

Intelligent Investment

Germany Investment Market Top 7 Locations Q1 2026

REPORT

Gradual recovery in the
German real estate
investment market
continued into early 2026

CBRE RESEARCH

APRIL 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*

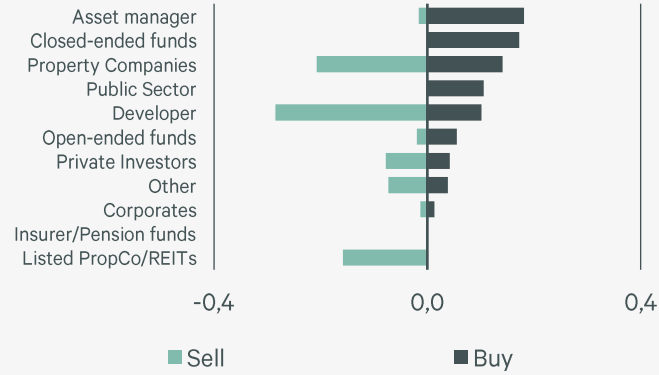
	Q1 2026	Year-on-Year comparison	Portfolio ratio	Share of foreign Investors
Berlin	851	-34%	37%	34%
Düsseldorf	417	+309%	0%	3%
Frankfurt	251	+218%	0%	13%
Hamburg	581	+17%	12%	22%
Munich	686	+90%	30%	19%
Cologne	177	+35%	0%	43%
Stuttgart	44	-18%	21%	1%

Source: CBRE Research Q1 2026; *incl. residential properties from 50 residential units

Berlin

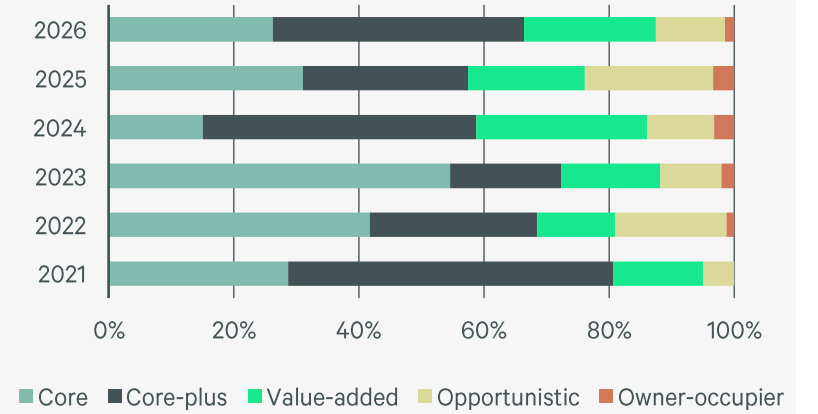
- The Berlin real estate investment market started the new year cautiously but continues to show resilience in a national comparison; transaction volume in the first quarter amounted to €851m, down 34% year-on-year
- Office properties, with around €206m, were once again the largest asset class by volume – however, the result was 61% below the previous year’s level and was largely driven by a single transaction; in particular, properties in peripheral locations facing potential vacancy are finding few buyers due to a lack of viable alternative use concepts
- Retail properties recorded a significant increase, reaching a transaction volume of €156m (+55% year-on-year), driven primarily by the sale of a larger grocery-anchored portfolio; healthcare real estate also saw growth of 25% to €122m, largely due to the sale of a pan-European portfolio by Northwest Healthcare Properties REIT to TPG, which also included several assets in Berlin
- Prime office yield in Berlin remained unchanged quarter-on-quarter at 4.6%; prime yields in city fringe and peripheral locations were also stable compared with Q4 2025, although non-central office locations continue to face structural pressure
- For the remainder of 2026, the Berlin investment market offers a broad pipeline of available products; however, transactions continue to be delayed by financing constraints, particularly in the office sector – a noticeable market recovery is expected once financing conditions become more liquid and predictable, especially for large-scale transactions

FIGURE 2
Investment Volume by Types of Buyer/Seller (in €bn)



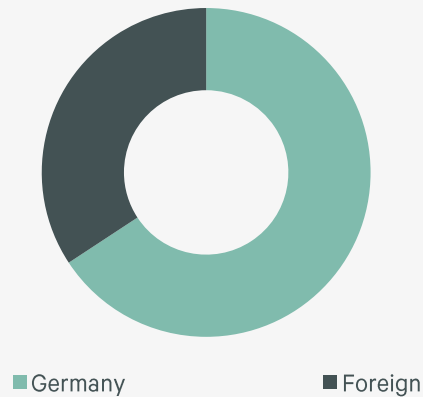
Source: CBRE Research Q1 2026

FIGURE 3
Investment Volume by Risk Classes (in %)



