

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
-23.4 Consumer Climate Index	—	▲
122.7 Consumer Price Index	▲	▲
122.2 Retail Price Index	—	▲
117.2 Retail Sales Index Dec 2025 (2015=100)	▲	▲

Sources: GfK, National Statistical Office, Moodies; all figures as of Dec 2025, Price index 2015=100

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
0.2% GDP Growth (2025 vs 2024)	▲	▲
6.2% Unemployment Rate (Dec 2025)	▲	▼

Sources: National Labour Office, Federal Statistics Office

WEAK CONSUMER CLIMATE WITH SLIGHT IMPROVEMENT

The GfK Consumer Climate Index for Germany edged up slightly to -23.4 points in December 2025. Despite this increase, sentiment at the end of the year remained subdued, as declining income expectations, lower willingness to buy, and a rising propensity to save continued to weigh on consumer confidence.

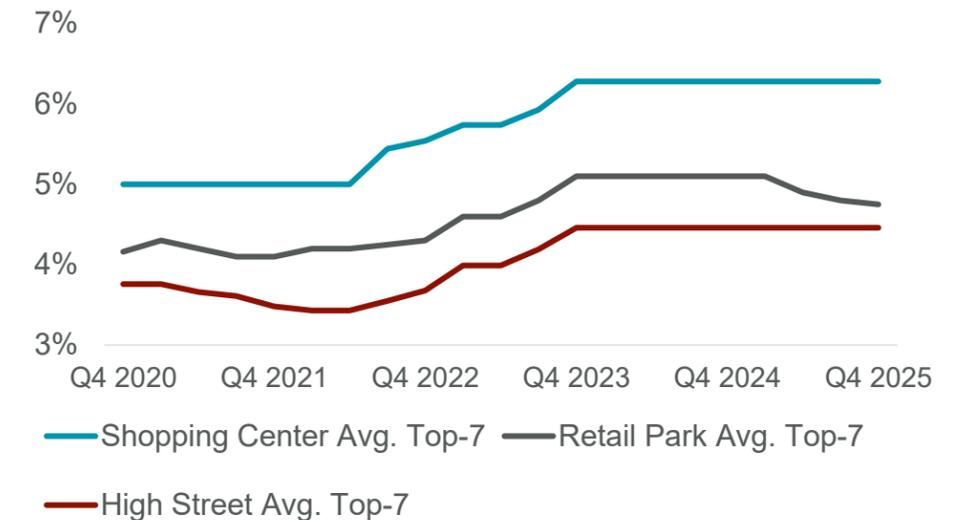
RETAIL TRANSACTIONS SHAPE THE YEAR AND LEAD THE MARKET

In the full year 2025, 28% of the total transaction volume (€23.04 billion) was attributable to retail properties. With a total of €6.48 billion, they represent the asset class with the highest transaction volume. The largest retail real estate investment transaction in Germany in 2025 was the acquisition of the Porta Group by XXXLutz in the second quarter. This transaction had a volume in the high three-digit million range and included more than 100 retail parks. The second-largest transaction was the acquisition of 45 grocery-anchored retail properties by Slate in the first quarter, with a volume of around €420 million. The most significant transaction in the fourth quarter was the sale of the Oberpollinger department store in Munich. A local private investor acquired the approximately 34,000m² property from Signa for around €380 million.

