

21ST RETAIL REAL ESTATE REPORT

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Highlights

A woman with long blonde hair, wearing a light-colored striped shirt and blue jeans, is pushing a blue shopping cart filled with groceries. She is walking down a well-lit grocery store aisle. The shelves on the right are stocked with various products, and the floor is polished and reflective.

- A moderate increase in retail turnover
- Strong demand for goods for everyday use
- Superstores are gaining market share
- Non-food discounters are establishing themselves as part of everyday shopping
- The online share is approaching the 14 percent mark
- Gradual recovery of the investment market continues
- Retail warehouses and grocery stores as the largest retail asset class
- Prime yields remain largely stable
- Rent analysis: Location is the most important determining factor
- Investor survey: Appetite for acquisitions is rising

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Foreword by the Hahn Gruppe

A warm welcome to the latest edition of the HAHN Retail Real Estate Report. Following last year's report anniversary, we are once again looking firmly to the future. What remains unchanged is our commitment to providing you with a reliable overview of the German retail property market, complete with figures, analysis, and the views of market participants. We believe this is more important than ever in particular in an environment where so many things are happening at once.

What started out as market analysis for a single sector now reaches a much wider audience. Retailers and expansion managers use the report. The same is true for investors, asset managers, financiers, consultants, and local authority representatives who make decisions regarding the future of their town centres and local amenities. There are also many readers who deal with the retail sector and its property, either professionally or out of personal interest. However different the perspectives may be, the questions are similar. The report aims to provide up-to-date guidance for this, based on reliable data and the assessments of those who work in the market on a daily basis.

The past year has once again demonstrated how differently the various retail sectors are performing. The total turnover has grown, with online sales growing at a faster rate. However, the share of online sales remains

very small in terms of everyday goods. The food retail sector continues to perform well, and drugstores are among the most notable winners. The challenging economic climate, in turn, is a benefit to non-food discount retailers who are capitalising on consumers' price sensitivity and continuing to expand their store networks.

Investors are planning further acquisitions

The mood on the investment market has brightened. Nearly half of the respondent investors plan to make moderate additional purchases over the next twelve months. This figure was just under a third in the previous year. This is a clear signal, in particular since it is not driven by expectations of rapid capital appreciation. About three quarters of the respondents expect net initial yields to remain stable until the end of the year. Investors are thus looking for sound portfolios with predictable income, rather than quick capital gains.

Retail parks and convenience retail centres come out on top when asked about their preferred types of property. The anchor role played by food retailers remains the key criterion. It is complemented by a tenant mix that meets local day-to-day needs. A new feature of this report is its look beyond our borders: Just under two-thirds of all respondents wish to invest in other European



Thomas Kuhlmann



Christoph Horbach

markets as a complement to their German investments. Spain is by far the most frequently mentioned destination, ahead of France, Portugal, Italy, and Scandinavia.

The work on the property is what counts

If yields remain stable, this changes the sources of performance. Capital gains are then no longer driven by how favourable the market environment is, but by the day-to-day work performed on the property. What used to be regarded as administration has long since become a distinct stage in the value chain. We have devoted a dedicated special feature to this topic in this issue, discussing the performance drivers in portfolio and asset management, because we believe this area offers a source of return that is often underestimated.

Our cooperation partners

This year's edition has also been produced in close cooperation with our long-standing partners. In the first chapter, bulwiengesa analyses the overall conditions affecting private

consumption and developments in the various food and non-food sectors. CBRE examines the retail property investment market and the trend in rental rates within the German food retail sector in the second chapter. Both partners contribute special features as well: bulwiengesa on the amendment to building regulations and on regional retailers, and CBRE on the European investment market.

As usual, there are also two recent expert surveys from the summer. We asked retail expansion managers about their expectations together with the EHI Retail Institute. Property investors and financial institutions were surveyed, with the support of the Bonn Survey Centre (UZ Bonn), to gauge their views on the investment markets.

We thank everyone involved for their contributions and for their trust and cooperation. We hope that you all find this an inspiring read and would be delighted if you were to take away a few ideas to help you with your own decisions.

Thomas Kuhlmann
Chairman of the
Executive Board
Hahn Gruppe

Christoph Horbach
Member of the
Executive Board
Hahn Gruppe

Foreword by bulwiengesa

Stabilisation with a new outlook: The retail sector remains in motion

The German retail sector has entered a phase in which stabilisation and structural change are taking place simultaneously. Following years of exceptional challenges, the market environment has brightened in 2025. Turnover rose again in real terms, while consumer confidence remained fragile. Trends vary considerably between sectors and individual companies.

Just being part of a particular industry becomes increasingly less decisive for determining success or failure. Well-positioned companies are gaining market share even in challenging sectors as they expand their store networks and invest in modern store formats. Conversely, providers experience pressure even in stable markets if their market positioning, price strategy or space productivity are not convincing. The divergence between sector-wide and company-specific economic trends has, therefore, become more pronounced.

The food retail sector and the drugstore sector remain the main pillars of stability. High visitor frequency, relevance to everyday life, and ongoing development of the concept ensure that they are of particular importance to sites and properties. Other sectors focus more on high-performing sites, distinctive formats, and

viable floor areas at the same time. Expansion takes place in a more selective, data-driven manner, and with higher standards regarding site, catchment area and frequency.

The picture remains mixed in the non-food sectors. Some sectors have achieved a more stable footing following significant restructuring, while others continue to suffer from consumer reluctance, high costs and structural shifts. Bricks-and-mortar concepts that combine product range expertise, advice, an in-store experience and a strong brand profile can maintain their relevance. The shop floor remains a key component of the customer relationship where shopping offers added value beyond the mere availability of goods.

Online retail is regaining momentum at the same time. However, it is not returning to the exceptional growth rates of previous years. International platforms, aggressive pricing strategies and social commerce are increasing competitive pressure. The online shop serves less as a standalone driver of growth than as part of an integrated omnichannel strategy for many bricks-and-mortar retailers – acting as a tool for providing service, information and customer loyalty throughout the customer journey.

Artificial intelligence also grows increasingly important in practical terms. Applications in product recommendations, price and product range management, customer engagement



Sven Carstensen

and process automation are becoming more concrete. AI thus also changes the decision-making process in bricks-and-mortar business. Technological competition is likely to widen the gap between high-performing companies and those that are less adaptable.

For retail property, this means: What matters is not simply whether a sector is growing or shrinking, but how resilient the specific business model is at its particular location. Frequency, accessibility, spillover effects, and dwell quality are becoming increasingly important. Prime retail sites remain in demand, while less favourable sites and premises that no longer meet market requirements are facing greater pressure to adapt.

Bricks-and-mortar retail still has characteristics that cannot be fully replaced by digital alternatives: Product experience, personalised advice, immediate availability, freshness, inspiration, and social interaction. They achieve their full potential where retailers and property owners incorporate them into contemporary concepts. Therefore, future competition is going to be less about online versus offline and more about compelling versus interchangeable offerings.



Dr. Joseph Frechen

Retail remains a sector undergoing constant transformation. At the same time, it is highly adaptable. Successful companies use change to develop new concepts, create more efficient networks and strengthen customer loyalty. Taking a nuanced view of companies, business models, and sites thus has become more important than ever before for investors, owners, and operators.

As usual, we provide a comprehensive analysis of the latest trends, sector-specific developments and outlook in this year's HAHN Retail Real Estate Report. It is intended to provide guidance in a market characterised by stabilisation, technological change, consolidation and new growth opportunities.

We wish you an enjoyable read and look forward to continuing to follow the exciting transformation of the German retail sector together with you.

Sven Carstensen
MRICS
Managing Director
bulwiengesa GmbH

Dr. Joseph Frechen
Head of Retail

Foreword by CBRE

Investing in security of supply

The German property investment market continues to operate within a challenging but increasingly stable market environment. The general conditions have gradually improved following the 2022 and 2023 upheavals. Pricing has progressed significantly, market transparency is increasing, and at the same time the range of investable properties and portfolios is once again growing noticeably. Against this backdrop, attention is turning to property segments that have proved themselves through stable income, high resilience and long-term value retention even in volatile market phases. This includes, in particular, the grocery-anchored retail sector. Food markets, convenience retail centres, and retail parks anchored by food retailers have proved to be one of the most resilient asset classes in the European and German property markets in recent years. Their commercial success is based on a simple yet sustainable principle: They benefit from a basic demand that is largely unaffected by economic fluctuations. Consumer spending on everyday goods is one of the most stable categories of

household expenditure. Accordingly, these properties offer cash flows that can be planned for the long term, tenants with strong credit ratings, and a comparatively low vulnerability to structural changes in the retail sector.

These characteristics are also reflected in investment activity. Retail warehouses and grocery stores were once again the largest retail investment category in Germany in 2025. In the first half of 2026, grocery-anchored retail properties once again remained the most sought-after segment within the German retail investment market, in spite of an overall subdued market environment.



Kai Mende



Dr. Jan Linsin

The appeal of this asset class is far from limited to Germany. Grocery-anchored retail properties accounted for around 28 percent of the total retail investment volume at a European level in the first half of 2026. In this context, they have impressively reaffirmed their central role within the European retail investment market. Investors particularly value the combination of stable rental income, limited substitutability by e-commerce, and the potential for broad geographical diversification of their investments.

At the same time, it becomes clear that demand is increasingly focused on high-quality properties. Modern food markets, convenience retail sites, and retail parks with strong anchor tenants benefit from the return of institutional investors and a resurgence in the supply of core and core-plus properties. In a market environment characterised less by yield compression and more by sustainable returns, site quality, property quality, and long-term letting prospects are becoming increasingly important.

The HAHN Retail Real Estate Report 2026/2027 examines the latest developments in this important asset class and analyses the broader context, opportunities and challenges for investors. In times of geopolitical uncertainty, structural change, and persistently high interest rates, grocery-anchored retail properties can make a particularly significant contribution to the stability and resilience of institutional property portfolios. They thus remain not only an essential part of convenience retail, but also a key component of successful property investment strategies.

We hope you find this an interesting and informative read.

Kai Mende
CEO Germany
CBRE GmbH

Dr. Jan Linsin
Head of Research

ECONOMY AND RETAIL

- Increasing retail turnover
- Strong demand for goods for everyday use
- Superstores are gaining market share in the food retail sector
- Drugstores continue on their growth path
- Non-food discounters are establishing themselves as part of everyday shopping

1.0

1.1 Economic recovery remains dependent on political impulses

The German economy is not heading into the upcoming quarters riding on a traditional upturn, but rather on politically supported stabilisation. Following 0.2 percent in 2025, real GDP growth in Germany is expected at 0.6 percent in 2026 and at 0.9 percent in 2027 [see figure 01]. The corresponding rates for the Eurozone are 0.9 percent and 1.2 percent. As a result, Germany lags behind the growth rate of the Eurozone. The recovery of the German economy is weak. It depends heavily on government stimulus and is sensitive to disruptions in the energy sector, interest rates, and the external economy.

Easing pressure on energy prices

The recent oil price shock has eased somewhat. After Brent crude oil had temporarily risen to over 120 US dollars per barrel in the wake of the geopolitical escalation, spot prices were once again well below that level in the summer of 2026, though they remain highly sensitive to

developments in the Strait of Hormuz. The immediate pressure on the energy component of the consumer price index has eased: Fuel, heating oil, and goods that depend heavily on transport are likely to put significantly less pressure on inflation than had been feared during the period of high prices. A fall in oil prices reduces the risk of significant second-round effects, as businesses and households have less incentive to factor permanently higher energy prices into their pricing, wage demands, and inflation expectations. However, this does not mean that the all-clear has been given. Parts of the previous price shock may trickle down to other goods and services via transport, intermediate input, and storage costs with a certain delay; furthermore, the gas and LNG markets remain geopolitically vulnerable. This complex situation is particularly relevant for Germany, as it combines energy-intensive value added, a high degree of dependence on exports and weak investment momentum. While a lower oil price improves the outlook for inflation and purchasing power, it does not eliminate the economic uncertainties.



The demand for everyday essentials remains strong

Private consumption remains a stabilising factor but is losing momentum. Real private consumption expenditure in Germany is going to rise by just 0.6 percent in 2026 and 0.7 percent in 2027 according to the European Commission, following a 1.6 percent increase in 2025. A mixed picture emerges from this. Employment and wages prevent a slump in demand but higher energy and living costs are limiting real income growth. The propensity to save tends to remain high in an uncertain environment at the same time. Consumption thus helps to stabilise the economy but does

not provide a strong cyclical boost. Areas of expenditure that can easily be postponed or cut back – such as furniture, home improvements, or clothing – are particularly affected; demand for everyday goods and services remains more resilient.

Inflation remains the key source of uncertainty. The European Commission forecasts HICP inflation of 2.9 percent for Germany in 2026 and 2.7 percent in 2027, following 2.3 percent in 2025. Inflation in the Eurozone is forecast to reach 3.0 percent in 2026, before dropping to 2.3 percent in 2027. The annual figures show that the disinflation process is proceeding more slowly and less smoothly than had

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The European Commission forecasts HICP inflation of 2.9 percent for Germany in 2026.

been expected at the start of 2026. Energy immediately affects this by way of fuel, heating, and electricity, and subsequently unfolds an indirect impact through transport, intermediate inputs, food, commodity prices, and services. Core inflation may also remain elevated for longer as a result of this. This creates a conflict of objectives for monetary policy: The economy is weak, but price pressures have not yet eased sufficiently.

No sign of interest rates falling

Financing conditions remain a key factor holding back domestic demand. There currently is no reason to expect interest rates to start falling: The latest price and uncertainty shock has rather exacerbated the monetary policy situation. Interest rates are expected to rise again in September, following the increase

of June 2026. At the same time, long-term capital market interest rates have been rising for several quarters now. This means that not only will new loans become more expensive, but so too will refinancing for businesses and the government. Capital market yields, credit standards, and financing costs are more important than the formal base rate alone where investment decisions are concerned. Higher borrowing costs dampen business investment, long-term consumer spending, and investment in construction. This weakens the domestic economic recovery. This affects the economic outlook as follows: Monetary policy does not have a stimulating effect in the short term. A strong economic recovery thus must stem primarily from real income growth, public investment initiatives, and a stabilisation of external demand (which is currently flagging).

Business investment remains the weakest aspect of the recovery. Structural constraints limit the investment cycle while the gradual stabilisation of demand suggests a certain degree of normalisation. These include high energy and labour costs, regulatory uncertainty, skills shortages, weak productivity growth, and a weakened position in international competition. The situation is particularly mixed in the manufacturing sector: New orders and demand from abroad are showing signs of stabilising at times, while capacity utilisation, profitability, and export expectations remain subdued. While public procurement, defence spending, digitalisation, and AI applications can support

specific sectors, they cannot replace broad-based private investment.

Construction investment also makes only a moderate contribution. There are some signs that the market is bottoming out following the sharp correction of recent years. However, a broadly based construction boom is not expected. Higher construction costs, increased financing costs, limited planning capacity, and local authority budget constraints are holding up implementation. Public infrastructure programmes, as well as catch-up effects following declines caused by weather conditions and interest rates, are having a positive impact. The crucial question from



a macroeconomic perspective is one of whether public funds create additional productive capacity or, first and foremost, simply replace expenditure that had already been planned. Sustainable growth effects arise only in the first case, while the impetus remains largely cyclical and credit-financed in the second one.

The labour market remains robust

The labour market loses momentum noticeably, but remains, on the whole, more resilient than the weak performance in production would suggest. The number of unemployed is rising, while employment is, at best, stagnating. The European Commission forecasts a harmonised unemployment rate of 4.0 percent for Germany in 2026 and 3.9 percent in 2027. Although the figures are higher when considered at national level, the picture is similar: The economic downturn has a delayed effect on employment and companies' willingness to recruit, while demographic factors are simultaneously limiting the labour supply. Job cuts continue, in particular in the manufacturing sector. The number of vacancies is falling, and individual industrial sectors are adjusting their workforce levels in line with weak demand and structural change. Sustained demand for services, the public sector, and the shortage of skilled workers in particular parts of the economy prevent an abrupt collapse of the labour market at the same time. Regarding the economic outlook, the labour market thus appears to have a stabilising rather than a stimulating effect: Earned income remains broadly based; however, no significant boost to consumption or real purchasing power is expected.

The Eurozone economy is more dynamic

The Eurozone generally remains slightly more dynamic than Germany but is also vulnerable. Real GDP in the Eurozone is expected to grow by 0.9 percent in 2026 and by 1.2 percent in 2027 according to the European Commission. Private consumption remains an important stabilising factor at 0.9 percent and 1.0 percent respectively. However, it is slowed down by higher energy prices, cautious households and only a gradual improvement in real incomes. The differences within the Eurozone remain significant: Economies reliant on services and tourism are proving more resilient, while industrialised and export-oriented countries are suffering more from energy prices, global demand, and competitive pressures. The Eurozone average thus masks significant regional and sectoral variation.

The international environment is characterised by conflicting forces. Investment in technology, digitalisation, and robust service sectors underpin the global economy. US tariffs, geopolitical risks, volatile energy prices, the euro strengthening against the US dollar, and weaker demand in key sales markets are weighing on German foreign trade at the same time. The sharp rise in exports at the start of the year thus does not yet constitute a reliable turnaround. The key question remains whether Germany is able to stabilise its market share in world trade once again. Recovery in exports is likely to lag behind the momentum of world trade without improvements in costs, productivity, energy supply, infrastructure, and regulation.



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Service- and tourism-oriented economies show greater resilience.

Fiscal stimulus is driving the recovery

Germany is adopting a more expansionary fiscal policy. Higher defence and infrastructure spending, tax relief, and new borrowing facilities are supporting aggregate demand. This momentum is one of the main reasons why the recovery is continuing in spite of the energy price shock. In the short term, the government is thus stabilising production, employment, and orders. In the medium term, however, the importance of the quality of expenditure is increasing. Credit-financed investment improves sustainability only if it increases production potential, facilitates private investment, or removes bottlenecks in transport, energy, digitalisation, and administration. Rising deficits without any impact on productivity, on the other hand, would subsequently restrict fiscal scope once again.

Opportunities and risks associated with the forecast

The risks remain predominantly on the downside. Renewed escalation in the Middle East, prolonged disruptions to energy supply chains, another rise in oil or gas prices, additional trade barriers or a sharper rise in interest rates could have a significant negative impact on growth and investment. Added to this is the risk that higher energy prices will persist in core inflation for longer due to second-round effects, forcing the ECB to adopt a more restrictive stance. The competitiveness of German industry also remains a structural risk. If site costs stay high while productivity gains fail to materialise, recovery is going to be weaker than in previous cycles even if the global economy improves.

There are three factors on the positive side. First, a more rapid drop in energy prices could stabilise real incomes, curb inflation and give monetary policy more room for manoeuvre again. Second, public investment could stimulate private activity to a greater extent than previously assumed, provided that planning and approval processes are speeded up. Third, digitalisation, AI, automation, defence technology, and energy infrastructure offer some opportunities to boost productivity, provided they do not get bogged down in bureaucracy, skills shortages, or funding hurdles. While there is a potential for growth, it depends heavily on the speed of implementation and the quality of investment.

