

Intelligent Investment

German Investor Intentions Survey 2025

REPORT

CBRE RESEARCH
JANUARY 2025

CBRE



Foreword



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The 2025 edition of CBRE's Investor Intentions Survey is the first to provide insights into the intentions of both General Partners (GPs) and Limited Partners (LPs), covering the entire spectrum of equity.

This year's survey reveals a markedly more optimistic outlook compared to recent years. This sentiment aligns with our view that the European property market has begun to recover. Approximately one in four respondents think that the recovery has already started, and more than 60% of the German respondents expect investment market activity will rebound by the end of 2025. This does not mean that investors see no challenges to a market recovery. A continued mismatch between buyer and seller expectations, geopolitical instability, and uncertainty on the path of interest rate cuts, are cited as potential challenges to the market.

The optimistic outlook is reflected in investors' purchasing and selling intentions – a significant majority of respondents indicate a desire to increase purchasing activity in 2025. Additionally, there is more willingness to sell, which is critical to market liquidity. As in the previous year, the residential segment is the most preferred asset class among German investors. 2025 looks to be an exciting year, with an increase in deal flow, and it will be interesting to observe how these changes unfold.

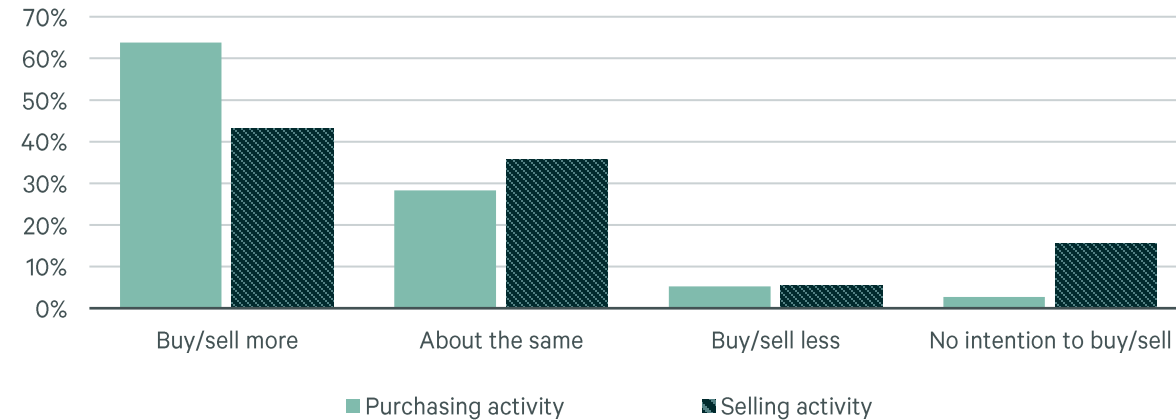


European Investor Intentions Survey 2025 Highlights

Investment activity to increase in 2025

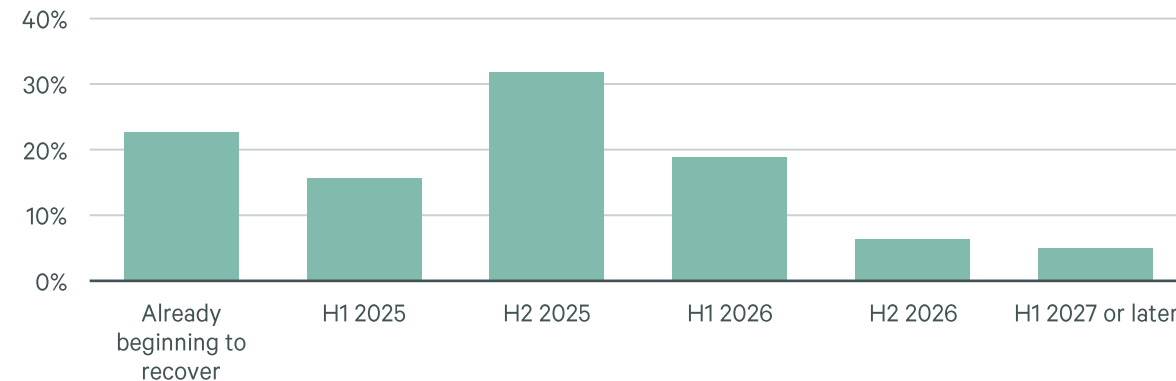
92% of investors will maintain or increase buying activity

% of respondents expecting buying/selling activity to change relative to 2024



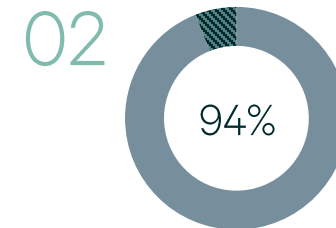
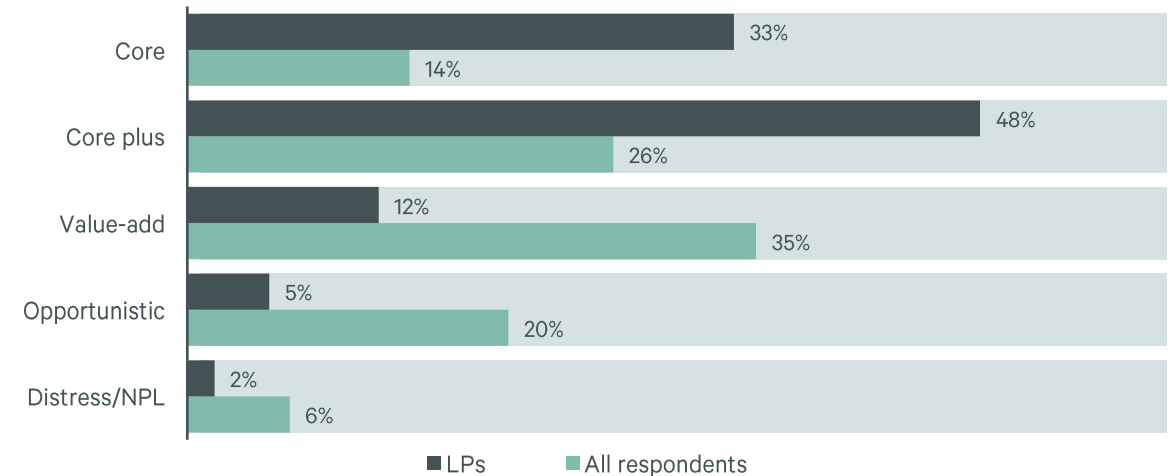
Respondents expect market to recover by end of 2025

Expectation of when market activity will recover



New strategy, allocation, and pricing trends have emerged

01 GPs continue to move up the risk spectrum while LPs focus on core and core plus



of investors from firms with AUM > \$50bn expect their allocation to real estate to remain unchanged or increase in 2025

03 Balance of expected premiums / discounts turns positive for Living, Hotels, and Logistics



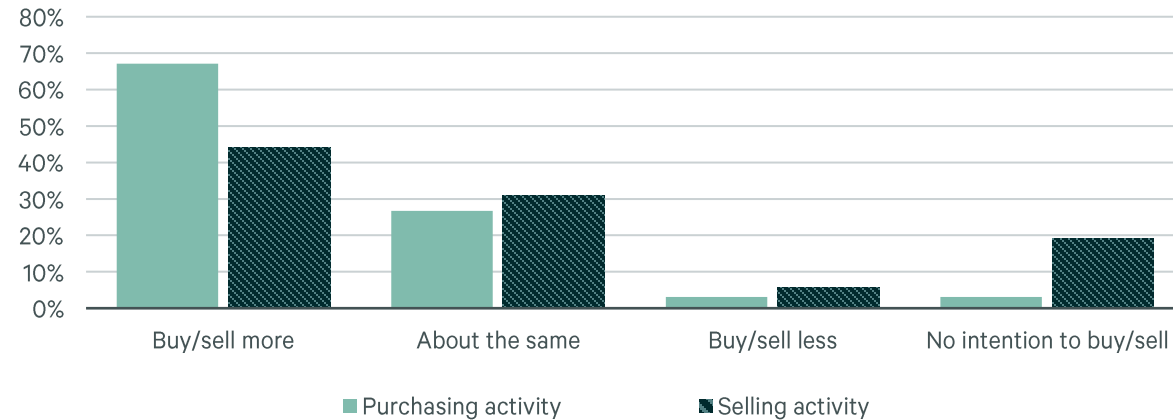
*Percentage balance of investors expecting premium (+) / discounts (-) in 2025 relative to 2024

German Investor Intentions Survey 2025 Highlights

Investment activity to increase in 2025

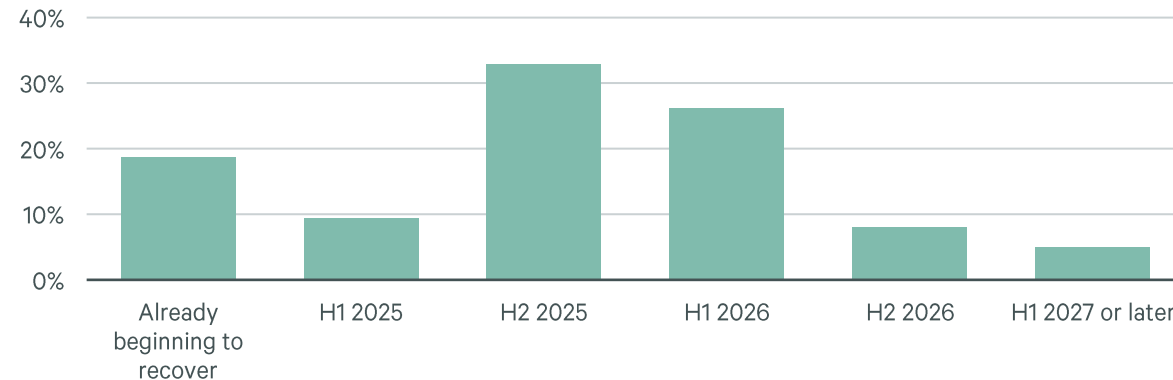
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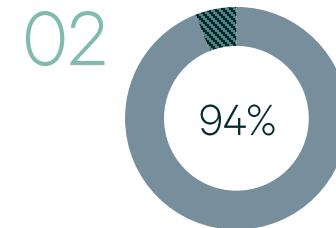
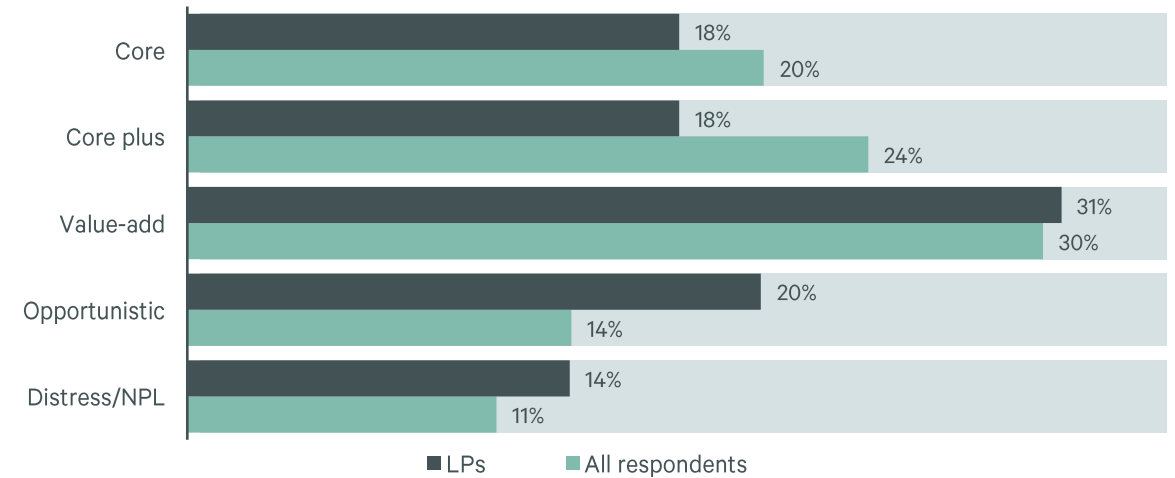
Respondents expect market to recover by end of 2025

Expectation of when market activity will recover



New strategy, allocation, and pricing trends have emerged

01 LPs continue to move up the risk spectrum while GPs focus on core and core plus



of investors from firms with AUM > \$5bn expect their allocation to real estate to remain unchanged or increase in 2025

03 Balance of expected premiums / discounts turns positive for Living and Logistics



*Percentage balance of investors expecting premium (+) / discounts (-) in 2025 relative to 2024

European Investor Intentions Survey 2025 Highlights

Markets expected to see highest cross-border interest

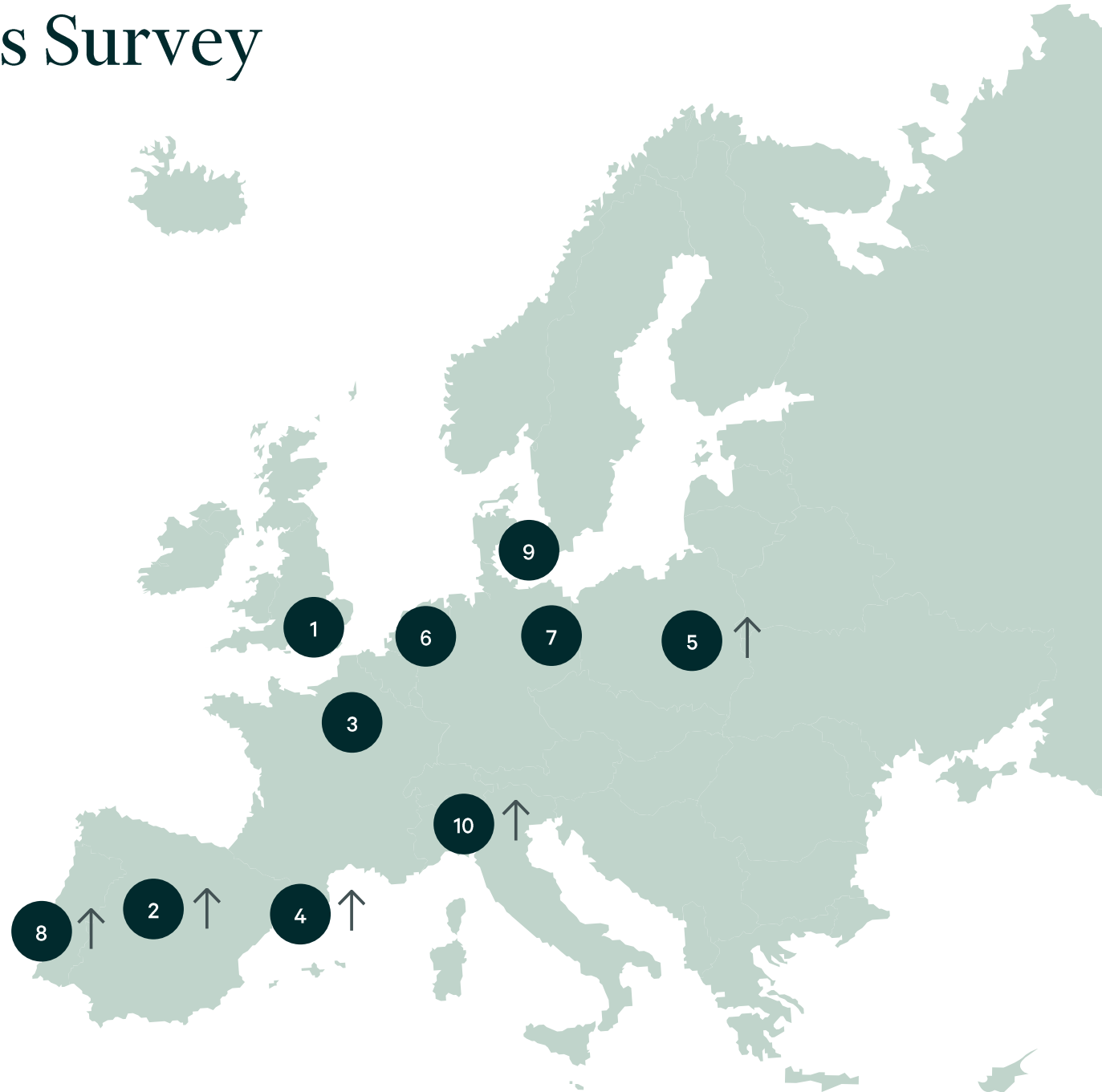
1. London
2. Madrid
3. Paris
4. Barcelona
5. Warsaw
6. Amsterdam
7. Berlin
8. Lisbon
9. Copenhagen
10. Milan

Legend

● Top 10 preferred cities (cross-border only*)

↑ Higher ranking than in 2024

* Only responses selecting markets outside of the country of domicile are taken into account.



