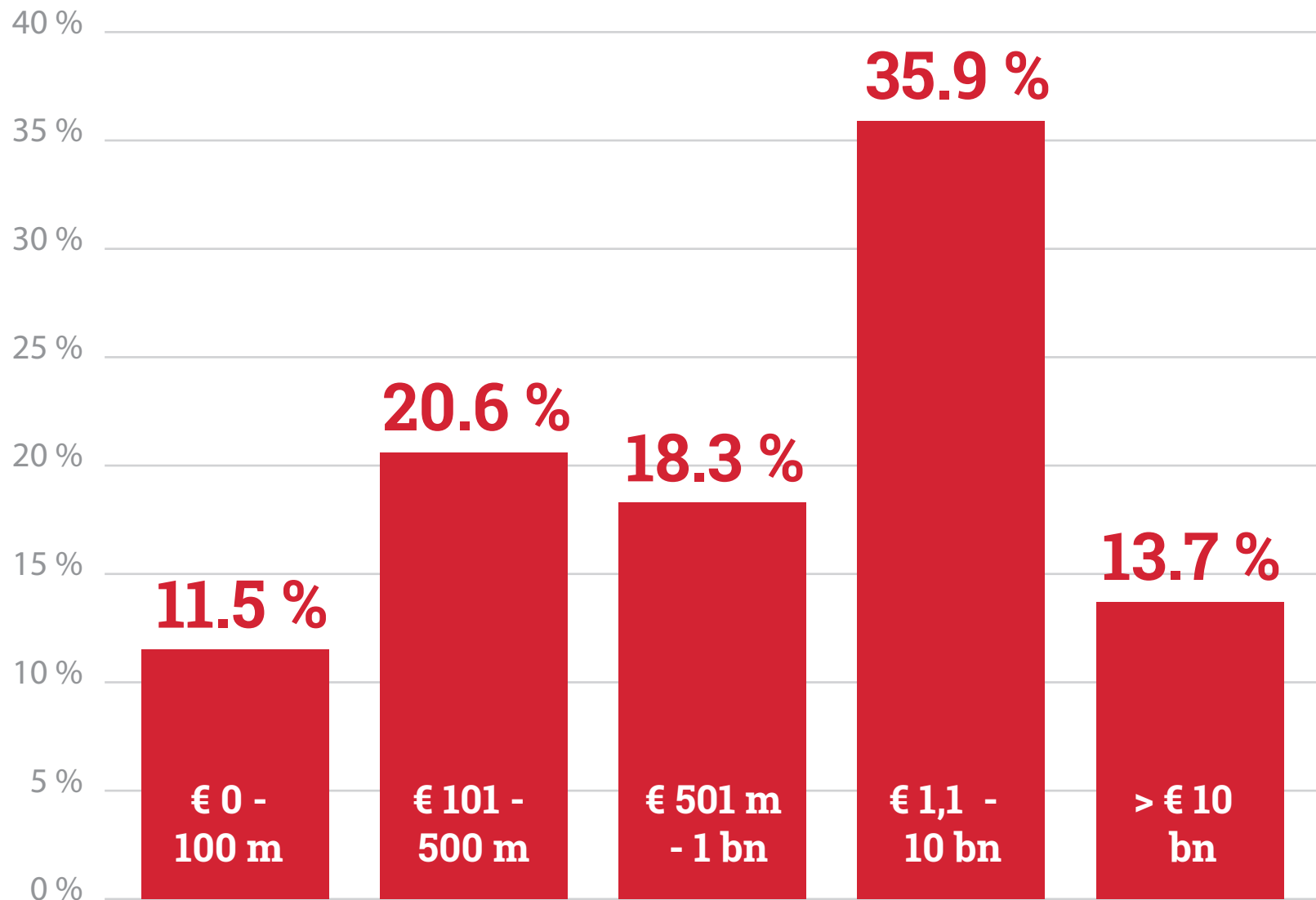
More than 67 per cent of all the respondents expect a moderate to large increase in distress sales on the real estate transaction markets. With joint ventures, in contrast, more than half of the respondents do not expect any change.



