Nursing Care Properties Report

2012–2013

CBRE

IMMOTISS care

Inhalt

1. Summary

Since 2008, transaction volumes in the nursing care segment has continously increased and for the investment year 2012 a slight increase in volumes can be expected as well. This development can be mainly attributed to two factors. On the one side, the sector has proven to be rather sturdy against cyclical fluctuations caused by the ups and downs on global financial markets and financing nursing care properties often requires private capital due to more and more public budget cuts. On the other side, yield prospects for this asset class are comparatively attractive, whereas the yield compression in the office and retail sector is well advanced. As of late, however, increasing demand and construction costs also led to rising purchasing prices for nursing care properties. At present, investors have to pay 15 times the annual rent for prime assets in conurbations, whereas nursing properties outside of economic centres yield 12.5 to 13.7 times the annual rent. The higher purchase factor can also be attributed to the considerably increased number of investors who buy a property, split it up into individual units and sell it on. In 2012, such investors accounted for about 30% of the transaction volume.

At the same time, the factors crucial for nursing care homes – primarily socio-demographic and political changes – are developing rather positively. At the end of 2011, approximately 2.46 million Germans or 3% of the country's overall population were care-dependent and thus received care payments as per Social Insurance Code SGB XI and the trend is clearly upwards particularly for two reasons: demographic shrinking usually leads to an ageing of society and the probability to become care-dependent rises significantly with age.

This becomes particularly apparent when comparing age groups: whereas only approx. 4% of all seniors older than 65 live in full inpatient care homes, the share of those older than 80 and in need of full inpatient care jumps up to 11% and is thus clearly above average. Furthermore, one has to consider the implications arising from patients suffering from multiple morbidities and dementia. Thus, long-term care rates are much more likely to increase than to decrease in the future. Prevalence for age-related diseases is also likely to increase as nursing staff numbers are being run down gradually whereas on the other side extensive nursing care needs to be intensified at the same time.

Although legislation prefers outpatient care over inpatient care, the rising share of patients with extensive nursing care needs as well as the fact that nursing staff can work more efficiently in inpatient homes speaks against it. Meanwhile, it is not advisable to count on medical progress as a means to reduce long-term care rates.

By 2030, it can thus be expected that the demand for full inpatient care places will increase significantly. According to calculations of CBRE / ITC, approximately 380,000 nursing home places are necessary in order to satisfy the demand from care-dependent seniors. In addition, considering the high renovation backlog, at least another 240,000 existing places in nursing homes have to be refurbished by 2030 in order to comply with modern standards and needs of the market. As a result the investment potential is very high with approximately € 54 billion.

The demand and thus the investment potential will however not be the same everywhere in Germany. Due to the immense migration into economically attractive cities, the Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR) forecasts an increased demand for nursing care services in suburban areas of large cities as well as major provincial cities such as Hannover, Nuremberg, Bonn or Freiburg.

Differently developing demand in the federal states and communities, intensified by the higher competition for staff, will lead to a further increase of cost and performance pressure already experienced by many operators. The credit risk of operators who benefitted from government subsidies in the past is particularly high. The financial input from such subsidies could not be recovered from nursing home residents and thus no financial reserves were built up. Considering that the state is withdrawing from funding the nursing home sector, it can be expected that the financial capacities of some operators are inadequate and that a consolidation of the markets is very likely in the medium-term. Well-established private and non-profit operators have already profited from this development and gained market shares in the past years. Since 2009, the 25 largest operators were able to increase their market share by 2.2 percentage points and today have a market share of almost 17%.

On a long-term basis, particularly regions where operators can generate a high economic productivity can expect prime nursing care homes to retain a high value. Especially regions which can expect a high immigration rate of solvent senior citizens and which have a high proportion of civil servants and entrepreneurs are of great significance for this property segment because they dispose of the highest net monetary assets and tangibles among retirees.

Furthermore, locations with a high ratio of home ownership or with a high increase in value in their housing market are attractive for investments for a simple reason: homeowners can use their property to pay for the stay in a nursing home either by selling it or by applying for a reverse mortgage.

In general, middle agers and senior citizens are willing to move to residential facilities catering for the particular needs of the elderly. But the plans often fail due to the lack of appropriate supply. In addition to nursing homes with full inpatient services, new types of accommodation with complementing and cross-generational services have to be developed in order to meet the demand on the one side and to live up to the expectations of demanders in regard to quality requirements for adequate care provisions on the other side. Thus, a close cooperation between the stakeholders from the residential property market and the social sector is required to develop new forms of communal life and residential concepts based on the "Lebensforum-Generationencampus" concept. The idea is to create small-scale community-like quarters catering for the needs of all generations. The effects of such concepts are eminent: care-dependent seniors can stay in their own homes longer and the social sectors can save expenses and increase efficiency.

2. Introduction

2.1 Social economy and its significance for the overall economy

The term social economy essentially comprises a wide range of welfare services directly provided to those in need of assistance, may they be individuals or communities. The economic activities of the "social sector" are mainly generated by public, private or non-commercial businesses. The latter, often referred to as third sector service providers, are also known as non-profit organisations, an expression conveying the idea that businesses with a non-commercial background are not to make profit. Considering this implication it comes as no surprise that, until recently, generating profits was quite a controversial topic for non-commercial business directly influencing balance sheets.

Only recently, the Federal Statistical Office (DESTATIS) of Germany (March 2012) published the results of a study examining the economic importance of the third sector and the services provided by non-profit businesses. But when examining the study more carefully the results are not overly convincing since on the one side the study disregarded the sector's for-profit enterprises but on the other included sports clubs and other non-commercial businesses and their economic contribution. Other segments such as health and nursing care have been appropriately considered. Nevertheless, the data available on the sector's economic importance remains thin.

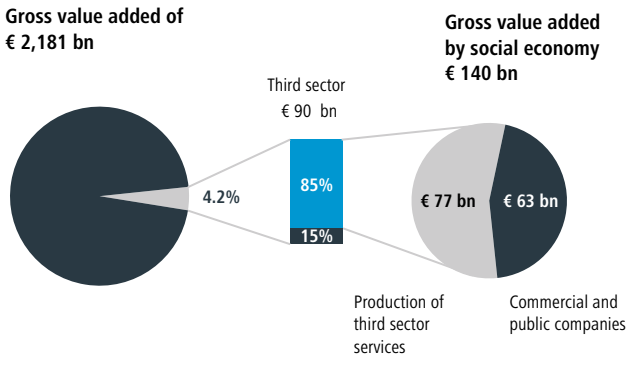
Social economy – an unknown industry

Despite the social sector's importance for society in general, the significance for the overall economy in terms of economic output is difficult to pinpoint and benchmarks between the social sector and other "regular" business sectors cannot be drawn as easily. This is particularly due to the insufficient provision of data and, in many cases, the lack of sound economic parameters or standards which would enable a direct comparison among the sector's different segments as well as other sectors. Furthermore, the individual interests of the sector's different stakeholders such as voluntary welfare groups have to be kept in mind. Thus, a clear definition of the term social economy including all aforementioned aspects is rather challenging.

Gross value added by the social economy

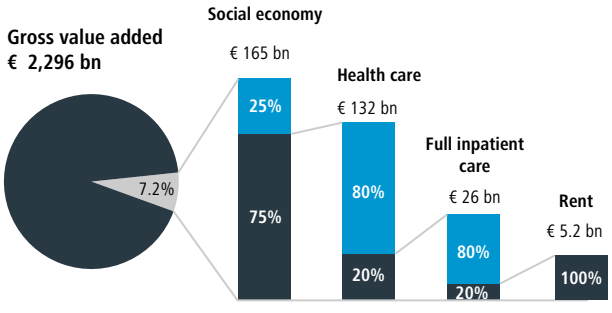
According to the aforementioned study the third sector is, in terms of economic performance, one of the most important contributors of the country's economy. In 2007, the third sector generated around 4.2% of the gross value added in Germany equalling approximately € 90 billion in absolute terms. Around 85% of the sector's production is accounted for by the provision of services, which generate approximately € 77 billion of the gross value added by the overall social economy. Along with the third sector, private and public companies offer similar social services and thus account for around 45% of all services provided in the social services sector or € 63 billion of the gross value added by the social economy.

Fig. 1: Importance of Third Sector for Overall Economy 2007



Source: Federal Statistical Office, CBRE / ITC

Fig. 2: Gross Value Added by Nursing Care Sector in 2011



Source: Federal Statistical Office, CBRE / ITC

Considering these basic figures provided by the Federal Statistical Office, companies and businesses which provide services covered by the term "social economy" generated a total of € 140 billion of gross value added in 2007. As the sector continued to grow, the share of the sector increased from 4.2% of the gross added value to 7.2% four years later. In 2011, the social economy generated € 165 billion, of which the health care sector accounted for the highest share with 75% or € 135 billion generated. The result was mainly driven by the inpatient nursing care sector, which registered particularly high increases and generated € 26 billion of the health care sector's gross value added (20%). Driven by the health and nursing care sector, the overall social services sector grew at a much higher rate than the overall economy, taking an average GDP growth of 2.5% p.a. as basis. Hence, the social services sector grew by approximately 18% between 2007 and 2011.

Public involvement

Considering the economic definition of a market as system facilitating the exchange of services or goods, the social sector can only be compared to other industries to a limited extent. Although the German government is promoting the deregulation of the sector and thus alleviating the primacy of a planned economy of the social sector, an example being the reduction of subsidies, the different market forces are far from being able to act freely. Although public authorities have reduced their involvement, they continue to interfere with the relationship between providers, recipients and carriers of social security schemes as established by social legislation. According to this, recipients first and foremost have to bear the costs for social services provided by themselves and carriers of public social security schemes only step in if the potential beneficiary can make a legitimate claim on the grounds of the claim's cause and the amount of the expenses.

Properties – production site for social services

In order to be able to provide social services, a wide range of immovable properties are needed. Almost 90% of social services are being rendered in specialised properties such as general or specialised hospitals, medical or other types of care centres, nursing care homes, institutions for handicapped, kindergartens and many more.

Considering that the health care sector accounts for the largest revenue of the social sector, it can be assumed that specialised properties play a major role for balance sheets. The nursing care sector as the major generator of revenue in the health sector particularly has to rely on properties and thus has to spend a large part of the generated income for real estate. In 2011, nursing care providers spent € 5.2 billion for rental payments alone.

Favoured clients and their expectations

Contrary to popular belief, most residents of full inpatient care homes bear the expenses for their stays themselves or, if required, are supported by their (grand-) children. Depending on which federal state one is looking at, the share of residents paying for themselves ranges between around 60% in North Rhine-Westphalia and up to 95% in some of the eastern federal states. It can be assumed that the share of self-paying residents will remain stable in the medium term or even increase. This is particularly due to private households increasing their provisions for old age, including provisions for risk. Nevertheless, costs for nursing services are likely to increase and old-age pensions are likely to decrease on a broad level. Since most future care recipients will be paying for themselves, they present their wishes more confidently and are more critical. Choosing their future homes, the quality and type of services as well as the price package are the main criteria considered. Staying close to the place of residence is not as important for self-paying clients as it used to be, instead their main concern is to remain independent from benefits of any kind and to avoid cramped and impersonal nursing facilities. Self-paying clients prefer high-quality senior residences not only offering comfortable apartments but also additional (optional) services including nursing care. Consequently, the market will increasingly have to develop sophisticated packages combining appropriate and flexible living arrangements, which also facilitate full inpatient care, with service centres offering various age-related offers such as surgeries, pharmacies, physical therapy practices, nursing providers etc. (see chapter 6). Despite these developments, full inpatient care homes with different organisational structures such as living groups or units focusing on different medical conditions such as dementia will remain necessary.

Growth market of the future

The German senior housing market will remain of great interest in the future, particularly since it is not as prone to cyclical fluctuations as other asset classes. It is rather influenced by political decisions and socio-demographic developments.

In the past, many institutional investors built up portfolios of (specialised) social properties with a focus on senior properties due to the attractive prospects the asset class offered. However, many of these are no longer competitive and marketable since investors failed to consider long-term market effects as well as other influencing factors during the acquisition process. Current portfolios thus need to be analysed carefully, particularly if additional purchases are being planned.

3. Nursing Home Property Market

As a submarket of the social property market, the senior housing market comprises a wide range of different asset classes, all of which cater to the various needs and wishes of senior citizens, i.e. age-appropriate living, provisions of services, support and nursing care offers. Particularly demographic developments have a significant impact on the market. As life expectancy of the ageing society in Germany is rising, the share of care-dependent seniors will increase as well and thus shift the focus of the level of services required. At the same time growth of demand for age-appropriate properties will accelerate and become more nuanced with differences on regional levels. Although senior citizens are the main recipients of age-related services, the actual offer is, in many cases, also dependent on the various statutory provisions implemented by the federal states such as the possibility of subsidies. As the overall market is very dynamic at present, many new stakeholders are trying to break into the market of social properties and particularly focus on nursing care properties.

