



German Listed Real Estate:

Finally Grown Up

08 October 2015

VONOVIA

DES
Deutsche EuroShop

TAG wohnen

VIB Vermögen AG

TLG
IMMOBILIEN

BUWOG
group

fair value
REIT

LEG
gewohnt gut.

Deutsche Office

alstria
First German REIT

PATRIZIA
WERTE ENTSCHEIDEN

Deutsche
Wohnen

DIC

WCM

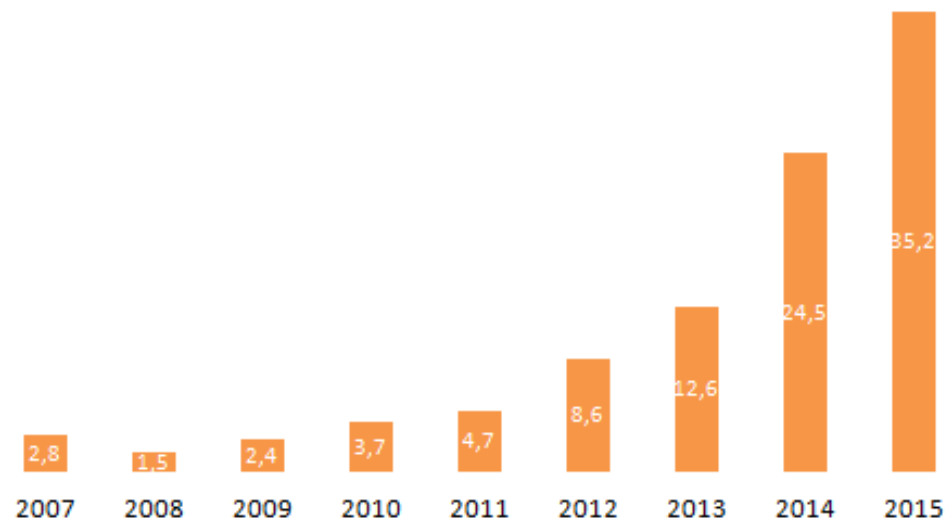
hamborner
REIT
ZUKUNFT BRAUCHT SUBSTANZ

POLIS



Long Term Development of Top 18 Free Float

Investible Market Cap of German RE Companies (in EURbn)



Source: Company data, Bloomberg, ZIA/Barkow Consulting

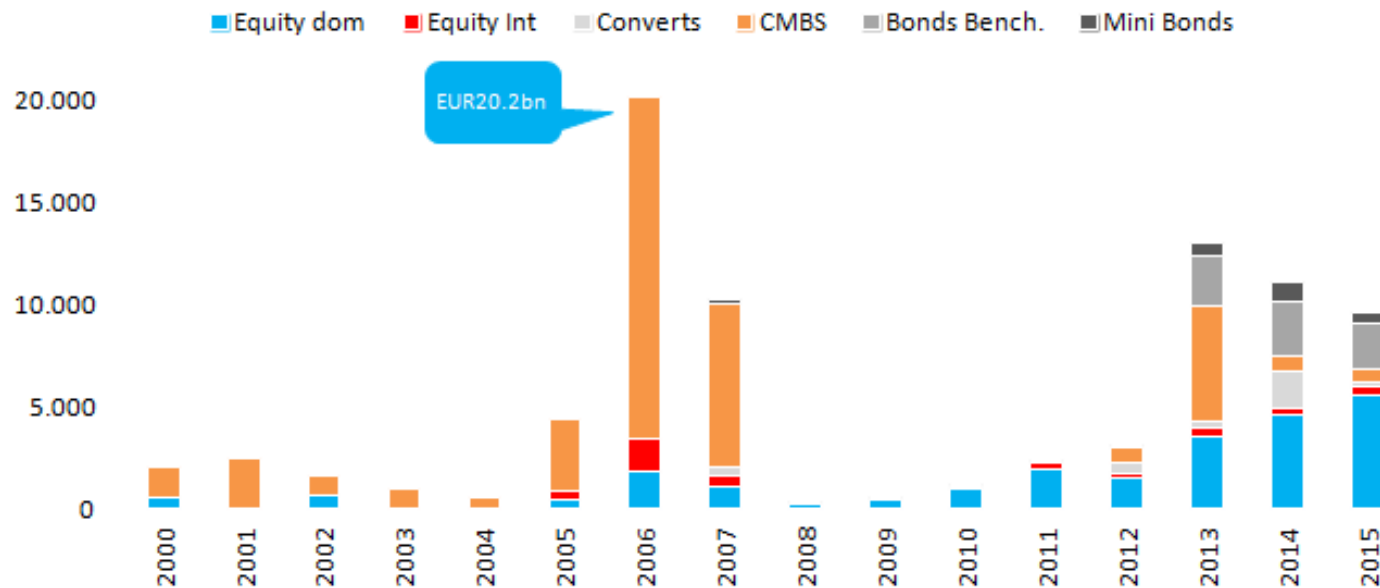
The listed Real Estate sector has increased substantially since 2008.

