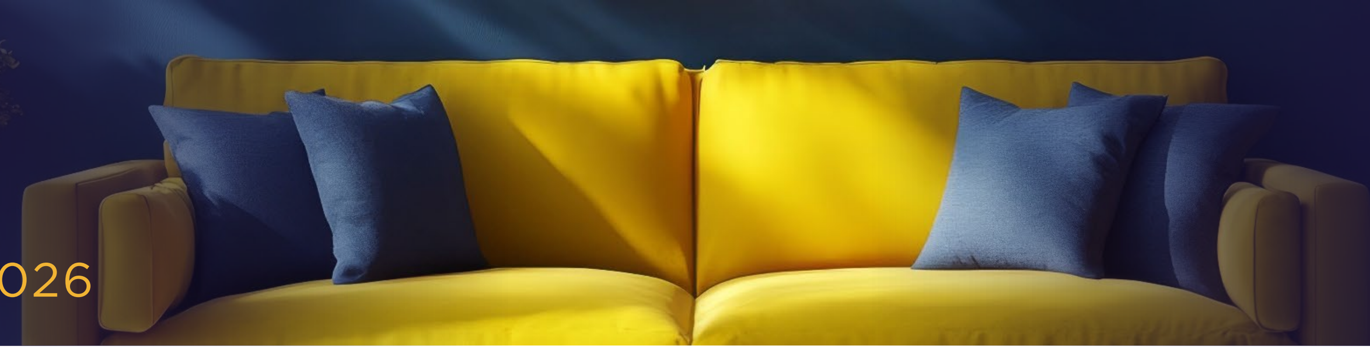
MARKETBEAT

GERMANY

RESIDENTIAL INVESTMENT Q1 2026



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YoY Chg	12-Month-Forecast
1.88 bn Transaction Volume (cum.), €	▼	▲
30% Share of Foreign Capital	▲	—
3.81% Multi Family Prime Yield, Top 7 Market Average	—	▲
20% Residential Share of total Transaction Volume	▼	—

ECONOMIC INDICATORS

	YoY Chg	12-Month-Forecast
0.5% Germany GDP Growth (Q1 2026 vs. Q1 2025)	▲	—
2.00% ECB Deposit Rate (Mar 2026)	▼	▲
2.93% 10-Year Government Bond Yield (Q1 2026)	▲	—

Sources:
Federal Statistical Office, ECB, Bundesbank

TRANSACTION VOLUME

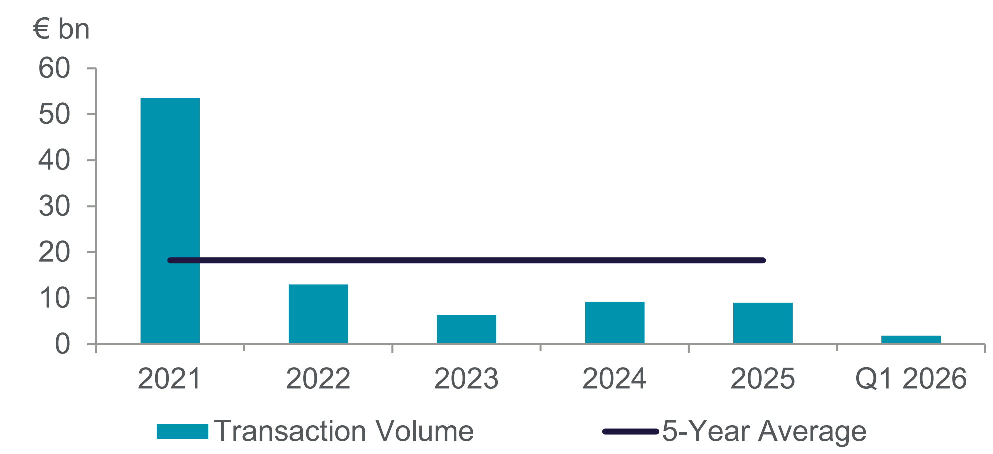
In Q1 2026, the German residential investment market recorded a transaction volume of €1.88 bn. Despite a 13% yoy decline, the result remains above 2023 and 2024 levels, underscoring a moderate upward trend. The residential share of the total investment market fell sharply to 20% (Q1 2025: 26%). Multifamily housing accounted for 85% of the volume at nearly €1.6 bn. With micro-living and student housing playing virtually no role, other residential assets – particularly residential-led mixed-use buildings – nearly tripled their previous year's volume to €282 m.

