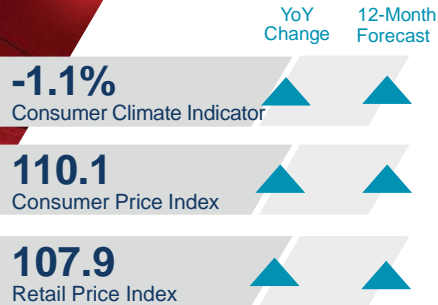


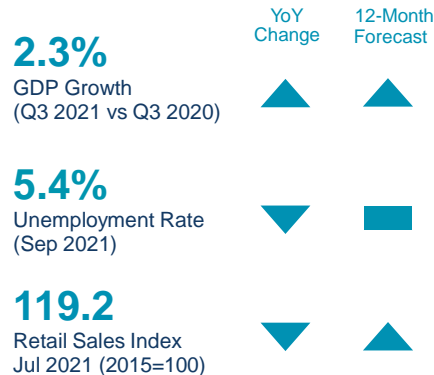
GERMANY

Retail Q3 2021



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

ECONOMIC INDICATORS



Source: Moody's Analytics, National Labour Office, National Statistical Office

NOT YET NORMAL

During the third quarter, the Covid-19 pandemic eased further accompanied by indications of economic recovery. By the end of September, almost 68% of the population had been vaccinated at least once and 65% fully vaccinated. Footfall in the major high streets increased and reached numbers close to those of Q3 2020, however, the figures are lower than in the pre-pandemic quarter. Consumers are still obliged to wear a surgical mask inside shops and when entering restaurants. Despite this, long queues in front of stores are testament to consumers' enthusiasm to finally shop in-store again. Where shop and restaurant operators decide to allow access only to customers who have recovered from Covid or are vaccinated, major restrictions may be dropped. At the end of the third quarter shop operators reported more supply bottlenecks for goods and are therefore looking somewhat sceptically to the fourth quarter.

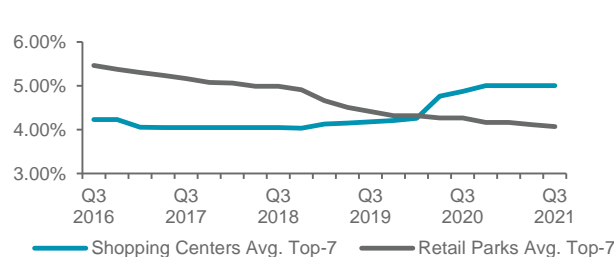
HIGH STREETS WILL CHANGE – RETAIL WAREHOUSES INVESTORS FAVOURITE

Department store chain Galeria Karstadt Kaufhof announced the investment of €400 million in refurbishing and rebranding its 131 stores in Germany, the majority of which are important high street anchors. Henceforth, the pure sales area will be smaller and more services will be offered including cultural events, e-bike stations and parcel delivery stations. There will be three categories by location: "Weltstadthaus" (global city store) for major cities, "Regionaler Magnet" (regional magnet) for small cities and "Lokales Forum" (local forum) for larger towns. The pilot cities are Frankfurt, Kassel and Kleve. Penny is the first German discount supermarket to test its own "quick-commerce" delivery service. Customers may receive their ordered goods within 45 minutes or in an agreed time slot. The test regions are Berlin, Hamburg and Cologne. At the same time Gopuff, Doordash, Getir and Wuplo have announced that they want to enter the market as "quick-commerce" grocery providers and are searching dark stores as suitable locations. Investment volume for retail assets exploded in the third quarter, reaching €3.1 bn. The volume was driven by three large-volume portfolio retail warehouse transactions. The largest shopping centre transaction was the sale of the Park Center in Berlin.

