



Hannover scores!



Region Hannover

The Hannover Region Property Market:

Dynamic and always on the move!

Hannover Region is pleased to present the fifth report summarising the development of the region's commercial real estate market, again prepared using data provided by BulwienGesa AG. In 2007, Hannover remains one of the outstanding regional locations (B locations) of the German property market. The market development in 2007 is characterised by the following trends:

- Strong, dynamic growth in the office real estate market: during 2006, the number of new rentals in Hannover topped 100,000 sqm for the first time, exceeding even the previous record years of 2000 and 2001. For the year as a whole, a record rental volume of 140,000 sqm is expected. Vacancies and the vacancy rate have fallen substantially compared to the previous year.
- Inner city continues its upwards trend: The opening of the Ernst-August-Galerie retail centre in autumn 2008 will lead to a marked quality increase for inner-city retail traders. The new building project in the heart of the city has already triggered a number of follow-on investments and initiatives: improvements are already apparent in the immediate vicinity (for example “Rosenquartier”, Kurt Schumacher Straße) and in the city's south (locality initiatives in Hannover's old town, OpernCarré at the Opera, Große Packhofstraße, Osterstraße/Karmarschstraße).
- Hannover confirmed as a robust logistics location: A clear rise in demand for space and several major logistics real estate projects in progress characterise current developments in Hannover Region. More than 140,000 sqm of logistics space were rented during first half-year 2007. These positive market developments emphasise the region's status as the central North German logistics location.
- Burgeoning scientific centre: Current building projects in the fields of medicine and research, such as a clinic complex for the University of Veterinary Medicine and constructions under way for a new institute at Leibniz University in the Nordstadt district are further confirmation of Hannover's importance as a scientific location.
- Becoming more attractive for investors: Investments by institutional and international investors have risen steeply compared with the previous year. These moves document the dynamic development seen in all segments of Hannover's property market.

Overall, the location boasts excellent prospects: Up until 2011, the number of office employees is anticipated to rise by 5 % (plus 7,100 jobs). BulwienGesa AG sees Hannover as one of the winners of Europe's continued economic upswing in the years ahead, propelling it into Germany's Top 13 property locations. Hannover will therefore consolidate its reputation as a premium B location.

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1*

Property Location – Hannover Region



* The property location at a glance

Dynamic growth – brilliant prospects!

Hannover Region is made up of Hannover, the state capital, plus 20 towns and municipalities in the surrounding area (including ten “central places”). Of the 1.128 million population, around 516,000 reside in Hannover city. Approximately 416,000 persons work and pay national insurance contributions in Hannover Region, approx. 271,000 of which work in the state capital.

Hannover is located where major north-south and east-west traffic arteries intersect. This applies both to motorways (A2/A7) and Germany’s high speed ICE train lines: Berlin and Hamburg are less than two hours away by ICE, München only four hours. Hannover airport is fully integrated into the world’s air traffic networks with numerous domestic and international flight connections. Hannover Airport complies with stringent international standards and operates on a 24-hour basis. The region’s excellent and modern interurban rail network (S-Bahn) provides links between the state capital and outlying municipal centres, the airport, the international fairgrounds and neighbouring towns and cities.

Major corporations in the service sector are based in the region: TUI AG,

the tourism giant, Madsack publishing group and many insurance and financial service providers (e.g. Norddeutsche Landesbank, GE Moneybank, ING Diba, Finanz IT, Talanx, Hannover Re, VGH, Concordia, VHV, AWD). The region has a robust industrial base, made up of corporations of international repute, such as Continental AG, Wabco, Varta AG, Volkswagen Commercial Vehicles (VWN), Solvay Chemicals, MTU Maintenance, Sennheiser and the Bahlsen Group.

International standing: Hannover is the premium fair and exhibition location, hosting many key fairs such as CeBIT, Hannover Industry and the IAA Commercial Vehicles show.

Scientific establishments in Hannover Region enjoy international acclaim: Leibniz University, Hannover Medical School, the University of Veterinary Medicine, the International Neuroscience Institute (INI), the German Institute of Rubber Technology, the Max-Planck-Institute for Experimental Endocrinology and Hannover Laser Centre.

A premium location for quality investments

Hannover is one of Germany’s top B locations. The area offers conditions which serve to attract players in all market sectors: property rents are relatively low for users, while at the same time the return for investors has been stable at a good level for many years. The low volatility of rents and returns offered by Hannover made the location interesting to institutional investors even during the slow economic climate of recent years. Year on year, Hannover Region has experienced a clear growth in investment volume.

Most notably international investors have complemented their portfolios by acquiring properties from German insurance organisations, banks and housing corporations. Major deals include, for example, real estate packages involving VGH Insurance Co., Nileg/Gagfah, the PelikanViertel district and Linden Park. The good performance of the office and logistics property markets in particular, points to investments continuing along their upward course. Hannover property market is synonymous with investments boasting safe returns, buoyant dynamism and promising development potential.

1*



Institutional investors	Investment**	Vendor	Market segment	Year
Carlyle Group	Linden-Park, 200,000 sqm	Frank-Michael Engel (Berlin)	Office, retail, resid.	2006
Commerz Grundbesitz-Spezialfondsgesellschaft	Aircargo Logistics Center Langenhagen, 15,900 sqm logistics area and 7,000 sqm office area	ALC Asset Management	Logistics, office	2006
DIC Asset	Offices Deutsche Bahn AG, Joachimstraße 8, 20,000 sqm	Vivico Real Estate	Office, retail	2006
Eurocastle/Fortress	Kröpcke-Center, 24,000 sqm	DB Real Estate	Retail, office	2006
Garbe Logistics (Hamburg)	Chromstr./Eisenstr., Isernhagen, 28,500 sqm	Gebr. Scholpp (Stuttgart)	Logistics	2006
Halverton Real Estate Investment Management	Office park at Welfenplatz, 22,500 sqm	KapHag, Berlin	Office	2006
investa Immobiliengruppe	Admin building, Constantinstr. 40, 31,000 sqm	VHV Versicherungsgruppe (sale and lease back)	Office	2006
Pramerica Real Estate Investors	Admin building Hannoversche Leben, Karl-Wiechert-Allee 10, 14,000 sqm	VHV Versicherungsgruppe (sale and lease back)	Office	2006
Redevco	Schachtebeckweg 6-8, 24,600 sqm	TAS KG Immobilien- und Beteiligungsgesellschaft	Logistics	2006
Teesland	Lilienthal-Center, Kugelfangtrift, 15,000 sqm	IVG Immobilien	Office	2006

**approximate area



Institutional investors	Investment*	Vendor	Market segment	Year
UBS	ZOOBIZ, Plathnerstr. 4a, 7,000 sqm	Züblin	Office	2007
Arminius Kapitalgesellschaft	Torhaus am Aegi, 7,600 sqm office and 600 sqm retail space	NILEG/GAGFAH	Office, retail	2007
Arminius Kapitalgesellschaft	Expo Plaza Forum, 14,400 sqm	NILEG/GAGFAH	Office	2007
Arminius Kapitalgesellschaft	World Trade Center, 6,700 qm office and 700 sqm retail space	NILEG/GAGFAH	Office, retail	2007
Arminius Kapitalgesellschaft	Südstadt Forum, Hildesheimer Str. 98/Devrientstr., 2,500 sqm office, 870 sqm retail, 2,500 sqm elderly care home	NILEG/GAGFAH	Office, retail, nursing home	2007
Carlyle Group	Linden-Park office tower, 20,000 sqm	Bamos (Nord/LB)	Office	2007
Carlyle Group	70 appts in Hannover-Wettbergen and Isernhagen	Concordia Insurance Group	Resid.	2007
Deגי German Business	Pelikanviertel, 5 buildings, 30,000 sqm	Eurohypo	Office	2007
Fortress	1,600 appts. in and around Hannover plus office buildings in Prinzenstraße and Georgstraße	VGH Insurance Group	Resid., office	2007
iii-Fonds	Hemmingen, Max-von-Laue-Str. 4+18, 7,000 sqm	Hochtief Construction	Office	2007
Immo Kapitalanlage, Wien	Office building Am Yachthafen, Werftstr. 15-17, 11,500 sqm	Property developer Ulrich Weber (Berlin)	Office	2007
New Yorker	Bahnhofstraße 8, 5,000 sqm	AMB Generali	Office, retail	2007
The Larmag Group	Residential and office centre Rote-kreuzstr./Winkelriede, 7,200 sqm	Real2 Immobilien	Office, retail, resid.	2007
Maxime Investment	Bredero high-rise Lister Tor, 22,000 sqm	Deutsche Bank	Office	2007
Merill Lynch/Colonia Real Estate	Real estate in Pelikanviertel, 45,500 sqm	Aareal Bank	Office	2007
Pirelli	6,000 appts in Hannover through acquisition of BauBeCon (27,000 nationwide)	Cerberus	Resid.	2007

*approximate area

At a glance: Hannover Region maintains its ground as one of the most robust B locations. At the same time, institutional investors' investments have increased markedly.

