

Residential real estate

EPRA conference panel introduction

Osmaan Malik, CFA

Analyst - Head of European Real Estate

Tel: +44 20 7567 3026

osmaan.malik@ubs.com

Charles Boissier, CFA

Analyst - European Real Estate

Tel: +44 20 7568 4415

charles.boissier@ubs.com



This document has been prepared by UBS Limited

ANALYST CERTIFICATION AND REQUIRED DISCLOSURES BEGIN ON SLIDE 7

UBS does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

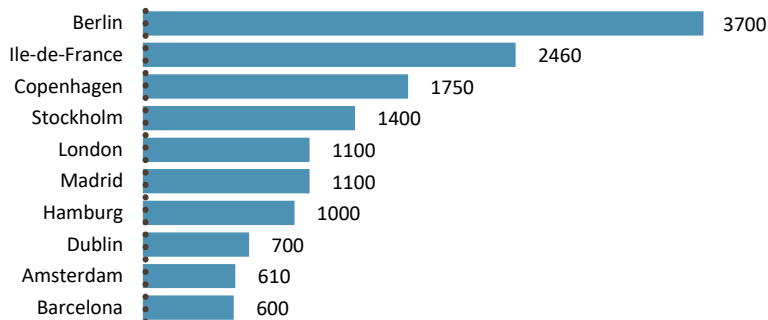
Listed residential: market background and overview

- A very brief history
 - Sector gained visibility in 2013 with German residential IPOs (LEG, Vonovia)
 - 2016-2018 emergence of listed residential across a wider range of markets and sub-sectors

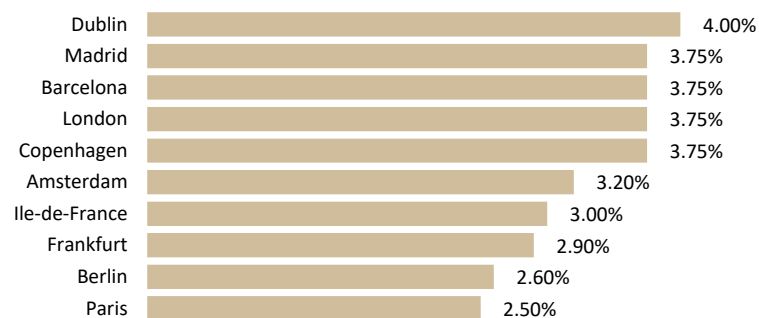
- Supportive drivers
 - Urbanisation
 - Decreasing household sizes supporting household formation hence rental demand
 - Rents and prices starting from a low base (Germany)
 - Limited supply
 - Sought-after stability of income

Residential sees growing investor demand

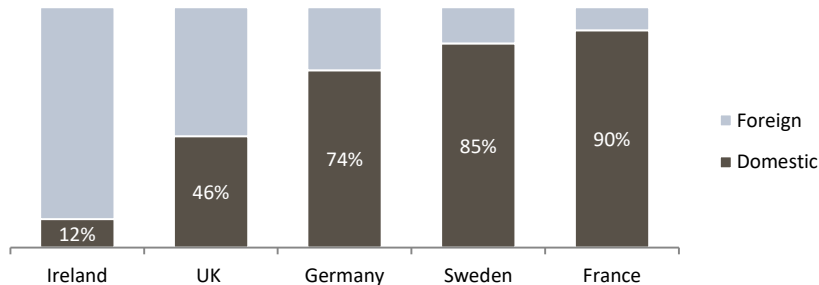
Institutional investment in European residential – City ranking, €m



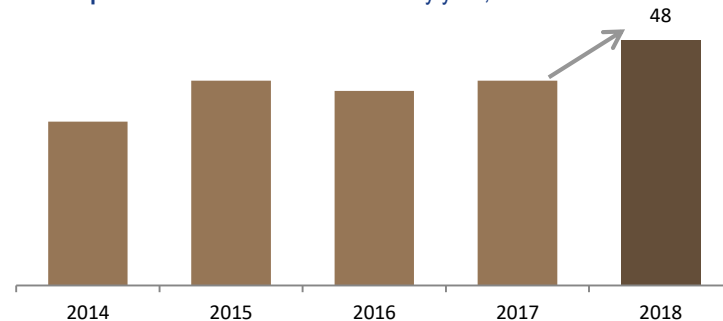
Net yield - 2018



Institutional investment in European residential – Source of capital



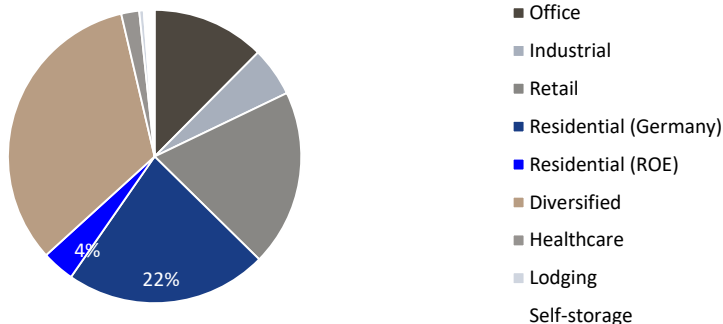
European residential investments – by year, €bn



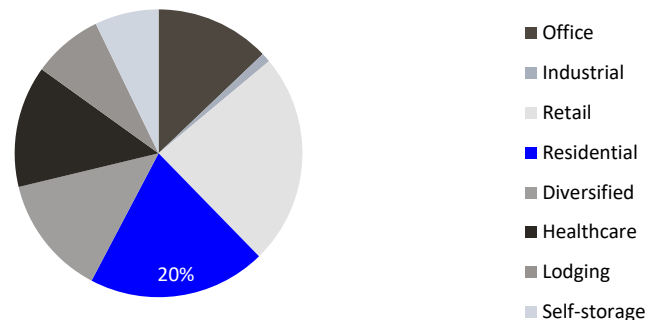
Source: JLL (all exhibits)

Residential is now Europe's largest listed sector

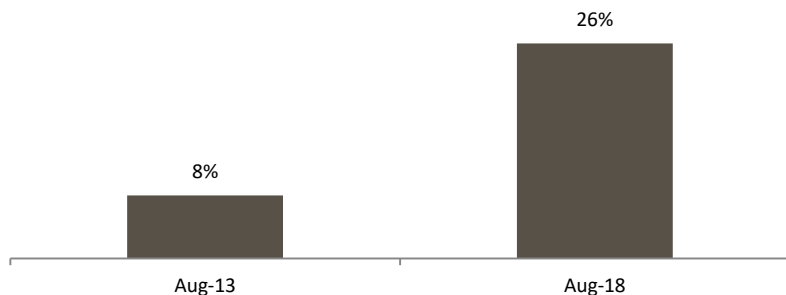
EPRA developed Europe – Split by sector, August 2018



EPRA developed North America – Split by sector, August 2018

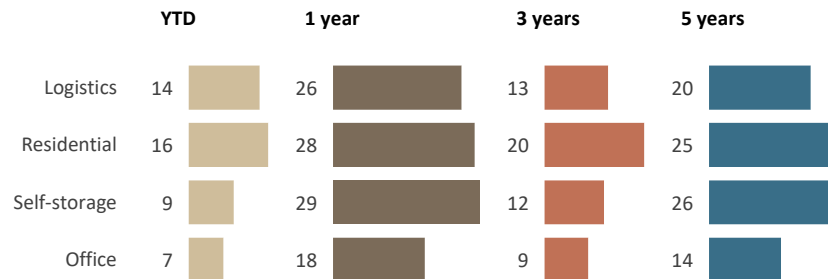


EPRA developed Europe – Residential weight, August 2018 vs. 2013



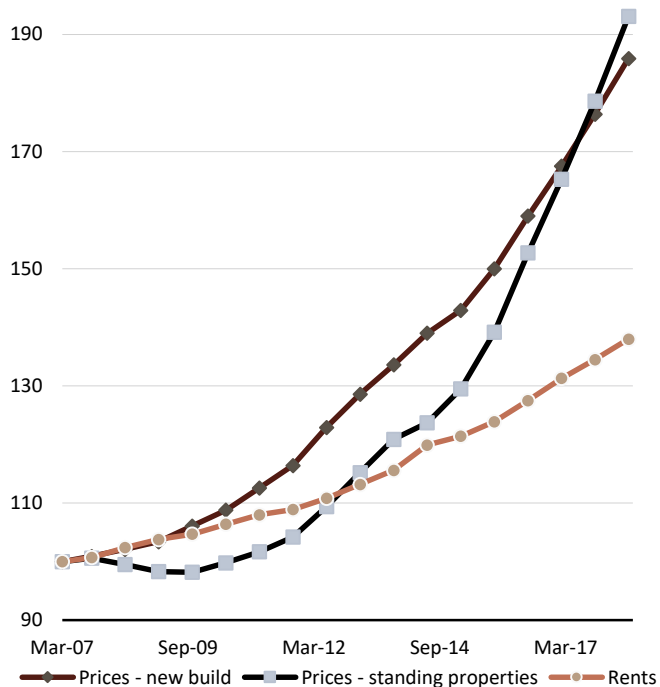
Source: EPRA (all exhibits)

EPRA developed Europe – TSR by sector (in %, 3 and 5-years annualised)

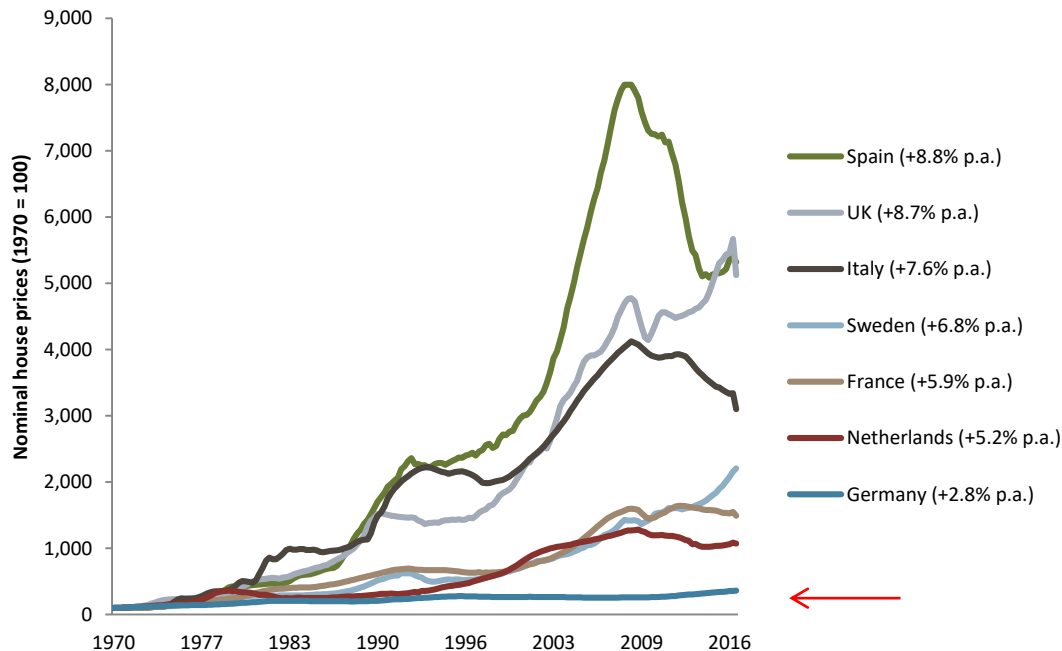


Quick take on German residential, our preferred sector (slide 1/2)

German residential prices in the short term...



