

**Press release****Kiel Institut für Weltwirtschaft****Mathias Rauck**

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**Real estate prizes in Germany stabilize**

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. This is shown by the latest update of the German Real Estate Index (GREIX), a project of ECONtribute and the Kiel Institute, which tracks the development of German real estate prices using the latest scientific methodology. All data for currently 18 German cities and their districts is freely available at [www.greix.de](http://www.greix.de) (<https://greix.de/>).

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.

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. Apartment 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.

"The German real estate market proved to be quite robust in the second quarter. The expectation that the European Central Bank's interest rate hikes will gradually come to an end has obviously done good to the real estate market after the significant price corrections of recent months," says Moritz Schularick, President of the Kiel Institute. "The fact that real estate prices are stabilizing even when adjusted for inflation is a positive signal for the economy."

Top-7 cities (apartments, nominal prices, compared to previous quarter):

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 a.M., 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.

Other cities (apartments, nominal prices, compared to previous quarter):

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 significant 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 decline since peak (apartments, nominal prices, compared to previous quarter):

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.

"The latest Greix figures show that the price decline in the real estate market is leveling off and that prices are even starting to rise again in certain regions. It remains to be seen whether a turnaround towards rising prices has already been heralded. After the historically unusually strong and rapid price decline such as we have seen, a phase of countermovement is quite normal, which could be followed by renewed price declines," says Schularick.

Read short report: "Greix Q2 2023: Real estate prizes in Germany stabilize"  
(<https://www.ifw-kiel.de/index.php?id=18439>)

About the Greix:

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) (<https://greix.de/>). Additional cities will gradually be added to the data set.

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Attachment Price Development for Apartments since Peak <http://idw-online.de/en/attachment99096>

## 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 %

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» 2023 Q2, as of August 3, 2023

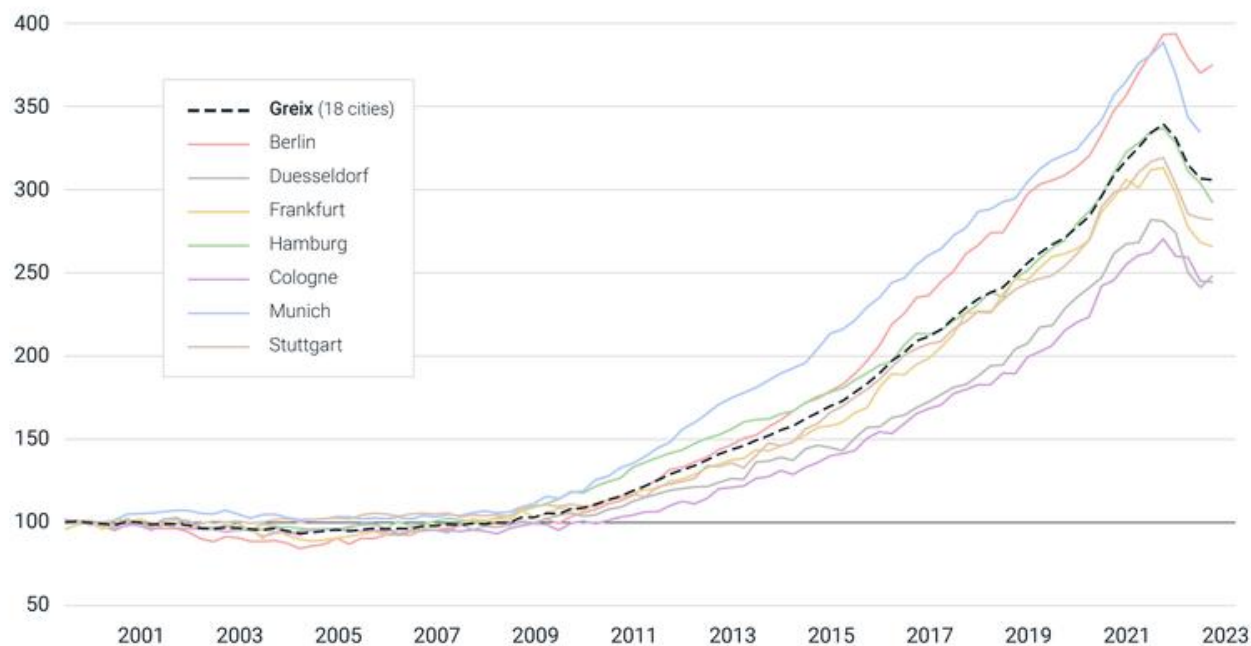
» [greix.de](https://greix.de)

Price Change of the Market Segments

## Price Development for Apartments

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

**GREIX**



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Price Development for Apartments