Investible Free Float up from EUR1.5b in 2008 to EUR35bn in 2015.



German Real Estate Capital Markets Funding by Instrument

German RE Capital Markets Funding by Instrument (in € m)



Capital Markets play an increasingly important role as capital providers.

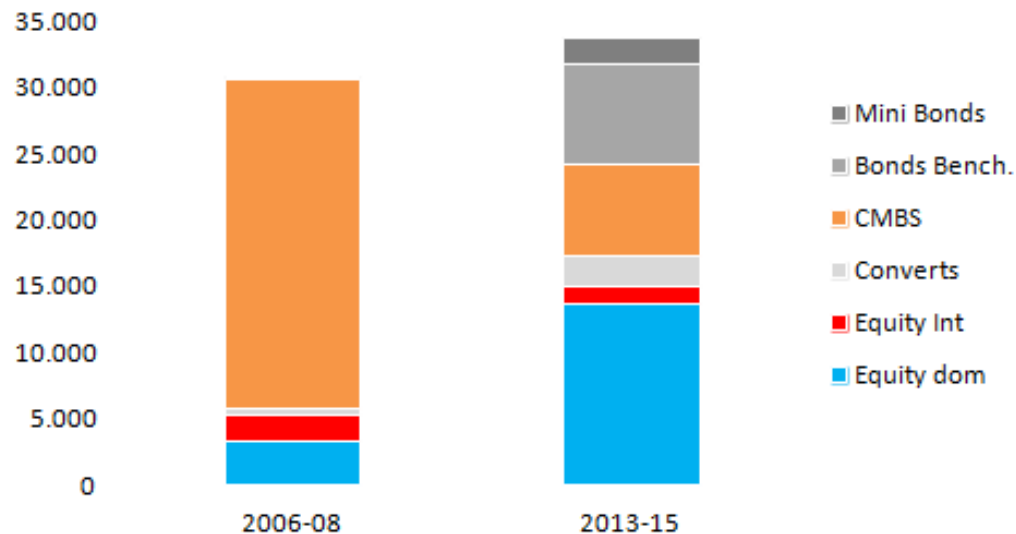
But: Capital markets funding is still below 2006 peak.

Source: Akselrod Consulting/Barkow Consulting 'German RE Capital Markets Database'



German Real Estate Capital Markets Funding by Instrument

German RE Capital Markets Funding by Instrument (in € m)



Source: Akselrod Consulting/Barkow Consulting 'German RE Capital Markets Database'

Wide range of capital markets instruments used.

