

REVIEW INVESTMENT MARKET

BERLIN Q3 2026

RESEARCH & INSIGHTS



**BNP PARIBAS
REAL ESTATE**

Real Estate for a changing world



Q3 2026

INVESTMENT MARKET BERLIN

- LARGE DEALS REMAIN SCARCE,
SMALLER DEALS STAY ACTIVE
- UPWARD PRESSURE ON PRIME
YIELDS

KEY FIGURES

999

Investment volume (€m)

▽ -56.3% y/y

39.0

Portfolio share (in %)

△ +35.2%pts y/y

18.5

Ø Deal size (in €m)

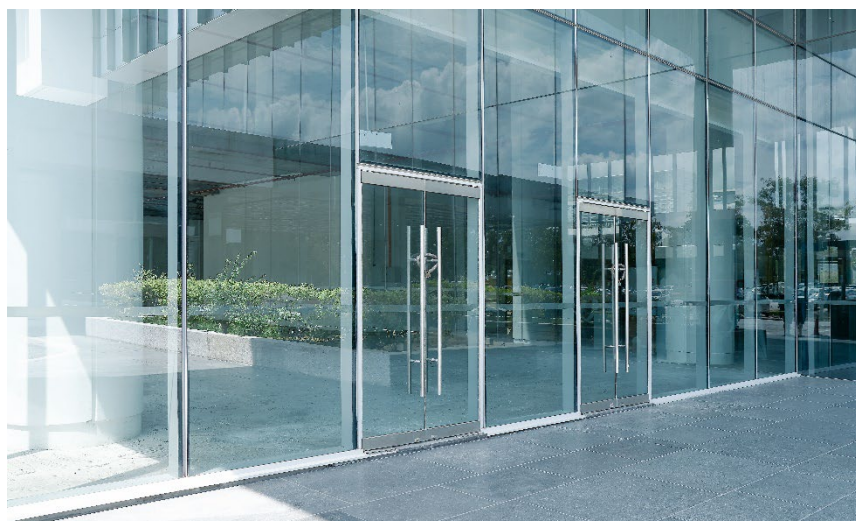
▽ -49.0% y/y

MARKET OVERVIEW

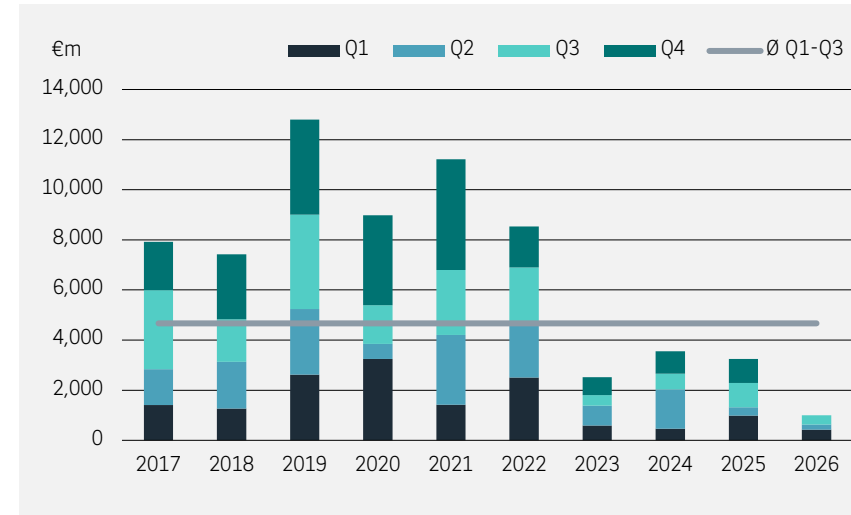
At the end of September 2026, Berlin's investment market posted an unusual result by its own standards. With a transaction volume of around €1.0bn after the first three quarters, the German capital ranks only third among the major investment markets, behind Munich (around €1.7bn) and Hamburg (around €1.2bn). Over the past five years, Berlin had already exceeded the €1bn mark by a wide margin at mid-year, averaging almost €2bn. This year, however, major volume drivers have been almost entirely absent. The partial sale of the prime office properties LindenCorso and Atrium as part of a joint venture remains the only transaction in the triple-digit million-euro range so far.

