

MARKETBEAT GERMANY: TOP 7 CITIES

MULTIFAMILY Q4 2025



MARKET FUNDAMENTALS

	YoY Chg	12-Month Forecast
€29.20 Prime Rent New-Build*	▲	▲
€16.60 Median Rent Existing Stock*	▲	▲
+5.2% Rental Price Change, YoY	▼	▼
+2.7% Condo Price Change, YoY	▲	▲
3.81% Multifamily Prime Yield (net)	▼	▼

ECONOMIC INDICATORS

	YoY Chg	12-Month Forecast
+40,400 Population Change absolute, YoY Top 7 (Sep 2025)	▲	▼
+4.1% Nominal Wage Change Germany, YoY (Q4 2025)	▼	▼
6.2% Unemployment Rate Germany (Dec 2025)	▲	▲

* Net asking rent in €/m²/month

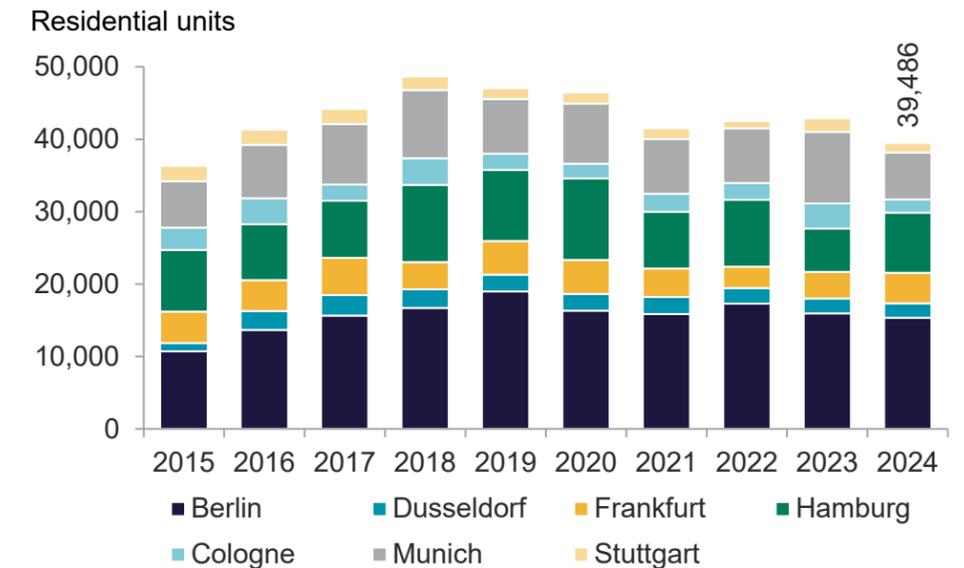
REAL WAGE GROWTH AND IMMIGRATION SUPPORT DEMAND

With 0.2% growth, the German GDP practically stagnated in 2025, although this represents the best figure since 2022. Thanks to expansionary fiscal policy, however, the outlook is improving: Consensus Economics expects solid growth for 2026 (1.1%) and 2027 (1.5%). The economic weakness of previous years continues to impact the labor market. The unemployment rate rose from 5.3% at the end of 2022, to 6.0% at the end of 2024, and reached 6.2% by the end of 2025. This cooling of the labor market is slightly dampening wage growth. In the fourth quarter of 2025, however, nominal and real wages still rose robustly by 4.1% and 1.9% respectively, which continues to fundamentally support demand in the housing market. Another driver remains population growth in the Top 7 cities (+40,400 people, YoY in September 2025), standing in stark contrast to the negative national trend (-58,000). Within the Top-7, Berlin, Hamburg, Munich, and Frankfurt grew significantly, while Düsseldorf and Cologne stagnated, and Stuttgart recorded noticeable population losses.

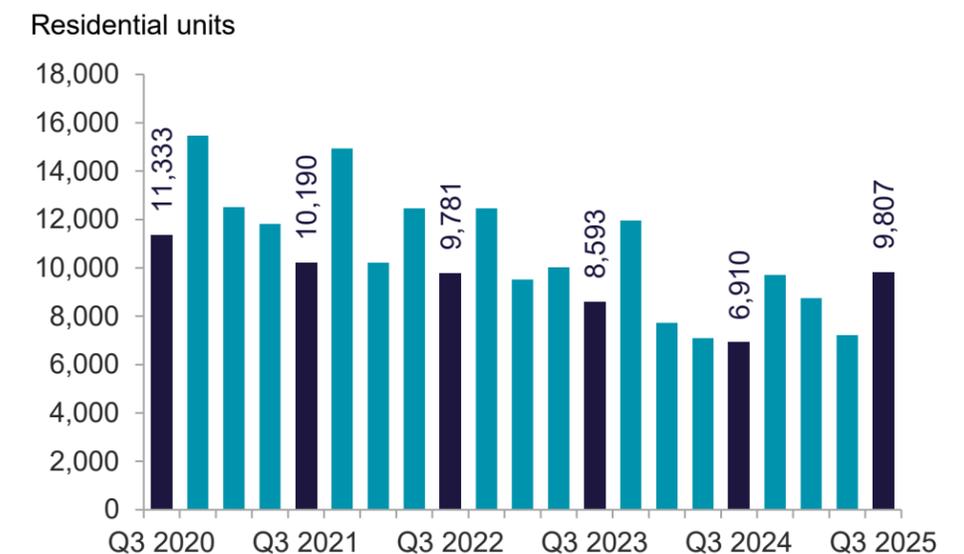
PERMITS PICK UP, COMPLETIONS DECLINE

The supply side paints a mixed picture. Regarding completions (2024: approx. 39,500 units, -8% YoY), a further decline of approx. 10% is emerging for 2025. Due to the massive slump in building permits in the previous year (-22%), this negative trend is likely to accelerate further in 2026. A bright spot for the years from 2027 onwards are building permits, which are now picking up again: In the first three quarters of 2025, 25,770 units were permitted in the Top 7 cities (+19% YoY). With almost 9,800 units, the third quarter was the strongest third quarter since 2021. Construction, however, continues to become more expensive: New-build construction costs rose by 3.2% (YoY) in Q4 2025, once again outpacing inflation. Structurally high material costs, strict building regulations, and significant wage increases due to the shortage of skilled workers form a price floor that prevents noticeable corrections in construction costs.

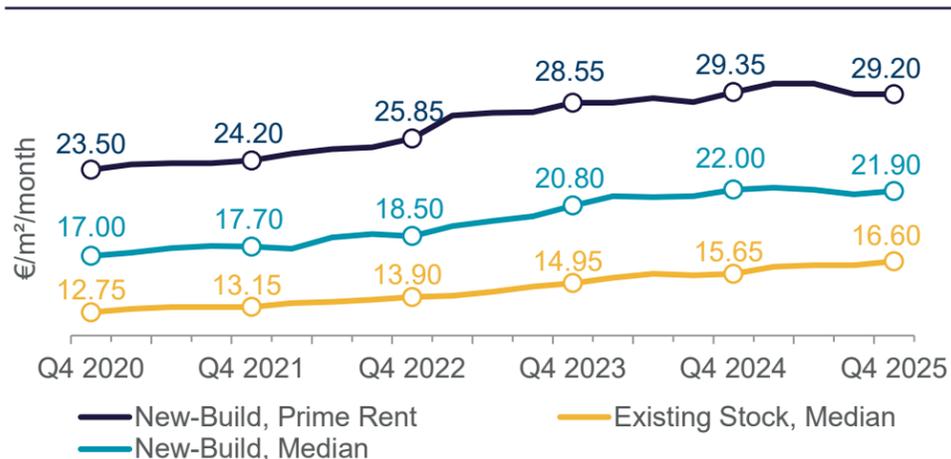
COMPLETIONS, TOP 7



PERMITS, TOP 7



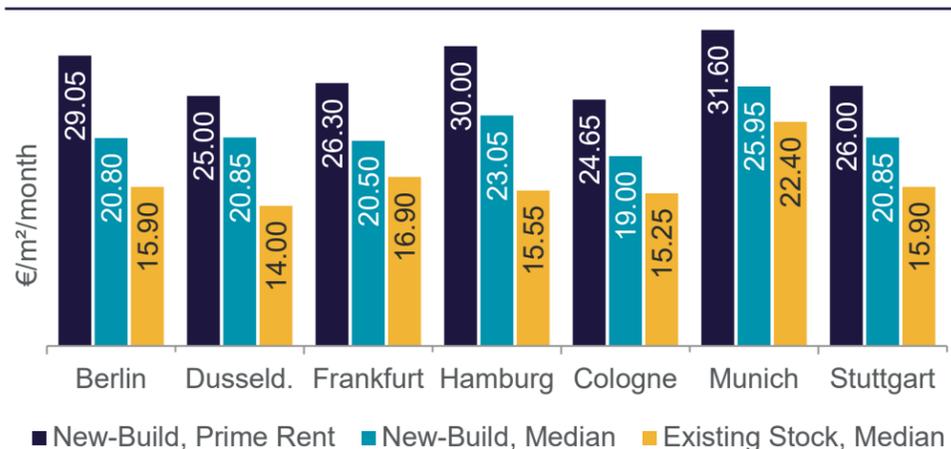
ASKING RENTS* BY SEGMENT, TOP 7



OVERALL ASKING RENT* CHANGE, TOP-7



ASKING RENTS* Q4 2025, TOP 7



* Excluding listings for apartments available only with a housing entitlement certificate ("Wohnberechtigungsschein")

RENTS CLIMB IN EXISTING STOCK BUT STAGNATE IN NEW BUILDS

After growth rates of up to 10% in 2024, rental price growth initially weakened to 3.9% (YoY) by mid-2025. In the fourth quarter of 2025, however, momentum picked up again, with asking rents rising by 5.2% year-on-year. The diverging development of the segments is noteworthy: While rents for existing apartments rose significantly (+6.1% YoY), they declined slightly in the expensive new-build segment (-0.5% for median and prime rents). One reason for this is the ongoing economic weakness: Fewer highly paid jobs are currently being created, which reduces the high purchasing-power target group that usually drives demand in the expensive new-build segment.

HAMBURG SEES STRONGEST RENTAL PRICE GROWTH

The development within the Top 7 markets varied. Hamburg recorded the strongest rental growth with an increase of 8.8% year-on-year. Berlin, on the other hand, showed the weakest performance with a median rent increase of just 0.7%. However, this must be put into perspective given the extreme price jumps of 15% to over 20% between late 2022 and mid-2024. The absolute price level continues to be dominated by Munich, which remains the most expensive market across all segments (existing: €22.40/m²; prime new-build: €31.60/m²). Hamburg ranks second in the new-build segment, while Frankfurt takes second place for rents in existing properties.

