

# To buy or to Rent?

**THAT IS THE  
QUESTION FOR 2024**

**IN THE HOUSING MARKET**

**The ultimate Real Estate  
Guide**



**Matthias Holzmann**

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# 1

# INTRODUCTION

The future starts today: How to become the master of your passive income with a smart real estate strategy!

Act now to open the door to financial freedom. Don't wait to invest in real estate, invest in real estate now and see what happens by 2027. As Real Estate professionals say "Back in Heaven in twenty seven".



60% of all people living in Germany could build up at least 3 properties by the time they retire and thus be independent of the state pension. But only 2% of people living in Germany actually do this. This is mainly due to a lack of knowledge about real estate as an investment.

The idea that real estate works for you while you can focus on the finer things in life is the key to passive income. This income, which comes from rental income and tax benefits, offers a path to financial independence. This guide will show you why 2024 is the best time to get into real estate.



# 1

# INTRODUCTION

I am often asked the following questions by my friends, clients and customers:

- What will happen on the housing market in 2024?
- What should I focus on?
- How can I automate my income?
- What should I pay attention to in my real estate strategy?
- Which locations and properties will boom in the future?
- How do I get top properties for  $\frac{1}{4}$  of the normal price?

# 1

# INTRODUCTION

This guide illustrates practically how to achieve to financial independence through building real estate wealth.

You will find out why now is the best time to enter the real estate market and offers insights into the many opportunities available in this exciting sector.



Immerse yourself in the fascinating world of real estate strategy and dream of financial freedom, passive income and a life of luxury.



# 1

# INTRODUCTION

In a world of constant change, my team and I are firmly rooted in the dynamic real estate sector. Our vision is not only to help shape the real estate market, but to redefine it.

With a fresh approach, boundless enthusiasm and a deep understanding of the market, we are breaking down traditional barriers and setting new standards.

In a time of change, we show that experience and innovative spirit complement each other harmoniously



# 1

# INTRODUCTION

We are currently at a turning point in the real estate market and it is important to understand current developments and future trends.

Now is the best time to get into real estate and build a passive income.

Don't miss the chance to get in now, benefit from the unbeatable opportunities of the real estate market and let your wealth grow into the sky!





2

# 25.000 REAL ESTATE PROJECTS IN THE PIPELINE

We have a large team of analysts who use special market observation tools. Our team of experts in data science is responsible for the analysis and evaluation and forms the basis for making good real estate decisions. We track all construction projects in Germany, whether they are 15 square meter micro-apartments or large developments with hundreds of apartments. We are involved at a very early stage - as soon as a project is known, even before the first sod is turned. This allows us to anticipate at an early stage which projects will be built and where.



9

2

# 25.000 REAL ESTATE PROJECTS IN THE PIPELINE

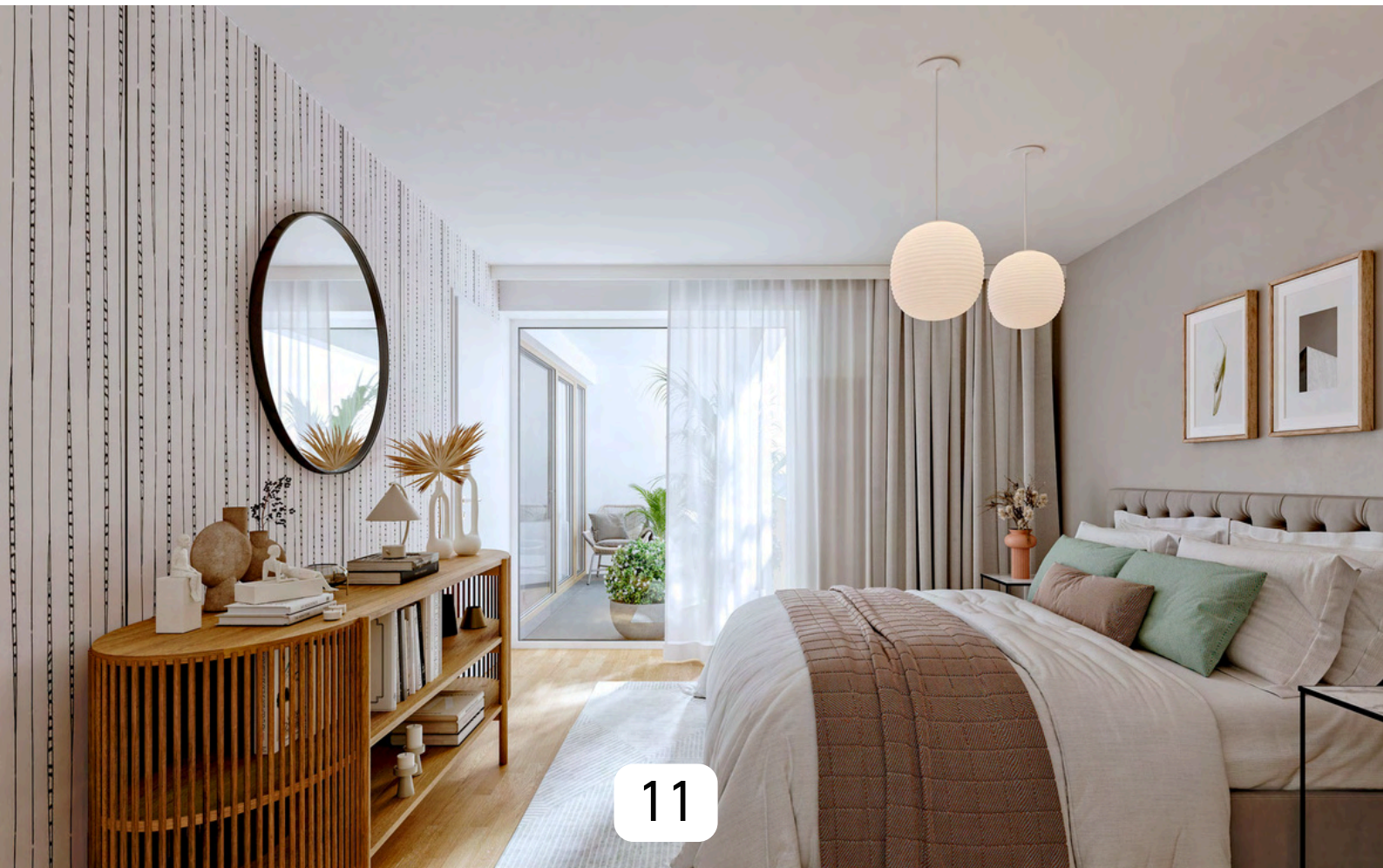
In the databases, we are currently tracking almost 25,000 real estate projects in Germany that are due to be completed by 2027. In total, the databases give us access to almost 186 million square meters of construction volume throughout the country.



2

# 25.000 REAL ESTATE PROJECTS IN THE PIPELINE

In the residential real estate segment, we consistently had around 5 to 6 million square meters under construction in Germany up to the end of 2022. In the first quarter of 2023, however, there was a significant decline to around 3.5 million square meters, and now we are down to just over 2 million square meters, which corresponds to a decrease of 23% compared to the first half of 2023. And things don't look any better in 2024. This creates incredible opportunities for people who are creating living space now and in the coming years, i.e. buying real estate as an investment.



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## The best off-market real estate properties

Which properties and locations will boom in the future. Where is the real estate market heading?

