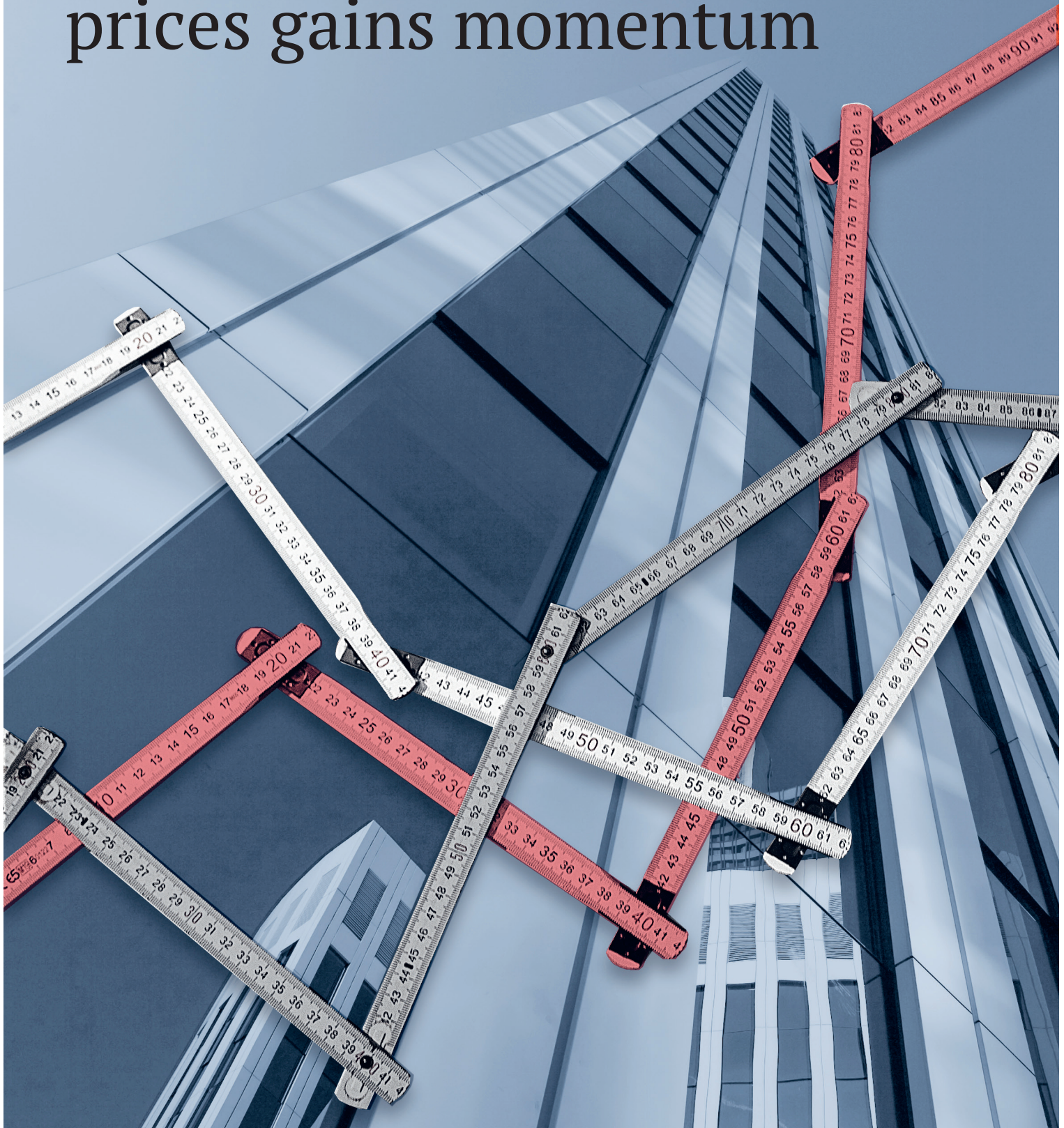


vdp

Real Estate-  
**INDEX**  
Q4.2022

# Reversal of trend in property prices gains momentum



# Market as a whole

Although the vdp property price index rose very slightly by 0.8% year on year, it was down 2.0% compared with the previous quarter. Multiple negative factors such as Russia's war of aggression against Ukraine, high inflation, the resulting restrictive monetary policy of the European Central Bank

Market as a whole

+0.8%

and a significant rise in interest rates, including for long maturities, took their toll on the German property market. Higher interest rates are leading to lower demand for property from both investors and private households. One positive factor is that the sig-

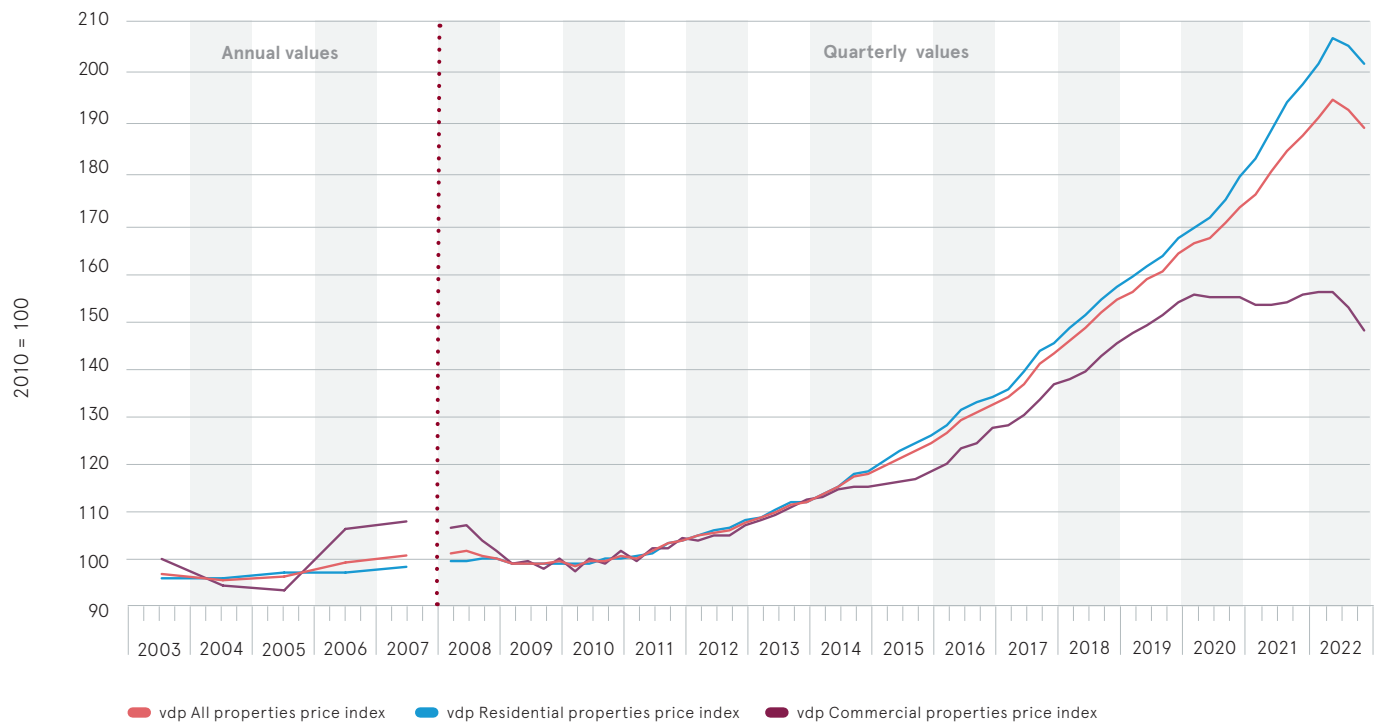
nificant economic downturn that had been feared has not occurred so far and that economic development has been robust, as has the labour market.

