Intelligent Investment

Germany Investment Market Top 7 Locations Q2 2026

REPORT

Real estate investment market records growth in the first half of the year

CBRE RESEARCH

JULY 2026

Overview

The seven most important and largest real estate markets in Germany account for the majority of the investment transaction volume. As the top 7 locations, Berlin, Düsseldorf, Frankfurt am Main, Hamburg, Cologne, Munich and Stuttgart are analyzed below with regard to current market developments.

FIGURE 1

Key Performance Indicators Investment Market*

	Q2 2026	Year-on-Year comparison	Portfolio ratio	Share of foreign Investors
Berlin	1,861	-13%	44%	48%
Düsseldorf	1,055	+193%	19%	23%
Frankfurt	380	+47%	6%	18%
Hamburg	1,200	+47%	6%	34%
Munich	1,273	+42%	19%	38%
Cologne	379	-12%	6%	38%
Stuttgart	111	+65%	9%	21%

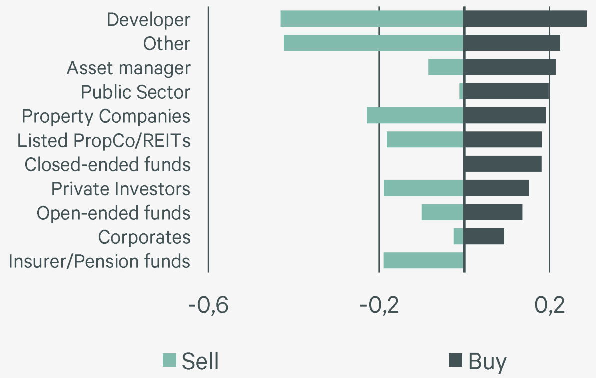
Source: CBRE Research Q2 2026; *incl. residential properties from 50 residential units

Berlin

- Berlin retained its position as the leading investment market among Germany's top seven cities in the first half of 2026; transaction volume reached €1.9bn, representing a 13% decline year-on-year despite a still challenging market environment
- Residential assets were the strongest-performing asset class; within the commercial sector, office properties led with almost €500m in transaction volume, supported by the acquisition of a 51% stake in the prime office assets "LindenCorso" and "Atrium" as part of a portfolio transaction valued at around €300m
- Office market activity beyond this transaction was largely driven by smaller deals below the €20m mark; assets offering repositioning and ESG upside were particularly sought after, while owner-occupiers became increasingly active on the buyer side as more realistic pricing created attractive acquisition opportunities beyond the traditional investor base
- The prime office yield remained unchanged at 4.6% quarter-on-quarter; while high-quality core assets in established CBD locations continue to benefit from solid investor demand, yield adjustments are ongoing in secondary locations, and the market is becoming increasingly polarized based on location and asset quality
- The investment market is expected to gain further momentum in the second half of the year; investor interest, both domestic and international, remains strong and market liquidity is improving, although further progress will depend on realistic pricing expectations and a growing supply of investable products

FIGURE 2

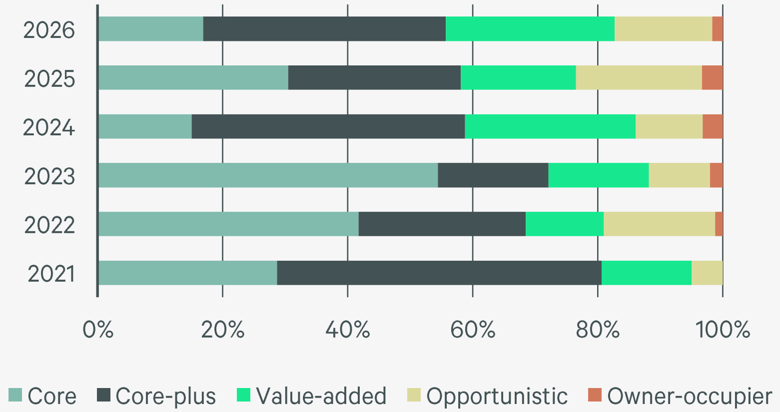
Investment Volume by Types of Buyer/Seller (in €bn)



Source: CBRE Research Q2 2026

FIGURE 3

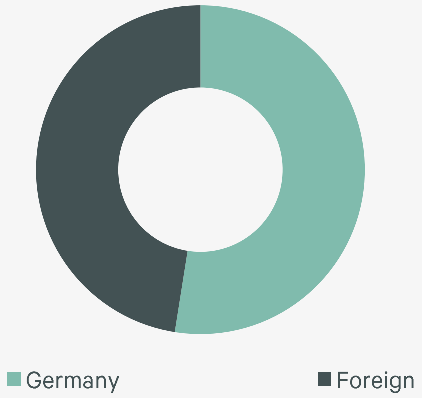
Investment Volume by Risk Classes (in %)



