



STUTTGART

# REPORT INVESTMENT MARKET

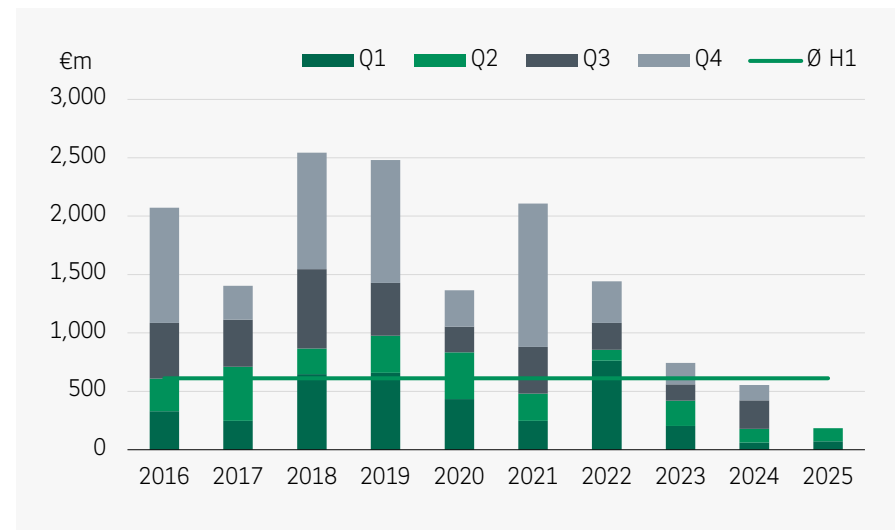
H1 2025



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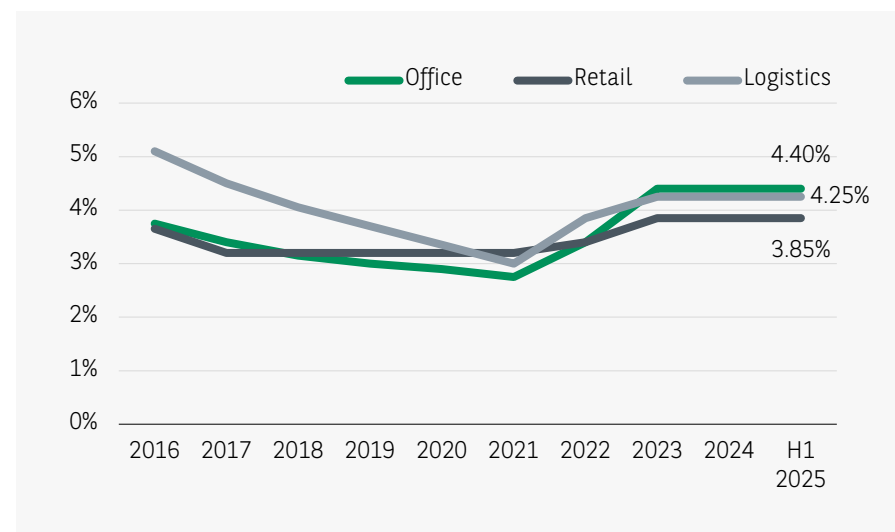
## Development of investment volume