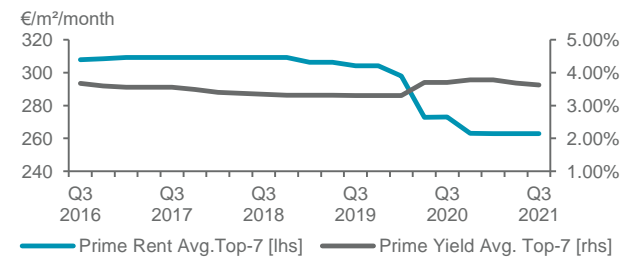
YIELD GAP BETWEEN SHOPPING CENTERS AND RETAIL PARKS WIDENS FURTHER

Prime rents for new lets in the major high streets maintained their Q4 2020 level, whereas prime high street yields compressed by 15 basis points in the last six months. However, they are still 30 to 35 basis points above their pre-crisis level. The average prime yield for the top-7 markets is 3.63%, retail park prime yields stand at an average of 4.06% and shopping centre yields at 5.00%

PRIME YIELDS – SHOPPING CENTERS/RETAIL PARKS



HIGH STREET RETAIL - PRIME RENTS and YIELDS





MARKET STATISTICS

Markets	Prime Rent* High Street	Change YoY	Prime Rent* Shopping Centers	Change YoY	Prime Rent* Retail Parks	Change YoY	Prime Rent** Supermarkets	Change YoY	Prime Yield** High Street	Change YoY	Prime Yield** Shopping Centers	Change YoY	Prime Yield** Retail Parks	Change YoY	Prime Yield** Supermarkets	Change YoY
Berlin	270	-3.6%	34.80	-3.3%	14.20	0.0%	15.00	0.0%	3.45%	-5bps	5.00%	15bps	4.05%	-20bps	4.80%	-30bps
Cologne	240	-4.0%	34.80	-3.3%	14.70	0.0%	14.50	0.0%	3.80%	-10bps	5.10%	15bps	4.05%	-20bps	4.80%	-30bps
Düsseldorf	250	-3.8%	39.30	-3.4%	14.70	0.0%	14.50	0.0%	3.80%	-10bps	5.10%	15bps	4.15%	-20bps	4.80%	-30bps
Frankfurt	265	-3.6%	38.10	-4.3%	15.20	0.0%	15.50	0.0%	3.65%	-5bps	5.10%	15bps	4.15%	-20bps	4.80%	-30bps
Hamburg	260	-3.7%	39.80	-2.9%	15.20	0.0%	15.50	0.0%	3.75%	-5bps	5.00%	15bps	4.05%	-20bps	4.80%	-30bps
Munich	320	-3.0%	46.90	-3.9%	16.20	0.0%	16.75	0.0%	3.15%	-5bps	4.60%	0bps	3.85%	-20bps	4.30%	-30bps
Stuttgart	235	-4.1%	38.30	-3.8%	15.20	0.0%	15.50	0.0%	3.80%	-10bps	5.10%	15bps	4.15%	-20bps	4.80%	-30bps

*EUR/m²/m²; ** net initial

SELECTED LEASE TRANSACTIONS Q3 2021

Property	Market	Tenant	m ²	Type
Westfield Hamburg-Überseequartier	Hamburg	Breuninger	14,000	3 floors, opening autumn 2023
Kil, Gustav-Gründgens-Platz	Düsseldorf	Coolblue	2,600	1 st shop in Germany
Nordwestzentrum, Limescorso	Frankfurt	Peek & Cloppenburg	2,800	"Pop Up Sale Fashionnow", short-term lease

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SELECTED SALES TRANSACTIONS Q3 2021

Property	Market	Seller / Buyer	m ²	Price (€ million)
Park Center, Shopping Center	Berlin	Aroundtown / Angelo Gordon JV Kintyre	28,000	~ 80
Neißepark, Shopping Centre	Görlitz	CEV / BMO RE Partners	27,000	~ 60
34 former Real Hypermarkets	National	SCP Group / x+bricks	425,000	~ 1,000
51 Supermarkets/Discounters	National	Patrizia / GPEP	144,400	~ 315

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SELECTED CONSTRUCTION COMPLETIONS Q3 2021

Property	Market	Major Tenant	m ²	Owner / Developer
Flair, Shopping Center	Fürth	Expert, JD Sports, H&M	18,000	P&P Group