

REVIEW INVESTMENT MARKET

BERLIN Q4 2025

RESEARCH & INSIGHTS



**BNP PARIBAS
REAL ESTATE**

Real Estate for a changing world



Q4 2025

INVESTMENT MARKET BERLIN

- BERLIN ONCE AGAIN AT THE TOP OF THE A-LOCATIONS
- INVESTMENTS ONLY SLIGHTLY BELOW PREVIOUS YEAR'S LEVEL

KEY FIGURES

3,244

Investment volume (€m)

▽ -8.5% y/y

4.3

Portfolio share (in %)

▽ -55.0pts y/y

38.2

Ø Deal size (in €m)

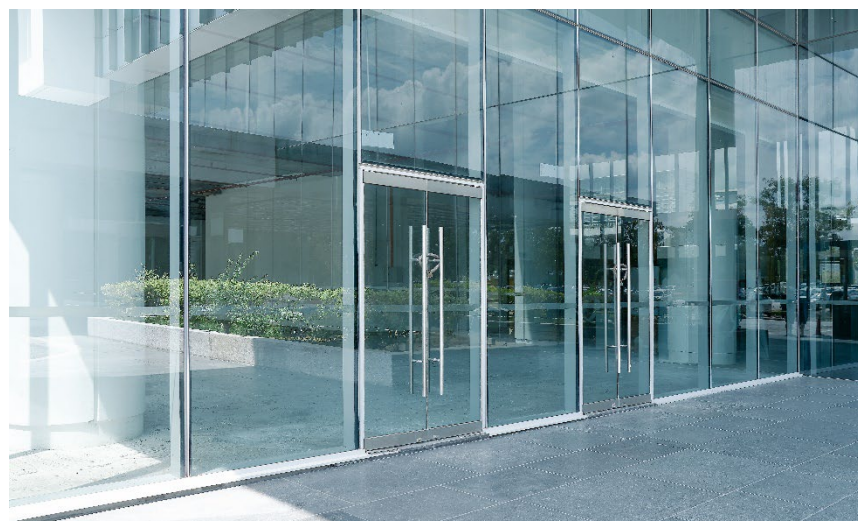
△ +8.7% y/y

MARKET OVERVIEW

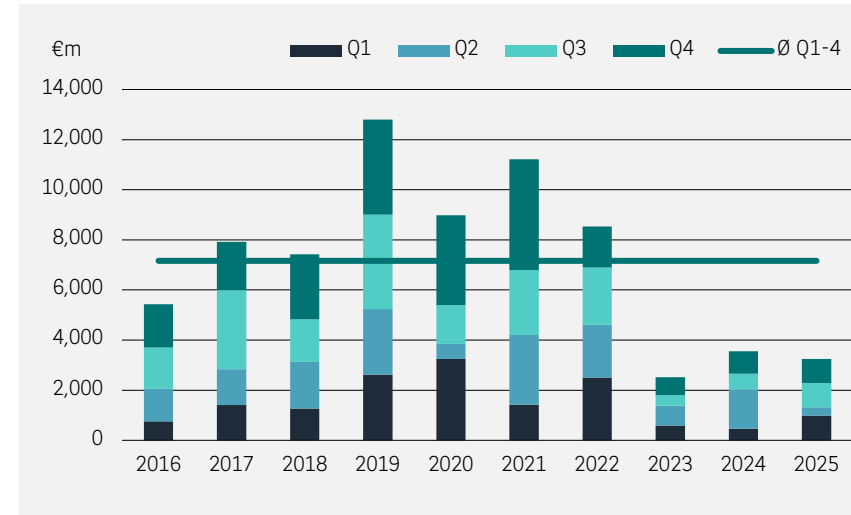
The transaction volume in Berlin totalled around €3.25 billion, slightly below the previous year's result (-8.5%). The average of the last three years, on the other hand, was slightly exceeded at just under 5%. Against the backdrop of the still difficult environment for the investment markets, the result is quite satisfactory. This is especially true as around one billion euros of last year's turnover is attributable to the sale of Signa's KaDeWe to the Central Group. If this extraordinary deal is disregarded, the investment volume would have increased by almost a quarter. The largest transaction of the year in the capital was the sale of the Upper West for more than €400 million.

As in previous years, Berlin has again taken the lead in 2025 by a wide margin. With €3.25 billion achieved across all asset classes, the capital is well ahead of Munich with €2.56 billion (-5% compared to 2024). The ranking is completed by Hamburg with almost €1.9 billion (-17% compared to 2024).

