

Research Germany

Residential market Stuttgart

Completion figures also down in 2021



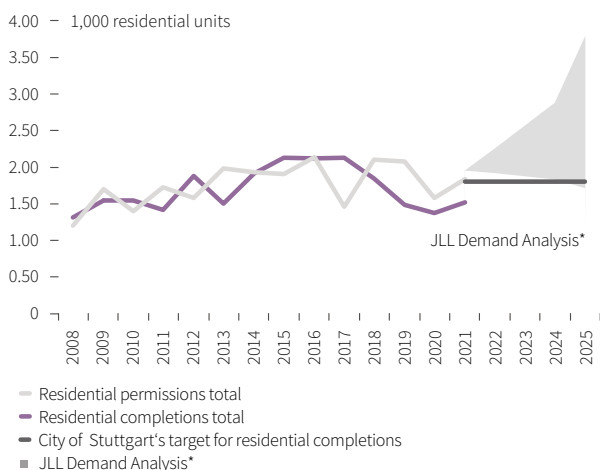
Residential market

Stuttgart

Completion figures also down in 2021

In the state capital of Baden-Württemberg, 1,517 new apartments were completed last year. This represents a decline of around two percent compared to 2020. Despite an increase in the number of building permits in 2021 (1,835), the number of completed apartments is not sufficient to meet demand. The construction backlog is quite high, with 5,174 apartments for which construction has not yet started or is still under construction. This is the highest level since 2014 (5,183 apartments).

Housing supply and demand for new buildings Stuttgart



*Additional annual need for housing units (includes also apartments in detached houses) without consideration of current construction deficits.
Source: destatis, JLL (Status: July 2022)

With a current completion rate of 24 apartments per 10,000 inhabitants, Stuttgart ranks second to last, ahead of Cologne, when compared with the Big 8 cities. The projected median demand scenario calls for up to 27 new apartments per 10,000 residents annually through 2030. The discrepancy between completions and demand does not initially appear too great, but there is already a very high construction overhang. A challenge for the Stuttgart housing market in the future will not only be the high demand for housing, but also the scarcity of residential building land. In addition to internal development and high-quality redensification, the development of building land in the outer areas of the city limits is to be promoted, above all with the help of the Stuttgart model. Furthermore, the city has set itself the goal of creating more affordable housing in the coming years. The development of rents and purchase prices was positive again in the first half of 2022 and ended the downward trend from the previous year. The average asking rent in the city of Stuttgart has risen by +2.6% and now stands at €15.55/m². The residential property purchase market is also showing a positive trend but is losing some of its momentum. This is particularly noticeable in the falling prices in the new-build and prime segments. The median asking price in Stuttgart is now 5,530 €/m².

Selected developments under construction Stuttgart

Name	Location	Residential units	Completion date
Keltersiedlung Zuffenhausen	Zuffenhausen	ca. 265	2024
Hansa-Areal	Möhringen	ca. 175	2022
Wohnbauprojekt am Eschbach	Freiberg	ca. 128	2024
Stafflenberg-Areal	Mitte	ca. 90	2023

Source: Thomas Daily, JLL (Status: July 2022)

Rental market

Stuttgart

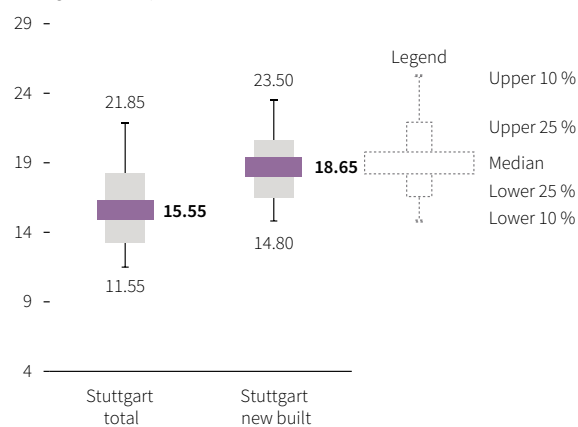
Downward trend on the Stuttgart rental market ends, median rents with positive development