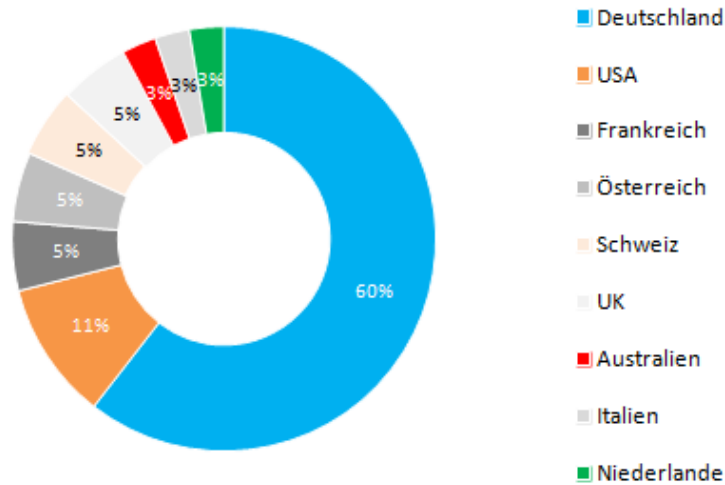
Capital Markets Funding currently dominated by equity.

Reduced significance of CMBS.

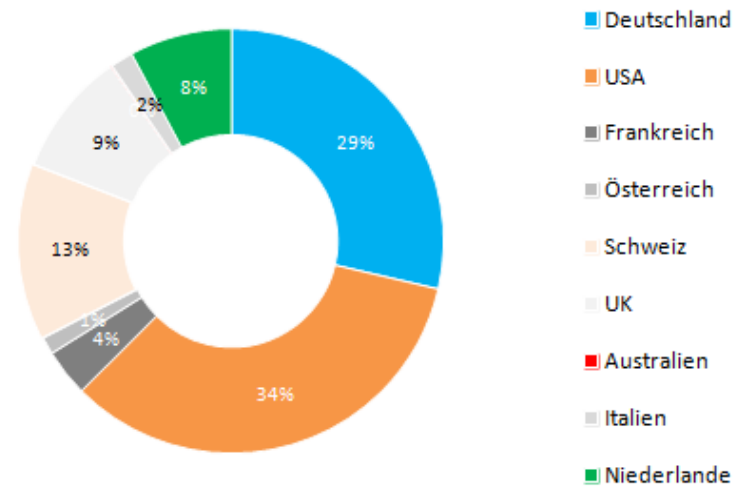


Banks Active in German Real Estate ECM

Banks Active in German Real Estate ECM (# of Banks by country)



Banks Active in German Real Estate ECM (Capital Placed by Country of Bank)



Source: Akseirod Consulting/Barkow Consulting 'German RE Capital Markets Database'

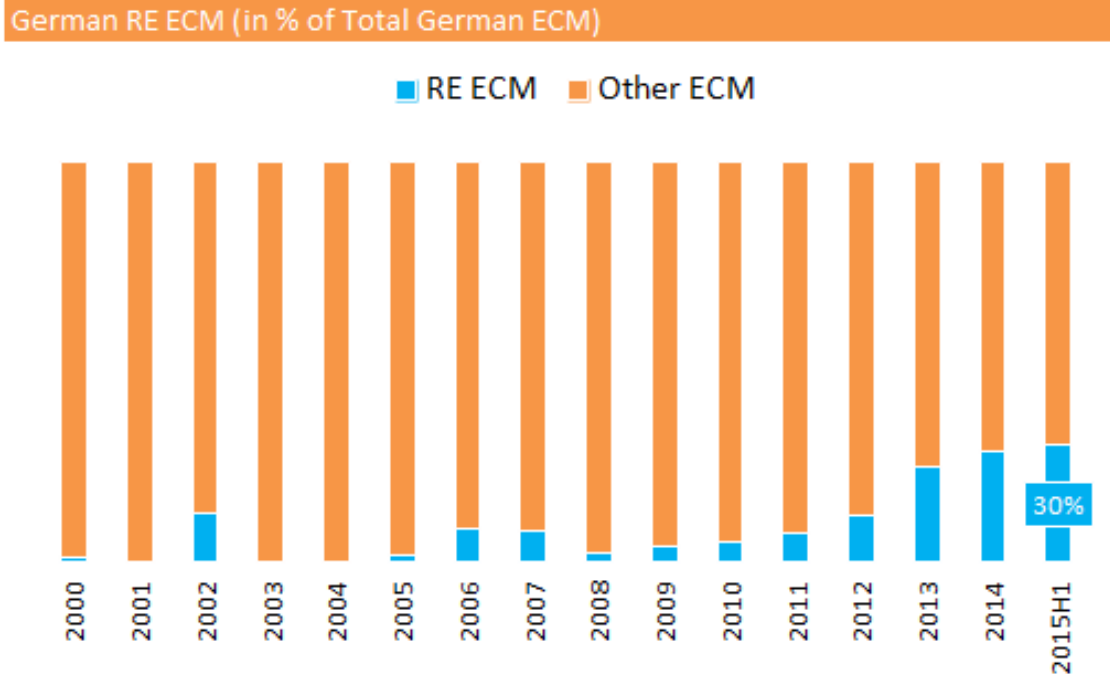
Source: Akseirod Consulting/Barkow Consulting 'German RE Capital Markets Database'

