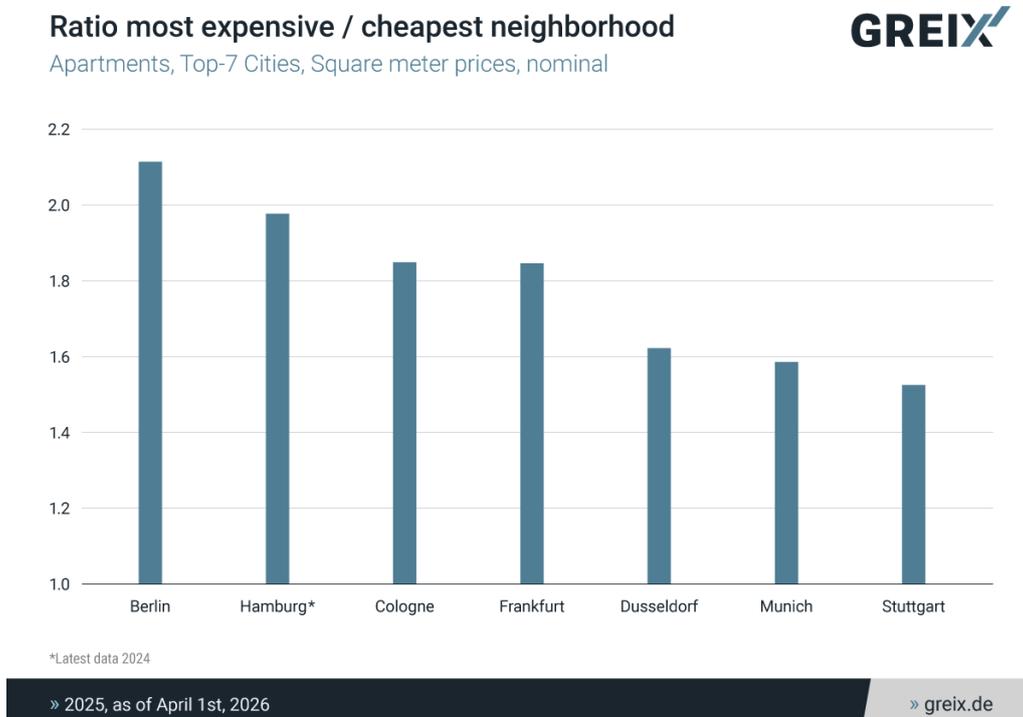


Price Gaps Between Central and Peripheral Neighborhoods Are Widening Again

Kiel, April 1, 2026 – Residential real estate prices within Germany’s major cities are diverging again. After prices in central locations had fallen more sharply in previous years, they rose more strongly in 2025 than prices in outlying districts. The 2025 data therefore point to a return to the patterns of the previous market cycle: during upswings, prices in central areas tend to rise more strongly than in peripheral districts. These insights are based on the latest update of the GREIX Sales Price Index, a joint project of the local expert committees for property values and the Kiel Institute for the World Economy (Kiel Institute).

Price Differences Within Cities. Within the Top 7 cities, price gaps between the least expensive and most expensive neighborhoods are substantial and vary considerably from city to city.

