

Investment Market monthly Germany

September 2018



The market at a glance

Record volume in the commercial investment market, record apartment prices

Commercial investment market

- Following a strong September in the investment market (Table 1, Graph 1), we have raised our projected transaction volume for 2018 from €55bn to €60bn, which would represent a new all-time high.
- Behind this overall volume lies a broadly diversified purchaser structure. By way of example, more than 100 different investors have invested at least €100m during the year to date, which is unprecedented at this point in a year.
- The regional diversification of the transaction volume is also noteworthy. All top seven cities have already registered a transaction volume of more than €1bn to the end of September, with investment in four cities exceeding the €3bn mark (Table 2). Düsseldorf, Frankfurt and Hamburg have witnessed particularly high recent levels of activity (Graph 5).

Residential investment market

- In the residential investment market, the transaction volume in September was somewhat subdued (Table 4). However, investment for the year to date exceeds both the equivalent figure from last year and the five-year average (Graph 9). While we do not expect a new record figure for the year as a whole, a modest increase in investment compared with last year is likely.
- The price per residential unit transacted in the A-cities broke through the €200,000 barrier in August and sustained this level in September. This record-high average price is largely attributable to the fact that development acquisitions have accounted for more than a third of the overall transaction volume in the A-cities during the year to date.

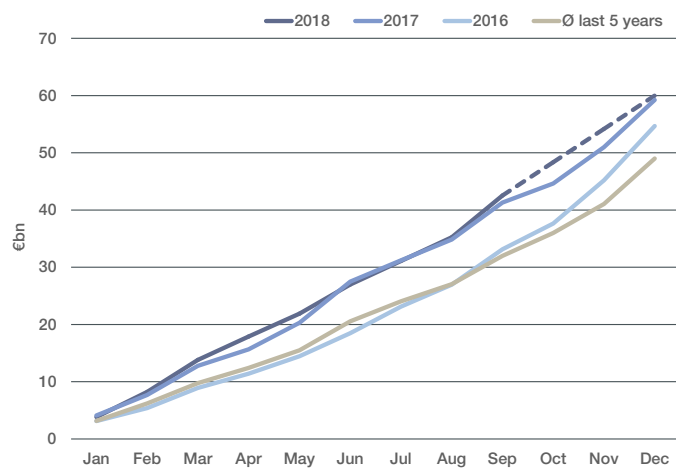
Commercial investment market

TABLE 1
Transaction volume by type of use

	Transaction volume (€m)					
	Sep 2018	Jan to Sep 2018	against Jan to Sep 2017	Oct 2017 to Sep 2018	against Sep 2017 to Aug 2018	against Oct 2016 to Sep 2017
Office	3,563	17,151	+3%	24,577	+6%	-10%
Retail	2,549	9,859	+6%	15,081	+6%	+8%
Industrial/Logistics	687	5,189	-23%	7,688	+3%	-8%
Hotel	159	2,102	+4%	2,648	-16%	-31%
Development land	74	1,387	+47%	1,766	-1%	+30%
Other	262	6,857	+22%	8,711	-12%	+10%
Total	7,293	42,545	+3%	60,470	+1%	-4%

