

ImmoScout24 WohnBarometer

Q2 2024

Executive Summary

Every quarter, the "ImmoScout24 WohnBarometer" shows the development of rental and purchase prices in Germany as a whole and in the eight largest metropolitan areas (Berlin, Dusseldorf, Frankfurt (Main), Hamburg, Cologne, Munich, Leipzig and Stuttgart). The analysis is based on the listings for existing and newly built apartments for rent or purchase on Germany's largest online marketplace for real estate, ImmoScout24. The price data is supplemented by information on the relation of demand to supply.

Continued upswing on the real estate market

Buying demand reaches a new high in the metropolises / Record rental prices and demand

- **Purchase demand reaches a new high in metropolises since 2017**
- **Prices for existing flats stabilise and are largely at the previous year's level**
- **New-build flats experience a moderate price correction in the second quarter**
- **Single-family homes show positive price trend and supply increases again.**
- **Demand for rental space has reached a new high across Germany**
- **New-build rents are rising faster than existing rents - with the exception of Berlin and Munich**

Summary

There are increasing signs of a further upturn in the market for property for sale: construction interest rates remain constant, demand continues to rise and financing enquiries are soaring. As a result, there is more and more movement in the real estate market. In seven out of eight cities, asking prices for existing condominiums are stable. Prices for new-build flats are experiencing a moderate correction. The price trend for existing and new single-family homes is predominantly upwards.

Housing in Germany is increasingly in demand. Although this was particularly true for metropolitan areas and their surrounding areas, demand is also intensifying in other cities and even in rural areas. Accordingly, following the moderate rise in rents in the first quarter, asking rents rose sharply in the second quarter, particularly in new builds, while existing properties took a breather.

Buying Market

Interest in buying - as measured by contact enquiries on ImmoScout24 - has increased by 47 per cent year-on-year in the top 8 cities. Here, purchase demand has reached a new high since 2017. This trend is also continuing in the areas surrounding the metropolises (+36%). In the second quarter of 2024, demand reached the level of the first quarter of 2022. In other cities (+39 per cent), demand is higher than it has been for three years. Demand is also rising significantly in rural areas (+30 per cent).

In the second quarter of 2024, asking prices for existing flats remained stable or rose slightly in seven out of eight major cities: In Munich and Leipzig, prices moved sideways compared to the previous quarter, while Stuttgart (+0.5 per cent) and Dusseldorf (-0.3 per cent) showed slight fluctuations. In Berlin (+1.7 per cent) and Cologne (+2.1 per cent), prices are rising more strongly. Among the major cities, prices for existing flats only fell compared to the previous quarter in Frankfurt am Main (-1.3 per cent). On average across Germany, prices also fell slightly by 1.1 per cent.

In the second quarter of 2024, asking prices for new-build flats fall in six out of eight metropolises. On the one hand, this is because the prices of remaining properties have been reduced and, on the other, because the number of new construction projects has decreased and more are being built on the outskirts of cities rather than in the city centre. This results in less dynamic price development. The price correction is largely moderate: At minus 2.8 per cent, Stuttgart recorded the largest price discount among the top 8 metropolises. Hamburg (-2.4 per cent), Frankfurt am Main (-2.0 per cent) and Dusseldorf (-1.3 per cent) follow behind. In Cologne (-0.9 per cent) and Leipzig (-0.6 per cent), prices fell by less than one per cent within a quarter. On average across Germany (-2.1 per cent), new-build prices are also falling slightly. Munich recorded a slight price increase of 0.5 per cent. Here, the average price per square metre of a new-build flat is EUR 10,535. Berlin recorded the strongest price growth with an increase of 1.3 per cent compared to the previous quarter. With a price per square metre of EUR 6,471, the German capital ranks fourth among the most expensive metropolises.

A year-on-year comparison shows that the price corrections in the second quarter had little impact on value development. For example, prices for new-build flats in Stuttgart are 1.0 per cent below the prices of the previous year. In Frankfurt am Main (-1.6 per cent), Dusseldorf (-0.9 per cent) and Hamburg (-0.6 per cent), the year-on-year price differences are similarly small. Leipzig and Cologne recorded increases of 2.4 per cent and 3.1 per cent respectively. Prices for new-build flats are rising most sharply in Berlin. They are 5.1 per cent higher than in the previous year.

