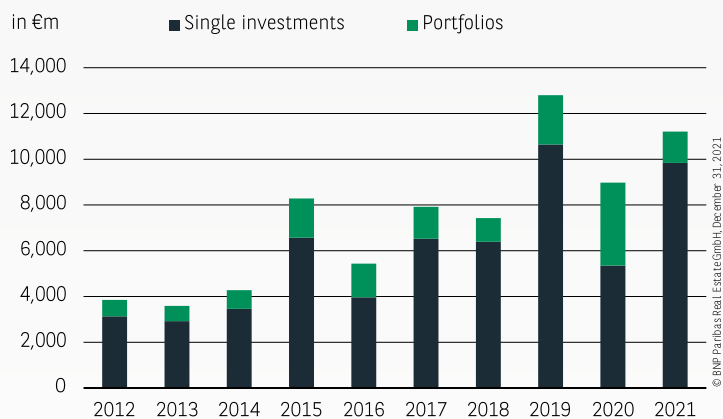




At a Glance **Q4 2021**

# INVESTMENT MARKET BERLIN

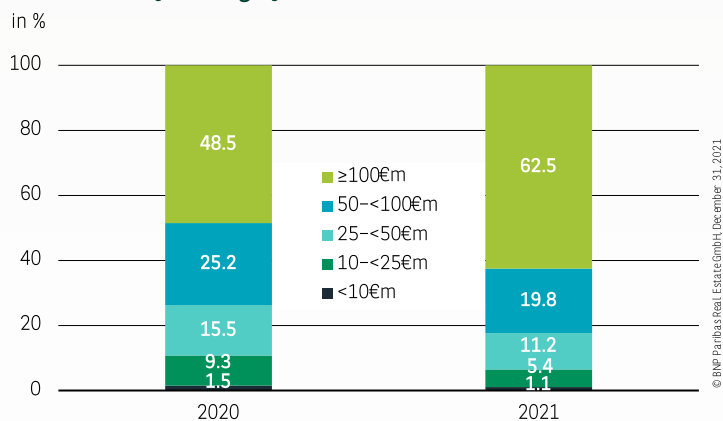
## Investment volume



## ➤ SECOND BEST RESULT IN HISTORY

In 2021, Berlin's investment market once again proved its attractiveness and appeal as a business and investment location. With an investment volume of €11.21 billion, the second-best result in the history of the German capital was achieved and the market is once again moving towards the top level of 2019. The €10 billion mark was surpassed in remarkable manner and the previous year's volume was exceeded by around 25 %. Once again, the best result among the German investment hotspots was achieved, with Munich (€7.7 billion) and Frankfurt (€6.7 billion) coming in second. Investment activity accelerated strongly, especially in individual transactions. With a volume of €9.8 billion, single deals are on a par with the record year 2019 (€10.6 billion).

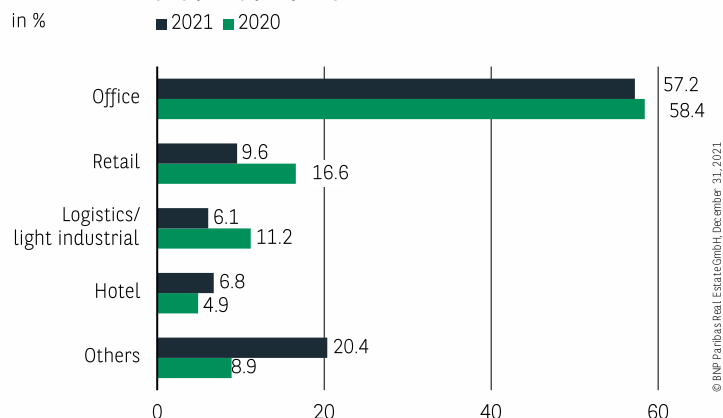
## Investments by € category



## ➤ LARGE SINGLE TRANSACTIONS ARE MARKET DRIVERS

With a volume of around €7 billion, transactions in the size class beyond €100 million contributed around 63% to the very good 2021 result and have thus been the big drivers of the market in 2021. The latest result ranks second after 2019 (€7.6 billion) in the long-term time series and represents a 61% increase on the previous year. The number of deals in this segment is also impressive, with well over 25 transactions above average. And even in the size segment above €200 million the number of deals is in the double-digit range. A stable high investment volume is reported for the €50-100 million size class, which has lost relative weight but remains very constant in absolute terms at €2.2 billion (-2% compared to 2021). Accordingly, the average deal volume has reached a new high of €74 million. This is also an unprecedented value in the Berlin market.