The performance of individual asset classes continues to vary. Residential property prices fell by 1.8% in the fourth quarter of 2022 compared with the previous quarter, but were up 2.1% year on year. The situation was different on the commercial property market, where prices fell by 2.9% compared with the previous quarter and by 4.4% year on year.

um 0,6%.



## Reversal of trend in property prices gains momentum



Quarter	All properties		All residential properties		All commercial properties	
	Index	y-o-y change in %	Index	y-o-y change in %	Index	y-o-y change in %
Q1 2021	175.3	6.2	182.7	8.4	152.4	-1.5
Q2 2021	179.7	8.0	188.5	10.7	152.6	-1.1
Q3 2021	184.0	8.7	194.1	11.4	153.0	-0.9
Q4 2021	187.4	8.4	198.0	10.7	154.5	0.3
Q1 2022	190.8	8.8	202.3	10.7	155.2	1.8
Q2 2022	194.8	8.4	207.5	10.1	155.4	1.9
Q3 2022	192.8	4.7	205.9	6.1	152.0	-0.6
Q4 2022	188.9	0.8	202.2	2.1	147.6	-4.4

**+0.8%**

Market as a whole

**+2.1%**

Housing market

**-4.4%**

Commercial property market

# Housing market

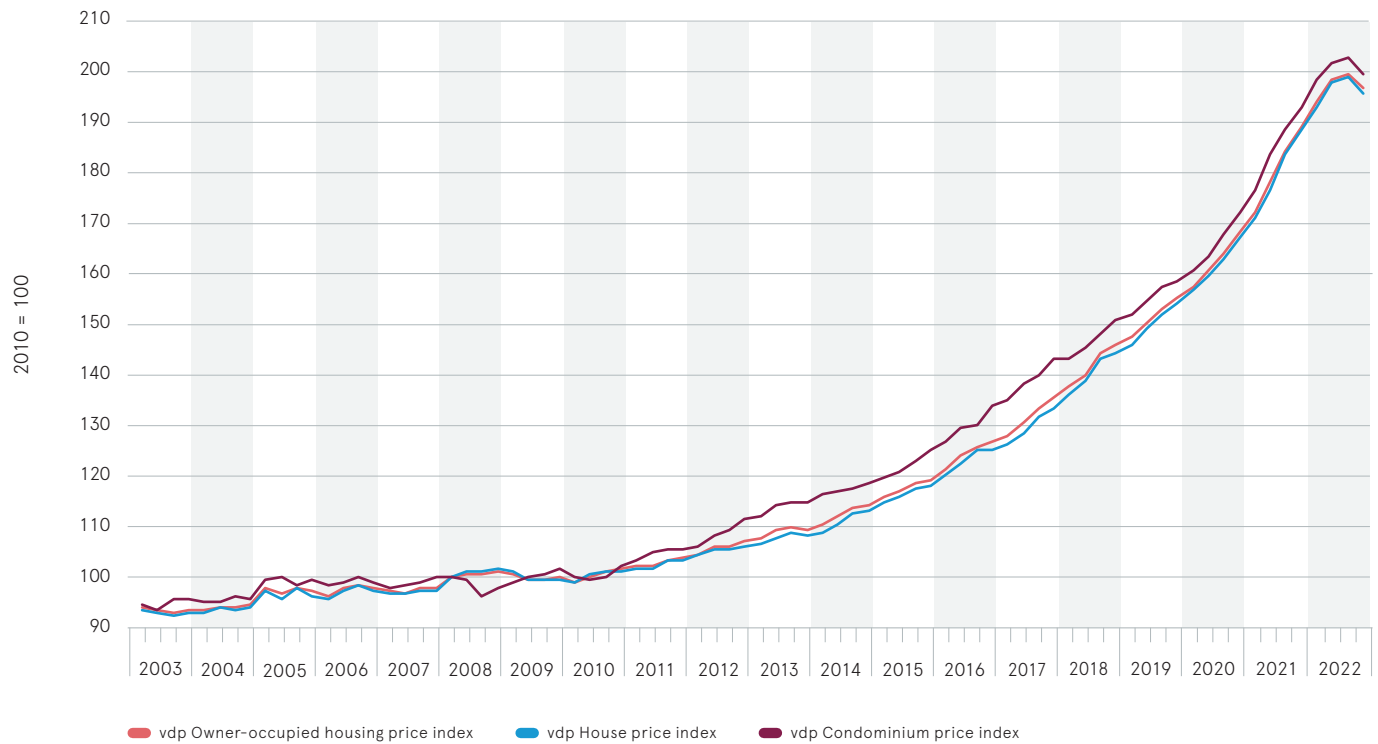
Prices on the housing market continued to decline in the fourth quarter of 2022. However, despite a correction of 1.8% compared with the previous quarter, residential property prices were still up 2.1% year on year. This was largely due to the development of prices for owner-occupied housing, which grew by 3.9% year on year despite a drop of 1.5% in the final quarter. Prices for single- and two-family houses increased by 4% year on year, slightly stronger growth than that recorded by condominiums (3.5%). However, the respective quarterly comparisons were negative for the first time since 2010, at -1.4% for single- and two-family houses and -1.8% for condominiums.

The main causes of the drop in demand for housing are believed to be rising interest on loans, combined with the fact that property prices remain high while construction costs have increased, leaving private households reluctant to make purchases. Even on the market for existing properties, higher financing costs, particularly in markets where prices have risen sharply in recent years, have led to a reduction in demand for owner-occupied housing. While there has been a drop in new construction activity due to the rise in building costs, excess demand for housing continues. This suggests that there will not be a collapse in prices on the market for owner-occupied housing.