Prices for existing single-family homes in Germany showed a positive trend in the second quarter of 2024 (+0.9 per cent). Compared to the previous quarter, Hamburg saw the strongest price growth for existing properties (+2.7 per cent). Prices for existing homes are also rising in Cologne (+1.4 per cent), Stuttgart (+1.4 per cent) and Leipzig (+0.8 per cent). In Berlin (+0.2 per cent) and Dusseldorf (-0.4 per cent), prices are roughly on a par with the previous quarter. In the second quarter of 2024, asking prices for existing homes in Munich fell significantly (-5.2 per cent). In Frankfurt am Main (-1.4 per cent), prices for existing homes fell slightly.

Prices for new-build houses rose most significantly in Leipzig (+2.2 per cent) and Stuttgart (+1.2 per cent) in the second quarter of 2024, while prices in Dusseldorf fell by 2.0 per cent. Berlin (-1.2 per cent), Cologne (-1.1 per cent) and Frankfurt am Main (-0.8 per cent) recorded slight price declines of around one per cent for new-build houses. In Hamburg (+0.4 per cent) and Munich (+0.1 per cent), prices remained almost unchanged. In Germany as a whole, prices for new-build houses moved sideways compared to the previous quarter, falling by 0.6 per cent. Due to the stabilisation of asking prices for single-family homes, more supply is coming onto the property market that has been held back. Since the fourth quarter of 2023, the supply of existing single-family homes has risen by 4 per cent.

Rental Market

The ImmoScout24 WohnBarometer for the second quarter of 2024 shows a big jump of +2.7 per cent in rental prices for new-build flats in Germany in a quarter-on-quarter comparison. Year-on-year, the growth is +8.7 per cent. An average two-bedroom flat with 70 square metres in a new build is now on offer for EUR 856 per month. In contrast, asking rents for existing flats have paused compared to the previous quarter. The rent for an average flat continues to cost 599 euros. The year-on-year increase is +4.2 per cent.

Demand for rental space has reached a new high across Germany. It is rising particularly in the areas surrounding the top 8 metropolises (+17 percent) and in other cities (+19 percent). The increase in demand is higher in rural areas (+13 per cent) than in the metropolises (+8 per cent).

In Germany's largest cities, asking rents in new builds are rising by 3 per cent, which is more than the increase in existing properties and almost twice as much as in the previous quarter, when the increase was 1.6 per cent. At 4.4 per cent, asking rents rose the most in Dusseldorf. Cologne recorded a growth rate of +4.2 per cent - as did Leipzig. Munich recorded the weakest growth, but remains at a uniquely high level among the metropolises: here, the asking price per square metre has exceeded the 25-euro mark.

In Berlin, too, the price trend of 0.8 per cent is rather low in a metropolitan comparison. However, the average new-build rents, with a price per square metre of EUR 19.52, are the second most expensive in Germany.

In a year-on-year comparison, average asking rents in the major cities increased by 10.6 per cent. Here, too, Cologne stands out with growth of 16.1 per cent. Dusseldorf (+10.2 per cent), Hamburg (+10.6 per cent) and Stuttgart (+11.6 per cent) also recorded double-digit growth. With asking rents for new builds of EUR 12.17, Leipzig is just below the national average of EUR 12.23, but is catching up quickly. Year-on-year, new-build rents in the Saxon state capital rose by 8.9 per cent, slightly more than the national average (8.7 per cent).

In the eight largest cities, existing rents will rise by an average of 1.8 per cent in the second quarter of 2024. As with new construction, Cologne shows the strongest price growth at +3 per cent. A square metre of existing space in the metropolis can be rented for almost EUR 14. In Munich, asking rents have risen by +2.8 per cent. In Dusseldorf and Stuttgart, asking rents also showed dynamic growth of +2.6 per cent quarter-on-quarter.

Year-on-year, asking rents have risen in Munich in particular (+9.6 per cent). However, Cologne also reflects a high level of dynamism (+8.3 per cent). In Berlin, the rent for an existing flat has risen significantly by 7.2 per cent within a year and, with a price per square metre of €13.76, has overtaken Hamburg (€13.72) for the first time. The definition of over three years old is broader than in the regulations on rent control.

Methodology

The ImmoScout24 WohnBarometer is the market report on the development of the real estate market. It is published by ImmoScout24: Germany's leading online platform for residential real estate. The ImmoScout24 WohnBarometer reflects the price development in real offer prices, supplemented by an indicator of the relationship between supply and demand. The database comprises over 8.5 million advertisements from the last five years on ImmoScout24. The values are calculated for reference properties for the respective property type considered by an algorithm from the field of machine learning. The reference object for rental apartments is a two-room existing apartment of 70 square meters. For apartments for sale, a three-room flat with 80 square metres of living space is taken as a basis. The single-family house under consideration has 140 square metres of living space and a plot of 600 square metres. The category new construction contains all offers with a construction age of two years or less at the respective time of determination. The demand in relation to the supply is calculated based on the contact enquiries per listing of the respective property type per week. It is a standardized value to compensate for different standing times of the advertisements on the portal. The current asking prices always refer to the last data point in the market report and thus represent the asking price in the fourth quarter of 2022. The algorithm applied also forms the basis for the price forecast. For this current population balances and the available and planned housing stock are included in the calculation.