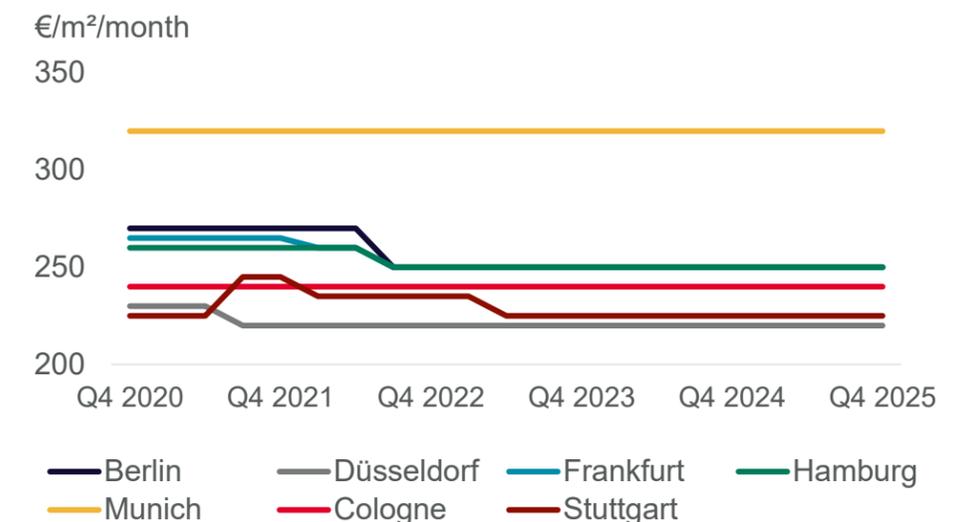
Within the retail asset class, retail parks dominated the market in 2025, accounting for around 48% or €3.14 billion, largely driven by the year's largest transaction. High street properties followed as the second-largest segment, with just over €2 billion and around 31%

The prime yield for high street properties in prime locations remained stable in the Top 7 at an average of 4.46%. Prime yields for shopping centers also remained constant at 6.28%. In contrast, there was significant movement in retail parks: due to high investor demand, the prime yield here decreased significantly, standing at 4.75% at year-end, which corresponds to a compression of 35 basis points within one year.

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	250	-	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	220	-	40.00	-	15.45	1.6%	15.45	1.6%	4.45%	-	6.35%	-	4.75%	-35bp
Frankfurt	250	-	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	320	-	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 2025

Property	Market	Quarter	Tenant	Sector	m ²	Comment
Retail Warehouse, Grabenstraße 3	Schwerin	Q1	Möbel Höffner	Furniture and Interior	30,000	On the site of the former Hammer store in Schwerin, Möbel Höffner plans to build a new store. The opening is scheduled for 2028 at the earliest.
Westfield Hamburg-Überseequartier, San-Francisco-Straße 18	Hamburg	Q3	Anson's	Textile	2,600	Menswear retailer Anson's will open a store in the recently completed Westfield Hamburg-Überseequartier in autumn 2025.
Europa-Galerie, Trierer Straße 1	Saarbrücken	Q4	New Yorker	Textile	2,500	The German textile retailer New Yorker will open a new store in Saarbrücken in May 2026.

SELECTED SALES TRANSACTIONS 2025

Property	Market	Quarter	Property Type	Seller / Buyer	m ²	Price (€ million)
Slate acquires 45 grocery retail stores	Various	Q1	Supermarket	Confidential / Slate	N/A	~ 420
Department store Oberpollinger	Munich	Q4	Department store	Signa / Private investor	34,000	~ 380
Gropius Passagen	Berlin	Q3	Shopping Center	Nuveen / Hayfin Capital	94,700	~ 240

SELECTED DEVELOPMENTS

Property	Market	Status	Type	Year of Completion	m ²	Owner / Developer
Westfield Hamburg-Überseequartier	Hamburg	Completed	New Construction	2025	92,000	Unibail-Rodamco
Like25	Essen	Under construction	Redevelopment	2026	12,200	Concarus Real Estate Invest
Rhein-Ruhr-Zentrum	Mülheim an der Ruhr	Under construction	Redevelopment	2027	20,000	Eurofund Group and Signal Capital Partners

OUTLOOK

- In high street properties located in prime areas, persistently strong demand continues to meet limited supply, which could exert additional upward pressure on prime rents.
- Retail parks and retail park centres are considered crisis-resilient, as they generate strong footfall even in uncertain times. This asset class is expected to demonstrate its robustness again in 2026 and further support the investment market for retail real estate.

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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ANDREAS SIEBERT

Head of Retail Investment Germany

Tel: +49 211 54 28 98 14

andreas.siebert@cushwake.com

MARTIN POLIFKE

Head of Business Development Services Germany

Tel: +49 69 50 60 73 026

martin.polifke@cushwake.com

NINA LAUCHT

Research Consultant

Tel: +49 69 50 60 73 072

nina.laucht@cushwake.com