38 banks have been active in German real estate ECM since 2009.

German and US banks dominate.



Real Estate in % of German Equity Capital Markets



Real Estate with strongly rising importance in German Equity Capital Markets business:

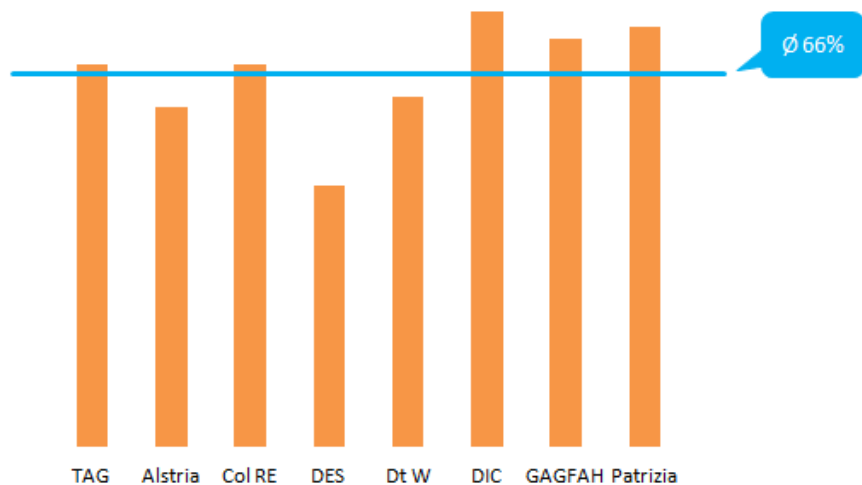
Real Estate reached 30% share of German ECM business in H1 2015.

Source: Thomson Reuters, Akselrod Consulting | Barkow Consulting 'German RE Capital Markets Database'



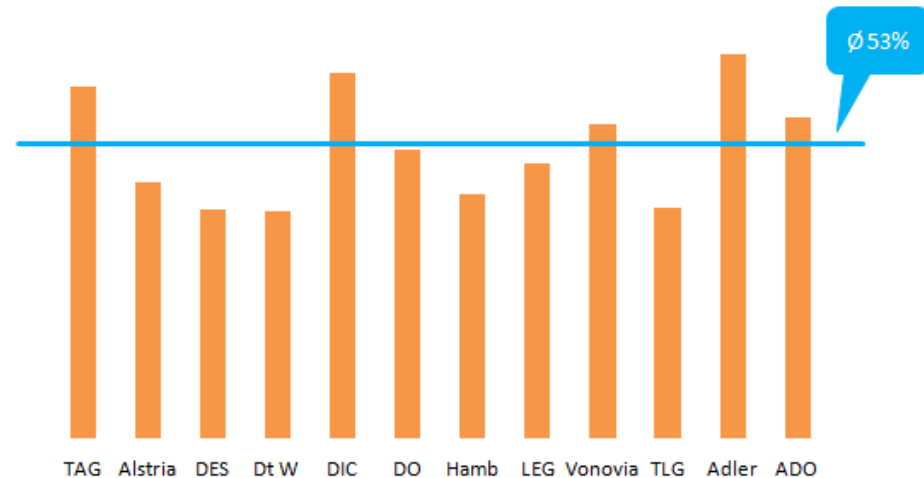
Leverage of German Listed RE Companies

LTV of German Real Estate Companies 2009 (in % of Gross Assets)