Assets under management

Source: bulwiengesa – 3rd HPBA Off-Market Study

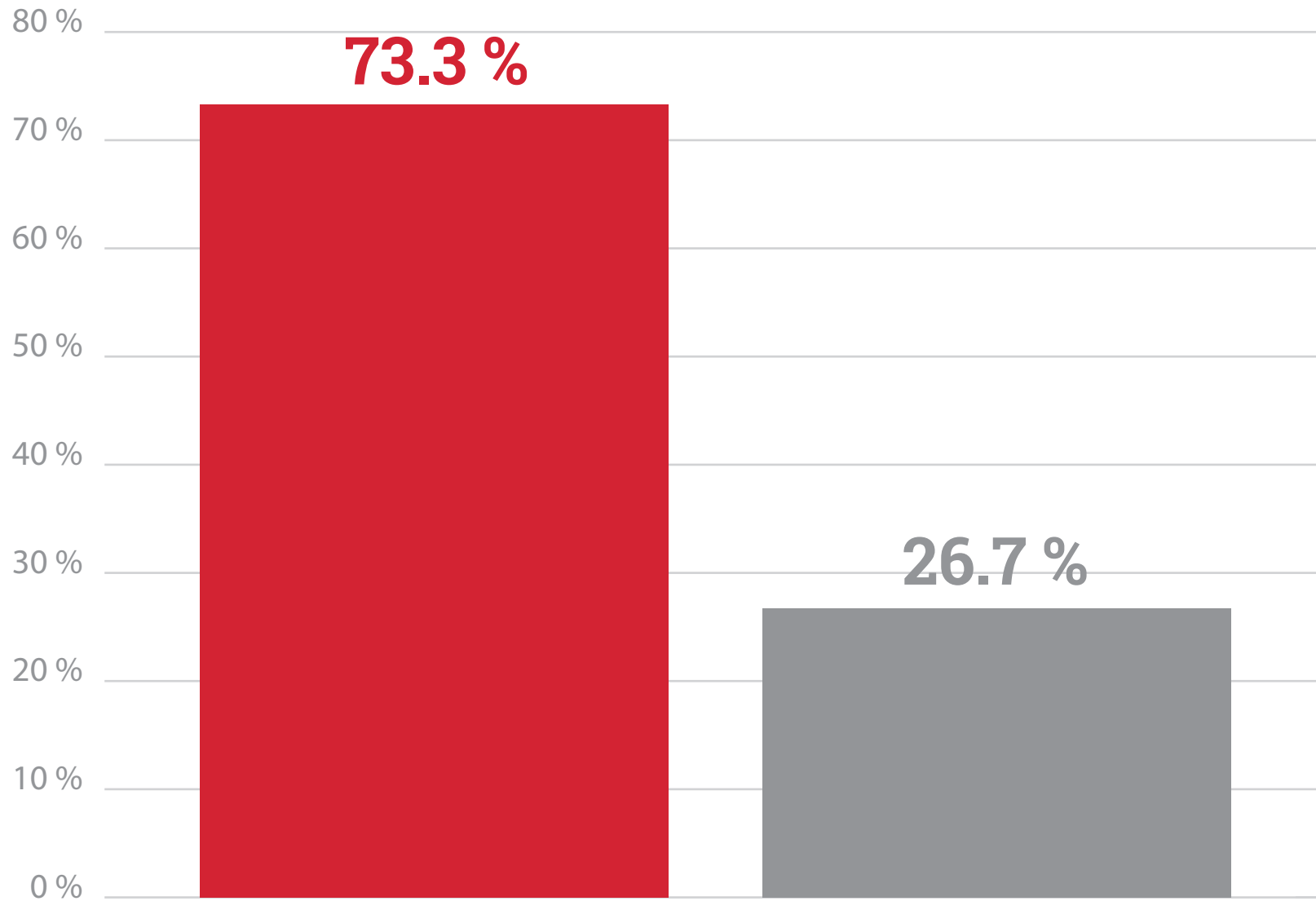
How high – using broad categories – is the value of your assets under management?



