

Results for 2025Q1

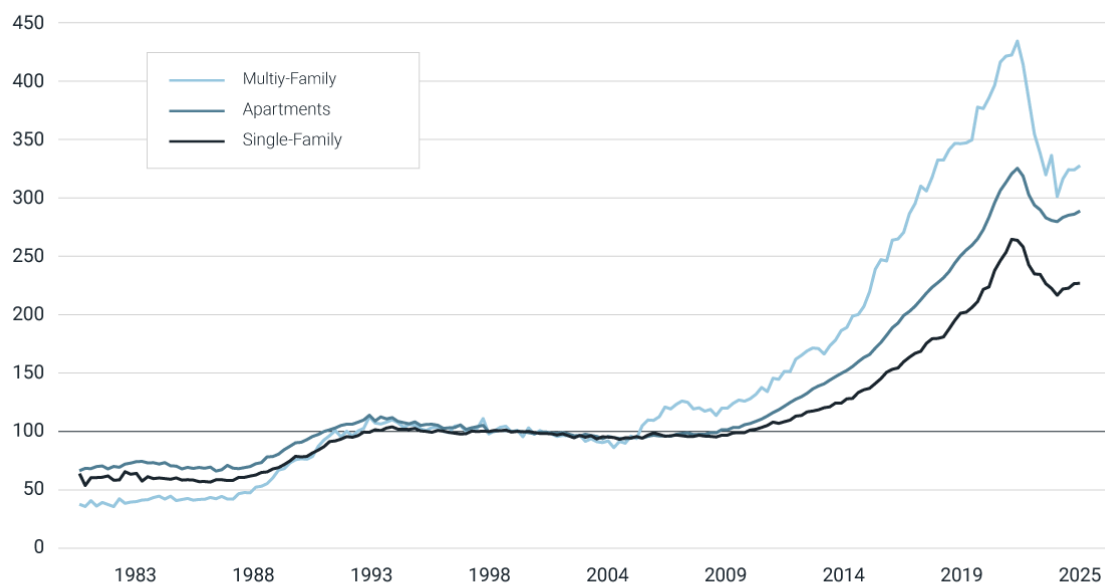
Despite uncertain times: House prices are rising significantly

Bonn & Kiel, 08.05.2025 - Prices for residential real estate in Germany rose significantly in the first quarter of 2025, particularly in several major cities. Despite ongoing economic and monetary policy uncertainties, the market for apartments, single-family homes, and multi-family homes is gaining momentum. These insights are based on the latest update of the German Real Estate Index (GREIX), a joint project of the local expert committees for property values (Gutachterausschüsse für Grundstückswerte (GAAs)), ECONtribute, and the Kiel Institute for the World Economy (IfW Kiel).

Price development market segments

GREIX, Index, nominal, 2000=100

GREIX



The GREIX is a joint project of the local expert committees, ECONtribute and the Kiel Institute tracking real estate price trends of currently 21 German cities and regions.

» 2025 Q1, as of May 8th, 2025

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Apartment prices rose notably after remaining stable in the previous quarter. Compared to the **previous quarter (Q1 2025 to Q4 2024)**, apartment prices increased by

1.0 percent.

Prices for **single-family homes** stagnated, showing only a minimal increase of 0.1 percent. However, price growth in this segment had already been stronger in the previous quarter. **Multi-family homes** are 1.1 percent more expensive. Due to the low number of transactions in this segment, however, there is a high degree of volatility, which limits the informational value of this figure.

Adjusted for inflation, the price changes are only slightly lower, as the inflation rate in the first quarter of 2025 was very low.

Price development market segments

GREIX, Index, nominal, Change in %



	Previous Quarter	Previous-Year Quarter
Apartments	+ 1.0 %	+ 3.2 %
Single-Family Houses	+ 0.1 %	+ 4.7 %
Multi-Family Houses	+ 1.1 %	+ 8.7 %

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A comparison with the same quarter of the previous year (**Q1 2025 to Q1 2024**) clearly shows the strength of the recent price growth — despite the rise in mortgage rates at the start of the year and concerns about a global recession. **Apartment** prices increased by 3.2 percent year-over-year. The increase for **single-family homes** was as high as 4.7 percent, while **multi-family homes** rose by 8.7 percent. These year-over-year figures represent the highest price growth since mid-2022.

