



leading in healthcare

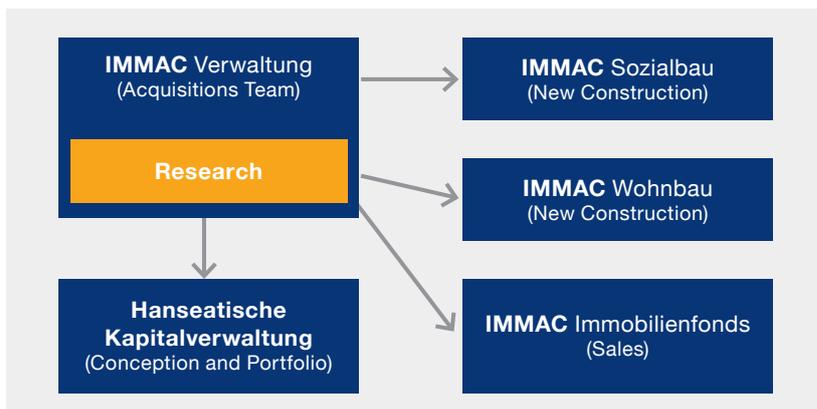
IMMAC RESEARCH

Market Observation and Assessment



IMMAC RESEARCH

Is strongly networked



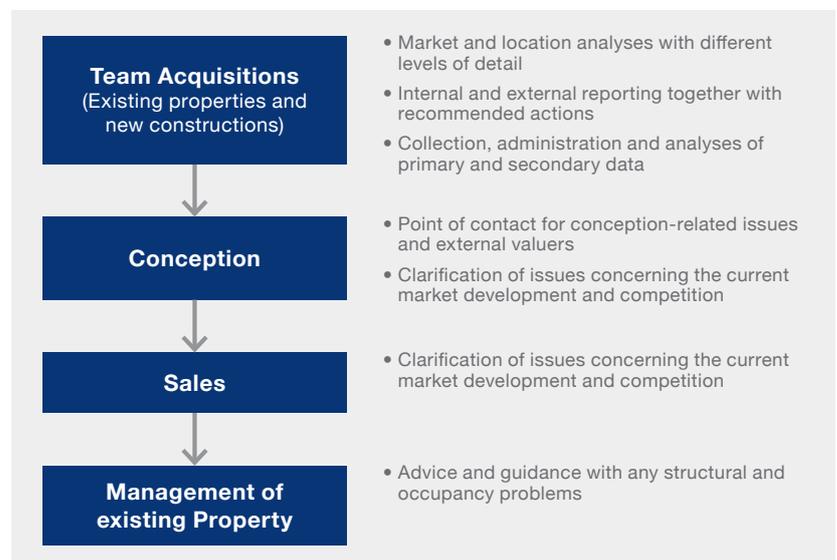
Last but not least, IMMAC Research is also the group-wide point of contact for all questions concerning market development and competition especially in the conception and sales phase. IMMAC Research also provides reports of the current market development to sales partners, external valuers and financing banks on a regular basis. Following the acquisition of a property and placement of the fund, IMMAC Research assists Hanseatische Kapitalverwaltung, for example: preparing the annual reports.

In organizational terms, IMMAC Research is part of the business unit IMMAC Acquisition.

Within the scope of due diligence for existing properties, IMMAC Research intensively examines every investment project with a view to its location, demand and competition and visits and inspects the properties on site. The central issue is always the same: Is the investment project suitable for sustained investments from a market point of view and may the acquisition be recommended from a market point of view.

Besides due diligence for existing properties, IMMAC Research assists IMMAC Sozialbau and IMMAC Wohnbau in providing

market assessments and finding appropriate locations.



MARKET OBSERVATION

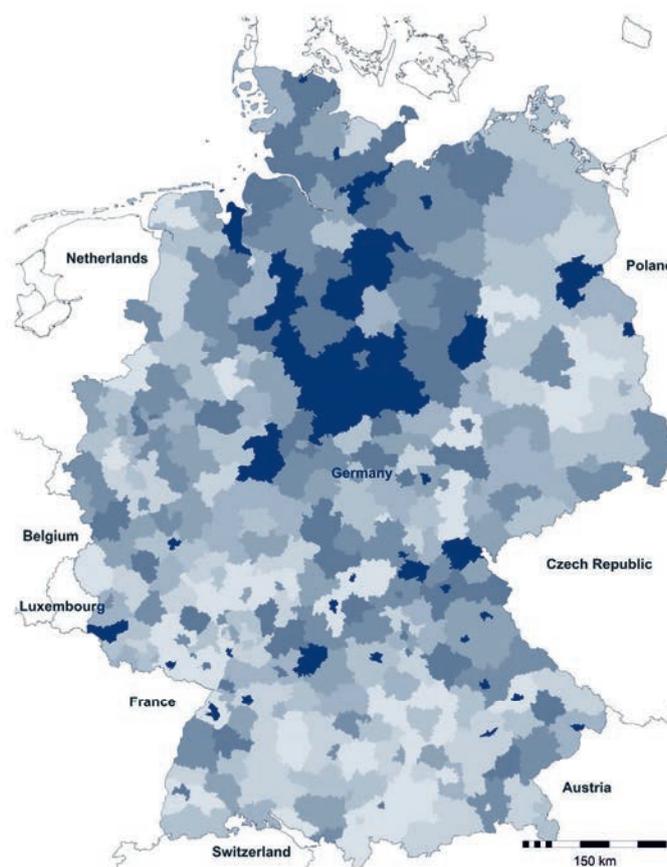
Is the Basis for every Market Assessment