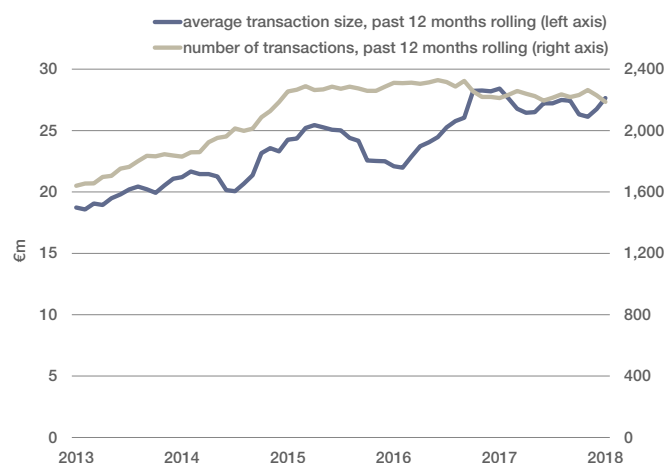
Source: Savills

GRAPH 1
Accumulated transaction volume



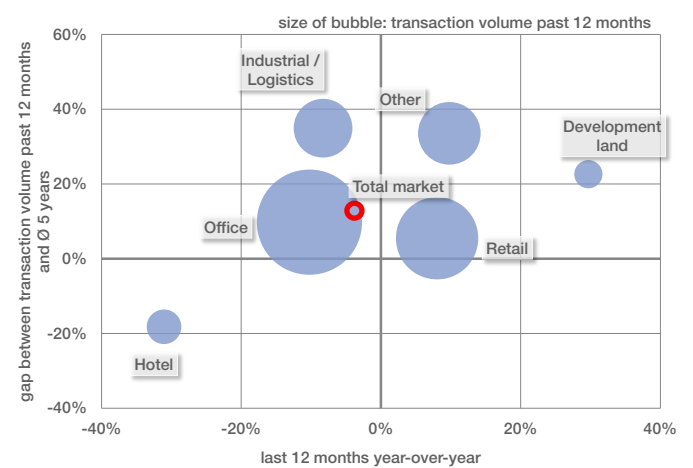
Source: Savills / Note: dotted line = forecast

GRAPH 3
Deal size and number of transactions



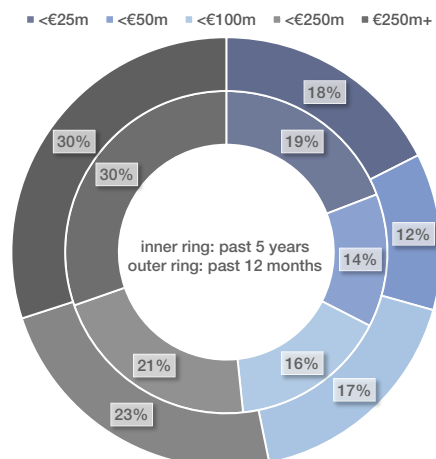
Source: Savills / Note: including portfolios

GRAPH 2
Type of use



Source: Savills

GRAPH 4
Transaction volume by deal size



Source: Savills

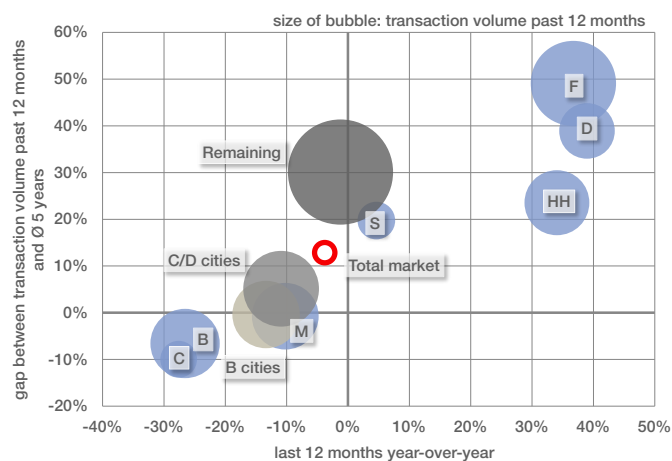
Commercial investment market

TABLE 2
Transaction volume by location

	Transaction volume (€m)					
	Sep 2018	Jan to Sep 2018	against Jan to Sep 2017	Oct 2017 to Sep 2018	against Sep 2017 to Aug 2018	against Oct 2016 to Sep 2017
Berlin (B)	582	4,271	-32%	5,809	-16%	-27%
Düsseldorf (D)	686	2,596	+54%	3,743	+10%	+39%
Frankfurt (F)	1,888	5,578	+80%	8,810	+21%	+37%
Hamburg (HH)	422	3,664	+74%	5,110	+4%	+34%
Cologne (C)	330	1,183	-30%	1,633	+7%	-28%
Munich (M)	360	3,708	+6%	5,380	-6%	-10%
Stuttgart (S)	30	1,167	+45%	1,722	-5%	+5%
Germany	7,293	42,545	+3%	60,470	+1%	-4%