Number of Housing Transactions. The figures for the first quarter of 2025 already confirm the trend that emerged in the previous quarter, namely that the number of transactions has increased significantly. Compared to the **previous year's quarter (2024 Q4 to 2023 Q4)**, 34 percent more **apartments**, 17 percent more **single-family homes** and 32 percent more **multi-family homes** were sold. The final changes in the current quarter 2025 Q1 compared to previous periods cannot yet be determined because, as described in the methodology, some sales may not yet have been recorded.

Despite these developments, market activity in the real estate market remains below historical highs. In the fourth quarter of 2024, 17 percent fewer apartments and 13 percent and 15 percent fewer single-family homes and multi-family homes, respectively, were traded compared to the record quarter of 2020 Q4.

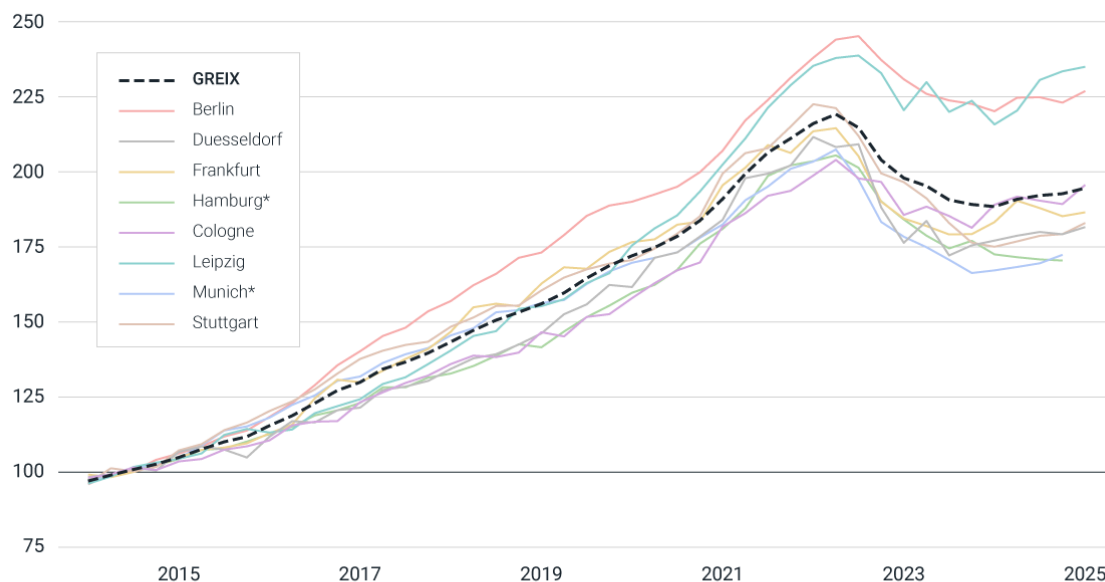
Major German Cities. In the eight largest German cities (Berlin, Düsseldorf, Frankfurt am Main, Hamburg, Cologne, Leipzig, Munich and Stuttgart), property prices have risen across the board, albeit to varying degrees.

Compared to the **previous quarter (Q1 2025 to Q4 2024)**, apartment prices rose the most in Cologne (+3.4 percent). In Stuttgart (+2.1 percent) and Berlin (+1.7 percent), apartments also became noticeably more expensive. The housing markets in Düsseldorf (+1.3 percent), Frankfurt (+0.7 percent), and Leipzig (+0.6 percent) recorded moderate increases in sales prices.

Note: No transaction data is yet available for Hamburg and Munich for the first quarter of 2025.