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# 3

## HOW DO I BUILD UP A PASSIVE INCOME?

Passive income through real estate investment is based on the idea that investors can purchase real estate, rent it out and profit from rental income. The tenant and the tax office pay the costs of the property, such as mortgage payments, maintenance costs and other expenses. The surplus between the rental income and the operating costs represents the investor's passive income.



# 3

## HOW DO I BUILD UP A PASSIVE INCOME?

Particularly noteworthy is the boom in the rental market, which is proving to be extremely profitable. This clearly shows the potential and the urgency of seizing this opportunity before the trend changes again and purchase prices rise. It is now important to develop and implement a real estate strategy to make the most of this opportunity together.

We are facing exciting times!

Take advantage of this opportunity. It is unique. In 10 years' time, you'll regret you weren't there.



# 3

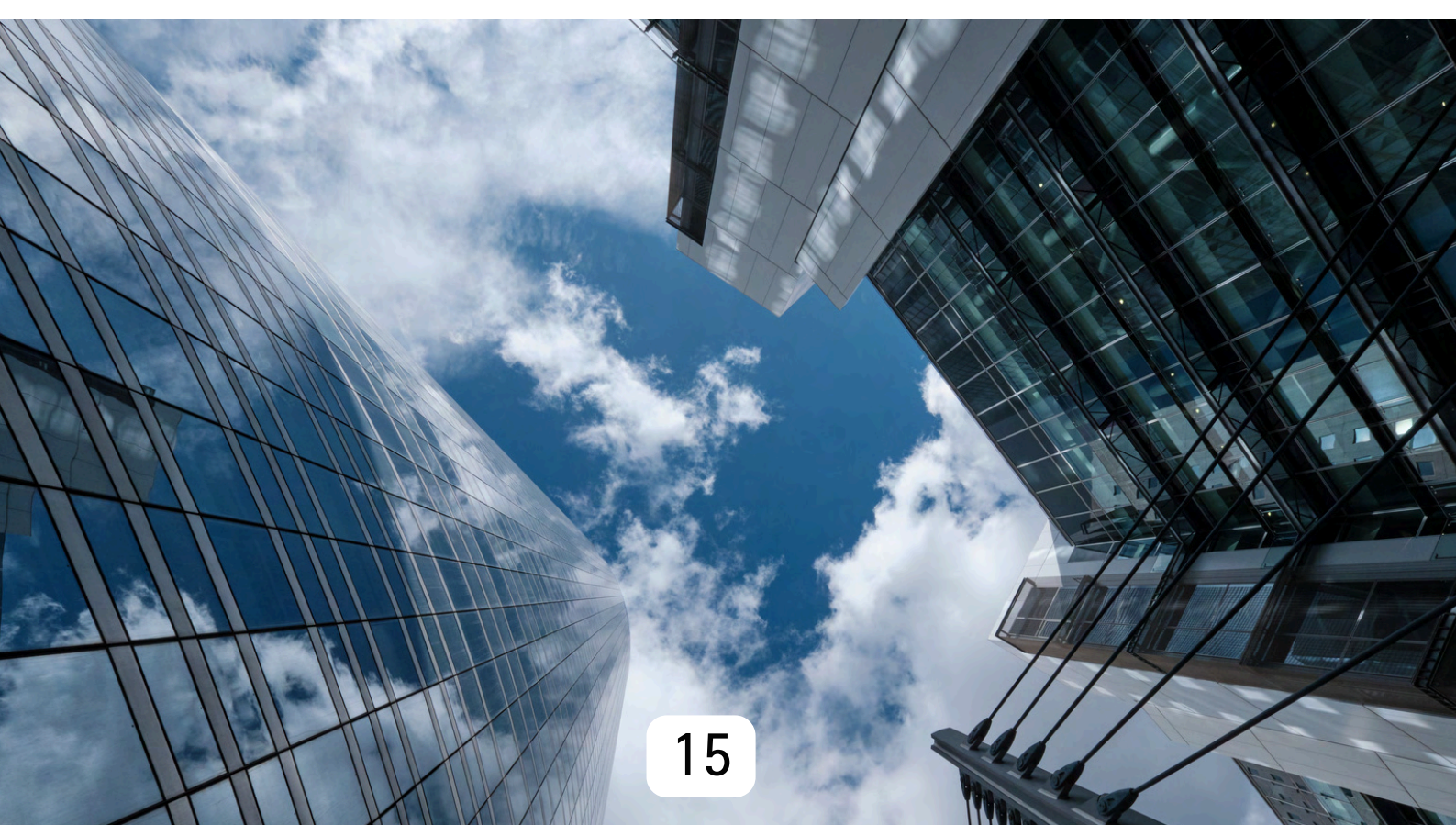
## HOW DO I BUILD UP A PASSIVE INCOME?

We'll show you how to enter the real estate market smartly, even if you have no experience or significant equity.

Use my and my team 's experience to avoid mistakes and get started on the road to great wealth.

For over 27 years, we have been the market leader in real estate with a complaint rate of less than 0.1%, incredibly good for the real estate market.

Invest now in your financial future and take the first step on your way to a life of wealth and financial independence.



# REAL ESTATE SURVEY

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THIS IMPORTANT SURVEY



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## 4

# WHICH REAL ESTATE STRATEGY IS THE RIGHT ONE?

As a member of the German Property Federation (ZIA) and the Committee for Real Estate Development Projects, I have an in-depth understanding of the real estate market. The ZIA is the leading association of the real estate industry and represents its interests at national and European level.

My 27 years of experience have shown me that the key to success lies in comprehensive networks. These provide access to valuable insider information, off-market deals and strategic knowledge.



## 4

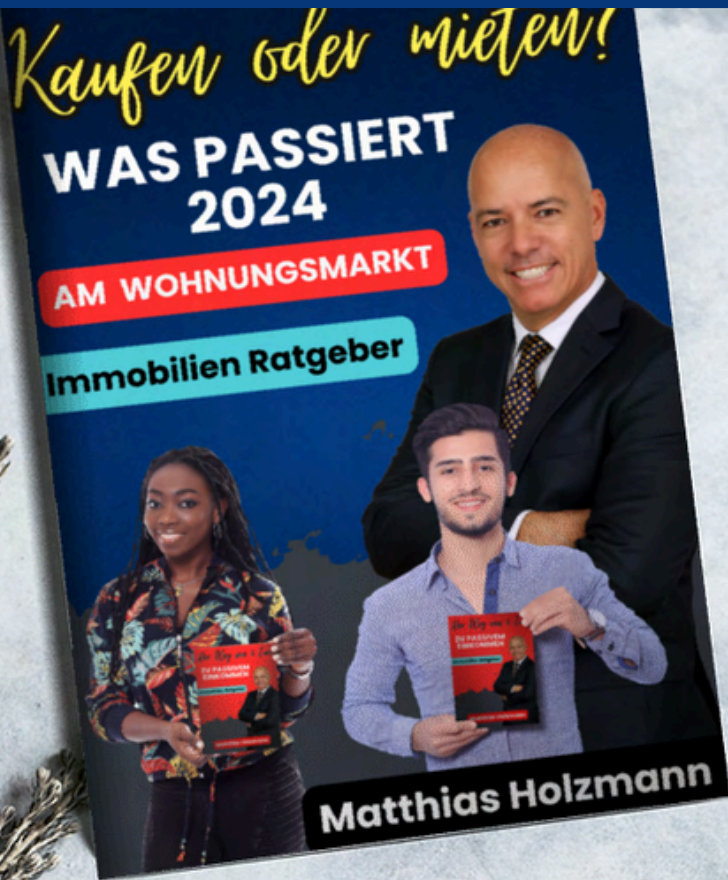
# WHICH REAL ESTATE STRATEGY IS THE RIGHT ONE?