Source: CBRE Research Q2 2026

FIGURE 4

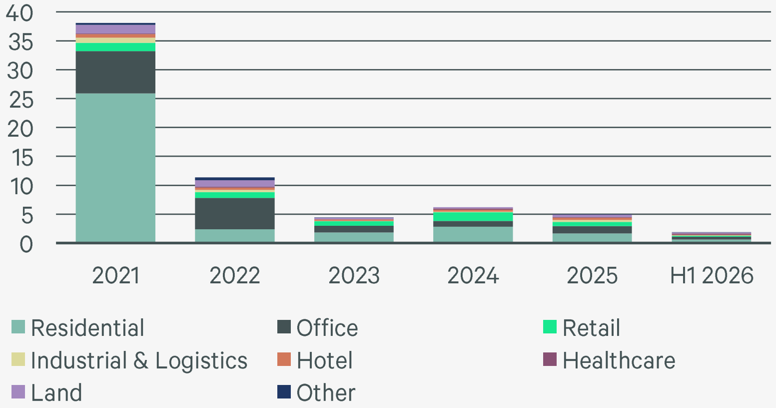
Investment Volume by Buyer‘s Nationality (in %)



Source: CBRE Research Q2 2026

FIGURE 5

Investment Volume by Asset Classes (in €bn)



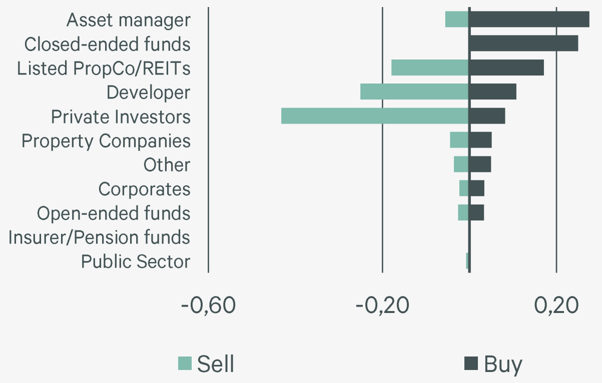
Source: CBRE Research Q2 2026

Düsseldorf

- The Düsseldorf real estate investment market (City of Düsseldorf, Ratingen, Hilden, Erkrath and Neuss) recorded a noticeable upturn in the first half of 2026 compared to the prior-year period, reaching just under €1.1bn; the increase was primarily driven by a limited number of large-scale single-asset deals, which accounted for a significant share of total turnover and thus had a disproportionate impact on the market
- Market activity was more strongly concentrated on larger ticket sizes than before: three quarters of total volume was attributable to transactions above €50m each and, in addition, the total number of deals also increased noticeably, indicating an overall pick up in market activity
- Across asset classes, clear shifts were observed in favor of office and residential investments, with office properties once again representing the dominant asset class at nearly half of total transaction volume while the residential segment (above 50 units) also gained significant importance and expanded its share noticeably
- Core plus investments clearly moved into focus and represented the strongest risk category; opportunistic strategies also gained in importance, while classic value-add investments lost significant market share – this development underscores an increasing differentiation in investor focus between stable cash flows and a targeted search for higher-yielding opportunities
- Following a slight decline over the course of 2025, the prime office yield at market level most recently was stable at 4.9% and thus confirms a phase of price stabilization, although the level may soften in the medium term due to current uncertainties
- For the remainder of the year, a gradual increase in market activity is emerging, which may offer attractive opportunities for selectively opportunistic investors in individual cases, although many buyers continue to act cautiously and with a focus on security and thus due diligence and decision-making processes are likely to remain correspondingly complex and time-consuming – overall, total transaction volume across all asset classes for full-year 2026 is expected to come in slightly below €2bn

FIGURE 6

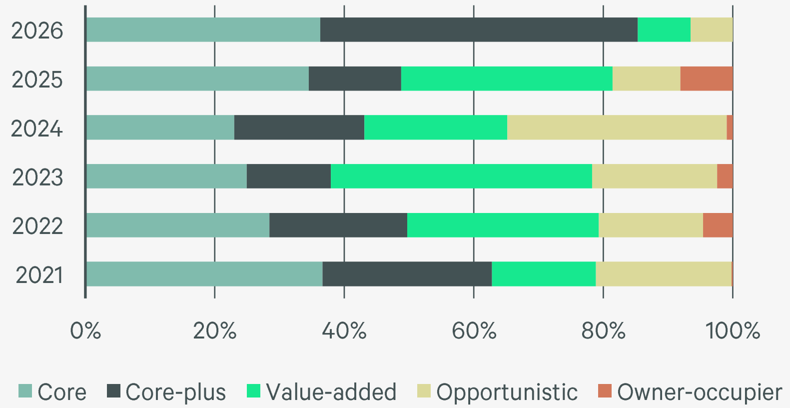
Investment Volume by Types of Buyer/Seller (in €bn)