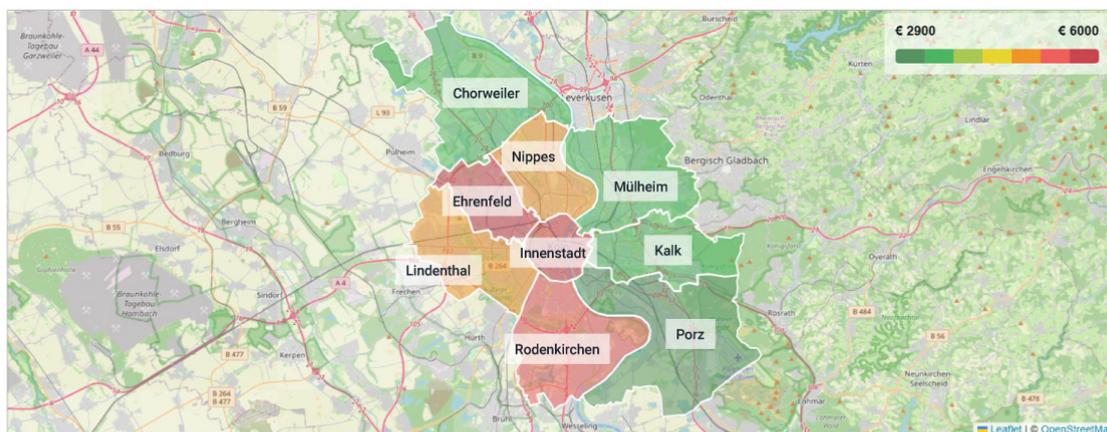


Berlin shows the largest within-city price gap. The most expensive neighborhood, Mitte (made up of Mitte, Hansaviertel, and Tiergarten), is more than twice as expen-

sive as the Spandau district¹ Price differences for apartments are also particularly large between Cologne’s most expensive and least expensive districts (Innenstadt vs. Porz). In 2025, buyers there paid nearly twice the price per square meter for the more desirable location, at about €6,000/m² in Innenstadt versus about €3,200/m² in Porz. Frankfurt shows a similarly large premium of 85 percent (Westend/Innenstadt vs. West-Autobahn). In Hamburg, the gap between the Nord and Harburg districts is also very large, although the most recent data there are from 2024. Prices are closest in Stuttgart, though the gap remains noticeable. In 2025, the price per square meter in the most expensive neighborhood, Mitte-Nord, was just over 50 percent higher than in the least expensive neighborhood, Neckar-Ost (€5,500/m² vs. €3,600/m²).

Neighborhoods Cologne

Apartments, price per square meter, 2025



» 2025, as of April 1st, 2026

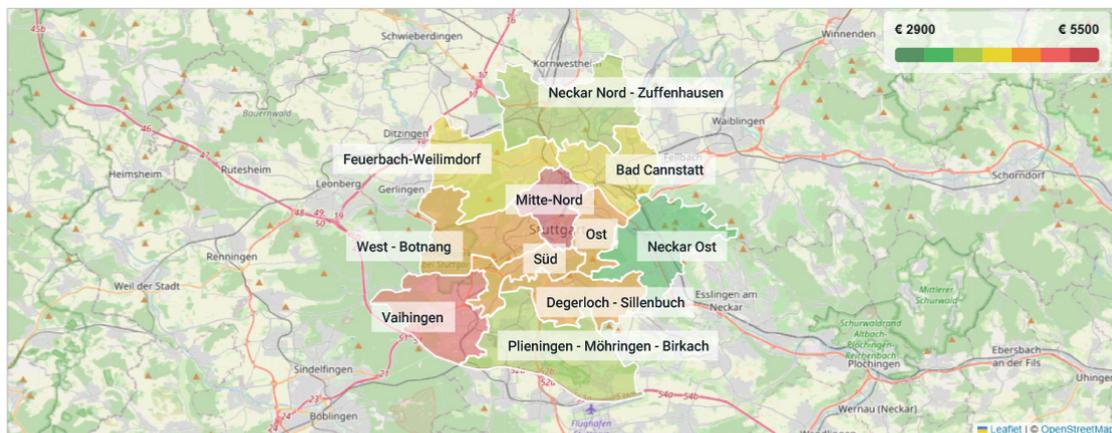
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In almost all seven German metros, there are neighborhoods where square-meter prices remain below the GREIX average across the 24 cities and regions covered, giving buyers more affordable alternatives to expensive, central, and especially sought-after locations.

¹We also use the label West for the Spandau district.

