

## ImmoScout24 WohnBarometer

### Q1 2025

### 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.

## Real Estate Market Continues to Stabilize

Higher interest rates further accelerate market activity / Asking rental prices increase especially in Cologne, Leipzig and Stuttgart

- **Purchase demand jumped +15 percent in February and March 2025 compared to January, driven by rising interest rates.**
- **Asking prices for existing condominiums increased by +1.4 percent quarter-on-quarter and +1.1 percent year-on-year across Germany.**
- **New-build condominium asking prices increased by +0.7 percent in Q1 but remained -1.4 percent below the previous year's level.**
- **Munich and Düsseldorf led existing condominium price increases among metropolitan areas, while Leipzig and Berlin topped the new-build segment.**
- **Rental demand remains high, especially in independent cities with +7 percent annual growth.**
- **With +1.9 percent, Stuttgart recorded the highest quarter-on-quarter increase of asking rents for new rentals in existing properties since 2022.**
- **New-build asking rents for new rentals rose most significantly in Cologne (+2.4 percent) and Leipzig (+2.3 percent).**
- **The rental market shows substantial supply-demand mismatches in terms of asking rent in Berlin and apartment size in Munich.**

### Summary

The Q1 2025 ImmoScout24 WohnBarometer shows upward trends across German real estate markets. Asking prices for both existing and new-build condominiums are either stable or rising quarter-on-quarter in all eight metropolitan areas. Year-on-year, only three metropolitan areas still show price declines for new-build condominiums, all below two percent. This recovery is fueled by surging demand, particularly in February and March 2025. The rental market is also showing an upward trend – nationwide and in all metropolitan areas. Particularly noticeable is the rise in asking rents in the new-build segment in cities such as Leipzig and Cologne, which have seen double-digit growth rates within a year. This development underscores the high pressure on the housing market and the need to expand supply through increased new construction activities. Affordable and smaller apartments are especially sought after. Demand concentration remains highest in metropolitan areas and independent cities, where competition for available units continues to intensify.

### Purchase Market

Rising interest rates in early 2025 drove substantial growth in real estate purchase demand. Buyers held back in January, hoping for lower interest rates. When rates began rising in February, buyers rushed to secure properties before further increases, unlike in 2022 when rising rates caused market collapse. Year-on-year, purchase demand grew + 12 percent in metropolitan areas and rural regions, with surrounding metropolitan areas (+16 percent) and independent cities (+17 percent) showing the strongest growth.

Existing condominium asking prices rose +1.4 percent across Germany in Q1 2025, reaching +1.1 percent above last year's levels. Seven of eight metropolitan areas showed positive trends: Munich led with +1.9 percent quarterly growth (following +1.1 percent in Q4 2024), then Düsseldorf (+1.4 percent) and Berlin (+0.9 percent). Only Stuttgart remained flat at -0.2 percent, following its +1.1 percent increase in Q4 2024. Year-on-year, all eight metropolitan areas showed positive price developments. Stuttgart led with an increase of +2.8 percent (compared to +1.8 percent at the end of 2024), followed by Hamburg (+2.7 percent) and Berlin (+2.6 percent). Düsseldorf (+2.3 percent), Leipzig (+2.1 percent), Munich (+2.1 percent), and Cologne (+1.9 percent) all exceeded previous-year levels. Only Frankfurt am Main held steady year-on-year (-0.5 percent), though it showed positive momentum with +0.7 percent quarterly growth. Munich leads Germany's existing condominium prices at €8,611 per square meter, far ahead of Hamburg (€5,205) and Frankfurt am Main (€5,200), which are nearly tied for second place.

New-build condominium asking prices increased across Germany by +0.7 percent in the first quarter (after -0.2 percent in Q4 2024) but remain -1.4 percent below last year's level. Leipzig led metropolitan areas with +1.6 percent quarterly growth (after +0.5 percent in Q4 2024), followed by Berlin (+1.5 percent) and Hamburg (+1.3 percent). Prices in Düsseldorf and Cologne remained stable (±0.0 percent).

Year-on-year, Berlin (+4.6 percent), Munich (+4.0 percent), Leipzig (+1.7 percent), and Cologne (+1.2 percent) showed positive trends, while Frankfurt am Main (-1.9 percent), Stuttgart (-1.6 percent), and Düsseldorf (-1.0 percent) recorded price declines. This marks improvement from a year ago when some areas saw declines over -5 percent, which underscores the progressive stabilization. For new-build apartments, Munich remains most expensive city with a price per square meter of €11,303 – more than €4,400 more expensive than the next ranked cities of Stuttgart (€6,901) and Berlin (€6,676), and more than twice as expensive as a new-build apartment in Leipzig (€5,086).

## Rental Market

Competition remains intense, with metropolitan areas seeing +6 percent annual demand growth and surrounding areas +4 percent. Independent cities showed +7 percent annual demand growth, while rural areas declined -3 percent. Recently, demand has stabilized with minimal changes across all region classes in the first quarter (-2 to 0 percent).

