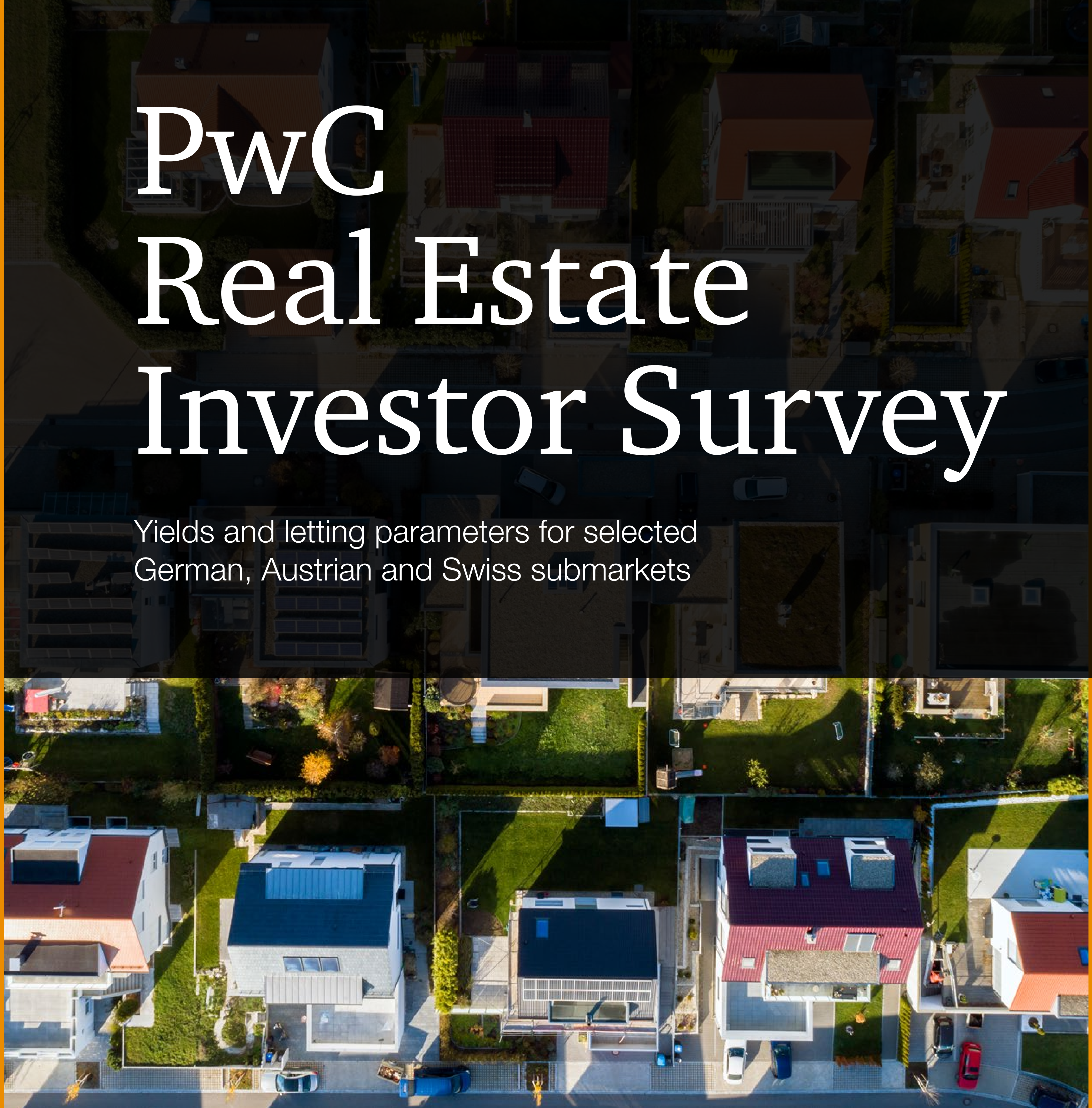

PwC Real Estate Investor Survey

Yields and letting parameters for selected German, Austrian and Swiss submarkets

Germany, Austria
and Switzerland

pwc.de/investor-survey
pwc.ch/realestate
pwc.at/real-estate

pwc

Spotlight

Beds and sheds - Everybody's darling in times of COVID-19?

Volume 12
November 2020

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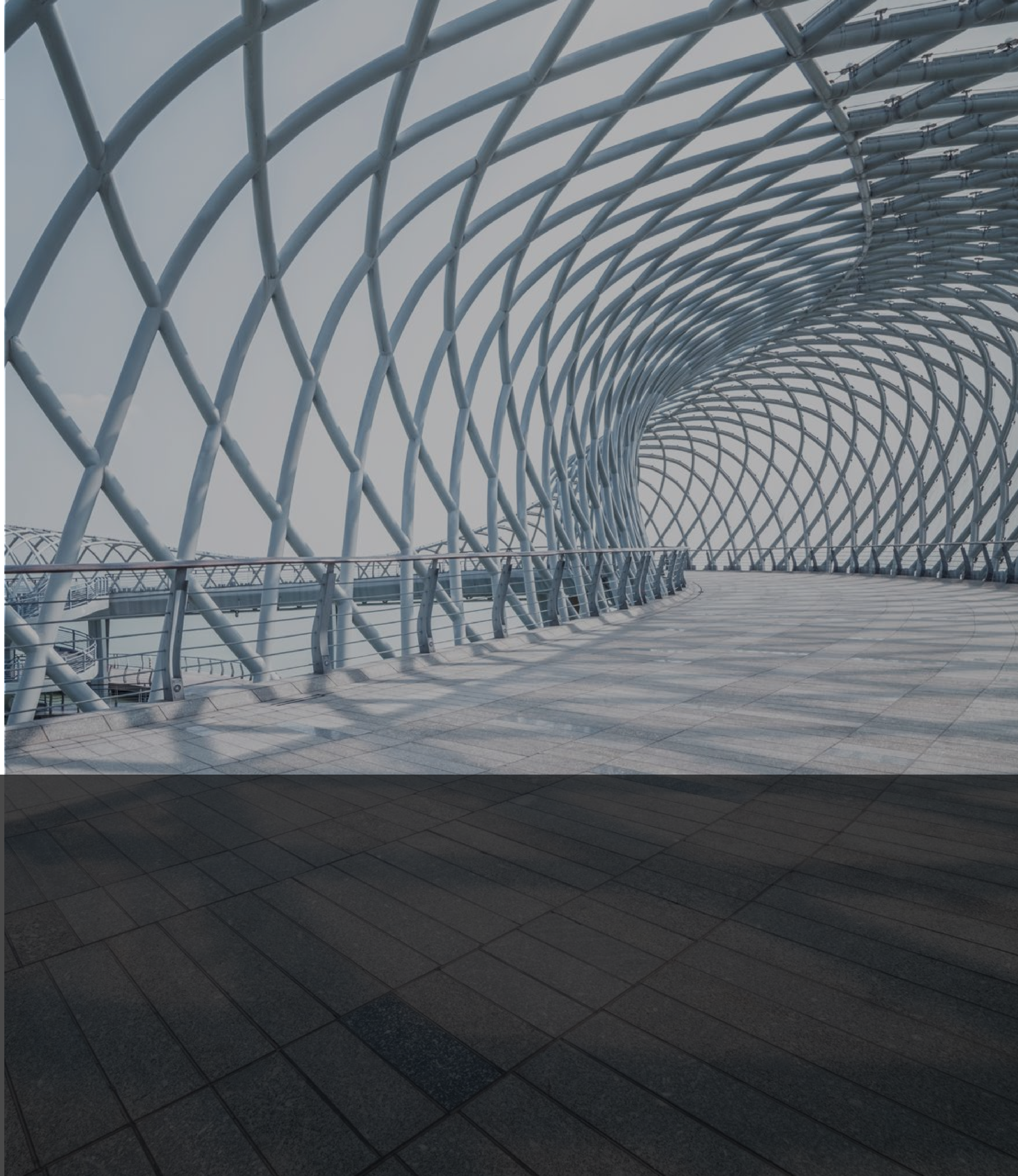
Contents



Introduction

Introduction

The data we retrieved on the German submarkets supports further positive, albeit decelerated development of the real estate market. These trends are reflected in the “all-risk-yields” (“Yields”) which represent the relationship between the stabilised net operating income (NOI) and net purchase price.

In addition, we discussed with the participants of this survey, if they consider deviating from their initial investment strategy to alternative real estate classes or geographical locations that differ from their investment profile, to achieve higher returns in the ongoing low yield environment.

We gather out data by interviewing various types of market participants, like fund, investment or asset managers. For an overview of the results and for our approach and definitions, please refer to respective section.

Germany

Despite the COVID-19 crisis, the interviewed investors were positive about the German real estate investment market, which is reflected in further yield compressions.

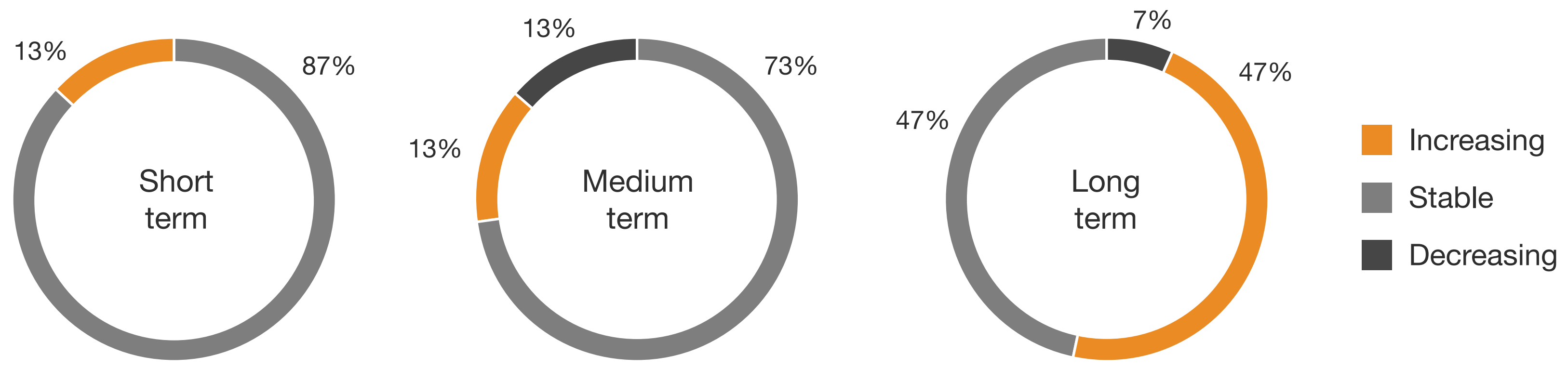
Compared to the last survey, investors are more willing to invest in German secondary market location - especially in office properties. Generally, there is still ongoing yield compression for offices in Top 7 locations but weaker compared to B locations and previous years.

The retail market is recovering and showed in Top 7 Cities a yield compression in 10 bps on average, after we reported a decrease six months ago. Logistics’ popularity is still growing, regardless of its location - tenant, remaining lease term and property size are moving more into focus.

All in all, office and logistics continue to be the most attractive German markets.

Germany

Interest rate expectation



Short term

In line with the survey results six months ago, the majority of the investors still believe that the short-term interest rates will remain stable over the next 12 months.

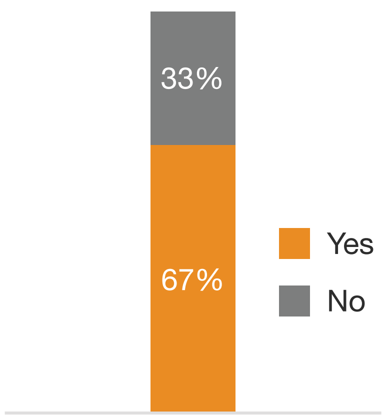
Medium term

Unlike the expectations 12 months ago when investors believed that medium term interest rates will increase, the majority of the investors now expect interest rates to remain stable over the next five years.

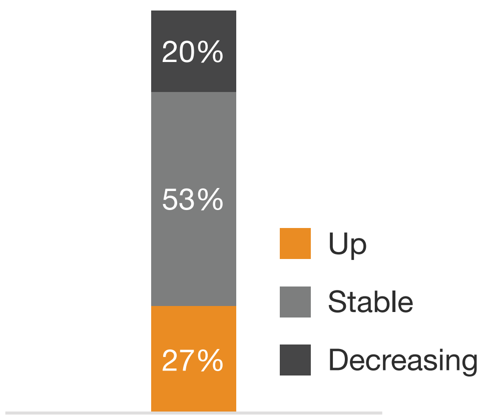
Long term

Similar to the results six months ago, long-term interest rates are expected to increase.

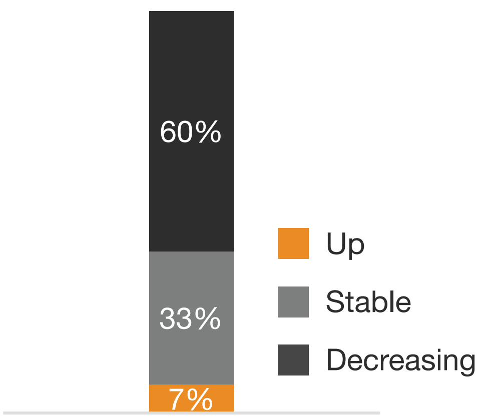
Investors’ expectations regarding yields and rent



Will property yields increase in line with general trend in interest rates?



How will rents develop in primary locations?



How will rents develop in secondary locations?

The majority of investors anticipate that yields will increase in line with the expected increase in the interest rates. In primary locations, more than half of the investors expect stable rents, with a tendency towards increasing rents. In secondary locations, however, most investors believe that rents will decrease. Only just a quarter of them expect rents to remain stable.

Introduction

The data we retrieved on the Austrian submarkets supports further positive, albeit decelerated development of the real estate market. These trends are reflected in the “all-risk-yields” (“Yields”) which represent the relationship between the stabilised net operating income (NOI) and net purchase price.

In addition, we discussed with the participants of this survey, if they consider deviating from their initial investment strategy to alternative real estate classes or geographical locations that differ from their investment profile, to achieve higher returns in the ongoing low yield environment.

We gather out data by interviewing various types of market participants, like fund, investment or asset managers. For an overview of the results and for our approach and definitions, please refer to respective section.

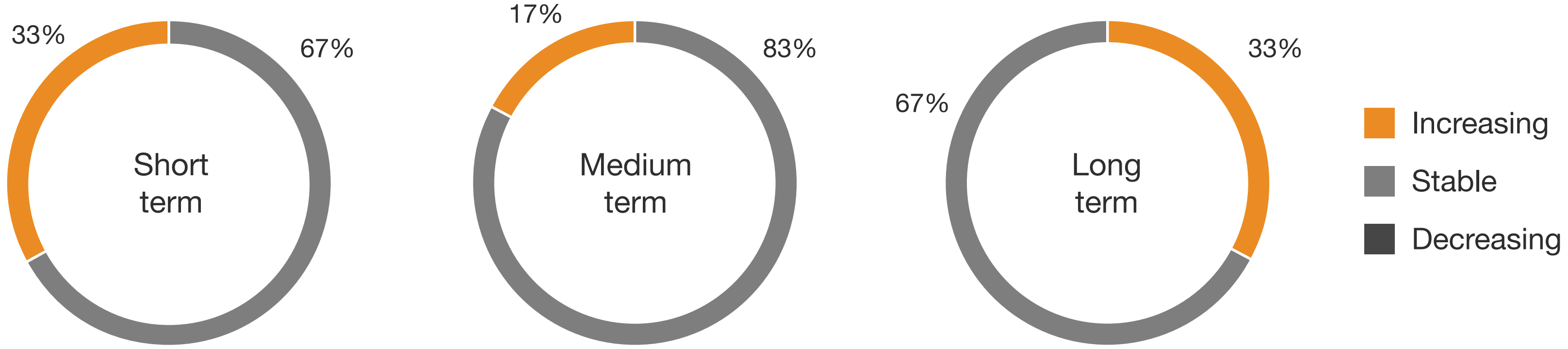
Austria

In the first half of the year 2020 the real estate market in the Alpine Republic was inevitably shaken by the COVID-19 crisis. We could perceive that transaction processes initiated towards the end of 2019 and in Q1 2020 were the main driver for successful closings in H1 2020 and key for continuous investment activities on the Austrian real estate market. Nevertheless, processes were severely delayed by e.g. travel restrictions, and only since the end of Q2 2020 the market has picked up again. Especially investments in residential and office real estate.

The retail market continues to be hit hard, being particularly impacted by containment measures. As for residential in contrast, stable average yields at about 3.0% with projected constant level or even decline are forecasted. For office assets, prime yields are projected to remain at about 3.3%.

Austria

Interest rate expectation



Short term

Similar to the results in H1 2020, most Austrian investors believe that interest rates will remain stable in the coming year. In contrast to the previous survey, a minority of investors expect short-term interest rates to fall, whereas for Vol. 11 nobody believed further cuts and supported the probable rise of interest rates.

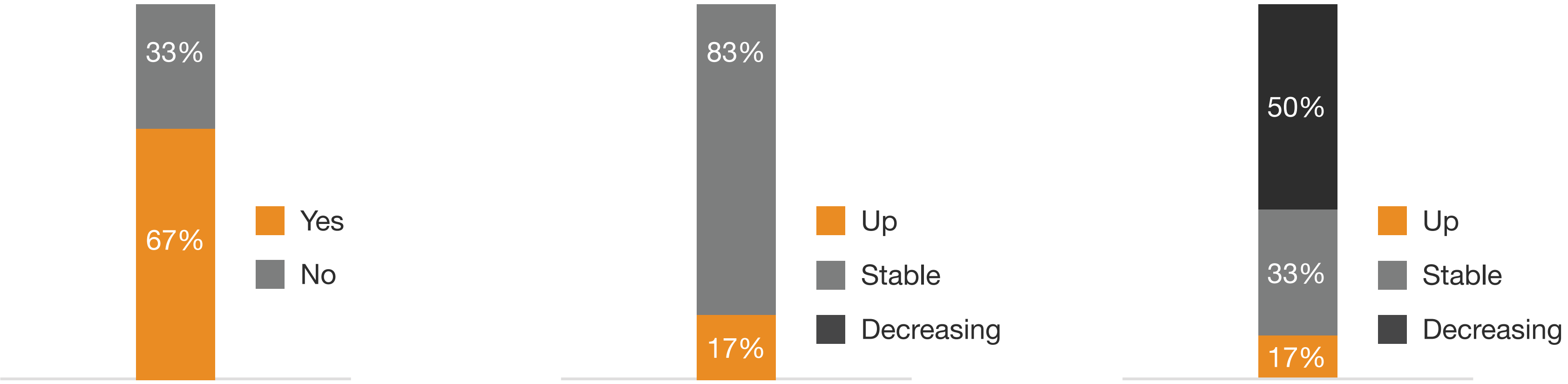
Medium term

Looking at the medium-term outlook for the next 5 years, more than 80% of the investors still believe that interest rates will remain unchanged. Interestingly, however, some investors assume that there may be an increase in the medium term, contrary to six months ago where the opposite movement was predicted.

Long term

The majority assumes that interest rates will remain unchanged beyond a period of 5 years. Nevertheless, more than one third of investors expect rising interest rates over the long term.

Investors’ expectations regarding yields and rent



Will property yields increase in line with general trend in interest rates?

How will rents develop in primary locations?

How will rents develop in secondary locations?

More than two-thirds of investors assume that property yields will behave in line with the general trend in interest rates. About 80% believe that rents in primary locations remain stable. In contrast, about half of the investors expect a decline in rents for secondary locations.

Introduction

The data we retrieved on the Swiss submarkets supports further positive, albeit decelerated development of the real estate market. These trends are reflected in the "all-risk-yields" ("Yields") which represent the relationship between the stabilised net operating income (NOI) and net purchase price.

In addition, we discussed with the participants of this survey, if they consider deviating from their initial investment strategy to alternative real estate classes or geographical locations that differ from their investment profile, to achieve higher returns in the ongoing low yield environment.

We gather out data by interviewing various types of market participants, like fund, investment or asset managers. For an overview of the results and for our approach and definitions, please refer to respective section.

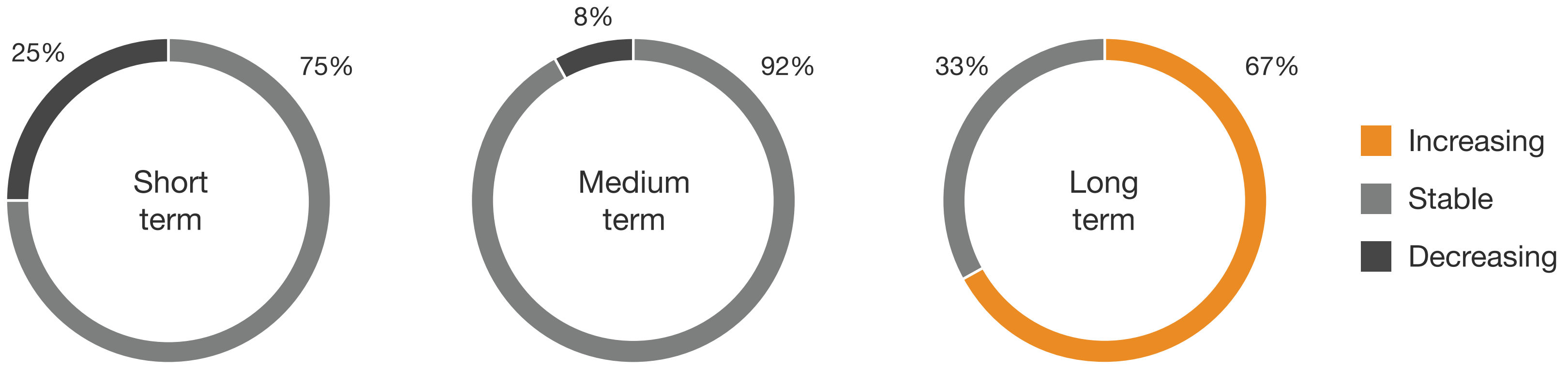
Switzerland

The Swiss residential market has proven highly robust to the market disruptions caused by COVID-19. Yields in the core markets have not moved over the past six months as investors still exhibit a high willingness to pay for this segment. Not surprisingly, office and retail yields show a different picture, with increased yields since early March 2020.

Office properties in less-than-core locations are particularly affected and investors have not yet found a consensus on how to price in the "new normal". The upward move on high-street retail yields was softened by the better than expected revenues for retailers and the strong long-term beliefs in top-tier locations.

Switzerland

Interest rate expectation



Short term

Three quarters of our respondents expect interest rates to remain on current levels over the course of one year, while the other quarter expects them to further decrease.

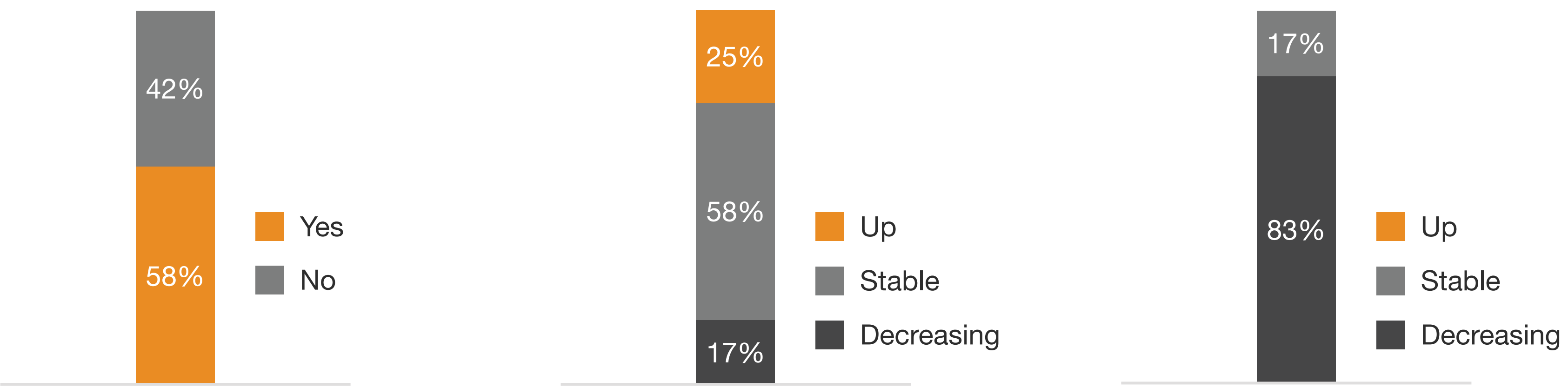
Medium term

Over the two-to-five-years span, more than nine out of ten participants expect stable rates. This is an increase compared to six months ago, when three quarters expected rates to remain flat over the medium term.

Long term

In the 10-year horizon, two thirds of Swiss investors expect rates to rise. This result is consistent with the answers we received in March 2020.

Investors' expectations regarding yields and rent



Will property yields increase in line with general trend in interest rates?

How will rents develop in primary locations?

How will rents develop in secondary locations?

While a majority (69%) of Swiss investors expected prime rents to further increase back in March 2020, this fraction has reduced dramatically in the six months since. Currently, only a quarter of respondents still see upside rent potential, while 58% expect rents to remain flat and 17% even expect them to decrease. In secondary locations, the clear majority of investors still expects rents to fall.

Spotlight

Spotlight

Beds and sheds - Everybody's darling in times of COVID-19?

In the first quarter of this year, when the number of COVID-19 cases in Germany and Europe increased rapidly, many market participants in the German real estate market estimated that the asset classes logistics and residential will likely be the winners of the COVID-19 crisis.

Today, half a year later, these expectations appear to be confirmed. The interviewed investors state that, along with logistics, the asset class residential is proving to be very particularly resilient during the crisis.

The great popularity of residential real estate as an investment product is reflected in high transaction volumes and further increases in prices and rents. According to the large brokers, the Q2'20 and Q3'20 investment volumes in the German residential investment market are above their respective long-term averages.

Our survey panel cited the following possible reasons for the continued positive development of rents and prices in the residential market:

Lower risk of rental loss for residential, compared to commercial real estate and thus more stable cash flows.

Shift in focus from retail (except for food retailer, DIY etc.) and hotels, which were negatively affected by the crisis. The shift is further adding to the excess demand.

Continued strong excess demand. For many years, the demand for residential space in many cities and regions has exceeded the limited supply. According to some investors, the current demand level is even exceeding the already high pre-crisis level.

More Home office. Some participants of our survey also indicated that continued work from home may also be responsible for increased demand, prices and rents for residential real estate, especially in the green belts of large cities and more rural locations.

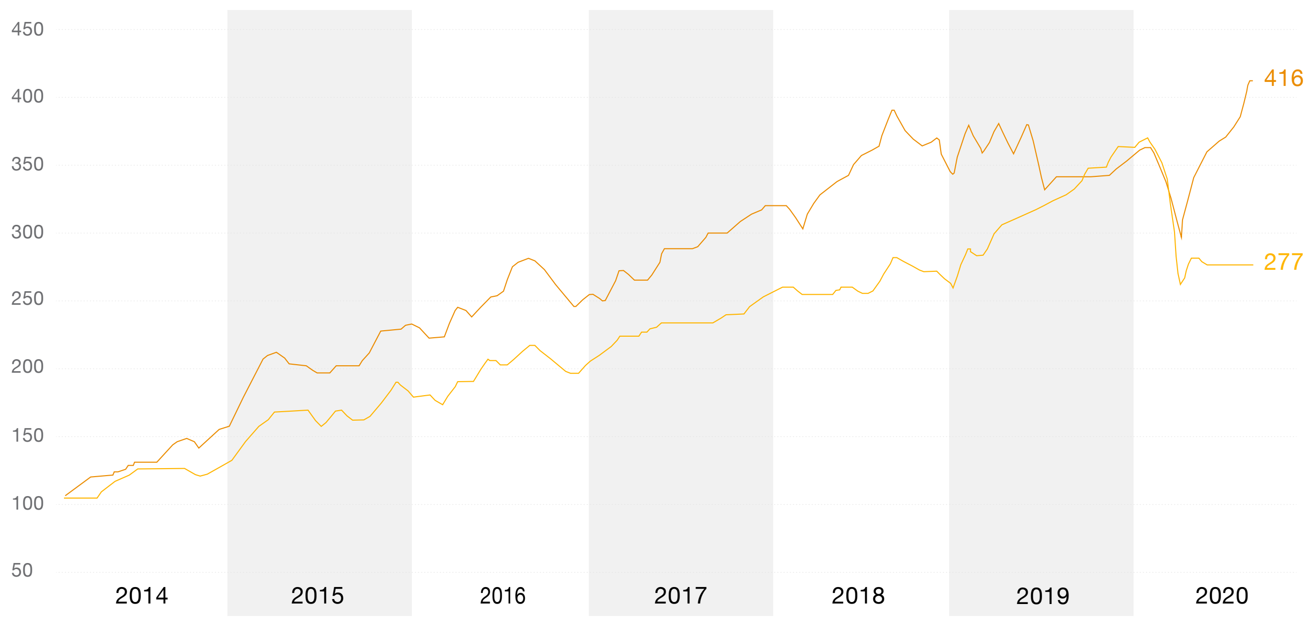
Spotlight

Beds and sheds - Everybody’s darling in times of COVID-19?

In connection with the aspect of home office combined with the decline in commuter movements, market participants think about the future role and importance of cities. According to the PwC CEO Panel Survey, the majority of the CEOs (78%) believes that remote collaboration will be an enduring shift post COVID-19 pandemic and 61% think that the shift towards low-density workplaces will persist. However, the interviewed CEOs were divided on the question of the endurance of de-urbanisation. 34% are of the opinion that de-urbanisation will continue, whereas 38% state that de-urbanization is only temporary.

The PwC Real Estate Monitor as of September 2020 underlines the ongoing popularity of residential real estate. The study revealed that German residential real estate companies are valued higher than before the crisis. The PwC Real Estate Index for residential companies clearly outperformed its commercial counterpart over the last months since the beginning of the COVID-19 crisis in February 2020.

