1 | 2026

RESEARCH NEWS

BBSR

Dear Readers,

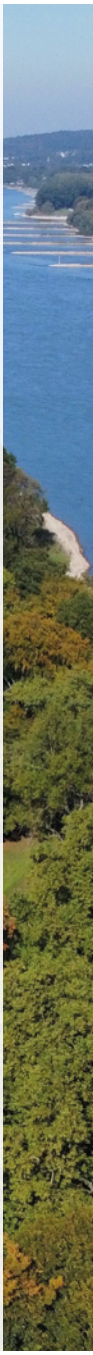
The Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR) has a new director: Dr Peter Jakubowski was officially installed in his post on 25 June 2026 during a formal ceremony in Berlin by Dr Olaf Joachim, State Secretary at the Federal Ministry for Housing, Urban Development and Construction.

A graduate in economics, he brings with him many years of experience in the BBSR's key research and policy areas. Since 2020, Jakubowski has headed the "Spatial and Urban Development" department. Prior to that, he was in charge of the "Digital City, Risk Prevention and Transport" unit, where he helped shape key research and development processes. His key areas of work included, amongst other things, smart city research, with the Smart City Charta and the "Model Projects Smart Cities", as well as resilience research. Following roles in academia and research, Peter Jakubowski joined the BBSR in 2000.

You can find out more about Dr Peter Jakubowski and his objectives as the new Director of the BBSR on the next page.

We hope you find this an inspiring read.

The editorial team



Peter Jakubowski takes over leadership of the BBSR

Dr Peter Jakubowski (centre) at his inauguration at the BBR Berlin, with the President of the BBR, Petra Wesseler, and the State Secretary at the BMWSB, Dr Olaf Joachim

Photo: BBR / Niklas Janke

Dr Peter Jakubowski is the new leader of the Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR). An economist with a PhD, he previously led the BBSR's Spatial and Urban Development department.

Verena Hubertz, German Federal Minister for Housing, Urban Development and Building, congratulated him on his appointment: "The BBSR is like a think-tank for our municipalities and regions. It analyses social developments and provides orientation for urban, regional and housing development. 'Zukunft Bau' provides decisive impulses for innovation in the construction industry, from new materials and digital technologies to sustainable construction processes. By providing scientific advice and reliable analyses and through its practical support in addressing the major tasks of the future, it is an important partner of the Federal Ministry for Housing, Urban Development and Building (BMWSB). I am very happy that, in Dr Peter Jakubowski, we have been able to secure an acknowledged expert in urban development and spatial planning for this role. With him as an experienced researcher and policy adviser, housing and construction issues are in good hands. I wish him a good start in his new job." The President of the Federal Office for Building and Regional Planning, Petra Wesseler, also congratulated the new BBSR leader: "Dr. Jakubowski has extensive knowledge of all facets of the BBSR over many years and is recognised both for his own scientific expertise and practical policy advice."

He has many years of experience in the fields of urban planning, urban development and spatial planning. Since 2020, he has led the Spatial and Urban Development department of the BBSR. Previously, he had been responsible for the Digital Cities, Risk Prevention and Transportation division and was intimately involved in setting up the smart cities and resilience research priorities that resulted in the Smart City Charter for Germany and an Urban Stress Test project. He particularly dealt with the question of how cities and regions can become more resilient in crises and how they might shape transformation processes.

Born in Dortmund in 1967, Dr. Peter Jakubowski studied economics at the University of Münster with a focus on environmental economics. Following research activities at the Institute of Transport Economics in Münster and at the German Aerospace Centre in Cologne, he joined the BBSR in Bonn in 2000. There he dealt in particular with urban research and policy advice, publishing numerous articles on subjects such as the City of the Future and building resilience. Dr. Jakubowski is co-editor of the "Information on Spatial Development" journal and is active on various advisory boards and committees.

Upon taking office, he said: "Germany and its cities and regions face great challenges ranging from the provision of affordable housing, modernising our infrastructure to adapting to climate change. The BBSR can make a significant contribution with scientific expertise, reliable data and solutions that convince people and provide practical help for municipalities, for example when it comes to developing new urban neighbourhoods, strengthening inner cities and implementing the funding of social infrastructure investment projects. It is crucial that we become more agile while remain flexible, so that cities continue to be liveable despite crises and changes. Our goal is to provide professional advice and translate research into practice in a way that has a local effect."

Joint press release from the BMWSB and the BBR, 25 June 2026

Regional structures and labour force trends in Germany to 2045

by Dr Steffen Maretzke

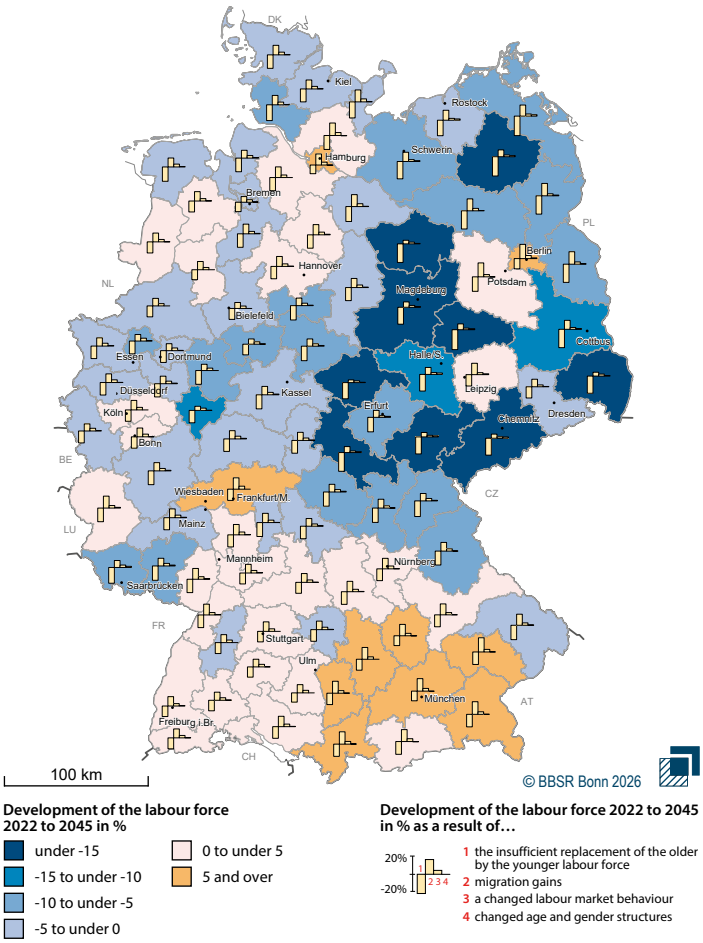
The BBSR periodically produces regionalised spatial planning forecasts which provide an important informative basis for politicians and planners in national, federal state and local contexts. The labour force forecast predicts the number of people who are actually available to the labour market. According to the forecast, the volume in Germany will remain almost stable until 2045. Between 2022 to 2045, it is expected to decrease only slightly by about 0.5% to about 43.3 million people nationwide.

