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REAL INVESTMENTS

REAL ESTATE
FINANCE
UPDATE

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CONTACT & DISCLAIMER
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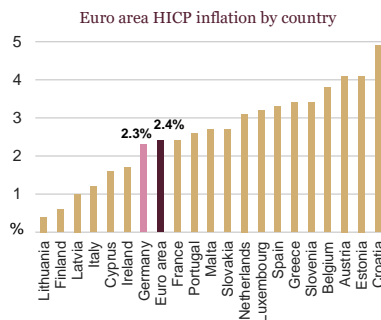
TOP NEWS

HICP inflation on its way to target corridor – first interest rate cut ahead?

Euro area headline inflation declined to 2.4% in March from 2.6% in February 2024.

Inflation excluding energy & food declined, from 3.1% in February to 2.9% in March, driven by decline in goods inflation but concealing unchanged high services inflation.

HICP inflation in euro countries continues to vary widely, with German inflation being close to the euro average.



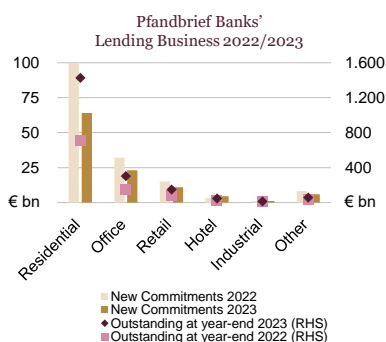
Source: EUROSTAT (data as of 03/24)

LENDERS ENVIRONMENT

Pfandbrief banks prove resilient in difficult market setting. Bottomed out?

Pfandbrief banks' real estate lending business contracted noticeably in 2023 resulting from market's downturn and subdued demand. Loan commitments totaled EUR 110 bn (EUR 160 bn in 2022).

In 2023, decrease in CRE financing (-23.8%) was less compared to residential financing (-35.8%). Among CRE, Office continued to account for the largest share of loan commitments at 50.3% (EUR 23.1 bn) followed by Retail (24.4%, EUR 11.2 bn).



Source: vdp

DEAL INSIGHT

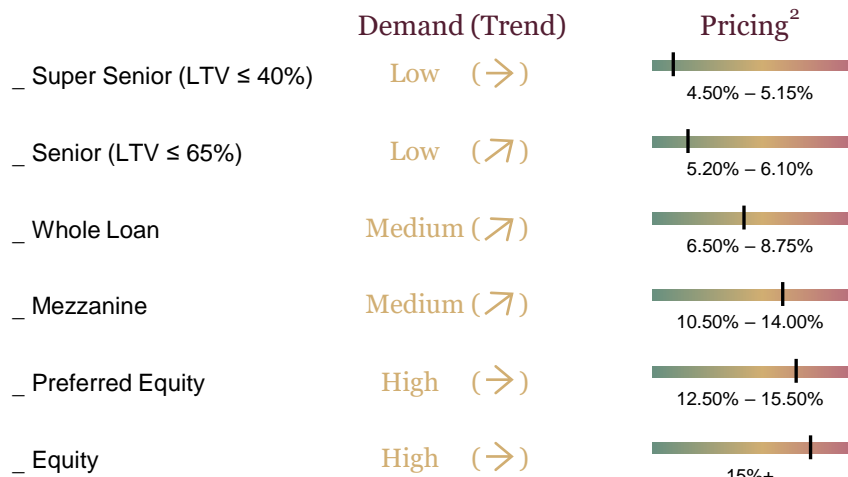
NAS seizes opportunity window for acquisition of multi-tenant office tower

NAS Invest acquired the Stadtparkturn in Hamburg-Winterhude, an office tower on Hindenburgstrasse (built in 2001) from a real estate fund managed by a French asset manager.

The tower offers a total of 9,000 sqm of rental space and is 90% let. Main tenant is the German branch of spirits manufacturer Bacardi occupying a quarter of total space. Further tenants include Hamburg's Polizeisozialwerk. One floor is yet to be let.

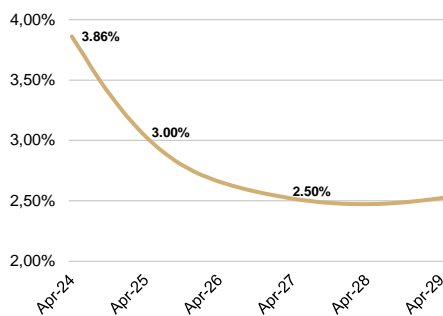


ACTIVITY INDEX



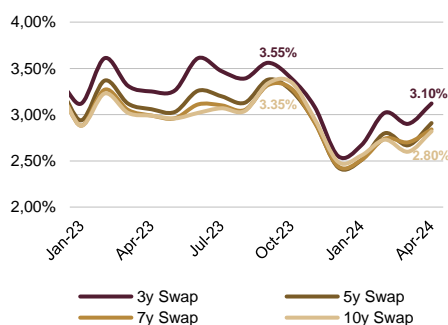
² Senior Gross Margin incl. 3M-EURIBOR, otherwise IRR

3M-EURIBOR Forward Curve (5 Years)



Source: Chatham Financial

European Mid-Swap Rates (3 – 10 Years)



Source: Bloomberg

Macro-Economic Key Data¹

	Q3/23	Q4/23	Q1/24	Q2/24
ECB MRF	4.00%	4.50%	4.50%	4.50%
FED EFFR	5.08%	5.33%	5.33%	5.33%
€-M3 MONEY	16.01bn	15.97bn	16.12bn	16.10bn
3M-EURIBOR	3.60%	3.95%	3.91%	3.88%
10Y Bund	2.62%	2.93%	2.00%	2.40%
10Y Treasury	3.86%	4.69%	3.94%	4.35%
iBOXX€CORP	4.34%	4.55%	3.50%	3.63%
iTRAXXEuro	4.00%	4.35%	3.13%	3.02%

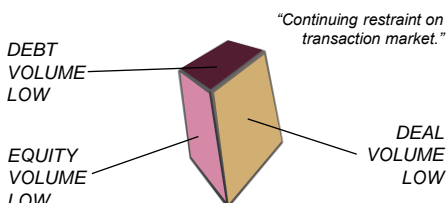
¹ Figures at beginning of quarter

Key Lending Parameters (New Business)

	Q3/23	Q4/23	Q1/24	Q2/24
S-LTV	62%	60%	62%	61%
S-GrossMargin	2.05%	2.20%	1.95%	1.90%
M-LTV	73%	70%	70%	68%
M-IRR	11.75%	12.50%	12.50%	12.45%

S – Senior | M – Mezzanine

Real Estate Prism³



³ The real estate prism represents NAS Invest Group's view on the availability of debt (red colour) and equity (pink colour) in a three-dimensional form. The deal volume deriving from the availability of both sources of capital is shown on the third visible side of the prism (gold colour). The opposite sides of the particular prism surface are complementary to each other and describe the respective opposite (High vs. Low).

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