

Press Release

Berlin, 24 March 2026

Sharp rise in property lending

Lending volume of vdp member institutions rose 15.7 % in 2025

At € 148.6 billion, the institutions affiliated with the Association of German Pfandbrief Banks (vdp) extended a significantly higher volume of property loans in 2025 than in the previous year. The increase amounted to 15.7 % (2024: € 128.4 billion), with quarterly volumes ranging from € 36.3 billion to € 38.2 billion. New lending was evenly distributed throughout the year, with the highest level recorded in the final quarter.

As in previous years, **residential property loans** once again dominated real estate finance in 2025. Lending for residential properties reached a volume of € 92.6 billion – an increase of 17.5 % compared with the previous year's figure (2024: € 78.8 billion).

The volume of new **commercial property loans** totalled € 56.0 billion across all four quarters – up 12.9 % on 2024. Starting from a low base, new lending recovered slightly in the reporting year but remained well below the long-term average in light of structural changes in the commercial real estate market and the broader economic environment.

“In 2025, Pfandbrief banks recorded an increase in real estate lending across nearly all property types.”

Jens Tolckmitt

“In light of the economic and geopolitical environment, the Pfandbrief banks are satisfied with the performance of their property lending business in 2025,” said **Jens Tolckmitt**, noting that the volume of new lending increased across almost all property classes. Demand for lending in the residential property segment rose both for the purchase of existing properties and for new residential construction – in line with figures recently published by the German Federal Statistical Office showing a modest increase in building permits, Tolckmitt added.

Residential mortgage finance: One- and two-family houses led the way

In 2025, new residential mortgage lending of € 44.2 billion was once again dominated by loans for one- and two-family houses, which accounted for just under 48 % of the total volume in the residential segment (€ 92.6 billion). They were followed by loans for multi-family houses and condominiums, with volumes of € 22.8 billion and € 20.7 billion, respectively. At 27.4 %, loans for multi-family houses recorded the strongest growth in the year under review. One- and two-family houses and condominiums posted growth rates of 16.3 % and 15.6 %, respectively.

Commercial real estate finance: Offices accounted for over half of lending

At € 28.8 billion, loans for office properties accounted for more than half of all new commercial real estate business in 2025 (€ 56.0 billion). As in previous years, new lending for retail and hotel properties lagged significantly behind, with volumes of € 13.5 billion and € 4.5 billion, respectively. Lending for industrial buildings amounted to € 1.2 billion in the reporting year, while loans for other commercially used properties came to € 8.0 billion.

Portfolio of property loans remained broadly stable

As of 31 December 2025, the portfolio of property loans extended by vdp member institutions amounted to € 1,040.3 billion. Consequently, total property financing was roughly in line with the previous year's level (31 December 2024: € 1,042.1 billion). However, developments varied across segments: while residential property lending increased by 1.3 %, commercial property lending declined by 3.8 %. At 85.3 %, the overwhelming majority of lending continued to be attributable to properties in Germany.

Comprehensive data on vdp member institutions' property financing activities, together with tables and charts available for free use, can be found on the vdp website at the following link: [LINK](#).

About the Association of German Pfandbrief Banks (vdp)

The Association of German Pfandbrief Banks is one of the five associations that make up the German Banking Industry Committee. It represents the sector's most important providers of finance for residential and commercial property, governments and public-sector institutions. The vdp advocates for the continued success of the Pfandbrief and represents the specific, Pfandbrief-related interests of its member institutions vis-à-vis lawmakers, regulators and markets at national and international level.

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