In the first half of 2022, a positive trend can be seen in the Stuttgart residential market. The median rents on offer have increased by +2.6% over the past year and now stand at €15.55/m²/month. Compared with the previous year's figure (-1.6%), rents are therefore rising again. In the top segment (most expensive 10% of rental offers), median rents are also recovering. Compared with the same period last year (-11.2%), the current trend is -1.6%. The median rental price in the top segment is €21.85/m²/month in the first half of 2022. In the lower price segment, by contrast, momentum slowed. After +8.5% in the prior-year period, growth here was most recently +0.9% and thus also well below the five-year figure of +4.1%. There was an upward trend both in smaller apartments and in the new build segment. The partly significant decline compared with the previous year (-11.4% and -0.8%, respectively) turned into growth of +3.3% and +3.9% in the first half of 2022. The highest rents, at €16.40/m²/month, are demanded in the city center, while the lowest are in the North district at €14.10/m²/month.

Rental price bands for listed apartments

Stuttgart – H1 2022

Asking rent in €/sqm/month

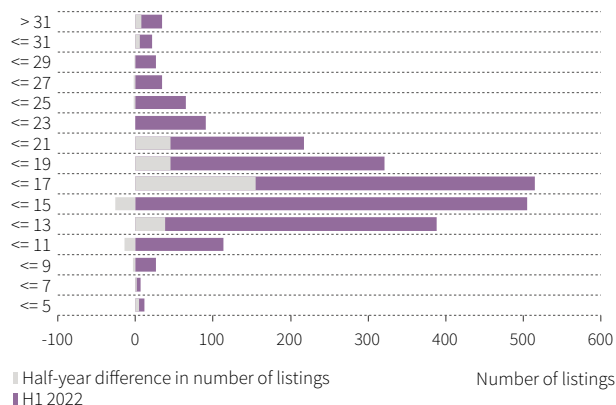


Source: JLL, VALUE Marktdaten (Status: July 2022)

Distribution of rental listings by price group

Stuttgart

Price group in €/sqm/month

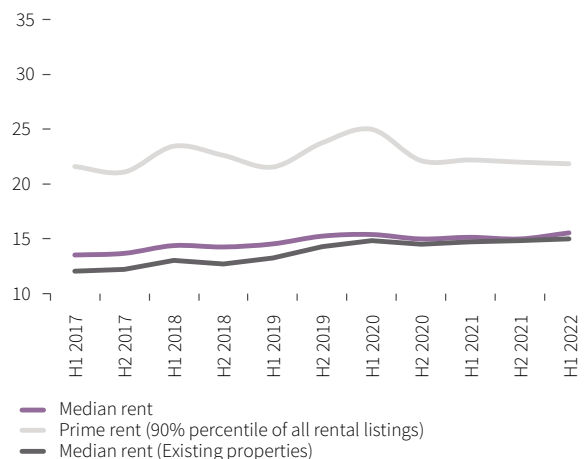


Source: JLL, VALUE Marktdaten (Status: July 2022)