Neighborhoods Stuttgart

Apartments, price per square meter, 2025



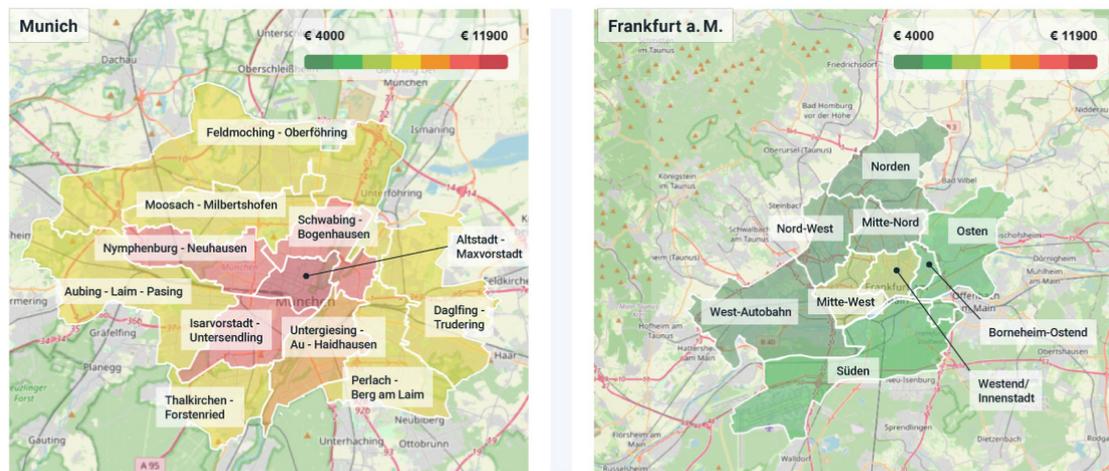
» 2025, as of April 1st, 2026

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Munich is the exception. In 2025, the square-meter price in its least expensive neighborhood, Moosach-Milbertshofen, at around €7,500/m², was higher than the price in the most expensive neighborhood in any other major German city. Outside Munich, the most expensive neighborhoods are priced at a little over €7,000/m² in Hamburg, Frankfurt, and Berlin. The least expensive neighborhoods among Germany's major cities are in Cologne: apartments in Porz cost around €3,200/m², while prices in Chorweiler and Kalk were around €3,400/m².

Neighborhoods Munich vs. Frankfurt a. M.

Apartments, price per square meter, 2025



» 2025, as of April 1st, 2026

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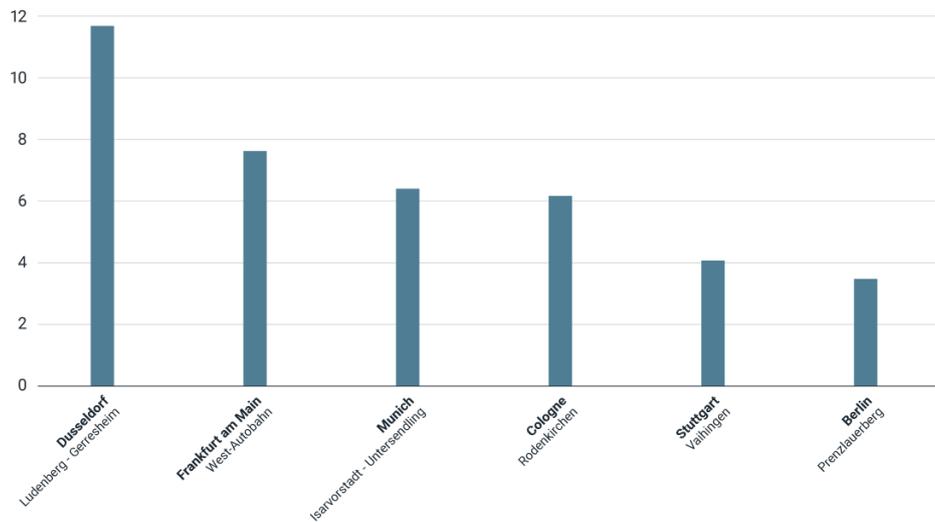
Largest Price Gains and Steepest Declines Across Neighborhoods. Across the large cities, the largest price gains did not occur exclusively in central neighborhoods. In Düsseldorf, Frankfurt, Cologne, and Stuttgart, the top-performing neighborhood in 2025 was outside the center: Ludenberg-Gerresheim (+11.7%), West-Autobahn (+7.6%), Rodenkirchen (+6.2%), and Vaihingen (+4.1%). By contrast, the largest gains were recorded in central neighborhoods in Munich, where Isarvorstadt-Untersending rose by 6.4%, and in Berlin, where Prenzlauer Berg rose by 3.5%.

