

MARKET FUNDAMENTALS

	YOY Chg	12-Month-Forecast
€23.04 bn Transaction Volume (cum.)	▲	▲
45% Foreign Capital	▲	▬
4.90% Office Prime Yield Ø Top 7 Markets	▬	▼
28% Largest Share of Transaction Volume: Retail	▲	▼

ECONOMIC INDICATORS

	YOY Chg	12-Month-Forecast
0.2% Germany GDP Growth (2025 vs. 2024)	▲	▲
2.00% ECB deposit rate (Dec 2025)	▼	▬
2.79% 10-Year Government Bond Yield (Q4 2025)	▲	▬

Sources:
Federal Statistical Office, ECB, Bundesbank

TRANSACTION VOLUME

The investment market for commercial real estate in Germany reached a transaction volume of around €23.0 billion for the full year 2025. While the previous year's result was slightly exceeded by just under 3%, a comprehensive market recovery did not materialize. Transaction volume remains weak by historical comparison. The 10-year average (€50.7 billion) was missed by around 55%, and the 5-year average (€42.6 billion) fell short by 46%. However, a positive impulse came from the 4th quarter, which marked the strongest quarterly result of the year with just under €7.0 billion. This positive development towards the end of the year is also reflected in the half-year view: with a transaction volume of around €12.8 billion, the second half of the year was significantly stronger than the first (€10.2 billion). Market activity is benefiting from the fact that many market participants are now anticipating long-term stability in financing conditions and are no longer postponing purchases and sales.

Retail properties took the lead in the sector comparison with a volume of around €6.5 billion, recording a strong increase of 57% compared to the previous year. Both large-scale transactions and smaller sales were numerous. Office properties follow in second place with €5.1 billion, corresponding to a stable result at the previous year's level. Logistics and industrial properties fell back to third place with €5.0 billion (-17% year-on-year). In contrast, hotel properties showed significant growth, increasing their volume by 51% compared to 2024 to just under €2.0 billion.

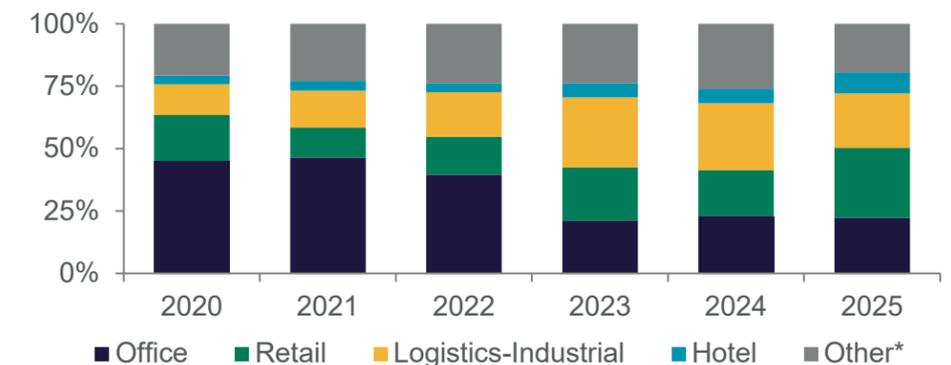
The share of foreign capital was around 45% for the full year 2025, slightly above the previous year's level. This confirms the trend that international buyers are increasingly investing in Germany again, after having acted with particular caution in 2023 following the start of the war in Ukraine in 2022.

Portfolio transactions played a subordinate role with around €4.8 billion and declined by around 21% compared to the previous year (€6.1 billion). The volume from single-asset transactions, on the other hand, showed a recovery at €18.2 billion, increasing by 12% compared to 2024.

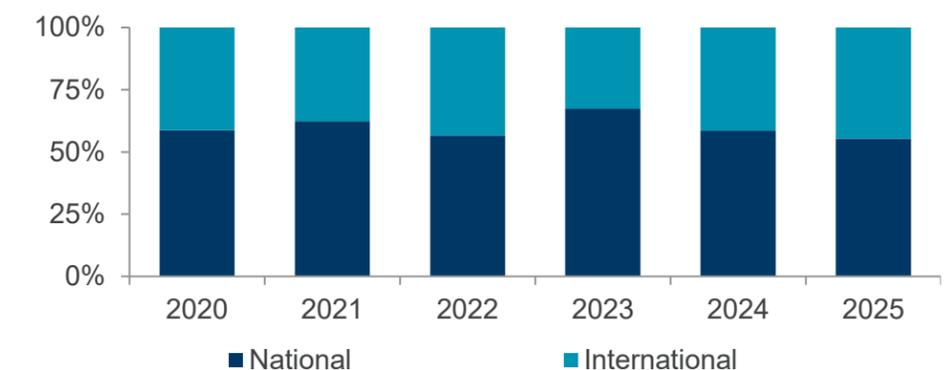
COMMERCIAL TRANSACTION VOLUME (TAV)



