REVIEW
HEALTHCARE INVESTMENT MARKET

GERMANY H1 2026

RESEARCH & INSIGHTS

BNP PARIBAS
REAL ESTATE

Real Estate for a changing world

STRONGEST FIRST-HALF RESULT SINCE 2022

PORTFOLIO TRANSACTIONS ACCOUNT FOR 84% OF INVESTMENT VOLUME

KEY FIGURES

1.614 △ +71,2% y/y
Investment volume (€m)

83,7 △ +29,1%pts y/y
Portfolio share (in %)

62,1 △ +64,6% y/y
Ø Deal size (in €m)

MARKET OVERVIEW

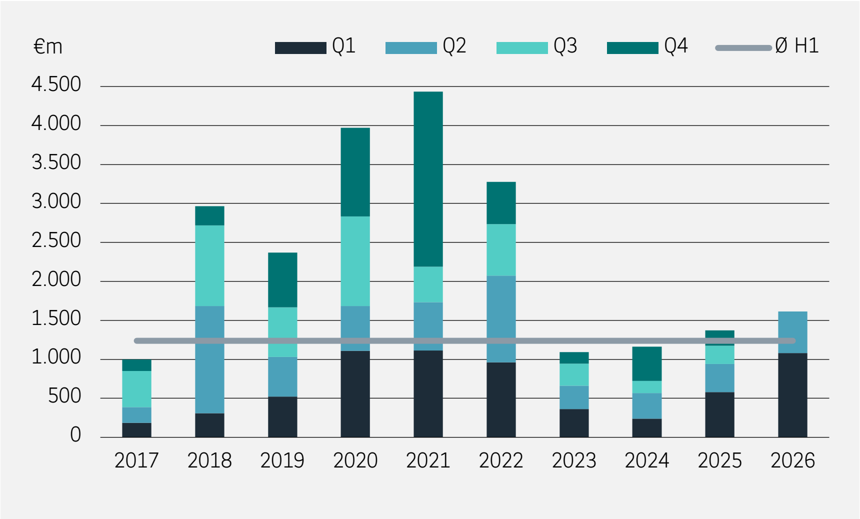
The German healthcare investment market largely carried its strong start to the year into the second quarter, albeit at a slightly more moderate pace. With a transaction volume of €1.6 billion, the market recorded its strongest first-half result since 2022, exceeding the long-term average by 30%. Against the backdrop of ongoing macroeconomic uncertainty and geopolitical risks, this represents a remarkably resilient performance.

While the number of transactions remained broadly in line with the previous year, the deal structure shifted significantly. Portfolio transactions played a much more prominent role than in recent years. With a volume of almost €1.4 billion, portfolios accounted for approximately 84% of total investment activity, substantially above the long-term average share of 55%.

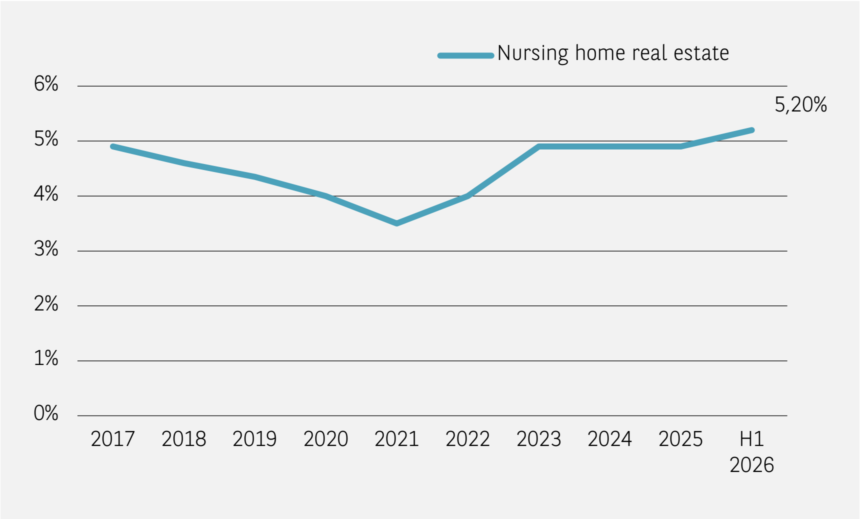
Following the sale of two nationally diversified portfolios in the first quarter, a rehabilitation clinic portfolio changed hands in the second quarter at a purchase price in the mid-three-digit million-euro range. These large-scale portfolio transactions underline the ongoing recovery of the investment market and reflect renewed interest from institutional investors.