Source: EPRA, ZIA/Barkow Consulting

LTV of German Real Estate Companies 2015 (in % of Gross Assets)



Source: EPRA, ZIA/Barkow Consulting

The listed Real Estate sector has deleveraged since 2009.

But: LTV is still strongly above EU average of 38%.



German Real Estate Companies in Deutsche Börse Rankings

	Markt Cap Rank	Turnover Rank	Index
Vonovia	22	31	DAX30
Dt Wohnen	32	40	MDAX
LEG	47	59	MDAX
Dt. ES	66	79	MDAX
TAG	81	90	MDAX
ALSTRIA	90	107	SDAX
TLG	96	126	SDAX
PATRIZIA	97	116	SDAX
Hamborner	124	135	SDAX
DIC	136	128	SDAX
Adler	139	127	SDAX
WCM	161	164	n/a

Quelle: Deutsche Börse, ZIA/Barkow Consulting

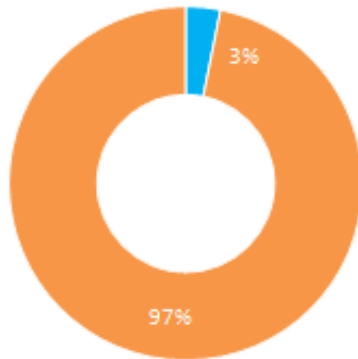
Real Estate sector has increased in importance.

Currently 1 DAX30 member, 4 DMAX members and 6 SDAX members.



Real Estate Share DAX30/MDAX/SDAX (in % of Free Float)

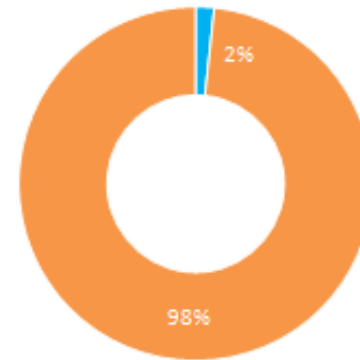
■ FF RE ■ FF Total



Source: Deutsche Börse, ZIA/Barkow Consulting

Real Estate Share DAX30 (in % of Free Float)

■ FF RE ■ FF Total



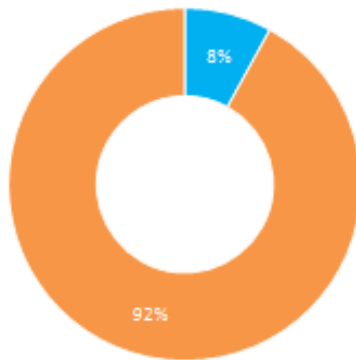
Source: Deutsche Börse, ZIA/Barkow Consulting

Real Estate represents 3% of combined DAX30/MAX/SDAX free float.
Real Estate represents 2% of DAX30 free float.



Real Estate Share MDAX (in % of Free Float)

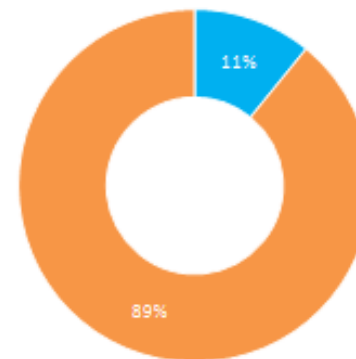
■ FF RE ■ FF Total



Source: Deutsche Börse, ZIA/Barkow Consulting

Real Estate Share SDAX30 (in % of Free Float)

