



# Facts and Figures

Investment Market Germany  
2022

# “Much as I Know, I wish I knew more.”

Quote from Johann Wolfgang von Goethe

If you require any further information, please do not hesitate to contact us. We can put you in touch with our specialists who are always happy to provide you with expert support.

We look forward to hearing from you!



Dr. Konrad Kanzler  
Head of Research  
+49 (0) 69 - 970 505-614  
konrad.kanzler@nai-apollo.de



Dr. Marcel Crommen  
Chief Investment Officer  
+49 (0) 69 - 970 505-143  
marcel.crommen@nai-apollo.de



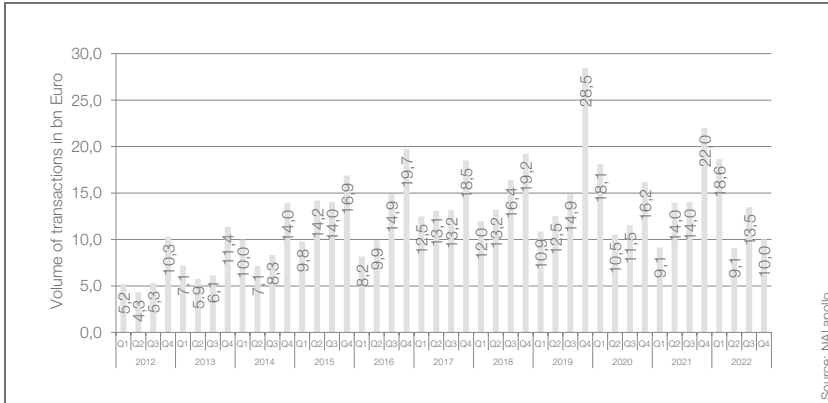
Lenny Lemler  
Co-Head of Investment  
+49 (0) 69 - 970 505-175  
lenny.lemmler@nai-apollo.de



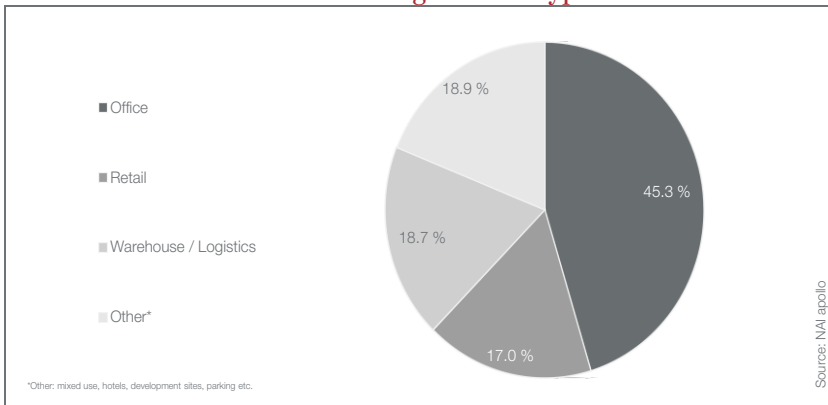
Alexander Waldmann  
Director - Research  
+49 (0) 69 - 970 505-618  
alexander.waldmann@nai-apollo.de



