



TABLE OF CONTENTS

1	INFORMATION PROVIDED	2
2	DISCOUNTED CASH FLOW METHOD.....	2
2.1	General Assumptions	2
2.2	Inflation Rate	2
2.3	Occupancy	3
2.4	Lease Renewal Probability	3
2.5	Expenditure.....	3
2.5.1	Property Related Expenses.....	3
2.5.2	Letting Costs.....	4
2.5.3	Capital Expenditure	4
2.6	Costs of Purchase and Taxation.....	4
2.7	Discount Rate	4
2.8	Capitalisation Rate.....	4
3	VACANT POSSESSION VALUE	5
3.1	Methodology.....	5
4	INDICATIVE RE-INSTATEMENT COST.....	5
4.1	Methodology.....	5
5	MARKET DESCRIPTION	6
5.1	General Economic Conditions	6
5.2	The German Logistics Market.....	8
5.2.1	Overview	8
5.2.2	Take-up.....	9
5.2.3	Industrial Investment	13
5.2.4	Yields	14
5.2.5	Rents.....	15
5.3	Automotive Servicing Market.....	16



1 INFORMATION PROVIDED

In Germany there are 27 properties. The properties are predominantly logistics and light industrial properties as well as car repair shops.

We have been provided with the following information:

- Asset Book by Eastdil
- Hengeler Mueller, Red Flag LDD Report, Fourth Draft, 28 May 2018
- Nova (for ISEC), initially produced in 2016 for debt purposes, updated in 2018; RPS EDD, Phase 1 Liability Review, undated
- Technical DD: Nova (for ISEC), initially produced in 2016 for debt purposes, updated in 2018
- Financing Rent Roll, attachment to Hengeler Mueller LDD
- Data Tape, undated
- Technical Specifications, undated
- Technical Due Diligence Desktop Review, prepared by Arcadis, dated April 2018
- Allen & Overy review of LDD, draft, dated 20 July 2018

2 DISCOUNTED CASH FLOW METHOD

We have applied an income-based approach to value in form of the Discounted Cash Flow Method. The cash flow has been modelled and discounted using an MS Excel-based DCF model. Tax liabilities and other such capital costs are not reflected.

In the Discounted Cash Flow method, a 10 to 12 year cashflow period has generally been adopted, depending on the stability of each property's terminal value, with the assumption that all payments are made annually in arrears. The terminal value of each property at the end of the holding period is based on the estimated net operating income (NOI) of the year following the final cash flow year and calculated using an income capitalisation approach at an assumed exit yield. The NOI is hereby also capitalised annually in arrears.

2.1 General Assumptions

The application of the Discounted Cash Flow model is based on the following basic calculation assumptions:

The valuation has been performed on the basis of parameters determined as at the date of valuation.

The average annual rate of inflation has been explicitly reflected in our assessments of rents and costs.

2.2 Inflation Rate

The average annual rate of inflation is assumed to be 1.20% for the next four years and 2.0% from year 5 onwards. The inflation rate affects all regular as well as irregular expenses and is the basis for any rent adjustment clauses for current and market based lease contracts.



2.3 Occupancy

We are of the opinion that each property has no structural features that would impose significant restrictions on new potential tenants. With a good incentive package including tenant improvements (fit-out costs), rent-free periods and comparatively low market rents, especially in the markets with high supply, we considered re-letting to full occupancy during the cash flow period.

Some properties have accommodation that does not readily match market demand, that may therefore be difficult to let / re-let. We considered these areas as structural vacancy.

2.4 Lease Renewal Probability

Short-term as well as rolling lease agreements are typical for these types of properties. Renewal probabilities normally range between 60% and 70%. However, we have considered a more conservative lease renewal probability approach of 50% that renewal options will be exercised by the tenants.

2.5 Expenditure

2.5.1 Property Related Expenses

We have not been provided with information regarding non-recoverable operating costs. We have therefore calculated typical costs under consideration of user structure and comparable properties as follows:

Running Expenses

We have not reflected any non-recoverable costs over the remaining lease terms, since the ancillary and running cost positions, which normally comprise non-recoverable costs are fully recoverable in all cases according to the lease provisions. Thereafter, we made a regular deduction from passing rents of 1.00% of the gross annual rental income to account such expenses.

We have reflected a service charge shortfall for all areas which temporarily fall vacant in the course of the assumed holding period due to tenant turnover, by applying extra costs amounting to an additional amount of € 9.00/ sqm to € 12.00/ sqm of vacant lettable area per year.

Landlords' Repair and Maintenance Costs

The property owner is responsible for structural repairs and maintenance for the building with no formal legal definition available for the dividing line between measures that would fall into the tenants' sphere of responsibility and measures where the costs would minimise the owner's cash flow. For the purposes of the calculation and in keeping with the assumption of a regular cash flow in perpetuity it is therefore prudent to allow for a regular deduction to cash flow to account for such measures that will occur from time to time.

Our allowance for repairs and maintenance reflects a basic assumption of a stabilised income flow in perpetuity and refurbishment costs of between € 3.50/sqm and € 6.00/sqm p.a. for the lettable areas. For property specific repair and maintenance allowances please refer to the individual property reports.



Property Management Expenses

We have assumed that not all management expenses will be recovered by the property owner and have therefore made a regular deduction from passing rents of 1.00% of the gross annual rental income.

2.5.2 Letting Costs

We have explicitly considered letting costs for the vacant spaces during the cashflow including void periods, rent-free periods, letting fees as well as tenant improvements (fit-out costs). For more details please refer to the individual property reports.

2.5.3 Capital Expenditure

We have reflected short and medium-term Capital Expenditures (all priorities) of the Technical Due Diligence Desktop Review prepared by Arcadis in April 2018. We assess that long-term Capital Expenditures are considered within the maintenance flat charges.

2.6 Costs of Purchase and Taxation

We have not deducted an allowance for the costs of sale to the vendor but have allowed in the normal way for purchaser's costs at rates between 6.00% and 9.00% of the sales proceeds in arriving at our opinion of value.

The costs allowance comprises 3.50% to 6.50% for land transfer tax (depending on the German federal state in which the properties are located), 1.00% for notary and legal fees and 1.50% for brokerage fees.

2.7 Discount Rate

The discount rate for each property has been applied under consideration of the overall risk profile of each property on a case-by-case basis.

The discount rate reflects the risk profile during the cash flow period, the current attractive financing conditions and market heat. The discount rate has been calculated from a long-term risk-free rate plus a risk premium for the property in accordance with international valuation practice. The risk-free rate has been taken from the current yield of fixed-income government bonds with a term of 10 years to reflect the long-term horizon of real-estate investments. The current risk-free rate is at 0.45% (Germany Bund 10 Year, as at 31 July 2018), the average of the last ten years at some 1.7%. The applied discount rate has therefore been calculated from an average risk-free rate of 1.7% and an asset-specific risk premium reflecting the limited liquidity of real estate investments compared to more liquid asset classes such as stocks or bonds.

Please note that we have considered operating expenses, capex, purchaser's costs as well as re-letting costs explicitly in our cash flow. Thus, these risk items are not reflected in our choice of the discount rates. Our choice of discount rates has furthermore been made with attention equally focused on the resulting multiples and the capital values per square metre. For an overview of the individually applied discount rates please refer to the value overview.

2.8 Capitalisation Rate

The choice of the capitalisation rate (exit yield) is based on an appropriate capitalisation rate reflecting the long term expected market environment, the structure of the subject property, re-letting probability, the building quality, its occupancy, its location and the future mar-



ket uncertainty as at the end of the cash flow period, as well as with reference to the resulting multiple (Market Value divided by the annual contractual rental payment). This has been assessed for each property on a case-by-case basis.

When arriving at the yield level for each property, we considered the comparable evidence available as well as the professional knowledge and expertise of our investment team specialists. We have carefully weighted the fundamentals in the context of comparable data as well as the condition of the market. In general, we also conclude our Discount and Cap Rate reciprocally, meaning we compare the resulting yields and the value per sqm with comparable transactions. For an overview of the individually applied capitalisation rates please refer to the value overview.

3 VACANT POSSESSION VALUE

3.1 Methodology

The Vacant Possession Value (i.e. Market Value subject to Special Assumption that the property is available with vacant possession as at the date of valuation) has been calculated using the Discounted Cash Flow model assumptions as detailed above in respect of the Market Value, subject to the special assumptions, as well as the general assumptions and considerations. Compared to the Market Value assessment we considered a six months longer initial void period and risk premiums 0.5% to 1.75% in the applied discount rate.

4 INDICATIVE RE-INSTATEMENT COST

4.1 Methodology

In accordance with your instructions, we have assessed the Indicative Re-instatement Cost of each property. This is given solely as a guide and without warranty, as a formal estimate for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs.

For the purposes of the calculation of the Indicative Re-instatement Cost value we have reflected the expected cost of the demolition (site clearance) of the existing structure as well as the cost of construction including ancillary charges for an appropriate replacement building. For the detailed calculations and assumptions please refer to the individual property reports.



5 MARKET DESCRIPTION

5.1 General Economic Conditions

1. Low budget deficits, a sound debt to GDP ratio and strong credit ratings have distinguished Germany in recent years. Perceived as an anchor of stability within the euro-zone, low unemployment levels and a strong export-driven manufacturing sector have maintained positive GDP growth every year since the recovery began in 2010. Added to this, while until recently German economic growth was predominantly export-based, we have finally seen growth which is more consumer-driven.
2. The economic outlook of the southern euro-area countries is slowly improving however there are concerns regarding the political and economic solidarity of the EU in the light of various member states' renewed focus on more parochial national policies and the UK's impending "Brexit", exacerbated by the British government's apparent lack of a clear negotiating position. This, added to continuing wider geopolitical tensions, uncertainty due to the unpredictability of policy in the US, including towards Iran as well as the danger of a trade war with China, is leading to GDP growth forecasts which, while positive, are still subject to the caveat that none of these risks leads to further disruption.
3. The level of investor confidence expressed in the ZEW economic sentiment declined in the first half of 2015 and again in July 2016 following the Brexit vote in the UK, but then stabilised and then fluctuated only within a relatively narrow neutral to modestly positive band. However, it fell by 26 points from February to May 2018, to -8.2 its lowest level since November 2012 and well below the long-term average (+23.8).
4. The primary economic data for the past two years, and forecasts for 2018 to 2021 are as follows:

Table 1: Germany – Economic Overview

Economic Indicators	2016	2017	2018	2019	2020	2021
GDP growth	1.9	2.5	2.2	1.7	1.3	1.0
Unemployment rate (%)	6.1	5.7	5.2	4.9	5.0	5.2
Inflation	0.5	1.7	1.8	1.8	2.2	2.1
Consumer spending	1.9	2.1	1.4	1.7	1.3	1.0
Investment	2.9	3.9	3.4	3.2	2.2	1.4
Industrial production	1.8	3.3	2.9	2.4	1.4	0.8
US\$/EUR*	1.11	1.13	1.23	1.29	1.28	1.26
Interest rates short term (%)	-0.3	-0.3	-0.3	-0.1	0.3	0.6
Interest rates long term (%)	0.1	0.4	0.7	1.2	1.6	2.0

*Source: Oxford Economics, May 2018, annual percentage change, except where otherwise indicated, *average nominal exchange rate in dollars per euro over year*



5. In Germany, the robust employment market, positive GDP growth, and a continuing, if modest, growth in consumer spending are currently accompanied by a restrained outlook concerning investment in machinery and equipment and industrial production. This is due to the continuing sovereign debt crisis affecting the euro zone, as well as the global economic situation, in the light of current political instability. Concern about these matters is leavened by the still relatively moderate price of oil and favourable euro exchange rates, both of which currently benefit the German economy. The generally positive but restrained sentiment may also be a reflection of the high degree of uncertainty in many of the major variables affecting the economy at present.
6. The low inflation and low interest rate environment appears to be slowly drawing to a close. Inflation in Germany was 1.7% between December 2016 and December 2017, with the price of food and rents latterly being the drivers, and a similar level is forecast to prevail for the rest of 2017. Interest rates remain at historic lows, with the ECB's main rate held at 0% since March 2016. However, in the light of the Fed's decisions to raise its main target interest rate range to 1.75-2.00 % in June 2018, combined with rising inflation and pressure from lending banks, as well as the tapering of quantitative easing by the ECB, the raising of interest rates is becoming somewhat more likely. Any such changes in policy have to address the entire Euro area and will not be a response to pressure due to rising inflation in Germany alone.
7. The May 2018 Ifo business climate was at 102.1, falling back further while remaining slightly positive, (neutral = 100), having followed a generally slightly rising trend with slight fluctuations since early 2014. It should however be noted, that the two component dimensions of the climate index, current situation and expectations, diverging further; while assessment of the current situation was positive at 106.0, expectation levels fell to 98.5, meaning that a deterioration is expected.
8. The GfK consumer sentiment survey, while falling very slightly, by 0.1 for the second consecutive month, to +10.7 in May 2018, has not diverged far from its long-term trend of very gradual improvement. The combination of low unemployment and burgeoning inflation are expected to lead to further real increases in income, following some pay rises which have already taken place, and thus to sustain consumer spending. Traditionally, Germany has had high levels of private saving and this, at least relatively speaking, remains the case. Even prior to the financial crisis there were neither debt nor mortgage bubbles to burst. German consumers are thus still comparatively unburdened by debts which might otherwise absorb increases in income.
9. Major potential threats to the German economy are still present in both the broader geopolitical situation and in the continuing potential financial instability of various euro-zone countries, especially Greece, as well as Italy, since the election of a new populist government. This includes the state of banks and companies that conduct business in those countries and the potential costs of a response required to be made by EU institutions. An example is that of Monte dei Paschi di Siena, the third-largest retail bank in Italy, which came under pressure due to a major capital shortfall and required state support the state as part of a recapitalisation plan approved by the EU. Such threats are countered, in their repercussions for Germany, by the robustness of the German domestic labour market underpinning sustained consumption and by currency exchange levels advantageous to German exporters, in part driven by tightening interest rate policies in the USA.
10. It should be noted that some additional uncertainty is presented by the outcome of the general election in Germany, in which, despite the recent spate of political "surprises" Angela



Merkel remains chancellor. However, as is usually the case in German elections, her party, the centre-right CDU, did not win an outright majority and the new “grand coalition” with the centre-left SPD, while maintaining a stable course, has not yet distinguished itself via any significant legislation.

11. Generally, the various forecast and survey results quoted indicate a positive current situation and expectations on the basis that circumstances remain broadly stable, or develop as expected. The large number of factors which are currently contributing uncertainty, however, means much is dependent on how these issues are resolved, and geopolitical risk is currently at an elevated level, resulting in a climate of caution and possible volatility.

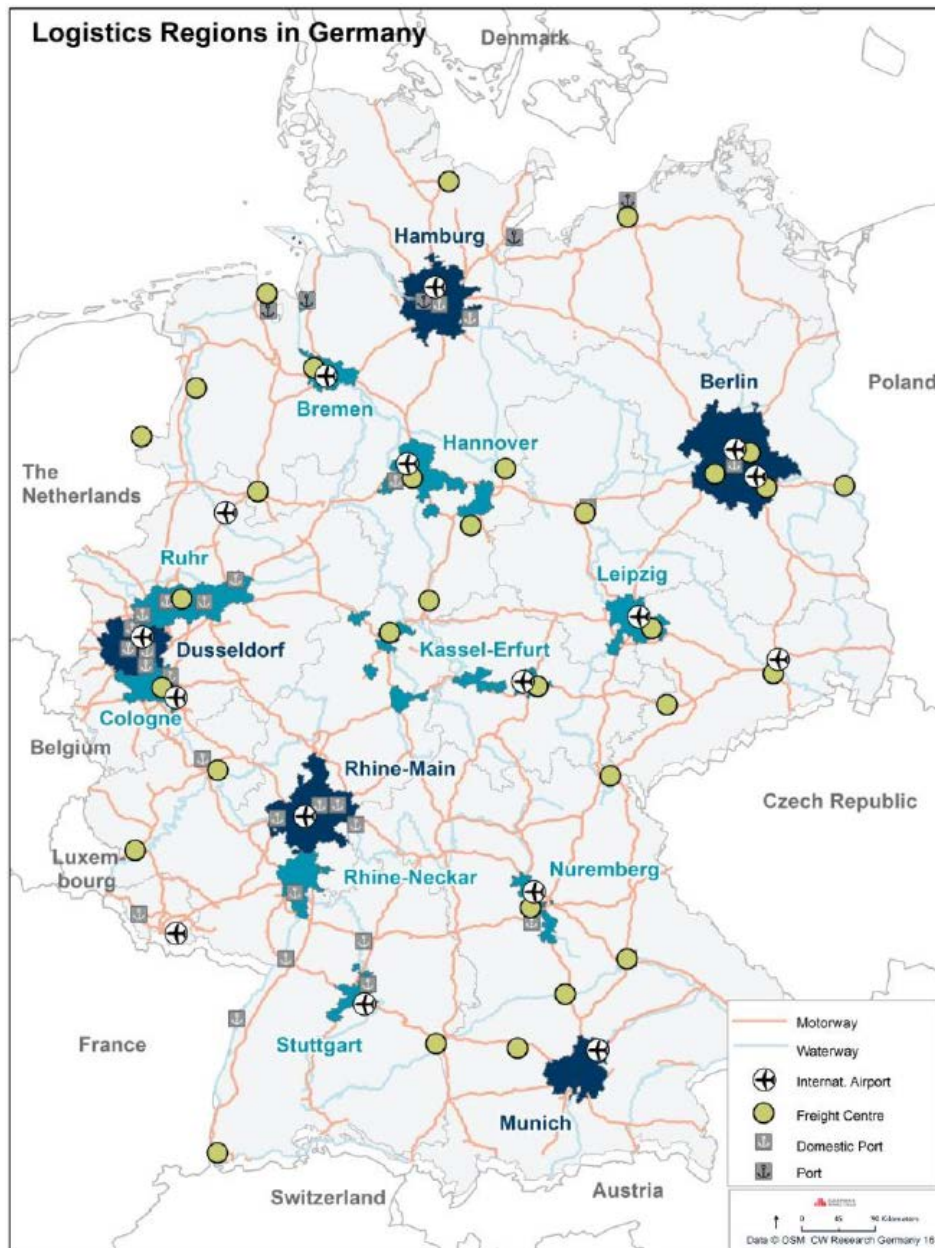
5.2 The German Logistics Market

5.2.1 Overview

12. Germany is the fourth-largest economy in the world, with nine neighbouring states. The country is not only an important transit corridor, but also a bustling logistics hub. More goods pass through Germany than through any other European country, making it the largest European logistics hub.
13. International trade plus strong domestic demand for logistics services, driven by the country's powerful export sector and its more than 80 million inhabitants, make Germany a top logistics location.
14. According to the Bundesvereinigung für Logistik (BVL) some 60,000 companies – predominantly medium-sized – and more than 3 million employees are involved in this dynamic and excelling sector, with turnover exceeding € 258 billion in 2017. The largest German logistics companies are Deutsche Post DHL, DB Mobility Logistics AG and Rhenus AG.
15. E-commerce and “industry 4.0” are the current drivers of the sector. City logistics, meaning small distribution centres within the municipal boundaries of the large cities, will change networks and procedural flows.
16. For a number of years, logistics space stock development was very predominantly focused on pre-let assets. Now, due to strong demand, an ever-increasing amount of speculative building activity is taking place.



Figure 1: Logistics locations: TOP-5 and others



Source: C & W (U.K.) LLP – German Branch

17. Germany ranks number 1 globally in terms of logistics performance according to the most recent survey by the World Bank. The main strengths of the German logistics market are infrastructure, punctuality and logistics competence. Relatively speaking, the weakest rating is with regard to international shipments.

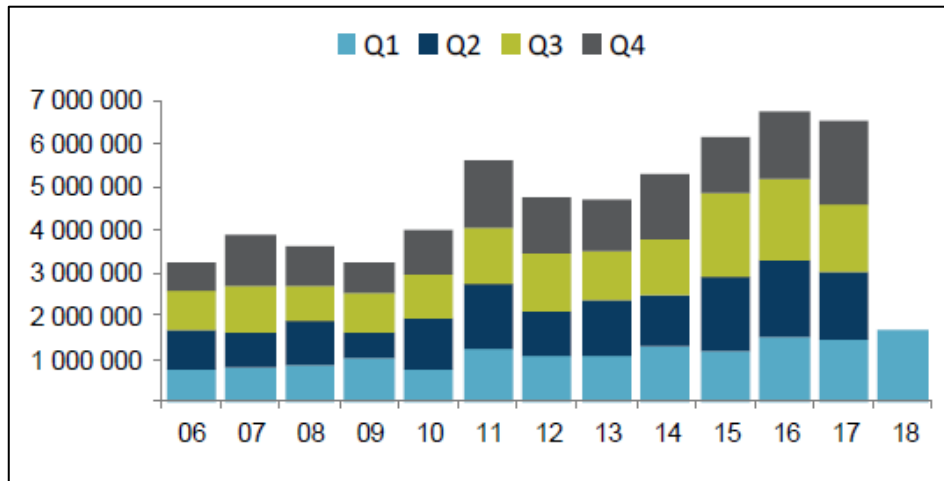
5.2.2 Take-up

18. Take-up (new lets plus owner occupation) of warehouse and logistics space totalled 1.645 million m² by the end of the first quarter of 2018. This figure constituted the strongest start to a year of the last 10 years.



19. The ten-year-average (1.14 million m²) was exceeded by 44% and the five-year-average (1.304 million m²) was surpassed by 26%. Last year's Q1 figure was exceeded by some 13%. This strong result is mainly due to transactions outside the top-5 markets.

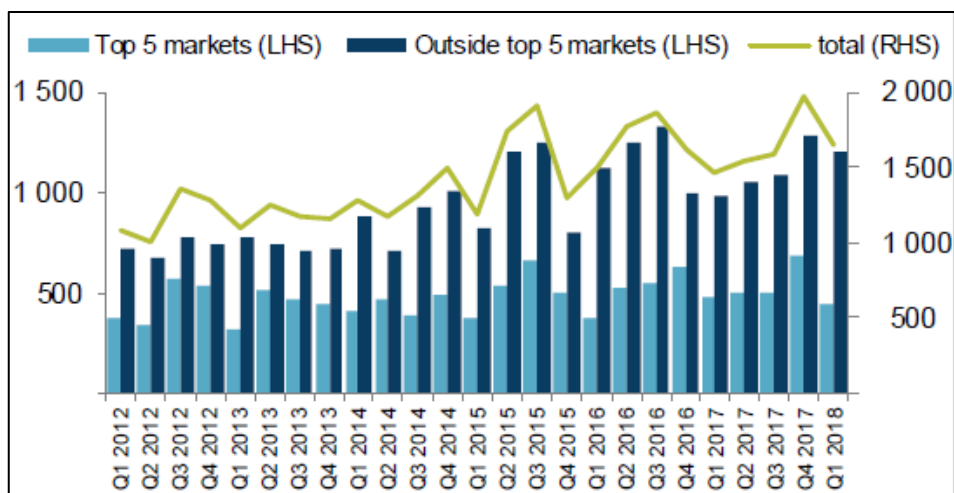
Chart 1: Take-up warehouse space in Germany (m²)



Source: C & W (U.K.) LLP – German Branch, Q1 2018

20. Take-up in the 5 major markets contributed a good third to the overall result for Germany at some 441,300m² in the first quarter.
21. Outside the top-5 markets new lets, purchases for owner occupation and construction starts by owner occupiers totalled 1.204 million m².
22. Compared to the same period last year, take-up in the 5 major markets decreased by 7%, whereas take-up outside these markets increased by 22%.
23. Lack of supply in the major conglomerations, both of large properties and affordable land for the development of large-scale distribution centres, is forcing occupiers to turn toward the regions outside the top 5.

Chart 2: Take-up warehouse space: Top-5 and abroad, 1,000 m²



Source: C & W (U.K.) LLP – German Branch, Q1 2018

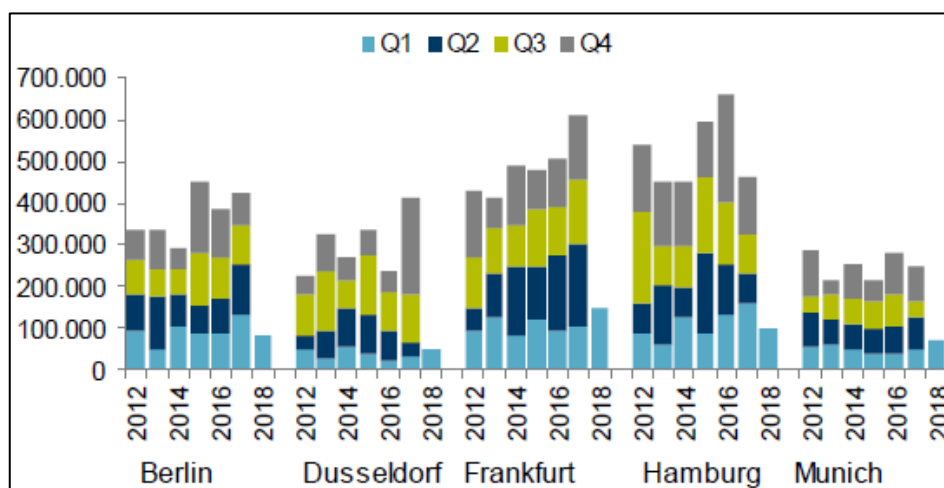


24. New-builds accounted for more than 70% of take-up. The reason for this is that existing stock is often neither quantitatively nor qualitatively sufficient to fulfil the demand for space. Users respond either by building themselves or by pre-leasing in properties already under construction. Property developers are ever increasingly commencing construction speculatively and can therefore offer modern space to companies with short lead times.
25. Logistics services and retail companies were the strongest sectors at the beginning of 2018, contributing 40% and 34% to the total respectively. Manufactures contributed some 24% to total take-up. The two largest deals in the quarter, both involving new developments for online trading contributed to the strong performance of the retail sector.
26. From January to the end of March three deals of 50,000m²-plus took place, contributing 15% of the total take-up Q1 2018. The large number of new leases for space in the segment up to 20,000m² forms the solid basis of take-up in this quarter.
27. The major transaction of the first quarter was a pre-lease by Amazon. IDI Gazeley set up a new logistics centre of some 100,000m² in the AUREA inter-communal industrial park in Oelde or the online mail order company. The centre will go into operation at the end of 2019.
28. The next-largest deal was the commencement of construction for an e-commerce logistics centre by the furniture retailer XXXLutz KG in the Erfurter Kreuz industrial area near Arnstadt. The first construction phase, providing around 75,000m² of logistics space, will be completed in the second half of 2019. In total, more than 150,000m² of warehouse and office space is planned for completion by 2022.
29. The freight-forwarding and logistics company Pfenning Logistics began the construction of a 64,000m² multi-user logistics centre in Monsheim near Worms. Completion is expected by the end of 2018.
30. Panattoni is building a 45,000m² packaging centre in the Jade-Weser port in Wilhelmshaven for Volkswagen AG. Operation will start in 2019. A logistics service provider will then take over the international distribution for Volkswagen at this location.
31. Shortly before the construction start of the expansion of the P3 logistics park in Kamen, an undisclosed German logistics company signed a lease for around 37,000m². Some 80% of the first construction phase is now let. The spaces will be handed over by the end of 2018.



38. At 69,000 m², the Munich logistics market region exceeded the previous year's Q1 result by some 35%. The Take-up was generally contributed by new lets, purchases and construction starts by owner occupiers of spaces up to 10,000m². A new let to an e-commerce company in Aschheim of some 12,000m² was the largest deal of the first quarter.

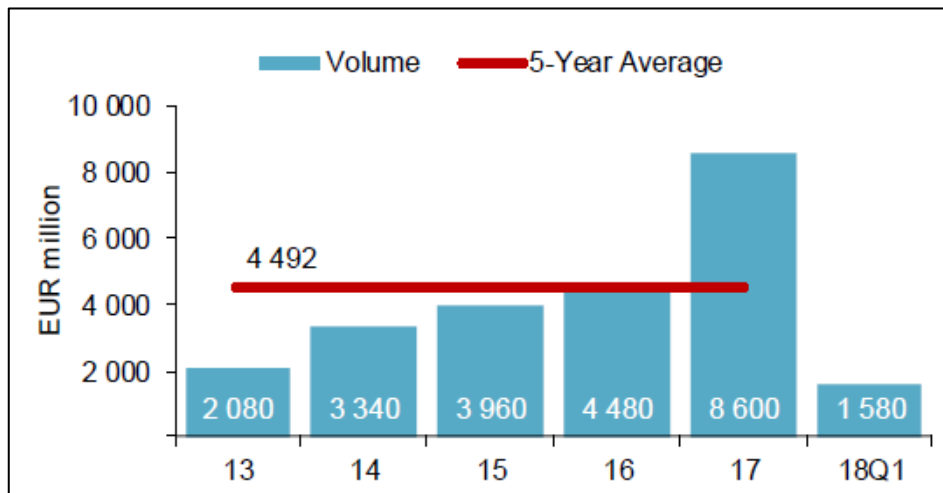
Chart 3: Take-up warehouse space Top-5, 1,000 m²



Source: C & W (U.K.) LLP – German Branch, Q1 2018

5.2.3 Industrial Investment

39. Investment activity in industrial assets has increased steadily over the last several years. Major drivers of demand include high acquisition prices in the office and retail market which have caused investors to turn to the industrial sector, the ongoing expansion of digitalization and e-commerce changing the requirements for B2C and B2B distribution nets which is resulting in new-player entries and the ongoing high demand for spaces and new supply in the segment.
40. This situation is reflected in strong take-up figures and a high level in new constructions with speculative building starts becoming more often than in previous years. The majority of investors focus on large new properties. However, more and more investors also are focusing on value-add properties.
41. The latter purchase older stock, mainly located within or close to the city boundaries of the larger markets, undertake some trading-up works and re-let it; often as mixed-use stock.
42. Stock owners have been taking advantage of the attractive market conditions to divest their properties due their strategic realignment. Overall, holding periods have become shorter.
43. End investors are keen to secure property via forward funding / forward purchasing at an early stage or participating in joint ventures. Others take over entire companies or, particularly when it comes to existing stock, large investment platforms as happened significantly in 2017.

**Chart 4: Industrial Investment volume**

Source: C & W (U.K.) LLP – German Branch, Q1 2018

44. Never before have so many warehouse and logistics assets been traded as in 2017. The industrial and logistics real estate category is the rising star of the German investment market. In 2017 aggregated transaction volume (€8.6 bn) was far beyond any previous annual result. The main reason for this was a number of mega-portfolio transaction and often additionally involving assets in other European countries. Examples of large and platform deals included Logisor, Hansteen, Gazely, Goodman.
45. In the first months of 2018, demand remained at a high level. Transactions of industrial and logistics properties amounted to €1.58 bn. This was the second-strongest start to a year of the last 12 years. Q1 2018 was second only to the first quarter of 2017 when transaction volume reached €2.02 bn.
46. The largest deal in Q1 2018 accounted for almost a third of the total industrial volume. Frasers Property Europe acquired 16 industrial assets in Germany as part of an Austrian-German portfolio, for €521 million and thus again strengthened its portfolio in Germany after, among other acquisitions, having bought six Hermes distribution centres in 2017.
47. Again, international capital was particularly focused on industrial assets. In addition to Frasers, Blackstone, Cording, Ares and Aberdeen made further acquisitions. Overall, international capital accounted for 65% of the total transaction volume of the sector which is significantly above the 45% all-sector-average.
48. Unsurprisingly, 80% of the capital invested in industrial assets was related to areas outside the five major cities.

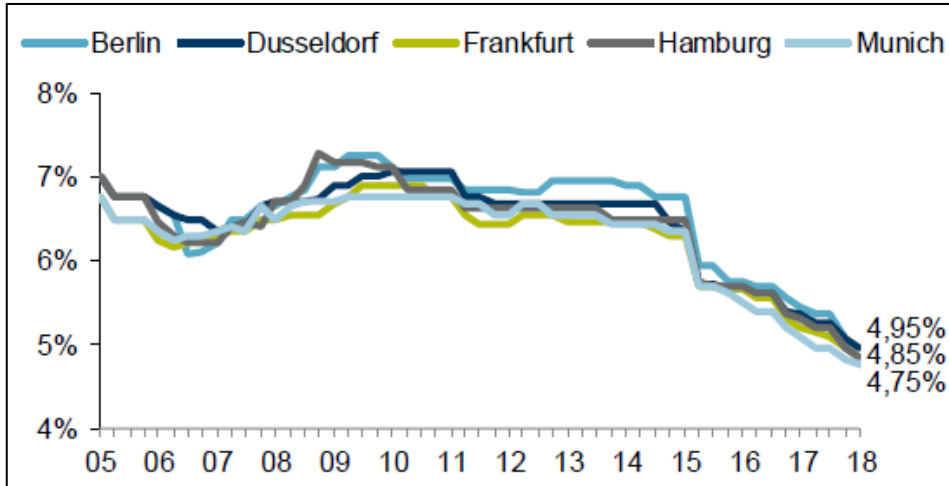
5.2.4 Yields

49. Strong investor demand, a highly-competitive market for warehousing and logistics properties and persistently low interest rates have significantly raised prices for industrial assets.
50. In the top-5 markets, prime yields for spaces of 5,000m²-plus were in a range of 4.75% (Munich) to 4.95% (Berlin/ Dusseldorf) at the end of Q1 2018. Over the last three months, yields compressed by 5 bps to 10 bps. Yield compression also took place outside of the top-5 markets in a range of 10 bps to 35 bps bringing current prime yields down to a range of 4.90% (Stuttgart) to 5.60% (Essen).



51. Additional compression will take place in the coming months as demand for modern space remains uninterruptedly high.

Chart 5: Logistics prime yields Top-5

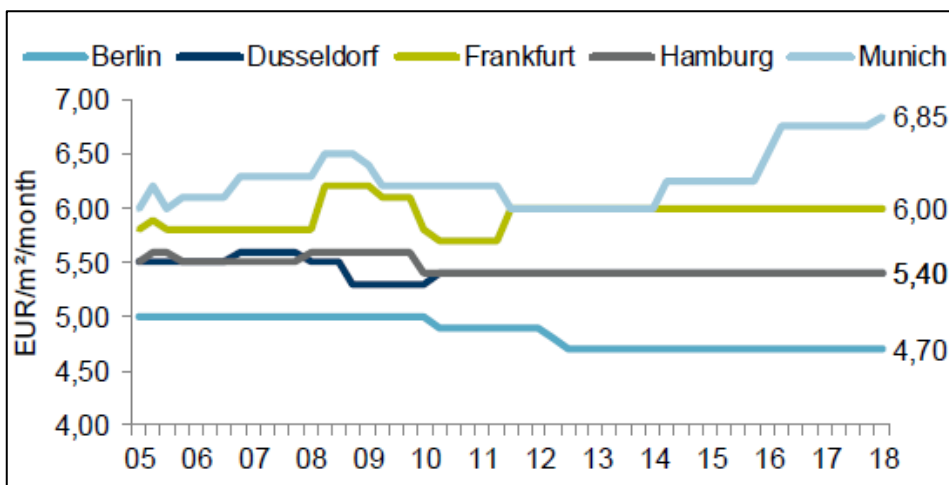


Source: C & W (U.K.) LLP – German Branch, Q1 2018

5.2.5 Rents

52. Prime rents for high-quality logistics properties of 5,000m²-plus remained stable in Q1 2018. The exception is the Munich market where prime rents increased by €0.10 per m²/month. Outside the top 5 markets, prime rents in Stuttgart increased by €0.15 m²/month to €6.15 m²/month, thus making Stuttgart more expensive than Frankfurt.
53. The most expensive location remained Munich. Few reserves of space and generally very high land prices even in the wider surroundings justify the high price level.
54. Smaller spaces close to the boundaries of the larger towns that are required for city logistics can achieve higher prime rents.

Chart 6: Logistics prime rents Top-5



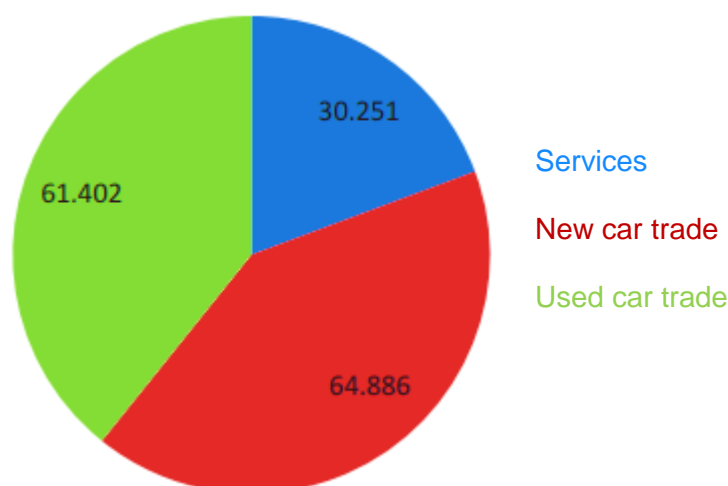
Source: C & W (U.K.) LLP – 2018



5.3 Automotive Servicing Market

55. The number of cars in Germany is still increasing, with some 46.5 million registered at the beginning of 2018, which is a growth by 1.46% on the previous year and a growth by 11.35% on the level of 2010. The average car is 9.4 years old.
56. Automotive industry ranks among the leading industries in Germany with more than 460,000 employees in 38,400 companies. In relation to 43 million employees in total, employees in automotive industry comply to more than 1%.
57. The three main parts of the automotive industry are car trade, aftersales-market and services. Even though the turnover of services is relatively low, its contribution margin is outstanding. The annual turnover amounts to 156.5 billion Euro.

Chart 6: Turnover by Segments (in Mio. Euro)

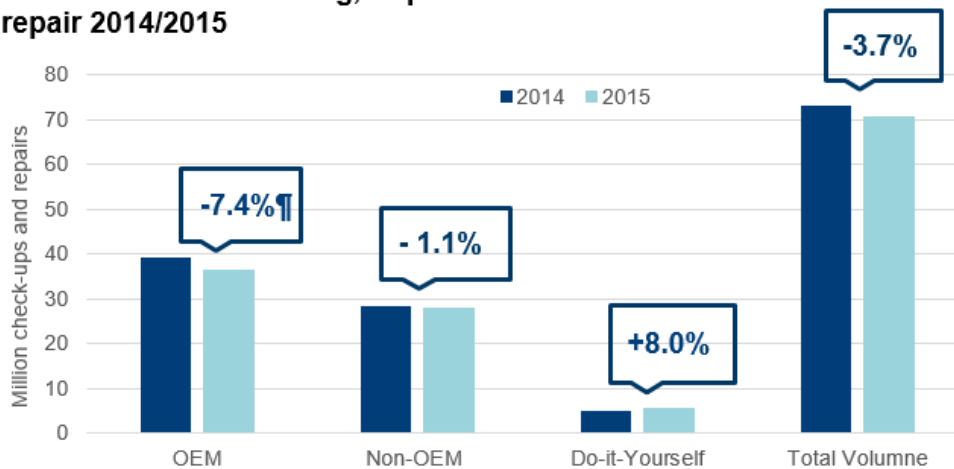


Source: Zentralverband Deutsches Kraftfahrzeuggewerbe

58. Regarding car repair and service shops, customer loyalty is of great importance to 82% of car owners. Most important aspects include location, service and friendliness. Price-performance ratio ranks on number 7.
59. The turnover of the repair service market grew by 1.2% to EUR 30.3bn in 2015 (2014: EUR 29.9 bn) making it the third-largest segment of the automotive industry and accounting for some 19 % of its total turnover. This turnover has been generated by approx. 38,500 service centres in Germany, of which 17,450 marque branded and 20,950 independent garage workshops.
60. In 2015 around 70 million services and repairs were performed, thereof 92% were in service centres. Most of the customers rely on marque-branded operators. Despite the increasing number of cars, servicing is subject to a negative trend, with both types of service centre affected: OEM (original equipment manufacturer), which are linked to a specific marque as well as non-OEM providers who work independently (chains and self-employed repair):



Total volume of Servicing, Replacement and Accident repair 2014/2015



Source: DAT-Report 2016

61. DIY repair is still a continuously growing trend. The volume of servicing and repair was growing from 5.0 to 5.4 million between 2014 and 2015, which is an increase of 8.0%. DIY is most popular with the owners of cars which are over 10 years old.

Market Share

62. Workshops chains such as Euromaster, A.T.U and Pitstop have increased their market share regarding major inspection and servicing, replacement of worn components and accident repair. While accident repair was constant at 9% respectively over 2014 and 2015, the chains have gained from an increase in major inspection and servicing by 3% to 4%, but had less replacement of worn components, 7% to 5%. In sum, system providers carried out 6 % or 4.2 million inspections and repairs.

Competitors

63. The car repair and automotive part replacement market is dominated by OEM centres. The car manufacturer VW operates the most auto centres (2,482) in Germany, followed by Opel (1,906), Audi (1,692) and Renault (1,298). Regarding non-OEM centres A.T.U is the leading OEM-independent auto centre network in Germany. Further competitors in Germany are ATU, Pitstop, Euromaster, Bosch Car Services and Alltrucks. Carglass is a specialized provider of window repairs. Therefore, it is not competing directly with other workshop chains. However, the properties of the mentioned workshop chains are comparable to Carglass, as the major difference is the different fit out. Carglass is the major provider for car window repairs. Competitors in this field are junited Autoglas and local providers.
64. Euromaster, A.T.U, First Stop, stop+go and Pit Stop predominantly focus on vehicles that are 4-10 years old, aiming to provide “value for money” rather than best quality at a high price or cheap local services. The size of this market segment amounts to EUR 110bn annually. The services offered are 30% to 40% cheaper than the services offered by OEM operators, however 10% more expensive than local, informal alternatives. As the table indicates, most sales by non-OEM centres are generated in the age segment 4-10 years (52%), followed by the age segment 10+ years (34%), while sales in the age segment 0-3 years account for only 14%. As older cars have higher maintenance requirements, the average spend for cars in the age segment 0-3 years (EUR 215/p.a.) is significantly less than



the average spend for those in the 10+ years segment (EUR 535/p.a.). The expenditure for a car in the segment 4-10 years lies between these (EUR 495/p.a.).

GERMANY

Office Market Snapshot

Second Quarter | 2018



MARKET INDICATORS

Market Outlook

Prime Rents:	Expected to increase due to shortage of modern space in central locations and stable demand.	►
Prime Yields:	Stable with some potential for compression for super prime properties in core locations.	►
Supply:	Supply for pre-leasing increases, modern supply in stock will remain at a low level.	►
Demand:	Lively demand is expected to be sustained in all major office markets.	►

Prime Office rents – June 2018

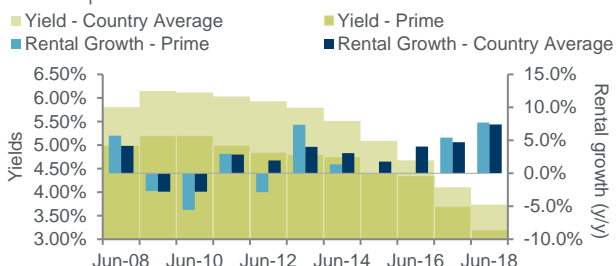
LOCATION	€	€	US\$	GROWTH %	
	SQ.M MTH	SQ.M YR	SQ.FT YR	1YR	5YR CAGR
Berlin (CBD)	31.50	378	41.1	18.9	7.2
Berlin (Decentralised)	14.75	177	19.2	8.5	7.0
Frankfurt (CBD)	42.00	504	54.8	7.7	2.8
Frankfurt (Decentralised)	16.50	198	21.5	6.5	3.3
Hamburg (CBD)	26.00	312	33.9	2.0	1.6
Hamburg (Decentralised)	15.85	190.2	20.7	5.7	5.7
Munich (CBD)	36.50	438	47.6	4.3	3.0
Munich (Decentralised)	19.50	234	25.4	8.3	6.1
Dusseldorf (CBD)	28.00	336	36.5	5.7	1.1
Dusseldorf (Decentralised)	14.00	168	18.3	14.3	4.9

Prime Office yields – June 2018

LOCATION (FIGURES ARE NET, %)	CURRENT	LAST	LAST	10 YEAR	
	Q	Q	Y	HIGH	LOW
Berlin	3.10	3.10	3.25	5.50	3.10
Frankfurt	3.20	3.30	3.70	5.20	3.20
Hamburg	3.10	3.10	3.40	5.20	3.10
Munich	2.80	2.80	3.00	5.10	2.80
Dusseldorf	3.50	3.50	3.90	5.20	3.50

With respect to the yield data provided, in light of the changing nature of the market and the costs implicit in any transaction, such as financing, these are very much a guide only to indicate the approximate trend and direction of prime initial yield levels and should not be used as a comparable for any particular property or transaction without regard to the specifics of the property.

Recent performance



Overview

The German economy began Q2 2018 on a weak note. According to the Ifo Institute, industry was influenced negatively by slowing global growth and worries over tariffs weighing on investment intentions. It appears that industrial firms have begun to cut investment plans due to the threat of a trade war. Companies were less satisfied with their current business situation than in previous months, although sentiment was still positive. Expectations were also down; to their lowest level since Q1 2016. However, GDP is expected to grow by 0.5% in Q2 due to robust domestic demand and the solid state of the labour market with the unemployment rate declining further to 5.0% at the end of June.

Occupier focus

Office leasing performed strongly in the German top-5 markets in the first half of 2018 with take-up volume of 1,553,300 sq. m including 758,900 sq. m. leased in Q2 (49%). The result is only 2.5% below last year's excellent performance. Munich saw particularly strong demand (475,600 sq. m), contributing more than 30% to total take-up. However, an acute shortage of availability has become the limiting factor: At the end of H1 a mere 3,361,100 sq. m was available at short notice. Particularly the most sought-after office markets are experiencing an acute shortage of modern office space with vacancy rates down to 3.3% in Munich and 2.2% in Berlin. The aggregated vacancy rate in the top-5 declined to 4.5% at the end of June (Q2 2017 5.2%). Prime rents have increased in all top-5 markets since this point last year (Berlin: +€5.00, Frankfurt: +€3.00). Completions remained at a low level and will not satisfy the expected strong demand in the remainder of 2018.

Investment focus

Investor appetite for office investments remained at a high level. By the end of H1 2018 investment volume reached €11.49 bn which is 9% above the result of the first six months of last year. The 5 main markets attracted investors most, with large-volume opportunities and contributing more than 70% of the national office volume. Prime yields remained stable, only in Frankfurt did they compress by 10 basis points.

Outlook

The GDP growth forecast for 2018 was slightly revised down to 2.0% year-on-year according to Oxford Economics; Occupier and investment markets will profit from these stable conditions and are expected to remain at a high level.

GERMANY Office Market Snapshot

Second Quarter | 2018



LOCATION	BUILT STOCK (SQ.M)	AVAILABILITY (SQ.M)	VACANCY RATE (%)	TAKE-UP (SQ.M)	TAKE-UP YTD (SQ.M)	UNDER CONSTRUCTION (SQ.M)
Berlin	18,559,000	416,900	2.2%	160,000	383,500	1,083,900
Frankfurt	11,738,100	885,200	7.5%	98,300	255,000	260,900
Hamburg	14,758,800	660,900	4.5%	140,000	246,300	326,500
Munich	20,529,600	682,300	3.3%	242,100	457,600	928,400
Dusseldorf	8,972,100	715,800	8.0%	118,500	192,900	290,100
Germany Top 5 Markets (Overall)	74,557,600	3,361,100	4.5%	758,900	1,553,300	2,844,800

Source: Cushman & Wakefield

Key Occupier Transactions

PROPERTY	SUBMARKET	TENANT	SIZE (SQ.M)	TRANSACTION TYPE
Vattenfall HQ	Berlin	Vattenfall	29,900	Pre-Lease
OPS 35	Frankfurt	German Finance Agency	8,300	Sublease
Oper 46	Frankfurt	TOG – The Office Group	6,500	New Lease
Olympus Campus	Hamburg	Design Offices	8,600	Pre-Lease
Die Macherei	Munich	Design Offices	15,000	Pre-Lease
Art Deco Palais	Munich	WeWork	11,600	Pre-Lease
Heinrich Campus	Dusseldorf	Deloitte	35,500	Pre-Lease

Source: Cushman & Wakefield

Key Investment Transactions

PROPERTY	SUBMARKET	SELLER / BUYER	YIELD	PRICE € MILLIONS
Gallileo	Frankfurt	Triuva/ Capitaland	n/a	356
Theodor-Stern-Kai 1	Frankfurt	Office First / Credit Suisse AM	n/a	297
Olympus Campus	Hamburg	Zech / Ärzteversorgung Westfalen-Lippe JV Hines	n/a	250
Edge Grand Central	Berlin	Edge Technologies / TH Real Estate	n/a	139
Campus West	Munich	Quantum / Versorgungswerk	n/a	105

Source: Cushman & Wakefield, Real Capital Analytics

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Ursula-Beate Neißer

Head of Research, Germany
Rathenauplatz 1, 60313 Frankfurt am Main, Germany
Tel: +49 (0) 69 5060 73 140
ursula-beate.neisser@cushwake.com
cushmanwakefield.com

GERMANY

Retail Market Snapshot

Second Quarter | 2018



MARKET INDICATORS

Market Outlook

- Prime Rents:** Rents expected to remain stable in key locations and might decrease in some secondary locations within the larger catchment of strong centres. ▶
- Prime Yields:** Yields might decrease slightly in some of the major markets and for retail warehouses/ retail parks. ▶
- Supply:** Ongoing refurbishment activities in prime locations and in shopping centres; steady new supply with supermarkets and small neighbourhood centres. ▶
- Demand:** Demand from retailers from abroad, from the F&B sector and leisure/fitness in high streets ▶

Prime Retail Rents – June 2018

HIGH STREET SHOPS	€	€	US\$	GROWTH %	
	SQ.M MTH	SQ.M YR	SQ.FT YR	1YR	5YR CAGR
Berlin	315	3,780	411	0.0	2.0
Frankfurt	310	3,720	405	-1.6	1.0
Hamburg	310	3,720	405	0.0	1.0
Munich	370	4,440	483	0.0	0.5
Dusseldorf	290	3,480	378	1.8	1.8
Stuttgart	275	3,300	359	0.0	0.7
Cologne	295	3,540	385	0.0	0.7
Leipzig	130	1,560	170	0.0	0.0
OUT OF TOWN RETAIL (RETAIL PARKS)	€	€	US\$	GROWTH %	
	SQ.M MTH	SQ.M YR	SQ.FT YR	1YR	5YR CAGR
Frankfurt	15.20	182	19.8	0.0	0.1
Munich	16.30	196	21.3	0.0	0.2

Prime Retail Yields – June 2018

HIGH STREET SHOPS (FIGURES ARE NET, %)	CURRENT	LAST	LAST	10 YEAR	
	Q	Q	Y	HIGH	LOW
Berlin	3.30	3.30	3.50	4.80	3.30
Frankfurt	3.50	3.50	3.60	4.65	3.50
Hamburg	3.40	3.40	3.50	4.40	3.40
Munich	2.90	3.00	3.10	4.20	2.90
Dusseldorf	3.50	3.50	3.70	4.70	3.50
Stuttgart	3.50	3.60	3.80	4.85	3.50
Cologne	3.50	3.50	3.70	4.65	3.50
Leipzig	4.50	4.50	4.60	5.65	4.50
OUT OF TOWN RETAIL (RETAIL PARKS) (FIGURES ARE NET, %)	CURRENT	LAST	LAST	10 YEAR	
	Q	Q	Y	HIGH	LOW
Frankfurt	5.00	5.10	5.20	7.60	5.00
Munich	4.75	4.80	4.90	7.60	4.75
SHOPPING CENTRES (FIGURES ARE NET, %)	CURRENT	LAST	LAST	10 YEAR	
	Q	Q	Y	HIGH	LOW
Country prime	3.70	3.70	3.70	5.40	3.70

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Overview

Consumer sentiment, as measured by the GfK Consumer Climate Index, maintained its high level again in Q2 2018. High employment figures and some wage increases are underpinning positive sentiment. The global threat of protectionism has not yet influenced consumer behaviour although consumers do expect that overall economic growth will flatten.

Occupier focus

Up-trading and refurbishment are the dominant themes both for high street stock and shopping centre stock in Germany in the effort to make in-store retailing more attractive. In the high streets, there is a trend to convert old stock into mixed-use buildings, partly by demolition followed by new construction. Outside the major high streets small niche operators and pop-up stores are opening shops, often offering a combination of goods, beverages and events. Ever more online retailers are testing in-store concepts, for example 11teamsports, or expanding their number of stores, for example Home24. at the end of June, it was announced that a letter of intent had been signed to merge the two major department store chains Karstadt and Kaufhof. This is not the first effort to bring the two together but the first with a signed paper. It is obvious that a merger would lead to a consolidation of the store network. Both department store chains have been undertaking a number of measures to cope with changing consumer behaviour patterns.

Investment focus

In Q2 2018, new investment in retail assets reached an aggregated investment volume of €2.74 bn and brought the half-year result up to €4.45 bn. So far, there have only been five transactions above the €100 million threshold, including one single-asset deal (Maximilian Center, Bonn). High-street assets in well-established retail destination towns attracted investors most, with supermarkets, food discounters and retail parks ranking second. Shopping centre deals were rare due to the tightness of well-managed supply in this asset group. The share of foreign investments was 22% and thus lower than in previous first-half-year periods. Yields for prime retail parks compressed in Q2 by 5 to 10 basis points in the main markets, while shopping centre yields remained stable.

Outlook

In mid-June Oxford Economics forecasts German GDP growth at 2% in 2018 supported by high employment figures and wage increases. Online retailing will remain the main challenge for in-store retail in specific for the non-food sectors.

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Ursula-Beate Neisser

Head of Research, Germany
Rathenauplatz 1, 60313 Frankfurt am Main, Germany
Tel: +49 (0) 69 5060 73 140
ursula-beate.neisser@cushwake.com
cushmanwakefield.com

GERMANY

Industrial Market Snapshot

Second Quarter | 2018



MARKET INDICATORS

Market Outlook

Prime Rents: Prime rents for large logistics assets are expected to remain static across the key German hubs whereas rents for smaller distribution centres close to the cities might increase. ►

Prime Yields: Yields will compress further, as demand is strong. ▲

Supply: Ongoing speculative construction activities; availability of land is crucial in the core markets. ►

Demand: Ongoing strong demand for good quality space. ►

Prime Industrial Rents – June 2018

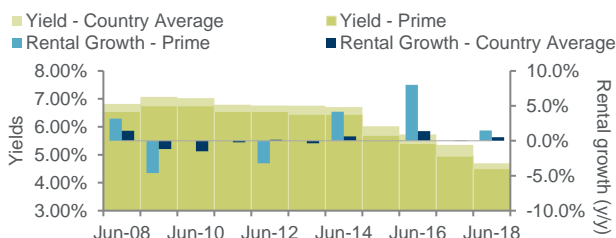
LOGISTICS LOCATIONS	€	€	US\$	GROWTH %	
	SQ.M MTH	SQ.M YR	SQ.FT YR	1YR	5YR CAGR
Berlin	4.70	56.4	6.13	0.0	0.0
Frankfurt	6.00	72.0	7.83	0.0	0.0
Hamburg	5.40	64.8	7.05	0.0	0.0
Munich	6.85	82.2	8.94	1.5	2.7
Dusseldorf	5.40	64.8	7.05	0.0	0.0
Stuttgart	6.15	73.8	8.03	2.5	0.8
Cologne	5.00	60.0	6.53	0.0	0.0
Leipzig	4.10	49.2	5.35	2.5	0.5

Prime Industrial Yields – June 2018

LOGISTICS LOCATION (FIGURES ARE NET, %)	CURRENT	LAST	LAST	10 YEAR	
	Q	Q	Y	HIGH	LOW
Berlin	4.70	4.95	5.35	7.25	4.70
Frankfurt	4.60	4.85	5.15	6.90	4.60
Hamburg	4.65	4.85	5.20	7.30	4.65
Munich	4.50	4.75	4.95	6.75	4.50
Dusseldorf	4.70	4.95	5.25	7.05	4.70
Stuttgart	4.65	4.90	5.35	7.40	4.65
Cologne	4.70	4.95	5.35	7.05	4.70
Leipzig	4.90	5.35	6.05	7.40	4.90

With respect to the yield data provided, in light of the changing nature of the market and the costs implicit in any transaction, such as financing, these are very much a guide only to indicate the approximate trend and direction of prime initial yield levels and should not be used as a comparable for any particular property or transaction without regard to the specifics of the property.

Recent performance



Overview

German business sentiment, as measured by the Ifo business climate index has weakened steadily since the start of the year. This is not surprising given the ongoing discussion of protective and punitive trade tariffs. However, as it is sinking from long-term peak levels, sentiment is still at a high level. GDP grew by 0.3% q-o-q in Q1 2018 and is expected to show some growth in Q2.

Occupier focus

Demand for industrial space remains at a high level. Take-up figures are mainly driven by 3PLP companies, followed by off- and on-line retailers and manufacturing firms. In Q2 two leases for more than 100,000m² each were signed, both for new stock outside the main logistics areas. In total, aggregated take-up reached more than 3 million m² by end of June. Availability of land is extremely limited close to the major city markets. Given the shortage of housing supply, industrial and logistics use of new land or brownfield sites has to compete with residential projects. Therefore, developers are shifting to areas 30 to 50 km away from the major cities or in rural areas along the motorways. Other investors are starting construction on unbuilt parts of logistics/industrial parks and squeezing the most out of sites. Developers who secured land in previous years are now starting construction activities on a totally or partly speculative basis.

Investment focus

New acquisitions of industrial and logistics assets reached an aggregated investment volume of €3.10 bn to the end of June 2018, confirming the strong interest of investors in this asset class. Frasers Property Europe signed the largest deal (Q1) and Frasers Logistics & Industrial Trust the second-largest (Q2), both portfolios. In total, portfolio transactions contributed more than half of the six-month total and international capital dominated investment in German industrial assets, contributing almost 70%. Yields for prime assets compressed again in Q2, now ranging from 4.50% (Munich) to 4.90% (Leipzig), and are expected to compress further given the stable high demand for all types of industrial assets.

Outlook

In mid-June Oxford Economics forecast economic growth of 2% for Germany in 2018 with industrial production to grow by 3%. Online retail is expected to increase by 9% with B2B/B2C deliveries to increase by 5.5%. Thus, the economic framework for occupiers and investors remains positive.

Ursula-Beate Neißer

Head of Research, Germany
Rathenauplatz 1, 60313 Frankfurt am Main, Germany
Tel: +49 (0) 69 5060 73 140
ursula-beate.neisser@cushwake.com
cushmanwakefield.com



PROPERTY ID 1 Wertstraße 22, 18439 Stralsund, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Mecklenburg-Vorpommern
Federal District	Vorpommern-Rügen
City / Municipality	Stralsund
Inhabitants (as at)	31.12.2016 59,101
Unemployment rate (as at)	31.05.2018 8.5%
Purchasing Power (German average = 100)	01.06.2018 82.2

Location rating

Macro Location	Medium-sized town (20,000-100,000 inhabitants)
Micro Location	District location
Competition	medium

PROPERTY DETAILS

Property type/ primary use	Car repair shop
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	2007 (2015)
Lettable area	346 m²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	4.8 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	1,374 m²
Building condition	good
Contamination	none, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	overrented	€ 50,969
Market gross rental income p.a. (Year 1)		€ 35,292
Non-recoverable costs p.a. (Year 1)		-€ 3,109

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 442,000

Net Capital Value per m² lettable building area € 1,277 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	10.08%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	11.53%
Gross multiplier on Current Rent	8.7
Gross multiplier on Market Rent	12.5

PROPERTY RATING (1 = weak, 5 = strong)

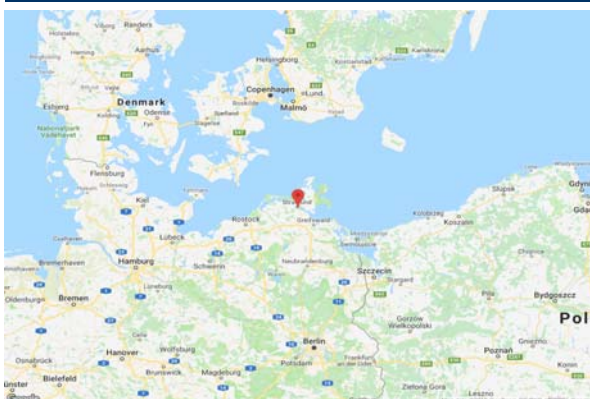
Macro Location	2	Lettability	3
Micro Location	3	Marketability (sale)	3
Building quality (specification & parking etc.)	3	Overall rating	3
Building condition	4	Estimated marketing period (months)	12



PROPERTY ID 1 Werftstraße 22, 18439 Stralsund, Germany

LOCATION

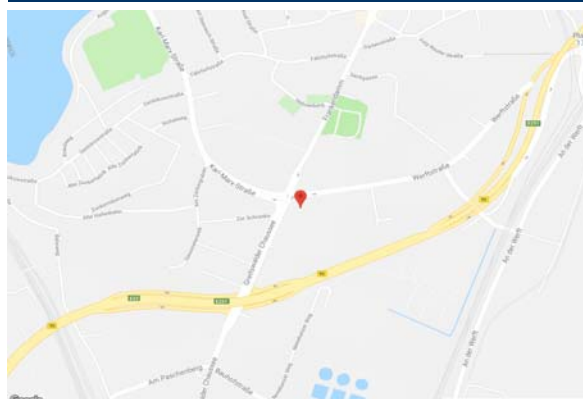
MACRO LOCATION



MACRO LOCATION

Stralsund is a hanseatic town on Germany's Baltic coast. The city has approx. 58,000 inhabitants. The regional economy is focused on services and tourism. As a logistics location, Stralsund has limited supraregional relevance. Mainly regional or local operating companies are located in Stralsund. Nearest larger cities are Rostock in 116 km and Neubrandenburg in 100 km distance.

MICRO LOCATION



MICRO LOCATION

The subject property is located on a roundabout in a mixed-use area. It is adjacent to commercial buildings and a cemetery. The shipyard MV Werften is located in 1 km distance. Stralsund railway station is in 1 km distance respectively.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

In 2007 the prime rent for warehouses and logistics in Stralsund amounted to € 2.60/m². By 2017, this had decreased to € 2.50/m². The average rent for warehouses and logistics in Stralsund increased from € 1.60/m² in 2007 to € 2.00/m² in 2017. The prime yield decreased from 10.0% in 2007 to 8.2% in 2017. Currently, the average yield amounts to 9.4%. Stralsund is a logistics location of limited supraregional relevance. Resident companies are predominantly local or regional operating and companies providing special freight solutions, e.g. SWS Seehafen Stralsund, Logipack, D&L and Logistik4you. In 2007 the prime rent for retail in Stralsund amounted to € 32.00/m² in 1A-locations and € 11.00/m² in peripheral locations. By 2017, this had increased to € 50.00/m² in central locations and € 15.50/m² in peripheral locations. The average rent for retail in Stralsund increased from € 17.00/m² in 2007 to € 27.00/m² in 2017 in 1A-locations. The average rent for retail in peripheral locations is at € 11.00/m². In the meantime the prime yield decreased from 7.2% to 6.00%. The yield for retail parks amounts to 7.7%. Although its location in the outskirts of the Baltic Sea coast, Stralsund has a centrality rating above average. Currently market development is stable and rental prices in 1A-locations are increasing. The city ranks among the D-cities. Letting opportunities are considered satisfactory and the vacancy rate trend is classified as good.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
car repair shop	41460 Neuss	776 m²	€ 7.73 /m²	Q4 2017	medium
car repair shop	59069 Hamm	1,557 m²	€ 10.41 /m²	Q4 2017	medium
car repair shop	45475 Mülheim	1,550 m²	€ 10.06 /m²	Q4 2017	medium

COMMENT ON LEASE COMPARABLES

The rental level for car repair shop properties provided within the comparable evidence range between € 7.73 and € 10.41 m²/month, with the size spectrum ranging between 776 m² and 1,557 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for car repair shop space of € 8.50 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m²	Sales price	Date of sale	Comparability
car repair shop	45475 Mülheim	1,550 m²	€ 1,298	€ 2,012,500	Q4 2017	medium
car repair shop	59067 Hamm	1,557 m²	€ 1,108	€ 1,725,000	Q4 2017	medium
car repair shop	44805 Bochum	1,682 m²	€ 1,409	€ 2,370,000	Q4 2017	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 1,108 and 1,409/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 1,277/m² appears plausible and fits into the comparable evidence. The comparable properties are let to car repair companies. As at the date of transaction, the properties have been let with a remaining lease term of 10 years. All lease agreements are on a triple net lease basis.



PROPERTY ID 1 Werftstraße 22, 18439 Stralsund, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Stralsund, land register of Stralsund, Folio 40005 (dated 07.12.2017)
Owner	GER LOG 5 S.A., Luxembourg
Land parcels	Cadastral Section 37, Land parcels 18/2, 18/3, 18/4
Site area	1,374 m ²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1 None.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

The property is free of any rights and encumbrances.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, there are no building restrictions registered according to the Reports on Title and the authority's information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site is located in a light industrial and housing area. There is a low risk of contamination from present use. The site was not recorded in German register for contaminated sites according to pba Report 2007.

PLANNING LAW

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28.05.2018, the subject property is not subject to a detailed development plan. Planning consent is subject to § 34 BauGB (the German planning code). New developments must be in keeping with the type, style and size of existing buildings in the urban area, and roads and services must be available. For the purposes of this valuation we have assumed that the use referred to would continue to be appropriate in the future.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 1 Wertstraße 22, 18439 Stralsund, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	1,374 m²
of which is development land (for additional construction)	none
Shape of site	irregular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	modern, average quality
State of repair, building	good
Building layout	efficient
Condition of lettable areas	good
Construction type	frame construction
Facade	metal sheeting
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	n/a
Windows	aluminium, insulated glazing
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a good overall condition.

The ESA summary provides for no short-term considerations. 1-4 years considerations include the repair of the heating pipes. Nova did not state any costs for this consideration. Therefore, we kept in line with the TDD and did not consider any short-term capital expenditures.

INSPECTION

Type of inspection	Full inspection
Date of inspection	12.06.2018
Inspected by	Tim Haucke

COMMENT ON BUILDING

The subject property is currently let to Carglass GmbH. It is one building of a steel frame structure and used as a car repair shop. The property has one storey and a flat roof. There are eight loading doors and 10 parking units. The building consists of a car repair area, an entrance/office area which is completely glazed and sanitary and common facilities. Access to the site is not controlled. The outdoor area is paved and it is accessible via combined drive.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (12.06.2018), the lettable areas appeared to be in a fair condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. In line with the TDD we applied no capex.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a medium level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the workshop space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. Estate management would include extending the existing lease agreement.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Almost 5 year WALT of anchor tenant
2. Good building quality
3. Sufficient parking spaces
4. Covenant strength of tenant

OPPORTUNITIES

1. Prolongation of lease

WEAKNESSES

1. Limited catchment area
2. Located in a small city
3. Income per capita below average

THREATS

1. Competition in the surroundings
2. Vacating of existing tenant



PROPERTY ID 1 Werftstraße 22, 18439 Stralsund, Germany

PROPERTY PICTURES



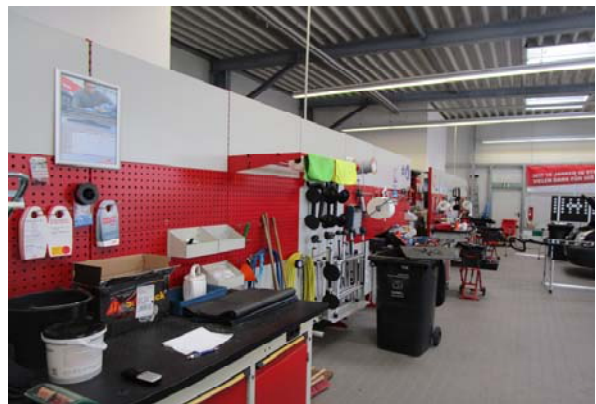
Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



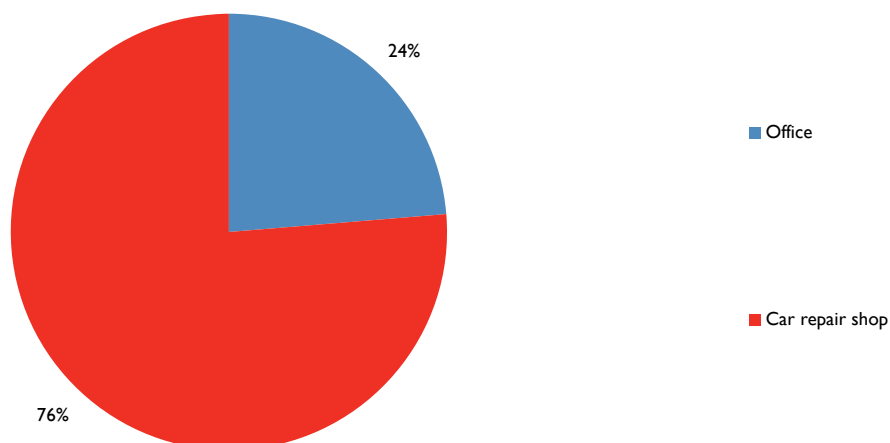
PROPERTY ID 1 Werftstraße 22, 18439 Stralsund, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	82 m²	23.7%	82 m²	23.7%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	264 m²	76.3%	264 m²	76.3%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	0 m²	0.0%	0 m²	0.0%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	346 m²		346 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

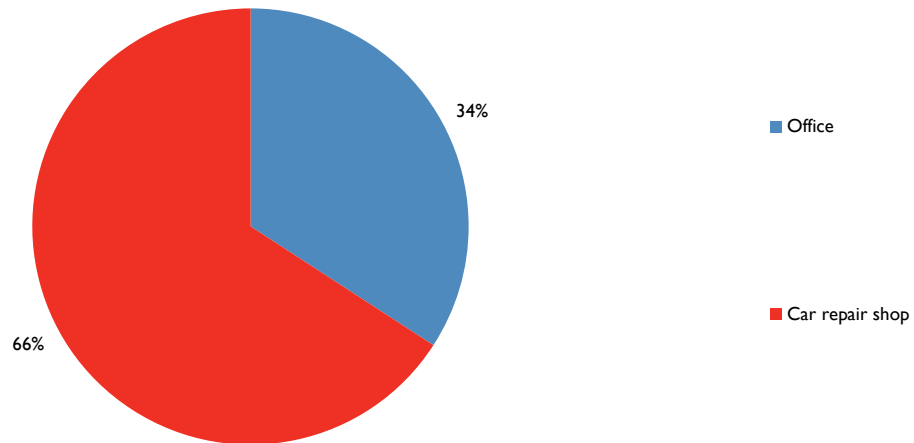


PROPERTY ID 1 Wertstraße 22, 18439 Stralsund, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	82 m²	82 m²	€ 17.69	€ 17,409	€ 8.50	€ 8,364
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	264 m²	264 m²	€ 10.59	€ 33,561	€ 8.50	€ 26,928
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	346 m²	346 m²		€ 50,969		€ 35,292
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. Carglass GmbH	346	0	50,969	12.28	8.50	-30.8%	100.0%	4.8 years	100.0%
Total Top 10	346	0	50,969	12.28				4.8 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 1 Werftstraße 22, 18439 Stralsund, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING	
Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10 years

CAPITALISATION RATES	
Cap Rate	8.50%
Cap Year	Year 10
Discount Rate	6.50%

NON-REIMBURSABLE EXPENSES	
Vacancy Costs (p.a.)	€ 9.50 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 0

OTHER ADJUSTMENTS	
Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION	
General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

VALUATION RESULTS

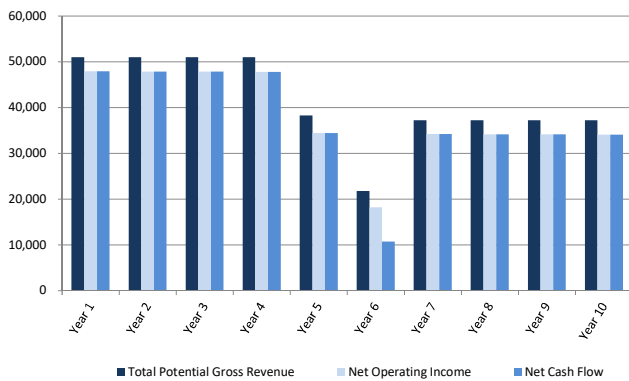
Current Rent	€ 50,969
Market Rent	€ 35,292
CR Multiplier	8.7
MR Multiplier	12.5
Net Initial Yield	10.08%
Gross Initial Yield	11.53%
Total Investment	€ 474,827
Less Purchasers' Costs	7.50%
Market Value	€ 441,700

MARKET VALUE (rounded) € 442,000

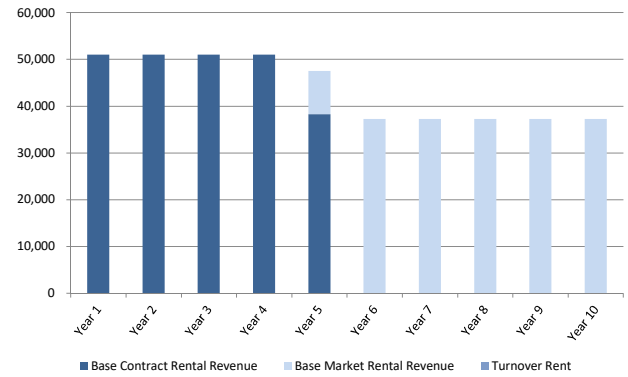
Net Capital Value per m² lettable building area

€ 1,277 / m²

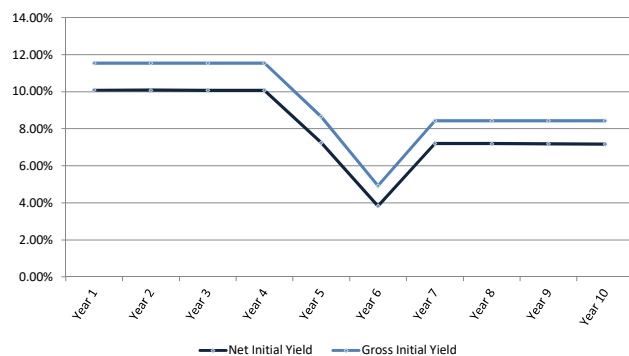
CASH FLOW ANALYSIS



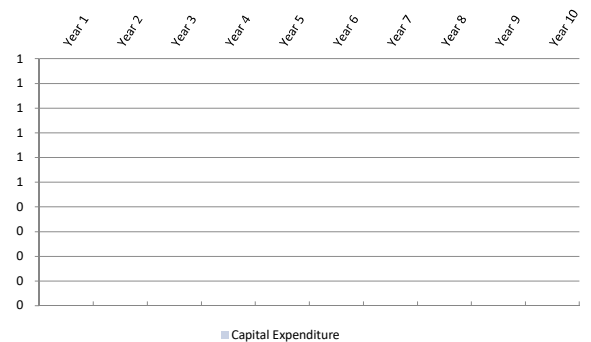
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 1 Werftstraße 22, 18439 Stralsund, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10

CAPITALISATION RATES

Cap Rate	8.50%
Cap Year	Year 10
Discount Rate	7.50%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 0

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 35,292
CR Multiplier	0.0
MR Multiplier	8.5
Net Initial Yield	-1.67%
Gross Initial Yield	0.00%
Total Investment	€ 323,144
Less Purchasers' Costs	7.50%
Market Value	€ 300,599

VACANT POSSESSION VALUE (rounded)

€ 301,000

Net Capital Value per m² lettable building area

€ 870 /m²



PROPERTY ID 1 Wertstraße 22, 18439 Stralsund, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA		
Net lettable building area		346 m²
Ratio net lettable area to gross floor area	85.00%	
Gross floor area (BGF)		407 m²
DEMOLITION & SITE CLEARANCE		
Demolition costs existing buildings	€ 60 /m²	€ 24,424
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 24,424

CONSTRUCTION COSTS		
a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 1,200 /m²
Regional adjustment	0.968	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 1,210 /m²
Gross floor area (BGF)	407 m²	
Building costs, total		€ 492,405
b) External areas and outdoor facilities		
External areas [% of building costs]	5.00%	€ 24,620
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 24,620
Building costs incl. external areas		€ 517,026
Soft costs	12.50%	€ 64,628
Construction costs (incl. VAT)		€ 581,654

VALUATION OVERVIEW

RESULTS		
Demolition and site clearance		€ 24,424
Construction costs (incl. VAT)		€ 581,654
Indicative Reinstatement Costs (incl. VAT)		€ 606,077
Consideration of VAT	19.00%	-€ 96,769
Indicative Reinstatement Costs (excl. VAT)		€ 509,309

INDICATIVE REINSTATEMENT COSTS (rounded)	€ 509,000
Reinstatement costs (rounded) per m² lettable building area	€ 1,471 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 1 Werftstraße 22, 18439 Stralsund, Germany

INFORMATION PROVIDED BY THE CLIENT

<i>Item</i>	<i>Provided via</i>
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 1 Wertstraße 22, 18439 Stralsund, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 50,969	€ 50,969	€ 50,969	€ 50,969	€ 38,227	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 9,265	€ 37,200	€ 37,215	€ 37,215	€ 37,215	€ 37,215
Absorption & Turnover Vacancy	€ 0	€ 0	€ 0	€ 0	-€ 9,265	-€ 9,288	€ 0	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 6,203	€ 0	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 50,969	€ 50,969	€ 50,969	€ 50,969	€ 38,227	€ 21,709	€ 37,215	€ 37,215	€ 37,215	€ 37,215
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 50,969	€ 50,969	€ 50,969	€ 50,969	€ 38,227	€ 21,709	€ 37,215	€ 37,215	€ 37,215	€ 37,215
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	€ 0	€ 0	-€ 878	-€ 882	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 2,089	-€ 2,115	-€ 2,140	-€ 2,166	-€ 2,201	-€ 2,245	-€ 2,290	-€ 2,336	-€ 2,382	-€ 2,430
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 510	-€ 510	-€ 510	-€ 510	-€ 382	-€ 217	-€ 372	-€ 372	-€ 372	-€ 372
Management Costs	-€ 510	-€ 510	-€ 510	-€ 510	-€ 382	-€ 217	-€ 372	-€ 372	-€ 372	-€ 372
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 3,109	-€ 3,134	-€ 3,159	-€ 3,185	-€ 3,843	-€ 3,561	-€ 3,034	-€ 3,080	-€ 3,127	-€ 3,174
	6.10%	6.15%	6.20%	6.25%	10.05%	16.40%	8.15%	8.28%	8.40%	8.53%
NET OPERATING INCOME (NOI)	€ 47,861	€ 47,835	€ 47,810	€ 47,784	€ 34,384	€ 18,148	€ 34,181	€ 34,135	€ 34,089	€ 34,041
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 2,795	€ 0	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 4,652	€ 0	€ 0	€ 0	€ 0
Capital Expenditure	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 7,447	€ 0	€ 0	€ 0	€ 0
CASH FLOW	€ 47,861	€ 47,835	€ 47,810	€ 47,784	€ 34,384	€ 10,701	€ 34,181	€ 34,135	€ 34,089	€ 34,041
Discount Rate / Discount Factor	6.50%	0.939	0.882	0.828	0.777	0.730	0.685	0.644	0.604	0.533
NET PRESENT VALUE (NPV)	€ 44,939	€ 42,175	€ 39,580	€ 37,144	€ 25,096	€ 7,334	€ 21,996	€ 20,626	€ 19,340	€ 18,135

Property Exit			
GPV	NOI year 10 *Cap	€ 34,041 x 11,7647	€ 400,484
Purchasers Cost	7.50%		-€ 27,941
Exit Value			€ 372,543
NPV Exit Value	0.5327		€ 198,463
Market Value			
NPV Cash Flows			€ 276,364
Total Investment			€ 474,827
Purchasers Cost	7.50%		-€ 33,127
Market Value			€ 441,700
Market Value (rounded)			€ 442,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	13.2	8.7	8.7	8.7	8.7	11.6	20.3	11.9	11.9	11.9	11.9
Net Initial Yield (NIY)	7.46%	10.1%	10.1%	10.1%	10.1%	7.2%	3.8%	7.2%	7.2%	7.2%	7.2%
Gross Initial Yield (GIY)	8.78%	11.5%	11.5%	11.5%	11.5%	8.7%	4.9%	8.4%	8.4%	8.4%	8.4%

PROPERTY ID 1

Werttstraße 22, 18439 Stralsund, Germany

RENT ROLL							MARKET LEASING ASSUMPTIONS							
PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Carglass GmbH	Office	82	€ 17.69	€ 17.408.52	31.03.2023	4.8 years	€ 8.50	€ 8.364.00	12	50%	€ 15 /m²	60	3	3
Carglass GmbH	Car repair shop	264	€ 10.59	€ 33.560.88	31.03.2023	4.8 years	€ 8.50	€ 26.928.00	12	50%	€ 15 /m²	60	3	3
Total		346 m²		€ 50.969				€ 35.292						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)													
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment				Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Total		0 m²						- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 1 Wertstraße 22, 18439 Stralsund, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 35,483	€ 35,786	€ 35,823	€ 35,823	€ 35,823	€ 35,823	€ 36,943	€ 37,838	€ 37,838	€ 37,838
Absorption & Turnover Vacancy	-€ 35,483	-€ 14,889	€ 0	€ 0	€ 0	€ 0	-€ 18,864	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 8,956	€ 0	€ 0	€ 0	€ 0	-€ 3,153	-€ 3,153	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 11,941	€ 35,823	€ 35,823	€ 35,823	€ 35,823	€ 14,926	€ 34,685	€ 37,838	€ 37,838
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 11,941	€ 35,823	€ 35,823	€ 35,823	€ 35,823	€ 14,926	€ 34,685	€ 37,838	€ 37,838
Non Recoverable Running Costs During Vacancy	-€ 3,308	-€ 1,669	€ 0	€ 0	€ 0	€ 0	-€ 2,124	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 2,089	-€ 2,115	-€ 2,140	-€ 2,166	-€ 2,201	-€ 2,245	-€ 2,290	-€ 2,336	-€ 2,382	-€ 2,430
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 119	-€ 358	-€ 358	-€ 358	-€ 358	-€ 149	-€ 347	-€ 378	-€ 378
Management Costs	€ 0	-€ 119	-€ 358	-€ 358	-€ 358	-€ 358	-€ 149	-€ 347	-€ 378	-€ 378
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 5,398	-€ 4,022	-€ 2,856	-€ 2,882	-€ 2,917	-€ 2,961	-€ 4,712	-€ 3,029	-€ 3,139	-€ 3,187
#DIV/0!	33.69%	7.97%	8.05%	8.05%	8.14%	8.27%	31.57%	8.73%	8.30%	8.42%
NET OPERATING INCOME	-€ 5,398	€ 7,919	€ 32,966	€ 32,941	€ 32,905	€ 32,861	€ 10,214	€ 31,655	€ 34,699	€ 34,651
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	-€ 5,284	€ 0	€ 0	€ 0	€ 0	-€ 2,888	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 8,956	€ 0	€ 0	€ 0	€ 0	-€ 4,730	€ 0	€ 0	€ 0
Capital Expenditure	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 14,239	€ 0	€ 0	€ 0	€ 0	-€ 7,618	€ 0	€ 0	€ 0
CASH FLOW	-€ 5,398	-€ 6,321	€ 32,966	€ 32,941	€ 32,905	€ 32,861	€ 2,596	€ 31,655	€ 34,699	€ 34,651
Discount Rate / Discount Factor	7.50%	0.930	0.865	0.805	0.749	0.697	0.648	0.603	0.561	0.485
NET PRESENT VALUE	-€ 5,021	-€ 5,470	€ 26,537	€ 24,666	€ 22,920	€ 21,293	€ 1,565	€ 17,749	€ 18,098	€ 16,812

Property Exit			
GPV	NOI year 10 *Cap	€ 34,651 x 11,7647	€ 407,659
Purchasers Cost	7.50%		-€ 28,441
Exit Value			€ 379,218
NPV Exit Value	0.4852		€ 183,994

Market Value		
NPV Cash Flows		€ 139,150
Total Investment		€ 323,144
Purchasers Cost	7.50%	-€ 22,545
Vacant Possession Value		€ 300,599

Vacant Possession Value (rounded) € 301,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	10.9		25.2	8.4	8.4	8.4	8.4	20.1	8.7	7.9	7.9
Net Initial Yield (NIY)	8.93%		2.5%	10.2%	10.2%	10.2%	10.2%	3.2%	9.8%	10.7%	10.7%
Gross Initial Yield (GIY)	10.70%		4.0%	11.9%	11.9%	11.9%	11.9%	5.0%	11.5%	12.6%	12.6%



PROPERTY ID 2 Gewerbestraße 21, 18299 Kritzkow, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Mecklenburg-Vorpommern
Federal District	Rostock
City / Municipality	Kritzkow
Inhabitants (as at)	31.12.2016 630
Unemployment rate (as at)	31.05.2018 5.9%
Purchasing Power (German average = 100)	01.06.2018 87.5

Location rating

Macro Location	Out-of-town
Micro Location	Out-of-town
Competition	medium

PROPERTY DETAILS

Property type/ primary use	Logistics
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	1993
Lettable area	1,374 m²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	3.3 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	4,899 m²
Building condition	medium
Contamination	none, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	overrented	€ 57,708
Market gross rental income p.a. (Year 1)		€ 57,288
Non-recoverable costs p.a. (Year 1)		-€ 6,687

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 730,000

Net Capital Value per m² lettable building area € 531 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	6.51%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	7.91%
Gross multiplier on Current Rent	12.6
Gross multiplier on Market Rent	12.7

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	2	Lettability	3
Micro Location	3	Marketability (sale)	2
Building quality (specification & parking etc.)	3	Overall rating	3
Building condition	3	Estimated marketing period (months)	12



PROPERTY ID 2 Gewerbestraße 21, 18299 Kritzkow, Germany

LOCATION

MACRO LOCATION



MACRO LOCATION

Kritzkow is a small municipality of around 630 inhabitants in northeastern Germany. It forms part of the municipality Laage with approx. 5,500 inhabitants. The nearest larger cities are Rostock and Wismar. Rostock is accessible within 30 minutes drive and Wismar within 1 hour. The municipality is mainly characterized by industrial area and green area.

MICRO LOCATION



MICRO LOCATION

The subject property is located in an industrial area. It is surrounded by logistics buildings and by green area. In the further surrounding are some residential buildings. Within 1 minute drive, A19 motorway is reachable. Rostock-Laage airport is accessible within 7 minutes drive.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

No historical trend of prime and average rents or net initial yields for logistics space in Kritzkow can currently be determined due to the insufficient volume and availability of data, primarily due to the size of the market. For this reason, Rostock, the nearest larger city, is considered as a proxy. In 2007 the prime rent for warehouses and logistics in Rostock amounted to € 3.50/m². By 2017, this had increased to € 4.40/m². The average rent for warehouses and logistics in Rostock increased from € 2.40/m² in 2007 to € 3.50/m² in 2017. The prime yield decreased from 10.0% in 2007 to 7.4% in 2017. Currently, the average yield amounts to 9.1%. Rostock ranks among the C-cities. Letting opportunities are considered to be good and the vacancy rate trend is classified as good. Due to its maritime port, Rostock is considered as the connection between Scandinavia and Germany. The annual freight volume amounts to more than 26 million tonnes, making it the largest German freight port in the Baltic Sea in trade terms. In addition, Cruise Port Warnemuende is the most important passenger port in Germany.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
logistics	47608 Geldern	4,530 m²	€ 2.99 /m²	Q3 2016	medium
logistics	18184 Roggentin	575 m²	€ 3.75 /m²	currently asking	medium
logistics	17273 Güstrow	2,000 m²	€ 2.85 /m²	currently asking	medium

COMMENT ON LEASE COMPARABLES

The rental level for logistics properties provided within the comparable evidence range between € 2.85 and € 3.75 m²/month, with the size spectrum of the currently offered rental areas ranging between 575 m² and 4,530 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for logistics space of € 3.00 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m²	Sales price	Date of sale	Comparability
warehouse/Storage	26135 Oldenburg	9,261 m²	€ 540	€ 5,000,000	Q2 2017	medium
logistics	47807 Krefeld	6,336 m²	€ 554	€ 3,510,000	confidential	medium
logistics	93055 Regensburg	6,968 m²	€ 545	€ 3,800,000	Q4 2017	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 540 and 554/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 531/m² appears plausible and fits into the comparable evidence. The sales comparables are logistics properties, a warehouse/storage building and a business park. As at the date of sale, comparable 1 was built in 1983, completely let and had a WALT of 2.3 years. Comparable 2 is located within a business park. Comparable 3 is located in the southern part of Germany and was built in 1966 and renovated in 1991. As at the date of transaction, it was 97% let on a multi-tenant basis and the WALT amounted to 5.44 years, and therefore, its' sales price per m² is slightly higher than our assumption for the subject property.

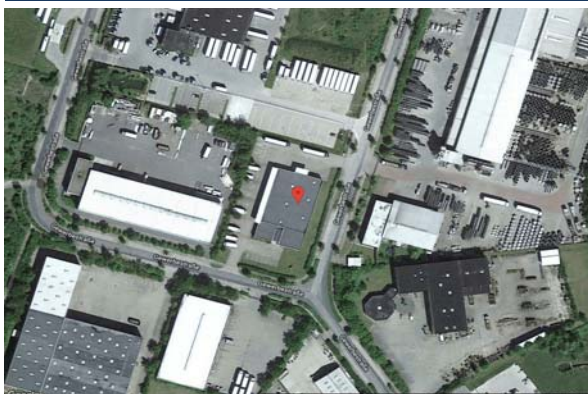


PROPERTY ID 2 Gewerbestraße 21, 18299 Kritzkow, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Güstrow, land register of Kritzkow, Folio 528 (dated 07.12.2017)
Owner	GER LOG 7 S.A.; Luxemburg
Land parcels	Cadastral Section 1, Land parcel 181/65
Site area	4,899 m ²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1 Right of first refusal (Vorkaufsrecht) for all sales cases (alle Verkaufsfälle) in favour of the respective owner of the serial no. 1, folio 10181, dated 23 February 2017.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

The subject property is encumbered with a pre-emptive right of purchase in favour of the respective owner of the real property registered in folio 10181 (boundary Laage). For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, there are no building restrictions registered according to the Reports on Title and the authority's information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site is located in a light industrial and commercial area. There is a low risk of contamination from previous or current use.

PLANNING LAW

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28.05.2018, the subject property is not subject to a detailed development plan. Planning consent is subject to § 34 BauGB (the German planning code). New developments must be in keeping with the type, style and size of existing buildings in the urban area, and roads and services must be available. For the purposes of this valuation we have assumed that the use referred to would continue to be appropriate in the future.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 2

Gewerbestraße 21, 18299 Kritzkow, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	4,899 m²
of which is development land (for additional construction)	none
Shape of site	rectangular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	slightly outmoded
State of repair, building	average
Building layout	efficient
Condition of lettable areas	medium
Construction type	reinforced concrete
Facade	metal sheeting
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	n/a
Windows	aluminium
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a fair overall condition.

There were no Recognized Environmental Conditions (RECs) identified at this site. 1-4 years considerations include the repair of the roof and further work to the roof drainage system, but the TDD did not identify costs for these considerations.

