

### MARKET FUNDAMENTALS

	YoY Chg	12-Month-Forecast
<b>€7.55 bn</b> Transaction Volume (cum.), €	▲	▲
<b>43%</b> Foreign Capital	▲	▬
<b>4.88%</b> Office Prime Yield Ø Top 7 Markets	▬	▲
<b>22%</b> Largest Share of Transaction Volume: Office	▼	▬

### ECONOMIC INDICATORS

	YoY Chg	12-Month-Forecast
<b>0.5%</b> Germany GDP Growth (Q1 2026 vs. Q1 2025)	▲	▬
<b>2.00%</b> ECB deposit rate (Mar 2026)	▼	▲
<b>2.93%</b> 10-Year Government Bond Yield (Q1 2026)	▲	▬

Sources:  
Federal Statistical Office, ECB, Bundesbank

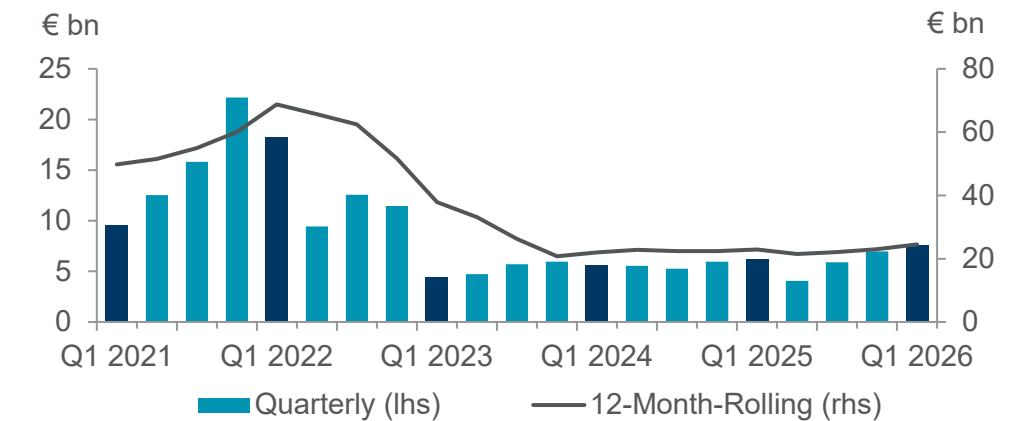
### TRANSACTION VOLUME

With a transaction volume of €7.55 billion (+23% year-on-year), the German commercial real estate market recorded a dynamic start to 2026. Although the result is still 14% below the 5-year average, it marks the strongest quarter by volume in three years, thereby confirming the upward trend.

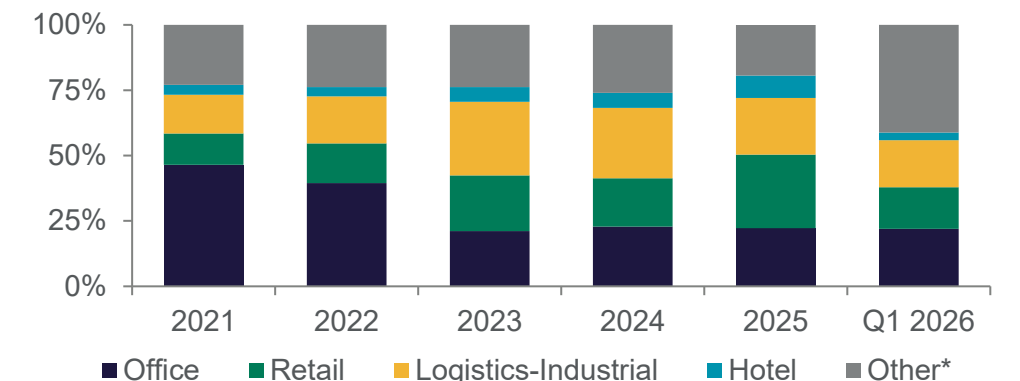
Domestic players remained the largest buyer group, however, international capital made a strong comeback, accounting for a 43% share (+7 percentage points year-on-year, +3 percentage points compared to the 5-year average). The high transaction volume generated by portfolios was also striking. At just under €2.30 billion, portfolio transactions accounted for 30% of the total volume - a figure significantly above both the previous year (21%) and the long-term average (26%). This development was largely driven by the largest transaction of the quarter: Aedifica's acquisition of a majority stake (79.57%) in Cofinimmo, of which approximately €755 million was attributable to the German nursing home portfolio. This was accompanied by six additional portfolios exceeding the €100 million mark, including the sale of a medical office building portfolio by Northwest Healthcare to TPG for around €220 million.

