

# MARKET VALUATION INDICATION

Market Value Indication of a portfolio of 77 economic entities (85 properties) located in the federal state Schleswig-Holstein, Germany.



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# 1. Executive Summary

summary valuation		basics				units			area		rent					value		rates		multiplier/yield			
economic unit	city	street	year built	rent control	leasehold	residential	commercial	parking	useable area in sqm	vacancy %	current rent p.a	sust. rent p.a	abbrv.	current rent €/sqm UA residential	sustainable rent €/sqm UA residential	market value	market value €/sqm	discount rate	cap rate	gross multiplier current rent	gross multiplier sustainable rent	net initial yield current rent	net initial yield sustainable rent
85					85	3.232	9	510	193.027,47	1,1%	14.107.724,64	14.288.845,20	1,3%	6,07	6,07	215.900.000	1.118	6,24%	4,24%	15,30	15,11	4,82%	4,98%
30021	23558 Lübeck	Georgstr. 6-16, Meierstr. 10-14	1954			74	0	4	3.880,70	-	313.068,48	313.568,72	0,2%	6,69	6,69	6.960.000	1.793	5,10%	3,10%	22,23	22,20	3,47%	3,48%
30078a	23569 Lübeck	Siemser Landstr. 1a, 1b	1972	x		10	0	0	705,00	-	48.507,72	48.507,75	0,0%	5,73	5,73	820.000	1.163	6,00%	4,00%	16,90	16,90	4,40%	4,40%
30078b	23569 Lübeck	Siemser Landstr. 8-8a	n/a	x		11	0	7	769,96	-	52.863,24	54.180,91	2,5%	5,38	5,52	900.000	1.169	6,00%	4,00%	17,03	16,61	4,30%	4,44%
30123	23560 Lübeck	Heinzelmännchengasse 9-11	1963		x	24	0	0	1.287,92	-	96.300,48	97.366,75	1,1%	6,23	6,30	1.330.000	1.033	5,40%	3,40%	13,81	13,66	5,36%	5,44%
30142	23558 Lübeck	Töpferweg 47-55, Dornestr. 61-65d	1951		x	230	0	0	8.517,82	1,2%	723.491,76	732.534,69	1,2%	7,17	7,17	10.830.000	1.271	5,10%	3,10%	14,97	14,78	4,95%	5,03%
30146	23558 Lübeck	Korvettenstr. 1-39	1966		x	168	0	27	10.836,96	-	830.204,76	830.204,76	0,0%	6,28	6,28	11.920.000	1.100	5,40%	3,40%	14,36	14,36	5,00%	5,00%
30148	23558 Lübeck	Korvettenstr. 41-63, 52-64	1966	x	x	152	0	54	11.256,12	-	777.225,00	777.225,00	0,0%	5,54	5,54	11.270.000	1.001	5,20%	3,20%	14,50	14,50	4,78%	4,78%
30149	23568 Lübeck	Forstmeisterweg 83	1965		x	180	0	0	6.127,31	0,6%	532.435,08	551.457,90	3,6%	7,29	7,50	8.860.000	1.446	5,20%	3,20%	16,64	16,07	4,43%	4,65%
30152	23560 Lübeck	Brüder-Grimm-Ring 4-4A	1971	x	x	16	0	0	1.236,02	-	82.353,12	82.353,12	0,0%	5,55	5,55	1.220.000	987	5,30%	3,30%	14,81	14,81	4,78%	4,78%
30303	25746 Heide	Fehrsplatz 1-27	1952			42	0	0	1.590,35	-	129.960,12	129.960,12	0,0%	6,81	6,81	1.940.000	1.220	6,50%	4,50%	14,93	14,93	4,96%	4,96%
30332	25746 Heide	Fehrsplatz 6-8	1953			10	0	0	472,29	-	31.401,72	32.304,64	2,9%	5,54	5,70	460.000	974	6,50%	4,50%	14,65	14,24	4,81%	5,01%
32119	23566 Lübeck	Marliring 94-100	1965			20	1	0	1.807,17	-	137.676,84	137.689,69	0,0%	6,81	6,81	2.930.000	1.621	5,30%	3,30%	21,28	21,28	3,65%	3,65%
32332	23560 Lübeck	Rebhuhnw. 2-8, Fasanenw. 1-7, 2-6a	1968		x	116	0	51	8.059,65	-	625.073,88	625.556,28	0,1%	6,21	6,21	9.480.000	1.176	5,40%	3,40%	15,17	15,15	4,86%	4,87%
32469	23569 Lübeck	Hochofenstr. 22 - 22c	1982	x		24	0	0	1.728,96	-	144.669,12	144.669,12	0,0%	6,97	6,97	2.450.000	1.417	6,20%	4,20%	16,94	16,94	4,65%	4,65%
32912	23560 Lübeck	Loreleiweg 4-12	1970		x	60	0	28	4.381,36	1,9%	317.145,48	322.877,53	1,8%	5,87	5,87	4.980.000	1.137	5,40%	3,40%	15,70	15,42	4,66%	4,77%
32915a	23738 Lensahn	Berliner Str. 26, 28a-28c, 30a-30c	1965			72	0	46	4.629,72	-	360.358,44	360.752,69	0,1%	6,33	6,33	5.520.000	1.192	6,40%	4,40%	15,32	15,30	4,94%	4,95%
32915b	23738 Lensahn	Hohenkrogstraße 2-8	1967	x		30	0	5	1.983,57	3,4%	123.133,44	127.661,55	3,7%	5,27	5,28	1.820.000	918	6,50%	4,50%	14,78	14,26	4,80%	5,04%
32915c	23738 Lensahn	Hufenweg 1	1967	x		12	0	18	608,50	-	55.275,24	56.438,88	2,1%	6,69	6,69	860.000	1.413	6,50%	4,50%	15,56	15,24	4,89%	5,02%