Prices for multi-family houses grew slightly by 0.4% compared with the fourth quarter of 2021, but fell by 2.1% compared with the previous quarter. Rents under new contracts rose by 6.5% year on year, due to continuing high demand for housing in this segment and insufficient new construction activity.

On the investor side, rising financing costs and uncertainty about future development led to the revaluation of investments. One consequence of this is that returns, as measured against the cap rate index, increased by 4.1% compared with the preceding quarter and by 6% compared with the fourth quarter of 2021.

## Prices for owner-occupied housing fall quarter on quarter for first time since 2010



Quarter	Owner-occupied housing		Single family houses		Condominiums	
	Index	y-o-y change in %	Index	y-o-y change in %	Index	y-o-y change in %
Q1 2021	172.0	9.4	170.9	9.3	176.3	9.8
Q2 2021	177.6	10.9	176.1	10.4	183.3	12.5
Q3 2021	184.0	12.5	183.1	12.6	187.9	12.2
Q4 2021	188.9	12.4	188.0	12.5	192.4	12.1
Q1 2022	193.6	12.5	192.4	12.6	198.3	12.5
Q2 2022	198.3	11.6	197.5	12.1	201.2	9.8
Q3 2022	199.3	8.3	198.4	8.4	202.6	7.8
Q4 2022	196.3	3.9	195.6	4.0	199.0	3.5

Index: 2010 = 100

**+3.9%**

Owner-occupied housing

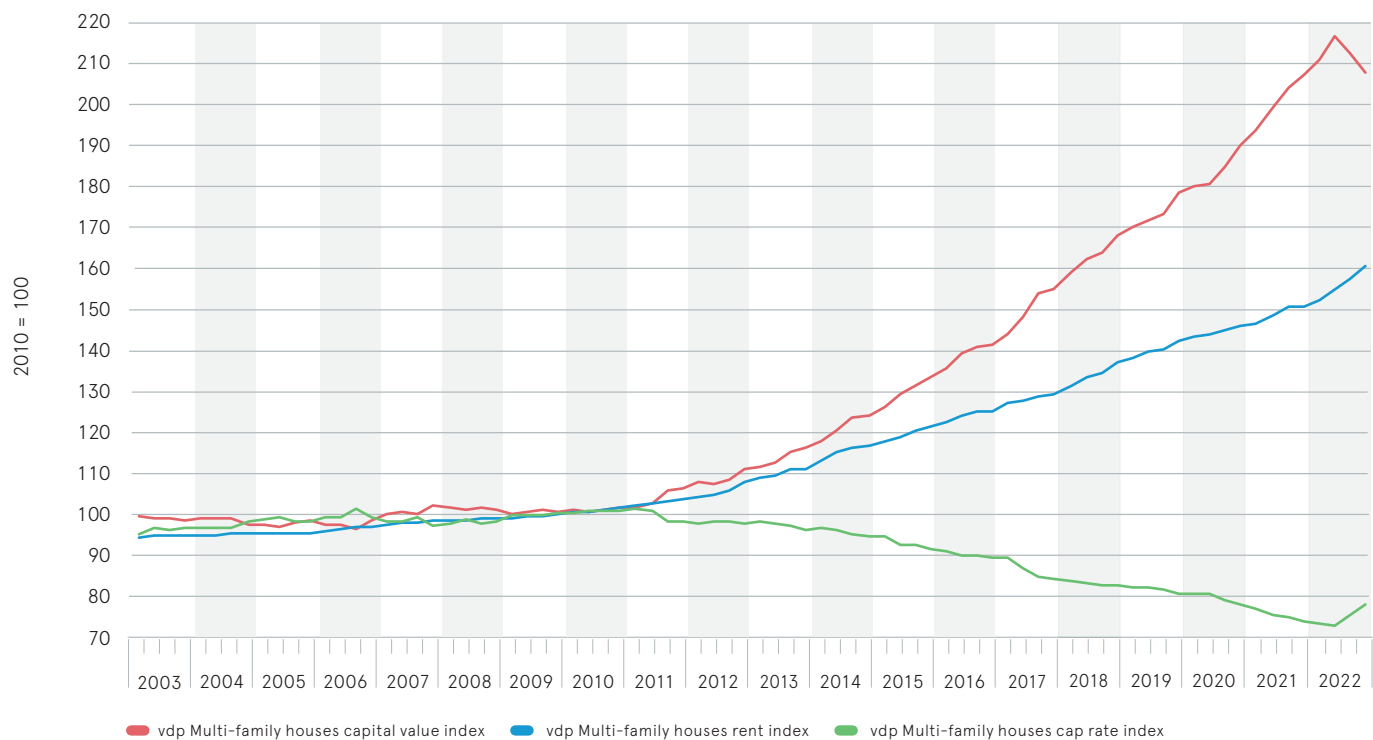
**+4.0%**

Single family houses

**+3.5%**

Condominiums

## Slight increase in prices for multi-family houses compared with end of 2021



Index: 2010 = 100

Quarter	Capital value		Residential rents		Cap rate	
	Index	y-o-y change in %	Index	y-o-y change in %	Index	y-o-y change in %
Q1 2021	193.8	7.6	146.4	2.3	75.6	-4.9
Q2 2021	199.8	10.5	148.3	3.3	74.2	-6.5
Q3 2021	204.4	10.4	150.2	4.0	73.5	-5.9
Q4 2021	207.4	9.1	150.6	3.3	72.6	-5.3
Q1 2022	211.3	9.1	151.9	3.7	71.9	-4.9
Q2 2022	216.9	8.6	154.9	4.4	71.4	-3.9
Q3 2022	212.8	4.1	157.4	4.8	74.0	0.6
Q4 2022	208.3	0.4	160.4	6.5	77.0	6.0

**+0.4%**

Capital value

**+6.5%**

Residential rents

**+ 6.0%**

Cap rate

# Housing in top 7 markets

Germany's largest metropolitan areas also continued to be affected by the difficult conditions outlined above. Although the vdp top 7 index climbed 2.2% compared with the fourth quarter of 2021, mainly thanks to the strong first half of the year, it fell 2.0% quarter on quarter to 259.4 points, the second consecutive quarterly drop. The picture was similar for owner-occupied housing. While the index for single- and two-family houses was up slightly by 2.1% year on year, it was down by 2.7% compared with the third quarter of 2022.