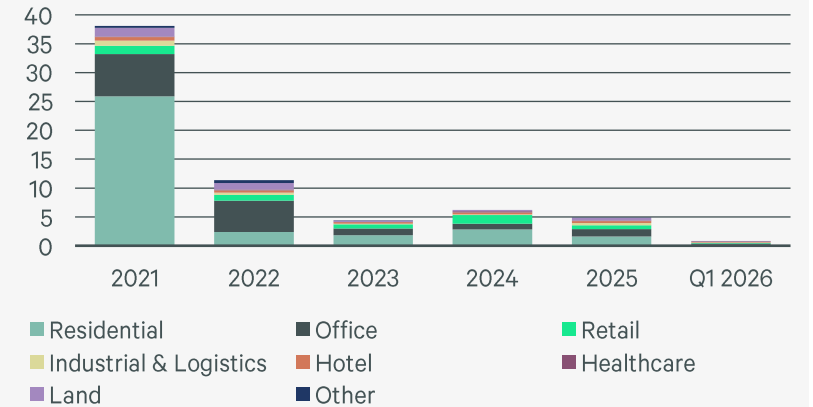
Source: CBRE Research Q1 2026

FIGURE 4
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q1 2026

FIGURE 5
Investment Volume by Asset Classes (in €bn)

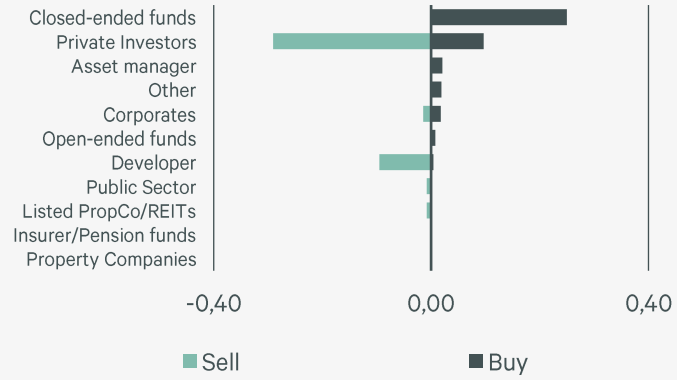


Source: CBRE Research Q1 2026

Dusseldorf

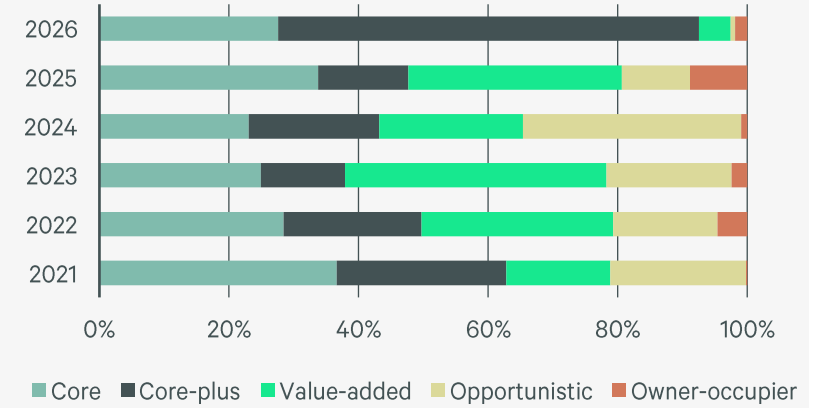
- The Düsseldorf investment market (City of Düsseldorf, Ratingen, Hilden, Erkrath, and Neuss) recorded an investment volume of €417m in Q1 2026, representing an increase of 309% year-on-year, a strong recovery in purely numerical terms, which, however, was largely driven by the large-scale single transaction of the mixed-use property Deiker Höfe and does not reflect the general market sentiment
- As a result of this transaction, the average deal size increased from €11m in Q1 2025 to currently €28m, even though the total number of transactions also increased; large-scale deals above €50m dominated market activity and accounted for around three quarters of total volume, while transactions in the mid-sized segment lost relevance
- Market activity was strongly concentrated in the North submarket, alongside transactions in the City, the CBD, and isolated deals in left-bank locations; residential and office properties together accounted for around three quarters of total volume
- While classic core products remained in demand, value-add transactions declined: investors are showing slightly increased risk appetite again but remain clearly yield-focused
- On the buyer side, closed-end real estate funds, private investors and family offices as well as corporates, were the key drivers of market activity; domestic investors accounted for the majority of transaction volume
- Net initial yields across all asset classes remained stable compared with year-end 2025 and thus continued to stand at 4.9% for prime office buildings in the CBD, 5.5% in city fringe locations, and 6.25% in peripheral locations; while prime yields are expected to remain broadly stable in 2026, total returns will be driven by further rental growth

FIGURE 6
Investment Volume by Types of Buyer/Seller (in €bn)