1*

* The city centre's success story continues

Inner city locations are becoming more and more appealing

In the last few years, comprehensive remodelling activities have turned Hannover city centre into a jewel. Measures include the Ernst-August-Promenade in Hannover's main station (2000), the Ernst-August-Carré (2003), the Kaufland shopping centre (2004), the Kontorhaus with the Saturn electronics market (2005) and the revamp of the Niki-de-Saint-Phalle-Promenade (2002 and 2006). The outcome is to be seen in higher levels of customer satisfaction and people spending more time in the city, a fact documented in the pedestrian statistics for Bahnhofstraße and Georgstraße (Engel & Völkers 2007).

The ECE shopping mall Ernst-August-Galerie marks one further milestone in Hannover's evolution as a sparkling retail centre. Designed to be generous in size, light and inviting, this shopping and entertainment centre will offer flagship stores, boutiques, a fresh food market, catering and sufficient car parking. The foundation stone was set in late 2006 with opening scheduled in autumn 2008. The ECE shopping centre represents an investment of Euro 230 million to create around 30,000 sqm additional retail space for over 140 shops. This new city centre attraction will boost the already high

The Ernst-August-Galerie shopping mall (ECE) currently is Hannover's largest construction site. Upon completion in autumn 2008, jobs for over 1,200 employees will be created on approx. 30,000 sqm retail space. More than 90 per cent of retail space has already been let.



pedestrian frequency at the Ernst-August-Promenade (main station) and Ernst-August-Platz (station square) (170-250,000 people daily). The mall also expands the range and volume of scarce 1A locations. Those chains which have to date been unable to secure sufficient attractive areas in 1A locations in Hannover will benefit in particular from the increase in space. At the present time, more than 90 per cent of the new areas are under contract (with clients including C&A, H&M, REWE, New Yorker, s.Oliver, dm, Schmorl & von Seefeld, Pohland, Deutsche Post). In addition to chains, an appropriate fraction of the floor area will be set aside for regional retailers.

Following the opening of the Ernst-August-Galerie, the pedestrian figures are expected to rise in particular in the city's prime northern shopping streets, bringing about a shift in pedestrian flow patterns. Complementary upgrading of the adjacent Kurt Schumacher Straße and Schillerstraße is also anticipated. The first signs of this value adjustment are already apparent, taking the form of both completed and planned conversion projects. The rejuvenation of the Nordstern building (Kurt Schumacher Straße/Odeonstraße) was finalised in late 2006 offering over 6,000 sqm of office and 600 sqm retail space. Euroland and Wölbern are planning to construct the Rosenquartier



The former telecommunications office in Rosenstraße dating from the fifties is a listed building. It is presently being refurbished and part of the proposed **Rosenquartier**. Overall, the whole building complex including renovated space and new buildings will offer a total gross floor space of 22,500 sqm to accommodate a hotel, retail shops and a car park. It is scheduled for completion in spring 2009.



(the block formed by the Kurt-Schumacher-Straße/Rosenstraße/Schillerstraße/Andreaestraße) opposite the Ernst-August-Galerie. By spring 2009, the combination of rehabilitation and partial demolition will have 2,200 sqm offices, 2,700 sqm retail, a multi-storey car park and a hotel; (total investment volume of approx. Euro 50 million).

The area of Joachimstraße/Prinzenstraße on the outskirts of the main station area has also been improved. The Joachimszentrum (5,000 sqm office, 800 sqm retail) has been completed in September 2007. In Prinzenstraße and the adjacent roads, several occupied buildings have been made-over and have in-part new tenants (e.g. consul-

tant firms, attorneys and service providers in Prinzenstraße, Ernst & Young in Landschaftsstraße).

The often neglected area behind the station is enjoying a renaissance following the remodelling of the Niki-de-Saint-Phalle Promenade, the Rund-Carrée and the Kaufland shopping centre. The recent commencement of conversion work to Raschplatz No. 5 (casino, cinemas, discotheque, retail, offices) continues this positive trend.

The Hannover city authorities and private enterprise have adopted a joint inner city strategy, supported and underpinned by centralised neighbourhood management. Following the completion of the Ernst-

August-Galerie, it seeks to redirect the anticipated increased flows of shoppers towards the more central-lying and southern city areas. The package of measures includes re-organisation of traffic in the “Opera Triangle” (opening of Rathenaustraße, reconfiguration of Windmühlenstr.) and enlarging the plaza areas with completion scheduled by late summer 2008. A group of private retailers are planning the construction of roof-level glazing to shelter the Große Packhofstraße and Heiligerstraße; this is also one of the regional government’s model projects as part of the “Lower Saxony neighbourhood initiative”.

2*

Office Property Market – Hannover Region

* Stable rents, increased turnover

The office property market on the move!

Rents and turnover

Hannover's office rents have been basically stable over the last several years. The demand for office space in Hannover is characterised by a high portion of owner-occupiers. This structure has a stabilising effect on rents and returns during periods of market slowdown. Today's peak rents in the city are around Euro 12.00/sqm, the average city rent is Euro 9.50/sqm, on city margins it is Euro 8.50/sqm, touching Euro 7.30/sqm in peripheral locations, while rates in office centres are of the order of Euro 9.00/sqm. Office space turnover has, on the other hand, been following a strong upwards trajectory: Already reaching a peak in 2006 at 100,000 sqm overall, by mid-2007 the figure for new leases had already topped 70,000 sqm. For the year as a whole, office space turnover in 2007 is estimated to reach around 140,000 sqm. In addition to major deals, for example Talanx, Region Hannover and E.ON, the overall buoyant economy has also invigorated the demand for space by company-related service providers, as was also the case last year.

Selected office contracts 2007

Building, address	Tenant/Owner-occupied	Office area in sqm
Lahe, Buchholzer Str.	Talanx	10,000
Neues Regionshaus/ Hildesheimer Str. 18	Region Hannover	7,200
Hemmingen, Max-von-Laue-Str.	E.ON	7,500
Pelikanviertel/Podbielskistr.	NBank	3,800
Rund-Carré/Rundestr., Hamburger Allee	E.ON	3,300
List, Tannenbergallee	FAA Bildungsgesellschaft	3,200
Business Park Hannover Nord/Vahrenwalder Str.	NRG	2,200
Roderbruch, Nobelring	Preussag/TUI	2,900
Linden-Süd, Hanomagstr.	DEKRA	2,000
City, Landschaftstr.	Ernst & Young	2,000

Hannover Region office space at year-end 2006

	GFA sqm	Rented sqm (gif)
Total market Hannover	4,373,000	3,717,000
Hannover City	3,710,000	3,152,000
Langenhagen and Laatzen	663,000	565,000

GFA = gross floor area

gif = according to Gesellschaft für Immobilienwirtschaftliche Forschung e.V. (gif method)



In order to co-locate its Hannover staff in the same location, VHV Insurance Group is putting up an energetically optimised office complex at anticipated costs of around Euro 90 million: The VHV extension, made up of three individual buildings, a connecting six-storey atrium and a ground floor area of 39,500 sqm (thereof 60 per cent office space) is scheduled for completion at the beginning of 2009.

2*



The livelier market also manifests itself in a substantial fall in vacancies. During 2006, the vacancy volume fell by 20,000 sqm to approx. 175,000 sqm year-on-year and is expected to fall even further to 160,000 sqm in 2007.

Similarly, the vacancy rate for Hannover City in 2006 dropped to 5.6 %. This is substantially below the average for B cities (9.3 %).

The market for office properties in Hannover represents a total space inventory of 3.7 million sqm (gif method)*, including the state capital and the two neighbouring communities of Laatzen and Langenhagen, lying to the south and north, respectively, with which many close ties exist.

Hannover's office market can be subdivided as follows

(see also office projects map):

■ City, within the city ring road. This area includes Georgstraße, Georgplatz, Raschplatz, Friedrichswall, Aegidientorplatz and Schiffgraben. It is characterised by public administration agencies, corporations, financial service providers and insurers.

■ City fringes and arterial corridors: High quality office locations are located to the north and south-east of the city along the major arteries: Vahrenwalder Straße in the north, Podbielskistraße to the north-east, Marienstraße/Hans-Böckler-Allee to the east and Hildesheimer Straße in the south. The main distinctive sectors are Pelikan quarter, the Geha area and its north-eastern extension (Riethorst) along Podbielskistraße, Hans-Böckler-Allee, Business Park Nord on Vahrenwalder Straße and the Timmon-Carrée office centre on Hildesheimer Straße.

■ Roderbruch office centre / Karl-Wiechert-Allee, in Hannover's eastern district. The generous areas and facilities of Hannover Medical School and the adjacent Medical Park are joined here above all by many owner-occupied office blocks of groups active in the finance, insurance and tourism industries.

