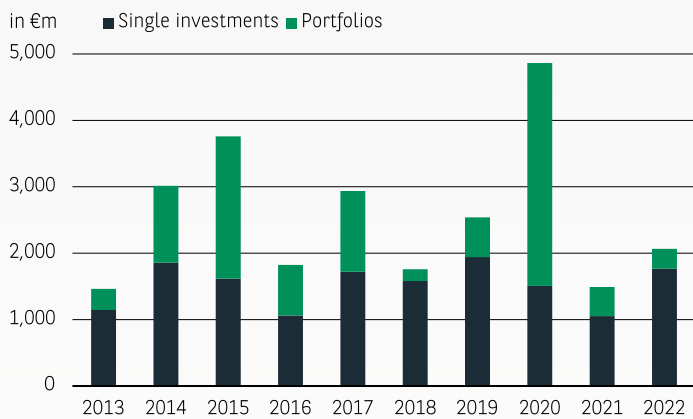




At a Glance **Q1 2022**

RETAIL INVESTMENT MARKET GERMANY

Retail investments in Germany Q1

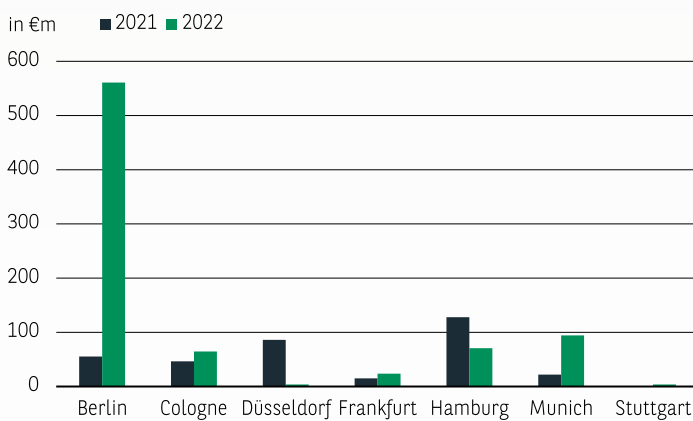


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➤ BETTER RESULT THAN 2021, SINGLE DEALS OUTSTANDING

Even though the retail investment market, with a total of €2 billion, fell short of the long-term average by almost 20%, there is still some positive news to report from the first three months of the year: On the one hand, the result from the previous year's period was exceeded by almost 39%, and on the other hand, single investments (€ 1.8 billion) recorded the second-best start to the year in the last five years. The dynamic market activity in the single transaction segment is based on several factors, the most important being the increased number of transactions, but also large single investments, which drove up the total volume. One of the biggest retail investments was the transaction of the high-street property Q207 in Berlin with the anchor tenant Galeries Lafayette. Overall, single investments accounted for 86% which implies a below-average result in the portfolio segment with only €299 million. Considering the high attractiveness of portfolios, especially those in the food segment, this should be seen as a snapshot.

Retail investments in the A-locations Q1

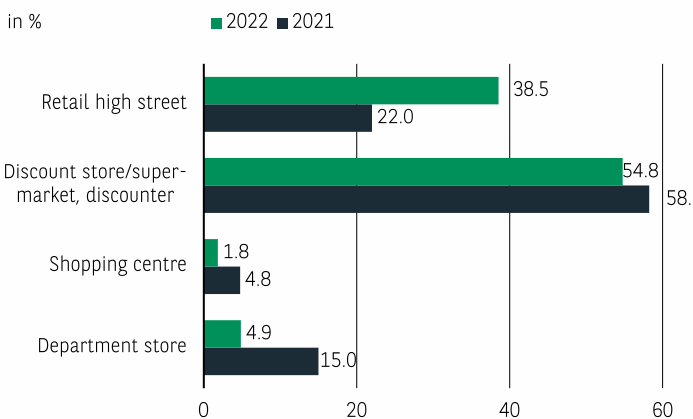


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➤ BERLIN BOOSTING VOLUME OF A-LOCATIONS

A total of €822 million, or almost 40% of the retail segment, was invested in the top markets in the first quarter. However, it has to be stressed that Berlin, where almost €561 million was generated (68% of the total), has a significant share in the overall result of the A-locations. As already mentioned, one of the key drivers was the transaction of the Q207 in the prime location of Friedrichstrasse. Munich (€ 94 million) follows with a large gap, where the "Life", one of the biggest retail warehousing parks of the past three months, changed ownership. More than €50 million was also invested in Hamburg (€71 million) and Cologne (€65 million), while Frankfurt (€24 million), Düsseldorf and Stuttgart (€4 million each) remained significantly below this benchmark.

