vdp INDEX

Q2 2026

+1.3 %
All properties

Property prices see uneven development

vdp property price index

vdpResearch publishes each quarter rent and price indices based on actual transactions to track property market trends in Germany. Since 2026, the calculation of the vdp index trends has been based, in part, on an adjusted methodology developed jointly by the Deutsche Bundesbank and vdpResearch. Both organizations publish in parallel new, comprehensive indices on commercial property prices in Germany.

These new indices are based on the market fluctuation database that already exists for regulatory purposes and draw on the comprehensive transaction database of vdpResearch, which is updated every quarter by actual sales data (i.e. actual purchase prices and rents) reported by more than 700 banks, as well as on the Central Real Estate Market Database of Sparkassen-Finanzgruppe (Savings Banks Finance Group).

All index data for the individual vdp property price indices are available at https://www.vdpresearch.de/preisindizes/

Overview

Market as a whole

After one and a half years that were characterized by a continuous rise in **property prices in Germany**, the development was uneven in the second quarter of 2026. Prices for residential properties increased further whereas office and retail properties experienced a decline. The vdp property price index rose by 1.3 % overall compared with the corresponding quarter one year before. Compared with the immediately preceding quarter, prices were down marginally (-0.1 %).

+1.3
percent

Price change in the German property market
Q2 2026 to Q2 2025

The overall increase in **residential property prices** (+1.9 %) was driven by owner-occupied housing. Compared with the second quarter of 2025, prices for condominiums advanced by 2.6 % and single-family houses by 2.0 %, rising somewhat more strongly than multi-family houses (+1.6 %). Rents under new leases in the housing sector went up by 3.2 % year on year, and returns on multi-family houses rose by 1.5 % as measured by the vdp cap rate index.

+1.9
percent

Price change for residential property
Q2 2026 to Q2 2025

In the metropolitan areas Berlin, Cologne, Düsseldorf, Frankfurt am Main, Hamburg, Munich and Stuttgart, residential property prices saw somewhat stronger growth than in Germany as a whole in the second quarter of 2026. The overall **index for housing in the top 7** cities increased by 2.1 % year on year. By contrast, rents under new leases in multi-family houses were 1.5 % higher, which was less than the figure for Germany as a whole. The growth in both prices and rents for residential properties provided confirmation of the on-going housing shortage in Germany.

-1.2
percent

Price change for office properties
Q2 2026 to Q2 2025

-0.2
percent

Price change for retail properties
Q2 2026 to Q2 2025

Office and retail property prices contracted compared with both the corresponding quarter one year earlier (-1.2 % and -0.2 % respectively) and the immediately preceding quarter (-1.5 % and -0.7 % respectively). This development is attributable to the geo-political setting, the resultant expectations of higher inflation and, in consequence, the trend in interest rates as well as to subdued economic activity. The effects are more pronounced for the commercial property market than the residential property market. Rents under new leases rose by 2.7 % for offices and 1.5 % for retail properties year on year. Returns in the form of cap rates saw an increase of 4.0 % for office properties and 1.6 % for retail properties.

Price development

	year-on-year Q2 2026 to Q2 2025	quarter-on-quarter Q2 2026 to Q1 2026
Property market **as a whole**	+1.3%	-0.1%
Housing in Germany	+1.9%	+0.3%
Owner-occupied housing in top 7 markets	+2.1%	-0.1%
Office properties	-1.2%	-1.5%
Retail properties	-0.2%	-0.7%