■ Lahe office centre is a location to the north of Hannover with excellent traffic connections, in particular to the A2 motorway. This is the preferred site for companies in the IT sector, the security industry and company-related service providers. The extension of the city tram network in June 2006 to Altwarmbüchen has also upgraded Lahe to a choice office location. A number of zoning and restructuring measures offer considerable scope for future development.

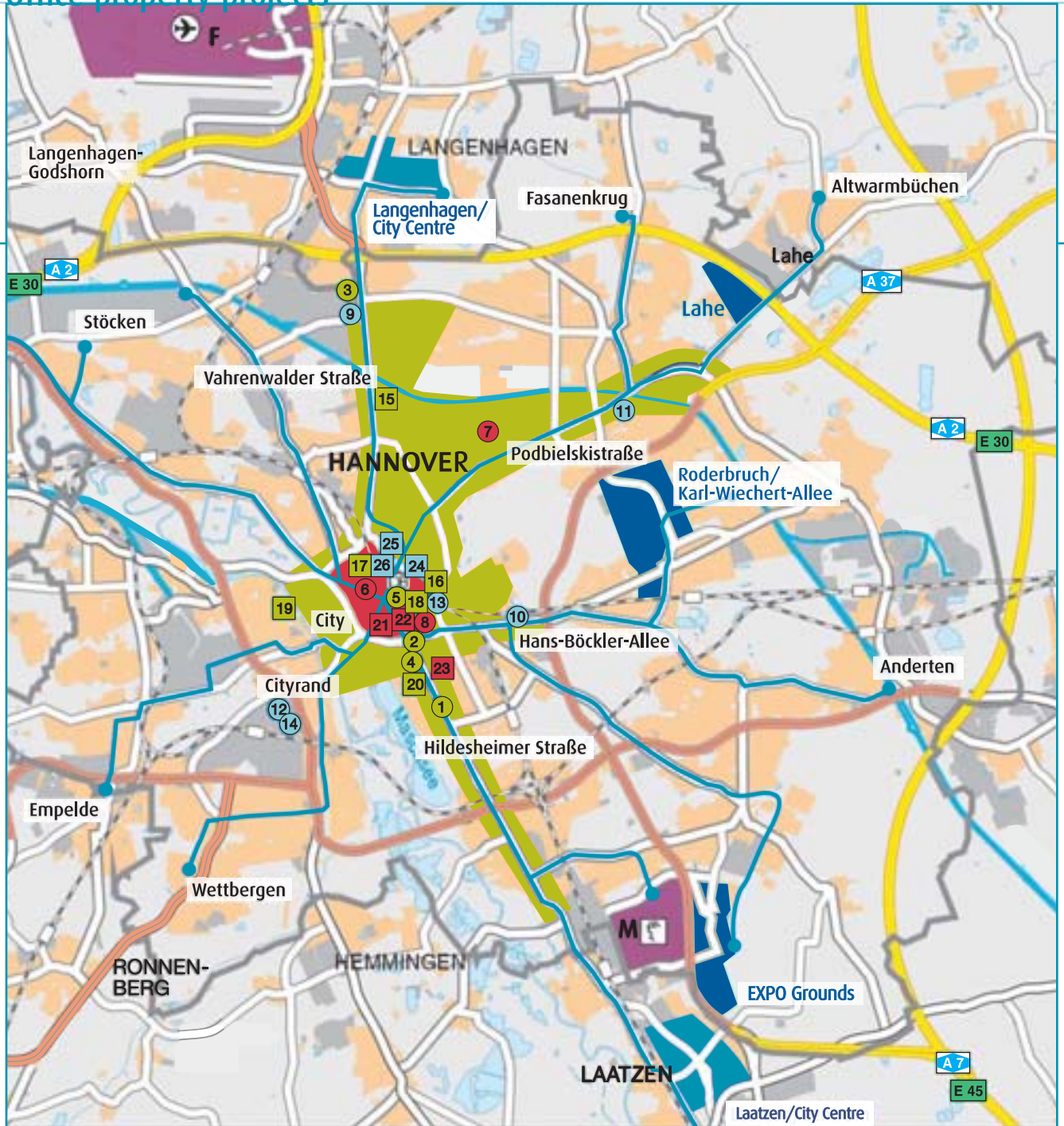
■ Expo grounds, site of the former World Exposition 2000 (comprising Expo Plaza/TUI-Arena and Expo-Park Hannover): The area is now host to many quality office buildings focusing on IT, design and media, also in part using the former building stocks of the EXPO 2000. The FinanzIT and LBS organisations have also constructed architectural highlights in the immediate vicinity, on Kronsberg hill.

■ Laatzen city, on the southern margins of Hannover, immediately adjacent to the international fair and exhibition grounds: office buildings here are concentrated in Laatzen city centre, with the exception of the LVA state insurance organisation to the south.

■ Langenhagen city: This northern neighbour has benefited from its excellent road infrastructure connections and the international airport. Office real estate concentrates above all in the town centre and the area around the Langenhagen-Zentrum interurban railway station. Additional office space is also available in the Godshorn industry park area.

* According to Gesellschaft für Immobilienwirtschaftliche Forschung e.V. (gif method)

Office property projects



New office buildings

- 1 Südstadt Forum, Hildesheimer Straße 98
- 2 Torhaus at Aegidientorplatz square
- 3 Business Park Hannover Nord, 2. BA, Vahrenwalder Str./Walter-Bruch-Straße
- 4 Neues Regions-Haus, Hildesheimer Straße 18
- 5 Joachimszentrum, Joachimstraße 4-6
- 6 Medienzentrums Hannover, 2. BA, Lange Laube
- 7 VHV offices, Constantinstraße
- 8 VGH offices, Warmbüchekamp
- 9 Bauwo business park, Industrieweg
- 10 Bauwo Business Center, Hans-Böckler-Allee 13
- 11 Podbi 340, Podbielskistraße 340
- 12 EUTC Komatsu, Hanomagstraße
- 13 Office building Berliner Allee/Gutenbergdorf
- 14 DEKRA HQ, Hanomagstraße

Redevelopment

- 15 RTL-Shop office building, Großer Kolonnenweg
- 16 Office building, Schiffgraben 44
- 17 Nordstern-Haus, Kurt-Schumacher-Straße/Odeonstr.
- 18 Deutsche Bahn AG offices, Joachimstraße 8
- 19 Linden-Park office tower, Ihmeplatz
- 20 Office building, Hildesheimer Straße 41
- 21 Stadtbrauerei (city brewery) at Aegi, Osterstraße 64
- 22 Office building, Arnswaldstraße 6-10
- 23 Kontorhaus Krausenstraße/Schlägerstraße
- 24 Office building, Königstraße/Berliner Allee
- 25 Justizzentrum (law courts) Lister Tor
- 26 Rosenquartier, Kurt-Schumacher-Straße/Rosenstraße

○ New buildings	■ City
□ Redevelopment	■ City outskirts & arterial roads
● Completed	■ Office centres
● Under construction	■ Peripheral locations
● Advanced planning	■ Fair Grounds
— Tram	■ Airport
— City boundary	

Map data: ATKIS-data of the LGN

1 km 2 km 3 km

2*



Projected, under construction, completed

New office projects are also developing rapidly. The overall construction volume in 2007 is approx. 89,000 sqm, including new buildings of approx. 72,000 sqm and rehabilitated properties of approx. 17,000 sqm.

Completed office projects

The sites of those office projects completed are primarily along the arterial corridors. Five major new office buildings, situated

predominantly along the main traffic arteries, have been completed since mid-2006. Südstadtforum, Torhaus am Aegi, and Business Park Hannover Nord, Phase 2, accounted for 17,500 sqm during the second half of 2006. A further 12,000 sqm have been added in the first half of 2007, comprising the new Region Hannover office complex (Neues Regionshaus) and the Joachimszentrum.

Recently, the rehabilitation of older office buildings has gained in importance, with the focus being on properties erected

in the 1950s, 60s and 70s. Four projects comprising approximately 32,000 sqm were completed in the second half of 2006, in this case office blocks in Großer Kolonnenweg (RTL SHOP), at Schiffgraben 44, the former Nordsternhaus at Kurt-Schumacher-Straße and Deutsche Bahn AG offices at Joachimstraße 8. A further 9,000 sqm office space is scheduled for renovation by mid-2007, in this case the office tower at Linden-Park and the office block at Hildesheimer Straße 41.