...and in the longer term

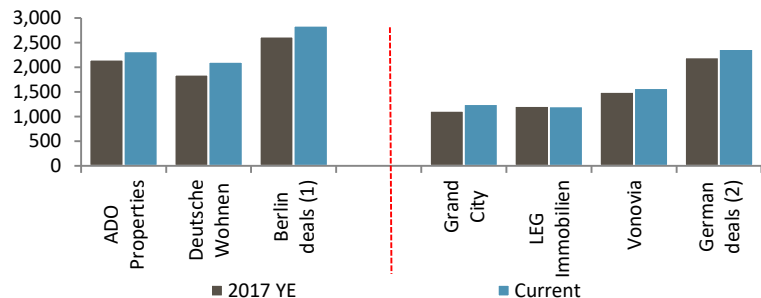


Source: Eurostat, OECD, Deutsche Bundesbank, INSEE, ISTAT RPPI, UK Ministry of Housing, Communities and Local Government, Banco de España, UBS

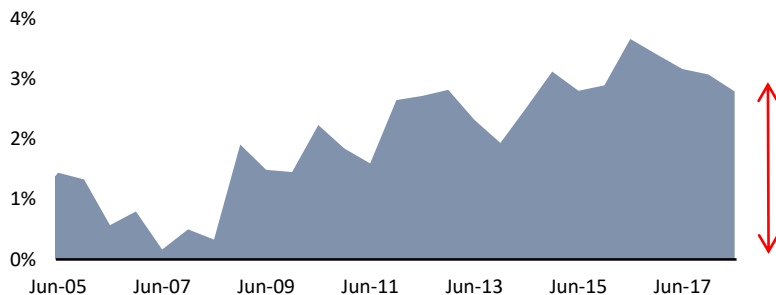
Quick take on German residential, our preferred sector (slide 2/2)

Listed still at large discount to unlisted

Value / sqm of underlying real estate portfolios implied by current share prices



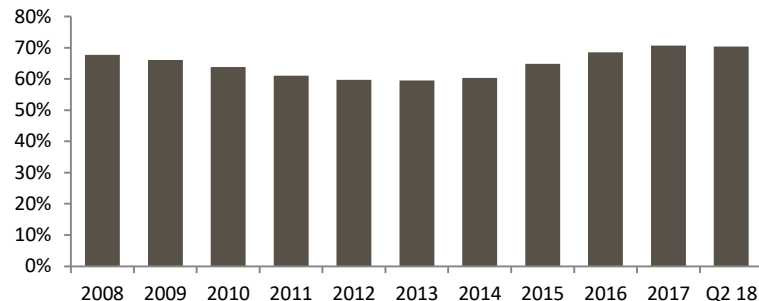
Resi yield spread vs Bund yield suggests some buffer



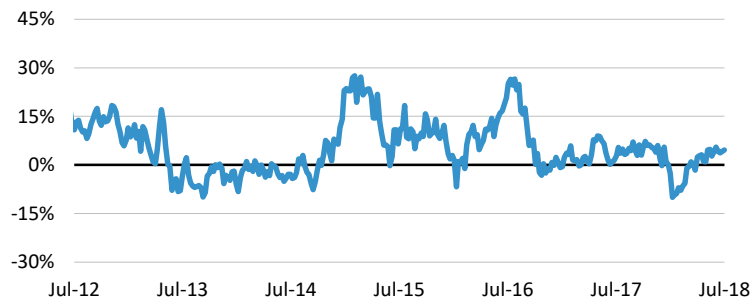
Source: CBRE, Datastream, UBS (all exhibits) // (1) Berlin deals relevant for ADO and Deutsche Wohnen; German deals are excluding Berlin deals and are relevant for Grand City, LEG and Vonovia.

Institutional investors do not appear to be overpaying on a relative basis

Stable spread between portfolio pricing and the underlying apartment market




Stocks at spot NAVs, large discount to forward NAVs – Deutsche Wohnen



Recent UBS research on the residential sector

Sweden residential: survey of housing intentions



Global Research

16 July 2018

Powered by
UBS Evidence Lab

Sweden real estate

UBS Evidence Lab: Survey of 1,375 residents shows residential stabilisation and Stockholm growth

Equities
Sweden Real Estate

Sweden residential: is the decline now reversing?
Risks seem to have decreased in Swedish residential. In this note, we wanted to gain insight into the Swedish residential market's future dynamics so we surveyed the market movers, i.e. the locals, on their housing intentions: what is their view of residential prices over the next 12 months? How difficult is it to secure a mortgage since the new rules introduced in March? What is happening to rents? Are Swedes still moving to Stockholm? Or, on the contrary, is Stockholm hurt by stretched affordability? We present here the answers from this first UBS Evidence Lab Sweden residential survey.

What have we done?
We partnered with UBS Evidence Lab on a proprietary online survey of 80 questions focused on housing intentions to 1,375 Swedish residents representative of the population distribution based on age, income and geography.

What does the survey actually say?
(1) The majority of respondents think the worst has passed. Twice as many locals expect prices to increase rather than decrease (30% vs. 14%) over the next 12 months. Only 3% of Swedes see a very negative scenario, i.e. prices falling in excess of 10%. (2) Undersupply is a concern, not oversupply: more than 90% of Sweden and Stockholm residents see current supply as too low or just right for non-luxury properties. (3) Tenants also expect it will become increasingly difficult to find a liveable and affordable rental property, hence 2/3rd would just stay if their rent goes up more than 10% over the next 2 years. (4) Affordability is cited as only the 10th most important reason to move city – suggesting Stockholm's stretched rent-to-income ratio of 33% should not prevent future urbanisation. Our data point to stable net growth from internal migration (+0.2% p.a.).

Valuation:
Sweden residential has limited direct impact in our coverage (<1% of GLA) yet a more extensive indirect one. Since 2014, residential investment has provided a 10-45 bps p.a. boost to Sweden's GDP so the encouraging picture from this survey has comforting implications for the overall economy. We have Buys on Fabege (16% premium to spot NAV) and Hufvudstaden (12% discount to spot NAV), and separately continue to be positive on Vonovia (1% discount to spot NAV), which recently entered the market.

Charles Boissier, CFA
Analyst
charles.boissier@ubs.com
+44-20-7568 4415

Osmaan Malik, CFA
Analyst
osmaan.malik@ubs.com
+44-20-7567 3026

Johan Ekblom, CFA
Analyst
johan.ekblom@ubs.com
+44-20-7568 3580

Magnus Kruber, CFA
Analyst
magnus.kruber@ubs.com
+46-8-453 7311

Gregor Kuglitsch
Analyst
gregor.kuglitsch@ubs.com
+44-20-7567 3553

Miguel Borrega
Analyst
miguel.borrega@ubs.com
+44-20-7568 4394

London residential: web-scraping property listings



Global Research

16 August 2018

Powered by
UBS Evidence Lab

London residential monitor

UBS Evidence Lab: Tracking London residential trends. What went up is coming down.

Equities
Europe including UK Real Estate

Using big data to uncover London residential market trends
We launch a new product together with our UBS Evidence Lab colleagues. Based on a web scrape of residential property websites spanning c.100k listings, we have created various measures to track the health of London's residential market at a granular level. We can use this data to keep track of trends that affect property companies with residential exposure (e.g. Capco, Shaftesbury) and Housebuilders operating in London (e.g. Berkeley), as well as implications for the Banks and signals for the wider economy.

Weak market: particularly for higher value properties
The London housing market remains weak. Stretched affordability, high levels of supply at prime price points, and numerous changes to stamp duty have all taken their toll, at a time where [Brexit uncertainties linger](#). London-wide, our data shows this weakness, with (1) a widening trend in the average discount vs. original price (2) properties taking longer to sell (3) supply of 'For Sale' properties creeping up. As we drill down to individual Boroughs, we find similar messages, but with a clear trend that more expensive properties are taking longer to sell and are offering the widest % discounts.

Market implications
In past cycles, a London downturn has pre-empted a wider loss of momentum and decline in consumer confidence. The Bank of England thinks this time may be different, as the capital is more exposed than the national market to stamp duty changes and is more likely to be impacted by the departure of EU nationals. At the company level, Capco is the most obvious property company facing these difficulties head on. Its major land plot at Earls Court has lost 35% value since peak. For UK housebuilders, the exposure to central London, higher value properties (£1,000/sq ft+) is relatively small but is material for Berkeley Group. We think the soft data shown in this report is consistent with more challenging trading conditions registered for the past 2 years. Outer London, especially properties sub E600k ASP, remain resilient given they are supported by Help to Buy.

Osmaan Malik, CFA
Analyst
osmaan.malik@ubs.com
+44-20-7567 3026

Gregor Kuglitsch
Analyst
gregor.kuglitsch@ubs.com
+44-20-7567 3553

John Wraith
Strategist
john.wraith@ubs.com
+44-20-7568 9286

Jason Napier, CFA
Analyst
jason.napier@ubs.com
+44-20-7568 5037

Charles Boissier, CFA
Analyst
charles.boissier@ubs.com
+44-20-7568 4415

Miguel Borrega
Analyst
miguel.borrega@ubs.com
+44-20-7568 4394

Tian Cao
Analyst
tian.cao@ubs.com
+44-20-7568 4416

Charmsol Yoon, CFA
Analyst
charmsol.yoon@ubs.com
+44-20-7567 6171

Source: UBS (all exhibits)



Valuation Method & Risk Statement

The real estate sector can be cyclical and faces risks at a number of levels. The level of the economy, both macro and local, can adversely affect demand and the ability of tenants to pay rent. Excessive levels of supply can also lead to falling rents. Rising interest rates can affect the security of the tenant base, lower development margins significantly, and reduce investment appetite. Interest rates, bond yields and the relative attractions of other assets classes can all have an impact on property values. Property values can also be affected by changes in planning, taxes, technology and lease structures. This risk can be amplified in the real estate sector through development exposure, gearing and the rating.

Analyst Certification

Each research analyst primarily responsible for the content of this research report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers and were prepared in an independent manner, including with respect to UBS, and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report.

Required Disclosures

This document has been prepared by UBS Limited, an affiliate of UBS AG. UBS AG, its subsidiaries, branches and affiliates are referred to herein as UBS.