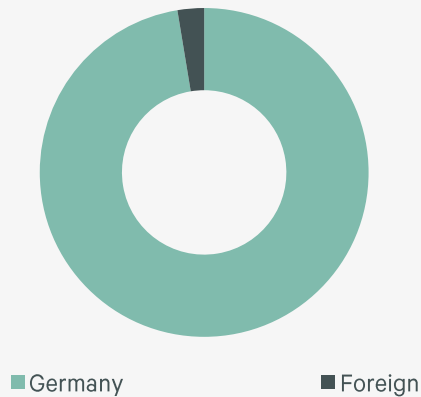
Source: CBRE Research Q1 2026

FIGURE 7
Investment Volume by Risk Classes (in %)



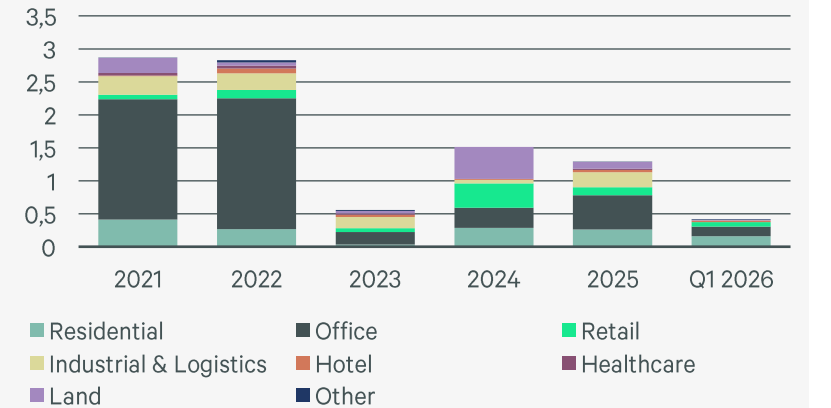
Source: CBRE Research Q1 2026

FIGURE 8
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q1 2026

FIGURE 9
Investment Volume by Asset Classes (in €bn)

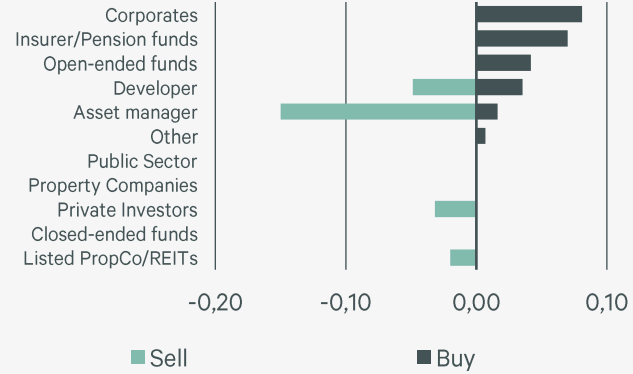


Source: CBRE Research Q1 2026

Frankfurt

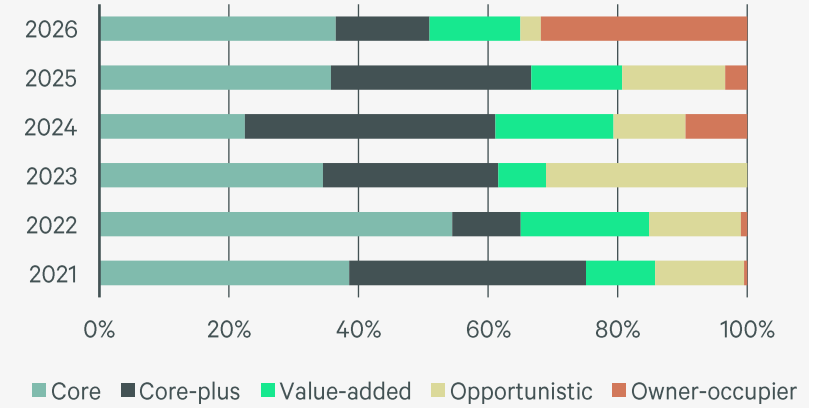
- In the Frankfurt real estate investment market (including Eschborn and Offenbach/Kaiserlei), a total of €251m was invested in Q1 2026, representing an increase of +218% year-on-year, of which €235m was attributable to commercial properties
- The quarter was largely shaped by two large-scale office transactions in the Banking District: the acquisition of Fifty Avons at Mainzer Landstraße by DZ Bank, and the sale of the Overture property at Junghofstraße with a long-term lease to Commerzbank; thus office properties accounted for the largest share of total volume at approximately €207m
- Against the backdrop of geopolitical and economic uncertainties, Frankfurt benefits from its position as a safe and established investment location, the investment volume was primarily driven by European as well as Anglo-American capital, with many market participants again placing greater emphasis on the security aspect and the safe-haven argument gaining importance, resulting in initially stable prime yields of 4.9% in CBD locations, 5.5% in fringe city locations, and 6.55% in peripheral submarkets
- While classic core transactions in 2025 partially failed due to divergent price and yield expectations, a convergence of these views is expected in 2026, which should lead to increasing transaction activity
- In 2026, investor focus will continue to be on properties with active asset management and repositioning potential, supported by ongoing demand for high-quality space in the leasing market and the resulting rental growth potential for these value-add products