Market Assessment is always tied to an intense market observation on a regular basis. IMMAC RESEARCH analyses information and data from different sources concerning the current market development every day and makes them available in the geo-information system RegioGraph of GfK Geomarketing GmbH.

RegioGraph delivers data for all administrative units in Germany, from the postcode over the communities to the counties and federal states. Depending on the level, IMMAC Research enters a number of different key figures to the system. Besides the GfK purchasing power index, the software provides demographic statistics from the recent years as well as demographic forecasts.

IMMAC Research has integrated all inpatient care facilities, hospitals and rehabilitation centres in Germany on an object level. This includes data like address and name of the facility, information concerning size, scope of services and structural quality. In addition, IMMAC Research updates new construction projects on a daily basis. And last but not least all existing IMMAC properties are located in the system.

IMMAC Research has thus created a unique data base containing more than 1.8 million data fields which ensure both a daily market observation and a quick market assessment. If there should be an overlap between object level and administrative unit, the system allows IMMAC Research to comment the demand and supply situation, next to no time.



Example Distribution of Care Quota in Germany
(Map Basis: GfK Geomarketing GmbH)

This constant and meticulous market observation is the only way for a long-term valid market assessment.

MARKET ASSESSMENT

Outcome of Tried and Tested Analysing Methods

IMMAC Research considers a number of various criteria when assessing whether a long-term investment is recommendable from a market point of view.

In addition to the evaluation of the macro and micro location, the balance between supply and demand is carefully analysed in detail: Is there a need for inpatient care places in the

relevant community? Or is there a certain oversupply in relation to the demand in the community? A statistical overhang of care places may indeed have impact on occupancy and intensity of competition.

A demand quota derived from official statistics is applied for men and women aged 65 and over living in the community to determine the

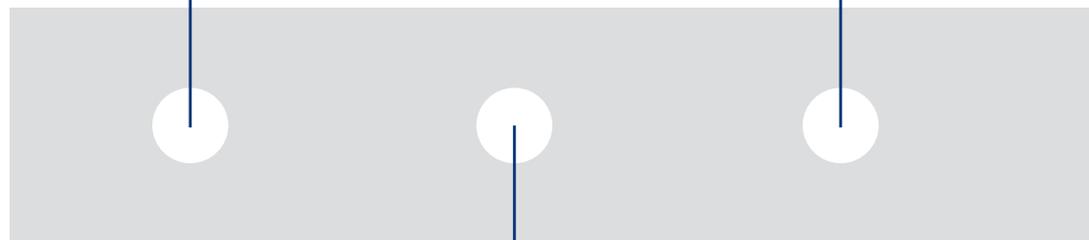
local need for inpatient care places. What is important in this context, is that light is not only shed on the current status quo situation, but also on the future development of the demand. The detailed analysis of the target group of persons over 65 years of age is therefore of great importance.



Assessment of the Structural Quality of the Investment Property



Analysis of the Demographic Development Status quo and Forecast



Analysis of the Micro and Macro Location



IMMAC Research is in particular concerned that all the statements and conclusions are understandable also for external readers. The majority of the sources used is therefore public and may be consulted online at any time. Likewise, IMMAC Research does not calculate the demographic forecasts itself but obtains these data online from Bertelsmann Stiftung. An intense

database analysis including a plausibility check on site, however, provides answers to the competitors and the total number of care places available locally. Next to the inspection of the investment property, in which above all the structural quality is rated, possible local competitors should be reviewed. This is the only way to evaluate the quality of the investment property in relation to the

local market and to come up with a comprehensive assessment of the investment.

This extensive market analysis serves, on the one hand, as internal basis for decision-making and on the other hand is made available to the financing bank.



Competitive Analysis
including Research
on site



WHITE-SPOT ANALYSES

IMMAC RESEARCH seek for Regions with Statistical Demand

The decision for a new construction is taken in close cooperation between IMMAC and the operator. Depending on the size of the operator IMMAC also provides consulting services which go well beyond technical and commercial project management. As an example: expansion areas are determined together with the operator within the scope of a new construction project to specifically search for a suitable piece of land for the construction of the new care facility.

In this context, IMMAC Research has conducted a White-Spot-Analysis with the aim to identify communities in Germany which have a statistical demand for inpatient care places now and in future. To this end, supply and demand for inpatient care places were matched on a community level.

