

# G&B Real Estate Market Survey

Commercial | Investment

2024/Q1

Berlin



Photo: © Norbert Braun-unsplash.com



## Caution persists – retailers dominate the market

Players in Berlin's market for investments in commercial properties remained cautious in the 1st quarter of 2024. The transaction volume of €600m fell 14% short of the prior year's total. Year on year the proportion of big-ticket trades, i.e. properties costing more than €100m, slipped from 67% to 47%. However, the actual number of transactions noted rose by some 50%.

In the period up to the end of March, retail properties were predominant, comprising 42% of the market; this was largely due to the sale of Karstadt department store on Berlin's Müllerstrasse. Second and third places went to hotels (23%) and office buildings (19%).

## International investors remained wary

Year on year, the share of foreign capital invested in commercial real estate fell by 69% in the first quarter to only about €150m. Some €67m was spent on portfolio trades, 250% more than a year ago.

## Prime yields on all classes of asset continue to rise

Prime yields continued to grow and have now drawn level at 4.40% on office buildings as well as on industrial and logistics real estate. The only change against the last quarter of 2023 is a renewed increase in the prime yield on office assets.

## Stefan Olsson | Head of Investment Berlin

>> As in 2023 there is still too big a gap between market price and book value. Several surveys do, however, indicate that the mood is brightening. In the 2nd half year we are expecting to see slightly more transactions than in 2023, both in the core and value-add segments. Demand is recovering, whereby investors are definitely focussing on good locations. Therefore it would appear realistic to expect the final total transaction volume for 2024 to be as much as 4.0 billion euros. <<

