



empirica Regional Data Germany

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1 Real Estate Prices

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Advertised Rent and Purchase Prices

Update	starting Q1/2004	quarterly / yearly
Regional Classes	German Counties (n=412) Cities / City Districts German Postal Code Areas	
Types	Residential	Condominium (1-, 2-, 3-, 4-and-more-Rooms) One-Family-House, Semi-Detached, Terraced House Building Plots
	Office	Total Several City Sites in Berlin, Dusseldorf, Frankfurt, Hamburg, Cologne, Munich, Stuttgart
	Retail	Total Several City Sites in Berlin, Dusseldorf, Frankfurt, Hamburg, Cologne, Munich, Stuttgart
More Variables	Floor Space Year of Construction Number of Rooms Size of Plot Price-Income-Ratio	
Specials	Price Structures (s. Appendix) Price Development over time + Supplements by size, year of construction, city district etc.	

Example: Advertised Rents for 3-Room-Flats in QII/2008

Region Name	cases n	Rent Euro/sqm/month						
		Mean	Strd. Dev.	Decile				
				10%	..	50%	..	90%
Flensburg	252	5,17	1,30	4,27		5,00		6,00
Kiel	494	5,74	1,69	4,32		5,50		7,18
Lübeck	270	6,08	1,25	4,77		5,90		7,50
:								

Region Name	Mean Floor Space	Rent Euro/month						
		Mean	Strd. Dev.	Decile				
				10%	..	50%	..	90%
Flensburg	71	368	157	265		338		477
Kiel	75	433	192	300		395		590
Lübeck	76	461	179	303		412		698
:								

Source: empirica Price Data (IDN Immodaten)

Advertised prices may differ from market prices. The benefit of advertised prices is availability. Additionally, our big sample size allows to calculate not only commonly used mean prices but also more meaningful parameters such as variances or distributions (median, deciles etc.). The data are based on an extensive price data set of IDN Immodaten GmbH. It contains advertised prices extracted from about 100 newspapers all over Germany (currently about 2 Mio. objects per quarter).

2 Residential Real Estate

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2-1 Supply and Demand

Update	yearly		
Regional classes	German Counties (n=412) City Districts and German Postal Code Areas (Vacancies only)		
Types	One/Two-Family-Homes (OTFH) Multi-Family-Homes (MFH)		
Variables	Name	Issues	Forecasts
	Vacancy (MFH only)	2001-2013	2035
	New Construction	1995-2013	2035
	Housing Stock	1995-2013	none
	Demand for Homes	2002-2013	2035
	Owner Occupation Ratio	1987, 93, 98, 2002, 06, 10, 11	on demand
Specials	At a Glance (s. Appendix 5-1) Population/Households: latest development and Forecasts Vacancies: latest Development by classes of floor space Prices: latest Development by market segments		

Example: Residential Market in the County of Schönebeck

County of Schönebeck										
year	2002	2003	2004	2005	2006	2010	2015	2020	2025	
Housing Market										
Vacancy										
Ratio (market active)	[7,6%]	[8,2%]	[8,6%]	[7,5%]	[7,2%]	-	-	-	-	
number of vacant flats	[1.700]	[1.900]	[1.900]	[1.700]	[1.600]	-	-	-	-	
Demand										
Total ('000 homes)	32,0	-	-	-	*)	31,6	30,3	28,5	*)	
of which: in MFH	17,2	-	-	-	*)	16,4	15,0	13,2	*)	
Stock										
Total	38.681	38.698	38.765	38.781	38.804	-	-	-	-	
MFH	22.815	22.692	22.595	22.518	22.462	-	-	-	-	
New Constructions										
Total	187	144	154	88	93	-	-	-	-	
MFH	30	12	0	0	19	-	-	-	-	
Owner occupied Homes										
Ratio	41%	-	-	-	40%	*)	*)	*)	*)	
*) coming soon										
[] Restricted Significance										

Source: empirica Regional Data

2 Residential Real Estate

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2-2 Ranking

Update	on demand
Regional Classes	German Counties (n=412)
Types	MFH (Multi-Family-Homes)
Variables	Name Current Rank Forecast 2025
Input	Current Rank Demand Purchase Power, Purchase Power Growth Economic Growth Price level (rent MFH units), Price growth (MFH units) Supply growth (MFH units) Vacancy rate (MFH units), Vacancy growth (MFH units) Gross initial yield (MFH units)
Input	Forecast Demand shift (MFH units) Economic growth Supply-demand-ratio (MFH units)

