

THIRD OFF MARKET STUDY

October 2020

FOREWORD BY JOHN AMRAM

The cooperation between HPBA and bulwiengesa is now entering its third year. In a period characterised by the coronavirus pandemic it was our desire to examine more deeply what are currently highly relevant aspects of the off-market segment than we did in 2018 and 2019, while at the same time analysing these empirically. This also means making this knowledge available to a broad expert audience so as to advance what is now a very lively debate.

For I personally regard the major response generated by the previous issues of the study as both an obligation and an incentive at the same time.

For the first time ever the third Off-Market Study examines precisely which asset classes investors are focusing on and which actors shape the off-market segment here in Germany. In this respect it was seen that office real estate dominates the market to a greater extent than initially assumed by large swathes of the industry. In addition, the study shows that it is above all domestic capital and professional investor groups which are active off-market – and which make a decisive contribution to the high transaction volumes of 40 billion euros and more, which we had ascertained in the previous studies.

We also surveyed the panel participants more deeply than ever before with regard to the characteristics and market shares of off-market transactions. The most important finding for me personally is above all the strong focus on off-market models in times of crisis. While the respondents expect a general downturn for the transaction markets as a consequence of COVID-19, they actually forecast growth for the off-market segment. We were also

able to see that the proportion of actors with a one hundred per cent off-market transaction success rate is twice as high as that for on-market transactions. Two results that are closely correlated: ultimately swift processing and, above all, deal security are important in dynamic markets, where the ideal trading partner can change several times in the course of a planned transaction.

I would like to expressly thank all the survey participants for their commitment. Thanks to a panel with a total of 1,140 participants, not only have we surveyed a representative cross-section, but also a major share of the relevant actors in the professional real estate investment markets. It is only with their participation that the highly relevant, as yet not researched off-market segment can be measured both qualitatively and quantitatively.



JOHN AMRAM

Founder & managing director
HPBA Off-Market-Solutions
October 2020

THE FUNDAMENTAL RESULTS AT A GLANCE

- 1. A general downturn in the real estate transaction markets is expected. Despite this, the off-market segment will actually emerge stronger from the coronavirus recession.**

With a figure of about 69 per cent more than two thirds of all the survey respondents expect a moderate to large downturn on the German real estate transaction markets (question irrespective of transaction model). In contrast, the off-market segment will see growth: nearly 54 per cent of the respondents expect to see a moderate to large increase in off-market transactions. In the case of on-market models, on the other hand, only about 15 per cent of the survey respondents believe there will be growth.

- 2. Domestic capital and professional investor groups dominate the German off-market segment.**

The majority of the capital in the off-market segment comes from domestic sources. In addition, off-market transactions are firmly anchored in the professional institutional market. More than half of all transactions are conducted by project developers and real estate funds. The third pillar is formed by family offices with some 14 per cent, followed by insurers, private equity investors and stock corporations.

- 3. The success rate with off-market transactions is, on average, 17 percentage points higher than that with on-market transactions. One quarter of all transactions have an off-market success rate of 100 per cent.**

About 24 per cent of all the respondents stated that they had a one hundred per cent success rate with all the off-market transactions in which they were involved. The arithmetic mean for the success rate is 55 per cent, and thus more than every second off-market transaction is successful. In the case of on-market processes this is not the case; there only about 38 per cent of the transactions that are pursued are successfully closed.

- 4. Whereas virtually all the market actors purchase using off-market models, some are still hesitant when it comes to sales.**

In the previous studies it was only the market penetration of off-market and on-market transactions which was determined. The latest study now shows that just a little more than three per cent of the respondents have not conducted any off-market purchases in the past twelve months. When it comes to sales, this figure is more than one third. Thus it may be seen that some actors are still hesitant or hampered by their own compliance regulations. However, about ten per cent of all the respondents exclusively sell off-market.

5. Office real estate is the most important asset class in the German off-market segment for existing properties.

With a share of nearly 38 per cent of all sales, office properties are the strongest sub-market in the off-market sector, followed by residential real estate with approx. 34 per cent. This figure is reversed for sales of project developments (forward deals), with residential real estate slightly ahead of office properties.

6. There will be more distress sales as a result of the coronavirus recession.

More than 67 per cent of all the respondents expect to see a moderate to large increase in distress sales in the real estate transaction markets, while about one third assume that there will be no change. Joint ventures in contrast are (still) rarely a topic, more than half of the respondents do not expect to see any change.



"During the coronavirus recession the off-market topic remains self-evident and deeply anchored in the professional institutional German real estate market. In this respect the focus is on the enhanced chances of a successful sale during an uncertain market phase above all.

Accordingly, the potential market penetration in the off-market segment remains greater as – compared with on-market models – a larger number of actors participate or intend to participate in off-market transactions."

Andreas Schulten, chief representative, bulwiengesa AG

SUMMARY

The Third HPBA Off-Market Study is devoted to the possible impact of the coronavirus recession on the off-market segment, as well as to the development of trends compared to the prior studies from 2018 and 2019. In this respect it becomes clear that in the opinion of the actors off-market transactions are gaining in relevance – due to the better success rate – in the current crisis.

And the high return ratio for the questionnaires this year underlines the self-evident manner with which professional institutional actors operate in all asset classes of this market segment. This year the respondents represent around 450 to 500 billion euros in assets under management.

