

# Market in Minutes

## Germany commercial investment market

Q4 2018



### The market at a glance

2018 was a record year; momentum likely to subside in 2019

■ Record transaction volume! More than €60bn was invested in German commercial property last year, which is unprecedented (Graph 1, Table 1). Even more remarkably, the transaction volume has now exceeded €50bn for the fourth year in succession and the prospects are good that investment in 2019 will exceed this mark once again.

■ In terms of purchasers' country of origin, domestic investors further expanded their strong position from the previous year. German purchasers accounted for 57% of the overall transaction volume,

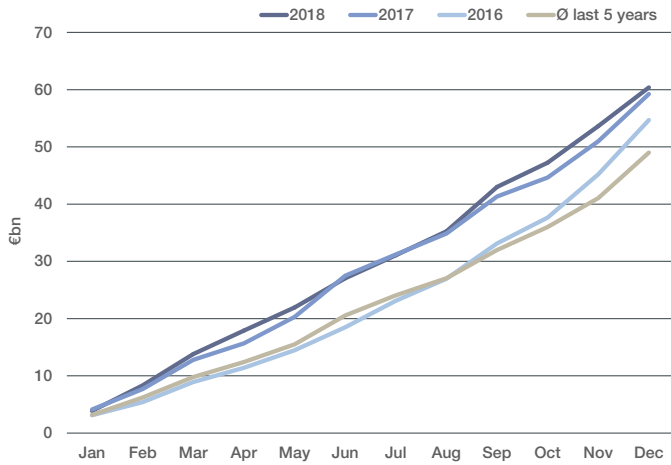
the highest proportion since 2013 (Graph 5). Domestic investors were also responsible for the highest net investment of €2.2bn. Conversely, American investors made net disposals of €4.3bn, making these by far the largest net vendor nation.

■ Of those investors that acquired German commercial property for at least €50m last year, around fifty were making their first investments in Germany in a decade. More than one in five of these new investors was an insurance company, pension scheme or pension fund.

■ The composition of investors, combined with the continued favourable environment, is likely to ensure that market activity remains buoyant this year. We expect investors to come under less pressure to invest, resulting in a modest decline in the transaction volume albeit from a record level.