3.1 Care dependency in Germany – Current situation

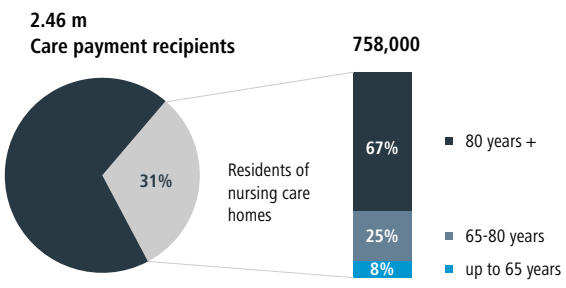
As life expectancy is increasing, so is the probability of becoming care-dependent. In Germany, care dependency is defined by statutory regulations. In line with these regulations, a person's state of health has to be impaired permanently in order for the person to be considered as care-dependent and to become eligible for benefits of the German care insurance scheme (Pflegeversicherungsgesetz). As at 31 December 2011, approximately 2.46 million persons received payments from either social or private long-term care insurance schemes. Hence, around 3% of the overall population are care-dependent and 11.5% of those are over the age of 65. Considering the beneficiaries of the social long-term insurance (Social Statues XI – SGB XI), approximately 758,000 persons or around 31% of all care-dependent persons lived in a full inpatient nursing care home. About a fourth of all residents of full inpatient nursing care homes are between 65 and 80 years old and about two thirds are over 80.

Care dependency by assessment level

Claimants of care payments are assigned to three different levels (assessment levels I, II, III) which are characterised by an increasing severity of dependency and support needed: care-dependent persons needing less care services are assigned to level I and those recipients in need of high care are assigned to level III.

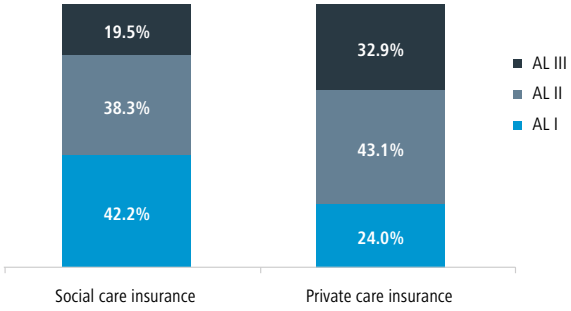
Around 42.2% of the beneficiaries of social long-term payments receive benefits granted in assessment level I, 38.8% receive those granted in assessment level II and 19.5% those in assessment level III. The profile of recipients of private payments shows a different distribution: only around 32.9 % receive benefits

Fig. 3: Beneficiaries of Social and Private Care Insurance Payments



Source: Federal Statistical Office, CBRE / ITC

Fig. 4: Beneficiaries of Social and Private Care Insurance by Assessment Level (AL)



Source: German Federal Ministry of Health, CBRE / ITC

granted in assessment level I, whereas 43.1% those granted in assessment level II and 24.0% in assessment level III.

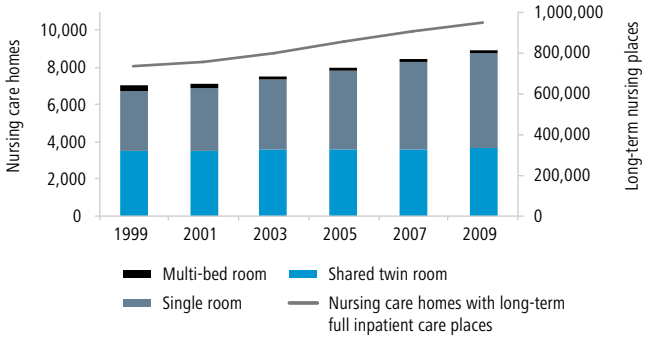
Admissions to full inpatient nursing care homes decreased between 2007 and 2009 but numbers have been increasing ever since. Particularly, assessment level I registered an increase of 3.2% since 2009. This development is in line with the results of comprehensive analyses and special surveys conducted, for example by the government of the City of Berlin. At least for Berlin, the findings confirm the trend that senior citizens prefer to move to accommodations suited for the elderly at a younger age.

3.2 Full inpatient nursing care homes – Current supply

Types of care services

Nursing care services can be either provided at the recipients' home (outpatient care) or in a nursing care home (inpatient care). Outpatient care services can be provided either by family members receiving compensation payments or by professional home-based care providers who are directly reimbursed by the care insurance. The provision of inpatient care services on the other side can be either full time or part time. The former can be provided permanently or temporarily, i.e. as short-term stays after a surgery; the latter includes day and night care services. The three last-mentioned types of services aim to secure domestic care and to relieve relatives caring for elderly family members. Since short-term care places in nursing homes are also used for long-term care, and vice versa, such places are often referred to as flexible nursing places.

Fig. 5: Development of Nursing Care Homes & Long-Term Nursing Places



Source: Federal Statistical Office, CBRE / ITC

3.2.1. Quantitative analysis

According to the most recent care statistics published by the Federal Statistical Office as at 15 December 2009, there were 11,634 nursing care homes with 818,608 full inpatient care places, of which a total of 808,213 in 10,384 homes were provided in the form of long-term full inpatient care beds. The remaining homes (1,250) only provided short-term as well as day and night care services.

Compared to 1999, when the care statistics was published first, the amount of full inpatient care places increased by 29.7%. In 1999, 5% of all places or a total of 31,505 nursing places were provided in rooms with three or more beds, in 2009 the share had dropped to 1.1%. While in 1999, 288,800 or 45.7% of all nursing places were provided in single rooms, the years later the share had increased to 57.9% or 474,181 places. As this equals an increase by + 64.2%, the number of nursing places in single rooms increased disproportional compared to the overall growth of nursing places. The absolute number of nursing places in shared twin rooms remained almost stable.

Availability of full inpatient places for long-term care

When referring to long-term places for full inpatient care, it has to be kept in mind that the care statistic distinguishes between so called "existing beds" and "available bed"; the latter referring to beds which do not only exist but which can be actually used for nursing purposes.

According to the published results, of the 808,213 existing beds around 3,050 places in rooms with three or more beds cannot be used for nursing purposes due to changed statutory requirements. Furthermore, many single and shared twin rooms do not conform to current statutory requirements in terms of

Fig. 6: Effectively Available Long-Term Nursing Beds for Full Inpatient Care by 15/12/2009

Existing long-term nursing beds for full inpatient care	808,213
Unusable beds in multi-bed rooms	-3,050
Beds in rooms with undersized floor area	-12,250
Beds in shared twin rooms which cannot be used	-13,500
Beds for short-term care only	-7,500
Effectively available beds for long-term care	771,913

Source: Federal Statistical Office, CBRE / ITC

size. Many rooms are smaller than or just as big as required by the federal regulation for building standards for nursing homes (Heimmindestbauverordnung). Thus, another approximately 12,250 places or around 1.5% of all existing places cannot be marketed anymore according to estimates by CBRE / ITC.

In addition, the layout of many rooms is not suited for setting up nursing beds, which need to be accessible from three sides. Thus, approximately 13,500 spots cannot be used as nursing places. The same problem can be observed in many shared twin rooms which are not laid out for the setting up of two nursing beds at a time.

Furthermore, the statistics report classifies 30,529 or 3.7% of all full inpatient care places as flexible short-term care spots. Considering marketing aspects, such flexible places are a vital marketing tool for nursing home operators to acquire new customers. It can thus be assumed that operators will continue to set aside beds for flexible short-term care instead of long-term care.

Considering that, as of 15 December 2009, 17,819 full inpatient care places were used for short-term care, of which 10,395 are exclusively used for short-term care and 7,424 flexibly for long- or short-term care, it can be assumed that at least 25% of all existing flexible places are not available for long-term care (approximately the difference between targeted number of places and actual occupation).

Ultimately, out of 808,213 existing long-term nursing beds for full inpatient care approximately 772,000 places are actually available for the outlined purpose (as at 15 December 2009).

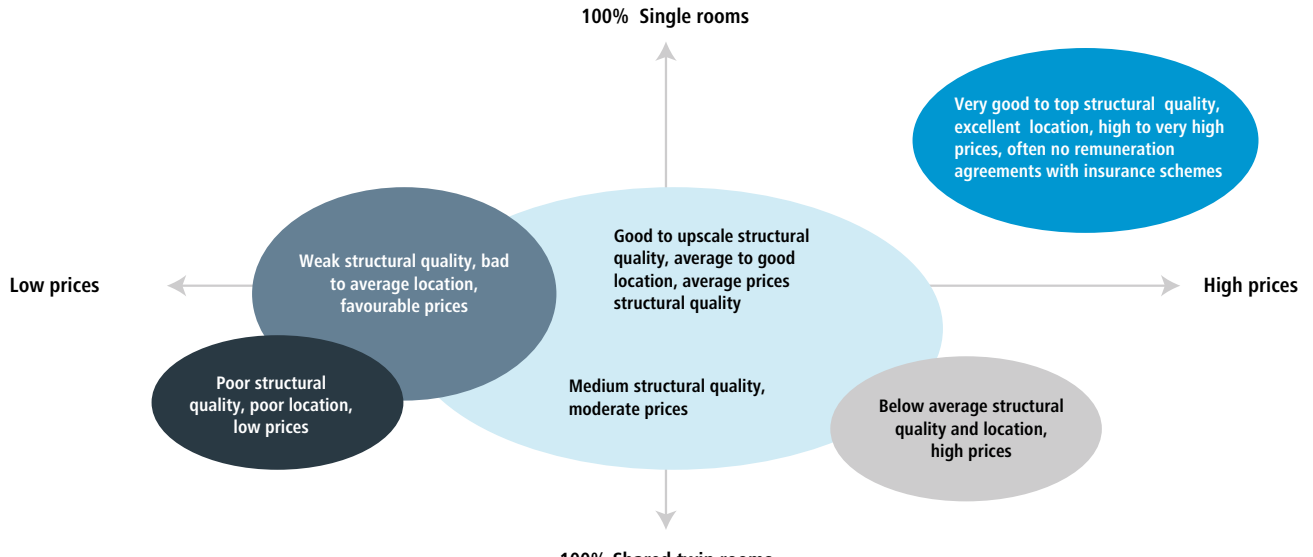
3.2.2. Qualitative analysis

A qualitative analysis of nursing homes shows that about 30% of all places are no longer marketable as they do not fulfil the requirements of demanders with regard to structural quality or location and fit-out specifications. An analysis of full inpatient care places in six large German cities, seven medium-sized towns as well as 25 rural districts in terms of competiveness has been carried out by CBRE / ITC. The matrix below shows the competitive advantage of nursing homes depending on share of single and shared twin bedrooms as well as price and allows for an approximate evaluation of the entire stock of nursing places in Germany. One third of these places are tolerable due to the price structure, another third however is no longer competitive due to inappropriate prices.

3.3 Occupancy

As at the reference date of the care statistics (15/12/2009), 717,490 recipients of care payments as per Social Insurance Code SGB XI lived in nursing homes in Germany. Of these, 7.0% were younger than 65 years and 23.7% between 65 and 80. The majority of beneficiaries, 69.3%, were older than 80 years. It however has to be considered that not only beneficiaries of care payments live in nursing homes.

Fig. 7: Nursing Care Home Stock – Qualitative Analysis



Source: CBRE / ITC

Groups of nursing home residents

Despite beneficiaries of care payments, nursing homes are of course also open to residents who either do not receive care payments or are not eligible to claim for it. The former includes assessment level 0 residents who often have personal reasons for their decision to move to a nursing home and pay for themselves; the latter includes persons who are care-dependent but are not entitled to claim for care payments. Such residents are usually institutionalised on behalf of social welfare authorities, which assume full responsibility for all costs associated.

Demand for nursing homes by groups of residents

Despite beneficiaries according to SGB XI, the by far largest group of residents, nursing homes accommodate residents with three different backgrounds. According to numbers issued by the Federal Government, around 50,000 residents of nursing home did not receive care payments or were not entitled to care payments according to SGB XI in 2006. Of these, about 2.5% (approx. 18,000) had been institutionalised by public authorities and estimates of CBRE /ITC show that around 25,000 residents paid for themselves (assessment level 0). The remaining residents, approximately 7,000, were care-dependents not entitled to claim for payments according to SGB XI and instead received governmental aids for nursing ("help for care") according to Social Statues XII – SGB XII. Thus, in 2009, approximately 767,500 residents lived in nursing homes.

Nursing homes almost fully occupied

Hence, as at the reference date 15 December 2009, approximately 772,000 available full inpatient care places existed (chapter 3.2.1) and approximately 767,500 nursing spots were required by different groups of residents. Thus, it is possible to say that almost all existing and available places in nursing homes were occupied.

