

Growth of residential prices in Germany accelerated

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Prices of residential property in Germany grew by 1.4 % yoy in the third quarter, compared to a growth of 0.7 % in the previous three months. This is the most significant increase recorded since the end of 2008. VDP, the German association of mortgage lenders, reported this. Reuters data show that the property market is supported by a significant recovery of the German economy together with a strong labour market. VDP expects a slight increase in residential property prices also in the next quarter. “The visible economic recovery and the unexpectedly favourable labour market development speak in favour of this trend,” said head of the association, Jens Tolckmitt. “This trend is also supported by the consistently favourable financial conditions and by the slowdown in new construction which restricted supply of new flats,” he added. The recovery of the largest European economy has already acquired a solid and wide base which indicates a strong growth in the coming quarters.

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