

HOUSE MARKET ACTIVITY WAS NEVER IN LOCKDOWN

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According to the IVD (Real Estate Association) neither falling rents nor prices will occur. The Federal Association of Real Estate Agents and Administrators advises of a new analysis of the residential property market showing that the rental prices for existing apartments on a nationwide average is expected to rise by 2.5-3% this year (the previous year was 3.1%). Whereas the IVD expects an average price growth of 4-5% (the previous year was 8.3%) for condominiums in the portfolio.

The IVD justifies that the market situation has not changed in many cities including all major cities noting that there is a clear excess demand for both rental and condominiums which cannot be reduced in the short term.



Association president of the IVD advises that the corona crisis has little effect on the principal decision to buy or rent an apartment. Buyers who did not follow through due to liquidity losses would be replaced by prospective buyers who wanted to invest their liquidity in real estate that is actually safe, especially now. Furthermore, the interest rate level will remain at a low level in the interim.

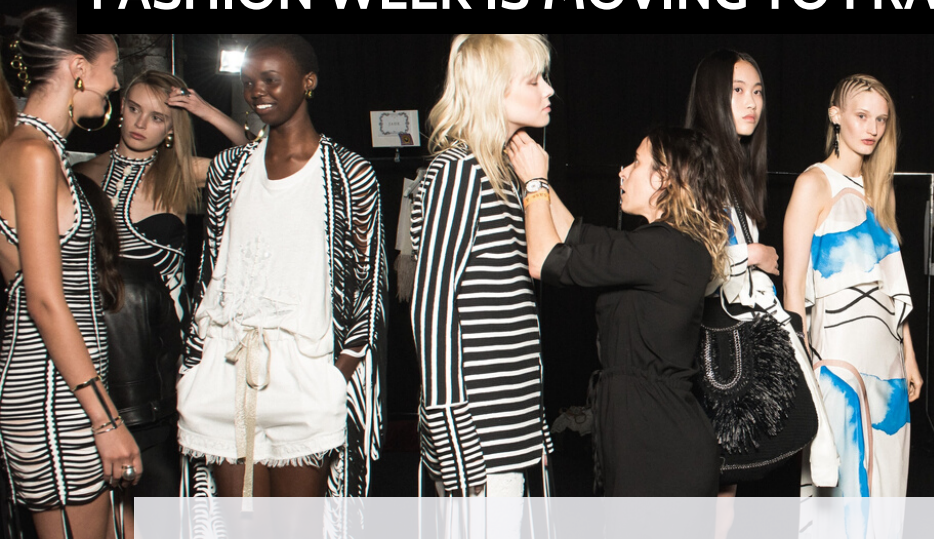
During the second quarter, we will see a decrease of 25 -35% with the IVD expecting normalisation for the rest of the year. Office and retail are much more affected by the corona crisis with residential real estate the most stable segment.

The corona crisis means that millions of people have less money in their pockets. But does that mean rents are falling, or at least house prices?

**THE REAL ESTATE
ASSOCIATION OF
GERMANY SAYS:
NO!**

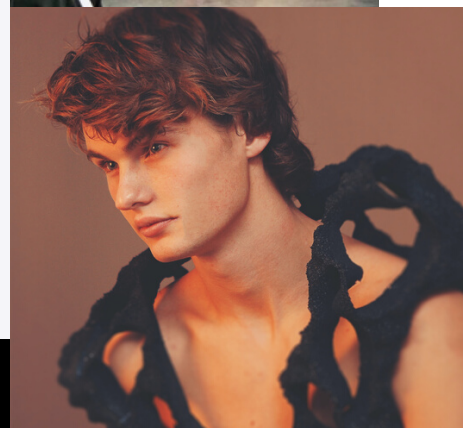
2021 & Beyond

FASHION WEEK IS MOVING TO FRANKFURT



The organizer Premium Group announced on Monday that they will be establishing a new fashion week in Frankfurt/Main from Autumn 2021 after 20 years in Berlin. Frankfurt Mayor Peter Feldmann advises that this would boost the hotel, transport and gastronomy industries and as a result turn Frankfurt's economic metropolis into a fashion and lifestyle scene as well as an international economic opportunity.

