REVIEW INVESTMENT MARKET

STUTTGART H1 2026

RESEARCH & INSIGHTS

BNP PARIBAS REAL ESTATE

Real Estate for a changing world

H1 2026 INVESTMENT MARKET STUTTGART

- HIGHLY FRAGMENTED MARKET WITH SOLID DEAL ACTIVITY
- UPWARD PRESSURE ON PRIME YIELDS IN Q2

KEY FIGURES

247 △ +34,5% y/y

Investment volume (€m)

7,7 △ +7,7%pts y/y

Portfolio share (in %)

13,0 ▽ -22,1% y/y

Ø Deal size (in €m)

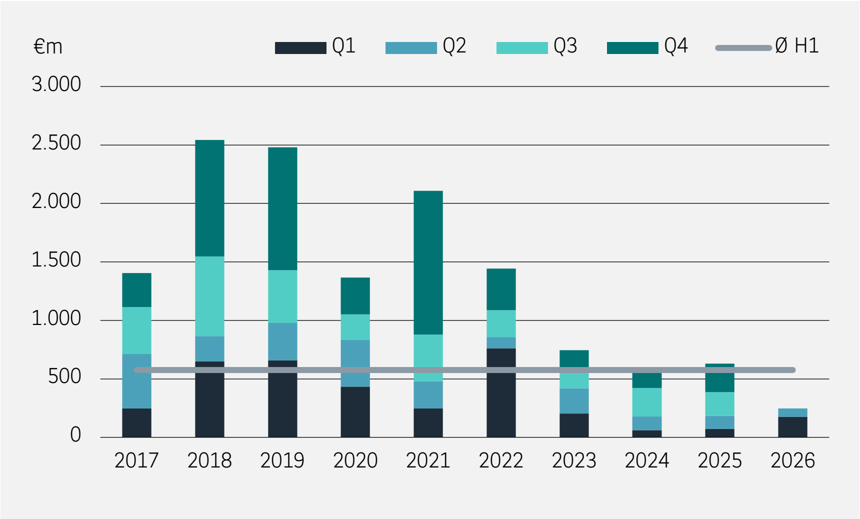
MARKET OVERVIEW

The Stuttgart investment market closed the first half of 2026 with a satisfactory result, particularly against the backdrop of continued market challenges. Transaction volume reached approximately €247 million by the end of June. While this figure remains 57% below the ten-year average of just over €575 million, it represents a clear improvement on recent years, exceeding the results of the prior two years by almost 35% and 38%, respectively.

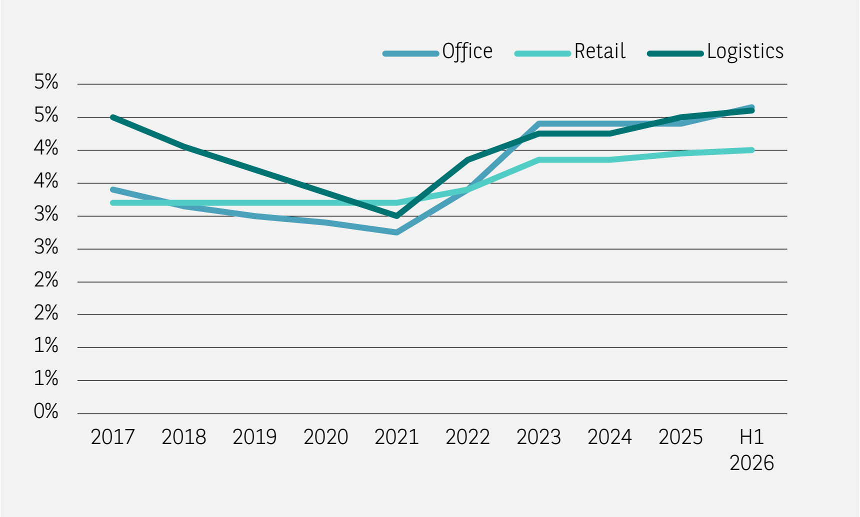
Another encouraging sign is the number of transactions completed. With almost 20 deals, investment activity compares favorably with the long-term average since 2017 (23 transactions annually at mid-year). The relatively modest transaction volume is primarily attributable to the small average deal size, which currently stands at just €13 million, representing a historically low level. The most notable transactions included the acquisition of KarlsOffice, announced in January 2026, and the Nanz Quarter mixed-use development in the Botnang district. Although neither deal had a major impact on overall transaction volume, both transactions reflect the healthy level of investor activity within a market currently characterized by smaller lot sizes.