Example: Residential Market in the County of Schönebeck

Ranking Rental Housing Market (empirica-Scoring-Model)

Variable	Rank	Interpretation
Current Rank	401/439	last decile of all 439 counties
Forecast 2015	380/439	relative improvement to ninth decile of all 439 counties

Source: empirica Regional Data

3 Demography/Economic Environment

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Households – Population – Migration – Income – Wealth

Update	yearly		
Regional Classes	German Counties (n=412)		
Variables	Name	Issues	Forecasts
	Net Migration	1980-2013	2035
	Population	1990-2013	2035
	...by age classes	1998,2003,13	2035
	Households	1998-2013	2035
	...Mean size of HH	1998-2013	2035
	...by age classes	2003-2013	2035
	...by size classes	2003-2013	2035
	Income*	1995-2012	coming soon
	Income**	1995-2012	coming soon
	Net Financial Wealth**	1995-2012	coming soon
	Real Estate Wealth**	1995-2012	coming soon
	*per Inhabitant **per Household		

Example: Residential Market in the County of Schönebeck

County of Schönebeck										
	year	2002	2003	2004	2005	2006	2010	2015	2020	2025
Demography										
Net Migration		-557	-685	-529	-626	-787	-323	-520	-680	*)
Population in '000		75,3	74,3	73,3	72,2	70,9	68,5	64,0	59,1	*)
Households in '000		34,4	34,7	34,2	33,8	33,4	34,5	33,1	31,1	*)
Economic Environment										
<i>Means per Household in '000 Euros</i>										
Net Income		29,1	29,2	29,4	29,6	*)	*)	*)	*)	*)
Net financial assets		32,6	36,2	38,7	41,9	*)	*)	*)	*)	*)
*) coming soon										

Source: empirica Regional Data

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4 Employment

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Total Employment – Office Employment – Office Employment Ratio

Update	yearly		
Regional Classes	German Counties (n=412) Forecast for Regions only (n=97)		
Variables	Name	Issues	Forecasts
	Employment	1991-2011	none
	w/ social insurance*	1999-2014	2025
	...by 222 branches	1999-2010	none
	Office Employment	1999-2011	none
	w/ social insurance*	1999-2011	2025
	...by 60 branches**	1999-2010	none
	Office Employment Ratio	1999-2011	none
	w/ social insurance*	1999-2011	2025
	...by 60 branches**	1999-2010	none

*w/o self-employed and civil servants
**for 97 Regions only

Example: City of Jena and Eastern Thuringia Region

year	City of Jena						Eastern Thuringia			
	2002	2003	2004	2005	2006	2007	2005	2010	2015	2020
Employment in '000	59,3	57,9	57,8	57,4	58,4	n.a.	-	-	-	-
...w/ social insurance*	44,4	43,1	42,5	41,6	42,6	43,6	219,0	228,8	228,2	*)
Offic Employment in '000	21,7	21,7	21,3	21,1	21,6	n.a.	-	-	-	-
...w/ social insurance*	18,1	18,0	17,5	17,3	17,9	18,4	63,7	68,5	70,4	*)
Offic Employment Ratio	39%	40%	39%	39%	0,4	n.a.	-	-	-	-
...w/ social insurance*	41%	42%	41%	42%	42%	42%	29%	30%	31%	*)
*) coming soon										

Source: empirica Regional Data

5 Some Special Products

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5-1 empirica Price Structures: Rent and Purchase Prices in Regional Markets

The “empirica-Price-Structures” show the Development of advertised Rental and Purchase Prices within the last 16 Quarters due to a Reference Condominium (Built after 2000, 60-79sqm floor space and high quality equipment).

Furthermore, Supplements for different years of construction, different floor spaces or equipment as well as Supplements for several city districts or German Postal Code Areas are estimated.

The “empirica-Price-Structures” can be ordered for every German City or Region

Price: 179 Euro plus 19% VAT per City or Region

5-2 At a Glance: Residential Real Estate Markets – Regional Overview

The empirica-Product „At a Glance “ shows the latest Development and Forecasts for Population and Number of Households for any German City or Region. Furthermore, the Development of Vacancies (by classes of floor space) as well as latest Developments of Prices in several Market Segments are shown (advertised Rental and Purchase Prices)