Office completions (new buildings)

Property	Address	Investor, Developer	Rental area office space (not incl. service/storage)	Completion
1 Südstadt Forum	Hildesheimer Str. 98/ Devrientstraße	Arminius Kapitalgesellschaft (Frankfurt)	New, 2,500 sqm, 870 sqm retail and 2,500 sqm elderly care home	2006
2 Torhaus am Aegi	Aegidientorplatz 2b	NILEG/GAGFAH	New, 7,500 sqm, plus 700 sqm retail	2006
3 Business Park Hannover Nord, 2. BA	Vahrenwalder Str./ Walter-Bruch-Str.	OBB Realinvest	New, 7,500 sqm and 2,000 sqm hall	2006
4 Neues Regionshaus	Hildesheimer Str. 18	Commerz Leasing	Demolition and new constructions, 7,200 sqm	spring 2007
5 Joachimszentrum	Joachimstraße 4-6	Veit Pagel	Demolition and new constructions, approx. 5,000 sqm and 790 sqm retail	summer 2007



Office completions (renovations)

Property	Address	Investor, Developer	Rental area office space (not incl. service/storage)	Completion
15 Bürogebäude RTL SHOP	Großer Kolonnenweg 18	H. - W. Nebel Immobilien	Renovation, 4,100 sqm office, 1,000 sqm television studios	2006
16 Bürogebäude	Schiffgraben 44	Private investor	Renovation, approx. 1,000 sqm	2006
17 Former Nordsternhaus	Kurt-Schumacher-Str./Odeonstraße	Bayer Pensionskasse VVaG	Renovation, 6,000 sqm and 600 sqm Retail	2006
18 Offices, Deutsche Bahn AG	Joachimstr. 8	Deutsche Immobilien Chancen	Renovation, 20,700 sqm (for own use by Deutsche Bahn AG) and 1,000 sqm retail	2006
19 Office tower Linden-Park	Ihmeplatz	Carlyle Group	Renovation, 6,700 sqm	spring 2007
20 Retail building	Hildesheimer Str. 41	Hochtief Construction	Renovation, ca. 2,300 sqm and 470 sqm retail	spring 2007



At **Kontorhaus** the listed former Agravis headquarters building erected in the 50s, just under 5,200 sqm of office space are being created. Around 2,800 sqm of these will be used by owner-occupier Reichsbund Wohnungsbau building society.



May 2007 saw the opening of the new Hannover Region admin building, the **Neues Regionshaus**. Boasting low energy technology features such as triple glazing and watercooling, this functional but nonetheless sophisticated building is energetically optimised. Construction costs amounted to around Euro 10 million; approx. 7,200 sqm of office space was created.

2*



Properties under construction

Three new buildings with a total of approx. 60,000 sqm office space are currently being built, two of which are major projects for own use by two insurance companies, VHV and VGH. The Madsack publishing organisation is extending its media centre (2,600 sqm), scheduled for completion in the second half of 2007. Work has now also started on constructing the VHV insurance building at Konstantinstraße and the VGH insurance building in Warmbüchenkamp (together approximately 58,000 sqm). Both are set for completion in 2009.

New buildings/Demolition with subsequent construction (Projects under construction, in pre-construction or with definitive plans)

Property	Address	Investor, Developer	Rental area office space (not incl. service/storage)	Completion
6 Extension of media centre, 2nd Phase	Lange Laube 8-12	Verlagsgesellschaft Madsack	New, 2,600 sqm und 500 sqm retail	Work in progress, compl. planned autumn 2007
7 Offices	Constantinstraße	VHV Versicherungsgruppe	New, 30,000 sqm for own use	Work in progress, completion 2009
8 Offices	Warmbüchenkamp	VGH Versicherungsgruppe	New, 27,600 sqm, mainly own use	Work in progress, completion 2009
9 Bauwo Business Park	Industrieweg	Bauwo	New, 2,200 sqm and 8,000 warehousing and logistics spaces	Plan definitive, completion 2008
10 Bauwo Business Center, Hans-Böckler Allee, 3. BA	Hans-Böckler-Allee 13	Bauwo	New, approx. 10,000 sqm	Plan definitive, completion 2008
11 Podbi 340, 1. BA	Podbielskistr. 340	Hochtief Construction	New, 3,000 sqm	Plan definitive, completion end 2008
12 EUTC Forschungszentrum	Hanomagstraße	Komatsu	New, 10,000 sqm for own use	Plan definitive, completion 2009
13 Offices	Berliner Allee/ Gutenberghof	Ärzteversorgung Niedersachsen	Demolition and subsequent constructions, 8,000 sqm	Plan definitive, completion planned 2009
14 Dekra-Zentrale	Hanomagstr.	Bertram Projektmanagement	New, 6,500 sqm for Dekra HQ	Plan definitive, completion 2009



Presently, the **Bauwo Business Center** is being built along Hans-Böckler- Allee as part of phase three. This is an office and admin building of approx. 10,000 sqm.

Other work in progress includes approx. 8,000 sqm in renovation projects, scheduled for completion by end 2007, in this case the Stadtbrauerei brewery at Aegi (catering plus offices), an office building at Arnswaldstraße 6-10 and the Kontorhaus (formerly Agravis HQ) in Krausenstraße.

In the pipeline

An additional six new office projects and three renovation projects are definitively planned with completion dates in 2008 and 2009. Two new office buildings are to be constructed at Hanomagstraße industrial

park (in the south of Linden), i.e. outside of typical office locations; these are the EUTC research centre (Komatsu) and the Dekra-Zentrale. The renovation projects are the Justice Centre in the Bredero high-rise and the Rosen-Quartier, two major projects with of cross-neighbourhood importance.

Renovation/Revitalisation (Projects under construction, in pre-construction or with definitive plans)

Property	Address	Investor, Developer	Rental area office space (not incl. service/storage)	Completion
21 Stadtbrauerei am Aegi	Osterstr. 64/ Georgswall 14	Private investor	Renovation, 600 sqm office and 1,200 sqm event catering	Work in progress, completion autumn 2007
22 Office building	Arnswaldtstr. 6-10	Bertram Projektmanagement	Renovation, 2,000 sqm	Work in progress, completion year-end 2007
23 Kontorhaus (formerly Agravis HQ)	Krausenstr./Schlägerstr.	Reichsbund Wohnungsbau	Renovation, 5,200 sqm, of which 2,800 sqm for own use	Work in progress, completion year-end 2007
24 Offices (formerly Württembergische Versicherung)	Königstr./Berliner Allee	Gebrüder Reisinger, Hannover	Renovation, 2,000 sqm, plus 900 sqm retail	Plan definitive, completion planned for 2008
25 Justice centre (formerly Bredero high-rise)	Lister Tor	MAXIME Investment GmbH	Renovation, 22,000 sqm for 5 Lower Saxony courts	Plan definitive, completion planned for 2008
26 Rosenquartier	Kurt-Schumacher-Str./ Rosenstr./Schillerstr.	Euroland und Wölbern Projektentwicklungsgesellschaft	Renovation, 2,200 sqm plus retail, hotel and multi-storey car park	Plan definitive, completion planned for 2008

At a glance: **Overall, the market is developing favourably. Renovation is gaining in importance.**

3*

Retail Property Market – Hannover Region

* Hannover as a shopping destination

New retail space for new stores!

Hannover Region is a retail location boasting a total retail area of approx. 1.8 million sqm. Of this, some 791,000 sqm are located in Hannover city as the metropolitan area (Hannover Region Regional Retail Concept, CIMA, 2006).

The city of Hannover is one of Germany's most successful retail locations:

- In a German rent ranking, Hannover's 1A locations occupy place 9 (Comfort). The peak rent of 1A locations has risen considerably compared with previous years to Euro 165/sqm (Kemper's 2007).
- The top shopping streets of Georgstraße and Bahnhofstraße/Niki-de-Saint-Phalle-Promenade are two of Germany's premium shopping locations. Based on pedestrian count statistics (Saturday midday, Engel & Völkers

2007), they have improved their positions in the Top 20 German shopping streets year on year (Georgstraße, No. 2, Bahnhofstraße, No. 9).