Fashion week last took place in Berlin twice a year with around 70,000 visitors each. Detlef Braun, Managing Director of Messe Frankfurt anticipates around 2,000 fashion labels to show their collections at the upcoming joint trade fair in July 2021 and 140,000 visitors from 100 nations to arrive.



"We are expecting over 200 million euros per year for our hometown and the region,"

— Frankfurt Mayor Peter Feldmann

Berlin:

Top 20 Investment Destinations Worldwide



The German capital came in at 18th place (the previous year in 11th place) and the main metropolis in 20th place (previous year in 50th) with around USD 2.0 and 1.54 billion respectively. Cross border transactions accounted for 28 or almost 20% of the respective transaction volume.

In the first three months of 2020, Berlin & Frankfurt were among the Top 20 Investment Destinations worldwide!



Tokyo maintained its top position with USD 9.45 billion (up 17%) by the end of March 2020, with New York at over USD 9.2 billion in second position (up 16%), outperforming London at USD 6.0 billion (down a quarter on the previous year). Approximately 43% of the investment in the US was accounted for the office sector, through large transactions which closed prior to the pandemic including the purchase of an office building by Munich Reinsurance Company (Munich Re) on Madison Avenue. Generally speaking, German investors have invested considerably into real estate across borders in Q1 2020; at over USD 8.0 billion, and are by far the strongest group of buyers outside their home country (countries following in the rankings do not even reach half of this volume).



Berlin:

Real Estate Market

APARTMENT RENTS INCREASING, EXCEPT IN BERLIN

An analysis of the real estate market in 81 cities with over 100,00 inhabitants has shown that in most major cities between the period January to April 2020 compared to September to December 2019, rents were higher, except in Berlin. During the research period, there was an average decrease of 5% to €10.20/ m² which has been seen largely due to the rent cover currently in place since the end of February according to Immowelt. Other top German cities including Munich, Frankfurt, Hamburg & Düsseldorf saw rents increase further to 4-5% with the highest rent increases in Reutlingen (+12%) and Mainz (+10%)

New York:

Real Estate Spring Buying Season Could Be "DISASTROUS"

"A strong start to the year for property sales in Manhattan was erased by the coronavirus outbreak."

— The New York Times


For most of the first quarter, New York's residential real estate market was on an unlikely rise despite overpriced apartments, market headwinds and legislative obstacles. Then the coronavirus hit, stopping the rebound in its tracks. Consequently, the pandemic threatens to do the same in real estate markets nationwide during the peak of buying season.

Open houses and in person property viewings were banned due to New York's State stay at home order including similar restrictions elsewhere and 'most people are not going to purchase expensive properties without seeing it' said Frederick Warburg Peters, the chief executive of Warburg Realty.




New York

Real Estate Market



Peters also advised that the number of new contracts in New York may decrease by more than 70% in the second quarter (compared with the same period last year) depending on the duration of the pandemic. According to statistics from brokerage firm Douglas Elliman, the number of sales in Manhattan in the first quarter increased by 13.5% compared to the same period last year.



In February, there were 1,231 contracts signed which was the most for that month in a decade with a hint that buying would continue to be robust, said Garrett Derderian, the Managing Director of market analysis from the brokerage firm CORE. However, in March with the Federal Reserve cutting interest rates close to zero and a stay at home order issue in response to the virus, early indicators suggest that momentum has ground to a standstill.

Jonathan J. Miller, the president of Miller Samuel Real Estate Appraisers & Consultants advises as the outbreak became a factor so late in March, there is no empirical evidence of what's to come other than it being catastrophic.



Architecture

Publishing Group Axel Springer's unique new building is situated opposite their existing headquarters on Zimmerstrasse in Berlin. During this transition, its campus will act both as a symbol and a tool - a building to charm the elite of Germany's digital Bohemia.

Bisected by a diagonal atrium that opens up to the existing Springer buildings, the basis of the design is a series of terraced floors that together form a 'valley', creating an informal stage at the center - a point to announce ideas to other parts of the company. The valley is mirrored to generate a 3-D canopy, halfway through the building.

The public are able to experience the building on three levels - ground floor lobby, meeting bridge, and roof-top bar. Visitors can witness the daily functioning of the company and how it unfolds from the viewing platform within the meeting bridge. The ground floor is open to the city and contains studios, event and exhibition spaces, canteens and restaurants.