Every year, we examine an incredibly large number of off-market properties. In addition to many training courses, events and client meetings, I travel to Europe's leading real estate trade fairs like the MIPIM in Cannes, Polis in Düsseldorf, the Real Estate Arena in Hannover and Expo Real in Munich which is a particularly important meeting place for me to stay close to the market.

EXPO REAL, one of Europe's leading real estate trade fairs, offers a comprehensive insight into developments, topics, innovations and solutions in the real estate industry. It acts as a point of orientation in the midst of change. In the course of 4 days, I have over 50 appointments with top decision-makers from the real estate industry.



# WHICH REAL ESTATE STRATEGY IS THE RIGHT ONE?



it is said that after 10 years or 10,000 hours, you are an expert in what you do.

As a graduate in business administration (FH), I have been a strategic consultant in economic issues for 27 years.

I was a full-blooded entrepreneur for 17 years and had brought my company with 35 employees to a turnover of almost 3 million euros. After that, I lost everything within 2 years. How did I turn it around? You can read all about it in my book.

# MY NEW BOOK



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PRE-ORDER

70 % OFF



20

# FIND THE BEST OFF-MARKET PROPERTIES



We draw on a wealth of data and a deep understanding of the markets while you benefit from our specialist knowledge of transactions, properties, locations and players.

We enable well-founded decisions based on solid data and thoroughly analyze the published real estate market with almost 60,000 transaction data records, almost 50,000 properties and projects as well as around 11,000 cities.



We also integrate data and reports from our partners, evaluate external news, market and annual reports. This allows us to determine the fair market price on a neutral, independent and objective basis, taking into account up-to-date analyses of the housing market and access to independent real estate benchmark values. This is supplemented by a detailed analysis of the residential location 's quality and the price trends by house type and year of construction, which enables an up-to-date, empirically verified and location-based valuation of properties.

# *Real Estate* **SEMINAR**

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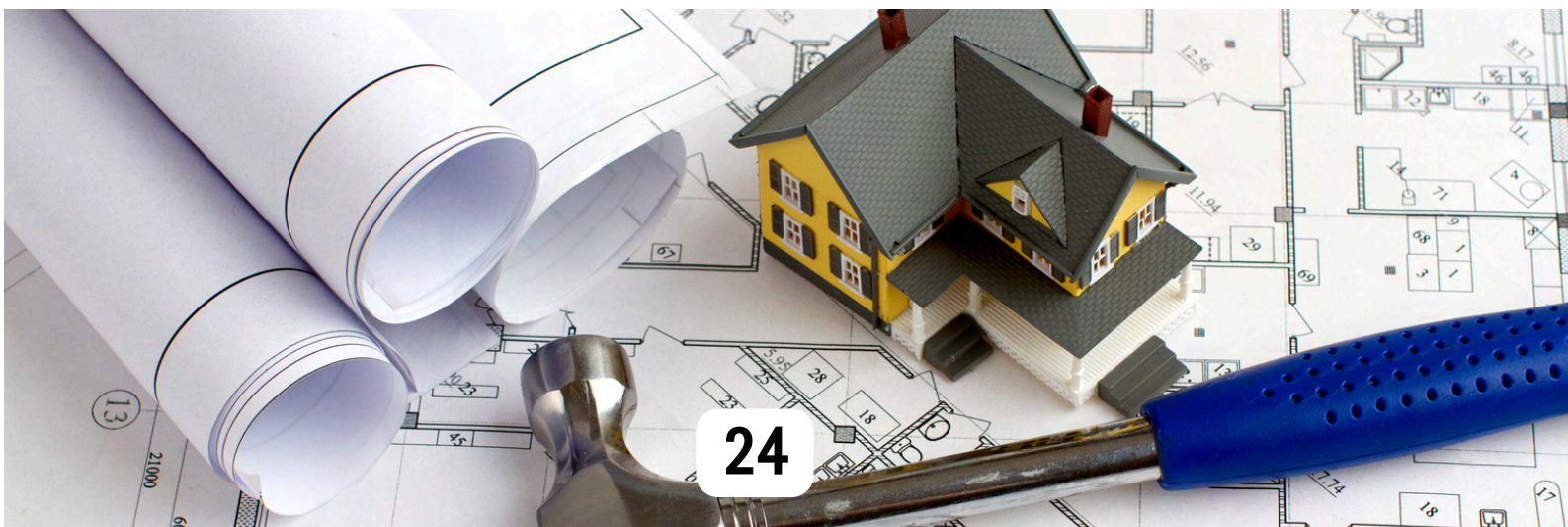
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# CURRENT MARKET DEVELOPMENT

Let's take a closer look at the project developer market and how we follow it on a daily basis.

We all read the news and see what is happening on the development front at the moment. However, it is important to look at the actual market situation. There are certainly positive developments with increasing volumes and regions that are less affected than others.

We identify trends and examine which areas are declining, which are stagnating and which are even on the upswing. Our research team is particularly skilled at tracking construction starts. We take into account a variety of factors, including economic indicators, trends in the real estate industry, financing conditions and investor behavior. By evaluating this data, we have a picture of the mood of the real estate market that gives us an indication of future developments.







The German Hypo Climate Index recorded a slight increase of 1.9% at the beginning of this year. When we look at project developments, we naturally also look at official statistics and reports from associations. In November 2023, real incoming orders in the main construction sector fell by around 4.7% compared to November 2022. Building construction is significantly weaker than civil engineering. Within building construction, however, residential construction was hit the hardest with a real decline in orders of -21.2%.



An important topic that has been discussed in the real estate industry, especially in the last two years, is the prices of building materials. We recognize that with the outbreak of the Ukraine war, there was incredible turbulence in the global market for various building materials, which were very volatile and fluctuated widely, but in December 2023, producer prices of commercial products are 8.6% cheaper than in December 2022.

# CURRENT MARKET DEVELOPMENT

Some building materials are still relatively expensive, but on the whole, prices have settled at a much higher but predictable level. This is, of course, good news for anyone working in the construction industry and driving projects forward, as it means that costs can be calculated to a certain extent.

Nevertheless, we are still seeing an increasingly difficult situation on the housing market. The wave of cancellations in residential construction shows no sign of abating. In recent months, 22% of companies have reported canceled projects. This is partly due to the rise in interest rates and higher construction prices, and also to the fact that the affordability of housing has deteriorated, although demand remains high.

Of the 60,000 real estate projects that we have access to in our databases, we are currently tracking just under 25,000 projects that are due to be completed by 2027. That is our focus. This is where we and our experts look for.



In total, we analyze almost 186 million square meters throughout Germany. A large proportion of this is located in the A-cities, but the majority is in the other areas, i.e. the areas between the ABCD cities, where there are many natural resources, but where logistics projects in particular are located at transport hubs and freeway junctions.

The development in the metropolitan areas is particularly discussed, where we are seeing declines of around -8 % in both A and B cities. This indicates that there is a significant shortage of supply, particularly in the residential sector, although these cities continue to record population growth, both through migration and natural population growth. This situation is leading to declining project development volumes.



# PROFESSIONAL REAL ESTATE ANALYSIS

In residential, we see the second largest project volume after logistics, but a decline of almost 29% compared to the first half of 2023. New construction starts have virtually come to a standstill, especially among developers who are developing their projects for sale, whether institutional or as condominiums. All our projects in the last 30 years and also during Corona have always been completed on time.

