

1 Yield sacrifice for Social Real Estate

1.1% of the return for the common good. A reduction of the return in this order of magnitude is accepted for Social Real Estate in favour of the welfare of users, citizens and society as a whole. A handsome amount with a great deal of scope for Social Real Estate.

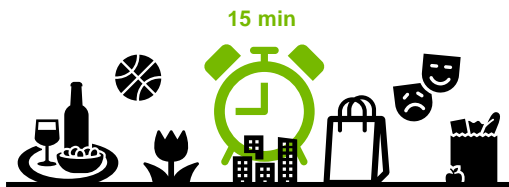


2 Residential: Rent premium for health, climate and mobility

Residential tenants are willing to pay a rent premium of 4.3% for Social Real Estate. Willingness to pay is particularly high in the categories of health for users and citizens (5.4% and 5.2% respectively), sustainable building quality (5.3%) and mobility (5.3%), i.e. good accessibility by public transport or bicycle.

3 Office: S-criteria are to be considered in detail

Generation Z International has the highest expectations of S-compliant offices (58%). And thus, even rank them as a job selection criterion - a relevant factor in times of a shortage of skilled workers. The categories health and mobility are weighted particularly strongly (67% and 64% respectively). User networking, on the other hand, hardly plays a role (37%). A tenant app or tenant or neighbourhood management do not score any points.

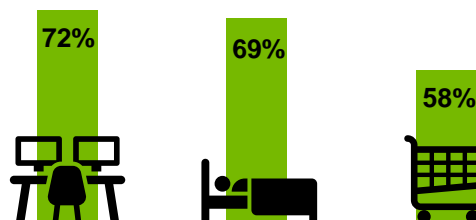


4 15-minute city for residential – for office not mandatory

Shopping facilities, jobs, education, culture or green spaces should be in the immediate vicinity of the place of residence. A rent premium of up to 4.5% would be paid for this. With regard to the office, on the other hand, the surroundings are less important and only achieve a below-average relevance rating (42%). The habituation to the home office is noticeable: the office is visited less frequently, but cafés near the home office are appreciated all the more.

5 Focus on office and residential - Shopping centres flying blind

Office and residential buildings are expected to have the highest transformation effort in relation to the S-criteria (72% and 69% respectively). Shopping centres are only in 6th place (58%). Little need for adaptation or a value set too low? Finally, S also means the implementation of social standards in supply chains. This implies a rejection of fast fashion and a reorientation in the tenant mix.

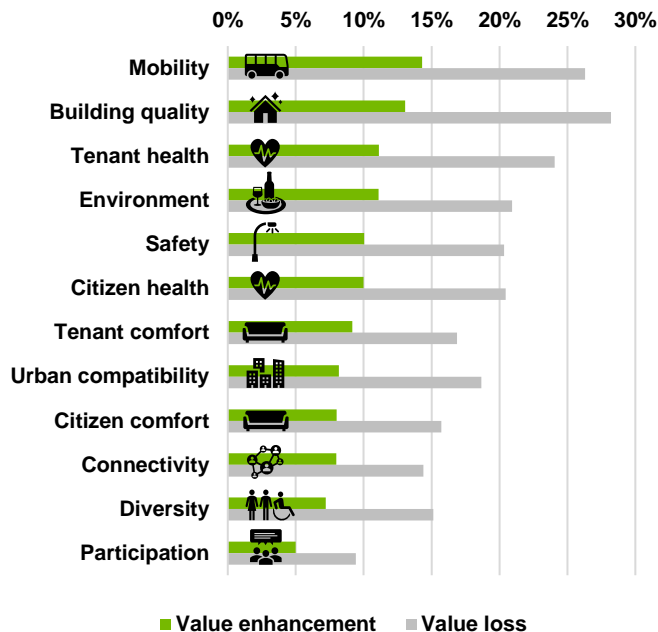


6 S costs, but also leads to higher yields!

The expected increase in revenue for S-compliant properties and fund products is 8 % and 8.7 % respectively. On the expenditure side, building and operating costs dominate (increase of 10.8 % and 10.3 % respectively) as well as transformation costs for the conversion of processes (10.1%).

7 S-criteria are triggers for value increases and losses

The S-criteria allow real estate values to rise (appreciation potential +9,6%). However, insufficient implementation of the S-criteria leads to damage, properties are at risk of stranding. For example, diversification ideally leads to a good tenant mix, but in the negative case to the formation of ghettos. Value losses are quantified at -19.2% across all S-categories. The greatest losses are in the categories of mobility, building quality and health. For comparison: The potential increases and decreases in value with regard to the E-criteria rank between +8.6% and -20.5%, respectively, according to PMRE Monitor 2021.

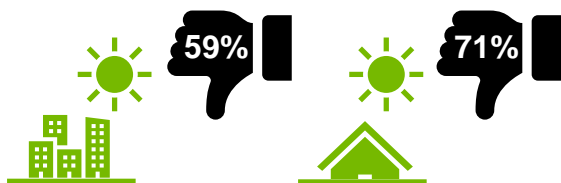


8 No chance for affordable housing

Ensuring affordable housing is a key objective of EU taxonomy. However, from the participants' point of view, it will not be achieved. The approval rating is only 32%. Tenants' willingness to pay more for a social tenant mix is also low (rent increase 2.6%). Therefore, more is needed for socially acceptable rents: incentives from the state, legal requirements and support from the capital market.

9 Heat and health decide where to live

How will people live in the future? Since the beginning of the Corona pandemic, megacities have lost much of their appeal (-12 %) and rural regions have gained in attractiveness (+3 %). In addition, living in inner cities is no longer an option for many people (59 % and 64 % respectively) due to heat, noise and air pollution. The rejection of attic flats is particularly striking. Due to the fear of heat, the rejection rose by 19% within two years to a total of 71%!



10 Social engagement promotes employee loyalty

The implementation level of the S-criteria is currently still below average (41%). However, when employers are socially engaged, they reward themselves. Companies with a strong focus on the S-criteria show significantly better results. Reason enough to listen to employees: Young people want health, the economy wants social engagement. On the other hand, everyone agrees on culture. With the highest value of 88%, it is clear that corporate culture is not only a job selection criterion, but also a good reason to change employers.