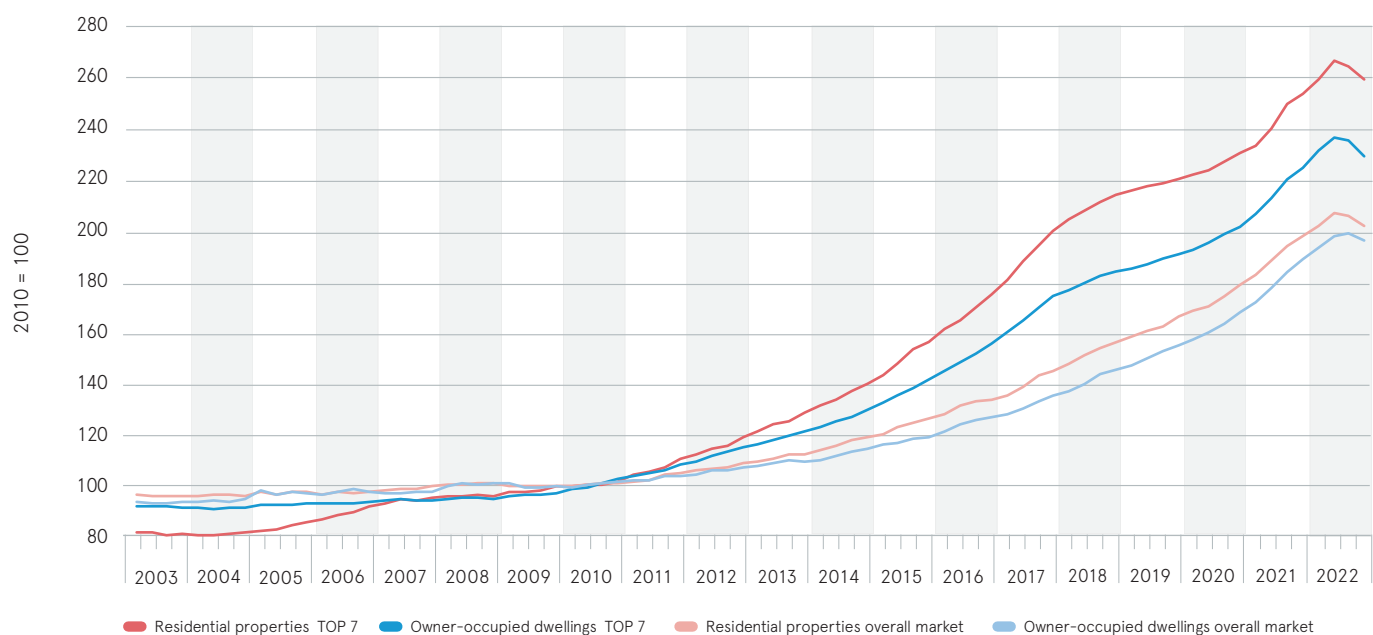
The index for condominiums also fell by 2.5% compared with the previous quarter. In a year-on-year comparison, the top 7 index was up by 1.9%. Prices on the condominium market in Frankfurt am Main and Stuttgart fell year on year for the first time in many years, although the reductions were very moderate, at -1.9% and -0.2% respectively.

On the market for multi-family houses in the top 7 cities, prices were up 2.2% compared with the fourth quarter of 2021, mainly due to positive developments in individual cities and comparatively high price growth in the first two quarters of 2022. Compared with the previous quarter, multi-family houses in the top 7 cities also recorded a drop in prices (-1.9%).

High demand for housing, coupled with the difficult financing environment, led to a rise in rents in large cities. The index for rents under new contracts rose by 6.6% year on year (+2.0% compared with the previous quarter). Excess demand is particularly pronounced in Berlin. On one hand, rents under new contracts increased by 3.7% here compared with the third quarter of 2022 and by 10.0% compared with the fourth quarter of 2021. On the other hand, quarter-on-quarter price drops in the sub-markets of condominiums and single-family houses were considerably smaller in the German capital than in other cities, at -0.8% and -0.9% respectively.

The cap rate index for multi-family houses recorded comparatively strong growth, climbing 3.9% compared with the previous quarter and 4.3% compared with the fourth quarter of 2021.

## Owner-occupied housing - top 7 markets: prices up year on year but down quarter on quarter



For all the individual  
figures of the  
**TOP 7**  
cities, go to  
[www.vdpresearch.de](http://www.vdpresearch.de)

Quarter	Residential properties TOP 7		Owner-occupied housing TOP 7	
	Index	y-o-y change in %	Index	y-o-y change in %
Q1 2021	233.6	5.3	206.7	7.3
Q2 2021	240.2	7.5	213.0	9.0
Q3 2021	249.5	9.9	220.3	10.9
Q4 2021	253.9	10.2	225.0	11.7
Q1 2022	259.6	11.2	231.6	12.0
Q2 2022	266.5	11.0	236.5	11.0
Q3 2022	264.7	6.1	235.6	7.0
Q4 2022	259.4	2.2	229.5	2.0