The calculations have not considered the overall trend that an increasing number of shared twin rooms is being "sold" to self-payers for the use as single room for higher investment cost rations. Since no exact numbers are available, CBRE / ITC estimate that approximately 1.25% of all residents or around 10,000 persons live in such rooms.

Fig. 8: Demand for long-term full inpatient care places by 15/12/2009

Beneficiaries of care payments according to SGB XI living in nursing homes	717,490
Residents institutionalised by public authorities	+18,000
Self-paying residents (assessment level 0)	+25,000
Care-dependents receiving governmental aids for nursing ("help for care")	+7,000
Required nursing spots for long-term full inpatient care	767,490

Source: Federal Statistical Office, CBRE / ITC

3.4 Hospitalisation rate

The hospitalisation rate refers to the share of care-dependents in need of full inpatient care. The risk to become care-dependent increases with age but the risk for hospitalisation increases overproportionally the older people get.

Hospitalisation rates by age groups

According to the Federal Statistical Office, around 26% of those aged 65 to 80 need full inpatient care, while already around 32% of those aged 80 to 85 and around 39% of those between 85 and 90 years need full nursing care. Of those older than 90 years, 48% are dependents in need of full inpatient care.

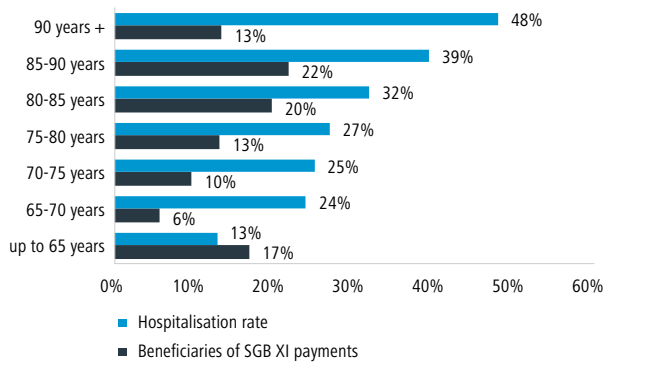
As medical progress becomes more sophisticated, life expectancy will continue to increase and consequently will the share of those advanced and well advanced in years. Hence, it can be expected that care dependency will increase exponentially as will the demand for full inpatient nursing care places.

Hospitalisation rates by federal states

The share of care-dependents in need of full inpatient care varies significantly between federal states and even districts and individual municipalities. The average hospitalisation rate in Germany amounts to 30.7%, for those older than 65 to 34.3%. The highest rate is registered in Schleswig-Holstein with 45.2% and the lowest in Brandenburg with 27.4%.

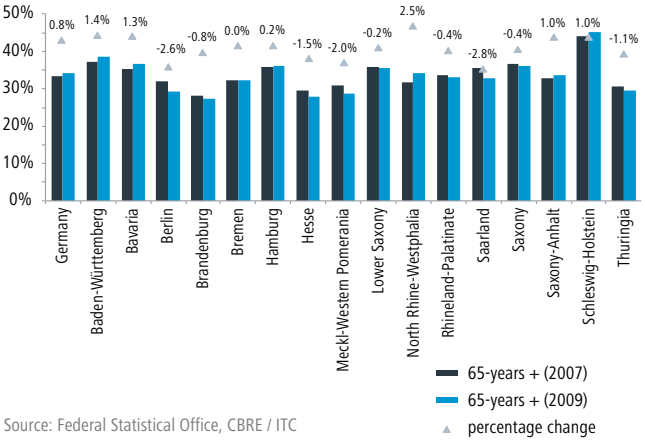
However, it has to be kept in mind that hospitalisation rates do not directly correlate with the degree of care dependency and cannot be classified in connection with existing offers and their pulling effects.

Fig. 9: Hospitalisation Rate by Age Groups



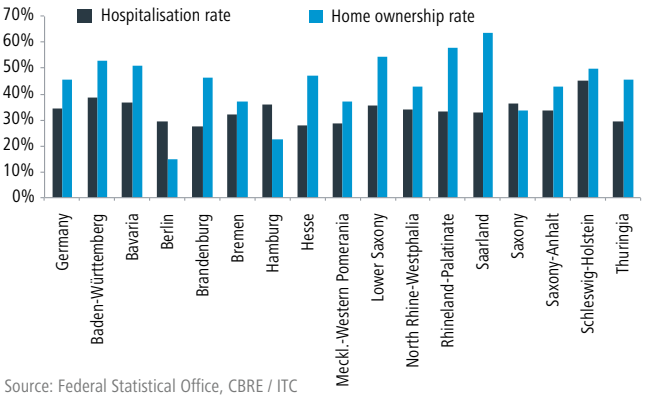
Source: Federal Statistical Office, CBRE / ITC

Fig. 10: Hospitalisation Rate of Care-Dependents (65 years +) in 2007 and 2009



Source: Federal Statistical Office, CBRE / ITC

Fig. 11: Homeownership Rate vs. Hospitalisation Rate



Source: Federal Statistical Office, CBRE / ITC

Development of hospitalisation rates

According to official figures, the hospitalisation rates of nine federal states decreased between 2007 and 2009, with Berlin showing the sharpest drop (-2.6%) and Lower Saxony the slightest (-0.2%). The remaining seven states show increasing hospitalisation rates. The highest increase was registered in North Rhine-Westphalia (+2.5%) and the lowest in Hamburg (+0.2%). The different development of hospitalisation rates has led to the assumption that the act to move to a nursing care home is highly dependent on regional factors.

However, explanations are difficult to establish as developments seem to contradict each other at times. In Brandenburg and Mecklenburg-Western Pomerania for example an increasing number of elderly persons need assistance from professional nursing services since younger family members, usually considered to be the primary care givers, are moving to more affluent regions. The hospitalisation rates on the other side have not increased as one may assume but have even decreased slightly. Albeit, a survey conducted by the health authorities of Brandenburg shows that many care givers would appreciate the possibility to place care-dependent relatives in full inpatient care homes if there were enough places available meeting the high requirements of all involved.

Homeownership versus hospitalisation

It is often assumed that homeownership rates correlate with the motivation of elderly persons to move to full inpatient nursing homes. A number of forecasting models such as the Nuremberg model thus use homeownership rates as an indicator calculating the future demand for nursing home places. According to this approach high ownership rates translate into low future demand for nursing places since elderly homeowners are considered to be reluctant to give up their own home and move to a nursing home.

However, comparing homeownership and hospitalisation rates of all 16 states , no immediate connection between both rates parameters can be established.

3.5 Legal framework conditions

In order to modernize the German federal system, to improve its efficiency and to strengthen the Basic Law's compatibility with European legislation, the federal system of Germany was reformed in two phases between 2003 and 2009. During the course of the first phase, federal and state legislation were

strengthened by dividing legislative powers more clearly and doing away with framework legislation, which included that in certain areas of legislation federal states now have the power to introduce divergent regulatory legislations.

Laws on nursing care

The legislative capacity for provisions to be governed by civil law such as the conclusion of contracts between operators of nursing homes and residents (Heimvertragsrecht) remained part of the framework legislation. On 31 July 2009, the federal government passed a new law, the so-called Wohn- und Betreuungsvertragsgesetz (WBVG), effective as of 1 October 2009, with new regulations for the conclusion of contracts between operators of nursing homes and residents.

The responsibility for regulatory care home laws (Heimgesetz) and regulations on building standard of care homes (Heimmindestbauverordnung) were transferred to the federal states as of 01 September 2006 (first phase of reform completed) despite strong criticism from all directions.

Changing the Basic Law in this area was not motivated by objective reasons but instead by political motivations. Thus, many criticised that transferring responsibility for care home laws to the states not only would endanger the homogeneity of living conditions in Germany but also that legal fragmentation could have a negative influence on long-term planning security and the financing environment for investors.

Introduction of new legislation

As of 01 September 2006 the states had the legislative competence to introduce new regulatory care home laws, made different uses of their newly acquired regulatory possibilities and obligations and passed a series of new state laws and regulations. Some of the new laws on care homes (Landesheimgesetze) and regulations on building standards of care homes (Landesheimbauverordnungen) almost entirely adapted the former federal regulations, whereas other states conceived completely new regulations.

Six states including Baden-Württemberg, Bavaria, Brandenburg, Hamburg, Mecklenburg-Western Pomerania and North Rhine-Westphalia have passed on care home laws and building regulations, whereas Thuringia continues to use the former federal law and regulations. The remaining states have passed care homes laws but the federal building regulation is still effective for the time being. This co-existence is in line with §125 of the Basic Law stating that if no new state laws and regulations have been passed the old federal laws and regulations continue to be effective.

New difficulties

Although the federal reform intended to increase the efficiency, particularly of regulative bodies, it created new difficulties for other parties. In the past, investors and nursing home operators could base their decisions on reliable legal sources, federal laws, but now have to consider a number of different laws and regulations, some of which are in the trial phase, depending on which state they want to invest in or where they are operating.

Investors and operators are now facing a variety of new obstacles. In some states, for example, existing homes can only appeal to law provisions made to safeguard existing standards with restrictions, if at all. Other provisions limit the number of beds allowed in a home, but transitional periods or possibilities for exception vary greatly.

Regulations on building standards

The states have not only introduced new regulations on building standards but at the same time increased the building and fit-out standards for nursing homes. The interests of residents are now given greater priority: single rooms are the future model, whereas shared twin rooms are exceptions and even phase-out models. Particularly the most populous states Baden-Württemberg, Bavaria and North Rhine-Westphalia allow for an exceptionally high share of single rooms ranging from "appropriate distribution" (Bavaria), to 80% in North Rhine-Westphalia and 100% in Baden-Württemberg.

Fig. 12: Trend for Structural Quality of Nursing Care Homes based on State Laws

Criterion	expected / national trend
Number of full inpatient care places	100 beds
Share of single rooms	at least 80 %
Size of single rooms	at least 14 sq m
Size of shared twin rooms	at least 20 sq m
Net floor size per resident	at least 45 m² sq m
Bathroom	per resident

Federal States with executive regualations: Baden-Württemberg, Bavaria, Brandenburg, Hamburg, Mecklenburg-Western Pomerania, North Rhine-Westphalia

Source: Dr. Ulbrich & Kaminski, CBRE / ITC

In addition to that, qualitative provisions include rising size requirements for private rooms as well as sanitary areas with a clear trend towards separate bathrooms for each nursing room. Other new provisions limit the maximum capacity of beds in new

full inpatient nursing care homes. In North Rhine Westphalia nursing homes can offer a maximum amount of 80 beds, in Baden-Württemberg up to 100 long-term nursing places are allowed in new-builds.

Trends and observations

In general two trends and observations can be summarised. On the one side the new regulations have considered the needs and wishes of the baby boomer generation, the main demand group for nursing care homes in the years to come. Particularly the three largest states Bavaria, North Rhine-Westphalia and Baden-Württemberg have increased building standards for existing and new nursing homes. Thus, it can be for example expected that in the long run each nursing room will have its own bathroom, a trend that eventually acknowledges the higher needs for comfort and privacy of future residents.

On the other side, future investment decisions have been needlessly complicated by transferring the legislative competence to the states. As legislations are still being developed, many state laws are in the trial phase and are being changed regularly. Hence, it can be expected that the need for consultation among investors and operators will continue to increase in the future. The development in this area shows the continuous mismatch existing between policy makers and the private sector.

Single rooms – the unmet expectation

The different programmes set up to develop new nursing home laws have raised expectations but it is foreseeable that future legal framework conditions will not fully meet the expectations raised. Of all sixteen states, Baden-Württemberg is the only pioneer establishing a 100% decision for single rooms. The remaining law makers either passed on the opportunity to quantify allotments for single and shared twin rooms completely or acted past the actual expectations and needs of potential residents.

Considering an average share of single rooms of 80%, approximately 40,000 additional single nursing rooms will be required in the coming years. Considering the needs of baby boomers, which expect to be eventually nursed in single rooms, even 200,000 to 270,000 additional rooms are necessary. The increasing need for more comfort in old age would thus be in accord with the high aspirations for individuality stipulated in the different state laws.

Excursus – Rulings of the Federal Social Court and the consequences for investors

Four decisions of the Federal Social Court of Germany (Bundessozialgericht) dated 8 September 2011 (cases B 3 P 4/10 R, B 3 P 2/11 R, B 3 P 3/11 R and B 3 P 6/10 R) will have a major influence on the funding of nursing homes in the future. The operators of a number of government-funded full inpatient nursing care homes appealed against the dismissal of the declaration of consent to separately bill capital expenditures as granted in §82.3 SGB XI. Competent state authorities had withdrawn their former declaration of consent allowing operators to recover the following costs from nursing home residents: interests on equity capital for infrastructure development charges, replacement reserves for future investments as well as provisions for maintenance and repair works and ground rent.