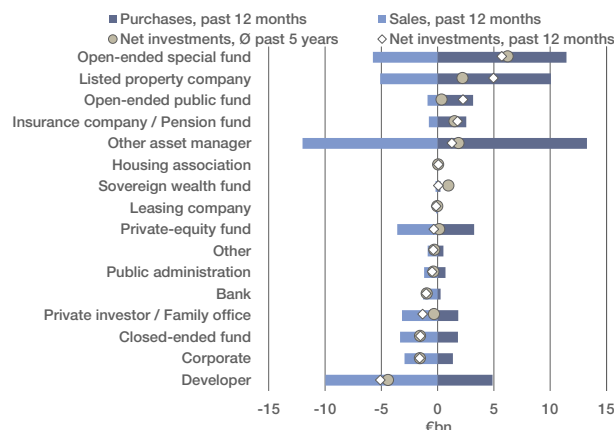
Source: Savills

GRAPH 5
Regional distribution



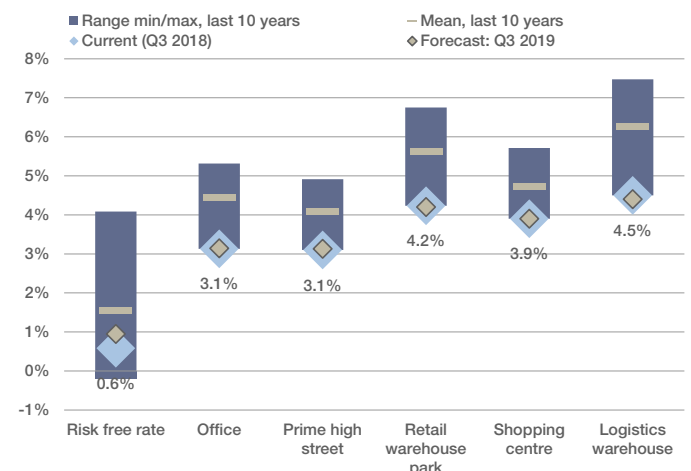
Source: Savills / Note: based on the Bulwiengesa classification

GRAPH 7
Type of investor



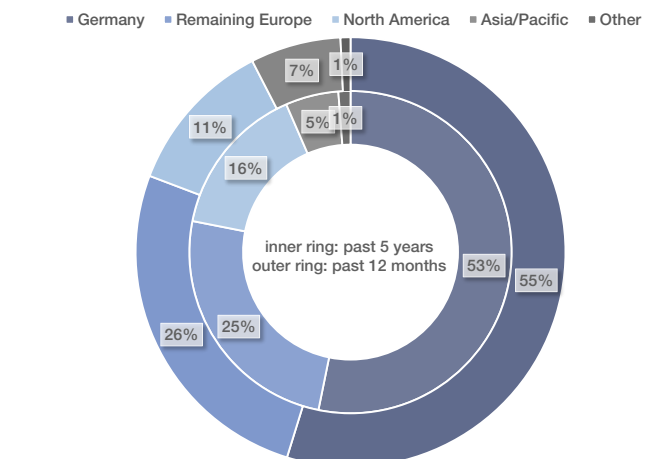
Source: Savills

GRAPH 6
Prime yields



Source: Focus Economics, Savills / Note: always end of quarter values, risk free rate = 10Y Government Bunds, Prime Yields = 0 Top7