Development of rental prices

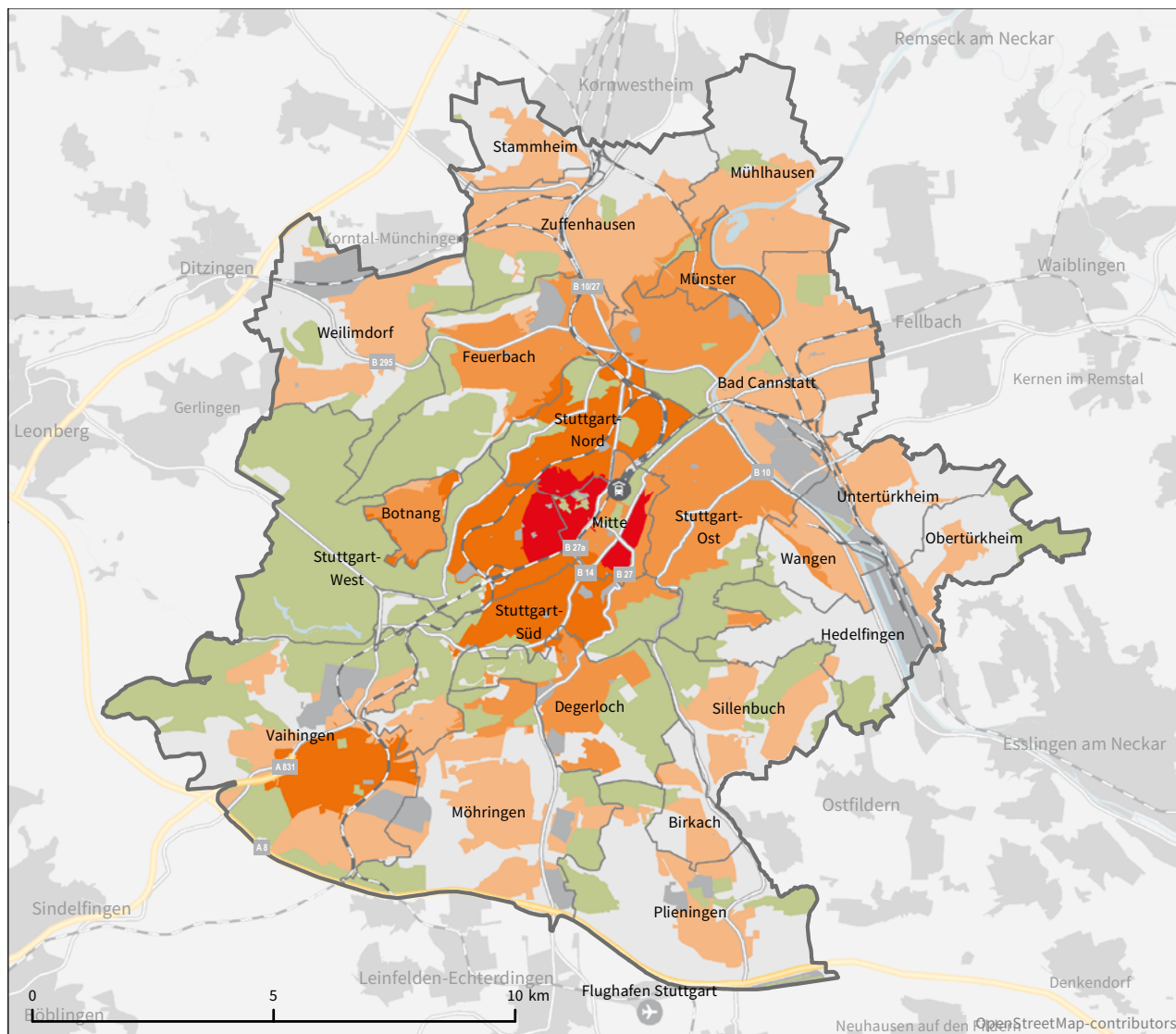
Stuttgart

Asking rent in €/sqm/month



Source: JLL, VALUE Marktdaten, IDN immodaten (Status: July 2022)