For information on the ways in which UBS manages conflicts and maintains independence of its research product; historical performance information; and certain additional disclosures concerning UBS research recommendations, please visit www.ubs.com/disclosures. The figures contained in performance charts refer to the past; past performance is not a reliable indicator of future results. Additional information will be made available upon request. UBS Securities Co. Limited is licensed to conduct securities investment consultancy businesses by the China Securities Regulatory Commission. UBS acts or may act as principal in the debt securities (or in related derivatives) that may be the subject of this report. This recommendation was finalized on: 4 September 2018 11:26 GMT. UBS has designated certain Research department members as Derivatives Research Analysts where those department members publish research principally on the analysis of the price or market for a derivative, and provide information reasonably sufficient upon which to base a decision to enter into a derivatives transaction. Where Derivatives Research Analysts co-author research reports with Equity Research Analysts or Economists, the Derivatives Research Analyst is responsible for the derivatives investment views, forecasts, and/or recommendations.

Required Disclosures (continued)

UBS Investment Research: Global Equity Rating Definitions

12-Month Rating	Definition	Coverage ¹	IB Services ²
Buy	FSR is > 6% above the MRA.	48%	25%
Neutral	FSR is between -6% and 6% of the MRA.	37%	21%
Sell	FSR is > 6% below the MRA.	15%	13%
Short-Term Rating	Definition	Coverage ³	IB Services ⁴
Buy	Stock price expected to rise within three months from the time the rating was assigned because of a specific catalyst or event.	<1%	<1%
Sell	Stock price expected to fall within three months from the time the rating was assigned because of a specific catalyst or event.	<1%	<1%

Source: UBS. Rating allocations are as of 30 June 2018.

1: Percentage of companies under coverage globally within the 12-month rating category.

2: Percentage of companies within the 12-month rating category for which investment banking (IB) services were provided within the past 12 months.

3: Percentage of companies under coverage globally within the Short-Term rating category.

4: Percentage of companies within the Short-Term rating category for which investment banking (IB) services were provided within the past 12 months.

KEY DEFINITIONS: **Forecast Stock Return (FSR)** is defined as expected percentage price appreciation plus gross dividend yield over the next 12 months. In some cases, this yield may be based on accrued dividends. **Market Return Assumption (MRA)** is defined as the one-year local market interest rate plus 5% (a proxy for, and not a forecast of, the equity risk premium). **Under Review (UR)** Stocks may be flagged as UR by the analyst, indicating that the stock's price target and/or rating are subject to possible change in the near term, usually in response to an event that may affect the investment case or valuation. **Short-Term Ratings** reflect the expected near-term (up to three months) performance of the stock and do not reflect any change in the fundamental view or investment case. **Equity Price Targets** have an investment horizon of 12 months.

EXCEPTIONS AND SPECIAL CASES: **UK and European Investment Fund ratings and definitions are:** **Buy:** Positive on factors such as structure, management, performance record, discount; **Neutral:** Neutral on factors such as structure, management, performance record, discount; **Sell:** Negative on factors such as structure, management, performance record, discount. **Core Banding Exceptions (CBE):** Exceptions to the standard +/-6% bands may be granted by the Investment Review Committee (IRC). Factors considered by the IRC include the stock's volatility and the credit spread of the respective company's debt. As a result, stocks deemed to be very high or low risk may be subject to higher or lower bands as they relate to the rating. When such exceptions apply, they will be identified in the Company Disclosures table in the relevant research piece.

Research analysts contributing to this report who are employed by any non-US affiliate of UBS Securities LLC are not registered/qualified as research analysts with FINRA. Such analysts may not be associated persons of UBS Securities LLC and therefore are not subject to the FINRA restrictions on communications with a subject company, public appearances, and trading securities held by a research analyst account. The name of each affiliate and analyst employed by that affiliate contributing to this report, if any, follows.

UBS Limited: Osman Malik, CFA; Charles Boissier, CFA.

Unless otherwise indicated, please refer to the Valuation and Risk sections within the body of this report. For a complete set of disclosure statements associated with the companies discussed in this report, including information on valuation and risk, please contact UBS Securities LLC, 1285 Avenue of Americas, New York, NY 10019, USA, Attention: Investment Research.

Company Disclosures

Company Name	Reuters	12-month rating	Short-term rating	Price	Price date
ADO Properties SA ¹⁶	ADJ.DE	Buy	N/A	€54.50	03 Sep 2018
Deutsche Wohnen SE ^{2, 4, 7}	DWNG.DE	Buy	N/A	€42.93	03 Sep 2018
Fabege AB	FABG.ST	Buy	N/A	SKr120.86	03 Sep 2018
Grand City ^{2, 4}	GYC.DE	Buy	N/A	€23.46	03 Sep 2018
Hufvudstaden AB	HUFVa.ST	Buy	N/A	SKr141.80	03 Sep 2018
LEG Immobilien AG ¹³	LEGn.DE	Buy	N/A	€104.05	03 Sep 2018
Vonovia SE	VNAn.DE	Buy	N/A	€43.41	03 Sep 2018

Source: UBS. All prices as of local market close.

Ratings in this table are the most current published ratings prior to this report. They may be more recent than the stock pricing date

2. UBS AG, its affiliates or subsidiaries has acted as manager/co-manager in the underwriting or placement of securities of this company/entity or one of its affiliates within the past 12 months.
4. Within the past 12 months, UBS AG, its affiliates or subsidiaries has received compensation for investment banking services from this company/entity or one of its affiliates.
7. Within the past 12 months, UBS Securities LLC and/or its affiliates have received compensation for products and services other than investment banking services from this company/entity.
13. UBS AG, its affiliates or subsidiaries beneficially owned 1% or more of a class of this company's common equity securities as of last month's end (or the prior month's end if this report is dated less than 10 days after the most recent month's end).
16. UBS Limited has entered into an arrangement to act as a liquidity provider and/or market maker in the financial instruments of this company.

Unless otherwise indicated, please refer to the Valuation and Risk sections within the body of this report. For a complete set of disclosure statements associated with the companies discussed in this report, including information on valuation and risk, please contact UBS Securities LLC, 1285 Avenue of Americas, New York, NY 10019, USA, Attention: Investment Research.

Global Disclaimer

This document has been prepared by UBS Limited, an affiliate of UBS AG. UBS AG, its subsidiaries, branches and affiliates are referred to herein as UBS.

Global Research is provided to our clients through UBS Neo, and in certain instances, UBS.com and any other system or distribution method specifically identified in one or more communications distributed through UBS Neo or UBS.com (each a system) as an approved means for distributing Global Research. It may also be made available through third party vendors and distributed by UBS and/or third parties via e-mail or alternative electronic means. The level and types of services provided by Global Research to a client may vary depending upon various factors such as a client's individual preferences as to the frequency and manner of receiving communications, a client's risk profile and investment focus and perspective (e.g., market wide, sector specific, long-term, short-term, etc.), the size and scope of the overall client relationship with UBS and legal and regulatory constraints.

All Global Research is available on UBS Neo. Please contact your UBS sales representative if you wish to discuss your access to UBS Neo.

When you receive Global Research through a System, your access and/or use of such Global Research is subject to this Global Research Disclaimer and to the terms of use governing the applicable System.

When you receive Global Research via a third party vendor, e-mail or other electronic means, you agree that use shall be subject to this Global Research Disclaimer, where applicable the UBS Investment Bank terms of business (<https://www.ubs.com/global/en/investment-bank/regulatory.html>) and to UBS's Terms of Use/Disclaimer (<http://www.ubs.com/global/en/legalinfo2/disclaimer.html>). In addition, you consent to UBS processing your personal data and using cookies in accordance with our Privacy Statement (<http://www.ubs.com/global/en/legalinfo2/privacy.html>) and cookie notice (<http://www.ubs.com/global/en/homepage/cookies/cookie-management.html>).

If you receive Global Research, whether through a System or by any other means, you agree that you shall not copy, revise, amend, create a derivative work, provide to any third party, or in any way commercially exploit any UBS research provided via Global Research or otherwise, and that you shall not extract data from any research or estimates provided to you via Global Research or otherwise, without the prior written consent of UBS.

This document is for distribution only as may be permitted by law. It is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject UBS to any registration or licensing requirement within such jurisdiction.

This document is a general communication and is educational in nature; it is not an advertisement nor is it a solicitation or an offer to buy or sell any financial instruments or to participate in any particular trading strategy. Nothing in this document constitutes a representation that any investment strategy or recommendation is suitable or appropriate to an investor's individual circumstances or otherwise constitutes a personal recommendation. By providing this document, none of UBS or its representatives has any responsibility or authority to provide or have provided investment advice in a fiduciary capacity or otherwise. Investments involve risks, and investors should exercise prudence and their own judgment in making their investment decisions. None of UBS or its representatives is suggesting that the recipient or any other person take a specific course of action or any action at all. By receiving this document, the recipient acknowledges and agrees with the intended purpose described above and further disclaims any expectation or belief that the information constitutes investment advice to the recipient or otherwise purports to meet the investment objectives of the recipient. The financial instruments described in the document may not be eligible for sale in all jurisdictions or to certain categories of investors.

Options, structured derivative products and futures (including OTC derivatives) are not suitable for all investors. Trading in these instruments is considered risky and may be appropriate only for sophisticated investors. Prior to buying or selling an option, and for the complete risks relating to options, you must receive a copy of "The Characteristics and Risks of Standardized Options." You may read the document at <http://www.theocc.com/publications/risks/riskchap1.jsp> or ask your salesperson for a copy. Various theoretical explanations of the risks associated with these instruments have been published. Supporting documentation for any claims, comparisons, recommendations, statistics or other technical data will be supplied upon request. Past performance is not necessarily indicative of future results. Transaction costs may be significant in option strategies calling for multiple purchases and sales of options, such as spreads and straddles. Because of the importance of tax considerations to many options transactions, the investor considering options should consult with his/her tax advisor as to how taxes affect the outcome of contemplated options transactions.

Mortgage and asset-backed securities may involve a high degree of risk and may be highly volatile in response to fluctuations in interest rates or other market conditions. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument referred to in the document. For investment advice, trade execution or other enquiries, clients should contact their local sales representative.

The value of any investment or income may go down as well as up, and investors may not get back the full (or any) amount invested. Past performance is not necessarily a guide to future performance. Neither UBS nor any of its directors, employees or agents accepts any liability for any loss (including investment loss) or damage arising out of the use of all or any of the information.

Prior to making any investment or financial decisions, any recipient of this document or the information should seek individualized advice from his or her personal financial, legal, tax and other professional advisors that takes into account all the particular facts and circumstances of his or her investment objectives.

Any prices stated in this document are for information purposes only and do not represent valuations for individual securities or other financial instruments. There is no representation that any transaction can or could have been effected at those prices, and any prices do not necessarily reflect UBS's internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by UBS or any other source may yield substantially different results.