GRAPH 8
Transaction volume by origin of buyer



Source: Savills

Commercial investment market

TABLE 3
Top 20 transactions of the last six months*

Date	Property / Portfolio	Location(s)	(Mayn) Type of property	Volume (€m) ↓	Area (sq m)	Buyer	Seller
Sep 18	Karstadt-Kaufhof-Merger	nationwide	Retail	undisclosed	533,900	SIGNA Holding	Simon Property Group, Hudson's Bay Company (HBC)
Apr 18	Brack Capital Portfolio (70%)	nationwide	Mixed-use property	undisclosed	722,000	Adler Real Estate AG	i. a. Redzone Empire Holding Limited
Jun 18	Klinikportfolio (50%-share)	nationwide	Community welfare property	ca. 815	n/a	Primonial	Medical Properties Trust
Sep 18	Omniturm	Frankfurt am Main	Office	ca. 700	54,300	Commerz Real AG	Tishman Speyer
Apr 18	Geneba-Portfolio (17 properties)	n/a	Logistics and Industry buildings	ca. 450	431,600	Frasers Centrepoint Limited	Frasers Centrepoint Limited
Sep 18	Karstadt-Kaufhof-Merger	Düsseldorf, Köln	Retail	ca. 430	146,000	SIGNA Holding	Simon Property Group, Hudson's Bay Company (HBC)
Aug 18	Junghof Plaza	Frankfurt am Main	Mixed-use property	ca. 400	32,700	Triuva Kapitalverwaltungsgesellschaft mbH	PGIM Real Estate, FGI Frankfurter Gewerbeimmobilien
Aug 18	Community welfare-Portfolio	Hamburg	Community welfare property	undisclosed	n/a	Deutsche Wohnen AG	Oaktree Capital Management LP
Sep 18	Neue Mainzer Straße 32-36	Frankfurt am Main	Office	undisclosed	33,000	Hansainvest - Hanseatische Investment GmbH	GEG German Estate Group AG
May 18	Gallileo	Frankfurt am Main	Office	ca. 356	40,500	CapitaLand Limited	Triuva Kapitalverwaltungsgesellschaft mbH
Jun 18	TSK1	Frankfurt am Main	Office	undisclosed	65,500	i. a. Credit Suisse (Deutschland) AG	Officefirst
Jun 18	Highstreet Leipziger Platz	Berlin	Retail	ca. 300	22,500	BMO Real Estate Partners	RFR-Holding GmbH, DC Values
May 18	Hilton Berlin	Berlin	Hotel/Gastronomy	ca. 297	n/a	Aroundtown Property Holdings Plc.	Park Hotels & Resorts Inc., unknown Investor
Jun 18	Quartier Four - Tower 4	Frankfurt am Main	Office	undisclosed	22,700	Union Investment Real Estate GmbH	Groß & Partner Grundstücksentwicklung
Aug 18	Portfolio (17 properties)	i. a. Bonn, Frankfurt, Hannover	Community welfare property	undisclosed	n/a	Deutsche Wohnen AG	SHI Management GmbH
Sep 18	Garden Tower	Frankfurt am Main	Office	ca. 275	27,500	GEG German Estate Group AG	Tristan Capital Partners
Jun 18	Olympus Zentrale	Hamburg	Office	undisclosed	48,400	Ärzteversorgung Westfalen-Lippe, Hines Immobilien	Zech Group, unknown Investor
Sep 18	Metro-Straße 1	Düsseldorf	Office	ca. 270	75,500	Arminius Kapitalgesellschaft mbH	Triuva Kapitalverwaltungsgesellschaft mbH
Aug 18	Das Schloss	Berlin	Retail	undisclosed	42,000	Deka Immobilien Investment GmbH	WealthCap Wealth Management Capital Holding GmbH
Jul 18	Portfolio (2 properties)	Ergolding, Marl	Logistics and Industry buildings	undisclosed	283,200	i. a. Goodman Property Investors	Goodman Property Investors

Source: Savills / * only published transactions are shown

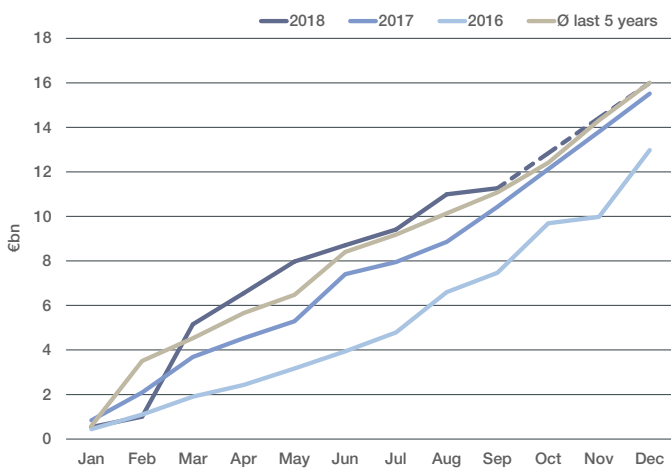
Residential investment market

TABLE 4 Transaction volume by city category

	Transaction volume (€m)					
	Sep 2018	Jan to Sep 2018	against Jan to Sep 2017	Oct 2017 to Sep 2018	against Sep 2017 to Aug 2018	against Oct 2016 to Sep 2017
A-cities	47	4,253	-4%	6,882	-9%	+10%
B-cities	81	1,890	+13%	2,878	-2%	+8%
C-cities	16	1,728	+144%	2,223	-3%	+45%
D-cities	33	1,042	+17%	1,379	-9%	+13%
Other	94	2,354	-13%	2,989	-10%	-30%
Germany	271	11,267	+8%	16,351	-7%	+3%