32915d	23738 Lensahn	Katharinenstraße 1	1967	x		18	0	0	932,29	-	60.208,44	60.208,44	0,0%	5,38	5,38	850.000	912	6,50%	4,50%	14,12	14,12	4,99%	4,99%
32915e	23738 Lensahn	Wiesenkrog 1-9	1967	x		30	0	0	1.910,30	-	142.309,08	142.309,08	0,0%	6,21	6,21	2.170.000	1.136	6,50%	4,50%	15,25	15,25	4,96%	4,96%
34050	25746 Heide	Gorch-Fock-Str. 2-12	1946			46	0	0	1.978,51	-	152.589,84	152.589,84	0,0%	6,43	6,43	2.310.000	1.168	6,40%	4,40%	15,14	15,14	4,87%	4,87%
34051	25746 Heide	Gorch-Fock-Str.13-17	1957			19	0	0	891,85	-	66.725,76	66.725,76	0,0%	6,23	6,23	1.010.000	1.132	6,40%	4,40%	15,14	15,14	4,87%	4,87%
34052	25746 Heide	Gorch-Fock-Str.14-18	1959			20	0	0	885,84	-	65.865,60	65.865,60	0,0%	6,20	6,20	990.000	1.118	6,40%	4,40%	15,03	15,03	4,86%	4,86%
34053	25746 Heide	Gorch-Fock-Str. 20-24	1959			18	0	0	888,06	-	64.933,08	64.933,08	0,0%	6,09	6,09	980.000	1.104	6,40%	4,40%	15,09	15,09	4,87%	4,87%
34054	25746 Heide	Gorch-Fock-Str.26-30	1959			20	0	0	880,95	-	65.497,92	65.497,92	0,0%	6,20	6,20	980.000	1.112	6,40%	4,40%	14,96	14,96	4,88%	4,88%
34055	25746 Heide	Gorch-Fock-Str.7-11	1958			19	0	0	885,56	-	69.332,16	69.332,16	0,0%	6,52	6,52	1.070.000	1.208	6,40%	4,40%	15,43	15,43	4,84%	4,84%
34056	25746 Heide	Gorch-Fock-Str.1-5	1953			23	0	38	953,95	-	95.264,64	97.539,36	2,4%	7,13	7,13	1.530.000	1.604	6,40%	4,40%	16,06	15,69	4,73%	4,88%
34057	25746 Heide	Fehrsplatz 29-33	1954			23	0	0	962,29	-	74.082,00	74.082,00	0,0%	6,42	6,42	1.120.000	1.164	6,40%	4,40%	15,12	15,12	4,86%	4,86%
34058	25832 Tönning	Badallee18a-20b	1950			16	0	0	1.100,20	-	71.265,24	72.613,20	1,9%	5,40	5,50	1.050.000	954	6,50%	4,50%	14,73	14,46	4,93%	5,06%
34905a	25746 Heide	Arnold-Ebel-Str. 2-16, Hermann-Loe	1968			96	0	36	6.939,80	-	493.062,84	496.398,84	0,7%	5,78	5,78	7.630.000	1.099	6,40%	4,40%	15,47	15,37	4,83%	4,87%
34905b	25746 Heide	Foehrer Str. 10,20,30, Helgolaender	1968			150	0	39	8.340,20	0,5%	627.198,72	633.190,38	1,0%	6,16	6,16	9.730.000	1.167	6,40%	4,40%	15,51	15,37	4,80%	4,86%
35108	24837 Schleswig	Memeler Str. 52	1957			5	0	0	412,19	-	29.063,04	29.063,04	0,0%	5,88	5,88	440.000	1.067	6,50%	4,50%	15,14	15,14	5,00%	5,00%
35130	25746 Heide	Dr.-Lammers-Str.14-20	1956			16	0	0	1.131,52	-	78.693,12	78.693,12	0,0%	5,80	5,80	1.210.000	1.069	6,40%	4,40%	15,38	15,38	4,85%	4,85%
35194	25746 Heide	Dr.-Lammers-Str.22 / Hans-Sierks-S	1960			8	0	0	602,12	-	42.660,12	42.660,12	0,0%	5,90	5,90	660.000	1.096	6,40%	4,40%	15,47	15,47	4,87%	4,87%
35352	25746 Heide	Gustav-Frenssen-Str.2, 4	1955			10	0	0	505,22	-	35.991,84	35.991,84	0,0%	5,94	5,94	540.000	1.069	6,40%	4,40%	15,00	15,00	4,86%	4,86%
35620	24837 Schleswig	Danziger Str. 23-29, 24-26	1954			35	0	0	1.970,59	-	151.818,12	151.818,12	0,0%	6,42	6,42	2.350.000	1.193	6,40%	4,40%	15,48	15,48	4,95%	4,95%
35626	24837 Schleswig	Memeler Str.1-3	1955			10	0	0	571,16	-	42.283,32	42.283,32	0,0%	6,17	6,17	630.000	1.103	6,50%	4,50%	14,90	14,90	5,02%	5,02%
35629	24837 Schleswig	Danziger Str. 20-22, 31-35	1954			34	0	0	1.649,97	2,7%	123.434,16	126.936,35	2,8%	6,41	6,41	1.930.000	1.170	6,40%	4,40%	15,64	15,20	4,73%	4,91%
35654	24837 Schleswig	Königsberger Str. 2-4, 6-12	1957			27	0	0	1.797,00	-	129.026,88	129.026,88	0,0%	5,98	5,98	1.930.000	1.074	6,50%	4,50%	14,96	14,96	5,02%	5,02%
35655	24837 Schleswig	Memeler Str.50	1957			5	0	0	412,31	-	27.686,88	27.686,88	0,0%	5,60	5,60	410.000	994	6,50%	4,50%	14,81	14,81	5,04%	5,04%
35656	24837 Schleswig	Memeler Str.6-8, 14-16	1957			26	0	0	1.219,15	-	95.686,20	95.686,20	0,0%	6,54	6,54	1.430.000	1.173	6,50%	4,50%	14,94	14,94	5,01%	5,01%
35877	24837 Schleswig	Memeler Str. 62-66	1957			15	0	0	978,90	-	72.366,24	72.366,24	0,0%	6,16	6,16	1.090.000	1.113	6,50%	4,50%	15,06	15,06	5,02%	5,02%
36106	24837 Schleswig	Birkenweg 1, Am Brautsee 56-58, U	1961			22	0	0	1.327,63	-	97.050,36	97.050,36	0,0%	6,09	6,09	1.440.000	1.085	6,50%	4,50%	14,84	14,84	5,05%	5,05%

