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# *2025 IBB Housing Market Report*

Summary

## Foreword

With more than 22,000 new people arriving in the German capital in 2024, Berlin is still growing. And this growth is expected to continue into the future: The population is forecast to grow to over 4.0 million by 2040.

This makes it all the more important for Berlin to remain an attractive and affordable place to live – an aspect that is becoming increasingly important, especially for Berlin's economy. The lack of housing is becoming a growing challenge when it comes to recruiting and keeping skilled staff. The fact that more and more companies are willing to provide affordable housing for their employees is good news. From providing accommodation to cooperating with the housing industry or renting and acquiring occupancy rights, employers in Berlin have become another important group of players in Berlin's housing market. The Federal State of Berlin also recognises its responsibility and continues to promote employee housing for government employees.

New construction will still be needed in the future to improve the supply of housing in Berlin. As the focus topic of new construction shows, a lot of new housing has already been built in Berlin since 2011. In the last four years alone, around 64,000 new apartments were built – meaning a new home for more than 130,000 people. By 2040, a total of 222,000 new apartments are to be built. Reaching this goal will not be easy in light of the difficult times facing the construction industry. However, first signs of improvement are already visible. The number of building permits already rose significantly again in 2025. We expect substantially higher completion figures for 2026. Berlin's Senate has simplified planning and approval procedures with the Faster Construction Act (Schneller-Bauen-Gesetz) in order to help players on the housing market create new living space in future. Housing construction and the expansion of social infrastructure have been declared to be "predominantly in the public interest". In doing so, we are sending a clear signal in favour of residential construction. Supplemented by federal policy changes as part of the so-called "construction turbo", we will enable simplified construction and a rapid expansion of the housing stock in future. With the "Simply Build Berlin" process, we aim to scrutinise excessively strict standards and enable more cost-effective construction.

In addition to efforts to build new housing, the Senate will also continue to focus on protecting tenants: The extension of the rent cap and the rent increase limit ordinance safeguards the rights of rental households. In addition, the newly introduced rent check centre provides all Berliners with a low-threshold, free opportunity to have their rent checked to see if they are paying too much.

The success of the Building Land Mobilisation Act, which has been in force since 2021, continues with regard to the subdivision of apartment blocks into commonhold apartments. With just under 1,600 cases, these subdivision measures in Berlin were virtually irrelevant – another important sign of the city-wide protection of the rental housing supply.

Berlin's housing market still has enormous challenges to face which can only be tackled through close cooperation between the various partners. This is where IBB's Housing Market Report provides a valuable source of information.



**Christian Gaebler**

Senator for Urban  
Development, Building  
and Housing

## Foreword

Berlin is a dynamic metropolis that continues to be seen as an attractive place to live and work – especially for young adults. With a population increase of 22,884 compared to the previous year, the federal capital once again grew by the size of a small town in 2024. This means that demand on the housing market remains high while continuing to face a significant supply deficit. Building new affordable housing is and remains the central task of housing policy. However, the construction industry is struggling with persistently difficult framework conditions – above all the rise in construction costs, lengthy approval procedures and, not least, high interest rates. This inhibits construction, making it more difficult to create new living space. While completions remained stable in 2024, the number of building permits continued to fall, slipping below the 10,000-mark for the first time since 2012. It therefore remains crucial to continue promoting new construction while making building projects economically viable in order to provide more affordable housing for Berliners.

The housing stock subject to rent and/or occupancy restrictions, which is an important building block for affordable housing in the federal capital, is also central to these efforts. Nevertheless, expired restrictions in recent years have led to a significant reduction in the portfolio, which fell to a total of around 97,000 apartments in 2024. To counteract these developments, publicly subsidised housing construction is being promoted: Between 2015 and 2025, 15,848 apartments were already completed with the help of IBB's New Housing Construction Fund. A further 5,175 apartments were approved in 2025 – a good sign for future housing supply. The affordability of housing and the energy transformation play an important role not only in new builds, but also in existing properties. IBB's subsidy programmes are making an important contribution to the refurbishment of existing rental apartment buildings and include consulting and planning services in addition to structural measures. As a result, new rent and occupancy agreements are being created that jointly address both social and ecological challenges. As Investitionsbank Berlin, we and our partners will continue to actively promote the expansion of subsidised housing together in the future.