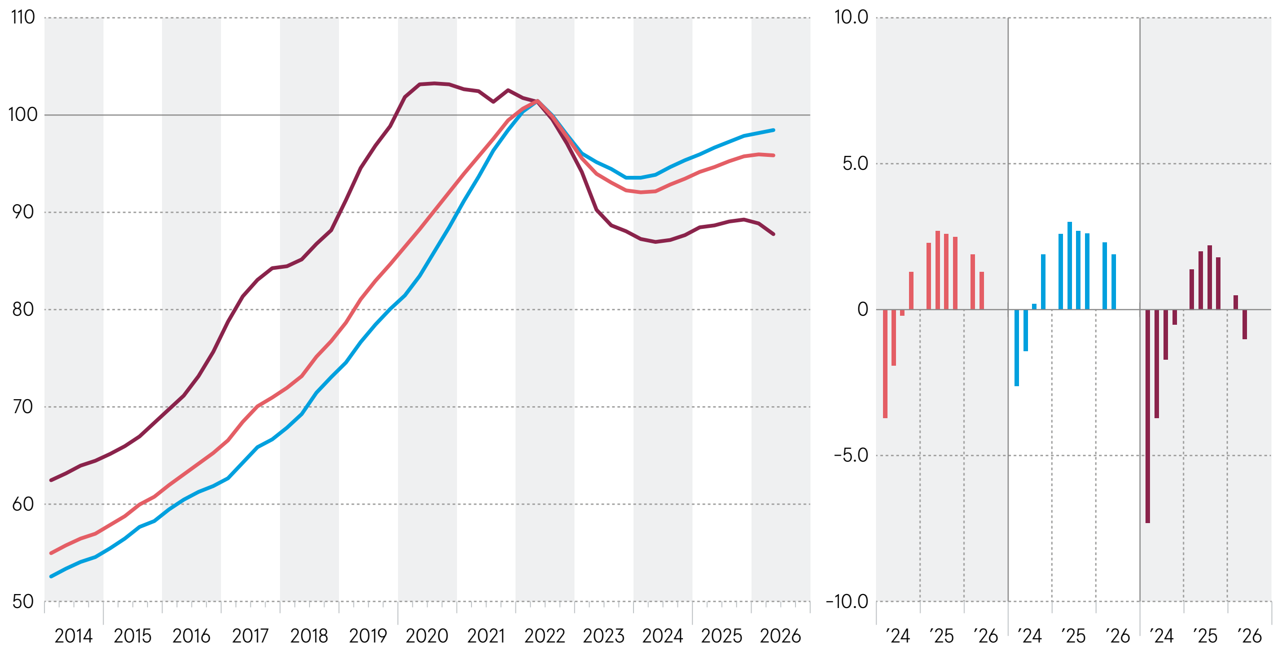
Market as a whole

Property prices see uneven development

Residential/Office & Retail properties

Index: 2022 = 100; Change to the previous year's quarter in %

vdp price index:
All properties Residential properties Office & retail properties



+1.3 %
All properties

+1.9 %
Residential properties

–1.0 %
Office & retail properties

Quarter	Index 2022 = 100	y-o-y change in %
Q3 2024	92.9	-0.2
Q4 2024	93.5	1.3
Q1 2025	94.2	2.3
Q2 2025	94.7	2.7
Q3 2025	95.3	2.6
Q4 2025	95.8	2.5
Q1 2026	96.0	1.9
Q2 2026	95.9	1.3

Quarter	Index 2022 = 100	y-o-y change in %
Q3 2024	94.7	0.2
Q4 2024	95.4	1.9
Q1 2025	96.0	2.6
Q2 2025	96.7	3.0
Q3 2025	97.3	2.7
Q4 2025	97.9	2.6
Q1 2026	98.2	2.3
Q2 2026	98.5	1.9

Quarter	Index 2022 = 100	y-o-y change in %
Q3 2024	87.2	-1.7
Q4 2024	87.7	-0.5
Q1 2025	88.5	1.4
Q2 2025	88.7	2.0
Q3 2025	89.1	2.2
Q4 2025	89.3	1.8
Q1 2026	88.9	0.5
Q2 2026	87.8	-1.0

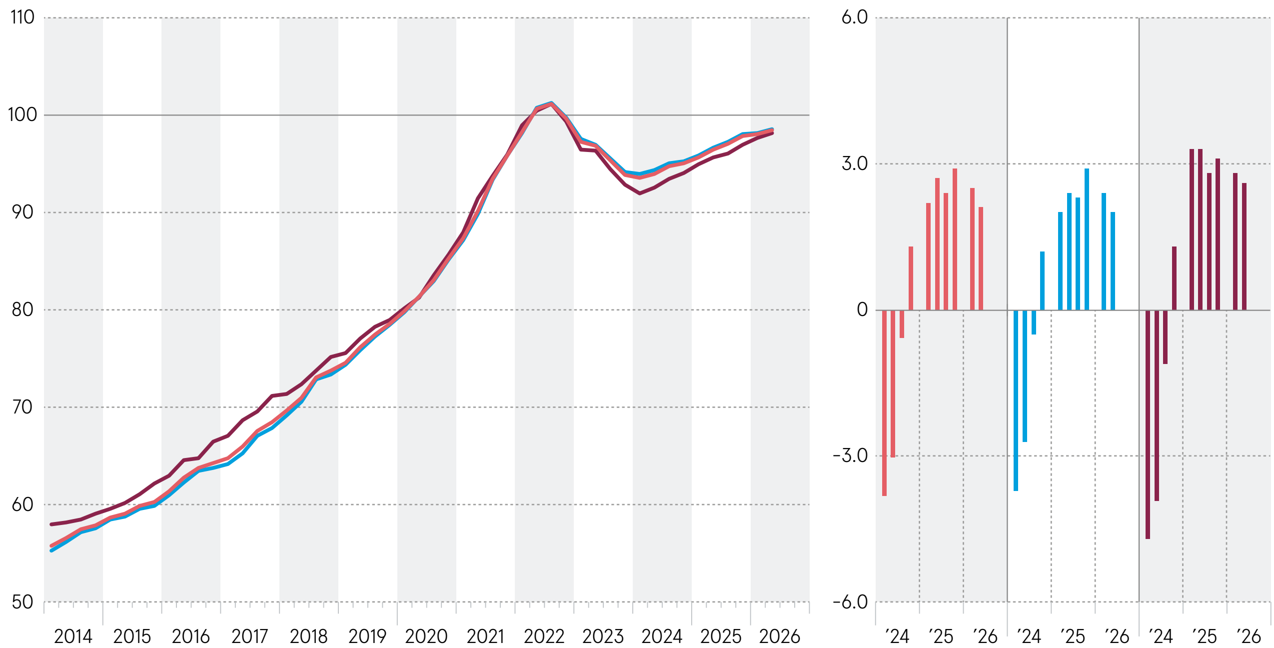
Housing Market

Prices for owner-occupied housing up again

Owner-Occupied Housing

Index: 2022 = 100; Change to the previous year's quarter in %

vdp price index:
Owner-occupied Housing Single family houses Condominiums



+2.1 %
Owner-occupied housing

+2.0 %
Single family houses

+2.6 %
Condominiums

Quarter	Index 2022 = 100	y-o-y change in %
Q3 2024	94.8	-0.6
Q4 2024	95.1	1.3
Q1 2025	95.7	2.2
Q2 2025	96.5	2.7
Q3 2025	97.1	2.4
Q4 2025	97.9	2.9
Q1 2026	98.1	2.5
Q2 2026	98.5	2.1

