

# REVIEW INVESTMENT MARKET

GERMANY H1 2026

RESEARCH & INSIGHTS



**BNP PARIBAS  
REAL ESTATE**

Real Estate for a changing world



- INVESTMENT VOLUME POSTS SLIGHT INCREASE
- TRANSACTION MOMENTUM MODERATES IN Q2

### KEY FIGURES

12,280 △ +8.0% y/y  
Investment volume (€m)

24.6 △ +0.5%pts y/y  
Portfolio share (in %)

20.5 ▽ -2.4% y/y  
Ø Deal size (in €m)

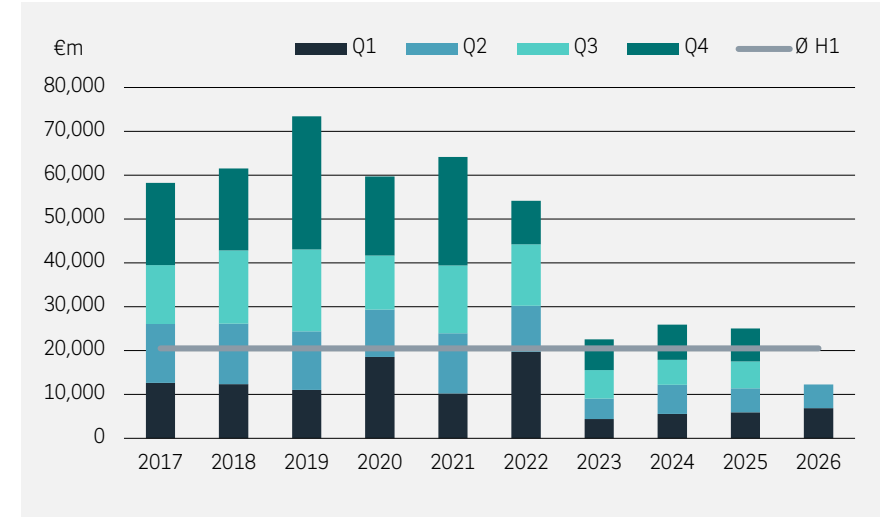
## MARKET OVERVIEW

The German real estate investment market in the second quarter was shaped by the military conflicts in the Middle East and their implications for overall economic development, as well as for financing conditions, which are a key factor for real estate investments. Commercial investment volume amounted to a total of €12.3bn in the first half of 2026, up 8% year-on-year. Following a lively start to the year, with around €6.9bn placed in the first quarter, transaction momentum slowed noticeably in the second quarter, with volume reaching €5.4bn. However, the second quarter did not represent a standstill, but rather a renewed recalibration of the market. In the current environment, risks are being repriced. Refinancing issues, more defensive assumptions regarding occupier markets and higher risk premiums have once again reshaped negotiations in some asset classes.

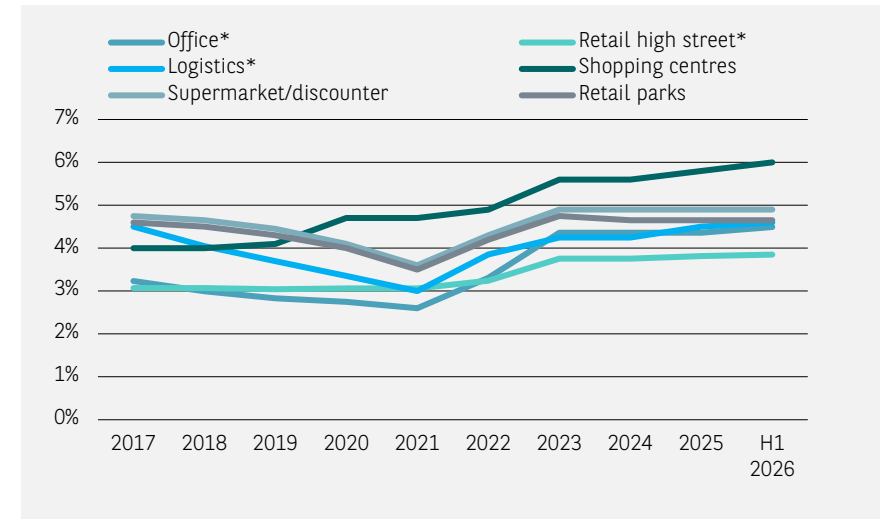
Net prime yields recorded noticeable increases across all asset classes in Q2 for the first time since the end of 2023. Yield adjustments are particularly evident where financing costs coincide with greater uncertainty regarding rental growth, asset quality, operator structures or sensitivity to the economic cycle. For offices, the average net prime yield across the A-cities rose to 4.49%, while the logistics segment increased to 4.60%. Shopping centres, at 6.00%, and DIY stores, at 6.20%, also recorded higher yields than in the previous quarter. By contrast, the average net prime yield in the high-street segment remained unchanged at 3.85%. Prime yields for food-anchored retail parks as well as supermarkets and discounters also remained stable, at 4.65% and 4.90%, respectively.