Source: CBRE Research Q2 2026

FIGURE 7

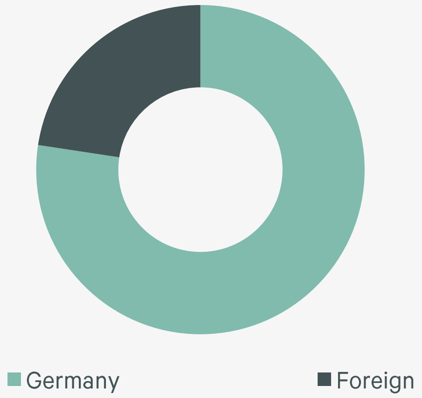
Investment Volume by Risk Classes (in %)



Source: CBRE Research Q2 2026

FIGURE 8

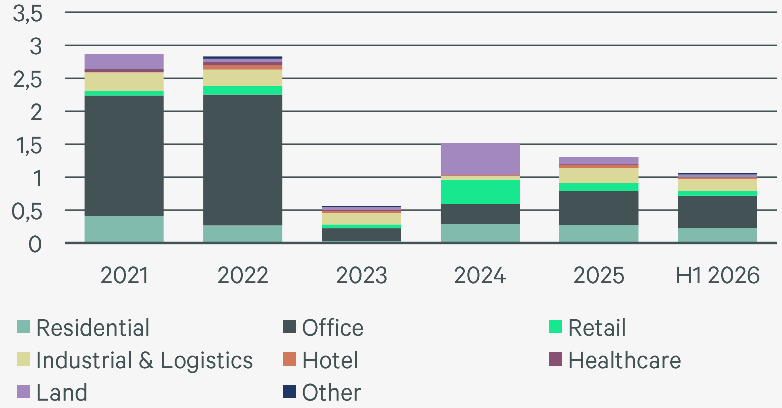
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q2 2026

FIGURE 9

Investment Volume by Asset Classes (in €bn)



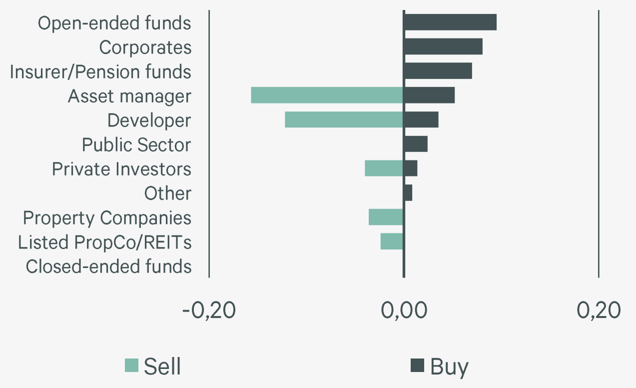
Source: CBRE Research Q2 2026

Frankfurt

- A total of €380m was invested in the Frankfurt investment market (including Eschborn and Offenbach/Kaiserlei) during the first half of 2026; while this represents a significant increase compared to the previous year, it still accounts for only around 20% of the long-term average
- Office properties once again represented the dominant asset class in the first half of the year, primarily driven by two large-scale office transactions completed in the first quarter 2026 within Frankfurt's banking district submarket: the acquisition of "Fifty Avon" on Mainzer Landstrasse by DZ Bank and the sale of the "Overture" property on Junghofstrasse
- Investor appetite for value-add investments remains strong, with many market participants viewing assets offering leasing and development potential as attractive opportunities to benefit from Frankfurt's persistently robust rental market
- The price discovery process continued to progress during the first half of the year; while the prime office yield in Frankfurt's CBD locations initially remained stable at 4.9%, the current market environment and broader economic conditions point towards slight yield adjustments over the remainder of the year
- Several ongoing sales processes and a well-filled deal pipeline support a positive outlook for transaction activity in the second half of the year – Frankfurt continues to offer attractive investment fundamentals, and with increasing market stability and sustained rental growth across all asset classes, investment activity is expected to gain further momentum as the year progresses

FIGURE 10

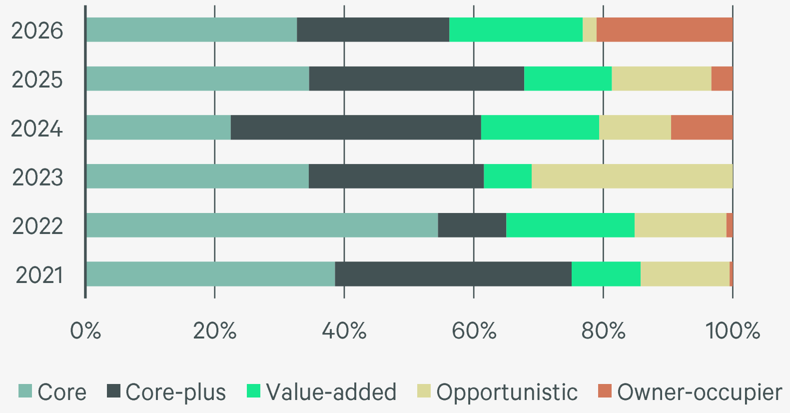
Investment Volume by Types of Buyer/Seller (in €bn)