In Düsseldorf (Golzheim-Derendorf: +1.4%) and Cologne (Nippes: +0.5%), no neighborhood recorded a price decline in 2025. In Stuttgart (Plieningen-Möhringen-Birkach: -1.4%), Munich (Feldmoching-Oberföhring: -1.7%), and Frankfurt (Nord-West: -5.2%), the sharpest declines were observed in peripheral districts. Berlin was the exception: there, the largest decline occurred in the central neighborhood of Charlottenburg (-1.3%). Overall, the weakest-performing neighborhoods do not show a consistent center-periphery pattern either.

Largest price increase neighborhoods



Apartments, Major cities, Change compared to 2024 in %, Index, nominal



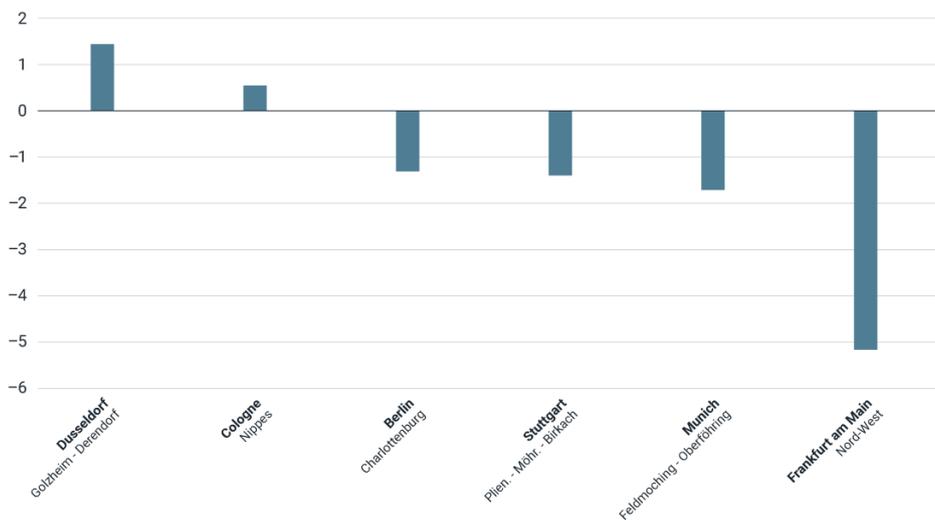
» 2025, as of April 1st, 2026

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Largest price decline neighborhoods



Apartments, Major cities, Change compared to 2024 in %, Index, nominal



» 2025, as of April 1st, 2026

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Once inflation is taken into account, these declines are a little more than 2 percentage points larger. After adjusting for inflation, prices in Munich's Feldmoching-Oberföhring neighborhood fell by almost 4%, while prices in Frankfurt's Nord-West district fell by more than 7%.

Price Trends in Neighborhoods Outside the Top 7 Cities. Outside the Top 7 cities, there is likewise no uniform pattern when comparing central and non-central locations.