COMMERCIAL TAV BY ASSET CLASS

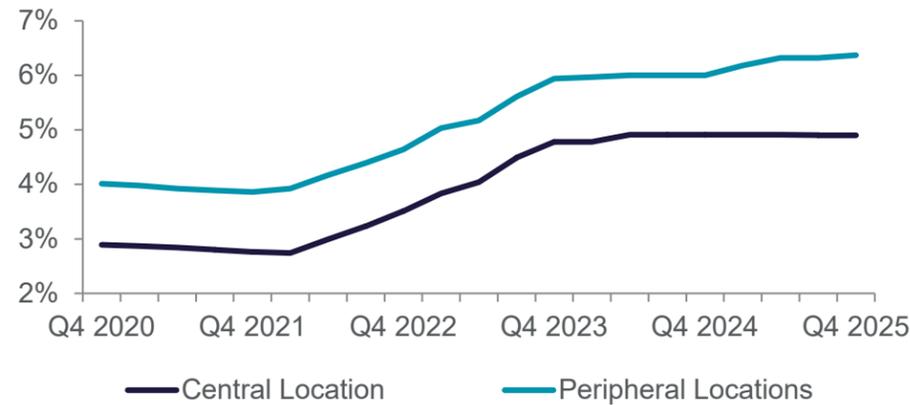


COMMERCIAL TAV BY SOURCE OF CAPITAL

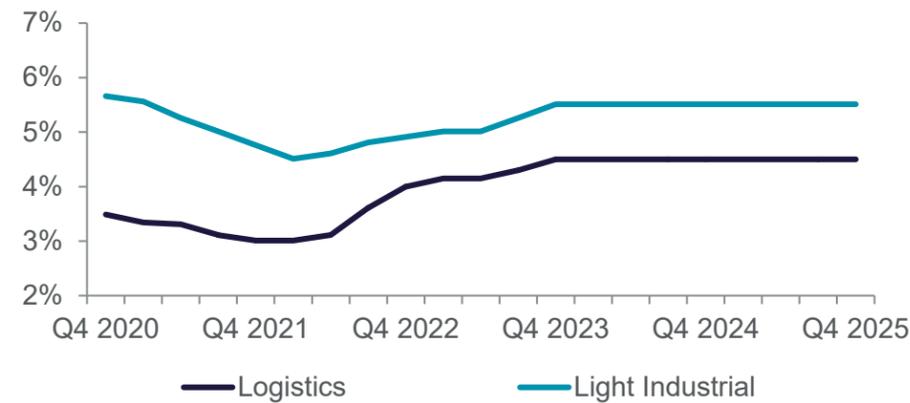


*Leisure, Health Care, Mixed-use, Development Plots

OFFICE PRIME YIELD* BY LOCATION



LOGISTICS-INDUSTRIAL PRIME YIELD* BY PROPERTY TYPE



RETAIL PRIME YIELD* BY PROPERTY TYPE



*Average in German Top 7 markets

PRIME YIELDS

Prime yields for office properties in the Top 7 markets remained unchanged at year-end compared to the previous quarter, averaging 4.90%. Munich remains the market with the lowest yield at 4.60%, followed by Berlin and Hamburg, each at 4.80%. Hamburg was the only market to record a slight compression of 10 basis points in Q3 over the course of the year. In Frankfurt, the prime yield stands at 4.90%, while Stuttgart, Dusseldorf, and Cologne are each at 5.10%. In peripheral locations, however, prime office yields rose by 25 and 10 basis points respectively in Berlin and Hamburg compared to the previous quarter.

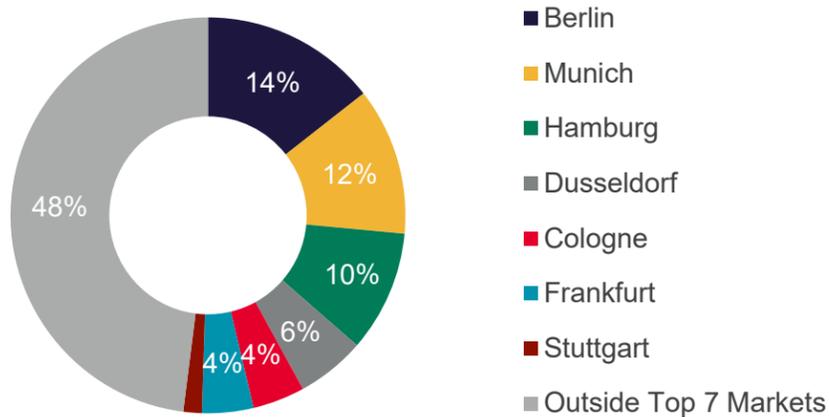
Prime yields for logistics properties stood at 4.50% at year-end, remaining at the previous year's level. Light Industrial properties also show a stable yield level, averaging 5.51% across the Top 7 markets.