Compared to year-end 2025, the prime yield increased by 30 basis points and currently stands at 5.20%.

Development of healthcare investment volume



Net prime yield for nursing home real estate



Source: BNP Paribas Real Estate GmbH, June 30, 2026

HEALTHCARE ASSETS CAPTURE AN ABOVE-AVERAGE 45% MARKET SHARE

INTERNATIONAL CAPITAL HAS RETURNED

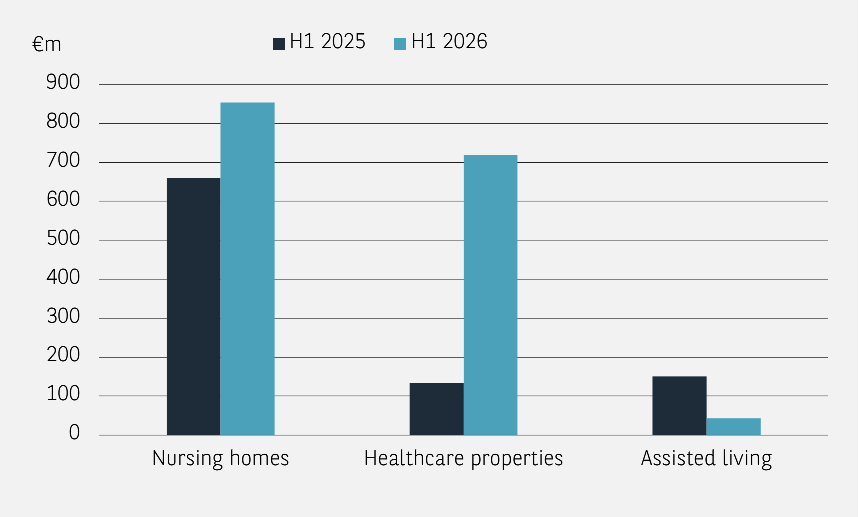
INVESTMENT MARKET STRUCTURE

Both care properties and healthcare real estate recorded substantial increases in transaction volume compared with the previous year. At approximately €850m and just under €720m, respectively, both segments achieved their strongest first-half result since 2022. Healthcare properties were particularly notable, accounting for 45% of total investment volume and therefore making an above-average contribution to overall market performance. In contrast, the assisted living segment remained subdued, with transaction volume of just over €40m, significantly below the levels seen in previous years.

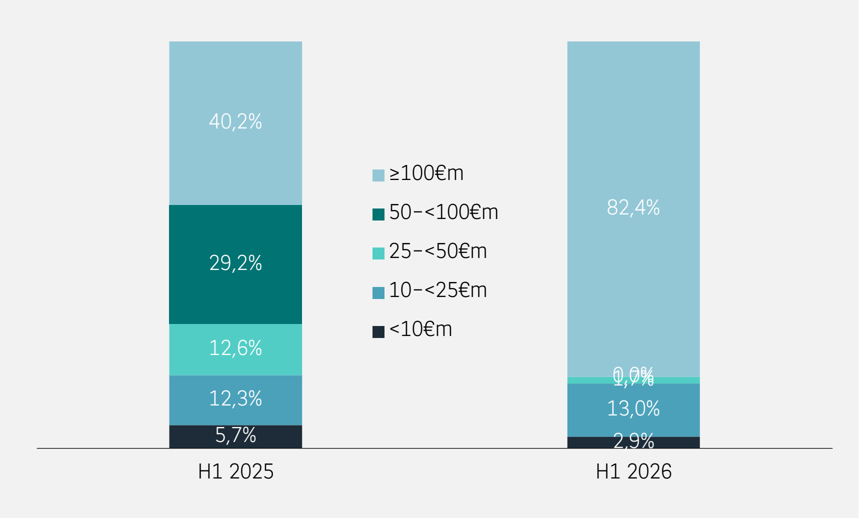
The distribution of investment activity by lot size highlights a strong concentration in transactions exceeding €100m. This segment was driven primarily by three of the four portfolio deals completed during the period and generated a transaction volume of more than €1.3bn. Excluding these large-scale transactions, market activity presents a considerably more fragmented picture. Particularly noteworthy is the €10–25m size bracket, which recorded transaction volume of approximately €210m, marking its highest level since 2022.