FIGURE 10
Investment Volume by Types of Buyer/Seller (in €bn)



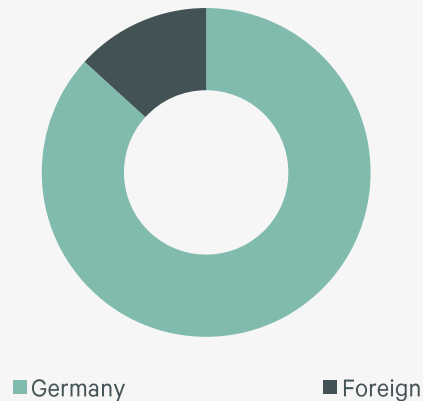
Source: CBRE Research Q1 2026

FIGURE 11
Investment Volume by Risk Classes (in %)



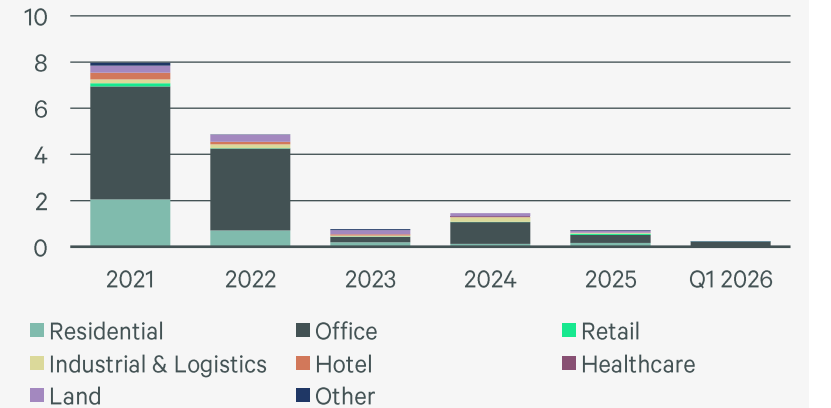
Source: CBRE Research Q1 2026

FIGURE 12
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q1 2026

FIGURE 13
Investment Volume by Asset Classes (in €bn)

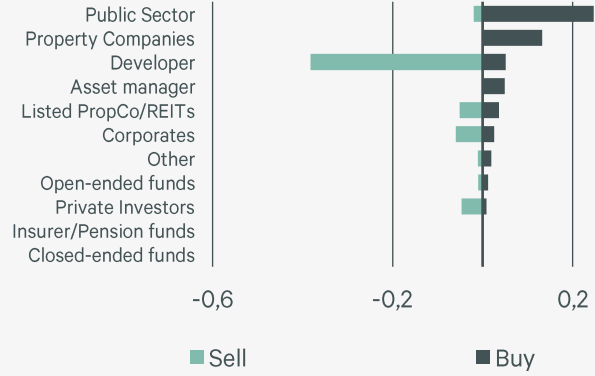


Source: CBRE Research Q1 2026

Hamburg

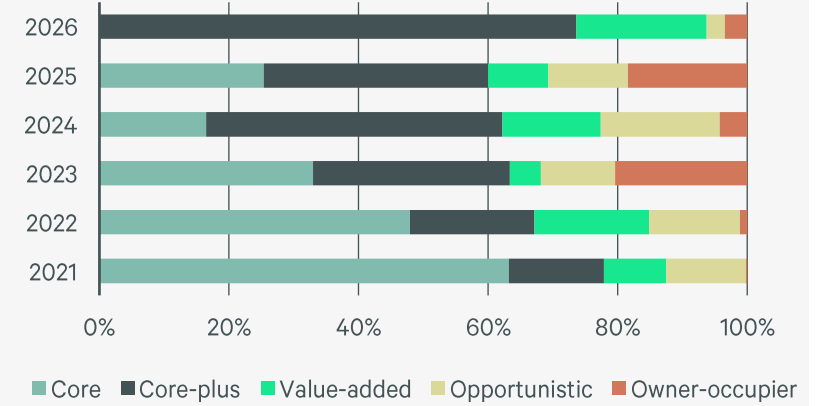
- With a transaction volume of €581m, the Hamburg investment market recorded a significant increase of 17% at the start of 2026 compared to the previous year; the focus shifted significantly in favor of the residential asset class, which dominated market activity with a share of 51%, while commercial investment volume fell by 39% to €286m due to selective buyer restraint
- Market activity was primarily characterized by the mid-sized segment between €20m and €50m, which accounted for around 40% of the transaction volume; this picture was supplemented by a multitude of smaller deals, where private and semi-institutional investors in particular supported market activity, thereby compensating for the temporary absence of large-scale institutional transactions
- After the previous year was characterized by isolated large-volume public sector transactions, their absence led to a significant shift in the buyer structure; the share of foreign investors rose markedly from 4% to 22%, which illustrates the revived confidence of international capital sources which are taking advantage of current price levels for strategic engagements in the Hamburg market
- The well-filled pipeline is concentrated on high-quality inner-city locations, with private investors continuing to prefer first-class assets; at the same time, appropriately priced conversion properties in the commercial residential sector are increasingly moving into the focus of opportunistic players due to robust fundamental data
- While the prime office yield in the CBD compressed slightly to 4.7% year-on-year, the spread to secondary locations continued to widen; prime yields in city fringe locations rose to 5.5% and in the periphery to 6.8%, underlining the increasing polarization between core products in prime locations and higher-risk assets in fringe areas