Quarter	Index 2022 = 100	y-o-y change in %
Q3 2024	95.1	-0.5
Q4 2024	95.3	1.2
Q1 2025	95.9	2.0
Q2 2025	96.7	2.4
Q3 2025	97.3	2.3
Q4 2025	98.1	2.9
Q1 2026	98.2	2.4
Q2 2026	98.6	2.0

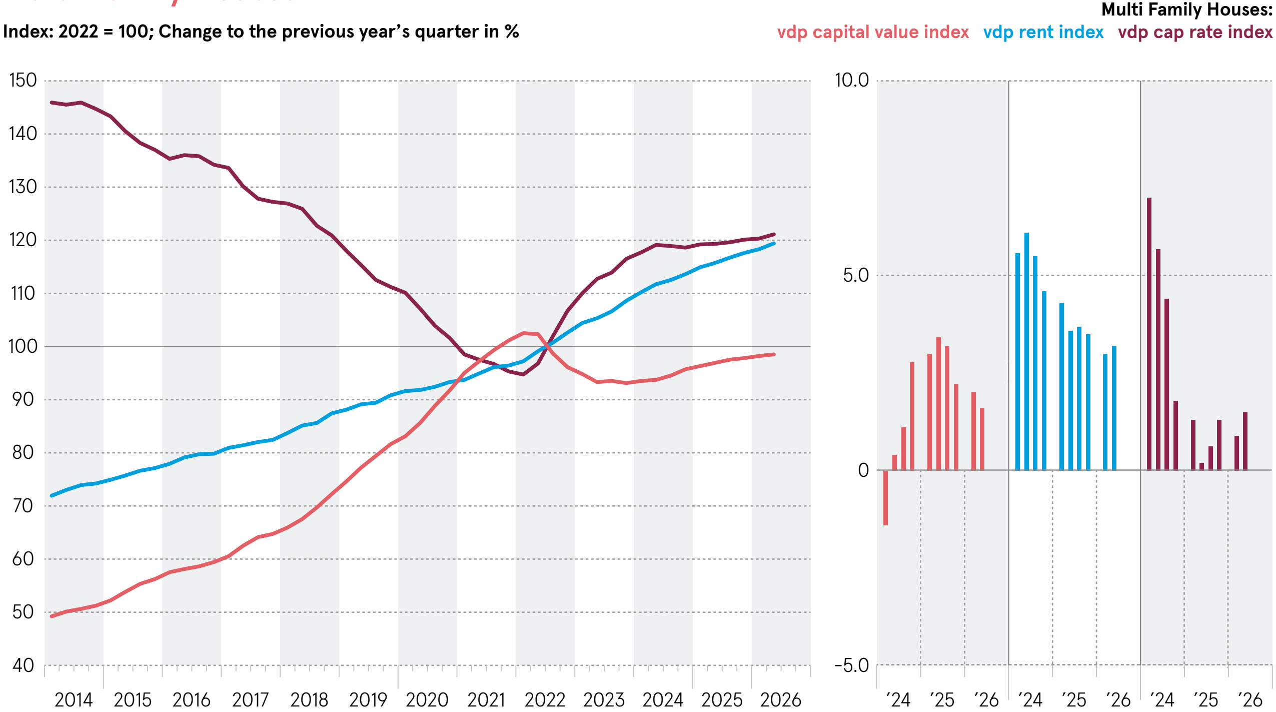
Quarter	Index 2022 = 100	y-o-y change in %
Q3 2024	93.5	-1.1
Q4 2024	94.1	1.3
Q1 2025	95.0	3.3
Q2 2025	95.7	3.3
Q3 2025	96.1	2.8
Q4 2025	97.0	3.1
Q1 2026	97.7	2.8
Q2 2026	98.2	2.6

Housing Market

Growth in prices for multi-family houses loses momentum

Multi-Family Houses

Index: 2022 = 100; Change to the previous year's quarter in %



Quarter	Index 2022 = 100	y-o-y change in %
Q3 2024	94.6	1.1
Q4 2024	95.8	2.8
Q1 2025	96.4	3.0
Q2 2025	97.0	3.4
Q3 2025	97.6	3.2
Q4 2025	97.9	2.2
Q1 2026	98.3	2.0
Q2 2026	98.6	1.6

Quarter	Index 2022 = 100	y-o-y change in %
Q3 2024	112.6	5.5
Q4 2024	113.7	4.6
Q1 2025	115.0	4.3
Q2 2025	115.8	3.6
Q3 2025	116.8	3.7
Q4 2025	117.7	3.5
Q1 2026	118.4	3.0
Q2 2026	119.5	3.2

Quarter	Index 2022 = 100	y-o-y change in %
Q3 2024	119.0	4.4
Q4 2024	118.7	1.8
Q1 2025	119.3	1.3
Q2 2025	119.4	0.2
Q3 2025	119.7	0.6
Q4 2025	120.2	1.3
Q1 2026	120.4	0.9
Q2 2026	121.2	1.5