Our customers appreciate that we promise and deliver!

Now you can see why a successful real estate strategy has nothing to do with chance and why we have been the market leader in real estate as an investment market for 30 years.

**It's hard work. Day in, day out and we gladly do it for our clients!**



# PROFESSIONAL REAL ESTATE ANALYSIS

The timeline shows that 2024 is a year in which we are observing a particularly high project development volume.

Our data is always up to date

Another important element of our research is to track the strategies of project developers. We investigate whether there are investments being built by a developer for themselves or whether they are projects that are to be sold. This is essential information to enable us to offer our customers the best “chocolates” on the market.

No other market player has the power and processes to offer the best off-market projects in Germany at this top quality and these top prices. When we are interested in a particular project, we can look at it and find out exactly what is planned.

With around 9,000 property and project developers in Germany and currently around 60,000 projects, which is a great task for our team of analysts.





We observe that the decline is massive in the A-cities, but relatively low in the D-cities with a decline of 3.6%. In smaller cities, we are even seeing a slight increase. Why are there these differences between large metropolitan areas and smaller cities and what does this mean for yields? These are questions we are asking ourselves.



People keep asking me whether the market is or has been overheating. No, that's not necessarily my opinion. We had different market conditions in the past. We had interest rates that were close to zero, stable and predictable for many years. Construction costs were high and rising, they were predictable. We are in a different world today. In fact, we currently have slightly higher interest rates compared to the last 30 years, but we are still in the lower midfield. However, we can see that this is slowly changing. At the end of the day, for us it's all about whether a project is profitable, regardless of the size of the city. This is a factor that we have always taken into account. It's about pricing and demand.



# ISN'T REAL ESTATE ALREADY TOO EXPENSIVE?

Now let's look at the prices of real estate. Customers and clients keep asking me: isn't real estate already too expensive and shouldn't I have bought 10 years ago? My answer is always the same. The best time to buy real estate was 10 years ago and today. And that is true.

According to a representative Forsa study, around 70% of households say that they want to invest in real estate and if two thirds of the population want to invest in real estate, then you can imagine that this has an impact on prices.

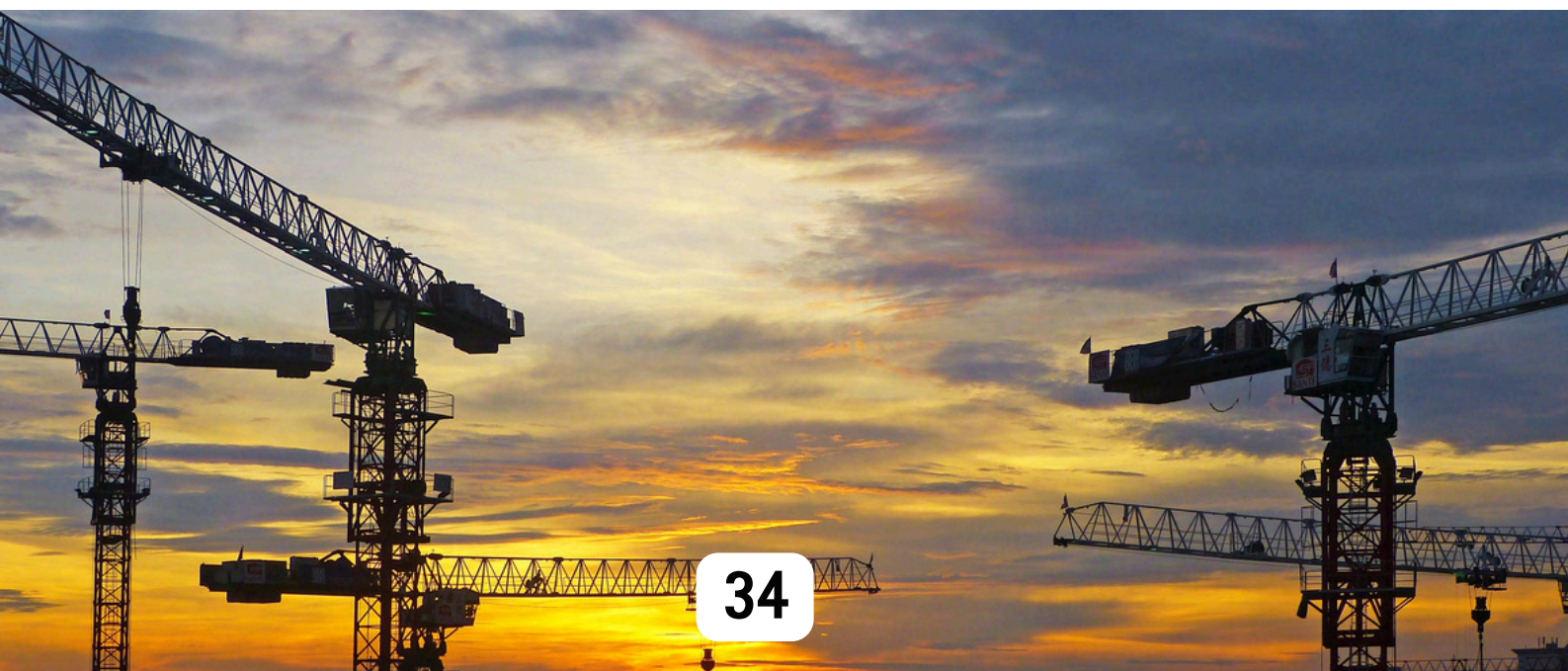
Now we come to a complex topic, the so-called affordability index: It is a metric system used to show how affordable a particular good or service is to consumers. In the context of the real estate market, the affordability index is often used to indicate how easy it is for average households to buy homes.



# ISN'T REAL ESTATE ALREADY TOO EXPENSIVE?

The housing affordability index typically takes into account factors such as average home prices, median incomes of the population, mortgage interest rates and other relevant financial variables. The index then indicates how easy or difficult it is for the average household to buy a home based on these factors.

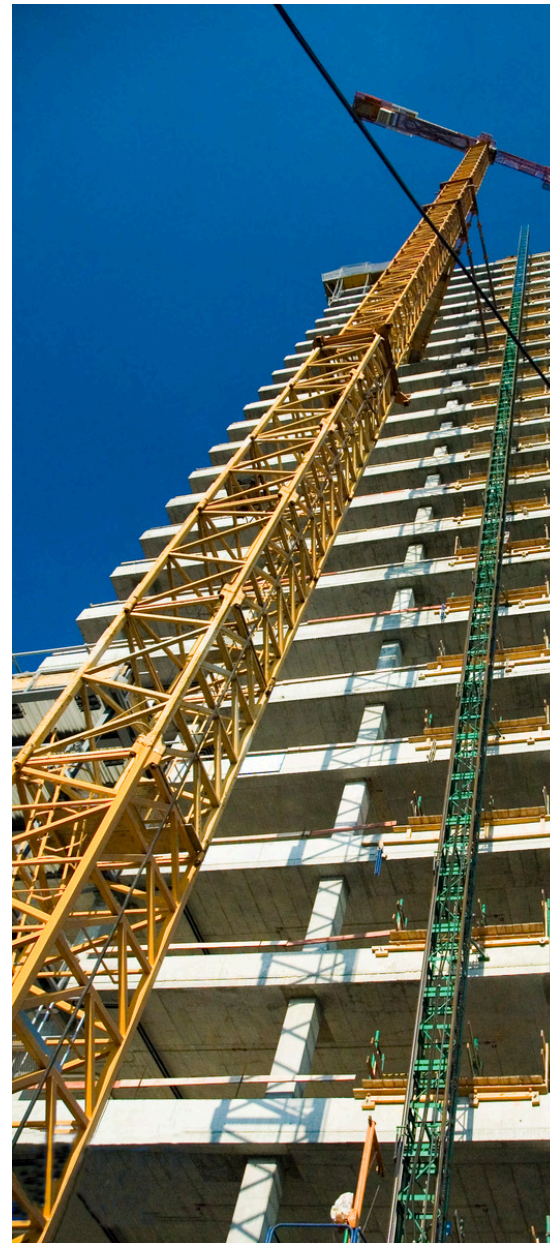
A high affordability index indicates that buying a home is affordable to the general population, while a low index indicates that the real estate market may be less accessible. It is important to note that local factors, economic conditions and mortgage rates can affect the affordability index.