The breakdown by asset class reveals an unusual pattern: The catch-all category "Other" clearly dominated the market with a 41% share. The main driver for this was the healthcare sector, which alone generated 16% of the total volume with €1.23 billion. This was supplemented by highly sought-after mixed-use properties (€832 million, 11% share) and plot sales (€540 million, 7%). Among the traditional asset classes, office properties secured the top position with €1.66 billion and a 22% market share. The 9% increase compared to the same quarter of the previous year underscores the gradual recovery in this segment. In contrast, the volume of logistics and industrial properties declined, falling roughly 14% below the previous year's figure to €1.35 billion (18% share). Retail properties also softened slightly by 4% to €1.21 billion (16% share). The most significant drop was seen in hotel investments: At €221 million (3% share), they fell short of the Q1 2025 result by 44%.

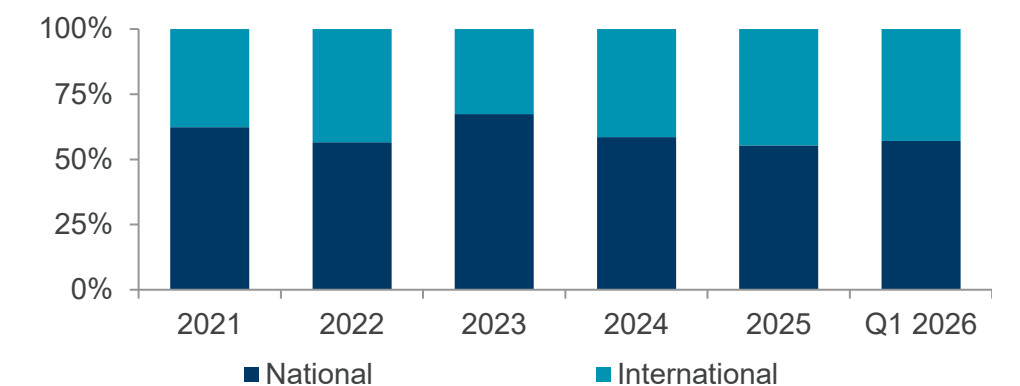
### COMMERCIAL TRANSACTION VOLUME (TAV)



### COMMERCIAL TAV BY ASSET CLASS



### COMMERCIAL TAV BY SOURCE OF CAPITAL

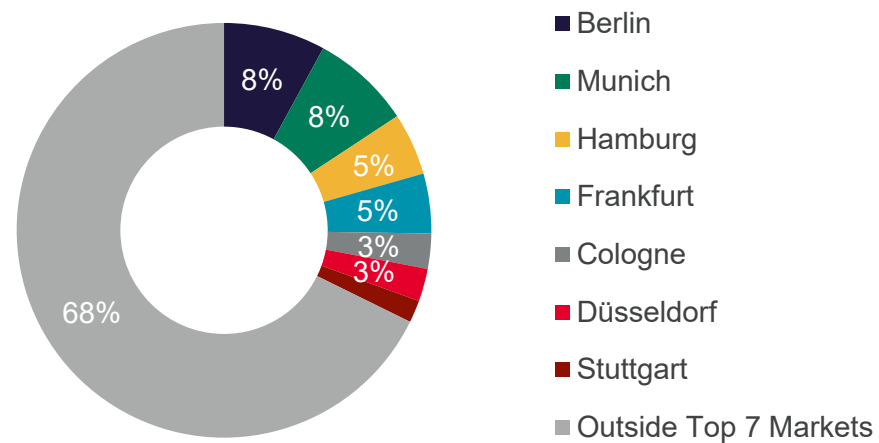


\*Leisure, Health Care, Mixed-use, Development Plots

PRIME YIELDS TOP-7



TRANSACTION VOLUME BY MARKET Q1 2026



MARKET STATISTICS Q1 2026

Market	Transaction Volume (cum.) (€ bn)	Change YoY	Proportion of Office volume	Proportion of International Capital	Office Prime Yield	Retail High Street Prime Yield	Logistics Prime Yield
Berlin	0.60	-44%	40%	71%	4.80%	4.35%	4.50%
Düsseldorf	0.19	7%	21%	0%	5.10%	4.45%	4.50%
Frankfurt	0.35	56%	47%	22%	4.90%	4.55%	4.50%
Hamburg	0.37	-59%	55%	23%	4.65%	4.50%	4.50%
Cologne	0.21	48%	63%	4%	5.10%	4.65%	4.50%
Munich	0.59	55%	10%	21%	4.60%	4.10%	4.50%
Stuttgart	0.13	337%	81%	0%	5.00%	4.65%	4.50%
<b>Germany</b>	<b>7.55</b>	<b>23%</b>	<b>22%</b>	<b>43%</b>	-	-	-