In this year's issue there is scientific proof of the high proportion of share deals in the off-market segment. For off-market transactions this proportion has increased to 35 per cent, whereas generally – with on- and off-market deals, therefore – it is less than a mere 20 per cent. In addition to evidence of the high level of support for off-market transactions, which was at similar levels in previous years, for the first time ever there is also differentiation by investor groups: above all project developers and real estate funds utilise this segment, with listed corporations and private equity, in contrast, being more hesitant as a rule.

The current situation in the summer of 2020 was also explicitly surveyed: coronavirus effects on off-market transactions are to be found above all in the high degree of discretion and the greater deal security, which characterise this market

segment and which are again gaining in significance at present according to the respondents. In this respect it is primarily offices and residential real estate which dominate as asset classes in the market segment.

Given the large number of questionnaires returned in 2020 it is also possible to describe the market penetration and the price difference – which is regarded as legitimate – in a more differentiated manner than was the case in previous years. In this respect it becomes clear that the range of off-market transactions is large and that these are treated differently in each respective situation. Off-market purchases are favoured above all, while about one third of the actors avoid off-market sales, however. The logical problem of a theoretical price delta between off- and on-market was discussed at the beginning of this series of publications, because in reality there is only one selling price. The spread of between ten per cent more expensive and ten per cent less expensive that has now been ascertained tends towards an equally high price, which is recommended by more than a quarter of the actors.

Research into the German landscape for real estate transactions using off-market processes, with the exclusion of a public audience and ignoring the customary bidding processes to a large extent therefore, is entering its third round with this survey, adding greater depth to the results from the two previous surveys. In view of the coronavirus recession this issue of the study focuses on a number of particular issues. At the same time, a number of aspects of off-market transactions – such as the benefits and drawbacks which had already been determined in prior years – were broken down to consider differing groups of actors and other issues were considered in greater detail.

INTRODUCTION

COOPERATION HPBA & BULWIENGESA

The following third study was also made possible thanks to the intensive support provided by HPBA Off-Market Solutions in Berlin and the academic work of bulwiengesa. The surveyed panel of suitably experienced experts was compiled jointly by both companies, as was the questionnaire that was utilised in a slightly expanded form for this third study.

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The market becomes more transparent thanks to the survey. In the medium to long term this may possibly mean that even better transaction conditions can be attained. The respondents are the most important actors in the professional real estate transaction markets. The panel is a broad cross-section of the professional market actors, including managers of classical institutional investor groups such as real estate funds, insurers, pension funds and pension schemes, as well as managers from family offices, private equity investors and other institutional investor groups.

The selection of the surveyed companies was conducted by bulwiengesa in consultation with HPBA. A total of some 1,140 persons was selected

for the survey, whereby bulwiengesa and HPBA each contributed half of the contacts. The panel increased in size significantly compared to previous years, therefore. In particular, both companies specifically addressed market players to ensure there was a representative spread with respect to assets under management. The most recent survey, for which 149 experts provided comprehensive answers, saw an excellent overall response rate for such surveys of 13 per cent. Thanks to this large number in absolute terms, partial results from cross tabulation are also representative.

It was a matter of key importance for both companies that the following results be presented in order to initiate a debate on this topic amongst experts and specialists. It is important to conduct similar calculations and surveys in other projects so as to improve the validity of the results in the future. In this respect international comparisons will also be helpful and necessary for future studies.

For whom are the results interesting?

In the past three years the HPBA studies on the topic have already initiated greater discussion, which has set new benchmarks in academic research and real estate research by the industry itself. Likewise it may be seen that financiers and credit institutions are paying particular attention to these figures.

Not least of all, the information is important for the present nationwide discussion of real estate share deals, the sale of companies with a significant proportion of their assets in the form of buildings and properties, therefore. In this regard, a further key module for the specialist discussion and political argumentation has been surveyed in this study.

Current survey in 2020

The third HPBA Off-Market Study also illuminates and analyses the German market for off-market transactions. To this end a survey was conducted in May 2020 – about ten weeks after the commencement of the coronavirus lockdown – which follows up the surveys from previous years

and which is thus intended to serve as a basis for the “measurement of the off-market segments”.

Prior to the survey a questionnaire was prepared which this year exclusively comprises closed-end questions. In part respondents had the possibility to quantify their answers precisely with the aid of a scaling system.

As discretion is of extraordinarily great significance with the surveyed topic the survey was conducted anonymously.

The questionnaire was drawn up with the aid of “Survey Desk”, an online survey tool developed by bulwiengesa. Following the initial invitation two reminders were sent to the selected companies and various companies were contacted directly so as to ensure a representative panel (AuM, asset classes, investor type etc.). The survey was conducted over a period of 15 days, with the questions looking at issues relating to the 2019 business year and current appraisals of the coronavirus recession at the end of May / beginning of June.

The survey is to be conducted once a year in the future. The results from the set of questions will be summarised in a report which specifically looks at the development of the off-market segment in Germany and will be supplemented by topical issues of relevance.

