

Berlin Property Investment





■ Capital of the biggest economy in Europe, a favoured city to live and work.

Due to Germany's current weak economy, Berlin offers great investment opportunities with highest yields and lowest rents by national comparison.

Demand from foreign investors has increased dramatically due to prices having hit unsurmountable levels in other parts of the world compared with the exceptionally low prices of Berlin.

Yields between 5% and 9% are currently attainable but the quality and location of the property will influence the purchase price and yield





■ C.D.M. Associates is a Monaco consultancy specialising in the residential property market in Berlin, Germany.

For the past year CDM has been establishing relationships with Berlin's major estate agents, individual property owners and several major German banks that specialise in property finance.

At the same time a complete management team has been established to manage properties purchased by CDM clients, the team's objectives are to efficiently manage, to maximise both yield and capital growth potential.

Due to the current situation, there are more buyers than sellers, good properties are available for a short period of time and in some cases only offered to favoured clients.





■ For this reason CDM recommends to their clients that finance facilities are in place prior to making an offer on a property.

Several banks have agreed to offer finance (in principle) to CDM clients on the basis of their credit rating (established by the bank based on the individual's financial statement) and subject to a property survey.

This system has worked to advantage in the past where a quick decision was required. In general terms, subject to location and income, banks will loan (to foreign investors) between 60-80% of the purchase price of the property.

Purchasing costs (Notary, Tax, Agents Fees) in Germany are relatively high, normally 12% of the purchase price. In the past the most popular lot sizes have been in the range of 600-1.200K€ range and usually 10-25 apartments, mostly fully rented with yields of between 5-8% in good condition and with potential to either increase rents or capital growth.



RECENT PROPERTIES



■ Location: Berlin Wilmersdorf
Total Area: 1,420 m²
Year of construction: 1962
Net Yield: (actual)5.68%, (potential)7.45%
Price per square meter: € 950.70
Selling Price: € 1,350,000



■ Location: Berlin Mitte
Total Area: 1,026 m²
Year of construction: 1865
Net Yield: (actual)6.50%, (potential)7.80%
Price per square meter: € 1,062.00
Selling Price: € 1,090,000



■ Location: Berlin Mitte
Total Area: 2,135 m²
Year of construction: 1900
Net Yield: (actual)5.49%, (potential)5.95%
Price per square meter: € 1,029.96
Sold recently for € 2,200,000





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