

Munich, September 17, 2019

Press Release

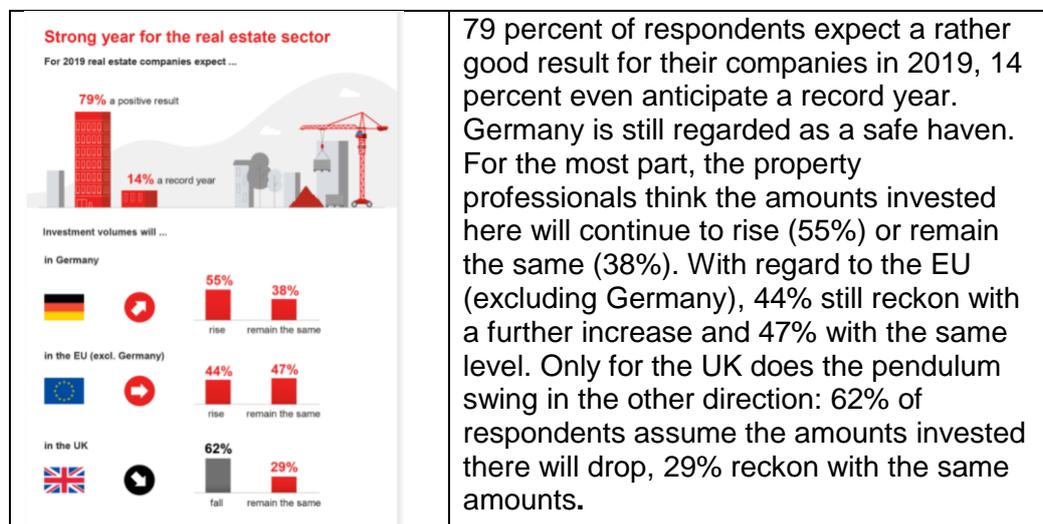
EXPO REAL Barometer of Opinion 2019

Brexit, interest rate policy, affordable housing: property professionals say what they think

- Current online survey of 1,880 trade fair participants about major trends
- Brexit chaos clearly to be felt, interest rate policy polarizes, affordable housing requires cooperation
- Respondents expect a strong year again across Europe

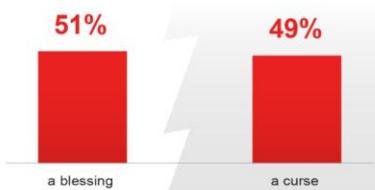
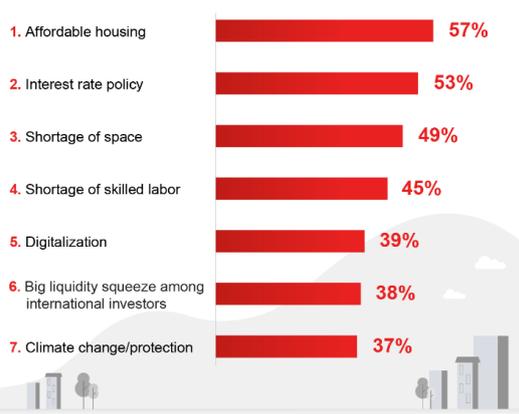
1,880 participants of Europe's biggest property trade fair took part in the third EXPO REAL barometer of opinion and paint a true picture of the mood in the real estate industry. Apart from Brexit, interest rate policy and housing, the topics also include amounts invested, major influencing factors and popular investment locations.

“For the most part, the European real estate industry expects good results again for 2019. That is verified by our survey, which we held in July. These expectations are also reflected in the high participation in EXPO REAL”, says Klaus Dittrich, Chairman & CEO, Messe München. “At the same time, the Brexit chaos is unnerving and we see that the policy of low interest rates polarizes opinion. In our conference program, these subjects—as well as the development of the global economy and international politics and the effects on the real estate industry—will be up for discussion.”