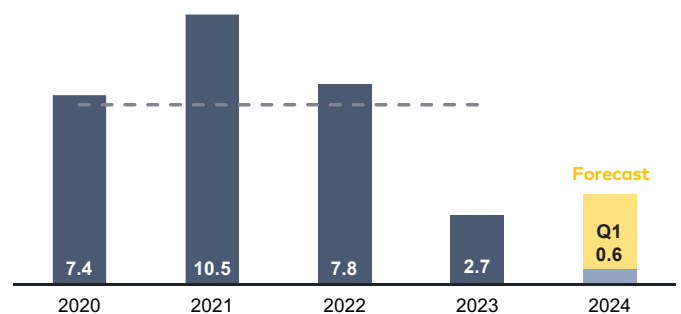
## Transaction volume

2020–2024 | Berlin | in € bn

10-year average (2014–2023):  
ca. €7.0bn

year-on-year  
change

-14%



Source: Grossmann & Berger GmbH

# Commercial Investment

Berlin | Key Facts

2024/Q1

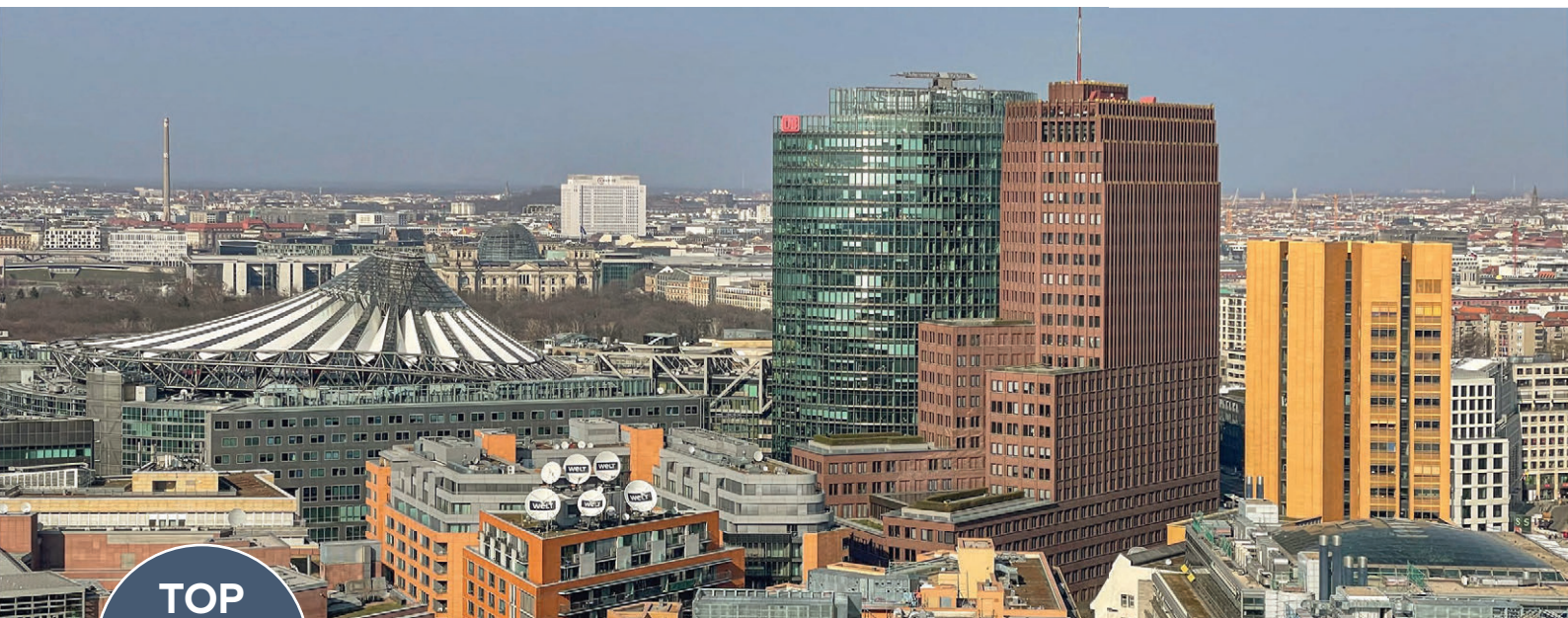


Photo: Grossmann & Berger GmbH

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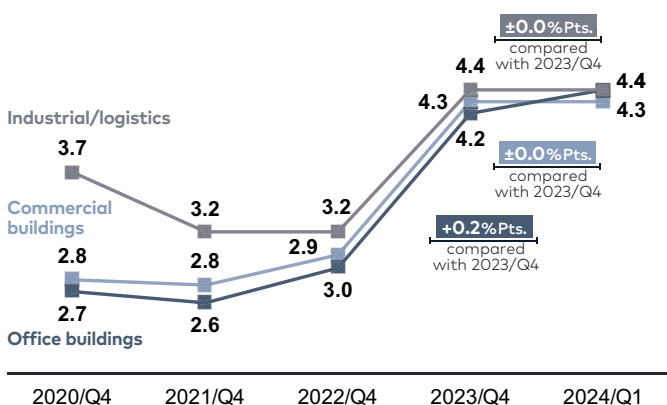
## Top contracts

2024/Q1 | Berlin | Selection

- 1 | Grand Hotel de Rome | Hotel | confidential**  
Behrenstraße 37 | Mitte 1a  
Investor: Confidential
- 2 | Karstadt Müllerstrasse Berlin | Retail | confidential**  
Müllerstrasse 25 | Periphery North  
Investor: Versicherungskammer Bayern (VKB)
- 3 | Haus Koch F210 | Office | confidential**  
Friedrichstrasse 210 | Mitte 1a  
Investor: Erith + Klein
- 4 | BONAVA-Quartier HUGOS | Retail | confidential**  
An der alten Gärtnerei 1 | Periphery South  
Investor: Hansa Invest Hanseatische Investment

## Prime yields

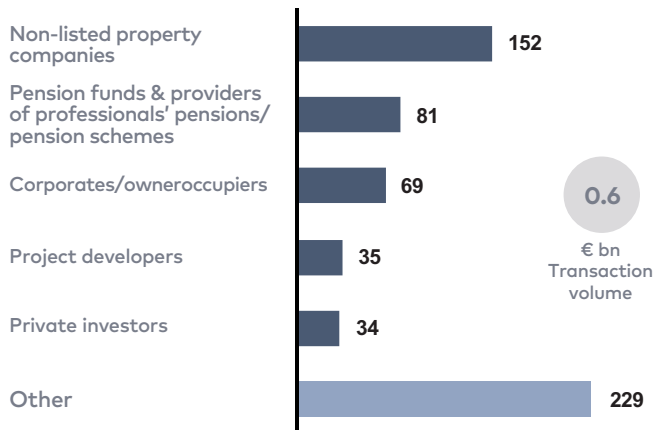
2020–2024/Q1 | Berlin | (Net) initial yield | in %



Source: Grossmann & Berger GmbH

## Investor groups

2024/Q1 | Berlin | Transaction volume | in € millions



Source: Grossmann & Berger GmbH



## Contact

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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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