

Construction in Germany

Growth in sight

+3% expected turnover 2016
> 100 bn EUR

Insolvencies remain at a high level

Insolvencies are expected to drop slightly by 2% – still 16.5% of total number of insolvencies

Opportunities: immigration and urbanization

urban population rate (10%) + net migration (+900,000) → high demand for housing and renovation

Turnover forecast 2016

| | | |
|----------------------|-----|--|
| Growth driver | | |
| Housing construction | +5% | |
| Public Construction | +4% | |
| Commercial Con. | ±0% | |

3 Risks that might threaten growth



Widening gap

House prices are rising three times as fast as disposable income



Considerable margin pressure

Margins stuck at around 6.5%, making it difficult to shore up financial solidity



Increase in interest rates

Not expected to rise in the near term but in case of an increase, it would dampen momentum

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