Investment Market Germany H1 2025

NAI apollo
Your space is our mission.

At a glance – situation and outlook

Commercial transaction volume	€10.2 billion
Prime yields	unchanged
Portfolio share	25.4 %
Share of foreign buyers	44.4 %
Strongest asset class	Retail
Strongest buyer group	Asset- & Fundmanagers

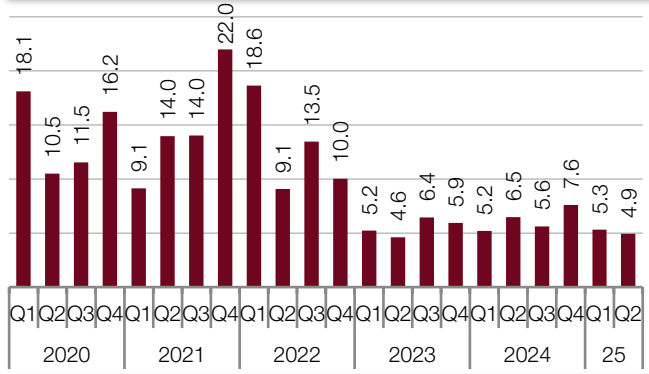
Following a positive start to the year, the German commercial property investment market slowed down slightly again in the second quarter of 2025. A total transaction volume of €4.9 billion was recorded in the last three months. This represents a decline of around 7 % compared to the prior quarter and 23 % compared to the same quarter of the previous year. The investment volume for the first half of 2025 totalled €10.2 billion. This figure is also significantly lower than the €11.7 billion recorded in the first half of 2024. Even more striking is the difference from the five-year average, which now stands at €20.2 billion.

Compared to the previous year, investors are noticeably reluctant to purchase large single assets and sizeable portfolios. As a result, revenue from transactions in the segments above €100 million fell by 41 % to around €3.1 billion. On the other hand, growth was recorded in almost all size categories below €100 million (+12 %), which amounted to a combined volume of over €7.1 billion.

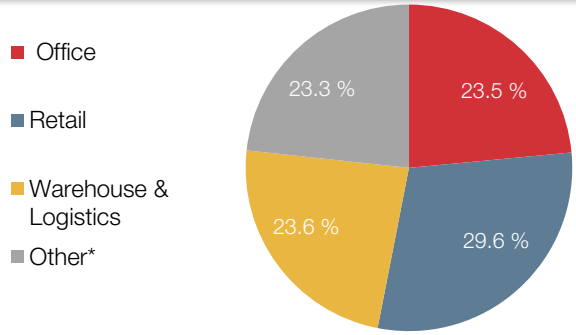
Consequently, the share of the portfolio transaction volume remains at around 25 %. The absolute sales generated by portfolio and single-asset sales has decreased compared to the last year. The largest transaction so far this year is the transfer of more than 100 furniture stores with a price in the high three-digit million range, which took place as part of the takeover of the Porta Group by XXXLutz. The purchase of 13 nursing homes by the City of Hamburg through its holding company HGV from Deutsche Wohnen for €380 million represents the second most significant portfolio transaction. The largest single-asset sales include the ‘Upper West’ office property, which was sold to the Schoeller Group for well over €400 million, and the acquisition of the Designer Outlet Centre Berlin by the Frey Group for €230 million.

Partly owing to these large transactions, the retail segment achieved the highest share at 29.6 % or a volume of €3 billion. The lion’s share of almost 68 % is attributed to the category including supermarkets, discount stores and specialist stores/retail parks, followed by high street buildings with 18 %. Warehouse and logistics properties have achieved the second-highest transaction volume so far this year. Sales in this category amounted to over €2.4 billion, corresponding to a market share of 23.6 %. Office properties were close behind with €2.4 billion (23.5 %).

Volume of transactions in billion euro

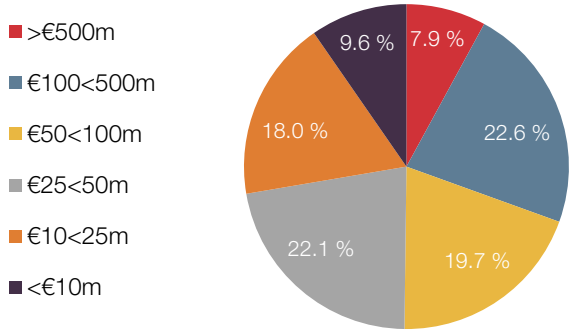


Volume of transactions by asset class



*Other: mixed use, hotels, development sites, parking etc.

Volume of transactions by volume category



Source: NAI apollo

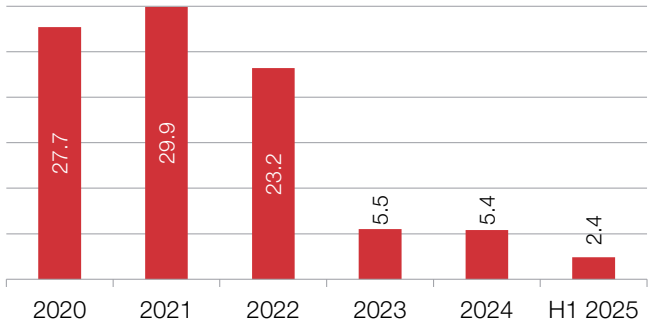
However, the transaction volume attributed to these groups has declined compared to the corresponding period of the previous year. A volume of just under €2.4 billion was recorded in the 'other' segment, of which hotel sales accounted for €829 million (+53.7 %).

Commercial yields remain unchanged in almost all areas. In the top five markets, the average prime yield remained unchanged at 4.45 % for offices and 4.35 % for warehouse and logistics properties. In the retail segment, the average for the top five markets is around 4.20 % (high street buildings). For hotels, the yield has remained constant at 4.80 % since the end of 2023, although this figure refers to well-known and very well-established or prominent properties in strong locations.

