

## Property allocation strategy, diversification or focus? (Immobilien Vermögensallokation, Diversifikation o- der Fokus?)

Discount or premium? It is an extensively researched question in the corporate diversification/focus literature where the benefits are weighed against the costs associated with a focused property allocation strategy in order to determine its impact on the firm performance or valuation. This work aims to review the literature on the performance of diversification and focus and provide empirical analysis using data from German real estate firms.

Expectation:

- Overview of literature on the pros and cons of diversification (property type or geographic diversification).
- Quantitative analysis on the impact of diversification on firm performance.

Suggested Literature:

Campbell, R. D., Petrova, M. & Sirmans, C. F. 2003. Wealth effects of diversification and financial deal structuring: evidence from REIT property portfolio acquisitions. *Real Estate Economics*, 31, 347-366.

Capozza, D. R. & Seguin, P. J. 1999. Focus, transparency and value: the REIT evidence. *Real Estate Economics*, 27, 587-619.

Hartzell, D. , Hekman, J. and Miles, M. (1986), Diversification Categories in Investment Real Estate. *Real Estate Economics*, 14: 230-254.

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