The tense situation on Berlin's housing market is also increasingly reflected in Berlin's economy. While companies are struggling to recruit skilled and junior staff, the provision of housing for employees is proving to be an important advantage for the city. Employers are now helping employees in their search for housing or providing them with accommodation. In practice, various models are used, which can be organised differently depending on the framework conditions. Measures to expand the housing stock, which are directly designed to create new living space and thus increase the supply on the overall market, are particularly promising for the housing market as a whole. Cooperation between the housing industry, the private and the public sector can create synergies and leverage important potential.

The problems on the housing market can only be tackled with a variety of solutions such as these. IBB's Housing Market Report provides an important knowledge and decision-making foundation for this.

We wish you an insightful and exciting read!




**Dr. Hinrich Holm**

Chairman of the Board of  
Investitionsbank Berlin (IBB)

## Selected data at a glance

Key figures	Berlin 2024	Change compared to 2023	Trend arrow for 2026
<b>Economic factors</b>			
Gross domestic product (GDP) (2020 = 100), price-adjusted	112.40	0.8 percentage points	→
Unemployment rate (related to all members of the civilian working population – in %)	9.70	0.6 percentage points	→
Consumer price index (2020 = 100)	118.80	1.9 percentage points	→
Construction costs per square metre of living space (new-build) (EUR)	1,985	-9.4%	→
Price index for new residential buildings (2021 = 100)	132.20	5.2 percentage points	↗
<b>Housing demand</b>			
Population (at the main place of residence)	3,685,265	0.6%	↗
Number of households	1,971,000	0.5%	↗
Average household size	1,90	0.0%	→
Share of one-person households (%)	50.50	-0.1 percentage points	→
Percentage of needy households within the meaning of German Social Security Code II (SGB II, Sozialgesetzbuch (SGB) Zweites Buch II) per 100 inhabitants	11.91	-0.2 percentage points	→
Average monthly net household income in EUR (median)	2,675	4.9%	↗
<b>Housing supply</b>			
Housing stock	2,058,666	0.7%	↗
of which leasehold flats	1,751,800	0.7%	↗
of which council housing (pursuant to housing law) (according to WoBindG and WoFG)	85,765	-5.4%	↘
Number of apartments completed (total)	15,362	-3.8%	→
of which completed flats (new-build including NWG**)	14,632	0.0%	→
Building permits (total)	9,772	-38.5%	↗
of which building permits (new-build including NWG**)	8,558	-40.6%	↗
<b>Rents and housing market</b>			
Occupancy density (residents per housing unit)	1.90	0.2%	→
Living space per residential unit (in sqm)	72.54	0.0%	→
Living space per resident (in sqm)	38.23	-0.2%	→
Rent index, net rent without heating costs (2020 = 100)	107.00	2.8%	↗
Ancillary rent costs index (2020 = 100)	101.80	0.3%	↗
Asking rents (in EUR net without heating per sqm. of living space)*	15.78	0.3%	→
Asking purchase prices (commonhold apartments) (EUR per square metre of living space)*	5,807	2.1%	↗

Sources: Statistical Office for Berlin-Brandenburg; Senate Department for Urban Development, Construction and Housing; VALUE Marktdatenbank

\*Evaluation period: 2025, change compared to 2024; data basis: VALUE Marktdatenbank

\*\*Non-residential buildings

Supplementary and detailed data can be found in the list of tables for the IBB Housing Market Report at [www.ibb.de/wohnungsmarktbericht](http://www.ibb.de/wohnungsmarktbericht)

## Housing policy in the city in 2025

Housing policy in 2025 was shaped by a number of events. The most important of these are listed below in chronological order:

<b>January</b>	The 2025 land use planning report is published by the Senate Department for Urban Development, Building and Housing.
<b>February</b>	The Conversion Ordinance in Social Conservation Areas 2025 (Section 172 (1) fourth sentence of the Federal Building Code (BauGB)) is adopted and extends the protection against subdivisions into commonhold property in social conservation areas by five years.
<b>March</b>	Berlin's rent check centre begins its work. Between April and December 2025, 921 enquiries were received, 339 of which were checked to determine whether the rent charged was above the local comparative rent. In only around 6% of cases was the agreed rent level found to be within the permissible range in accordance with section 556 d. of the German Civil Code (BGB). In 320 cases (94%), the rent level violated the rent cap and section 5 of the Economic Offences Act (WiStG).
<b>July</b>	The new Building Submission Ordinance comes into force, introducing simpler requirements so that the Faster Construction Act (Schneller-Bauen-Gesetz) can be implemented thanks to faster building inspection procedures
<b>September</b>	<p>The Senate decides to continue promoting housing construction as an investment priority in its financial planning until 2029.</p> <p>The state-owned housing associations launch a housing swap programme to enable people to move to smaller, more suitable apartments.</p> <p>The funds for construction and housing in the federal budget will be increased to EUR 5.7 billion in 2025. A commitment framework of EUR 3.5 billion is planned for social housing construction for the 2025 programme year, with a total of over EUR 23.5 billion available by 2029.</p> <p>Berlin makes use of this instrument for the first time in accordance with Section 25 (1) first sentence no. 3 of the Federal Building Code (BauGB) by introducing an ordinance on a pre-emptive right of the Federal State of Berlin for 23 properties in Pankow. This means that when the designated properties are sold, a closer examination and, if necessary, a pre-emptive right can be exercised primarily in favour of state-owned housing associations.</p>
<b>October</b>	<p>The German Bundestag decides on the "construction turbo".</p> <p>Following an initiative by the Berlin Senate and a resolution by the Berlin House of Representatives, the Third Act Amending the Berlin Housing Act comes into force. Among other things, this law increases the level of fines and cash benefits in social housing. In future, households receiving housing benefits (first subsidy level) will generally no longer receive a rent allowance, since federal housing benefits already reduce the rent burden to an acceptable level.</p>
<b>November</b>	<p>The Berlin Senate decides to extend the rent freeze by issuing the Rent Limitation Ordinance in November 2025. The ordinance comes into force on 1 January 2026 and will remain in effect until the end of 2029.</p> <p>The Berlin Senate extends the city-wide conversion ordinance in accordance with Section 250 of the Building Code. The ordinance comes into force on 1 January 2026 and will remain in effect in Berlin until the end of 2030.</p>
<b>December</b>	<p>According to the Report on the Cooperation Agreement, the state-owned housing associations have expanded their portfolio by around 70,000 apartments since 2016 and now hold a total of around 365,134 apartments.</p> <p>Once again, the target of 5,000 subsidised apartments per year is exceeded. 5,175 social housing units are approved.</p>

## General situation and important trends

### Economic factors

The situation on Berlin's housing market remained tense in 2024 and 2025, posing challenges for market players. While moderate population growth was once again seen on the demand side, new construction reached its limits as a result of difficult framework conditions. Although construction costs fell in 2024 for the first time, construction interest rates remained at a high level, putting a damper on investment in the construction industry. This was evidenced by the sharp drop in building permits in 2024. However, the number of approvals issued in the first half of 2025 point to a modest stabilisation. Nevertheless, excess demand remained high, leading to supply bottlenecks for certain demand groups and difficulties in adapting to changing housing requirements.

### Trend in demand for housing

Berlin is growing – since 2015, the city has recorded an almost continuous increase in population, which was only briefly interrupted during the Covid pandemic. The statistically significant decline in population in 2022 masks the strong influx of people as a result of the war in Ukraine. All in all, the population increased by 4.7% or 165,234 between 2015 and 2024. This trend has also continued recently: Between 2023 and 2024, Berlin's population grew by a further 22,884 or 0.6%, respectively. This means that at the end of 2024, 3,685,265 million people were living in the capital city. According to the current population forecast by the Senate Department for Urban Development, Building and Housing (as at 31 December 2024), Berlin is expected to continue to grow until 2040 – probably by around 109,000. That being said, significant differences are expected between the different districts of the city. Growth is likely to be strongest in the eastern districts in particular, while a decline is forecast for some western districts.

Population growth in recent years has been based exclusively on external migration gains – there has been no natural population gain since 2022. Overall, however, external migration gains declined with a net total of 27,107 people coming to Berlin in 2024, down by 5,700 against the previous year. This was due to rising outward and declining inward migration to the federal capital. Broken down by destination and origin, there was a clear decline in migration gains compared to other countries. At 41,862, 7,688 fewer people immigrated compared to the previous year's figure (2023: 49,550). The most important countries of origin were India, Ukraine and Turkey. In 2024, a net total of 2,135 people arrived from the western federal states, so that gains remained at a low level. Berlin continued to

lose population to the surrounding areas, the greater metropolitan area and the eastern federal states (16,890 people on balance).