Overall, the economic outlook is neither recessionary nor robust. The European Commission’s figures point to a slow recovery that is driven by consumer spending, public expenditure, and a gradual stabilisation of foreign trade. At the same time, the recovery remains unusually dependent on political impetus and vulnerable to energy and interest rate risks. Germany’s growth is happening more slowly than that in the Eurozone as a whole since cyclical headwinds and structural site-related problems are occurring simultaneously. Thus, a self-sustaining recovery is not expected for 2026/27; rather, a fragile normalisation is anticipated: positive in direction, but limited in pace, scope, and resilience.

[01] Economic trends in Germany and in the Eurozone

Year-on-year change in percent

	2024	2025	2026e	2027e
GDP (real) Eurozone	0.9	1.4	0.9	1.2
GDP (real) Germany	−0.5	0.2	0.6	0.9
HICP Eurozone	2.4	2.1	3.0	2.3
HICP Germany	2.5	2.3	2.9	2.7
Private consumer spending (real) Eurozone	1.4	1.5	0.9	1.0
Private consumer spending (real) Germany	0.5	1.6	0.6	0.7
Unemployment rate Eurozone	6.3	6.3	6.4	6.4
Unemployment rate Germany	3.4	3.8	4.0	3.9

Source: Eurostat; Forecast: European Commission, spring 2026. Supplementary qualitative assessment based on the 2026 summer forecasts by ifo and the IfW/Kiel Institute.

1.2 Development of the retail sector as a whole

Ongoing growth in turnover amid slowing momentum

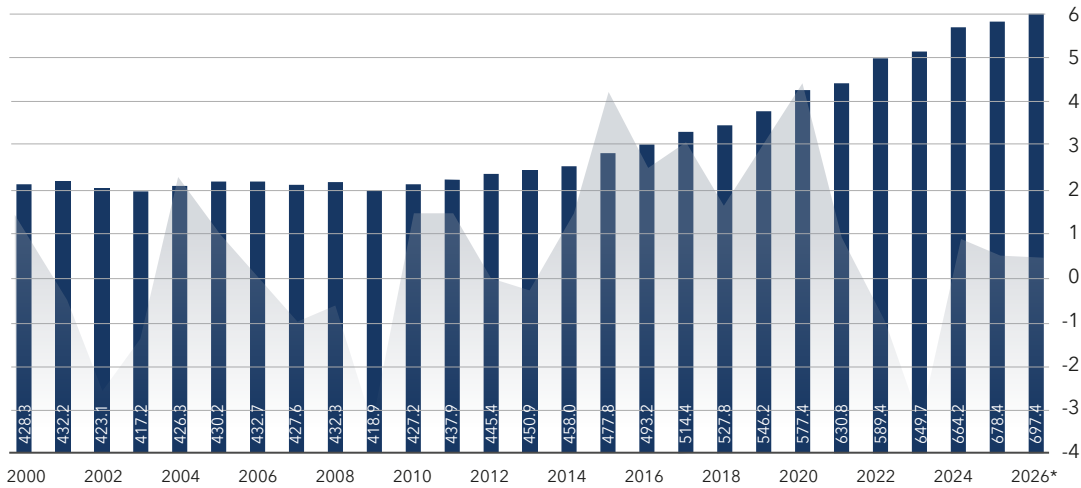
The German retail sector is forecast to hit another record high in 2026, with net retail turnover expected to reach around €697.4 Bn but to fall just short of the €700 Bn mark [see figure 02]. This represents a nominal increase in turnover of about 2 percent year-on-year from about €683.7 Bn, likely resulting in real stagnation due to a rise in the inflation rate during 2026. Nominal turnover growth thus continues, though the pace has significantly slowed from the values of 2022 and 2023 that were strongly characterised by price rises.

The current trend thus is in line with a stable long-term growth trajectory. Since the turn of the millennium, turnover in the German retail sector has risen significantly. This trend was interrupted predominantly by the decline in 2009. Another turning point was marked by

the years of the coronavirus pandemic and the subsequent period of inflation, during which nominal turnover rose exceptionally sharply at times. This momentum has been slowing again since 2024. Accordingly, 2025 and 2026 are expected to see growth rates normalise while turnover remains at a high level.

However, looking at the market as a whole obscures the differing trends within the individual market segments. All the industries under review grew in 2025, albeit at significantly different rates in the online retail sector. Sales of everyday goods, including food, cosmetics, and toiletries, rose particularly sharply. Most of the other online product categories saw growth within a narrower range of between about 2 and 5 percent in contrast to this. Therefore, it is less the sheer level of turnover that is important and rather the question of in which segments real volume growth, price trends, and structural shifts interact when assessing the market as a whole.

[02] Trends in retail turnover from 2000 to 2026*



■ Total turnover p. a. (€bn, net)
■ Real change compared to previous year in percent

Source: Federal Statistical Office, *HDE forecast for 2026; excluding VAT; preliminary figures; retail trade excluding motor vehicles, petrol stations, fuels, and pharmacies; as at: 14/07/2026

Purchasing power increases - the south-north gap persists

Total purchasing power for Germany is expected to be about €2,668.2 Bn in 2026. The average per capita purchasing power thus rises to €32,009¹. This represents a nominal increase of 3.3 percent year-on-year as compared to the revised figure of €30,975. The total purchasing power will increase by about €78.0 Bn as compared with 2025.

There continues to be a marked regional disparity regarding the distribution by federal state. Bavaria is once again at the top of the rankings with a per capita purchasing power of €34,931, or 109.1 percent of the national average. Hamburg follows with €34,522 and a purchasing power index of 107.9. Baden-Württemberg ranks third with €33,643, followed by Hesse with €32,878 and Schleswig-Holstein with €32,466. Five federal states thus have above-average purchasing power per inhabitant as in the previous year [see figure 03].

¹ Michael Bauer Research GmbH, purchasing power 2026.

The remaining federal states remain below the national average. Rhineland-Palatinate stands at €31,386 per inhabitant, North Rhine-Westphalia at €31,318 and Lower Saxony at €31,020. Brandenburg has the highest figure among the eastern German federal states at €30,513. It reaches 95.3 percent of the national average. Berlin follows at €30,317, or 94.7 percent. Saxony stands at €29,050, Mecklenburg-Western Pomerania at €28,897, Thuringia at €28,801 and Saxony-Anhalt at €28,771 per inhabitant.

Bremen remains at the bottom of the table of federal states. Its purchasing power per capita reaches only €28,333, or 88.5 percent of the national average. The difference between Bavaria and Bremen thus makes up about €6,600 per inhabitant. While the eastern German states continue to record below-average figures, the gaps between their figures and the national average are now, in some cases, significantly narrower than they were at the start of the time series. However, the strong south-north divide and the concentration of high purchasing power in the economic regions of southern Germany remain.

Seven out of the ten strongest districts are found in Bavaria

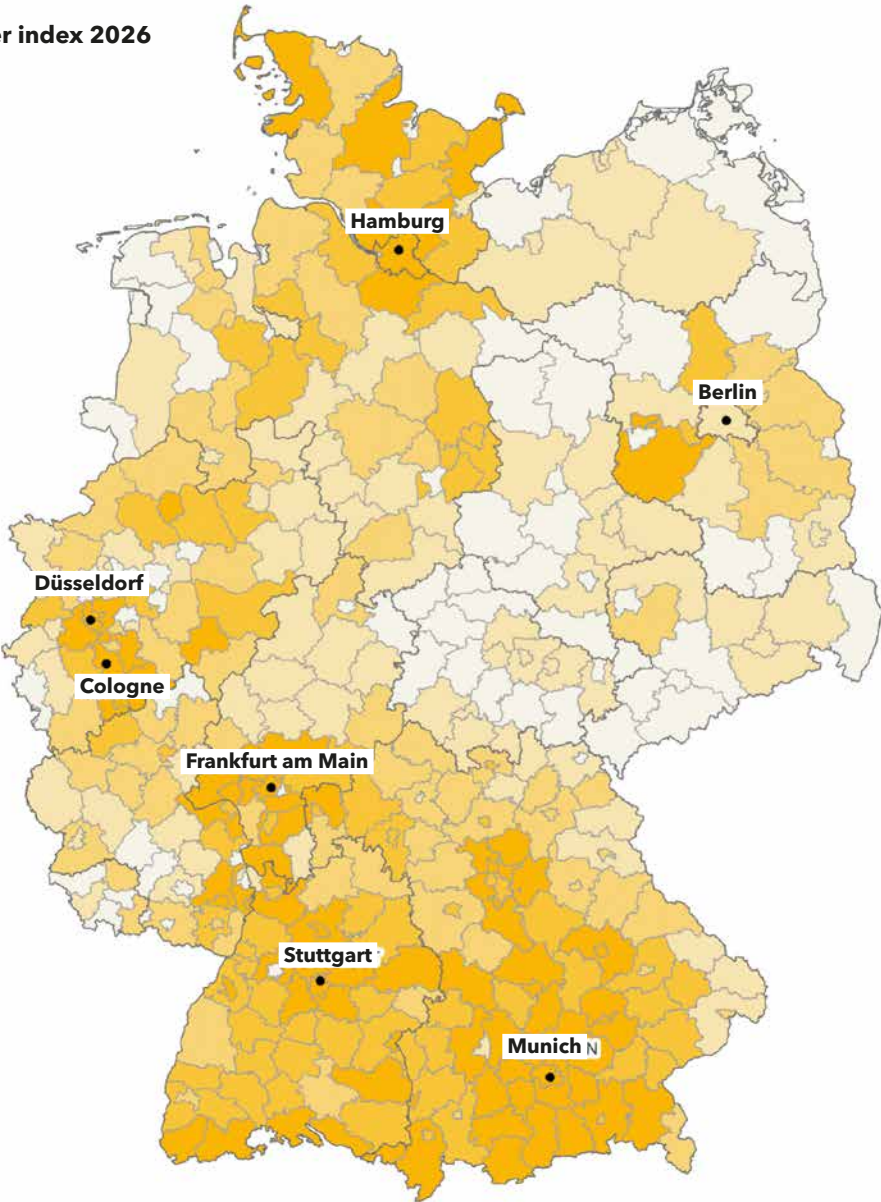
There are also some significant differences at the level of cities and districts. The district of Starnberg once again recorded the highest figure, at €47,849 per inhabitant², exceeding the national average by 49.5 percent. Next on the list are the Munich district with €44,637, the Hochtaunus district with €43,458, and the City of Munich with €43,286. Miesbach, Ebersberg, Erlangen-Höchstadt, and Fürstenfeldbruck – four further Bavarian districts – are some of the top performers. The ten city and district areas with the highest purchasing power are joined by the Main-Taunus district and the Lörach district. Seven out of the ten highest figures thus are located in Bavaria, two in Hesse, and one in Baden-Württemberg.

At the bottom of the ranking are predominantly West German independent towns. The picture that emerges for 2025 is becoming clearer. Gelsenkirchen reaches the lowest value, at €24,129 per inhabitant, and reaches just 75.4 percent of the national average. Next come Bremerhaven with €24,356, followed by Herne and Duisburg with about €25,400 each. Pirmasens, Delmenhorst, Emden, Salzgitter, Hagen, and Hamm are also among the ten cities and districts with the lowest per capita purchasing power. The bottom group, therefore, focuses primarily on parts of the Ruhr region and on individual towns in northern and western Germany that are struggling economically.

[03] Purchasing power in Germany 2026 - regional distribution

Purchasing power index 2026
(Germany = 100)

- under 90
- 90 to 95
- 95 to 100
- 100 to 105
- over 105



² Michael Bauer Research GmbH, purchasing power 2026.

Source: bulwiengesa GmbH, RIWIS, MB Research

The geographical distribution of purchasing power indices confirms this pattern. Above-average figures are found particularly often in Bavaria and Baden-Württemberg, southern Hesse, parts of the Rhine corridor, and the area surrounding Hamburg. Only a few local authorities and sub-regions record figures above the national average in eastern Germany. There are significant local differences within the federal states at the same time: Surrounding municipalities with high purchasing power are often situated right next to central towns or regions with below-average figures.

Purchasing power alone does not determine turnover

Local purchasing power, therefore, reflects only part of the market potential when assessing retail sites. High disposable incomes in a particular area do not necessarily lead to correspondingly high retail turnover in that same area. The catchment area, retail function, and inflows and outflows of purchasing power additionally determine the extent to which the existing demand potential is actually captured by the local retail sector. Towns with below-average purchasing power may generate higher turnover due to their role as regional hubs, while residential areas with high purchasing power may divert some of their demand to neighbouring retail centres.

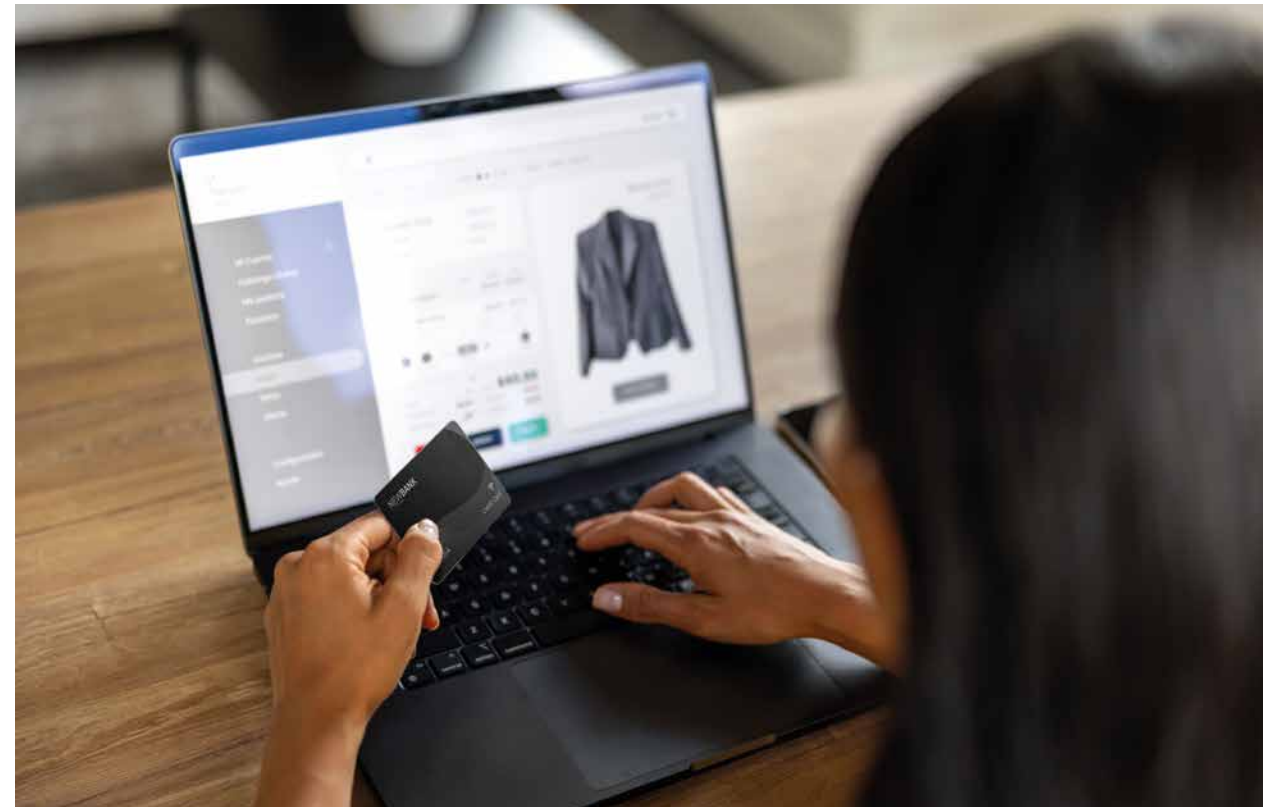
The online share is approaching the 14 percent mark

Online retail continues on its growth trajectory. Following net turnover of €92.3 Bn in 2025, an increase to €96.3 Bn is expected for 2026. This means that the annual growth rate will rise from 3.9 percent in 2025 to an estimated 4.3 percent in 2026. The share of online sales in the retail sector in the narrower sense is set to rise to 13.8 percent in 2026, up from 13.5 percent the previous year.

Growth thus remains significantly more subdued than during the pandemic years, when online retail saw a surge in growth. Following the decline in 2022 and the weak recovery in 2023, growth has stabilised again since 2024. In 2025, the absolute turnover growth stood at €3.5 Bn. The increase amounts to €19.3 Bn when compared to 2020.

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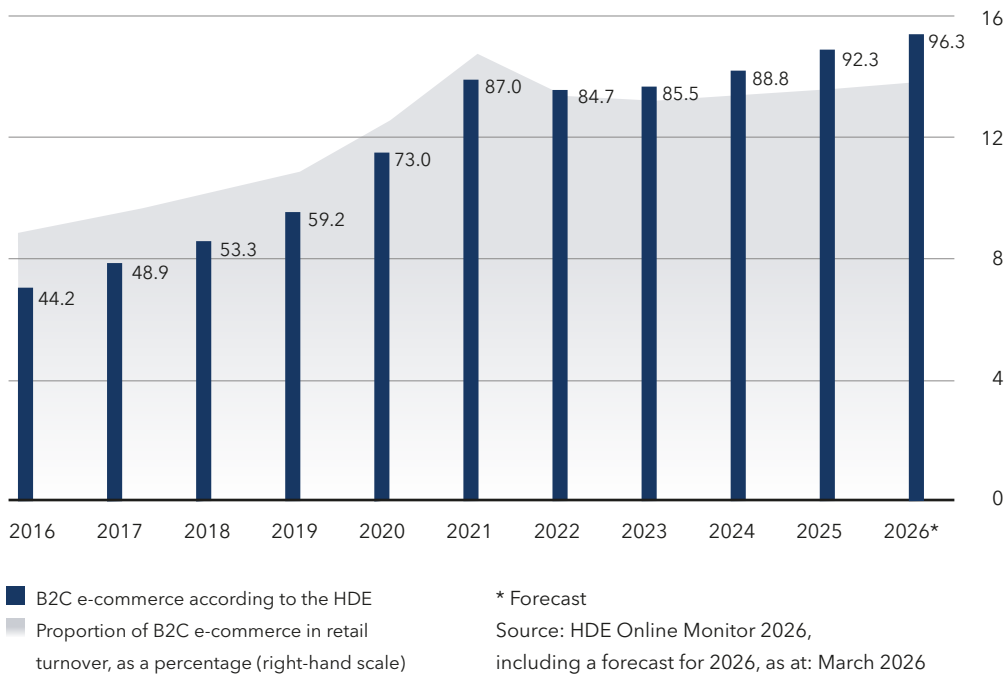
percent of online sales in the DIY and garden sector in 2025



The industry structure continues to shift within the online retail sector. Fashion and accessories and consumer electronics account for the largest shares of turnover in the online retail sector. Together, these sectors make up 44.2 percent of online retail turnover generated in Germany, although their share has fallen slightly compared with 2024. The fast-moving consumer goods sector has gained in importance. It accounted for 14.5 percent of online volume in 2025 and recorded by far the strongest online growth of all the sectors under review at 10.4 percent.