Another striking feature of the market was the exceptionally high level of international investor participation, which reached a new record with a market share of 87%. This was largely attributable to two of the three major portfolio acquisitions being completed by US investors. The strong presence of international capital underscores the renewed attractiveness of the German healthcare investment market and signals the continued return of foreign investors to the sector.

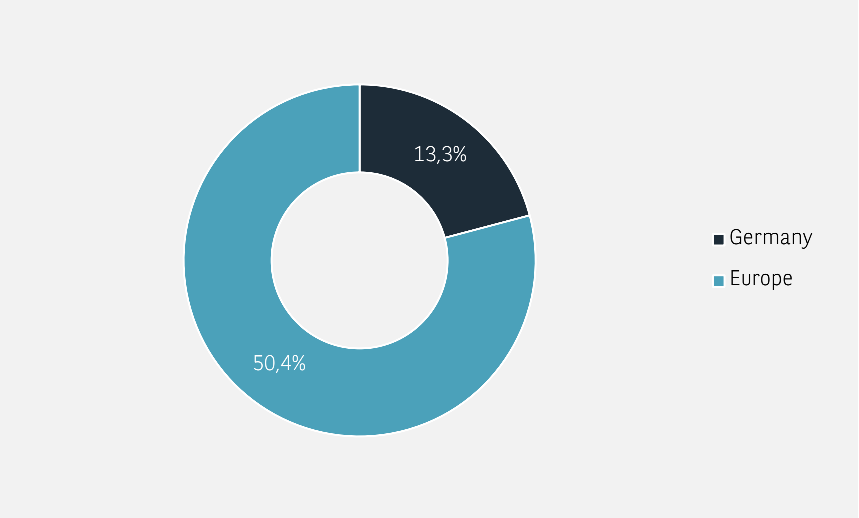
Healthcare investments by type of property



Healthcare investments by € category



Healthcare investments by origin of capital



Source: BNP Paribas Real Estate GmbH, June 30, 2026

MARKET RECOVERY EXPECTED TO CONTINUE THROUGHOUT THE YEAR

€2.5–3.0BN YEAR-END VOLUME IN SIGHT

ECONOMIC INDICATORS

+0,8
GDP Forecast 2026
(in %)

3,01 △ +15bps q/q
10ys bond yield
Ø Q2 2026 (in %)

85,6 △ +0,6pts m/m
ifo business climate index
(6/2026)

Source: ifo ecomic forecast, Deutsche Bundesbank, ifo Institut

OUTLOOK

The strong level of market activity recorded in the first half of the year, together with the return of large-scale portfolio transactions, points to a continuing recovery of the German healthcare investment market. In particular, the high level of interest from international investors suggests that the market's positive momentum is likely to persist over the remainder of the year.

The development pipeline remains constrained by challenging project economics, elevated construction costs and operator-related risks, resulting in only a limited number of new developments currently being brought to market. This supply shortage often makes it difficult for investors to source suitable investment opportunities. Nevertheless, the fundamentals of the healthcare sector remain highly attractive. Against the backdrop of a subdued macroeconomic environment, healthcare real estate continues to demonstrate its comparatively defensive and non-cyclical characteristics. At the same time, demographic change and an ageing population are driving growing demand for both care and healthcare facilities.

Supported by a stable financing environment and a largely completed market consolidation phase, the recovery is expected to gain further momentum over the coming quarters. Against this backdrop, an investment volume exceeding the long-term average of approximately €2.5bn appears achievable. Should the major transactions currently being marketed or prepared for sale be completed successfully, total investment volume could once again approach the €3bn mark.

Investment market data

	H1 2025	H1 2026	CHANGE
Total (€m)	**943**	**1.614**	**+71,2%**
Portfolio share	54,7%	83,7%	+29,1%pts
Share above €100 million	40,2%	82,4%	+42,2%pts
Share of foreign investors	0,0%	86,7%	+86,7%pts
Share of new buildings	21,2%	3,8%	-17,4%pts

NET PRIME YIELDS	H1 2025	H1 2026	CHANGE
Nursing home real estate	4,90%	5,20%	+30bps

Source: BNP Paribas Real Estate GmbH, June 30, 2026

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