■ RE ■ Andere

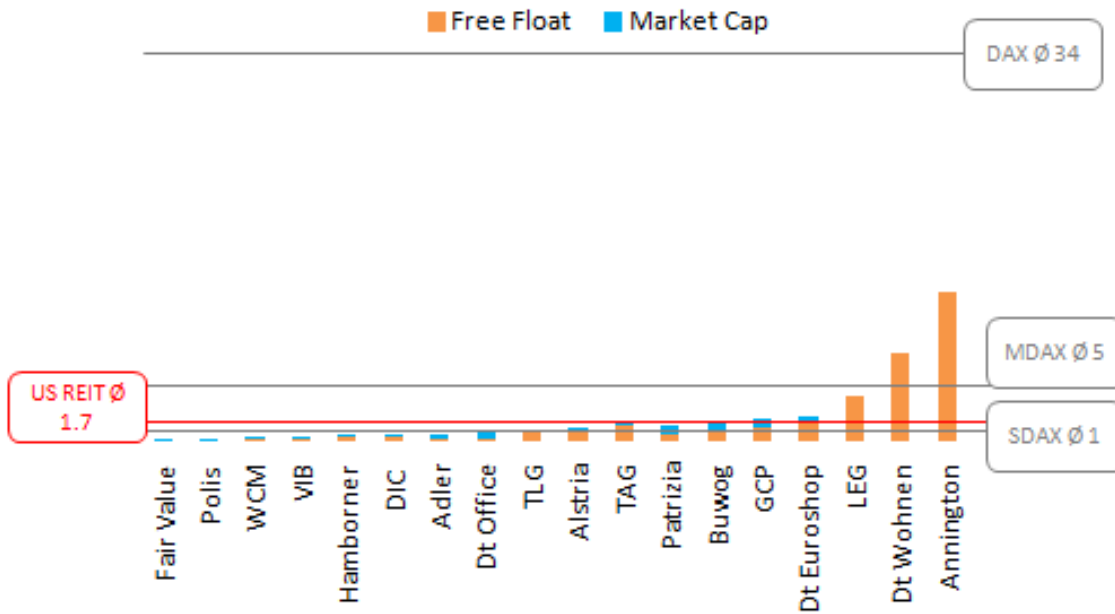


Source: Deutsche Börse, ZIA/Barkow Consulting

Real Estate represents 8% of MDAX free float.
Real Estate represents 11% of SDAX.