INSPECTION

Type of inspection	Full inspection
Date of inspection	12.06.2018
Inspected by	Tim Haucke

COMMENT ON BUILDING

The subject property is currently let to Kraftverkehr Nagel GmbH & Co. KG. The building has one storey. There are six loading docks on ground level. The office areas are carpeted. The outside area is paved and building circulation is possible. There are 28 parking units and three truck parking units.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (12.06.2018), the lettable areas appeared to be in a good condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. In the valuation we applied short-term capex in the amount of € 10,000 for repairs of the outside facilities.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a medium level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. Estate management would include extending the existing lease agreement.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Micro-Location close to motorway
2. Well known tenant
3. Given third-party usability

OPPORTUNITIES

1. Prolongation of lease contract

WEAKNESSES

1. Remote macro-location
2. High office share
3. Relatively short WALT

THREATS

1. Single tenant property
2. Increased vacancy periods if tenant leaves



PROPERTY ID 2 Gewerbestraße 21, 18299 Kritzkow, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



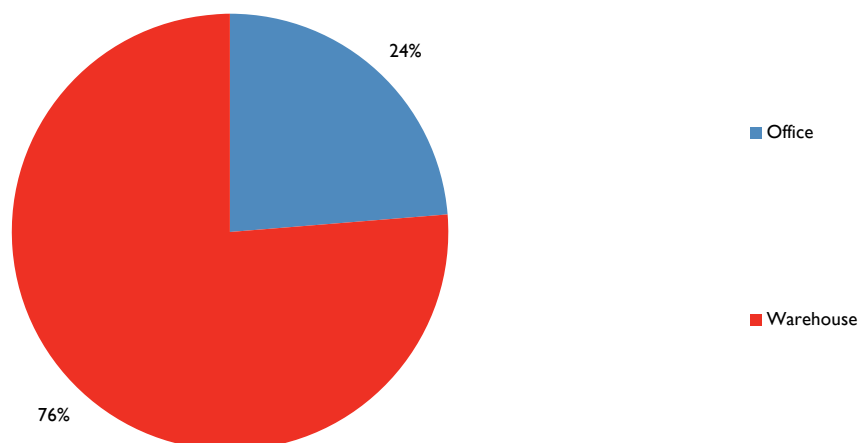
PROPERTY ID 2 Gewerbestraße 21, 18299 Kritzkow, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	326 m²	23.7%	326 m²	23.7%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	0 m²	0.0%	0 m²	0.0%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	1,048 m²	76.3%	1,048 m²	76.3%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	1,374 m²		1,374 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

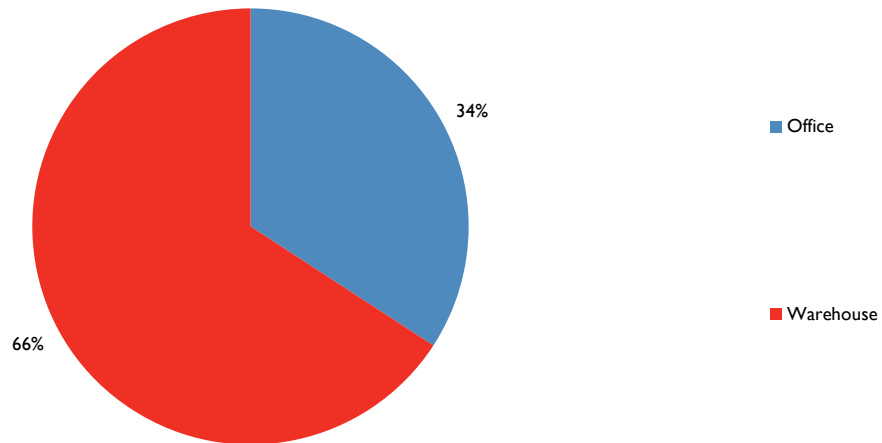


PROPERTY ID 2 Gewerbestraße 21, 18299 Kritzkow, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	326 m²	326 m²	€ 5.04	€ 19,729	€ 5.00	€ 19,560
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	1,048 m²	1,048 m²	€ 3.02	€ 37,979	€ 3.00	€ 37,728
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	1,374 m²	1,374 m²		€ 57,708		€ 57,288
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. Kraftverkehr Nagel GmbH & Co. K	1,374	0	57,708	3.50	3.47	-0.7%	100.0%	3.3 years	100.0%
Total Top 10	1,374	0	57,708	3.50				3.3 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 2 Gewerbestraße 21, 18299 Kritzkow, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING	
Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10 years

CAPITALISATION RATES	
Cap Rate	6.00%
Cap Year	Year 11
Discount Rate	5.50%

NON-REIMBURSABLE EXPENSES	
Vacancy Costs (p.a.)	€ 9.50 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 4.00 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 10,186

OTHER ADJUSTMENTS	
Credit & Collection Loss	0.00%
General Vacancy	0.00%

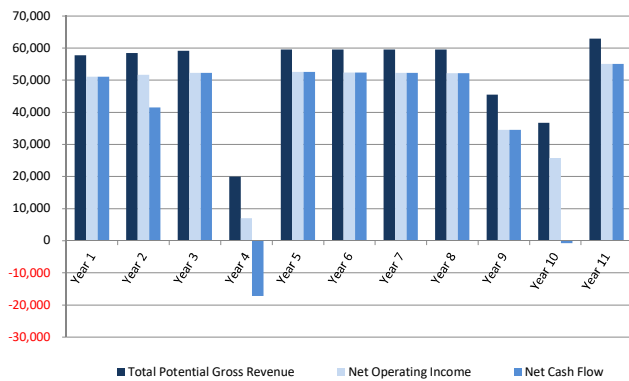
PROPERTY INFLATION	
General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

VALUATION RESULTS	
Current Rent	€ 57,708
Market Rent	€ 57,288
CR Multiplier	12.6
MR Multiplier	12.7
Net Initial Yield	6.51%
Gross Initial Yield	7.91%
Total Investment	€ 784,715
Less Purchasers' Costs	7.50%
Market Value	€ 729,968

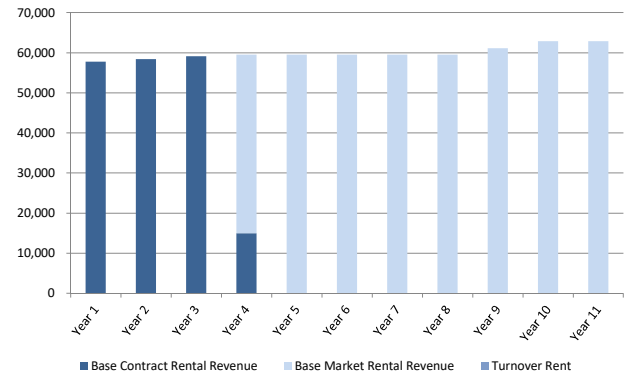
MARKET VALUE (rounded) € 730,000

Net Capital Value per m² lettable building area € 531 / m²

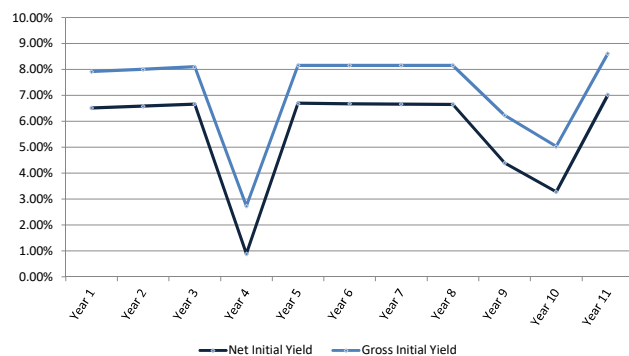
CASH FLOW ANALYSIS



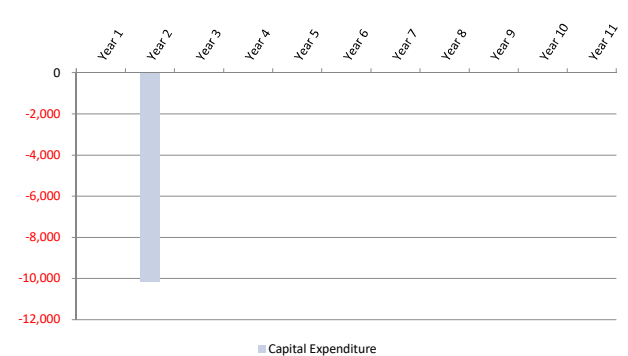
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 2 Gewerbestraße 21, 18299 Kritzkow, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10

CAPITALISATION RATES

Cap Rate	6.00%
Cap Year	Year 11
Discount Rate	6.50%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 4.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 10,186

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 57,288
CR Multiplier	0.0
MR Multiplier	10.0
Net Initial Yield	-3.04%
Gross Initial Yield	0.00%
Total Investment	€ 613,854
Less Purchasers' Costs	7.50%
Market Value	€ 571,027

VACANT POSSESSION VALUE (rounded)

€ 571,000

Net Capital Value per m² lettable building area

€ 416 /m²



PROPERTY ID 2 Gewerbestraße 21, 18299 Kritzkow, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA		
Net lettable building area		1,374 m²
Ratio net lettable area to gross floor area	90.00%	
Gross floor area (BGF)		1,527 m²
DEMOLITION & SITE CLEARANCE		
Demolition costs existing buildings	€ 60 /m²	€ 91,600
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 91,600

CONSTRUCTION COSTS		
a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 650 /m²
Regional adjustment	0.921	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 623 /m²
Gross floor area (BGF)	1,527 m²	
Building costs, total		€ 951,757
b) External areas and outdoor facilities		
External areas [% of building costs]	7.50%	€ 71,382
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 71,382
Building costs incl. external areas		€ 1,023,139
Soft costs	15.00%	€ 153,471
Construction costs (incl. VAT)		€ 1,176,610

VALUATION OVERVIEW

RESULTS		
Demolition and site clearance		€ 91,600
Construction costs (incl. VAT)		€ 1,176,610
Indicative Reinstatement Costs (incl. VAT)		€ 1,268,210
Consideration of VAT	19.00%	-€ 202,487
Indicative Reinstatement Costs (excl. VAT)		€ 1,065,723

INDICATIVE REINSTATEMENT COSTS (rounded) € 1,070,000

Reinstatement costs (rounded) per m² lettable building area € 779 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 2 Gewerbestraße 21, 18299 Kritzkow, Germany

INFORMATION PROVIDED BY THE CLIENT

<i>Item</i>	<i>Provided via</i>
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 2 Gewerbestraße 21, 18299 Kritzkow, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 57,761	€ 58,401	€ 59,111	€ 14,944	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 0	€ 44,550	€ 59,515	€ 59,515	€ 59,515	€ 59,515	€ 61,089	€ 62,837	€ 62,863
Absorption & Turnover Vacancy	€ 0	€ 0	€ 0	-€ 29,671	€ 0	€ 0	€ 0	€ 0	-€ 15,651	-€ 15,690	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	-€ 9,919	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 10,477	€ 0
Scheduled Base Rental Revenue	€ 57,761	€ 58,401	€ 59,111	€ 19,903	€ 59,515	€ 59,515	€ 59,515	€ 59,515	€ 45,438	€ 36,670	€ 62,863
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 57,761	€ 58,401	€ 59,111	€ 19,903	€ 59,515	€ 59,515	€ 59,515	€ 59,515	€ 45,438	€ 36,670	€ 62,863
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	€ 0	-€ 6,808	€ 0	€ 0	€ 0	€ 0	-€ 3,773	-€ 3,791	€ 0
Repairs & Maintenance, Lettable Area	-€ 5,532	-€ 5,598	-€ 5,665	-€ 5,733	-€ 5,827	-€ 5,943	-€ 6,062	-€ 6,184	-€ 6,307	-€ 6,433	-€ 6,562
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 578	-€ 584	-€ 591	-€ 199	-€ 595	-€ 595	-€ 595	-€ 595	-€ 454	-€ 367	-€ 629
Management Costs	-€ 578	-€ 584	-€ 591	-€ 199	-€ 595	-€ 595	-€ 595	-€ 595	-€ 454	-€ 367	-€ 629
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 6,687	-€ 6,766	-€ 6,847	-€ 12,939	-€ 7,017	-€ 7,134	-€ 7,253	-€ 7,374	-€ 10,989	-€ 10,958	-€ 7,819
	11.58%	11.59%	11.58%	65.01%	11.79%	11.99%	12.19%	12.39%	24.18%	29.88%	12.44%
NET OPERATING INCOME (NOI)	€ 51,074	€ 51,635	€ 52,263	€ 6,964	€ 52,498	€ 52,382	€ 52,263	€ 52,142	€ 34,450	€ 25,712	€ 55,044
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	€ 0	€ 0	-€ 16,759	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 18,663	€ 0
Leasing Commissions	€ 0	€ 0	€ 0	-€ 7,439	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 7,858	€ 0
Capital Expenditure	€ 0	-€ 10,186	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 10,186	€ 0	-€ 24,198	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 26,521	€ 0
CASH FLOW	€ 51,074	€ 41,450	€ 52,263	-€ 17,234	€ 52,498	€ 52,382	€ 52,263	€ 52,142	€ 34,450	-€ 809	€ 55,044
Discount Rate / Discount Factor	5.50%	0.948	0.898	0.852	0.807	0.765	0.725	0.687	0.652	0.618	0.585
NET PRESENT VALUE (NPV)	€ 48,411	€ 37,241	€ 44,508	-€ 13,912	€ 40,168	€ 37,990	€ 35,927	€ 33,975	€ 21,277	-€ 474	€ 30,544

Property Exit		
GPV	NOI year 11 *Cap	€ 55,044 x 16,6667
Purchasers Cost	7.50%	€ 917,399
Exit Value		-€ 64,005
NPV Exit Value	0.5854	€ 853,394
		€ 499,603

Market Value		
NPV Cash Flows		€ 285,112
Total Investment		€ 784,715
Purchasers Cost	7.50%	-€ 54,748
Market Value		€ 729,968

Market Value (rounded) € 730,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	15.2	12.6	12.5	12.3	36.7	12.3	12.3	12.3	12.3	16.1	19.9	11.6
Net Initial Yield (NIY)	5.75%	6.5%	6.6%	6.7%	0.9%	6.7%	6.7%	6.7%	6.6%	4.4%	3.3%	7.0%
Gross Initial Yield (GIY)	7.32%	7.9%	8.0%	8.1%	2.7%	8.2%	8.2%	8.2%	8.2%	6.2%	5.0%	8.6%

PROPERTY ID 2

Gewerbestraße 21, 18299 Kritzkow, Germany

PER LETTING UNIT BASIS							MARKET LEASING ASSUMPTIONS							
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Kraftverkehr Nagel GmbH & Co. KG	Office	326	€ 5.04	€ 19.729.34	30.09.2021	3.3 years	€ 5.00	€ 19.560.00	12	50%	€ 50 /m²	60	3	3
Kraftverkehr Nagel GmbH & Co. KG	Warehouse	1.048	€ 3.02	€ 37.978.66	30.09.2021	3.3 years	€ 3.00	€ 37.728.00	12	50%	€ 15 /m²	60	3	3
Total		1,374 m²		€ 57.708				€ 57.288						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)													
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment				Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatelements [months]	Leasing Agency Fees [months]
Total		0 m²						- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 2 Gewerbestraße 21, 18299 Kritzkow, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 57,598	€ 58,089	€ 58,149	€ 58,149	€ 58,149	€ 58,149	€ 59,969	€ 61,420	€ 61,420	€ 61,420	€ 61,420
Absorption & Turnover Vacancy	-€ 57,598	-€ 24,169	€ 0	€ 0	€ 0	€ 0	-€ 30,621	€ 0	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 14,537	€ 0	€ 0	€ 0	€ 0	-€ 5,118	-€ 5,118	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 19,383	€ 58,149	€ 58,149	€ 58,149	€ 58,149	€ 24,229	€ 56,302	€ 61,420	€ 61,420	€ 61,420
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 19,383	€ 58,149	€ 58,149	€ 58,149	€ 58,149	€ 24,229	€ 56,302	€ 61,420	€ 61,420	€ 61,420
Non Recoverable Running Costs During Vacancy	-€ 13,138	-€ 6,628	€ 0	€ 0	€ 0	€ 0	-€ 8,433	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 5,532	-€ 5,598	-€ 5,665	-€ 5,733	-€ 5,827	-€ 5,943	-€ 6,062	-€ 6,184	-€ 6,307	-€ 6,433	-€ 6,562
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 194	-€ 581	-€ 581	-€ 581	-€ 581	-€ 242	-€ 563	-€ 614	-€ 614	-€ 614
Management Costs	€ 0	-€ 194	-€ 581	-€ 581	-€ 581	-€ 581	-€ 242	-€ 563	-€ 614	-€ 614	-€ 614
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 18,669	-€ 12,614	-€ 6,828	-€ 6,896	-€ 6,990	-€ 7,106	-€ 14,980	-€ 7,310	-€ 7,536	-€ 7,662	-€ 7,790
#DIV/0!	65.07%	65.07%	11.74%	11.86%	12.02%	12.22%	61.83%	12.98%	12.27%	12.47%	12.68%
NET OPERATING INCOME	-€ 18,669	€ 6,770	€ 51,321	€ 51,253	€ 51,160	€ 51,043	€ 9,249	€ 48,993	€ 53,885	€ 53,759	€ 53,630
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	-€ 32,598	€ 0	€ 0	€ 0	€ 0	-€ 17,820	€ 0	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 14,537	€ 0	€ 0	€ 0	€ 0	-€ 7,678	€ 0	€ 0	€ 0	€ 0
Capital Expenditure	€ 0	-€ 10,186	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 57,321	€ 0	€ 0	€ 0	€ 0	-€ 25,498	€ 0	€ 0	€ 0	€ 0
CASH FLOW	-€ 18,669	-€ 50,552	€ 51,321	€ 51,253	€ 51,160	€ 51,043	-€ 16,249	€ 48,993	€ 53,885	€ 53,759	€ 53,630
Discount Rate / Discount Factor	6.50%	0.939	0.882	0.828	0.777	0.730	0.685	0.644	0.604	0.567	0.500
NET PRESENT VALUE	-€ 17,530	-€ 44,569	€ 42,486	€ 39,840	€ 37,340	€ 34,982	-€ 10,456	€ 29,603	€ 30,572	€ 28,639	€ 26,826

Property Exit		
GPV	NOI year 11 *Cap	€ 53,630 x 16,6667
Purchasers Cost	7.50%	€ 893,835
Exit Value		-€ 62,361
NPV Exit Value	0.5327	€ 831,474
		€ 442,948

Market Value		
NPV Cash Flows		€ 170,906
Total Investment		€ 613,854
Purchasers Cost	7.50%	-€ 42,827
Vacant Possession Value		€ 571,027

Vacant Possession Value (rounded) € 571,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	12.8	29.5	9.8	9.8	9.8	9.8	9.8	23.6	10.1	9.3	9.3	9.3
Net Initial Yield (NIY)	7.10%	1.1%	8.4%	8.3%	8.3%	8.3%	8.3%	1.5%	8.0%	8.8%	8.8%	8.7%
Gross Initial Yield (GIY)	9.14%	3.4%	10.2%	10.2%	10.2%	10.2%	10.2%	4.2%	9.9%	10.8%	10.8%	10.8%

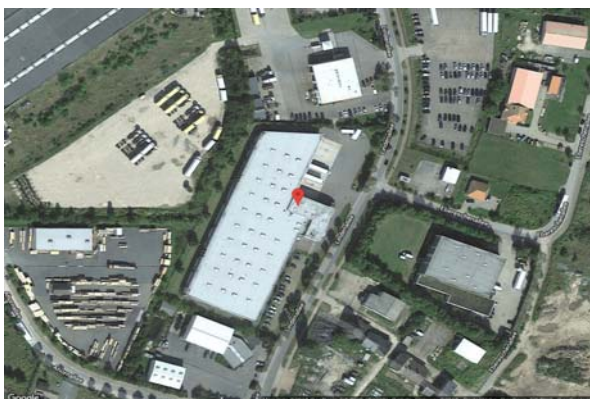


PROPERTY ID 3 Lindenallee 22, 17213 Malchow, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Mecklenburg-Vorpommern
Federal District	Mecklenburgische Seenplatte
City / Municipality	Malchow
Inhabitants (as at)	31.12.2016 6,556
Unemployment rate (as at)	31.05.2018 9.4%
Purchasing Power (German average = 100)	01.06.2018 86.7

Location rating

Macro Location	Small town (< 20,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	medium

PROPERTY DETAILS

Property type/ primary use	Logistics
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	1997
Lettable area	6,433 m²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	2.1 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	12,467 m²
Building condition	good
Contamination	unclear, see commentary
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	overrented	€ 366,681
Market gross rental income p.a. (Year 1)		€ 340,038
Non-recoverable costs p.a. (Year 1)		-€ 33,233

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 4,640,000

Net Capital Value per m² lettable building area € 721 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	6.69%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	7.90%
Gross multiplier on Current Rent	12.7
Gross multiplier on Market Rent	13.6

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	2	Lettability	3
Micro Location	3	Marketability (sale)	3
Building quality (specification & parking etc.)	3	Overall rating	3
Building condition	4	Estimated marketing period (months)	12

PROPERTY SHEET



PROPERTY ID 3 Lindenallee 22, 17213 Malchow, Germany

LOCATION

MACRO LOCATION



MACRO LOCATION

Malchow is a municipality in the Mecklenburgische Seenplatte district, in Mecklenburg-Western Pomerania. It is situated on the river Elde. The local economy is focused on tourism and service companies. Malchow has limited logistics relevance. The nearest larger cities are Brandenburg in approx. 1 hour and Neuruppin in approx. 55 minutes driving distance.

MICRO LOCATION



MICRO LOCATION

The subject property is located in an industrial area. It is adjacent to a car repair shop, a DIY store and a truck parking plot. Across the street are industrial companies. The further surrounding is characterized by green area to the north and west and by residential buildings to the east and south. Public transport is accessible within 10 minutes walking distance. Airport Berlin-Schoenefeld is in 173 km distance.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

No historical trend of prime and average rents or net initial yields for logistics space in Malchow can currently be determined due to the insufficient volume and availability of data, primarily due to the size of the market. For this reason, Neubrandenburg, the nearest larger city, is considered as a proxy. In 2007 the prime rent for warehouses and logistics in Neubrandenburg amounted to € 2.50/m². By 2017, this had remained static, still at € 2.50/m². The average rent for warehouses and logistics in Neubrandenburg still amounts to € 2.00/m² in 2017. The prime yield decreased from 10.0% in 2007 to 8.3% in 2017. Currently, the average yield amounts to 10.0%. Neubrandenburg is a logistics location of limited supraregional relevance. Local or regional operating companies and companies providing special freight solutions are located in Neubrandenburg. Resident companies are e.g. CHEFS CULINAR Nord GmbH & Co. KG, Kran-Logistik, MB-rent Truck & Trailer Service & Logistik, Nevag-eurotrans, Geologistics and Sinnes-Transport. The city ranks among the D-cities. Letting opportunities are considered satisfactory and the vacancy rate trend is classified as good.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
logistics	94315 Straubing	4,986 m²	€ 4.83 /m²	Q1 2017	medium
logistics	58708 Menden	8,171 m²	€ 4.58 /m²	Q4 2017	medium
logistics	19306 Neustadt	7,600 m²	€ 4.20 /m²	currently asking	medium

COMMENT ON LEASE COMPARABLES

The rental level for logistics properties provided within the comparable evidence range between € 4.20 and € 4.83 m²/month, with the size spectrum of the currently offered rental areas ranging between 4,986 m² and 8,171 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparable 1 is a similar property. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for logistics space of € 4.25 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m²	Sales price	Date of sale	Comparability
logistics	97526 Sennfeld	2,181 m²	€ 733	€ 1,580,000	Q2 2017	medium
logistics	09116 Sachsen	8,086 m²	€ 742	€ 6,000,000	Q2 2017	medium
logistics	67292 Kirchheimbolanden	19,965 m²	€ 751	€ 15,000,000	Q2 2017	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 733 and 751/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 721/m² appears plausible and fits into the comparable evidence. The sales comparables are logistics properties. As at the date of transaction, comparable 1 was fully let. Comparable 2 was built in 2008 and as at the date of transaction fully let. The WALT amounted to 2.41 years. Comparable 3 is located in Rhineland-Palatinate and was built in 2008. As at the date of transaction, it was fully let.



PROPERTY ID 3 Lindenallee 22, 17213 Malchow, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Waren (Mueritz), land register of Malchow, Folio 6499 (dated 07.12.2017)
Owner	GER LOG 4 S.A., (Aktiengesellschaft, Luxembourg)
Land parcels	Cadastral Section 15, Land parcels 47/16, 51/4, 51/6, 47/17, 53/14, 53/32, 53/15, 53/21, 53/29, 53/22, 53/20, 53/13, 51/3, 51/5, 47/15, 46/5, 45/5, 50/3, 50/4, 49/4, 49/5, 48/3, 48/4, 47/4 and 47/5
Site area	12,467 m ²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1 Limited, restricted personal easement (befristete beschränkte persönliche Dienstbarkeit), regarding the right to operate a fast delivery service with day and night operation (Betreiben eines Schnell-Lieferdienstes mit Tag- und Nachtbetrieb) in favour of trans-o-flex Schnell-Lieferdienst GmbH, limited until 31 December 2017; dated 18 September 2000.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There is a tenant easement entered in section II regarding the right to tolerate a day and night business for the purpose of a fast delivery service or logistic company limited until 31 December 2017. For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. We assumed a prolongation of the tenant easement in accordance with the lease agreement prolongation. The easement is reflected in the current situation. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, a unification easement has been registered according to the Reports on Title and the authority's information. This easement encompasses all parcels of the property. We assumed that the easement does not have a detrimental effect on the assessed level of Market Value, as it is reflected in the current situation.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site is located on former agricultural land in a light industrial and commercial area. There is a low risk of contamination from previous or current use. The site is not recorded in the German register of contaminated sites.

PLANNING LAW

According to information provided by the local authorities, dated 14.06.2018, the subject property is not subject to a detailed development plan. Planning consent is subject to land-use plan (Flächennutzungsplan). The plan stipulates industrial / commercial building area (gewerbliche Baufläche). For the purposes of this valuation we have assumed that the use referred to would continue to be appropriate in the future.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 3 Lindenallee 22, 17213 Malchow, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	12,467 m²
of which is development land (for additional construction)	none
Shape of site	rectangular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	slightly outmoded
State of repair, building	good
Building layout	efficient
Condition of lettable areas	good
Construction type	various types
Facade	various types
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	n/a
Windows	aluminium
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a good overall condition. There were no Recognized Environmental Conditions (RECs) identified at this site. 5 - 12 years considerations include a renewal of the heating.

INSPECTION

Type of inspection	Full inspection
Date of inspection	12.06.2018
Inspected by	Tim Haucke

COMMENT ON BUILDING

The subject property is currently let to trans-o-flex Schnell-Lieferdienst GmbH & Co. KG. It is used as a distributional centre. The property has two storeys and a flat roof. Eleven loading doors and three loading docks are on ground level. There are 30 parking units and two truck parking units. The site is fenced. Access to the site is controlled via gate. The outdoor area is paved and it is accessible via a combined drive.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (12.06.2018), the lettable areas appeared to be in a good condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. In accordance with the Arcadis report we applied a total amount of € 130,000.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. The tenant sublet several areas. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a medium level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. Estate management would include extending the existing lease agreement.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Good accessibility
2. Well known tenant
3. Office share in line with requirements

OPPORTUNITIES

1. Prolongation of lease contract

WEAKNESSES

1. Remote macro-location
2. Short WALT

THREATS

1. Limited third party demand for current configuration (purpose-built for trans-o-flex)
2. Increased vacancy periods if tenant leaves



PROPERTY ID 3 Lindenallee 22, 17213 Malchow, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



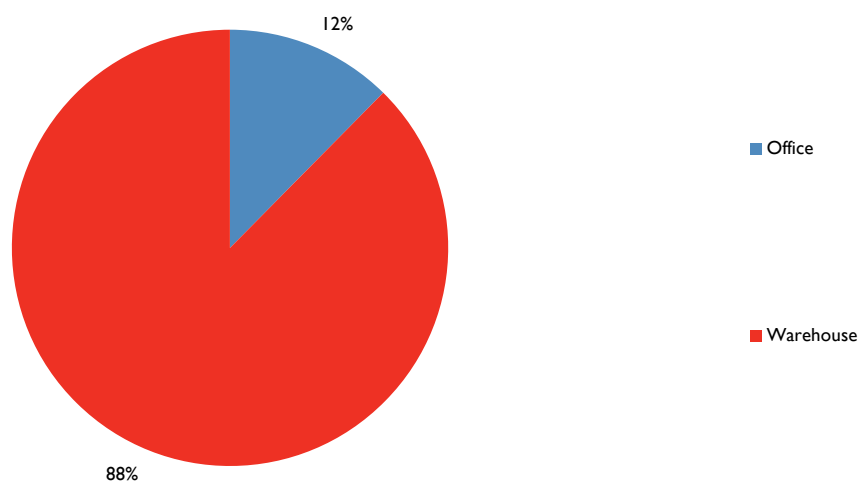
PROPERTY ID 3 Lindenallee 22, 17213 Malchow, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	797 m²	12.4%	797 m²	12.4%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	0 m²	0.0%	0 m²	0.0%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	5,636 m²	87.6%	5,636 m²	87.6%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	6,433 m²		6,433 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

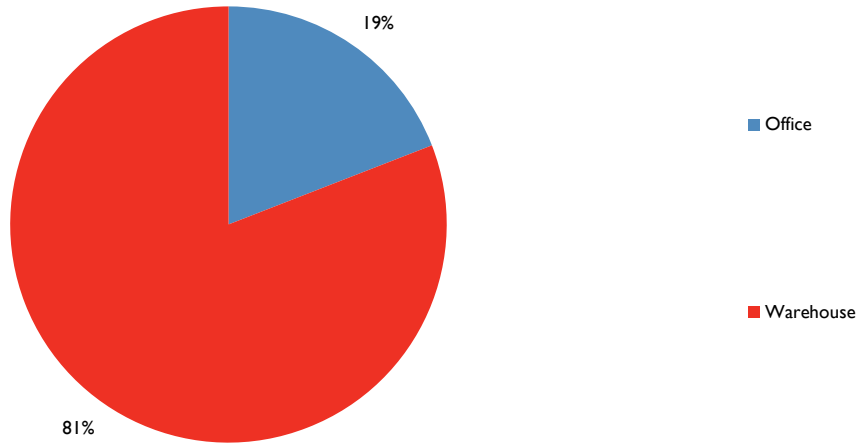


PROPERTY ID 3 Lindentallee 22, 17213 Malchow, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	797 m²	797 m²	€ 7.32	€ 70,052	€ 5.50	€ 52,602
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	5,636 m²	5,636 m²	€ 4.39	€ 296,629	€ 4.25	€ 287,436
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	6,433 m²	6,433 m²		€ 366,681		€ 340,038
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. trans-o-flex Schnell-Lieferdienst G	6,433	0	366,681	4.75	4.40	-7.3%	100.0%	2.1 years	100.0%
Total Top 10	6,433	0	366,681	4.75				2.1 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 3 Lindenallee 22, 17213 Malchow, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING	
Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10 years

CAPITALISATION RATES	
Cap Rate	5.75%
Cap Year	Year 10
Discount Rate	5.25%

NON-REIMBURSABLE EXPENSES	
Vacancy Costs (p.a.)	€ 9.50 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 4.00 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 132,255

OTHER ADJUSTMENTS	
Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION	
General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

VALUATION RESULTS

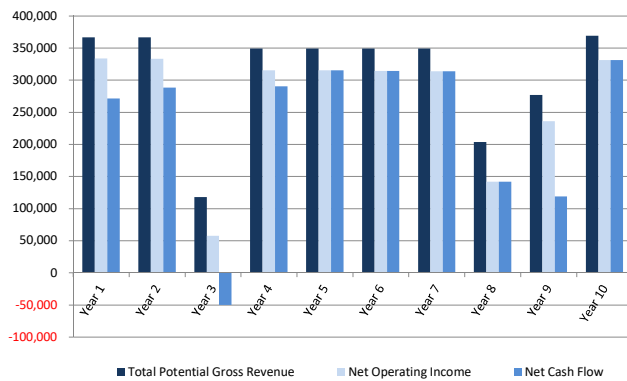
Current Rent	€ 366,681
Market Rent	€ 340,038
CR Multiplier	12.7
MR Multiplier	13.6
Net Initial Yield	6.69%
Gross Initial Yield	7.90%
Total Investment	€ 4,986,813
Less Purchasers' Costs	7.50%
Market Value	€ 4,638,896

MARKET VALUE (rounded) € 4,640,000

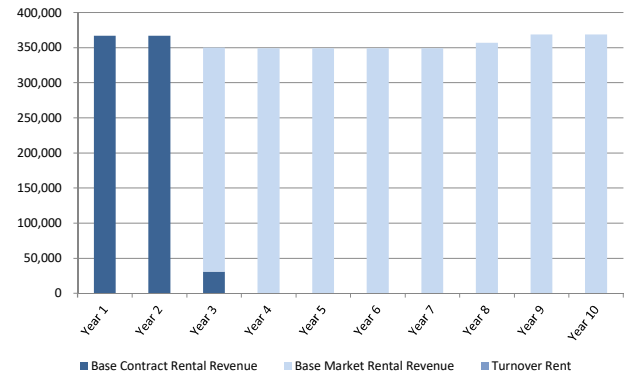
Net Capital Value per m² lettable building area

€ 721 / m²

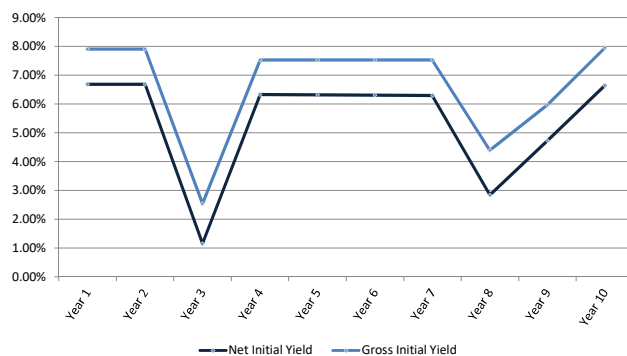
CASH FLOW ANALYSIS



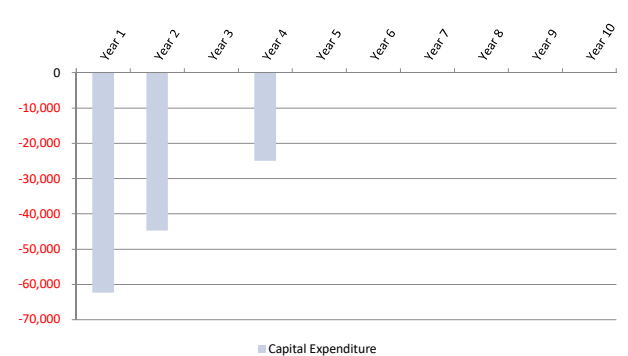
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 3 Lindenallee 22, 17213 Malchow, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10

CAPITALISATION RATES

Cap Rate	5.75%
Cap Year	Year 10
Discount Rate	6.25%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 4.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 132,255

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 340,038
CR Multiplier	0.0
MR Multiplier	11.0
Net Initial Yield	-2.17%
Gross Initial Yield	0.00%
Total Investment	€ 4,021,346
Less Purchasers' Costs	7.50%
Market Value	-€ 280,559
	€ 3,740,787

VACANT POSSESSION VALUE (rounded)

€ 3,740,000

Net Capital Value per m² lettable building area

€ 581 /m²

PROPERTY SHEET



PROPERTY ID 3 Lindenallee 22, 17213 Malchow, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA		
Net lettable building area		6,433 m²
Ratio net lettable area to gross floor area	90.00%	
Gross floor area (BGF)		7,148 m²
DEMOLITION & SITE CLEARANCE		
Demolition costs existing buildings	€ 60 /m²	€ 428,867
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 428,867

CONSTRUCTION COSTS		
a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 800 /m²
Regional adjustment	0.839	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 699 /m²
Gross floor area (BGF)	7,148 m²	
Building costs, total		€ 4,996,109
b) External areas and outdoor facilities		
External areas [% of building costs]	7.50%	€ 374,708
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 374,708
Building costs incl. external areas		€ 5,370,818
Soft costs	15.00%	€ 805,623
Construction costs (incl. VAT)		€ 6,176,440

VALUATION OVERVIEW

RESULTS		
Demolition and site clearance		€ 428,867
Construction costs (incl. VAT)		€ 6,176,440
Indicative Reinstatement Costs (incl. VAT)		€ 6,605,307
Consideration of VAT	19.00%	-€ 1,054,629
Indicative Reinstatement Costs (excl. VAT)		€ 5,550,678

INDICATIVE REINSTATEMENT COSTS (rounded)	€ 5,550,000
Reinstatement costs (rounded) per m² lettable building area	€ 863 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 3 Lindenallee 22, 17213 Malchow, Germany

INFORMATION PROVIDED BY THE CLIENT

<i>Item</i>	<i>Provided via</i>
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 3 Lindenallee 22, 17213 Malchow, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 366,681	€ 366,681	€ 30,557	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 319,577	€ 349,181	€ 349,181	€ 349,181	€ 349,181	€ 356,857	€ 368,798	€ 368,824
Absorption & Turnover Vacancy	€ 0	€ 0	-€ 174,085	€ 0	€ 0	€ 0	€ 0	-€ 153,168	-€ 30,710	€ 0
Base Rent-Free Periods	€ 0	€ 0	-€ 58,197	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 61,471	€ 0
Scheduled Base Rental Revenue	€ 366,681	€ 366,681	€ 117,852	€ 349,181	€ 349,181	€ 349,181	€ 349,181	€ 203,689	€ 276,618	€ 368,824
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 366,681	€ 366,681	€ 117,852	€ 349,181	€ 349,181	€ 349,181	€ 349,181	€ 203,689	€ 276,618	€ 368,824
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	-€ 31,435	€ 0	€ 0	€ 0	€ 0	-€ 28,815	-€ 5,792	€ 0
Repairs & Maintenance, Lettable Area	-€ 25,899	-€ 26,210	-€ 26,524	-€ 26,843	-€ 27,281	-€ 27,827	-€ 28,383	-€ 28,951	-€ 29,530	-€ 30,120
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 3,667	-€ 3,667	-€ 1,179	-€ 3,492	-€ 3,492	-€ 3,492	-€ 3,492	-€ 2,037	-€ 2,766	-€ 3,688
Management Costs	-€ 3,667	-€ 3,667	-€ 1,179	-€ 3,492	-€ 3,492	-€ 3,492	-€ 3,492	-€ 2,037	-€ 2,766	-€ 3,688
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 33,233	-€ 33,543	-€ 60,316	-€ 33,826	-€ 34,265	-€ 34,810	-€ 35,367	-€ 61,840	-€ 40,854	-€ 37,497
	9.06%	9.15%	51.18%	9.69%	9.81%	9.97%	10.13%	30.36%	14.77%	10.17%
NET OPERATING INCOME (NOI)	€ 333,448	€ 333,137	€ 57,536	€ 315,355	€ 314,917	€ 314,371	€ 313,815	€ 141,850	€ 235,764	€ 331,327
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	€ 0	-€ 64,205	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 70,845	€ 0
Leasing Commissions	€ 0	€ 0	-€ 43,648	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 46,103	€ 0
Capital Expenditure	-€ 62,402	-€ 44,817	€ 0	-€ 25,036	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 62,402	-€ 44,817	-€ 107,853	-€ 25,036	€ 0	€ 0	€ 0	€ 0	-€ 116,948	€ 0
CASH FLOW	€ 271,046	€ 288,320	-€ 50,317	€ 290,319	€ 314,917	€ 314,371	€ 313,815	€ 141,850	€ 118,816	€ 331,327
Discount Rate / Discount Factor	5.25%	0.950	0.903	0.858	0.815	0.774	0.736	0.699	0.664	0.599
NET PRESENT VALUE (NPV)	€ 257,526	€ 260,274	-€ 43,157	€ 236,585	€ 243,829	€ 231,265	€ 219,340	€ 94,200	€ 74,968	€ 198,626

Property Exit			
GPV	NOI year 10 *Cap	€ 331,327 x 17,3913	€ 5,762,202
Purchasers Cost	7.50%		-€ 402,014
Exit Value			€ 5,360,188
NPV Exit Value	0.5995		€ 3,213,357

Market Value		
NPV Cash Flows		€ 1,773,456
Total Investment		€ 4,986,813
Purchasers Cost	7.50%	-€ 347,917
Market Value		€ 4,638,896

Market Value (rounded) € 4,640,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	16.3	12.7	12.7	39.4	13.3	13.3	13.3	13.3	22.8	16.8	12.6
Net Initial Yield (NIY)	5.60%	6.7%	6.7%	1.2%	6.3%	6.3%	6.3%	6.3%	2.8%	4.7%	6.6%
Gross Initial Yield (GIY)	6.89%	7.9%	7.9%	2.5%	7.5%	7.5%	7.5%	7.5%	4.4%	6.0%	8.0%

PROPERTY ID 3

Lindenallee 22, 17213 Malchow, Germany

RENT ROLL							MARKET LEASING ASSUMPTIONS							
PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
trans-o-flex Schnell-Lieferdienst GmbH & Co Office		797	€ 7.32	€ 70.051,56	31.07.2020	2.1 years	€ 5.50	€ 52.602,00	12	50%	€ 50 /m²	60	3	3
trans-o-flex Schnell-Lieferdienst GmbH & Co Warehouse		5.636	€ 4.39	€ 296.629,20	31.07.2020	2.1 years	€ 4.25	€ 287.436,00	12	50%	€ 15 /m²	60	3	3
Total		6.433 m²		€ 366,681				€ 340,038						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)													
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment				Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Total		0 m²						- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 3 Lindenallee 22, 17213 Malchow, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 341,877	€ 344,794	€ 345,151	€ 345,151	€ 345,151	€ 345,151	€ 355,949	€ 364,567	€ 364,567	€ 364,567
Absorption & Turnover Vacancy	-€ 341,877	-€ 143,456	€ 0	€ 0	€ 0	€ 0	-€ 181,755	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 86,288	€ 0	€ 0	€ 0	€ 0	-€ 30,381	-€ 30,381	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 115,050	€ 345,151	€ 345,151	€ 345,151	€ 345,151	€ 143,813	€ 334,186	€ 364,567	€ 364,567
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 115,050	€ 345,151	€ 345,151	€ 345,151	€ 345,151	€ 143,813	€ 334,186	€ 364,567	€ 364,567
Non Recoverable Running Costs During Vacancy	-€ 61,510	-€ 31,031	€ 0	€ 0	€ 0	€ 0	-€ 39,485	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 25,899	-€ 26,210	-€ 26,524	-€ 26,843	-€ 27,281	-€ 27,827	-€ 28,383	-€ 28,951	-€ 29,530	-€ 30,120
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 1,151	-€ 3,452	-€ 3,452	-€ 3,452	-€ 3,452	-€ 1,438	-€ 3,342	-€ 3,646	-€ 3,646
Management Costs	€ 0	-€ 1,151	-€ 3,452	-€ 3,452	-€ 3,452	-€ 3,452	-€ 1,438	-€ 3,342	-€ 3,646	-€ 3,646
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 87,409	-€ 59,542	-€ 33,427	-€ 33,746	-€ 34,184	-€ 34,730	-€ 70,744	-€ 35,635	-€ 36,821	-€ 37,412
#DIV/0!	51.75%	51.75%	9.68%	9.78%	9.90%	10.06%	49.19%	10.66%	10.10%	10.26%
NET OPERATING INCOME	-€ 87,409	€ 55,508	€ 311,724	€ 311,406	€ 310,967	€ 310,422	€ 73,069	€ 298,552	€ 327,746	€ 327,155
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	-€ 126,636	€ 0	€ 0	€ 0	€ 0	-€ 69,227	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 86,288	€ 0	€ 0	€ 0	€ 0	-€ 45,571	€ 0	€ 0	€ 0
Capital Expenditure	-€ 62,402	-€ 44,817	€ 0	-€ 25,036	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 62,402	-€ 257,740	€ 0	-€ 25,036	€ 0	€ 0	-€ 114,798	€ 0	€ 0	€ 0
CASH FLOW	-€ 149,811	-€ 202,232	€ 311,724	€ 286,370	€ 310,967	€ 310,422	-€ 41,729	€ 298,552	€ 327,746	€ 327,155
Discount Rate / Discount Factor	6.25%	0.941	0.886	0.834	0.785	0.739	0.695	0.654	0.616	0.545
NET PRESENT VALUE	-€ 140,999	-€ 179,140	€ 259,886	€ 224,704	€ 229,652	€ 215,764	-€ 27,299	€ 183,818	€ 189,922	€ 178,428

Property Exit			
GPV	NOI year 10 *Cap	€ 327,155 x 17,3913	€ 5,689,651
Purchasers Cost	7.50%		-€ 396,952
Exit Value			€ 5,292,699
NPV Exit Value	0.5454		€ 2,886,608

Market Value			
NPV Cash Flows			€ 1,134,738
Total Investment			€ 4,021,346
Purchasers Cost	7.50%		-€ 280,559
Vacant Possession Value			€ 3,740,787

Vacant Possession Value (rounded) € 3,740,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	14.1		32.5	10.8	10.8	10.8	10.8	26.0	11.2	10.3	10.3
Net Initial Yield (NIY)	6.67%		1.4%	7.8%	7.7%	7.7%	7.7%	1.8%	7.4%	8.2%	8.1%
Gross Initial Yield (GIY)	8.28%		3.1%	9.2%	9.2%	9.2%	9.2%	3.8%	8.9%	9.7%	9.7%

PROPERTY SHEET



PROPERTY ID 4 Gerhard-Stalling-Straße 9-11, 26135 Oldenburg, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Lower Saxony
Federal District	Oldenburg
City / Municipality	Oldenburg
Inhabitants (as at)	01.01.2018 164,683
Unemployment rate (as at)	31.12.2017 6.8%
Purchasing Power (German average = 100)	01.01.2018 101.31

Location rating

Macro Location	Small city (100,000-250,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	strong

PROPERTY DETAILS

Property type/ primary use	Warehouse
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	1993 (2006)
Lettable area	16,805 m²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	4.0 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	37,862 m²
Building condition	medium
Contamination	none, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	overrented	€ 1,159,410
Market gross rental income p.a. (Year 1)		€ 884,118
Non-recoverable costs p.a. (Year 1)		-€ 90,866

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 13,100,000

Net Capital Value per m² lettable building area € 780 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	7.57%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	8.86%
Gross multiplier on Current Rent	11.3
Gross multiplier on Market Rent	14.8

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	3	Lettability	3
Micro Location	4	Marketability (sale)	3
Building quality (specification & parking etc.)	3	Overall rating	3
Building condition	3	Estimated marketing period (months)	12



PROPERTY ID 4

Gerhard-Stalling-Straße 9-11, 26135 Oldenburg, Germany

LOCATION

MACRO LOCATION



MACRO LOCATION

Oldenburg is a city of around 164,683 inhabitants in northwest Germany. It is located approx. 40 km northwest of Bremen and represents the major centre of the Weser-Ems region. Due to its proximity to the North Sea ports and the good transport link, Oldenburg is an established logistics region. Oldenburg freight port records 1.5 tons of freight per annum as one of the leading freight hubs in Lower Saxony. Major cargo types include animal feed, grain, fertiliser and building materials.

MICRO LOCATION



MICRO LOCATION

The subject property is located in an industrial area in the southern part of Oldenburg. Adjacent companies are a scaffolding company and soil manufacturing company. Across the street is green area which parts the industrial area from the residential area. Public transport is accessible within 2 minutes walking distance. A28 motorway is reachable within 2 minutes' drive.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

In 2007 the prime rent for warehouses and logistics in Oldenburg amounted to € 3.50/m². By 2017, this had increased to € 4.00/m². The average rent for warehouses and logistics in Oldenburg increased from € 2.80/m² in 2007 to € 3.30/m² in 2017. The prime yield decreased from 9.0% in 2007 to 6.8% in 2017. Currently, the average yield amounts to 8.1%. Due to its proximity to the North Sea ports on the rivers Weser and Ems as well as the good road links, Oldenburg is an important logistics location, mainly characterized by haulage, food and textiles sector. Annual freight hub volume amounts to 1.05 million tonnes. Oldenburg ranks among the D-cities. Letting opportunities are considered to be good and the vacancy rate trend is classified as good.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
logistics	53773 Hennef	1,882 m ²	€ 4.13 /m ²	Q4 2016	medium
logistics	26135 Oldenburg	8,300 m ²	€ 3.30 /m ²	currently asking	high
logistics	63128 Dietzenbach	1,882 m ²	€ 4.00 /m ²	Q2 2017	medium

COMMENT ON LEASE COMPARABLES

The rental level for warehouse properties provided within the comparable evidence range between € 3.30 and € 4.13 m²/month, with the size spectrum of the currently offered rental areas ranging between 1,882 m² and 8,300 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparable 2 is a current online offer of the subject property. The asking rent is below market rent. We assume that the rental offer is below market level in order to find a new sub-tenant as fast as possible. Comparing the quality of the areas, we are of the opinion that the estimated market rental level for warehouse space of € 4.00 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m ²	Sales price	Date of sale	Comparability
Industrial	26180 Rastede	11,888 m ²	€ 757	€ 9,000,000	Q3 2016	medium
logistics	27580 Bremerhaven	20,643 m ²	€ 692	€ 14,285,714	Q1 2018	medium
Industrial	49597 Rieste	44,099 m ²	€ 590	€ 26,000,000	Q1 2017	low

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 590 and € 757/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 780/m² appears plausible and fits into the comparable evidence. The sales comparables are industrial and logistics properties. As at the date of sale, the properties were fully let. Comparable property 1 was built in 2015, comparable 2 in 2008 and comparable 3 in 2009. The location of comparable 3 is considered as being no established logistics location and therefore has a lower sales price per m² than the subject property. Furthermore, the higher capital value is caused by the good fit-out of office areas and the retail unit in the subject property. Comparable 2 was sold within a portfolio deal. The property was let on a single-tenant basis.



PROPERTY ID 4 Gerhard-Stalling-Straße 9-11, 26135 Oldenburg, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Oldenburg, land register of Oldenburg, Folio 71642 (dated 08.12.2017)
Owner	GER LOG 6 SA Gesellschaft luxemburgischen Rechts, Luxemburg
Land parcels	Cadastral Section 12, Land parcel 32/25
Site area	37,862 m²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1	Only regarding parcel 32/15 (originally 357/32): Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding an overhead power line right (Starkstrom-Freileitungsrecht) in favour of Nordwestdeutsche Kraftwerke Aktiengesellschaft, Hamburg (approval dated 14 April 1967); registered on 7 June 1967.
Restrictions and encumbrances 2	Only regarding parcel 31/10: Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding an overhead power line right (Starkstrom-Freileitungsrecht) in favour of Nordwestdeutsche Kraftwerke Aktiengesellschaft, Hamburg (approval dated 15 March / 14 April 1967); registered on 7 June 1967.
Restrictions and encumbrances 3	Only regarding parcel 31/20: Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding an overhead power line right (Starkstrom-Freileitungsrecht) in favour of Nordwestdeutsche Kraftwerke Aktiengesellschaft, Hamburg; registered on 7 June 1967.
Restrictions and encumbrances 4	Resolving conditional restricted personal easement (auflösend bedingte beschränkte persönliche Dienstbarkeit) regarding the construction, operation and maintenance of a photovoltaic system along with a right of way and a cable right (nebst Wege- und Leitungsrecht) in favour of WIRSOL Solar AG, Waghäusel; value replacement according to Sec. 882 BGB: EUR 10,000 (approval dated 27 December 2011, deed no. 2703/11, notary Dr. Wockenfuß, Hamburg); registered on 30 January 2012.
Restrictions and encumbrances 5	Priority notice (Vormerkung) to secure the claim to register a restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding the construction, operation and maintenance of a photovoltaic system along with a right of way and a cable right (nebst Wege- und Leitungsrecht) in favour of WIRSOL Solar AG, Waghäusel (approval dated 27 December 2011, deed no. 2703/11 - paragraph 1, point 2, notary Dr. Wockenfuß, Hamburg); registered on 30 January 2012.
Restrictions and encumbrances 6	Priority notice (Vormerkung) to secure the claim to register a restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding the construction, operation and maintenance of a photovoltaic system along with a right of way and a cable right (nebst Wege- und Leitungsrecht) as well as an influence ban (Einwirkungsverbot) in favour of Waplon Solar GmbH; value replacement according to Sec. 882 BGB: EUR 10,000 (approval dated 4 May 2012, deed no. 956/2012, notary Dr. Köpp, Hamburg); registered on 18 July 2012.
Restrictions and encumbrances 7	

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There are several entries in section II of the land registry extract. The site is encumbered with restricted personal easements regarding the right to construct and maintain photovoltaic facilities along with a right of way and a cable right regarding an overhead power line. For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, no public easements have been registered according to the Reports on Title and the authority information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site is located on former agricultural land in a light industrial and commercial area. There is a low risk of contamination from previous or current use.

PLANNING LAW

According to online information provided by the city of Oldenburg on 20.06.2018, there is a detailed development plan no. 619, dated 16.07.2004 relating to the subject area. The plan stipulates commercial area (GE), which is legally binding with the Federal Land Utilization Ordinance of 1990 (BauNVO). The plan stipulates a site coverage of 0.6 and a plot ratio of 1. For the purpose of this valuation, we have assumed that the subject property has been developed in line with the planning requirements.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 4 Gerhard-Stalling-Straße 9-11, 26135 Oldenburg, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	37,862 m²
of which is development land (for additional construction)	none
Shape of site	rectangular
Topography of site	level

BUILDING(S)

Number of buildings on site	3
Age / Quality of building	slightly outmoded
State of repair, building	average
Building layout	efficient
Condition of lettable areas	medium
Construction type	reinforced concrete
Facade	various types
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	none
Windows	various types
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a fair overall condition.

There were no Recognized Environmental Conditions (RECs) identified at this site. 1-4 years considerations include cleaning the storm water drainage, applying emergency overflows roof at the buildings A, B and C, replacement of the kit in the joints between the aerated concrete panels warehouse A and B, repair of damages to the outer walls of warehouse A and B, cleaning and coating the outer walls of warehouse A and B, repair the cracks in the concrete floor of warehouse A and B and replacement of some overhead doors in warehouse A and B. Reportedly, no significant investments were conducted in 2017.

INSPECTION

Type of inspection	Full inspection
Date of inspection	11.06.2018
Inspected by	Jessica Wilhelm

COMMENT ON BUILDING

The subject property consists of 5 buildings. The buildings are let to Dipl. Betriebswirt Ulrich Zimmermann. The tenant sublet several units to subsidiaries and other companies. The warehouse buildings are mainly on ground level and partly have two storeys. The upper floor is used as office. The office building has one storey and one building has two storeys.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (11.06.2018), the lettable areas appeared to be in a medium condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. We considered short-term capex of € 20,000 and mid-term capex of € 20,000.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. 50% of the office space is considered as structural vacancy. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a medium level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. Estate management would include extending the existing lease agreement.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Good building condition
2. Good macro location
3. Accommodation meets current requirements

OPPORTUNITIES

1. Leasing to current sub-tenants

WEAKNESSES

1. Partly sub-let
2. Unused office space

THREATS

1. Structural vacancy of office accommodation



PROPERTY ID 4 Gerhard-Stalling-Straße 9-11, 26135 Oldenburg, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



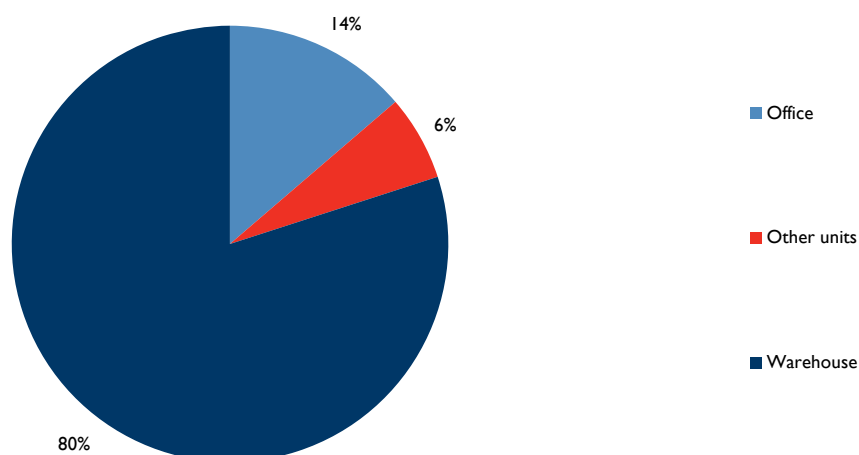
PROPERTY ID 4 Gerhard-Stalling-Straße 9-11, 26135 Oldenburg, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	2,303 m²	13.7%	2,303 m²	14.6%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	0 m²	0.0%	0 m²	0.0%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	1,061 m²	6.3%	1,061 m²	6.7%	0 units	
Warehouse	13,441 m²	80.0%	13,441 m²	85.4%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	16,805 m²		15,744 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

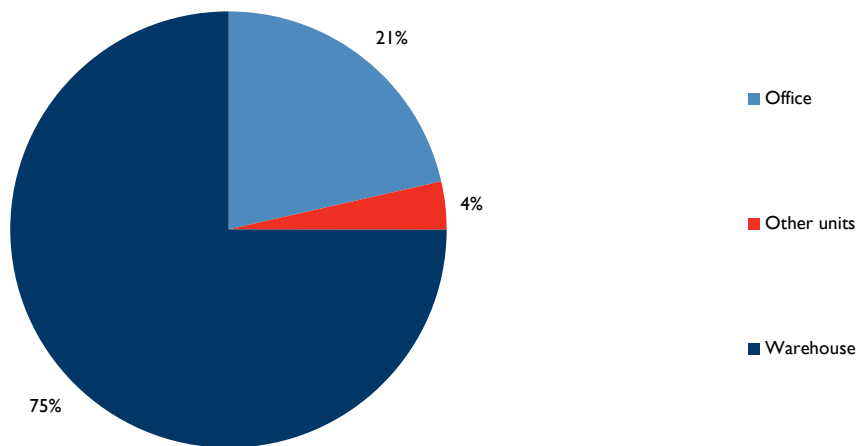


PROPERTY ID 4 Gerhard-Stalling-Straße 9-11, 26135 Oldenburg, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	2,303 m²	2,303 m²	€ 9.00	€ 248,784	€ 4.50	€ 124,362
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	1,061 m²	1,061 m²	€ 3.23	€ 41,179	€ 9.00	€ 114,588
Warehouse	13,441 m²	13,441 m²	€ 5.39	€ 869,447	€ 4.00	€ 645,168
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	16,805 m²	16,805 m²		€ 1,159,410		€ 884,118
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. Dipl. Betriebswirt Ulrich Zimmerm.	16,805	0	1,159,410	5.75	4.38	-23.7%	100.0%	4.0 years	100.0%
Total Top 10	16,805	0	1,159,410	5.75				4.0 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 4 Gerhard-Stalling-Straße 9-11, 26135 Oldenburg, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING	
Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	11 years

CAPITALISATION RATES	
Cap Rate	5.75%
Cap Year	Year 12
Discount Rate	5.38%

NON-REIMBURSABLE EXPENSES	
Vacancy Costs (p.a.)	€ 9.50 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 4.00 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 41,234

OTHER ADJUSTMENTS	
Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION	
General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-11 p.a. (average)	1.00%

VALUATION RESULTS

Current Rent	€ 1,159,410
Market Rent	€ 884,118
CR Multiplier	11.3
MR Multiplier	14.8
Net Initial Yield	7.57%
Gross Initial Yield	8.86%
Total Investment	€ 14,122,049
Less Purchasers' Costs	7.50%
Market Value	€ 13,136,790

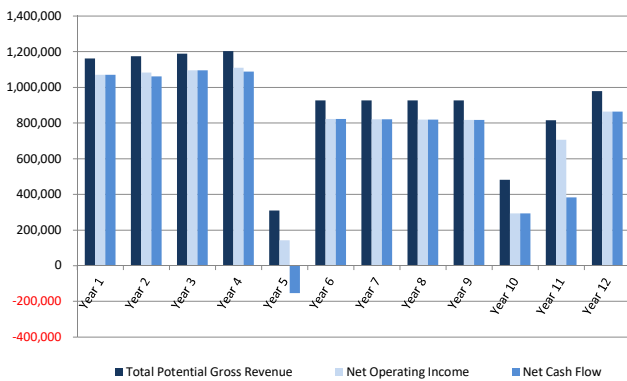
MARKET VALUE (rounded)

€ 13,100,000

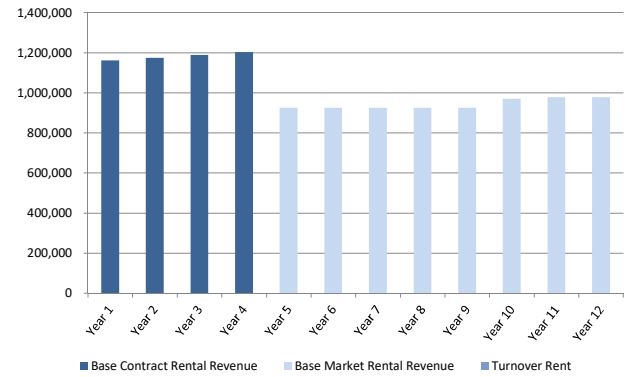
Net Capital Value per m² lettable building area

€ 780 / m²

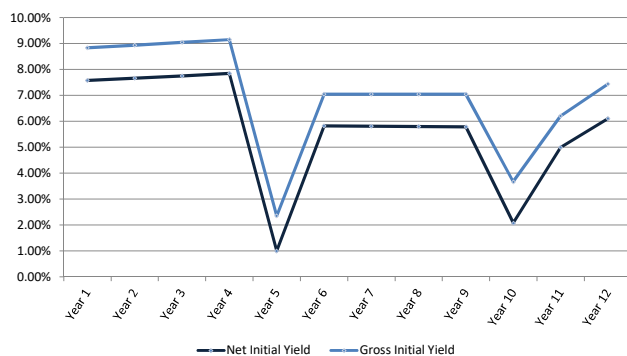
CASH FLOW ANALYSIS



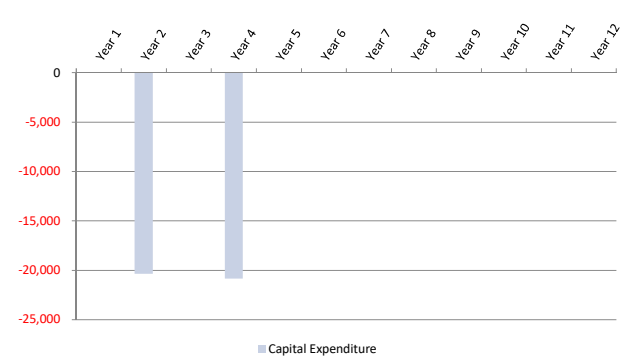
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 4 Gerhard-Stalling-Straße 9-11, 26135 Oldenburg, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	11

CAPITALISATION RATES

Cap Rate	5.75%
Cap Year	Year 11
Discount Rate	6.38%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-11 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 4.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 41,234

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 884,118
CR Multiplier	0.0
MR Multiplier	10.9
Net Initial Yield	-2.22%
Gross Initial Yield	0.00%
Total Investment	€ 10,393,176
Less Purchasers' Costs	7.50%
Market Value	-€ 725,105
	€ 9,668,071

VACANT POSSESSION VALUE (rounded)

€ 9,670,000

Net Capital Value per m² lettable building area

€ 575 /m²

PROPERTY SHEET



PROPERTY ID 4 Gerhard-Stalling-Straße 9-11, 26135 Oldenburg, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA		
Net lettable building area		16,805 m²
Ratio net lettable area to gross floor area	90.00%	
Gross floor area (BGF)		18,672 m²
DEMOLITION & SITE CLEARANCE		
Demolition costs existing buildings	€ 60 /m²	€ 1,120,333
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 1,120,333

CONSTRUCTION COSTS		
a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 700 /m²
Regional adjustment	0.941	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 686 /m²
Gross floor area (BGF)	18,672 m²	
Building costs, total		€ 12,808,333
b) External areas and outdoor facilities		
External areas [% of building costs]	5.00%	€ 640,417
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 640,417
Building costs incl. external areas		€ 13,448,750
Soft costs	15.00%	€ 2,017,312
Construction costs (incl. VAT)		€ 15,466,062

VALUATION OVERVIEW

RESULTS		
Demolition and site clearance		€ 1,120,333
Construction costs (incl. VAT)		€ 15,466,062
Indicative Reinstatement Costs (incl. VAT)		€ 16,586,396
Consideration of VAT	19.00%	-€ 2,648,248
Indicative Reinstatement Costs (excl. VAT)		€ 13,938,148

INDICATIVE REINSTATEMENT COSTS (rounded) € 13,900,000

Reinstatement costs (rounded) per m² lettable building area € 827 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 4 Gerhard-Stalling-Straße 9-11, 26135 Oldenburg, Germany

INFORMATION PROVIDED BY THE CLIENT

Item	Provided via
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 4 Gerhard-Stalling-Straße 9-11, 26135 Oldenburg, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029	Year 12 Jun. 2030
POTENTIAL GROSS REVENUE												
Base Contract Rental Revenue	€ 1,160,472	€ 1,173,342	€ 1,187,592	€ 1,202,187	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 924,032	€ 925,372	€ 925,372	€ 925,372	€ 925,372	€ 968,751	€ 977,426	€ 977,426
Absorption & Turnover Vacancy	€ 0	€ 0	€ 0	€ 0	-€ 461,346	€ 0	€ 0	€ 0	€ 0	-€ 487,297	€ 0	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	€ 0	-€ 154,229	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 162,904	€ 0
Scheduled Base Rental Revenue	€ 1,160,472	€ 1,173,342	€ 1,187,592	€ 1,202,187	€ 308,457	€ 925,372	€ 925,372	€ 925,372	€ 925,372	€ 481,454	€ 814,522	€ 977,426
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 1,160,472	€ 1,173,342	€ 1,187,592	€ 1,202,187	€ 308,457	€ 925,372	€ 925,372	€ 925,372	€ 925,372	€ 481,454	€ 814,522	€ 977,426
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	€ 0	€ 0	-€ 90,038	-€ 11,830	-€ 12,066	-€ 12,308	-€ 12,554	-€ 100,271	-€ 13,061	-€ 13,322
Repairs & Maintenance, Lettable Area	-€ 67,656	-€ 68,468	-€ 69,290	-€ 70,121	-€ 71,267	-€ 72,692	-€ 74,146	-€ 75,629	-€ 77,141	-€ 78,684	-€ 80,258	-€ 81,863
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 11,605	-€ 11,733	-€ 11,876	-€ 12,022	-€ 3,085	-€ 9,254	-€ 9,254	-€ 9,254	-€ 9,254	-€ 4,815	-€ 8,145	-€ 9,774
Management Costs	-€ 11,605	-€ 11,733	-€ 11,876	-€ 12,022	-€ 3,085	-€ 9,254	-€ 9,254	-€ 9,254	-€ 9,254	-€ 4,815	-€ 8,145	-€ 9,774
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 90,866	-€ 91,935	-€ 93,041	-€ 94,165	-€ 167,473	-€ 103,029	-€ 104,720	-€ 106,444	-€ 108,203	-€ 188,584	-€ 109,609	-€ 114,734
	7.83%	7.84%	7.83%	7.83%	54.29%	11.13%	11.32%	11.50%	11.69%	39.17%	13.46%	11.74%
NET OPERATING INCOME (NOI)	€ 1,069,607	€ 1,081,407	€ 1,094,550	€ 1,108,022	€ 140,984	€ 822,343	€ 820,653	€ 818,929	€ 817,170	€ 292,870	€ 704,913	€ 862,693
LEASING & CAPITAL COSTS												
Tenant Improvements	€ 0	€ 0	€ 0	€ 0	-€ 179,725	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 200,405	€ 0
Leasing Commissions	€ 0	€ 0	€ 0	€ 0	-€ 115,672	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 122,178	€ 0
Capital Expenditure	€ 0	-€ 20,371	€ 0	-€ 20,863	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 20,371	€ 0	-€ 20,863	-€ 295,396	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 322,583	€ 0
CASH FLOW	€ 1,069,607	€ 1,061,036	€ 1,094,550	€ 1,087,159	-€ 154,412	€ 822,343	€ 820,653	€ 818,929	€ 817,170	€ 292,870	€ 382,330	€ 862,693
Discount Rate / Discount Factor	5.38%	0.949	0.901	0.855	0.811	0.770	0.730	0.693	0.658	0.624	0.592	0.534
NET PRESENT VALUE (NPV)	€ 1,015,048	€ 955,553	€ 935,455	€ 881,744	-€ 118,848	€ 600,658	€ 568,848	€ 538,698	€ 510,122	€ 173,500	€ 214,944	€ 460,262

Property Exit		
GPV	NOI year 12 *Cap	€ 862,693 x 17,3913
Purchasers Cost	7.50%	€ 15,003,353
Exit Value		-€ 1,046,746
NPV Exit Value	0.5622	€ 13,956,607
		€ 7,846,327
Market Value		
NPV Cash Flows		€ 6,275,722
Total Investment		€ 14,122,049
Purchasers Cost	7.50%	-€ 985,259
Market Value		€ 13,136,790
Market Value (rounded)		€ 13,100,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Gross Rent Multiplier	16.7	11.3	11.2	11.1	10.9	42.6	14.2	14.2	14.2	14.2	27.3	16.1	13.4
Net Initial Yield (NIY)	5.69%	7.6%	7.7%	7.8%	7.8%	1.0%	5.8%	5.8%	5.8%	5.8%	2.1%	5.0%	6.1%
Gross Initial Yield (GIY)	6.98%	8.8%	8.9%	9.0%	9.2%	2.3%	7.0%	7.0%	7.0%	7.0%	3.7%	6.2%	7.4%



RENT ROLL & MARKET LEASING ASSUMPTIONS

PROPERTY ID 4 Gerhard-Stalling-Straße 9-11, 26135 Oldenburg, Germany

RENT ROLL

MARKET LEASING ASSUMPTIONS

PER LETTING UNIT BASIS

Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Dipl. Betriebswirt Ulrich Zimmermann	Office	1,152	€ 9.00	€ 124,391.86	30.06.2022	4.0 years	€ 9.00	€ 124,362.00	12	50%	€ 50 /m²	60	3	3
Dipl. Betriebswirt Ulrich Zimmermann	Warehouse	13,441	€ 5.39	€ 869,447.05	30.06.2022	4.0 years	€ 4.00	€ 645,168.00	12	50%	€ 15 /m²	60	3	3
Dipl. Betriebswirt Ulrich Zimmermann	Other units	1,061	€ 3.23	€ 41,179.23	30.06.2022	4.0 years	€ 9.00	€ 114,588.00	12	50%	€ 75 /m²	60	3	3
Dipl. Betriebswirt Ulrich Zimmermann	Office	1,152	€ 9.00	€ 124,391.86	30.06.2022	4.0 years	€ 9.00	€ 0.00	0	0%	€ 0 /m²	0	0	0
Total		16,805 m²		€ 1,159,410				€ 884,118						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)

Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment	Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Total		0 m²			- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 4 Gerhard-Stalling-Straße 9-11, 26135 Oldenburg, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 888,900	€ 896,484	€ 897,413	€ 897,413	€ 897,413	€ 897,413	€ 925,487	€ 947,894	€ 947,894	€ 947,894	€ 947,894
Absorption & Turnover Vacancy	-€ 888,900	-€ 372,993	€ 0	€ 0	€ 0	€ 0	-€ 472,574	€ 0	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 224,353	€ 0	€ 0	€ 0	€ 0	-€ 78,991	-€ 78,991	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 299,138	€ 897,413	€ 897,413	€ 897,413	€ 897,413	€ 373,922	€ 868,903	€ 947,894	€ 947,894	€ 947,894
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 299,138	€ 897,413	€ 897,413	€ 897,413	€ 897,413	€ 373,922	€ 868,903	€ 947,894	€ 947,894	€ 947,894
Non Recoverable Running Costs During Vacancy	-€ 163,435	-€ 86,651	-€ 11,276	-€ 11,411	-€ 11,598	-€ 11,830	-€ 108,145	-€ 12,308	-€ 12,554	-€ 12,805	-€ 13,061
Repairs & Maintenance, Lettable Area	-€ 67,656	-€ 68,468	-€ 69,290	-€ 70,121	-€ 71,267	-€ 72,692	-€ 74,146	-€ 75,629	-€ 77,141	-€ 78,684	-€ 80,258
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 2,991	-€ 8,974	-€ 8,974	-€ 8,974	-€ 8,974	-€ 3,739	-€ 8,689	-€ 9,479	-€ 9,479	-€ 9,479
Management Costs	€ 0	-€ 2,991	-€ 8,974	-€ 8,974	-€ 8,974	-€ 8,974	-€ 3,739	-€ 8,689	-€ 9,479	-€ 9,479	-€ 9,479
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 231,091	-€ 161,102	-€ 98,514	-€ 99,481	-€ 100,813	-€ 102,470	-€ 189,769	-€ 105,314	-€ 108,653	-€ 110,447	-€ 112,277
#DIV/0!	53.86%	53.86%	10.98%	11.09%	11.23%	11.42%	50.75%	12.12%	11.46%	11.65%	11.84%
NET OPERATING INCOME	-€ 231,091	€ 138,036	€ 798,899	€ 797,932	€ 796,600	€ 794,943	€ 184,153	€ 763,589	€ 839,241	€ 837,447	€ 835,618
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	-€ 344,881	€ 0	€ 0	€ 0	€ 0	-€ 188,535	€ 0	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 224,353	€ 0	€ 0	€ 0	€ 0	-€ 118,487	€ 0	€ 0	€ 0	€ 0
Capital Expenditure	€ 0	-€ 20,371	€ 0	-€ 20,863	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 589,606	€ 0	-€ 20,863	€ 0	€ 0	-€ 307,021	€ 0	€ 0	€ 0	€ 0
CASH FLOW	-€ 231,091	-€ 451,570	€ 798,899	€ 777,069	€ 796,600	€ 794,943	-€ 122,869	€ 763,589	€ 839,241	€ 837,447	€ 835,618
Discount Rate / Discount Factor	6.38%	0.940	0.884	0.831	0.781	0.734	0.690	0.649	0.610	0.573	0.507
NET PRESENT VALUE	-€ 217,241	-€ 399,067	€ 663,702	€ 606,878	€ 584,847	€ 548,654	-€ 79,719	€ 465,739	€ 481,206	€ 451,400	€ 423,421

Property Exit		
GPV	NOI year 11 *Cap	€ 835,618 x 17,3913
Purchasers Cost	7.50%	€ 14,532,479
Exit Value		-€ 1,013,894
NPV Exit Value	0.5390	€ 13,518,585
		€ 7,286,778
Market Value		
NPV Cash Flows		€ 3,106,398
Total Investment		€ 10,393,176
Purchasers Cost	7.50%	-€ 725,105
Vacant Possession Value		€ 9,668,071

Vacant Possession Value (rounded) € 9,670,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	14.0		32.3	10.8	10.8	10.8	10.8	25.9	11.1	10.2	10.2	10.2
Net Initial Yield (NIY)	6.60%		1.3%	7.7%	7.7%	7.7%	7.6%	1.8%	7.3%	8.1%	8.1%	8.0%
Gross Initial Yield (GIY)	8.33%		3.1%	9.3%	9.3%	9.3%	9.3%	3.9%	9.0%	9.8%	9.8%	9.8%



PROPERTY ID 5 Traunsteiner Straße 1-2, 28219 Bremen, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Bremen
Federal District	Bremen
City / Municipality	Bremen
Inhabitants (as at)	01.01.2018 563,257
Unemployment rate (as at)	31.12.2017 9.4%
Purchasing Power (German average = 100)	01.01.2018 93.19

Location rating

Macro Location	Large city (> 500,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	strong

PROPERTY DETAILS

Property type/ primary use	Logistics
Occupation (number of tenants)	Multi-tenant (1)
Year of construction (modernisation)	1978 (1985)
Lettable area	12,486 m²
Parking spaces	n/a
Vacancy rate	56.6%
Weighted remaining lease term	0.5 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	11,569 m²
Building condition	poor
Contamination	unclear, see commentary
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	underrented	€ 150,129
Market gross rental income p.a. (Year 1)		€ 331,089
Non-recoverable costs p.a. (Year 1)		-€ 123,731

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 2,610,000

Net Capital Value per m² lettable building area € 209 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	-1.73%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	2.88%
Gross multiplier on Current Rent	17.4
Gross multiplier on Market Rent	7.9

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	4	Lettability	2
Micro Location	3	Marketability (sale)	2
Building quality (specification & parking etc.)	3	Overall rating	3
Building condition	2	Estimated marketing period (months)	12

PROPERTY SHEET



PROPERTY ID 5 Traunsteiner Straße 1-2, 28219 Bremen, Germany

LOCATION

MACRO LOCATION



MACRO LOCATION

Bremen is city of around 560,000 inhabitants in northwest Germany. It is known for its role in maritime trade, as centre of the logistics region Bremen and north sea ports. Shipbuilding industry, logistics and transport are the major industries in Bremen followed by industrial and service economic sectors, inter alia automotive, aerospace, IT, multimedia and food industry. Domiciled companies are e.g. EADS/Airbus and Mercedes Benz.

MICRO LOCATION



MICRO LOCATION

The subject property is located on a cul-de-sac within an industrial area of Bremen. The building is adjacent to further logistics buildings and federal highway B6. There is no direct access to this federal highway, but it is accessible within 2 minutes drive. Public transport is within 5 minutes walking distance and a canteen is in 400 m distance. Shopping facilities are reachable within 15 minutes walking distance. Bremen airport is located in 8km distance.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

In 2007 the prime rent for warehouses and logistics in Bremen amounted to € 3.60/m². By 2017, this had increased to € 4.30/m². The average rent for warehouses and logistics in Bremen increased from € 3.00/m² in 2007 to € 3.20/m² in 2017. The prime yield decreased from 7.6% in 2007 to 5.3% in 2017. The average yield amounts to 7.2%. Bremen ranks among the B-cities. Letting opportunities are considered to be very good and the vacancy rate trend is classified as very good. The city of Bremen lies at the heart of the logistics region "Bremen and North Sea ports" which also includes the city's port, Bremerhaven, as well as Oldenburg and Wilhelmshaven. With its port, its attractive freight centre, and resident companies like EADS/Airbus and Mercedes Benz, several positive factors contribute to making Bremen a relevant logistics location. This considered, Bremen in combination with Bremerhaven is one of Germany's two classic logistics locations on the North Sea, second only to Hamburg. Due to its port structure, the logistics region, especially Bremen/Bremerhaven, serve a gateway function for goods and commodities exported to or imported from overseas destinations. Particularly in the area around the freight centre, logistics business activity is intense. It is quite common for large-scale projects to be developed in the city. Especially the improvement of the infrastructure in recent years as well as the ample availability of land with development potential around the ports in the region ensure the location's lasting appeal.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
logistics	28197 Bremen	1,270 m²	€ 2.85 /m²	currently asking	medium
storage (basement)	28217 Bremen	2,999 m²	€ 1.09 /m²	Q1 2018	medium
logistics	28199 Bremen	1,166 m²	€ 2.75 /m²	currently asking	medium

COMMENT ON LEASE COMPARABLES

The rental level for logistics properties provided within the comparable evidence range between € 1.09 and € 2.85 m²/month, with the size spectrum of the currently offered rental areas ranging between 1,166 m² and 2,999 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for logistics space of € 2.75 m²/month and € 1.00 m²/month for basement storage space including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m²	Sales price	Date of sale	Comparability
industrial	Bremen	10,200 m²	€ 358	€ 3,650,000	Q3 2018	medium
industrial	28197 Bremen	10,955 m²	€ 242	€ 2,650,000	currently asking	medium
logistics	28197 Bremen	11,100 m²	€ 239	€ 2,650,000	currently asking	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 239 and 358/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 209/m² appears plausible and fits into the comparable evidence. As at the date of transaction, comparable property 1 was fully let with a WAULT of approx. 4 years. Comparable property 2 and 3 are current online offers. Comparable property 2 was constructed in 1961 and 1993 and comprises 6 warehouse units. Comparable property 3 was constructed in 1990 and consists of 5 warehouse units. Both offers benefit from a more modern layout and better condition compared to the subject property.



PROPERTY ID 5 Traunsteiner Straße 1-2, 28219 Bremen, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Bremen, land register of Vorstadt R11, Folios 176 and 255 (dated 07.12.2017)
Owner	GER LOG 7 S.A., Luxemburg
Land parcels	Cadastral Section 11, Land parcel 142/106 and 142/31
Site area	11,569 m ²
Entries of domination (Herrschaftsvermerk)	None.
Restrictions and encumbrances 1	Only regarding parcel 142/76: Easement (Grunddienstbarkeit) regarding a right to demand that the owner of the encumbered property (parcel VR 11.142/76) relocate and maintain his drainage pipes up to the border of parcel VR 11.142/77 and that the beneficiary can dewater his property free of charge via this line (Recht zu verlangen, dass der Eigentümer des belasteten Grundstücks (Flurstück VR 11.142/76) seine Entwässerungsleitungen bis zur Grenze des Flurstücks VR 11.142/77 verlegt und unterhält und der Berechtigte sein Grundstück über diese Leitung unentgeltlich entwässern kann) in favour of the respective owner of land register of Vorstadt R 11, folio 250, parcels VR 11.142/77, 142/80, 142/69, VR 12.159/52, 159/69, 142/79, 159/75, 159/73, 159/71, 203/2; registered on 26 May 1982.
Restrictions and encumbrances 2	Conditional restricted personal easement (bedingte beschränkte persönliche Dienstbarkeit) regarding the construction and operation of a photovoltaic system in favour of WIRSOL Solar AG, Waghäusel (approval dated 26 October 2011, deed no. 2432/2011K, notary Dr. Tobias Köpp); registered on 7 August 2012.
Restrictions and encumbrances 3	Priority notice (Vormerkung) to secure the conditional claim to register a restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding the construction and operation of a photovoltaic system in favour of WIRSOL Solar AG, Waghäusel (approval dated 26 October 2011, deed no. 2432/2011K, notary Dr. Tobias Köpp); registered on 7 August 2012.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There are several entries in section II of the land registry extract. According to the Legal Due Diligence there is an restriction and encumbrance (number 1) which regards land parcels 142/76 and 142/77. These parcels are, in accordance with the LDD, not part of the subject property. This easement regards a right to demand that the owner of the encumbered property relocate and maintain drainage pipes up to the border and that the beneficiary can dewater the property free of charge via this line. Apart from these parcels, a conditional restricted personal easement regarding the construction and operation of a photovoltaic system is entered. There is a priority notice to secure the conditional claim to register a restricted personal easement regarding a photovoltaic system. For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, no public easements have been registered according to the Reports on Title and the authority information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, no environmental issues likely to result in significant liability have been identified with the current use of the site. The Technical Due Diligence finished by Nova recommends an ACM study which could lead to possible additional ACM removal of risk minimisation measures. The TDD states for short term capital expenditures amounting to € 25,000. We reflected these costs, in line with the TDD, in our calculation.

PLANNING LAW

According to online information provided by the city of Bremen on 20.06.2018, there are detailed development plans no. 1351 and no. 0824, dated 23.03.1979 and 01.10.1971 relating to the subject area. The plan stipulates commercial area (GE), which is legally binding with the Federal Land Utilization Ordinance of 1990 (BauNVO). The plan stipulates a site coverage of 0.8 and a plot ratio of 1.6. For the purpose of this valuation, we have assumed that the subject property has been developed in line with the planning requirements.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 5 Traunsteiner Straße 1-2, 28219 Bremen, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	11,569 m²
of which is development land (for additional construction)	none
Shape of site	rectangular
Topography of site	level

BUILDING(S)

Number of buildings on site	2
Age / Quality of building	slightly outmoded
State of repair, building	poor
Building layout	slightly inefficient
Condition of lettable areas	poor
Construction type	reinforced concrete
Facade	curtain wall
Roof	flat roof
Heating	various types
Air conditioning	none
Windows	aluminium
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a poor overall condition. There were no Recognized Environmental Conditions (RECs) identified at this site. 1-4 years considerations state for no OPEX and CAPEX investment planned to date, because the property has been identified to be sold.

INSPECTION

Type of inspection	Full inspection
Date of inspection	11.06.2018
Inspected by	Jessica Wilhelm

COMMENT ON BUILDING

The subject property consists of 2 buildings accomodating an office unit and a warehouse unit. 5,414 m² are currently let to Reimer Logistics GmbH & Co. KG, which is currently an inactive company. Therefore, the company sublet areas to a food developing company and to a logistics company. The vacant area amounts to 7,072 m². Building no. 1 has 3 storeys and is currently partly let as office area to the food manufacturing company. The office area is fitted-out with carpet and wooden walls. Due to the property's former use, there is a slightly outmoded exhibition area. Building no. 2 is used as a warehouse.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (11.06.2018), the lettable areas appeared to be in a poor condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. The TDD states no capex figures for deferred maintenance, but € 25,000 for environmental issues.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis with a vacancy rate of 56.7%. We consider the vacancy as structural vacancy. We are of the opinion that reletting would result in high refurbishment costs. With immense refurbishments, we consider an average re-letting period to be approximately 12 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has a vacancy rate of some 56.7%. Estate management would include early active management and developing a strategy on how to deal with the vacant areas.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and developers. A marketing period of 12-15 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

The property has a high vacancy rate and a short remaining lease term. We are not aware of any other special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Good macro-location
2. Good accessibility from motorway

OPPORTUNITIES

1. Sell to a developer

WEAKNESSES

1. Outmoded fit-out
2. High office share
3. Structural vacancy

THREATS

1. Long vacancy periods if existing tenant moves out
2. Future costs if intended to hold the property



PROPERTY ID 5 Traunsteiner Straße 1-2, 28219 Bremen, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



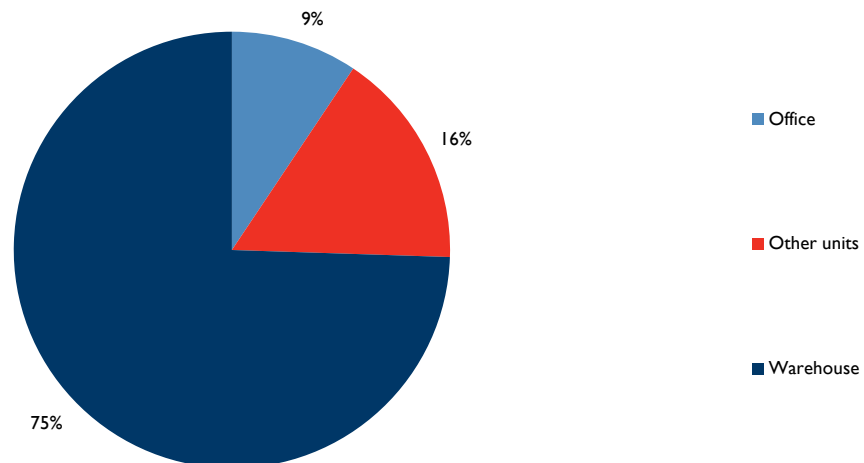
PROPERTY ID 5 Traunsteiner Straße 1-2, 28219 Bremen, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	1,172 m²	9.4%	0 m²	0.0%	1,172 m²	23.2%
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Car repair shop	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Other units	2,013 m²	16.1%	0 m²	0.0%	2,013 units	
Warehouse	9,301 m²	74.5%	5,414 m²	100.0%	3,887 m²	76.8%
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Total Lettable Area (excl. Car Parking)	12,486 m²		5,414 m²		5,059 m²	40.5%
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

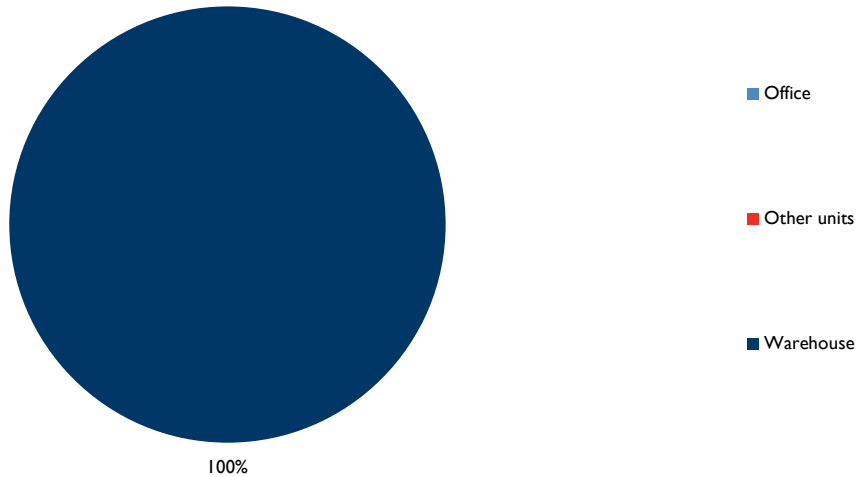


PROPERTY ID 5 Traunsteiner Straße 1-2, 28219 Bremen, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	1,172 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	2,013 m²	0 m²	€ 0.00	€ 0	€ 1.00	€ 24,156
Warehouse	9,301 m²	5,414 m²	€ 2.31	€ 150,129	€ 2.75	€ 306,933
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	12,486 m²	5,414 m²		€ 150,129		€ 331,089
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. Reimer Logistics GmbH & Co. KG	5,414	0	150,129	2.31	2.75	19.0%	100.0%	0.5 years	100.0%
Total Top 10	5,414	0	150,129	2.31				0.5 years	
in % of Total	43.4%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 5 Traunsteiner Straße 1-2, 28219 Bremen, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10 years

CAPITALISATION RATES

Cap Rate	7.50%
Cap Year	Year 10
Discount Rate	7.75%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 3.50 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 25,162

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

VALUATION RESULTS

Current Rent	€ 150,129
Market Rent	€ 331,089
CR Multiplier	17.4
MR Multiplier	7.9
Net Initial Yield	-1.73%
Gross Initial Yield	2.88%
Total Investment	€ 2,809,757
Less Purchasers' Costs	7.50%
Market Value	€ 2,613,727

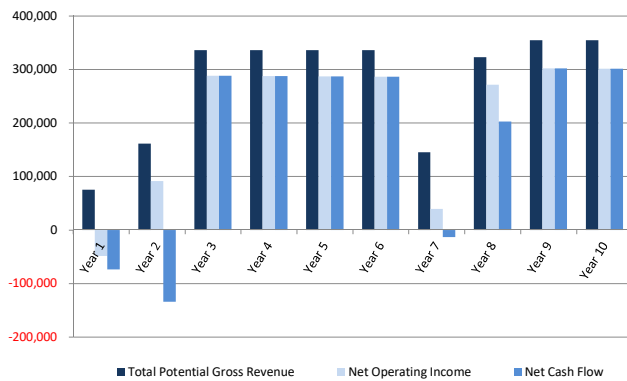
MARKET VALUE (rounded)

€ 2,610,000

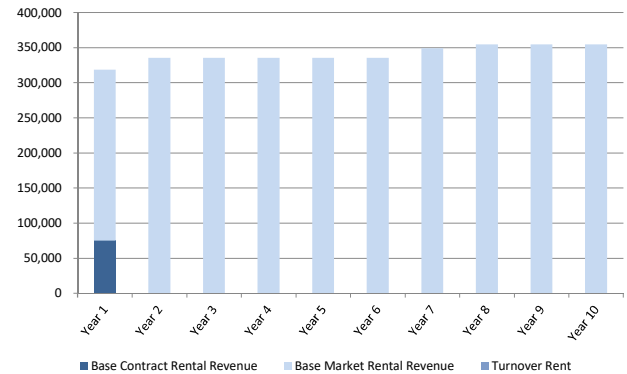
Net Capital Value per m² lettable building area

€ 209 / m²

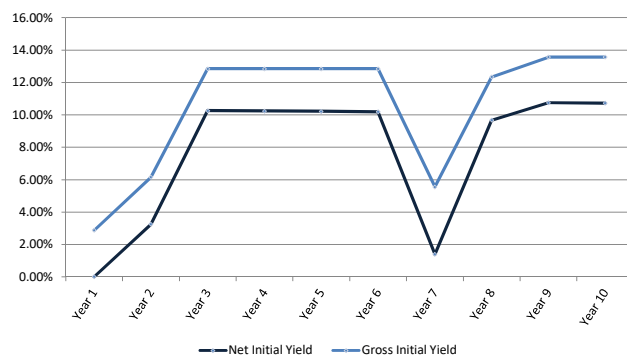
CASH FLOW ANALYSIS



DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 5 Traunsteiner Straße 1-2, 28219 Bremen, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10

CAPITALISATION RATES

Cap Rate	7.75%
Cap Year	Year 10
Discount Rate	8.75%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 3.50 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 25,162

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 331,089
CR Multiplier	0.0
MR Multiplier	6.7
Net Initial Yield	-6.48%
Gross Initial Yield	0.00%
Total Investment	€ 2,372,005
Less Purchasers' Costs	7.50%
Market Value	-€ 165,489
	€ 2,206,516

VACANT POSSESSION VALUE (rounded)

€ 2,210,000

Net Capital Value per m² lettable building area

€ 177 /m²

PROPERTY SHEET



PROPERTY ID 5 Traunsteiner Straße 1-2, 28219 Bremen, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA

Net lettable building area	12,486 m²
Ratio net lettable area to gross floor area	90.00%
Gross floor area (BGF)	13,873 m²

DEMOLITION & SITE CLEARANCE

Demolition costs existing buildings	€ 60 /m²	€ 832,400
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 832,400

CONSTRUCTION COSTS

a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 700 /m²
Regional adjustment	0.998	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 728 /m²
Gross floor area (BGF)	13,873 m²	
Building costs, total		€ 10,092,955
b) External areas and outdoor facilities		
External areas [% of building costs]	5.00%	€ 504,648
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 504,648
Building costs incl. external areas		€ 10,597,603
Soft costs	15.00%	€ 1,589,640
Construction costs (incl. VAT)		€ 12,187,243

VALUATION OVERVIEW

RESULTS

Demolition and site clearance		€ 832,400
Construction costs (incl. VAT)		€ 12,187,243
Indicative Reinstatement Costs (incl. VAT)		€ 13,019,643
Consideration of VAT	19.00%	-€ 2,078,767
Indicative Reinstatement Costs (excl. VAT)		€ 10,940,877

INDICATIVE REINSTATEMENT COSTS (rounded)

€ 10,900,000

Reinstatement costs (rounded) per m² lettable building area

€ 873 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 5 Traunsteiner Straße 1-2, 28219 Bremen, Germany

INFORMATION PROVIDED BY THE CLIENT

<i>Item</i>	<i>Provided via</i>
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 5 Traunsteiner Straße 1-2, 28219 Bremen, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 75,065	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 243,289	€ 335,315	€ 335,578	€ 335,578	€ 335,578	€ 335,578	€ 348,837	€ 354,455	€ 354,455	€ 354,455
Absorption & Turnover Vacancy	-€ 243,289	-€ 90,487	€ 0	€ 0	€ 0	€ 0	-€ 176,714	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 83,895	€ 0	€ 0	€ 0	€ 0	-€ 27,124	-€ 31,951	€ 0	€ 0
Scheduled Base Rental Revenue	€ 75,065	€ 160,934	€ 335,578	€ 335,578	€ 335,578	€ 335,578	€ 144,998	€ 322,504	€ 354,455	€ 354,455
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 75,065	€ 160,934	€ 335,578	€ 335,578	€ 335,578	€ 335,578	€ 144,998	€ 322,504	€ 354,455	€ 354,455
Non Recoverable Running Costs During Vacancy	-€ 82,374	-€ 26,116	€ 0	€ 0	€ 0	€ 0	-€ 59,266	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 39,856	-€ 40,334	-€ 40,818	-€ 41,308	-€ 41,983	-€ 42,822	-€ 43,679	-€ 44,553	-€ 45,444	-€ 46,352
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 751	-€ 1,609	-€ 3,356	-€ 3,356	-€ 3,356	-€ 3,356	-€ 1,450	-€ 3,225	-€ 3,545	-€ 3,545
Management Costs	-€ 751	-€ 1,609	-€ 3,356	-€ 3,356	-€ 3,356	-€ 3,356	-€ 1,450	-€ 3,225	-€ 3,545	-€ 3,545
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 123,731	-€ 69,669	-€ 47,530	-€ 48,020	-€ 48,694	-€ 49,534	-€ 105,845	-€ 51,003	-€ 52,533	-€ 53,442
	164.83%	43.29%	14.16%	14.31%	14.51%	14.76%	73.00%	15.81%	14.82%	15.08%
NET OPERATING INCOME (NOI)	-€ 48,667	€ 91,265	€ 288,048	€ 287,558	€ 286,884	€ 286,044	€ 39,153	€ 271,501	€ 301,922	€ 301,013
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	-€ 141,822	€ 0	€ 0	€ 0	€ 0	-€ 32,182	-€ 45,271	€ 0	€ 0
Leasing Commissions	€ 0	-€ 83,895	€ 0	€ 0	€ 0	€ 0	-€ 20,343	-€ 23,964	€ 0	€ 0
Capital Expenditure	-€ 25,162	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 25,162	-€ 225,716	€ 0	€ 0	€ 0	€ 0	-€ 52,525	-€ 69,234	€ 0	€ 0
CASH FLOW	-€ 73,829	-€ 134,451	€ 288,048	€ 287,558	€ 286,884	€ 286,044	-€ 13,372	€ 202,266	€ 301,922	€ 301,013
Discount Rate / Discount Factor	7.75%	0.928	0.861	0.799	0.742	0.689	0.593	0.550	0.511	0.474
NET PRESENT VALUE (NPV)	-€ 68,519	-€ 115,806	€ 230,257	€ 213,332	€ 197,524	€ 182,780	-€ 7,930	€ 111,323	€ 154,220	€ 142,696

Property Exit			
GPV	NOI year 10 *Cap	€ 301,013 x 13,3333	€ 4,013,512
Purchasers Cost	7.50%		-€ 280,012
Exit Value			€ 3,733,500
NPV Exit Value	0.4741		€ 1,769,878
Market Value			
NPV Cash Flows			€ 1,039,879
Total Investment			€ 2,809,757
Purchasers Cost	7.50%		-€ 196,030
Market Value			€ 2,613,727
Market Value (rounded)		€ 2,610,000	

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	11.6	34.8	16.2	7.8	7.8	7.8	7.8	18.0	8.1	7.4	7.4
Net Initial Yield (NIY)	8.56%		3.2%	10.3%	10.2%	10.2%	10.2%	1.4%	9.7%	10.7%	10.7%
Gross Initial Yield (GIY)	10.81%	2.9%	6.2%	12.8%	12.8%	12.8%	12.8%	5.5%	12.3%	13.6%	13.6%



RENT ROLL & MARKET LEASING ASSUMPTIONS

PROPERTY ID 5 Traunsteiner Straße 1-2, 28219 Bremen, Germany

RENT ROLL

MARKET LEASING ASSUMPTIONS

PER LETTING UNIT BASIS

Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Reimer Logistics GmbH & Co. KG	Warehouse	5,414	€ 2.31	€ 150,129.36	31.12.2018	0.5 years	€ 2.75	€ 178,662.00	12	50%	€ 15 /m²	60	3	3
Total		5,414 m²		€ 150,129				€ 178,662						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)

Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment	Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Vacant Unit	Office	1,172		€ 0.00	€ 0.00	0	0 €/m²	60	0	0
Vacant Unit	Warehouse	3,887		€ 2.75	€ 128,271.00	12	15 €/m²	60	3	3
Vacant Unit	Other units	2,013		€ 1.00	€ 24,156.00	12	0 €/m²	60	3	3
Total		7,072 m²			152,427.00 €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 5 Traunsteiner Straße 1-2, 28219 Bremen, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 332,880	€ 335,720	€ 336,068	€ 336,068	€ 336,068	€ 336,068	€ 346,581	€ 354,972	€ 354,972	€ 354,972
Absorption & Turnover Vacancy	-€ 332,880	-€ 139,680	€ 0	€ 0	€ 0	€ 0	-€ 176,972	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 84,017	€ 0	€ 0	€ 0	€ 0	-€ 29,581	-€ 29,581	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 112,023	€ 336,068	€ 336,068	€ 336,068	€ 336,068	€ 140,028	€ 325,391	€ 354,972	€ 354,972
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 112,023	€ 336,068	€ 336,068	€ 336,068	€ 336,068	€ 140,028	€ 325,391	€ 354,972	€ 354,972
Non Recoverable Running Costs During Vacancy	-€ 113,767	-€ 54,576	€ 0	€ 0	€ 0	€ 0	-€ 69,443	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 39,856	-€ 40,334	-€ 40,818	-€ 41,308	-€ 41,983	-€ 42,822	-€ 43,679	-€ 44,553	-€ 45,444	-€ 46,352
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 1,120	-€ 3,361	-€ 3,361	-€ 3,361	-€ 3,361	-€ 1,400	-€ 3,254	-€ 3,550	-€ 3,550
Management Costs	€ 0	-€ 1,120	-€ 3,361	-€ 3,361	-€ 3,361	-€ 3,361	-€ 1,400	-€ 3,254	-€ 3,550	-€ 3,550
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 153,623	-€ 97,151	-€ 47,540	-€ 48,029	-€ 48,704	-€ 49,544	-€ 115,923	-€ 51,060	-€ 52,543	-€ 53,452
#DIV/0!	86.72%	14.15%	14.29%	14.29%	14.49%	14.74%	82.79%	15.69%	14.80%	15.06%
NET OPERATING INCOME	-€ 153,623	€ 14,872	€ 288,528	€ 288,038	€ 287,364	€ 286,524	€ 24,105	€ 274,331	€ 302,429	€ 301,520
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	-€ 142,034	€ 0	€ 0	€ 0	€ 0	-€ 77,645	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 84,017	€ 0	€ 0	€ 0	€ 0	-€ 44,372	€ 0	€ 0	€ 0
Capital Expenditure	-€ 25,162	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 25,162	-€ 226,051	€ 0	€ 0	€ 0	€ 0	-€ 122,017	€ 0	€ 0	€ 0
CASH FLOW	-€ 178,785	-€ 211,179	€ 288,528	€ 288,038	€ 287,364	€ 286,524	-€ 97,911	€ 274,331	€ 302,429	€ 301,520
Discount Rate / Discount Factor	8.75%	0.920	0.846	0.778	0.715	0.657	0.605	0.556	0.511	0.470
NET PRESENT VALUE	-€ 164,400	-€ 178,563	€ 224,337	€ 205,936	€ 188,923	€ 173,215	-€ 54,429	€ 140,230	€ 142,154	€ 130,324

Property Exit			
GPV	NOI year 10 *Cap	€ 301,520 x 12,9032	€ 3,890,585
Purchasers Cost	7.50%		-€ 271,436
Exit Value			€ 3,619,149
NPV Exit Value	0.4322		€ 1,564,277

Market Value		€ 907,728
NPV Cash Flows		
Total Investment		€ 2,372,005
Purchasers Cost	7.50%	-€ 165,489
Vacant Possession Value		€ 2,206,516

Vacant Possession Value (rounded) € 2,210,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	8.5		19.7	6.6	6.6	6.6	6.6	15.8	6.8	6.2	6.2
Net Initial Yield (NIY)	10.10%		0.6%	12.2%	12.1%	12.1%	12.1%	1.0%	11.6%	12.7%	12.7%
Gross Initial Yield (GIY)	13.68%		5.1%	15.2%	15.2%	15.2%	15.2%	6.3%	14.7%	16.1%	16.1%

PROPERTY SHEET

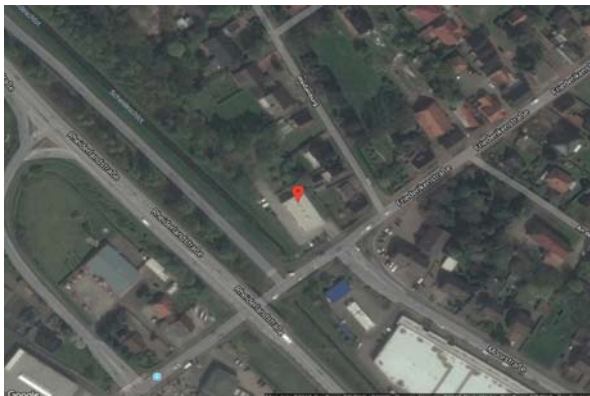


PROPERTY ID 6 Friederikenstraße 88, 26871 Papenburg, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Lower Saxony
Federal District	Emsland
City / Municipality	Papenburg
Inhabitants (as at)	01.01.2018 36,920
Unemployment rate (as at)	31.12.2017 2.6%
Purchasing Power (German average = 100)	01.01.2018 89.11

Location rating

Macro Location	Medium-sized town (20,000-100,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	weak

PROPERTY DETAILS

Property type/ primary use	Car repair shop
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	2007
Lettable area	349 m²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	4.0 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	1,377 m²
Building condition	good
Contamination	none, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	overrented	€ 53,568
Market gross rental income p.a. (Year 1)		€ 33,504
Non-recoverable costs p.a. (Year 1)		-€ 3,179

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 426,000

Net Capital Value per m² lettable building area € 1,221 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	11.01%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	12.57%
Gross multiplier on Current Rent	8.0
Gross multiplier on Market Rent	12.7

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	2	Lettability	3
Micro Location	3	Marketability (sale)	3
Building quality (specification & parking etc.)	3	Overall rating	3
Building condition	4	Estimated marketing period (months)	12



PROPERTY ID 6

Friederikenstraße 88, 26871 Papenburg, Germany

LOCATION

MACRO LOCATION



MACRO LOCATION

Papenburg is a city with 37,000 inhabitants in the district of Emsland in Lower Saxony situated at the river Ems. Germany's oldest and longest fenland colony is located in the north of Emsland, in close vicinity of East Frisia. The city is known for its large shipyard, the Meyer-Werft, which specializes in building cruise liners. The nearest larger cities are Bremen, Bremerhaven and Osnabrück.

MICRO LOCATION



MICRO LOCATION

The subject property is located in a mixed-use area. It is adjacent to residential buildings to the east and north and commercial building to the south. On the west is a creek. The shipyard Meyer Werft is in 3.5 km distance. Public transport is accessible within 3 minutes walking distance.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

No historical trend of prime and average rents or net initial yields for logistics space in Papenburg can currently be determined due to the insufficient volume and availability of data, primarily due to the size of the market. For this reason, Osnabrück, the nearest larger city, is considered as a proxy. In 2007 the prime rent for warehouses and logistics in Osnabrück amounted to € 4.20/m². By 2017, this had increased to € 4.40/m². The average rent for warehouses and logistics is at € 3.50/m² in 2017. The prime yield decreased from 9.4% to 8.3% in 2017. Currently, the average yield amounts to 8.3%. Osnabrück is part of the logistics agglomeration Muenster/Osnabrück and benefits from its very good transport links. Due to its location on the East-West axis between the Netherlands and Eastern Europe, there are several hubs for the combined freight transport. Freight port Osnabrück and Muenster-Osnabrück airport form an international and national transport hub. The logistics region is also strengthened by a cooperation of several logistics companies, public institutions and universities. In 2007 the prime rent for retail in Osnabrück amounted to € 85.00/m² in 1A-locations and € 11.50/m² in peripheral locations. By 2017, this had increased to € 118.00/m² in central locations and to € 17.00/m² in peripheral locations. The average rent for retail in Osnabrück increased from € 65.00/m² in 2007 to € 94.00/m² in 2017 in 1A-locations. The average rent for retail in peripheral locations is at € 9.00/m². In the meantime the prime yield decreased from 6.4% to 4.5%. The yield for retail parks amounts to 6.2%. The city benefits from its high centrality rating, above the surrounding average. Furthermore, Osnabrück has high tourist activities. Osnabrück ranks among the C-cities. Letting opportunities are considered to be good and the vacancy rate trend is classified as good.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
car repair shop	59457 Werl	1,503 m ²	€ 6.08 /m ²	Q4 2017	medium
car repair shop	41460 Neuss	776 m ²	€ 7.73 /m ²	Q4 2017	high
car repair shop	63165 Mülheim	1,550 m ²	€ 10.06 /m ²	Q4 2017	high

COMMENT ON LEASE COMPARABLES

The rental level for car repair shop properties provided within the comparable evidence range between € 6.08 and € 10.06 m²/month, with the size spectrum of the currently offered rental areas ranging between 776 m² and 1,550 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for car repair shop space of € 8.00 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m ²	Sales price	Date of sale	Comparability
car repair shop	45475 Mülheim	1,550 m ²	€ 1,298	€ 2,012,500	Q4 2017	medium
car repair shop	59067 Hamm	1,557 m ²	€ 1,108	€ 1,725,000	Q4 2017	medium
car repair shop	44805 Bochum	1,682 m ²	€ 1,409	€ 2,370,000	Q4 2017	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 1,108 and 1,409/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 1,221/m² appears plausible and fits into the comparable evidence. The comparable properties are let to a car repair company. As at the date of transaction, the properties were relet with a lease term of 10 years. All lease agreements are on a triple net lease basis.

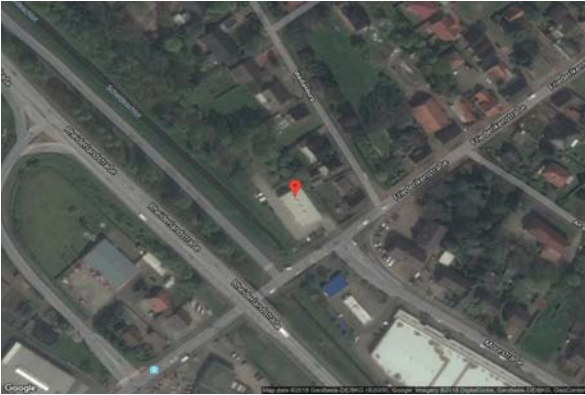


PROPERTY ID 6 Friederikenstraße 88, 26871 Papenburg, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Papenburg, land register of Bokel, Folio 1565 (dated 07.12.2017)
Owner	GER LOG 5 S.A., Luxembourg
Land parcels	Cadastral Section 7, Land parcel 74/10
Site area	1,377 m ²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1 Easement (Grunddienstbarkeit) regarding a right to walk and drive (Geh- und Fahrrecht) and a cable right (Leitungsrecht) in favour of the respective owner of folio 1297, plot 7, parcel 74/11 (approval dated 29 November 2006, deed no. 103/2006, notary Dr. Gerhard Brandmüller, Starnberg); registered on 15 November 2007.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There is an entry in section II of the land registry extract regarding an easement of right to walk and drive. For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, no public easements have been registered according to the Reports on Title and the authority information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site is considered to be a low risk - a previous site investigation did not reveal a ground contamination, and current site activities do not pose any significant environmental risks.

