MARKETBEAT
# GERMANY
## RETAIL Q2 2026

### MARKET FUNDAMENTALS

| | YOY Chg | 12-Month Forecast |
|---|---|---|
| **-29.7** Consumer Climate Index | ▼ | ▲ |
| **124.6** Consumer Price Index | ▲ | ▲ |
| **123.8** Retail Price Index | ▲ | — |
| **117.3** Retail Sales Index Jun 2026 (2015=100) | ▲ | ▲ |

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

### ECONOMIC INDICATORS

| | YOY Chg | 12-Month Forecast |
|---|---|---|
| **0.9%** GDP Growth (Q2 2026 vs Q2 2025) | ▲ | ▲ |
| **6.2%** Unemployment Rate (Jun 2026) | — | ▼ |

*Sources: National Labour Office, Federal Statistics Office, Moodys*

### CONSUMER SPENDING REMAINS CAUTIOUS

In the first half of 2026, economic development in Germany remained subdued. The consumer climate index stayed at a low level, indicating that households continued to show a strong propensity to save. At the same time, consumer prices continued to rise, although at a significantly more moderate pace than in previous years. Higher living costs and restrained consumer sentiment weighed on retail demand. Overall, consumer spending remained cautious, despite a slight improvement in the economic environment compared with previous years.

### TRENDS IN GERMAN RETAIL: EXPANSION MEETS CONSOLIDATION

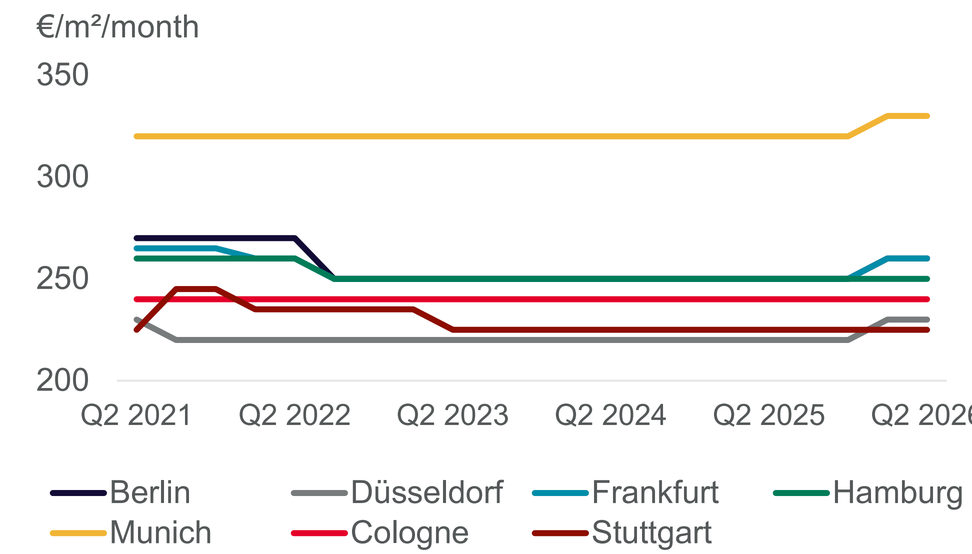
Despite the continued challenging economic environment, the German retail market recorded surprisingly dynamic developments in the first half of 2026. Prime shopping streets and high-footfall city-center locations, in particular, benefited from numerous store openings and market entries by international retail concepts. New brands such as Møbelkompagniet, Tikamoon, Flabelus, Baobab Collection, and YETI opened their first locations in Germany. Established international retailers such as Bath & Body Works also continued their expansion, focusing primarily on shopping centers, including Riem Arcaden in Munich and Centro in Oberhausen.

In addition to traditional retailers, foodservice and restaurant concepts continued to gain importance. New operators such as the Dutch restaurant chain Zusje and 60 Seconds to Napoli, a German restaurant brand specializing in Italian cuisine, expanded further across many German city centers.