In the Ruhr area cities, the largest price gains were recorded in peripheral neighborhoods: Nord-Scharnhorst led in Dortmund at about 18.1%, Duisburg Süd at about 20.2%, and Bochum Ost at about 8.3%. Smaller cities such as Karlsruhe, Lübeck, and Potsdam also saw their largest gains in peripheral neighborhoods such as Süd-West, Nord, and Babelsberg-Dreiwitz, respectively. At the same time, Bocholt and Hamm show that central neighborhoods can also top the rankings: in both cases, the location we define as central recorded the highest growth, at roughly 12.2% and 15.8%, respectively.

The weakest-performing neighborhoods show a similarly mixed pattern. In Chemnitz, the central neighborhood Mitte (-7.0%) ranked at the bottom. The same was true of the central neighborhood Südost-Innenstadt in Lübeck (-0.6%) and the central neighborhood Potsdam in the city of Potsdam (-3.5%). In Leipzig, Bonn, and Münster, central neighborhoods also ranked among the weaker submarkets, although price growth there was already positive or close to stable. At the same time, several peripheral neighborhoods also appear among the weaker performers, including Dortmund Ost (-1.1%), Bochum Wattenscheid (-5.8%), and Duisburg Rheinhausen-Homberg-Baerl (-0.3%).

These results should be interpreted with some caution, as transaction counts in the analyzed neighborhoods of smaller cities are sometimes well below those in the Top 7 cities, implying greater statistical uncertainty.

Historical Evolution of Price Differences Within Cities. To better interpret the current development, it is worth looking at the long-run evolution of price differences within cities by comparing central and non-central locations². For this analysis, we take the first available nominal price per square meter and roll it forward using the corresponding hedonic index. We then calculate the average price per square meter for central and non-central locations and compute the ratio for each city. For presentation, the ratio is averaged across the Top 7 metros. Because the series are rolled forward

²We define the following neighborhoods and city areas as central locations (see the website or documentation). Berlin: Prenzlauerberg, Charlottenburg, Friedrichshain, Mitte, Neukölln-Kreuzberg; Düsseldorf: Altstadt-Stadtmitte; Frankfurt: Mitte-West, Westend/Innenstadt; Hamburg: Mitte, Altona; Cologne: the Innenstadt district excluding the Deutz neighborhood; Munich: Altstadt-Maxvorstadt, Isarvorstadt-Untersendling, Schwabing-Bogenhausen; Stuttgart: Mitte-Nord. We tested alternative definitions of central locations for each city, and the results were not sensitive to the specific choice.

using hedonic indices, we can rule out the possibility that the observed changes are driven by differences in the housing stock across these areas. Since data for Hamburg are only available through 2024, we also calculated a second series excluding Hamburg. The overall trends do not depend on whether Hamburg is included. The description below refers to the series without Hamburg.

The historical comparison of central versus non-central locations across the Top 7 metros shows that the gap widened markedly over time. In 1990, the ratio was just above 1, at about 1.05. In other words, central locations were on average only 5 percent more expensive than non-central locations.