Over the past ten years, Berlin's migration gains have been based almost entirely on the influx of 18 to under-30-year-olds, who came to the city primarily to train or study. In 2024, net migration of this group totalled 39,301, roughly the same level as the previous year. Migration among the six to under 18-year age group was up by 1,811 in 2024, around 800 more than in the previous year. Migration losses were recorded in all other age groups, especially in the 45 to under-65 age group which was down by 6,066. The migration pattern of previous years thus continued in 2024.

After declining in 2023, the internal migration rate rose slightly by 0.2 percentage points to 7.4% in 2024, returning to 2019 and 2022 levels. A total of 286,752 inner-city moves were recorded – 11,261 more than in the previous year (2023: 275,491). Whether this increase is sustainable or only temporary remains to be seen in view of the past years, which were characterised by special effects (including flight and the Covid pandemic).

As in previous years, the city's central districts were the most attractive for inward migration over a ten-year period. Berlin's Mitte district recorded the largest increase of 81,265 in outward migration between 2015 and 2024, followed by Charlottenburg-Wilmersdorf and Friedrichshain-Kreuzberg. At the same time, there was a significant migration of Berliners moving from the city centre to the outer districts. In addition to the districts of Mitte, Friedrichshain-Kreuzberg and Charlottenburg-Wilmersdorf, the Neukölln district also recorded internal migration losses of more than 15,000. The eastern districts in particular benefited from inner-city relocations with Treptow-Köpenick and Marzahn-Hellersdorf each gaining almost 40,000 residents. In general, the migration balance in all districts over a ten-year period was positive with the highest gains recorded by the eastern districts and the lowest in Neukölln and Friedrichshain-Kreuzberg.

The extent to which households can provide themselves with housing also depends on the employment status of the household members. In October 2025, unemployment was at 10.3% (220,216 people), an increase of 0.5 percentage points compared to the previous year (October 2024: 9.8%). The unemployment rate also increased at district level in all districts – most significantly in Lichtenberg (+1.0 percentage point). Neukölln recorded the highest number of registered unemployed both in absolute terms and as a proportion of the civilian labour force (15.1%), followed by the

Mitte district with 12.3%. In terms of labour force development, Berlin experienced a steady increase until 2019, although this was interrupted by the Covid pandemic. The 1,876,000 people out of jobs in 2024 was marginally above the level recorded in 2019. The part-time employment rate in Berlin was 31.1% in 2024, an increase of 3.7 percentage points since 2015 (2015: 27.6%).

In 2024, Berlin had 1,971,000 households which continue to be characterised by a small-scale structure with around half of these households comprising one person. The proportion of single-person households was highest in the districts of Friedrichshain-Kreuzberg and Charlottenburg-Wilmersdorf and lowest in Reinickendorf. Access to housing also depends on peoples' financial situation. Households in Berlin had an average (median) monthly income of EUR 2,675 in 2024, with peak values recorded in the Steglitz-Zehlendorf and Pankow districts and the lowest incomes in Lichtenberg and Neukölln. Around one in five households (20.2%) had less than EUR 1,500 per month at their disposal. This share has fallen compared to the previous year (2023: 21.3%). 39.4% of households had between EUR 2,000 and less than EUR 4,000 at their disposal in 2024, while 27.5% had a net household income of EUR 4,000 or more.

### Subdivision of apartment blocks into commonhold units

When apartment blocks are subdivided into commonhold units, the land register sheet for the block is closed and individual land register sheets are created for each apartment. In 2024, 1,552 apartments were newly created in this way in Berlin, a new low and a decline of 65.4% within one year. Since 2022, there has already been a significant decrease in the number of apartments created by subdivision. The sharp decline is partly due to the city-wide approval requirement under the Building Land Mobilisation Act (Baulandmobilisierungsgesetz). As in the previous year, the subdivision of apartments blocks was to be found in certain areas particularly within the urban rail (S-Bahn) ring.