RESULTS OF THE 3RD OFF-MARKET STUDY

THE OFF-MARKET SEGMENT IN THE CORONAVIRUS RECESSION

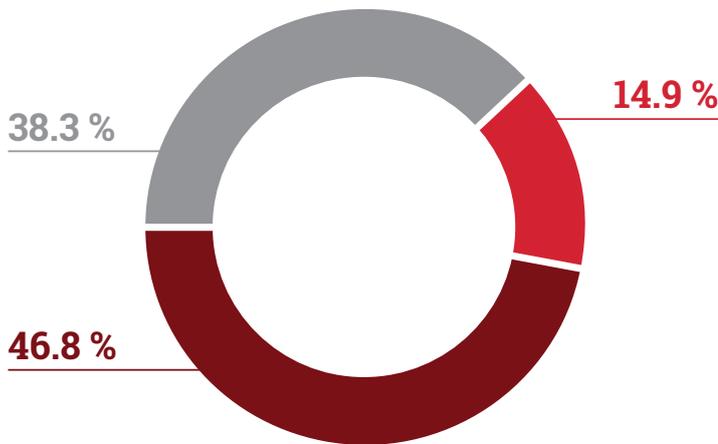
Based on a survey at the end of May / beginning of June 2020 one of the most interesting questions is: What happens with off-market transactions during a period in which the real estate transaction volume clearly shrank from April to May as a consequence of the crisis, for instance, and some sectors such as the textile retail trade and business hotels are at risk in the medium to long term?

In the comparison between off-market and on-market transactions (generally conventional bidding processes) according to the latest study clear growth in the off-market segment is to be expected in 2020 in terms of the conduct of the actors. In the course of the year it is to be assumed that there will be a substantial decline in the transaction volume as a result of the coronavirus crisis. This is predicted by 65.1 per cent of the respondents.

Asked whether they themselves will be involved to a greater or lesser extent in a transaction, 91.2 per cent of the institutional real estate market players expect that their companies will participate in the off-market segment. This is an increa-

se of 9.3 percentage points over the past twelve months. Conversely only 76.5 per cent of the actors expect to see participation in the conventional market through a bidding process – a slight decrease of 0.7 percentage points over the past twelve months.

The investor category in the off-market segment with the greatest reservation is formed by insurers and pension funds, for which a share of only 86.7 per cent believe they will be involved in off-market transactions in the coming twelve months. Between 90 and 100 per cent of all other investor groups foresee involvement in off-market transactions.



On-market transactions

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

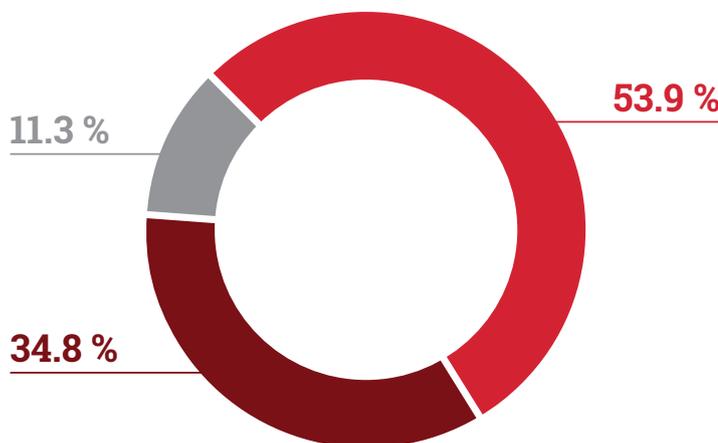
■ Increase ■ No change ■ Decrease

Source: bulwiengesa – 3rd HPBA Off-Market Study

The question regarding the general appraisal of the market in the coming twelve months through to mid-2021 arrives at a similar result. The predominant assumption, 46.8 per cent, is that there will be no change in the market volume in the on-market segment; 38.3 per cent actually expect a decrease in the on-market share. In contrast, 53.9 per cent of the institutional real estate actors ex-

pect an increase in the off-market volume and merely 11.3 per cent expect a decrease.

The reasons for this appraisal lie in the specific features of an off-market transaction, which have seemingly gained in significance in the current crisis.



Off-market transactions

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

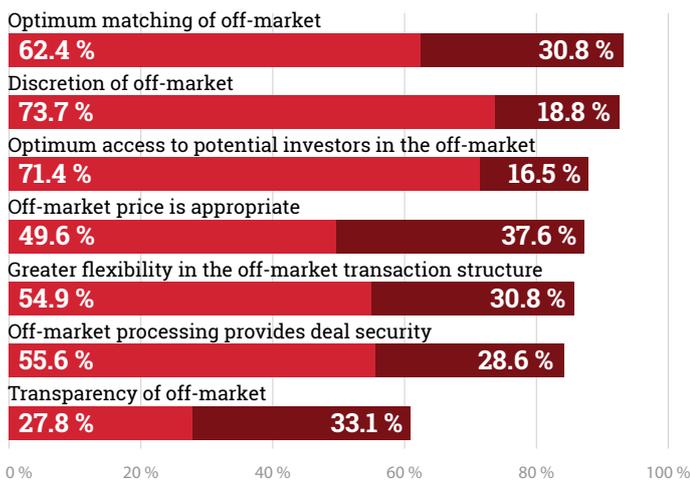
■ Increase ■ No change ■ Decrease

Source: bulwiengesa – 3rd HPBA Off-Market Study

Discretion and market penetration becoming more relevant in view of the coronavirus

The specific features – both the benefits and drawbacks – of an off-market transaction have already been surveyed and discussed in the previous studies. In this year’s issue particular attention was placed on the current dynamism of the respective features. This means that the focus is not on whether a feature is important, but rather the extent to which the significance of a feature

has changed in the coronavirus recession. With approval ratings of 73.7 and 71.4 per cent, respectively, it is above all the discretion of off-market transactions and optimum access to potential investors which have gained in particular significance in the current situation. Dynamism with respect to the transparency of off-market transactions is merely seen by 27.8 per cent of the market players. Generally speaking, in previous years the transparency ranked among the factors that tended to put the brakes on the off-market segment. In the opinion of the market players it would appear that no specific coronavirus effect can be detected.