PLANNING LAW

According to information provided by the planning department of Papenburg on 20.06.2018, the subject property is not subject to a detailed development plan. Planning consent is subject to § 34 BauGB (the German planning code). New developments must be in keeping with the type, style and size of existing buildings in the urban area, and roads and services must be available. For the purposes of this valuation we have assumed that the use referred to would continue to be appropriate in the future.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 6

Friederikenstraße 88, 26871 Papenburg, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	1,377 m²
of which is development land (for additional construction)	none.
Shape of site	rectangular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	modern, average quality
State of repair, building	good
Building layout	efficient
Condition of lettable areas	good
Construction type	reinforced concrete
Facade	rendered facade
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	none
Windows	aluminium
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a good overall condition.

There were no Recognized Environmental Conditions (RECs) identified at this site. 1-4 year considerations include installing emergency overflow on the roof. Hence the TDD did not state any costs for this consideration, we did not reflect any costs in our calculation. All other costs are assumed to the tenant's responsibility.

INSPECTION

Type of inspection	Full inspection
Date of inspection	11.06.2018
Inspected by	Jessica Wilhelm

COMMENT ON BUILDING

The subject property is currently let to Carglass GmbH. It is one building of a steel frame structure and used as a car repair shop. The property has one storey and a flat roof. There are five loading doors on ground level and 15 parking units. The building consists of a car repair area, an entrance/office area which is completely glazed and sanitary and common facilities. Access to the site is not controlled. The outdoor area is paved and it is accessible via a combined drive.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (11.06.2018), the lettable areas appeared to be in a good condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. In accordance with the Arcadis report we applied € 6,500 for window replacements.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a medium level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. Estate management would include extending the existing lease agreement.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Good building condition
2. Good micro location, including good visibility
3. Retail in vicinity
4. Above average centrality of Papenburg

OPPORTUNITIES

1. Prolongation of existing lease
2. Attract retail tenants

WEAKNESSES

1. Limited third-party usability
2. Macro location

THREATS

1. Decrease of rent to market rental level



PROPERTY ID 6 Friederikenstraße 88, 26871 Papenburg, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



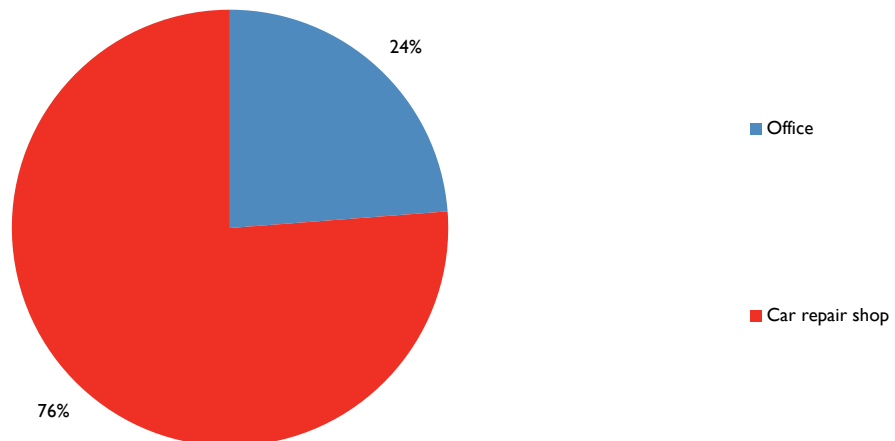
PROPERTY ID 6 Friederikenstraße 88, 26871 Papenburg, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	83 m²	23.8%	83 m²	23.8%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	266 m²	76.2%	266 m²	76.2%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	0 m²	0.0%	0 m²	0.0%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	349 m²		349 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

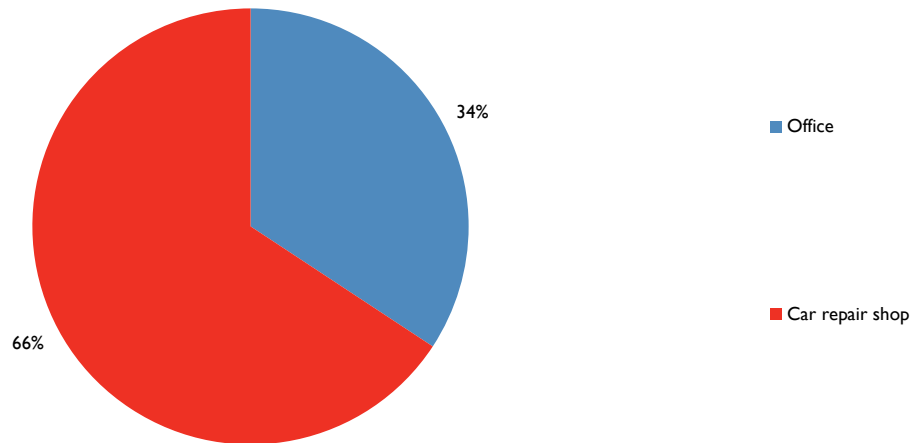


PROPERTY ID 6 Friederikenstraße 88, 26871 Papenburg, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	83 m²	83 m²	€ 18.42	€ 18,351	€ 8.00	€ 7,968
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	266 m²	266 m²	€ 11.03	€ 35,217	€ 8.00	€ 25,536
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	349 m²	349 m²		€ 53,568		€ 33,504
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. Carglass GmbH	349	0	53,568	12.79	8.00	-37.5%	100.0%	4.0 years	100.0%
Total Top 10	349	0	53,568	12.79				4.0 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 6 Friederikenstraße 88, 26871 Papenburg, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	11 years

CAPITALISATION RATES

Cap Rate	8.50%
Cap Year	Year 12
Discount Rate	6.25%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 6,542

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-11 p.a. (average)	1.00%

VALUATION RESULTS

Current Rent	€ 53,568
Market Rent	€ 33,504
CR Multiplier	8.0
MR Multiplier	12.7
Net Initial Yield	11.01%
Gross Initial Yield	12.57%
Total Investment	€ 457,513
Less Purchasers' Costs	7.50%
Market Value	€ 425,593

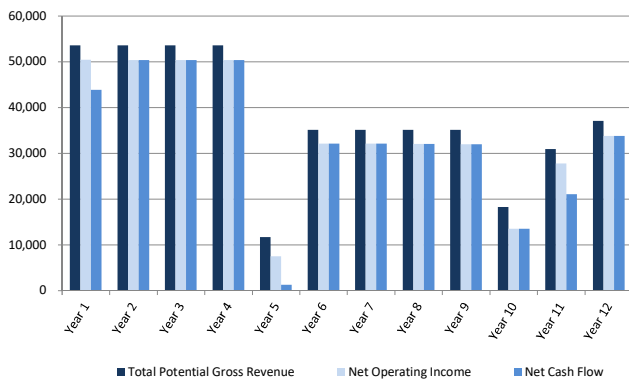
MARKET VALUE (rounded)

€ 426,000

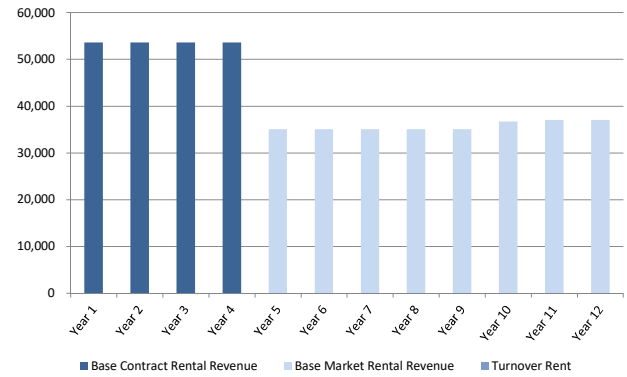
Net Capital Value per m² lettable building area

€ 1,221 / m²

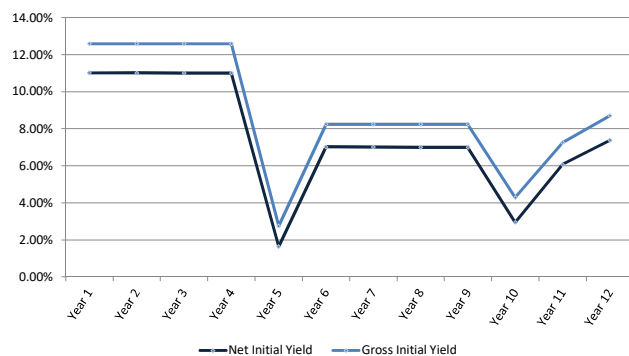
CASH FLOW ANALYSIS



DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 6 Friederikenstraße 88, 26871 Papenburg, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	11

CAPITALISATION RATES

Cap Rate	8.50%
Cap Year	Year 11
Discount Rate	7.25%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-11 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 6,542

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 33,504
CR Multiplier	0.0
MR Multiplier	8.5
Net Initial Yield	-1.78%
Gross Initial Yield	0.00%
Total Investment	€ 306,219
Less Purchasers' Costs	7.50%
Market Value	€ 284,855

VACANT POSSESSION VALUE (rounded)

€ 285,000

Net Capital Value per m² lettable building area

€ 817 /m²



PROPERTY ID 6 Friederikenstraße 88, 26871 Papenburg, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA

Net lettable building area	349 m²
Ratio net lettable area to gross floor area	85.00%
Gross floor area (BGF)	411 m²

DEMOLITION & SITE CLEARANCE

Demolition costs existing buildings	€ 60 /m²	€ 24,635
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 24,635

CONSTRUCTION COSTS

a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 1,200 /m²
Regional adjustment	0.840	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 1,050 /m²
Gross floor area (BGF)	411 m²	
Building costs, total		€ 430,999
b) External areas and outdoor facilities		
External areas [% of building costs]	5.00%	€ 21,550
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 21,550
Building costs incl. external areas		€ 452,549
Soft costs	12.50%	€ 56,569
Construction costs (incl. VAT)		€ 509,117

VALUATION OVERVIEW

RESULTS

Demolition and site clearance		€ 24,635
Construction costs (incl. VAT)		€ 509,117
Indicative Reinstatement Costs (incl. VAT)		€ 533,753
Consideration of VAT	19.00%	-€ 85,221
Indicative Reinstatement Costs (excl. VAT)		€ 448,532

INDICATIVE REINSTATEMENT COSTS (rounded)

€ 449,000

Reinstatement costs (rounded) per m² lettable building area

€ 1,287 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 6 Friederikenstraße 88, 26871 Papenburg, Germany

INFORMATION PROVIDED BY THE CLIENT

<i>Item</i>	<i>Provided via</i>
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 6 Friederikenstraße 88, 26871 Papenburg, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029	Year 12 Jun. 2030
POTENTIAL GROSS REVENUE												
Base Contract Rental Revenue	€ 53,568	€ 53,568	€ 53,568	€ 53,568	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 35,017	€ 35,067	€ 35,067	€ 35,067	€ 35,067	€ 36,711	€ 37,040	€ 37,040
Absorption & Turnover Vacancy	€ 0	€ 0	€ 0	€ 0	-€ 17,483	€ 0	€ 0	€ 0	€ 0	-€ 18,466	€ 0	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	€ 0	-€ 5,845	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 6,173	€ 0
Scheduled Base Rental Revenue	€ 53,568	€ 53,568	€ 53,568	€ 53,568	€ 11,689	€ 35,067	€ 35,067	€ 35,067	€ 35,067	€ 18,245	€ 30,867	€ 37,040
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 53,568	€ 53,568	€ 53,568	€ 53,568	€ 11,689	€ 35,067	€ 35,067	€ 35,067	€ 35,067	€ 18,245	€ 30,867	€ 37,040
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	€ 0	€ 0	-€ 1,749	€ 0	€ 0	€ 0	€ 0	-€ 1,950	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 2,108	-€ 2,133	-€ 2,158	-€ 2,184	-€ 2,220	-€ 2,264	-€ 2,310	-€ 2,356	-€ 2,403	-€ 2,451	-€ 2,500	-€ 2,550
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 536	-€ 536	-€ 536	-€ 536	-€ 117	-€ 351	-€ 351	-€ 351	-€ 351	-€ 182	-€ 309	-€ 370
Management Costs	-€ 536	-€ 536	-€ 536	-€ 536	-€ 117	-€ 351	-€ 351	-€ 351	-€ 351	-€ 182	-€ 309	-€ 370
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 3,179	-€ 3,204	-€ 3,230	-€ 3,256	-€ 4,203	-€ 2,966	-€ 3,011	-€ 3,057	-€ 3,104	-€ 4,766	-€ 3,117	-€ 3,291
	5.93%	5.98%	6.03%	6.08%	35.95%	8.46%	8.59%	8.72%	8.85%	26.12%	10.10%	8.88%
NET OPERATING INCOME (NOI)	€ 50,389	€ 50,364	€ 50,338	€ 50,312	€ 7,486	€ 32,102	€ 32,056	€ 32,010	€ 31,963	€ 13,479	€ 27,749	€ 33,749
LEASING & CAPITAL COSTS												
Tenant Improvements	€ 0	€ 0	€ 0	€ 0	-€ 1,852	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 2,065	€ 0
Leasing Commissions	€ 0	€ 0	€ 0	€ 0	-€ 4,383	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 4,630	€ 0
Capital Expenditure	-€ 6,542	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 6,542	€ 0	€ 0	€ 0	-€ 6,235	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 6,695	€ 0
CASH FLOW	€ 43,847	€ 50,364	€ 50,338	€ 50,312	€ 1,251	€ 32,102	€ 32,056	€ 32,010	€ 31,963	€ 13,479	€ 21,055	€ 33,749
Discount Rate / Discount Factor	6.25%	0.941	0.886	0.834	0.785	0.739	0.695	0.654	0.616	0.579	0.545	0.513
NET PRESENT VALUE (NPV)	€ 41,268	€ 44,613	€ 41,967	€ 39,478	€ 924	€ 22,313	€ 20,971	€ 19,709	€ 18,522	€ 7,351	€ 10,808	€ 16,305

Property Exit		
GPV	NOI year 12 *Cap	€ 33,749 x 11,7647
Purchasers Cost	7.50%	€ 397,047
Exit Value		-€ 27,701
NPV Exit Value	0.5133	€ 369,346
		€ 189,590

Market Value		
NPV Cash Flows		€ 267,923
Total Investment		€ 457,513
Purchasers Cost	7.50%	-€ 31,920
Market Value		€ 425,593

Market Value (rounded) € 426,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Gross Rent Multiplier	13.8	7.9	7.9	7.9	7.9	36.4	12.1	12.1	12.1	12.1	23.3	13.8	11.5
Net Initial Yield (NIY)	7.50%	11.0%	11.0%	11.0%	11.0%	1.6%	7.0%	7.0%	7.0%	7.0%	2.9%	6.1%	7.4%
Gross Initial Yield (GIY)	8.86%	12.6%	12.6%	12.6%	12.6%	2.7%	8.2%	8.2%	8.2%	8.2%	4.3%	7.3%	8.7%

PROPERTY ID 6

Friederikenstraße 88, 26871 Papenburg, Germany

RENT ROLL							MARKET LEASING ASSUMPTIONS							
PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Carglass GmbH	Office	83	€ 18.42	€ 18,351.15	30.06.2022	4.0 years	€ 8.00	€ 7,968.00	12	50%	€ 10 /m²	60	3	3
Carglass GmbH	Car repair shop	266	€ 11.03	€ 35,216.88	30.06.2022	4.0 years	€ 8.00	€ 25,536.00	12	50%	€ 10 /m²	60	3	3
Total		349 m²	€ 53.568					€ 33,504						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)													
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment				Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Total		0 m²						- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 6 Friederikenstraße 88, 26871 Papenburg, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 33,685	€ 33,973	€ 34,008	€ 34,008	€ 34,008	€ 34,008	€ 35,072	€ 35,921	€ 35,921	€ 35,921	€ 35,921
Absorption & Turnover Vacancy	-€ 33,685	-€ 14,135	€ 0	€ 0	€ 0	€ 0	-€ 17,908	€ 0	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 8,502	€ 0	€ 0	€ 0	€ 0	-€ 2,993	-€ 2,993	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 11,336	€ 34,008	€ 34,008	€ 34,008	€ 34,008	€ 14,170	€ 32,927	€ 35,921	€ 35,921	€ 35,921
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 11,336	€ 34,008	€ 34,008	€ 34,008	€ 34,008	€ 14,170	€ 32,927	€ 35,921	€ 35,921	€ 35,921
Non Recoverable Running Costs During Vacancy	-€ 3,337	-€ 1,683	€ 0	€ 0	€ 0	€ 0	-€ 2,142	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 2,108	-€ 2,133	-€ 2,158	-€ 2,184	-€ 2,220	-€ 2,264	-€ 2,310	-€ 2,356	-€ 2,403	-€ 2,451	-€ 2,500
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 113	-€ 340	-€ 340	-€ 340	-€ 340	-€ 142	-€ 329	-€ 359	-€ 359	-€ 359
Management Costs	€ 0	-€ 113	-€ 340	-€ 340	-€ 340	-€ 340	-€ 142	-€ 329	-€ 359	-€ 359	-€ 359
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 5,445	-€ 4,043	-€ 2,839	-€ 2,865	-€ 2,900	-€ 2,945	-€ 4,735	-€ 3,015	-€ 3,121	-€ 3,170	-€ 3,219
#DIV/0!		35.67%	8.35%	8.42%	8.53%	8.66%	33.42%	9.16%	8.69%	8.82%	8.96%
NET OPERATING INCOME	-€ 5,445	€ 7,293	€ 31,169	€ 31,143	€ 31,108	€ 31,063	€ 9,435	€ 29,913	€ 32,799	€ 32,751	€ 32,702
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	-€ 3,553	€ 0	€ 0	€ 0	€ 0	-€ 1,942	€ 0	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 8,502	€ 0	€ 0	€ 0	€ 0	-€ 4,490	€ 0	€ 0	€ 0	€ 0
Capital Expenditure	-€ 6,542	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 6,542	-€ 12,055	€ 0	€ 0	€ 0	€ 0	-€ 6,432	€ 0	€ 0	€ 0	€ 0
CASH FLOW	-€ 11,987	-€ 4,762	€ 31,169	€ 31,143	€ 31,108	€ 31,063	€ 3,002	€ 29,913	€ 32,799	€ 32,751	€ 32,702
Discount Rate / Discount Factor	7.25%	0.932	0.869	0.811	0.756	0.705	0.657	0.613	0.571	0.533	0.497
NET PRESENT VALUE	-€ 11,176	-€ 4,140	€ 25,266	€ 23,538	€ 21,922	€ 20,411	€ 1,839	€ 17,088	€ 17,470	€ 16,265	€ 15,143

Property Exit		
GPV	NOI year 11 *Cap	€ 32,702 x 11,7647
Purchasers Cost	7.50%	€ 384,732
Exit Value		€ 357,891
NPV Exit Value	0.4966	€ 177,737

Market Value		
NPV Cash Flows		€ 128,482
Total Investment		€ 306,219
Purchasers Cost	7.50%	-€ 21,364
Vacant Possession Value		€ 284,855

Vacant Possession Value (rounded) € 285,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	10.9		25.1	8.4	8.4	8.4	8.4	20.1	8.7	7.9	7.9	7.9
Net Initial Yield (NIY)	8.89%		2.4%	10.2%	10.2%	10.2%	10.1%	3.1%	9.8%	10.7%	10.7%	10.7%
Gross Initial Yield (GIY)	10.72%		4.0%	11.9%	11.9%	11.9%	11.9%	5.0%	11.6%	12.6%	12.6%	12.6%

PROPERTY SHEET



PROPERTY ID 7 Eberswalder Straße 22a, 16227 Eberswalde, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Brandenburg
Federal District	Barnim
City / Municipality	Eberswalde
Inhabitants (as at)	01.01.2017 39,818
Unemployment rate (as at)	31.12.2017 6.0%
Purchasing Power (German average = 100)	01.01.2018 77.75

Location rating

Macro Location	Medium-sized town (20,000-100,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	weak

PROPERTY DETAILS

Property type/ primary use	Car repair shop
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	2007
Lettable area	348 m²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	4.7 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	yes
Site area, total	1,434 m²
Building condition	good
Contamination	unclear, see commentary
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	overrented	€ 49,117
Market gross rental income p.a. (Year 1)		€ 35,496
Non-recoverable costs p.a. (Year 1)		-€ 3,084

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 429,000

Net Capital Value per m² lettable building area € 1,233 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	9.84%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	11.45%
Gross multiplier on Current Rent	8.7
Gross multiplier on Market Rent	12.1

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	3	Lettability	3
Micro Location	3	Marketability (sale)	4
Building quality (specification & parking etc.)	3	Overall rating	3
Building condition	4	Estimated marketing period (months)	12

PROPERTY SHEET



PROPERTY ID 7 Eberswalder Straße 22a, 16227 Eberswalde, Germany

LOCATION

MACRO LOCATION



MACRO LOCATION

Eberswalde is a major town and the administrative seat of the district Barnim in the German Federal State of Brandenburg, about 50 km northeast of the German capital Berlin. It has approx 40,000 inhabitants. The city is often called Waldstadt (forest town), because of the large forests around it, including the Schorfheide-Chorin Biosphere Reserve. Despite this fact, Eberswalde was an important industrial center until the German Reunification. Berlin and it surrounding cities form an established logistics region.

MICRO LOCATION



MICRO LOCATION

The subject property is located in an commercial/industrial area. It is adjacent to a greek restaurant, bed shop, pet store and a car park. Across the street is a supermarket and green area and approx. 190m distant is a car repair shop. The property is located on B167 federal highway. Public transport is accessible in front of the building. A11 highway is accessible within 10 minutes drive.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

No historical trend of prime and average rents or net initial yields for logistics space in Eberswalde can currently be determined due to the insufficient volume and availability of data, primarily due to the size of the market. For this reason, Berlin, the nearest larger city, is considered as a proxy. In 2007 the prime rent for warehouses and logistics in Berlin amounted to € 4.50/m². By 2017, this had increased to € 5.00/m². The average rent for warehouses and logistics in Berlin increased from € 3.50/m² in 2007 to € 4.30/m² in 2017. The prime yield decreased from 7.8% in 2007 to 4.5% in 2017. The average yield amounts to 6.3%. In the first half of 2018 logistics rents and yields in Berlin remained stable with slight decrease of secondary yields. Berlin ranks among the A-cities. Letting opportunities are considered to be very good and the vacancy rate trend is classified as very good.

Berlin and its greater area count among the major established logistics regions of Germany. As a result, the metro region is home to a well-developed market of classic warehouses and logistics facilities. However, the market reach is more or less limited to the regional supply function. While the logistics region features four freight centres overall, only one of which is within Berlin's city limits (GVZ Westhafen). The other three freight centres on the periphery of Berlin are among the most successful in Germany. Demand for modern industrial and logistics property in Berlin remains very strong and rose to record levels over recent years. Given the contracting supply of available land, it is unlikely to be fully satisfied. The main demand groups are logistics service providers and retail companies. The market share of online retailers has been particularly quick to rise in recent years. The supply in floor space is also drying up fast in the southern suburbs. Here, both prime and average rents are on the rise. Despite being a part of the greater Berlin region, discounts have to be considered for Eberswalde.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
car repair shop	41460 Neuss	776 m²	€ 7.73 /m²	Q4 2017	high
car repair shop	59063 Hamm	1,557 m²	€ 10.41 /m²	Q4 2017	high
car repair shop	63165 Mülheim	1,550 m²	€ 10.06 /m²	Q4 2017	high

COMMENT ON LEASE COMPARABLES

The rental level for car repair shop properties provided within the comparable evidence range between € 7.73 and € 10.41 m²/month, with the size spectrum of the currently offered rental areas ranging between 776 m² and 1,557 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for car repair shop space of € 8.50 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m²	Sales price	Date of sale	Comparability
car repair shop	45475 Mülheim	1,550 m²	€ 1,298	€ 2,012,500	Q4 2017	medium
car repair shop	59067 Hamm	1,557 m²	€ 1,108	€ 1,725,000	Q4 2017	medium
car repair shop	44805 Bochum	1,682 m²	€ 1,409	€ 2,370,000	Q4 2017	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 1,108 and 1,409/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 1,233/m² appears plausible and fits into the comparable evidence. The comparable properties are let to car repair companies. As at the date of transaction, the properties have been relet with a lease term of 10 years. All lease agreements are on a triple net lease basis.



PROPERTY ID 7 Eberswalder Straße 22a, 16227 Eberswalde, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Eberswalde, land register of Eberswalde, Folio 10046 (dated 07.12.2017)
Owner	GER LOG 5 S.A. mit dem Sitz in Luxembourg
Land parcels	Cadastral Section 17, Land parcel 106
Site area	1,434 m ²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1 Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding the Pumpwerk "Chemische Fabrik" (Pumping station "Chemical Factory") with inlets and outlets in favour of Zweckverband für Wasserversorgung und Abwasserentsorgung Eberswalde; entered on 17 October 2006.

Restrictions and encumbrances 2 Easement (Grunddienstbarkeit) regarding a cable right for supply and disposal lines in favour of the respective owner of district Finow, plot 17, parcel 107 ; entered on 5 March 2008.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There are entries in section II of the land registry extract regarding a restricted personal easement and an easement regarding a cable right for supply and disposal lines. For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, there are no building restrictions registered according to the Reports on Title and the authority's information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, there is no risk of contamination from previous or current use. As such, it has been assessed having low environmental risk.

PLANNING LAW

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28.05.2018, the subject property is not subject to a detailed development plan. Planning consent is subject to § 34 BauGB (the German planning code). New developments must be in keeping with the type, style and size of existing buildings in the urban area, and roads and services must be available. For the purposes of this valuation we have assumed that the use referred to would continue to be appropriate in the future.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 7 Eberswalder Straße 22a, 16227 Eberswalde, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	1,434 m²
of which is development land (for additional construction)	none
Shape of site	rectangular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	modern, average quality
State of repair, building	good
Building layout	efficient
Condition of lettable areas	good
Construction type	frame construction
Facade	metal sheeting
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	n/a
Windows	aluminium, insulated glazing
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a good overall condition.

There is one controlled Recognized Environmental Conditions (RECs) identified at this site. The fact that the top layer of the site is impacted with PAHs. It is recommended to assume a cost for future redevelopment to treat the top layer. 1-4 year considerations include removing the graffiti, but the TDD did not state for any costs.

INSPECTION

Type of inspection	Full inspection
Date of inspection	13.06.2018
Inspected by	Tim Haucke

COMMENT ON BUILDING

The subject property is currently let to Carglass GmbH. It is one building of a steel frame structure and used as a car repair shop. The property has one storey and a flat roof. There are four loading doors on ground level and 10 parking units. The building consists of a car repair area, an entrance/office area which is completely glazed and sanitary and common facilities. Access to the site is not controlled. The outdoor area is paved and it is accessible via a combined drive.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (13.06.2018), the lettable areas appeared to be in a good condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. We applied € 6,500, in line with the TDD reports.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a medium level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacant areas. Estate management would include extending the existing lease agreement.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Good building condition
2. Good micro location, including good visibility
3. Slightly above average centrality of Eberswalde

OPPORTUNITIES

1. Prolongation of existing lease
2. Attract retail tenants

WEAKNESSES

1. Limited third-party usability
2. Macro location

THREATS

1. Decrease of rent to market rental level

PROPERTY SHEET



PROPERTY ID 7 Eberswalder Straße 22a, 16227 Eberswalde, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



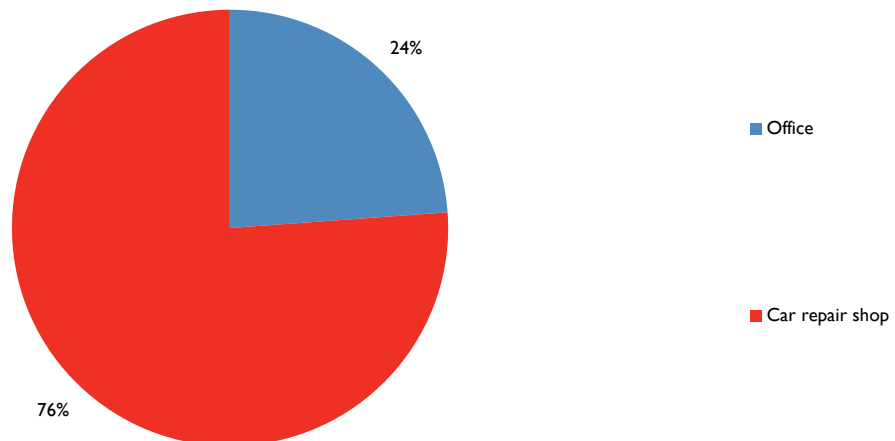
PROPERTY ID 7 Eberswalder Straße 22a, 16227 Eberswalde, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	83 m²	23.9%	83 m²	23.9%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	265 m²	76.1%	265 m²	76.1%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	0 m²	0.0%	0 m²	0.0%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	348 m²		348 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

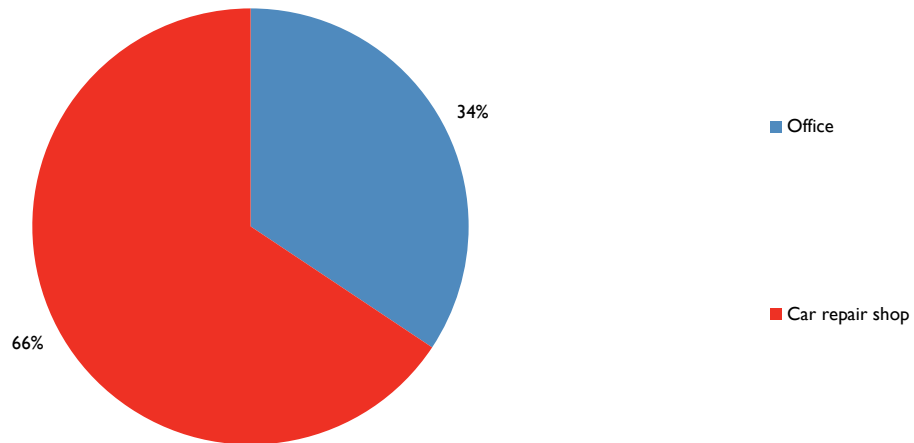


PROPERTY ID 7 Eberswalder Straße 22a, 16227 Eberswalde, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	83 m²	83 m²	€ 16.94	€ 16,868	€ 8.50	€ 8,466
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	265 m²	265 m²	€ 10.14	€ 32,249	€ 8.50	€ 27,030
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	348 m²	348 m²		€ 49,117		€ 35,496
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. Carglass GmbH	348	0	49,117	11.76	8.50	-27.7%	100.0%	4.7 years	100.0%
Total Top 10	348	0	49,117	11.76				4.7 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 7 Eberswalder Straße 22a, 16227 Eberswalde, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10 years

CAPITALISATION RATES

Cap Rate	8.50%
Cap Year	Year 10
Discount Rate	6.25%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 6,621

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

VALUATION RESULTS

Current Rent	€ 49,117
Market Rent	€ 35,496
CR Multiplier	8.7
MR Multiplier	12.1
Net Initial Yield	9.84%
Gross Initial Yield	11.45%
Total Investment	€ 467,773
Less Purchasers' Costs	9.00%
Market Value	€ 429,149

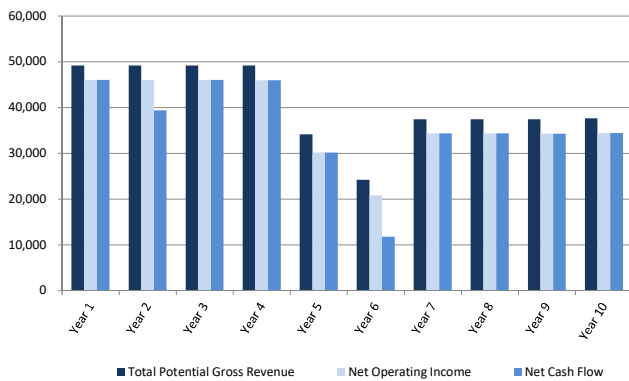
MARKET VALUE (rounded)

€ 429,000

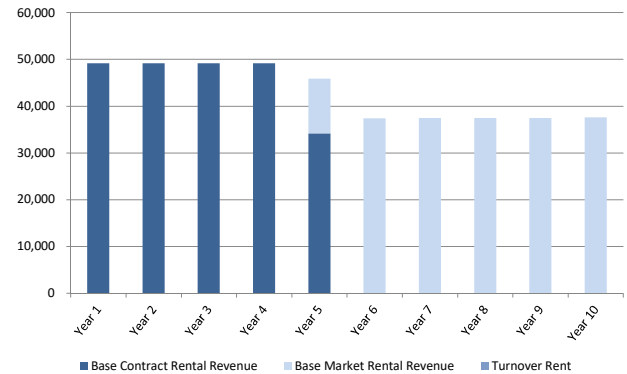
Net Capital Value per m² lettable building area

€ 1,233 / m²

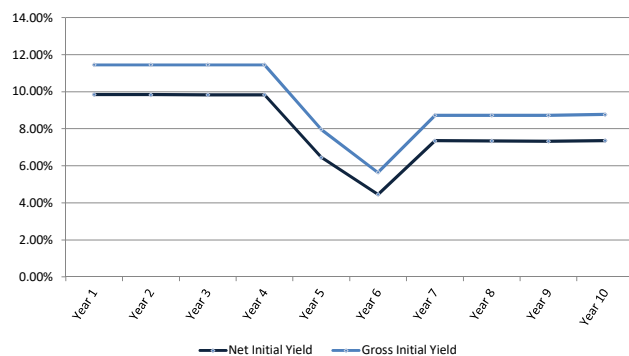
CASH FLOW ANALYSIS



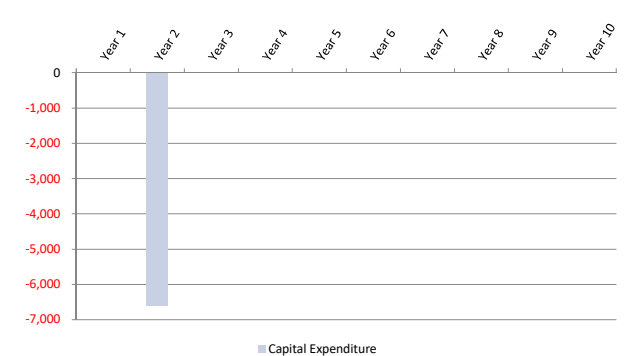
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 7 Eberswalder Straße 22a, 16227 Eberswalde, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10

CAPITALISATION RATES

Cap Rate	8.50%
Cap Year	Year 10
Discount Rate	7.25%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 6,621

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 35,496
CR Multiplier	0.0
MR Multiplier	8.3
Net Initial Yield	-1.70%
Gross Initial Yield	0.00%
Total Investment	€ 319,545
Less Purchasers' Costs	9.00%
Market Value	€ 293,160

VACANT POSSESSION VALUE (rounded)

€ 293,000

Net Capital Value per m² lettable building area

€ 842 /m²



PROPERTY ID 7 Eberswalder Straße 22a, 16227 Eberswalde, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA		
Net lettable building area		348 m²
Ratio net lettable area to gross floor area	85.00%	
Gross floor area (BGF)		409 m²
DEMOLITION & SITE CLEARANCE		
Demolition costs existing buildings	€ 60 /m²	€ 24,565
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 24,565

CONSTRUCTION COSTS		
a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 1,200 /m²
Regional adjustment	0.897	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 1,121 /m²
Gross floor area (BGF)	409 m²	
Building costs, total		€ 458,926
b) External areas and outdoor facilities		
External areas [% of building costs]	5.00%	€ 22,946
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 22,946
Building costs incl. external areas		€ 481,873
Soft costs	12.50%	€ 60,234
Construction costs (incl. VAT)		€ 542,107

VALUATION OVERVIEW

RESULTS		
Demolition and site clearance		€ 24,565
Construction costs (incl. VAT)		€ 542,107
Indicative Reinstatement Costs (incl. VAT)		€ 566,671
Consideration of VAT	19.00%	-€ 90,477
Indicative Reinstatement Costs (excl. VAT)		€ 476,194

INDICATIVE REINSTATEMENT COSTS (rounded) € 476,000

Reinstatement costs (rounded) per m² lettable building area € 1,368 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 7 Eberswalder Straße 22a, 16227 Eberswalde, Germany

INFORMATION PROVIDED BY THE CLIENT

<i>Item</i>	<i>Provided via</i>
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 7 Eberswalder Straße 22a, 16227 Eberswalde, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 49,117	€ 49,117	€ 49,117	€ 49,117	€ 34,150	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 11,680	€ 37,397	€ 37,407	€ 37,407	€ 37,407	€ 37,600
Absorption & Turnover Vacancy	€ 0	€ 0	€ 0	€ 0	-€ 11,680	-€ 6,969	€ 0	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 6,234	€ 0	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 49,117	€ 49,117	€ 49,117	€ 49,117	€ 34,150	€ 24,194	€ 37,407	€ 37,407	€ 37,407	€ 37,600
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 49,117	€ 49,117	€ 49,117	€ 49,117	€ 34,150	€ 24,194	€ 37,407	€ 37,407	€ 37,407	€ 37,600
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	€ 0	€ 0	-€ 1,106	-€ 662	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 2,102	-€ 2,127	-€ 2,152	-€ 2,178	-€ 2,214	-€ 2,258	-€ 2,303	-€ 2,349	-€ 2,396	-€ 2,444
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 491	-€ 491	-€ 491	-€ 491	-€ 342	-€ 242	-€ 374	-€ 374	-€ 374	-€ 376
Management Costs	-€ 491	-€ 491	-€ 491	-€ 491	-€ 342	-€ 242	-€ 374	-€ 374	-€ 374	-€ 376
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 3,084	-€ 3,109	-€ 3,135	-€ 3,160	-€ 4,003	-€ 3,403	-€ 3,051	-€ 3,097	-€ 3,144	-€ 3,196
	6.28%	6.33%	6.38%	6.43%	11.72%	14.07%	8.16%	8.28%	8.41%	8.50%
NET OPERATING INCOME (NOI)	€ 46,033	€ 46,007	€ 45,982	€ 45,956	€ 30,147	€ 20,791	€ 34,356	€ 34,310	€ 34,263	€ 34,403
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 4,372	€ 0	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 4,676	€ 0	€ 0	€ 0	€ 0
Capital Expenditure	€ 0	-€ 6,621	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 6,621	€ 0	€ 0	€ 0	-€ 9,047	€ 0	€ 0	€ 0	€ 0
CASH FLOW	€ 46,033	€ 39,387	€ 45,982	€ 45,956	€ 30,147	€ 11,743	€ 34,356	€ 34,310	€ 34,263	€ 34,403
Discount Rate / Discount Factor	6.25%	0.941	0.886	0.834	0.785	0.739	0.695	0.654	0.616	0.545
NET PRESENT VALUE (NPV)	€ 43,325	€ 34,889	€ 38,335	€ 36,060	€ 22,264	€ 8,162	€ 22,475	€ 21,124	€ 19,855	€ 18,763

Property Exit			
GPV	NOI year 10 *Cap	€ 34,403 x 11,7647	€ 404,746
Purchasers Cost	9.00%		-€ 33,419
Exit Value			€ 371,327
NPV Exit Value	0.5454		€ 202,519
Market Value			
NPV Cash Flows			€ 265,263
Total Investment			€ 467,773
Purchasers Cost	9.00%		-€ 38,623
Market Value			€ 429,149
Market Value (rounded)			€ 429,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	12.8	8.7	8.7	8.7	8.7	12.6	17.7	11.5	11.5	11.5	11.4
Net Initial Yield (NIY)	7.43%	9.8%	9.8%	9.8%	9.8%	6.4%	4.4%	7.3%	7.3%	7.3%	7.4%
Gross Initial Yield (GIY)	8.88%	11.4%	11.4%	11.4%	11.4%	8.0%	5.6%	8.7%	8.7%	8.7%	8.8%

PROPERTY ID 7

Eberswalder Straße 22a, 16227 Eberswalde, Germany

RENT ROLL							MARKET LEASING ASSUMPTIONS							
PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Carglass GmbH	Office	83	€ 16.94	€ 16,867.92	31.03.2023	4.8 years	€ 8.50	€ 8,466.00	12	50%	€ 50 /m²	60	3	3
Carglass GmbH	Car repair shop	265	€ 10.14	€ 32,248.68	01.03.2023	4.7 years	€ 8.50	€ 27,030.00	12	50%	€ 15 /m²	60	3	3
Total		348 m²		€ 49,117				€ 35,496						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)													
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment				Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Total		0 m²						- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 7 Eberswalder Straße 22a, 16227 Eberswalde, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 35,688	€ 35,992	€ 36,030	€ 36,030	€ 36,030	€ 36,030	€ 37,157	€ 38,057	€ 38,057	€ 38,057
Absorption & Turnover Vacancy	-€ 35,688	-€ 14,975	€ 0	€ 0	€ 0	€ 0	-€ 18,973	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 9,007	€ 0	€ 0	€ 0	€ 0	-€ 3,171	-€ 3,171	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 12,010	€ 36,030	€ 36,030	€ 36,030	€ 36,030	€ 15,012	€ 34,885	€ 38,057	€ 38,057
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 12,010	€ 36,030	€ 36,030	€ 36,030	€ 36,030	€ 15,012	€ 34,885	€ 38,057	€ 38,057
Non Recoverable Running Costs During Vacancy	-€ 3,327	-€ 1,679	€ 0	€ 0	€ 0	€ 0	-€ 2,136	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 2,102	-€ 2,127	-€ 2,152	-€ 2,178	-€ 2,214	-€ 2,258	-€ 2,303	-€ 2,349	-€ 2,396	-€ 2,444
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 120	-€ 360	-€ 360	-€ 360	-€ 360	-€ 150	-€ 349	-€ 381	-€ 381
Management Costs	€ 0	-€ 120	-€ 360	-€ 360	-€ 360	-€ 360	-€ 150	-€ 349	-€ 381	-€ 381
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 5,429	-€ 4,046	-€ 2,873	-€ 2,899	-€ 2,934	-€ 2,979	-€ 4,739	-€ 3,047	-€ 3,157	-€ 3,205
#DIV/0!	33.69%	33.69%	7.97%	8.05%	8.14%	8.27%	31.57%	8.73%	8.30%	8.42%
NET OPERATING INCOME	-€ 5,429	€ 7,964	€ 33,157	€ 33,131	€ 33,095	€ 33,051	€ 10,273	€ 31,838	€ 34,899	€ 34,851
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	-€ 8,272	€ 0	€ 0	€ 0	€ 0	-€ 4,522	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 9,007	€ 0	€ 0	€ 0	€ 0	-€ 4,757	€ 0	€ 0	€ 0
Capital Expenditure	€ 0	-€ 6,621	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 23,900	€ 0	€ 0	€ 0	€ 0	-€ 9,279	€ 0	€ 0	€ 0
CASH FLOW	-€ 5,429	-€ 15,936	€ 33,157	€ 33,131	€ 33,095	€ 33,051	€ 994	€ 31,838	€ 34,899	€ 34,851
Discount Rate / Discount Factor	7.25%	0.932	0.869	0.811	0.756	0.705	0.657	0.613	0.571	0.533
NET PRESENT VALUE	-€ 5,062	-€ 13,854	€ 26,877	€ 25,041	€ 23,323	€ 21,717	€ 609	€ 18,187	€ 18,588	€ 17,308

Property Exit			
GPV	NOI year 10 *Cap	€ 34,851 x 11,7647	€ 410,015
Purchasers Cost	9.00%		-€ 33,854
Exit Value			€ 376,161
NPV Exit Value	0.4966		€ 186,810

Market Value		
NPV Cash Flows		€ 132,735
Total Investment		€ 319,545
Purchasers Cost	9.00%	-€ 26,384
Vacant Possession Value		€ 293,160

Vacant Possession Value (rounded) € 293,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	10.6		24.4	8.1	8.1	8.1	8.1	19.5	8.4	7.7	7.7
Net Initial Yield (NIY)	9.08%		2.5%	10.4%	10.4%	10.4%	10.3%	3.2%	10.0%	10.9%	10.9%
Gross Initial Yield (GIY)	11.04%		4.1%	12.3%	12.3%	12.3%	12.3%	5.1%	11.9%	13.0%	13.0%



PROPERTY ID 8 Ameisenweg 2, 16727 Velten, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Brandenburg
Federal District	Oberhavel
City / Municipality	Velten
Inhabitants (as at)	01.01.2018 11,753
Unemployment rate (as at)	31.12.2017 5.8%
Purchasing Power (German average = 100)	01.01.2018 85.49

Location rating

Macro Location	Small town (< 20,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	medium

PROPERTY DETAILS

Property type/ primary use	Industrial
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	1994
Lettable area	2,000 m²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	3.5 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	6,386 m²
Building condition	good
Contamination	none, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	overrented	€ 119,747
Market gross rental income p.a. (Year 1)		€ 106,992
Non-recoverable costs p.a. (Year 1)		-€ 10,449

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 1,280,000

Net Capital Value per m² lettable building area € 640 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	7.84%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	9.36%
Gross multiplier on Current Rent	10.7
Gross multiplier on Market Rent	12.0

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	3	Lettability	3
Micro Location	3	Marketability (sale)	4
Building quality (specification & parking etc.)	3	Overall rating	3
Building condition	4	Estimated marketing period (months)	12



PROPERTY ID 8 Ameisenweg 2, 16727 Velten, Germany

LOCATION

MACRO LOCATION



MACRO LOCATION

Velten is a town in the Oberhavel district of Brandenburg. It is situated 10 km southwest of Oranienburg and 24 km northwest of Berlin. The city has approx. 11,800 inhabitants. Velten forms part of the Berlin agglomeration, an established logistics region. Recent years, several real estate developments have been realised due to little space available.

MICRO LOCATION



MICRO LOCATION

The subject property is located in an industrial area in the southern part of Velten. The building is adjacent to logistics buildings and green area. Public transport is accessible within 2 minutes walking distance. The subject property is located on an access road. A111 motorway is reachable within 5 minutes drive. Berlin Tegel airport is accessible within 20 minutes drive.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

No historical trend of prime and average rents or net initial yields for logistics space in Velten can currently be determined due to the insufficient volume and availability of data, primarily due to the size of the market. For this reason, Berlin, the nearest larger city, is considered as a proxy. In 2007 the prime rent for warehouses and logistics in Berlin amounted to € 4.50/m². By 2017, this had increased to € 5.00/m². The average rent for warehouses and logistics in Berlin increased from € 3.50/m² in 2007 to € 4.30/m² in 2017. The prime yield decreased from 7.8% in 2007 to 4.5% in 2017. The average yield amounts to 6.3%. In the first half of 2018 logistics rents and yields in Berlin remained stable with slight decrease of secondary yields. Berlin ranks among the A-cities. Letting opportunities are considered to be very good and the vacancy rate trend is classified as very good.

Berlin and its greater area count among the major established logistics regions of Germany. As a result, the metro region is home to a well-developed market of classic warehouses and logistics facilities. However, the market reach is more or less limited to the regional supply function. While the logistics region features four freight centres overall, only one of which is within Berlin's city limits (GVZ Westhafen). The other three freight centres on the periphery of Berlin are among the most successful in Germany. Demand for modern industrial and logistics property in Berlin remains very strong and rose to record levels over recent years. Given the contracting supply of available land, it is unlikely to be fully satisfied. The main demand groups are logistics service providers and retail companies. The market share of online retailers has been particularly quick to rise in recent years. The supply in floor space is also drying up fast in the southern suburbs. Here, both prime and average rents are on the rise. Despite being a part of the greater Berlin region, discounts have to be considered for Velten.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
logistics	16515 Oranienburg	220 m ²	€ 3.04 /m ²	currently asking	medium
logistics	33106 Paderborn	1,279 m ²	€ 3.50 /m ²	Q1 2017	medium
logistics	14641 Wustermark	9,173 m ²	€ 3.70 /m ²	currently asking	medium

COMMENT ON LEASE COMPARABLES

The rental level for Industrial properties provided within the comparable evidence range between € 3.04 and € 3.70 m²/month, with the size spectrum of the currently offered rental areas ranging between 220 m² and 9,173 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for Industrial space of € 3.50 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m ²	Sales price	Date of sale	Comparability
logistics	53842 Troisdorf	6,759 m ²	€ 681	€ 4,600,000	Q4 2017	medium
logistics	34253 Lohfelden	5,856 m ²	€ 594	€ 3,480,000	Q4 2017	medium
logistics	12277 Berlin	6,000 m ²	€ 667	€ 4,000,000	n/a	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 594 and 681/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 640/m² appears plausible and fits into the comparable evidence. As at the date of transaction, comparable property 1 was fully let and the WALT was 0.55 years. The property was built in 1991. Comparable 2 was constructed in 1992 and refurbished in 2016. As at the date of transaction, the 91% of the rental areas were let on multi-tenant basis and the WALT amounted to 2.22 years. Comparable property 3 was built in 1999. As at the date of transaction, the property was fully let and the WALT was 1.75 years.



PROPERTY ID 8 Ameisenweg 2, 16727 Velten, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Oranienburg, land register of Velten, Folio 5495 (dated 07.12.2017)
Owner	GER LOG 7 S.A.; Luxemburg
Land parcels	Cadastral Section 5, Land parcels 36/11 and 36/9
Site area	6,386 m ²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1 Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a low-voltage cable network right including fittings and accessories or ancillary and special equipment (Niederspannungskabelnetzrecht einschließlich Einbauten und Zubehör bzw. Neben- und Sonderanlagen) in favour of Elektrizitätsversorgungsgesellschaft Velten mbH (EVV); registered on 11 May 2011.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There is an entry in section II of the land registry extract regarding a restricted personal easement concerning a low-voltage cable network right including fittings and accessories or ancillary and special equipment. For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, there are no building restrictions registered according to the Reports on Title and the authority's information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site is located on former agricultural land in a light industrial and commercial area. There is a low risk of contamination from previous or current use. The Technical Due Diligence finished by Nova considers a removal of the R22 AC-unit. The TDD states for short term capital expenditures amounting to € 6,500. We reflected these costs, in line with the TDD, in our calculation.

PLANNING LAW

According to information provided by the city of Velten, dated 18.06.2018, the subject property is not subject to a detailed development plan. Planning consent is subject to § 34 BauGB (the German planning code). New developments must be in keeping with the type, style and size of existing buildings in the urban area, and roads and services must be available. For the purposes of this valuation we have assumed that the use referred to would continue to be appropriate in the future.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 8 Ameisenweg 2, 16727 Velten, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	6,386 m²
of which is development land (for additional construction)	none
Shape of site	rectangular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	modern, average quality
State of repair, building	good
Building layout	efficient
Condition of lettable areas	good
Construction type	various types
Facade	various types
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	n/a
Windows	aluminium
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a good overall condition. There were no Recognized Environmental Conditions (RECs) identified at this site. There are no short-term considerations.

INSPECTION

Type of inspection	Full inspection
Date of inspection	13.06.2018
Inspected by	Tim Haucke

COMMENT ON BUILDING

The subject property is currently let to GL Spezialverglasung GmbH and some areas are sublet. The administrative building has two storeys and a clinker facade. The logistics area has seven loading docks on ground level. The site is fenced and property circulation is possible. There are 20 truck parking units.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (13.06.2018), the lettable areas appeared to be in a good condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. In accordance with the Arcadis report we applied a total amount of € 36,500, incl. € 20,000 for repairing the roof.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a medium level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. Estate management would include extending the existing lease agreement.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Good building quality
2. Location in the Berlin area

OPPORTUNITIES

1. Prolongation of existing lease

WEAKNESSES

1. High office share
2. Building age

THREATS

1. Increased vacancy periods if tenant leaves



PROPERTY ID 8 Ameisenweg 2, 16727 Velten, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



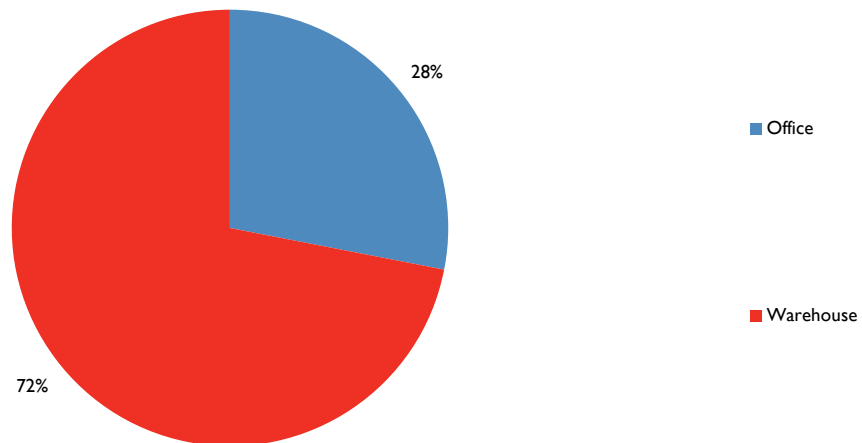
PROPERTY ID 8 Ameisenweg 2, 16727 Velten, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	561 m²	28.1%	561 m²	28.1%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	0 m²	0.0%	0 m²	0.0%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	1,439 m²	72.0%	1,439 m²	72.0%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	2,000 m²		2,000 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

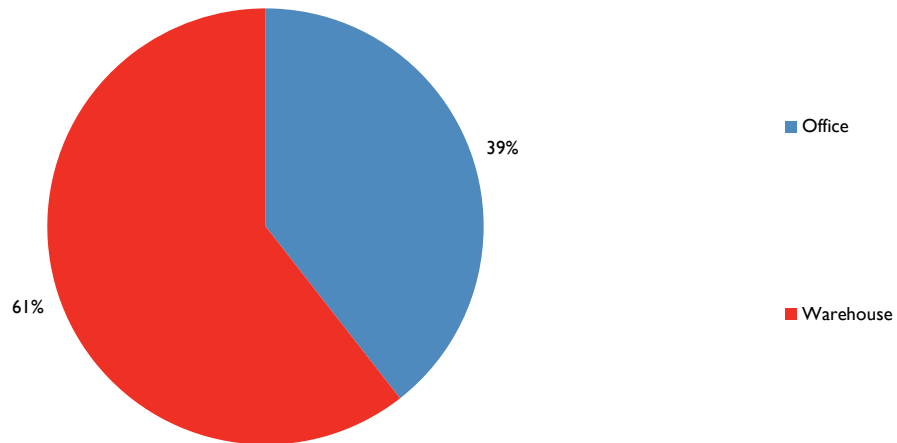


PROPERTY ID 8 Ameisenweg 2, 16727 Velten, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	561 m²	561 m²	€ 6.53	€ 43,956	€ 5.75	€ 38,709
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	1,439 m²	1,439 m²	€ 3.91	€ 67,515	€ 3.75	€ 64,755
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	2,000 m²	2,000 m²		€ 111,471		€ 103,464
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. GL Spezialverglasung GmbH	2,294	0	119,747	4.35	3.89	-10.7%	100.0%	3.5 years	100.0%
Total Top 10	2,294	0	119,747	4.35				3.5 years	
in % of Total	114.7%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 8 Ameisenweg 2, 16727 Velten, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING	
Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10 years

CAPITALISATION RATES	
Cap Rate	6.75%
Cap Year	Year 11
Discount Rate	5.75%

NON-REIMBURSABLE EXPENSES	
Vacancy Costs (p.a.)	€ 9.50 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 4.00 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 42,978

OTHER ADJUSTMENTS	
Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION	
General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

VALUATION RESULTS

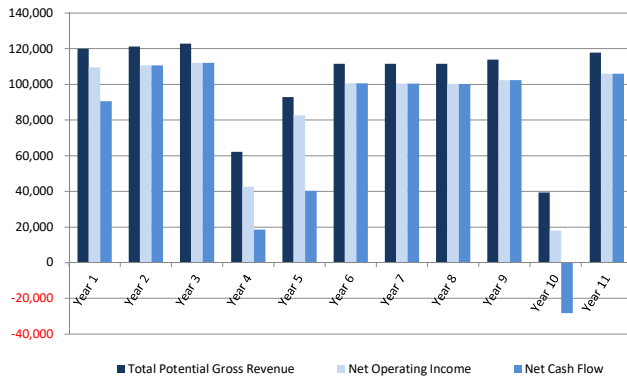
Current Rent	€ 119,747
Market Rent	€ 106,992
CR Multiplier	10.7
MR Multiplier	12.0
Net Initial Yield	7.84%
Gross Initial Yield	9.36%
Total Investment	€ 1,395,781
Less Purchasers' Costs	9.00%
Market Value	€ 1,280,533

MARKET VALUE (rounded) € 1,280,000

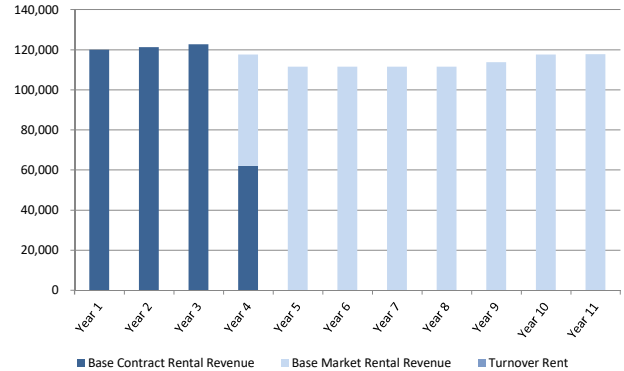
Net Capital Value per m² lettable building area

€ 640 / m²

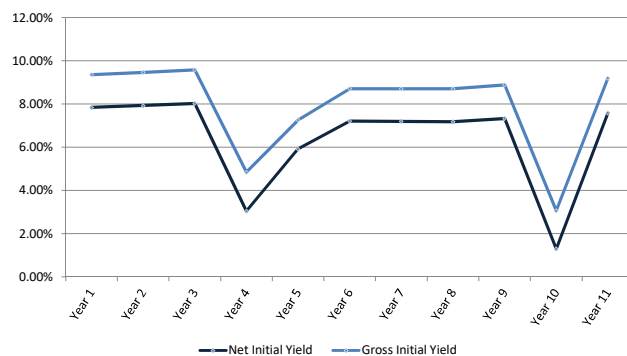
CASH FLOW ANALYSIS



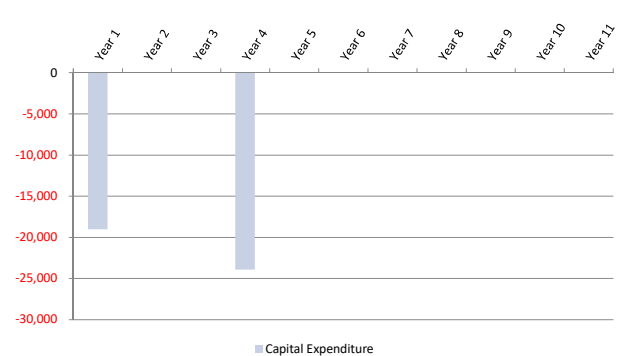
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 8 Ameisenweg 2, 16727 Velten, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10

CAPITALISATION RATES

Cap Rate	6.75%
Cap Year	Year 11
Discount Rate	6.75%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 4.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 42,978

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 106,992
CR Multiplier	0.0
MR Multiplier	9.0
Net Initial Yield	-2.57%
Gross Initial Yield	0.00%
Total Investment	€ 1,055,529
Less Purchasers' Costs	9.00%
Market Value	-€ 87,154
	€ 968,375

VACANT POSSESSION VALUE (rounded)

€ 968,000

Net Capital Value per m² lettable building area

€ 484 /m²

PROPERTY SHEET



PROPERTY ID 8 Ameisenweg 2, 16727 Velten, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA		
Net lettable building area		2,000 m²
Ratio net lettable area to gross floor area	90.00%	
Gross floor area (BGF)		2,222 m²
DEMOLITION & SITE CLEARANCE		
Demolition costs existing buildings	€ 60 /m²	€ 133,333
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 133,333

CONSTRUCTION COSTS		
a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 650 /m²
Regional adjustment	0.907	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 614 /m²
Gross floor area (BGF)	2,222 m²	
Building costs, total		€ 1,364,323
b) External areas and outdoor facilities		
External areas [% of building costs]	7.50%	€ 102,324
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 102,324
Building costs incl. external areas		€ 1,466,647
Soft costs	15.00%	€ 219,997
Construction costs (incl. VAT)		€ 1,686,644

VALUATION OVERVIEW

RESULTS		
Demolition and site clearance		€ 133,333
Construction costs (incl. VAT)		€ 1,686,644
Indicative Reinstatement Costs (incl. VAT)		€ 1,819,977
Consideration of VAT	19.00%	-€ 290,585
Indicative Reinstatement Costs (excl. VAT)		€ 1,529,393

INDICATIVE REINSTATEMENT COSTS (rounded) € 1,530,000

Reinstatement costs (rounded) per m² lettable building area € 765 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 8 Ameisenweg 2, 16727 Velten, Germany

INFORMATION PROVIDED BY THE CLIENT

Item	Provided via
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 8 Ameisenweg 2, 16727 Velten, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 119,857	€ 121,186	€ 122,657	€ 62,018	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 0	€ 55,553	€ 111,429	€ 111,429	€ 111,429	€ 111,429	€ 113,689	€ 117,526	€ 117,697
Absorption & Turnover Vacancy	€ 0	€ 0	€ 0	-€ 55,553	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 58,678	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	€ 0	-€ 18,571	€ 0	€ 0	€ 0	€ 0	-€ 19,616	€ 0
Scheduled Base Rental Revenue	€ 119,857	€ 121,186	€ 122,657	€ 62,018	€ 92,857	€ 111,429	€ 111,429	€ 111,429	€ 113,689	€ 39,232	€ 117,697
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 119,857	€ 121,186	€ 122,657	€ 62,018	€ 92,857	€ 111,429	€ 111,429	€ 111,429	€ 113,689	€ 39,232	€ 117,697
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	€ 0	-€ 9,940	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 11,065	€ 0
Repairs & Maintenance, Lettable Area	-€ 8,052	-€ 8,149	-€ 8,246	-€ 8,345	-€ 8,482	-€ 8,651	-€ 8,824	-€ 9,001	-€ 9,181	-€ 9,364	-€ 9,552
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 1,199	-€ 1,212	-€ 1,227	-€ 620	-€ 929	-€ 1,114	-€ 1,114	-€ 1,114	-€ 1,137	-€ 392	-€ 1,177
Management Costs	-€ 1,199	-€ 1,212	-€ 1,227	-€ 620	-€ 929	-€ 1,114	-€ 1,114	-€ 1,114	-€ 1,137	-€ 392	-€ 1,177
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 10,449	-€ 10,572	-€ 10,699	-€ 19,525	-€ 10,339	-€ 10,880	-€ 11,053	-€ 11,229	-€ 11,455	-€ 21,214	-€ 11,906
	8.72%	8.72%	8.72%	31.48%	11.13%	9.76%	9.92%	10.08%	10.08%	54.07%	10.12%
NET OPERATING INCOME (NOI)	€ 109,407	€ 110,614	€ 111,958	€ 42,493	€ 82,518	€ 100,549	€ 100,376	€ 100,199	€ 102,234	€ 18,018	€ 105,791
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	€ 0	€ 0	€ 0	-€ 28,390	€ 0	€ 0	€ 0	€ 0	-€ 31,657	€ 0
Leasing Commissions	€ 0	€ 0	€ 0	€ 0	-€ 13,929	€ 0	€ 0	€ 0	€ 0	-€ 14,712	€ 0
Capital Expenditure	-€ 19,048	€ 0	€ 0	-€ 23,930	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 19,048	€ 0	€ 0	-€ 23,930	-€ 42,319	€ 0	€ 0	€ 0	€ 0	-€ 46,369	€ 0
CASH FLOW	€ 90,359	€ 110,614	€ 111,958	€ 18,563	€ 40,200	€ 100,549	€ 100,376	€ 100,199	€ 102,234	-€ 28,351	€ 105,791
Discount Rate / Discount Factor	5.75%	0.946	0.894	0.846	0.800	0.756	0.715	0.676	0.639	0.605	0.572
NET PRESENT VALUE (NPV)	€ 85,446	€ 98,912	€ 94,670	€ 14,843	€ 30,397	€ 71,894	€ 67,868	€ 64,065	€ 61,812	-€ 16,209	€ 57,196

Property Exit			
GPV	NOI year 11 *Cap	€ 105,791 x 14,8148	€ 1,567,276
Purchasers Cost	9.00%		-€ 129,408
Exit Value			€ 1,437,868
NPV Exit Value	0.5717		€ 822,082

Market Value		
NPV Cash Flows		€ 573,698
Total Investment		€ 1,395,781
Purchasers Cost	9.00%	-€ 115,248
Market Value		€ 1,280,533

Market Value (rounded) € 1,280,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	13.9	10.7	10.6	10.4	20.6	13.8	11.5	11.5	11.5	11.3	32.6	10.9
Net Initial Yield (NIY)	6.51%	7.8%	7.9%	8.0%	3.0%	5.9%	7.2%	7.2%	7.2%	7.3%	1.3%	7.6%
Gross Initial Yield (GIY)	8.08%	9.4%	9.5%	9.6%	4.8%	7.3%	8.7%	8.7%	8.7%	8.9%	3.1%	9.2%

PROPERTY ID 8

Ameisenweg 2, 16727 Veltten, Germany

RENT ROLL							MARKET LEASING ASSUMPTIONS							
PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
GL Spezialverglasung GmbH	Office	561	€ 6.53	€ 43.955.84	31.12.2021	3.5 years	€ 5.75	€ 38.709,00	12	50%	€ 50 /m²	60	3	3
GL Spezialverglasung GmbH	Warehouse	1.439	€ 3.91	€ 67.514.66	31.12.2021	3.5 years	€ 3.75	€ 64.755,00	12	50%	€ 15 /m²	60	3	3
GL Spezialverglasung GmbH	External area	294	€ 2.35	€ 8.276.29	31.12.2021	3.5 years	€ 1.00	€ 3.528,00	12	50%	€ 15 /m²	60	3	3
Total		2,294 m²		€ 119.747				€ 106.992						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)													
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment				Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Total		0 m²						- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 8 Ameisenweg 2, 16727 Veltens, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 107,571	€ 108,489	€ 108,601	€ 108,601	€ 108,601	€ 108,601	€ 111,998	€ 114,710	€ 114,710	€ 114,710	€ 114,710
Absorption & Turnover Vacancy	-€ 107,571	-€ 45,138	€ 0	€ 0	€ 0	€ 0	-€ 57,189	€ 0	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 27,150	€ 0	€ 0	€ 0	€ 0	-€ 9,559	-€ 9,559	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 36,200	€ 108,601	€ 108,601	€ 108,601	€ 108,601	€ 45,250	€ 105,151	€ 114,710	€ 114,710	€ 114,710
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 36,200	€ 108,601	€ 108,601	€ 108,601	€ 108,601	€ 45,250	€ 105,151	€ 114,710	€ 114,710	€ 114,710
Non Recoverable Running Costs During Vacancy	-€ 19,123	-€ 9,648	€ 0	€ 0	€ 0	€ 0	-€ 12,276	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 8,052	-€ 8,149	-€ 8,246	-€ 8,345	-€ 8,482	-€ 8,651	-€ 8,824	-€ 9,001	-€ 9,181	-€ 9,364	-€ 9,552
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 362	-€ 1,086	-€ 1,086	-€ 1,086	-€ 1,086	-€ 453	-€ 1,052	-€ 1,147	-€ 1,147	-€ 1,147
Management Costs	€ 0	-€ 362	-€ 1,086	-€ 1,086	-€ 1,086	-€ 1,086	-€ 453	-€ 1,052	-€ 1,147	-€ 1,147	-€ 1,147
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 27,175	-€ 18,520	-€ 10,418	-€ 10,517	-€ 10,654	-€ 10,823	-€ 22,005	-€ 11,104	-€ 11,475	-€ 11,659	-€ 11,846
#DIV/0!	51.16%	51.16%	9.59%	9.68%	9.81%	9.97%	48.63%	10.56%	10.00%	10.16%	10.33%
NET OPERATING INCOME	-€ 27,175	€ 17,680	€ 98,183	€ 98,084	€ 97,947	€ 97,778	€ 23,245	€ 94,047	€ 103,235	€ 103,051	€ 102,864
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	-€ 55,021	€ 0	€ 0	€ 0	€ 0	-€ 30,078	€ 0	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 27,150	€ 0	€ 0	€ 0	€ 0	-€ 14,339	€ 0	€ 0	€ 0	€ 0
Capital Expenditure	-€ 19,048	€ 0	€ 0	-€ 23,930	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 19,048	-€ 82,171	€ 0	-€ 23,930	€ 0	€ 0	-€ 44,417	€ 0	€ 0	€ 0	€ 0
CASH FLOW	-€ 46,223	-€ 64,491	€ 98,183	€ 74,154	€ 97,947	€ 97,778	-€ 21,171	€ 94,047	€ 103,235	€ 103,051	€ 102,864
Discount Rate / Discount Factor	6.75%	0.937	0.878	0.822	0.770	0.721	0.676	0.633	0.593	0.556	0.520
NET PRESENT VALUE	-€ 43,301	-€ 56,593	€ 80,711	€ 57,103	€ 70,657	€ 66,074	-€ 13,402	€ 55,770	€ 57,348	€ 53,626	€ 50,144

Property Exit			
GPV	NOI year 11 *Cap	€ 102,864 x 14,8148	€ 1,523,912
Purchasers Cost	9.00%		-€ 125,828
Exit Value			€ 1,398,085
NPV Exit Value	0.5204		€ 727,536

Market Value			
NPV Cash Flows			€ 327,993
Total Investment			€ 1,055,529
Purchasers Cost	9.00%		-€ 87,154
Vacant Possession Value			€ 968,375

Vacant Possession Value (rounded) € 968,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	11.6		26.8	8.9	8.9	8.9	8.9	21.4	9.2	8.4	8.4	8.4
Net Initial Yield (NIY)	8.01%		1.7%	9.3%	9.3%	9.3%	9.3%	2.2%	8.9%	9.8%	9.8%	9.7%
Gross Initial Yield (GIY)	10.07%		3.7%	11.2%	11.2%	11.2%	11.2%	4.7%	10.9%	11.8%	11.8%	11.8%

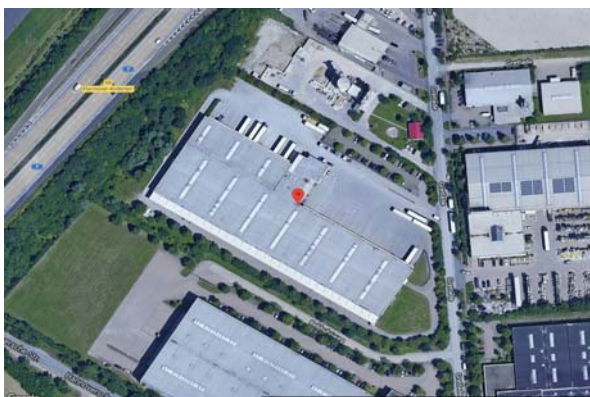


PROPERTY ID 9 Gretlade 3, 31319 Sehnde-Hoeve, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Lower Saxony
Federal District	Hanover
City / Municipality	Sehnde
Inhabitants (as at)	01.01.2018 23,672
Unemployment rate (as at)	31.12.2017 6.8%
Purchasing Power (German average = 100)	01.01.2018 98.79

Location rating

Macro Location	Medium-sized town (20,000-100,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	medium

PROPERTY DETAILS

Property type/ primary use	Logistics
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	1998
Lettable area	9,230 m²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	6.1 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	25,006 m²
Building condition	medium
Contamination	none, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	underrented	€ 429,858
Market gross rental income p.a. (Year 1)		€ 549,798
Non-recoverable costs p.a. (Year 1)		-€ 47,190

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 8,430,000

Net Capital Value per m² lettable building area € 913 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	5.01%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	5.95%
Gross multiplier on Current Rent	19.6
Gross multiplier on Market Rent	15.3

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	4	Lettability	4
Micro Location	4	Marketability (sale)	4
Building quality (specification & parking etc.)	4	Overall rating	4
Building condition	4	Estimated marketing period (months)	12



PROPERTY ID 9 Gretlade 3, 31319 Sehnde-Hoefer, Germany

LOCATION

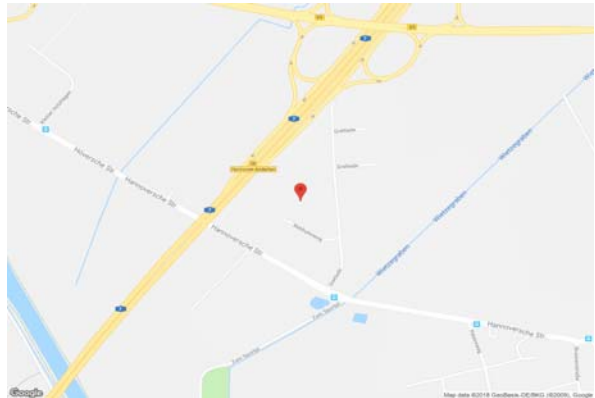
MACRO LOCATION



MACRO LOCATION

Hoefer is a district of Sende, a city southeast of Hanover in Lower Saxony. The submarket has approx. 2,000 inhabitants and Sehnde has approx. 24,000 inhabitants. Hanover, the nearest larger city, is accessible within 30 minutes drive. Hanover is the largest city within Lower Saxony and therefore the political and economical centre. Due to its central location within Europe and good transport link via motorway, railway and water, Hanover is an important logistics location. Moreover, the Deutsche Bahn development of a new freight centre (2019), will strengthen Hanovers role as logistics location.

MICRO LOCATION



MICRO LOCATION

The subject property is located within an industrial area. It is adjacent to logistics companies and A7 motorway. Due to the vicinity to A7 motorway, transport link is designated as excellent. Resident companies include inter alia DHL Delivery. Public transport is accessible within 4 minutes walking distance. International airport Hanover is reachable within 22 minutes by car.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

No historical trend of prime and average rents or net initial yields for logistics space in Sehnde-Hoefer can currently be determined due to the insufficient volume and availability of data, primarily due to the size of the market. For this reason, Hanover, the nearest larger city, is considered as a proxy. In 2007 the prime rent for warehouses and logistics in Hanover amounted to €4.90/m². By 2017, this had decreased to €4.60/m². The average rent for warehouses and logistics in Hanover increased from €3.00/m² in 2007 to €3.70/m² in 2017. The prime yield decreased from 7.6% in 2007 to 5.2% in 2017. The average yield amounts to 7.1%. Hanover is the centre of Hanover/Braunschweig logistics region. Due to its central location in Europe near international ports and road traffic hubs, the city has European significance as a logistics location. In 2019, the mega-hub developed by Deutsche Bahn will be put in to operation and further strengthen the logistics location. In recent years, a high level of new construction activity was registered. The number of available sites therefore decreased. Hanover ranks among the B-cities. Letting opportunities are considered to be very good and the vacancy rate reduction is classified as very good.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
logistics	31319 Sehnde	600 m²	€ 4.83 /m²	currently asking	medium
logistics	58708 Menden	16,834 m²	€ 4.58 /m²	Q4 2017	medium
logistics	21462 Reinbeck	1,060 m²	€ 4.75 /m²	n/a	medium

COMMENT ON LEASE COMPARABLES

The rental level for logistics properties provided within the comparable evidence range between € 4.58 and € 4.83 m²/month, with the size spectrum of the currently offered rental areas ranging between 600 m² and 16,834 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for logistics space of € 4.75 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m²	Sales price	Date of sale	Comparability
warehouse/Storage	92263 Ebermannsdorf	9,382 m²	€ 910	€ 8,538,495	Q2 2017	medium
logistics	52146 Würselen	10,334 m²	€ 924	€ 9,550,000	Q1 2018	medium
logistics	06188 Landsberg	9,042 m²	€ 879	€ 7,950,000	Q1 2018	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 879 and 924/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 913/m² appears plausible and fits into the comparable evidence. As at the date of transaction, comparable property 1 was fully let. The property was built in 2004. Comparable 2 was constructed in 1972 and refurbished in 2013. As at the date of transaction, the 100% of the rental areas were let on single-tenant basis and the WALT amounted to 10 years. Comparable property 3 was built in 1995 and refurbished in 2013. As at the date of transaction, the property was fully let and the WALT was 10 years.



PROPERTY ID 9 Gretlade 3, 31319 Sehnde-Hoeve, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Lehrte, land register of Höver, Folio 795 (dated 07.12.2017)
Owner	GERLOG 4 S.A., Luxemburg
Land parcels	Cadastral Section 3, Land parcel 49/3
Site area	25,006 m ²
Entries of domination (Herrschaftsmerk)	None.

Restrictions and encumbrances 1 Limited restricted personal easement (befristete beschränkte persönliche Dienstbarkeit) regarding the right to operate a fast delivery service (Betreiben eines Schnell-Lieferdienstes) in favour of trans-o-flex Schnell-Lieferdienst AG, Weinheim/Bergstraße (approval dated 17 October 1997 and 26 August 1998, deed no. 1267/97 and 1083/1998, notary Dr. Riedenklau II); registered on 19 October 1998.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There is an entry in section II of the land registry extract. The restricted personal easement regards the right to operate a fast delivery service. For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, no public easements have been registered according to the Reports on Title and the authority information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site is located on former agricultural land in a light industrial and commercial area. There is a low risk of contamination from previous or current use. The EDD recommends that site management should obtain a copy of the investigation regarding the former bio-diesel spill accident and the report from the relevant regulatory authorities.

PLANNING LAW

According to information provided by the city of Sehnde on 20.06.2018, there is a detailed development plan no. 805 "Nordcement" 2nd amendment, dated 19.05.1999 relating to the subject area. The plan stipulates industrial area (GI), which is legally binding with the Federal Land Utilization Ordinance of 1990 (BauNVO). The plan stipulates a site coverage of 0.8 and a cubic index of 9.0. For the purpose of this valuation, we have assumed that the subject property has been developed in line with the planning requirements.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 9

Gretlade 3, 31319 Sehnde-Hoeve, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	25,006 m²
of which is development land (for additional construction)	none.
Shape of site	rectangular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	modern, average quality
State of repair, building	good
Building layout	efficient
Condition of lettable areas	medium
Construction type	reinforced concrete
Facade	metal sheeting
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	n/a
Windows	aluminium
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a fair overall condition.

There were no Recognized Environmental Conditions (RECs) identified at this site. 1 - 4 years considerations recommend a risk assessment for roof access and coinciding actions, cleaning the storm water drainage, repaving part of the interlocking concrete stones at the north side, several small repairs of the facade and cleaning partly and replacement of approx. 10 loading docks and 10 overhead doors.

INSPECTION

Type of inspection	Full inspection
Date of inspection	12.06.2018
Inspected by	Jessica Wilhelm

COMMENT ON BUILDING

The subject property consists of one building with a steel framed structure with concrete floors. The facade is of metal sandwich panels and concrete at the base level part. The warehouse unit is on one floor and the office unit has two storeys. It is currently let to trans-o-flex Schnell-Lieferdienst GmbH & Co. KG. The outside area is paved and accessible via seperated entry and exit gate. The access is controlled via barrier.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (12.06.2018), the lettable areas appeared to be in a fair condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. In line with the Arcadis TDD we applied a total capex amount of € 228,000.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a medium level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. Estate management would include extending the existing lease agreement.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Good building condition
2. Efficient layout
3. Good macro-location
4. Good access to motorway

OPPORTUNITIES

1. Prolongation of existing lease

WEAKNESSES

1. Older building
2. Built to suit for the existing tenant

THREATS

1. Tenant leaving the property
2. Future capex
3. Limited third party demand for current configuration (purpose-built for trans-o-flex)

PROPERTY SHEET



PROPERTY ID 9 Grettlade 3, 31319 Sehnde-Hoever, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



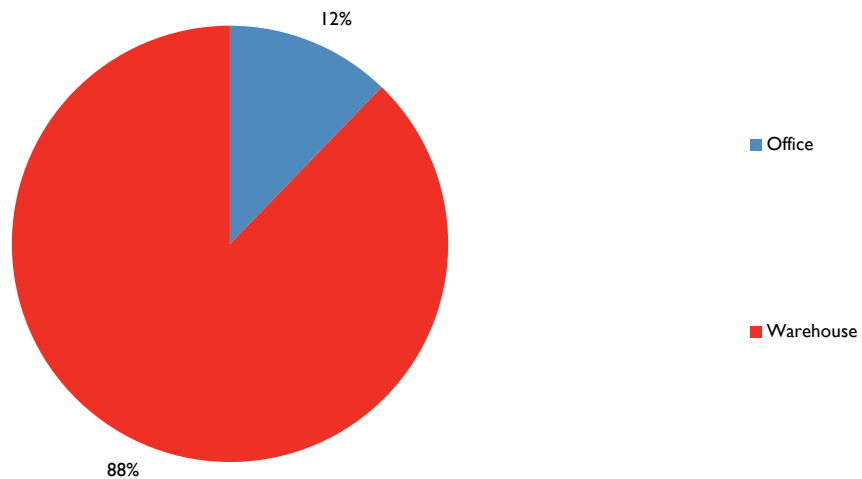
PROPERTY ID 9 Gretlade 3, 31319 Sehnde-Hoever, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	1,128 m²	12.2%	1,128 m²	12.2%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	0 m²	0.0%	0 m²	0.0%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	8,102 m²	87.8%	8,102 m²	87.8%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	9,230 m²		9,230 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

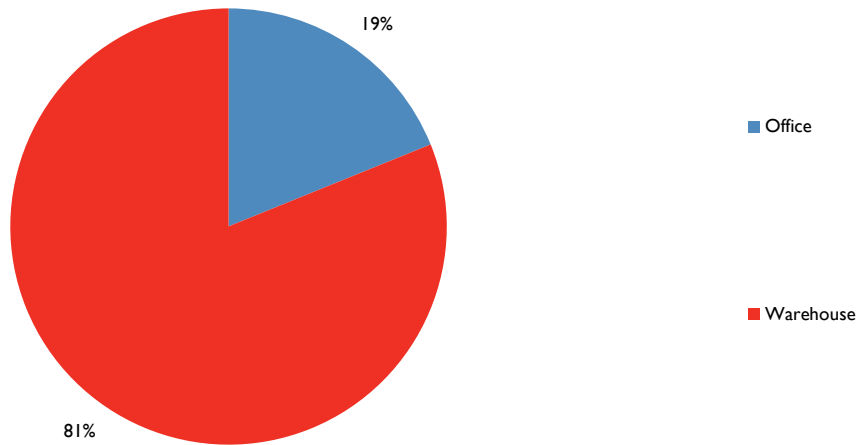


PROPERTY ID 9 Gretlade 3, 31319 Sehnde-Hoeve, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	1,128 m²	1,128 m²	€ 5.99	€ 81,090	€ 6.50	€ 87,984
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	8,102 m²	8,102 m²	€ 3.59	€ 348,768	€ 4.75	€ 461,814
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	9,230 m²	9,230 m²		€ 429,858		€ 549,798
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. trans-o-flex Schnell-Lieferdienst G	9,230	0	429,858	3.88	4.96	27.9%	100.0%	6.1 years	100.0%
Total Top 10	9,230	0	429,858	3.88				6.1 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 9 Gretlade 3, 31319 Sehnde-Hoeve, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10 years

CAPITALISATION RATES

Cap Rate	5.50%
Cap Year	Year 10
Discount Rate	4.75%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 4.00 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 232,521

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

VALUATION RESULTS

Current Rent	€ 429,858
Market Rent	€ 549,798
CR Multiplier	19.6
MR Multiplier	15.3
Net Initial Yield	5.01%
Gross Initial Yield	5.95%
Total Investment	€ 9,066,614
Less Purchasers' Costs	7.50%
Market Value	€ 8,434,060

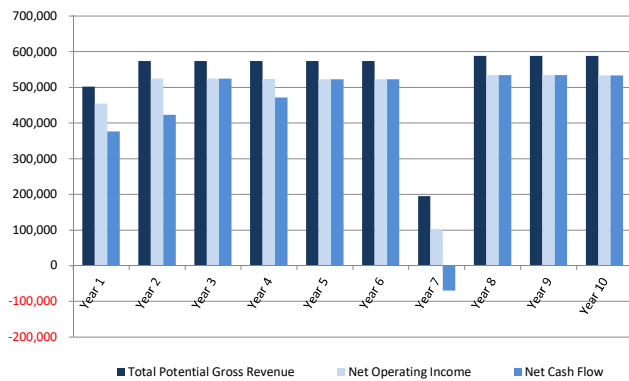
MARKET VALUE (rounded)

€ 8,430,000

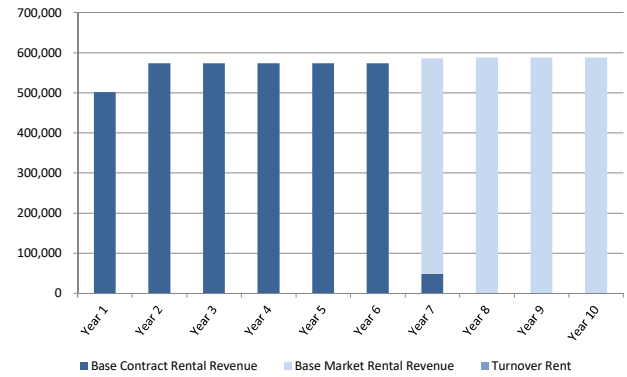
Net Capital Value per m² lettable building area

€ 913 / m²

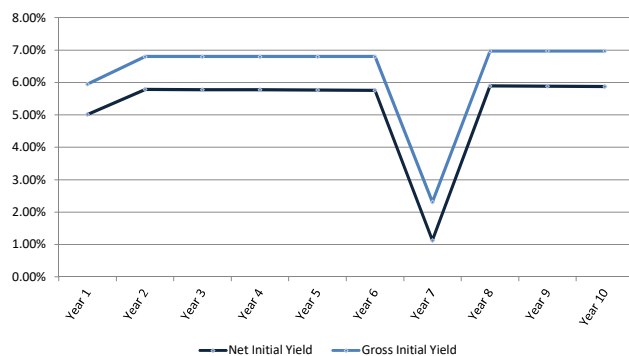
CASH FLOW ANALYSIS



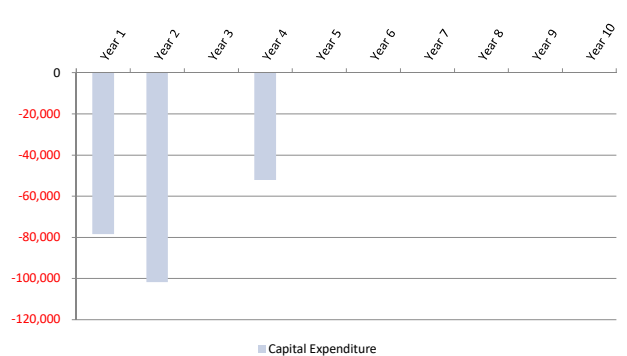
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 9 Gretlade 3, 31319 Sehnde-Hoeve, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10

CAPITALISATION RATES

Cap Rate	5.50%
Cap Year	Year 10
Discount Rate	6.00%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 4.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 232,521

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 549,798
CR Multiplier	0.0
MR Multiplier	11.8
Net Initial Yield	-1.79%
Gross Initial Yield	0.00%
Total Investment	€ 6,987,098
Less Purchasers' Costs	7.50%
Market Value	-€ 487,472
	€ 6,499,626

VACANT POSSESSION VALUE (rounded)

€ 6,500,000

Net Capital Value per m² lettable building area

€ 704 /m²



PROPERTY ID 9 Gretlade 3, 31319 Sehnde-Hoever, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA		
Net lettable building area		9,230 m²
Ratio net lettable area to gross floor area	90.00%	
Gross floor area (BGF)		10,256 m²
DEMOLITION & SITE CLEARANCE		
Demolition costs existing buildings	€ 60 /m²	€ 615,333
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 615,333

CONSTRUCTION COSTS		
a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 800 /m²
Regional adjustment	0.928	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 773 /m²
Gross floor area (BGF)	10,256 m²	
Building costs, total		€ 7,928,775
b) External areas and outdoor facilities		
External areas [% of building costs]	7.50%	€ 594,658
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 594,658
Building costs incl. external areas		€ 8,523,433
Soft costs	15.00%	€ 1,278,515
Construction costs (incl. VAT)		€ 9,801,948

VALUATION OVERVIEW

RESULTS		
Demolition and site clearance		€ 615,333
Construction costs (incl. VAT)		€ 9,801,948
Indicative Reinstatement Costs (incl. VAT)		€ 10,417,282
Consideration of VAT	19.00%	-€ 1,663,263
Indicative Reinstatement Costs (excl. VAT)		€ 8,754,018

INDICATIVE REINSTATEMENT COSTS (rounded) € 8,750,000

Reinstatement costs (rounded) per m² lettable building area € 948 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 9 Gretlade 3, 31319 Sehnde-Hoeve, Germany

INFORMATION PROVIDED BY THE CLIENT

<i>Item</i>	<i>Provided via</i>
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 9 Gretlade 3, 31319 Sehnde-Hoever, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 501,501	€ 573,144	€ 573,144	€ 573,144	€ 573,144	€ 573,144	€ 47,762	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 537,696	€ 587,506	€ 587,506	€ 587,506
Absorption & Turnover Vacancy	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 292,902	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 97,918	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 501,501	€ 573,144	€ 573,144	€ 573,144	€ 573,144	€ 573,144	€ 194,639	€ 587,506	€ 587,506	€ 587,506
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 501,501	€ 573,144	€ 573,144	€ 573,144	€ 573,144	€ 573,144	€ 194,639	€ 587,506	€ 587,506	€ 587,506
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 48,200	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 37,160	-€ 37,605	-€ 38,057	-€ 38,513	-€ 39,143	-€ 39,925	-€ 40,724	-€ 41,538	-€ 42,369	-€ 43,217
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 5,015	-€ 5,731	-€ 5,731	-€ 5,731	-€ 5,731	-€ 5,731	-€ 1,946	-€ 5,875	-€ 5,875	-€ 5,875
Management Costs	-€ 5,015	-€ 5,731	-€ 5,731	-€ 5,731	-€ 5,731	-€ 5,731	-€ 1,946	-€ 5,875	-€ 5,875	-€ 5,875
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 47,190	-€ 49,068	-€ 49,520	-€ 49,976	-€ 50,605	-€ 51,388	-€ 92,816	-€ 53,289	-€ 54,119	-€ 54,967
	9.41%	8.56%	8.64%	8.72%	8.83%	8.97%	47.69%	9.07%	9.21%	9.36%
NET OPERATING INCOME (NOI)	€ 454,312	€ 524,076	€ 523,625	€ 523,168	€ 522,539	€ 521,756	€ 101,822	€ 534,217	€ 533,387	€ 532,539
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 98,373	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 73,438	€ 0	€ 0	€ 0
Capital Expenditure	-€ 78,506	-€ 101,857	€ 0	-€ 52,158	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 78,506	-€ 101,857	€ 0	-€ 52,158	€ 0	€ 0	-€ 171,811	€ 0	€ 0	€ 0
CASH FLOW	€ 375,806	€ 422,220	€ 523,625	€ 471,010	€ 522,539	€ 521,756	-€ 69,989	€ 534,217	€ 533,387	€ 532,539
Discount Rate / Discount Factor	4.75%	0.955	0.911	0.870	0.831	0.793	0.757	0.723	0.690	0.629
NET PRESENT VALUE (NPV)	€ 358,764	€ 384,796	€ 455,573	€ 391,214	€ 414,332	€ 394,951	-€ 50,577	€ 368,541	€ 351,282	€ 334,820

Property Exit			
GPV	NOI year 10 *Cap	€ 532,539 x 18,1818	€ 9,682,533
Purchasers Cost	7.50%		-€ 675,526
Exit Value			€ 9,007,008
NPV Exit Value	0.6287		€ 5,662,917

Market Value		
NPV Cash Flows		€ 3,403,697
Total Investment		€ 9,066,614
Purchasers Cost	7.50%	-€ 632,554
Market Value		€ 8,434,060

Market Value (rounded) € 8,430,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	17.9	16.8	14.7	14.7	14.7	14.7	14.7	43.3	14.4	14.4	14.4
Net Initial Yield (NIY)	5.11%	5.0%	5.8%	5.8%	5.8%	5.8%	5.8%	1.1%	5.9%	5.9%	5.9%
Gross Initial Yield (GIY)	6.19%	5.9%	6.8%	6.8%	6.8%	6.8%	6.8%	2.3%	7.0%	7.0%	7.0%

PROPERTY ID 9

Gretlade 3, 31319 Sehnde-Hoever, Germany

PER LETTING UNIT BASIS						MARKET LEASING ASSUMPTIONS								
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
trans-o-flex Schnell-Lieferdienst GmbH & Co Office		1,128	€ 5.99	€ 81,090.40	31.07.2024	6.1 years	€ 6.50	€ 87,984.00	12	50%	€ 50 /m²	60	3	3
trans-o-flex Schnell-Lieferdienst GmbH & Co Warehouse		8,102	€ 3.59	€ 348,767.60	31.07.2024	6.1 years	€ 4.75	€ 481,814.00	12	50%	€ 15 /m²	60	3	3
Total		9,230 m²		€ 429,858				€ 549,798						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)												
Tenant	Utilisation	Lettable area/ lettable units (m² or units)	Comment		Market rent per month (€/m² or unit)	Market rent per year (€)	Void period (months)	Tenant Improvements (€/m² or unit)	Duration of new lease (months)	Rent Abatements (months)	Leasing Agency Fees (months)	
Total		0 m²				- €						



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 9 Gretlade 3, 31319 Sehnde-Hoever, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 552,772	€ 557,488	€ 558,066	€ 558,066	€ 558,066	€ 558,066	€ 575,524	€ 589,458	€ 589,458	€ 589,458
Absorption & Turnover Vacancy	-€ 552,772	-€ 231,950	€ 0	€ 0	€ 0	€ 0	-€ 293,875	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 139,516	€ 0	€ 0	€ 0	€ 0	-€ 49,121	-€ 49,121	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 186,022	€ 558,066	€ 558,066	€ 558,066	€ 558,066	€ 232,527	€ 540,336	€ 589,458	€ 589,458
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 186,022	€ 558,066	€ 558,066	€ 558,066	€ 558,066	€ 232,527	€ 540,336	€ 589,458	€ 589,458
Non Recoverable Running Costs During Vacancy	-€ 88,254	-€ 44,523	€ 0	€ 0	€ 0	€ 0	-€ 56,652	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 37,160	-€ 37,605	-€ 38,057	-€ 38,513	-€ 39,143	-€ 39,925	-€ 40,724	-€ 41,538	-€ 42,369	-€ 43,217
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 1,860	-€ 5,581	-€ 5,581	-€ 5,581	-€ 5,581	-€ 2,325	-€ 5,403	-€ 5,895	-€ 5,895
Management Costs	€ 0	-€ 1,860	-€ 5,581	-€ 5,581	-€ 5,581	-€ 5,581	-€ 2,325	-€ 5,403	-€ 5,895	-€ 5,895
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 125,413	-€ 85,849	-€ 49,218	-€ 49,675	-€ 50,304	-€ 51,087	-€ 102,027	-€ 52,345	-€ 54,158	-€ 55,006
#DIV/0!	46.15%	46.15%	8.82%	8.90%	9.01%	9.15%	43.88%	9.69%	9.19%	9.33%
NET OPERATING INCOME	-€ 125,413	€ 100,173	€ 508,848	€ 508,391	€ 507,762	€ 506,979	€ 130,501	€ 487,991	€ 535,300	€ 534,452
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	-€ 181,142	€ 0	€ 0	€ 0	€ 0	-€ 99,024	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 139,516	€ 0	€ 0	€ 0	€ 0	-€ 73,682	€ 0	€ 0	€ 0
Capital Expenditure	-€ 78,506	-€ 101,857	€ 0	-€ 52,158	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 78,506	-€ 422,515	€ 0	-€ 52,158	€ 0	€ 0	-€ 172,707	€ 0	€ 0	€ 0
CASH FLOW	-€ 203,920	-€ 322,343	€ 508,848	€ 456,233	€ 507,762	€ 506,979	-€ 42,206	€ 487,991	€ 535,300	€ 534,452
Discount Rate / Discount Factor	6.00%	0.943	0.890	0.840	0.792	0.747	0.705	0.665	0.627	0.558
NET PRESENT VALUE	-€ 192,377	-€ 286,884	€ 427,238	€ 361,379	€ 379,429	€ 357,400	-€ 28,069	€ 306,172	€ 316,843	€ 298,435

Property Exit			
GPV	NOI year 10 *Cap	€ 534,452 x 18,1818	€ 9,717,312
Purchasers Cost	7.50%		-€ 677,952
Exit Value			€ 9,039,360
NPV Exit Value	0.5584		€ 5,047,532

Market Value			
NPV Cash Flows			€ 1,939,566
Total Investment			€ 6,987,098
Purchasers Cost	7.50%		-€ 487,472
Vacant Possession Value			€ 6,499,626

Vacant Possession Value (rounded) € 6,500,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	15.1		34.9	11.6	11.6	11.6	11.6	28.0	12.0	11.0	11.0
Net Initial Yield (NIY)	6.30%		1.4%	7.3%	7.3%	7.3%	7.3%	1.9%	7.0%	7.7%	7.6%
Gross Initial Yield (GIY)	7.71%		2.9%	8.6%	8.6%	8.6%	8.6%	3.6%	8.3%	9.1%	9.1%



PROPERTY ID 10 Gesellenweg 13, 32427 Minden, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	North Rhine Westphalia
Federal District	Minden-Lübbecke
City / Municipality	Minden
Inhabitants (as at)	01.01.2018 81,645
Unemployment rate (as at)	31.12.2017 4.7%
Purchasing Power (German average = 100)	01.01.2018 91.78

Location rating

Macro Location	Medium-sized town (20,000-100,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	medium

PROPERTY DETAILS

Property type/ primary use	Warehouse
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	1975 (1986)
Lettable area	4,247 m²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	6.0 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	9,800 m²
Building condition	very good
Contamination	none, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	underrented	€ 121,584
Market gross rental income p.a. (Year 1)		€ 149,635
Non-recoverable costs p.a. (Year 1)		-€ 17,395

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 2,110,000

Net Capital Value per m² lettable building area € 497 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	4.53%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	5.77%
Gross multiplier on Current Rent	17.4
Gross multiplier on Market Rent	14.1

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	3	Lettability	3
Micro Location	4	Marketability (sale)	3
Building quality (specification & parking etc.)	4	Overall rating	3
Building condition	4	Estimated marketing period (months)	12

PROPERTY SHEET



PROPERTY ID 10 Gesellenweg 13, 32427 Minden, Germany

LOCATION

MACRO LOCATION



MACRO LOCATION

Minden is a town of about 82,000 inhabitants in the north-east of North Rhine-Westphalia. The city is located approx. 40 km northeast of Bielefeld and 60 km southwest of Hanover. Minden is a logistics location of regional relevance due to its trimodale transport link. Minden has in total four freight ports and is a transport hub for the Mittelland Canal and Weser river.

MICRO LOCATION



MICRO LOCATION

The subject property is located within a commercial area. The further surrounding is characterized by residential buildings. The property is adjacent to further commercial buildings and a football field. Public transport is accessible within 3 minutes walking distance and the city centre is reachable in less than 1 km.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

In 2007 the prime rent for warehouses and logistics in Minden amounted to € 3.50/m². By 2017, this is still at € 3.50/m². The average rent for warehouses and logistics in Minden increased from € 2.50/m² in 2007 to € 2.80/m² in 2017. The prime yield decreased from 9.8% in 2007 to 7.3% in 2017. The average yield amounts to 7.2%. Minden is a logistics location of regional significance due to its location on three major traffic routes and as a trimodale freight hub. As the city is located on the Mittelland Canal and Weser river, it is an important port hub providing access to the North Sea Ports. In total there are four freight ports in Minden. The major freight segments are food, fertilisers and metal products. There is also a container terminal. Current developments include the extension of port Berenbusch and construction of the container port RegioPort adjacent to industrial area. Resident companies are e.g. Bobe Kombimodal, Mindener Kreisbahn, Weser ALU, Lippe Agrar and Edeka Minden eG. Minden ranks among the D-cities. Letting opportunities are considered to be good and the vacancy rate trend is classified as very good.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
logistics	32339 Espelkamp	1,100 m ²	€ 2.74 /m ²	currently asking	medium
logistics	32312 Lübbecke	980 m ²	€ 3.00 /m ²	currently asking	medium
logistics	36289 Friedewald	5,000 m ²	€ 2.79 /m ²	Q4 2016	medium

COMMENT ON LEASE COMPARABLES

The rental level for warehouse properties provided within the comparable evidence range between € 2.74 and € 3.00 m²/month, with the size spectrum of the currently offered rental areas ranging between 980 m² and 5,000 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for warehouse space of € 2.80 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m ²	Sales price	Date of sale	Comparability
warehouse/Storage	26135 Oldenburg	9,261 m ²	€ 540	€ 5,000,000	Q2 2017	medium
warehouse/Storage	22113 Osteinbeck	4,750 m ²	€ 526	€ 2,500,000	n/a	medium
logistics	93055 Regensburg	6,968 m ²	€ 545	€ 3,800,000	Q4 2017	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 526 and 545/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 497/m² appears plausible and fits into the comparable evidence. As at the date of transaction, comparable property 1 was fully let and the WALT amounted to 2.33 years. The property was built in 1983. Comparable 2 was constructed in 1980. As at the date of transaction, the property was vacant. Comparable property 3 was built in 1996 and refurbished in 1991. As at the date of transaction, 97% of the rental areas were let on multi-tenant basis. The WALT was 5.44 years.



