Intelligent Investment

Germany Investment Market Q2 2026

REPORT

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

CBRE RESEARCH

JULY 2026

Overview

Investment transaction volume in Germany amounted to €16.2bn in the first half of 2026, representing an increase of 13% year-on-year. Of this, just under €13bn was attributable to commercial real estate, slightly more than one-fifth higher than in the first half of 2025. The market thus continued its gradual recovery. At the same time, transaction activity remained selective and concentrated on high-quality single-asset deals as well as liquid core markets. Momentum in the second quarter was somewhat weaker than at the beginning of the year. Geopolitical uncertainties are leading to some processes being completed at a later stage and new transactions being initiated more cautiously at times. However, this has had little impact on the overall market recovery.

Real estate market fundamentals remain intact and continue to support the German investment market. At the same time, price discovery is now significantly more advanced than a year ago. Germany therefore remains a strategically important target market for international investors. Interest is picking up again, even though many investors continue to act very selectively and domestic capital still dominates market activity.

FIGURE 1

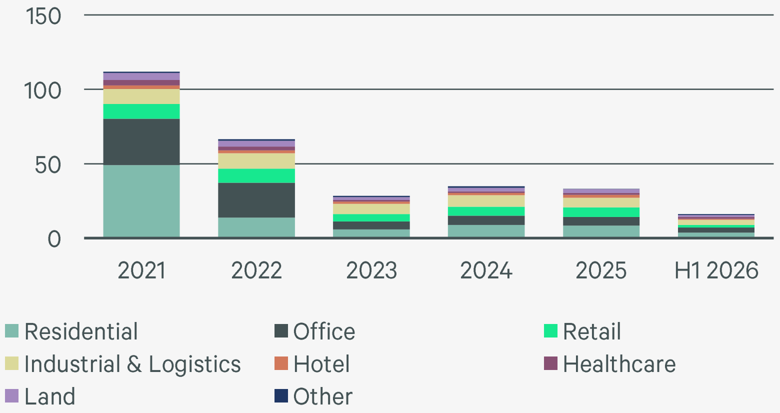
Key Performance indicators investment Market*

	Q2 2026	**Year-on-Year comparison**
Transaction Volume	€16.2bn	↑
5-Year Average	€10.4bn	
10-Year Average	€13.0bn	
Number of Transactions ≥ €100m	30	↑
Portfolio Ratio	31%	↓
Share of Foreign Investors	45%	↓

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

FIGURE 2

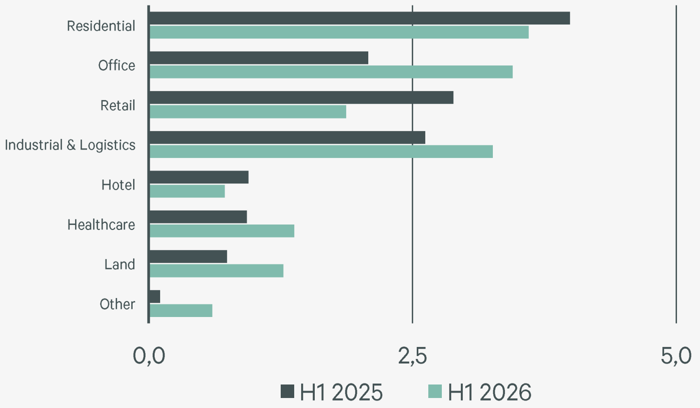
Investment Volume by Asset Classes (in €bn)



Source: CBRE Research Q2 2026

FIGURE 3

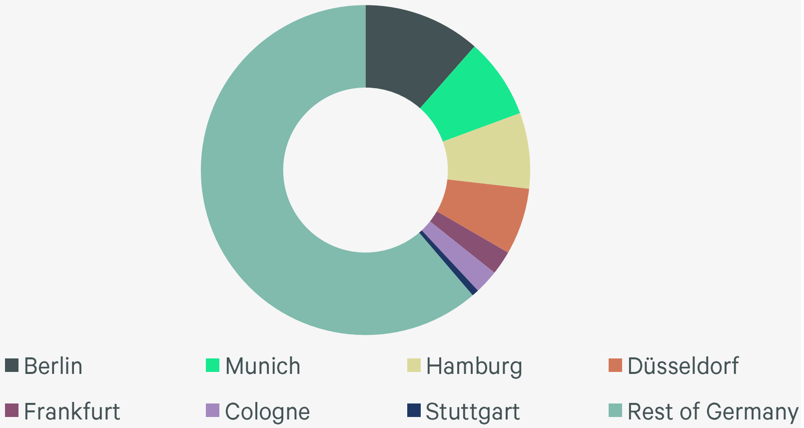
Investment Volume by Asset Classes (in €bn)



Source: CBRE Research Q2 2026

FIGURE 4

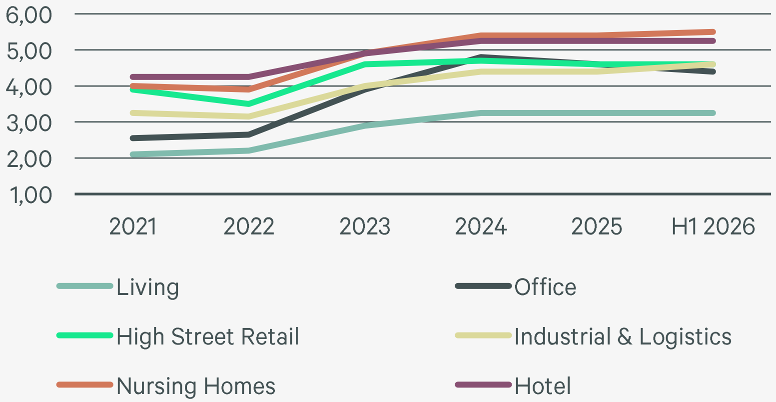
Investment Volume by Markets (in %)