Top 7

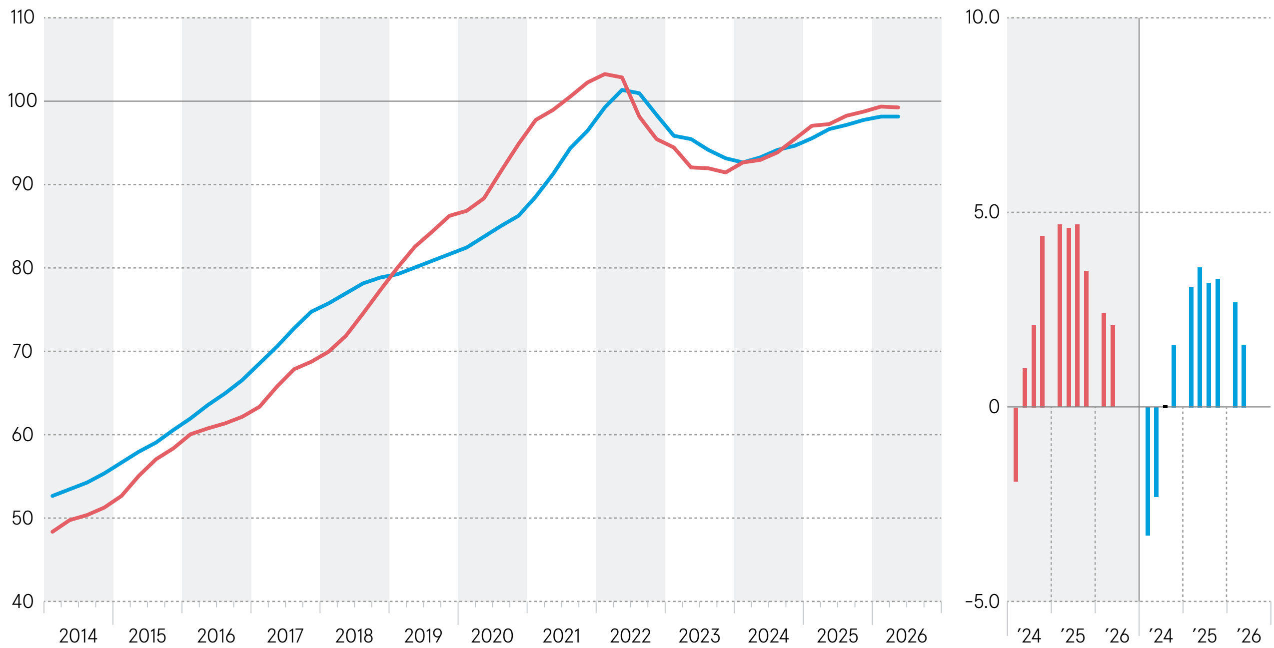
Housing Market – Top 7 Markets

Owner-occupied housing: prices continue to rise

Owner-Occupied Housing

Index: 2022 = 100; Change to the previous year's quarter in %

Residential properties: Top 7
Owner Occupied Housing: Top 7



+2.1 %
Residential properties Top 7

+1.6 %
Owner-occupied housing Top 7

Quarter	Index 2022 = 100	y-o-y change in %
Q3 2024	93.9	2.1
Q4 2024	95.5	4.4
Q1 2025	97.1	4.7
Q2 2025	97.3	4.6
Q3 2025	98.3	4.7
Q4 2025	98.8	3.5
Q1 2026	99.4	2.4
Q2 2026	99.3	2.1

Quarter	Index 2022 = 100	y-o-y change in %
Q3 2024	94.2	0.0
Q4 2024	94.7	1.6
Q1 2025	95.6	3.1
Q2 2025	96.7	3.6
Q3 2025	97.2	3.2
Q4 2025	97.8	3.3
Q1 2026	98.2	2.7
Q2 2026	98.2	1.6