While by 2025 the labour force has decreased in only 35 of 96 spatial planning regions, by 2045 it will have already declined in more than half of the regions (58). Particularly hard hit will be structurally weaker, primarily East German regions such as Altmark, Anhalt-Bitterfeld-Wittenberg and Northern Thuringia, for which declines of at least 20% are predicted (see figure). Significant increases are still expected for the structurally stronger metropolitan areas: Hamburg and Munich are predicted to have increases of over 9%, Berlin by around even 15%.

What is special about this forecast is that for each region it differentiates how migration flows, the age structure of the working-age population and behaviour shape the growth or decline in the labour supply. Without migration gains, which are assumed to benefit all regions, not one region in Germany could expect an increase in the labour force by 2045. The fact that, in very fast growing regions, there will be an above-average increase in the labour force will is not only due to migration gains but also to the increasing labour force participation of the working-age population. In Berlin, this positive development also results from advantageous shifts in the age and gender structure of the working-age population in favour of age groups/persons with a higher labour force participation. In regions with the sharpest decline in the labour supply, this development is mainly due to the inadequate replacement of those leaving the labour market by a younger labour force. Compared to very fast growing regions, these losses in structurally weaker regions can no longer be compensated for by the other influencing factors.

The development is especially challenging for regions with a sharp decline in the labour force. Actors in these regions should, among other things, respond to the declining workforce with productivity increases, increased further education and training of employees and a higher volume of work, which is still relatively low in the international context. Also, the potential of the labour force has by far not been exhausted. With suitable measures, it should be possible to keep the working-age population in working life longer and to further increase the labour force participation of women, people with a migration background and the elderly.

Development of the labour force between 2022 and 2045 in %



Geometric basis: spatial planning regions BBSR 2024, data source: BBSR labour force forecast 2045, census-adjusted, as of 30/04/2026, author: B. Bouscheljong

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BBSR-Analysen-KOMPAKT 02/2026 [in German]

Accessibility in border regions

by Claire Duvernet, Dr Philipp Gareis and Florian Rödding

The accessibility of services of general interest across borders is a topic of growing importance, particularly when seen against the background of the European objective of territorial cohesion (Art. 174 Treaty on the Functioning of the European Union TFEU) and the establishment of equivalent living conditions in the German Federal Spatial Planning Act (Section 1 Federal Spatial Planning Act).

Accessibility analyses have for a long time been an integral part of the BBSR's spatial monitoring activities. While the BBSR reports regularly on the access to services of general interest in German regions, it has so far not had the necessary data for an analysis across national borders. The available results were not able to reflect the reality of residents in border regions, who account for at least a quarter of the German population.

As part of its cross-border spatial monitoring activities, the BBSR has for the first time been able to close this gap by calculating accessibility for all German border areas, thus enabling a comparison between motorised private transport and public transport. The calculations were based on harmonised road networks from OpenStreetMap as well as on timetable data in GTFS format. All NUTS 3 regions bordering Germany were analysed, the centroids of a 1 km² population grid serving as starting points, while hospitals, schools and supermarkets were the destination points.

The results show clear differences between transport modes, regions and settlement types. Almost all destinations can be reached much faster by motorised private transport. The population in rural border regions are particularly dependent on motorised private transport. Overall, cities and their surrounding areas have shorter travel times. Regions of Germany such as those bordering the Netherlands, Luxembourg and Switzerland enjoy good accessibility by motorised private transport and public transport, while long travel times by motorised private transport can be observed at Germany's borders with Czechia and Poland. There are additional problems with public transport in densely populated municipalities, where there are nevertheless long travel times. One reason can be missing or poorly integrated cross-border connections that are in need of extensive improvement.

For around 880,000 people in the border areas, the nearest hospital can be reached faster by car in the neighbouring country, with public transport this only affects about 27,000 people. Although these numbers are small compared to the total population in the border areas, in individual municipalities cross-border accessibility can be decisive for the quality of services of general interest. The results underline the need for better integrated public transport connections as well as for legal and administrative solutions ensuring the cross-border accessibility of services.

The study shows that cross-border accessibilities can now be analysed on a comprehensive, comparable and multimodal basis. The methodology provides a reliable basis for spatial observation, policy advice and a quantitative "border region check". In the future, infrastructure measures can thus be evaluated ex ante and ex post, better account can be taken of target groups and services of general interest can be specifically strengthened in border regions.

