

REVIEW INVESTMENT MARKET

GERMANY Q1 2026

RESEARCH & INSIGHTS



**BNP PARIBAS
REAL ESTATE**

Real Estate for a changing world



- VOLUME SIGNIFICANTLY ABOVE PREVIOUS YEAR
- BY FAR THE HIGHEST NUMBER OF DEALS SINCE 2022

KEY FIGURES

6,892 △ +16.4% y/y
Investment volume (€m)

26.2 △ +3.2%pts y/y
Portfolio share (in %)

21.9 △ +2.0% y/y
Ø Deal size (in €m)

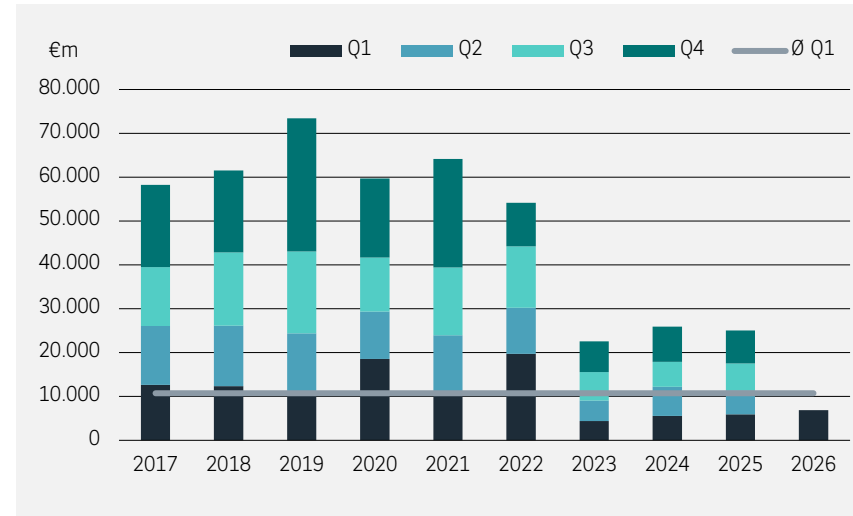
MARKET OVERVIEW

The German investment market started 2026 with a transaction volume of just over €6.9 billion. This significantly exceeded the previous year's result by around 16%. It is particularly positive that the number of registered transactions by the end of the first quarter was above the 300 deal mark for the first time since 2022. The dispute in the Middle East, which has escalated further since the end of February, with its possible implications for energy supply, inflation, interest rates and thus financing, cannot yet be fully reflected in the current figures. Nevertheless, even after the conflict escalated in March, a whole series of transactions were successfully signed.

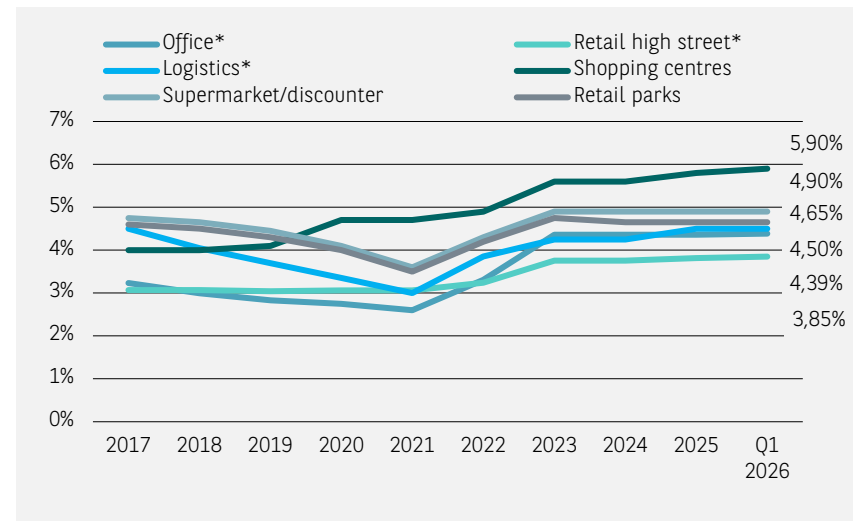
Net prime yields were broadly stable across the board at the start of the year. However, there were slight upward adjustments in some cases. Since the beginning of the year, the net prime yield for office properties in Berlin and Stuttgart has risen by 10 basis points to 4.35% and 4.50% respectively. In the high street segment, there were adjustments in Berlin and Cologne by 10 basis points each to 3.95% and 4.00%, respectively, and in Stuttgart by 5 basis points to 4.00%. Shopping centres (5.90%) are yielding 10 basis points higher nationwide. There were no changes in the segments of logistics (Ø A-locations 4.50%), supermarkets/discounters (4.65%) and food-anchored retail parks (4.65%).