TOP 7 MARKETS

The investment focus shifted from the major metropolises to the regions in Q1 2026: At €2.44 billion, the Top 7 markets accounted for only 32% of the nationwide volume (-17% year-on-year). The reason for this weakness lies in the absence of mega-deals in the major cities, while large portfolios and single transactions of €200 million and above took place outside the Top 7 (for example, the aforementioned Cofinimmo portfolio, an office building and data center in Kaarst for €400 million, or a thermal bath portfolio for €200 million). The largest transaction within the metropolises was the "Alte Akademie" in Munich at approx. €180 million. The city ranking is led by Berlin (€600 million) and Munich (€588 million). The dynamics of the individual markets are characterized by base effects: While Stuttgart, Frankfurt, Munich, and Cologne experienced substantial recoveries in some cases compared to the previous year, transaction volumes in Berlin and Hamburg halved due to a lack of exceptional deals. In a long-term comparison, Munich and Cologne currently prove to be the most crisis-resistant: They missed their 5-year average by only around 20%, whereas the remaining locations recorded declines of 40% to 60%.

PRIME YIELDS

The yield environment presented itself as stable at the beginning of the year, reflecting the market equilibrium prior to the outbreak of the war in Iran. The average prime yield for office properties in the Top 7 markets recorded a minimal compression from 4.90% to 4.88% – an effect solely attributable to a yield decline of 15 basis points in Hamburg. Average Prime yields for high-street retail properties (4.46%) and logistics properties (4.50%) remained unchanged across the Top 7 markets.

OUTLOOK

- The war in Iran is driving inflation via high energy prices. Yields on 10-year German government bonds have so far risen by approx. 30 basis points to around 3.00%. The market also expects further key interest rate hikes over the course of the year.
- Given the interest rate environment, Cushman & Wakefield anticipates a slight increase in prime yields for office and high-street retail properties of approx. 10 basis points by the end of 2026.
- The renewed uncertainty regarding financing conditions is likely to temporarily dampen the recent upswing in the investment market.

SELECTED TRANSACTIONS 2026

Property / Address	Quarter	Main Asset Class	City	Seller / Buyer	Purchase Price (€ m)
Cofinimmo acquisition (79.57%) – Nursing home portfolio	Q1	Healthcare	Various	Cofinimmo / Aedifica	~ 755
NRW Tax Administration, Helmut-Kohl-Ring 4	Q1	Office	Kaarst	Landmarken / State of North Rhine-Westphalia	~ 400
Designer Outlet Neumünster	Q1	Retail	Neumünster	Nuveen & McArthurGlen / TPG	~ 350
Medical Center Portfolio	Q1	Healthcare	Various	Northwest Healthcare / TPG	~ 220
Powerfood Portfolio	Q1	Retail	Various	TREI / CEV Handelsimmobilien	~ 200
Mercedes-Benz ICC	Q1	Logistics & Industrial	Bischweier	Kajima Properties / Realty Income	~ 200
Thermal Spa Portfolio	Q1	Leisure	Various	Josef Wund Stiftung / Therme Group	~ 200
Alte Akademie	Q1	Mixed-use	Munich	Signa / OPES	~ 180
Berlin Decks – Buildings 1 and 2	Q1	Office	Berlin	Beos / Berlin Prime Innovation Fonds	~ 165

EXPLANATION OF TERMS

**Commercial Transaction Volume:** The sum of the purchase prices for all transacted properties in the following asset classes: office, retail, logistics & industrial, hotel, leisure, healthcare, or mixed-use, as well as development plots. Transactions are included in the statistics as of the signing date of the notarized purchase agreement.

**Healthcare Transaction Volume:** The sum of the purchase prices for all transacted properties primarily classified as healthcare real estate. This includes care / nursing homes, assisted living facilities, and properties for outpatient and inpatient medical care.

**Prime Yield:** Represents the lowest net initial yield achievable for a prime property in a prime location, based on current market evidence of supply, demand, and transacted prices. The property is typically let long-term to tenants with strong credit ratings.

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TOP 7 MARKETS



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