FIGURE 14
Investment Volume by Types of Buyer/Seller (in €bn)



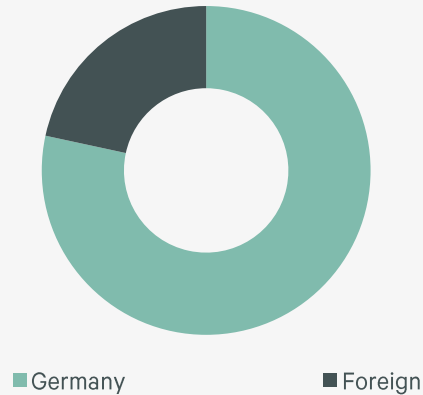
Source: CBRE Research Q1 2026

FIGURE 15
Investment Volume by Risk Classes (in %)



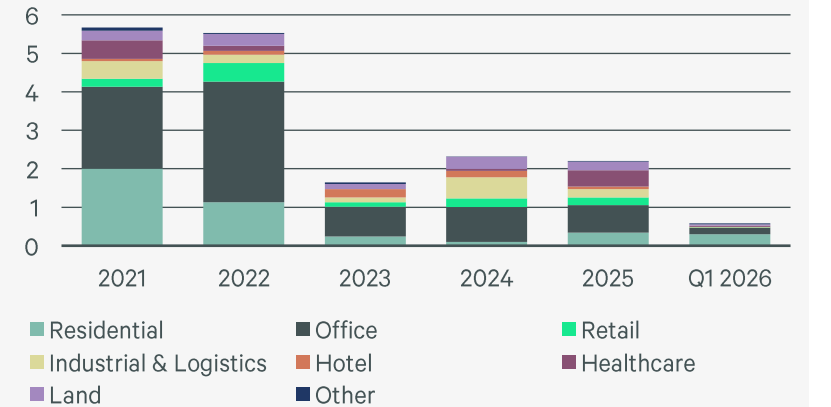
Source: CBRE Research Q1 2026

FIGURE 16
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q1 2026

FIGURE 17
Investment Volume by Asset Classes (in €bn)