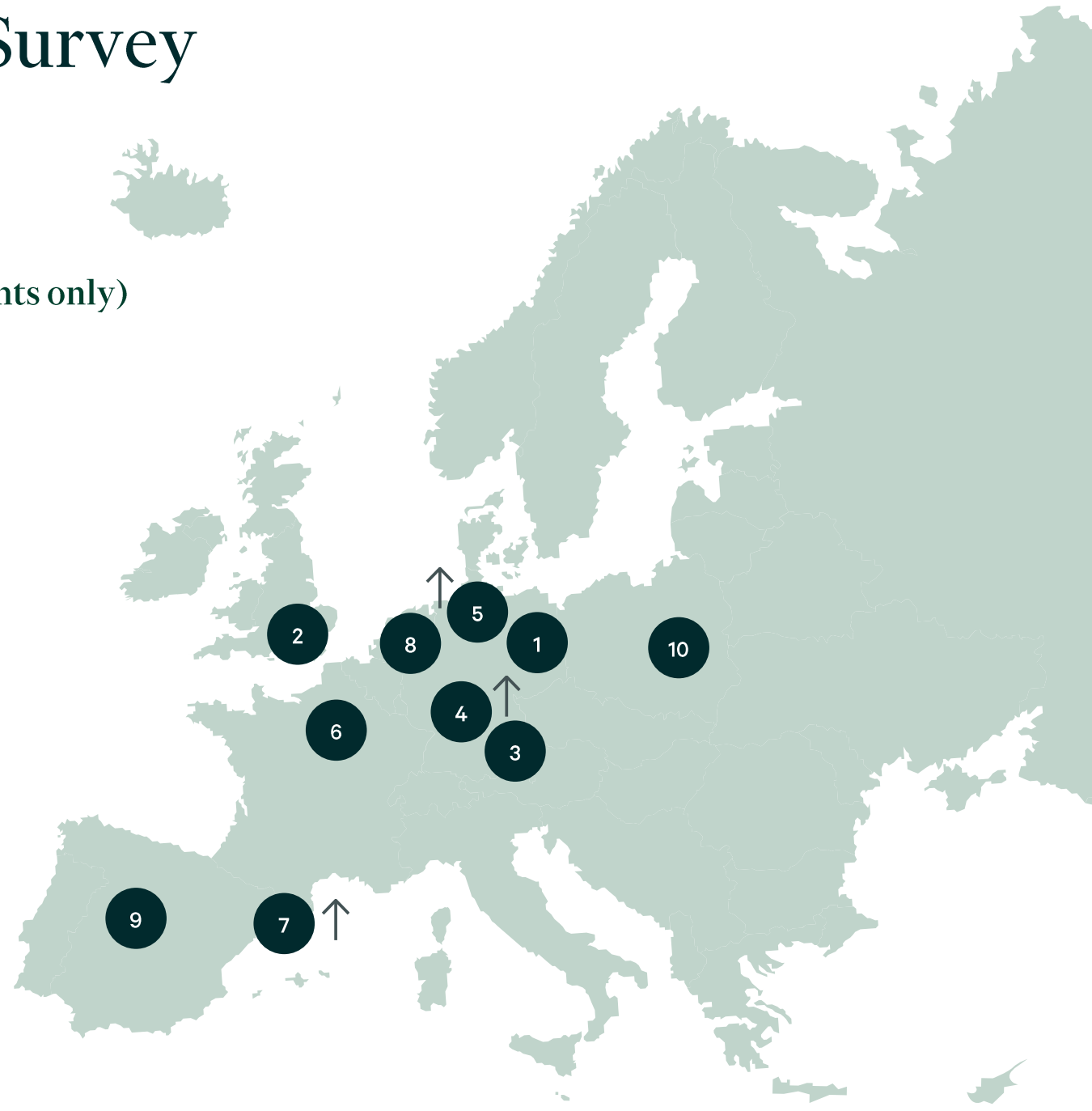
German Investor Intentions Survey 2025 Highlights

Markets expected to see highest interest (German respondents only)

1. Berlin
2. London
3. Munich
4. Frankfurt
5. Hamburg
6. Paris
7. Barcelona
8. Amsterdam
9. Madrid
10. Warsaw

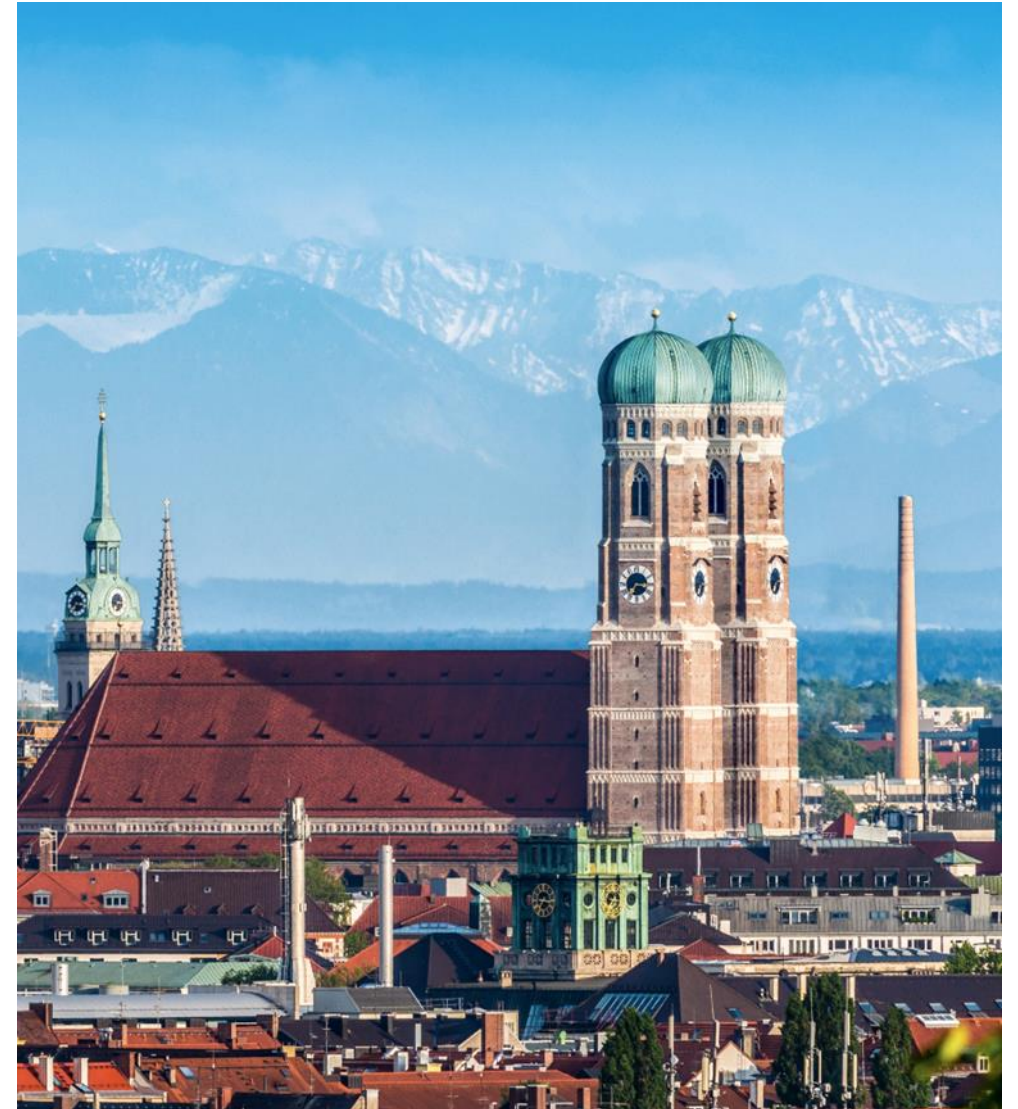
Legend

- Top 10 preferred cities
- ↑ Higher ranking than in 2024



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Key Findings

01

Investors are overwhelmingly optimistic about a resurgence in investment activity in 2025. More than 60% of investors anticipate that the investment market will recover by year-end. More than 90% of investors expect their purchasing activity to increase or remain the same, while over three-quarters expect selling activity to either increase or remain the same. This is a positive indicator for market liquidity.

04

Most German respondents selected Germany ahead of the UK as the markets with the strongest expected total property returns in 2025, driven by strong interest in Berlin, London and Munich. Poland took third place for the first time in our Investor Intentions Survey, whereby the relative share doubled compared to the previous year.

02

Allocations to real estate are expected to increase across the board, due to favourable pricing levels and improved projected returns. Sectors that respondents are particularly keen to allocate towards are Living, Industrial, and Hotels. This is also reflected in pricing expectations as, for these sectors, more respondents are willing to bid above asking prices than expect to see discounts in 2025.

05

Sustainability is a key consideration for investment decisions, according to more than 90% of respondents. Retrofitting existing buildings remains the primary route to achieving sustainable investments. Most investors revealed that they already have capital available to fund enhancements, indicating that this is fully embedded into their capital raising strategies.

03

As in the previous year, Living was selected by most German respondents as the preferred sector for investment. This was driven by respondents' views that there will be an increase in occupier demand in the coming three years. Respondents selecting core as their preferred strategy remains slightly below the historic average as investors favour strategies that are higher on the risk spectrum. However, there was a notable difference between Limited Partners (LPs) and General Partners (GPs), with 44% of GPs favouring core or core plus.

01

Investor Sentiment

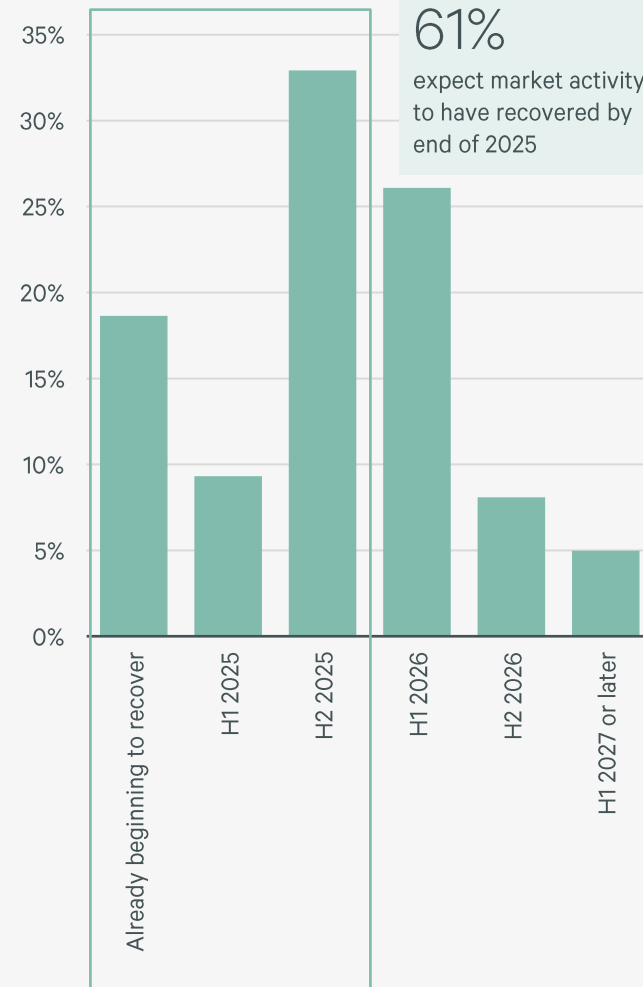
2025 market recovery expectations

When do investors expect market activity to recover?

There is growing optimism that a recovery in investment activity is near. While 19% of respondents indicated that the market is already starting to recover, more than 60% expect market activity to recover by the end of 2025. In a European comparison, German investors are still somewhat more cautious, especially since more than a quarter do not expect a significant recovery until the first half of 2026.

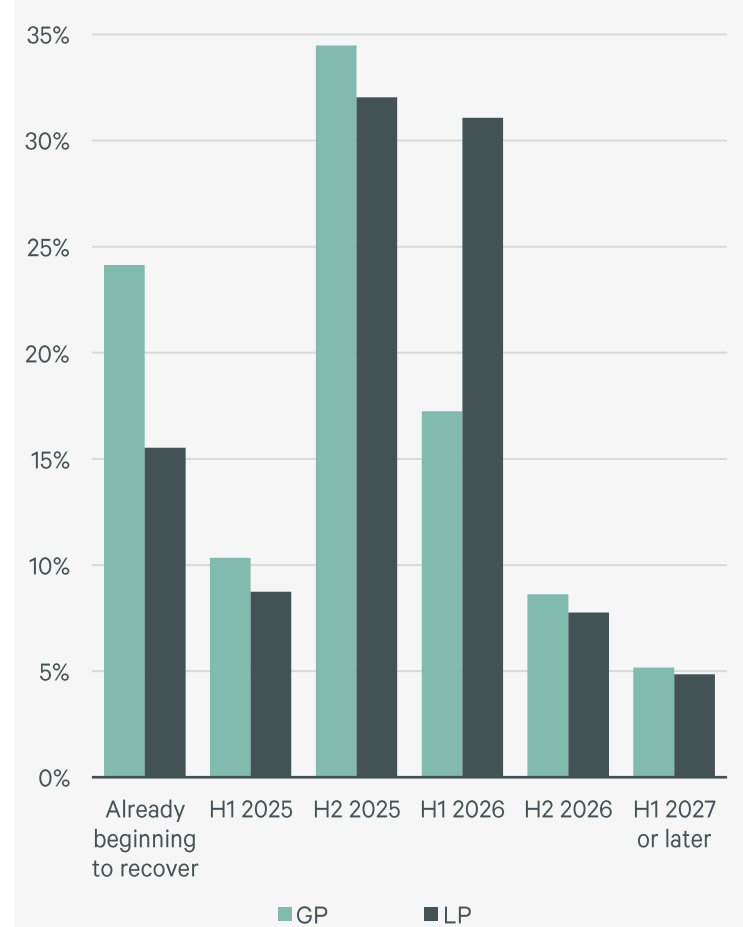
LPs – comprised of pension funds, insurance companies, and fiduciary managers – are slightly less positive than GPs, at least in the short term.