PwC Real Estate Index. Germany (Jan 2014 - August 2020)



Performance (31 August 2020)

Index	YTD	1 Month	3 Month	6 Month	1 Year	2 Year	3 Year	5 Year
Commercial	-23,71%	0,2%	-0,3%	-21,0%	-16,7%	-1,2%	18,0%	68,7%
Residential	16,37%	8,2%	13,7%	21,3%	22,4%	5,6%	39,4%	107,2%

Source: PwC “Real Estate Monitor”

Spotlight

Beds and sheds - Everybody's darling in times of COVID-19?

Even though the commercial real estate market as a whole appears to suffer more from the COVID-19 crisis than the residential real estate market, a differentiated picture emerges when looking at the individual commercial asset types.

The majority of our interviewed investors were of the opinion that the run on logistics real estate, which had already existed in pre-crisis times, has now been further boosted by the Corona crisis. This is clearly supported by the transaction volumes published by the brokers and our analysis of logistics returns in section 3.3. of this report.

The continued growth and importance of e-commerce, food logistics and local supply during the crisis were cited as the most frequent reasons for the strong performance of the logistics real estate market.

However, some investors also emphasised that not all logistics is the same. Demand is particularly strong for relatively new properties in the established logistics regions with long term leases and so-called last-mile logistics assets. This is also reflected in an average yield compression of 40 bps in survey's Top 15 locations.

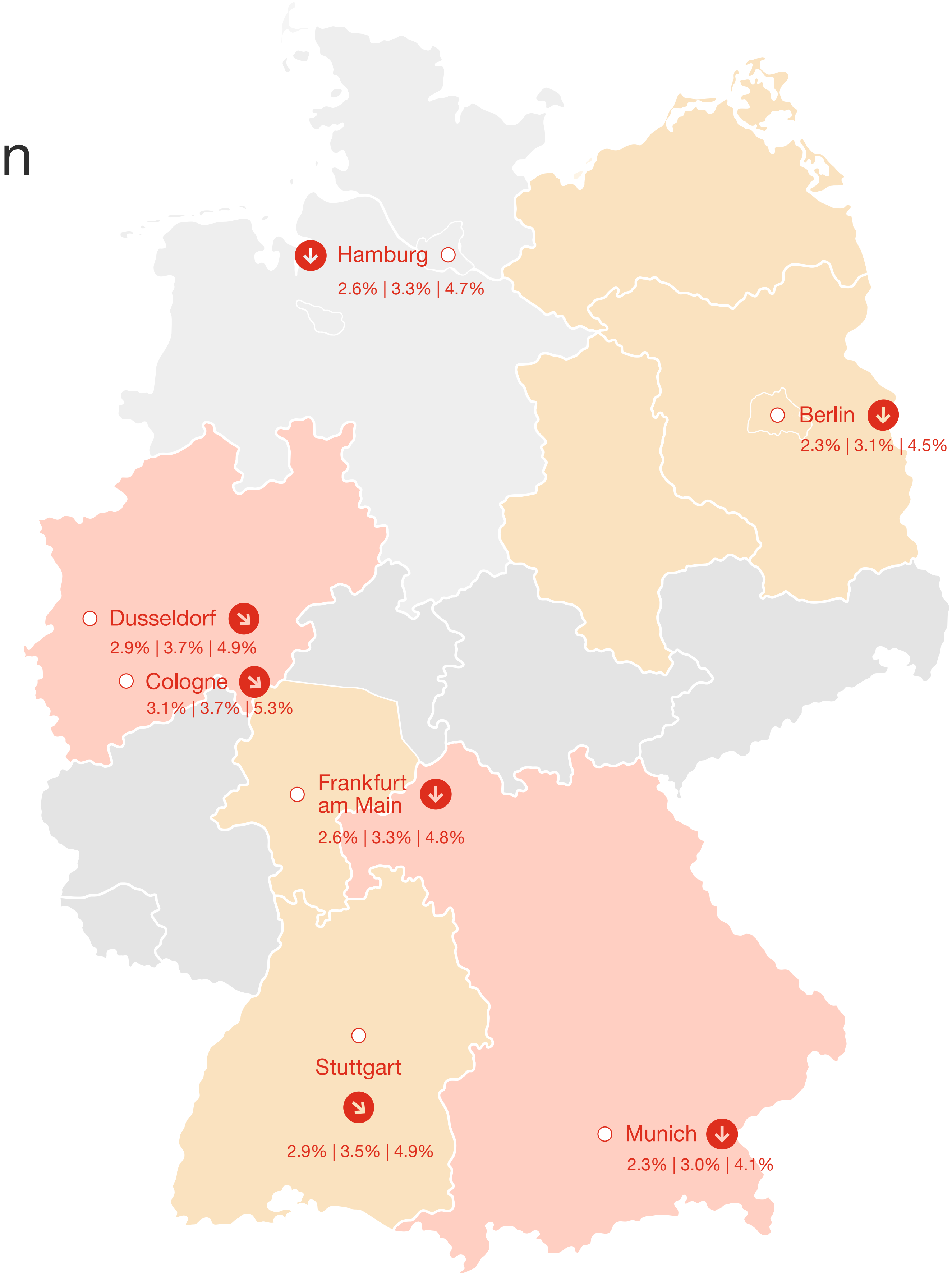
On the other hand, given the existing supply shortage of prime logistic assets at the Top 15 logistic locations, some survey participants assume that investors could focus more on secondary locations as well as on less core assets which could lead to future yield compressions for logistic real estate outside the Top 15 locations.

To sum up, residential and logistic real estate seem to be the beneficiaries of the COVID-19 crisis in terms of transaction volume, prices and rents. It remains to see whether this trend from the last months continues as most of the respondents expect. Another exciting question is, how sustainable the changes in the way we live and work due to COVID-19 will be and how this will affect the future role and significance of our cities.

Germany

Office

Yields in German Top 7 Cities



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Minimum yields movement compared to last six months

Min. % | Average % | Max. %

Top 7 Cities

Berlin, Munich and Frankfurt continue to be the most expensive markets for prime office properties with yields of 2.3%, 2.3%, and 2.6%, respectively. These cities also have the highest prime rents: €43/sqm in Frankfurt, €39/sqm in Berlin and €39/sqm in Munich.

All of the Top 7 Cities continue to experience yield compression, however with lessened impact on value-add investments (18 bps on average), but rather in regards to core properties (27 bps on average) and the core plus sector (59 bps on average).

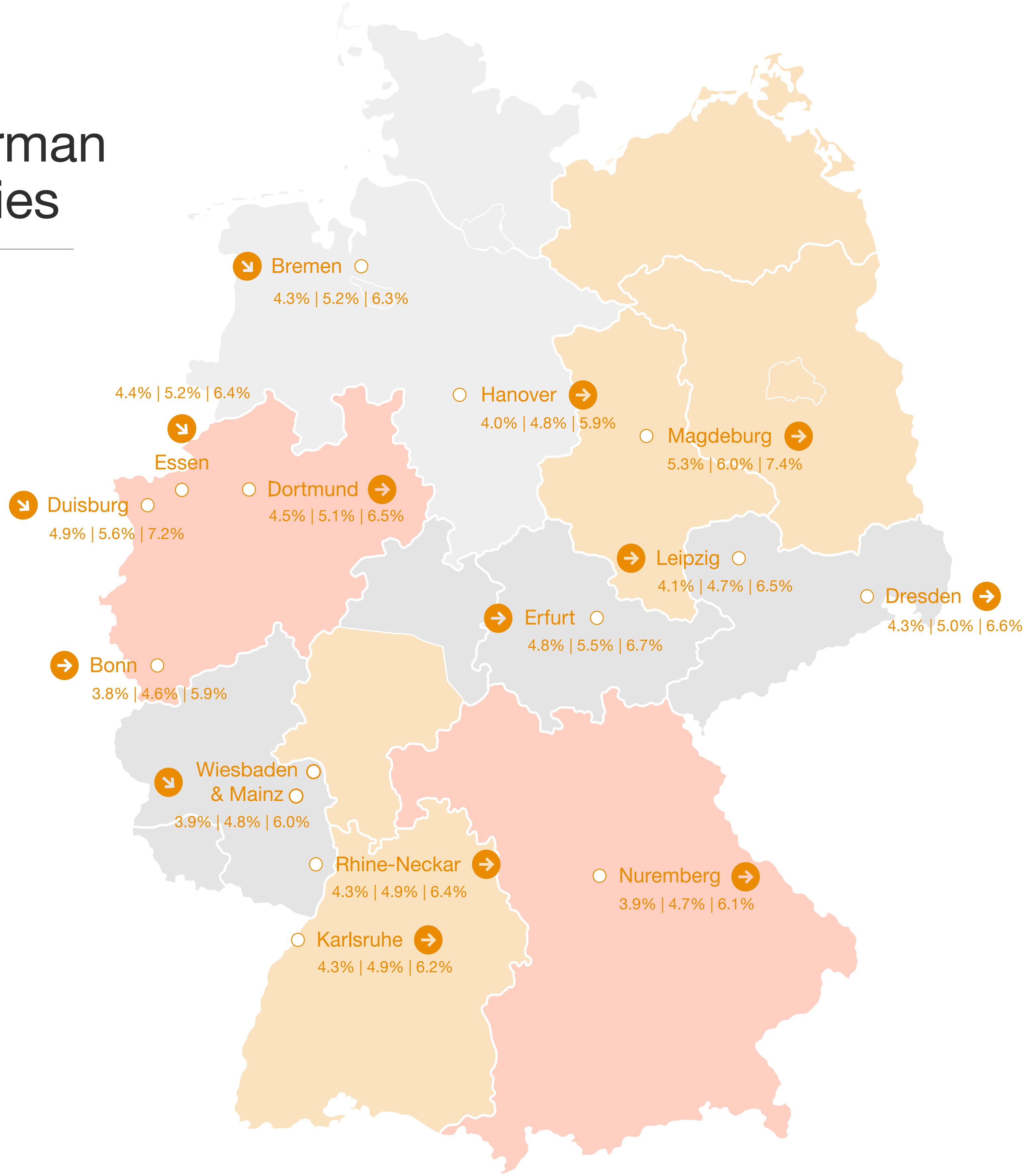
The yield compressions in Munich, Berlin and Hamburg are outperforming; core property yields have decreased by 46 bps for Munich, 31 bps for Berlin and 27 bps for Hamburg, compared to the results six months ago. Similar developments can be observed for value-add properties. During the same period under consideration, core plus properties yields have decreased by 65 bps for Munich and Hamburg each and by 50 bps for Berlin.

The average annual rental growth is 0.7% with Berlin (1.1%), Cologne and Dusseldorf (0.8% each) in the lead. This is in line with the development of the slightly decreasing average duration until re-letting.

View the graph for *Yields ranges and compression* on page 17

Office

Yields in German Regional Cities



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Minimum yields movement compared to last six months

Min. % | Average % | Max. %

Regional Cities

The yield compression in Regional Cities for core properties (6 bps on average) has resumed. Core-plus and value-add properties showed higher compression (35 bps and 9 bps respectively).

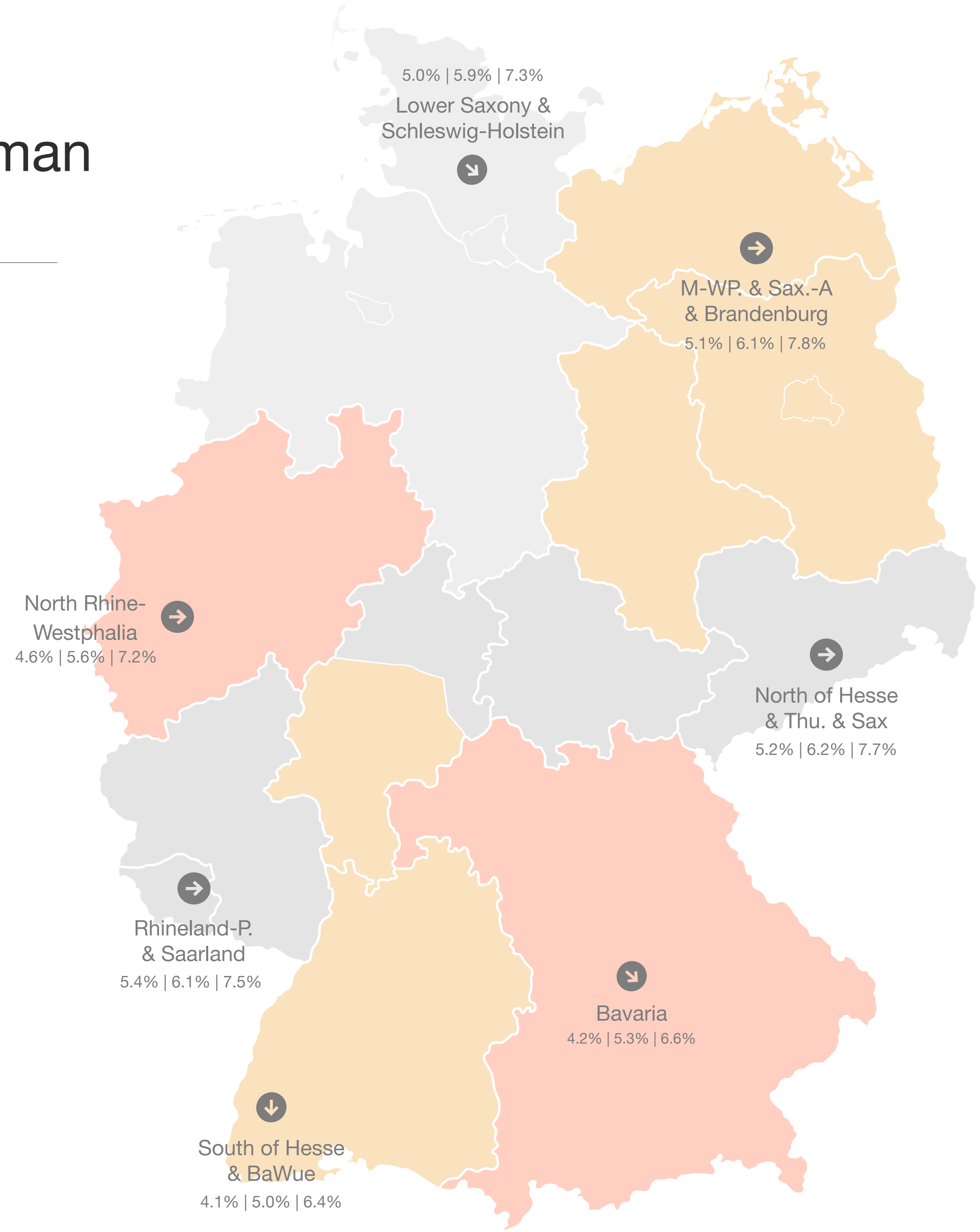
The most preferred Regional City is Bonn with the lowest yields for core properties of 3.8%, 4.6% for core-plus and 5.9% for value-add properties. Bonn also shows the highest prime rent of €22/sqm.

The highest yield compressions are observed in Magdeburg (7 bps in core, 63 bps in core-plus and 65 bps in value-add properties) and Mainz-Wiesbaden (13 bps in core, 38 bps in core-plus and 41 bps in value-add properties).

→ View the graph for *Yields ranges and compression* on page 17

Office

Yields in German Regions



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Minimum yields movement compared to last six months

Min. % | Average % | Max. %

Regions

Investors' interest in Regions has increased. The increased yield compression compared to the results six underlines this. On average, the Regions have experienced a yield compression for core, core-plus and value-add properties of 11 bps, 18 bps and 15 bps, respectively.

South of Hesse and Baden-Wuerttemberg are again the most expensive regions with 4.1% for core properties, 5.0% for core-plus properties and 6.4% for value-add properties. In comparison, Bavaria offers 4.2% for core properties, 5.3% for core-plus properties and 6.6% for value-add properties.

→ View the graph for ***Yields ranges and compression*** *on page 17*

Expected 5-year yield development

Top 7 Cities

→ Munich

→ Hamburg

→ Berlin

→ Stuttgart

→ Frankfurt am Main

→ Dusseldorf

→ Cologne

Letting parameters

Top 7 Cities

	Prime rent (in EUR/m²/month)	Granted rentfree period (Med. in months)		Duration until reletting (Med. in months)		Extension probability		Annual market rent growth rate	
Top 7 Cities	**Med.**	**Med.**	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**
Berlin	39	2	↗	3	→	78%	↓	1.1%	↓
Dusseldorf	27	3	→	5	↘	68%	↓	0.8%	↘
Frankfurt am Main	43	4	→	4	↘	69%	↓	0.5%	↓
Hamburg	30	4	↗	4	↘	68%	↓	0.6%	↓
Cologne	25	4	↗	5	→	69%	↓	0.8%	↘
Munich	39	2	↗	3	↘	77%	↓	0.6%	↓
Stuttgart	25	3	↗	4	→	69%	↓	0.2%	↓

↓ <-1% ↘ -1.0% to -0.25% → -0.25% to 0.25% ↗ 0.25% to 1.0% ↑ >1.0%

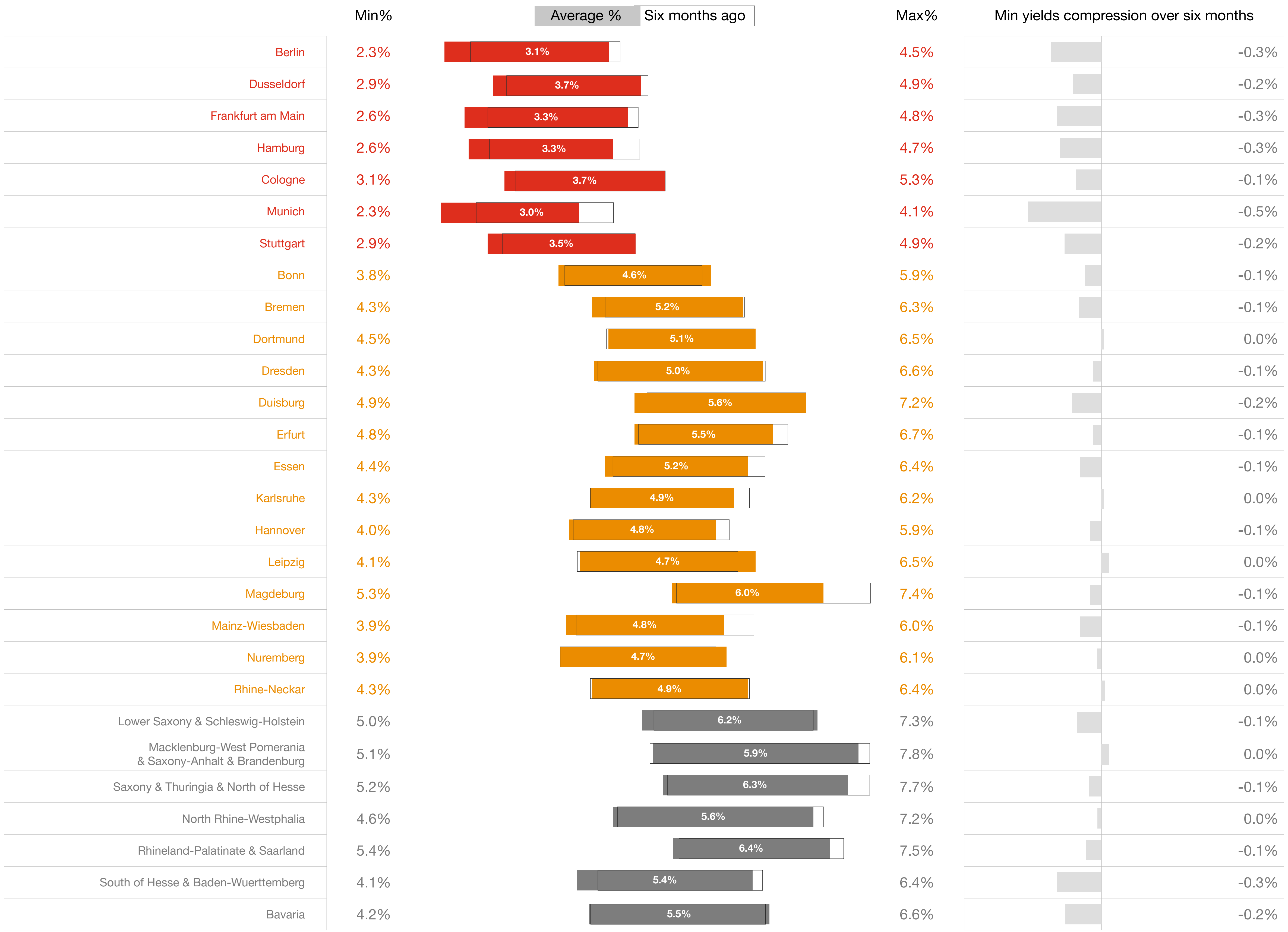
Compared to six months ago (majority of responses)

Yields ranges and compression

Top 7 Cities

Regional Cities

Regions



	Min%	Average %	Max%	Min yields compression over six months
Berlin	2.3%	3.1%	4.5%	-0.3%
Dusseldorf	2.9%	3.7%	4.9%	-0.2%
Frankfurt am Main	2.6%	3.3%	4.8%	-0.3%
Hamburg	2.6%	3.3%	4.7%	-0.3%
Cologne	3.1%	3.7%	5.3%	-0.1%
Munich	2.3%	3.0%	4.1%	-0.5%
Stuttgart	2.9%	3.5%	4.9%	-0.2%
Bonn	3.8%	4.6%	5.9%	-0.1%
Bremen	4.3%	5.2%	6.3%	-0.1%
Dortmund	4.5%	5.1%	6.5%	0.0%
Dresden	4.3%	5.0%	6.6%	-0.1%
Duisburg	4.9%	5.6%	7.2%	-0.2%
Erfurt	4.8%	5.5%	6.7%	-0.1%
Essen	4.4%	5.2%	6.4%	-0.1%
Karlsruhe	4.3%	4.9%	6.2%	0.0%
Hannover	4.0%	4.8%	5.9%	-0.1%
Leipzig	4.1%	4.7%	6.5%	0.0%
Magdeburg	5.3%	6.0%	7.4%	-0.1%
Mainz-Wiesbaden	3.9%	4.8%	6.0%	-0.1%
Nuremberg	3.9%	4.7%	6.1%	0.0%
Rhine-Neckar	4.3%	4.9%	6.4%	0.0%
Lower Saxony & Schleswig-Holstein	5.0%	6.2%	7.3%	-0.1%
Macklenburg-West Pomerania & Saxony-Anhalt & Brandenburg	5.1%	5.9%	7.8%	0.0%
Saxony & Thuringia & North of Hesse	5.2%	6.3%	7.7%	-0.1%
North Rhine-Westphalia	4.6%	5.6%	7.2%	0.0%
Rhineland-Palatinate & Saarland	5.4%	6.4%	7.5%	-0.1%
South of Hesse & Baden-Wuerttemberg	4.1%	5.4%	6.4%	-0.3%
Bavaria	4.2%	5.5%	6.6%	-0.2%

Retail | High Street

Yields in German Top 7 Cities

↑ ↗ → ↘ ↓

Minimum yields movement compared to last six months

Min. % | Average % | Max. %

Top 7 Cities

Core retail properties at the Top 7 Cities had a compression in yields of 11 bps on average, thereby continuing the trend over the last six months ago. The highest yield compression was observed in Stuttgart (28 bps) followed by Frankfurt and Munich (14 bps).

Core-plus and value-add properties showed yield compressions of 17 bps on average each. The highest yield compression took place in Munich for core-plus (32 bps) and again in Stuttgart for value-add (39 bps).

Munich is the most expensive Top 7 City with the lowest yields across all risk classes; core (2.6%), core-plus (3.1%) and value-add (4.2%).

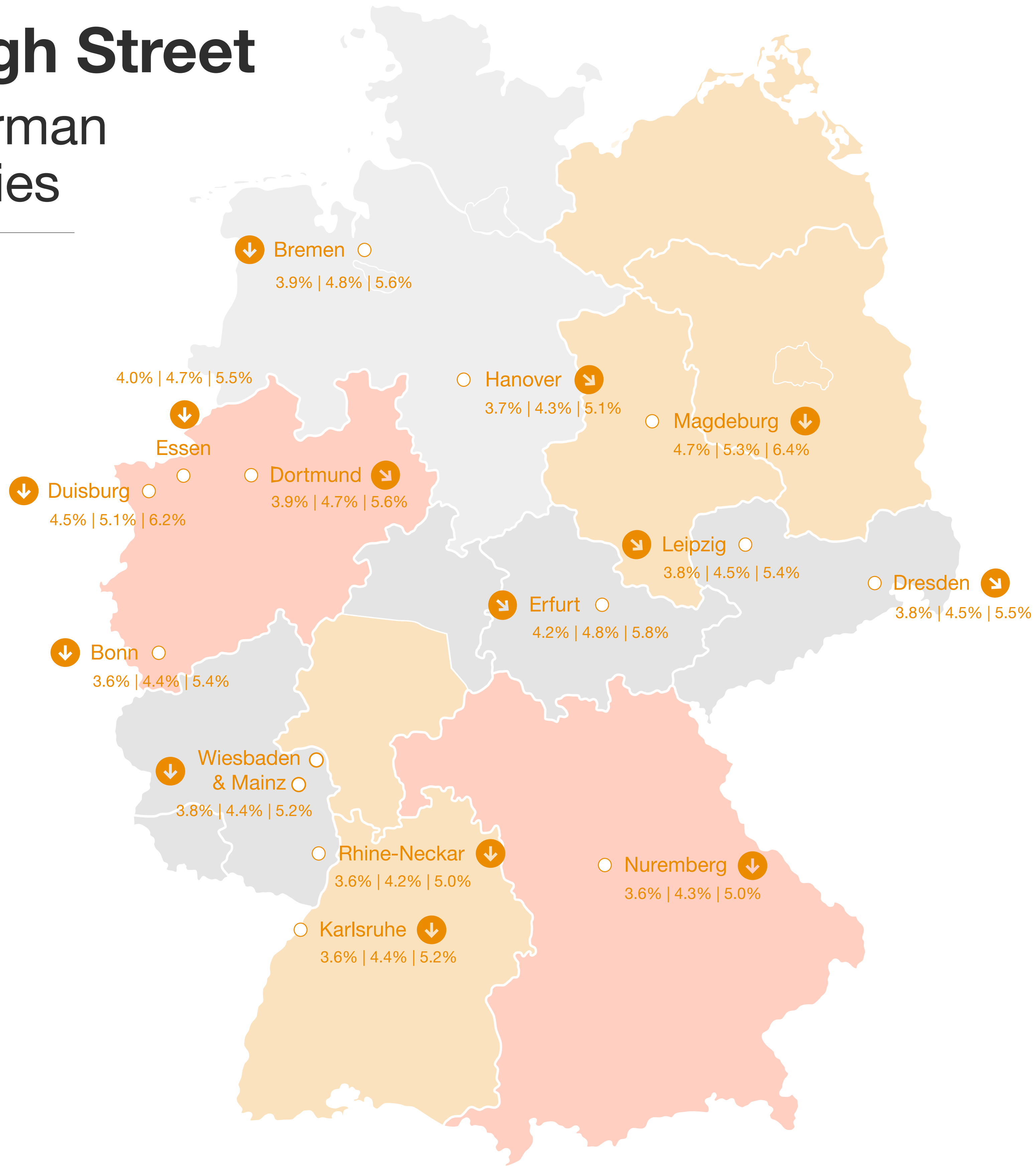
The annual market rental growth rate continued to fall to -0.6% on average (vs. 0.4% six months ago). Berlin had the highest rent decrease of -2.1% followed by Frankfurt with -1.0%.

The prime rent was the highest again in Munich (€333/sqm) followed by Frankfurt (€292/sqm) and Hamburg (€284/sqm).

→ View the graph for *Yields ranges and compression on page 22*

Retail | High Street

Yields in German Regional Cities



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Minimum yields movement compared to last six months

Min. % | Average % | Max. %

Regional Cities

Almost all the Regional Cities have experienced a decrease in yields across all risk classes. On average, the core properties yields have decreased by 36 bps, core-plus by 33 bps, and value-add by 23 bps.

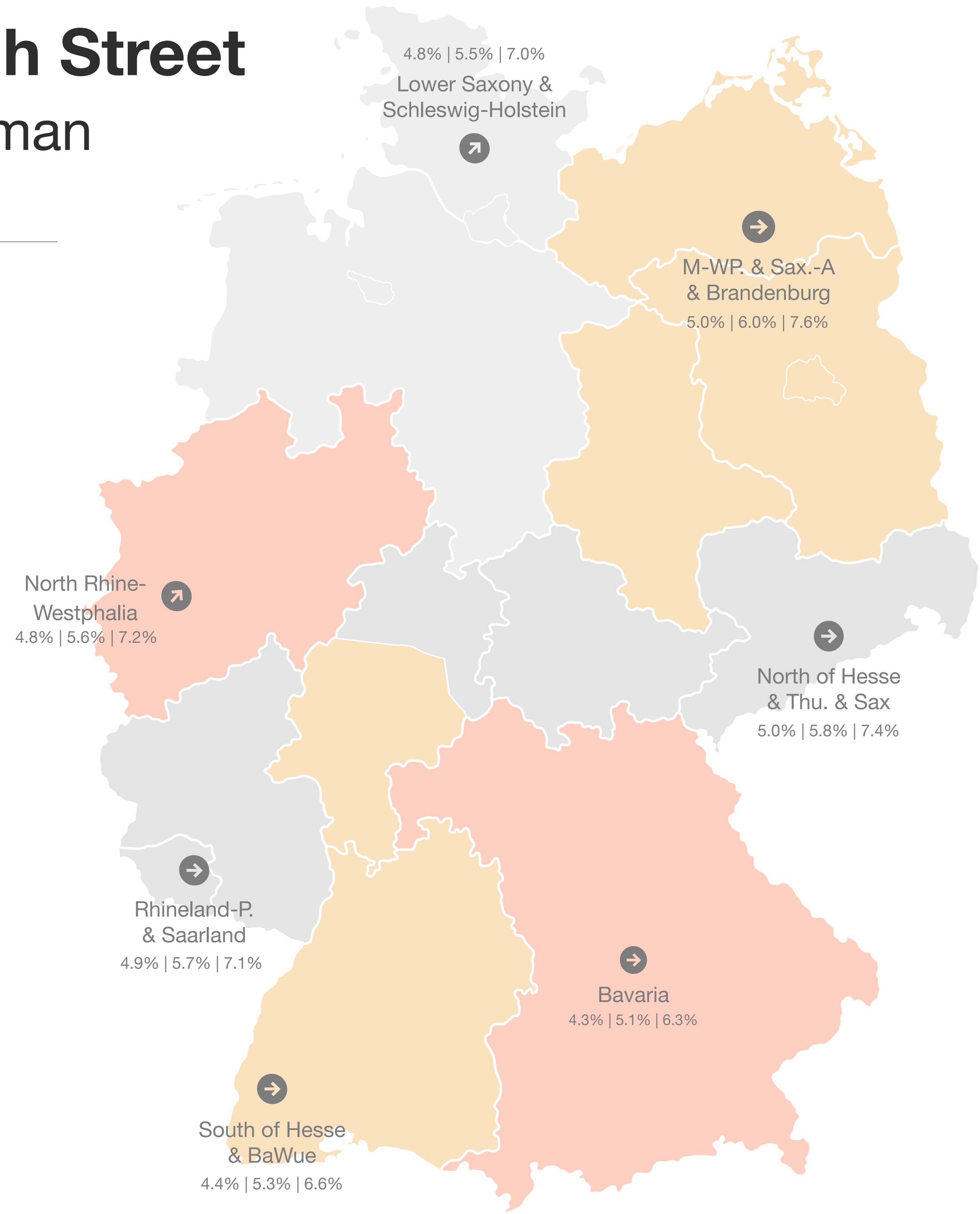
Bonn, Karlsruhe, Nuremberg and Rhine Neckar are the most expensive cities among the Regional Cities with a yield of 3.6% for core properties.

