



# Trendbarometer 2/2017

**Trends in the real estate sector  
under the microscope**

Survey of experts conducted by Berlin Hyp AG

**Sustainability is very important to the real estate sector.**

**But what is the actual picture in the real estate business?**

**How firmly embedded are the principles of sustainability in companies?**

**Are the employees tied into efforts to achieve sustainability? And if so, how is this done?**

**What sustainable products would the sector like to see from its property financiers?**

**Our latest trend barometer focuses on sustainability.**

**More than 320 property experts took part in our online survey in October and outlined their expectations for the coming year in real estate. The survey gives an assessment of the German property market in the current year and the prospects for further developments.**

## Trend Barometer Conclusions 2/2017

**Growing appeal:** Slowly rising approval ratings are evidence of the particular appeal of the German property market by comparison with other European countries.

**Tie:** According to the respondents, 51 % believe there is a bubble. 49 % do not believe we need to fear a bubble.

**Interest rates will determine the year:** Interest rates will be the determining factor in the coming twelve months. The political framework conditions fall from 1st to 4th place.

**Clear statement:** Sustainability in their company is 'important' to 'very important' for 93 % of respondents.

**Sustainability has arrived:** For 73 % of respondents, the subject of sustainability is an integral part of the strategy. In particular, measures for implementing sustainability management and producing a sustainability mission statement are already being formulated. The conversion to technologies that look after resources is being actively tackled.

**Employees on board:** More than 60 % of respondents stated that in their company employees are actively involved in sustainability efforts. In most cases, this is accomplished by actively sensitising employees to sustainability issues.

## Trend Barometer Conclusions 2/2017

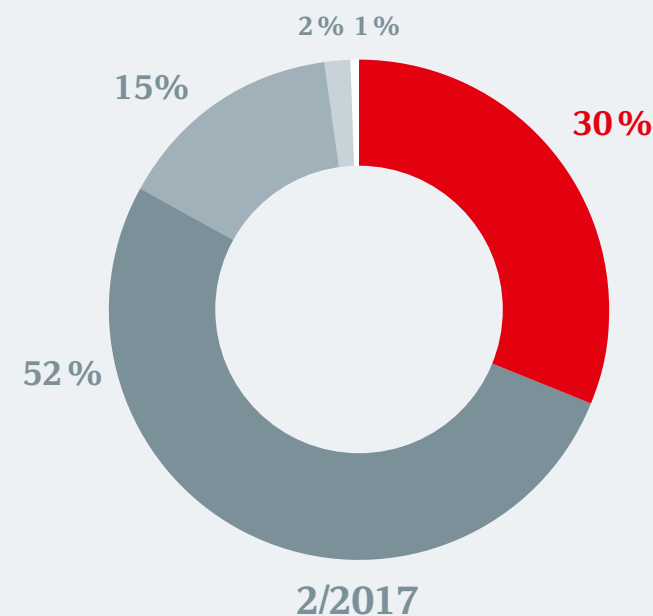
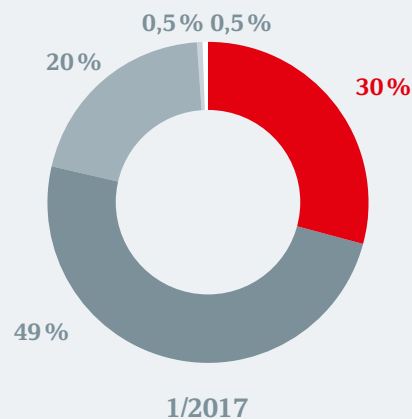
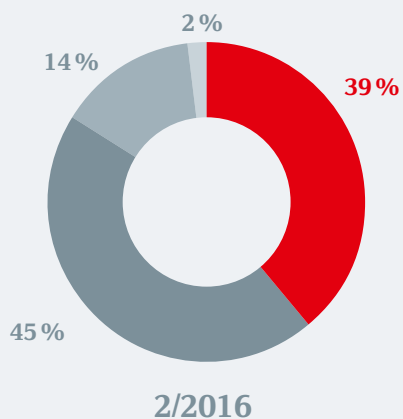
**Value retention important:** When investing in energy-efficient properties, the higher retention of value, above all, is important to respondents.

**Green bonds at the forefront:** First and foremost, the real estate sector would like to see green bonds from its financiers, followed by special funds and funding programmes. 40% are already using actively sustainable financing or refinancing products.

## 1. How do you rate the current appeal of the German market for commercial buildings by comparison with other European countries?

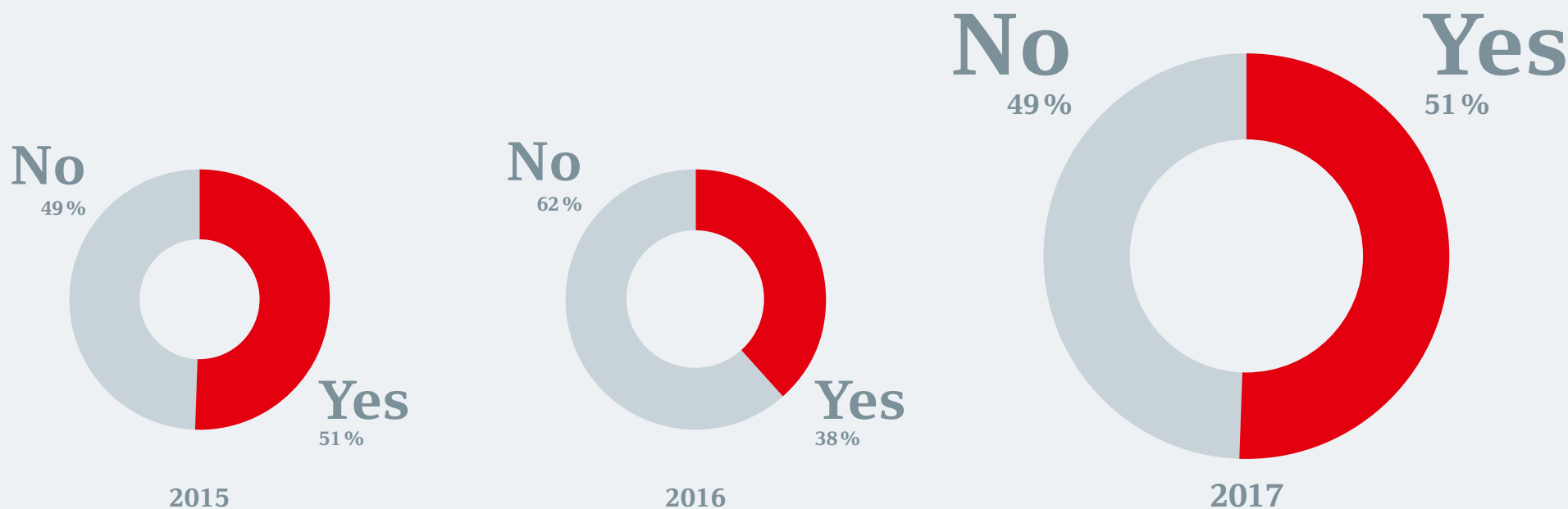
**Growing appeal:** The mood in the German real estate market remains positive. This is confirmed by 82 % of respondents who rate the German real estate market as 'much' or 'somewhat' more attractive. This represents an increase of 3 %.