After a continuous decline in sales of commonhold apartments created by subdivision, which was only briefly interrupted in 2021, the number of sales rose again in 2024 – from 8,156 to 9,653 (+18.4%). As a result, apartment sales developed contrary to the declining subdivision trend and exceeded subdivisions for the second time in a row. The sales ratio increased slightly to 0.55% of the residential portfolio (2023: 0.47%). It remains to be seen whether this signifies a trend reversal. Private individuals once again dominated both the buy (95.5%) and sell side (70.4%).

### Trend in housing supply

In light of continued high demand, the share of buildings not yet completed is taking centre stage as potential for future living space. In 2024, this comprised 50,408 approved but not yet completed apartments, which represents a further decline (2023: 58,925 apartments). This was due to a decline in the number of building permits while the number of completions remained virtually stable. The majority of the construction backlog was already under construction (64.4%): Of this figure, 28.2% (14,237 apartments) was still awaiting the commencement of construction, while 36.2% (18,250 apartments) was already “topped out”. Construction has not yet begun on around a third of the approved apartments (35.6%).

41,190 apartments were classified as new residential construction (excluding construction measures and apartments in non-residential buildings, based on building permits from 2015 to 2024). Around two thirds of these apartments were approved between 2022 and 2024 (27,507 apartments). Half of these apartments were under construction (52.6%) as at the reporting date (31 December 2024), and almost one in five apartments was topped out.

The majority of the construction backlog had been approved in recent years. Between 2015 and 2021, 135,498 apartments were approved for construction, while 120,293 were completed. This resulted in a realisation rate of 88.8% for the 2024 construction backlog. Compared to the previous year, the rate has increased by 2.0 percentage points. In conclusion, no evidence was found for construction projects that had been delayed for many years or were affected by speculation. As in the previous year, the average processing time in 2024 was 32 months.

Building permits mark the start of the construction phase and are an indicator for future completions. Since 2017, their number has fallen continuously, reaching a new low of 9,772 approved apartments in 2024. Due to a decrease of 6,130 apartments compared to the previous year, they fell below the 10,000 units mark for the first time since 2012. Around 81% of the permits were for multi-storey residential buildings. In contrast, detached and semi-detached homes as well as apartments that will be built as a result of construction measures on existing buildings only accounted for a small proportion. The western districts recorded a particularly high number of permits, with Spandau (1,807 apartments) and Charlottenburg-Wilmersdorf (1,614 apartments) leading the way, followed by Lichtenberg and Treptow-Köpenick with around 1,200 residential units each. Neukölln recorded the lowest number of approvals with 222 apartments. In terms of building owners, private housing companies again dominated (65.8%), followed by private households (11.7%) and public building owners (10.5%).

In 2024, a total of 15,362 apartments were completed in Berlin – 3.8% less than in the previous year. Despite the difficult conditions in the construction sector, the level of completions thus remained largely stable. Around 88.8% of completions were for multi-storey residential buildings (13,637 apartments), while detached and semi-detached homes only accounted for 6.4% (978 residential units). At district level, construction activity was concentrated in Treptow-Köpenick (4,063 apartments), followed by Spandau (2,477 apartments) and Pankow (1,539 apartments). Friedrichshain-Kreuzberg (679 apartments), Neukölln (744 apartments), Reinickendorf (746 apartments) and Mitte (981 apartments) recorded fewer than 1,000 completions.

The number of apartments subject to rent and/or occupancy restrictions continued to fall. In 2024, 97,040 apartments in Berlin were subject to rent and/or occupancy restrictions, corresponding to 5.5% of the total rental housing stock. With a year-on-year decline of 17,100 apartments, this marked another sharp fall in the rental housing stock with rent and/or occupancy restrictions. Over the past five years, restrictions expired on around 84,000 apartments. The subsidised portfolio under housing law (WoBindG and WoFG) amounted to 85,765 units, of which 71.4% (61,271 apartments) was subsidised. Apartments with occupancy restrictions under the Occupancy Commitment Act (BelBindG) accounted for only 4,668 units in 2024, down from around 112,000 units in 2013. This stock is expected to be completely depleted by 2025. The subsidised housing stock according to the Guidelines for Grants for the Modernisation and Repair of Old Buildings (ModInstRL) amounted to 6,607 apartments in 2024 – a decrease of 2,558 apartments within one year.

