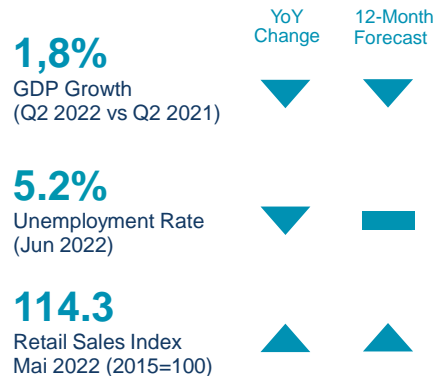


Sources: GfK, National Statistical Office; all figures as of Jun 2022, Price index 2015=100

ECONOMIC INDICATORS



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

RESTRAINED CONSUMER SENTIMENT

At the end of June 2022, the average unemployment rate was 5.2% indicating that the weakening in the German economy has not unduly affected the labour market. Compared to the same point last year, the unemployment rate has decreased by 0.5% points. Nevertheless, consumer sentiment, as measured by the GfK Consumer Climate Index fell to a historic low of minus 26.2 points in June due to high inflation and due to concerns of a weakening in the economy in autumn and winter. Consumer prices for groceries increased by 12.7% (y-o-y) in June. Consumer prices of energy increased by 38%, thus limiting the ability and willingness to spend.

HIGH ENERGY COSTS CAUSE CONCERN FOR RETAILERS

Most retailers in Germany are feeling the effects of the Russian war in Ukraine on their own businesses. As a recent nationwide survey of more than 900 retail companies by the German Retail Association (HDE) shows, the sector is facing higher energy and supplier prices as a result of the war.

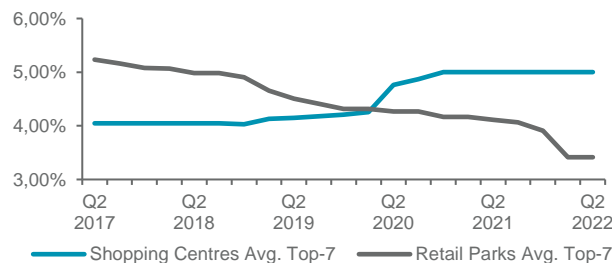
€3.5 BILLION TRANSACTION VOLUME FOR RETAIL ASSETS

Total transaction volume for retail assets in the 1st half of 2022 was around €3.5 billion which is 65% higher than first half of last year. Retail park properties remain the most sought-after asset class by investors and dominated market activity, contributing 59% of the retail transaction volume. The largest shopping centre transaction was the sale of the Gera Arcaden in Gera (€116 million).

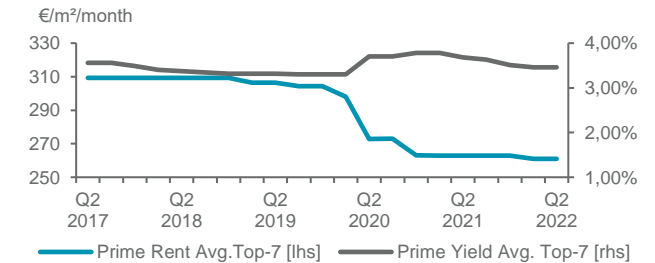
YIELD GAP BETWEEN SHOPPING CENTRES AND RETAIL PARKS WIDENS FURTHER

Prime rents for new lets in the major high streets and in retail parks remained stable while prime rents in shopping centres rose slightly in the 2nd quarter. After the downward trend in the 1st quarter, prime yields for high-street properties remained static in the 2nd quarter. Accordingly, prime yields are still higher than pre-pandemic. The average yield gap between retail parks and shopping centres widened to 160bps by the end of Q1 2022 and remained stable in Q2.

PRIME YIELDS – SHOPPING CENTRES/RETAIL PARKS



HIGH STREET RETAIL - PRIME RENTS and YIELDS





MARKET STATISTICS

Markets	Prime Rent* High Street	Change YoY	Prime Rent* Shopping Centres	Change YoY	Prime Rent* Retail Parks	Change YoY	Prime Rent** Super-markets	Change YoY	Prime Yield** High Street	Change YoY	Prime Yield** Shopping Centres	Change YoY	Prime Yield** Retail Parks	Change YoY	Prime Yield** Super-markets	Change YoY
Berlin	270	0.0%	35.00	0,6%	15.20	7.0%	15.20	1.3%	3.30%	-20bps	5.00%	0bps	3.40%	-70bps	3.95%	-90bps
Cologne	240	0.0%	35.00	0,6%	14.70	0.0%	14.70	0.0%	3.65%	-20bps	5.10%	0bps	3.40%	-70bps	4.05%	-80bps
Düsseldorf	250	0.0%	39.50	-0,5%	14.70	0.0%	14.70	1.4%	3.65%	-20bps	5.10%	0bps	3.50%	-70bps	4.05%	-80bps
Frankfurt	260	1.9%	38.30	0,5%	15.50	2.0%	15.50	0.0%	3.40%	-30bps	5.10%	0bps	3.50%	-70bps	3.95%	-90bps
Hamburg	260	0.0%	40.00	0,5%	15.50	2.0%	15.50	0.0%	3.60%	-20bps	5.00%	0bps	3.40%	-70bps	4.05%	-80bps
Munich	320	0.0%	47.10	0,4%	16.75	2.8%	16.75	0.0%	3.00%	-20bps	4.60%	0bps	3.20%	-70bps	3.55%	-80bps
Stuttgart	225	4.3%	38.50	0,5%	15.20	0.0%	15.20	0.0%	3.65%	-20bps	5.10%	0bps	3.50%	-70bps	4.05%	-80bps

*EUR/m²/month; ** net initial

SELECTED LEASE TRANSACTIONS Q2 2022

Property	Market	Tenant	m ²	Type
Westfield Hamburg-Überseequartier	Hamburg	Inditex	10.000	Including 5,000 m ² for Zara (flagship store)
Sendlinger Straße 24	München	Norrøna	500	First German store
Veteranenstraße 9	Berlin	Big Mamma	450	International gastronomy concept; launches its first store in Berlin

SELECTED SALES TRANSACTIONS Q2 2022

Property	Market	Seller / Buyer	m ²	Price (€ million)
Klöpferhaus (former Kaufhof department store)	Hamburg	Württembergische Lebensversicherung / Tishman Speyer Properties	37,000	160
Shopping Center Gera Arcaden	Gera	Unibail-Rodamco-Westfield / Redos Institutional	38,300	116
Two retail parks	Various	Lasalle IM / Paref Gestion	71,900	80

SELECTED CONSTRUCTION COMPLETIONS Q2 2022

Property	Market	Major Tenant	m ²	Owner / Developer
Retail Warehouse Parc	Zella-Mehlis	Edeka, dm	8,000	Saller Bau

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