

Results for 2023 Q2

## Real Estate Prices in Germany stabilize

**Bonn & Kiel, 03.08.2023 - The downward trend for real estate prices in Germany was partially halted in the second quarter of 2023. Compared with the first quarter of 2023, many prices are even rising slightly again, although there is still a significant drop compared with the previous year and the peaks.**

According to the latest update of the Greix (German Real Estate Index), house prices have now bottomed out from the price correction and are picking up again compared with the previous quarter. Prices for apartments are declining, but only slightly and with wide regional heterogeneity. Here, too, rising prices can be observed again in some cities.

### Price Change of the Market Segments

Absolute Prices

GREIX

	Previous Quarter	Previous-Year Quarter
Apartments	- 0.3 %	- 9.9 %
Single-Family Houses	2.4 %	- 10.5 %
Multi-Family Houses	1.8 %	- 20.9 %

The Greix is a project of ECONtribute and the Kiel Institute tracking real estate price trends of currently 18 German cities.

» 2023 Q2, as of August 3, 2023

» greix.de

Compared with the **previous quarter**, Q1 2023, prices for **apartments** decline by 0.3 percent. **Single-family house** prices increase 2.3 percent, while **multi-family house** prices increase 1.8 percent.

Also **inflation-adjusted**, only **apartments** prices decline (-1.5 percent), while **single-family house** prices (+1.1 percent) and **multi-family house** prices (+0.5 percent) are up when measured in current purchasing power.

Compared with the **previous-year quarter**, Q2 2022, all housing segments are still down sharply. **Apartments** prices are down 9.9 percent in comparison, **single-family house** prices are down 10.5 percent, and **multi-family house** prices are down 20.9 percent.

→ *What is the Greix?*

- The Greix is a real estate price index for Germany based on actual, notarized sales prices. It tracks the price development of individual cities and neighborhoods back to 1960 and is based on more than two million transaction data. The dataset can be used to analyze long-term trends in real estate markets and to contextualize current developments in a historical context.

→ *What data and methods are used to create the indices?*

- The data collection and evaluation takes place in cooperation with the local expert committees. All real estate transactions are recorded in their entirety. Price trends are calculated using the latest scientific standards and statistical methods (hedonic regression method). The Greix thus stands for the highest scientific data quality.

→ *Who is funding the Greix?*

- Greix is financed by public funding and is a project of the Bonn-Cologne Cluster of Excellence ECONtribute, funded by the DFG, and the Kiel Institute for the World Economy (IfW Kiel) with the aim of increasing transparency in the real estate market. Different price indices for 18 cities are freely accessible at [www.greix.de](http://www.greix.de). Additional cities will gradually be added to the data set.

**Top-7 Cities.** Prices for apartments in Germany's Top-7 cities (Berlin, Düsseldorf, Frankfurt a. M., Hamburg, Cologne, Munich, Stuttgart) are stabilizing and in some cases even rising compared with the previous quarter. The outlier on the downside is Hamburg, where prices are down 3.9 percent. The second sharpest price decline was in Frankfurt, but at minus 0.9 percent this was already quite moderate.

In Düsseldorf (+2.9 percent) and Berlin (+1.3 percent), prices for apartments are already rising again.

In Cologne (-0.2 percent) and Stuttgart (-0.4 percent), prices are declining only minimally. Note: No second-quarter data are available for Munich in this Greix update.

Detailed information on price trends in the Top-7 cities in the other market segments, as well as the option of downloading the data described, can be found at [www.greix.de](http://www.greix.de).