Since 2014, the Federal State of Berlin has been subsidising the construction of socially acceptable housing via IBB's New Housing Construction Fund. A total of 30,679 subsidised apartments with rent and occupancy restrictions were approved between 2014 and 2025. In addition, 27,055 apartments were privately financed. On 31 December 2025, 15,848 subsidised apartments had already been completed. In 2025, up to EUR 1.5 billion in funding was available, of which more than EUR 1.3 billion was utilised. With 5,175 subsidised apartments approved, the political target of 5,000 apartments in 2025 was met. Most of the apartments approved were located in Lichtenberg with over 6,000 apartments, followed by Marzahn-Hellersdorf, Spandau and Treptow-Köpenick with over 4,000 approved apartments.

## Spotlight on new construction

Berlin's housing market is undergoing dynamic change. The persistent rise in demand for housing is driving new construction in almost all districts. Around 180,000 apartments were built in residential buildings between 2011 and 2024. Almost half of these were built by private-sector companies (82,286 apartments or 45.7%) while public-sector developers accounted for 29,012 new apartments (16.1%). However, the official statistics clearly understate the share of state-owned housing companies, since some of their new buildings are built by private project developers and purchased directly after completion. In the official statistics, these apartments are allocated to private developers even though they were built for and owned by state-owned housing companies. According to the "Overall report on housing performance management by Berlin's state-owned housing companies" published by BBU for the years 2012 to 2024, a total of 35,961 apartments were completed during this period. 88.6% of the apartments built between 2011 and 2024 were located in multi-storey buildings, while 11.4% were owner-occupied homes. At 81.0%, conventional residential construction predominated in the completion period from 2015 to 2024. In recent years, new construction projects in Berlin have had to contend with a shortage of space, rising construction costs, lengthy approval procedures and climate protection requirements. With regard to ownership structure, 47.3% of apartments were owned by homeowners' associations and private owners as of the census date (15 May 2022), while 23.3% were allocated to state-owned housing companies. Private housing companies accounted for 11.9%. The apartments were generally medium-sized (three rooms) with district heating. New buildings from 2011 onwards fetched an average rent of EUR 12.50 per sqm.

New construction to date has failed to compensate for the increase in households. The 2040 Urban Development Plan Housing (StEP Wohnen 2040) calculates a need for 222,000 new apartments by 2040 as well as additional space for a further 50,000 apartments. Affordable housing in particular is still needed. In order to ensure a more socially equitable supply of housing, even under more difficult conditions, the efforts of all market players must continue. In addition to the Urban Development Plan Housing, the roadmap of the state-owned housing companies, whose portfolio is to grow to 500,000 apartments in the future, is another important part of these efforts.

## Market for rented apartments

After two years of sharp increases in asking rents in Berlin, 2025 saw stagnation take hold for the first time. At EUR 15.78 per sqm, this was only EUR 0.04 per sqm or 0.3% higher than in 2024. Compared to 2016, households in Berlin had to pay around 75% more for net rent in 2025. This means that asking rents in the year under review were more than twice as high as the local comparative rent (EUR 7.21 per sqm). A median of EUR 19.97 per sqm was reported for new-build apartments. Compared to 2024, this fell by EUR 0.53 per sqm or 2.6% to EUR 19.97 per sqm and thus again below the limit of EUR 20.00 per sqm. Despite this development, 2025 saw the second-highest value recorded in the 2016 to 2025 review period. A median of EUR 14.48 per sqm was reported in the existing property segment. This corresponded to an increase of 0.9%, which means that momentum has slowed. In the previous year, an increase of 15.3% was recorded.

Listings also increased in 2025. At 40,014, the capital city recorded listings in excess of 40,000 for the first time since 2019. Compared to the previous year, this marked an increase of 25.6% (up by 8,162 listings). At the same time, the average time on the market decreased slightly year-on-year to 1.5 weeks (2024: 1.7 weeks). In the temporary furnished apartment segment, a decline was recorded for the first time since 2022 to a total of 36,959 listings (down by 5.3%). It should be noted that these apartments can be listed several times a year due to their fixed rental periods. With a view to the different geographical structures, developments varied in 2025 between districts. Berlin's city centre remained in first place with an average asking rent of EUR 19.22 per sqm. Compared to the previous year, the median fell for the first time by 1.7% or EUR 0.34 per sqm. This was followed by Potsdam (EUR 14.04 per sqm), the greater Berlin area (EUR 13.51 per sqm) and the outer city (EUR 13.01 per sqm) with a similar rent level. Compared to the previous year, Potsdam recorded an increase of 2.9%, while the greater Berlin area was 1.4% higher than in 2024. This also led to weaker momentum here. The lowest asking rents by far were once again to be found in the greater metropolitan area at EUR 7.33 per sqm – up 4.7% compared to 2023. Less attractive cities recorded slightly higher rents at EUR 8.98 per sqm. Up by 6.7%, this was the strongest growth recorded in one year.

