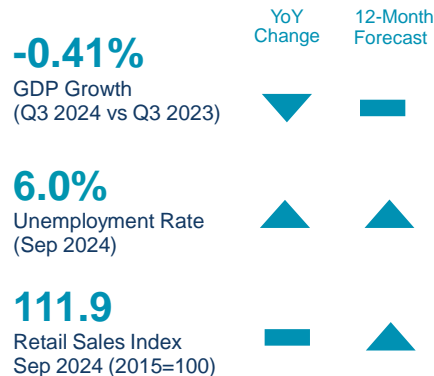


Sources: GfK, National Statistical Office; all figures as of Sep 2024, Price index 2015=100

ECONOMIC INDICATORS



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

THE SAVINGS RATE ON THE CONSUMER SIDE IS HIGH

The GfK Consumer Climate Index stood at -21.9 points in September 2024. This means that consumer sentiment in Germany has declined after steadily improving each month. According to the results of the economic surveys conducted by the German Retail Association (HDE), the mood is worse than it could be. Consumers have money at their disposal, not least due to income increases, but it is noticeable that the savings rate is currently very high.

CHALLENGES IN THE GERMAN RETAIL SECTOR

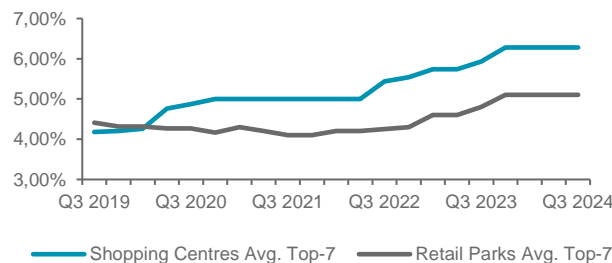
The retail sector in Germany is currently facing various challenges. The lack of new construction projects and the persistently low consumer climate are reflected in the sales of furniture stores and DIY stores. There is less mobility on the housing market. Accordingly, there are fewer relocations and therefore fewer renovations, new furnishings and longer-term purchases.

Current economic surveys by the HDE also show that new overarching EU regulations represent a challenging environment for the retail sector. An easing of bureaucracy could lead to more entrepreneurial freedom. On the cost structure side, there are sharp increases in staff and energy costs. As a result, many retailers are no longer able to operate profitably. A Europe-wide energy concept could guarantee retailers security and affordability at the same time. Another major challenge is not to lose the confidence of banks in the retail sector and to continue to support medium-sized companies. They need loans and financing that can contribute to growth. Technology and digitalization are becoming an increasingly important topic in brick-and-mortar retail. The priority here is to compensate for the shortage of labour, for example through the use of self-checkout systems, or to invest in technical equipment and the attractiveness of shop space in order to withstand competition from online retail.

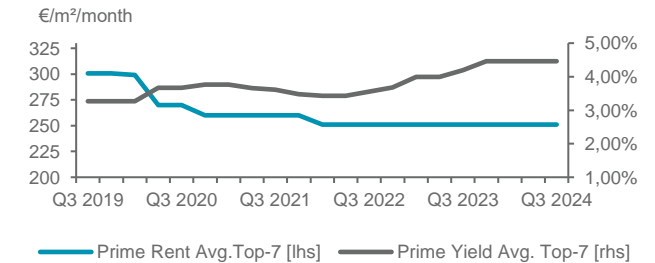
OUTLOOK

Since Q4 2023, C&W has seen stable prime yields in the retail sector across all property types. Investment transactions in the retail sector accounted for around 20% of total CRE transaction volume at the end of the 3rd quarter. A year earlier it was 12%. Investors have confidence in the success of the stationary retail sector. In combination with a stabilization of prime yields, transaction activity will be sustainably strengthened.

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	0.0%	15.70	0.0%	16.50	0.0%	4.35%	35bp	6.35%	35bp	5.10%	30bp	5.10%	30bp
Cologne	240	0.0%	35.50	0.0%	15.20	0.0%	15.20	0.0%	4.65%	25bp	6.35%	35bp	5.10%	30bp	5.10%	30bp
Düsseldorf	220	0.0%	40.00	0.0%	15.20	0.0%	15.20	0.0%	4.45%	25bp	6.35%	35bp	5.10%	30bp	5.10%	30bp
Frankfurt	250	0.0%	38.50	0.0%	16.00	0.0%	17.00	0.0%	4.55%	35bp	6.35%	35bp	5.10%	30bp	5.10%	30bp
Hamburg	250	0.0%	40.50	0.0%	16.00	0.0%	16.00	0.0%	4.50%	20bp	6.35%	35bp	5.10%	30bp	5.10%	30bp
Munich	320	0.0%	47.50	0.0%	17.25	0.0%	17.25	0.0%	4.10%	30bp	6.35%	35bp	5.10%	30bp	5.10%	30bp
Stuttgart	225	0.0%	39.00	0.0%	15.70	0.0%	15.70	0.0%	4.65%	25bp	6.35%	35bp	5.10%	30bp	5.10%	30bp

*€/m²/month; ** net initial; bp = basis points

SELECTED LEASE TRANSACTIONS Q3 2024

Property	Market	Tenant	m ²	Type	Comment
Haus am Kö - former Modehaus Overmeyer	Kassel	Woolworth	2,000	Small department stores'	Woolworth is due to open its shop at the end of the year.
Schlossgartenquartier (BW-Bank house)	Stuttgart	Mango	1,800	Textil	Mango Germany has ensuring a large retail letting in a prime location.
Flair Fürth	Fürth	Smyths Toys	1,600	Toys	Smyths Toys is on schedule to open a shop in the fourth quarter of 2024.

SELECTED SALES TRANSACTIONS Q3 2024

Property	Market	Seller / Buyer	m ²	Price (€ million)
Pasing Arcaden	Munich	Unibail Rodamco Westfield / Ingka Centers	53,000	~ 388
Skyline Plaza (10% takeover PIMCO and ECE)	Frankfurt	CA Immo / Pimco and ECE	51,700	~ 21,5
Allee Center Leipzig	Leipzig	Hamburg Commercial Bank / Arrow Capital	40,000	confidential

SELECTED DEVELOPMENTS

Property	Market	Status	Type	Year of Completion	m ²	Owner / Developer
Hansa Center	Bottrop	Planned	Redevelopment	2026	18,400	Emerald Advisory GmbH
Baltik-Zentrum	Rostock	Under construction	Redevelopment	2024	12,000	van Mark Projekta GmbH
Lindenquartier	Peine	Completed	New Development	2024	6,600	Captiva GmbH Universal Investment GmbH

MARKETBEAT

GERMANY

Retail Q3 2024



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