

RETAIL MARKET GERMANY PROPERTY REPORT 2020



RESEARCH



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EXECUTIVE SUMMARY

2019: A YEAR FULL OF NEW TRENDS ON THE RETAIL RENTAL MARKET

The years 2016 to 2018 were visibly marked by the transformation of the retail landscape, the changes and the lessons learned by the key players during this period are clearly reflected in the letting activity of the last twelve months. Accordingly, the number of registered lettings and openings in city centre locations, which has been falling year on year since 2014, is now showing an upturn again for the first time compared with the previous year – and that by 13 %. With a total of around 1,300 leases concluded for a take-up of 625,000 m², the result is not only impressive compared with 2018 (1,140), but also with 2016 (1,360) and 2017 (1,310), with only an insignificant higher number of contracts.

A LOT GOING ON IN THE TOP MARKETS, FOCUS ON B-CITIES

- ▶ At the A-locations, as in Germany, neither the food service nor the textile industry emerged as the industry leader, as here too both groups accounted for 23 % of the lettings and openings.
- ▶ In summary, the seven top markets across all sectors have an average of 50 leases / openings with a take-up of over 19,000 m².
- ▶ Another important trend that emerged in 2019 is taking place at B locations. Viewed over the long-term since 2013, only in 2016 was a comparable number of lettings and openings recorded here as in 2019.

TENANTS AND LANDLORDS INCREASINGLY COMING TOGETHER

- ▶ In contractual discussions both parties have now moved closer together in order to reach agreements and thus establishing the basic prerequisite for a new lease or an extension of the contract.
- ▶ If the landlord is prepared to accommodate tenant wishes, this also increases the tenant's willingness to compromise and, for example, to waive exit clauses, which can at best create a win-win situation for both sides.

OUTLOOK: HARNESSING IMPROVED PROSPECTS

- ▶ It would be completely wrong to claim that a turnaround has been accomplished and that transformation is a thing of the past. In general, the retail world is now so closely linked to changes that further development is unlikely without them – and that applies both offline and online.
- ▶ A forecast for the retail market in 2020 is comparable to looking into a crystal ball, given all that has been written about the positive and negative factors. Although the chances of a positive year for all participants are better than in previous years, it is essential to continue to take advantage of them.

GENERAL ECONOMIC OVERVIEW

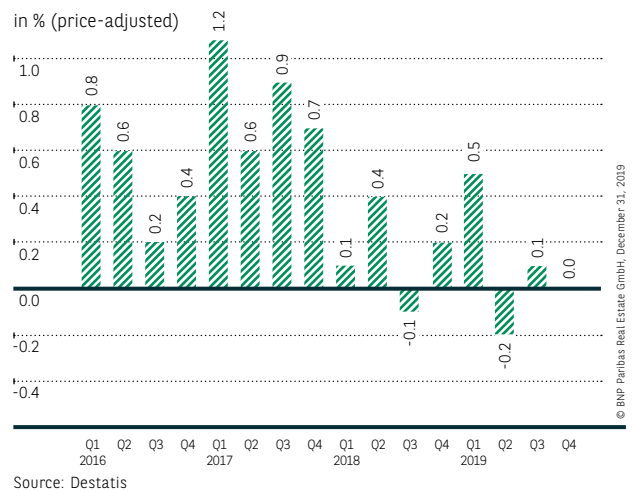
► RETAIL TURNOVER STILL ON THE RISE

Despite a very difficult macro-economic environment, retail turnover rose again in 2019 – for the tenth time in succession. According to an initial assessment by the Federal Statistical Office, it achieved a nominal 3.4 to 3.5 % increase, corresponding to a gain of between 2.8 and 3.0 % in real terms. As such, growth was markedly more pronounced than in 2018 and roughly on a par with the average for the past five years. True to form, the e-commerce sector went from strength to strength in 2019. This positive course of development was driven by various influencing factors which eclipsed the low GDP growth from the retail perspective. Key aspects here are the fact that the labour market remains very stable as a whole and the above-average growth in real earnings which has been observable for some years now. This is reflected in consumer confidence, which is revealed in the GfK consumer confidence index, for example. Against this backdrop, the retail sector experienced a markedly more pronounced upswing in 2019 than would have been expected in view of the underlying economic environment.

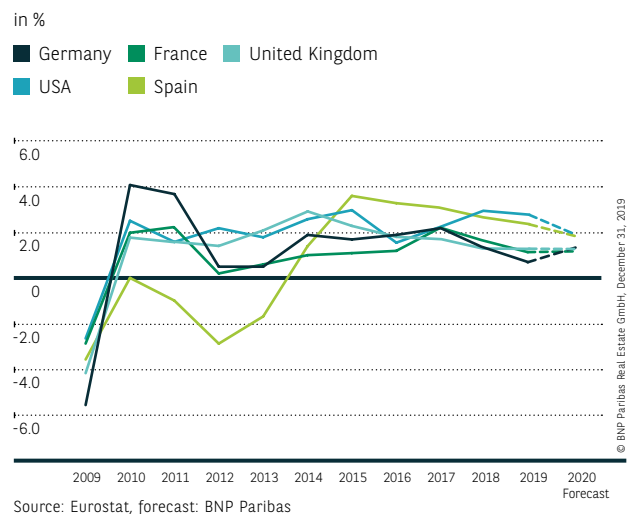
► GDP GROWTH SUFFERS UNDER EXTERNAL INFLUENCES

The German economy showed markedly weaker growth in 2019 than in the preceding years, achieving only a 0.6 % increase in GDP. This was attributable to a number of different influencing factors, the most important being the trade dispute between China and the USA. Apart from its tangible consequences for the global economy, including Germany, this first and foremost gives rise to great uncertainty. A similar situation applies with regard to Brexit: here too, the prevailing uncertainty alone has caused trade with the United Kingdom to shrink. The restructuring of the automotive industry and the repercussions of the diesel scandal have also contributed to a decline in industrial gross value added. This was countered by markedly higher growth rates for the service sector and the construction industry. Although GDP was negative in the second quarter, at -0.1 %, a so-called technical recession was avoided. Despite this bumpy course to the year, it should not be overlooked that the German economy actually grew for the tenth year in succession, against all the odds.

DEVELOPMENT OF GROSS DOMESTIC PRODUCT (GDP) IN GERMANY



GDP DEVELOPMENT IN INTERNATIONAL COMPARISON



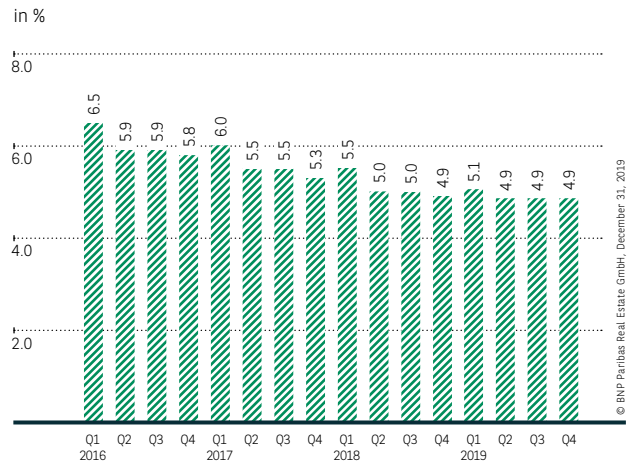
► LABOUR MARKET REMAINS STABLE

The labour market also defied the prevailing economic trends to a degree. While its dynamism was curbed somewhat, it still showed positive signs. The unemployment figure stood at just under 2.27 million, which was around 73,000 lower than in 2018. At the same time, the unemployment rate fell by 20 basis points to an average of 5.0 %. Employment continued to grow, with the number of people in gainful employment rising by more than 400,000 to 45.26 million. An encouraging aspect is the fact that the trend of the preceding years has continued, with a sharper increase in the number of people in employment and subject to social insurance, which rose by 537,000 to 33.41 million. Correspondingly, the significance of precarious employment has waned somewhat. One reason for the labour market's continuing positive course of development is no doubt a growing willingness among companies to secure their employees' services on a long-term basis – even in difficult economic times – in the face of a persisting skills shortage and an emerging reversal in the underlying demographic trend. This assessment is borne out by the fact that the number of vacancies notified averaged 774,000 for the year as a whole, which was only 22,000 less than in 2018.

► CONSUMER CONFIDENCE RISING AGAIN

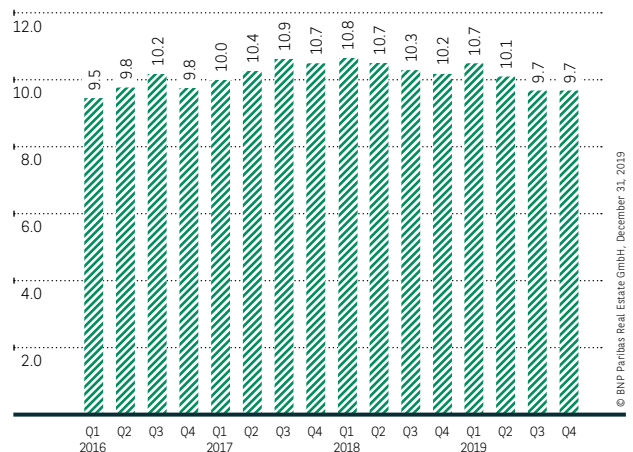
The consumer confidence index determined by the GfK market research institute has rallied slightly since bottoming out at 9.6 points in November 2019. A level of 9.9 has been forecast for February 2020. While it is still very stable by reference to the multi-year average, the fact that the index is down on the corresponding level for 2018 is primarily accountable to uncertainty as to the further development of the economy. The corresponding sub-indicator remains 3.7 points down, despite having rallied somewhat. Meanwhile, consumers' personal income expectations have risen sharply to 44.6. This is first and foremost a reflection of the continuing positive labour market situation. This upward trend is also revealed in the propensity to buy, which has also risen appreciably to 55.5 – its highest level for a year. In essence, this means that German consumers remain in optimistic mood at the start of 2020 and are trusting in the improved forecasts for the growth of the economy. The signing of the first phase of a pact to settle the dispute on customs duties between the USA and China should also help to further brighten the prevailing mood.

DEVELOPMENT OF UNEMPLOYMENT RATE IN GERMANY



Source: Labour market statistics of the Federal Labour Agency

DEVELOPMENT OF THE GfK CONSUMER CLIMATE INDEX



► MOOD IN BUSINESS SLOW TO BRIGHTEN

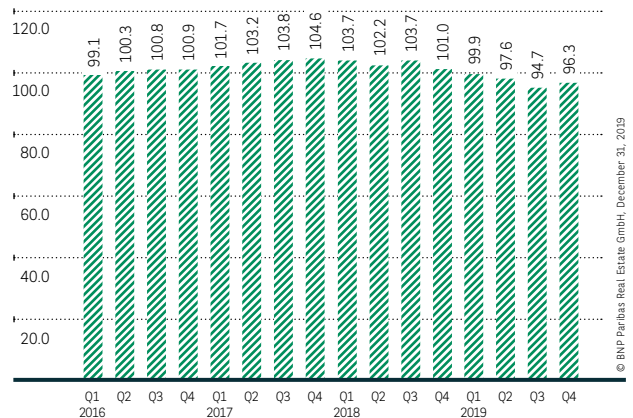
Experience shows that businesses react more sensitively to economic uncertainties than consumers and take longer to regain lasting confidence. This is also revealed in the ifo business climate index, which went into steep decline in the second half of 2018. A slight upward trend only emerged in the final quarter of 2019 – and January again showed a slight drop, at 95.9 points as compared to 96.3 for December. This trend first and foremost reflects the continuing pronounced uncertainty about the economic outlook, while with regard to their current business situation companies are once again more sanguine. An analysis of the sub-indicators for the different sectors also proves interesting. The index has fallen for services and the construction industry – the very sectors which showed above-average performance in 2019. Expectations that the very good order situation would continue ad infinitum appear to have been dampened somewhat. Meanwhile, business confidence has strengthened in wholesale/trade and in the industrial sector, which suffered severely in 2019, giving grounds for optimism about the future.

► DEGREE OF UNPREDICTABILITY REMAINS IN 2020

After a relatively turbulent year in 2019, 2020 again sees the economy facing many challenging developments which are not of its own making. The picture is nevertheless brightening somewhat, holding out the realistic prospect of a restrained upward trend. Forecasts for GDP growth are currently in the region of 1 %, and the federal government actually raised its estimate to 1.1 % at the end of January. The labour market is also expected to develop along positive lines, or remain stable at least. It comes as no surprise that the rate of growth witnessed in recent years has proven unsustainable over the long term. Against this backdrop, as things stand it is to be assumed that the positive prevailing mood among consumers will persist, benefiting both the retail sector and the economy as a whole. On the other hand, there are a number of potential disrupting factors, such as the trade dispute between the USA and China, which is still simmering even though the first step towards a resolution has been made, the concrete form to be taken on by a Brexit deal or the slumbering powder keg in the Middle East. Optimism thus prevails, but tinged with a degree of suspense.

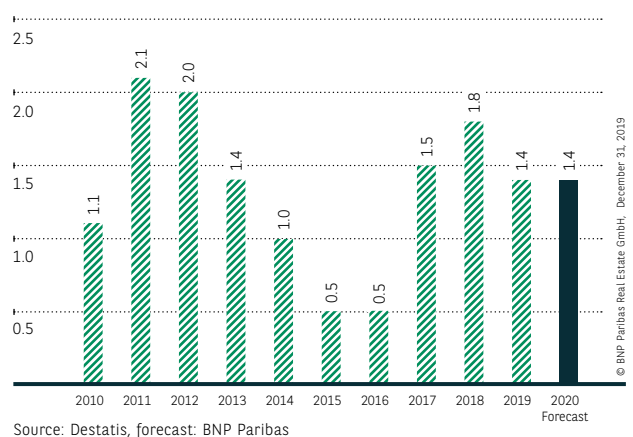
DEVELOPMENT OF THE IFO BUSINESS CLIMATE INDEX

Index values (2005 = 100)



DEVELOPMENT OF THE INFLATION RATE

in %



RETAIL INVESTMENT

EXCELLENT CLOSING SPRINT ENSURES VERY GOOD RESULT

While the first three quarters were followed by a moderate interim result for the retail investment market, the picture changed in the fourth quarter. In the last three months alone, a good €5.4 billion (42 %) of the total €12.9 billion in investment turnover was generated, achieving the best final quarter of recent years. The overall result is therefore not only 15 % above the previous year's volume, but also 13 % above the long-term average. This is not so much to do with the number of recorded transactions, which is comparable to the previous year's figure, but rather an increase in the average volume per deal from €29 to €34 million. It is also pleasing to note that both single (€7.2 billion) and portfolio (€5.7 billion) deals closed the year with above-average results, making significant contributions of 56 % and 44 % of total retail investments. In the package sales segment, particularly prominent are the high street assets of the Millennium portfolio, and single sales in the three-digit million range, of which about 10 were counted.

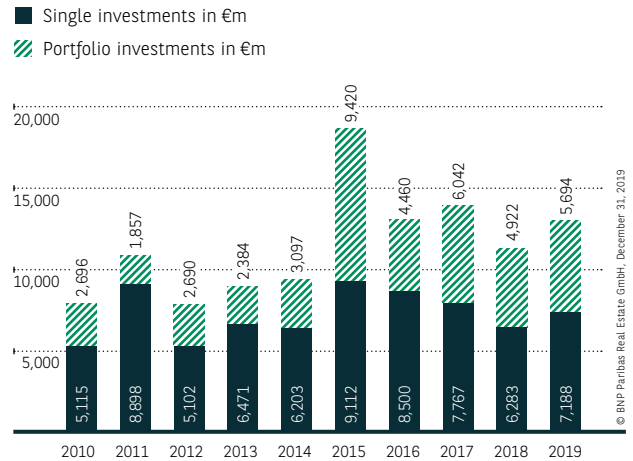
SPECIALTY STORE SEGMENT NOT WEAKENING, COMMERCIAL PROPERTIES GROWING SIGNIFICANTLY

A transaction volume of €5 to over €6 billion has been nothing unusual in the specialty store and retail park sector for the past 5 years, and in 2019 around €5.1 billion was again invested in this type of property. Proportionally, this is almost 40 %, with considerably more than 200 deals. The most significant increase, however, was in retail properties, which increased by a remarkable 61 % and ended up at €4.4 billion (34 %). The Millennium Portfolio accounts for only one tenth of this figure, which shows that the retail property segment is also enjoying brisk market activity beyond this exceptional transaction. Department stores account for close to a further 16 %, while shopping centres make up almost 11 %.

70 % OF TURNOVER IN CATEGORIES ABOVE €50 MILLION

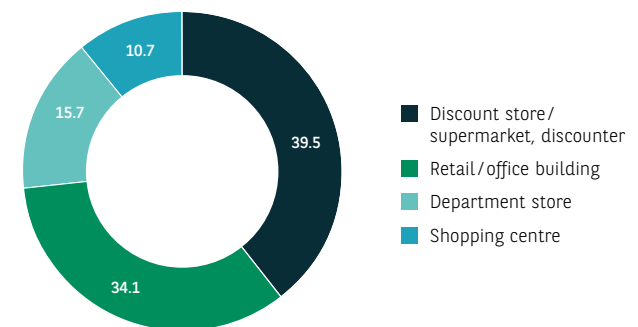
Sales in size classes above €50 million were chiefly driven by an extremely strong fourth quarter. The past three months were responsible for an impressive 42 % of the total €9 billion in the large-volume segments. While neither the second nor the third quarter saw individual sales in the triple-digit million range, the final quarter saw a significant number of such transactions. In contrast, the smaller categories below €50 million realized 9 % lower volume compared to the previous year and therefore accounted for 30 % of sales.

RETAIL INVESTMENTS IN GERMANY



RETAIL INVESTMENTS ACCORDING TO TYPE OF PROPERTY

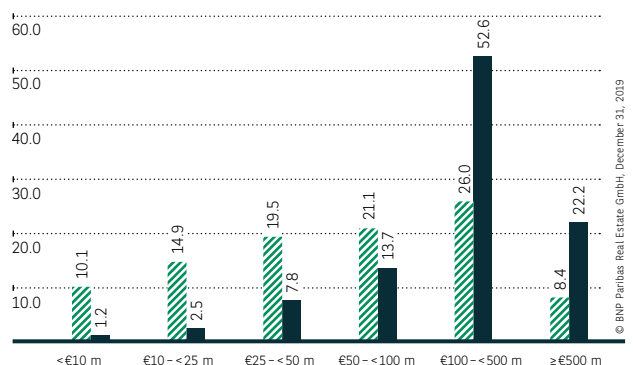
in %



RETAIL INVESTMENTS ACCORDING TO € CATEGORIES

Single investments in %, total €7,188 m

Portfolio investments in %, total €5,694 m



➤ BEST RESULT SINCE 2015 IN A-CITIES

With a total of €4.5 billion, A-cities have been able to increase upon their 2018 result by 12 %, achieve the second-best result of the last 5 years and generate 35 % of the total turnover. Five of the seven most important retail investment markets are benefiting from this; Berlin and Munich are the top two markets with €1.5 billion and €1.1 billion. More than three times as much was invested in the Bavarian capital as in the previous year, while the national capital improved by 8 %. Munich even set a new record for sales. The Swabian metropolis of Stuttgart trails at a clear distance, increasing by 69 % to €600 million, while Düsseldorf (€380 million), Hamburg (€380 million), Frankfurt (€270 million) and Cologne (€210 million) remain well below the €500 million mark.

➤ INVESTORS ALSO ACTIVE IN SMALL TOWNS THANKS TO THE SPECIALIST MARKET DIVISION

In terms of single deals, smaller cities with up to 100,000 inhabitants are, and remain, the second strongest category after A-cities (just under 48 %). This is clear indication that attractive investment opportunities are not only to be found in high street properties, but also outside metropolitan areas in conveniently located specialist retail and local supply centres, supermarkets and discounters with tenants with strong credit ratings. However, the most significant leap has been made by the category of large cities with populations of more than 250,000, increasing sales by 46 % and representing a share of almost 15 %. The Duckwitz shopping park (Bremen), the K1 Karree (Mannheim) and the Seidnitz-Center (Dresden) are just a few large-volume examples outside the A-cities. That said, where there are winners, there must also be losers: for example, cities of a size class between 100,000 and 250,000 inhabitants cannot match its previous year's result (12 %).

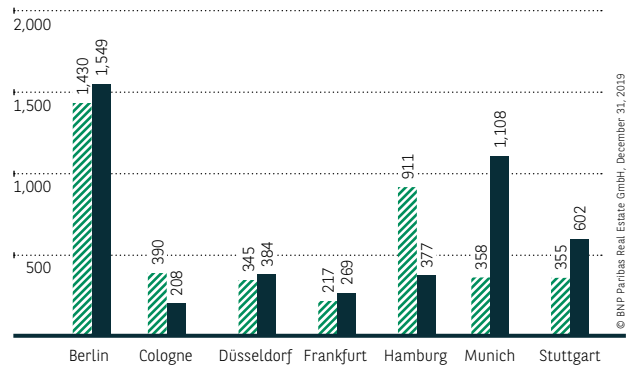
➤ WHERE THERE ARE RETAIL INVESTMENTS, THERE ARE ALSO SPECIALIST FUNDS

The leading group of investors when it comes to retail investments are specialist funds which account for a good 20 % of transaction volume, placing them well ahead of their peers. A large number of deals in all property types and size categories underscore the broad spectrum of their market activity. Investment/Asset Managers were also active – especially in the fourth quarter, overall accounting for 14 % of volume. Real estate companies and pension funds (each around 12 %) also contributed more than 10 %. As to the origin of the capital, it is remarkable that German investors achieved records in absolute (€9.3 billion) as well as in

RETAIL INVESTMENTS IN THE A-CITIES IN 2018 AND 2019

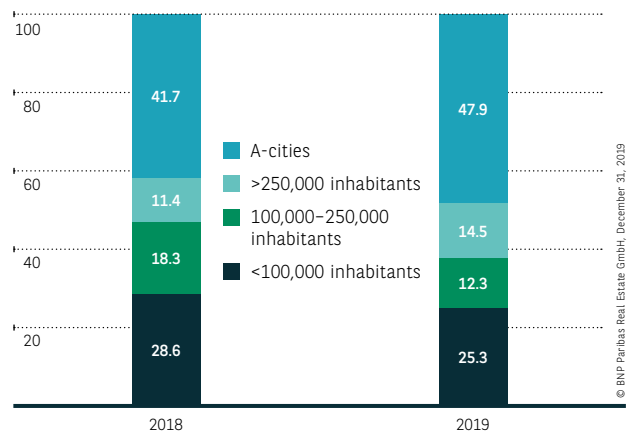
▨ 2018 in €m, total €4,007 m

■ 2019 in €m, total €4,496 m



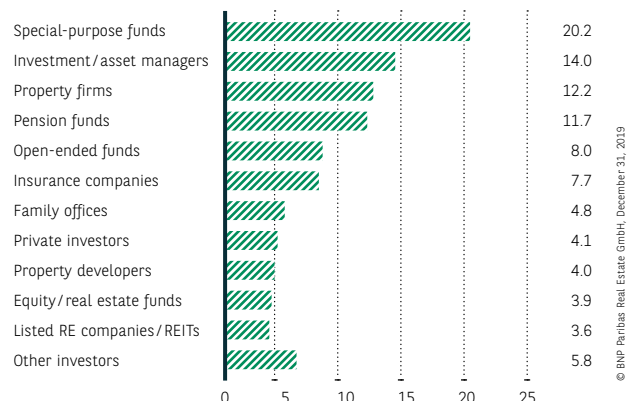
SINGLE INVESTMENTS ACCORDING TO CITY CATEGORIES

in %



RETAIL INVESTMENTS ACCORDING TO BUYERS' GROUPS

in %



relative terms (72 %), while international investors remain below the 5-year average (28 %). However, this is not down to European buyers, who with a share of 24 % achieved a good result.

➤ HARDLY ANY CHANGE IN PRIME YIELDS OVER THE COURSE OF 2019

Following the continuous yield compression of previous years and existing very high prices, net prime yields for high street properties have peaked for the time being and remained stable over the course of 2019. Only in the Bavarian metropolis and in the capital did retail properties in top locations become slightly more expensive again, each at 2.8 % since the end of 2018, thus slightly widening the gap with Hamburg (3 %). A breakdown by property type reveals contrasting developments. Well-functioning specialist retail parks with good transport connections, which many investors value as an attractive investment alternative, show prime yields having fallen by 20 basis points to 4.3 % since the end of 2018. They are converging with shopping centres, which have risen by 10 basis points to 4.1 %.

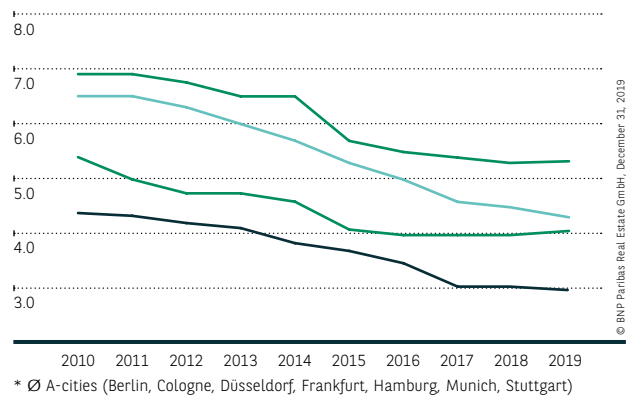
➤ FOURTH QUARTER MOMENTUM INTO 2020

One thing became very clear in 2019 – the retail investment market is full of surprises. While at the end of the third quarter, a below-average year was to be expected, yet only three months later was returning a very good sales result. This observation plus numerous different influential factors make the retail investment market so difficult for all forecasters. That said the recent somewhat more positive development on the rental markets and consistency in specialty store segment make us currently confident about the forthcoming 12 months.

DEVELOPMENT OF NET PRIME YIELDS

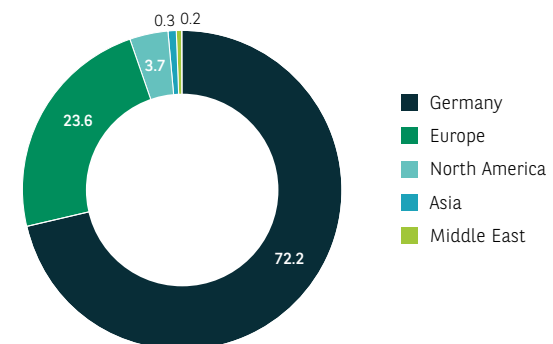
in %

■ Retail/office buildings* ■ Shopping centres
■ Specialist retail centres ■ Specialised discount stores



RETAIL INVESTMENTS ACCORDING TO ORIGIN OF CAPITAL

in %



THE GERMAN RETAIL MARKETS

► 2019: A YEAR FULL OF NEW TRENDS ON THE RETAIL RENTAL MARKET

The years 2016 to 2018 were visibly marked by the transformation of the retail landscape, the changes and the lessons learned by the key players during this period are clearly reflected in the letting activity of the last twelve months. Accordingly, the number of registered lettings and openings in city centre locations, which has been falling year on year since 2014, is now showing an upturn again for the first time compared with the previous year – and that by 13 %. With a total of around 1,300 leases concluded for a take-up of 625,000 m², the result is not only impressive compared with 2018 (1,140), but also with 2016 (1,360) and 2017 (1,310), with only an insignificant higher number of contracts. The 2019 letting year was particularly marked by the neck-and-neck race between the textile and the food service industries, which ultimately ended in a draw between the two key protagonists of the retail market. Each of the two demand groups accounted for around 300 deals and a market share of a good 23 %, with food service providers gaining 8 percentage points over the past five years, while fashion labels gave up the same amount of percentage points. How active the food service industry is at present becomes even clearer, however, when one considers that the number of deals concluded in this sector rose by an impressive 42 % compared to the previous year and is by far the highest value in absolute terms in the last five years. But there is also good news to report from the textile sector: The number of sizeable, newly rented shops (1,000 m² and more), which are considered particularly difficult to market due to the very limited circle of potential tenants, has remained constant compared to the last few years. The lettings to Urban Outfitters (Kaufinger Strasse, Munich), JD Sports (Georgstrasse, Hanover), Wöhrle (Prager Strasse, Dresden) and SiNN (Kettwiger Strasse, Essen) are just a few prominent examples in the top sites of A and B locations.

Another important trend that emerged in 2019 is taking place at B locations. Viewed over the long-term since 2013, only in 2016 was a comparable number of lettings and openings recorded here as in 2019. This city category is clearly on the expansion list, especially for food service companies, which is impressively underscored by a sector share of 37 %. The population structure of these cities, which is often young and student, offers ideal conditions for food service concepts that are open to experimentation. At the A-cities, as in Germany, neither the food service nor the textile industry emerged as the industry leader, as here too both groups accounted for 23 % of the lettings and openings. While Berlin and Frankfurt have the most food service formats with 23 and 18 deals, Hamburg and Munich lead the fashion sector with 17 deals

each. In summary, the seven top markets across all sectors have an average of 50 leases/openings with a take-up of over 19,000 m². Above this average are Frankfurt (28,000 m²), Berlin (22,000 m²), Hamburg (22,000 m²) and Cologne (20,000 m²), but Munich and Stuttgart also have a lot to report with 18,000 and 15,000 m² respectively and over 40 deals each. By far the largest number of contracts concluded is again in Berlin (around 70) – the size of the capital alone, with its widely differing retail hotspots, will not change this situation. The fact that only Düsseldorf, with 10,000 m², seems to be slightly outperforming is due in particular to the fact that an enormous amount of space was newly let in the Rhine metropolis in both 2017 and 2018, each with 30,000 m², which meant that availability was somewhat tighter again in 2019.

► TENANTS AND LANDLORDS INCREASINGLY COMING TOGETHER

The retail markets in 2019 were compelling, partly due to stronger demand and higher take-up than in previous years, but also due to a number of qualitative trends that are attributable to changing circumstances, particularly in the relationship between tenants and landlords as key players in the bricks and mortar retail business. In contractual discussions both parties have now moved closer together in order to reach agreements and thus establishing the basic prerequisite for a new lease or an extension of the contract. Since it has not become easier to let new shop space over the past few years, landlords' interest in retaining existing tenants has also continued to grow. As a result, the interplay between rent reductions and special termination rights for specific terms is becoming increasingly important. If the landlord is prepared to accommodate tenant wishes, this also increases the tenant's willingness to compromise and, for example, to waive exit clauses, which can at best create a win-win situation for both sides.

Another key point is the implementation of brand building and the showcasing of fledgling or already established names. This is where a rethink is currently taking place as many retailers, seeking improved marketing, are increasingly relying on social media, such as Instagram, and high-reach Influencers than on renting pop-up stores. Contributing to this development is the continuous improvement of shopping features and the cooperation of Instagram with influential partners such as adidas, H&M or Zara. This does not mean, however, that there are not also innovative concepts that succeed in transforming the retail space itself into a show stage. A promising format in this context is the Blaenk store in Düsseldorf's Schadowstrasse, operated by pop-up store expert Brick Spaces. Newer,

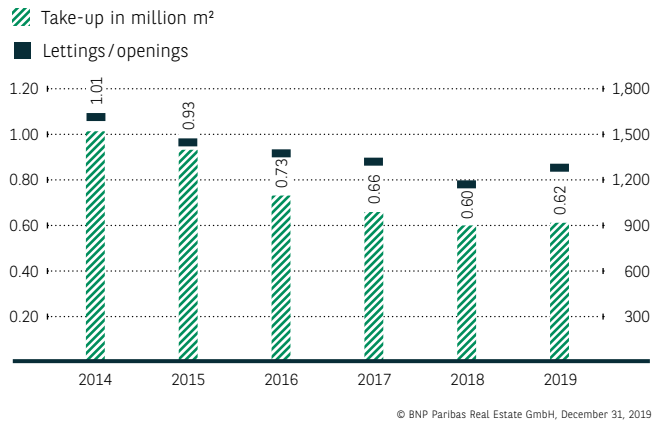
less well-known retailers are brought together with renowned labels under one roof for a short period of time in order to create synergy effects and arouse customer interest through artificial shortages.

Efforts to expand their own target group can currently be observed primarily in the luxury market. Established international brands such as Bottega Veneta, Balenciaga or Prada, are attempting to increasingly appeal to young people by offering more affordable prices and trendier collections in order to tap the great potential of this consumer group even more extensively. Whether with high-pricing or a price-aggressive approach it still seems essential to take a position on one side of the mid-range segment. In the footwear sector, Deichmann and Görtz are successful substitutes for lower or higher than average price tickets.