summary valuation		basics					units			area		rent					value		rates		multiplier/yield			
economic unit	city	street	year built	rent control	leasehold	residential	commercial	parking	useable area in sqm	vacancy %	current rent p.a	sust. rent p.a	abbriv.	current rent €/sqm UA residential	sustainable rent €/sqm UA residential	market value	market value €/sqm	discount rate	cap rate	gross multiplier current rent	gross multiplier sustainable rent	net initial yield current rent	net initial yield sustainable rent	
36107	24837 Schleswig	Koenigsberger Str. 14	1957			2	0	0	217,53	-	13.380,00	13.380,00	0,0%	5,13	5,13	190.000	873	6,50%	4,50%	14,20	14,20	5,19%	5,19%	
36116	24837 Schleswig	Memeler Str.4-4a	1960			8	0	0	494,00	11,8%	31.141,80	35.469,60	13,9%	5,96	5,98	530.000	1.073	6,50%	4,50%	17,02	14,94	4,18%	4,99%	
36142	24837 Schleswig	Klensbyer Str.2-4	1961			8	0	0	560,55	-	36.247,08	36.247,08	0,0%	5,39	5,39	530.000	946	6,50%	4,50%	14,62	14,62	4,97%	4,97%	
36149	24837 Schleswig	Birkenweg 3-7	1961			14	0	0	829,75	-	61.895,40	61.895,40	0,0%	6,22	6,22	920.000	1.109	6,50%	4,50%	14,86	14,86	5,06%	5,06%	
36173	24837 Schleswig	Lindenweg 20, 20a, 22	1962	x		27	0	0	1.170,27	9,2%	73.423,68	80.495,20	9,6%	5,76	5,73	1.120.000	957	6,50%	4,50%	15,25	13,91	4,46%	5,08%	
36196	24837 Schleswig	Am Brautsee 1-5	1964			18	0	0	1.247,02	5,2%	81.324,72	85.820,05	5,5%	5,74	5,74	1.280.000	1.026	6,50%	4,50%	15,74	14,91	4,63%	4,98%	
36207	24837 Schleswig	Schubertplatz 5-7	1966			16	0	0	1.172,12	-	75.544,08	75.544,08	0,0%	5,37	5,37	1.100.000	938	6,50%	4,50%	14,56	14,56	5,01%	5,01%	
36256	24837 Schleswig	Husumer Baum 5, 5a	1968			14	0	0	632,78	28,3%	36.610,80	49.646,53	35,6%	6,72	6,54	730.000	1.154	6,50%	4,50%	19,94	14,70	3,30%	5,07%	
36358	24837 Schleswig	Solterbeerenhof 26-28	1975	x		12	0	0	821,00	-	56.105,76	56.105,76	0,0%	5,69	5,69	830.000	1.011	6,50%	4,50%	14,79	14,79	5,00%	5,00%	
36360	24837 Schleswig	Altfeld 13, 19-25	1974	x	x	32	0	0	2.520,38	12,6%	146.074,68	167.003,52	14,3%	5,52	5,52	1.900.000	754	6,50%	4,50%	13,01	11,38	5,25%	6,34%	
36371	24837 Schleswig	Altfeld 15-17	1982	x	x	18	0	0	972,07	-	70.997,76	70.997,76	0,0%	6,09	6,09	870.000	895	6,20%	4,20%	12,25	12,25	5,85%	5,85%	
36378	24837 Schleswig	Am Lornsenpark 2-6, Kälberstr. 37-3	1984	x		38	7	0	3.164,15	2,6%	237.499,32	244.701,13	3,0%	6,12	6,12	3.640.000	1.150	6,70%	4,70%	15,33	14,88	5,02%	5,21%	
36379	24837 Schleswig	Domweg 10-14	1983	x		21	0	0	1.270,36	-	97.029,84	97.029,84	0,0%	6,36	6,37	1.510.000	1.189	6,40%	4,40%	15,56	15,56	4,88%	4,88%	
36394	24837 Schleswig	Drei Kronen 1a	1990			0	1	2	241,14	-	9.075,24	9.075,18	0,0%	0,00	0,00	110.000	456	6,70%	4,70%	12,12	12,12	5,30%	5,30%	
36900a	24837 Schleswig	Solterbeerenhof 2-12	1971			48	0	0	3.242,56	-	220.186,56	220.186,56	0,0%	5,66	5,66	3.270.000	1.008	6,50%	4,50%	14,85	14,85	4,97%	4,97%	
36900b	24837 Schleswig	Solterbeerenhof 5-17, 14-24	1971	x	x	120	0	54	8.064,63	-	555.832,44	558.914,76	0,6%	5,56	5,56	8.250.000	1.023	6,50%	4,50%	14,84	14,76	4,94%	4,98%	
36902	24837 Schleswig	Mozartstr.4-22, Schubertpl. 1-3	1962			114	0	0	5.144,90	2,2%	407.932,20	416.644,77	2,1%	6,76	6,75	6.250.000	1.215	6,50%	4,50%	15,32	15,00	4,88%	5,02%	
36905	24837 Schleswig	Klaus-Groth-Str. 1, 1a-c, 3, 3a, 2, 2b	1960		x	72	0	0	3.117,37	1,6%	235.973,88	239.939,76	1,7%	6,41	6,41	2.920.000	937	6,10%	4,10%	12,37	12,17	5,83%	5,96%	
37129	25746 Heide	Bürgermeister-Blaas-Str. 4-14	1951			30	0	0	1.481,95	3,3%	117.304,20	121.322,64	3,4%	6,82	6,82	1.880.000	1.269	6,40%	4,40%	16,03	15,50	4,71%	4,92%	
37171	24837 Schleswig	Memeler Str.5, 5a	1960			10	0	0	689,91	-	45.720,96	45.720,96	0,0%	5,52	5,52	660.000	957	6,50%	4,50%	14,44	14,44	5,07%	5,07%	
37174	24837 Schleswig	Hornbrunnen 14a, 14b, Schulberg 2	1958			24	0	0	1.622,64	-	103.040,28	103.040,28	0,0%	5,29	5,29	1.460.000	900	6,50%	4,50%	14,17	14,17	5,08%	5,08%	
37190	23566 Lübeck	Arnimstr.82	1963		x	51	0	16	2.962,86	-	251.298,24	251.684,64	0,2%	6,84	6,84	4.130.000	1.394	5,20%	3,20%	16,43	16,41	4,62%	4,63%	
37201	24837 Schleswig	Klensbyer Str. 19-29, 31-33	1960			40	0	0	2.485,54	2,1%	187.811,28	191.821,07	2,1%	6,43	6,43	2.890.000	1.163	6,50%	4,50%	15,39	15,07	4,93%	5,07%	
37204	24837 Schleswig	Am Brautsee 25-31, Lindenweg 24-	1960			36	0	0	2.392,34	-	159.068,40	159.068,40	0,0%	5,54	5,54	2.340.000	978	6,50%	4,50%	14,71	14,71	4,97%	4,97%	
37209	25746 Heide	Gustav-Frenssen-Str. 10-16	1961			16	0	0	1.071,56	-	69.831,84	69.831,84	0,0%	5,43	5,43	1.040.000	971	6,40%	4,40%	14,89	14,89	4,88%	4,88%	
37224	25746 Heide	Hermann-Loens-Str. 8-16	1962			20	0	11	1.603,79	10,4%	109.787,88	114.379,52	4,2%	6,11	5,70	1.770.000	1.104	6,40%	4,40%	16,12	15,47	4,60%	4,85%	
37225	23556 Lübeck	Schoenboeckener Str. 74-74c	1963		x	32	0	0	2.256,44	-	173.879,64	173.879,64	0,0%	6,42	6,42	2.660.000	1.179	5,30%	3,30%	15,30	15,30	4,85%	4,85%	
37229a	24837 Schleswig	Am Brautsee 28-30	1964			40	0	12	2.794,32	2,3%	194.550,12	199.379,41	2,5%	5,80	5,79	2.910.000	1.041	6,50%	4,50%	14,96	14,60	4,95%	5,12%	
37229b	24837 Schleswig	Erlenweg 1-3	1957			12	0	0	1.198,33	-	72.088,08	72.088,08	0,0%	5,01	5,01	1.040.000	868	6,50%	4,50%	14,43	14,43	5,04%	5,04%	
37233	25746 Heide	Gustav-Frenssen-Str. 13-19	1963			24	0	0	1.896,42	3,7%	119.078,52	123.759,53	3,9%	5,43	5,44	1.870.000	986	6,40%	4,40%	15,70	15,11	4,63%	4,87%	
37236	23564 Lübeck	Im Brandenbaumer Feld 10, 10a	1965		x	36	0	19	2.274,89	-	241.207,08	242.287,08	0,4%	8,46	8,46	4.220.000	1.855	5,20%	3,20%	17,50	17,42	4,63%	4,66%	
37243	24837 Schleswig	Schubertplatz 2-6	1966			24	0	5	1.943,32	-	124.483,32	124.483,32	0,0%	5,25	5,25	1.810.000	931	6,50%	4,50%	14,54	14,54	5,02%	5,02%	
37246	23554 Lübeck	Eutiner Str. 42-48, 48a	1967			32	0	0	2.206,36	3,6%	167.638,80	173.885,66	3,7%	6,57	6,57	3.330.000	1.509	5,60%	3,60%	19,86	19,15	3,85%	4,04%	
37248	25746 Heide	Nordstrander Str. 15 -19	1965			18	0	8	1.494,21	-	91.968,60	92.388,60	0,5%	4,97	4,97	1.320.000	883	6,40%	4,40%	14,35	14,29	5,00%	5,03%	
37253	24837 Schleswig	Mozartstr. 24	1966			45	0	30	3.592,44	5,0%	192.614,40	202.569,43	5,2%	4,40	4,40	2.710.000	754	6,50%	4,50%	14,07	13,38	1,07%	5,12%	
37255	24837 Schleswig	Erlenweg 5	1967			48	0	0	3.706,56	-	225.489,36	225.478,63	0,0%	5,07	5,07	3.250.000	877	6,50%	4,50%	14,41	14,41	4,97%	4,97%	
37263	24837 Schleswig	Drei Kronen 1-7	1968		x	32	0	0	2.529,35	-	156.857,64	156.857,64	0,0%	5,17	5,17	1.940.000	767	6,00%	4,00%	12,37	12,37	5,66%	5,66%	
37273	24837 Schleswig	Drei Kronen 9-11	1969		x	16	0	0	1.102,33	-	68.065,56	68.065,56	0,0%	5,15	5,15	860.000	780	6,10%	4,10%	12,63	12,63	5,56%	5,56%	
37281	24837 Schleswig	Drei Kronen 13-15, Altfeld 3-5	1971		x	32	0	0	2.246,94	2,4%	143.339,64	146.819,17	2,4%	5,45	5,45	1.820.000	810	6,20%	4,20%	12,70	12,40	5,52%	5,71%	
37287	24837 Schleswig	Altfeld 7-11	1972	x	x	24	0	0	1.842,57	-	115.436,28	115.436,28	0,0%	5,22	5,22	1.450.000	787	6,20%	4,20%	12,56	12,56	5,69%	5,69%	
38053	24837 Schleswig	An der Schanze 12, Kattenhunder V	1936			14	0	0	867,10	6,8%	52.661,28	56.654,12	7,6%	5,43	5,44	810.000	934	6,50%	4,50%	15,38	14,30	4,56%	5,05%	
38056	24837 Schleswig	Schubustr.106-116, Julius-Petersen	1935	x		32	0	0	1.875,78	-	122.988,48	122.988,48	0,0%	5,46	5,46	1.750.000	933	6,50%	4,50%	14,23	14,23	5,05%	5,05%	