### Development of investment volume



### Net prime yields by type of property



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



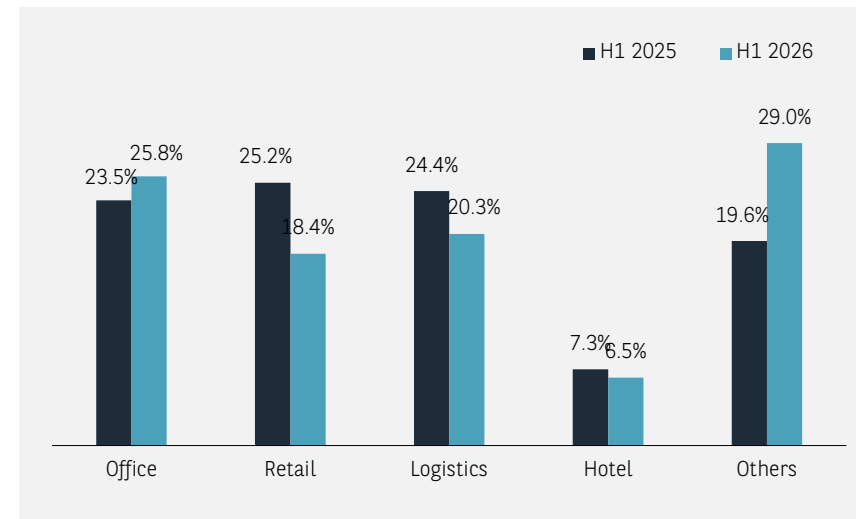
### INVESTMENT MARKET STRUCTURE

With a transaction volume of just under €3.2bn (+19%), office properties ranked first among the commercial asset classes in the first half of 2026. Although the market remains well below its long-term average, a gradual upward trend has become apparent since the cyclical low point in 2024. In particular, activity in the large-volume segment has picked up again. Logistics investments followed with just under €2.5bn, while retail investments amounted to almost €2.3bn. Investment activity in the healthcare segment has accelerated further in recent months: at €1.6bn, the result was 71% above the previous year's level and 30% above the 10-year average. In the current market environment, single-asset transactions continue to dominate the commercial investment market, accounting for around €9.2bn (+7%) and a market share of approximately 75%. Portfolio transactions totalled €3.0bn, with their relevance varying significantly across the individual asset classes.

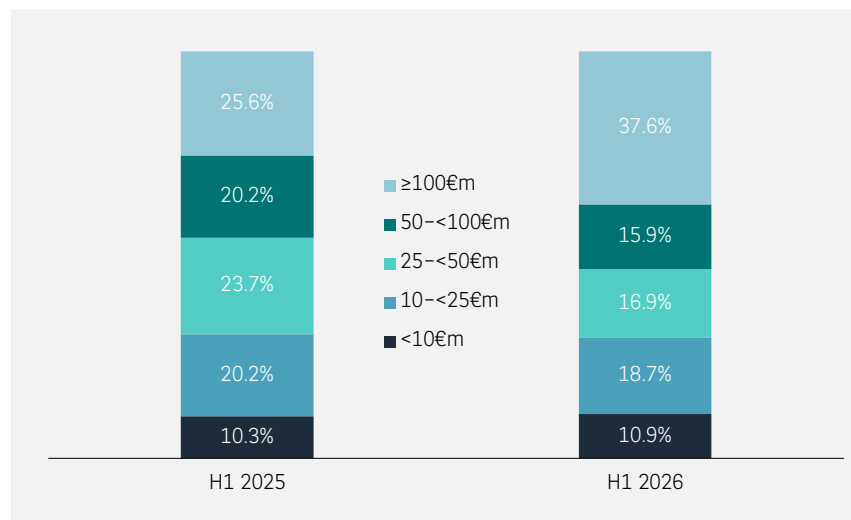
Among the A-locations, Munich took the top spot with more than €1.2bn (+35%). In the second quarter, two office transactions in the triple-digit million range were registered here: Prinzregentenplatz 7-9 and the Lindberg-Haus. Hamburg followed with almost €970m (+19%), ahead of Düsseldorf with €750m (+34%) and Berlin with €630m (-52%). Berlin's weak result is primarily attributable to a lack of office transactions. Frankfurt ranked next with around €600m (+153%), followed by Cologne with around €350m (+12%) and Stuttgart with €250m (+35%).