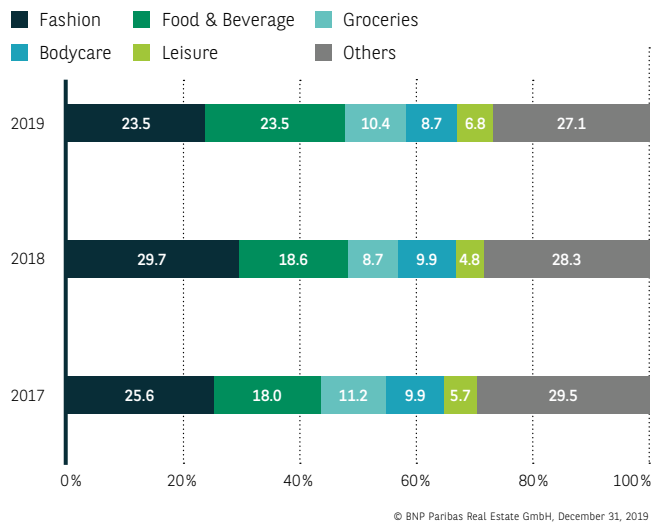
➤ OUTLOOK: HARNESSING IMPROVED PROSPECTS

It would be completely wrong to claim that a turnaround has been accomplished and that transformation is a thing of the past. In general, the retail world is now so closely linked to changes that further development is unlikely without them – and that applies both offline and online. The example of the clothing retailer C&A shows that even for major renowned brands extensive restructuring measures and, in their case, up to 100 closures are still being considered. Finding new users for so many large spaces in prime locations would certainly present the market with major challenges. It also remains interesting to see how Signa will succeed in repositioning the Galeria Karstadt Kaufhof brand over the long term and whether and to what extent Karstadt and Kaufhof properties will be sold. A forecast for the retail market in 2020 is comparable to looking into a crystal ball, given all that has been written about the positive and negative factors. Although the chances of a positive year for all participants are better than in previous years, it is essential to continue to take advantage of them.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS



LETTINGS / OPENINGS BY SECTOR



KEY MARKET FIGURES FOR THE MOST IMPORTANT RETAIL LOCATIONS IN GERMANY

City	Population 01.01.2019	Purchasing power index Forecast 2020	Turnover index Forecast 2020	Overnight stays 2018	Top rent (net) 2018 ¹⁾	Top rent (net) 2019 ¹⁾	Purchase price multiplier retail property ²⁾	
	absolute	per inhabitant (DE = 100)	per inhabitant (DE = 100)	absolute	in €/m²/month	in €/m²/month	from	to ³⁾
Aachen	247,380	94.8	116.6	1,020,527	100	95	17.0	20.5
Augsburg	295,135	98.0	122.2	855,121	90	80	17.0	20.5
Bad Homburg	54,248	148.1	120.9	588,300	55	50	16.5	18.0
Berlin	3,644,826	91.3	103.4	32,871,634	310	300	26.0	32.0
Bielefeld	333,786	92.7	122.9	679,903	135	140	16.5	18.5
Bochum	364,628	93.7	115.8	634,766	80	75	14.5	16.5
Bonn	327,258	110.1	116.9	1,597,228	120	120	17.0	21.5
Braunschweig	248,292	106.2	149.3	684,810	90	90	17.0	20.0
Bremen	569,352	91.9	110.4	2,138,614	115	115	17.5	20.5
Chemnitz	247,237	88.1	105.5	520,996	50	50	13.0	15.5
Cologne	1,085,664	105.1	129.7	6,287,677	265	265	24.0	29.0
Darmstadt	159,207	108.4	117.2	707,139	75	70	15.0	18.0
Dortmund	587,010	91.6	114.9	1,352,848	230	230	17.5	21.5
Dresden	554,649	90.6	107.7	4,604,408	100	100	19.0	23.0
Duisburg	498,590	82.9	92.5	565,313	40	40	13.0	15.5
Düsseldorf	619,294	116.5	134.5	4,988,092	280	280	24.0	30.0
Erfurt	213,699	91.5	105.2	879,168	90	90	17.0	21.0
Erlangen	111,962	119.1	126.6	506,917	60	50	15.0	18.0
Essen	583,109	96.0	113.9	1,602,022	80	80	17.0	21.5
Flensburg	89,504	89.0	154.4	322,191	85	80	15.0	18.0
Frankfurt am Main	753,056	113.5	116.7	10,149,671	300	300	24.0	30.0
Freiburg im Breisgau	230,241	97.2	144.6	1,708,237	180	180	18.0	21.0
Gelsenkirchen	260,654	79.5	90.2	363,864	40	35	13.0	15.5
Göttingen	119,801	94.7	131.3	532,701	90	90	15.0	17.0
Hagen	188,814	89.5	109.8	289,154	40	35	12.5	15.0
Halle (Saale)	239,257	82.7	84.7	429,592	65	65	15.0	18.0
Hamburg	1,841,179	109.3	122.2	14,529,549	270	270	25.0	31.0
Hannover	538,068	101.0	126.6	2,250,245	195	190	19.0	23.5
Heidelberg	160,355	98.5	117.3	1,552,834	115	115	19.5	22.5
Ingolstadt	136,981	117.8	175.9	560,022	65	55	15.5	18.5
Karlsruhe	313,092	102.2	122.2	1,139,836	95	95	19.0	22.0
Kassel	201,585	92.2	133.7	930,854	115	110	15.0	17.5
Kiel	247,548	87.6	123.8	805,038	70	65	15.0	17.5
Koblenz	114,024	97.7	169.6	700,141	75	75	14.0	16.0
Krefeld	227,020	99.2	129.4	251,113	50	50	13.5	16.0
Leipzig	587,857	87.3	93.7	3,376,257	120	120	19.0	24.0
Leverkusen	163,838	102.5	109.4	249,769	35	35	17.5	21.5
Lübeck	217,198	90.5	139.4	1,897,748	90	90	17.5	21.0
Magdeburg	238,697	88.0	106.3	692,213	30	30	14.0	16.0
Mainz	217,118	106.0	113.5	906,699	110	105	17.0	20.0
Mannheim	309,370	100.3	149.2	1,469,030	150	145	18.5	22.5
Moers	103,725	98.4	110.9	111,486	60	60	13.0	15.0
Mönchengladbach	261,454	92.7	115.1	335,230	40	35	13.5	15.5
Munich	1,471,508	134.6	148.2	17,124,486	370	370	25.0	32.0
Münster	314,319	102.1	138.1	1,341,708	190	190	18.5	22.0
Neuss	153,796	106.1	121.7	400,751	50	45	13.0	15.5
Nuremberg	518,365	104.2	134.4	3,610,613	150	140	19.0	22.5
Offenbach am Main	128,744	93.0	95.7	535,342	40	40	14.0	16.0
Oldenburg	168,210	100.2	142.7	377,348	95	95	15.5	18.0
Osnabrück	164,748	96.5	145.3	479,661	130	120	17.0	20.0
Paderborn	150,580	94.2	143.4	324,241	90	90	14.5	16.5
Potsdam	178,089	98.0	93.1	1,277,928	70	65	18.0	22.0
Recklinghausen	112,267	97.3	113.3	115,317	30	30	12.5	14.5
Regensburg	152,610	111.3	164.0	1,100,392	65	55	16.5	19.5
Rostock	208,886	86.2	96.1	2,139,097	75	75	16.0	19.0
Saarbrücken	180,741	91.8	138.7	537,962	80	75	13.5	15.5
Schwerin	95,818	90.5	105.9	362,429	30	30	14.0	16.0
Siegen	102,836	92.8	156.1	147,326	40	35	12.5	15.0
Stuttgart	634,830	113.6	130.0	3,911,781	275	265	24.0	29.0
Trier	110,636	90.6	183.0	840,545	125	120	17.0	21.0
Ulm	126,329	110.9	145.2	688,782	135	135	16.0	19.0
Wiesbaden	278,342	110.4	123.0	1,251,424	135	130	18.0	22.5
Wuppertal	354,382	93.4	95.4	599,393	70	70	14.5	16.5
Würzburg	127,880	103.5	198.3	965,700	135	130	18.0	21.5

¹⁾ Applies to typical 100 m² standard shop with following quality features:

- ▶ most frequented area in the city
- ▶ single-storey rectangular ground-plan
- ▶ step-free entrance
- ▶ at least 6m frontage

²⁾ Applies to prime area

- ▶ at least 50 % of rental income from retail premises

³⁾ In individual cases, these multipliers can sometimes be considerably higher as the result of special circumstances.

Sources: GfK Geomarketing GmbH, BNP Paribas Real Estate, Einwohner- / Gemeindeverzeichnis, statistische Landesämter

DEFINITIONS

➤ GfK PURCHASING POWER INDEX

The GfK purchasing power provides information on the disposable income of consumers by place of residence. The GfK purchasing power can be described in simplified terms as the sum of all net income which is available to the population in a year and region. It is therefore the most important indicator for consumption potential in this region.

The index value always relates to the national average. An index of 110 means that inhabitants in this region have 10 % more purchasing power than the national average. An index of 90 means that the purchasing power of inhabitants in this region is 10 % below the national average.

➤ GfK RETAIL TURNOVER INDEX

The GfK retail turnover shows the forecasted retail turnover in the individual regions. In contrast to GfK purchasing power, retail spending by the place of purchase and not by the place

of residence is used to calculate the GfK retail turnover. It therefore reflects retail consumer spending at the point of sale.

The index value always relates to the national average. An index of 110 means that retail turnover per inhabitant in this region is 10 % above the national average. An index of 90 means that retail turnover per inhabitant in this region is 10 % below the national average.

➤ GfK CENTRALITY INDEX

The GfK centrality index provides retailers with an objective benchmark to identify which cities are managing to attract and retain a particularly high level of purchasing power with their existing range of retail services. A centrality index of 100 means that a city's inflow and outflow of purchasing power are in balance. The index is therefore of great importance for location planning and assessment.

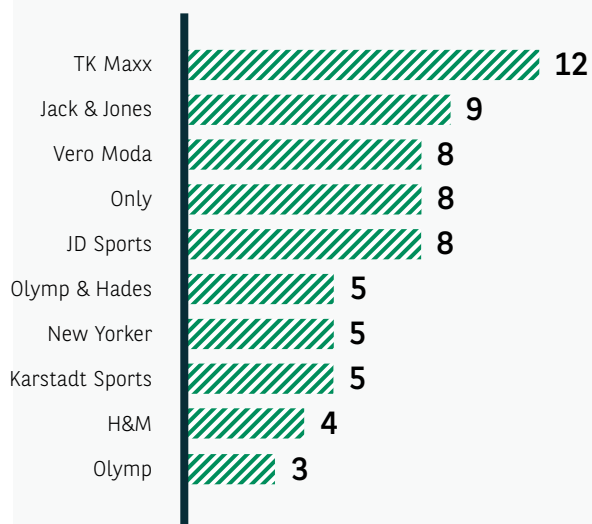


MOST ACTIVE RETAILERS 2019

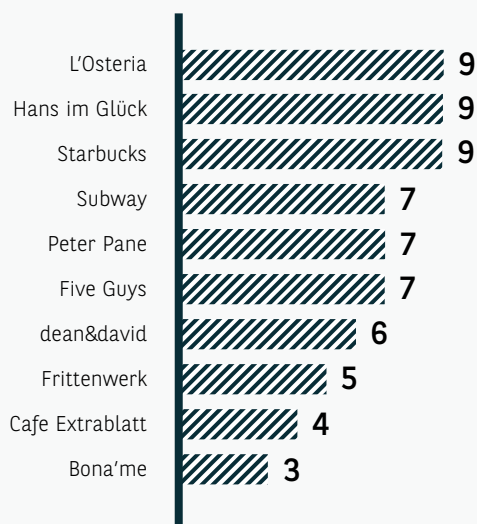
Different sectors –
different
expansion profiles*



(INTER)NATIONAL FASHION LABELS



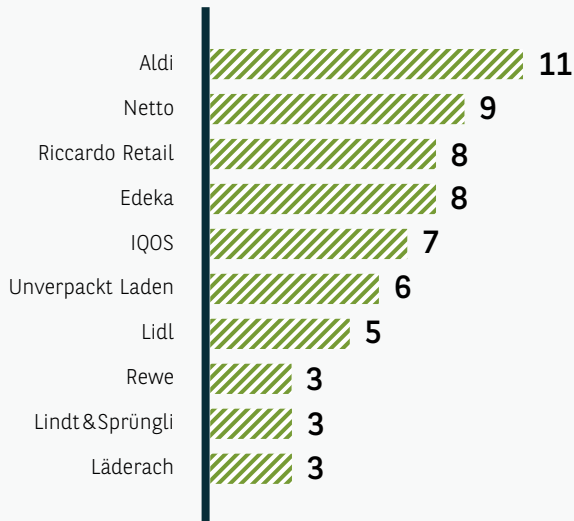
FOOD & BEVERAGE COMPANIES



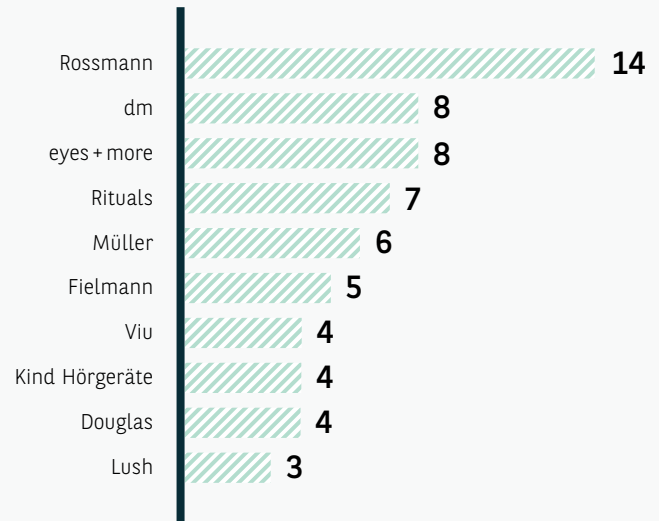
*Number of leases/openings nationwide in city locations



GROCERIES / TOBACCO PRODUCTS



BODYCARE / HEALTH



42 %
increase
in lettings
of the food
industry
compared to
2018



AACHEN



“Third highest footfall result in the city category
100,000 to 250,000 inhabitants”

With its historic alleys around the cathedral and the picturesque Old Town, Aachen's city centre attracts numerous tourists from Germany and nearby countries. The Karlsstadt, home to the legendary Charlemagne, with its classical ambience,

numerous charming squares and narrow streets, is very popular and much explored. Aachen therefore has a lot to offer, even though the inner city retail trade navigates troubled waters in many places.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall/h	Top rent	Chain-store ratio	Selected new lettings/openings
Adalbertstrasse	Mass market	550 m	4,644	95 €/m ²	85 %	tredy Fashion
Holzgraben	Mass market	110 m	1,370	35 €/m ²	60 %	–

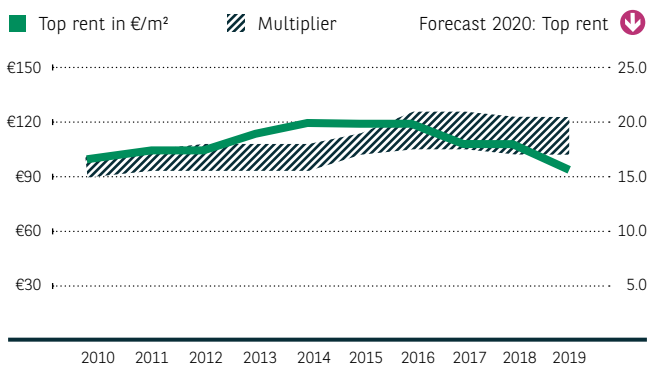
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➤ KRÄMERSTRASSE MOVES UP

Aachen's retail market has to struggle with several structural changes which are also affecting numerous German city centres. Overall, the rather diminishing demand for retail space is increasingly concentrated on only a few sub-segments of major locations. In particular, a desired proximity to the inner-city shopping centre Aquis Plaza has absorbed some of the demand in recent years. This has also been at the expense of some established locations, which are now struggling with vacancies. The Holzgraben is therefore threatening to lose its status as an A-location, and the Dahmengraben is hardly relevant

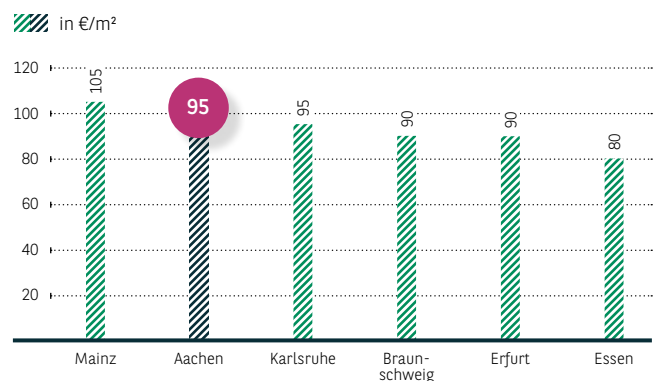
as a retail destination any more. However, Krämerstrasse has meanwhile risen into this league, where a concept store of shoe manufacturer Kennel & Schmenger is one of the few leases in Aachen city centre. In addition to vacancies, outmoded building features and floor layouts make marketing difficult in many areas of the city. As various developments such as the Horten department store or Büchel continue to falter, momentum falls away. The consolidation phase in current locations is therefore not yet complete. Nevertheless, the cathedral city still has a lot of potential because it continues to have a strong appeal and an international reputation.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



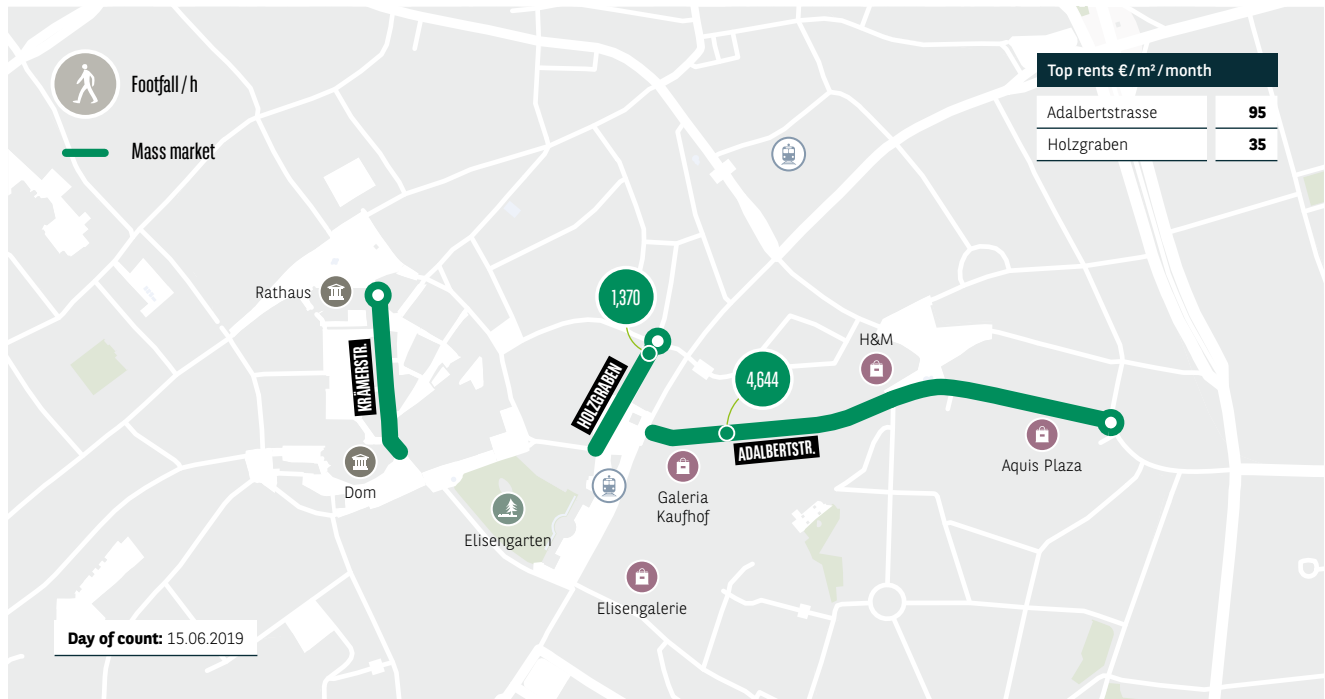
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TOP RENT – INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



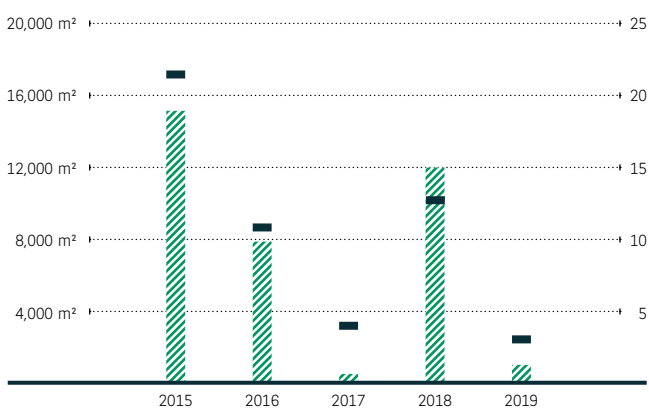
➤ **FALLING RENTS PROVIDE OPPORTUNITIES**

The availability of space is not only increasing in secondary locations, but also in the most important shopping precinct, Adalbertstrasse, where a number of vacancies can be identified. Rents are therefore still under pressure, so that prime

rent for a typical 100m² premise fell to 95 €/m² over the course of the year. Landlords are trying to retain tenants and attract new retailers through rent discounts. However, this in turn can also provide an opportunity for young, innovative ideas to secure space in an international and vibrant university city.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

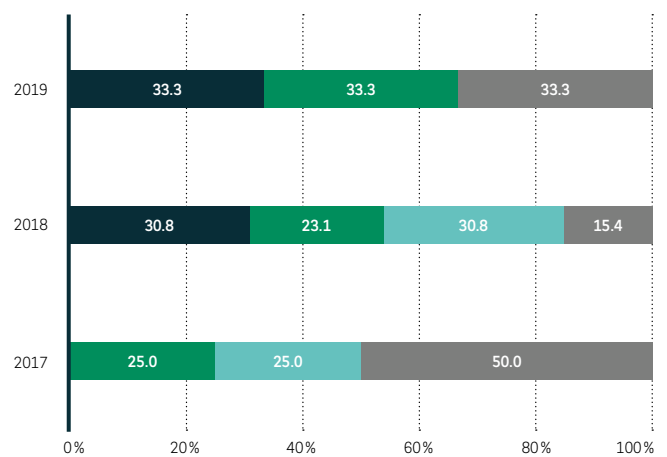
Take-up (green hatched bar) Lettings/openings (dark blue bar)
Forecast 2020: demand (grey arrow) supply (green arrow)



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LETTINGS / OPENINGS BY SECTOR

Fashion (dark blue) Food & Beverage (green) Bodycare (teal) Others (grey)



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BERLIN



“No city had more lettings in the food & beverage sector than the capital”

The capital is and remains the city of real estate records: if you look at the performance of the investment market or the office and logistics letting activities, Berlin cannot be topped. It is therefore no wonder that the workforce grew most sig-

nificantly between 2018 and 2019 (+3.5 %) impacting upon the Berlin retail market, where the increased importance of socializing, provisioning and experiencing, is reflected in the majority of restaurant deals in Germany in 2019.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall/ h	Top rent	Chain-store ratio	Selected new lettings/ openings
Tauentzienstrasse	Mass market	500 m	5,556	300 €/m ²	96 %	Skechers, IQOS, Old Rose Coffee
Kurfürstendamm	Mass market Upmarket Luxury	3,500 m	5,002 - 1,275	200 €/m ² 170 €/m ² 170 €/m ²	88 %	ETRO, Live fast die young, Fabiana Filippi, beets&roots
Alexanderplatz	Mass market	300 m	4,902	185 €/m ²	90 %	Monster Notebooks, Starbucks, Five Guys, Starbucks
Friedrichstrasse	Mass market/ Upmarket	3,300 m	3,290	90 €/m ²	87 %	Freiraum, Baldessarini, Nosh Nosh, The Hemp Company
Rosenthaler Strasse	Mass market	500 m	2,948	90 €/m ²	72 %	MADE.COM, SET Fashion, Kapten & Son
Neue Schönhauser Strasse	Mass market	200 m	1,892	90 €/m ²	89 %	H&M "Mitte Garden", The Barn, Happy Socks
Schlossstrasse	Mass market	1,700 m	3,338	75 €/m ²	81 %	11teamsports, Riccardo Retail
Wilmsdorfer Strasse	Mass market	1,900 m	4,044	65 €/m ²	80 %	Fielmann, Ernsting's family
Münzstrasse	Mass market	230 m	-	55 €/m ²	76 %	Patagonia, Saint James

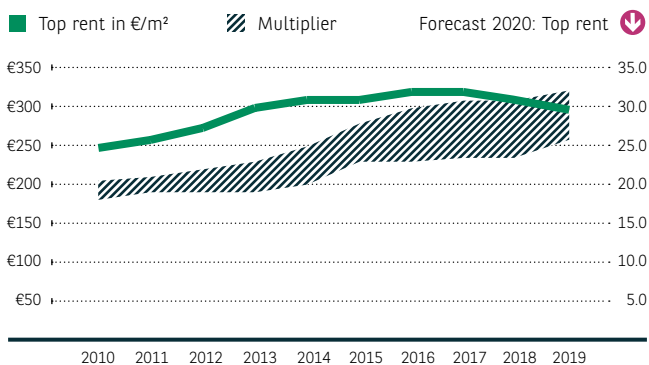
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➤ A RETAIL MARKET PREPARES FOR THE FUTURE

As Germany's leading tourist metropolis, Berlin has no choice but to offer its 35 million annual visitors and over 3.64 million inhabitants an attractive city centre and with it a multi-faceted retail scene. But where innovations are to be created, there must also be periods of upheaval. This is particularly evident in the numerous construction projects in the City-West: the FÜRST (former Kudamm-Karrée), the "P1" planned by Signa

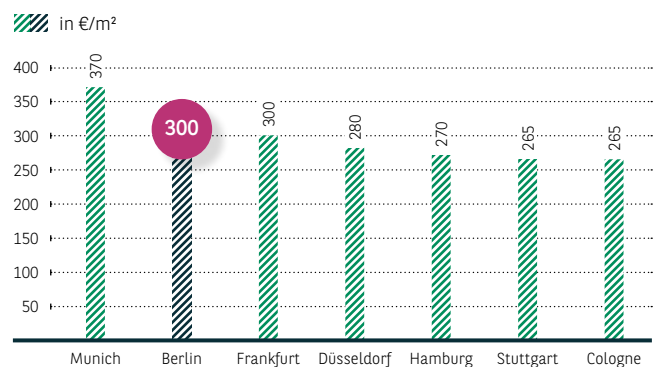
in the vicinity of KaDeWe, and the Gloria Galerie, still under construction, are only the most prominent mixed-use projects on Kudamm and Tauentzienstrasse. While modern retail and restaurant space is being created again and again, shops that have been vacant for longer periods are increasingly being converted into office or coworking spaces due to the enormously high demand. Friedrichstrasse is currently demonstrating that disruption also brings with it opportunities. A

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



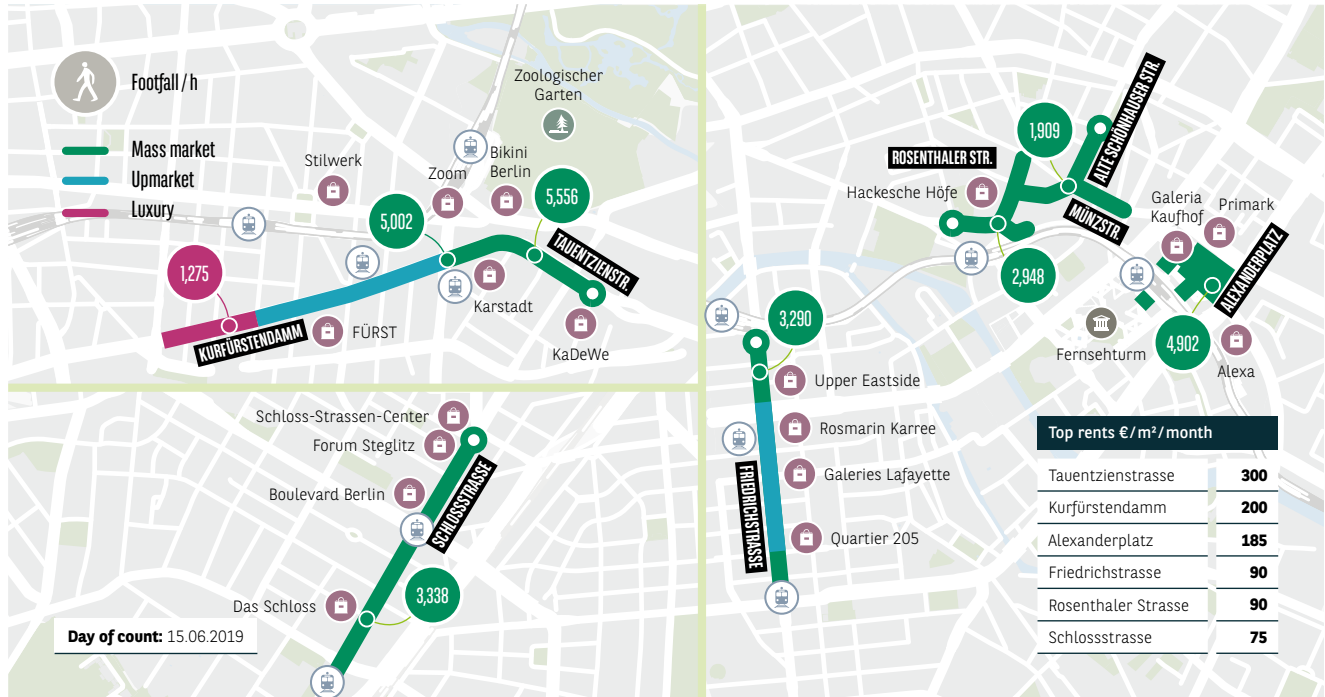
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TOP RENT – INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



total of more than five leases/openings from four different sectors in 2019 illustrate the widely diversified nature of demand. A greater willingness on the part of landlords to negotiate rents and rental incentives has had a positive effect on the marketing of retail space, not only in this location.

➤ **OVER 70 DEALS, ALL HOT SPOTS REPRESENTED**

There is news not only from City-West, which with Kudamm

and Taubentzenstrasse alone accounts for a quarter of record-city rentals. With the redesign of Alexanderhaus, securing Five Guys and Starbucks, among others, Alexanderplatz was also able to expand retail stock in line with its target group. In addition, Hackescher Markt is once again proving its popularity as a micro-location for new retail ideas with H&M pilot store "Mitte Garden" (Neue Schönhauser Strasse 13).

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

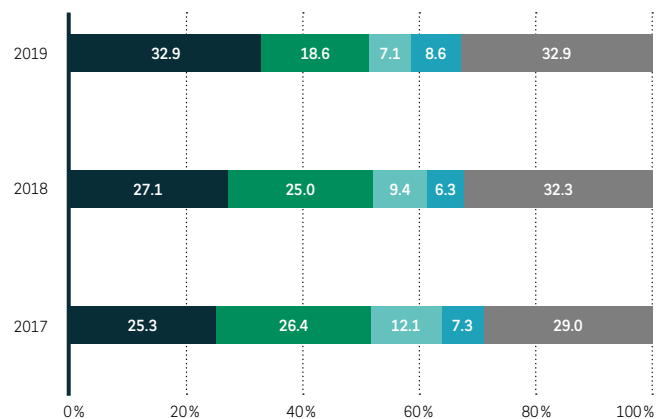
Take-up (green hatched bar) Lettings/openings (dark blue bar)
Forecast 2020: demand (grey arrow) supply (green arrow)



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LETTINGS / OPENINGS BY SECTOR

Food & Beverage (dark blue) Fashion (green) Leatherwear/Shoes (light blue)
Groceries (teal) Others (grey)



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BONN



“Over 30 lettings/openings in the city centre with the **best value** for 5 years”

Bonn has moved to the top of the tourist world map for 2020 – ranked 5th by renowned travel guide, Lonely Planet, ahead of cities such as Vancouver or Dubai. The main reason for this is the 250th anniversary of Beethoven’s birth as “son of the city” and the numerous events associated with it. National and in-

ternational tourists arriving at Bonn’s main railway station on this or other occasions will encounter two spectacular new highlights of the inner-city retail landscape, the Maximilian-center which has already opened and Urban Soul (opening autumn 2020).