Price development major cities and GREIX

Apartments, Index, nominal, 2014=100



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Price development major cities and GREIX



Apartments, Index, nominal, Change in % compared to previous-year quarter

	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1
GREIX	- 8.4	-10.9	-11.2	- 7.3	- 4.8	- 2.3	+ 0.8	+ 1.9	+ 3.2
Berlin	- 3.0	- 7.4	- 8.7	- 6.2	- 4.6	- 0.6	+ 0.5	+ 0.2	+ 3.0
Duesseldorf	- 16.6	- 11.8	- 17.7	- 6.7	+ 0.4	- 2.7	+ 4.5	+ 2.1	+ 2.5
Frankfurt	- 13.6	- 15.2	- 12.7	- 5.7	- 0.6	+ 4.6	+ 4.9	+ 3.3	+ 1.8
Hamburg	- 9.5	- 13.0	- 13.3	- 6.9	- 6.3	- 4.0	- 2.1	- 3.7	-
Cologne	- 6.6	- 7.6	- 6.3	- 7.8	+ 1.8	+ 1.8	+ 2.8	+ 4.3	+ 3.5
Leipzig	- 6.3	- 3.4	- 7.8	- 4.0	- 2.2	- 4.1	+ 4.8	+ 4.4	+ 8.9
Munich	- 12.3	- 15.7	- 13.5	- 9.3	- 6.3	- 3.8	- 0.7	+ 3.6	-
Stuttgart	- 11.7	- 13.6	- 13.7	- 11.6	- 10.9	- 7.5	- 2.3	+ 1.6	+ 4.5

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Recovery in Prices since the Market Low Points Compared to the low points reached at the end of 2023 or the beginning of 2024, depending on the city, apartment prices are now several percent higher again.

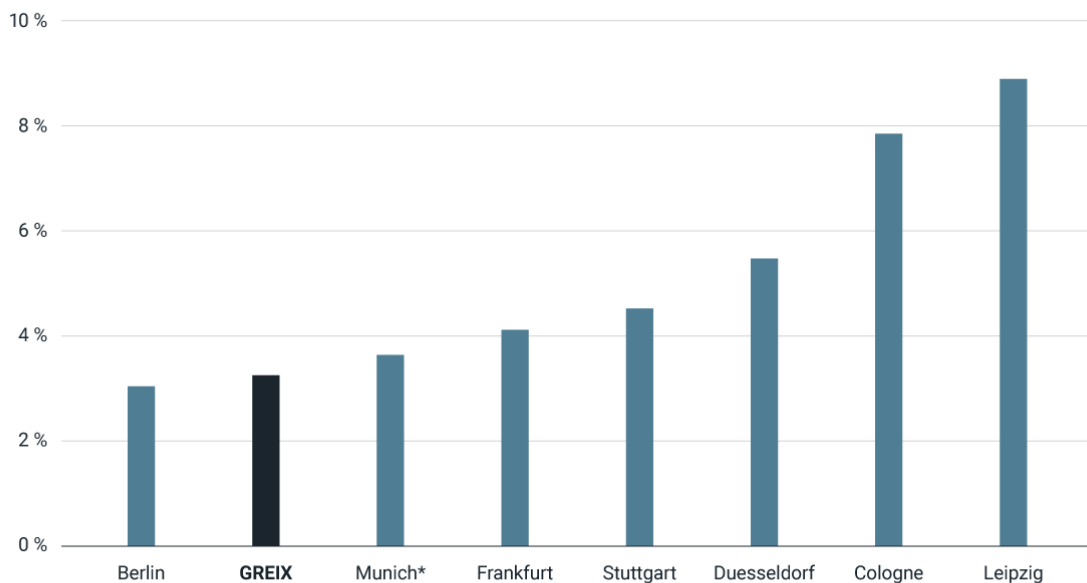
Prices in Leipzig have risen particularly sharply and are already 8.9 percent above their lowest point. There has also been a significant upward trend in Cologne. Prices have risen by 7.8 percent since the end of 2023. The price recovery is also noticeable in Düsseldorf and Stuttgart at 5.5 percent and 4.5 percent respectively.

