

REVIEW HEALTHCARE INVESTMENT MARKET

GERMANY Q4 2025

RESEARCH & INSIGHTS



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Q4 2025

HEALTHCARE INVESTMENT MARKET GERMANY

VOLUME: +18% YEAR-ON-YEAR

PRIME YIELDS STABLE

KEY FIGURES

1,373

Investment volume (€m)

△ +18.0% y/y

38.1

Portfolio share (in %)

▽ -7.6%pts y/y

24.5

Ø Deal size (in €m)

△ +13.8% y/y

MARKET OVERVIEW

The healthcare investment market in Germany recorded a transaction volume of €1.4 billion for 2025. This is a solid result given the investment environment that continues to be characterized by macroeconomic uncertainties and geopolitical risks. Although the result is still far below the long-term average, a significant increase in investment volume of 18% compared to the previous year was registered.

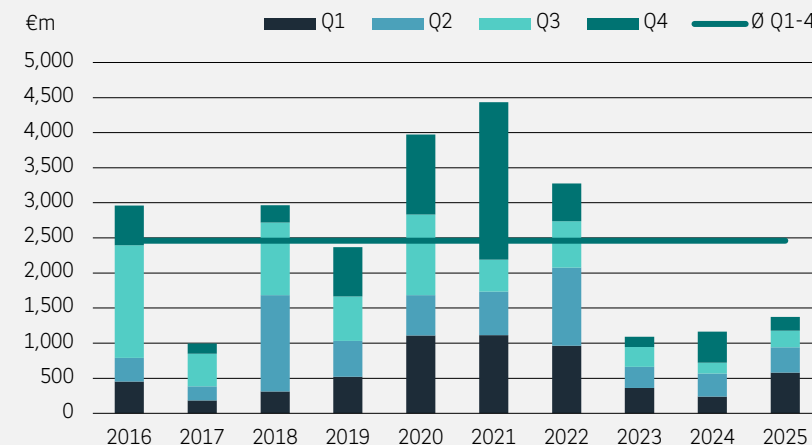
On the positive side, transaction frequency has increased for the second time in a row compared to the previous year. The deal structure is still largely determined by individual deals. Portfolio deals contributed a smaller share (38%) to the total than the long-term average (Ø 10 years: 55%). In contrast, individual deals made a higher contribution of around €850 million, close to the long-term average.

The only and by far the largest deal of the year is the sale of a nursing home portfolio of Deutsche Wohnen AG to the City of Hamburg. The portfolio changed hands for a price in the mid three-digit million range.

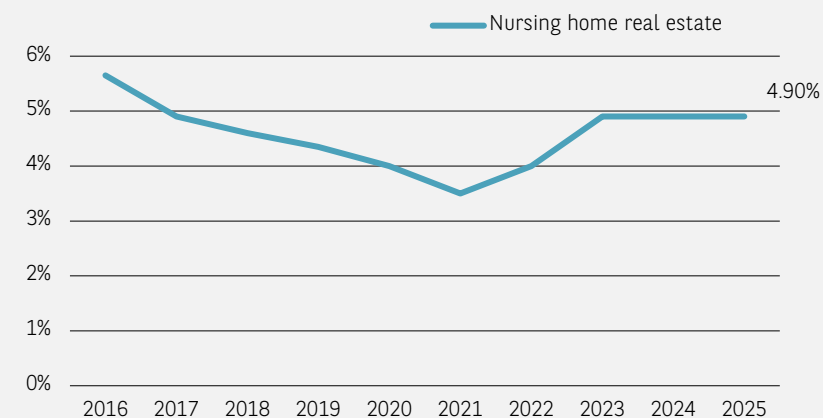
In view of the pricing phase that has already been completed and the stable financing environment, the prime yield remained constant at 4.90%.