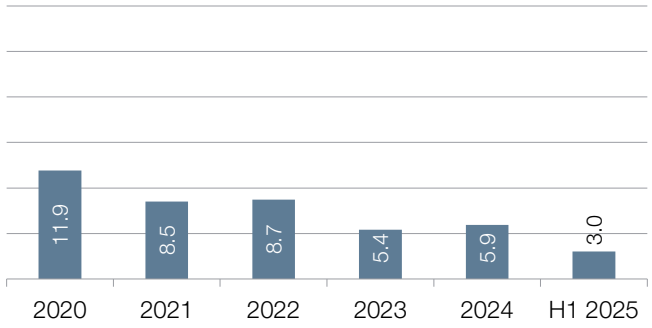
Outlook

The conditions on the commercial property investment market present a mixed picture at the mid-year point. In general, there are signs of growing optimism in the German economy. The latest results of various economic surveys point to a moderate macroeconomic recovery, which should benefit the property markets. Although new geopolitical risks could again have a decelerating effect on market recovery, a slight increase in momentum is not out of the question. It is therefore still possible that the investment market will end the year with a volume of around €25 billion, in line with 2024. In terms of yields, there is potential for a slight downward adjustment in the premium segment, but overall any changes are likely to be minor and yields should remain largely unchanged.

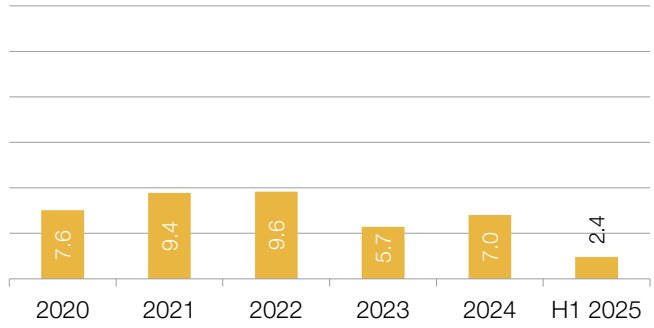
Office-transaction volume in billion euro



Retail-transaction volume in billion euro



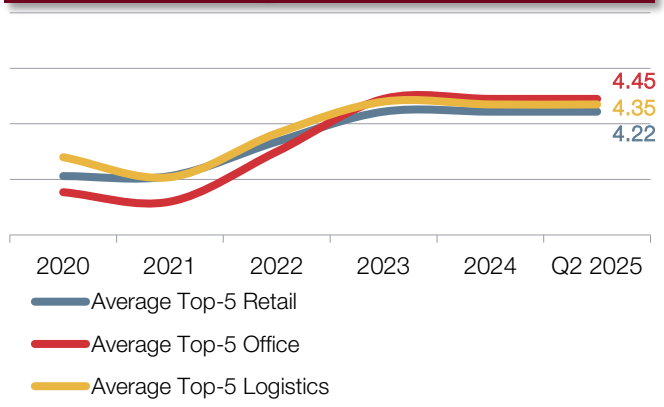
Logistics-transaction volume in billion euro



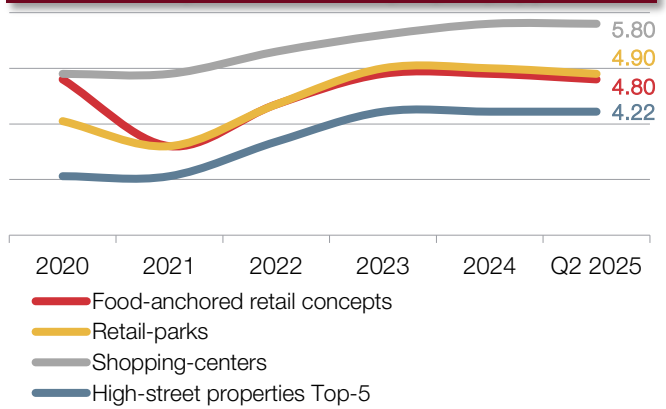
Prime yields top 5-markets Q2 2025

	Office	Retail	Logistics
Berlin	4.40 %	4.15 %	4.35 %
Dusseldorf	4.50 %	4.30 %	4.35 %
Frankfurt a. M.	4.50 %	4.30 %	4.35 %
Hamburg	4.45 %	4.25 %	4.35 %
Munich	4.40 %	4.10 %	4.35 %

Prime yields time series



Prime yields for retail property types



Source: NAI apollo

DR. MARCEL CROMMEN

Managing Partner

+ 49 (0) 69 970 505-143

marcel.crommen@nai-apollo.de

DR. KONRAD KANZLER

Head of Research

+ 49 (0) 69 970 505-614

konrad.kanzler@nai-apollo.de

LENNY LEMLER

Director Investment / Partner

+ 49 (0) 69 970 505-175

lenny.lemler@nai-apollo.de

STEFAN MERGEN

Managing Partner Valuation

+ 49 (0) 69 970 505-613

stefan.mergen@nai-apollo.de

NAI apollo

Your space is our mission.

apollo real estate GmbH & Co. KG

Schillerstraße 20
60313 Frankfurt am Main

Telefon + 49 (0) 69 970 505-0
info@nai-apollo.de

www.nai-apollo.de

OWNER-MANAGED, PERSONALLY DEDICATED

LOCAL MARKET EXPERTISE

TRANSPARENT AND TRUSTFUL COLLABORATION

COMPREHENSIVE SERVICE SPECTRUM

INTERNATIONAL CONNECTED

EXCEPTIONAL RELIABLE

ESG-COMPLIANT CORPORATE PHILOSOPHY

Member of NAI Partners Germany