The proportion of total sector turnover accounted for by online retail continues to vary considerably from one sector to another. In the consumer electronics sector, the online share stood at 45.1 percent in 2025, while in the fashion and accessories sector it was 44.2 percent. Office and stationery, as well as leisure and hobbies, have also reached high figures, at 38.9 percent and 37.6 percent respectively. The online share remains significantly lower in the DIY and garden sector, at 7.6 percent, and – in spite of the substantial growth rate in the online channel – in the fast-moving consumer goods sector, at 4.9 percent.

[04] Development of online retail turnover in Germany
2016 to 2026* (net)
Figures in €bn



Platforms and foreign providers are gaining relevance

The market structure of online retail continues to be heavily influenced by platforms. Marketplaces accounted for 56.7 percent of online sales in 2025. Amazon.de, including the Marketplace, accounts for 63.3 percent of online retail turnover in Germany, of which 46.1 percent is attributable to the Marketplace and 17.2 percent to Amazon’s own retail operations. Other marketplaces make up 10.8 percent, while the remaining online shops account for 25.9 percent of the market share.

Foreign providers are adding further momentum. Their share of the German online market reaches 11.8 percent in 2025. This corresponds to approximately €10.9 Bn. According to preliminary estimates, Temu and Shein account for about €4.7 Bn or approximately 5 percent of total online retail trade.

Artificial intelligence is transforming product search

Artificial intelligence is gaining in importance as a new influencing factor in digital commerce along with platforms and foreign providers. 60 percent of internet users are familiar with and use such applications at least occasionally, while 26 percent use them regularly. 35 percent already use AI chatbots for product research as well. The focus is on comparing product features, assessing quality, and comparing prices. For retail businesses, part of their digital visibility is thus shifting away from traditional search engines and online shop interfaces towards data-driven search and recommendation systems.

The German retail sector generally is expected to maintain a high level of turnover in 2026, albeit with slower growth than during the years of sharp price rises. Regional differences in purchasing power continue to be a key factor in site assessment, while online retail continues to increase its share of the overall market. Future development thus is going to depend less on individual one-off factors and more on a combination of moderate overall market growth, the regional distribution of demand and the ongoing digitalisation of sales structures.

Sources

- HDE Online Monitor 2026 / IFH Cologne, as at March/June 2026; in particular market volume, market shares, sectors, marketplaces, foreign providers, and AI.
- Michael Bauer Research GmbH, Purchasing Power 2026 in Germany at the levels of municipalities, districts, and federal states; map ‘Purchasing Power Index 2026’; © bulwiengesa GmbH / RIWIS / MB Research.
- Methodological classification: Purchasing power describes the potential for demand in the place of residence. The report uses general purchasing power. This figure expresses the total disposable income of the population of a town, a district, or a federal state.

This refers to the income available to private households after deduction of tax and social security contributions, including government transfer payments received. General purchasing power thus describes the overall financial capacity of the resident population of a geographical area. Purchasing power relevant to the retail sector describes only that part of the general purchasing power that is likely to be available for retail purchases by contrast. The analysis considers bricks-and-mortar retail and online and mail-order retail alike.

1.3 Development in the food retail sector

Nominal and real turnover increase

According to calculations by the Federal Statistical Office, turnover in the food retail sector¹ rose by 3.4 percent in nominal terms in 2025 year-on-year. Adjusted for price changes, this corresponded to real revenue growth of +1.1 percent². According to calculations by bulwiengesa, consumer spending on food and drugstore goods (including household goods) amounted to about €313 Bn in 2025.

Growth in the online share from a low base level

The share of online sales for food and drugstore goods continued its generally positive trend in 2025, although it remains at a comparatively low level. For food, the share of online sales rose from 2.5 percent in 2024 to 2.7 percent in 2025. It rose over the same period from 3.6 percent to 4.1 percent for drugstore goods [see figure 05].

[05] Share of turnover from online sales

Figures in percent

	Food	Drugstore goods*
2022	2.4	3.2
2023	2.4	3.4
2024	2.5	3.6
2025	2.7	4.1

Source: HDE Online Monitor 2026, p. 18
* including toilet paper, washing-up liquid, cleaning products, and detergents

The share of online sales for foodstuffs thus increased by 0.3 percentage points between 2023 and 2025 and for drugstore goods by 0.7 percentage points. The online channel is, therefore, continuing to grow in importance, but in spite of its high relative growth rates (up 10.7 percent for food and 13.2 percent for drugstore goods) still lags significantly behind its share in many non-food segments.³

Superstores are gaining in their market share

Turnover across all included store formats generally rose by approximately 4.9 percent in nominal terms from 2024 to 2025 [see figure 06]. This means that the year-on-year growth increase was once again higher than in the previous year. Superstores recorded above-average sales growth of just under 7 percent and increased their share of total sales from 24.6 to 25.1 percent. Drugstores grew by about 5.0 percent; their share of turnover remained virtually unchanged at about 10.6 percent. The share of turnover accounted for by hypermarkets, supermarkets, and discounters fell slightly by contrast.

[06] Turnover shares in food retail

Figures in percent

	2020	2021	2022	2023	2024	2025
Hypermarket	10.4	9.9	9.0	8.7	8.4	8.3
Superstore	23.4	24.3	24.5	24.3	24.6	25.1
Supermarket	15.0	15.3	15.0	14.4	14.3	14.2
Discounter	41.8	41.0	41.7	42.4	42.0	41.8
Drugstore	9.5	9.5	9.8	10.2	10.6	10.6
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: bulwiengesa, TradeDimensions, 2020 data partly revised

¹ WZ08-4711 Retail sale of miscellaneous food, beverages, and tobacco.

² Federal Statistical Office, Press Release No. 038/2026, quoted from www.destatis.de.

³ HDE Online Monitor 2026, pp. 18 and 19.

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Superstores recorded above-average sales growth of just under 7 percent.

[07] Number of stores by store format
Figures in absolute numbers

	2020	2021	2022	2023	2024	2025
Discounter	15,880	15,908	15,923	15,911	15,905	15,887
Supermarket	15,908	15,689	15,401	15,278	15,177	15,026
Superstore	4,275	4,432	4,512	4,570	4,634	4,728
Hypermarket	627	599	555	559	519	521
Drugstore	5,048	5,103	5,160	5,193	5,258	5,308
Total	41,738	41,731	41,551	41,511	41,493	41,470

Source: bulwiengesa, TradeDimensions

Hypermarkets: The trend reverses as the number of sites increases

The downward trend in the number of retail outlets, which had been ongoing for several years, continued in 2025. The balance shows that the number of sites under consideration dropped by 23 to 41,470, a decrease of just about 0.1 percent [see figure 07]. Consolidation of store networks among discounters and supermarkets, which has been evident for years, is continuing. The decline in the number of supermarkets compared with 2020 amounts to a total of 882 outlets while discounters have lost a total of 36 outlets since their peak in 2022. The reduction has been at the expense of small discount retailers while the five major discount chains have been able to increase the number of their stores. One of the reasons for the decline in supermarket

numbers is that smaller shops across the country are being closed and replaced by larger ones. Some of these then fall into the superstore category. The number of new stores opened on this scale is relatively low, meaning that, overall, the total number of stores is falling. Superstores and drugstores were able to continue their expansion on the other hand. The hypermarket sector experienced a “turnaround”. Growth was recorded in the hypermarket sector once more after the completion of the real-store wind-down and the subsequent opening of the successor stores. However, this is not set to become a lasting trend over the next few years.

[08] Sales area development
Figures in percent

	2020	2021	2022	2023	2024	2025
Discounter	34.4	34.6	35.0	35.0	35.2	35.2
Supermarket	18.1	18.0	17.9	17.7	17.8	17.4
Superstore	26.4	27.1	27.7	27.8	28.2	28.5
Hypermarket	11.9	11.2	10.2	10.1	9.4	9.3
Drugstore	9.1	9.1	9.3	9.4	9.5	9.6
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: bulwiengesa from information provided by TradeDimensions



[09] Development of the number of sites and space productivity of retailers from the food retail sector 2025

Company	Sales division (selection)	Stores			Sales area		Space productivity*		Turnover	
		Store format	Number	Change since 2024	Avg. store size in sq m	Change since 2024	€/sq m	Change since 2024	€	Change since 2024
ALDI	ALDI Nord	DC	2,218	0.3%	974	0.9%	7,540	4.7%	16,440,000,000	5.9%
	ALDI SÜD	DC	2,023	−0.1%	1,027	0.7%	9,780	1.3%	20,520,000,000	1.9%
EDEKA	Netto	DC	4,423	0.5%	819	−0.1%	5,420	1.1%	19,833,000,000	1.6%
	EDEKA/E-aktiv/E-Neukauf	SM/VM	3,899	−0.1%	1,352	2.1%	5,890	4.6%	31,034,727,000	6.7%
	E-Center	VM/SBW	526	0.0%	3,276	−1.4%	5,930	2.1%	10,221,165,000	0.7%
	Marktkauf	SBW	81	−2.4%	6,709	0.4%	5,050	4.8%	2,746,111,000	2.7%
REWE Group	PENNY	DC	2,137	0.3%	749	0.2%	6,770	0.3%	10,837,000,000	0.7%
	REWE (incl. Kaufpark)	SM/VM	3,653	0.0%	1,572	0.7%	5,140	7.3%	30,415,000,000	8.1%
	REWE Center (incl. Kaufpark)	SBW	38	−2.6%	6,488	−0.3%	4,530	2.5%	1,150,230,000	−0.5%
Schwarz Group	Lidl	DC	3,259	0.6%	952	1.1%	10,880	1.9%	34,810,000,000	3.6%
	Kaufland	VM/SBW	786	1.3%	4,595	0.3%	6,560	1.2%	24,425,000,000	2.8%
Bartels-Langness	Famila Nordost	VM/SBW	92	1.1%	3,717	−0.2%	5,370	0.9%	1,835,000,000	1.7%
Bünting	Famila Northwest	VM/SBW	20	0.0%	4,540	−0.6%	5,230	2.8%	475,000,000	2.2%
Globus	Globus	SBW	61	−6.2%	10,497	2.2%	7,100	6.0%	4,690,000,000	1.7%
NORMA	NORMA	DC	1,354	0.4%	777	0.8%	4,400	−0.5%	4,775,000,000	0.8%

DC = discount store, SM = supermarket, VM = superstore, SBW = hypermarket

Source: TradeDimensions, bulwiengesa; data status: Q2 2026; growth rates based on revised figures for the previous year

* excluding online sales, according to TradeDimensions or bulwiengesa's own estimates

Sales area is once again increasing

Following a period of stagnation in sales area in the food retail sector, including drugstores, in 2024 (the decline in sales area at self-service hypermarkets offset the growth seen in other store formats) it increased again in 2025 by around 0.8 percent to 39.1 M sq m [see figure 08]. Supermarkets were the only store format to record a reduction of floor space of around 1.2 percent. A slight increase in retail sales area (up 0.7 percent at a constant market share) was recorded despite the decline in the number of discount stores, as new or refurbished stores are larger than those that have closed. Sales area grew at an above-average rate in superstores (+2.0 percent) and drugstores (+1.8 percent); accordingly, both store formats increased their share of total retail space.

[10] Top 5 in the food retail sector 2025

	Turnover in €bn	Change compared to previous year
EDEKA Group	80.1	2.2%
Schwarz Group	61.3	3.3%
REWE Group	50.4	2.3%
ALDI	37.0	3.3%
Bartels-Langness Group	7.3	4.0%

Source:
bulwiengesa based
on TradeDimensions

EDEKA Group exceeds the annual turnover threshold of €80 Bn

At 3.3 percent growth as compared to 2024 each, the Schwarz Group and ALDI each recorded the strongest turnover growth of the four largest players in the German food retail sector [see figure 10], followed by the REWE Group with 2.3 percent. Although the EDEKA Group recorded the smallest increase in turnover, at 2.2 percent, its turnover of €80.1 Bn meant it exceeded the €80-Bn turnover threshold. The EDEKA Group remains by far the highest-turnover retailer and the industry leader in the German food retail sector. The Bartels-Langness Group, which ranked fifth, grew by around 4.0 percent – even faster than the four largest groups – even though the turnover base was significantly lower.



ALDI Nord reports significant sales growth

ALDI Nord continues to advance its efforts to modernise its store network. More than 750 stores now run energy self-sufficiently using solar panels and heat recovery systems, without the use of fossil fuels. All of ALDI Nord’s key figures are showing positive signs: The number of stores and the sales area increased slightly; as a result of sales growth of 5.9 percent, space productivity rose from €7,280/sq m to €7,540/sq m of sales area [see figure 09]. ALDI Nord is continuing to modernise and optimise its network of stores. The discount retailer has announced further expansion plans for Berlin up to 2030. Seven new sites are planned in the period up to 2030 in addition to modernisation, relocations, and expansions. Up to 350 flats are to be built in the scope of these activities, with a view to adding value to the urban landscape. In Bochum, a trial of a chargeable ‘after-work parking’ scheme for residents has been running since March 2026 at three sites, with ten parking spaces available at each store car park. Plans that the group was to divest itself of a substantial property portfolio in order to focus more closely on its core business were announced in the

second half of 2026. The portfolio also includes logistics centres, flats, and plots of land along with retail outlets that are no longer relevant.

ALDI SÜD reports lower turnover growth than ALDI Nord

ALDI SÜD was the only major discount chain to reduce its network, by two stores to 2,023. The average sales area per store rose slightly to around 1,027 sq m. Turnover increased by 2.0 percent to €20.5 Bn, while space productivity increased by 1.3 percent to €9,780 per square metre of sales area.

In contrast to its competitors, ALDI SÜD is looking to turn the simplicity of the discount model itself into a competitive advantage and a brand message: a limited range of products, a high proportion of private-label items, and low prices for everyone. The company is thus deliberately setting itself apart from the growing trend towards app-based and customer loyalty strategies adopted by other food retailers.

According to media reports, ALDI SÜD is working with the Australian design agency Landini Associates to develop a new global store concept that is set to radically transform the appearance of its stores. ALDI opts for a modular concept rather than a standardised design applied worldwide: Colours, typefaces, and pictograms are standardised. At the same time, the concept can be adapted to different market sizes, buildings, and local requirements. Germany is due to start further development and implementation of the new concept from Q2 2026. Optimising the existing network thus remains a key strategic lever, alongside selective expansion.

The necessary investments in IT, logistics, and store technology continue to be subject to significant pressure to deliver value for money, which at ALDI SÜD is leading to a major reorganisation of the digital unit, which was only consolidated in 2024. There are plans to rely more heavily on external IT service providers once again in future, with more than 1,000 ALDI DX roles to be cut at head office.

There are signs of a trend towards greater standardisation of specific architectural and technical specifications between ALDI Nord and ALDI SÜD at the same time. An ALDI Nord store was opened in Wolfsburg in December 2025, following the harmonisation of the two companies' building specifications. However, the brand identities and respective shop concepts will remain separate from one another. This permits standards, and presumably also economies of scale, to be shared without fully merging the different brand and store concepts.

Netto has seen the strongest growth in store numbers among discounters

Netto Marken-Discount increased the number of its stores by 24 to 4,423 in 2025. This meant that they were recording the strongest absolute growth in store numbers among the discounters under review. Turnover increased by 1.6 percent to about €19.8 Bn, while space productivity increased by 1.1 percent to €5,420 per square metre of sales area. The store network is subject to further modernisation. Old stores are being gradually replaced by new ones, either in the same location or in better ones, and existing stores are being modernised and expanded. Netto Marken-Discount aims to gain further market share, in particular in rural areas. In spite of these efforts, the company recorded a turnover reduction in the first quarter of 2026 and underperformed the market as a whole.

The extension of a store in Fulda using the circular TRIQBRIQ timber construction system is one example of the modernisation strategy. The timber building blocks used can be dismantled and reused. In addition, Netto relies on technologies such as photovoltaics, heat pumps, heat recovery, charging infrastructure, and energy-efficient building services for its new-build and refurbishment projects.

Netto also expands its non-food range. The EDEKA subsidiary is testing toys as a permanent part of its stores' product range after previously offering them seasonally or as promotional items – following the traditional discounter approach. According to media reports, the concept is to be introduced as a permanent range across most of the store network following successful trials. According

to these reports, the planned product range comprises around 36 items, most of which are well-known branded products. A nationwide roll-out would stand out for a food discounter in that dedicated shelf space for toys has not previously been the norm. Netto thus would be the first discounter to stock such a permanent range.

EDEKA reports turnover growth across all retail formats

EDEKA, which remains the highest-turnover group in the German food retail sector, recorded turnover growth across all its store formats. Turnover across the sales divisions under review increased by 6.7 percent for EDEKA/E-aktiv/E-Neukauf, by 0.7 percent for E-Center, and by 2.7 percent for Marktkauf. Marktkauf achieved the highest increase in space productivity, at 4.8 percent. The number of Marktkauf stores dropped by two at the

same time; the EDEKA/E-aktiv/E-Neukauf network remained virtually stable, while the number of E-Center stores remained unchanged. In the south-west, customers will have to say goodbye to Marktkauf altogether, as EDEKA Südwest is set to rebrand all Marktkauf stores under the name E-Center, which is better known in the region.

The former regional companies EDEKA Nord and EDEKA Rhein-Ruhr merged into the new EDEKA Nordwest region, under the leadership of the former EDEKA Rhein-Ruhr, on 1 July 2026. The new regional company runs about 1,550 stores with a sales area of more than 2.1 M sq m and an estimated turnover of €10.9 Bn in 2025. The merger between the two geographically separate companies is to improve their competitive position while expanding the range of services offered to independent retailers and pooling investments, product ranges, and sales activities.



The planned acquisition of Tegut is facing antitrust scrutiny

The planned EDEKA-Tegut deal has raised significant competition law concerns at the Federal Cartel Office. EDEKA intends to take over a total of 202 Tegut food markets, 41 automated Teo outlets, the Herzberger bakery, and a logistics centre. The authority's preliminary assessment sees a risk of a significant deterioration in competition and a resulting reduction in choice for consumers in 37 regional market areas in particular. The areas most affected are northern and eastern Hesse, as well as parts of Thuringia, northern Bavaria, and Baden-Württemberg. EDEKA has offered initial concessions in response to this; however, in the Cartel Office's view, these have so far not been sufficient to allay competition concerns. Potential measures may include, among other things, excluding individual Tegut stores from the acquisition or selling them to independent competitors. The Cartel Office, therefore, sent a statement of objections, setting out its preliminary assessment, to the companies at the end of July. A final decision on the acquisition has not yet been made; an offer of commitments has extended the statutory review period until the end of September 2026.

Feneberg's insolvency also causes a realignment in the food retail sector in southern Germany. An investors' agreement was entered into in July 2026 under which the REWE Group and LEH-Allgäu GmbH are each to take over a significant proportion of

the total of 72 sites, namely 35 stores by REWE and 37 by LEH-Allgäu GmbH. On 10 August 2026, it was announced that the Federal Cartel Office had launched a full investigation into the matter. The acquisition will, therefore, be subject to a more thorough review, which could drag on until early 2027.⁴

REWE reports rising space productivity

The number of outlets remained virtually unchanged in 2025 at REWE. Both the number of supermarkets and superstores and the network of REWE Center stores fell slightly by one outlet each. The store network may expand by the end of 2026, with the potential acquisition of around 35 Feneberg stores in southern Germany. However, there were varying trends in turnover development. Supermarkets and superstores recorded an 8.1 percent increase in turnover to about €30.4 Bn, while turnover at REWE Center stores fell by 0.5 percent to about €1.15 Bn. Nevertheless, space productivity increased in both formats.