Coronavirus recession

Change in particular features of off-market transactions against the background of the coronavirus recession

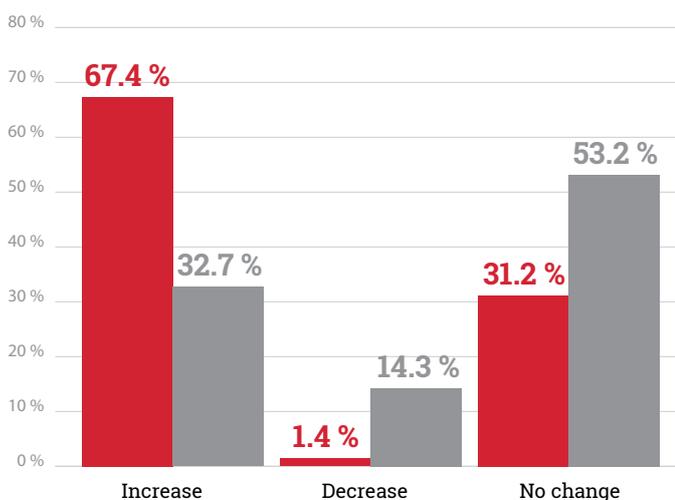
■ agree /agree entirely ■ agree in part

Source: bulwiengesa – 3rd HPBA Off-Market Study

Distress sales increasing

With the commencement of the lockdown at the end of March 2020 and the as yet uncertain expectations regarding the coming coronavirus recession questions have also been raised with respect to a possibly more radical reversal on the real estate transaction markets. In this respect two reactions were explicitly surveyed: the distress sale of properties and project developments with considerable price mark-downs, which take place for liquidity reasons for example, and joint ventures, with investors cooperating on large-volume transactions for liquidity or risk reasons.

While an increase in distress sales is expected by a clear majority of the respondents, namely by 67.4 per cent, in the case of joint ventures no change is expected over previous years: a mere 32.7 per cent anticipate an increase, 53.2 per cent of the market players believe there will be no change at all. The clear possibility of forthcoming distress sales and the clear expectation of a growing off-market segment already described above go hand in hand. More in-depth knowledge of these expectations, which were put forward in May/June, could be interesting above all for banks and mezzanine financiers, who have pointed to the ongoing tense financing situation in a number of surveys¹.



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

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

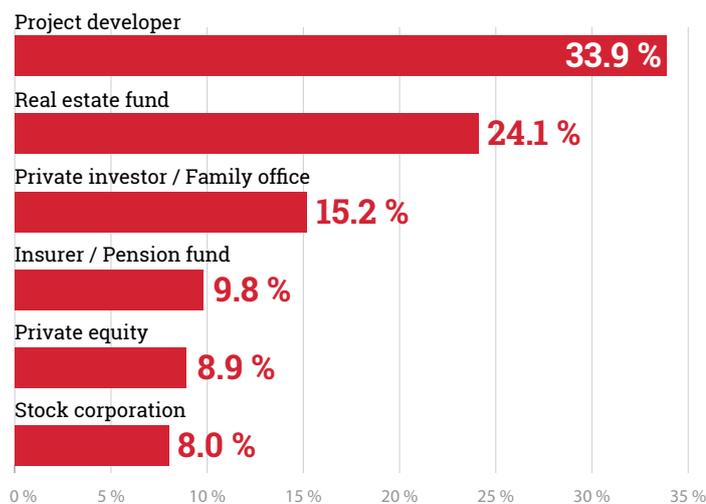
¹ IREBS Immobilienakademie: German Debt Project 2020; BF.direkt Quarterly Barometer Q1 and Q2/2020; JLL DIFI Report Q1 and Q2/2020.

OFF-MARKET TRANSACTIONS IN THE CURRENT STRATEGIES OF REAL ESTATE MARKET ACTORS

The representativeness of the latest HPBA Off-Market Study 2020 was enhanced considerably with the return of 149 completed questionnaires. Excluding the 9.0 per cent of the market players who were not able to make any concrete statements, the individual investor categories in the random sample are distributed very closely in line with the German real estate market as a whole:

more than one third of the actors (33.9 per cent) are project developers, whose strategy is the optimisation or new construction of locations. Together with real estate funds for institutional investors, whose share of the random sample is 24.1 per cent, they account for more than half of the market players on the German real estate market.

Significantly lower shares in the market and the sample are seen with private investors and family offices (15.2 per cent), insurers and pension funds in part investing directly (9.8 per cent), private equity investors (8.9 per cent), and real estate stock corporations (8.0 per cent).