Asking rental prices Stuttgart



Rent Level

Average in €/sqm/month on postcode level

< 13.00

16.00 < 17.00

Water Area

Industrial or
Traffic Area

13.00 < 15.00

>= 17.00

Green Area

Other Area

15.00 < 16.00

Source: JLL. VALUE Marktdaten

Market for condominium apartments Stuttgart

Falling purchase prices in the new-build segment and top prices

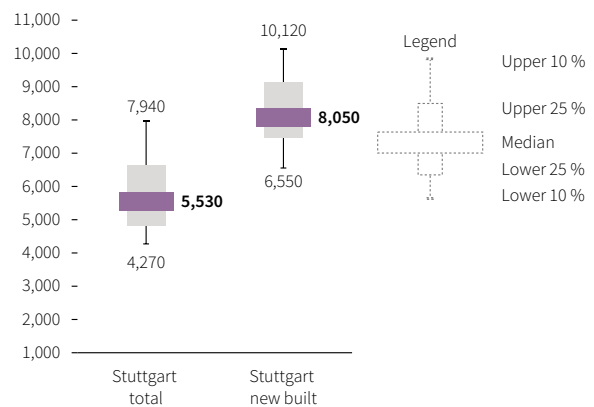
Median purchase prices in Stuttgart continue to rise, but at a slower pace than before. In the first half of 2022, the increase of +6.6% (€5,530/m²) was slightly above the five-year average (+5.9%) but below the previous year's figure (+8.1%). The top segment (most expensive 10% of the purchase offers) showed a slight decline of -2.6%. The top purchase price now stands at 7,940 euros/m². Following strong growth in the same period of the previous year (+13.4%), momentum has thus been slowed considerably. The current development is also significantly below the five-year average (+5.3% p.a.). The greatest growth in the past year was achieved in the lower price segment (cheapest 10% of purchase offers). Here, growth of +10.1% was recorded. This figure is not only above that of the same period last year (+8.7%), but also above the average of the last five years (+9.2%). The current price in the lower segment is 4,270 euros/m². In the new-build segment, there was a significant decline in asking purchase prices (-1.2%) compared with the previous year's level (+6.5%). In the new-build segment, 8,050 euros/m² will thus be demanded in the first half of 2022.

The highest asking prices are found in the inner city district at 5,900 euros/m², while the lowest hung in the north-east district at 4,830 euros/m².

Purchase price bands for condominiums

Stuttgart – H1 2022

Purchase price in €/sqm

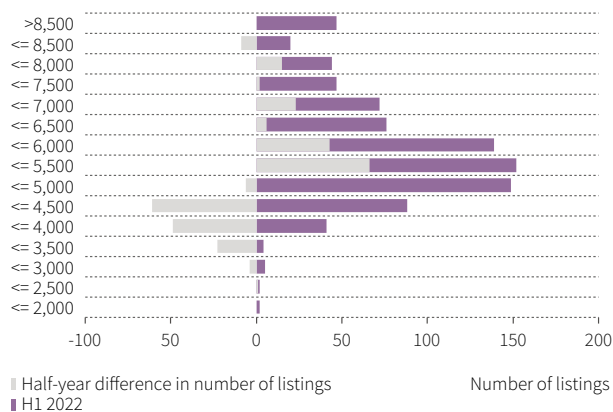


Source: JLL. VALUE Marktdaten (Status: July 2022)

Distribution of condo listings by price group

Stuttgart

Purchase price group in €/sqm

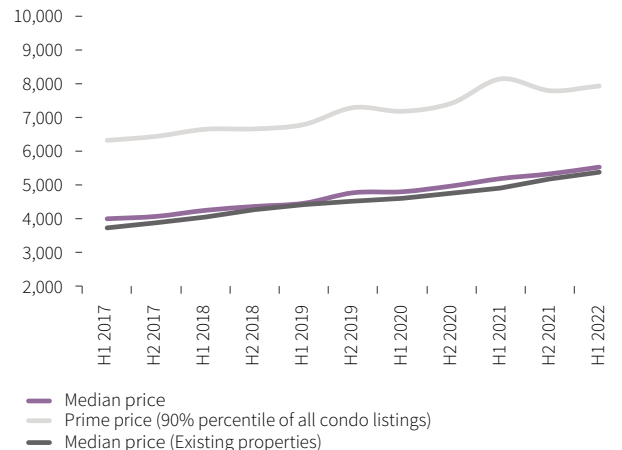


Source: JLL. VALUE Marktdaten (Status: July 2022)