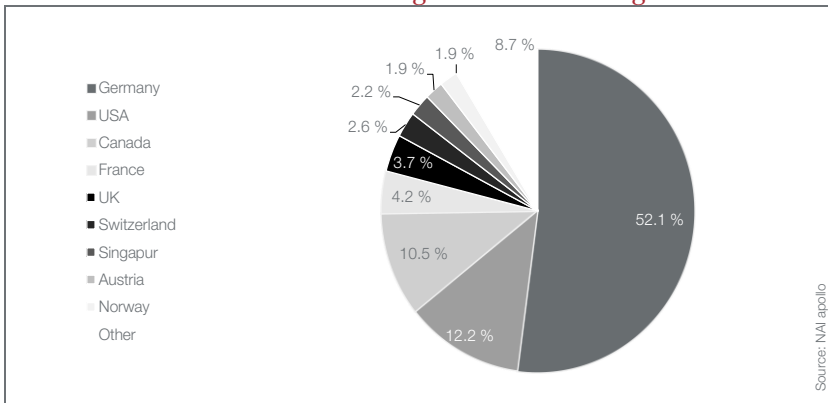
Volume of transactions 2012 – 2022



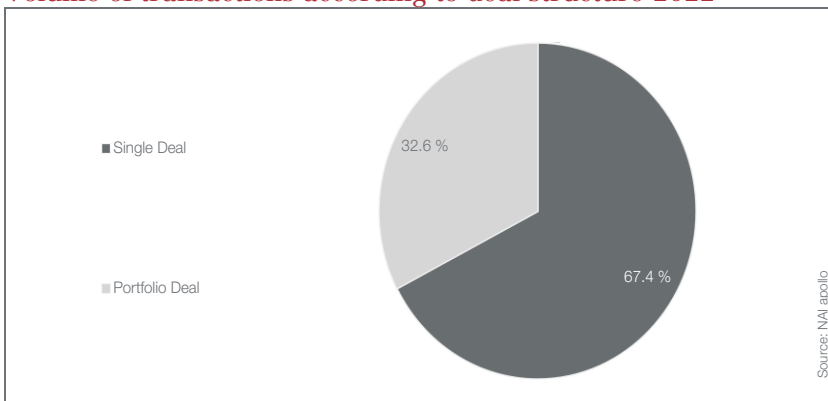
Volume of transactions according to asset type 2022



Volume of transactions according to investors' origin 2022



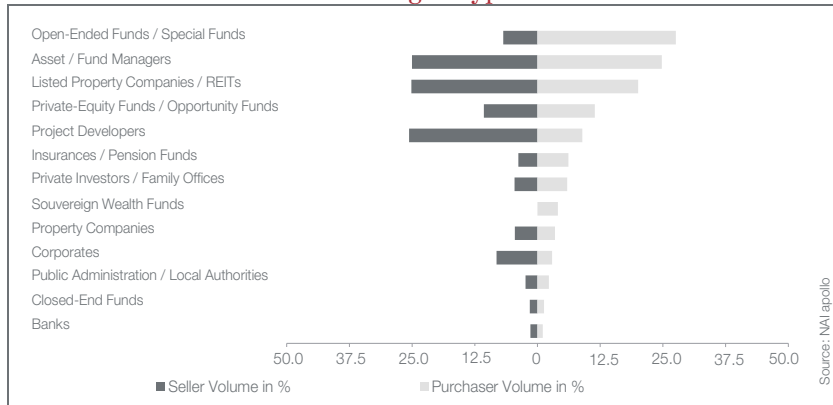
Volume of transactions according to deal structure 2022



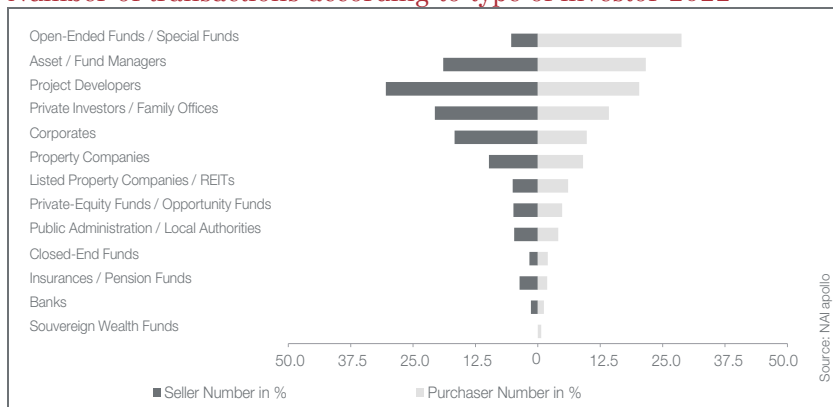
The generally negative economic situation, caused in particular by the consequences of the war in Ukraine, record inflation and interest rate hikes, continues to weigh heavily on the German commercial property investment market. In the period from October to December 2022, the transaction volume amounted to about €10 billion, a result that was more than 50 % below the previous year's level as well as the Q4 average for the past five years (Q4 2017 – Q4 2021: €20.88 billion). Over the full year, the transaction volume fell 13.3 % year-on-year to €51.2 billion. The annual figure was again propped up by an extremely strong first quarter, which contributed more than a third of the transaction volume.

Portfolio transactions underpinned the overall transaction volume in 2022, with investments increasing by €2.1 billion compared to the previous year. As a consequence, this segment boosted its market share to 32.6 % (2021: 24.7 %) with a volume of €16.7 billion. Deals worth noting here include the high-profile company acquisitions that took place at the start of 2022, such as the takeover of alstria office REIT-AG by Brookfield, the (majority) acquisition of Deutsche Industrie REIT-AG by CTP of the Netherlands and the purchase of VIB Vermögen AG by DIC Asset AG. Single-asset transactions amounted to around €34.5 billion in 2022, which was more than a fifth below the previous year's level. The largest single-asset sales included "Marienturm" in Frankfurt as well as a 50 % stake in the "Sony Center" in Berlin.