Source: CBRE Research Q2 2026

FIGURE 5

Prime Yields (in %)



Source: CBRE Research Q2 2026

Trends

- Increasing market activity is evident alongside selective investor behavior with a focus on liquid core markets and high-quality single assets, contrasted by a growing supply of products as a result of refinancing needs, elevated interest rates, and liquidity requirements among various investor groups

- Residential real estate showed a slight decline but remained the strongest asset class, while the office segment recorded a significant rebound and demand for industrial and logistics properties was dynamic, whereas retail investments declined, development sites recorded the strongest relative increase, highlighting that investors are again selectively willing to take on higher risks

- The Top 7 investment locations, benefiting from high liquidity and market transparency, gained further importance in the first half of the year but showed a differentiated performance: Düsseldorf developed particularly dynamically due to several large transactions, and Cologne, Hamburg, and Frankfurt also recorded a noticeable upturn, while Berlin and Munich remained below the prior-year level

- The market is clearly dominated by single-asset transactions alongside a growing importance of large-volume deals above €100m, particularly in the office segment large-scale single transactions dominated, while in the healthcare, logistics, and multifamily segments portfolios were predominantly traded

- Investment strategies also showed a shift: the share of core products declined slightly in favor of increased core plus investments, opportunistic strategies also gained momentum, while the value-add segment developed somewhat weaker, overall the market is thus moving from a predominantly defensive positioning toward a more differentiated risk profile

Outlook

A continuation of the moderate market recovery is expected for the second half of 2026. The existing transaction pipeline as well as an increasing supply of investment opportunities point to rising market activity, although transaction processes are likely to remain characterized by intensive due diligence and longer decision-making cycles.

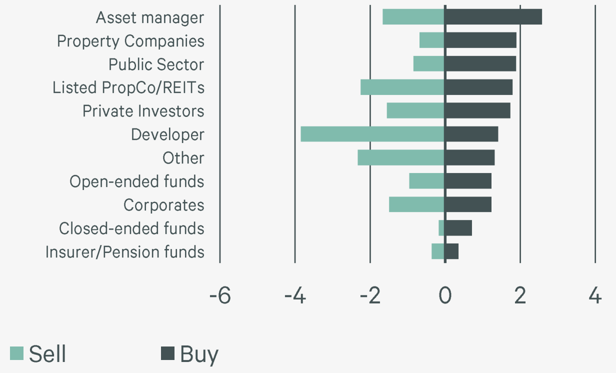
Market activity will continue to be shaped by a high degree of selectivity over the remainder of the year. Investments are expected to remain focused on high-quality assets in established locations with stable cash flows. At the same time, the increased supply is opening up opportunities across a broader risk spectrum, supporting a more differentiated positioning of investors.

Price discovery is now significantly more advanced than a year ago. Buyers and sellers have gradually adjusted their expectations to market conditions. As a result, the bid-ask spread is narrowing and transactions are increasingly being executed again. At the same time, prime yields in liquid core markets have remained largely stable. Outside the prime segment, however, the market shows greater differentiation by location, asset quality, and risk profile. Overall, more reliable pricing levels are observable today than a few quarters ago. At the same time, a slight increase in prime yields in some asset classes is expected for the second half of the year.

The investor structure is likely to continue evolving, with international capital increasingly reassessing market opportunities, while domestic investors will continue to play a key role in transaction activity. Overall, a further increase in market transparency, improved price validity, and greater planning certainty for transactions can be expected. For the full year, a transaction volume of slightly above €35bn is anticipated.

FIGURE 6

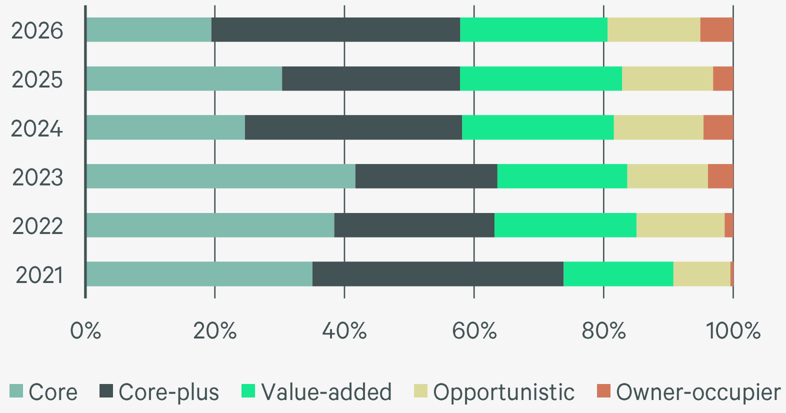
Investment Volume by Types of Buyer/Seller (in €bn)



Source: CBRE Research Q2 2026

FIGURE 7

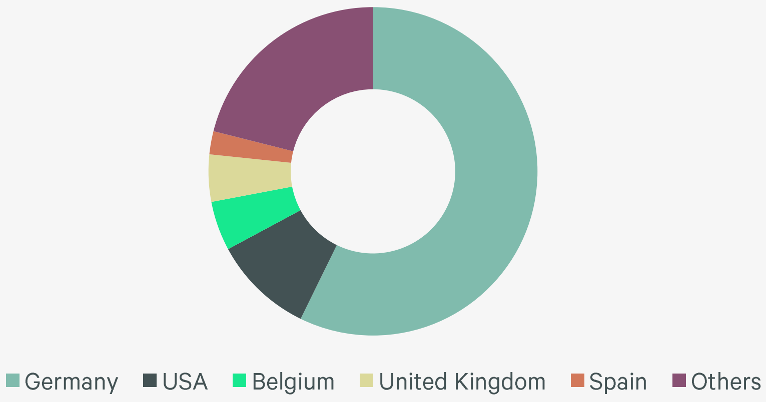
Investment Volume by Risk Classes (in %)