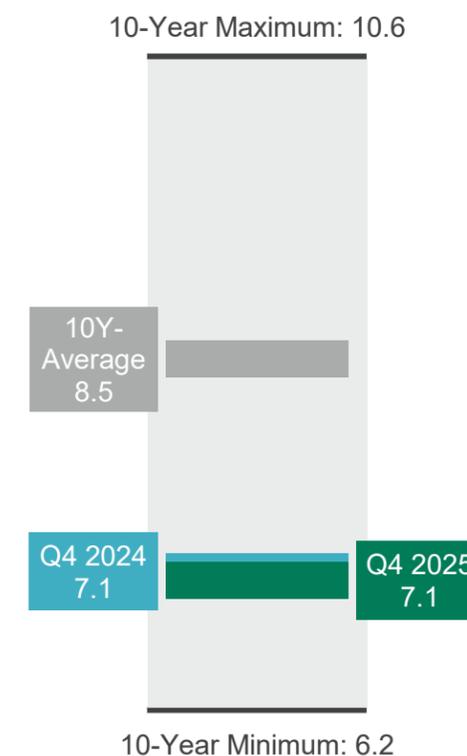
UNCHANGED SUPPLY BOTTLENECK

The supply of available rental apartments remains extremely tight. In the Top 7 cities, the volume of apartment listings in Q4 2025 remained almost unchanged year-on-year at 7.1 listings per 1,000 existing apartments, continuing to sit well below the 10-year average of 8.5. Supply has tightened particularly drastically in Hamburg: The figure fell from 7.3 listings (Q4 2024) to just 5.1 per 1,000 existing apartments now. With this, Hamburg has undercut Berlin (6.6), which has long been the tightest market.

OUTLOOK

- Weaker labor market and declining immigration are likely to dampen rental price momentum somewhat in 2026.
- However, due to the new-build supply shrinking until at least the end of 2026, no real easing is in sight; rents are expected to continue rising above the inflation rate.

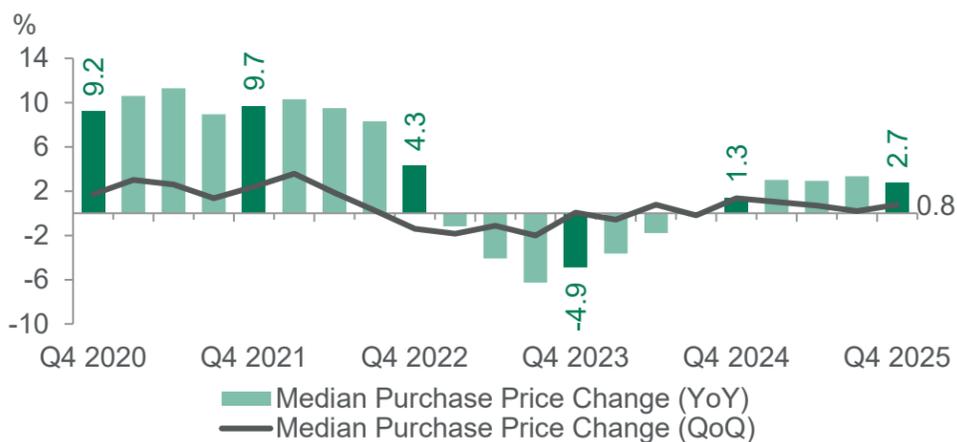
RENTAL LISTINGS* PER 1,000 EXISTING APARTMENTS, TOP 7



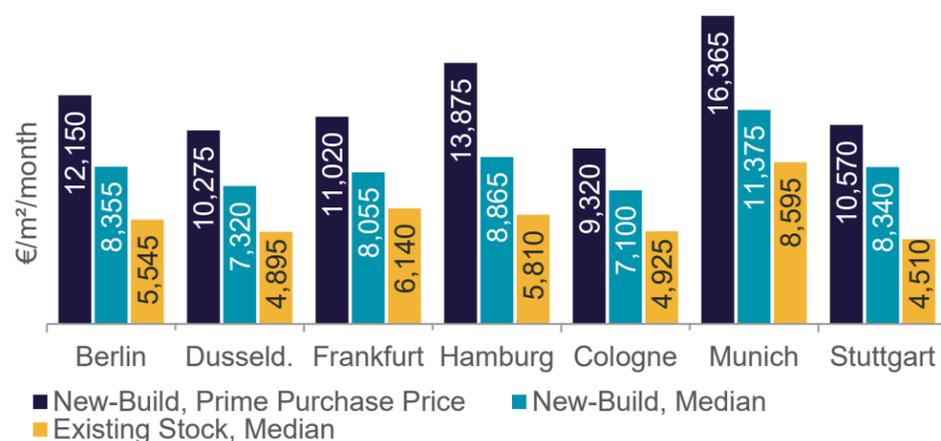
CONDO ASKING PRICES BY SEGMENT, TOP 7



OVERALL CONDO ASKING PRICE CHANGE, TOP 7



ASKING PRICES Q4 2025, CONDOS, TOP 7



EXISTING STOCK DRIVES PRICE RECOVERY

Purchase prices for condominiums continued their moderate recovery, which began in mid-2024, throughout 2025. In the fourth quarter, the median purchase price was 2.7% above the previous year's figure. This growth is primarily driven by existing apartments (+4.0% YoY). Nevertheless, at €5,915/m², the nominal median price for existing apartments remains 3.3% below its peak from the second quarter of 2022. Considering the pronounced inflation during this period, this represents a real purchase price decline of 13.8%. In the new-build segment, there was widespread stagnation in Q4 (median: +1.0% YoY; prime purchase price: -0.8%). The median asking price is €9,095/m², while the prime purchase price is €13,610/m².

PRICES IN STUTTART BARELY RECOVERING

In a city comparison, Dusseldorf and Hamburg are currently showing the strongest growth, with median purchase price increases of 8.5% and 4.4% (YoY) respectively. The weakest markets are Frankfurt and Stuttgart at +0.7% each. The development in Stuttgart is particularly striking: The price decline from 2022 onwards was exceptionally drastic, and the trend only turned minimally positive in mid-2025. The median price for existing apartments in Stuttgart is still nominally 18.0% (in real terms 26.9%) below the Q2 2022 peak – a consequence of the specific structural challenges of the local automotive- and export-driven economy. The median purchase price in the Top 7 markets ranges from €4,510/m² (Stuttgart) to €8,595/m² (Munich) for existing apartments, and from €7,100/m² (Cologne) to €11,375/m² (Munich) for new builds. In the prime purchase price segment, the range is €9,320/m² (Cologne) to €16,365/m² (Munich).

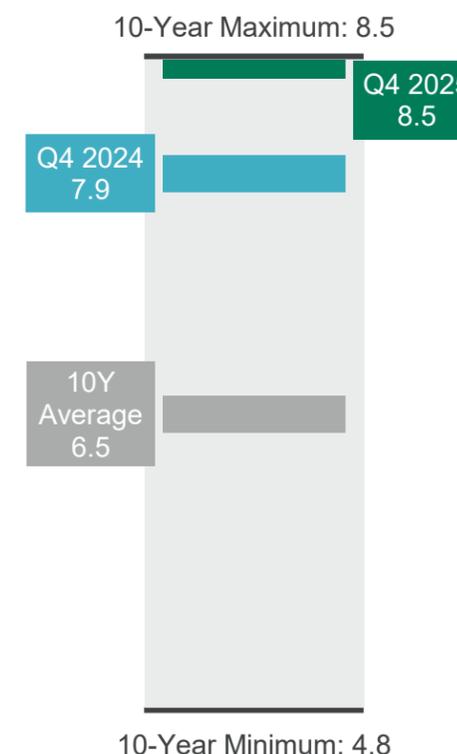
SUPPLY OF CONDOMINIUMS CONTINUES TO RISE

The supply of online listings for condominiums for sale rose again in 2025, hitting a new 10-year high of 8.5 listings per 1,000 existing apartments (Q4 2024: 7.9). It is noteworthy that the supply for sale in the Top 7 aggregate is now almost 20% higher than the supply for rent. This discrepancy is particularly pronounced in Munich (62%) and Berlin (39%), which simultaneously have the largest total supply of sales listings (Munich: 11.1; Berlin: 9.2 listings per 1,000 existing apartments). In these metropolises, the gap between existing and new contract rents is the widest. Strict rent regulation significantly impairs yields from an owner's perspective here, which drives more selling decisions. The tightest sales markets, on the other hand, are Hamburg (5.9) and Cologne (6.9).

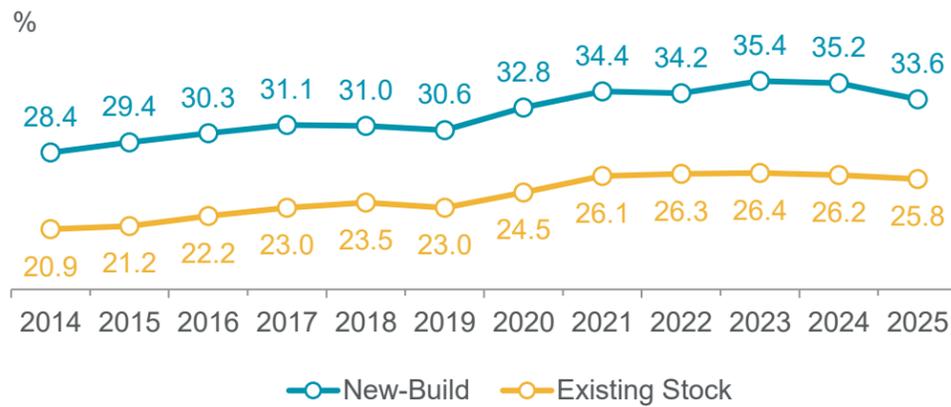
OUTLOOK

- Since financing rates are trending stable to slightly rising, no additional growth impulses are expected from this side. However, the extremely tight rental market is forcing parts of the demand side into the buying market; combined with the fact that these buyers will have rising wages, the moderate price recovery is likely to continue in 2026.

