

Retail investment market by types of uses

Whilst in the top locations most investments concerned shopping centres and high street properties, outside these markets investments in retail parks and retail warehouses, supermarkets and discounters were the most prevalent. At €2.8bn, almost 45% of the total transaction volume for Germany as a whole was invested in this asset type. This means that the volume of investments increased by €1.3bn (+87%) over an equally strong comparable period. The largest transactions in this segment took place in the first half of the year, including the sale of the Taurus Investment Holding supermarket portfolio to Pramerica Real and the Third Swedish National Pension Fund (AP3), the re-purchase of the Sokrates portfolio with ten real-stores by Metro AG, as well as acquisition of shares in around 350 Moeller-Maersk Netto stores by the Danish Salling Group. The third quarter saw the portfolio purchase of eight Kaufland properties by GLL Real Estate Partners for a nine digit sum.

In the shopping centre segment, the volume was relatively unchanged since last year at over €2bn. This corresponds to 32% of the total volume. A major contributor to this was the share acquisition by Unibail-Rodamco in both CentrO Oberhausen and the shopping centre developer mfi AG. Other high volume transactions in this segment included the purchase of the Christie portfolio by a joint venture of Morgan Stanley Real Estate Investing and Redos Real Estate in the first quarter, and the sale of the Duesseldorf Kö-Galerie by Blackstone to Allianz Real Estate.

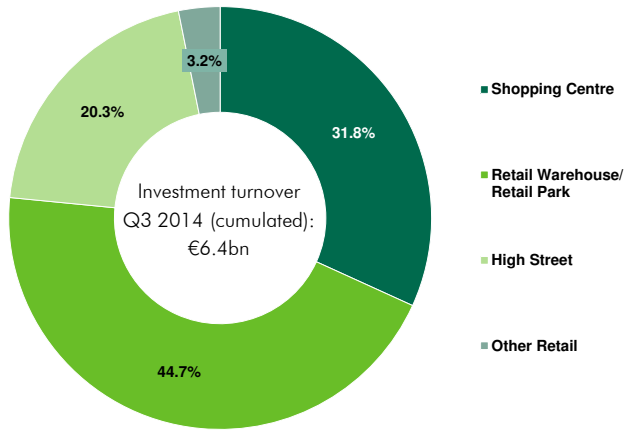
As a result of the very limited availability of product, the volume invested in high street properties reduced by almost 43% to its current level of almost €1.3bn or one fifth of the total volume, despite the unwavering very high demand from real estate investors. Around half of the transaction volume was generated in the five top locations and included the sales of a number of department stores in single asset transactions. In general, however, few portfolio transactions involved this asset type.

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The strongest purchaser group over the past three quarters was asset/fund managers, which accounted for around €1.3bn or 20% of the total investments. Around three quarters of their investments took place in regional centres and second-tier locations, including the Christie portfolio. Second place was assumed by listed real estate companies and REITs with around €1.1bn or almost 17%, which invested almost exclusively outside the investment centres. Open-ended property funds and special funds in particular invested the third highest volume of over €1bn or 16%, with over half of this sum invested in large-scale single retail properties (retail parks, local shopping centres, hypermarkets etc.).

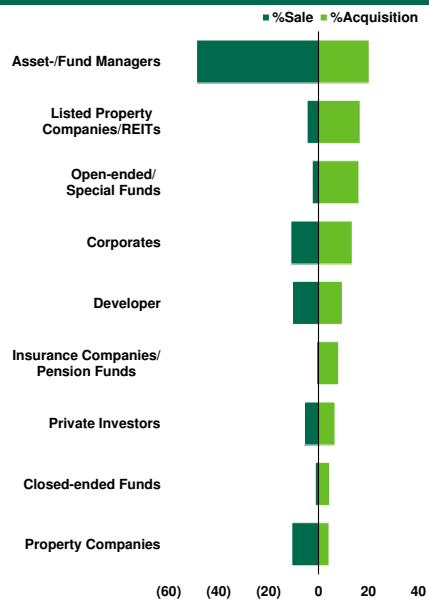
Asset/fund managers were also the most active on the sell-side, disposing of retail properties for more than €3bn and therefore almost half of the total volume. Once again these include the Kö-Galerie in Duesseldorf as well as four properties from the Christie portfolio.

Chart 2: Investment turnover by types of uses



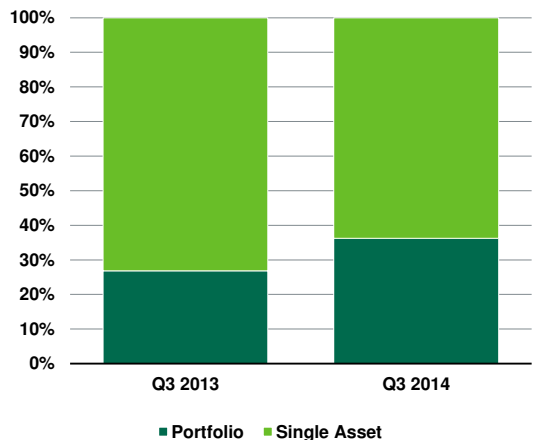
Source: CBRE Research

Chart 3: Investment turnover by investor type



Source: CBRE Research

Chart 4: Investment turnover by portfolio ratio



Source: CBRE Research