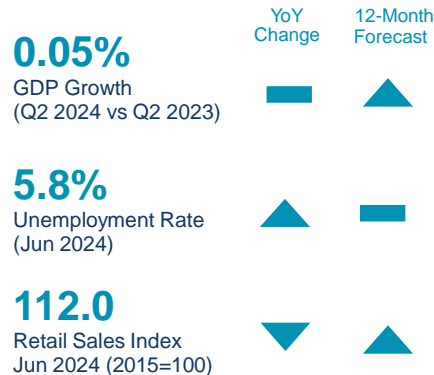


Sources: GfK, National Statistical Office; all figures as of Mar 2024, Price index 2015=100

ECONOMIC INDICATORS



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

SLIGHT RECOVERY ON THE PART OF CONSUMERS

The GfK consumer climate indicator for Germany stood at -21 points at the end of June, its highest level for two years. This value has recovered somewhat in recent months and an improvement in consumer sentiment can be observed. According to the GfK consumer climate study, the indicators for propensity to buy, economic and income expectations are also rising and a slowly progressing recovery on the retail market can be inferred from this.

FOCUS: SHOPPING CENTRES - DEVELOPMENTS AND TRENDS

Independently of the development of the consumer climate in Germany, some retail property concepts have been struggling with various challenges for years. The German market for shopping centres in Germany is in a dynamic phase. Terms such as revitalisation measures, space conversions, mixed-use concepts and district developments characterise the current changes. Revitalisations and modernisations are often associated with a new layout and a new thematic focus for the centre. The retail space often remains on the ground floor and mixed uses are increasingly located on the upper floors. Mixed uses have long been a feature of shopping centre developments and will become even more prevalent in the future. The proportion of retail space will decrease. Other uses include residential, offices, healthcare such as doctors' surgeries, leisure, entertainment and sport. Retailers also often find a mix of uses very positive, as it increases footfall in the centre.

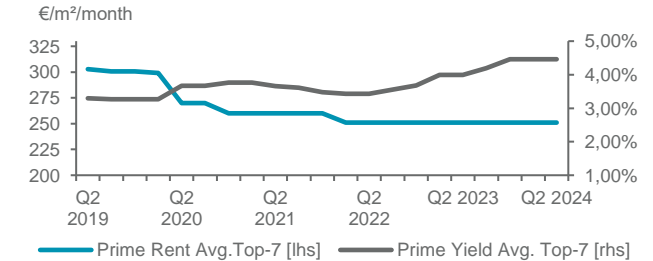
OUTLOOK

Shopping centres accounted for around 4% of the transaction volume for retail properties in Germany at the end of the first half of 2024. A year earlier, this share was around 23%. The sale of the Pep in Munich for over € 500 million had a particular influence on this. Numerous shopping centres are currently on the market. The success or failure of the transactions depends on whether the seller and buyer can agree on a price. And this depends not only on the hard facts, i.e. the turnover of the individual centres, the condition of the building or the topicality of the shopping experience. Another important factor is the time of acquisition: was the property bought at the peak of the market before the coronavirus pandemic or before, when prices were at a similar level to today.

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%	55bp	6.35%	55bp	5.10%	50bp	5.10%	50bp
Cologne	240	0.0%	35.50	0.0%	15.20	0.0%	15.20	0.0%	4.65%	35bp	6.35%	55bp	5.10%	50bp	5.10%	50bp
Düsseldorf	220	0.0%	40.00	0.0%	15.20	0.0%	15.20	0.0%	4.45%	35bp	6.35%	55bp	5.10%	50bp	5.10%	50bp
Frankfurt	250	0.0%	38.50	0.0%	16.00	0.0%	17.00	0.0%	4.55%	45bp	6.35%	55bp	5.10%	50bp	5.10%	50bp
Hamburg	250	0.0%	40.50	0.0%	16.00	0.0%	16.00	0.0%	4.50%	40bp	6.35%	55bp	5.10%	50bp	5.10%	50bp
Munich	320	0.0%	47.50	0.0%	17.25	0.0%	17.25	0.0%	4.10%	70bp	6.35%	55bp	5.10%	50bp	5.10%	50bp
Stuttgart	225	0.0%	39.00	0.0%	15.70	0.0%	15.70	0.0%	4.65%	55bp	6.35%	55bp	5.10%	50bp	5.10%	50bp

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

SELECTED LEASE TRANSACTIONS Q2 2024

Property	Market	Tenant	m ²	Type	Comment
Geschäftshaus Adalbertstraße 53	Aachen	Drogerie Müller	2,300	Drugstore	The opening of the drugstore on two floors is planned for autumn this year
Kaiserstraße 9	Frankfurt	Coolblue	1,500	Electronics	Coolblue opens first German store outside of North Rhine-Westphalia in Frankfurt
Limbecker Straße 25-37	Essen	Iccoon	800	Furniture requirements	The Dutch furniture concept Iccoon has opened its first shop in Germany

SELECTED SALES TRANSACTIONS Q2 2024

Property	Market	Seller / Buyer	m ²	Price (€ million)
KaDeWe	Berlin	Signa / Central Group	60,000	~ 1,000
Former Galeria-Kaufhof Warenhaus	Düsseldorf	Signa / City of Düsseldorf	25,200	~ 105
Greenman Portfolio	Several	Edeka / Greenman	22,500	~ 60

SELECTED DEVELOPMENTS

Property	Market	Status	Type	Year of Completion	m ²	Owner / Developer
Kaufpark Nickern	Dresden	Under construction	Extension	2024	40,400 (Extension)	Krieger-Gruppe
Baltik-Zentrum	Rostock	Under construction	Redevelopment	2024	12,000	van Mark Projekta GmbH
Schocken-Carrée	Nürnberg	Planned	Extension	2026	2,700 (Extension)	Ten Brinke Group

MARKETBEAT

GERMANY

Retail Q2 2024



CUSHMAN &
WAKEFIELD

Andreas Siebert

Head of Retail Investment Germany

Tel: +49 211 54 28 98 14

andreas.siebert@cushwake.com

Nina Ranzenberger

Research Analyst

Tel: +49 69 50 60 73 072

nina.ranzenberger@cushwake.com

Helge Zahrnt MRICS

Head of Research & Insight Germany

Tel: +49 40 300 88 11 50

helge.zahrnt@cushwake.com

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