In a shift from the previous year, Q1 2026 was dominated by single-asset transactions (72% share). There was a lack of large-scale portfolio deals beyond the €100 million mark. The decline in total sector volume is largely attributable to international investor caution: their investment fell by approximately €250 m yoy, reducing their market share from 30% to 21% within one year.

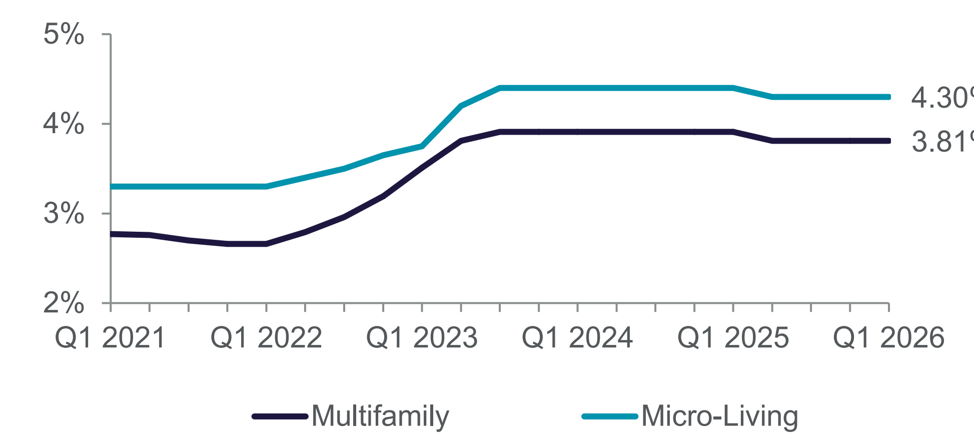
PRIME YIELDS

Prime yields for residential real estate have remained stable for three consecutive quarters. The Top-7 average for multifamily houses stands at 3.81%, while prime yields in the micro-living segment are at 4.30%. This stability still reflects the market equilibrium established prior to the outbreak of the war in Iran.