Although asking rents are an important indicator of the current level of rents being charged, they are not yet backed up by concluded tenancy agreements. Analyses by BBU Verband Berlin-Brandenburgischer Wohnungsunternehmen e. V. (BBU) are used to further qualify the current rental market (around 45% of Berlin's rental housing market, as at 31 December 2025). The state-owned housing companies are also represented here. In the period from 1 July 2024 to 30 June 2025, the existing rents of a total of 722,284 apartments were surveyed (with and without rent control). In addition, BBU an-

alysed 33,601 new contract rents (without rent control). The average new contract rent in the period under review was EUR 9.54 per sqm, marking an increase against the previous year of EUR 0.95 per sqm or 11.1%, resp. (including first-time occupancy). Due to structural changes and major modernisation projects, however, comparability with the previous year is only possible to a limited extent. The average existing rent as at 30 June 2025 for Berlin was EUR 7.10 per sqm, an increase of EUR 0.25 per sqm (up by 3.6%) compared to the average existing rent as at 30 June 2024.

## Market for commonhold apartments

In Berlin, home ownership plays an important role alongside rental housing – especially in the form of commonhold apartments. For this reason, the asking prices in this segment are a key indicator for pricing on Berlin's property market. An interesting development emerged in 2025. While the median asking price of commonhold apartments fell by around 1.0% annually in the two previous years (2023: by 1.2%; 2024: by 1.0%), 2025 marked a turnaround. With a median of EUR 5,807 per sqm, the median asking price was 2.1% or EUR 117 per sqm above the previous year's figure (2024: EUR 5,690 per sqm). The number of listings also increased: In the year under review, a total of 31,312 listings were registered, 8.6% or 2,471 more than in the previous year (2024: 28,841 listings). The rising asking price was evident across all segments but had a greater impact on new-build apartments than on existing apartments. In 2025, households in Berlin had to budget an average of EUR 7,995 per sqm for a new commonhold apartment, which corresponds to a price increase of 3.8% or EUR 295 per sqm compared to the previous year (2024: EUR 7,700 per sqm). The median asking price for existing apartments was EUR 5,483 per sqm – 2.7% or EUR 145 per sqm higher than in 2024 (EUR 5,338 per sqm). In geographical terms, the highest median asking prices in excess of EUR 6,000 per sqm were seen in the inner-city districts of Friedrichshain-Kreuzberg, Mitte, Pankow and Charlottenburg-Wilmersdorf. The districts of Marzahn-Hellersdorf, Reinickendorf and Spandau recorded the lowest values.

## Market for detached and semi-detached homes

Price trends also changed in the owner-occupier segment in 2025. Following ten years of steady increases in asking prices, 2023 and 2024 saw the first declines. In two years, the median asking price fell by 14.2% or EUR 99,000, respectively. This development came to an end again in 2025. With an increase of 2.8% or EUR 16,800 compared to the previous year, the median asking price rose to EUR 615,800. The number of listings also increased again to 6,135 (up by 9.0%). Both new and existing properties were affected by this price increase. However, it was more evident for new buildings. Households in Berlin had to budget an average of EUR 699,000 for new detached and semi-detached homes in 2025, which is 7.5% or

EUR 49,000 more than in the previous year (2024: EUR 650,000). The asking price for existing properties rose by 3.3% or EUR 20,000 year-on-year to EUR 620,000. As in previous years, Berlin's Charlottenburg-Wilmersdorf district recorded the highest median asking price in 2025 of EUR 940,000. This was followed by Steglitz-Zehlendorf with EUR 874,879. Treptow-Köpenick (EUR 500,000) and Marzahn-Hellersdorf (EUR 559,000) again recorded the lowest asking prices.