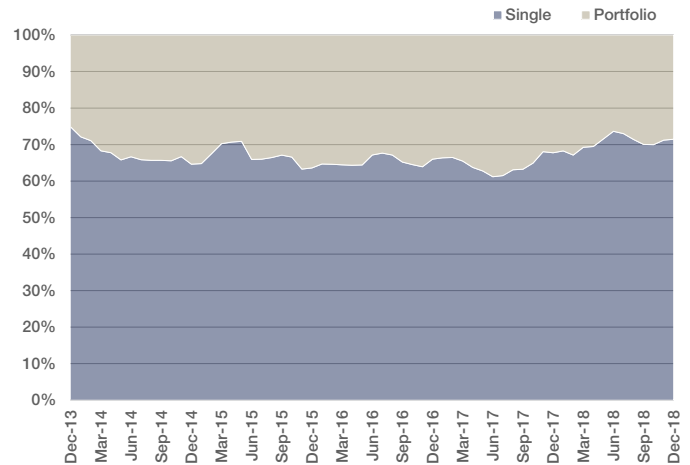
# Overview total market

**GRAPH 1**  
**Accumulated transaction volume**



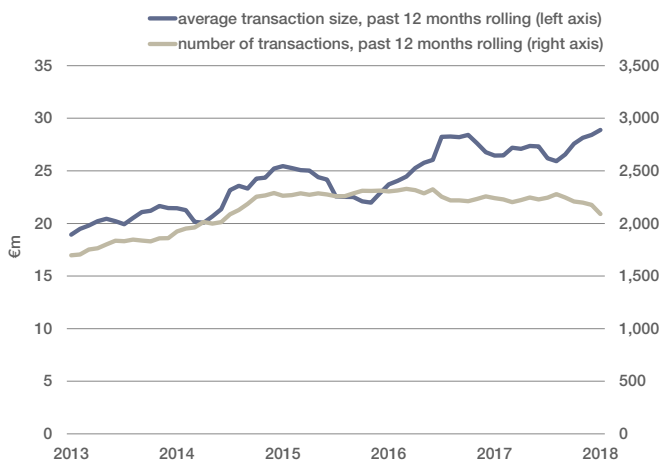
Source: Savills

**GRAPH 2**  
**Single and portfolio transaction volume**



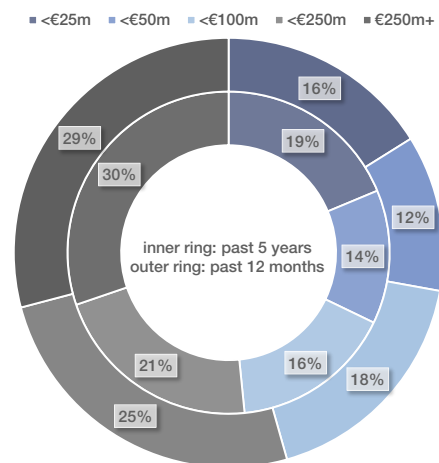
Source: Savills / Note: always past 12 months rolling