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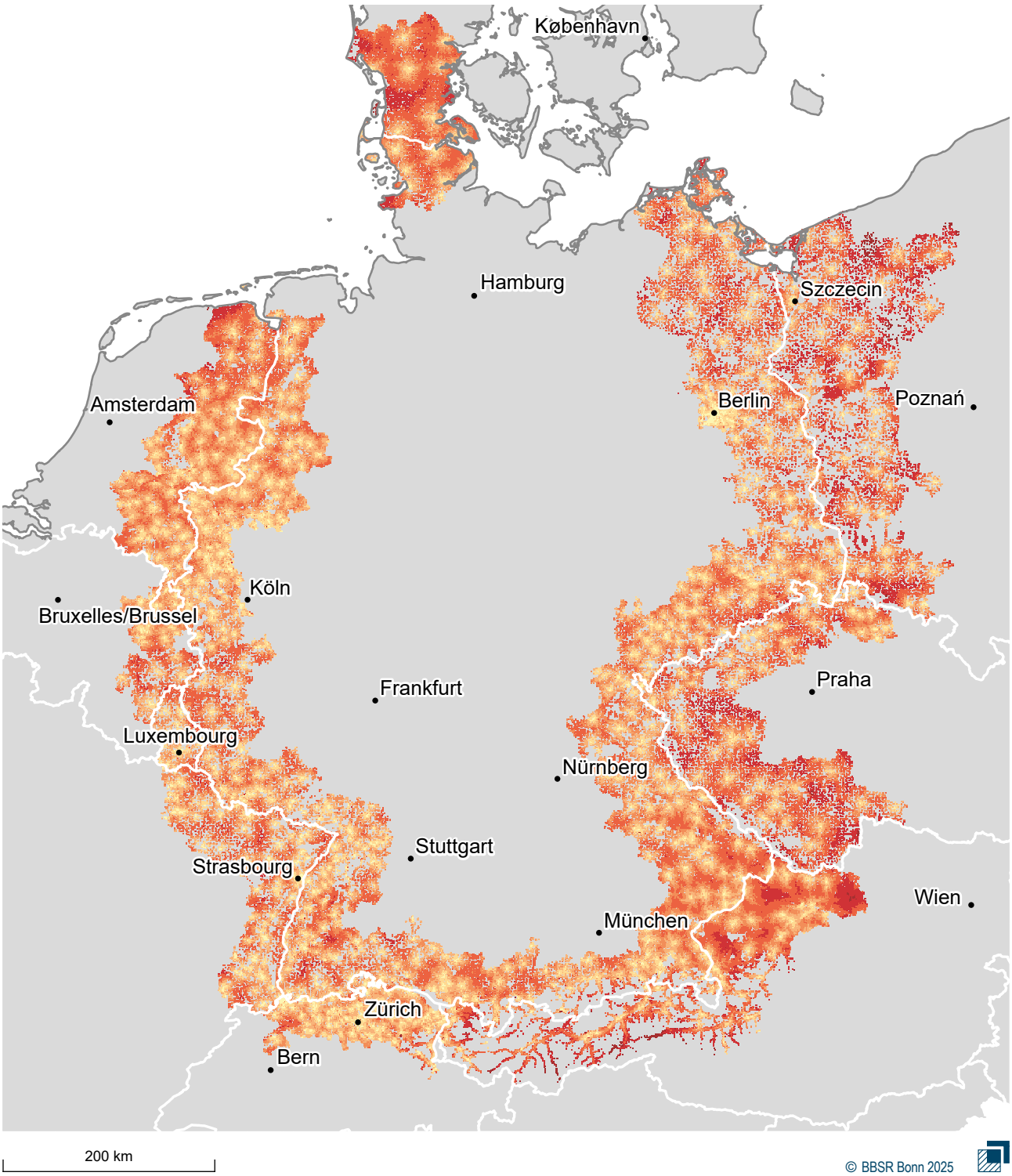
BBSR-Analysen-KOMPAKT 07/2026

Accessibility of hospitals by motorised private transport



Accessibility of hospitals by motorised individual transport in minutes

- to under 5
- 5 to under 10
- 10 to under 15
- 15 to under 20
- 20 to under 30
- 30 to under 45
- 45 and more*

*Only travel times up to 60 minutes were calculated.

Sources: Spatial Monitoring System for Europe, BBSR, geofabrik.de, GTFS.de, data.public.lu, GTFS.be, transport.data.gouv.fr, data.opentransportdata.swiss, labs.rejseplanen.dk, data.mobilitaetsverbuende.at, gtfs.ovapi.nl. All data from 17.03.2025. Geometrical basis: GfK Geomarketing; GISCO NUTS, 2021; Authors: P. Gareis, C. Duvernet, L. Kiel

European regional development: new perspectives beyond 2028

by Jens Kurnol and Sina Redlich

In a similar way to Germany supporting urban and regional development through national programmes, the EU promotes regions and cities via programmes like ERDF, Interreg and Leader. The BBSR steers and researches various EU Structural Funding programmes and is especially interested in their spatial approaches.

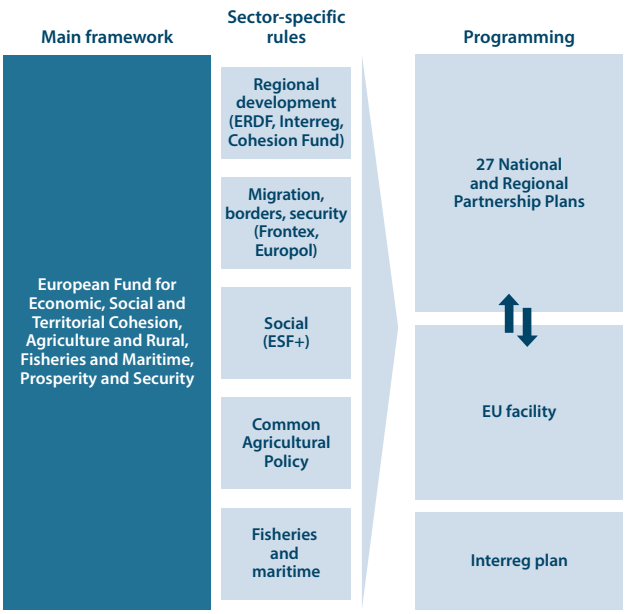
The BBSR has therefore undertaken a study to analyse the integrated funding approaches in the ERDF programmes of the German federal states. The study revealed that nearly all federal states use "territorial instruments" to support sustainable urban and integrated regional development approaches.

In the middle of 2025, the European Commission proposed large reforms for European urban and regional funding beyond 2028 whereby EU member states and their capitals will be responsible for making EU funds available to cities and regions. Instead of negotiating ERDF programmes directly with the federal states, as in the past, the Commission proposed that in future, there will be one single plan to be developed per member state. These so-called National and Regional Partnership Plans (NRPP) are intended to bundle various programmes. Minimum budgets are provided for some areas (e.g. agricultural funding and migration programmes) and some topics (e.g. climate and social issues), and for regions that are particularly economically weak compared to other EU regions. The latter do not exist in Germany, which is why it will be particularly challenging for the responsible federal and federal state authorities to nonetheless anchor regional and municipal challenges in the future NRPP. The BBSR on behalf of BMWSB is currently preparing the launch of a new process that aims to strengthen local and regional perspectives in the future NRPP.