- OFFICE REMAINS THE STRONGEST COMMERCIAL ASSET CLASS
- LOGISTICS AND RETAIL NEARLY ON A PAR

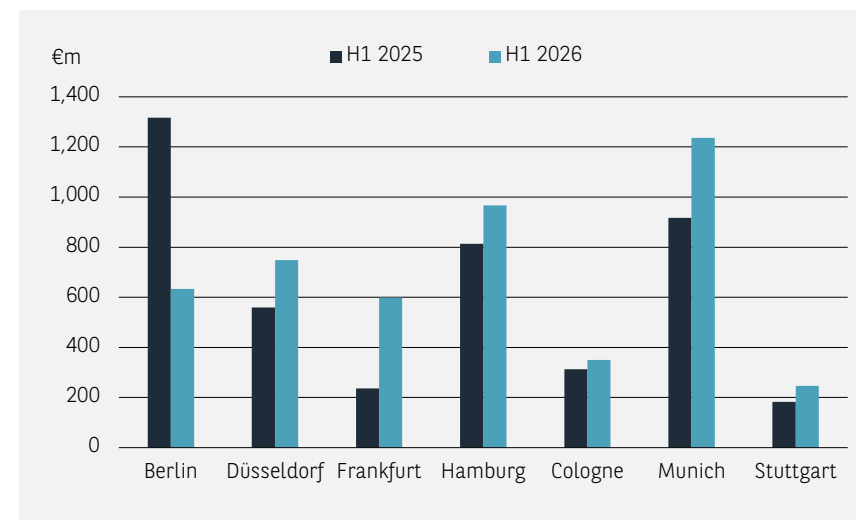
#### Investments by type of property



#### Investments by € category



#### Investments by location





### GRADUAL MARKET IMPROVEMENT AND ACCELERATING TRANSACTION MOMENTUM LIKELY

### ECONOMIC INDICATORS

+0.8

GDP Forecast 2026 (in %)

3.01

△ +15bps q/q

10ys bond yield 0 Q2 2026 (in %)

85.6

△ +0.6pts m/m

ifo business climate index (6/2026)

Source: ifo economic forecast, Deutsche Bundesbank, ifo Institut

## OUTLOOK

The investment market environment is set to brighten gradually over the coming months. Geopolitical uncertainty will remain a key macro risk, and economic momentum is likely to stay subdued for now. However, the outlook has become more transparent for market participants, with the range of possible outcomes narrowing both on the capital markets and in the real economy.

For the German economy, the key question will be how the current transformation process can be shaped in a positive way. The recently presented reform package marks a first step towards strengthening future viability and fostering growth. Additional security for investments is provided by the solid occupier markets, which — where location and asset quality are right — offer substantial rental growth potential. The decisive factor for the remainder of the investment year will be the development of financing costs.

Major shifts in direction are not expected. Current transaction processes show that sellers and buyers are finding it somewhat easier again to align on pricing. For the time being, however, this development is unlikely to translate directly into a broad-based expansion of investment volume. Towards the end of the year, though, an acceleration in transaction momentum, including in the large-volume segment, remains possible. For much of the year, the market is therefore likely to move broadly sideways compared with 2025, with the potential for a stronger year-end finish. Selective yield increases can still be expected.



### Investment market data

	H1 2025	H1 2026	CHANGE
<b>Total (€m)</b>	<b>11,366</b>	<b>12,280</b>	<b>+8.0%</b>
<b>Portfolio share</b>	24.2%	24.6%	+0.5%pts
<b>Share above €100 million</b>	25.6%	37.6%	+12.0%pts
<b>Office share</b>	23.5%	25.8%	+2.3%pts
<b>Share of A-locations</b>	38.2%	38.9%	+0.7%pts
<b>Share of foreign investors</b>	44.6%	43.8%	-0.9%pts

NET PRIME YIELDS*	H1 2025	H1 2026	CHANGE
<b>Office</b>	4.36%	4.49%	+14bps
<b>Retail</b>	3.76%	3.85%	+9bps
<b>Logistics</b>	4.25%	4.60%	+35bps

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



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