PROPERTY ID 10 Gesellenweg 13, 32427 Minden, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Minden, land register of Minden, Folio 7431 (dated 07.12.2017)
Owner	Aktiengesellschaft (Société Anonyme) nach luxemburgischem Recht in Firma GER LOG 7 S.A. mit Sitz in Luxemburg/ Luxemburg
Land parcels	Cadastral Section 25, Land parcels 731 and 743
Site area	9,800 m ²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1 None.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

The property is free of any rights and encumbrances.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, no public easements have been registered according to the Reports on Title and the authority information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site is located in a commercial area. There is a low risk of contamination from past or present use. According to the Technical Due Diligence finished by Nova, an ACM study is recommended and this could lead to possible additional ACM removal of risk minimization measures. The TDD states for short term capital expenditures amounting to € 25,000. We reflected these costs, in line with the TDD, in our calculation.

PLANNING LAW

According to online information provided by the city of Minden on 20.06.2018, there is a detailed development plan no. 740 "Gewerbegebiet Gesellenweg", dated 28.10.1987 relating to the subject area. The plan stipulates commercial area (GE), which is legally binding with the Federal Land Utilization Ordinance of 1990 (BauNVO). The plan stipulates a site coverage of 0.8 and a plot ratio of 1.6. Furthermore, it stipulates on open construction and a maximum number of two storeys. For the purpose of this valuation, we have assumed that the subject property has been developed in line with the planning requirements.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 10 Gesellenweg 13, 32427 Minden, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	9,800 m²
of which is development land (for additional construction)	none
Shape of site	rectangular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	modern, high quality
State of repair, building	good
Building layout	efficient
Condition of lettable areas	good
Construction type	reinforced concrete
Facade	metal sheeting
Roof	flat roof
Heating	various types
Air conditioning	n/a
Windows	aluminium
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a fair overall condition. In the course of our internal and external inspection, the lettable areas appear to be in a very good condition. The tenant invested in renovations. There were no Recognized Environmental Conditions (RECs) identified at this site. 1 - 4 years considerations include cleaning storm water drainage, replacing the old aluminium windows at the front building and perform an inspection N15.

INSPECTION

Type of inspection	Full inspection
Date of inspection	12.06.2018
Inspected by	Jessica Wilhelm

COMMENT ON BUILDING

The subject property consists of warehouse and office units. It is currently let to Diakonie Stiftung Salem gGmbH. The fit-out complies with the tenants' needs. Due to strict regulatory power circuits within the different areas. The office areas have a modern fit-out with suspended ceilings and laminate flooring. Some office space is used for therapies or manufacturing. The warehouse unit is on ground and partly on ground and first floor and includes a freight elevator. The tenant installed an alarm system.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (12.06.2018), the lettable areas appeared to be in a very good condition. Recently, the tenant has conducted renovations.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. We applied € 70,000 capex, incl. € 15,000 for new sky domes and € 30,000 for repair works of the outside facilities.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a good level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. Estate management would include extending the existing lease agreement.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Good building condition
2. Tenant modified the property for particular needs

OPPORTUNITIES

1. Prolongation of existing lease
2. Re-gear the lease

WEAKNESSES

1. Limited third party usability
2. Only 3 level loading doors

THREATS

1. Single tenant leaving the building
2. Longer vacancy periods if tenant leaves



PROPERTY ID 10 Gesellenweg 13, 32427 Minden, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



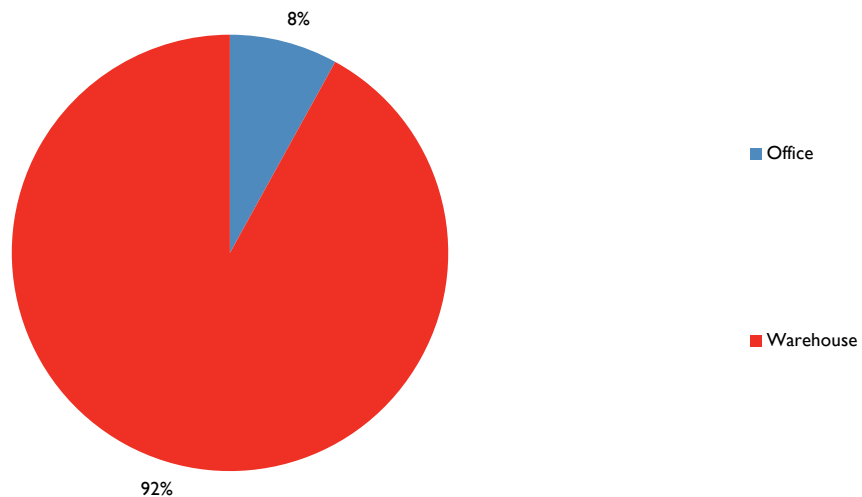
PROPERTY ID 10 Gesellenweg 13, 32427 Minden, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	340 m²	8.0%	340 m²	8.0%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	0 m²	0.0%	0 m²	0.0%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	3,907 m²	92.0%	3,907 m²	92.0%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	4,247 m²		4,247 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

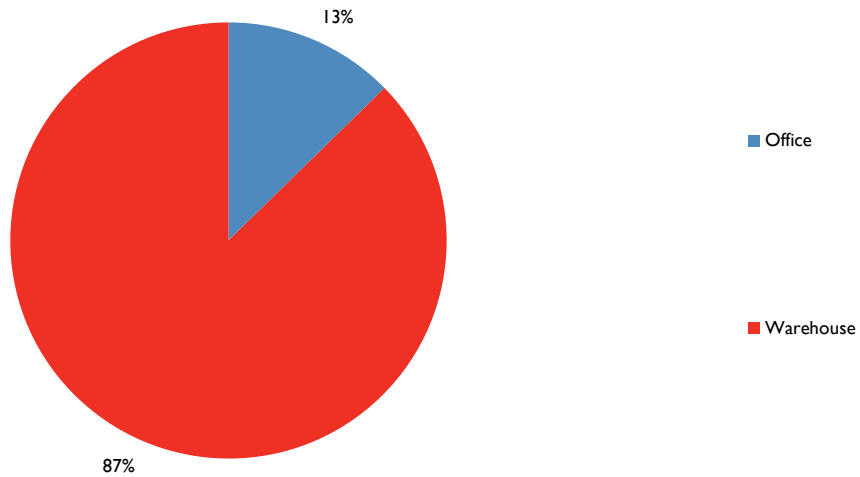


PROPERTY ID 10 Gesellenweg 13, 32427 Minden, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	340 m²	340 m²	€ 3.78	€ 15,428	€ 4.50	€ 18,360
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	3,907 m²	3,907 m²	€ 2.26	€ 106,156	€ 2.80	€ 131,275
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	4,247 m²	4,247 m²		€ 121,584		€ 149,635
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. Diakonie Stiftung Salem gGmbH	4,247	0	121,584	2.39	2.94	23.1%	100.0%	6.0 years	100.0%
Total Top 10	4,247	0	121,584	2.39				6.0 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 10 Gesellenweg 13, 32427 Minden, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10 years

CAPITALISATION RATES

Cap Rate	5.25%
Cap Year	Year 10
Discount Rate	4.50%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.00 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 3.50 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 71,735

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

VALUATION RESULTS

Current Rent	€ 121,584
Market Rent	€ 149,635
CR Multiplier	17.4
MR Multiplier	14.1
Net Initial Yield	4.53%
Gross Initial Yield	5.77%
Total Investment	€ 2,303,176
Less Purchasers' Costs	9.00%
Market Value	€ 2,113,005

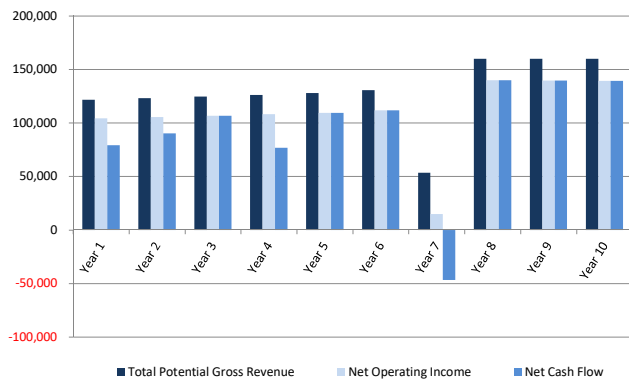
MARKET VALUE (rounded)

€ 2,110,000

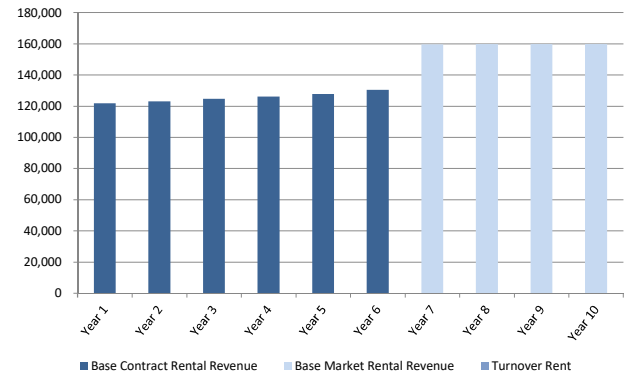
Net Capital Value per m² lettable building area

€ 497 / m²

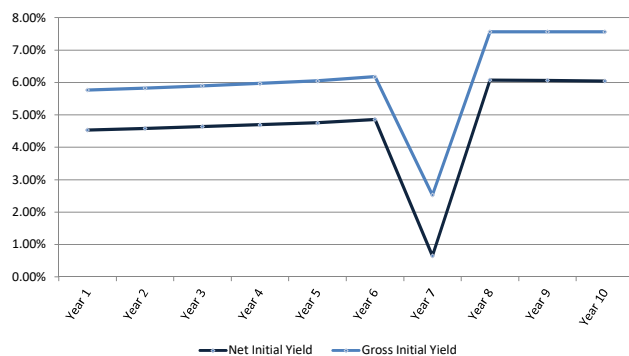
CASH FLOW ANALYSIS



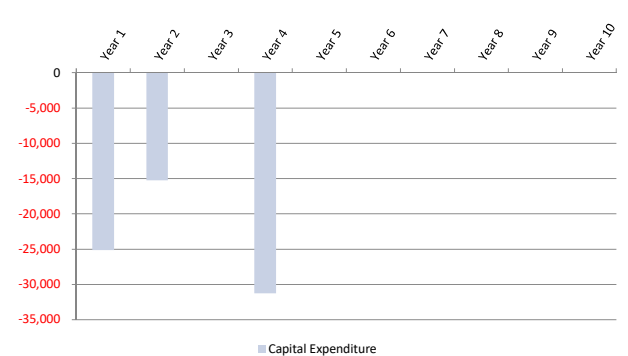
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 10 Gesellenweg 13, 32427 Minden, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10

CAPITALISATION RATES

Cap Rate	5.25%
Cap Year	Year 10
Discount Rate	6.00%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.00 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 3.50 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 71,735

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 149,635
CR Multiplier	0.0
MR Multiplier	11.0
Net Initial Yield	-2.99%
Gross Initial Yield	0.00%
Total Investment	€ 1,787,283
Less Purchasers' Costs	9.00%
Market Value	-€ 147,574
	€ 1,639,709

VACANT POSSESSION VALUE (rounded)

€ 1,640,000

Net Capital Value per m² lettable building area

€ 386 /m²

PROPERTY SHEET



PROPERTY ID 10 Gesellenweg 13, 32427 Minden, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA

Net lettable building area	4,247 m²
Ratio net lettable area to gross floor area	90.00%
Gross floor area (BGF)	4,719 m²

DEMOLITION & SITE CLEARANCE

Demolition costs existing buildings	€ 60 /m²	€ 283,133
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 283,133

CONSTRUCTION COSTS

a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 650 /m²
Regional adjustment	0.915	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 619 /m²
Gross floor area (BGF)	4,719 m²	
Building costs, total		€ 2,922,693
b) External areas and outdoor facilities		
External areas [% of building costs]	7.50%	€ 219,202
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 219,202
Building costs incl. external areas		€ 3,141,895
Soft costs	15.00%	€ 471,284
Construction costs (incl. VAT)		€ 3,613,179

VALUATION OVERVIEW

RESULTS

Demolition and site clearance		€ 283,133
Construction costs (incl. VAT)		€ 3,613,179
Indicative Reinstatement Costs (incl. VAT)		€ 3,896,312
Consideration of VAT	19.00%	-€ 622,100
Indicative Reinstatement Costs (excl. VAT)		€ 3,274,212

INDICATIVE REINSTATEMENT COSTS (rounded)

€ 3,270,000

Reinstatement costs (rounded) per m² lettable building area

€ 770 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 10 Gesellenweg 13, 32427 Minden, Germany

INFORMATION PROVIDED BY THE CLIENT

<i>Item</i>	<i>Provided via</i>
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 10 Gesellenweg 13, 32427 Minden, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 121,695	€ 123,045	€ 124,539	€ 126,070	€ 127,727	€ 130,408	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 159,534	€ 159,765	€ 159,765	€ 159,765
Absorption & Turnover Vacancy	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 79,651	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 26,628	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 121,695	€ 123,045	€ 124,539	€ 126,070	€ 127,727	€ 130,408	€ 53,255	€ 159,765	€ 159,765	€ 159,765
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 121,695	€ 123,045	€ 124,539	€ 126,070	€ 127,727	€ 130,408	€ 53,255	€ 159,765	€ 159,765	€ 159,765
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 20,976	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 14,961	-€ 15,140	-€ 15,322	-€ 15,506	-€ 15,759	-€ 16,075	-€ 16,396	-€ 16,724	-€ 17,058	-€ 17,400
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 1,217	-€ 1,230	-€ 1,245	-€ 1,261	-€ 1,277	-€ 1,304	-€ 533	-€ 1,598	-€ 1,598	-€ 1,598
Management Costs	-€ 1,217	-€ 1,230	-€ 1,245	-€ 1,261	-€ 1,277	-€ 1,304	-€ 533	-€ 1,598	-€ 1,598	-€ 1,598
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 17,395	-€ 17,601	-€ 17,813	-€ 18,027	-€ 18,314	-€ 18,683	-€ 38,437	-€ 19,919	-€ 20,254	-€ 20,595
	14.29%	14.30%	14.30%	14.30%	14.34%	14.33%	72.18%	12.47%	12.68%	12.89%
NET OPERATING INCOME (NOI)	€ 104,301	€ 105,444	€ 106,726	€ 108,042	€ 109,413	€ 111,726	€ 14,818	€ 139,846	€ 139,512	€ 139,171
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 41,731	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 19,971	€ 0	€ 0	€ 0
Capital Expenditure	-€ 25,162	-€ 15,278	€ 0	-€ 31,295	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 25,162	-€ 15,278	€ 0	-€ 31,295	€ 0	€ 0	-€ 61,702	€ 0	€ 0	€ 0
CASH FLOW	€ 79,138	€ 90,165	€ 106,726	€ 76,748	€ 109,413	€ 111,726	-€ 46,884	€ 139,846	€ 139,512	€ 139,171
Discount Rate / Discount Factor	4.50%	0.957	0.916	0.876	0.839	0.802	0.768	0.735	0.703	0.644
NET PRESENT VALUE (NPV)	€ 75,730	€ 82,567	€ 93,524	€ 64,358	€ 87,799	€ 85,794	-€ 34,452	€ 98,338	€ 93,878	€ 89,616

Property Exit			
GPV	NOI year 10 *Cap	€ 139,171 x 19,0476	€ 2,650,868
Purchasers Cost	9.00%		-€ 218,879
Exit Value			€ 2,431,989
NPV Exit Value	0.6439		€ 1,566,025

Market Value		€ 737,151
NPV Cash Flows		€ 737,151
Total Investment		€ 2,303,176
Purchasers Cost	9.00%	-€ 190,170
Market Value		€ 2,113,005

Market Value (rounded) € 2,110,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	18.3	17.4	17.2	17.0	16.8	16.5	16.2	39.7	13.2	13.2	13.2
Net Initial Yield (NIY)	4.55%	4.5%	4.6%	4.6%	4.7%	4.8%	4.9%	0.6%	6.1%	6.1%	6.0%
Gross Initial Yield (GIY)	6.03%	5.8%	5.8%	5.9%	6.0%	6.0%	6.2%	2.5%	7.6%	7.6%	7.6%

PROPERTY ID 10

Gesellenweg 13, 32427 Minden, Germany

RENT ROLL

MARKET LEASING ASSUMPTIONS

PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatelements [months]	Leasing Agency Fees [months]
Diakonie Stiftung Salem gGmbH	Office	340	€ 3.78	€ 15,427.56	30.06.2024	6.0 years	€ 4.50	€ 18,360.00	12	50%	€ 50 /m²	60	3	3
Diakonie Stiftung Salem gGmbH	Warehouse	3,907	€ 2.26	€ 106,156.44	30.06.2024	6.0 years	€ 2.80	€ 131,275.20	12	50%	€ 15 /m²	60	3	3
Total		4,247 m³		€ 121,584				€ 149,635						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)													
Tenant	Utilisation	Lettable area/ lettable units (m² or units)	Comment		Market rent per month (€/m² or unit)	Market rent per year (€)	Void period (months)	Tenant Improvements (€/m² or unit)	Duration of new lease (months)	Rent Abatements (months)	Leasing Agency Fees (months)		



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 10 Gesellenweg 13, 32427 Minden, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 150,444	€ 151,728	€ 151,885	€ 151,885	€ 151,885	€ 151,885	€ 156,637	€ 160,429	€ 160,429	€ 160,429
Absorption & Turnover Vacancy	-€ 150,444	-€ 63,128	€ 0	€ 0	€ 0	€ 0	-€ 79,982	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 37,971	€ 0	€ 0	€ 0	€ 0	-€ 13,369	-€ 13,369	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 50,628	€ 151,885	€ 151,885	€ 151,885	€ 151,885	€ 63,286	€ 147,060	€ 160,429	€ 160,429
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 50,628	€ 151,885	€ 151,885	€ 151,885	€ 151,885	€ 63,286	€ 147,060	€ 160,429	€ 160,429
Non Recoverable Running Costs During Vacancy	-€ 38,471	-€ 19,408	€ 0	€ 0	€ 0	€ 0	-€ 24,695	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 14,961	-€ 15,140	-€ 15,322	-€ 15,506	-€ 15,759	-€ 16,075	-€ 16,396	-€ 16,724	-€ 17,058	-€ 17,400
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 506	-€ 1,519	-€ 1,519	-€ 1,519	-€ 1,519	-€ 633	-€ 1,471	-€ 1,604	-€ 1,604
Management Costs	€ 0	-€ 506	-€ 1,519	-€ 1,519	-€ 1,519	-€ 1,519	-€ 633	-€ 1,471	-€ 1,604	-€ 1,604
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 53,432	-€ 35,561	-€ 18,360	-€ 18,544	-€ 18,797	-€ 19,112	-€ 42,357	-€ 19,665	-€ 20,267	-€ 20,608
#DIV/0!	70.24%	12.09%	12.09%	12.21%	12.38%	12.58%	66.93%	13.37%	12.63%	12.85%
NET OPERATING INCOME	-€ 53,432	€ 15,067	€ 133,525	€ 133,342	€ 133,088	€ 132,773	€ 20,928	€ 127,395	€ 140,162	€ 139,821
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	-€ 76,970	€ 0	€ 0	€ 0	€ 0	-€ 42,077	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 37,971	€ 0	€ 0	€ 0	€ 0	-€ 20,054	€ 0	€ 0	€ 0
Capital Expenditure	-€ 25,162	-€ 15,278	€ 0	-€ 31,295	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 25,162	-€ 130,220	€ 0	-€ 31,295	€ 0	€ 0	-€ 62,130	€ 0	€ 0	€ 0
CASH FLOW	-€ 78,594	-€ 115,153	€ 133,525	€ 102,047	€ 133,088	€ 132,773	-€ 41,202	€ 127,395	€ 140,162	€ 139,821
Discount Rate / Discount Factor	6.00%	0.943	0.890	0.840	0.792	0.747	0.705	0.665	0.627	0.592
NET PRESENT VALUE	-€ 74,145	-€ 102,485	€ 112,111	€ 80,831	€ 99,451	€ 93,600	-€ 27,402	€ 79,929	€ 82,962	€ 78,075

Property Exit			
GPV	NOI year 10 *Cap	€ 139,821 x 19,0476	€ 2,663,258
Purchasers Cost	9.00%		-€ 219,902
Exit Value			€ 2,443,356
NPV Exit Value	0.5584		€ 1,364,357

Market Value		€ 422,926
NPV Cash Flows		
Total Investment		€ 1,787,283
Purchasers Cost	9.00%	-€ 147,574
Vacant Possession Value		€ 1,639,709

Vacant Possession Value (rounded) € 1,640,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	14.0		32.4	10.8	10.8	10.8	10.8	25.9	11.1	10.2	10.2
Net Initial Yield (NIY)	6.31%		0.8%	7.5%	7.5%	7.4%	7.4%	1.2%	7.1%	7.8%	7.8%
Gross Initial Yield (GIY)	8.32%		3.1%	9.3%	9.3%	9.3%	9.3%	3.9%	9.0%	9.8%	9.8%



PROPERTY ID 11 Betonstraße 8, 49324 Melle I, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Lower Saxony
Federal District	Osnabrück
City / Municipality	Melle
Inhabitants (as at)	01.01.2018 46,161
Unemployment rate (as at)	31.12.2017 3.1%
Purchasing Power (German average = 100)	01.01.2018 97.26

Location rating

Macro Location	Medium-sized town (20,000-100,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	medium

PROPERTY DETAILS

Property type/ primary use	Logistics
Occupation (number of tenants)	Multi-tenant (2)
Year of construction (modernisation)	1984 (1989)
Lettable area	13,681 m²
Parking spaces	n/a
Vacancy rate	5.2%
Weighted remaining lease term	2.3 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	36,446 m²
Building condition	medium
Contamination	yes, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	overrented	€ 554,590
Market gross rental income p.a. (Year 1)		€ 537,741
Non-recoverable costs p.a. (Year 1)		-€ 93,159

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 6,910,000

Net Capital Value per m² lettable building area € 505 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	4.05%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	5.70%
Gross multiplier on Current Rent	12.5
Gross multiplier on Market Rent	12.9

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	2	Lettability	3
Micro Location	3	Marketability (sale)	3
Building quality (specification & parking etc.)	3	Overall rating	3
Building condition	3	Estimated marketing period (months)	12



PROPERTY ID 11 Betonstraße 8, 49324 Melle I, Germany

LOCATION

MACRO LOCATION



MACRO LOCATION

Melle is a city in the district of Osnabrück, Lower Saxony. The city is situated in a valley penned between the Wiehen Hills in the North and the Teutoburg Forest in the South. Melle has 46,000 inhabitants. The nearest larger city is Osnabrück, the fourth largest city of Lower Saxony. Osnabrück is an important economical hub with good transport link via railway, motorway and its airport and inland port.

MICRO LOCATION



MICRO LOCATION

The subject property is located in the northern part of Melle. It is surrounded by industrial buildings to the south and adjacent to green area. Public transport is accessible within 1 minute walking distance. Airport Münster/Osnabrück is reachable within 38 minutes drive.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

No historical trend of prime and average rents or net initial yields for logistics space in Melle can currently be determined due to the insufficient volume and availability of data, primarily due to the size of the market. For this reason, Osnabrück, the nearest larger city, is considered as a proxy. In 2007 the prime rent for warehouses and logistics in Osnabrück amounted to € 4.20/m². By 2017, this had increased to € 4.40/m². The average rent for warehouses and logistics in Osnabrück is at € 3.50/m² in 2017. The prime yield decreased from 9.4% in 2007 to 8.3% in 2017. The average yield amounts to 8.3%. Osnabrück is part of the logistics agglomeration Münster/Osnabrück and benefits from its very good transport links. Due to its location on the East-West axis between the Netherlands and Eastern Europe, there are several hubs for the combined freight transport. Freight port Osnabrück, port Osnabrück connecting to Bremen and Emden ports and Münster-Osnabrück airport form an international and national transport hub. The logistics region is even strengthened by a cooperation of several logistics companies, public institutions and universities. LOGIS.NET, institution of traffic and logistics at Science to Business GmbH of Osnabrück university, supports logistics companies with sound advice. Osnabrück ranks among the C-cities. Letting opportunities are considered to be good and the vacancy rate trend is classified as good.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
logistics	38108 Brunswick	3,714 m²	€ 3.23 /m²	Q1 2017	medium
logistics	49324 Melle	11,355 m²	€ 3.25 /m²	currently asking	high
logistics	32257 Bünde	1,450 m²	€ 3.30 /m²	currently asking	medium

COMMENT ON LEASE COMPARABLES

The rental level for logistics properties provided within the comparable evidence range between € 3.23 and € 3.30 m²/month, with the size spectrum of the currently offered rental areas ranging between 1,450 m² and 11,355 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparable 3 is a current online offer of the subject property. The asking rent fits the market rent we assessed within the calculation. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for logistics space of € 3.25 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m²	Sales price	Date of sale	Comparability
logistics	30453 Hanover	16,870 m²	€ 474	€ 8,000,000	Q2 2017	medium
warehouse/Storage	48155 Münster	12,960 m²	€ 481	€ 6,232,986	Q2 2017	medium
warehouse/Storage	59929 Brilon	13,350 m²	€ 481	€ 6,420,552	Q2 2017	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 474 and 481/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 505/m² appears plausible and fits into the comparable evidence. As at the date of transaction, comparable property 1 was fully let and the WALT amounted to 3.39 years. The property was built in 1983 and refurbished in 2013. Comparable 2 was constructed in 2005. As at the date of transaction, the property was fully let on single-tenant basis. Comparable property 3 was built in 2009. As at the date of transaction, the property was fully let on single-tenant basis.



PROPERTY ID 11 Betonstraße 8, 49324 Melle I, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Osnabrück, land register of Oldendorf, Folio 437 (dated 15.12.2017)
Owner	GER LOG 4 SA, Gesellschaft luxemburgischen Rechts, Luxemburg
Land parcels	Cadastral Section 6, Land parcels 16/3, 17/5, 144/1 and 19/3
Site area	36,446 m ²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1 Only regarding parcel 16/13 (originally 16/10): Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a right to operate and maintain a transformer station combined with a right of way and a line right (Recht für den Betrieb und die Unterhaltung einer Transformatorenstation verbunden mit einem Wegerecht und einem Leitungsrecht) in favour of RWE Deutschland Aktiengesellschaft, Essen (approval dated 18 August 1988); registered on 12 September 1988.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There is an entry in section II of the land registry extract. The restricted personal easement regards a right to operate and maintain a transformer station combined with a right of way and a line right. For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, some former parcels are encumbered with a unification easement, but have been consolidated into a single parcel since entry into the register. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site is located on former agricultural land in a light industrial and commercial area. There is a known landfill adjacent to the property. However, according to the regulatory authorities no remedial action is required. There is a low/moderate risk that previous use of the site might have resulted in some localised contamination. However, it is unlikely that the current use will lead to any contamination. The site is recorded in the German register for contaminated sites, due the presence of the adjoining landfill.

PLANNING LAW

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28.05.2018, the subject property is subject to a detailed development plan, dated 27.06.1979. The plan stipulates commercial and industrial area (GE/GI), which is legally binding with the Federal Land Utilization Ordinance of 1990 (BauNVO). The plan stipulates a site coverage of 0.8 and a plot ratio of 1.2. For the purpose of this valuation, we have assumed that the subject property has been developed in line with the planning requirements.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 11 Betonstraße 8, 49324 Melle I, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	36,446 m²
of which is development land (for additional construction)	none.
Shape of site	irregular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	modern, average quality
State of repair, building	average
Building layout	efficient
Condition of lettable areas	medium
Construction type	reinforced concrete
Facade	curtain wall
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	n/a
Windows	aluminium
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a fair overall condition.

There were no Recognized Environmental Conditions (RECs) identified at this site. 1 - 4 years considerations include cleaning storm water drainage, install overflows at the roofs, perform several repairs to the roof and renewal of the bituminous roofing at the sides of the roof lights. It is possible that the sprinkler system requires putting back into order.

INSPECTION

Type of inspection	Full inspection
Date of inspection	11.06.2018
Inspected by	Jessica Wilhelm

COMMENT ON BUILDING

The subject property is currently let to Logwin Solutions Network GmbH and Santrans GmbH. Some 715 sq m are vacant. The property consists of one building. The warehouse unit has one storey and the office areas are on two storeys. The structure is of concrete frame. There are 64 loading docks. The outside area is paved and accessible via combined entry and exit drive. There is no access control.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (11.06.2018), the lettable areas appeared to be in a fair condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. In line with the Arcadis report we applied € 137,500 for short-term capex.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis with a vacancy rate of 5.2% as well as a structural vacancy of the vacant office space. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property has no structural features that would impose restrictions on new potential tenants. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has a vacancy rate of some 5.2%. Estate management could include early negotiations with the tenants regarding prolongation of the leases.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Sufficient number of loading doors
2. Good fit-out of the warehouse units

OPPORTUNITIES

1. Prolongation of existing leases

WEAKNESSES

1. Partly outmoded fit-out
2. Distance to motorway
3. Weaker macro-location
4. Structural void of some office accommodation

THREATS

1. Future capex
2. Longer vacancy periods if tenants leave



PROPERTY ID 11 Betonstraße 8, 49324 Melle I, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



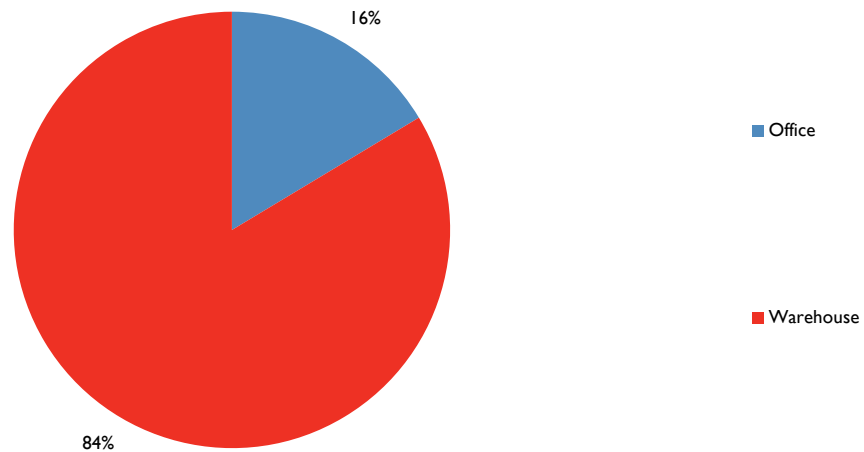
PROPERTY ID 11 Betonstraße 8, 49324 Melle I, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	2,242 m²	16.4%	1,527 m²	11.8%	715 m²	100.0%
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Car repair shop	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	11,439 m²	83.6%	11,439 m²	88.2%	0 m²	0.0%
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Total Lettable Area (excl. Car Parking)	13,681 m²		12,966 m²		715 m²	5.2%
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

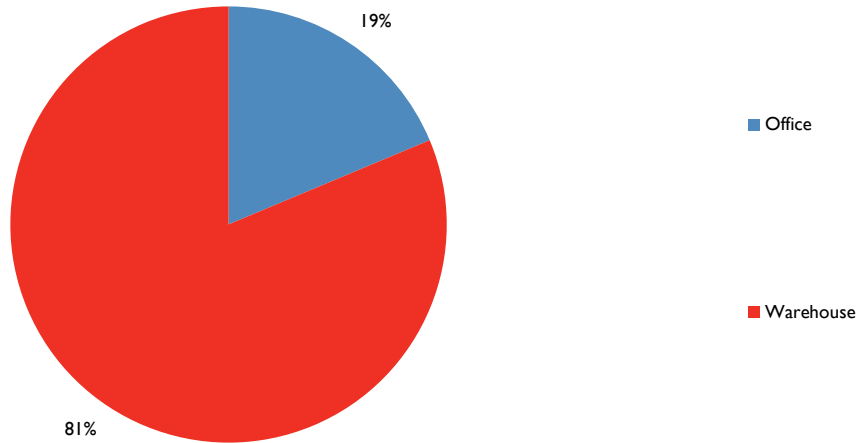


PROPERTY ID 11 Betonstraße 8, 49324 Melle I, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	2,242 m²	1,527 m²	€ 5.66	€ 103,687	€ 3.41	€ 91,620
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	11,439 m²	11,439 m²	€ 3.28	€ 450,903	€ 3.25	€ 446,121
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	13,681 m²	12,966 m²		€ 554,590		€ 537,741
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. Logwin Solutions Network GmbH	6,900	0	322,312	3.89	3.53	-9.2%	58.1%	0.5 years	58.1%
2. Santrans GmbH	6,066	0	232,278	3.19	3.37	5.6%	41.9%	4.8 years	41.9%
Total Top 10	12,966	0	554,590	3.56				2.3 years	
in % of Total	94.8%		100.0%						
No. of Tenants in Total	2								

PROPERTY SHEET



PROPERTY ID 11 Betonstraße 8, 49324 Melle I, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING	
Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10 years

CAPITALISATION RATES	
Cap Rate	6.00%
Cap Year	Year 10
Discount Rate	5.25%

NON-REIMBURSABLE EXPENSES	
Vacancy Costs (p.a.)	€ 9.50 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 4.00 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 140,053

OTHER ADJUSTMENTS	
Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION	
General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

VALUATION RESULTS

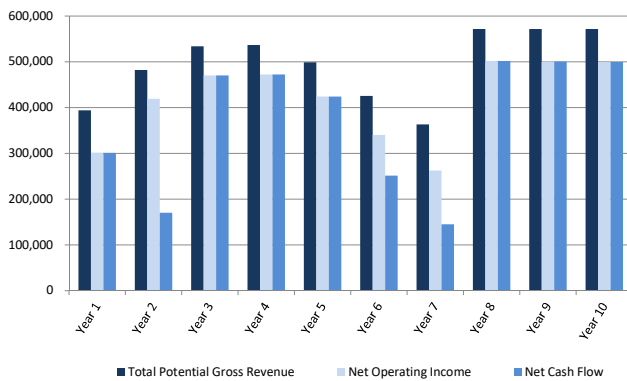
Current Rent	€ 554,590
Market Rent	€ 537,741
CR Multiplier	12.5
MR Multiplier	12.9
Net Initial Yield	4.05%
Gross Initial Yield	5.70%
Total Investment	€ 7,424,830
Less Purchasers' Costs	7.50%
Market Value	€ 6,906,819

MARKET VALUE (rounded) € 6,910,000

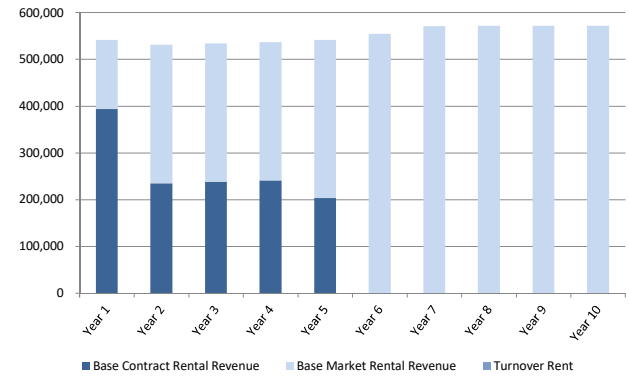
Net Capital Value per m² lettable building area

€ 505 / m²

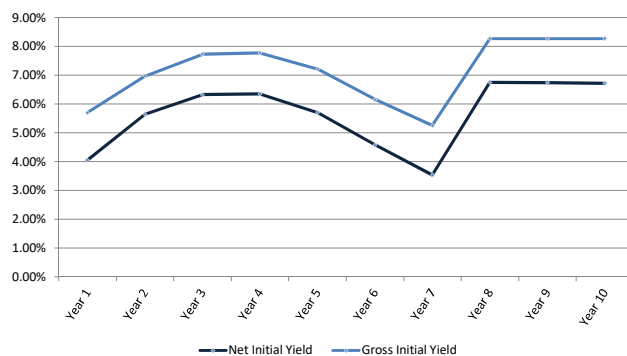
CASH FLOW ANALYSIS



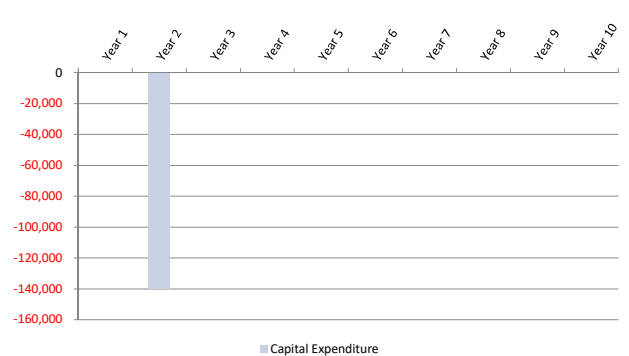
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 11 Betonstraße 8, 49324 Melle I, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10

CAPITALISATION RATES

Cap Rate	6.00%
Cap Year	Year 10
Discount Rate	6.25%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 4.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 140,053

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 537,741
CR Multiplier	0.0
MR Multiplier	10.2
Net Initial Yield	-3.10%
Gross Initial Yield	0.00%
Total Investment	€ 5,911,787
Less Purchasers' Costs	7.50%
Market Value	€ 5,499,337

VACANT POSSESSION VALUE (rounded)

€ 5,500,000

Net Capital Value per m² lettable building area

€ 402 /m²

PROPERTY SHEET



PROPERTY ID 11 Betonstraße 8, 49324 Melle I, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA

Net lettable building area	13,681 m²
Ratio net lettable area to gross floor area	90.00%
Gross floor area (BGF)	15,201 m²

DEMOLITION & SITE CLEARANCE

Demolition costs existing buildings	€ 60 /m²	€ 912,067
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 912,067

CONSTRUCTION COSTS

a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 700 /m²
Regional adjustment	0.847	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 617 /m²
Gross floor area (BGF)	15,201 m²	
Building costs, total		€ 9,385,680
b) External areas and outdoor facilities		
External areas [% of building costs]	5.00%	€ 469,284
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 469,284
Building costs incl. external areas		€ 9,854,964
Soft costs	15.00%	€ 1,478,245
Construction costs (incl. VAT)		€ 11,333,208

VALUATION OVERVIEW

RESULTS

Demolition and site clearance		€ 912,067
Construction costs (incl. VAT)		€ 11,333,208
Indicative Reinstatement Costs (incl. VAT)		€ 12,245,275
Consideration of VAT	19.00%	-€ 1,955,128
Indicative Reinstatement Costs (excl. VAT)		€ 10,290,147

INDICATIVE REINSTATEMENT COSTS (rounded)

€ 10,300,000

Reinstatement costs (rounded) per m² lettable building area

€ 753 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 11 Betonstraße 8, 49324 Melle I, Germany

INFORMATION PROVIDED BY THE CLIENT

<i>Item</i>	<i>Provided via</i>
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 11 Betonstraße 8, 49324 Melle I, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 393,647	€ 235,069	€ 237,924	€ 240,848	€ 202,990	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 147,425	€ 295,706	€ 295,706	€ 295,706	€ 338,641	€ 554,311	€ 570,672	€ 571,124	€ 571,124	€ 571,124
Absorption & Turnover Vacancy	-€ 147,425	€ 0	€ 0	€ 0	-€ 42,934	-€ 86,083	-€ 155,718	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 49,284	€ 0	€ 0	€ 0	-€ 43,131	-€ 52,057	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 393,647	€ 481,491	€ 533,630	€ 536,554	€ 498,697	€ 425,098	€ 362,897	€ 571,124	€ 571,124	€ 571,124
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 393,647	€ 481,491	€ 533,630	€ 536,554	€ 498,697	€ 425,098	€ 362,897	€ 571,124	€ 571,124	€ 571,124
Non Recoverable Running Costs During Vacancy	-€ 33,086	€ 0	€ 0	€ 0	-€ 10,267	-€ 20,636	-€ 35,973	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 52,201	-€ 52,827	-€ 53,461	-€ 54,102	-€ 54,986	-€ 56,086	-€ 57,208	-€ 58,352	-€ 59,519	-€ 60,709
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 3,936	-€ 4,815	-€ 5,336	-€ 5,366	-€ 4,987	-€ 4,251	-€ 3,629	-€ 5,711	-€ 5,711	-€ 5,711
Management Costs	-€ 3,936	-€ 4,815	-€ 5,336	-€ 5,366	-€ 4,987	-€ 4,251	-€ 3,629	-€ 5,711	-€ 5,711	-€ 5,711
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 93,159	-€ 62,457	-€ 64,133	-€ 64,833	-€ 75,227	-€ 85,224	-€ 100,438	-€ 69,774	-€ 70,941	-€ 72,132
	23.67%	12.97%	12.02%	12.08%	15.08%	20.05%	27.68%	12.22%	12.42%	12.63%
NET OPERATING INCOME (NOI)	€ 300,487	€ 419,035	€ 469,497	€ 471,721	€ 423,470	€ 339,875	€ 262,459	€ 501,350	€ 500,183	€ 498,992
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	-€ 72,207	€ 0	€ 0	€ 0	-€ 56,835	-€ 78,688	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 36,963	€ 0	€ 0	€ 0	-€ 32,348	-€ 39,043	€ 0	€ 0	€ 0
Capital Expenditure	€ 0	-€ 140,053	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 249,223	€ 0	€ 0	€ 0	-€ 89,183	-€ 117,730	€ 0	€ 0	€ 0
CASH FLOW	€ 300,487	€ 169,811	€ 469,497	€ 471,721	€ 423,470	€ 250,692	€ 144,728	€ 501,350	€ 500,183	€ 498,992
Discount Rate / Discount Factor	5.25%	0.950	0.903	0.858	0.815	0.774	0.736	0.699	0.664	0.599
NET PRESENT VALUE (NPV)	€ 285,499	€ 153,293	€ 402,686	€ 384,412	€ 327,878	€ 184,420	€ 101,158	€ 332,939	€ 315,595	€ 299,139

Property Exit			
GPV	NOI year 10 *Cap	€ 498,992 x 16,6667	€ 8,316,542
Purchasers Cost	7.50%		-€ 580,224
Exit Value			€ 7,736,318
NPV Exit Value	0.5995		€ 4,637,813
Market Value			
NPV Cash Flows			€ 2,787,017
Total Investment			€ 7,424,830
Purchasers Cost	7.50%		-€ 518,011
Market Value			€ 6,906,819
Market Value (rounded)		€ 6,910,000	

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	14.7	17.5	14.3	12.9	12.9	13.8	16.2	19.0	12.1	12.1	12.1
Net Initial Yield (NIY)	5.40%	4.0%	5.6%	6.3%	6.4%	5.7%	4.6%	3.5%	6.8%	6.7%	6.7%
Gross Initial Yield (GIY)	6.98%	5.7%	7.0%	7.7%	7.8%	7.2%	6.2%	5.3%	8.3%	8.3%	8.3%



Betonstraße 8, 49324 Melle | Germany

MARKET LEASING ASSUMPTIONS

VACANT SPACE ABSORPTION

Tenant	Utilisation	Lettable area/ lettable units (m ² or units)	Comment	Market rent per month (€/m ² or unit)	Market rent per year (€)	Void period (months)	Tenant improvements (€/m ² or unit)	Duration of new lease (months)	Rent Abatements (months)	Leasing Agency Fees (months)
Total		0 m²			- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 11 Betonstraße 8, 49324 Melle I, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 540,649	€ 545,262	€ 545,827	€ 545,827	€ 545,827	€ 545,827	€ 562,903	€ 576,531	€ 576,531	€ 576,531
Absorption & Turnover Vacancy	-€ 540,649	-€ 226,863	€ 0	€ 0	€ 0	€ 0	-€ 287,430	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 136,457	€ 0	€ 0	€ 0	€ 0	-€ 48,044	-€ 48,044	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 181,942	€ 545,827	€ 545,827	€ 545,827	€ 545,827	€ 227,428	€ 528,487	€ 576,531	€ 576,531
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 181,942	€ 545,827	€ 545,827	€ 545,827	€ 545,827	€ 227,428	€ 528,487	€ 576,531	€ 576,531
Non Recoverable Running Costs During Vacancy	-€ 130,813	-€ 65,994	€ 0	€ 0	€ 0	€ 0	-€ 79,583	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 52,201	-€ 52,827	-€ 53,461	-€ 54,102	-€ 54,986	-€ 56,086	-€ 57,208	-€ 58,352	-€ 59,519	-€ 60,709
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 1,819	-€ 5,458	-€ 5,458	-€ 5,458	-€ 5,458	-€ 2,274	-€ 5,285	-€ 5,765	-€ 5,765
Management Costs	€ 0	-€ 1,819	-€ 5,458	-€ 5,458	-€ 5,458	-€ 5,458	-€ 2,274	-€ 5,285	-€ 5,765	-€ 5,765
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 183,013	-€ 122,460	-€ 64,377	-€ 65,019	-€ 65,903	-€ 67,002	-€ 141,339	-€ 68,922	-€ 71,049	-€ 72,240
#DIV/0!	67.31%	11.79%	11.79%	11.91%	12.07%	12.28%	62.15%	13.04%	12.32%	12.53%
NET OPERATING INCOME	-€ 183,013	€ 59,483	€ 481,450	€ 480,808	€ 479,925	€ 478,825	€ 86,089	€ 459,565	€ 505,482	€ 504,291
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	-€ 252,411	€ 0	€ 0	€ 0	€ 0	-€ 137,985	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 136,457	€ 0	€ 0	€ 0	€ 0	-€ 72,066	€ 0	€ 0	€ 0
Capital Expenditure	€ 0	-€ 140,053	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 528,921	€ 0	€ 0	€ 0	€ 0	-€ 210,051	€ 0	€ 0	€ 0
CASH FLOW	-€ 183,013	-€ 469,438	€ 481,450	€ 480,808	€ 479,925	€ 478,825	-€ 123,962	€ 459,565	€ 505,482	€ 504,291
Discount Rate / Discount Factor	6.25%	0.941	0.886	0.834	0.785	0.739	0.695	0.654	0.616	0.579
NET PRESENT VALUE	-€ 172,248	-€ 415,834	€ 401,388	€ 377,273	€ 354,428	€ 332,815	-€ 81,094	€ 282,954	€ 292,917	€ 275,038

Property Exit			
GPV	NOI year 10 *Cap	€ 504,291 x 16,6667	€ 8,404,855
Purchasers Cost	7.50%		-€ 586,385
Exit Value			€ 7,818,470
NPV Exit Value	0.5454		€ 4,264,149

Market Value			
NPV Cash Flows			€ 1,647,638
Total Investment			€ 5,911,787
Purchasers Cost	7.50%		-€ 412,450
Vacant Possession Value			€ 5,499,337

Vacant Possession Value (rounded) € 5,500,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	13.1		30.2	10.1	10.1	10.1	10.1	24.2	10.4	9.5	9.5
Net Initial Yield (NIY)	6.91%		1.0%	8.1%	8.1%	8.1%	8.1%	1.5%	7.8%	8.6%	8.5%
Gross Initial Yield (GIY)	8.91%		3.3%	9.9%	9.9%	9.9%	9.9%	4.1%	9.6%	10.5%	10.5%



PROPERTY ID 12 Neurostraße 5, 49324 Melle II, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Lower Saxony
Federal District	Osnabrück
City / Municipality	Melle
Inhabitants (as at)	01.01.2018 46,161
Unemployment rate (as at)	31.12.2017 3.1%
Purchasing Power (German average = 100)	01.01.2018 97.26

Location rating

Macro Location	Medium-sized town (20,000-100,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	medium

PROPERTY DETAILS

Property type/ primary use	Logistics
Occupation (number of tenants)	Multi-tenant (6)
Year of construction (modernisation)	1970 (2007)
Lettable area	25,782 m²
Parking spaces	n/a
Vacancy rate	33.6%
Weighted remaining lease term	2.4 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	29,813 m²
Building condition	poor
Contamination	yes, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	underrented	€ 581,904
Market gross rental income p.a. (Year 1)		€ 961,749
Non-recoverable costs p.a. (Year 1)		-€ 171,665

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 10,200,000

Net Capital Value per m² lettable building area € 396 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	3.73%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	5.70%
Gross multiplier on Current Rent	17.5
Gross multiplier on Market Rent	10.6

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	2	Lettability	2
Micro Location	3	Marketability (sale)	2
Building quality (specification & parking etc.)	2	Overall rating	2
Building condition	2	Estimated marketing period (months)	12

PROPERTY SHEET



PROPERTY ID 12 Neuerostraße 5, 49324 Melle II, Germany

LOCATION

MACRO LOCATION



MACRO LOCATION

Melle is a city in the district of Osnabrueck, Lower Saxony. The city is situated in a valley penned between the Wiehen Hills in the North and the Teutoburg Forest in the South. Melle has 46,000 inhabitants. The nearest larger city is Osnabrueck, the fourth largest city of Lower Saxony. Osnabrueck is an important economical hub with good transport link via railway, motorway and its airport and inland port.

MICRO LOCATION



MICRO LOCATION

The subject property is located in mixed use area in Melle. The logistics complex is adjacent to residential buildings to the north and east respectively and to railways to the south. The direct rail connection is currently decommissioned. South of the track are further industrial and commercial buildings. Public transport is accessible within 5 minutes walking distance. Airport Münster/Osnabrück is within 60 km distance.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

No historical trend of prime and average rents or net initial yields for logistics space in Melle can currently be determined due to the insufficient volume and availability of data, primarily due to the size of the market. For this reason, Osnabrueck, the nearest larger city, is considered as a proxy. In 2007 the prime rent for warehouses and logistics in Osnabrueck amounted to € 4.20/m². By 2017, this had increased to € 4.40/m². The average rent for warehouses and logistics in Osnabrueck is at € 3.50/m² in 2017. The prime yield decreased from 9.4% in 2007 to 8.3% in 2017. The average yield amounts to 8.3%. Osnabrueck is part of the logistics agglomeration Muenster/Osnabrueck and benefits from its very good transport link. Due to its location on the East-West-Axis between the Netherlands and Eastern Europe, there are several hubs for the combined freight transport. Freight port Osnabrueck, port Osnabrueck connecting to Bremen and Emden ports and Muenster-Osnabrueck airport form an international and national transport hub. The logistics region is even strengthened by a cooperation of several logistics companies, public institutions and universities. LOGIS.NET, institution of traffic and logistics at Science to Business GmbH of Osnabrueck university, supports logistics companies with sound advice. Osnabrueck ranks among the C-cities. Letting opportunities are considered to be good and the vacancy rate trend is classified as good.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
logistics	49324 Melle	747 m²	€ 3.03 /m²	currently asking	medium
logistics	38108 Brunswick	3,714 m²	€ 3.23 /m²	Q1 2017	medium
logistics	49324 Melle	11,355 m²	€ 3.25 /m²	currently asking	high

COMMENT ON LEASE COMPARABLES

The rental level for logistics properties provided within the comparable evidence range between € 3.03 and € 3.25 m²/month, with the size spectrum of the currently offered rental areas ranging between 747 m² and 11,355 m². The quality of the lettable space and the quality of the location also vary. Comparable 3 is a current online offer of property ID 11. The asking rent fits the market rent we assessed within the calculation. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for logistics space of € 3.00 - 3.50 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m²	Sales price	Date of sale	Comparability
logistics	30453 Hanover	16,870 m²	€ 474	€ 8,000,000	Q2 2017	medium
warehouse/Storage	48155 Münster	12,960 m²	€ 481	€ 6,232,986	Q2 2017	medium
warehouse/storage	46325 Borken	1,522 m²	€ 369	€ 561,086	Q3 2017	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 368 and 481/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 396/m² appears plausible and fits into the comparable evidence. As at the date of transaction, comparable property 1 was fully let and the WALT amounted to 3.39 years. The property was built in 1983 and refurbished in 2013. Comparable 2 was constructed in 2005. As at the date of transaction, the property was fully let on single-tenant basis. The capital values of the comparables 1 and 2 are above the capital value of the subject property due to the vacant areas. As at the date of transaction, comparable 3 was fully let on single-tenant basis.

PROPERTY SHEET



PROPERTY ID 12 Neuerstraße 5, 49324 Melle II, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Osnabrück, land register of Melle, Folio 3043 and 3044 (dated 07.12.2017)
Owner	GER LOG 4 S.A., Gesellschaft luxemburgischen Rechts, L 2320 Luxembourg
Land parcels	Cadastral Section 10, Land parcel 133/10 and 228/3
Site area	29,813 m ²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1 Conditioned limited personal easement (bedingte beschränkte persönliche Dienstbarkeit) regarding a photovoltaic system in favour of Klaus Lechner, born 4 May 1938, and Marianne Lechner, born 15 November 1939, as a total beneficiary according to Sec. 428 BGB; value replacement according to Sec. 882 BGB: EUR 10,000 (approval dated 26 October 2011, deed no. 2430/2011 K, notary Dr. Köpp, Hamburg); registered on 19 April 2012.

Restrictions and encumbrances 2 Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a right to operate and maintain an underground water pipeline and not to cultivate the protective strip (nicht den Schutzstreifen bebauen) in favour of Stadt Melle, Melle; the exercise of the easement may be delegated to a third party, but only to a public body (öffentliche Körperschaft) (approval dated 4 December 1979); registered on 17 January 1980.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There are several entries in section II of the land registry extract regarding restricted and conditioned restricted personal easements. For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, no public easements have been registered according to the Reports on Title and the authority information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site comprises a former industrial site in an industrial setting. The environmental regulators are satisfied with the remedial action undertaken to procure a site setting suitable for commercial use in 2012. The Technical Due Diligence finished by Nova states for short-term costs amounting to € 25,000 which were reflected in the capital expenditures in our calculation.

PLANNING LAW

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28.05.2018, the subject property is not subject to a detailed development plan. Planning consent is subject to § 34 BauGB (the German planning code). New developments must be in keeping with the type, style and size of existing buildings in the urban area, and roads and services must be available. For the purposes of this valuation we have assumed that the use referred to would continue to be appropriate in the future.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 12 Neuerostraße 5, 49324 Melle II, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	29,813 m²
of which is development land (for additional construction)	none.
Shape of site	irregular
Topography of site	sloping

BUILDING(S)

Number of buildings on site	4
Age / Quality of building	slightly outmoded
State of repair, building	poor
Building layout	slightly inefficient
Condition of lettable areas	poor
Construction type	various types
Facade	various types
Roof	various types
Heating	various types
Air conditioning	n/a
Windows	aluminium
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a poor overall condition.

There were no Recognized Environmental Conditions (RECs) identified at this site. 1 - 4 years considerations include performing an asbestos survey with respect to ACMs at site and that appropriate action is taken if required. Additional recommendations include: cleaning the storm water drainage and gullies. The offices are at the end of the expected useful life, but fit-for-use. Renovation of the office inside. No immediate repairs are required although they require full refurbishment in the future. The same is for the gas heated boiler in warehouse A, B, C and F; electrical fuse, boxes, lighting and emergency lighting in warehouse; replacement of some overhead doors in warehouse A; renewal of the top layer asphalt.

INSPECTION

Type of inspection	Full inspection
Date of inspection	11.06.2018
Inspected by	Jessica Wilhelm

COMMENT ON BUILDING

The subject complex consists of 4 buildings. It is currently let to various companies and partly vacant. The fit-out and construction types vary. Overall maintenance is fair, however, maintenance in the vacant units is to the minimum. In the north-east warehouse unit, there is an immense water damage and the ceiling is partly leaking, which seemed not repaired yet. Thus capex for the roof repair have been considered in our valuation according to the TDD. The facades are metal sandwich panels, metal claddings and brick work. A concrete foundation for all buildings is assumed. We were not able to visit all areas. There are approximately 36 loading docks. The outside area is paved and accessible via a combined entry and exit drive.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (11.06.2018), the lettable areas appeared to be in a fair condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. In line with the Arcadis report we applied a total capex amount of € 585,000, incl. immediate capex of € 425,000 for repairing the roof.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a multi-tenant basis with a vacancy rate of 33.6%. With some refurbishments, we consider the property capable of generating sustainable rental income in the future. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties generally appeared to be in place for the property. However, we also observed that management for the high amount of vacant space (vacancy rate of 33.6%) was reduced to a minimum. In order to maximize rental income, we recommend re-letting of these vacant areas by applying appropriate re-letting strategies and by investing outstanding capex (roof repair).

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 12 - 15 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

The property has a high vacancy rate. We are not aware of any other special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Low office share
2. Sufficient number of docks

OPPORTUNITIES

1. Prolongation of existing leases

WEAKNESSES

1. Partly poor building condition
2. High vacancy rate
3. Weaker macro-location
4. Building age (except of the warehouse from 2007)

THREATS

1. Future capex

PROPERTY SHEET



PROPERTY ID 12 Neuerostraße 5, 49324 Melle II, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



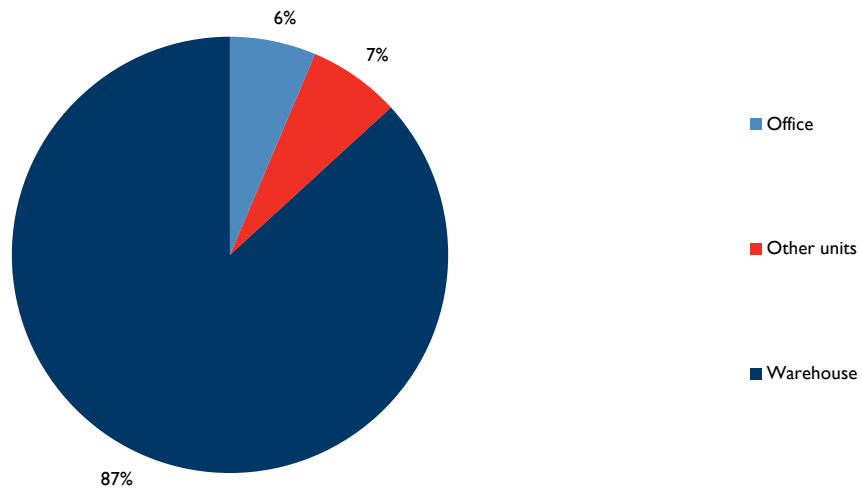
PROPERTY ID 12 Neuerostraße 5, 49324 Melle II, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	1,645 m²	6.4%	228 m²	1.4%	1,417 m²	19.6%
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Car repair shop	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Antenna	2 units		2 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Other units	1,755 m²	6.8%	313 m²	1.9%	1,442 units	
Warehouse	22,380 m²	86.8%	16,568 m²	98.6%	5,812 m²	80.4%
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Total Lettable Area (excl. Car Parking)	25,780 m²		16,796 m²		7,229 m²	28.0%
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

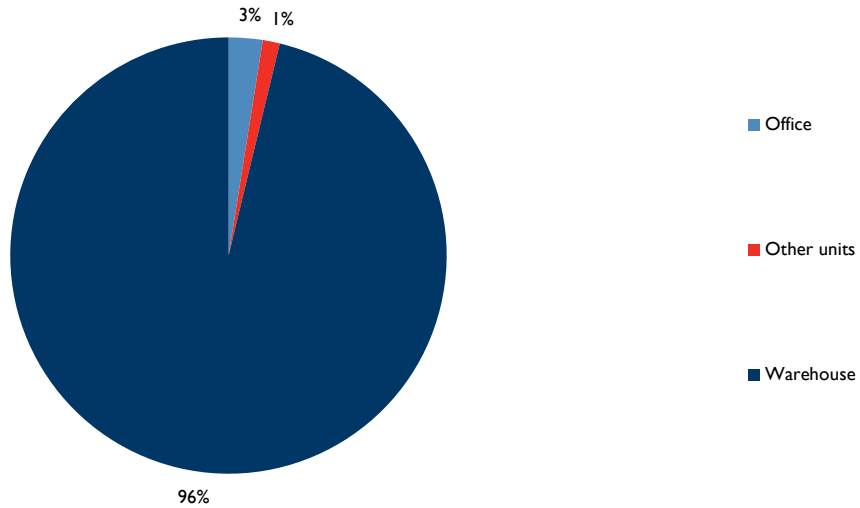


PROPERTY ID 12 Neuerstraße 5, 49324 Melle II, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	1,645 m²	228 m²	€ 5.29	€ 14,461	€ 2.74	€ 54,180
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Antenna	2 units	2 units	€ 376.65	€ 9,040	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	1,755 m²	313 m²	€ 1.90	€ 7,139	€ 2.00	€ 42,120
Warehouse	22,380 m²	16,568 m²	€ 2.77	€ 551,265	€ 3.22	€ 865,449
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	25,780 m²	17,109 m²		€ 581,904		€ 961,749
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. WTL Transport und Logistik GmbI	13,268	0	417,608	2.62	3.38	28.7%	71.8%	1.5 years	71.8%
2. BLG Handelslogistik GmbH & Co.	3,300	0	133,657	3.38	3.00	-11.1%	23.0%	4.8 years	23.0%
3. Kara Abbruch Ahmet Coban	278	0	15,600	4.68	4.46	-4.6%	2.7%	3.8 years	2.7%
4. SBS K�hltechnik GmbH	263	0	6,000	1.90	2.00	5.2%	1.0%	4.1 years	1.0%
5. Telefonica o2 Germany GmbH & (1	0	5,290	440.80	0.00	-100.0%	0.9%	0.9 years	0.9%
6. DFMG Deutsche Funkturm GmbH	1	0	3,750	312.50	0.00	-100.0%	0.6%	8.9 years	0.6%
Total Top 10	17,111	0	581,904	2.83				2.4 years	
in % of Total	66.4%		100.0%						
No. of Tenants in Total	6								

PROPERTY SHEET



PROPERTY ID 12 Neuerostraße 5, 49324 Melle II, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING	
Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10 years

CAPITALISATION RATES	
Cap Rate	6.50%
Cap Year	Year 10
Discount Rate	6.25%

NON-REIMBURSABLE EXPENSES	
Vacancy Costs (p.a.)	€ 9.00 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 3.50 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 594,663

OTHER ADJUSTMENTS	
Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION	
General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

VALUATION RESULTS

Current Rent	€ 581,904
Market Rent	€ 961,749
CR Multiplier	17.5
MR Multiplier	10.6
Net Initial Yield	3.73%
Gross Initial Yield	5.70%
Total Investment	€ 10,977,481
Less Purchasers' Costs	7.50%
Market Value	€ 10,211,610

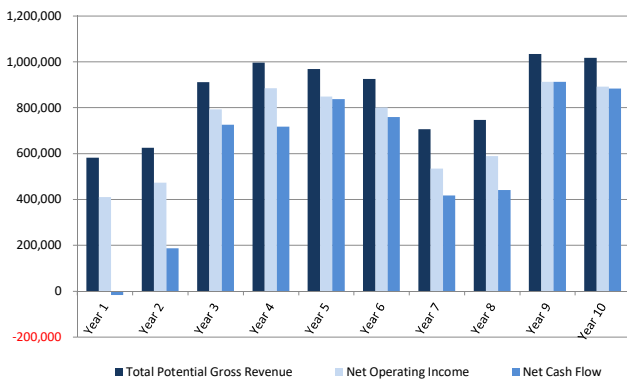
MARKET VALUE (rounded)

€ 10,200,000

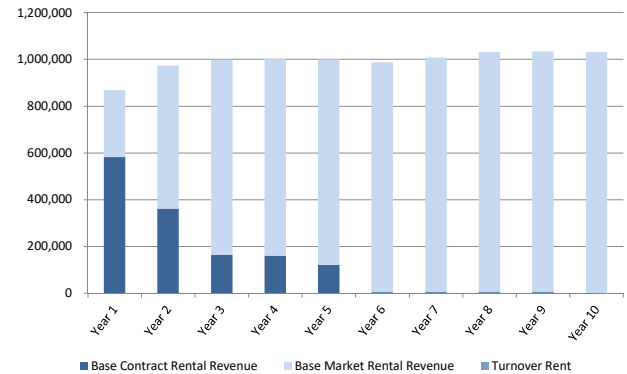
Net Capital Value per m² lettable building area

€ 396 / m²

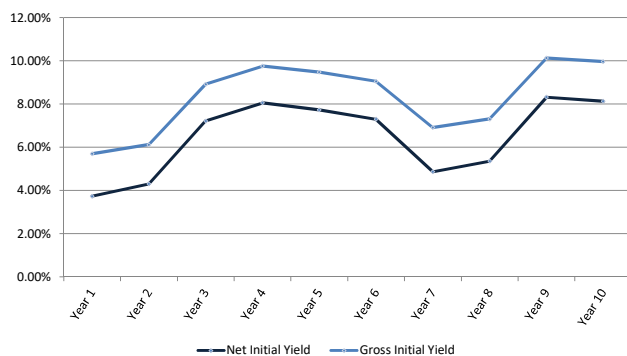
CASH FLOW ANALYSIS



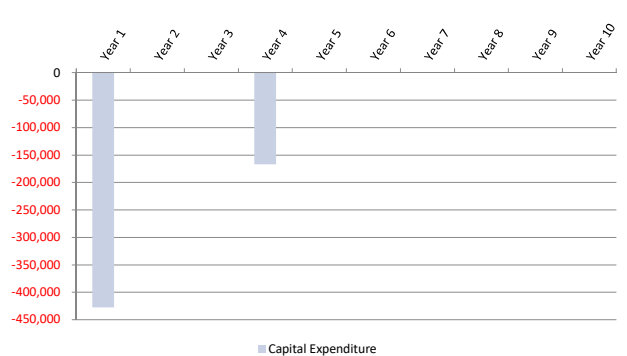
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 12 Neuerostraße 5, 49324 Melle II, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10

CAPITALISATION RATES

Cap Rate	6.63%
Cap Year	Year 10
Discount Rate	8.00%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.00 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 3.50 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 594,663

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 961,749
CR Multiplier	0.0
MR Multiplier	8.1
Net Initial Yield	-3.85%
Gross Initial Yield	0.00%
Total Investment	€ 8,360,378
Less Purchasers' Costs	7.50%
Market Value	-€ 583,282
	€ 7,777,096

VACANT POSSESSION VALUE (rounded)

€ 7,780,000

Net Capital Value per m² lettable building area

€ 302 /m²

PROPERTY SHEET



PROPERTY ID 12 Neuerostraße 5, 49324 Melle II, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA		
Net lettable building area		25,782 m²
Ratio net lettable area to gross floor area	90.00%	
Gross floor area (BGF)		28,647 m²
DEMOLITION & SITE CLEARANCE		
Demolition costs existing buildings	€ 60 /m²	€ 1,718,800
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 1,718,800

CONSTRUCTION COSTS		
a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 700 /m²
Regional adjustment	0.847	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 617 /m²
Gross floor area (BGF)	28,647 m²	
Building costs, total		€ 17,687,420
b) External areas and outdoor facilities		
External areas [% of building costs]	5.00%	€ 884,371
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 884,371
Building costs incl. external areas		€ 18,571,791
Soft costs	15.00%	€ 2,785,769
Construction costs (incl. VAT)		€ 21,357,560

VALUATION OVERVIEW

RESULTS		
Demolition and site clearance		€ 1,718,800
Construction costs (incl. VAT)		€ 21,357,560
Indicative Reinstatement Costs (incl. VAT)		€ 23,076,360
Consideration of VAT	19.00%	-€ 3,684,461
Indicative Reinstatement Costs (excl. VAT)		€ 19,391,899

INDICATIVE REINSTATEMENT COSTS (rounded) € 19,400,000

Reinstatement costs (rounded) per m² lettable building area € 752 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 12 Neuerostraße 5, 49324 Melle II, Germany

INFORMATION PROVIDED BY THE CLIENT

<i>Item</i>	<i>Provided via</i>
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 12 Neuerostraße 5, 49324 Melle II, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 581,551	€ 361,646	€ 162,871	€ 160,817	€ 121,268	€ 4,022	€ 4,108	€ 4,198	€ 3,926	€ 0
Base Market Rental Revenue	€ 285,878	€ 611,614	€ 835,533	€ 839,455	€ 877,970	€ 983,027	€ 1,003,802	€ 1,027,179	€ 1,030,117	€ 1,031,344
Absorption & Turnover Vacancy	-€ 285,878	-€ 229,386	-€ 43,903	-€ 3,868	-€ 27,975	-€ 41,706	-€ 251,122	-€ 188,895	€ 0	-€ 11,081
Base Rent-Free Periods	€ 0	-€ 119,259	-€ 43,958	€ 0	-€ 3,691	-€ 20,896	-€ 50,598	-€ 96,500	€ 0	-€ 2,735
Scheduled Base Rental Revenue	€ 581,551	€ 624,615	€ 910,544	€ 996,404	€ 967,571	€ 924,447	€ 706,191	€ 745,981	€ 1,034,044	€ 1,017,527
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 581,551	€ 624,615	€ 910,544	€ 996,404	€ 967,571	€ 924,447	€ 706,191	€ 745,981	€ 1,034,044	€ 1,017,527
Non Recoverable Running Costs During Vacancy	-€ 71,826	-€ 50,764	-€ 10,174	-€ 655	-€ 7,200	-€ 10,635	-€ 61,334	-€ 44,564	-€ 1	-€ 2,630
Repairs & Maintenance, Lettable Area	-€ 88,209	-€ 89,267	-€ 90,338	-€ 91,422	-€ 92,916	-€ 94,774	-€ 96,670	-€ 98,603	-€ 100,575	-€ 102,587
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 5,816	-€ 6,246	-€ 9,105	-€ 9,964	-€ 9,676	-€ 9,244	-€ 7,062	-€ 7,460	-€ 10,340	-€ 10,175
Management Costs	-€ 5,816	-€ 6,246	-€ 9,105	-€ 9,964	-€ 9,676	-€ 9,244	-€ 7,062	-€ 7,460	-€ 10,340	-€ 10,175
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 171,665	-€ 152,523	-€ 118,723	-€ 112,006	-€ 119,467	-€ 123,898	-€ 172,128	-€ 158,087	-€ 121,257	-€ 125,567
	29.52%	24.42%	13.04%	11.24%	12.35%	13.40%	24.37%	21.19%	11.73%	12.34%
NET OPERATING INCOME (NOI)	€ 409,886	€ 472,092	€ 791,820	€ 884,398	€ 848,103	€ 800,548	€ 534,063	€ 587,895	€ 912,787	€ 891,960
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	-€ 178,391	-€ 33,964	€ 0	-€ 8,510	-€ 26,698	-€ 78,688	-€ 74,576	€ 0	-€ 7,152
Leasing Commissions	€ 0	-€ 107,408	-€ 32,968	€ 0	-€ 2,768	-€ 15,672	-€ 37,949	-€ 72,375	€ 0	-€ 2,051
Capital Expenditure	-€ 427,757	€ 0	€ 0	-€ 166,905	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 427,757	-€ 285,799	-€ 66,933	-€ 166,905	-€ 11,279	-€ 42,370	-€ 116,636	-€ 146,951	€ 0	-€ 9,203
CASH FLOW	-€ 17,871	€ 186,293	€ 724,888	€ 717,493	€ 836,824	€ 758,178	€ 417,426	€ 440,944	€ 912,787	€ 882,757
Discount Rate / Discount Factor	6.25%	0.941	0.886	0.834	0.785	0.739	0.695	0.654	0.579	0.545
NET PRESENT VALUE (NPV)	-€ 16,820	€ 165,021	€ 604,343	€ 562,992	€ 618,002	€ 526,984	€ 273,072	€ 271,489	€ 528,943	€ 481,451

Property Exit			
GPV	NOI year 10 *Cap	€ 891,960 x 15,3846	€ 13,722,467
Purchasers Cost	7.50%		-€ 957,381
Exit Value			€ 12,765,085
NPV Exit Value	0.5454		€ 6,962,005
Market Value			
NPV Cash Flows			€ 4,015,476
Total Investment			€ 10,977,481
Purchasers Cost	7.50%		-€ 765,871
Market Value			€ 10,211,610
Market Value (rounded)		€ 10,200,000	

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	12.3	17.6	16.3	11.2	10.2	10.6	11.0	14.5	13.7	9.9	10.0
Net Initial Yield (NIY)	6.58%	3.7%	4.3%	7.2%	8.1%	7.7%	7.3%	4.9%	5.4%	8.3%	8.1%
Gross Initial Yield (GIY)	8.45%	5.7%	6.1%	8.9%	9.8%	9.5%	9.1%	6.9%	7.3%	10.1%	10.0%

PROPERTY ID 12 Neuerostraße 5, 49324 Melle II, Germany

RENT ROLL

MARKET LEASING ASSUMPTIONS

PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Telefonica o2 Germany GmbH & Co. OHG	Antenna	1	€ 440.80	€ 5,289.60	20.05.2019	0.9 years	€ 0.00	€ 0.00	12	50%	€ 0 /m²	60	3	3
Kara Abbruch Ahmet Coban	Office	228	€ 5.29	€ 14,460.60	31.03.2022	3.8 years	€ 5.00	€ 13,680.00	12	50%	€ 50 /m²	60	3	3
Kara Abbruch Ahmet Coban	Other units	50	€ 1.90	€ 1,139.35	31.03.2022	3.8 years	€ 2.00	€ 1,200.00	12	50%	€ 15 /m²	60	3	3
WTL Transport und Logistik GmbH	Warehouse	6,655	€ 2.00	€ 159,720.00	31.08.2019	1.2 years	€ 3.50	€ 279,510.00	12	50%	€ 10 /m²	60	3	3
DFMG Deutsche Funkturm GmbH	Antenna	1	€ 312.50	€ 3,750.00	31.05.2027	8.9 years	€ 0.00	€ 0.00	12	50%	€ 0 /m²	60	3	3
WTL Transport und Logistik GmbH	Warehouse	6,613	€ 3.25	€ 257,888.28	29.02.2020	1.7 years	€ 3.25	€ 257,907.00	12	50%	€ 10 /m²	60	3	3
BLG Handelslogistik GmbH & Co. KG	Warehouse	3,300	€ 3.38	€ 133,656.60	30.04.2023	4.8 years	€ 3.00	€ 118,800.00	12	50%	€ 15 /m²	60	3	3
SBS Kältetechnik GmbH	Other units	263	€ 1.90	€ 5,000.00	31.07.2022	4.1 years	€ 2.00	€ 6,312.00	12	50%	€ 15 /m²	60	3	3
Total		17,109 m²		€ 581,904				€ 877,409						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)										
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment	Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Vacant Unit	Other units	1,442		€ 2.00	€ 34,808.00	12	15 €/m²	60	3	3
Vacant Unit	Office	547		€ 5.00	€ 32,820.00	12	50 €/m²	60	3	3
Vacant Unit	Office	742		€ 0.00	€ 0.00	12	50 €/m²	60	3	3
Vacant Unit	Warehouse	5,812		€ 3.00	€ 209,232.00	12	15 €/m²	60	3	3
Vacant Unit	Office	128		€ 5.00	€ 7,680.00	12	50 €/m²	60	3	3
Total		8,671 m²			284,340.00 €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 12 Neuerstraße 5, 49324 Melle II, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 966,951	€ 975,201	€ 976,211	€ 976,211	€ 976,211	€ 976,211	€ 1,006,751	€ 1,031,125	€ 1,031,125	€ 1,031,125
Absorption & Turnover Vacancy	-€ 966,951	-€ 405,744	€ 0	€ 0	€ 0	€ 0	-€ 514,069	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 244,053	€ 0	€ 0	€ 0	€ 0	-€ 85,927	-€ 85,927	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 325,404	€ 976,211	€ 976,211	€ 976,211	€ 976,211	€ 406,755	€ 945,198	€ 1,031,125	€ 1,031,125
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 325,404	€ 976,211	€ 976,211	€ 976,211	€ 976,211	€ 406,755	€ 945,198	€ 1,031,125	€ 1,031,125
Non Recoverable Running Costs During Vacancy	-€ 233,544	-€ 117,821	€ 0	€ 0	€ 0	€ 0	-€ 145,602	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 88,209	-€ 89,267	-€ 90,338	-€ 91,422	-€ 92,916	-€ 94,774	-€ 96,670	-€ 98,603	-€ 100,575	-€ 102,587
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 3,254	-€ 9,762	-€ 9,762	-€ 9,762	-€ 9,762	-€ 4,068	-€ 9,452	-€ 10,311	-€ 10,311
Management Costs	€ 0	-€ 3,254	-€ 9,762	-€ 9,762	-€ 9,762	-€ 9,762	-€ 4,068	-€ 9,452	-€ 10,311	-€ 10,311
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 321,752	-€ 213,596	-€ 109,863	-€ 110,947	-€ 112,440	-€ 114,298	-€ 250,407	-€ 117,507	-€ 121,198	-€ 123,209
#DIV/0!	65.64%	11.25%	11.25%	11.37%	11.52%	11.71%	61.56%	12.43%	11.75%	11.95%
NET OPERATING INCOME	-€ 321,752	€ 111,808	€ 866,349	€ 865,265	€ 863,771	€ 861,913	€ 156,348	€ 827,691	€ 909,927	€ 907,916
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	-€ 346,988	€ 0	€ 0	€ 0	€ 0	-€ 189,687	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 244,053	€ 0	€ 0	€ 0	€ 0	-€ 128,891	€ 0	€ 0	€ 0
Capital Expenditure	-€ 427,757	€ 0	€ 0	-€ 166,905	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 427,757	-€ 591,041	€ 0	-€ 166,905	€ 0	€ 0	-€ 318,577	€ 0	€ 0	€ 0
CASH FLOW	-€ 749,510	-€ 479,233	€ 866,349	€ 698,359	€ 863,771	€ 861,913	-€ 162,230	€ 827,691	€ 909,927	€ 907,916
Discount Rate / Discount Factor	8.00%	0.926	0.857	0.794	0.735	0.681	0.630	0.583	0.540	0.463
NET PRESENT VALUE	-€ 693,990	-€ 410,865	€ 687,736	€ 513,315	€ 587,868	€ 543,151	-€ 94,659	€ 447,176	€ 455,190	€ 420,541

Property Exit			
GPV	NOI year 10 *Cap	€ 907,916 x 15,0943	€ 13,704,392
Purchasers Cost	7.50%		-€ 956,120
Exit Value			€ 12,748,271
NPV Exit Value	0.4632		€ 5,904,916

Market Value		
NPV Cash Flows		€ 2,455,461
Total Investment		€ 8,360,378
Purchasers Cost	7.50%	-€ 583,282
Vacant Possession Value		€ 7,777,096

Vacant Possession Value (rounded) € 7,780,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	10.3	23.9	8.0	8.0	8.0	8.0	8.0	19.1	8.2	7.5	7.5
Net Initial Yield (NIY)	8.80%	1.3%	10.4%	10.3%	10.3%	10.3%	10.3%	1.9%	9.9%	10.9%	10.9%
Gross Initial Yield (GIY)	11.27%	4.2%	12.6%	12.6%	12.6%	12.6%	12.6%	5.2%	12.2%	13.3%	13.3%



PROPERTY ID 13 Kalistraße 2d, 06406 Bernburg, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Saxony-Anhalt
Federal District	Salzlandkreis
City / Municipality	Bernburg
Inhabitants (as at)	01.01.2018 33,644
Unemployment rate (as at)	31.12.2017 9.5%
Purchasing Power (German average = 100)	01.01.2018 80.73

Location rating

Macro Location	Medium-sized town (20,000-100,000 inhabitants)
Micro Location	Peripheral location
Competition	weak

PROPERTY DETAILS

Property type/ primary use	Car repair shop
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	2007
Lettable area	347 m²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	3.8 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	2,475 m²
Building condition	good
Contamination	none, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	overrented	€ 48,378
Market gross rental income p.a. (Year 1)		€ 31,230
Non-recoverable costs p.a. (Year 1)		-€ 3,063

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 383,000

Net Capital Value per m² lettable building area € 1,104 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	11.00%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	12.63%
Gross multiplier on Current Rent	7.9
Gross multiplier on Market Rent	12.3

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	3	Lettability	3
Micro Location	3	Marketability (sale)	3
Building quality (specification & parking etc.)	2	Overall rating	3
Building condition	4	Estimated marketing period (months)	12



PROPERTY ID 13 Kalistraße 2d, 06406 Bernburg, Germany

LOCATION

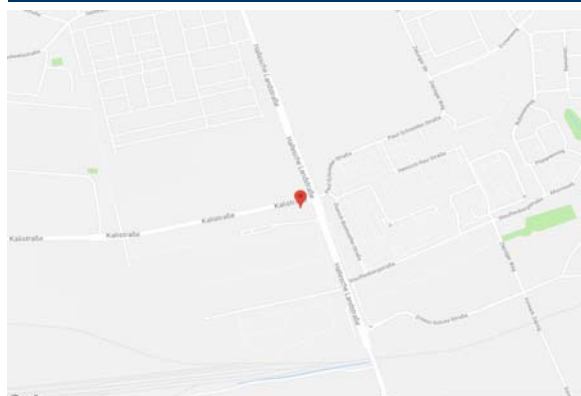
MACRO LOCATION



MACRO LOCATION

Bernburg is a town with approx. 35,000 inhabitants in Saxony-Anhalt and capital of the Salzlandkreis district. It is located in the north-eastern part of Germany. Nearest larger cities are Magdeburg, Halle and Leipzig. Magdeburg agglomeration is of limited relevance as logistics location, but has a positive procast. Halle forms part of the Leipzig agglomeration which is an important traffic hub for central Germany.

MICRO LOCATION



MICRO LOCATION

The subject property is located in a mixed-use area of Bernburg. It is located on a main traffic road and surrounded by car dealers, a car rental agency, residential buildings and a community garden. Due to its corner location, the property has good visibility. A14 motorway is within 14 km distance. Facilities for the daily needs, e.g. supermarkets, are within walking distance.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

No historical trend of prime and average rents or net initial yields for logistics space in Bernburg can currently be determined due to the insufficient volume and availability of data, primarily due to the size of the market. For this reason, Magdeburg, the nearest larger city, is considered as a proxy. In 2007 the prime rent for warehouses and logistics in Magdeburg amounted to € 3.90/m². By 2017, this had increased to € 4.30/m². The average rent for warehouses and logistics in Magdeburg is at € 3.40/m² in 2017. The prime yield decreased from 10.0% in 2007 to 7.0% in 2017. The average yield amounts to 9.0%. Although Magdeburg benefits from good road accessibility, the region is of limited relevance as logistics location. Magdeburg is located between three important logistics regions: Hanover/Braunschweig, Berlin and Halle/Leipzig. The city has development potential (e.g. extension of the port area) and is marketed as a logistics location. The city could benefit from the high availability of sites and lettable areas. In 2007 the prime rent for retail in Magdeburg amounted to € 13.00/m² in peripheral locations. By 2017, this had decreased to € 12.00/m² in peripheral locations. The average rent for retail in Magdeburg increased from € 8.50/m² in 2007 to € 9.00/m² in 2017 in peripheral locations. In the meantime the prime yield decreased from 8.3% to 7.5%. Magdeburg has a positive centrality rating at 114.4. Magdeburg has a limited number of retail space in central locations, but a high number of peripheral, extensive retail areas. Magdeburg ranks among the C-cities. Letting opportunities are considered to be good and the vacancy rate trend is classified as good.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
car repair shop	59457 Werl	1,503 m ²	€ 6.08 /m ²	confidential	medium
car repair shop	41460 Neuss	776 m ²	€ 7.73 /m ²	confidential	high
retail	44867 Bochum	1,320 m ²	€ 7.78 /m ²	Q2 2016	medium

COMMENT ON LEASE COMPARABLES

The rental level for car repair shop properties provided within the comparable evidence range between € 6.08 and € 7.78 m²/month, with the size spectrum of the currently offered rental areas ranging between 776 m² and 1,503 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for car repair shop space of € 7.50 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m ²	Sales price	Date of sale	Comparability
car repair shop	59067 Hamm	1,557 m ²	€ 1,108	€ 1,725,000	Q4 2017	medium
car repair shop	44287 Dortmund	1,581 m ²	€ 1,415	€ 2,237,500	Q4 2017	medium
car repair shop	45475 Mülheim	1,550 m ²	€ 1,298	€ 2,012,500	Q4 2017	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 1,108 and 1,409/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 1,104/m² appears plausible and fits into the comparable evidence. The comparable properties are let to a car repair company. As at the date of transaction, the properties were let with a lease term of 10 years. All lease agreements are on a triple net lease basis.



PROPERTY ID 13 Kalistraße 2d, 06406 Bernburg, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Bernburg, land register of Bernburg, Folio 7182 (dated 07.12.2017)
Owner	GER LOG 5 S.A., Luxembourg
Land parcels	Cadastral Section 14, Land parcel 11/26
Site area	2,475 m ²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1 Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a business restriction (Gewerbebetriebsbeschränkung) with the following content: "prohibition to build or to operate a petrol station / car wash and to commercially store or sell fuels and engine oils of any kind (Verbot eine Tankstelle / Waschanlage / Waschstraße zu errichten oder betreiben sowie Treibstoffe und Motoröle aller Art gewerblich zu lagern oder zu vertreiben) in favour of Deutsche BP Aktiengesellschaft; registered on 15 January 2007.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There is an entry in section II of the land registry extract. The restricted personal easement regards a business restriction with a prohibition to build or to operate a petrol station, car wash and to commercially store or sell fuels and engine oils of any kind. For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, there are no building restrictions registered according to the Reports on Title and the authority's information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site is located in a light industrial and residential area, with no history of contamination. There is a low risk of contamination from previous or current use.

PLANNING LAW

According to information provided by the city of Bernburg on 20.06.2018, there is a detailed development plan no. 02/99 "Östliche Kalistraße" 2nd amendment, dated 12.11.2002 relating to the subject area. The plan stipulates commercial area (GE), which is legally binding with the Federal Land Utilization Ordinance of 1990 (BauNVO). The plan stipulates a site coverage of 0.6. For the purpose of this valuation, we have assumed that the subject property has been developed in line with the planning requirements.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 13 Kalistraße 2d, 06406 Bernburg, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	2,475 m²
of which is development land (for additional construction)	none
Shape of site	rectangular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	modern, average quality
State of repair, building	good
Building layout	modern, efficient
Condition of lettable areas	good
Construction type	reinforced concrete
Facade	metal sheeting
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	n/a
Windows	aluminium, insulated glazing
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a good overall condition. There were no Recognized Environmental Conditions (RECs) identified at this site. There are no short-term considerations.

INSPECTION

Type of inspection	Full inspection
Date of inspection	12.06.2018
Inspected by	Rene Ciecierski

COMMENT ON BUILDING

The subject property consists of one building with one storey. It is currently let to Carglass GmbH. The building structure is a steel frame construction. There are 5 sectional doors and 12 parking units. The building consists of a car repair area, an entrance / office area which is completely glazed and a service core. Access to the site is not controlled. During the inspection we were not able to access the roof. The outdoor area is paved and it is accessible via a combined drive.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (12.06.2018), the lettable areas appeared to be in a fair condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. In line with the TDD reports we did not apply any capex.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a medium level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. Estate management would include extending the existing lease agreement.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Good visibility through corner location
2. Slightly above average centrality index
3. Retail in vicinity

OPPORTUNITIES

1. Prolongation of existing lease
2. Attract retail tenants

WEAKNESSES

1. Limited catchment area

THREATS

1. Decrease of rent to market rental level
2. Tenant moving out

PROPERTY SHEET



PROPERTY ID 13 Kalistraße 2d, 06406 Bernburg, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



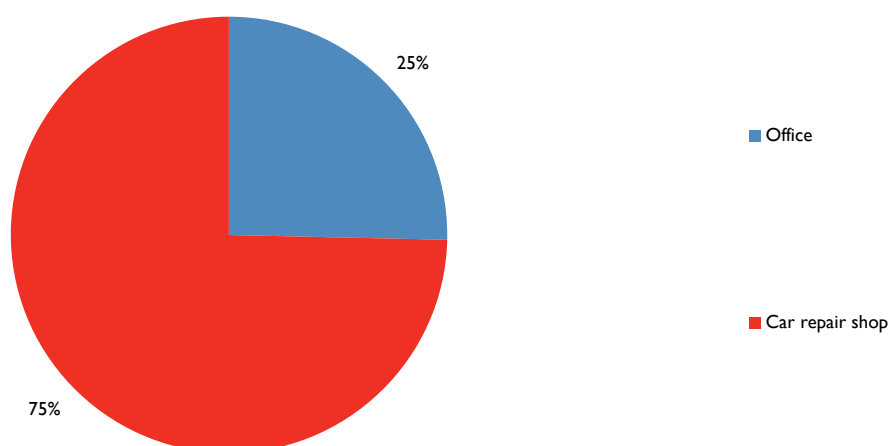
PROPERTY ID 13 Kalistraße 2d, 06406 Bernburg, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	88 m²	25.4%	88 m²	25.4%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	259 m²	74.6%	259 m²	74.6%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	0 m²	0.0%	0 m²	0.0%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	347 m²		347 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

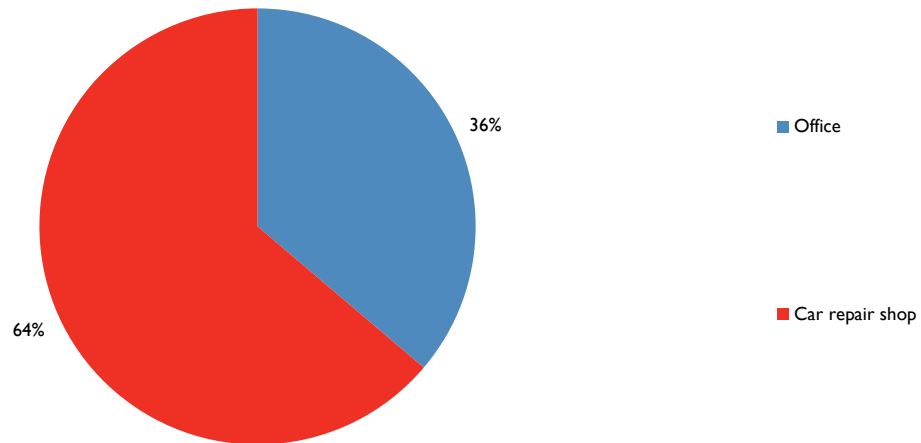


PROPERTY ID 13 Kalistraße 2d, 06406 Bernburg, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	88 m²	88 m²	€ 16.58	€ 17,513	€ 7.50	€ 7,920
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	259 m²	259 m²	€ 9.93	€ 30,865	€ 7.50	€ 23,310
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	347 m²	347 m²		€ 48,378		€ 31,230
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. Carglass GmbH	347	0	48,378	11.62	7.50	-35.4%	100.0%	3.8 years	100.0%
Total Top 10	347	0	48,378	11.62				3.8 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 13 Kalistraße 2d, 06406 Bernburg, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING	
Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10 years

CAPITALISATION RATES	
Cap Rate	8.50%
Cap Year	Year 11
Discount Rate	6.25%

NON-REIMBURSABLE EXPENSES	
Vacancy Costs (p.a.)	€ 10.00 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 0

OTHER ADJUSTMENTS	
Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION	
General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

VALUATION RESULTS

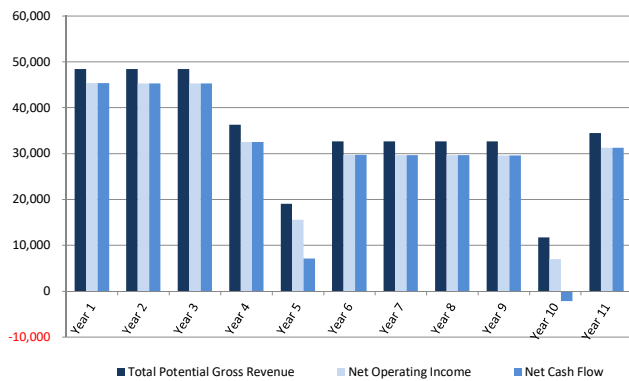
Current Rent	€ 48,378
Market Rent	€ 31,230
CR Multiplier	7.9
MR Multiplier	12.3
Net Initial Yield	11.00%
Gross Initial Yield	12.63%
Total Investment	€ 412,038
Less Purchasers' Costs	7.50%
Market Value	€ 383,291

MARKET VALUE (rounded) € 383,000

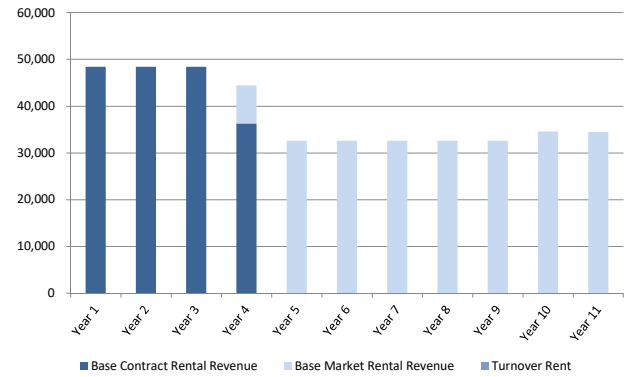
Net Capital Value per m² lettable building area

€ 1,104 /m²

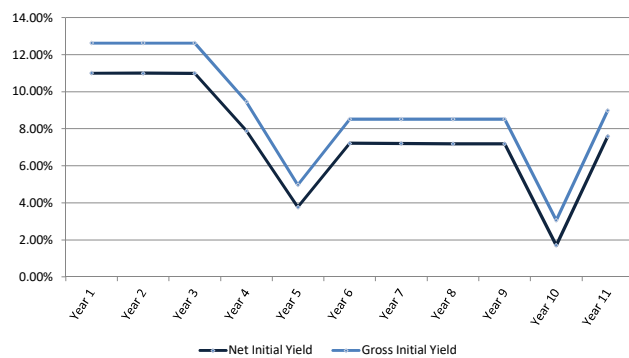
CASH FLOW ANALYSIS



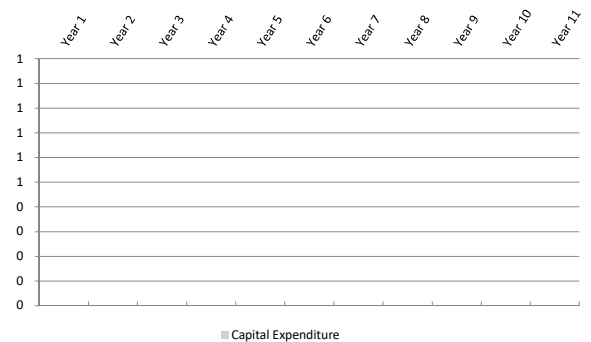
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 13 Kalistraße 2d, 06406 Bernburg, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10

CAPITALISATION RATES

Cap Rate	8.50%
Cap Year	Year 11
Discount Rate	7.25%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 10.00 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 0

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 31,230
CR Multiplier	0.0
MR Multiplier	8.4
Net Initial Yield	-1.98%
Gross Initial Yield	0.00%
Total Investment	€ 282,469
Less Purchasers' Costs	7.50%
Market Value	€ 262,762

VACANT POSSESSION VALUE (rounded)

€ 263,000

Net Capital Value per m² lettable building area

€ 758 /m²

PROPERTY SHEET



PROPERTY ID 13 Kalistraße 2d, 06406 Bernburg, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA		
Net lettable building area		347 m²
Ratio net lettable area to gross floor area	85.00%	
Gross floor area (BGF)		408 m²
DEMOLITION & SITE CLEARANCE		
Demolition costs existing buildings	€ 60 /m²	€ 24,494
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 24,494

CONSTRUCTION COSTS		
a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 1,200 /m²
Regional adjustment	0.858	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 1,072 /m²
Gross floor area (BGF)	408 m²	
Building costs, total		€ 437,712
b) External areas and outdoor facilities		
External areas [% of building costs]	5.00%	€ 21,886
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 21,886
Building costs incl. external areas		€ 459,597
Soft costs	12.50%	€ 57,450
Construction costs (incl. VAT)		€ 517,047

VALUATION OVERVIEW

RESULTS		
Demolition and site clearance		€ 24,494
Construction costs (incl. VAT)		€ 517,047
Indicative Reinstatement Costs (incl. VAT)		€ 541,541
Consideration of VAT	19.00%	-€ 86,465
Indicative Reinstatement Costs (excl. VAT)		€ 455,076

INDICATIVE REINSTATEMENT COSTS (rounded)	€ 455,000
Reinstatement costs (rounded) per m² lettable building area	€ 1,311 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 13 Kalistraße 2d, 06406 Bernburg, Germany

INFORMATION PROVIDED BY THE CLIENT

<i>Item</i>	<i>Provided via</i>
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 13 Kalstraße 2d, 06406 Bernburg, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 48,378	€ 48,378	€ 48,378	€ 36,284	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 0	€ 8,118	€ 32,593	€ 32,606	€ 32,606	€ 32,606	€ 32,606	€ 34,593	€ 34,440
Absorption & Turnover Vacancy	€ 0	€ 0	€ 0	-€ 8,118	-€ 8,138	€ 0	€ 0	€ 0	€ 0	-€ 17,170	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	€ 0	-€ 5,434	€ 0	€ 0	€ 0	€ 0	-€ 5,740	€ 0
Scheduled Base Rental Revenue	€ 48,378	€ 48,378	€ 48,378	€ 36,284	€ 19,020	€ 32,606	€ 32,606	€ 32,606	€ 32,606	€ 11,683	€ 34,440
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 48,378	€ 48,378	€ 48,378	€ 36,284	€ 19,020	€ 32,606	€ 32,606	€ 32,606	€ 32,606	€ 11,683	€ 34,440
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	€ 0	-€ 909	-€ 913	€ 0	€ 0	€ 0	€ 0	-€ 2,031	€ 0
Repairs & Maintenance, Lettable Area	-€ 2,096	-€ 2,121	-€ 2,146	-€ 2,172	-€ 2,207	-€ 2,251	-€ 2,297	-€ 2,342	-€ 2,389	-€ 2,437	-€ 2,486
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 484	-€ 484	-€ 484	-€ 363	-€ 190	-€ 326	-€ 326	-€ 326	-€ 326	-€ 117	-€ 344
Management Costs	-€ 484	-€ 484	-€ 484	-€ 363	-€ 190	-€ 326	-€ 326	-€ 326	-€ 326	-€ 117	-€ 344
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 3,063	-€ 3,088	-€ 3,114	-€ 3,807	-€ 3,501	-€ 2,904	-€ 2,949	-€ 2,995	-€ 3,041	-€ 4,702	-€ 3,175
	6.33%	6.38%	6.44%	10.49%	18.40%	8.91%	9.04%	9.18%	9.33%	40.24%	9.22%
NET OPERATING INCOME (NOI)	€ 45,315	€ 45,290	€ 45,265	€ 32,477	€ 15,520	€ 29,702	€ 29,657	€ 29,611	€ 29,565	€ 6,981	€ 31,266
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	€ 0	€ 0	€ 0	-€ 4,374	€ 0	€ 0	€ 0	€ 0	-€ 4,877	€ 0
Leasing Commissions	€ 0	€ 0	€ 0	€ 0	-€ 4,076	€ 0	€ 0	€ 0	€ 0	-€ 4,305	€ 0
Capital Expenditure	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	€ 0	€ 0	€ 0	-€ 8,449	€ 0	€ 0	€ 0	€ 0	-€ 9,182	€ 0
CASH FLOW	€ 45,315	€ 45,290	€ 45,265	€ 32,477	€ 7,070	€ 29,702	€ 29,657	€ 29,611	€ 29,565	-€ 2,201	€ 31,266
Discount Rate / Discount Factor	6.25%	0.941	0.886	0.834	0.785	0.739	0.695	0.654	0.616	0.579	0.545
NET PRESENT VALUE (NPV)	€ 42,650	€ 40,119	€ 37,738	€ 25,484	€ 5,221	€ 20,645	€ 19,401	€ 18,232	€ 17,132	-€ 1,200	€ 16,049

Property Exit			
GPV	NOI year 11 *Cap	€ 31,266 x 11,7647	€ 367,830
Purchasers Cost	7.50%		-€ 25,663
Exit Value			€ 342,168
NPV Exit Value	0.5454		€ 186,616

Market Value			
NPV Cash Flows			€ 225,421
Total Investment			€ 412,038
Purchasers Cost	7.50%		-€ 28,747
Market Value			€ 383,291

Market Value (rounded) € 383,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	13.0	7.9	7.9	7.9	10.6	20.2	11.8	11.8	11.8	11.8	32.8	11.1
Net Initial Yield (NIY)	7.52%	11.0%	11.0%	11.0%	7.9%	3.8%	7.2%	7.2%	7.2%	7.2%	1.7%	7.6%
Gross Initial Yield (GIY)	8.95%	12.6%	12.6%	12.6%	9.5%	5.0%	8.5%	8.5%	8.5%	8.5%	3.0%	9.0%

PROPERTY ID 13

Kalstraße 2d, 06406 Bernburg, Germany

RENT ROLL							MARKET LEASING ASSUMPTIONS							
PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Carglass GmbH	Office	88	€ 16.58	€ 17,513.28	31.03.2022	3.8 years	€ 7.50	€ 7,920.00	12	50%	€ 50 /m²	60	3	3
Carglass GmbH	Car repair shop	259	€ 9.93	€ 30,865.20	31.03.2022	3.8 years	€ 7.50	€ 23,310.00	12	50%	€ 15 /m²	60	3	3
Total		347 m²	€ 48.378					€ 31,230						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)													
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment				Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Total		0 m²						- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 13 Kalistraße 2d, 06406 Bernburg, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 31,399	€ 31,667	€ 31,700	€ 31,700	€ 31,700	€ 31,700	€ 32,691	€ 33,483	€ 33,483	€ 33,483	€ 33,483
Absorption & Turnover Vacancy	-€ 31,399	-€ 13,175	€ 0	€ 0	€ 0	€ 0	-€ 16,693	€ 0	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 7,925	€ 0	€ 0	€ 0	€ 0	-€ 2,790	-€ 2,790	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 10,567	€ 31,700	€ 31,700	€ 31,700	€ 31,700	€ 13,208	€ 30,693	€ 33,483	€ 33,483	€ 33,483
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 10,567	€ 31,700	€ 31,700	€ 31,700	€ 31,700	€ 13,208	€ 30,693	€ 33,483	€ 33,483	€ 33,483
Non Recoverable Running Costs During Vacancy	-€ 3,493	-€ 1,762	€ 0	€ 0	€ 0	€ 0	-€ 2,242	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 2,096	-€ 2,121	-€ 2,146	-€ 2,172	-€ 2,207	-€ 2,251	-€ 2,297	-€ 2,342	-€ 2,389	-€ 2,437	-€ 2,486
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 106	-€ 317	-€ 317	-€ 317	-€ 317	-€ 132	-€ 307	-€ 335	-€ 335	-€ 335
Management Costs	€ 0	-€ 106	-€ 317	-€ 317	-€ 317	-€ 317	-€ 132	-€ 307	-€ 335	-€ 335	-€ 335
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 5,588	-€ 4,094	-€ 2,780	-€ 2,806	-€ 2,841	-€ 2,885	-€ 4,803	-€ 2,956	-€ 3,059	-€ 3,107	-€ 3,155
#DIV/0!	38.74%	8.77%	8.85%	8.85%	8.96%	9.10%	36.36%	9.63%	9.14%	9.28%	9.42%
NET OPERATING INCOME	-€ 5,588	€ 6,473	€ 28,920	€ 28,894	€ 28,858	€ 28,814	€ 8,406	€ 27,736	€ 30,424	€ 30,376	€ 30,327
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	-€ 8,435	€ 0	€ 0	€ 0	€ 0	-€ 4,611	€ 0	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 7,925	€ 0	€ 0	€ 0	€ 0	-€ 4,185	€ 0	€ 0	€ 0	€ 0
Capital Expenditure	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 16,359	€ 0	€ 0	€ 0	€ 0	-€ 8,796	€ 0	€ 0	€ 0	€ 0
CASH FLOW	-€ 5,588	-€ 9,887	€ 28,920	€ 28,894	€ 28,858	€ 28,814	-€ 391	€ 27,736	€ 30,424	€ 30,376	€ 30,327
Discount Rate / Discount Factor	7.25%	0.932	0.869	0.811	0.756	0.705	0.657	0.613	0.571	0.533	0.497
NET PRESENT VALUE	-€ 5,210	-€ 8,595	€ 23,442	€ 21,838	€ 20,337	€ 18,933	-€ 239	€ 15,844	€ 16,205	€ 15,085	€ 14,043

Property Exit			
GPV	NOI year 11 *Cap	€ 30,327 x 11,7647	€ 356,792
Purchasers Cost	7.50%		-€ 24,892
Exit Value			€ 331,900
NPV Exit Value	0.4966		€ 164,829
Market Value			
NPV Cash Flows			€ 117,640
Total Investment			€ 282,469
Purchasers Cost	7.50%		-€ 19,707
Vacant Possession Value			€ 262,762
Vacant Possession Value (rounded)		€ 263,000	

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	10.8		24.9	8.3	8.3	8.3	8.3	19.9	8.6	7.8	7.8	7.8
Net Initial Yield (NIY)	8.92%		2.3%	10.2%	10.2%	10.2%	10.2%	3.0%	9.8%	10.8%	10.8%	10.7%
Gross Initial Yield (GIY)	10.83%		4.0%	12.1%	12.1%	12.1%	12.1%	5.0%	11.7%	12.7%	12.7%	12.7%

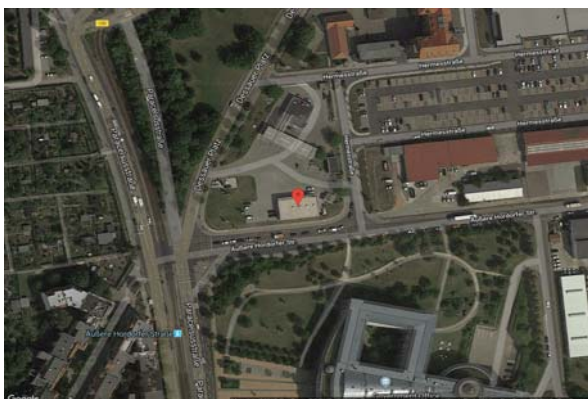


PROPERTY ID 14 Dessauer Platz 5, 06114 Halle, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Saxony-Anhalt
Federal District	Urban commune Halle
City / Municipality	Halle
Inhabitants (as at)	01.01.2018 236,095
Unemployment rate (as at)	31.12.2017 9.4%
Purchasing Power (German average = 100)	01.01.2018 83.73

Location rating

Macro Location	Small city (100,000-250,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	weak

PROPERTY DETAILS

Property type/ primary use	Car repair shop
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	2007
Lettable area	348 m²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	4.0 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	1,523 m²
Building condition	medium
Contamination	none, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	overrented	€ 59,436
Market gross rental income p.a. (Year 1)		€ 39,672
Non-recoverable costs p.a. (Year 1)		-€ 3,290

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 464,000

Net Capital Value per m² lettable building area € 1,333 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	11.25%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	12.81%
Gross multiplier on Current Rent	7.8
Gross multiplier on Market Rent	11.7

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	3	Lettability	3
Micro Location	4	Marketability (sale)	3
Building quality (specification & parking etc.)	3	Overall rating	3
Building condition	3	Estimated marketing period (months)	12

PROPERTY SHEET



PROPERTY ID 14 Dessauer Platz 5, 06114 Halle, Germany

LOCATION

MACRO LOCATION



MACRO LOCATION

Halle is a city in the federal state Saxony-Anhalt and has approx. 240,000 inhabitants. It forms part of the transnational metropolitan region central Germany, the economic centre for eastern Europe. The city benefits from an excellent transport link via several motorways, ICE connection Berlin - Munich, inland port and the international airport Leipzig/Halle. Therefore, Halle developed as a logistics location of relevance.

