MARKETBEAT

GERMANY

INVESTMENT Q3 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YoY chg.	12-Month-Forecast
17.85 bn Transaction Volume (cum.), €	▲	–
47% International Capital	–	–
4.88% Office Prime Yield Top 7 Markets (avg.)	–	▲
23% Largest Share of total Transaction Volume: L&I	–	–

ECONOMIC INDICATORS

	YoY Chg.	12-Month-Forecast
1.3% Germany GDP Growth (Q3 2026 vs. Q3 2025)	▲	–
2.50% ECB deposit rate (Sep 2026)	▲	▲
3.31% 10-Year Government Bond Yield (Q3 2026)	▲	–

Sources:
Federal Statistical Office, ECB, Bundesbank

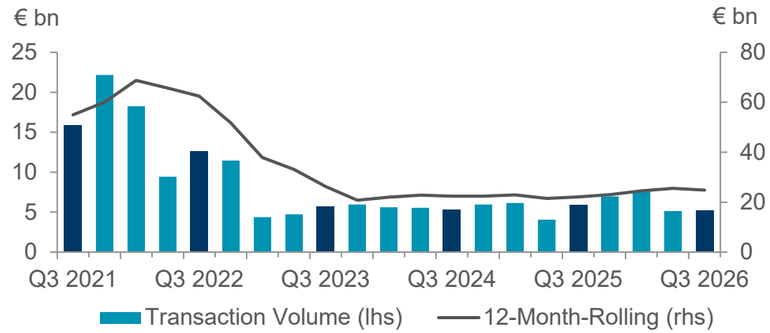
TRANSACTION VOLUME

With a commercial transaction volume of €17.85 bn, the German commercial real estate investment market closed the first nine months of 2026 with an increase of 11% year-on-year. Q3 accounted for only around €5.15 bn. This continued the weaker transaction momentum already seen in Q2. In a long-term comparison, market volume remains well below previous levels: the 5-year average for the respective first nine months was missed by 29%, while the 10-year average was missed by 44%.

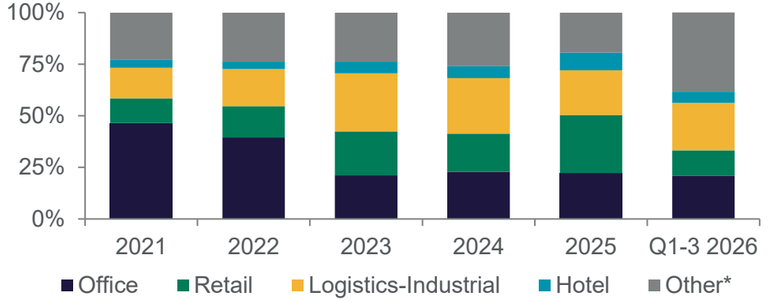
International capital remained an important source of liquidity, accounting for 47% of total volume and broadly in line with the previous year. Market activity continued to be dominated by single-asset transactions. These reached €13.08 bn, corresponding to 73% of total volume and an increase of 12% compared with the previous year. Portfolio transactions therefore accounted for €4.77 bn, or 27%, representing an increase of 9%. Large-scale transactions continue to face challenges in the current financing environment, which is also reflected in limited portfolio activity. Transaction activity increasingly shifted towards smaller ticket sizes. Compared with the pre-crisis level in Q1–Q3 2021, the number of deals between €1 m and €5 m increased by 65%, while transactions between €50 m and €100 m declined by 54% and those above €100 m by 52%. Limited debt availability is particularly constraining large-volume transactions, while equity-rich buyers continue to support the smaller-ticket segment.

Logistics and industrial properties moved into first place among asset classes with around €4.1 bn, corresponding to a 23% share and an increase of 18% year-on-year. Office properties followed with €3.76 bn, or 21%, broadly in line with the previous year (-2%). The decline in the retail investment market was particularly notable: at around €2.2 bn, transaction volume almost halved compared with the first nine months of 2025. Longer transaction processes and challenging pricing for larger investments are likely to have weighed on deal activity. Outside the established asset classes, healthcare properties and large-scale land transactions generated significant volumes. As a result, the relative importance of the individual asset classes shifted noticeably in 2026.

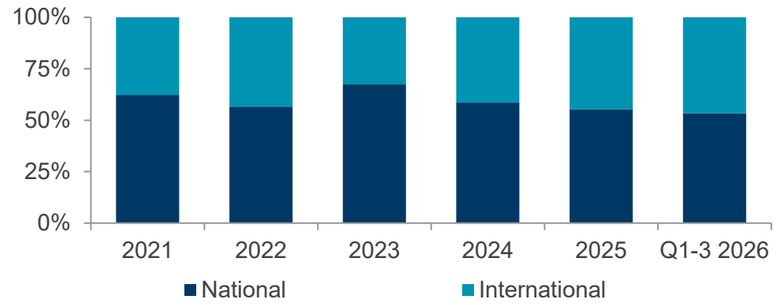
COMMERCIAL TRANSACTION VOLUME (TAV)