Price: 179 Euro plus 19% VAT per City or Region

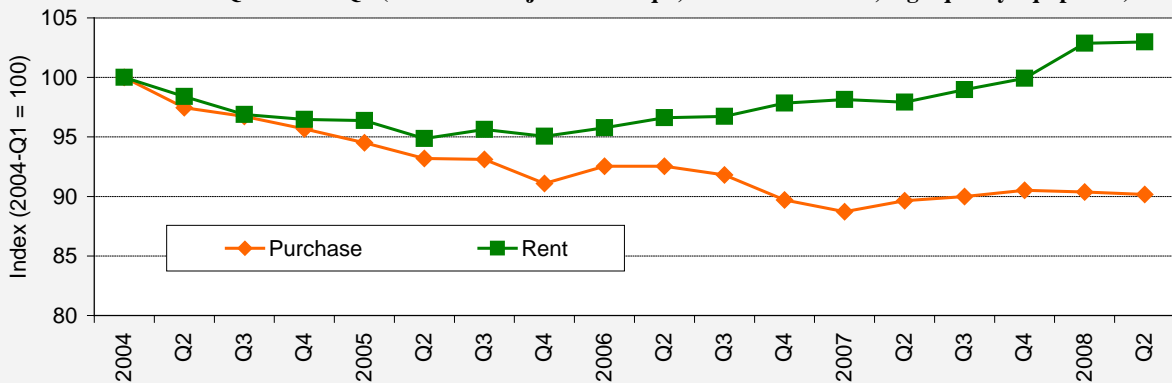
5-1 empirica-Price-Structure: Munich Q2/2008

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In Munich new Condominiums with 60-79sqm of floor space and high quality equipment are advertised for purchase at a price of 3.304 €/sqm and for Rent at a price of 12,08 €/sqm. Hence, advertised Purchase Prices are 7% lower and Rental Prices are 5% higher compared to 3 years ago.

Advertised Prices 2004-Q1 to 2008-Q2 (Reference Object: 60-79sqm, New Construction, high quality equipment)



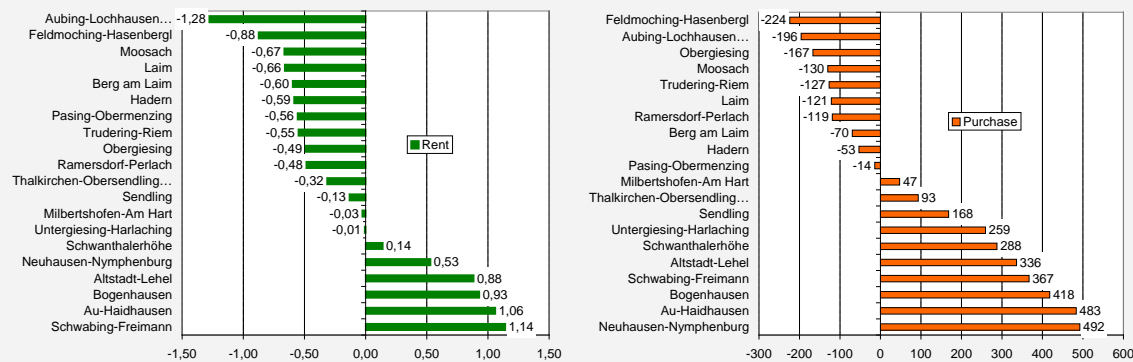
Different year of construction/floor space/equipment cause price variations (calculated as supplements). Lowest supplements must be paid for buildings of the 1960th, highest Supplements for smallest and biggest class of floor space.

Supplements by floor space, year of construction, equipment and City Districts in €/sqm

Reference (R)		Supplement for floor space		Supplement for year of constr.				
	Purchase	Rent	Purchase	Rent	Purchase	Rent		
Newly built*	3.304	12,08	<20sqm	+202	+7,03	before 1950	-331	-0,55
Supplement for Equipment			20-39sqm	-114	+2,09	50th	-768	-1,25
	Purchase	Rent	40-59sqm	+4	+0,67	60th	-1.058	-1,44
low quality	-336	-0,49	60-79sqm	R	R	70th	-955	-1,35
normal	-157	-0,35	80-99sqm	+86	-0,07	80th	-726	-1,00
high quality	R	R	100+sqm	+449	+0,69	90th	-438	-0,56
luxury	+233	+1,23				after 1999	R	R

*current quarter (reference object: 60-79sqm, new Construction, high quality equipment)

New Tenants have to pay most in Munich-Schwabing (+1,14 €/sqm), least in Munich-Aubing (-1,28 €/sqm). Purchasers pay most in Munich-Neuhausen-Nymphenburg, least in Munich-Feldmoching-Hasenbergl.