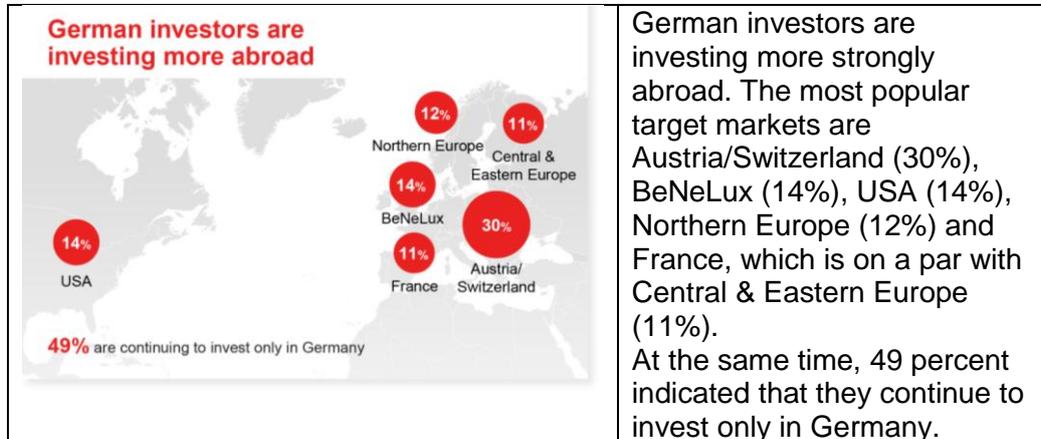
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<p>Brexit chaos</p> <p>The chaos around Brexit is being felt strongly in the real estate sector.</p>  <ul style="list-style-type: none"> 19% of those surveyed are feeling the impact of the chaos around Brexit on their business 32% have adapted their investment strategy 20% are expecting serious consequences for their business if there is a no deal Brexit 	<p>The chaos of Brexit is clearly making itself felt in the real estate industry. 19% of the property professionals surveyed feel the chaos of Brexit in their business, around one third have adjusted their investment strategy. 20% reckon with massive consequences for their business in the event of a no-deal Brexit.</p>														
<p>No reversal in interest rates</p> <p>Those surveyed think this is ...</p>  <table border="1"> <tr> <td>a blessing</td> <td>51%</td> </tr> <tr> <td>a curse</td> <td>49%</td> </tr> </table>	a blessing	51%	a curse	49%	<p>The evidently permanent policy of low interest rates polarizes opinion: one half of the respondents regard this development as a blessing, one half as a curse.</p>										
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<p>Top 7 factors impacting the real estate sector</p> <p>The 7 most important factors impacting the real estate sector in Europe:</p>  <table border="1"> <tr> <td>1. Affordable housing</td> <td>57%</td> </tr> <tr> <td>2. Interest rate policy</td> <td>53%</td> </tr> <tr> <td>3. Shortage of space</td> <td>49%</td> </tr> <tr> <td>4. Shortage of skilled labor</td> <td>45%</td> </tr> <tr> <td>5. Digitalization</td> <td>39%</td> </tr> <tr> <td>6. Big liquidity squeeze among international investors</td> <td>38%</td> </tr> <tr> <td>7. Climate change/protection</td> <td>37%</td> </tr> </table>	1. Affordable housing	57%	2. Interest rate policy	53%	3. Shortage of space	49%	4. Shortage of skilled labor	45%	5. Digitalization	39%	6. Big liquidity squeeze among international investors	38%	7. Climate change/protection	37%	<p>The respondents assess these influencing factors as particularly decisive for the real estate sector in Europe: affordable housing (57%), interest rate policy (53%), shortage of space (49%), shortage of skilled labor (45%), digitization (39%), big liquidity squeeze among international investors (38%) and climate change/protection (37%).</p>
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<p>Affordable housing</p> <p>... at the very top of the agenda of the real estate sector and politics.</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>75% recommend more cooperation with local authorities and politics</p> </div> <div style="text-align: center;"> <p>52% of those surveyed have ever less trust in the market and private companies to solve society's problems</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;"> <p>As many as 39% would support effective regulation in this area</p> </div> <div style="text-align: center;"> <p>7% are investing more strongly in office property in future because of the tight regulation in the residential sector</p> </div> </div>	<p>Affordable housing is right at the top of the agenda in the real estate industry and politics. 52% of respondents think the market and private companies are less and less capable of solving societal problems. 75% recommend cooperating more intensively with local authorities and politics. As many as 39% would support expedient regulation in this area—and 7% will be investing more strongly in office property because of the heavy regulation for residential property.</p>																		
<p>Top B-locations for office property in Germany</p> <p>Future investment is focusing more and more on these cities:</p> <table border="1" style="margin-top: 10px;"> <thead> <tr> <th>Rank</th> <th>City</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Leipzig</td> <td>21%</td> </tr> <tr> <td>2.</td> <td>Nuremberg</td> <td>18%</td> </tr> <tr> <td>3.</td> <td>Hannover</td> <td>17%</td> </tr> <tr> <td>4.</td> <td>Dresden</td> <td>16%</td> </tr> <tr> <td>5.</td> <td>Wiesbaden</td> <td>15%</td> </tr> </tbody> </table> <p>49% do not want to invest more in B-locations</p>	Rank	City	Percentage	1.	Leipzig	21%	2.	Nuremberg	18%	3.	Hannover	17%	4.	Dresden	16%	5.	Wiesbaden	15%	<p>In the respondents' opinion, these are the top "B" locations for future investment in office property in Germany: Leipzig (21%), Nuremberg (18%), Hanover (17%), Dresden (16%) and Wiesbaden (15%). At the same time, 49% indicated that they do not want to invest more strongly in "B" locations.</p>
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<p>Types of property that are gaining importance in Germany</p> <table border="1" style="margin-top: 10px;"> <thead> <tr> <th>Rank</th> <th>Property Type</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Healthcare, care homes</td> <td>64%</td> </tr> <tr> <td>2.</td> <td>Housing</td> <td>56%</td> </tr> <tr> <td>3.</td> <td>Mixed-use property</td> <td>55%</td> </tr> <tr> <td>4.</td> <td>Micro living</td> <td>50%</td> </tr> <tr> <td>5.</td> <td>Logistics property</td> <td>45%</td> </tr> </tbody> </table>	Rank	Property Type	Percentage	1.	Healthcare, care homes	64%	2.	Housing	56%	3.	Mixed-use property	55%	4.	Micro living	50%	5.	Logistics property	45%	<p>What types of property use will keep gaining in importance in Germany? Healthcare and care properties collected an especially large share of opinions (64%) followed by housing (56%), mixed-use property (55%), micro living (50%) and logistics property (45%).</p>
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German investors are investing more strongly abroad. The most popular target markets are Austria/Switzerland (30%), BeNeLux (14%), USA (14%), Northern Europe (12%) and France, which is on a par with Central & Eastern Europe (11%). At the same time, 49 percent indicated that they continue to invest only in Germany.