Retail investments by type of property Q1

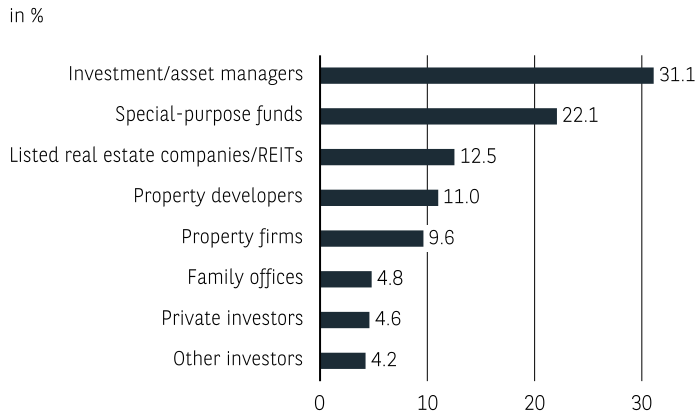


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➤ RETAIL WARREHOUSING AND HIGHSTREET ASSETS DOMINANT

The retail investment market was dominated by two types of property in the first quarter: On the one hand, retail warehousing investments once again accounted for almost 55% and increased their volume by 30%. On the other hand, highstreet properties benefited from large single investments and increased significantly both in terms of volume and share (around 39%). In contrast, department stores (almost 5%) and shopping centers (just under 2%) have had a minor impact on the overall result so far.

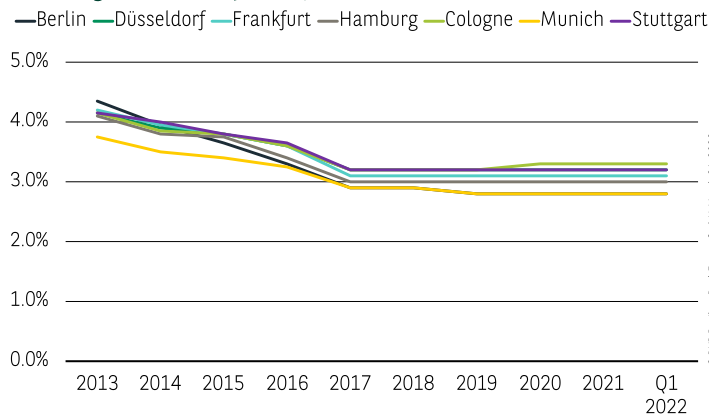
Retail investments by buyer group Q1 2019



INVESTMENT/ASSET MANAGER AT THE TOP OF THE BOARD

The distribution of investment volume across the various buyer groups was clearly dominated by investment/asset managers in the first quarter, accounting for more than 31%. At €643 million, they have more than tripled the previous year's level based on major high-street transactions, such as the Q207 in Berlin. Special-purpose funds, which are traditionally very active in the retail market, follow with a volume of €456 million, which is a similar amount as the previous year (22% by share). Investment focus here is once again on retail warehousing, whereby in the single-investment segment many smaller and medium-sized transactions in the categories up to €50 million have been the decisive factor. Listed real estate companies/REITs (almost 13%), property developers (11%) as well as family offices and private investors (each just under 5%) also contributed considerably. Foreign investors generate almost one third of the total investment volume.

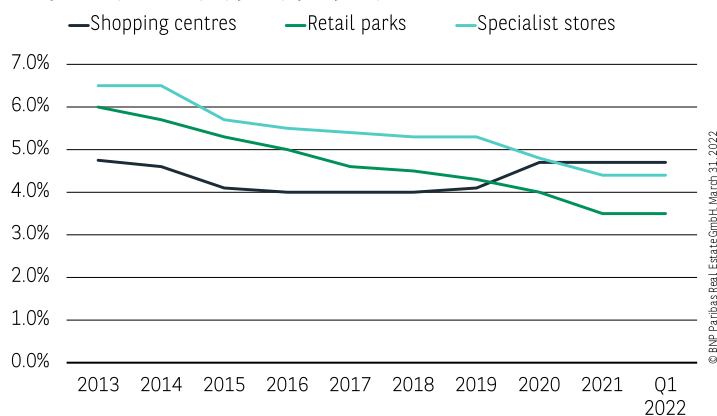
Retail high street net prime yields in the A-locations



STEADY YIELDS IN ALL A-LOCATIONS AND SEGMENTS

Across the various A-locations, the yields achieved by core properties in the high-street segment were largely comparable to those achieved at the end of 2021. Given this situation, the prime yields for highstreet properties in the absolute top locations remain the highest in Berlin and Munich (2.80% each), ahead of Hamburg (3.00%), Frankfurt (3.10%), Düsseldorf (3.20%), Stuttgart (3.20%) and Cologne (3.30%). In the first quarter, prime yields in the retail warehousing segment, which declined in the course of 2021, also remained stable: For well operating and conveniently located retail parks and stand-alone retail warehousing assets, the yields currently lie at 3.50 % and 4.70 % respectively. The expanding trend of prime yields in the shopping center segment (4.70%), which was especially noticeable in the first year of the crisis, has come to a temporary halt.

Net prime yields by type of property



OUTLOOK

Overall, there are numerous indicators that the market sentiment in retail investment has improved noticeably, even though this is not yet fully reflected in the total investment volume. In addition to the high number of registered transactions and the unbroken attractiveness of retail warehousing and food retail investments, an increasing number of high-street properties as well as inner-city shopping centers and department stores are reappearing on the market and are meeting increased interest from investors. Furthermore, the portfolio segment is expected to show an upswing in the course of the year, which is a key factor for high investment volumes. Consequently, it is too early to speak about a turnaround in the trend, but the signs are promising for the first half of the year on the retail investment market.

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