No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained in any materials to which this document relates (the "Information"), except with respect to Information concerning UBS. The Information is not intended to be a complete statement or summary of the securities, markets or developments referred to in the document. UBS does not undertake to update or keep current the Information. Any opinions expressed in this document may change without notice and may differ or be contrary to opinions expressed by other business areas or groups, personnel or other representative of UBS. Any statements contained in this report attributed to a third party represent UBS's interpretation of the data, information and/or opinions provided by that third party either publicly or through a subscription service, and such use and interpretation have not been reviewed by the third party. In no circumstances may this document or any of the Information (including any forecast, value, index or other calculated amount ("Values")) be used for any of the following purposes:

- (i) valuation or accounting purposes;
- (ii) to determine the amounts due or payable, the price or the value of any financial instrument or financial contract; or
- (iii) to measure the performance of any financial instrument including, without limitation, for the purpose of tracking the return or performance of any Value or of defining the asset allocation of portfolio or of computing performance fees.

By receiving this document and the Information you will be deemed to represent and warrant to UBS that you will not use this document or any of the Information for any of the above purposes or otherwise rely upon this document or any of the Information.

UBS has policies and procedures, which include, without limitation, independence policies and permanent information barriers, that are intended, and upon which UBS relies, to manage potential conflicts of interest and control the flow of information within divisions of UBS and among its subsidiaries, branches and affiliates. For further information on the ways in which UBS manages conflicts and maintains independence of its research products, historical performance information and certain additional disclosures concerning UBS research recommendations, please visit www.ubs.com/disclosures.

Research will initiate, update and cease coverage solely at the discretion of UBS Research Management, which will also have sole discretion on the timing and frequency of any published research product. The analysis contained in this document is based on numerous assumptions. All material information in relation to published research reports, such as valuation methodology, risk statements, underlying assumptions (including sensitivity analysis of those assumptions), ratings history etc. as required by the Market Abuse Regulation, can be found on UBS Neo. Different assumptions could result in materially different results.

Global Disclaimer (continued)

The analyst(s) responsible for the preparation of this document may interact with trading desk personnel, sales personnel and other parties for the purpose of gathering, applying and interpreting market information. UBS relies on information barriers to control the flow of information contained in one or more areas within UBS into other areas, units, groups or affiliates of UBS. The compensation of the analyst who prepared this document is determined exclusively by research management and senior management (not including investment banking). Analyst compensation is not based on investment banking revenues; however, compensation may relate to the revenues of UBS and/or its divisions as a whole, of which investment banking, sales and trading are a part, and UBS's subsidiaries, branches and affiliates as a whole.

For financial instruments admitted to trading on an EU regulated market: UBS AG, its affiliates or subsidiaries (excluding UBS Securities LLC) acts as a market maker or liquidity provider (in accordance with the interpretation of these terms in the UK) in the financial instruments of the issuer save that where the activity of liquidity provider is carried out in accordance with the definition given to it by the laws and regulations of any other EU jurisdictions, such information is separately disclosed in this document. For financial instruments admitted to trading on a non-EU regulated market: UBS may act as a market maker save that where this activity is carried out in the US in accordance with the definition given to it by the relevant laws and regulations, such activity will be specifically disclosed in this document. UBS may have issued a warrant the value of which is based on one or more of the financial instruments referred to in the document. UBS and its affiliates and employees may have long or short positions, trade as principal and buy and sell in instruments or derivatives identified herein; such transactions or positions may be inconsistent with the opinions expressed in this document.

Within the past 12 months UBS AG, its affiliates or subsidiaries may have received or provided investment services and activities or ancillary services as per MiFID II which may have given rise to a payment or promise of a payment in relation to these services from or to this company.

United Kingdom and the rest of Europe: Except as otherwise specified herein, this material is distributed by UBS Limited to persons who are eligible counterparties or professional clients. UBS Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. **France:** Prepared by UBS Limited and distributed by UBS Limited and UBS Securities France S.A. UBS Securities France S.A. is regulated by the ACFR (Autorité de Contrôle Prudentiel et de Résolution) and the Autorité des Marchés Financiers (AMF). Where an analyst of UBS Securities France S.A. has contributed to this document, the document is also deemed to have been prepared by UBS Securities France S.A. **Germany:** Prepared by UBS Limited and distributed by UBS Limited and UBS Europe SE. UBS Europe SE is regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin). **Spain:** Prepared by UBS Limited and distributed by UBS Limited and UBS Securities España SV, SA. UBS Securities España SV, SA is regulated by the Comisión Nacional del Mercado de Valores (CNMV). **Turkey:** Distributed by UBS Limited. No information in this document is provided for the purpose of offering, marketing and sale by any means of any capital market instruments and services in the Republic of Turkey. Therefore, this document may not be considered as an offer made or to be made to residents of the Republic of Turkey. UBS Limited is not licensed by the Turkish Capital Market Board under the provisions of the Capital Market Law (Law No. 6362). Accordingly, neither this document nor any other offering material related to the instruments/services may be utilized in connection with providing any capital market services to persons within the Republic of Turkey without the prior approval of the Capital Market Board. However, according to article 15 (d) (ii) of the Decree No. 32, there is no restriction on the purchase or sale of the securities abroad by residents of the Republic of Turkey. **Poland:** Distributed by UBS Limited (spółka z ograniczoną odpowiedzialnością) Oddział w Polsce regulated by the Polish Financial Supervision Authority. Where an analyst of UBS Limited (spółka z ograniczoną odpowiedzialnością) Oddział w Polsce has contributed to this document, the document is also deemed to have been prepared by UBS Limited (spółka z ograniczoną odpowiedzialnością) Oddział w Polsce. **Russia:** Prepared and distributed by UBS Bank (OOO). **Switzerland:** Distributed by UBS AG to persons who are institutional investors only. UBS AG is regulated by the Swiss Financial Market Supervisory Authority (FINMA). **Italy:** Prepared by UBS Limited and distributed by UBS Limited and UBS Limited, Italy Branch. Where an analyst of UBS Limited, Italy Branch has contributed to this document, the document is also deemed to have been prepared by UBS Limited, Italy Branch. **South Africa:** Distributed by UBS South Africa (Pty) Limited (Registration No. 1995/011140/07), an authorised user of the JSE and an authorised Financial Services Provider (FSP 7328). **Israel:** This material is distributed by UBS Limited. UBS Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. UBS Securities Israel Ltd is a licensed Investment Marketer that is supervised by the Israel Securities Authority (ISA). UBS Limited and its affiliates incorporated outside Israel are not licensed under the Israeli Advisory Law. UBS Limited is not covered by insurance as required from a licensee under the Israeli Advisory Law. UBS may engage among others in issuance of Financial Assets or in distribution of Financial Assets of other issuers for fees or other benefits. UBS Limited and its affiliates may prefer various Financial Assets to which they have or may have Affiliation (as such term is defined under the Israeli Advisory Law). Nothing in this Material should be considered as investment advice under the Israeli Advisory Law. This Material is being issued only to and/or is directed only at persons who are Eligible Clients within the meaning of the Israeli Advisory Law, and this material must not be relied on or acted upon by any other persons. **Saudi Arabia:** This document has been issued by UBS AG (and/or any of its subsidiaries, branches or affiliates), a public company limited by shares, incorporated in Switzerland with its registered offices at Aeschenvorstadt 1, CH-4051 Basel and Bahnhofstrasse 45, CH-8001 Zurich. This publication has been approved by UBS Saudi Arabia (a subsidiary of UBS AG), a Saudi closed joint stock company incorporated in the Kingdom of Saudi Arabia under commercial register number 1010257812 having its registered office at Taweer Towers, P.O. Box 75724, Riyadh 11588, Kingdom of Saudi Arabia. UBS Saudi Arabia is authorized and regulated by the Capital Market Authority to conduct securities business under license number 08113-37. **UAE/ Dubai:** The information distributed by UBS AG Dubai Branch is only intended for Professional Clients and/or Market Counterparties, as classified under the DFSA rulebook. No other person should act upon this material/communication. The information is not for further distribution within the United Arab Emirates. UBS AG Dubai Branch is regulated by the DFSA in the DIFC. UBS is not licensed to provide banking services in the UAE by the Central Bank of the UAE, nor is it licensed by the UAE Securities and Commodities Authority. **United States:** Distributed to US persons by either UBS Securities LLC or by UBS Financial Services Inc., subsidiaries of UBS AG; or by a group, subsidiary or affiliate of UBS AG that is not registered as a US broker-dealer (a 'non-US affiliate') to major US institutional investors only. UBS Securities LLC or UBS Financial Services Inc. accepts responsibility for the content of a document prepared by another non-US affiliate when distributed to US persons by UBS Securities LLC or UBS Financial Services Inc. All transactions by a US person in the securities mentioned in this document must be effected through UBS Securities LLC or UBS Financial Services Inc., and not through a non-US affiliate. UBS Securities LLC is not acting as a municipal advisor to any municipal entity or obligated person within the meaning of Section 15B of the Securities Exchange Act (the "Municipal Advisor Rule"), and the opinions or views contained herein are not intended to be, and do not constitute, advice within the meaning of the Municipal Advisor Rule. **Canada:** Distributed by UBS Securities Canada Inc., a registered investment dealer in Canada and a Member-Canadian Investor Protection Fund, or by another affiliate of UBS AG that is registered to conduct business in Canada or is otherwise exempt from registration. **Mexico:** This report has been distributed and prepared by UBS Casa de Bolsa, S.A. de C.V., UBS Grupo Financiero, an entity that is part of UBS Grupo Financiero, S.A. de C.V. and is a subsidiary of UBS AG. This document is intended for distribution to institutional or sophisticated investors only. Research reports only reflect the views of the analysts responsible for the reports. Analysts do not receive any compensation from persons or entities different from UBS Casa de Bolsa, S.A. de C.V., UBS Grupo Financiero, or different from entities belonging to the same financial group or business group of such. For Spanish translations of applicable disclosures, please go to www.ubs.com/disclosures. **Brazil:** Except as otherwise specified herein, this material is prepared by UBS Brasil CCTVM S.A. to persons who are eligible investors residing in Brazil, which are considered to be Investidores Profissionais, as designated by the applicable regulation, mainly the CVM Instruction No. 539 from the 13th of November 2013 (determines the duty to verify the suitability of products, services and transactions with regards to the client's profile). **Hong Kong:** Distributed by UBS Securities Asia Limited and/or UBS AG, Hong Kong Branch. Please contact local licensed/registered representatives of UBS Securities Asia Limited and/or UBS AG, Hong Kong Branch in respect of any matters arising from, or in connection with, the analysis or document. **Singapore:** Distributed by UBS Securities Pte. Ltd, [MCI (P) 008/09/2017 and Co. Reg. No.: 198500648C] or UBS AG, Singapore Branch. Please contact UBS Securities Pte. Ltd., an exempt financial adviser under the Singapore Financial Advisers Act (Cap. 110); or UBS AG, Singapore Branch, an exempt financial adviser under the Singapore Financial Advisers Act (Cap. 110) and a wholesale bank licensed under the Singapore Banking Act (Cap. 19) regulated by the Monetary Authority of Singapore, in respect of any matters arising from, or in connection with, the analysis or document. The recipients of this document represent and warrant that they are accredited and institutional investors as defined in the Securities and Futures Act (Cap. 289). **Japan:** Distributed by UBS Securities Japan Co., Ltd. to professional investors (except as otherwise permitted). Where this document has been prepared by UBS Securities Japan Co., Ltd., UBS Securities Japan Co., Ltd. is the author, publisher and distributor of the document. Distributed by UBS AG, Tokyo Branch to Professional Investors (except as otherwise permitted) in relation to foreign exchange and other banking businesses when relevant.