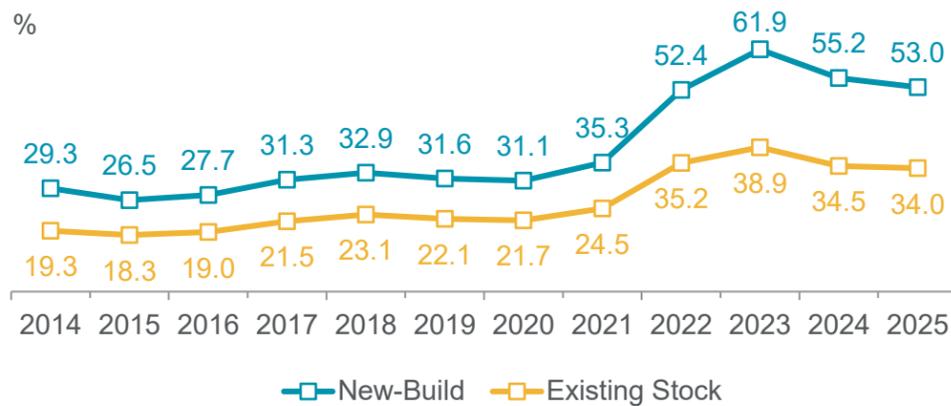
CONDO LISTINGS PER 1,000 EXISTING APARTMENTS, TOP 7



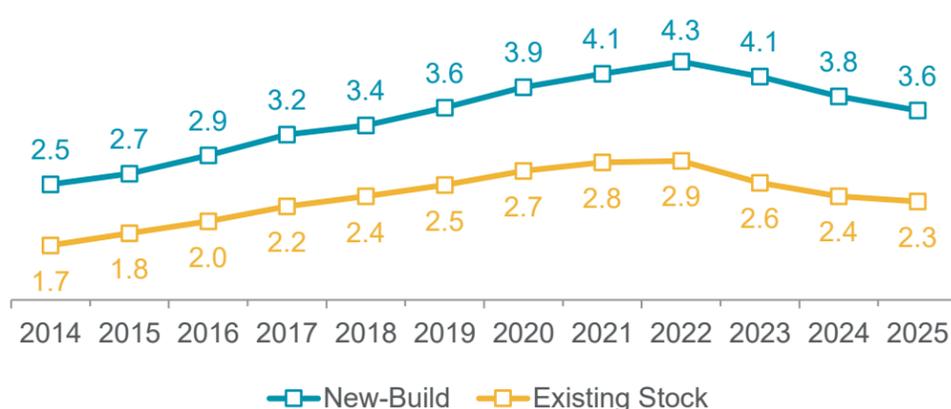
NET RENT AS A SHARE OF NET HOUSEHOLD INCOME, 80M² APARTMENT*



INTEREST & PRINCIPAL REPAYMENT AS A SHARE OF NET HOUSEHOLD INCOME, 80M² CONDO*



EQUITY & PURCHASE-RELATED COSTS AS A MULTIPLE OF ANNUAL NET HOUSEHOLD INCOME*



RENTAL AFFORDABILITY: REAL WAGE GROWTH BRINGS RELIEF

Despite overall rising asking rents, housing affordability in the rental sector improved slightly in 2025. The deciding factor here is the development of purchasing power: net household incomes rose faster than asking rents. This relief is particularly noticeable in the new-build segment, as asking rents here recently stagnated or even fell slightly, while they rose significantly in existing properties. Specifically, the calculated burden on an average net household income for an 80m² new-build apartment fell from 35.2% in the previous year to 33.6% now. For existing apartments, the decline was smaller, with a minimal improvement from 26.2% to 25.8%.

BUYING AFFORDABILITY: EQUITY EASIER TO ACCUMULATE

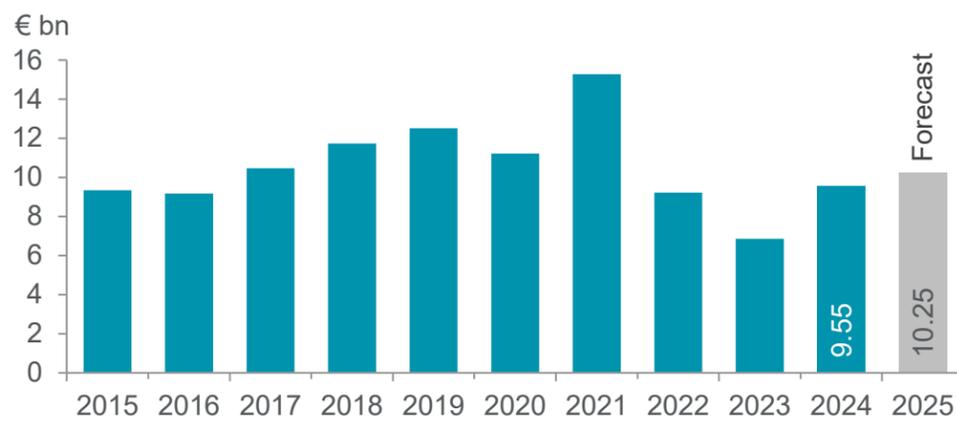
The modeled affordability of homeownership also recorded a slight improvement in 2025. Similar to the rental market, this was more pronounced in the new-build segment, as median purchase prices here rose much weaker than for existing apartments. The burden on net household income from interest and principal for an 80m² new-build apartment fell by 2.2 percentage points year-on-year to 53.0%. For existing buildings, the decline was much more moderate at 0.5 percentage points to 34.0%. Despite this easing, the ongoing burden remains very high compared to recent history. In 2020, a new build was significantly more affordable than an existing property is today. The situation looks better regarding the relative affordability of the required starting capital (Assumption: 20% equity plus purchase-related costs). To purchase an existing apartment (€134,200 capital requirement), 2.3 annual net household incomes are currently needed – the lowest value since 2017. For new builds (€208,800), the figure of 3.6 annual incomes is at least back at the 2019 level.

OUTLOOK

- For 2026, it can be assumed that both rental price growth and wage increases will slow down slightly. Overall, this should lead to another, albeit minimal, improvement in affordability for new tenants.
- Financing rates are expected to trend stable to slightly rising for 2026. If this coincides with purchase prices picking up slightly stronger again, a sideways movement in homeownership affordability is more likely. However, this segment inherently holds higher volatility potential: Stronger, unexpected movements in financing rates could change affordability surprisingly quickly in either direction.

* Based on median price per m² for 70 to 90 m² in the Top 7; average net household income; purchase financing: average interest rate for terms over 10 years, 2% principal repayment, 20% equity + purchase-related costs (including broker commission)

MULTIFAMILY ASSET DEAL VOLUME, TOP 7



PRIME YIELD MULTIFAMILY VS. 10Y GERMAN BOND



UPTREND IN TRANSACTION VOLUME REMAINS INTACT

According to preliminary information, the transaction volume for multi-family buildings in 2025 was slightly above the 2024 level. Although the final year-end figures from the expert committees in the Top-7 cities are still pending, a projection considering intra-year trends and usual seasonality yields a volume of over €10.2 billion. This would correspond to a 7% increase compared to the previous year. Thus, the upward trend continues, albeit at a moderated pace, and 2025 is expected to settle just below the long-term 10-year average. This increased volume testifies to the immense robustness of the recovery in the Top 7 residential investment markets, especially since slightly higher financing rates and benchmark yields of risk-free government bonds created macroeconomic headwinds. A noticeable structural development on the buyer side is the increasing activity of joint ventures. This is primarily due to the fact that many project developers can no longer raise the equity required for the increased demands on their own.

PRIME YIELDS STEADY DESPITE NARROWER SPREADS

The average Top-7 prime yield for multi-family buildings (institutional product) sits 10 basis points lower at the end of the year than a year earlier. Following slight declines at the beginning of the year, however, it remained unchanged throughout the second half of 2025, temporarily halting the phase of yield compression. The significantly narrower spread between the prime real estate yield and the yield on the German 10-year government bond contributed to this. Since the latter rose by 49 basis points year-on-year, the difference (the risk premium) shrank from 161 to just 102 basis points within a year.

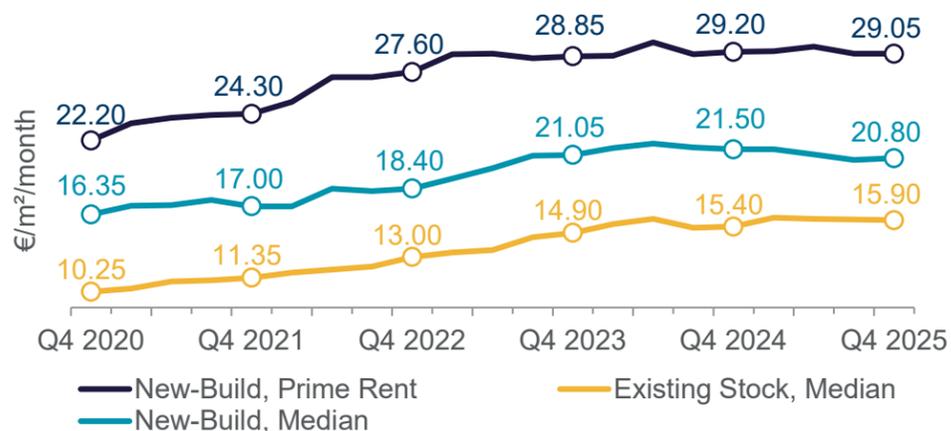
OUTLOOK

- In geopolitically and economically uncertain times, multi-family buildings continue to gain attractiveness as a defensive investment option. Accordingly, the upward trend in transaction volume from recent years is likely to continue into 2026, although no transaction boom is in sight.
- A further decline in prime yields in 2026 will be limited by the narrow spread to government bonds; however, consistently strong demand is supporting the current level. Assuming constant interest rates, a stable development without further yield compression is therefore expected.