COMMERCIAL TAV BY ASSET CLASS



COMMERCIAL TAV BY SOURCE OF CAPITAL



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

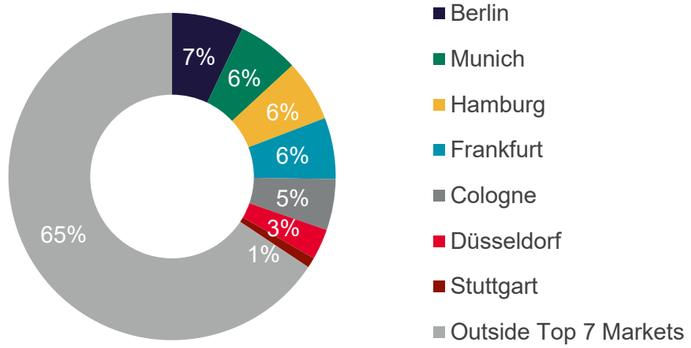
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PRIME YIELDS TOP-7



TRANSACTION VOLUME BY MARKET Q1-3 2026



TOP 7 MARKETS

A total of around €6.2 bn was invested in the Top 7 markets during the first nine months of 2026. This was 24% below the previous year's level and represented only around 35% of nationwide commercial transaction volume. By contrast, €11.65 bn was invested outside the Top 7, an increase of 47% year-on-year. Around 65% of total transaction volume therefore came from locations outside the major metropolitan markets. This development highlights the importance of large-volume transactions outside the Top 7 markets in the year to date.Munich led the Top 7 ranking with €1.31 bn, followed by Berlin with €1.14 bn, Hamburg with €1.07 bn and Düsseldorf with €1.02 bn. Düsseldorf showed particularly strong momentum, recording an increase of 48% year-on-year and exceeding the €1 bn mark after nine months. Frankfurt also remained above the previous year's level, with €858 m and an increase of 20%. Cologne reached €570 m (-19%), while Stuttgart recorded €230 m (-14%).

PRIME YIELDS

The yield environment remained largely stable in Q3 2026. The average prime yield for office properties in the Top 7 markets remained at 4.88%, while prime yields for high-street retail properties were unchanged at around 4.46%. By contrast, the prime yield for logistics properties increased to 4.60%.The narrowing yield spread to the 10-year German government bond is putting upward pressure on real estate yields across all asset classes. At the same time, high financing costs continue to constrain transaction activity, particularly for larger ticket sizes. Cushman & Wakefield therefore expects slight further increases in prime yields by year-end and forecasts a total transaction volume of €24–26 bn for 2026.

OUTLOOK

- Given the interest rate environment, Cushman & Wakefield expects slight increases in prime yields for office and high-street retail properties by the end of 2026.
- Challenging financing conditions are likely to continue to slow the recovery of the investment market, particularly for large-scale transactions.
- An improvement in the economic environment could strengthen the still subdued demand in occupier markets and provide additional momentum for the investment market.

MARKET STATISTICS Q1-3 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	1.14	-53%	45%	68%	4.80%	4.35%	4.60%
Düsseldorf	1.02	106%	42%	37%	5.10%	4.45%	4.60%
Frankfurt	0.86	20%	32%	42%	4.90%	4.55%	4.60%
Hamburg	1.07	-47%	52%	40%	4.65%	4.50%	4.60%
Cologne	0.57	-19%	30%	44%	5.10%	4.65%	4.60%
Munich	1.31	-13%	30%	29%	4.60%	4.10%	4.60%
Stuttgart	0.23	-14%	53%	8%	5.00%	4.65%	4.60%
Germany	**17.85**	**11%**	**21%**	**47%**	**-**	**-**	**-**

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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
Vitality Portfolio, Rehabilitation clinics	Q2	Healthcare	Various	Patrizia / K2MB	confidential
Designer Outlet Neumünster	Q1	Retail	Neumünster	Nuveen & McArthurGlen / TPG	~ 350
Logistics Portfolio (19 properties across Europe)	Q3	Logistics & Industrial	Various	Blackstone / CBRE IM	~ 310
Medical Center Portfolio	Q1	Healthcare	Various	Northwest Healthcare / TPG	~ 220
Data centre development site Schöneck	Q3	Development site	Schöneck	Gemeinde Schöneck / AWS	~ 220
Powerfood Portfolio	Q1	Retail	Various	TREI / CEV Handelsimmobilien	~ 200
Mercedes-Benz ICC	Q1	Logistics & Industrial	Bischweier	Kajima Properties / Realty Income	~ 200
Pentahotels Portfolio (German share, 6 Hotels)	Q3	Leisure	Various	Aroundtown / Ogilvy Capital	~ 150
Fiege Center / Spectrum warehouse	Q3	Leisure	Hamburg	DWS / Prologis	~ 140

TOP 7 MARKETS



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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