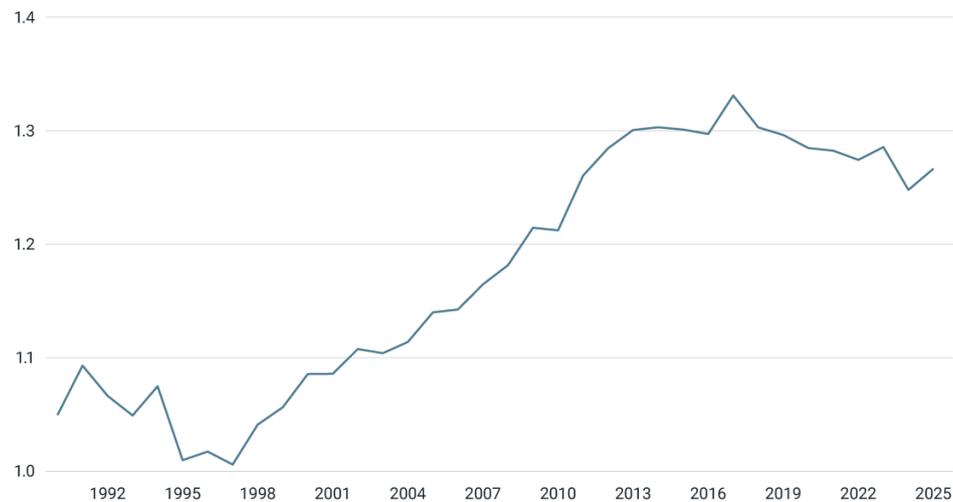
The ratio initially declined to about 1.01 by 1997 and then rose to 1.14 by 2006. During the real estate boom starting in 2006, the ratio increased much more strongly and reached a peak of about 1.33 in 2017. This development largely reflects the fact that the boom began earlier in the more expensive central locations, widening the gap between central and non-central areas. Price growth in the other neighborhoods followed later. This is also evident from the fact that the ratio remained fairly stable after the peak, with a slight downward trend.

Only with the onset of the downturn did the ratio begin to decline, indicating weaker price performance in central locations relative to non-central ones. In 2024, the price ratio stood at just under 1.25.

In 2025, this pattern reversed again and the ratio rose to 1.27. This means that, on average, price growth in central locations was stronger than in peripheral districts. Over the full period, the gap has therefore widened more than fivefold.

Ratio central / non-central neighborhoods

Apartments, Historical development, Major cities, Index, Nominal



» 2025, as of April 1st, 2026

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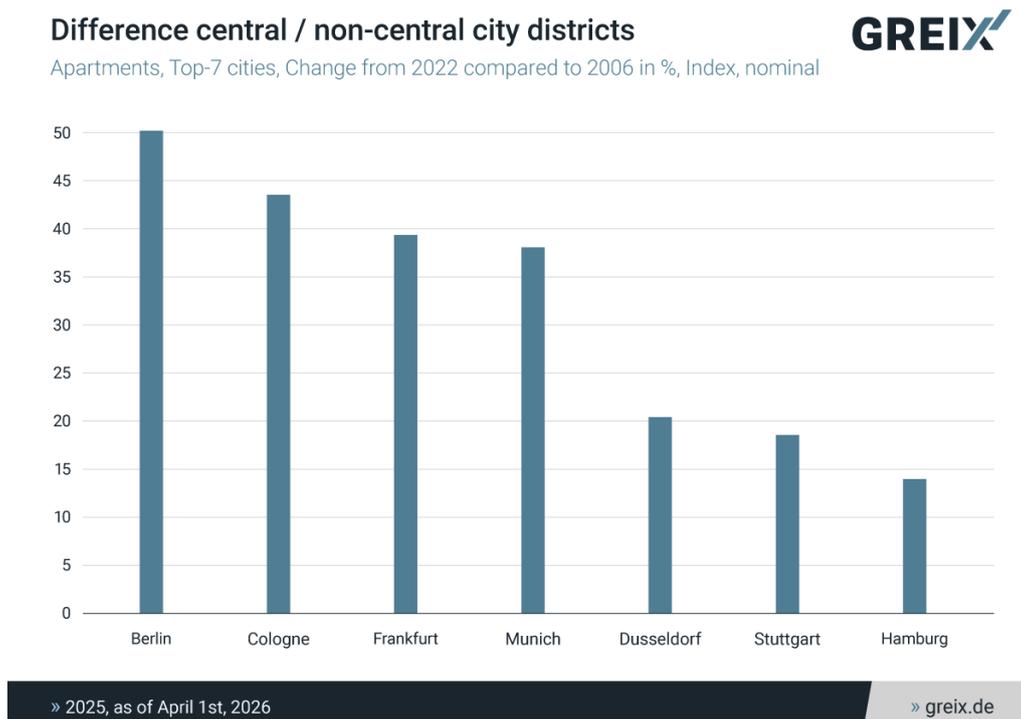
Differences in Price Growth Between Central and Non-Central Locations. As the chart of the historical average ratio already shows, central locations have outperformed overall since 2006, although the gap narrowed sharply during the downturn before widening again in 2025. However, this average view masks the fact that price trends in central and non-central locations differed across the individual Top 7 metros.