■ much more attractive ■ somewhat more attractive ■ the same ■ less attractive ■ not attractive at all



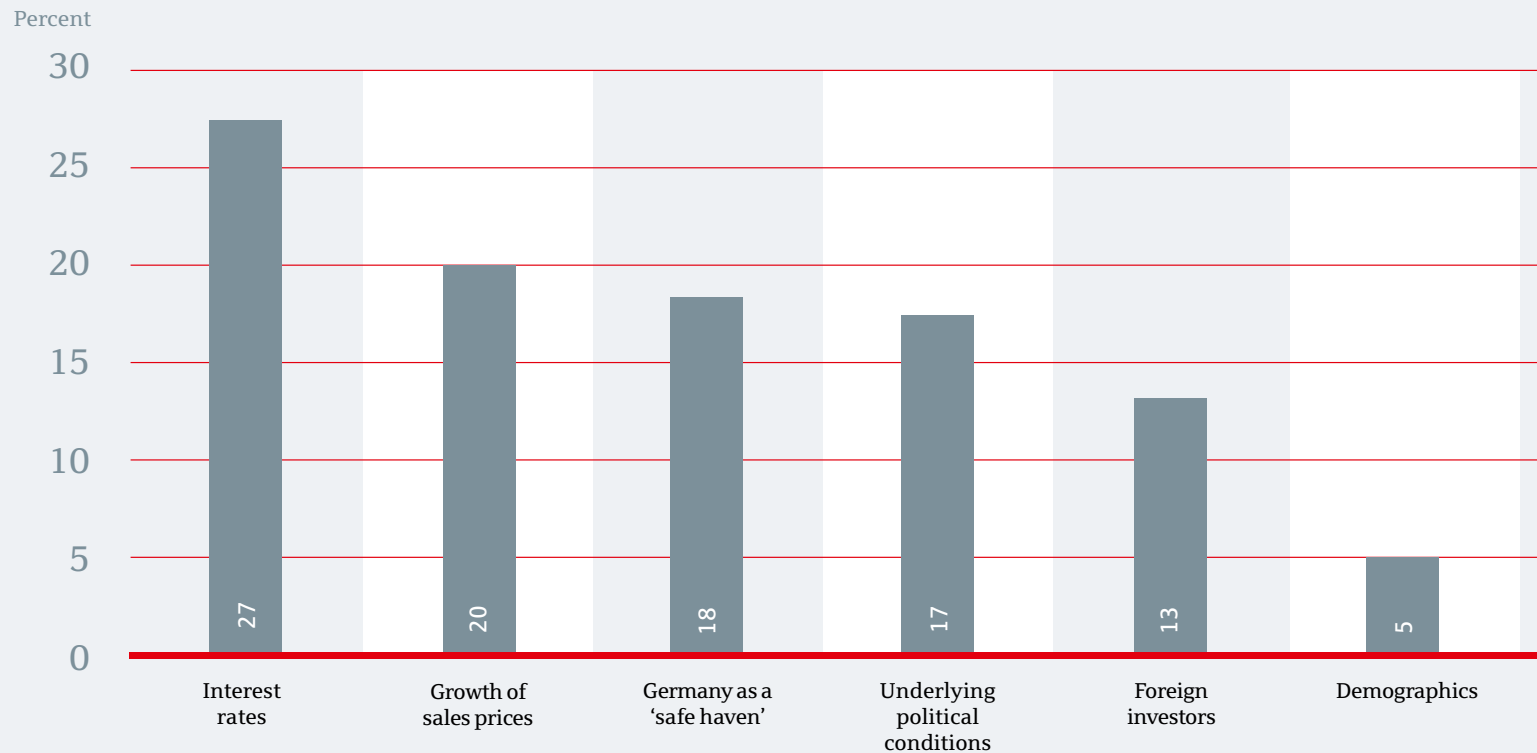
2. Prices and rents in German conurbations continue to rise. Some experts see worrying developments and are warning of a property bubble. Do you think this fear is justified? Is there a bubble of this kind in Germany?

**Tie:** Opinion is divided on the question of a property bubble. 51 % assume that there is a bubble while 49 % do not see one. To this extent, the situation remains unresolved.



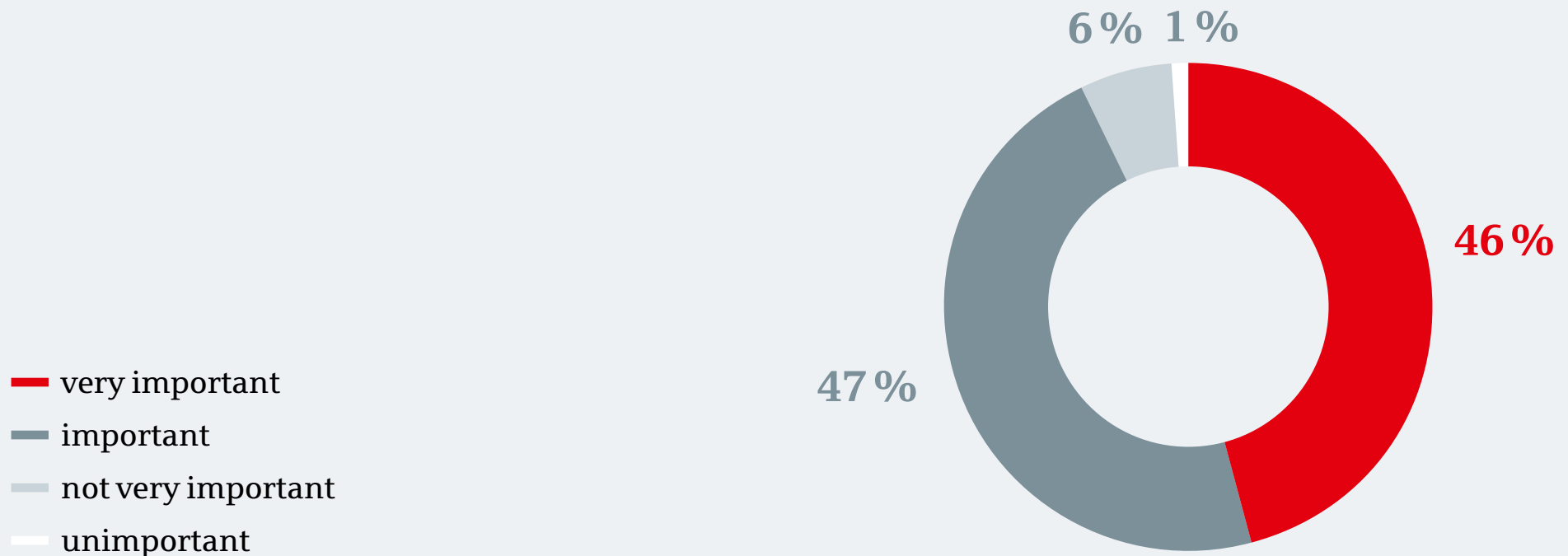
### 3. Please name up to three factors that will dominate the German real estate market in the next twelve months.