Despite all the negative reports, investors still expected a slight annual market rent growth of 0.7% on average in the Regional Cities during this period.

→ View the graph for *Yields ranges and compression on page 22*

Retail | High Street

Yields in German Regions



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Minimum yields movement compared to last six months

Min. % | Average % | Max. %

Regions

In contrast to the Top Cities and the Regional Cities, the Regions' core-plus and value-add properties have experienced an increase in yields of 20 bps and 40 bps respectively. On the other hand, core properties remain relatively stable with a slightly yield compression of 1 bp.

In terms of annual market rent growth, a slight increase of 0.4% on average is expected in the Regions.

→ View the graph for *Yields ranges and compression on page 22*

Expected 5-year yield development

Top 7 Cities


→ Munich


→ Hamburg


→ Berlin


↘ Stuttgart


↘ Frankfurt am Main


↘ Dusseldorf


↘ Cologne

Letting parameters

Top 7 Cities

	Prime rent (in EUR/m^2/month)	Granted rentfree period (Med. in months)		Duration until reletting (Med. in months)		Extension probability		Annual market rent growth rate	
Top 7 Cities	**Med.**	**Med.**	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**
Berlin	260	4	↑	7	↑	68%	↑	-2.1%	→
Dusseldorf	279	5	↑	9	↑	60%	↓	-0.1%	↘
Frankfurt am Main	292	5	↑	9	↑	60%	↓	-1.0%	↓
Hamburg	284	5	↑	8	↑	66%	↑	-0.1%	↘
Cologne	253	5	↑	9	↑	56%	↓	-0.2%	↘
Munich	333	4	↑	8	↑	68%	↑	-0.5%	↓
Stuttgart	247	5	↑	8	↑	60%	↓	-0.3%	↘

↓ <-1%   ↘ -1.0% to -0.25%   → -0.25% to 0.25%   ↗ 0.25% to 1.0%   ↑ >1.0%

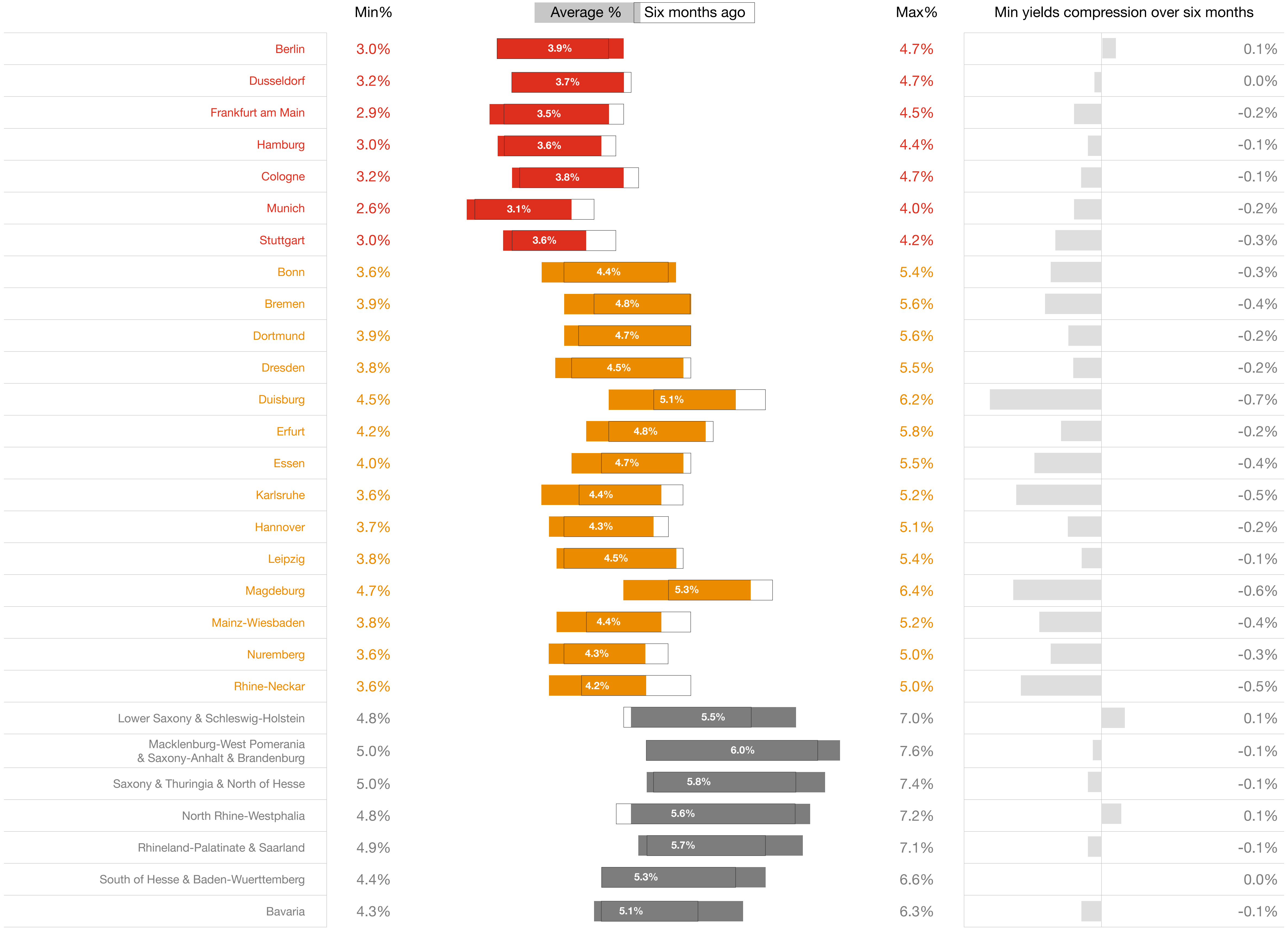
Compared to six months ago (majority of responses)

Yields ranges and compression

Top 7 Cities

Regional Cities

Regions



	Min%	Average %	Max%	Min yields compression over six months
Berlin	3.0%	3.9%	4.7%	0.1%
Dusseldorf	3.2%	3.7%	4.7%	0.0%
Frankfurt am Main	2.9%	3.5%	4.5%	-0.2%
Hamburg	3.0%	3.6%	4.4%	-0.1%
Cologne	3.2%	3.8%	4.7%	-0.1%
Munich	2.6%	3.1%	4.0%	-0.2%
Stuttgart	3.0%	3.6%	4.2%	-0.3%
Bonn	3.6%	4.4%	5.4%	-0.3%
Bremen	3.9%	4.8%	5.6%	-0.4%
Dortmund	3.9%	4.7%	5.6%	-0.2%
Dresden	3.8%	4.5%	5.5%	-0.2%
Duisburg	4.5%	5.1%	6.2%	-0.7%
Erfurt	4.2%	4.8%	5.8%	-0.2%
Essen	4.0%	4.7%	5.5%	-0.4%
Karlsruhe	3.6%	4.4%	5.2%	-0.5%
Hannover	3.7%	4.3%	5.1%	-0.2%
Leipzig	3.8%	4.5%	5.4%	-0.1%
Magdeburg	4.7%	5.3%	6.4%	-0.6%
Mainz-Wiesbaden	3.8%	4.4%	5.2%	-0.4%
Nuremberg	3.6%	4.3%	5.0%	-0.3%
Rhine-Neckar	3.6%	4.2%	5.0%	-0.5%
Lower Saxony & Schleswig-Holstein	4.8%	5.5%	7.0%	0.1%
Macklenburg-West Pomerania & Saxony-Anhalt & Brandenburg	5.0%	6.0%	7.6%	-0.1%
Saxony & Thuringia & North of Hesse	5.0%	5.8%	7.4%	-0.1%
North Rhine-Westphalia	4.8%	5.6%	7.2%	0.1%
Rhineland-Palatinate & Saarland	4.9%	5.7%	7.1%	-0.1%
South of Hesse & Baden-Wuerttemberg	4.4%	5.3%	6.6%	0.0%
Bavaria	4.3%	5.1%	6.3%	-0.1%

Retail | Non-High Street

Almost all non-high street retail asset classes have experienced compression - only out-of-town shopping centers showed restrained development. The highest compressions were recorded for supermarkets (48 bps) and retail parks (32 bps).

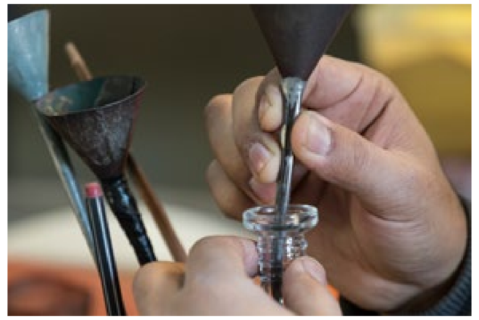
Investors only expect negative growth in annual rental for out-of-town shopping centers with 180 bps. Similar to the expectation of six months ago, the strongest rental growth is expected for supermarkets (130 bps) and retail parks (50 bps).

Expected 5-year yield development

↓ **Retail Park**

↗ **Out-of-town Shopping Center**

↓ **Supermarket**



↘ **DIY-Store**

Yields and letting parameters

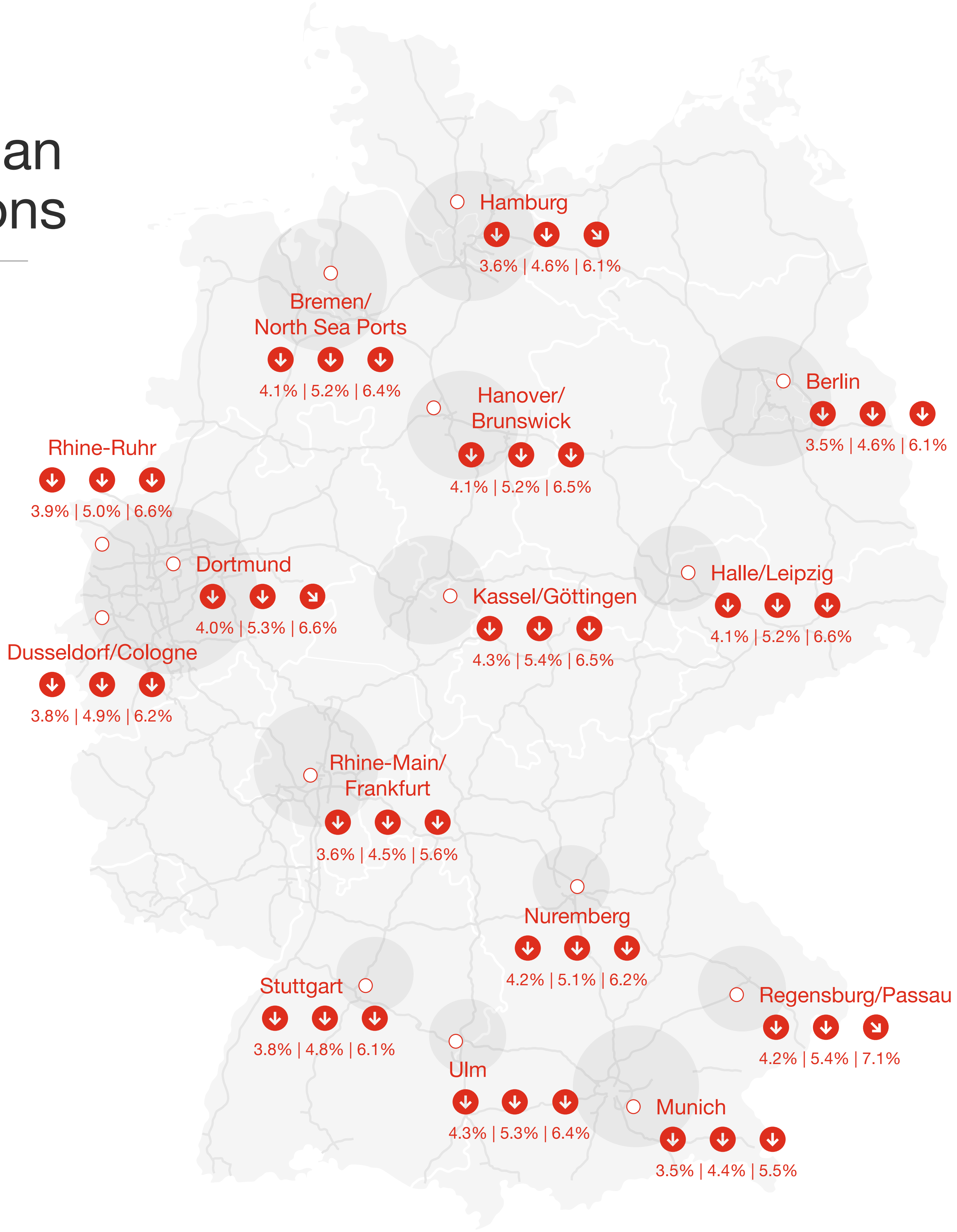
	All-risk-yield			Prime rent (in EUR/m^2/month)	Granted rentfree period (Med. in months)		Duration until reletting (Med. in months)		Extension probability		Annual market rent growth rate	
Top 7 Cities	**Min.**	**Med.**	**Max.**	**Med.**	**Med.**	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**
Out-of-town Shopping Center	4.5%	5.4%	6.6%	25	6	↑	12	↑	50%	↑	-1.8%	↓
Retail Park	3.8%	4.6%	6.1%	22	3	↑	10	↑	83%	↑	0.5%	→
Supermarket	4.0%	4.9%	6.3%	24	2	↓	9	↑	85%	↑	1.3%	↗
DIY-Store	5.3%	6.2%	7.6%	-	-	↓	12	↑	75%	↑	0.2%	↗

↓ <-1% ↘ -1.0% to -0.25% → -0.25% to 0.25% ↗ 0.25% to 1.0% ↑ >1.0%

Compared to six months ago (majority of responses)

Logistics

Yields in German Top 15 Locations



↑ ↗ → ↘ ↓

Minimum, average and maximum yields movement compared to last six months

Min. % | Average % | Max. %

Top 15 Locations

Logistics is and remains the measure of all things - as the lurid title of our spotlight suggests. It asserted itself as a strong asset class in times of COVID-19 and its popularity is continuously growing.

Yield compression continues for core properties with 40 bps compared to only 1 bp six months ago. The strongest compression shows Regensburg/Passau (62 bps) followed by Ulm (55 bps) and Kassel/Göttingen (53 bps). Munich and Berlin as well as Rhine-Main/Frankfurt and Hamburg are the most expensive locations, with a 3.5% and 3.6% yield.

We observed also high yield compressions in core-plus and value-add properties amounting to 55 bps and 49 bps respectively.

Investors expect the five years yield to come under further pressure and assume a higher annual rent growth especially in small locations (3.6%) compared to the results six months ago (1.6%).

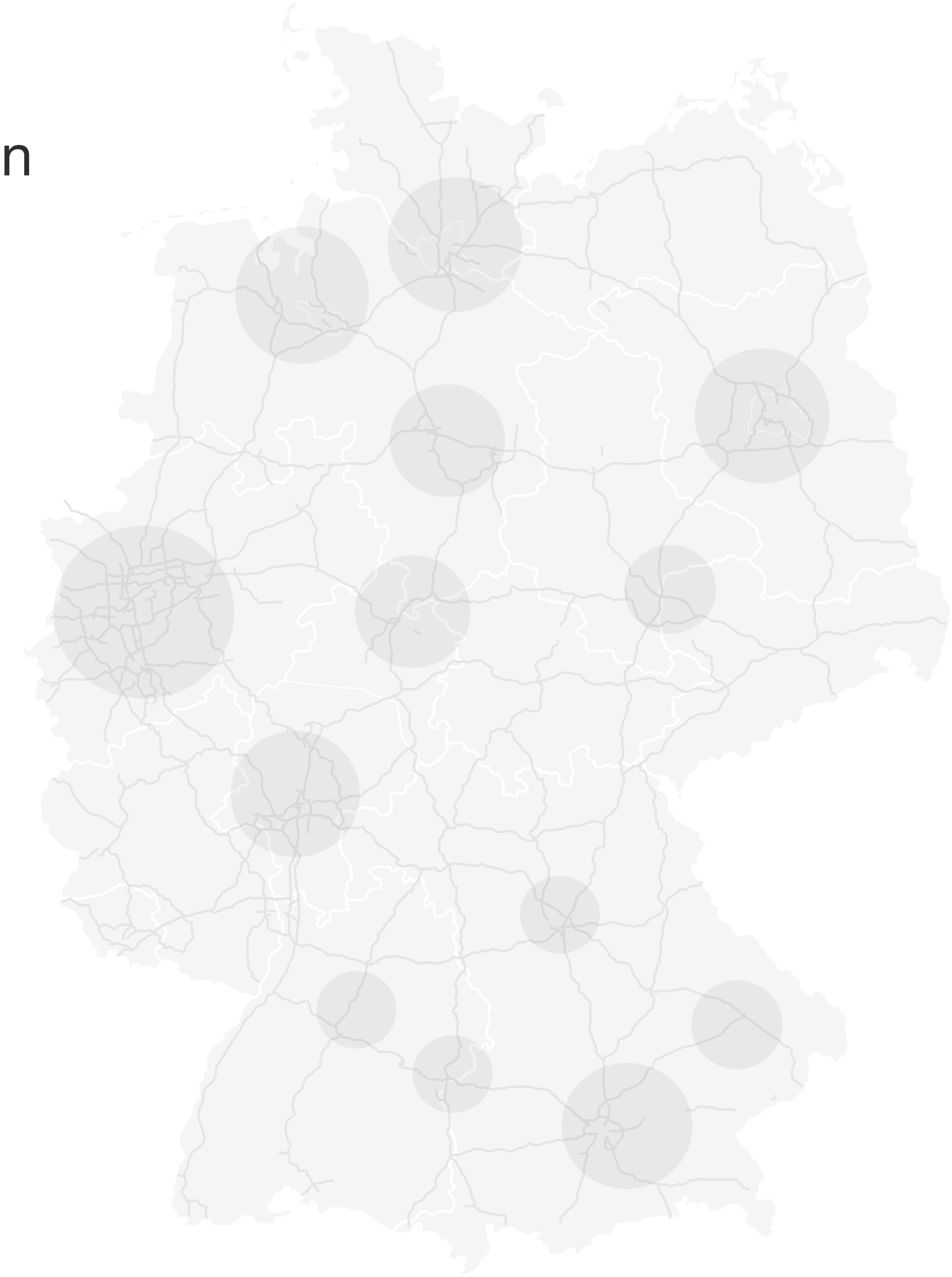
→ View the graph for *Yields ranges and compression on page 28*

Logistics

Yields in German submarkets

Small Locations
5.0% | 5.4% | 7.2%
↓ ↓ ↓

Rest Germany
5.3% | 6.0% | 7.7%
→ ↘ ↓



↑ ↗ → ↘ ↓

Minimum, average and maximum yields movement compared to last six months

Min. % | Average % | Max. %

Small Locations

In contrast to six months, yield compression at Small Locations has not stopped. Yields have decreased for core, core plus and value-add properties with 26 bps, 58 bps and 30 bps respectively.

Investors expect a higher annual rental growth (3.6%) compared to the result six months ago (1.6%).

Rest of Germany

The Rest of Germany shows no yield compression for core properties. However, we observed yield compressions for core plus properties amounting to 13 bps and 63 bps for value-add properties.

Investors expect stronger annual rental growth for the Rest Germany of 6.3% compared to the Small Locations (3.6%).

→ View the graph for *Yields ranges and compression on page 28*

Expected 5-year yield development

↘ Top 15 Locations

↘ Small Locations

↘ Rest Germany

Letting parameters

	Prime rent (in EUR/m²/month)	Granted rentfree period (Med. in months)		Duration until reletting (Med. in months)		Extension probability		Annual market rent growth rate	
	Med.	**Med.**	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**
Top 15 Locations	6	3	↗	6	↑	73%	↓	1.2%	↗
Small Locations	5	4	↗	5	↓	70%	↑	3.6%	↗
Rest Germany	6	5	→	6	↓	70%	↑	6.3%	→

↓ <-1% ↘ -1.0% to -0.25% → -0.25% to 0.25% ↗ 0.25% to 1.0% ↑ >1.0%

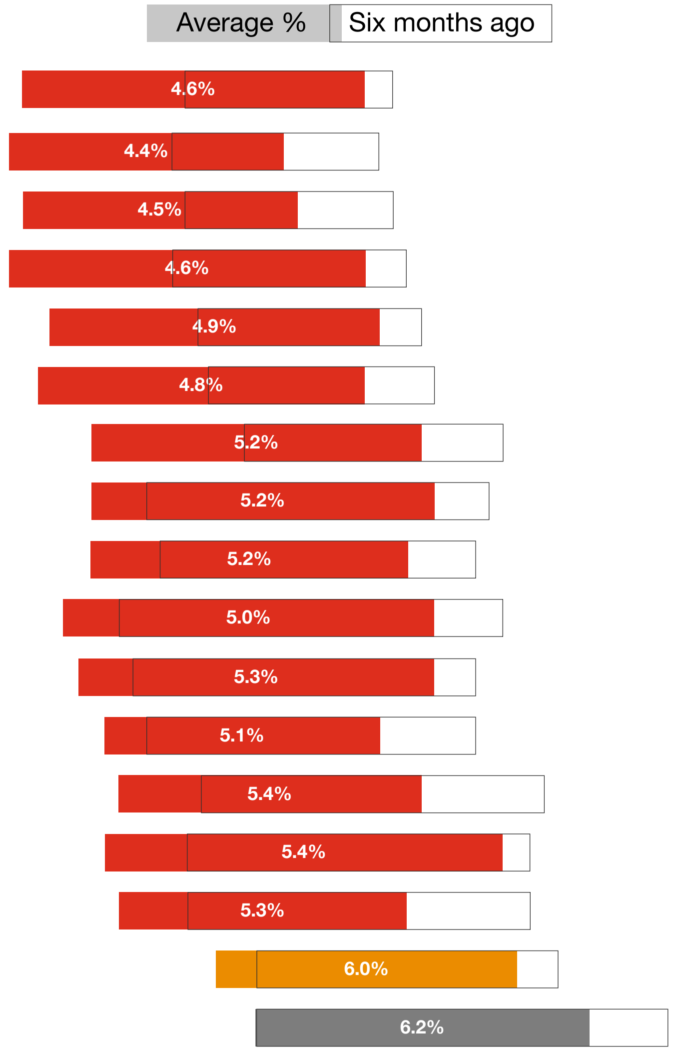
Compared to six months ago (majority of responses)

Yields ranges and compression

Top 15 Locations

Small Locations

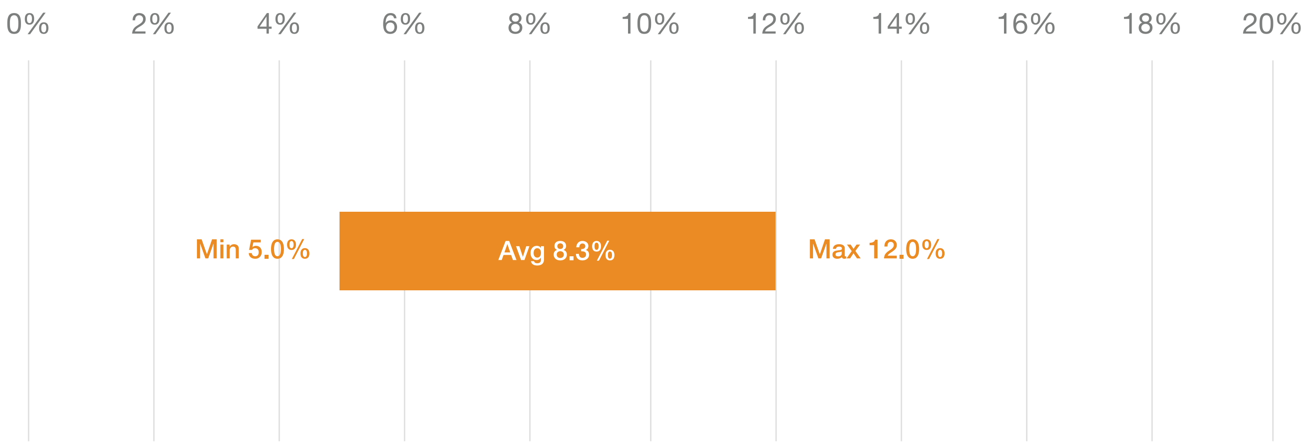
Rest Germany



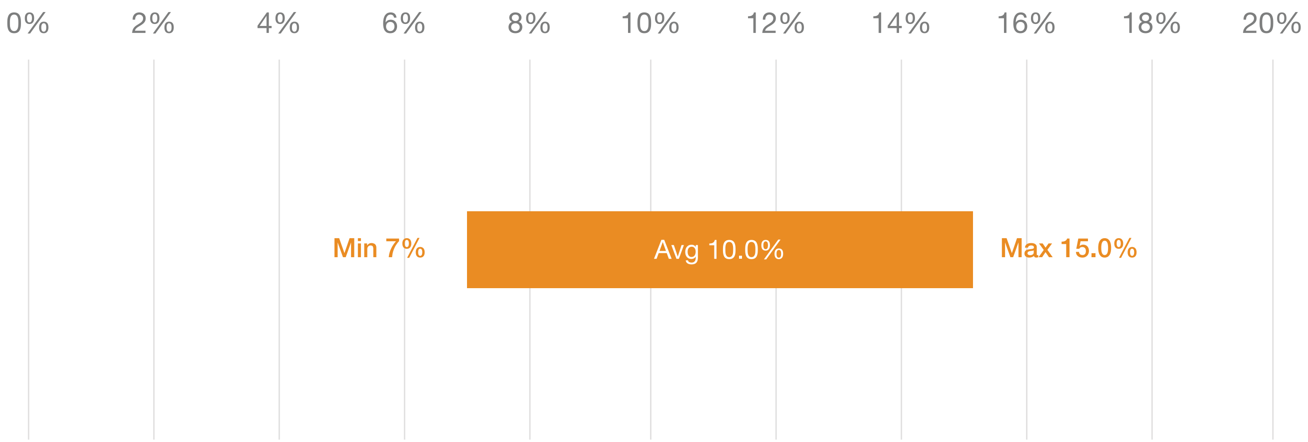
	Min%	Average %	Max%	Min yields compression over six months*
Hamburg	3.6%	4.6%	6.1%	-0.3%
Munich	3.5%	4.4%	5.5%	-0.3%
Rhein-Main/Frankfurt	3.6%	4.5%	5.6%	-0.3%
Berlin	3.5%	4.6%	6.1%	-0.4%
Dusseldorf/Koln	3.8%	4.9%	6.2%	-0.3%
Stuttgart	3.8%	4.8%	6.1%	-0.3%
Hannover/Braunschweig	4.1%	5.2%	6.5%	-0.3%
Halle/Leipzig	4.1%	5.2%	6.6%	-0.4%
Bremen/Nordseehafen	4.1%	5.2%	6.4%	-0.5%
Rhein-Ruhr	3.9%	5.0%	6.6%	-0.4%
Dortmund	4.0%	5.3%	6.6%	-0.4%
Nuremberg	4.2%	5.1%	6.2%	-0.3%
Kassel/Gottingen	4.3%	5.4%	6.5%	-0.5%
Regensburg/Passau	4.2%	5.4%	7.1%	-0.6%
Ulm	4.3%	5.3%	6.4%	-0.6%
Small locations	5.0%	6.0%	7.2%	-0.2%
Rest Germany	5.3%	6.2%	7.7%	0.0%