SELECTED INVESTMENT TRANSACTIONS 2025

Property / Address	Location	Quarter	Property Type	Seller	Buyer	Price (€ Million)
Arielle portfolio (approx. 8,000 units)	Berlin, Cologne, etc.	Q1	Multifamily (existing stock) and commercial	ZBI	I-Wohnen	~ 750
Cosmopolitan portfolio (6,788 units)	Dortmund, Duisburg, Dusseldorf, Essen, Oberhausen, etc.	Q2	Multifamily (existing stock)	Adler Group	Orange Capital Partners and One Investment Management	~ 423
Marienhöfe	Berlin	Q4	Multifamily (new-build), Forward	RS Immobilien	Hines	~ 400
Quantum Portfolio (approx. 750 units)	Hamburg, Hanover, Oldenburg, Cologne	Q4	Multifamily (existing stock)	Quantum	Vonovia	~ 100

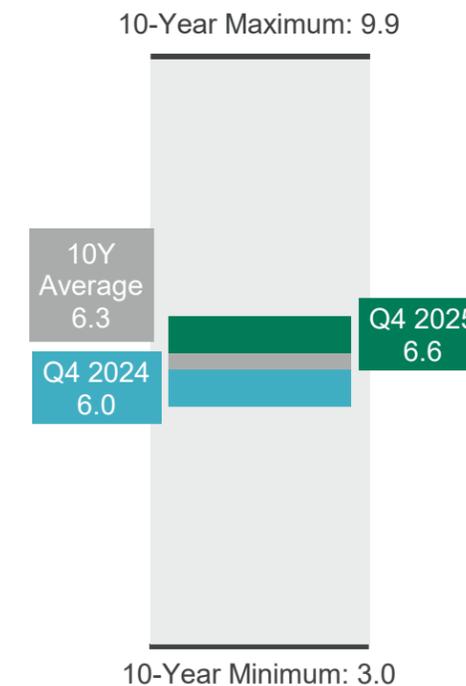
ASKING RENTS* BY SEGMENT



OVERALL ASKING RENT* CHANGE



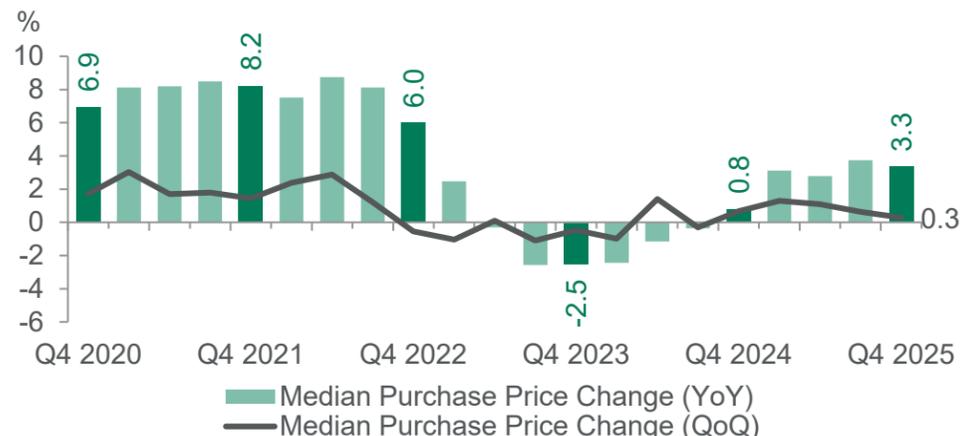
RENTAL LISTINGS* PER 1,000 EXISTING APARTMENTS



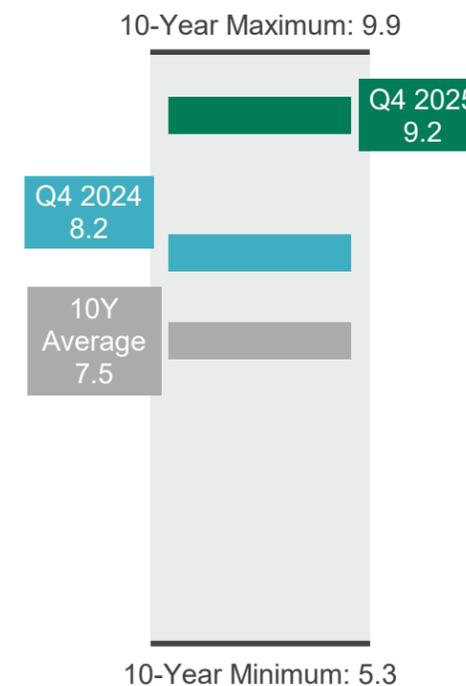
CONDO ASKING PRICES BY SEGMENT



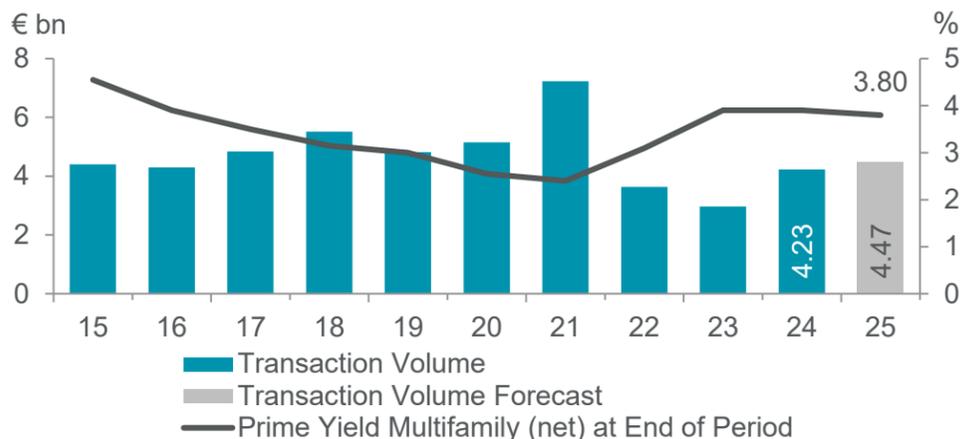
OVERALL CONDO ASKING PRICE CHANGE



CONDO LISTINGS PER 1,000 EXISTING APARTMENTS



MULTIFAMILY ASSET DEAL VOLUME & PRIME YIELD



POPULATION CHANGE YOY, Q3 2025

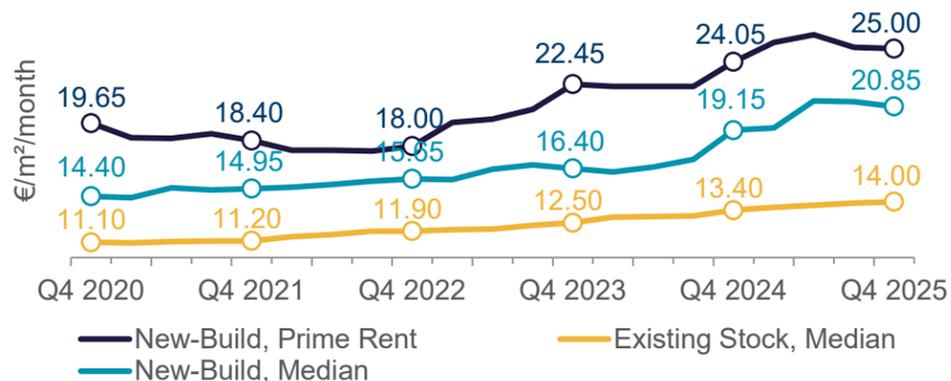
+19,276
People
Previous Year: +21,579

AVERAGE CONSTRUCTION COSTS 2025

€3,141/m²
Net Living Area
+7.9% YoY
Multifamily with 20+ units, mid-range construction standard, incl. 19% VAT, cost groups 300 and 400 (construction & technical installations only, excl. land & additional costs)

* Excluding listings for apartments available only with a housing entitlement certificate ("Wohnberechtigungsschein")

ASKING RENTS* BY SEGMENT



CONDO ASKING PRICES BY SEGMENT



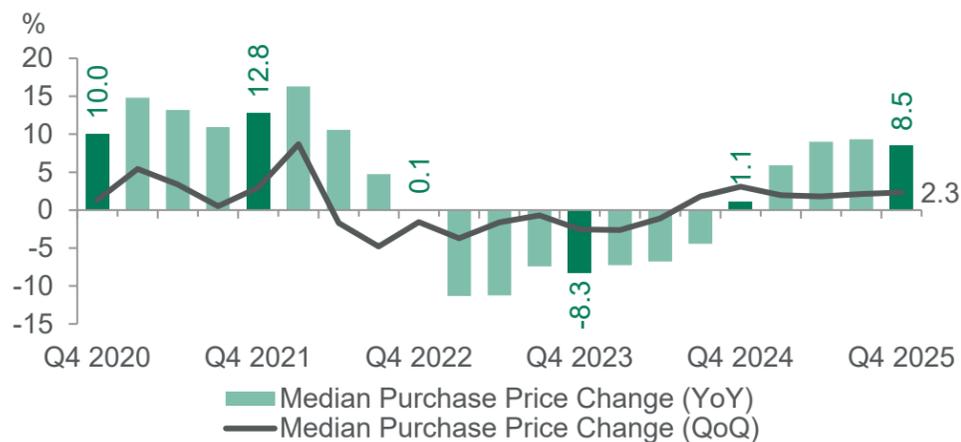
MULTIFAMILY ASSET DEAL VOLUME & PRIME YIELD