REWE continues to pursue an omnichannel strategy and is increasingly integrating its network of physical stores with digital services. The focus is on improving profitability and delivery quality in this, as well as on making digital offerings more personalised. 2,000 of the nearly 3,700 stores offer Click & Collect already. REWE already enjoys extensive coverage with an online reach of 98 percent of households.



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REWE continues to pursue an omnichannel strategy and integrates the physical store network increasingly with digital services.

⁴ The Cartel Office is conducting an in-depth investigation into Rewe's acquisition of a stake in Feneberg, as reported by www.lebensmittelzeitung.net on 10/08/2026.

REWE Region West is trialling an autonomous cooking robot from the Circus Group in Düsseldorf-Heerdt under the “Fresh & Smart” brand in the convenience and automation sector. The pilot project serves as a trial for the automated preparation of fresh meals directly in the store. The AI robot automates the entire preparation process. It picks ingredients, heats, roasts, and cooks them, cleans up after itself, and documents the processes. Customers order and pay for their meal via a digital terminal and can then watch as the robot prepares it. If the trial comes to a successful conclusion, plans involve rolling it out to other sites.

At the same time, freshness remains a key area where REWE’s full-range offering stands out. Product categories such as fruit and vegetables, baked goods, and fresh food counters are to play a greater role in differentiating the stores. Sales and advisory structures will be developed further to this end. Efforts to implement sales potential in the fresh produce sectors will be managed more systematically. The background to this is a change in consumer conduct: Quality, regional origin, sustainability, and transparent provenance are becoming increasingly important as purchasing criteria. There appear to be significant differences between the stores. REWE believes there is still considerable potential for increased turnover in other stores though some independent REWE retailers already achieve above-average growth rates in the fresh produce sector. The new area managers are to help reduce these differences. The goal also includes improving the shopping experience with regard to fresh produce in addition to the product range: high-quality product presentation, expert advice, clearer information on the origin of products and a greater focus on regional produce.

PENNY continues to grow

PENNY, the REWE Group’s discount supermarket chain, increased its network of stores by a net total of 13 to 2,137 outlets in 2025. Turnover rose by 0.7 percent to about €10.8 Bn, while space productivity increased by 0.3 percent to €6,770 per square metre of sales area. As a result, turnover development lagged behind that of the faster-growing discounters.

In recent years, PENNY has extensively modernised its German store network and converted around 1,600 outlets to a new, standardised retail concept. Larger stores make use of the market hall format, while stores under 500 sq m operate using a flexible small-space concept. Up to 100 further adjustments are planned for this year. Many of the approximately 400 stores that have not yet been converted are set to be rebuilt or relocated in the future. PENNY has streamlined its portfolio of sites at the same time: Since 2020, about 220 stores have been closed, and 180 new ones have been opened. Average turnover per store has been rising since 2019 and now stands at around €4.6 M at the same time. The modernisation and optimisation of existing stores is, therefore, regarded as a key driver of growth. Improving the quality and performance of the existing network takes precedence over increasing the number of sites.

Lidl plans on further growth

Following the decline in 2024, Lidl’s store network added another 19 sites in 2025, growing the number to 3,259. Turnover rose by 3.6 percent to about €34.8 Bn, while space productivity increased by 1.9 percent to €10,880 per square metre of sales area. Lidl thus continues to have the highest space productivity among the discounters under consideration. The partnership with Galeria, which was launched in 2024, will continue in 2026, and four further Lidl stores are set to open by the end of the year in central sites in Hamburg, Düsseldorf, Viernheim, and Stuttgart. The partnership aims to combine modern convenience retail with the footfall of high-traffic retail sites. Furthermore, a high double-digit number of new stores is planned for 2026.

Since early May 2026, Lidl has fundamentally restructured the non-food section in all of its approximately 3,250 German stores. The existing bargain tables, which used to feature changing promotional items, are being replaced by six permanently defined themed sections. They are based on Lidl’s private-label ranges LUPILU, PARKSIDE, SILVERCREST, CRIVIT, LIVARNO, and ESMARA, covering the categories of family, DIY and gardening, household, sport, home décor, and fashion. The spaces remain flexible and are adapted as appropriate depending on the season. Lidl is pursuing an omnichannel strategy at the same time: QR codes on the shelves link the in-store themed sections directly to Lidl’s expanded online range. The goal is to create a more streamlined shopping experience and to achieve greater integration between stores and e-commerce.

Kaufland speeds up modernisation of its store network

Kaufland operated a total of 786 stores in 2025, which is ten more than in the previous year. Turnover rose by 2.8 percent to about €24.4 Bn, while space productivity increased by 1.2 percent to €6,560 per square metre of sales area. The large-format segment was able to continue growing in spite of the structurally challenging market environment as a result of this.

Kaufland is speeding up the modernisation of its network of stores. After about 40 to 50 modernised stores per year, this figure is set to rise to 60 stores from 2026 onwards. Most of the refurbishment work is performed while the facility remains in operation. The focus is on enhancing the fresh produce offering through new fruit, vegetable, and deli sections, bakeries, and sushi shops, as well as modernised refrigeration units, self-service checkouts, and energy-efficiency measures. These investments are intended both to enhance the shopping experience and to reduce ongoing operating costs.

With its “Medical Room” in Mosbach, Kaufland is also trialling a telemedicine service within a food market. The 54 sq m Medical Room combines video consultations with on-site medical care. This expands the range of services available at the retail venue. An extension to other sites is under review.

Kaufland is radically overhauling its non-food range and is gradually integrating established Lidl private-label products into its stores on a permanent basis. LIVARNO, ESMARA, and LUPILU for the home, fashion, and baby and children's ranges follow SILVERCREST and CRIVIT. They are gradually replacing the existing Kaufland brands. The changeover takes place in all countries where Kaufland operates and is being supported by an international 360-degree campaign. Special fittings, clear signage, and colour-coding ensure greater visibility and easier navigation in the stores. The model is the DIY brand PARKSIDE, which has seen high demand since its launch at Kaufland in 2023. Greater shared use of brand identities within the Schwarz Group increases reach and economies of scale, while at the same time standardising parts of the non-food range.

Kaufland also continues to expand its range of private-label products in the food sector. The first products from the K-Bio Organic and K-Plant Based brands are set to carry the Naturland label from 2027. Kaufland thus expands on its existing partnerships with Bioland and Demeter and responds to the growing demand for organic food. Naturland has stricter requirements than the EU organic standard, including in the areas of organic farming, animal welfare, and fair working conditions. Naturland brings together around 120,000 organic farmers in 60 countries, including more than 7,500 operations in Germany and Austria. It is not yet clear how many certified products Kaufland will be offering. The goal is making organic produce more widely available.



Globus increases turnover and space productivity

Globus achieved a rise in turnover of 1.7 percent to about €4.7 Bn in 2025, in spite of a reduction in the number of stores by four (sold to Kaufland) to 61. Space productivity rose significantly by 6.0 percent to €7,100 per square metre of sales area. Globus remains the largest, in terms of floor area, of the hypermarket operators under consideration with an average sales area of around 10,500 sq m.

Globus plans to close its market hall in Lurup on 30 September 2026. It will thus withdraw from Hamburg. About 200 employees are expected to lose their jobs. Globus took over the former real site in 2022 and opened it in July 2023 following extensive refurbishment (total investment of approximately €40 M). This closure is one of several site closures since 2024, all of which stem from the acquisition of former real sites. The company cites a lack of long-term profitability as the reason for the closure in Hamburg. The closure highlights the continuing high site-specific requirements of large-scale hypermarket concepts.

NORMA expands into new regions

NORMA had 1,354 stores in 2025. This is six more than in the previous year. Turnover rose by around 0.8 percent to just under €4.8 Bn; however, space productivity fell by 0.5 percent to €4,400 per square metre of sales area. This means that NORMA's space productivity remains significantly lower than that of the major nationwide discounters.

The Franconian discount retailer is continuing to drive forward its expansion and the consolidation of its store network. NORMA specifically aims to replace older, smaller city-centre stores while at the same time developing into new regions. Preference is given to modern, large-scale new-build properties with ample parking facilities in busy, high-traffic sites. The goal is to close existing gaps in the German store network by opening additional stores. NORMA expects a denser network of sites to deliver logistics synergies, shorter delivery routes, and a more sustainable supply chain for its stores as a consequence of this at the same time.

In this context, NORMA is expanding its logistics centre in Kerpen. The total floor area is increasing by just under 10,000 to about 26,000 sq m, of which approximately 5,900 sq m is dedicated to cold storage. The site is set to supply more than 200 stores in future. The expansion includes additional refrigeration and deep-freeze capacity, as well as energy-efficient building services, and will support further expansion in western Germany. This development forms part of the Europe-wide expansion strategy and is already NORMA's twelfth recent logistics construction project.

Turnover growth at the leading drugstore chains

The four leading drugstore chains continued their growth trajectory in 2025; the total number of drugstores rose by 50 to 5,308 outlets. dm, ROSSMANN, Müller, and Budnikowsky together generated gross in-store turnover of around €28.04 Bn according to calculations by bulwiengesa based on data from TradeDimensions. The highest growth in turnover was recorded by dm, at 6.4 percent, and ROSSMANN, at 6.1 percent, followed by Müller (+3.4 percent) and Budnikowsky (+2.8 percent). Space productivity ranged from about €4,680 per square metre of sales area at Müller to around €9,110 per square metre at dm [see figure 11].

ROSSMANN continues to expand rapidly

ROSSMANN continued to maintain its rapid expansion pace. The store network grew by a net total of 33 to 2,344 sites in 2025 although the ambitious target of 75 new stores was not met. This means that the company now operates the largest store network among the leading drugstore chains. The company is planning group-wide investments of €613 M and 342 new store openings in Europe, 63 of which will be in Germany, for 2026. The roll-out of the new shop design in existing stores continues at the same time. About 300 shops are set to adopt the new concept by the end of the year. Progress has also been made on pick-up stations for goods ordered online, which can now be found in over 700 stores.



[11] Floor space productivity and sales area development of drugstores 2025

	Number of stores	Turnover in €M	Turnover development compared with 2024	Space productivity (gross)* in €/sq m	Sales area in sq m
dm	2,154	13,270	6.4%	9,106	1,378,560
ROSSMANN	2,344	10,500	6.1%	7,036	1,462,569
Müller	585	3,726	3.4%	4,677	784,745
Budnikowsky	190	548	2.8%	5,462	100,321

Source: bulwiengesa from information provided by TradeDimensions
* excluding online turnover from information provided by TradeDimensions or bulwiengesa's own estimates

dm drugstore with the highest space productivity

ROSSMANN is investing in the digitalisation of its internal processes as well as its network of stores. The company entered into a long-term strategic partnership with ServiceNow for this purpose in May 2026. ROSSMANN aims to retain its core processes and 'supporting systems' - developed over decades - and link them via a high-performance integration architecture.⁵ The IT department has doubled in size over the past three years, growing from around 325 to 650 staff to this end.

dm increased its turnover in Germany in 2025 by 6.4 percent to around €13.3 Bn; the number of stores rose by 23 to 2,154 sites according to the underlying data. The company increased its already high space productivity by around 4.9 percent to approximately €9,110 per square metre as sales area increased at a relatively modest rate of around 1.4 percent to approximately 1.38 M sq m. This means that dm not only has the highest score among the four drugstore chains under review, but also further strengthens its market position as the industry leader.

⁵ Rossmann is building a new ERP system in-house, in: Lebensmittelzeitung online dated 08/05/2026, quoted from www.lebensmittelzeitung.net.

dm has been trialling additional health services in selected stores, including eye screenings, skin analyses, and blood tests, in collaboration with medical start-ups since summer 2025. A further step forward in healthcare was taken in December 2025: The drugstore chain launched “dm-med”, the online pharmacy it had announced in the previous year. The range includes, among other things, about 2,500 pharmacy-only, non-prescription medicines, as well as products from the dietary supplement and dermatocosmetics sectors.⁶ dm is thus expanding its value proposition beyond the traditional drugstore’s range into the areas of healthcare and prevention. The company states that customers have been asking for such products in the dm online shop for some time now.

Müller strengthens its private-label products and its multi-range positioning

Müller has expanded its store network by six sites to 585 stores as compared to 2024. Turnover rose by 3.4 percent to around €3.73 Bn; space productivity stood at around €4,680 per square metre. The drugstore chain is benefiting from the decline of traditional department stores and is positioning itself as a supplier of high-quality fragrances and a multi-range retailer of selected non-food product groups.

One strategic priority is in the further development of the drugstore’s private-label products. Müller sees a need to catch up with the two industry leaders, dm and ROSSMANN, in order to achieve greater customer proximity.⁷ Müller offers a total of around 1,000 private-label products online. The drugstore section comprises only around 140 products while the toys and multimedia sections each comprise more than 400 items.⁸

Budnikowsky reports moderate turnover growth

Budnikowsky is by far the smallest of the four drugstore chains under consideration. The number of outlets increased by a net one store to 190 stores in 2025. Turnover rose by 2.8 percent to around €548 M; space productivity stood at around €5,460 per square metre of sales area, which was a good 1.7 percent higher than the previous year’s figure.

Budnikowsky has tested extended opening hours at a store in Hamburg since June 2026. The store in the densely populated district of Eimsbüttel opens as early as 6 am from Monday to Saturday, though self-service checkouts are available to customers exclusively during the first few hours until 8 am.⁹ It is currently unclear whether, and to what extent, this model will be rolled out to other stores.

EDEKA, the market leader in food retail, intends to recapture turnover from the drugstores’ core product range in future while the major drugstore chains have in recent years challenged the full-range retailers’ turnover potential by expanding their product ranges, in particular in the food sector. EDEKA is set to introduce Jolea in 2026 as a single umbrella brand for drugstore products, which

is to gradually replace existing brands such as Elkos, Hairwell, Pure & Basic, and Shisara across the EDEKA, Netto and Budni sales divisions according to media reports. EDEKA strengthens its private-label profile in key drugstore categories in the course of this, intensifying competition for everyday shopping baskets.¹⁰



⁶ dm launches an online pharmacy, in: EHI stores + shops, 17/12/2025, quoted from www.stores-shops.de.

⁷ Müller is restructuring its private-label business, in: Lebensmittelzeitung online, dated 25/06/2026, quoted from www.lebensmittelzeitung.net.

⁸ Drugstore giant revamps its product range: Changes for customers, in: t-online, 26/06/2026, quoted from www.t-online.de.

⁹ Budni is trying out new opening hours, in: Lebensmittelzeitung online, dated 24/06/2026, quoted from www.lebensmittelzeitung.net.

¹⁰ Edeka is taking on Balea with Jolea, in: Lebensmittelzeitung online, dated 12/12/2025, quoted from www.lebensmittelzeitung.net.

Special feature

Local Heroes

regional roots as a model for success

There are quite a few regional retail companies that have held their own in their market area for decades. Owner-managed retailers and medium-sized family-owned businesses demonstrate that economic success is possible even without widespread expansion or international brand recognition. They can help boost the appeal and footfall of town centres and regional shopping destinations as “local heroes” through their high profile in the local area, customer loyalty, and sense of local identity.

The term “local heroes” is used in reference to retail businesses that enjoy above-average brand awareness and customer loyalty within their regional catchment area. Typical characteristics include strong regional roots, clear positioning, a high level of expertise in service and expert advice, and the ability

to tailor the product range and services to local demand. Their strength stems less from widespread expansion than from their distinctive profile, credibility, local presence, and long-term entrepreneurial approach.¹

Local heroes can be found in various sectors of the retail industry – from food retail to fashion and department stores to specialist shops. Five recurring factors for success can be identified across all sectors: regional positioning, ongoing investment in the site, unique shopping experiences, a high standard of service and expert advice, and the effective integration of in-store and digital offerings. The following case studies illustrate how these factors are implemented in various retail concepts and can contribute to a distinctive competitive profile.

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Local heroes can be found in various sectors of the retail industry – from food retail to fashion and department stores all the way to specialist shops.

The shopping experience as a driver of footfall

The quality of the in-store experience has become a key competitive factor for bricks-and-mortar retailers. Many local heroes, therefore, complement traditional retail with catering, events, or leisure activities. Such uses create additional reasons for people to visit, increase the length of time visitors spend there, and enhance the perception of a retail site as a place for experiences and socialising.

Example: L&T Osnabrück

Lengermann & Trieschmann (L&T), a family-run business founded in 1910, has about 25,000 sq m of sales area in Osnabrück. L&T

was, among some other honours, named “Store of the Year” in the “Out of Line” category by the Handelsverband Deutschland (HDE) in 2019 in recognition of the further development of its bricks-and-mortar retail concept; subsequently, it received the WeAr Award for “Best Fashion Retailer of the World” in 2024. With the “Hasewelle” indoor surf wave, restaurants, fitness facilities and event spaces, the company has developed its site beyond a mere retail function into a destination offering a range of experiences. The company states that L&T attracts around five million visitors a year. This example illustrates how additional uses linked to retail can create new reasons for people to visit and enhance the appeal of an inner-city site.²

¹ The term of “local hero” does not refer to a distinct, generally defined store format in retail management. Publications on retail practice and academic research rather use the term to characterise retail businesses with strong local or regional roots, marked customer loyalty, a distinctive market positioning, and particular expertise in product range, service, or innovation. The HDE uses the term ‘Local Heroes’ to refer to innovative local retailers and retail concepts, in particular those that combine their local strengths with digital or omnichannel approaches.

² L&T wins the 2019 Store of the Year Award and the WeAr Award – Best Fashion Retailer of the World dated 15 October 2024, quoted from corporate.l-t.de; figures for sales area and visitor numbers are based on the company’s own data.

Regional identity with a national reach

A strong regional identity is a key characteristic of many local heroes. A long-term connection with the site strengthens customer loyalty and brand recognition and makes the physical shop a central part of the brand identity. It can also generate influence beyond the region if this identity is consistently nurtured while at the same time being developed in line with the times.

Example: Dallmayr, Munich

The Munich-based delicatessen Dallmayr is one of Germany's most long-established retail businesses. Its roots date back to around 1700; the company remains family-owned to this day and also operates internationally. The brand's main point of identification remains its flagship store in Munich's Old Town. There, Dallmayr combines delicatessen retail with catering; according to the company's latest figures, the flagship store welcomes around 2.8 million locals and tourists from around the world every year. The combination of a site with a rich history, a high-quality range of products and a variety of dining options demonstrates how a retail destination can become a tourist and city-centre attraction that goes far beyond its mere function as a place of business.³



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A strong regional identity is a key characteristic of many local heroes.



Service and advisory expertise as a key differentiator

Personal advice is one of the traditional strengths of bricks-and-mortar retail. In particular in the case of product ranges that require a high level of advice, such as fashion or sport, it is a key differentiating factor compared with standardised retail formats and purely digital offerings. Local heroes are able to systematically build on this advantage by deploying skilled staff, bespoke services, and specialist consultancy.

Combining tradition with innovation

Many local heroes combine a long corporate history with the continuous development of their business model. Digital offerings need not be seen as a substitute for bricks-and-mortar retail. They reduce information and transaction barriers, support service processes, and extend the customer relationship beyond the in-store visit when used effectively. The physical shop will remain the central hub for advice, the shopping experience and brand presentation.

