

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
-24.8 Consumer Climate Index	—	▼
124.5 Consumer Price Index	▲	▲
124.3 Retail Price Index	▲	▲
117.2 Retail Sales Index Mar 2026 (2015=100)	▲	—

Sources: GfK, National Statistical Office, Moodies; all figures as of Mar 2026, Price index 2015=100

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
0.5% GDP Growth (Q1 2026 vs Q1 2025)	▲	▲
6.4% Unemployment Rate (Mar 2026)	—	▼

Sources: National Labour Office, Federal Statistics Office, Moodys

PRICE INCREASES AND CONSUMER CAUTION

As of the end of March 2026, retail indicators reflect a noticeable level of uncertainty among consumers. The negative consumer confidence index (-24.8 points) signals that many households are postponing major purchases and prioritizing their spending. This behavior is driven less by an acute decline in income and more by a precautionary saving mindset, as geopolitical risks weigh on expectations regarding energy prices, inflation, and overall economic stability.

TRENDS IN GERMAN RETAIL: CHANGES IN PAYMENT SYSTEMS ARE INFLUENCING RETAIL SPACE DESIGN

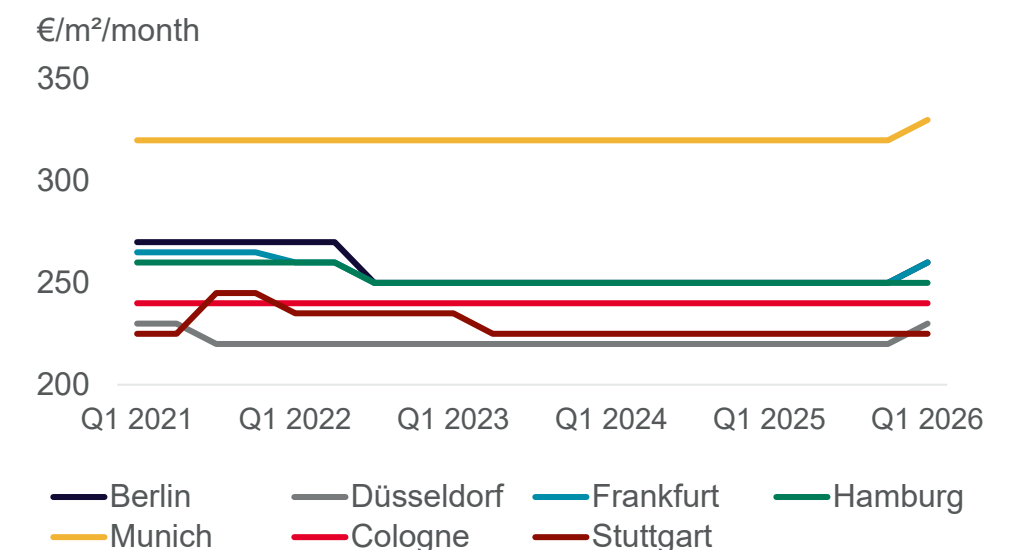
Payment processes in retail are increasingly becoming a key factor shaping the customer experience. Customers are placing growing emphasis on speed, simplicity, reliability, and a broad range of available payment options. In response, more and more retailers are introducing self-checkout systems, card payments, and mobile payment solutions. Payment is evolving into a core infrastructure enabling automation, data integration, and new business models.

This development has a direct impact on the physical design of retail spaces. Traditional checkout areas are losing space and function, while flexible checkout zones or fully checkout-free concepts create new requirements for floor plans, utility routing, and overall quality of stay. The new payment infrastructure influences customer flow, space efficiency, and the distinction between sales, service, and logistics areas. For owners and operators, this means planning retail properties in a more modular, technologically prepared, and adaptable way - because the way customers pay increasingly determines how a store is organized.