Development of healthcare investment volume



Net prime yield for nursing home real estate



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Source: BNP Paribas Real Estate GmbH, December 31, 2025



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NURSING HOMES WITH SIGNIFICANT
INCREASE IN VOLUME COMPARED TO
PREVIOUS YEAR

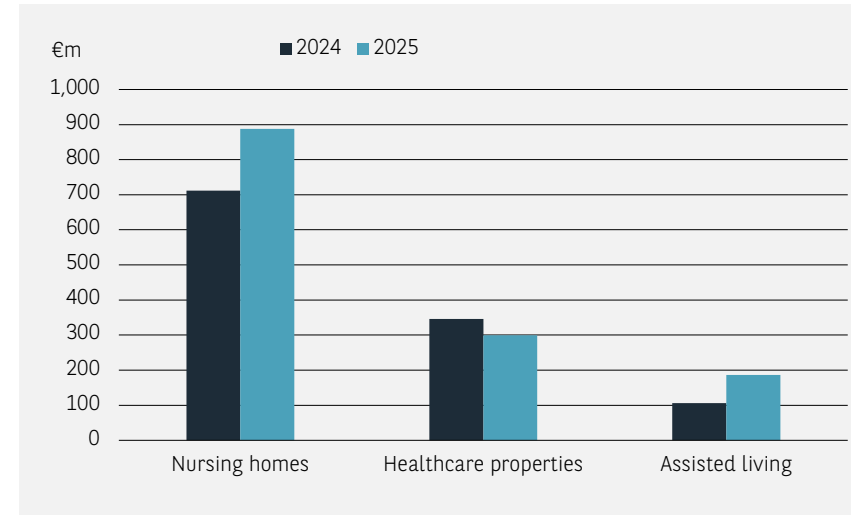
MARKET STILL SMALL-SCALE

INVESTMENT MARKET STRUCTURE

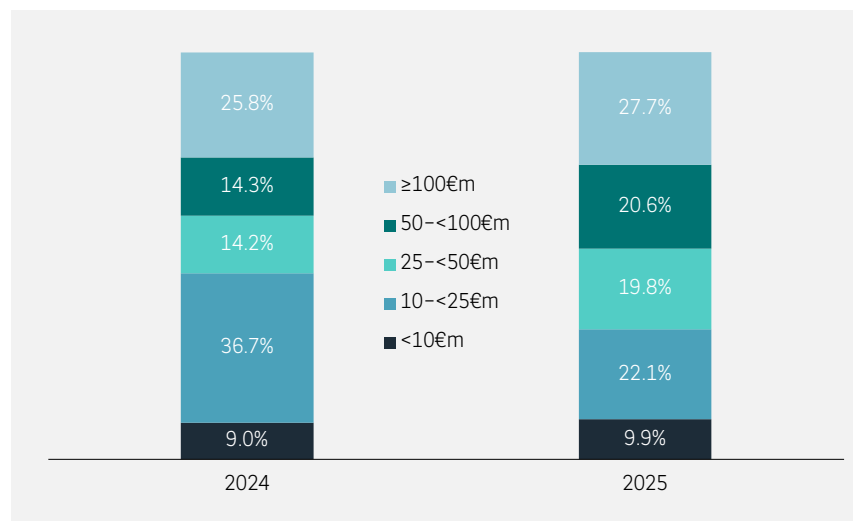
Nursing homes can record an increase in volume compared to the previous year and have a slightly increased market share of 65%. The aforementioned portfolio deal is responsible for a high contribution to the result here. In absolute terms, however, the investment volume (€888 million) in the sub-asset class remains well below the ten-year average (Ø10 years: just under €1.7 billion). At €300 million, the volume of healthcare properties was lower than in the previous year. By contrast, the assisted living sub-asset class was able to increase compared to the previous year and, at around €186 million, recorded a result only slightly below the long-term average in absolute terms.