The highly fragmented nature of current investment activity is also reflected in the exceptionally low average transaction size of just €18m. This is due to a historically low number of large-scale transactions. So far this year, only one deal above €100m and one further transaction above €50m have been completed. By contrast, the number of transactions in the sub-€50m segment has remained stable.

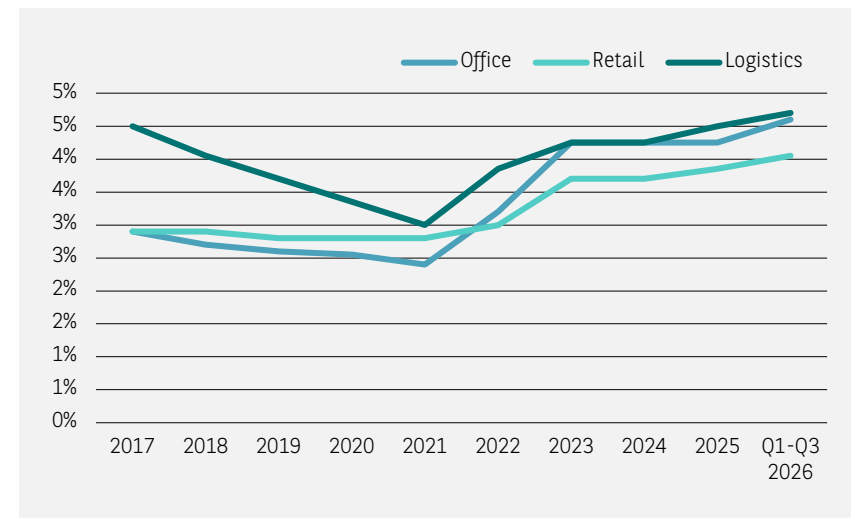
Renewed uncertainty in the financial markets is also reflected in rising net prime yields, which increased by 10 basis points across all property types in Q3. Prime yields currently stand at 4.05% for retail properties, 4.60% for offices and 4.70% for logistics assets.



Development of investment volume



Net prime yields by type of property





Q3 2026

INVESTMENT MARKET
BERLIN

- **FRAGMENTED MARKET
STRUCTURE: NO ASSET CLASS
CLEARLY STANDS OUT**
- **MOST ACTIVITY IN THE CENTRE
FRINGE**

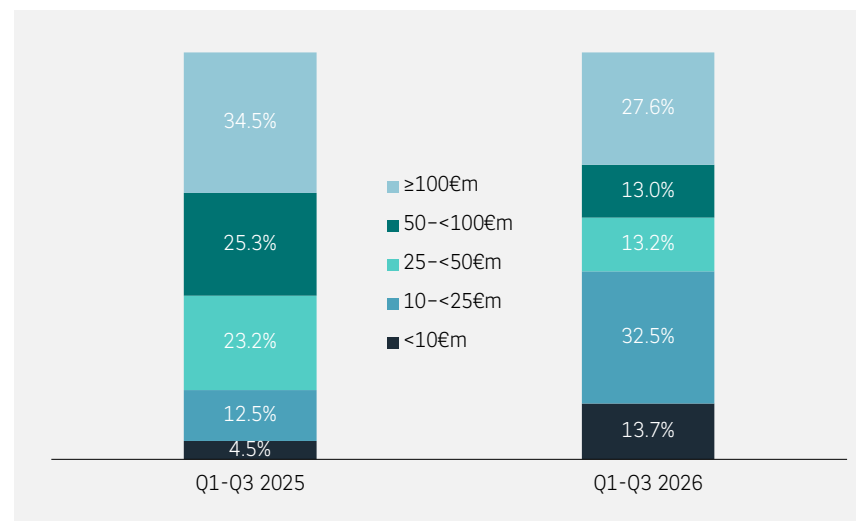
INVESTMENT MARKET STRUCTURE

Against the backdrop of the comparatively low overall result, all property types and submarkets across Berlin recorded declines in transaction volume. The centre fringe accounted for the largest share at just over 41%, while the shares generated in the top city (just over 20%) and city centre (around 29%) reflect the lack of large-scale transactions. Nevertheless, more than 20 transactions across a wide range of asset classes within the S-Bahn ring provide a clear indication of continued market activity in Berlin's most sought-after submarkets.