MICRO LOCATION



MICRO LOCATION

The subject property is located on a mainroad in central Halle in an established retail warehousing area. It is adjacent to an office building, supermarkets and a government office. The further surrounding is characterized by residential buildings. Public transport is accessible within 2 minutes walking distance. A14 motorway is within 5 minutes drive. Airport Leipzig/Halle is in 25 km distance.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

In 2007 the prime rent for warehouses and logistics in Halle amounted to € 3.20/m². By 2017, this is still at € 3.60/m². The average rent for warehouses and logistics in Halle increased from € 2.50/m² in 2007 to € 3.00/m² in 2017. The prime yield decreased from 8.5% in 2007 to 6.9% in 2017. The average yield amounts to 8.4%. Halle is located in the logistics region Halle/Leipzig. Due to its location in central Germany on A9 and A14 motorways, railway links and its proximity to Leipzig/Halle airport, Halle has supraregional relevance. The annual freight volume at Leipzig/Halle airport amounts to 1 million tonnes. Furthermore, there is a river port with a focus on the container terminals Halle Saale. In 2007 the prime rent for retail in Halle amounted to € 60.00/m² in the city centre and to € 22.00/m² in central locations. By 2017, this had increased to € 75.00/m² and € 27.00/m². The average rent for retail in Magdeburg increased from € 27.00/m² in 2007 to € 34.00/m² in 2017 in the city centre. In the meantime the prime yield decreased from 8.2% to 6.8%. Besides Magdeburg and Dessau, Halle forms the central retail location in Saxony-Anhalt. Currently there are several retail developments. The city ranks among the D-cities. Letting opportunities are considered to be good and the vacancy rate trend is classified as good.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
car repair shop	59069 Hamm	1,557 m ²	€ 10.41 /m ²	Q4 2017	high
car repair shop	41460 Neuss	776 m ²	€ 7.73 /m ²	Q4 2017	high
car repair shop	63165 Mülheim	1,550 m ²	€ 10.06 /m ²	Q4 2017	high

COMMENT ON LEASE COMPARABLES

The rental level for car repair shop properties provided within the comparable evidence range between € 7.73 and € 10.41 m²/month, with the size spectrum of the currently offered rental areas ranging between 776 m² and 1,557 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for car repair shop space of € 9.50 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m ²	Sales price	Date of sale	Comparability
car repair shop	45475 Mülheim	1,550 m ²	€ 1,298	€ 2,012,500	Q4 2017	medium
car repair shop	44805 Bochum	1,682 m ²	€ 1,409	€ 2,370,000	Q4 2017	medium
car repair shop	64285 Darmstadt	1,529 m ²	€ 1,430	€ 2,187,000	Q4 2017	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 1,298 and 1,430/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 1,333/m² appears plausible and fits into the comparable evidence. The comparable properties are let to a car repair company. As at the date of transaction, the properties were relet with a lease term of 10 years. All lease agreements are on a triple net lease basis.

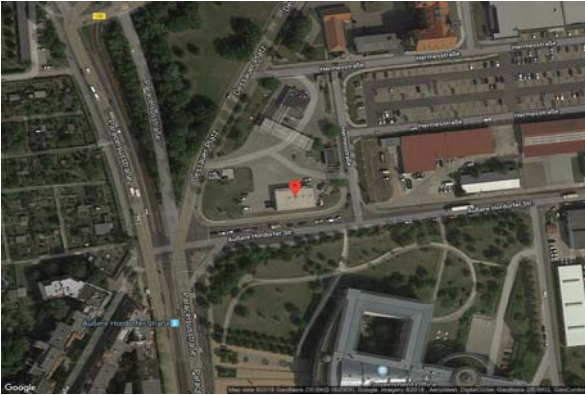


PROPERTY ID 14 Dessauer Platz 5, 06114 Halle, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Halle (Saale), land register of Halle, Folio 26993 (dated 07.12.2017)
Owner	GER LOG 5 S.A., Luxembourg
Land parcels	Cadastral Section 11, Land parcel 5551/0
Site area	1,523 m ²
Entries of domination (Herrschermerk)	None.

Restrictions and encumbrances 1
 Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a business restriction (Gewerbebetriebsbeschränkung) with the following content: "prohibition to build or to operate a petrol station/car wash and to commercially store or sell fuels and engine oils of any kind (Verbot eine Tankstelle/Waschhalle/Waschstraße zu errichten oder zu betreiben sowie Treibstoffe und Motoröle aller Art gewerblich zu lagern oder zu vertreiben) in favour of Deutsche BP Aktiengesellschaft; registered on 6 September 2007.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There is an entry in section II of the land registry extract. The restricted personal easement regards a business restriction with a prohibition to build or to operate a petrol station, car wash and to commercially store or sell fuels and engine oils of any kind. For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, a unification easement has been registered according to the Reports on Title and the authority's information. The easement encompasses all other properties within the area between the roads Dessauer Platz, Hermesstraße and Äußere Hordorfer Straße. All former parcels covered by the unification easement were owned by the same company (Deutsche BP Holding) at the time. Currently, the unification easement appears to potentially secure the proximity and potential encroachment of the garage from the neighbouring property with respect to public building law. In this case, deletion of the unification easement by the public authority would not be permissible. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site is underlain by mining tunnels (coal). There is the likelihood for the subsidence to occur on site. It is considered unlikely that there is contamination present on site that may pose a risk to continued use or represent a significant liability under current use.

PLANNING LAW

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28.05.2018, the subject property is not subject to a detailed development plan. Planning consent is subject to § 34 BauGB (the German planning code). New developments must be in keeping with the type, style and size of existing buildings in the urban area, and roads and services must be available. For the purposes of this valuation we have assumed that the use referred to would continue to be appropriate in the future.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 14 Dessauer Platz 5, 06114 Halle, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	1,523 m²
of which is development land (for additional construction)	none
Shape of site	rectangular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	modern, average quality
State of repair, building	average
Building layout	modern, efficient
Condition of lettable areas	medium
Construction type	reinforced concrete
Facade	metal sheeting
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	n/a
Windows	aluminium
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a fair overall condition. There were no Recognized Environmental Conditions (RECs) identified at this site. There are no short-term considerations.

INSPECTION

Type of inspection	Full inspection
Date of inspection	12.06.2018
Inspected by	Rene Ciecierski

COMMENT ON BUILDING

The subject property consists of one building with one storey. It is currently let to Carglass GmbH. The building structure is a steel frame construction. There are 5 sectional doors and 12 parking units. The building consists of a car repair area, an entrance / office area which is completely glazed and a service core. Access to the site is not controlled. During the inspection we were not able to access the roof. The outdoor area is paved and it is accessible via a combined drive.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (12.06.2018), the lettable areas appeared to be in a fair condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. We applied mid-term capex of € 6,500.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a medium level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the workshop space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. Estate management would include extending the existing lease agreement.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Very good accessibility
2. Location in retail agglomeration
3. Good visibility
4. Inner-City location in larger town

OPPORTUNITIES

1. Prolongation of the lease
2. Attract retail tenants

WEAKNESSES

1. Limited third party usability

THREATS

1. Tenant leaving the property
2. Decrease of rent to market rental level on re-letting

PROPERTY SHEET



PROPERTY ID 14 Dessauer Platz 5, 06114 Halle, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



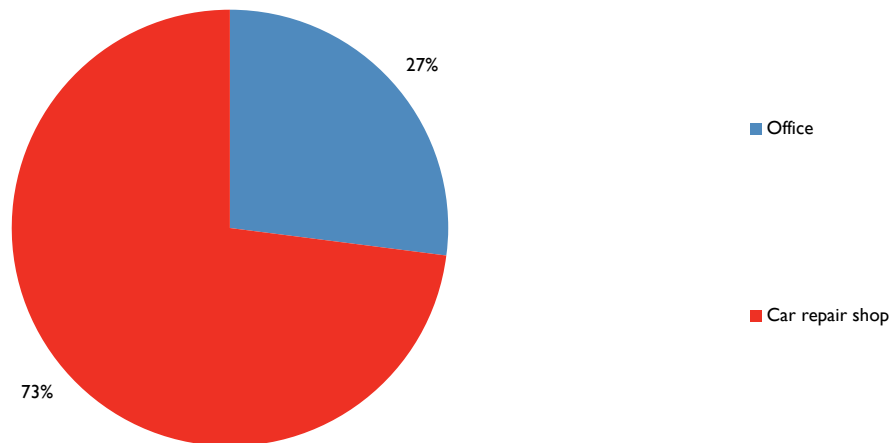
PROPERTY ID 14 Dessauer Platz 5, 06114 Halle, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	94 m²	27.0%	94 m²	27.0%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	254 m²	73.0%	254 m²	73.0%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	0 m²	0.0%	0 m²	0.0%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	348 m²		348 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

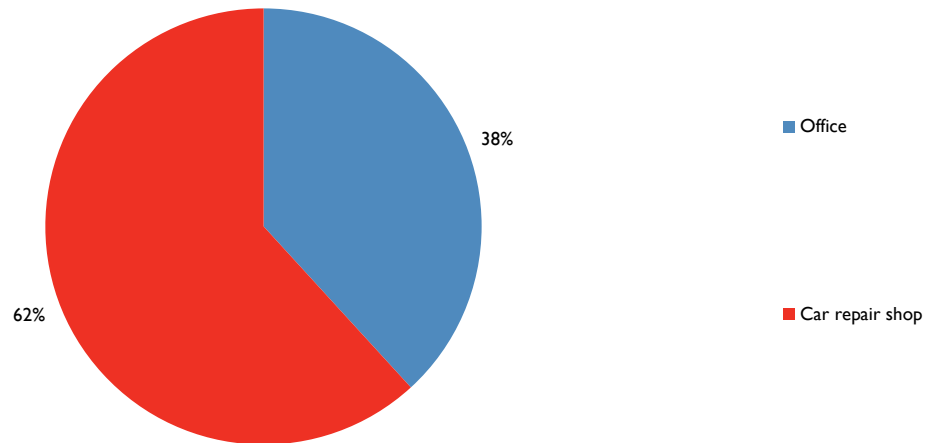


PROPERTY ID 14 Dessauer Platz 5, 06114 Halle, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	94 m²	94 m²	€ 20.13	€ 22,703	€ 9.50	€ 10,716
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	254 m²	254 m²	€ 12.05	€ 36,734	€ 9.50	€ 28,956
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	348 m²	348 m²		€ 59,436		€ 39,672
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. Carglass GmbH	348	0	59,436	14.23	9.50	-33.3%	100.0%	4.0 years	100.0%
Total Top 10	348	0	59,436	14.23				4.0 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 14 Dessauer Platz 5, 06114 Halle, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING	
Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10 years

CAPITALISATION RATES	
Cap Rate	8.25%
Cap Year	Year 11
Discount Rate	6.25%

NON-REIMBURSABLE EXPENSES	
Vacancy Costs (p.a.)	€ 10.00 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 6,621

OTHER ADJUSTMENTS	
Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION	
General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

VALUATION RESULTS

Current Rent	€ 59,436
Market Rent	€ 39,672
CR Multiplier	7.8
MR Multiplier	11.7
Net Initial Yield	11.25%
Gross Initial Yield	12.81%
Total Investment	€ 498,977
Less Purchasers' Costs	7.50%
Market Value	€ 464,165

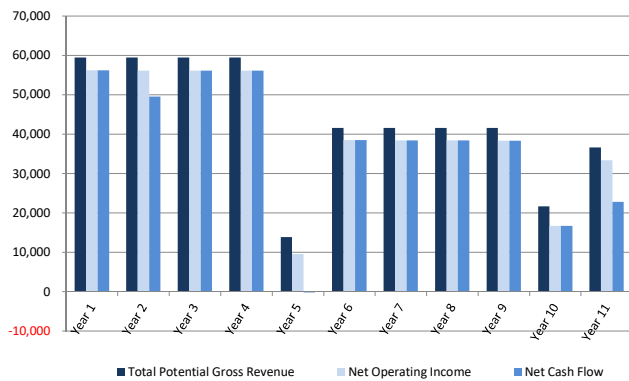
MARKET VALUE (rounded)

€ 464,000

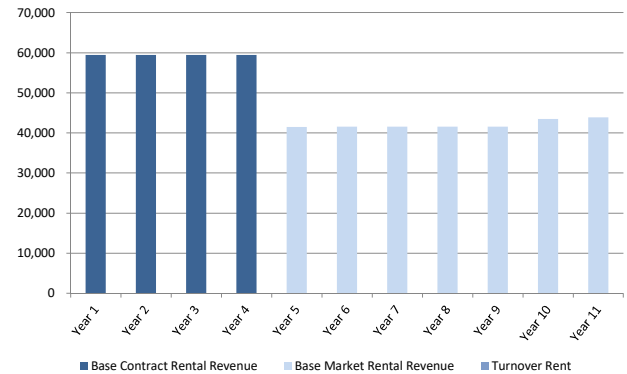
Net Capital Value per m² lettable building area

€ 1,333 /m²

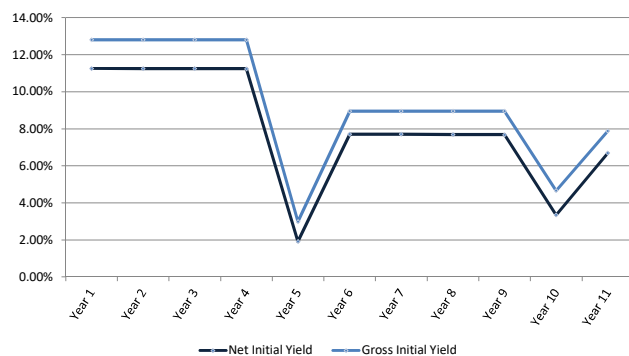
CASH FLOW ANALYSIS



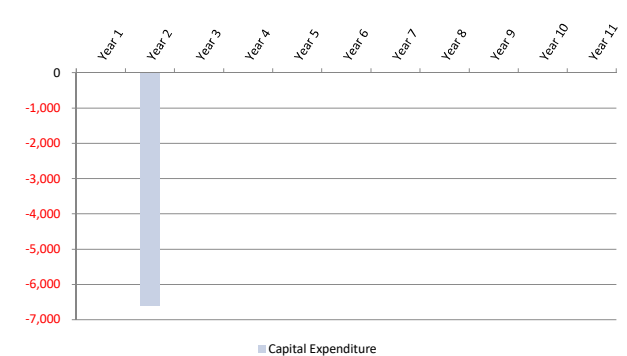
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 14 Dessauer Platz 5, 06114 Halle, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10

CAPITALISATION RATES

Cap Rate	8.25%
Cap Year	Year 11
Discount Rate	7.25%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 10.00 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 6,621

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 39,672
CR Multiplier	0.0
MR Multiplier	8.7
Net Initial Yield	-1.51%
Gross Initial Yield	0.00%
Total Investment	€ 371,384
Less Purchasers' Costs	7.50%
Market Value	€ 345,473

VACANT POSSESSION VALUE (rounded)

€ 345,000

Net Capital Value per m² lettable building area

€ 991 /m²



PROPERTY ID 14 Dessauer Platz 5, 06114 Halle, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA

Net lettable building area	348 m²
Ratio net lettable area to gross floor area	85.00%
Gross floor area (BGF)	409 m²

DEMOLITION & SITE CLEARANCE

Demolition costs existing buildings	€ 60 /m²	€ 24,565
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 24,565

CONSTRUCTION COSTS

a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 1,200 /m²
Regional adjustment	0.872	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 1,090 /m²
Gross floor area (BGF)	409 m²	
Building costs, total		€ 446,136
b) External areas and outdoor facilities		
External areas [% of building costs]	5.00%	€ 22,307
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 22,307
Building costs incl. external areas		€ 468,443
Soft costs	12.50%	€ 58,555
Construction costs (incl. VAT)		€ 526,998

VALUATION OVERVIEW

RESULTS

Demolition and site clearance		€ 24,565
Construction costs (incl. VAT)		€ 526,998
Indicative Reinstatement Costs (incl. VAT)		€ 551,563
Consideration of VAT	19.00%	-€ 88,065
Indicative Reinstatement Costs (excl. VAT)		€ 463,498

INDICATIVE REINSTATEMENT COSTS (rounded)

€ 463,000

Reinstatement costs (rounded) per m² lettable building area

€ 1,330 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 14 Dessauer Platz 5, 06114 Halle, Germany

INFORMATION PROVIDED BY THE CLIENT

<i>Item</i>	<i>Provided via</i>
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 14 Dessauer Platz 5, 06114 Halle, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 59,436	€ 59,436	€ 59,436	€ 59,436	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 41,463	€ 41,523	€ 41,523	€ 41,523	€ 41,523	€ 43,470	€ 43,859
Absorption & Turnover Vacancy	€ 0	€ 0	€ 0	€ 0	-€ 20,701	€ 0	€ 0	€ 0	€ 0	-€ 21,866	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	€ 0	-€ 6,921	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 7,310
Scheduled Base Rental Revenue	€ 59,436	€ 59,436	€ 59,436	€ 59,436	€ 13,841	€ 41,523	€ 41,523	€ 41,523	€ 41,523	€ 21,604	€ 36,549
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 59,436	€ 59,436	€ 59,436	€ 59,436	€ 13,841	€ 41,523	€ 41,523	€ 41,523	€ 41,523	€ 21,604	€ 36,549
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	€ 0	€ 0	-€ 1,836	€ 0	€ 0	€ 0	€ 0	-€ 2,047	€ 0
Repairs & Maintenance, Lettable Area	-€ 2,102	-€ 2,127	-€ 2,152	-€ 2,178	-€ 2,214	-€ 2,258	-€ 2,303	-€ 2,349	-€ 2,396	-€ 2,444	-€ 2,493
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 594	-€ 594	-€ 594	-€ 594	-€ 138	-€ 415	-€ 415	-€ 415	-€ 415	-€ 216	-€ 365
Management Costs	-€ 594	-€ 594	-€ 594	-€ 594	-€ 138	-€ 415	-€ 415	-€ 415	-€ 415	-€ 216	-€ 365
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 3,290	-€ 3,316	-€ 3,341	-€ 3,367	-€ 4,326	-€ 3,088	-€ 3,134	-€ 3,180	-€ 3,227	-€ 4,923	-€ 3,224
	5.54%	5.58%	5.62%	5.66%	31.26%	7.44%	7.55%	7.66%	7.77%	22.79%	8.82%
NET OPERATING INCOME (NOI)	€ 56,146	€ 56,121	€ 56,095	€ 56,070	€ 9,515	€ 38,435	€ 38,390	€ 38,344	€ 38,297	€ 16,681	€ 33,325
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	€ 0	€ 0	€ 0	-€ 4,515	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 5,034
Leasing Commissions	€ 0	€ 0	€ 0	€ 0	-€ 5,190	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 5,482
Capital Expenditure	€ 0	-€ 6,621	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 6,621	€ 0	€ 0	-€ 9,705	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 10,517
CASH FLOW	€ 56,146	€ 49,500	€ 56,095	€ 56,070	-€ 190	€ 38,435	€ 38,390	€ 38,344	€ 38,297	€ 16,681	€ 22,808
Discount Rate / Discount Factor	6.25%	0.941	0.886	0.834	0.785	0.739	0.695	0.654	0.616	0.579	0.545
NET PRESENT VALUE (NPV)	€ 62,843	€ 43,848	€ 46,767	€ 43,996	-€ 141	€ 26,715	€ 25,114	€ 23,608	€ 22,192	€ 9,098	€ 11,708

Property Exit			
GPV	NOI year 11 *Cap	€ 33,325 x 12,1212	€ 403,941
Purchasers Cost	7.50%		-€ 28,182
Exit Value			€ 375,759
NPV Exit Value	0.5454		€ 204,937

Market Value		
NPV Cash Flows		€ 294,040
Total Investment		€ 498,977
Purchasers Cost	7.50%	-€ 34,812
Market Value		€ 464,165

Market Value (rounded) € 464,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	12.9	7.8	7.8	7.8	7.8	33.5	11.2	11.2	11.2	11.2	21.5	12.7
Net Initial Yield (NIY)	7.98%	11.3%	11.2%	11.2%	11.2%	1.9%	7.7%	7.7%	7.7%	7.7%	3.3%	6.7%
Gross Initial Yield (GIY)	9.33%	12.8%	12.8%	12.8%	12.8%	3.0%	8.9%	8.9%	8.9%	8.9%	4.7%	7.9%

PROPERTY ID 14

Dessauer Platz 5, 06114 Halle, Germany

RENT ROLL							MARKET LEASING ASSUMPTIONS							
PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Carglass GmbH	Office	94	€ 20.13	€ 22,702.68	30.06.2022	4.0 years	€ 9.50	€ 10,716.00	12	50%	€ 50 /m²	60	3	3
Carglass GmbH	Car repair shop	254	€ 12.05	€ 36,733.80	30.06.2022	4.0 years	€ 9.50	€ 28,956.00	12	50%	€ 15 /m²	60	3	3
Total		348 m²		€ 59,436				€ 39,672						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)													
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment				Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatelements [months]	Leasing Agency Fees [months]
Total		0 m²						- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 14 Dessauer Platz 5, 06114 Halle, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 39,887	€ 40,227	€ 40,269	€ 40,269	€ 40,269	€ 40,269	€ 41,528	€ 42,534	€ 42,534	€ 42,534	€ 42,534
Absorption & Turnover Vacancy	-€ 39,887	-€ 16,737	€ 0	€ 0	€ 0	€ 0	-€ 21,205	€ 0	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 10,067	€ 0	€ 0	€ 0	€ 0	-€ 3,544	-€ 3,544	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 13,423	€ 40,269	€ 40,269	€ 40,269	€ 40,269	€ 16,779	€ 38,989	€ 42,534	€ 42,534	€ 42,534
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 13,423	€ 40,269	€ 40,269	€ 40,269	€ 40,269	€ 16,779	€ 38,989	€ 42,534	€ 42,534	€ 42,534
Non Recoverable Running Costs During Vacancy	-€ 3,503	-€ 1,767	€ 0	€ 0	€ 0	€ 0	-€ 2,248	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 2,102	-€ 2,127	-€ 2,152	-€ 2,178	-€ 2,214	-€ 2,258	-€ 2,303	-€ 2,349	-€ 2,396	-€ 2,444	-€ 2,493
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 134	-€ 403	-€ 403	-€ 403	-€ 403	-€ 168	-€ 390	-€ 425	-€ 425	-€ 425
Management Costs	€ 0	-€ 134	-€ 403	-€ 403	-€ 403	-€ 403	-€ 168	-€ 390	-€ 425	-€ 425	-€ 425
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 5,604	-€ 4,162	-€ 2,958	-€ 2,983	-€ 3,019	-€ 3,063	-€ 4,887	-€ 3,129	-€ 3,247	-€ 3,295	-€ 3,344
#DIV/0!		31.01%	7.34%	7.41%	7.50%	7.61%	29.13%	8.03%	7.63%	7.75%	7.86%
NET OPERATING INCOME	-€ 5,604	€ 9,261	€ 37,311	€ 37,285	€ 37,250	€ 37,205	€ 11,892	€ 35,860	€ 39,287	€ 39,239	€ 39,190
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	-€ 8,664	€ 0	€ 0	€ 0	€ 0	-€ 4,736	€ 0	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 10,067	€ 0	€ 0	€ 0	€ 0	-€ 5,317	€ 0	€ 0	€ 0	€ 0
Capital Expenditure	€ 0	-€ 6,621	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 25,351	€ 0	€ 0	€ 0	€ 0	-€ 10,053	€ 0	€ 0	€ 0	€ 0
CASH FLOW	-€ 5,604	-€ 16,091	€ 37,311	€ 37,285	€ 37,250	€ 37,205	€ 1,839	€ 35,860	€ 39,287	€ 39,239	€ 39,190
Discount Rate / Discount Factor	7.25%	0.932	0.869	0.811	0.756	0.705	0.657	0.613	0.571	0.533	0.497
NET PRESENT VALUE	-€ 5,225	-€ 13,989	€ 30,244	€ 28,180	€ 26,250	€ 24,447	€ 1,126	€ 20,485	€ 20,925	€ 19,487	€ 18,147

Property Exit			
GPV	NOI year 11 *Cap	€ 39,190 x 12,1212	€ 475,031
Purchasers Cost	7.50%		-€ 33,142
Exit Value			€ 441,890
NPV Exit Value	0.4966		€ 219,453
Market Value			
NPV Cash Flows			€ 151,931
Total Investment			€ 371,384
Purchasers Cost	7.50%		-€ 25,910
Vacant Possession Value			€ 345,473

Vacant Possession Value (rounded) € 345,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	11.1		25.7	8.6	8.6	8.6	8.6	20.6	8.9	8.1	8.1	8.1
Net Initial Yield (NIY)	8.81%		2.5%	10.0%	10.0%	10.0%	10.0%	3.2%	9.7%	10.6%	10.6%	10.6%
Gross Initial Yield (GIY)	10.47%		3.9%	11.7%	11.7%	11.7%	11.7%	4.9%	11.3%	12.3%	12.3%	12.3%



PROPERTY ID 15 Harkortstraße 1, 59469 Ense-Hoeningen, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	North Rhine Westphalia
Federal District	Soest
City / Municipality	Ense
Inhabitants (as at)	01.01.2018 12,400
Unemployment rate (as at)	31.12.2017 5.3%
Purchasing Power (German average = 100)	01.01.2018 96.81

Location rating

Macro Location	Small town (< 20,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	medium

PROPERTY DETAILS

Property type/ primary use	Logistics
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	2002 (2007)
Lettable area	20,699 m²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	2.5 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	50,553 m²
Building condition	good
Contamination	none, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	underrented	€ 762,408
Market gross rental income p.a. (Year 1)		€ 786,036
Non-recoverable costs p.a. (Year 1)		-€ 88,179

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 9,790,000

Net Capital Value per m² lettable building area € 473 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	6.32%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	7.79%
Gross multiplier on Current Rent	12.8
Gross multiplier on Market Rent	12.5

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	2	Lettability	3
Micro Location	3	Marketability (sale)	3
Building quality (specification & parking etc.)	3	Overall rating	3
Building condition	4	Estimated marketing period (months)	12



PROPERTY ID 15 Harkortstraße 1, 59469 Ense-Hoeningen, Germany

LOCATION

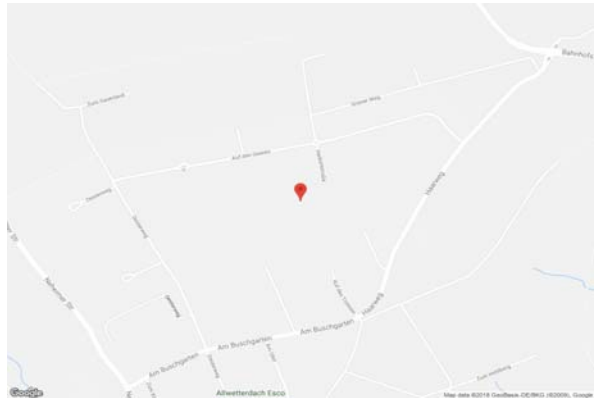
MACRO LOCATION



MACRO LOCATION

Ense-Hoeningen is a municipality in the district of Soest in North Rhine-Westphalia. Hoeningen is a district of Ense and has approx. 2,000 inhabitants. The nearest larger city is Hamm which forms part of the established logistics region Dortmund.

MICRO LOCATION



MICRO LOCATION

The subject property is located within the industrial area Hoeningen which is part of the municipality Ense. The site is adjacent to green area to the south and industrial buildings to the other directions. Facilities for the daily needs are in the near surrounding. Transport link is limited, A44 motorway is accessible within 11 minutes drive.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

No historical trend of prime and average rents or net initial yields for logistics space in Ense can currently be determined due to the insufficient volume and availability of data, primarily due to the size of the market. For this reason, Hamm, the nearest larger city, is considered as a proxy. In 2007 the prime rent for warehouses and logistics in Hamm amounted to € 3.40/m². By 2017, this had increased to € 3.60/m². The average rent for warehouses and logistics in Hamm is at € 3.00/m² in 2017. The prime yield decreased from 8.6% in 2007 to 6.5% in 2017. The average yield amounts to 8.1%. Hamm is part of the well established Dortmund logistics region which benefits from its trimodal connections via regional and supraregional rail, motorway and shipping waterway. More than 30 companies operating in the logistics and haulage industry, are located in Hamm. In recent years, several companies in the food processing sector have settled in Hamm. The development area Inlogparc on the A2 motorway provides rental areas for international logistics companies (e.g. DPD). The local government of Hamm supports logistics companies with cooperations in education and research (SRH university of logistics and economy and Friedrich-List-Vocational-College) and several initiatives (Logistics Initiative Eastern Ruhr area, LogSide). The city ranks among the D-cities. Letting opportunities are considered to be good and the vacancy rate trend is good.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
logistics	59457 Werl	2,923 m²	€ 3.00 /m²	currently asking	medium
logistics	59469 Ense	900 m²	€ 2.79 /m²	currently asking	medium
logistics	92637 Weiden	5,714 m²	€ 3.00 /m²	Q1 2017	medium

COMMENT ON LEASE COMPARABLES

The rental level for logistics properties provided within the comparable evidence range between € 2.79 and € 3.00 m²/month, with the size spectrum of the currently offered rental areas ranging between 900 m² and 5,714 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for logistics space of € 3.00 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m²	Sales price	Date of sale	Comparability
logistics	30453 Hanover	16,870 m²	€ 474	€ 8,000,000	Q2 2017	medium
logistics	42327 Wuppertal	24,422 m²	€ 471	€ 11,500,000	Q2 2017	medium
logistics	63110 Rodgau	24,640 m²	€ 377	€ 9,300,000	Q4 2017	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 377 and 474/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 473/m² appears plausible and fits into the comparable evidence. As at the date of transaction, all of the comparable properties were fully let. Comparable 1 was built in 1983 and refurbished in 2013. The WALT amounted to 3.39 years. Comparable 2 was built in 1970. As at the date of transaction, the WALT was 2.45 years. Comparable 3 was built in 1974 and refurbished in 1996. It was let to a single-tenant with a remaining lease term of 5.58 years.



PROPERTY ID 15 Harkortstraße 1, 59469 Ense-Hoeningen, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Werl, land register of Höingen, Folios 710 and 1009 (dated 07.12.2017)
Owner	GER LOG 4 S.A., Luxemburg
Land parcels	Cadastral Section 1, Land parcels 503, 507, 508, 547, 505, 506, 509, 510, 543, 545
Site area	50,553 m ²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1	Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a high voltage power line right (Höchstspannungsleitungsrecht) in favour of Amprion GmbH, Dortmund (approval dated 5 September 1972); registered on 12 October 1972.
Restrictions and encumbrances 2	Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a channel line right (Kanalleitungsrecht) in favour of Gemeinde Ense (approval dated 22 May 1986); registered on 28 May 1986.
Restrictions and encumbrances 3	Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding an overhead line right (Freileitungsrecht) in favour of RWE Deutschland Aktiengesellschaft, Essen (approval dated 17 August 1960); registered on 8 September 1960.
Restrictions and encumbrances 4	Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a high voltage power line right (Höchstspannungsleitungsrecht) in favour of Amprion GmbH, Dortmund (approval dated 12 September 1972); registered on 12 October 1972.
Restrictions and encumbrances 5	Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a channel line right (Kanalleitungsrecht) in favour of Gemeinde Ense (approval dated 1 July 1986, deed no. 267/86, notary Krampitz, Werl and approval dated 1 April 2004, deed no. 121/04, notary Heckmann, Ense); registered on 16 April 2004.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There are several entries in section II of the land registry extract regarding restricted personal easements. The restricted personal easements regard an overhead line right, a channel line right and a high voltage power line. For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, the subject site is encumbered with unification easements encompassing all parcels of the respective property. This is reflected in the current situation. Hence, we assumed that there is no detrimental effect on the value of the property.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site is considered to be low risk, given that it is located in a low sensitivity area. Previous site investigation has not revealed any contamination on site and current site activities do not pose any significant environmental risks.

PLANNING LAW

According to online information provided by the city of Ense on 30.11.2000, there is a detailed development plan no. 68 "Hoeingen Industriepark Nr. 6", dated 30.11.2000 relating to the subject area. The plan stipulates industrial area (G1), which is legally binding with the Federal Land Utilization Ordinance of 1990 (BauNVO). The plan stipulates a site coverage of 0.8 and a divergent construction type with a maximum height of 15m. For the purpose of this valuation, we have assumed that the subject property has been developed in line with the planning requirements.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 15 Harkortstraße 1, 59469 Ense-Hoeningen, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	50,553 m²
of which is development land (for additional construction)	none.
Shape of site	rectangular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	modern, high quality
State of repair, building	good
Building layout	efficient
Condition of lettable areas	good
Construction type	reinforced concrete
Facade	various types
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	partial air conditioning
Windows	plastic, insulated glazing
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a good overall condition. There were no Recognized Environmental Conditions (RECs) identified at this site. Only the very small amounts of oily drip losses in front of the loading docks should be cleaned and avoided. 1 - 4 years considerations include repairing outside lamps, the paving in settled sections and entrance gate.

INSPECTION

Type of inspection	Full inspection
Date of inspection	12.06.2018
Inspected by	Jessica Wilhelm

COMMENT ON BUILDING

The subject property consists of one building which is currently let to NTG Logistics GmbH. The warehouse area is on one floor and office areas are on two storeys. The property has a flat roof. There are 47 loading docks. The building structure is of a steel frame construction. The outside area is paved and accessible via combined entry and exit drive. Access is controlled via gate.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (12.06.2018), the lettable areas appeared to be in a fair condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. Arcadis doesn't state any capex for the subject property.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a medium level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. Estate management would include extending the existing lease agreement.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Good building condition
2. Fully let
3. Sufficient dock doors
4. Low office share

OPPORTUNITIES

1. Prolongation of existing lease

WEAKNESSES

1. Relatively short WALT
2. Distance to motorway
3. Macro-Location

THREATS

1. Future capex
2. Re-letting void



PROPERTY ID 15 Harkortstraße 1, 59469 Ense-Hoeningen, Germany

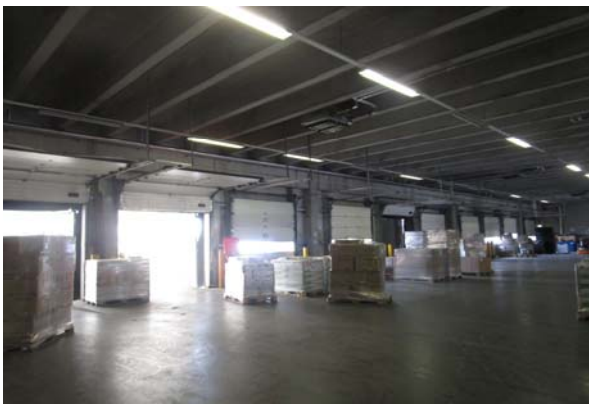
PROPERTY PICTURES



Picture I



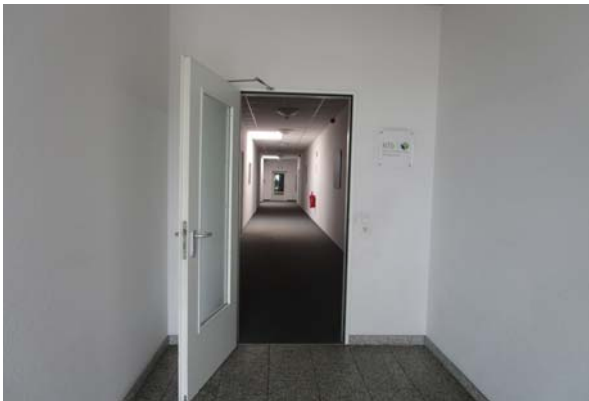
Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



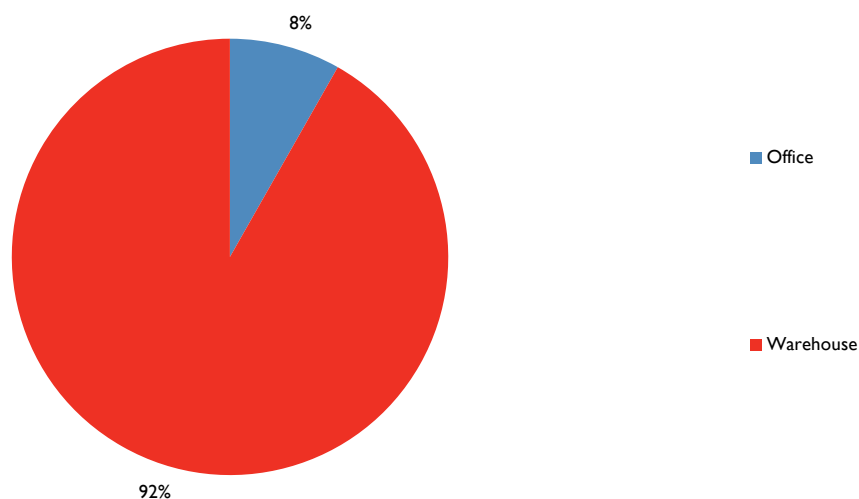
PROPERTY ID 15 Harkortstraße 1, 59469 Ense-Hoeningen, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	1,703 m²	8.2%	1,703 m²	8.2%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	0 m²	0.0%	0 m²	0.0%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	18,996 m²	91.8%	18,996 m²	91.8%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	20,699 m²		20,699 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

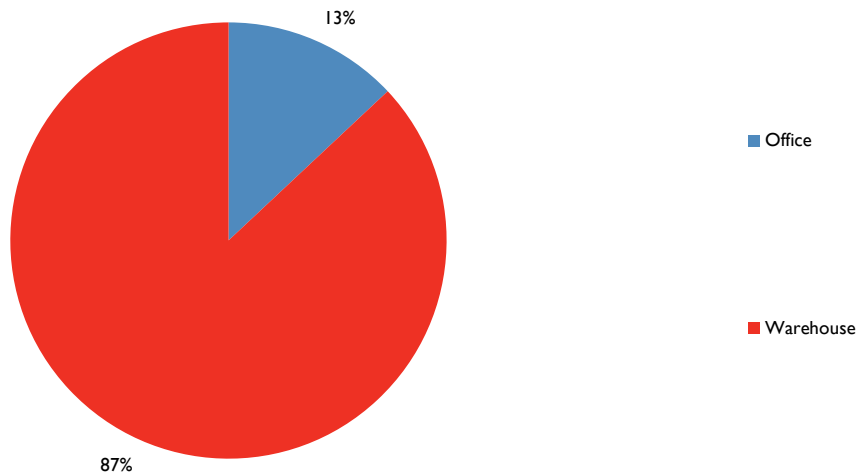


PROPERTY ID 15 Harkortstraße 1, 59469 Ense-Hoeningen, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	1,703 m²	1,703 m²	€ 4.86	€ 99,281	€ 5.00	€ 102,180
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	18,996 m²	18,996 m²	€ 2.91	€ 663,127	€ 3.00	€ 683,856
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	20,699 m²	20,699 m²		€ 762,408		€ 786,036
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. NTG Logistics GmbH	20,699	0	762,408	3.07	3.16	3.1%	100.0%	2.5 years	100.0%
Total Top 10	20,699	0	762,408	3.07				2.5 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 15 Harkortstraße 1, 59469 Ense-Hoeningen, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING	
Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10 years

CAPITALISATION RATES	
Cap Rate	6.25%
Cap Year	Year 10
Discount Rate	5.25%

NON-REIMBURSABLE EXPENSES	
Vacancy Costs (p.a.)	€ 9.00 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 3.50 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 0

OTHER ADJUSTMENTS	
Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION	
General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

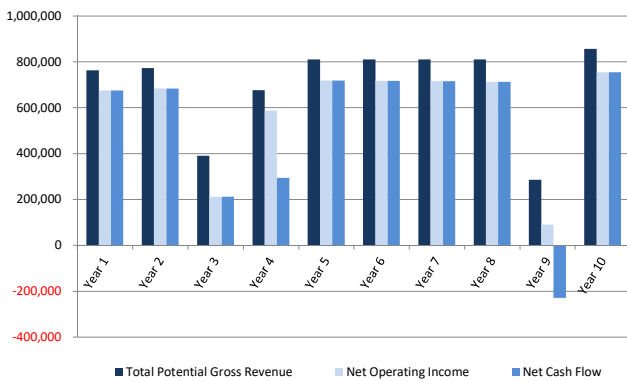
VALUATION RESULTS

Current Rent	€ 762,408
Market Rent	€ 786,036
CR Multiplier	12.8
MR Multiplier	12.5
Net Initial Yield	6.32%
Gross Initial Yield	7.79%
Total Investment	€ 10,676,373
Less Purchasers' Costs	9.00%
Market Value	€ 9,794,837

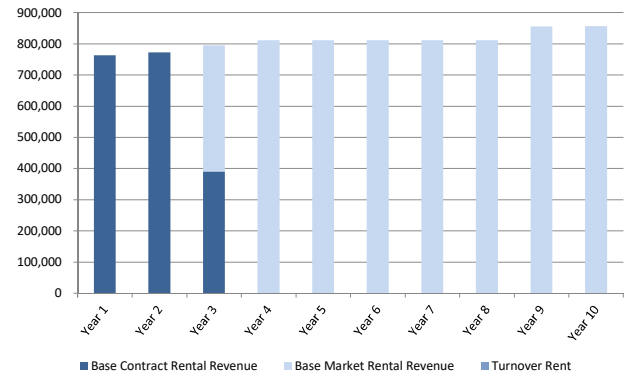
MARKET VALUE (rounded) € 9,790,000

Net Capital Value per m² lettable building area € 473 /m²

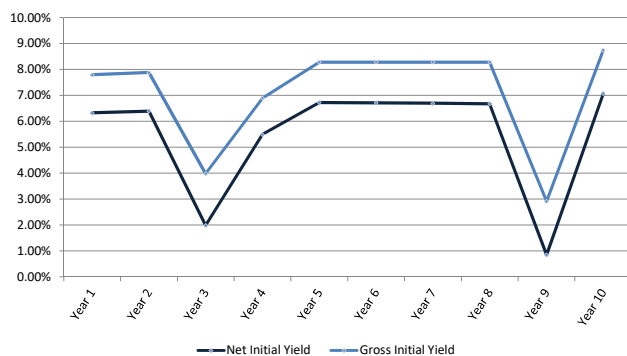
CASH FLOW ANALYSIS



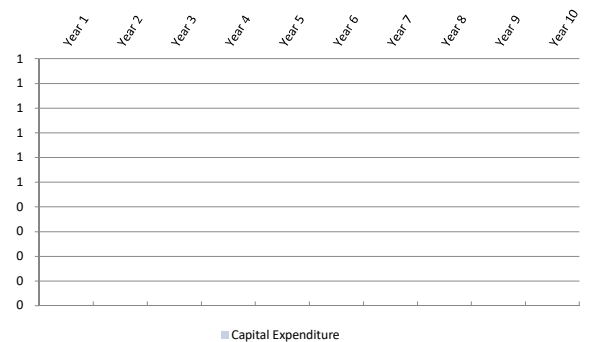
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 15 Harkortstraße 1, 59469 Ense-Hoeningen, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10

CAPITALISATION RATES

Cap Rate	6.25%
Cap Year	Year 10
Discount Rate	6.25%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.00 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 3.50 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 0

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 786,036
CR Multiplier	0.0
MR Multiplier	10.0
Net Initial Yield	-3.05%
Gross Initial Yield	0.00%
Total Investment	€ 8,541,673
Less Purchasers' Costs	9.00%
Market Value	-€ 705,276
	€ 7,836,397

VACANT POSSESSION VALUE (rounded)

€ 7,840,000

Net Capital Value per m² lettable building area

€ 379 /m²

PROPERTY SHEET



PROPERTY ID 15 Harkortstraße 1, 59469 Ense-Hoeningen, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA

Net lettable building area	20,699 m²
Ratio net lettable area to gross floor area	90.00%
Gross floor area (BGF)	22,999 m²

DEMOLITION & SITE CLEARANCE

Demolition costs existing buildings	€ 60 /m²	€ 1,379,933
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 1,379,933

CONSTRUCTION COSTS

a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 700 /m²
Regional adjustment	0.934	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 681 /m²
Gross floor area (BGF)	22,999 m²	
Building costs, total		€ 15,658,881
b) External areas and outdoor facilities		
External areas [% of building costs]	5.00%	€ 782,944
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 782,944
Building costs incl. external areas		€ 16,441,825
Soft costs	15.00%	€ 2,466,274
Construction costs (incl. VAT)		€ 18,908,098

VALUATION OVERVIEW

RESULTS

Demolition and site clearance		€ 1,379,933
Construction costs (incl. VAT)		€ 18,908,098
Indicative Reinstatement Costs (incl. VAT)		€ 20,288,032
Consideration of VAT	19.00%	-€ 3,239,266
Indicative Reinstatement Costs (excl. VAT)		€ 17,048,766

INDICATIVE REINSTATEMENT COSTS (rounded)

€ 17,000,000

Reinstatement costs (rounded) per m² lettable building area

€ 821 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 15 Harkortstraße 1, 59469 Ense-Hoeningen, Germany

INFORMATION PROVIDED BY THE CLIENT

<i>Item</i>	<i>Provided via</i>
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 15 Harkortstraße 1, 59469 Ense-Hoeningen, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 763,107	€ 771,570	€ 390,071	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 404,089	€ 810,525	€ 810,525	€ 810,525	€ 810,525	€ 810,525	€ 854,879	€ 856,119
Absorption & Turnover Vacancy	€ 0	€ 0	-€ 404,089	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 426,820	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	-€ 135,088	€ 0	€ 0	€ 0	€ 0	-€ 142,687	€ 0
Scheduled Base Rental Revenue	€ 763,107	€ 771,570	€ 390,071	€ 675,438	€ 810,525	€ 810,525	€ 810,525	€ 810,525	€ 285,373	€ 856,119
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 763,107	€ 771,570	€ 390,071	€ 675,438	€ 810,525	€ 810,525	€ 810,525	€ 810,525	€ 285,373	€ 856,119
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	-€ 96,300	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 106,364	€ 0
Repairs & Maintenance, Lettable Area	-€ 72,917	-€ 73,792	-€ 74,677	-€ 75,573	-€ 76,808	-€ 78,344	-€ 79,911	-€ 81,509	-€ 83,139	-€ 84,802
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 7,631	-€ 7,716	-€ 3,901	-€ 6,754	-€ 8,105	-€ 8,105	-€ 8,105	-€ 8,105	-€ 2,854	-€ 8,561
Management Costs	-€ 7,631	-€ 7,716	-€ 3,901	-€ 6,754	-€ 8,105	-€ 8,105	-€ 8,105	-€ 8,105	-€ 2,854	-€ 8,561
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 88,179	-€ 89,223	-€ 178,778	-€ 89,082	-€ 93,018	-€ 94,554	-€ 96,121	-€ 97,719	-€ 195,211	-€ 101,924
	11.56%	11.56%	45.83%	13.19%	11.48%	11.67%	11.86%	12.06%	68.41%	11.91%
NET OPERATING INCOME (NOI)	€ 674,928	€ 682,347	€ 211,293	€ 586,356	€ 717,507	€ 715,971	€ 714,404	€ 712,806	€ 90,162	€ 754,195
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	€ 0	€ 0	-€ 191,978	€ 0	€ 0	€ 0	€ 0	-€ 212,528	€ 0
Leasing Commissions	€ 0	€ 0	€ 0	-€ 101,316	€ 0	€ 0	€ 0	€ 0	-€ 107,015	€ 0
Capital Expenditure	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	€ 0	€ 0	-€ 293,293	€ 0	€ 0	€ 0	€ 0	-€ 319,543	€ 0
CASH FLOW	€ 674,928	€ 682,347	€ 211,293	€ 293,063	€ 717,507	€ 715,971	€ 714,404	€ 712,806	-€ 229,381	€ 754,195
Discount Rate / Discount Factor	5.25%	0.950	0.903	0.858	0.815	0.774	0.736	0.699	0.664	0.599
NET PRESENT VALUE (NPV)	€ 641,262	€ 615,972	€ 181,225	€ 238,821	€ 555,541	€ 526,699	€ 499,332	€ 473,363	-€ 144,730	€ 452,129

Property Exit			
GPV	NOI year 10 *Cap	€ 754,195 x 16	€ 12,067,118
Purchasers Cost	9.00%		-€ 996,368
Exit Value			€ 11,070,750
NPV Exit Value	0.5995		€ 6,636,758

Market Value		
NPV Cash Flows		€ 4,039,614
Total Investment		€ 10,676,373
Purchasers Cost	9.00%	-€ 881,535
Market Value		€ 9,794,837

Market Value (rounded) € 9,790,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	15.2	12.8	12.7	25.1	14.5	12.1	12.1	12.1	12.1	34.3	11.4
Net Initial Yield (NIY)	5.75%	6.3%	6.4%	2.0%	5.5%	6.7%	6.7%	6.7%	6.7%	0.8%	7.1%
Gross Initial Yield (GIY)	7.40%	7.8%	7.9%	4.0%	6.9%	8.3%	8.3%	8.3%	8.3%	2.9%	8.7%

PROPERTY ID 15

Harkortstraße 1, 59469 Ense-Hoeningen, Germany

RENT ROLL						MARKET LEASING ASSUMPTIONS								
PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
NTG Logistics GmbH	Office	1,703	€ 4.86	€ 99,280.94	31.12.2020	2.5 years	€ 5.00	€ 102,180.00	12	50%	€ 60 /m²	60	3	3
NTG Logistics GmbH	Warehouse	18,996	€ 2.91	€ 663,127.30	31.12.2020	2.5 years	€ 3.00	€ 683,856.00	12	50%	€ 15 /m²	60	3	3
Total		20,699 m²		€ 762,408				€ 786,036						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)													
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment				Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatelements [months]	Leasing Agency Fees [months]
Total		0 m²						- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 15 Harkortstraße 1, 59469 Ense-Hoeningen, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 790,287	€ 797,030	€ 797,856	€ 797,856	€ 797,856	€ 797,856	€ 822,816	€ 842,737	€ 842,737	€ 842,737
Absorption & Turnover Vacancy	-€ 790,287	-€ 331,614	€ 0	€ 0	€ 0	€ 0	-€ 420,148	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 199,464	€ 0	€ 0	€ 0	€ 0	-€ 70,228	-€ 70,228	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 265,952	€ 797,856	€ 797,856	€ 797,856	€ 797,856	€ 332,440	€ 772,509	€ 842,737	€ 842,737
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 265,952	€ 797,856	€ 797,856	€ 797,856	€ 797,856	€ 332,440	€ 772,509	€ 842,737	€ 842,737
Non Recoverable Running Costs During Vacancy	-€ 187,500	-€ 94,592	€ 0	€ 0	€ 0	€ 0	-€ 120,360	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 72,917	-€ 73,792	-€ 74,677	-€ 75,573	-€ 76,808	-€ 78,344	-€ 79,911	-€ 81,509	-€ 83,139	-€ 84,802
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 2,660	-€ 7,979	-€ 7,979	-€ 7,979	-€ 7,979	-€ 3,324	-€ 7,725	-€ 8,427	-€ 8,427
Management Costs	€ 0	-€ 2,660	-€ 7,979	-€ 7,979	-€ 7,979	-€ 7,979	-€ 3,324	-€ 7,725	-€ 8,427	-€ 8,427
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 260,416	-€ 173,702	-€ 90,634	-€ 91,530	-€ 92,765	-€ 94,301	-€ 206,920	-€ 96,959	-€ 99,994	-€ 101,657
#DIV/0!	65.31%	65.31%	11.36%	11.47%	11.63%	11.82%	62.24%	12.55%	11.87%	12.06%
NET OPERATING INCOME	-€ 260,416	€ 92,250	€ 707,222	€ 706,326	€ 705,091	€ 703,555	€ 125,520	€ 675,550	€ 742,743	€ 741,080
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	-€ 376,772	€ 0	€ 0	€ 0	€ 0	-€ 205,968	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 199,464	€ 0	€ 0	€ 0	€ 0	-€ 105,342	€ 0	€ 0	€ 0
Capital Expenditure	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 576,236	€ 0	€ 0	€ 0	€ 0	-€ 311,310	€ 0	€ 0	€ 0
CASH FLOW	-€ 260,416	-€ 483,986	€ 707,222	€ 706,326	€ 705,091	€ 703,555	-€ 185,790	€ 675,550	€ 742,743	€ 741,080
Discount Rate / Discount Factor	6.25%	0.941	0.886	0.834	0.785	0.739	0.695	0.654	0.616	0.579
NET PRESENT VALUE	-€ 245,098	-€ 428,721	€ 589,615	€ 554,229	€ 520,716	€ 489,018	-€ 121,540	€ 415,935	€ 430,406	€ 404,181

Property Exit			
GPV	NOI year 10 *Cap	€ 741,080 x 16	€ 11,857,285
Purchasers Cost	9.00%		-€ 979,042
Exit Value			€ 10,878,243
NPV Exit Value	0.5454		€ 5,932,932

Market Value		
NPV Cash Flows		€ 2,608,741
Total Investment		€ 8,541,673
Purchasers Cost	9.00%	-€ 705,276
Vacant Possession Value		€ 7,836,397

Vacant Possession Value (rounded) € 7,840,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	12.8		29.5	9.8	9.8	9.8	9.8	23.6	10.1	9.3	9.3
Net Initial Yield (NIY)	7.03%		1.1%	8.3%	8.3%	8.3%	8.2%	1.5%	7.9%	8.7%	8.7%
Gross Initial Yield (GIY)	9.14%		3.4%	10.2%	10.2%	10.2%	10.2%	4.2%	9.9%	10.8%	10.8%



PROPERTY ID 16 In den Längen 3, 06231 Tollwitz, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Saxony-Anhalt
Federal District	Saalekreis
City / Municipality	Tollwitz
Inhabitants (as at)	31.12.2016 1,175
Unemployment rate (as at)	31.12.2008 7.0%
Purchasing Power (German average = 100)	01.06.2018 84.2

Location rating

Macro Location	Out-of-town
Micro Location	Commercial / Industrial Area
Competition	medium

PROPERTY DETAILS

Property type/ primary use	Logistics
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	1994
Lettable area	6,611 m²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	4.3 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	36,821 m²
Building condition	good
Contamination	none, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	underrented	€ 321,295
Market gross rental income p.a. (Year 1)		€ 350,361
Non-recoverable costs p.a. (Year 1)		-€ 34,112

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 4,780,000

Net Capital Value per m² lettable building area € 723 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	6.63%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	7.84%
Gross multiplier on Current Rent	14.9
Gross multiplier on Market Rent	13.6

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	3	Lettability	3
Micro Location	3	Marketability (sale)	3
Building quality (specification & parking etc.)	3	Overall rating	3
Building condition	4	Estimated marketing period (months)	12



PROPERTY ID 16 In den Längen 3, 06231 Tollwitz, Germany

LOCATION

MACRO LOCATION



MACRO LOCATION

Tollwitz is a village and a former municipality in the district of Saalekreis, in Saxony-Anhalt. It is located in the east-central part of Germany, south of the city Halle und west of the city Leipzig. The village has approx. 1,000 inhabitants. Tollwitz is part of the Halle/Leipzig agglomeration which benefits by positive economical developments in the recent years. Due to the central location within Germany and the A9 and A14 motorways as well as railway transport link, Halle/Leipzig is an important logistics hub. Furthermore, Leipzig airport has an annual freight volume of 1 million tonnes.

MICRO LOCATION



MICRO LOCATION

The subject property is located in an industrial area within Tollwitz. Adjacent to the property is agricultural land to the north, east and south. To the west is another logistics company. In the further surrounding are logistics companies, e.g. automotive suppliers. The subject site is accessible via access road In den Längen. A187 federal highway is reachable within 1 minutes' drive and lead to A9 motorway junction within further 3 minutes. Leipzig/Halle airport is reachable within 16 minutes' drive.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

No historical trend of prime and average rents or net initial yields for logistics space in Tollwitz can currently be determined due to the insufficient volume and availability of data, primarily due to the size of the market. For this reason, Halle, the nearest larger city, is considered as a proxy. In 2007 the prime rent for warehouses and logistics in Halle amounted to € 3.20/m². By 2017, this is still at € 3.60/m². The average rent for warehouses and logistics in Halle increased from € 2.50/m² in 2007 to € 3.00/m² in 2017. The prime yield decreased from 8.5% in 2007 to 6.9% in 2017. The average yield amounts to 8.4%. Halle is located in the logistics region Halle/Leipzig. Due to its location in central Germany on A9 and A14 motorways, railway links and its proximity to Leipzig/Halle airport, Halle has supraregional relevance. The annual freight volume at Leipzig/Halle airport amounts to 1 million tonnes. Furthermore, there is a river port with a focus on the container terminals Halle Saale. Halle ranks among the D-cities. Letting opportunities are considered to be good and the vacancy rate trend is classified as good.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
logistics	58708 Menden	16,834 m²	€ 4.58 /m²	Q4 2017	medium
logistics	04249 Leipzig	3,000 m²	€ 4.33 /m²	currently asking	high
logistics	06254 Zöschen	1,510 m²	€ 3.50 /m²	currently asking	medium

COMMENT ON LEASE COMPARABLES

The rental level for logistics properties provided within the comparable evidence range between € 3.50 and € 4.58 m²/month, with the size spectrum of the currently offered rental areas ranging between 1,510 m² and 16,834 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for logistics space of € 4.25 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m²	Sales price	Date of sale	Comparability
warehouse/storage	09116 Chemnitz	8,086 m²	€ 742	€ 6,000,000	Q2 2017	medium
logistics	53842 Troisdorf	6,759 m²	€ 681	€ 4,600,000	Q4 2017	medium
business park	34253 Lohfelden	7,891 m²	€ 773	€ 6,100,000	Q4 2017	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 681 and 773/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 723/m² appears plausible and fits into the comparable evidence. As at the date of transaction, comparable 1 was fully let and the WALT amounted to 2.41 years. Comparable property 2 was built in 1991. Comparable was fully let and the WALT was 0.55 years. Comparable property 3 was built in 1997. As at the date of transaction, 76% of rental areas were let on multi-tenant basis and the WALT was 1.39 years.



PROPERTY ID 16 In den Längen 3, 06231 Tollwitz, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Merseburg, land register of Tollwitz, Folio 1035 (dated 07.12.2017)
Owner	GER LOG 1 SA, in Luxembourg (Gesellschaft luxemburgischen Rechts)
Land parcels	Cadastral Section 7, Land parcel 77/6
Site area	36,821 m ²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1 Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a right to shared use for the purpose of operating a fast delivery service or a logistic company with day and night operation (Mitbenutzungsrecht zum Zwecke des Betriebes eines Schnell-Lieferdienstes oder Speditionsbetriebes mit Tag- und Nachtbetrieb) in favour of trans-o-flex Schnell-Lieferdienst GmbH; registered on 26 February 2003.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There is an entry in section II of the land registry extract. The restricted personal easement regards a right to shared use for the purpose of operating a fast delivery service or a logistic company with day and night operation. For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, there are no building restrictions registered according to the Reports on Title and the authority's information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site is of low risk, due to its non-sensitive setting and the current use of the site as a logistics warehouse.

PLANNING LAW

According to information provided by the construction supervision authority of the Saalekreis on 20.06.2018, the subject property is not subject to a detailed development plan. Planning consent is subject to § 34 BauGB (the German planning code). New developments must be in keeping with the type, style and size of existing buildings in the urban area, and roads and services must be available. The zoning plan stipulates a site coverage of 0.6 and a plot ratio of 1.8. For the purpose of this valuation, we have assumed that the subject property has been developed in line with the planning requirements.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 16 In den Längen 3, 06231 Tollwitz, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	36,821 m²
of which is development land (for additional construction)	none
Shape of site	irregular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	modern, average quality
State of repair, building	good
Building layout	efficient
Condition of lettable areas	medium
Construction type	various types
Facade	various types
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	n/a
Windows	aluminium
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a good overall condition.

There were no Recognized Environmental Conditions (RECs) identified at this site. 1 - 4 years considerations include the replacement of two loading docks, general maintenance on road and cleaning drains and gullies.

INSPECTION

Type of inspection	Full inspection
Date of inspection	25.06.2018
Inspected by	Rene Ciecierski

COMMENT ON BUILDING

The subject property consists of one logistics building with an adjacent office building and has a steel framed structure with concrete floors as well as a steel frame construction. The facade is of metal sandwich panels and concrete at the base level part and masonry. The warehouse unit is on one floor and the office unit has two storeys. It is currently let to trans-o-flex Schnell-Lieferdienst GmbH & Co. KG. The outside area is paved and accessible via separated entry and exit gate. The access is controlled via barrier. There are 21 dock doors, 68 level doors and 40 parking units. During the inspection we were not able to access the roof.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (25.06.2018), the lettable areas appeared to be in a fair condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. We applied € 228,000 total capex, in line with the Arcadis report.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a medium level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. Estate management would include extending the existing lease agreement.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Proximity to motorway A9
2. Well known tenant
3. Location in the Leipzig area

OPPORTUNITIES

1. Prolongation of existing lease

WEAKNESSES

1. Building age
2. Purpose built for current tenant

THREATS

1. Decrease of rent to market rental level
2. Limited third party demand for current configuration (purpose-built for trans-o-flex)

PROPERTY SHEET



PROPERTY ID 16 In den Längen 3, 06231 Tollwitz, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



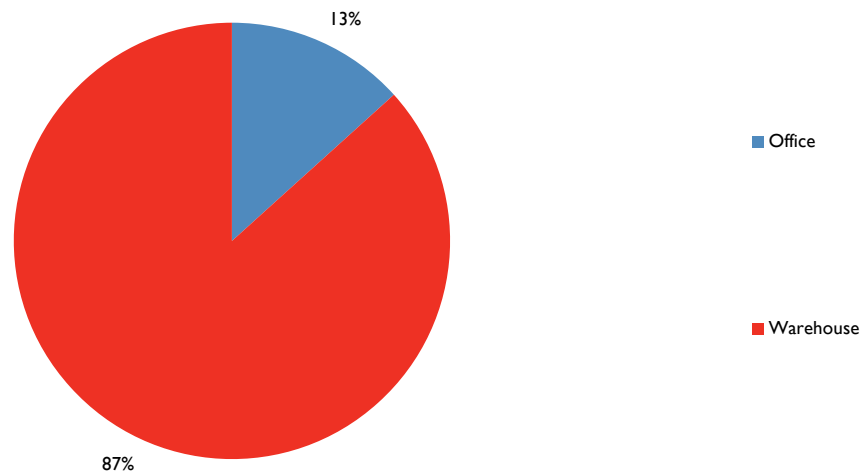
PROPERTY ID 16 In den Längen 3, 06231 Tollwitz, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	880 m²	13.3%	880 m²	13.3%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	0 m²	0.0%	0 m²	0.0%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	5,731 m²	86.7%	5,731 m²	86.7%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	6,611 m²		6,611 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

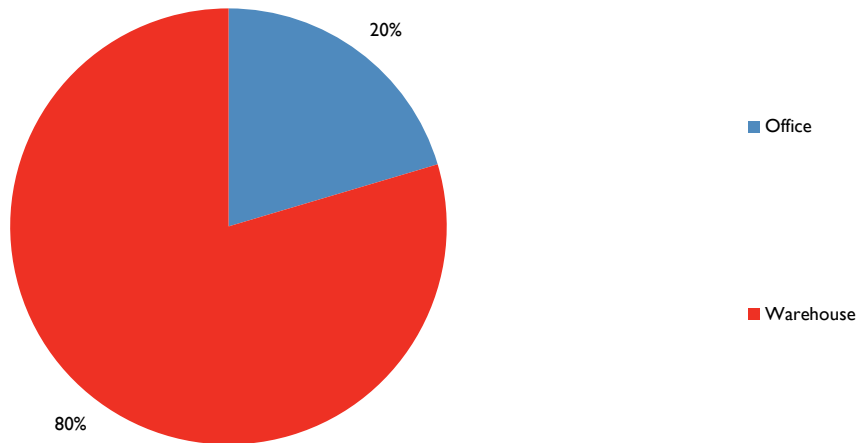


PROPERTY ID 16 In den Längen 3, 06231 Tollwitz, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	880 m²	880 m²	€ 6.21	€ 65,574	€ 5.50	€ 58,080
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	5,731 m²	5,731 m²	€ 3.72	€ 255,720	€ 4.25	€ 292,281
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	6,611 m²	6,611 m²		€ 321,295		€ 350,361
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. trans-o-flex Schnell-Lieferdienst G	6,611	0	321,295	4.05	4.42	9.0%	100.0%	4.3 years	100.0%
Total Top 10	6,611	0	321,295	4.05				4.3 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 16 In den Längen 3, 06231 Tollwitz, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING	
Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	11 years

CAPITALISATION RATES	
Cap Rate	6.00%
Cap Year	Year 12
Discount Rate	5.50%

NON-REIMBURSABLE EXPENSES	
Vacancy Costs (p.a.)	€ 9.50 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 4.00 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 232,149

OTHER ADJUSTMENTS	
Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION	
General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-11 p.a. (average)	1.00%

VALUATION RESULTS

Current Rent	€ 321,295
Market Rent	€ 350,361
CR Multiplier	14.9
MR Multiplier	13.6
Net Initial Yield	6.63%
Gross Initial Yield	7.84%
Total Investment	€ 5,136,521
Less Purchasers' Costs	7.50%
Market Value	€ 4,778,159

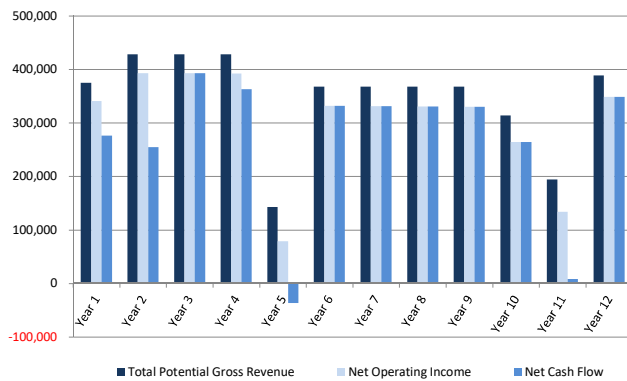
MARKET VALUE (rounded)

€ 4,780,000

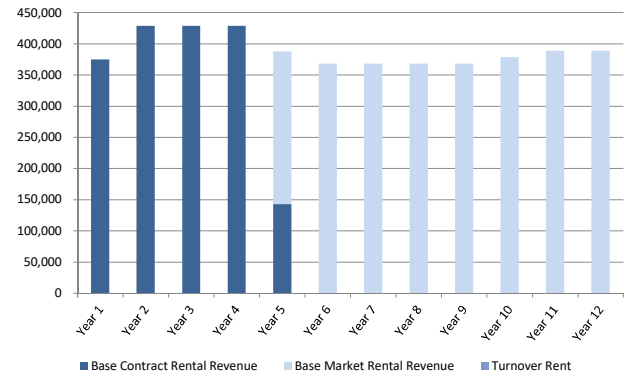
Net Capital Value per m² lettable building area

€ 723 / m²

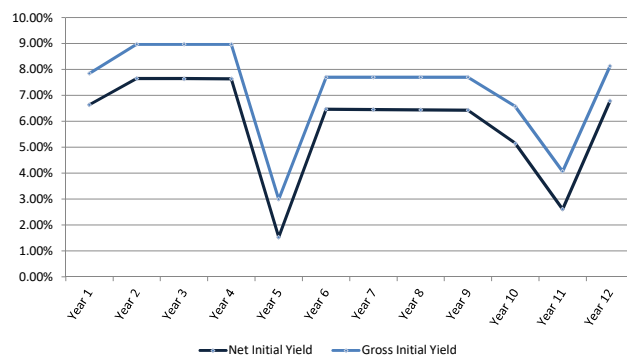
CASH FLOW ANALYSIS



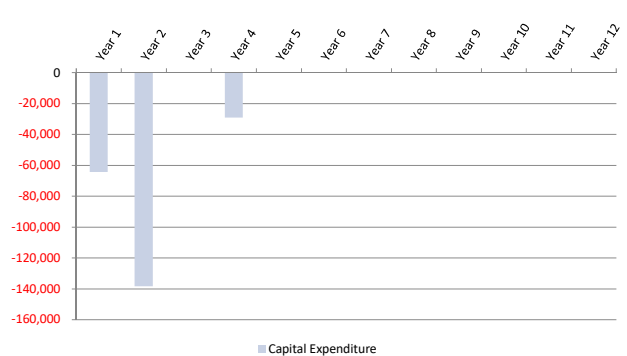
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 16 In den Längen 3, 06231 Tollwitz, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	11

CAPITALISATION RATES

Cap Rate	6.00%
Cap Year	Year 11
Discount Rate	6.25%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-11 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 4.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 232,149

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 350,361
CR Multiplier	0.0
MR Multiplier	10.4
Net Initial Yield	-2.29%
Gross Initial Yield	0.00%
Total Investment	€ 3,928,919
Less Purchasers' Costs	7.50%
Market Value	-€ 274,111
	€ 3,654,808

VACANT POSSESSION VALUE (rounded)

€ 3,650,000

Net Capital Value per m² lettable building area

€ 552 /m²



PROPERTY ID 16 In den Längen 3, 06231 Tollwitz, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA		
Net lettable building area		6,611 m²
Ratio net lettable area to gross floor area	90.00%	
Gross floor area (BGF)		7,346 m²
DEMOLITION & SITE CLEARANCE		
Demolition costs existing buildings	€ 60 /m²	€ 440,733
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 440,733

CONSTRUCTION COSTS		
a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 800 /m²
Regional adjustment	0.855	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 712 /m²
Gross floor area (BGF)	7,346 m²	
Building costs, total		€ 5,232,265
b) External areas and outdoor facilities		
External areas [% of building costs]	7.50%	€ 392,420
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 392,420
Building costs incl. external areas		€ 5,624,684
Soft costs	15.00%	€ 843,703
Construction costs (incl. VAT)		€ 6,468,387

VALUATION OVERVIEW

RESULTS		
Demolition and site clearance		€ 440,733
Construction costs (incl. VAT)		€ 6,468,387
Indicative Reinstatement Costs (incl. VAT)		€ 6,909,120
Consideration of VAT	19.00%	-€ 1,103,137
Indicative Reinstatement Costs (excl. VAT)		€ 5,805,984

INDICATIVE REINSTATEMENT COSTS (rounded)	€ 5,810,000
Reinstatement costs (rounded) per m² lettable building area	€ 879 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 16 In den Längen 3, 06231 Tollwitz, Germany

INFORMATION PROVIDED BY THE CLIENT

<i>Item</i>	<i>Provided via</i>
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 16 In den Längen 3, 06231 Tollwitz, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029	Year 12 Jun. 2030
POTENTIAL GROSS REVENUE												
Base Contract Rental Revenue	€ 374,844	€ 428,393	€ 428,393	€ 428,393	€ 142,798	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 244,752	€ 367,928	€ 367,928	€ 367,928	€ 367,928	€ 378,544	€ 388,356	€ 388,624
Absorption & Turnover Vacancy	€ 0	€ 0	€ 0	€ 0	-€ 183,431	€ 0	€ 0	€ 0	€ 0	-€ 64,476	-€ 129,273	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	€ 0	-€ 61,321	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 64,771	€ 0
Scheduled Base Rental Revenue	€ 374,844	€ 428,393	€ 428,393	€ 428,393	€ 142,798	€ 367,928	€ 367,928	€ 367,928	€ 367,928	€ 314,068	€ 194,312	€ 388,624
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 374,844	€ 428,393	€ 428,393	€ 428,393	€ 142,798	€ 367,928	€ 367,928	€ 367,928	€ 367,928	€ 314,068	€ 194,312	€ 388,624
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	€ 0	€ 0	-€ 33,347	€ 0	€ 0	€ 0	€ 0	-€ 12,354	-€ 24,830	€ 0
Repairs & Maintenance, Lettable Area	-€ 26,616	-€ 26,935	-€ 27,258	-€ 27,585	-€ 28,036	-€ 28,597	-€ 29,169	-€ 29,752	-€ 30,347	-€ 30,954	-€ 31,573	-€ 32,204
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 3,748	-€ 4,284	-€ 4,284	-€ 4,284	-€ 1,428	-€ 3,679	-€ 3,679	-€ 3,679	-€ 3,679	-€ 3,141	-€ 1,943	-€ 3,886
Management Costs	-€ 3,748	-€ 4,284	-€ 4,284	-€ 4,284	-€ 1,428	-€ 3,679	-€ 3,679	-€ 3,679	-€ 3,679	-€ 3,141	-€ 1,943	-€ 3,886
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 34,112	-€ 35,503	-€ 35,826	-€ 36,153	-€ 64,239	-€ 35,955	-€ 36,527	-€ 37,110	-€ 37,706	-€ 49,589	-€ 60,290	-€ 39,977
	9.10%	8.29%	8.36%	8.44%	44.99%	9.77%	9.93%	10.09%	10.25%	15.79%	31.03%	10.29%
NET OPERATING INCOME (NOI)	€ 340,731	€ 392,890	€ 392,567	€ 392,240	€ 78,559	€ 331,973	€ 331,401	€ 330,817	€ 330,222	€ 264,479	€ 134,022	€ 348,647
LEASING & CAPITAL COSTS												
Tenant Improvements	€ 0	€ 0	€ 0	€ 0	-€ 69,407	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 77,393	€ 0
Leasing Commissions	€ 0	€ 0	€ 0	€ 0	-€ 45,991	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 48,578	€ 0
Capital Expenditure	-€ 64,415	-€ 138,525	€ 0	-€ 29,208	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 64,415	-€ 138,525	€ 0	-€ 29,208	-€ 115,398	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 125,971	€ 0
CASH FLOW	€ 276,316	€ 254,365	€ 392,567	€ 363,031	-€ 36,839	€ 331,973	€ 331,401	€ 330,817	€ 330,222	€ 264,479	€ 8,051	€ 348,647
Discount Rate / Discount Factor	5.50%	0.948	0.898	0.852	0.807	0.765	0.725	0.687	0.652	0.618	0.585	0.526
NET PRESENT VALUE (NPV)	€ 261,911	€ 228,535	€ 334,315	€ 293,045	-€ 28,187	€ 240,762	€ 227,817	€ 215,560	€ 203,955	€ 154,834	€ 4,468	€ 183,382

Property Exit			
GPV	NOI year 12 *Cap	€ 348,647 x 16,6667	€ 5,810,791
Purchasers Cost	7.50%		-€ 405,404
Exit Value			€ 5,405,387
NPV Exit Value	0.5549		€ 2,999,506
Market Value			
NPV Cash Flows			€ 2,137,015
Total Investment			€ 5,136,521
Purchasers Cost	7.50%		-€ 358,362
Market Value			€ 4,778,159
Market Value (rounded)		€ 4,780,000	

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Gross Rent Multiplier	15.3	12.7	11.2	11.2	11.2	33.5	13.0	13.0	13.0	13.0	15.2	24.6	12.3
Net Initial Yield (NIY)	5.95%	6.6%	7.6%	7.6%	7.6%	1.5%	6.5%	6.5%	6.4%	6.4%	5.1%	2.6%	6.8%
Gross Initial Yield (GIY)	7.28%	7.8%	9.0%	9.0%	9.0%	3.0%	7.7%	7.7%	7.7%	7.7%	6.6%	4.1%	8.1%

PROPERTY ID 16

In den Längen 3, 06231 Tollwitz, Germany

RENT ROLL							MARKET LEASING ASSUMPTIONS							
PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
trans-o-flex Schnell-Lieferdienst GmbH & Co Office		880	€ 6.21	€ 65,574.33	31.10.2022	4.3 years	€ 5.50	€ 58,080.00	12	50%	€ 50 /m²	60	3	3
trans-o-flex Schnell-Lieferdienst GmbH & Co Warehouse		5,731	€ 3.72	€ 255,720.27	31.10.2022	4.3 years	€ 4.25	€ 292,281.00	12	50%	€ 15 /m²	60	3	3
Total		6,611 m²		€ 321,295				€ 350,361						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)													
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment				Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatelements [months]	Leasing Agency Fees [months]
Total		0 m²						- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 16 In den Längen 3, 06231 Tollwitz, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 352,266	€ 355,261	€ 355,630	€ 355,630	€ 355,630	€ 355,630	€ 366,755	€ 375,634	€ 375,634	€ 375,634	€ 375,634
Absorption & Turnover Vacancy	-€ 352,266	-€ 147,811	€ 0	€ 0	€ 0	€ 0	-€ 187,273	€ 0	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 88,907	€ 0	€ 0	€ 0	€ 0	-€ 31,303	-€ 31,303	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 118,543	€ 355,630	€ 355,630	€ 355,630	€ 355,630	€ 148,179	€ 344,332	€ 375,634	€ 375,634	€ 375,634
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 118,543	€ 355,630	€ 355,630	€ 355,630	€ 355,630	€ 148,179	€ 344,332	€ 375,634	€ 375,634	€ 375,634
Non Recoverable Running Costs During Vacancy	-€ 63,212	-€ 31,890	€ 0	€ 0	€ 0	€ 0	-€ 40,577	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 26,616	-€ 26,935	-€ 27,258	-€ 27,585	-€ 28,036	-€ 28,597	-€ 29,169	-€ 29,752	-€ 30,347	-€ 30,954	-€ 31,573
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 1,185	-€ 3,556	-€ 3,556	-€ 3,556	-€ 3,556	-€ 1,482	-€ 3,443	-€ 3,756	-€ 3,756	-€ 3,756
Management Costs	€ 0	-€ 1,185	-€ 3,556	-€ 3,556	-€ 3,556	-€ 3,556	-€ 1,482	-€ 3,443	-€ 3,756	-€ 3,756	-€ 3,756
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 89,828	-€ 61,196	-€ 34,371	-€ 34,698	-€ 35,148	-€ 35,709	-€ 72,709	-€ 36,639	-€ 37,860	-€ 38,467	-€ 39,086
#DIV/0!		51.62%	9.66%	9.76%	9.88%	10.04%	49.07%	10.64%	10.08%	10.24%	10.41%
NET OPERATING INCOME	-€ 89,828	€ 57,347	€ 321,259	€ 320,932	€ 320,481	€ 319,920	€ 75,470	€ 307,693	€ 337,775	€ 337,168	€ 336,549
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	-€ 132,311	€ 0	€ 0	€ 0	€ 0	-€ 72,330	€ 0	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 88,907	€ 0	€ 0	€ 0	€ 0	-€ 46,954	€ 0	€ 0	€ 0	€ 0
Capital Expenditure	-€ 64,415	-€ 138,525	€ 0	-€ 29,208	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 64,415	-€ 359,744	€ 0	-€ 29,208	€ 0	€ 0	-€ 119,284	€ 0	€ 0	€ 0	€ 0
CASH FLOW	-€ 154,243	-€ 302,396	€ 321,259	€ 291,723	€ 320,481	€ 319,920	-€ 43,815	€ 307,693	€ 337,775	€ 337,168	€ 336,549
Discount Rate / Discount Factor	6.25%	0.941	0.886	0.834	0.785	0.739	0.695	0.654	0.616	0.579	0.513
NET PRESENT VALUE	-€ 145,170	-€ 267,867	€ 267,836	€ 228,905	€ 236,678	€ 222,366	-€ 28,663	€ 189,446	€ 195,734	€ 183,889	€ 172,755

Property Exit		
GPV	NOI year 11 *Cap	€ 336,549 x 16,6667
Purchasers Cost	7.50%	€ 5,609,145
Exit Value		€ 5,217,810
NPV Exit Value	0.5454	€ 2,845,764

Market Value		
NPV Cash Flows		€ 1,083,155
Total Investment		€ 3,928,919
Purchasers Cost	7.50%	-€ 274,111
Vacant Possession Value		€ 3,654,808

Vacant Possession Value (rounded) € 3,650,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	13.3		30.8	10.3	10.3	10.3	10.3	24.7	10.6	9.7	9.7	9.7
Net Initial Yield (NIY)	7.04%		1.5%	8.2%	8.2%	8.2%	8.1%	1.9%	7.8%	8.6%	8.6%	8.6%
Gross Initial Yield (GIY)	8.74%		3.2%	9.7%	9.7%	9.7%	9.7%	4.1%	9.4%	10.3%	10.3%	10.3%

PROPERTY SHEET



PROPERTY ID 17 Nikolaus-Otto-Straße 1a, 06667 Weissenfels, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Saxony-Anhalt
Federal District	Burgenlandkreis
City / Municipality	Weissenfels
Inhabitants (as at)	01.01.2017 40,599
Unemployment rate (as at)	31.12.2017 7.6%
Purchasing Power (German average = 100)	01.01.2018 91.59

Location rating

Macro Location	Medium-sized town (20,000-100,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	medium

PROPERTY DETAILS

Property type/ primary use	Car repair shop
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	2007
Lettable area	347 m²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	4.0 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	1,349 m²
Building condition	medium
Contamination	none, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	overrented	€ 50,998
Market gross rental income p.a. (Year 1)		€ 35,394
Non-recoverable costs p.a. (Year 1)		-€ 3,115

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 437,000

Net Capital Value per m² lettable building area € 1,259 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	10.19%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	11.67%
Gross multiplier on Current Rent	8.6
Gross multiplier on Market Rent	12.3

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	2	Lettability	3
Micro Location	3	Marketability (sale)	3
Building quality (specification & parking etc.)	3	Overall rating	3
Building condition	3	Estimated marketing period (months)	12

PROPERTY SHEET



PROPERTY ID 17 Nikolaus-Otto-Straße 1a, 06667 Weissenfels, Germany

LOCATION

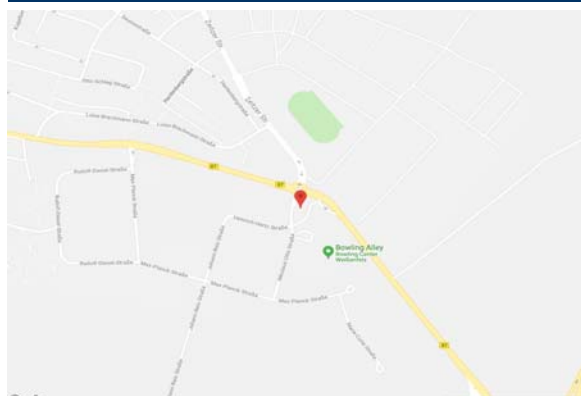
MACRO LOCATION



MACRO LOCATION

Weissenfels is the largest town of the Burgenlandkreis district in Saxony-Anhalt. It is situated on the river Saale, approx. 30 km south of Halle. Leipzig is in approx. 45 km distance. Weissenfels has approx. 41,000 inhabitants. Since the 19th century industrialisation, shoe manufacture was Weissenfels' primary industry, until 1991 when the last factory shut down. Since then, the food processing industry has grown significantly. The town has access to the A9 motorway at the Weissenfels junction, near the interchange with the A38 motorway. Weissenfels station is a stop on the Thuringian railway line from Halle to Neuba.

MICRO LOCATION



MICRO LOCATION

The subject property is located in a commercial area in the periphery of Weissenfels. It is adjacent to logistics companies, commercial companies and fast food restaurants. Many of the properties in the surroundings are used to offer car-related services. The further surrounding is characterized by green areas. Airport Leipzig/Halle is accessible within 20 minutes drive. Public transport is accessible in more than 2 km distance.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

No historical trend of prime and average rents or net initial yields for logistics space in Weissenfels can currently be determined due to the insufficient volume and availability of data, primarily due to the size of the market. For this reason, Jena, the nearest larger city, is considered as a proxy. In 2007 the prime rent for warehouses and logistics in Jena amounted to € 4.20/m². By 2017, this had decreased to € 4.00/m². The average rent for warehouses and logistics in Jena is at € 3.00/m² in 2017. The prime yield decreased from 9.5% in 2007 to 7.3% in 2017. The average yield amounts to 9.3%. Jena is a logistics region of limited supraregional relevance. Local and regional operating companies and companies providing special freight solutions are located in Jena. Resident companies are e.g. Mitteldeutsche Logistik GmbH, diepreuer.de Logistikdienstleistungen GmbH, Steinbeis-Transferzentrum. In 2007 the prime rent for retail in Jena amounted to € 15.00/m² in the central locations and to € 10.00/m² in peripheral areas. By 2017, this had increased to € 16.00/m² and € 11.50/m². The average rent for retail in peripheral areas of Jena amounts to € 8.00/m². In the meantime the prime yield decreased from 9.0% to 7.5% in peripheral locations and from 7.0% to 5.7% in central locations. The city ranks among the D-cities. Letting opportunities are considered to be good and the vacancy rate trend is classified as good.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
repair shop	06667 Weissenfels	164 m²	€ 8.60 /m²	currently asking	medium
car repair shop	59457 Werl	1,503 m²	€ 6.08 /m²	confidential	medium
car repair shop	59063 Hamm	1,557 m²	€ 10.41 /m²	Q4 2017	high

COMMENT ON LEASE COMPARABLES

The rental level for car repair shop properties provided within the comparable evidence range between € 6.08 and € 10.41 m²/month, with the size spectrum of the currently offered rental areas ranging between 164 m² and 1,557 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for car repair shop space of € 8.50 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m²	Sales price	Date of sale	Comparability
car repair shop	45475 Mühlheim	1,550 m²	€ 1,298	€ 2,012,500	Q4 2017	medium
car repair shop	59067 Hamm	1,557 m²	€ 1,108	€ 1,725,000	Q4 2017	medium
car repair shop	44805 Bochum	1,682 m²	€ 1,409	€ 2,370,000	Q4 2017	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 1,108 and 1,409/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 1,259/m² appears plausible and fits into the comparable evidence. The comparable properties are let to a car repair company. As at the date of transaction, the properties were let with a lease term of 10 years. All lease agreements are on a triple net lease basis.



PROPERTY ID 17 Nikolaus-Otto-Straße 1a, 06667 Weissenfels, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Weissenfels, land register of Weissenfels, Folio 11222 (dated 07.12.2017)
Owner	GER LOG 5 S.A. mit dem Sitz in Luxembourg
Land parcels	Cadastral Section 9, Land parcel 250/0
Site area	1,349 m ²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1 Easement (Grunddienstbarkeit) regarding a cable right (Leitungsrecht) in favour of the respective owner of land register of Weissenfels, folio 6024, plot 9, parcel 251; registered on 6 August 2007.

Restrictions and encumbrances 2 Restricted personal easement (beschränkte persönliche Dienstbarkeit) with the following content: "prohibition to build or to operate a petrol station/car wash and to commercially store or sell fuels and engine oils of any kind (auf dem Grundstück darf niemand eine Tankstelle/Waschhalle/Waschstraße errichten oder betreiben und niemand darf Treibstoffe und Motoröle aller Art gewerblich lagern oder vertreiben) in favour of Deutsche BP Aktiengesellschaft; registered on 6 August 2007.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There are several entries in section II of the land registry extract regarding an easement and a restricted personal easement. The restricted personal easement regards a prohibition to build or to operate a petrol station/car wash and to commercially store or sell fuels and engine oils of any kind. The easement regards a cable right. For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, there are no building restrictions registered according to the Reports on Title and the authority's information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site is located on former agricultural land in a light industrial and commercial area. There is a low risk of contamination from previous or current use.

PLANNING LAW

According to information provided by the local authorities on 13.06.2018, the subject property is not subject to a detailed development plan. Planning consent is subject to land-use plan (Flächennutzungsplan). The plan stipulates industrial / commercial building area (gewerbliche Baufläche). For the purposes of this valuation we have assumed that the use referred to would continue to be appropriate in the future.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 17 Nikolaus-Otto-Straße 1a, 06667 Weissenfels, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE	
Total site size	1,349 m²
of which is development land (for additional construction)	none
Shape of site	rectangular
Topography of site	level
BUILDING(S)	
Number of buildings on site	1
Age / Quality of building	modern, average quality
State of repair, building	average
Building layout	efficient
Condition of lettable areas	medium
Construction type	various types
Facade	various types
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	n/a
Windows	aluminium
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a fair overall condition. There were no Recognized Environmental Conditions (RECs) identified at this site. There are no short-term considerations.