In terms of market shares by deal size class, a broad distribution of the investment volume can be observed: The segment of large-volume deals over €100 million is the largest contributor to the transaction volume at 28%, especially due to the portfolio deal mentioned above. The size segment between €50 million and €100 million was responsible for significantly higher volumes than in the previous year and, at €283 million, posted earnings in line with the long-term average. Overall, however, the market is still more fragmented than in previous years. For example, deals are on average €25 million (Ø10 years: €32 million), although this figure was significantly revised upwards by the portfolio deal.

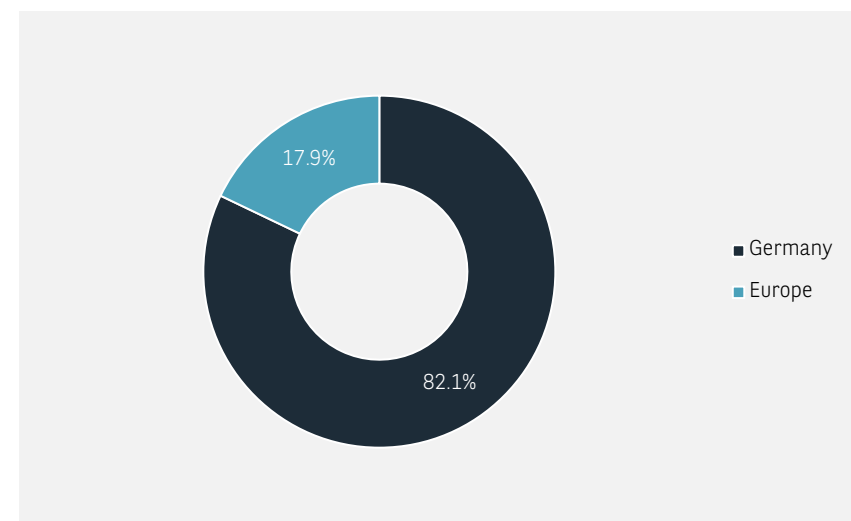
Healthcare investments by type of property



Healthcare investments by € category



Healthcare investments by origin of capital



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HEALTHCARE INVESTMENT MARKET
GERMANY

GOOD DEAL PIPELINE FAVOURABLE FOR VOLUME

MARKET RECOVERY LIKELY TO GAIN BREADTH AND MOMENTUM

ECONOMIC INDICATORS

+0.1

GDP Forecast 2025
(in %)

2.7

10ys bond yield
Ø Q4 2025 (in %)

87.6

ifo business climate index
(12 2025)

Source: ifo econmic forecast, Deutsche Bundesbank, ifo Institut

△ +1bps q/q

▽ -0.4pts m/m

OUTLOOK

Due to the current often difficult economic feasibility, high construction costs and operator risks, there are only a few new construction projects. The resulting supply-side bottleneck is also a reason why investors often do not find the right product for them (location, quality, risk profile).

However, the fundamentals of the healthcare investment market are generally very attractive. Against the backdrop of a weak macroeconomic environment, the market is not very dependent on the economic cycle. There are also good prospects in the short and medium term due to the increasing ageing of society, which will consequently further increase the demand for care facilities.

In view of a stable financing environment and the consolidation phase currently being completed, the market recovery is likely to gain breadth and momentum this year. Currently, some large transactions are still being marketed or in preparation, which are expected to be completed in the course of the year. Though under these circumstances, a result in the range of the long-term average (around €2.5 billion) appears to be too ambitious, but an increase towards the €2 billion mark is quite realistic.



Investment market data

	2024	2025	CHANGE
Total (€m)	1,163	1,373	+18.0%
Portfolio share	45.7%	38.1%	-7.6%pts
Share above €100 million	25.8%	27.7%	+1.9%pts
Share of foreign investors	41.7%	17.9%	-23.8%pts
Share of new buildings	6.8%	22.1%	+15.3%pts

NET PRIME YIELDS	2024	2025	CHANGE
Nursing home real estate	4.90%	4.90%	+0bps



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DASHBOARDS



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