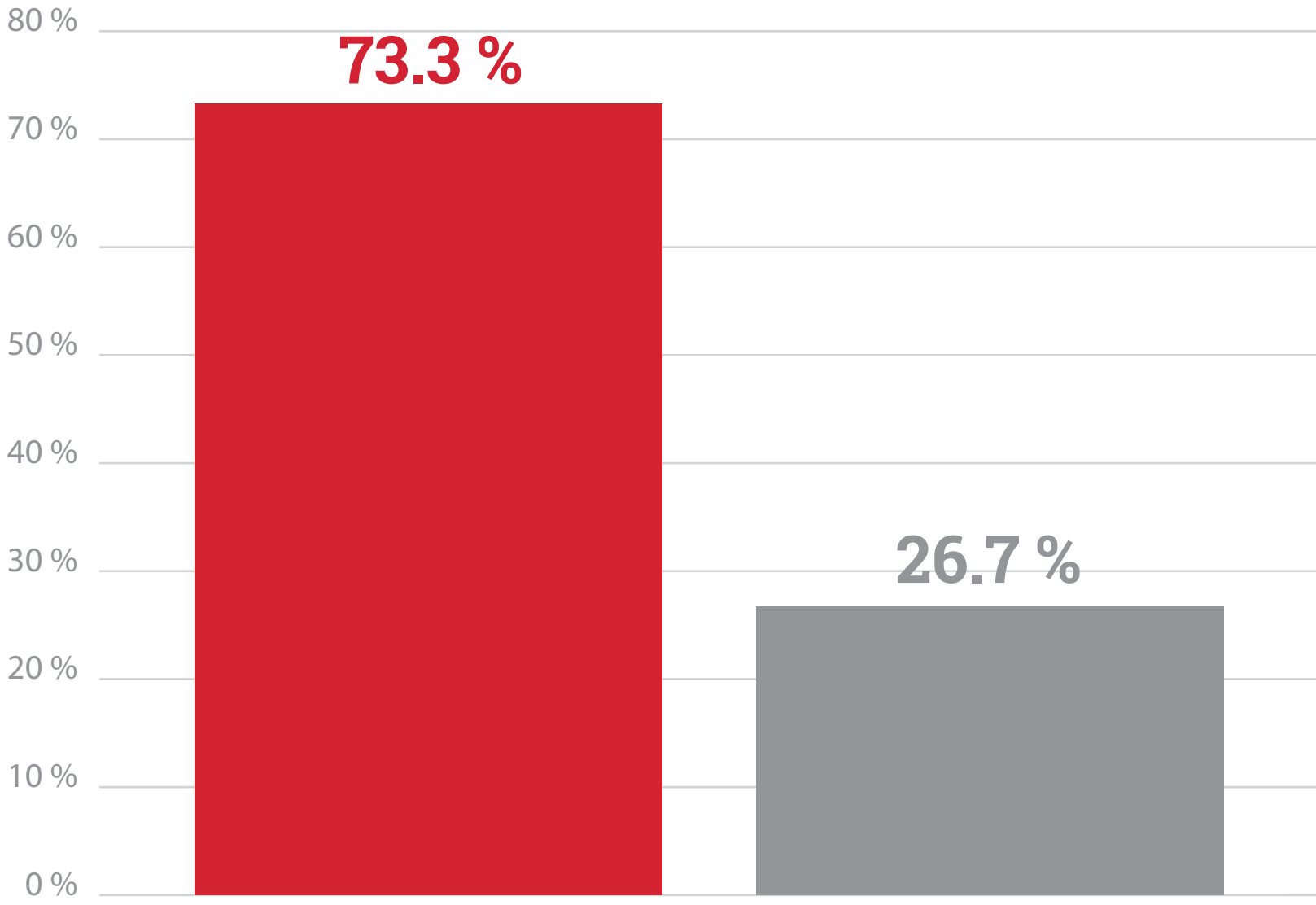
Source: bulwiengesa – 3rd HPBA Off-Market Study

The participants in the 3rd HPBA Off-Market Study represent the professional real estate transaction markets not just with a view to the investor types, but also in terms of assets under management: both (smaller) project developers as well as large investment companies are represented.

Primary capital sources



- Domestic capital
- Foreign capital



Where do you primarily source your capital?

- Domestic capital
- Foreign capital

Source: bulwiengesa – 3rd HPBA Off-Market Study

With a share of 73.3 per cent the capital of the respondents predominantly originates from domestic sources. Thus it becomes evident that the German off-market segment is driven above all by domestic capital.