In this context, it is remarkable that Interreg is allocated a fixed budget – around 10 billion euros for seven years – and that it is the only programme to be given a separate plan besides the 27 national plans. Due to its multinational character, Interreg cannot be programmed nationally, which is a unique selling point.

The existing architecture of Interreg will continue beyond 2028. The six transnational programmes, from the Alpine Space Programme to the Baltic Sea Region Programme, in which Germany participates and which the BBSR represents, currently promote mainly European cooperation projects for a green and intelligent Europe. The additionally proposed funding priority for the period after 2028: "Attractive regions and development of urban and rural areas", could open new opportunities for Interreg to promote even more targeted approaches to spatial projects.

National and Regional Partnership Plans beyond 2028



Source: BBSR based on the European Commission 2025

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No new trend to escape to the country in Germany

by Thomas Pütz

An evaluation of migration data up to 2024 shows that there is no new trend towards moving to the countryside. Migration gains of small towns and villages are mainly explained by the change in age structure: There are fewer young adults of typical moving age. So, instead of significantly more people moving to the countryside, fewer people move away.

The analysis of migration statistics shows that for many years, large cities and urban districts had higher migration balances than rural regions. Although since about 2013 the internal migration balances of rural areas had improved to the detriment of large cities, these did not prove a new preference for country living and according to the analysis, were mainly a consequence of decreasing migrations and changes in age structure.

The debate about a new longing for the countryside does not go far enough: Migration gains of rural municipalities can be mainly explained by demographic trends and changes in the housing and labour markets, not by a profound change in living preferences.

Particularly the number of young, very mobile people has decreased in rural regions, which has led to a reduction of people moving away. High living costs in cities and changed labour models also play an important role. Remote working in particular makes it easier for people to live farther away from the workplace.

For the study, the empirica research institute evaluated internal migration data on behalf of the BBSR and surveyed around 1,000 people who had moved to nine peripheral rural municipalities since 2019. It examined whether rural areas are perceived as more attractive places to live and what motives are behind the moves.

Among the interviewees, 23% came directly from a large city while a third moved within their own region. Another 16% were people returning to their region of origin.

The survey shows that families in particular move to rural regions, often driven by the desire for home ownership and more living space. According to the survey, the move often resulted in an increase in living space, especially for former residents of large cities, At the same time, the home ownership rate and the use of cars increased.

Respondents cited as the most important reasons for moving: tranquillity, closeness to nature, a healthy living environment and a higher sense of security. For 37%, closeness to nature played a central role. Less important were classic location factors such as public transport connections, cultural offerings or short distances to larger cities.

“Those who move to rural areas often do not look for the perfect infrastructure, but for a quality of life with peace and affordable housing,” said Brigitte Adam, urban researcher at the BBSR. Families in particular move to realise their desire for home ownership.

From the researchers’ point of view, the results do not provide a general strategy for how rural communities can become more attractive. The decisive factors are tailor-made housing options, the use of existing buildings and investments in social infrastructure and community services. According to the researchers, those able to work from home via digital connections (remote workers) are considered a new target group for peripheral regions.

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BBSR-Online-Publikation 19/2026 [in German]

Transatlantic dialogue for the revitalisation of inner cities

by Dr Andrea Jonas

The BBSR has been dealing with the future of inner cities for many years. Studies about how to revitalise and transform these special urban spaces have not only been part of research since the COVID-19 pandemic, but have intensified them. International exchange on inner-city development also facilitates the transfer of the BBSR's research results.

The BBSR therefore participated in an information and networking event by Goethe-Institut on 10 December 2025 together with the German Federal Ministry for Housing, Urban Development and Building. Organised on behalf of the German Federal Foreign Office, the event involved experts from the USA on the topic "Reviving City Centers". The eleven representatives came from large cities like Seattle, Oakland, Portland (Oregon), Honolulu, Los Angeles, Long Beach (California) and smaller towns like Culver City (California). They worked in city councils, scientific institutions and NGOs, and in the cultural, economic and social sectors.

The aim of the meeting was to enable a transatlantic dialogue on the topics of "vacancy of shops and offices", "cooperation between urban development and art, culture and social institutions", and to exchange best practice examples. The BBSR presented results of the "Inner cities" research cluster, funded under the Experimental Housing and Urban Development (ExWoSt) programme, and of the "Post-Corona-Stadt" (Post-corona city) call, executed under the National Urban Development Policy programme, which provided important impulses and suggestions.

Dealing with under- or unused real estate and its revitalisation is of great interest in both nations. In the USA, the focus is primarily on vacant office buildings "downtown". In Germany, discussions also concentrate on shops and department stores. Both countries are aiming for a stronger mix of uses, including new, also public interest-oriented offers, a stronger involvement of the arts and cultural scene, and more attractive public spaces. To realise these goals, they rely on funding from government or locally funded civil society projects and increased cooperation between the public and private sectors, particularly public welfare-oriented actors. Survey data from the ExWoSt project "City centre and online trade" additionally show that safety and cleanliness is one of the most important aspects for an attractive inner city, a finding which was also confirmed by the US guests.

A toolbox developed in the context of the ExWoSt project "Density and mixed-use: Innovative approaches to redensification in German and American cities" was also of great interest. It includes concrete urban development instruments to support a sustainable urban development.

The transatlantic dialogue showed that Germany and the USA are facing similar challenges and that dialogue opens the opportunity to learn from and with each other. The event is another example of the BBSR adopting and continuing multiple transatlantic networking formats.