## 2. General

### 2.1 Valuer

Dirk Fischer-Appelt FRICS  
Partner  
in  
FA/KT Valuation Chartered Surveyors  
Fischer-Appelt / Kipp-Thomas  
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fa@fa-kt-valuation.de  
www.fa-kt-valuation.de

### 2.2 Client

K/S Danske Immobilien  
Jernbanegade 2, 1  
7900 Nykøbing Mors  
Denmark

### 2.3 Purpose of Valuation

This Market Value Indication is prepared only for accounting purposes of the client.

### 2.4 Identification of the assets

Subject of this valuation are the properties of K/S Danske Immobilien listed in the given rent roll, dated 15<sup>th</sup> November 2022. The 77 economic entities (85 properties) are located in the federal state of Schleswig Holstein in Germany.

### 2.5 Basis of market value assessment

FA/KT Valuation Chartered Surveyors (further mentioned as FA/KT) has been instructed by K/S Danske Immobilien (further mentioned as K/S Danske) to carry out the valuation of the market value of the investment properties as listed in the expert contract dated 01<sup>st</sup> December 2022.

### 2.6 Valuation date

Date of valuation is the 31<sup>th</sup> December 2022.

### 2.7 Use of the portfolio properties

The portfolio properties are mainly residential properties and individual mixed-use properties.

## 2.8 Special note

The general interest rate environment has changed significantly compared to the previous year due to increased inflation. The effects of the interest rate turnaround by the ECB have not yet been reflected in the transaction data and market reports. Market observers report currently stagnating investment activities, as investors are acting more cautiously overall and decision-making processes are taking longer. Due to the increased capital market interest rates, which make the purchase of real estate considerably more expensive, falling real estate prices and rising yields are expected in the future. Since only a few transactions can be identified at present, there is hardly any valid market data available so far. The situation is ambiguous and different forecasts are published (see chapter "7.1 Residential market Germany"). In this context, reference is made to the reference date of the present market value assessment.

In the present valuation, the valuation of the leasehold properties was further adjusted to the valuation methodology of the German valuation practice. Furthermore, the capitalisation of the net income reduced by the ground rent is carried out at the cap rate until the end of the ground lease term. In addition, the contractually guaranteed compensation was determined in the amount of 2/3 of the building value and a discount for general disadvantages from the ground lease was taken into account in the amount of 10 % (customary 5 - 15 %) of the market value of the full ownership.

## 2.9 Extent of investigation

Basis for the present desktop valuation are the up-dated information provided by the client, the data, details and impressions obtained during on-site inspection in 2019 as they have been indicated in the Summary Valuation Report (date of valuation 31.12.2019) as well as the general economic factors influencing the value on the real estate market at the time the valuations relates to (valuation date).

Due to the fact that FA/KT has previously inspected the property (25.11. to 28.11.2019), and the client has confirmed that no material changes to the physical attributes of the property and the area in which it is situated have occurred, a revaluation without inspection was agreed.

### 3. Nature and sources of the information relied upon

#### 3.1 Information provided by the client:

- Overview of ground rents, undated
- rent roll, dated 15<sup>th</sup> November 2022
- Redevelopment and modernisation measurements, dated 31.10.2022

We assume that the property information provided to us by the client is correct and complete as at the date of valuation. We assume that any documents not provided by the client have no impact on the market value assessment.

#### 3.2 Information provided by FA/KT Valuation:

- Excerpts from the collections of purchase prices of the expert committees for property values in the districts of Dithmarschen, Nordfriesland, Ostholstein and Schleswig-Flensburg as well as in the Hanseatic City of Lübeck
- Market Reports regarding the housing market in Germany
- Statistical reports by the Statistical Office of Hamburg and Schleswig-Holstein
- Vonovia index development by [www.ariva.de](http://www.ariva.de)
- Vonovia inventory information
- TAG key figures
- vdp property price index Q3 2022
- SWAP-Satz (EUR) 10 Jahre by [finanzen.net](http://finanzen.net)

## 4. Basis of the valuation

### 4.1 Valuation

The basis for the present market valuation assessment are the data provided by the client as well as the general economic factors influencing the value on the real estate market at the time the valuations relates to (valuation date). The valuation has been carried out according to the Valuation Practice Statements (VPS 2) Inspections and investigations (12) Revaluation without inspection of the Red Book.

### 4.2 Assumptions and special assumptions

No assumptions and special assumptions.

### 4.3 Restrictions

#### 4.3.1 Copyright

The copyright to the expert opinion belongs to the surveyor without any limitations whatsoever. The client is exclusively entitled to make use of the expert opinion for the purposes agreed to in this contract. The expert opinion is exclusively intended for internal use by the client. The client is not entitled to make the expert opinion available to third parties in any form whatsoever, or to grant access to these documents. The client is not entitled to make alterations or amendments to the copyright-protected expert opinion.

#### 4.3.2 Intended Utilization

This market value Assessment compiled by FA/KT Valuation Chartered Surveyors on principle is only intended for the use indicated in the order. The data may only be passed on to third parties if FA/KT Valuation Chartered Surveyors has given written permission to do so.

