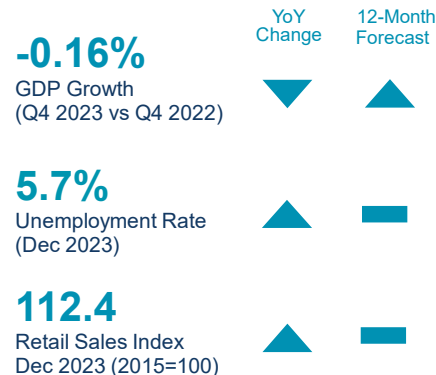


Sources: GfK, National Statistical Office; all figures as of Dec 2023, Price index 2015=100

ECONOMIC INDICATORS



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

GROWTH IN ONLINE RETAIL AT PRE-PANDEMIC LEVEL

Online retail turnover has been growing for years with a particular massive surge in the COVID-19 years of 2020 and 2021, before falling again slightly in 2022 and 2023. If, according to a report by the EHI Retail Institute, the two COVID-19-driven years are factored out again, online shopping sales at the end of 2023 will be in line with the growth curve that emerged before the pandemic. Adjusted for inflation, 2023 will see a slump in turnover of 5 to 10% compared to the end of 2022.

WINNERS AND LOSERS IN RETAIL

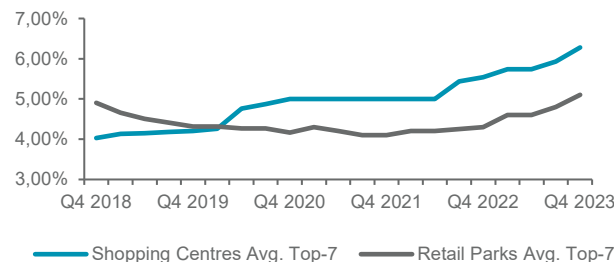
Bricks-and-mortar retail is also facing major challenges. Overall, retailers have to contend with higher costs and are faced with more thrifty customers. The main factors here are rising costs in the form of rents and energy costs as well as higher employee incomes. If costs rise faster than sales, productivity must be increased as a result. The use of technology can be helpful here. Technology-based and contactless payment systems, for example, are being used ever increasingly. Within the next ten years, around 10% of all employees will leave the labour market. The baby boomer generation is retiring. In an industry that is constantly experiencing labour shortages, technological tools such as cashless self-service checkouts can counteract this trend, and store design is also changing. Many retailers are no longer reliant on all items being available in-store due to easy online ordering methods. Stores are increasingly becoming places where people can meet and obtain advice. Retailers need to offer more and store design plays an important role in this. Stationary retail will continue to justify its existence in the future if it offers added value via contemporary store design, for example.

Due to the continuing reluctance to spend and high inflation, discounters are currently the winners. Small organic supermarkets are suffering particularly from consumers' cost-cutting measures and the high demand for price-reduced items.

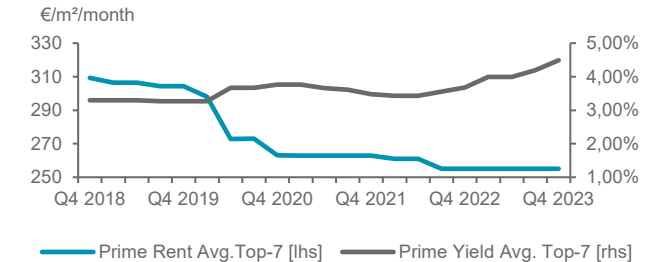
OUTLOOK

The retail sector will experience another difficult year in 2024, but will also be able to handle it well once again. Sustainability and expanded use of technology will be important topics.

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	0.0%	35.50	1.4%	15.70	3.3%	16.50	3.1%	4.35%	85bps	6.35%	75bps	5.10%	80bps	5.10%	80bps
Cologne	240	0.0%	35.50	1.4%	15.20	3.4%	15.20	3.4%	4.65%	75bps	6.35%	75bps	5.10%	80bps	5.10%	80bps
Düsseldorf	250	0.0%	40.00	1.3%	15.20	3.4%	15.20	3.4%	4.45%	70bps	6.35%	75bps	5.10%	80bps	5.10%	80bps
Frankfurt	250	0.0%	38.50	0.5%	16.00	3.2%	17.00	3.0%	4.55%	80bps	6.35%	75bps	5.10%	80bps	5.10%	80bps
Hamburg	250	0.0%	40.50	1.3%	16.00	3.2%	16.00	3.2%	4.65%	90bps	6.35%	70bps	5.10%	80bps	5.10%	80bps
Munich	320	0.0%	47.50	0.9%	17.25	3.0%	17.25	3.0%	4.10%	90bps	5.85%	75bps	5.10%	80bps	5.10%	80bps
Stuttgart	225	0.0%	39.00	1.3%	15.70	3.3%	15.70	3.3%	4.65%	75bps	6.35%	75bps	5.10%	80bps	5.10%	80bps

*EUR/m²/month; ** net initial

SELECTED LEASE TRANSACTIONS Q4 2023

Property	Market	Tenant	m ²	Type	Comment
CENTRO, Luise-Albert-Platz 1	Oberhausen	Zara	6,000	Fashion	Zara remains a tenant at Centro and is doubling its existing retail space to around 6,000m ²
ZAM, Bodenseestraße	Munich	Smyths Toys	2,300	Toys	Smyths Toys will open its third megastore in the Bavarian capital in Munich's Freiham district in the ZAM district centre
Prizeotel, Erzbergerufer 1	Bonn	Ahoi	1,000	Restaurant	Following the opening in Cologne, Steffen Henssler is expanding the Ahoi locations and is now opening his 13th restaurant in Bonn

SELECTED SALES TRANSACTIONS Q4 2023

Property	Market	Seller / Buyer	m ²	Price (€ million)
Acquisition GRR	Several	GRR AG / Garbe Institutional Capital	/	~ 150
Globus Portfolio	Several	Globus Gruppe / Deutsche Anlagen Leasing	/	~ 120
Former Kaufhof	Hanau	Apollo Global Management / City Hanau	16,000	~ 25

SELECTED DEVELOPMENTS

Property	Market	Status	Type	Year of Completion	m ²	Owner / Developer
Boulevard Berlin	Berlin	Under construction	Redevelopment	2025	62,400	Multi Germany GmbH
The Q	Nuremberg	Under construction	New building	2027	8,300	Accumulata Real Estate / BVK
Europaquartier	Bremen	Under construction	New building	2024	6,000	Zech Group

MARKETBEAT

GERMANY

Retail Q4 2023



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