³ Alois Dallmayr: Dallmayr quality - since 1700; company profile including details of family ownership, international operations and around 2.8 M visitors to the flagship store in Munich each year, quoted from www.dallmayr.com.

Example: Reischmann Ravensburg

The Reischmann fashion and sports retailer dates back to 1860 and now has stores in Ravensburg, Ulm, Kempten, and Memmingen. According to the company, these sites collectively comprise more than 40,000 sq m of sales area. Reischmann combines the ongoing modernisation of its shops with an online shop, events, and personalised services such as personal shopping, which can be booked individually. This example illustrates how tradition, ongoing investment in the site and digital points of contact can be combined to form an integrated regional retail model.⁴

Entrepreneurial freedom and regional product range expertise Owner- or family-run food retailers have greater entrepreneurial freedom while chain retailers often manage their product ranges, product display, and shop layout largely at a central level. Independent retailers can combine the procurement and logistics benefits of a larger retail network with a bespoke approach to their own shops, in particular within cooperative or collaborative retail networks. This entrepreneurial freedom makes it possible to tailor product ranges specifically to the needs of the respective catchment area, to involve regional producers, and to distinguish the business from more

standardised retail formats through its expertise in freshness, service, and expert advice.

Examples: HIT Sütterlin and Hieber

The HIT stores in Aachen, run by the Sütterlin family, demonstrate how owner-managed food markets can use their entrepreneurial freedom to establish a distinctive regional identity. The three shops in Aachen stock a full range of over 30,000 items and are characterised in particular by their expertise in fresh produce, numerous staffed service counters, and their collaboration with regional producers.⁵ The traditional supermarket concept is complemented by personalised services and market-style offerings.

The family-owned business Hieber, based in southern Baden, is pursuing a similar approach, but one that is even more strongly focused on regional value-creation networks. Hieber operates shops between Lörrach, Freiburg, and Breisach, combining its membership of the EDEKA group with a distinctly independent local presence.⁶ A key element of the business model is close collaboration with producers and suppliers from the surrounding area. The company states that Hieber works with more than 700 regional producers; more

than 4,400 items in its total product range are sourced from regional producers.⁷ In doing so, smaller farms, manufactories, butchers, bakeries, and winegrowers are also specifically included in the product range. Added to this is a strong focus on staff and customers: Hieber invests heavily in the professional development of its staff, in particular in the fresh food and service counter areas. This turns them into a key component of its service promise.

Investments in the site

A strong regional presence requires ongoing investment in one's own sites. Owner-managed retailers make decisions on a store-by-store basis while chain retailers manage their premises centrally and, if necessary, close them down. Modernisation, expansion, and regeneration of older retail properties, therefore, not only ensure the operator's competitiveness, but also the long-term viability of the site.

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A dining area with 200 seats, a dedicated coffee roastery and a 750-square-metre wine department turn a visit to the Scheck-in Centre in Sinzheim into a special experience.

⁴ Reischmann: Company details and personal shopping, as quoted from unternehmen.reischmann.biz.

⁵ HIT Sütterlin: Company details and HIT Sütterlin Aachen: A hit at the Tivoli, quoted from www.lebensmittelpraxis.de.

⁶ Hieber: Company information regarding sites and membership of the EDEKA group, as quoted from www.hieber.de.

⁷ Hieber: Company information on regional producers and product ranges, quoted from www.hieber.de.



Example: Scheck-in

Family-operated company Scheck-in operates 18 stores between Achern and Frankfurt and has, among other accolades, been named Supermarket of the Year. Two new openings illustrate the scale to which investment in individual sites can extend. A Scheck-in Centre opened in Sinzheim in September 2024 with about 9,000 sq m of sales area, following the refurbishment of a former real hypermarket. Virtually the entire building structure, from the building services and the ceilings and floors right through to the

outdoor area with about 800 parking spaces has been refurbished since 2023; energy consumption is around 40 percent lower than that of the original building. A dining area with 200 seats, its own coffee roastery and a 750 sq m wine department turn a shopping trip into a pleasant experience. A supermarket in Brühl with a sales area of approximately 7,000 sq m and around 100,000 items followed in September 2025. Both sites form part of the Hahn Gruppe's portfolio of institutional property funds.⁹

⁹ Scheck-in: Company details regarding the store openings in Sinzheim and Brühl; Hahn Gruppe, property details.

All three examples highlight a key strength of locally based food retailers. They can capitalise on economies of scale in procurement and logistics without sacrificing their local distinctiveness. Entrepreneurial freedom, regional product range expertise, personalised advice, and the involvement of local producers create a market profile that is difficult for competitors to standardise or replicate. This means they become not only local suppliers, but also key players in regional value added and identity. Conclusion: Regional strength as a competitive advantage for the future. The case studies make it clear: regional roots are not an end in themselves. This becomes a competitive advantage when retailers translate their local presence into a clearly recognisable value proposition – through relevant product ranges, personalised advice, a particularly pleasant shopping experience, and the ongoing development of the premises.

This gives rise to four key areas for action for the bricks-and-mortar retail sector in Germany:

- **Location as a brand:** The physical site should not only be a sales area, but also a place where people can identify with the brand, enjoy an experience and meet others.
- **Service as a differentiating factor:** Advice, convenience, and personalised services are particularly effective in situations where digital and standardised formats offer only limited scope for personalised problem-solving.

- **Digitalisation as a connecting link:** Digital services should prepare customers for in-store shopping, make it easier, and extend the shopping experience – they should not necessarily replace the role of the shop.
- **Local decision-making authority:** Knowledge of the regional product range, the ability to adapt quickly and a willingness to make long-term investments result in a profile that is difficult to standardise.

The outlook is, therefore, positive, in spite of the challenging market environment. The HDE Location Monitor 2024 shows that 70 percent of respondents from small and medium-sized towns also use their place of residence as a shopping destination; short distances, the atmosphere and a diverse range of shops are among the key reasons for visiting. This suggests that regional relevance will continue to be a solid foundation for bricks-and-mortar retail in the future. Local Heroes do not offer a one-size-fits-all solution, but they do present a compelling principle: Long-term viability arises where proximity to the local area, an entrepreneurial profile and continuous innovation come together.¹⁰

Local heroes thus become more than just popular figures for owners and operators of retail property. They drive footfall to the site as anchor tenants and often remain loyal to it for decades, which reduces the risks of tenant turnover and vacancies. They require careful consideration of creditworthiness, dependence on the operator, and succession as well, however, since the success of the business model is often closely linked to the family of entrepreneurs.

¹⁰ Handelsverband Deutschland (HDE): HDE Location Monitor 2024 – City centre visitors value small and medium-sized towns for short shopping journeys close to home, 2024; Survey of around 1,200 city centre visitors aged 18 and over conducted by GfK and YouGov; 70 percent of respondents from small and medium-sized towns also use their place of residence as their shopping destination, as reported by einzelhandel.de.

1.4 Non-food retail and online retail

The development of retail turnover in the non-food segment also showed a differentiated sector picture for 2025. All in all, however, sales of non-food products performed better than in the previous year. According to figures from the Federal Statistical Office, turnover in 2025 rose by 4.1 percent in nominal terms and by 3.7 percent in real terms compared with 2024. Online retail was once again a key driver of growth, while the performance of bricks-and-mortar retail was more subdued in numerous sectors relevant to city-centre and retail park locations.

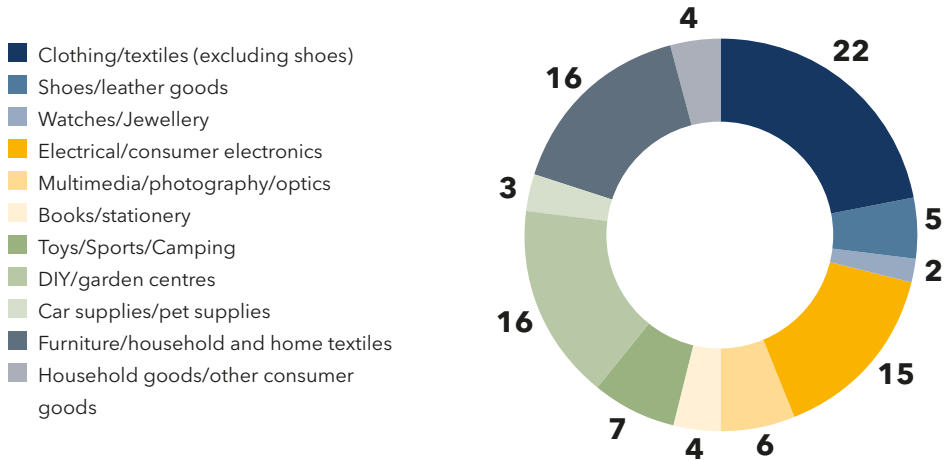
The clothing and textiles sector, which is of key importance to town centres as well as shopping centres and retail parks, saw a slight nominal increase in its turnover in 2025. Clothing and textile sales across all forms of distribution totalled around €68.1 Bn, up by around one percent on the previous year according to figures from the Handelsverband Textil/Schuhe/Lederwaren (BTE). Online-only retailers particularly benefited within this sector, while bricks-and-mortar fashion retailers continued to suffer from subdued demand, high costs and intense competition on prices and discounts. The footwear and leather goods sector was also affected by these structural pressures.

The situation in the Furniture/Home and Home Textiles segment remained challenging. The German furniture retail sector recorded a turnover reduction of around one percent in 2025. Demand for long-lived furniture in the higher price segments continued to be weighed down by the sluggish housing construction sector, low levels of house-moving and households' reluctance to make major purchases. The DIY and gardening segment has not yet managed to achieve a sustained turnaround either. It has once again had to cope with a year-on-year turnover reduction of around 1.6 percent.

8.1

percent turnover growth from IT products used for private purposes

[12] Shares of assortment-related turnover in the non-food segment 2025
Figures in percent



Source: HDE, bulwiengesa calculations

The toys market provided a positive boost, returning to a growth trajectory following the declines of the previous year by contrast. According to the trade association, turnover across all sales channels rose by around 3 percent in 2025. Similarly, the multimedia/photography/optics segment, including computer hardware, performed well in 2025. The increase in turnover was primarily due to renewal and innovation cycles, which had a greater impact than the continued subdued consumer spending. According to figures from industry associations, turnover from IT products for private use alone rose by 8.1 percent in 2025.

¹ Calculations by bulwiengesa based on data from HDE and industry associations.

The turnover development in the non-food segment thus reflects both the slight recovery in private consumption and the ongoing structural change in the retail sector. The nominal growth figures vary considerably across sectors, forms of distribution, and companies. Although the HDE expects another increase in turnover for 2026, the outlook remains modest at a nominal 2 percent.

According to calculations by bulwiengesa, based on HDE data and information on turnover development provided by the relevant industry associations, the non-food segment can be expected to generate a sales volume of around €320 Bn in the institutional retail sector¹. The product-range-based sales structure has changed only slightly year-on-year.

Online retail continues to grow at a moderate pace

After two years of modest growth or nominal declines in turnover, the recovery in the German online retail sector has gained momentum in 2025. Net turnover from new goods rose by 3.9 percent to €92.3 Bn, a slightly stronger increase than in the previous year. At the same time, online growth exceeded the 2.9 percent increase seen in bricks-and-mortar retail. The annual online volume has increased by €19.3 Bn as compared with 2020. A further increase of 4.3 percent to €96.3 Bn is forecast for 2026.²

Once again, all the sectors under review recorded growth in their online business. Growth rates continued to converge, ranging between 1.8 and 4.9 percent in most product categories. One notable exception was everyday consumer goods, known as fast-moving consumer goods (FMCG): Online sales of food, cosmetics, drugstore products, and pet supplies rose by 10.4 percent, growing at more than two-and-a-half times the rate of the overall market. Health and wellness saw an increase of 4.9 percent, while jewellery and watches rose by 3.1 percent. Online sales of consumer electronics and leisure and hobby products each rose by 2.9 percent, while fashion and accessories rose by 2.8 percent.³

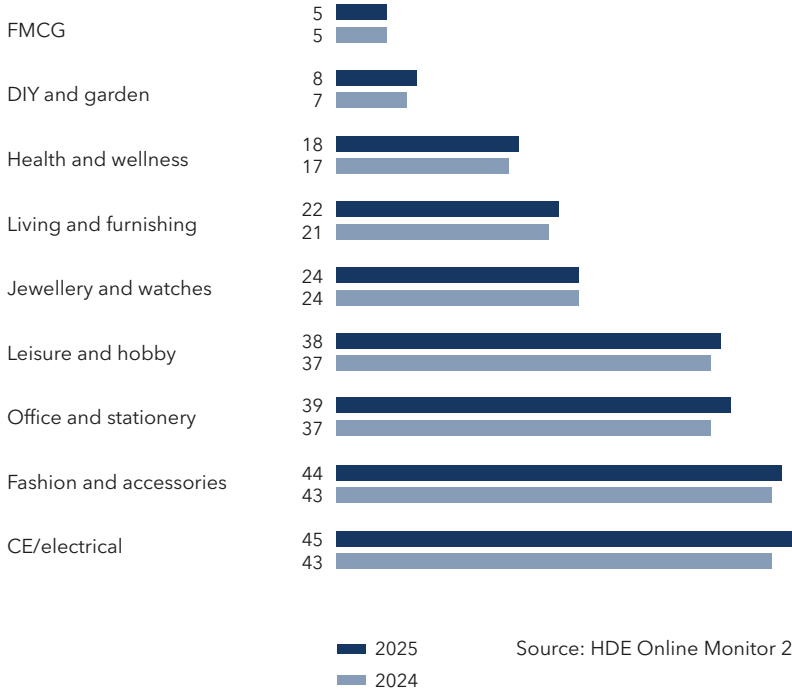
² HDE Online Monitor 2026, pp. 3, 5-6 and 9-10.
³ HDE Online Monitor 2026, pp. 7 and 13-14.
⁴ HDE Online Monitor 2026, pp. 9 and 13.
⁵ HDE Online Monitor 2026, pp. 12 and 15.



The share of online retail in retail in the narrower sense rose slightly from 13.4 percent to 13.5 percent. There continue to be significant differences between food and non-food products: The share of online sales rose to 19.1 percent in the non-food market in 2025, while it was at 3.2 percent in the food sector. These differences in market penetration are also evident at sector level. Consumer electronics accounted for 45.1 percent of online sales, while fashion and accessories accounted for 44.2 percent [see figure 13]. 38.9 percent of sector turnover was generated online in the office and stationery sector, while the figure was 37.6 percent in the leisure and hobbies sector. DIY and gardening, at 7.6 percent, and everyday consumer goods, at 4.9 percent, remained largely driven by bricks-and-mortar retail.⁴

Fashion and accessories remained the largest online sector, with an online turnover of €21.2 Bn and a market share of 22.9 percent. Consumer electronics followed with €19.7 Bn, or 21.3 percent. Together, these two sectors accounted for around 44 percent of the total online volume. However, their combined share is gradually declining; in 2017, it had still stood at more than 50 percent. Growth was particularly evident in everyday consumer goods, whose share of online sales rose to 14.5 percent, or €13.4 Bn.⁵

[13] Online share of total turnover per sector in 2024 and 2025
Figures in percent



Source: HDE Online Monitor 2026, p. 13

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DIY and gardening, at 7.6 percent, and everyday goods, at 4.9 percent, remained largely driven by bricks-and-mortar retail.

The structure of suppliers by business origin changed only slightly in 2025. Companies with their origins in online or mail-order retail accounted for 55.0 percent of the total. Retailers with a bricks-and-mortar background continued to account for 34.9 percent, while manufacturers with direct online sales accounted for 10.1 percent. Sales via online platforms remained the fastest-growing retail format at the same time: Turnover generated there rose by 5.4 percent, compared with 3.8 to 4.0 percent for the other retail formats.⁶

Online marketplaces saw their share of total online sales rise slightly to around 56.7 percent. The largest market participant's marketplace business covered 46.1 percent, while its own retail business accounted for another 17.2 percent. Other marketplaces

made up 10.8 percent. The rest of the online retail sector saw its share decline slightly, accounting for 25.9 percent of the market by contrast. The increasing focus on platforms, therefore, remains a key structural trend, even though the differences in growth between marketplaces and other retail formats have narrowed recently.⁷

New platform models and foreign providers are increasing competitive pressure

The share of foreign online providers in the German online market reached around 11.8 percent, or €10.9 Bn, in 2025. Temu and Shein accounted for a significant proportion of this: Their combined turnover has been provisionally estimated at around €4.7 Bn,

which corresponds to approximately 5 percent of the total German online retail market. The estimate is based on around 16 M shoppers, an average of 8.5 orders per year and spending of just over €34 per order.⁸

As their reach expands, regulatory scrutiny of international platforms is intensifying. In July 2025, the European Commission provisionally concluded that Temu had not adequately assessed the risks of illegal products being sold on its platform. Formal proceedings were initiated against Shein in February 2026, relating, among other things, to the sale of illegal products, the design of the platform and the transparency of its recommendation systems.⁹

Even established platform operators are responding to the success of Asian low-cost providers. Amazon Haul, a service specifically geared towards low-priced products, was launched in Germany in June 2025. Four months after its launch, brand awareness had already reached 47 percent, and 13 percent of the respondents had shopped there. In doing so, an established retailer is applying key elements of the Temu and Shein model – low prices, a wide range of products and a presentation heavily focused on promotions – to its existing platform environment.¹⁰

Another structural shift is emerging as a result of the growing use of artificial intelligence. By autumn 2025, 60 percent of internet users had already used such applications, 26 percent of them regularly. Among those who use AI chatbots, 35 percent also used them to research products. The focus was on comparisons of product features, quality assessments, and prices. This creates yet another channel for accessing product information and making purchasing decisions, alongside search engines, marketplaces, and social media. Consequently, for retailers, it is not only visibility on traditional platforms that is becoming increasingly important, but also the structured provision of machine-readable product and offer data.¹¹

Overall, developments in 2025 indicate that online retail is continuing to mature. Growth is spread more evenly across the sectors, marketplaces maintain their central position, and new providers intensify competition on price and platform alike. AI-powered product search is changing the way consumers gather information and make decisions at the same time. Online retail is, therefore, continuing to evolve not only through rising turnover, but above all through changes in search and decision-making processes and an increasing shift in reach and transactions towards digital platforms.



⁶ HDE Online Monitor 2026, pp. 21 and 24.

⁷ HDE Online Monitor 2026, p. 25. Any discrepancies between the reported total percentage of marketplaces and the sum of the rounded individual figures are due to rounding.

⁸ HDE Online Monitor 2026, pp. 29–31.

⁹ European Commission: Preliminary finding: Temu is in breach of the Digital Services Act with regard to illegal products, press release dated 28/07/2025, quoted from germany.representation.ec.europa.eu; European Commission: DSA: EU Commission launches investigation into Shein, press release dated 17/02/2026, quoted from germany.representation.ec.europa.eu.

¹⁰ HDE Online Monitor 2026, p. 33.

¹¹ HDE Online Monitor 2026, pp. 40–42.

