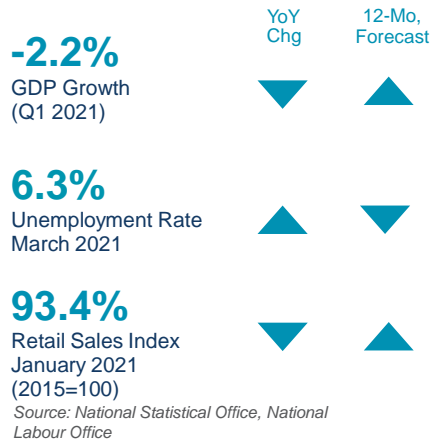


Source: GfK, National Statistical Office; all figures as of March 2021, Price index 2015=100

## ECONOMIC INDICATORS 2021



### Restaurants and most shops still closed

Germany is still in lockdown due to the high numbers of new Sars-Cov-2 infections. Some easing took place in March, permitting “click and meet” retail under specific conditions, however, most non-essential stores and restaurants have been offering only delivery services or click and collect for many months. Re-opening rules differ in the individual federal states and municipal areas. In the first quarter of 2021 footfall figures in the major high streets were less than half the level of a year ago. Consumer sentiment, as measured by the GfK Consumer Climate Index, remained negative. The number of unemployed persons increased by 120,000 in the first quarter. In February 2021, non-food retailers faced a decrease in turnover of almost 14% compared to the same month a year ago whereas supermarkets and hypermarkets saw an increase of almost 1%, while online sales were 34% higher in February 2021 than in February 2020.

Restrictions to private and public life as well as for shop openings are stretching into the second quarter.

### New openings – ongoing investment focus on food-driven stores

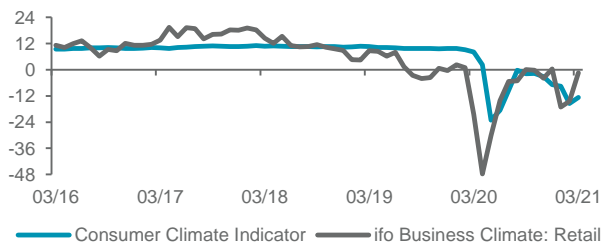
For many retailers, the pandemic has been used as an opportunity to clean up their branch structure and for others the pandemic has provided an opportunity to open a branch in a location that would have been unobtainable in pre-pandemic times. Therefore, a certain level of letting has been maintained. A proportion of new leases are however concluded for a term of only a few months and there were few new entrants into the German market. It appears generally accepted that the prime pitches will be shorter post-crisis than they were previously and that stores must sell emotions and experiences in order to sell their goods.

Investment volume for retail assets (€1.3 bn) was 73% lower than one year ago, with 30% directed to high-street assets and almost 50% to food-driven stores.

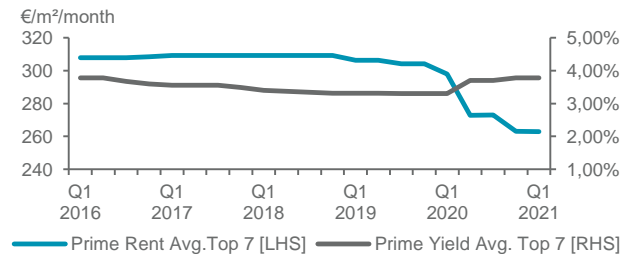
### Tenants ask for Rent Reviews

Prime rents for new lets in the major high streets maintained their Q4 2020 level. The same is true for prime high street yields. Tenants are requesting for rent reductions to cope with the challenging situation.

### CONSUMER and BUSINESS CLIMATE



### HIGH STREET RETAIL - PRIME RENTS and YIELDS





## MARKET STATISTICS

MARKETS	FOOTFALL* Monthly Avg. Q1 '21	Growth Y-o-Y*	PRIME RENT (EUR / M <sup>2</sup> / MONTH)	Change Y-o-Y	PRIME YIELD	Change Y-o-Y
Berlin, Taubentzenstraße	132,779	n/a	270	-12.9%	3.60%	50 bp
Cologne, Schildergasse	472,654	-64%	240	-15.8%	3.95%	45 bp
Dusseldorf, Königsallee	139,304	-62%	250	-13.8%	3.95%	45 bp
Frankfurt, Zeil	482,027	-67%	265	-13.1%	3.80%	50 bp
Hamburg, Spitalerstraße	236,501	-73%	260	-13.3%	3.90%	50 bp
Munich, Kaufinger / Neuhauser Straße	409,745	-77%	320	-12.3%	3.30%	50 bp
Stuttgart, Königsstraße	531,759	-55%	235	-13.0%	3.95%	45 bp

\*Source: Hystreet.com

## SELECTED LEASE TRANSACTIONS Q1 2021

PROPERTY	MARKET	TENANT	M <sup>2</sup>	TYPE
Königsallee 17	Dusseldorf	RH Restoration Hardware	1,700	2 floors, former space of A&F
Neue Schönhauser Straße	Berlin	Bimba y Lola	150	First store in Germany
Schadow Arkaden	Dusseldorf	Sephora	350	Flagship store, former space of H&M
Rathenauplatz 1	Frankfurt	Canada Goose	500	2 floors, former space of Zara Home
Neuer Wall	Hamburg	Shaping New Tomorrow	300	First store in Germany

## SELECTED SALES TRANSACTIONS Q1 2021

PROPERTY	MARKET	SELLER / BUYER	M <sup>2</sup>	PRICE (€MN)
18 High Street Assets in smaller cities	Various	BMO RE Partners / Interra	24,000	~ 25
Zehlendorfer Welle (Shopping Centre)	Berlin	Ares Management JV Cells Property Investors / Values Projektentwicklung	25,800	~ 125
Krohnstieg Centre (Shopping Centre)	Hamburg	HBB / Hahn Group	18,000	~ 65

## SELECTED CONSTRUCTION COMPLETIONS Q1 2021

PROPERTY	MARKET	MAJOR TENANT	M <sup>2</sup>	OWNER / DEVELOPER
Refurbishment of former Furniture Store in Rheinallee-Zentrum	Mainz	Fahrrad XXL Franz	9,000	FAS Vermietungs- und Grundstücksgesellschaft
DIY	Herford	Obi	10,000	Schoofs / Schoofs

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