For all the individual figures of the Top 7 cities, go to www.vdpresearch.de

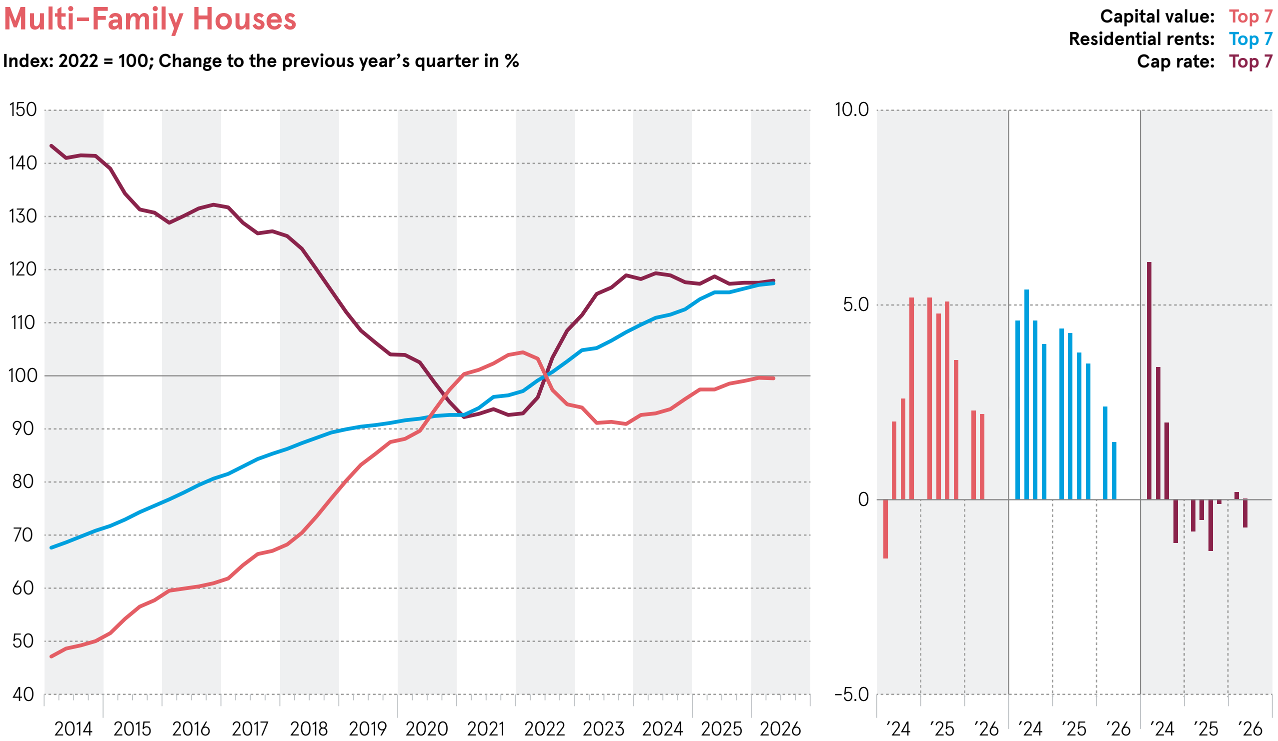
Housing Market – Top 7 Markets

Multi-family houses: prices and rents confirm housing shortage

Top 7

Multi-Family Houses

Index: 2022 = 100; Change to the previous year's quarter in %



+2.2 % Capital value Top 7

+1.5 % Residential rents Top 7

−0.7 % Cap rate Top 7

Quarter	Index 2022 = 100	y-o-y change in %
Q3 2024	93.8	2.6
Q4 2024	95.7	5.2
Q1 2025	97.5	5.2
Q2 2025	97.5	4.8
Q3 2025	98.6	5.1
Q4 2025	99.1	3.6
Q1 2026	99.7	2.3
Q2 2026	99.6	2.2

Quarter	Index 2022 = 100	y-o-y change in %
Q3 2024	111.6	4.6
Q4 2024	112.6	4.0
Q1 2025	114.5	4.4
Q2 2025	115.8	4.3
Q3 2025	115.8	3.8
Q4 2025	116.5	3.5
Q1 2026	117.2	2.4
Q2 2026	117.5	1.5

Quarter	Index 2022 = 100	y-o-y change in %
Q3 2024	119.0	2.0
Q4 2024	117.7	-1.1
Q1 2025	117.4	-0.8
Q2 2025	118.8	-0.5
Q3 2025	117.4	-1.3
Q4 2025	117.6	-0.1
Q1 2026	117.6	0.2
Q2 2026	118.0	-0.7

For all the individual figures of the Top 7 cities, go to www.vdpresearch.de

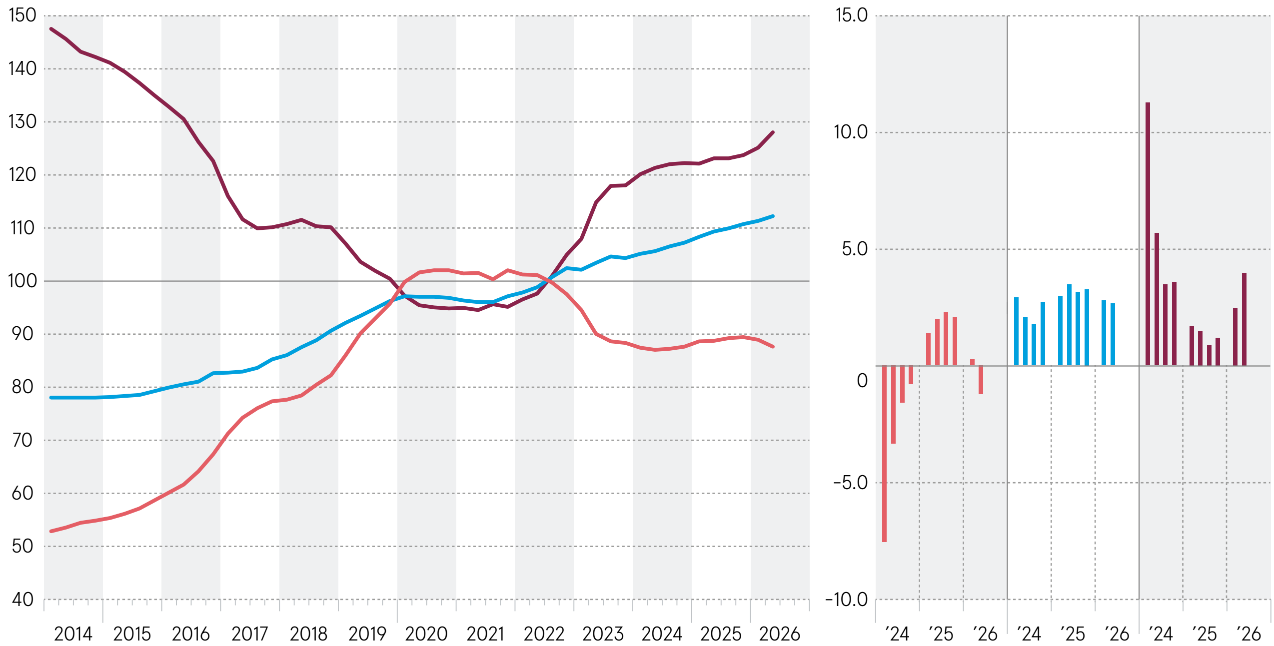
Commercial Property Market

Office properties experience drop in prices

Office Properties

Index: 2022 = 100; Change to the previous year's quarter in %

Office properties:
vdp capital value index vdp rent index vdp cap rate index



−1.2 %
Capital value

+2.7 %
Office rents

+4.0 %
Cap rate

Quarter	Index 2022 = 100	y-o-y change in %
Q3 2024	87.3	−1.6
Q4 2024	87.7	−0.8
Q1 2025	88.7	1.4
Q2 2025	88.8	2.0
Q3 2025	89.3	2.3
Q4 2025	89.5	2.1
Q1 2026	89.0	0.3
Q2 2026	87.7	−1.2