Index: 2010 = 100

**+2.2%**

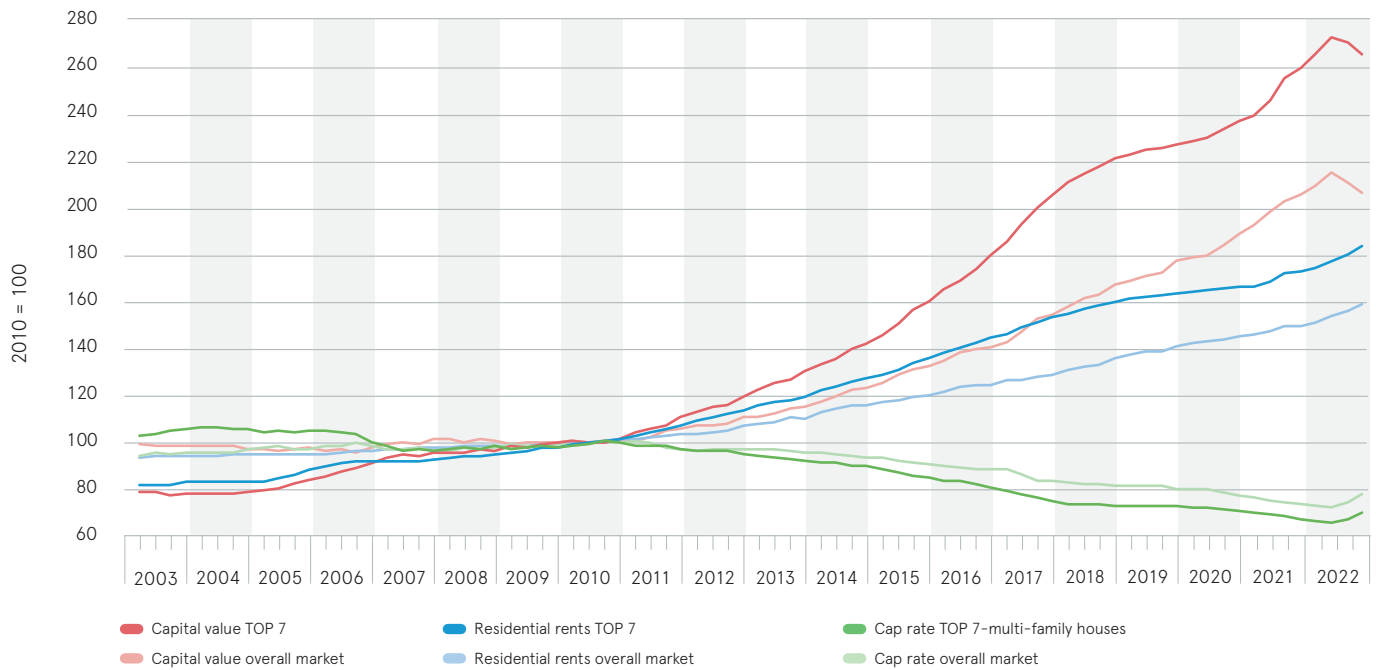
Residential properties TOP 7

**+2.0%**

Owner-occupied housing TOP 7



## Multi-family houses - top 7 markets: further rise in rents under new contracts



Quarter	Capital value TOP 7		Residential rents TOP 7		Cap rate TOP 7	
	Index	y-o-y change in %	Index	y-o-y change in %	Index	y-o-y change in %
Q1 2021	241.4	4.8	167.2	1.1	69.2	-3.5
Q2 2021	248.2	7.2	169.4	2.1	68.3	-4.7
Q3 2021	257.9	9.5	173.2	3.9	67.2	-5.2
Q4 2021	262.2	9.7	173.9	4.0	66.3	-5.2
Q1 2022	267.7	10.9	175.3	4.9	65.5	-5.4
Q2 2022	275.1	10.8	178.8	5.5	65.0	-4.8
Q3 2022	273.0	5.8	181.7	4.9	66.6	-0.9
Q4 2022	267.9	2.2	185.3	6.6	69.2	4.3

**+2.2%**

Capital value TOP 7

**+6.6%**

Residential rents TOP 7

**+4.3%**

Cap rate TOP 7

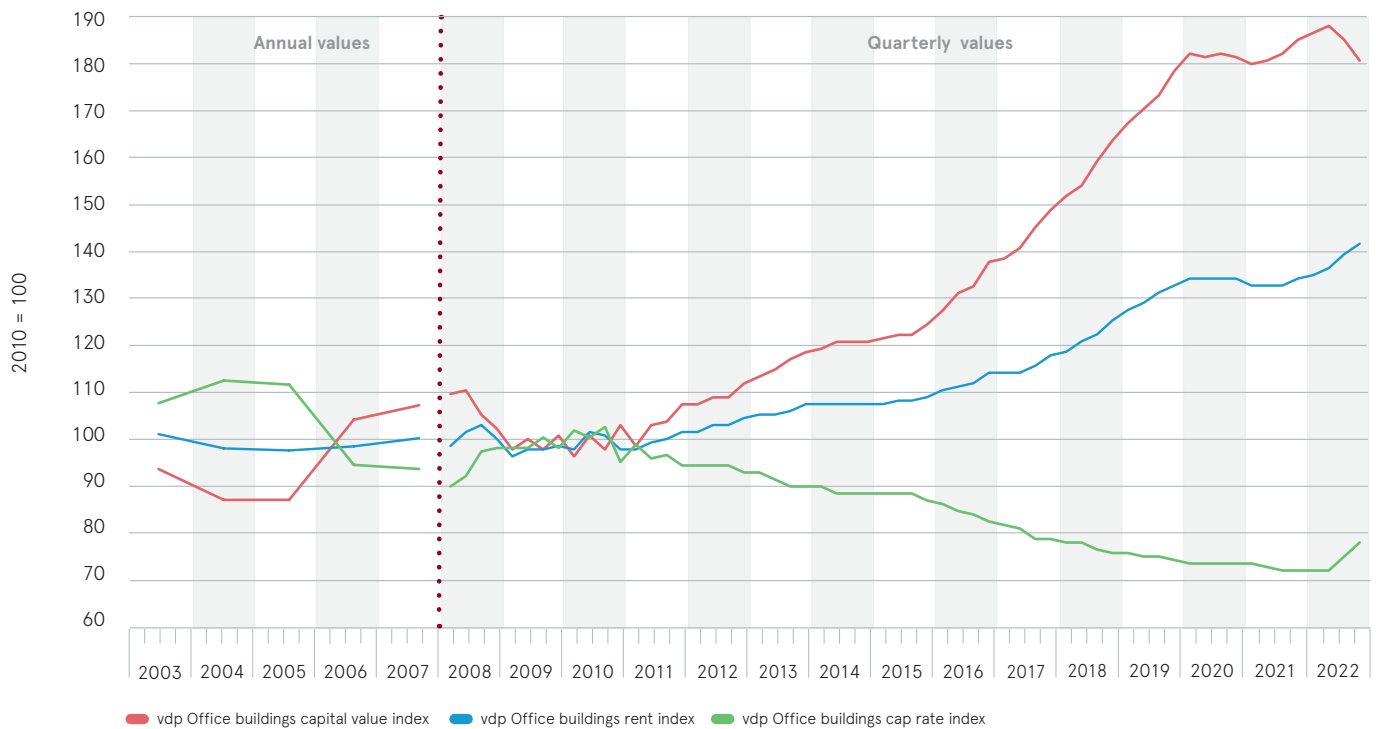
# Commercial property market

Commercial property markets are facing even greater challenges than the residential property markets. Following the COVID-19 pandemic, the war in Ukraine, the climate crisis, high energy prices, inflation and rising interest rates all weighed on the German economy, and therefore on commercial property prices, in the final quarter of 2022. As a result, commercial property prices fell by 2.9% compared with the previous quarter and by 4.4% year on year.

Prices for office properties declined by 2.4% compared with the third quarter, with only a marginally larger drop of 2.6% compared with the fourth quarter of 2021. Further increases in rents under new contracts had a stabilising effect, with a rise of 5.4% year on year. However, the main focus was on properties in central locations that were in a new condition, allowed flexible working hours and met important sustainability criteria. The investment market also faced further restraint among investors, who continued to sound out the market in view of economic uncertainty and associated possible further interest rate adjustments by the European Central Bank. This led to a year-on-year rise of 8.2% in returns as measured by the cap rate index.