Source: CBRE Research Q2 2026

FIGURE 11

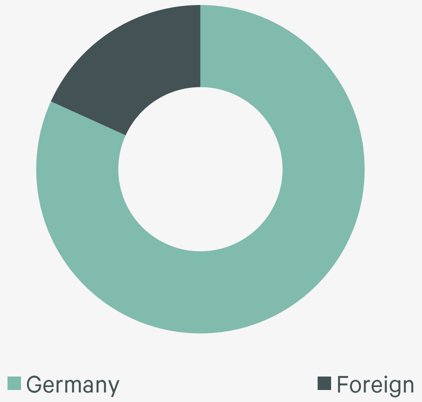
Investment Volume by Risk Classes (in %)



Source: CBRE Research Q2 2026

FIGURE 12

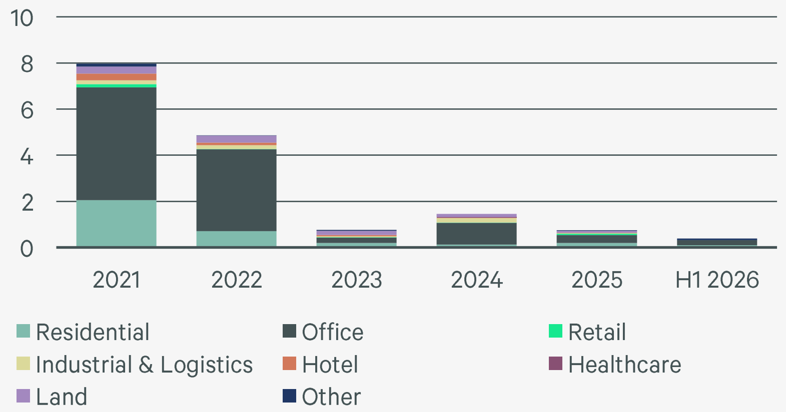
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q2 2026

FIGURE 13

Investment Volume by Asset Classes (in €bn)



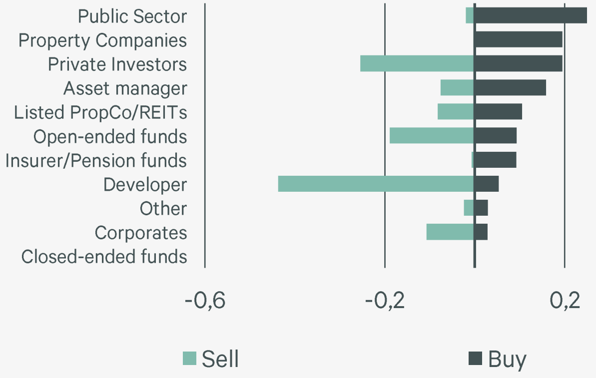
Source: CBRE Research Q2 2026

Hamburg

- Hamburg's investment market continued its positive momentum in the first half of 2026, as the transaction volume reached approximately €1.2bn, representing an increase of almost 50% year-on-year and positioning Hamburg among the most dynamic investment markets of Germany's major cities
- Office properties were the strongest-performing commercial asset class with around €325m in transaction volume, while market activity was primarily driven by small and medium-sized transactions of up to €50m; meanwhile, retail and logistics assets also attracted strong investor interest, led by the sale of the "Alsterhaus" department store on Jungfernstieg as the largest single transaction of the second quarter
- In addition to location and asset quality, investors are placing increasing emphasis on the quality of cash flows; properties with long lease terms, financially strong occupiers and stable rental income are particularly sought after, offering additional security in an environment that remains highly selective
- The prime office yield remained stable at 4.7% in the second quarter; however, pricing has not yet been fully adjusted across all market segments and the differentiation between submarket clusters continues, with private investors occasionally accepting yields below the prime yield for absolute core assets, while institutional investors are increasingly targeting slightly higher yield levels
- For the remainder of the year, the strong pipeline of assets currently being marketed and the quality of the product on offer support expectations of a stable to moderately increasing annual transaction volume; however, further progress will depend on realistic pricing expectations, while the interest rate and financing environment will continue to present challenges for the investment market over the medium term