Price growth is somewhat more moderate in Frankfurt, Munich and Berlin, where the changes amount to 4.1 percent, 3.6 percent and 3.0 percent respectively. Hamburg is the only city among the eight German major cities where prices have not risen yet, with data for the first quarter of 2025 not available at the moment.

The price recovery for the GREIX index, which comprises all 21 cities and regions, is 3.1 percent compared to the low in the first quarter of 2024. This means that almost all major cities have recovered more strongly than the weighted average of the 21 cities and regions included in the GREIX. This indicates that price growth has been weaker outside the metropolitan areas since the beginning of 2024.

Price increase in major cities since bottom

Apartments, Index, nominal, Change in %



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Comparison with the peak. Prospective buyers in particular may see the current window as a good time to enter the market, not only because the lows have been overcome, but also because prices are still well below the all-time highs reached in mid-2022.

Prices for **apartments** are around 11 percent below all-time highs on a weighted average basis. Average prices for **single-family homes** are even further from record levels, at 14 percent. The difference is most pronounced for **multi-family homes**, where the composite index is almost 25 percent below the all-time high.

Other cities. The price trend for apartments outside the metropolitan areas is also largely positive in the first quarter of 2025.

In Karlsruhe and Duisburg prices rose significantly by 3.8 percent and 3.2 percent respectively compared to the **previous quarter (Q1 2025 vs. Q4 2024)**.

In Dortmund and Münster price increases were much more moderate at 0.5 percent and 0.8 percent respectively. In Dresden, prices fell slightly by 0.9 percent, but had

already risen sharply in the previous quarters.

For the first time, GREIX includes data from the expert committee in the county of Mettmann. The county of Mettmann is located in the commuter belt of the metropolitan areas of Düsseldorf and Cologne. The expert committee in the county of Mettmann collects the data for the entire county, with the exception of the cities of Ratingen and Velbert, which each have their own expert committee. Compared to the **previous quarter (Q1 2025 vs. Q4 2024)**, prices for apartments in the county of Mettmann have risen by 0.4 percent, while prices for single-family homes have fallen slightly by 1.5 percent.

Methodology. The GREIX is a price index based on a hedonic regression method. This method mitigates price distortions that often arise when using average price per square meter. For instance, if a high number of large apartments in a prime location are sold in a given year, this can inflate average prices per square meter. However, such fluctuations may not reflect a general increase in real estate values. Using hedonic regression methods, specific property characteristics do not cause upward or downward distortions in the price trend.

Displaying the average price per square meter provides insight into the local price level. However, the actual value of a property depends on its unique characteristics and may deviate significantly from this indication.

Due to the time lag between the notarized purchase of a property and its recording in the purchase price collection of the expert committees, it is possible that individual purchase contracts have not yet been included in the calculation of the indices.

Before we estimate the indices, we clean the data for outliers. For more information about this, please see our documentation at www.greix.de.

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About

→ *What is the GREIX?*

- The GREIX is a real estate price index for Germany based on the purchase price collections of local expert committees, which contain notarially certified sales prices. It tracks the price development of individual cities and neighborhoods back to 1960 and is based on over two million transactions. With the help of this dataset, long-term trends in real estate markets can be analyzed and current developments can be placed in a historical context.

→ *What data and methods are used to create the indices?*

- The local expert committees collect data on all real estate transactions. The price index is estimated using the latest scientific standards and statistical methods (hedonic regression method).

→ *Who is funding the GREIX?*

- The GREIX is funded through public grants and is a project of the DFG-funded Bonn-Cologne Excellence Cluster ECONtribute and the Kiel Institute for the World Economy (IfW Kiel) with the goal of increasing transparency in the real estate market. Various price indexes for 21 cities and regions are freely accessible at www.greix.de. The dataset will be gradually expanded to include more cities.



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Impressum

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