The situation on the retail property market remained challenging, with prices sliding 9.1% compared with the fourth quarter of 2021. After the periods of lockdown during the pandemic, it is now high heating and energy costs, coupled with households' reluctance to spend, that are causing problems for the retail sector. This continues to have an impact on demand for space in city-centre locations and thus on development of rental prices. As a result, the index for rents under new contracts fell by 5.1% year on year. In addition, interest rate hikes and the associated increases in financing costs, along with uncertainty about future economic development, are leading to a decline in demand on the investor side in this market segment, too. In the wake of falling prices, there was a further increase in returns (+4.5% compared with the fourth quarter of 2021) as measured by the cap rate index.

## Office properties: office rents continue to rise



Quarter	Capital value		Office rents		Cap rate	
	Index	y-o-y change in %	Index	y-o-y change in %	Index	y-o-y change in %
Q1 2021	179.5	-1.2	133.2	-0.9	74.2	0.3
Q2 2021	180.4	-0.4	132.9	-1.0	73.7	-0.6
Q3 2021	182.2	0.3	132.8	-1.1	72.9	-1.3
Q4 2021	185.2	2.1	134.4	0.3	72.6	-1.8
Q1 2022	186.5	3.9	135.3	1.6	72.6	-2.2
Q2 2022	187.7	4.1	136.7	2.8	72.8	-1.2
Q3 2022	184.8	1.4	139.3	4.9	75.4	3.4
Q4 2022	180.4	-2.6	141.6	5.4	78.5	8.2

**-2.6%**

Capital value

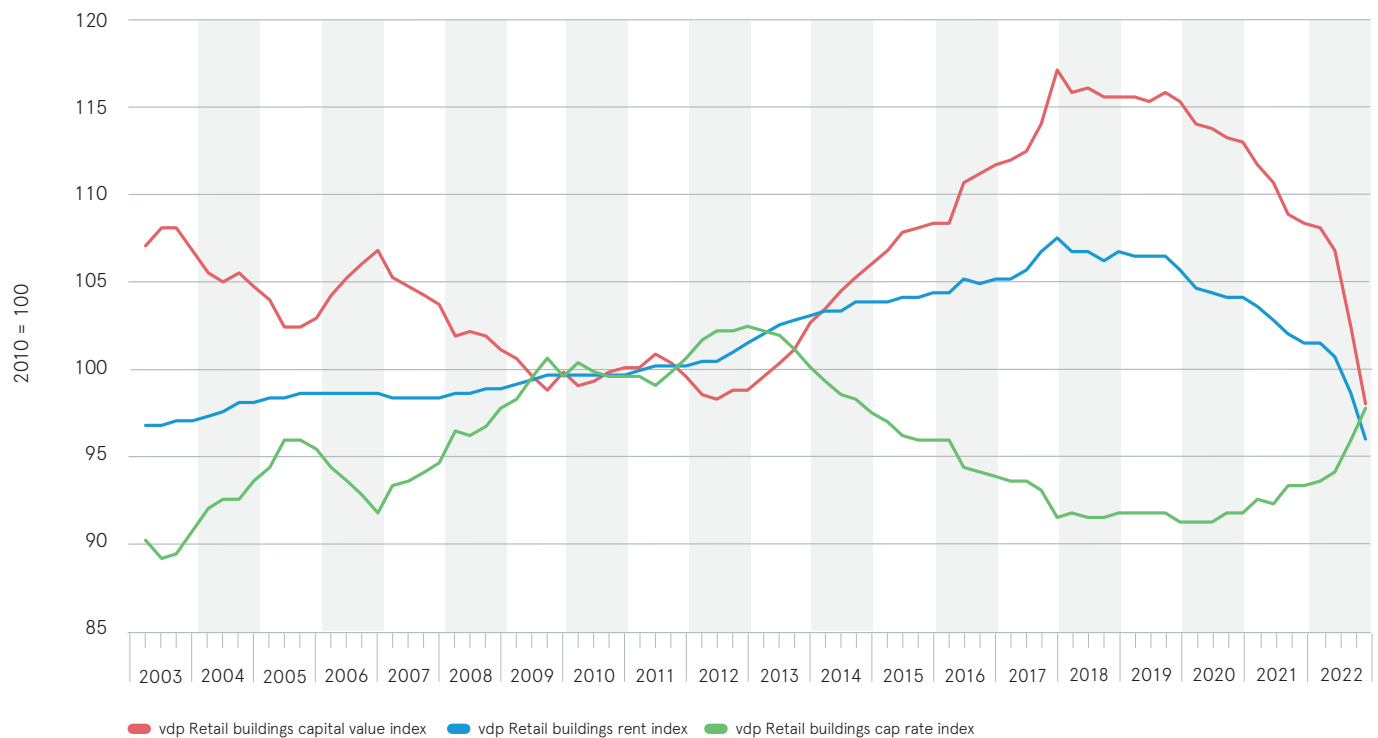
**+5.4%**

Office rents

**+8.2%**

Cap rate

## Retail properties: consumer restraint leads to falling prices



Quarter	Capital value		Retail rents		Cap rate	
	Index	y-o-y change in %	Index	y-o-y change in %	Index	y-o-y change in %
Q1 2021	111.8	-2.1	103.9	-0.7	92.9	1.4
Q2 2021	110.8	-2.6	102.9	-1.5	92.9	1.2
Q3 2021	109.1	-3.6	102.2	-2.1	93.7	1.6
Q4 2021	108.4	-4.1	101.7	-2.5	93.8	1.7
Q1 2022	108.2	-3.2	101.8	-2.0	94.1	1.3
Q2 2022	107.0	-3.5	101.0	-1.9	94.4	1.7
Q3 2022	102.8	-5.8	99.0	-3.1	96.3	2.8
Q4 2022	98.5	-9.1	96.5	-5.1	97.9	4.5

**-9.1%**

Capital value

**-5.1%**

Retail rents

**+4.5%**

Cap rate

# Methodology

## Data basis

German financial institutions participating in the transaction database provide transaction details from their real estate financing business for input into the database. The database has been maintained since 2004 and provides statistically evaluable information on actual real estate transactions. Data are captured by the participating institutions in the form of appraisals of market and mortgage lending values that are prepared in the course of their mortgage lending activities. Property valuations are determined within each financial institution by certified property valuers or specially trained bank personnel. In addition to purchase price and date of purchase, the appraisal includes information about the property's macro and micro location, its age, layout and other price-influencing variables. In the case of certain types of property, information is also collected with regard to rental agreements and the date they were concluded. Information used to derive market and mortgage lending values is ascertained partly from submitted documentation and partly by valuers working in accordance with codified procedures. Table 1 provides an overview of the variables most frequently applied in the specification of individual indices for various market segments.