According to the decisions of the court:

- Capital expenditures cannot be recovered from residents if the calculation has been based on expected future costs; actual costs incurred however can be recovered retroactively. Following expenses are thus non-recoverable: predetermined notional or flat rate costs, calculated replacement costs or flat rates for maintenance and repair work.

- Investment costs cannot be recovered if the calculation is based on assumed occupancy rates. Instead the actual occupancy rate has to be used as basis for the calculation of recoverable investment costs.

- Land costs, particularly the interests on debt and equity capital, are not recoverable since §82.3 SGB XI does not foresee the possibility for operators to generate (hidden) earnings when calculating investment costs. According to §82.1 profits are only to be generated with payments for nursing services, board and lodging.

- Rental payments for the premises, however, are recoverable because rents and ground rents are not considered an asset value the operator could use for other purposes in the future.

- Declarations of consent to separately bill capital expenditures §82.3 SGB XI cannot be granted for an unlimited period of time since the recoverable costs are changing constantly. As a general rule consent can only granted for the respective financial year.

The court concluded that the regulations and stipulations implemented by states according to §82.3.3 SGB XI, which are not in line with the court's decisions and allow that operators recover costs which have not been incurred, are only to be considered acceptable by the end of the year 2012.

3.6 Development of demand and care dependency

The market for specialised social properties such as nursing homes is currently in a period of transition mainly driven by three factors: demographic developments, public policies and the changing needs of future and present clients.

As demand and market conditions of many specialised social properties do not match investment scopes of investors, many existing portfolios have to be restructured in order to remain attractive investment products. Yet investors also have to consider the sustainability of an investment carefully particularly considering factors such as changing demand and market structures as well as diversified demographic developments.

Two sides of demand are of particular interest for the real estate industry. Demand is not only changing in terms of quality (different needs and requirements etc.) but also in terms of quantity (higher life expectancy, share of care-dependents etc.).

3.6.1. Qualitative development of demand

When it comes to the reorganisation of residential and living environments in old age, two subject-matters are of particular importance for the real estate industry: at what age do people decide to move to a nursing home and which type of accommodation do they prefer and actually decide on.

Age groups and motives

Interestingly enough, a study revealed that most persons start to consider changing their residential and living environment at the age of 50. Consequently, the decision to move to an age appropriate accommodation is also made at this age. Taking this into consideration almost 30% of those aged 50 to 75 can be considered as willing to relocate eventually. Thus, around 7.2 million persons can be considered as future clients.

Motives for relocation are much diversified ranging from personal motivations to practical reasons. Age related reasons however have top priority and middle agers move in order to improve the quality of their living conditions (age appropriate fit-out specifications etc.), to have a relevant range of services at their disposal (support, nursing care services etc.) and to live in an age appropriate environment (short distances etc.).

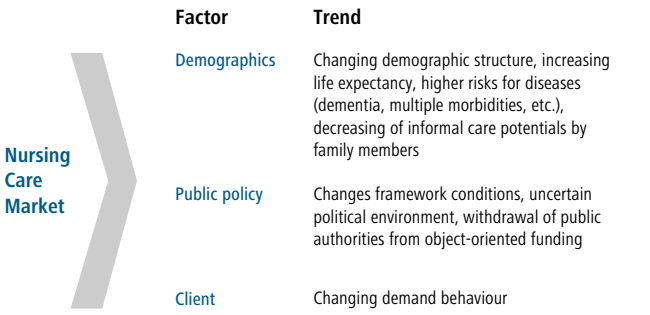
Preferred types of accommodation

In terms of types of accommodation one out of ten of the relevant cohort considers moving to an old age or nursing care home. Around 30% or approx. 2.1 million middle agers want to live in an environment offering a wide range of services and support offers. Half of them even prefer to live in an environment offering total care. Around 720,000 of those over the age of 50 are thinking about possibly moving to an old age or nursing care home when they get older.

Range of services as decisive factor

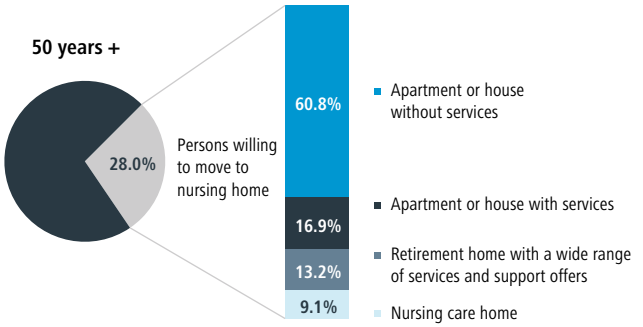
Although the majority of those surveyed only wants to move to a different flat when considering a change of their living conditions, the decisive factor for a considerable number of middle agers is the availability of support services in the vicinity or the possibility to call on total care services. After having made the

Fig. 13: Nursing Care Market – Decisive Factors and Trends



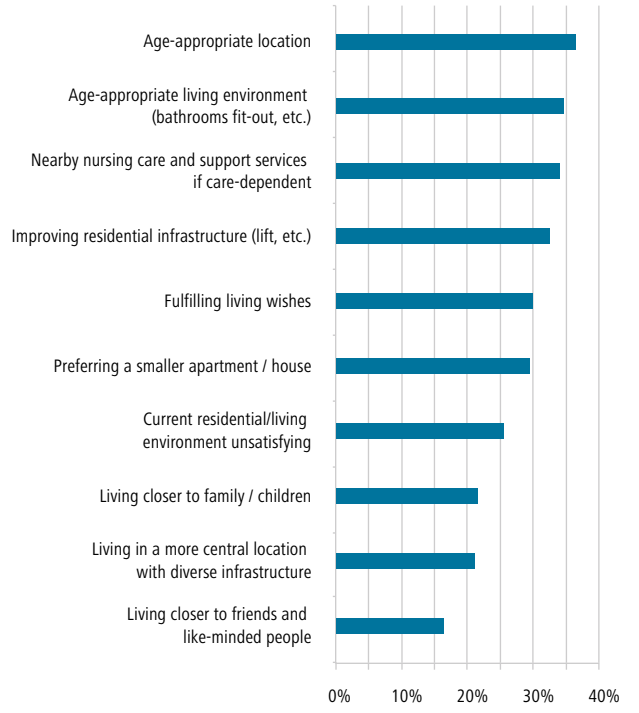
Source: CBRE / ITC

Fig. 14: Persons Considering Relocation to Nursing Home (50 years+)



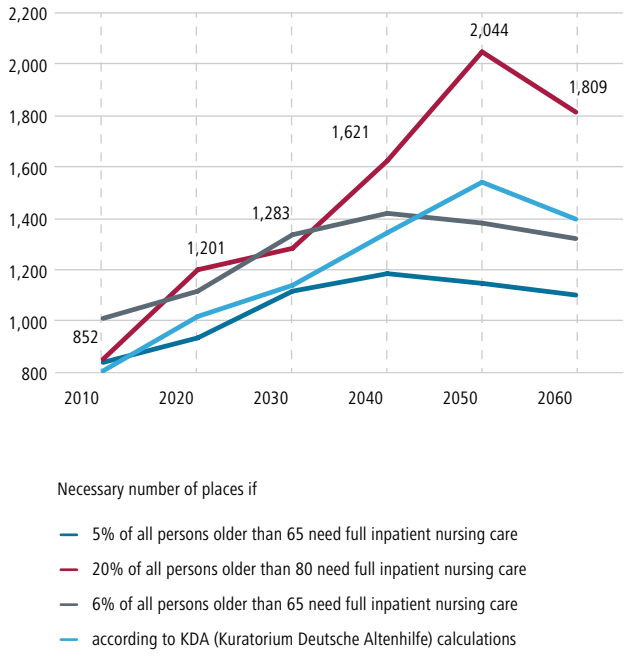
Source: LBS, CBRE / ITC

Fig. 15: Reasons for Moving to Alternative Accommodation (50 years +)



Source: LBS, CBRE / ITC

Fig. 16: Demand Forecasts for Inpatient Nursing Care Places



Source: Federal Statistical Office, CBRE / ITC

decision to relocate, none of the interviewees could think of a reason to review the choice made. This means that once middle agers have chosen their preferred type of accommodation in the future, the decision is actually a definite one. Hence, in order to meet the demand and expectations of potential clients, the development of complex and sophisticated solutions which integrate different types of living arrangements and a wide range of services and allow for a flexible use even when intensive nursing care is necessary should be promoted.

3.6.2. Quantitative development of demand

The principles of the long-term care insurance include assigning priority to domestic care as well as prevention and rehabilitation; long-term care in inpatient facilities on the other side is to be avoided as long as possible. Hence, an on-going discussion has unrolled on the question which indications and conditions make it necessary for care-dependents to move into a full inpatient home or which indications and conditions allow elderly people to stay in their own homes and familiar environments. There is no doubt that most elderly prefer staying in their familiar surroundings even if they need extensive nursing care.

Usually, however, the (immediate) need for nursing care is not the first time when elderly people start to think about adapting their living environment according to their new needs. Research into aging has already made enquiries into the complex theme of motivations and reasons and determined a wide range of motives and reasons why elderly persons decide to change their living environment and to relocate to a nursing home.

The main objective for each decision is to be prepared for the predictable risks associated with aging and to choose an appropriate living environment. Elderly people meticulously choose their new living environment and particularly look for barrier-free accommodations. Another important factor is the availability of a reliable range of services which they can draw on if needed. The most popular accommodations are those offering a high level of security and quality, particularly for nursing purposes, as well as short distances and waits.

Demand versus framework conditions

The German society for the Elderly (Kuratorium Deutsche Altershilfe – KDA) has determined, based on the aforementioned list of requirements, that approximately 2.5 million flats are needed in order to satisfy future demand. At present, different sophisticated concepts fulfilling these requirements are being discussed. The idea behind all concepts is that they flexibly combine various types of accommodation with nursing services and, on top, a

wide range of services such as surgeries and home care providers. Another advantage of such concepts is that they could be implemented in existing neighbourhoods.

The development and implementation of appropriate structures is, however, not being impeded by the lack of practical concepts or the reluctance of investors. Rather, it is the rigidity of framework conditions and their interpretation by long-term care insurance and health care insurance schemes impeding further development. Following statutory provisions they insist on a rigorous separation of outpatient and inpatient care and turn a blind eye on rational integrative solutions such as a flexible overall care contract integrating outpatient and inpatient care offers.

Different scenarios

As neither current developments nor projections are consistent it is difficult to establish a dependable basis for the direction of future developments. Most concepts for retirement homes are dated and often only touch-ups are possible in order to improve the quality of services for existing developments. The first integrative concepts based on residential neighbourhood solutions are being developed but care insurance schemes are still reluctant to participate and ensure financial remuneration. On the other side future scenarios, particularly those developed by the Bank of Sozialwirtschaft, assume a growing outpatient sector with enough capacities to provide adequate care for an increasing number of care-dependents. According to such estimates the existing 808,000 full inpatient care nursing places would suffice until 2040 if care-dependents assigned to assessment level I, at least 320,000, and the delta to all other care-dependents, according to current estimates approx. 450,000, are not cared for in traditional nursing care homes.

Contrary to such scenarios, practical experiences and inquiries for example in Berlin show that

- the number of care-dependents needing full inpatient care is increasing again,
- more elderly are moving to nursing care homes despite being assigned to assessment level I only,
- the number of residents of assessment level 0 remains stable or even decreases and
- more elderly rent a shared twin room for single use.

According to the estimates of the 16 state offices for statistics the demand for professional nursing services will continue to increase and at the same time the demand for full inpatient care will exceed the demand for domestic care services. This development is being attributed to the assumption that home-based care providers do not have the resources to provide appropriate care for the increasing number of care-dependents, while at the same time the possibilities for informal care within the family framework are plummeting.

Additional demand by 2030: 380,000 places

Thus, it still can be expected that approximately more than 1.2 million elderly in Germany will be dependent on full inpatient care by 2030. Based on the around 772,000 places as at the end of 2009 and on the assumption that around 50,000 places will be built between 2010 and mid 2012 (approx. 20,000 per year), the development of an additional 380,000 places will become necessary by 2030. In order to meet this demand it is indeed possible to include complex facilities if enough can be developed for example in cooperation with the housing industry. Otherwise the growing care dependency will by all means exceed the resources and possibilities of home-based care providers.