Source: CBRE Research Q2 2026

FIGURE 8

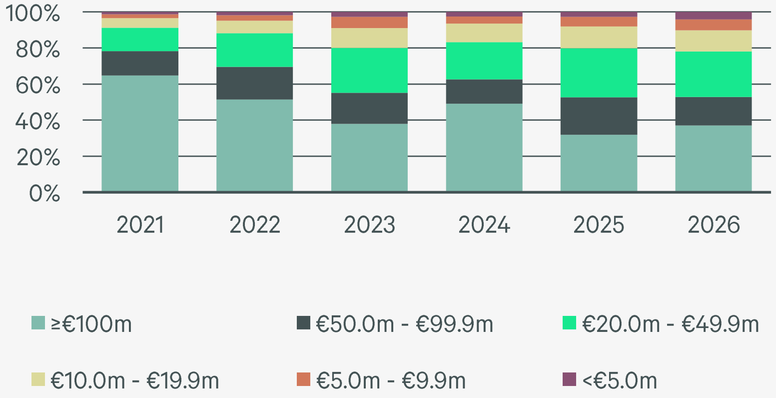
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q2 2026

FIGURE 9

Investment Volume by Size Classes (in %)



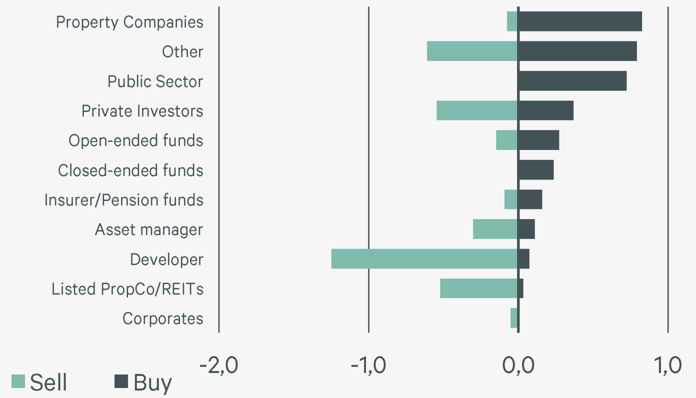
Source: CBRE Research Q2 2026

Residential Trends

- The German residential investment market reached a transaction volume of €3.6bn in the first half of 2026, around 10% below the prior-year period; at the same time, the second quarter showed a clear revival, with volume up by around 17% compared with the first quarter
- Market activity increased noticeably: with 97 transactions, the number of deals was around 8% above the prior-year level which indicates a broader market recovery, even though some ongoing processes are only likely to become visible later in the year
- Investors continued to act selectively, focusing more strongly on stable cash flows, robust business plans and sustainable rental income; short-term exit strategies are becoming less relevant, while core capital remains cautious and core plus strategies are appearing more frequently again
- Subsidized and affordable housing is continuing to gain importance as investors seek segments with high planning certainty and stable income; at the same time, rising construction and financing costs as well as weaker rental growth dynamics are limiting economic flexibility, particularly for new-build projects
- The average prime yield across the top 7 cities stood at around 3.4% at the end of the first half of the year and remained broadly stable year-on-year; for the second half of the year, the growing pipeline points to further market recovery, making a full-year transaction volume of €8bn - €9bn appear achievable

FIGURE 10

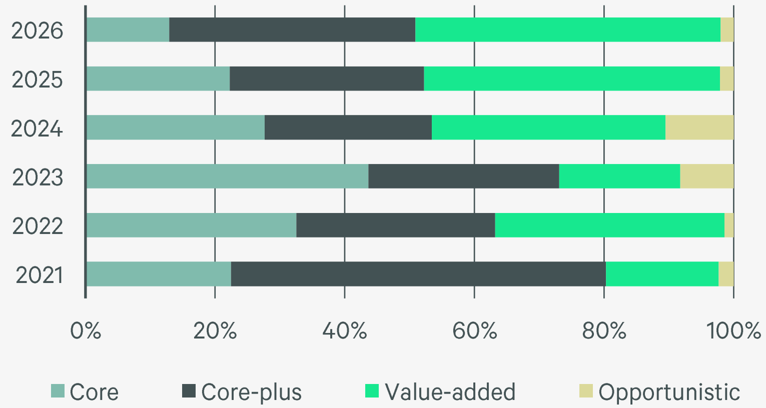
Investment Volume by Types of Buyer/Seller (in €bn)



Source: CBRE Research Q2 2026

FIGURE 11

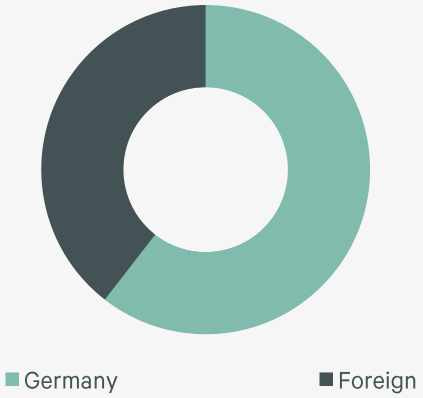
Investment Volume by Risk Classes (in %)



Source: CBRE Research Q2 2026

FIGURE 12

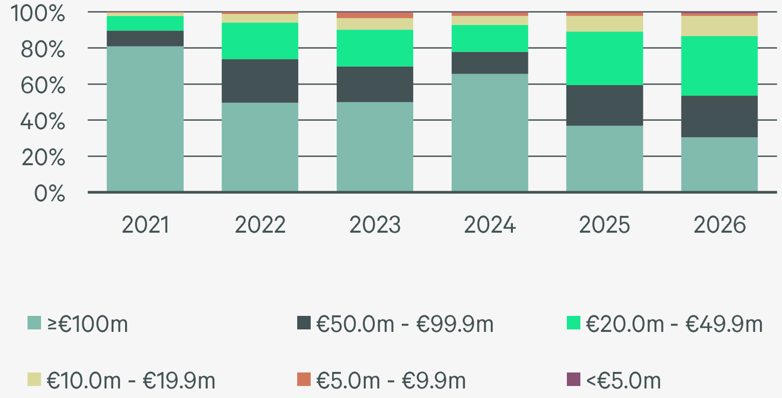
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q2 2026