Against the backdrop of ongoing geopolitical uncertainty and fluctuating financial market conditions, prime yields increased moderately during the first half of the year. In the premium office segment, the prime yield rose by 25 basis points to 4.65%. Prime logistics assets recorded a 10-basis-point increase to 4.60%, while prime high-street retail yields moved out by 5 basis points to 4.00%.

Development of investment volume



Net prime yields by type of property



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

- OFFICE AND CENTRE FRINGE INVESTMENTS DRIVE MARKET ACTIVITY
- ONLY ONE TRANSACTION ABOVE €50M RECORDED SO FAR

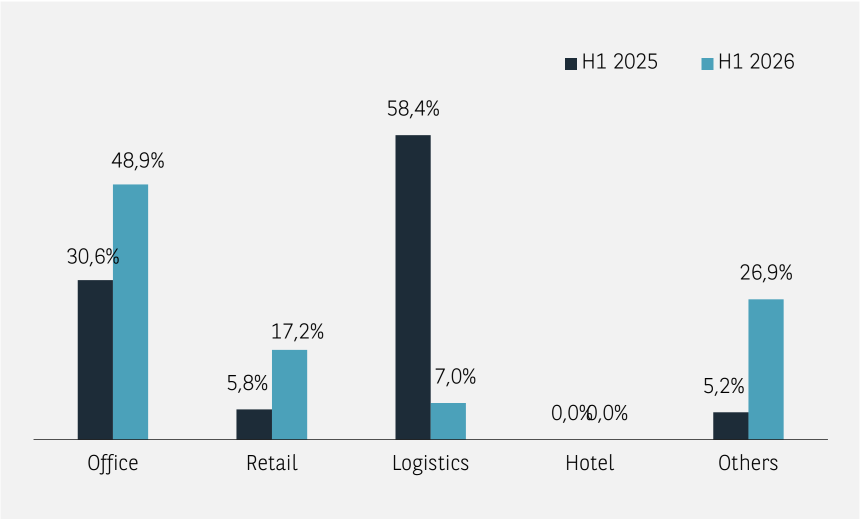
INVESTMENT MARKET STRUCTURE

Two segments stood out as the primary contributors to Stuttgart's investment performance in the first half of 2026. Office properties accounted for almost 49% of total transaction volume, while the centre fringe submarket captured nearly 61% of all investment activity. Against the backdrop of a scarcity of large city-centre assets and pricing expectations that often remain misaligned between buyers and sellers, centre fringe office transactions currently offer particularly attractive investment opportunities with compelling risk-return profiles.

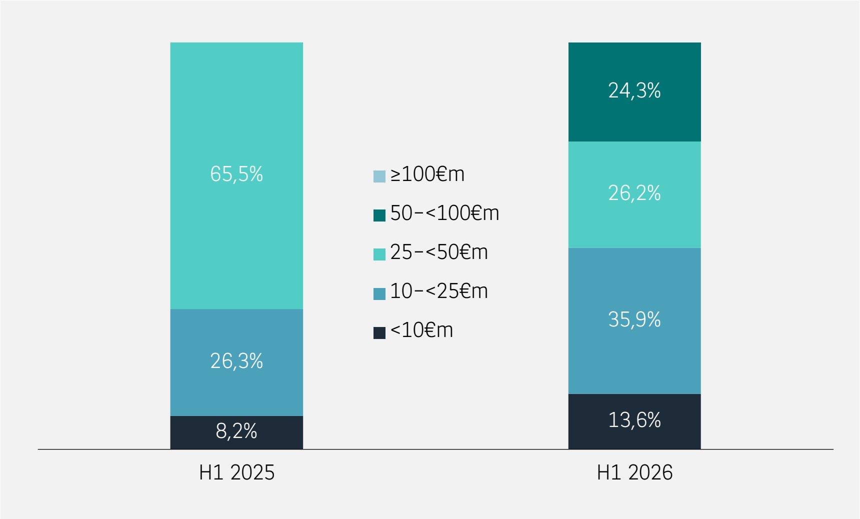
Within the retail sector, a number of transactions were completed across the wider market area. These included the sale of Königstraße 19b, the Stern Center in Sindelfingen, and several smaller retail warehouse assets. As a result, retail investments contributed just over 17% of total transaction volume. Investment activity was also strong in the mixed-use segment, supported by transactions such as the previously mentioned Nanz Quarter, enabling the "Other" asset class to achieve a substantial 27% market share. By contrast, logistics properties remain underrepresented, accounting for only 7% of total investment volume.