**Interest rates will determine the year:** Interest rates will be the determining factor in the coming twelve months. The political framework conditions fall from 1st to 4th place.



## 4. How important is sustainability in your company to you personally?

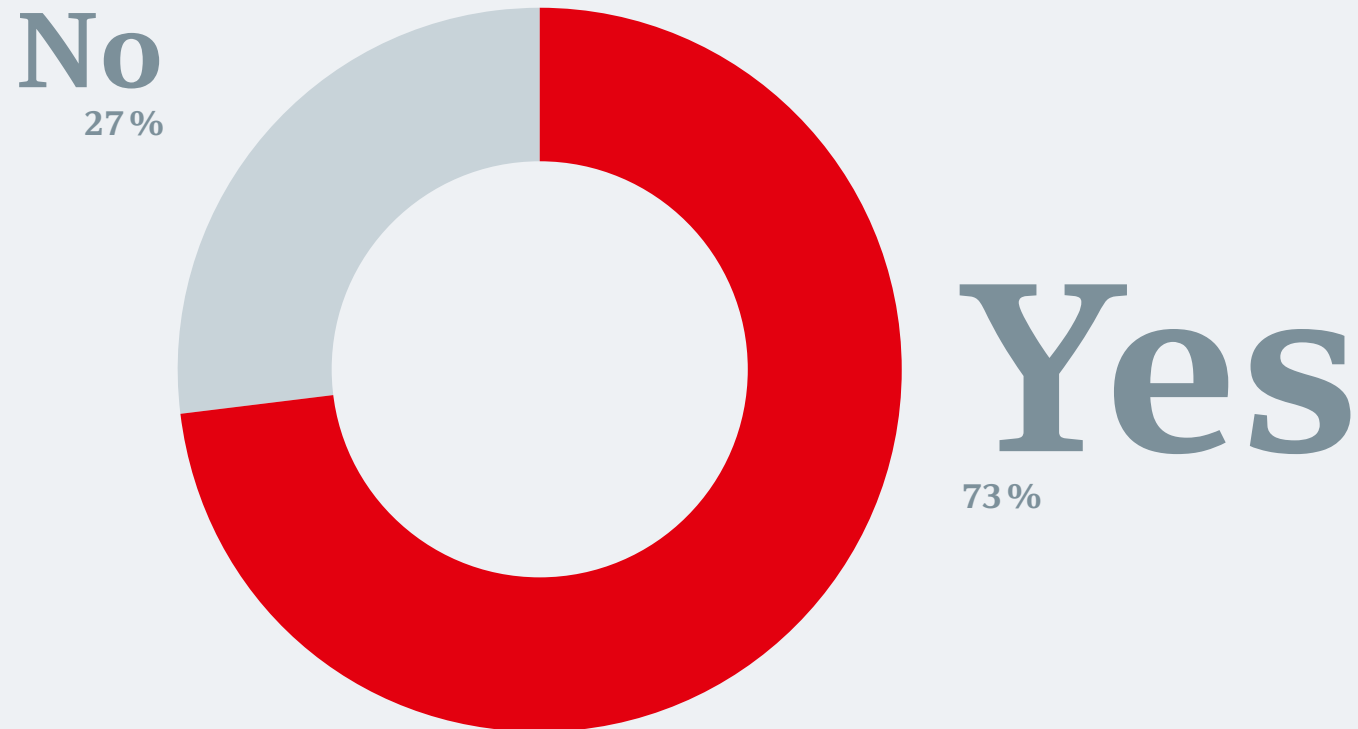
**Clear statement:** It could hardly be clearer. For 93 % of all respondents, sustainability is important in their company. To this extent, you can say that the issues of ecology, economy and social responsibility now enjoy high status not only in private life but have also carried over into companies and are being embraced there.





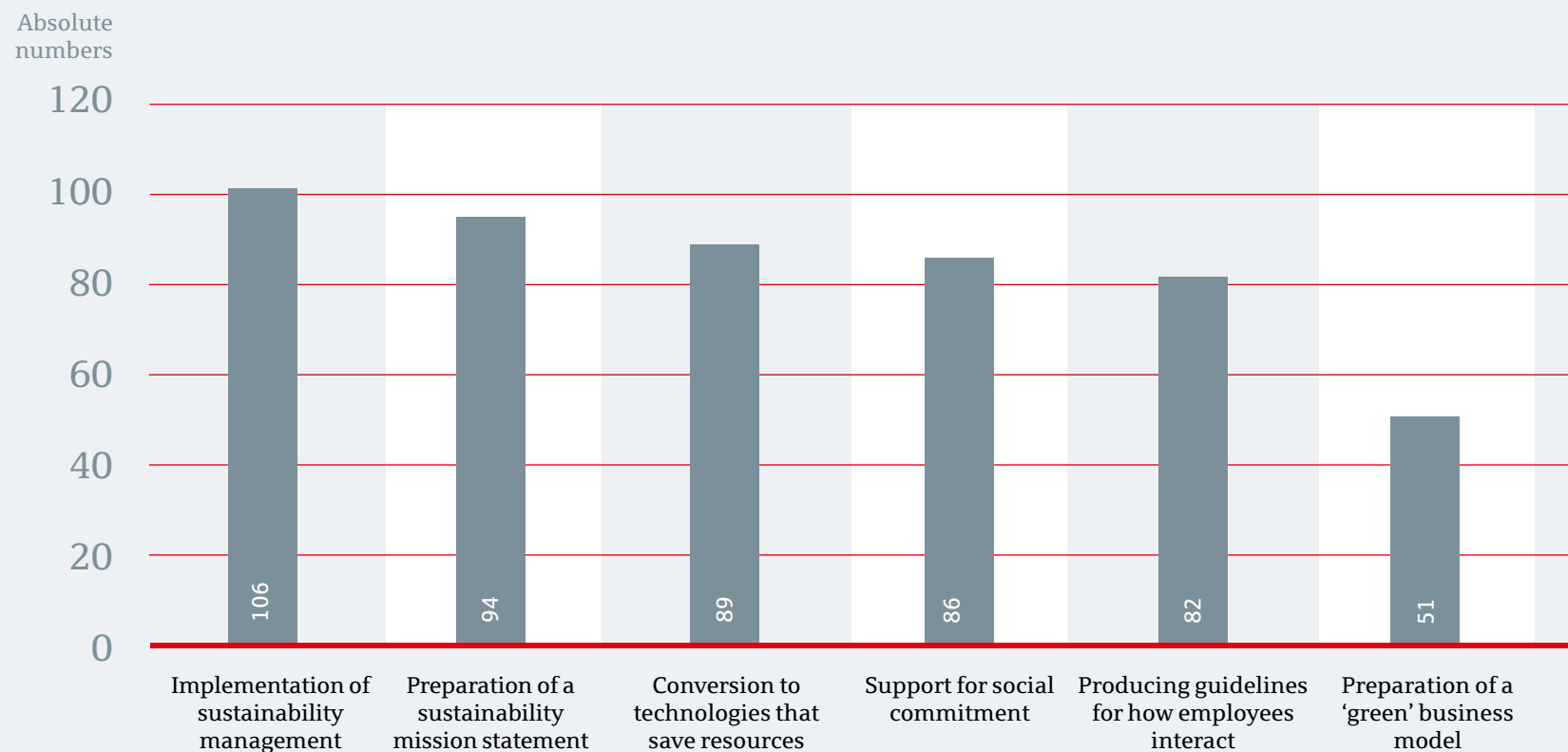
5. Are the principles of sustainability an integral part of the value systems, strategies and structures in your company?