Source: Regression Results based on empirica Price Data (IDN Immodaten)

5-2 At a Glance: Residential Real Estate in Pforzheim Q2/2008

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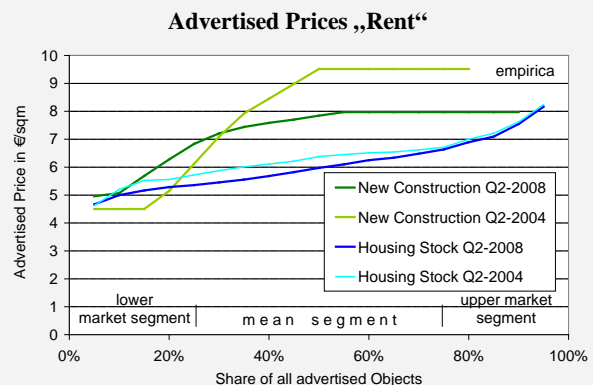
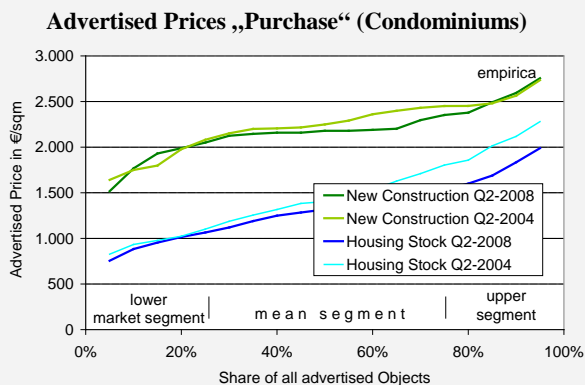
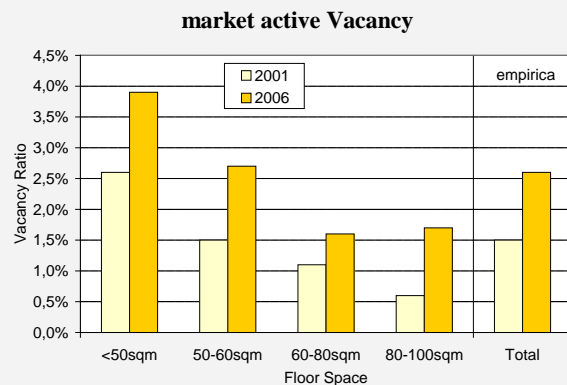
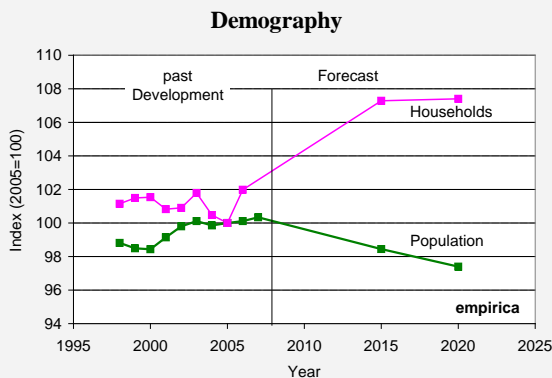


Demography: The City of Pforzheim will lose almost 3% of today's population until the year of 2020, these are about 3,500 Inhabitants. Nevertheless, demand for Homes will rise by about 5% due to shrinking household size.

Vacancy: Market active Vacancy in Multi-Family-Homes is 2,6% and thus lies clearly above the Mean of the Federal State Baden-Württemberg (1,5%). Within the last five years vacancy rose significantly in Homes with smallest and biggest floor space.

Purchase: Prices for advertised Condominiums have fallen within the past four years (Median -3% for new construction, -6% in the housing stock), especially concerned is the upper market segment (-14%).

Rent: Prices for advertised Rents also have been falling since Q2/2004 (-18% for new construction, -6% in the housing stock, -7% in total). However, since Q1/2006 rising Prices can be observed.



Reading Example Purchase Prices of new constructions Q2/2008: The 25% cheapest Objects (lower market segment) are advertised less than 2.050 €/sqm. The middle 50% of all Objects (mean segment) are advertised between 2.050 und 2.350 €/sqm, the 25% most expensive Objects (upper segment) are advertised more than 2.350 €/sqm.

New Construction 2008 (2004) = starting in year of construction 2005 (2001). Sources: empirica-Regional Data (demographic Development), empirica-Price Data (IDN Immodaten GmbH), Techem-empirica-Vacancy Index (market active Vacancy)

More Analysis by Postal Code, City Districts, Number of Rooms, Floor Space etc. on demand