Appendix

Data cockpit for sales objects

Purchase price development	Condominium	Condominium	House purchase	House purchase
Q2 2024 vs. Q1 2024	Existing properties	New construction	Existing properties	New construction
Germany	-1.1%	-2.1%	0.9%	-0.6%
Berlin	1.7%	1.3%	0.2%	-1.2%
Dusseldorf	-0.3%	-1.3%	-0.4%	-2.0%
Frankfurt am Main	-1.3%	-2.0%	-1.4%	-0.8%
Hamburg	1.0%	-2.4%	2.7%	0.4%
Cologne	2.1%	-0.9%	1.4%	-1.1%
Munich	0.0%	0.5%	-5.2%	0.1%
Stuttgart	0.5%	-2.8%	1.4%	1.2%
Leipzig	0.0%	-0.6%	0.8%	2.2%

Purchase price development	Condominium	Condominium	House purchase	House purchase
Q2 2024 vs. Q1 2024	Existing properties	New construction	Existing properties	New construction
Germany	-4.1%	-1.3%	1.8%	0.6%
Berlin	-0.2%	5.1%	0.2%	2.4%
Dusseldorf	-1.7%	-0.9%	-0.1%	-1.8%
Frankfurt am Main	-5.4%	-1.6%	-0.6%	1.8%
Hamburg	0.5%	-0.6%	-2.8%	-3.9%
Cologne	0.4%	3.1%	1.2%	-1.5%
Munich	0.6%	-0.3%	-2.1%	2.1%
Stuttgart	0.3%	-1.0%	1.2%	2.2%
Leipzig	0.9%	2.4%	0.5%	3.5%

Offer price per m2	Condominium	Condominium	House purchase	House purchase
Q1 2024	Existing properties	New construction	Existing properties	New construction
Germany	2,462 €	4,009 €	2,751 €	3,703 €
Berlin	4,641 €	6,471 €	4,825 €	5,970 €
Dusseldorf	4,328 €	6,478 €	5,516 €	5,978 €
Frankfurt am Main	5,157 €	6,282 €	5,708 €	7,082 €
Hamburg	5,118 €	6,437 €	5,546 €	6,189 €
Cologne	4,179 €	5,961 €	5,082 €	6,102 €
Munich	8,441 €	10,535 €	8,386 €	10,474 €
Stuttgart	4,814 €	6,820 €	5,835 €	7,119 €
Leipzig	2,816 €	4,971 €	3,618 €	4,491 €

Data cockpit for rental apartments

	Germany	Berlin	Duesseldorf	Frankfurt (Main)	Hamburg	Cologne	Munich	Stuttgart	Germany
Rental apartments - Existing properties									
Price development Q2 2024 vs Q1 2024	0.0%	1.7%	2.6%	1.1%	0.1%	3.0%	2.8%	2.6%	0.4%
Price development Q2 2024 vs Q2 2023	4.2%	7.2%	5.8%	7.0%	3.4%	8.3%	9.6%	5.0%	4.5%
Price per m2 Q2 2024	8.56 €	13.76 €	12.74 €	14.52 €	13.72 €	13.99 €	21.03 €	14.13 €	8.13 €
Net cold rent for the 70 m2 reference apartment	599 €	963 €	892 €	1,016 €	961 €	979 €	1,472 €	989 €	569 €
Rental apartments - New construction									
Price development Q2 2024 vs Q1 2024	2.7%	0.8%	4.4%	2.9%	3.2%	4.2%	0.6%	3.4%	4.2%
Price development Q2 2024 vs Q2 2023	8.7%	8.6%	10.2%	9.3%	10.6%	16.1%	9.5%	11.6%	8.9%
Price per m2 Q2 2024	12.23 €	19.52 €	15.87 €	17.90 €	17.15 €	16.75 €	25.08 €	16.44 €	12.17 €
Net rent per m2 for 70-m2 reference apartment	856 €	1,366 €	1,111 €	1,253 €	1,201 €	1,173 €	1,756 €	1,151 €	852 €

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