Asking rents for new rentals in existing buildings rose +0.5 percent across Germany to €8.61 per square meter. Stuttgart led with +1.9 percent quarterly growth to €14.54 per square meter. In Hamburg, asking rents increased by +1.4 percent, breaking the €14 mark (€14.00). Berlin asking rents for new rentals rose +1.1 percent to €14.27 per square meter, recovering from Q4 2024's -0.6 percent decline. Year-on-year, asking rents for new rentals in existing buildings across the eight metropolitan areas rose +5.2 percent on average. Above-average development was seen in Düsseldorf, where asking rents rose by +8.6 percent to €13.48 per square meter. Stuttgart (+5.6 percent), Berlin (+5.5 percent), and Leipzig (+5.4 percent) all exceeded +5 percent annual growth. Frankfurt am Main only showed +4.1 percent growth but remains Germany's second most expensive rental market at €14.94 per square meter, behind Munich's €21.40 per square meter.

In the new-build segment, asking rents developed steadily across Germany, increasing by +1.5 percent quarter-on-quarter and by +1.3 percent in the top eight metropolitan areas. Above-average increases were recorded in Leipzig and Cologne at +2.3 and +2.4 percent, respectively. Hamburg rose +1.5 percent to €17.65 per square meter. Berlin showed the smallest increase at +0.6 percent. The annual growth for new-build asking rents averaged +8 percent nationwide. Leipzig, the most affordable major city at €13.40 per square meter, saw the strongest growth with +14.6 percent, whereas Berlin and Munich with both above €20 per square meter, showed moderate increases at +4.5 percent (to €20.23/m<sup>2</sup>) and +4.3 percent (to €25.99/m<sup>2</sup>).

Market analysis reveals notable gaps between supply and demand. Berlin shows a major price mismatch – tenants most frequently contacted rental offers for €565 while the average rental offer lies at €1,097 (+65 percent higher). Munich has a smaller price gap (12 percent) with most frequently contacted listings at €1,025 and average rental offer at €1,402 but a larger size mismatch. With the most expensive asking rents in Germany, renters seek 54 square meter apartments while available units average 67 square meters (+23 percent larger).

## 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 Q4-24 vs Q1-25	+1.4 %	+0.9 %	+1.4 %	+0.7 %	+0.3 %	+0.2 %	+1.9 %	-0.2 %	+0.8 %
Price development Q1-24 vs Q1-25	+1.1 %	2.6 %	+2.3 %	-0.5 %	+2.7 %	+1.9 %	+2.1 %	+2.8 %	+2.1 %
Price per m <sup>2</sup> Q1-25	2,518 €	4,685 €	4,443 €	5,200 €	5,205 €	4,170 €	8,611 €	4,925 €	2,877 €
Owner-occupied - New construction									
Price development Q4-24 vs Q1-25	+0.7 %	+1.5 %	±0.0 %	+0.7 %	+1.3 %	±0.0 %	+1.1 %	+0.3 %	+1.6 %
Price development Q1-24 vs Q1-25	-1.4 %	+4.6 %	-1.0 %	-1.9 %	+0.7 %	+1.2 %	+4.0 %	-1.6 %	+1.7 %
Price per m <sup>2</sup> Q1-25	4,037 €	6,676 €	6,498 €	6,610 €	6,643 €	6,086 €	11,303 €	6,901 €	5,086 €

### Data cockpit for rental flats

	Germany	Berlin	Düsseldorf	Frankfurt (Main)	Hamburg	Cologne	Munich	Stuttgart	Leipzig
Rental flats - Existing properties									
Price development Q4-24 vs Q1-25	+0.5 %	+1.1 %	+0.7 %	-0.1 %	+1.41 %	+0.5 %	+0.9 %	+1.9 %	+0.5 %
Price development Q1-24 vs Q1-25	+0.6 %	+5.5 %	+8.6 %	+4.1 %	+2.1 %	+5.3 %	+4.6 %	+5.6 %	+5.4 %
Price per m <sup>2</sup> Q1-25	8.61 €	14.27 €	13.48 €	14.94 €	14.00 €	13.62 €	21.40 €	14.54 €	8.53 €
Net cold rent for the 70 m <sup>2</sup> reference flat	600 €	999 €	944 €	1,046 €	980 €	953 €	1,498 €	1,018 €	597 €
Rental flats - New construction									
Price development Q4-24 vs Q1-25	+1.5 %	+0.6 %	+0.7 %	+0.5 %	+1.5 %	+2.4 %	+1.2 %	+1.1 %	+2.3 %
Price development Q1-24 vs Q1-25	+7.7 %	+4.5 %	+9.0 %	+6.0 %	+6.3 %	+11.3 %	+4.3 %	+7.7 %	+14.6 %
Price per m <sup>2</sup> Q1-25	12.82 €	20.23 €	16.58 €	18.44 €	17.65 €	17.24 €	25.99 €	17.13 €	13.40 €
Net rent per m <sup>2</sup> for 70- m <sup>2</sup> reference flat	897 €	1,416 €	1,161 €	1,291 €	1,236 €	1,207 €	1,819 €	1,199 €	938 €

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