Figure 1: Respondents' expectations of when market will recover



Source: CBRE European Investor Intentions Survey 2025

Figure 2: GPs vs LPs' expectations of when market will recover



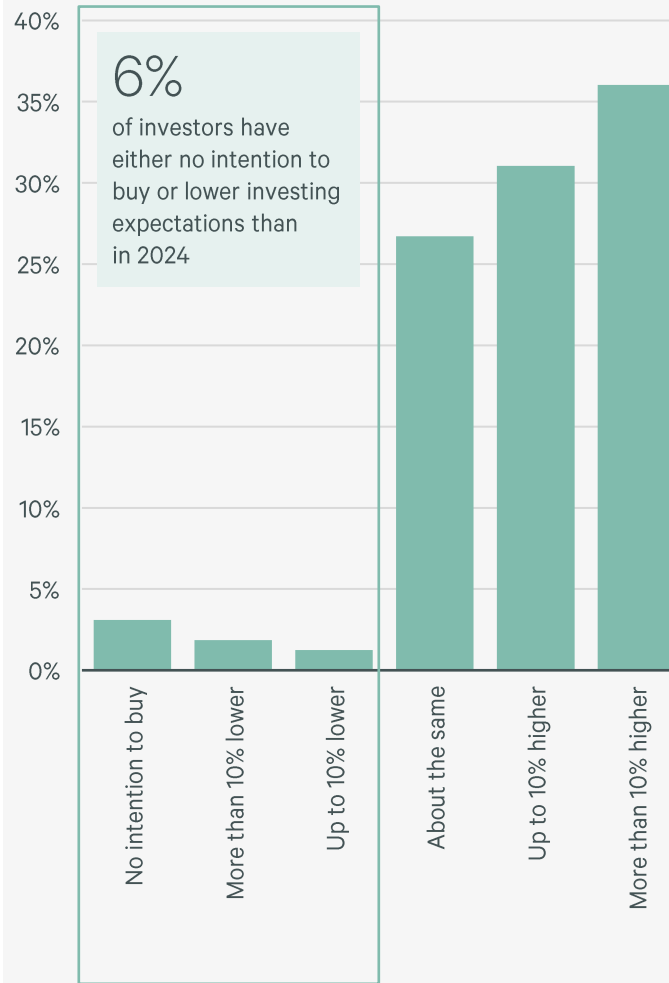
Source: CBRE European Investor Intentions Survey 2025

2025 purchasing activity

How are investors expecting their 2025 investment activity to change relative to 2024?

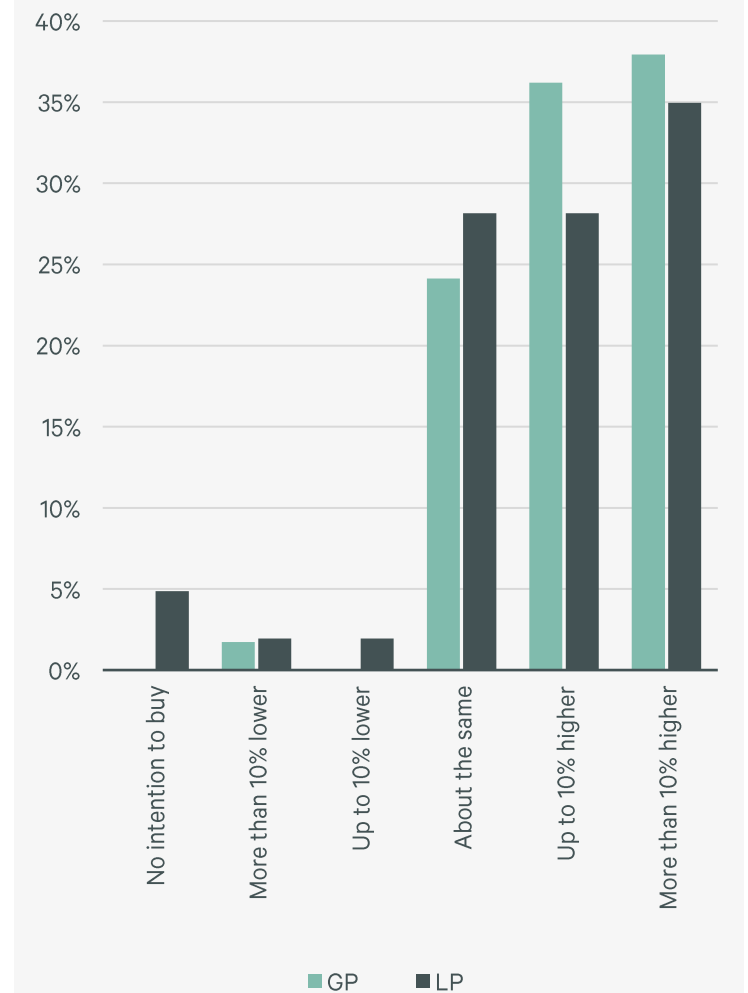
An overwhelming majority of respondents indicate that they intend to increase purchasing activity in 2025 compared to the previous year. Almost 35% of respondents expect an increase of more than 10%. Only 6% of investors anticipate to either reduce purchasing activity or not make any acquisitions in 2025. For LPs, this was even lower at 4%. However, 5% of LPs also stated that they would not be actively buying in the market in 2025. A small subset of respondents (3%) who are not interested in purchasing are primarily those with AUM <US\$5bn.

Figure 3: Purchasing activity expectations



Source CBRE European Investor Intentions Survey 2025

Figure 4: GPs vs LPs' purchasing activity expectations



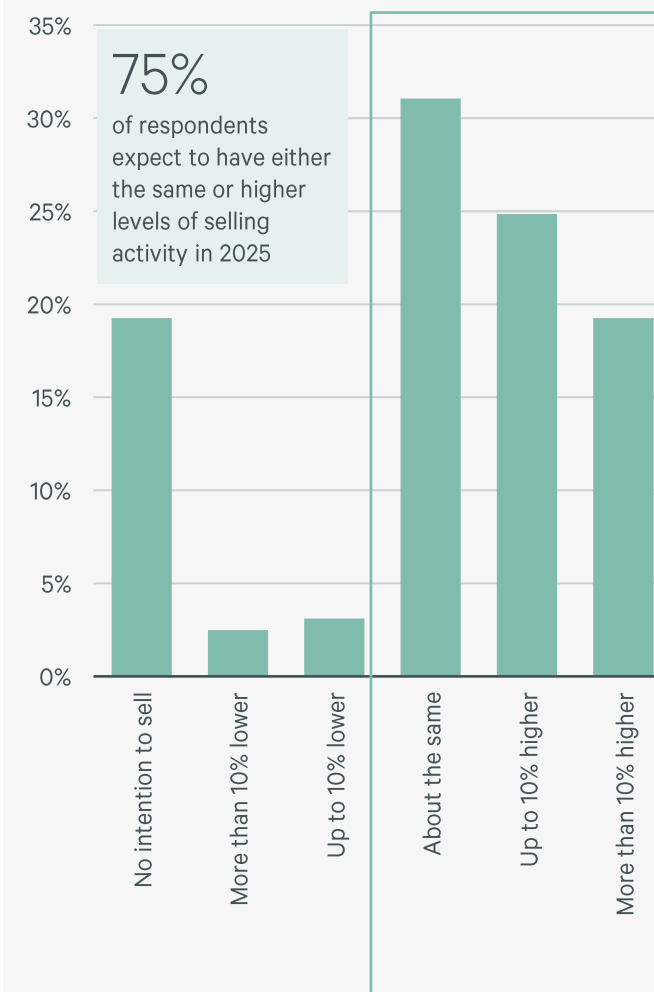
Source: CBRE European Investor Intentions Survey 2025

2025 selling activity

How are investors expecting their 2025 selling activity to change relative to 2024?

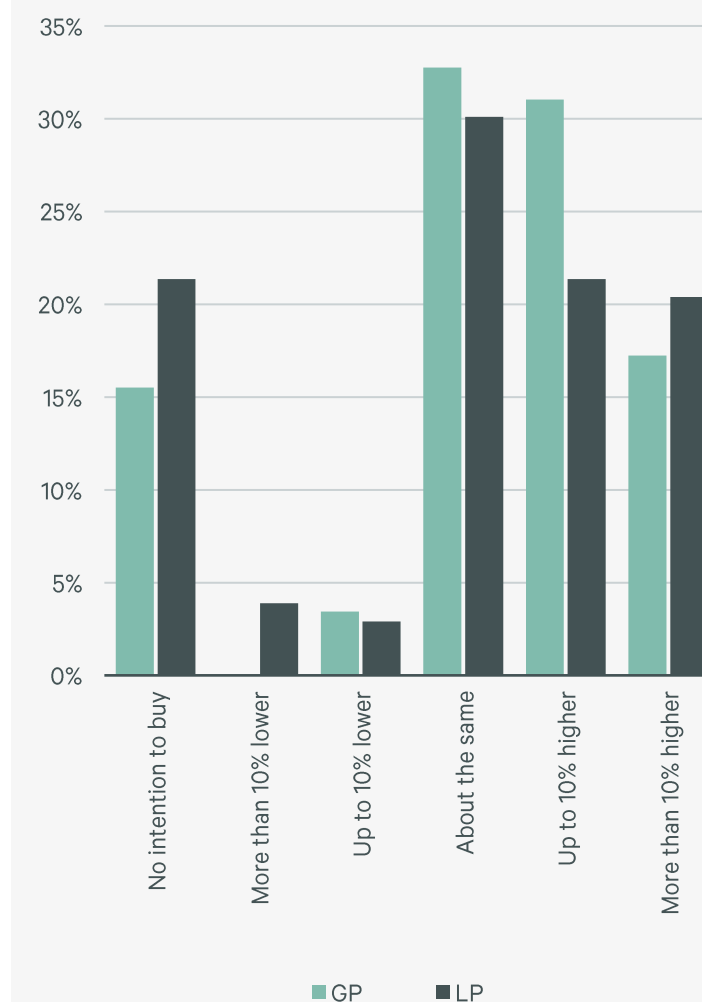
There is a marked increase in investors' propensity to sell, which is positive for market liquidity, as the survey has shown that there are plenty of prospective buyers. While there are still some German investors that indicate they have no intention to sell, more than 75% anticipate similar or higher levels of selling activity in 2025 compared to the year prior. GPs indicate a higher propensity to sell, as 22% intend to increase selling activity by up to 10%.

Figure 5: Selling activity expectations



Source: CBRE European Investor Intentions Survey 2025

Figure 6: GPs vs LPs' selling activity expectations



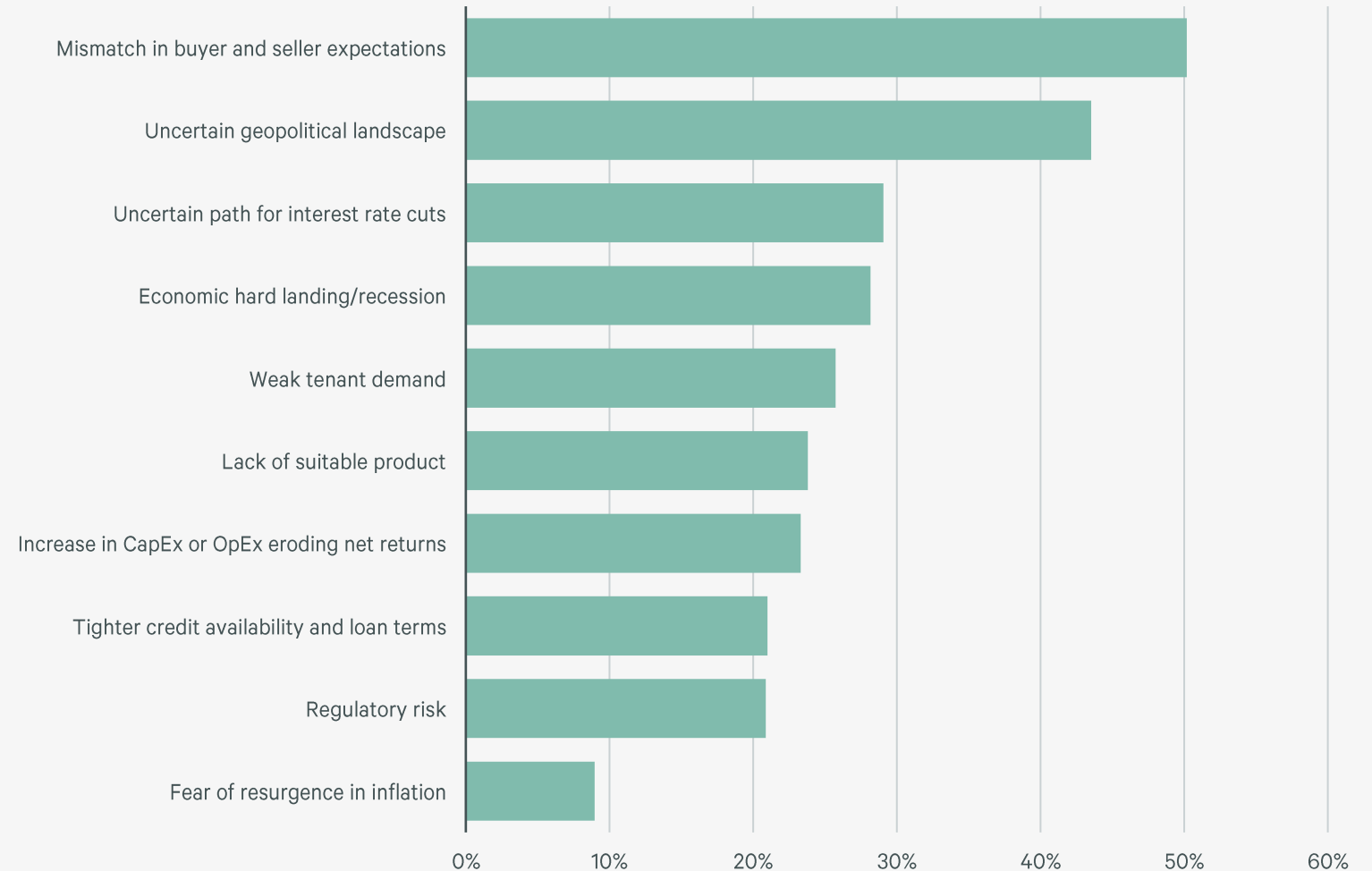
Source: CBRE European Investor Intentions Survey 2025

Market challenges

What are the major challenges facing the investment market in 2025?