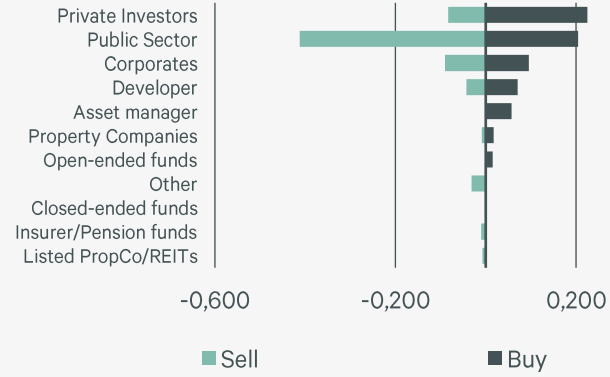


Source: CBRE Research Q1 2026

Munich

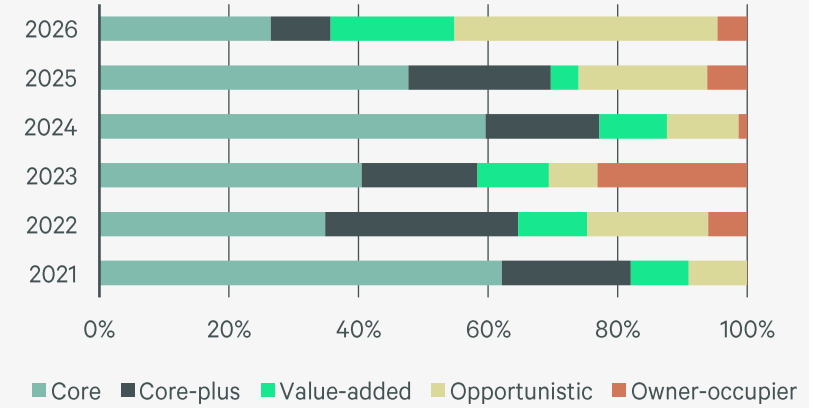
- Munich’s real estate investment market continues to attract strong attention from all major global capital sources, albeit with extremely selective investor demand; the focus remains on sustainable, high-quality products, preferably from the office segment, particularly in attractive, well-connected inner-city locations with high ESG standards
- Transaction volume in the first quarter totalled €686m, of which almost two thirds was attributable to office properties; market activity was largely driven by a small number of high-volume transactions, such as the sale of the Alte Akademie or acquisitions by Stadtwerke München; in addition, there were notable deals in other segments, including the hotel sector, where, for example, the Hotel Excelsior on Schützenstraße within the Central Quartier was sold
- The strongest buyer group in the first quarter was private investors and family offices, which accounted for one third of total volume due to the environment-driven restraint of institutional investors and the resulting “window of opportunity”; the share of international investors was only 19%, which can be attributed in part to higher return requirements from international capital sources that are currently difficult to realise in the local market, particularly in the highly sought-after core segment
- Many owners of office properties that are no longer marketable are considering potential conversion to residential use; while this is partly difficult due to restrictions under planning law, the city council has recently shown greater openness towards changes of use
- Prime office yields remained stable for the time being at 4.4%, unchanged from the previous quarter; further development in the investment market, and also with regard to yields, is currently difficult to forecast given the strained overall economic environment and uncertain future interest rate developments

FIGURE 18
Investment Volume by Types of Buyer/Seller (in €bn)



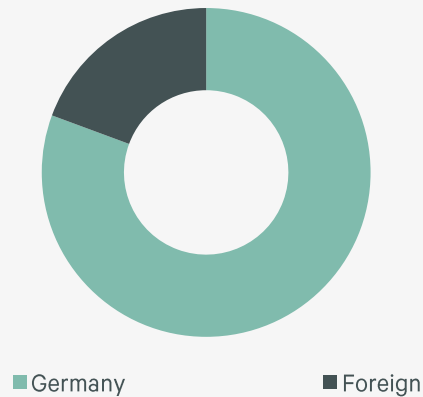
Source: CBRE Research Q1 2026

FIGURE 19
Investment Volume by Risk Classes (in %)



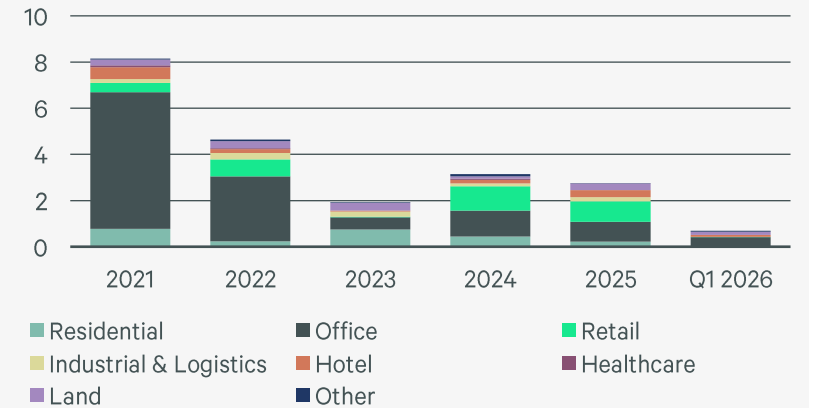
Source: CBRE Research Q1 2026

FIGURE 20
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q1 2026

FIGURE 21
Investment Volume by Asset Classes (in €bn)

