

ImmoScout24
WohnBarometer Q4 2023
Executive Summary

The demand for residential properties to buy increased significantly in the fourth quarter of 2023, rental prices reaching new record levels in major metropolitan areas.

- Demand for apartments to buy saw a notable increase in German metropolitan areas.
- Nationwide, offer prices for apartments and single-family homes to buy slightly rose in Q4 2023 and ranged above the previous year's level for the new built segment.
- In five out of eight metropolitan areas, listing prices for existing apartments still experienced slight declines in the fourth quarter.
- Demand for rental apartments remained at a very high level in the fourth quarter of 2023, with the suburban areas around the metropolitan areas experiencing the strongest year-over-year demand increase.
- Asking rents continued to rise significantly year-over-year, reaching double digits in new built segment.

The demand for apartments and single-family homes to buy continued to increase significantly in the fourth quarter of 2023. Demand for existing apartments to buy rose in all eight metropolitan areas. In five of the eight largest German cities, it surpassed the pre-pandemic levels of late 2019 significantly.

The asking prices for existing apartments decreased by 1.6 percent on a national average compared to the previous year, standing at 2,476 euros per square meter. New built apartments were offered at an average of 4,114 euros per square meter in the fourth quarter, 2.4 percent higher than in the fourth quarter of 2022.

Offer prices for single-family homes saw slight increases between 0.5 and 1.4 percent in the fourth quarter of for existing and new construction properties in the nationwide average.

Persistent price pressure in the rental market, shift in demand to suburban and rural areas

Demand for rental apartments slightly decreased in Q4 2023 but remained particularly high in the eight largest German cities. At the same time, demand in suburban areas increased by 11 percent compared to the previous year. The rural areas also attracted more seekers, with demand increasing by 10 percent compared to the same period last year.

As a result, asking rents continued to climb. In a Germany-wide perspective, existing rental apartments saw a 1.6 percent increase compared to the previous quarter and a 5.8 percent increase year-over-year. In the fourth quarter of 2023, asking rents for new built apartments developed by 1.4 percent compared to the previous quarter and 7.7 percent year-over-year.

Berlin set new records in price dynamics, with the capital city experiencing the strongest increase in asking rents for new built apartments at 3.6 percent in the fourth quarter of 2023. In a year-over-year comparison, asking rents went up by 20 percent. Cologne (+14.1 percent), Munich (+12.8 percent), Stuttgart (+14.6 %) and Dusseldorf (+10.9 %) also saw double-digit percentage increases in offer prices.

Year-over-year, asking rents for existing apartments in Berlin and Munich also climbed over 10 percent. Despite the high price levels, Munich saw an 11.4 percent increase. Since the fourth quarter of 2023, the average rent for an existing apartment in Munich has exceeded 20 euros per square meter for the first time. In Berlin, asking rents increased by 11.2 percent compared to the previous year.

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 listings 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 apartment of 70 square meters. For apartments for sale, a three-room apartment 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 built 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 on the portal. The current asking prices always refer to the last data point in the market report and thus represents the asking price in the previous quarter.

Data Cockpit for objects to buy

Price Development Q4 2023 vs. Q3 2023	Apartments to buy Existing properties	Apartments to buy New	House to buy Existing	House to buy New
Germany	-0.2 %	+1.0 %	+1.4 %	+0.5 %
Berlin	-1.5 %	+1.8 %	-0.5 %	+2.3 %
Dusseldorf	-0.4 %	+0.4 %	-0.6 %	+0.6 %
Frankfurt a. M.	-1.9 %	-0.1 %	+0.5 %	+1.8 %
Hamburg	-1.5 %	+1.6 %	-3.7 %	-3.5 %
Cologne	+1.5 %	+2.0 %	+4.2 %	+0.4 %
Leipzig	+0.9 %	+3.6 %	+0.8 %	+3.8 %
Munich	+2.3 %	+0.6 %	+4.7 %	+0.8 %
Stuttgart	-1.5 %	+0.1 %	+1.3 %	+1.5 %
Price Development Q4 23 vs. Q4 22	Apartments to buy Existing properties	Apartments to buy New	House to buy Existing	House to buy New
Germany	-1.6 %	+2.4 %	-0.5 %	+2.9 %
Berlin	-6.1 %	0.0 %	+0.4 %	+4.0 %
Dusseldorf	-2.0 %	+2.7 %	-0.5 %	+0.5 %
Frankfurt a. M.	-9.0 %	+0.1 %	+2.5 %	+3.0 %
Hamburg	+0.5 %	+3.9 %	-1.4 %	-3.8 %
Cologne	-4.1 %	+3.4 %	+2.7 %	+3.2 %
Leipzig	-0.9 %	+10.0 %	-2.4 %	+0.5 %
Munich	-2.9 %	+1.5 %	+5.2 %	+2.0 %
Stuttgart	-4.5 %	+1.7 %	+4.4 %	+4.3 %
Current offer prices Q4 2023 per sqm	Apartments to buy Existing properties	Apartments to buy New	House to buy Existing	House to buy New
Germany	2,476 €	4,114 €	2,756 €	3,707 €
Berlin	4,546 €	6,279 €	4,800 €	5,969 €
Dusseldorf	4,346 €	6,575 €	5,493 €	6,135 €
Frankfurt a. M.	5,164 €	6,382 €	5,773 €	7,090 €
Hamburg	5,024 €	6,589 €	5,498 €	6,227 €
Cologne	4,033 €	5,912 €	5,729 €	6,802 €
Leipzig	2,806 €	5,039 €	4,011 €	4,982 €
Munich	8,330 €	10,648 €	8,979 €	10,353 €
Stuttgart	4,738 €	6,907 €	6,360 €	7,694 €

Data Cockpit for rental apartments

	Germany	Berlin	Dusseldorf	Frankfurt a.M.	Ham-burg	Cologne	Leipzig	Munich	Stuttgart
Existing Rental Apartments									
Price Development Q4 23 to Q3 23	+ 1.6%	+ 2.5%	+1.7%	+2.5%	-0.5%	+2.8%	+2.1%	+3.5%	+0.7%
Price Development Q4 23 to Q4 22	+5.8%	+11.2%	+7.2%	+6.3%	+3.5%	+9.3%	+5.3%	+11.4%	+5.5%
Rent per square meter Q4 2023	8.42 €	13.27 €	12.36 €	14.02 €	13.31 €	13.36 €	8.00 €	20.02 €	13.63 €
Net cold rent for the for a 70 sqm reference Apartment	589 €	929 €	865 €	981 €	932 €	935 €	560 €	1.401 €	954 €
New Construction Rental Apartments									
Price Development Q4 23 to Q4 23	+1.4%	+3.6%	+1.4%	+2.3%	+1.5%	+5.1%	+2.2 %	+2.0%	+2.7%
Price Development Q4 23 to Q4 22	+7.7%	+20.0%	+10.9%	+8.7%	+6.7%	+14.1%	+7.2%	+12.8%	+14.6%
Rent per square meter Q4 23	11.72 €	19.45 €	15.3 €	17.03 €	15.97 €	15.66 €	11.62 €	24.11 €	18,72 €
Net cold rent for the 70 sqm Reference Apartment	820 €	1,362 €	1,059 €	1,192 €	1,118 €	1,096 €	813 €	1,688 €	1,310 €

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