

G&B Real Estate Market Survey

Commercial | Investment

2022/Q1-3

Berlin



Photo: © Norbert Braun-unsplash.com



Investors continue to hesitate in view of interest rates

At €6.3bn, it was apparent that the total volume of transactions had dipped only slightly below the €6.4bn posted in the prior year (-2%).

Total transactions were thus well above the ten-year average of €4.8bn. This 3rd-quarter result owes much to six transactions in which properties sold for more than €100m.

The 3rd-quarter sale of the "Voltair" office building played a large part in making this price category so predominant. This sale also acts as a reference for the transactions which are still being concluded: sustainable new-builds in top locations whose tenants have good credit ratings.

Outlook

Due to the large number of big-ticket real estate on the market and the fact that many players urgently need to identify investment opportunities, 2022 is expected to close with a transaction volume of some €9bn, despite the challenging economic environment. Overall, there are no signs that the present market will produce an exceptional year-end rally.

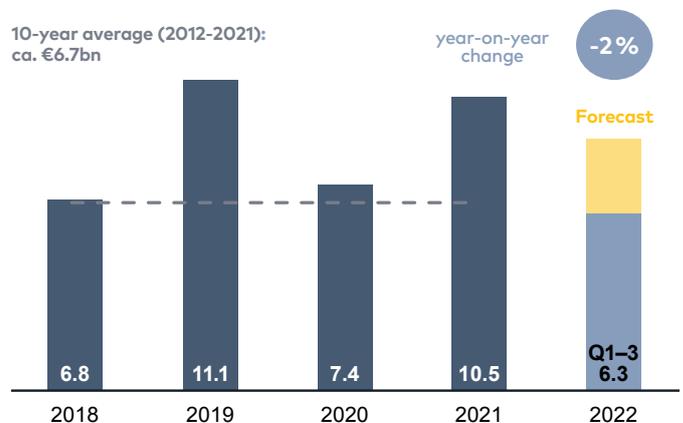
Even if Berlin is clearly a focal point for national and international investors, and the letting market is weathering the crisis very well, the overriding worry is that external factors could deteriorate.

Sandra Ludwig | Managing Director

>> Despite a strong letting market and the ongoing availability of cash, decisions to purchase a specific property are fewer and further between. It is difficult to plan any investment scenarios in view of a potent mix of rising interest rates and construction costs, increased geopolitical tensions and an energy crisis, the full impact of which is as yet unknown. <<

Transaction volume

2018-2022 | Berlin | in € bn



Source: Grossmann & Berger GmbH

Commercial Investment

Berlin | Key Facts

2022/Q1–3



Photo: Grossmann & Berger GmbH

**TOP
4**

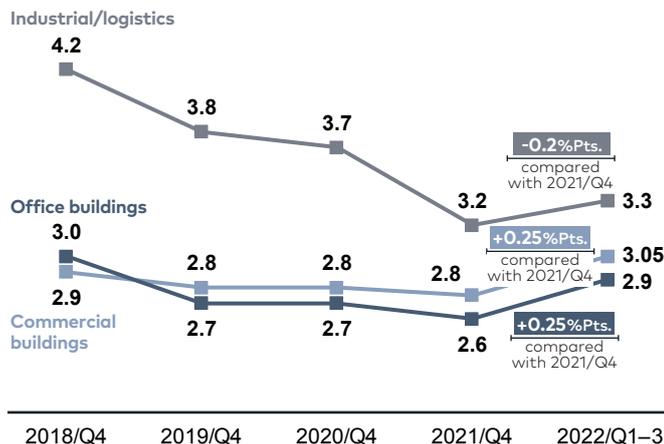
Top contracts

2022/Q1–3 | Berlin | Selection

- "Sony-Center" | Office | ca. €677m**
 Potsdamer Platz 2 | Tiergarten | Investor: Norges Bank Investment Management/Norwegian Government Pension Fund Global
- "Voltair" | Office | ca. €457m**
 Voltairestr. 2a | Mitte | Investor: Norges Bank Investment Management/Swiss Life Asset Managers
- "QH Core" & "QH Spring" | Office | ca. €456m**
 Heidestrasse 5 | Hauptbahnhof, Europacity | Investor: Vivion
- "Sheraton Berlin Grand Hotel" | Hotel | ca. €116m**
 Lützowufer 15 | Kreuzberg
 Investor: Deutsche Finance International (DFI)

Prime yields

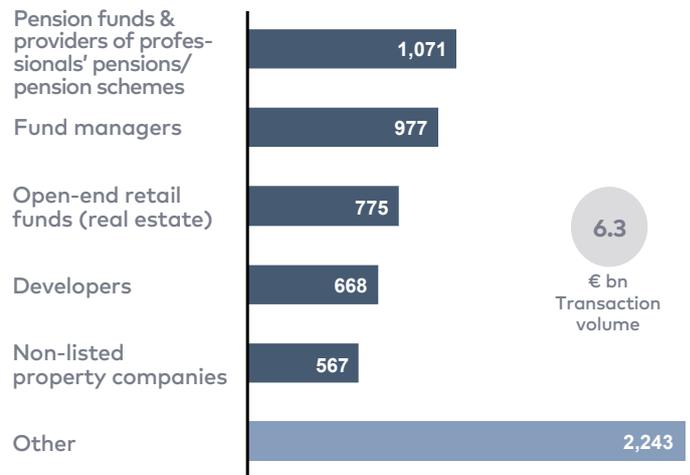
2018–2022/Q1–3 | Berlin | (Net) initial yield | in %



Source: Grossmann & Berger GmbH

Investor groups

2022/Q1–3 | Berlin | Transaction volume | in € millions



Source: Grossmann & Berger GmbH



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We draw your attention to the fact that all statements made here are non-binding. Most of the information is based on third-party reports. The sole intention of this market survey is to provide general information for our clients.

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