Global Disclaimer (continued)

Australia: Clients of UBS AG: Distributed by UBS AG (ABN 47 088 129 613 and holder of Australian Financial Services License No. 231087). Clients of UBS Securities Australia Ltd: Distributed by UBS Securities Australia Ltd (ABN 62 008 586 481 and holder of Australian Financial Services License No. 231098). This Document contains general information and/or general advice only and does not constitute personal financial product advice. As such, the information in this document has been prepared without taking into account any investor's objectives, financial situation or needs, and investors should, before acting on the information, consider the appropriateness of the information, having regard to their objectives, financial situation and needs. If the information contained in this document relates to the acquisition, or potential acquisition of a particular financial product by a 'Retail' client as defined by section 761G of the Corporations Act 2001 where a Product Disclosure Statement would be required, the retail client should obtain and consider the Product Disclosure Statement relating to the product before making any decision about whether to acquire the product. The UBS Securities Australia Limited Financial Services Guide is available at: www.ubs.com/ecs-research-fsg. **New Zealand:** Distributed by UBS New Zealand Ltd. UBS New Zealand Ltd is not a registered bank in New Zealand. You are being provided with this UBS publication or material because you have indicated to UBS that you are a "wholesale client" within the meaning of section 5C of the Financial Advisers Act 2008 of New Zealand (Permitted Client). This publication or material is not intended for clients who are not Permitted Clients (non-permitted Clients). If you are a non-permitted Client you must not rely on this publication or material. If despite this warning you nevertheless rely on this publication or material, you hereby (i) acknowledge that you may not rely on the content of this publication or material and that any recommendations or opinions in such this publication or material are not made or provided to you, and (ii) to the maximum extent permitted by law (a) indemnify UBS and its associates or related entities (and their respective Directors, officers, agents and Advisors) (each a "Relevant Person") for any loss, damage, liability or claim any of them may incur or suffer as a result of, or in connection with, your unauthorised reliance on this publication or material and (b) waive any rights or remedies you may have against any Relevant Person for (or in respect of) any loss, damage, liability or claim you may incur or suffer as a result of, or in connection with, your unauthorised reliance on this publication or material. **Korea:** Distributed in Korea by UBS Securities Pte. Ltd., Seoul Branch. This document may have been edited or contributed to from time to time by affiliates of UBS Securities Pte. Ltd., Seoul Branch. This material is intended for professional/institutional clients only and not for distribution to any retail clients. **Malaysia:** This material is authorized to be distributed in Malaysia by UBS Securities Malaysia Sdn. Bhd (Capital Markets Services License No.: CMS/A0063/2007). This material is intended for professional/institutional clients only and not for distribution to any retail clients. **India:** Distributed by UBS Securities India Private Ltd. (Corporate Identity Number U67120MH1996FTC097299) 2/F, 2 North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra (East), Mumbai (India) 400051. Phone: +912261556000. It provides brokerage services bearing SEBI Registration Numbers: NSE (Capital Market Segment): INE230951431, NSE (F&O Segment) INF230951431, NSE (Currency Derivatives Segment) INE230951431, BSE (Capital Market Segment) INB010951437; merchant banking services bearing SEBI Registration Number: INM000010809 and Research Analyst services bearing SEBI Registration Number: INH000001204. UBS AG, its affiliates or subsidiaries may have debt holdings or positions in the subject Indian company/companies. Within the past 12 months, UBS AG, its affiliates or subsidiaries may have received compensation for non-investment banking securities-related services and/or non-securities services from the subject Indian company/companies. The subject company/companies may have been a client/clients of UBS AG, its affiliates or subsidiaries during the 12 months preceding the date of distribution of the research report with respect to investment banking and/or non-investment banking securities-related services and/or non-securities services. With regard to information on associates, please refer to the Annual Report at: http://www.ubs.com/global/en/about_ubs/investor_relations/annualreporting.html. **Taiwan:** Distributed by UBS Securities Pte. Ltd., Taipei Branch which is regulated by the Taiwan Securities and Futures Bureau. **Indonesia:** This report is being distributed by PT UBS Sekuritas Indonesia and is delivered by its licensed employee(s), including marketing/sales person, to its client, PT UBS Sekuritas Indonesia, having its registered office at Wisma GKBI, 22nd floor, J.L. Jend. Sudirman, kav.28, Jakarta 10210, Indonesia, is a subsidiary company of UBS AG and licensed under Capital Market Law no. 8 year 1995, a holder of broker-dealer and underwriter licenses issued by the Capital Market and Financial Institution Supervisory Agency (now Otoritas Jasa Keuangan/OJK). PT UBS Sekuritas Indonesia is also a member of Indonesia Stock Exchange and supervised by Otoritas Jasa Keuangan (OJK). Neither this report nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens except in compliance with applicable Indonesian capital market laws and regulations. This report is not an offer of securities in Indonesia and may not be distributed within the territory of the Republic of Indonesia or to Indonesian citizens in circumstance which constitutes an offering within the meaning of Indonesian capital market laws and regulations.

The disclosures contained in research documents produced by UBS Limited shall be governed by and construed in accordance with English law.

UBS specifically prohibits the redistribution of this document in whole or in part without the written permission of UBS and in any event UBS accepts no liability whatsoever for any redistribution of this document or its contents or the actions of third parties in this respect. Images may depict objects or elements that are protected by third party copyright, trademarks and other intellectual property rights. © UBS 2018. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.

Contact information



Osmaan Malik

+44 20 7567 3026

osmaan.malik@ubs.com



Charles Boissier

+44 20 7568 4415

charles.boissier@ubs.com

UBS Limited
5 Broadgate
London
EC2M 2QS

Tel: +44-207-567 8000

www.ubs.com





Company presentation EPRA Annual Conference 2018

GROWING CASHFLOWS

TAG
Immobilien AG

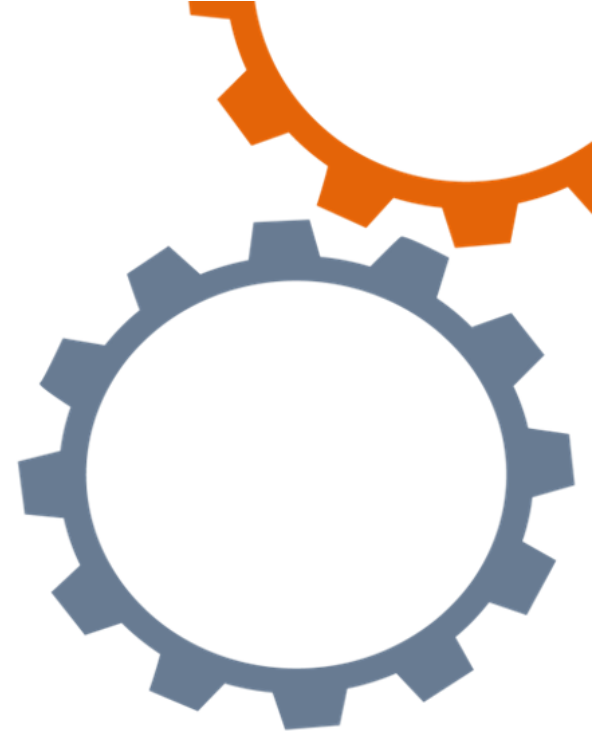
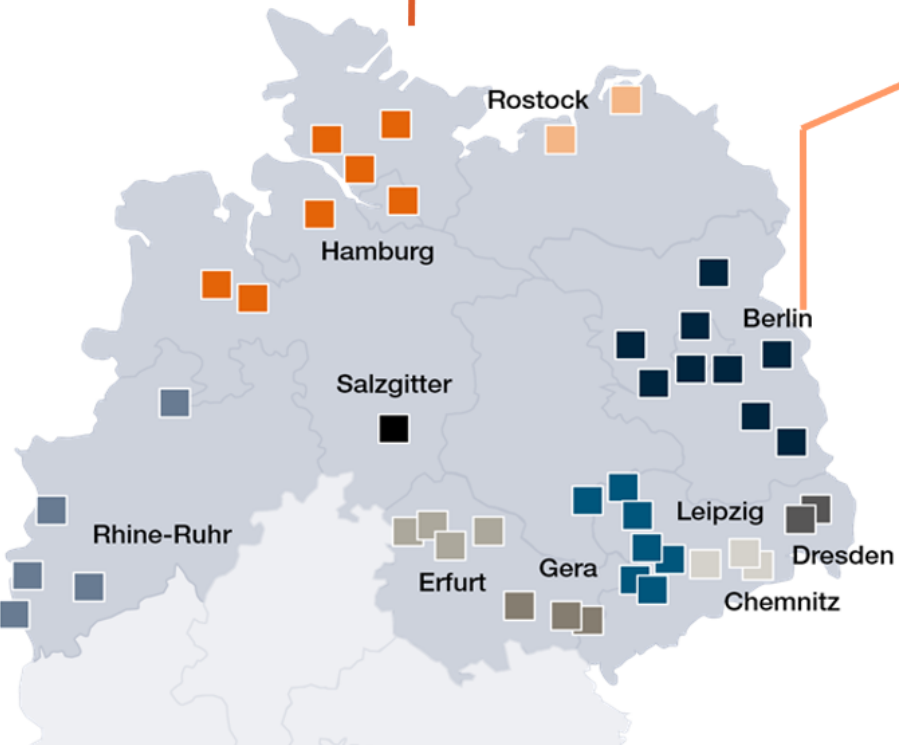
TAG overview Q2 2018