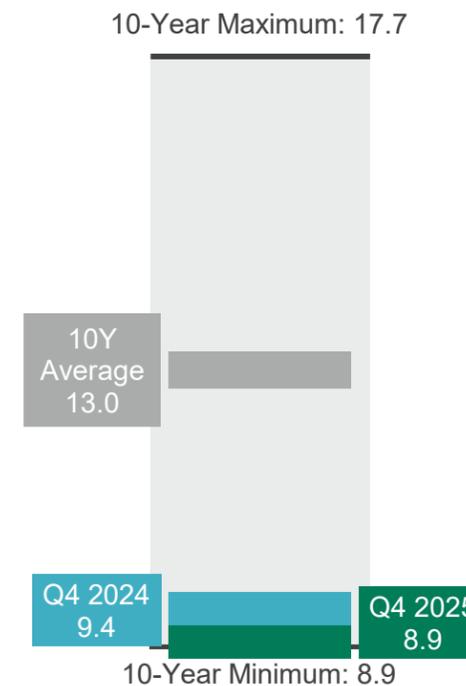
OVERALL ASKING RENT* CHANGE



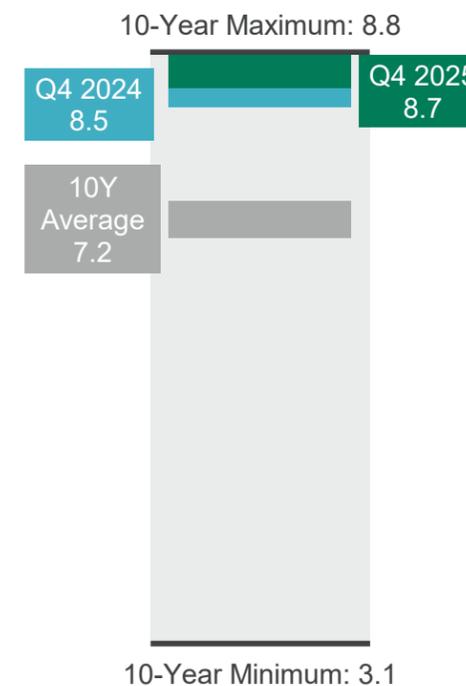
OVERALL CONDO ASKING PRICE CHANGE



RENTAL LISTINGS* PER 1,000 EXISTING APARTMENTS



CONDO LISTINGS PER 1,000 EXISTING APARTMENTS



POPULATION CHANGE YOY, Q3 2025

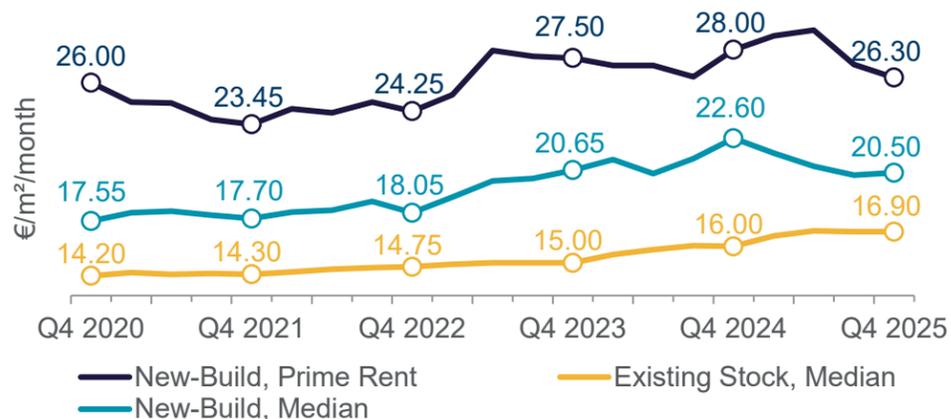
+699
People
Previous Year: +2,746

AVERAGE CONSTRUCTION COSTS 2025

€2,618/m²
Net Living Area
+1.7% YoY
Multifamily with 20+ units, mid-range construction standard, incl. 19% VAT, cost groups 300 and 400 (construction & technical installations only, excl. land & additional costs)

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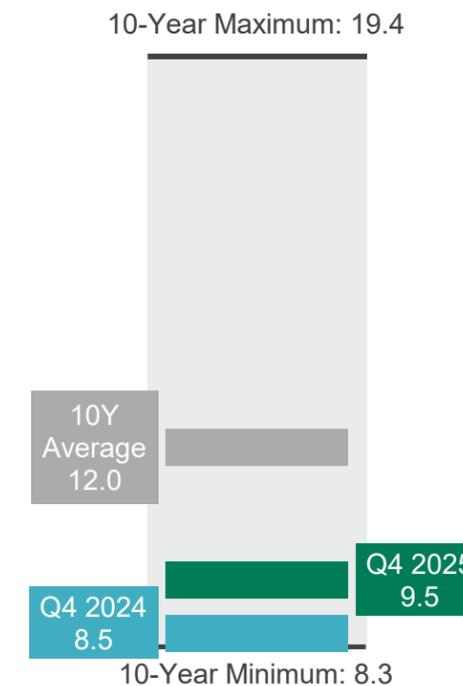
ASKING RENTS* BY SEGMENT



OVERALL ASKING RENT* CHANGE



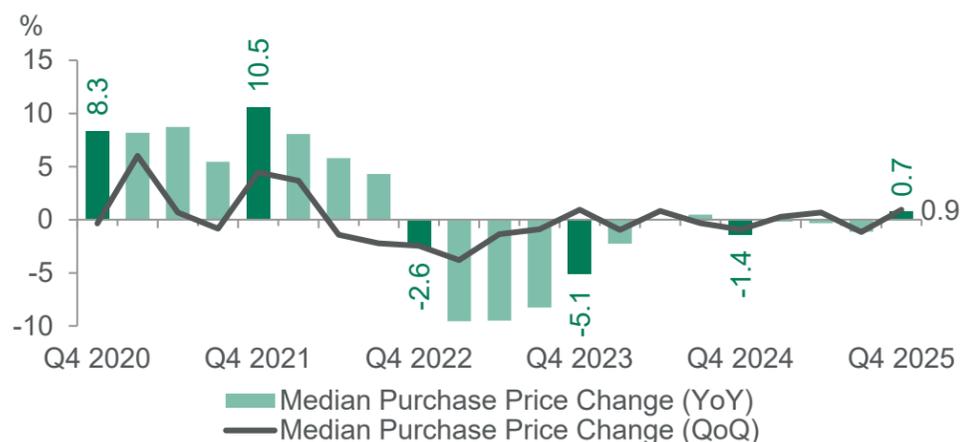
RENTAL LISTINGS* PER 1,000 EXISTING APARTMENTS



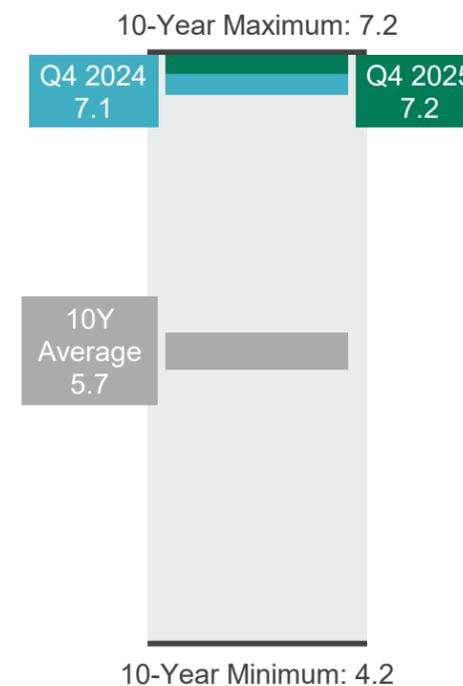
CONDO ASKING PRICES BY SEGMENT



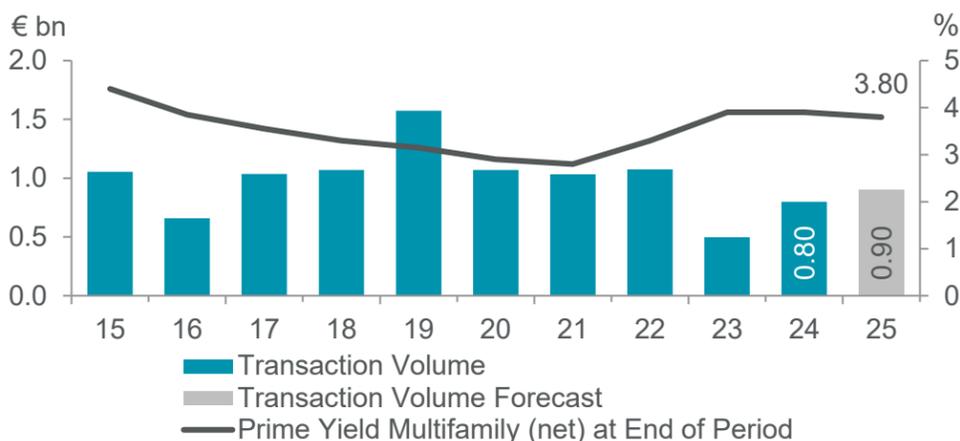
OVERALL CONDO ASKING PRICE CHANGE



CONDO LISTINGS PER 1,000 EXISTING APARTMENTS



MULTIFAMILY ASSET DEAL VOLUME & PRIME YIELD



POPULATION CHANGE YOY, Q3 2025

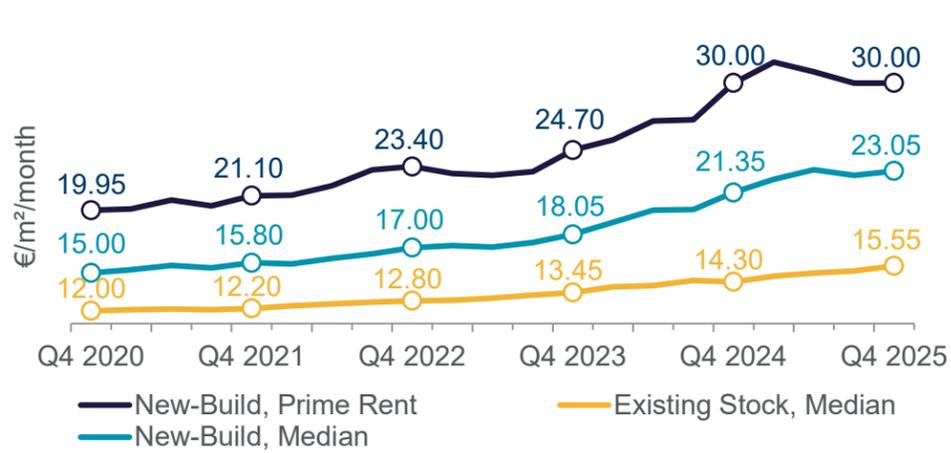
+4,440 People
Previous Year: -19,881**

AVERAGE CONSTRUCTION COSTS 2025

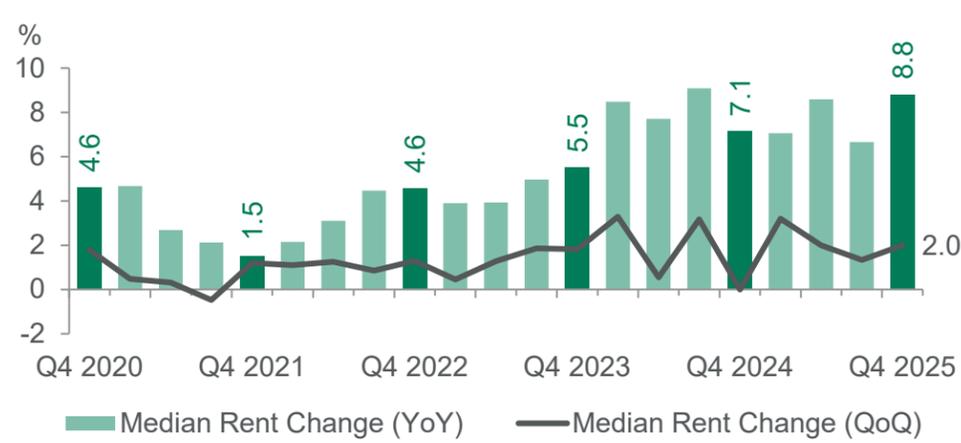
€2,732/m² Net Living Area
+2.2% YoY
Multifamily with 20+ units, mid-range construction standard, incl. 19% VAT, cost groups 300 and 400 (construction & technical installations only, excl. land & additional costs)