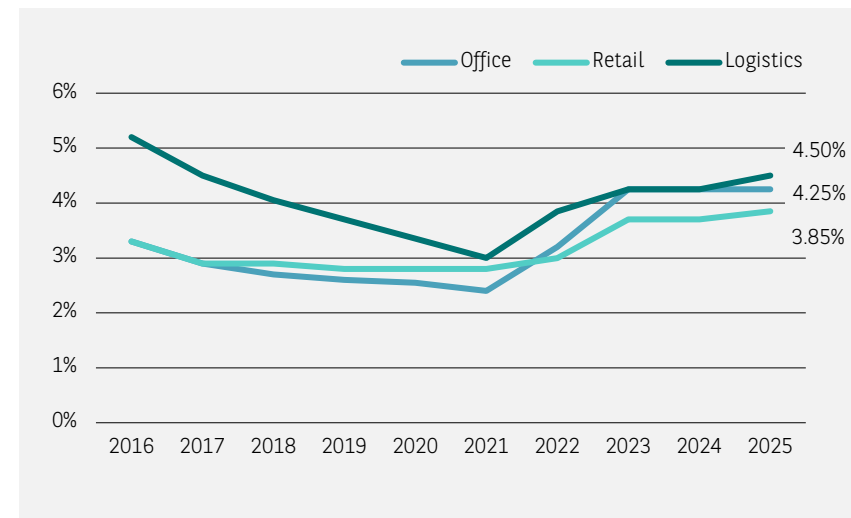
Different developments can be observed in prime yields. While 4.25% is to be applied to offices, as in the previous year, prime yields for both premium high street buildings in prime retail locations rose by 15 basis points to 3.85% and for logistics properties by 25 basis points to 4.50%.



Development of investment volume



Net prime yields by type of property





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INVESTMENT MARKET
BERLIN

- OFFICE PROPERTIES CLEARLY AT THE TOP AGAIN
- CENTRAL LOCATIONS PARTICULARLY IN DEMAND

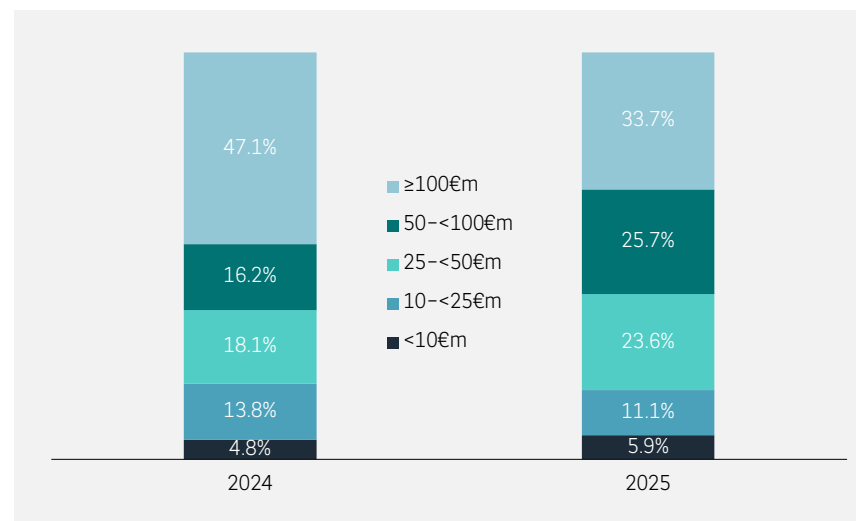
INVESTMENT MARKET STRUCTURE

The distribution of the investment volume among the individual asset classes is different from the previous year. With a share of just over 48%, office properties are back at the top and have reached the level of their long-term average. The sale of the Upper West, brokered by BNPPRE, made a significant contribution to this. Retail properties, which were leading mainly due to the sale of KaDeWe last year, follow in second place with just under 16% and remain slightly below their usual share. Logistics investments (11%) and hotels (8%) are in second place. Development properties are primarily responsible for the relatively high share of the category 'Others'. This shows that project developers continue to be convinced of a long-term positive development of the Berlin investment market.

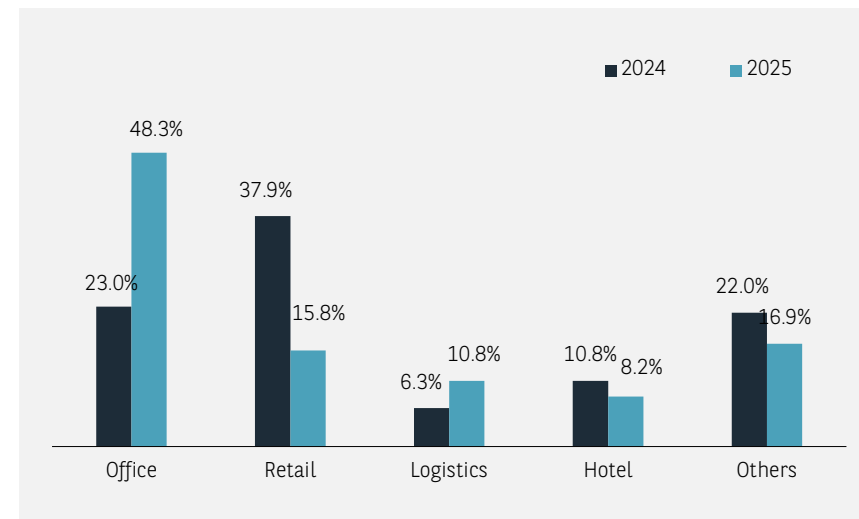
Although large-volume deals in the three-digit million range contribute the most to the result at around a third, they are still noticeably lower than in a long-term comparison, which is around 50%. The absolute transaction volume increased significantly, especially in the mid-size classes between €25 million and €100 million.