NOI leakage

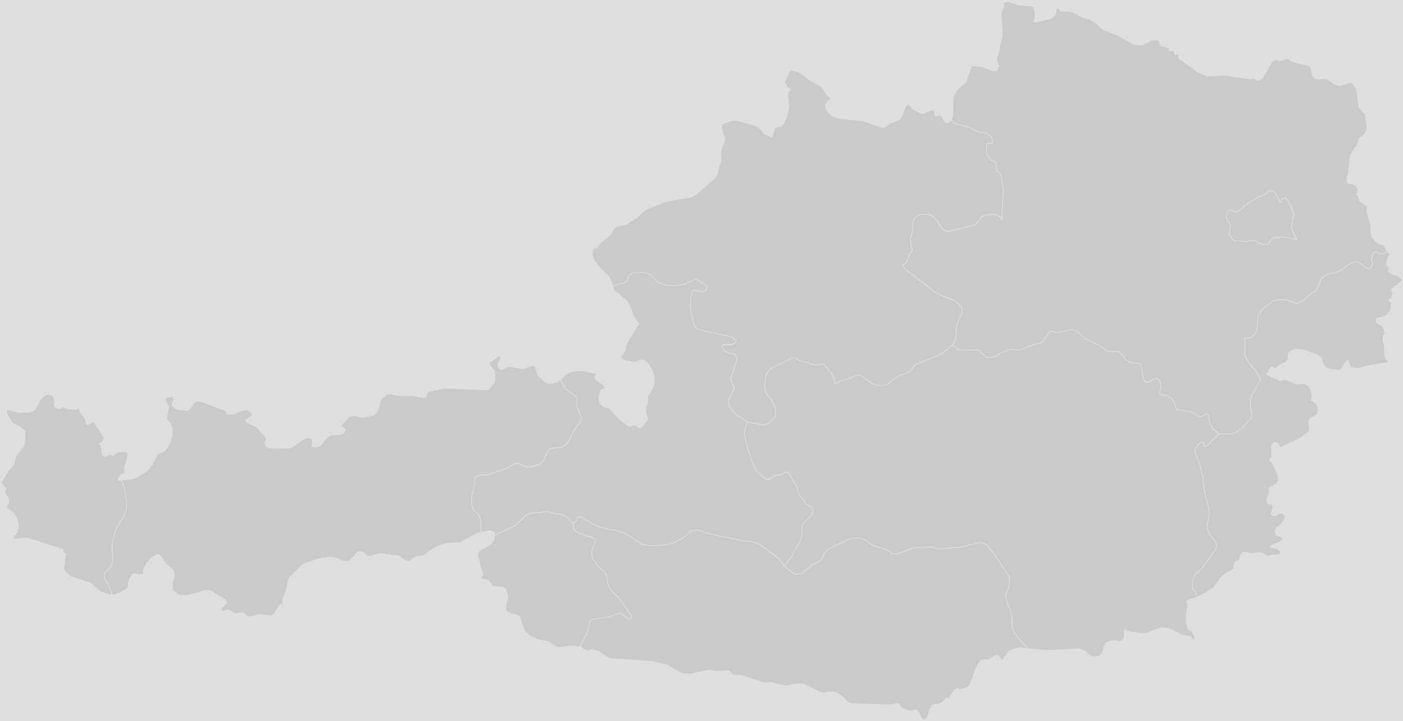
Office



Retail

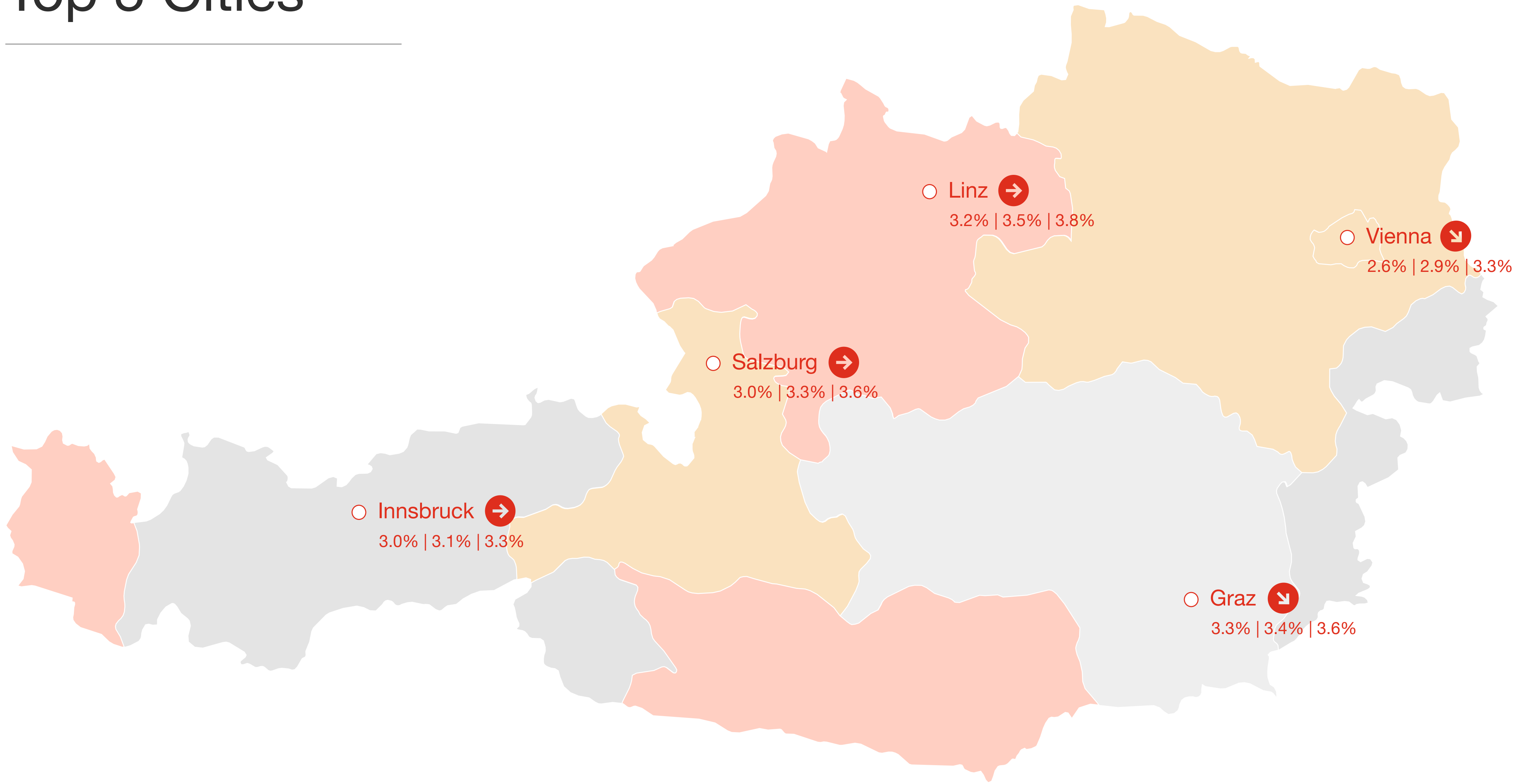


Austria



Residential

Yields in Austrian Top 5 Cities



↑ ↗ → ↘ ↓

Minimum yields movement compared to last six months

Min. % | Average % | Max. %

Top 5 Cities

Residential has proven itself as the most robust asset class in Austria with regard to the impact on real estate caused by COVID-19. Prime rents in Vienna, Innsbruck and Salzburg remained stable and as investment locations continue to be the most expensive markets for prime residential properties with average minimum yields of 2.6%, 3%, and 3% respectively. These cities also have the highest prime rents in the country of €17/sqm in Vienna, €16/sqm in Innsbruck and €15/sqm in Salzburg. Prime purchase prices assigned to these cities in the same order within the residential sector range around €14,650/sqm, €9,500/sqm and €9,000/sqm.

Compared to the H1 2020 results the Austrian capital demonstrates a yield compression of 15 bps, whereas Graz 20 bps and Linz and Salzburg both with 3 bps. With regard to a preferred investment location, the majority of investors generally commit themselves to residential investments in Vienna.

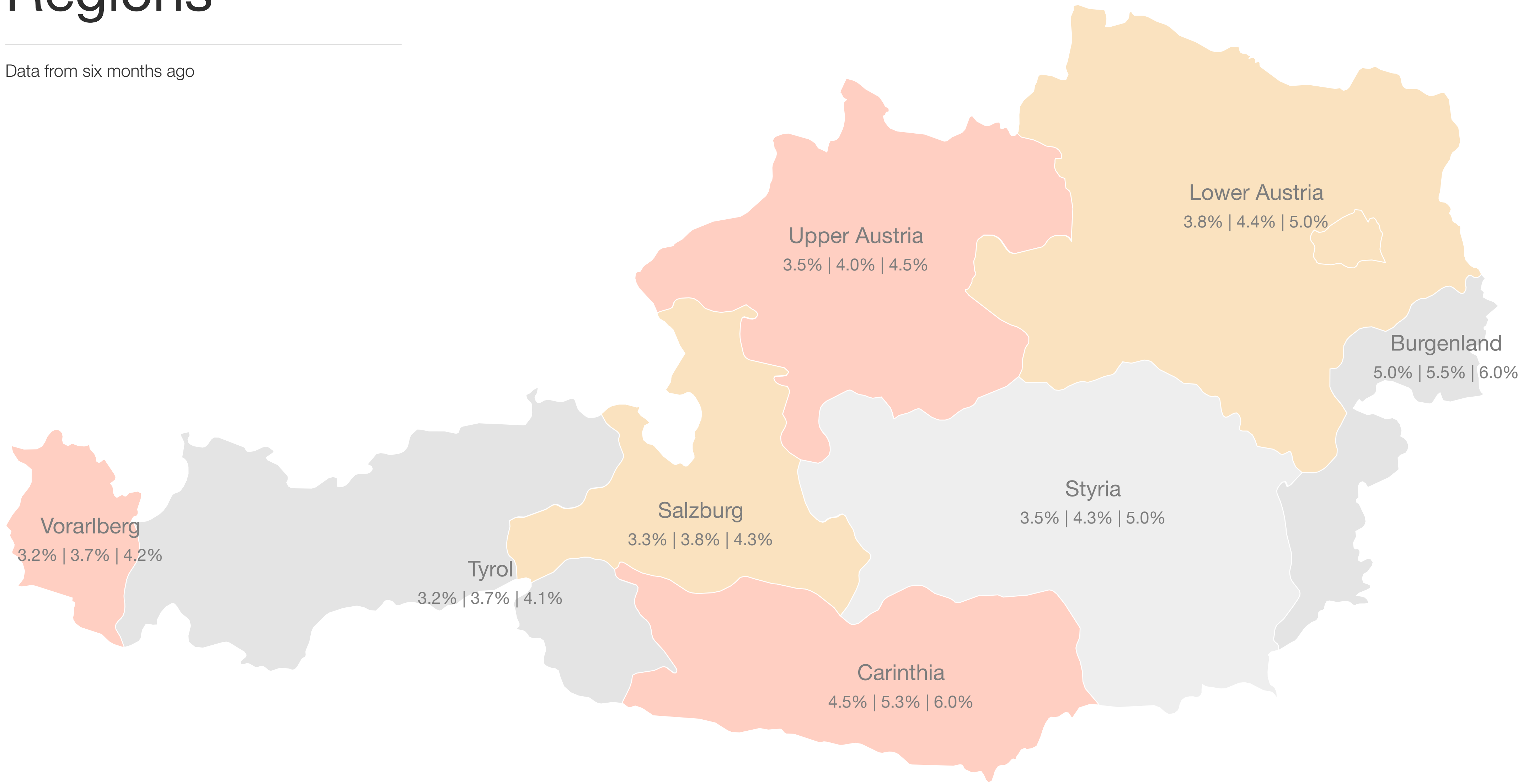
The annual market rent growth rate is expected to be at 0.8% in Vienna and regarding Linz, Graz, Salzburg and Innsbruck to be at only 0.3%. Looking at the five-year development, yields for all Top 5 Cities in Austria are forecasted to remain stable with an exception as of Vienna with a slight decline forecasted.

→ View the graph for ***Yields ranges and compression*** *on page 34*

Residential

Yields in Austrian Regions

Data from six months ago



Min. % | Average % | Max. %

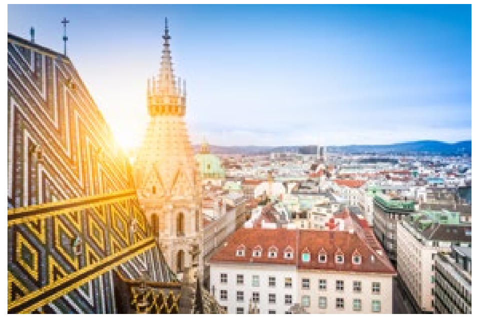
Regions

In comparison to the yields in the city centres, it is mainly the (winter) tourism regions that lead the list of the most sought-after regions. The average minimum yields for properties not located in the Top Cities are between 3.2% and 3.3% in Salzburg, Tyrol and Vorarlberg. Styria, Lower Austria and Upper Austria are in the middle range with 3.5% to 3.8%. Carinthia and Burgenland close the list with 4.5% and 5% respectively.

View the graph for ***Yields ranges and compression*** *on page 34*

Expected 5-year yield development

Top 5 Cities



↘ **Vienna**

→ **Graz**

→ **Linz**

→ **Salzburg**

→ **Innsbruck**

Letting parameters & other KPI'S

Top 7 Cities

	Prime rent (in EUR/m²/month)		Prime purchase price (in EUR/m²)		Annual market rent growth rate	
	Med.	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**
Vienna	17	↓	14,650	↓	0.8%	↘
Graz	13	↑	5,500	↓	0.3%	→
Linz	14	↑	6,167	↓	0.3%	→
Salzburg	15	↑	9,000	↑	0.3%	→
Innsbruck	16	↓	9,500	↓	0.3%	→

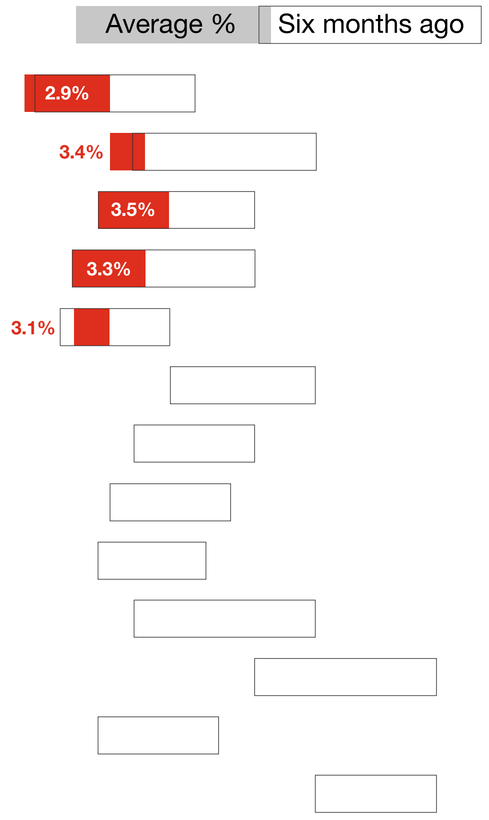
↓ <-1%　↘ -1.0% to -0.25%　→ -0.25% to 0.25%　↗ 0.25% to 1.0%　↑ >1.0%

Compared to six months ago (majority of responses)

Yields ranges and compression

Top 5 Cities

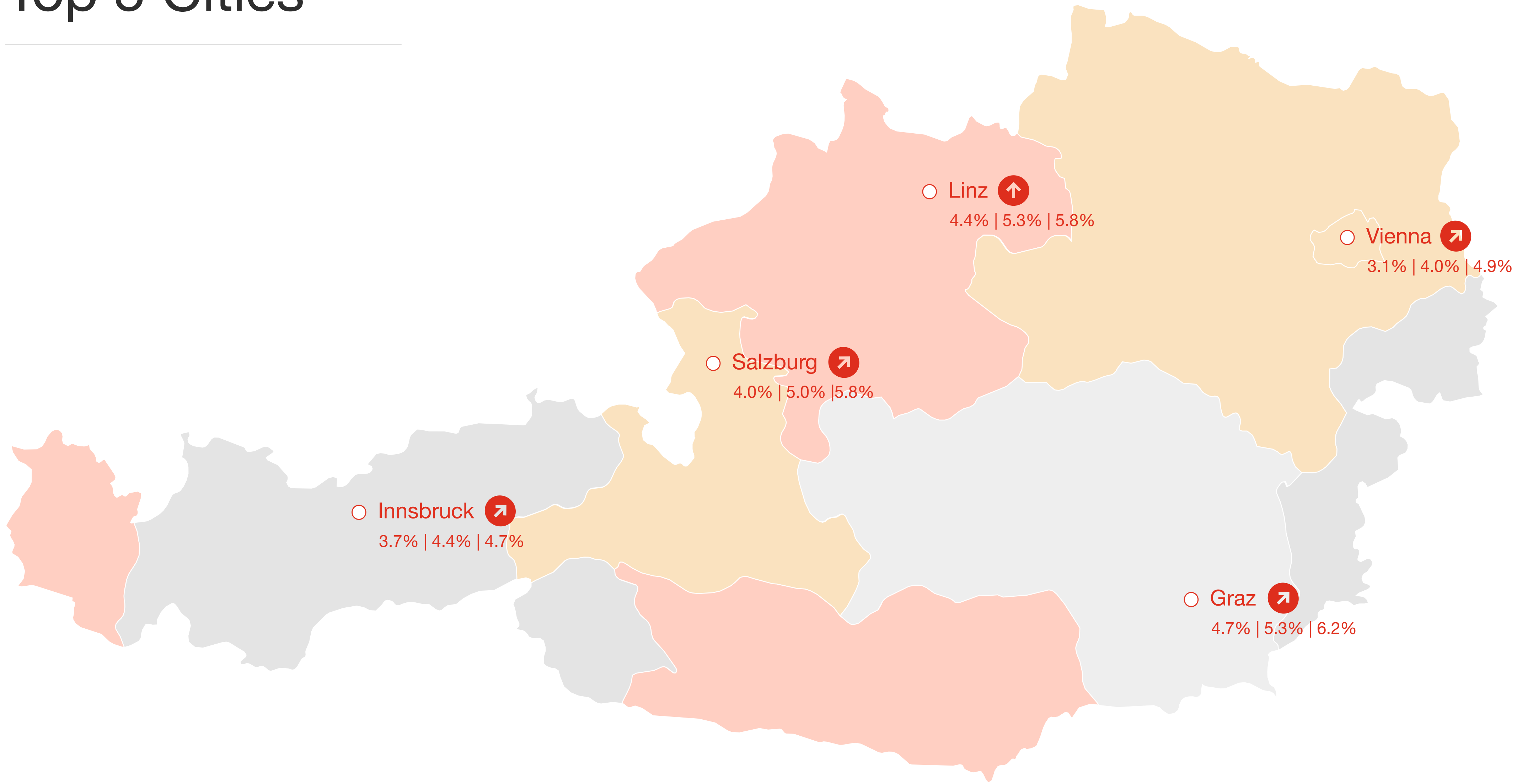
Regions



	Min%	Average %	Max%	Min yields compression over six months*
Vienna	2.6%	2.9%	3.3%	-0.2%
Graz	3.3%	3.4%	3.6%	-0.2%
Linz	3.2%	3.5%	3.8%	-0.0%
Salzburg	3.0%	3.3%	3.6%	-0.0%
Innsbruck	3.0%	3.1%	3.3%	0.1%
Lower Austria	3.8%		5.0%	
Upper Austria	3.5%		4.5%	
Salzburg (Land)	3.3%		4.3%	
Tyrol	3.2%		4.1%	
Styria	3.5%		5.0%	
Carinthia	4.5%		6.0%	
Vorarlberg	3.2%		4.2%	
Burgenland	5.0%		6.0%	

Office

Yields in Austrian Top 5 Cities



↑ ↗ → ↘ ↓

Minimum yields movement
compared to last six months

Min. % | Average % | Max. %

Top 5 Cities

Divergent to the residential market and as expected, the office market reflects the COVID-19 impacts slightly stronger, whereby the increase in yields is fairly moderate. As expected, Vienna is the top office market with a minimum yield of 3.1% and an average prime rent of €25/sqm. Followed by the other primary office investment locations led by Innsbruck and Salzburg with yields of 3.7% to 4% and prime rents of €15/sqm to €16/sqm respectively. Nevertheless, the main geographical focus in the office market as well as in other classes of use is almost exclusively on Vienna.

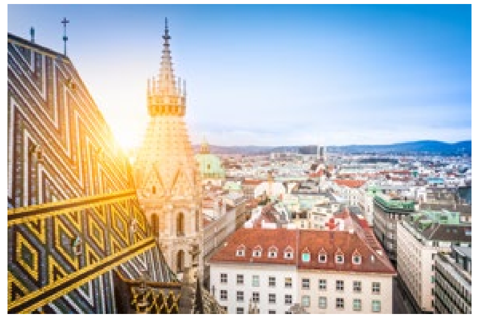
Looking at the development of minimum yields between the previous survey in H1 2020 and the current one as for H2 2020, the strongest increase can be observed for Linz, Innsbruck and Graz between 15 and 35 bps. Nevertheless, the expected average annual rental growth in the top 5 cities is 1.1%, with growth of 1.5% expected for Linz, as well as Graz and Salzburg following with 1.3% and 1.2%.

The main focus will continue to be on core and core plus segments and the demand for office spaces will furthermore prevail especially in Vienna, as the completion of new developments in this asset class has reached its bottom level in the previous period.

→ View the graph for ***Yields ranges and compression*** *on page 37*

Expected 5-year yield development

Top 5 Cities



→ **Vienna**

→ **Graz**

→ **Linz**

→ **Salzburg**

↘ **Innsbruck**

Letting parameters

Top 5 Cities

	Prime rent (in EUR/m²/month)	Granted rentfree period (Med. in months)		Duration until reletting (Med. in months)		Extension probability		Annual market rent growth rate	
Top 5 Cities	**Med.**	**Med.**	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**
Vienna	25	6	↑	7	↑	65%	↑	0.4%	→
Graz	14	5	↓	6	↓	80%	↑	1.3%	→
Linz	14	5	↓	6	↓	80%	↑	1.5%	→
Salzburg	15	5	↓	6	↓	80%	↑	1.2%	→
Innsbruck	16	4	↓	6	→	80%	↑	1.0%	↘

↓ <-1% ↘ -1.0% to -0.25% → -0.25% to 0.25% ↗ 0.25% to 1.0% ↑ >1.0%

Compared to six months ago (majority of responses)

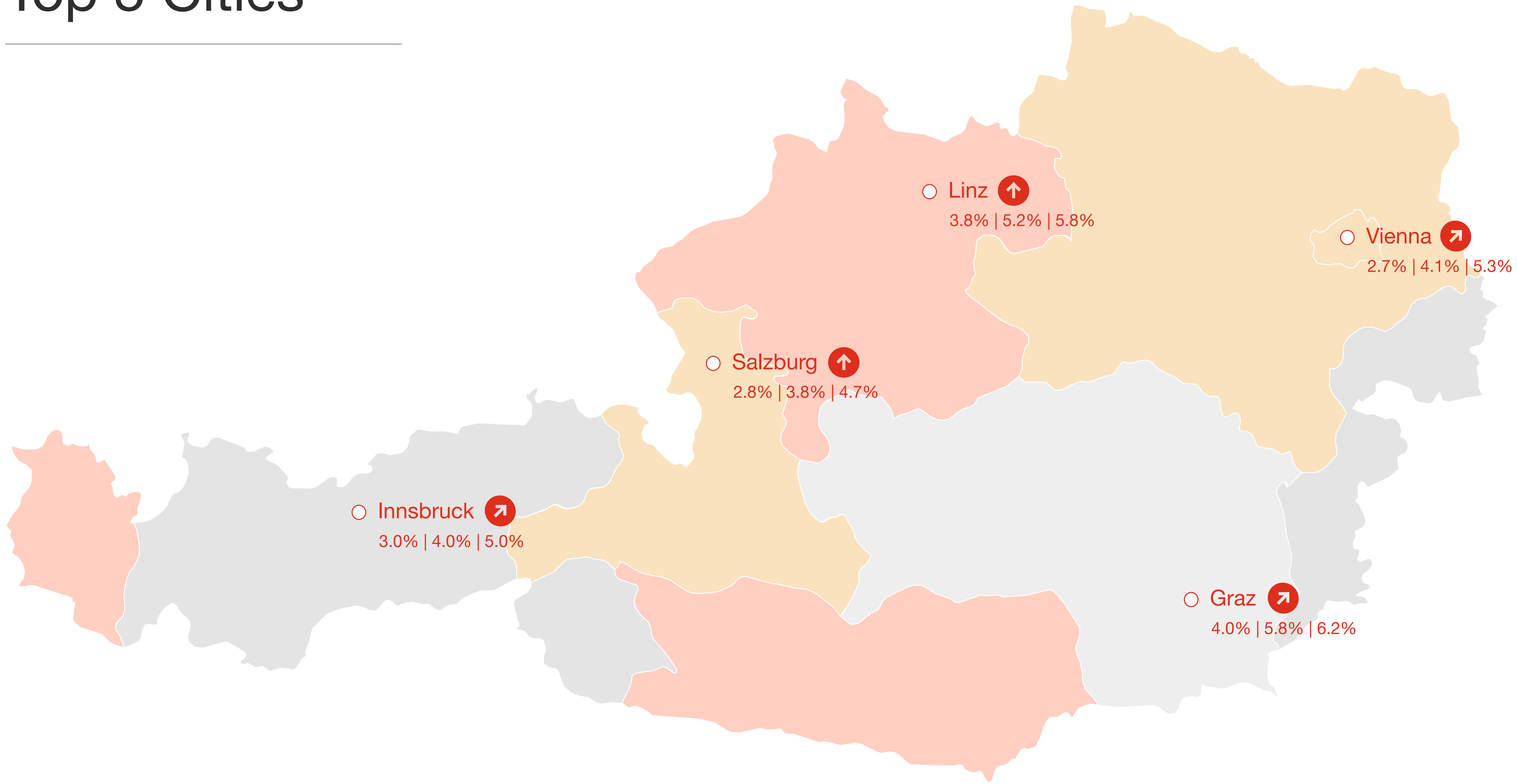
Yields ranges and compression

Top 5 Cities

	Min%	Average % Six months ago	Max%	Min yields compression over six months
Vienna	3.1%	4.0%	4.9%	0.4%
Graz	4.7%	5.3%	6.2%	0.2%
Linz	4.4%	5.3%	5.8%	0.2%
Salzburg	4.0%	5.2%	5.8%	0.2%
Innsbruck	3.7%	4.4%	4.7%	0.2%

Retail | High Street

Yields in Austrian Top 5 Cities



↑ ↗ → ↘ ↓

Minimum yields movement
compared to last six months

Min. % | Average % | Max. %

Top 5 Cities

The market that has shown the greatest sensitivity as of the COVID-19 disruptions in the last six months is reflected in high-street retail by the increase of yields of an average of 25 bps. Vienna, as expected, is the top retail market with a minimum yield of 2.7% (+20 bps) and an average prime rent of €330/sqm. Followed by Salzburg and Innsbruck with minimum yields of 2.8% (+30 bps) and 3.0% (+20 bps) at average prime rents of €280/sqm, and €270/sqm respectively. Linz and Graz are somewhat behind with yields of 3.8% (+30 bps) and 4.0% (+15 bps) and an analogue prime rent of €130/sqm and €155/sqm accordingly. Nevertheless, the main geographical focus in the retail market as well as in other classes of use is almost exclusively on Vienna.

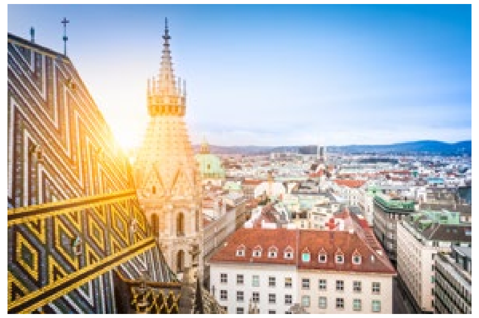
The expected average annual rental growth in the top 5 cities for high-street retail is expected to be at 0.0%.

Only the Top 5 Cities were covered, as the investment activities of the participants are not significantly present in the Regions.

→ View the graph for ***Yields ranges and compression** on page 40*

Expected 5-year yield development

Top 5 Cities



→ Vienna

↗ Graz

↗ Linz

→ Salzburg

→ Innsbruck

Letting parameters

Top 5 Cities

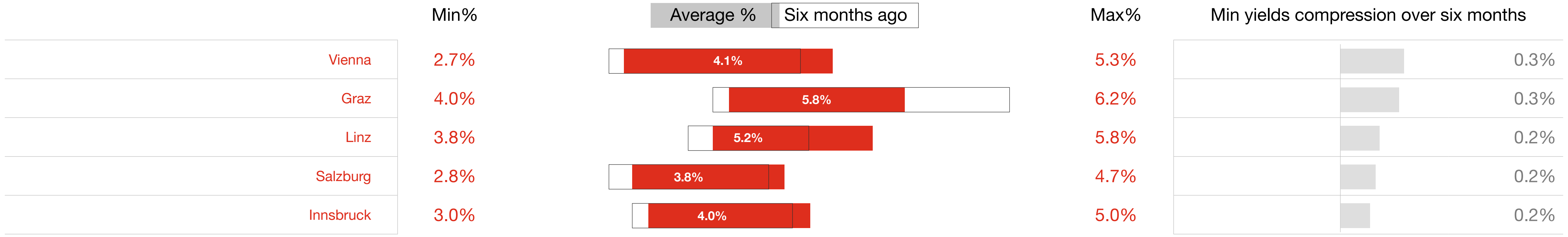
	Prime rent (in EUR/m²/month)	Granted rentfree period (Med. in months)		Duration until reletting (Med. in months)		Extension probability		Annual market rent growth rate	
Top 5 Cities	**Med.**	**Med.**	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**
Vienna	330	2	↓	12	↑	50%	→	0.0%	↓
Graz	155	2	↓	12	↓	50%	↑	0.0%	↑
Linz	130	2	↓	12	↑	50%	→	0.0%	↓
Salzburg	280	2	↓	12	↑	50%	→	0.0%	↓
Innsbruck	270	2	↓	12	↑	50%	→	0.0%	↓

↓ <-1% ↘ -1.0% to -0.25% → -0.25% to 0.25% ↗ 0.25% to 1.0% ↑ >1.0%

Compared to six months ago (majority of responses)

Yields ranges and compression

Top 5 Cities



	Min%	Average %	Max%	Min yields compression over six months
Vienna	2.7%	4.1%	5.3%	0.3%
Graz	4.0%	5.8%	6.2%	0.3%
Linz	3.8%	5.2%	5.8%	0.2%
Salzburg	2.8%	3.8%	4.7%	0.2%
Innsbruck	3.0%	4.0%	5.0%	0.2%

Retail | Non-High Street

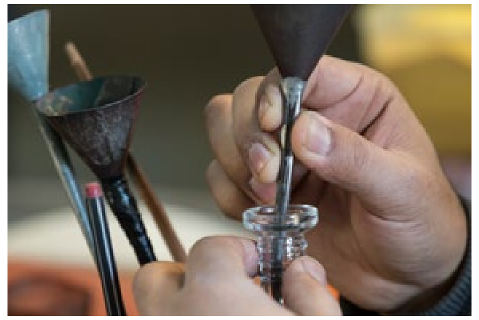
Apart from high-street retail, yields in the non-high street retail sector are at a minimum between 4.2% and 5.5%. Out-of-town shopping centers and supermarkets have the lowest yields at 4.2% and 4.5% respectively, while the yields of retail parks and DIY stores range between 4.8% and 5.5%. Investors expect an average growth in the annual rent for the non-high street retail sector of 0.7%.