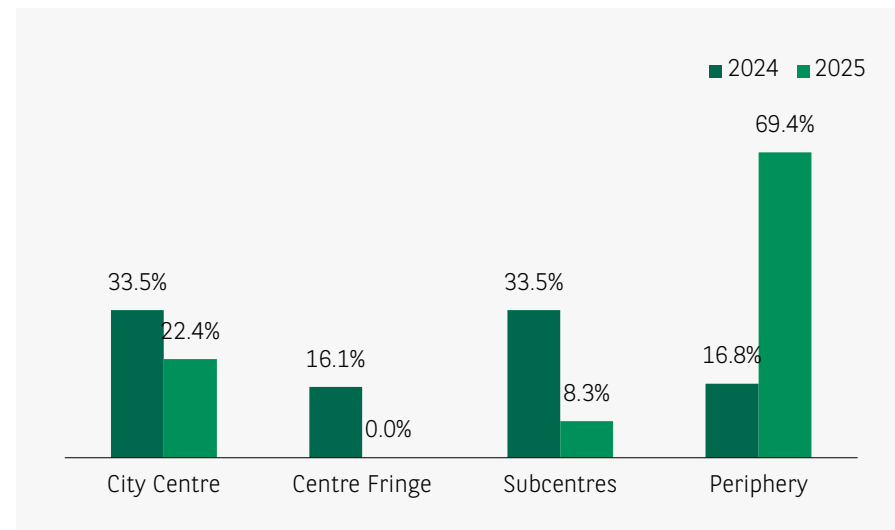
**SLIGHTLY IMPROVED Q2 RESULTS,  
BUT INVESTMENT VOLUME REMAINS LOW**

- The Stuttgart investment market lacked decisive momentum in the first half of 2025. After a weak first quarter in which only around €71 million was invested in commercial real estate, a slightly stronger second quarter followed, with around €112 million invested. Nevertheless, the six-month total of approximately €183 million is 70% below the long-term average.
- Despite the challenging conditions that continue to persist, the Stuttgart investment market has maintained its momentum compared to last year and confirmed its midyear results (+2%).
- In contrast to the first quarter, when small deals of up to €10 million clearly dominated the market, deals exceeding €40 million were also recorded in the market area in the second quarter. Therefore, the Q2 result is exclusively driven by transactions above €10 million. Consequently, the number of registered contracts remained low.
- Transactions with a volume exceeding €50 million have not yet been successfully completed.
- The price level in the premium segment remains stable in the Stuttgart market. Prime office yields are currently at 4.40%. Logistics properties are currently yielding 4.25%, while premium high street properties in prime retail locations are yielding 3.85%.