Categories of the participants in off-market transactions

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

■ Yes responses in per cent

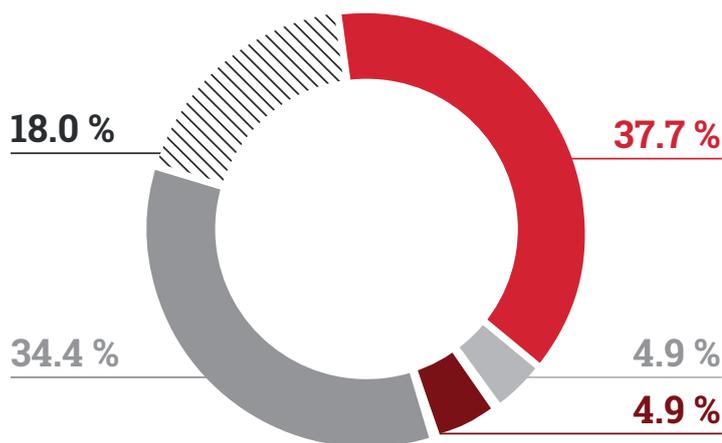
Source: bulwiengesa – 3rd HPBA Off-Market Study

Most important asset classes: office and residential real estate

The two largest asset classes in the off-market segment are, similarly to the entire transaction market, office and residential. With a share of 37.7 per cent in purchases of existing properties, the office sector dominates market activity, closely followed by the residential sector with 34.4 per cent. These ratios are reversed with the purchase and sale of project developments: here the residential segment dominates – in terms of purchases – with 45.5 per cent, compared to a share of

28.9 per cent in the office segment. It is difficult to answer the question as to what is the dominant asset class with mixed-use buildings and mixed portfolios or at locations for which the usage structure has not yet been defined. The above values result, therefore, from a finding which excluded “not specified”.

Real estate funds state that 46.4 per cent of their project development transactions are “other uses” – presumably quarters with mixed usage. 19.6 per cent of the project developers do not reveal any details of the transactions – probably because the usage concept has not yet been laid down.

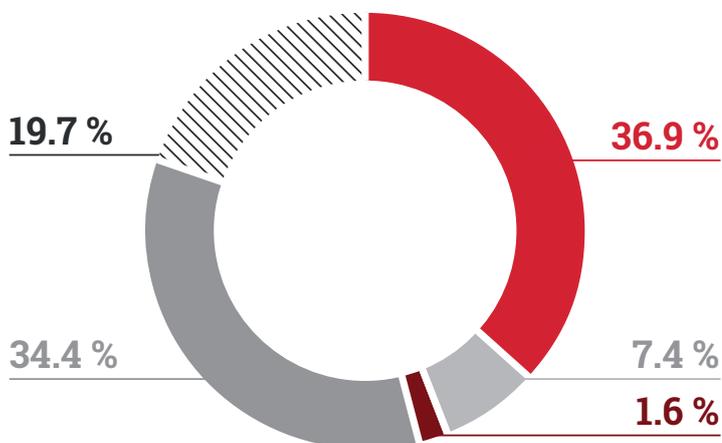


Existing properties Purchases

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

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

Source: bulwiengesa – 3rd HPBA Off-Market Study

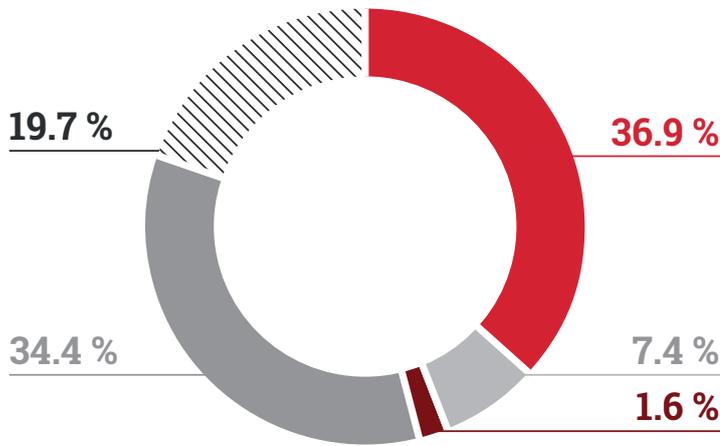


Existing properties Sales

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

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

Source: bulwiengesa – 3rd HPBA Off-Market Study



Project developments Purchases

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

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

Source: bulwiengesa – 3rd HPBA Off-Market Study



Project developments Sales

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

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

Source: bulwiengesa – 3rd HPBA Off-Market Study

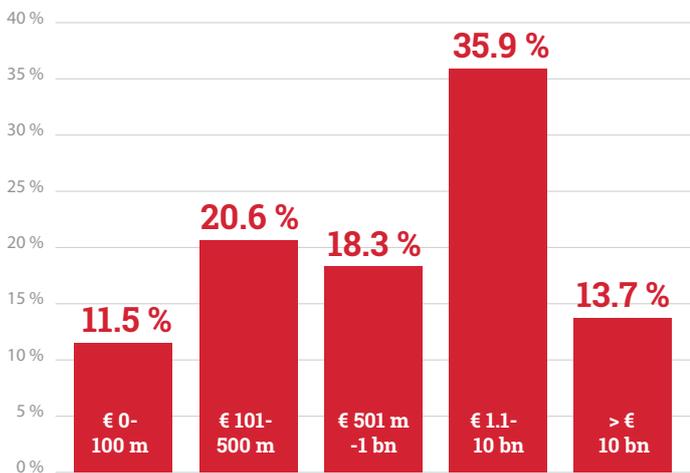
The major significance and representativeness of the real estate transaction market in general as well as in the off-market segment – considered in greater depth here – becomes clearer whenever the sums involved are considered. The assets under management – according to the details provided by the study participants – in the random sample for the study range from 450 to 500 billion euros. More important than the total sum, however, is the participation of all investor size groups, with the

effect that the representativeness of the results is also safeguarded for this random sample feature. 13.7 per cent of all the actors oversee portfolios larger than ten billion euros, 35.9 per cent of the actors oversee portfolios with a value of between one and ten billion euros. Not taken into account in this distribution is the 12.1 per cent of companies which did not make any specific statements.