For the online survey, EXPO REAL commissioned the independent **opinion research institute 'IfaD'**. Surveyed in July this year were 1,880 trade fair participants of EXPO REAL 2018 from Germany and abroad.

You can find further information about EXPO REAL here: www.exporeal.net

Videos: <https://www.exporeal.net/messe/fotos-videos/videos-podcasts/>

EXPO REAL blog: <https://blog.exporeal.net>

About EXPO REAL

EXPO REAL, International Trade Fair for Property and Investment, is the trade fair for networking when it comes to cross-sectoral and transnational projects, investments and financing. It encompasses the entire spectrum of the property industry and offers an international networking platform for the important markets of Europe, via Russia and the Middle East to the USA. The conference program with around 400 speakers provides a solid overview of current trends and innovation in the property, investment and financing market. In 2018 the Trade Fair was attended by 45,058 participants from 73 countries and 2.095 exhibitors from 41 countries. The next EXPO REAL will be held from 7 to 9 October 2019.

Messe München

Messe München is one of the leading exhibition organizers worldwide with more than 50 of its own trade shows for capital goods, consumer goods and new technologies. Every year, a total of over 50,000 exhibitors and around three million visitors take part in more than 200 events at the exhibition center in Munich, at the ICM – Internationales Congress Center München and the MOC Veranstaltungszentrum München as well as abroad. Together with its subsidiary companies, Messe München organizes trade shows in China, India, Brazil, Russia, Turkey, South Africa, Nigeria, Vietnam and Iran. With a network of associated companies in Europe, Asia, Africa and South America as well as around 70 representations abroad for over 100 countries, Messe München has a global presence