Analysis by lot size highlights the dominance of smaller and mid-sized transactions. KarlsOffice was the only transaction to exceed the €50 million threshold, accounting for just over 24% of total investment volume. Consequently, transactions below this level represented a dominant 76% share of the market, underlining the granular nature of current investment activity in Stuttgart.

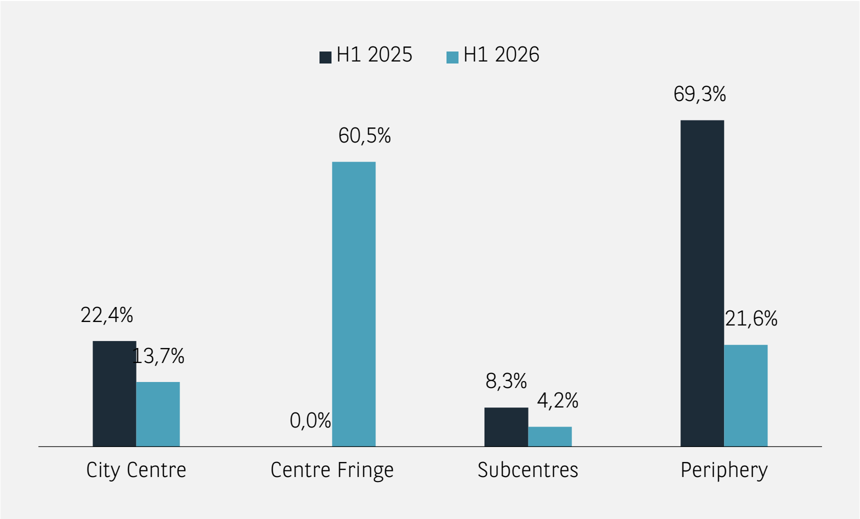
Investments by type of property



Investments by € category



Investments by location



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

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- FRAGMENTED MARKET STRUCTURE PERSISTS
- FURTHER YIELD EXPANSION POSSIBLE

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

While the Stuttgart investment market has not yet reached a decisive turning point, the first half of 2026 delivered a significant increase in transaction volume and established a solid foundation for the coming quarters. As observed in several other major German markets, current market momentum is reflected more clearly in the number of transactions than in overall investment volume.

If the market generate at least €140 million in transaction volume during the summer months, Stuttgart could once again report a year-on-year increase by the end of the third quarter (Q1–Q3 2025: approximately €387 million). Over the short to medium term, investment activity is expected to remain concentrated in the sub-€50 million segment, while large-scale transactions are likely to remain scarce due to the challenging financing environment. At the same time, further modest upward pressure on prime yields across the various asset classes cannot be ruled out.

A more positive long-term perspective is supported by Stuttgart's position as one of Germany's leading industrial and technology hubs. The metropolitan region's strong capacity for innovation and economic restructuring could strengthen the market further and, over time, pave the way for a renewed increase in large-scale investment transactions.

Investment market data

	H1 2025	H1 2026	CHANGE
Total (€m)	**183**	**247**	**+34,5%**
Portfolio share	0,0%	7,7%	+7,7%pts
Share above €100 million	0,0%	0,0%	+0,0%pts
Office share	30,6%	48,9%	+18,3%pts
Share of city locations	22,4%	13,7%	-8,7%pts
Share of foreign investors	50,5%	0,0%	-50,5%pts

NET PRIME YIELDS	H1 2025	H1 2026	CHANGE
Office	4,40%	4,65%	+25bps
Retail	3,85%	4,00%	+15bps
Logistics	4,25%	4,60%	+35bps

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

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