* Excluding listings for apartments available only with a housing entitlement certificate ("Wohnberechtigungsschein") ** Special effect due to 2022 Census

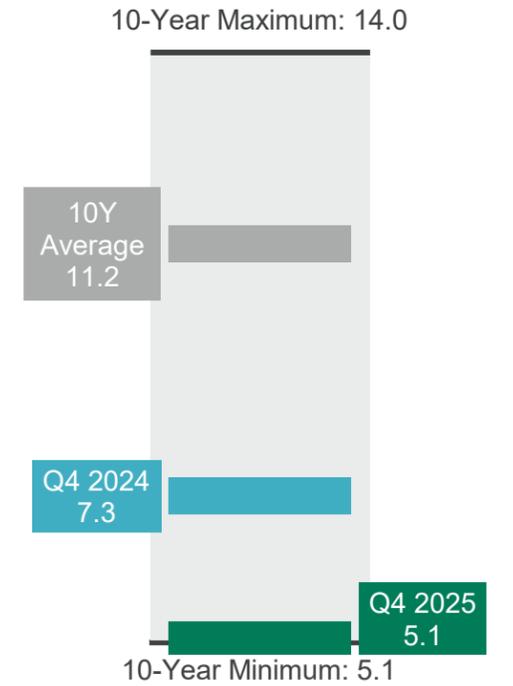
ASKING RENTS* BY SEGMENT



OVERALL ASKING RENT* CHANGE



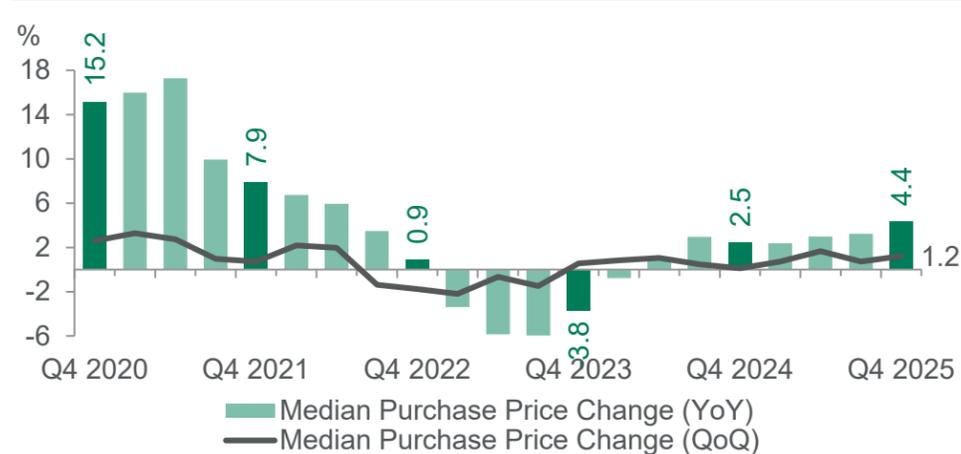
RENTAL LISTINGS* PER 1,000 EXISTING APARTMENTS



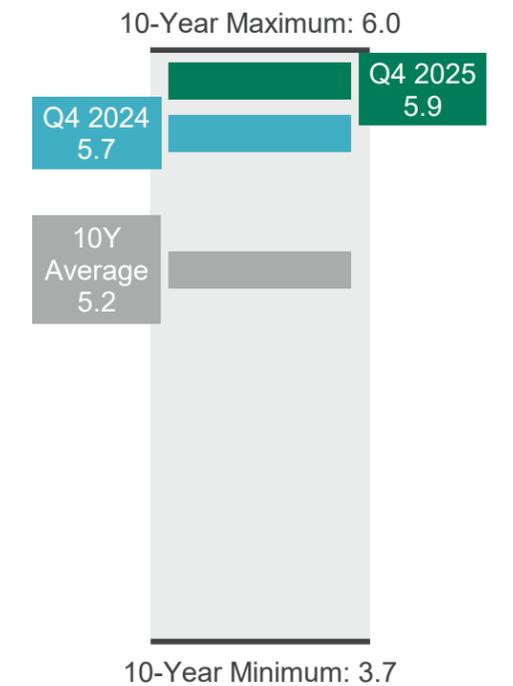
CONDO ASKING PRICES BY SEGMENT



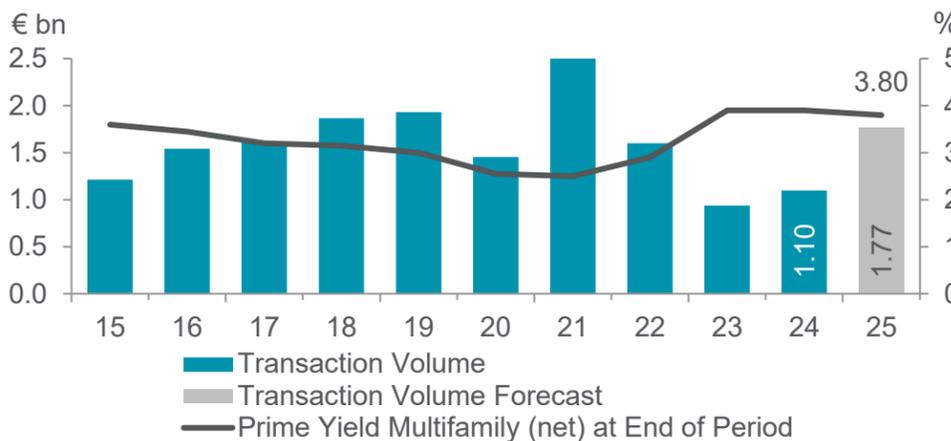
OVERALL CONDO ASKING PRICE CHANGE



CONDO LISTINGS PER 1,000 EXISTING APARTMENTS



MULTIFAMILY ASSET DEAL VOLUME & PRIME YIELD



POPULATION CHANGE YOY, Q3 2025

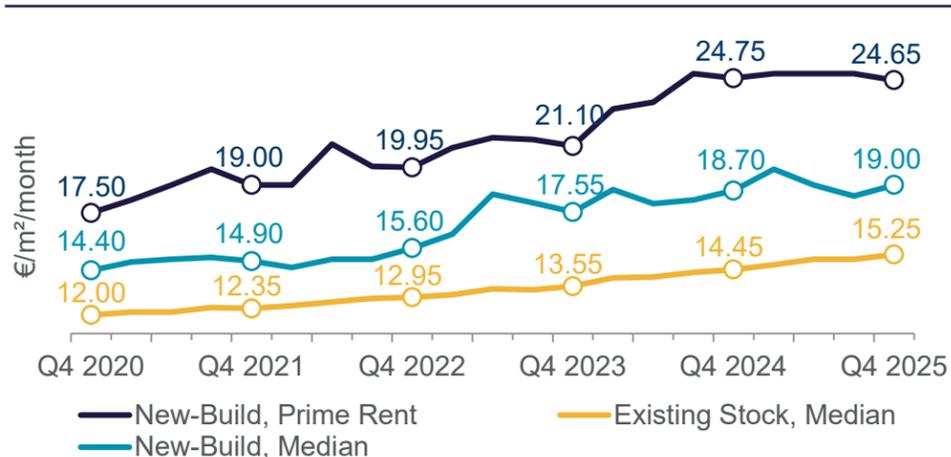
+8,839
People
Previous Year: +12,226

AVERAGE CONSTRUCTION COSTS 2025

€3,097/m²
Net Living Area
+3.3% YoY
Multifamily with 20+ units, mid-range construction standard, incl. 19% VAT, cost groups 300 and 400 (construction & technical installations only, excl. land & additional costs)

* Excluding listings for apartments available only with a housing entitlement certificate ("Wohnberechtigungsschein")

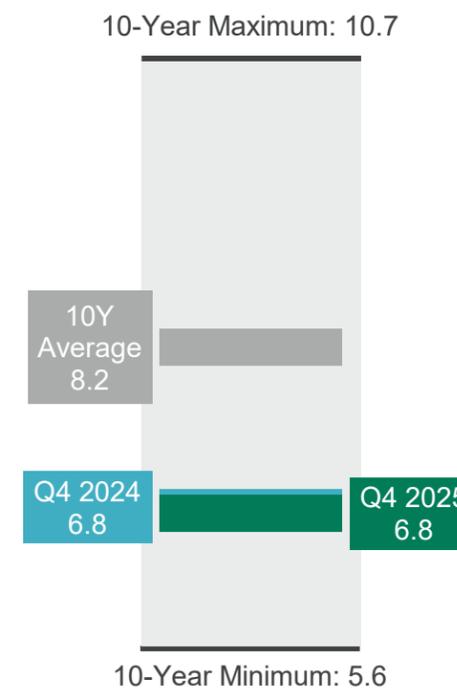
ASKING RENTS* BY SEGMENT



OVERALL ASKING RENT* CHANGE



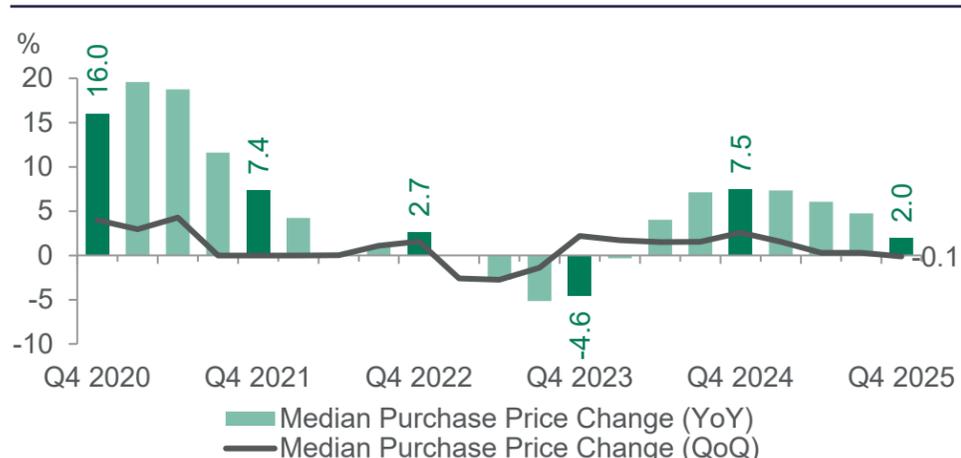
RENTAL LISTINGS* PER 1,000 EXISTING APARTMENTS