**Sustainability has arrived:** For 73 % of respondents, the subject of sustainability is already an integral part of the strategy. Sustainability has therefore long since ceased to be a fringe subject.



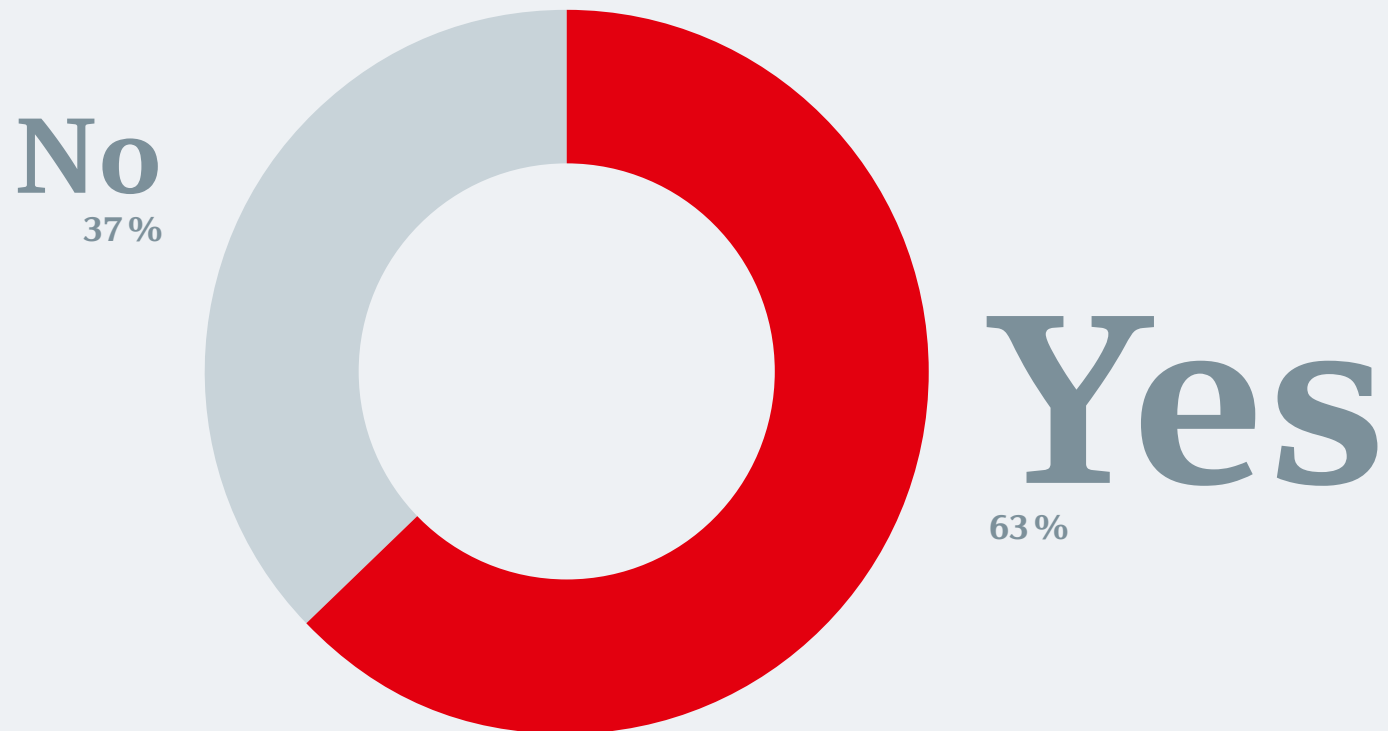
5a. If so, what steps has your company taken to implement the principles of sustainability in the company? Up to three answers were allowed.

**Implementation underway:** Many companies are already putting measures in place to implement the principles of sustainability. Starting with the implementation of sustainability management and preparing a sustainability mission statement through to converting to technologies that save resources, the subject of sustainability is being tackled in companies.



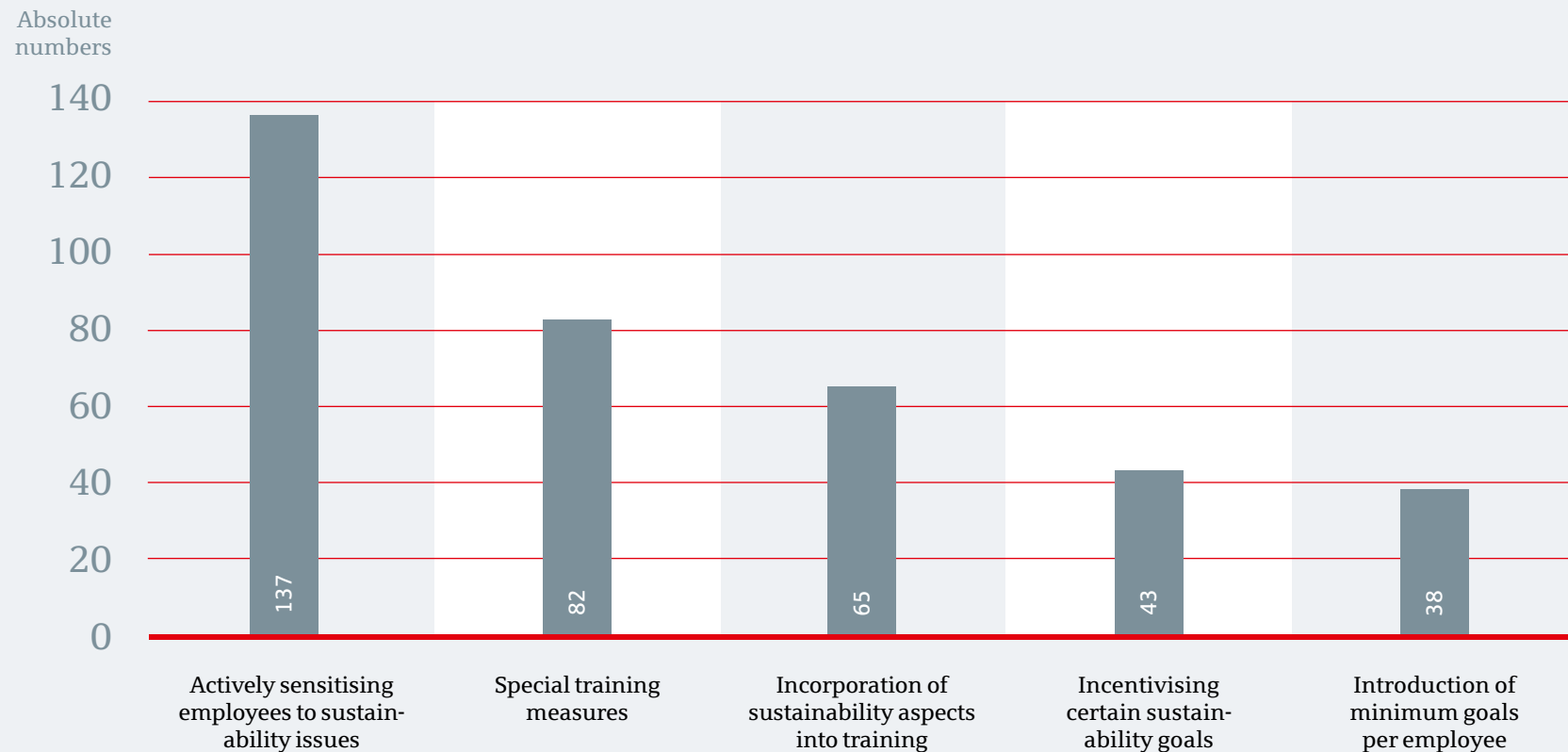
## 6. Are employees in your company involved in sustainability efforts?

