

# Real Estate Industry

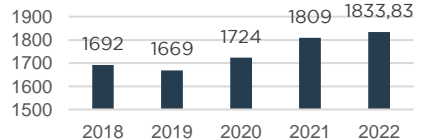
## Facts and Statistics

### Market Size

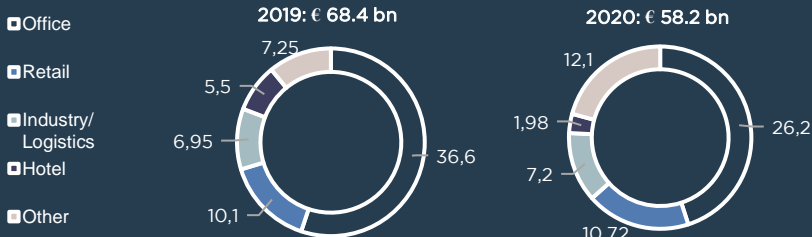
Germany is the largest commercial real estate market in Europe and one of the few that grew during the coronavirus (COVID-19) crisis.

Critical to the future of commercial real estate is making adjustments to the changing, hybrid work the way people work, live, and shop.

Value of the commercial real estate market in Germany in billion U.S. dollars



Commercial investment market: Transaction volume by type of use in billions (€) in 2019 and 2020.



### Technology trends

- **Virtual/ Augmented Reality (VR/AR):** virtual tours function as the best alternative to live showing
- **Artificial Intelligence (AI):** Much faster finding and analyzing deals and **process improvement**
- **Fractional Investment:** Invest in parts of properties with smaller investments
- **The Metaverse:** Diversify portfolios and buying assets in a virtual world

### Key Market Challenges

- **Alternative rental** for (mall-) spaces and **change** in the **portfolio**: Reduced need for office and retail space (specially fashion) due to an increase in working-from-home models and higher demand of online shopping
- **Higher inflation rates** and the fear of **recessions** are mounting giving scare off investors (DRIVER?)
- Increasing challenge to generate and implement new projects due to **shortage** and **higher cost of building materials** and workers and with legal requirements increasing

### The Future of Real Estate

- Going the **extra mile**: Create solutions for clients, not just physical spaces.
- **Integrated solutions**: Find value creation opportunities throughout a project's life cycle, not just at the end points.
- **Appreciate sustainability**: Introduce sustainability and sustainable concept as an opportunity, not a compliance process.
- **Digital worlds**: Embed digital solutions and advanced analytics in the whole process, not just by sporadically adopting individual solutions.