A mismatch in buyer and seller expectations is most often cited as the main challenge to the current investment market, significantly down from last year. As a large bid/ask spread has plagued the market for some time now, this does not come as a surprise. However, maturities of debt and equity rotation should lead to more product being put up for sale and a gradual convergence of buyer and seller expectations. Geopolitical uncertainty also remains a key challenge, reflecting the highest level of concern since the relaunch of our survey in 2021.

Figure 7: Major challenges facing real estate investment in 2025



Source: CBRE European Investor Intentions Survey 2025

02

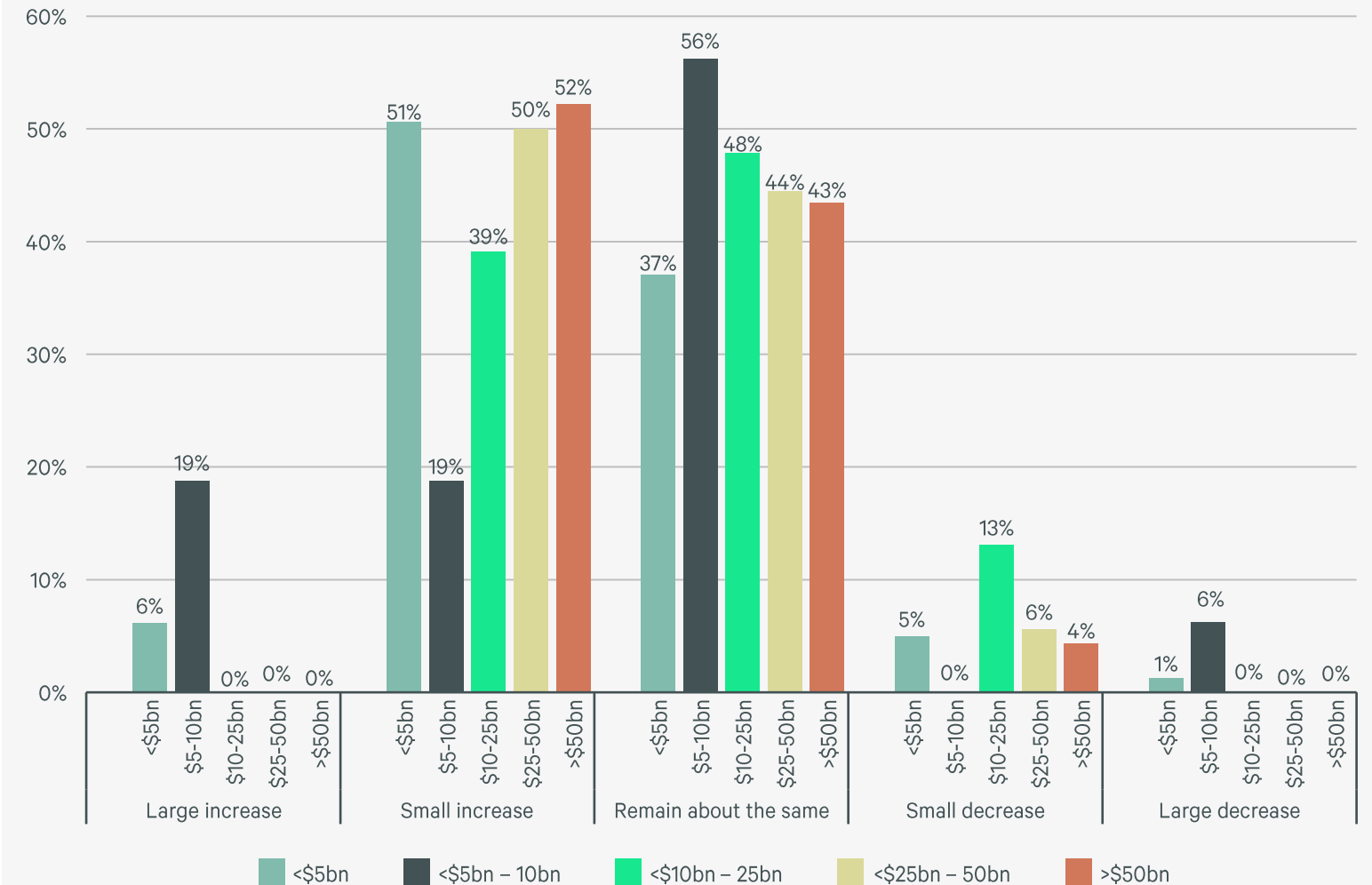
Capital Markets Outlook

Real estate allocation expectations by AUM profile

How are investors allocating to real estate in 2025 compared to 2024?

Real estate allocation expectations are positive as almost half of the respondents intend to increase allocations, while less than 7% anticipate a decrease. There are some differences in expectations when looking at AUM. The largest increases are expected by the smallest investors (<\$10bn AUM), while the largest investors (>\$50bn AUM) anticipate the smallest decreases.

Figure 8: Real estate allocation expectations in 2025 by AUM



Source: CBRE European Investor Intentions Survey 2025

Reasons to increase or decrease allocations

What are the key reasons for investors to **increase or decrease allocations**?

After more than two years of repricing, favourable pricing of real estate is most frequently cited (54%) as the main reason for increasing real estate allocations, followed by more distressed opportunities (44%) and improved expected returns (38%).

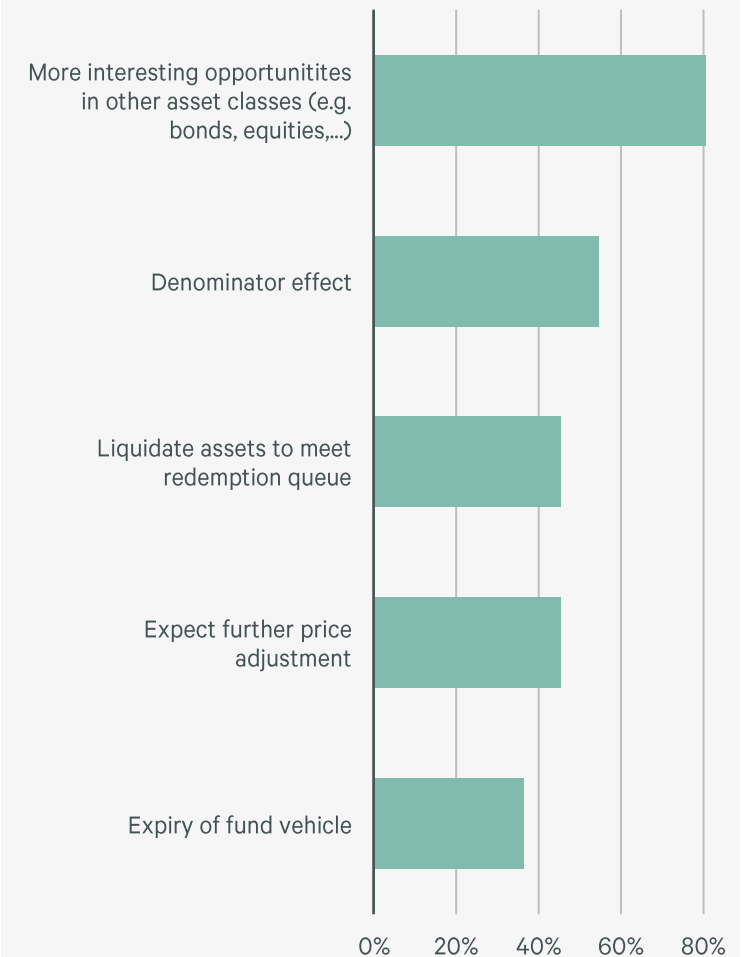
German investors that intend to decrease allocations mostly do so because they see more interesting opportunities in other asset classes such as bonds, equities, and others (82%). There is also some pressure to reduce allocations because of the denominator effect (55%) and redemption queues (45%), which are likely to be motivating sellers in 2025.

Figure 9: Reasons to increase allocations to real estate



Source: CBRE European Investor Intentions Survey 2025

Figure 10: Reasons to decrease allocations to real estate



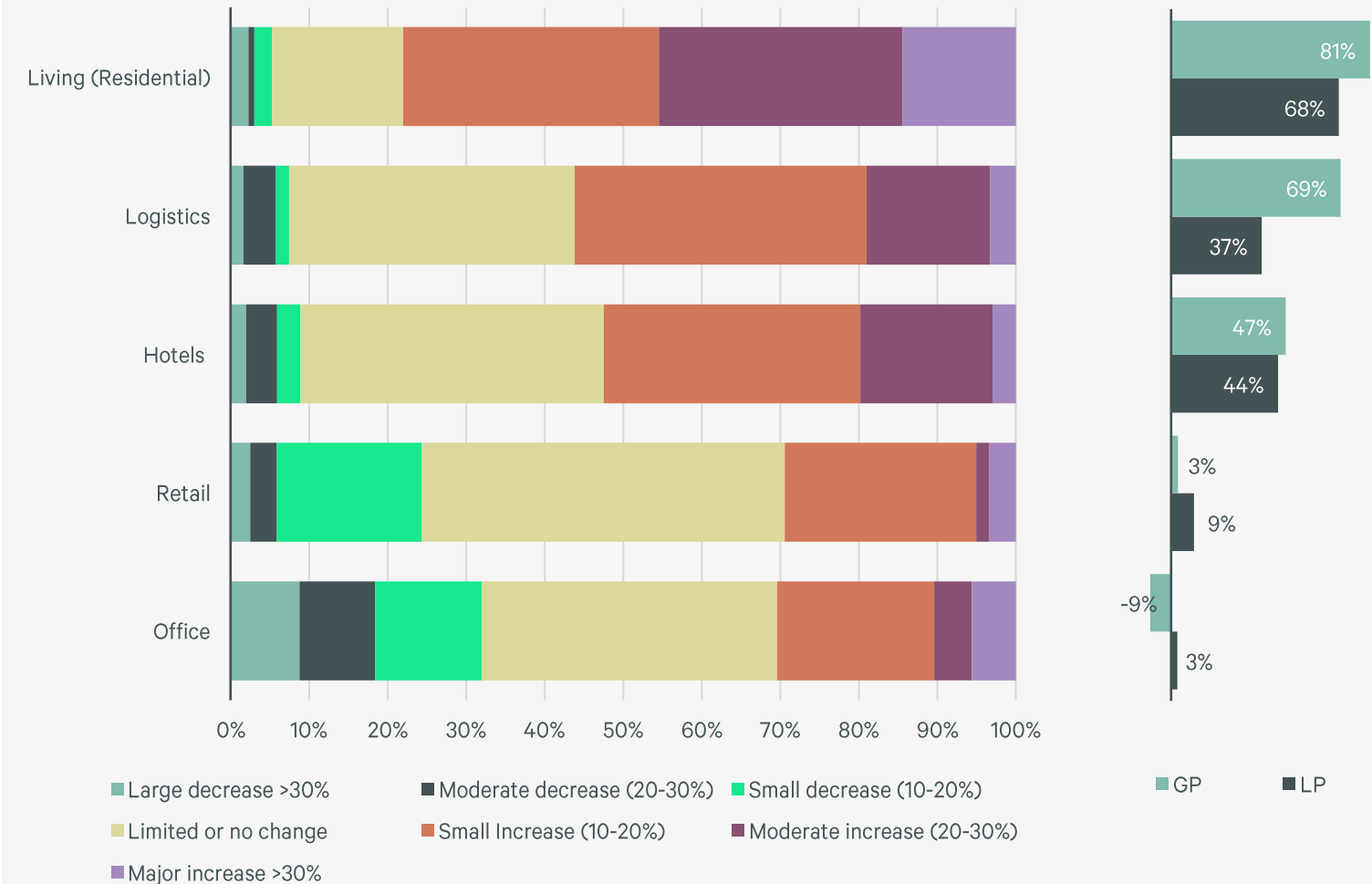
Source: CBRE European Investor Intentions Survey 2025

Allocation expectations by sector

How are investors' 2025 capital allocation expectations expected to change?

Most sectors will see an increase in capital allocations. As some investors seek to move away from Office (32%), others (30%) intend to increasingly target the sector, bringing net movement largely in balance. The balance for the other sectors is more positive, with investors anticipating the highest increases for Living. For Logistics, there is a notable difference in allocation intentions between GPs and LPs. Essentially, this can be attributed to the fact that German LPs in particular had built up a large exposure in the logistics sector in the past. Whilst modest, there was some variation in Office, which could indicate that some GPs may still intend to diversify away from the sector. Overall, however, [sentiment towards Office from GPs is broadly positive](#).

Figure 11: Allocation expectations per sector and balance of increase (+) / decrease (-) for LPs and GPs



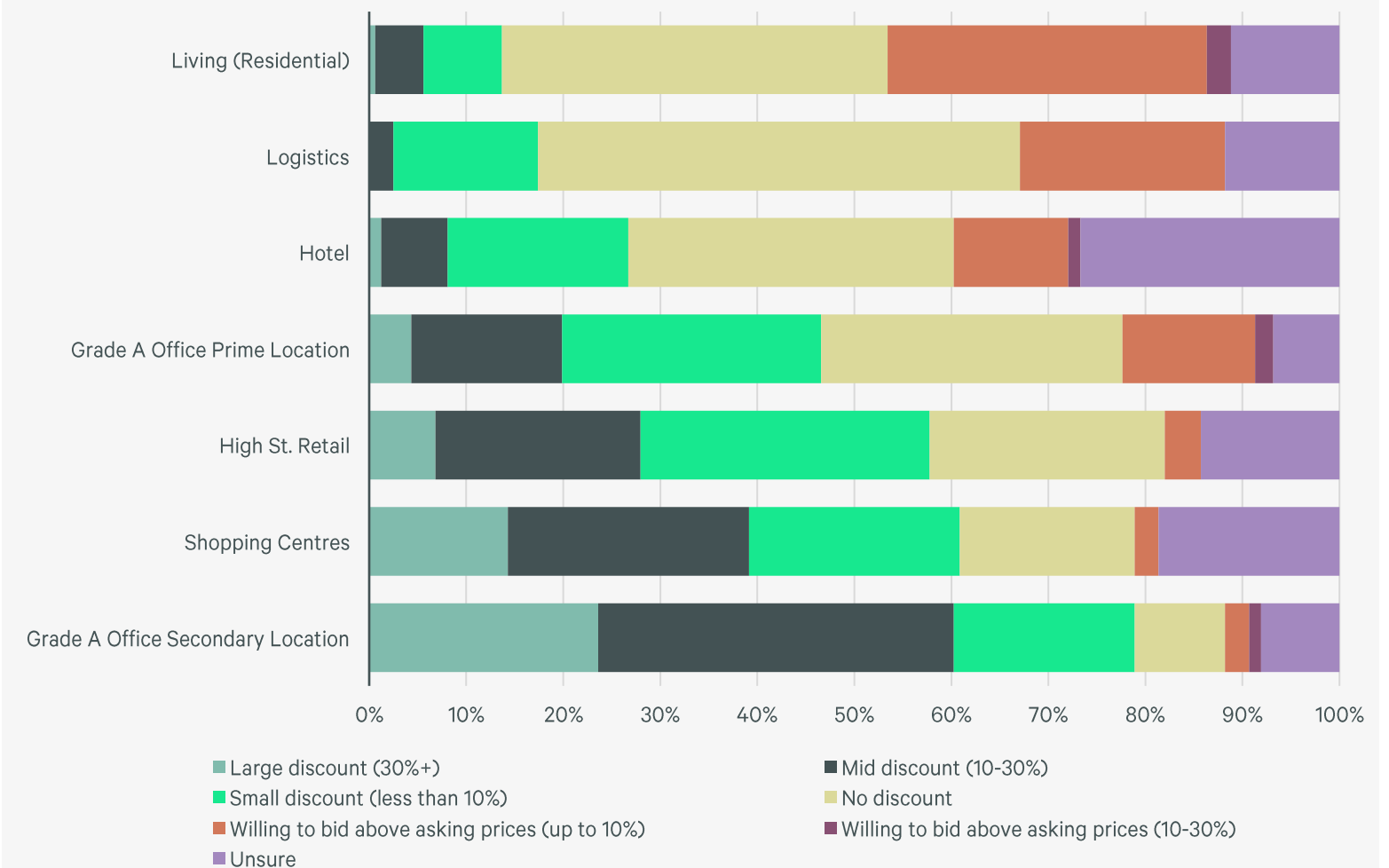
Source: CBRE European Investor Intentions Survey 2025

Pricing expectations by sector

How do investors' 2025 pricing expectations compare to those in 2024?