At the same time, companies such as Depot and Hellweg Die Profi-Baumärkte significantly reduced their store networks, highlighting the ongoing challenges facing brick-and-mortar retail. Overall, the first half of 2026 was characterized by both expansion and internationalization, as well as consolidation and restructuring, shaping the development of the German retail market.

### 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% | - | 6.45% | 10bp | 4.75% | -15bp |
| Cologne | 240 | - | 35.50 | - | 15.45 | 1.6% | 15.45 | 1.6% | 4.65% | - | 6.45% | 10bp | 4.75% | -15bp |
| Düsseldorf | 230 | 4.5% | 40.00 | - | 15.45 | 1.6% | 15.45 | 1.6% | 4.45% | - | 6.45% | 10bp | 4.75% | -15bp |
| Frankfurt | 260 | 4.0% | 38.50 | - | 16.25 | 1.6% | 17.25 | 1.5% | 4.55% | - | 6.45% | 10bp | 4.75% | -15bp |
| Hamburg | 250 | - | 40.50 | - | 16.25 | 1.6% | 16.25 | 1.6% | 4.50% | - | 6.45% | 10bp | 4.75% | -15bp |
| Munich | 330 | 3.1% | 47.50 | - | 17.50 | 1.5% | 17.50 | 1.5% | 4.10% | - | 5.85% | - | 4.75% | -15bp |
| Stuttgart | 225 | - | 39.00 | - | 15.95 | 1.6% | 15.95 | 1.6% | 4.65% | - | 6.45% | 10bp | 4.75% | -15bp |

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

## SELECTED LEASE TRANSACTIONS 2026

| Property | Market | Quarter | Tenant | Sector | m² | Comment |
|---|---|---|---|---|---|---|
| Shopping Center Limbecker Platz Limbecker Platz 1a | Essen | Q2 | Peek & Cloppenburg | Textile | 6,400 | Peek & Cloppenburg is closing its location on Kettwiger Straße and moving to Limbecker Platz. |
| Semperhaus Spitalerstraße 12 | Hamburg | Q2 | Moida K-Beauty | Cosmetics | 1,200 | The Korean cosmetics brand has secured retail space in Hamburg's city center and will open its first German store there. |
| Königstraße 50-52 | Stuttgart | Q2 | Massimo Dutti | Textile | 800 | Massimo Dutti reopened its store on Stuttgart's luxury shopping street following renovation. |

## SELECTED SALES TRANSACTIONS 2026

| Property | Market | Quarter | Property Type | Seller / Buyer | m² | Price (€ million) |
|---|---|---|---|---|---|---|
| Designer Outlet Neumünster | Neumünster | Q1 | Shopping Center | Nuveen & McArthurGlen/ TPG | 27,700 | ~ 350 |
| Powerfood Portfolio | Various | Q1 | Supermarket | Trei / CEV Handelsimmobilien | n.A. | ~ 200 |
| Retail Space, Königsallee 28 | Düsseldorf | Q1 | High street | Insolvency Administrator of the Centrum Group / Opheis-Gruppe | 200 | ~ 15 |

## SELECTED DEVELOPMENTS

| Property | Market | Status | Type | Year of Completion | m² | Owner / Developer |
|---|---|---|---|---|---|---|
| Rathaus Galerie | Wuppertal | Completed | Redevelopment | 2026 | 15,000 | Livos Gruppe |
| Lausitz-Park 2. BA building I | Cottbus | Under construction | New Construction | 2027 | 52,000 | EDEKA-MIHA Immobilien-Service GmbH |
| City-Haus (former Galeria Kaufhof) | Fulda | Planned | Redevelopment | 2028 | 12,300 | City of Fulda |

## OUTLOOK

- While weaker locations remain under pressure, prime retail locations continue to be in demand. Therefore, C&W forecasts stable prime rents for high street properties through the end of the year.
- By the end of 2026, consumer sentiment is expected to gradually improve, while price growth remains moderate. However, a full return to strong consumer spending momentum is not yet anticipated.

## 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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