Mainly domestic capital

A high degree of representativeness is also guaranteed by the origins of the capital in the transactions considered: 73.3 per cent of the capital is domestic and 26.7 per cent foreign capital – roughly speaking three quarters versus one quarter. As was to be expected, foreign capital predominantly enters the market through private equity and stock corporations, namely to 72.7 and to 50 per cent.

A direct connection to the off-market segment, to which the same structures are attributed, results from the high degree of penetration of off-market transactions in the institutional real estate market, which was determined both above and in the previous studies.

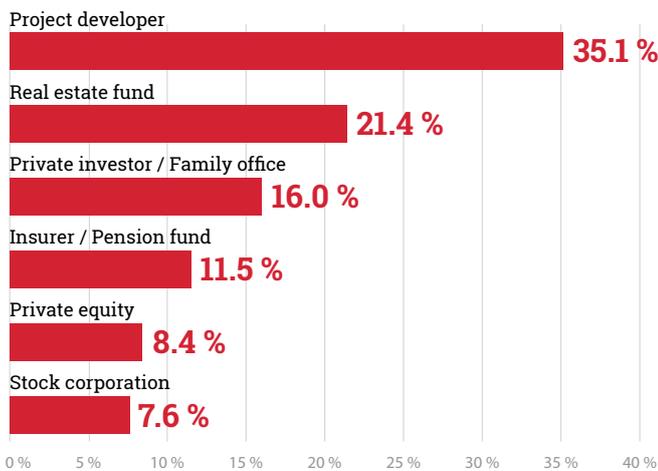


Assets under management

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

■ Value in per cent

Source: bulwiengesa – 3rd HPBA Off-Market Study



Categories of participants in the 3rd HPBA Off-Market Study

Proportion of participants in per cent

■ Participants

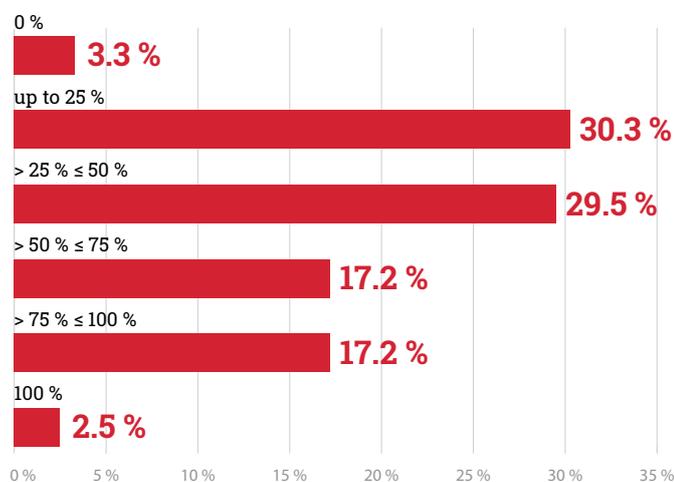
Source: bulwiengesa – 3rd HPBA Off-Market Study

TREND FOR OFF-MARKET TRANSACTIONS 2019/2020

In addition to the coronavirus effects on the off-market segment already considered in more detail, the HPBA study series is geared to the ongoing transformation of the segment in the German real estate market. A key feature of the fundamental debate of the topic is the individual perception of the off-market topic within one's own professional activities.

Observed across all investor categories it is striking that the proportion of those not involved in an off-market transaction is significantly higher on the selling side at 33.6 per cent than it is on the buying side at a mere 3.3 per cent. This indicates a certain psychological effect, namely that an off-market purchase offers much greater probability of success compared to a bidding process as a result of the greater exclusivity. Among sellers, in contrast, a number of different motives could be the reason they sell their properties using on-

market processes, for example their own compliance rules, which affect the audit requirements placed on the process. In contrast, 9.8 per cent of the actors exclusively sell their properties using off-market models. Generally, off-market transactions predominate in the case of sales (> 50 per cent) for 30.3 per cent of the market players and with purchases for 36.9 per cent of the actors.



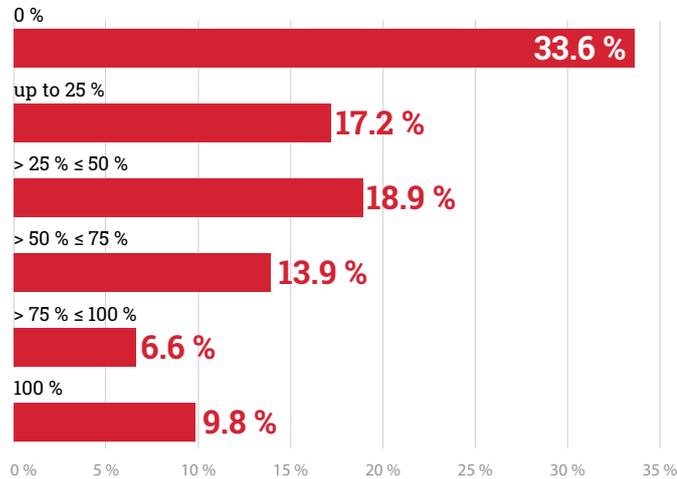
Percentage share of off-market transactions Purchases (in the past 12 months)