### 4.4 Confirmation

In general, valuation is carried out according to the principles of the International Valuation Standards (IVS) setting by the International Valuation Standards Committee and the Appraisal and Valuation Standards setting by the Royal Institution of Chartered Surveyors. The approach is determined by the practices of the real estate market and the circumstances of the individual case. The basis for this is a market-oriented income capitalisation approach to valuation.

The valuation takes into account the respective market situation in the real estate segment according to the general economic factors influencing value, the local supply and demand situation, the fungibility of the valuation object etc. as well as other characteristics and conditions of the valuation subject, but always under consideration of the assumptions made in the report.

### 4.5 Market Value

Our valuation has been carried out in accordance with the definition of Market Value relevant to international property valuations. The definition of Market Value is set by the International Valuation Standards Committee (International Valuation Standards IVS 2017) and adopted by the European Group of Valuers' Associations (European Valuation Standards, EVS 2016) as well as the Red Book of the Royal Institution of Chartered Surveyors (Appraisal and Valuation Standards 2017 edition). Therein the market value is defined as: "The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

To specify that the present valuation is executed as revaluation without inspection and on desktop level only, the determined value is stated as market value indication.



#### 4.6 Valuation approach

As ordered, this assessment will determine the Market Value, using the Discounted-Cash-Flow procedure (DCF). We show the income less costs (cash-flow) for the first 10 years as per the key date of valuation, within the framework of calculations on the Discounted-Cash-Flow procedure. The cash flow of the last period is taken as basis for the division by the estimated cap rate. The cash-flows are discounted by the discount rate in arrear as per the key date of valuation and added. As a result of the DCF-method we will get the gross present value. After deduction of the transfer costs we will get to the net present value which corresponds to the Market Value (indicative).

#### 4.7 Liability

FA/KT Valuation Chartered Surveyors accepts liability in cases of malintent and of gross negligence on the part of FA/KT Valuation Chartered Surveyors or one of its representatives or vicarious agents, in accordance with the statutory regulations. Otherwise FA/KT Valuation Chartered Surveyors accepts liability only in accordance with the Product Liability Act "Produkthaftungsgesetz", due to injury to life and/or limb or to health, or due to culpable violation of essential contractual obligations. Claims for compensation for violation of essential contractual obligations is, however, limited to contract-typical, foreseeable damage. Liability on the part of FA/KT Valuation Chartered Surveyors is also limited of cases of negligence with respect to contract-typical, foreseeable damage. The liability of FA/KT Valuation Chartered Surveyors for cases of damage caused by negligence on our part or on the part of our vicarious agents, as well as for fault-unrelated claims in connection with this valuation-report commission is limited to 10% of the determined market value, though no more than a maximum total of € 2,500,000 (2 million, five hundred thousand Euros), for the properties cited in this valuation-report commission. The related commissioning of several valuation reports is regarded here as a single valuation-report commission. A single damage case also applies with respect to unified damage arising from several cases of breach of obligations, if the matters in question have a legal or commercial connection. The liability for slight negligence is excluded. The single valuation report of each property is part of a portfolio of 48 properties of MCPF in the federal states of Schleswig Holstein, Lower Saxony and the Free and Hanseatic city of Hamburg in Germany. Therefore, the single valuation is related to the portfolio in joint liability.

#### 4.8 Principles of Valuation

The revaluation of the real estate is carried-out as desktop valuation based on information made available to the surveyor by the client. The client has confirmed that no material changes to the physical attributes of the property and the area in which it is situated have occurred.

The surveyor assumes that such information is complete and correct and that there are no unknown circumstances that exert an influence on the market value to be ascertained. In particular, the surveyor assumes that the figures indicated for lease area and for current rents, as shown on the rent rolls, are correct and that the methods employed for calculating the area correspond to those customarily employed for the type of real estate in question.

For purposes of the valuation, it is presumed that the business on the premises to be valued, as on the valuation date specified by contract, will continue to exist, both in terms of type and extent, for the period of the remaining useful life of the building facilities, or that some comparable business will be available as the user.

Account is taken of rights, encumbrances and limitations only to the extent that these exert a recognizable influence on the value of the property to be surveyed and must therefore be given special consideration.

The revaluation is based on the initial valuation report and the subsequent revaluations, most recently as of December 31, 2021. The textual presentations in this report are therefore largely limited to factual and value changes that have occurred compared with these valuations. The requirements set out there must continue to be observed and are an integral part of this revaluation.

This report is a follow-up valuation without property inspections. As agreed, inspections take place every 4 years, but more frequently in the event of significant changes (see expert contract).

#### 4.9 Conflict of Interest

We confirm that FA/KT Valuation Chartered Surveyors have acted as independent surveyors and that we have no conflict of interest in acting on behalf of MCPF in this matter. We confirm that FA/KT Valuation Chartered Surveyors has no other financial relationship, or have had, with the borrower, its directors or the property.

## 5. Location

### 5.1 Schleswig-Holstein

Schleswig-Holstein is the northernmost German federal state. It is located between the North Sea and the Baltic Sea. Kiel Canal, the busiest man-made waterway in the world connects these two seas. Schleswig-Holstein is bordered in the north by Denmark, and by Mecklenburg-Western Pomerania and the Baltic in the east. To the south there are Hamburg and Lower Saxony and to the west the North Sea.

Schleswig-Holstein lies on the base of Jutland Peninsula between the North Sea and the Baltic Sea. Strictly speaking, "Schleswig" refers to the German Southern Schleswig, whereas Northern Schleswig is in Denmark. The state of Schleswig-Holstein further consists of Holstein as well as Lauenburg, and the formerly independent city of Lübeck. German is the official language, Low German, Danish and North Frisian enjoy legal protection or state promotion. Schleswig-Holstein is divided into 11 administrative districts.

For the state of Schleswig-Holstein, a positive demographic development of around 1.4% is expected between 2014 und 2030.

#### Lübeck

The Hanseatic City of Lübeck is an independent city in the east of the state of Schleswig-Holstein. Kiel, the capital of Schleswig-Holstein, is located about 60 km (linear distance) to the northwest.

The city of Lübeck has about 216,300 inhabitants (as of 31.12.2021). This represents a population density of about 1,010 inhabitants per square km. The demographic report of Schleswig-Holstein anticipates a population increase of 4.0% for Lübeck between 2014 und 2030.

The motorways A20 and A1 run within the boundaries of Lübeck. The A1 leads southwest to Hamburg.

The macro location is assessed as good due to its affiliation with the Hamburg Metropolitan Region and a good interregional connectivity.

#### Lensahn

Lensahn is a municipality in the district Ostholstein in the east of the state of Schleswig-Holstein. Kiel, the capital of Schleswig-Holstein, is located about 50 km (linear distance) to the west.

With about 5,000 inhabitants (as of 31.12.2021), the municipality of Lensahn has a population density of about 181 inhabitants per km<sup>2</sup>. The demographic report of Schleswig-Holstein anticipates a population decrease of 4,1% for the district of Ostholstein between 2014 und 2030.

The motorway A1 runs through Lensahn. The A1 leads southwest to Hamburg.

The macro location is assessed as average due to the distance to the Hamburg Metropolitan Region.