FIGURE 13

Investment Volume by Size Classes (in %)



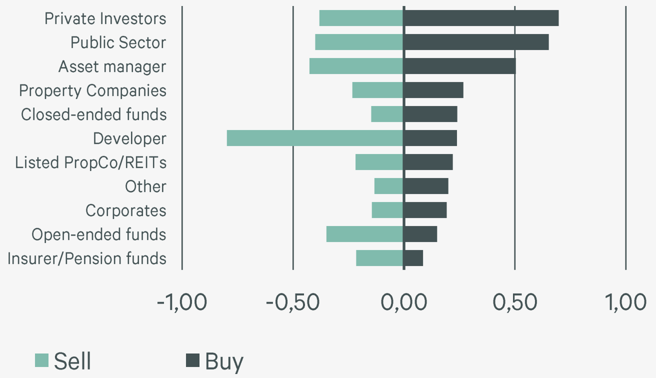
Source: CBRE Research Q2 2026

Office Trends

- The German office investment market saw a significant upturn in the first half of 2026, with a transaction volume of just under €3.5bn, although the market remained selective and focused on high-quality properties in liquid markets
- Among the top 7 locations, Munich remained the leader in terms of transaction volume during the first six months of this year, while Berlin—which had been the undisputed leader during the same period last year—lost some of its relative dominance, contributing to a more stable and less concentrated market structure; Düsseldorf and Hamburg gained significant momentum due to individual large-scale transactions and expanded their market shares, and Frankfurt also saw a noticeable upturn
- At the same time, activity in B-cities and regional centers increased significantly, broadening the regional base of the recovery; these markets benefited in particular from investors' growing risk appetite and individual large-volume transactions, and are increasingly becoming a complementary arena for opportunistic strategies and additional investment opportunities outside the core markets
- Prime yields in liquid core markets declined slightly to 4.73% on average across the top 7 markets compared to the end of the first half of 2025, although yield levels varied even more significantly depending on location and property quality
- The gradual recovery is expected to continue for the remainder of the year, so that transaction volume for the full year is expected to be on par with the previous year's level

FIGURE 14

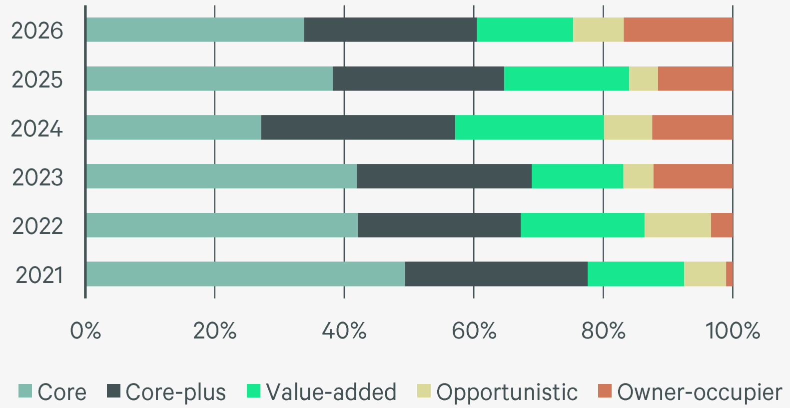
Investment Volume by Types of Buyer/Seller (in €bn)



Source: CBRE Research Q2 2026

FIGURE 15

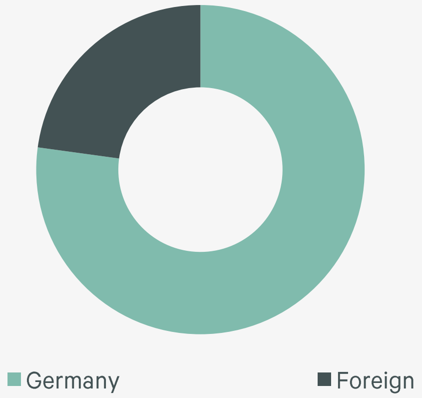
Investment Volume by Risk Classes (in %)



Source: CBRE Research Q2 2026

FIGURE 16

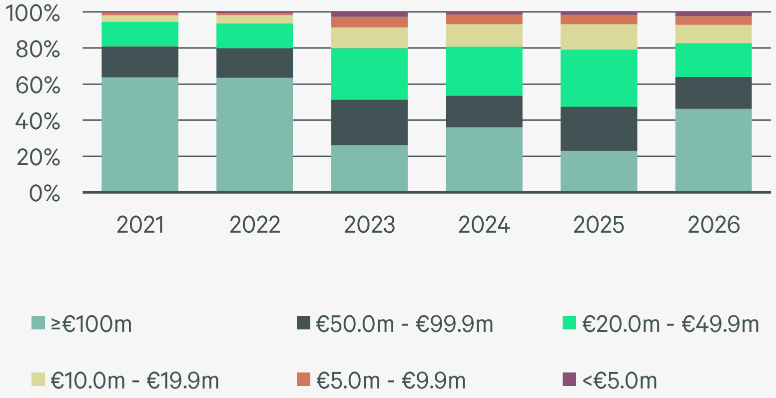
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q2 2026

FIGURE 17

Investment Volume by Size Classes (in %)