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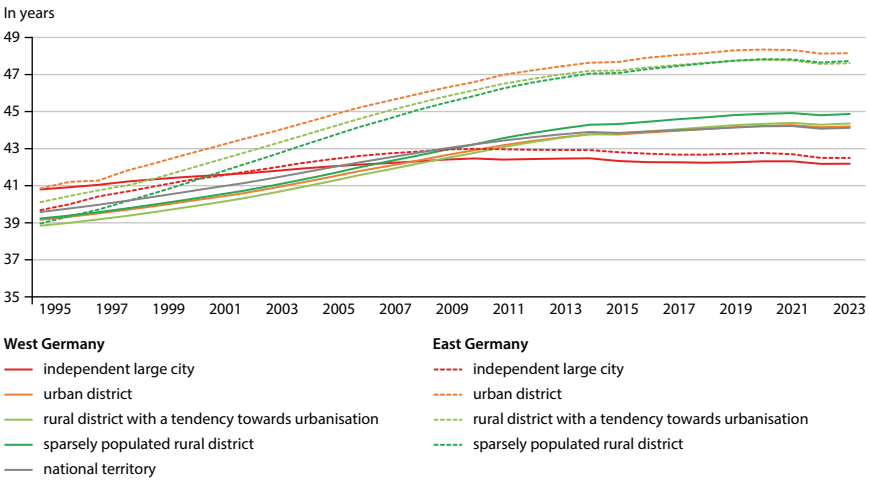
Look at Seattle Photo: A. Jonas

Social structure in large German cities

by Dr Brigitte Adam and Dr Andrea Jonas

The Spatial Monitoring System (Laufende Raumbeobachtung LRB) and the Inner-City Monitoring System (Innerstädtische Raumbeobachtung IRB) of the BBSR include a variety of data that are continuously updated. They enable extensive analyses on the living conditions in German cities and include urban typologies. In 2025 the BBSR published the study "Sozialstruktur in deutschen Städten: Angleichung oder Ausdifferenzierung?" (Social structure in German cities: alignment or diversification?) on this basis, thus continuing its own research into societal conditions in Germany.

Average age according to settlement structure-related types of districts between 1995 and 2023



Source: BBSR, data source: Spatial Monitoring System of the BBSR

The study was prompted by the diverse processes of change in German cities, which partly reflect global trends and often require the adaptation of infrastructures, housing or other urban structures. Although nearly all cities face these challenges, the study's guiding hypothesis was that spatial differences exist and, in cities, strong social differences. The study therefore focused on the question of whether there is a strong trend towards diversification of social structures in German cities or whether the trend is towards an alignment confronting all cities with the same challenges.

The analysis of sociodemographic and socioeconomic indicators over a period of more than ten years particularised the development of the social structure and identified trends. Since change processes often impact cities first and particularly intensively, the BBSR researchers concentrated on large cities and compared their observations with other types of settlement.

The spatial comparison demonstrated that known differences mostly remain constant but that some challenges tend to concern mainly large cities.

- For example, in socioeconomic terms they are more affected as shown by poverty-related indicators such as transfer payments, old-age poverty or low incomes. To this extent, their situations have become somewhat more similar. Those with local responsibilities must continue to integrate affected population groups as members of urban society, provide housing, and actively support complementary social services (including civil society services like food banks). In doing so, they create opportunities for encounters that can shape a sense of community and counteract loneliness.

- Sociodemographic aspects have also become more diversified: Cities continue to be characterised by a younger and better educated population, supporting cities' reputation as drivers of innovation and change. Housing provision must therefore take account of young, often well-trained employees, who are unable or unwilling to pay any price for housing.

- Family structures are becoming increasingly similar, as the proportion of households with children is slightly increasing in cities while it is declining in the other settlement types. Urban developers need to continuously analyse such change processes so that, in combination with sound data, cities can adequately react to and ideally, make provisions for these changes.

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BBSR-Online-Publikation 39/2025

From residential construction to green open spaces: the potential of large car parks

by Florian Rödding

When searching for land resources, in many places large car parks come into focus. Often sited on heavily sealed plots and with the monofunctional purpose for accommodating stationary traffic, they offer an important potential for urban development, not because it would be important to reduce the number of parking places in general, but to reorganise parking to gain additional areas for much needed residential space, for new mobility offers, more greenery and encounters. Two new studies executed in the context of the BBSR research project "Transformation potentials of large-scale car parks" show how these potentials can be realised.

The studies present different ways in which cities can transform large car parks – both in inner-city locations and in commercial areas of the urban periphery. Cities can develop and make better use of existing areas, exploiting opportunities for repurposing and conversion. These can include converting them into green and open spaces or upgrading existing parking areas and multistorey car parks into mobility hubs with sharing services, e-charging infrastructure and photovoltaic systems. All these approaches are united by the goal of a more efficient use of the existing space and in an environmentally sustainable and inclusive manner without reducing the use of cars.

The online survey of the research project, which involved the participation of around 900 cities, towns and villages shows the practical importance of the topic and the almost complete lack of any systematic recording of parking areas to date. The research project coordinators therefore developed a methodology to record and evaluate large car parks in cities, presenting related results for the cities of Dortmund, Görlitz und Ulm in the study: "Transformation großflächiger Parkplätze – Erfassung, Bewertung und Potenziale für den nachhaltigen Stadtumbau" (Transformation of large car parks – recording, evaluation and potentials for a sustainable urban redevelopment). In the city of Dortmund alone, for example, they identified 1,318 large car parks, each over 750 m², covering a total area of 361 hectares, equivalent to around 500 football pitches.

Thus, large car parks may help promote a sustainable urban development, create residential space and improve the urban climate. A second BBSR study with twelve examples from Germany demonstrates how these potentials may be realised (see "Transformation großflächiger Parkplätze – gute Beispiele für den nachhaltigen Stadtumbau" (Transformation of large car parks – good examples for a sustainable urban redevelopment)). It shows how large car parks can be transformed into multifunctional urban spaces by building over them, repurposing or unsealing them. In the inner-city neighbourhood of Klagesmarkt in Hannover and for the new building of the Bremen City University of Applied Sciences, car parking places serve multiple purposes – as places to live, learn and meet. Another example is the "Dante II" project in Munich, a construction raised on pilotis that creates new living space above a car park without additional sealing of the undercroft. The study shows how quality of life can be created if car parks are understood as not only space for stationary traffic, but as elements of a sustainable urban development.

The research project "Transformation potentials of large-scale car parks" was implemented under the Experimental Housing and Urban Development programme of the German Federal Ministry for Housing, Urban Development and Building. Apart from showcasing examples of successful sustainable urban redevelopment, the studies also show practical steps for local action, ranging from conception to implementation.

