

Press Release

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"Aareal Award of Excellence in Real Estate Research" awarded for the fourth time

Research prize has established itself internationally / about 50 real estate economics contributions submitted

Wiesbaden, 25 February 2011- Aareal Bank AG and the Real Estate Management Institute (REMI) of the European Business School (EBS) have awarded the Aareal Award of Excellence in Real Estate Research for the fourth time. The annual research prize, advertised internationally, honours academic excellence in real estate economics. For 2011, a total of 50 submissions were received. Many more than half the applications came from outside Germany, especially from North America, the Netherlands and Israel. The award is worth €12,000. The award ceremony took place on the Schloss Reichartshausen campus of the European Business School, EBS, in Oestrich-Winkel at the 12th EBS Real Estate Congress.

Just under 30 experts, principally professors in the national and international REMI research network, assessed the work on this year's topics: "Corporate Responsibility in the Real Estate Industry", "Real Estate Finance" and "Regulatory Framework and Real Estate Markets." The winners in the three categories (.Dissertation, Research Paper, MSc-/BSc-/Diploma Thesis) received their prize money (6,000 €, 4,000 € and 2,000 €) and the award from the initiators: Professor Nico B. Rottke, REMI; Dr. Wolf Schumacher, Aareal Bank AG; Elke Rudolph, Immobilien Manager Verlag.

The price in the category *Dissertation* went to Xun Bian, Pennsylvania State University, USA, for his work "Bad Borrowers or Bad Loans? The Effect of Information Asymmetry on the Choice of Prepayment Penalty". The winner in the category *Research Paper* is Min Hwang, George Washington University, USA, for his work on the subject "Mortgage Contract Choice in Subprime Mortgage Markets". In the category of *MSc-/BSc-/Diploma Thesis* the winner was Vanessa Kozik, University of Cambridge, UK, with her Masters on "An Evaluation of Forecast Bias in Analysts' Earnings Estimates of U.S. Real Estate Investment Trusts (REITs)".

Professor Nico B. Rottke, FRICS, head of REMI said: "Every year, we are in contact with over 1,700 professors as part of the award process and we ask them to submit the best work in three selected categories. Each year to date, the quality and quantity of the work has gone up. The award has become an international fixture. These days, colleagues in Germany and abroad already ask what the topics are going to be for the next year so that they can announce them in their institutes in good time. We have set up a facility that enlarges our knowledge and enables us to work towards advantageous change."

The REMI pursues an international, interdisciplinary and hands-on approach, thereby intending to promote further development and success in the property business. Aareal Bank and EBS-REMI have been cooperating already since 2004 and particularly on the REMI chair Aareal has endowed and on the Aareal Award competition. "The real estate sector is well-set for the future, as it has a mixture of academic and hands-on expertise of international standing. Because the future belongs to specialists who are both close to their customers and the market as well as to basic research and its practical insights", said Dr Wolf Schumacher in explicating the cooperation of both institutions.

Aareal Award 2012 and further information

Submissions for the "Aareal Award of Excellence in Real Estate Research 2011" can be submitted by 18 November 2011 on the topics: "Real Estate Finance", "Real Estate Economics" and "Residential Real Estate". The conditions of entry are at www.ebs-remi.de and www.aareal-award.com. The prize will be awarded on 24 February 2012.

(To editors: photos of the award ceremony are available on request)

Aareal Bank

Aareal Bank AG is one of the leading international specialist property banks. The Aareal Bank share is included in Deutsche Börse's mid-cap MDAX index. Aareal Bank operates on three continents: leveraging its successful European business model, the bank has established similar platforms in North America and in the Asia-Pacific region. It provides property financing solutions in more than 20 countries.

The Real Estate Management Institute (REMI) is one of Germany's leading institutions for training, continuing education and research in the field of real estate economics. With its commitment to excellence, free enterprise and internationalism in research, REMI offers curricula in the theory of real estate economics with a focus on real estate investments, financing and valuation. These are complemented by the interdisciplinary fields of law, tax and economics.