**Employees on board:** In 63 %, employees are tied into efforts to achieve sustainability. This shows how important the inclusion of employees is alongside strategy and technologies that look after resources. Sustainability must be embraced – far beyond one’s own individual area of responsibility.



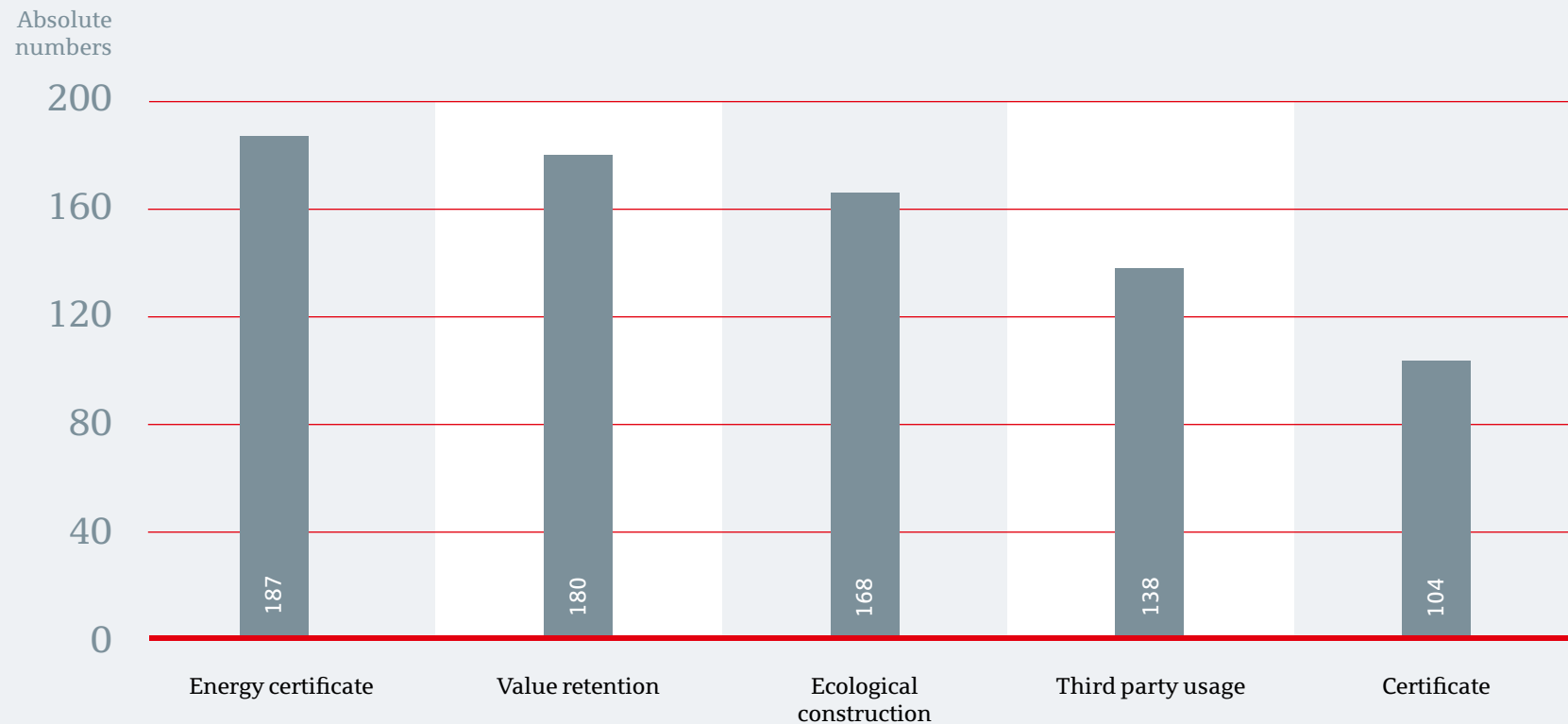
6a. If so, how are employees integrated? Up to three answers were allowed.

**Convince and inform:** This is the motto for the steps taken to involve employees. The focus here is on actively sensitising employees to sustainability issues and on special training measures.