Development of investment volume



Net prime yields by type of property



* Ø A-locations (Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Munich, Stuttgart)



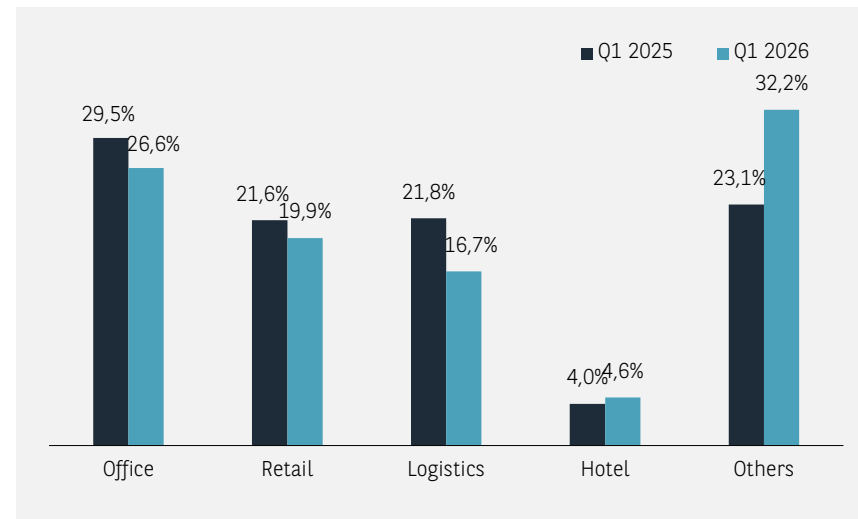
INVESTMENT MARKET STRUCTURE

With a transaction volume of just under €1.8 billion (+5% year-on-year), office properties occupy the top position among commercial asset classes in the first quarter of 2026. Retail investments followed with €1.4 billion and a market share of 20%. The structural trend towards food-anchored local supply is clearly continuing: discounters, specialist shops and supermarkets contributed around half of the retail investment volume in the first quarter. While the logistics segment (€1.2 billion) recorded a decline of 17% compared to the previous year despite a higher number of deals due to smaller ticket sizes, the hotel investment volume increased by 35% to around €318 million. Institutional investors in particular are much more active in this segment than before. The "Others" collective category also recorded growth, which currently mainly covers the healthcare segment (€1.1 billion; +87%). The successful acquisition of 80% of Cofinimmo's shares by Aedifica made a decisive contribution to this. The fair value of German real estate was more than €900 million at the end of 2025.

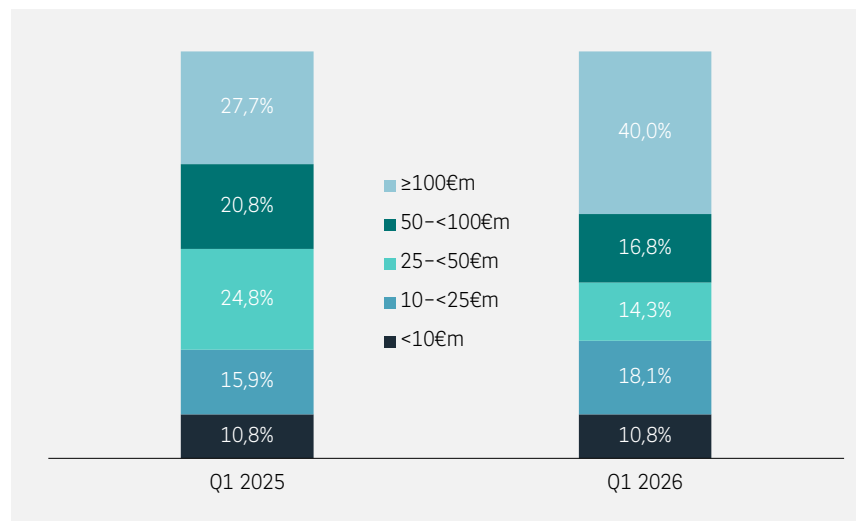
The transaction volume in the A-locations totalled around €2.4 billion, 4% below the previous year's figure. The market with the highest volume in the first quarter was Munich with €740 million (+46% compared to Q1 2025). With the sale of the Alte Akademie from the Signa insolvency, the largest transaction of the year so far of all A-locations is in the Bavarian capital.