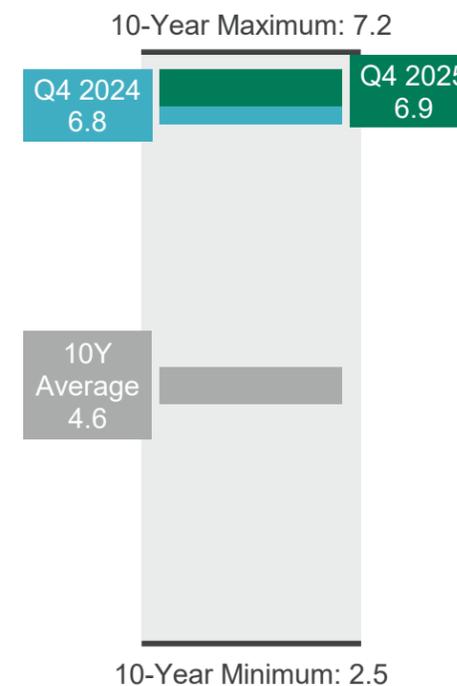
CONDO ASKING PRICES BY SEGMENT



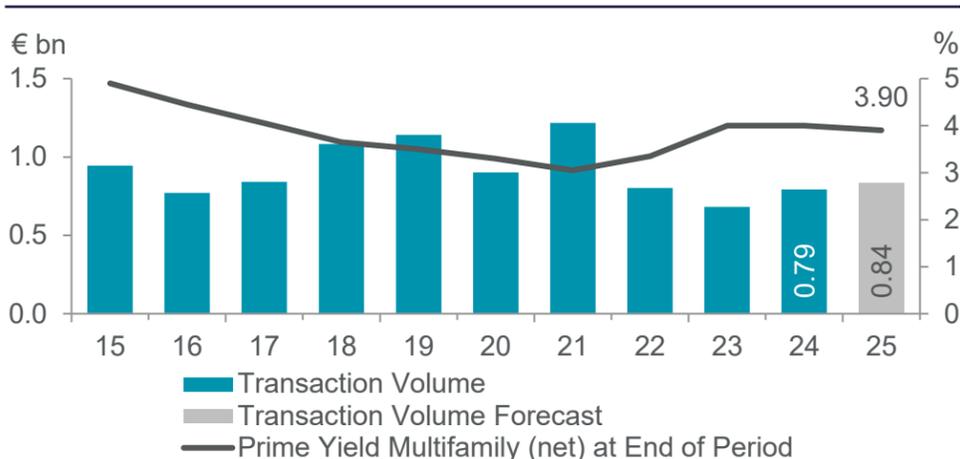
OVERALL CONDO ASKING PRICE CHANGE



CONDO LISTINGS PER 1,000 EXISTING APARTMENTS



MULTIFAMILY ASSET DEAL VOLUME & PRIME YIELD



POPULATION CHANGE YOY, Q3 2025

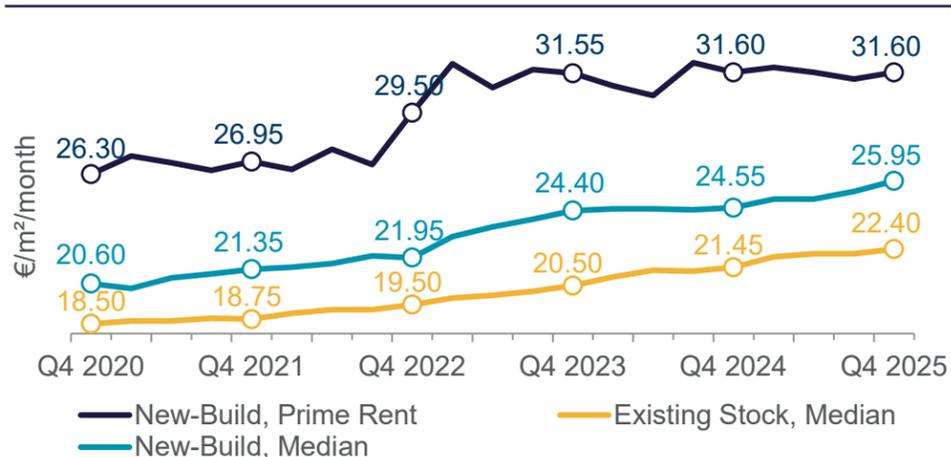
-9
People
Previous Year: +2,288

AVERAGE CONSTRUCTION COSTS 2025

€2,554/m²
Net Living Area
+2.1% YoY
Multifamily with 20+ units, mid-range construction standard, incl. 19% VAT, cost groups 300 and 400 (construction & technical installations only, excl. land & additional costs)

* Excluding listings for apartments available only with a housing entitlement certificate ("Wohnberechtigungsschein")

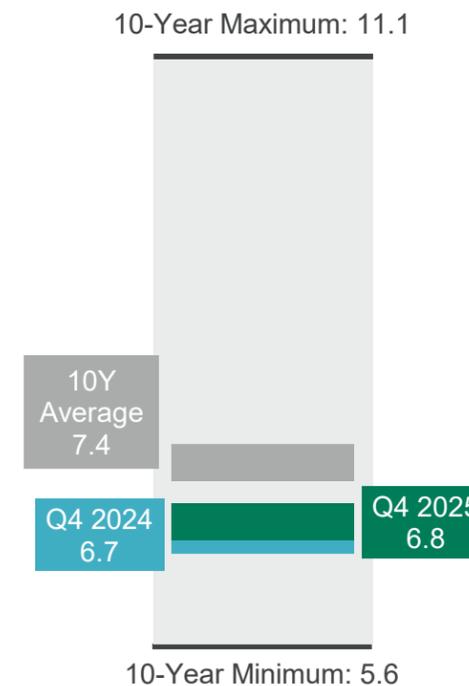
ASKING RENTS* BY SEGMENT



OVERALL ASKING RENT* CHANGE



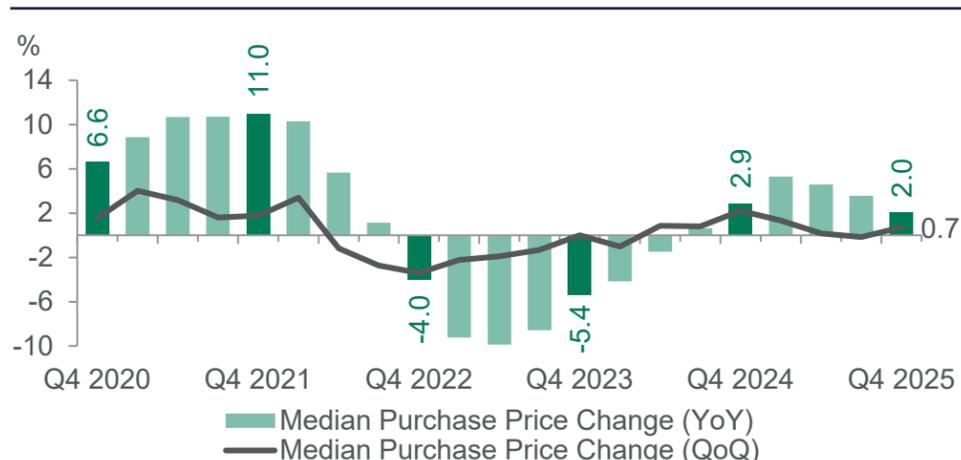
RENTAL LISTINGS* PER 1,000 EXISTING APARTMENTS



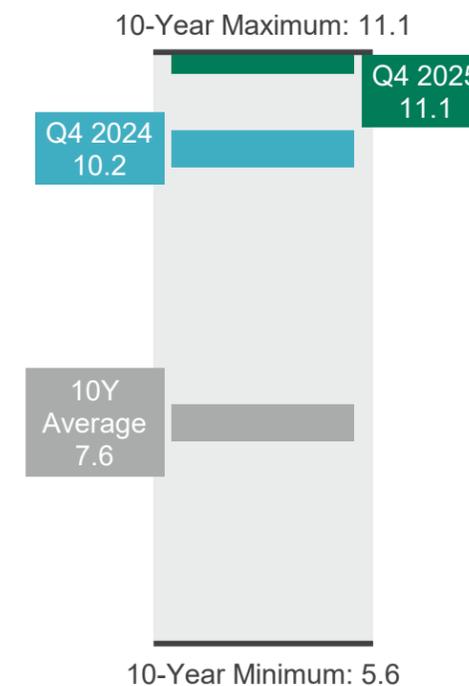
CONDO ASKING PRICES BY SEGMENT



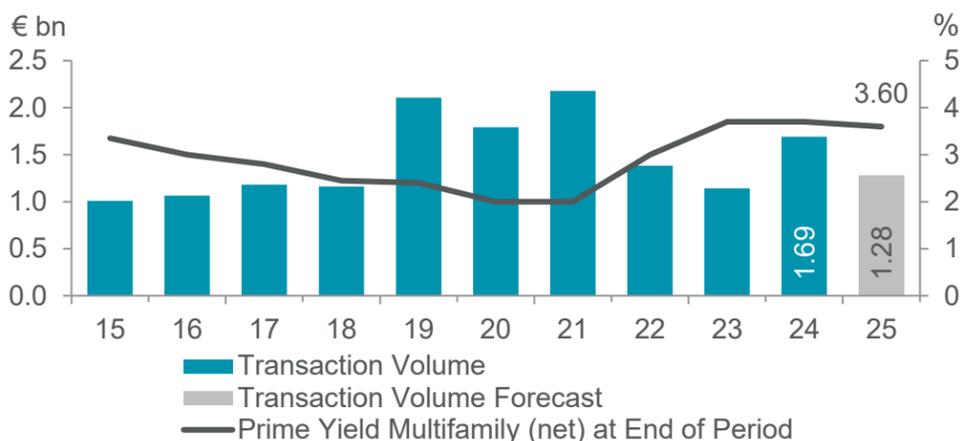
OVERALL CONDO ASKING PRICE CHANGE



CONDO LISTINGS PER 1,000 EXISTING APARTMENTS



MULTIFAMILY ASSET DEAL VOLUME & PRIME YIELD



POPULATION CHANGE YOY, Q3 2025

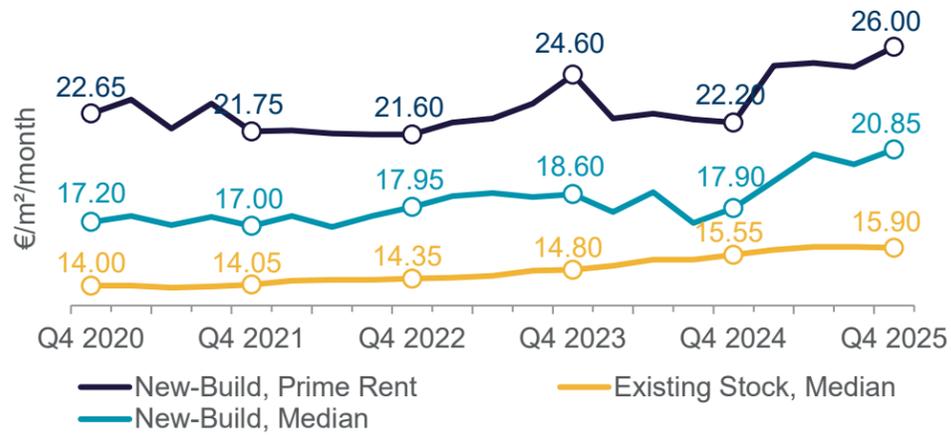
+9,529
People
Previous Year: +15,268

AVERAGE CONSTRUCTION COSTS 2025

€4,183/m²
Net Living Area
+3.9% YoY
Multifamily with 20+ units, mid-range construction standard, incl. 19% VAT, cost groups 300 and 400 (construction & technical installations only, excl. land & additional costs)