- Hannover city has an annual retail turn-

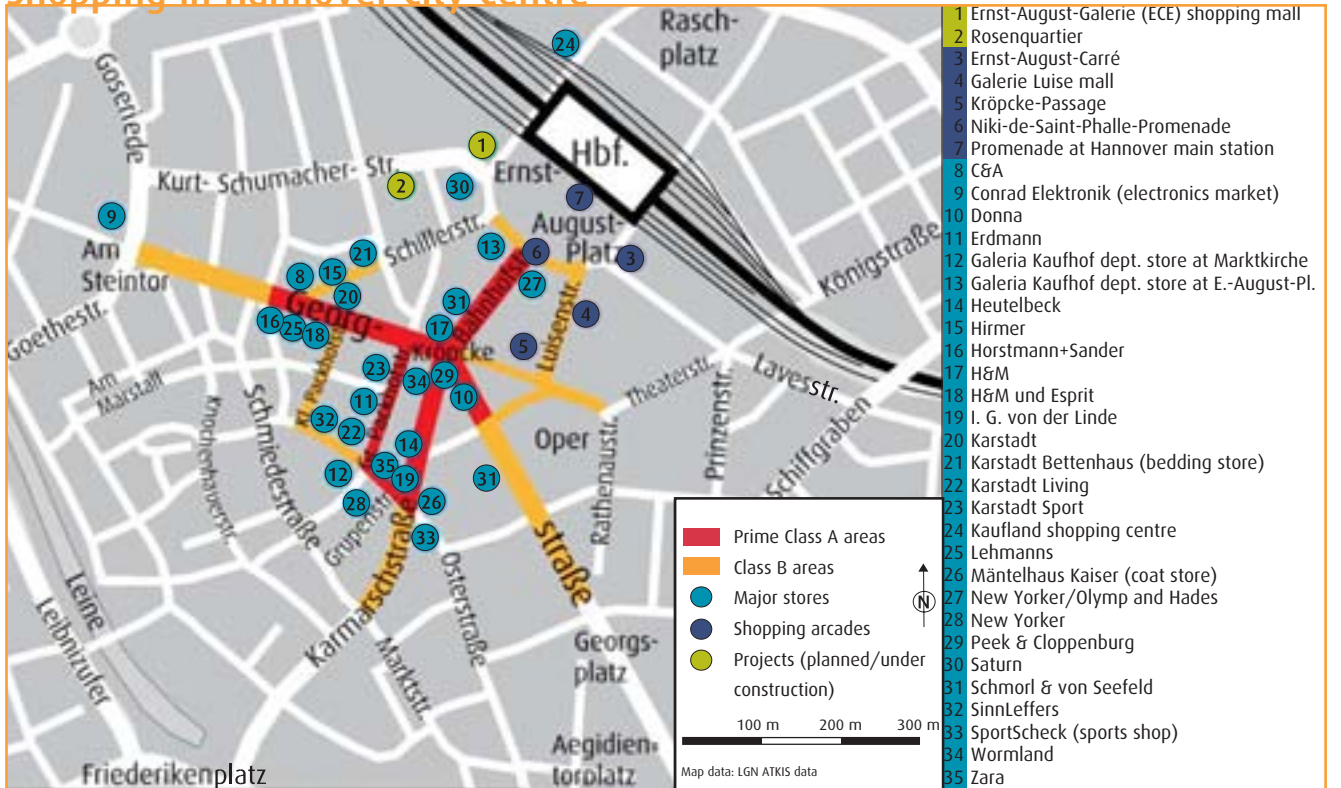
over of approx. Euro 3.7 billion. The retail-relevant purchasing power index for Hannover is 105.3 %, the centrality index is 132.9, both well above average (GfK 2007).

Hannover's inner city area has approx. 257,000 sqm retail space, a value which makes it the region's outstanding shopping centre and which is characterised by an extensive pedestrian zone. The list of top shopping streets is headed by Georgstraße, followed by Bahnhofstraße, Große Packhofstraße, Karmarschstraße and Osterstraße.

A broad spectrum of goods is on offer in both well-known chains as well as large local and regional vendors. Highlights include major department stores like Karstadt (four locations) and Galeria Kaufhof (two stores). Representatives of the clothing sector include, for example, C&A, Erdmann, H&M, Heutelbeck, IG von der Linde, Mäntelhaus Kaiser, New Yorker, Peek & Cloppenburg, SinnLeffers, SportScheck, Wormland and Zara, all in 1A locations. The trend to flagship stores in 1A locations has also not gone unnoticed: Within the last years several outlets opened in Hannover, including those of the brands Benetton, Bree, Esprit, Jack Wolfskin, Joop, Signum. The premium sector is represented mainly at the Galerie Luise mall, at Kröpkepassage and between the Opera and the main station.



Shopping in Hannover City Centre



3*



The focal point of current retail development in Hannover city continues to be on the inner city area. Hannover is typified by having a high degree of branch outlets boasting high turnover/sqm ratios and low tenant fluctuation. Scheduled to open in autumn 2008, the new 140-store shopping centre, the Ernst-August-Galerie, represents an additional 30,000 sqm retail space. This project creates additional sales area in prime locations. It is to be expected that the adjacent sites along Kurt-Schuhmacher-Straße and Schillerstraße will improve notably. The opening of the Hirmer fashion store in Schillerstraße serves as an indication of this.

Apart from the inner city, a number of traditional neighbourhood centres have also developed as retail locations – including the most successful, the Lister Meile. Other retail agglomerations are generally located along the arterial corridors and tram lines. One example of an ambitious rejuvenation project is the conversion of the Ihme Centre in Linden to create the Linden Park shopping mall, which is quickly approaching finalisation. At opening

date in autumn 2008, this mall will offer a total retail area of approx. 20,000 sqm with 14 specialist centres.

A number of municipalities in the outlying area, such as Isernhagen, Laatzen and Garbsen, now have retail sales areas per capita for non-periodic requirements which are considerably higher than that of Hannover itself. Retail centrality in these communities is also considerably above Hannover's. This is the result of the specialist centres, which attract shoppers from far beyond their immediate catchment areas, for example in Lahe/Altwarmbüchen, Leine-Center in Laatzen, and the Nordwest-Zentrum, the Planetenzentrum "Auf der Horst" and the power centres on the B6 trunk road in Garbsen, as well as the IKEA store in Großburgwedel. Other interesting retail clusters in the surrounding vicinity include Barsinghausen, Burgdorf, Langenhagen, Lehrte, Neustadt, Springe and Wunstorf.

Within the past few months a number of additional specialist centres have been completed on the city's periphery and beyond. On Hannover's southern margins,

IKEA opened a second store at Expo park with a sales area of 19,000 sqm. Discussions are currently under way concerning the siting of a second furniture store, Möbel Staude, on the edge of Expo Park. As a specialist form of retail activity, a new BMW regional centre opened at the Expo Park Hannover at the end of 2006. The main building on the former Expo grounds was operated by Decathlon and formerly served as the French World Exposition pavilion; together with the eye-catching "Post-Box", these two units provide approx. 15,000 sqm space for BMW's new and used hand car centre, its service and spare parts operations, administration and motorcycle centre. In spring 2007 the new Dehner Garden Centre opened in Westfalenstraße in Langenhagen (6,000 sqm), together with the neighbouring Hellweg DIY centre (9,500 sqm). In the specialist centre of Lahe/Altwarmbüchen, Porta recently commenced work on new buildings for the Möbel Boss furniture chain (4,000 sqm) and a Hammer domestic textile market (2,000 sqm).

3*



On a 33,000 sqm site, the new branch office of car manufacturer BMW at Hannover Expo Park provides commercial premises with display space of over 15,000 sqm. Directly adjacent to former EXPO 2000 project "gardens in transition", it revisits the project's topics and visual design elements.



Completed in autumn 2007 as the first business premises in Lower Saxony built to the Passive House Standard, the Villa Vitale serves as a local shopping centre for Hannover's Badenstedt district. On over 6,000 sqm, it accommodates retail outlets, catering, recreational and health facilities as well as offices.

In the surrounding area a number of communities have plans in the pipeline for shopping centres. In Langenhagen, the city centre is to be expanded with an additional 17,000 sqm retail space. In Garbsen, two major projects are currently awaiting regional planning approval: the modernisation and expansion of the Planeten centre "Auf der Horst" - a Dawmay Day investment - and the construction of a new shopping centre at "Neue Mitte Garbsen" by Sonae.

New local shopping centres are planned or under construction in a number of Hannover's neighbourhoods as well as in the surrounding areas. A construction pro-

ject currently in progress is the Villa Vitale Center Badenstedt, a shopping centre in the Carlo-Schmid-Allee. Upon completion in autumn 2007, this complex, constructed to a low-energy-consumption specification, will offer approx. 3,000 sqm retail space (fresh food market, chemist/health and beauty retailer, a Villa Vitale sports and health centre) (1,200 sqm) as well as surgery areas. A further project is a local shopping centre at the Nordstädter Markt, with approx. 2,200 sqm retail space (fresh food market, chemist/health and beauty retailer, multi-storey car park, offices and surgeries as well as senior citizens residen-

ces), completion in mid-2008. Outside Hannover, work in progress includes the Mozartpark in Laatzen, with a total of 3,000 sqm (scheduled for completion in autumn 2007), and the Elisabethkirche shopping centre in Langenhagen on Walsroder Straße (approx. 5,000 sqm retail area, including full range and discount markets with completion scheduled at end-2007) and the Weiherfeld local shopping centre (construction stage one, 3,100 sqm under construction, completion scheduled in early 2008).

At a glance: Expansion of the city centre, new projects in the surrounding areas: Hannover's appeal as a shopping location is still increasing notably.

4*

Logistics Property Market – Hannover Region

* The logistics sector – a growth market

Locational advantages pay off!