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall/h	Top rent	Chain-store ratio	Selected new lettings / openings
Remigiusstrasse	Mass market	200 m	5,252	120 €/m²	90 %	Karstadt Sports
Sternstrasse	Mass market	300 m	4,653	120 €/m²	83 %	Trinitae, IQOS

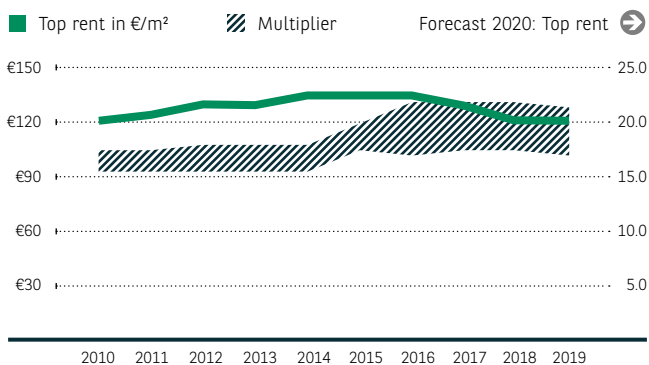
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FOOD SERVICE INDUSTRY AND B-LOCATIONS SHAPE LETTINGS

In mid-August, the time came for Primark, anchor tenant occupying the majority of the space in the Maximiliancenter, to open its doors. Urban Soul, the mixed-use property opposite, is also almost fully let and will, as planned from the third quarter of 2020, feature attractions such as JD Sports and Five Guys. In addition, sports specialist Karstadt Sports, which has inherited the in Germany unsuccessful outlet Saks OFF 5th, is another new large-scale retail tenant on the Bonn retail

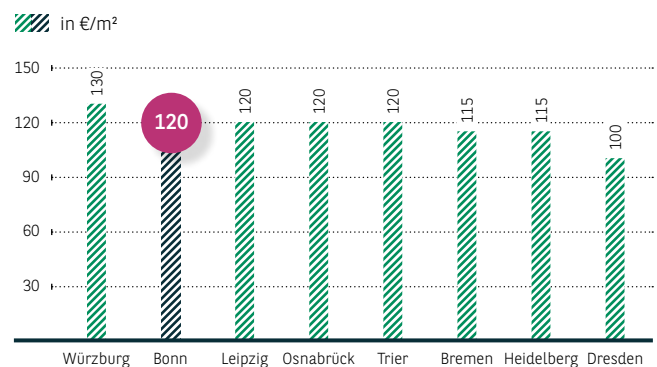
market. Looking at the impressive total of over 30 lettings and openings, it is remarkable that 55 % of recorded transactions are in secondary inner-city locations. The reason for this is in no small measure down to an extremely active food service sector – many restaurants and cafés relying on their own unique appeal or site near tourist hotspots rather than through locating in an area of high footfall. The Poststrasse or Vivatsgasse are among these streets, which welcome several new dining opportunities, including those of ex-football professional Lukas Podolski.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



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TOP RENT – INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS

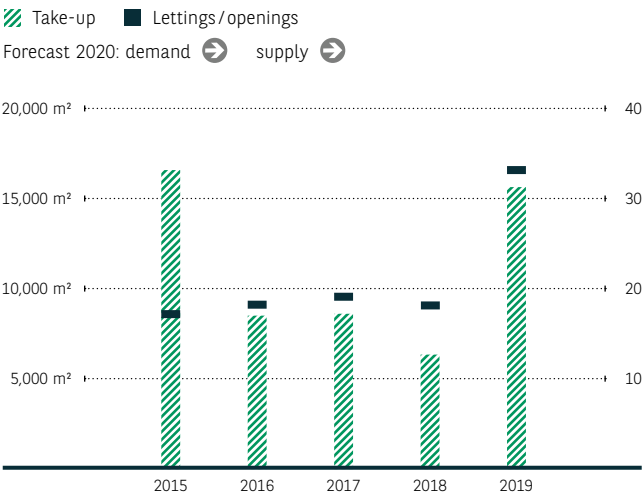


➤ **GETTING THE LAYOUT RIGHT**

In addition to new brands in the city of Bonn such as JD Sports, Five Guys or Manufactum (Markt 10-12), an increasingly important role is also being played by retailers relocating to optimize their own shop or location. However, for both groups it is essential that floor layouts are right, otherwise vacancies and

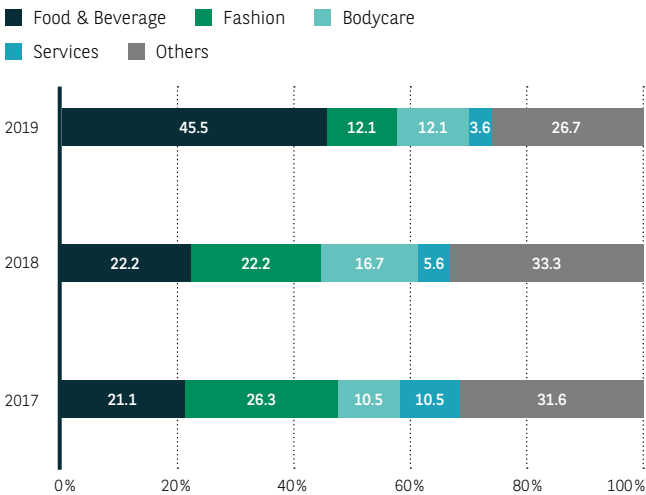
significantly longer marketing periods can occur even in top locations such as Sternstrasse. In summary, future prospects are positive and it will remain exciting to see how open the inner city is to the new developments against a background of fierce competition in conventional retailing.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS



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LETTINGS / OPENINGS BY SECTOR



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BRAUNSCHWEIG



“Significantly **higher** letting activity in the city centre than in 2018”

The second largest city in Lower Saxony, with a population of just under 250,000, benefits from a large catchment area and, from a retailer's point of view, can best be described as small but nice. A purchasing power index of over 149, a high centrality ratio and an unemployment rate of less than 5 % are

values that retailers welcome. With prime rent of only 90 €/m², quite low by national standards, and situated in the consumer locations of Damm and Hutfiltern, it is not surprising that traditionally there has been little fluctuation.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall / h	Top rent	Chain-store ratio	Selected new lettings / openings
Hutfiltern	Mass market	100 m	-	90 €/m²	92 %	-
Damm	Mass market	250 m	3,596	90 €/m²	92 %	BackWerk
Sack	Mass market	150 m	3,614	80 €/m²	67 %	Borgmann & Clausen, Swapfiets

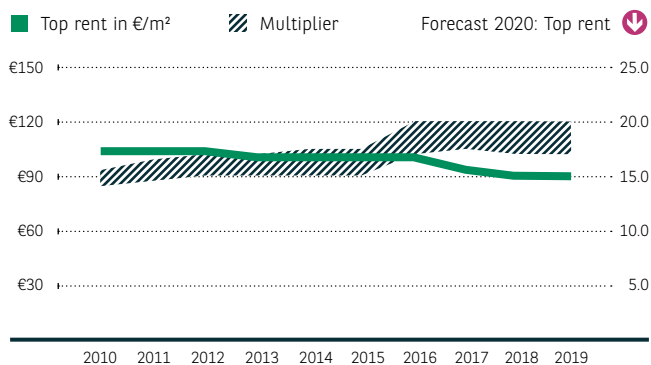
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FEW RENTALS BUT NO BOREDOM

With a total of six registered lettings/openings, market activity in Braunschweig remained at a recognisably moderate level, despite a slight overall increase in the amount of space available. In terms of footfall, A-locations Sack and Damm have lost a few places and are now in the lower midfield of the major German shopping streets. It is pleasing to see that in the traditional location of Langerfeldt-Haus things are starting to move again after the closure of the store of the same name at the end of 2017. The Braunschweig fashion

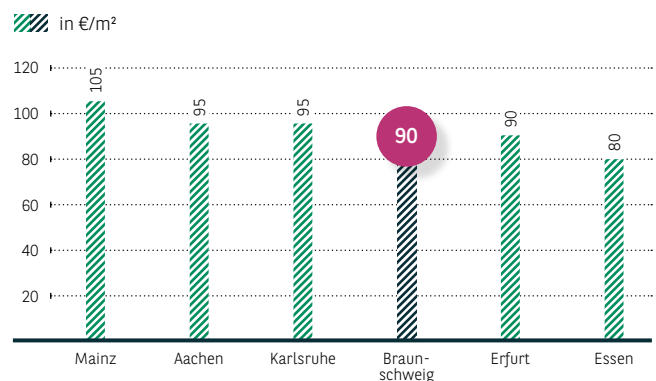
house Summersby has rented an area of around 800 m² of retail space in the lavishly modernised property and with Mono offering high-quality Asian cuisine, a culinary breath of fresh air is also coming into the establishment. Braunschweig's city centre is also likely to become more attractive with the Burggasse project, whose opening is unfortunately not yet foreseeable at the present time. Around 7,000 m² of retail space will be integrated into this prime location simultaneously providing an attractive link between Hutfiltern and Schuhstrasse.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



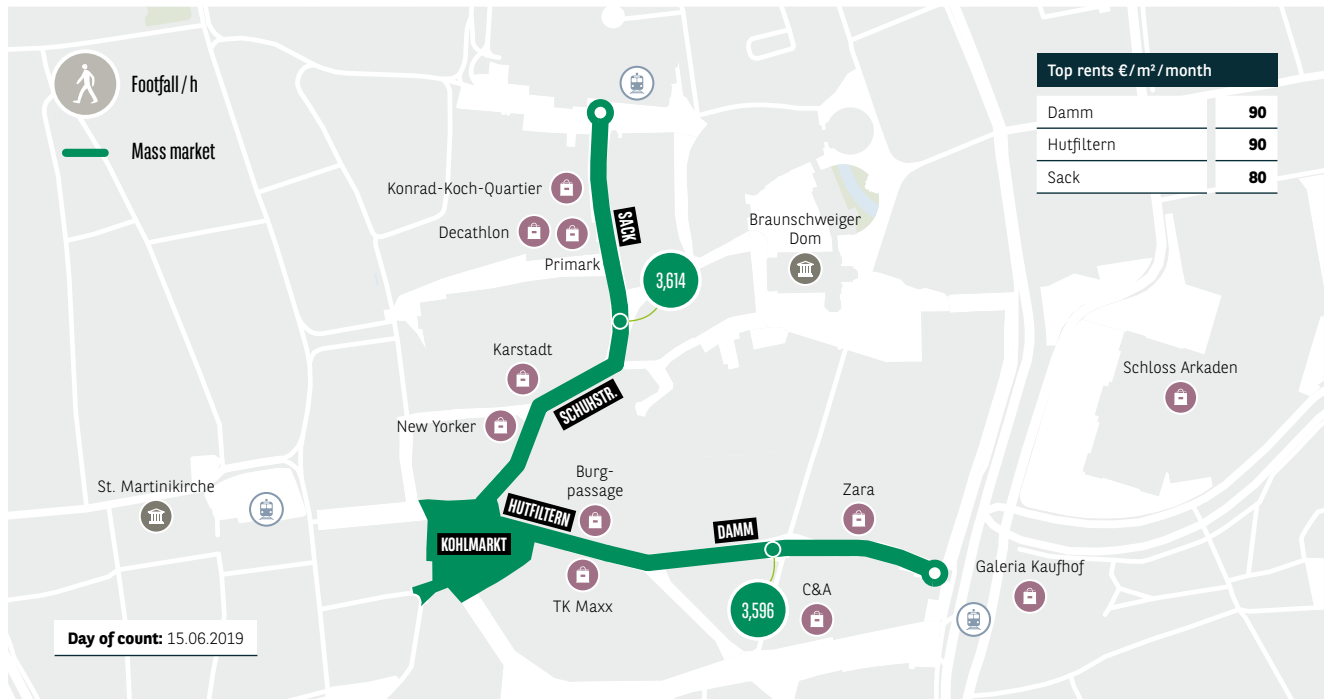
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TOP RENT – INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



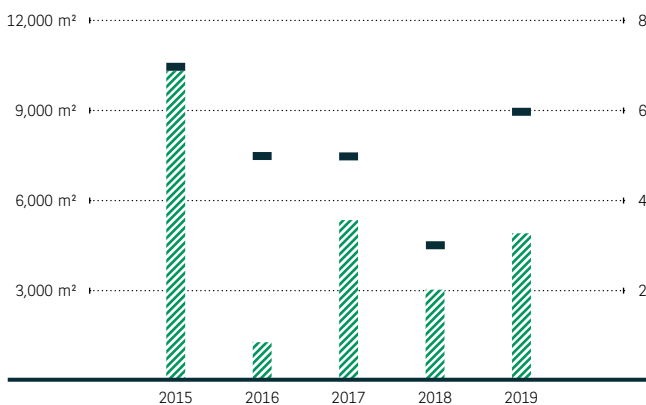
➤ **LETTINGS IN B-LOCATIONS TOO**

The self-service bakery BackWerk has opened a shop of about 380 m² in the A-location of Damm, extending over two floors, and the Konrad-Koch quarter can now welcome the Dutch bicycle shop Swapfiets. In addition, a branch of Frittenwerk

is expanding culinary choice at Kohlmarkt. However, things have also changed in locations adjacent to the top shopping streets. For example, the Müller drugstore chain has taken over 2,300 m² replacing former tenant SportScheck in the Alte Post shopping centre.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

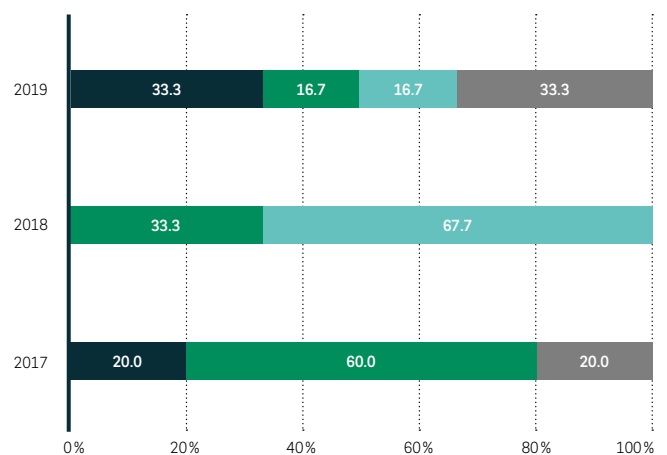
Take-up (green hatched bar) Lettings/openings (dark blue bar)
Forecast 2020: demand (grey arrow) supply (green arrow)



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LETTINGS / OPENINGS BY SECTOR

Food & Beverage (dark blue) Fashion (green) Groceries (teal) Others (grey)



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BREMEN



"Structural change in full swing – but increasing light at the end of the tunnel"

The sights, historical buildings and the charm of Bremen's old town cannot hide that the city centre is subject to a process of change and restructuring that is not entirely painless. This isn't alleviated by knowing that this Hanseatic city is not

alone in facing some of the problems caused by a retail trade in transformation. It is therefore to be welcomed that a number of new projects are being launched in order to boost the city's attractiveness and what it has to offer.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall/h	Top rent	Chain-store ratio	Selected new lettings/openings
Sögestrasse	Mass market	300 m	3,841	115 €/m ²	87 %	Calida, Hut.de
Obernstrasse	Mass market	350 m	2,757	110 €/m ²	95 %	Läderach, Riccardo Retail

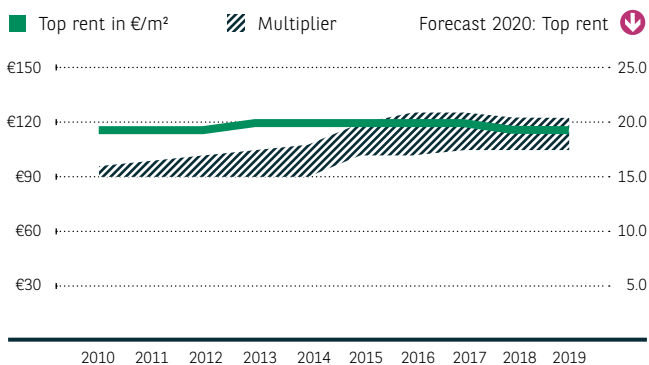
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► PLENTY OF ROOM FOR IMPROVEMENT

Difficult economic conditions in Bremen are reflected in a slightly reduced purchasing power index. Perhaps contributing to both Sögestrasse (59th place) and Obernstrasse (75th place) falling further in nationwide footfall rankings. Fitting into this picture is the loss of a whole series of well-known brands such as Mango, Esprit, Benetton or Runners Point from the city centre over the past two years. Yet where there is shadow, there is light. With 11 listed lettings/openings in 2019, inner city locations achieved the second-best result of the last five years. As in other cities, two groups of tenants

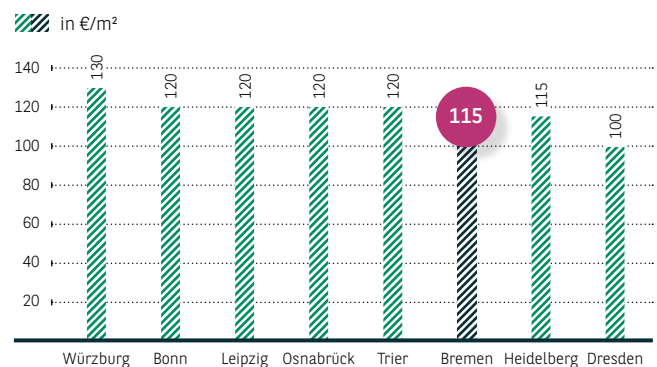
have stood out in particular, as both restaurants and food services are responsible for around a quarter of the contracts concluded. Examples include Brad Brat, now represented in Sögestrasse with the slogan "Bratwurst, simply different", or the Swiss chocolate manufacturer Läderach, which has rented premises in the newly emerging Balge Quartier. Strictly speaking, a slight increase in demand can currently be observed for Sögestrasse, but due to the building design providing units of small floor space, this is only an option for a few of the larger traders. However, due to restructuring efforts, they can find sufficient supply in Obernstrasse.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



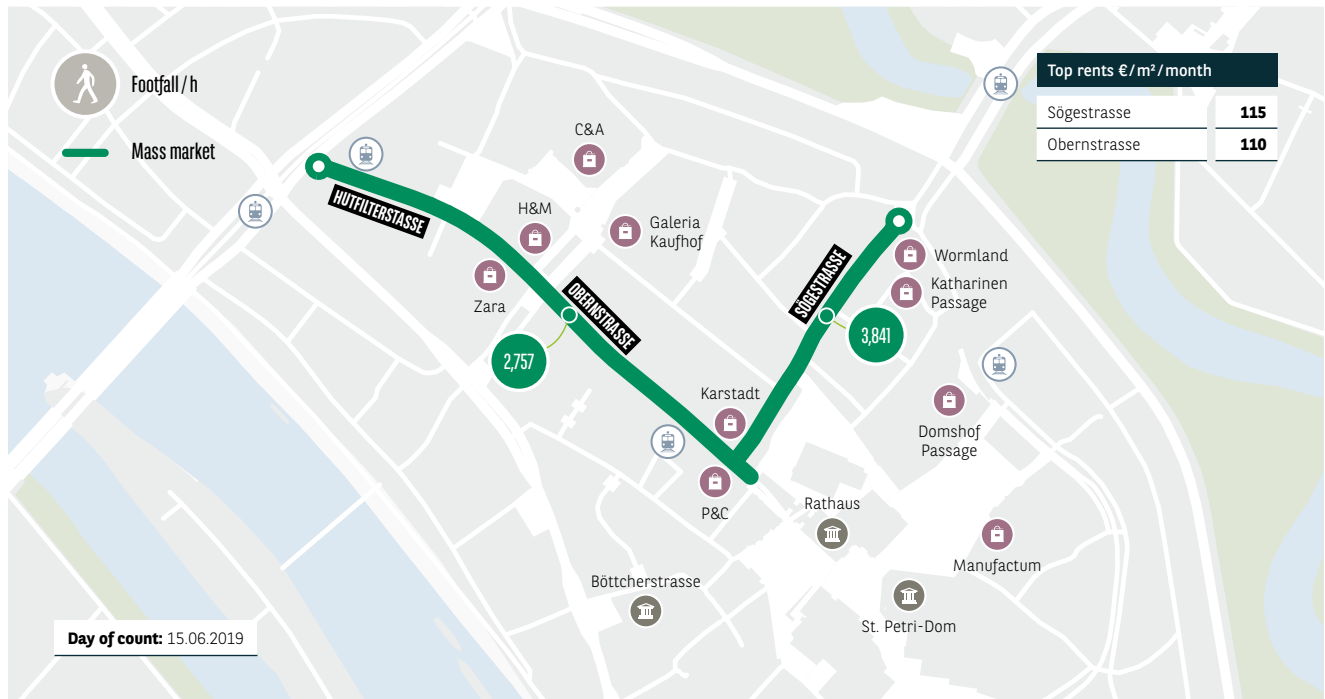
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TOP RENT – INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



➤ **SÖGESTRASSE PARTICULARLY SOUGHT AFTER**

Lively demand for Sögestrasse is expressed in several leases. The Swiss lingerie label Calida, for example, has chosen this location for its 150 m² store, as has the hat shop Hut.de. In

Obernstrasse, Görtz took over space from Roland-Schuhe, which prevented further vacancies and with approximately 60 m², Riccardo has also opened here, selling its e-cigarettes.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

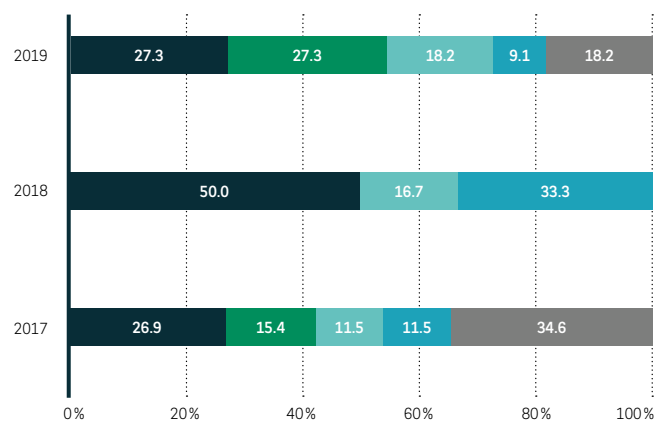
Take-up (green hatched bar) Lettings/openings (black bar)
Forecast 2020: demand (grey arrow) supply (green arrow)



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LETTINGS / OPENINGS BY SECTOR

Food & Beverage (dark blue) Groceries (green) Fashion (light blue)
Leatherwear / Shoes (teal) Others (grey)



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COLOGNE



Impressive footfall result: **Three streets** placed in the top 10 for 5 years

Cologne has a fifth season, that of Carnival, when business takes a break and partying dominates. In the remaining four seasons, however, King Retail rules the streets of the Rhenish metropolis. The triumvirate of Cologne's retail trade is formed by A-locations Schildergasse, Wallrafplatz and Hohe Strasse,

all of which are also among the top 10 locations in the nationwide footfall ranking. It is therefore not surprising that Cologne's retail market is one of the most efficient in the country with a forecasted retail turnover of €7.3 billion.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall/h	Top rent	Chain-store ratio	Selected new lettings/openings
Wallrafplatz	Luxury	50 m	7,606	265 €/m²	73 %	–
Schildergasse	Mass market	500 m	11,960	250 €/m²	95 %	Sander Gruppe, Teufel, Stadt-Parfümerie Pieper
Hohe Strasse	Mass market	700 m	7,462	170 €/m²	80 %	Maison du Monde, Riccardo Retail, Bianco Toro, Läderach
Neumarkt	Mass market	250 m	–	135 €/m²	80 %	–
Ehrenstrasse	Mass market	300 m	2,982	105 €/m²	85 %	Edited, Kapten & Son, Seidenfelt/FREDSBRUDER, Rains, Motel a Miiio
Mittelstrasse	Upmarket	300 m	2,260	90 €/m²	72 %	Cinque, mey, Yves Delorme
Breite Strasse	Mass market	700 m	3,212	80 €/m²	73 %	Smyth Toys, CREATE by Obi, Søstrene Grene, Peloton

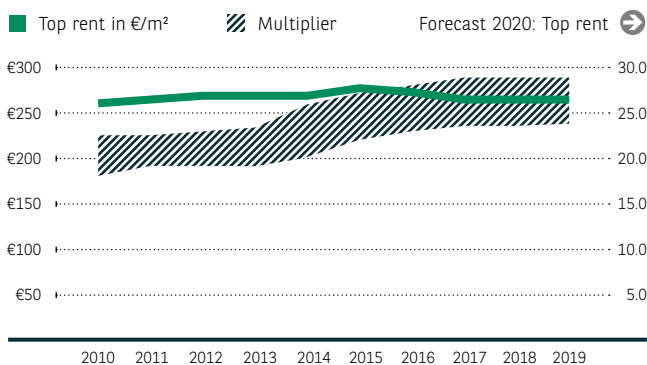
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► TAKE-UP UNABATED AT A HIGH LEVEL

Cologne's retail trade can look back on a very dynamic 2019 and, with a good 50 leases/openings and a take up of almost 20,000 m² in the city centre, was able to seamlessly continue the brisk letting activity of previous years. On average over the last five years, this cathedral city occupies second place nationwide in terms of take-up and only the capital city of Berlin performs even better. In 2019 there was a great deal of movement, especially on the highly frequented shopping streets: the fourth German branch of H&M Group's brand Arket opened its doors on Ehrenstrasse in November

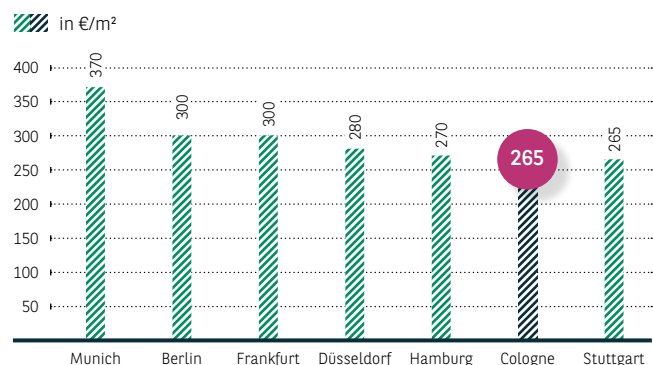
and sells women's and men's fashion and selected accessories on a sales floor of around 1,100 m². Together with COS, Weekday, & Other Stories and Cheap Monday, almost all international H&M branches are now represented on Ehrenstrasse. In principle, supply and demand in top locations of the Cologne retail market are largely balanced, so that rents are essentially stable. This also applies to prime rent, which is achieved in the shadow of Cologne Cathedral on Wallrafplatz and remains at 265 €/m². Nevertheless, chain stores are increasingly seeking to engage with the landlord in order to discuss optimization possibilities. The food service sector

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



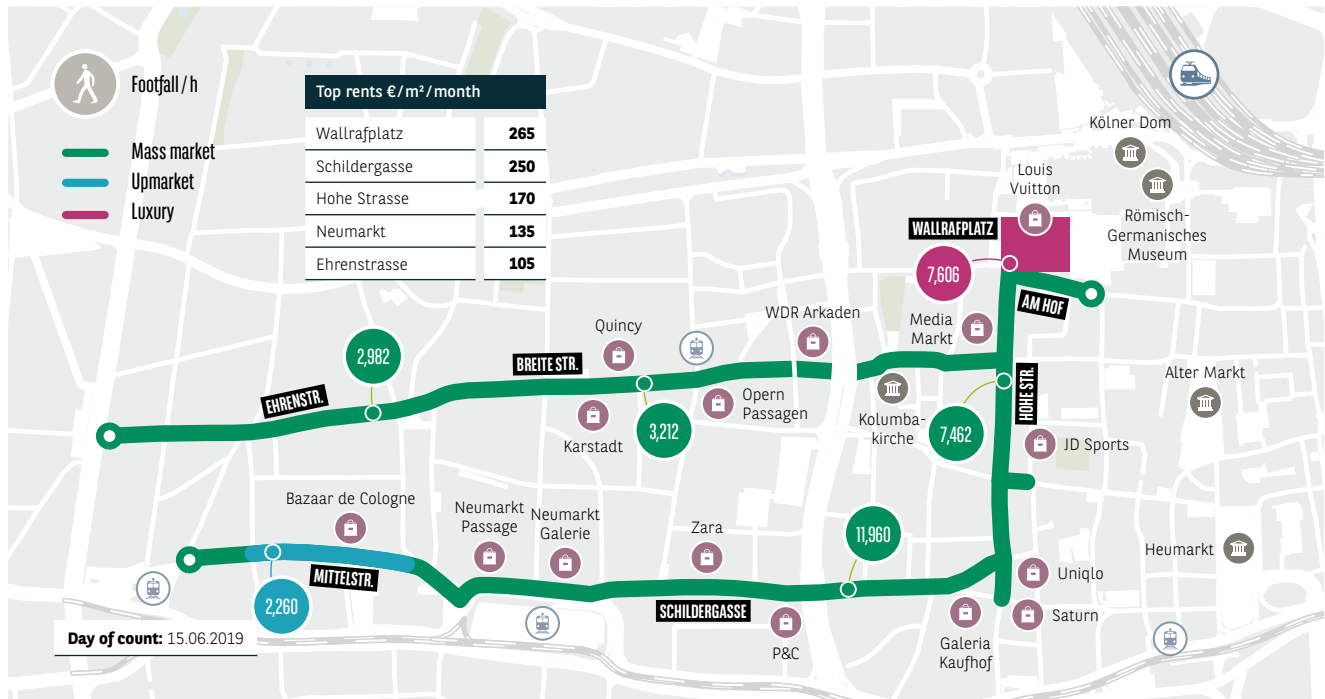
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TOP RENT – INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



continues to be particularly demanding and conducts intensive searches for suitable premises.