#### Heide

Heide is the district town of Dithmarschen in the west of the state of Schleswig-Holstein. Kiel, the capital of Schleswig-Holstein, is located about 70 km (linear distance) in an eastern direction.

The city of Heide has about 21,8400 inhabitants (as of 31.12.2021) which represents a population density of about 683 inhabitants per km<sup>2</sup>. The demographic report of Schleswig-Holstein anticipates a population decrease of -5.6% for the district of Dithmarschen between 2014 und 2030.

The macro location is assessed as average due to its affiliation with the Hamburg Metropolitan Region.

#### Schleswig

Schleswig is the district town of the district of Schleswig-Flensburg in the north-east of the state of Schleswig-Holstein. Kiel, the capital of Schleswig-Holstein, is located about 30 km (linear distance) in northern direction.

The city of Schleswig has about 25,500 inhabitants (as of 31.12.2021). This represents a population density of 1,050 inhabitants per km<sup>2</sup>. The demographic report of Schleswig-Holstein anticipates a population decrease of -3.7 % for the district of Schleswig-Flensburg between 2014 und 2030.

The motorway A7 runs west to Schleswig and leads south to Hamburg.

The macro location is assessed as average due to the distance to the Hamburg Metropolitan Region and a good interregional connectivity.

### **Tönning**

Tönning is a town in the district Nordfriesland in the west of the state of Schleswig-Holstein. The center of Kiel, the capital of Schleswig-Holstein, is located about 75 km (linear distance) in an eastern direction.

The city of Tönning has about 4,900 inhabitants (as of 31.12.2021) which represents a population density of about 110 inhabitants per km<sup>2</sup>. The demographic report of Schleswig-Holstein anticipates a population decrease of 2,1% for the district of Nordfriesland between 2014 und 2030.

The motorway A23 is located 15 km south to Tönning and leads to Hamburg in a southeastern direction.

The macro location is assessed as average due to the distance to the Hamburg Metropolitan Region.

## **6. Documentation for relevant registration**

This market value Assessment is based on the documentation status of the a forementioned preliminary valuations.

## 7. Market

### 7.1 Residential market Germany

The current market situation is characterised in particular by high inflation, rising energy costs and uncertainties regarding the Ukraine war. Other topics are the further course of the COVID 19 pandemic, international free trade and the progress of European integration. In Germany, the ageing population and internal migration bring high challenges.

Germany is one of the structurally well-positioned economies in the European Monetary Union. German GDP grew by 2.9 % in 2021. According to the Federal Statistical Office, the economic development in 2021 was also strongly dependent on the Corona infection and the accompanying protective measures. Inflation averaged 3.1 % in 2021. Currently, there is an increased inflation of +10.0 % in September 2022 due to strongly rising energy, raw material and producer prices as well as supply bottlenecks. Unemployment in Germany is currently still at a low level in international comparison and averaged 5.7% in 2021. The Bundesbank forecasts GDP growth in Germany of 1.9% for 2022 and 2.4% for 2023 (as of June 2022).

The general interest rate environment has changed significantly compared to the previous year due to increased inflation. In December, the European Central Bank (ECB) announced an increase in the key interest rate for the Eurozone from 2.00% to 2.50%, which is already the fourth increase in the lending rate this year. Construction interest rates (10-year fixed borrowing rate) in Germany rose by 270 basis points from 1.0% to 3.7% from January 2022 to November 2022.

The effects of the interest rate turnaround have not yet been reflected in the transaction data and market reports. Market observers report currently stagnating investment activities, as investors are acting more cautiously overall and decision-making processes are taking longer. The German real estate market has traditionally been much less volatile than most other European markets, as real estate financing in Germany is largely concluded in the form of fixed-rate agreements with long maturities. Due to the increased capital market interest rates, which make the purchase of real estate considerably more expensive, falling real estate prices and rising yields are expected in the future. Since only a few transactions can be identified at present, only forecasts are available so far. For 2023, DZ Bank forecasts an average price decline of 4% to 6% for residential real estate in Germany. Accordingly, the price decline is likely to be somewhat weaker for residential property and somewhat stronger for multi-family houses. From 2024 onwards, the bank forecasts a stabilisation of prices if Germany does not slide into a prolonged recession. The brokerage firm Grossmann & Berger indicates an average price discount of 14 % for existing houses in Hamburg in 2023 compared to the beginning of 2022, and an average price discount of 12 % for existing flats. After consultation with the Hamburg Expert Committee for Property Values in Hamburg (Gutachterausschuss für Grundstückswerte), a sharp decline in transactions was identified, and at the turn of the year, price reductions for multi-family houses in the range of 8% to 11% were statistically derived. There is only limited current market data available for the property market in Schleswig-Holstein and Lower Saxony, so it is not possible to make any valid statements on the future development of values in these submarkets. For properties in other asset classes (e.g. office properties) as well as smaller real estate markets such as those in Schleswig-Holstein and Lower Saxony, only limited current market data is available, meaning that it is currently almost impossible to make valid statements about the current development of values in these submarkets. For Lübeck, an excerpt from the collection of purchase prices of the Property Valuation Committee in the Hanseatic City of Lübeck has been requested. On the basis of the available data, a slightly negative trend can be seen in the purchase prices for multi-family houses since the beginning of 2022.

Since the last valuation in December 2021 the Swap-Rate 10 years (EUR) has increased from 0.0950 to 2.8340 (as of 20.12.2022).



The share prices of Vonovia, Deutsche Wohnen and TAG have been declined since December 2021 (as of 20.12.2022)



According to the annual intermediate report of Vonovia, one of the largest housing companies in Germany, their housing stock in the regional market of Kiel consists of 24,401 units as of 30.09.2022. The report shows vacancies are recorded at 1.8% and the average rent at 7.04 €/m<sup>2</sup>. The regional market of Hamburg consists of 19,700 units as of 30.09.2022. The report shows vacancies are recorded at 1.1% and the average rent at 7.83 €/m<sup>2</sup>.

## **Sociodemographic and development of housing demand**

The comprehensive residential property market report 'Germany up to 2040 - long-term trends and their significance for the property market' compiled by the consultancy firm empirica AG establish that, up to 2040, the annual additional demand in the residential market will remain relatively stable, despite the declining population. In the future, only a few spatial planning regions, e.g. the Alpine foothills in Bavaria, Baden-Württemberg and the conurbation around Hamburg, can expect increases in residential demand of more than 15 %. In contrast, the demand in large areas of Eastern Germany will decline by up to 15%.

Overall, empirica estimates that, by 2040, an increase in demand from the current 17.1 million residential units to 19.6 million can be expected in the market. In the next ten years, the demand for apartment buildings will dominate initially. Up to 2040, the estimated annual requirement for apartments in apartment buildings is 45,000. In contrast, annual demand for individual and two-family houses is around 130,000 residential units, due to a shift in preference towards individual and two-family houses. According to empirica, the demand for apartment buildings is already decreasing in 15 of the 97 spatial planning regions. Declining demand is particularly evident in Western Germany: in the Saarland, the Western Palatinate and the Eastern part of Oberfranken.

By 2040, the demand for apartment buildings will decline by more than 5% in more than half of the West German regions. In contrast, the demand for residential accommodation will increase in 15 of the 97 spatial planning regions. According to empirica, these include the Hamburg region, the Southern regions of Bavaria and Baden-Württemberg and the area around Cologne-Bonn.