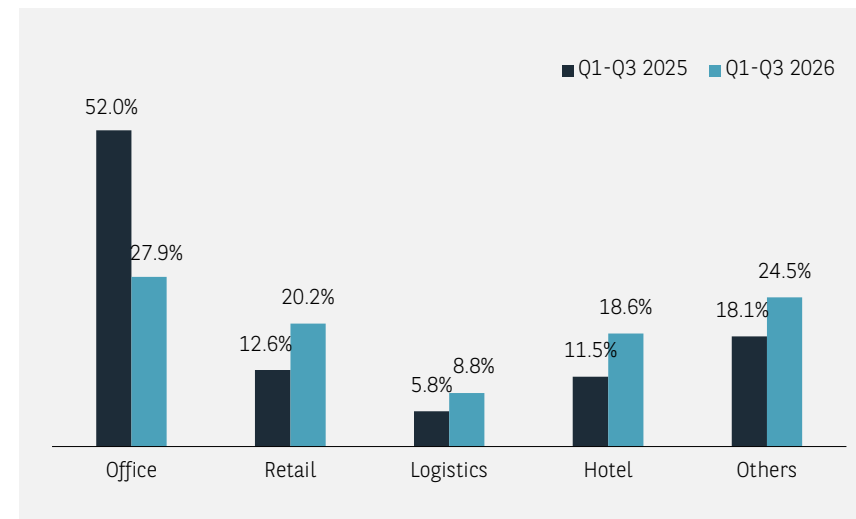
A further positive signal comes from office properties, traditionally Berlin's strongest asset class, which once again rank first despite generating only a moderate transaction volume. Supported by the partial sales of Linden-Corso and Atrium as well as numerous smaller deals of up to €25m, offices accounted for almost 28% of total investment volume. The fragmented market structure and lack of large transactions in the established asset classes are also reflected in the high share of other investments, which accounted for almost 25%. This category includes transactions involving mixed-use properties and development sites.

Retail and hotels accounted for a further share of just over 20% and almost 19%, respectively. In the hotel segment, around 10 transactions underline Berlin's continued importance as an international tourism destination.

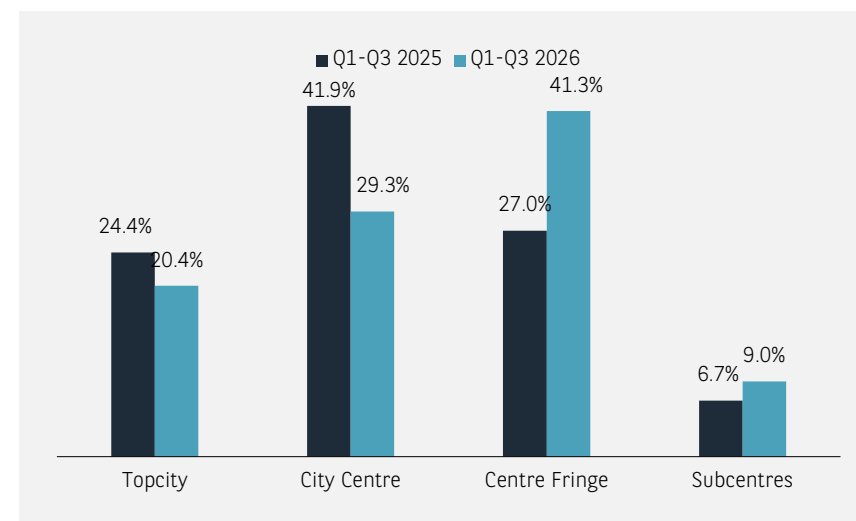
Investments by € category



Investments by type of property



Investments by location



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



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INVESTMENT MARKET
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- POSITIVE OUTLOOK FOR BERLIN
DESPITE SUBDUED VOLUMES
- PRICE CORRECTIONS LIKELY NOT
YET COMPLETE