Quarter	Index 2022 = 100	y-o-y change in %
Q3 2024	106.6	1.8
Q4 2024	107.3	2.8
Q1 2025	108.4	3.0
Q2 2025	109.4	3.5
Q3 2025	110.0	3.2
Q4 2025	110.8	3.3
Q1 2026	111.4	2.8
Q2 2026	112.3	2.7

Quarter	Index 2022 = 100	y-o-y change in %
Q3 2024	122.1	3.5
Q4 2024	122.3	3.6
Q1 2025	122.2	1.7
Q2 2025	123.2	1.5
Q3 2025	123.2	0.9
Q4 2025	123.8	1.2
Q1 2026	125.2	2.5
Q2 2026	128.1	4.0

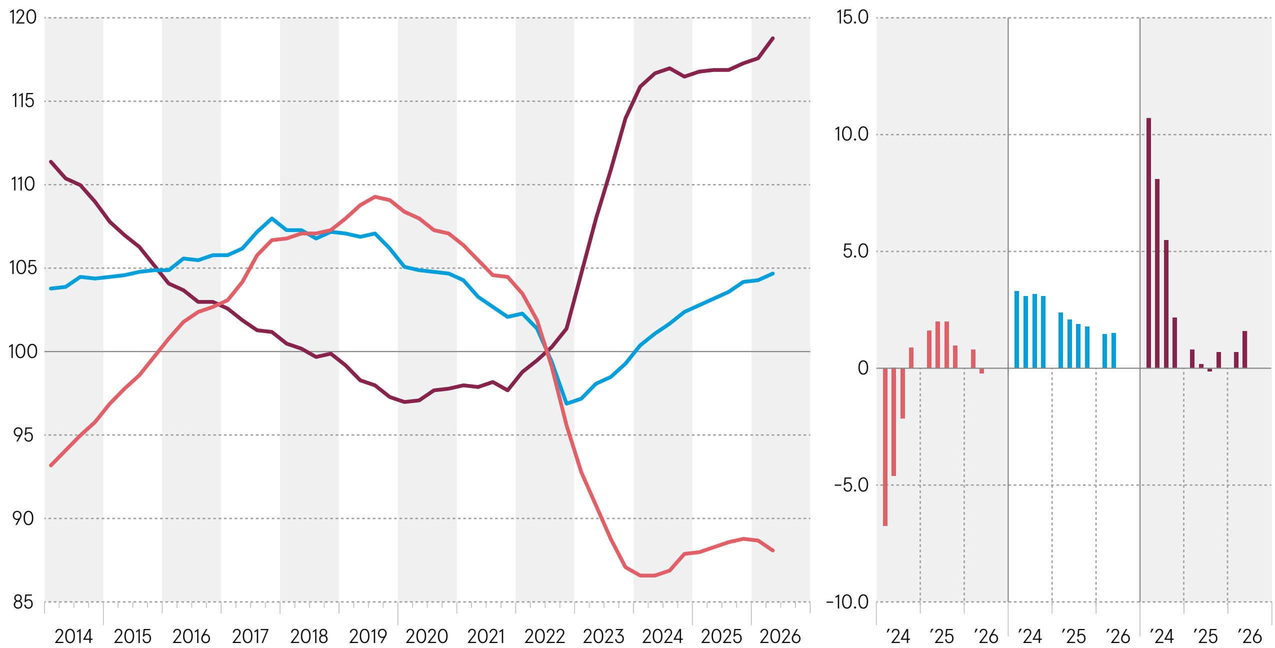
Commercial Property Market

Retail properties: almost parallel trend in rents and returns

Retail Properties

Index: 2022 = 100; Change to the previous year's quarter in %

Retail properties: vdp capital value index vdp rent index vdp cap rate index



-0.2 % Capital value

+1.5 % Retail rents

+1.6 % Cap rate

Quarter	Index 2022 = 100	y-o-y change in %
Q3 2024	86.9	-2.1
Q4 2024	87.9	0.9
Q1 2025	88.0	1.6
Q2 2025	88.3	2.0
Q3 2025	88.6	2.0
Q4 2025	88.8	1.0
Q1 2026	88.7	0.8
Q2 2026	88.1	-0.2

Quarter	Index 2022 = 100	y-o-y change in %
Q3 2024	101.7	3.2
Q4 2024	102.4	3.1
Q1 2025	102.8	2.4
Q2 2025	103.2	2.1
Q3 2025	103.6	1.9
Q4 2025	104.2	1.8
Q1 2026	104.3	1.5
Q2 2026	104.7	1.5

Quarter	Index 2022 = 100	y-o-y change in %
Q3 2024	117.0	5.5
Q4 2024	116.5	2.2
Q1 2025	116.8	0.8
Q2 2025	116.9	0.2
Q3 2025	116.9	-0.1
Q4 2025	117.3	0.7
Q1 2026	117.6	0.7
Q2 2026	118.8	1.6

10-Year Overview

Real Estate Market as a Whole

Market as a whole

Index: 2022 = 100

All properties

Year	Index	y-o-y change in %
2016	63.7	7.2
2017	69.1	8.5
2018	74.3	7.5
2019	81.9	10.2
2020	89.3	9.0
2021	96.7	8.3
2022	100.0	3.4
2023	93.8	-6.2
2024	92.7	-1.2
2025	95.0	2.5