As a result, IMMAC Research has succeeded in limiting the search for land for the new construction of care homes to communities which only have a need for care places. This can, for example, reduce the duration of first occupancy. In

addition, IMMAC can take a more laid-back view when establishing itself on the local market rather than in a saturated market with its strong predatory competition. Besides the pure consideration of the healthcare situation, IMMAC aims to invest in regions which promise a stable so-

power, demography or location in a conurbation. The higher the need and the more sustainable the location, the better the score (1 = very good; 5 = very bad).

The White-Spot-Analysis therefore allows the selective search for land in regions of demand with a perspective for a long-lasting future. In the case of the expansion of an operator with which IMMAC maintains close ties, the distance to the closest existing facility of the operator might be included in the score system to provide best synergy effects in regions of demand and to further boost expansion.



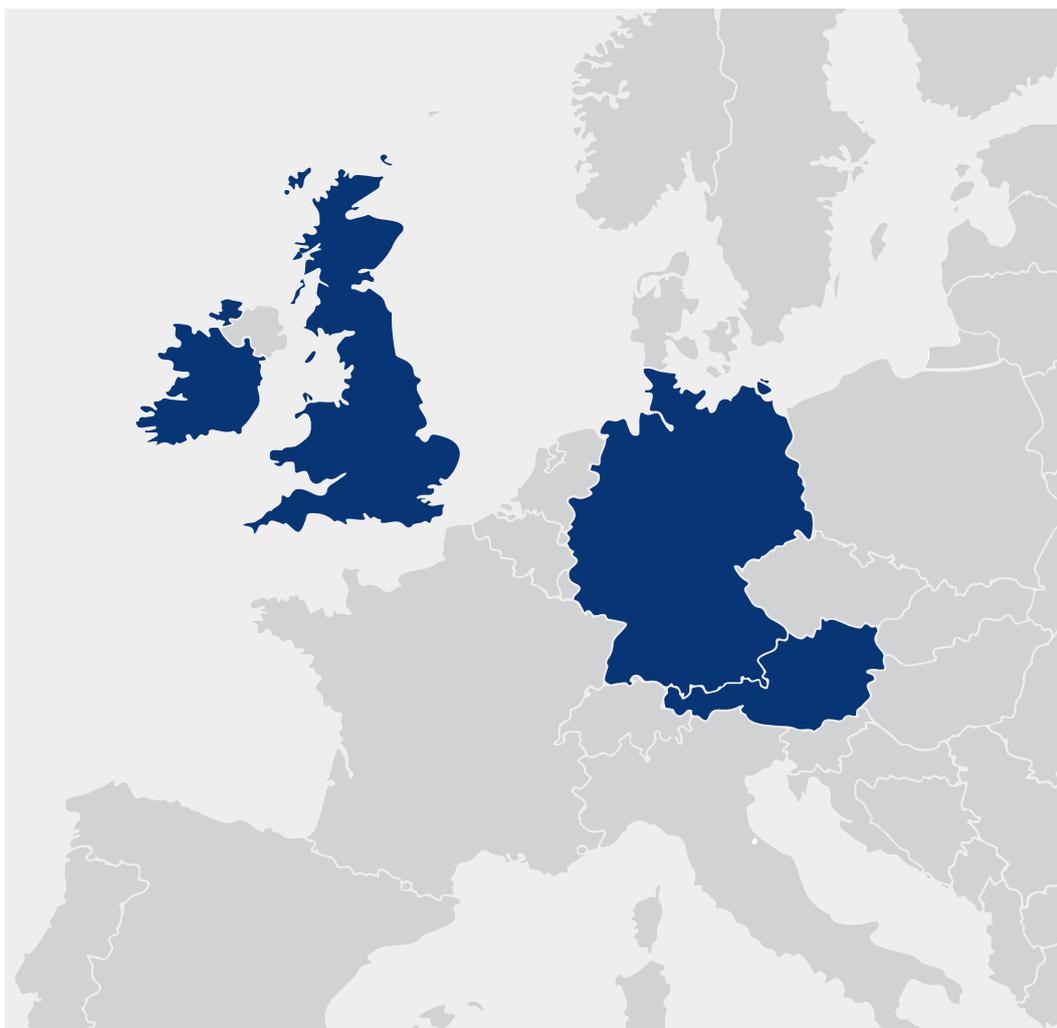
cio-economic development and a sound economic basis, also in the future. To achieve this goal, IMMAC has developed a score system which combines the calculated demand situation on community-level for example with parameters like purchase

EXPANSION

IMMAC Research explores New Countries and Markets

IMMAC Research examines potential international expansion targets in close consultation with the Management.

In addition to a comprehensive market and competition analysis which screens the opportunities and risks of a possible expansion into a new market, the respective market undergoes an intense examination on the spot, as a general rule. The main focus of expansion lies on the geographical expansion involving the acquisition of inpatient care facilities primarily in other European countries. Furthermore, IMMAC Research takes a closer look at other asset classes both in Germany and abroad and examines the market entry.



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