Expected 5-year yield development

↗ Retail Park

→ Out-of-town Shopping Center

↗ Supermarket



→ DIY-Store

Yields and letting parameters

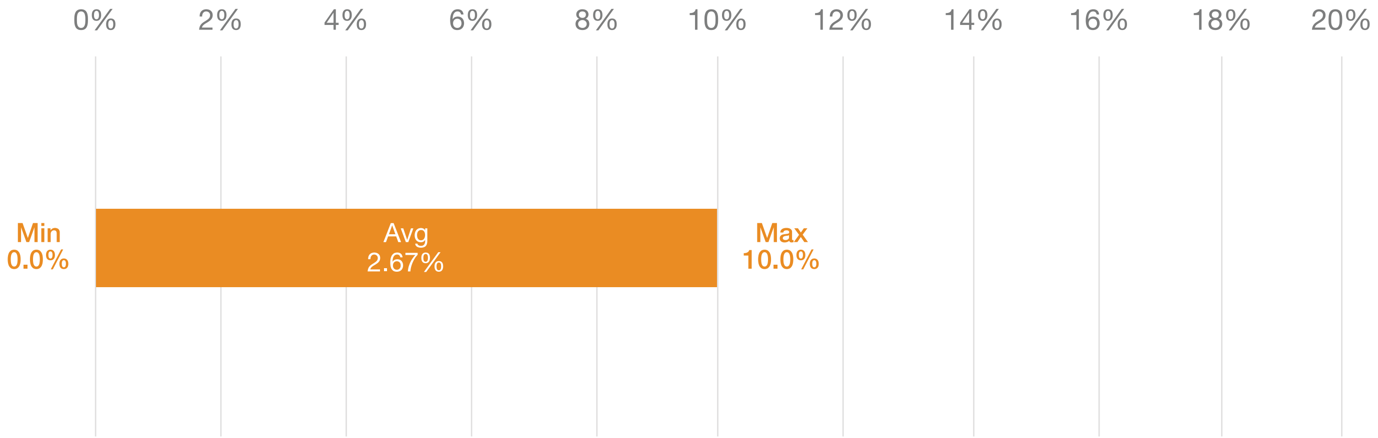
	All-risk-yield			Prime rent (in EUR/m^2/month)	Granted rentfree period (Med. in months)		Duration until reletting (Med. in months)		Extension probability		Annual market rent growth rate	
Top 7 Cities	**Min.**	**Med.**	**Max.**	**Med.**	**Med.**	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**
Out-of-town Shopping Center	4.2%	5.0%	6.5%	230	3	→	5	↓	80%	↑	0.3%	↓
Retail Park	4.8%	5.9%	6.5%	37	3	↓	4	↓	75%	↑	0.5%	↘
Supermarket	4.5%	5.7%	6.8%	17	3	↓	6	↓	75%	↑	1.0%	↑
DIY-Store	5.5%	6.5%	7.5%	12	3	↓	4	↓	80%	↑	1.0%	↗

↓ <-1% ↘ -1.0% to -0.25% → -0.25% to 0.25% ↗ 0.25% to 1.0% ↑ >1.0%

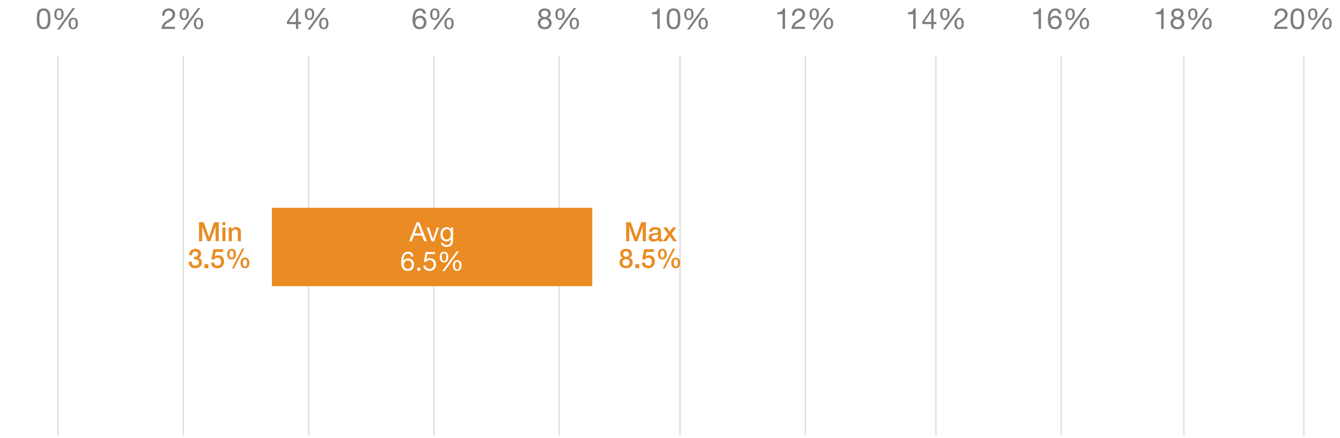
Compared to six months ago (majority of responses)

NOI leakage

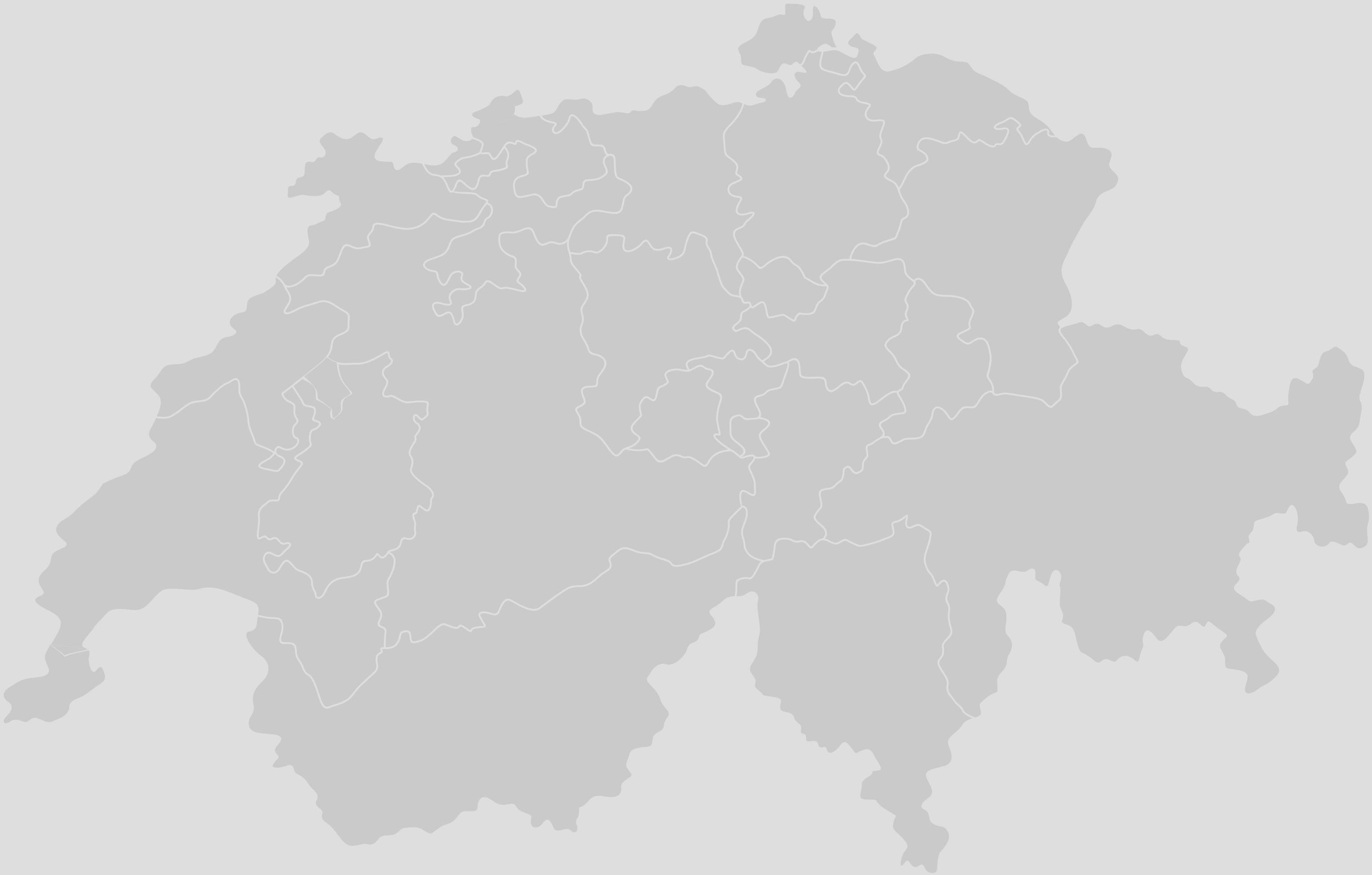
Office



Retail

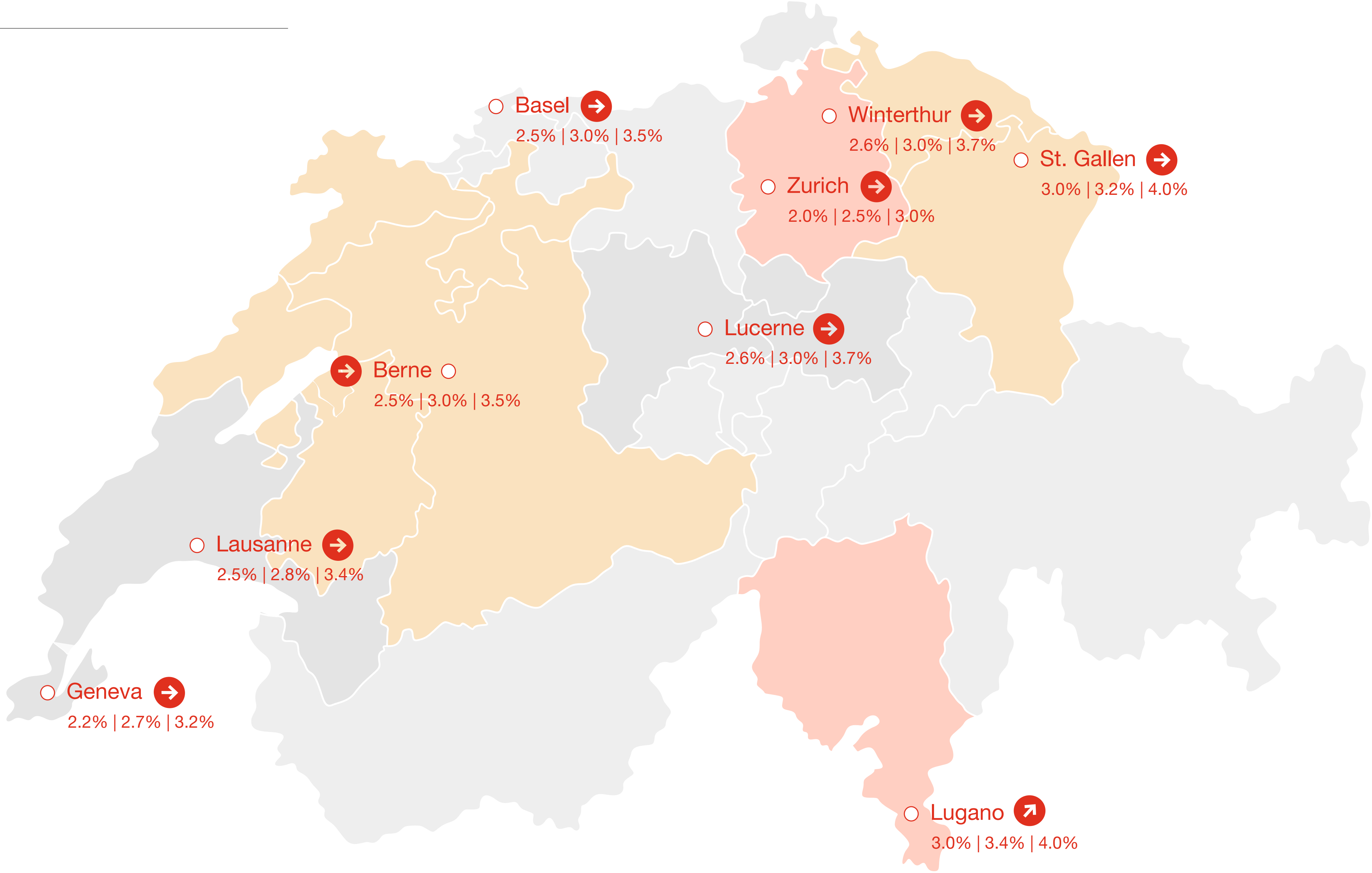


Switzerland



Residential

Yields in Swiss Top 9 Cities



↑ ↗ → ↘ ↓

Minimum yields movement compared to last six months

Min. % | Average % | Max. %

Top 9 Cities

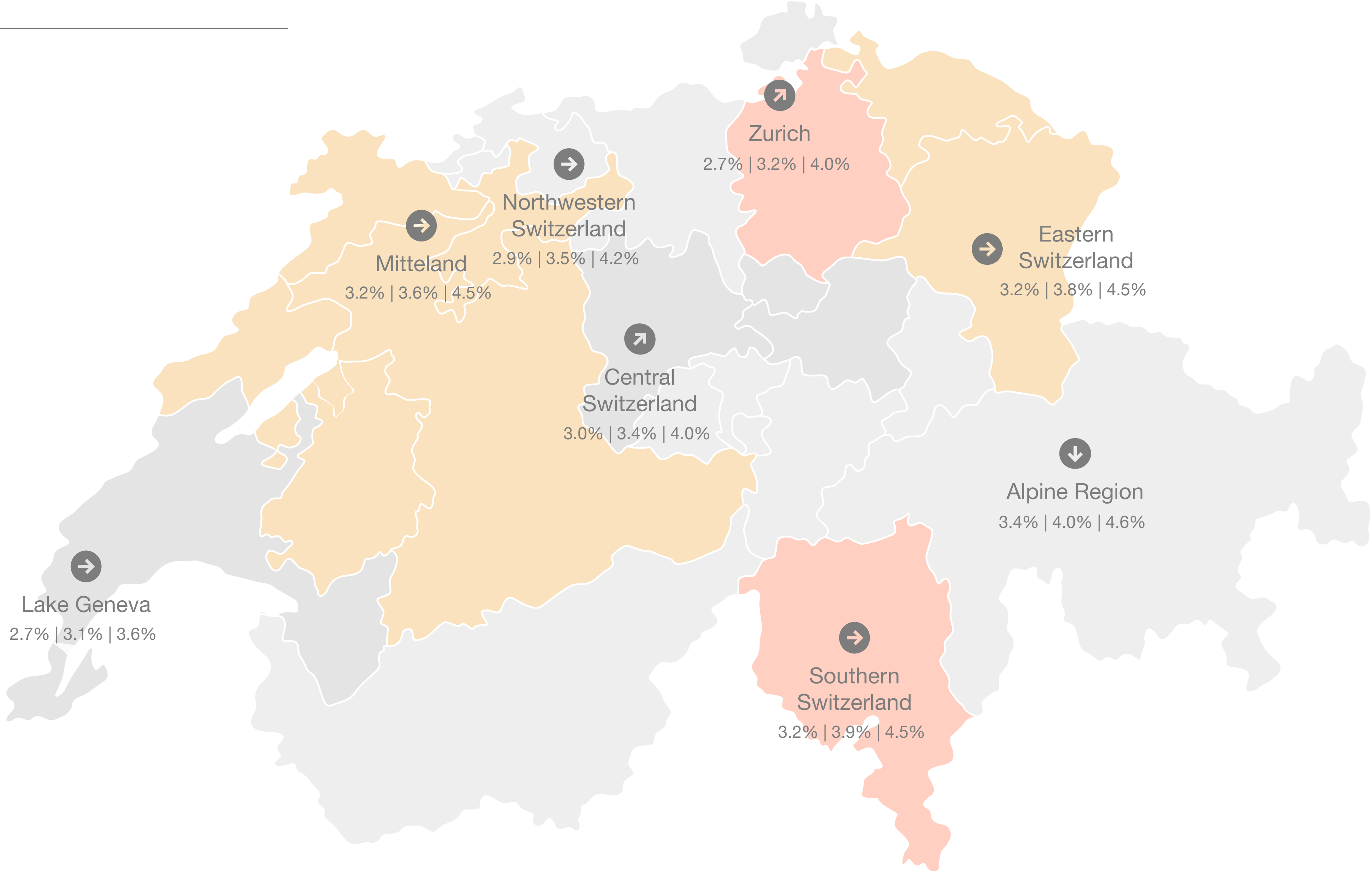
Residential yields in Switzerland prove highly robust to the market disruptions caused by COVID-19. Yields in the country's nine largest cities have virtually not moved over the past six months. Core yields remain at 2.0% in Zurich, 2.2% in Geneva and 2.5% in Basel, Berne and Lausanne.

The only exception to this is the city of Lugano. As the major city in Ticino, the region that has been hit hardest by the crisis, Lugano sees its core and average yields rise by 20 bps each.

→ View the graph for *Yields ranges and compression on page 49*

Residential

Yields in Swiss Regions



↑ ↗ → ↘ ↓

Minimum yields movement compared to last six months

Min. % | Average % | Max. %

Regions

Outside the big cities, investors see increasing yields for prime properties in Greater Zurich and Central Switzerland, and for the value-add segment in Southern Switzerland. Meanwhile, the Lake Geneva Region, the Alpine Region and the Mittelland experienced slightly decreasing yields in the core and average segment.

→ View the graph for *Yields ranges and compression on page 49*

Expected 5-year yield development

Top 9 Cities

→ Zurich

→ Geneva

→ Basel

→ Berne

→ Lausanne

→ Winterthur

→ Lucerne

→ St. Gallen

→ Lugano

↓ <-1% ↘ -1.0% to -0.25% → -0.25% to 0.25% ↗ 0.25% to 1.0% ↑ >1.0%

Compared to six months ago (majority of responses)

Letting parameters

Top 9 Cities

	Granted rentfree period (Med. in months)		Duration until reletting (Med. in months)		Annual market rent growth rate	
	Med.	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**
Zurich	0	→	1	→	0.0%	→
Geneva	0	→	1	→	0.0%	→
Basel	0	→	1	→	0.0%	→
Berne	0	→	2	→	0.0%	→
Lausanne	0	→	1	→	0.0%	→
Winterthur	0	→	2	→	0.0%	→
Lucerne	0	→	2	→	0.0%	→
St.Gallen	0	→	3	→	0.0%	→
Lugano	0	→	3	↘	0.0%	→

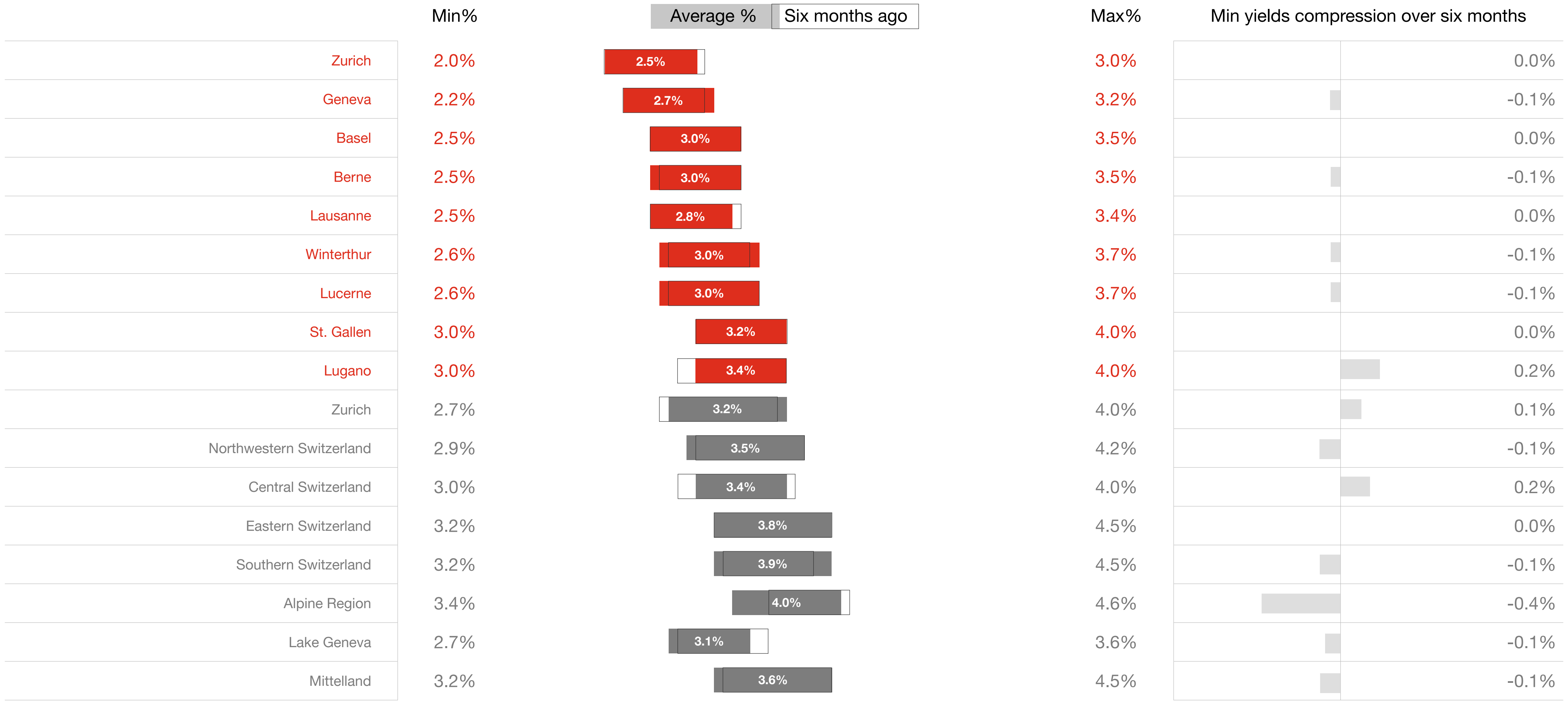
↓ <-1% ↘ -1.0% to -0.25% → -0.25% to 0.25% ↗ 0.25% to 1.0% ↑ >1.0%

Compared to six months ago (majority of responses)

Yields ranges and compression

Top 9 Cities

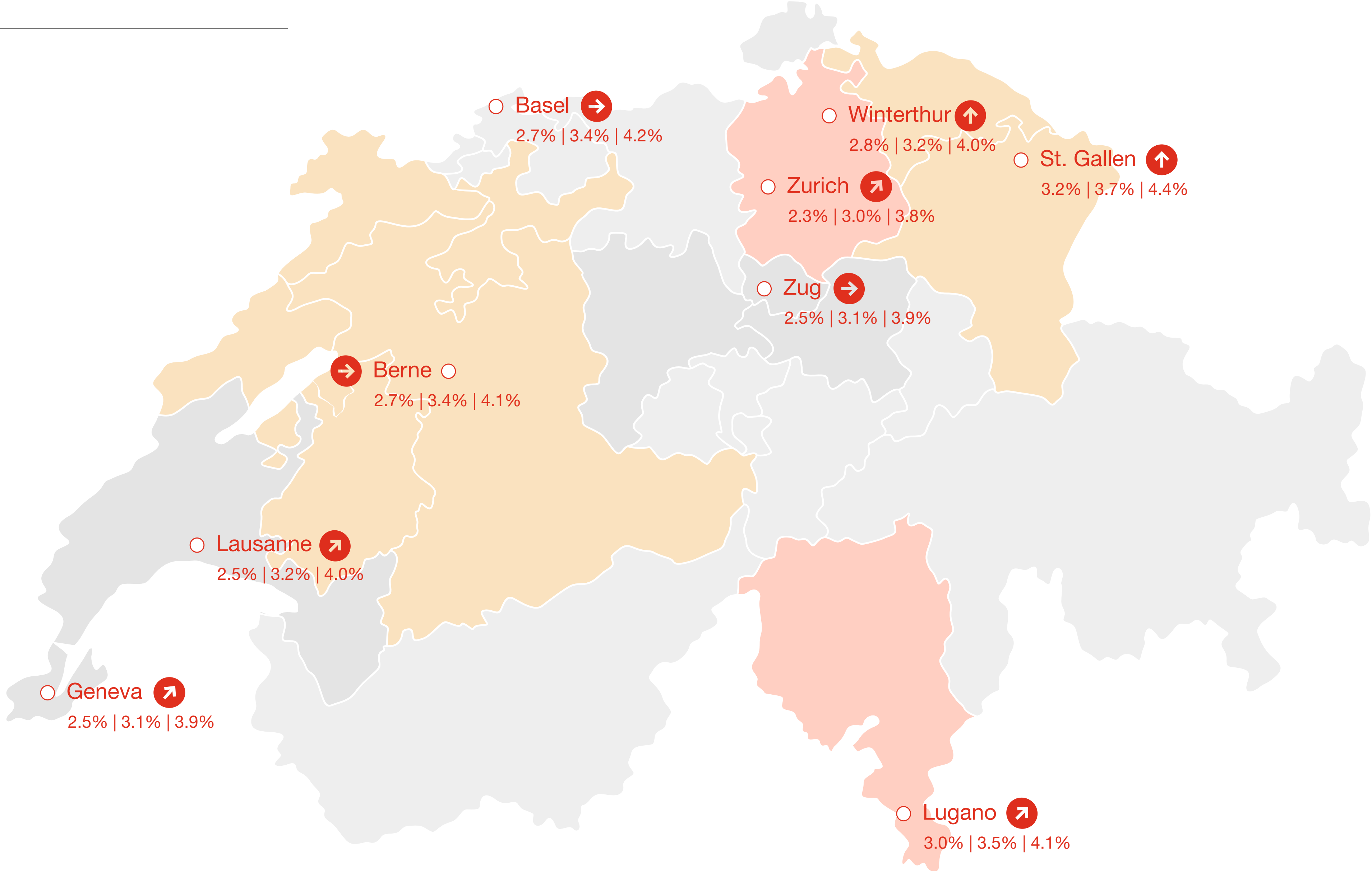
Regions



	Min%	Average %	Max%	Min yields compression over six months
Zurich	2.0%	2.5%	3.0%	0.0%
Geneva	2.2%	2.7%	3.2%	-0.1%
Basel	2.5%	3.0%	3.5%	0.0%
Berne	2.5%	3.0%	3.5%	-0.1%
Lausanne	2.5%	2.8%	3.4%	0.0%
Winterthur	2.6%	3.0%	3.7%	-0.1%
Lucerne	2.6%	3.0%	3.7%	-0.1%
St. Gallen	3.0%	3.2%	4.0%	0.0%
Lugano	3.0%	3.4%	4.0%	0.2%
Zurich	2.7%	3.2%	4.0%	0.1%
Northwestern Switzerland	2.9%	3.5%	4.2%	-0.1%
Central Switzerland	3.0%	3.4%	4.0%	0.2%
Eastern Switzerland	3.2%	3.8%	4.5%	0.0%
Southern Switzerland	3.2%	3.9%	4.5%	-0.1%
Alpine Region	3.4%	4.0%	4.6%	-0.4%
Lake Geneva	2.7%	3.1%	3.6%	-0.1%
Mittelland	3.2%	3.6%	4.5%	-0.1%

Office

Yields in Swiss Top 9 Cities



↑ ↗ → ↘ ↓

Minimum yields movement
compared to last six months

Min. % | Average % | Max. %

Top 9 Cities

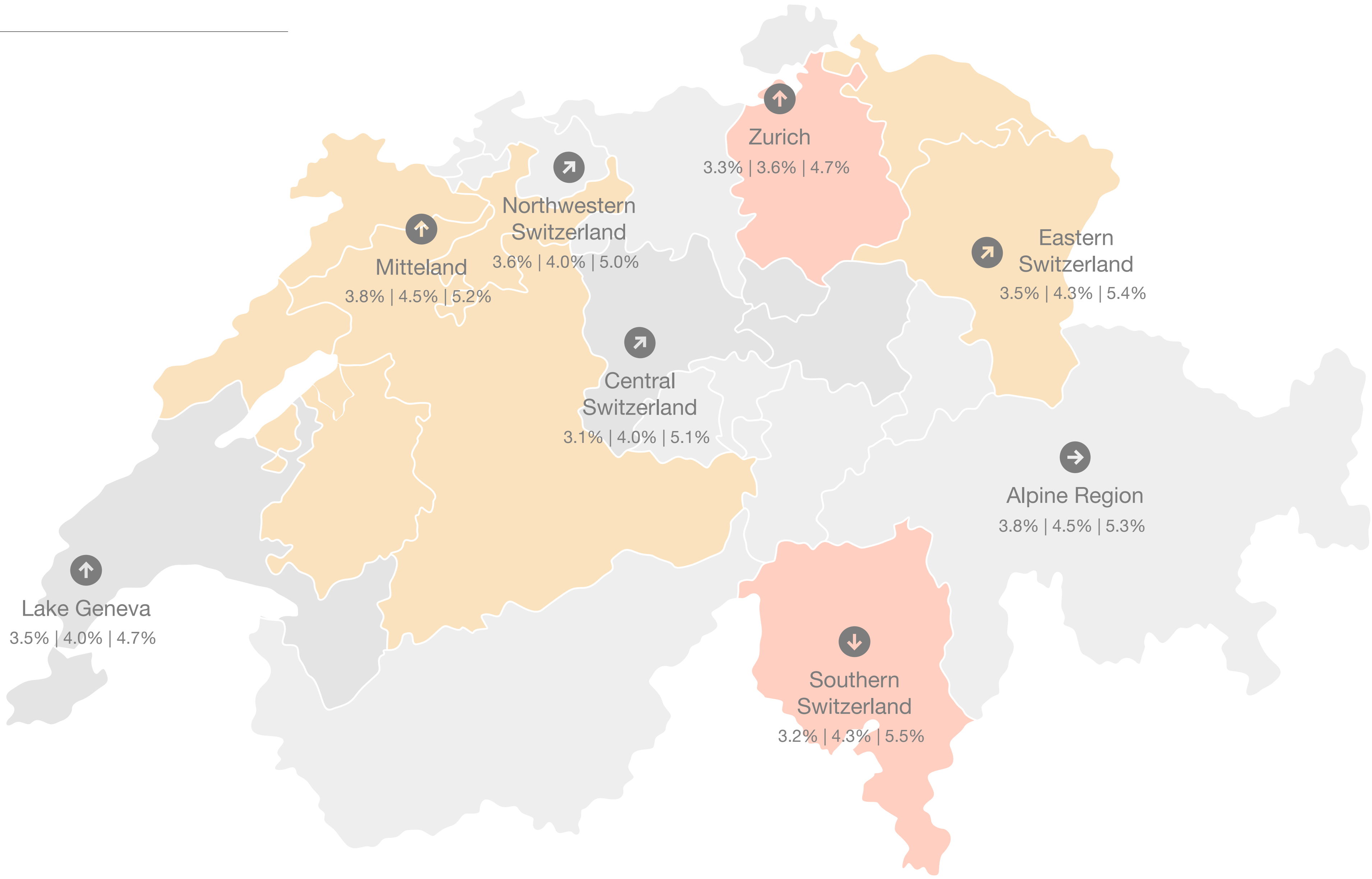
While the Swiss residential yields remained stable over the past six months, office yields clearly reflect the effects of the COVID-19 crisis. Amid expectations of a faltering demand for office spaces, core and average yields in Zurich and Geneva increased between 10 and 20 bps. After reaching the lowest levels recorded since inception of this survey in March 2020, the core yields in Switzerland's two largest cities are now at 2.3% and 2.5%, respectively.

