

# 61% in GRI survey bullish about German real estate

61.2% of respondents to a GRI survey expect real estate markets to perform well/very well over the next year.

The outlook for Germany's real estate market is bullish, according to a recent GRI Barometer survey of real estate leaders in Germany. Asked how they expect German real estate to perform over the next twelve months, 61.2% of respondents said that they expect the market to perform either 'well' or 'very well', whilst 34.7% expect it to perform 'OK'.

Reflecting their bullish view of the real estate market, 48% of respondents report that they are either investing or expanding their business in Germany, although 42% are observing or waiting to make decisions.

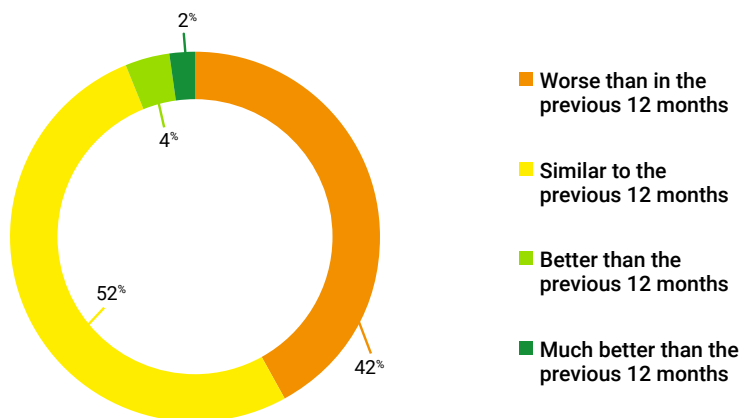
At present, interest rate rises are not a major concern, like they were last year: 72% of survey respondents do not believe that interest rates pose a risk to Germany's real estate markets in

the coming 12 months. On the other hand, construction costs in Germany remain an issue for many market participants: 69.4% of survey respondents think that costs need to fall, while just 16.3% say that they are sustainable.

Respondents to the GRI Barometer survey represent a full range of investors, fund managers and developers at the most senior levels, including chairmen, CEOs, partners, managing partners and managing directors, all of whom invest in or have operations in Germany.

GRI Barometer surveys measure views on economic outlook, which cities and which sectors offer the best opportunities, and which sub-sectors respondents are tracking or investing in right now.

## German economy: expected performance in next 12 months



Germany's economic outlook is mixed:

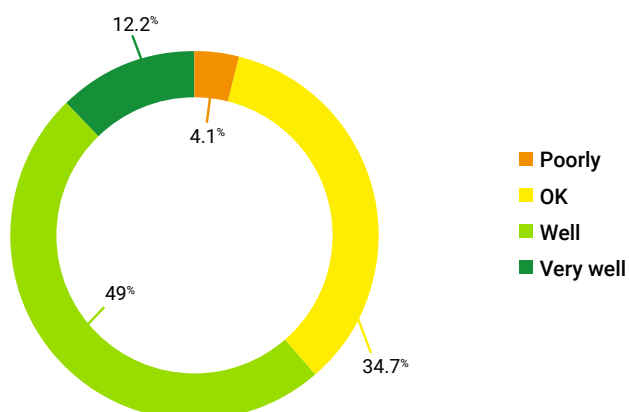
**58%**

of respondents expect Germany's economic performance to be similar, better or much better in the next 12 months, compared to the last 12 months, but

**42%**

expect it to be worse.

## German real estate market: expected performance in next 12 months



Respondents have a much more upbeat view of Germany's real estate market than of Germany's economy:

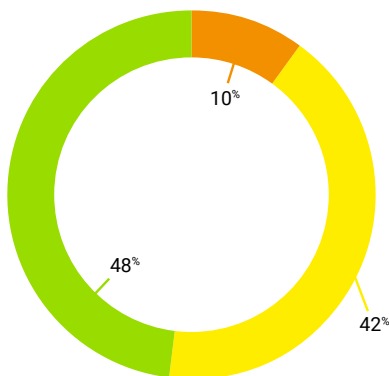
**61.2%**

expect Germany's real estate market to perform either 'well' or 'very well' in the next 12 months, whilst

**34.7%**

expect it to perform 'OK'.

## Business strategies in Germany



- Divesting / Reducing level of business
- Observing / Waiting to make decisions
- Investing / Expanding business

**48%**  
of respondents are either investing or expanding their business in Germany, although

**42%**  
are observing or waiting to make decisions.

## Top sectors in Germany

- |                    |                          |
|--------------------|--------------------------|
| 1 Residential      | 4 Warehouses & Logistics |
| 2 Offices          | 5 Hotels                 |
| 3 Development Land | 6 Retail                 |

**Residential** is considered the sector that offers the best opportunity in Germany right now, followed by **Offices** and **Development Land**.

## Top sub-sectors in Germany

- 1 Build-to-Rent
- 2 Affordable Housing
- 3 Student Housing
- 4 Micro-living
- 5 Mixed Use
- 6 Co-Living
- 7 Co-Working
- 8 Senior Living
- 9 Other
- 10 Healthcare
- 11 Data Centers

**Build-to-Rent** leads **Affordable Housing** and **Student Housing** as the sub-sector which most respondents are tracking or investing in right now.

## Top cities in Germany

- 1 Berlin
- 2 Frankfurt
- 3 Hamburg
- 4 Other
- 5 Düsseldorf
- 6 Munich
- 7 Cologne
- 8 Nuremberg
- 9 Stuttgart
- 10 Hanover
- 11 Bremen

**Berlin, Frankfurt** and **Hamburg** are Germany's top three cities, presenting the most promising real estate opportunities in the coming 12 months.