TRANSACTION VOLUME



PRIME YIELDS, TOP-7

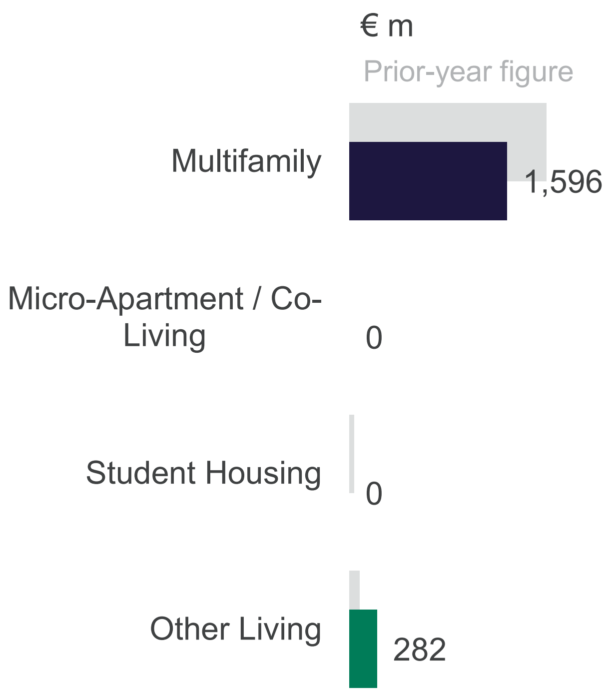


SELECTED TRANSACTIONS 2026

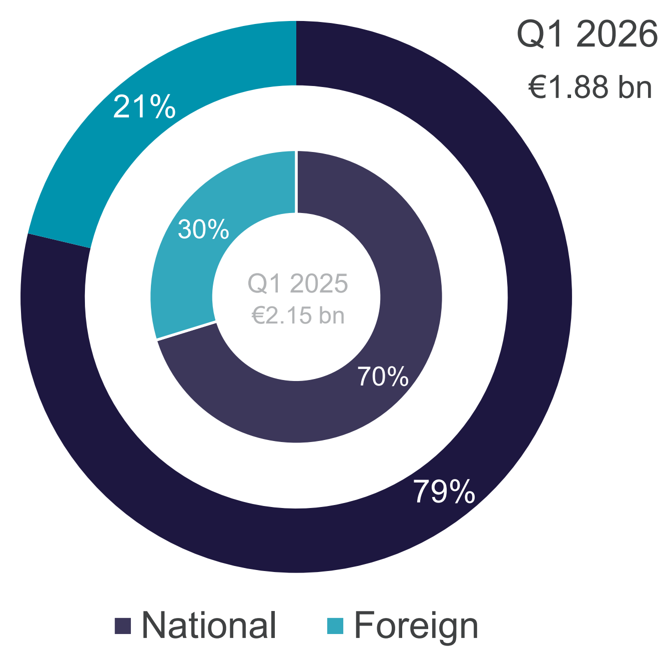
Property / Address	Quarter	City	Seller / Buyer	Purchase Price (€ m)
Part of the Holsten-Area (700 units)	Q1	Hamburg	Quantum / SAGA	Confidential
The Bow (147 units)	Q1	Hamburg	Aug. Prien & DC Developments / Columbia Threadneedle	Confidential
Residential Portfolio Lüneburg and Uelzen (460 units)	Q1	Lüneburg, Uelzen	Unknown / Graff Immobiliengruppe & Xhafolli Holding	~ 35

TRANSACTION VOLUME Q1 2026

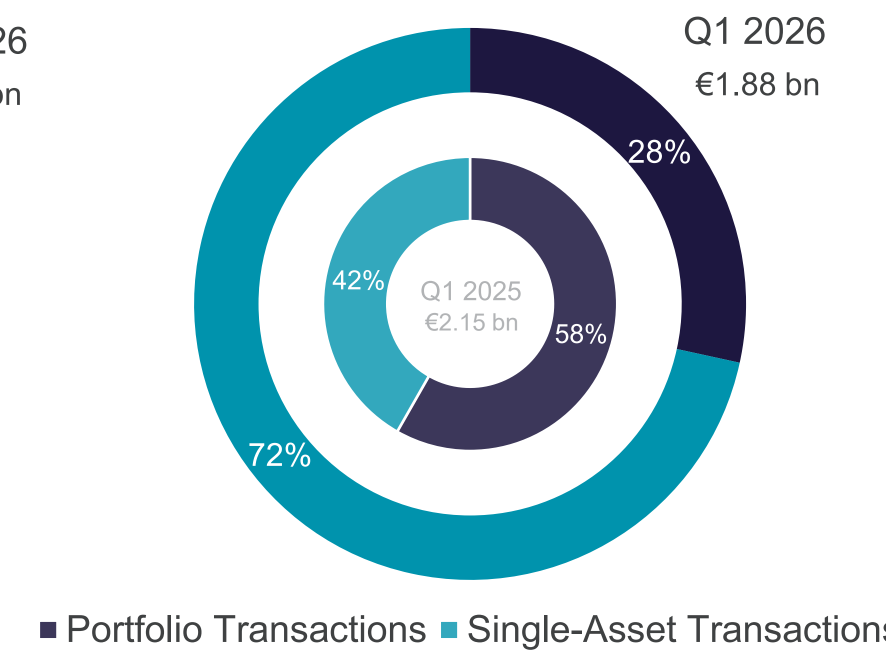
BY PROPERTY TYPE



BY ORIGIN OF BUYER



BY TRANSACTION TYPE



OUTLOOK

- In view of rising bond yields, C&W expects a slight increase in prime yields by the end of 2026.
- The recovery of the investment market is being temporarily slowed by tighter financing conditions, but a trend reversal is not expected.
- Despite the challenging environment, C&W anticipates a slight increase in the residential investment volume for the year 2026.

EXPLANATION OF TERMS

Residential Transaction Volume: The sum of the purchase prices of all transacted properties with a primary focus on residential use. This includes multifamily buildings, micro-apartments/co-living, student housing (with 20 or more residential units), and mixed-use residential and commercial properties (where at least 75% of the rental income or total rental area is attributable to residential use).

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.

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

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. For additional information, visit www.cushmanwakefield.com.

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