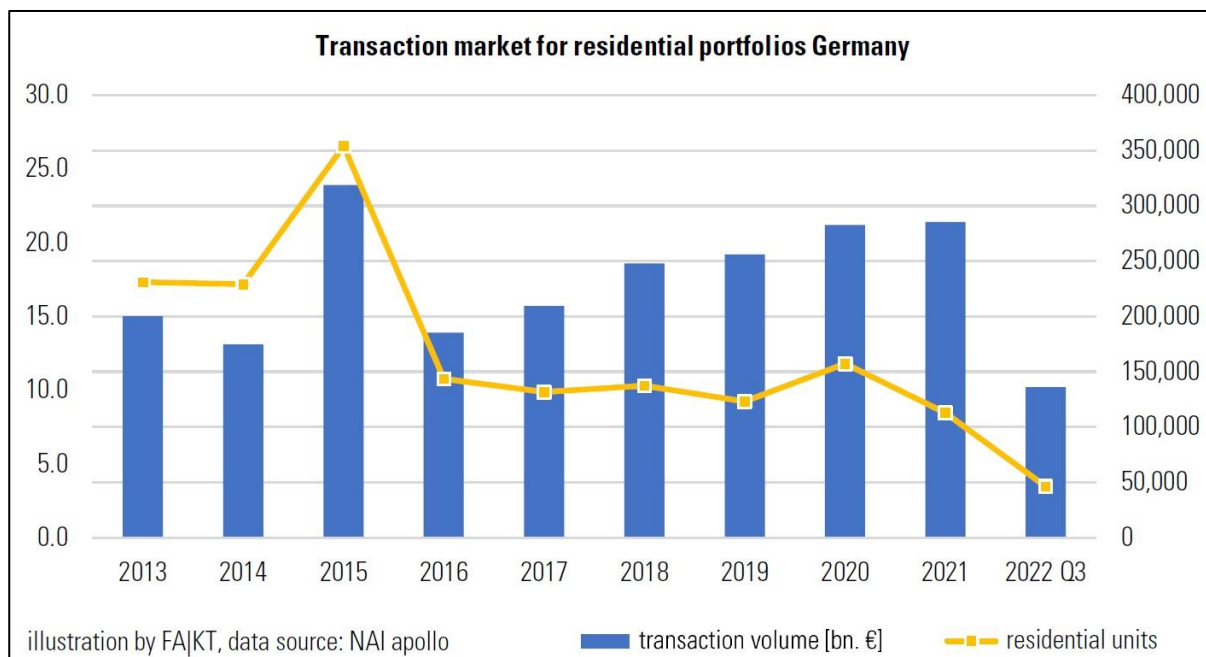
## Portfolio transactions

Continuing uncertainties in the financial markets and weakened global economic performance have caused a crisis of confidence for many investors, including banks and institutional investors. The returns on alternative investments have either fallen sharply or, under present market conditions, have a too high investment risk. The significantly increased sensitivity to risk was reflected in the collapse of the investment volumes flowing into commercial property in 2008 and 2009. Although it is now more than a decade since institutional investors established residential property as an asset class, residential portfolios have moved even more strongly into the focus of investors since the start of the financial crisis. Residential investments are viewed as a comparatively low-risk asset class because of their low volatility in values and secure, reliable cash flows. Under current restrictive lending conditions, banks are more likely to be prepared to finance a residential portfolio transaction. With its relatively secure and steady income flow, a residential portfolio presents a lower risk of credit default than the acquisition of commercial property using borrowed capital.

In the last few years, the German housing sector has emerged as a predominantly stable investment market. It therefore differs from countries such as the USA, the UK and Spain, where the housing sector was considered to be the cause of the persistent financial and economic crisis. A positive factor is that, in Germany, there was less speculative spin and no real estate bubble. One of the main reasons for this is the importance of low-risk fixed-rate mortgages and building society savings contracts in private real estate finance. Another one is the absence of a subprime market (a market in private mortgages mainly involving borrowers of doubtful creditworthiness).

However, if there are any real estate investments that have benefitted from the last crisis, in Germany it would have been investments in residential property. The residential property investment sector is regarded as having particularly high potential, not least because of its assumed high level of inflation proofing and comparatively constant rental income. In addition, there is currently a shortage of possibilities for alternative investments, due to difficult financing conditions with high risk surcharges, a shortage of supply or unattractive trends of return.

According to the latest NAI apollo report, the volume on the market for residential portfolio transactions ( $\geq 30$  units) in Germany totalled 10,2 bn € in the first three quarters 2022. This is a decrease of 33% compared the result of the same period of the previous year (2021: 21,4 bn €). The record result from the previous year was primarily fuelled by the takeover of Deutsche Wohnen by Vonovia. Regarding the residential units, the first three quarters of the year reached a lower level than in the previous year at around 46,000 (2021: 113,000 residential units). 230 portfolios were dealt.



### 7.1.1 Residential market Schleswig-Holstein

According to the Statistical Office for Hamburg and Schleswig-Holstein, a total of 12,636 new flats with a living space of 1,217,500 m<sup>2</sup> were completed in Schleswig-Holstein in 2021.

In the construction of new residential buildings, a total of 11,777 flats were ready for occupancy in Schleswig-Holstein. In buildings with three or more flats, there was a decline of 9.1 % in 2021 compared to the previous year, with 6,294 completed units. The share of new construction in residential buildings increased from 53.0 % in 2020 to 53.8 % in 2021. In detached and semi-detached houses, the number of new dwellings fell by 1.2 % compared to the previous year, from 5,248 to 5,187. Residential homes account for 224 new dwellings and non-residential buildings (for example, office and factory buildings) account for 72 dwellings.

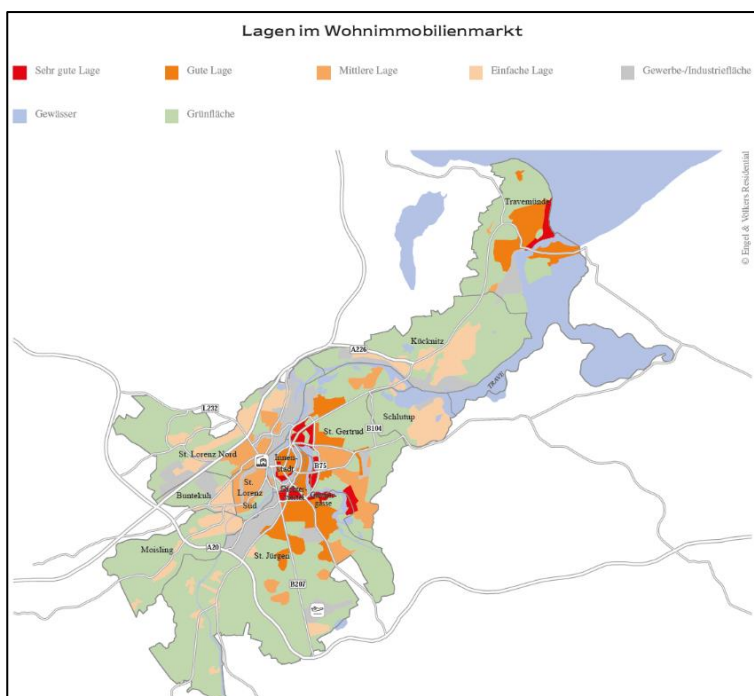
The number of building permits in 2021 has remained almost constant compared to the previous year at 16,565 units (2020: 16,558).