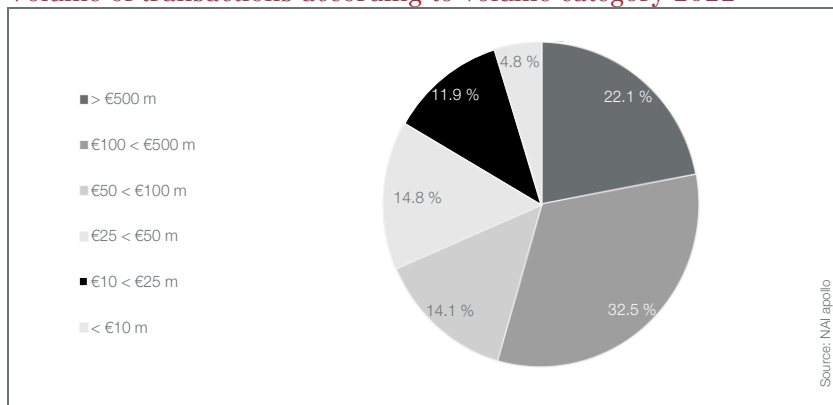
Volume of transactions according to type of investor 2022



Number of transactions according to type of investor 2022



Volume of transactions according to volume category 2022



Prime yields Q4 2022

	Prime office yields	Prime retail yields	Prime logistics yields
Berlin	3.45 %	3.55 %	3.80 %
Dusseldorf	3.60 %	3.80 %	3.85 %
Frankfurt a. M.	3.50 %	3.75 %	3.85 %
Hamburg	3.50 %	3.75 %	3.85 %
Munich	3.45 %	3.55 %	3.80 %
Total	Ø = 3.50 %	Ø = 3.70 %	Ø = 3.85 %

Owing to the large single-asset deals and Alstria takeover, the office investment volume amounted to €23.2 billion by the end of 2022. As a result, this asset class accounted for a 45.3 % market share and was ranked in first place. However, in terms of the traded volume, office property also registered the biggest year-on-year decline of 22.4 %. Warehouses and logistics properties were in second place and achieved a record investment volume of around €9.6 billion. This asset class also increased its share to 18.7 %. Retail was next with a volume of €8.7 billion. “Other uses” accounted for €9.7 billion in 2022, of which hotels again contributed €1.86 billion. This was almost 22.0 % below the previous year’s figure.

The overall market volume fell primarily because of a reduction in transactions carried out by German investors. Investments by the domestic players fell by 27.5 % to €26.7 billion (52.1 % market share), and was partly owing to the reduction in the single-asset investment volume. In contrast, foreign investors increased their invested capital by 10 % to €24.5 billion in 2022. The most active nations included the USA with almost €6.3 billion, Canada with €5.4 billion and the UK with €1.9 billion. Investors from France, Switzerland and Singapore also spent more than €1 billion.

Three investor groups, namely “open-ended funds / special funds”, “asset / fund managers”, and “listed property companies / REITs”, accounted for a combined €30.9 billion and played a dominant role on the market with a 72.4 % share. Next were “private-equity funds / opportunity funds”, “project developers”, and “insurances / pension funds”. In addition, “private investors / family offices” and “sovereign wealth funds” invested more than €1 billion in German commercial property.

The investment volume fell in all size categories compared to the previous year. The biggest declines were registered in the “€25 million-€50 million” and “€50 million-€100 million” segments. The “€100 million-€500 million” segment again accounted for the largest market share with around a third of the volume.

The ifo business climate index also reflects a less pessimistic outlook after rising by 2.4 points to 88.6 points in December 2022 compared to the previous month. Inflation in Germany also appears to have peaked at 10.4 % in October 2022, at least for the time being. Since then, the annual inflation rate has been on a downward trajectory (November 10.0 %, December 8.6 %). In addition, the labour market has continued to support the domestic economy. At the end of December 2022, the unemployment rate stood at 5.4 %, which represents an increase of only 0.3 percentage points compared to the same month of the previous year. For 2022 as a whole, the rate was even 0.4 percentage points below 2021 at 5.3 %. As a result, the number of employees subject to social security contributions rose to a record level of 34.62 million based on the most recently available information (October 2022).

Prime yields remain under pressure for a number of reasons. For example, the ECB has made further interest rate adjustments and interest rates for 10-year government bonds in Germany have once again risen above 2.0 %, offering a less risky alternative investment option. In the fourth quarter of 2022, for example, the average office and logistics prime yields in the top five markets rose 40 basis points. The average increase for high street properties was only slightly lower at 38 basis points.

Among the top five office locations, Berlin and Munich each recorded the biggest increase in prime yields of 0.45 percentage points to 3.45 % in the period from October to December 2022. Hamburg registered a rise of 0.40 percentage points and, together with Frankfurt (+35 basis points), currently offers a prime yield of 3.50 %. In Dusseldorf, the yield increased by 0.35 percentage points to 3.60 %.