FIGURE 14

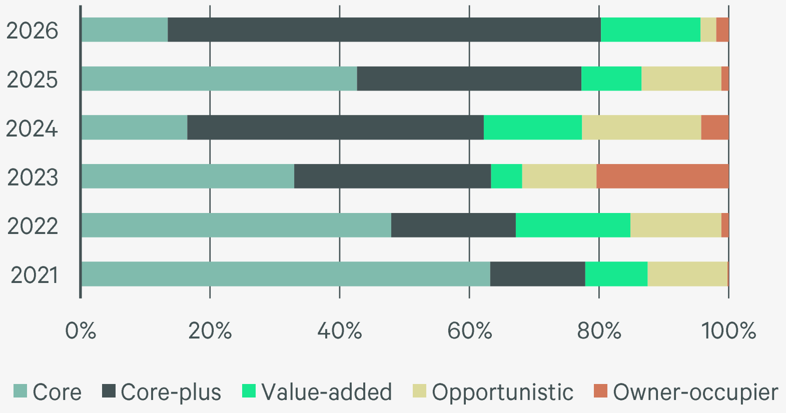
Investment Volume by Types of Buyer/Seller (in €bn)



Source: CBRE Research Q2 2026

FIGURE 15

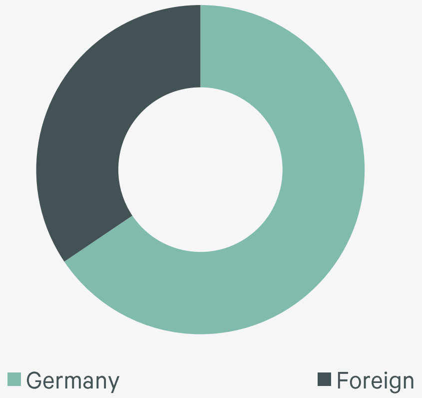
Investment Volume by Risk Classes (in %)



Source: CBRE Research Q2 2026

FIGURE 16

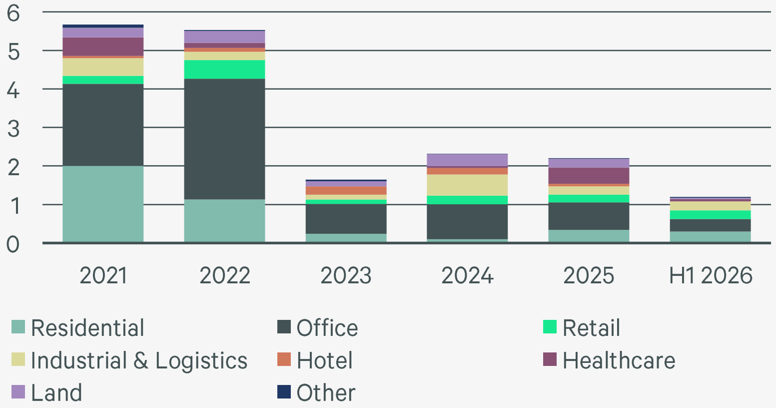
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q2 2026

FIGURE 17

Investment Volume by Asset Classes (in €bn)



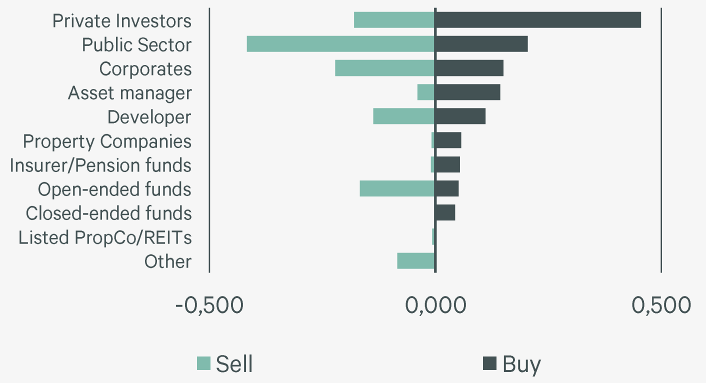
Source: CBRE Research Q2 2026

Munich

- In the first half of 2026, the Munich property investment market was slowly returning to normal: the prolonged uncertainty caused by exogenous shocks, which had previously dominated the market, is increasingly receding into the background, while investors are once again focusing more strongly on property quality, location, and individual risk-reward profiles
- The transaction volume across all asset classes rose significantly to €1.27bn, while the number of recorded transactions also increased noticeably – although market activity remained overall subdued, it was visibly invigorated by a few large-volume deals
- Transactions continue to involve predominantly smaller properties with smaller lot sizes, as high lending costs and restrictive lending practices make it difficult to finance larger deals; at the same time, individual larger transactions—such as the sale of the office property at Prinzregentenplatz 7-9 — show that liquidity is available for suitable properties
- In a comparison of asset classes, office showed the strongest mo-mentum, followed by residential and industrial/logistics, each of which recorded significantly higher transaction volumes than in the same period of the previous year; office as the clearly dominant property type confirms investors' focus on sustainable, high-quality properties in well-connected locations close to city centers with high ESG standards
- On the buyer side, well-capitalized private investors and family offices continued to shape market activity, while institutional investors remained cautious due to high financing costs and inflation-related risks; the market continued to be dominated primarily by German investor groups, although a slight increase in activity by foreign investors was evident in the second quarter
- The prime office yield remained stable at 4.4% at the end of the second quarter, with the spread over the 10-year German government bond standing at 1.49%-points; looking ahead, a well-stocked deal pipeline—including several exclusive deals nearing closing—points to rising investment volumes in the coming months as, thanks to stable rental growth and prime asset quality, Munich's market remains a strong focus for international investors