### 7.1.2 Residential market Lübeck

In its most recent market report, the expert committee for property values in the Hanseatic City of Lübeck recorded 128 purchase cases for multi-family houses in 2020. The cash turnover for multi-family houses amounted to approximately 95.9 mn €.

City district	Purchase cases	Cash turnover
Innenstadt	14	7.9 mn €
St. Jürgen	29	19.2 mn €
Moisling	1	n.a.
Buntekuh	1	n.a.
St. Lorenz Süd	16	6.3 mn €
St. Lorenz Nord	39	24.9 mn €
St. Gertrud	16	8.0 mn €
Schlutup	3	n.a.
Kücknitz	3	n.a.
Travemünde	6	26.5 mn €

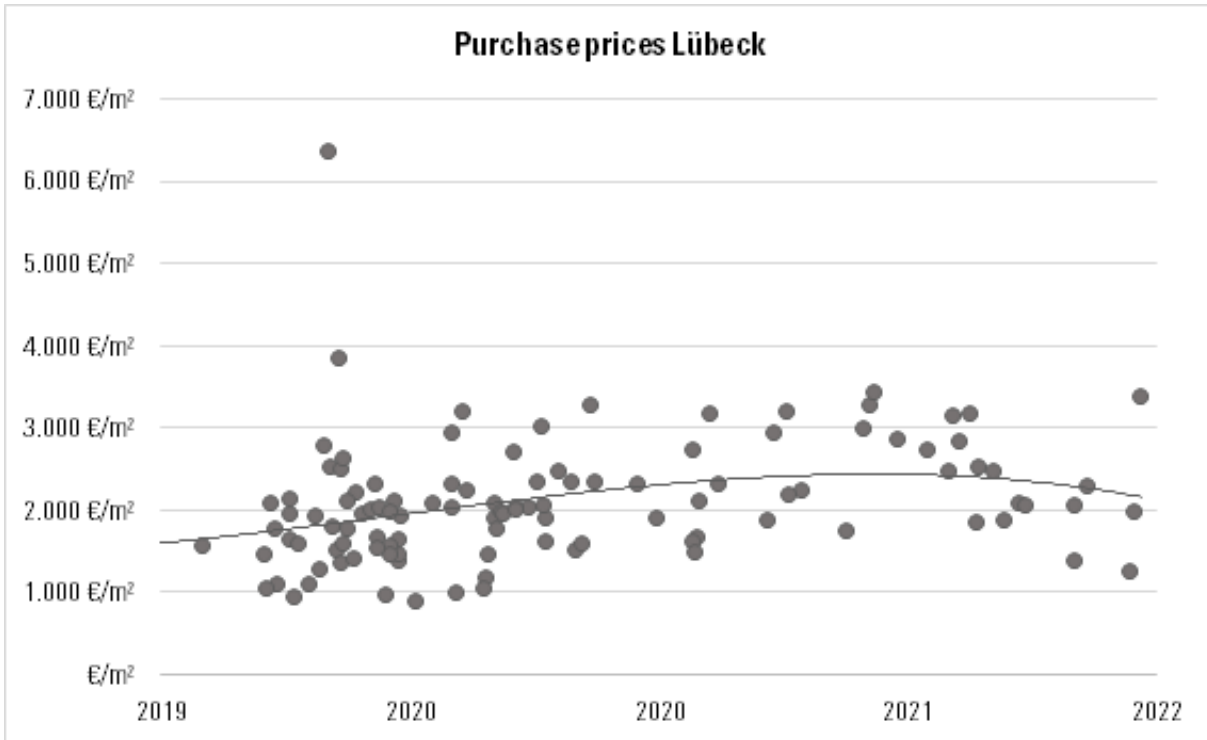
The quality of locations on the residential market in Lübeck is assessed as follows by the brokerage firm Engel & Völkers:





**Purchase prices for multi-family houses**

Excerpts from the collections of purchase prices of the expert committees for property values in the districts of Dithmarschen, Nordfriesland, Ostholstein and Schleswig-Flensburg as well as in the Hanseatic City of Lübeck were requested. For Lensahn and Tönning, there were no or insufficient purchase cases for multi-family houses available. The purchase prices in Lübeck from the past years are shown in the following chart.



## 8. Market Value

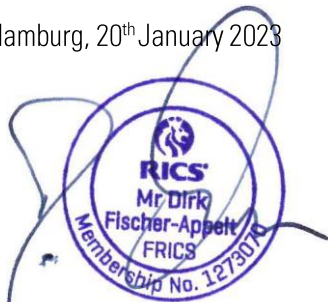
The Market Value for the subject property is derived from the income value, in accordance with standard property market practice in normal business transactions. The valuation was ascertained in line with value levels conformant with the property market on the date of valuation. For this reason, no specific adjustment for the property market situation needed to be made.

Based on the provided data, our opinion of the Market Value "As Is" of the freehold interest on the date of valuation 31. December 2022 is assessed as

**215,900,000 €**

(in words: two hundred fifteen million nine hundred thousand Euros)

Hamburg, 20<sup>th</sup> January 2023



Dirk Fischer-Appelt FRICS  
Partner

## 9. Glossary

### CapEx

CapEx are investments for refurbishment, maintenance backlog and tenant improvements.

### Gross Multiplier on Current Rent (GMoCR)

The Gross Multiplier on Current Rent (GMoCR) is comparable to the German "Maklerfaktor" and is calculated with market value divided by the current gross rental income.

### Gross Rental Income (GRI)

The Gross Rental Income (GRI) is comparable to the German „Nettokaltmiete“ and is another name for the current rent.

### Market Rent (MR)

The Market Rent (MR) reflects the long-term rent attainable for a property and accordingly the assessed market rent for new lettings and reletting. The market rent results from the research and the analysis of the current rent, recent lease agreements (last 2 years), market reports, actual offerings and the qualified table of rental.

### Net Initial Yield (NIY)

The Net Initial Yield (NIY) is calculated with the net rental income divided by the sum of market value and transaction costs.

### Net Operating Income (NOI)

The Net Operating Income (NOI) is based on the net rental income minus agent fees and tenant improvements (CapEx).

### Net Rental Income (NRI)

The Net Rental Income is calculated from the gross rental income minus the operating costs.

### Non-Recoverable Costs (non recs)

The Non-Recoverable Costs (non recs) are well-defined at the „Zweiten Berechnungsverordnung (II. BV)“ (second calculation regulation) as management costs (Verwaltungskosten), maintenance costs (Instandhaltungskosten), vacancy and collection loss (Mietausfallwagnis) and other operating costs (Betriebskosten). The non-recoverable costs are increased with the inflation rate per year.

### Potential Gross Rental Income (PRI)

The Potential Gross Rental Income (PRI) is calculated as the sum of the rental income for rented area multiplied with the current rent per sq m and the vacant area multiplied with the market rent per sq m.

### Transaction Costs (TC)

The Transaction Costs (TC) are defined in German as „Erwerbsnebenkosten“ and are the costs for land purchase tax, costs for legal and notary and costs for the broker.