1.5 Textile retail

Fashion market remains at a low level of growth

The German clothing market proved to be comparatively stable in 2025, in spite of the continuing challenging conditions. According to calculations by the BTE - Handelsverband Textil/Schuhe/Lederwaren - the market volume for clothing (excluding footwear) and home textiles rose by 0.9 percent to €68.1 Bn in 2025 after a slight turnover reduction in the previous year. Mail-order and online sales rose by 3.9 percent to €19.5 Bn while turnover in the

bricks-and-mortar textile retail sector remained virtually unchanged from the previous year at €36.3 Bn. Online sales reached their highest level since 2022 with a 28.7 percent share of turnover. Nevertheless, bricks-and-mortar textile retail remained the most important sales channel, accounting for more than half of the sector's total turnover.

Alongside specialist retailers, department stores and food retailers in particular maintained their position as established distribution channels for clothing, with market shares of just under 5 to 6 percent. Compared with the previous year, department stores in particular saw an increase in turnover (+2.9 percent). Sports shops (-3.4 percent) and DIY and home improvement stores (-4.3 percent) recorded turnover reductions within the textiles sector by contrast. In the food retail sector, clothing sales fell by just 0.6 percent. Overall, however, the economic situation for many clothing retailers remains difficult. According to the BTE business survey, around half of bricks-and-mortar clothing retailers recorded a negative operating profit in 2025. Revenue forecasts for 2026 also remain cautious. The main factors weighing on retailers

68.1

€bn turnover in
textile retail 2025



Increasing polarisation

continue to be general consumer reluctance to spend, rising costs and increasing competitive pressure from international online platforms.¹ The insolvency situation eased slightly in 2025. Among fashion companies with an annual turnover of more than €10 M, the number of insolvency filings fell by 42 percent, while the total number of filings rose slightly by 0.6 percent compared with 2024.²

The generally stable performance of the German clothing market masks the growing polarisation of the fashion retail sector. Traditional department stores as well as parts of the mid-sized and mid-price fashion retail sector experience competitive pressure while well-capitalised retail groups continue to expand their market share and profitability. Price-conscious retailers and high-profile brands, on the other hand, performed well. For example, the international fashion retailer New Yorker once again increased its consolidated turnover by 13.2 percent in the financial year of 2025 as compared to the previous year, to €3.56 Bn. The German market accounted for €1.10 Bn, or about 30.9 percent.

¹ BTE Handelsverband Textil/Schuhe/Lederwaren (2026): BTE Factbook 2026.

² Fashion insolvencies: These proceedings were initiated in 2025, as reported by www.textilwirtschaft.de on 03/12/2025.



Price-focused suppliers and high-profile brands performed well.

Overall, this growth was driven both by higher turnover at existing stores and by the international expansion of the store network.³ The Spanish fashion group Inditex also continued on its growth trajectory. Global consolidated turnover rose by 3.2 percent to €39.9 Bn in the financial year of 2025/26; on a currency-adjusted basis, growth stood at 7 percent. Newer brands such as Bershka, Stradivarius and Oysho performed much more strongly while the core Zara brand grew by just one percent.⁴ H&M recorded comparatively moderate growth in the financial year of 2024/25, with a 2 percent increase in revenue on a currency-adjusted basis. The company improved its operating margin to its highest level in the past five years. This underlines its increased profitability at the same time.⁵

The textile discount sector proved to be comparatively resilient in 2025. In spite of subdued consumer demand, Takko Fashion managed to hold its own and, according to its own figures, gain further market share

in its home market of Germany. The fashion discounter, which operates across Europe, achieved consolidated turnover of €1.283 Bn in the financial year of 2025/26, which was 2.6 percent lower than the previous year's figure. At the same time, profit before tax rose by 5.4 percent to a record €190 M. The company attributes this development in particular to a more focused product range, higher gross margins and investment in shop refurbishment and digitalisation.⁶ KiK also continued on its growth trajectory. The textile discounter increased its consolidated turnover to about €2.5 Bn in the financial year of 2024/25 and further strengthened its market position, in particular in Germany and Eastern Europe.⁷ The situation remained considerably more challenging for traditional department stores. Galeria, in particular, saw its turnover fall by more than €100 M in the first half of 2026 alone, while at the same time its gross profit was significantly below the previous year's level. Industry experts, therefore, continue to see a significant need for investment.⁸

³ New Yorker has had a record year and is more profitable than Inditex, as reported on www.textilwirtschaft.de on 29/06/2026.

⁴ Zara parent company: What is behind the figures in Inditex's financial statements, as reported on www.textilwirtschaft.de on 11/03/2026.

⁵ H&M is off to a slow start in the new year, as reported by www.textilwirtschaft.de on 29/01/2026.

⁶ Takko Fashion posts record results and starts the new financial year with strong momentum, Takko Corporate press release, June 2026.

⁷ Mass redundancies at KiK: Hundreds of stores are set to close, according to www.hi-heute.de, 24/03/2026.

⁸ Galeria is apparently losing more than €100 M in turnover, according to www.textilwirtschaft.de, 20/04/2026.

Quality replaces expansion

The site strategies of many fashion companies are shifting from quantitative growth towards optimising existing store networks. The focus today is on larger sales areas, modern store concepts, and higher space productivity rather than aiming for the highest possible number of stores. Unprofitable sites are being systematically closed or merged at the same time. The Inditex Group pursues this strategy with particular consistency. The group has managed to increase both its turnover and its sales area in recent years in spite of a reduction in the number of stores. Larger flagship stores in prime locations are replacing smaller stores and achieving higher space productivity while rental costs remain stable.⁹ H&M also

continues to optimise its store network. The group opened 92 new stores worldwide in the financial year of 2025. At the same time, however, it closed 244 sites and intends to continue along this path in 2026.¹⁰ C&A is pressing ahead with its transformation into an omnichannel retailer. As well as modernising its store network, the company invests in self-checkout systems and new shop concepts, while optimising its store portfolio through smaller, more productive sales areas.¹¹ Following the completion of the restructuring, Peek & Cloppenburg Düsseldorf is focusing on stabilising its store network. The company continues to run 69 stores in Germany and, with more than 170 sites in 17 countries, ranks among the leading multi-brand fashion retailers.¹²



⁹ Zara parent company: What is behind the figures in Inditex's financial statements, as reported on www.textilwirtschaft.de on 11/03/2026.

¹⁰ H&M is off to a slow start in the new year, as reported by www.textilwirtschaft.de on 29/01/2026.

¹¹ C&A optimises its omnichannel processes, as reported on www.fashionnetwork.com on 18/02/2026.

¹² Peek & Cloppenburg Düsseldorf is celebrating its 125th anniversary, quoted from www.fashionunited.de, 17/03/2026.

Takko Fashion and Primark also invest in modern shop concepts and greater space productivity. In the financial year of 2025/26, Takko modernised a total of 106 stores and opened 85 new outlets in its core European markets.¹³ Primark ushered in a new phase of growth in Germany at the end of 2025 with its first new store opening in five years and, compared with its initial expansion phase, is now focusing on smaller, more efficient store formats and a stronger focus on regional customer needs.¹⁴ By contrast, KiK is pursuing a consistent optimisation of its store portfolio. The textile discounter, which is one of Germany's largest retailers in terms of the number of stores, plans to close around 300 stores across Europe by the end of 2026, while at the same time opening new outlets in selected sites. The goal is to increase the profitability of the store network and ensure its long-term competitiveness.¹⁵

Technology and AI as a competitive factor

Fashion retailers are increasingly investing in digital technologies and automated processes as well as optimising their store networks. The focus here is less on new sales channels and more on improving productivity, service quality, and process speed. Omnichannel offerings, data-driven stock management

and digital customer services are increasingly becoming key competitive factors. Artificial intelligence, automation, and modern in-store technologies are transforming processes across the entire value chain at the same time, from goods procurement and in-store logistics right through to the shopping experience. The Inditex Group is the most advanced in this regard. In 2026, the group will invest around €2.3 Bn worldwide in the modernisation of its stores and in technological innovations. In addition to self-checkout systems, RFID technology, and automated sorting systems, Inditex is also focusing on AI-powered applications such as virtual changing rooms and digital returns and ordering processes.¹⁶

H&M and Takko are also continuing to drive forward their digitalisation efforts. H&M increases its investment in technology and logistics infrastructure, as well as in the closer integration of physical and digital sales channels.¹⁷ Takko is continuously developing its data platform, digital customer programmes and cloud-based IT systems, and is using AI applications to optimise stock management and customer engagement.¹⁸ C&A modernises its omnichannel infrastructure through cloud-based stock management that consolidates in-store and online stock in real time. This is supplemented by RFID-supported stock management processes and the introduction

of a central order management platform, which manages Click & Collect, Ship-from-Store and other cross-channel fulfilment processes more efficiently.¹⁹ As part of its digital strategy, Peek & Cloppenburg Düsseldorf is increasingly relying on AI-powered product recommendations, personalised customer engagement and modern CRM and data platforms to better link in-store and digital customer interactions and optimise shopping processes on the basis of data.²⁰

Second-hand goods and the circular economy

Awareness of sustainable fashion has grown significantly in recent years. Consumers are increasingly opting for environmentally friendly and ethically produced or second-hand clothing. The share of second-hand clothing in the German clothing market is now likely to be around ten to 15 percent. Second-hand fashion is thus evolving from a niche market into an integral part of the fashion retail sector. Younger consumers, in particular, buy second-hand clothes more often than average. They combine new and second-hand clothes quite naturally in this, using a variety of sales channels for this purpose. Platforms such as Vinted are, therefore, in direct competition with traditional fashion retailers and online

platforms. Second-hand goods are no longer associated exclusively with sustainability but are often also seen as offering value for money, individuality and access to premium brands.²¹ For the fashion retail sector, the circular economy is, therefore, becoming increasingly important both as a competitive factor and as an integral part of future business models. New European regulations shape the textile industry's transition towards greater sustainability and a circular economy at the same time. The introduction of the Ecodesign for Sustainable Products Regulation (ESPR), the mandatory separate collection of used textiles in force since 2025 and the planned Extended Producer Responsibility (EPR) are further raising the requirements for product transparency and traceability throughout the supply chain. This means a growing need for high-quality product data, as well as transparent and traceable supply chains for manufacturers and retailers. Consequently, investments in product data management, merchandise management systems and digital processes are being given greater priority.²²

¹³ Takko Fashion posts record results and gets off to a strong start in the new financial year, Takko Corporate press release, June 2026.

¹⁴ Primark back on track for growth in Germany, Primark Germany press release, November 2025.

¹⁵ Mass redundancies at KiK: Hundreds of stores are set to close, according to www.hi-heute.de, 24/03/2026.

¹⁶ Zara parent company: What is behind the figures in Inditex's financial statements, as reported on www.textilwirtschaft.de on 11/03/2026.

¹⁷ H&M gets off to a slow start in the new year, as reported by www.textilwirtschaft.de on 29/01/2026.

¹⁸ Takko Fashion posts record results and gets off to a strong start in the new financial year, Takko Corporate press release, June 2026.

¹⁹ C&A optimises its omnichannel processes, as reported on www.fashionnetwork.com on 18/02/2026.

²⁰ Peek & Cloppenburg Düsseldorf is celebrating its 125th anniversary, quoted from www.fashionunited.de, 17/03/2026.

²¹ NIQ Report, Decoding the Fashion E-commerce European Market in 2026.

²² BTE Handelsverband Textil/Schuhe/Lederwaren (2026): BTE Factbook 2026.

Price sensitivity and platform-based trading are reshaping competition

Competition in the fashion retail sector is increasingly shaped by changing consumer behaviour and the growing influence of digital platforms. In light of the continuing reluctance to spend, consumers are focusing more on value for money, the range of products on offer and short-term availability. International online platforms such as Shein and Temu are intensifying competitive pressure on high-street fashion retailers and established online retailers at the same time. According to the BTE, competition from these platforms is now one of the sector's biggest challenges. The shift of customers towards multi-label online retailers, as well as the increasing use

of direct sales by many brand manufacturers, is also bringing about lasting changes to the competitive landscape.²³ Platform-based retail is thus continuing to grow in importance.²⁴ In addition, TikTok Shop is establishing itself as another sales channel for fashion-conscious target groups, having achieved a high level of brand awareness shortly after its market launch.²⁵ For the fashion retail sector, this represents a fundamental shift. Competition is increasingly being decided on the basis of digital reach, platform presence, and price competitiveness. Bricks-and-mortar retailers are responding to this by differentiating themselves more strongly through brands, expert advice, service, and the shopping experience, while the integration of bricks-and-mortar and digital sales channels is becoming increasingly important.

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The physical store is evolving from a mere point of sale into a key point of contact within a cross-channel brand strategy.

Lifestyle and brand presentation are becoming increasingly important

Brand positioning is becoming increasingly important in the fashion retail sector alongside price and product range. Brand identity, emotional customer engagement, and experience-driven shopping concepts are increasingly shaping the competitive landscape. Flagship stores, curated product ranges, and high-quality store concepts are increasingly being used to showcase brands and build customer loyalty. In this context, the physical store is evolving from a mere point of sale into a key point of contact within a cross-channel brand strategy. Community building, cultural partnerships, and social media are playing an increasingly important role at the same time. Companies are increasingly investing in events, partnerships with content creators and digital brand experiences. H&M is increasingly linking its brand communication with music, cultural and lifestyle events, while Inditex is specifically expanding its community offerings and partnerships centred on sport and fitness through formats such as Oysho. C&A adopted a data-driven influencer marketing strategy for its Europe-wide denim campaign in 2026 in order to measure the success of its collaboration with content creators and to optimise the campaign's reach and impact in a targeted manner.²⁶ Due to its consistently bricks-and-mortar business model, New Yorker positions the shop as an emotional brand experience and deliberately

sets itself apart from the competition through fashion expertise and brand identity. Overall, the fashion retail sector is thus increasingly evolving into a lifestyle-oriented market in which product, brand, community, and digital communication are becoming ever more closely intertwined.

Outlook: Continued consolidation

The consolidation of the German fashion retail sector is likely to continue in the coming years. Medium-sized fashion retailers in particular face the challenge of distinguishing themselves from the intense price competition through advice, service, product range expertise, and clear brand positioning, while financially strong retail companies are further strengthening their market position through investment in digitalisation, modern store concepts, and omnichannel strategies. At the same time, lifestyle concepts, brand presentation, and digital customer communication are becoming increasingly important. Attractive sales areas, high-quality shopping experiences, and seamless integration of physical and digital sales channels are, therefore, key factors in the success of bricks-and-mortar fashion retail. However, the example of New Yorker shows that the future of the fashion retail sector does not necessarily have to lie in the integration of physical and digital sales channels. The vertical fashion chain continues to follow a “no e-commerce” model.²⁷

²³ BTE Handelsverband Textil/Schuhe/Lederwaren (2026): BTE Factbook 2026.

²⁴ HDE Handelsverband Deutschland (2026): Online Monitor 2026.

²⁵ Purchasing decisions in the feed: TikTok Shop is transforming online retail, press release from Wiener Neustadt University of Applied Sciences, June 2026.

²⁶ How C&A uses influencer marketing to maximise its reach, as quoted from www.fashionunited.de on 24/04/2026.

²⁷ New Yorker CEO: “If you do the maths properly, online growth comes at a high price,” as quoted from www.wiwo.de dated 10/03/2026.

1.6 Footwear retail

The footwear market remains under pressure

The German footwear market remained under considerable pressure in 2025 as well. The sector recorded a turnover reduction for the second year running. While the market had grown by 5 percent in 2023 year-on-year, market volume initially fell slightly by 0.5 percent in 2024. This trend became more pronounced in 2025. According to preliminary calculations by the BTE, gross turnover fell by another 1.5 percent to €11.48 Bn. Structural change in the distribution channels continued at the same time. While bricks-and-mortar shoe retailers saw their turnover lose nearly 4 percent and go down to €6.45 Bn according to BTE calculations, online-only retailers increased their turnover by 4.4 percent to €2.87 Bn, further consolidating online retail's position as the second most important sales channel, well ahead of specialist clothing and sports retailers.¹

The official turnover statistics provide only a supplementary indicator, as the Federal Statistical Office does not report on trends for the footwear sector alone, but for the broader economic sector of 'textiles, clothing, footwear and leather goods'. In 2025, this sector was 0.3 percent below the previous year's level in nominal terms.² Online retail performed significantly better. According to figures from the German E-Commerce and Mail Order Association (bevh), online sales of footwear rose by 3.7 percent in 2025 to €4.08 Bn³, with the bevh tracking total e-commerce sales of footwear – that is, not only online-only retailers but also online sales by bricks-and-mortar retailers and marketplaces. Online sales of footwear continued to grow in the first half of 2026 as well. In the first quarter, it was 3.7 percent higher than in the corresponding quarter of the previous year, and in the second quarter it was 3.4 percent higher.⁴

¹ BTE Handelsverband Textil/Schuhe/Lederwaren (2026): BTE Factbook 2026.

² Federal Statistical Office (2026): Retail turnover in 2025 was 2.7 percent higher in real terms than in the previous year, Press Release No. 038 of 02/02/2026.

³ Press conference: Growth in e-commerce: A ray of hope for the German economy, bevh press release, January 2026. The bevh covers the entire e-commerce market for footwear; the figure is, therefore, not directly comparable with the €2.87 Bn reported for the BTE 'online pure players' category.

⁴ The first half of the online retail sector: People in Germany are happier to spend money again, bevh press release, July 2026.

Concentration on a small number of market leaders

Ongoing competitive and cost pressures are increasingly changing the market structure of the German footwear retail sector. Financially strong market leaders are consolidating their position while numerous small and medium-sized shoe retailers are finding themselves in difficulty. The market consolidation resulting from insolvencies and restructuring may open up additional opportunities for expansion, in particular for larger chain retailers, and strengthen their competitive position at the same time. The Deichmann Group held its own even in a declining market. In 2025, the Group increased its global turnover by more than 2 percent, on a currency-adjusted basis, to around €8.9 Bn. In Germany, the group achieved turnover of around €2.7 Bn.⁵ Snipes, the trainers and streetwear chain that forms part of the Deichmann Group, also continued its growth trajectory. According to the company, Snipes achieved annual turnover of around €2 Bn for the first time in 2025. It further strengthens its position in the international trainers market.⁶

In contrast, the difficult economic situation faced by many traditional shoe retailers continued. In the financial year of 2025, the Mücke Group recorded a 7.5 percent turnover reduction to €94.2 M. The EBITDA dropped from about €4.4 M to about €0.5 M at the same time, reflecting the increasing pressure on margins in the specialist footwear retail sector.⁷ For other market players, the difficult market situation led to extensive restructuring and insolvencies. The restructuring of the long-established chain continued with Görtz's second insolvency in early 2025; in May 2025, the last store in Hamburg also closed. Schuh Graf (Schuh-Mann/Quick Schuh) also initiated restructuring proceedings under self-administration in June 2025.⁸ In 2026, the Bavarian shoe retailer Sutor, another long-established retailer, followed suit by filing for insolvency and downsizing its store network as part of the restructuring.⁹

⁵ New entrance to the Deichmann Campus: Inauguration of the headquarters building in Essen, solid financial results for 2025, press release from Deichmann Germany, February 2026.