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

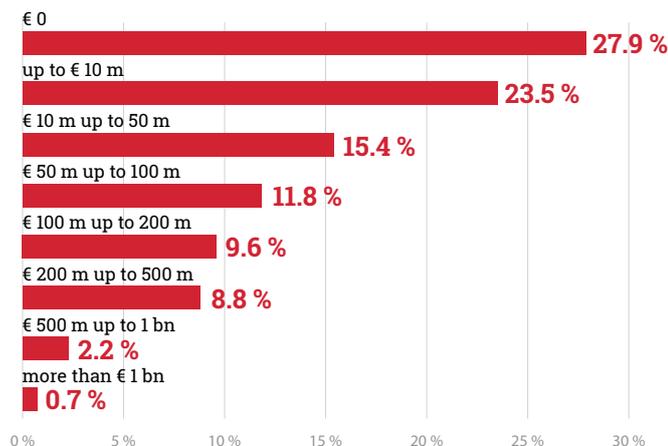
■ Proportion of participants in per cent

Source: bulwiengesa – 3rd HPBA Off-Market Study

Off-market transaction volume



If investment volumes are included in the purchases-sales ratio, then high sums of 200 million euros p.a. and more (“in the past 12 months”) tend to be the rule in purchases rather than sales. 26.0 per cent of the actors acquire 200 million euros and more in off-market transactions. In contrast, only 11.7 per cent of the actors sell off-market in



Percentage share of off-market transactions 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

this volume category. Accordingly, the average purchased off-market volume in the past twelve months is 126.8 million euros and the average sold off-market volume is a mere 70.4 million euros.

Investment volume off-market transactions Sales (in the past 12 months)

Proportion of participants in per cent Investment volume Ø ca. € 70.4 m

■ Proportion of participants in per cent

Source: bulwiengesa – 3rd HPBA Off-Market Study

Higher success rate of off-market transactions

Closely related to the above empirical figures on sales and purchases is the appraisal of the higher success rate with off-market transactions. 54.99 per cent of the market players see successful in-

dividual transactions in the off-market segment, compared with merely 37.56 per cent in the on-market segment. Particularly satisfied with the off-market segment are the real estate funds, which see a success rate of 66.2 per cent in their off-market transactions.

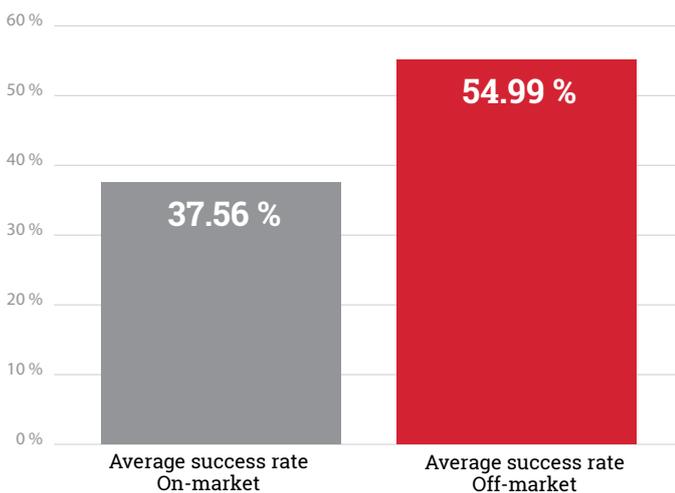


Transaction success of on- and off-market transactions

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



Transaction success of on- and off-market transactions

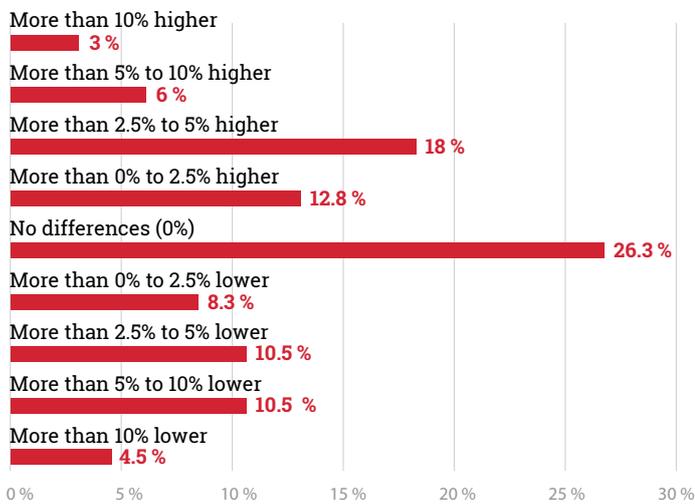
What proportion (in %) of off-market transaction processes came to a successful conclusion in the past 12 months?

- On-market
- Off-market

Source: bulwiengesa – 3rd HPBA Off-Market Study

Also psychologically relevant is the price assessment in the two transaction segments. The logical problem of a theoretical price delta between off- and on-market has already been discussed at the beginning of the study series, for in reality there is only ever one selling price. The spread now determined of between ten per cent more expensive or ten per cent cheaper tends towards an equally high price, which is recommended by

more than a quarter of the actors. 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 expect price mark-downs in contrast. As a consequence of the differing scaling system compared to the previous Off-Market Studies the determination of an arithmetical mean is not useful.