Source: Savills / Note: based on the Bulwiengesa classification

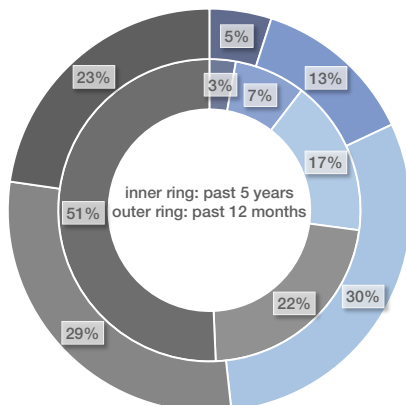
GRAPH 9 Accumulated transaction volume



Source: Savills / Note: dotted line = forecast

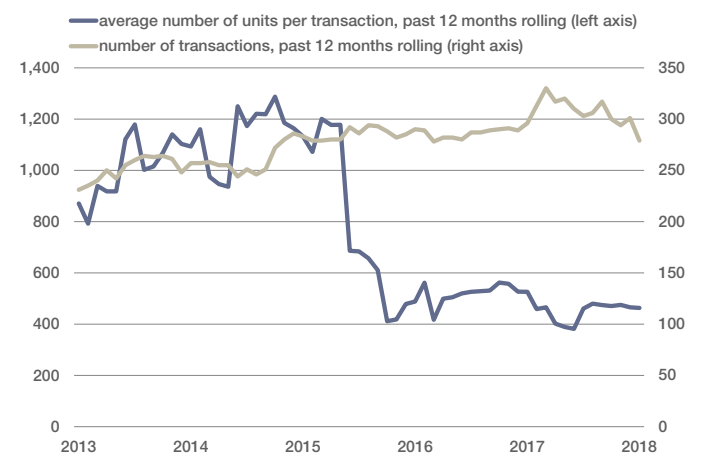
GRAPH 11 Traded units by size

- 50 < 100 units
- 100 < 250 units
- 250 < 1,000 units
- 1,000 < 5,000 units
- > 5,000 units



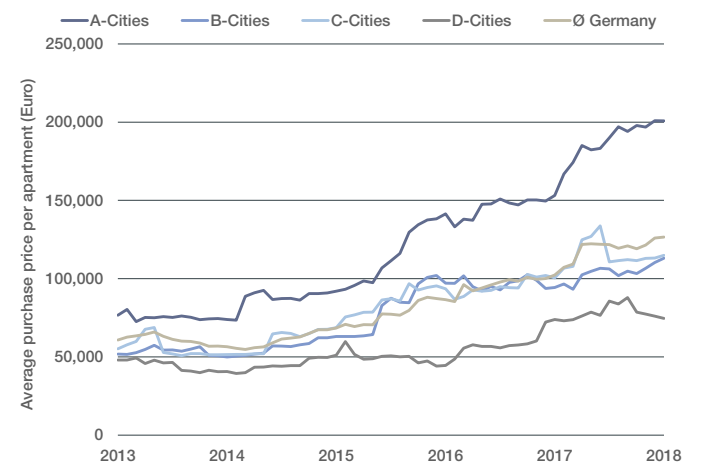
Source: Savills

GRAPH 10 Deal size and number of transactions



Source: Savills / Note: including portfolios

GRAPH 12 Development of prices



Source: Savills / Note: values are 12 months rolling; based on the Bulwiengesa classification

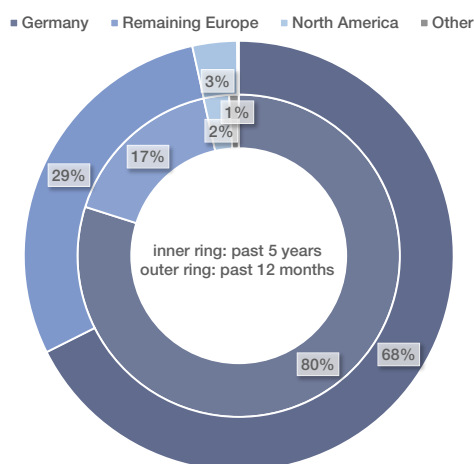
Residential investment market

TABLE 5
Traded units by city category

	Traded units					
	Sep 2018	Jan to Sep 2018	against Jan to Sep 2017	Oct 2017 to Sep 2018	against Sep 2017 to Aug 2018	against Oct 2016 to Sep 2017
A-cities	151	21,654	-16%	34,263	-9%	-16%
B-cities	442	17,139	-3%	25,445	-4%	-10%
C-cities	227	16,105	+152%	19,334	-5%	+26%
D-cities	280	14,639	+19%	18,478	-8%	+12%
Other	1,050	24,997	-19%	31,630	-11%	-42%
Germany	2,150	94,534	+2%	129,150	-8%	-17%

