

Press Release, 11 March 2026

## Berlin Hyp Trendbarometer: Germany remains solid CRE location – debt capital providers act selectively

International investors are keeping a close eye on Germany, its economy and the commercial property market. The latest trend barometer survey by commercial property financier Berlin Hyp shows how the German market is currently perceived – and which topics are the focus for investors and financiers:

- **Germany as core investment location**
- **Risks: Economic cycle instead of interest rates**
- **Debt capital: selective instead of comprehensive**

In the latest trend barometer, Berlin Hyp surveyed more than 100 real estate professionals on their assessment of the German market.

### **Germany: Stable, high-quality market**

Germany retains its attractiveness as an investment location for commercial property and is perceived as a stable and high-quality market. This attractiveness is primarily fuelled by robust use types, high liquidity and a reliable legal framework – typical of a core investment location. This is reflected in the survey results on the factors that currently make the German CRE investment market particularly attractive in an international comparison.

At 28%, high property quality and building standards are most frequently cited as an individual national advantage – a clear sign of confidence in the perceived high material quality of the German market. Structurally robust segments such as residential, logistics and food retail are also an important attraction factor at 21%. Stable legal framework conditions (19%) and attractive entry prices following price correction (17%) emphasise the profile of a reliable core market.

Other positive factors such as high market liquidity and diversification across types of use (6%), value-add opportunities in structural change (5%) and a high proportion of foreign investors (3%) complete the overall robust location picture.

### **On the risk side, macroeconomic and structural issues dominate**

But where there is light, there is also shadow. When asked about the factors that diminish Germany's attractiveness as a business location, a weak economy and an uncertain macroeconomic environment were cited

as the most significant negative factors by 32% of participants. Structural problems in the office segment – above all vacancies and further price adjustments – come second with 22% and show that office property continues to be a problematic field. A subdued transaction and financing environment (18%) signals that available liquidity currently only has a limited effect. High regulation, bureaucracy and political location uncertainty (17%) are perceived as a noticeable burden. Segment risks and selective demand (4%) as well as interest rate and yield uncertainties (7%), on the other hand, play a visibly smaller role.

The results show that the greatest risks for the German CRE market are seen less in the interest rate system or in classic property risks, but rather in the overall economic situation, political and regulatory uncertainties and the pressure to transform the office segment. Germany as a location is thus perceived as structurally solid, yet challenged by the economic cycle as well as by regulation and bureaucracy.

### **Clear segment differentiation instead of blanket restraint**

The participants' opinion on the willingness of lenders to take risks is clear. At 60%, segment-differentiated risk aversion is the predominant assessment, showing that lending depends heavily on the type of use, location and property quality. 15% of respondents see a significant decline in risk appetite. Selectively higher risk appetite for core/core+ properties is reported by 12% - good locations and products continue to be actively financed. An unchanged risk appetite (10%) and temporarily increased risk appetite (3%) play a subordinate role.

Lenders are selective in their approach. Clearly positioned core properties with strong sponsors therefore continue to have good access to debt capital. Weaker segments, particularly offices with structural challenges, must expect more restrictive lending practices.

### **Debt capital for foreign investors: more equity, stricter conditions**

For foreign investors, the framework conditions for debt financing have tightened noticeably. At 27%, lower loan-to-value ratios are the most important adjustment factor – higher equity ratios are expected. Stricter covenants and more intensive monitoring follow at 25%; loan agreements will be noticeably more stringent. Significantly higher margins and risk premiums are expected by 21% of respondents – risks are priced in transparently. A stronger focus on sponsor quality (14%) puts the creditworthiness, experience and reliability of investors centre-stage. More structured financing (4%) and shorter terms and fixed interest rates (6%) were also mentioned.

From the perspective of foreign investors, the German debt capital market is clearly risk-sensitised. The new normality includes more equity, stricter contracts and monitoring and higher spreads and risk premiums. This makes the market safer for lenders and at the same time more demanding and selective for investors.

**Germany competes primarily with other European markets**

The opinion is clear. Western Europe (excluding Germany) – specifically France, Benelux states and Scandinavia – is perceived as the strongest competitor with 41%. Southern Europe (including Spain, Italy, Portugal) follows with 20%. Central and Eastern Europe (e.g. Poland, Czech Republic, Hungary) account for 16%, while North America currently only plays a minor role with 5%.

**About the Berlin Hyp Trendbarometer:**

Berlin Hyp has been publishing the "Trendbarometer" expert survey for over ten years. In the survey, real estate experts from Germany and abroad provide an assessment of the German real estate market in the current real estate year and an outlook for future developments.

More than 100 property experts took part in the current survey in March. The detailed results can be found in the attached analysis and on the Berlin Hyp website.

**Press contact**

Nicole Hanke  
Communications CRE  
T +49 3025 9990  
[nicole.hanke@berlinhyp.de](mailto:nicole.hanke@berlinhyp.de)

**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.