**GRAPH 3**  
**Deal size and number of transactions**



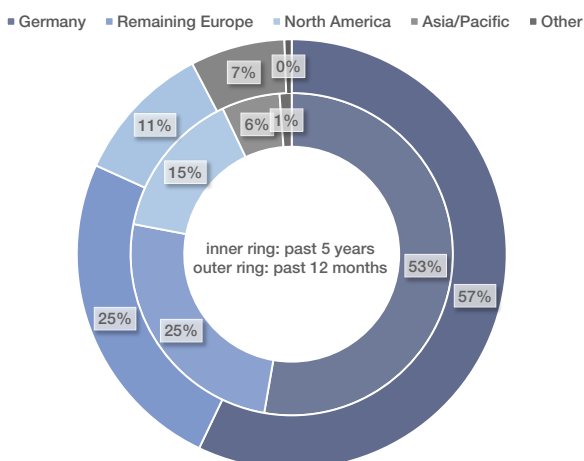
Source: Savills

**GRAPH 4**  
**Transaction volume by deal size**



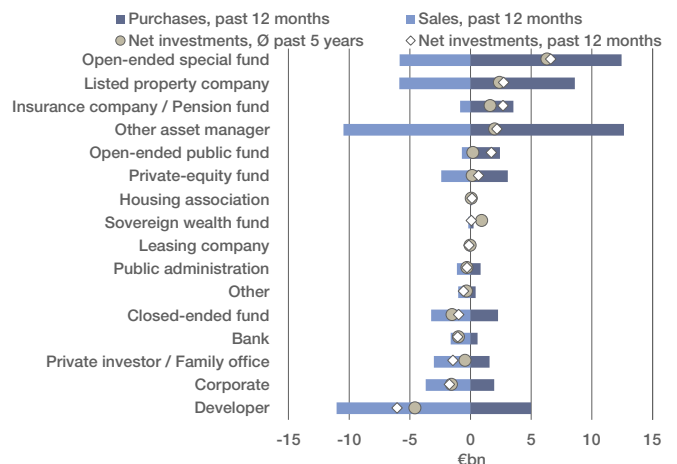
Source: Savills

**GRAPH 5**  
**Transaction volume by origin of buyer**



Source: Savills

**GRAPH 6**  
**Transaction volume by type of investor**



Source: Savills

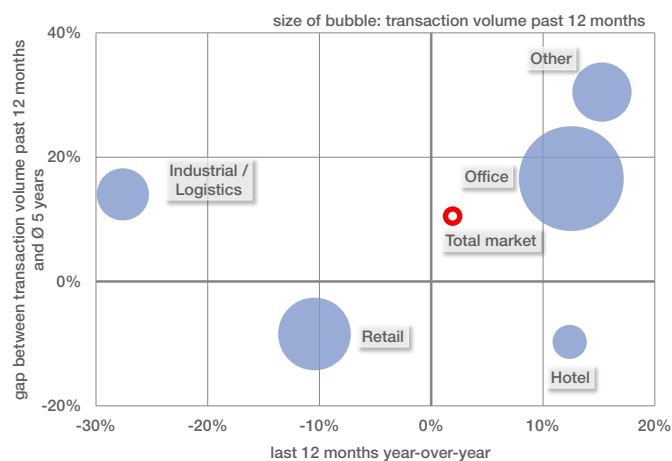
# Overview type of use

TABLE 1 Transaction volume by type of use

	Transaction volume (€m)			
	Q1 - Q4 2018	Annual change	Quarterly change	
Office	27,104	+13%	+9%	
Retail	12,991	-10%	-14%	
Industrial/Logistics	6,717	-28%	-14%	
Hotel	2,881	+12%	+8%	
Development land	2,056	+55%	+12%	
Other	8,630	+15%	-1%	
<b>Total</b>	<b>60,379</b>	<b>+2%</b>	<b>-1%</b>	

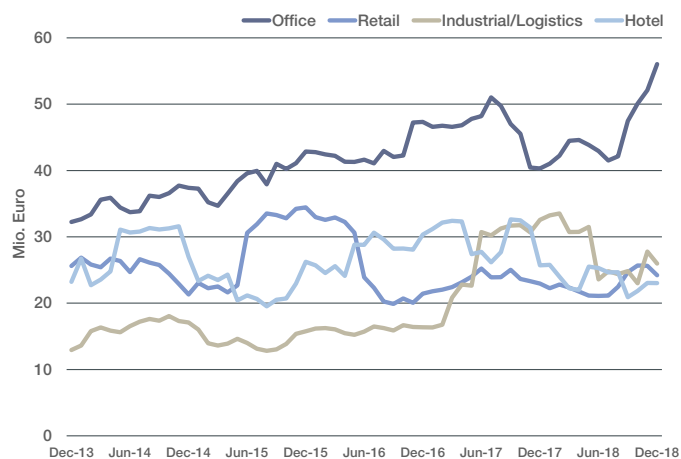
Source: Savills

GRAPH 7 Investment activity: level and momentum



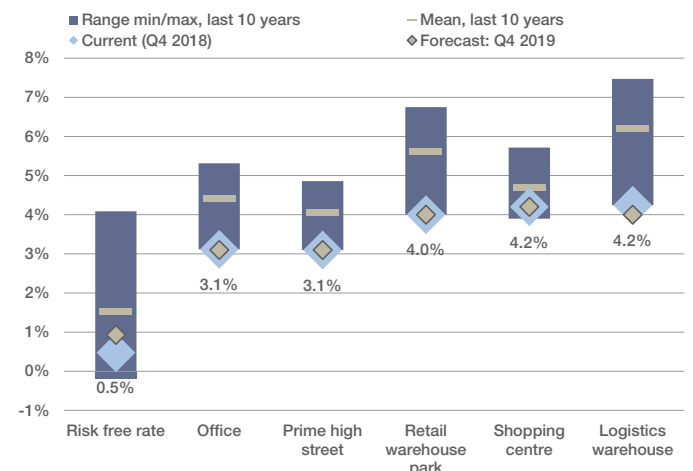
Source: Savills

GRAPH 9 Average size of transaction



Source: Savills / Note: always past 12 months rolling

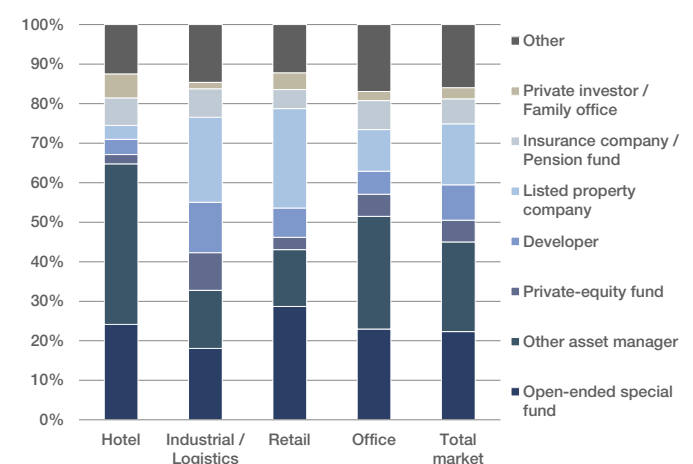
GRAPH 8 Prime yields



Source: Focus Economics, Savills

Note: always final values of the month, min/max = local extremes, Prime Yields = Ø Top7