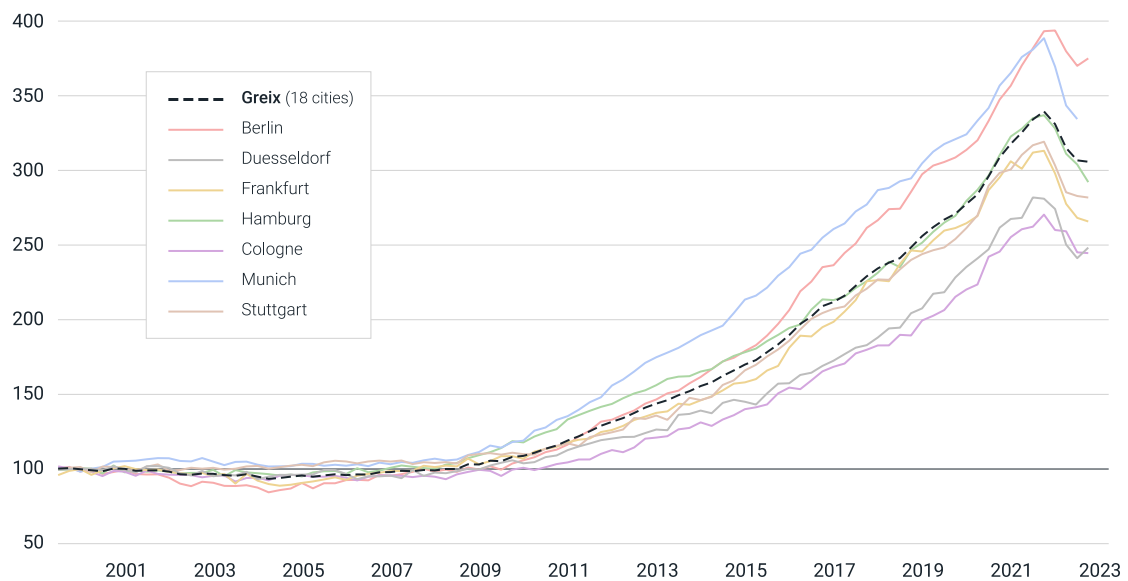
**Other Cities.** Outside the Top-7 cities, too, the picture is mixed, with apartments becoming even more affordable or already more expensive again, depending on the region. In Erfurt, the increase compared with the previous quarter was quite signifi-

cant at plus 5.9 percent, followed by Chemnitz at plus 3.4 percent.

In Potsdam (+1.2 percent) and Duisburg (+0.8 percent), sales prices rose only slightly. Significant declines can be observed in Dresden (-1.7 percent) and, above all, Bonn (-2.7 percent) and Wiesbaden (-3.7 percent).

## Price Development for Apartments

Top-7 Cities, Greix, Index, 2000 = 100



The Greix is a project of ECONtribute and the Kiel Institute tracking real estate price trends of currently 18 German cities.

» 2023 Q2, as of August 3, 2023

» greix.de

## Price Development for Apartments

Absolute Prices, in Percent, Change vs. Previous-Year Quarter



	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2
<b>Greix (18 cities)</b>	<b>13.9</b>	<b>14.5</b>	<b>14.6</b>	<b>12.9</b>	<b>10.0</b>	<b>4.2</b>	<b>- 3.2</b>	<b>- 8.2</b>	<b>- 9.9</b>
Berlin	12.6	13.7	15.6	14.6	13.2	10.4	2.6	- 3.1	- 4.6
Duesseldorf	14.6	13.6	11.3	14.0	7.4	2.5	- 6.7	-14.4	-11.6
Frankfurt	13.0	15.7	11.8	8.8	6.0	- 2.6	- 7.8	-14.0	-15.1
Hamburg	15.1	15.4	14.3	12.9	8.6	1.7	- 5.1	- 9.3	-13.3
Cologne	14.1	15.9	16.5	8.3	10.1	1.9	- 0.5	- 6.6	- 9.5
Munich	11.2	12.7	12.8	11.4	8.9	1.2	- 8.6	-12.2	—
Stuttgart	17.4	15.0	15.0	9.4	7.0	0.9	- 8.1	-10.7	-11.7

The Greix is a project of ECONtribute and the Kiel Institute tracking real estate price trends of currently 18 German cities.

» 2023 Q2, as of August 3, 2023

» [greix.de](https://greix.de)

**Price Decline since Peak.** Compared with their respective highs, sales prices for apartments are all down, both for all cities in the Top-7 cities, and for the Greix itself, i.e. the entirety of the 18 cities examined.

