

Press Information, 1 August 2016

Berlin Hyp publishes expert survey “Trend indicator 1/2016”

- **German real estate market becomes more attractive again after temporary dip**
- **Interest rates, the development of purchase prices and Germany as a “safe haven” are decisive factors. The wave of refugees is no longer a key issue.**
- **Sustainability is “the” trend on the real estate market.**

Germany is regarded as extremely attractive by a large majority, even after a brief decline in the second half of 2015. Some 82% of the survey participants rated the German real estate market as “much more” or “somewhat more attractive” compared to other European markets. According to the experts, the decisive factors for this development are the persistently low interest rates, the development in purchase prices and Germany as a “safe haven” for real estate investments. While the wave of refugees came in second place as one of the most influential factors in the last report, it has now dropped to fifth place. Accordingly, only 34% of the survey participants view refugee shelters as an investment option – and for the majority of those respondents, this only holds if the public sector is the tenant.

The number of experts who are warning that the real estate bubble may burst has since declined. While 51% of the survey participants in the second half of 2015 thought that a real estate bubble exists, this figure is now only 42%. While signs of an overheating of the market are indeed perceivable, there can be no talk of a bubble just yet. “It is essential that the banks’ risk parameters do not ease. We are observing one or two developments with concern,” commented Gero Bergmann, member of the Board of Management of Berlin Hyp.

Munich, followed by Berlin and Hamburg remain the primary real estate centres.

The latest edition of the Trend indicator makes a clear statement on the trend towards sustainability in the real estate sector. Given that 86% of the participants agree with this, no one on the market can ignore this issue. However, green building and energy efficiency have already been well established as important factors for quite some time.

Berlin Hyp is publishing the “Trend indicator” for the fourth time. In total, around 150 real estate experts based in Germany and abroad assessed the trends in the German real estate market.

Please click here for the full expert survey: [Trend indicator](#)

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Berlin Hyp specialises in large-volume real estate finance for professional investors and housing societies, for whom the Bank develops individual financing solutions. As an enterprise forming a Group together with the German savings banks, it also makes an extensive spectrum of products and services available to these institutions. Berlin Hyp's clear focus, almost 150 years of experience and its close proximity to the Savings Banks Finance Group characterise the Bank as a leading German real estate and Pfandbrief bank.