A dichotomy is evident in the retail segment. The prime yield for high street commercial buildings in prime locations remained stable in the Top 7 at an average of 4.46%. The range extends from 4.10% in Munich to 4.65% in Cologne and Stuttgart. Prime yields for shopping centers also remained constant at 6.28%. In contrast, there was significant movement in retail parks: due to high investor demand, the prime yield here decreased significantly, standing at 4.75% at year-end, which corresponds to a compression of 35 basis points within one year.

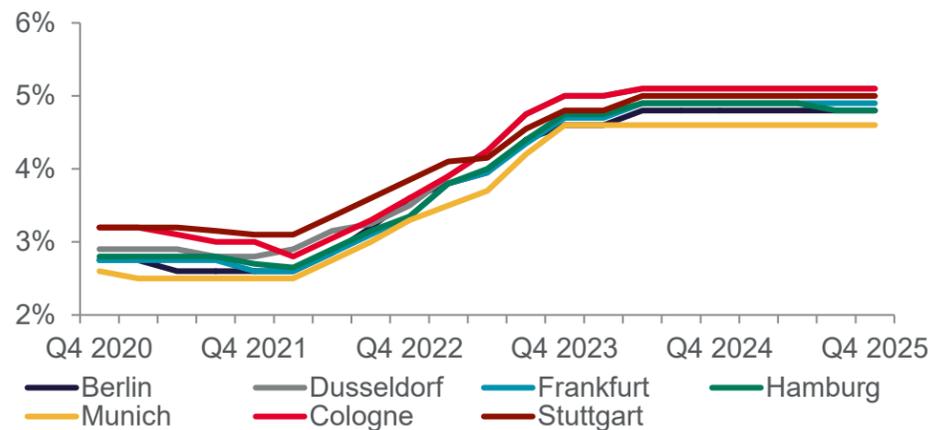
OUTLOOK

- The subdued recovery of transaction volume is likely to continue in 2026. The expectation of persistently stable interest rates for long-term government bonds is leading to high planning certainty on the financing side.
- The confidence of international investors in the German market is returning, which will lead to a broader buyer base.
- The poor state of some occupier markets, particularly for office properties, is still causing concern. However, their condition is expected to improve during 2026 due to fiscal policy-driven economic growth.
- Geopolitically, major uncertainties remain, but the markets have already priced in a great deal of volatility.

TRANSACTION VOLUME BY MARKET 2025



OFFICE PRIME YIELD TOP 7 MARKETS



MARKET STATISTICS 2025

Market	Transaction Volume (cum.) (€ bn)	Change YOY	Proportion Of Office Volume	Proportion Of International Capital	Office Prime Yield	Retail High Street Prime Yield	Logistics Prime Yield
Berlin	3.33	-2%	35%	48%	4.80%	4.35%	4.50%
Dusseldorf	1.30	18%	21%	18%	5.10%	4.45%	4.50%
Frankfurt	0.97	-48%	30%	55%	4.90%	4.55%	4.50%
Hamburg	2.29	53%	33%	39%	4.80%	4.50%	4.50%
Cologne	0.99	-13%	66%	25%	5.10%	4.65%	4.50%
Munich	2.78	24%	28%	55%	4.60%	4.10%	4.50%
Stuttgart	0.35	-32%	16%	39%	5.00%	4.65%	4.50%
Germany	23.04	3%	22%	45%	-	-	-

TOP 7 MARKETS

The commercial investment market in the Top 7 locations achieved a transaction volume of around €12.0 billion in 2025. Thus, a good half (52%) of the nationwide volume was attributable to the metropolises. The result is only slightly above the previous year's figure (€11.8 billion) but remains far behind the 5-year average of around €22.3 billion. In contrast to the overall German market, the office asset class dominated in the Top 7 locations with a share of around one-third of the transaction volume. Retail and Logistics/Industry follow at a considerable distance with 20% and 16%.