Between 2006 and 2022, a phase of strongly rising real estate prices, central locations benefited disproportionately. Comparing the price indices of central locations with those of the remaining neighborhoods shows, for example, that prices in central Berlin rose by around 50 percentage points more than in the rest of the city. The gap was also substantial in Cologne, Frankfurt, and Munich, where central locations outperformed by almost 44, 39, and 38 percentage points, respectively. The difference was smallest in Hamburg, but price growth in central locations there was still almost 14 percentage points higher than in the remaining areas. Stuttgart also showed a comparatively small gap at just under 19 percentage points.

From the 2022 peak to 2024, this relationship reversed. Price declines were particularly pronounced in central locations. The largest difference was observed in Hamburg, where prices in central neighborhoods fell about 6.0 percentage points more than in the rest of the city. In Düsseldorf, the decline in central locations was also markedly steeper, by 5.7 percentage points.

In Munich and Frankfurt, price performance in central locations was also weaker, but the gap was small: around one percentage point in Munich and two percentage points in Frankfurt. In Berlin, price declines in central and non-central locations were almost the same. The decline in central locations was about 0.4 percentage points smaller.

In 2025, prices once again rose more strongly in central locations, with Berlin the only exception. The largest gap was in Düsseldorf, where prices in central neighborhoods increased by almost 4 percentage points more than in non-central locations. In Munich, price growth in central locations was also more than 3 percentage points stronger than in the rest of the city. In Cologne and Frankfurt, central locations also saw stronger price growth, though the gap was smaller at around one percentage point. Berlin moved in the opposite direction: price growth in non-central locations exceeded that in central locations by just over one percentage point.³

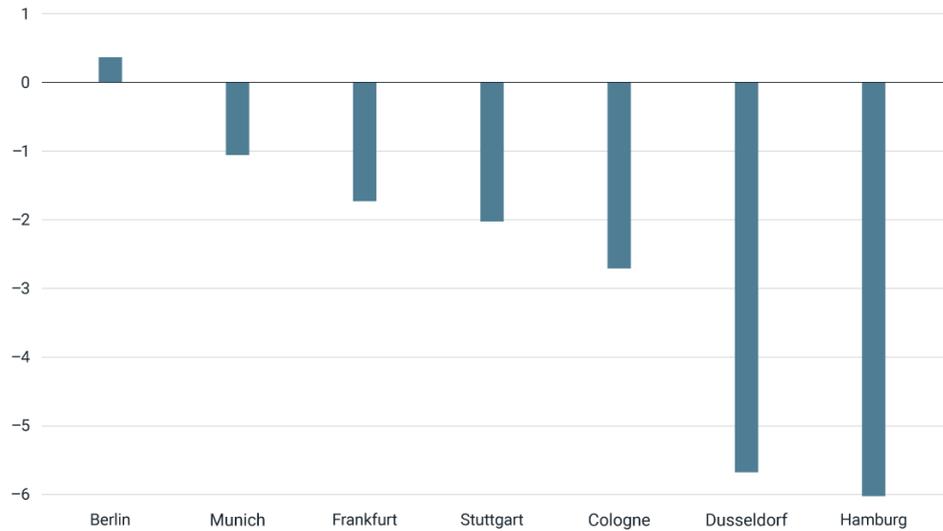


³For Hamburg, no results are currently available for 2025, so the comparison ends in 2024.