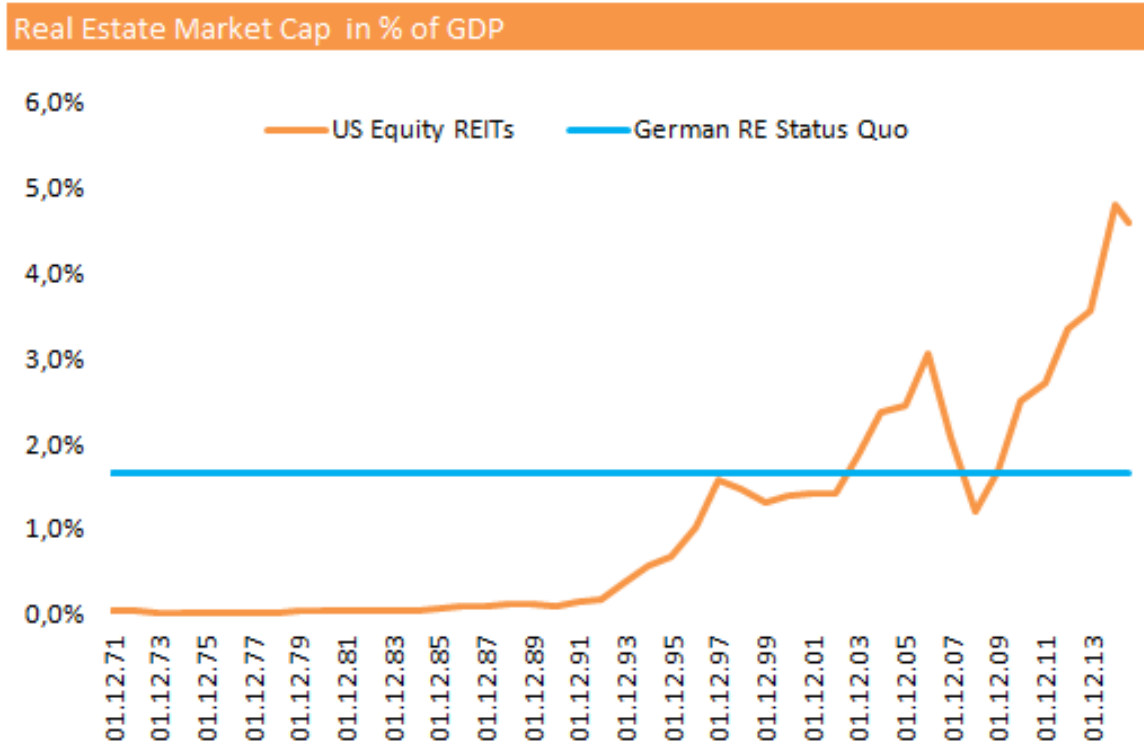


Real Estate Companies Market Caps vs Index Averages & US REITs (in EURbn)



Source: Company data, Bloomberg, Deutsche Börse, ZIA/Barkow Consulting

The average market cap of our group of real estate companies of EUR 2.2bn is ahead of the average for US REITs ...
... exceeds the average of the SDAX and has narrowed gap to the MDAX average.

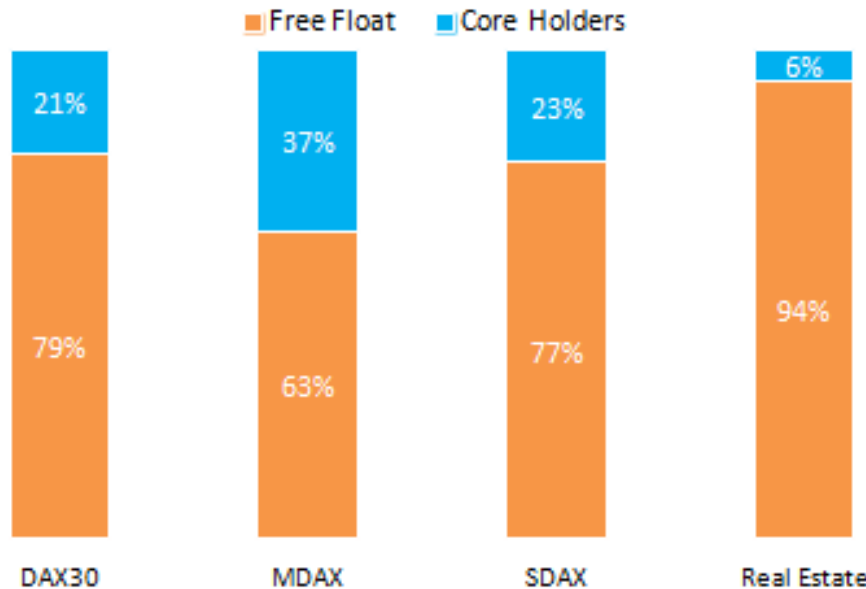


Source: NAREIT, Ellwanger & Geiger, United Nations National Accounts Main Aggregates Database, US Census, ZIA/Barkow Consulting

Listed Real Estate in Germany has reached the status of the US REIT sector before the financial crisis.



Free Float vs Core Holders



The listed Real Estate sector is largely independent from strategic or core holders/investors.