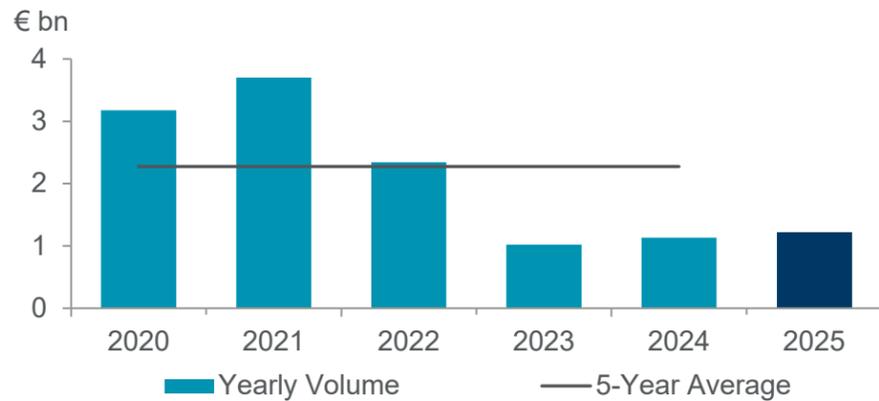
The city ranking is led by Berlin with €3.3 billion, followed by Munich with €2.8 billion. Munich benefited from a very strong final quarter (€1.3 billion). Hamburg secured third place with around €2.3 billion and was able to significantly increase its previous year's result. Dusseldorf also showed a positive development with a volume of around €1.3 billion, driven by an equally very strong fourth quarter, in which more than 45% of the annual transaction volume was generated. In contrast, there was a sharp decline in Frankfurt, where the annual volume almost halved to just under €1.0 billion compared to the previous year. Cologne (€0.99 billion) and Stuttgart (€0.35 billion) also fell short of their previous year's results.

Numerous Signa sales shaped the year: in the fourth quarter alone, these included the sale of the Oberpollinger department store in Munich (approx. €380 million to Erich Schwaiger) as well as the Corbinian Munich (approx. €200 million) and the Berlin Galeria on Kurfürstendamm (approx. €155 million) to Stumpf Development.

OUTLOOK

- The stable prime yields indicate that the price correction in the Core segment has already been completed. Slight yield compression is to be expected for 2026.
- In the riskier segments, however, positive price pressure is not yet expected to set in.
- In the market for office properties, yields for older existing properties in secondary locations are expected to rise even further.

HEALTHCARE TRANSACTION VOLUME



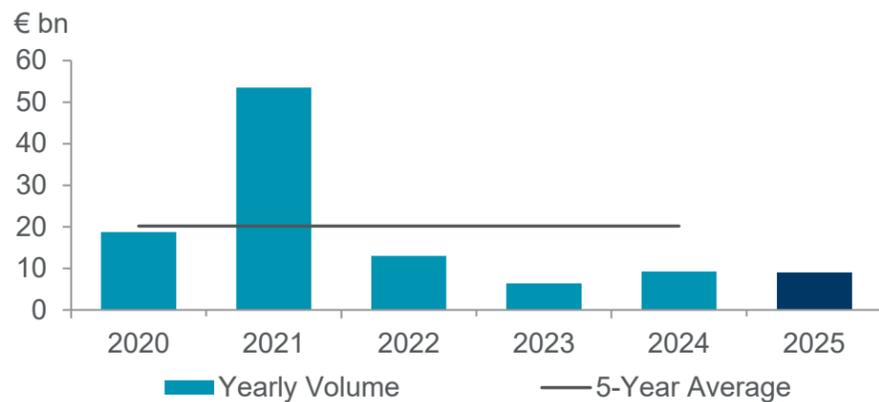
HEALTHCARE INVESTMENT MARKET

The German healthcare real estate market achieved a transaction volume of around €1.22 billion for the full year 2025. This slightly exceeded the previous year's result by 8%. The 4th quarter contributed around €199 million to the annual result. The nursing homes segment remained the dominant asset class with a volume of over €612 million, followed by senior residences in the assisted living sector with around €272 million and outpatient medical centers (MVZ) with €231 million.

The largest transaction of the year was the nursing home portfolio sold by Vonovia to the City of Hamburg. The largest transaction of the 4th quarter was the acquisition of the Josephs-Hospital in Warendorf by the AMEOS Group.

Prime yields proved stable for the second consecutive year: for nursing homes, they remain unchanged at 5.10%, for senior residences in the assisted living sector at 4.50%, for outpatient medical centers (MVZ) at 4.75%, and for inpatient medical facilities (clinics) at 5.75%.