Even more pronounced was the move in core yields in Lausanne, Winterthur and Lugano (+20 to 30 bps) and especially St. Gallen (+40 bps). In Basel and Berne, the core segment remains unaffected, but yields on average properties increased by a significant 25 to 30 bps. The only city that saw no changes in yields over the past six months is Zug. Core office yields in Central Switzerland's business hub remain at 2.5%.

→ View the graph for *Yields ranges and compression on page 54*

Office

Yields in Swiss Regions



↑ ↗ → ↘ ↓

Minimum yields movement
compared to last six months

Min. % | Average % | Max. %

Regions

Outside of the urban centers, the effects of COVID-19 on the office market are even more pronounced. Core yields in the regions of Zurich, Lake Geneva and the Mittelland increased by more than 40 bps. In Northwestern, Central and Eastern Switzerland the increase was slightly weaker at 10 to 20 bps.

The largest increases overall were observed in the average segment with moves of 20 bps (Northwestern, Central, Alpine), 35 bps (Eastern, Lake Geneva) and even up to 65 bps (Mittelland).

It is worth noting that while investors generally agreed on the direction of the yields' moves, the dispersion in the answers was significant. This is an indication that investors are still in the process of finding a consensus on how to appropriately price in the shifts caused by the pandemic.

→ View the graph for *Yields ranges and compression on page 54*

Expected 5-year yield development

Top 9 Cities

→ Zurich

→ Geneva

→ Basel

→ Berne

→ Lausanne

→ Winterthur

→ Zug

→ St. Gallen

→ Lugano

↓ <-1% ↘ -1.0% to -0.25% → -0.25% to 0.25% ↗ 0.25% to 1.0% ↑ >1.0%

Compared to six months ago (majority of responses)

Letting parameters

Top 9 Cities

	Prime rent (CHF/m² p.a.)	Granted rentfree period (Med. in months)		Duration until reletting (Med. in months)		Extension probability		Annual market rent growth rate	
	Med.	**Med.**	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**
Zurich	800	3	→	6	↗	70%	→	0.0%	→
Geneva	675	4	→	7	→	60%	→	-0.5%	→
Basel	370	4	↗	9	↗	70%	→	0.0%	→
Berne	350	4	→	7	→	70%	→	0.0%	→
Lausanne	380	4	→	6	↘	60%	↓	0.0%	→
Winterthur	340	4	→	7	↘	60%	↓	0.0%	→
Zug	380	4	→	6	→	70%	→	0.0%	→
St.Gallen	320	5	↘	9	→	70%	↑	0.0%	→
Lugano	320	5	↘	9	↘	40%	↓	-0.3%	→

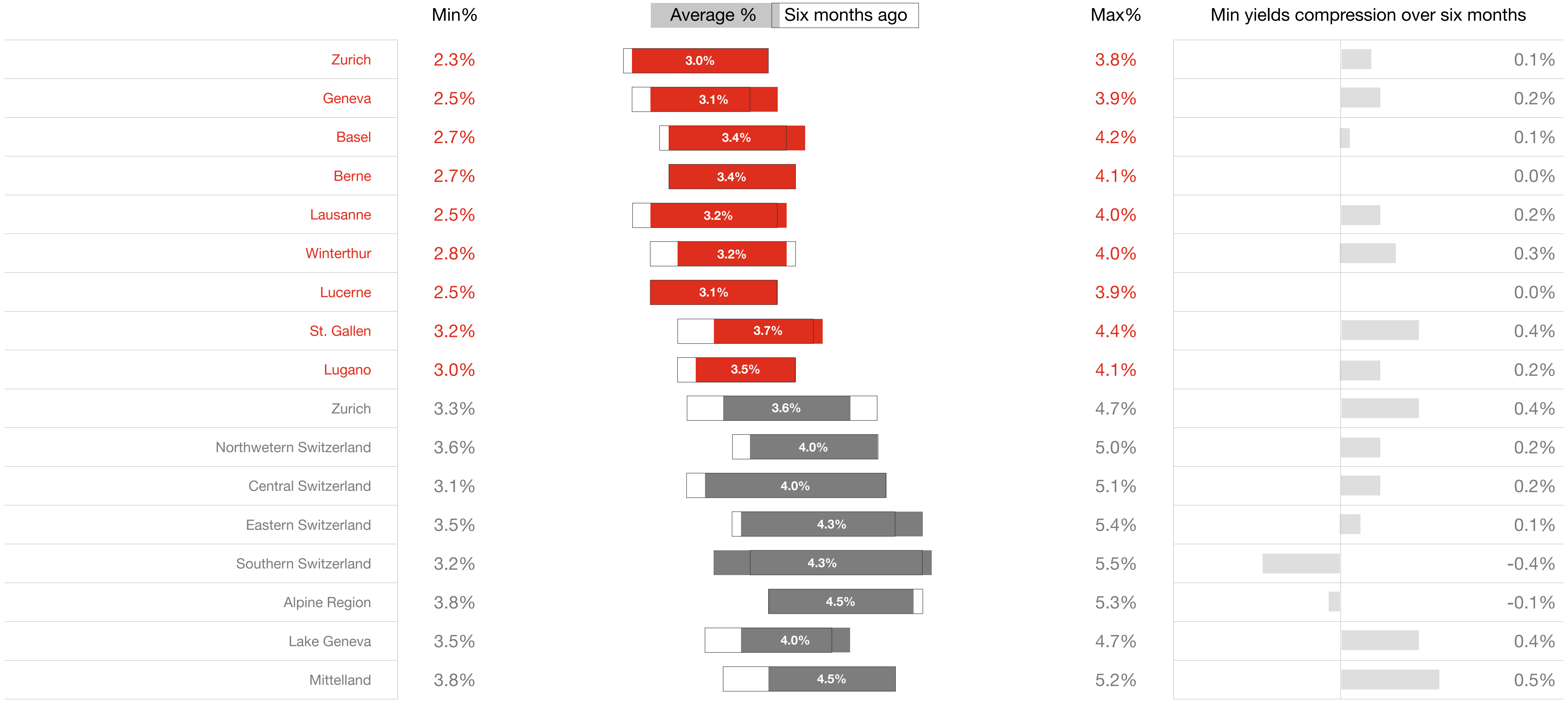
↓ <-1% ↘ -1.0% to -0.25% → -0.25% to 0.25% ↗ 0.25% to 1.0% ↑ >1.0%

Compared to six months ago (majority of responses)

Yields ranges and compression

Top 9 Cities

Regions

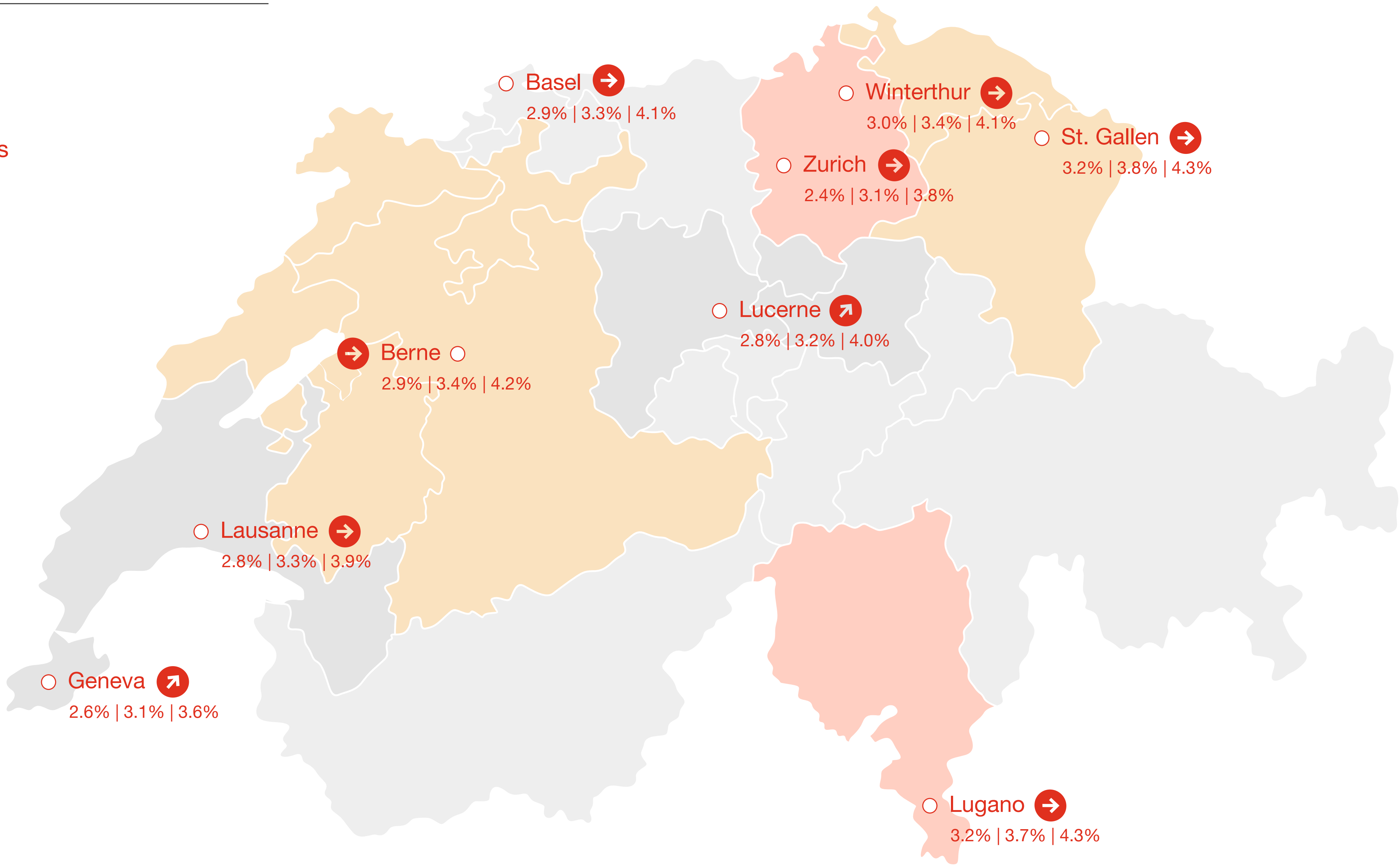


	Min%	Average %	Max%	Min yields compression over six months
Zurich	2.3%	3.0%	3.8%	0.1%
Geneva	2.5%	3.1%	3.9%	0.2%
Basel	2.7%	3.4%	4.2%	0.1%
Berne	2.7%	3.4%	4.1%	0.0%
Lausanne	2.5%	3.2%	4.0%	0.2%
Winterthur	2.8%	3.2%	4.0%	0.3%
Lucerne	2.5%	3.1%	3.9%	0.0%
St. Gallen	3.2%	3.7%	4.4%	0.4%
Lugano	3.0%	3.5%	4.1%	0.2%
Zurich	3.3%	3.6%	4.7%	0.4%
Northwetern Switzerland	3.6%	4.0%	5.0%	0.2%
Central Switzerland	3.1%	4.0%	5.1%	0.2%
Eastern Switzerland	3.5%	4.3%	5.4%	0.1%
Southern Switzerland	3.2%	4.3%	5.5%	-0.4%
Alpine Region	3.8%	4.5%	5.3%	-0.1%
Lake Geneva	3.5%	4.0%	4.7%	0.4%
Mittelland	3.8%	4.5%	5.2%	0.5%

Retail | High Street

Yields in Swiss Top 9 Cities

Top 9 Cities



↑ ↗ → ↘ ↓

Minimum yields movement
compared to last six months

Min. % | Average % | Max. %

Top 9 Cities

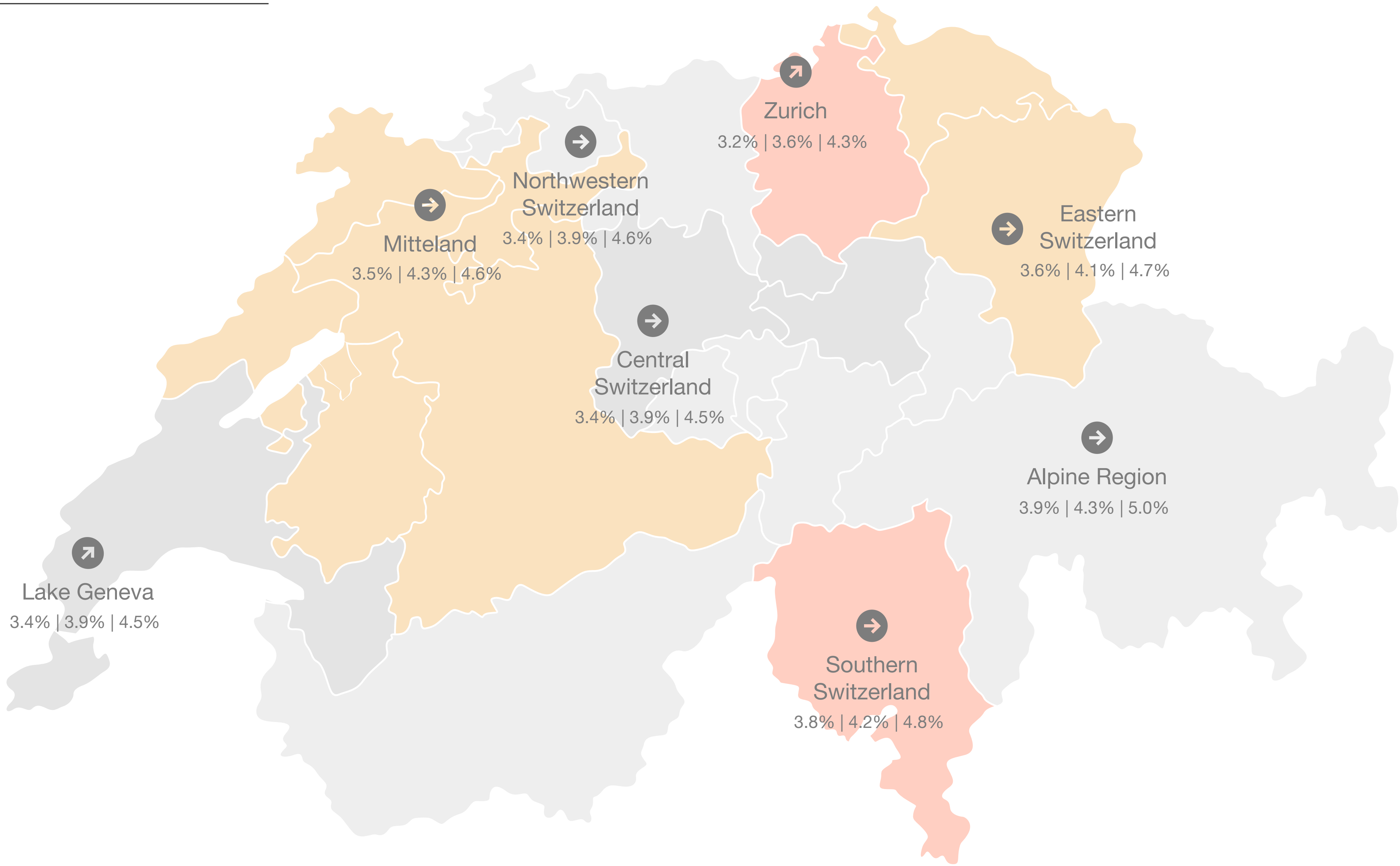
While the office market experienced significant shifts in yields as a consequence of the COVID-19 crisis, yields of Swiss high-street retail properties remained fairly stable. Particularly in the prime and secondary locations of the high streets, investors price properties at almost the same levels as before the crisis. The largest moves on top-tier properties were observed in Lucerne, Geneva, Basel and Lausanne (+5 to 20 bps), while being below 5 bps for the remaining cities. Zurich still has the lowest yields at 2.4% - a level that has remained unchanged over the past three issues of this survey.

Meanwhile, the third-tier locations on High Street of the five largest cities experienced more strongly pronounced increases in yields. In Zurich, Geneva, Basel, Berne and Lausanne, these properties are now priced at up to 40 bps higher yields than they were six months ago.

→ View the graph for *Yields ranges and compression on page 59*

Retail | High Street

Yields in Swiss Regions



↑ ↗ → ↘ ↓

Minimum yields movement
compared to last six months

Min. % | Average % | Max. %

Regions

High-street properties outside the large centers experienced surprisingly only mild corrections of their yields. As in the cities, the tertiary locations are most affected with changes of +25 bps in Greater Zurich and Northwestern Switzerland, and 10 to 20 bps in Eastern Switzerland, the Lake Geneva Region and the Mittelland.

→ View the graph for *Yields ranges and compression on page 59*

Expected 5-year yield development

Top 9 Cities

→ Zurich

↗ Geneva

→ Basel

→ Berne

↗ Lausanne

→ Winterthur

→ Lucerne

↗ St. Gallen

↗ Lugano

↓ <-1% ↘ -1.0% to -0.25% → -0.25% to 0.25% ↗ 0.25% to 1.0% ↑ >1.0%

Compared to six months ago (majority of responses)

Letting parameters

Top 9 Cities

	Granted rentfree period (Med. in months)		Duration until reletting (Med. in months)		Extension probability		Annual market rent growth rate	
	Med.	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**
Zurich	6	↗	10	↗	65%	→	-0.5%	→
Geneva	7	↗	6	→	40%	↓	-1.0%	→
Basel	6	↗	10	↗	55%	↘	-0.8%	→
Berne	6	↗	9	↗	60%	→	-3.0%	↘
Lausanne	6	↗	6	→	50%	↓	-0.5%	→
Winterthur	9	↑	10	↗	60%	→	-2.8%	↘
Lucerne	6	↗	9	↗	55%	↘	-0.5%	→
St.Gallen	11	↑	13	↑	55%	↘	-3.3%	→
Lugano	6	→	8	→	40%	↓	-1.5%	→

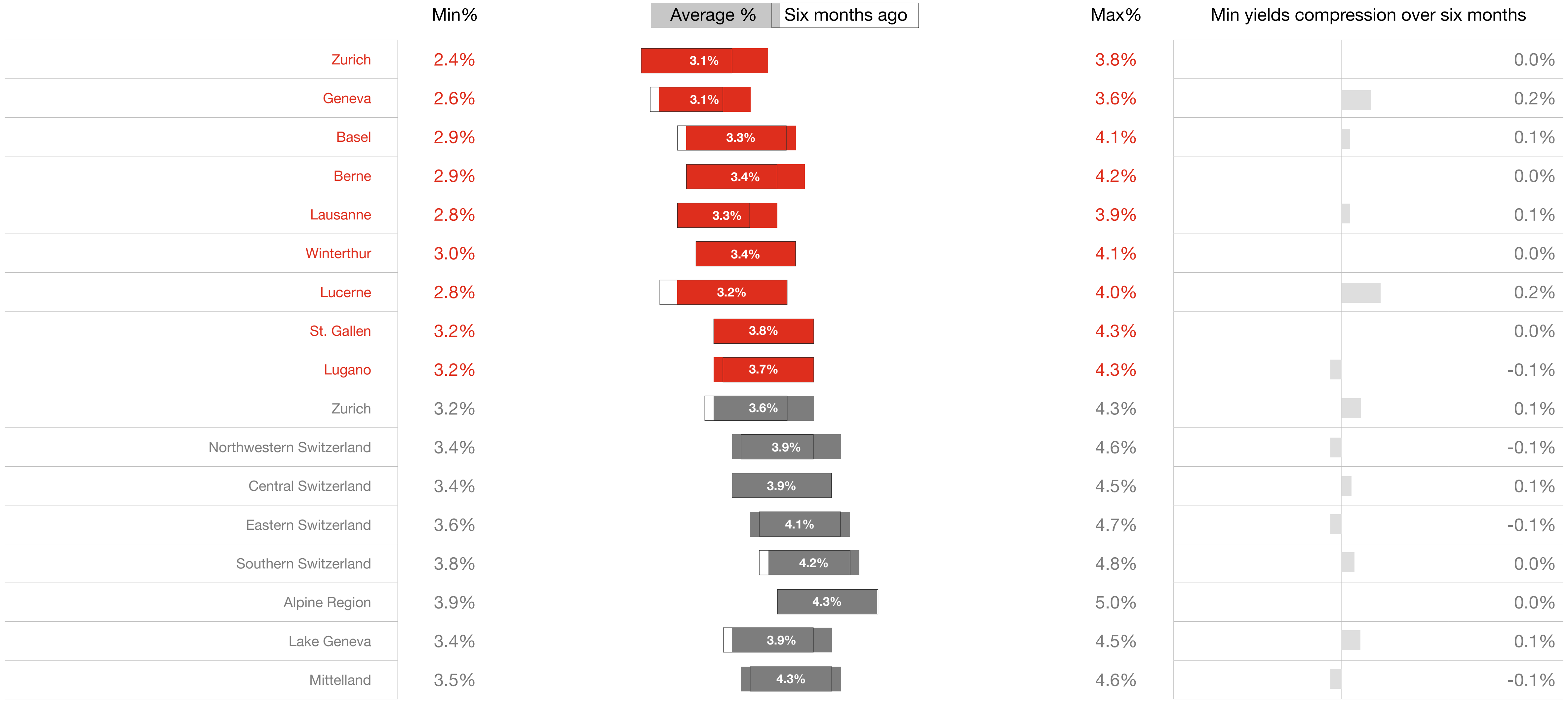
↓ <-1% ↘ -1.0% to -0.25% → -0.25% to 0.25% ↗ 0.25% to 1.0% ↑ >1.0%

Compared to six months ago (majority of responses)

Yields ranges and compression

Top 9 Cities

Regions



	Min%	Average %	Max%	Min yields compression over six months
Zurich	2.4%	3.1%	3.8%	0.0%
Geneva	2.6%	3.1%	3.6%	0.2%
Basel	2.9%	3.3%	4.1%	0.1%
Berne	2.9%	3.4%	4.2%	0.0%
Lausanne	2.8%	3.3%	3.9%	0.1%
Winterthur	3.0%	3.4%	4.1%	0.0%
Lucerne	2.8%	3.2%	4.0%	0.2%
St. Gallen	3.2%	3.8%	4.3%	0.0%
Lugano	3.2%	3.7%	4.3%	-0.1%
Zurich	3.2%	3.6%	4.3%	0.1%
Northwestern Switzerland	3.4%	3.9%	4.6%	-0.1%
Central Switzerland	3.4%	3.9%	4.5%	0.1%
Eastern Switzerland	3.6%	4.1%	4.7%	-0.1%
Southern Switzerland	3.8%	4.2%	4.8%	0.0%
Alpine Region	3.9%	4.3%	5.0%	0.0%
Lake Geneva	3.4%	3.9%	4.5%	0.1%
Mittelland	3.5%	4.3%	4.6%	-0.1%

Retail | Non-High Street

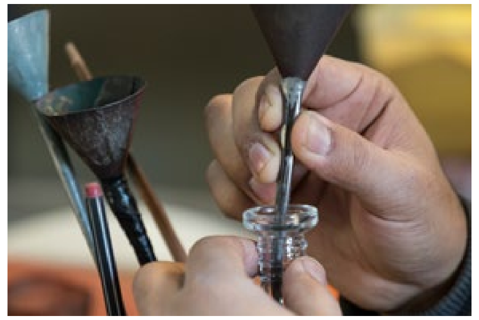
Similar to the high-street segment, non-high-street assets have remained relatively stable in the wake of the COVID-19 crisis. The exception to this were supermarkets, for which the yields increased at the lower end and on average. The lowest yields among the four categories can now be observed for out-of-town shopping centers at a minimum of 3.7%.

Expected 5-year yield development

↗ Retail Park

↗ Out-of-town Shopping Center

↗ Supermarket



↗ DIY-Store

Letting parameters

	All-risk-yield			Granted rentfree period (Med. in months)		Duration until reletting (Med. in months)		Extension probability		Annual market rent growth rate	
Top 7 Cities	**Min.**	**Med.**	**Max.**	**Med.**	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**	**Med.**	**Dev.**
Out-of-town Shopping Center	3.7%	4.3%	4.9%	6	→	9	→	45%	↘	-0.5%	→
Retail Park	4.1%	4.9%	5.7%	8	→	9	→	50%	↘	-1.0%	→
Supermarket	3.9%	4.8%	5.2%	6	→	8	→	45%	↓	-0.5%	→
DIY-Store	3.9%	4.9%	5.4%	6	→	8	→	45%	↘	-0.5%	→

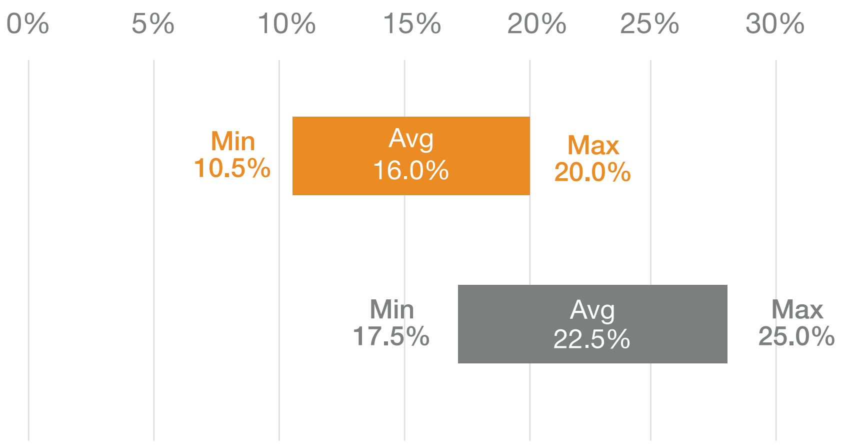
↓ <-1%　↘ -1.0% to -0.25%　→ -0.25% to 0.25%　↗ 0.25% to 1.0%　↑ >1.0%

Compared to six months ago (majority of responses)