**Table 1: Variables from the vdp's transaction database**

Variable	Scaling	Characteristics
Makrolage	Nominal	Districts of Germany
Micro location	Ordinal	Very good – good – average – moderate – poor – catastrophic
Living /usable space	Metric	Living or usable space m <sup>2</sup>
Plot size	Metric	Plot size of property in m <sup>2</sup>
Year built	Metric	Year property built
Layout	Ordinal	Very good – good – average – moderate – poor – catastrophic
Condition	Ordinal	Very good – good – average – moderate – poor – catastrophic
Saleability	Ordinal	Very good – good – average – moderate – poor – catastrophic
Sub-property type	Nominal	Division of market segment into sub-segments
Purchase price	Metric	Purchase price of property in Euros
Rent	Metric	Contractual rent of property in Euros per m <sup>2</sup>

Substantive definitions of individual variables are coordinated with financial institutions via the contractual relationship between them and the vdp. In addition, property valuation in Germany is subject to strict regulations, which ensure that the valuation processes of individual institutions are harmonised to the greatest extent possible, especially as a result of the Verordnung über die Grundsätze für die Ermittlung der Verkehrswerte von Grundstücken (Regulation on the Principles for Determining the Market Value of Property – abbreviated to ImmoWertV) and the Beleihungswertermittlungsverordnung (Regulation on the Determination of the Mortgage Lending Value – abbreviated to BelWertV). Because the purchase prices and significant price-influencing characteristics of individual properties are determined in a uniform manner and because they are input into a uniform database structure, it is possible to analyse the data with the help of complex statistical procedures.



## Calculation

As a result of the distinct heterogeneity of real estate properties and in order to be able to measure pure price changes, it is necessary to take account of the varying quality of the properties concerned when measuring prices. Various procedures exist which take explicit account of the differences in the quality of individual properties in order to be able to measure pure price changes.

All vdp real estate indices are calculated by making use of so-called hedonic models. The hedonic model is based on the idea that heterogeneous commodities can be described by reference to their characteristics. In other words, a commodity can be represented as the sum of its characteristics. With regard to real estate, this means that this set of attributes might include, for example, details of physical characteristics such as plot size, living area, year built and details as to the property's location. Each of these named attributes has a specific influence on the price of the property, but there is no market for the attributes themselves; they cannot be sold separately and therefore cannot be viewed in isolation. It is possible, nonetheless, implicitly to determine the proportion of the overall price of the property which each individual attribute makes up by examining real estate supply and demand. Multivariate regression models are used for this purpose, helping to provide a statistical estimate of the marginal contribution of each attribute. It is assumed that the model incorporates all relevant attributes and that deviations occur simply by coincidence and are not indicative of any systematic structures.

## Weighting

The overall index is the weighted arithmetical average of the various price indices for residential and commercial real estate. The weightings used correspond to the share of monetary turnover in the German real estate market constituted respectively by residential and commercial real estate. Based on details provided by valuer committees (Gutachterausschüsse), these averaged 75.6 % and 24.4 %, respectively, between 2007 and 2012.

The weights used correspond with the percentage share of households in Germany living in their own home. For the year 2011 this share stood at 50.7 %. Accordingly, 49.3 % lived in a rented dwelling. The weights were derived on the basis of the building and housing census conducted by the Federal Statistical Office in 2011. The price index for owner-occupied housing is calculated as a weighted arithmetic mean of the percentage of households living in their own single-family house or condominium. In 2011 these shares amounted to 79.7 % for single-family houses and 20.3 % for condominiums.

For the commercial property price index, the weightings attributable to the office property capital value index and the retail property capital value index correspond to the proportion of loans in the accounts of Pfandbrief Banks that were granted to these two categories. The figures for office property and retail property amount to 60 % and 40 %, respectively.

## Top 7 residential properties

The top 7 residential property indices are calculated analogously to the calculation for the vdp's nationwide property price indices. The indices are estimated separately for each of the cities on the basis of the transaction database. Then, the seven individual indices of the relevant market segment are aggregated according to the respective shares to form a top 7 index. For more information, please visit the website of vdpResearch.

## Base year

Starting from this edition, the base year for the indices is 2010.

## Publication

All vdp real estate price indices are published on a quarterly basis. Each year's first quarter index figures are published on 10 May of the same year (six weeks after the end of the quarter under review). Other publication dates are as follows:

- 10 August, 2nd quarter
- 10 November, 3rd quarter
- 10 February of the following year, 4th quarter (including figures for the year as a whole)

The index figures are released at 8:30 a.m. on the respective publication dates. Where the publication date falls on a Saturday, Sunday or public holiday, the index figures are published on the next working day at 8:30 a.m.

The accompanying press releases are published in German and English on the websites of the Verband deutscher Pfandbriefbanken e.V. (vdp) [www.pfandbrief.de](http://www.pfandbrief.de) and vdpResearch GmbH [www.vdpresearch.de](http://www.vdpresearch.de).

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# Appendix

## 10-year overview of the real estate market



## Market as a whole

Index: 2010 = 100

Year	All properties		All residential properties		All commercial properties	
	Index	y-o-y change in %	Index	y-o-y change in %	Index	y-o-y change in %
2013	110.7	4.1	110.9	3.9	110.4	4.6
2014	115.9	4.7	116.4	5.0	114.6	3.8
2015	121.7	5.0	123.3	5.9	117.0	2.1
2016	129.5	6.4	131.4	6.5	123.7	5.8
2017	138.3	6.8	140.5	6.9	131.8	6.5
2018	149.4	8.0	152.2	8.3	140.7	6.8
2019	159.0	6.4	162.0	6.5	149.7	6.4
2020	168.4	5.9	173.0	6.8	154.3	3.1
2021	181.6	7.8	190.8	10.3	153.1	-0.8
2022	191.8	5.6	204.5	7.2	152.6	-0.4

# Housing market

## Owner occupied housing

Year	Owner occupied housing		Single family houses		Condominiums	
	Index	y-o-y change in %	Index	y-o-y change in %	Index	y-o-y change in %
2013	108.7	3.1	107.5	2.6	113.6	4.9
2014	112.1	3.1	110.8	3.1	117.0	3.0
2015	117.2	4.6	116.0	4.7	121.7	4.0
2016	124.2	6.0	122.8	5.8	129.6	6.5
2017	131.4	5.8	129.6	5.5	138.5	6.8
2018	141.5	7.7	140.2	8.2	146.6	5.8
2019	151.0	6.8	150.0	7.0	155.2	5.9
2020	162.2	7.4	161.4	7.6	165.6	6.7
2021	180.6	11.3	179.5	11.2	185.0	11.7
2022	196.8	9.0	196.0	9.2	200.3	8.3