FIGURE 18

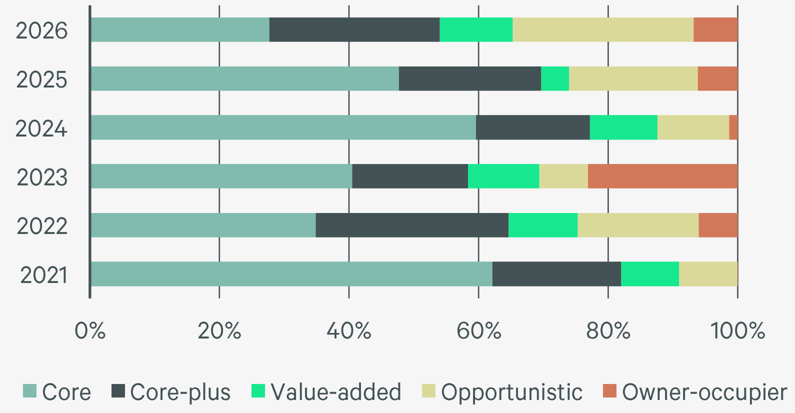
Investment Volume by Types of Buyer/Seller (in €bn)



Source: CBRE Research Q2 2026

FIGURE 19

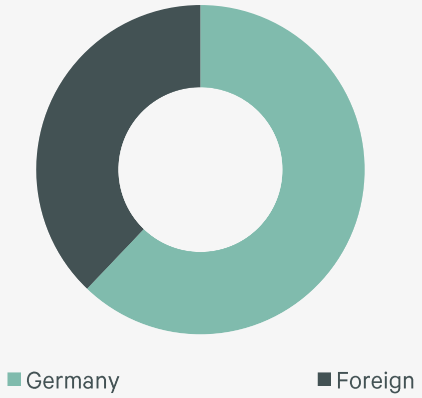
Investment Volume by Risk Classes (in %)



Source: CBRE Research Q2 2026

FIGURE 20

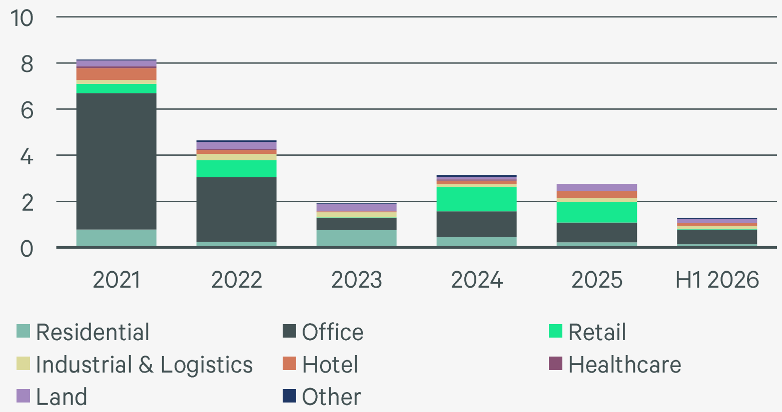
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q2 2026

FIGURE 21

Investment Volume by Asset Classes (in €bn)