➤ MUCH MOMENTUM ON HOHE STRASSE AND SCHILDERGASSE

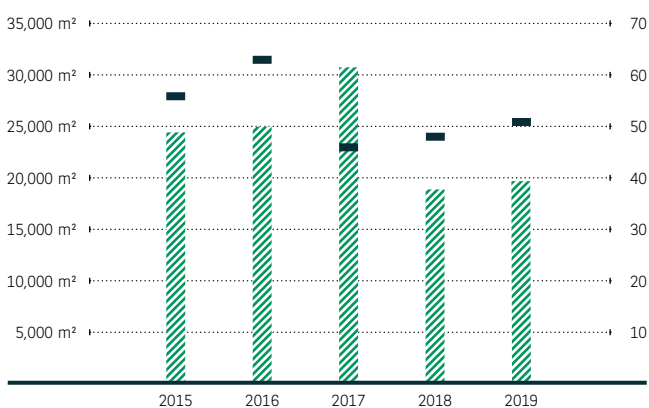
To the delight of haute couture lovers, the French luxury brand Louis Vuitton graces Hohe Strasse, while chocolate

connoisseurs are delighted to see a shop by the Swiss chocolatier Läderach. On Schildergasse, the culinary spectrum will be complemented by the opening of a restaurant of aspiring restaurant chain, sander, and the German hi-fi manufacturer Teufel will also make its way onto Cologne's most frequented shopping street.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

Take-up Lettings/openings

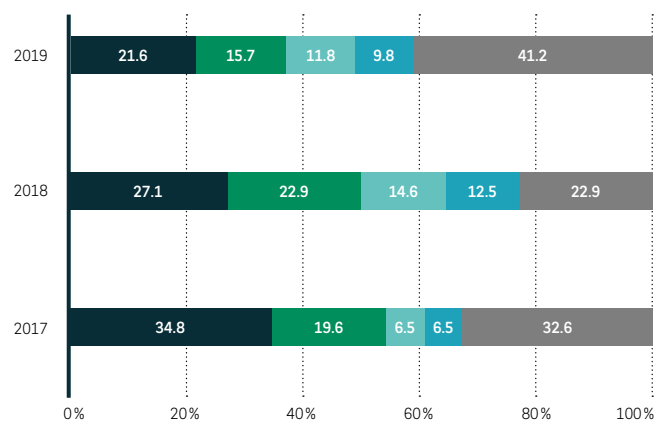
Forecast 2020: demand ➡ supply ➡



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LETTINGS / OPENINGS BY SECTOR

Fashion Food & Beverage Groceries
Leatherwear / Shoes Others



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DORTMUND



"20 deals per year – 5 years of **high letting activity in the city centre"**

Even though structural transformation is not yet complete, its achievements are impressive. In 2019 Dortmund saw one of the strongest increases in the number of employees subject to social insurance contributions with a plus of almost 3 %. Tourists have also discovered that there is a lot going on in the

region, and the number of overnight stays has increased by almost 8 % from 2017 to 2018. This is also a place among the top performers. No surprise therefore that the historically attractive retail sector is holding its own well and is struggling less than in other cities.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall / h	Top rent	Chain-store ratio	Selected new lettings / openings
Westenhellweg	Mass market	900 m	7,424	230 €/m ²	85 %	Søstrene Grene, Five Guys
Ostenhellweg	Mass market	400 m	3,702	80 €/m ²	50 %	–

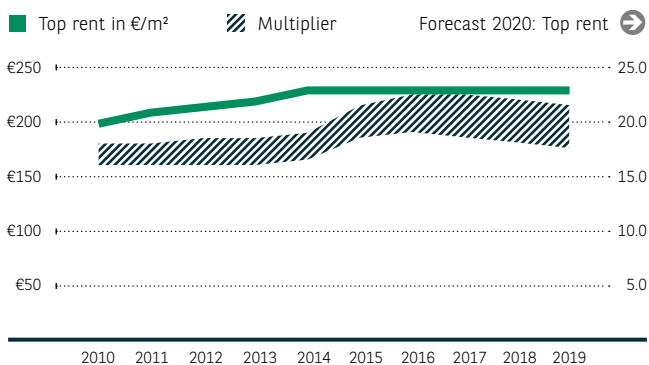
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FOOD CONCEPTS ON THE ADVANCE

The city centre continues to be highly attractive, demonstrated by the fact that Westenhellweg, with pedestrian footfall at over 7,400, has remained in the German Top 10. Prime rent, stable at 230 €/m² also represents top value in comparison with other German B-cities. This is due to steady demand, especially for Westenhellweg, meaning that hardly any significant vacancies can arise. It is therefore not surprising that 26 leases/openings in 2019 represent the second-best result of the last five years. A disproportionately high share was attrib-

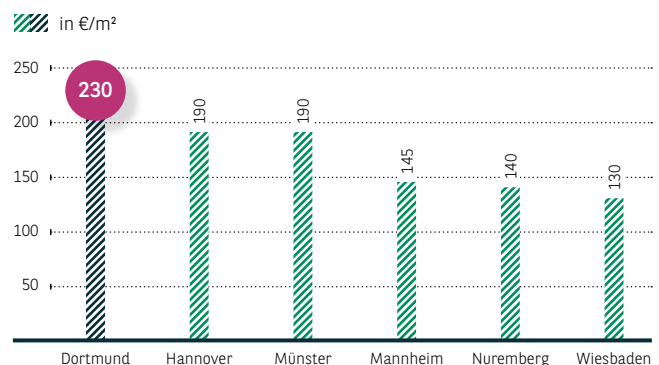
utable to the food service sector, which accounted for almost 40 % of the contracts. B-locations in particular have profited from this. Examples include a lease of around 1,000 m² for the Kurdish-Turkish experiential dining establishment bona'me on Kleppingstrasse, which has welcomed another new food concept in the form of Gloria Jean's Coffees, the Australian coffee chain. Seeing the benefit of this trend, is again Westenhellweg, expanding its range of restaurants with a new branch of US fast-food chain Five Guys and the opening of a Frittenwerk outlet.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



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TOP RENT – INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



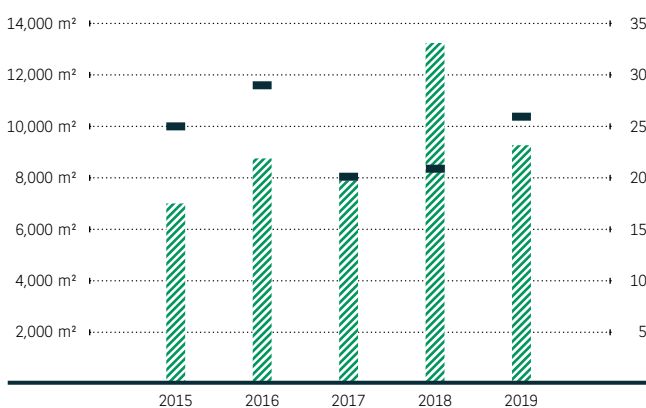
➤ HIGH SHARE OF FOREIGN BRANDS

Traditional sectors are also continuing to look for space in prime locations, as evidenced by the decision of the Danish retail chain Søstrene Grene to secure 600 m² premises in Westenhellweg. The same applies to the Thier-Galerie, which

can also look forward to TK Maxx and Dänisches Bettenlager as new tenants. The high proportion of foreign labels is remarkable, being responsible for around 35 % of all contracts concluded.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

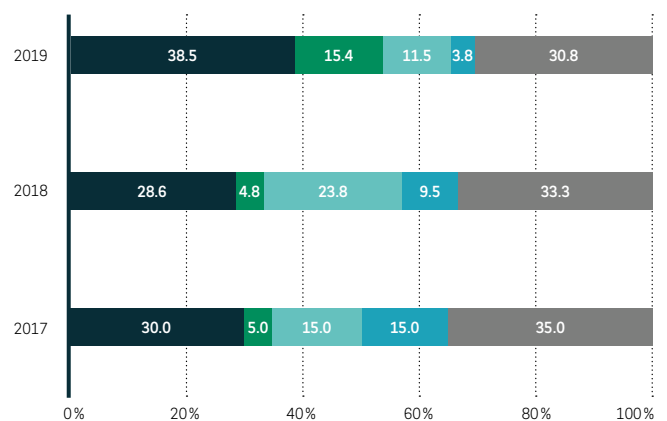
Take-up ■ Lettings/openings
Forecast 2020: demand ➡ supply ➡



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LETTINGS / OPENINGS BY SECTOR

Food & Beverage ■ Services ■ Fashion
Groceries ■ Others



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DRESDEN



"Prager Strasse in **11th place** in the nationwide footfall ranking"

Whilst other cities retail spaces are being abandoned or converted, the Dresden retail market is constantly looking to build new and attractive premises for prospective occupants. The "Haus am Postplatz" project development in the immediate vicinity of the Altmarkt-Galerie is a very good example of

this. At over 60 %, the proportion of retail, food service and fitness space is a high figure compared to other projected hybrid properties. This in turn underlines the fact that key players have faith in the future of Dresden's retail landscape.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall/h	Top rent	Chain-store ratio	Selected new lettings/openings
Prager Strasse	Mass market	550 m	7,319	100 €/m ²	80 %	Wöhl, Ragazzi Moden, JD Sports
Schlossstrasse	Mass market	300 m	2,543	60 €/m ²	40 %	–
Seestrasse	Mass market	200 m	–	60 €/m ²	56 %	–

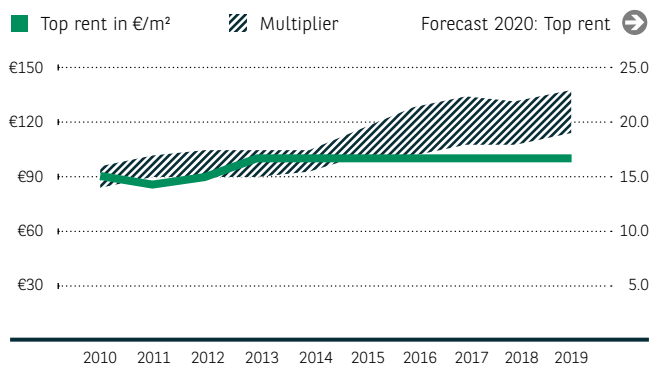
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► DIVERSITY OF SECTORS IN NEW RENTALS

Among the retail tenants already established in the building on Postplatz are the restaurant concept Shiki, the grocery stores Rewe and Bio Company and the fitness studio chain Fit/One. Just how well these leases fit in with current market developments is illustrated by the fact that the restaurant, food and leisure sector together accounted for almost half of recorded deals in Dresden's city centre locations over the past twelve months. However, this does not mean that clothing retailers are losing ground in the Saxon state capital. On the contrary, with Wöhl, moving out of Wöhl Plaza and acquiring

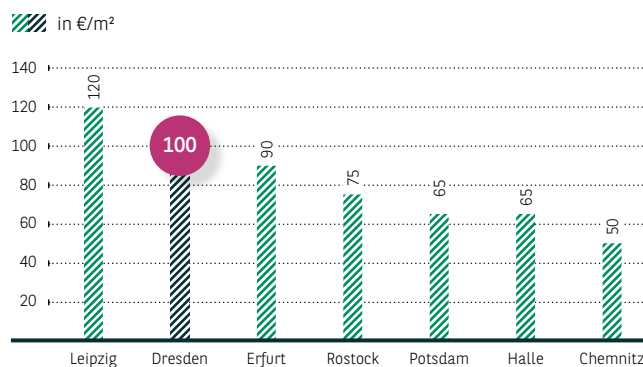
ing 3,700 m² at Prager Strasse 11, H&M, among others, plus the bridal fashion store Brautmode Haus Dresden (3,000 m²), Ragazzi Moden (760 m²) and JD Sports (Centrum Galerie; 640 m²), fashion labels will have four large-scale contracts in 2019. This means that they account for around two thirds of take-up and are the clear leader in this category. Against a backdrop of the generally positive conditions outlined above, including the outstanding result of Prager Strasse in this year's footfall ranking (around 7,300 people and 11th place), prime rent (100 €/m²) has maintained its level in the top location for six years now.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



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TOP RENT – INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



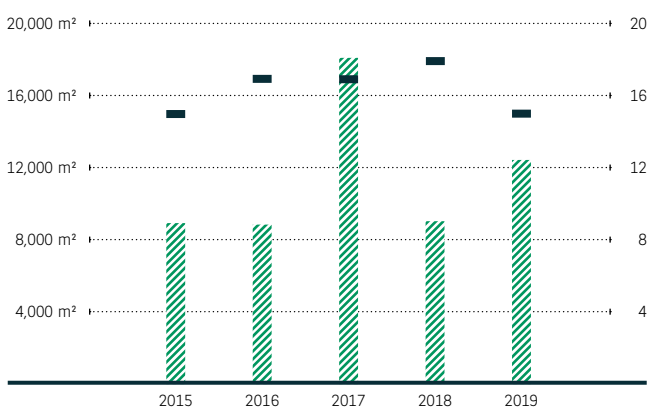
➤ **HIGH AVERAGE SIZE PER RENTAL**

In total, take-up of more than 12,000 m² was achieved in Dresden's city centre locations in 2019, the second-best result of the last five years. Particularly noteworthy here is the high average size per lease (over 800 m²), which was fuelled

not least by the four deals cited above. Due to numerous on-going regeneration and project developments in combination with strong demand, the market is expected to remain lively in 2020.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

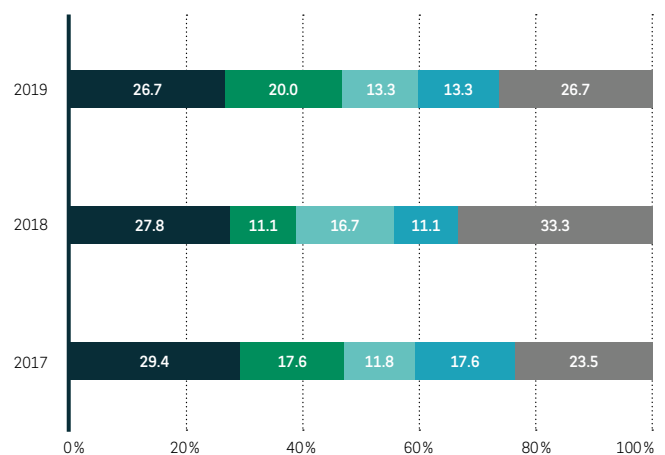
Take-up (green hatched bars), Lettings/openings (black bars)
Forecast 2020: demand (grey arrow), supply (green arrow)



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LETTINGS / OPENINGS BY SECTOR

Fashion (dark blue), Food & Beverage (green), Groceries (light blue), Leisure (teal), Others (grey)



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DÜSSELDORF



"2019: Only around 10,000 m² take-up – in contrast to 2017's and 2018's totals of 60,000 m²"

The North Rhine-Westphalian state capital of Düsseldorf also enjoys outstanding prominence as a European retail metropolis. Shopping is focused particularly on the city centre, which accounts for around 350,000 m², or around 35 % of the city's retail space. While chic Königsallee is one of the most popular

boulevards for strolling and luxury shopping in Europe, the consumer-oriented Schadowstrasse boasts a very deep and extensive range of merchandise featuring numerous international brands.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall / h	Top rent	Chain-store ratio	Selected new lettings / openings
Königsallee	Luxury	1,000 m	5,332 4,622	280 €/m ² 260 €/m ²	93 %	Lidl, Breguet La Marine, Request
Schadowstrasse / Schadowplatz	Mass market	700 m	6,382 5,230	260 €/m ² 185 €/m ²	98 %	Blaenk-Store, Coffee Fellows, Lush
Flinger Strasse	Mass market	300 m	7,072	220 €/m ²	97 %	HEMA, Five Guys, Tezenis, Jimmy Fairly
Mittelstrasse	Mass market	170 m	–	135 €/m ²	95 %	–
Grabenstrasse	Upmarket	200 m	–	120 €/m ²	97 %	Transit, Lululemon, Essentiel Antwerp

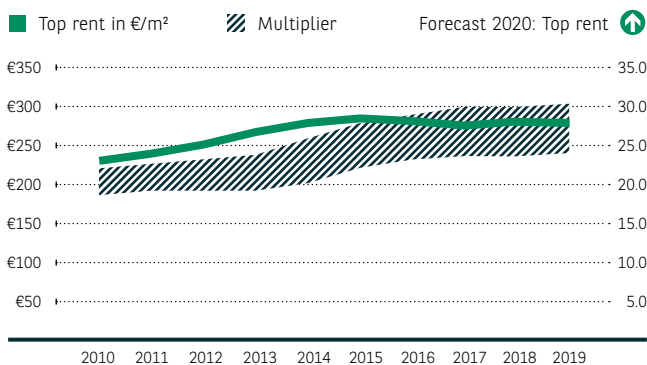
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PROFILING OF SITES PROGRESSING

In order to expand attractiveness and positioning, the city has initiated a series of urban development initiatives. These include, the Kö-Bogen tunnel, the Wehrhahn line, the redesign of Schadowstrasse incorporating LED lighting, and the Ingenhoven Valley with the Kö-Bogen II shopping centre, where the first shops are scheduled to open in the third quarter of 2020. TK Maxx, Aldi and dm have already confirmed tenancies. By 2023, all remodelling work is to be completed and Schadowstrasse will radiate new grandeur. Optimization of location

and footfall is already resulting in a noticeable increase in demand in prime locations. Even controversial urban policy issues such as a dedicated roadway for buses, bikes and electric vehicles, or the planned increase in parking fees in the city centre will not change this. This is evidenced by rents in all A-locations remaining stable, and is even expected to rise slightly in the medium term. This is currently rather an exception when compared to the rest of Germany and considering the structural change in the retail sector.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



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TOP RENT – INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



➤ INCREASING DIVERSITY DESPITE FEWER LETTINGS

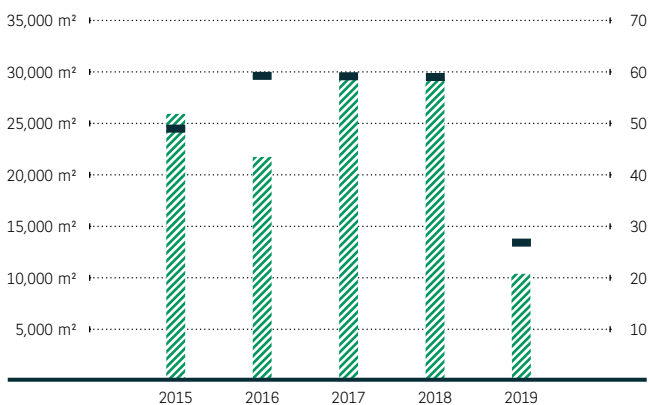
Notwithstanding the significant drop in the number of lettings and openings, the variety of supply in Düsseldorf's inner city has increased. This is due to innovative ideas such as blaenk by Brickspaces, which presented a mix of young brands, prod-

ucts, events and sports in the former H&M shop on Schadowstrasse for six months starting in June. That Lidl has moved to the luxurious Königsallee shows that many retailers are increasingly taking unconventional approaches and testing out new ideas.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

Take-up (green hatched bar) Lettings/openings (black bar)

Forecast 2020: demand (green up arrow) supply (pink down arrow)

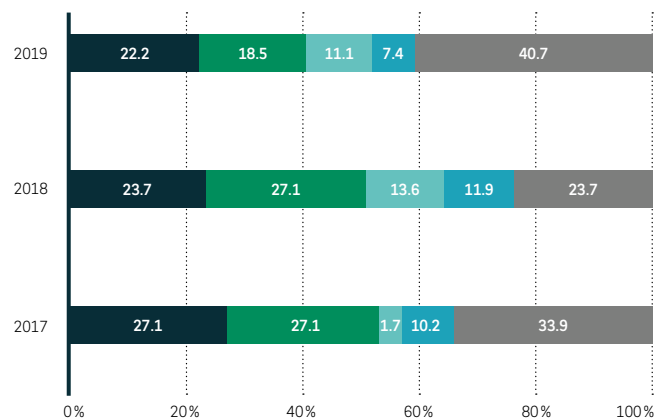


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LETTINGS / OPENINGS BY SECTOR

Food & Beverage (dark blue) Fashion (green) Furnishings (light blue)

Leatherwear / Shoes (teal) Others (grey)



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ERFURT



“Anger with **most** footfall in the city category of 100,000 to 250,000 inhabitants”

Erfurt is considered an attractive city with a good quality of life, and enjoys great popularity beyond the city boundaries. The extraordinary appeal of the city centre, nicknamed “Thuringian Rome” because of its charming half-timbered houses and numerous churches, can be illustrated by two key

factors: Alongside a strong centrality ratio of 1.15, in Anger – Erfurt’s main promenade – the city has the most frequented shopping street (around 5,900) compared to other German cities with a population of 100,000 to 250,000.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall/h	Top rent	Chain-store ratio	Selected new lettings / openings
Anger	Mass market	500 m	5,908	90 €/m²	87 %	Peter Pane, Bäckerei Nahrstedt, Rituals

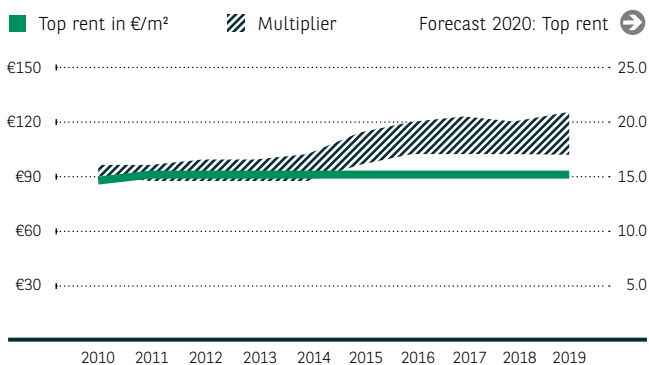
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► PROMENADES REINVENT THEMSELVES

In 2019, Erfurt’s retail trade impressed with lively market activity and defied competition from online trading. As in the past eight years, prime rent is at 90 €/m² and is still achieved on Anger. This stability is mainly attributable to the most important shopping streets constantly reinventing themselves and providing appealing ranges. The locations of Bahnhofstrasse and Schlösserstrasse also gained in importance in 2019. Especially noteworthy in this context is the leasing of discount department store Woolworth (1,800 m²) in Bahnhofstrasse,

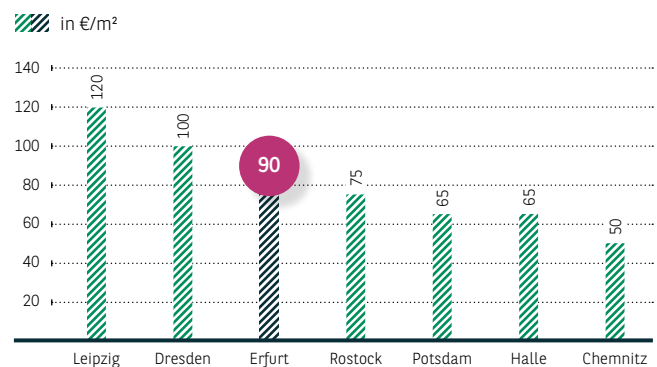
which has enabled this retail location to acquire another prominent anchor tenant in addition to TK Maxx. Schlösserstrasse also recorded three leases, with a new store of Berlin fashion label Blutsgeschwister being a particular shopping highlight. The Anger also moves with the times and adapts to current consumer trends. In addition to the opening of a new branch of cosmetics supplier Rituals (140 m²) in the northern part of the street, the south is increasingly developing into a location for eateries. The most important contracts here was the lease of the Peter Pane restaurant (800 m²).

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



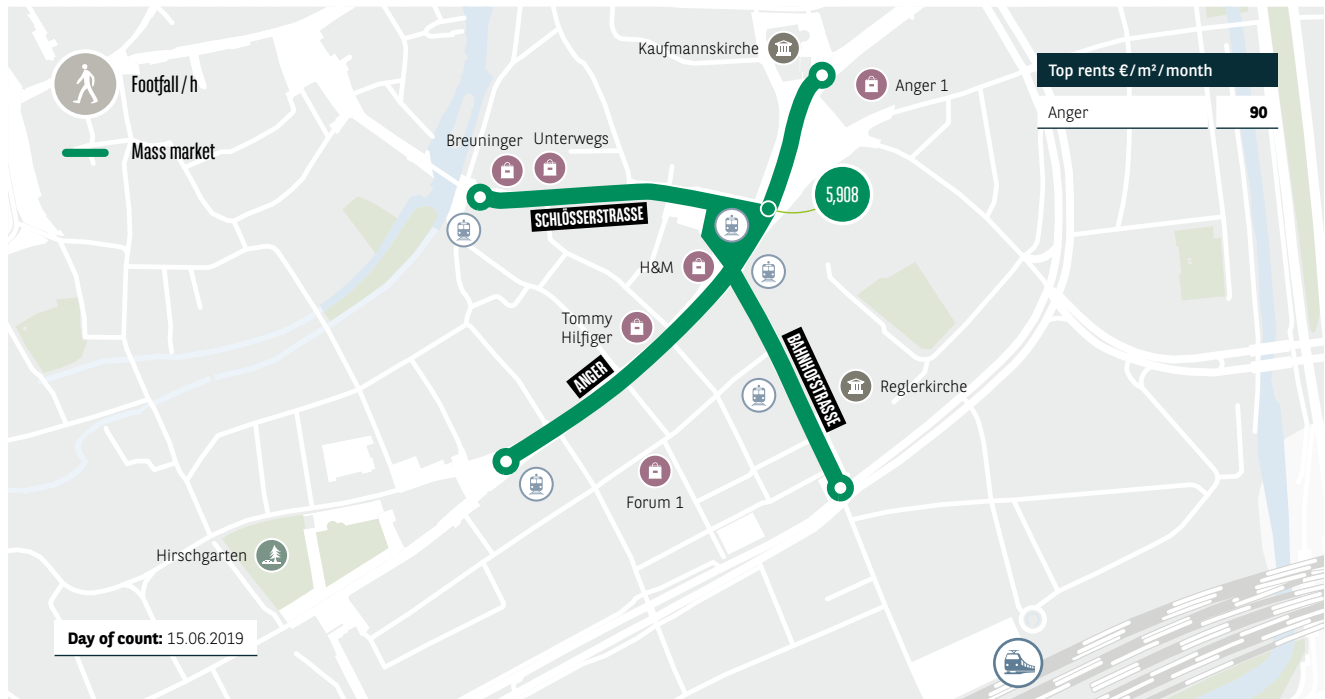
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TOP RENT – INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



➤ **STRONG RESULT THROUGH BROAD DEMAND**

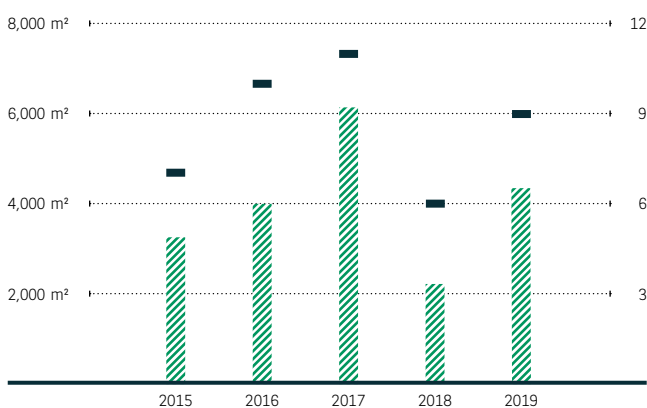
Altogether nine lettings/openings were registered in Erfurt achieving a take-up of a good 4,300 m², which is almost double that of the previous year. Compared to previous years, this result is based on broad demand from various sectors, with

the food service sector in particular making an above-average contribution to earnings. Against a background of the developments described above and generally good retail conditions, market activity in Erfurt is expected to remain lively in 2020.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

Take-up (green hatched bar) Lettings/openings (black bar)

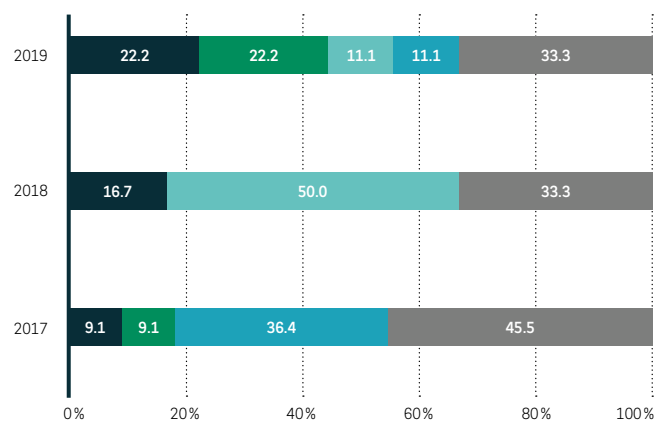
Forecast 2020: demand (grey arrow) supply (green arrow)



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LETTINGS / OPENINGS BY SECTOR

Food & Beverage (dark blue) Services (green) Bodycare (light blue)
Groceries (teal) Others (grey)



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ESSEN



"2019: New record in take-up and lettings/openings"

The term "change" when applied to Essen's retail landscape has left a rather bland aftertaste in recent years, but the prospects for 2019 have brightened considerably. The planned conversion and modernisation at the now ten-year-old Lim-

becker Platz shopping centre and repositioning following the sale of the Rathaus-Galerie are just two examples that are symbolic of the spirit of change in the Ruhr metropolis.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall/h	Top rent	Chain-store ratio	Selected new lettings / openings
Limbecker Strasse	Mass market	350 m	4,648	80 €/m ²	85 %	BoBoQ
Kettwiger Strasse	Mass market	450 m	4,128	75 €/m ²	86 %	SINN

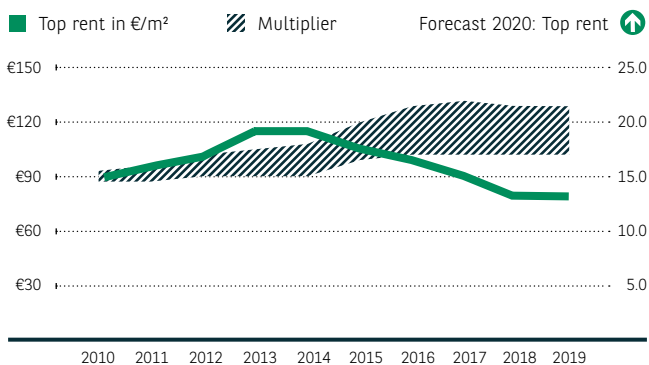
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➤ A FIRST STEP TO REGAINING FORMER STRENGTH

The pilot store "It's all about stories" in the Limbecker Platz shopping centre shows that ECE shares a belief in the innovative power of the shopping city of Essen. The approach is to attract increasing numbers of customers by bringing together several brands for two months in a single store on a changing theme. But there is also plenty of news to report outside the 70,000 m² centre: A total of around 15 lettings or openings with a take-up of more than 9,000 m² underscores the increasing demand in city locations. Kettwiger Strasse was even

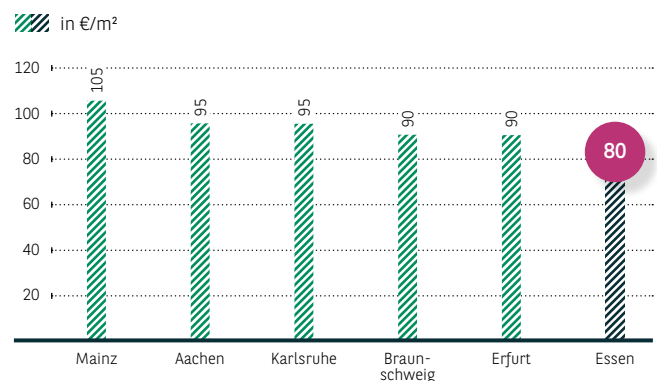
able to acquire a new anchor tenant with the fashion house SiNN (3,000 m²), returning to the city after twelve years. At the same time, however, SiNN succeeds the menswear chain Ansons, which has had to leave the premises where it was founded, but plans to gain a new foothold in Essen in the future. Given the general conditions outlined above and the improved demand and tighter supply situation, the top rent in Kettwiger Strasse was thus able to increase slightly for the first time in many years (+7 % to 75 €/m²).