## Investments by type of property

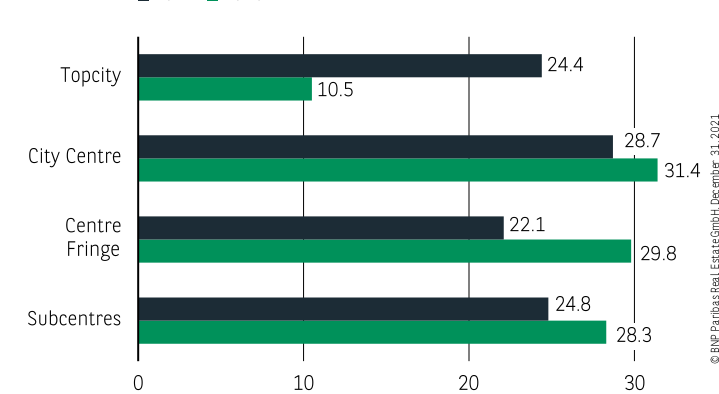


## ➤ OFFICE INVESTMENTS REMAIN DOMINANT

Around €6.4 billion was placed in office properties. This value also corresponds to the second-highest result after 2019 (+22% compared to 2021) and is a strong sign for this asset class. Despite an excellent result of almost €700 million, logistics properties missed the previous year's record result due to a lack of product (-32%). In contrast, hotels and the collective category Other, which includes the coveted Berlin development properties, recorded above-average results and increases of the investment volume of 72% and 186% respectively.

## Investments by location

in %

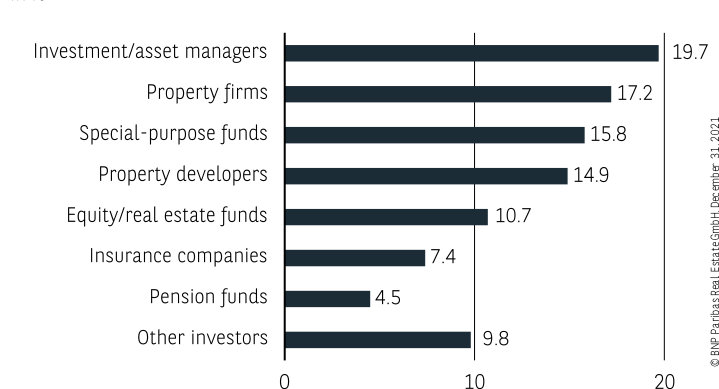


## TOP CITY OR SECONDARY LOCATION? BERLIN IS THE MATTER!

For a long time, the result of the investment volume by location has not been so balanced. All submarket locations have a market share of between 22% and 29% in 2021. Particularly striking is the precision landing achieved by Topcity and the Subcentres with €2.7 billion and just under €2.8 billion respectively. While the strong result in Topcity was driven, among other things, by the major transaction of the development Fürst and other large-volume individual transactions, the high number of transactions in the Subcentres is impressive. But here, too, 7 deals were concluded above the €100 million mark, which underlines the intrinsic value of Berlin's peripheral locations. The City was able to secure its top position from the previous year with a current volume of €3.2 billion.

## Investments by buyer group 2021

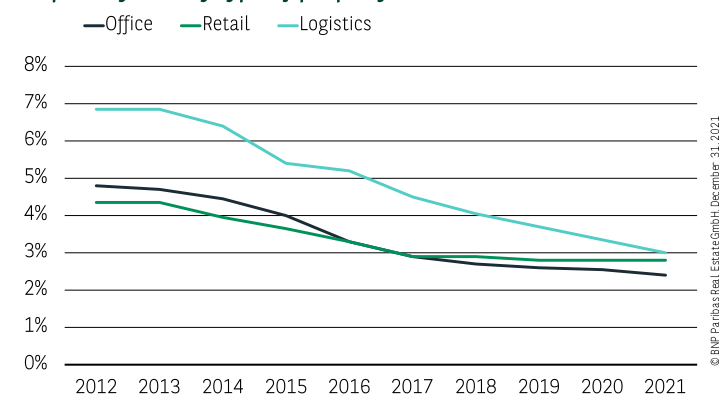
in %



## INVESTMENT MANAGERS TAKE THE LEAD

Investment managers placed around €2.2 billion in the Berlin market last year (+41%), posting their second-best result after 2019. In addition to numerous transactions in the mid-sized segment, they also successfully concluded several deals beyond the €100 million mark. The focus was clearly on office properties, in which they invested more than €1 billion. Property firms achieved a brilliant result and exceeded the €1 billion mark for the first time (€1.9 billion). Special-purpose funds came in third with an investment volume of around €1.8 billion. Property developers realised a record result, almost tripling their previous year's total and also achieving a volume in the billion euro range for the first time with almost €1.7 billion. Their confidence in Berlin's growth potential is unbroken. As expected, their investment focus is on development properties, but in addition, hotels and office properties, among others, were also acquired for repositioning.

## Net prime yields by type of property



## YIELD COMPRESSION CONTINUES

The high demand for investment product is clearly reflected in the yield development. Despite the already low level, yields for office properties have fallen by a further 15 basis points to 2.40%. Berlin is thus the most expensive location in Germany in this segment. The yield compression has also continued for logistics properties. The prime yield is now quoted at 3.00% (-35 basis points). For retail high street properties, 2.80 % is registered unchanged.

## PERSPECTIVES

Berlin is starting a strong investment year. The capital city story will continue, as investors are convinced of the city's great potential, and this applies to both national and international investors. A continuation of the yield compression cannot be ruled out in Berlin.

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