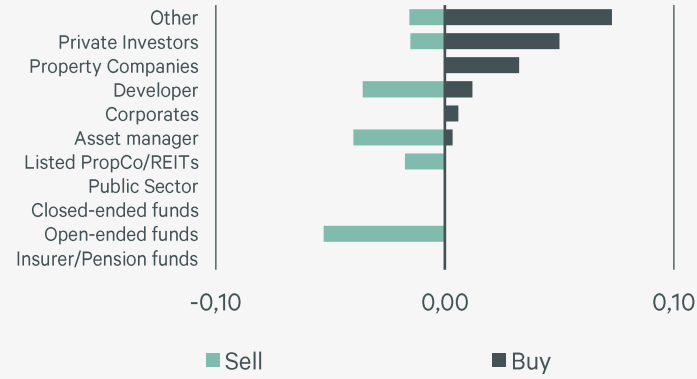


Source: CBRE Research Q1 2026

Cologne

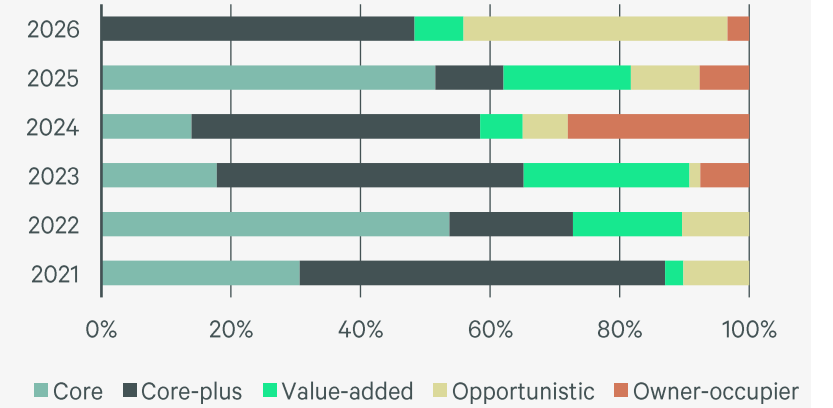
- The Cologne investment market recorded a transaction volume of just under €177m in the first quarter of 2026 and thus fell short of the quarterly average for the past five years by 17%, but still achieved a 35% stronger start to the year than in the previous year
- So far, the investment volume was entirely attributable to commercial real estate, among which office (62%) once again emerged as the clearly dominant asset class – the sales of the Lindenthal district town hall and Cube12 in the City submarket played a significant role in this
- While large-volume transactions remained absent across all asset classes, the increase in recorded transactions in general and in deals in the small- and mid-sized segment in particular led to a decline in the average deal size to €16.1m; investors made only selective investments in single assets, focusing on core plus and opportunistic risk strategies
- On the buyer side, private investors and real estate companies accounted for the largest share of transaction volume and were also the most important net buyers alongside corporates; by contrast, the group of open-ended real estate and special funds, which had led the market the previous year, emerged as the most significant sellers as part of strategic funding measures
- At 47%, foreign buyers once again constituted a notably high share of the typically local-driven Cologne investment market – evidence of the city’s growing appeal to international investors, who primarily originate from other European countries
- The location’s appeal was reflected in a slight compression of prime yields for office properties at the start of the year, which now stand at 4.7%; stable values were seen for logistics properties at 4.4%, and high street properties at 4.75%

FIGURE 22
Investment Volume by Types of Buyer/Seller (in €bn)



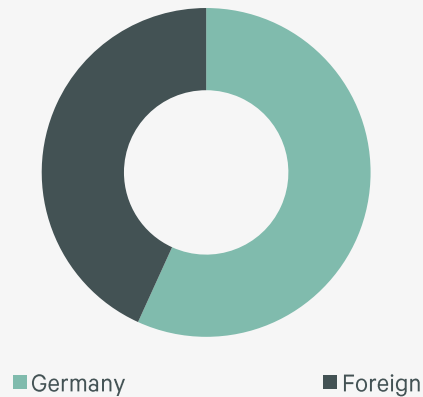
Source: CBRE Research Q1 2026

FIGURE 23
Investment Volume by Risk Classes (in %)



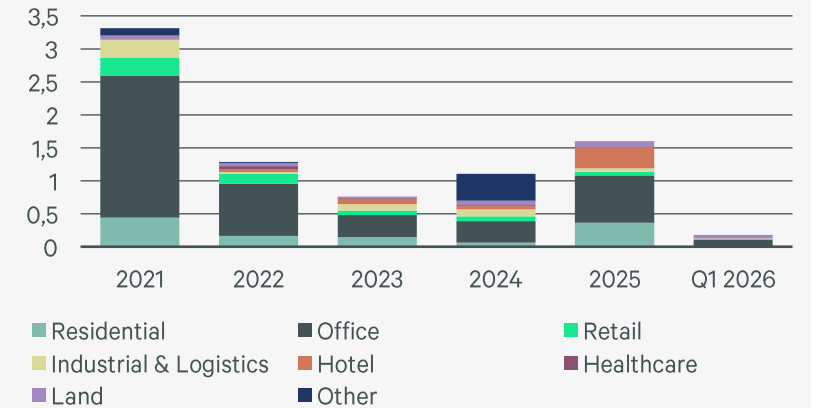
Source: CBRE Research Q1 2026

FIGURE 24
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q1 2026

FIGURE 25
Investment Volume by Asset Classes (in €bn)