Pricing expectations are mirrored by the allocation intentions, and the top three for allocation inflows are expected to see the lowest discounts and the highest willingness to bid above asking prices. Living, Logistics, and Hotel are expected to see the fewest discounts, while Living stands out as the sector where the most respondents are willing to bid above the asking price. The main discounts are expected to be found in Offices (79%) – especially in secondary locations – but many respondents also seek price reductions for High Street Retail (58%), and Shopping Centres (61%).

Figure 12: Pricing expectations in 2025 compared to 2024



Source: CBRE European Investor Intentions Survey 2025

03

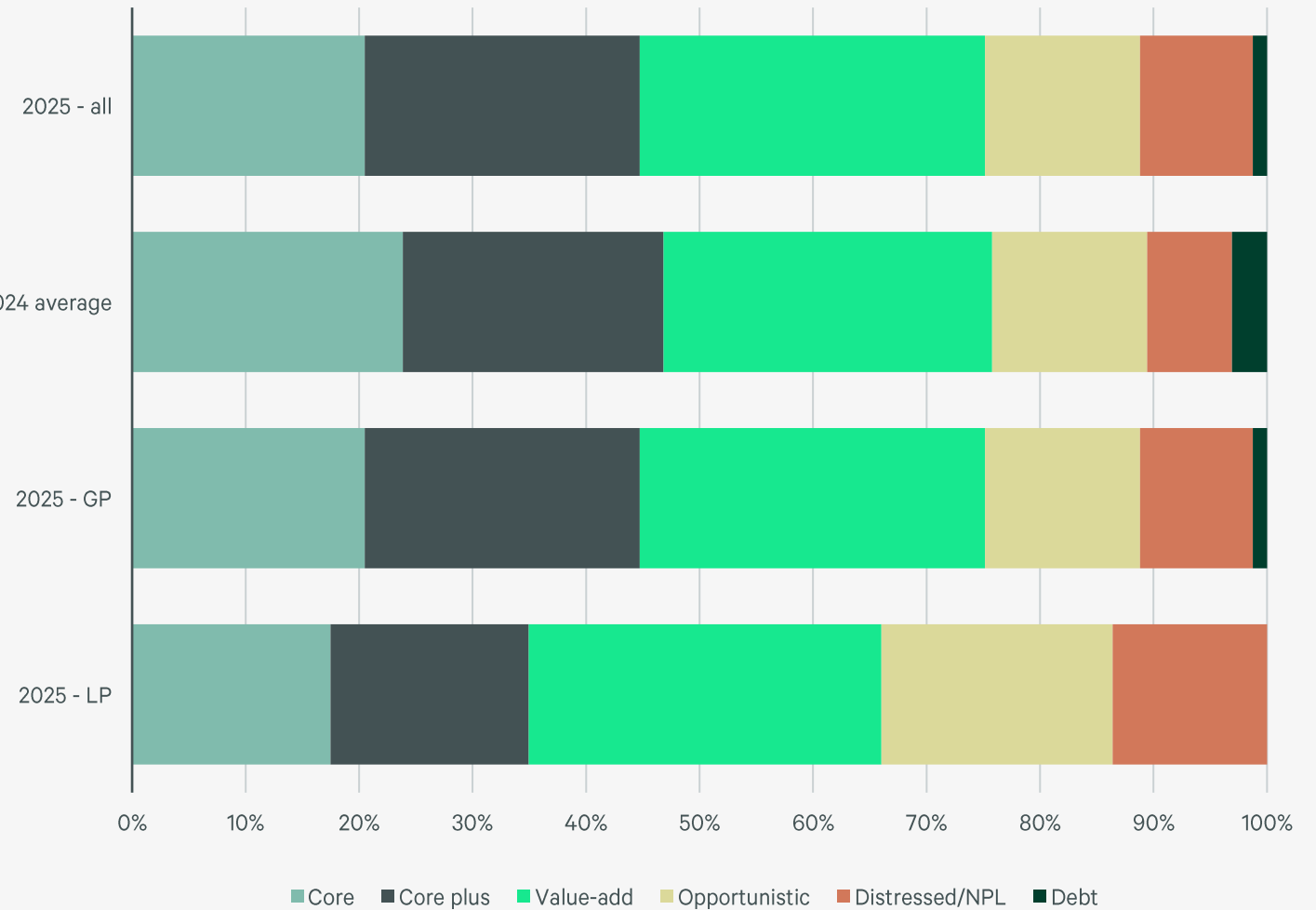
Real Estate Strategies

Preferred strategies

What are the favoured strategies for real estate investment in 2025?

Investors stating core as their preferred strategy (20%) in 2025 remain slightly below the historic average of 24%. While stable compared to last year's survey, investors continue to favour strategies that are higher on the risk spectrum, as value-add (30%), core plus (24%), and opportunistic (14%) strategies prevail. However, for GPs, core and core plus (44%, combined) strategies remain the most important, showing a preference for lower-risk strategies.

Figure 13: Most attractive strategy for investment in 2025



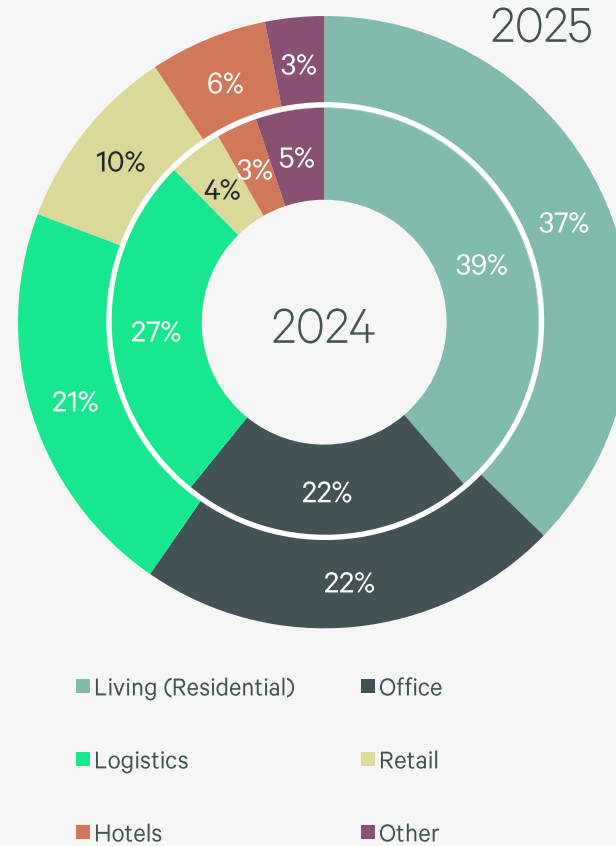
Source: CBRE European Investor Intentions Survey 2025

Sector preference

Which sectors are investors primarily targeting?

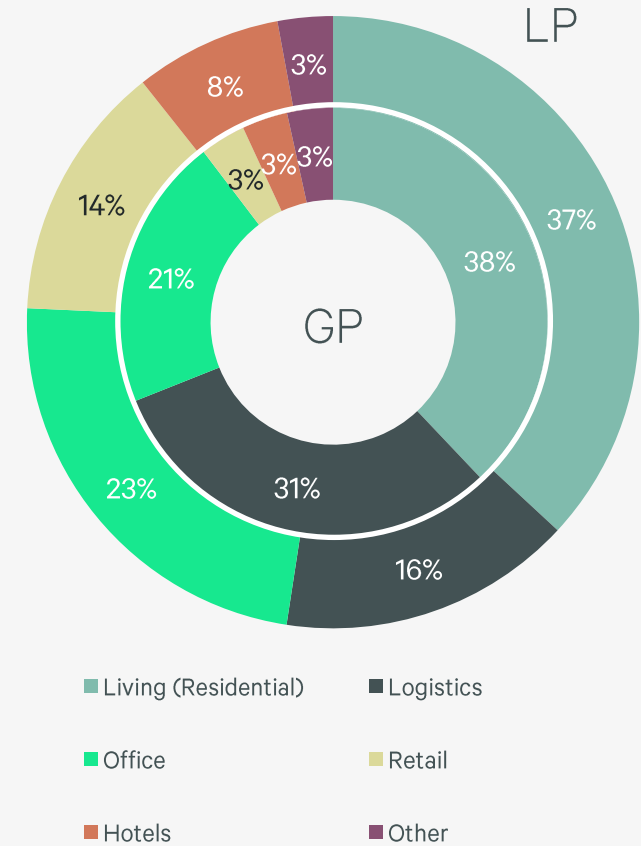
The Living sector remains the favorite real estate investment for German investors, with 37% of respondents favoring it for 2025. While down on the previous year, Industrial remains a strong second at 21%. Office (22%) remained stable, while Retail increased significantly, with 10% of investors choosing it as their preferred sector for 2025. Due to strong returns, Hotels (6%) recorded an increase compared to previous year. The preference for the Logistics sector is even more pronounced among GPs (31%), while LPs are also interested in the Office sector and Retail in 2025 (23% and 14%, respectively).

Figure 14: Sector preference – 2025 and 2024 Investor intentions



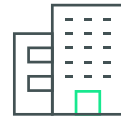
Source: CBRE European Investor Intentions Survey 2025

Figure 15: Sector preference – 2025 Investor Intentions LPs vs GPs



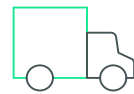
Source: CBRE European Investor Intentions Survey 2025

Investors were asked their favourite asset type based on their preferred sector...



Office

Of those who prefer Office, more than half selected Grade A Office in a prime location. Almost one-third selected Grade B or C in a prime location



Logistics

Half of respondents indicated a preference for modern Logistics facilities, while one third selected aged Logistics facilities. Both selections are for assets in major cities



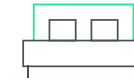
Retail

Supermarkets remained the favourite but were closely followed by Retail Parks and Prime High Street Retail



Hotel

40% of respondents selected full-service, while 60% selected limited-service



Residential

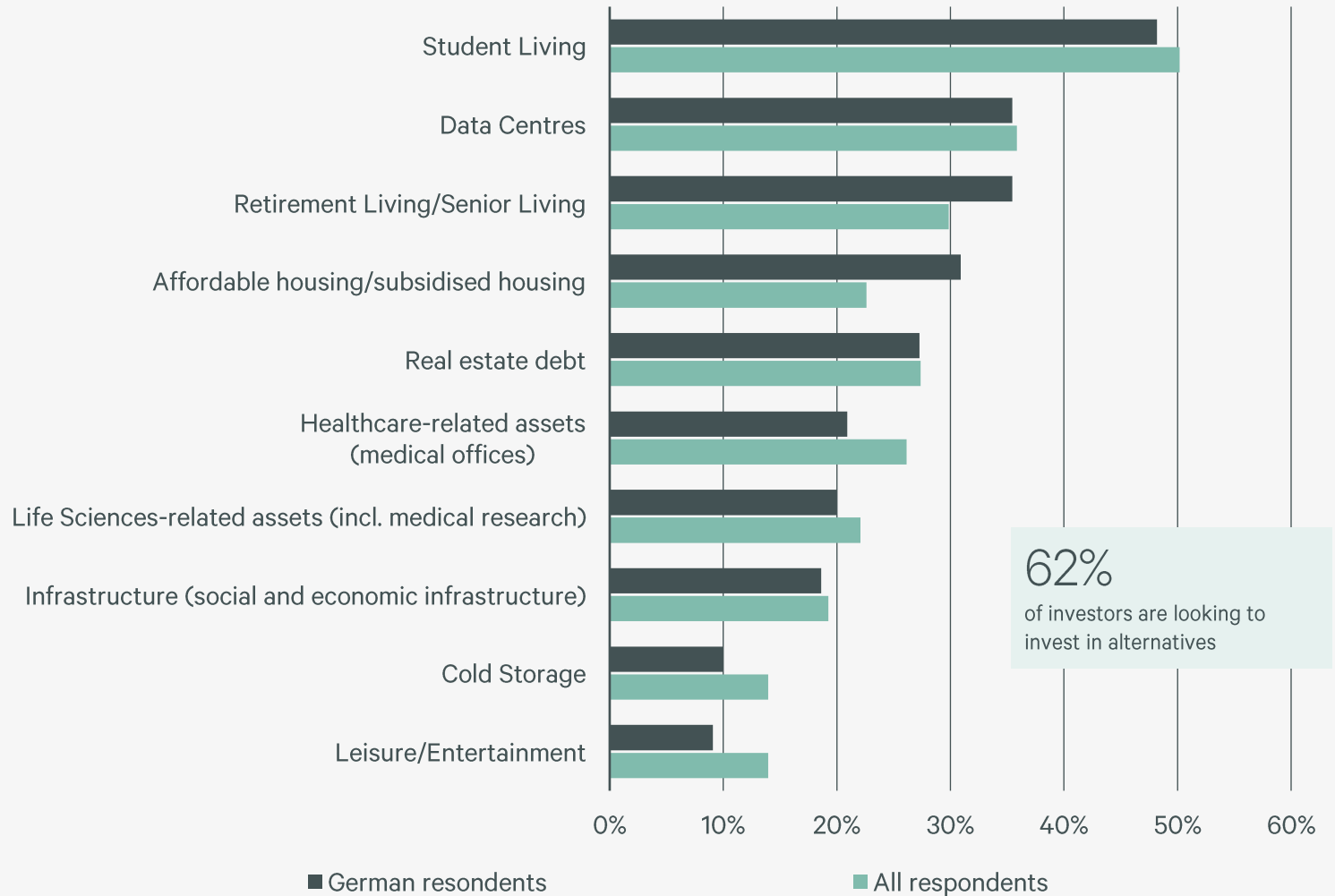
Multifamily/Build-to-Rent was favoured by nearly three-quarters of investors, and was followed by student living at 9%

Alternatives

Which alternative sectors are most attractive for investing?