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International departmental research alliance: new planning handbook and research on short-distance accessibility

by Dr André Müller, Dr Philipp Gareis und Dr Andrea Jonas

The BBSR has been cooperating with the Korea Research Institute for Human Settlements (KRIHS) in Sejong and Seoul since the 2000s. In 2024, they created a new basis for cooperation, which has produced its first results. In both countries urban planning and spatial planning face similar development trends: climate protection, land use and an ageing society are of equal importance as the need to create and permanently secure liveable and inclusive spaces. International exchange provides an important stimulus to broaden spatial and urban horizons.

BBSR and KRIHS jointly created a planning handbook focusing on compact and mixed-use urban development instruments and on affordable housing in both countries. In the handbook, they outline the basics of the South Korean and the German planning systems and deal with the challenges facing cities and counties in both countries. Three case studies demonstrate possible solutions and how planning tools can be used to provide affordable housing and enable the compact and mixed development of municipalities. A comparison of the planning systems reveals both similarities and differences. The final chapter addresses decision-makers and the professional public in South Korea and Germany.

Additionally, an international team of researchers investigated the short-distance accessibility of cultural institutions and choice of location mainly by young people in Seoul and Berlin. This revealed a paradigm shift from mobility towards an orientation to local accessibility. The research team focused on the accessibility of cultural institutions, as research results to date have tended to concentrate on the accessibility of services of general interest.

The various planning approaches in both countries and realistic intraurban mobility scenarios based on r5r routing, a software package which delivers exact multi-modal travel times, demonstrate the strengths and weaknesses of the planning paradigms. Services of general interest, provided according to distance-based guidelines in South Korea and according to the central places theory in Germany, are evenly distributed in both cities, however, undersupplied areas also become visible. It is striking that well-served areas often have high rents. The research findings provide the basis for planning strategies and investments in cultural institutions contributing to liveable and inclusive spaces.

Covers of two KRIHS publications

Source: KRIHS

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Planning handbook

Accessibility study

BBSR Expert Panel: improving sentiment in the real estate market – growth remains slow

by Eva Katharina Korinke and Nicole Brack

Real estate markets start the year 2026 with restrained confidence. According to a survey by the BBSR's Real Estate Market Expert Panel of December 2025, the sentiment among just under 700 experts from the residential, office, retail and logistics segments has slightly improved but generally remains moderate.

General market conditions: slow growth, structural challenges

After two years of recession, the German economy is growing again tentatively, while the industrial and construction sectors remain inhibitors of growth. Structural problems such as high energy prices and international competitive pressure have an impeding effect. Government investment programmes could provide impetus in the medium term, but private investment dynamics remain subdued. High property financing costs and construction prices, that are increasing significantly more than the general inflation, continue to burden the construction industry. According to the BBSR housing needs projection, around 320,000 dwellings are required every year. According to experts, only around 215,000 can be built in 2026 (see Spring Real Estate Industry Report of the German Property Federation, ZIA).

A slow start: How much momentum will the real estate market gain in 2026?

Photo: SW Photography via Getty Images

First signs for stabilisation – market sentiment remains negative

Despite the difficult environment, the demand for real estate financing recovered slightly in 2025 and real estate prices have been rising moderately since 2024, especially in the housing market. Overall, the economic mood among the respondents remains negative in all four segments. One positive signal is that the trend of economic sentiment is slightly up compared to the previous year – with the exception of the logistics market.

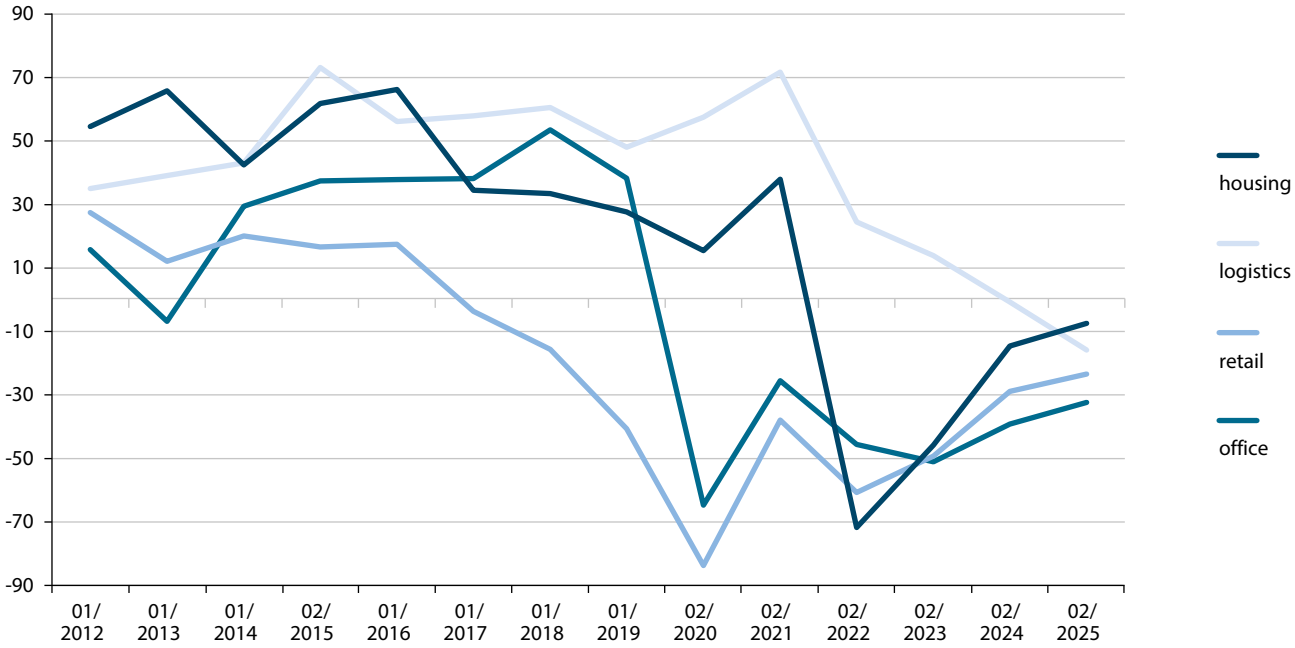
New construction sector remains Achilles' heel

Expectations for new construction projects, especially in the retail trade and office real estate sectors, are generally subdued. Despite slight improvement, expectations in the housing sector also remain negative.