All residential properties

Year	Index	y-o-y change in %
2016	60.8	6.7
2017	64.9	6.7
2018	70.5	8.6
2019	79.2	12.3
2020	84.9	7.2
2021	95.0	11.9
2022	100.0	5.3
2023	94.9	-5.1
2024	94.4	-0.5
2025	97.0	2.8

Office & retail properties

Year	Index	y-o-y change in %
2016	72.5	8.7
2017	81.9	13.0
2018	86.2	5.3
2019	95.4	10.7
2020	102.9	7.9
2021	102.3	-0.6
2022	100.0	-2.2
2023	90.3	-9.7
2024	87.3	-3.3
2025	88.9	1.8

10-Year Overview

Housing Market

Owner-Occupied Housing

Index: 2022 = 100

Owner-Occupied Housing		
Year	Index	y-o-y change in %
2016	63.1	6.1
2017	66.7	5.7
2018	71.9	7.8
2019	76.7	6.7
2020	82.4	7.4
2021	91.8	11.4
2022	100.0	8.9
2023	95.9	-4.1
2024	94.4	-1.6
2025	96.8	2.5

Single family houses		
Year	Index	y-o-y change in %
2016	62.7	5.9
2017	66.1	5.4
2018	71.5	8.2
2019	76.5	7.0
2020	82.4	7.7
2021	91.6	11.2
2022	100.0	9.2
2023	96.1	-3.9
2024	94.7	-1.5
2025	97.0	2.4

Condominiums		
Year	Index	y-o-y change in %
2016	64.7	6.4
2017	69.2	7.0
2018	73.2	5.8
2019	77.5	5.9
2020	82.7	6.7
2021	92.3	11.6
2022	100.0	8.3
2023	95.1	-4.9
2024	93.1	-2.1
2025	96.0	3.1

Multi-Family houses

Index: 2022 = 100

Capital value		
Year	Index	y-o-y change in %
2016	58.5	7.3
2017	63.1	7.9
2018	68.9	9.2
2019	78.3	13.6
2020	87.4	11.6
2021	98.3	12.5
2022	100.0	1.7
2023	93.8	-6.2
2024	94.5	0.7
2025	97.2	2.9

Residential rents		
Year	Index	y-o-y change in %
2016	79.2	3.9
2017	81.8	3.3
2018	85.6	4.6
2019	89.5	4.6
2020	92.4	3.2
2021	95.4	3.2
2022	100.0	4.8
2023	106.3	6.3
2024	112.1	5.5
2025	116.3	3.7

Cap rate		
Year	Index	y-o-y change in %
2016	135.4	-3.2
2017	129.8	-4.1
2018	124.2	-4.3
2019	114.4	-7.9
2020	105.8	-7.5
2021	97.1	-8.2
2022	100.0	3.1
2023	113.4	13.3
2024	118.7	4.7
2025	119.7	0.8

10-Year Overview

Housing Market

Top 7

Owner-Occupied Housing

Index: 2022 = 100

Residential properties Top 7

Year	Index	y-o-y change in %
2016	61.1	9.5
2017	66.5	8.8
2018	73.5	10.5
2019	83.4	13.5
2020	90.5	8.5
2021	99.9	10.4
2022	100.0	0.1
2023	92.5	-7.5
2024	93.8	1.4
2025	97.9	4.4

Owner Occupied Housing Top 7

Year	Index	y-o-y change in %
2016	64.3	9.7
2017	71.7	11.5
2018	77.5	8.1
2019	80.5	3.9
2020	84.4	4.8
2021	92.7	9.8
2022	100.0	7.9
2023	94.7	-5.3
2024	93.7	-1.1
2025	96.8	3.3

For all the individual figures of the Top 7 cities go to

www.vdpresearch.de

Multi-Family houses

Index: 2022 = 100

Capital value Top 7

Year	Index	y-o-y change in %
2016	60.3	9.4
2017	65.0	7.8
2018	72.4	11.4
2019	84.2	16.3
2020	92.2	9.5
2021	102.0	10.6
2022	100.0	-2.0
2023	91.9	-8.1
2024	93.8	2.1
2025	98.2	4.7

Residential rents Top 7

Year	Index	y-o-y change in %
2016	78.8	6.9
2017	83.6	6.1
2018	87.9	5.1
2019	90.6	3.1
2020	92.2	1.8
2021	94.8	2.8
2022	100.0	5.5
2023	106.3	6.3
2024	111.2	4.6
2025	115.7	4.0

Cap rate Top 7

Year	Index	y-o-y change in %
2016	130.8	-2.3
2017	128.7	-1.6
2018	121.7	-5.4
2019	107.8	-11.4
2020	100.2	-7.1
2021	92.9	-7.3
2022	100.0	8.0
2023	115.7	15.4
2024	118.6	2.5
2025	117.8	-0.7

10-Year Overview

Commercial Property Market

Office Properties

Index: 2022 = 100

Capital value		
Year	Index	y-o-y change in %
2016	63.4	11.4
2017	74.8	18.0
2018	79.8	6.7
2019	91.3	14.4
2020	101.5	11.2
2021	101.4	-0.1
2022	100.0	-1.4
2023	90.5	-9.5
2024	87.4	-3.4
2025	89.1	1.9

Office rents		
Year	Index	y-o-y change in %
2016	81.1	3.2
2017	83.7	3.2
2018	88.3	5.5
2019	94.2	6.7
2020	97.1	3.1
2021	96.5	-0.6
2022	100.0	3.6
2023	103.7	3.7
2024	106.2	2.4
2025	109.7	3.3