Increasing number of care and dementia patients by 2050

According to the Demography Report published by the Federal Government in October 2011 the number of care-dependents will increase by around 20% to 2.9 million by 2020 and by an additional 17% to 3.37 million by 2030. Compared to 2010, the number of care-dependents will thus increase by 40%. These projects however do not make an appropriate allowance for the increasing risk to become care-dependent due to the over proportional increase of dementia diseases. It can be assumed that the number of dementia patients will skyrocket from 1.2 million today to 1.8 million in 2030 and even double by 2050.

While the group of those over 65 will already start to decrease between 2040 and 2050, the group of those over 80 will continue to grow and so will the demand for full inpatient care places; a significant decline is only expected for well after 2050. The overall demand for inpatient care places will reach its peak between 2050 and 2060.

The baseline of the projection, however, is based on steady prevalence rates for age-related diseases and/or care dependency by assessment levels 0-III. The projections have neither considered various demand drivers such as higher life expectancy, multiple morbidities and dementia nor the possibility that the risk to become care-dependent could be postponed to a later stage in life due to general higher life expectancy.

The state offices of statistics also conclude that the development towards professional care is irreversible and the demand for full inpatient care will grow faster than the demand for home-based care services. Demand will peak in 2050 and afterwards decrease slowly. Only the share of those care-dependents over 80 will continue to increase. For the moment, this trend estimation

is based on the continuously increasing life expectancy which translates into a significantly growing care dependency rate. By the end of 2010, approximately 46% of care-dependent elderly being cared for at home were over 80, while in nursing homes around 63% of all residents were over 80 years old.

Decline of informal care

The overall care situation is aggravated by the fact that the capacities for informal home-based care are decreasing continuously. This is particularly due to

- a growing number of single households,
- a shrinking working-age population,
- a growing share of people in employment (particularly women – the primary care givers),
- competing professional fields: „child care" versus „elderly care",
- high professional mobility of younger generations and
- the decreasing ability of the elderly nursing staff to provide sufficient care for an increasing number of care-dependents.

Additional demand due to dementia diseases and multiple morbidities

Due to the increase of dementia diseases and multiple morbidities on the one side and declining possibilities for informal home-based care on the other side, CBRE /ITC estimates that an additional 150,000 full inpatient nursing care places are needed by 2030.

Regionalisation of demand

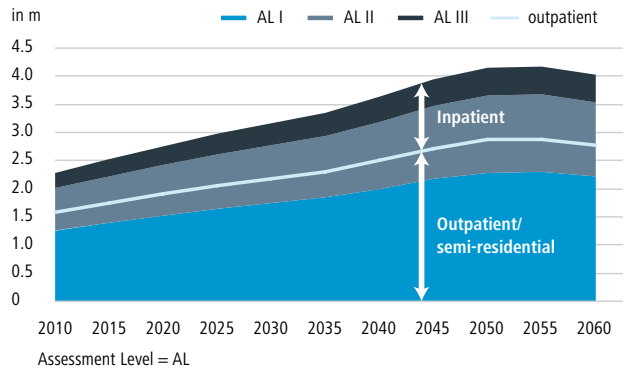
As demographic developments in the states differ widely, population structures will develop differently and so will the future demand for full inpatient care homes.

According to the regional evaluation of the 12th co-ordinated population projection of the Federal Government, the largest and at the same time most populous states Baden-Württemberg, Bavaria, North Rhine-Westphalia and Lower Saxony will have the highest growth rates in care-dependents since more than every second future care-dependent (58%) lives there. With the exception of the city states of Hamburg and Bremen, the lowest growth rates will be mostly achieved in the eastern states as the share of care-dependents in the overall population is already decreasing today.

Regional factors influence development of demand

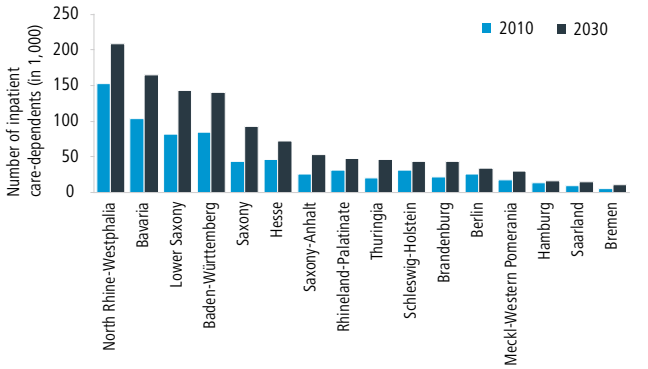
Based on the regional evaluation of the 12th co-ordinated population projection, the Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR) forecast the development of demand for care services at district level by 2030. The aim was to project the consequences of regional migration trends, large-scale conversions and the development of economic and population structures. The result shows that the overall demand for care services will increase considerably by 2030 in cities such as Hannover, Nuremberg, Bonn or Freiburg as well as in the suburban regions of Berlin, Hamburg, Munich, Cologne, Frankfurt and Stuttgart. Other regions will experience only moderate growth and some municipalities even a decline due to an on-going negative population development.

Fig. 17: Forecast Number of Care Dependants 2010-2060



Source: Federal Statistical Office, CBRE / ITC

Fig. 18: Development of Care-Dependent Seniors until 2030 by Federal States



Source: Federal Statistical Office, CBRE / ITC

Consequences for conurbations

The growing demand for nursing services in large cities and suburban regions brings another set of problems. Due to high land costs full inpatient homes are only difficult to realise in the dimensions necessary to pay off an investment. Thus, more and more care-dependents will move from metropolitan areas such as Munich or Hamburg to rural regions such as Upper and Lower Bavaria, Swabia and Holstein. Clients paying for themselves are particularly mobile and choose their future home carefully as they want to keep their status quo.

3.7 Excursus – Nursing staff

The staff of a nursing home is usually comprised of professional nursing staff on the one side and different other professionals such as housekeepers, social workers and physical and occupational therapists. Other areas of occupation are administrative and building services.

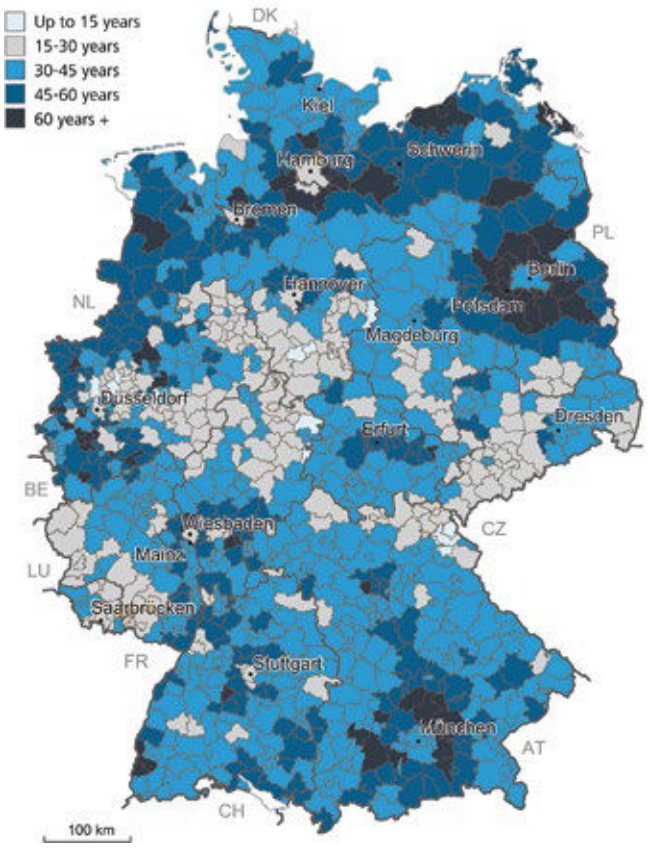
The actual number of employees is determined by indicative staff estimations which are based on remuneration agreements. According to the federal regulation for minimum staffing (Heimmindestpersonalverordnung) nursing staff has to be comprised of qualified geriatric nurses and skilled helpers with the respective professional training. It also stipulates a ratio of currently 50%.

Many nursing home operators, particularly for-profit providers, are increasingly relying on outsourcing. Operational services such as catering, cleaning or building services are being outsourced to owner-operated enterprises and the respective employees are transferred to these companies. In doing so, nursing homes can purchase the services needed without "overburdening" their own pay roll. Hence, the number of non-nursing staff decreased in homes following this strategy.

On the other side, the resident/staff ratio was improved in at least some homes which in turn led to an increase of overall nursing staff. While between 1990 and 2009 the number of residents of full inpatient care homes increased by 30.6%, the number of nurses and skilled helpers grew by 43.8%.

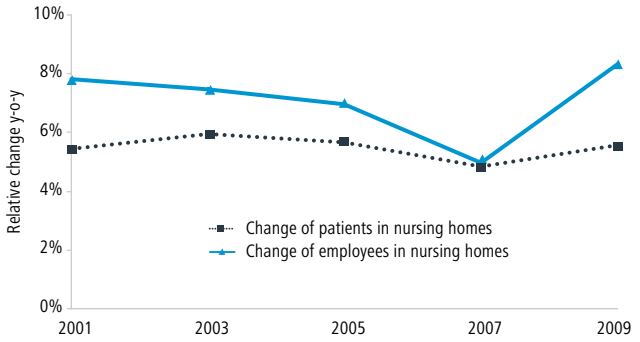
Due to the increasing demand for full inpatient care, the shortage of skilled professionals will continue to intensify in the nursing sector. This development already has negative effects on occupancy, particularly in conurbations, the future centres of demand. Despite high demand many homes for example in Frankfurt or Munich are unable to admit new residents due to the lack of qualified nursing professionals.

Fig. 19: Development of Care Dependency by Districts and Cities by 2030



Source: BBSR, CBRE / ITC

Fig. 20: Care-Dependents And Employees In Nursing Care Homes



Source: Federal Statistical Office, CBRE / ITC

3.8 Summary

Keeping the effects of the forecast demographic development and the changed demand behaviour in mind, the current method of projecting required full inpatient care places will have to change inevitably. In general the term "need" will have to be fully replaced by the term "demand" in order to reflect the reality of a changed consumer society. Future customers are not only more discriminating than current residents but also have a higher purchasing power (including savings) to pay for services not covered by long-term insurance schemes.

Diversified demand

Although the demands and wishes of elderly citizens are changing, the outline of existing senior residences is still very attractive and many elderly prefer this type of accommodation. But various demand indicators show that one third of those willing to move to a retirement home prefer accommodations suitable for senior citizens embedded in a network of support but also nursing services. By 2030 demand will diversify:

- An additional 380,000 full inpatient care places are needed according to conservative estimates,
- another approximately 150,000 places are needed due to increasing rates of dementia diseases and multiple morbidities as well as the decreasing potential for informal home-based care,
- on the other side, an increasing number of potential clients favour age appropriate and serviced apartments with additional nursing care service on demand preferably integrated into complex homes or even the surrounding neighbourhood.

Diversified demand also implicates a variety of consequences:

- Care-dependents needing minor assistance (level 0) and those assigned to assessment level I will prefer alternative types of accommodation. However, as no empirically relevant data is available for this effect, CBRE / ITC assume a demand of 150,000 places.
- Since the demand is higher than the current supply, new serviced apartment houses have to be built or existing properties have to be restructured.
- Furthermore, more alternative living arrangements focussing on the needs of the elderly such as assisted living, concierge services or serviced senior apartments have to be created and innovative concepts integrating senior housing into existing neighbourhoods („Lebensform Generationencampus") have to be developed in order to meet the future housing needs of the elderly.

Additional investment needs

In addition to the aforementioned additional demand, further investments into existing properties are inevitable. Many homes will neither remain competitive nor able to comply with future legal requirements considering their year of construction, technical fit-out or other structural aspects. According to CBRE / ITC estimates approximately 30% of the stock existing as at the end of 2009 (240,000 places) needs to be modernised substantially.

Due to the extensive funding of new developments in the past, fewer homes have to be modernised in the eastern states such as Brandenburg or Saxony. Nevertheless, substantial investments are necessary in some cases in order to increase the standard of single rooms to an adequate level. Generally, it seems as if some state legislators have avoided making quantitative statutory provisions and instead have relied on the non-marketable standards of the federal regulation for building standards for nursing homes for area or structural requirements and particularly minimum floor spaces required.

According to the German society for the Elderly (Kuratorium Deutsche Altershilfe), 2.5 million additional age-appropriate accommodations will be needed in Germany. It is, however, very unlikely that alternative living arrangements will replace full inpatient care places to a considerable degree in the short-term for two reasons: On the one side the outpatient sector will not be able to manage alternative arrangements due to its current organisation and the missing integration into the residential environment. On the other side the larger part of the existing housing stock is not fit-out for the demand of the elderly and thus does not qualify for alternative living programmes.

The latter emphasizes the previously described trend that increasing care-dependency will lead to a mostly parallel increase in demand for full inpatient care services.