Development of purchase prices for condominiums

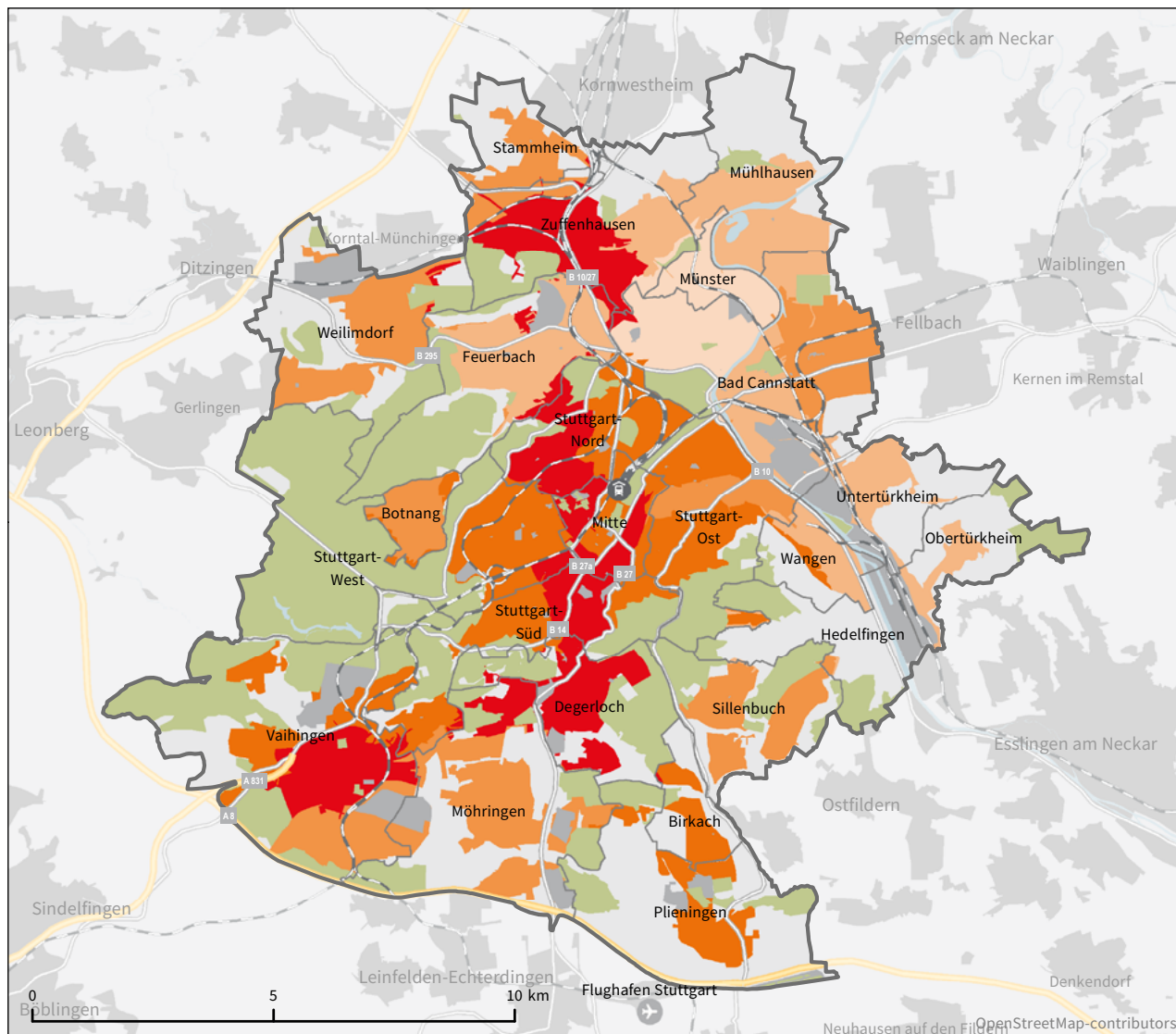
Stuttgart

Purchase price in €/sqm



Source: JLL. VALUE Marktdaten, IDN immodaten (Status: July 2022)

Asking condominium prices Stuttgart



Condominium price level

Average in €/sqm on postcode level

< 4,500

5,500 < 6,000

Water Area

Industrial or
Traffic Area

4,500 < 5,000

≥ 6,000

Green Area

Other Area

5,000 < 5,500

Source: JLL. VALUE Marktdaten



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