ECONOMIC INDICATORS

+1.4

GDP Forecast 2026
(in %)

3.25

10ys bond yield
Ø Q3 2026 (in %)

△ +24bps q/q

89.9

ifo business climate index
(9/2026)

△ +1.1pts m/m

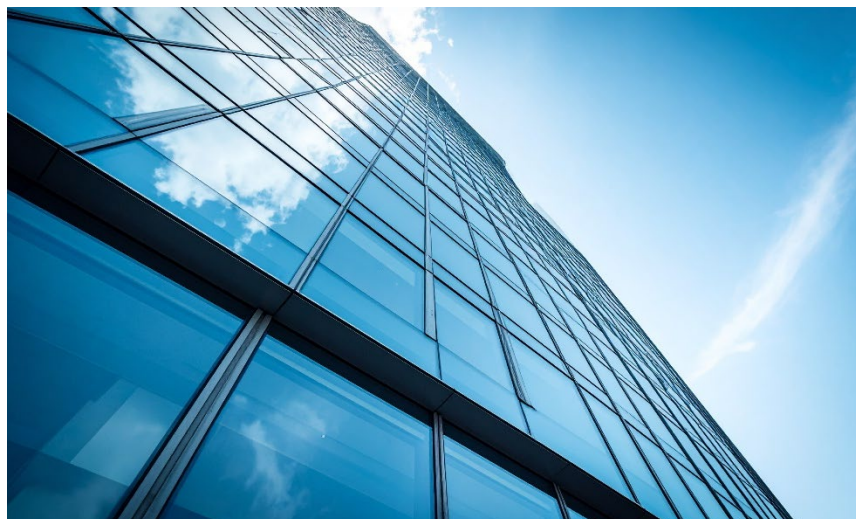
Source: ifo econic forecast, Deutsche Bundesbank, ifo Institut

OUTLOOK

The Berlin investment market has yet to match the performance in the first nine months that it has delivered for more than a decade, even under challenging market conditions. Berlin currently does not rank among the leading major markets in terms of transaction volume and has not yet recorded any of Germany's top transactions in 2026. However, this does not mean that activity across the broader Berlin market has stagnated. Instead, investment activity has increasingly shifted towards smaller deal sizes and, in some cases, away from the traditional core asset classes such as prime office and high-street investments.

Berlin has repeatedly demonstrated in the past that it can generate substantial transaction volumes even without the support of a favorable market environment. A return to stronger volumes is therefore likely to be only a matter of time. The currently above-average office take-up provides an additional positive signal, strengthening confidence in the office investment segment. With most other major office markets currently showing weaker momentum, this could give Berlin a competitive advantage and increasingly draw investor attention towards the capital, particularly in the important office sector.

Price discovery nevertheless remains challenging, and selective yield adjustments cannot be ruled out in the coming months. Prime yields across the different property types could therefore rise further by year-end.



Investment market data

	Q1-Q3 2025	Q1-Q3 2026	CHANGE
Total (€m)	2,286	999	-56.3%
Portfolio share	3.8%	39.0%	+35.2%pts
Share above €100 million	34.5%	27.6%	-6.9%pts
Office share	52.0%	27.9%	-24.1%pts
Share of city locations	66.3%	49.7%	-16.6%pts
Share of foreign investors	45.7%	55.1%	+9.4%pts

NET PRIME YIELDS	Q1-Q3 2025	Q1-Q3 2026	CHANGE
Office	4.25%	4.60%	+35bps
Retail	3.70%	4.05%	+35bps
Logistics	4.40%	4.70%	+30bps



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CONTACT

BNP Paribas Real Estate GmbH

Kranzler Eck | Kurfürstendamm 22 | 10719 Berlin

Phone: +49 (0)30-884 65-0

Inga Schwarz

Head of Research

inga.schwarz@bnpparibas.com

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