Alternatives remain highly sought after by all respondents in 2025. While slightly down on the previous year, 62% of respondents are pursuing investments in alternatives. Student living is the overwhelming favourite and half of the respondents investing in alternatives cited this to be their preferred sector. Propelled by strong demand from AI, Data Centres continue to rise in popularity, surpassing senior living to become the second most sought-after alternative.

Figure 16: Asset types pursued by respondents who target investment in alternative sectors



Source: CBRE European Investor Intentions Survey 2025

04

Investment Destinations

Which market is expected to have the strongest total property returns in 2025?

To avoid in-country bias, the country rankings traditionally exclude respondents who select their home market. By this measure, the UK stood out as the market that is expected to have the strongest property returns in 2025 by cross-border investors. Spain had a very strong showing and came in second, followed by Poland, retaining its third place for the second consecutive year.

Several countries increased their rankings from last year. Sweden moved up four spots as cross-border investors may perceive the current landscape of reduced competition as an opportune time to enter a market historically dominated by domestic capital. Spain climbed two spots as the market has been bolstered by tourism, population growth, and significant GDP growth. Italy advanced one position in the rankings on the back of an increase in tourism positively impacting Hotels and Retail. Portugal finished 6th after not placing in last year's rankings as investors are attracted by relatively high yields, which, coupled with strong sector performance, allows for interesting investment opportunities.

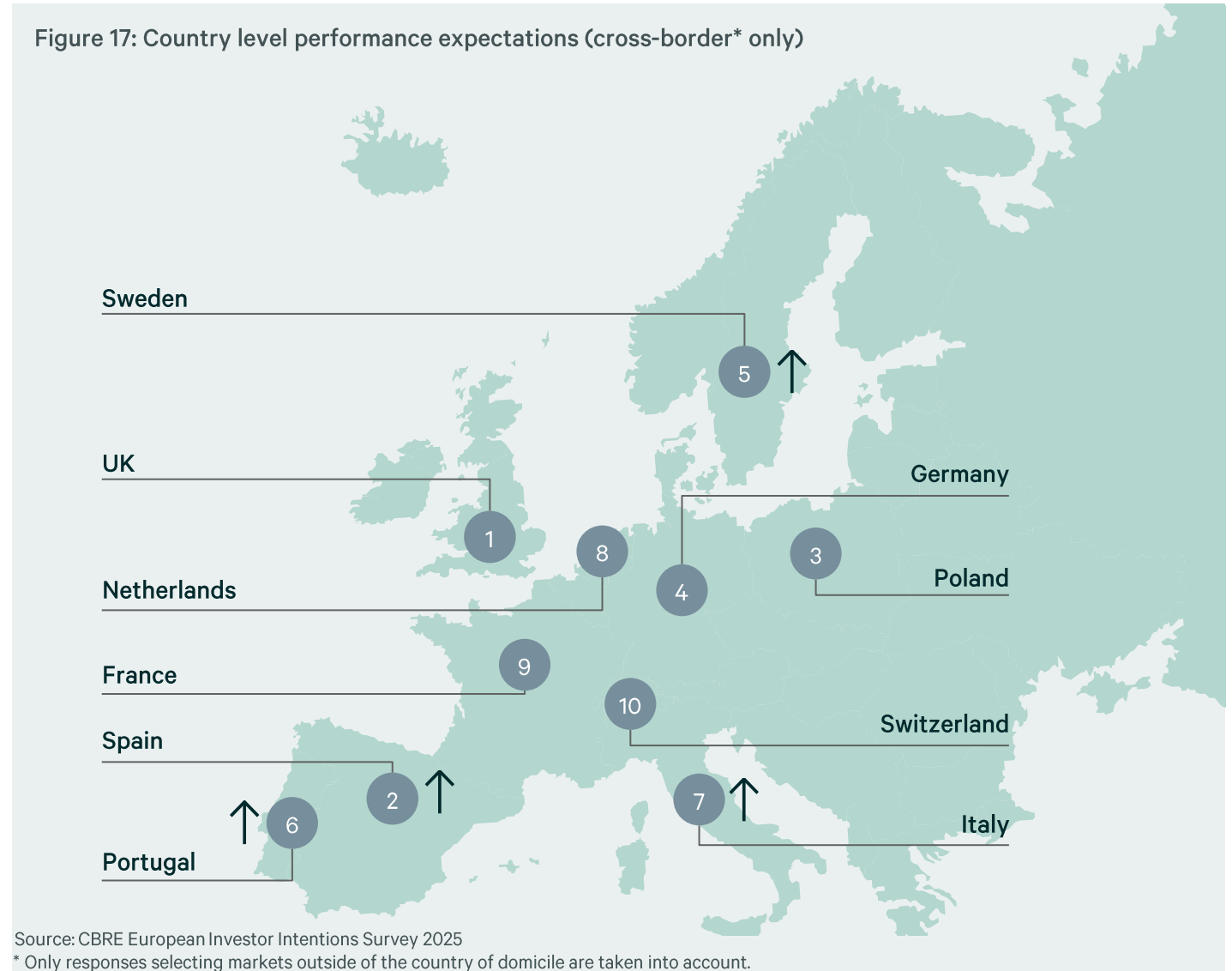
In terms of total votes (including domestic), the rankings shift dramatically. The UK would retain its top spot, but Germany would rank second, followed by Spain and Italy, with Poland closing the ranks of the top five. This is important, because it shows that investment activity in these markets will be supported by strong domestic demand.

Legend

- # Country-level performance ranking
- ↑ Higher ranking than in 2024

UK expected to have the highest total property returns in 2025

Figure 17: Country level performance expectations (cross-border* only)



Source: CBRE European Investor Intentions Survey 2025
 * Only responses selecting markets outside of the country of domicile are taken into account.

Which city is the most attractive for property investment in 2025?

The country rankings are also reflected in the city outcomes. London was most frequently selected as the most attractive city for property investment in 2025 by cross-border respondents. Spain features two cities in the top five, with Madrid second and Barcelona fourth, respectively, with Paris in between, ranking third.

Several markets increased in the rankings from last year. Warsaw moved up three spots as growth rates continue to outperform the rest of Europe, especially in the highly demanded Living market. Madrid and Barcelona, moved up one and three spots, respectively, as they benefit from the strong Spanish macro-economic climate which has boosted fundamentals in the Living and Hotel sectors. Milan placed in the top 10 after not featuring last year, as the city has seen an improvement in infrastructure while rents continue to grow in most sectors. Lisbon, which placed in the top ten for the first time since 2023, benefited from renewed cross-border interest in the broader Portuguese market.

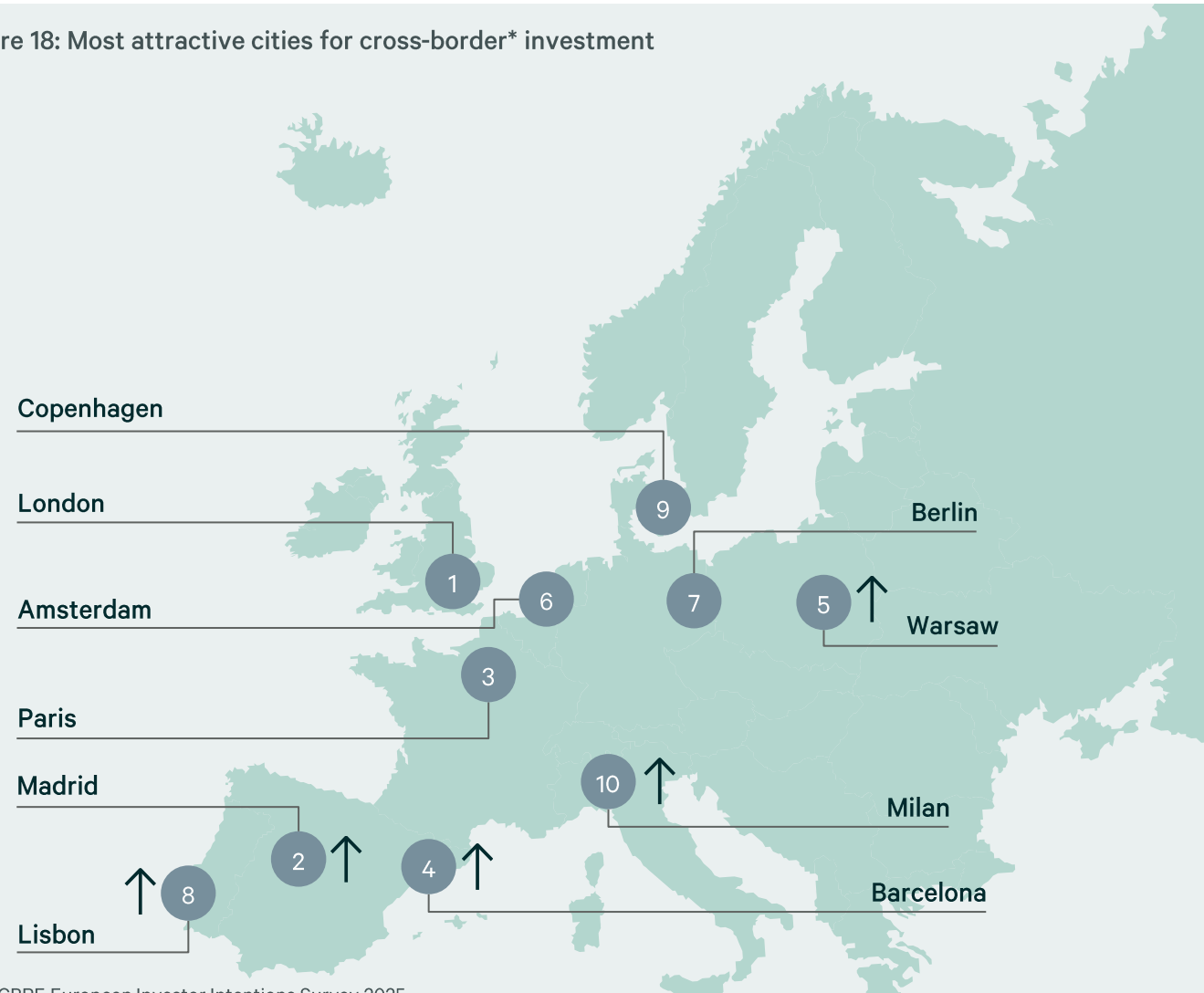
In terms of total votes (including domestic), Milan and Berlin would secure the fourth and fifth positions, respectively. Paris and Madrid would exchange places for second and third. The top ten list would mostly remain unchanged, with the exception of Munich entering and replacing Copenhagen.

Legend

- # City-level performance ranking
- ↑ Higher ranking than in 2024

London remains the most attractive city for cross-border investment

Figure 18: Most attractive cities for cross-border* investment



Source: CBRE European Investor Intentions Survey 2025

* Only responses selecting markets outside of the country of domicile are taken into account.

05

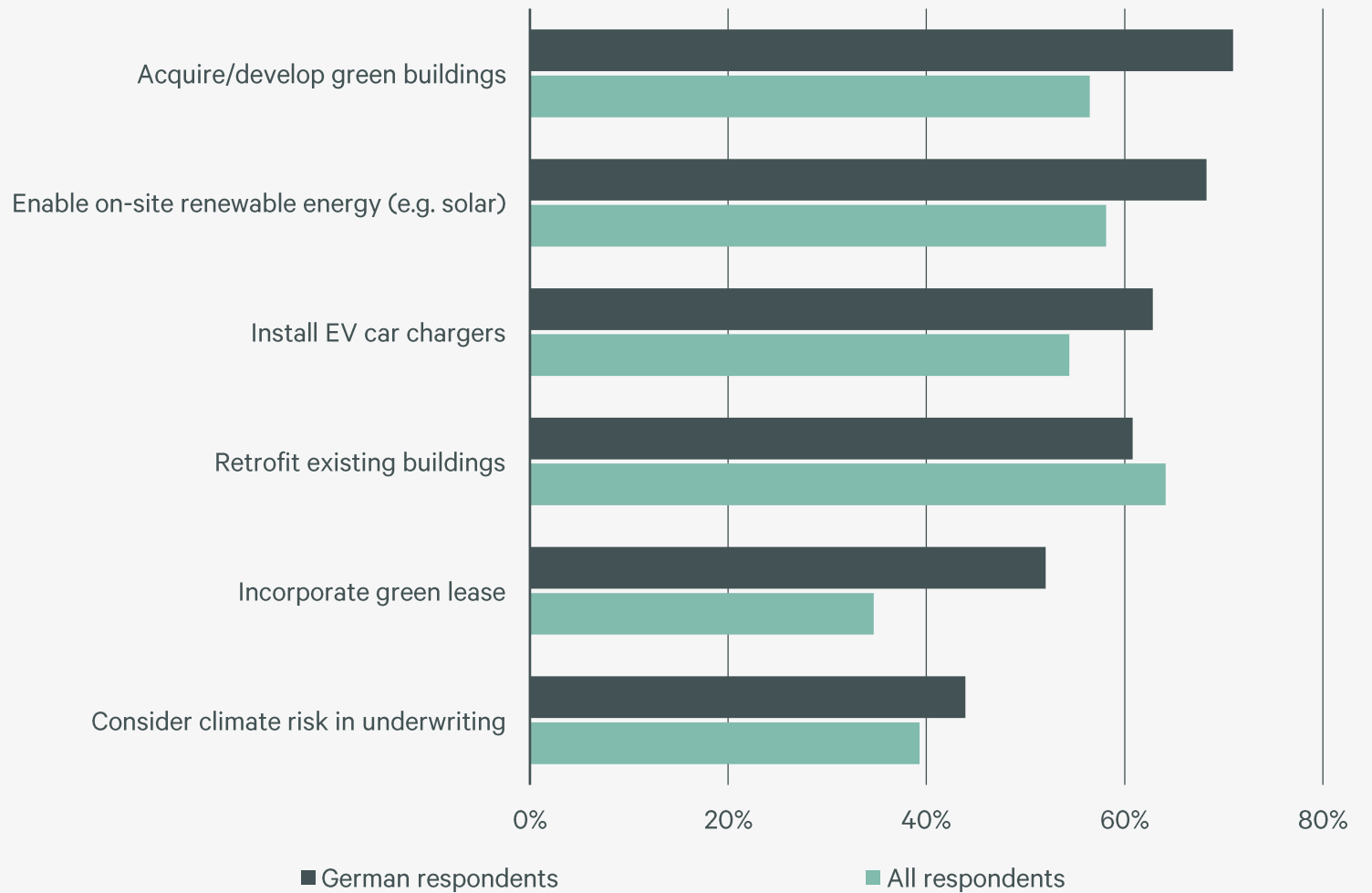
Sustainability and Investment

Sustainability initiatives

What are the **principal sustainability initiatives** considered when investing in real estate?

Respondents increasingly look at sustainability as a means of combining resilience and value creation. To this point, less than 5% of respondents indicated that they do not factor sustainability into their investments in 2025. For German investors, the acquisition or the development of a sustainable/green building is the most frequent choice of action, while for their European peers, retrofitting existing buildings as well as the improvement of buildings to meet sustainability standards offers a good opportunity for enhancing returns.

