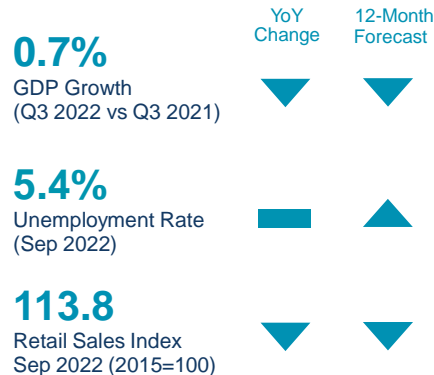


Sources: GfK, National Statistical Office; all figures as of Sep 2022, Price index 2015=100

ECONOMIC INDICATORS



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

CONSUMER SENTIMENT CONTINUES TO DETERIORATE

At the end of September 2022, the average unemployment rate was 5.4% 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 remained stable. Nevertheless, consumer sentiment, as measured by the GfK Consumer Climate Index fell to a historic low of minus 36.8 points in September. In view of the current energy crisis, persistently high inflation and pandemic-related uncertainties, consumer sentiment deteriorated. In this context, the y-o-y inflation rate was 10% in September 2022 according to Moody's Analytics.

€6.3 BILLION TRANSACTION VOLUME FOR RETAIL ASSETS

Total transaction volume for retail assets in the first three quarters of 2022 was around €6.3 billion which is 65% higher than the volume at the same point last year. Retail park properties remain investors' most sought-after asset class and dominated market activity, contributing 41% of the retail transaction volume. The largest transaction in the third quarter was the increase in Oaktree's and Otto Family Office's stakes in Deutsche Euroshop (DES) with total of €1.7 billion. In Germany this involved 17 Shopping Centres.

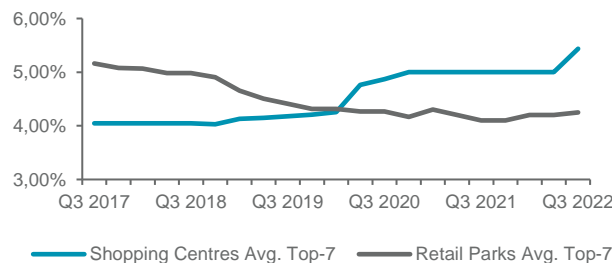
YIELD GAP BETWEEN SHOPPING CENTRES AND RETAIL PARKS WIDENS FURTHER

Prime rents for new lets in the major high streets decreased slightly over the last three months. The prime rent in retail parks remained stable for the most part and increased sporadically. Prime rents in shopping centres rose slightly. After increasing in the first half of the year, the prime yield for shopping centres rose again in the third quarter. The average yield gap between retail parks and shopping centres widened to 120bps by the end of Q3 2022.

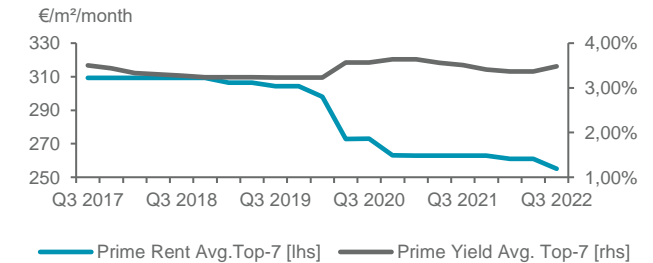
RESTRAINED CONSUMER SPENDING EXPECTED

The rising cost of living and higher energy costs are considerably dampening consumer sentiment. The propensity to buy has fallen to a new all-time low. There is no reversal of the trend in sight, so the next few months are likely to be characterised by consumer restraint.

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	250	-7.4%	35.00	0.6%	15.20	0.0%	16.00	5.3%	3.40%	-5bps	5.50%	50bps	4.25%	15bps	4.25%	5bps
Cologne	240	0.0%	35.00	0.6%	14.70	0.0%	14.70	0.0%	3.75%	-5bps	5.50%	40bps	4.25%	15bps	4.25%	5bps
Düsseldorf	250	0.0%	39.50	0.5%	14.70	0.0%	14.70	1.4%	3.10%	10bps	5.50%	40bps	4.25%	15bps	4.25%	5bps
Frankfurt	250	-5.7%	38.30	0.5%	15.50	2.0%	16.50	6.5%	3.60%	-5bps	5.50%	40bps	4.25%	15bps	4.25%	5bps
Hamburg	250	-3.8%	40.00	0.5%	15.50	2.0%	15.50	0.0%	3.70%	-5bps	5.55%	55bps	4.25%	15bps	4.25%	5bps
Munich	320	0.0%	47.10	0.4%	16.75	2.8%	16.75	0.0%	3.10%	-5bps	5.00%	40bps	4.25%	15bps	4.25%	5bps
Stuttgart	225	-4.3%	38.50	0.5%	15.20	0.0%	15.20	0.0%	3.70%	-10bps	5.50%	40bps	4.25%	15bps	4.25%	5bps

*EUR/m²/month; ** net initial

SELECTED LEASE TRANSACTIONS Q3 2022

Property	Market	Tenant	m ²	Type
Boulevard Berlin	Berlin	Nike	950	Part of transformation of the mall into a hub for innovative shop concepts
Kaufingerstraße 9	Munich	Lego	560	Opening of the biggest European flagship store
Heine-Haus, Jungfernstieg 34	Hamburg	Westwing	500	Opening of the first stationary store in Germany

SELECTED SALES TRANSACTIONS Q3 2022

Property	Market	Seller / Buyer	m ²	Price (€ million)
Retail park agglomeration with development potential	Stadtbergen	Patrizia / Walter Immobilien	29,000	~40
Cottbus-Center	Cottbus	Confidential / Deutsche Konsum REIT	30,000	~36
Stadtteilzentrum Moritz	Leipzig	Fund participation / Vicus Group	7,500	confidential

SELECTED CONSTRUCTION COMPLETIONS Q3 2022

Property	Market	Major Tenant	m ²	Owner / Developer
Kant Garagen Palast	Berlin	stilwerk	9,500	Gädeke & Söhne

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