Fig. 21: Forecast Need of Full Inpatient Care Places

Source: Federal Statistical Office, CBRE / ITC

4. Investment Market – Essential Parameters of Full Inpatient Facilities

4.1 Total capital expenditure until 2030

The expected increase in demand for full inpatient long-term care will present a large challenge for the property industry. It is forecast that overall approximately 380,000 additional places in nursing homes have to be created by 2030 in order to satisfy the increasing demand. At the same time, a substantial need for revitalization or replacement must be expected due to the high renovation backlog of many nursing care properties.

Total capital expenditure until 2030: € 54 billion

Regardless of the possibility to make use of alternative types of care services, the future demand will solely be covered by new-builds and existing nursing care properties. According to calculations by CBRE / ITC, capital expenditures of around € 54 billion (as at current price levels) will be necessary for this scenario. Around 60 % of this volume (i.e. around € 33 billion) will be required for the development of new nursing care properties, the remaining € 21 billion will be needed for the up-keeping of existing properties.

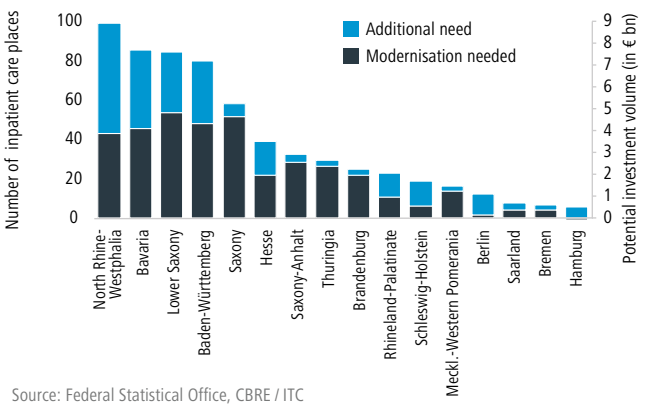
Considering the different demand for additional places by states, around half of the total investment potential (approx. € 16.5 billion) is accounted for by North Rhine-Westphalia, Lower Saxony, Bavaria and Baden-Wurttemberg. The investment potential for revitalization and redevelopment is even higher in some western states. This is however not solely due to the higher nursing home stock in these states, but also in particular, due to old structures compared to Eastern Germany. Accordingly, the demand for redevelopment is generally estimated to be lower in the east until 2030.

High investment potential

The future development is clearly pointing towards more complex homes, which offer genuine nursing care places together with apartments offering outpatient nursing care services. Particularly in North Rhine-Westphalia, but also in other federal states, such homes will combine 80 full inpatient nursing care places with 20 to 30 apartments. For the calculation of investment as well as refinancing costs, apartments and nursing care places are treated as equal.

According to calculations by CBRE / ITC, around 1,500 new homes are required by 2030 in the category relevant for investors (at least 100 units per property). This corresponds with a total investment volume of € 13.5 billion. In the same period, an additional estimated € 4.2 billion need to be invested in the revitalization of around 650 nursing care properties with 100 or more beds. Thus, the overall investment potential totals around € 18 billion by 2030.

Fig. 22: Additional and Modernisation Need by 2030



Source: Federal Statistical Office, CBRE / ITC

4.2 Yield development & investment transactions

Since 2005, the purchase price for nursing care properties has increased continuously reaching the peak in 2007, when top-properties achieved 14- to 15-times their annual gross income in the investment market. In the following years, purchase prices levelled off again to a relatively moderate level.

Continuous increase in transaction volume since 2008

Between 2008 and 2009, the entire investment volume decreased to around € 200-210 million. Since then it has been increasing continuously and reached a volume of around € 350 million in 2011, mainly driven by deals of open- and closed-ended property funds. Among which were also specialized funds such as Catella Real Estate AG, Reef Spezial Invest GmbH and AXA Investment Managers Deutschland GmbH or closed-ended vehicles of ILG Finds GmbH and Immac Immobilienfonds GmbH. The latter purchased three nursing care properties in Northern Germany in 2011 with a total of 315 places for around € 27.5 million (excluding purchaser's costs). According to the fund initiator, this is 12.6-times as much as the total initial annual rent and corresponds to a gross initial yield of 7.93 %.

The investment market for nursing care properties will continue to be dominated by the activities of institutional investors in 2012. INP Holding, for example, purchased a property with 100 places in Haßloch in January 2012 and a further fully equipped and completely furnished property with 159 places in Worms in May for an estimated volume of around € 8 million and € 18.5 million respectively. According to information from INP, the investment volumes in both cases are 12.9-times the annual rent, corresponding to a gross initial yield of 7.75%.

Fig. 24: Selected Transactions of Nursing Care Homes

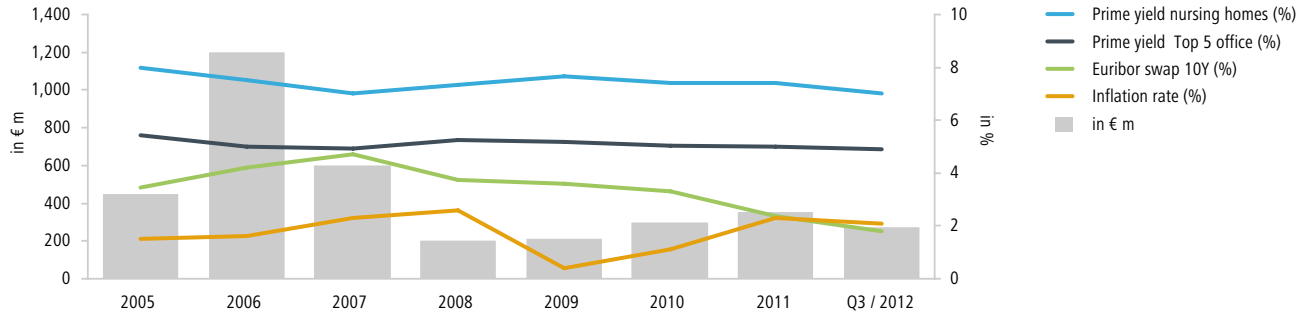
Date		Purchaser Type	Transaction Form	PP*
Q 3	2011	Closed-ended Fund	Portfolio	62.0
Q 4	2011	Closed-ended Fund	Portfolio	27.5
Q 1	2012	Closed-ended Fund	Single Asset	22.7
Q 2	2012	Property Company	Single Asset	19.5
Q 2	2012	Closed-ended Fund	Single Asset	18.5
Q 3	2012	Other	Portfolio	17.0
Q 2	2012	Other	Portfolio	16.0
Q 4	2011	Closed-ended Fund	Single Asset	14.0
Q 2	2012	Property Company	Single Asset	11.4
Q 3	2012	Special Fund	Single Asset	8.0
Q 1	2012	Closed-ended Fund	Single Asset	8.0
Q 3	2011	Asset Manager	Single Asset	7.2
Q 1	2012	Other	Single Asset	7.0

** Purchase Price in € m*

Source: CBRE / ITC

Up until the third quarter of 2012, transactions with a total volume of around € 312 million have already been registered. For the entire investment year 2012, it can thus be expected that the positive trend of the last three years will continue. One striking fact in the current development is the increased number of investors buying a nursing care property, splitting it up into individual

Fig. 23: Nursing Care Homes Investment Transactions 2005 to 2012 Q3 (cum.)



Source: HSH Nordbank, CBRE / ITC

units and re-selling those on to owner-occupiers (part-ownerships). Around 30% of this year's registered transactions were accounted for by this type of investors.

Significant increase in net initial yields

Overall, the multipliers for nursing care properties are currently around 12.5- to 13.7-times the annual rent so that net initial yields of 6.23 to 7.00% can be expected. Properties in economic centres and structurally strong regions may achieve multipliers of up to 15-times the annual rent and net initial yields of up to 5.60%. The increasing purchase factor and the declining net initial yields can be mainly attributed to the significant increase in activities of investors buying and re-selling the individual units. The increasing transparency in the market is however also leading to progressively growing yield and multipliers spreads for properties with good and slightly poorer investment criteria. Currently, older and below average properties in less attractive locations only achieve multipliers of up to 11-times the annual rent.

Other decisive investment criteria are not only the federal state, the location and the state and flexibility of the property. The refinancing capacity of operators, their long-term experience in the nursing care sector (increasingly also with regards to HR management) and their reputation are also significant when it comes to maximizing the multiplier. Nursing care properties which are led by operators with a strong covenant are seen as relatively safe asset class, not least due to the stable cash flows.

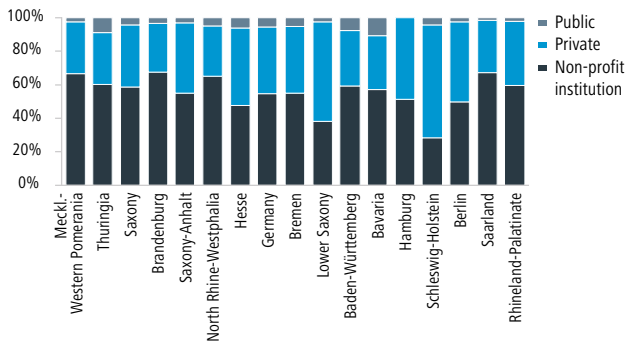
4.3 Operators status quo & development

The structure of nursing home operators in Germany is relatively clear cut. At a closer look, however, there are different focusses in the various federal states. In 2009, around 54.8% of all nursing care properties were managed by non-commercial and 39.9% by private operators. Only 5.3% were in the hand of public carriers. In Hamburg no public operators are in the market anymore, after the nursing care home "Pflege und Wohnen" had been taken over by a private carrier. The largest share of private operators in terms of number of nursing care homes can be found in Schleswig-Holstein and Lower Saxony. The nursing care market in these two states is dominated by private operators with 67.5 and 59.4% respectively.

Continuous increase in private market shares

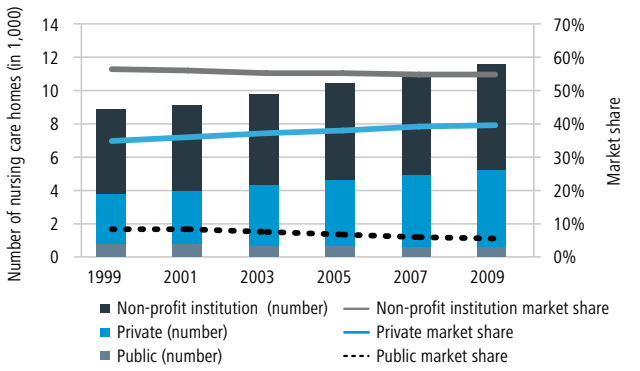
Between 1999 and 2009, the market shares shifted in favour of private operators of nursing care homes. Although the number of non-commercial nursing care homes increased by 27%, they lost market shares to private operators who were able to increase their share by an impressive 50%. As the share of public operators declined by 8.5% to 5.4% in the same period, they further receded in importance. The only federal state in which public carriers could still register a noteworthy market share of 10.7% in 2009 was Bavaria.

Fig. 25: Nursing Care Homes Market By Operators and Federal States



Source: Federal Statistical Office, German state offices for statistics, CBRE / ITC

Fig. 26: Development of Operator Structure



Source: Federal Statistical Office, CBRE / ITC

Consolidation of operators

Between 2009 and 2012, the market share of the ten largest private operators increased from 10 to 12%. Nevertheless, the German market for private operators is still relatively strongly fragmented. The market leader Pro Seniore, for example, only holds a 2.1%-market share. However, the trend is going towards increasing market shares for private operators and further consolidation.

Fig. 27: Selected Operators

Carriers/ Operators of Nursing Care Homes	Inpatient Places 2011	Inpatiant Places 2012
Pro Seniore Unternehmensgruppe	18,327	18,768
Kursana	12,600	13,600
Curanum	7,950	8,000
Johanniter Seniorenhäuser	5,568	8,119
Casa Reha	8,217	9,446
Marseille-Kliniken	7,171	8,080
AWO Westliches Westfalen	7,255	7,141
Evangelische Heimstiftung	6,306	6,935
Vitanas + Pflegen und Wohnen	7,543	7,485
Cura Gruppe + Maternus- Kliniken	5,770	5,726

Source: Car€ Invest, CBRE / ITC

4.4 Follow-up costs

If investments into nursing care properties are not subsidised by public funds, capital expenditures such as construction costs, maintenance and interests on debt capital are recovered from residents (net rent).