# ISN'T REAL ESTATE ALREADY TOO EXPENSIVE?

The affordability index is a useful tool for understanding trends in the real estate market and assessing potential impacts on homeownership rates and the broader economy. A shift in the index may indicate that the dynamics of the real estate market are changing, and it is regularly monitored by economic and real estate analysts.

For many years, German media have been emphasizing that real estate market is no longer affordable for many people. This reflects the public perception and discussion about real estate prices in the country. The German Real Estate Association (IVD) regularly compiles an affordability index for German real estate which serves to provide objective data in order to determine the affordability of real estate in Germany in real terms.



# ISN'T REAL ESTATE ALREADY TOO EXPENSIVE?



The IVD looks at various locations, including average German locations compared to the top 7 German cities (A-locations). This differentiation enables a differentiated analysis of affordability in different regions of the country. The IVD takes various property types into account in order to provide as objective an assessment as possible.

The IVD distinguishes between existing and new apartments as well as terraced and detached houses. This differentiation helps to capture affordability in different segments of the real estate market. The current realistic interest rate for real estate financing over 30 years and the development costs (notary fees and land transfer tax) are included in the calculations. The net household income of full-time employees with the average German salary forms the basis for the affordability assessment.

# ISN'T REAL ESTATE ALREADY TOO EXPENSIVE?

An affordability rate of less than 25% is considered affordable by the IVD. Since the IVD affordability index was first published in 2010, real estate prices in average German locations have experienced a steady rise. Existing apartments, which were still around 90,000 EUR back then, now cost an average of 230,588 EUR, which corresponds to an impressive increase of 156%.

However, the question of the affordability of these average existing apartments is answered by the IVD affordability index. Despite the significant price increase, the index stands at 13.3%, which means that people are still spending around 13.3% of their net income on financing their home.



# ISN'T REAL ESTATE ALREADY TOO EXPENSIVE?

The affordability challenges are particularly dynamic in the top 7 cities, the so-called A-locations. Here, real estate prices are not only significantly higher compared to average German locations, but have also experienced a substantial increase in recent years. The price range for existing apartments extends from 275,616 EUR in Berlin to 583,025 EUR in Munich.

Despite these price differences, properties in the top 7 cities remain largely affordable according to the IVD affordability index. The index for all cities except Munich is 21.2%, which is below the 25% mark. Düsseldorf stands out as particularly affordable among the top 7 cities with an affordability rate of 19.1%.



# ISN'T REAL ESTATE ALREADY TOO EXPENSIVE?



Prices for new-build apartments differ considerably from those for existing apartments, particularly in average German locations. The difference is a considerable 230,580 for existing apartments compared to 335,156 for new builds. The question of whether to opt for a new or an existing apartment thus becomes a decision of personal budget.

Despite the price difference, new-build apartments in average German locations are still affordable with an index of 19.9%. The affordability index has risen from around 16% to 19.9% in the last six years, indicating a moderate increase. However, the trend suggests that new-build apartments in average German locations could soon reach the IVD's 25% threshold.



In Germany's top 7 cities, real estate prices for new-build apartments are particularly heterogeneous. Düsseldorf stands out as an exception at 361,506 EUR, while cities such as Stuttgart at 517,190 EUR and Munich at 721,008 EUR occupy the top positions. In Munich, apartments in the city center can sometimes cost up to 20,000 EUR per square meter.

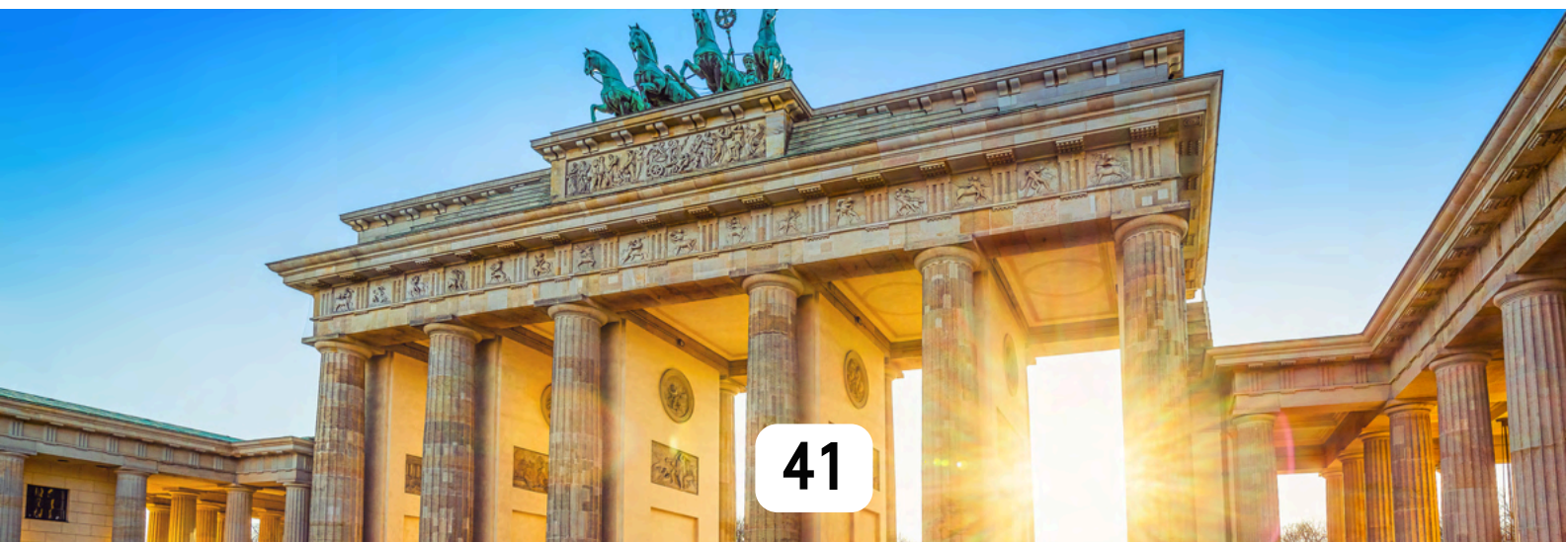
From the perspective of a Parisian or Londoner, Berlin still appears to be a comparatively affordable capital in terms of residential real estate prices. According to a study by management consultants Deloitte, the average price per square meter for a new condominium in Berlin was 41% higher than the national average. In comparison, prices per square meter in Paris are almost three times higher than the French average.



# ISN'T REAL ESTATE ALREADY TOO EXPENSIVE?

Nevertheless, a European comparison shows that Berlin can no longer necessarily be regarded as a bargain metropolis. In some capital cities such as Brussels, Vienna or Rome, it is now cheaper to buy a home than on the Spree. However, the most expensive major German city is not Berlin, but Munich. This puts the Bavarian capital in second place behind Paris in the European city rankings.