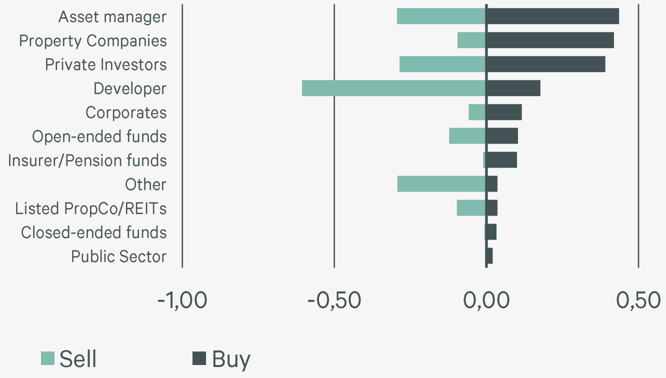
Source: CBRE Research Q2 2026

Retail Trends

- The German retail real estate investment market reached a transaction volume of €1.9bn in the first half of 2026, representing a 35% decline compared to the same period last year
- In particular, geopolitical uncertainties and their impact on both consumer sentiment and willingness to invest have recently had a significant influence on market activity, leading to more rigorous due diligence processes and longer investment decision-making cycles
- However, the market has recently undergone a noticeable shift, as high-quality single assets and various portfolios are once again on the market for the first time in quite a while – properties that were not available on this scale in recent years – resulting in a significant increase in supply, particularly in the core plus segment
- International investors, in particular, generally have sufficient capital at their disposal; however, differing expectations regarding yields are still preventing some deals from closing successfully, meaning that many transactions continue to proceed hesitantly
- Yields are currently at a largely stable level, although rising selling pressure could lead to higher yields in certain market segments going forward
- The sales pipeline for the second half of the year is well-stocked and includes numerous single assets – including large-scale ones – as well as portfolios; therefore, despite the subdued first half of the year, a transaction volume of approx. €5bn - €6bn for the full year appears realistic

FIGURE 18

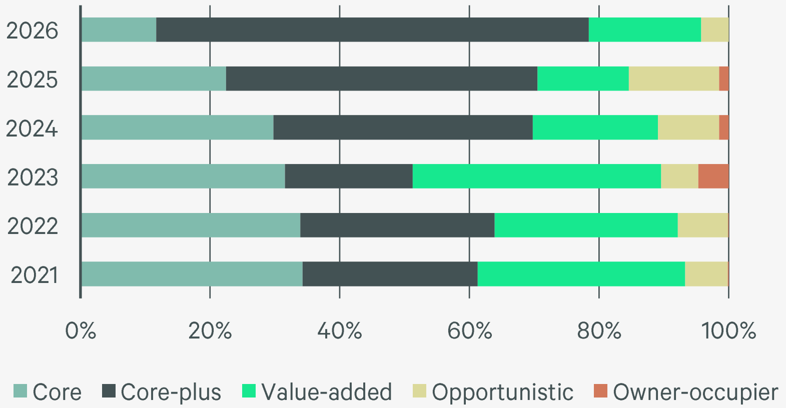
Investment Volume by Types of Buyer/Seller (in €bn)



Source: CBRE Research Q2 2026

FIGURE 19

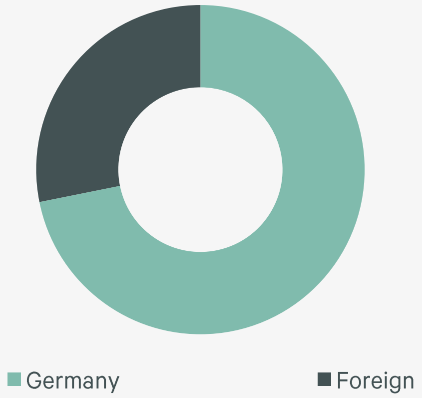
Investment Volume by Risk Classes (in %)



Source: CBRE Research Q2 2026

FIGURE 20

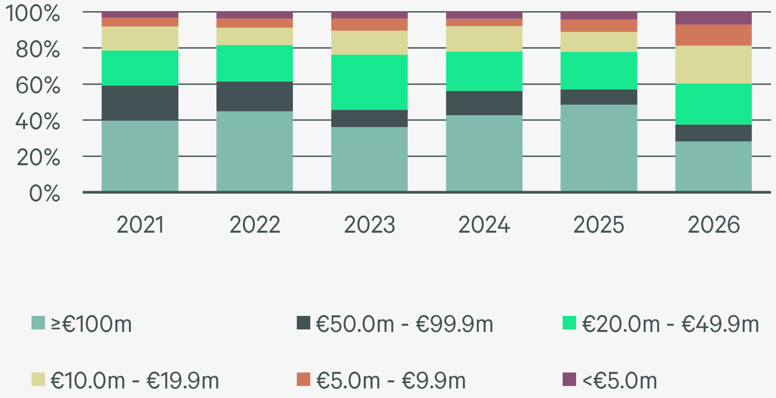
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q2 2026

FIGURE 21

Investment Volume by Size Classes (in %)



