Investment Market Residential Portfolios Germany Q3 2025

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At a glance – situation and outlook

Transaction volume	€6.3 billion
Residential units	42,600
Share of project developments	33.3 %
Share of foreign buyers	38.4 %
Strongest buyer group	Open-Ended Funds & Special Funds
Regional focus	Metropolises, Berlin as a hotspot

The activity on the German residential portfolio transaction market (30 residential units or more) remained somewhat restrained in the third quarter of 2025, and the transaction volume of around €2 billion was broadly in line with the prior quarter. Compared to the third quarter of 2024, the volume declined by 25.3 %. However, the overall performance in the year to date provides a more positive picture. With a total of €6.3 billion and 42,600 residential units sold, the transaction volume is 6.1 % higher than in the previous year. This means that the full-year result for 2023 has already been surpassed (2023: €6.2 billion, 33,700 residential units).

Compared to the previous year, there has been a shift in market activity towards mid-size portfolio transactions. The segment between €25 million and €50 million stands out in particular. With a market share of 23.0 %, the traded volume here grew by 145.1 % to €1.5 billion. Deals in the €50 million to €100 million range also increased, albeit more moderately, with sales rising by 46.8 % to €1.1 billion. However, the €100 million-plus segment remained dominant and continued to generate the highest sales, with €2.4 billion and a market share of 38.8 %.

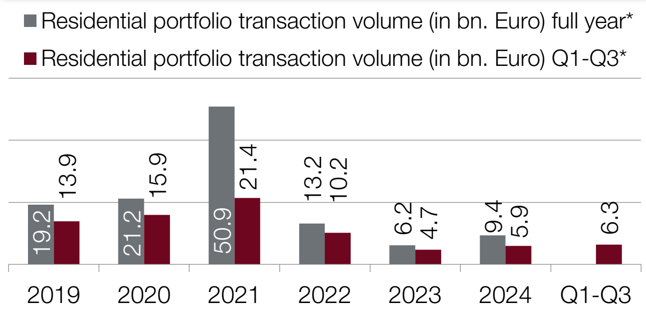
The most important buyer groups so far this year include open-ended funds and special funds with a market share of 19.6 %. However, their purchase volume fell from around €1.3 billion in the previous year to €1.2 billion in the first three quarters of 2025. On the seller side, project developers and contractors made significant gains. Their volume rose by 39.8 % year-on-year to €2.8 billion.

Despite the difficult economic conditions, trading in project developments has increased significantly. The half-year result of €1.1 billion was almost doubled in the past three months, reaching around 49 % of the total volume for the third quarter of 2025.

Outlook

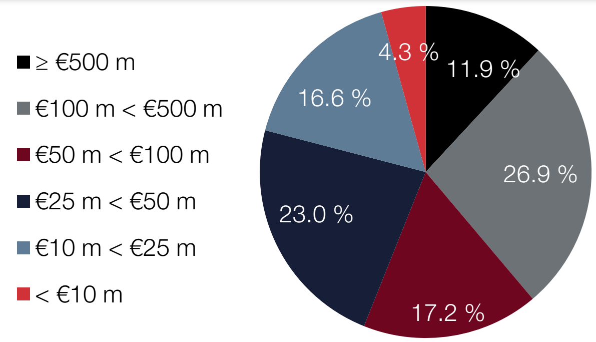
Despite economic uncertainties and geopolitical risks, the German residential portfolio transaction market remains in demand, especially among international investors who continue to view Germany as a safe haven. Core assets and mid-size portfolios with a manage-to-green approach remain the preferred targets. Investors are increasingly focusing on sustainable new construction projects, some of which include a high proportion of subsidised housing. In 2025, the transaction volume is expected to be similar to the previous year (€9.4 billion).

Transaction volume 2019 - 2025

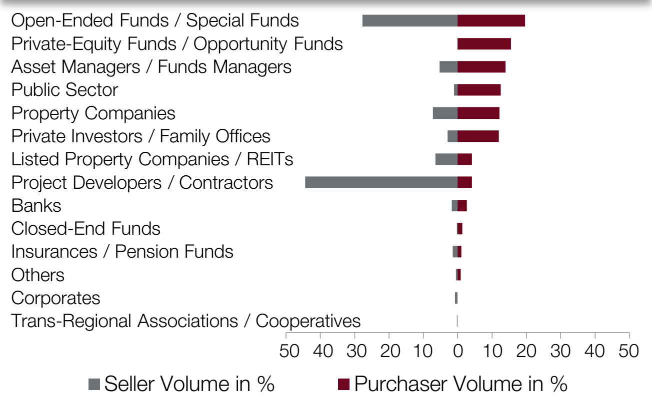


*Sale of residential property portfolios or residential complexes with at least 30 units each as well as the sale of corporate

Volume of transactions by volume category



Volume of transactions by investor type



Sources: NAI apollo

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