

# STUTT GART

## Key Investment Trends

Investment demand is very high across all segments, but there is downward pressure on the supply side. As a result, transaction volumes were slow in the second quarter, and H1 2018 reached only €856.3 mn. The biggest deal was the sale of the SI-Center for €145 mn from Balandis Real Estate AG to Brookfield Properties. In terms of buyers and sellers, the largest buyer-group are Asset Managers accounting for €260.5 mn of deals. The dominant seller-group are Real Estate Companies with €300.5 mn. The most important sector is - as in previous years - the office sector, with transaction volumes of €460.6 mn. Second is mixed-use €117.9 mn.

Yields are still at low levels. Office yields fell to 3.5%. Retail and industrial and logistics yields stand at 3.1% and 4.65%, respectively.

## Market Position – Ranked by Yield

EMEA Rank	City	All sector Yield (%)	12 mth basis point change
5	Berlin	3.58	-15
6	Munich	3.63	-7
7	Vienna	3.70	-16
8	Madrid	3.71	-41
9	Amsterdam	3.72	-55
<b>10</b>	<b>Stuttgart</b>	<b>3.79</b>	<b>-22</b>
11	Dusseldorf	3.90	-43
12	Dublin	4.05	-21
13	Oslo	4.06	-16
14	Stockholm	4.16	5

Note: Lowest scoring yield ranks highest.

## Yield Outlook

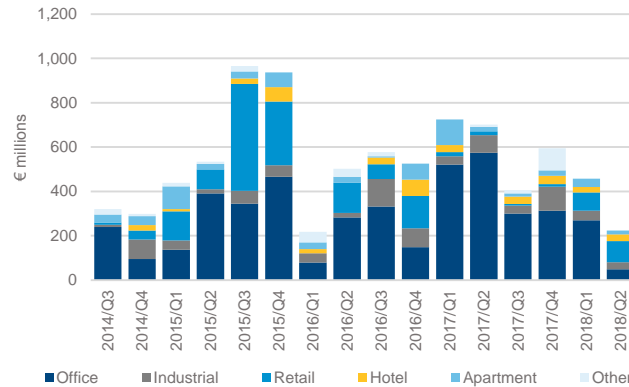


## Sectors to watch out for in the next 12M

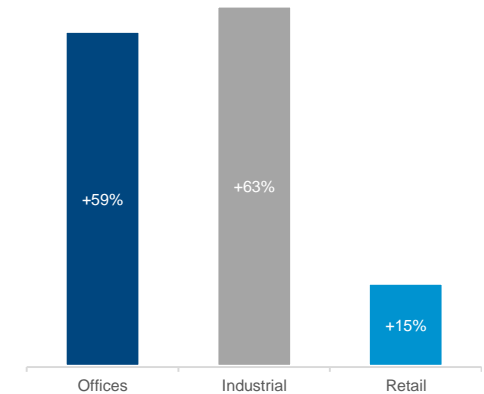


Source: Colliers International, Real Capital Analytics, Oxford Economics.

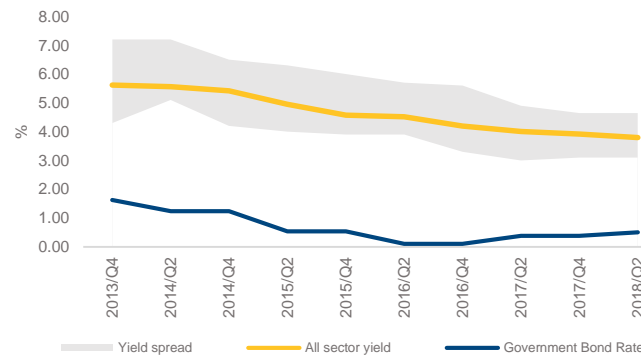
## Quarterly investment volumes by sector (City & catchment)