In the warehouse and logistics property asset class, a 0.40 percentage-point increase was recorded in all top five cities. The prime yields range between 3.80 % in Berlin and Munich and 3.85 % in Dusseldorf, Frankfurt and Hamburg.

Yields for high street properties rose by a similar level, increasing by 40 points in Berlin (3.55 %), Hamburg (3.75 %) and Munich (3.55 %). In Dusseldorf and Frankfurt, the prime yield for high street properties increased by 0.35 percentage points to 3.80 % and 3.75 % respectively.

Although yields in the individual asset classes of the top five markets have already increased on average by between 62 and 90 basis points in 2022, a further market correction is foreseeable. However, in 2023 it is not expected to be as high as in previous quarters. Therefore we can reasonably expect a new market balance to be found from mid-2023. The transaction market should also pick up as a result. Nevertheless, the commercial property transaction volume is likely to be far lower in 2023. We are currently forecasting between €40 billion and €45 billion for the full year 2023.

**ONE PARTNER. ALL SERVICES. ALL ASSET CLASSES.  
OFFICE - RETAIL - LOGISTICS - RESIDENTIAL**

ASSET MANAGEMENT

VALUATION AND RESEARCH

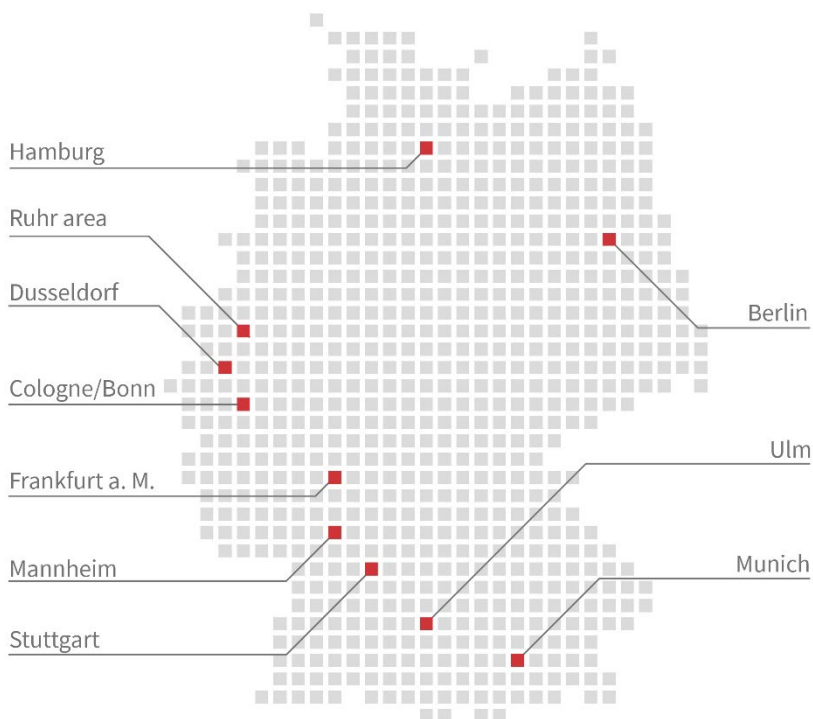
CORPORATE FINANCE ADVISORY

CORPORATE REAL ESTATE SERVICES

HEALTHCARE

SALES

LETTING



**YOUR PROPERTY PARTNER –  
WE DISTINGUISH OURSELVES BY**

OWNER-MANAGED

PARTNER ACTIVE IN DAY-TO-DAY BUSINESS

MORE THAN 30 YEARS OF MARKET EXPERIENCE

INDEPENDENT - INNOVATIVE - SOLUTION-ORIENTED

LOCAL - NATIONAL - TOP NETWORK

FLEXIBLE - CUSTOMER-FOCUSED - COMPETENT



Copyright © NAI apollo, 2023.

This report is for information purposes only. It was compiled with the utmost care and is based on information from sources that we regard as being reliable, but for which we assume no liability for their accuracy, completeness or correctness. Estimates, figures and forecasts contained in this document are for guidance only. This report does not pursue the aim of promoting the purchase or sale of a particular financial investment and thus should not be considered as such an offer. The reader of this report must make his or her own independent decisions in regards to correctness and completeness. The NAI apollo assumes no liability for direct or indirect damage that arises through inaccuracies, omissions or errors in this report. We reserve the right to make changes and/or additions to the information contained therein at any time. Neither the report nor parts thereof may be published, reproduced or passed on without the written consent of the NAI apollo.