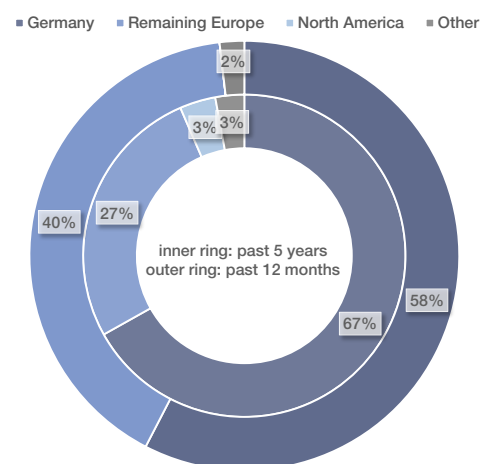
Source: Savills / Note: based on the Bulwiengesa classification

GRAPH 13
Transaction volume by origin of buyer



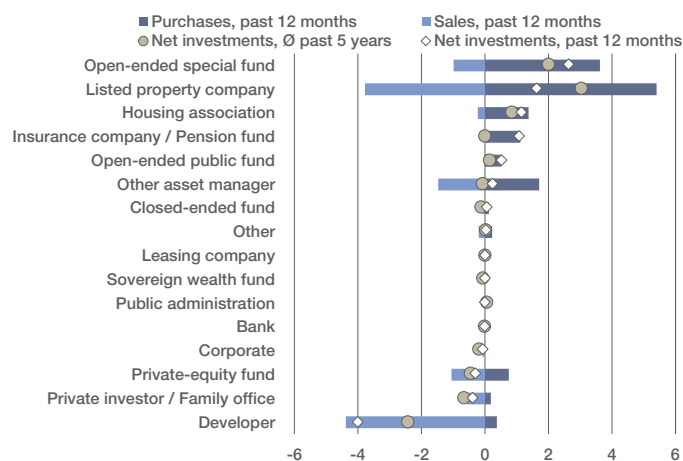
Source: Savills

GRAPH 14
Transaction volume by origin of seller



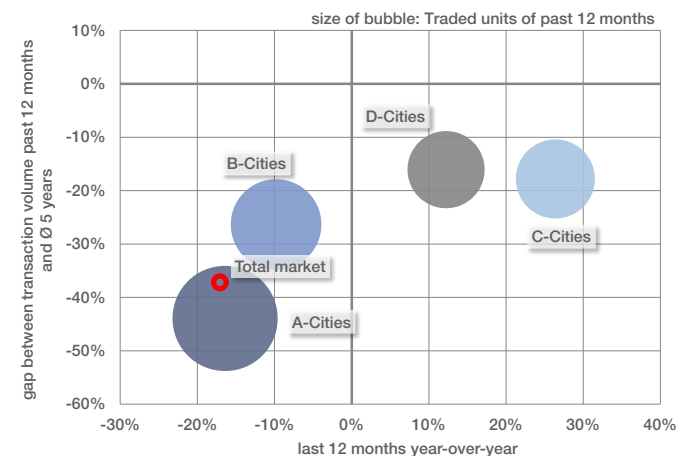
Source: Savills

GRAPH 15
Transaction volume by type of investor



Source: Savills

GRAPH 16
Traded units by city category



Source: Savills / Note: based on the Bulwiengesa classification

Residential investment market

TABLE 6
Top 20 transactions of the last six months*

Date	Name of portfolio Location(s)	Number of units	Volume (€m) ↓	Buyer	Seller
Aug 18	Century-Portfolio	3,700	ca. 900	PFA Pension, Domicil Beteiligungs GmbH	Industria GmbH
May 18	Berlin, Magdeburg	2,500	undisclosed	Blackstone Group Deutschland GmbH	Kauri CAB Management GmbH, Apeiron Capital Ltd.
Aug 18	Duisburg, Essen, Gelsenkirchen, Hagen	3,750	undisclosed	LEG Immobilien	Vivawest Wohnen GmbH
May 18	Berlin	690	undisclosed	GEWOBAG	Off Immobilien-Beteiligungs GmbH
Apr 18	nationwide	2,843	ca. 115	Benson Elliot Capital, Adler Real Estate AG	Adler Real Estate AG
May 18	Berlin	775	ca. 111	Covivio Immobilien GmbH	unknown Investor