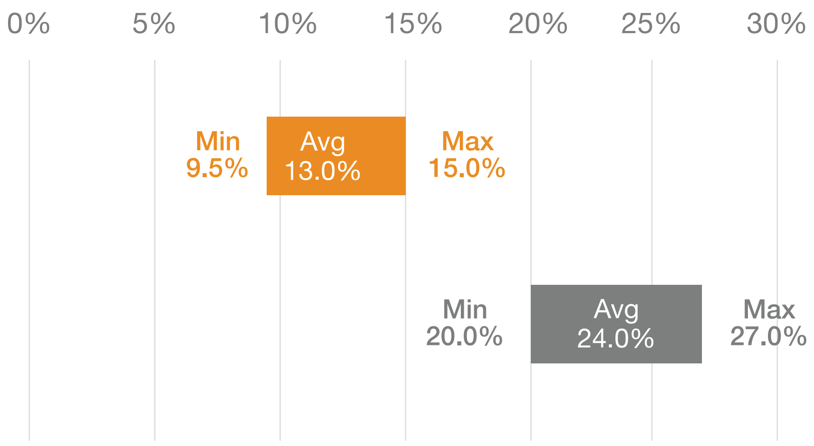
NOI Analysis

NOI leakage for core assets

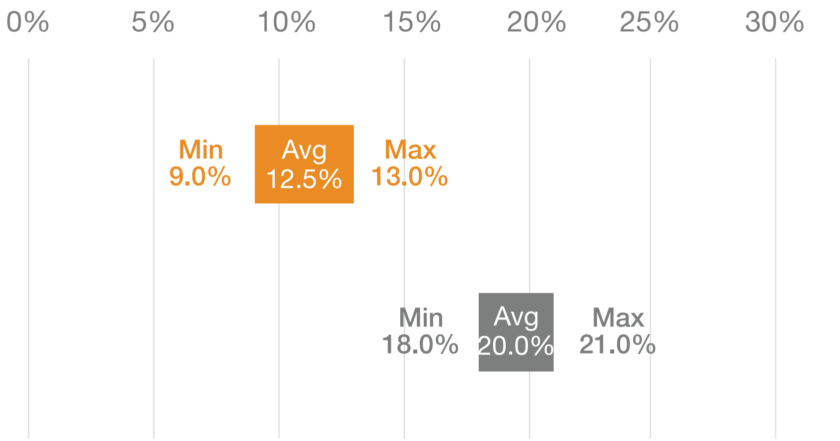
Residential



Retail



Office

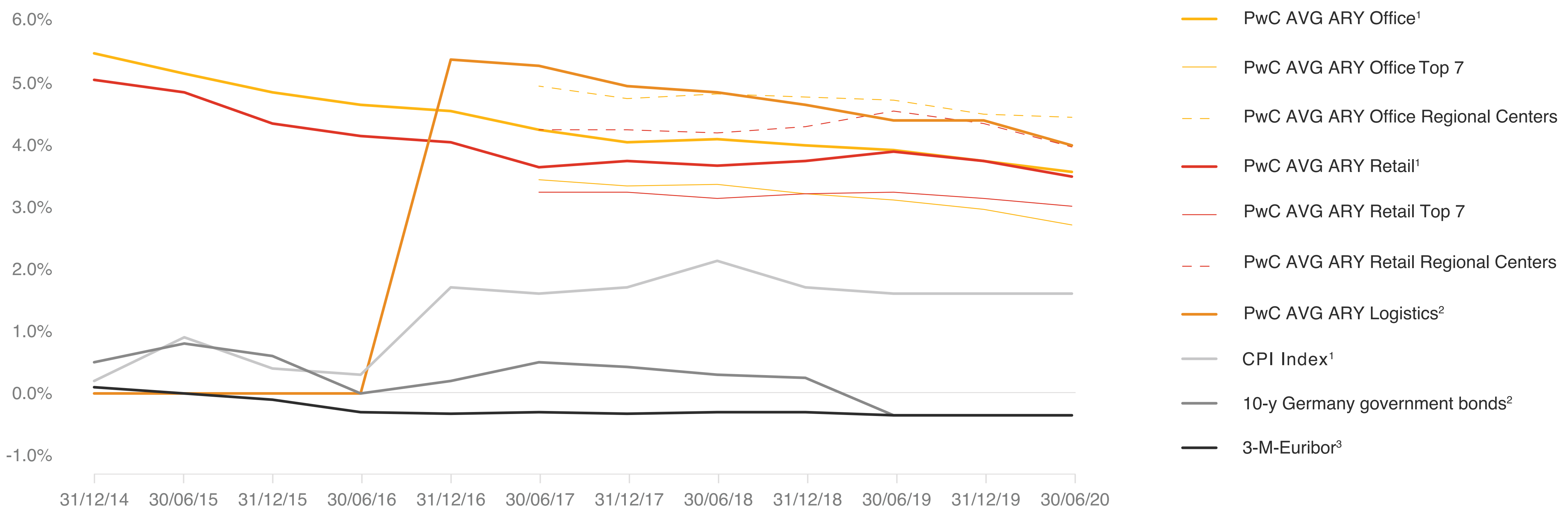


🟧 Excluding Capex ⬛ Including Capex

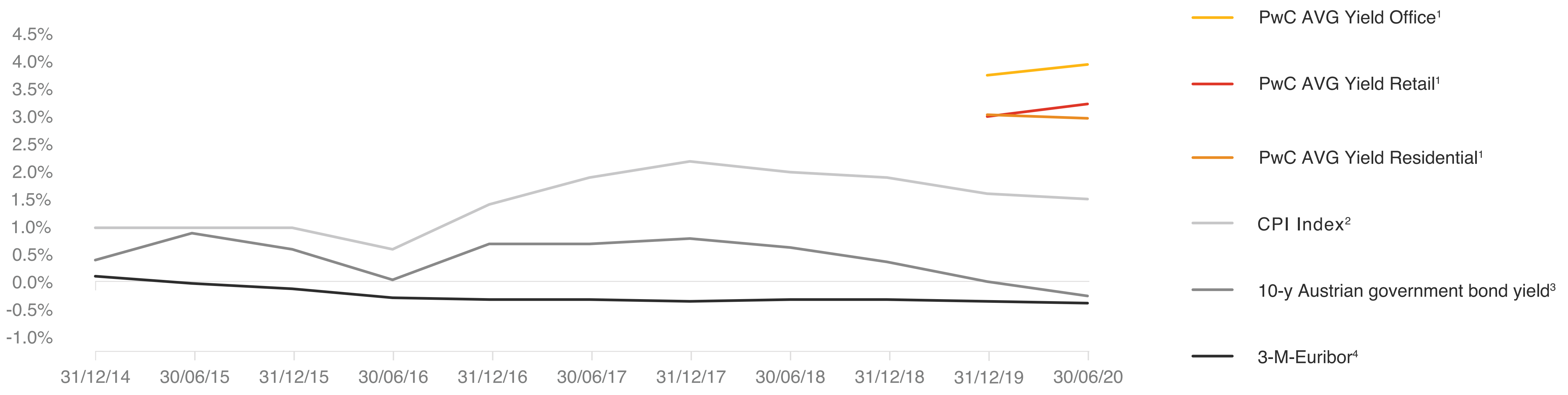
Overview of the results

Yields comparison

Germany



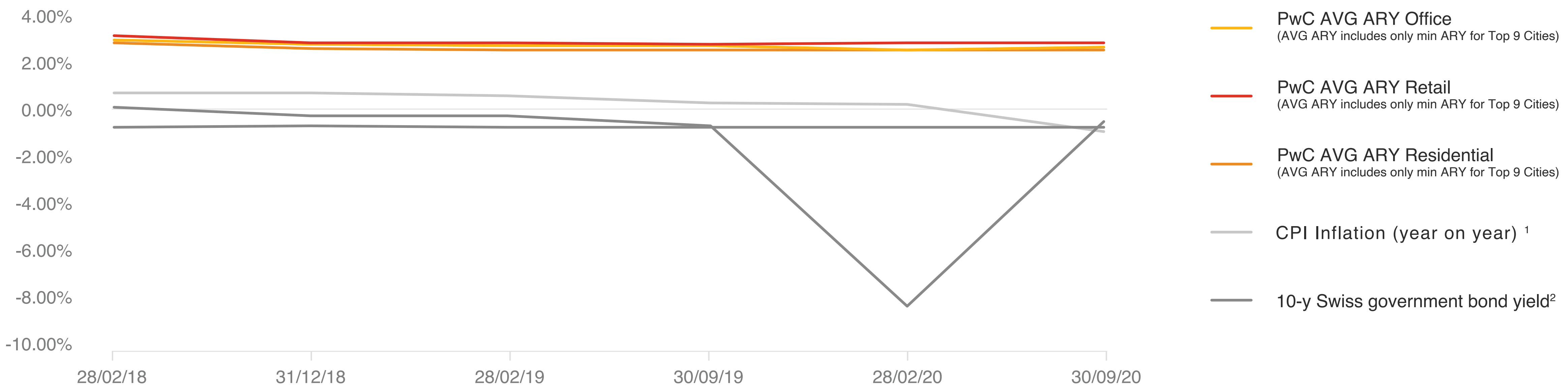
Austria



1. Statistisches Bundesamt
2. Bloomberg
3. ECB: Historical close, average of observations through period
4. Statistics Austria
5. Bloomberg
6. ECB: Historical close, average of observations through period

Yields comparison

Switzerland



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1. Bundesamt für Statistik
2. Swiss National Bank
3. Swiss National Bank *in June 2019 the SNB policy rate replaced the 3-M Libor

Result overview for Germany

Office

		Current				6 Months ago			12 Months ago		
		Min.	Avg.	Max.	Exp. Growth*	Min.	Avg.	Max.	Min.	Avg.	Max.
Top 7 Cities	Berlin	2.3%	3.1%	4.5%	1.1%	2.7%	3.6%	4.8%	2.7%	3.7%	4.9%
	Dusseldorf	2.9%	3.7%	4.9%	0.8%	3.1%	4.2%	5.1%	3.2%	4.1%	5.2%
	Frankfurt a. M.	2.6%	3.3%	4.8%	0.5%	2.9%	3.9%	4.9%	3.0%	4.1%	5.2%
	Hamburg	2.6%	3.3%	4.7%	0.6%	2.9%	3.9%	4.9%	3.1%	3.8%	5.1%
	Cologne	3.1%	3.7%	5.3%	0.8%	3.2%	4.4%	5.3%	3.5%	4.4%	5.7%
	Munich	2.3%	3.0%	4.1%	0.6%	2.7%	3.6%	4.6%	2.8%	3.6%	4.7%
	Stuttgart	2.9%	3.5%	4.9%	0.2%	3.1%	4.1%	4.9%	3.3%	4.1%	5.2%
Regional Cities	Bonn	3.8%	4.6%	5.9%	0.4%	3.9%	4.8%	5.8%	4.2%	4.9%	6.0%
	Bremen	4.3%	5.2%	6.3%	0.0%	4.4%	5.4%	6.3%	4.6%	5.5%	6.6%
	Dortmund	4.5%	5.1%	6.5%	0.2%	4.5%	5.4%	6.5%	4.9%	5.6%	6.7%
	Dresden	4.3%	5.0%	6.6%	0.6%	4.4%	5.3%	6.4%	4.6%	5.5%	6.6%
	Duisburg	4.9%	5.6%	7.2%	0.0%	5.0%	5.9%	7.2%	5.2%	5.7%	7.2%
	Erfurt	4.8%	5.5%	6.7%	0.4%	4.9%	6.0%	6.9%	5.0%	5.8%	6.9%
	Essen	4.4%	5.2%	6.4%	0.3%	4.6%	5.5%	6.6%	4.8%	5.7%	6.8%
	Karlsruhe	4.3%	4.9%	6.2%	0.4%	4.3%	5.3%	6.4%	4.5%	5.3%	6.5%
	Hannover	4.0%	4.8%	5.9%	0.3%	4.0%	5.1%	6.1%	4.2%	5.2%	6.3%
	Leipzig	4.1%	4.7%	6.5%	0.6%	4.1%	5.2%	6.2%	4.4%	5.3%	6.5%
	Magdeburg	5.3%	6.0%	7.4%	0.0%	5.4%	6.7%	8.0%	5.6%	6.6%	8.2%
	Mainz-Wiesbaden	3.9%	4.8%	6.0%	0.5%	4.0%	5.2%	6.5%	4.2%	5.2%	6.4%
	Nuremberg	3.9%	4.7%	6.1%	0.4%	3.9%	4.9%	5.9%	4.1%	5.0%	6.1%
	Rhine Neckar MA/HD/LU	4.3%	4.9%	6.4%	0.3%	4.2%	5.3%	6.4%	4.5%	5.3%	6.4%
Regions	Lower Saxony & Schleswig-Holstein	5.0%	5.9%	7.3%	-0.2%	5.1%	6.2%	7.2%	5.3%	6.0%	7.2%
	M-WP. & Sax.-A & Brandenburg	5.1%	6.1%	7.8%	-0.2%	5.1%	5.9%	8.3%	5.6%	6.5%	8.0%
	North of Hesse & Thu. & Sax	5.2%	6.2%	7.7%	0.0%	5.3%	6.3%	8.0%	5.6%	6.4%	8.1%
	North Rhine-Westphalia	4.6%	5.6%	7.2%	0.3%	4.6%	5.6%	7.4%	4.8%	5.7%	7.4%
	Rhineland-P & Saarland	5.4%	6.1%	7.5%	-0.3%	5.5%	6.4%	7.6%	5.6%	6.4%	7.6%
	South of Hesse & BaWue	4.1%	5.0%	6.4%	0.8%	4.3%	5.4%	6.6%	4.6%	5.6%	6.8%
	Bavaria	4.2%	5.3%	6.6%	0.4%	4.4%	5.5%	6.6%	4.5%	5.7%	6.7%

*Annual market rent growth rate

Result overview for Germany

Retail | High street retail

		Current				6 Months ago			12 Months ago		
		Min.	Avg.	Max.	Exp. Growth*	Min.	Avg.	Max.	Min.	Avg.	Max.
Top 7 Cities	Berlin	3.0%	3.9%	4.7%	-2.1%	3.0%	3.7%	4.5%	3.1%	3.7%	4.7%
	Dusseldorf	3.2%	3.7%	4.7%	-0.1%	3.2%	3.9%	4.8%	3.3%	3.9%	5.0%
	Frankfurt a. M.	2.9%	3.5%	4.5%	-1.0%	3.1%	3.8%	4.7%	3.2%	3.7%	4.9%
	Hamburg	3.0%	3.6%	4.4%	-0.1%	3.1%	3.7%	4.6%	3.2%	3.8%	4.8%
	Cologne	3.2%	3.8%	4.7%	-0.2%	3.3%	3.9%	4.9%	3.4%	3.9%	4.9%
	Munich	2.6%	3.1%	4.0%	-0.5%	2.7%	3.4%	4.3%	2.8%	3.5%	4.5%
	Stuttgart	3.0%	3.6%	4.2%	-0.3%	3.2%	3.9%	4.6%	3.4%	3.9%	4.8%
Regional Cities	Bonn	3.6%	4.4%	5.4%	0.5%	3.9%	4.6%	5.3%	4.1%	4.7%	5.6%
	Bremen	3.9%	4.8%	5.6%	0.3%	4.3%	5.1%	5.6%	4.4%	5.2%	5.8%
	Dortmund	3.9%	4.7%	5.6%	-0.3%	4.1%	4.8%	5.6%	4.4%	4.9%	5.7%
	Dresden	3.8%	4.5%	5.5%	0.9%	4.0%	4.8%	5.6%	4.2%	4.9%	5.7%
	Duisburg	4.5%	5.1%	6.2%	-0.5%	5.1%	5.5%	6.6%	5.3%	5.7%	6.9%
	Erfurt	4.2%	4.8%	5.8%	0.5%	4.5%	5.1%	5.9%	4.6%	5.2%	6.2%
	Essen	4.0%	4.7%	5.5%	0.8%	4.4%	5.0%	5.7%	4.5%	5.3%	6.0%
	Karlsruhe	3.6%	4.4%	5.2%	1.2%	4.1%	4.8%	5.5%	4.3%	4.9%	5.7%
	Hannover	3.7%	4.3%	5.1%	1.1%	3.9%	4.6%	5.3%	4.1%	4.7%	5.5%
	Leipzig	3.8%	4.5%	5.4%	1.7%	3.9%	4.7%	5.5%	4.2%	4.9%	5.7%
	Magdeburg	4.7%	5.3%	6.4%	0.4%	5.3%	5.8%	6.7%	5.5%	5.9%	6.9%
	Mainz-Wiesbaden	3.8%	4.4%	5.2%	1.1%	4.2%	4.7%	5.6%	4.4%	4.9%	5.8%
	Nuremberg	3.6%	4.3%	5.0%	1.2%	3.9%	4.5%	5.3%	4.1%	4.7%	5.6%
	Rhine Neckar MA/HD/LU	3.6%	4.2%	5.0%	1.1%	4.1%	4.7%	5.6%	4.4%	5.1%	6.2%
Regions	Lower Saxony & Schleswig-Holstein	4.8%	5.5%	7.0%	0.5%	4.7%	5.4%	6.4%	4.7%	5.2%	6.2%
	M-WP. & Sax.-A & Brandenburg	5.0%	6.0%	7.6%	0.0%	5.0%	5.6%	7.3%	5.1%	5.7%	7.1%
	North of Hesse & Thu. & Sax	5.0%	5.8%	7.4%	0.0%	5.1%	5.7%	7.0%	5.0%	5.5%	6.6%
	North Rhine-Westphalia	4.8%	5.6%	7.2%	0.4%	4.6%	5.4%	7.0%	4.5%	5.3%	6.6%
	Rhineland-P & Saarland	4.9%	5.7%	7.1%	0.2%	5.0%	5.5%	6.6%	5.0%	5.5%	6.5%
	South of Hesse & BaWue	4.4%	5.3%	6.6%	1.1%	4.4%	5.1%	6.2%	4.5%	4.9%	6.0%
	Bavaria	4.3%	5.1%	6.3%	0.9%	4.4%	4.9%	5.7%	4.4%	5.0%	5.9%

*Annual market rent growth rate

Result overview for Germany

Retail | Non-high street retail

	Current				6 Months ago			12 Months ago		
	Min.	Avg.	Max.	Exp. Growth*	Min.	Avg.	Max.	Min.	Avg.	Max.
Out-of-town Shopping Center	4.5%	5.4%	6.6%	-1.8%	4.8%	5.6%	6.7%	4.6%	6.3%	8.0%
Retail Park	3.8%	4.6%	6.1%	0.5%	4.2%	4.9%	6.3%	5.1%	6.8%	8.2%
Supermarket	4.0%	4.9%	6.3%	1.3%	4.6%	5.4%	6.3%	5.4%	6.8%	8.4%
DIY-Store	5.3%	6.2%	7.6%	0.2%	5.4%	6.1%	7.1%	6.2%	7.5%	9.0%

*Annual market rent growth rate

Result overview for Germany

Logistics

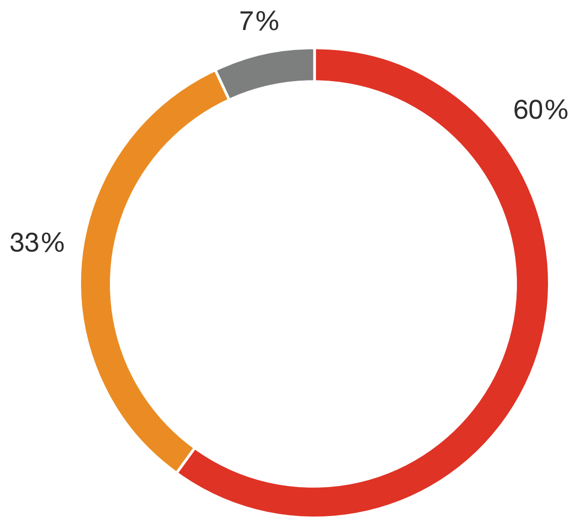
		Current				6 Months ago			12 Months ago		
		Min.	Avg.	Max.	Exp. Growth*	Min.	Avg.	Max.	Min.	Avg.	Max.
Top 15 Locations	Hamburg	3.6%	4.6%	6.1%	1.2%	3.9%	5.0%	6.3%	4.0%	5.1%	6.2%
	Munich	3.5%	4.4%	5.5%		3.8%	4.9%	6.2%	3.9%	4.9%	6.0%
	Rhine-Main/Frankfurt	3.6%	4.5%	5.6%		3.9%	5.0%	6.3%	4.0%	5.0%	6.2%
	Berlin	3.5%	4.6%	6.1%		3.9%	5.1%	6.4%	3.9%	5.1%	6.3%
	Dusseldorf/Cologne	3.8%	4.9%	6.2%		4.1%	5.3%	6.5%	4.1%	5.3%	6.4%
	Stuttgart	3.8%	4.8%	6.1%		4.2%	5.4%	6.6%	4.2%	5.4%	6.6%
	Hannover/Brunswick	4.1%	5.2%	6.5%		4.4%	5.7%	7.1%	4.5%	5.7%	7.1%
	Halle/Leipzig	4.1%	5.2%	6.6%		4.5%	5.6%	7.0%	4.4%	5.5%	7.0%
	Bremen/North Sea Ports	4.1%	5.2%	6.4%		4.6%	5.9%	6.9%	4.7%	5.8%	6.8%
	Rhine-Ruhr	3.9%	5.0%	6.6%		4.3%	5.8%	7.1%	4.2%	5.8%	7.0%
	Dortmund	4.0%	5.3%	6.6%		4.4%	5.7%	6.9%	4.3%	5.6%	6.8%
	Nuremberg	4.2%	5.1%	6.2%		4.5%	5.6%	6.9%	4.6%	5.6%	6.8%
	Kassel/Göttingen	4.3%	5.4%	6.5%		4.9%	6.1%	7.4%	4.9%	6.0%	7.4%
	Regensburg/Passau	4.2%	5.4%	7.1%		4.8%	6.0%	7.3%	4.9%	6.0%	7.3%
	Ulm	4.3%	5.3%	6.4%		4.8%	6.1%	7.3%	4.8%	5.9%	7.2%
Small Locations	Small Locations	5.0%	5.4%	7.2%	3.6%	5.3%	6.0%	7.5%	5.2%	6.1%	7.3%
Rest of Germany	Rest of Germany	5.3%	6.0%	7.7%	6.3%	5.3%	6.2%	8.3%	5.4%	6.2%	8.3%

*Annual market rent growth rate

Result overview for Germany

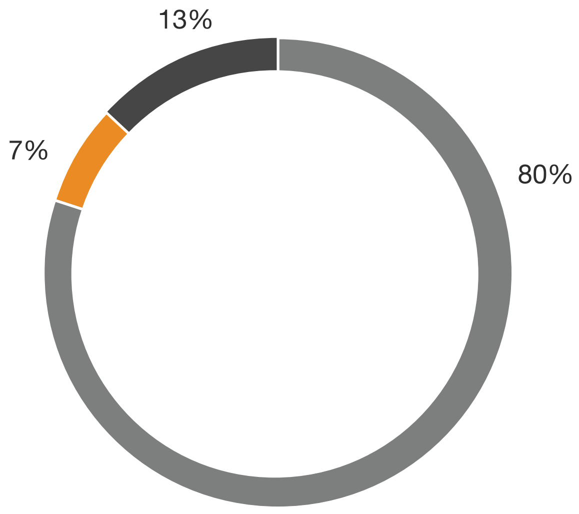
Participants

Participant type



- 🟥 Asset Manager
- 🟧 Investment Manager
- ⬛ Private Equity

Participant investment focus



- ⬛ Mix*
- ⬛ Retail
- 🟧 Office

*Mix includes Office, Retail & Logistics

Result overview for Austria

Residential

		Current				6 Months ago			12 Months ago		
		Min.	Avg.	Max.	Exp. Growth*	Min.	Avg.	Max.	Min.	Avg.	Max.
Top 5 Cities	Vienna	2.6%	2.9%	3.3%	0.8%	2.7%	3.2%	4.0%	-	-	-
	Graz	3.3%	3.4%	3.6%	0.3%	3.5%	4.3%	5.0%	-	-	-
	Linz	3.2%	3.5%	3.8%	0.3%	3.2%	3.9%	4.5%	-	-	-
	Salzburg	3.0%	3.3%	3.6%	0.3%	3.0%	3.8%	4.5%	-	-	-
	Innsbruck	3.0%	3.1%	3.3%	0.3%	2.9%	3.3%	3.8%	-	-	-
Regions	Lower Austria	-	-	-	-	3.8%	4.4%	5.0%	-	-	-
	Upper Austria	-	-	-	-	3.5%	4.0%	4.5%	-	-	-
	Salzburg (Land)	-	-	-	-	3.3%	3.8%	4.3%	-	-	-
	Tyrol	-	-	-	-	3.2%	3.7%	4.1%	-	-	-
	Styria	-	-	-	-	3.5%	4.3%	5.0%	-	-	-
	Carinthia	-	-	-	-	4.5%	5.3%	6.0%	-	-	-
	Vorarlberg	-	-	-	-	3.2%	3.7%	4.2%	-	-	-
	Burgenland	-	-	-	-	5.0%	5.5%	6.0%	-	-	-

Office

		Current				6 Months ago			12 Months ago		
		Min.	Avg.	Max.	Exp. Growth*	Min.	Avg.	Max.	Min.	Avg.	Max.
Top 5 Cities	Vienna	3.1%	4.0%	4.9%	0.4%	2.9%	3.9%	5.1%	-	-	-
	Graz	4.7%	5.3%	6.2%	1.3%	4.5%	5.5%	7.5%	-	-	-
	Linz	4.4%	5.3%	5.8%	1.5%	4.0%	5.5%	6.5%	-	-	-
	Salzburg	4.0%	5.0%	5.8%	1.2%	3.8%	5.2%	6.2%	-	-	-
	Innsbruck	3.7%	4.4%	4.7%	1.0%	3.5%	4.5%	5.5%	-	-	-

*Annual market rent growth rate

Result overview for Austria

Retail | High street retail

Top 5 Cities

	Current				6 Months ago			12 Months ago		
	Min.	Avg.	Max.	Exp. Growth*	Min.	Avg.	Max.	Min.	Avg.	Max.
Vienna	2.7%	4.1%	5.3%	0.0%	2.5%	3.8%	4.9%	-	-	-
Graz	4.0%	5.8%	6.2%	0.0%	3.8%	5.7%	7.5%	-	-	-
Linz	3.8%	5.2%	5.8%	0.0%	3.5%	4.3%	5.0%	-	-	-
Salzburg	2.8%	3.8%	4.7%	0.0%	2.5%	3.5%	4.5%	-	-	-
Innsbruck	3.0%	4.0%	5.0%	0.0%	2.8%	3.5%	4.8%	-	-	-

Retail | Non-high street retail

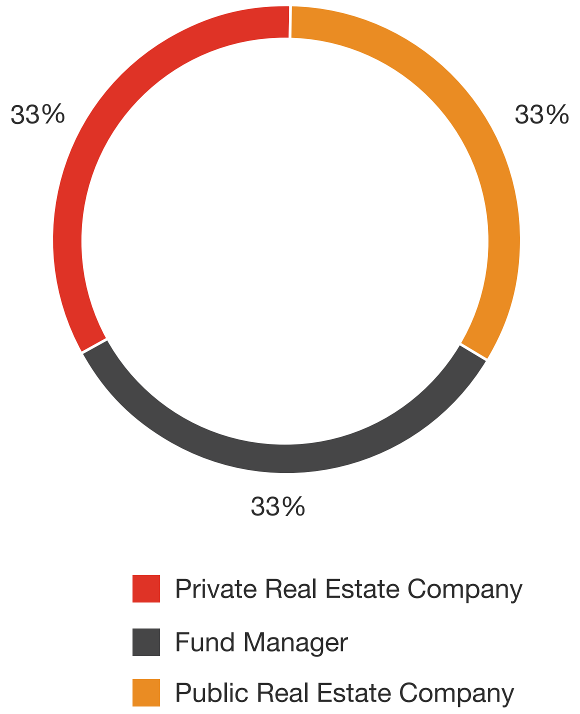
	Current				6 Months ago			12 Months ago		
	Min.	Avg.	Max.	Exp. Growth*	Min.	Avg.	Max.	Min.	Avg.	Max.
Out-of-town Shopping Center	4.2%	5.0%	6.5%	0.3%	4.0%	5.0%	6.0%	-	-	-
Retail Park	4.8%	5.9%	6.5%	0.5%	4.6%	5.4%	6.3%	-	-	-
Supermarket	4.5%	5.7%	6.8%	1.0%	4.8%	5.9%	7.0%	-	-	-
DIY-Store	5.5%	6.5%	7.5%	1.0%	5.0%	6.5%	8.0%	-	-	-

*Annual market rent growth rate

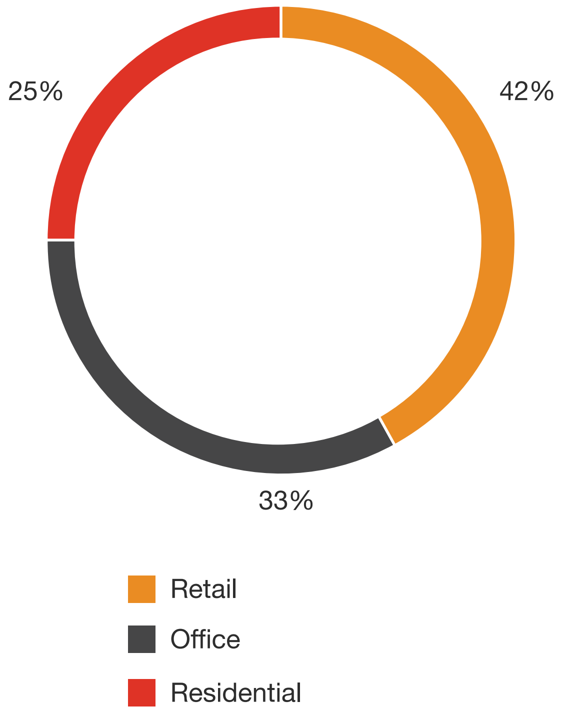
Result overview for Austria

Participants

Participant type



Participant investment focus



Result overview for Switzerland

Residential

		Current				6 Months ago			12 Months ago		
		Min.	Avg.	Max.	Exp. Growth*	Min.	Avg.	Max.	Min.	Avg.	Max.
Top 9 Cities	Zurich	2.0%	2.5%	3.0%	0.0%	2.0%	2.5%	3.1%	2.1%	2.5%	3.0%
	Geneva	2.2%	2.7%	3.2%	0.0%	2.2%	2.7%	3.1%	2.3%	2.7%	3.0%
	Basel	2.5%	3.0%	3.5%	0.0%	2.5%	3.0%	3.5%	2.5%	2.9%	3.4%
	Berne	2.5%	3.0%	3.5%	0.0%	2.6%	2.9%	3.5%	2.5%	3.0%	3.5%
	Lausanne	2.5%	2.8%	3.4%	0.0%	2.5%	2.8%	3.5%	2.6%	2.8%	3.4%
	Winterthur	2.6%	3.0%	3.7%	0.0%	2.7%	3.1%	3.6%	2.6%	3.1%	3.4%
	Lucerne	2.6%	3.0%	3.7%	0.0%	2.7%	3.0%	3.7%	2.6%	3.0%	3.4%
	St Gallen	3.0%	3.2%	4.0%	0.0%	3.0%	3.3%	4.0%	3.0%	3.3%	3.9%
	Lugano	3.0%	3.4%	4.0%	0.0%	2.8%	3.2%	4.0%	2.8%	3.2%	3.7%
Regions	Zurich	2.7%	3.2%	4.0%	0.0%	2.6%	3.2%	3.9%	2.6%	3.2%	3.8%
	Northwestern Switzerland	2.9%	3.5%	4.2%	-0.3%	3.0%	3.5%	4.2%	3.0%	3.5%	4.0%
	Central Swizterland	3.0%	3.4%	4.0%	0.0%	2.8%	3.3%	4.1%	2.9%	3.4%	4.0%
	Eastern Switzerland	3.2%	3.8%	4.5%	-0.8%	3.2%	3.8%	4.5%	3.2%	3.8%	4.5%
	Southern Switzerland	3.2%	3.9%	4.5%	-0.5%	3.3%	3.8%	4.3%	3.3%	3.8%	4.1%
	Alpine Region	3.4%	4.0%	4.6%	-0.5%	3.8%	4.2%	4.7%	3.7%	4.1%	4.6%
	Lake Geneva Region	2.7%	3.1%	3.6%	0.0%	2.8%	3.2%	3.8%	2.8%	3.2%	3.6%
	Mittelland	3.2%	3.6%	4.5%	-1.0%	3.3%	3.8%	4.5%	3.2%	3.6%	4.4%