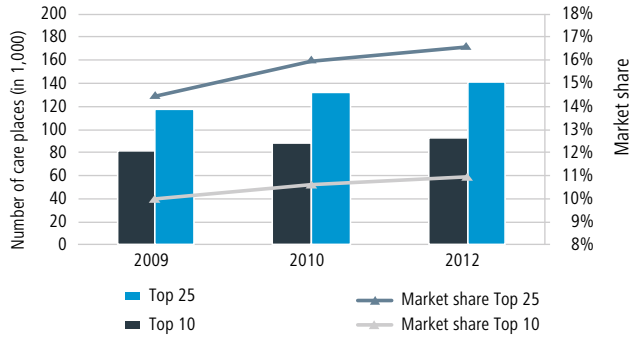
Higher construction costs

If construction costs for nursing care properties, which have been increasing since 2012, continue to rise, the trend for investment costs is also upwards. According to the index for building costs (Baukosteninformationszentrum, BKI), construction costs for nursing care places, BKI cost categories 300 and 400 (structural design and technical facilities), have increased by 5.1% since 2008. According to market players, structurally strong economic regions are still registering price increases of up to 9.0%.

Investment costs are highest in private homes

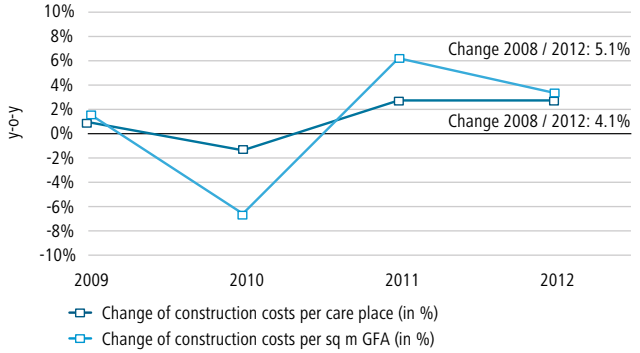
According to recent calculations of the 16 state offices for statistics from 2009, average investment costs (here: basic costs in a shared twin room in accordance with the remuneration agreements of social welfare authorities) at federal level highly depend on the type of operator. Investment costs of private operators were at € 13.70 per day per person, whereas average investment costs of public and non-commercial carriers were significantly lower with € 7.50 and € 11.70 per day per person respectively. The latter usually benefit from non-recoverable public subsidies, whereas private carriers usually do not receive any subsidies.

Fig. 28: Market Shares of Top 10 and Top 25 Private Operators



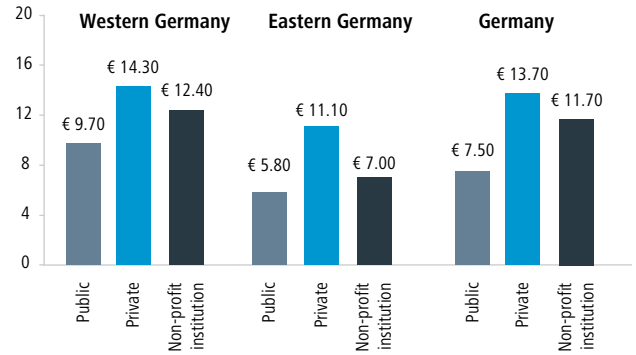
Source: Car€ Invest, CBRE / ITC

Fig. 29: Development of Construction Cost 2008 – 2012



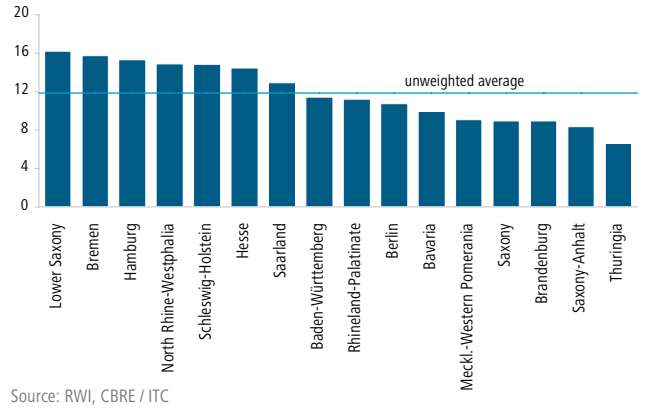
Source: BKI, CBRE / ITC

Fig. 30: Average Investment Costs (in €/day/person) by Type of Operator



Source: RWI, CBRE / ITC

Fig. 31: Average Investment Costs (in €/day/person) by Type of Operator



Source: RWI, CBRE / ITC

Subsidies – East versus West

Differences can be observed between Eastern and Western Germany. Investment costs of public operators in the west are with € 9.70 per day per person around € 3.90 per day per person higher than in the east. Non-commercial operators in the west have to calculate with € 12.40 per day per person in contrast to € 7.00 per day per person in the east. Private carriers show the least gap with € 14.30 per day per person in the west and € 11.10 per day per person in the east. A reason for this significant difference between the western and eastern federal states is the different focus of the public subsidies policy in the past years. Eastern states, for example, focused more on property funding in the past, which mostly bans the subsequent market-conform increase of investment costs.

Seven out of sixteen federal states are currently above the federal unweighted average investment costs of € 11.85 per day per person. In Lower Saxony, investment costs of at least € 16.20 per day per person have to be calculated almost everywhere. Thuringia shows the weakest development with € 6.61 per day per person.

Currently one can expect that any unsubsidized or independently financed property in a good location with a modern quality of fit-out, a minimum occupancy rate of 95% and at least 100 beds can generate at least € 500,000 to € 600,000 from the investment costs as annual rent.

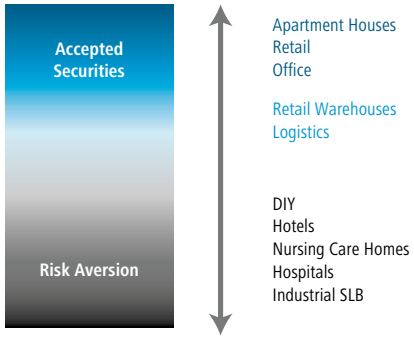
Hybrid financing is gaining significance

The withdrawal of public subsidies of full inpatient nursing homes is forcing operators to introduce hybrid financing models for their rents. This means that (stepped) surcharges for single or comfort rooms, which are payable by self-paying residents, must be raised. This is allowable in accordance with § 82.4 of the Social Insurance Code (SGB XI). Cross-subsidizations from other revenue sources are not permissible.

5. Funding Environment

While in the past the funding of nursing homes was based on property-oriented subsidies granted by public authorities, nowadays the financing of full inpatient homes has changed towards subject-oriented funding. The operators of nursing care properties have gained a certain degree of entrepreneurial freedom, which is, however, still controlled and regulated by statutory provisions. Now, investments have to be financed via the capital market.

Fig. 32: Preferred Investment Sectors of Banks



Source: CBRE / ITC

Reasonable number of finance providers for social housing

Increased requirements on common equity of banks due to Basel III and the general effects of the financial crisis, have further significantly decreased financing possibilities for health care properties. In risk-averse times, banks concentrate their available liquidity and new business activities on few core sectors and regular customers. Health care properties are often seen as unattractive investment products due to the statistically high rate of problematic credit commitments, the specific risk of owner-operated properties, and the required degree of specialization of bank employees. At the same time batch sizes are relatively small and the customer basis is much diversified.

A positive side effect of the currently crisis-ridden financial surroundings are low base interest rates, which can largely compensate for the increasing margin requirements. CBRE / ITC estimate that currently only around half a dozen banks finance nursing properties, not considering church-based banks or financial institutions with a social focus. The requirements on private equity, however, have become stricter and are now rarely below 40%. At the same time, margins are high with at least 200 basis points. In addition, banks are increasingly focusing on the investor's capacity to pay off debts and are requiring a debt cover ratio of at least 8%.

Alternative uses and operators as main drivers

The risk of financing a nursing care home strongly depends on the expertise and performance of the operator. According to the expert opinion of the economic research institution RWI, only 16% of all nursing care home operators are expected to have a very high risk of failure probability in 2012. Further 16% have a high risk.

The management performance and the respective quality of location are however only difficult to assess for banks. If an operator fails in a particular location, it is often difficult to contract alternative tenants/operators. In these circumstances, compromises regarding rent and credit terms are often required.

Due to the restricted possibility of alternative uses (compared to other property types), it is debated whether mortgage-backed bonds are eligible for inclusion in the cover pool of real-estate credit institutions. Most banks nowadays, however, prefer cover pool-eligible deals because other refinancing tools are too volatile for the current market conditions.

The current trend within the development of new senior housing centres is going towards a combination of full inpatient places together with a significant share of assisted living places. This is contributing to an increase in potential alternative uses and thus to a risk diversification. It can thus be expected that the refinancing situation will improve in the medium term.

6. Outlook: All generations concepts such as "Lebensforum Generationencampus" – A joint approach of social economy and housing industry

The demographic ageing of the population and the associated growing demand for nursing care services was met by the government with the introduction of social long-term care insurance. Due to the availability of more funds, this in turn accelerated the development of the nursing care infrastructure. The partially very convenient investment incentives caused a run on nursing care properties by investors. This development prompted the government to take countermeasures as it feared the successive depletion of the solidarity system which is fed by taxes and social insurance contributions.

Models and concepts

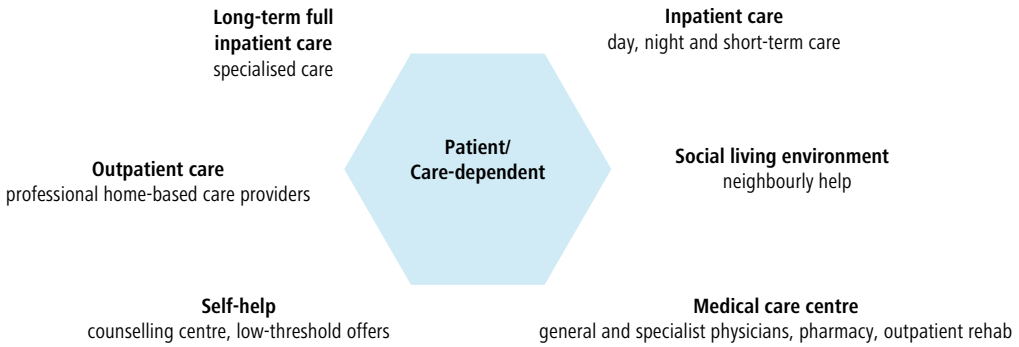
The programmatic postulations that are asking for outpatient care rather than inpatient care and are claiming that the outdated inpatient care model needs to be adapted to the changing requirements have led to several experimental approaches. Ideas such as complex nursing care homes offering several types of care services in one, serviced living, senior assisted living, cross-generational and neighbourhood living concepts as well as apartment sharing for senior citizens have been introduced. However, they have only had limited success in offering alternatives to nursing care homes and none of them has resulted in a comprehensive, integrative concept.

The statutory provisions and a row of newly available funding sources have led to the rapidly growing variety of experiments. Nevertheless, non of the aforementioned proposals are to prevent that senior citizens often need to give up their residential environment once they become dependent on full inpatient nursing care. Some solutions even trigger a drifting apart of generations.

Cooperation of housing industry and nursing care/ social sector

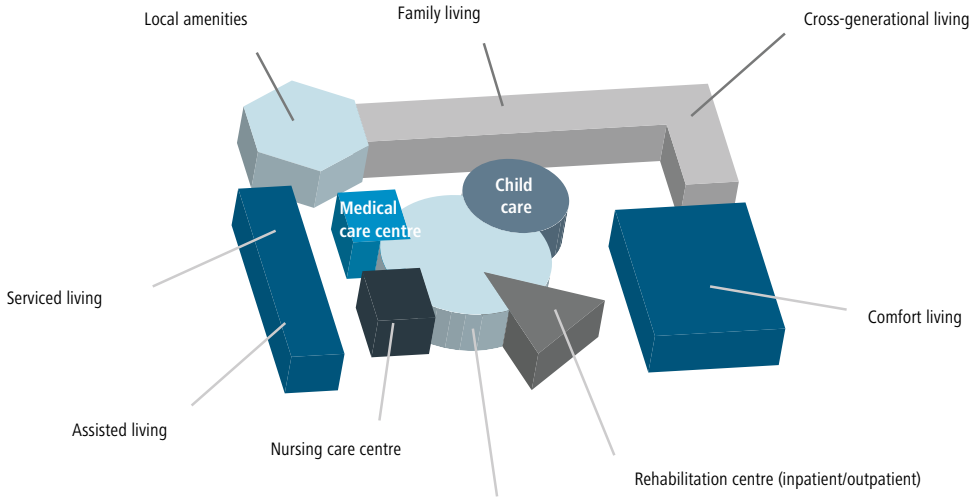
The housing industry and the nursing care sector are therefore facing new challenges. In the past, both sectors usually acted on their own behalf and developed ideas of their own. Successful mutual approaches are still rare, particularly due to the competitive situation that dominated the past. However, considering the current way of life of middle-agers and the finite solidary funds, new concepts providing secure and reliable solutions for

Fig. 33: Care-dependants in the Centre of Support Network



Source: CBRE / ITC

Fig. 34: „Lebensforum – Generationencampus"



Source: CBRE / ITC

different stages of life have to be developed.

