

ImmoScout24 WohnBarometer Q4 2024 Executive Summary for the Purchase and Rental Market

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, Düsseldorf, Frankfurt (Main), Hamburg, Cologne, Munich, Leipzig and Stuttgart). The analysis is based on the listings for existing and newly built objects for rent or purchase on ImmoScout24, Germany's largest online marketplace for real estate. The price data is supplemented by information on the relation of demand to supply.

Record Demand for Properties to Purchase

Real estate prices are rising moderately / Rents are rising everywhere but Berlin

- **Record purchasing demand: Cities exceed late 2020's peak by 14 percent; metropolitan areas exceed mid-2021's peak by 21 percent.**
- **Existing apartment prices rose in Hamburg (+1.8 percent), Stuttgart (+1.1 percent) and Leipzig (+1.1 percent).**
- **Year on year, there are no longer price reductions for existing apartments; in 6 of 8 cities, purchasing prices are significantly higher than last year.**
- **New apartment purchasing prices increased in Stuttgart (+1.5 percent), Hamburg (+1.8 percent) and Cologne (+1.9 percent).**
- **Düsseldorf shows the strongest price rise for new leases on existing flats¹, with plus 2.2 percent quarterly and plus 8.4 percent annually.**
- **Rents for new-build apartments² see their sharpest increase in Leipzig.**
- **Second-tier cities³ show strong momentum: in Dresden, rental demand rose by 37 percent in one year.**
- **In Nuremberg, prices for new rentals of existing flats rose by 11.5 percent – twice as much as in Munich.**

Summary

The ImmoScout24 WohnBarometer for the fourth quarter of 2024 shows a significant increase in demand for residential properties throughout Germany, whilst prices for new and existing apartments are continuing to develop steadily in both the major cities and the rest of the country.

Regarding the rental market, prices are higher for new rentals across almost all regions and construction age categories. Year on year, demand for rental apartments is particularly increasing in metropolitan areas and urban districts, despite a seasonal decline in the fourth quarter.

Purchase Market

In the fourth quarter of 2024, the purchase demand for apartments across Germany rose by 16 percent, and for single-family homes by 8 percent. Year on year, demand for privately owned apartments in Germany rose by 31 percent. Single-family homes in Germany show a 24 percent increase in demand compared to a year ago. Demand for condominiums in metropolitan areas and cities is also rising sharply, with year-on-year growth of 31 percent in each case. This takes purchasing demand in metropolitan areas and cities to new record levels: cities are seeing 14 percent more demand than at the previous peak in the fourth quarter of 2020, and metropolitan areas are seeing 21 percent more demand than at the peak in the second quarter of 2021. In the suburbs of the major cities, demand is up 27 percent year-on-year, and in rural areas it is up 20 percent, though still below demand levels during the second quarter of 2021.

In the fourth quarter, prices for existing flats across Germany are moving sideways (-0.7 percent). In the eight largest cities, purchase prices for owner-occupied flats are either at or slightly above the level of the previous quarter, such as in Stuttgart (+1.1 percent), Leipzig (+1.1 percent) and Hamburg (+1.8 percent). Year on year, prices for existing apartments are no longer falling. Stuttgart (+4.2 percent), Hamburg (+3.3 percent) and Cologne (+3.2 percent) are seeing the sharpest increases. Prices for existing apartments are also up on last year's levels in Berlin (+2.1 percent), Leipzig (+1.7 percent) and Munich (+1.4 percent).

Similar to the prices for existing flats, the prices for new-build flats in the fourth quarter of 2024 will remain almost at the previous quarter's level (-0.2 percent) on a national average for Germany. Regional differences are particularly evident in the metropolitan areas. The strongest price increases within a quarter are recorded in Cologne (+1.9 percent), Hamburg (+1.8 percent), Stuttgart (+1.5 percent) and Berlin (+1.4 percent). Prices in the most expensive city, Munich, remain unchanged (+0.1 percent). New-build prices are also moving sideways in Frankfurt am Main (-0.1 percent), Leipzig (+0.5 percent) and Düsseldorf (+0.8 percent). In a year-on-year comparison, Munich (+4.2 percent), Cologne (+3.0 percent) and Berlin (+2.5 percent) have seen the most significant price increases. At

¹ The category of existing properties includes all offers with a construction age of at least three years. This definition differs from the definition of existing properties for the application of the rent control, which includes all offers that were first used or rented before 1 October 2014.

