

Press release, 8 June 2026

Trendbarometer Survey: Geopolitical developments increase the requirements for commercial real estate financing – banks are the preferred partner

The situation in Iran and other geopolitical tensions are a key concern for the real estate sector – they are influencing financing conditions, investment decisions and the role of banks in the market. The latest Trendbarometer survey conducted by Berlin Hyp shows how clearly these developments are already reflected in the market – and highlights the importance of banks and alternative lenders in this environment.

- **Geopolitical developments tangibly changing framework conditions in commercial real estate finance**
- **The market responding with heightened risk awareness and greater caution**
- **Banks remain the central pillar of financing**

In its latest Trendbarometer, Berlin Hyp surveyed more than 160 real estate professionals regarding their assessment of the German market. The results make it clear that current geopolitical tensions – particularly those surrounding Iran – are having lasting effects on commercial real estate financing, while at the same time confirming the role of banks as key financing partners.

“Sustained developments around Iran have long since found their way into decision-making processes in commercial real estate finance. Rising refinancing costs, a higher level of interest rates and additional risk premiums are changing the structure of many financings. We are seeing a market operating in a challenging environment that nevertheless remains pro-active and responsive: risks are being managed more consciously, cash flows and letting are being scrutinised more carefully, and investments are being executed in a much more selective manner,” said Sascha Klaus, Member of the Board of Managing Directors of LBBW and at the same time Chair of the Management Board of Berlin Hyp.

Iran crisis having tangible impact on financing conditions – majority expects increasing strain from costs, margins and market activity

The survey of market participants first of all makes it clear that the Iran crisis is already having an impact on financing decisions for their own projects today or, in the view of respondents, will do so in the foreseeable future. In response to the question “Do you see concrete effects of the Iran crisis on your commercial real estate financing?”, around 44% of those surveyed stated that they are already seeing specific effects today. A further 15% expect short-term effects, while 17% are anticipating more medium- to long-term consequences. By contrast, 17%

currently see no effects, and 6% are currently unable to assess the situation reliably.

The effects are most pronounced in refinancing costs and interest rate levels, cited by 35% of participants. Also in strong focus are risk premiums and margins (17%) as well as banks' willingness to provide financing (13%). At the same time, many market participants expect consequences for valuations and purchase prices of commercial properties (12%) and for overall transaction volumes (also 12%). Respondents see demand for new financings (8%) and demand for follow-on or extension/prolongation financings (2%) as less heavily affected. The Iran crisis is therefore perceived above all as a driver of higher financing and risk costs, with tangible knock-on effects on prices and market activity.

Market responds with more conservative strategies and more selective investments

Market participants' reactions to current geopolitical risks – including the Iran crisis – reflect a clear tightening of risk awareness and caution. In response to the question “How are you responding to current geopolitical risks (incl. the Iran crisis) in your financing and investment strategy?”, respondents most frequently cited greater consideration of letting and macroeconomic risks (24%) as well as a more critical view of the investment market due to political framework conditions (19%).

Many market players are actively responding to rising interest rates, for example by opting for longer interest-rate lock-in periods or higher repayments (16%), and are contributing more equity (14%). 12% of survey participants plan to postpone or reduce investments, 8% wish to use the situation to make counter-cyclical acquisitions, and 6% currently see no need to adjust their strategy.

Overall, this reveals a market that is being monitored with heightened attention, in which investors and lenders are deliberately adjusting their strategies – with a sharper focus on risk and cash flow, more conservative capital structures and more selective investment decisions. In such a challenging environment, reliable partners are needed who can provide targeted support with structuring issues, the allocation of risks and the provision of long-term financing, while a smaller group of market participants is consciously using the increased volatility for counter-cyclical commitments.

Banks remain the first port of call for commercial real estate finance

Another focus of the Trendbarometer is the role of banks compared with alternative lenders such as debt funds, insurance companies or private debt providers. The current survey shows that banks are by far the most important pillar for commercial real estate financing. In response to the question “How do you currently assess the role of banks compared with alternative lenders?”, 58% of respondents stated that banks are significantly more important to them than alternative lenders. For a further 19%, banks are somewhat more important, and 16% consider banks and alternative lenders to be equally important.

By contrast, only 4% attribute a somewhat greater importance to alternative lenders than to banks, while 3% regard alternative lenders as significantly more important.

Overall, the survey underlines that banks are currently clearly seen as the primary financing partners, while alternative lenders play mainly a complementary role, for example for specific structures or to broaden the financing mix.

Particularly in an environment characterised by uncertainty and geopolitical risks, this underscores the importance of long-established banking partners with market expertise and structuring competence.

Banks take longer to review – Financings are taking more time

In parallel, participants were asked how they perceive the development of processing and decision-making times at banks over the past 12–24 months. The responses reveal a clearly differentiated picture, though overall one of lengthier processes: 38% of respondents report that processing and decision-making times have become significantly longer, and a further 33% regard them as somewhat longer. 28% feel that decision-making times have remained roughly the same. Only 1% speak of somewhat shorter and 1% of significantly shorter times. The results suggest that banks are deliberately deepening their review processes in the current market environment – with a stronger focus on risk analysis, cash-flow quality and the sustainability of collateral values. For borrowers, this often means a greater time commitment, but at the same time ultimately higher transaction certainty and more reliable financing structures.

Overall picture

Taken as a whole, Berlin Hyp's Trendbarometer paints the picture of an industry that is positioning itself cautiously but remains capable of acting in an environment characterised by geopolitical risks. The Iran crisis is affecting commercial real estate financing primarily via interest and refinancing costs, risk premiums, valuations and transaction volumes. Banks remain clearly at the centre of financing activity, while alternative lenders are gaining in importance in specific areas.

About the Berlin Hyp Trendbarometer

For more than ten years, Berlin Hyp has been publishing its expert survey "Trendbarometer". Real estate specialists from Germany and abroad use the survey to provide an assessment of the German real estate market for the current property year and a perspective on further developments.

More than 160 real estate experts took part in the current survey in May. You can find the detailed results in the attached evaluation. They are also available on the Berlin Hyp website.

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About Berlin Hyp:

Berlin Hyp is the centre of expertise for commercial real estate financing within the LBBW Group. With a direct presence in Germany and the core markets in Europe and North America, comprehensive expertise, and modern processes, we support investors and real estate companies in realizing their goals. We combine the agility of a specialist financier with the stability and broad range of services of a leading mid-tier universal bank. We provide German savings banks with a broad range of commercial real estate financing products. With our comprehensive range of services and driven by our commitment to being the most modern and sustainable real estate financier, we create new opportunities.