**Press release**

**Stuttgart investment market achieves strong growth in the fourth quarter**

* **Stable prices for central business district properties**
* **Focus on core products**

**Stuttgart, 5 January 2022 –** Stuttgart’s investment market achieved significant growth in 2021 Large-volume office transactions in the core segment resulted in an extremely buoyant fourth quarter. Despite the continuing COVID-19 pandemic with all its uncertainties and macro-economic risks, market activity was dominated by strong excess demand, particularly due to the lack of other investment opportunities. In consequence prices are stable or have increased, with a total transaction volume of approximately EUR 2.0 billion achieved.

In the current economically volatile period, demand for core / core plus products in good locations and with stable cash flows has been strong. Investors are primarily focusing on office real estate, which accounted for some 60 % of market share, followed by mixed use premises, with a share of around 18 %. The dominant purchaser groups in 2021 were open-ended special funds, which generated a transaction volume of around EUR 650 million and accounted for a market share of approximately 33 %. Insurance companies, which generated some 18 % of investment take-up, were also very active market participants. As was already the case in the previous year, project developers were by far the largest vendor group (approx. 47 %), followed at some distance by fund managers (approx. 24 %).

Activity in 2021 was initially cautious, with transactions in the mid double digit million range and a volume of around EUR 269 million. This figure was relatively low in comparison to previous years. The second quarter saw marginal improvement (approx. EUR 305 million), with further growth in the third quarter (approx. EUR 372 million). Stuttgart’s real estate market subsequently experienced absolutely record-breaking performance in the fourth quarter (approx. EUR 1 061 million).

International investors did not play any significant role as purchasers in 2021 (approx. 3 %), which was undoubtedly due to continuing restrictions on travel as well as also to fierce competition from German investors.

*“Despite present ongoing structural change, with all the opportunities and risks this presents, the Stuttgart market remains a focus of attention for national and international investors,”* confirms Björn Holzwarth, Managing Partner of E & G Real Estate. *“We expect this trend to continue in 2022 and 2023. Based on the deal pipeline it can be assumed that the 2022 transaction volume will be in the region of EUR 1.5 billion.”*

**About E & G Real Estate**

In Baden-Württemberg and Bavaria [E & G Real Estate](http://www.eug-realestate.de) GmbH stands for individual, personalised advice on the sale and letting of commercial and residential property. In addition to its headquarters in Stuttgart and branch office in Munich, thanks to the majority holding acquired by Grossmann & Berger GmbH since May 2021 E & G Real Estates has also been represented in North Germany. A total of some 250 employees benefit from over 85 years’ real estate competence which enables them to provide the entire spectrum of property services.

E & G Real Estate is a founding member of [German Property Partners](http://www.germanpropertypartners.de) (GPP) and offers a nationwide commercial real estate network in all Big 7 German cities.

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