INSPECTION

Type of inspection	Full inspection
Date of inspection	12.06.2018
Inspected by	Rene Ciecierski

COMMENT ON BUILDING

The subject property consists of one building with one storey. It is currently let to Carglass GmbH. The building structure is a steel frame construction. There are 5 sectional doors and 12 parking units. The building consists of a car repair area, an entrance / office area which is completely glazed and a service core. Access to the site is not controlled. During the inspection we were not able to access the roof. The outdoor area is paved and it is accessible via a combined drive.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (12.06.2018), the lettable areas appeared to be in a fair condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. In line with the Arcadis report we applied € 6,500 for immediate capex.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a medium level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. Estate management would include extending the existing lease agreement.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Location in car-/retail-agglomeration
2. Road accessibility
3. Visibility
4. Above average centrality of Weißenfels

OPPORTUNITIES

1. Prolongation of existing lease
2. Attract retail tenants

WEAKNESSES

1. Limited catchment area
2. Small town location

THREATS

1. Decrease of rent to market rental level on third party re-letting

PROPERTY SHEET



PROPERTY ID 17 Nikolaus-Otto-Straße 1a, 06667 Weissenfels, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



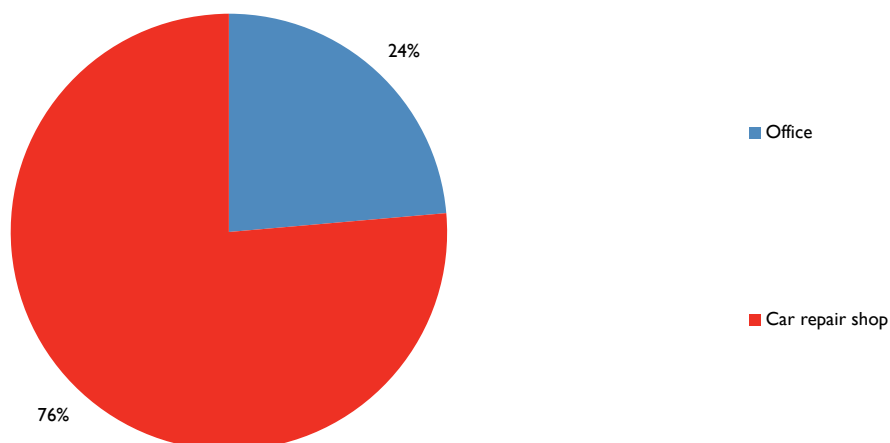
PROPERTY ID 17 Nikolaus-Otto-Straße 1a, 06667 Weissenfels, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	82 m²	23.6%	82 m²	23.6%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	265 m²	76.4%	265 m²	76.4%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	0 m²	0.0%	0 m²	0.0%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	347 m²		347 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

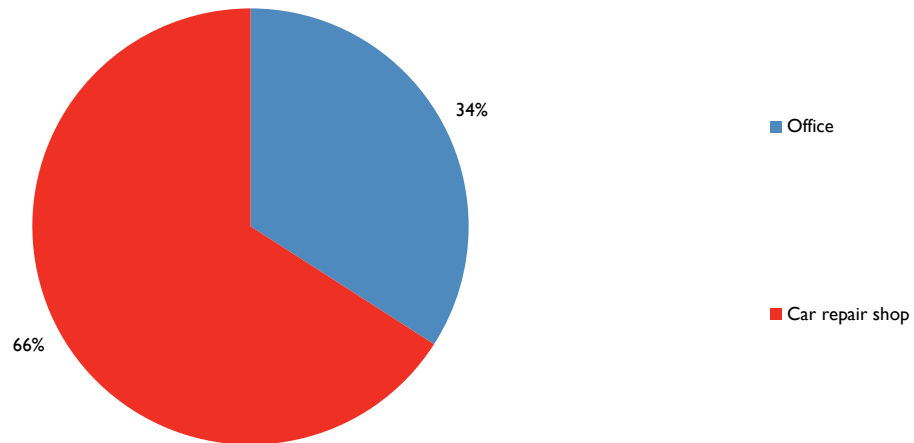


PROPERTY ID 17 Nikolaus-Otto-Straße 1a, 06667 Weissenfels, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	82 m²	82 m²	€ 17.66	€ 17,375	€ 8.50	€ 8,364
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	265 m²	265 m²	€ 10.57	€ 33,623	€ 8.50	€ 27,030
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	347 m²	347 m²		€ 50,998		€ 35,394
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. Carglass GmbH	347	0	50,998	12.25	8.50	-30.6%	100.0%	4.0 years	100.0%
Total Top 10	347	0	50,998	12.25				4.0 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 17 Nikolaus-Otto-Straße 1a, 06667 Weissenfels, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	11 years

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 6,542

CAPITALISATION RATES

Cap Rate	8.25%
Cap Year	Year 12
Discount Rate	6.25%

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-11 p.a. (average)	1.00%

VALUATION RESULTS

Current Rent	€ 50,998
Market Rent	€ 35,394
CR Multiplier	8.6
MR Multiplier	12.3
Net Initial Yield	10.19%
Gross Initial Yield	11.67%
Total Investment	€ 469,962
Less Purchasers' Costs	7.50%
Market Value	€ 437,174

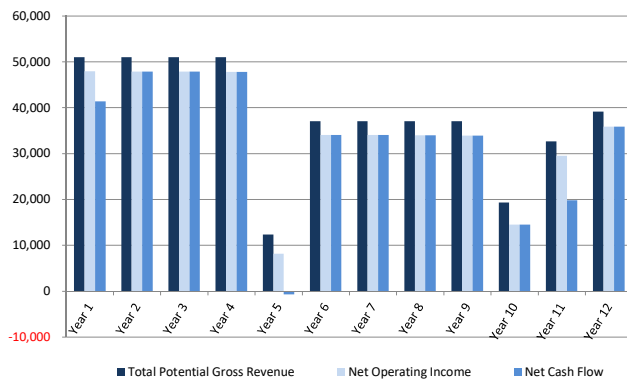
MARKET VALUE (rounded)

€ 437,000

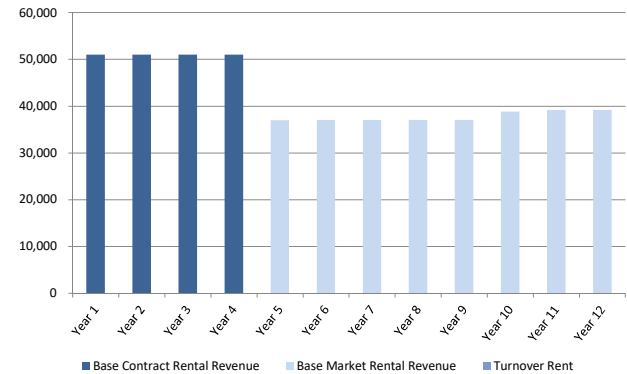
Net Capital Value per m² lettable building area

€ 1,259 / m²

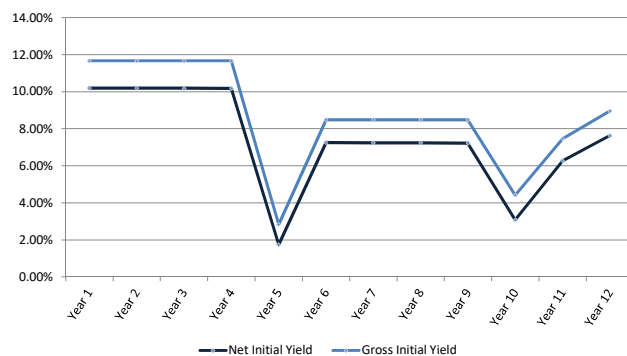
CASH FLOW ANALYSIS



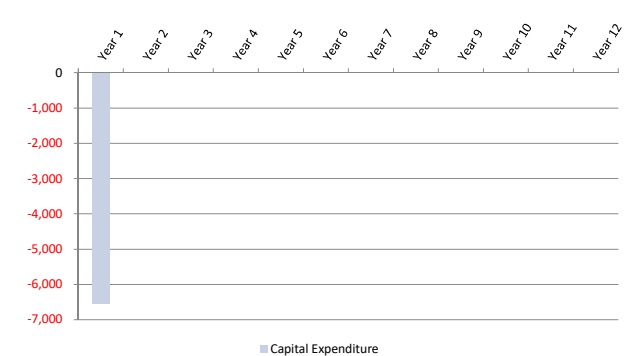
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 17 Nikolaus-Otto-Straße 1a, 06667 Weissenfels, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	11

CAPITALISATION RATES

Cap Rate	8.25%
Cap Year	Year 11
Discount Rate	7.25%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-11 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 6,542

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 35,394
CR Multiplier	0.0
MR Multiplier	8.6
Net Initial Yield	-1.66%
Gross Initial Yield	0.00%
Total Investment	€ 326,348
Less Purchasers' Costs	7.50%
Market Value	€ 303,580

VACANT POSSESSION VALUE (rounded)

€ 304,000

Net Capital Value per m² lettable building area

€ 876 /m²

PROPERTY SHEET



PROPERTY ID 17 Nikolaus-Otto-Straße 1a, 06667 Weissenfels, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA

Net lettable building area	347 m²
Ratio net lettable area to gross floor area	85.00%
Gross floor area (BGF)	408 m²

DEMOLITION & SITE CLEARANCE

Demolition costs existing buildings	€ 60 /m²	€ 24,494
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 24,494

CONSTRUCTION COSTS

a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 1,200 /m²
Regional adjustment	0.835	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 1,043 /m²
Gross floor area (BGF)	408 m²	
Building costs, total		€ 425,978
b) External areas and outdoor facilities		
External areas [% of building costs]	5.00%	€ 21,299
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 21,299
Building costs incl. external areas		€ 447,277
Soft costs	12.50%	€ 55,910
Construction costs (incl. VAT)		€ 503,187

VALUATION OVERVIEW

RESULTS

Demolition and site clearance		€ 24,494
Construction costs (incl. VAT)		€ 503,187
Indicative Reinstatement Costs (incl. VAT)		€ 527,681
Consideration of VAT	19.00%	-€ 84,252
Indicative Reinstatement Costs (excl. VAT)		€ 443,429

INDICATIVE REINSTATEMENT COSTS (rounded)

€ 443,000

Reinstatement costs (rounded) per m² lettable building area

€ 1,277 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 17 Nikolaus-Otto-Straße 1a, 06667 Weissenfels, Germany

INFORMATION PROVIDED BY THE CLIENT

Item	Provided via
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 17 Nikolaus-Otto-Straße 1a, 06667 Weissenfels, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029	Year 12 Jun. 2030
POTENTIAL GROSS REVENUE												
Base Contract Rental Revenue	€ 50,998	€ 50,998	€ 50,998	€ 50,998	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 36,992	€ 37,046	€ 37,046	€ 37,046	€ 37,046	€ 38,782	€ 39,129	€ 39,129
Absorption & Turnover Vacancy	€ 0	€ 0	€ 0	€ 0	-€ 18,469	€ 0	€ 0	€ 0	€ 0	-€ 19,508	€ 0	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	€ 0	-€ 6,174	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 6,522	€ 0
Scheduled Base Rental Revenue	€ 50,998	€ 50,998	€ 50,998	€ 50,998	€ 12,349	€ 37,046	€ 37,046	€ 37,046	€ 37,046	€ 19,274	€ 32,608	€ 39,129
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 50,998	€ 50,998	€ 50,998	€ 50,998	€ 12,349	€ 37,046	€ 37,046	€ 37,046	€ 37,046	€ 19,274	€ 32,608	€ 39,129
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	€ 0	€ 0	-€ 1,739	€ 0	€ 0	€ 0	€ 0	-€ 1,939	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 2,096	-€ 2,121	-€ 2,146	-€ 2,172	-€ 2,207	-€ 2,251	-€ 2,297	-€ 2,342	-€ 2,389	-€ 2,437	-€ 2,486	-€ 2,536
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 510	-€ 510	-€ 510	-€ 510	-€ 123	-€ 370	-€ 370	-€ 370	-€ 370	-€ 193	-€ 326	-€ 391
Management Costs	-€ 510	-€ 510	-€ 510	-€ 510	-€ 123	-€ 370	-€ 370	-€ 370	-€ 370	-€ 193	-€ 326	-€ 391
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 3,115	-€ 3,141	-€ 3,166	-€ 3,192	-€ 4,193	-€ 2,992	-€ 3,037	-€ 3,083	-€ 3,130	-€ 4,761	-€ 3,138	-€ 3,318
	6.11%	6.16%	6.21%	6.26%	33.96%	8.08%	8.20%	8.32%	8.45%	24.70%	9.62%	8.48%
NET OPERATING INCOME (NOI)	€ 47,883	€ 47,858	€ 47,832	€ 47,806	€ 8,155	€ 34,053	€ 34,008	€ 33,962	€ 33,915	€ 14,513	€ 29,470	€ 35,811
LEASING & CAPITAL COSTS												
Tenant Improvements	€ 0	€ 0	€ 0	€ 0	-€ 4,284	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 4,777	€ 0
Leasing Commissions	€ 0	€ 0	€ 0	€ 0	-€ 4,631	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 4,891	€ 0
Capital Expenditure	-€ 6,542	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 6,542	€ 0	€ 0	€ 0	-€ 8,915	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 9,668	€ 0
CASH FLOW	€ 41,341	€ 47,858	€ 47,832	€ 47,806	-€ 759	€ 34,053	€ 34,008	€ 33,962	€ 33,915	€ 14,513	€ 19,802	€ 35,811
Discount Rate / Discount Factor	6.25%	0.941	0.886	0.834	0.785	0.739	0.695	0.654	0.616	0.579	0.545	0.483
NET PRESENT VALUE (NPV)	€ 38,909	€ 42,393	€ 39,878	€ 37,512	-€ 561	€ 23,669	€ 22,247	€ 20,910	€ 19,653	€ 7,915	€ 10,164	€ 17,301

Property Exit			
GPV	NOI year 12 *Cap	€ 35,811 x 12,1212	€ 434,076
Purchasers Cost	7.50%		-€ 30,284
Exit Value			€ 403,792
NPV Exit Value	0.5133		€ 207,271

Market Value		
NPV Cash Flows		€ 262,691
Total Investment		€ 469,962
Purchasers Cost	7.50%	-€ 32,788
Market Value		€ 437,174

Market Value (rounded) € 437,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Gross Rent Multiplier	13.7	8.6	8.6	8.6	8.6	35.4	11.8	11.8	11.8	11.8	22.7	13.4	11.2
Net Initial Yield (NIY)	7.36%	10.2%	10.2%	10.2%	10.2%	1.7%	7.2%	7.2%	7.2%	7.2%	3.1%	6.3%	7.6%
Gross Initial Yield (GIY)	8.68%	11.7%	11.7%	11.7%	11.7%	2.8%	8.5%	8.5%	8.5%	8.5%	4.4%	7.5%	9.0%

PROPERTY ID 17

Nikolaus-Otto-Straße 1a, 06667 Weissenfels, Germany

RENT ROLL

MARKET LEASING ASSUMPTIONS

PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatelements [months]	Leasing Agency Fees [months]
Carglass GmbH	Office	82	€ 17.66	€ 17,374.92	30.06.2022	4.0 years	€ 8.50	€ 8,364.00	12	50%	€ 50 /m²	60	3	3
Carglass GmbH	Car repair shop	265	€ 10.57	€ 33,623.23	30.06.2022	4.0 years	€ 8.50	€ 27,030.00	12	50%	€ 15 /m²	60	3	3
Total		347 m²		€ 50,998				€ 35,394						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)													
Tenant	Utilisation	Lettable area/ lettable units (m² or units)	Comment		Market rent per month (€/m² or unit)	Market rent per year (€)	Void period (months)	Tenant Improvements (€/m² or unit)	Duration of new lease (months)	Rent Abatements (months)	Leasing Agency Fees (months)		
					</								



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 17 Nikolaus-Otto-Straße 1a, 06667 Weissenfels, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 35,585	€ 35,889	€ 35,926	€ 35,926	€ 35,926	€ 35,926	€ 37,050	€ 37,947	€ 37,947	€ 37,947	€ 37,947
Absorption & Turnover Vacancy	-€ 35,585	-€ 14,932	€ 0	€ 0	€ 0	€ 0	-€ 18,919	€ 0	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 8,982	€ 0	€ 0	€ 0	€ 0	-€ 3,162	-€ 3,162	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 11,975	€ 35,926	€ 35,926	€ 35,926	€ 35,926	€ 14,969	€ 34,785	€ 37,947	€ 37,947	€ 37,947
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 11,975	€ 35,926	€ 35,926	€ 35,926	€ 35,926	€ 14,969	€ 34,785	€ 37,947	€ 37,947	€ 37,947
Non Recoverable Running Costs During Vacancy	-€ 3,318	-€ 1,674	€ 0	€ 0	€ 0	€ 0	-€ 2,130	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 2,096	-€ 2,121	-€ 2,146	-€ 2,172	-€ 2,207	-€ 2,251	-€ 2,297	-€ 2,342	-€ 2,389	-€ 2,437	-€ 2,486
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 120	-€ 359	-€ 359	-€ 359	-€ 359	-€ 150	-€ 348	-€ 379	-€ 379	-€ 379
Management Costs	€ 0	-€ 120	-€ 359	-€ 359	-€ 359	-€ 359	-€ 150	-€ 348	-€ 379	-€ 379	-€ 379
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 5,413	-€ 4,034	-€ 2,865	-€ 2,890	-€ 2,926	-€ 2,970	-€ 4,726	-€ 3,038	-€ 3,148	-€ 3,196	-€ 3,245
#DIV/0!		33.69%	7.97%	8.05%	8.14%	8.27%	31.57%	8.73%	8.30%	8.42%	8.55%
NET OPERATING INCOME	-€ 5,413	€ 7,941	€ 33,062	€ 33,036	€ 33,000	€ 32,956	€ 10,244	€ 31,747	€ 34,799	€ 34,751	€ 34,702
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	-€ 8,221	€ 0	€ 0	€ 0	€ 0	-€ 4,494	€ 0	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 8,982	€ 0	€ 0	€ 0	€ 0	-€ 4,743	€ 0	€ 0	€ 0	€ 0
Capital Expenditure	-€ 6,542	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 6,542	-€ 17,202	€ 0	€ 0	€ 0	€ 0	-€ 9,237	€ 0	€ 0	€ 0	€ 0
CASH FLOW	-€ 11,966	-€ 9,261	€ 33,062	€ 33,036	€ 33,000	€ 32,956	€ 1,006	€ 31,747	€ 34,799	€ 34,751	€ 34,702
Discount Rate / Discount Factor	7.25%	0.932	0.869	0.811	0.756	0.705	0.657	0.613	0.571	0.533	0.497
NET PRESENT VALUE	-€ 11,147	-€ 8,051	€ 26,800	€ 24,969	€ 23,256	€ 21,655	€ 616	€ 18,135	€ 18,535	€ 17,258	€ 16,069

Property Exit			
GPV	NOI year 11 *Cap	€ 34,702 x 12,1212	€ 420,635
Purchasers Cost	7.50%		-€ 29,347
Exit Value			€ 391,289
NPV Exit Value	0.4966		€ 194,323

Market Value			
NPV Cash Flows			€ 132,025
Total Investment			€ 326,348
Purchasers Cost	7.50%		-€ 22,768
Vacant Possession Value			€ 303,580

Vacant Possession Value (rounded) € 304,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	11.0		25.4	8.5	8.5	8.5	8.5	20.3	8.7	8.0	8.0	8.0
Net Initial Yield (NIY)	8.86%		2.4%	10.1%	10.1%	10.1%	10.1%	3.1%	9.7%	10.7%	10.6%	10.6%
Gross Initial Yield (GIY)	10.63%		3.9%	11.8%	11.8%	11.8%	11.8%	4.9%	11.5%	12.5%	12.5%	12.5%



PROPERTY ID 18 Göttingerstraße 1, 01665 Klipphausen, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Saxony
Federal District	Meißen
City / Municipality	Klipphausen
Inhabitants (as at)	01.01.2017 10,311
Unemployment rate (as at)	31.12.2017 6.0%
Purchasing Power (German average = 100)	01.01.2018 88.18

Location rating

Macro Location	Small town (< 20,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	medium

PROPERTY DETAILS

Property type/ primary use	Logistics
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	1993
Lettable area	6,173 m²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	3.4 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	yes
Site area, total	23,021 m²
Building condition	medium
Contamination	none, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	overrented	€ 407,386
Market gross rental income p.a. (Year 1)		€ 321,573
Non-recoverable costs p.a. (Year 1)		-€ 29,893

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 4,720,000

Net Capital Value per m² lettable building area € 765 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	7.55%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	8.63%
Gross multiplier on Current Rent	11.6
Gross multiplier on Market Rent	14.7

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	3	Lettability	3
Micro Location	3	Marketability (sale)	3
Building quality (specification & parking etc.)	3	Overall rating	3
Building condition	3	Estimated marketing period (months)	12



PROPERTY ID 18 Göttingerstraße 1, 01665 Klipphausen, Germany

LOCATION

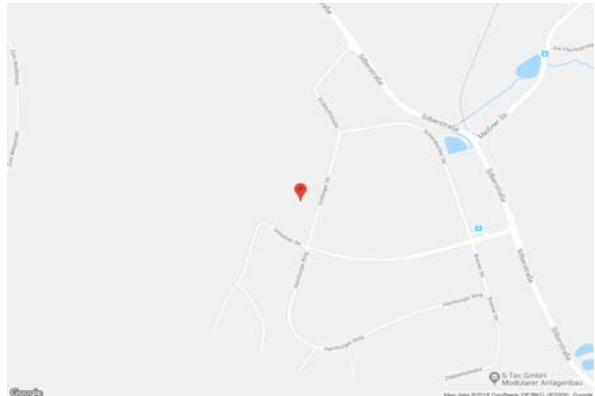
MACRO LOCATION



MACRO LOCATION

Klipphausen is a municipality in the district of Meißen in Saxony. It is located in the eastern part of Germany near the city of Dresden. Dresden region benefits from its excellent European and national transport link via A4, A13 and A17 motorways. Nonetheless, the agglomeration is of limited relevance as a logistics location.

MICRO LOCATION



MICRO LOCATION

The subject property is located within the industrial area of Klipphausen which is south-west of the municipality centre. It is adjacent to agricultural land to the west and further industrial buildings to the north, east and south. Public transport is in approx. 650 m distance. A4 motorway is accessible within 45 minutes' drive. Dresden airport is reachable within 25 minutes' drive.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

No historical trend of prime and average rents or net initial yields for logistics space in Klipphausen can currently be determined due to the insufficient volume and availability of data, primarily due to the size of the market. For this reason, Dresden, the nearest larger city, is considered as a proxy. In 2007 the prime rent for warehouses and logistics in Dresden amounted to € 4.00/m². By 2017, this had increased to € 4.30/m². The average rent for warehouses and logistics in Dresden is at € 3.40/m² in 2017. The prime yield decreased from 8.1% in 2007 to 6.2% in 2017. The average yield amounts to 8.2%. Dresden is the regional centre of the A4 Saxony logistics agglomeration. The agglomeration benefits from its excellent road infrastructure, including the A4, A13 and A17 motorway as well as four major trunk roads. Nevertheless, Dresden has limited supra-regional relevance. Local and regional operating companies are resident. Therefore, demand and new construction activities are below average. In comparison to German logistics locations, Dresden has relatively cheap sites and a moderate rental level. The city ranks among the B-cities. Letting opportunities are considered to be good and the vacancy rate trend is classified as satisfactory.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
logistics	01665 Klipphausen	8,500 m²	€ 4.00 /m²	currently asking	medium
logistics	01723 Kesselsdorf	2,400 m²	€ 4.50 /m²	currently asking	medium
logistics	93055 Regensburg	3,767 m²	€ 4.25 /m²	confidential	medium

COMMENT ON LEASE COMPARABLES

The rental level for logistics properties provided within the comparable evidence range between € 4.00 and € 4.50 m²/month, with the size spectrum of the currently offered rental areas ranging between 2,400 m² and 8,500 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for logistics space of € 4.25 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m²	Sales price	Date of sale	Comparability
warehouse/Storage	09116 Chemnitz	8,086 m²	€ 742	€ 6,000,000	Q2 2017	medium
business park	34253 Lohfelden	7,891 m²	€ 773	€ 6,100,000	Q4 2017	medium
warehouse/storage	66386 St. Ingbert	2,528 m²	€ 791	€ 2,000,000	Q2 2017	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 742 and 791/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 765/m² appears plausible and fits into the comparable evidence. As at the date of transaction, comparable 1 was fully let and the WALT amounted to 2.41 years. Comparable property 2 was built in 1997. As at the date of transaction, 76% of rental areas were let on multi-tenant basis and the WALT was 1.39 years. Comparable 3 was built in 1993. The property was fully let and the WALT amounted to 2.75 years.



PROPERTY ID 18 Göttingerstraße 1, 01665 Klipphausen, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Meißen, land register of Klipphausen, Folio 503 (dated 08.12.2017)
Owner	GER LOG 1 SA, in Luxembourg (Gesellschaft luxemburgischen Rechts)
Land parcels	Land parcels 362/3, 591/2 and 599
Site area	23,021 m ²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1 Limited restricted personal easement (befristete beschränkte persönliche Dienstbarkeit) regarding a right to tolerate a day and night business for the purpose of a fast delivery service or a logistic company (Recht zur Duldung eines Tag- und Nachtbetriebes zum Zwecke eines Schnell-Lieferdienstes oder Speditionsbetriebes) in favour of trans-o-flex SchnellLieferdienst GmbH, Weinheim; registered on 20 May 2003.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There is a tenant easement entered in section II regarding the right to tolerate a day and night business for the purpose of a fast delivery service or logistic company. For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, there are no building restrictions registered according to the Reports on Title and the authority's information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site is located on former agricultural land in a light industrial and commercial area. There is a low risk of contamination from previous or current use. The site is not recorded on the German register for contaminated sites.

PLANNING LAW

According to information provided by the city of Klipphausen on 19.06.2018, there is a detailed development plan "Gewerbepark I Klipphausen" 4th amendment, dated 01.10.2010 relating to the subject area. The plan stipulates industrial area (GI), which is legally binding with the Federal Land Utilization Ordinance of 1990 (BauNVO). The plan stipulates a site coverage of 0.7. For the purpose of this valuation, we have assumed that the subject property has been developed in line with the planning requirements.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.



PROPERTY ID 18 Göttingerstraße 1, 01665 Klipphausen, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	23,021 m²
of which is development land (for additional construction)	none
Shape of site	irregular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	slightly outmoded
State of repair, building	average
Building layout	efficient
Condition of lettable areas	medium
Construction type	various types
Facade	various types
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	n/a
Windows	aluminium
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a fair overall condition.

There were no Recognized Environmental Conditions (RECs) identified at this site. 1 - 4 years considerations include a yearly roof inspection and it is assumed that roof edges require some repairs. The properties landscaping requires attention and loading docks need to be replaced.

INSPECTION

Type of inspection	Full inspection
Date of inspection	12.06.2018
Inspected by	Rene Ciecierski

COMMENT ON BUILDING

The subject property is currently let to trans-o-flex Schnell-Lieferdienst GmbH & Co. KG. It is used as a distributional centre. The property has two storeys and a regular layout. There are 18 loading docks and 48 loading docks on ground level. The outside area is paved and property circulation is possible. Access is controlled via gate. There are 50 parking units and 18 truck parking units.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (12.06.2018), the lettable areas appeared to be in a fair condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. We applied a total capex amount of € 124,000, in line with the Arcadis TDD Review.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a medium level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. Estate management would include extending the existing lease agreement.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Proximity to motorway A4
2. Well known tenant
3. Location in the Dresden area

OPPORTUNITIES

1. Prolongation of existing lease

WEAKNESSES

1. Building age
2. Purpose built for current tenant

THREATS

1. Decrease of rent to market rental level
2. Limited third party demand for current configuration (purpose-built for trans-o-flex)

PROPERTY SHEET



PROPERTY ID 18 Göttingerstraße 1, 01665 Klipphausen, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



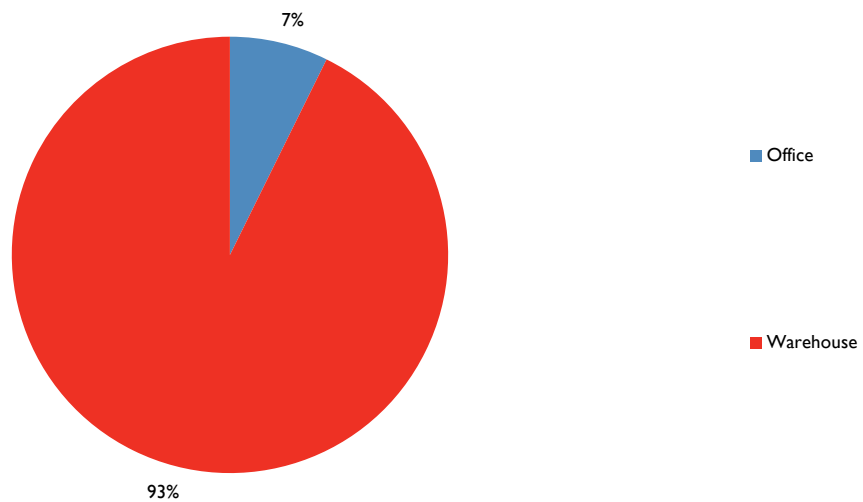
PROPERTY ID 18 Göttingerstraße 1, 01665 Klipphausen, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	450 m²	7.3%	450 m²	7.3%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	0 m²	0.0%	0 m²	0.0%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	5,723 m²	92.7%	5,723 m²	92.7%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	6,173 m²		6,173 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

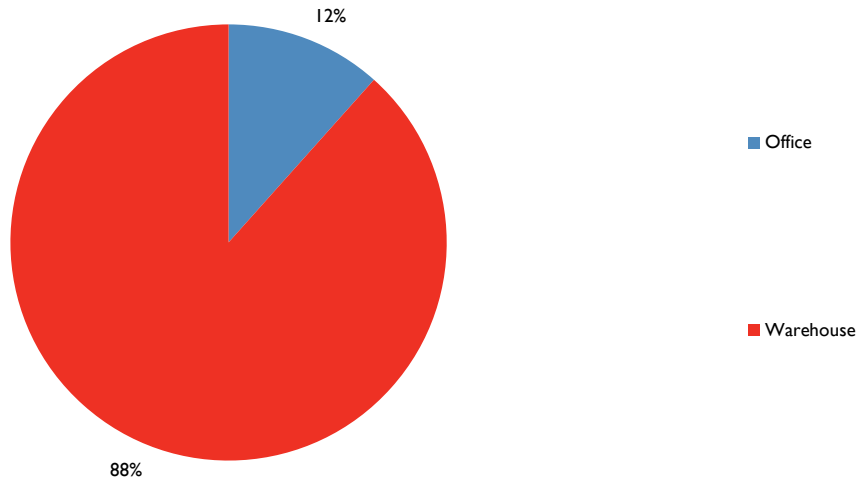


PROPERTY ID 18 Göttingerstraße 1, 01665 Klipphausen, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	450 m²	450 m²	€ 8.76	€ 47,286	€ 5.50	€ 29,700
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	5,723 m²	5,723 m²	€ 5.24	€ 360,101	€ 4.25	€ 291,873
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	6,173 m²	6,173 m²		€ 407,386		€ 321,573
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. trans-o-flex Schnell-Lieferdienst G	6,173	0	407,386	5.50	4.34	-21.1%	100.0%	3.4 years	100.0%
Total Top 10	6,173	0	407,386	5.50				3.4 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 18 Göttingerstraße 1, 01665 Klipphausen, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING	
Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10 years

CAPITALISATION RATES	
Cap Rate	5.75%
Cap Year	Year 11
Discount Rate	5.50%

NON-REIMBURSABLE EXPENSES	
Vacancy Costs (p.a.)	€ 9.00 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 3.50 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 126,866

OTHER ADJUSTMENTS	
Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION	
General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

VALUATION RESULTS

Current Rent	€ 407,386
Market Rent	€ 321,573
CR Multiplier	11.6
MR Multiplier	14.7
Net Initial Yield	7.55%
Gross Initial Yield	8.63%
Total Investment	€ 5,000,472
Less Purchasers' Costs	6.00%
Market Value	€ 4,717,427

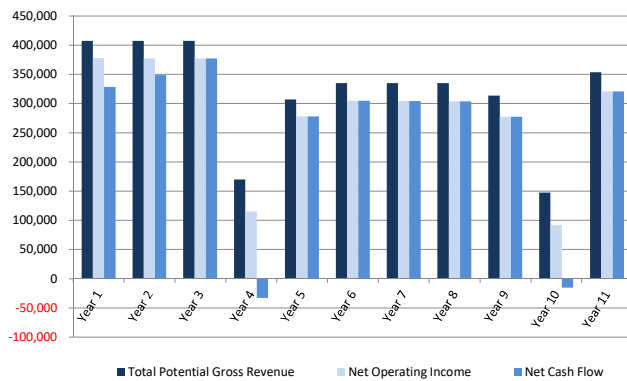
MARKET VALUE (rounded)

€ 4,720,000

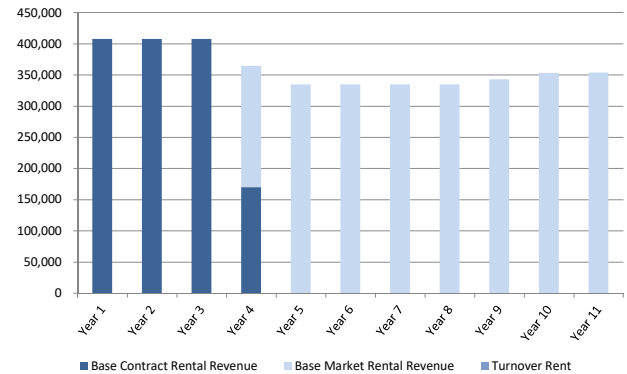
Net Capital Value per m² lettable building area

€ 765 /m²

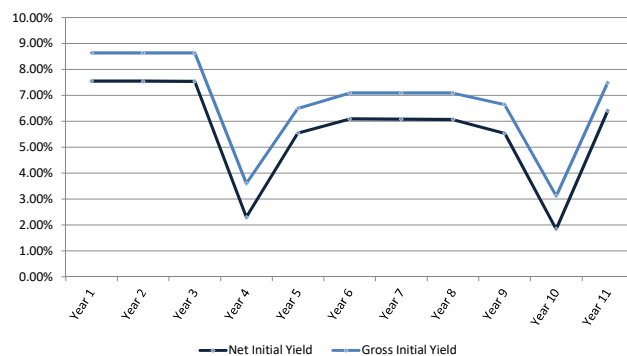
CASH FLOW ANALYSIS



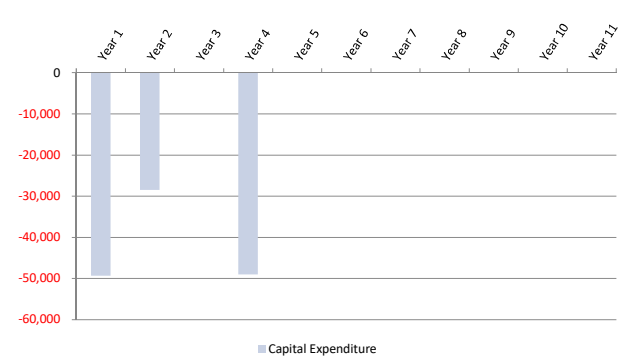
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 18 Göttingerstraße 1, 01665 Klipphausen, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10

CAPITALISATION RATES

Cap Rate	5.75%
Cap Year	Year 11
Discount Rate	6.50%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.00 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 3.50 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 126,866

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 321,573
CR Multiplier	0.0
MR Multiplier	11.2
Net Initial Yield	-2.03%
Gross Initial Yield	0.00%
Total Investment	€ 3,820,615
Less Purchasers' Costs	6.00%
Market Value	-€ 216,261
	€ 3,604,354

VACANT POSSESSION VALUE (rounded)

€ 3,600,000

Net Capital Value per m² lettable building area

€ 583 /m²

PROPERTY SHEET



PROPERTY ID 18 Göttingerstraße 1, 01665 Klipphausen, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA

Net lettable building area	6,173 m²
Ratio net lettable area to gross floor area	90.00%
Gross floor area (BGF)	6,859 m²

DEMOLITION & SITE CLEARANCE

Demolition costs existing buildings	€ 60 /m²	€ 411,533
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 411,533

CONSTRUCTION COSTS

a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 800 /m²
Regional adjustment	0.917	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 764 /m²
Gross floor area (BGF)	6,859 m²	
Building costs, total		€ 5,239,888
b) External areas and outdoor facilities		
External areas [% of building costs]	7.50%	€ 392,992
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 392,992
Building costs incl. external areas		€ 5,632,880
Soft costs	15.00%	€ 844,932
Construction costs (incl. VAT)		€ 6,477,812

VALUATION OVERVIEW

RESULTS

Demolition and site clearance		€ 411,533
Construction costs (incl. VAT)		€ 6,477,812
Indicative Reinstatement Costs (incl. VAT)		€ 6,889,345
Consideration of VAT	19.00%	-€ 1,099,980
Indicative Reinstatement Costs (excl. VAT)		€ 5,789,366

INDICATIVE REINSTATEMENT COSTS (rounded)

€ 5,790,000

Reinstatement costs (rounded) per m² lettable building area

€ 938 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 18 Göttingerstraße 1, 01665 Klipphausen, Germany

INFORMATION PROVIDED BY THE CLIENT

Item	Provided via
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 18 Göttingerstraße 1, 01665 Klipphausen, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 407,386	€ 407,386	€ 407,386	€ 169,744	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 0	€ 194,716	€ 334,630	€ 334,630	€ 334,630	€ 334,630	€ 342,790	€ 353,088	€ 353,454
Absorption & Turnover Vacancy	€ 0	€ 0	€ 0	-€ 166,830	€ 0	€ 0	€ 0	€ 0	-€ 29,308	-€ 146,907	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	-€ 27,886	-€ 27,886	€ 0	€ 0	€ 0	€ 0	-€ 58,909	€ 0
Scheduled Base Rental Revenue	€ 407,386	€ 407,386	€ 407,386	€ 169,744	€ 306,744	€ 334,630	€ 334,630	€ 334,630	€ 313,482	€ 147,272	€ 353,454
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 407,386	€ 407,386	€ 407,386	€ 169,744	€ 306,744	€ 334,630	€ 334,630	€ 334,630	€ 313,482	€ 147,272	€ 353,454
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	€ 0	-€ 29,035	€ 0	€ 0	€ 0	€ 0	-€ 5,361	-€ 26,940	€ 0
Repairs & Maintenance, Lettable Area	-€ 21,746	-€ 22,007	-€ 22,271	-€ 22,538	-€ 22,906	-€ 23,364	-€ 23,832	-€ 24,308	-€ 24,794	-€ 25,290	-€ 25,796
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 4,074	-€ 4,074	-€ 4,074	-€ 1,697	-€ 3,067	-€ 3,346	-€ 3,346	-€ 3,346	-€ 3,135	-€ 1,473	-€ 3,535
Management Costs	-€ 4,074	-€ 4,074	-€ 4,074	-€ 1,697	-€ 3,067	-€ 3,346	-€ 3,346	-€ 3,346	-€ 3,135	-€ 1,473	-€ 3,535
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 29,893	-€ 30,154	-€ 30,418	-€ 54,968	-€ 29,041	-€ 30,057	-€ 30,524	-€ 31,001	-€ 36,425	-€ 55,176	-€ 32,865
	7.34%	7.40%	7.47%	32.38%	9.47%	8.98%	9.12%	9.26%	11.62%	37.47%	9.30%
NET OPERATING INCOME (NOI)	€ 377,493	€ 377,232	€ 376,968	€ 114,777	€ 277,703	€ 304,573	€ 304,106	€ 303,629	€ 277,056	€ 92,096	€ 320,589
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	€ 0	€ 0	-€ 56,820	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 63,358	€ 0
Leasing Commissions	€ 0	€ 0	€ 0	-€ 41,829	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 44,182	€ 0
Capital Expenditure	-€ 49,318	-€ 28,520	€ 0	-€ 49,028	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 49,318	-€ 28,520	€ 0	-€ 147,677	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 107,540	€ 0
CASH FLOW	€ 328,175	€ 348,712	€ 376,968	-€ 32,901	€ 277,703	€ 304,573	€ 304,106	€ 303,629	€ 277,056	-€ 15,443	€ 320,589
Discount Rate / Discount Factor	5.50%	0.948	0.898	0.852	0.807	0.765	0.725	0.687	0.652	0.618	0.585
NET PRESENT VALUE (NPV)	€ 311,066	€ 313,301	€ 321,031	-€ 26,558	€ 212,480	€ 220,891	€ 209,054	€ 197,845	€ 171,118	-€ 9,041	€ 177,898

Property Exit			
GPV	NOI year 11 *Cap	€ 320,589 x 17,3913	€ 5,575,455
Purchasers Cost	6.00%		-€ 315,592
Exit Value			€ 5,259,864
NPV Exit Value	0.5854		€ 3,079,285

Market Value			
NPV Cash Flows			€ 1,921,187
Total Investment			€ 5,000,472
Purchasers Cost	6.00%		-€ 283,046
Market Value			€ 4,717,427

Market Value (rounded) € 4,720,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	16.2	11.6	11.6	11.6	27.8	15.4	14.1	14.1	14.1	15.0	32.0	13.3
Net Initial Yield (NIY)	5.74%	7.5%	7.5%	7.5%	2.3%	5.6%	6.1%	6.1%	6.1%	5.5%	1.8%	6.4%
Gross Initial Yield (GIY)	6.84%	8.6%	8.6%	8.6%	3.6%	6.5%	7.1%	7.1%	7.1%	6.6%	3.1%	7.5%

PROPERTY ID 18

Göttingerstraße 1, 01665 Klipphausen, Germany

RENT ROLL							MARKET LEASING ASSUMPTIONS							
PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
trans-o-flex Schnell-Lieferdienst GmbH & Co Office		450	€ 6.76	€ 47.285.63	30.11.2021	3.4 years	€ 5.50	€ 29.700.00	12	50%	€ 50 /m²	60	3	3
trans-o-flex Schnell-Lieferdienst GmbH & Co Warehouse		5.723	€ 5.24	€ 360.100.80	30.11.2021	3.4 years	€ 4.25	€ 291.873.00	12	50%	€ 15 /m²	60	3	3
Total		6,173 m²		€ 407,386				€ 321,573						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)													
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment				Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Total		0 m²						- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 18 Göttingerstraße 1, 01665 Klipphausen, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 323,312	€ 326,071	€ 326,409	€ 326,409	€ 326,409	€ 326,409	€ 336,620	€ 344,770	€ 344,770	€ 344,770	€ 344,770
Absorption & Turnover Vacancy	-€ 323,312	-€ 135,666	€ 0	€ 0	€ 0	€ 0	-€ 171,886	€ 0	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 81,602	€ 0	€ 0	€ 0	€ 0	-€ 28,731	-€ 28,731	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 108,803	€ 326,409	€ 326,409	€ 326,409	€ 326,409	€ 136,004	€ 316,039	€ 344,770	€ 344,770	€ 344,770
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 108,803	€ 326,409	€ 326,409	€ 326,409	€ 326,409	€ 136,004	€ 316,039	€ 344,770	€ 344,770	€ 344,770
Non Recoverable Running Costs During Vacancy	-€ 55,917	-€ 28,210	€ 0	€ 0	€ 0	€ 0	-€ 35,895	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 21,746	-€ 22,007	-€ 22,271	-€ 22,538	-€ 22,906	-€ 23,364	-€ 23,832	-€ 24,308	-€ 24,794	-€ 25,290	-€ 25,796
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 1,088	-€ 3,264	-€ 3,264	-€ 3,264	-€ 3,264	-€ 1,360	-€ 3,160	-€ 3,448	-€ 3,448	-€ 3,448
Management Costs	€ 0	-€ 1,088	-€ 3,264	-€ 3,264	-€ 3,264	-€ 3,264	-€ 1,360	-€ 3,160	-€ 3,448	-€ 3,448	-€ 3,448
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 77,663	-€ 52,393	-€ 28,799	-€ 29,066	-€ 29,434	-€ 29,892	-€ 62,446	-€ 30,629	-€ 31,690	-€ 32,186	-€ 32,691
#DIV/0!	48.15%	48.15%	8.82%	8.90%	9.02%	9.16%	45.92%	9.69%	9.19%	9.34%	9.48%
NET OPERATING INCOME	-€ 77,663	€ 56,410	€ 297,610	€ 297,343	€ 296,974	€ 296,516	€ 73,557	€ 285,410	€ 313,080	€ 312,584	€ 312,078
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	-€ 110,301	€ 0	€ 0	€ 0	€ 0	-€ 60,298	€ 0	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 81,602	€ 0	€ 0	€ 0	€ 0	-€ 43,096	€ 0	€ 0	€ 0	€ 0
Capital Expenditure	-€ 49,318	-€ 28,520	€ 0	-€ 49,028	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 49,318	-€ 220,423	€ 0	-€ 49,028	€ 0	€ 0	-€ 103,394	€ 0	€ 0	€ 0	€ 0
CASH FLOW	-€ 126,981	-€ 164,013	€ 297,610	€ 248,314	€ 296,974	€ 296,516	-€ 29,837	€ 285,410	€ 313,080	€ 312,584	€ 312,078
Discount Rate / Discount Factor	6.50%	0.939	0.882	0.828	0.777	0.730	0.685	0.644	0.604	0.567	0.500
NET PRESENT VALUE	-€ 119,231	-€ 144,603	€ 246,376	€ 193,020	€ 216,756	€ 203,213	-€ 19,200	€ 172,454	€ 177,627	€ 166,522	€ 156,105

Property Exit		
GPV	NOI year 11 *Cap	€ 312,078 x 17,3913
Purchasers Cost	6.00%	€ 5,427,450
Exit Value		-€ 307,214
NPV Exit Value	0.5327	€ 5,120,236
		€ 2,727,683
Market Value		
NPV Cash Flows		€ 1,092,933
Total Investment		€ 3,820,615
Purchasers Cost	6.00%	-€ 216,261
Vacant Possession Value		€ 3,604,354

Vacant Possession Value (rounded) € 3,600,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	14.3	33.1	11.0	11.0	11.0	11.0	11.0	26.5	11.4	10.5	10.5	10.5
Net Initial Yield (NIY)	6.72%		1.5%	7.8%	7.8%	7.8%	7.8%	1.9%	7.5%	8.2%	8.2%	8.2%
Gross Initial Yield (GIY)	8.13%		3.0%	9.1%	9.1%	9.1%	9.1%	3.8%	8.8%	9.6%	9.6%	9.6%

PROPERTY SHEET



PROPERTY ID 19 Hansastrasse 54, 01097 Dresden, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Saxony
Federal District	Dresden
City / Municipality	Dresden
Inhabitants (as at)	01.01.2017 543,501
Unemployment rate (as at)	31.12.2017 6.1%
Purchasing Power (German average = 100)	01.01.2018 91.11

Location rating

Macro Location	Large city (> 500,000 inhabitants)
Micro Location	Central
Competition	medium

PROPERTY DETAILS

Property type/ primary use	Car repair shop
Occupation (number of tenants)	Multi-tenant (2)
Year of construction (modernisation)	2007
Lettable area	992 m²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	3.5 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	2,666 m²
Building condition	good
Contamination	unclear, see commentary
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	overrented	€ 116,120
Market gross rental income p.a. (Year 1)		€ 107,136
Non-recoverable costs p.a. (Year 1)		-€ 8,314

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 1,330,000

Net Capital Value per m² lettable building area € 1,341 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	7.64%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	8.73%
Gross multiplier on Current Rent	11.5
Gross multiplier on Market Rent	12.4

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	4	Lettability	4
Micro Location	4	Marketability (sale)	4
Building quality (specification & parking etc.)	3	Overall rating	4
Building condition	4	Estimated marketing period (months)	12



PROPERTY ID 19 Hansasträße 54, 01097 Dresden, Germany

LOCATION

MACRO LOCATION



MACRO LOCATION

Dresden is the capital city and, after Leipzig, the second-largest city of the federal state Saxony. It is situated in a valley on the River Elbe, near the border with the Czech Republic. Since German reunification Dresden is again a cultural, educational and political centre of Germany and Europe. The Dresden University of Technology is one of the 10 largest universities in Germany and part of the German Universities Excellence Initiative. The economy of Dresden and its agglomeration is one of the most dynamic in Germany and ranks first in Saxony. Due to the international airport and A4, A13 and A17 motorways, it has an excellent transport link. Especially local and regional active logistics companies are located in Dresden.

MICRO LOCATION



MICRO LOCATION

The subject property is located in the northern part of Dresden. It is located on the federal highway 170 and adjacent to railways, commercial buildings and a fast-food-restaurant. Across the street is a hotel. Public transport is accessible within 1 minute walking distance.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

In 2007 the prime rent for warehouses and logistics in Dresden amounted to € 4.00/m². By 2017, this had increased to € 4.30/m². The average rent for warehouses and logistics in Dresden is at € 3.40/m² in 2017. The prime yield decreased from 8.1% in 2007 to 6.2% in 2017. The average yield amounts to 8.2%. Dresden is the regional centre of the A4 Saxony logistics agglomeration. The agglomeration benefits from its excellent road infrastructure, including the A4, A13 and A17 motorway as well as four major trunk roads. Nevertheless, Dresden has limited supraregional relevance. Local and regional operating companies are resident. Therefore, demand and new construction activities are below average. In comparison to German logistics locations, Dresden has relatively cheap sites and a moderate rental level. In 2007 the prime rent for retail in Dresden amounted to € 92.00/m² in the central locations and to € 23.00/m² in peripheral locations. By 2017, this had increased to € 40.00/m² and € 25.00/m². The average rent for retail in peripheral areas of Dresden increased from € 8.00/m² in 2007 to € 9.00/m² in 2017 in the city centre. In the meantime the prime yield decreased from 7.3% to 5.8%. Following Berlin and Leipzig, Dresden is the most relevant retail location in East Germany. The purchasing power index is below German average but above the Saxony level. The city ranks among the B-cities. Letting opportunities are considered to be good and the vacancy rate trend is classified as satisfactory.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
car repair shop	59457 Werl	1,503 m ²	€ 6.08 /m ²	Q4 2017	high
car repair shop	59063 Hamm	1,557 m ²	€ 10.41 /m ²	Q4 2017	high
car repair shop	45475 Mühlheim	1,550 m ²	€ 10.06 /m ²	Q4 2017	medium

COMMENT ON LEASE COMPARABLES

The rental level for car repair shop properties provided within the comparable evidence range between € 6.08 and € 10.41 m²/month, with the size spectrum of the currently offered rental areas ranging between 1,503 m² and 1,557 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for car repair shop space of € 9.00 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m ²	Sales price	Date of sale	Comparability
car repair shop	45475 Mühlheim	1,550 m ²	€ 1,298	€ 2,012,500	Q4 2017	medium
car repair shop	44805 Bochum	1,682 m ²	€ 1,409	€ 2,370,000	Q4 2017	medium
car repair shop	64285 Darmstadt	1,529 m ²	€ 1,430	€ 2,187,000	Q4 2017	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 1,298 and 1,430/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 1,341/m² appears plausible and fits into the comparable evidence. The comparable properties are let to a car repair company. As at the date of transaction, the properties were relet with a lease term of 10 years. All lease agreements are on a triple net lease basis.



PROPERTY ID 19 Hansastraße 54, 01097 Dresden, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Dresden, land register of Dresden-Neustadt, Folio 6305 (dated 07.12.2017)
Owner	GER LOG 5 S.A., Luxembourg
Land parcels	Land parcels 1322/1, 1559/2, 1375/3, 1323, 1559/3
Site area	2,666 m ²
Entries of domination (Herrschaftsmerk)	None.
Restrictions and encumbrances 1	Only regarding parcel 1322/1: Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a cable right in favour of Energieversorgung Sachsen Ost AG, Dresden; registered on 8 January 1996.
Restrictions and encumbrances 2	Only regarding parcels 1322/1 and 1559/2: Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a business restriction (Gewerbebetriebsverbot) in favour of Deutsche BP AG, Hamburg; registered on 13 November 2007.
Restrictions and encumbrances 3	Only regarding parcel 1323: Restricted personal easement (beschränkte persönliche Dienstbarkeit) re. cable right in favour of Energieversorgung Sachsen Ost AG, Dresden; registered on 25 September 1995.
Restrictions and encumbrances 4	Only regarding parcel 1323: Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a business restriction (Gewerbebetriebsverbot) in favour of Deutsche BP AG, Hamburg; registered on 13 November 2007.
Restrictions and encumbrances 5	Only regarding parcel 1559/3: Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a business restriction (Gewerbebetriebsverbot) in favour of Deutsche BP AG, Hamburg; registered on 13 November 2007.
Restrictions and encumbrances 6	Easement (Grunddienstbarkeit) regarding a right to walk and drive (Geh- und Fahrrecht) in favour of the respective owner of parcel 1375/2 - serial no. 8 of folio 119; registered on 31 January 2008.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There are several entries in section II of the land registry extract regarding restricted personal easements and easements. The easement regards a right to walk and drive. The restricted personal easements are regarding to a business restriction and a cable right. For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, there are no building restrictions registered according to the Reports on Title and the authority's information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site is located partly on former green land. The garage area has been remediated to the satisfaction of local authority. There is a low risk of contamination from current use.

PLANNING LAW

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28.05.2018, the subject property is not subject to a detailed development plan. Planning consent is subject to § 34 BauGB (the German planning code). New developments must be in keeping with the type, style and size of existing buildings in the urban area, and roads and services must be available. For the purposes of this valuation we have assumed that the use referred to would continue to be appropriate in the future.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 19 Hansastrafte 54, 01097 Dresden, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	2,666 m²
of which is development land (for additional construction)	none
Shape of site	irregular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	modern, average quality
State of repair, building	good
Building layout	efficient
Condition of lettable areas	good
Construction type	reinforced concrete
Facade	rendered facade
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	n/a
Windows	aluminium
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a good overall condition.

There were no Recognized Environmental Conditions (RECs) identified at this site. 1 - 4 years considerations include cleaning-up graffiti present on the facade and repairs to the overhead doors. Hence the TDD did not state for any costs, we did not reflect any capital expenditures in our calculation.

INSPECTION

Type of inspection	Full inspection
Date of inspection	12.06.2018
Inspected by	Rene Ciecierski

COMMENT ON BUILDING

The subject property is currently let to Carglass GmbH and Anpudre GmbH (Quick). The property unit let to Carglass consists of one storey and the Quick unit of two storeys. There are five loading docks on ground level. The outside area is paved and building circulation is possible. Access is not controlled. There are approx. 15 parking units.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (12.06.2018), the lettable areas appeared to be in a fair condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. We applied € 6,500 in line with the Arcadis report.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a multi-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a medium level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the warehouse space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. Estate management would include extending the existing lease agreement.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Urban location
2. Dresden as one of the major cities in Eastern Germany
3. Good road accessibility
4. Good visibility

OPPORTUNITIES

1. Prolongation of existing leases

WEAKNESSES

1. Limited third party usability

THREATS

1. Decrease of rent to market rental level
2. Third party demand for current configuration

PROPERTY SHEET



PROPERTY ID 19 Hansastraße 54, 01097 Dresden, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



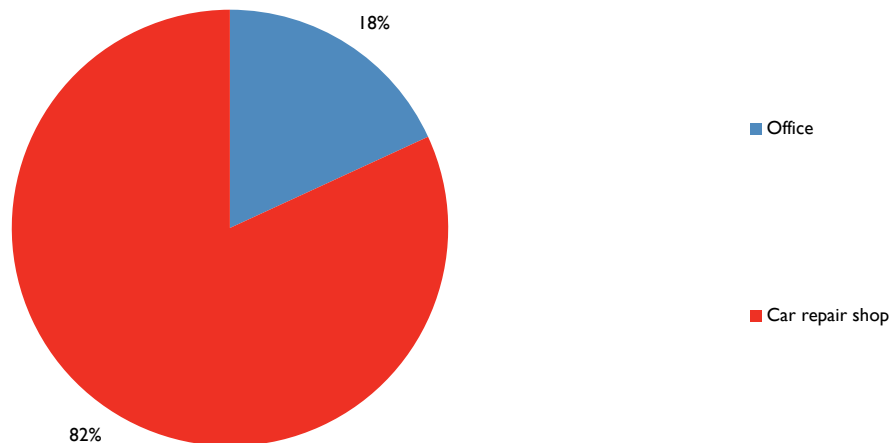
PROPERTY ID 19 Hansastrafße 54, 01097 Dresden, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	180 m²	18.1%	180 m²	18.1%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	812 m²	81.9%	812 m²	81.9%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	0 m²	0.0%	0 m²	0.0%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	992 m²		992 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

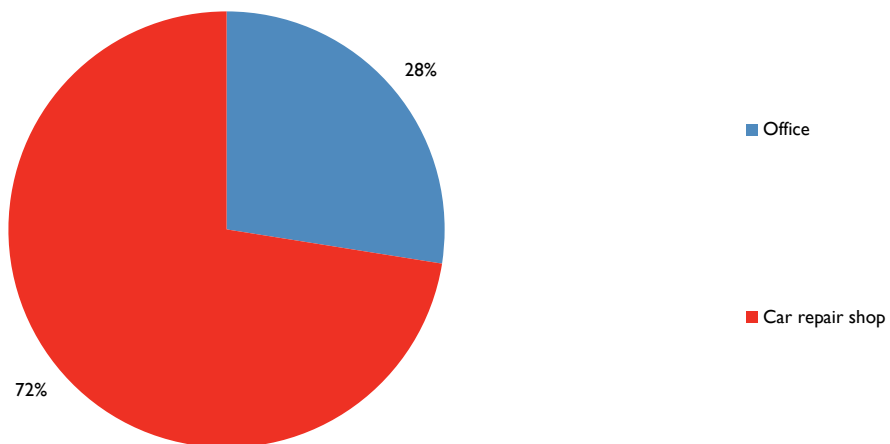


PROPERTY ID 19 Hansastrasse 54, 01097 Dresden, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	180 m²	180 m²	€ 14.79	€ 31,948	€ 9.00	€ 19,440
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	812 m²	812 m²	€ 8.64	€ 84,172	€ 9.00	€ 87,696
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	992 m²	992 m²		€ 116,120		€ 107,136
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. Carglass GmbH	405	0	58,066	11.95	9.00	-24.7%	50.0%	4.8 years	50.0%
2. Anpudre GmbH	587	0	58,054	8.24	9.00	9.2%	50.0%	2.2 years	50.0%
Total Top 10	992	0	116,120	9.75				3.5 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	2								

PROPERTY SHEET



PROPERTY ID 19 Hansasträße 54, 01097 Dresden, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10 years

CAPITALISATION RATES

Cap Rate	7.25%
Cap Year	Year 10
Discount Rate	6.25%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 6,621

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

VALUATION RESULTS

Current Rent	€ 116,120
Market Rent	€ 107,136
CR Multiplier	11.5
MR Multiplier	12.4
Net Initial Yield	7.64%
Gross Initial Yield	8.73%
Total Investment	€ 1,411,779
Less Purchasers' Costs	6.00%
Market Value	€ 1,331,867

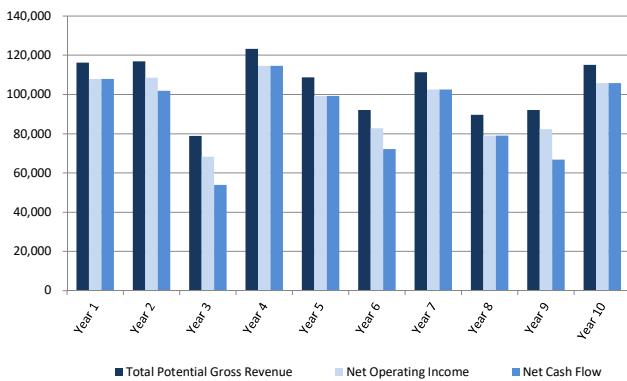
MARKET VALUE (rounded)

€ 1,330,000

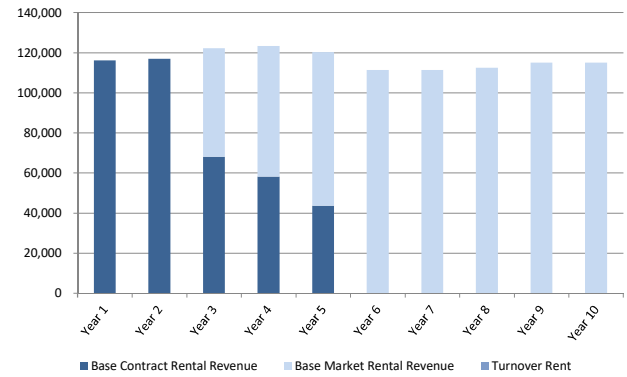
Net Capital Value per m² lettable building area

€ 1,341 / m²

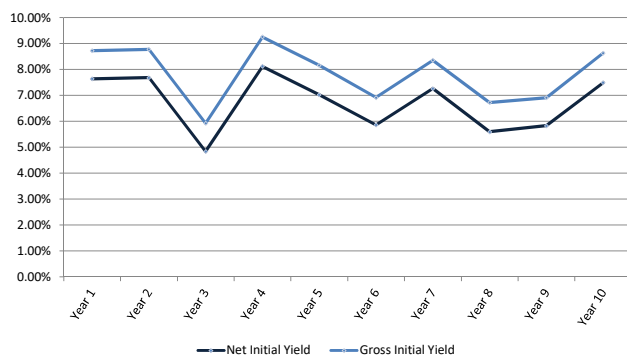
CASH FLOW ANALYSIS



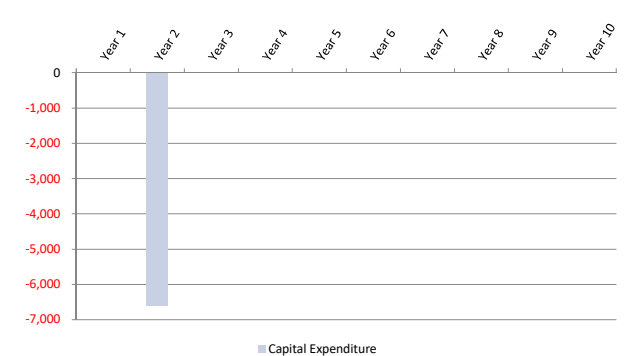
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 19 Hansasträße 54, 01097 Dresden, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10

CAPITALISATION RATES

Cap Rate	7.25%
Cap Year	Year 10
Discount Rate	7.25%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 6,621

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 107.136
CR Multiplier	0.0
MR Multiplier	9.7
Net Initial Yield	-1.40%
Gross Initial Yield	0.00%
Total Investment	€ 1,102,336
Less Purchasers' Costs	6.00%
Market Value	€ 1,039,940

VACANT POSSESSION VALUE (rounded)

€ 1,040,000

Net Capital Value per m² lettable building area

€ 1,048 /m²



PROPERTY ID 19 Hansastrasse 54, 01097 Dresden, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA		
Net lettable building area		992 m²
Ratio net lettable area to gross floor area	85.00%	
Gross floor area (BGF)		1,167 m²
DEMOLITION & SITE CLEARANCE		
Demolition costs existing buildings	€ 60 /m²	€ 70,024
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 70,024

CONSTRUCTION COSTS		
a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 1,200 /m²
Regional adjustment	0.825	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 1,031 /m²
Gross floor area (BGF)	1,167 m²	
Building costs, total		€ 1,203,197
b) External areas and outdoor facilities		
External areas [% of building costs]	5.00%	€ 60,160
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 60,160
Building costs incl. external areas		€ 1,263,357
Soft costs	12.50%	€ 157,920
Construction costs (incl. VAT)		€ 1,421,277

VALUATION OVERVIEW

RESULTS		
Demolition and site clearance		€ 70,024
Construction costs (incl. VAT)		€ 1,421,277
Indicative Reinstatement Costs (incl. VAT)		€ 1,491,300
Consideration of VAT	19.00%	-€ 238,107
Indicative Reinstatement Costs (excl. VAT)		€ 1,253,194

INDICATIVE REINSTATEMENT COSTS (rounded)	€ 1,250,000
Reinstatement costs (rounded) per m² lettable building area	€ 1,260 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 19 Hansastraße 54, 01097 Dresden, Germany

INFORMATION PROVIDED BY THE CLIENT

<i>Item</i>	<i>Provided via</i>
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 19 Hansastraße 54, 01097 Dresden, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 116,174	€ 116,818	€ 67,967	€ 58,066	€ 43,550	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 54,201	€ 65,155	€ 76,638	€ 111,259	€ 111,279	€ 112,415	€ 114,929	€ 114,944
Absorption & Turnover Vacancy	€ 0	€ 0	-€ 32,483	€ 0	-€ 11,483	-€ 11,512	€ 0	-€ 22,854	-€ 11,456	€ 0
Base Rent-Free Periods	€ 0	€ 0	-€ 10,859	€ 0	€ 0	-€ 7,687	€ 0	€ 0	-€ 11,470	€ 0
Scheduled Base Rental Revenue	€ 116,174	€ 116,818	€ 78,826	€ 123,221	€ 108,704	€ 92,060	€ 111,279	€ 89,560	€ 92,004	€ 114,944
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 116,174	€ 116,818	€ 78,826	€ 123,221	€ 108,704	€ 92,060	€ 111,279	€ 89,560	€ 92,004	€ 114,944
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	-€ 2,871	€ 0	-€ 1,027	-€ 1,032	€ 0	-€ 2,105	-€ 1,058	€ 0
Repairs & Maintenance, Lettable Area	-€ 5,991	-€ 6,063	-€ 6,135	-€ 6,209	-€ 6,310	-€ 6,437	-€ 6,565	-€ 6,697	-€ 6,830	-€ 6,967
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 1,162	-€ 1,168	-€ 788	-€ 1,232	-€ 1,087	-€ 921	-€ 1,113	-€ 896	-€ 920	-€ 1,149
Management Costs	-€ 1,162	-€ 1,168	-€ 788	-€ 1,232	-€ 1,087	-€ 921	-€ 1,113	-€ 896	-€ 920	-€ 1,149
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 8,314	-€ 8,399	-€ 10,583	-€ 8,673	-€ 9,512	-€ 9,310	-€ 8,791	-€ 10,593	-€ 9,728	-€ 9,266
	7.16%	7.19%	13.43%	7.04%	8.75%	10.11%	7.90%	11.83%	10.57%	8.06%
NET OPERATING INCOME (NOI)	€ 107,860	€ 108,419	€ 68,243	€ 114,548	€ 99,193	€ 82,750	€ 102,488	€ 78,967	€ 82,275	€ 105,678
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	€ 0	-€ 6,285	€ 0	€ 0	-€ 4,854	€ 0	€ 0	-€ 6,940	€ 0
Leasing Commissions	€ 0	€ 0	-€ 8,144	€ 0	€ 0	-€ 5,765	€ 0	€ 0	-€ 8,602	€ 0
Capital Expenditure	€ 0	-€ 6,621	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 6,621	-€ 14,430	€ 0	€ 0	-€ 10,620	€ 0	€ 0	-€ 15,542	€ 0
CASH FLOW	€ 107,860	€ 101,799	€ 53,813	€ 114,548	€ 99,193	€ 72,130	€ 102,488	€ 78,967	€ 66,733	€ 105,678
Discount Rate / Discount Factor	6.25%	0.941	0.886	0.834	0.785	0.739	0.695	0.654	0.616	0.545
NET PRESENT VALUE (NPV)	€ 101,515	€ 90,174	€ 44,865	€ 89,882	€ 73,255	€ 50,135	€ 67,045	€ 48,620	€ 38,671	€ 57,636

Property Exit			
GPV	NOI year 10 *Cap	€ 105,678 x 13.7931	€ 1,457,624
Purchasers Cost	6.00%		-€ 82,507
Exit Value			€ 1,375,117
NPV Exit Value	0.5454		€ 749,981
Market Value			
NPV Cash Flows			€ 661,798
Total Investment			€ 1,411,779
Purchasers Cost	6.00%		-€ 79,912
Market Value			€ 1,331,867
Market Value (rounded)		€ 1,330,000	

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	13.1	11.5	11.4	16.9	10.8	12.3	14.5	12.0	14.9	14.5	11.6
Net Initial Yield (NIY)	6.69%	7.6%	7.7%	4.8%	8.1%	7.0%	5.9%	7.3%	5.6%	5.8%	7.5%
Gross Initial Yield (GIY)	7.80%	8.7%	8.8%	5.9%	9.3%	8.2%	6.9%	8.4%	6.7%	6.9%	8.6%

PROPERTY ID 19

Hansastraße 54, 01097 Dresden, Germany

RENT ROLL							MARKET LEASING ASSUMPTIONS							
PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Anpudre GmbH	Office	96	€ 12.40	€ 14.289.84	31.08.2020	2.2 years	€ 9.00	€ 10.368.00	12	50%	€ 50 /m²	60	3	3
Anpudre GmbH	Car repair shop	491	€ 7.43	€ 43.764.36	31.08.2020	2.2 years	€ 9.00	€ 53.028.00	12	50%	€ 15 /m²	60	3	3
Carglass GmbH	Office	84	€ 17.52	€ 17.658.57	31.03.2023	4.8 years	€ 9.00	€ 9.072.00	12	50%	€ 50 /m²	60	3	3
Carglass GmbH	Car repair shop	321	€ 10.49	€ 40.407.72	31.03.2023	4.8 years	€ 9.00	€ 34.968.00	12	50%	€ 15 /m²	60	3	3
Total		992 m²		€ 116.120				€ 107.136						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)													
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment				Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Total		0 m²						- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 19 Hansastraße 54, 01097 Dresden, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 107,715	€ 108,635	€ 108,747	€ 108,747	€ 108,747	€ 108,747	€ 112,149	€ 114,864	€ 114,864	€ 114,864
Absorption & Turnover Vacancy	-€ 107,715	-€ 45,199	€ 0	€ 0	€ 0	€ 0	-€ 57,266	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 27,187	€ 0	€ 0	€ 0	€ 0	-€ 9,572	-€ 9,572	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 36,249	€ 108,747	€ 108,747	€ 108,747	€ 108,747	€ 45,311	€ 105,292	€ 114,864	€ 114,864
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 36,249	€ 108,747	€ 108,747	€ 108,747	€ 108,747	€ 45,311	€ 105,292	€ 114,864	€ 114,864
Non Recoverable Running Costs During Vacancy	-€ 9,485	-€ 4,785	€ 0	€ 0	€ 0	€ 0	-€ 6,089	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 5,991	-€ 6,063	-€ 1,135	-€ 6,209	-€ 6,310	-€ 6,437	-€ 6,565	-€ 6,697	-€ 6,830	-€ 6,967
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 362	-€ 1,087	-€ 1,087	-€ 1,087	-€ 1,087	-€ 453	-€ 1,053	-€ 1,149	-€ 1,149
Management Costs	€ 0	-€ 362	-€ 1,087	-€ 1,087	-€ 1,087	-€ 1,087	-€ 453	-€ 1,053	-€ 1,149	-€ 1,149
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 15,476	-€ 11,573	-€ 8,310	-€ 8,384	-€ 8,485	-€ 8,611	-€ 13,560	-€ 8,802	-€ 9,128	-€ 9,264
#DIV/0!	31.93%	31.93%	7.64%	7.71%	7.80%	7.92%	29.93%	8.36%	7.95%	8.07%
NET OPERATING INCOME	-€ 15,476	€ 24,676	€ 100,437	€ 100,363	€ 100,262	€ 100,136	€ 31,751	€ 96,490	€ 105,737	€ 105,600
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	-€ 21,562	€ 0	€ 0	€ 0	€ 0	-€ 11,787	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 27,187	€ 0	€ 0	€ 0	€ 0	-€ 14,358	€ 0	€ 0	€ 0
Capital Expenditure	€ 0	-€ 6,621	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 55,370	€ 0	€ 0	€ 0	€ 0	-€ 26,145	€ 0	€ 0	€ 0
CASH FLOW	-€ 15,476	-€ 30,693	€ 100,437	€ 100,363	€ 100,262	€ 100,136	€ 5,606	€ 96,490	€ 105,737	€ 105,600
Discount Rate / Discount Factor	7.25%	0.932	0.869	0.811	0.756	0.705	0.657	0.613	0.571	0.533
NET PRESENT VALUE	-€ 14,430	-€ 26,684	€ 81,414	€ 75,855	€ 70,656	€ 65,797	€ 3,434	€ 55,119	€ 56,318	€ 52,443

Property Exit			
GPV	NOI year 10 *Cap	€ 105,600 x 13,7931	€ 1,456,551
Purchasers Cost	6.00%		-€ 82,446
Exit Value			€ 1,374,104
NPV Exit Value	0.4966		€ 682,412

Market Value		
NPV Cash Flows		€ 419,924
Total Investment		€ 1,102,336
Purchasers Cost	6.00%	-€ 62,396
Vacant Possession Value		€ 1,039,940

Vacant Possession Value (rounded) € 1,040,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	12.4		28.7	9.6	9.6	9.6	9.6	23.0	9.9	9.1	9.1
Net Initial Yield (NIY)	7.98%		2.2%	9.1%	9.1%	9.1%	9.1%	2.9%	8.8%	9.6%	9.6%
Gross Initial Yield (GIY)	9.39%		3.5%	10.5%	10.5%	10.5%	10.5%	4.4%	10.1%	11.0%	11.0%



PROPERTY ID 20 Rumburger Straße 5, 02708 Loebau, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Saxony
Federal District	Görlitz
City / Municipality	Loebau
Inhabitants (as at)	01.01.2017 15,127
Unemployment rate (as at)	31.12.2017 8.7%
Purchasing Power (German average = 100)	01.01.2018 78.11

Location rating

Macro Location	Small town (< 20,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	medium

PROPERTY DETAILS

Property type/ primary use	Retail
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	2005
Lettable area	955 m ²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	9.4 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	2,881 m ²
Building condition	medium
Contamination	none, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	underrented	€ 79,555
Market gross rental income p.a. (Year 1)		€ 80,220
Non-recoverable costs p.a. (Year 1)		-€ 7,360

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 1,080,000

Net Capital Value per m² lettable building area € 1,131 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	6.33%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	7.37%
Gross multiplier on Current Rent	13.6
Gross multiplier on Market Rent	13.5

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	2	Lettability	3
Micro Location	3	Marketability (sale)	3
Building quality (specification & parking etc.)	3	Overall rating	3
Building condition	3	Estimated marketing period (months)	12



PROPERTY ID 20 Rumburger Straße 5, 02708 Loebau, Germany

LOCATION

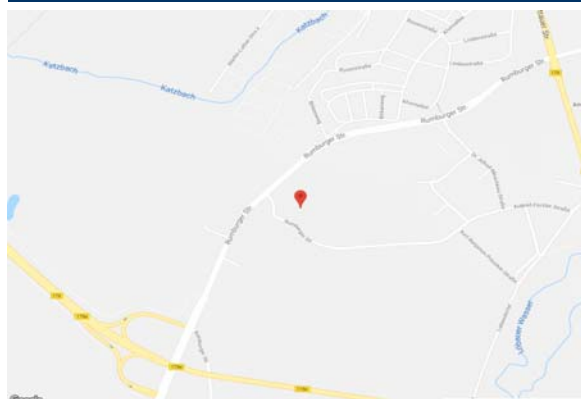
MACRO LOCATION



MACRO LOCATION

Loebau is a city in the east of Saxony in the traditional region of Upper Lusatia. It is in approx. 30 minutes driving distance from the Czech and Polish border. The city has approx. 15,000 inhabitants. The nearest larger cities are Goerlitz, Bautzen and Zittau.

MICRO LOCATION



MICRO LOCATION

The subject property is located in the southern part of Loebau. It is located in a small commercial area with a car repair shop, petrol station and a supermarket. The further surrounding is mainly characterized by green area and residential buildings. Federal highway B178 is accessible within 2 minutes drive. Dresden airport is in 90 km distance.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

No historical trend of prime and average rents or net initial yields for retail space in Loebau can currently be determined due to the insufficient volume and availability of data, primarily due to the size of the market. For this reason, Goerlitz, the nearest larger city, is considered as a proxy. In 2007 the prime rent for retail in Goerlitz amounted to € 20.00/m² in prime areas, € 9.50/m² in city areas and € 6.50/m² in peripheral areas. By 2017, the prime rent in prime and city areas had increased to € 23.00/m² and € 10.00/m². The prime rent in peripheral areas is still at € 6.50/m². The average rent for retail in Goerlitz is at € 14.00/m² in prime areas and at € 4.60/m² in peripheral areas in 2017. The prime yield decreased from 9.5% in 2007 to 8.3% in 2017 in the prime location and the yield amounts to 9.5% in peripheral locations. Goerlitz forms part of one of the six leading retail centres in Saxony. Its centrality rating amounts to 110.5 which is below the regional rating. The power purchasing index is below regional level, at 79.9. Goerlitz ranks among the D-cities. Letting opportunities are considered to be sufficient and the vacancy rate trend is classified as good.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
retail	02899 Ostritz	655 m ²	€ 5.80 /m ²	currently asking	medium
retail	01877 Bischofswerda	98 m ²	€ 7.14 /m ²	currently asking	medium
retail	18107 Rostock	162 m ²	€ 8.00 /m ²	currently asking	medium

COMMENT ON LEASE COMPARABLES

The rental level for retail properties provided within the comparable evidence range between € 5.80 and € 8.00 m²/month, with the size spectrum of the currently offered rental areas ranging between 98 m² and 655 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for retail space of € 7.00 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m ²	Sales price	Date of sale	Comparability
retail	49078 Osnabrueck	1,401 m ²	€ 1,024	€ 1,435,000	Q2 2017	medium
retail	15745 Brandenburg	1,450 m ²	€ 1,241	€ 1,800,000	Q3 2017	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 1.024 and 1.241/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 1.131/m² appears plausible and fits into the comparable evidence. As at the date of transaction, comparable 1 had an occupancy rate of 66% and the WALT amounted to 1.56 years. The property was constructed in 1987. Comparable property 2 was built in 2003. As at the date of transaction, it was fully let and WALT was 1.08 years. Comparable property 3 was fully let on multi-tenant basis. We did not receive information about the year of construction.



PROPERTY ID 20 Rumburger Straße 5, 02708 Loebau, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Zittau, land register of Loebau, Folio 4172 (dated 07.12.2017)
Owner	GER LOG 5 S.A., Luxembourg
Land parcels	Land parcel 994/12
Site area	2,881 m ²
Entries of domination (Herrschenvermerk)	None.

Restrictions and encumbrances 1 Easement (Grunddienstbarkeit) regarding a right to walk and drive (Geh- und Fahrrecht) and a supply line right (Versorgungsleitungsrecht) in favour of the respective owner of parcel 994/13; registered on 7 April 2008.

Restrictions and encumbrances 2 Easement (Grunddienstbarkeit) regarding a right of border development and takeover of the distance surfaces (Grenzbebauungsrecht und Abstandsflächenübernahme) in favour of the respective owner of parcel 994/13; registered on 7 April 2008.

Restrictions and encumbrances 3 Easement (Grunddienstbarkeit) regarding a right to co-use parking space (Stellplatzmitbenutzungsrecht) in favour of the respective owner of parcel 994/13; registered on 7 April 2008.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There are several entries in section II of the land registry extract regarding easements. The easements are regarding a right to walk and drive, a right of border development and takeover of the distance surfaces and a right to co-use parking space. For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, there are no building restrictions registered according to the Reports on Title and the authority's information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site is located on former agricultural land in a light industrial and commercial area. There is a low risk of contamination from previous or current use. The site is not recorded in the German register for contaminated sites.

PLANNING LAW

According to information provided by the city of Loebau on 14.06.2018, there is a detailed development plan "EKZ Süd" 1st amendment, dated 14.10.1992 relating to the subject area. The plan stipulates commercial area (GE), which is legally binding with the Federal Land Utilization Ordinance of 1990 (BauNVO). The plan stipulates a site coverage of 0.8 and a plot ratio of 0.7. For the purpose of this valuation, we have assumed that the subject property has been developed in line with the planning requirements.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 20 Rumburger Straße 5, 02708 Loebau, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	2,881 m²
of which is development land (for additional construction)	none
Shape of site	rectangular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	modern, average quality
State of repair, building	average
Building layout	efficient
Condition of lettable areas	medium
Construction type	various types
Facade	various types
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	n/a
Windows	aluminium
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a fair overall condition.

There were no Recognized Environmental Conditions (RECs) identified at this site. 1 - 4 years considerations include repair of the facade. Hence, the TDD did not state for any costs, we did not reflect any short-term capital expenditures in our calculation. The outside pavement repairs are reportedly the tenant's responsibility.

INSPECTION

Type of inspection	Full inspection
Date of inspection	12.06.2018
Inspected by	Rene Ciecierski

COMMENT ON BUILDING

The subject property is currently let to AWG Allgemeine Warenvertriebs mbH. The property has one storey. There is no separate office area. There are approx. 40 parking units. The outside area is paved and fenced. Access to the site is not controlled.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (12.06.2018), the lettable areas appeared to be in a fair condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. We did not apply any capex, in line with the Arcadis report.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a medium level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the retail space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. Estate management would include extending the existing lease agreement.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Established retail warehousing agglomeration
2. Sufficient number of parking spaces

OPPORTUNITIES

1. Prolongation of existing lease

WEAKNESSES

1. Remote macro location

THREATS

1. Longer vacancy period if tenant quits



PROPERTY ID 20 Rumburger Straße 5, 02708 Loebau, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



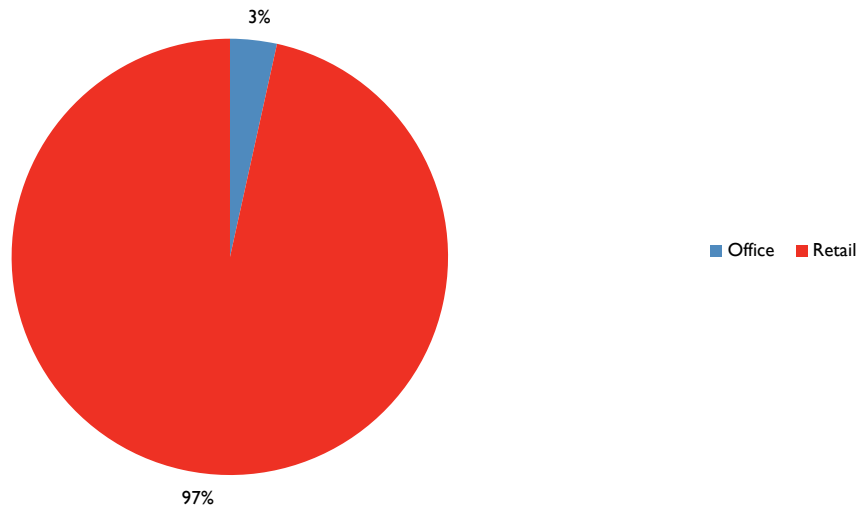
PROPERTY ID 20 Rumburger Straße 5, 02708 Loebau, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	33 m²	3.5%	33 m²	3.5%	0 m²	
Retail	922 m²	96.5%	922 m²	96.5%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	0 m²	0.0%	0 m²	0.0%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	0 m²	0.0%	0 m²	0.0%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	955 m²		955 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

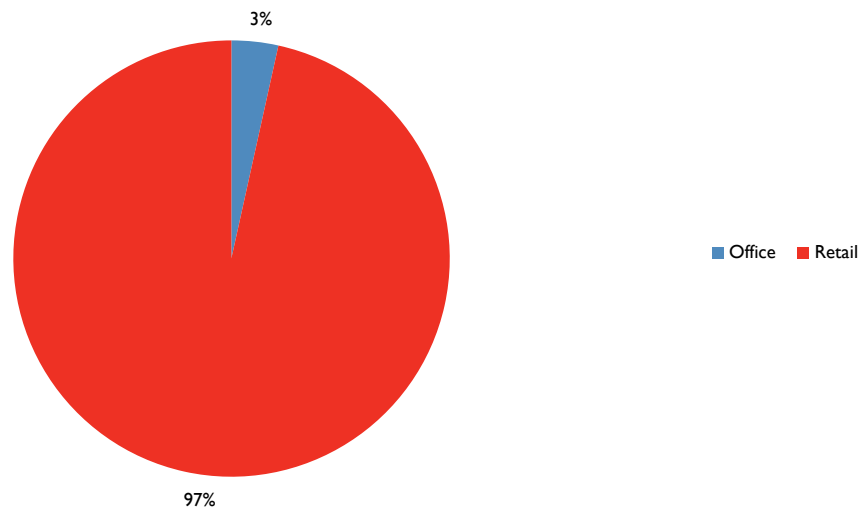


PROPERTY ID 20 Rumburger Straße 5, 02708 Loebau, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	33 m²	33 m²	€ 6.94	€ 2,749	€ 7.00	€ 2,772
Retail	922 m²	922 m²	€ 6.94	€ 76,806	€ 7.00	€ 77,448
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	955 m²	955 m²		€ 79,555		€ 80,220
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. AWG Allgemeine Warenvertriebs	955	0	79,555	6.94	7.00	0.8%	100.0%	9.4 years	100.0%
Total Top 10	955	0	79,555	6.94				9.4 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 20 Rumburger Straße 5, 02708 Loebau, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING	
Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10 years

CAPITALISATION RATES	
Cap Rate	6.75%
Cap Year	Year 11
Discount Rate	5.75%

NON-REIMBURSABLE EXPENSES	
Vacancy Costs (p.a.)	€ 12.00 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 0

OTHER ADJUSTMENTS	
Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION	
General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

VALUATION RESULTS

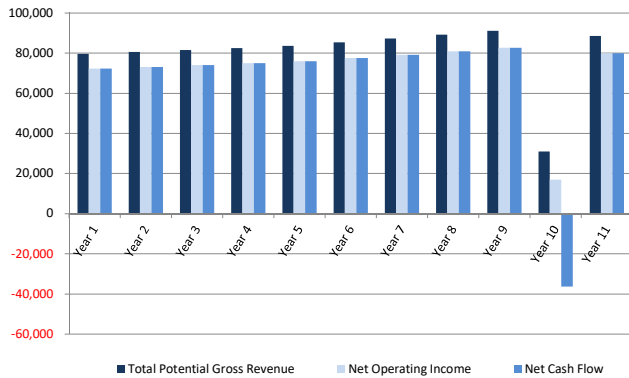
Current Rent	€ 79,555
Market Rent	€ 80,220
CR Multiplier	13.6
MR Multiplier	13.5
Net Initial Yield	6.33%
Gross Initial Yield	7.37%
Total Investment	€ 1,141,777
Less Purchasers' Costs	6.00%
Market Value	€ 1,077,148

MARKET VALUE (rounded) € 1,080,000

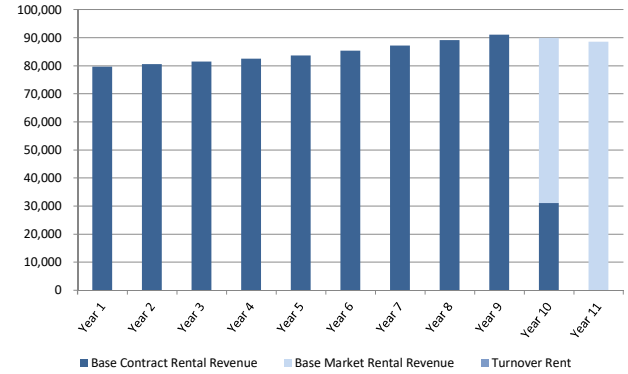
Net Capital Value per m² lettable building area

€ 1,131 /m²

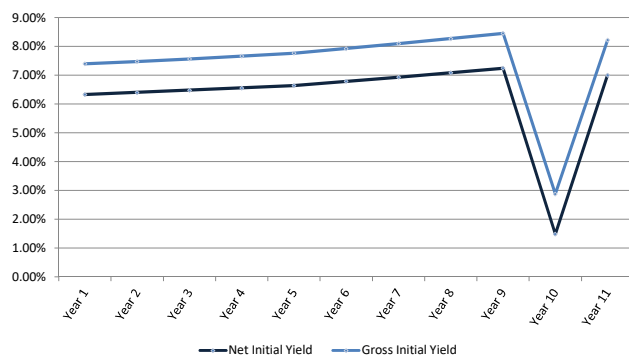
CASH FLOW ANALYSIS



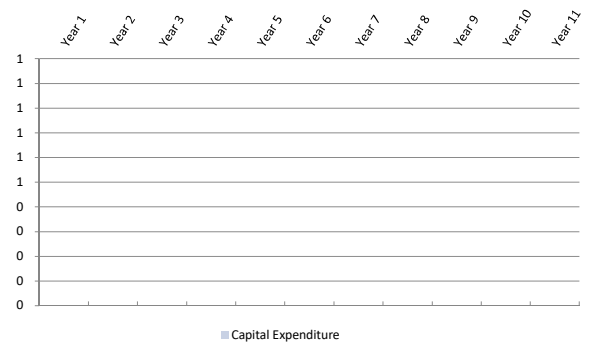
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 20 Rumburger Straße 5, 02708 Loebau, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10

CAPITALISATION RATES

Cap Rate	6.75%
Cap Year	Year 11
Discount Rate	7.00%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 12.00 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 0

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 80,220
CR Multiplier	0.0
MR Multiplier	9.3
Net Initial Yield	-2.20%
Gross Initial Yield	0.00%
Total Investment	€ 787,451
Less Purchasers' Costs	6.00%
Market Value	€ 742,878

VACANT POSSESSION VALUE (rounded)

€ 743,000

Net Capital Value per m² lettable building area

€ 778 /m²



PROPERTY ID 20 Rumburger Straße 5, 02708 Loebau, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA		
Net lettable building area		955 m²
Ratio net lettable area to gross floor area	85.00%	
Gross floor area (BGF)		1,124 m²
DEMOLITION & SITE CLEARANCE		
Demolition costs existing buildings	€ 60 /m²	€ 67,412
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 67,412

CONSTRUCTION COSTS		
a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 1,050 /m²
Regional adjustment	0.852	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 932 /m²
Gross floor area (BGF)	1,124 m²	
Building costs, total		€ 1,046,700
b) External areas and outdoor facilities		
External areas [% of building costs]	7.50%	€ 78,503
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 78,503
Building costs incl. external areas		€ 1,125,203
Soft costs	15.00%	€ 168,780
Construction costs (incl. VAT)		€ 1,293,983

VALUATION OVERVIEW

RESULTS		
Demolition and site clearance		€ 67,412
Construction costs (incl. VAT)		€ 1,293,983
Indicative Reinstatement Costs (incl. VAT)		€ 1,361,395
Consideration of VAT	19.00%	-€ 217,366
Indicative Reinstatement Costs (excl. VAT)		€ 1,144,029

INDICATIVE REINSTATEMENT COSTS (rounded)	€ 1,140,000
Reinstatement costs (rounded) per m² lettable building area	€ 1,194 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 20 Rumburger Straße 5, 02708 Loebau, Germany

INFORMATION PROVIDED BY THE CLIENT

<i>Item</i>	<i>Provided via</i>
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 20 Rumburger Straße 5, 02708 Loebau, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 79,628	€ 80,511	€ 81,488	€ 82,490	€ 83,574	€ 85,329	€ 87,156	€ 89,059	€ 91,043	€ 30,978	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 58,898	€ 88,539
Absorption & Turnover Vacancy	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 44,141	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 14,757	€ 0
Scheduled Base Rental Revenue	€ 79,628	€ 80,511	€ 81,488	€ 82,490	€ 83,574	€ 85,329	€ 87,156	€ 89,059	€ 91,043	€ 30,978	€ 88,539
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 79,628	€ 80,511	€ 81,488	€ 82,490	€ 83,574	€ 85,329	€ 87,156	€ 89,059	€ 91,043	€ 30,978	€ 88,539
Non Recoverable Running Costs During Vacancy											
Repairs & Maintenance, Lettable Area	-€ 5,767	-€ 5,836	-€ 5,906	-€ 5,977	-€ 6,075	-€ 6,196	-€ 6,320	-€ 6,447	-€ 6,576	-€ 6,707	-€ 6,841
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 796	-€ 805	-€ 815	-€ 825	-€ 836	-€ 853	-€ 872	-€ 891	-€ 910	-€ 310	-€ 885
Management Costs	-€ 796	-€ 805	-€ 815	-€ 825	-€ 836	-€ 853	-€ 872	-€ 891	-€ 910	-€ 310	-€ 885
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 7,360	-€ 7,447	-€ 7,536	-€ 7,627	-€ 7,746	-€ 7,903	-€ 8,063	-€ 8,228	-€ 8,397	-€ 14,045	-€ 8,612
	9.24%	9.25%	9.25%	9.25%	9.27%	9.26%	9.25%	9.24%	9.22%	45.34%	9.73%
NET OPERATING INCOME (NOI)	€ 72,268	€ 73,064	€ 73,952	€ 74,863	€ 75,828	€ 77,426	€ 79,092	€ 80,831	€ 82,647	€ 16,933	€ 79,927
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 42,232	€ 0
Leasing Commissions	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 11,067	€ 0
Capital Expenditure	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 53,299	€ 0
CASH FLOW	€ 72,268	€ 73,064	€ 73,952	€ 74,863	€ 75,828	€ 77,426	€ 79,092	€ 80,831	€ 82,647	-€ 36,367	€ 79,927
Discount Rate / Discount Factor	5.75%	0.946	0.894	0.846	0.800	0.756	0.715	0.676	0.639	0.605	0.572
NET PRESENT VALUE (NPV)	€ 68,338	€ 65,335	€ 62,533	€ 59,861	€ 57,336	€ 55,361	€ 53,477	€ 51,682	€ 49,969	-€ 20,792	€ 43,213

Property Exit			
GPV	NOI year 11 *Cap	€ 79,927 x 14,8148	€ 1,184,107
Purchasers Cost	6.00%		-€ 67,025
Exit Value			€ 1,117,082
NPV Exit Value	0.5717		€ 638,677
Market Value			
NPV Cash Flows			€ 503,100
Total Investment			€ 1,141,777
Purchasers Cost	6.00%		-€ 64,629
Market Value			€ 1,077,148
Market Value (rounded)			€ 1,080,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	14.5	13.5	13.4	13.2	13.1	12.9	12.6	12.4	12.1	11.8	34.8	12.2
Net Initial Yield (NIY)	6.33%	6.3%	6.4%	6.5%	6.6%	6.6%	6.8%	6.9%	7.1%	7.2%	1.5%	7.0%
Gross Initial Yield (GIY)	7.49%	7.4%	7.5%	7.6%	7.7%	7.8%	7.9%	8.1%	8.3%	8.5%	2.9%	8.2%

PROPERTY ID 20

Rumburger Straße 5, 02708 Loebau, Germany

RENT ROLL

MARKET LEASING ASSUMPTIONS

PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
AWG Allgemeine Warenvertriebs mbH	Office	33	€ 6.94	€ 2.749.01	08.11.2027	9.4 years	€ 7.00	€ 2.772.00	12	50%	€ 75 /m²	60	3	3
AWG Allgemeine Warenvertriebs mbH	Retail	922	€ 6.94	€ 76.805.71	08.11.2027	9.4 years	€ 7.00	€ 77.448.00	12	50%	€ 75 /m²	60	3	3
Total		955 m²		€ 79.555				€ 80.220						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)													
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment				Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Total		0 m²						- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 20 Rumburger Straße 5, 02708 Loebau, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 80,654	€ 81,342	€ 81,426	€ 81,426	€ 81,426	€ 81,426	€ 83,974	€ 86,007	€ 86,007	€ 86,007	€ 86,007
Absorption & Turnover Vacancy	-€ 80,654	-€ 33,843	€ 0	€ 0	€ 0	€ 0	-€ 42,879	€ 0	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 20,357	€ 0	€ 0	€ 0	€ 0	-€ 7,167	-€ 7,167	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 27,142	€ 81,426	€ 81,426	€ 81,426	€ 81,426	€ 33,928	€ 78,839	€ 86,007	€ 86,007	€ 86,007
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 27,142	€ 81,426	€ 81,426	€ 81,426	€ 81,426	€ 33,928	€ 78,839	€ 86,007	€ 86,007	€ 86,007
Non Recoverable Running Costs During Vacancy	-€ 11,534	-€ 5,819	€ 0	€ 0	€ 0	€ 0	-€ 7,404	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 5,767	-€ 5,836	-€ 5,906	-€ 5,977	-€ 6,075	-€ 6,196	-€ 6,320	-€ 6,447	-€ 6,576	-€ 6,707	-€ 6,841
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 271	-€ 814	-€ 814	-€ 814	-€ 814	-€ 339	-€ 788	-€ 860	-€ 860	-€ 860
Management Costs	€ 0	-€ 271	-€ 814	-€ 814	-€ 814	-€ 814	-€ 339	-€ 788	-€ 860	-€ 860	-€ 860
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 17,302	-€ 12,198	-€ 7,535	-€ 7,606	-€ 7,703	-€ 7,825	-€ 14,403	-€ 8,024	-€ 8,296	-€ 8,427	-€ 8,562
#DIV/0!	9.25%	44.94%	9.25%	9.34%	9.46%	9.61%	42.45%	10.18%	9.65%	9.80%	9.95%
NET OPERATING INCOME	-€ 17,302	€ 14,944	€ 73,891	€ 73,820	€ 73,723	€ 73,601	€ 19,525	€ 70,816	€ 77,711	€ 77,579	€ 77,445
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	-€ 72,918	€ 0	€ 0	€ 0	€ 0	-€ 39,862	€ 0	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 20,357	€ 0	€ 0	€ 0	€ 0	-€ 10,751	€ 0	€ 0	€ 0	€ 0
Capital Expenditure	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 93,275	€ 0	€ 0	€ 0	€ 0	-€ 50,613	€ 0	€ 0	€ 0	€ 0
CASH FLOW	-€ 17,302	-€ 78,331	€ 73,891	€ 73,820	€ 73,723	€ 73,601	-€ 31,088	€ 70,816	€ 77,711	€ 77,579	€ 77,445
Discount Rate / Discount Factor	7.00%	0.935	0.873	0.816	0.763	0.713	0.666	0.623	0.582	0.544	0.475
NET PRESENT VALUE	-€ 16,170	-€ 68,417	€ 60,317	€ 56,317	€ 52,563	€ 49,044	-€ 19,360	€ 41,216	€ 42,270	€ 39,437	€ 36,794

Property Exit			
GPV	NOI year 11 *Cap	€ 77,445 x 14,8148	€ 1,147,336
Purchasers Cost	6.00%		-€ 64,944
Exit Value			€ 1,082,393
NPV Exit Value	0.5083		€ 550,234

Market Value			
NPV Cash Flows			€ 237,217
Total Investment			€ 787,451
Purchasers Cost	6.00%		-€ 44,573
Vacant Possession Value			€ 742,878

Vacant Possession Value (rounded) € 743,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	11.8	27.4	9.1	9.1	9.1	9.1	9.1	21.9	9.4	8.6	8.6	8.6
Net Initial Yield (NIY)	8.13%	1.9%	9.4%	9.4%	9.4%	9.4%	9.3%	2.5%	9.0%	9.9%	9.9%	9.8%
Gross Initial Yield (GIY)	9.84%	3.7%	11.0%	11.0%	11.0%	11.0%	11.0%	4.6%	10.6%	11.6%	11.6%	11.6%

PROPERTY SHEET



PROPERTY ID 21 Mühlhäuser Straße 11-13, 99817 Eisenach, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Thuringia
Federal District	Eisenach
City / Municipality	Eisenach
Inhabitants (as at)	01.01.2017 42,590
Unemployment rate (as at)	31.12.2017 6.6%
Purchasing Power (German average = 100)	01.01.2018 88.36

Location rating

Macro Location	Medium-sized town (20,000-100,000 inhabitants)
Micro Location	Central
Competition	strong

PROPERTY DETAILS

Property type/ primary use	Car repair shop
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	2007
Lettable area	319 m²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	3.8 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	1,097 m²
Building condition	medium
Contamination	unclear, see commentary
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	overrented	€ 53,142
Market gross rental income p.a. (Year 1)		€ 25,839
Non-recoverable costs p.a. (Year 1)		-€ 2,989

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 336,000

Net Capital Value per m² lettable building area € 1,053 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	13.70%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	15.82%
Gross multiplier on Current Rent	6.3
Gross multiplier on Market Rent	13.0

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	2	Lettability	3
Micro Location	3	Marketability (sale)	3
Building quality (specification & parking etc.)	3	Overall rating	3
Building condition	3	Estimated marketing period (months)	12



PROPERTY ID 21 Mühlhäuser Straße 11-13, 99817 Eisenach, Germany

LOCATION

MACRO LOCATION



MACRO LOCATION

Eisenach is a town in central Germany with approx. 43,000 inhabitants. It is part of the federal state Thuringia approx. 50 km west of the federal capital Erfurt. Due to its central location within Germany, Eisenach is an established logistics location, but of limited supraregional relevance. Domiciled companies are inter alia Opel, Logistics Solutions, Ewals Cargo Care and ATEGE Allgemeine Transportgesellschaft.

MICRO LOCATION



MICRO LOCATION

The subject property is located in the centre of Eisenach. It is situated in a mixed-use area. Adjacent to the property are a car rental agency and restaurant. Public transport is accessible within 900 m.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

In 2007 the prime rent for warehouses and logistics in Eisenach amounted to € 2.50/m². By 2017, this had increased to € 3.10/m². The average rent for warehouses and logistics in Eisenach is at € 2.50/m² in 2017. The prime yield decreased from 9.7% in 2007 to 7.5% in 2017. The average yield amounts to 9.4%. Eisenach is an established logistics location, especially regarding the automotive industry (Opel). Nevertheless, the region is of limited relevance as a supraregional logistics location. Regional and local operating companies as well as companies providing special freight solutions are located in Eisenach. Resident companies are e.g. BLG Logistics Solutions, ATEGE Allgemeine Transportgesellschaft, Ewals Cargo Care and Paul Guenther Kontraktlogistik. In 2007 the prime rent for retail in Eisenach amounted to € 15.00/m² in the central locations and to € 9.00/m² in peripheral areas. By 2017, this had increased to € 17.50/m² and € 8.00/m². The average rent for retail in Eisenach increased from € 5.50/m² in 2007 to € 6.00/m² in 2017 in peripheral locations. In the meantime the prime yield decreased from 10.0% to 8.3%. Eisenach has an outstanding centrality rating (144.4) and therefore forms a relevant retail location in western Thuringia. The purchasing power index is below German average at 87.1. The city ranks among the D-cities. Letting opportunities are considered satisfactory and the vacancy rate trend is classified as good.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
car repair shop	53359 Rheinbach	720 m ²	€ 5.53 /m ²	currently asking	high
car repair shop	59457 Werl	1,503 m ²	€ 6.08 /m ²	confidential	medium
car repair shop	41460 Neuss	776 m ²	€ 7.73 /m ²	confidential	high

COMMENT ON LEASE COMPARABLES

The rental level for car repair shop properties provided within the comparable evidence range between € 5.53 and € 7.73 m²/month, with the size spectrum of the currently offered rental areas ranging between 720 m² and 1,503 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for car repair shop space of € 6.75 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m ²	Sales price	Date of sale	Comparability
car repair shop	59067 Hamm	1,557 m ²	€ 1,108	€ 1,725,000	Q4 2017	medium
car repair shop	44805 Bochum	1,682 m ²	€ 1,409	€ 2,370,000	Q4 2017	medium
car repair shop	59457 Werl	1,503 m ²	€ 719	€ 1,080,000	Q4 2017	low

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 718 and 1,409/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 1,053/m² appears plausible and fits into the comparable evidence. The comparable properties are let to a car repair company. As at the date of transaction, the properties were relet with a lease term of 10 years. All lease agreements are on a triple net lease basis.



PROPERTY ID 21 Mühlhäuser Straße 11-13, 99817 Eisenach, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Eisenach, land register of Eisenach, Folio 14351 (dated 07.12.2017)
Owner	GER LOG 5 S.A. Sitz: Luxembourg
Land parcels	Cadastral Section 44, Land parcel 2912/2 and 2913
Site area	1,097 m ²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1 None.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

The property is free of any rights and encumbrances.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, there are no building restrictions registered according to the Reports on Title and the authority's information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site has been subject to a degree of contamination, however this has been found to be within the acceptable limits for a light industrial use.

PLANNING LAW

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28.05.2018, the subject property is not subject to a detailed development plan. Planning consent is subject to § 34 BauGB (the German planning code). New developments must be in keeping with the type, style and size of existing buildings in the urban area, and roads and services must be available. For the purposes of this valuation we have assumed that the use referred to would continue to be appropriate in the future.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 21 Mühlhäuser Straße 11-13, 99817 Eisenach, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	1,097 m²
of which is development land (for additional construction)	none
Shape of site	rectangular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	modern, average quality
State of repair, building	average
Building layout	efficient
Condition of lettable areas	medium
Construction type	reinforced concrete
Facade	metal sheeting
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	n/a
Windows	aluminium
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a fair overall condition. There were no Recognized Environmental Conditions (RECs) identified at this site. There are no short-term considerations.