Figure 19: Sustainability initiatives considered by respondents who implement such strategies



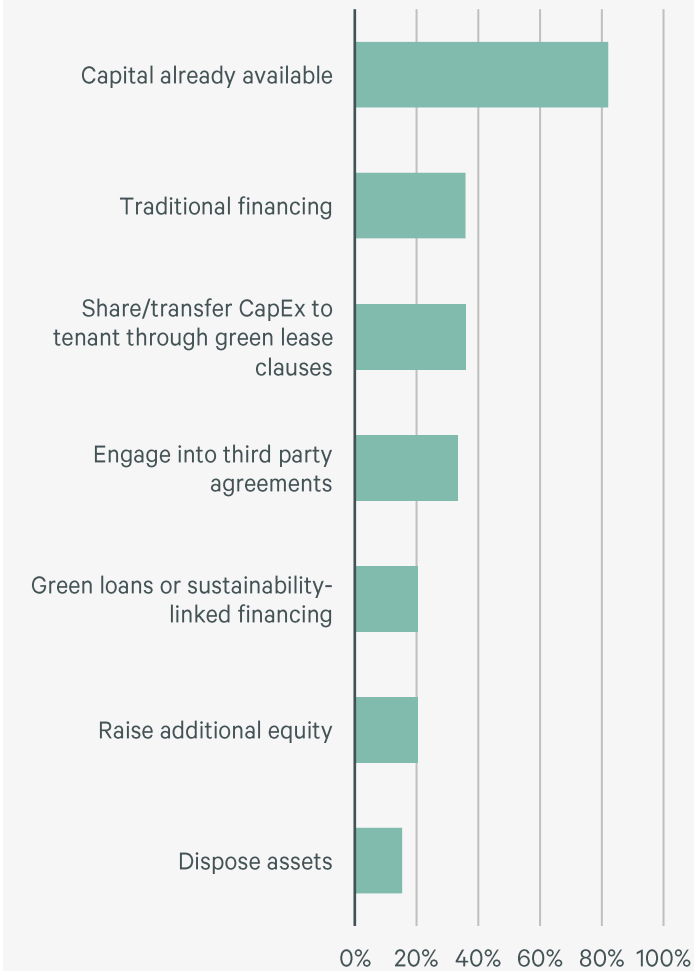
Source: CBRE European Investor Intentions Survey 2025

Sourcing CapEx for sustainability

How do investors secure capital to retrofit buildings?

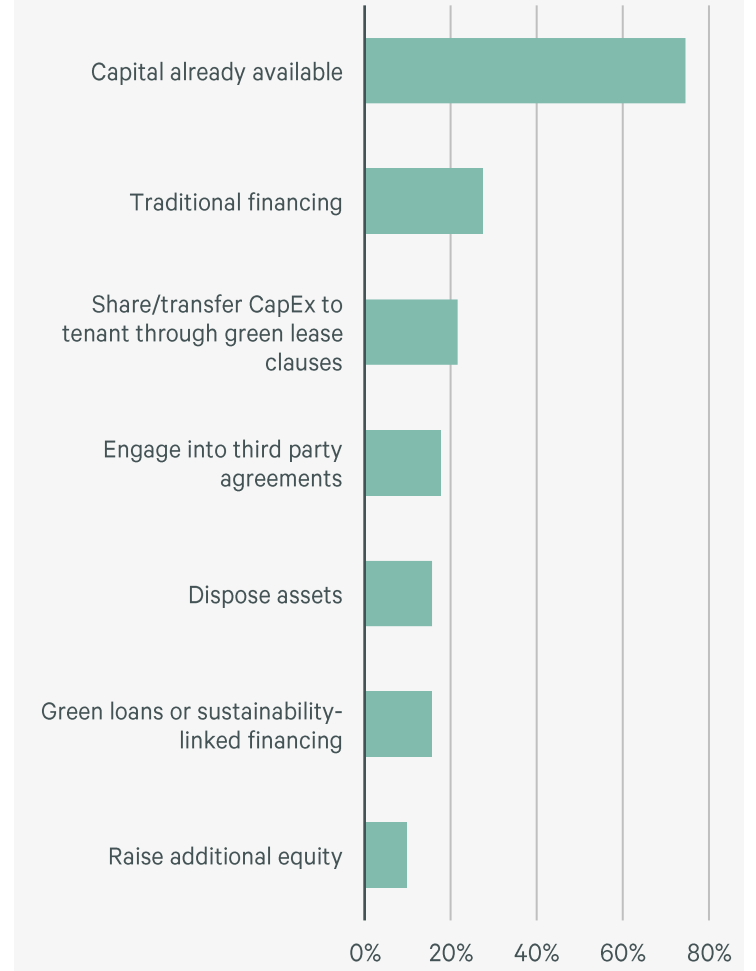
Most German respondents (78%) already have the funding for sustainability initiatives available, suggesting that this is often an integral part of the business plan when allocating or raising capital. GPs especially strongly favour equity over any other form of funding. Amongst GPs, traditional financing is also common and still used more than green loans to secure capital for building improvements. Approximately one in three respondents indicate that they co-operate with tenants to find funding for retrofitting.

Figure 20: GP - Method of securing CapEx for sustainability compliance



Source: CBRE European Investor Intentions Survey 2025

Figure 21: LP – Method of securing CapEx for sustainability compliance



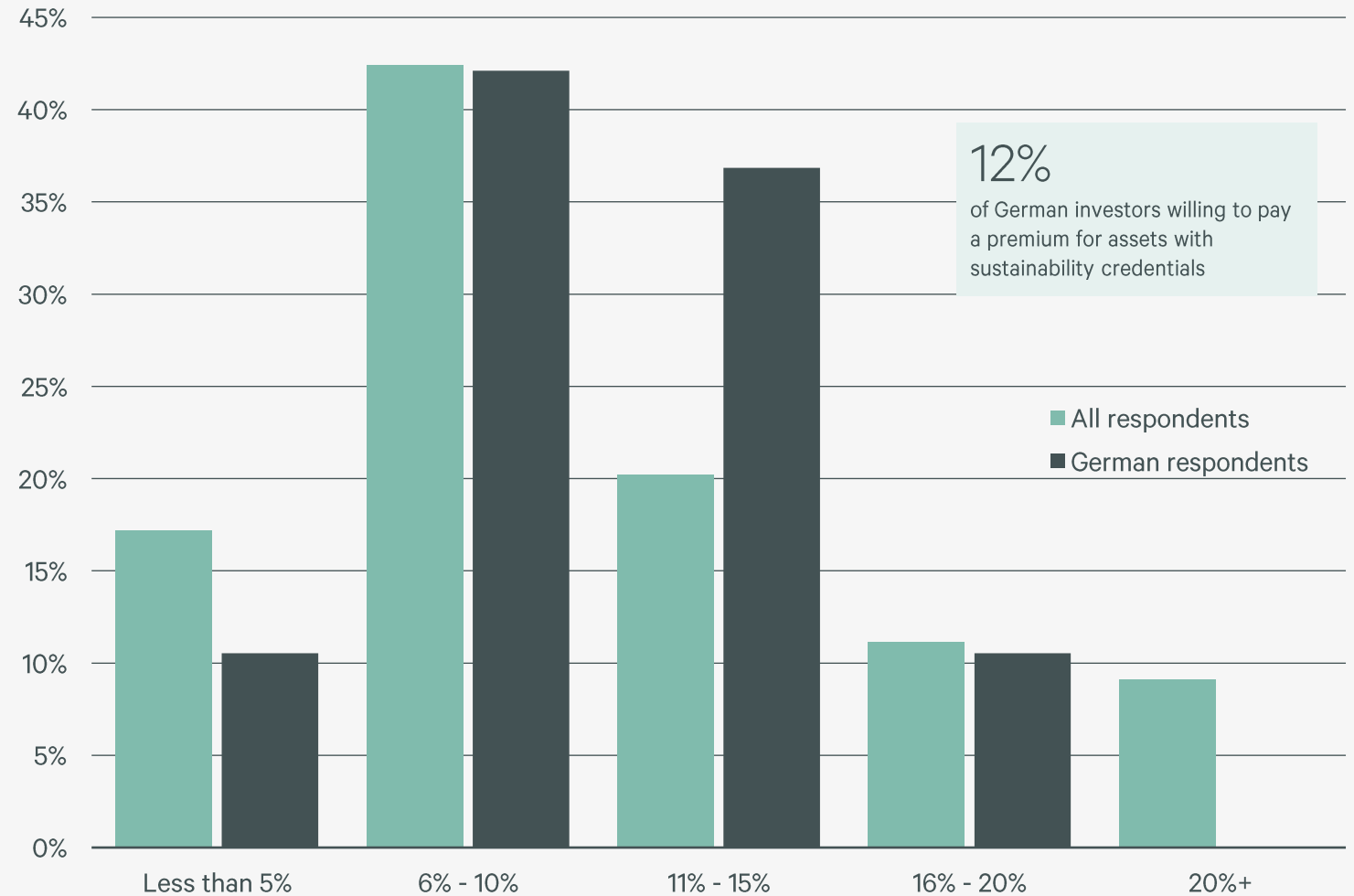
Source: CBRE European Investor Intentions Survey 2025

Premium for sustainable assets

What premium are investors willing to pay for assets that meet sustainability standards?

The premium investors are willing to pay in 2025 has increased further compared to the year prior. 89% of German respondents (83% of all respondents) are willing to pay a premium of 6% or more vs. 78% a year ago. While only 12% of German investors (13% of all respondents) said they were willing to pay premiums, down from 16% (18% respectively) the previous year, this decline may be attributed to respondents' belief that sustainability standards have become the market norm.

Figure 22: Premium certain respondents are willing to pay to acquire assets that meet sustainability standards



Source: CBRE European Investor Intentions Survey 2025

An aerial photograph of a lush green valley. In the foreground, a dirt road winds through a field of green grass and red flowers. Two white wind turbines are visible on a ridge in the middle ground. The background shows rolling hills covered in dense green forest.

“

The improvement of buildings to meet sustainability standards, especially in the Office sector, offers a strong opportunity for enhancing returns. Retrofitted sustainable buildings are more desired by occupiers attracting workers back to the office and are less capital intensive.

”

Ludovic Chambe

Head of ESG & Sustainability Solutions,
Continental Europe

06

Respondent Profile

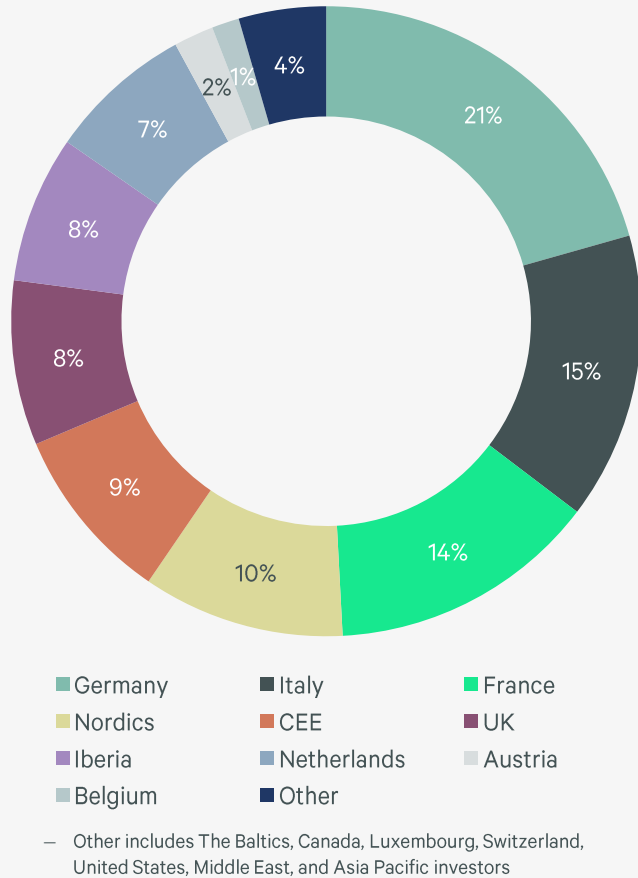
CBRE's European Investor Intentions Survey 2025 was conducted between 4 November 2024, and 29 November 2024.

Total Responses: 781
(thereof 161 from Germany)



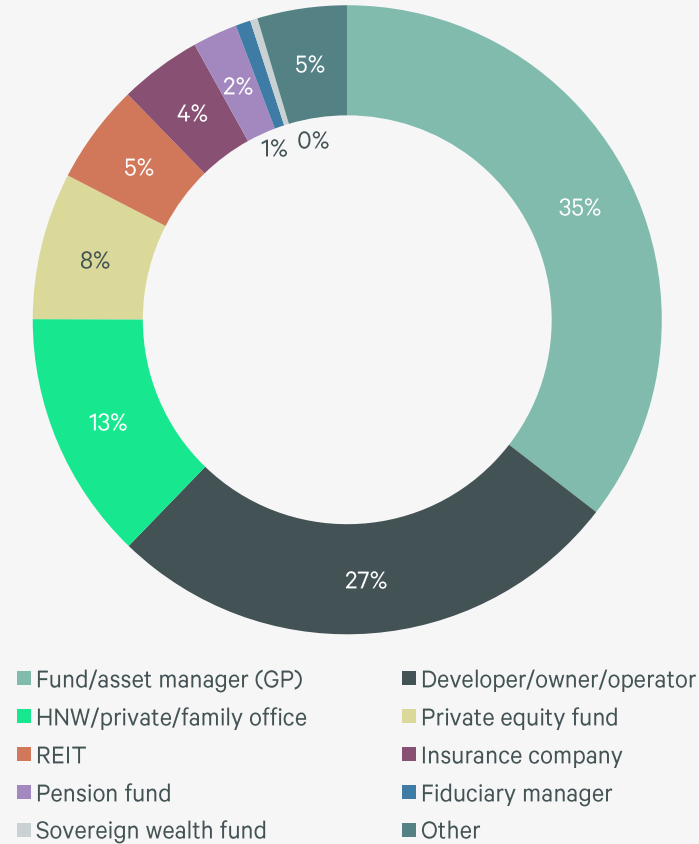
Respondent Profile

Figure 23: Percentage of respondents by market



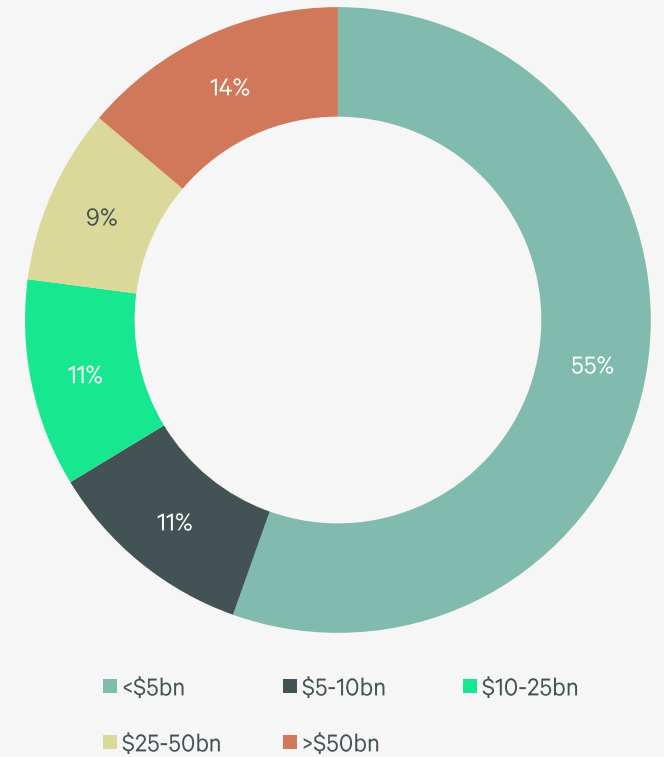
Source: CBRE European Investor Intentions Survey 2025