Difference central / non-central neighborhoods



Apartments, Top-7 cities, Change from 2024 compared to 2022 in %, Index, nominal



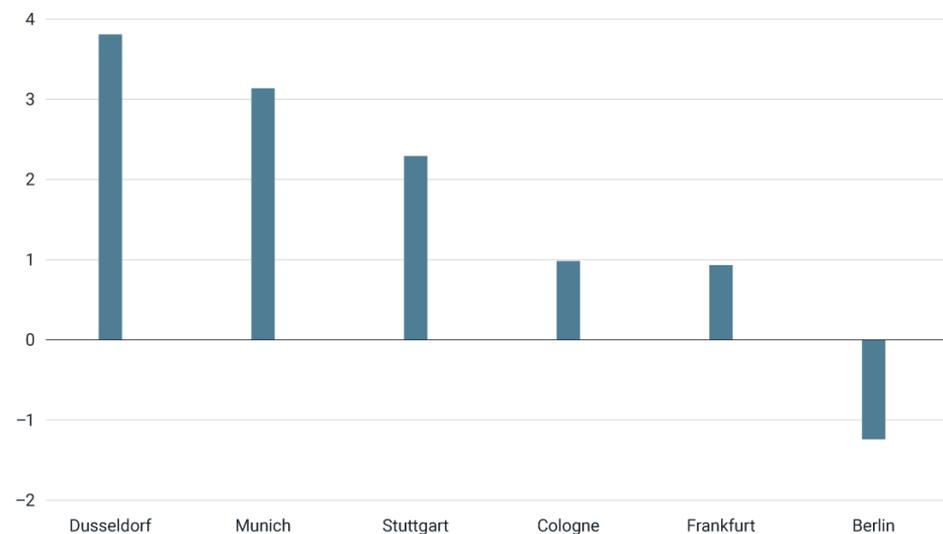
» 2025, as of April 1st, 2026

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Difference central / non-central neighborhoods



Apartments, Major cities, Change compared to 2024 in %, Index, nominal



» 2025, as of April 1st, 2026

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Methodology. The real estate price indices are based on actual transaction data from the purchase price collections of the local expert committees. Statistical methods (the hedonic approach) are used to adjust for distortions caused by specific transaction

characteristics. For example, if a particularly large number of high-priced properties are sold in a given period—for instance because they have larger floor plans, better locations, or better condition—this can raise average square-meter prices even though it does not reflect a general increase in property values. By constructing indices in this way, the reported price trends are not biased upward or downward by the specific characteristics of the properties sold.

Average square-meter prices are reported to provide an indication of the local price level. The value of any individual property depends on its specific characteristics and may therefore deviate substantially from this benchmark.

Because there is a time lag between a notarized sale and its inclusion in the purchase price collection of the local expert committees, some individual transactions may not yet be reflected in the index calculations.

Before estimating the indices, we clean the data for outliers. More information on our data-cleaning process and methodology is available in our documentation at www.greix.de.

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About

→ *What is the German Real Estate Index (GREIX)?*

- The German Real Estate Index (GREIX) is a publicly funded research project hosted by the Kiel Institute for the World Economy. Its aim is to increase transparency in the German real estate market. GREIX regularly publishes updates on sales prices (the GREIX Sales Price Index) and asking rents (the GREIX Rental Price Index). It also publishes special analyses, for example on affordability and on price-determining factors such as location or energy efficiency.

→ *What is the GREIX sales price index?*

- The GREIX Sales Price Index is a real estate price index for Germany based on the purchase price collections of the local expert committees, which contain notarized sales prices. It tracks price trends in individual cities and neighborhoods back to 1960 and is based on more than two million transactions. The dataset can be used to analyze long-term trends in real estate markets and to place current developments in historical context. Sales price indices for various market segments are currently available on greix.de for 24 cities. The dataset will gradually be expanded to include additional cities.

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

- The local expert committees collect data on all real estate transactions. The Sales Price Index is estimated using state-of-the-art statistical methods, specifically hedonic regression.



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