INSPECTION

Type of inspection	Full inspection
Date of inspection	12.06.2018
Inspected by	Rene Ciecierski

COMMENT ON BUILDING

The subject property is currently let to Carglass GmbH. The building has one storey and consists of an entrance/office area, common area with a kitchenette and shower and the car repair area. Outside area is paved and access to the site is not controlled. There are approx. 17 parking units.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (12.06.2018), the lettable areas appeared to be in a fair condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. We applied € 6,500 in line with the Arcadis report.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a medium level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the warehouse space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. Estate management would include extending the existing lease agreement.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Urban location
2. Retail in surroundings
3. Above average centrality index

OPPORTUNITIES

1. Prolongation of existing lease

WEAKNESSES

1. Weak macro location
2. Limited third-party usability

THREATS

1. Longer vacancy period if tenant quits
2. Decrease of rent to market rental level on re-letting

PROPERTY SHEET



PROPERTY ID 21 Mühlhäuser Straße 11-13, 99817 Eisenach, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



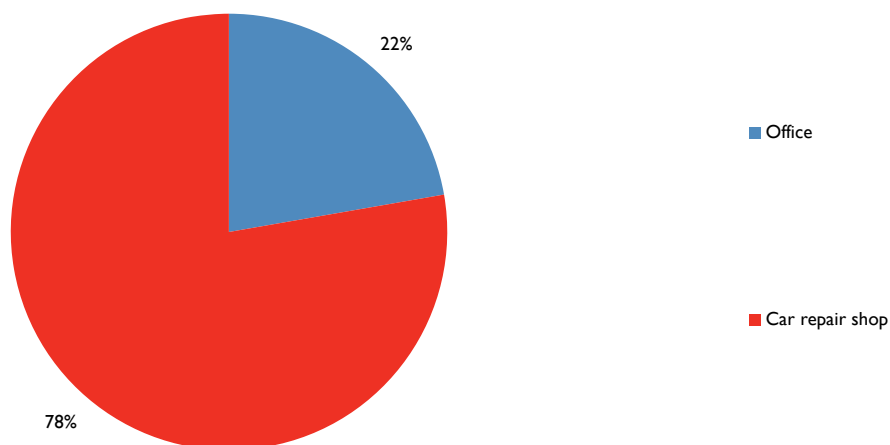
PROPERTY ID 21 Mühlhäuser Straße 11-13, 99817 Eisenach, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	71 m²	22.3%	71 m²	22.3%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	248 m²	77.7%	248 m²	77.7%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	0 m²	0.0%	0 m²	0.0%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	319 m²		319 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

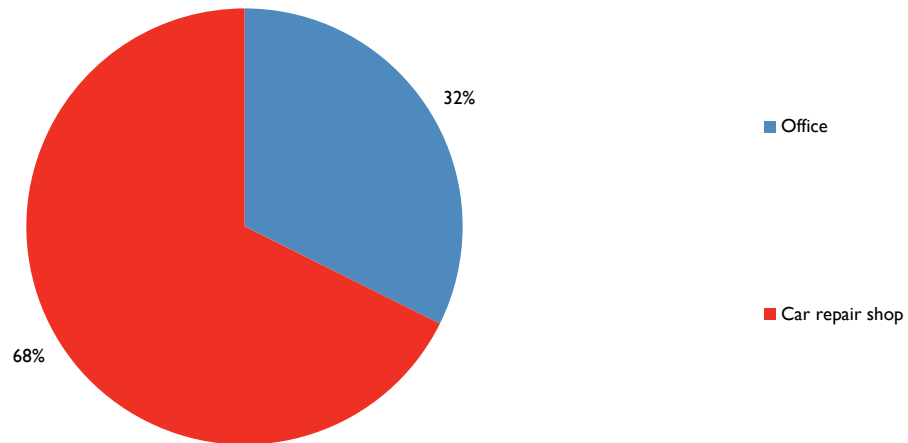


PROPERTY ID 21 Mühlhäuser Straße 11-13, 99817 Eisenach, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	71 m²	71 m²	€ 20.17	€ 17,189	€ 6.75	€ 5,751
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	248 m²	248 m²	€ 12.08	€ 35,952	€ 6.75	€ 20,088
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	319 m²	319 m²		€ 53,142		€ 25,839
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. Carglass GmbH	319	0	53,142	13.88	6.75	-51.4%	100.0%	3.8 years	100.0%
Total Top 10	319	0	53,142	13.88				3.8 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 21 Mühlhäuser Straße 11-13, 99817 Eisenach, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING	
Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10 years

CAPITALISATION RATES	
Cap Rate	8.50%
Cap Year	Year 11
Discount Rate	6.50%

NON-REIMBURSABLE EXPENSES	
Vacancy Costs (p.a.)	€ 9.50 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 6,621

OTHER ADJUSTMENTS	
Credit & Collection Loss	0.00%
General Vacancy	0.00%

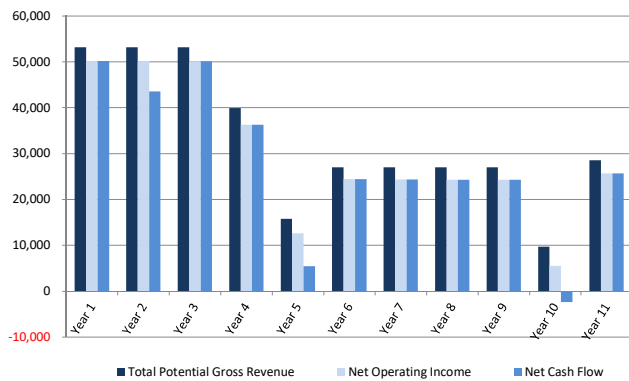
PROPERTY INFLATION	
General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

VALUATION RESULTS	
Current Rent	€ 53,142
Market Rent	€ 25,839
CR Multiplier	6.3
MR Multiplier	13.0
Net Initial Yield	13.70%
Gross Initial Yield	15.82%
Total Investment	€ 365,993
Less Purchasers' Costs	9.00%
Market Value	€ 335,773

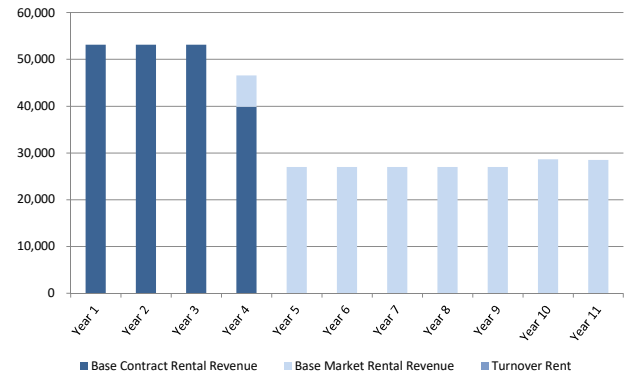
MARKET VALUE (rounded) € 336,000

Net Capital Value per m² lettable building area € 1,053 / m²

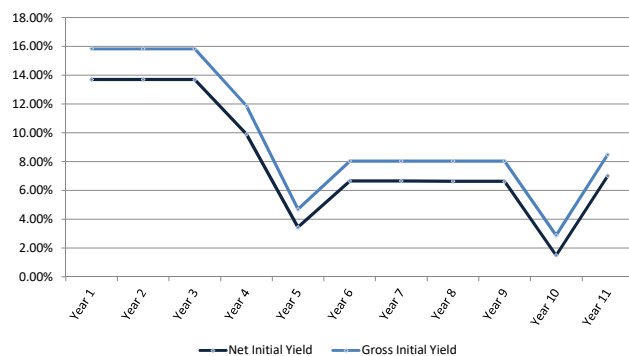
CASH FLOW ANALYSIS



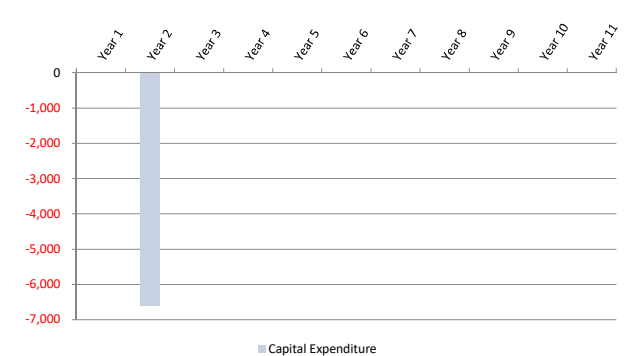
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 21 Mühlhäuser Straße 11-13, 99817 Eisenach, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10

CAPITALISATION RATES

Cap Rate	8.50%
Cap Year	Year 11
Discount Rate	7.00%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 6,621

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 25,839
CR Multiplier	0.0
MR Multiplier	8.0
Net Initial Yield	-2.19%
Gross Initial Yield	0.00%
Total Investment	€ 227,240
Less Purchasers' Costs	9.00%
Market Value	€ 208,477

VACANT POSSESSION VALUE (rounded)

€ 208,000

Net Capital Value per m² lettable building area

€ 652 /m²



PROPERTY ID 21 Mühlhäuser Straße 11-13, 99817 Eisenach, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA

Net lettable building area	319 m²
Ratio net lettable area to gross floor area	85.00%
Gross floor area (BGF)	375 m²

DEMOLITION & SITE CLEARANCE

Demolition costs existing buildings	€ 60 /m²	€ 22,518
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 22,518

CONSTRUCTION COSTS

a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 1,200 /m²
Regional adjustment	0.880	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 1,100 /m²
Gross floor area (BGF)	375 m²	
Building costs, total		€ 412,710
b) External areas and outdoor facilities		
External areas [% of building costs]	5.00%	€ 20,635
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 20,635
Building costs incl. external areas		€ 433,345
Soft costs	12.50%	€ 54,168
Construction costs (incl. VAT)		€ 487,513

VALUATION OVERVIEW

RESULTS

Demolition and site clearance		€ 22,518
Construction costs (incl. VAT)		€ 487,513
Indicative Reinstatement Costs (incl. VAT)		€ 510,031
Consideration of VAT	19.00%	-€ 81,434
Indicative Reinstatement Costs (excl. VAT)		€ 428,597

INDICATIVE REINSTATEMENT COSTS (rounded)

€ 429,000

Reinstatement costs (rounded) per m² lettable building area

€ 1,345 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 21 Mühlhäuser Straße 11-13, 99817 Eisenach, Germany

INFORMATION PROVIDED BY THE CLIENT

<i>Item</i>	<i>Provided via</i>
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 21 Mühlhäuser Straße 11-13, 99817 Eisenach, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 53,142	€ 53,142	€ 53,142	€ 39,856	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 0	€ 6,716	€ 26,966	€ 26,978	€ 26,978	€ 26,978	€ 26,978	€ 28,622	€ 28,495
Absorption & Turnover Vacancy	€ 0	€ 0	€ 0	-€ 6,716	-€ 6,733	€ 0	€ 0	€ 0	€ 0	-€ 14,206	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	€ 0	-€ 4,496	€ 0	€ 0	€ 0	€ 0	-€ 4,749	€ 0
Scheduled Base Rental Revenue	€ 53,142	€ 53,142	€ 53,142	€ 39,856	€ 15,737	€ 26,978	€ 26,978	€ 26,978	€ 26,978	€ 9,666	€ 28,495
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 53,142	€ 53,142	€ 53,142	€ 39,856	€ 15,737	€ 26,978	€ 26,978	€ 26,978	€ 26,978	€ 9,666	€ 28,495
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	€ 0	-€ 794	-€ 797	€ 0	€ 0	€ 0	€ 0	-€ 1,774	€ 0
Repairs & Maintenance, Lettable Area	-€ 1,926	-€ 1,950	-€ 1,973	-€ 1,997	-€ 2,029	-€ 2,070	-€ 2,111	-€ 2,153	-€ 2,197	-€ 2,240	-€ 2,285
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 531	-€ 531	-€ 531	-€ 399	-€ 157	-€ 270	-€ 270	-€ 270	-€ 270	-€ 97	-€ 285
Management Costs	-€ 531	-€ 531	-€ 531	-€ 399	-€ 157	-€ 270	-€ 270	-€ 270	-€ 270	-€ 97	-€ 285
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 2,989	-€ 3,012	-€ 3,036	-€ 3,588	-€ 3,141	-€ 2,609	-€ 2,651	-€ 2,693	-€ 2,736	-€ 4,207	-€ 2,855
	5.63%	5.67%	5.71%	9.00%	19.96%	9.67%	9.83%	9.98%	10.14%	43.53%	10.02%
NET OPERATING INCOME (NOI)	€ 50,152	€ 50,129	€ 50,106	€ 36,269	€ 12,596	€ 24,368	€ 24,327	€ 24,285	€ 24,241	€ 5,459	€ 25,640
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	€ 0	€ 0	€ 0	-€ 3,838	€ 0	€ 0	€ 0	€ 0	-€ 4,280	€ 0
Leasing Commissions	€ 0	€ 0	€ 0	€ 0	-€ 3,372	€ 0	€ 0	€ 0	€ 0	-€ 3,562	€ 0
Capital Expenditure	€ 0	-€ 6,621	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 6,621	€ 0	€ 0	-€ 7,210	€ 0	€ 0	€ 0	€ 0	-€ 7,841	€ 0
CASH FLOW	€ 50,152	€ 43,508	€ 50,106	€ 36,269	€ 5,386	€ 24,368	€ 24,327	€ 24,285	€ 24,241	-€ 2,383	€ 25,640
Discount Rate / Discount Factor	6.50%	0.939	0.882	0.828	0.777	0.730	0.685	0.644	0.604	0.567	0.533
NET PRESENT VALUE (NPV)	€ 47,091	€ 38,360	€ 41,480	€ 28,192	€ 3,931	€ 16,700	€ 15,654	€ 14,673	€ 13,753	-€ 1,269	€ 12,825

Property Exit			
GPV	NOI year 11 *Cap	€ 25,640 x 11,7647	€ 301,646
Purchasers Cost	9.00%		-€ 24,907
Exit Value			€ 276,739
NPV Exit Value	0.5327		€ 147,426

Market Value		
NPV Cash Flows		€ 218,567
Total Investment		€ 365,993
Purchasers Cost	9.00%	-€ 30,220
Market Value		€ 335,773

Market Value (rounded) € 336,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	13.1	6.3	6.3	6.3	8.4	21.3	12.4	12.4	12.4	12.4	34.7	11.8
Net Initial Yield (NIY)	8.04%	13.7%	13.7%	13.7%	9.9%	3.4%	6.7%	6.6%	6.6%	6.6%	1.5%	7.0%
Gross Initial Yield (GIY)	9.67%	15.8%	15.8%	15.8%	11.9%	4.7%	8.0%	8.0%	8.0%	8.0%	2.9%	8.5%

PROPERTY ID 21

Mühlhäuser Straße 11-13, 99817 Eisenach, Germany

RENT ROLL

MARKET LEASING ASSUMPTIONS

PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Carglass GmbH	Office	71	€ 20.17	€ 17,189.04	31.03.2022	3.8 years	€ 6.75	€ 5,751.00	12	50%	€ 50 /m²	60	3	3
Carglass GmbH	Car repair shop	248	€ 12.08	€ 35,952.48	31.03.2022	3.8 years	€ 6.75	€ 20,088.00	12	50%	€ 15 /m²	60	3	3
Total		319 m²		€ 53,142				€ 25,839						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)													
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment				Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Total		0 m²						- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 21 Mühlhäuser Straße 11-13, 99817 Eisenach, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 25,979	€ 26,200	€ 26,228	€ 26,228	€ 26,228	€ 26,228	€ 27,048	€ 27,703	€ 27,703	€ 27,703	€ 27,703
Absorption & Turnover Vacancy	-€ 25,979	-€ 10,901	€ 0	€ 0	€ 0	€ 0	-€ 13,811	€ 0	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 6,557	€ 0	€ 0	€ 0	€ 0	-€ 2,309	-€ 2,309	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 8,743	€ 26,228	€ 26,228	€ 26,228	€ 26,228	€ 10,928	€ 25,394	€ 27,703	€ 27,703	€ 27,703
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 8,743	€ 26,228	€ 26,228	€ 26,228	€ 26,228	€ 10,928	€ 25,394	€ 27,703	€ 27,703	€ 27,703
Non Recoverable Running Costs During Vacancy	-€ 3,050	-€ 1,539	€ 0	€ 0	€ 0	€ 0	-€ 1,958	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 1,926	-€ 1,950	-€ 1,973	-€ 1,997	-€ 2,029	-€ 2,070	-€ 2,111	-€ 2,153	-€ 2,197	-€ 2,240	-€ 2,285
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 87	-€ 262	-€ 262	-€ 262	-€ 262	-€ 109	-€ 254	-€ 277	-€ 277	-€ 277
Management Costs	€ 0	-€ 87	-€ 262	-€ 262	-€ 262	-€ 262	-€ 109	-€ 254	-€ 277	-€ 277	-€ 277
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 4,977	-€ 3,663	-€ 2,497	-€ 2,521	-€ 2,554	-€ 2,594	-€ 4,288	-€ 2,661	-€ 2,751	-€ 2,794	-€ 2,839
#DIV/0!	41.90%	9.52%	9.61%	9.74%	9.89%	9.89%	39.24%	10.48%	9.93%	10.09%	10.25%
NET OPERATING INCOME	-€ 4,977	€ 5,079	€ 23,730	€ 23,706	€ 23,674	€ 23,633	€ 6,640	€ 22,733	€ 24,952	€ 24,908	€ 24,864
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	-€ 7,401	€ 0	€ 0	€ 0	€ 0	-€ 4,048	€ 0	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 6,557	€ 0	€ 0	€ 0	€ 0	-€ 3,463	€ 0	€ 0	€ 0	€ 0
Capital Expenditure	€ 0	-€ 6,621	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 20,579	€ 0	€ 0	€ 0	€ 0	-€ 7,509	€ 0	€ 0	€ 0	€ 0
CASH FLOW	-€ 4,977	-€ 15,499	€ 23,730	€ 23,706	€ 23,674	€ 23,633	-€ 868	€ 22,733	€ 24,952	€ 24,908	€ 24,864
Discount Rate / Discount Factor	7.00%	0.935	0.873	0.816	0.763	0.713	0.666	0.623	0.582	0.544	0.475
NET PRESENT VALUE	-€ 4,651	-€ 13,538	€ 19,371	€ 18,085	€ 16,879	€ 15,748	-€ 541	€ 13,231	€ 13,572	€ 12,662	€ 11,813

Property Exit			
GPV	NOI year 11 *Cap	€ 24,864 x 11,7647	€ 292,513
Purchasers Cost	9.00%		-€ 24,152
Exit Value			€ 268,361
NPV Exit Value	0.5083		€ 136,421

Market Value			
NPV Cash Flows			€ 90,819
Total Investment			€ 227,240
Purchasers Cost	9.00%		-€ 18,763
Vacant Possession Value			€ 208,477

Vacant Possession Value (rounded) € 208,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	10.3		23.8	7.9	7.9	7.9	7.9	19.1	8.2	7.5	7.5	7.5
Net Initial Yield (NIY)	9.07%		2.2%	10.4%	10.4%	10.4%	10.4%	2.9%	10.0%	11.0%	11.0%	10.9%
Gross Initial Yield (GIY)	11.30%		4.2%	12.6%	12.6%	12.6%	12.6%	5.2%	12.2%	13.3%	13.3%	13.3%

PROPERTY SHEET

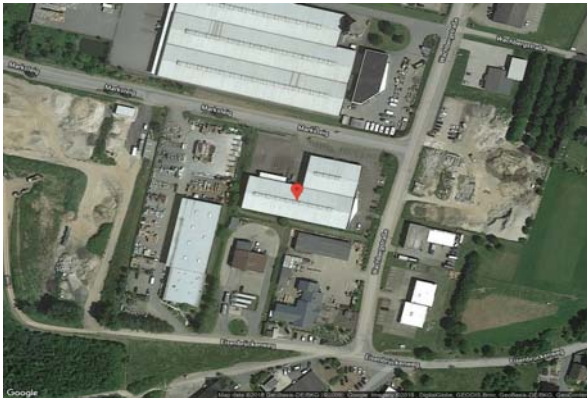


PROPERTY ID 22 Wachbergstraße 3-5, 08280 Aue-Alberoda, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Saxony
Federal District	Erzgebirgskreis
City / Municipality	Silberberg
Inhabitants (as at)	01.01.2017 16,338
Unemployment rate (as at)	31.12.2017 4.8%
Purchasing Power (German average = 100)	01.01.2018 78.44

Location rating

Macro Location	Small town (< 20,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	medium

PROPERTY DETAILS

Property type/ primary use	Industrial
Occupation (number of tenants)	Multi-tenant (2)
Year of construction (modernisation)	1995 (1997)
Lettable area	12,937 m²
Parking spaces	n/a
Vacancy rate	10.6%
Weighted remaining lease term	3.7 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	36,516 m²
Building condition	medium
Contamination	unclear, see commentary
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	underrented	€ 329,460
Market gross rental income p.a. (Year 1)		€ 356,640
Non-recoverable costs p.a. (Year 1)		-€ 47,355

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 2,950,000

Net Capital Value per m² lettable building area € 228 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	9.01%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	11.17%
Gross multiplier on Current Rent	9.0
Gross multiplier on Market Rent	8.3

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	2	Lettability	3
Micro Location	3	Marketability (sale)	3
Building quality (specification & parking etc.)	4	Overall rating	3
Building condition	3	Estimated marketing period (months)	12-15

PROPERTY SHEET



PROPERTY ID 22 Wachbergstraße 3-5, 08280 Aue-Alberoda, Germany

LOCATION

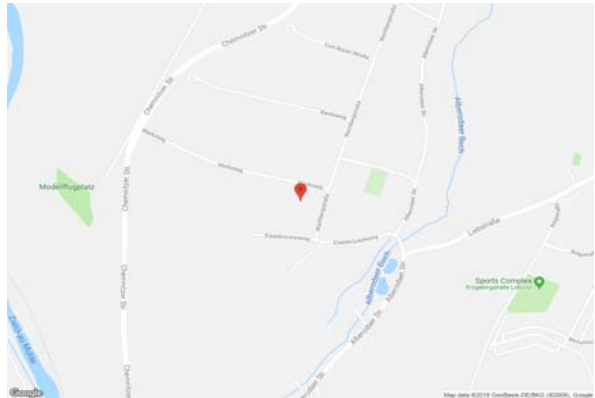
MACRO LOCATION



MACRO LOCATION

Alberoda is a municipality of Aue in Saxony. It is situated in the eastern part of Germany near the Czech border. Chemnitz and Zwickau, the nearest larger cities, are in 30km distance and reachable within 30 minutes drive respectively. Zwickau agglomeration is a logistics location of limited relevance. Local and regional operating companies are located in that region.

MICRO LOCATION



MICRO LOCATION

The subject property is located in an industrial area. The property is located on an access road. It is adjacent to logistics buildings. The further surrounding is characterized by green area. Public transport is accessible within 2km distance. Leipzig/Schkeuditz airport is in 1,5 h driving distance. A72 motorway is accessible within 8 minutes drive.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

No historical trend of prime and average rents or net initial yields for logistics space in Aue-Alberoda can currently be determined due to the insufficient volume and availability of data, primarily due to the size of the market. For this reason, Chemnitz, the nearest larger city, is considered as a proxy. In 2007 the prime rent for warehouses and logistics in Chemnitz amounted to € 4.00/m². By 2017, this had decreased to € 3.50/m². The average rent for warehouses and logistics in Chemnitz is at € 2.60/m² in 2017. The prime yield decreased from 10.3% in 2007 to 7.3% in 2017. The average yield amounts to 9.5%. Chemnitz forms part of the A4 Saxony logistics region and is an important logistics location between the Erzgebirge region and the Czech Republic. Due to its proximity to the Halle/Leipzig logistics cluster and the central location within Saxony, Chemnitz meets the requirements for European transport. Railroad Chemnitz and the freight port and road links via the B95, and B174 trunk roads and, A4 and A72 motorways. Resident companies include Kuehne + Nagel International AG, Groener Harnecker Logistik GmbH and Volkswagen. Furthermore, local companies operating in the software and automotive industry, strengthen the location. The city ranks among the D-cities. Letting opportunities are considered to be good and the vacancy rate trend is classified as good.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
logistics	63517 Rodenbach	1,640 m²	€ 2.35 /m²	Q4 2017	medium
logistics	09125 Chemnitz	4,300 m²	€ 2.49 /m²	currently asking	medium
logistics	33106 Paderborn	1,000 m²	€ 2.45 /m²	Q1 2017	medium

COMMENT ON LEASE COMPARABLES

The rental level for industrial properties provided within the comparable evidence range between € 2.35 and € 2.49 m²/month, with the size spectrum of the currently offered rental areas ranging between 1,000 m² and 4,300 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for industrial space of € 2.50 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m²	Sales price	Date of sale	Comparability
logistics	95028 Hof	1,638 m²	€ 184	€ 301,000	Q3 2017	medium
logistics	36124 Eichenzell	17,995 m²	€ 259	€ 4,660,000	Q3 2017	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 184 and 259/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 228/m² appears plausible and fits into the comparable evidence. As at the date of transaction, comparable 1 was fully let and the WALT amounted to 0.4 years. Comparable 2 had a vacancy rate of 18.7% .



PROPERTY ID 22 Wachbergstraße 3-5, 08280 Aue-Alberoda, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Aue, land register of Alberoda, Folio 601 (dated 08.12.2017)
Owner	GER LOG 9 S.A., Luxemburg
Land parcels	Cadastral Section 3, Land parcel 280/5 and 280/35
Site area	36,516 m ²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1 Only regarding parcel 280/5: Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a sewer right (Abwasserleitungsrecht) in favour of Zweckverband Abwasser Schleimatal (ZAST), Schneeberg; registered on 29 August 2006.

Restrictions and encumbrances 2 Only regarding parcel 280/5: Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a cable right and plant right for a 10-kV overhead line (Leitungsrecht und Anlagenrecht für eine 10-kV-Freileitung) in favour of envia Mitteldeutsche Energie AG, Chemnitz; registered on 18 August 2009.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There are several entries in section II of the land registry extract regarding restricted personal easements. The restricted personal easements regard a sewer right, cable right and plant right for a 10-kV overhead line. For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, there are no building restrictions registered according to the Reports on Title and the authority's information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site is located on former agricultural land in a light industrial and commercial area. There is a low / moderate risk of contamination from previous or current use.

PLANNING LAW

According to information provided by the city of Aue on 14.06.2018, the subject property is not subject to a detailed development plan. Planning consent is subject to § 34 BauGB (the German planning code). New developments must be in keeping with the type, style and size of existing buildings in the urban area, and roads and services must be available. For the purposes of this valuation we have assumed that the use referred to would continue to be appropriate in the future.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 22 Wachbergstraße 3-5, 08280 Aue-Alberoda, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	36,516 m²
of which is development land (for additional construction)	none
Shape of site	irregular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	slightly outmoded
State of repair, building	average
Building layout	efficient
Condition of lettable areas	medium
Construction type	various types
Facade	various types
Roof	flat roof
Heating	various types
Air conditioning	n/a
Windows	aluminium
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a fair overall condition.

There were no Recognized Environmental Conditions (RECs) identified at this site. 1 - 4 years considerations include repairing the cupolas (light streets). The pavement also requires attention. The roof lights will require renovation in short term. The replacement of the heaters is also recommended and a budget to make the fire alarm and sprinkler system compliant with the current regulations.

INSPECTION

Type of inspection	Full inspection
Date of inspection	12.06.2018
Inspected by	Rene Ciecierski

COMMENT ON BUILDING

The subject property is currently let to two tenants, Mostec Motorsport GmbH and Dieter Strobel. The administrative building has two storeys and the logistics unit one storey. The floor within the logistics area has cracks and partly sinks to the bottom. The office areas are vacant and partly outmoded. The outside area is paved and controlled via gate.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (12.06.2018), the lettable areas appeared to be in a fair condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. We applied € 395,000 from the Nova TDD, as this appeared to be the more prudent approach.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a multi-tenant basis with a vacancy rate of 10.6%. We consider the property capable of generating sustainable rental income in the future. However, we considered the currently vacant space as structural vacancy. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has a vacancy rate of some 10.6%. Estate management could include early negotiations with the tenants regarding prolongation of the leases.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 12-15 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Good access to transport link
2. Almost fully let

OPPORTUNITIES

1. Prolongation of existing leases
2. Existing tenants likely to remain committed to this location

WEAKNESSES

1. Partly poor building condition
2. Weak macro location

THREATS

1. Structural vacancy
2. Long void periods if tenants decide to vacate

PROPERTY SHEET



PROPERTY ID 22 Wachbergstraße 3-5, 08280 Aue-Alberoda, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



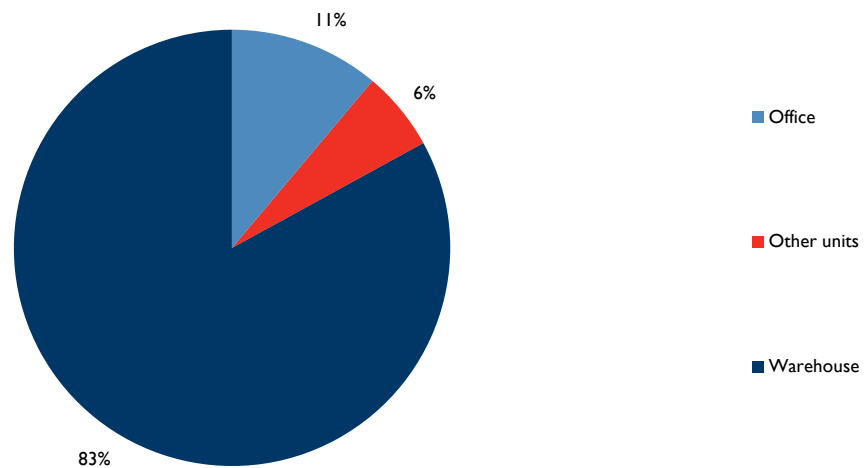
PROPERTY ID 22 Wachbergstraße 3-5, 08280 Aue-Alberoda, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	1,439 m²	11.1%	629 m²	5.7%	810 m²	75.6%
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Car repair shop	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Other units	762 m²	5.9%	468 m²	4.2%	294 units	
Warehouse	10,736 m²	83.0%	10,475 m²	94.3%	261 m²	24.4%
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	0.0%
Total Lettable Area (excl. Car Parking)	12,937 m²		11,104 m²		1,071 m²	8.3%
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

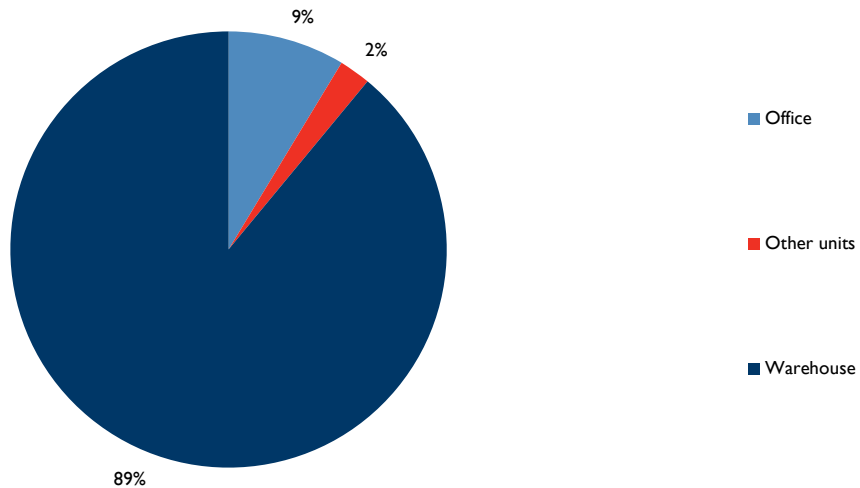


PROPERTY ID 22 Wachbergstraße 3-5, 08280 Aue-Alberoda, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	1,439 m²	629 m²	€ 3.78	€ 28,552	€ 1.97	€ 33,966
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	762 m²	468 m²	€ 1.37	€ 7,695	€ 0.92	€ 8,424
Warehouse	10,736 m²	10,475 m²	€ 2.33	€ 293,213	€ 2.44	€ 314,250
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	12,937 m²	11,572 m²		€ 329,460		€ 356,640
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. Dieter Strobel	8,730	0	251,399	2.40	2.54	5.6%	76.3%	3.5 years	76.3%
2. Mostec Motorsport GmbH	2,842	0	78,061	2.29	2.67	16.6%	23.7%	4.3 years	23.7%
Total Top 10	11,572	0	329,460	2.37				3.7 years	
in % of Total	89.4%		100.0%						
No. of Tenants in Total	2								

PROPERTY SHEET



PROPERTY ID 22 Wachbergstraße 3-5, 08280 Aue-Alberoda, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING	
Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	11 years

CAPITALISATION RATES	
Cap Rate	8.25%
Cap Year	Year 12
Discount Rate	7.25%

NON-REIMBURSABLE EXPENSES	
Vacancy Costs (p.a.)	€ 9.50 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 3.50 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 402,334

OTHER ADJUSTMENTS	
Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION	
General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-11 p.a. (average)	1.00%

VALUATION RESULTS

Current Rent	€ 329,460
Market Rent	€ 356,640
CR Multiplier	9.0
MR Multiplier	8.3
Net Initial Yield	9.01%
Gross Initial Yield	11.17%
Total Investment	€ 3,130,266
Less Purchasers' Costs	6.00%
Market Value	€ 2,953,081

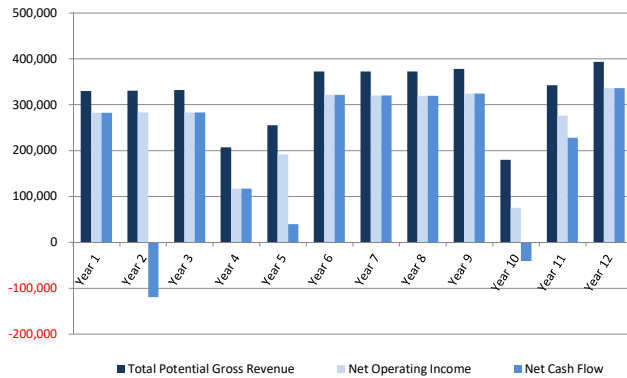
MARKET VALUE (rounded)

€ 2,950,000

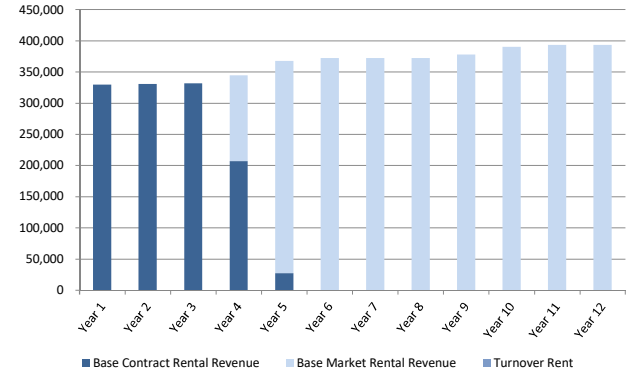
Net Capital Value per m² lettable building area

€ 228 / m²

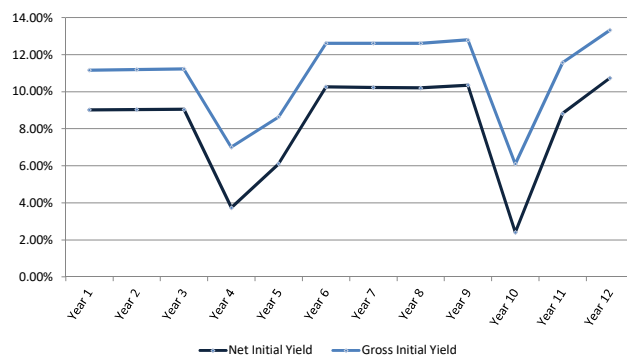
CASH FLOW ANALYSIS



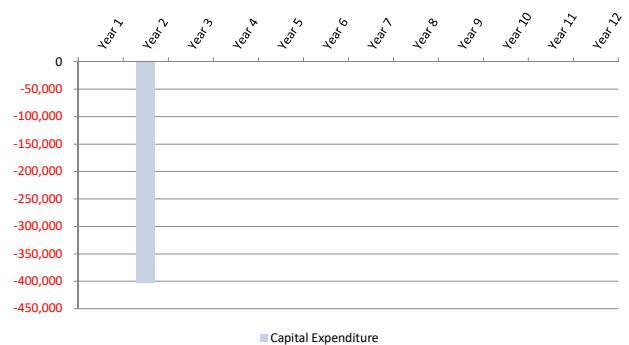
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 22 Wachbergstraße 3-5, 08280 Aue-Alberoda, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING		NON-REIMBURSABLE EXPENSES	
Valuation Date	30.06.2018	Vacancy Costs (p.a.)	€ 9.50 /m²
Date for the State of the Property	30.06.2018	Management Costs (% of GOI)	1.00%
Analysis Start Date	01.07.2018	Non Recoverable Running Expenses (% of GOI)	1.00%
Cashflow Period	11	Repair & Maintenance Costs, Lettable Area (p.a.)	€ 3.50 /m²
CAPITALISATION RATES		Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Cap Rate	8.25%	Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Cap Year	Year 11	Estimated Capital Investment Year 1-5	€ 402,334
Discount Rate	8.25%		
Void Premium	6 months		
PROPERTY INFLATION		OTHER ADJUSTMENTS	
General Inflation Rate p.a. (average)	1.20%	Credit & Collection Loss	0.00%
Market Rental Growth Year 1-3 p.a. (average)	1.00%	General Vacancy	0.00%
Market Rental Growth Year 4-11 p.a. (average)	1.00%		

VALUATION RESULTS

Current Rent		€ 0
Market Rent		€ 356,640
CR Multiplier		0.0
MR Multiplier		5.9
Net Initial Yield		-7.37%
Gross Initial Yield		0.00%
Total Investment		€ 2,232,006
Less Purchasers' Costs	6.00%	-€ 126,340
Market Value		€ 2,105,666

VACANT POSSESSION VALUE (rounded)

€ 2,110,000

Net Capital Value per m² lettable building area

€ 163 /m²

PROPERTY SHEET



PROPERTY ID 22 Wachbergstraße 3-5, 08280 Aue-Alberoda, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA

Net lettable building area	12,937 m²
Ratio net lettable area to gross floor area	90.00%
Gross floor area (BGF)	14,374 m²

DEMOLITION & SITE CLEARANCE

Demolition costs existing buildings	€ 60 /m²	€ 862,467
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 862,467

CONSTRUCTION COSTS

a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 700 /m²
Regional adjustment	0.922	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 672 /m²
Gross floor area (BGF)	14,374 m²	
Building costs, total		€ 9,661,153
b) External areas and outdoor facilities		
External areas [% of building costs]	5.00%	€ 483,058
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 483,058
Building costs incl. external areas		€ 10,144,211
Soft costs	15.00%	€ 1,521,632
Construction costs (incl. VAT)		€ 11,665,843

VALUATION OVERVIEW

RESULTS

Demolition and site clearance		€ 862,467
Construction costs (incl. VAT)		€ 11,665,843
Indicative Reinstatement Costs (incl. VAT)		€ 12,528,309
Consideration of VAT	19.00%	-€ 2,000,318
Indicative Reinstatement Costs (excl. VAT)		€ 10,527,991

INDICATIVE REINSTATEMENT COSTS (rounded)

€ 10,500,000

Reinstatement costs (rounded) per m² lettable building area

€ 812 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 22 Wachbergstraße 3-5, 08280 Aue-Alberoda, Germany

INFORMATION PROVIDED BY THE CLIENT

Item	Provided via
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 22 Wachbergstraße 3-5, 08280 Aue-Alberoda, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029	Year 12 Jun. 2030
POTENTIAL GROSS REVENUE												
Base Contract Rental Revenue	€ 329,532	€ 330,398	€ 331,357	€ 206,640	€ 27,287	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 0	€ 137,904	€ 340,227	€ 372,242	€ 372,242	€ 372,242	€ 377,756	€ 390,101	€ 393,112	€ 393,181
Absorption & Turnover Vacancy	€ 0	€ 0	€ 0	-€ 137,904	-€ 50,033	€ 0	€ 0	€ 0	€ 0	-€ 162,428	-€ 33,593	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	€ 0	-€ 62,436	€ 0	€ 0	€ 0	€ 0	-€ 47,863	-€ 17,667	€ 0
Scheduled Base Rental Revenue	€ 329,532	€ 330,398	€ 331,357	€ 206,640	€ 255,045	€ 372,242	€ 372,242	€ 372,242	€ 377,756	€ 179,810	€ 341,852	€ 393,181
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 329,532	€ 330,398	€ 331,357	€ 206,640	€ 255,045	€ 372,242	€ 372,242	€ 372,242	€ 377,756	€ 179,810	€ 341,852	€ 393,181
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	€ 0	-€ 43,386	-€ 15,598	€ 0	€ 0	€ 0	€ 0	-€ 53,624	-€ 10,674	€ 0
Repairs & Maintenance, Lettable Area	-€ 40,765	-€ 41,254	-€ 41,749	-€ 42,250	-€ 42,940	-€ 43,799	-€ 44,675	-€ 45,568	-€ 46,480	-€ 47,409	-€ 48,358	-€ 49,325
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 3,295	-€ 3,304	-€ 3,314	-€ 2,066	-€ 2,550	-€ 3,722	-€ 3,722	-€ 3,722	-€ 3,778	-€ 1,798	-€ 3,419	-€ 3,932
Management Costs	-€ 3,295	-€ 3,304	-€ 3,314	-€ 2,066	-€ 2,550	-€ 3,722	-€ 3,722	-€ 3,722	-€ 3,778	-€ 1,798	-€ 3,419	-€ 3,932
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 47,355	-€ 47,862	-€ 48,376	-€ 89,769	-€ 63,640	-€ 51,244	-€ 52,120	-€ 53,013	-€ 54,035	-€ 104,630	-€ 65,869	-€ 57,188
	14.37%	14.49%	14.60%	43.44%	24.95%	13.77%	14.00%	14.24%	14.30%	58.19%	19.27%	14.55%
NET OPERATING INCOME (NOI)	€ 282,176	€ 282,536	€ 282,981	€ 116,871	€ 191,406	€ 320,998	€ 320,122	€ 319,229	€ 323,721	€ 75,180	€ 275,983	€ 335,993
LEASING & CAPITAL COSTS												
Tenant Improvements	€ 0	€ 0	€ 0	€ 0	-€ 105,251	€ 0	€ 0	€ 0	€ 0	-€ 80,230	-€ 34,896	€ 0
Leasing Commissions	€ 0	€ 0	€ 0	€ 0	-€ 47,124	€ 0	€ 0	€ 0	€ 0	-€ 35,897	-€ 13,250	€ 0
Capital Expenditure	€ 0	-€ 402,334	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 402,334	€ 0	€ 0	-€ 152,375	€ 0	€ 0	€ 0	€ 0	-€ 116,127	-€ 48,146	€ 0
CASH FLOW	€ 282,176	-€ 119,797	€ 282,981	€ 116,871	€ 39,031	€ 320,998	€ 320,122	€ 319,229	€ 323,721	-€ 40,947	€ 227,837	€ 335,993
Discount Rate / Discount Factor	7.25%	0.932	0.869	0.811	0.756	0.705	0.657	0.613	0.571	0.533	0.497	0.432
NET PRESENT VALUE (NPV)	€ 263,101	-€ 104,148	€ 229,385	€ 88,332	€ 27,506	€ 210,920	€ 196,126	€ 182,357	€ 172,423	-€ 20,335	€ 105,500	€ 145,065

Property Exit			
GPV	NOI year 12 *Cap	€ 335,993 x 12,1212	€ 4,072,641
Purchasers Cost	6.00%		-€ 230,527
Exit Value			€ 3,842,114
NPV Exit Value	0.4631		€ 1,779,098
Market Value			
NPV Cash Flows			€ 1,351,168
Total Investment			€ 3,130,266
Purchasers Cost	6.00%		-€ 177,185
Market Value			€ 2,953,081
Market Value (rounded)		€ 2,950,000	

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Gross Rent Multiplier	9.7	9.0	8.9	8.9	14.3	11.6	7.9	7.9	7.9	7.8	16.4	8.6	7.5
Net Initial Yield (NIY)	8.33%	9.0%	9.0%	9.0%	3.7%	6.1%	10.3%	10.2%	10.2%	10.3%	2.4%	8.8%	10.7%
Gross Initial Yield (GIY)	10.90%	11.2%	11.2%	11.2%	7.0%	8.6%	12.6%	12.6%	12.6%	12.8%	6.1%	11.6%	13.3%

PROPERTY ID 22

Wachbergstraße 3-5, 08280 Aue-Alberoda, Germany

RENT ROLL

MARKET LEASING ASSUMPTIONS

PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Mostec Motorsport GmbH	Office	349	€ 3.63	€ 15,219.00	31.10.2022	4.3 years	€ 4.50	€ 18,846.00	12	50%	€ 50 m²	60	3	3
Mostec Motorsport GmbH	Warehouse	2,277	€ 2.18	€ 59,457.48	31.10.2022	4.3 years	€ 2.50	€ 68,310.00	12	50%	€ 15 m²	60	3	3
Mostec Motorsport GmbH	Other units	216	€ 1.31	€ 3,384.14	31.10.2022	4.3 years	€ 1.50	€ 3,888.00	12	50%	€ 15 m²	60	3	3
Dieter Strobel	Office	280	€ 3.97	€ 13,332.96	31.12.2021	3.5 years	€ 4.50	€ 15,120.00	12	50%	€ 50 m²	60	3	3
Dieter Strobel	Warehouse	8,198	€ 2.38	€ 233,755.20	31.12.2021	3.5 years	€ 2.50	€ 245,940.00	12	50%	€ 15 m²	60	3	3
Dieter Strobel	Other units	252	€ 1.43	€ 4,311.26	31.12.2021	3.5 years	€ 1.50	€ 4,536.00	12	50%	€ 15 m²	60	3	3
Total		11,872 m²		€ 329,460				€ 356,640						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)										
Tenant	Utilisation	Lettable area/ lettable units (m² or units)	Comment	Market rent per month €/m² or unit)	Market rent per year (€)	Void period (months)	Tenant improvements €/m² or unit)	Duration of new lease (months)	Rent Abatements (months)	Leasing Agency Fees (months)
Vacant Unit	Office	810		€ 0.00	€ 0.00	12	50 €/m²	60	3	3
Vacant Unit	Warehouse	261		€ 0.00	€ 0.00	12	15 €/m²	60	3	3
Vacant Unit	Other units	294		€ 0.00	€ 0.00	12	15 €/m²	60	3	3
Total		1,365 m²			- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 22 Wachbergstraße 3-5, 08280 Aue-Alberoda, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 358,569	€ 361,628	€ 362,003	€ 362,003	€ 362,003	€ 362,003	€ 373,328	€ 382,366	€ 382,366	€ 382,366	€ 382,366
Absorption & Turnover Vacancy	-€ 358,569	-€ 150,460	€ 0	€ 0	€ 0	€ 0	-€ 190,629	€ 0	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 90,501	€ 0	€ 0	€ 0	€ 0	-€ 31,864	-€ 31,864	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 120,668	€ 362,003	€ 362,003	€ 362,003	€ 362,003	€ 150,835	€ 350,503	€ 382,366	€ 382,366	€ 382,366
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 120,668	€ 362,003	€ 362,003	€ 362,003	€ 362,003	€ 150,835	€ 350,503	€ 382,366	€ 382,366	€ 382,366
Non Recoverable Running Costs During Vacancy	-€ 123,699	-€ 62,405	€ 0	€ 0	€ 0	€ 0	-€ 71,027	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 40,765	-€ 41,254	-€ 41,749	-€ 42,250	-€ 42,940	-€ 43,799	-€ 44,675	-€ 45,568	-€ 46,480	-€ 47,409	-€ 48,358
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 1,207	-€ 3,620	-€ 3,620	-€ 3,620	-€ 3,620	-€ 1,508	-€ 3,505	-€ 3,824	-€ 3,824	-€ 3,824
Management Costs	€ 0	-€ 1,207	-€ 3,620	-€ 3,620	-€ 3,620	-€ 3,620	-€ 1,508	-€ 3,505	-€ 3,824	-€ 3,824	-€ 3,824
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 164,464	-€ 106,072	-€ 48,989	-€ 49,490	-€ 50,180	-€ 51,039	-€ 118,719	-€ 52,579	-€ 54,127	-€ 55,057	-€ 56,005
#DIV/0!	87.90%	87.90%	13.53%	13.67%	13.86%	14.10%	78.71%	15.00%	14.16%	14.40%	14.65%
NET OPERATING INCOME	-€ 164,464	€ 14,595	€ 313,014	€ 312,513	€ 311,823	€ 310,964	€ 32,116	€ 297,924	€ 328,239	€ 327,310	€ 326,361
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	-€ 199,126	€ 0	€ 0	€ 0	€ 0	-€ 108,855	€ 0	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 90,501	€ 0	€ 0	€ 0	€ 0	-€ 47,796	€ 0	€ 0	€ 0	€ 0
Capital Expenditure	€ 0	-€ 402,334	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 691,961	€ 0	€ 0	€ 0	€ 0	-€ 156,651	€ 0	€ 0	€ 0	€ 0
CASH FLOW	-€ 164,464	-€ 677,365	€ 313,014	€ 312,513	€ 311,823	€ 310,964	-€ 124,535	€ 297,924	€ 328,239	€ 327,310	€ 326,361
Discount Rate / Discount Factor	8.25%	0.924	0.853	0.788	0.728	0.673	0.621	0.574	0.530	0.490	0.418
NET PRESENT VALUE	-€ 151,930	-€ 578,052	€ 246,763	€ 227,592	€ 209,782	€ 193,260	-€ 71,499	€ 158,009	€ 160,820	€ 148,143	€ 136,456

Property Exit		
GPV	NOI year 11 *Cap	€ 326,361 x 12,1212
Purchasers Cost	6.00%	€ 3,955,896
Exit Value		€ 3,731,977
NPV Exit Value	0.4526	€ 1,689,118

Market Value		
NPV Cash Flows		€ 542,888
Total Investment		€ 2,232,006
Purchasers Cost	6.00%	-€ 126,340
Vacant Possession Value		€ 2,105,666

Vacant Possession Value (rounded) € 2,110,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	7.6		17.5	5.8	5.8	5.8	5.8	14.0	6.0	5.5	5.5	5.5
Net Initial Yield (NIY)	11.67%		0.7%	14.0%	14.0%	14.0%	13.9%	1.4%	13.3%	14.7%	14.7%	14.6%
Gross Initial Yield (GIY)	15.44%		5.7%	17.2%	17.2%	17.2%	17.2%	7.2%	16.6%	18.2%	18.2%	18.2%



PROPERTY ID 23 Äussere Bayreuther Straße 143, 90411 Nuremberg, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Bavaria
Federal District	Nuremberg
City / Municipality	Nuremberg
Inhabitants (as at)	01.01.2018 510,405
Unemployment rate (as at)	31.12.2017 5.5%
Purchasing Power (German average = 100)	01.01.2018 103.87

Location rating

Macro Location	Large city (> 500,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	strong

PROPERTY DETAILS

Property type/ primary use	Car repair shop
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	2007
Lettable area	299 m²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	3.8 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	1,056 m²
Building condition	medium
Contamination	none, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	overrented	€ 67,403
Market gross rental income p.a. (Year 1)		€ 43,056
Non-recoverable costs p.a. (Year 1)		-€ 3,154

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 599,000

Net Capital Value per m² lettable building area € 2,003 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	10.12%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	11.25%
Gross multiplier on Current Rent	8.9
Gross multiplier on Market Rent	13.9

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	4	Lettability	4
Micro Location	4	Marketability (sale)	4
Building quality (specification & parking etc.)	3	Overall rating	4
Building condition	3	Estimated marketing period (months)	9-12

PROPERTY SHEET



PROPERTY ID 23 Äussere Bayreuther Straße 143, 90411 Nuremberg, Germany

LOCATION

MACRO LOCATION



MACRO LOCATION

Nuremberg is the second-largest city in Bavaria situated on the river Pegnitz and on the Rhine-Main-Danube Canal. Munich is in approx. 170km distance. Nuremberg has an excellent transport link due to ICE-connections to Munich, Frankfurt and Berlin and several motorways. Furthermore, it has an international airport and inland port. Therefore, Nuremberg has the third largest trimodal logistics location of southern Germany. Nuremberg for many people is still associated with its traditional products, e.g. gingerbread and handmade toys. Items manufactured in the area include electrical equipment, mechanical and optical products, motor vehicles, writing and drawing paraphernalia, stationery products and printed materials. The city is also strong in the fields of automation, energy and medical technology.

MICRO LOCATION



MICRO LOCATION

The subject property is located in the northeastern part of Nuremberg near the railway station "Nuremberg Northeast". It is surrounded by commercial buildings to the south, e.g. supermarkets, car dealers and a hotel, and residential buildings to the north. Public transport is accessible in front of the building. Since the property is located on federal highway 2, it provides for a fast connection to A3 motorway within 5 minutes driving distance. Airport Nuremberg is accessible within 13 minutes drive.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

In 2007 the prime rent for warehouses and logistics in Nuremberg amounted to € 5.20/m². By 2017, this had increased to € 5.40/m². The average rent for warehouses and logistics in Nuremberg is at € 4.30/m² in 2017. The prime yield decreased from 7.5% in 2007 to 5.4% in 2017. The average yield amounts to 6.4%. As logistics location, Nuremberg benefits from its excellent transportation access and infrastructure: In addition to an international airport, the city also operates the largest tri-modal logistics centre in Southern Germany. Its logistics positions is boosted by the strongly export-oriented economy of the metropolitan region. The opening of the Eastern European markets generated additional momentum for Nuremberg to position itself as transshipment centre for logistics flows to Central and Eastern Europe. Space for warehouse logistics and other commercial use are available in ample supply on the market as the city benefits from brownfield sites vacated in conjunction with the ongoing shift toward the tertiary sector. Rents and prices for commercial properties and building plots have remained stable over the past ten year despite these sound local conditions.

In 2007 the prime rent for retail in Nuremberg amounted to € 50.00/m² in the central locations and to € 20.00/m² in peripheral areas. By 2017, this had increased to € 64.00/m² and € 22.00/m². The average rent for retail in Nuremberg increased from € 14.00/m² in 2007 to € 15.00/m² in 2017 in peripheral locations. In the meantime the prime yield decreased from 7.0% to 5.1% in peripheral locations and from 5.7% to 3.8% in central locations. Nuremberg has the highest centrality rating in the Nuremberg-Fuerth-Erlangen agglomeration. The purchasing power index is above the German average.

Nuremberg ranks among the B-cities. Letting opportunities are considered to be very good and the vacancy rate trend is classified as very good.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
car repair shop	40472 Düsseldorf	1,751 m ²	€ 12.37 /m ²	Q4 2017	high
car repair shop	22769 Hamburg	1,881 m ²	€ 12.21 /m ²	Q4 2017	high
car repair shop	64285 Darmstadt	1,529 m ²	€ 11.80 /m ²	Q4 2017	high

COMMENT ON LEASE COMPARABLES

The rental level for car repair shop properties provided within the comparable evidence range between € 11.80 and € 12.37 m²/month, with the size spectrum of the currently offered rental areas ranging between 1,529 m² and 1,881 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for car repair shop space of € 12.00 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m ²	Sales price	Date of sale	Comparability
car repair shop	53175 Bonn	2,079 m ²	€ 1,840	€ 3,825,000	Q4 2017	medium
car repair shop	82008 Munich	1,762 m ²	€ 2,440	€ 4,300,000	Q4 2017	medium
car repair shop	22769 Hamburg	1,881 m ²	€ 1,728	€ 3,250,000	Q4 2017	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 1,728 and 2,440/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 2,003/m² appears plausible and fits into the comparable evidence. The comparable properties are let to a car repair company. As at the date of transaction, the properties were let with a lease term of 10 years. All lease agreements are on a triple net lease basis.



PROPERTY ID 23 Äussere Bayreuther Straße 143, 90411 Nuremberg, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Nürnberg, land register of Großreuth h. d. Veste, Folio 8276 (dated 07.12.2017)
Owner	GER LOG 5 S.A., Luxembourg
Land parcels	Land parcel 399/1
Site area	1,056 m ²
Entries of domination (Herrschermerk)	None.

Restrictions and encumbrances 1 None.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

The property is free of any rights and encumbrances.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, no public easements have been registered according to the Reports on Title and the authority information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site has low levels of heavy metal contamination, but in its current condition and use, no remediation is required by the local regulators.

PLANNING LAW

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28.05.2018, the subject property is subject to a detailed development plan no. 3542, dated 1969. The plan stipulates commercial area (GE), which is legally binding with the Federal Land Utilization Ordinance of 1990 (BauNVO). The plan stipulates a site coverage of 0.8 and a plot ratio of 1.2. For the purpose of this valuation, we have assumed that the subject property has been developed in line with the planning requirements.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 23 Äussere Bayreuther Straße 143, 90411 Nuremberg, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	1,056 m²
of which is development land (for additional construction)	0 m²
Shape of site	rectangular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	modern, average quality
State of repair, building	average
Building layout	efficient
Condition of lettable areas	good
Construction type	reinforced concrete
Facade	metal sheeting
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	partial air conditioning
Windows	aluminium, insulated glazing
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a good overall condition.

There were no Recognized Environmental Conditions (RECs) identified at this site. 1 - 4 years considerations include repairing the crumbling facade at the bottom. Hence the TDD did not state for any costs, we did not reflect any capital expenditures in our calculation. The replacement of the broken tiles is assumed a tenant cost.

INSPECTION

Type of inspection	Full inspection
Date of inspection	15.06.2018
Inspected by	Peter Fleischmann

COMMENT ON BUILDING

The subject property consists of one building with one storey. It is currently let to Carglass GmbH. The building structure is a steel frame construction. There are 6 loading docks and 11 parking units. The building consists of a car repair area, an entrance/office area which is completely glazed and sanitary and common facilities. Access to the site is not controlled. The outdoor area is paved and it is accessible via a combined drive.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (15.06.2018), the lettable areas appeared to be in a good condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. We applied € 6,500 in line with the Arcadis report.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a good level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 9-12 months for the workshop space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. Estate management would include extending the existing lease agreement.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Good macro location
2. Good building condition
3. Good visibility

OPPORTUNITIES

1. Prolongation of existing lease

WEAKNESSES

1. Limited third-party usability

THREATS

1. Decrease of rent to market rental level on re-letting

PROPERTY SHEET



PROPERTY ID 23 Äussere Bayreuther Straße 143, 90411 Nuremberg, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



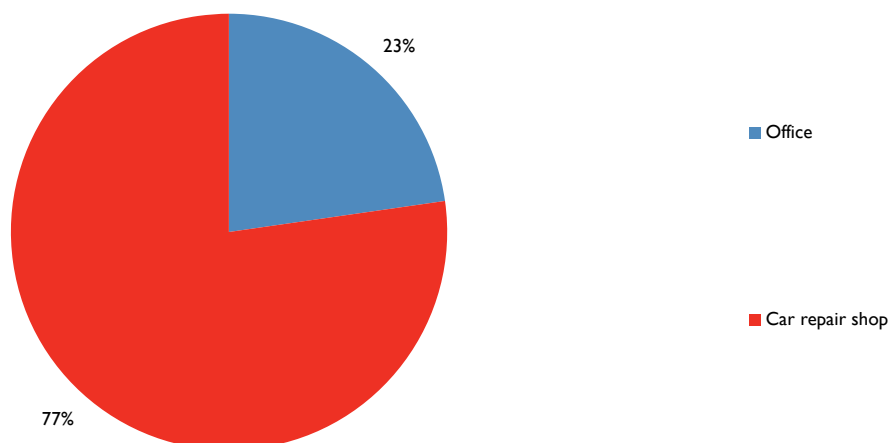
PROPERTY ID 23 Äussere Bayreuther Straße 143, 90411 Nuremberg, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	68 m²	22.7%	68 m²	22.7%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	231 m²	77.3%	231 m²	77.3%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	0 m²	0.0%	0 m²	0.0%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	299 m²		299 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

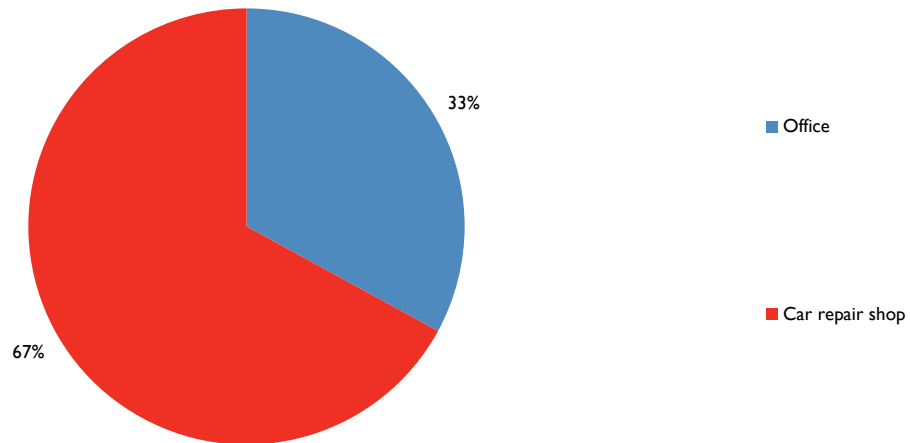


PROPERTY ID 23 Äussere Bayreuther Straße 143, 90411 Nuremberg, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	68 m²	68 m²	€ 27.22	€ 22,215	€ 12.00	€ 9,792
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	231 m²	231 m²	€ 16.30	€ 45,189	€ 12.00	€ 33,264
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	299 m²	299 m²		€ 67,403		€ 43,056
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. Carglass GmbH	299	0	67,403	18.79	12.00	-36.1%	100.0%	3.8 years	100.0%
Total Top 10	299	0	67,403	18.79				3.8 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 23 Äussere Bayreuther Straße 143, 90411 Nuremberg, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING	
Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10 years

CAPITALISATION RATES	
Cap Rate	7.50%
Cap Year	Year 11
Discount Rate	6.00%

NON-REIMBURSABLE EXPENSES	
Vacancy Costs (p.a.)	€ 9.50 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 6,542

OTHER ADJUSTMENTS	
Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION	
General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

VALUATION RESULTS

Current Rent	€ 67,403
Market Rent	€ 43,056
CR Multiplier	8.9
MR Multiplier	13.9
Net Initial Yield	10.12%
Gross Initial Yield	11.25%
Total Investment	€ 634,832
Less Purchasers' Costs	6.00%
Market Value	€ 598,898

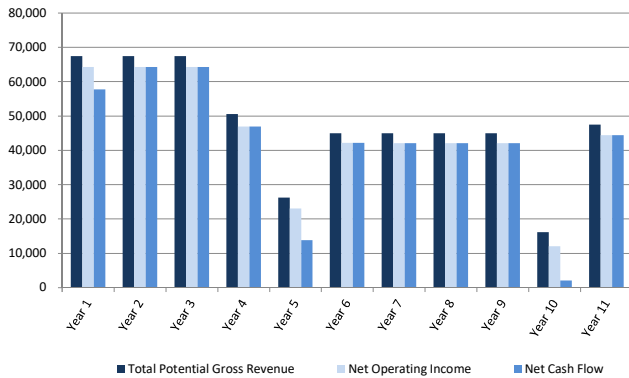
MARKET VALUE (rounded)

€ 599,000

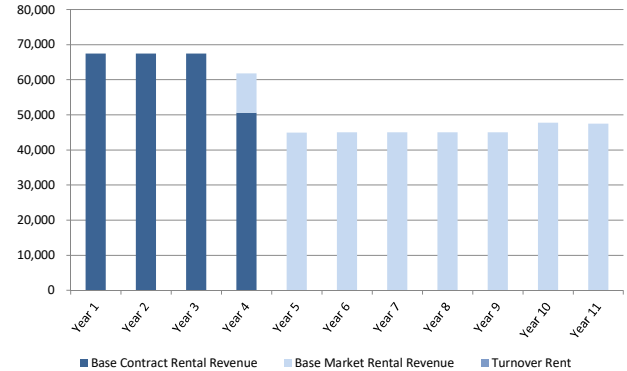
Net Capital Value per m² lettable building area

€ 2,003 / m²

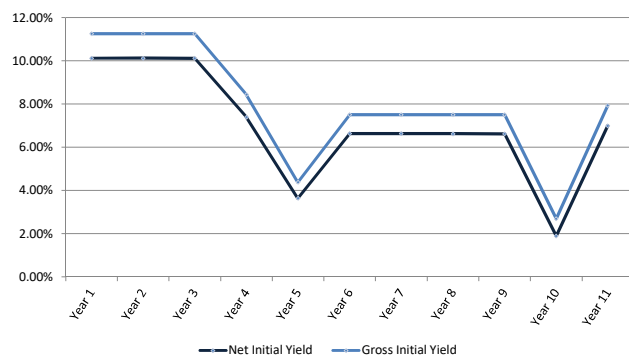
CASH FLOW ANALYSIS



DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 23 Äussere Bayreuther Straße 143, 90411 Nuremberg, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10

CAPITALISATION RATES

Cap Rate	7.50%
Cap Year	Year 11
Discount Rate	7.00%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 6,542

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 43,056
CR Multiplier	0.0
MR Multiplier	9.9
Net Initial Yield	-1.03%
Gross Initial Yield	0.00%
Total Investment	€ 451,335
Less Purchasers' Costs	6.00%
Market Value	€ 425,788

VACANT POSSESSION VALUE (rounded)

€ 426,000

Net Capital Value per m² lettable building area

€ 1,425 /m²

PROPERTY SHEET



PROPERTY ID 23 Äussere Bayreuther Straße 143, 90411 Nuremberg, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA

Net lettable building area	299 m²
Ratio net lettable area to gross floor area	85.00%
Gross floor area (BGF)	352 m²

DEMOLITION & SITE CLEARANCE

Demolition costs existing buildings	€ 60 /m²	€ 21,106
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 21,106

CONSTRUCTION COSTS

a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 1,200 /m²
Regional adjustment	1.001	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 1,251 /m²
Gross floor area (BGF)	352 m²	
Building costs, total		€ 440,024
b) External areas and outdoor facilities		
External areas [% of building costs]	5.00%	€ 22,001
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 22,001
Building costs incl. external areas		€ 462,025
Soft costs	12.50%	€ 57,753
Construction costs (incl. VAT)		€ 519,779

VALUATION OVERVIEW

RESULTS

Demolition and site clearance		€ 21,106
Construction costs (incl. VAT)		€ 519,779
Indicative Reinstatement Costs (incl. VAT)		€ 540,884
Consideration of VAT	19.00%	-€ 86,360
Indicative Reinstatement Costs (excl. VAT)		€ 454,525

INDICATIVE REINSTATEMENT COSTS (rounded)

€ 455,000

Reinstatement costs (rounded) per m² lettable building area

€ 1,522 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 23 Äussere Bayreuther Straße 143, 90411 Nuremberg, Germany

INFORMATION PROVIDED BY THE CLIENT

<i>Item</i>	<i>Provided via</i>
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 23 Aussere Bayreuther Straße 143, 90411 Nuremberg, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 67,403	€ 67,403	€ 67,403	€ 50,553	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 0	€ 11,192	€ 44,934	€ 44,953	€ 44,953	€ 44,953	€ 44,953	€ 47,693	€ 47,482
Absorption & Turnover Vacancy	€ 0	€ 0	€ 0	-€ 11,192	-€ 11,220	€ 0	€ 0	€ 0	€ 0	-€ 23,672	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	€ 0	-€ 7,492	€ 0	€ 0	€ 0	€ 0	-€ 7,914	€ 0
Scheduled Base Rental Revenue	€ 67,403	€ 67,403	€ 67,403	€ 50,553	€ 26,223	€ 44,953	€ 44,953	€ 44,953	€ 44,953	€ 16,107	€ 47,482
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 67,403	€ 67,403	€ 67,403	€ 50,553	€ 26,223	€ 44,953	€ 44,953	€ 44,953	€ 44,953	€ 16,107	€ 47,482
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	€ 0	-€ 744	-€ 747	€ 0	€ 0	€ 0	€ 0	-€ 1,662	€ 0
Repairs & Maintenance, Lettable Area	-€ 1,806	-€ 1,827	-€ 1,849	-€ 1,871	-€ 1,902	-€ 1,940	-€ 1,979	-€ 2,018	-€ 2,059	-€ 2,100	-€ 2,142
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 674	-€ 674	-€ 674	-€ 506	-€ 262	-€ 450	-€ 450	-€ 450	-€ 450	-€ 161	-€ 475
Management Costs	-€ 674	-€ 674	-€ 674	-€ 506	-€ 262	-€ 450	-€ 450	-€ 450	-€ 450	-€ 161	-€ 475
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 3,154	-€ 3,175	-€ 3,197	-€ 3,627	-€ 3,174	-€ 2,839	-€ 2,878	-€ 2,917	-€ 2,958	-€ 4,085	-€ 3,092
	4.68%	4.71%	4.74%	7.17%	12.10%	6.32%	6.40%	6.49%	6.58%	25.36%	6.51%
NET OPERATING INCOME (NOI)	€ 64,250	€ 64,228	€ 64,206	€ 46,926	€ 23,049	€ 42,114	€ 42,075	€ 42,036	€ 41,995	€ 12,022	€ 44,390
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	€ 0	€ 0	€ 0	-€ 3,624	€ 0	€ 0	€ 0	€ 0	-€ 4,041	€ 0
Leasing Commissions	€ 0	€ 0	€ 0	€ 0	-€ 5,619	€ 0	€ 0	€ 0	€ 0	-€ 5,935	€ 0
Capital Expenditure	-€ 6,542	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 6,542	€ 0	€ 0	€ 0	-€ 9,243	€ 0	€ 0	€ 0	€ 0	-€ 9,976	€ 0
CASH FLOW	€ 57,708	€ 64,228	€ 64,206	€ 46,926	€ 13,806	€ 42,114	€ 42,075	€ 42,036	€ 41,995	€ 2,046	€ 44,390
Discount Rate / Discount Factor	6.00%	0.943	0.890	0.840	0.792	0.747	0.705	0.665	0.627	0.592	0.558
NET PRESENT VALUE (NPV)	€ 54,441	€ 57,163	€ 53,909	€ 37,170	€ 10,316	€ 29,689	€ 27,982	€ 26,374	€ 24,857	€ 1,142	€ 23,384

Property Exit			
GPV	NOI year 11 *Cap	€ 44,390 x 13,3333	€ 591,869
Purchasers Cost	6.00%		-€ 33,502
Exit Value			€ 558,367
NPV Exit Value	0.5584		€ 311,789

Market Value		
NPV Cash Flows		€ 323,043
Total Investment		€ 634,832
Purchasers Cost	6.00%	-€ 35,934
Market Value		€ 598,898

Market Value (rounded) **€ 599,000**

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	14.8	8.9	8.9	8.9	11.8	22.8	13.3	13.3	13.3	13.3	37.2	12.6
Net Initial Yield (NIY)	6.98%	10.1%	10.1%	10.1%	7.4%	3.6%	6.6%	6.6%	6.6%	6.6%	1.9%	7.0%
Gross Initial Yield (GIY)	7.93%	11.3%	11.3%	11.3%	8.4%	4.4%	7.5%	7.5%	7.5%	7.5%	2.7%	7.9%

PROPERTY ID 23

Äussere Bayreuther Straße 143, 90411 Nuremberg, Germany

RENT ROLL							MARKET LEASING ASSUMPTIONS							
PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Carglass GmbH	Office	68	€ 27.22	€ 22,214.76	31.03.2022	3.8 years	€ 12.00	€ 9,792.00	12	50%	€ 50 /m²	60	3	3
Carglass GmbH	Car repair shop	231	€ 16.30	€ 45,188.64	31.03.2022	3.8 years	€ 12.00	€ 33,264.00	12	50%	€ 15 /m²	60	3	3
Total		299 m²		€ 67,403				€ 43,056						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)													
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment				Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Total		0 m²						- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 23 Äussere Bayreuther Straße 143, 90411 Nuremberg, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 43,289	€ 43,658	€ 43,703	€ 43,703	€ 43,703	€ 43,703	€ 45,071	€ 46,162	€ 46,162	€ 46,162	€ 46,162
Absorption & Turnover Vacancy	-€ 43,289	-€ 18,165	€ 0	€ 0	€ 0	€ 0	-€ 23,014	€ 0	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 10,926	€ 0	€ 0	€ 0	€ 0	-€ 3,847	-€ 3,847	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 14,568	€ 43,703	€ 43,703	€ 43,703	€ 43,703	€ 18,210	€ 42,315	€ 46,162	€ 46,162	€ 46,162
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 14,568	€ 43,703	€ 43,703	€ 43,703	€ 43,703	€ 18,210	€ 42,315	€ 46,162	€ 46,162	€ 46,162
Non Recoverable Running Costs During Vacancy	-€ 2,859	-€ 1,442	€ 0	€ 0	€ 0	€ 0	-€ 1,835	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 1,806	-€ 1,827	-€ 1,849	-€ 1,871	-€ 1,902	-€ 1,940	-€ 1,979	-€ 2,018	-€ 2,059	-€ 2,100	-€ 2,142
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 146	-€ 437	-€ 437	-€ 437	-€ 437	-€ 182	-€ 423	-€ 462	-€ 462	-€ 462
Management Costs	€ 0	-€ 146	-€ 437	-€ 437	-€ 437	-€ 437	-€ 182	-€ 423	-€ 462	-€ 462	-€ 462
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 4,665	-€ 3,561	-€ 2,723	-€ 2,745	-€ 2,776	-€ 2,814	-€ 4,178	-€ 2,865	-€ 2,982	-€ 3,023	-€ 3,065
#DIV/0!	6.23%	24.44%	6.23%	6.28%	6.35%	6.44%	22.94%	6.77%	6.46%	6.55%	6.64%
NET OPERATING INCOME	-€ 4,665	€ 11,007	€ 40,980	€ 40,958	€ 40,927	€ 40,889	€ 14,032	€ 39,450	€ 43,180	€ 43,139	€ 43,097
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	-€ 6,989	€ 0	€ 0	€ 0	€ 0	-€ 3,821	€ 0	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 10,926	€ 0	€ 0	€ 0	€ 0	-€ 5,770	€ 0	€ 0	€ 0	€ 0
Capital Expenditure	-€ 6,542	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 6,542	-€ 17,915	€ 0	€ 0	€ 0	€ 0	-€ 9,591	€ 0	€ 0	€ 0	€ 0
CASH FLOW	-€ 11,207	-€ 6,908	€ 40,980	€ 40,958	€ 40,927	€ 40,889	€ 4,441	€ 39,450	€ 43,180	€ 43,139	€ 43,097
Discount Rate / Discount Factor	7.00%	0.935	0.873	0.816	0.763	0.713	0.666	0.623	0.582	0.544	0.475
NET PRESENT VALUE	-€ 10,474	-€ 6,034	€ 33,452	€ 31,247	€ 29,181	€ 27,246	€ 2,765	€ 22,960	€ 23,487	€ 21,930	€ 20,475

Property Exit		
GPV	NOI year 11 *Cap	€ 43,097 x 13,3333
Purchasers Cost	6.00%	€ 574,622
Exit Value		€ 542,096
NPV Exit Value	0.5083	€ 275,574

Market Value		
NPV Cash Flows		€ 175,761
Total Investment		€ 451,335
Purchasers Cost	6.00%	-€ 25,547
Vacant Possession Value		€ 425,788

Vacant Possession Value (rounded) € 426,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	12.7		29.2	9.7	9.7	9.7	9.7	23.4	10.1	9.2	9.2	9.2
Net Initial Yield (NIY)	8.01%		2.4%	9.1%	9.1%	9.1%	9.1%	3.1%	8.7%	9.6%	9.6%	9.5%
Gross Initial Yield (GIY)	9.22%		3.4%	10.3%	10.3%	10.3%	10.3%	4.3%	9.9%	10.8%	10.8%	10.8%

PROPERTY SHEET



PROPERTY ID 24 Landauer Straße 44, 67434 Neustadt, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State		Rhineland Palatinate
Federal District		Neustadt an der Weinstraße
City / Municipality		Neustadt an der Weinstraße
Inhabitants (as at)	01.01.2018	53,124
Unemployment rate (as at)	31.12.2017	5.3%
Purchasing Power (German average = 100)	01.01.2018	108.66

Location rating

Macro Location	Medium-sized town (20,000-100,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	strong

PROPERTY DETAILS

Property type/ primary use	Car repair shop
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	2007
Lettable area	321 m ²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	4.0 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	1,160 m ²
Building condition	medium
Contamination	none, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	overrented	€ 58,091
Market gross rental income p.a. (Year 1)		€ 26,964
Non-recoverable costs p.a. (Year 1)		-€ 3,100

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 396,000

Net Capital Value per m² lettable building area € 1,234 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	12.92%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	14.67%
Gross multiplier on Current Rent	6.8
Gross multiplier on Market Rent	14.7

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	2	Lettability	3
Micro Location	3	Marketability (sale)	3
Building quality (specification & parking etc.)	3	Overall rating	3
Building condition	3	Estimated marketing period (months)	9-12



PROPERTY ID 24 Landauer Straße 44, 67434 Neustadt, Germany

LOCATION

MACRO LOCATION



MACRO LOCATION

Neustadt is a town located in Rhineland-Palatinate with 53,000 inhabitants. The nearest larger cities are Ludwigshafen, Mannheim, Heidelberg and Kaiserslautern. Ludwigshafen is accessible within 30 minutes drive. It has an excellent transport link due to the Rhein river and several motorways. Since Ludwigshafen and Mannheim formed an inland port cooperation, there is the second largest inland port of Germany.

MICRO LOCATION



MICRO LOCATION

The subject property is located on a main road near the central railway station. It is surrounded by industrial buildings to the north and residential buildings to the south. A repair shop is adjacent to the subject property. The railway station is within 9 minutes walking distance. B39 federal highway is nearby.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

No historical trend of prime and average rents or net initial yields for logistics space in Neustadt can currently be determined due to the insufficient volume and availability of data, primarily due to the size of the market. For this reason, Ludwigshafen, the nearest larger city, is considered as a proxy. In 2007 the prime rent for warehouses and logistics in Ludwigshafen amounted to € 4.00/m². By 2017, this had decreased to € 4.40/m². The average rent for warehouses and logistics in Ludwigshafen is at € 3.50/m² in 2017. The prime yield decreased from 9.6% in 2007 to 7.1% in 2017. The average yield amounts to 9.0%. Due to its location on the junction of the Rivers Neckar and Rhine and its motorway junction, Ludwigshafen is an important logistics location. Its port is the largest, public port in Rhineland-Palatinate and one of Germany's most important river ports. Since 2001 Port Ludwigshafen and the Port Mannheim have been cooperation, forming the second-largest inland port in Germany. The international leading chemical company BASF is located on the Rheintal. In 2007 the prime rent for retail in Ludwigshafen amounted to € 15.00/m² in the central locations and to € 10.00/m² in peripheral areas. By 2017, this had decreased to € 13.80/m² and € 9.50/m². The average rent for retail in Ludwigshafen decreased from € 9.00/m² in 2007 to € 8.50/m² in 2017 in peripheral locations. In the meantime the prime yield decreased from 7.5% to 7.3% in peripheral locations. Ludwigshafen is located in a conurbation with a large catchment area, but also high competition. Unemployment rate is above the German average. Although the city government realised retail developments, the purchasing power index was constantly sinking and is below average of D-cities. Ludwigshafen ranks among the D-cities. Letting opportunities are considered to be sufficient and the vacancy rate trend is classified as satisfying.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
car repair shop	59457 Werl	1,503 m ²	€ 6.08 /m ²	Q4 2017	high
car repair shop	59063 Hamm	1,557 m ²	€ 10.41 /m ²	Q4 2017	high
car repair shop	41460 Neuss	776 m ²	€ 7.73 /m ²	confidential	high

COMMENT ON LEASE COMPARABLES

The rental level for car repair shop properties provided within the comparable evidence range between € 6.08 and € 10.41 m²/month, with the size spectrum of the currently offered rental areas ranging between 776 m² and 1,557 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for car repair shop space of € 7.00 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m ²	Sales price	Date of sale	Comparability
car repair shop	45475 Mülheim	1,550 m ²	€ 1,298	€ 2,012,500	Q4 2017	medium
car repair shop	59067 Hamm	1,557 m ²	€ 1,108	€ 1,725,000	Q4 2017	medium
car repair shop	44805 Bochum	1,682 m ²	€ 1,409	€ 2,370,000	Q4 2017	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 1,108 and 1,409/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 1,234/m² appears plausible and fits into the comparable evidence. The comparable properties are let to a car repair company. As at the date of transaction, the properties were relet with a lease term of 10 years. All lease agreements are on a triple net lease basis.



PROPERTY ID 24 Landauer Straße 44, 67434 Neustadt, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Neustadt an der Weinstraße, land register of Neustadt, Folio 15966 (dated 07.12.2017)
Owner	GER LOG 5 SA, Luxembourg mit dem Sitz in Luxemburg
Land parcels	Land parcel 1926
Site area	1,160 m ²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1 None.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

The property is free of any rights and encumbrances.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, no public easements have been registered according to the Reports on Title and the authority information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, it is considered unlikely that there is contamination present on site that may pose a risk to continued use or present a significant liability under current use.

PLANNING LAW

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28.05.2018, the subject property is not subject to a detailed development plan. Planning consent is subject to § 34 BauGB (the German planning code). New developments must be in keeping with the type, style and size of existing buildings in the urban area, and roads and services must be available. For the purposes of this valuation we have assumed that the use referred to would continue to be appropriate in the future.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 24 Landauer Straße 44, 67434 Neustadt, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	1,160 m²
of which is development land (for additional construction)	none
Shape of site	irregular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	modern, average quality
State of repair, building	average
Building layout	efficient
Condition of lettable areas	medium
Construction type	reinforced concrete
Facade	metal sheeting
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	partial air conditioning
Windows	aluminium, insulated glazing
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a good overall condition.

There is one historic Recognized Environmental Condition (HRECs) identified at the site. The remediation was closed and no additional action was required. It is possible that there might be additional costs related to the HREC in case of redevelopment. There are no short-term considerations.

INSPECTION

Type of inspection	Full inspection
Date of inspection	14.06.2018
Inspected by	Michael Störlein MRICS

COMMENT ON BUILDING

The subject property consists of one building with one storey. It is currently let to Carglass GmbH. The building structure is of reinforced concrete. Workshop space is accessible via 4 gates on floor level. The building consists of a car repair area, an entrance/office area which is completely glazed and sanitary and common facilities. Access to the site is not controlled. The outdoor area is paved and it is accessible via a combined drive.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (14.06.2018), the lettable areas appeared to be in a fair condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. In line with the Arcadis report we did not apply any capex.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a medium level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. Estate management would include extending the existing lease agreement.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Highly frequented street

OPPORTUNITIES

1. Prolongation of existing lease

WEAKNESSES

1. Limited third-party usability

THREATS

1. Single tenant property
2. Longer vacancy if tenant moves out

PROPERTY SHEET



PROPERTY ID 24 Landauer Straße 44, 67434 Neustadt, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



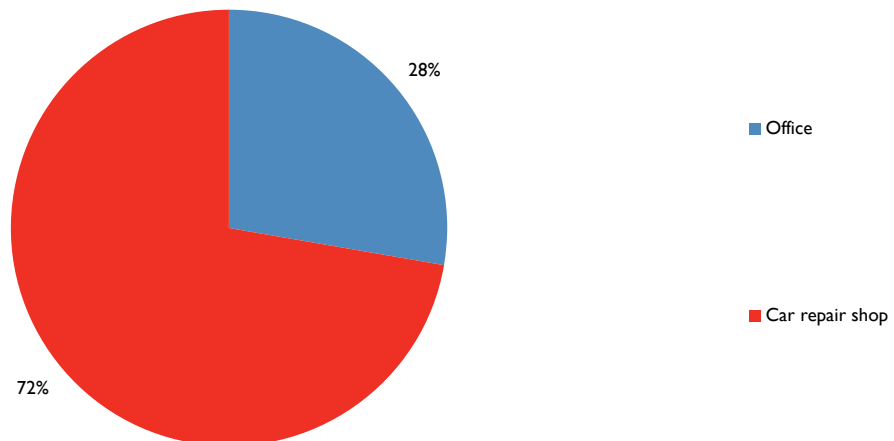
PROPERTY ID 24 Landauer Straße 44, 67434 Neustadt, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	89 m²	27.7%	89 m²	27.7%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	232 m²	72.3%	232 m²	72.3%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	0 m²	0.0%	0 m²	0.0%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	321 m²		321 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

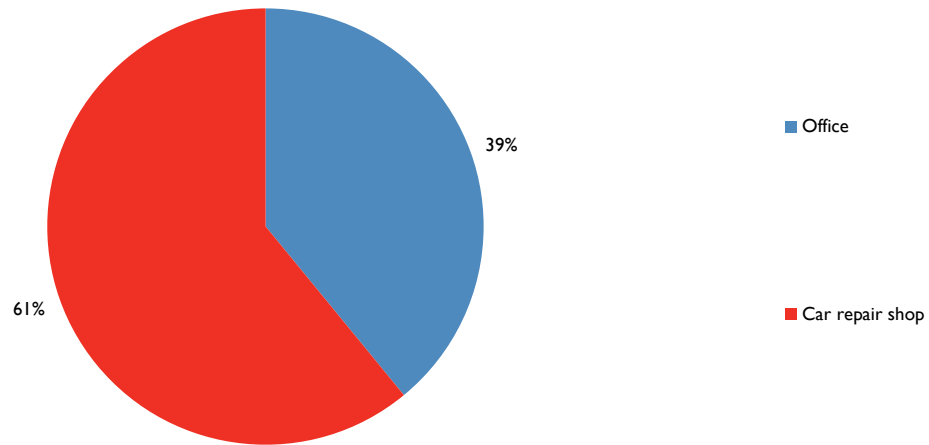


PROPERTY ID 24 Landauer Straße 44, 67434 Neustadt, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	89 m²	89 m²	€ 21.24	€ 22,684	€ 7.00	€ 7,476
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	232 m²	232 m²	€ 12.72	€ 35,407	€ 7.00	€ 19,488
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	321 m²	321 m²		€ 58,091		€ 26,964
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. Carglass GmbH	321	0	58,091	15.08	7.00	-53.6%	100.0%	4.0 years	100.0%
Total Top 10	321	0	58,091	15.08				4.0 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 24 Landauer Straße 44, 67434 Neustadt, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	11 years

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 10.00 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 0

CAPITALISATION RATES

Cap Rate	8.00%
Cap Year	Year 12
Discount Rate	6.25%

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-11 p.a. (average)	1.00%

VALUATION RESULTS

Current Rent	€ 58,091
Market Rent	€ 26,964
CR Multiplier	6.8
MR Multiplier	14.7
Net Initial Yield	12.92%
Gross Initial Yield	14.67%
Total Investment	€ 425,558
Less Purchasers' Costs	7.50%
Market Value	€ 395,868

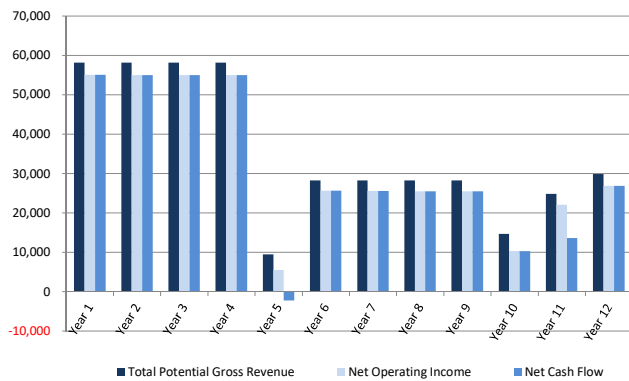
MARKET VALUE (rounded)

€ 396,000

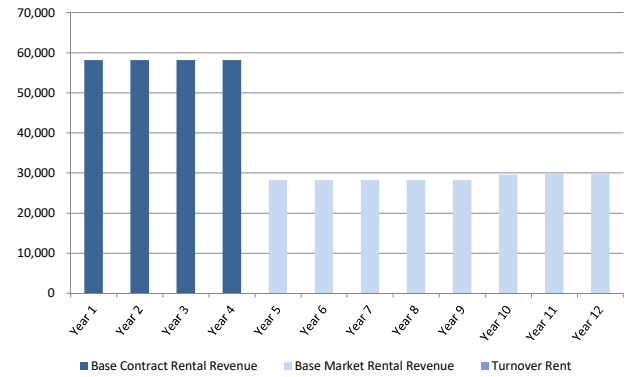
Net Capital Value per m² lettable building area

€ 1,234 /m²

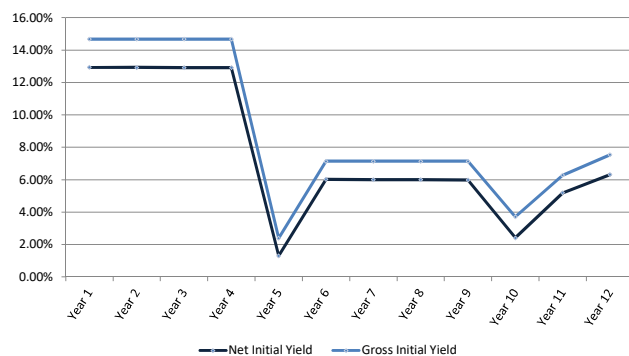
CASH FLOW ANALYSIS



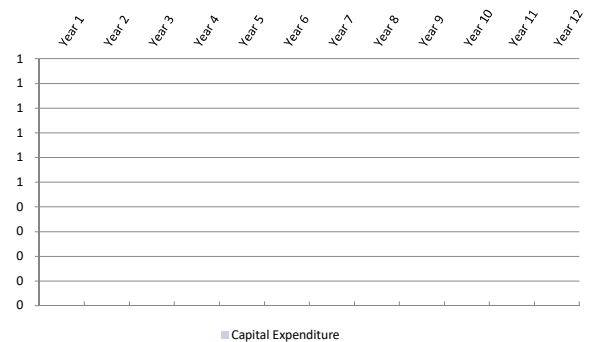
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 24 Landauer Straße 44, 67434 Neustadt, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	11

CAPITALISATION RATES

Cap Rate	8.00%
Cap Year	Year 11
Discount Rate	7.25%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-11 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 10.00 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 6.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 0

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 26,964
CR Multiplier	0.0
MR Multiplier	8.6
Net Initial Yield	-2.07%
Gross Initial Yield	0.00%
Total Investment	€ 249,608
Less Purchasers' Costs	7.50%
Market Value	€ 232,194

VACANT POSSESSION VALUE (rounded)

€ 232,000

Net Capital Value per m² lettable building area

€ 723 /m²



PROPERTY ID 24 Landauer Straße 44, 67434 Neustadt, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA		
Net lettable building area		321 m²
Ratio net lettable area to gross floor area	85.00%	
Gross floor area (BGF)		378 m²
DEMOLITION & SITE CLEARANCE		
Demolition costs existing buildings	€ 60 /m²	€ 22,659
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 22,659

CONSTRUCTION COSTS		
a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 1,200 /m²
Regional adjustment	1.089	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 1,361 /m²
Gross floor area (BGF)	378 m²	
Building costs, total		€ 513,930
b) External areas and outdoor facilities		
External areas [% of building costs]	5.00%	€ 25,697
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 25,697
Building costs incl. external areas		€ 539,627
Soft costs	12.50%	€ 67,453
Construction costs (incl. VAT)		€ 607,080

VALUATION OVERVIEW

RESULTS		
Demolition and site clearance		€ 22,659
Construction costs (incl. VAT)		€ 607,080
Indicative Reinstatement Costs (incl. VAT)		€ 629,739
Consideration of VAT	19.00%	-€ 100,547
Indicative Reinstatement Costs (excl. VAT)		€ 529,192

INDICATIVE REINSTATEMENT COSTS (rounded)	€ 529,000
Reinstatement costs (rounded) per m² lettable building area	€ 1,648 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 24 Landauer Straße 44, 67434 Neustadt, Germany

INFORMATION PROVIDED BY THE CLIENT

Item	Provided via
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 24 Landauer Straße 44, 67434 Neustadt, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029	Year 12 Jun. 2030
POTENTIAL GROSS REVENUE												
Base Contract Rental Revenue	€ 58,091	€ 58,091	€ 58,091	€ 58,091	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 28,181	€ 28,222	€ 28,222	€ 28,222	€ 28,222	€ 29,545	€ 29,810	€ 29,810
Absorption & Turnover Vacancy	€ 0	€ 0	€ 0	€ 0	-€ 14,070	€ 0	€ 0	€ 0	€ 0	-€ 14,862	€ 0	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	€ 0	-€ 4,704	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 4,968	€ 0
Scheduled Base Rental Revenue	€ 58,091	€ 58,091	€ 58,091	€ 58,091	€ 9,407	€ 28,222	€ 28,222	€ 28,222	€ 28,222	€ 14,683	€ 24,841	€ 29,810
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 58,091	€ 58,091	€ 58,091	€ 58,091	€ 9,407	€ 28,222	€ 28,222	€ 28,222	€ 28,222	€ 14,683	€ 24,841	€ 29,810
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	€ 0	€ 0	-€ 1,693	€ 0	€ 0	€ 0	€ 0	-€ 1,888	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 1,938	-€ 1,962	-€ 1,985	-€ 2,009	-€ 2,042	-€ 2,083	-€ 2,124	-€ 2,167	-€ 2,210	-€ 2,254	-€ 2,300	-€ 2,346
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 581	-€ 581	-€ 581	-€ 581	-€ 94	-€ 282	-€ 282	-€ 282	-€ 282	-€ 147	-€ 248	-€ 298
Management Costs	-€ 581	-€ 581	-€ 581	-€ 581	-€ 94	-€ 282	-€ 282	-€ 282	-€ 282	-€ 147	-€ 248	-€ 298
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 3,100	-€ 3,124	-€ 3,147	-€ 3,171	-€ 3,923	-€ 2,647	-€ 2,689	-€ 2,731	-€ 2,775	-€ 4,436	-€ 2,796	-€ 2,942
	5.34%	5.38%	5.42%	5.46%	41.70%	9.38%	9.53%	9.68%	9.83%	30.21%	11.26%	9.87%
NET OPERATING INCOME (NOI)	€ 54,991	€ 54,967	€ 54,944	€ 54,920	€ 5,484	€ 25,575	€ 25,533	€ 25,491	€ 25,447	€ 10,247	€ 22,045	€ 26,868
LEASING & CAPITAL COSTS												
Tenant Improvements	€ 0	€ 0	€ 0	€ 0	-€ 4,207	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 4,691	€ 0
Leasing Commissions	€ 0	€ 0	€ 0	€ 0	-€ 3,528	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 3,726	€ 0
Capital Expenditure	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	€ 0	€ 0	€ 0	-€ 7,735	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 8,417	€ 0
CASH FLOW	€ 54,991	€ 54,967	€ 54,944	€ 54,920	-€ 2,251	€ 25,575	€ 25,533	€ 25,491	€ 25,447	€ 10,247	€ 13,628	€ 26,868
Discount Rate / Discount Factor	6.25%	0.941	0.886	0.834	0.785	0.739	0.695	0.654	0.616	0.579	0.545	0.483
NET PRESENT VALUE (NPV)	€ 51,756	€ 48,691	€ 45,807	€ 43,094	-€ 1,662	€ 17,776	€ 16,703	€ 15,695	€ 14,746	€ 5,589	€ 6,995	€ 12,980

Property Exit			
GPV	NOI year 12 *Cap	€ 26,868 x 12,5	€ 335,850
Purchasers Cost	7.50%		-€ 23,431
Exit Value			€ 312,418
NPV Exit Value	0.5133		€ 160,368
Market Value			
NPV Cash Flows			€ 265,190
Total Investment			€ 425,558
Purchasers Cost	7.50%		-€ 29,690
Market Value			€ 395,868
Market Value (rounded)		€ 396,000	

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Gross Rent Multiplier	15.1	6.8	6.8	6.8	6.8	42.1	14.0	14.0	14.0	14.0	27.0	15.9	13.3
Net Initial Yield (NIY)	7.57%	12.9%	12.9%	12.9%	12.9%	1.3%	6.0%	6.0%	6.0%	6.0%	2.4%	5.2%	6.3%
Gross Initial Yield (GIY)	8.93%	14.7%	14.7%	14.7%	14.7%	2.4%	7.1%	7.1%	7.1%	7.1%	3.7%	6.3%	7.5%

PROPERTY ID 24

Landauer Straße 44, 67434 Neustadt, Germany

RENT ROLL							MARKET LEASING ASSUMPTIONS							
PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Carglass GmbH	Office	89	€ 21.24	€ 22.683.60	30.06.2022	4.0 years	€ 7.00	€ 7.476.00	12	50%	€ 50 /m²	60	3	3
Carglass GmbH	Car repair shop	232	€ 12.72	€ 35.407.32	30.06.2022	4.0 years	€ 7.00	€ 19.488.00	12	50%	€ 15 /m²	60	3	3
Total		321 m²		€ 58.091				€ 26.964						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)													
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment				Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Total		0 m²						- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 24 Landauer Straße 44, 67434 Neustadt, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 27,110	€ 27,341	€ 27,369	€ 27,369	€ 27,369	€ 27,369	€ 28,226	€ 28,909	€ 28,909	€ 28,909	€ 28,909
Absorption & Turnover Vacancy	-€ 27,110	-€ 11,376	€ 0	€ 0	€ 0	€ 0	-€ 14,413	€ 0	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 6,842	€ 0	€ 0	€ 0	€ 0	-€ 2,409	-€ 2,409	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 9,123	€ 27,369	€ 27,369	€ 27,369	€ 27,369	€ 11,404	€ 26,500	€ 28,909	€ 28,909	€ 28,909
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 9,123	€ 27,369	€ 27,369	€ 27,369	€ 27,369	€ 11,404	€ 26,500	€ 28,909	€ 28,909	€ 28,909
Non Recoverable Running Costs During Vacancy	-€ 3,231	-€ 1,630	€ 0	€ 0	€ 0	€ 0	-€ 2,074	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 1,938	-€ 1,962	-€ 1,985	-€ 2,009	-€ 2,042	-€ 2,083	-€ 2,124	-€ 2,167	-€ 2,210	-€ 2,254	-€ 2,300
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 91	-€ 274	-€ 274	-€ 274	-€ 274	-€ 114	-€ 265	-€ 289	-€ 289	-€ 289
Management Costs	€ 0	-€ 91	-€ 274	-€ 274	-€ 274	-€ 274	-€ 114	-€ 265	-€ 289	-€ 289	-€ 289
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 5,169	-€ 3,774	-€ 2,533	-€ 2,557	-€ 2,589	-€ 2,630	-€ 4,426	-€ 2,697	-€ 2,788	-€ 2,833	-€ 2,878
#DIV/0!	9.25%	41.37%	9.25%	9.34%	9.46%	9.61%	38.82%	10.18%	9.65%	9.80%	9.95%
NET OPERATING INCOME	-€ 5,169	€ 5,349	€ 24,837	€ 24,813	€ 24,780	€ 24,739	€ 6,977	€ 23,803	€ 26,121	€ 26,076	€ 26,031
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	-€ 8,073	€ 0	€ 0	€ 0	€ 0	-€ 4,413	€ 0	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 6,842	€ 0	€ 0	€ 0	€ 0	-€ 3,614	€ 0	€ 0	€ 0	€ 0
Capital Expenditure	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 14,916	€ 0	€ 0	€ 0	€ 0	-€ 8,027	€ 0	€ 0	€ 0	€ 0
CASH FLOW	-€ 5,169	-€ 9,567	€ 24,837	€ 24,813	€ 24,780	€ 24,739	-€ 1,049	€ 23,803	€ 26,121	€ 26,076	€ 26,031
Discount Rate / Discount Factor	7.25%	0.932	0.869	0.811	0.756	0.705	0.657	0.613	0.571	0.533	0.497
NET PRESENT VALUE	-€ 4,820	-€ 8,317	€ 20,133	€ 18,754	€ 17,463	€ 16,256	-€ 643	€ 13,597	€ 13,913	€ 12,950	€ 12,054

Property Exit			
GPV	NOI year 11 *Cap	€ 26,031 x 12,5	€ 325,391
Purchasers Cost	7.50%		-€ 22,702
Exit Value			€ 302,690
NPV Exit Value	0.4966		€ 150,323
Market Value			
NPV Cash Flows			€ 99,286
Total Investment			€ 249,608
Purchasers Cost	7.50%		-€ 17,415
Vacant Possession Value			€ 232,194

Vacant Possession Value (rounded) € 232,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	11.0		25.5	8.5	8.5	8.5	8.5	20.4	8.8	8.0	8.0	8.0
Net Initial Yield (NIY)	8.65%		2.1%	10.0%	9.9%	9.9%	9.9%	2.8%	9.5%	10.5%	10.4%	10.4%
Gross Initial Yield (GIY)	10.58%		3.9%	11.8%	11.8%	11.8%	11.8%	4.9%	11.4%	12.5%	12.5%	12.5%



PROPERTY ID 25 Am Ochsenwald 7, 66539 Neunkirchen, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Saarland
Federal District	Neunkirchen
City / Municipality	Neunkirchen
Inhabitants (as at)	01.01.2018 46,706
Unemployment rate (as at)	31.12.2017 7.0%
Purchasing Power (German average = 100)	01.01.2018 85.92

Location rating

Macro Location	Medium-sized town (20,000-100,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	medium

PROPERTY DETAILS

Property type/ primary use	Logistics
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	199
Lettable area	5,274 m²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	8.2 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	13,805 m²
Building condition	good
Contamination	none, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	overrented	€ 392,108
Market gross rental income p.a. (Year 1)		€ 281,904
Non-recoverable costs p.a. (Year 1)		-€ 29,082

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 4,390,000

Net Capital Value per m² lettable building area € 832 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	7.59%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	8.94%
Gross multiplier on Current Rent	11.2
Gross multiplier on Market Rent	15.6

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	3	Lettability	3
Micro Location	3	Marketability (sale)	3
Building quality (specification & parking etc.)	3	Overall rating	3
Building condition	4	Estimated marketing period (months)	9-12



PROPERTY ID 25 Am Ochsenwald 7, 66539 Neunkirchen, Germany

LOCATION

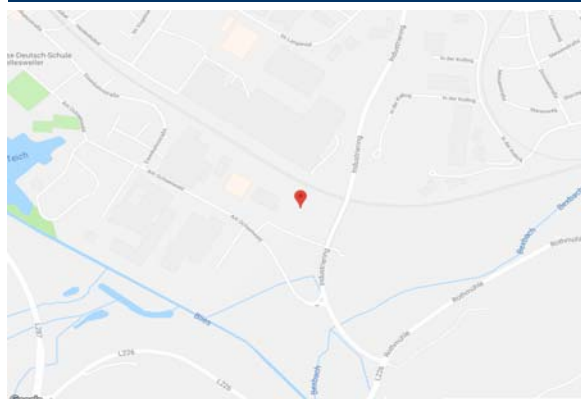
MACRO LOCATION



MACRO LOCATION

Neunkirchen is a town of around 47,000 inhabitants in Saarland. It is situated on the river Blies, approx. 20 km northeast of Saarbrücken and near the French and Luxembourg borders. Neunkirchen forms part of the cross-border agglomeration SaarMoselle with its major city Saarbrücken. Via motorways A1, A16 and A623 as well as via ICE/TVG to Paris, Saarbrücken benefits from fast transport connections. Aviation connections are limited and accessible in at least 100km distance. As logistics location, it is of mainly regional relevance.