Index: 2010 = 100

## Multi-family houses

Year	Capital value		Residential rents		Cap rate	
	Index	y-o-y change in %	Index	y-o-y change in %	Index	y-o-y change in %
2013	113.1	4.8	109.3	4.2	96.6	-0.5
2014	120.8	6.8	114.5	4.8	94.8	-1.9
2015	129.5	7.3	118.9	3.9	91.8	-3.2
2016	138.7	7.1	123.7	4.0	89.1	-2.9
2017	149.7	7.9	127.7	3.2	85.3	-4.3
2018	163.2	9.0	133.6	4.6	81.9	-4.0
2019	173.2	6.2	139.6	4.5	80.6	-1.6
2020	184.0	6.2	144.3	3.3	78.4	-2.7
2021	201.3	9.4	148.9	3.2	74.0	-5.7
2022	212.3	5.5	156.1	4.9	73.6	-0.6

Index: 2010 = 100

## Top 7 housing market

### Owner occupied housing TOP 7

For all the individual figures of the  
**TOP 7**  
cities, go to  
[www.vdpresearch.de](http://www.vdpresearch.de)

Year	Residential properties TOP 7		Owner occupied housing TOP 7	
	Index	y-o-y change in %	Index	y-o-y change in %
2013	124.4	8.3	118.4	5.8
2014	135.3	8.7	125.9	6.3
2015	150.0	10.9	136.7	8.6
2016	167.6	11.7	150.0	9.7
2017	190.5	13.7	167.3	11.5
2018	209.3	9.9	180.7	8.0
2019	218.0	4.2	187.8	3.9
2020	225.7	3.5	197.0	4.9
2021	244.3	8.2	216.3	9.8
2022	262.6	7.5	233.3	7.9

Index: 2010 = 100

### Multi-family houses Top 7

Year	Capital value		Residential rents		Cap rate	
	Index	y-o-y change in %	Index	y-o-y change in %	Index	y-o-y change in %
2013	126.2	9.0	117.6	5.6	93.2	-3.1
2014	138.0	9.4	125.0	6.2	90.5	-2.9
2015	153.8	11.4	132.8	6.3	86.4	-4.6
2016	172.6	12.3	142.0	6.9	82.3	-4.8
2017	197.1	14.2	150.7	6.1	76.5	-7.1
2018	217.6	10.4	158.4	5.1	72.8	-4.8
2019	226.8	4.2	163.4	3.1	72.1	-1.0
2020	234.1	3.2	166.3	1.8	71.0	-1.4
2021	252.3	7.8	170.9	2.8	67.8	-4.6
2022	270.9	7.4	180.3	5.5	66.6	-1.8

Index: 2010 = 100



## Commercial property market

### Office and administrative buildings

Year	Capital value		Office rents		Cap rate	
	Index	y-o-y change in %	Index	y-o-y change in %	Index	y-o-y change in %
2013	116.4	5.9	106.4	2.7	91.5	-3.0
2014	120.9	3.9	108.0	1.5	89.3	-2.3
2015	122.9	1.7	108.7	0.6	88.4	-1.1
2016	132.4	7.7	112.1	3.2	84.7	-4.2
2017	143.6	8.4	115.7	3.2	80.6	-4.9
2018	157.4	9.6	122.1	5.5	77.6	-3.7
2019	172.5	9.6	130.2	6.7	75.5	-2.7
2020	181.5	5.2	134.2	3.1	74.0	-2.1
2021	181.8	0.2	133.3	-0.7	73.3	-0.8
2022	184.8	1.7	138.2	3.7	74.8	2.0

Index: 2010 = 100

### Retail properties

Year	Capital value		Retail rents		Cap rate	
	Index	y-o-y change in %	Index	y-o-y change in %	Index	y-o-y change in %
2013	101.3	2.3	102.8	1.6	101.4	-0.8
2014	105.2	3.8	103.7	0.9	98.6	-2.8
2015	108.0	2.7	104.3	0.5	96.6	-2.1
2016	110.6	2.5	105.0	0.7	94.9	-1.7
2017	113.9	2.9	106.4	1.3	93.4	-1.6
2018	115.8	1.7	106.7	0.3	92.1	-1.3
2019	115.5	-0.2	106.3	-0.3	92.1	-0.1
2020	113.6	-1.7	104.5	-1.8	92.0	-0.1
2021	110.0	-3.1	102.7	-1.7	93.3	1.5
2022	104.1	-5.4	99.6	-3.0	95.7	2.6

Index: 2010 = 100

# Imprint

## Editor:

Verband deutscher Pfandbriefbanken e.V. (vdp)  
Georgenstrasse 21, 10117 Berlin  
[www.pfandbrief.de](http://www.pfandbrief.de)

The member institutions of the **Association of German Pfandbrief Banks** (Verband deutscher Pfandbriefbanken, vdp) have been the market leaders in commercial real estate finance in Germany and hold sizeable market shares in residential real estate finance as well. As the representative of its member banks, the vdp performs this function vis-à-vis all executive bodies of politics on both the national and the European stage and a wider public.

The vdp's know-how is tailored towards the specific interests of the Pfandbrief issuers, namely, the Pfandbrief business and the underlying business fields property finance, public-sector lending, ship and aircraft finance. The vdp assists its member banks also in regulatory matters and represents them vis-à-vis national regulatory authorities. By means of group governance, member institutions exchange information and experiences in vdp committees, which are then summarized and developed into market standards. The vdp also assists its member banks in the efficient structuring of their specialized loan or issuance businesses.

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vdpResearch GmbH  
Georgenstrasse 22, 10117 Berlin  
[www.vdpresearch.de](http://www.vdpresearch.de)

**vdpResearch GmbH**, a subsidiary of the Association of German Pfandbrief Banks (vdp), works intensively on compiling, analyzing and forecasting property prices in the context of real estate finance. Its remit includes measuring and forecasting trends in rents and prices in the residential and commercial property sectors at the regional and national level.

To measure the movements of rents and prices, vdpResearch makes use of a unique transaction database that is also used to provide property-related comparative prices, comparative rents and other valuation parameters. These parameters are central to specially developed software solutions for valuing standard and individual properties and are fully compliant with regulations governing market and property valuation.

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## Contacts:



### Dr. Franz Eilers

Head of Real Estate Research  
Tel.: +49 (0)30 206229-16  
[eilers@vdpresearch.de](mailto:eilers@vdpresearch.de)



### Andreas Kunert

Indices Project Manager  
Tel.: +49 (0)30 206229-17  
[kunert@vdpresearch.de](mailto:kunert@vdpresearch.de)