² The new-build category contains all offers with a maximum age of two years at the respective time of determination.

³ Bochum, Bremen, Dresden, Dortmund, Duisburg, Essen, Hannover und Nürnberg

almost €11,200, the price per square metre in Munich is around €4,600 higher than in Berlin and almost €5,100 higher than in Cologne. Frankfurt am Main (-2.1 percent) and Düsseldorf (-1.2 percent) are among the metropolitan areas that still show price reductions compared to the previous year.

Rental Market

Seasonal decline in demand is significantly weaker than in previous years. For the fourth quarter of 2024, the year-on-year comparison shows a 14 percent increase in the volume of searches in the metropolitan and independent cities. In the surrounding areas of the metropolitan areas, demand is also 9 percent higher than in the fourth quarter of 2023. In rural areas, demand remains stable (+1 percent).

Compared to the previous quarter, demand on the rental market in the major cities, their surrounding areas and the district-free cities has fallen slightly by minus 2 percent. In rural areas, the decline in demand is minus 4 percent. The slight decline in contact requests in the fourth quarter is a seasonal effect due to lower demand in the pre-Christmas period, which was much more pronounced in previous years. In the fourth quarter of 2023, demand in the major cities has fallen by 9 percent and by 10 percent in 2022 (Q4 2022) – before rising again.

Rental offers for new tenants of existing flats are rising particularly in Düsseldorf. In the fourth quarter of 2024, the average rental offer for a new tenant of an existing flat throughout Germany will be €8.57 per square meter. It has risen by 0.3 percent in the fourth quarter of 2024 and by 1.8 percent on an annual basis.

In a comparison of major cities, the big cities in the Rhineland region stand out. In Düsseldorf, the average cold rent for a new rental has risen by 2.2 percent to 13.39 euros per square metre. In Cologne there was a 2.0 percent increase, with new leases signed at €13.56 per square metre. In the big cities of southern Germany, where prices are higher, rents also went up, although the increases were more moderate than in the Rhineland. In Stuttgart, the average offered rent rose by 1.5 percent. With a price of €14.28 per square metre for new rentals, the Swabian metropolis is the third most expensive city after Munich – where the average offered rent rose by 1.2 percent to €21.22 – and Frankfurt am Main (€14.97). In Berlin, offered rents for new tenancies are moving sideways at minus 0.6 percent and lie at €14.11.

Year on year, prices for new lettings of existing flats in the capital are up 6.4 percent, a growth rate exceeded only in Frankfurt am Main (+6.8 percent) and Düsseldorf (+8.4 percent). In Cologne, prices have also risen at an above-average rate compared to the other eight cities (+6.2 percent). In Leipzig, asking rents for new lettings of existing apartments have increased by 6.1 percent within a year to €8.49. In Hamburg, the annual price increase of 3.7 percent to €13.80 was the lowest of all the cities.

Average prices for new lettings in the less regulated new-build segment have increased across Germany and now stand at €12.63 per square metre. In the fourth quarter of 2024, these have increased by 2.1 percent. Year on year, growth lies at 7.8 percent. The highest offered rents for new-build flats are in Munich (€25.68), Berlin (€20.11) and Frankfurt am Main (€18.35). Of these three cities, the price trend in Frankfurt is the strongest – both quarter-on-quarter (+1.4 percent) and year-on-year (+7.8 percent). Berlin is the only city where prices are moving sideways, with minus 0.3 percent. Leipzig has seen the biggest increase in offered rents for new-build apartments, both quarter-on-quarter (+3.9 percent) and year-on-year (+12.7 percent). Nevertheless, Leipzig remains the most affordable of the major cities, with a rent per square metre of €13.09.