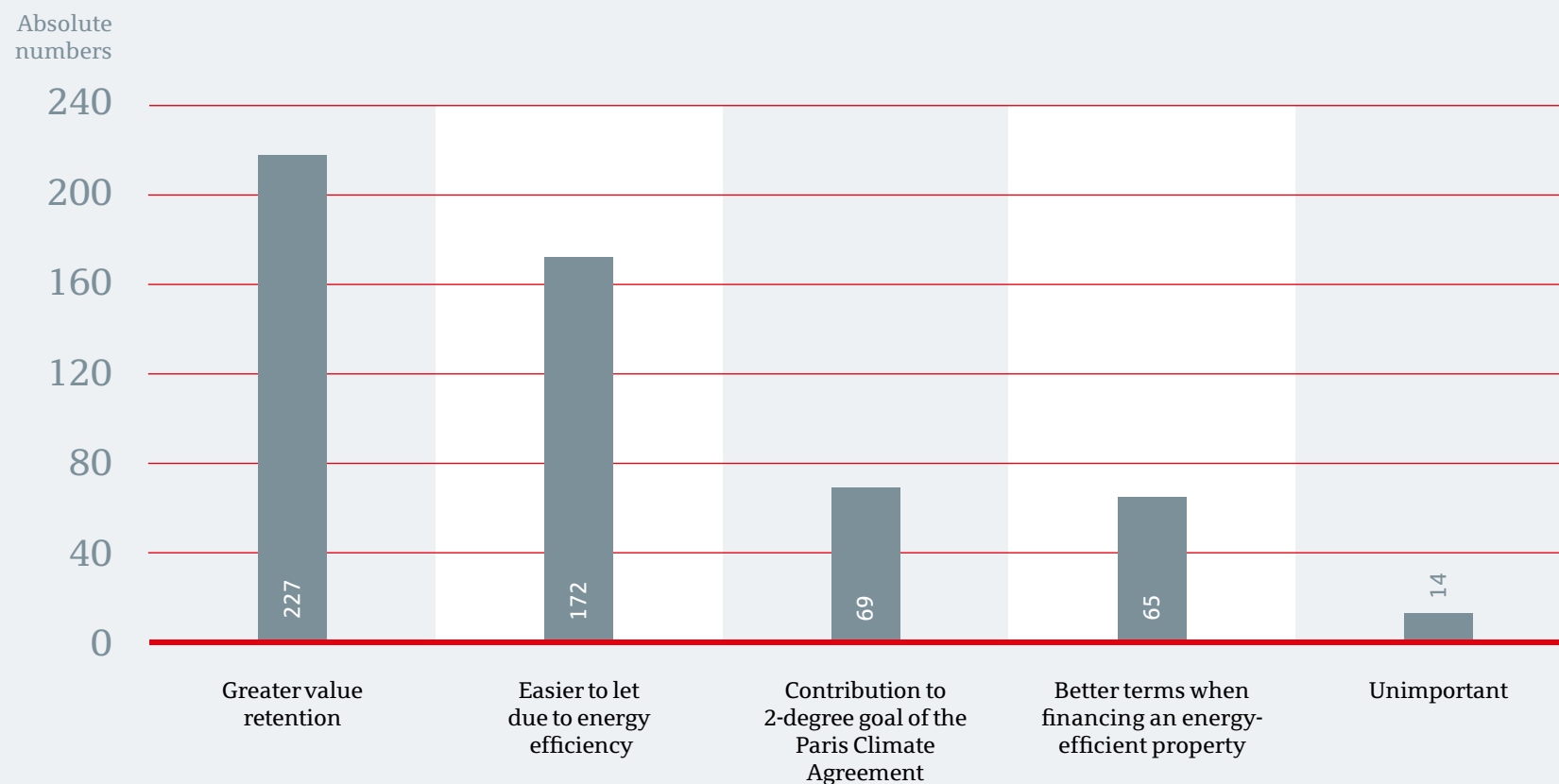
## 7. What aspects define a sustainable property for you? Up to three answers are allowed.

**Definition:** The availability of an energy certificate is the answer mostly given to the question of how to define sustainable buildings. But the term also covers the retention of value and ecological construction methods.



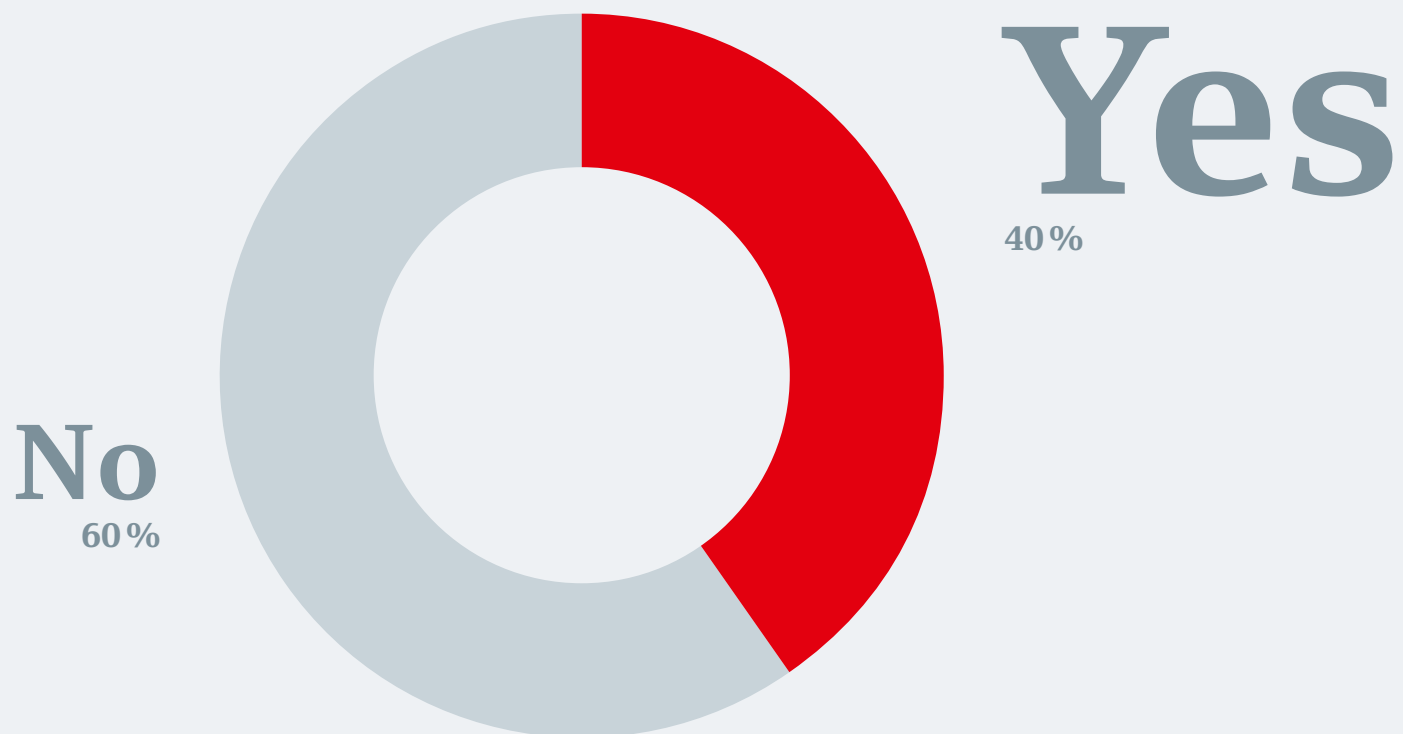
## 8. For what reason do you regard the energy efficiency of a building as important in your investment decision? Up to two answers are allowed.

**Value retention important:** When investing in energy-efficient properties, the main aspects of importance to respondents are that they retain their value better and are easier to let. Making a contribution towards the 2-degree goal of the Paris Climate Agreement and better terms are of lesser importance to respondents.