83,000

Residential units

2.8bn
Market cap

EUR 4.9
GAV



TOP 3 Shareholder

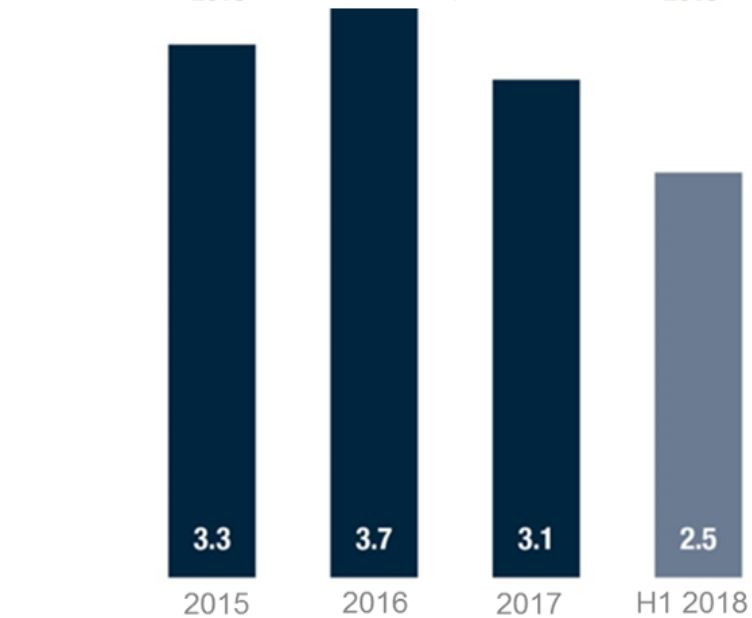
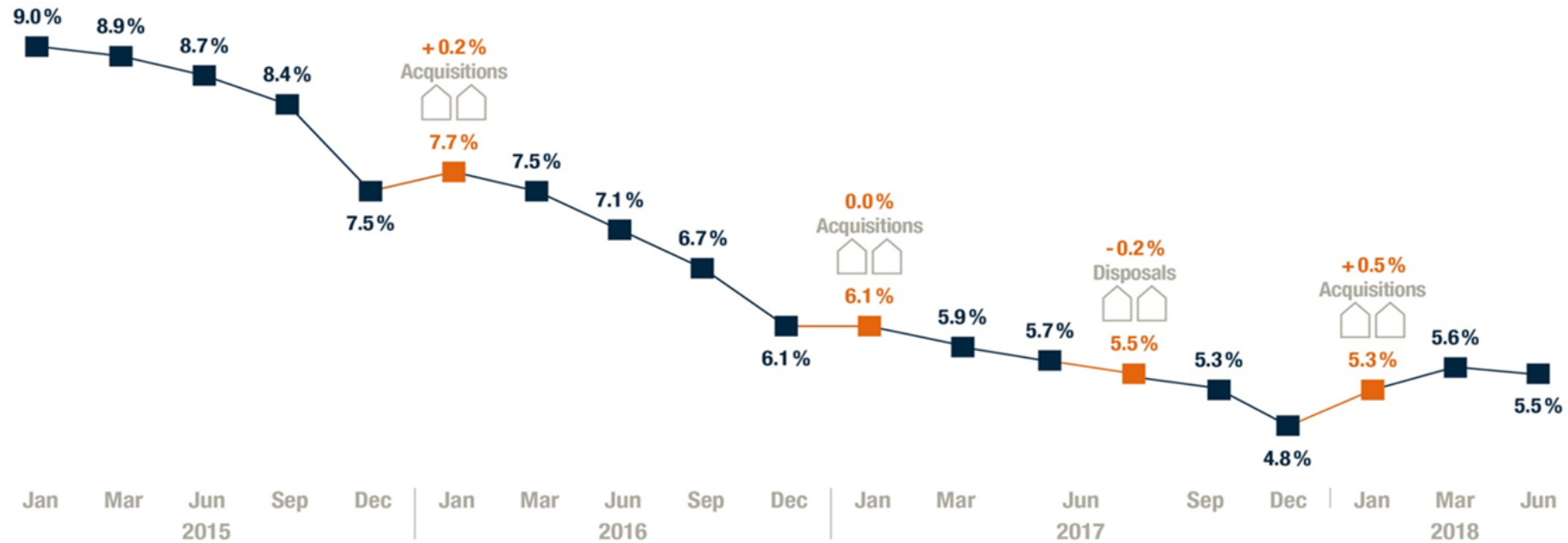
- VBL (Germany): 13.8%
- MFS (USA): 11.4%
- Capital Group (USA): 9.9%

TAG strategy: internal growth as main driver

GROW
ING



TAG vacancy reduction and rental growth



in EUR/sqm	2015 (FY)	2016 (FY)	2017 (FY)	H1 2018 (6M)
Maintenance and capex	15.15	15.41	15.12	9.08

TAG financing structure

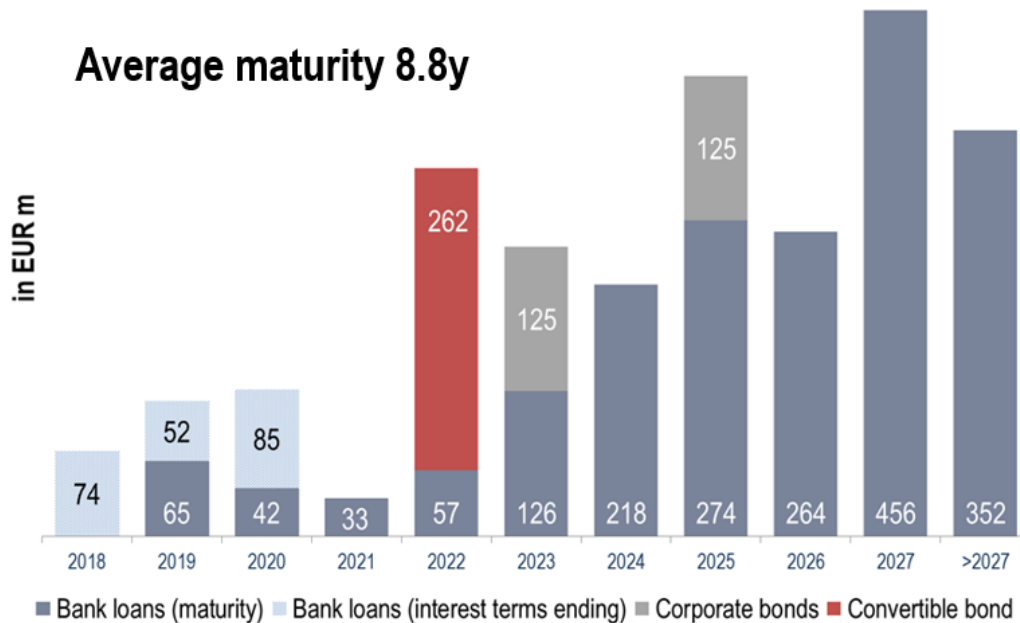
Cost of debt Ø in %



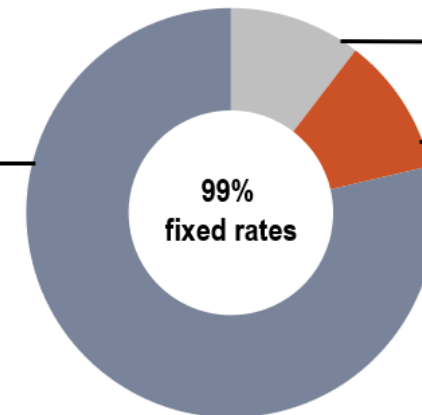
LTV in%



Average maturity 8.8y



Bank loans
EUR 1,887m (79%)

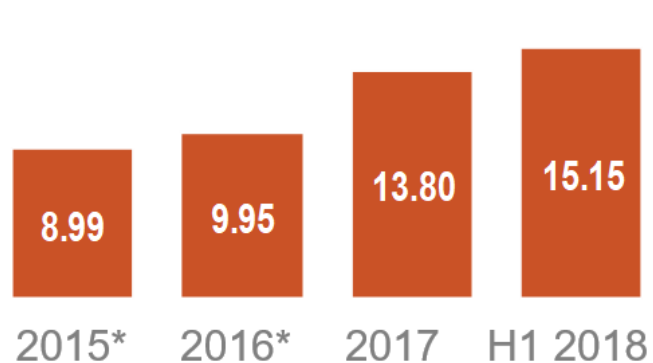


Corporate bonds
EUR 250m (10%)

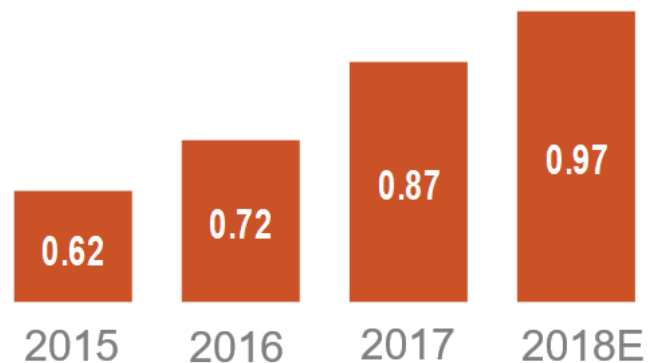
Convertible bonds
EUR 262m (10%)

TAG financial performance 2015 – 2018

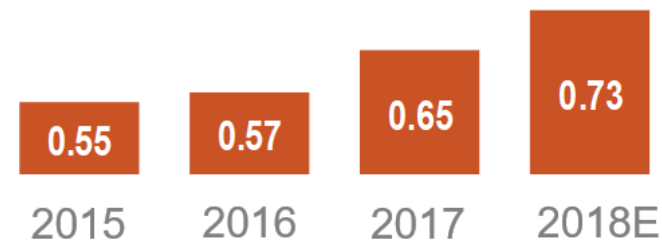
EPRA NAV per share in EUR



FFO per share in EUR



Dividend per share in EUR



* Adjusted for transaction costs



Erfurt



Dessau



Wittenberg

TAG contacts

Martin Thiel
CFO

Phone: +49 40 380 32-0
Fax: +49 40 380 32-388

ir@tag-ag.com

Dominique Mann
Head of Investor & Public Relations

Phone: +49 40 380 32-305
Fax: +49 40 380 32-388

ir@tag-ag.com

TAG Immobilien AG

Steckelhörn 5
20457 Hamburg

Phone: +49 40 380 32-0
Fax: +49 40 380 32-388

www.tag-ag.com

INVESTING



Irish Residential Properties REIT plc

FOR GROWTH

Ireland's Leading Private Rented Sector REIT

EPRA Annual Conference, 6 September 2018



**Strong
PRS
Fundamentals
in Ireland**



**Leading PRS REIT
High Quality Assets
Portfolio**

**Sustainable
Growing
Yields**



**Accretive
Growth
Opportunities**



Reasons to Invest in I·RES





DEMAND OUTWEIGHS SUPPLY

Significant mismatch between supply and demand in Irish housing market [completions <40% of annual new household formations]