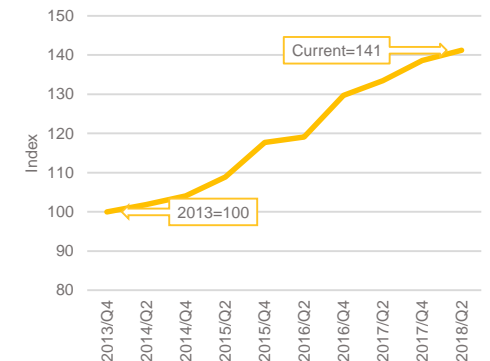
## 5yr cap. value growth – by sector



## All sector yields vs. bond rates



## All sector cap. value index

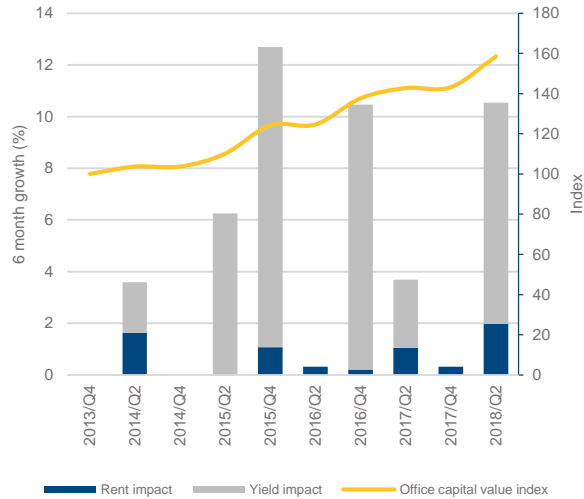


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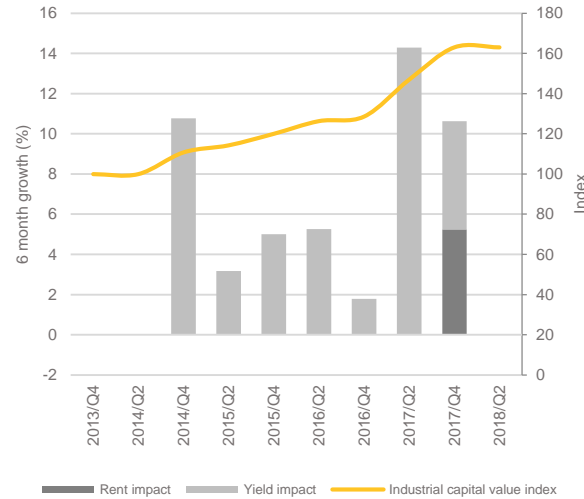
*“In addition to office and retail assets, investors are also focusing on hotel and logistics investments. While modern logistics investments in the Stuttgart region are extremely scarce, attractive new buildings and projects are currently being launched in the hotel sector. Large-volume investments are expected in the second half of the year, which means that we expect the transaction volume in 2018 to be significantly higher than in the previous year, potentially reaching the two billion euro mark. With regard to the yield level in Stuttgart, the moderate hardening of prime yields in the Core, Core Plus and Value Add segments will continue.”*

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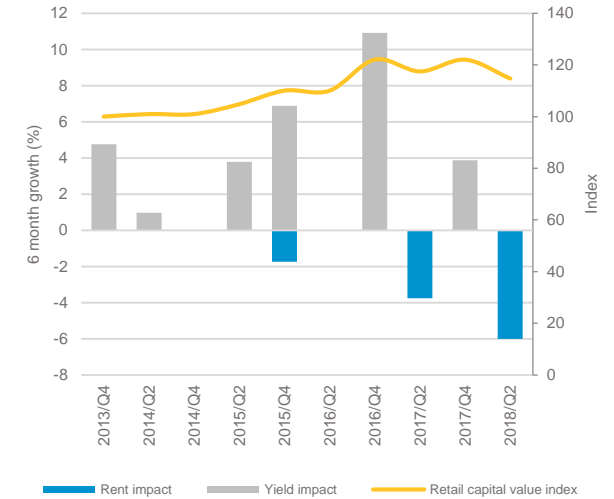
### Cap. value index - rent/yield impact: Office



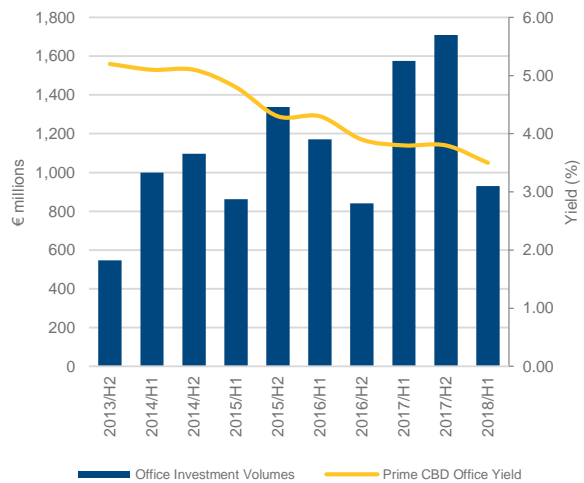
### Cap. value index - rent/yield impact: Industrial



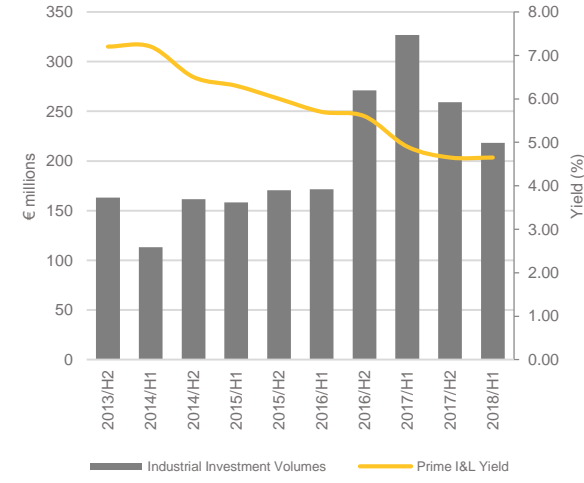
### Cap. value index - rent/yield impact: Retail



### Yields and 12M rolling investment volumes: Office



### Yields and 12M rolling investment volumes: Industrial



### Yields and 12M rolling investment volumes: Retail

