



Real estate economics **ANALYSIS**



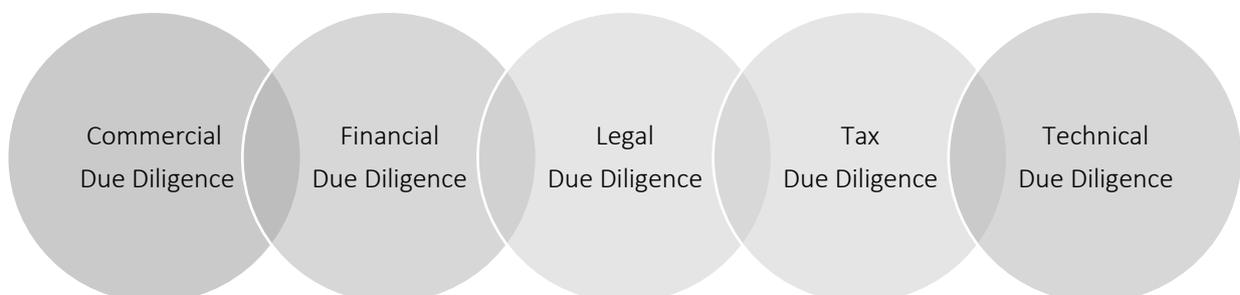
Real estate economics - ANALYSIS

Apartment | Single and multi-family houses | Residential and commercial properties | Villas

One characteristic of all properties is that - with a few exceptions - they cannot be relocated and are permanently linked to the respective location throughout their useful life. On the other hand, properties can and must constantly adapt to the changing times if they are not to lose attractiveness and value.

A **real estate analysis** comprises a systematic examination in which the real estate (or the land) to be examined is broken down into its relevant components. The individual parts are recorded, arranged, examined and evaluated on the basis of defined criteria. The interactions of the elements play an important role.

The basis is the so-called **real estate due diligence**, which comprises the careful, systematic and detailed collection, examination and analysis of a property in the context of an intended transaction (procurement and processing of information in the sense of a purchase or takeover examination). The central objectives are to uncover hidden opportunities and risks in order to improve the quality of the decision and to increase the accuracy of the valuation on the basis of the improved level of information in order to avoid surprises later on. Due diligence is divided into the core areas



and gives buyers and sellers an overview of the status quo of the object in the run-up to transactions. As a result of these audit procedures, the due diligence report results as a supplement to the sales contract or as part of the notarial certification process. For existing real estate (without transaction partners), the strategic report results, which is to show the scenarios S1 maintenance, S2 renewal/repositioning, S3 demolition/new construction or S4 sale.

Recommendation

No real estate transaction without a well-founded, meaningful and binding expert due diligence report.