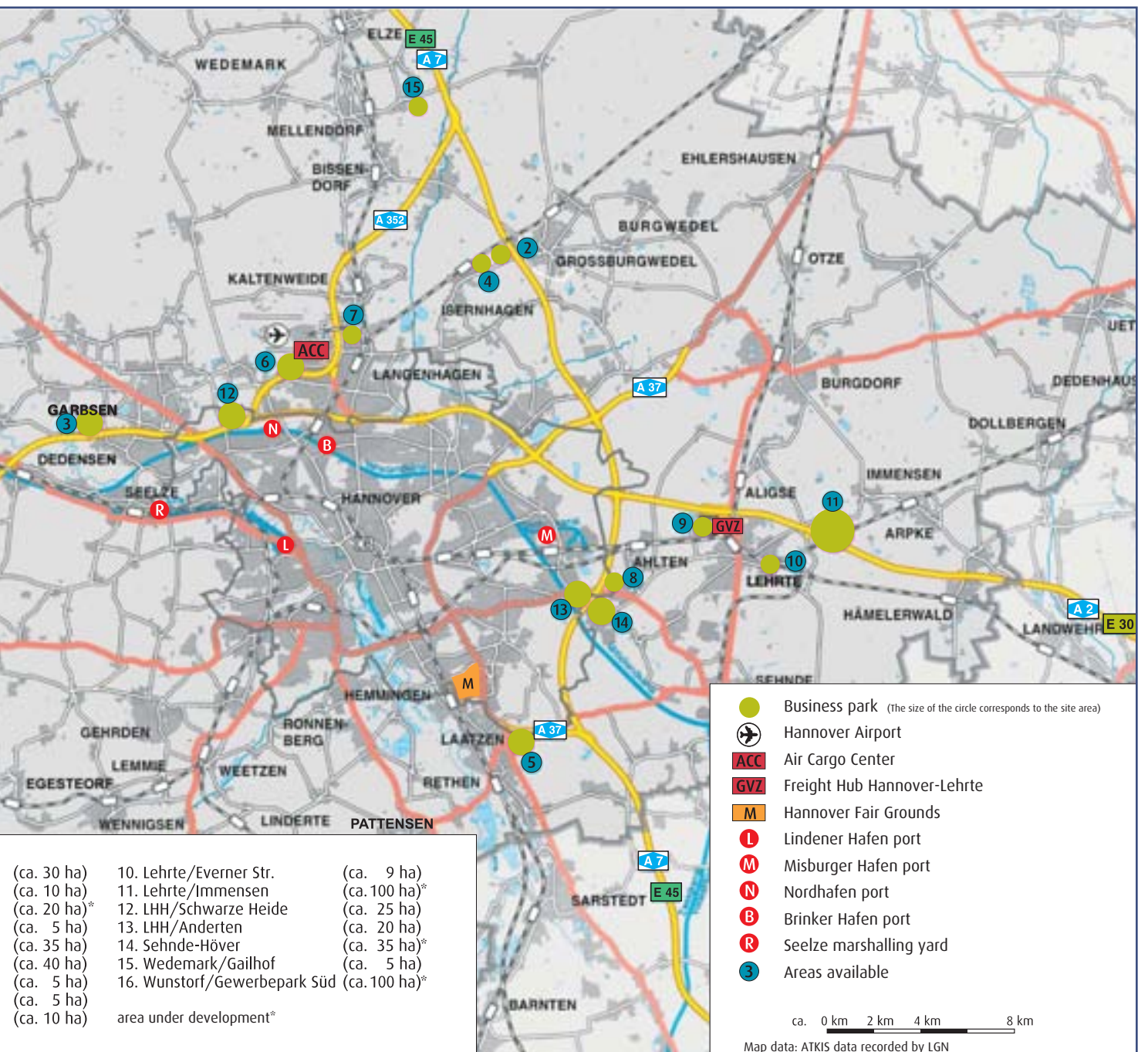
Hannover Region is situated at a first-class logistics location at the intersection of key north-south (A7 motorway, Hamburg – southern Germany) and east-west (A2 motorway, Rhein-Ruhr – Berlin) transport arteries. For the logistics industry, Hannover represents the key centre in the North German/European territory. No less than one quarter of the total EU population can be reached within a nine-hour shift at the wheel. This represents a potential market of around 90 million people. Hannover is nothing less than the gateway to the East in the wake of the EU's eastern expansion and fulfils the role of hub for Scandinavia.

Hannover Airport provides access to the global air traffic network, complying with stringent international standards with a high capacity parallel runway system and a 24-hour operation option. Other significant logistics centres in the region are Germany's largest rail marshalling yard in Seelze, the trimodal transshipment facility (truck, rail, inland shipping) at Lindener Hafen. The location's impressive profile is further complemented by many attractive reserve areas offering outstanding potential.

Logistics sites



1. Barsinghausen-Bantorf
2. Burgwedel/Großburgwedel
3. Garbsen/westl. Gutenbergstr.
4. Isernhagen HB
5. Laatzen/Rethen-Ost
6. Langenhagen/Airport Business Park
7. Langenhagen/Rehkamp
8. Lehrte/Ahlten
9. Lehrte/GVZ



4*

Logistics Property Market – Hannover Region

During 2006, the logistics industry achieved a nationwide growth of logistics space turnover some 20 % above that of the previous year, a development from which above all "A locations" were able to profit (Jones Lang LaSalle). B locations, the area turnovers of which are traditionally influenced by a high proportion of owner-occupiers, actually achieved good growth due to a number of classic leasing agreements, influenced above all by several large scale project developments. Hannover Region was also able to profit from this trend. In the first half of 2007 alone, 140,000 sqm logistics area was turned over. The upgrading of capacities for transportation, warehousing and expanded logistics services, up to and including the rededication of production areas, had previously resulted in high growth rates of Hannover's logistics centres in previous years as well: Since 2000, more than 280,000 sqm additional logistics space, representing an investment volume of some Euro 600 million, has been created by the location and expansion of logistics service providers.

Current logistics projects in Hannover Region also include the following owner-occupied examples

- Neukirch Logistics/Wunstorf-Eichriede (first building phase Contract Logistics Warehouse Terminal III, 7,500 sqm hall for 17,000 euro pallet bays, completed in summer 2007),
- Sonepar Deutschland/Garbsen-Nord (logistics centre on a 74,000 sqm site with 26,000 sqm hall space, completion in summer 2007),
- Rossmann/Großburgwedel (expansion of their regional warehouse by 12,000 sqm space, completion end 2007),
- Phoenix Pharmahandel pharmaceuticals/Hannover, Dornierstraße (new 5,000 sqm hall, completion summer 2007),
- Lyreco office supplies wholesale/Barsinghausen-Bantorf (expansion of logistics centre by 17,000 sqm space in autumn 2007),
- Spedition Krage/Airport Business Park (logistics centre on a 130,000 sqm site), first building phase, approx. 48,000 sqm hall, completion end 2007).



In building phase 1 of their logistics centre, Spedition **Krage**, a medium-sized freight forwarding firm is putting up a 48,000 sqm hall with 8 sections intended for different contract logistics services on a 13 hectare site. Overall, roughly Euro 30 million will be invested during the two building phases.



Logistics Potential North

Logistics locations	Area potential	Supra-regional connections*	Prices including development	Sectors and significant organisations
Burgwedel/ Großburgwedel	10 ha BP (Business Park)	Directly on A 7 (Großburgwedel)	No details	Rossmann's regional warehouse on-site (chemist/health and beauty goods), new logistics centre Pickerd Dekor
Garbsen/western Gutenbergstraße	Approx. 20 ha development area	Directly on A 2 (Garbsen)	No details	Suitable for logistics, automotive, wholesale
Hannover/ Schwarze Heide	Approx. 25 ha BP	On A 2 (Hannover- Herrenhausen), adjacent to VWN, Continental, Varta	60 Euro/sqm	Suitable for automotive, logistics; used by automobile suppliers Decoma, TKL Tank- und Kühllogistik
Isernhagen HB	5 ha BP	2 km from A 7 (Großburgwedel)	On request	Suitable for logistics, wholesale, after sales, processing businesses; used by e.g. Buderus, Viessmann, HUETTEMANN Logistik
Langenhagen/Airport Business Park	Over 40 ha BP and IA (Industrial Area)	Adjacent to airport, directly on A 352 (Hannover Airport), 5 km from A 2 (Hannover- Nord)	On request	Suitable for (aviation-related) logistics, and wholesale; used by Dachser, MTU Maintenance, Air Cargo Center with Panalpina, ABX, Kühne & Nagel, Lufthansa, DHL
Langenhagen/Rehkamp	5 ha BP	Directly on A 352 (Hannover Airport), 5 km from A 2 (Hannover-Nord)	On request	Suitable for logistics, wholesale, after sales, processing businesses; used by UPS, NET, TNT, Spedition Döpke, Schreck Spedition, Central Trailer Rentco, Wittrock & Uhlenwinkel, Dräger Medical, Bahlsen
Wedemark/Gailhof	5 ha BP	1 km from A 7 (Mellendorf)	On request	Suitable for logistics, wholesale; used by Spedition Ebeling, Kienast Schuhhandel