The demand for rented flats, however, remains high, perpetuating expectations for rents to rise. In contrast, the expected demand for commercial properties is much lower, the demand on the office market being the lowest. Over the longer term, the increasing use of AI may reduce the need for office space much more than has already happened by working from home. At the same time, the vacancy rate is increasing, though demand for energy-efficient properties and prime locations remains high.

In the retail sector, expectations are stagnating under pressure by a weak consumer climate, rising living costs and the continuous growth of online trade. In the logistics segment, the expected demand for new constructions continues to decrease owing to the economic situation.

Do you consider the market currently to be in a better, the same or a worse economic situation than in the last half year? Estimations are classified according to real estate market segments.



The figure shows the balance of sentiment values from the responses "(rather) better" and (rather) worse.
Example of reading: "-10" means that the share of interviewees expecting a worse economic situation is exactly 10 per cent points above the share of interviewees expecting a better economic situation.
"0" means that the difference is zero, both shares of interviewees are equal.

Source: Real Estate Market Expert Panel of the BBSR; figures in % of respondents (balance); N (2025) = 639

Energy-efficient retrofitting loses momentum

Legal requirements for energy efficiency and climate protection are gaining importance in the real estate market. With the implementation of the Energy Performance of Buildings Directive (EPBD) and the new German building modernisation act, further adjustments are planned for the construction sector.

Despite growing climate policy requirements, respondents expect a slight decline in the dynamics of energy-efficient retrofitting. Uncertainties about future legal provisions and funding conditions are leading to a wait-and-see attitude of many market players.

Housing construction turbo with delayed effect

The "housing construction turbo" (German government initiative to improve the housing supply) is intended to speed up approval procedures and facilitate construction. However, experts expect medium- rather than short-term effects. Building permits and completions are likely to increase while declining construction costs or a significantly improved profitability are not expected.

Conclusion

All in all, the German real estate market appears to be in transition: It show first signs of stabilisation but remains characterised by slow growth, low new construction activity and structural uncertainties.

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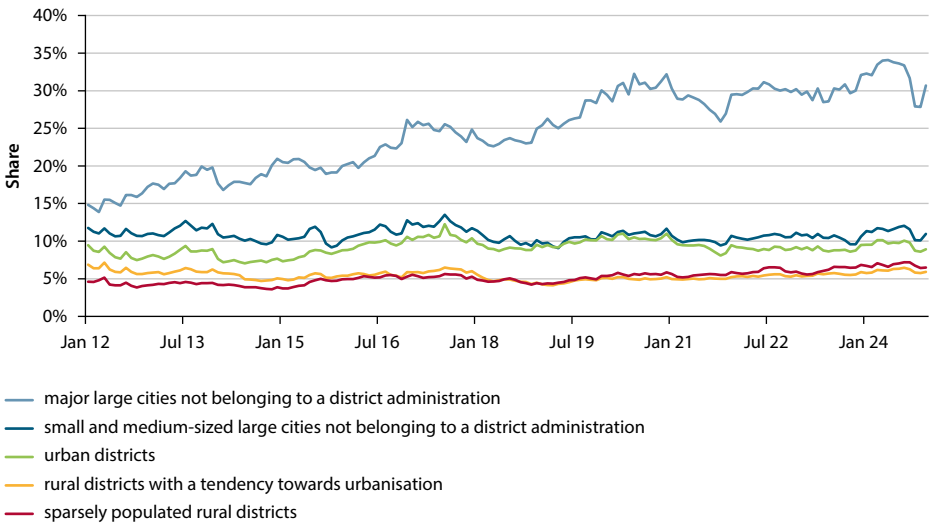
Immobilien-Konjunkturtrends 2026 [in German]

Strong increase in offers of furnished, temporarily rented flats in metropolises

by Alexander Schürt

In large cities not belonging to a district administration, the range of furnished and temporarily rented flats advertised on the Internet has strongly increased in recent years. According to a new study by Institute for Housing and Environment – Institut Wohnen und Umwelt GmbH (IWU) on behalf of the Federal Ministry for Housing, Urban Development and Building and the BBSR, by the end of 2024 this special rental segment already accounted for more than 30% of all advertisements for flats in large cities with more than 500,000 inhabitants, in which the rent brake applies. In 2012, it had only been around 15%.

Share of advertised offers for furnished and temporarily rented flats in all advertisements according to settlement structure-related types of districts



The figure shows the share of a special rental segment in all advertisements of a settlement structure-related type of district

Sources: VALUE Marktdatenbank; Institute for Housing and Environment (IWU)

published in the following German-speaking report:
Krapp, M.-C.; Rupert, E.; Cischinsky, H.; Nuss, G.; Schäfer; H., 2026: Mietwohnungssegmente: Bedeutung und Auswirkungen auf den Mietwohnungsmärkten (Rental housing segments: importance for and impacts on the rental housing markets) Published by: Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR). BBSR-Online-Publikation 01/2026. Bonn, page 77.

Furnished and temporary tenancies are no longer a marginal phenomenon, but are increasing on the housing market in metropolises. However, in small and medium-sized large cities, urban districts and rural areas, the proportion has been significantly lower and largely stable for several years.

The researchers see the results as related to the introduction of the rent brake in 2015 and to a targeted shift of housing offers to a less regulated or non-transparent market segment. The data suggest that a part of the unfurnished rental housing offer will be moved to the furnished and temporarily rented segment in order to avoid the rental price brake. However, the demand for these flats has also increased.

At the same time, rents have risen strongly in this segment. Nationwide, the average quoted rent for furnished, temporarily rented flats rose by more than 80% between 2012 and the end of 2024 to over €27 per m². In cities with a rent brake, prices recently were easily over €30, in cities without a rent brake at around €21. Price increases for new flats and flats by commercial providers were particularly strong, while the rents for privately rented, furnished flats rose much more moderately.