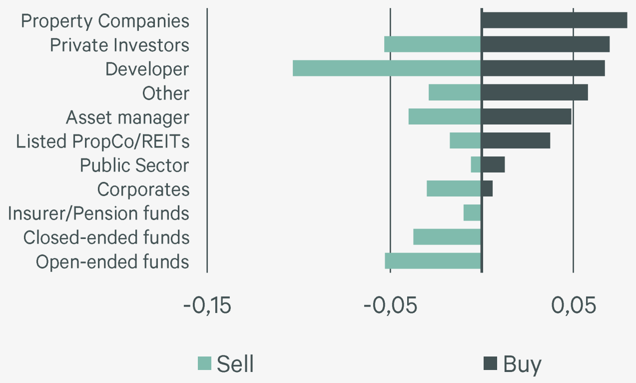
Source: CBRE Research Q2 2026

Cologne

- Following a moderate start to the year, the transaction volume on the Cologne investment market also remained subdued in the second quarter at €185m; the half-year result of €379m represents a 12% decline compared with the same period last year and fell well short of the five-year average
- However, with 23 transactions, the cathedral city recorded its highest number of deals in the first six months since 2021; as part of the new market reality, however, smaller properties with lower lot sizes are predominantly being traded, while large deals remain difficult to finance due to stricter lending requirements and high borrowing cost and have recently been entirely absent
- The investment volume in the first half of the year consisted almost exclusively of commercial real estate; residential real estate lost significant ground compared to the same period last year, also due to the current shortage of supply resulting from critically low construction activity; in a comparison of asset classes, office emerged as the dominant type of use, clearly ahead of land as well as industrial and logistics properties
- On the buyer side, demand remained highly selective with a targeted focus on sufficiently high potential returns; domestic investors, whose investment activity increased again compared to the previous year, invested primarily in opportunistic and core plus properties, followed by value-add and core acquisitions; within the diverse investor structure, real estate companies emerged as the strongest net buyers, ahead of real estate stock companies and REITs as well as private investors
- While prime yields for offices (4.7%) and inner-city high street retail properties (4.75%) remained stable in the second quarter, the figure for logistics real estate rose to 4.5%; with more owners of attractive assets recently entering the market, the robust deal pipeline combined with the healthy closing momentum gives cause for optimism regarding the traditionally stronger second half of the year, even though a full recovery is not yet in sight

FIGURE 22

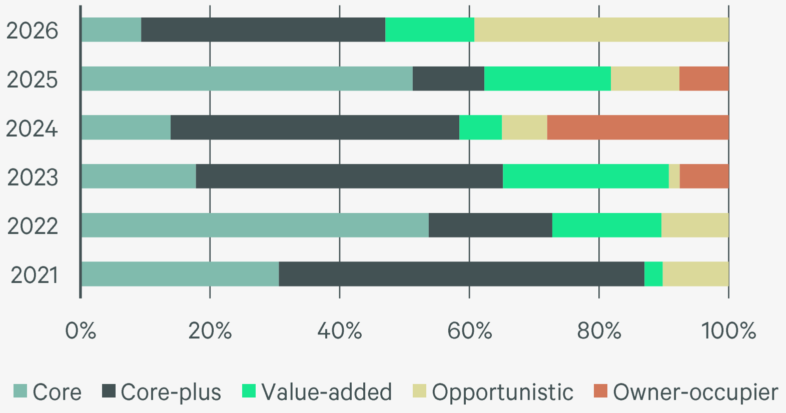
Investment Volume by Types of Buyer/Seller (in €bn)



Source: CBRE Research Q2 2026

FIGURE 23

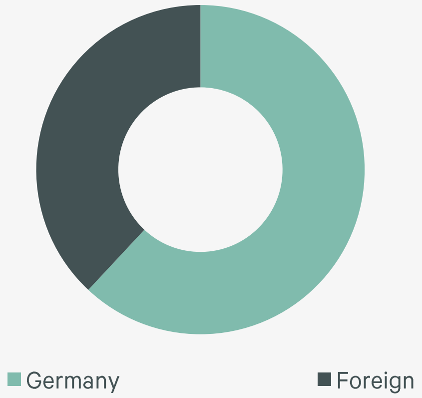
Investment Volume by Risk Classes (in %)



Source: CBRE Research Q2 2026

FIGURE 24

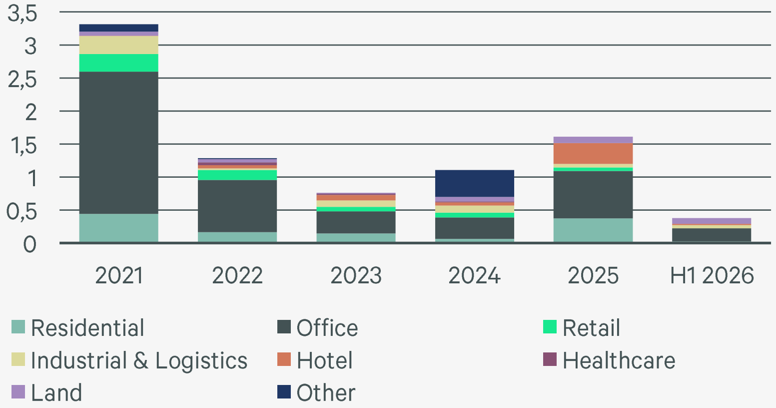
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q2 2026

FIGURE 25

Investment Volume by Asset Classes (in €bn)



