

Press Release, 22nd October, 2025

## Berlin Hyp Trendbarometer: Real estate sector still divided on market recovery in 2026

Just over 650 real estate professionals participated in Berlin Hyp's annual "Trendbarometer" survey at Expo Real. The survey conducted by LBBW's real estate financier focused on the industry's view of the situation on the transaction market.

- **Experts divided on timing of market recovery**
- **Family offices and foreign investors dominate market activity**
- **Success rate for transactions higher than expected**

"The transaction market is the most important indicator of the state of the real estate sector," said Sascha Klaus, Chair of the Board of Management at Berlin Hyp and member of the Board of Managing Directors at LBBW. "The results of our survey at Expo Real show where the key issues currently lie. The really big transactions are still lacking. At the same time, however, we also see the opportunities that continue to exist in the residential and logistics sectors, for example. I would also like to advocate for the office sector. After all, the shift to sustainability and the increasing rediscovery of the office as an anchor point of corporate culture certainly offer opportunities here and there."

### **Key results from the survey:**

The opening question "**When do you think activity on the transaction market will pick up again overall?**" is now a long-running issue and continued to be the subject of lively discussion at the trade fair. This is due to the fact that market activity remains sluggish. Nevertheless, hopes of an upturn are still alive and well – 44% expect it to occur in the coming year, whereas 36% are already looking to 2027. Only twelve percent of respondents expect transaction activity to pick up even later.

The transaction market may not yet have regained its old form – but that does not mean that there is no background activity. The question is rather how many of these purchase and sale negotiations will come to a successful conclusion. For example, when asked "**What percentage of the transactions (purchases as well as sales) that your company is involved in will be completed successfully this year?**", 32% stated a range of between 40% and 60%. A further 31 percent rated it between 20 and 40 percent. It is worth noting that only very few, namely five percent, claim to achieve a rate of more than 80 percent of successful transactions.

When something happens on the transaction market, who is currently

most involved? The question **"In your opinion, which players are currently most active on the transaction market?"** revealed that family offices (45%) are particularly active at the moment, followed by foreign investors (33%). The former presumably recognize opportunities for long-term investments in the current market situation. For foreign investors, the German market offers security and, despite all the challenges, a relatively stable economic situation. Private investors (22 percent) and domestic institutional investors (20 percent) formed the midfield. Market activities by the public sector (8 percent) are currently noticed least – this could possibly change soon due to the federal government's investment package.

The question **"In your opinion, which alternative forms of financing (non-bank financing) are currently particularly strong on the market?"** dealt with the topic of non-bank financing. Due to the fact that bank lending has been perceived as rather restrictive in recent years, gaps in capital are increasingly being closed by means of other, alternative forms of financing. In particular, equity instruments such as private equity (44%) and credit funds (43%) appear to dominate. Mezzanine capital (28%) is also popular, followed by promissory note loans in their various forms. In view of the wave of refinancing that has already begun, these alternative financing options could become even more important.

There was little change in terms of asset classes: **"In which asset class do you currently see the most potential for an economic upturn in the near future?"** was enquired at the end of the survey. Despite the persistently low level of new residential construction activity, 47 percent of respondents see the greatest potential here – and presumably also the greatest security through stable rental income. Meanwhile, despite the difficult economic environment, logistics remains in second place with 23 percent. By comparison, the office asset class (9 percent), whose slow recovery is not yet reflected in the survey results, is lagging behind. The retail sector – food: 8 percent / non-food: 4 percent – also barely scored any points with the respondents, although there are some positive signals here.

### **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 650 real estate experts took part in the current rendition (survey period: October 6 to 8, 2025).

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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.