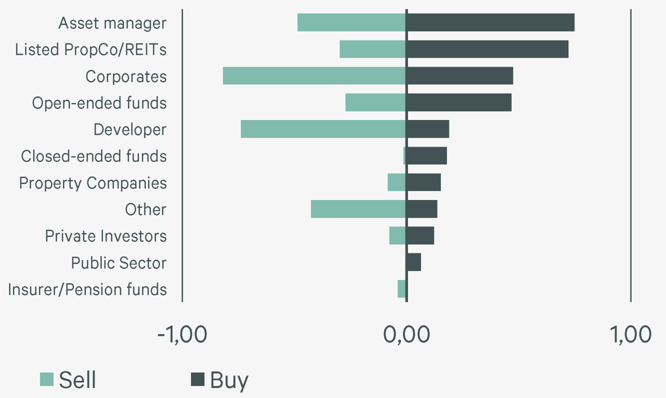
Source: CBRE Research Q2 2026

Industrial & Logistics Trends

- The German industrial and logistics real estate investment market reached a transaction volume of €3.26bn in the first half of 2026, exceeding the figure for the same period last year by 24%
- While large-volume transactions were relatively rare in recent quarters, the first half of the year saw a return to more deals in higher volume categories, which contributed to the higher investment volume and simultaneously drove up the average deal size
- As international investors have been showing increased interest in Germany for some time now, German investors are also now engaging in significantly more intensive market exploration, resulting in a steady increase in the number of concrete purchase evaluations and thus suggests a growing willingness to invest
- The prime yield for logistics real estate has recently risen slightly to 4.5%; however, very few transactions were completed in the core segment during the reporting period, and market and price data are currently limited as a result, so the yield trend should be interpreted with some caution
- In addition to traditional logistics real estate, investor interest in light industrial properties has increased significantly, as has interest in Industrial Outdoor Storage (IOS), which, despite being a comparatively small segment, is nevertheless developing into an interesting addition to the investment market
- The positive market trend is expected to continue in the second half of the year, along with sustained, brisk transaction activity, provided that more core properties come onto the market once again

FIGURE 22

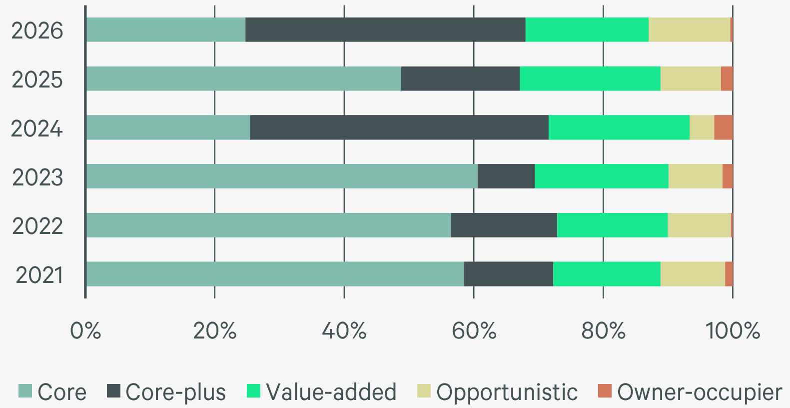
Investment Volume by Types of Buyer/Seller (in €bn)



Source: CBRE Research Q2 2026

FIGURE 23

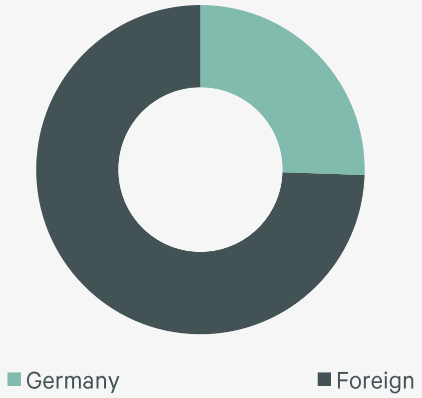
Investment Volume by Risk Classes (in %)



Source: CBRE Research Q2 2026

FIGURE 24

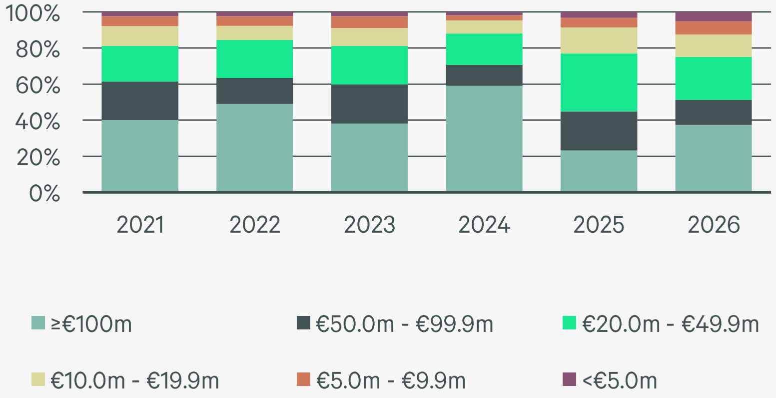
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q2 2026

FIGURE 25

Investment Volume by Size Classes (in %)



Source: CBRE Research Q2 2026

Hotel Trends

- The German hotel investment market reached a transaction volume of €721m in the first half of 2026, down 24% from the previous year; driven by a high number of deals, the market nevertheless remained characterized by high activity, while the decline in volume was primarily attributable to the lack of large-scale transactions to date
- Market activity shifted toward smaller-scale transactions and locations outside established investment hubs; despite the subdued momentum, the hotel sector remains attractive, with selective but sustained investor interest
- Record-numbers of overnight stays in 2025, along with the continued increase at the start of the current year, underscore the strong operational fundamentals of the hotel market
- On the buyer side, asset and fund managers—particularly those from the Anglo-Saxon region—dominated, supplemented by property companies, private investors, and owner-operators, who took advantage of the market conditions to make targeted smaller acquisitions to expand their portfolios
- The gross prime yield for hotels with long-term lease agreements rose slightly to 5.25%; in the short term, the market is likely to remain selective; as uncertainties subside, the large-volume segment is also expected to feature more prominently in transaction activity again; the high number of ongoing due diligence reviews indicates that many investors are already actively seeking suitable opportunities