A special analysis of the rental portfolio reveals interesting trends in second-tier cities. While their overall demand and rents are lower, growth is notably strong. Among the eight most populous cities after the top eight, demand increased by 18 percent year over year (compared to 14 percent in the top eight). Dresden (+34 percent) and Bochum (+21 percent) in particular are experiencing surging demand.

Rents are also rising significantly in the larger cities, albeit at a lower level than in the metropolises. While in the metropolises, the prices of new leases rose by 6.1 percent on average year-on-year, the eight cities below show a price increase of 6.6 percent. At 11.5 percent, the increase in offered rents in Nuremberg (€11.30) was particularly pronounced. In Essen, offered prices (€8.62) rose by 8.7 percent within a year, more than in any of the eight metropolises.

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 flats is a two-room existing flat of 70 square meters. For flats 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 standardised 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

	Germany	Berlin	Düsseldorf	Frankfurt (Main)	Hamburg	Cologne	Munich	Stuttgart	Leipzig
Owner-occupied - Existing properties									
Price development Q3-24 vs Q4-24	-0,7 %	0,2 %	-0,7 %	-0,6 %	1,8 %	-0,3 %	-0,6 %	1,1 %	1,1 %
Price development Q4-24 vs Q4-23	0,3 %	2,1 %	0,9 %	0,0 %	3,3 %	3,2 %	1,4 %	4,2 %	1,7 %
Price per m ² Q4-24	2.483 €	4.643 €	4.383 €	5.163 €	5.188 €	4.162 €	8.449 €	4.936 €	2.855 €
Owner-occupied - New construction									
Price development Q3-24 vs Q4-24	-0,2 %	1,4 %	0,8 %	-0,1 %	1,8 %	1,9 %	0,1 %	1,5 %	0,5 %
Price development Q4-24 vs Q4-23	-2,6 %	4,7 %	-1,2 %	-2,1 %	-0,5 %	3,0 %	4,2 %	-0,4 %	-0,6 %
Price per m ² Q4-24	4.008 €	6.575 €	6.496 €	6.564 €	6.559 €	6.088 €	11.178 €	6.880 €	5.008 €

Data cockpit for rental flats

	Germany	Berlin	Düsseldorf	Frankfurt (Main)	Hamburg	Cologne	Munich	Stuttgart	Leipzig
Rental flats - Existing properties									
Price development Q3-24 vs Q4-24	0.3 %	-0.6 %	2.2 %	0.0 %	0.1 %	2.0 %	1.2 %	1.5 %	0.8 %
Price development Q4-24 vs Q4-23	1.8 %	6.4 %	6.8 %	6.8 %	3.7 %	6.2 %	6.0 %	4.8 %	6.1 %
Price per m ² Q4-24	8.57 €	14.11€	13.39 €	14.97 €	13.80 €	13.56 €	21.22 €	14.28 €	8.49 €
Net cold rent for the 70 m ² reference flat	600 €	988 €	937 €	1,048 €	966 €	949 €	1,485 €	1000 €	594 €
Rental flats - New construction									
Price development Q4-24 vs Q3-24	2.1 %	-0,3 %	2.2 %	1.4 %	0.9 %	2.5 %	0,4 %	2,9 %	3.9 %
Price development Q4-24 vs Q4-23	7.8 %	3.4 %	8.8 %	7.8 %	8.8 %	11.1 %	6.5 %	11.7 %	12.7 %
Price per m ² Q4-24	12.63 €	20.11 €	16.47 €	18.35 €	17.38 €	16.84 €	25.68 €	16.95 €	13.09 €
Net rent per m ² for 70- m ² reference flat	884 €	1,408 €	1,153 €	1,285 €	1,217 €	1,179 €	1,798 €	1,187 €	916 €

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