RESIDENTIAL TRANSACTION VOLUME



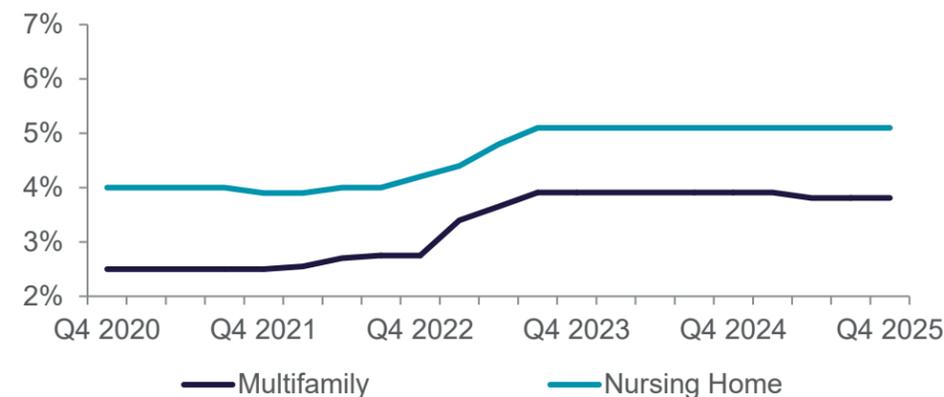
RESIDENTIAL INVESTMENT MARKET

The German residential investment market recorded a transaction volume of €9.05 billion for the full year 2025, which is 2% below the previous year's level. After a subdued course over the year, the 4th quarter showed particular momentum with a volume of around €3.2 billion. The distribution of transaction volume between single-asset transactions and portfolios was balanced; in a long-term comparison, however, this corresponds to a below-average share for portfolios.

The largest transaction of the year was the "Arielle" portfolio with 8,000 residential units, which was sold by ZBI to the I-Wohnen Group. The most significant transaction of the 4th quarter was the forward deal for the "Marienhöfe" in Berlin with 880 units from RS Immobilien to Hines.

The average prime yield for multifamily houses in the Top 7 markets has been stable at 3.81% since mid-2025, which is 10 basis points lower than in the previous year.

PRIME YIELD* BY PROPERTY TYPE



OUTLOOK

- Due to their demographics-proof characteristics, healthcare properties are an increasingly significant component in the portfolios of institutional investors, with a strengthened focus on modern, ESG-compliant properties.
- The good prospects in the residential occupier market are supporting investor demand. However, due to declining new construction completions, the supply of prime properties is tightening, which is why slight yield compression is to be expected in 2026 despite stable financing rates.

*Average in German Top 7 markets

SELECTED TRANSACTIONS 2025

Property / Address	Quarter	Main Asset Class	City	Seller / Buyer	Purchase Price (€ m)
ZBI residential portfolio (8,000 units)	Q1	Residential	Multiple	ZBI / I-Wohnen Gruppe	~ 750
Upper West, Kantstraße 163-165	Q1	Office	Berlin	Signa / Schoeller Group	~ 450
45 grocery-anchored retail properties portfolio	Q1	Retail	Multiple	Confidential / Slate Asset Management	~ 420
Senior living and care portfolio	Q1	Healthcare	Hamburg	Vonovia / HGV	~ 380
Oberpollinger department store	Q4	Retail	Munich	Signa / Erich Schwaiger	~ 380
Union Investment logistics portfolio (3 properties)	Q1	Logistics-Industrial	Multiple	Union Investment / Prologis	~ 350
Designer Outlet Neumünster	Q4	Retail	Neumünster	Nuveen Real Estate / TPG Inc.	~ 350
Helix portfolio	Q3	Logistics-Industrial	Multiple	Palmira / Starwood Capital	~ 350

EXPLANATION OF TERMS

Commercial Transaction Volume: The sum of the purchase prices for all transacted properties in the following asset classes: office, retail, logistics & industrial, hotel, leisure, healthcare, or mixed-use, as well as development plots. Transactions are included in the statistics as of the signing date of the notarized purchase agreement.

Residential Transaction Volume: The sum of the purchase prices for all transacted properties used primarily for residential purposes. This includes multifamily properties, micro-apartments/co-living, student housing (each with 20 units or more), and residential mixed-use buildings (where at least 75% of the rental income or total lettable area is attributable to residential use).

Healthcare Transaction Volume: The sum of the purchase prices for all transacted properties primarily classified as healthcare real estate. This includes care / nursing homes, assisted living facilities, and properties for outpatient and inpatient medical care.

Prime Yield: Represents the lowest net initial yield achievable for a prime property in a prime location, based on current market evidence of supply, demand, and transacted prices. The property is typically let long-term to tenants with strong credit ratings.

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TOP 7 MARKETS



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