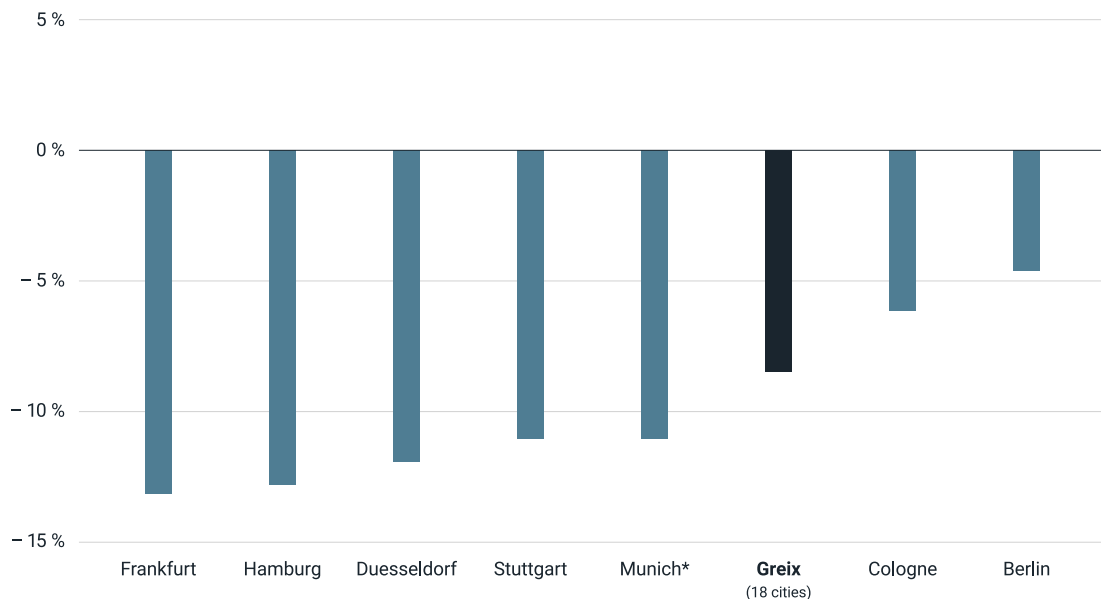
The intensity of the price decline is very heterogeneous. In Frankfurt a.M., prices have fallen the most since their peak, by more than 13 percent. A similarly sharp drop in prices can be observed in Hamburg. Düsseldorf, Stuttgart and Munich (latest data from Q1/2023) follow with a drop of over 11 percent. Given the high inflation in recent quarters, the decline in inflation-adjusted prices was even more pronounced.

The smallest price declines since the peak have been in Cologne, at just over 6 percent, and Berlin, at just under 5 percent.

The Greix price index, which is made up of all 18 cities, shows a decline of around 9 percent. This indicates that the price decline outside the Top-7 cities areas was less than within them, as the Greix price decline is below the average for the Top-7 cities.

## Price Development for Apartments since Peak

Top-7 Cities, Greix, absolute Prices



The Greix is a project of ECONtribute and the Kiel Institute tracking real estate price trends of currently 18 German cities. \* Data from 2023 Q1.

» 2023 Q2, as of August 3, 2023

» [greix.de](https://greix.de)

**Methodology.** The real estate price indices are constructed using hedonic methods based on actual transaction data from the expert appraisal committees. Before we estimate the indices, we clean the data for outliers. For more information on our data cleaning process and methodology, see our documentation at [www.greix.de](https://www.greix.de). Due to the time lag between the notarized purchase of a property and its recording in the purchase price collection of the appraisal committees, it is possible that individual purchase contracts have not yet been included in the calculation of the indices.

### Authors:

Francisco Amaral, Universität Bonn

Mail: [francisco.amaral@uni-bonn.de](mailto:francisco.amaral@uni-bonn.de)

Jonas Zdrzalek, Universität zu Köln

Mail: [zdrzalek@wiso.uni-koeln.de](mailto:zdrzalek@wiso.uni-koeln.de)