Tables

Table 1: Statistics for valuation and transaction price data of twelve objects, reference date December 1997.

Panel A: Valuation data						
	Mean	Median	Std. Dev.	Min	Max	Units
Size of lot	6189	1587	13101	560	46657	sq. m
Floor space before development	6786	1390	14562	0	51653	sq. m
Floor space after development	8699	2158	18659	700	66653	sq. m
Usable space	6189	1587	13101	560	46657	sq. m
Net income	141	126	49	89	245	EUR per sq. m
Implementation cost	8615	2095	17032	476	58788	Thsd. EUR
Cap rates	6.4	6.3	0.7	5.4	7.7	Percent p.a.
Comparable land value	1346	614	1845	128	6136	EUR per sq. m
Panel B: Transaction data						
	Mean	Median	Std. Dev.	Min	Max	Units
Price	11799	677	27330	189	93055	Thsd. EUR
Price Dec 1997	9927	590	22759	150	77545	Thsd. EUR
Time to sale	26	23	11	12	54	Month

Table 2: Average rental growth rates and standard deviations for office and mixed use (office and rented flats) in Berlin

	Office					Flats
	City Centre	City West	City border	Rest	Top	
$\hat{G}$	-2.9	-6.6	-6.0	-6.0	-4.5	-6.1
$\hat{\sigma}$	16.5	14.7	10.3	10.7	16.6	8.1

Note: Figures in percent, calculated with yearly growth rates from 1992-2001.

Table 3: Criteria for immediate development

Object	$\dfrac{D}{D^*}$	r_s	r_s^*	r_d	r_d^*	Immediate Development
1	63.2	6.3	10.0	6.2	9.9	No
2	97.2	8.3	8.6	10.0	10.2	No
3	58.9	5.9	10.0	5.8	9.9	No
4	94.8	8.7	9.2	9.6	10.1	No
5	75.3	6.7	8.8	8.0	10.2	No
6	103.7	8.9	8.6	10.6	10.2	Yes
7	232.7	20.6	8.8	21.9	10.2	Yes
8	182.1	15.6	8.6	17.3	10.2	Yes
9	227.6	18.7	8.2	20.8	10.4	Yes
10	100.7	8.9	8.8	10.2	10.2	Yes
11	207.8	19.1	9.2	20.0	10.1	Yes
12	88.8	7.9	8.8	9.2	10.2	No

Notes: Figures in percent. Initial development yields are $r_s = D/I$ and $r_s^* = D^*/I$, equivalent development yields are $r_d = r_s + g$ and $r_d^* = r_s^* + g$, where g is calculated as the average DIMAX return rate, 7.6%, minus the respective initial yield.

Table 4: Ratios of valuations and prices according to different valuation techniques.

	Panel A: Valuation ratios			
Object	Q_E	Q_A	Q_R	Q_O
1	122.2	122.2	0.0	49.6
2	80.5	77.0	198.0	198.6
3	355.9	131.2	0.0	50.3
4	85.7	116.8	44.3	45.0
5	132.5	80.3	9.4	22.7
6	113.5	109.6	63.4	63.4
7	41.7	86.7	184.8	184.8
8	51.8	54.1	125.0	125.0
9	58.5	58.5	76.3	76.3
10	144.3	50.3	106.4	106.4
11 + 12	75.3	68.4	116.8	117.3

	Panel B: Equality of ratios			
	Q_E	Q_A	Q_R	Q_O
Q_E	5	8	3	3
Q_A	.	4	2	2
Q_R	.	.	5	11
Q_O	.	.	.	5

Notes: Figures in Panel A are in percent. Panel B reports the following: (i) on the diagonal the number of cases in which valuations are higher than prices; (ii) above the diagonal the number of cases in which two techniques both under- or overestimate the price.

Table 5: Sensitivity analysis with respect to volatility and implied volatility

Panel A: Sensitivity analysis						
Object	1	2	3	4	5	12
ε_σ	2.60	0.10	2.99	0.24	1.08	0.46
Panel B: Implied volatilities						
Object	1	3	4	5	6	9
σ_{imp}	22.5	21.5	60.0	88.9	52.1	234.6

Notes: Figures in percent. Numbers in Panel A are elasticities with respect to a 1% change of σ.