### Spotlight on the concept of employee housing

Companies in various sectors of Berlin have been facing an increasing shortage of skilled and junior staff for years. A gap of 54,690 employees is forecast for 2035<sup>1</sup> – particularly in the business services and trade sector as well as in health and social services. The lack of affordable housing for current and potential employees can become a disadvantage, making Berlin less attractive for job-seekers. Against this backdrop, the concept of employee housing is coming more into focus. More and more employers across Germany are coming to recognise the provision of housing for their own employees as a strategic recruitment tool. There are various implementation models – from building a company residential portfolio to acquiring occupancy rights. Which model is suitable depends on the respective framework conditions and objectives of the company. In view of the current challenges facing the construction sector and the economy, cooperation with other players in the housing market and dialogue with other stakeholders can open up new potential. Companies can also make use of funding programmes during implementation (e.g. subsidies for new builds). By actively contributing to the creation of housing, companies can also take on an active role in Berlin's housing market. This offers the potential to create added value for the market, particularly with regard to the expansion of housing supply and affordable rents.

### Where does Berlin's housing market stand today?

Berlin's housing market was characterised by changes in 2024 and 2025. On the demand side, population growth fell to 22,884, meaning that Berlin continued to grow by the size of a small town, albeit with less momentum than in previous years. The supply side saw building permits slump to less than 10,000 apartments in 2024 – the lowest figure since 2012. The delayed effects of the tense situation in the construction industry (including the turnaround in interest rates in 2022) were clearly evident in construction activity. As a result, all developers recorded a decline in permits, in some cases a significant one. Although building completions remained almost stable at around 15,300 apartments in 2024, the drop in the number of building permits could also lead to a decline in construction activity in the future. A cautiously positive sign emerged in 2025 with regard to asking rents: After two years of very sharp increases (2022 to 2024: up by EUR 4.20 per sqm), the median asking rent in 2025 remained flat against the previous year for the first time (EUR 15.78 per sqm). The median asking rent for new builds even declined by EUR 0.53 per sqm. Berlin thus continued to record a high level of asking rents, which were significantly higher than the local comparative rent of EUR 7.21 per sqm (up by 118.9%). This discrepancy can further inhibit fluctuation on the housing market and make it more difficult for households to adapt to changing housing needs.

Berlin's housing market will therefore remain tight in 2025 – albeit under different circumstances. There is a need for further action in order to be able to offer affordable housing that meets demand. Closing the gap between supply and demand and between existing and asking rents, in particular by building new affordable housing for a broad section of the population, remains an essential task of housing policy.

<sup>1</sup> Industrie- und Handelskammer zu Berlin (Berlin Chamber of Industry and Commerce) (2025): Fachkräftemonitor (Skilled Labour Monitor). In: <https://ihk-fachkraeftemonitor.de/be/> (8 January 2026).

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## Copy and Editing

Investitionsbank Berlin

Real Estate and Urban Development  
Paul Köper  
Telephone: +49 (0)30 / 2125-6447  
E-Mail: [paul.koeper@ibb.de](mailto:paul.koeper@ibb.de)

Economic affairs  
Claus Pretzell  
Telephone: +49 (0)30 / 2125-4752  
E-Mail: [claus.pretzell@ibb.de](mailto:claus.pretzell@ibb.de)

Corporate Communications  
Lisa Kaufmann  
Telephone: +49 (0)30 / 2125-2918  
E-Mail: [lisa.kaufmann@ibb.de](mailto:lisa.kaufmann@ibb.de)

RegioKontext GmbH  
Geena Michelczak  
Sophia Wiedergrün  
Annemarie Sauerborn  
Emily Kuntz  
Hendrik Schlichting  
Arnt von Bodelschwingh  
Telephone: +49 (0)30 / 95 59 49 12  
Fax: +49 (0)30 / 50 34 84 42  
E-Mail: [wmb@regiokontext.de](mailto:wmb@regiokontext.de)  
[www.regiokontext.de](http://www.regiokontext.de)

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[www.runze-casper.de](http://www.runze-casper.de)

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Investitionsbank Berlin  
Bundesallee 210  
10719 Berlin

Telephone: +49 (0) 30 / 2125-0

**Hotline**

Landlords and investors: +49 (0) 30 / 2125-2662

Home owners: +49 (0) 30 / 2125-3488

immobilien@ibb.de



[www.ibb.de/wohnungsmarktbericht](http://www.ibb.de/wohnungsmarktbericht)

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