MICRO LOCATION



MICRO LOCATION

The subject property is located in an industrial area. It is adjacent to a truck repair shop to the west and tracks on the rear side. To the south is green area. Public transport is accessible within 15 minutes walking distance.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

No historical trend of prime and average rents or net initial yields for logistics space in Neunkirchen can currently be determined due to the insufficient volume and availability of data, primarily due to the size of the market. For this reason, Saarbrücken, the nearest larger city, is considered as a proxy. In 2007 the prime rent for warehouses and logistics in Saarbrücken amounted to € 3.50/m². By 2017, this had increased to € 4.50/m². The average rent for warehouses and logistics in Saarbrücken is at € 3.30/m² in 2017. The prime yield decreased from 8.0% in 2007 to 6.6% in 2017. The average yield amounts to 8.5%. Saarbrücken is a logistics location of limited supraregional relevance. The logistics region Saarbrücken is predominantly regional operating. Business is focused on distribution of produced goods and manufacture supply. Resident companies are local and regional operating companies as well as companies providing special freight solutions. Large-scale property developments have been realised by e.g. ZF and Schneider&Schneider Logistik. The city ranks among the C-cities. Letting opportunities are considered to be good and the vacancy rate trend is classified as good.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
logistics	66914 Waldmohr	420 m ²	€ 4.05 /m ²	currently asking	medium
logistics	66538 Neunkirchen	1,080 m ²	€ 4.50 /m ²	currently asking	medium
logistics	76726 Gernersheim	45,755 m ²	€ 4.64 /m ²	n/a	medium

COMMENT ON LEASE COMPARABLES

The rental level for logistics properties provided within the comparable evidence range between € 4.05 and € 4.64 /m²/month, with the size spectrum of the currently offered rental areas ranging between 420 m² and 45,755 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for logistics space of € 4.25 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m ²	Sales price	Date of sale	Comparability
logistics	47877 Willich	12,122 m ²	€ 825	€ 10,000,000	Q2 2017	medium
logistics	51149 Cologne	6,542 m ²	€ 825	€ 5,400,000	Q4 2017	medium
logistics	97437 Haßfurt	10,400 m ²	€ 827	€ 8,599,034	Q1 2018	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 825 and 827/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 832/m² appears plausible and fits into the comparable evidence. As at the date of transaction, all properties were fully let. Comparable property 1 was built in 1997. The average remaining lease term amounted to 1.33 years. Comparable property 2 was constructed in 1997 and let on single-tenant basis with a WALT of 2.66 years. Comparable 3 was built in 2007 and let on single-tenant basis for remaining 3.5 years.



PROPERTY ID 25 Am Ochsenwald 7, 66539 Neunkirchen, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Saarbrücken, land register of Neunkirchen, Folio 4597 (dated 07.12.2017)
Owner	GER LOG 9 S.A., Luxembourg
Land parcels	Cadastral Section 3, Land parcels 123/18, 108/41, 124/1, 125/1, 123/16
Site area	13,805 m ²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1	Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a high-voltage overhead line right (Hochspannungs-Freileitungsrecht) in favour of Saarbergwerke Aktiengesellschaft, Saarbrücken (approval dated 11 March 1971); registered on 5 April 1971.
Restrictions and encumbrances 2	Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a drain right (Kanalleitungsrecht) in favour of Abwasserzweckverband Höcherberg-West (approval dated 17 May 1971); registered on 6 July 1971.
Restrictions and encumbrances 3	Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a cable and well operation right (Leitungs-, Kabel- und Brunnenbetriebsrecht) in favour of Kommunale Energie- und Wasserversorgung Aktiengesellschaft - KEW, Neunkirchen (approval dated 20 July 1979); registered on 7 August 1979.
Restrictions and encumbrances 4	Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a sewer right (Abwasserkanalrecht) along with a prohibition of influence and over-construction ban (Einwirkungsverbot und Überbauverbot) in favour of Kreisstadt Neunkirchen (approval dated 9 November 2000, deed no. 1849, notary Dierkes, Blieskastel); registered on 7 February 2001.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There are several entries in section II of the land registry extract regarding restricted personal easements. The restricted personal easements regard a high-voltage overhead line right, a drain right, cable and well operation right and sewer right along with a prohibition of influence and over-construction ban. For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, the unification easement encompasses all parcels of the property. It further entails the obligation of the property owner and any legal successors not to sell the parcels separately.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site was developed from former woodland and agricultural use. There is a low risk of contamination from previous or current use. The site is not recorded in the German register for contaminated sites. The site has not had any recorded prosecutions or non-compliances issues according to Envest Report 2007.

PLANNING LAW

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28.05.2018, the subject property is subject to a detailed development plan, dated 06.05.1996. The plan stipulates industrial area (GI), which is legally binding with the Federal Land Utilization Ordinance of 1990 (BauNVO). The plan stipulates a site coverage of 0.8 and a plot ratio of 2.4. For the purpose of this valuation, we have assumed that the subject property has been developed in line with the planning requirements.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 25 Am Ochsenwald 7, 66539 Neunkirchen, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	13,805 m²
of which is development land (for additional construction)	none.
Shape of site	irregular
Topography of site	level

BUILDING(S)

Number of buildings on site	3
Age / Quality of building	slightly outmoded
State of repair, building	good
Building layout	slightly inefficient
Condition of lettable areas	good
Construction type	reinforced concrete
Facade	various types
Roof	saddle roof
Heating	gas-fired central heating
Air conditioning	n/a
Windows	plastic, insulated glazing
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a good overall condition.

There were no Recognized Environmental Conditions (RECs) identified at this site. 1 - 4 years considerations include renewing the plastic panes of the roll-up doors and replacing the AC-unit. Hence the TDD did not state for any costs, we did not reflect any capital expenditures in our calculation.

INSPECTION

Type of inspection	Full inspection
Date of inspection	14.06.2018
Inspected by	Michael Störlein MRICS

COMMENT ON BUILDING

The subject property consists of one building including a cold storage. There is no separate office unit. It is currently let to Greenyard fresh Neunkirchen. The facade consists of silver sandwich panels and the front wall is made of concrete. There are 10 loading docks and one loading dock on ground level. Access is via an uncontrolled, combined drive. Fit out is characterized as simple. Summarizing, the quality and overall impression are designated as fair.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (14.06.2018), the lettable areas appeared to be in a fair condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. In line with the Arcadis report we did not apply any capex.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a medium level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. However, we have been informed that the tenant wants to leave. Estate management would include early marketing measures.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Long WALT
2. Sufficient number of dock doors

OPPORTUNITIES

1. Sufficient time to find a new tenant
2. Increased rent for cooling facilities

WEAKNESSES

1. Partly limited third-party usability
2. Tenant doesn't use major parts of the property and definitely wants to leave
3. Relatively high office share

THREATS

1. Single tenant property
2. Weak macro-location

PROPERTY SHEET



PROPERTY ID 25

Am Ochsenwald 7, 66539 Neunkirchen, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



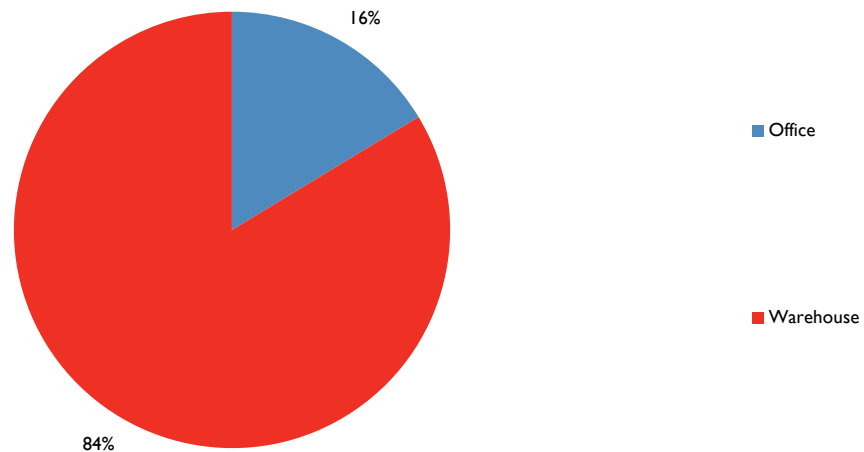
PROPERTY ID 25 Am Ochsenwald 7, 66539 Neunkirchen, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	862 m²	16.3%	862 m²	16.3%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	0 m²	0.0%	0 m²	0.0%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	4,412 m²	83.7%	4,412 m²	83.7%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	5,274 m²		5,274 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

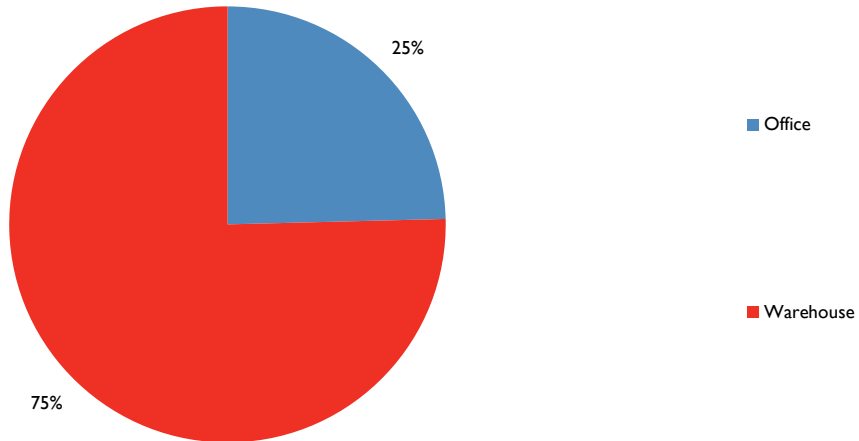


PROPERTY ID 25 Am Ochsenwald 7, 66539 Neunkirchen, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	862 m²	862 m²	€ 9.33	€ 96,463	€ 5.50	€ 56,892
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	4,412 m²	4,412 m²	€ 5.58	€ 295,645	€ 4.25	€ 225,012
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	5,274 m²	5,274 m²		€ 392,108		€ 281,904
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. Greenyard fresh Neunkirchen	5,274	0	392,108	6.20	4.45	-28.1%	100.0%	8.2 years	100.0%
Total Top 10	5,274	0	392,108	6.20				8.2 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 25 Am Ochsenwald 7, 66539 Neunkirchen, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING	
Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	11 years

CAPITALISATION RATES	
Cap Rate	6.50%
Cap Year	Year 11
Discount Rate	5.25%

NON-REIMBURSABLE EXPENSES	
Vacancy Costs (p.a.)	€ 9.50 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 4.00 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 0

OTHER ADJUSTMENTS	
Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION	
General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-11 p.a. (average)	1.00%

VALUATION RESULTS

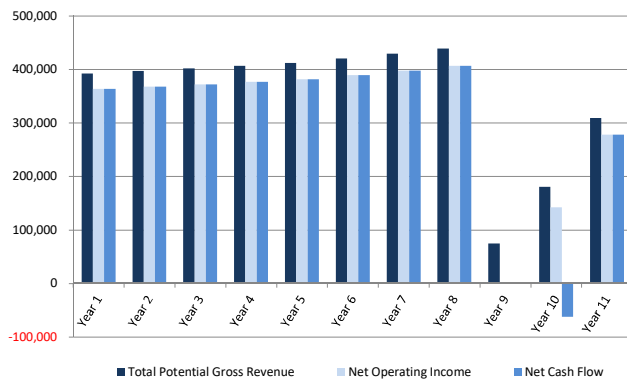
Current Rent	€ 392,108
Market Rent	€ 281,904
CR Multiplier	11.2
MR Multiplier	15.6
Net Initial Yield	7.59%
Gross Initial Yield	8.94%
Total Investment	€ 4,786,302
Less Purchasers' Costs	9.00%
Market Value	€ 4,391,103

MARKET VALUE (rounded) € 4,390,000

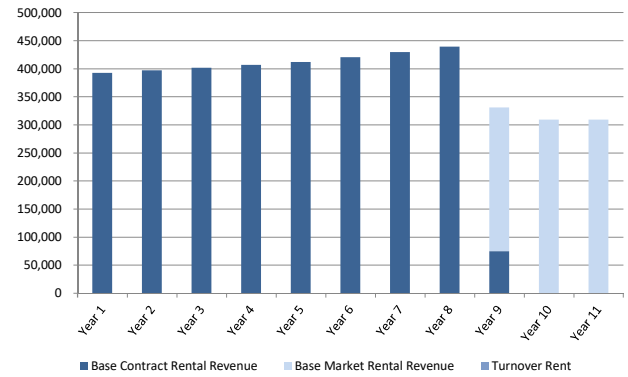
Net Capital Value per m² lettable building area

€ 832 / m²

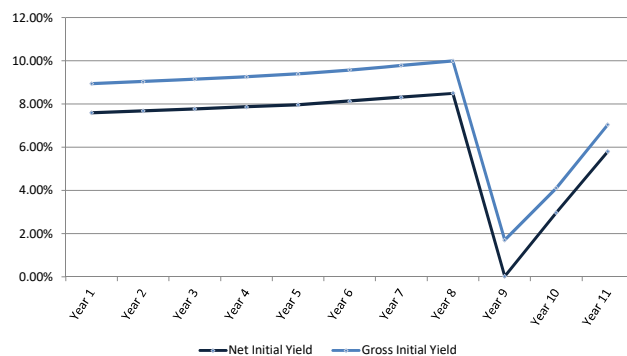
CASH FLOW ANALYSIS



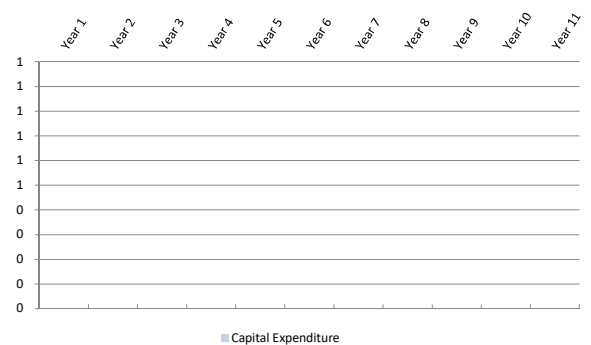
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 25 Am Ochsenwald 7, 66539 Neunkirchen, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	11

CAPITALISATION RATES

Cap Rate	6.50%
Cap Year	Year 10
Discount Rate	6.25%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-11 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 4.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 0

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 281,904
CR Multiplier	0.0
MR Multiplier	10.2
Net Initial Yield	-2.29%
Gross Initial Yield	0.00%
Total Investment	€ 3,123,678
Less Purchasers' Costs	9.00%
Market Value	-€ 257,918
	€ 2,865,760

VACANT POSSESSION VALUE (rounded)

€ 2,870,000

Net Capital Value per m² lettable building area

€ 544 /m²



PROPERTY ID 25 Am Ochsenwald 7, 66539 Neunkirchen, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA		
Net lettable building area		5,274 m²
Ratio net lettable area to gross floor area	90.00%	
Gross floor area (BGF)		5,860 m²
DEMOLITION & SITE CLEARANCE		
Demolition costs existing buildings	€ 60 /m²	€ 351,600
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 351,600

CONSTRUCTION COSTS		
a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 700 /m²
Regional adjustment	1.046	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 762 /m²
Gross floor area (BGF)	5,860 m²	
Building costs, total		€ 4,468,238
b) External areas and outdoor facilities		
External areas [% of building costs]	7.50%	€ 335,118
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 335,118
Building costs incl. external areas		€ 4,803,356
Soft costs	15.00%	€ 720,503
Construction costs (incl. VAT)		€ 5,523,859

VALUATION OVERVIEW

RESULTS		
Demolition and site clearance		€ 351,600
Construction costs (incl. VAT)		€ 5,523,859
Indicative Reinstatement Costs (incl. VAT)		€ 5,875,459
Consideration of VAT	19.00%	-€ 938,099
Indicative Reinstatement Costs (excl. VAT)		€ 4,937,361

INDICATIVE REINSTATEMENT COSTS (rounded) € 4,940,000

Reinstatement costs (rounded) per m² lettable building area € 937 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 25 Am Ochsenwald 7, 66539 Neunkirchen, Germany

INFORMATION PROVIDED BY THE CLIENT

<i>Item</i>	<i>Provided via</i>
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 25 Am Ochsenwald 7, 66539 Neunkirchen, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 392,467	€ 396,820	€ 401,639	€ 406,575	€ 411,919	€ 420,566	€ 429,571	€ 438,953	€ 74,647	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 255,972	€ 309,018	€ 309,082
Absorption & Turnover Vacancy	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 255,972	-€ 51,450	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 77,271	€ 0
Scheduled Base Rental Revenue	€ 392,467	€ 396,820	€ 401,639	€ 406,575	€ 411,919	€ 420,566	€ 429,571	€ 438,953	€ 74,647	€ 180,298	€ 309,082
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 392,467	€ 396,820	€ 401,639	€ 406,575	€ 411,919	€ 420,566	€ 429,571	€ 438,953	€ 74,647	€ 180,298	€ 309,082
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 47,994	-€ 9,694	€ 0
Repairs & Maintenance, Lettable Area	-€ 21,233	-€ 21,488	-€ 21,746	-€ 22,006	-€ 22,366	-€ 22,813	-€ 23,270	-€ 23,735	-€ 24,210	-€ 24,694	-€ 25,188
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 3,925	-€ 3,968	-€ 4,016	-€ 4,066	-€ 4,119	-€ 4,206	-€ 4,296	-€ 4,390	-€ 746	-€ 1,803	-€ 3,091
Management Costs	-€ 3,925	-€ 3,968	-€ 4,016	-€ 4,066	-€ 4,119	-€ 4,206	-€ 4,296	-€ 4,390	-€ 746	-€ 1,803	-€ 3,091
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 29,082	-€ 29,424	-€ 29,778	-€ 30,138	-€ 30,604	-€ 31,225	-€ 31,861	-€ 32,514	-€ 73,696	-€ 37,994	-€ 31,369
	7.41%	7.41%	7.41%	7.41%	7.43%	7.42%	7.42%	7.41%	98.73%	21.07%	10.15%
NET OPERATING INCOME (NOI)	€ 363,385	€ 367,396	€ 371,860	€ 376,437	€ 381,314	€ 389,341	€ 397,710	€ 406,439	€ 951	€ 142,304	€ 277,713
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 127,178	€ 0
Leasing Commissions	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 77,271	€ 0
Capital Expenditure	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 204,449	€ 0
CASH FLOW	€ 363,385	€ 367,396	€ 371,860	€ 376,437	€ 381,314	€ 389,341	€ 397,710	€ 406,439	€ 951	-€ 62,145	€ 277,713
Discount Rate / Discount Factor	5.25%	0.950	0.903	0.858	0.815	0.774	0.736	0.699	0.664	0.631	0.599
NET PRESENT VALUE (NPV)	€ 345,259	€ 331,657	€ 318,943	€ 306,763	€ 295,238	€ 286,416	€ 277,979	€ 269,910	€ 600	-€ 37,255	€ 158,180

Property Exit		
GPV	NOI year 11 *Cap	€ 277,713 x 15,3846
Purchasers Cost	9.00%	€ 4,272,505
Exit Value		€ 3,919,729
NPV Exit Value	0.5696	€ 2,232,610

Market Value		
NPV Cash Flows		€ 2,553,692
Total Investment		€ 4,786,302
Purchasers Cost	9.00%	-€ 395,199
Market Value		€ 4,391,103

Market Value (rounded) € 4,390,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	16.4	11.2	11.1	10.9	10.8	10.7	10.4	10.2	10.0	58.8	24.4	14.2
Net Initial Yield (NIY)	6.53%	7.6%	7.7%	7.8%	7.9%	8.0%	8.1%	8.3%	8.5%	0.0%	3.0%	5.8%
Gross Initial Yield (GIY)	7.92%	8.9%	9.0%	9.1%	9.3%	9.4%	9.6%	9.8%	10.0%	1.7%	4.1%	7.0%

PROPERTY ID 25

Am Ochsenwald 7, 66539 Neunkirchen, Germany

RENT ROLL							MARKET LEASING ASSUMPTIONS							
PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Greenyard fresh Neunkirchen	Office	862	€ 9.33	€ 96,462.60	20.09.2026	8.2 years	€ 5.50	€ 56,852.00	12	50%	€ 50 /m²	60	3	3
Greenyard fresh Neunkirchen	Warehouse	4,412	€ 5.58	€ 295,645.20	20.09.2026	8.2 years	€ 4.25	€ 225,012.00	12	50%	€ 15 /m²	60	3	3
Total		5,274 m²		€ 392,108				€ 281,904						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)													
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment				Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Total		0 m²						- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 25 Am Ochsenwald 7, 66539 Neunkirchen, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 283,429	€ 285,847	€ 286,143	€ 286,143	€ 286,143	€ 286,143	€ 295,095	€ 302,239	€ 302,239	€ 302,239
Absorption & Turnover Vacancy	-€ 283,429	-€ 118,930	€ 0	€ 0	€ 0	€ 0	-€ 150,682	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 71,536	€ 0	€ 0	€ 0	€ 0	-€ 25,187	-€ 25,187	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 95,381	€ 286,143	€ 286,143	€ 286,143	€ 286,143	€ 119,226	€ 277,053	€ 302,239	€ 302,239
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 95,381	€ 286,143	€ 286,143	€ 286,143	€ 286,143	€ 119,226	€ 277,053	€ 302,239	€ 302,239
Non Recoverable Running Costs During Vacancy	-€ 50,428	-€ 25,441	€ 0	€ 0	€ 0	€ 0	-€ 32,371	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 21,233	-€ 21,488	-€ 21,746	-€ 22,006	-€ 22,366	-€ 22,813	-€ 23,270	-€ 23,735	-€ 24,210	-€ 24,694
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 954	-€ 2,861	-€ 2,861	-€ 2,861	-€ 2,861	-€ 1,192	-€ 2,771	-€ 3,022	-€ 3,022
Management Costs	€ 0	-€ 954	-€ 2,861	-€ 2,861	-€ 2,861	-€ 2,861	-€ 1,192	-€ 2,771	-€ 3,022	-€ 3,022
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 71,661	-€ 48,836	-€ 27,468	-€ 27,729	-€ 28,089	-€ 28,536	-€ 58,025	-€ 29,276	-€ 30,254	-€ 30,739
#DIV/0!	51.20%	51.20%	9.60%	9.69%	9.82%	9.97%	48.67%	10.57%	10.01%	10.17%
NET OPERATING INCOME	-€ 71,661	€ 46,545	€ 258,675	€ 258,414	€ 258,054	€ 257,607	€ 61,201	€ 247,777	€ 271,985	€ 271,501
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	-€ 111,253	€ 0	€ 0	€ 0	€ 0	-€ 60,818	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 71,536	€ 0	€ 0	€ 0	€ 0	-€ 37,780	€ 0	€ 0	€ 0
Capital Expenditure	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	€ 0	-€ 182,789	€ 0	€ 0	€ 0	€ 0	-€ 98,598	€ 0	€ 0	€ 0
CASH FLOW	-€ 71,661	-€ 136,243	€ 258,675	€ 258,414	€ 258,054	€ 257,607	-€ 37,397	€ 247,777	€ 271,985	€ 271,501
Discount Rate / Discount Factor	6.25%	0.941	0.886	0.834	0.785	0.739	0.695	0.654	0.616	0.579
NET PRESENT VALUE	-€ 67,446	-€ 120,686	€ 215,659	€ 202,768	€ 190,575	€ 179,054	-€ 24,464	€ 152,556	€ 157,610	€ 148,075

Property Exit			
GPV	NOI year 10 *Cap	€ 271,501 x 15,3846	€ 4,176,933
Purchasers Cost	9.00%		-€ 344,864
Exit Value			€ 3,832,048
NPV Exit Value	0.5454		€ 2,089,977

Market Value		
NPV Cash Flows		€ 1,033,701
Total Investment		€ 3,123,678
Purchasers Cost	9.00%	-€ 257,918
Vacant Possession Value		€ 2,865,760

Vacant Possession Value (rounded) € 2,870,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	13.0		30.0	10.0	10.0	10.0	10.0	24.0	10.3	9.5	9.5
Net Initial Yield (NIY)	7.13%		1.5%	8.3%	8.3%	8.3%	8.2%	2.0%	7.9%	8.7%	8.7%
Gross Initial Yield (GIY)	8.97%		3.3%	10.0%	10.0%	10.0%	10.0%	4.2%	9.7%	10.5%	10.5%



PROPERTY ID 26 Hopfenröthe 3, 93133 Burglengenfeld, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Bavaria
Federal District	Schwandorf
City / Municipality	Burglengenfeld
Inhabitants (as at)	01.01.2018 12,938
Unemployment rate (as at)	31.12.2017 2.4%
Purchasing Power (German average = 100)	01.01.2018 95.19

Location rating

Macro Location	Small town (< 20,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	medium

PROPERTY DETAILS

Property type/ primary use	Warehouse
Occupation (number of tenants)	Single-tenant (1)
Year of construction (modernisation)	1993 (2000)
Lettable area	11,424 m ²
Parking spaces	n/a
Vacancy rate	0.0%
Weighted remaining lease term	4.0 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	yes
Site area, total	35,940 m ²
Building condition	medium
Contamination	none, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	overrented	€ 531,282
Market gross rental income p.a. (Year 1)		€ 425,352
Non-recoverable costs p.a. (Year 1)		-€ 50,876

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 5,060,000

Net Capital Value per m² lettable building area € 443 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	8.96%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	10.51%
Gross multiplier on Current Rent	9.5
Gross multiplier on Market Rent	11.9

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	3	Lettability	3
Micro Location	3	Marketability (sale)	3
Building quality (specification & parking etc.)	3	Overall rating	3
Building condition	3	Estimated marketing period (months)	9-12



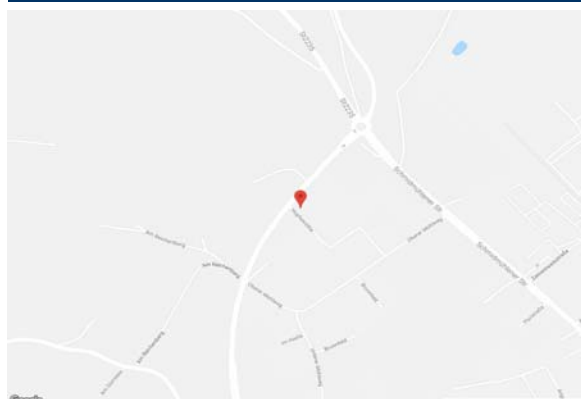
PROPERTY ID 26 Hopfenröthe 3, 93133 Burglengenfeld, Germany

LOCATION

MACRO LOCATION



MICRO LOCATION



MACRO LOCATION

Burglengenfeld is a town of around 13,000 inhabitants in the district of Schwandorf in Bavaria. It is situated on the river Naab, approx. 22km north of Regensburg and 80km west of the Polish border. A3, A6 and A93 motorways provide for a good transport link. Regensburg, the nearest larger city, is an important logistics location. Its freight port registers an annual freight volume of 8.5 tons. Furthermore, due to its proximity to the Czech Republic, it is an important freight hub to east Europe.

MICRO LOCATION

The subject property is located in the industrial area "Vorstadt-West". It is surrounded by commercial and manufacturing buildings and green area. Public transport is provided in 1.5km distance. A3 motorway is accessible within 15 minutes, A93 within 10 minutes and A6 motorway within 20 minutes.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

No historical trend of prime and average rents or net initial yields for logistics space in Burglengenfeld can currently be determined due to the insufficient volume and availability of data, primarily due to the size of the market. For this reason, Regensburg, the nearest larger city, is considered as a proxy. In 2007 the prime rent for warehouses and logistics in Regensburg amounted to € 3.80/m². By 2017, this had increased to € 5.40/m². The average rent for warehouses and logistics in Regensburg is at € 4.60/m² in 2017. The prime yield decreased from 7.7% in 2007 to 5.8% in 2017. The average yield amounts to 7.2%. Regensburg is an important transport hub (motorway and railway) in eastern Bavaria. Since the opening of the Rhein-Main-Donau-Canary, the annual freight volume rose to 8.5 million tonnes (2014). Furthermore, Regensburg forms a transport hub to Eastern Europe. Several regional and international logistics companies are located in the port area. Resident companies include e.g. Rhenus. Besides the present of the postcentre of Deutsche Post AG, KLV-hub, truck service centre, customs office, several haulages and logistics companies, there are further development areas for logistics properties available. Regensburg ranks among the C-cities. Letting opportunities are considered to be very good and the vacancy rate trend is classified as very good.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
logistics	36289 Friedewald	1,600 m²	€ 2.79 /m²	n/a	medium
logistics	92237 Sulzbach-Rosenberg	354 m²	€ 2.54 /m²	currently asking	medium
logistics	93055 Regensburg	5,000 m²	€ 2.90 /m²	currently asking	medium

COMMENT ON LEASE COMPARABLES

The rental level for warehouse properties provided within the comparable evidence range between € 2.54 and € 2.90 m²/month, with the size spectrum of the currently offered rental areas ranging between 354 m² and 5,000 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for warehouse space of € 2.75 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m²	Sales price	Date of sale	Comparability
logistics	35708 Haiger	14,929 m²	€ 419	€ 6,250,000	Q2 2017	medium
warehouse/storage	48155 Münster	12,960 m²	€ 481	€ 6,232,986	Q2 2017	medium
warehouse/storage	27753 Delmenhorst	3,462 m²	€ 420	€ 1,452,868	Q3 2017	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 420 and 481/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 443/m² appears plausible and fits into the comparable evidence. As at the date of transaction, all properties were fully let. Comparable property 1 was built in 1998. The average remaining lease term amounted to 1.75 years. Comparable property 2 was constructed in 2005 and let on single-tenant basis. Comparable 3 was fully let on single-tenant basis, too.



PROPERTY ID 26 Hopfenröthe 3, 93133 Burglengenfeld, Germany

LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Schwandorf, land register of Burglengenfeld, Folio 8677 (dated 07.12.2017)
Owner	GER LOG 8 S.A., Luxembourg
Land parcels	Land parcels 906/7, 938/1, 943/8, 939/1, 977/3, 943
Site area	35,940 m ²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1	Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a sewer right (Abwasserkanalrecht) in favour of Stadt Burglengenfeld (approval dated 22 June 2007, deed no. 1114/2007, notary Kolb, Burglengenfeld); registered on 6 September 2007.
Restrictions and encumbrances 2	Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a power line right (Starkstromleitungsrecht) in favour of Energieversorgung Ostbayern AG, Regensburg (approval dated 8 April 1974); registered on 9 September 1994.
Restrictions and encumbrances 3	Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a drain right (Kanalleitungsrecht) in favour of Stadt Burglengenfeld (approval dated 2 April 1993 and 26 August 1993, deed no. 791 and 2285, notary Kolb, Burglengenfeld); registered on 7 February 1997.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There are several entries in section II of the land registry extract regarding restricted personal easements. The restricted personal easements regard a sewer right, a power line right and a drain right. For the purposes of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, no public easements have been registered according to the Reports on Title and the authority information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site is located on former agricultural land in a light industrial and commercial area. There is a low risk of contamination from previous or current use. The Technical Due Diligence finished by Nova considers a removal of potential R22 containing AC-units. The TDD states for short term capital expenditures amounting to € 13,000. We reflected these costs, in line with the TDD, in our calculation.

PLANNING LAW

According to information provided by the planning department of Burglengenfeld on 20.06.2018, the subject property is not subject to a detailed development plan. The construction of the subject property was verified in an individual procedure and approved. Planning consent is subject to § 34 BauGB (the German planning code). New developments must be in keeping with the type, style and size of existing buildings in the urban area, and roads and services must be available. For the purposes of this valuation we have assumed that the use referred to would continue to be appropriate in the future.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 26 Hopfenröthe 3, 93133 Burglengenfeld, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	35,940 m²
of which is development land (for additional construction)	0 m²
Shape of site	rectangular
Topography of site	level

BUILDING(S)

Number of buildings on site	3
Age / Quality of building	modern, average quality
State of repair, building	average
Building layout	efficient
Condition of lettable areas	medium
Construction type	reinforced concrete
Facade	various types
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	partial air conditioning
Windows	various types
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a fair overall condition.

There were no Recognized Environmental Conditions (RECs) identified at this site. 1 - 4 years considerations include repairing the roof of building 3, the roof drainage and the parts of the building 1 and cracks of the facade of building 1. Furthermore, short term considerations state for renewing client parking pave stones, roll-up doors of building 3 and renewing curbing at the south side of the property.

INSPECTION

Type of inspection	Full inspection
Date of inspection	15.06.2018
Inspected by	Peter Fleischmann

COMMENT ON BUILDING

The subject property consists of three buildings. One building is used as office and exhibition hall, one as assembly and one as a warehouse. It is currently let to Ludwig Kübelböck GmbH / Winkelmann GmbH. The structure is of a steel frame construction. The office building is on ground floor and first floor, the assembly building and warehouse building are on ground floor respectively. There are 6 loading docks.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (15.06.2018), the lettable areas appeared to be in a fair condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. In accordance with the Arcadis report we applied a total amount of € 113,000 as capex.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a single-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a medium level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 12 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. We have been informed that the tenant surrenders the business. Estate management should include early marketing measures.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 9 - 12 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Building mostly in good condition

WEAKNESSES

1. Purpose built for current occupier
2. Occupier most likely to abandon the business if no successor (verbal info during inspection)

OPPORTUNITIES

1. Reconfigure to increase third party usability

THREATS

1. Future costs to enable third-party usability
2. Property might become obsolete



PROPERTY ID 26 Hopfenröthe 3, 93133 Burglengenfeld, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



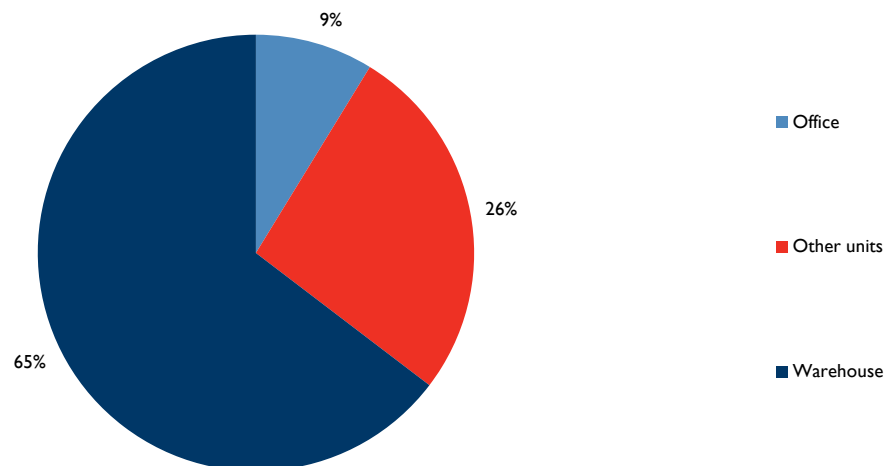
PROPERTY ID 26 Hopfenröthe 3, 93133 Burglengenfeld, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	1,000 m²	8.8%	1,000 m²	11.9%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	0 m²	0.0%	0 m²	0.0%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	3,040 m²	26.6%	3,040 m²	36.3%	0 units	
Warehouse	7,384 m²	64.6%	7,384 m²	88.1%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	11,424 m²		8,384 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Total Parking spaces	0 spaces		0 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

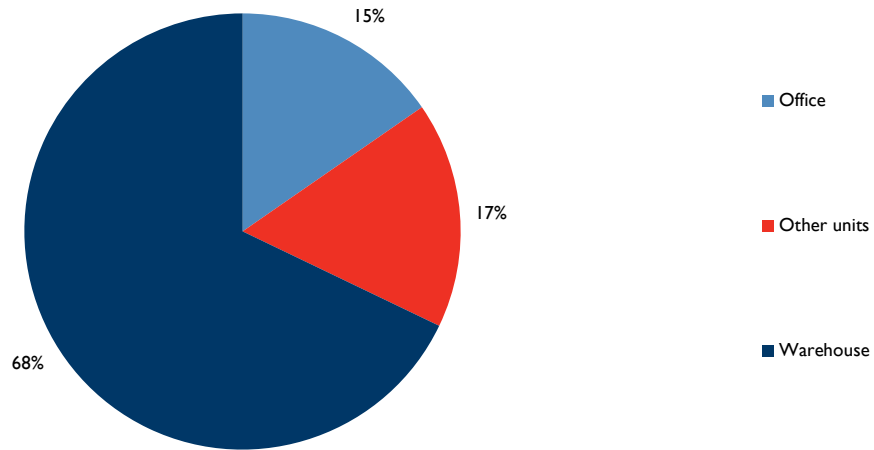


PROPERTY ID 26 Hopfenröthe 3, 93133 Burglengenfeld, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	1,000 m²	1,000 m²	€ 6.80	€ 81,563	€ 4.50	€ 54,000
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	3,040 m²	3,040 m²	€ 2.44	€ 89,084	€ 3.50	€ 127,680
Warehouse	7,384 m²	7,384 m²	€ 4.07	€ 360,635	€ 2.75	€ 243,672
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	11,424 m²	11,424 m²		€ 531,282		€ 425,352
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Total Parking spaces	0 spaces	0 spaces		€ 0		€ 0

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. Ludwig Kübelböck GmbH / Winke	11,424	0	531,282	3.88	3.10	-19.9%	100.0%	4.0 years	100.0%
Total Top 10	11,424	0	531,282	3.88				4.0 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	1								

PROPERTY SHEET



PROPERTY ID 26 Hopfenröthe 3, 93133 Burglengenfeld, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING	
Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	11 years

CAPITALISATION RATES	
Cap Rate	7.00%
Cap Year	Year 12
Discount Rate	5.75%

NON-REIMBURSABLE EXPENSES	
Vacancy Costs (p.a.)	€ 9.50 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 3.50 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 114,216

OTHER ADJUSTMENTS	
Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION	
General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-11 p.a. (average)	1.00%

VALUATION RESULTS

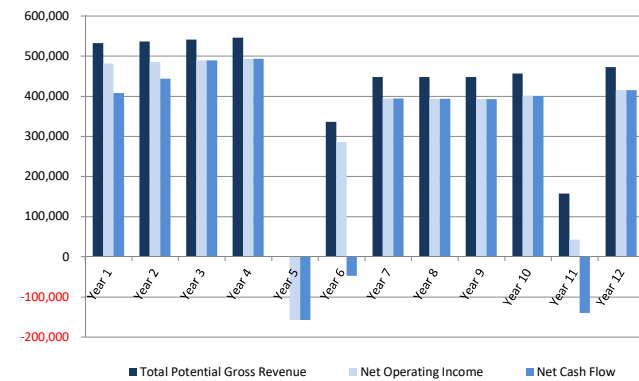
Current Rent	€ 531,282
Market Rent	€ 425,352
CR Multiplier	9.5
MR Multiplier	11.9
Net Initial Yield	8.96%
Gross Initial Yield	10.51%
Total Investment	€ 5,365,621
Less Purchasers' Costs	6.00%
Market Value	€ 5,061,907

MARKET VALUE (rounded) € 5,060,000

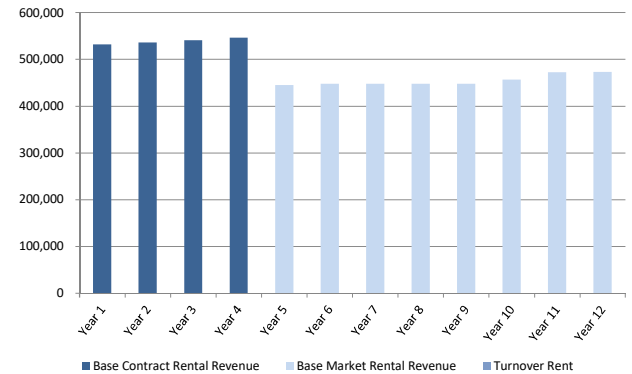
Net Capital Value per m² lettable building area

€ 443 / m²

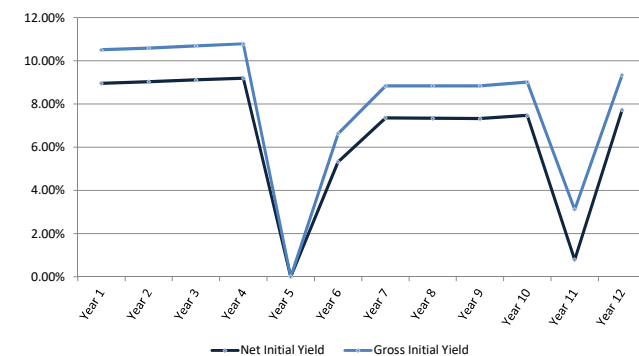
CASH FLOW ANALYSIS



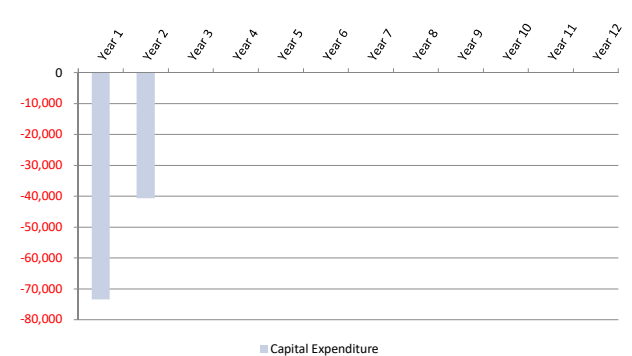
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 26 Hopfenröthe 3, 93133 Burglengenfeld, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	11

CAPITALISATION RATES

Cap Rate	7.00%
Cap Year	Year 11
Discount Rate	7.00%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-11 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 3.50 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 0.00 / space
Estimated Capital Investment Year 1-5	€ 114,216

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 425,352
CR Multiplier	0.0
MR Multiplier	8.7
Net Initial Yield	-3.79%
Gross Initial Yield	0.00%
Total Investment	€ 3,945,243
Less Purchasers' Costs	6.00%
Market Value	-€ 223,316
	€ 3,721,927

VACANT POSSESSION VALUE (rounded)

€ 3,720,000

Net Capital Value per m² lettable building area

€ 326 /m²

PROPERTY SHEET



PROPERTY ID 26 Hopfenröthe 3, 93133 Burglengenfeld, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA

Net lettable building area	11,424 m²
Ratio net lettable area to gross floor area	90.00%
Gross floor area (BGF)	12,693 m²

DEMOLITION & SITE CLEARANCE

Demolition costs existing buildings	€ 60 /m²	€ 761,600
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 761,600

CONSTRUCTION COSTS

a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 700 /m²
Regional adjustment	0.989	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 721 /m²
Gross floor area (BGF)	12,693 m²	
Building costs, total		€ 9,151,219
b) External areas and outdoor facilities		
External areas [% of building costs]	5.00%	€ 457,561
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 457,561
Building costs incl. external areas		€ 9,608,780
Soft costs	15.00%	€ 1,441,317
Construction costs (incl. VAT)		€ 11,050,097

VALUATION OVERVIEW

RESULTS

Demolition and site clearance		€ 761,600
Construction costs (incl. VAT)		€ 11,050,097
Indicative Reinstatement Costs (incl. VAT)		€ 11,811,697
Consideration of VAT	19.00%	-€ 1,885,901
Indicative Reinstatement Costs (excl. VAT)		€ 9,925,796

INDICATIVE REINSTATEMENT COSTS (rounded)

€ 9,930,000

Reinstatement costs (rounded) per m² lettable building area

€ 869 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 26 Hopfenröthe 3, 93133 Burglengenfeld, Germany

INFORMATION PROVIDED BY THE CLIENT

Item	Provided via
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 26 Hopfenröthe 3, 93133 Burglengenfeld, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029	Year 12 Jun. 2030
POTENTIAL GROSS REVENUE												
Base Contract Rental Revenue	€ 531,647	€ 536,069	€ 540,951	€ 545,938	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 445,017	€ 447,420	€ 447,420	€ 447,420	€ 447,420	€ 456,494	€ 471,904	€ 472,588
Absorption & Turnover Vacancy	€ 0	€ 0	€ 0	€ 0	-€ 445,017	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 235,610	€ 0
Base Rent-Free Periods	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 111,855	€ 0	€ 0	€ 0	€ 0	-€ 78,765	€ 0
Scheduled Base Rental Revenue	€ 531,647	€ 536,069	€ 540,951	€ 545,938	€ 0	€ 335,565	€ 447,420	€ 447,420	€ 447,420	€ 456,494	€ 157,529	€ 472,588
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 531,647	€ 536,069	€ 540,951	€ 545,938	€ 0	€ 335,565	€ 447,420	€ 447,420	€ 447,420	€ 456,494	€ 157,529	€ 472,588
Non Recoverable Running Costs During Vacancy	€ 0	€ 0	€ 0	€ 0	-€ 115,061	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 64,468	€ 0
Repairs & Maintenance, Lettable Area	-€ 40,243	-€ 40,726	-€ 41,215	-€ 41,710	-€ 42,391	-€ 43,239	-€ 44,104	-€ 44,986	-€ 45,885	-€ 46,803	-€ 47,739	-€ 48,694
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	-€ 5,316	-€ 5,361	-€ 5,410	-€ 5,459	€ 0	-€ 3,356	-€ 4,474	-€ 4,474	-€ 4,474	-€ 4,565	-€ 1,575	-€ 4,726
Management Costs	-€ 5,316	-€ 5,361	-€ 5,410	-€ 5,459	€ 0	-€ 3,356	-€ 4,474	-€ 4,474	-€ 4,474	-€ 4,565	-€ 1,575	-€ 4,726
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 50,876	-€ 51,448	-€ 52,034	-€ 52,628	-€ 157,452	-€ 49,950	-€ 53,052	-€ 53,934	-€ 54,834	-€ 55,933	-€ 115,358	-€ 58,146
	9.57%	9.60%	9.62%	9.64%	#DIV/0!	14.89%	11.86%	12.05%	12.26%	12.25%	73.23%	12.30%
NET OPERATING INCOME (NOI)	€ 480,770	€ 484,621	€ 488,917	€ 493,309	-€ 157,452	€ 285,615	€ 394,368	€ 393,486	€ 392,586	€ 400,561	€ 42,172	€ 414,443
LEASING & CAPITAL COSTS												
Tenant Improvements	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 221,139	€ 0	€ 0	€ 0	€ 0	-€ 123,292	€ 0
Leasing Commissions	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 111,855	€ 0	€ 0	€ 0	€ 0	-€ 59,074	€ 0
Capital Expenditure	-€ 73,474	-€ 40,743	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 73,474	-€ 40,743	€ 0	€ 0	€ 0	-€ 332,994	€ 0	€ 0	€ 0	€ 0	-€ 182,366	€ 0
CASH FLOW	€ 407,297	€ 443,878	€ 488,917	€ 493,309	-€ 157,452	€ 47,379	€ 394,368	€ 393,486	€ 392,586	€ 400,561	-€ 140,194	€ 414,443
Discount Rate / Discount Factor	5.75%	0.946	0.894	0.846	0.800	0.756	0.715	0.676	0.639	0.605	0.572	0.511
NET PRESENT VALUE (NPV)	€ 385,151	€ 396,920	€ 413,423	€ 394,455	-€ 119,055	-€ 33,877	€ 266,648	€ 251,586	€ 237,362	€ 229,016	-€ 75,796	€ 211,885

Property Exit			
GPV	NOI year 12 *Cap	€ 414,443 x 14,2857	€ 5,920,609
Purchasers Cost	6.00%		-€ 335,129
Exit Value			€ 5,585,480
NPV Exit Value	0.5406		€ 3,019,788
Market Value			
NPV Cash Flows			€ 2,345,834
Total Investment			€ 5,365,621
Purchasers Cost	6.00%		-€ 303,714
Market Value			€ 5,061,907
Market Value (rounded)		€ 5,060,000	

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Gross Rent Multiplier	12.8	9.5	9.4	9.4	9.3		15.1	11.3	11.3	11.3	11.1	32.1	10.7
Net Initial Yield (NIY)	7.24%	9.0%	9.0%	9.1%	9.2%		5.3%	7.3%	7.3%	7.3%	7.5%	0.8%	7.7%
Gross Initial Yield (GIY)	8.83%	10.5%	10.6%	10.7%	10.8%		6.6%	8.8%	8.8%	8.8%	9.0%	3.1%	9.3%

PROPERTY ID 26

Hopfenröthe 3, 93133 Burglengenfeld, Germany

RENT ROLL							MARKET LEASING ASSUMPTIONS							
PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Ludwig Kübelböck GmbH / Winkelmann GmI Office		1,000	€ 6.80	€ 81,562.80	30.06.2022	4.0 years	€ 4.50	€ 54,000.00	12	50%	€ 50 /m²	60	3	3
Ludwig Kübelböck GmbH / Winkelmann GmI Warehouse		7,384	€ 4.07	€ 360,634.80	30.06.2022	4.0 years	€ 2.75	€ 243,672.00	12	50%	€ 15 /m²	60	3	3
Ludwig Kübelböck GmbH / Winkelmann GmI Other units		3,040	€ 2.44	€ 89,084.16	30.06.2022	4.0 years	€ 3.50	€ 127,680.00	12	50%	€ 15 /m²	60	3	3
Total		11,424 m²		€ 931,282				€ 425,352						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)													
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Comment				Market rent per month [€/m² or unit]	Market rent per year [€]	Void period [months]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Total		0 m²						- €					



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 26 Hopfenröthe 3, 93133 Burglengenfeld, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028	Year 11 Jun. 2029
POTENTIAL GROSS REVENUE											
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 427,652	€ 431,301	€ 431,748	€ 431,748	€ 431,748	€ 431,748	€ 445,255	€ 456,035	€ 456,035	€ 456,035	€ 456,035
Absorption & Turnover Vacancy	-€ 427,652	-€ 179,448	€ 0	€ 0	€ 0	€ 0	-€ 227,357	€ 0	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 107,937	€ 0	€ 0	€ 0	€ 0	-€ 38,003	-€ 38,003	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 143,916	€ 431,748	€ 431,748	€ 431,748	€ 431,748	€ 179,895	€ 418,032	€ 456,035	€ 456,035	€ 456,035
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 143,916	€ 431,748	€ 431,748	€ 431,748	€ 431,748	€ 179,895	€ 418,032	€ 456,035	€ 456,035	€ 456,035
Non Recoverable Running Costs During Vacancy	-€ 109,232	-€ 55,107	€ 0	€ 0	€ 0	€ 0	-€ 70,119	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 40,243	-€ 40,726	-€ 41,215	-€ 41,710	-€ 42,391	-€ 43,239	-€ 44,104	-€ 44,986	-€ 45,885	-€ 46,803	-€ 47,739
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Non Recoverable Running Expenses	€ 0	-€ 1,439	-€ 4,317	-€ 4,317	-€ 4,317	-€ 4,317	-€ 1,799	-€ 4,180	-€ 4,560	-€ 4,560	-€ 4,560
Management Costs	€ 0	-€ 1,439	-€ 4,317	-€ 4,317	-€ 4,317	-€ 4,317	-€ 1,799	-€ 4,180	-€ 4,560	-€ 4,560	-€ 4,560
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 149,476	-€ 98,711	-€ 49,850	-€ 50,345	-€ 51,026	-€ 51,874	-€ 117,820	-€ 53,346	-€ 55,006	-€ 55,924	-€ 56,860
#DIV/0!	68.59%	11.55%	11.66%	11.82%	12.01%	12.01%	65.49%	12.76%	12.06%	12.26%	12.47%
NET OPERATING INCOME	-€ 149,476	€ 45,205	€ 381,898	€ 381,404	€ 380,722	€ 379,874	€ 62,075	€ 364,686	€ 401,029	€ 400,111	€ 399,175
LEASING & CAPITAL COSTS											
Tenant Improvements	€ 0	-€ 210,086	€ 0	€ 0	€ 0	€ 0	-€ 114,847	€ 0	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 107,937	€ 0	€ 0	€ 0	€ 0	-€ 57,004	€ 0	€ 0	€ 0	€ 0
Capital Expenditure	-€ 73,474	-€ 40,743	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 73,474	-€ 358,765	€ 0	€ 0	€ 0	€ 0	-€ 171,851	€ 0	€ 0	€ 0	€ 0
CASH FLOW	-€ 222,949	-€ 313,561	€ 381,898	€ 381,404	€ 380,722	€ 379,874	-€ 109,776	€ 364,686	€ 401,029	€ 400,111	€ 399,175
Discount Rate / Discount Factor	7.00%	0.935	0.873	0.816	0.763	0.713	0.666	0.623	0.582	0.544	0.475
NET PRESENT VALUE	-€ 208,364	-€ 273,876	€ 311,743	€ 290,971	€ 271,450	€ 253,126	-€ 68,363	€ 212,250	€ 218,133	€ 203,396	€ 189,645

Property Exit		
GPV	NOI year 11 *Cap	€ 399,175 x 14,2857
Purchasers Cost	6.00%	€ 5,702,501
Exit Value		-€ 322,783
NPV Exit Value	0.5083	€ 5,379,718
		€ 2,734,776

Market Value		
NPV Cash Flows		€ 1,210,467
Total Investment		€ 3,945,243
Purchasers Cost	6.00%	-€ 223,316
Vacant Possession Value		€ 3,721,927

Vacant Possession Value (rounded) € 3,720,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Rent Multiplier	11.2		25.9	8.6	8.6	8.6	8.6	20.7	8.9	8.2	8.2	8.2
Net Initial Yield (NIY)	8.19%		1.1%	9.7%	9.7%	9.7%	9.6%	1.6%	9.2%	10.2%	10.1%	10.1%
Gross Initial Yield (GIY)	10.42%		3.9%	11.6%	11.6%	11.6%	11.6%	4.8%	11.2%	12.3%	12.3%	12.3%



PROPERTY ID 27 Hertzstraße 2-6, 85757 Karlsfeld, Germany

VALUATION SUMMARY

PROPERTY KEY FACTS

Aerial Picture



Exterior View



LOCATION DETAILS

Federal State	Bavaria
Federal District	Dachau
City / Municipality	Karlsfeld
Inhabitants (as at)	01.01.2018 20,308
Unemployment rate (as at)	31.12.2017 2.0%
Purchasing Power (German average = 100)	01.01.2018 129.33

Location rating

Macro Location	Medium-sized town (20,000-100,000 inhabitants)
Micro Location	Commercial / Industrial Area
Competition	medium

PROPERTY DETAILS

Property type/ primary use	Logistics
Occupation (number of tenants)	Multi-tenant (11)
Year of construction (modernisation)	1981
Lettable area	10,346 m²
Parking spaces	10 spaces
Vacancy rate	0.0%
Weighted remaining lease term	4.4 years
Heritable Building Right (Leasehold expiry date)	none
Historic monument	no
Site area, total	10,576 m²
Building condition	medium
Contamination	none, see commentary below
Legal issues	none, see commentary below

VALUATION RESULT

VALUATION APPROACH

For the Market Value calculation we have adopted an Income Capitalisation Approach. The methodology is based on a Discounted Cash-Flow Model. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment.

DATE OF ASSESSMENT

Date of Valuation	30.06.2018
Date for the state of property	30.06.2018

VALUATION DETAILS

Current gross rental income p.a. (Year 1)*	underrented	€ 780,129
Market gross rental income p.a. (Year 1)		€ 831,744
Non-recoverable costs p.a. (Year 1)		-€ 57,391

* annualised (current gross monthly rental income x 12)

VALUATION ASSUMPTIONS

Our valuation is not subject to any special assumptions.

MARKET VALUE (rounded)

€ 13,900,000

Net Capital Value per m² lettable building area € 1,344 /m²

Net initial yield (Net operating income / Total Investment) (Year 1)	4.90%
Gross initial yield (Gross current rent p.a./ Market Value) (Year 1)	5.61%
Gross multiplier on Current Rent	17.8
Gross multiplier on Market Rent	16.7

PROPERTY RATING (1 = weak, 5 = strong)

Macro Location	5	Lettability	4
Micro Location	3	Marketability (sale)	4
Building quality (specification & parking etc.)	3	Overall rating	4
Building condition	3	Estimated marketing period (months)	6-9

PROPERTY SHEET



PROPERTY ID 27 Hertzstraße 2-6, 85757 Karlsfeld, Germany

LOCATION

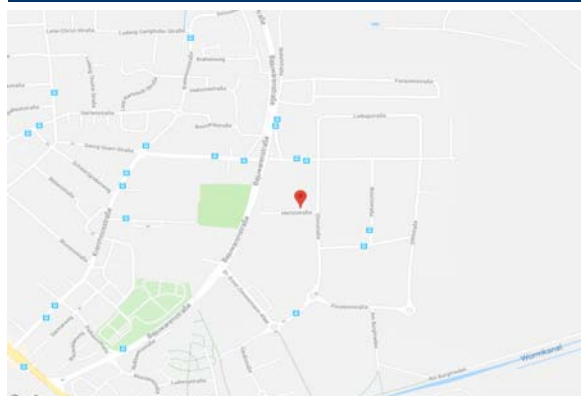
MACRO LOCATION



MACRO LOCATION

Karlsfeld is a municipality in the district of Dachau in Bavaria. Karlsfeld has approx. 20,000 inhabitants. Munich, one of the largest German cities, is reachable within 15 km. Munich is one of the largest five and most relevant logistics locations of Germany and serves as a transport hub for south- and southeastern Europe. On average 100,000 sq m logistics area are developed per year in the Munich agglomeration.

MICRO LOCATION



MICRO LOCATION

The subject property is located in the industrial area "Bajuwarenstraße", in the east of Karlsfeld. Adjacent to the property's north, east and south are further industrial buildings. The main road Bajuwarenstraße, west of the property, parts the industrial area and mixed use area which is to the west. Public transport is accessible within 3 minutes walking distance. A99 motorway is reachable within 8 minutes drive.

PROPERTY MARKET OVERVIEW

COMMENT ON THE REAL ESTATE MARKET OF THE SUBJECT PROPERTY

No historical trend of prime and average rents or net initial yields for logistics space in Karlsfeld can currently be determined due to the insufficient volume and availability of data, primarily due to the size of the market. For this reason, Munich, the nearest larger city, is considered as a proxy. In 2007 the prime rent for warehouses and logistics in Munich amounted to € 6.40/m². By 2017, this had increased to € 6.80/m². The average rent for warehouses and logistics in Munich is at € 5.10/m² in 2017. The prime yield decreased from 6.6% in 2007 to 4.4% in 2017. The average yield amounts to 5.6%. In the first half of 2018 logistics rents in Munich increased further to € 6.85/m² for class A space and € 5.60/m² for secondary space. As sought-after location with a lack of product especially secondary yields were further decreasing to a level of around 5.2%. The Munich logistics region is among the five largest and most important in Germany, and serves as transport hub for the movement of goods to and from southern and south-eastern Europe. Especially areas north-east of Munich's city limits, in the vicinity of the airport, have become the most sought sub-market in the Munich region, and have greatly benefited from the growing turnover at the airport. The annual completion rate in this logistics region averages around 100,000 sqm of modern logistics space. The bulk of the demand for logistics space has traditionally been generated by regionally based automotive companies and bio-technology firms and their suppliers. But in recent years, development has also been driven by the retail and e-commerce sectors. The largest logistics development in the greater Munich area of recent years is the mail distribution centre of around 140,000 sqm of Deutsche Post completed in Q3 2017. Munich ranks among the A-cities. Letting opportunities are considered to be very good and the vacancy rate trend is classified as very good.

COMPARABLE EVIDENCE

LEASE COMPARABLES

Asset type	Address Property Name	Lettable area	Rent per month	Date of lease	Comparability
logistics	85221 Dachau	2,023 m²	€ 6.03 /m²	currently asking	medium
logistics	85241 Hebertshausen	3,000 m²	€ 5.50 /m²	currently asking	medium
logistics	81249 Neuaubing	945 m²	€ 5.93 /m²	n/a	medium

COMMENT ON LEASE COMPARABLES

The rental level for logistics properties provided within the comparable evidence range between € 5.50 and € 6.03 m²/month, with the size spectrum of the currently offered rental areas ranging between 945 m² and 3,000 m². The quality of the lettable space as well as the quality of the location of the assets also vary. Comparing the quality of the areas and also taking into account the size of the areas, we are of the opinion that the estimated market rental level for logistics space of € 5.75 m²/month including incentives in the property subject to valuation adequately matches rental levels for comparable lettable space in comparable locations.

SALES COMPARABLES

Asset type	Address Property Name	Lettable area	Sales price per m²	Sales price	Date of sale	Comparability
industrial	85254 Sulzemoos	21,999 m²	€ 1,364	€ 30,000,000	Q2 2016	medium
logistics	85586 Poing	31,824 m²	€ 1,100	€ 35,000,000	Q2 2016	medium
logistics	89264 Weißenhorn	9,412 m²	€ 1,323	€ 12,450,000	Q1 2018	medium

COMMENT ON SALES COMPARABLES AND DEVIATION OF CAPITALISATION RATE

The transaction prices of comparable properties range between € 1,100 and 1,364/m². Taking into account different levels of building and location related quality, the assessed Market Value of € 1,344/m² appears plausible and fits into the comparable evidence. Comparable property 1 was constructed in 2017. Comparable 2 was built in 1980. As at the date of transaction, 96% of the rentable areas were let. Comparable 3 was built in 2001. The property was fully let on single-tenant basis.



PROPERTY ID 27 Hertzstraße 2-6, 85757 Karlsfeld, Germany

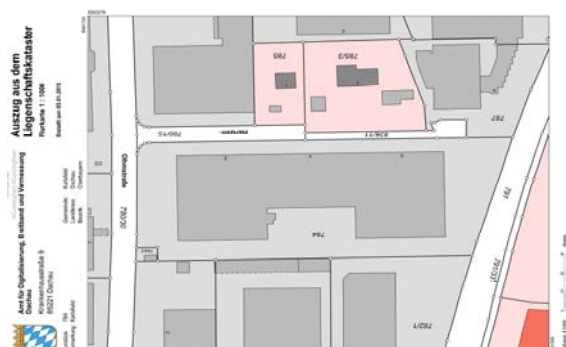
LEGAL STATUS

SITE VIEWS

Aerial Picture



Cadastral Map



LAND REGISTRY

LAND REGISTRY DETAILS

Tenure	Freehold
Land registry extract	Magistrates Court of Dachau, land register of Karlsfeld, Folio 6427 (dated 07.12.2017)
Owner	GER LOG 1 S. A., Luxembourg
Land parcels	Land parcel 784
Site area	10,576 m ²
Entries of domination (Herrschaftsvermerk)	None.

Restrictions and encumbrances 1 Restricted personal easement (beschränkte persönliche Dienstbarkeit) regarding a cable right in favour of Isar-Amperwerke AG, Munich; registered on 7 December 1981 / 20 January 1982.

COMMENT ON RESTRICTIONS AND ENCUMBRANCES

There is an entry in section II of the land registry extract regarding a restricted personal easement. The restricted personal easement regards a cable right. For the purpose of this valuation we assume that no changes were recorded in the land registry extract with respect to the subject property between the date when the written information was provided by the local authority and the date of valuation. We have had no access to the deeds of the individual entries stated above. Therefore, we assumed no detrimental effect on the value of the property. We recommend to discuss the reasonableness of this assumption with your legal advisers. The existing rights and encumbrances are not implausible or unusual for this property type and do not appear to hinder the usability of the premises and their income producing capacity. We are of the opinion that they do not have a detrimental effect on the assessed level of Market Value.

BUILDING ENCUMBRANCE (BAULASTEN)

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28 May 2018, no public easements have been registered according to the Reports on Title and the authority information.

CONTAMINATION

According to the Environmental Due Diligence provided by RPS Consulting Services Ltd, dated March 2018, the site is located on a former greenfield site in a mixed light industrial and residential area. The site is not identified on the German register for contaminated sites. No accidents or non-compliances have been reported.

PLANNING LAW

According to the Legal Due Diligence provided by Hengeler Mueller, dated 28.05.2018, the subject property is subject to a detailed development plan, dated 29.04.1968. The plan stipulates commercial area (GE), which is legally binding with the Federal Land Utilization Ordinance of 1990 (BauNVO). The plan stipulates a site coverage of 0.6, a plot ratio of 1.2 and a maximum number of 5 storeys. For the purpose of this valuation, we have assumed that the subject property has been developed in line with the planning requirements.

INFRASTRUCTURE

We have not been provided with information by the local authority regarding non-tax related communal payments such as contributions to general infrastructure projects or planning gain arising from municipal improvements to infrastructure, redevelopment designation and the like. We assume that there are no such outstanding amounts or other such payments due, which would otherwise have a negative effect on the reported level of Market Value.

PROPERTY SHEET



PROPERTY ID 27 Hertzstraße 2-6, 85757 Karlsfeld, Germany

PROPERTY

PROPERTY DESCRIPTION

SITE

Total site size	10,576 m ²
of which is development land (for additional construction)	0 m ²
Shape of site	rectangular
Topography of site	level

BUILDING(S)

Number of buildings on site	1
Age / Quality of building	modern, average quality
State of repair, building	average
Building layout	efficient
Condition of lettable areas	medium
Construction type	reinforced concrete
Facade	metal sheeting
Roof	flat roof
Heating	gas-fired central heating
Air conditioning	partial air conditioning
Windows	aluminium
Cabling	no information

STATE OF REPAIR

According to the information provided in the Technical Due Diligence prepared by Nova, the subject property is in a fair overall condition.

There were no Recognized Environmental Conditions (RECs) identified at this site. 1 - 4 years considerations include the full roof refurbishment (that includes the sky lights that are past their EUL), renewing sections of cracked asphalt, repairing pathways and repainting stripings.

INSPECTION

Type of inspection	Full inspection
Date of inspection	15.06.2018
Inspected by	Michael Störlein MRICS

COMMENT ON BUILDING

The subject property consists of one building made of a steel frame construction type. The areas are currently let to three tenants: Lacon Electronic GmbH, MAN Truck & Bus AG and proxenos GmbH. Outside area is paved and accessible via a combined drive. Ceiling height amounts to approx. 7.50m. There are around 100 parking units which is not sufficient for 200 employees. The roof is leaking in several warehouse units, which is repaired locally only. Capital expenditure for full roof refurbishment has been considered in our valuation according to provided TDD. Summarizing, the quality, location and overall impression are designated as average.

CONDITION OF LETTABLE AREAS

In the course of the external and internal inspection conducted (15.06.2018), the lettable areas appeared to be in a fair condition.

We have been provided with a Technical Due Diligence prepared by Nova and an Technical Due Diligence Desktop Review by Arcadis, dated April 2018. We applied the costs for deferred maintenance in accordance with the Arcadis report. However, we did not apply costs for items reaching their theoretical life expectancy. The Arcadis report states immediate, short-term (2-3 years) and mid-term (4-5) year costs. We assess that long-term Capital Expenditures are considered within the maintenance flat charges. In accordance with the Arcadis report we applied a total amount of € 380,000 as capex.

PROPERTY ASSESSMENT

LETTABILITY

The property is currently let on a multi-tenant basis. We consider the property capable of generating sustainable rental income in the future. We are of the opinion that the subject property, in its current state, offers a good level of lettable should it fall vacant. With a typical incentive package including tenant improvements e.g. painting and floor refurbishment and rent-free periods, we consider an average re-letting period to be approximately 9 months for the logistics/industrial space.

COMMENT ON ESTATE MANAGEMENT

In the course of the external and internal inspection conducted, we observed that regular management duties appeared to be in place for the property. The property has no vacancy. Estate management would include extending the existing lease agreements.

SALEABILITY

In view of the physical characteristics and legal circumstances of the subject property and taking into account the investment volume assessed, we are of the opinion that potential purchasers are likely to include private investors, owner-occupiers and family offices. A marketing period of 6 - 9 months for the sale of the subject property is estimated.

COMMENT ON OCCUPATIONAL LEASE

We have not been provided with the lease agreements for the tenants. We did receive a LDD dated 28.05.2018 (fourth draft) from Hengeler Mueller that states no extraordinary conditions. Hence, we assume that the lease terms are generally in line with usual market practice. We have based our calculation on the rent roll provided with the LDD. Based on the findings during the inspection and the LDD we consider the provided rent roll as plausible.

COMMENT ON SECURITY FOR LENDING PURPOSES

We are not aware of any special property risks. In consideration of all the aspects listed above, we are of the opinion that, as at the valuation date, the subject property would provide security for a loan, assuming that the borrower maintains and manages the property in accordance with standard business practice.

SWOT ANALYSIS

STRENGTHS

1. Good micro-location in a commercial area in the north of Munich
2. Strong macro-location
3. Sufficient dock-doors

OPPORTUNITIES

1. Prolongation of existing leases

WEAKNESSES

1. Partly narrow yard
2. Insufficient number of parking units
3. Building age
4. Large share of office space

THREATS

1. Increased fluctuation due to multi-tenant situation



PROPERTY ID 27 Hertzstraße 2-6, 85757 Karlsfeld, Germany

PROPERTY PICTURES



Picture I



Picture II



Picture III



Picture IV



Picture V



Picture VI

PROPERTY SHEET



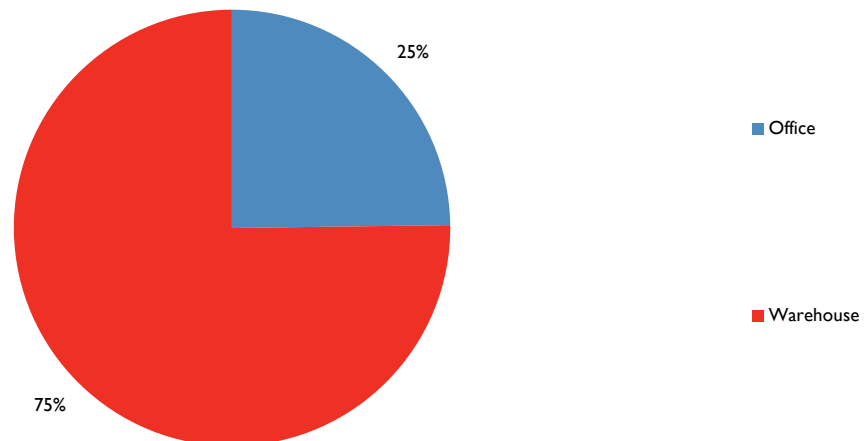
PROPERTY ID 27 Hertzstraße 2-6, 85757 Karlsfeld, Germany

PROPERTY

SCHEDULE OF AREAS

UTILISATION	LETTABLE AREA/ UNITS [m²]	% of Total	THEREOF LEASED AREA/ UNITS	% of Total	THEREOF VACANT AREA/ UNITS	% of Total
Office	2,566 m²	24.8%	2,566 m²	24.8%	0 m²	
Retail	0 m²	0.0%	0 m²	0.0%	0 m²	
Manufacturing	0 m²	0.0%	0 m²	0.0%	0 m²	
Logistics	0 m²	0.0%	0 m²	0.0%	0 m²	
Storage	0 m²	0.0%	0 m²	0.0%	0 m²	
Car repair shop	0 m²	0.0%	0 m²	0.0%	0 m²	
Antenna	0 units		0 units		0 units	
Advertisement	0 units		0 units		0 units	
Gastronomy	0 m²	0.0%	0 m²	0.0%	0 m²	
Canteen	0 m²	0.0%	0 m²	0.0%	0 m²	
Hotel	0 m²	0.0%	0 m²	0.0%	0 m²	
Other units	0 m²	0.0%	0 m²	0.0%	0 units	
Warehouse	7,780 m²	75.2%	7,780 m²	75.2%	0 m²	
Industrial	0 m²	0.0%	0 m²	0.0%	0 m²	
Terrace	0 m²	0.0%	0 m²	0.0%	0 m²	
Cinema	0 m²	0.0%	0 m²	0.0%	0 m²	
Total Lettable Area (excl. Car Parking)	10,346 m²		10,346 m²		0 m²	
Parking (internal)	0 spaces	0.0%	0 spaces	0.0%	0 spaces	
Parking (external)	10 spaces	100.0%	10 spaces	100.0%	0 spaces	
Total Parking spaces	10 spaces		10 spaces		0 spaces	

SCHEDULE OF AREAS (SIZE): Only uses accounting for more than 2% of total area are shown



PROPERTY SHEET

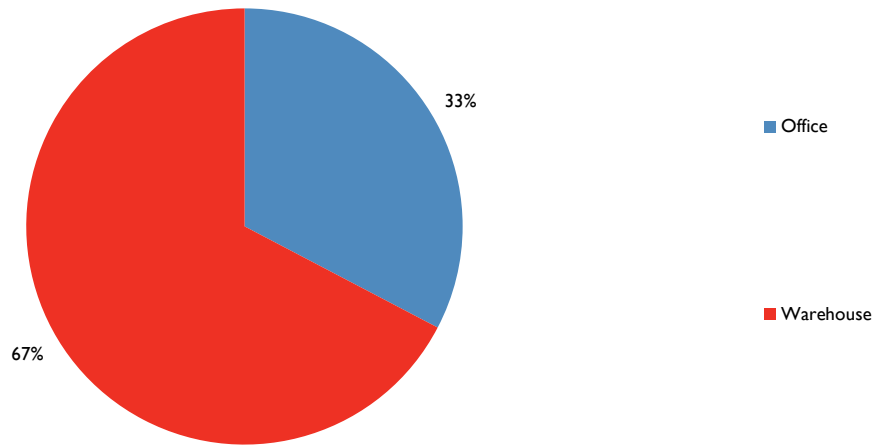


PROPERTY ID 27 Hertzstraße 2-6, 85757 Karlsfeld, Germany

BREAKDOWN OF RENTAL INCOME

UTILISATION	LETTABLE AREA/ UNITS [m²]	THEREOF LEASED AREA/ UNITS	CURRENT RENT PER MONTH	CURRENT RENT PER YEAR [€]	MARKET RENT PER MONTH	MARKET RENT PER YEAR - ERV (100% LET) [€]
Office	2,566 m²	2,566 m²	€ 8.25	€ 253,974	€ 9.50	€ 292,524
Retail	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Manufacturing	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Logistics	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Storage	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Car repair shop	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Antenna	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Advertisement	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Gastronomy	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Canteen	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Hotel	0 units	0 units	€ 0.00	€ 0	€ 0.00	€ 0
Other units	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Warehouse	7,780 m²	7,780 m²	€ 5.60	€ 523,246	€ 5.75	€ 536,820
Industrial	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Terrace	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Cinema	0 m²	0 m²	€ 0.00	€ 0	€ 0.00	€ 0
Total Lettable Area (excl. Car Parking)	10,346 m²	10,346 m²		€ 777,220		€ 829,344
Parking (internal)	0 spaces	0 spaces	€ 0	€ 0	€ 0	€ 0
Parking (external)	10 spaces	10 spaces	€ 24	€ 2,909	€ 20	€ 2,400
Total Parking spaces	10 spaces	10 spaces		€ 2,909		€ 2,400

SCHEDULE OF AREAS (INCOME)



TOP 10 TENANT LEASES (aggregate)

Tenant	Lettable Area [m²]	Lettable Units	Current rent per year [€]	Current rent per month [€/m²]	Market rent per month [€/m²]	% Comparison Market rent to Current Rent	Income as % of Total	Weighted Remaining lease term	Income as % of Top Ten Total
1. Lacon Electronic GmbH	7,774	0	567,582	6.08	6.30	3.5%	72.8%	5.5 years	72.8%
2. MAN Truck & Bus AG	1,376	0	109,813	6.65	6.38	-4.0%	14.1%	1.1 years	14.1%
3. proxenos GmbH	1,196	2	100,815	7.02	9.53	35.7%	12.9%	1.5 years	12.9%
4. Michael Berchie	0	1	240	20.00	20.00	0.0%	0.0%	0.5 years	0.0%
5. Christian Voigt	0	1	240	20.00	20.00	0.0%	0.0%	0.9 years	0.0%
6. Tino Scholz	0	1	240	20.00	20.00	0.0%	0.0%	0.7 years	0.0%
7. Martin Diehl	0	1	240	20.00	20.00	0.0%	0.0%	0.7 years	0.0%
8. Mario Scholz	0	1	240	20.00	20.00	0.0%	0.0%	0.4 years	0.0%
9. Helmut Biller	0	1	240	20.00	20.00	0.0%	0.0%	0.4 years	0.0%
10. André Birnbaum	0	1	240				0.0%	0.7 years	0.0%
Total Top 10	10,346		779,889	6.28				4.3 years	
in % of Total	100.0%		100.0%						
No. of Tenants in Total	11								

PROPERTY SHEET



PROPERTY ID 27 Hertzstraße 2-6, 85757 Karlsfeld, Germany

MARKET VALUE ASSESSMENT

APPRAISAL PARAMETERS

TIMING	
Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10 years

CAPITALISATION RATES	
Cap Rate	5.00%
Cap Year	Year 10
Discount Rate	4.75%

NON-REIMBURSABLE EXPENSES	
Vacancy Costs (p.a.)	€ 9.50 / m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 4.00 / m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 15.00 / space
Estimated Capital Investment Year 1-5	€ 385,852

OTHER ADJUSTMENTS	
Credit & Collection Loss	0.00%
General Vacancy	0.00%

PROPERTY INFLATION	
General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

VALUATION RESULTS

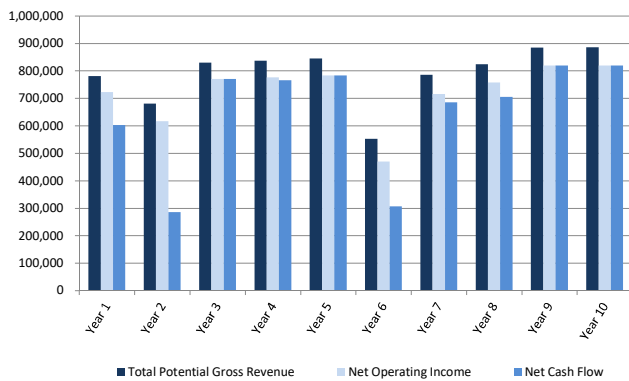
Current Rent	€ 780,129
Market Rent	€ 831,744
CR Multiplier	17.8
MR Multiplier	16.7
Net Initial Yield	4.90%
Gross Initial Yield	5.61%
Total Investment	€ 14,742,546
Less Purchasers' Costs	6.00%
Market Value	€ 13,908,062

MARKET VALUE (rounded) € 13,900,000

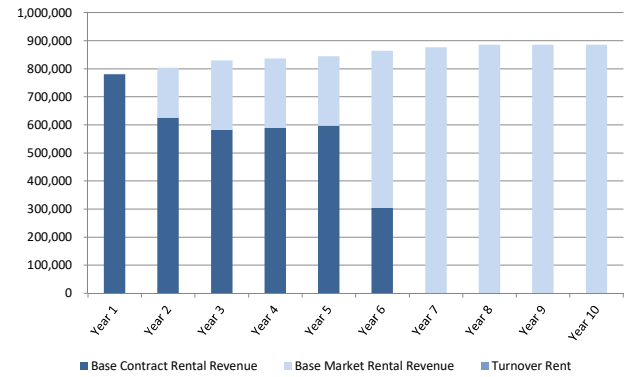
Net Capital Value per m² lettable building area

€ 1,344 / m²

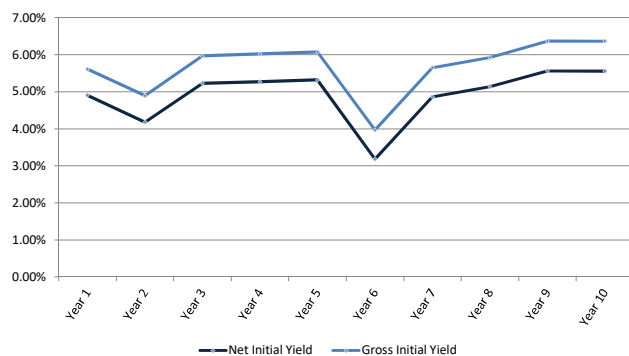
CASH FLOW ANALYSIS



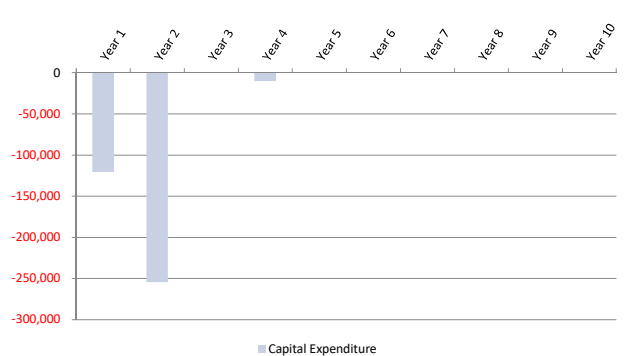
DISTRIBUTION OF INCOME



RUNNING YIELD ANALYSIS



CAPITAL EXPENDITURE



PROPERTY SHEET



PROPERTY ID 27 Hertzstraße 2-6, 85757 Karlsfeld, Germany

VACANT POSSESSION VALUE

APPRAISAL PARAMETERS

TIMING

Valuation Date	30.06.2018
Date for the State of the Property	30.06.2018
Analysis Start Date	01.07.2018
Cashflow Period	10

CAPITALISATION RATES

Cap Rate	5.00%
Cap Year	Year 10
Discount Rate	5.75%
Void Premium	6 months

PROPERTY INFLATION

General Inflation Rate p.a. (average)	1.20%
Market Rental Growth Year 1-3 p.a. (average)	1.00%
Market Rental Growth Year 4-10 p.a. (average)	1.00%

NON-REIMBURSABLE EXPENSES

Vacancy Costs (p.a.)	€ 9.50 /m²
Management Costs (% of GOI)	1.00%
Non Recoverable Running Expenses (% of GOI)	1.00%
Repair & Maintenance Costs, Lettable Area (p.a.)	€ 4.00 /m²
Repair & Maintenance Costs, Internal Parking Spaces (p.a.)	€ 0.00 / space
Repair & Maintenance Costs, External Parking Spaces (p.a.)	€ 15.00 / space
Estimated Capital Investment Year 1-5	€ 385,852

OTHER ADJUSTMENTS

Credit & Collection Loss	0.00%
General Vacancy	0.00%

VALUATION RESULTS

Current Rent	€ 0
Market Rent	€ 831,744
CR Multiplier	0.0
MR Multiplier	13.8
Net Initial Yield	-1.15%
Gross Initial Yield	0.00%
Total Investment	€ 12,234,151
Less Purchasers' Costs	6.00%
Market Value	€ 11,541,652

VACANT POSSESSION VALUE (rounded)

€ 11,500,000

Net Capital Value per m² lettable building area

€ 1,112 /m²



PROPERTY ID 27 Hertzstraße 2-6, 85757 Karlsfeld, Germany

INDICATIVE REINSTATEMENT COSTS

ESTIMATED INDICATIVE REINSTATEMENT COSTS

BUILDING AREA		
Net lettable building area		10,346 m²
Ratio net lettable area to gross floor area	90.00%	
Gross floor area (BGF)		11,496 m²
DEMOLITION & SITE CLEARANCE		
Demolition costs existing buildings	€ 60 /m²	€ 689,733
Other site clearance costs [lump sum]		€ 0
Demolition and site clearance, total		€ 689,733

CONSTRUCTION COSTS		
a) Building costs		
Building costs according BKI 2015 (incl. VAT)		€ 800 /m²
Regional adjustment	1.094	
Index construction costs (Baupreisindex)	1.041	
Adjusted building costs (incl. VAT)		€ 911 /m²
Gross floor area (BGF)	11,496 m²	
Building costs, total		€ 10,477,224
b) External areas and outdoor facilities		
External areas [% of building costs]	5.00%	€ 523,861
Other outdoor facilities [lump sum]		€ 0
External areas and outdoor facilities, total		€ 523,861
Building costs incl. external areas		€ 11,001,085
Soft costs	15.00%	€ 1,650,163
Construction costs (incl. VAT)		€ 12,651,248

VALUATION OVERVIEW

RESULTS		
Demolition and site clearance		€ 689,733
Construction costs (incl. VAT)		€ 12,651,248
Indicative Reinstatement Costs (incl. VAT)		€ 13,340,981
Consideration of VAT	19.00%	-€ 2,130,073
Indicative Reinstatement Costs (excl. VAT)		€ 11,210,908

INDICATIVE REINSTATEMENT COSTS (rounded) € 11,200,000

Reinstatement costs (rounded) per m² lettable building area € 1,083 /m²

NOTE

A formal estimate of the reinstatement costs for insurance purposes can be given only by a Quantity Surveyor, Building Surveyor or other expert with sufficient current experience of replacement costs. The estimated reinstatement costs at the Date of Valuation for fire insurance purposes have been assessed solely as a guide.

PROPERTY SHEET



PROPERTY ID 27 Hertzstraße 2-6, 85757 Karlsfeld, Germany

INFORMATION PROVIDED BY THE CLIENT

<i>Item</i>	<i>Provided via</i>
Rentroll as of 03.07.2017	Dataroom (14.06.2018)
Technical Due Diligence as at 26.12.2017	Dataroom (14.06.2018)
Environmental Due Diligence	Dataroom (14.06.2018)
Legal Due Diligence as at 28.05.2018	Dataroom (18.06.2018)
Property Technical Specifications Schedule	Dataroom (14.06.2018)
Investment Teaser as at June 2018	Dataroom (14.06.2018)
Asset Books	Dataroom (14.06.2018)
Technical Due Diligence Desktop Review	e-mail

GENERAL REMARKS

We have relied on the information provided by the client as being correct and complete and on there being no undisclosed matters which would affect the nature of our advice.



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 27 Hertzstraße 2-6, 85757 Karlsfeld, Germany

CASH FLOW OVERVIEW

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 780,041	€ 625,598	€ 581,538	€ 588,523	€ 596,258	€ 303,846	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 564	€ 177,940	€ 247,921	€ 248,086	€ 248,086	€ 559,266	€ 876,389	€ 884,951	€ 885,026	€ 885,026
Absorption & Turnover Vacancy	-€ 403	-€ 82,039	-€ 82	€ 0	€ 0	-€ 207,473	-€ 71,810	-€ 36,734	-€ 109	€ 0
Base Rent-Free Periods	-€ 81	-€ 41,226	€ 0	-€ 41	€ 0	-€ 103,867	-€ 19,064	-€ 24,530	-€ 44	€ 0
Scheduled Base Rental Revenue	€ 780,122	€ 680,273	€ 829,377	€ 836,568	€ 844,345	€ 551,771	€ 785,516	€ 823,687	€ 884,874	€ 885,026
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE (TPGR)	€ 780,122	€ 680,273	€ 829,377	€ 836,568	€ 844,345	€ 551,771	€ 785,516	€ 823,687	€ 884,874	€ 885,026
Non Recoverable Running Costs During Vacancy	€ 0	-€ 8,286	€ 0	€ 0	€ 0	-€ 26,709	-€ 8,119	-€ 3,172	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 41,653	-€ 42,152	-€ 42,658	-€ 43,170	-€ 43,875	-€ 44,753	-€ 45,648	-€ 46,561	-€ 47,492	-€ 48,442
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	-€ 136	-€ 138	-€ 139	-€ 141	-€ 143	-€ 146	-€ 149	-€ 152	-€ 155	-€ 158
Non Recoverable Running Expenses	-€ 7,801	-€ 6,803	-€ 8,294	-€ 8,366	-€ 8,443	-€ 5,518	-€ 7,855	-€ 8,237	-€ 8,849	-€ 8,850
Management Costs	-€ 7,801	-€ 6,803	-€ 8,294	-€ 8,366	-€ 8,443	-€ 5,518	-€ 7,855	-€ 8,237	-€ 8,849	-€ 8,850
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 57,391	-€ 64,181	-€ 59,385	-€ 60,042	-€ 60,905	-€ 82,643	-€ 69,626	-€ 66,359	-€ 65,344	-€ 66,300
	7.36%	9.43%	7.16%	7.18%	7.21%	14.98%	8.86%	8.06%	7.38%	7.49%
NET OPERATING INCOME (NOI)	€ 722,731	€ 616,092	€ 769,992	€ 776,526	€ 783,439	€ 469,128	€ 715,890	€ 757,328	€ 819,529	€ 818,726
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	-€ 45,234	€ 0	€ 0	€ 0	-€ 85,197	-€ 15,973	-€ 33,501	€ 0	€ 0
Leasing Commissions	-€ 60	-€ 30,919	€ 0	-€ 31	€ 0	-€ 77,900	-€ 14,298	-€ 18,398	-€ 33	€ 0
Capital Expenditure	-€ 120,779	-€ 254,642	€ 0	-€ 10,432	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 120,839	-€ 330,795	€ 0	-€ 10,463	€ 0	-€ 163,098	-€ 30,270	-€ 51,899	-€ 33	€ 0
CASH FLOW	€ 601,892	€ 285,296	€ 769,992	€ 766,063	€ 783,439	€ 306,030	€ 685,619	€ 705,429	€ 819,497	€ 818,726
Discount Rate / Discount Factor	4.75%	0.955	0.911	0.870	0.831	0.793	0.757	0.723	0.690	0.629
NET PRESENT VALUE (NPV)	€ 574,598	€ 260,009	€ 669,922	€ 636,280	€ 621,205	€ 231,654	€ 495,456	€ 486,655	€ 539,711	€ 514,752

Property Exit			
GPV	NOI year 10 *Cap	€ 818,726 x 20	€ 16,374,514
Purchasers Cost	6.00%		-€ 926,859
Exit Value			€ 15,447,655
NPV Exit Value	0.6287		€ 9,712,303
Market Value			
NPV Cash Flows			€ 5,030,242
Total Investment			€ 14,742,546
Purchasers Cost	6.00%		-€ 834,484
Market Value			€ 13,908,062
Market Value (rounded)			€ 13,900,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	18.3	17.8	20.4	16.8	16.6	16.5	25.2	17.7	16.9	15.7	15.7
Net Initial Yield (NIY)	4.80%	4.9%	4.2%	5.2%	5.3%	5.3%	3.2%	4.9%	5.1%	5.6%	5.6%
Gross Initial Yield (GIY)	5.58%	5.6%	4.9%	6.0%	6.0%	6.1%	4.0%	5.6%	5.9%	6.4%	6.4%

PROPERTY ID 27

Hertzstraße 2-6, 85757 Karlsfeld, Germany

RENT ROLL

MARKET LEASING ASSUMPTIONS

PER LETTING UNIT BASIS														
Tenant	Utilisation	Lettable area/ lettable units [m² or units]	Current rent per month [€/m² or unit]	Current rent per year [€]	Lease expiry date	Remaining lease term [years]	Market rent per month [€/m² or unit]	Market rent per year [€]	Void Period [months]	Lease Renewal Probability [%]	Tenant Improvements [€/m² or unit]	Duration of new lease [months]	Rent Abatements [months]	Leasing Agency Fees [months]
Lacon Electronic GmbH	Office	1,137	€ 9.25	€ 126,258.77	31.12.2023	5.5 years	€ 9.50	€ 129,618.00	9	50%	€ 50 /m²	60	3	3
Lacon Electronic GmbH	Warehouse	6,637	€ 5.54	€ 441,322.80	31.12.2023	5.5 years	€ 5.75	€ 457,953.00	9	50%	€ 15 /m²	60	3	3
MAN Truck & Bus AG	Office	233	€ 9.97	€ 27,889.11	25.07.2019	1.1 years	€ 9.50	€ 26,562.00	9	50%	€ 50 /m²	60	3	3
MAN Truck & Bus AG	Warehouse	1,143	€ 6.97	€ 81,923.49	25.07.2019	1.1 years	€ 5.75	€ 78,967.00	9	50%	€ 15 /m²	60	3	3
provenos GmbH	Office	1,196	€ 6.96	€ 99,825.96	31.12.2019	1.5 years	€ 9.50	€ 136,344.00	9	50%	€ 50 /m²	60	3	3
Jürgen Sander	Parking (external)	1	€ 20.00	€ 240.00	28.02.2021	2.7 years	€ 20.00	€ 240.00	9	50%	€ 0 /m²	60	3	3
André Birnbaum	Parking (external)	1	€ 20.00	€ 240.00	28.02.2019	0.7 years	€ 20.00	€ 240.00	9	50%	€ 0 /m²	60	3	3
Helmut Biler	Parking (external)	1	€ 20.00	€ 240.00	28.11.2018	0.4 years	€ 20.00	€ 240.00	9	50%	€ 0 /m²	60	3	3
Mario Scholz	Parking (external)	1	€ 20.00	€ 240.00	27.11.2018	0.4 years	€ 20.00	€ 240.00	9	50%	€ 0 /m²	60	3	3
Martin Diehl	Parking (external)	1	€ 20.00	€ 240.00	28.02.2019	0.7 years	€ 20.00	€ 240.00	9	50%	€ 0 /m²	60	3	3
provenos GmbH	Parking (external)	2	€ 41.20	€ 988.80	31.12.2019	1.5 years	€ 20.00	€ 480.00	9	50%	€ 0 /m²	60	3	3
Tino Scholz	Parking (external)	1	€ 20.00	€ 240.00	31.03.2019	0.8 years	€ 20.00	€ 240.00	9	50%	€ 0 /m²	60	3	3
Christian Voigt	Parking (external)	1	€ 20.00	€ 240.00	31.05.2019	0.9 years	€ 20.00	€ 240.00	9	50%	€ 0 /m²	60	3	3
Michael Berche	Parking (external)	1	€ 20.00	€ 240.00	15.01.2019	0.5 years	€ 20.00	€ 240.00	9	50%	€ 0 /m²	60	3	3
Total		10,346 m²		€ 789,129				€ 831,744						

VACANT SPACE ABSORPTION

VACANT SPACE (CURRENT)												
Tenant	Utilisation	Lettable area/ lettable units (m² or units)	Comment		Market rent per month (€/m² or unit)	Market rent per year (€)	Void period (months)	Tenant improvements (€/m² or unit)	Duration of new lease (months)	Rent Abatements (months)	Leasing Agency Fees (months)	
Total		0 m²				- €						



DISCOUNTED CASH FLOW MODEL

PROPERTY ID 27 Hertzstraße 2-6, 85757 Karlsfeld, Germany

CASH FLOW OVERVIEW (VACANT POSSESSION VALUE)

Cash Flow Period for the year ending	Year 1 Jun. 2019	Year 2 Jun. 2020	Year 3 Jun. 2021	Year 4 Jun. 2022	Year 5 Jun. 2023	Year 6 Jun. 2024	Year 7 Jun. 2025	Year 8 Jun. 2026	Year 9 Jun. 2027	Year 10 Jun. 2028
POTENTIAL GROSS REVENUE										
Base Contract Rental Revenue	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Base Market Rental Revenue	€ 836,001	€ 842,260	€ 842,609	€ 842,609	€ 842,609	€ 842,609	€ 876,684	€ 889,270	€ 889,270	€ 889,270
Absorption & Turnover Vacancy	-€ 836,001	-€ 210,303	€ 0	€ 0	€ 0	€ 0	-€ 369,609	€ 0	€ 0	€ 0
Base Rent-Free Periods	€ 0	-€ 210,652	€ 0	€ 0	€ 0	€ 0	-€ 148,212	€ 0	€ 0	€ 0
Scheduled Base Rental Revenue	€ 0	€ 421,305	€ 842,609	€ 842,609	€ 842,609	€ 842,609	€ 358,864	€ 889,270	€ 889,270	€ 889,270
Turnover Rent	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Mallincome	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
TOTAL POTENTIAL GROSS REVENUE	€ 0	€ 421,305	€ 842,609	€ 842,609	€ 842,609	€ 842,609	€ 358,864	€ 889,270	€ 889,270	€ 889,270
Non Recoverable Running Costs During Vacancy	-€ 98,925	-€ 24,916	€ 0	€ 0	€ 0	€ 0	-€ 45,134	€ 0	€ 0	€ 0
Repairs & Maintenance, Lettable Area	-€ 41,653	-€ 42,152	-€ 42,658	-€ 43,170	-€ 43,875	-€ 44,753	-€ 45,648	-€ 46,561	-€ 47,492	-€ 48,442
Repairs & Maintenance, Parking (internal)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Repairs & Maintenance, Parking (external)	-€ 136	-€ 138	-€ 139	-€ 141	-€ 143	-€ 146	-€ 149	-€ 152	-€ 155	-€ 158
Non Recoverable Running Expenses	€ 0	-€ 4,213	-€ 8,426	-€ 8,426	-€ 8,426	-€ 8,426	-€ 3,589	-€ 8,893	-€ 8,893	-€ 8,893
Management Costs	€ 0	-€ 4,213	-€ 8,426	-€ 8,426	-€ 8,426	-€ 8,426	-€ 3,589	-€ 8,893	-€ 8,893	-€ 8,893
Credit & Collection Loss	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
General Vacancy Rate	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Lease Payments for Hereditary Building Right	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Operating Expenses	-€ 140,713	-€ 75,632	-€ 59,649	-€ 60,163	-€ 60,871	-€ 61,751	-€ 98,109	-€ 64,498	-€ 65,432	-€ 66,385
#DIV/0!	17.95%	7.08%	7.14%	7.22%	7.33%	7.33%	27.34%	7.25%	7.36%	7.47%
NET OPERATING INCOME	-€ 140,713	€ 345,672	€ 782,960	€ 782,446	€ 781,739	€ 780,858	€ 260,755	€ 824,772	€ 823,838	€ 822,885
LEASING & CAPITAL COSTS										
Tenant Improvements	€ 0	-€ 248,928	€ 0	€ 0	€ 0	€ 0	-€ 135,678	€ 0	€ 0	€ 0
Leasing Commissions	€ 0	-€ 210,652	€ 0	€ 0	€ 0	€ 0	-€ 111,159	€ 0	€ 0	€ 0
Capital Expenditure	-€ 120,779	-€ 254,642	€ 0	-€ 10,432	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total Leasing & Capital Costs	-€ 120,779	-€ 714,222	€ 0	-€ 10,432	€ 0	€ 0	-€ 246,836	€ 0	€ 0	€ 0
CASH FLOW	-€ 261,492	-€ 368,549	€ 782,960	€ 772,015	€ 781,739	€ 780,858	€ 13,919	€ 824,772	€ 823,838	€ 822,885
Discount Rate / Discount Factor	5.75%	0.946	0.894	0.846	0.800	0.756	0.715	0.676	0.639	0.605
NET PRESENT VALUE	-€ 247,273	-€ 329,560	€ 662,061	€ 617,311	€ 591,098	€ 558,329	€ 9,411	€ 527,340	€ 498,102	€ 470,474

Property Exit			
GPV	NOI year 10 *Cap	€ 822,885 x 20	€ 16,457,692
Purchasers Cost	6.00%		-€ 931,567
Exit Value			€ 15,526,124
NPV Exit Value	0.5717		€ 8,876,859

Market Value		
NPV Cash Flows		€ 3,357,292
Total Investment		€ 12,234,151
Purchasers Cost	6.00%	-€ 692,499
Vacant Possession Value		€ 11,541,652

Vacant Possession Value (rounded) € 11,500,000

RUNNING YIELD ANALYSIS

	Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	16.8	27.4	13.7	13.7	13.7	13.7	13.7	32.2	13.0	13.0	13.0
Net Initial Yield (NIY)	5.60%	2.8%	6.4%	6.4%	6.4%	6.4%	6.4%	2.1%	6.7%	6.7%	6.7%
Gross Initial Yield (GIY)	6.55%	3.7%	7.3%	7.3%	7.3%	7.3%	7.3%	3.1%	7.7%	7.7%	7.7%