PRIME YIELDS BY PROPERTY TYPE



PRIME RENTS HIGH STREET - TOP-7



MARKET STATISTICS

Markets	Prime Rent* High Street	Change YoY	Prime Rent* Shopping Center	Change YoY	Prime Rent* Retail Park	Change YoY	Prime Rent* Specialist Retailer / Supermarket	Change YoY	Prime Yield** High Street	Change YoY	Prime Yield** Shopping Center	Change YoY	Prime Yield** Retail Park	Change YoY
Berlin	260	4.0%	35.50	-	15.95	1.6%	16.75	1.5%	4.35%	-	6.35%	-	4.75%	-35bp
Cologne	240	-	35.50	-	15.45	1.6%	15.45	1.6%	4.65%	-	6.35%	-	4.75%	-35bp
Düsseldorf	230	4.5%	40.00	-	15.45	1.6%	15.45	1.6%	4.45%	-	6.35%	-	4.75%	-35bp
Frankfurt	260	4.0%	38.50	-	16.25	1.6%	17.25	1.5%	4.55%	-	6.35%	-	4.75%	-35bp
Hamburg	250	-	40.50	-	16.25	1.6%	16.25	1.6%	4.50%	-	6.35%	-	4.75%	-35bp
Munich	330	3.1%	47.50	-	17.50	1.5%	17.50	1.5%	4.10%	-	5.85%	-	4.75%	-35bp
Stuttgart	225	-	39.00	-	15.95	1.6%	15.95	1.6%	4.65%	-	6.35%	-	4.75%	-35bp

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

SELECTED LEASE TRANSACTIONS 2026

Property	Market	Quarter	Tenant	Sector	m ²	Comment
Friedrich-Bergius-Straße 11	Wiesbaden	Q1	Lucky Bike	Sports	5,000	At the end of February, the bicycle retailer Lucky Bike opened a new branch featuring a sales area (4,000m ²), a workshop, a warehouse, and administrative offices.
Marienplatz 28	Munich	Q1	Lindt Schokolade	Food	1,500	Lindt plans to open a new store in the former premises of fashion retailer Wormland, which span four floors.
Four T2, Große Gallusstraße 10-14	Frankfurt	Q1	Biogena	Dietary Supplements	1,000	The dietary supplement manufacturer Biogena will move into one of the four high-rises at Four Frankfurt in the autumn of 2026.

SELECTED SALES TRANSACTIONS 2026

Property	Market	Quarter	Property Type	Seller / Buyer	m ²	Price (€ million)
Powerfood Portfolio	Various	Q1	Supermarket	Trei Real Estate / CEV Handelsimmobilien	N/A	~ 200
Retail Space, Königsallee 28	Düsseldorf	Q1	High street	Insolvency Administrator of the Centrum Group / Opheis-Gruppe	200	~ 15
DEFAMA Portfolio 2 Netto-Markets	Various	Q1	Supermarket	Confidential / Deutsche Fachmarkt AG (DEFAMA)	2,300	~ 6

SELECTED DEVELOPMENTS

Property	Market	Status	Type	Year of Completion	m ²	Owner / Developer
Boulevard Berlin	Berlin	Under construction	Redevelopment	2026	56,000	York Capital / Castlelake L.P. / Dunman Capital
BraWo-Arkaden 1. BA	Wolfsburg	Under construction	New Construction	2027	13,000	Volksbank Braunschweig- Wolfsburg
Alsterarkaden	Hamburg	Under construction	Redevelopment	2028	5,200	Harm Müller-Spreer

OUTLOOK

- High-street prime rents increased slightly in the first quarter of 2026. C&W expects rents to remain at a stable level through the end of the year, reflecting the persistently strong demand for premium retail space in central locations.
- Retail parks already accounted for a large share of retail investment volume in the first quarter of 2026, and this asset class is expected to remain resilient over the course of the year. In this context, a further decline in prime yields cannot be ruled out.

EXPLANATION OF TERMS

Prime Rent: The sustainably achievable prime rent is the nominal rent that can be expected for a high-quality retail space of at least 200m² in a very good/best location at the end of the period under review.

Prime Yield: The prime yield is defined as the net initial yield. It represents the lowest yield achieved for a property in a prime location and of the highest quality based on current knowledge of supply and demand, as well as completed transactions. The property is typically leased to tenants with strong credit ratings. The prime yield for Germany is the average of the Top-7 markets.

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