⁶ Samuel Deichmann is to become the new head of Snipes, as reported on www.textilwirtschaft.de on 23/03/2026.

⁷ This is how things stood in 2025 at the regional chain Mücke, as reported by www.textilwirtschaft.de on 13/05/2026.

⁸ Footwear retailer Görtz has filed for insolvency for the second time, as reported by www.tagesschau.de on 21/01/2025; Schuh Graf sets the course for restructuring, press release from PLUTA Rechtsanwälts GmbH, June 2025.

⁹ Insolvent shoe retailer Sutor is scaling back its store network in Bavaria, as reported by www.br.de on 12/05/2026.

8.9

€bn global turnover of the Deichmann Group

Investments are bolstering omnichannel and bricks-and-mortar retail

Investment in the footwear retail sector is no longer focused on new retail space, but rather on the modernisation of existing outlets, omnichannel integration, service quality, and the customer experience. In spite of the challenging market conditions, many market participants are continuing with their investment programmes. The Deichmann Group keeps investing in the modernisation of its store network, the expansion of its omnichannel infrastructure, and in digital sales channels and IT systems.¹⁰ Other

retailers are also following this approach. The Kienast Group is continuously modernising its stores and further developing the Shoe4You concept with a stronger focus on target groups and closer integration of physical and digital sales channels.¹¹ Overall, there is a clear trend towards qualitative optimisation of existing retail sites rather than expansion driven by floor space. In the long term, this is likely to lead to another reduction in the number of bricks-and-mortar stores.



¹⁰ New entrance to the Deichmann Campus: Inauguration of the headquarters building in Essen, solid financial results for 2025, press release from Deichmann Germany, February 2026.

¹¹ The Kienast Group has opened a Shoe4You flagship store in Braunschweig, as reported by www.textilwirtschaft.de on 18/03/2026.

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Retailers and brands are investing in exclusive partnerships, brand-defining product ranges, and consistent brand presentation.

Lifestyle and community

As a result, the role of the physical store is changing. Success is no longer determined solely by product range and price, but increasingly by the integration of physical and digital offerings. Customer apps, loyalty schemes, and omnichannel services such as click-and-collect or home delivery have now become an integral part of many larger retail strategies. The store is thus evolving from a mere point of sale into an integrated service and advisory centre within a networked sales system. In the premium segment, there is also an increasing focus on the selective development of high-quality city-centre sites. Brands such as Copenhagen Studios are focusing on a small number of high-footfall sites, which, in addition to their sales function, are increasingly serving to showcase the brand, build customer loyalty, and provide advice. It becomes a central component of the overall brand strategy.¹²

The structural changes in the footwear retail sector are also altering retailers' product range and positioning strategies. Integrated fashion and lifestyle concepts are gaining in importance; shoes are marketed alongside clothing, accessories, and complementary product ranges.¹³ The aim is to create additional reasons to shop, increase the time spent in-store and reduce reliance on traditional demand for footwear. This shift is particularly clear in the trainers segment, which has become an integral part of the lifestyle and fashion market. Now that demand for limited editions has subsided, the focus is shifting to economic stability, predictable bestsellers, and more precise product range management. The trainer thus is positioned more as an everyday lifestyle product and less as a mere collector's item.¹⁴

¹² Johannes Rellecke, Copenhagen Studios: "We must be better than the competition", quoted from www.textilwirtschaft.de, 17/02/2026.

¹³ New coalitions: Why fashion retailers are now teaming up with footwear experts, as reported on www.textilwirtschaft.de on 17/12/2025.

¹⁴ The trainers business: Hanging in the balance, as quoted from www.textilwirtschaft.de on 23/07/2026.

At the same time, the role of emotional brand management is growing. Social media platforms such as Instagram and TikTok are becoming key sources of inspiration for purchasing decisions, while collaborations with content creators, sports stars and other brands are shaping the way brands engage with customers, in particular from younger target groups. This means that competition is not only driven by price and product, but also by brand identity, storytelling, and community building. Retailers and brands are investing in exclusive partnerships, brand-defining product ranges, and consistent brand presentation. One prime example of this can be found in Snipes, which has continually expanded its cultural relevance through long-term investment in artists, events, and authentic partnerships. The Ambition Score 2025, a study on the cultural relevance of brands, ranked it as the most relevant brand within the hip-hop community in Germany ahead of Nike and Adidas for the first time.¹⁵ However, this approach is not equally relevant to the market as a whole. In the price-conscious and functional footwear retail sector, value for money, availability, fit, and service remain key competitive factors.

Outlook: The pressure to adapt remains high

The market consolidation in the German footwear retail sector is set to continue. A broad-based cyclical recovery is not expected in 2026. In the BTE business survey, only 16 percent of shoe retailers expect an increase in turnover, around half expect results to remain unchanged, and around a third expect a significant decline.¹⁶ As a result, the pressure to adapt remains high, in particular in the bricks-and-mortar specialist retail sector. Larger retail groups are able to capitalise on economies of scale, omnichannel infrastructure and investment in shop refurbishment; smaller and medium-sized retailers must focus more on ensuring their profitability through floor space productivity, stock control, markdown management, customer advice, and local customer loyalty. The share of online sales is likely to continue to rise, without bricks-and-mortar stores losing any of their importance at the same time: It is increasingly becoming a space for advice, services, collections, and brand displays. However, a general shift towards lifestyle concepts among all providers is not to be expected. Clearly positioned specialist concepts such as comfort, children's, outdoor or premium footwear remain competitive along with lifestyle and trainer formats, as long as the product range, service, and site profile are consistent. For bricks-and-mortar retail, this is likely to mean fewer but higher-quality sites; expansion is likely to be selective and take place predominantly in the case of well-capitalised or clearly differentiated concepts.

1.7 DIY and garden centres

Market leaders with stable performance

German DIY and garden centres generated total gross turnover of €20.58 Bn in the financial year of 2025. This represents a fall of 1.6 percent year-on-year; on a like-for-like basis, the decline was 1.4 percent. This meant that, following 2023 and 2024, the sector recorded a decline in turnover for the third year running. In only four months – April, May, September, and December – were the figures higher than in the same months of the previous year.¹

The five DIY chain retailers with the highest turnover performed more steadily overall than the market as a whole and, taken together, recorded a turnover reduction of just 0.75 percent. However, there is a clear distinction within this group: BAUHAUS, OBI and HORNBACH managed to achieve slight growth of between 0.2 and 1.9 percent, while REWE, with its toom and B1 sales divisions, suffered a decline of 2.6 percent and hagebau a decline of 5.5 percent [see figure 14].² This revealed a growing gap in 2025 between the leading system providers and some of the other market participants.

3,397

DIY stores in Germany

The turnover reduction affected almost all bricks-and-mortar DIY forms of distribution. The trend in online retail was the opposite. Online sales by bricks-and-mortar retailers, online-only retailers and mail-order businesses rose by a combined 3.7 percent in 2025. DIY stores accounted for online sales of €1.22 Bn, „representing growth of 2.8 percent. The market share of building and DIY stores in total online DIY turnover stood at 21.0 percent. The trend suggests that the pandemic-induced correction in online sales is largely over and that digital sales are back on a moderate growth trajectory.³

¹⁵ Snipes overtakes Nike: These brands will be the most culturally relevant in Germany in 2025, as cited in www.absatzwirtschaft.de dated 29/09/2025.

¹⁶ BTE Handelsverband Textil/Schuhe/Lederwaren (2026): The fashion and footwear retail sector in 2025: Another setback for the industry, press release dated 12 March 2026.

¹ BHB – Handelsverband Heimwerken, Bauen und Garten e. V.: 2026 annual press conference of 3 March 2026, pp. 5 and 6.

² Dähne Verlag: DIY and gardening statistics, Germany, Austria, and Switzerland 2026, p. 30.

³ BHB – Handelsverband Heimwerken, Bauen und Garten e. V.: 2026 annual press conference of 3 March 2026, pp. 8 and 10.

[14] Top 5 DIY companies in Germany 2025

	Number of stores	Turnover 2025 in € M	Change compared to previous year in %	Turnover 2024 in € M
BAUHAUS	161	4,410	0.2	4,400
OBI	343	4,213	0.6	4,189
HORNBACH	100	3,316	1.9	3,254
REWE (toom/B1) ^a	301	2,960	-2.6	3,039
hagebau (Retail) ^b	442	2,584	-5.5	2,733

Source: Dähne, bulwiengesa GmbH, annual reports

^a Incl. Klee Gartencenter

^b The business is based on the hagebau system (hagebaumarkt + hagebau kompakt) and its retail partners.

No more than three out of a total of 22 product groups recorded growth year-on-year at product range level. In spite of a decline of 1.0 percent, the product group with the highest turnover remained construction chemicals and building materials, at €2.54 Bn. Plumbing, heating, and accessories totalled €1.95 Bn and remained at the previous year's level. The Wall and Floor product group recorded the highest relative growth in turnover, at 1.7 percent. The sharpest decline was recorded in the home and decoration sector, down 6.2 percent.⁴

The store network also shrank in 2025. The 20 largest DIY chain companies operated a total of 3,397 stores, each with a sales area of more than 400 sq m. Compared with 2024, this represents a decrease of 43 sites, or 1.3 percent. The number of stores has fallen by a total of 78 since 2020. This meant that more than half of the decline over this five-year period occurred in 2025 alone. At the same time, only 21 new shops were opened. Accordingly, the number of new openings was significantly below the average for the years 2019 to 2025, which stood at 34 new openings per year.⁵

⁴ BHB - Handelsverband Heimwerken, Bauen und Garten e. V.: 2026 annual press conference of 3 March 2026, pp. 13 and 14.

⁵ Dähne Verlag: DIY and gardening statistics, Germany, Austria, and Switzerland 2026, p. 33.



In 2025, the largest store networks were operated by hagebau, with 442 sites⁶, and EUROBAUSTOFF, with 440 sites. They were followed by BAUVISTA with 357, Sonderpreis Baumarkt or Fishbull with 354, and OBI with 343 sites. The expansion of Sonderpreis Baumarkt stands out particularly: Since 2019, the number of stores has risen from 270 to 354. The networks of hagebau and EUROBAUSTOFF have recently stagnated or reduced by contrast.⁷

The five DIY store operators with the highest turnover reduced their total sales area by around 82,900 sq m in 2025. OBI and

HORNBACH expanded their retail spaces, BAUHAUS remained largely unchanged, while REWE and hagebau reduced their sales areas. The average unweighted space productivity of the five largest operators stood at around €1,480 per square metre of sales area, remaining at the previous year's level. It was at about €1,450 per square metre for the 20 companies with the highest turnover, which equals a drop by 1.3 percent. Space productivity ranged from less than €1,000 to more than €2,300 per square metre of sales area [see figure 15].⁸ This high variation highlights the differing performance levels of operator models, sites, and store networks.

⁶ Only hagebau (353) and hagebau kompakt (89).

⁷ Dähne Verlag: DIY and gardening statistics, Germany, Austria, and Switzerland 2026, p. 32.

⁸ Dähne Verlag: DIY and gardening statistics, Germany, Austria, and Switzerland 2026, pp. 34 and 37.

[15] Sales area productivity and sales areas of DIY stores in Germany 2025

	Number of locations 2025	Sales area (sq m) 2025	Turnover € M 2025	Space productivity €/sq m	Ø sales area size m²
BAUHAUS	161	2,179,104	4,410	2,024	13,535
OBI	343	3,238,900	4,213	1,301	9,443
HORNBACH	100	1,426,889	3,316	2,324	14,269
REWE (toom/B1) ^a	301	2,335,974	2,960	1,267	7,761
hagebau (retail) ^b	442	2,649,440	2,584	975	5,994
Globus BAUMARKT	88	1,000,970	1,952	1,950	11,375
EUROBAUSTOFF (DIY TURNOVER)	440	650,789	1,300	1,998	1,479
HELLWEG	74	614,575	690	1,123	8,305
Euro-DIY	148	225,544	480	2,128	1,524
BAUVISTA (DIY turnover)	357	545,000	440	807	1,527

Source: Dähne Verlag, bulwiengesa, annual reports; starting at 400 sq m of sales area

^a Incl. Klee Gartencenter

^b The business is based on the hagebau system (hagebaumarkt + hagebau kompakt) and its retail partners.

Key challenges facing the sector

The DIY sector essentially faces three interlinked challenges: geopolitical and social pressures, increasing regulatory complexity, and changes in the customer and competitive landscape.

Geopolitical tensions, trade disputes, and new tariffs are affecting both supply and sales markets. Higher purchase, transport, and operating costs exacerbate price pressure. In some cases, this leads to rising prices for end consumers. At the same time, the rising cost of living is putting a strain on household budgets. As a result, DIY spending is competing more strongly with travel, dining out and leisure activities. Consumers are postponing investments, scaling back the scope of projects, or switching to cheaper sources of supply.

Additionally, there is a growing burden resulting from regulatory requirements and administrative procedures. The BHB specifically mentions the EU Regulation on deforestation-free supply chains, the European Packaging Regulation, the EU Battery Regulation, and national and European supply chain regulations. Implementation ties up staff and financial resources and places a disproportionate burden on small and medium-sized operators.⁹

The customer and competitive landscape is also changing. Factors weighing on the economy include low levels of consumer spending and investment by private households, rising labour, energy, rent, and site costs, sluggish new housing construction, and low levels of property transactions.

In addition, competitive pressure is mounting from discounters, non-food specialists, and international online platforms. Particularly in the case of tools, garden equipment and household goods, turnovers are increasingly shifting from traditional DIY stores to alternative retail channels.

The market is divided into three parts

The market is increasingly moving towards a three-way structural division.

The first group comprises large, nationwide, or international system providers such as BAUHAUS, OBI, and HORNBACH, as well as, to a lesser extent, toom, and Globus. These companies benefit from high brand awareness, large purchasing volumes, strong private-label products, professional product range management, and well-developed online and omnichannel structures. They have sufficient investment funds for modernisation and expansion at the same time. Their revenue growth stems less from growth in the overall market than from gains in market share and the displacement of competitors.

The second group comprises regionally based operators and companies with diverse store networks that have developed over time. These providers are frequently hampered by varying market sizes, low regional density, high rental, and operating costs, a need for modernisation and limited financial flexibility. They may lack both the economies of scale enjoyed by the large chains and the site-based cost flexibility of owner-managed businesses. The restructuring of HELLWEG, including the

⁹ BHB – Handelsverband Heimwerken, Bauen und Garten e. V.: 2026 annual press conference of 3 March 2026, pp. 22 to 26.

BayWa DIY and garden centres operated by the company, highlights these structural risks. HELLWEG had drawn up a restructuring plan to cut costs with the help of a consultancy firm as early as 2024. Site closures and financial difficulties were already apparent in 2025 even though the relevant insolvency proceedings were not initiated until 2026.

The third group comprises owner-managed regional and cooperative businesses, such as those within hagebau or similar networks. These companies can maintain a stable market position if they are firmly rooted in their local communities, have low property and site costs, combine building supplies with specialist retail, and serve local tradespeople and commercial customers. However, their stability is not guaranteed as a matter of course, but depends heavily on the quality of the site, the ownership structure, operational performance, and the shareholder structure.

Overall, market shares are shifting faster than the market as a whole is shrinking. Some leading companies managed to grow while industry turnover fell by 1.6 percent in 2025. This points to a growing concentration in favour of financially strong and high-performing systems. Concurrently, consolidation does not just happen through shop closures, but increasingly also by way of operator changes, franchise integration, and companies switching between cooperative groups.¹⁰

Specialist garden centres are faring better than DIY stores

The German specialist garden retail sector, when aggregated at national and international level, gave back part of the turnover gained in 2024. Companies with an annual turnover of more than €100 M recorded €110 M, or 0.9 percent, less turnover than in the previous year. The range was considerable, stretching from -13.0 percent at HELLWEG to +10.9 percent at REWE (toom/Klee). The decline at HELLWEG was accompanied by a reduction in the number of sites from 92 to 77.

As in previous years, the three traditional DIY store operators OBI, BAUHAUS, and HORNBACH generated the highest turnover. In fourth place was the Sagaflor group with €1.13 Bn, representing a 1.5 percent turnover reduction compared with 2024.¹¹

The 20 largest companies in the German specialist gardening retail sector operated a total of 33 fewer outlets than in 2024 (a fall of 1.1 percent) in 2025, leaving the total number of stores to 2,863. Only Sagaflor recorded a significant increase, adding eight sites.¹²

¹⁰ Six new shareholders for EUROBAUSTOFF, as reported by www.baustoffmarkt-online.de on 05/12/2025.

¹¹ Dähne Verlag: DIY and gardening statistics, Germany, Austria, and Switzerland 2026, p. 94.

¹² Dähne Verlag: DIY and gardening statistics, Germany, Austria, and Switzerland 2026, p. 106



Very different turnover patterns emerge between DIY and home improvement stores and traditional specialist garden centres if turnover is broken down into the two product categories "living greenery" and "garden hardware". This product group accounts for 69.4 percent, just over two-thirds, of turnover at specialist garden centres while DIY stores generate around 42.0 percent of their turnover from "living greenery".¹³

Space productivity is becoming the benchmark

A key trend is the growing importance of space productivity. The sheer number of sites and the size of retail spaces are becoming less important as measures of success. Large premises can become a burden when customer footfall is falling, staff costs are rising and the share of online sales is growing. Locations with low local purchasing power, high maintenance requirements, inflexible leases, and a lack of focus on project clients are particularly at risk.

Omnichannel is evolving from a complementary sales offering into a fundamental market requirement at the same time. Customers expect a combination of online information, product availability, project planning, booking, click-and-collect, and in-store advice. Providers with high-performance digital platforms and integrated processes, therefore, have a structural competitive advantage.

Furthermore, clear positioning in terms of price and performance is becoming increasingly important. A wide product range alone is no longer enough in a price-sensitive market. Successful suppliers combine competitive pricing, high stock availability, and project expertise. Traditional full-range retailers, on the other hand, come under pressure when broad product ranges result in high stock and space costs without establishing a clear pricing or service profile.

¹³ Dähne Verlag: DIY and gardening statistics, Germany, Austria, and Switzerland 2026, p. 118.

Outlook: Stabilisation is expected

The situation is expected to stabilise at a low level in 2026. Total turnover is expected to remain largely stable or show a slight increase in nominal terms. Sales volumes, however, are likely to remain weak. Leading providers are likely to gain further market share. Regional chain stores are likely to face further restructuring pressures, store closures, changes of operator, and selective acquisitions at the same time. Online retail and click-and-collect are expected to grow at an above-average rate.

A moderate cyclical improvement appears possible for 2027. However, the high growth rates seen during the pandemic are not expected to reoccur. Growth could be driven by an improvement in consumer sentiment, a slight upturn in housing construction and construction-related project categories. These include, in particular, energy-efficient refurbishment, heating, insulation, photovoltaic systems, water management and age-appropriate refurbishment. Services such as

project planning, installation coordination, tradesmen's networks, and financing are becoming increasingly important at the same time.

All in all, the German DIY market is currently undergoing a phase of structural consolidation and polarisation. Market volume is stagnating or falling slightly, while turnover and market share are shifting in favour of large, financially strong, and digitally integrated systems. Regional operators with diverse store networks and low space productivity are coming under increasing pressure. Owner-managed collaborative businesses can hold their own provided they are market leaders in their local area, have a competitive cost structure and are clearly positioned. The operator's creditworthiness, local market position, space productivity, and omnichannel capability will be decisive in future, rather than the sheer size of the network.