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



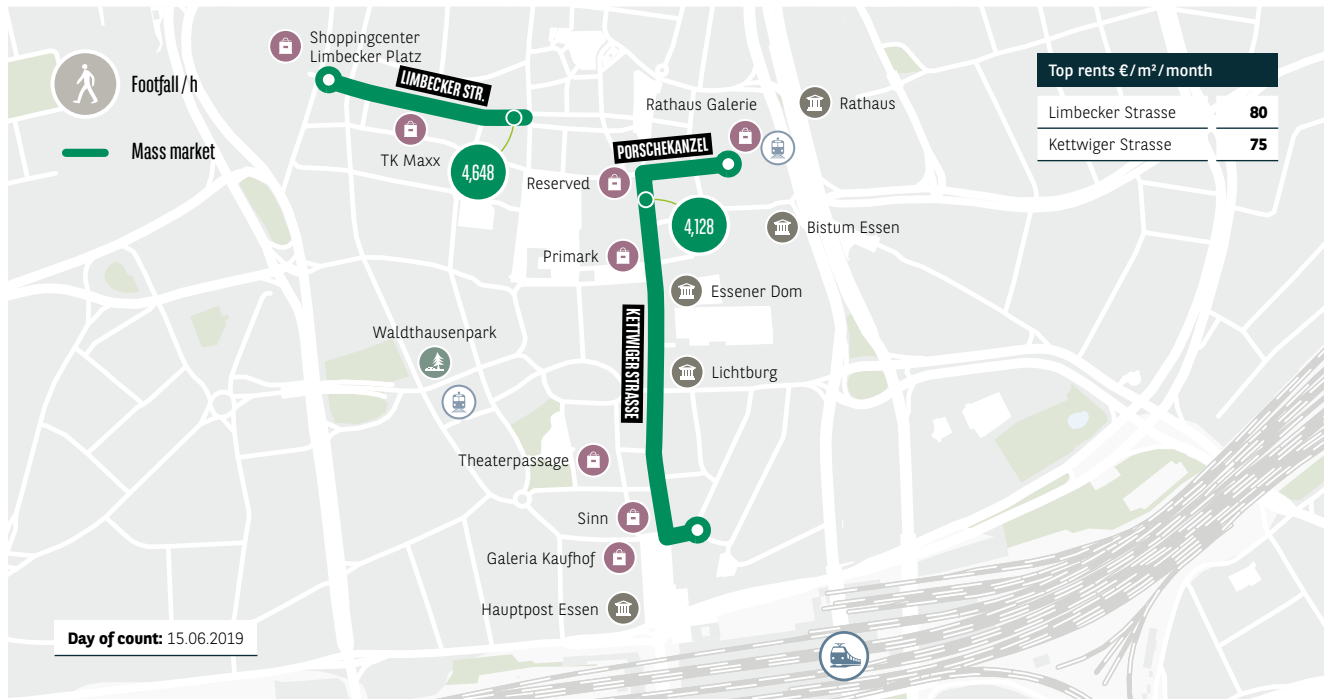
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TOP RENT – INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



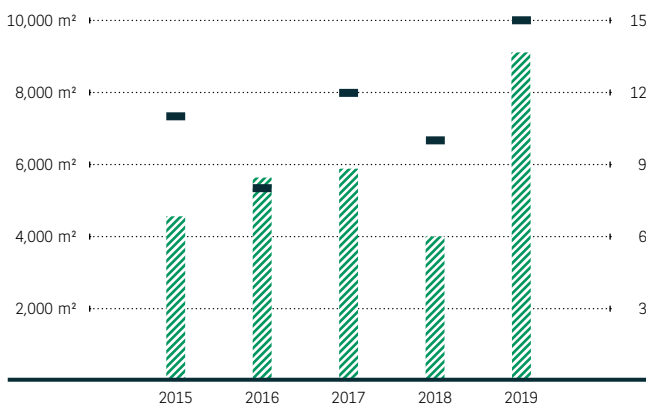
FOCUS ON RÜTTENSCHIEDER STRASSE AS A TREND LOCATION

Unlike virtually any other city outside the biggest shopping destinations, Essen has, with Rüttenscheider Strasse, established a district that has increasingly become a real alternative to the top inner-city addresses. Traditional companies Mirko Tott and

the fashion house von Drathen are two examples of retailers who have moved from the city to this site. As in the city centre, the food service industry dominates letting activities in the "RÜ". While restaurants MA and Hans im Glück have decided in favour of Kennedyplatz, NOI and Roque's Deli, among others, will in future welcome their guests in Rüttenscheid.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

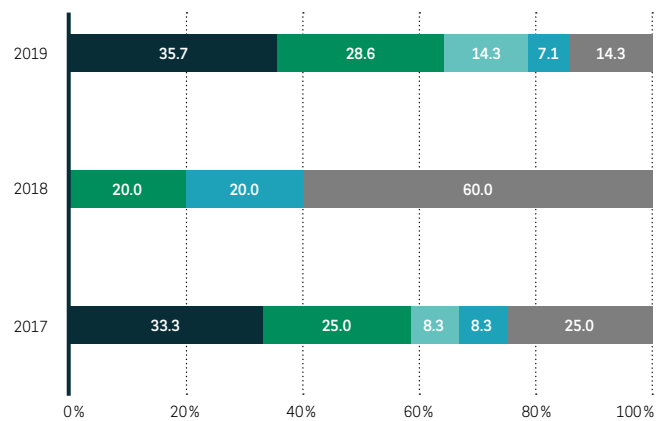
Take-up (green hatched bar) Lettings/openings (black bar)
Forecast 2020: demand (green up arrow) supply (pink down arrow)



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LETTINGS / OPENINGS BY SECTOR

Food & Beverage (dark blue) Fashion (green) Groceries (light blue)
Bodycare (teal) Others (grey)



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FRANKFURT



"Excellent result for the Main metropolis: 50 lettings / openings and 28,000 m² take-up"

The metropolis on the river Main benefits from the existence of many trends, namely the enthusiasm of the younger generation for the big city, increasing globalization, stronger links between work, leisure and living, and the growing importance of new, creative working environments. Simultaneously, these

trends continuously release new energies that are reflected in the retail landscape. As a pioneer of new concepts and ideas, the city is subject to constant change and is repeatedly setting new priorities.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall / h	Top rent	Chain-store ratio	Selected new lettings / openings
Zeil	Mass market	1,200 m	11,246	300 €/m ²	84 %	Haushaltswaren Lorey (MyZeil), Riccardo Retail
Goethestrasse	Luxury / Upmarket	300 m	2,162	290 €/m ²	90 %	Stone Island
Biebergasse	Upmarket	120 m	5,160	250 €/m ²	90 %	-
Grosse Bockenheimer Strasse	Mass market	300 m	4,340	240 €/m ²	62 %	streuselbar
Steinweg	Upmarket	70 m	3,010	215 €/m ²	93 %	Peloton
Neue Kräme	Mass market	120 m	3,738	135 €/m ²	53 %	-
Kaiserstrasse	Mass market	220 m	3,848	125 €/m ²	89 %	Görtz, Lindt & Sprüngli, Olymp
Schillerstrasse	Mass market	300 m	2,062	110 €/m ²	52 %	-
Rossmarkt	Mass market	130 m	3,848	105 €/m ²	71 %	Görtz, Babor, Rubin

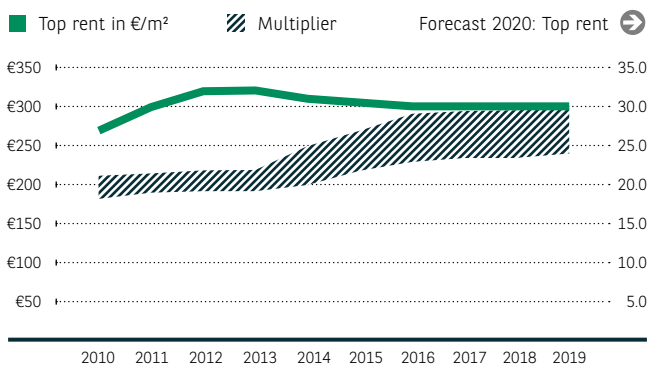
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THE TREND FOR MIXED USE PROJECTS

Despite the growing importance of e-commerce, the City of Frankfurt can look back on a lively and successful 2019 with over 50 leases/openings. For many customers, the city centre continues to offer an attractive shopping experience. This is also demonstrated by the footfall figures, where the Zeil, with over 11,200 people, affirmed its third place in the nationwide ranking. The city will continue to have a number of new spaces available to it in the future, with mixed-use properties

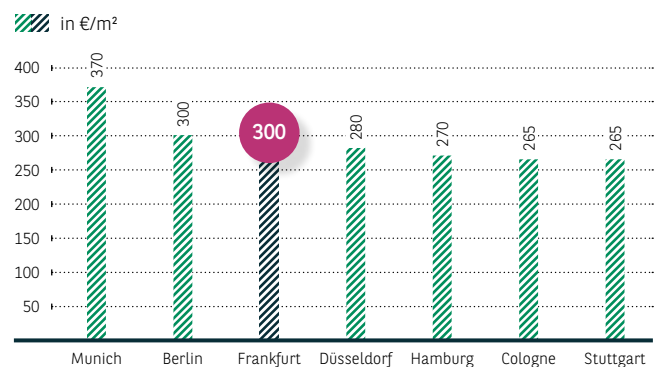
becoming increasingly important as they reflect the zeitgeist of more closely linked areas of life. Examples include the Four, the Junghof Plaza or the plans for the Opernplatz by Signa and RFR. Demand in Frankfurt is generally stable, although certain focal points can be identified in the food service and secondary supply sectors, for which properties and locations with a mix of uses are particularly attractive. The focus of demand is not least on locations such as Kaiserstrasse, Steinweg and, above all, Goethestrasse.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



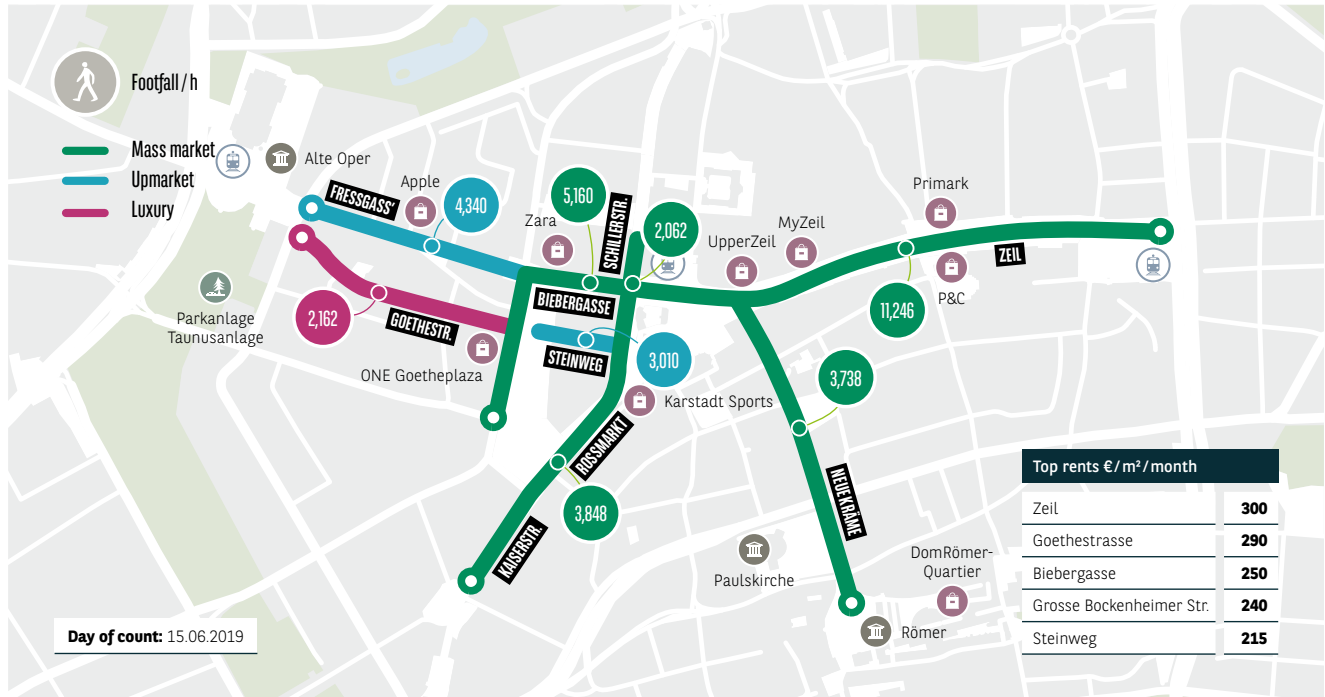
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TOP RENT - INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS

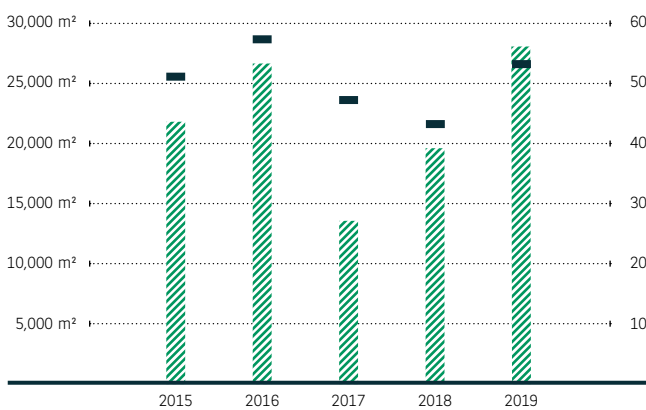
➤ **MAXIMUM DEMAND FOR FOOD SERVICE**

Around one third of all contracts/openings were in the food service sector. This places them clearly ahead of clothing retailers (17 %) and very expansionary grocery stores (15 %). Classic labels have also contributed to energetic market activity. The shoe label Görtz, for example, secured two premises on Kaiserstrasse (approx. 1,500 m²) and on Rossmarkt (ap-

prox. 700 m²), and the shirt supplier Olymp has also chosen Kaiserstrasse for a new store with almost 120 m². Mainzer Landstrasse is expanding its culinary selection with The ASH, American Steak House, with around 1,100 m² and in Fressgass, the streuselbar (approx. 150 m²) is providing a breath of fresh air with old recipes.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

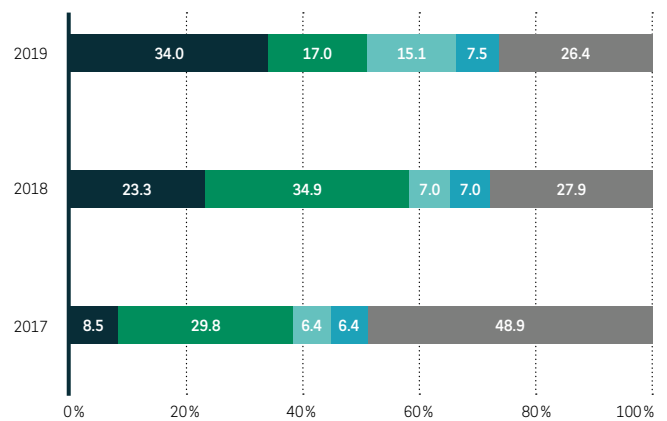
Take-up (green hatched bar) Lettings/openings (black bar)
Forecast 2020: demand (green arrow) supply (grey arrow)



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LETTINGS / OPENINGS BY SECTOR

Food & Beverage (dark blue) Fashion (green) Groceries (light blue)
Bodycare (medium blue) Others (grey)



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HAMBURG



“Nationwide top value with **17 fashion lettings** in just one year”

In 2019 online sales for clothing in the Hanseatic city rose by 12 % and accounted for 29 % of all orders, yet in spite of this, clothing retailers are placing particular emphasis on bricks and mortar retailing in the North German metropolis.

In the last twelve months no other city has seen more lettings or openings of clothing brands than Hamburg. Nor are they afraid to help shape new retail locations, as the example of Anthropologie on Alter Wall clearly shows.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall / h	Top rent	Chain-store ratio	Selected new lettings / openings
Spitalerstrasse	Mass market	400 m	5,580	270 €/m²	93 %	Only, Levi's
Neuer Wall	Luxury / Upmarket	550 m	2,466	255 €/m²	92 %	Benetton, Home 24, Levi's, Isabel Marant, Breitling, Unopiu, Yves Delorme
Mönckebergstrasse	Mass market	750 m	6,778	235 €/m²	86 %	Dyson, Calida
Poststrasse	Mass market / Upmarket	400 m	2,760	215 €/m²	88 %	ANNA Inspiring Jewellery
Jungfernstieg	Mass market / Upmarket	450 m	4,989	185 €/m²	85 %	Rossmann, Douglas
Grosse Bleichen	Mass market / Upmarket	450 m	1,632	135 €/m²	70 %	Robbe & Berking
Gerhofstrasse	Mass market	130 m	1,758	105 €/m²	65 %	Fluffy Bite, MA'LOA
Gänsemarkt	Mass market	-	-	110 €/m²	73 %	-
Hohe Bleichen	Upmarket	270 m	-	75 €/m²	70 %	Poké Bowl Bar, Katrin Mottschall - La Biosthetique Salon

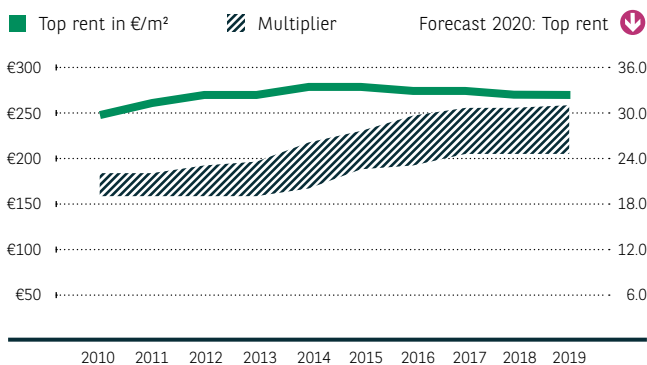
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➤ A LOT OF MOVEMENT ON ALTER AND NEUER WALL

For Anthropologie, which like Urban Outfitters is a member of the URBN Group, the branch represents only their second premises in Germany after the store on Düsseldorf's Königsallee. 2019's momentum of letting activity seen at the prominent location on Rathausmarkt is also shown by the upcoming move of traditional Hamburg menswear specialist Ladage &

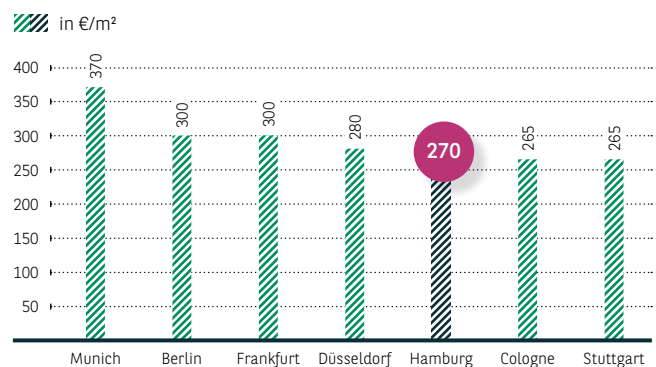
Oelke. These two contracts are part of a total of around 50 leases/openings that have been recorded in Hamburg's city centre locations over the past twelve months, the largest share of which is accounted for by Neuer Wall, where, like hardly any other German prime location, there is so much to report, with more than 10 contracts. This market development is also attributable to the ongoing restructuring process

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



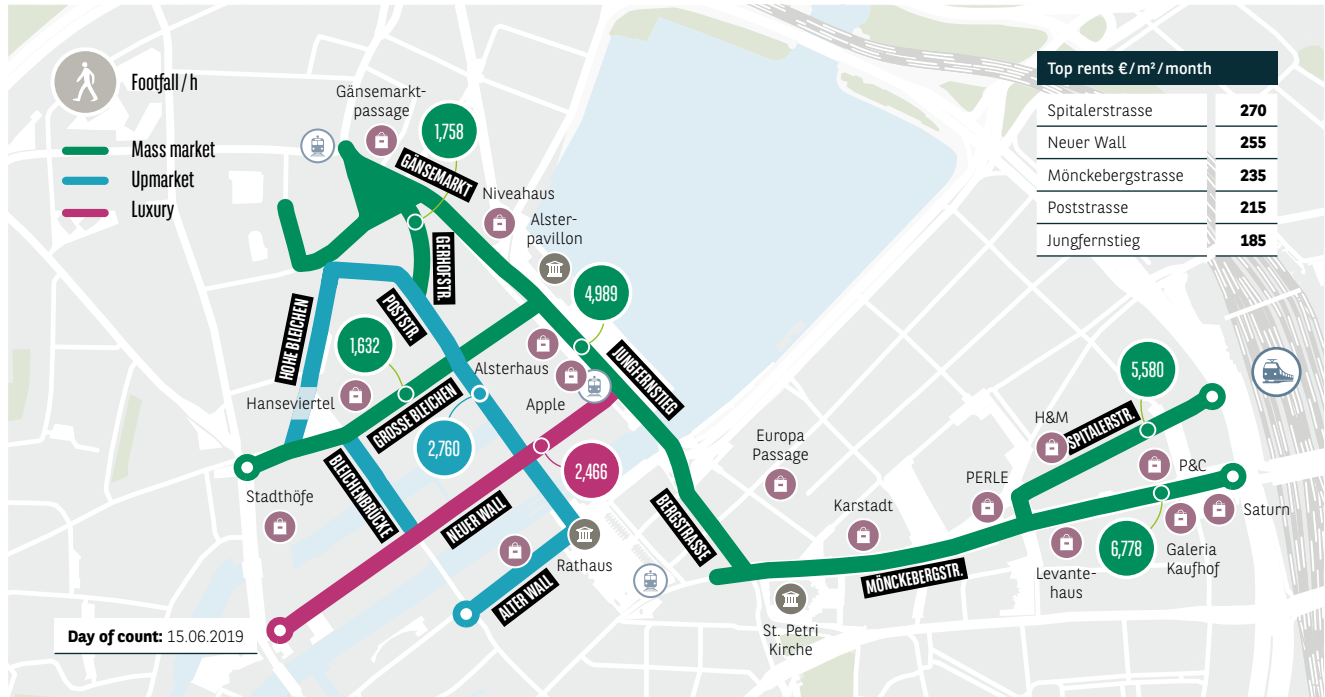
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TOP RENT - INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



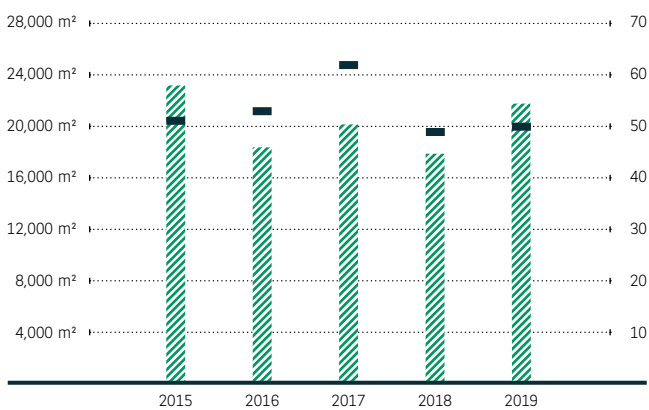
in Hamburg's luxury location. For instance, prime rent had to be adjusted downwards by 6 % to 255 €/m² in the course of the year, which in turn creates opportunities for retailers who in the recent past would not have been able to bear the rent burden on the shopping boulevard. One of the most important and largest leases is the Benetton flagship store planned for the former Möhring-Haus at the corner location of Schleusenbrücke.

TWO DEALS OF OVER 1,000 m² AT JUNGFERNSTIEG

In 2019, retailers also found a larger availability of space at Jungfernstieg: Rossmann, for example, is taking up the former Clas Ohlson premises, temporarily used by NA-KD, with a new flagship, while Douglas is moving to the immediate vicinity of the Alsterhaus. But there are also more than five new developments in the eastern part of the city centre, including Dyson and Calida in Mönckebergstrasse and Only and Levi's in Spitalerstrasse.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

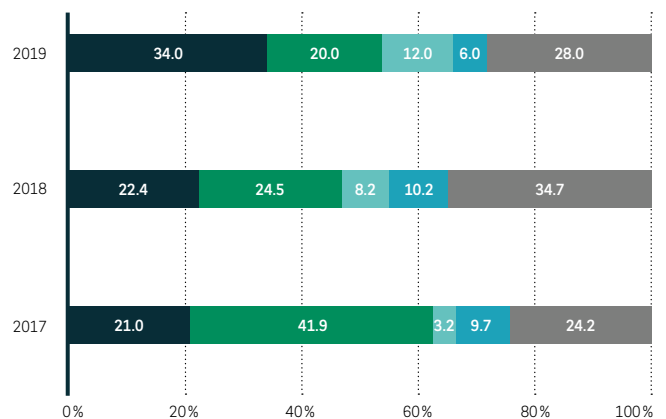
Take-up (Green hatched bar) Lettings/openings (Black bar)
Forecast 2020: demand (Green arrow up) supply (Blue arrow up)



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LETTINGS / OPENINGS BY SECTOR

Fashion (Dark Blue) Food & Beverage (Green) Bodycare (Light Blue)
Furnishings (Blue) Others (Grey)



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HANNOVER



"2019: Concepts from **eight sectors** and six countries rented / opened in the city"

The state capital of Hannover is the central shopping magnet of the Hannover Metropolitan Region and has an extraordinarily high footfall, even by national standards. The Lower Saxony city is particularly compelling when it comes to fashion

as the leading sector of downtown areas. The Kröpcke is the central hub for extended shopping tours in the centre of the city with its sales area of around 262,000 m².

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall / h	Top rent	Chain-store ratio	Selected new lettings / openings
Bahnhofstrasse	Mass market	200 m	8,618	190 €/m²	94 %	Five Guys
Georgstrasse	Mass market	450 m	7,030	180 €/m²	73 %	VAUND, JD Sports, Pandora
Grosse Packhofstrasse	Mass market	350 m	4,898	170 €/m²	100 %	Riccardo Retail, Pylones, eyes + more
Karmarschstrasse	Mass market	400 m	4,726	165 €/m²	80 %	-
Luisenstrasse	Upmarket	150 m	-	75 €/m²	79 %	Micks

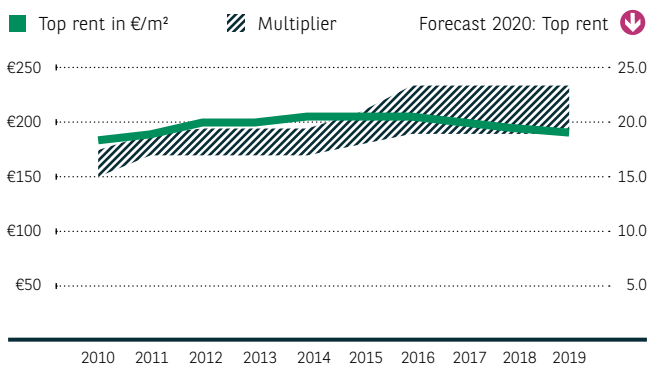
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➤ RESTRUCTURING DRIVES TAKE-UP

Against a wider context of ongoing restructuring and consolidation activity in the retail trade, Hannover's centre has witnessed an increasing dynamic in tenant churn. Although a number of new project developments have led to a sustained increase in attractiveness in recent years, closures such as those of Esprit and Benetton in Georgstrasse or of the luxury brand Hermès in Luisenstrasse show that clothing companies in particular are currently struggling with economic problems. These range from increasing competi-

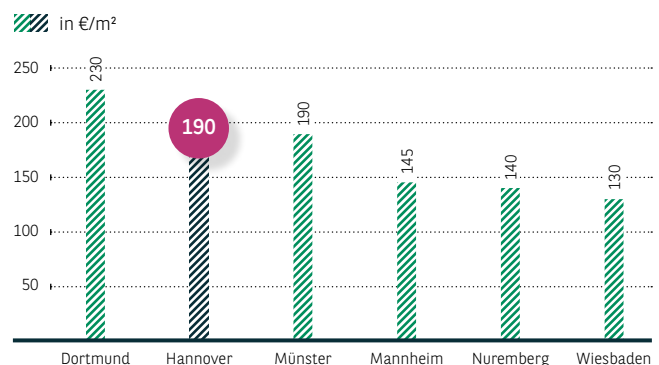
itive pressure, intensified polarization within the fashion industry, to self-inflicted mismanagement. Nevertheless, the city, also popular with trade fairs, continues to be one of the most attractive retail destinations for retailers. New tenants have already been found for all three vacancies cited, which will enhance the quality of the city's retail structure. For Luisenstrasse this is the new men's outfitter Micks. At Georgstrasse 14, VAUND opened its first German store, and at number 24 are the sports retailer JD Sports and the Danish jeweller Pandora.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



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TOP RENT - INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



➤ **CULINARY CONCEPTS PARTICULARLY ACTIVE**

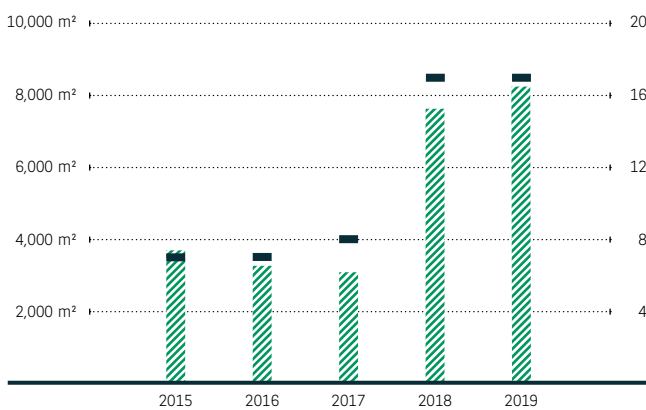
In 2019, a total of 17 new lettings with almost 8,300 m² were identified in Hannover's city centre, with restaurateurs being particularly active with 5 lettings or new openings. After comprehensive refurbishment, the Ernst-August-Galerie also

celebrated a relaunch, presenting a new interior design, an enhanced quality of visit and numerous new concepts. In total, 80 of the 150 shops have changed operators in recent years. Among the most prominent new tenants is doubtless the outdoor specialist Globetrotter.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

Take-up (green hatched bar) Lettings/openings (black bar)

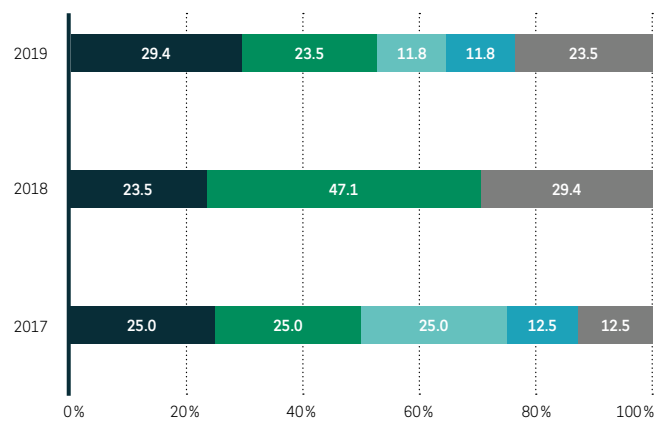
Forecast 2020: demand (green up arrow) supply (red down arrow)



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LETTINGS / OPENINGS BY SECTOR

Food & Beverage (dark blue) Fashion (green) Furnishings (light blue)
Leisure (medium blue) Others (grey)



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HEIDELBERG



“The right test market – opening of the first H&M instore-café in Heidelberg”

When one thinks of Heidelberg, one thinks of tourists and students, two target groups that not only shape the cityscape but also, to a large extent, the lively retail landscape. This is also regularly reflected in surveys, in which Heidelberg has achieved top rankings among cities between 100,000 and

200,000 inhabitants. This is not least due to the fact that of the approx. 450 shops in the city centre, around two thirds are owner-managed, as well as to the high proportion of food service, which ensures a high quality experiences and small-scale diversity.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall/h	Top rent	Chain-store ratio	Selected new lettings/openings
Hauptstrasse	Mass market	1,800 m	4,264	115 €/m ²	58 %	Karstadt Sports, L'Osteria

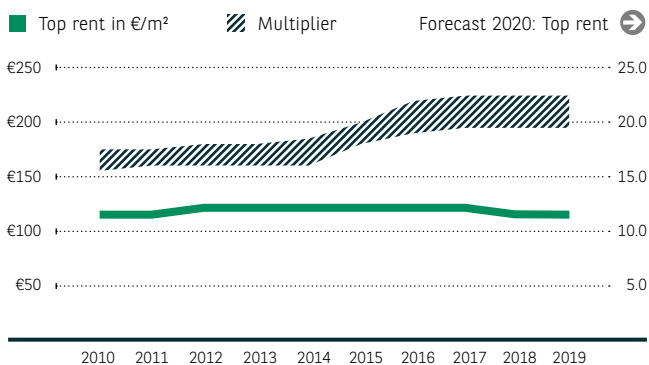
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➤ GOOD DEMAND, BUT NOT AT ANY PRICE

In order to maintain attractiveness and adapt to future requirements, the city has commissioned a new retail strategy. This is to be welcomed as Heidelberg only has one real shopping promenade, the Hauptstrasse, and there is a need to avoid long term qualitative imbalances on the approximately 2km long stretch. In the western portion, there is a concentration of more traditional sectors such as clothing or personal hygiene retailers, whereas to the east it is more culinary and touristy, resulting in a somewhat lower rent level. Top rent is

unchanged at 115 €/m². Nevertheless, tenants of large premises are tending to become somewhat more price-sensitive, as retail transformation is not leaving Heidelberg unaffected. This is also shown by the fact that Hauptstrasse has lost a few places in the nationwide footfall ranking and, with almost 4,300 people counted, is in the middle field. In principle, demand remains stable, but this does not always lead to lively take-up, as it is not possible to find a suitable user for every shop space at short notice due to the layout of the space and the conditions offered.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



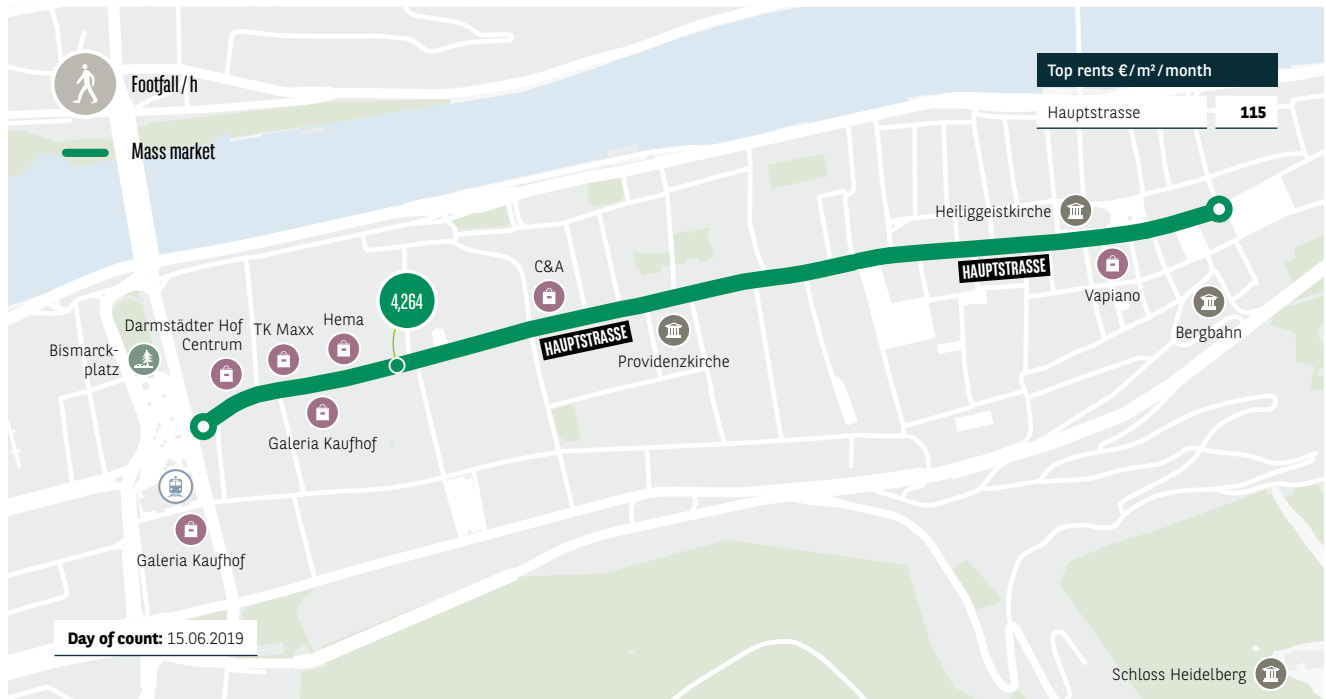
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TOP RENT – INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS

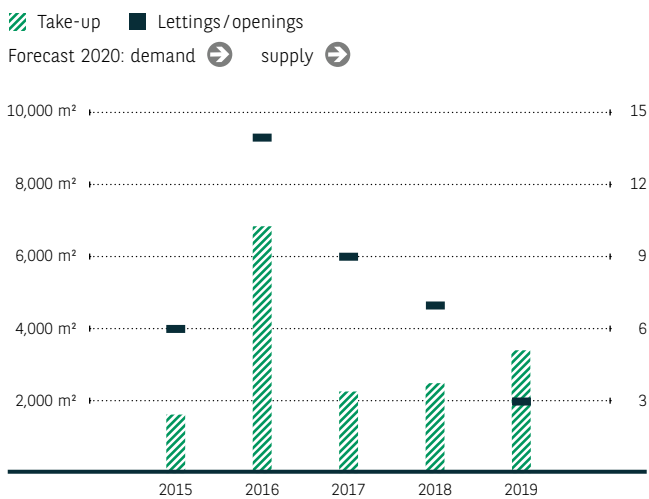


➤ **FOOD CONCEPTS VERY ACTIVE**

However, some exciting lettings/openings can be announced for 2019. US-American burger chain Five Guys will bring American food culture closer to tourists and students from a good 760 m². In the large-scale segment, Karstadt Sports is

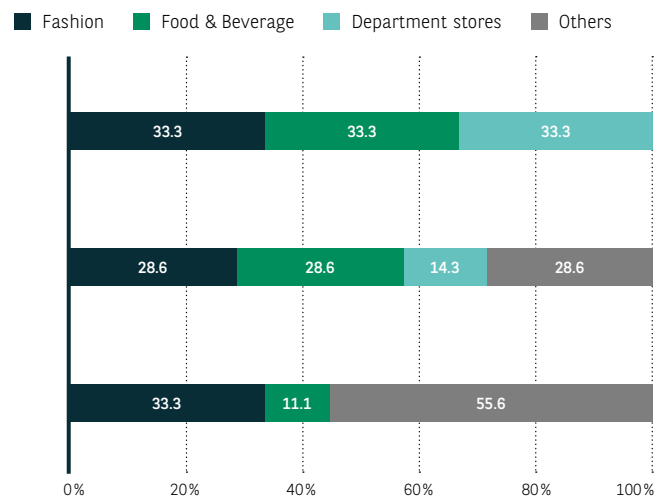
worth mentioning: now using the former premises of Saks OFF 5th. In addition, new concepts are expanding choice, including the H&M in-store café, where guests are offered Swedish specialties.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS



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LETTINGS / OPENINGS BY SECTOR



KARLSRUHE



“Around 15 lettings/openings – an extraordinarily high figure compared to the long run”

For ten years now, Karlsruhe has been working on the urban development project of the century, which envisages the construction of a tunnel under the city centre in order, among other things, to allow the tram in the main shopping street, Kaiserstrasse to run underground. Potentially, this opens up an attractive scenario for the retail trade: the city, spread out

like a fan, will be given a real pedestrian zone, probably in 2021, and the architecture and design gradually upgraded until 2030. At the same time, this also means that construction sites, noise and dust will continue to have an impact on Karlsruhe's retail scene for years to come.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall/h	Top rent	Chain-store ratio	Selected new lettings / openings
Kaiserstrasse	Mass market	1,200 m	5,932	95 €/m ²	52 %	Globetrotter, Hans im Glück, Ecco, leguano

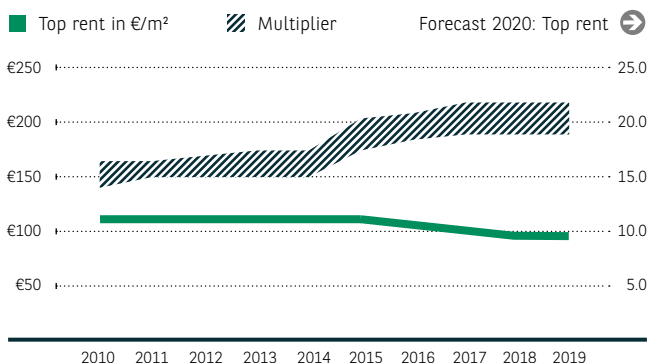
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➤ EXTRAORDINARILY HIGH NUMBER OF NEW LETTINGS

Although construction sites continue to dominate the picture in the city, as is currently the case on the Marktplatz, Kaiserstrasse was once again able to secure its position as the second most frequented shopping street in Baden-Württemberg in 2019. It is particularly pleasing that with an increase of 15 % to 5,900 visitors per hour, there is a clear revival compared to 2018. This places Kaiserstrasse among the top 20 busiest shopping streets in Germany. In comparison, top rent of 95 €/m² is extremely moderate, which makes Karlsruhe attractive for many retailers. A glance at contracts concluded in

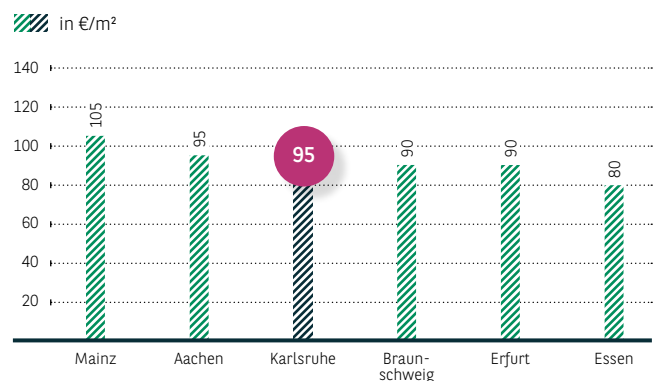
2019 seems to confirm exactly this: with a total of around 15 contracts and a take-up of more than 7,400 m², the result is above average. Nonetheless, this should not hide the fact that there is now a clear concentration of demand on a small section of Kaiserstrasse and that especially peripheral locations also show vacancies. This means that almost all lettings in 2019 can be located in the confined section from the Marktplatz to the Postgalerie. Globetrotter was one of the most prominent and eagerly awaited new tenants where, since August, the outdoor specialist has been operating a 1,500 m² citystore at number 195-197.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



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TOP RENT – INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



➤ **FOOD SERVICES AS AN OPPORTUNITY**

Whether locations more on the fringe are also able to profit from increased future demand will probably depend on the extent to which urban development schemes along the entire length of Karlsruhe's shopping mile lead to an increase in the quality of time spent there. Revitalization in the form of street

cafés and restaurants, prevalent in many contemporary cities, and incidentally popular in Karlsruhe for some years now, could also be a promising prospect for Kaiserstrasse as a result of its conversion into a pedestrian zone. However, guests don't like to look at builders' fences, and there is still a long way to go before 2030.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

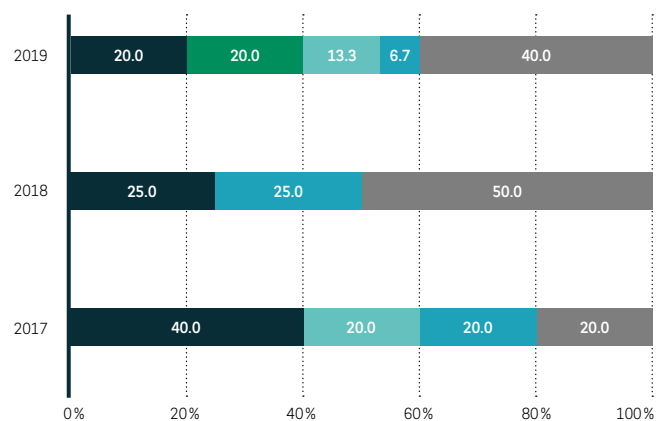
Take-up (hatched bar) Lettings/openings (solid bar)
Forecast 2020: demand (left arrow) supply (right arrow)



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LETTINGS / OPENINGS BY SECTOR

Food & Beverage (dark blue) Leatherwear/Shoes (green) Groceries (light blue)
Fashion (medium blue) Others (grey)



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LEIPZIG



“Mixed letting activity – almost **30 contracts** from around 10 sectors and nations”

The trend in Leipzig knows only one direction: upwards. In addition to a development of population in recent years which is unique in Germany, the Saxon metropolis is also increasingly attracting the attention of tourists. This is one of the reasons

for the increase in overnight stays. The city centre with its buildings from different eras is arousing great interest among visitors. No surprise therefore that the retail trade can profit from the increasing number of potential shoppers.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall/h	Top rent	Chain-store ratio	Selected new lettings / openings
Grimmaische Strasse	Mass market / Upmarket	400 m	5,166	120 €/m²	94 %	Teufel, Salamander, Mister Spex, Rituals, Swarovski
Petersstrasse	Mass market	350 m	4,718	120 €/m²	88 %	Ecco, Zero, Läderach
Markt	Mass market	140 m	4,201	90 €/m²	40 %	–
Hainstrasse	Mass market	240 m	4,168	70 €/m²	75 %	JD Sports, idee.Creativmarkt, Riccardo Retail
Nikolaistrasse	Mass market	450 m	1,956	45 €/m²	53 %	Swapfjets
Neumarkt	Mass market	280 m	1,998	30 €/m²	74 %	Red Wing Shoes, Mettino

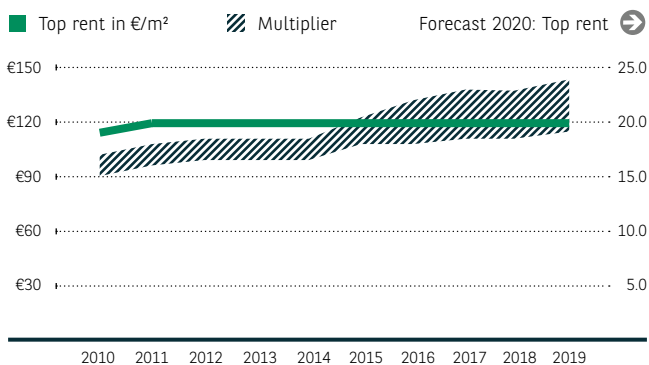
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➤ N30 IN THE FOCUS OF INNER-CITY CHANGE

The Leipzig retail market is in good and stable condition, which is reflected in a prime rent of 120 €/m² which has remained unchanged for years. The reason for this consistency can be attributed in large to the flexibility of the top shopping locations. This is impressively demonstrated by the N30 project: in the heart of the city, between Petersstrasse and Neumarkt, a new concept with state-of-the-art offices and selected shopping and eateries will be established in the old historic department store (formerly Karstadt). However, Grimmaische Strasse was also able to attract new innovative shopping formats in 2019, such as a store of online retailer Mister

Spex (260 m²), jeweller Swarovski (85 m²) and shoe retailer Salamander (620 m²). A special highlight of this promenade will be the opening of a flagship store of loudspeaker company Teufel (680 m²) in the Handelshof next year. Petersstrasse is delighted to welcome a new anchor tenant from the fashion sector, which will occupy over 3,000 m². Also remarkable is the number of prominent shoe and fashion suppliers such as JD Sports, COS, Zero and Ecco, among others, which have now also decided in favour of Leipzig after successful positioning in A-cities. Finally, worth mentioning is the positive development of Hainstrasse, which recorded two, interesting new additions with Riccardo and Subway.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



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TOP RENT – INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS

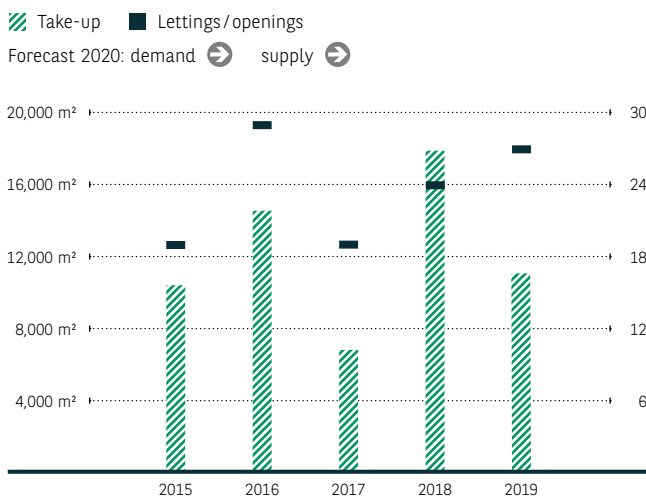


➤ **HIGH DEMAND BUT ALMOST NO SUPPLY**

Although take-up has fallen in comparison with 2018, there were 27 new leases/openings, three more than in the previous year. This illustrates that there is strong demand for attractive retail space in well-frequented locations. Greater letting activity is prevented mainly by a bottleneck in supply,

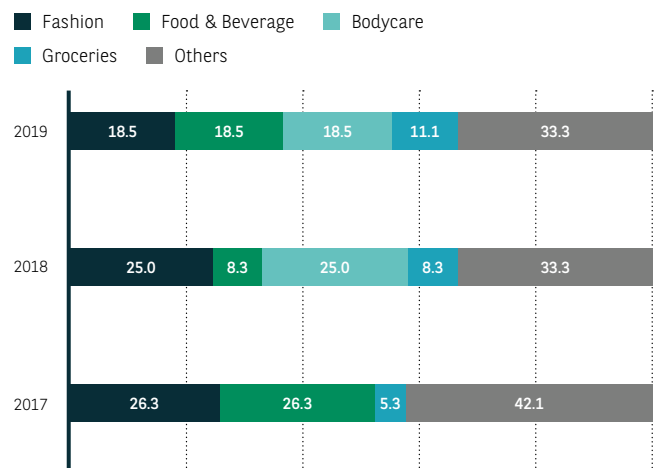
as apart from the N30 project (around 12,000 m² of new retail space and approx. 3,000 m² for food services) there are currently almost no vacancies in the popular shopping districts. Against a background of generally excellent general conditions in Leipzig, it can be assumed that market activity will remain dynamic in 2020.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS



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LETTINGS / OPENINGS BY SECTOR



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MAINZ



“B-locations accounted for **79 %** of city centre lettings – food & beverage is behind every second contract”

Very positive population and tourist growth in the Rhine metropolis illustrates the powerful attraction of Mainz. In addition to the annual carnival, the historic city centre with Mainz Cathedral, the Kirschgarten and the famous weekly market, exerts an extraordinary pull. In order to enhance the quality of

experience in the centre, the city has, in recent years, invested massively in the redesign of the Grosse Langgasse B-location and its immediate surroundings and intends to pursue this project in the future.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall / h	Top rent	Chain-store ratio	Selected new lettings / openings
Am Brand	Mass market	220 m	4,027	105 €/m ²	88 %	–
Schusterstrasse	Mass market	300 m	3,314	75 €/m ²	70 %	Engbers, Goldmarie
Stadthausstrasse	Mass market	200 m	2,422	55 €/m ²	68 %	Abele Optik

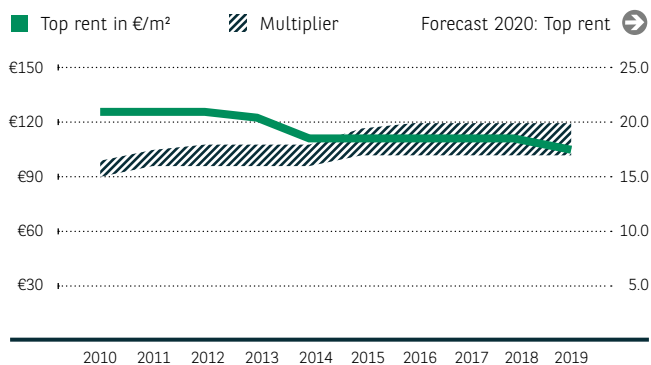
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FOOD SERVICES AND B-LOCATIONS IN FOCUS

This year's market activity in the state capital reflects two nationwide retail trends particularly well. On the one hand, restaurateurs are becoming an increasingly important demand group. In 2019, no fewer than seven leases/openings from the food service sector were recorded in the Mainz urban area, which represents half of all deals of the year. In addition to two restaurants (El Burro Mexican Kitchen and Robert's Pita & Grill), numerous cafés/pastry shops (e.g. Café Wood's, Willems Altstadtcafé or Frau Schmidt Cakes & Events) secured retail space. On the other hand, due to the short-

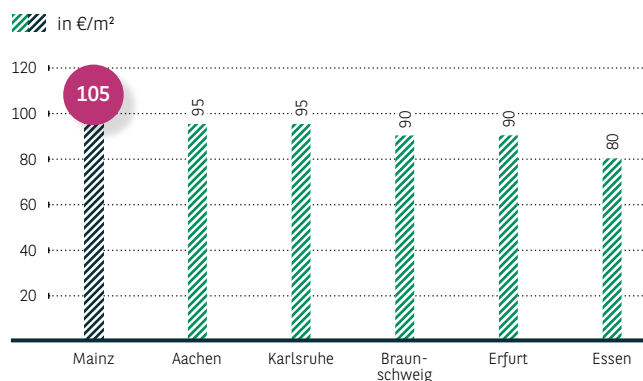
age of supply on the top promenades, retailers are switching to secondary locations. Only three of the roughly fifteen leases/openings were contracted in the prime locations of Stadthausstrasse (optician Abele Optik) and Schusterstrasse (fashion label Engbers and jeweller Goldmarie). Meanwhile, the city's investments in the redevelopment of B-locations are having an effect; energetic market development was observed particularly in Grosse Langgasse and its immediate surroundings, with a number of leases being signed. Also worth mentioning is the opening of a Netto branch, bringing a concept especially suited to inner city locations to the Frankfurter Hof.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



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TOP RENT – INTER-CITY COMPARISON

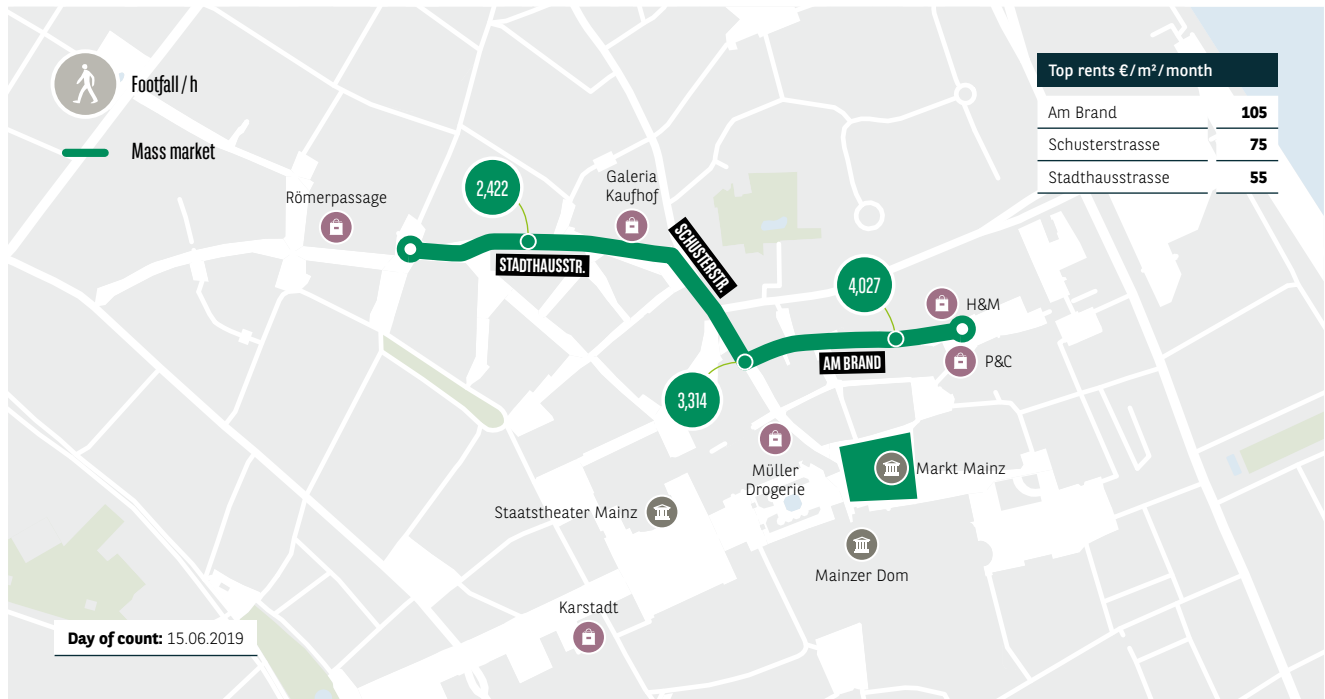


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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS

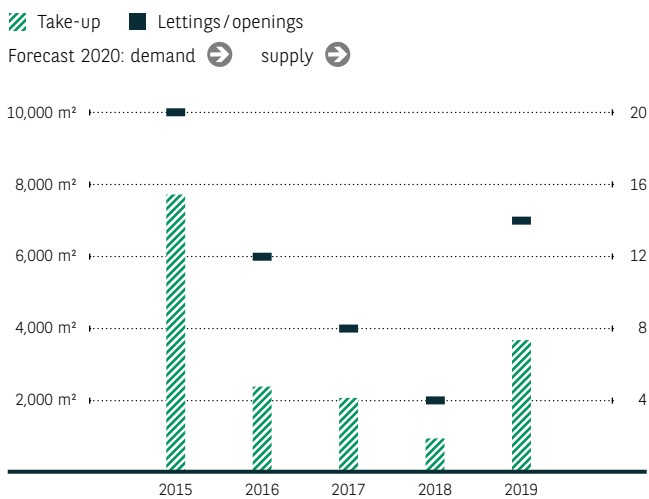


2020 IS THE TIME TO TAKE ADVANTAGE OF BETTER CONDITIONS

After three restrained years, the Mainz retail market was able to pick up speed again in 2019 and is in good shape. Top rents in prime locations are therefore also stable. Only for the

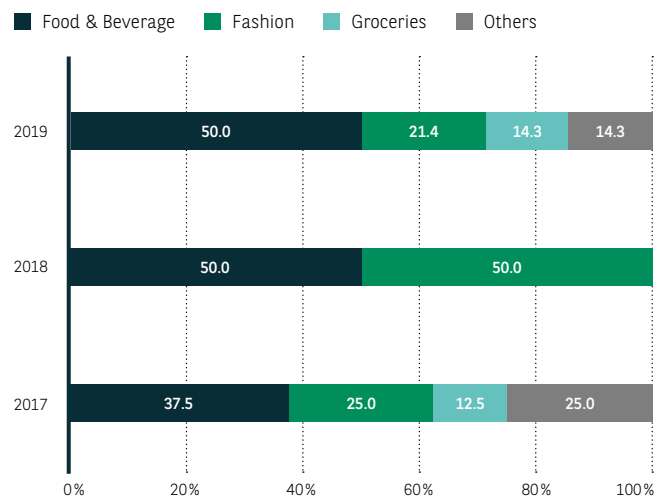
shopping strip Am Brand was a slight correction of €5 to now 105 €/m² observed in the course of the year. Demand from various sectors is currently focusing towards large spaces, so that overall we can look forward to the new year with optimism.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS



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LETTINGS / OPENINGS BY SECTOR



MANNHEIM



"Fourth highest retail turnover index within the Top 27"

In terms of regional importance, Mannheim continues to be one of the most attractive retail locations in Germany. With a centrality ratio of 1.49, the city ranks fourth in a nationwide comparison of major cities and simultaneously occupies one of the top positions in the turnover index ranking (149.2; 4th place). Playing a special role in this is the shopping street

of "Planken" and the front section of the "Kurpfalzstrasse", where a mix of national and international chain stores offers a varied range of products. However, the "Q 6 Q 7" shopping centre, which opened in 2016, has also become a defining feature of Mannheim's retail landscape.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall/h	Top rent	Chain-store ratio	Selected new lettings / openings
Planken	Mass market	1,000 m	5,120	145 €/m²	81 %	Five Guys
Kurpfalzstrasse	Mass market	1,100 m	4,464	90 €/m²	49 %	Deichmann

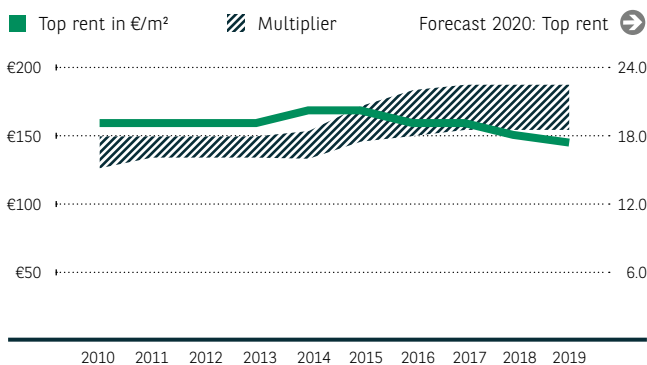
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PLANKEN RADIATES NEW GLOSS

In comparison to the previous year, the top rent, achieved for a typical 100m² standard shop on the Planken, only fell slightly by a good 3 % to 145 €/m². After construction work in 2018 to redesign Planken, there was a noticeable deterioration in the quality of the area between Paradeplatz and the water tower, yet now the promenade is looking its best. This also has had a positive effect on footfall, which has increased by almost 20 % to 5,100 pedestrians compared to 2018. However, there have not only been some changes on the Planken,

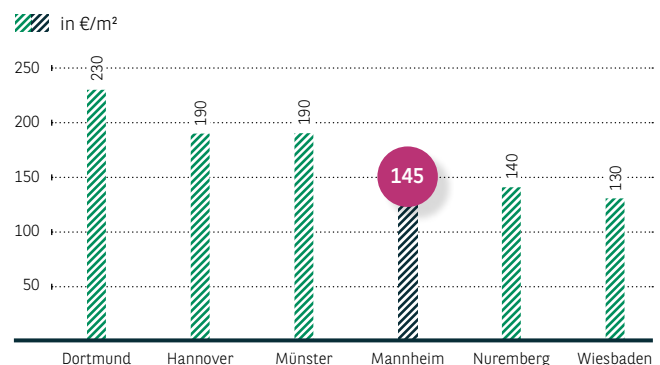
but a major project has also been completed on Kurpfalzstrasse. For example, after a two-year conversion phase, the former Mömax building was launched in September as the K1 Karre. Along with the Turkish jeweller Atasay and the Café Espressolab, two further new additions to the Kurpfalzstrasse were recorded there in 2019. Since the current footfall result of around 4,500 people per hour is almost 14 % below the 5-year average, it will be exciting to see whether the new shopping complex can provide a breath of fresh air.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



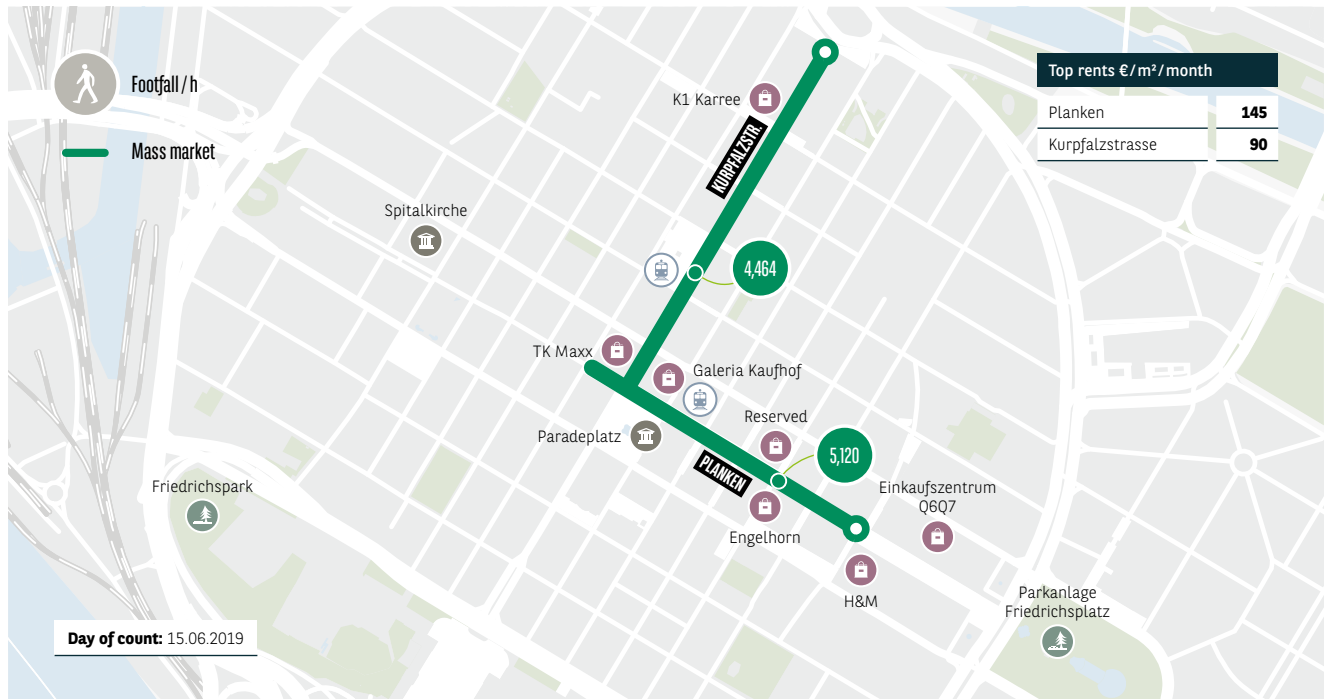
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TOP RENT - INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



➤ **RESTAURANT CHAINS COULD PROVIDE NEW IMPETUS**

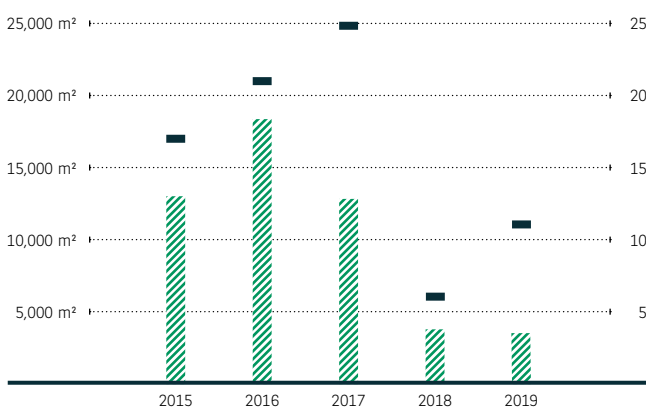
In 2019, letting momentum in A-locations fell slightly short of expectations. Nevertheless, with Deichmann, Rossmann, TK Maxx and H&M, who have extended their leases, several large anchor tenants were persuaded by the Kurpfalzstrasse location. A noticeable increase in demand from restaurateurs

could provide new stimulus in the future. The fact that Pizza Hut has opened its largest restaurant in Germany in O6 and Five Guys will start selling burgers in P7 in the coming months shows that the large chains in particular believe in Mannheim's shopping areas.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

Take-up (green hatched bar) Lettings/openings (black bar)

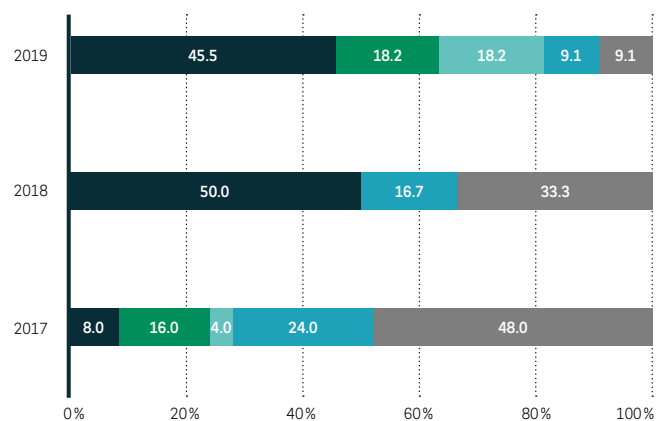
Forecast 2020: demand (left arrow) supply (right arrow)



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LETTINGS / OPENINGS BY SECTOR

Food & Beverage (dark blue) Bodycare (green) Leatherwear/Shoes (light blue)
Fashion (teal) Others (grey)



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MUNICH



“Kaufingerstrasse – Most expensive top location and still very high take-up”

Munich can rightly be called the city of records. Currently, high rents and housing prices are to the fore, but Munich also has the lowest unemployment rate of all A-cities at 3.5 %, and with a purchasing power index of almost 135, is by far the

leader. Overnight stays increased by around 20 % from 2016 to 2018 – also a top result! An attractive and very popular city with a wide range of attractions rounds off the picture of this dynamic metropolis.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall/h	Top rent	Chain-store ratio	Selected new lettings / openings
Kaufingerstrasse	Mass market	260 m	13,275	370 €/m²	97 %	Urban Outfitters, Skechers
Neuhauser Strasse	Mass market	400 m	11,012	340 €/m²	88 %	dm, trendOptic
Maximilianstrasse	Luxury	900 m	1,398	310 €/m²	91 %	PRIME TIME fitness, Brunello Cucinelli, MCM, ANNA Inspiring Jewellery
Weinstrasse	Mass market / Upmarket	200 m	8,201	250 €/m²	91 %	–
Theatinerstrasse	Mass market / Upmarket	400 m	8,517	230 €/m²	90 %	Lululemon, Marc Cain, Furla, Mytheresa Men, BRIC'S
Sendlinger Strasse	Mass market	500 m	4,952	210 €/m²	75 %	Salomon, Boggi Milano, Rent a Box
Residenzstrasse	Mass market / Upmarket	400 m	4,826	190 €/m²	84 %	Belstaff, Anne Fontaine
Brienner Strasse	Upmarket	300 m	1,110	120 €/m²	63 %	–

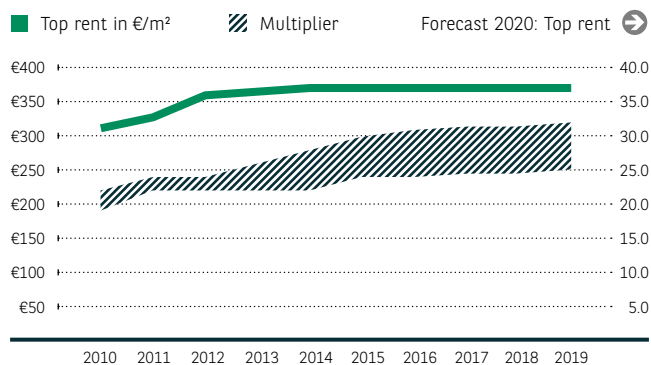
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➤ LEVEL OF DEMAND STABLE

The extraordinary position of Munich's city centre is also evident in the fact that four of its streets – Kaufingerstrasse (1), Neuhauserstrasse (4), Theatinerstrasse (6) and Weinstrasse (7) – are among the top 10 shopping boulevards in Germany when it comes to footfall. With top rents of 370 €/m² in Kaufingerstrasse, Munich is still the undisputed leader. That the state capital has been able to reaffirm these levels again and again over many years is mainly due to the stability of demand from many international and national chain stores.

