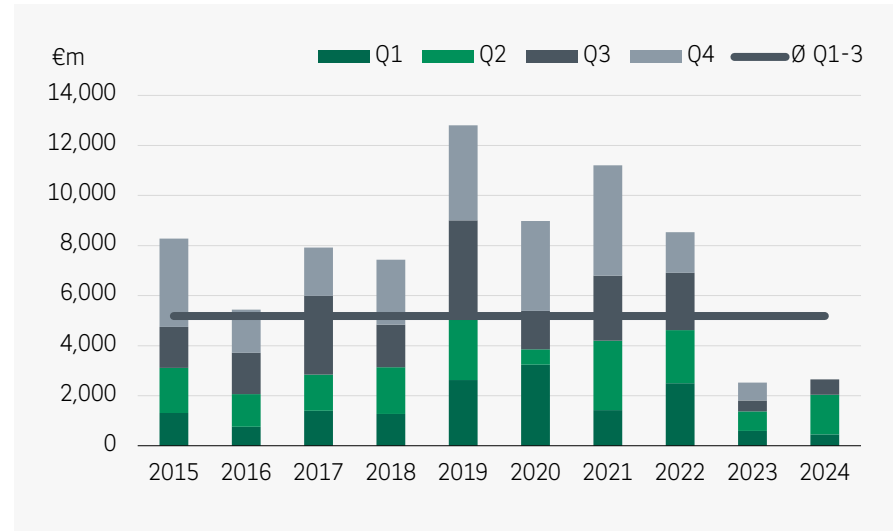


BERLIN

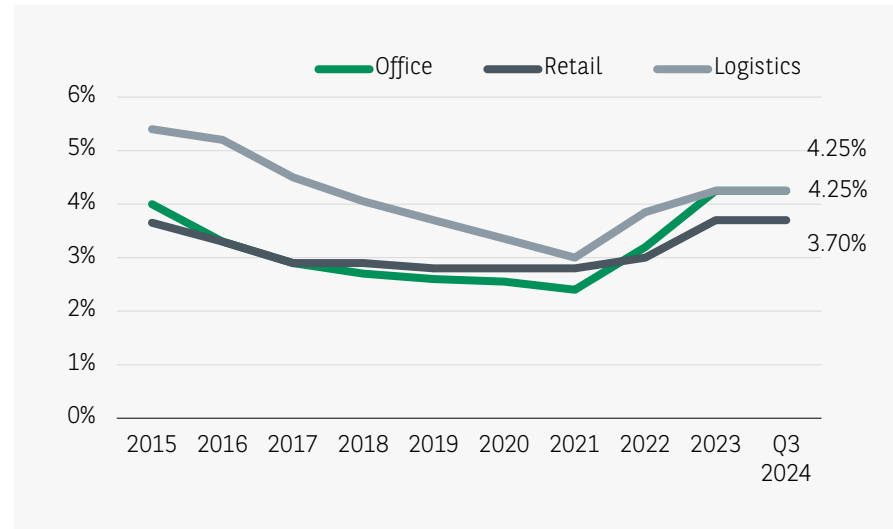
REPORT INVESTMENT MARKET

Q1-3 2024

Development of investment volume



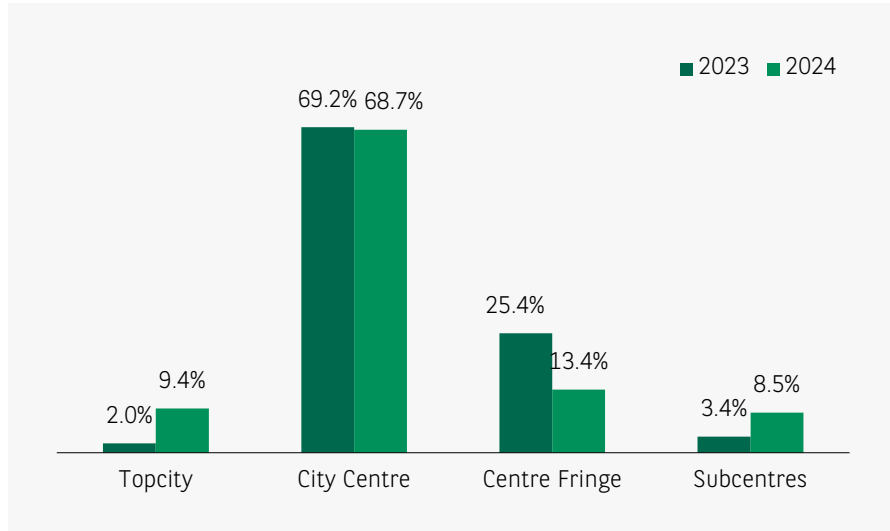
Net prime yields by type of property



SIGNIFICANT INCREASE COMPARED TO 2023 BERLIN STRONGEST MARKET WITH €2.7 BILLION

- Against the backdrop of slowly improving conditions, the Berlin investment market can report a pleasing interim result at the end of the third quarter. Although the current transaction volume of around €2.7 billion has not yet returned to the long-term average (just under €5.2 billion), the significant increase in turnover compared to 2023 (+47%) is a clear indication that investors are regaining confidence that the pricing phase will soon come to an end.
- Meanwhile, the capital defended its leading position in a comparison of locations and is the only top market to have exceeded the €2.5 billion mark after the first nine months. With just over €2 billion, Munich is the only investment location that can roughly keep pace with Berlin.
- The improved market sentiment is also confirmed by the fact that the third quarter saw the highest number of transactions in the triple-digit million euro range over the course of the year, including the sale of the former Signa project development 'P1' opposite KaDeWe, which was also sold earlier this year.
- In view of the price adjustment processes, which are now well advanced, combined with increasing planning certainty among investors with regard to financing costs, net prime yields stabilised in the third quarter: As a result, premium high street assets in prime locations (3.70%), prime office properties (4.25%) and top logistics assets (also 4.25%) each maintained their year-end 2023 values.

