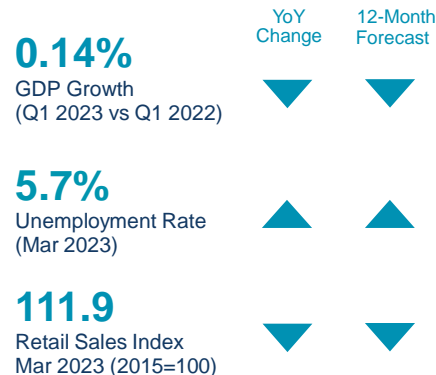


Sources: GfK, National Statistical Office; all figures as of Mar 2023, Price index 2015=100

ECONOMIC INDICATORS



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

CONTINUING CONSUMER RESTRAINT

The consumer sentiment index at the end of March 2023 is at its highest level since August 2022 and rose for the fifth consecutive month in March. However, the value of -30.6 is still below the pre-pandemic level. Persistently high inflation is still making consumers reluctant to spend, especially in high-street locations.

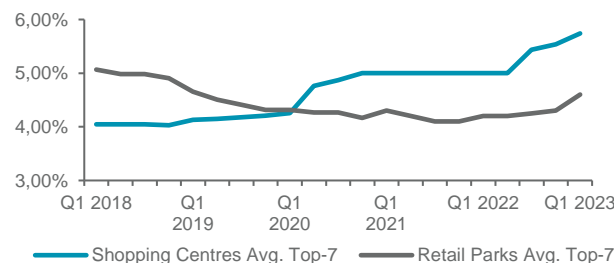
HIGH-STREET PRIME RENTS CONSTANT COMPARED TO THE PREVIOUS QUARTER

Top rents for high-street space in Germany's top 7 cities are constant in the first quarter in 2023 compared with the previous quarter. More and more vacancies in consumer locations are currently preventing a rise in prime rents. For landlords, the competitive situation has increased. Whereas three years ago there were several prospective tenants with strong credit ratings for vacant space who were prepared to pay a high rent, it is currently necessary to assume a longer marketing period and to submit correspondingly attractive rental offers. Due to high supply chain and production costs as well as consumer restraint caused by inflation, it is currently not possible for most tenants to rent more expensive space. In addition, the retail market in Germany is characterized by more insolvencies than ever before at the beginning of a year. In addition to Galeria Kaufhof / Karstadt, major retail tenants such as Götz and Peek & Cloppenburg, which is headquartered in Düsseldorf, have also filed for insolvency in recent months.

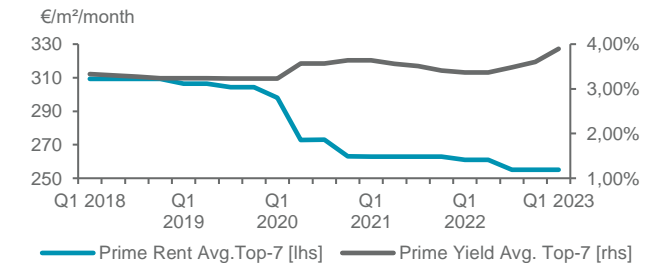
TRADING INVESTMENTS AT € 1.6 BILLION

Within the first quarter of 2023, a transaction volume of around €1.6 billion was achieved. Sales within this asset class thus fell by just under 30% year-on-year. The sale of 49.9% of Berlin's KaDeWe department store to Harnq Central Department Store and the increase in Deutsche Euroshop's stake in five German shopping centers for around €260 million made a significant contribution to the quarterly result. Inner-city commercial and department stores thus account for around 50% of the transaction volume. Prime yields continued to rise for all property types at the end of Q1 2023, averaging 3.90% for high-street properties in Germany's top 7 cities.

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	1.4%	15.70	3.3%	16.50	8.6%	3.80%	50bps	5.80%	80bps	4.60%	40bps	4.60%	40bps
Cologne	240	0.0%	35.00	1.4%	15.20	3.4%	15.20	3.4%	4.30%	65bps	5.80%	70bps	4.60%	40bps	4.60%	40bps
Düsseldorf	250	0.0%	39.50	1.3%	15.20	3.4%	15.20	3.4%	3.50%	50bps	5.80%	70bps	4.60%	40bps	4.60%	40bps
Frankfurt	250	-3.8%	38.30	1.3%	16.00	3.2%	17.00	9.7%	4.10%	70bps	5.80%	70bps	4.60%	40bps	4.60%	40bps
Hamburg	250	-3.8%	40.00	1.3%	16.00	3.2%	16.00	3.2%	4.10%	50bps	5.85%	85bps	4.60%	40bps	4.60%	40bps
Munich	320	0.0%	47.10	1.1%	17.25	3.0%	17.25	3.0%	3.40%	40bps	5.30%	70bps	4.60%	40bps	4.60%	40bps
Stuttgart	225	0.0%	38.50	1.3%	15.70	3.3%	15.70	3.3%	4.10%	45bps	5.80%	70bps	4.60%	40bps	4.60%	40bps

*EUR/m²/month; ** net initial

SELECTED LEASE TRANSACTIONS Q4 2022

Property	Market	Tenant	m²	Type	Comment
Galeria-Cottbus, August-Bebel-Straße 2	Cottbus	Modekette Aachener	9,000	Textiles	Former Galeria Kaufhof space
Die Hanse, Mönckebergstraße 15-19	Hamburg	C&A	3,000	Textiles	Relocation with new concept within Mönckebergstraße
Hübner-Haus, Neuer Wall 20	Hamburg	Balenciaga	700	Textiles	First Flagshipstore in Hamburg

SELECTED SALES TRANSACTIONS Q4 2022

Property	Market	Seller / Buyer	m²	Price (€ million)
KaDeWe (49,9 % Share)	Berlin	Signa / Harng Central Department Store	60,000	confidential
Share increase DES in 5 EKZ	Several	Various limited partnerships / Deutsche Euroshop	n.a.	~ 260
Kaufland / Former Britannia Center	Berlin	Savills IM / Gutenberg Capital	9,800	confidential

SELECTED CONSTRUCTION COMPLETIONS 2022

Property	Market	Status	Type	Year of Completion	m²	Owner / Developer
Rathaus Galerie	Essen	Completed	Redevelopment	2023	31,000	Henderson Park / HBB Hanseatische Betreuungs- und Beteiligungsgesellschaft
Quartier Stadtgut Hellersdorf	Berlin	Under construction	New building	2023	13,100	Gesobau AG
Montpellier-Carré	Heidelberg	Under construction	New building	2024	11,000	E&S Real Estate Development GmbH

MARKETBEAT

GERMANY

Retail Q1 2023



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