GRAPH 10 Structure of buyer



Source: Savills / Note: values always past 12 months

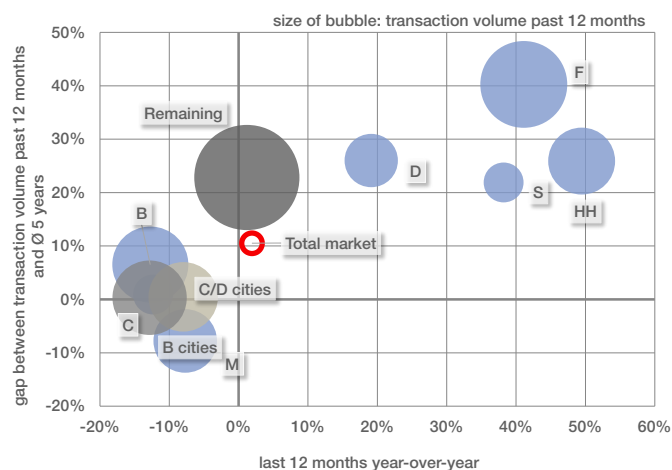
# Overview locations

TABLE 2 Transaction volume and yields by location

	Transaction volume (€m)			Prime Yield Office			Prime Yield Highstreet		
	Q1 - Q4 2018	Annual change	Quarterly change	Q4 2018	q-o-q change	y-o-y change	Q4 2018	q-o-q change	y-o-y change
Berlin (B)	6,845	-13%	+19%	2.9%	+/-0bps	-10bps	3.1%	+/-0bps	-20bps
Düsseldorf (D)	3,377	+19%	-10%	3.3%	+/-0bps	-40bps	3.1%	+/-0bps	-50bps
Frankfurt (F)	8,938	+41%	-3%	2.9%	-10bps	-20bps	2.8%	+/-0bps	-10bps
Hamburg (HH)	5,304	+49%	+3%	3.0%	+/-0bps	-30bps	3.1%	+/-0bps	-10bps
Cologne (C)	1,885	-12%	+13%	3.5%	+/-0bps	-20bps	3.6%	+/-0bps	+/-0bps
Munich (M)	4,779	-8%	-9%	2.9%	+/-0bps	+/-0bps	2.5%	+/-0bps	-40bps
Stuttgart (S)	1,882	+38%	+9%	3.3%	+/-0bps	+/-0bps	3.5%	+/-0bps	-30bps
Germany*	60,379	+2%	-1%	3.1%	-1bps	-17bps	3.1%	+/-0bps	-23bps

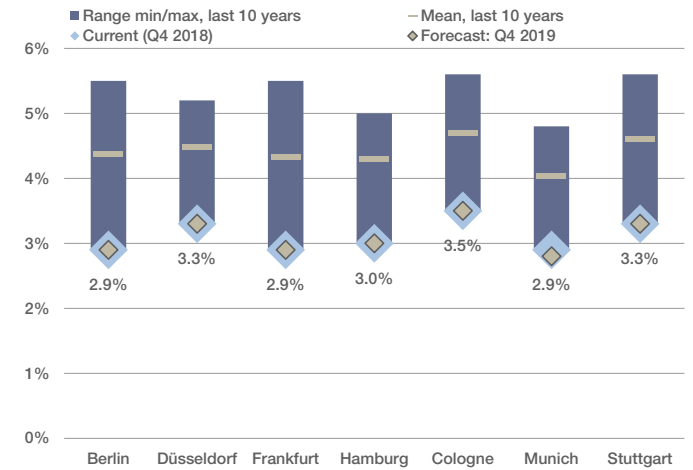
Source: Savills / \* Prime Yields = Ø Top 7