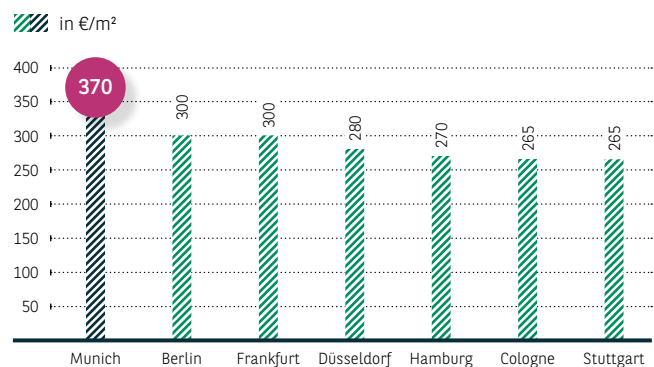
Luxury labels and sportswear retailers in particular are currently continuing to expand and often choose Munich for their German market entry, for example the US shoe label Skechers, has secured a shop in Kaufingerstrasse. In contrast, the share of space taken up by the restaurant trade is much lower than in most cities, at only 7 %. While food service concepts in other locations often jump into the breach to compensate for weaker demand, especially from clothing retailers, in Munich they are in stronger competition with classic retailers. At the same time, however, it should be pointed out that a trend

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



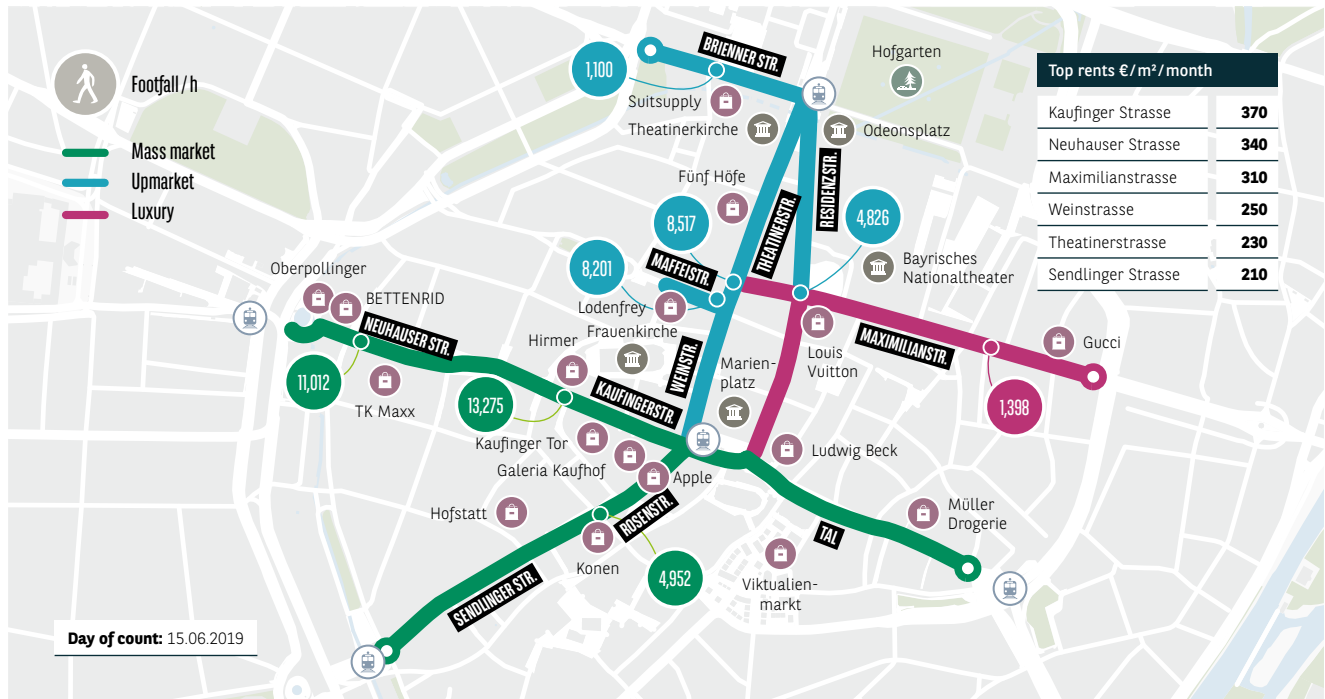
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TOP RENT – INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



towards space optimization is emerging that takes account of the restructuring processes in the retail sector and growing cost pressure.

LEASES IN ALL LOCATIONS

A lively market with 44 registered leases/openings in 2019 allowed almost all locations to profit. However, one focus was on Kaufingerstrasse, where Skechers and Urban Outfit-

ters, among others, appeared with almost 2,500 m² of new space. The Canadian sports label Lululemon leased premises on Theatinerstrasse and leather goods specialist Bree will open its new store on Schöfflerstrasse in March 2020. Against a backdrop of stable demand, it is to be welcomed that two major projects, the Alte Akademie and a redesign of Sattlerplatz, will be launched in 2020 and bring additional supply to the city centre.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

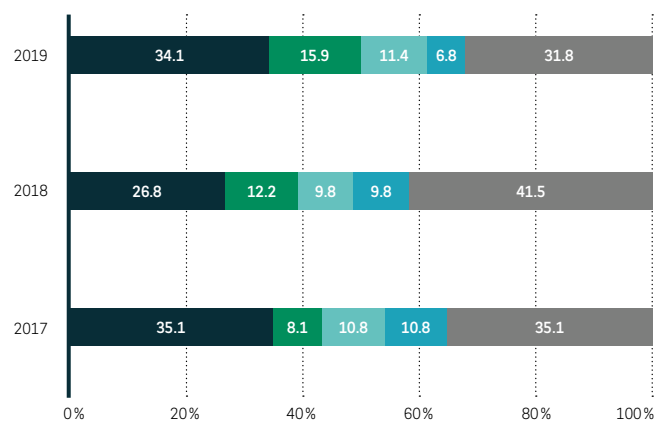
Take-up (green hatched bar), Lettings/openings (black bar)
Forecast 2020: demand (grey arrow), supply (green arrow)



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LETTINGS / OPENINGS BY SECTOR

Fashion (dark blue), Leatherwear/Shoes (green), Bodycare (light blue), Food & Beverage (teal), Others (grey)



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MÜNSTER



“Footfall results: Prinzipalmarkt **cannot be topped** among cities with 250,000 to 500,000 inhabitants”

The great strength of Münster's retail is its capacity for continuous reinvention without losing its unique character. A very significant advantage in this regard is that the city and the retail market frequently collaborate for future success in a much

more target-oriented way than in other cities. Free bus travel on all Advent Saturdays, which promotes reduced car use yet boosts the motivation to go shopping, is just one example of the numerous special offers that benefit the retailers.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall/h	Top rent	Chain-store ratio	Selected new lettings / openings
Ludgeristrasse	Mass market	400 m	5,816	190 €/m²	90 %	dm, Salamander, Urlaubsguru, IQOS
Prinzipalmarkt	Luxury / Upmarket	170 m	6,544	175 €/m²	57 %	–
Salzstrasse	Mass market	550 m	3,298	115 €/m²	60 %	–
Rothenburg	Upmarket	240 m	–	90 €/m²	49 %	–

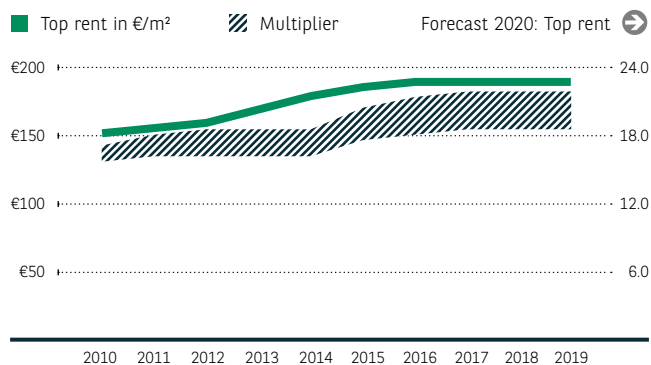
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DEMAND CONTINUES TO EXCEED SUPPLY

In 2019 there was also a lot of news on the construction and architectural side of Münster. After the demolition and rebuilding of the old SinnLeffers building, for which Primark was acquired in 2018, a further commercial building at Salzstrasse 9 was razed in order to bring it back to its former glory through project development. As is customary for the city, the façade is to be integrated into the overall historical appearance of the city and reminiscent of the architecture of the neighbouring Dominican Church. As retail users can be found quickly for new spaces and vacancies in the top locations are

virtually non-existent, Münster is ahead of other B and even A cities. In light of this, the city continues to be one of the very few in Germany where top rent (190 €/m² in Ludgeristrasse) has never, at any time, had to be adjusted downwards. The example of SiNN, which is currently looking for at least 4,000 m² in Münster, shows how tight the supply situation is. After the clothing retailer gave way to the new Primark building and moved into much smaller stopgap premises (Vossgrasse), the company has to move out again, as the Volksbank, as landlord, wishes to use the space itself again after the end of the contract.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



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TOP RENT – INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



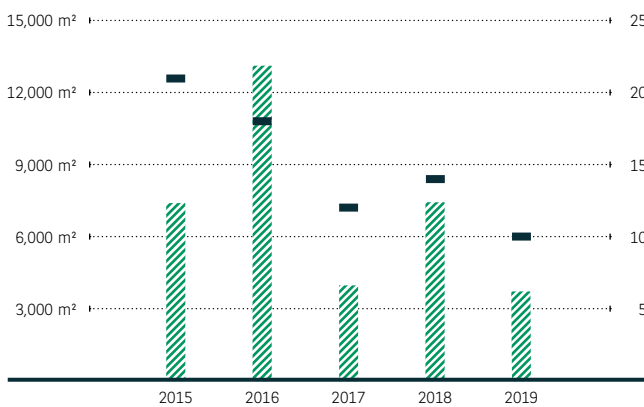
10 DEALS IN THE LAST 12 MONTHS

Despite the shortage of space, Münster has once again seen exciting new designs open in 2019. These include the H&M brand Weekday, which has been in operation at Alter Fischmarkt since the third quarter. The special feature of Weekday

is the label's cooperation with Münster artist Charlotte Hilbot, resulting in a T-shirt that was only available in this store for a brief period. Furthermore, the new shop of online travel agency Urlaubsguru (Ludgerstrasse 72) is a good example of a successful hybrid business model.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

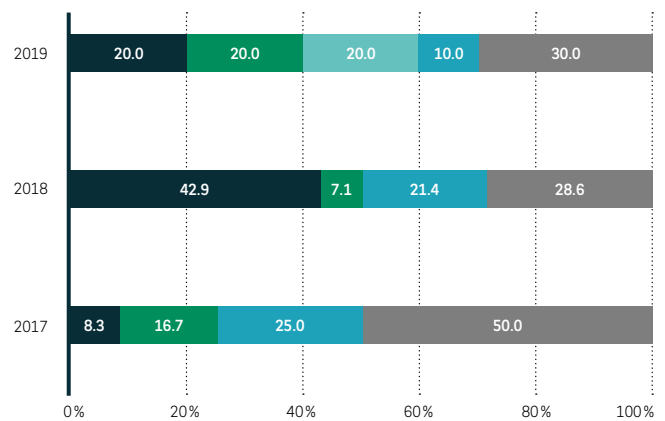
Take-up (green hatched bar) Lettings/openings (black bar)
Forecast 2020: demand (green arrow) supply (grey arrow)



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LETTINGS / OPENINGS BY SECTOR

Fashion (dark blue) Leatherwear/Shoes (green) Food & Beverage (light blue)
Bodycare (medium blue) Others (grey)



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NUREMBERG



"Retail turnover: Franconian metropolis in the nationwide top 8"

Nuremberg's retail trade traditionally plays in the top group of German cities and boasts high turnover and centrality figures. This is due, on the one hand to a large catchment area, but also to an attractive and varied mix of sectors in the city. This

quality is also expressed by top shopping location Karolinenstrasse long since securing a regular place among the twenty most frequented shopping streets in Germany.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall/h	Top rent	Chain-store ratio	Selected new lettings / openings
Karolinenstrasse	Mass market / Upmarket	350 m	6,034	140 €/m ²	98 %	–
Hefnersplatz / Ludwigsplatz	Mass market / Upmarket	–	–	120 €/m ²	89 %	The Body Shop, leguano, IQOS
Breite Gasse	Mass market	550 m	4,540	100 €/m ²	87 %	Søstrene Grene, More & More, Ernsting's family
Kaiserstrasse	Upmarket / Luxury	290 m	1,800	70 €/m ²	71 %	JUZZ

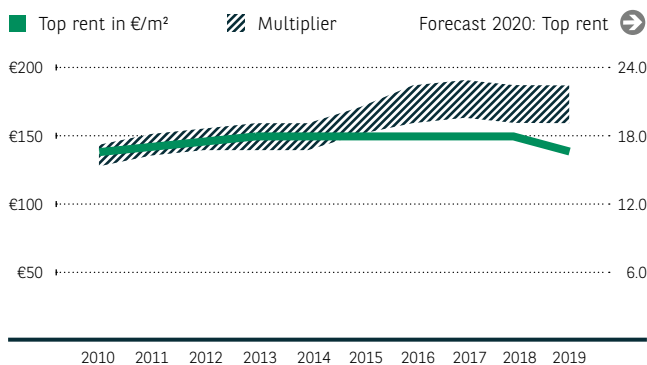
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SLIGHT INCREASE IN SUPPLY

Although Nuremberg's city centre traditionally enjoys solid demand, it too has to deal with a retail trade in transition. Indicative of this is not only a somewhat increasing supply of space, but also slightly declining top rents in all A-locations. It is still highest in Karolinenstrasse, where 140 €/m² can be charged. At just under 4,900 m², recorded take-up in the city is therefore also relatively low in 2019. It is remarkable that new food service concepts, which are the most import-

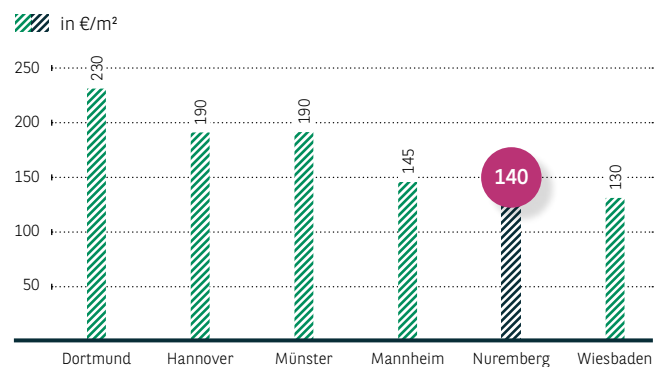
ant demand group in many cities, are scarcely to be found in Nuremberg. Nevertheless, prominent brands also rented new space last year, for example Danish furnishing chain Søstrene Grene, which sited a store in a prime location on Breite Gasse. In the medium term, supply will be expanded, above all by the new construction of the Altstadt Karree, a mixed-use property being built on the site of the former shopping centre City Point, which will include a hotel, services as well as a good 12,000 m² of retail space.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



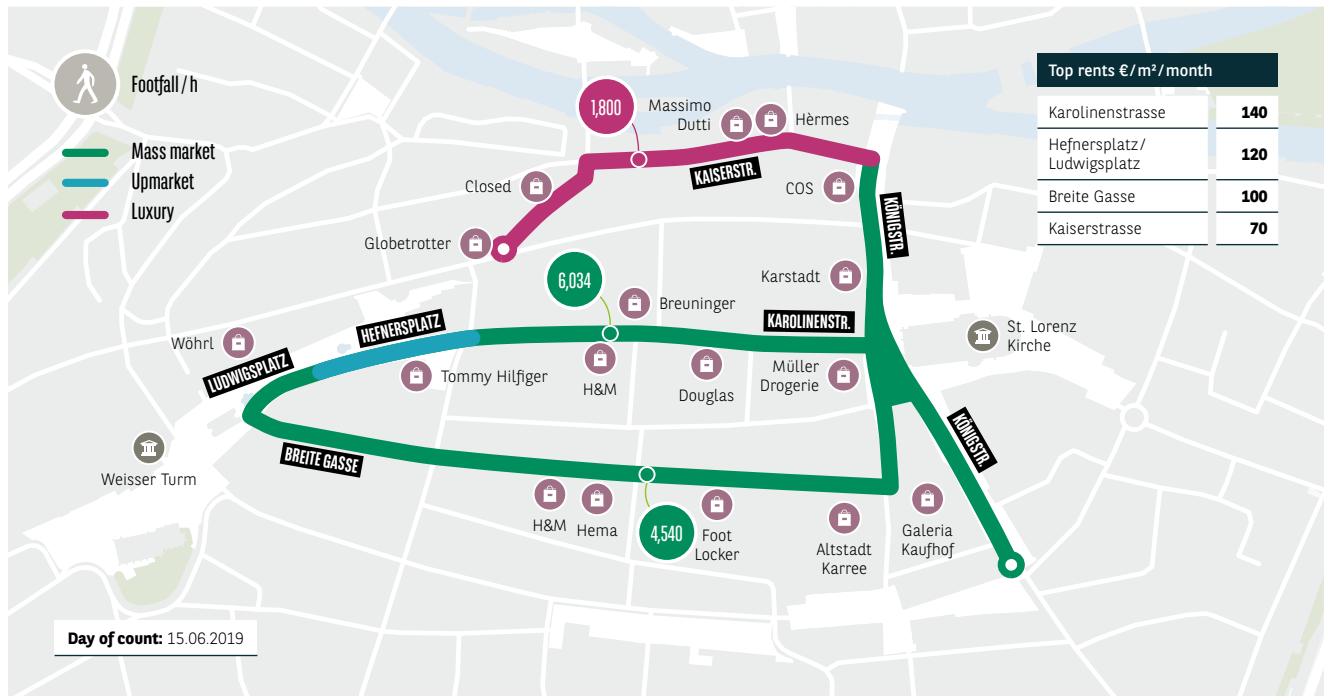
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TOP RENT – INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



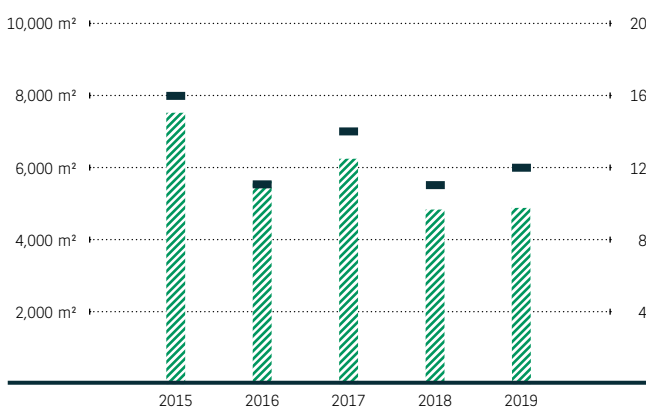
DEMAND IN ALL LOCATIONS

Almost all shopping streets in Nuremberg city centre have benefited from the recorded lettings/openings. In Breite Gasse, More & More, a specialist for women's outerwear, has secured a shop, and in Königstrasse, the Swiss chocolate manufacturer

Lindt & Sprüngli will be treating the people of Nuremberg from the second quarter of 2020. But the top location of Ludwigsplatz can also look forward to enjoying some contemporary trends with two new concepts, The Body Shop and leguano Barfusschuhe.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

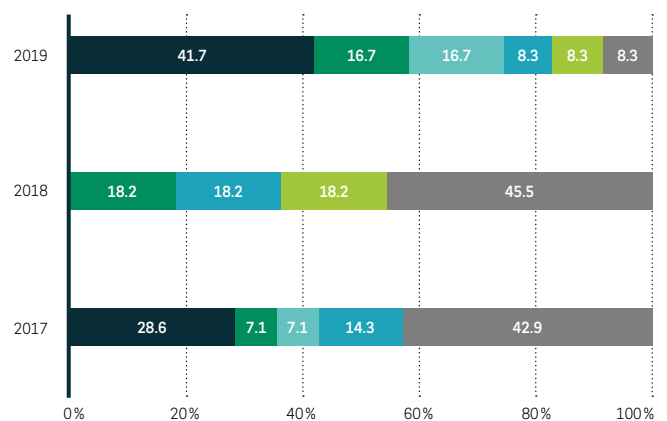
Take-up (Green hatched bar) Lettings/openings (Black bar)
Forecast 2020: demand (Right arrow) supply (Up arrow)



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LETTINGS / OPENINGS BY SECTOR

Fashion (Dark blue) Leisure (Green) Groceries (Light blue) Bodycare (Blue)
Furnishings (Yellow-green) Others (Grey)



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OSNABRÜCK



“In the Top 27 only Trier and Würzburg with higher centrality index than Osnabrück”

Osnabrück is the economic, administrative and cultural centre of the extensive Osnabrück region. An important contribution is also made by the city centre with its diverse retail trade. While shopping opportunities in the predominantly rural hinterland are declining more and more, the range of products

on offer remains as varied as ever. Shopping enthusiasts from near and far are continually invigorating the city centre, which boasts numerous well-known brands as well as many owner-managed local shops. With the attractive old town and the wide range of restaurants, there is something for every visitor.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall/h	Top rent	Chain-store ratio	Selected new lettings / openings
Grosse Strasse	Mass market	450 m	4,219	120 €/m²	80 %	GINA LAURA, Tchibo

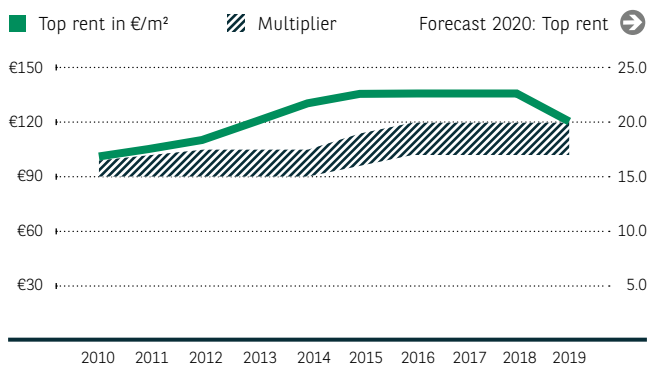
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➤ HARDLY ANY VACANCIES IN PRIME LOCATIONS

Osnabrück has to rethink its position after plans for a large inner-city shopping centre on Neumarkt, the entrance area to the city's important pedestrian areas, were rejected. This centre could have led to a shift in pedestrian flow, with the result that retailers have been somewhat reticent in the past. Nevertheless, Neumarkt will be given a new, more attractive face in the foreseeable future, as further properties are already under construction ensuring that this important square is upgraded. However, take-up in 2019 was comparatively low and new lettings few, especially in the second half of the year, due not

only to the wait-and-see attitude of retailers. There are only a few vacant spaces in important locations, disappointing prospective tenants unable to find suitable shop premises. In the A-locations of Grosse Strasse and Kamp, availability is particularly scarce, and retailers are therefore turning to equally lively and popular B-locations. An example of this, is dining concept dean&david, which opened in Osterberger Reihe on the former premises of the bookstore Zur Heide. At any rate, it is the food service sector that is revitalizing the city, as around half of the lettings are in this segment – a development that puts the city fully in line with the national trend.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



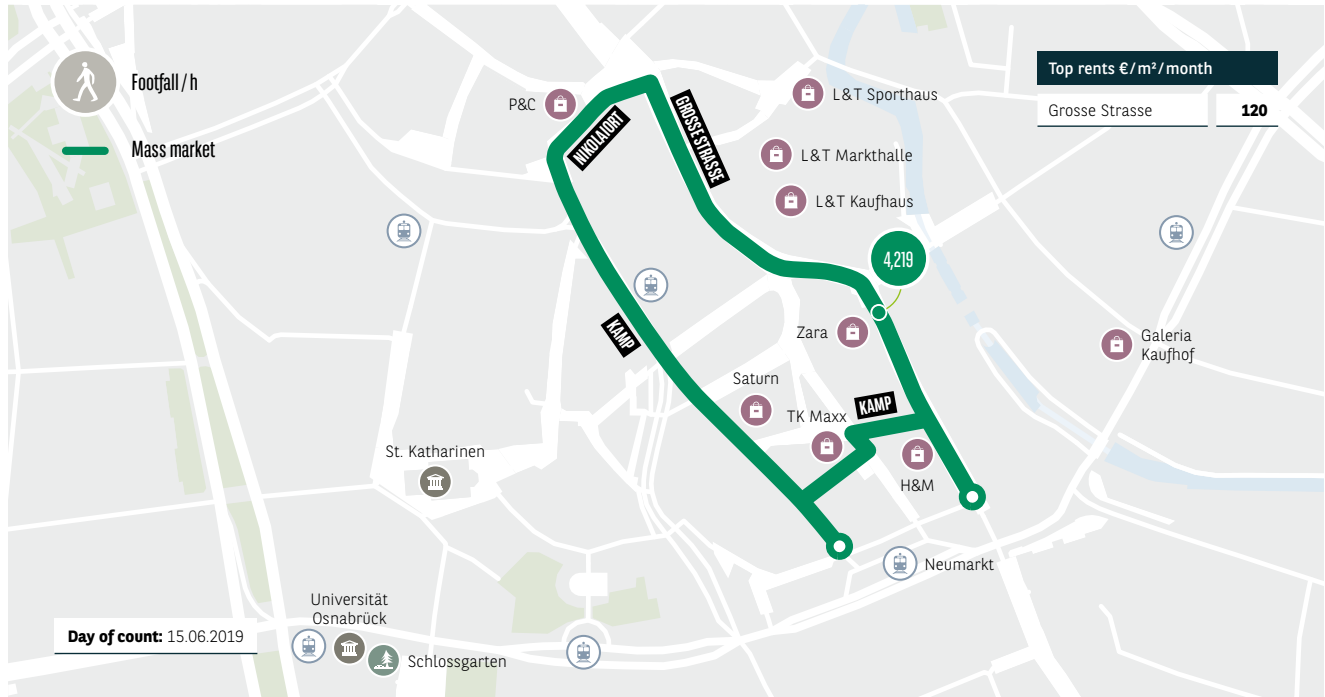
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TOP RENT – INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



RENTS UNDER PRESSURE DESPITE HIGH DEMAND

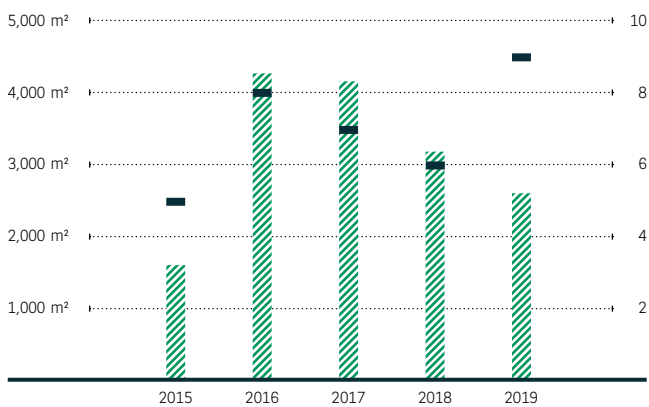
The situation on Osnabrück's retail market is, and remains positive overall, as demand from retailers and footfall through the city centre is largely stable. The market appreciates this reliability, both in A-locations as well as in secondary loca-

tions, and vacant space is quickly re-let. Nevertheless, rents in Osnabrück's prime locations are coming under pressure, as is the case in many shopping streets in Germany. At their peak, they are at 120 €/m², which is around 8 % below the previous year's value and on a par with Leipzig, Bonn and Trier.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

Take-up Lettings/openings

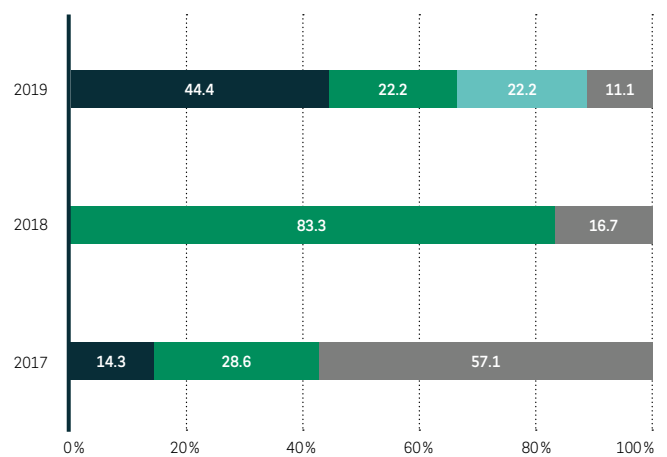
Forecast 2020: demand supply



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LETTINGS / OPENINGS BY SECTOR

Food & Beverage Fashion Furnishings Others



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STUTTGART



"Swabian metropolis delighted about 40 lettings / openings in inner city locations"

The state capital of Stuttgart is indisputably the dominant retail destination in Baden-Württemberg and has a catchment area of around 2.5 million inhabitants. The positive performance of the city centre is supported by almost full employment

in the region and correspondingly high purchasing power and consumer spending. Nonetheless, the effects of the current transformation in the retail trade and in urban development are being felt in Königstrasse and neighbouring locations.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall / h	Top rent	Chain-store ratio	Selected new lettings / openings
Königstrasse	Mass market	1,100 m	6,612	265 €/m²	80 %	Telekom, Dr. Martens, Patrizia Pepe
Stiftstrasse	Upmarket	60 m	2,154	185 €/m²	100 %	Hermès, Sandro Paris
Marktplatz / Kirchstrasse	Upmarket	50 m	2,473	180 €/m²	82 %	-
Schulstrasse	Mass market	150 m	-	100 €/m²	68 %	CELEBRE BAR
Calwer Strasse	Mass market	500 m	-	55 €/m²	40 %	Leica Camera, Rooks & Rocks, Kapten & Son, Motel a Miiio

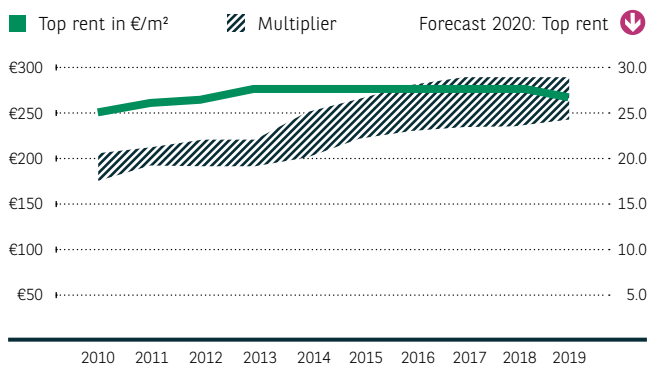
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➤ BROADER MIX OF USE BECOMING INCREASINGLY EVIDENT

An increasing diversity and mix of use can also be observed in Stuttgart's city centre due to changing consumer habits, the increasing importance of convenience and the quality of public spaces and squares. While the city's important fashion scene is reducing its downtown presence due to increasing competitive pressure and the growing importance of e-commerce, the vacated space is increasingly being absorbed by food service concepts and 2019 saw almost ten such establishments. At the same time, new projects are increasingly