Price delta

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

■ Price delta in %

Source: bulwiengesa – 3rd HPBA Off-Market Study

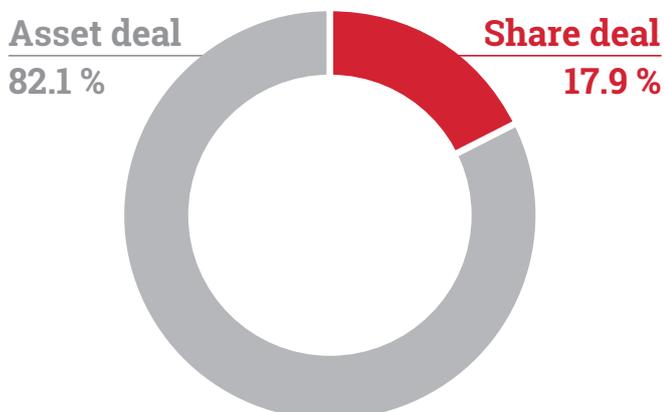
THE SHARE DEAL ISSUE

Although share deals are not directly associated with off-market transactions, the result of the Second Off-Market Study from 2019, namely an average proportion of 31 per cent in 2018, was to be examined and checked once again. 59 per cent of the actors from the institutional sector and family offices used this form of transaction now and again or frequently in 2018.

The latest survey now points to a noticeably lower share deal proportion of only 17.1 per cent on average – nearly half the proportion from the study in the previous year. Perhaps a high proportion of project developers in this year's study is one of the main reasons for this shift: for while on average this large group merely processes 13.4 per cent of the transactions as a share deal, in the case of private equity investors this figure is 35.5 per cent and with stock corporations it is also as high as 29.6 per cent. Insurers and pension funds as well as family offices occupy mid-table positions with

22.6 per cent and 19.2 per cent, respectively, while real estate funds utilise this form of transaction least of all, with an average of 11.9 per cent.

A further reason for the reduced proportion probably lies in the political discussion surrounding share deals. In the off-market segment the proportion of share deals is – at 35.0 per cent – clearly higher than the average, however.

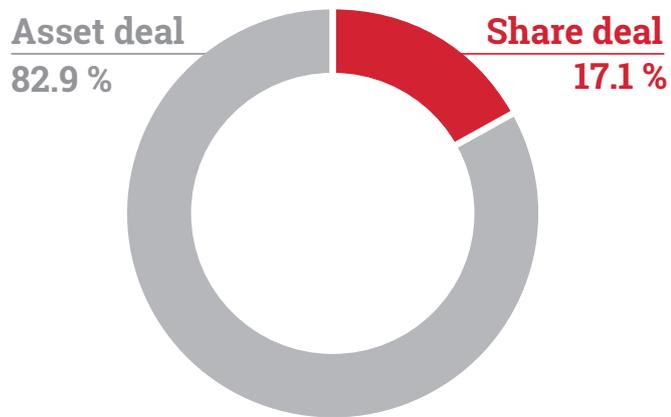


Proportion of shares deals in sales

(dependent on transaction model)

■ Share deal ■ Asset deal

Source: bulwiengesa – 3rd HPBA Off-Market Study

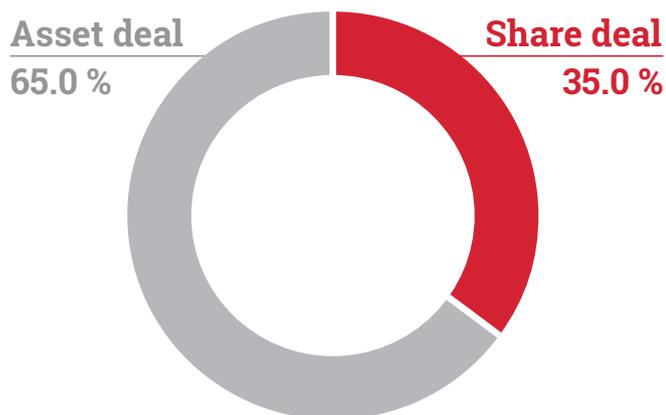


Proportion of shares deals in purchases

(dependent on transaction model)

■ Share deal ■ Asset deal

Source: bulwiengesa – 3rd HPBA Off-Market Study



Proportion of shares deals in sales and purchases

(off-market transactions)

■ Share deal ■ Asset deal

Source: bulwiengesa – 3rd HPBA Off-Market Study

GLOSSARY

On-market

In this study the expression on-market transactions is used to describe transactions that are not off-market transactions. They are primarily documented in the institutional and professional market by analysts, brokers and banks.

Institutional investors

Institutional investors is an expression used to describe funds, asset managers and direct investors who invest in real estate with the primary intention on investing monies on behalf of third parties. Above all these include insurers, pension funds and real estate funds.

Professional investors

The expression professional investors is used in this study to set apart actors such as family offices or wealthy private investors from the extremely fragmented private real estate market with privately owned homes and individual condominiums. Professional investors also encompass institutional investors.

Asset deal

An asset deal describes a real estate transaction which is documented directly with a corresponding contract pursuant to land register legislation. As a rule this contract is certified by a notary public and is included in the collection of purchase prices managed by the respective local Expert Committees for Land Valuation.

Share deal

A share deal describes a real estate transaction which involves the sale of shares in a company, which in the context of this study encompasses appreciable real estate assets. In terms of land register legislation this transaction style is not associated with a change of owner. Accordingly, these transactions are included in the actual asset deals in the course of a year.

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