The study was based on more than 17.2 million online advertisements for flats from 2012 to 2024, an average of around 300,000 per month. In a follow-up study, the BBSR will be analysing the developments of these and other special rental segments, particularly the demand side in order to determine in more detail their importance and the influence of regulation and alternative strategies on the housing markets.

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Resource-saving building: circularity tool links circularity assessment and life-cycle assessment of buildings

by Claus Asam and Isabel Dietsch

Until now, the scientific methodology used to assess the interactions between the layers of a component has lacked sufficient depth of detail for evaluating the circularity of building constructions in Germany. With the new criteria profile *U.05 circularity* within the Assessment System for Sustainable Building (BNB), the BBSR has created a basis for designing for circularity in new construction and classifying existing buildings. Measurable and comparable indicators now provide policy-makers with an additional basis for argumentation to promote circular procurement in the areas of tendering and awarding contracts.

The purpose of the assessment is to support a multiple circular use of building materials and components. Within the process, the following two subcriteria are evaluated separately: the deconstruction capacity (measured by the deconstruction potential) and circularity at the end of life (measured by the circularity potential).

In order to enable assessment, users first have to record all components of a building, usually via a life-cycle assessment (LCA). Both the LCA and the circularity assessment are based on a common database with material and product data. Recording the individual components with their layers and joints is a prerequisite for obtaining a reliable forecast about the circularity of a building at the end of its life. Furthermore, a consistent recording supports the integration of these data into digital formats like a building resource passport and building information modelling (BIM). The linked parameters on material flows, reuse and recycling potentials, and on emissions during the life-cycle of a building provide the basis for implementing digital building data platforms.

Resource-saving construction also requires a consideration of environmental impacts in their entirety and hence links circularity assessment and life-cycle assessment. Although they have different dimensions, the goal of both approaches is to reduce the negative environmental impacts of construction. Not every example of circularity in construction has lower emissions and requires less energy. Practising the two approaches separately might lead to conflicts between the political goals of resource conservation and climate protection. This is why the BNB assessment takes three levels into account (see figure):

1. Level of building material with raw material input (raw material input — RMI indicator from the ÖKOBAUDAT database);
2. Level of component construction with deconstruction and circularity potential
3. Level of building with life-cycle assessment and building physics-related requirements for the building envelope such as thermal insulation and soundproofing

Weighing up the interactions between these levels may help to design and realise a holistically coordinated, resource-saving building. The BBSR has developed an open-source tool (circularity tool) for practical application which involves an optimised interface to life-cycle assessment. The tool simplifies the process of assessing circularity and makes it easier for LCA software providers to integrate and exchange data.

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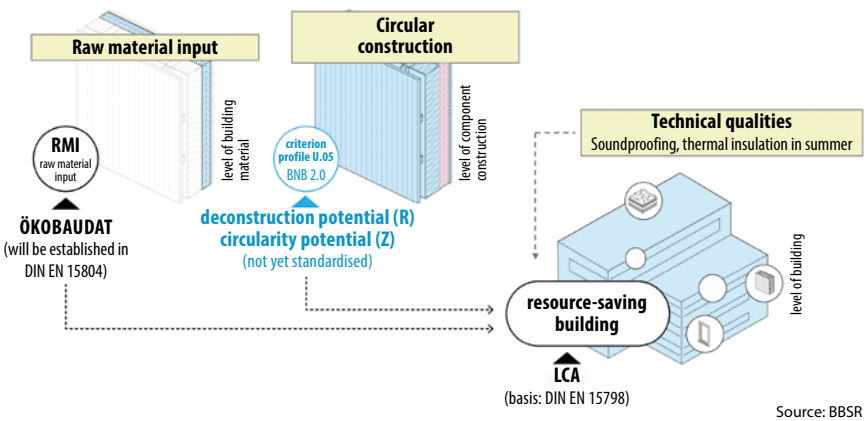
BNB circularity assessment tool (in German, English and Spanish): https://zirkularitaet.bauteileditor.de

Resource-saving building in the context of the BNB assessment of buildings: the connection between raw material input, circular construction and technical qualities



Source: BBSR

19th Federal Congress on National Urban Development Policy

The Federal Ministry for Housing, Urban Development and Construction, together with the Conference of State Ministers for Construction, the German Association of Cities and the German Association of Towns and Municipalities, is hosting the 19th Federal Congress on National Urban Development Policy.

The theme of the congress, which will take place in Cologne from 14 to 16 September 2026, is "Acting together, moving faster, thinking ahead: shaping cities for everyone".

The development of our towns and local authorities is currently characterised by a great need for action and the question of how best to tackle the challenges of transformation for the benefit of all. The increasing pace at which multiple crises are occurring simultaneously requires us to rethink processes and implement them more swiftly. At the same time, academia and research, business, politics, public administration and civil society are already testing and implementing many innovative ideas for the democratic, resilient and rapid implementation of planning processes, which will be presented during the congress. The focus will be on new forms of collaboration and reformed planning procedures, which will be discussed on the basis of specific projects.

More information can be found at
www.bbsr.bund.de [in German]

Imprint

Published and produced by
Federal Institute for Research on Building, Urban Affairs and Spatial Development within the Federal Office for Building and Regional Planning, Bonn
Sascha Güssgen, Dr Peter Jakubowski, Matthias Waltersbacher, Dr Carola Neugebauer

Edited by
Marius Matheja

Layouted by
Katrin Heimersheim

Translated and proofread by
Beatrix Thul, KERN AG

Printed by
Druckerei Eberwein oHG, Wachtberg

Research News is published twice a year. It is available at www.bbsr.bund.de/BBSR/EN. Print copies can be ordered free of charge. Free to reprint. Please send us specimen copies.

Picture Credits
Cover picture: BBSR / Wenxin Hu; p. 2: BBSR / Niklas Janke; p. 8: A. Jonas; p. 11: KRIHS; p. 12: SW Photography via Getty Images; p. 16: M. Schuppich – stock.adobe.com

Quotation
Research News 1/2026 – August.
https://doi.org/10.58007/bxf2-pt72

DOI 10.58007/bxf2-pt72
ISSN 3093-9941 (Print)
ISSN 1437-5850 (Online)