There is one main reason why Germany is closer to the top of the European league table for house prices than Berlin is compared to other capital cities: Germany has many economically strong regions with high real estate prices, which means that the differences between the capital and the rest of the country are smaller than elsewhere. Nevertheless, real estate prices in Germany have a lot of catching up to do, as they are still cheap by international standards.





And now let's take a concrete look at the comparison between a rented property purchased 20 years ago and one purchased today. Two decades ago, one of our clients bought an apartment for 200,000 euros. This involved costs for bank interest, ancillary costs, repairs, reserves and administrative expenses.

Over the last 20 years, real estate in Germany has seen an average price increase of 70%, which is why a comparable apartment today costs 350,000 euros. Although interest rates are slightly higher than 2 years ago, they are still lower than 20 years ago. In addition to interest, there are costs for repayments, ancillary costs, repairs, reserves and administration. The average monthly costs for such an apartment amount to 1,800 euros.

Over the last 20 years, rents in Germany have risen significantly and the tax benefits are currently at an all-time high.

Recently, the tax benefits for most top properties were increased by 50%. This property now generates a monthly income of 1,400 euros via the tenant and the tax office, so your own burden is 400 euros. Nowadays, you only pay a fraction of what you paid 20 years ago for a rented property. The factor is now 4, and the creation of investment properties in Germany has improved by 100%.

This offers an ideal time to get in.

We focus exclusively on managed properties, paying 15 euros net for efficient management so that the customer does not have to take care of it themselves and can instead use the time for vacations or other pleasures in life. Twenty years ago, the monthly costs for such an apartment amounted to around 1,500 euros, with 700 euros coming back via the tenant and the tax office. The customer therefore paid 800 euros, and the factor was 2.

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## The best off-market real estate properties

Which properties and locations will boom in the future. Where is the real estate market heading?



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# CONCRETE REAL ESTATE EXAMPLES

It is correct that real estate prices have risen, but the burden on investment properties has fallen over the same period. This makes the investment property market extremely attractive today. Therefore, the decisive question is not the value of the property, but how high the effective monthly outlay is.



# BUY A PROPERTY AT 1/4 OF THE PRICE.

All scientific studies and analyses on this topic show that a rented property today costs around a quarter of what our grandparents or parents paid. Once again, the decisive factor is not what the property costs, but what you actually pay. This also highlights the big advantage compared to owning your own property. While you have to finance 99.9% of your own property yourself, the tenant and the tax office will support you 70 to 80% when you buy a rented property.

And the pressure on the real estate market, with a shortage of well over 700,000 apartments in Germany and rising, will not change this in the coming years. Now is therefore one of the best times to buy owner-occupied real estate in Germany. You can kill two birds with one stone. On the one hand, you are laying the foundations for your financial freedom, making yourself independent of the state pension and, on the other, you are helping to combat the housing shortage through your investment.

# Real Estate WEBINAR

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When you talk to people from the German construction and real estate industry these days, you often hear a well-known slogan that appears in two variations: "Survive '25" or, somewhat toned down, "Survive until '25". This simply means getting through the current crisis in the sector.

But is that really enough in view of the challenges? Shouldn't it be more about actively shaping the future? We devote ourselves to this topic every day, but under a different motto: "Back in heaven in twenty seven". There is also positive news on the German real estate market. We are helping to shape it.

The past year was anything but easy for the real estate sector. For a long time, we experienced only positive development in the real estate sector. But 2023 marked a turning point: developers' projects remained unfinished, land was returned to municipalities and rents rose just as quickly as interest rates in 2022.





The total volume of the market fell by around one third compared to 2022 to around 165 billion EUR, with the monthly figures around half before the correction. Recently, however, there has been a slight recovery. We experienced a phase of sideways movement last year, with market conditions improving significantly.

As mentioned, 2022 marked a turning point with prices falling again for the first time. This continued in 2023. Construction prices initially rose significantly, while land prices tended to fall with the turnaround in interest rates. New construction declined significantly overall in transactions. In contrast, we do not expect prices for existing properties to fall any further, with the exception of buildings that continue to be poorly insulated in terms of energy efficiency. Here, the decline in transaction figures is less pronounced and the situation on the rental market is also stabilizing them.



We expect the construction financing market to pick up this year, although real estate prices are likely to remain at their current level. If construction interest rates fall, sellers could also test higher asking prices again.

Consumers have been cautious in the face of higher interest rates and demand for real estate loans has collapsed.



We already saw a revival in the financing market at the beginning of December 2023 and the beginning of this year. Now that interest rates have fallen, we will also see more buyers fulfilling their dream of owning their own property.

We are definitely optimistic. The rental market remains tight, which is causing many people to think about buying a property as an investment. Mortgage interest rates have fallen again and the willingness to invest will increase again. Added to this is the extensive need to modernize the real estate portfolio in Germany.

In addition to interest rate trends and inflation, the debate surrounding the Heating Act has also caused uncertainty.

In recent years, there have been repeated changes to the framework conditions for subsidies. The constant changes and the complexity of the subsidy measures make it more difficult for buyers to maintain an overview. It is important to create clear framework conditions that can be adhered to and to promote new construction as a matter of principle.



Germany is largely a tenant country. This is an important aspect, as buying a property is the best way to avoid poverty in old age. Politicians should create framework conditions to support this. We need appropriate subsidies for new builds and the abolition of land transfer tax for first-time buyers. Investments in modernization and renovation should be made easier for owners. In addition, tenants and owners alike should be supported with regard to sustainability and CO2 neutrality.

The real estate industry is diverse by nature and offers room for a wide range of business models that have evolved over time. The resilience of these models varies depending on market conditions, technological advances, societal changes and regulatory frameworks.



Overall, the resilience of real estate business models is a mix of flexibility, innovation, adaptability and the ability to adjust to changing demand and market conditions. Combining traditional strengths with new technologies and a focus on sustainability will be the key to future viability in the real estate industry.

Digitalization, sustainability and legal frameworks have become increasingly important in the real estate market in recent years. The real estate sector has seen a variety of proptech innovations, from platforms for virtual viewings to AI-supported tools for data analysis.

These technologies improve efficiency, transparency and customer experience. The implementation of blockchain technology for real estate transactions and smart contracts is gaining momentum as they can provide security, transparency and efficiency in contract processes.

The increased acceptance of remote working has an impact on the real estate market as people's preferences change. Flexible working models are influencing demand for residential and office properties.



Sustainability has become an important topic. Green buildings that promote energy efficiency and environmental friendliness are more in demand than ever. Certifications such as LEED or BREEAM are becoming increasingly important. Environmental, social and governance (ESG) criteria are increasingly influencing investment decisions.

Real estate companies are increasingly taking these aspects into account in order to promote sustainable investments. The idea of the circular economy is gaining support in the real estate sector, with materials, resources and buildings being designed in such a way that they can be reused or recycled.



There are increased efforts on the part of the government to adapt the legal framework to promote sustainability, e.g. through building regulations, support programs for renewable energies and environmental requirements. In the course of digitalization, stricter data protection laws and security standards for handling customer data and real estate documents are being implemented.







Overall, it is clear that digitalization is transforming the real estate market, sustainability is playing an increasingly important role and the legal framework is adapting to these developments. These trends will continue to have an impact on the real estate industry and change the way real estate is developed, traded and used.