GRAPH 11 Investment activity: level and momentum



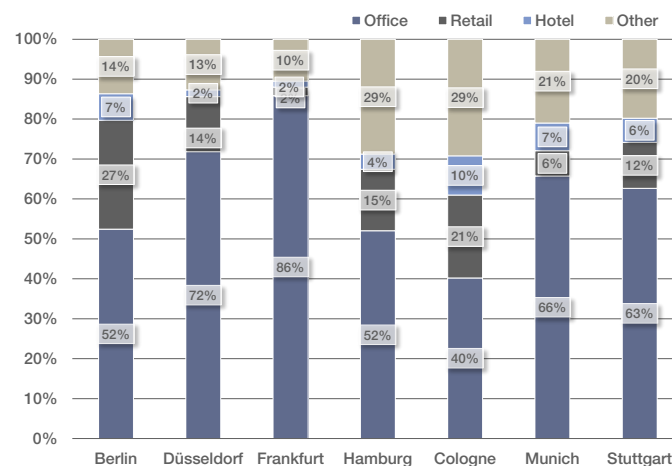
Source: Savills / Note: based on the Bulwiengesa classification

GRAPH 12 Office prime yields



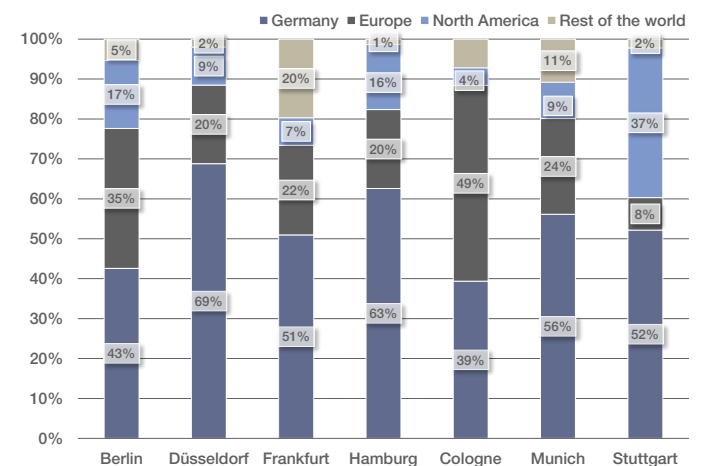
Source: Savills  
Note: always final values of the quarter, min/max = local extremes, Prime Yields = Ø Top 7