Cap rate		
Year	Index	y-o-y change in %
2016	128.1	-7.4
2017	112.0	-12.6
2018	110.8	-1.1
2019	103.3	-6.8
2020	95.7	-7.4
2021	95.1	-0.6
2022	100.0	5.3
2023	114.8	14.7
2024	121.5	5.8
2025	123.1	1.3

Retail Properties

Index: 2022 = 100

Capital value		
Year	Index	y-o-y change in %
2016	101.9	3.7
2017	105.0	3.0
2018	107.1	2.0
2019	108.8	1.6
2020	107.7	-1.0
2021	105.3	-2.2
2022	100.0	-5.0
2023	89.9	-10.1
2024	87.0	-3.2
2025	88.4	1.6

Retail rents		
Year	Index	y-o-y change in %
2016	105.5	0.8
2017	106.8	1.2
2018	107.2	0.4
2019	106.8	-0.4
2020	104.9	-1.8
2021	103.1	-1.7
2022	100.0	-3.0
2023	98.3	-1.7
2024	101.4	3.2
2025	103.5	2.1

Cap rate		
Year	Index	y-o-y change in %
2016	103.5	-2.9
2017	101.8	-1.6
2018	100.1	-1.7
2019	98.2	-1.9
2020	97.4	-0.8
2021	98.0	0.6
2022	100.0	2.0
2023	109.4	9.4
2024	116.5	6.5
2025	117.0	0.4

Appendix

Methodology

Data basis

The transaction database to which currently more than 700 institutions of the German financial sector report transaction data from their real estate financing business every quarter is the basis for calculating the vdp property price indices. The database has been maintained since 2004 and provides statistically evaluable information on actual real estate transactions. Beginning in 2026, the Central Real Estate Market Database (ZIMDB) run by S-Management Services has additionally been used to compile the vdp property price indices for multi-family houses, office and retail properties as well as aggregates based on these. These indices are derived from the commercial property price indices developed jointly with the Deutsche Bundesbank (German central bank).

Capturing the data

The data are captured by the participating institutions when conducting appraisals of market and mortgage lending values 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.

Variables from the vdp's transaction database

The following table provides an overview of the variables most frequently applied in the specification of individual indices for various market segments.

Variable	Scaling	Characteristics
Macro location	Nominal	Districts of Germany
Micro location	Ordinal	Very good – good – average – moderate – poor – catastrophic
Living/usable space	Metric	Living or usable space m^2
Plot size	Metric	Plot size of property in m^2
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	Monthly contractual rent in Euros per m^2

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

Given that real estate properties are highly heterogeneous, the various qualities of the individual properties must be taken into account when measuring pure price changes. 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 therefore be described by reference to 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 an influence on the price of the property. Since there is no market for these individual attributes, however, they cannot be sold separately or 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.

As a result of the collaboration with the Deutsche Bundesbank, price indices for multi-family houses, office and retail properties have been calculated from the first quarter of 2026 using a new hedonic model, with figures backdated to the first quarter of 2013. For figures prior to the first quarter of 2013, the data were chained using the historical rates of change in the cap rate indices of the respective property type.[1]

1 _ For more information on the new commercial property price indices, see https://www.bundesbank.de/de/statistiken/konjunktur-und-preise/gewerbeimmobilienpreisindex

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 **index for residential property prices** is calculated as a weighted arithmetic mean of the percentage of households living in their own single-family house or condominium. 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 **office and retail price index**, the weights for the office property price index and the retail property price index correspond to the shares of the total floor space of the respective property type. Office properties account for a 73.4 % share, retail properties for 26.6 %.

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 the cities Berlin, Hamburg, Munich, Frankfurt am Main, Cologne, Düsseldorf and Stuttgart on the basis of the transaction database. The results for the cities are then aggregated on a pro rate basis to form a Top 7 index.

It should be noted that, following the collaboration with the Deutsche Bundesbank, the Top 7 index for multi-family houses – as is already mentioned under "Calculation" – is calculated using a new hedonic method.

Base year

The base year for the indices is 2022.

Index revisions

Revisions are necessary due to the statistical methodology and reduce the risk that the index might drift artifically due to smoothing and chaining. When data for a new reporting period are added, application of the Kalman filter leads to adjustments in the smoothed raw index series, particularly at the current end. Revisions to the chained indices reflect these adjustments. However, there are no revisions as a result of data being received late. The granular database is available in its entirety for the current reporting period at the time the index is compiled. The revisions relate to the indices for multi-family houses, office and retail properties as well as the aggregates derived from these, i.e. residential properties as a whole, office and retail properties as well as the overall index.

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 and vdpResearch GmbH www.vdpresearch.de; moreover, the interactive dashboard on the website of vdpResearch GmbH displays all indices and offers individual filtering and download options.

Liability disclaimer

The data and information contained in this publication are based on the transaction database, which we regard as reliable. However, we are unable to guarantee the accuracy and completeness of the data. All opinions expressed reflect the current assessment of vdpResearch GmbH. No warranty is given with regard to the content of these opinions and prognoses. In particular, no liability can be assumed for future economic and technical developments. Data and information contained in this publication can change in the future without prior notice.

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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.

Scientific editing

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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.

Today, the products and services of vdpResearch are a key component for many credit institutions in the evaluation and assessment of property and market price risks. The nationwide property price indices that vdpResearch prepares for the Association of German Pfandbrief Banks are geared to an interested public and offer an overview of general price trends in Germany's real estate markets.

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