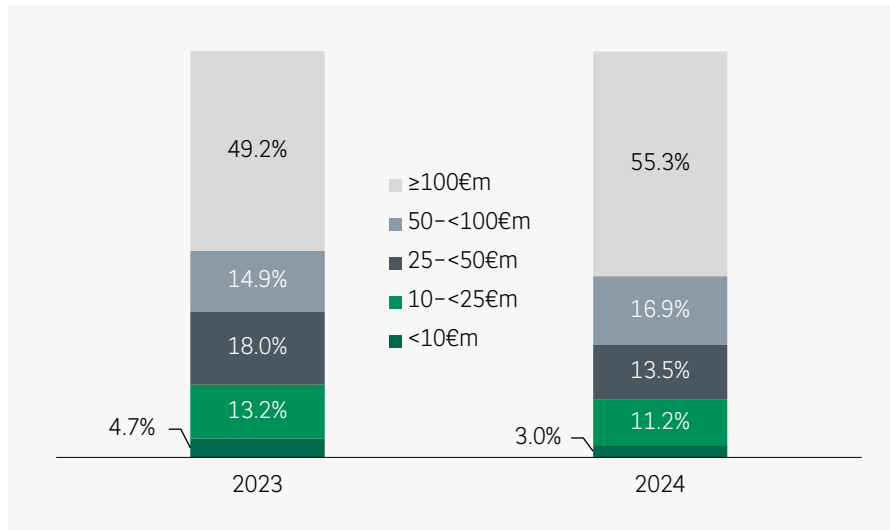
Investments by location Q1-3



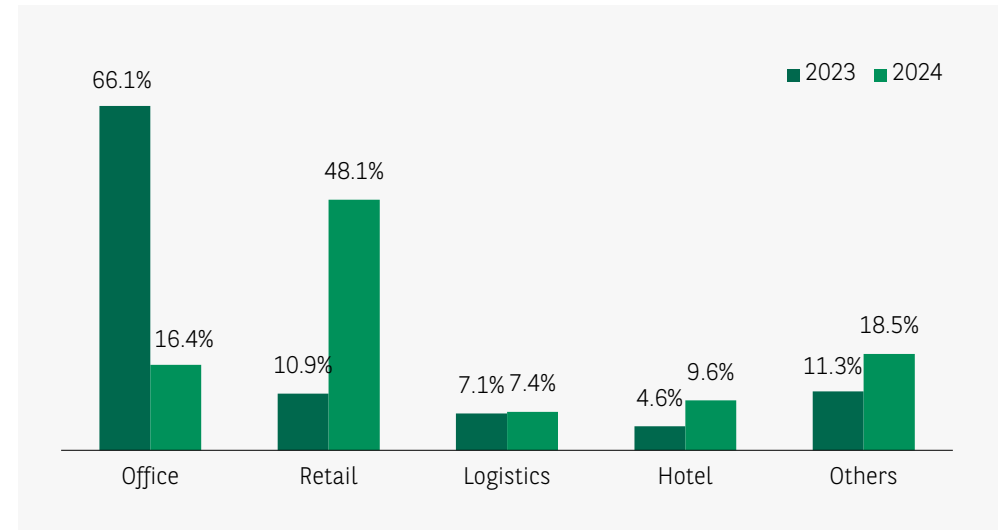
CITY CENTRE LOCATIONS AND HIGH STREET ASSETS DOMINATE INVESTMENT ACTIVITY

- After the first three quarters, the distribution of the investment volume across the submarkets and asset classes reflects important market trends that can currently be observed in the two top investment locations of Berlin and Munich. The focus is particularly on investments in central locations, which are often in the high street sector, especially in the large-volume segment. This is confirmed by the fact that almost 69% of the current result is attributable to city centre locations and a good 48% to retail properties. While the overall result is still below the long-term average, City Centre and retail investments are above the average level.
- There has been a noticeable increase in the number of transactions in the triple-digit million range. As expected, the high volumes of the years prior to 2022 have not yet been reached, but with €1.5 billion placed and a market share of 55%, this size segment is sending positive signals to the market.

Investments by € category Q1-3



Investments by type of property Q1-3



OUTLOOK

- The ongoing recovery on the commercial investment markets is reflected in the transaction volume in the capital: Large deals and thus also rising investment volumes are increasingly being reported again, while the pricing phase is slowly losing momentum and in turn creating confidence for a sustainable stabilisation of market activity.
- However, part of the truth is also that confidence in office investments has not yet fully returned, while on the other hand retail and high street investments in particular were able to send positive signals in the first three quarters.
- Berlin is benefiting from its very broad-based investment landscape in terms of the many attractive sub-locations and property types. In addition, the capital is benefiting all the more from its international appeal in challenging times, which is reflected not least in the high proportion currently accounted for by foreign investors of a good 58%.
- Against the background of the general conditions outlined above, it is unlikely from today's perspective that the long-term average of total volume will be reached by the end of the year. In view of the continuing upward trend and the transactions that are already in the preparation phase, a good final quarter can also be expected. In any case, the previous year's result has already been exceeded after the first three quarters.

Key facts investment market Berlin

INVESTMENT VOLUME	Q1-3 2023	Q1-3 2024	CHANGE
Total (€m)	1,810	2,656	+46.8%
Portfolio share	0.0%	12.1%	+12.1%pts
Share above €100 million	49.2%	55.3%	+6.1%pts
Office share	66.1%	16.4%	-49.7%pts
Share of city locations	71.2%	78.1%	+6.9%pts
Share of foreign investors	20.5%	58.2%	+37.7%pts

NET PRIME YIELDS	Q3 2023	Q3 2024	CHANGE
Office	4.00%	4.25%	+25bps
Retail	3.65%	3.70%	+5bps
Logistics	4.10%	4.25%	+15bps

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