As an expert in this field, me and my team consider and analyze these developments as part of our work. I am happy to share my expertise via my social media channels and via my newsletter.

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In the coming years, the real estate industry will continue to be shaped by several important trends and developments that will bring new opportunities and challenges.

The demand for flexible workspaces and apartments tailored to hybrid working models will increase as working habits evolve.

In the midst of these changes, opportunities are opening up for the real estate industry. New technologies offer scope for innovative business models. Flexibility in adapting properties to changing work and lifestyles opens up opportunities to better meet customers' needs.



The coming years will also be characterized by a number of other opportunities in the real estate sector that are shaped by various factors and trends. Rising demand for residential real estate will be driven by various factors such as population growth, demographic changes and changing housing preferences. Urbanization and the desire for an urban lifestyle will increase the demand for inner-city living space.

The revival of the economy after the challenges of the pandemic and wars will lead to an increase in demand for office space, while the growing popularity of e-commerce will increase the need for warehouse and logistics space.



The trend towards environmentally friendly buildings and sustainable practices creates opportunities for investments in green real estate, which can be environmentally beneficial and also offer long-term economic advantages. In the medium term, interest rates should fall again and this will increase the attractiveness of real estate investments as they offer favorable financing options for the acquisition and development of real estate.

The development of up-and-coming regions in Germany, whether due to economic growth, infrastructural developments or changing political conditions, offers new opportunities for investment and development.

The conversion of real estate, such as the revitalization of derelict areas or the conversion of commercial space into residential space, creates opportunities for innovative projects and urban development.

In general, promising opportunities are opening up for project developers, particularly in areas where projects benefit from long-term megatrends - such as demographic change, Industry 4.0 or e-commerce. The coming years could see construction prices fall by 2 to 4 % due to the expected weak demand for construction.

Construction prices are also expected to fall slightly in 2026 and 2027.

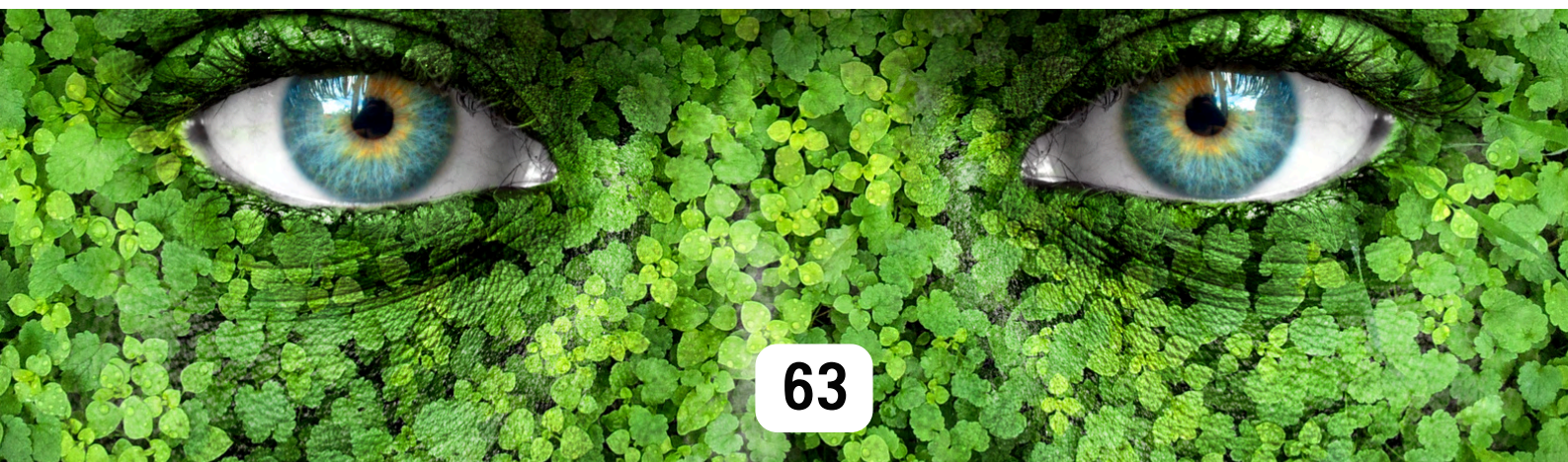


The BauGB, is the German Building Code, the most important piece of building planning legislation in Germany. Its provisions have a major influence on the shape, structure and development of populated areas and the "habitability" of towns and villages. An upcoming amendment of the BauGB, could speed up residential construction.

Under certain conditions, municipalities could dispense with a development plan and convert commercial areas into residential areas in a simplified procedure.

We are monitoring these developments closely and adapting our strategies to the changing landscape. We closely monitor developments in the sector in order to make informed investment decisions.

We have done our job and will definitely be at the forefront. I look forward to taking you into this incredibly exciting world of real estate.



# WHAT HAPPENS AT EU LEVEL?

At EU level, we are observing the challenges for an ambitious European urban policy in view of the forecast that around 80 percent of the European population will live in urban areas by 2050.

Cities and metropolitan areas are therefore expected to play a crucial role in achieving the various EU objectives, whether it is in the context of the European Green Deal to achieve climate neutrality by 2050, to protect biodiversity, to reduce social and economic inequalities or to bridge the urban-rural divide. We evaluate all of this information when selecting our locations.



# WHAT HAPPENS AT EU LEVEL?

This also sets out four policy priorities for the EU mandate until 2029 that support the objectives of the New Leipzig Charter for Just, Productive and Green Cities. These priorities include promoting the right to affordable, quality and sustainable housing, tackling social and gender inequalities and promoting inclusion, tackling climate change and ensuring a healthy environment, and developing safe, inclusive and sustainable mobility.



# WHAT HAPPENS AT EU LEVEL?

Finally, the Brussels Declaration formulates six concrete recommendations for the EU mandate until 2029 to integrate urban issues more effectively into all relevant European policy areas and institutions and to optimize the involvement of local governments in EU policy and decision-making processes. These include a systematic and more structured, binding dialogue and involvement of local governments at European level, better integration and coordination of urban affairs at European level, more city-friendly EU regulations, more accessible and city-friendly EU funding, the promotion of metropolitan governance and a paradigm shift towards a new sustainable model that includes appropriate indicators and enables the transition to just, productive and green cities.



# WHAT HAPPENS AT EU LEVEL?

The market is picking up again and we will experience an exciting time still in 2024 and 2025.

The biggest challenges for project developers lie in acquiring land cheaper than before the interest rate turnaround and coping with the uncertainties and regulations that keep cropping up. It will be crucial to keep these issues under control and act less speculatively in order to make more stable and cost-efficient purchases in the future. Stability is the key word here.



# TOP OFF-MARKET PROJECTS

And what top off-market projects are coming our way in Germany in the next few months? We are constantly on the lookout for good new real estate investments, which we also offer to our clients. Thanks to our capital strength and high liquidity, we buy at favorable prices. In the coming years, we will continue to look for the best locations for our investors on a daily basis. Baden-Württemberg and Bavaria represent the economically strong regions in the south of Germany.