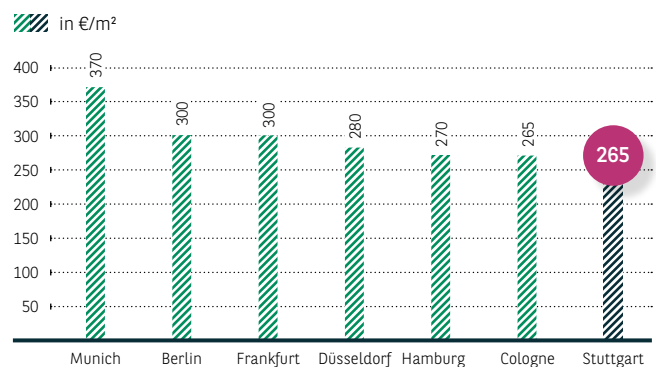
incorporating office uses from the first floor upwards, as well as apartments, which are contributing to the increasing zest and animation of Stuttgart's city centre. Further projects such as the development of Königstrasse 35 and Königstrasse 38 are on the starting blocks. Higher price sensitivity, particularly of many clothing companies is also reflected in the slightly lower top rent of 265 €/m². Also due to numerous project developments and construction sites, a wait-and-see attitude is discernible on the market at present.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



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TOP RENT - INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



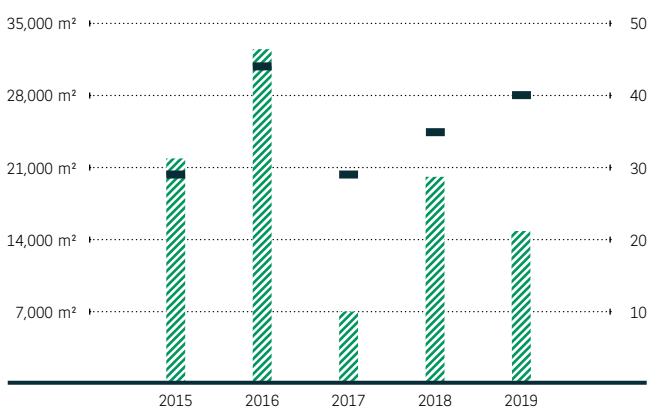
➤ **MORE LETTINGS, BUT SMALLER PREMISES**

As a result of the developments described above, at present, smaller, ground-level spaces are particularly being sought and clothing retailers are in general no longer expanding as strongly as in previous years. Due to numerous urban development interventions in Königsstrasse, most of the shifts in occupancy are to be found here. There was also a great deal

of movement in Calwer Strasse: new, high-quality approaches such as the Leica store, the Poetic Edition fashion boutique or Motel a Miio have noticeably revived and upgraded the consumer situation. Stiftstrasse increasingly presents its chic credentials with an opening for French fashion label Hermès. The Swabian luxury district constitutes an important link to the Dorotheen Quartier.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

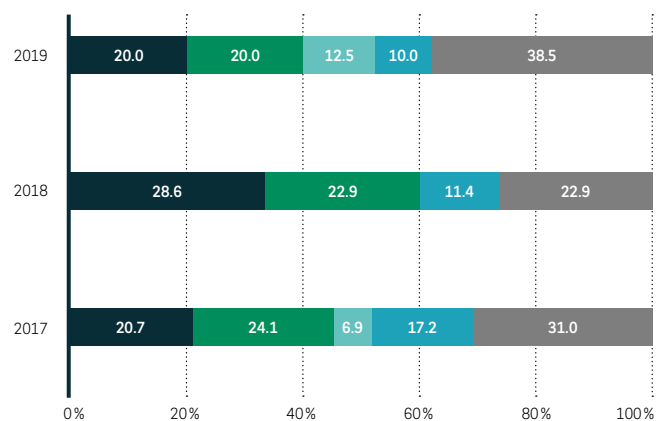
Take-up (hatched bar) Lettings/openings (solid bar)
Forecast 2020: demand (right arrow) supply (up arrow)



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LETTINGS / OPENINGS BY SECTOR

Fashion (dark blue) Food & Beverage (green) Groceries (light blue)
Furnishings (medium blue) Others (grey)



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TRIER



"Trier unbeatable nationwide in centrality index"

Thanks to its history, cultural significance and attractive location in the heart of the Saar-Lor-Lux region, Trier is one of the most popular shopping destinations in Germany despite a population of just 110,000. The city centre, of possibly Germany's oldest city, links the banks of the Moselle, a UNESCO World

Heritage Site and shopping. This excess of importance also results in an outstanding centrality rating of over 2. On the German side alone, the catchment area comprises around 450,000 people. In total, a sales area of over 150,000 m² is available in Trier, with a strong focus on the core fashion sector.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall / h	Top rent	Chain-store ratio	Selected new lettings / openings
Grabenstrasse	Mass market	90 m	4,470	120 €/m ²	84 %	–
Hauptmarkt	Mass market	75 m	–	120 €/m ²	60 %	dm
Simeonstrasse	Mass market	250 m	5,604	115 €/m ²	60 %	Aldi, Hans im Glück, Søstrene Grene
Brotstrasse	Mass market	400 m	3,628	110 €/m ²	68 %	–
Fleischstrasse	Mass market	300 m	3,304	105 €/m ²	63 %	–

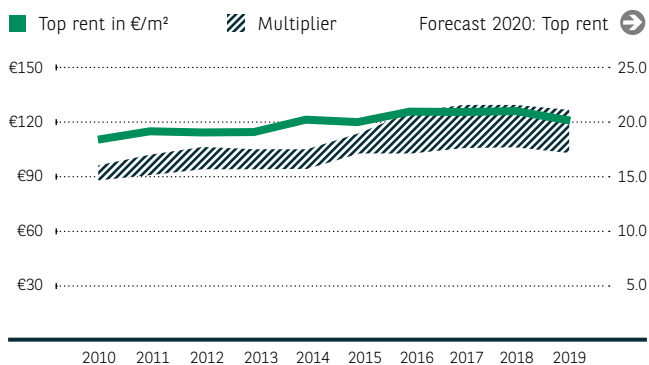
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➤ VACANCIES ARE QUICKLY ABSORBED

Despite the generally growing share of e-commerce in the retail sector, Trier's centre has lost none of its magnetic appeal. Thanks to a long-term profiling strategy for business locations, the Moselle metropolis presents itself as an attractive urban space with a high quality of visit. Although price sensitivity of retailers has increased noticeably and top rent has also fallen slightly to 120 €/m², available space in the high-frequency shopping streets around Hauptmarkt is being rapidly absorbed by the market. This represents the central

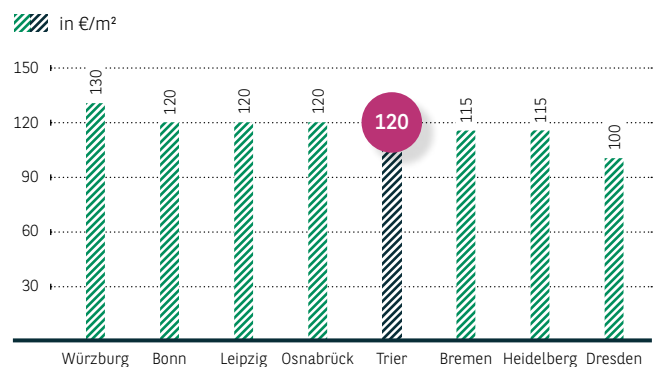
junction to the main shopping thoroughfares of Simeonstrasse, Grabenstrasse/Brotstrasse and Fleischstrasse. It is also noticeable that in the course of structural shifts in the retail trade, centres are becoming significantly more diverse and multi-faceted in their occupancy. In Trier, for example, around three-quarters of all lettings and openings were in the restaurant and food service sector. A particularly prominent example is the opening of an Aldi in the basement of Karstadt on Simeonstrasse in June 2020, which is already a common and successful approach to synergy creation in other major cities.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



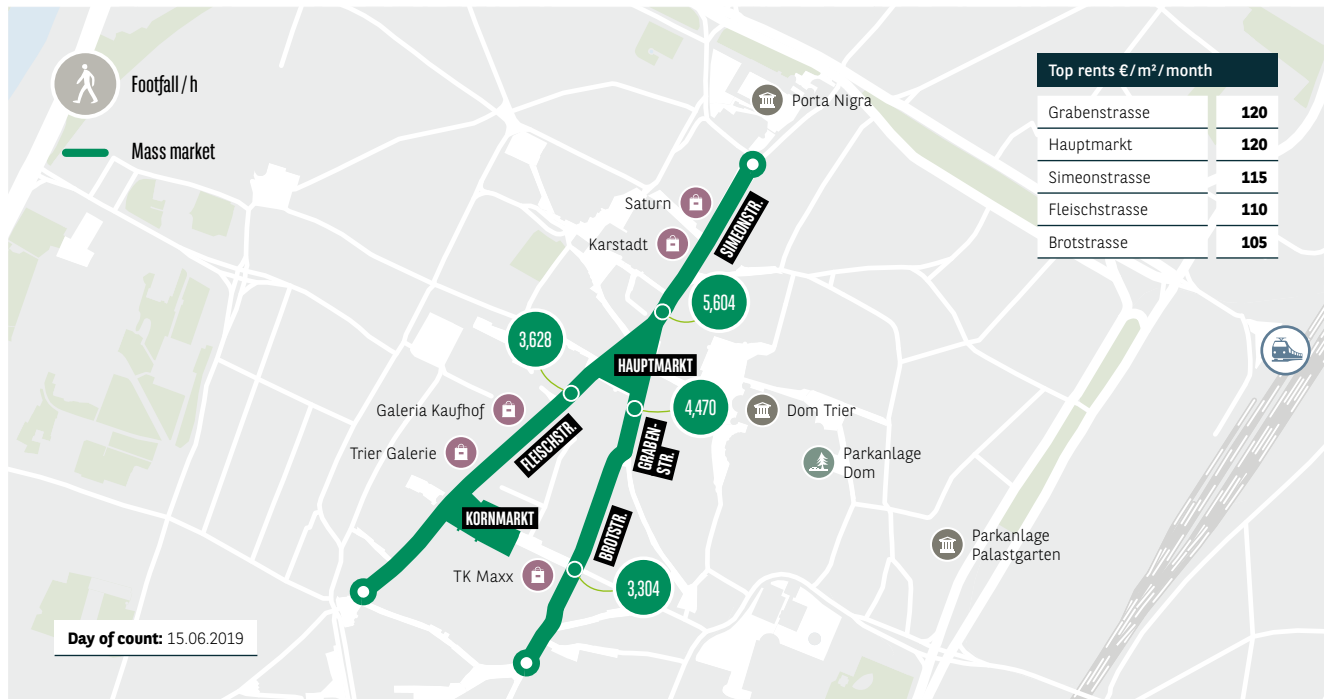
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TOP RENT – INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



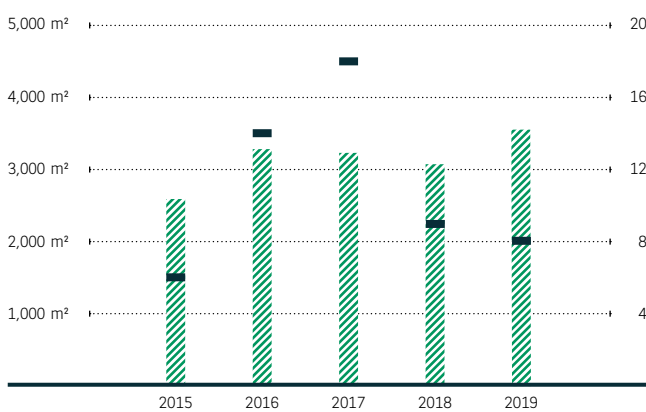
➤ **CHAIN STORES EXPRESS PARTICULAR INTEREST**

With a total of eight lettings/openings and a take-up of over 3,500 m², letting activity in the picturesque inner city of Trier was at a slightly more buoyant level than in the previous year. Particularly active were chain stores, such as the

Danish retail concept Søstrene Grene, which opened its 50th store in Germany at Simeonstrasse 45. New tenants were also acquired by the historic Posthof on Kornmarkt, which was renovated until 2015.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

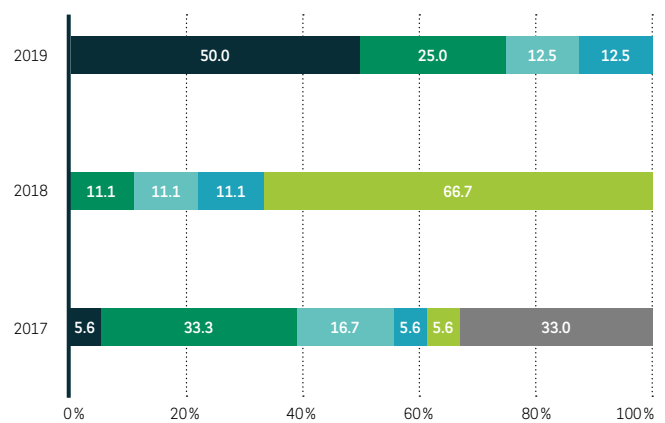
Take-up Lettings/openings
 Forecast 2020: demand supply



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LETTINGS / OPENINGS BY SECTOR

Food & Beverage Groceries Fashion Furnishings
 Bodycare Others



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WIESBADEN



"B-city with the **most** downtown lettings or openings in food services"

That the state capital of Hessen can look back on an eventful history and was a spa and recreation destination for international nobility in the 19th century is still evident today in the pretty townscape. Many architectural and tourist sights attract countless guests to the metropolis of the Rhine-Main

area every year. Over time, however, Wiesbaden has developed into a vibrant service centre and continues to generate fresh impetus to drive development. Both the high number of visitors and above-average purchasing power index also benefit the attractive retail scene.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall / h	Top rent	Chain-store ratio	Selected new lettings / openings
Kirchgasse	Mass market	550 m	6,289	130 €/m ²	85 %	JD Sports, Camp David & Socxx, Søstrene Grene
Langgasse	Mass market	270 m	4,005	70 €/m ²	65 %	Karstadt Sports, Five Guys, IQOS
Marktstrasse	Mass market	350 m	2,166	60 €/m ²	47 %	-
Wilhelmstrasse	Upmarket	900 m	-	45 €/m ²	43 %	-

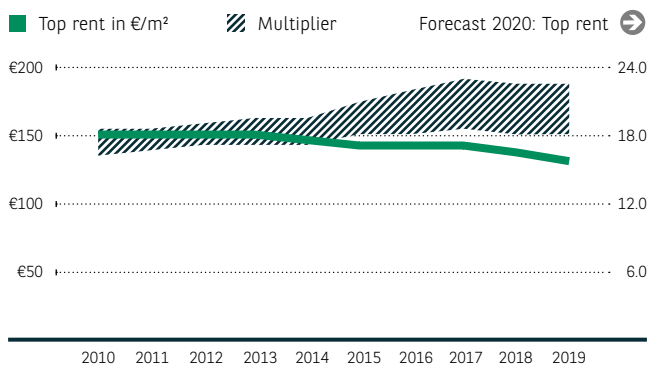
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LOTS OF MOVEMENT DOWNTOWN

The city centre has traditionally been very popular with both national and international retailers, which is also expressed in current demand. Nevertheless, restructuring in the retail sector is leaving its mark, as can be seen from the drop in top rents to 130 €/m² still obtained in Kirchgasse. A slightly higher fluctuation than in the past can also be observed, which is echoed in a total of 50 recorded lettings/openings. These include spectacular large spaces, such as the opening in March of an approximately 1,800 m² Müller Drogerie shop

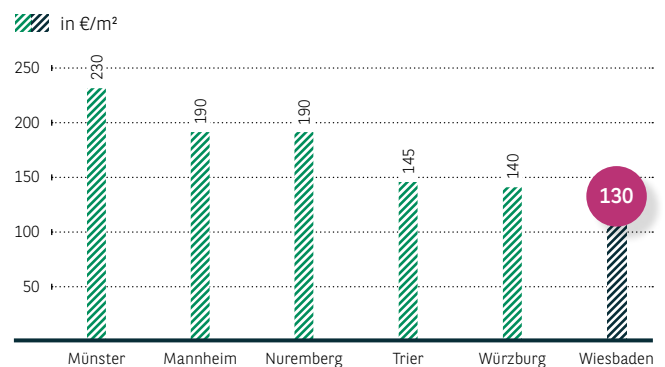
in Kirchgasse 13 or the takeover of the former Saks OFF 5th space in Langgasse by Karstadt Sports. The former Liliencarée, is now also more modern and freshly positioned with its rebranding as Lili and after the restructuring of its branch mix is following the trend for a higher share for food service and local retail. Above all, restaurant concepts, often in secondary locations with somewhat lower rents, are contributing to the revitalisation of the city centre and are responsible for almost 45 % of the lettings/openings.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



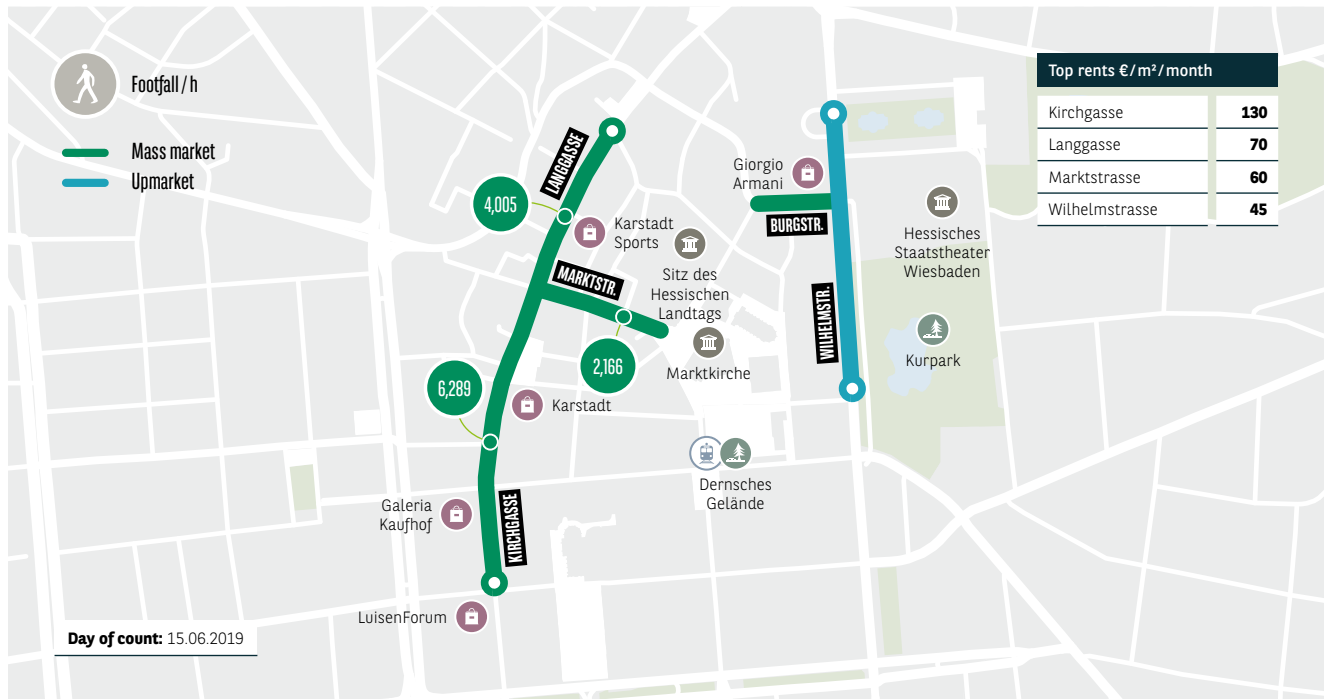
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TOP RENT - INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS

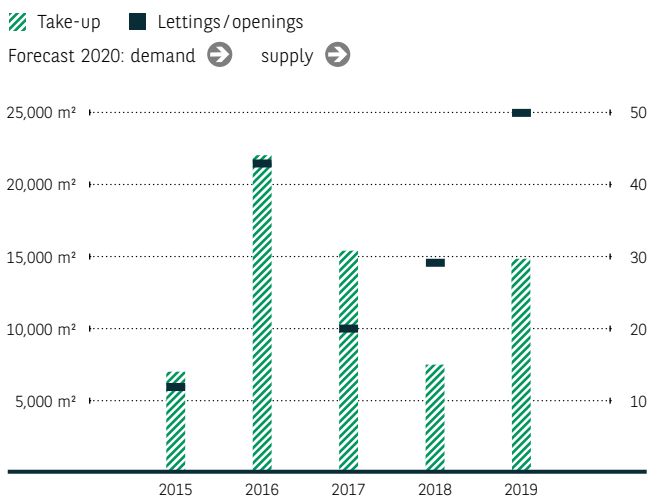


FOCUS ON KIRCH- UND LANGGGASSE CONTINUES

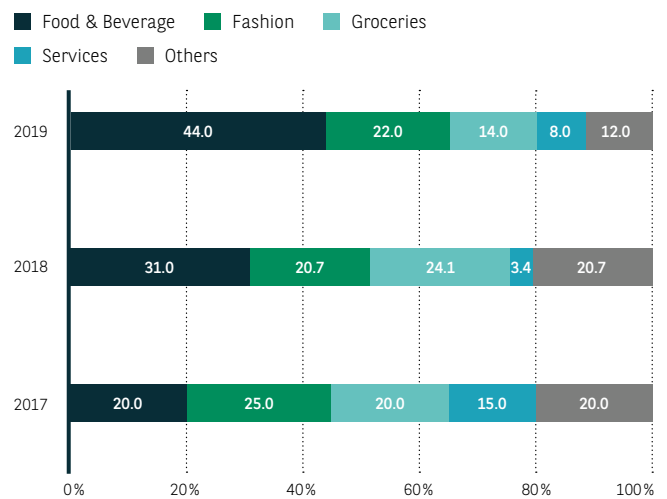
Demand continues to focus principally on the A locations of Kirch- and Langgasse, where the latter can also score particularly well with the food service sector. The US fast-food chain Five Guys (550 m²) has acquired premises here, as has the coffee shop Coffee Fellows. Back in March, a new ice cream

café opened in this location in the form of Mia Gelateria. One of the most important deals in Kirchgassee is the lease of around 600 m² to British sports label JD Sports. The new location of eyewear brand John & Audrey, which is also expanding the branch mix on the shopping promenade, is in line with the trend.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS



LETTINGS / OPENINGS BY SECTOR



WÜRZBURG



“None of the 27 cities analysed achieved a higher retail turnover index”

The hard facts about Würzburg are compelling and impressive: Rising population and employment figures, an unemployment rate of 3.4 %, which is lower than in Munich, as well as a turnover index of a good 198 and centrality ratio of 1.92. Such figures are only possible because Würzburg has a large catch-

ment area and is the most important hub for the region. The fact that Würzburg must have more to offer, however, is shown by the sharp rise in the number of overnight stays, which may surpass the one million mark for the first time in 2020, and this with only just under 130,000 inhabitants.

OVERVIEW OF TOP-LOCATIONS

Location	Category	Length	Footfall / h	Top rent	Chain-store ratio	Selected new lettings / openings
Schönbornstrasse	Mass market	250 m	3,964	130 €/m²	100 %	Only
Kürschnerhof	Mass market	120 m	-	130 €/m²	81 %	eyes + more
Domstrasse	Mass market / Upmarket	100 m	4,528	120 €/m²	52 %	-
Marktplatz	Mass market	50 m	-	115 €/m²	-	-
Kaiserstrasse	Mass market	240 m	2,742	90 €/m²	60 %	-
Juliuspromenade	Mass market	160 m	-	90 €/m²	50 %	Skand Shop

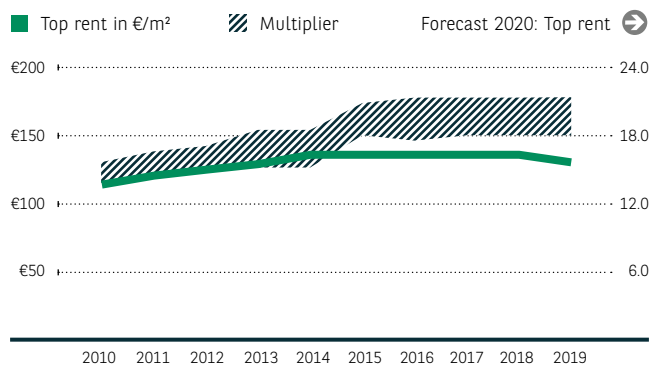
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DOMSTRASSE WITH HIGHEST FOOTFALL

Against this background, it is not surprising that the retail landscape in sought-after locations has been very stable for years and shows little fluctuation. One reason for this is certainly the fact that, with the exception of Schönbornstrasse and Kürschnerhof, the proportion of chain stores in most streets is lower than in many other cities. Since private retailers display a high degree of loyalty to their location, there is only a low fluctuation rate. In principle, this situation has not changed in 2019, although the amount of space available

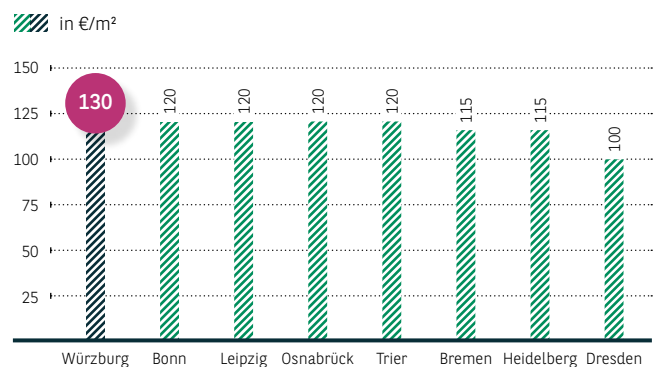
on Kaiserstrasse has increased. This shows that even a city like Würzburg is feeling the consequences of a retail sector in change, further indicated by the slight decline in prime rents in all locations. Schönbornstrasse and Kürschnerhof remain the most expensive locations, with rents of 130 €/m², which is still comparatively high in an inter-city comparison. It is striking that Domstrasse was able to place itself in front of Schönbornstrasse for the first time in terms of footfall and has continuously improved in recent years to 45th place in the nationwide ranking.

DEVELOPMENT OF TOP RENT AND PURCHASE PRICE MULTIPLIER



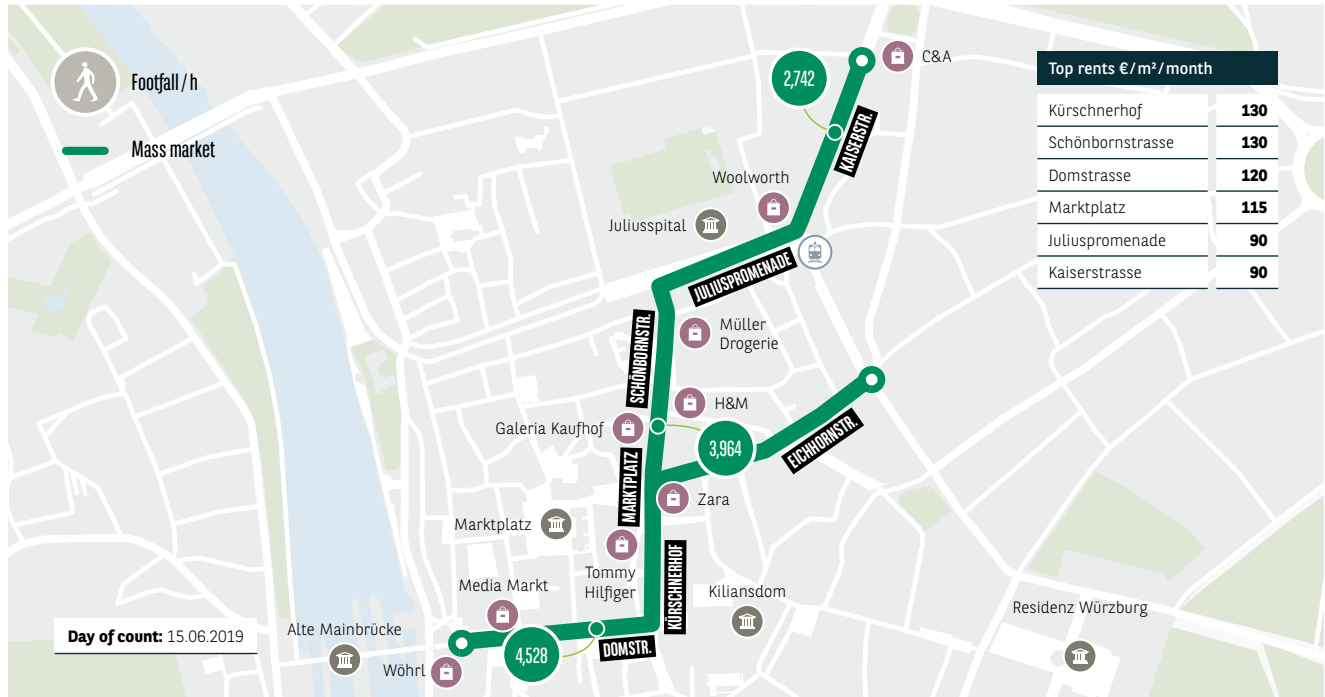
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TOP RENT - INTER-CITY COMPARISON



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TOP-LOCATIONS WITH THE MOST IMPORTANT KEY INDICATORS



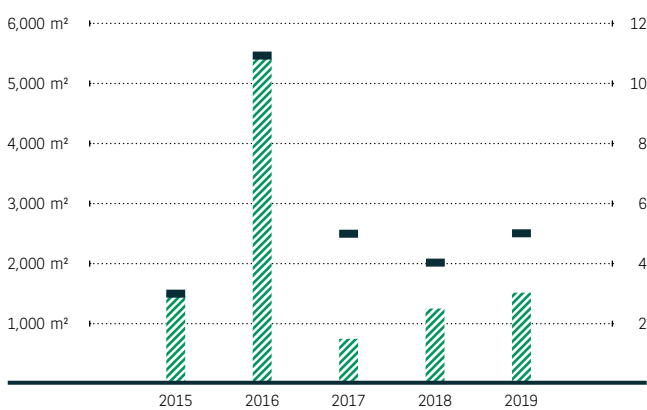
➤ **FEW, BUT EXCITING NEW LETTINGS**

The Danish fashion label Only stands out among the few lettings, securing a good 400 m² in Schönbornstrasse to operate a mono-label store there. In addition, the branch mix at Kürschnerhof is enriched by Dutch eyewear concept eyes +

more, and the fashion store Skand Shop opened its doors on Juliuspromenade in November. But the city of Würzburg also acquired a customer magnet from the food service industry in 2019; the franchise chain L'Osteria will open an outlet in the immediate vicinity of Würzburg Cathedral in 2021.

TAKE-UP & LETTINGS / OPENINGS IN CITY LOCATIONS

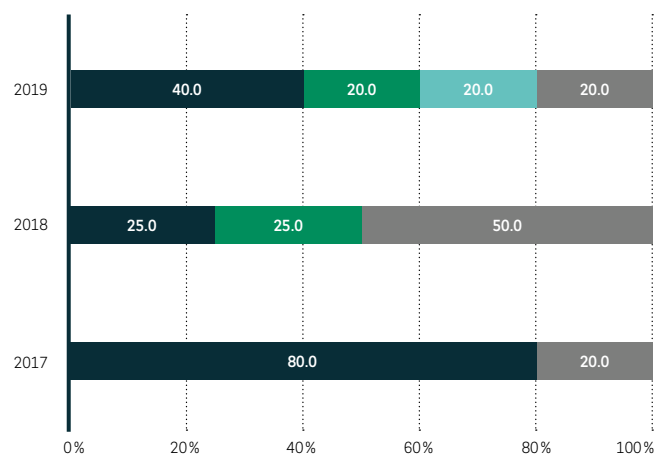
Take-up (green hatched bar) Lettings/openings (black bar)
Forecast 2020: demand (grey arrow) supply (green arrow)



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LETTINGS / OPENINGS BY SECTOR

Fashion (dark blue) Food & Beverage (green) Bodycare (light blue) Others (grey)



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REFERENCES LETTING



DRESDEN

Wöhr

Prager Strasse 11

01069 Dresden



FRANKFURT

The ASH

Mainzer Landstrasse 1

60325 Frankfurt



HAMBURG

Isabel Marant

Neuer Wall 80

20354 Hamburg



HAMBURG

Rossmann

Jungfernstieg 38

20354 Hamburg

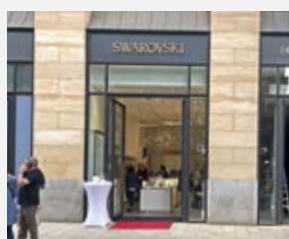


LEIPZIG

ECCO Schuhe

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04109 Leipzig



LEIPZIG

Swarovski

Grimmaische Strasse 1-7

04109 Leipzig



LEIPZIG

COS

Grimmaische Strasse 1-7

04109 Leipzig



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MUNICH

Kate Spade

Brienner Strasse 12

80333 Munich



MUNICH

Loro Piana

Maximilianstrasse 21

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More & More

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90402 Nuremberg



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