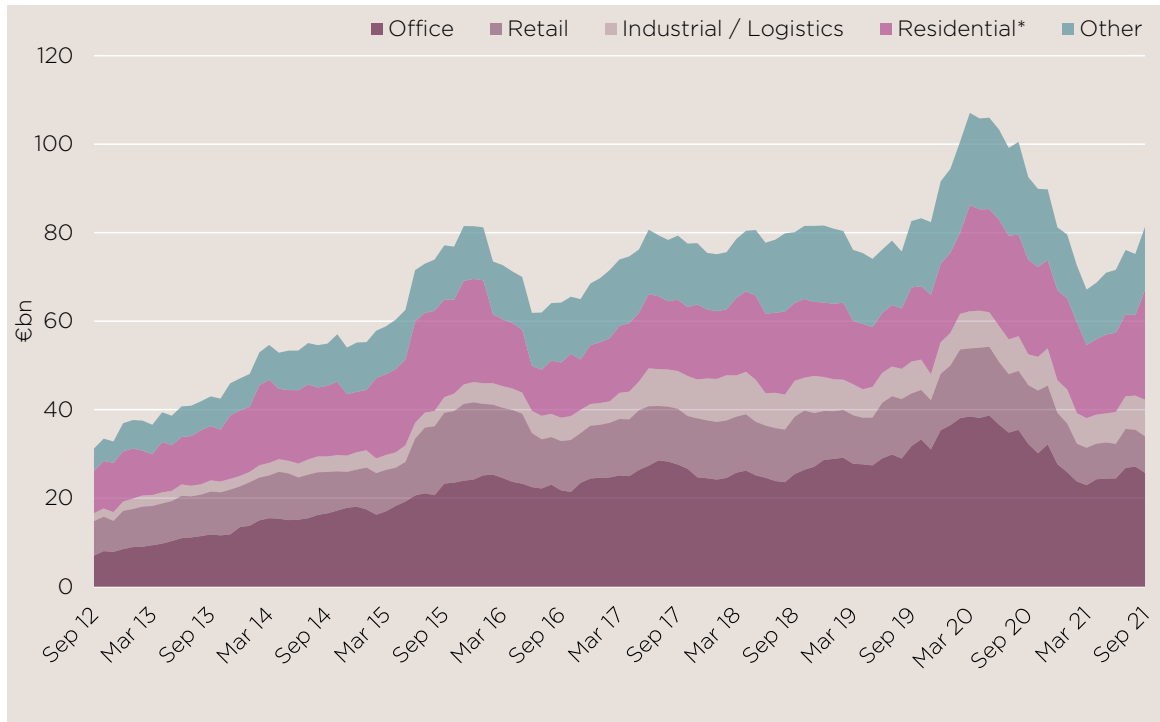


Investment Market Germany



Graph 1: Transaction volume Germany (past 12 months rolling)



Source Savills / * only residential transactions with at least 50 units

€100bn on the horizon again

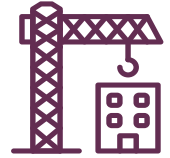
Property in Germany changed hands for approximately €58.9bn in the first three quarters of 2021. Commercial properties accounted for approximately €38.3bn of this while residential properties were responsible for around €20.6bn. In September alone, properties were transacted for a total of €13.5bn. This represents the third highest monthly tally on record. The transaction volume over the last twelve months totalled approximately €81.3bn (Graph 1), which is 12% lower than in the previous twelve months. However, the 12-month volume is likely to reach the €100bn mark once again by the end of the year for the first time since July 2020.

There has been a re-evaluation of risk in the commercial investment market over the last 18 months. At the same time, the pressure on investors to invest capital has increased further. Many investors have tightened their acquisition

profiles and are now concentrating on achieving their investment objectives. There is now a greater willingness on the part of owners to sell, which is the basis for a further increase in transaction activity. While international investors have recently had a lesser presence owing to the pandemic, competition for core property remains equally intense. However, the requirements a property must fulfil in order to fall within the core segment have increased compared with times prior to the pandemic. Hence, there is now even less product available for the same volume of risk-averse capital. Consequently, prime yields hardened further in the third quarter in the low-risk segments (Graph 3).

The residential investment market is on target to end 2021 with a new record. In view of impending transactions and mergers, the investment volume is likely to exceed the €30bn

Focus on selected figures



No. 3

Developers were the third largest purchaser group in the commercial investment market with 11% of investment volume. This is a novelty.



31%

Supermarkets and discounters accounted for 31% of the transaction volume for retail property. This is almost double the five-year average.



€944m

The transaction volume for temporary living property totalled €944m. This is 26% higher than in the whole of 2020.

