



9.1

Consumer Index GfK

YoY
Chg3-Mo.
Forecast

105.5

Consumer Price Index



104.6

Retail Price Index



Source: GfK, National Statistical Office

ECONOMIC INDICATORS GERMANY
Q1 2020

-1.50%

GDP Growth
(P)YoY
Chg3-Mo.
Forecast

-1.00%

Consumer Spending



5.30%

Average
Unemployment Rate

Source: Oxford Economics, National Labour Office

ECONOMY: Consumer Sentiment is Sinking Further

Consumer sentiment, as measured by the GfK Consumer Climate Index, continued to slip in the first three months of 2020 and was forecasted to fall even more sharply in April as a consequence of the mid-March lockdown on public life and shutdown of gastronomy and shops. Only retailers of essential goods were allowed to continue operation.

Retail sales in January and February were higher than in the same months of 2019, with food retailing exhibiting a particular rise in February, with sales increasing by 8% compared to 12 months earlier, as consumers began to stock up on essential goods when it became obvious that the Coronavirus had reached Europe and Germany.

DEMAND: Supermarkets, Easy Gastronomy, Fashion Discounter

Again, supermarkets, drugstores and food discounters were the major segments to open new shops or sign new leases. Some lettings to fashion retailers, as well as restaurant, snack bar and coffee shop operators also took place.

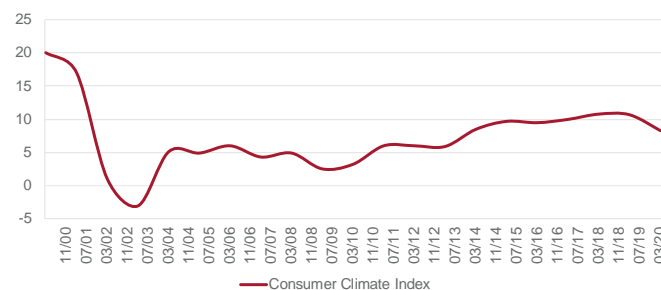
Online retailer Zalando, which is keen to expand its business into bricks and mortar operations, leased space in Düsseldorf, Nuremberg and Mannheim, in each case for retail space of over 1,000 sq.m. It was announced that 75% of the retail space in the new Kö II commercial building in Düsseldorf had been let by the end of March. Tenants include Mango and H&M. New entrants to the German market include Dutch Dille+Kamille and Chinese Xiaomi (Mi Store).

With the shutdown, most non-food retailers and restaurants paused their searches. Many operators asked their landlords for lower rents during the shutdown or even to defer rental payments in order to protect liquidity.

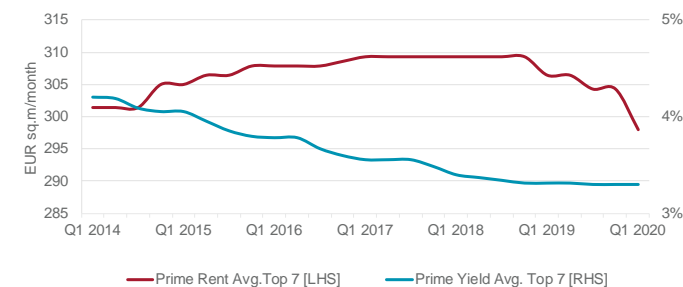
PRICING: Rents Remain Stagnant

Prime Rents in the major high streets remained stable in Q1.

CONSUMER CONFIDENCE INDEX (GfK)



PRIME RENT AND PRIME YIELD





MARKET STATISTICS

SUBMARKET	FOOTFALL* (March 2020)	Monthly Growth*	PRIME RENT (EUR /SQ.M/ MONTH)	Change Y-o-Y	PRIME YIELD	Change Y-o-Y
Berlin, Tauentzienstrasse	n/a	n/a	310.00	0.0%	3.10%	0 bp
Cologne, Schildergasse	776,592	-49.3%	280.00	-3.4%	3.50%	0 bp
Dusseldorf, Königsallee	217,435	-47.1%	290.00	0.0%	3.50%	0 bp
Frankfurt, Zeil	967,060	-41.5%	305.00	-1.6%	3.30%	-10 bp
Hamburg, Spitalerstrasse	546,130	-47.6%	300.00	-1.6%	3.40%	0 bp
Munich, Kaufinger / Neuhauser Strasse	936,032	-56.2%	365.00	-1.4%	2.80%	0 bp
Stuttgart, Königsstrasse	703,278	-50.3%	270.00	0.0%	3.50%	0 bp

*Source: Hystreet.com

KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	SQ.M	NOTE
Königsallee 78	Dusseldorf	Zalando	2,400	Outlet, to open 2021
Gloria Galerie, Kurfürstendamm	Berlin	Mars Retail Group	3,000	1st M&M'S store in continental Europe, to open 2021
Alter Wall Hamburg	Hamburg	Uniqlo	1,750	To open in autumn 2020
Steinweg 6	Frankfurt	Peloton	240	store no 5 in Germany

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SQ.M	PRICE RANGE EURm
Eppendorfer Zentrum	Hamburg	Württembergische Versicherung / Hahn Group	18,000	100 – 200
Kaufpark Dresden-Nickern	Dresden	KCM Group / Centrum	60,000	100 – 200
80 Real retail warehouses	national	Metro / Sistema Capital Partners	n/a	500 +
30 Kaufhof department stores (shareholding)	national	Signa / RFR Holding	n/a	500 +

KEY ASSETS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANTS	SQ.M	OWNER / DEVELOPER	Completion
Kö-Bogen II Mixed Use Building	Dusseldorf	TK Maxx, Mango, dm, Aldi	35,000	Centrum and B&L Group	Q3 2020

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