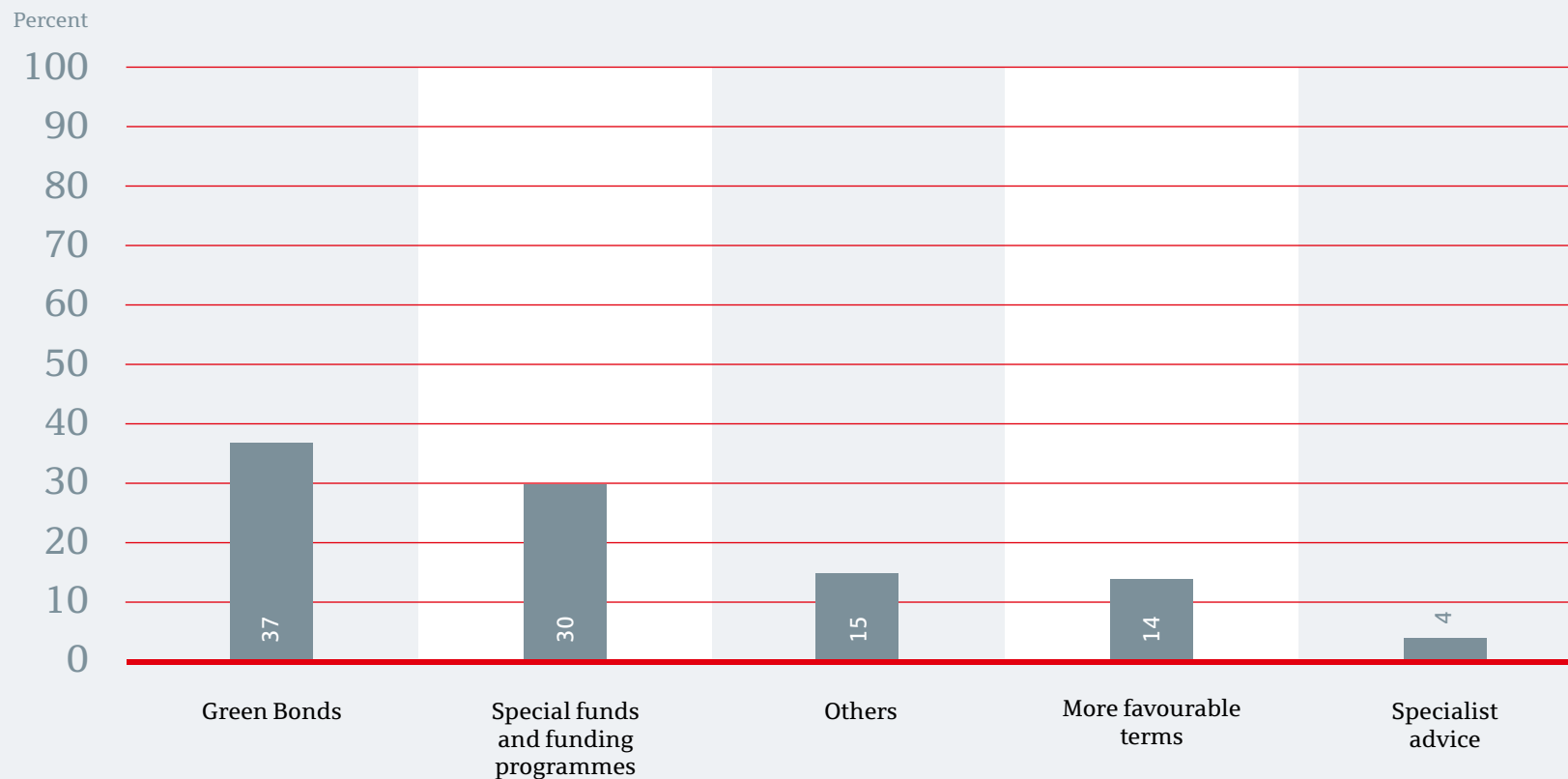
## 9. Is your company using sustainable financing or refinancing products?

**Room for improvement:** A mere 40% of respondents are using sustainable financing or refinancing products. This may be due to the fact that sustainable products have not been on the market for long. There is potential for catching up, therefore.



## 10. What sustainable products would you like to see from your property financiers.

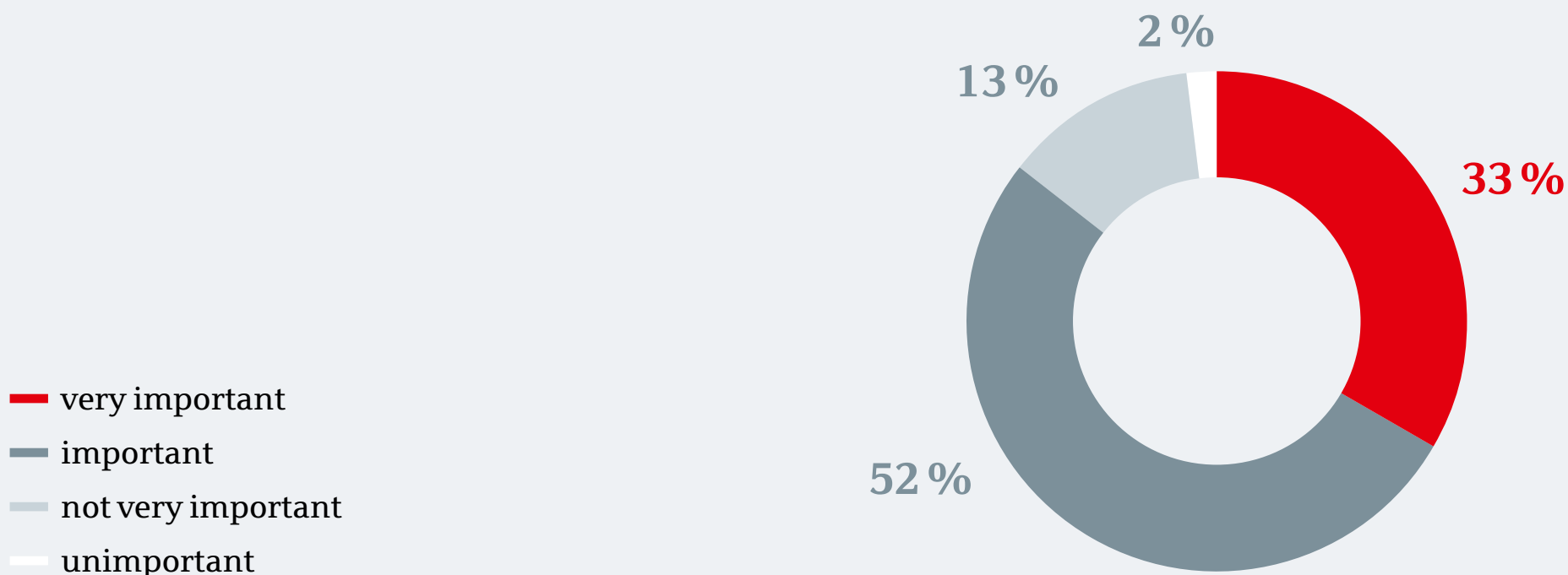
**Green Bonds at the forefront:** First and foremost, the real estate sector would like to see green bonds from its financiers, followed by special funds and funding programmes.