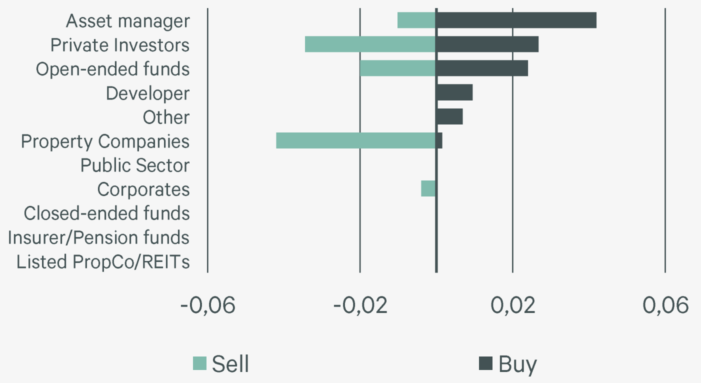
Source: CBRE Research Q2 2026

Stuttgart

- After a subdued start to the year, the Stuttgart real estate investment market gained slightly in momentum in the second quarter; with a transaction volume of €111m in the first half of the year, the result was about 65% higher than in the same period last year, but continued to be characterized by selective demand, a limited range of properties, and a strong focus on quality among investors
- Market activity signaled not so much a broad market recovery as a selective upturn based on individual transactions; however, the total number of transactions also increased compared to the same period last year, which is certainly cause for optimism
- In a comparison of asset classes, the first half year result was driven almost entirely by office and retail sales: both property types accounted for roughly half of the total volume, with retail slightly dominating due to a major transaction in the second quarter
- Investors focused on low-risk core and core plus products, which accounted for just under 90% of the investment volume; transaction activity continued to be dominated by existing properties with stable leases and clearly predictable cash flows
- On the buyer side, asset and fund managers were particularly active, as were private investors; compared to the previous year, the results were driven primarily by domestic real estate investors
- The prime yield for first-class office properties in Stuttgart's prime locations has remained stable at 4.9% so far this year; looking ahead, the improved activity in the second quarter points to a cautious market recovery, provided that suitable products are brought to market; a significant increase in transaction volume—particularly from institutional investors—is unrealistic at this time, given the selective financing and investment environment

FIGURE 26

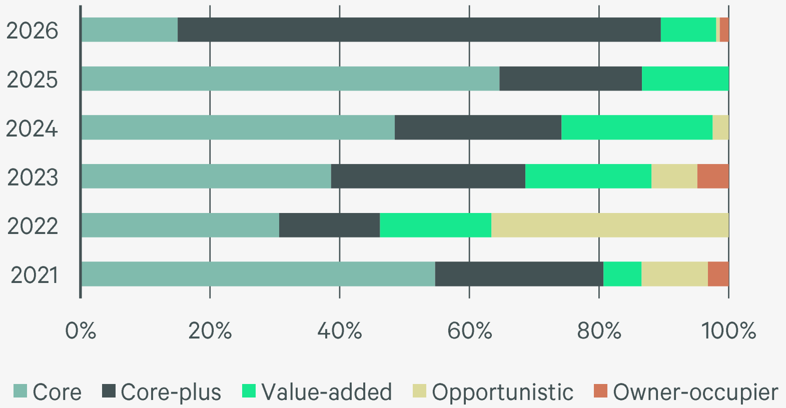
Investment Volume by Types of Buyer/Seller (in €bn)



Source: CBRE Research Q2 2026

FIGURE 27

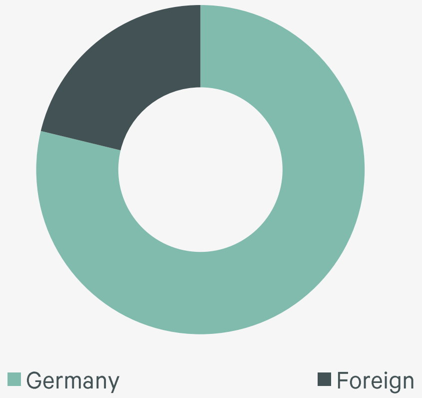
Investment Volume by Risk Classes (in %)



Source: CBRE Research Q2 2026

FIGURE 28

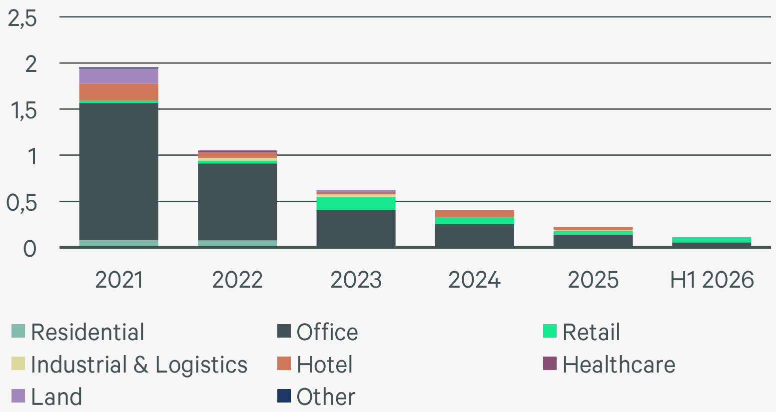
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q2 2026

FIGURE 29

Investment Volume by Asset Classes (in €bn)



Source: CBRE Research Q2 2026

Contacts

Research

Dr. Jan Linsin
Managing Director
Head of Research Germany
jan.linsin@cbre.com

Anja Scholz
Associate Director
Research Germany
anja.scholz@cbre.com

Business Lines

Marcus Lemli
Managing Director
Head of Capital Markets Germany
marcus.lemli@cbre.com

Sandro Höselbarth
Managing Director
Head of Valuation Advisory Services Germany
sandro.hoeselbarth@cbre.com