*Annual market rent growth rate

Result overview for Switzerland

Office

		Current				6 Months ago			12 Months ago		
		Min.	Avg.	Max.	Exp. Growth*	Min.	Avg.	Max.	Min.	Avg.	Max.
Top 9 Cities	Zurich	2.3%	3.0%	3.8%	0.0%	2.2%	2.9%	3.8%	2.4%	3.0%	3.8%
	Geneva	2.5%	3.1%	3.9%	-0.5%	2.3%	2.9%	3.6%	2.5%	3.0%	3.8%
	Basel	2.7%	3.4%	4.2%	0.0%	2.6%	3.2%	4.0%	2.8%	3.3%	4.0%
	Berne	2.7%	3.4%	4.1%	0.0%	2.7%	3.1%	4.1%	2.7%	3.2%	4.1%
	Lausanne	2.5%	3.2%	4.0%	0.0%	2.3%	3.1%	3.9%	2.6%	3.2%	4.0%
	Winterthur	2.8%	3.2%	4.0%	0.0%	2.5%	3.2%	4.1%	2.8%	3.2%	4.1%
	Zug	2.5%	3.1%	3.9%	0.0%	2.5%	3.1%	3.9%	2.5%	3.1%	4.0%
	St Gallen	3.2%	3.7%	4.4%	0.0%	2.8%	3.7%	4.3%	3.2%	3.7%	4.4%
	Lugano	3.0%	3.5%	4.1%	-0.3%	2.8%	3.4%	4.1%	3.2%	3.5%	4.2%
Regions	Zurich	3.3%	3.6%	4.7%	0.0%	2.9%	3.6%	5.0%	3.3%	4.0%	5.0%
	Northwestern Switzerland	3.6%	4.0%	5.0%	-0.3%	3.4%	3.8%	5.0%	3.6%	4.0%	5.2%
	Central Swizterland	3.1%	4.0%	5.1%	0.0%	2.9%	3.8%	5.1%	3.5%	4.2%	5.1%
	Eastern Switzerland	3.5%	4.3%	5.4%	-0.3%	3.4%	3.9%	5.2%	3.8%	4.5%	5.5%
	Southern Switzerland	3.2%	4.3%	5.5%	0.0%	3.6%	4.3%	5.5%	4.0%	4.6%	5.5%
	Alpine Region	3.8%	4.5%	5.3%	0.0%	3.8%	4.4%	5.5%	3.9%	4.5%	5.5%
	Lake Geneva Region	3.5%	4.0%	4.7%	-0.5%	3.1%	3.6%	4.5%	3.5%	4.0%	5.0%
	Mittelland	3.8%	4.5%	5.2%	-0.3%	3.3%	3.9%	5.2%	3.8%	4.5%	6.0%

*Annual market rent growth rate

Result overview for Switzerland

Retail | High street retail

		Current				6 Months ago			12 Months ago		
		Min.	Avg.	Max.	Exp. Growth*	Min.	Avg.	Max.	Min.	Avg.	Max.
Top 9 Cities	Zurich	2.4%	3.1%	3.8%	-0.5%	2.4%	3.0%	3.4%	2.4%	3.1%	3.6%
	Geneva	2.6%	3.1%	3.6%	-1.0%	2.5%	3.0%	3.3%	2.5%	3.1%	3.6%
	Basel	2.9%	3.3%	4.1%	-0.8%	2.8%	3.3%	4.0%	2.8%	3.3%	4.0%
	Berne	2.9%	3.4%	4.2%	-3.0%	2.9%	3.4%	3.9%	2.9%	3.4%	4.0%
	Lausanne	2.8%	3.3%	3.9%	-0.5%	2.8%	3.2%	3.6%	2.8%	3.2%	3.6%
	Winterthur	3.0%	3.4%	4.1%	-2.8%	3.0%	3.4%	4.1%	3.0%	3.4%	4.1%
	Lucerne	2.8%	3.2%	4.0%	-0.5%	2.6%	3.2%	4.0%	2.7%	3.2%	4.0%
	St Gallen	3.2%	3.8%	4.3%	-3.3%	3.2%	3.8%	4.3%	3.1%	3.7%	4.2%
	Lugano	3.2%	3.7%	4.3%	-1.5%	3.3%	3.7%	4.3%	3.3%	3.8%	4.3%
Regions	Zurich	3.2%	3.6%	4.3%	-3.0%	3.1%	3.6%	4.0%	3.1%	3.6%	4.0%
	Northwestern Switzerland	3.4%	3.9%	4.6%	-3.3%	3.5%	3.9%	4.3%	3.5%	4.0%	4.3%
	Central Switzterland	3.4%	3.9%	4.5%	-3.0%	3.4%	4.0%	4.5%	3.4%	4.0%	4.5%
	Eastern Switzerland	3.6%	4.1%	4.7%	-3.0%	3.7%	4.1%	4.6%	3.7%	4.2%	4.6%
	Southern Switzerland	3.8%	4.2%	4.8%	-1.5%	3.7%	4.2%	4.7%	3.9%	4.2%	4.7%
	Alpine Region	3.9%	4.3%	5.0%	-2.8%	3.9%	4.3%	5.0%	4.0%	4.4%	5.0%
	Lake Geneva Region	3.4%	3.9%	4.5%	-1.0%	3.3%	3.8%	4.3%	3.4%	3.8%	4.3%
	Mittelland	3.5%	4.3%	4.6%	-3.0%	3.6%	4.2%	4.5%	3.6%	4.2%	4.5%

Retail | Non-high street retail

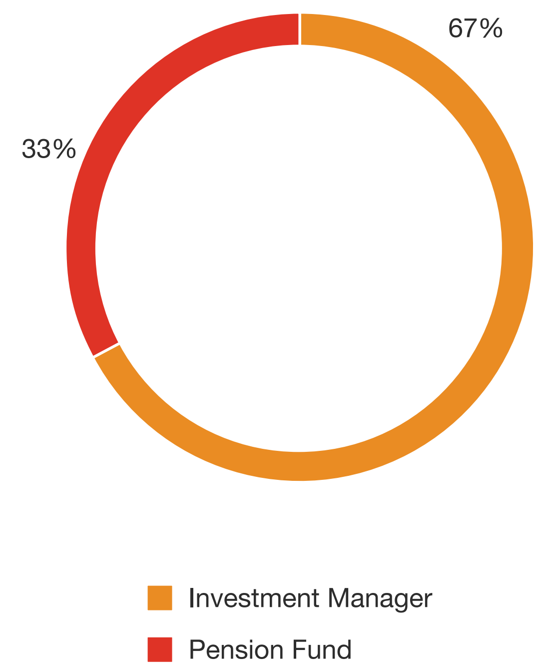
	Current				6 Months ago			12 Months ago		
	Min.	Avg.	Max.	Exp. Growth*	Min.	Avg.	Max.	Min.	Avg.	Max.
Out-of-Town Shopping Center	3.7%	4.3%	4.9%	-0.5%	3.8%	4.3%	5.0%	3.8%	4.3%	4.9%
Retail park	4.1%	4.9%	5.7%	-1.0%	4.1%	5.0%	5.7%	4.1%	4.9%	5.6%
Supermarket	3.9%	4.8%	5.2%	-0.5%	3.3%	4.3%	5.2%	3.6%	4.0%	4.8%
DIY Store	3.9%	4.9%	5.4%	-0.5%	3.9%	4.8%	4.5%	3.9%	4.8%	4.5%

*Annual market rent growth rate

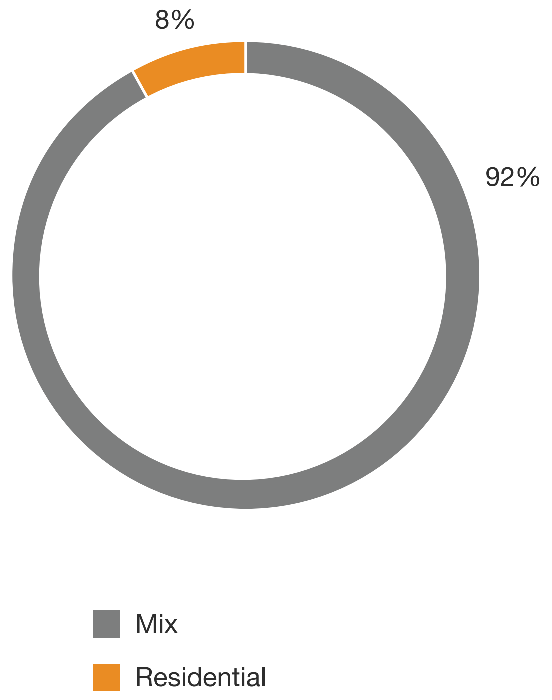
Result overview for Switzerland

Participants

Participant type



Participant investment focus



Approach and definitions

Classification for yields ranges

In our survey, we concentrated on all-risk-yields or ARYs ("Yields"), as these reflect the relationship (capitalisation rate) between stabilised net operating income (NOI) and an expected purchase price. It thus takes into account the individual risk-return relationship and provides an insight into future market trends and developments in rent levels. The YIELD is the capitalisation rate that is used in the direct capitalisation method. The yields presented in our results are a simple average of the single data points received for the respective submarkets.

To account for a broader market – comprising Core, Core+, and Value-Add properties – we put the yields into three categories: minimum (Core), maximum (Value-Add) and average (Core+). Using office properties in Frankfurt as one example, we have defined these categories as follows.

The maximum yield does not cover assets that cannot be valued with a direct capitalisation method – that is to say, where there is no sustainable cash flow or opportunistic development assets.

Office

	Location	WAULT	Vacancy	Age
Min	CBD (eg, Frankfurt Financial District)	> 5	~ 5%-10%	< 5 years
Average	Immediate vicinity to CBD (eg, Frankfurt trade fair)	~ 5	~ 10% -15%	~ 5-20 years
Max	Peripheral office locations (eg, Frankfurt-Niederrad)	< 4	>15%-40%	> 25 years

Logistics

	Motorway access	Third party usability	WAULT	Age
Min	< 5 minutes	excellent	~ 10%	< 5 years
Average	~ 5-15 minutes	good	~ 5	~ 5-20 years
Max	> 15 minutes	limited	< 4	> 25 years

Retail High Street

	Location/Retail class	WAULT	Vacancy	Age
Min	City centre high street or 1a shopping centre (Frankfurt Goethestrasse)	> 5	< 5%	< 5 years
Average	Lesser frequented sections of the high street	~ 5	~ 5%	~ 5-15 years
Max	Close proximity to the high street, within 100m distance	< 4	~ 20%	> 15 years

Retail Non-High Street

	Competition	WAULT	Vacancy	Age
Min	Dominant situation	> 5	< 5%	< 5 years
Average	In competition with equal competitors	~ 5	~ 5	~ 5-15 years
Max	Inferior to competitors	< 4	~ 25	> 15 years

Regarding the **retail** sector, we separated in-town high street retail from location-independent retail. Out-of-town shopping centers, retail parks, single grocery stores (supermarkets) and DIY stores represent typical subclasses of the location-independent retail market.

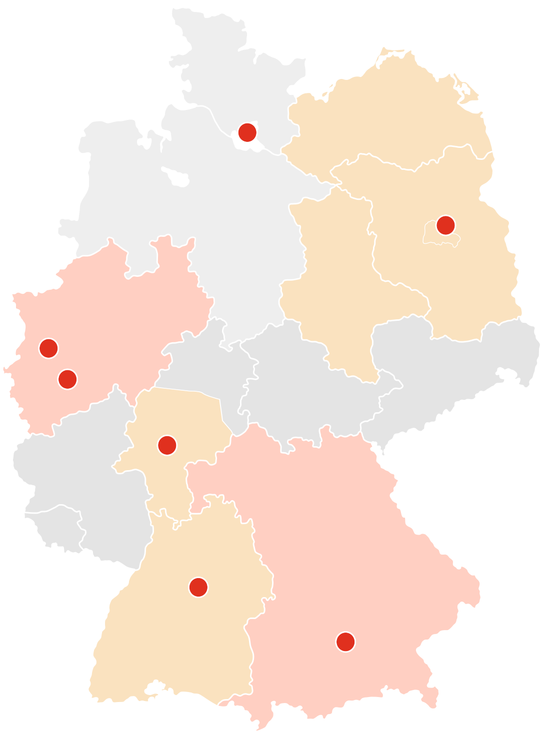
Within non-high street retail, we observe macro-locations to be of less importance, given that individual competition, performance and accessibility are the factors driving the value of such retail properties.

As a result, we have divided the definition of retail as seen above.

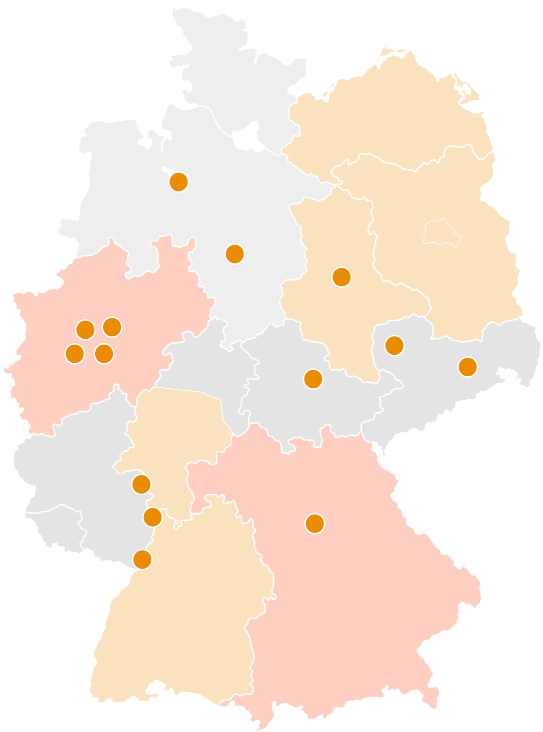
Identified submarkets

Germany

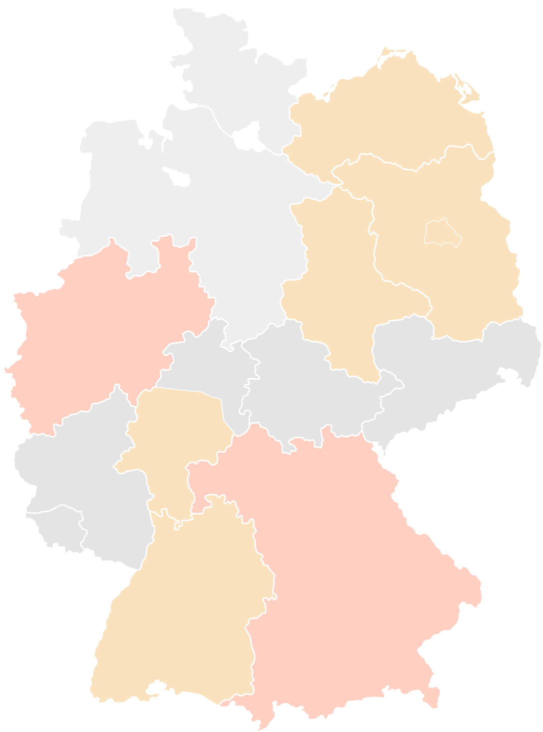
Top 7 Cities



Regional Cities

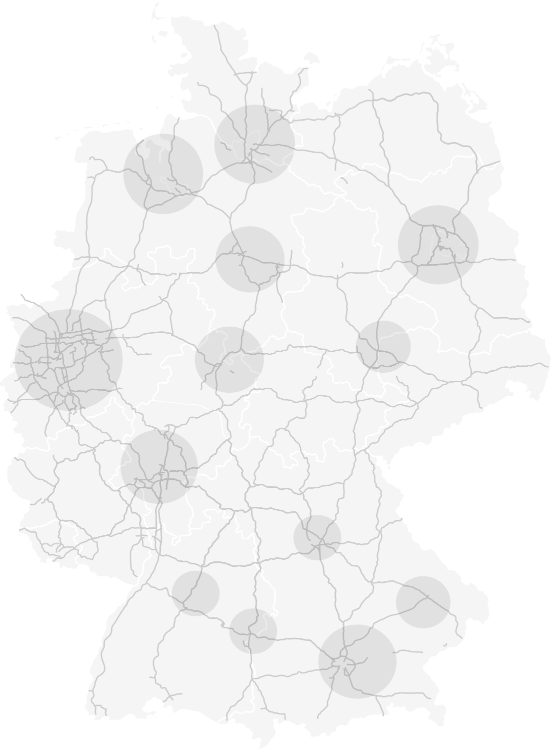


Regions



Based on Germany's geographical structure, we have identified three categories of markets for office and retail properties: i) Top 7 Cities, ii) Regional Cities and iii) Regions. The Top 7 Cities reflect the Yields of the seven most populated cities in Germany. Regional Cities represent a selection of 14 cities with a population ranging from 200,000 to 600,000. The Regions provide the yields in the respective areas, excluding all Top 7 Cities and Regional Cities.

Logistics



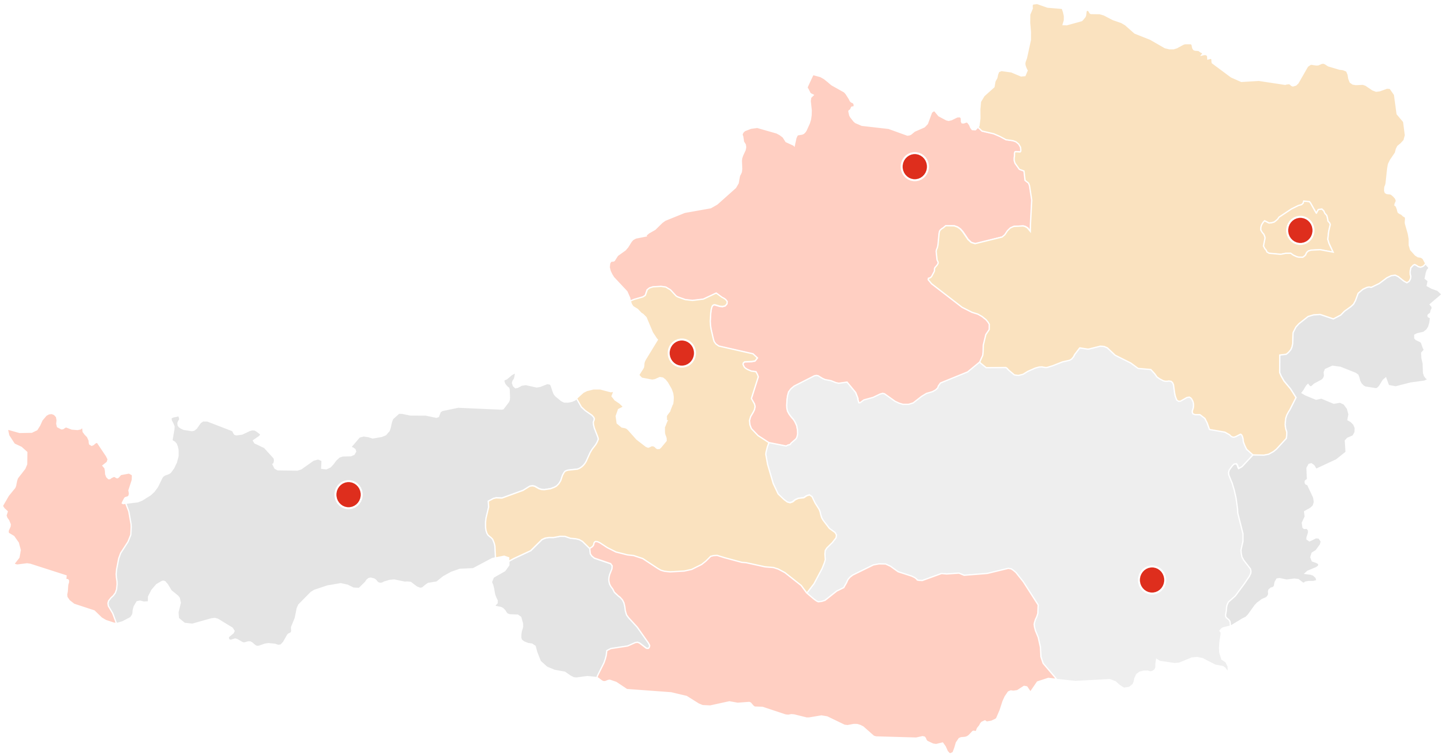
We identified two additional markets for logistics properties which result from varying location requirements: i) Top 15 Locations and ii) Small Locations.

The Top 15 Locations reflect the Yields of the 15 most successful logistics locations in Germany in respect of the investment volume of the last five years and min yields of the last two years. Small Locations represent the remaining established logistics regions in Germany.

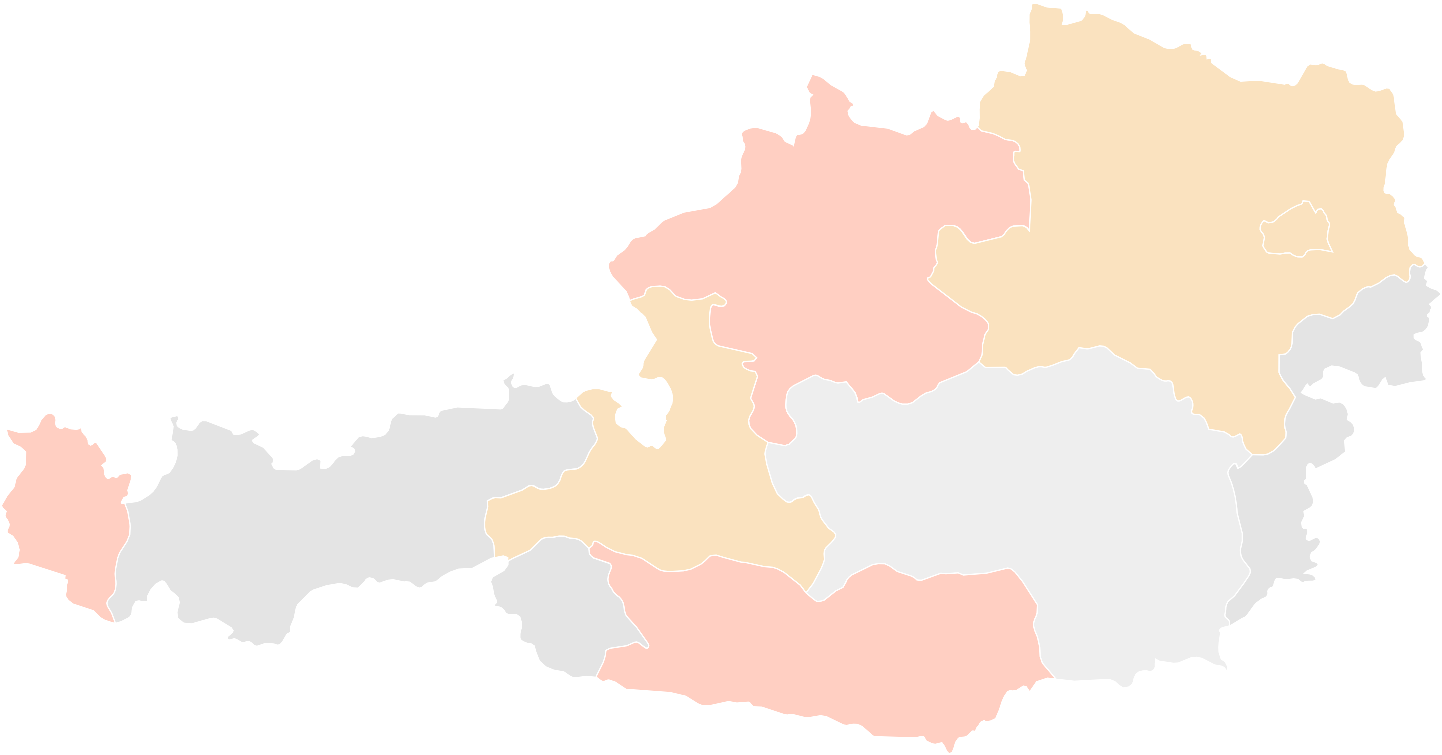
Identified submarkets

Austria

Top 5 Cities



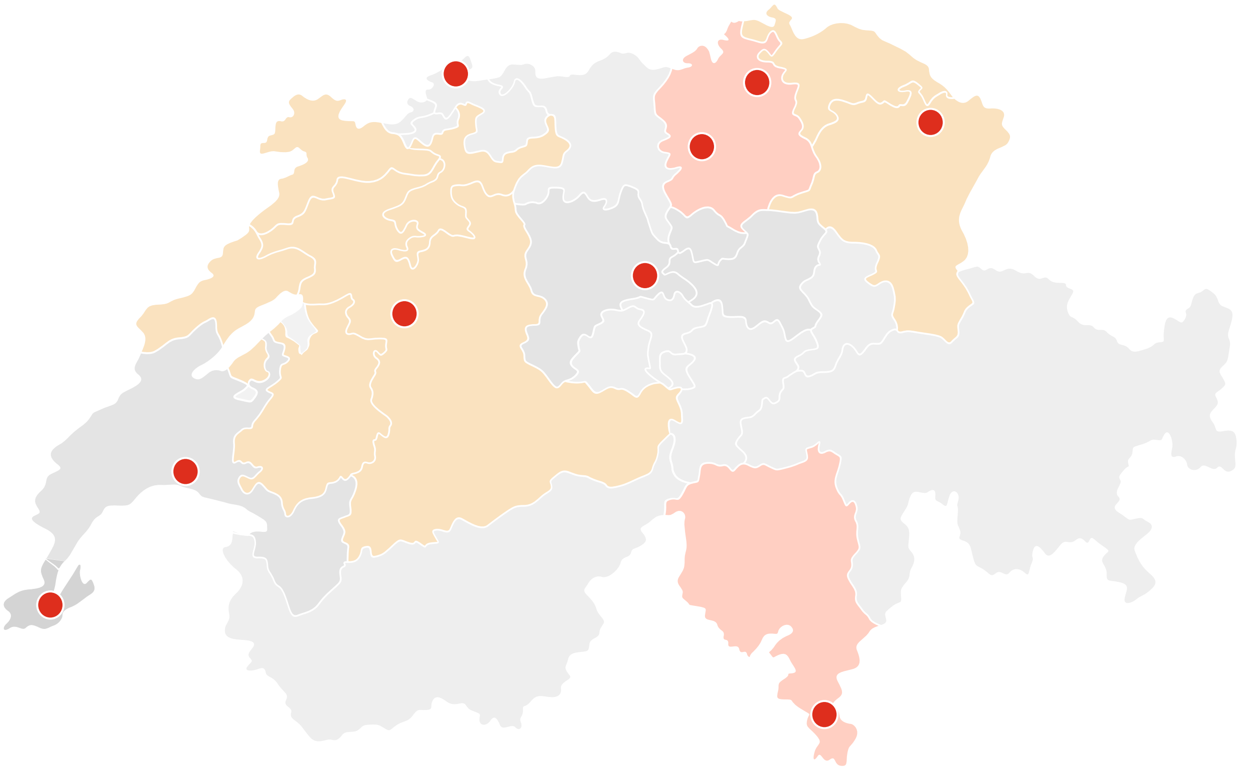
Regions



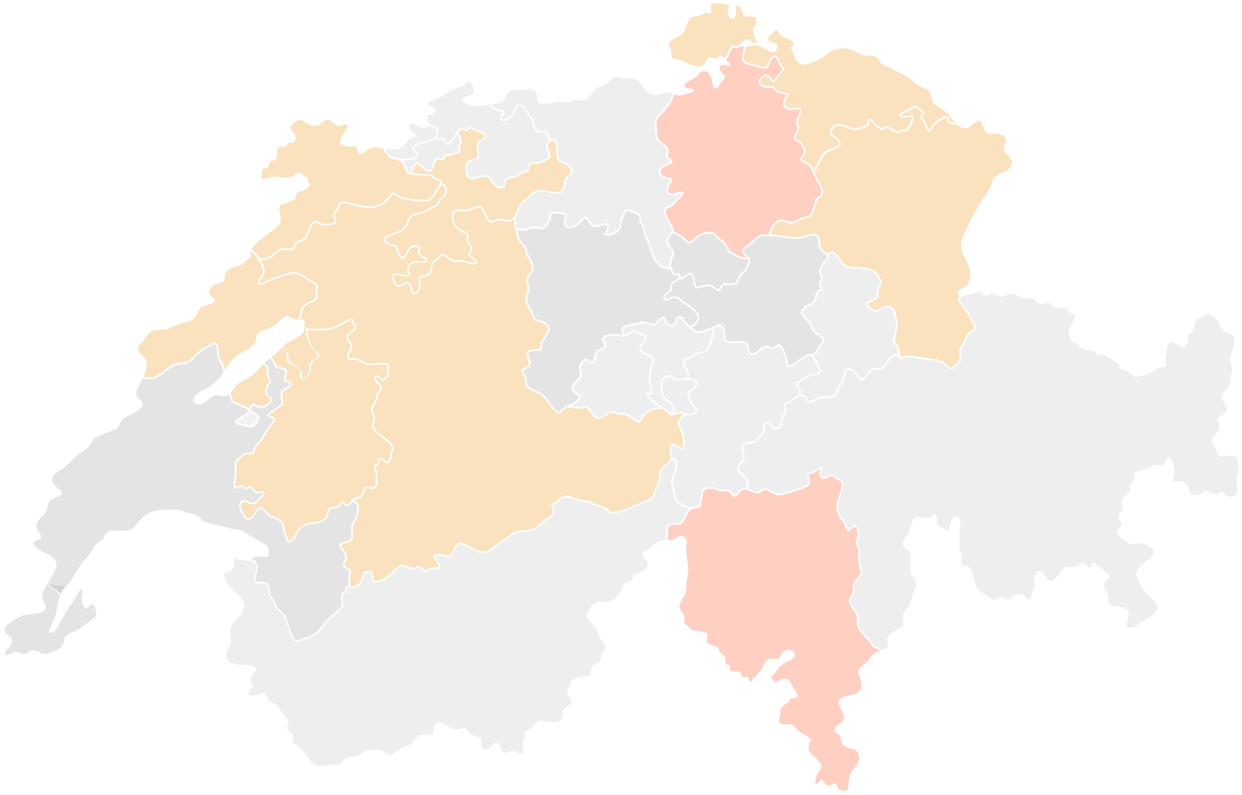
Identified submarkets

Switzerland

Top 9 Cities



Regions



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