GRAPH 13 Transaction volume by type of use



Source: Savills / Note: values always past 12 months

GRAPH 14 Transaction volume by origin of buyer



Source: Savills / Note: values always past 12 months

## Overview transactions

TABLE 3  
Top 20 transactions of the last twelve months\*

Date	Property / Portfolio	Location(s)	(Mayn) Type of property	Volume (€m) ↓	Area (sq m)	Buyer	Seller
Sep 18	Karstadt-Kaufhof Fusion (39 prop.)	nationwide	Retail	undisclosed	533,900	SIGNA Holding	Simon Property Group, Hudson's Bay Company (HBC)
Apr 18	Takeover Brack Capital	Bremen, Hannover, Kiel, Leipzig	Mixed-use property	undisclosed	722,000	Adler Real Estate AG	Redzone Empire Holding Limited
Jun 18	Klinikportfolio (71 properties)	nationwide	Community welfare property	ca. 815	n/a	Primonial	Medical Properties Trust
Sep 18	Omniturm	Frankfurt	Office	ca. 700	54,300	Commerz Real AG	Tishman Speyer
Nov 18	Trianon	Frankfurt	Office	ca. 670	68,400	Hana Financial Group, IGIS Asset Management Co Ltd	NorthStar
Nov 18	Laetitia (32 properties)	nationwide	Logistics and Industry buildings	ca. 630	538,000	Beos AG	aurelis Real Estate GmbH & Co. KG
Dec 18	Portfolio (5 properties)	u. a. Berlin, Frankfurt, Hamburg	Office	ca. 574	73,000	Amundi Real Estate (France)	Warburg-HIH
Dec 18	Eurotower	Frankfurt	Office	ca. 530	46,600	Fubon Life	PATRIZIA Immobilien Kapitalanlagegesellschaft mbH
Nov 18	Optimus Prime (12 properties)	u. a. Berlin, Hamburg	Logistics and Industry buildings	ca. 520	565,000	Landesbank Hessen-Thüringen (Helaba)	Beos AG
Mrz 18	Behördenzentrum	Frankfurt	Office	ca. 500	88,200	Aroundtown Property Holdings Plc.	WealthCap Wealth Management Capital Holding GmbH
Feb 18	Alpha-Portfolio (18 properties)	nationwide	Logistics and Industry buildings	undisclosed	447,500	Frasers Centrepoint Limited	Alpha Industrial GmbH & Co. KG
Apr 18	Geneba-Portfolio (17 properties)	nationwide	Logistics and Industry buildings	ca. 450	431,600	Frasers Centrepoint Limited	Frasers Centrepoint Limited
Sep 18	Karstadt/Kaufhof-Fusion (2 prop.)	Düsseldorf, Köln	Retail	ca. 430	146,000	SIGNA Holding	Simon Property Group, Hudson's Bay Company (HBC)
Aug 18	Junghof Plaza	Frankfurt	Mixed-use property	ca. 400	32,700	Triuva Kapitalverwaltungsgesellschaft mbH	PGIM Real Estate, FGI Frankfurter Gewerbeimmobilien
Jan 18	Springer Quartier	Hamburg	Mixed-use property	ca. 400	56,000	Ärzteversorgung Mecklenburg-Vorpommern	Black Horse Investments GmbH
Dec 18	Oskar	Munich	Office	ca. 390	26,000	SwissLife Asset Management GmbH	Hines Immobilien GmbH
Sep 18	Portfolio (2 properties)	Frankfurt	Office	undisclosed	53,700	Warburg-HIH	aurelis Real Estate GmbH & Co. KG
Aug 18	Pflegen&Wohnen Portfolio (13 prop.)	Hamburg	Community welfare property	undisclosed	n/a	Deutsche Wohnen AG	Oaktree Capital Management LP
Sep 18	Global Tower	Frankfurt	Office	undisclosed	33,000	Hansainvest - Hanseatische Investment GmbH	GEG German Estate Group AG
May 18	Gallileo	Frankfurt	Office	ca. 356	40,500	CapitaLand Limited	Triuva Kapitalverwaltungsgesellschaft mbH

Source: Savills / \* only published transactions are shown

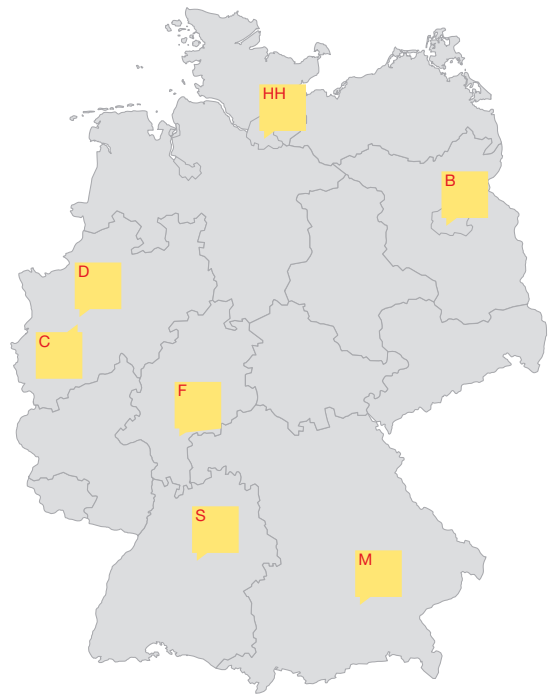
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