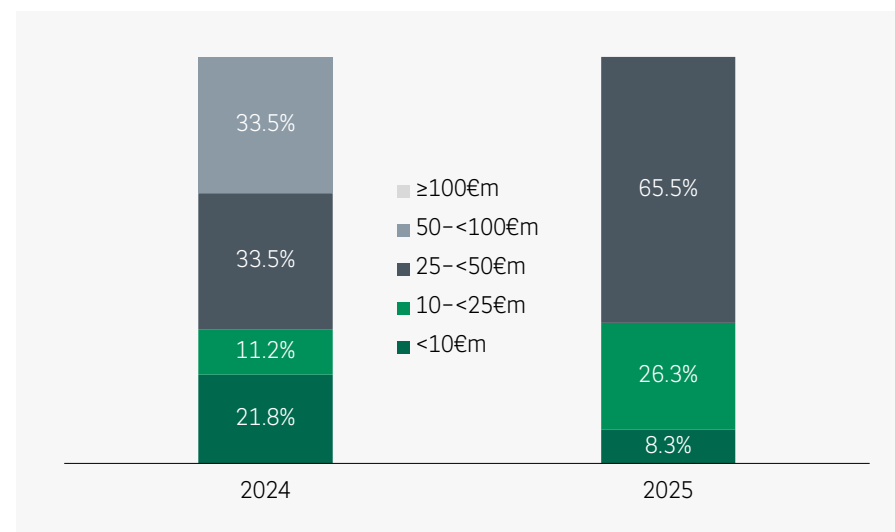
## Net prime yields by type of property



## Investments by location H1



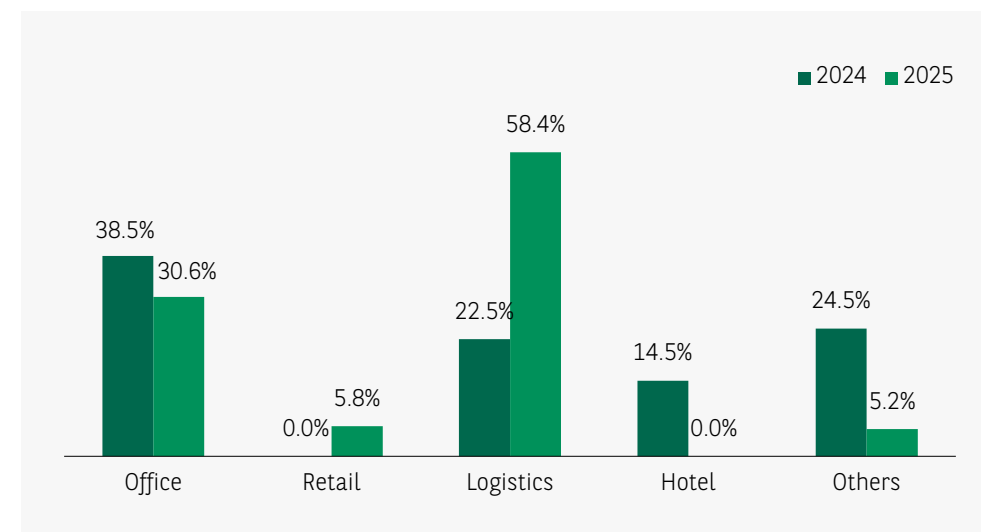
## Investments by € category H1



## LOGISTICS STRONGEST ASSET CLASS

- With a market share of over 58%, logistics investments are by far the strongest asset class. In addition to a few smaller transactions, the current results include two larger deals, raising the investment volume in this asset class above average in a long-term comparison.
- Office investments accounted for nearly a third of the results for the first half of the year. The main driver was the acquisition of the Konnection office and commercial building in Stuttgart's city center by an international investor.
- Around 69% of the market momentum is concentrated in the periphery, which can be attributed to the recorded logistics investments. Due to the limited product, transaction activity in the highly sought-after city center remains low. Investments in the centre fringe are still absent.

## Investments by type of property H1



## OUTLOOK

- Although the Stuttgart investment market experienced a slight acceleration in transaction activity during the second quarter, the market currently lacks the frequency of deals necessary for a successful bottoming out. Investment volume remains below its long-term level at the end of the first half of the year. Whether the market will gain enough momentum in the second half of the year to match last year's results depends on many factors, which are difficult to predict with any degree of certainty.
- First, there are national and international conditions to consider, including the tariffs announced by the U.S. and the overall uncertain geopolitical environment. These could significantly impact the global economy and investment markets negatively. In the current situation, scenario analysis is the only adequate approach. In our base scenario, we assume that the German economy is supported by special funds and picking up, that there is no further escalation of conflicts, and that the tariff issue is resolved rationally.
- On the other hand, investors' general confidence in real estate as an investment class, as well as in Germany as a business location and Stuttgart as a business hub, will be decisive for the second half of the year. Furthermore, the further development of the product range will take an important role.
- Currently, there are many indications that the second half of the year will be significantly more buoyant, as the range of attractive investment opportunities is expanding noticeably, and the transactions known in the market also suggest this conclusion.
- In Stuttgart, the sideways movement of prime yields is likely to continue as well.

## Key facts investment market Stuttgart

INVESTMENT VOLUME	H1 2024	H1 2025	CHANGE
<b>Total (€m)</b>	<b>179</b>	<b>183</b>	<b>2.4%</b>
Portfolio share	3.9%	0.0%	-3.9%pts
Share above €100 million	0.0%	0.0%	+0.0%pts
Office share	38.5%	30.6%	-7.9%pts
Share of city locations	33.5%	22.4%	-11.1%pts
Share of foreign investors	26.9%	50.5%	+23.5%pts

NET PRIME YIELDS	H1 2024	H1 2025	CHANGE
Office	4.40%	4.40%	+0bps
Retail	3.85%	3.85%	+0bps
Logistics	4.25%	4.25%	+0bps

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