4*



Logistics Potential East

Laatzen/Rethen-Ost	Approx. 35 ha	Via B 6 and A 37 approx. 5 km from A 7 (Laatzen)	No details	Directly adjacent to fair grounds, suitable for logistics, wholesale, fair service providers
Lehrte/Ahlten	5 ha BP	2 km via B 65 to A 7 (Hannover-Anderten), 5 km intersection Hannover-Ost to A 2	40 bis 50 Euro/sqm	Suitable for logistics, wholesale, after sales, processing businesses; used by Schäfer's Brot- und Kuchenspezialitäten, Schulz Getränkefachgroßhandel
Hannover/Anderten	20 ha BP	1 km via B 65 to A 2 (Hannover-Anderten)	On request	Suitable for industrial business operations, wholesale; used by DHL Postfachzentrum, Frachtenkontor, HUETTEMANN Logistik
Lehrte/freight hub	10 ha IA	Directly on A 2 (Lehrte), 5 km intersection Hannover-Ost to A 7	61 Euro/sqm	Suitable for combined traffic logistics, logistics service providers; used by Hellmann Worldwide Logistics ; Planning approval procedures for combined traffic rail/rail hub completed
Lehrte/Everner Straße	9 ha BP	2 km to A 2 (Lehrte-Ost)	40 Euro/sqm	Suitable for wholesale, processing businesses; used by Hornbach DIY market warehouse
Lehrte/Immensen	Approx. 100 ha development area	Directly on A 2 (Lehrte-Ost), 5 km from planned hub (GVZ)	No details	Suitable for logistics, and wholesale, processing businesses
Sehnde/Höver	10 ha BP 25 ha development area	Directly on A 7 (Hannover-Anderten), 4 km intersection Hannover-Ost to A 7	40-60 Euro/sqm	Suitable for logistics, and wholesale, industry; used by Holcim (cement plant), NBV/UGA flower wholesale, Spicers, Köster & Hapke, trans-o-flex, Brandt Logistik



On a 12.5 ha site at Hannover Airport the **Bauwo Terminal** offers approx. 55,000 sqm of high-quality logistics halls tailored to businesses' requirements.

Real estate developers have also commenced on the erection of large logistics properties for rent to logistics service providers:

- Bauwo Terminal, a logistics centre in Langenhagen at the Airport Business Park, on a 125,000 sqm site, comprising a 55,000 sqm hall, to be commenced in the second half of 2007 (completion summer 2008).
- Indupark Nibler AG has acquired an approx. 40,000 sqm piece of land at the GVZ Lehrte, for the erection of several logistics halls. 10,000 sqm space have already been rented to Spedition Hellmann (completion mid 2008).

While the logistics market has grown strongly, rents have remained stable overall. Today's peak rent for premium new buildings in top locations with top infrastructure connections is currently around Euro 4.80/sqm. Rents for logistics properties range between 3 and 4 Euro/sqm depending upon location and quality.

Logistics Potential West

Barsinghausen/Bantorf	30 ha BP	Directly on A 2 (Bad Nenndorf)	54 Euro/sqm	Suitable for logistics, and wholesale; used by Lyreco (Office supplies wholesale)
Wunstorf/Gewerbepark Süd	10 ha BP and IA plus approx. 100 ha development area	3 km to A 2 (Kolenfeld)	40 Euro/sqm	Suitable for logistics, and wholesale; industry used by Lidl central warehouse, carriers Oskar Neukirch, Langhorst, Franke, Kraftverkehr Nagel, MUK Logistik, Marley, Akzo Nobel

*motorway, junction

At a glance: Continued success in attracting new businesses to the area: Hannover expands its position as one of Germany's prime logistics locations.

5*

Property development in other markets – Hannover Region

* Knowing what will be important tomorrow

Making an investment in the future!



In the Nordstadt district, Leibniz University Hannover is presently erecting a **laboratory for nano and quantum engineering (LNQE)** at total costs of around Euro 12.8 million. On a main usable floor area of 1,160 sqm, a clean room wing, a laboratory building and floor space for a transmission electron microscope are being created. 60 engineers and scientists will be working on projects such as, for example, self-cleaning car paints. (computer graphics: KSP-Architekten)

Hannover Region is an attractive place for investments. A fact underpinned by having high demographic stability and bright development prospects in future industries. Demographic forecasts predict that up to 2020 the population will remain stable. Hannover Region's appeal as a business location is confirmed by its ranking (Ernst & Young 2006) amongst the Top 20 German cities. Corporations surveyed confirmed Hannover's top marks in factors such as property prices, wage levels, employee qualifications and sequality of resarch facilities.

A cluster strategy adopted in future industries, complemented by a high level of collaboration between business and research communities, provides the platform for ensuring the location remains attractive to business in the future. Hannover Region's future business development is supported by Hannover's business promotion company, hannoverimpuls GmbH. The activities focus on promoting the automotive, ICT (information and communications technology), production technology, optical technologies and life science sectors. In the future, this spectrum will also be adapted to include bio energy, climate protection and the health sector.



In April, work on the new "Klinikum am Bünteweg" building commenced. Intended for use by the **University of Veterinary Medicine Hannover Foundation**, it is set for completion in autumn 2009. This clinic complex offers approx. 20,000 sqm in floor space with building costs amounting to Euro 45 million (shared equally between the Federal Republic of Germany and the State of Lower Saxony).

In the recent past, activities in these sectors have been boosted by a number of investments in research and infrastructure facilities, including for example the Production Engineering Centre (PZH) in Garbsen, the Laser Centre and the Centre for Vehicle Components and Systems (ZFKS) at the Science Park in Marienwerder, the Learning Lab Lower Saxony (L3S) at Expo Park Hannover and the private INI International Neuroscience Institute at Medical Park Hannover.

Spring of this year saw building commence on a new clinic complex at the University of Veterinary Medicine in Kirchrode (completion: autumn 2009). The construction of the LNQE Laboratory for Nano-Quantum Engineering at Leibniz University is scheduled for end 2007. The LNQE will bring together various engineering-scientific faculties (completion in early 2009).

E.ON Energie completed the construction of its data centre at Treskowstraße in autumn 2006. The centre provides data access for the Group's 80,000 employees worldwide. Construction equipment manufacturer Komatsu plans to erect its

European Technology Centre (EUTC) at its grounds in Linden-south/Hanomagstraße with an investment volume of approx. Euro 35 million (construction starts in 2008).

The health, leisure and culture industries will also gain in significance in the future: Current projects in the recreation industry include the HBX city brewery at Aegi (a major catering project involving renovation of Osterstraße 64 to create approx. 1,000 sqm catering space on three storeys, opening in autumn 2007), the building of a new four-star-plus hotel on Hohes Ufer (scheduled completion date 2009), and the renovation of the bathing beach at the Maschsee lake (construction scheduled to start in autumn 2007).

A major investment project in the health industry is the planned construction of Hannover Region's new clinic in the Linden district on the site of the Siloah hospital. The concept here is to centralise the clinic buildings of the Oststadt/ Heidehaus hospital and, the Siloah hospital to create a regional centre with everything close at

hand. The construction of the 535-bed new hospital building, with an investment volume of approx. Euro 100 million, is to kick off in mid 2008 (completion 2012).

In the culture sector, some long-term plans in the pipeline go hand-in-hand with major investment potential, for example the conversion of Hannover's former central goods station (multifunctional usage), the planned extension of the Sprengel Museum on the Maschsee lake (investment volume approx. Euro 25 million, completion planned for 2012), and the Yukon Bay project at Hannover's famous zoo and world of adventure (a 22,000 sqm Alaskan landscape with an investment volume of approx. Euro 25 million).

All of these investments add to the long-term consolidation, upgrading and expansion of Hannover Region's position as an attractive location offering outstanding quality of life.

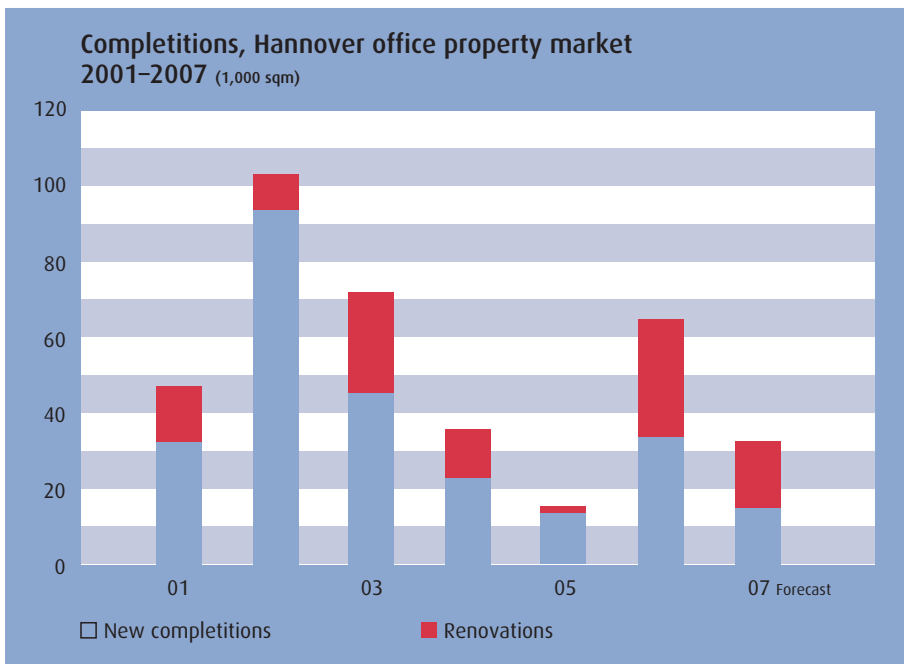
At a glance: Thanks to its clever way of attracting new business, Hannover is already experiencing growth in emerging markets that will gain importance in the future.