- OFFICE STRONGEST ASSET CLASS WITH SLIGHT GROWTH
- A-LOCATIONS WITH MODERATE DECLINE COMPARED TO Q1 2025

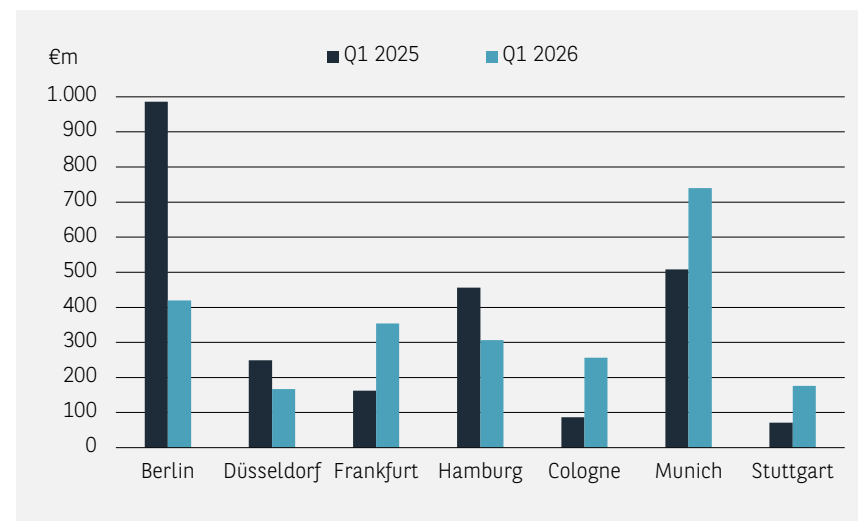
Investments by type of property



Investments by € category



Investments by location





- **GEOPOLITICS REMAINS A FACTOR OF UNCERTAINTY**
- **TRANSACTION MOMENTUM LIKELY TO CONTINUE TO INCREASE MODERATELY**

ECONOMIC INDICATORS

+0.6

GDP Forecast 2026
(in %)

2.86

10ys bond yield
0 Q1 2026 (in %)

86.4

ifo business climate index
(3/2026)

△ +15bps q/q

▽ -2.0pts m/m

Source: ifo economic forecast, Deutsche Bundesbank, ifo Institut

OUTLOOK

The framework conditions for investment decisions have shifted again in recent weeks. The situation in the Middle East is weighing on economies worldwide and has increased volatility on the capital markets. Under this premise, Germany's leading institutes have recently adjusted their growth forecasts downwards and published higher inflation assumptions. The economic tailwind anticipated at the beginning of the year is therefore likely to be lower, and the rise in energy prices and the associated inflation risks have dampened expectations of a long-term monetary policy easing for the time being. Accordingly, the long end of the yield curve has moved noticeably, which could be reflected in a renewed pricing in an environment in which calculation and structuring are disciplined anyway.

However, the German occupier markets have proven their resilience in recent years and there are currently no signs of further far-reaching structural changes in demand. At the same time, we are observing that the pipeline of ongoing processes is still well filled and that the range of marketable products is gradually expanding. A realistic scenario is certainly that acquisition processes in the coming months will require somewhat longer lead times, but will continue to be completed. Despite the currently burdened outlook, we therefore continue to expect a moderate increase in transaction activity compared to the previous year.



Investment market data

	Q1 2025	Q1 2026	CHANGE
Total (€m)	5,919	6,892	+16.4%
Portfolio share	23.0%	26.2%	+3.2%pts
Share above €100 million	27.7%	40.0%	+12.3%pts
Office share	29.5%	26.6%	-2.9%pts
Share of A-locations	42.6%	35.1%	-7.5%pts
Share of foreign investors	35.9%	42.6%	+6.7%pts

NET PRIME YIELDS*	Q1 2025	Q1 2026	CHANGE
Office	4.36%	4.39%	+3bps
Retail	3.76%	3.85%	+9bps
Logistics	4.25%	4.50%	+25bps



Q1 2026

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