* Excluding listings for apartments available only with a housing entitlement certificate ("Wohnberechtigungsschein")

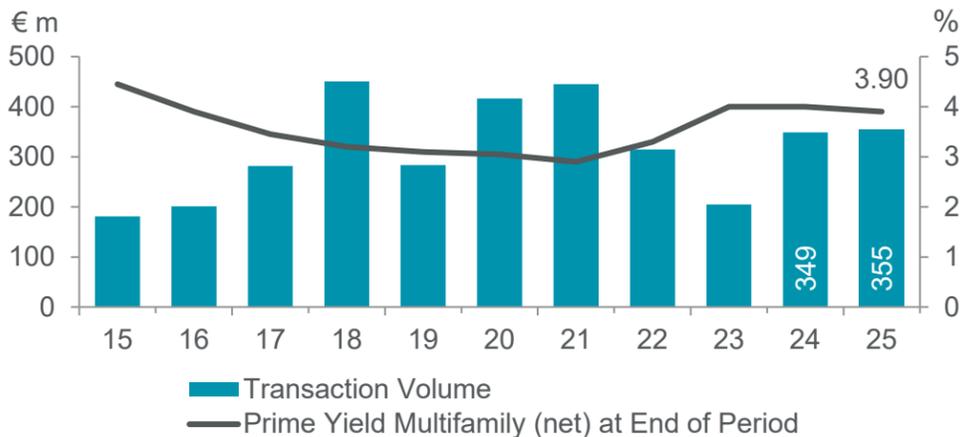
ASKING RENTS* BY SEGMENT



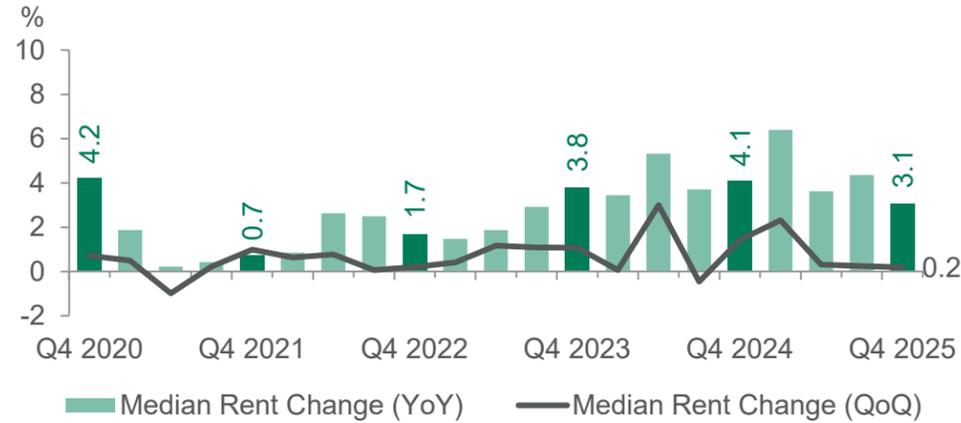
CONDO ASKING PRICES BY SEGMENT



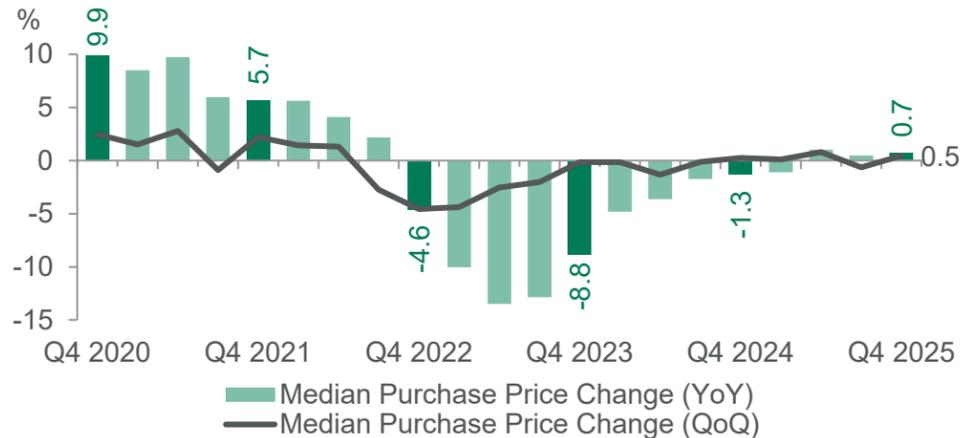
MULTIFAMILY ASSET DEAL VOLUME & PRIME YIELD



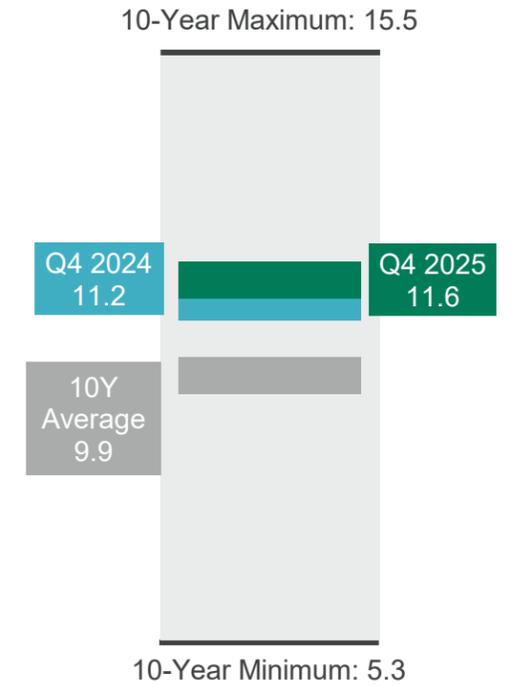
OVERALL ASKING RENT* CHANGE



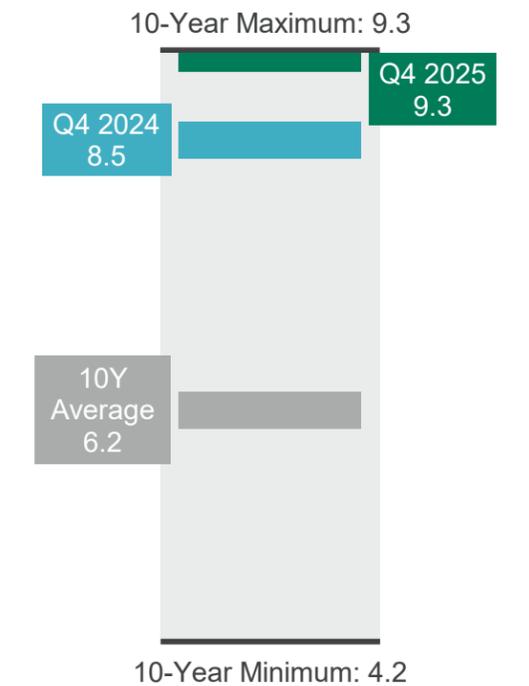
OVERALL CONDO ASKING PRICE CHANGE



RENTAL LISTINGS* PER 1,000 EXISTING APARTMENTS



CONDO LISTINGS PER 1,000 EXISTING APARTMENTS



POPULATION CHANGE YOY, Q3 2025

-2,384
People
Previous Year: -281

AVERAGE CONSTRUCTION COSTS 2025

€3,086/m²
Net Living Area
+4.9% YoY
Multifamily with 20+ units, mid-range construction standard, incl. 19% VAT, cost groups 300 and 400 (construction & technical installations only, excl. land & additional costs)

* Excluding listings for apartments available only with a housing entitlement certificate ("Wohnberechtigungsschein")

METHODOLOGY

The data in this report is sourced from various providers or serves as a basis for our own calculations. This includes proprietary data, publicly available data, and data from third-party providers (see Sources). The data should generally be considered preliminary and may be subject to adjustments as new information becomes available.

GLOSSARY

- New-build: Year of construction max. 3 years prior to marketing or, if year of construction is missing, as stated by the provider
- Condo: Condominium
- Multifamily: Multifamily house
- Prime rent / Prime purchase price: 90th percentile
- Asset deal: A transaction in which the property is purchased directly. The asset changes owner and is recorded in the land register. This is in contrast to a share deal, in which shares in a company that owns the property change hands.

SOURCES

- (Asking) rents, (asking) purchase prices, number of online listings: Value AG
- Prime yields: Cushman & Wakefield
- Population, completions, permits: bulwiengesa AG; RIWIS and Statistical Offices of the federal states
- Nominal wage growth: Federal Statistical Office
- Unemployment rate: Federal Employment Agency
- Construction cost development for new residential buildings Germany: Federal Statistical Office
- Average construction costs by city: BKI Baukosten Neubau, Statistische Kostenkennwerte für Gebäude
- 10-year German government bond yield, average mortgage interest rates: Bundesbank
- Net household income: GfK Purchasing Power
- Average brokerage commission, regionally differentiated: Sagner, Pekka / Voigtländer, Michael, 2021, Wo die Teilung der Maklerprovision wirkt, IW-Kurzbericht, No. 29, Cologne ([Link](#))
- Transaction volumes: expert committees for property values / real estate values of the cities Berlin, Dusseldorf, Frankfurt am Main, Hamburg, Cologne, Munich and Stuttgart

ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of \$10.3 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture.

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