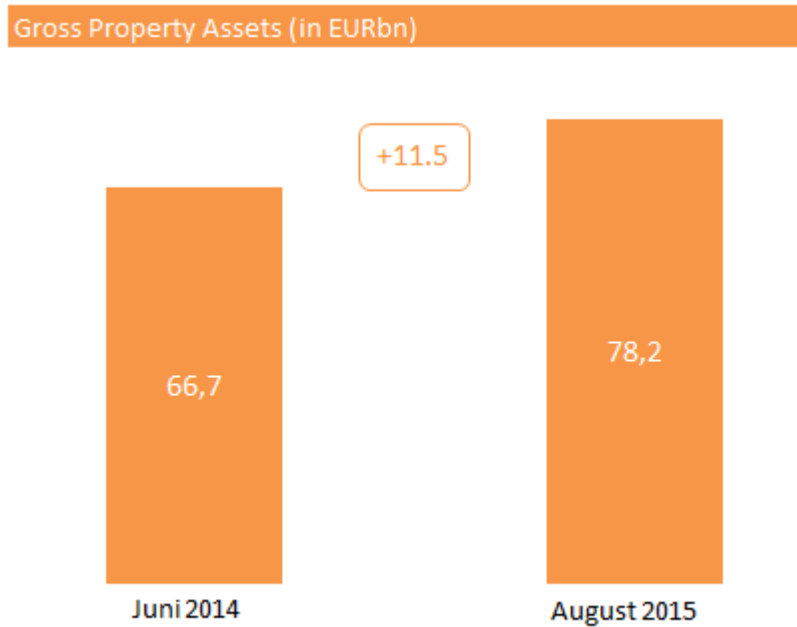
Whereas DAX30, MDAX and SDAX are dominated by core holders ...

... when considering low voting right presence at Annual General Meetings.

Source: Deutsche Börse, ZIA/Barkow Consulting



Development of Gross Property Value



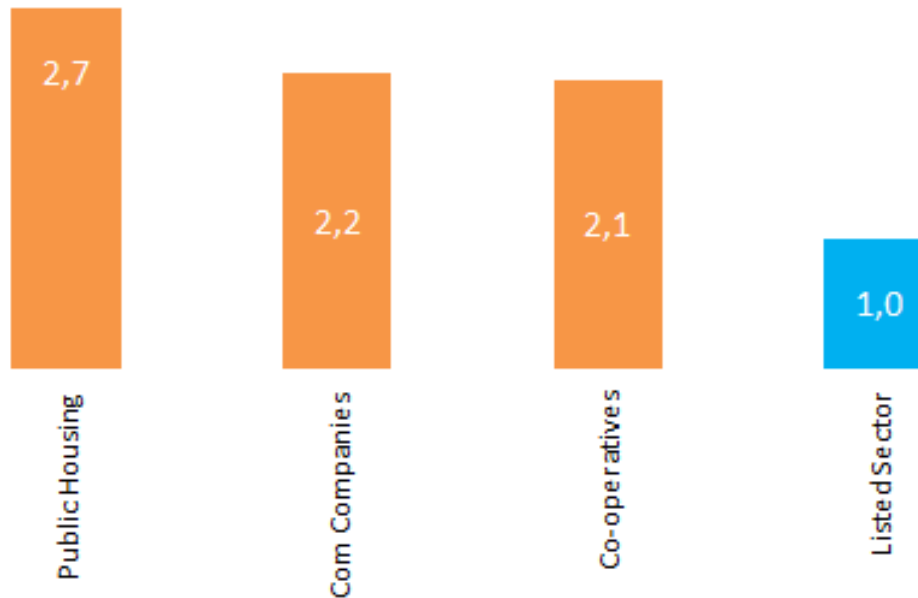
Source: Company data, Bloomberg, Ellwanger & Geiger, ZIA/Barkow Consulting

Listed Real Estate is an important part of the German real estate market.

Gross Property Assets increased to EUR 78bn (up 17 % or EUR 11.5bn yoy).



Listed Real Estate vs Other Owners (in m housing units)



Listed Real Estate is an increasingly important component of the German residential market:

1m housing units owned by listed companies compared to 2.7m that are in the public hands.

Source: destatis Zensus 2011, ZIA/Barkow Consulting



Thank You For Your Attention

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