Growth of multinational corporations in the technology and services sectors

Continuing rent inflation



ECONOMIC GROWTH

Ireland remains the fastest-growing economy in Europe

Labour market conditions remain strong, low unemployment, increasing wages

66,800 new jobs created and 7.8% GDP growth in 2017⁽¹⁾



POPULATION GROWTH

Young and steadily growing population of Irish-born and international workforce

Population grew from 4.57M in 2011 to 4.79M in 2017⁽²⁾

These trends are predicted to continue for the foreseeable future

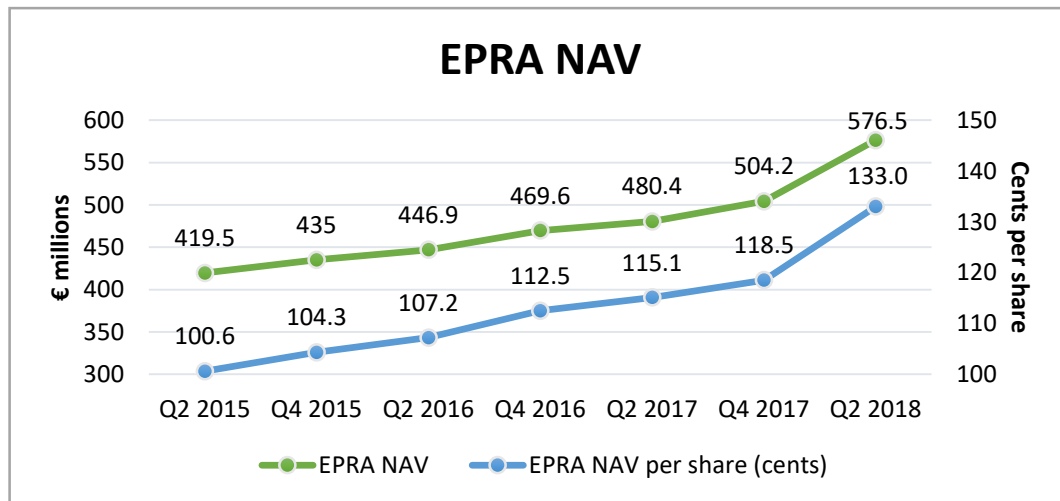
(1) Source: Central Statistics Office – Q4 2017 Labor Force Survey
(2) Source: Central Statistics Office – CSO statistical release, 28 September 2017

Market Conditions are Favourable



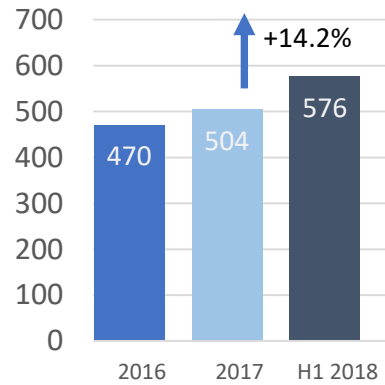
High Quality Portfolio and Growing Value

- 21 Multi- Family apartment buildings in excellent locations in Dublin, less than 10 years old
- 2,608 units at 30 June 2018 – 99.7% occupancy
- Total Property Value €868.5m (30/06/2018)
Gross Yield 6.2% (6.6% at 31/12/2017)
- Operational Excellence

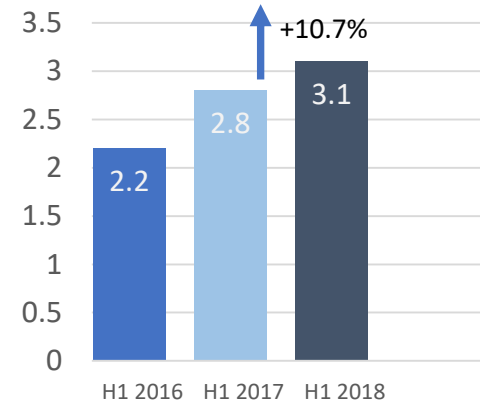


Growing Returns for Shareholders

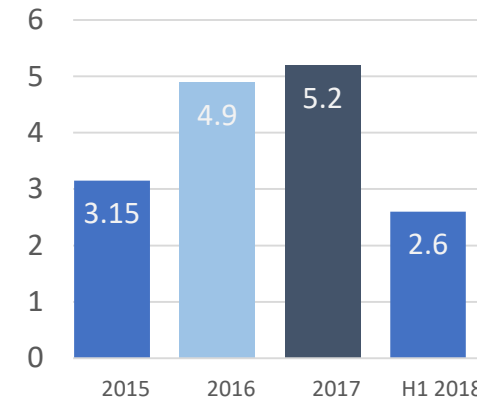
EPRA NAV
(€ millions)



EPRA Earnings per Share
€ cents



Dividends per Share
€ cents



Development of Existing I-RES Properties

Opportunity to add growth of c. 25%, (approx 600⁽¹⁾apartments) at owned sites

Significant infrastructure (e.g. parking) already in place, reducing construction costs

Accretive yields

Note:(1) As at 30 June 2018, subject to planning and any other approvals

Local Development Partnerships

Partnerships with local builders and developers

Hansfield Wood

99 residential units are in the process of being built
Expected gross yield of c. 7%



Acquisition of Completed Assets

Continued evaluation of new acquisition opportunities in attractive urban locations

Acquisition in May 2018

Hampton Wood

128 unit apartment building with 128 parking spaces
Expected gross yields of c. 6.25%

Accretive growth opportunities





CIVITAS SOCIAL HOUSING PLC

EPRA Conference, Berlin

6 September 2018



CIVITAS INVESTMENT STRATEGY

INVESTMENT STRATEGY

Civitas Social Housing PLC invests in community based social housing managed by housing associations for vulnerable adults known as “**Supported Housing**”

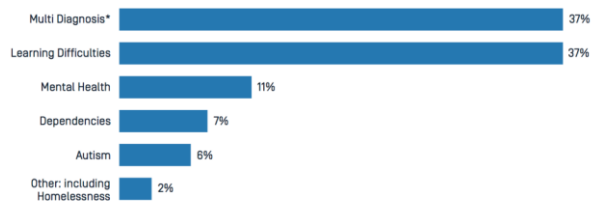
SUPPORTED HOUSING

The housing is specially configured/adapted to be suitable for a range of people from those with **learning disabilities and/or autism with complex needs** (the largest group – 78%) to homeless people with mental health problems

CARE NEED

Most residents also require **some form of care** – most in excess of four hours 1:1 care per day, some much more

Percentage of Civitas Social Housing PLC Residents by Type of Care Needs



*Multi Diagnosis includes residents who have been diagnosed with more than one care need and require a higher level of support e.g. a resident could suffer with mental health issues and have a physical disability also.

INDEPENDENCE

Enables residents to live in their own home but with care support

EXAMPLES OF SUPPORTED HOUSING PROPERTIES

PURPOSE BUILT

- Located within a community setting
- Residents have the own apartment
- Typically for mid-acuity needs below Specialist Healthcare

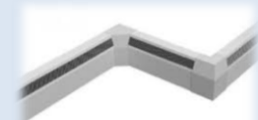


TRADITIONAL ADAPTED

- Existing properties that have been adapted for use as Supported Housing properties



TYPICAL ADAPTATIONS



WHY INVEST SUPPORTED HOUSING?

ATTRACTIVE INVESTMENT CHARACTERISTICS:

- 1. Growing demand:** Demand for Supported Housing forecast to increase by 30% to 37,000 homes by 2027 .
- 2. Supportive government and society:** cross-party political support and successive government legislation forcing change towards supported care based housing model.
- 3. Long term occupation:** Average age of resident is 35 years and will be expected to remain in occupation for life.
- 4. Government pay 100% of rent:** Government through UK social housing benefit system responsible for payment of rent and other costs.
- 5. Long term commercial leases with rents increased annually by CPI:** Typically 25 years leases with tenant responsible for all repairs and maintenance. Rents annually increased to inflation.
- 6. Investment fills a real social need:** Vital social infrastructure which is well suited to institutional ownership.

WHY CIVITAS HOUSING ADVISORS?

SPECIALIST TEAM WITH COMPLEMENTARY SKILLS

- Housing and care sector specialists combined with experienced institutional real estate fund management professionals
- Specialist sector know-how, market knowledge and transactional experience

SPECIALIST SECTOR RELATIONSHIPS: KEY TO SUCCESS



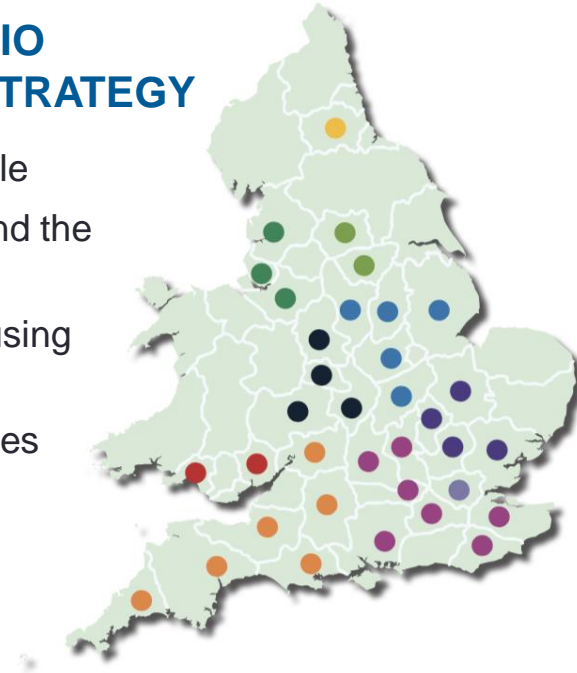
WHY CIVITAS SOCIAL HOUSING PLC?

STRATEGY AIMED AT STEADY INCOME AND CAPITAL APPRECIATION

- Platform to invest in a fragmented real estate sector
- Launched November 2016
- Target income return of 5%+ and target total return of 8%+
- GBP 650m equity raised
- GBP 580m invested in 70+ transactions

INITIAL PORTFOLIO DEMONSTRATES STRATEGY

- Housing 3,339 people
- 514 properties around the country
- Working with 15 housing associations
- In 140 local authorities
- 92 care providers