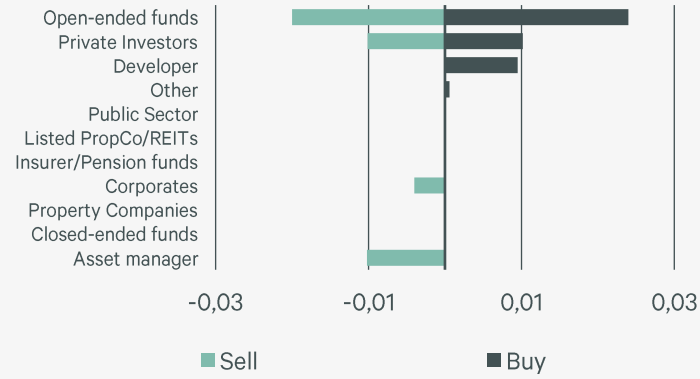


Source: CBRE Research Q1 2026

Stuttgart

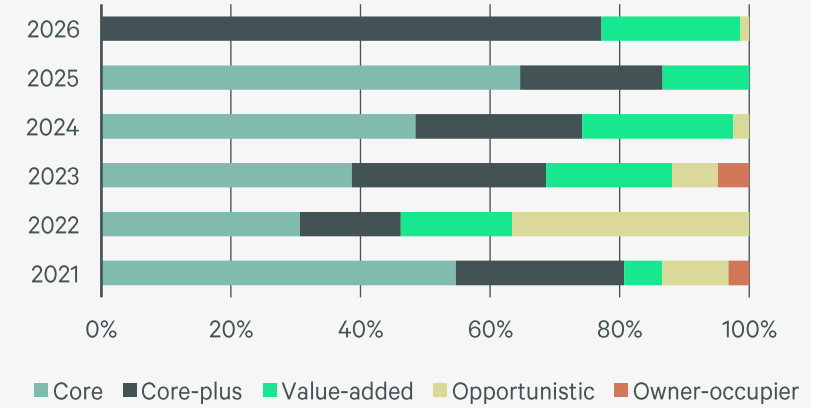
- Despite continued stable conditions in the occupier markets, Stuttgart's investment market remains in a predominantly wait-and-see mode; the low transaction volume of €44m in the first quarter, down 18% compared with the prior-year quarter, reflects the cautious investment behavior of investors, who also continue to act extremely selectively with regard to location and product quality
- In line with the general trend across German investment markets, transaction activity focused on sustainably let core and core-plus properties in established city and city fringe locations, preferably from the office and mixed-use segments; this included, for example, the sale of the property at Lange Straße 9 to a family office of per invest
- Value-add investments also continue to be highly sought-after by investors, as illustrated by the sale of the property at Hasenbergstraße in Stuttgart-Rotebühl, which was sold together with four other properties in southern Germany to Watzl Group; among other factors, this increased the portfolio share of total volume to 21%, whereas no portfolio transactions were recorded in the prior-year period
- The most active buyer group in the first quarter was special funds, which accounted for 54% of investment volume, primarily through the acquisition of an office and administrative building near Stuttgart's Europaviertel by IMAXXAM; in addition, around one fourth of the volume was attributable to equity-strong private investors and family offices, which, unlike institutional investors, are often decoupled from the currently challenging financing environment
- Net initial yields for prime properties in Stuttgart's top office locations remained stable at 4.9% compared with the previous quarter; over the coming months, despite continued subdued economic forecasts, a gradual revival of the investment market and a successive expansion of the product offering can be expected

FIGURE 26
Investment Volume by Types of Buyer/Seller (in €bn)



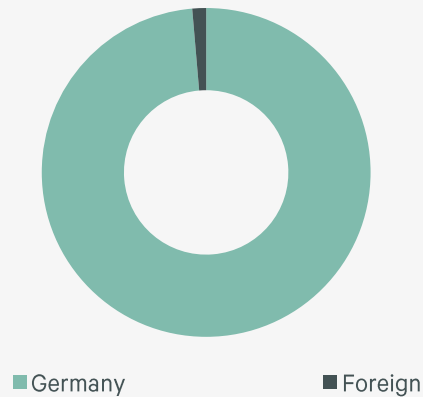
Source: CBRE Research Q1 2026

FIGURE 27
Investment Volume by Risk Classes (in %)



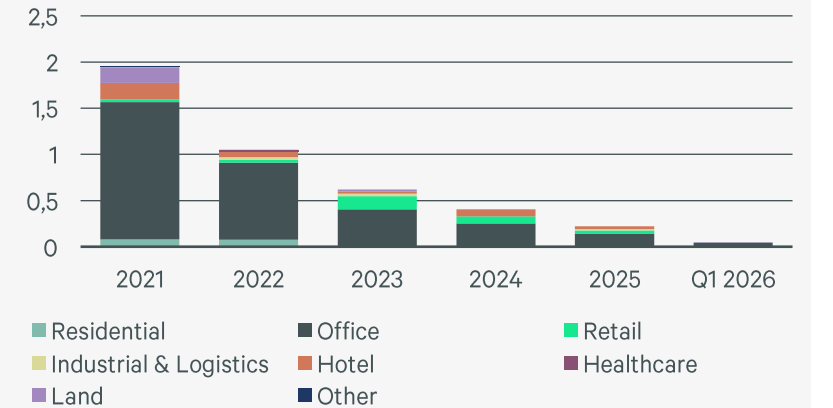
Source: CBRE Research Q1 2026

FIGURE 28
Investment Volume by Buyer's Nationality (in %)



Source: CBRE Research Q1 2026

FIGURE 29
Investment Volume by Asset Classes (in €bn)



Source: CBRE Research Q1 2026

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