6*

Facts and figures – Hannover Region

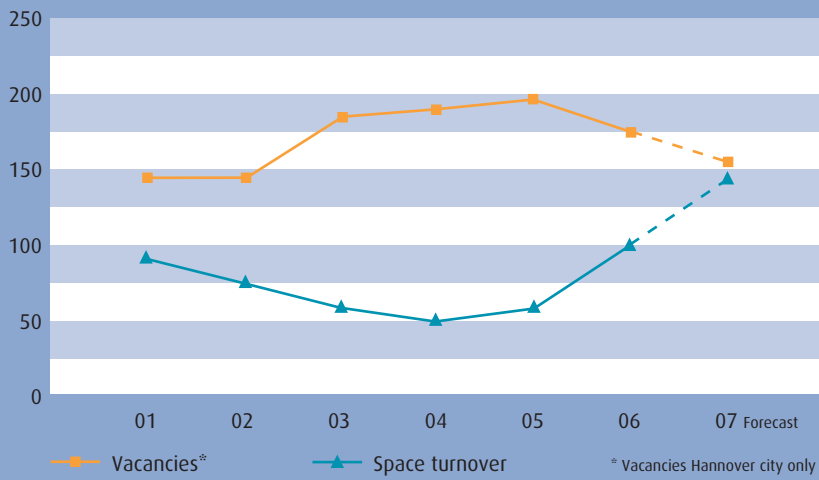
* Development of the office property market

Main points at a glance!

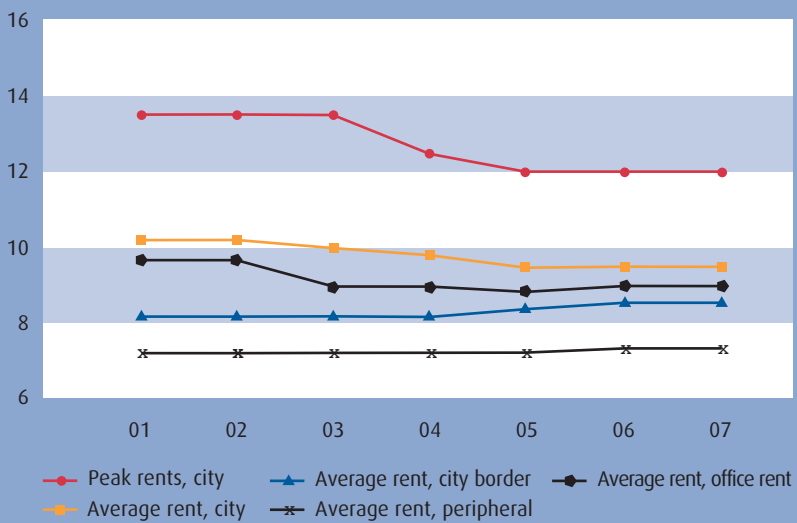




Office turnover and vacancies in Hannover
2001-2007 (1,000 sqm)



Hannover office rents 2001-2007 (Euro/sqm)



6*



Hannover Region's Property Market – Current facts and figures

Office Property Market

Total office employees, 2006	147,547
Total office employment rate, 2006	38.6 %
Rental area, office inventory, Hannover office market, 2006 (g.i.f.) in sqm ¹⁾	3.72 million
Area turnover, rental, 2006 ¹⁾	100,000
Area turnover, rental, 2007 (estimated) ¹⁾	140,000
Vacancies 2006 in sqm ²⁾	175,000
Vacancy rate (gif), 2006 ²⁾	5.6 %
Office, peak city rent, 2007 in Euro/sqm	12.00
Office, average city rent, 2007 in Euro/sqm	9.50
Net initial return in top locations	6.3 %

¹⁾ Total Hannover market = Hannover city plus Laatzen and Langenhagen

²⁾ Vacancies refer to Hannover city area only

Residential property market

Housing stock, 2005 in family units	287,500
Completions, residential space, 2005	76,100
Residential rents, new buildings, maximum in Euro/sqm	8.60
Residential rents, new buildings, average in Euro/sqm	7.20
Purchase price for owner-occupied flats, new, maximum in Hannover city, 2006 in Euro/sqm	2,800
Purchase price, owner occupied flats, new, average, Hannover city, 2006 in Euro/sqm	2,100
Turnover transaction volume Residential market 2006 in million Euro	1,475

Retail property market

Purchasing power index (GfK), retail-relevant (Hannover city)	105.3
Turnover index (GfK; Hannover city)	139.9
Centrality index (GfK; Hannover city)	132.9
Retail space, Hannover Region in sqm	1.8 million
Of which, Hannover city in sqm	791,000
Of which, Hannover city centre in sqm	257,000
Retail, peak city rent, Große Packhofstraße, Georgstraße, 2007 in Euro/sqm	165.00
Retail, average city rent, 2007 in Euro/sqm	115.00
Net initial return in 1A locations	5.0 %

Logistics property market

Logistics areas in ha	over 450
Of which, available immediately in ha	approx. 160
Peak rents (new buildings with excellent fixtures and fittings and top location connections (2007) in Euro/sqm	4.80
Average rent, 2007 in Euro/sqm	3.20
Net initial return in top locations	8.5 %

How Hannover compares with selected German cities

	Hannover	Bremen	Dortmund	Nürnberg	Stuttgart
Population as at 30 September 2006	515,957	548,381	587,659	499,539	593,639
Employed and paying NI 2006 ¹⁾	271,131	231,125	193,593	256,591	350,449
Employed and paying NI-office 2006 ¹⁾	123,986	90,395	80,896	110,899	183,715
Employed and paying NI-office, employment rate 2006 ¹⁾	45.7 %	39.1 %	41.8 %	43.2 %	52.4 %
Total employees 2006 ¹⁾	382,036	329,345	303,910	369,065	468,536
Total office employees 2006 ¹⁾	147,547	109,348	99,495	133,133	215,961
Total office employee rate 2006 ¹⁾	38.6 %	33.2 %	32.7 %	36.1 %	46.1 %
Unemployment rate 2006 ²⁾	16.2 %	15.0 %	18.7 %	13.1 %	9.4 %
Office space inventory, 2006 in sqm	3,151,592	2,341,975	2,410,093	3,200,501	7,259,240
Area turnover, 2006 in sqm	80,000	110,000	63,000	60,000	140,000
Vacancies, 2006 in sqm	175,000	115,000	155,000	240,000	467,000
Vacancy rate, 2006	5.6 %	4.9 %	6.4 %	7.5 %	6.4 %
Peak office rent, city, 2006 in Euro/sqm	12.00	11.80	12.00	10.00	16.00
Average office rent, city, 2006 in Euro/sqm	9.50	7.50	10.00	7.80	13.60
Peak retail rent, city, 2006 in Euro/sqm	150.0	105.0	152.0	102.0	210.0
Purchasing power index, 2007	105.3	97.3	101.5	107.3	106.9
Turnover index, 2007	139.9	122.5	107.8	143.6	140.4
Centrality index, 2007	132.9	126.0	106.2	133.8	131.3

Sources: State Statistical Offices, Federal Employment Office, GfK, surveys and calculations by BulwienGesa AG

¹⁾Provisional estimates by BulwienGesa AG based on data available at time of reporting from Federal Employment Agency

²⁾Annual average value with respect to all employed persons; due to re-evaluation of data by the Federal Employment Agency in 2005, figures cannot be compared with previous years



Region Hannover

Landeshauptstadt



Hannover

Hannover Region Business Enterprise Office

- Guidance and broking
- Location information
- Real estate and property consulting
- Investment and subsidy advice
- Crisis contact point

The Business Enterprise Office is open Monday through Friday, 9:00 am to 5:00 pm. Appointments can also be arranged outside normal office hours, please call.

Haus der Wirtschaftsförderung
Prinzenstraße 12
30159 Hannover
Phone +49 (0) 800 616 0 616
Fax +49 (0) 511 616 - 2 34 53
www.english.unternehmerbuero-hannover.de
unternehmerbuero@region-hannover.de

www.immobilienmarktbericht-hannover.de

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Fachbereich Wirtschaft
Brüderstraße 6
30159 Hannover
Phone +49 (0) 511 168 - 3 13 13
Fax +49 (0) 511 168 - 4 12 45
www.wirtschaftsfoerderung-hannover.de
wirtschaftsfoerderung@hannover-stadt.de