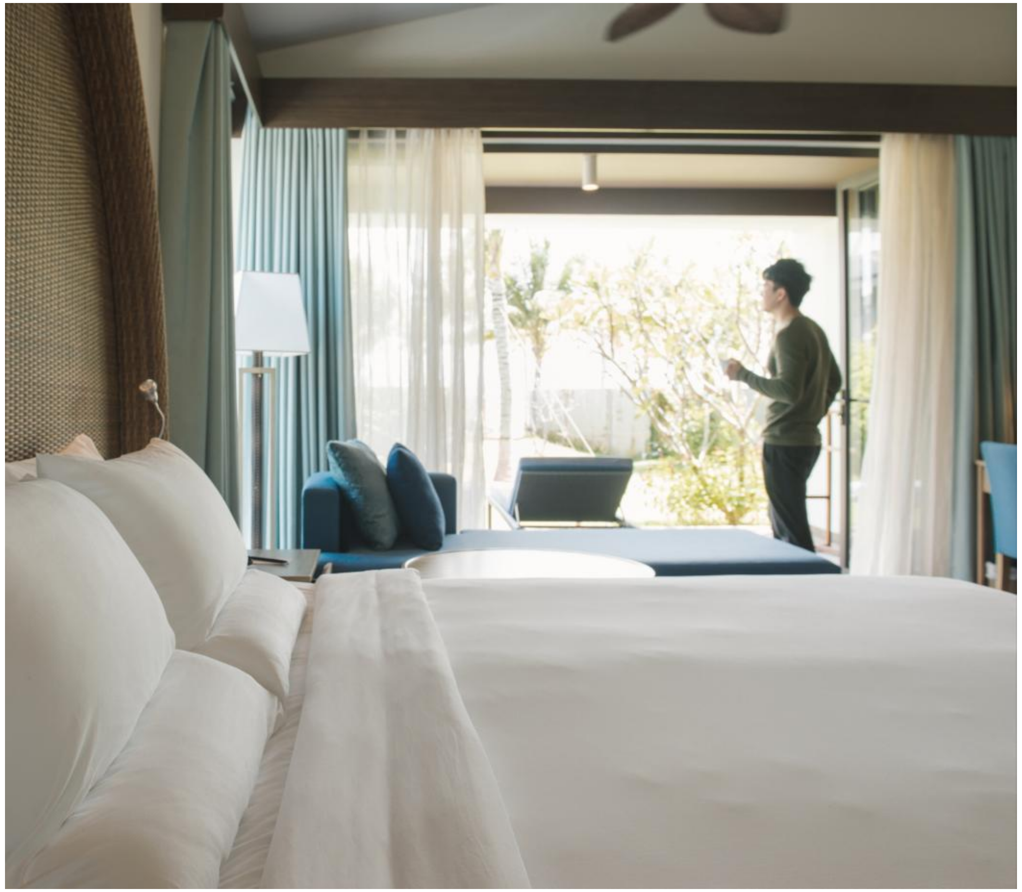
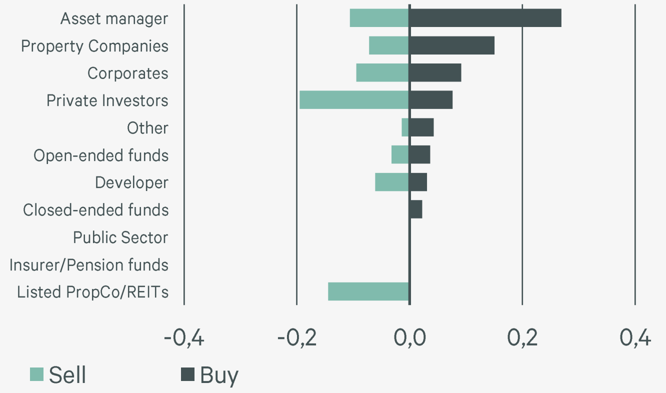


FIGURE 26

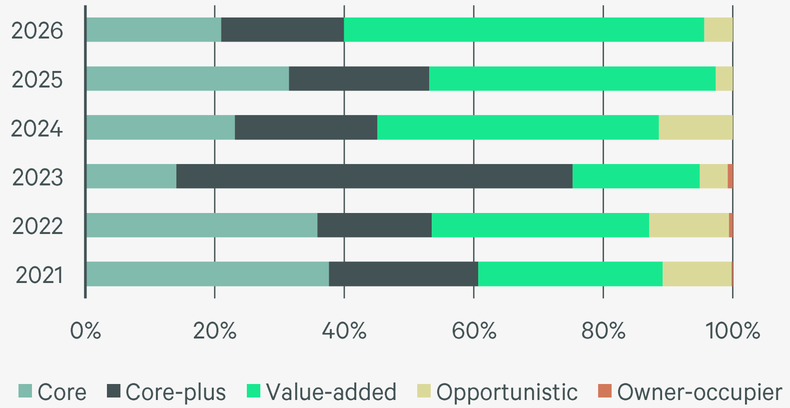
Investment Volume by Types of Buyer/Seller (in €bn)



Source: CBRE Research Q2 2026

FIGURE 27

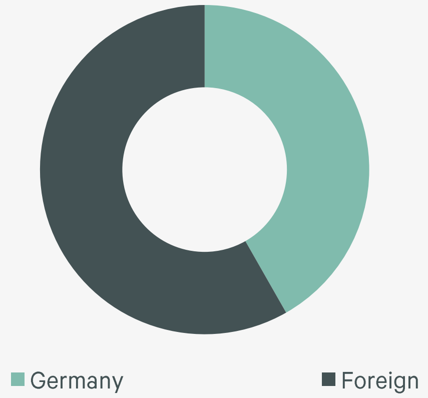
Investment Volume by Risk Classes (in %)