Jun 18	Berlin, Butzbach, Mainz	391	ca. 106	Industria GmbH	Ten Brinke Groep B.V.
Jul 18	Berlin, Dresden, Langebrück, Schönborn	721	ca. 106	Covivio Immobilien GmbH	unknown Investor
May 18	Berlin	568	undisclosed	Covivio Immobilien GmbH	unknown Investor
May 18	Heidenheim	1,075	undisclosed	Peach Property Group AG	unknown Investor
May 18	Bonn	276	undisclosed	Bayerische Versorgungskammer	Instone Real Estate
Jun 18	Zwickau	2,940	ca. 90	ZBI Zentral Boden Immobilien AG, Union Investment	Vonovia SE
Aug 18	i. a. Berlin, Bielefeld, Düsseldorf	500	ca. 86	WealthCap Wealth Management Capital Holding GmbH	Domicil Beteiligungs GmbH
Sep 18	Münster	282	undisclosed	Vivawest Wohnen GmbH	CM Immobilien Entwicklung
Jul 18	Berlin	484	ca. 66	Heimstaden AB	unknown Family Office (Germany)
Jul 18	Singen	426	undisclosed	Deutsche Invest Immobilien (d.i.i.)	unknown Investor
Aug 18	Ostfildern	145	undisclosed	R+V Versicherung AG	HKPE Hofkammer
Apr 18	Munich	152	undisclosed	P&P Gruppe Bayern GmbH	unknown Family Office
May 18	Berlin	370	ca. 56	Accentro Real Estate AG	unknown Investor
Jul 18	Frankfurt	363	undisclosed	noratis GmbH	unknown Investor

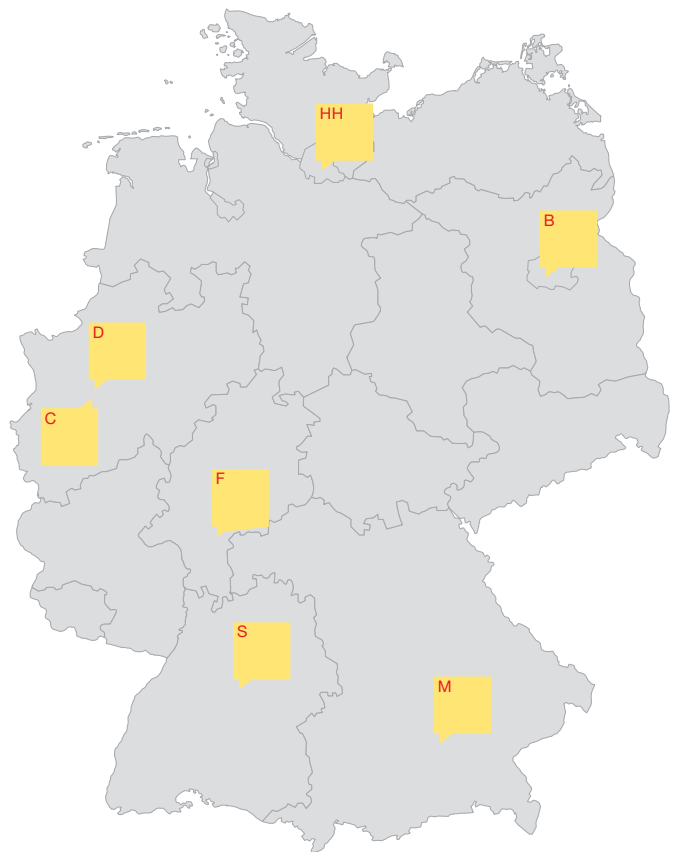
Source: Savills / * only published transactions are shown

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