Figure 24: Percentage of respondents by investor type



Source: CBRE European Investor Intentions Survey 2025

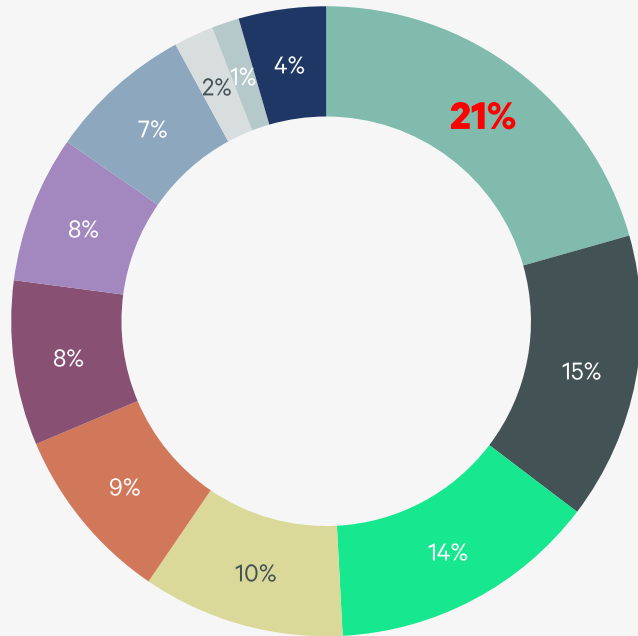
Figure 25: Percentage of respondents by AUM



Source: CBRE European Investor Intentions Survey 2025

Respondent Profile Germany only (n = 161)

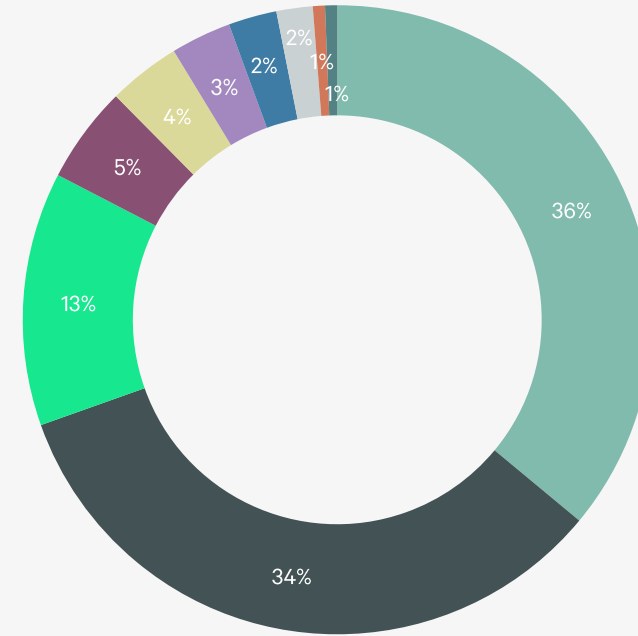
Figure 26: Percentage of respondents by market



- Germany
 - Nordics
 - Iberia
 - Belgium
 - Italy
 - CEE
 - Netherlands
 - Other
 - France
 - UK
 - Austria
- Other includes The Baltics, Canada, Luxembourg, Switzerland, United States, Middle East, and Asia Pacific investors

Source: CBRE European Investor Intentions Survey 2025

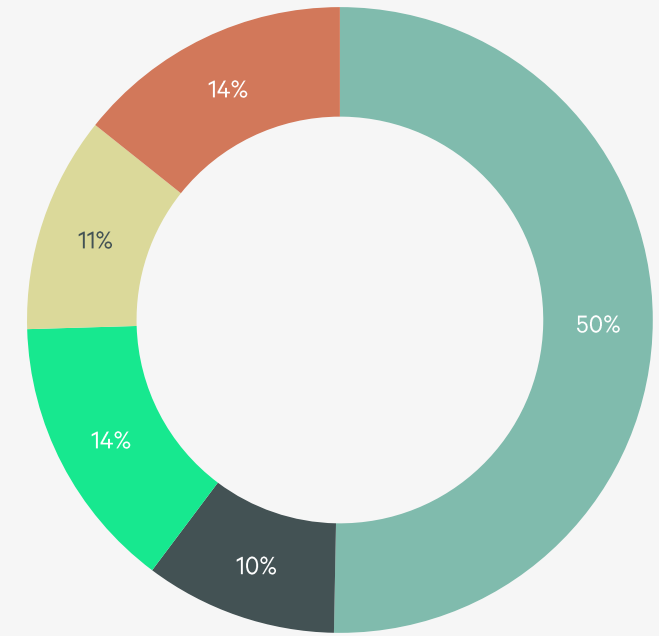
Figure 27: Percentage of respondents by investor type



- Fund/asset manager (GP)
- RHNW/private/family office
- Private equity fund
- Fiduciary manager
- REIT
- Developer/owner/operator
- Insurance company
- Pension fund
- Bank/lender
- Other

Source: CBRE European Investor Intentions Survey 2025

Figure 28: Percentage of respondents by AUM



- <\$5bn
- \$5-10bn
- \$10-25bn
- \$25-50bn
- >\$50bn

Source: CBRE European Investor Intentions Survey 2025

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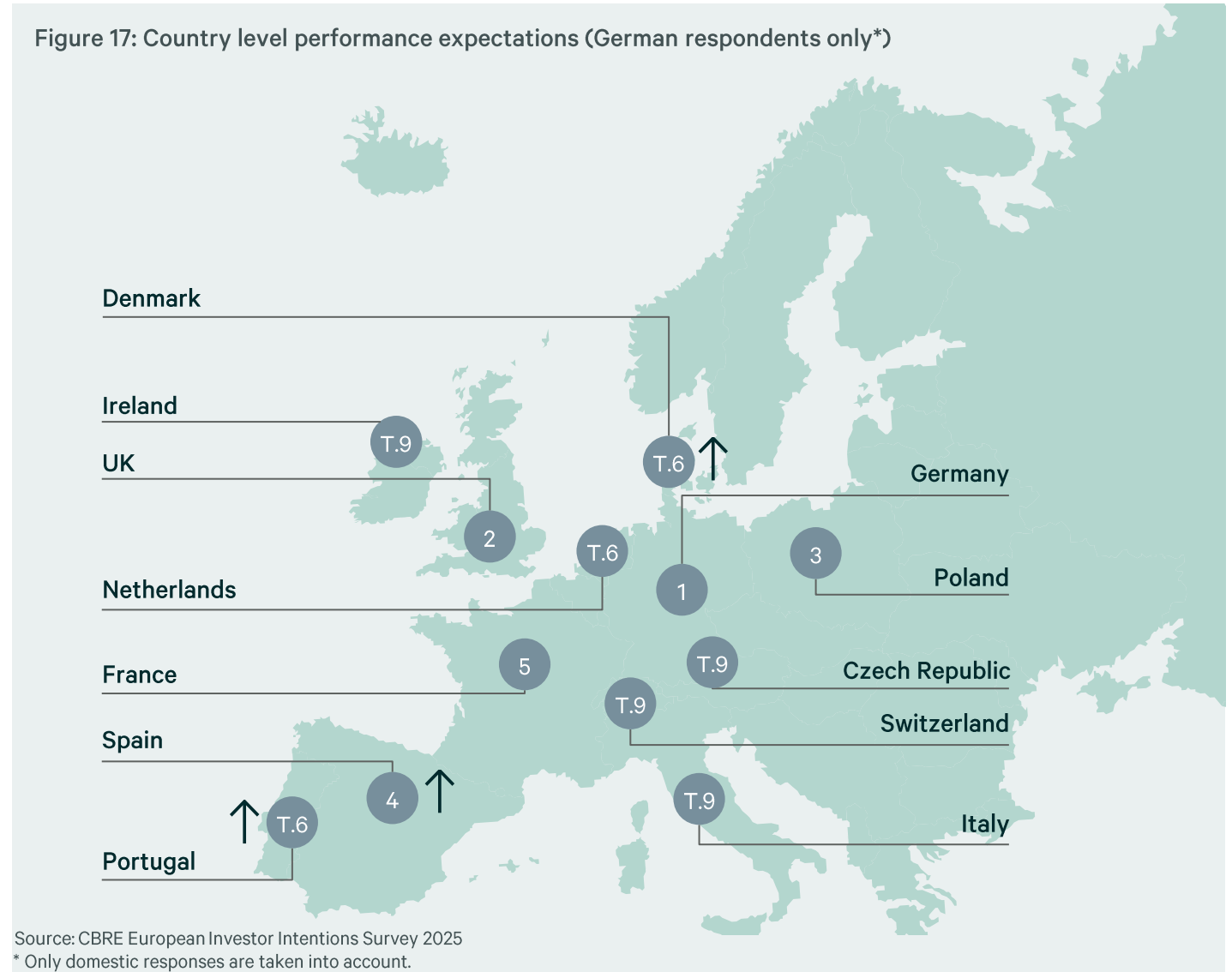
Which market is expected to have the strongest total property returns in 2025?

When considering only German investors, the expectations and preferences regarding the strongest property returns in 2025 shift. Accordingly, German investors continue to have high expectations of the domestic market, although the UK market is also still expected to deliver high returns. Poland, retaining its third place for the second consecutive year.

Spain continues to grow in favor and comes in fourth place. In general, German investors' expectations regarding performance on the Iberian Peninsula are rising. Portugal finished 6th after not placing in last year's rankings as investors are attracted by relatively high yields, which, coupled with strong sector performance, allows for interesting investment opportunities.

For German respondents, their home market and the UK are expected to have the highest total property returns in 2025

Figure 17: Country level performance expectations (German respondents only*)



Source: CBRE European Investor Intentions Survey 2025
 * Only domestic responses are taken into account.

Legend

- # Country-level performance ranking
- ↑ Higher ranking than in 2024

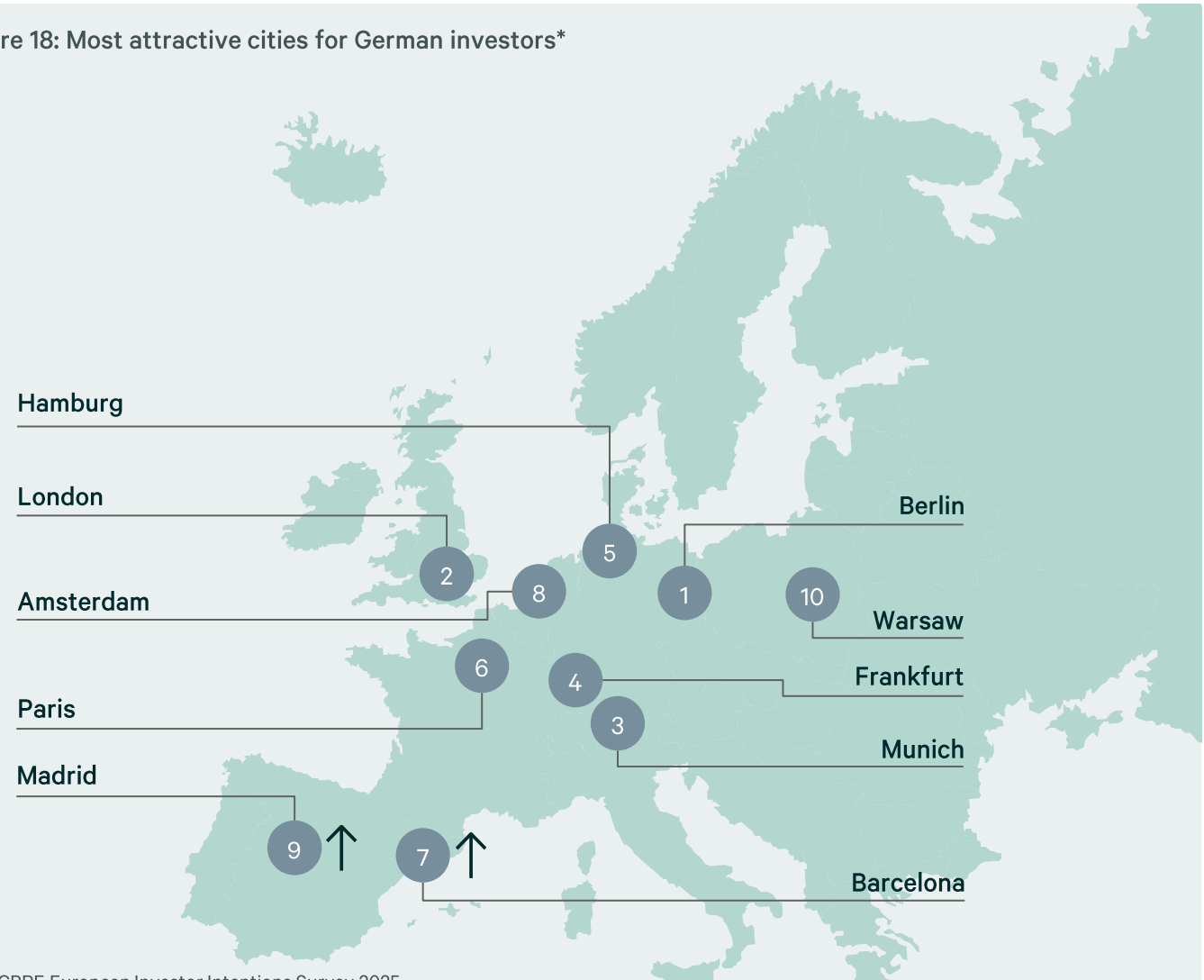
Which city is the most attractive for property investment in 2025?

The city rankings also change significantly when only the expectations and preferences of German investors are considered. Berlin remains the place to be for domestic real estate investors as the most attractive city for property investment in 2025, with three other German cities – Munich, Frankfurt and Hamburg – in the top 10. London is still considered the most important foreign investment location, and the gap between London and Berlin has narrowed significantly in the current survey.

Madrid and Barcelona, moved up one and three spots, respectively, as they benefit from the strong Spanish macro-economic climate which has boosted fundamentals in the Living and Hotel sectors.

Berlin and London remain the most attractive cities for German investors

Figure 18: Most attractive cities for German investors*



Source: CBRE European Investor Intentions Survey 2025
 * Only domestic responses are taken into account.

Legend

- # City-level performance ranking
- ↑ Higher ranking than in 2024