The facts at a glance

Modest decline in transaction volume – more than a third of investors were first-time purchasers

- Properties in the German residential investment market changed hands for a total of almost €15.1bn last year. Despite a modest decrease of 3% in investment volume compared with the previous year, the market registered its third highest transaction volume of the last ten years (Table 1, Graph 1). In view of the strained rental apartment markets and a continued shortage in new-build activity, the situation in the residential property market is still positive from an investor’s perspective.

- Despite the large Buwog acquisition, market activity was somewhat more fragmented last year (Table 2). Transactions with a double-digit or triple-digit quantity of apartments accounted for 48% of all apartments transacted (Graph 3). On the one hand, the smaller lot sizes are a reflection of the large volume of development acquisitions, which accounted for around 26% of the transaction volume. On the other hand, the lack of supply of large portfolios means that investors can only increase their holdings by acquiring smaller residential portfolios.

- Of the purchasers in 2018 known by name, almost 38% were investing in the German residential market for the first time in the last ten years. This further growth in the investor base is likely to ensure further high levels of investment activity in 2019, with the transaction volume likely to exceed €15bn once again.
Key figures at a glance

### TABLE 1

**Transaction volume and prices at a glance**

<table>
<thead>
<tr>
<th></th>
<th>Transaction volume (€m)</th>
<th>Traded units</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1 - Q4 2018</td>
<td>Annual change</td>
</tr>
<tr>
<td>A-Cities</td>
<td>6,247</td>
<td>-12%</td>
</tr>
<tr>
<td>B-Cities</td>
<td>2,233</td>
<td>-16%</td>
</tr>
<tr>
<td>C-Cities</td>
<td>1,989</td>
<td>+65%</td>
</tr>
<tr>
<td>D-Cities</td>
<td>1,195</td>
<td>-3%</td>
</tr>
<tr>
<td>Other</td>
<td>3,424</td>
<td>+2%</td>
</tr>
<tr>
<td>Germany</td>
<td>15,088</td>
<td>-3%</td>
</tr>
</tbody>
</table>

Source: Savills / Note: based on the Bulwiengesa classification

### GRAPH 1

**Transaction volume**

![Graph image](image_url)

Source: Savills

### GRAPH 2

**Deal size and number of transactions**

- **Average number of units per transaction, past 12 months rolling (left axis)**
- **Number of transactions, past 12 months rolling (right axis)**

![Graph image](image_url)

Source: Savills

### GRAPH 3

**Traded units by size**

- 50 < 100 units
- 100 < 250 units
- 250 < 1,000 units
- 1,000 < 5,000 units
- > 5,000 units

![Graph image](image_url)

Source: Savills

### GRAPH 4

**Development of prices**

- A-Cities
- B-Cities
- C-Cities
- D-Cities
- Germany

![Graph image](image_url)

Source: Savills / Note: always past 12 months rolling
Market players and development of prices

GRAPH 5
Transaction volume by origin of buyer

Source: Savills

GRAPH 6
Transaction volume by origin of seller

Source: Savills

GRAPH 7
Transaction volume by type of investor

Source: Savills

GRAPH 8
Traded units by type of city

Source: Savills / Note: based on the Bulwiengesa classification

TABLE 2
The largest transactions of the last 12 months*

<table>
<thead>
<tr>
<th>Date</th>
<th>Name of portfolio Location(s)</th>
<th>Number of units</th>
<th>Volume (£m)</th>
<th>Buyer</th>
<th>Seller</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 18</td>
<td>Buwog-Acquisition</td>
<td>ca. 27,180</td>
<td>undisclosed</td>
<td>Vonovia SE</td>
<td>Buwog</td>
</tr>
<tr>
<td>Aug 18</td>
<td>Century i. a. Berlin, Hamburg</td>
<td>ca. 3,700</td>
<td>ca. 900</td>
<td>PFA Pension, Domicil</td>
<td>Industria GmbH</td>
</tr>
<tr>
<td>May 18</td>
<td>Berlin, Brandenburg, Magdeburg</td>
<td>2,500</td>
<td>undisclosed</td>
<td>Blackstone Group Deutschland GmbH</td>
<td>i. a. Kauri CAB, Apeiron Capital Ltd.</td>
</tr>
<tr>
<td>Oct 18</td>
<td>primarily Northern Germany</td>
<td>3,547</td>
<td>undisclosed</td>
<td>ZBI Zentral Boden Immobil- ien AG, Union Investment</td>
<td>unknown Investor</td>
</tr>
<tr>
<td>Oct 18</td>
<td>Düsseldorf</td>
<td>450</td>
<td>undisclosed</td>
<td>Vivawest Wohnen GmbH</td>
<td>BEMA Rheinland Projekte, ABG-Unternehmensgruppe</td>
</tr>
</tbody>
</table>

Source: Savills / * only published transactions are shown
Savills Germany

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- Debt Advisory
- Valuation

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