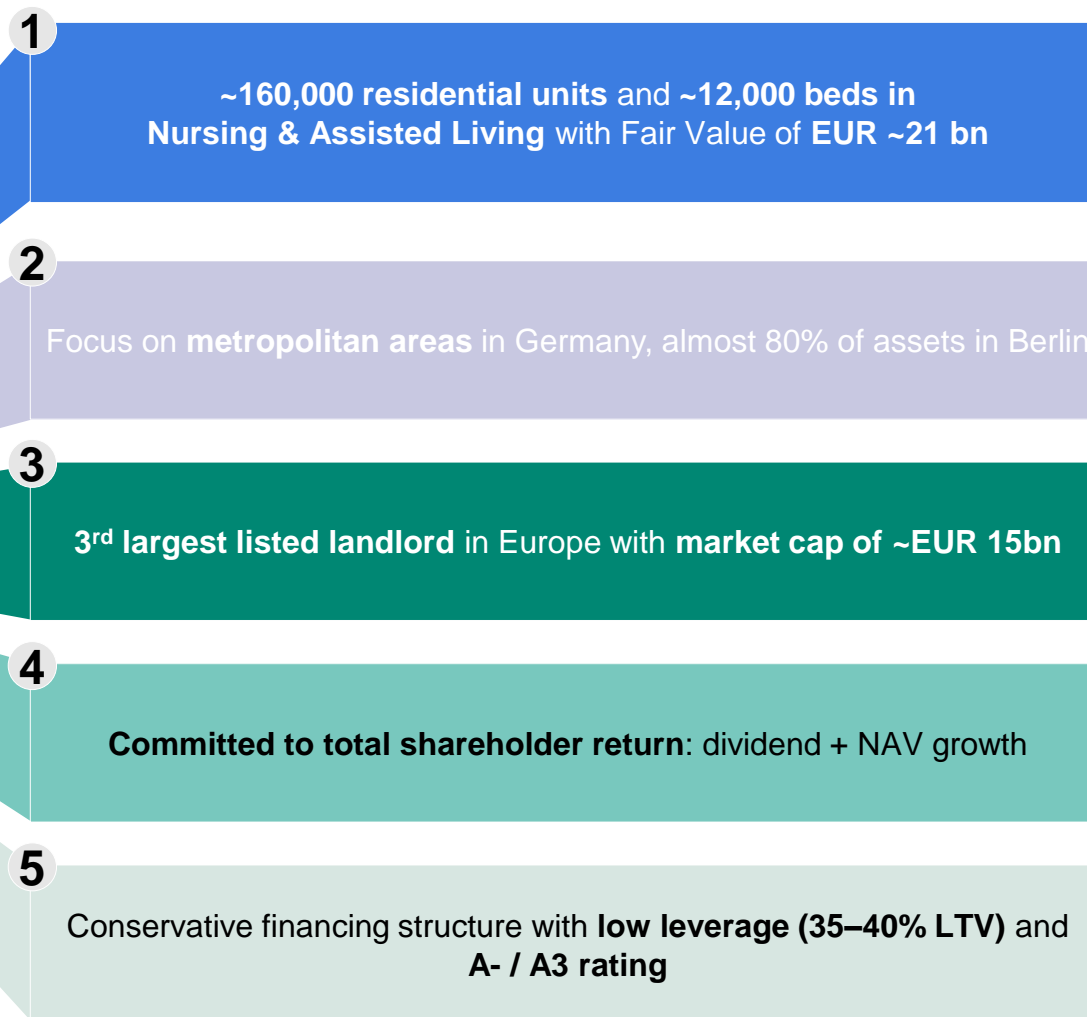
Deutsche Wohnen SE



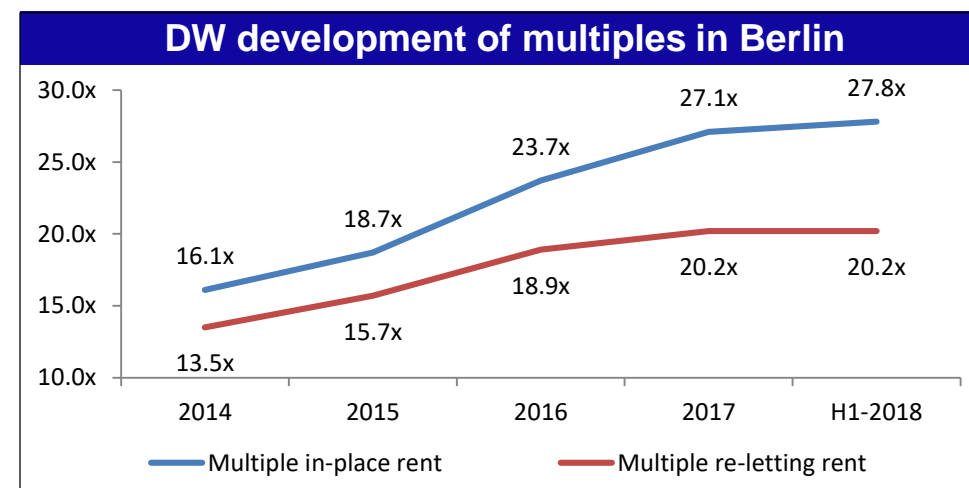
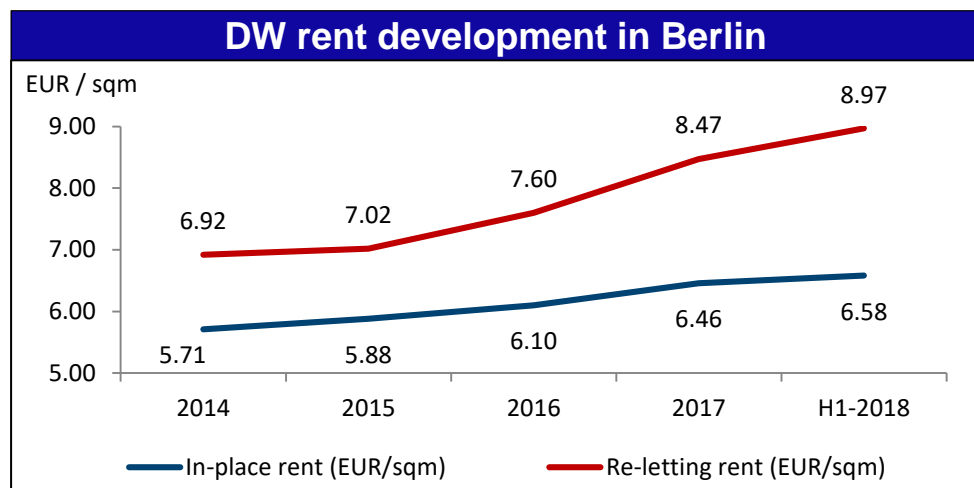
The German Real Estate Specialist focussing on Metropolitan Areas

EPRA Annual Conference, Berlin

Deutsche Wohnen business model „Made in Germany“

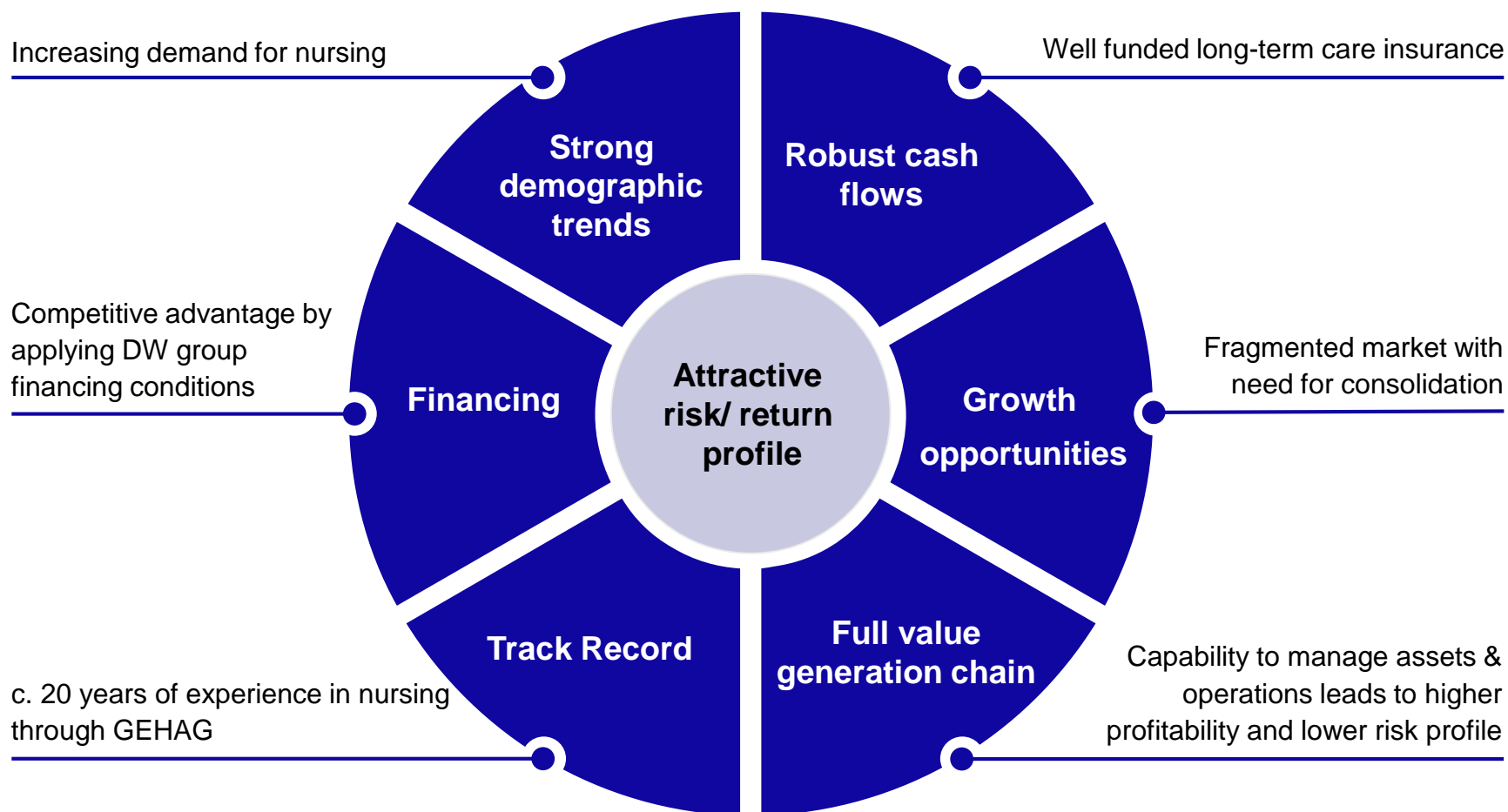


Berlin residential: Re-letting rents are outpacing in-place rents



- Current housing shortage of ~100,000 apartments expected to grow further given net immigration and subdued new construction activity
- Despite strong regulation rent potential significantly increased since 2014 as re-letting rents have grown twice as fast as (regulated) in-place rents with affordability ratios still at healthy levels
- Spread between in-place and re-letting rent multiples significantly widened over the last years, implying significant further value upside over the coming years through capturing EUR 300m rental upside

Nursing identified as attractive driver for further growth



- Fair value of nursing assets (pro forma for signed acquisitions) is expected to deliver an unlevered RoCE of ~6.5% on a fully integrated run-rate basis

Highlights of business model

- 1 Resilient and growing residential real estate market in Germany
- 2 Focused quality portfolio in dynamic growth regions in Germany
- 3 High quality asset base with high rent and value upside potential
- 4 Low risk and efficient financing structure
- 5 Strong and predictable cash flow generation

Yield and value upside at low risk profile

Disclaimer

This presentation contains forward-looking statements including assumptions, opinions and views of Deutsche Wohnen or quoted from third party sources. Various known and unknown risks, uncertainties and other factors could cause actual results, financial positions, the development or the performance of Deutsche Wohnen to differ materially from the estimations expressed or implied herein. Deutsche Wohnen does not guarantee that the assumptions underlying such forward-looking statements are free from errors nor do they accept any responsibility for the future accuracy of the opinions expressed in this presentation or the actual occurrence of the forecasted developments. No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and accordingly, none of Deutsche Wohnen SE or any of its affiliates (including subsidiary undertakings) or any of such person's officers, directors or employees accepts any liability whatsoever arising directly or indirectly from the use of this document. Deutsche Wohnen does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this presentation.



Deutsche Wohnen SE

Mecklenburgische Straße 57
14197 Berlin

Phone +49 30 89786-5413
Fax +49 30 89786-5419