A new approach

In order to develop such new forms of communal life and residential concepts, a close cooperation between the stakeholders from the residential property market and the social sector is required. The "Lebensforum-Generationencampus" concept has been developed to meet the increasing demand for integrative living concepts and combines life and living, self-help and neighbourly help, civic indicatives and cooperative approaches with differentiated professional offers as well as medical and child care services and shopping possibilities. The basic idea is to create small-scale community-like quarters catering for the needs of all generations. A "market place" (forum) serves as single point of contact for the exchange of professional and non-professional services.

Cross-generation integration

In order to realise the concept, both the social economy and the housing industry have to work hand in hand. The "Lebensforum-Generationencampus" not only provides infrastructure care services for senior citizens, but also those for the next generation such as nurseries. The particular offer for senior citizens includes differentiated solutions for accommodation, support and (in the end also full inpatient) care. It ensures the security of supply but also enables older citizens to maintain an autonomous life in familiar surroundings, even in case they get dependent on intensive support and care. The effects of such concepts are eminent: care-dependent seniors can stay longer in their own homes and the social sectors can save expenses and increase efficiency.

Advantages of cross-generational concepts

A tight network of cross-generational accommodation possibilities and services for residents with different lifestyles creates particular structures which have various advantages:

- it offers adequate alternatives to full inpatient care;
- care-dependents can stay in their own homes for a longer period of time;
- costs for personnel as well as care, health and educational services are being reduced;
- existing properties can be used.

In addition, the idea of a market place to exchange professional and non-professional services increases social awareness and cooperation of different stakeholders. A central campus management coordinates non-professional services and professional services. The former are defined as community or neighbourly services rendered against other services, for example a senior citizen helping a mother with child-care, who in turn provides services for senior residents. The latter are services which are

rendered against payments such as social and administrative services (e.g. outpatient nursing care, assisted living, and housing administration).

Sustainability for residents, operators and investors

A realisation of the "Lebensforum-Generationencampus" concept not only has social advantages but also profits from the principles of sustainability. It creates flexibility in terms of use of services and properties, which enables the residents to lead a life within their neighbourhood for a longer time and also ensures a long-term profitability for investors.

In order to realize this close network structure of professional and non-professional services, constructional flexibility and (a virtual) market place are required. The targeted use of the offered services is ensured by the campus management, which can easily access and allocate all required facilities or services. Thus, personnel and buildings can be utilized flexibly, depending on situation and demand. For instance, the rooms of nursing care homes can also be used for postsurgical care by outpatient care providers or for the day-care of ill children with working parents. Further, the interlocking of outpatient and inpatient nursing care as well as professional and non-professional services contributes to an avoidance of double structures and thereby enables a more resource-efficient and effective assignment of staff and thereby saves costs.

Overall care contract

The government has to lay the foundations necessary to render care services flexibly. The most obvious option is to adapt overall care contracts in a way that services according to SGB XI (outpatient, part and full inpatient care services) and services according to SGB V (sick-nursing) can provided more flexibly depending on the needs of beneficiaries.

Modules of "Lebensforum-Generationencampus"

The concept comprises two general areas, the "forum" and the "campus". The following modules are indispensable for the outcome:

Campus (residential and living environment):

- Various forms of living for senior citizens: assisted living, residential facilities catering for the particular needs of the elderly, barrier-free accommodation;
- Apartments for families, singles and multi-generational accommodation of various fit-out standards (something for all tastes);
- Shopping possibilities for the supply with daily goods.

Forum (central service core/market place):

- Campus management office with notice-board and service centre for consulting, networking and education;
- Pharmacy, physiotherapy;
- Child care facilities;
- Catering service (mobile or in a restaurant of the centre);
- Partial inpatient care: day-, night- and short-term care;
- Complex nursing care homes (as anchor facilities) with full inpatient care;
- Medical care centre – health centre providing at least primary care and physiotherapy;
- Access to public transport within walking distance;
- Parking possibilities for visitors and residents;
- Low-threshold offers for residents of all ages, senior citizens club, senior daycare.

Ways of implementation

The "Lebensforum-Generationencampus" concept described above can be implemented and realised in several ways:

- by redeveloping an existing nursing care homes, preferably in properties which are already integrated in a residential area;
- by redeveloping a large residential complex;
- by developing an entirely new residential neighbourhood, preferably on premises assigned for the conversion to other uses.

7. Criteria for Core Properties

Object-related criteria

- At least 100 places/units per property (including complementary assisted living units)
- More than 80% single rooms
- Single rooms at least 18 sq m living space
- Shared twin rooms at least 25 sq m living space
- Properties should comprise sufficient reserve space ready for development of new rooms
- Occupancy rate of at least 90%
- Double net or triple net leases without special right of termination by the tenant
- Properties should have a low investment backlog and should be no older than 10 years
- The lease terms of at least 20 to 25 years
- Flexible uses, alterable room sizes and layouts due to frame construction

Location-related criteria

- Connected to "every-day life"
- Focus on A-locations, major provincials, medium-sized university cities and their surroundings
- Share of solvent senior citizens and the rate of required care should be relatively high
- High share of civil servants and businesses
- Relatively high fixed care rates; relatively fixed high accommodation and boarding rates
- High rate of immigration of (solvent) senior citizens before 2025
- Relative proximity to hospitals and rehabilitation facilities
- Good connection to the public transport network and availability of local provisions
- Sustained demand for nursing care places (or good chances in cut-throat competition)

Operator-related criteria

- Cooperation with hospitals, registered doctors and outpatient nursing care services
- Good to very good integration in networks (palliative care, dementia, diabetes, etc.)
- Integration of previous steps such as assisted living and outpatient nursing care services
- Distribution of risk through several well-known and solvent operators in portfolio transactions
- Private operators: interest on equity capital of 8% should generate an EBITDAR margin of 20%
- Non-commercial operators: interest on equity capital of 3% should generate an EBITDAR margin of 15 to 17%

Company Profiles

immoTISS care GmbH (ITC)

Address
Gattenhöferweg 32
61440 Oberursel
Germany

t: +49 (0) 6171 923 59 30
f: +49 (0) 6171 923 59 36
w. www.immotisscare.de

immoTISS care GmbH, headquartered in Oberursel / Frankfurt, is a real estate consulting and investment management business that specializes exclusively in senior housing and health care real estate. Combining over 40 years of experience in this specialised field of operations by its founders, immoTISS care GmbH takes pride in having developed on the back of extensive market intelligence across the whole of Germany a comprehensive knowledge in developing, managing and operating health care property.

The company offers a full range of services along the value chain and focussing on investment and asset management. In addition, immoTISS care GmbH delivers consultancy services such as market location supply and demand surveys, organizational consulting, business planning as well as restructuring assessments.

List of References

Bank für Sozialwirtschaft: BFS-Marktreport Pflege 2012, Pflegeheime unter Druck, Köln, Juni 2012
BKI Baukosteninformationszentrum (Hrsg.): BKI Baukosten: Teil 1: Statistische Kostenkennwerte für Gebäude, Stuttgart, Ausgaben 2008 bis 2012
Bundesministerium für Verkehr, Bau und Stadtentwicklung: Wohnen im Alter, Forschungen Heft 147, Berlin 2011
Bundesministerium der Gesundheit – Federal Ministry of Health: Zahlen und Fakten zur Pflegeversicherung, Stand April 2012
Bundesinstitut für Bau-, Stadt- und Raumforschung: Bildung, Gesundheit, Pflege – Auswirkungen des demographischen Wandels auf die soziale Infrastruktur, November 2011
Bundesinstitut für Bau-, Stadt- und Raumforschung: Die Attraktivität großer Städte- ökonomisch, demographisch, kulturell. Ergebnisse eines Ressortforschungsprojektes des Bundes, Bonn, April 2011
Bundesinstitut für Bau-, Stadt- und Raumforschung: INKAR 2011, Indikatoren und Karten zur Raum- und Stadtentwicklung in Deutschland und in Europa
Bundesministerium für Familie, Senioren, Frauen und Jugend: Erster Bericht der Bundesregierung über die Situation der Heime und die Betreuung der Bewohnerinnen und Bewohner, Berlin 15.8.2006
Bundesministerium des Innern: Demografiebericht, Bericht der Bundesregierung zur demografischen Lage und künftigen Entwicklung des Landes, Berlin, Oktober 2011
Car€ Invest: Ausgaben 2009 bis 2012
Deutsches Institut der Wirtschaft in Deutschland (DIW): Die Einkommensverteilung: Eine wichtige Größe für die Konjunkturprognose, Wochenbericht des DIW Berlin 221/2012, S. 3 – 10
Empirica AG: Die Generation über 50: Wohnsituation,

CBRE

CBRE GmbH

CBRE Group, Inc. (NYSE: CBG), a Fortune 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services firm (in terms of 2011 revenue). The Company has approximately 34,000 employees (excluding affiliates), and serves real estate owners, investors and occupiers through more than 300 offices (excluding affiliates) worldwide.

CBRE offers specialist consulting services in the fields of Capital Markets, Agency, Valuation, Global Corporate Services, Research, Retail, Investment Management, Property- and Project-Management and Building Consultancy. CBRE has been active in Germany since 1973 with their headquarters in Frankfurt/Main and further offices in Berlin, Düsseldorf, Hamburg, Cologne and Munich.

Headquarters
Bockenheimer Landstraße 24
60323 Frankfurt am Main
Germany

t: +49 (0) 69 1700770
f: +49 (0) 69 17007777
w: www.cbre.de

Potenziale und Perspektiven, Berlin 2006
HSH Real Estate: Pflegeheime in Deutschland – Potentiale und Perspektiven, Oktober 2009
KDA: Was sind alternsgerechte Quartiersprojekte? Bausteine und Umsetzungsverfahren, Köln
KDA: Denkansatz und Innovationen für eine moderne Altenhilfe, Köln 2012
Michell-Auli, Peter – KDA: Quartiersentwicklung: Ziele Verantwortlichkeiten und politischer Handlungsbedarf, Köln 2011
Pieper, Richard (MODUS – Institut für angewandte Wirtschafts- und Sozialforschung: Bedarfsermittlung nach Art. 69 AGSG für die Stadt Nürnberg, Dezember 2010
Puch, Jans-Jochim/Schellberg, Klaus: Sozialwirtschaft in Bayern – Umfang und wirtschaftliche Bedeutung, Nürnberg 2010
Rheinisch-Westfälisches Institut für Wirtschaftsforschung: Altenheim Expo 2012. Pflegeheim Rating Report 2011 update, Langfassung, 3. Juli 2011
Rheinisch-Westfälisches Institut für Wirtschaftsforschung: Pflegeheim Rating Report 2011 – Boom ohne Arbeitskräfte?, Heft 68, Essen 2011
Statistisches Bundesamt – DESTATIS: Bevölkerung Deutschlands bis 2060 – 12. Koordinierte Bevölkerungsvorausberechnung – 2009, Wiesbaden 2009
Statistisches Bundesamt – DESTATIS: Demografischer Wandel in Deutschland: Auswirkungen auf Krankenhausbehandlungen und Pflegebedürftige im Bund und in den Ländern, Ausgabe 2010, Wiesbaden, November 2010
Statistisches Bundesamt – DESTATIS: Pflegestatistik – Pflege im Rahmen der Pflegeversicherung – Deutschlandergebnisse, Wiesbaden Februar 2011
Statistisches Bundesamt – Wirtschaft und Statistik: Die Bedeutung des Dritten Sektors, Wiesbaden März 2012, S. 209 – 218

IMMOTISS care

Contact information

For futher information please contact:

immoTISS GmbH

Prof. Dr. Hubert Oppl
Geschäftsführender Gesellschafter
t: +49 (0) 6171 923 59 30
e: ho@immotisscare.de

Jochen Zeeh
Geschäftsführender Gesellschafter
t: +49 (0) 6171 923 59 33
e: jz@immotisscare.de

CBRE GmbH

Dr. Jan Linsin
Senior Director
Head of Research Germany
t: +49 (0) 69 17 00 77 663
e: jan.linsin@cbre.com

Dennis Hartweg
Analyst
t: +49 (0) 69 17 00 77 633
e: dennis.hartweg@cbre.com

Hartwig von Garrel
Director
Team Leader Valuation
t: +49 (0) 30 72 61 54 184
e: hartwig.vongarrel@cbre.com

Translation/Editing:

Dipl-Übers. Melanie Zivcic
t: +49 (0) 69 17 00 77 619
e: melanie.zivcic@cbre.com

Dipl-Wirt. Angl. Janina Werner
t: +49 (0) 69 17 00 77 26
e: janina.werner@cbre.com

CBRE

IMMOTISS
care