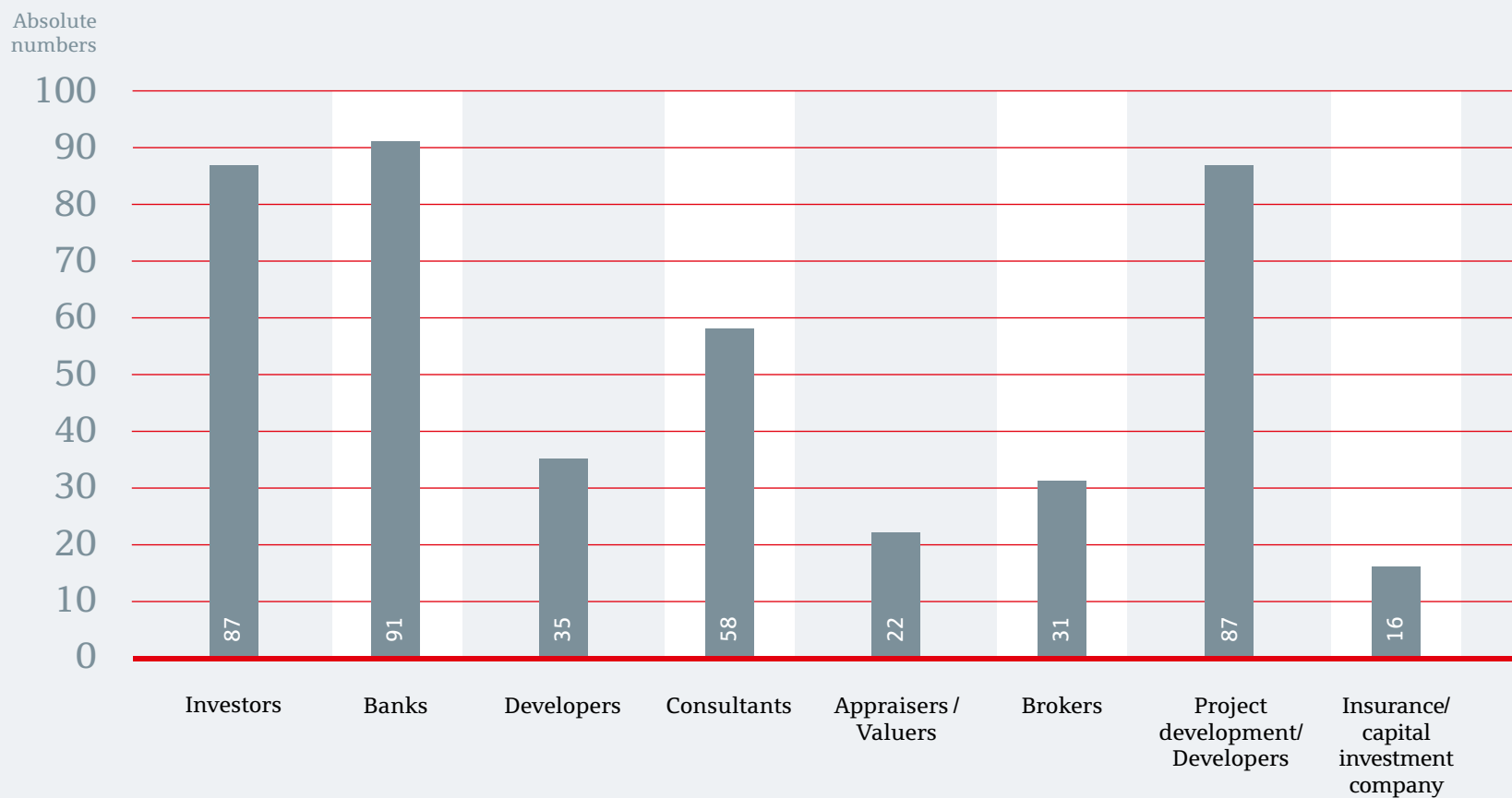
## 11. How important is it to you that your commercial bank commits for the long term?

**Sustainability important:** It's important or very important for 85 % of respondents that their commercial bank commits for the long term. A bank without a sustainability strategy will have a harder time in future in binding their customers.



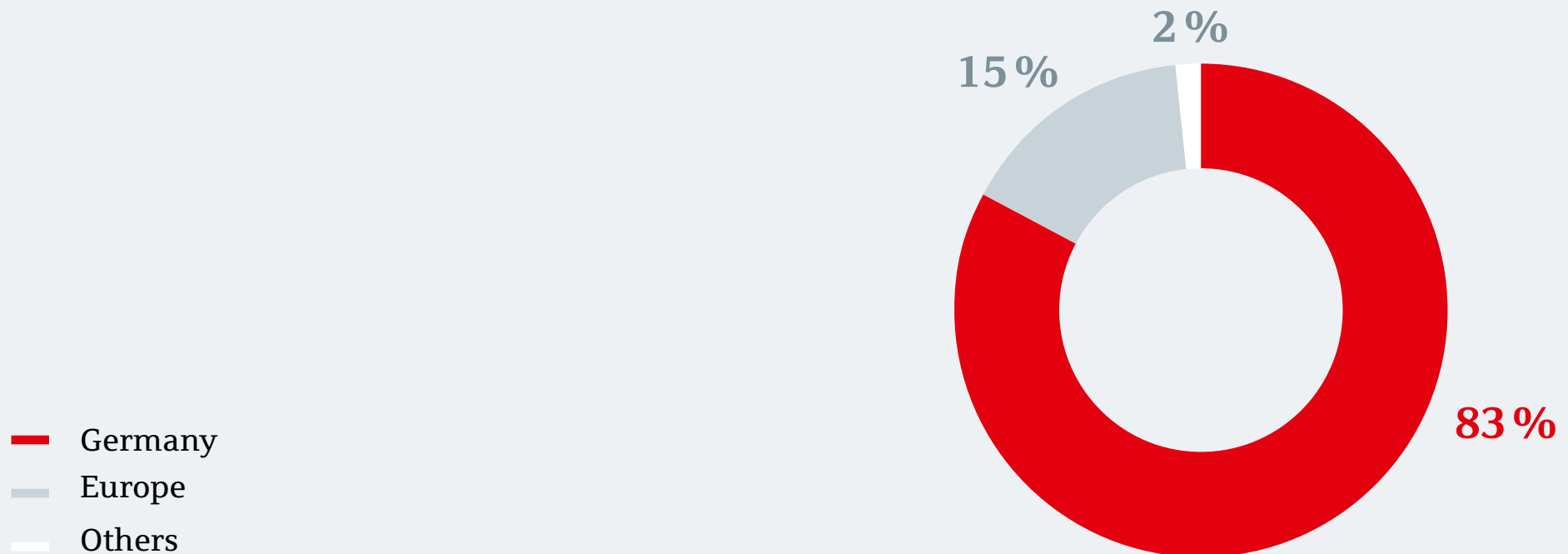
## Respondents

### 12. Which sectors does your company operate in?



## Survey respondents

13. Where is your company based?



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