In 2025, central locations were particularly in demand. Most of the volume was spent on the City Centre with a good 41%, followed by Centre Fringe locations with a good 30%. The Topcity, which is characterized by large office properties, accounts for almost 22% of investment turnover.

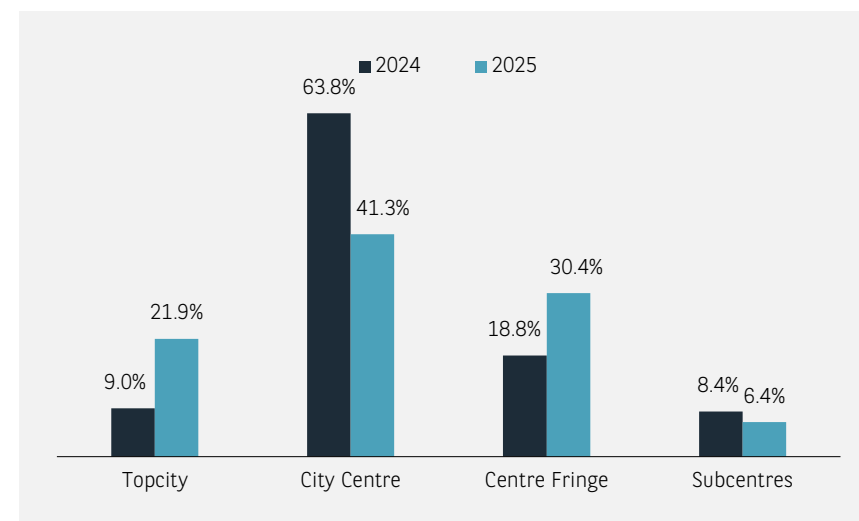
Investments by € category



Investments by type of property



Investments by location



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INVESTMENT MARKET BERLIN

- **BERLIN REMAINS POPULAR WITH INVESTORS**
- **SLIGHT UPWARD TREND SHOULD CONTINUE**

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 econic forecast, Deutsche Bundesbank, ifo Institut

△ +1bps q/q

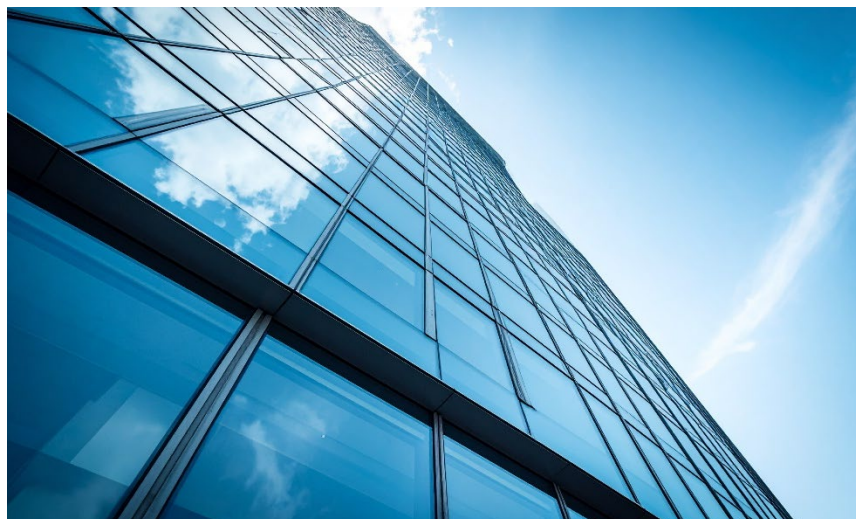
▽ -0.4pts m/m

OUTLOOK

The further development of Berlin's investment market will be determined primarily by overarching trends that only partially reflect the concrete framework conditions in the capital. These include, above all, global aspects, which stand in particular for uncertainty and rapidly changing influencing parameters.

The fact that the capital is still considered by investors to be an extremely interesting location is shown not least by the fact that the proportion of foreign buyers remains very high at just under 50% and benchmark deals, such as the sale of the Upper West, are also being realised again.

Against this background, it will primarily depend on whether the German economy manages to translate the slight improvement in sentiment currently observed and the expected effects of the Federal Government's special infrastructure fund into growth. From today's perspective, there is a realistic chance that the economy could pick up noticeably again in 2026 for the first time in three years. The occupier markets would also benefit from this, which could contribute to a revival of investment activities. In addition, the financing environment should stabilize and thus increase planning security for investors. In summary, a slight increase in the investment volume in the current year seems quite likely.



Investment market data

	2024	2025	CHANGE
Total (€m)	3,547	3,244	-8.5%
Portfolio share	59.3%	4.3%	-55.0%pts
Share above €100 million	47.1%	33.7%	-13.4%pts
Office share	23.0%	48.3%	+25.3%pts
Share of city locations	72.8%	63.2%	-9.6%pts
Share of foreign investors	59.3%	47.8%	-11.5%pts

NET PRIME YIELDS	2024	2025	CHANGE
Office	4.25%	4.25%	+0bps
Retail	3.70%	3.85%	+15bps
Logistics	4.25%	4.50%	+25bps



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