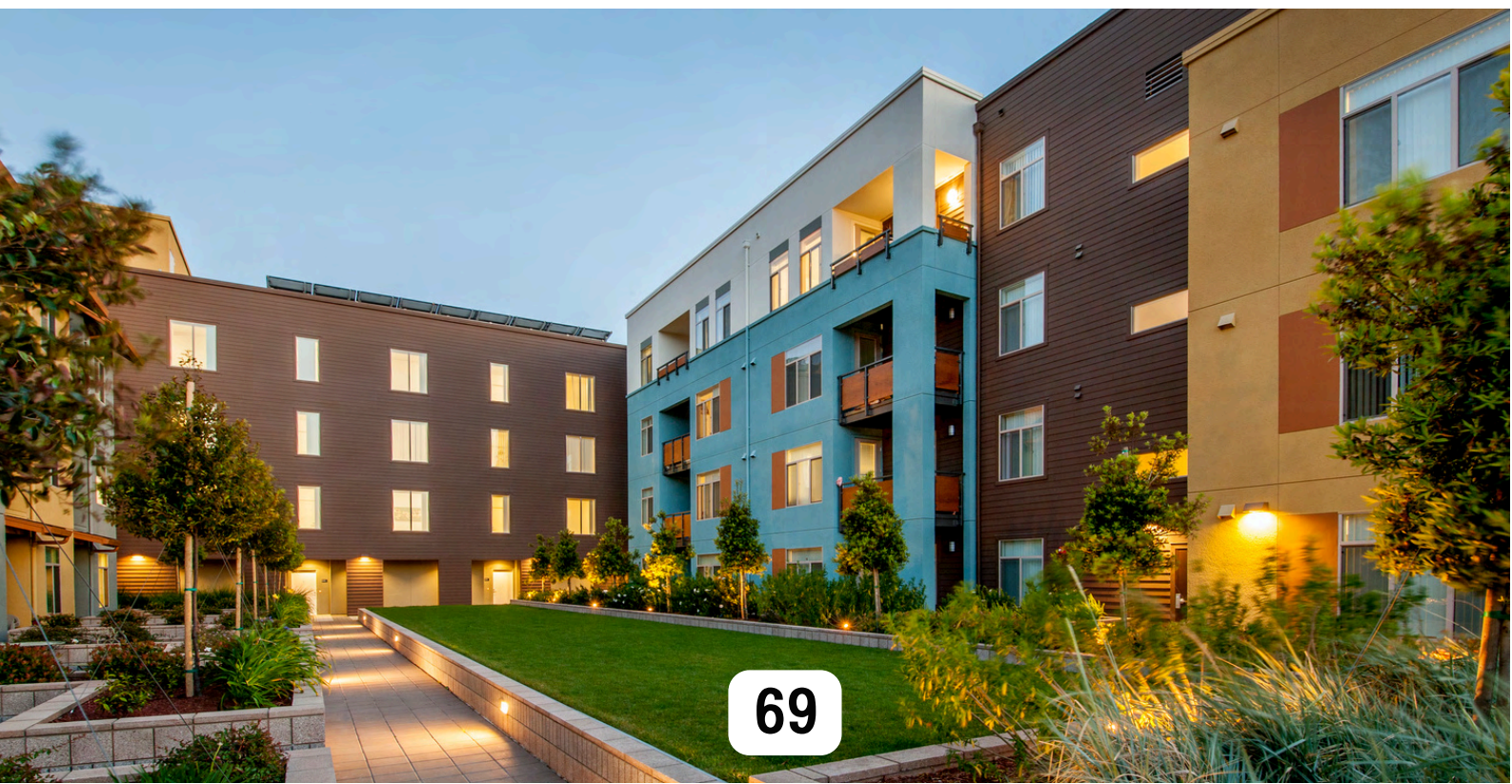
One specific example is Freiburg, the 10th most expensive city in Germany. This is partly due to its idyllic location in the Black Forest and partly because 15% of its inhabitants work in Switzerland. These commuters earn six-figure sums, commute to Basel once a week by ICE train and deliberately choose the German side for their place of residence. The entire region is therefore extremely economically strong and prosperous. We have exciting projects in this region. But Augsburg and other cities in the south are also being considered.



# TOP OFF-MARKET PROJECTS

In the coming years, we will also continue to offer furnished micro-apartments in the surrounding cities of the major metropolitan areas. In addition, we will continue to focus on new construction, for example in Leipzig and Dresden, cities that have experienced significant population growth in recent years.

The south of Berlin is also a promising location, especially south of the capital's airport, where more than 100,000 new jobs will be created by 2030. One example of this is a completed property near Zossen in the south of Berlin. That's where my last apartment handover took place. Further construction phases are also being planned here.



# TOP OFF-MARKET PROJECTS

In Koblenz, we are planning an architectural jewel near the Schlosspark. We always recommend and emphasise sustainable investment in up-and-coming regions with development potential. In Hamburg's Hafen-City, we have an off-market property project that is one thousand seven hundred euros below the standard market purchase price. You would never find that on the internet. Not a chance.

Finally, we should mention that we are also active in Magdeburg, where Intel is building two laboratories for microchips with an investment of 30 billion euros. These will be the largest industrial settlement in German history. We are selling and supporting projects, including a new start in Magdeburg, with the construction of 6,000 flats by 2030.



We therefore not only offer a market overview, but also provide access to real off-market properties and give advice on particularly advantageous investments. Visit our webinar and sign up for my newsletter. Then you will always receive the latest information and news about top real estate as an investment.



Our high-quality real estate webinar opens the doors to a comprehensive understanding of current market dynamics, the most promising asset classes and proven strategies for sustainable returns.

Time and again, I am asked the following questions about investment real estate:

- Why are apartments or houses attractive as long-term rental properties?
- What advantages does real estate offer as a capital investment?
- What risks need to be considered when investing in real estate?
- What should the ratio be between the purchase price and the expected return?
- What factors should be taken into account when making an investment decision?
- What average return can be expected on real estate investments?



# ENRICH YOUR KNOWLEDGE

Don't miss the chance to permanently expand your knowledge and strengthen your investment strategy. Our webinar provides the platform to deepen your understanding of real estate investment and taking your portfolio to the next level. Our weekly newsletters provide you with the latest trends, important real estate strategies and top real estate projects.



Henry Ford, the founder of the automobile company of the same name, once made the remarkable statement: "I consider every offer because it could be the best offer of my life." These words not only reflect Ford's business acumen, but also have a deeper meaning that is relevant on a personal level and in a business context.

Henry Ford's statement emphasizes the importance of keeping an open mind and a thorough examination of opportunities. On a personal level, it reminds us that in many life situations it can be beneficial not to be judgmental and to carefully consider new opportunities. Ford encourages us not to pass by opportunities lightly, but to analyze them carefully as they may have the potential to change our lives for the better.



In a business context, this statement reflects Ford's entrepreneurial wisdom.

Ford was known for his innovative spirit and his eye for business opportunities. His words illustrate the importance of a careful consideration of business proposals and a willingness to explore new ideas and opportunities.

The phrase emphasizes the need to not just rest on one's laurels, but to constantly look for ways to develop and improve.





Henry Ford's message reminds us that life and business are riddled with countless opportunities. Every opportunity holds potential, and the willingness to recognize and take advantage of these opportunities can make the difference between success and stagnation. It is an encouragement to be open to new ideas, to be willing to take risks and to be able to recognize opportunities, even if they do not seem obvious at first glance.

# ENRICH YOUR KNOWLEDGE

Save your spot and join us for our high-quality real estate webinar specifically designed to enrich your investment experience and provide you with clear paths to profitable real estate investing.

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I hope that this guide contains a few approaches, tips and ideas that will make you think and help you to achieve your personal financial goals and become financially free. I wish you every success and welcome any comments on this guide. For further information or if you have any questions, please do not hesitate to contact me and my team.

Kind Regards, Matthias Holzmann

Graduate business economist (FH)

Strategic consultant on economic issues

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