Table 1: Transaction volume (€m)

	Sep 2021	last 12 months (Okt 2020 to Sep 2021)	against (Okt 2019 to Sep 2020)	against (Sep 2020 to Aug 2021)
Commercial	4,775	56,453	-20.7%	-1.0%
Residential*	8,686	24,870	+16.1%	+36.7%
Total	13,461	81,322	-12.2%	+8.1%

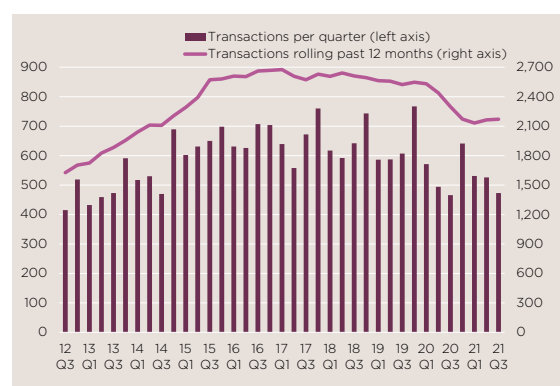
Source Savills / * only residential transactions with at least 50 units

mark for the first time ever. Around 107,500 apartments have changed hands throughout Germany since the start of the year, producing an average price per unit transacted of approximately €191,400. This figure also represents a new record, coming in around 54% above the five-year average. Besides the general rise in prices and the continued high proportion of forward transactions, the increase can be predominantly explained by a disproportionately high share of investment volume among the A-cities when it comes to sales of existing property.

On the whole, the German real estate investment market appears to be increasingly leaving the pandemic-related crisis behind. Owing to the societal changes accelerated by the pandemic, as well as growing environmental requirements, a rising number of properties no longer meet market requirements. Conversely, never has there been so much capital available to invest in properties that satisfy both current occupier requirements and expected requirements going forward and hence promise long-term income. This is also likely to significantly stimulate the market in the non-core segment and create scope for more opportunistic players.

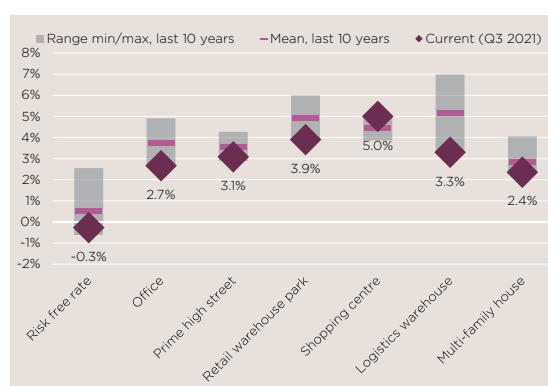
[Download the charts and raw data here](#) 

Graph 2: Transactions*



Source Savills / * commercial and residential properties

Graph 3: Prime yields (Ø Top 6)



Source Focus Economics, Savills / risk free rate = 10Y government bonds

Table 2: Top 10 transactions in September 2021*

Property /Portfolio Location(s)	(Main) Type of property	Volume (€m)↓	Area (sq m in 000s)	Buyer	Seller
Akelius-Portfolio, Berlin and Hamburg	Residential	undisclosed	1,143	Heimstaden AB	Akelius GmbH
Portfolio	Residential	ca. 2,460	1,126	HOWOGE; Degewo; Berlinovo	Vonovia SE; Deutsche Wohnen AG
Touchdown Portfolio	Retail	undisclosed	180	MEAG	PATRIZIA Immobilien
NOW-Portfolio	Residential	undisclosed	156	Domicil Real Estate	SwissLife
Stadtquartier am Südkreuz - Berlin	Residential	undisclosed	37	CBRE Investors	Hines; unknown Pension Fund
Vision One, Leinfelden-Echterd.	Office	ca. 160	25	Corestate Capital AG	Bülow AG
Norderstraße 101, Hamburg	Office	ca. 150	37	B & L Gruppe	Commerz Real AG
Portfolio	Residential	ca. 144	60	Omega AG	unknown Investor
Am Weidenring, Bad Homburg	Residential	undisclosed	18	M&G International Investments	Wüstenrot Haus- und Städtebau GmbH
Portfolio	Residential	undisclosed	24	HanseMerkur Versicherungsgruppe	GBI AG

Source Savills / * only published transactions are shown

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Savills is a leading global real estate service provider listed on the London Stock Exchange. The company, established in 1855, has a rich heritage with unrivalled growth. It is a company that leads rather than follows and now has over 600 offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East with more than 39,000 employees worldwide. Savills is present in Germany with more than 300 employees with eight offices in the most important estate sites.

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