Source: CBRE Research Q2 2026

FIGURE 28

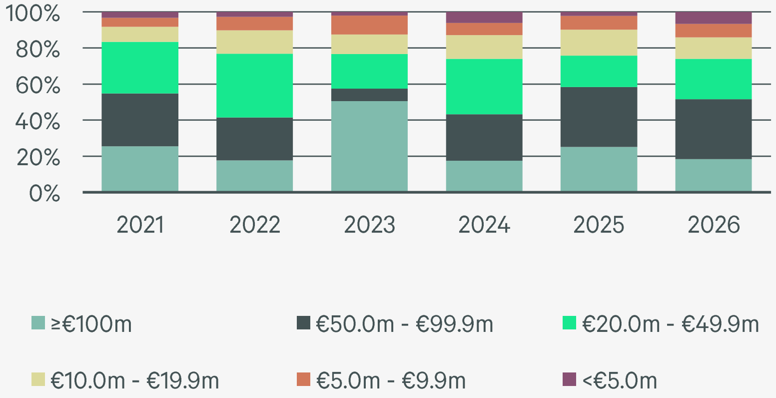
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q2 2026

FIGURE 29

Investment Volume by Size Classes (in %)



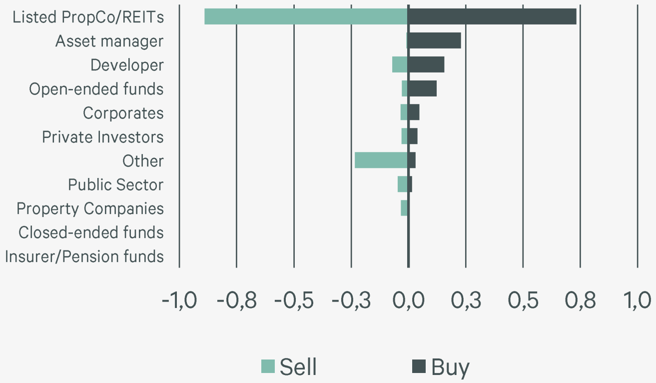
Source: CBRE Research Q2 2026

Healthcare Trends

- The German healthcare real estate investment market recorded a transaction volume of €1.4bn in the first half of 2026, up 48% year-on-year; however, more than €1bn of this was already generated in the first quarter
- Nursing homes formed the backbone of the market with €781m; outpatient healthcare properties continued their positive trajectory and posted a significant increase compared to the previous year, while senior living lagged behind due to a lack of available product
- Hospitals and rehabilitation clinics registered an above-average transaction volume; however, a substantial share was attributable to sales to developers pursuing conversion strategies as well as to owner-occupiers and is therefore only comparable to classic investment transactions to a limited extent
- Prime yields across all use types rose slightly by 0.1%-points; the prime yield (net initial yield) for nursing homes increased to 5.5%
- Transaction activity is expected to remain solid in the second half of the year; while uncertainties arising from the ongoing debates on healthcare and long-term care reforms persist, they do not diminish the attractiveness of the asset class, which continues to be underpinned by robust long-term fundamentals

FIGURE 30

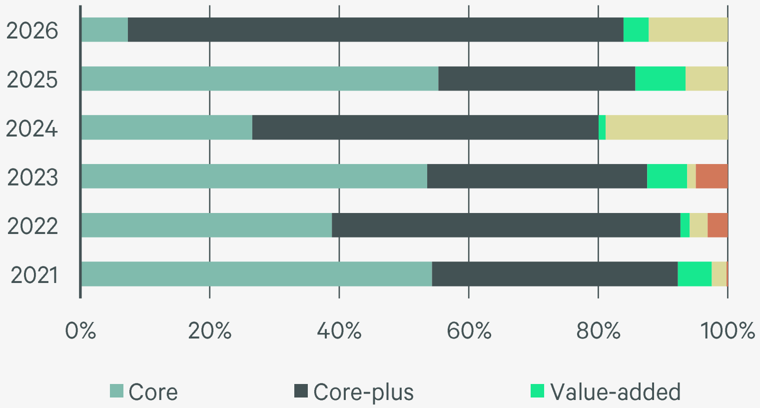
Investment Volume by Types of Buyer/Seller (in €bn)



Source: CBRE Research Q2 2026

FIGURE 31

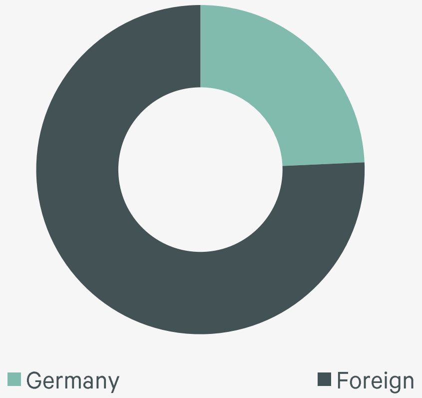
Investment Volume by Risk Classes (in %)



Source: CBRE Research Q2 2026

FIGURE 32

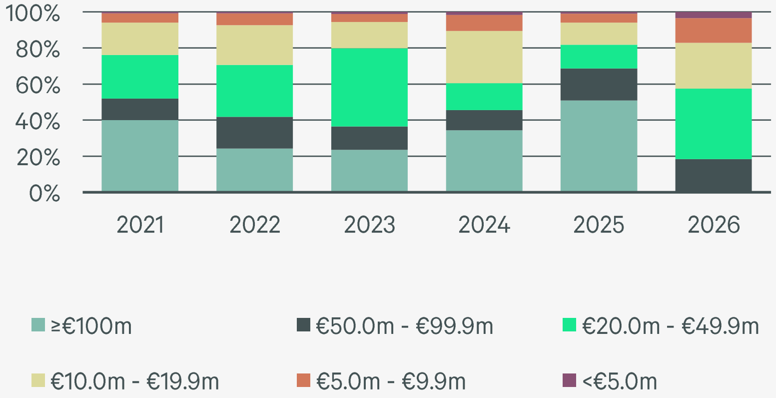
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q2 2026

FIGURE 33

Investment Volume by Size Classes (in %)



Source: CBRE Research Q2 2026

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