“

In 2027, a moderate cyclical improvement seems to be possible.

1.8 Electronics stores

76

€bn
industry turnover 2025

Slight increase in sector turnover for technical consumer goods in 2025

The Bundesverband Technik des Einzelhandels e. V. (BVT) estimated that turnover from technical consumer goods in Germany would amount to around €76 Bn in 2025 (2024: €75 Bn). This corresponds to an increase of around 1 percent. Following two years of decline, this suggests that the market is stabilising. Sales of small electrical appliances, information technology, and photography/video/action cameras, including accessories, increased according to NielsenIQ's consumer-related sales data for January to August 2025; the other product categories saw a decline.

The most severe relative declines were recorded in consumer electronics (–5 percent) and smartphones/wearables, including accessories (–4 percent)¹. The HEMIX index, compiled by GFU Consumer & Home Electronics, indicates an industry turnover of €46.9 Bn for 2025, which means a stable level as compared to the previous year. The BVT continues to see the strength of specialist bricks-and-mortar retailers primarily in providing guidance, personal advice, and after-sales support.²

¹ BVT – Bundesverband Technik des Einzelhandels e. V.: Press event on 04/11/2025, p. 1.

² BVT – Bundesverband Technik des Einzelhandels e. V.: Press event on 04/11/2025; GFU Consumer & Home Electronics GmbH: HEMIX Home Electronics Market Index Q1-4/2025. The BVT overall market comprises both the consumer and commercial markets and is, therefore, not directly comparable with the HEMIX consumer market.

Unchanged market shares for the forms of distribution

The integration of bricks-and-mortar store and online retail remains a defining feature; the shares of these forms of distribution have changed only slightly compared with 2024 in the electronics retail sector. 54 percent of turnover was generated by multichannel retailers as in the previous year. The share shifted only slightly: online from 31 to 32 percent and in-store from 16 to 15 percent among the pure players³. Turnover in the technology sector was once again dominated by four major market players in 2025. Between them, they generated gross turnover, including online sales, of €24.04 Bn (2024: €24.31 Bn) [see figure 16]. This represents a fall of around 1.1 percent compared with the previous year.⁴

CECONOMY remains Germany's largest electronics retailer

CECONOMY AG, comprising MediaMarkt and Saturn, remained Germany's highest-turnover electronics retail group in 2025. Reported gross turnover in Germany amounted to €11.41 Bn; compared with 2024 (€11.34 Bn), this represents an increase of around 0.6 percent. The number of retail outlets rose to 403, with eight new openings and one closure.⁵ The Group's overall online share stood at around 26 percent in the financial year of 2024/25.⁶

Acquisition by JD.com approved subject to conditions

In relation to the planned acquisition of CECONOMY AG by the Chinese group JD.com, the Federal Ministry for Economic Affairs has approved the transaction, subject to certain conditions, in the first half of 2026. These requirements are intended, in particular, to ensure the protection of customers' personal data in Germany. The Federal Government is also granted extensive supervisory powers and may revoke the approval in the event of breaches. JD.com welcomed the decision and expects full approval in the second half of the year. The acquisition thus has not been finalised yet. The European Commission has launched an in-depth investigation under the Regulation on subsidies from third countries. It is investigating whether any subsidies from third countries may have influenced the takeover process – for example, by leading to a higher bid for CECONOMY AG – or whether they could distort the competitive position of the merged entity. A decision is required by 2 October 2026 at the latest.⁷

In relation to its operational development, CECONOMY highlights, among other things, the modernisation of its store network. 75 percent of the core stores in the portfolio have now been modernised. More than 90 percent of the shops in the eleven countries are set to feature

[16] Top 4 companies for consumer electronics in Germany by turnover 2025

	Number of points of sale	Gross turn-over 2025 in €bn	Turnover development 2024-2025 in %	Net sales 2025 in €bn	Gross turn-over 2024 in €bn
CECONOMY (MediaMarkt, Saturn)	403	11.41	0.6	9.55	11.34
expert *	378	4.90	-1.9	4.12	5.00
ElectronicPartner (EP:, MEDIMAX, SP: ServicePartner) *	851	4.11	7.8	3.45	3.81
EURONICS (EURONICS, EURONICS XXL, MEDIA@HOME) *	1,150	3.62	-13.1	3.04	4.17

Source: EHI Retail Institute, * estimated values, all turnovers incl. online retail

the new design by the end of the financial year of 2025/26. Germany was the last market with Saturn stores at that time. In Germany, the 'Smart' store format was also rolled out at seven sites during the financial year of 2024/25: smaller, easily accessible outlets with a select range of products and a focus on services.⁸ Meanwhile, CECONOMY is gradually reducing the number of electronics stores operated under the Saturn brand. According to the company,

there were still 87 Saturn stores in Germany in autumn 2024. In 2025, a further 29 stores were rebranded, meaning that by the turn of the year 2025/26, only about 55 Saturn stores remained in operation. This trend continued at an accelerated pace in 2026. However, the Saturn brand is to continue to exist; from 2027 onwards, it will be developed further as a more distinct sub-brand for tech-savvy customers, including Saturn showrooms within selected MediaMarkt stores.⁹

³ BVT – Bundesverband Technik des Einzelhandels e. V.: Press event on 04/11/2025, p. 2.
⁴ EHI Retail Institute, July 2026.
⁵ EHI Retail Institute, July 2026; CECONOMY AG.
⁶ CECONOMY: Press release dated 17 December 2025. The EHI figure and the Group figure for the online share differ slightly due to differences in the definitions used; according to the EHI, the online share stands at 24.8 percent.
⁷ Report on approval by the Federal Ministry for Economic Affairs, quoted from www.zeit.de, dated 29/06/2026; European Commission: Third-country subsidies – Commission launches in-depth investigation into the planned acquisition of CECONOMY by JD.com, press release dated 28/05/2026, quoted from germany.representation.ec.europa.eu.

⁸ CECONOMY: Press release dated 17 December 2025.
⁹ Plans for Saturn showrooms in Media Markt stores, 09/07/2026, as reported by Handelsblatt online.

In spite of a turnover reduction, expert is sticking to its Strategy 2030+

In spite of a slight decline in turnover of about 1.9 percent to €4.9 Bn (gross), the expert Group once again ranked second in the turnover rankings in 2025. The network of outlets shrank slightly and comprised 378 retail outlets by the end of 2025.¹⁰ The group reacts to consumer caution, intense competition, and changing market conditions with this. The expert strategy 2030+ focuses on specialist consultancy as a competitive advantage;

this involves supporting shareholders and recruiting, developing, and retaining qualified staff in the long term. The goal is to create the best possible conditions for successful implementation in the field and to further develop specialist advice as a key competitive advantage. Personalised expert advice is to be complemented by digital tools and an efficient service network to ensure customers receive expert support.¹¹



¹⁰ EHI Retail Institute, July 2026.

¹¹ Future cooperation: The board presents the 2025/2026 annual accounts, press release from the expert Group dated 09/07/2026, quoted from www.expert.de.

ElectronicPartner (EP) reports an increase in turnover in a highly competitive market

The network partner ElectronicPartner (including EP specialist retailers, MEDIMAX and comTeam partners) achieved a gross turnover of €4.11 Bn in 2025, representing a 7.8 percent increase in turnover year-on-year. This moves the purchasing group up to third place in the turnover rankings. The network comprised 851 outlets.¹² In the course of the year, the group welcomed 38 new members, including specialist retailers and service partners. The "comTeam" technology network contributed positively to turnover, recording an increase of 18.5 percent year-on-year. The MEDIMAX retail store channel recorded a turnover reduction of 6.6 percent in contrast to this. This change is attributable, among other things, to the generally negative turnover development at large-format stores. Competitive pressure in the large-scale specialist retail segment is considered to remain high, which is why the company is set to continue its shift towards specialist retail. A strategic reorientation was initiated to improve efficiency and strengthen the focus on specialist retailers accordingly.¹³

EURONICS is committed to growth and value added

The EURONICS electronics retail group achieved gross turnover of €3.62 Bn¹⁴ in the past financial year; compared with 2024, this represents a decline of around 13.1 percent. This significant decline should also be viewed in the context of a smaller member network: EURONICS itself reported around 1,100 affiliated outlets for the financial year of 2024/25, down from 1,245 in the previous year. The purchasing group is holding its own in a highly competitive market, relying on its consultancy expertise, regional presence, and its multi-channel distribution network. The growing use of the MEINE EURONICS app is intended to boost customer loyalty and enhance cross-channel integration. EURONICS hopes to gain additional sales outlets and expand its reach through partnerships with V-Markt and hagebau in the white goods sector.¹⁵

Coolblue continues growth in Germany

The Dutch electronics retailer Coolblue has been present on the German market since 2020 and is continuing its active expansion. Following a 26.1 percent rise in turnover in 2024, turnover in Germany rose to €307 M in 2025, representing growth of around 30 percent.

¹² EHI Retail Institute, July 2026.

¹³ ElectronicPartner builds its reorientation on a solid previous year, press release dated 19/03/2026, quoted from www.electronicpartner.com.

¹⁴ EHI Retail Institute, July 2026. EURONICS reports central turnover of €1.313 Bn for the financial year of 2024/25; company profile EURONICS Deutschland eG.

¹⁵ Euronics aims to remain a key player in spite of a turnover reduction, as reported on www.channelpartner.de on 03/03/2026.



Coolblue aims to achieve a turnover of €2 Bn in Germany by 2029 and to operate 38 shops and eleven distribution centres.

Three new sites are also planned for 2026 while three new stores were opened in 2025. In the first half of the year, two of these were already opened in Berlin (the flagship store on Tauentzien) and Leipzig (Grimmaische Straße), bringing the total number of sites to nine. Furthermore, the company's regional presence was expanded with the addition of four further logistics sites; three more logistics centres are set to be added in 2026. The company's own delivery and installation service already reaches around half of Germany's population using the existing infrastructure, offering delivery on the customer's preferred date from the next working day.¹⁶

Expansion targets remain ambitious in the highly competitive German market. Coolblue aims to achieve a turnover of €2 Bn in Germany by 2029 and to operate 38 shops and eleven distribution centres. Having doubled its shops and distribution centres in 2024, the company was on schedule. As turnover rose by around 30 percent in both 2024 and 2025, higher growth rates will be required in the coming years to achieve the target of €2 Bn. Further expansion of the store and logistics network, as well as rising revenue per site and per customer, will, therefore, be crucial to achieving these targets. Germany remains a key market for Coolblue's expansion and growth as Coolblue's home market in the Netherlands is relatively saturated.¹⁷

Outlook: Stabilisation rather than a surge in demand

The German electrical goods retail sector is expected to see a gradual stabilisation rather than a widespread boom in demand in the second half of 2026. GFU Consumer & Home Electronics expects the home electronics market to see moderate growth in 2026. Growth is expected to be driven in particular by AI-enabled devices, new gaming hardware and energy- and resource-efficient household appliances; for built-in household appliances, the GFU sees additional potential in the second half of the year stemming from a pick-up in the construction sector.¹⁸ Consumer confidence remains weak at the same time: The consumer confidence index published by the Nuremberg Institute for Market Decisions (NIM) for August 2026 stands at -29.6 points; lower income expectations and a greater propensity to save are weighing on sentiment.¹⁹

The company-level decision on JD.com's planned acquisition of CECONOMY AG likely is going to be a key structural issue in the second half of the year. Irrespective of the eventual result,²⁰ the growing integration of bricks-and-mortar retail, e-commerce, logistics, and services is increasing competitive pressure in terms of reach, delivery speed and the quality of advice and service.

Economic conditions are expected to improve moderately in 2027. This means that private consumption could begin to recover, which could provide a boost to demand, in particular for higher-value goods such as white goods and consumer electronics.

In addition, the services business is becoming increasingly important from a strategic perspective. The new rules on the right to repair will apply to sales contracts; manufacturers of certain goods, including relevant electrical appliances, must repair them at the buyer's request from 31 July 2027 onwards. For retailers and retail groups with established repair, installation and service networks, this presents opportunities to differentiate themselves; at the same time, longer product lifespans may dampen sales of new appliances. 2027 is, therefore, likely to be characterised by selective growth rather than a widespread boom in demand all in all. Opportunities lie primarily in IT and artificial intelligence, innovative small appliances, energy-efficient household appliances, and services; at the same time, price sensitivity and intense competitive pressure remain key factors.

¹⁶ Coolblue: Growth report 2025 dated 12 February 2026, quoted from www.coolblue.de.

¹⁷ Coolblue's expansion faces its first headwinds, as reported on www.channelpartner.de on 12/02/2026.

¹⁸ GFU Consumer & Home Electronics GmbH: HEMIX Home Electronics Market Index Q1-4 2025, Forecast for the full year 2026 dated 5 March 2026, quoted from www.gfu.de.

¹⁹ Nürnberg Institut für Marktentscheidungen (NIM): Consumer confidence remains at a low level, according to www.nim.org, 24/07/2026.

²⁰ European Commission: Third-country subsidies – Commission launches in-depth investigation into the planned acquisition of CECONOMY by JD.com, press release dated 28/05/2026, quoted from germany.representation.ec.europa.eu. A decision is required by 2 October 2026 at the latest.

Special feature

Status of the planning law amendment BauGB and BauNVO amendment 2026 - effects on bricks-and-mortar retail

Key statement

The amendment introduces two key changes for the retail sector in particular: First, sales area, with its own statutory definition and the new sales area ratio (Verkaufsflächenzahl; VKFZ), is explicitly established as a quantifiable measure of building use. Second, the approval of large-scale local convenience stores will be facilitated if they stock a core range of goods relevant to local supply, serve the needs of local consumers and only exceed the existing 1,200 sq m floor area threshold by a modest margin. This does not entail a general increase in the 800 sq m sales area limit for all retail businesses.¹

1. Objectives of the amendment to the BauGB and the BauNVO

The Federal Government is seeking to perform a comprehensive modernisation of urban development and planning law with its draft bill on the modernisation of urban development and regional planning law. Faster and more strongly digitalised planning and consent procedures, a greater scope of action for local authorities, faster housing construction, better use of the existing housing stock, and greater emphasis on climate adaptation and water-sensitive urban development are at the focus.²

Planning law is to be made more flexible as well. This includes, among other things, new or expanded provisions in local development plans, experimental special zones, greater integration of housing and complementary uses, and a modernisation of regional planning legislation. The amendment thus is more than just a housing act. It alters the planning-law instruments governing numerous types of land use – including the retail sector.^{1, 2} Irrespective of the status of the amendments to the BauGB and the BauNVO, several federal states are currently in the process of adapting their existing State Development Programmes (LEPs) and making them more flexible.

2. Specific changes for bricks-and-mortar retailers

2.1 New sales area ratio and statutory definition of sales area

The new § 20a of the BauNVO is to introduce, for the first time, a sales area ratio (VKFZ) as a measure of building use. The VKFZ specifies the square-metre ratio of sales area permitted per square metre of land area. It may refer to a single plot of land or to the combined area of several or all plots within a development area. § 16 (2) of the BauNVO is amended at the same time. Going forward, the sales area ratio or the actual size of the sales area may be specified in the local development plan.

Federal law defines the sales area as the area where sales normally take place. This includes in particular the checkout areas, aisles, shop windows, display areas for furnishings, as well as stairs and lifts within the sales areas; circulation areas outside the lockable area are generally not included in the calculation. Local authorities may stipulate more detailed – or even different – specifications in the local development plan regarding the calculation of sales area.

This is of great practical importance for retail properties: Restrictions on sales area are given an explicit basis in planning law as a stipulation of dimensions. The legislature explicitly justifies this on the grounds of the previous lack of such a legal basis and the need for local authorities to be able to manage shifts in purchasing power and their impact on central supply areas more precisely.

2.2 Relief for large-scale local convenience stores

Large-scale retail outlets outside of the core areas are only permitted in special zones designated specifically for this purpose under the current § 11 (3) of the BauNVO. It can generally be assumed that there will be an impact on regional planning and urban development where the floor area exceeds 1,200 sq m. The Federal Administrative Court based its decision on a corresponding sales area of around 800 sq m. The 800 sq m sales area is, therefore, primarily a threshold for large-scale retail premises developed through case law; the wording of § 11 (3) continues to refer to 1,200 sq m of floor area.³

¹ Unless otherwise stated, the information on the draft bill relates to: German Bundestag, BT-Drs. 21/6588 of 22/06/2026, Draft Act on the Modernisation of Urban Planning and Regional Planning Legislation, in particular Art. 2 (§§ 11, 16, 20a of the BauNVO), Article 3 and the Explanatory Memorandum, pp. 147–153, quoted from www.dserver.bundestag.de.

² Legislative procedure: “Draft Act on the Modernisation of Urban Planning and Regional Planning Law”, Cabinet decision of 27/05/2026, quoted from www.bmwsb.bund.de.

³ Federal Council, BR-Drs. 334/26, 1067th meeting of 10/07/2026, quoted from www.bundesrat.de.

These thresholds are less than the current market levels. According to calculations by bulwiengesa based on TradeDimensions, the average sales area per store at ALDI SÜD in 2025 was around 1,027 sq m, at ALDI Nord around 974 sq m and at Lidl around 952 sq m. EDEKA and REWE’s sales divisions, at around 1,352 sq m and around 1,572 sq m respectively, are significantly larger than this [see figure 09]. New and modernised shops are also regularly larger than the premises they replace.

The draft adds a new fifth sentence to § 11 (3). Accordingly, a moderate exceedance of the 1,200 sq m of floor space threshold among retail outlets with a core product range relevant to local supply is to constitute a significant indication that the negative effects referred to in § 11 (3), second sentence, do not actually exist, provided that the business serves to meet local consumer needs. This makes it easier to authorise such markets even outside core and special zones.

The explanatory memorandum to the Bill defines ‘moderate’ as follows: As a general rule, any excess in floor area should not exceed approximately 300 sq m, i.e., up to around 1,500 sq m of floor area. This is not a new, rigid limit on sales area. If the ratio established in case law, which is 1,200 sq m of gross floor area to approximately 800 sq m of sales area, were applied, this would merely provide a rough guide of around 1,000 sq m of sales area; however, the legally decisive factor remains the assessment of each individual case in accordance with the new criteria.

Furthermore, the preferential treatment is specific to each site and product range. The shop must stock a core range of goods relevant to local supply and serve the needs of local consumers. The goal is to specifically exclude new sites located away from residential areas or sites with an insufficient population density according to the explanatory memorandum. The existing assessment of atypical circumstances will, in principle, continue to apply for other large-scale retail outlets.



Furthermore, the preferential treatment is specific to each site and product range. The market must offer a core range of products relevant to local supply and serve the needs of local consumers.

3. Advantages as compared to the current situation regarding retail properties

Topic	Current situation	Expected benefits of the amendment
Retail space management	The legal basis for restrictions on sales area as a measure of building use has not yet been expressly laid down in the BauNVO.	Explicit VKF/VKFZ designation; greater certainty, predictability, and comparability of property and land potential.
Definition of terms	The concept of sales area is largely shaped by case law.	Definition under federal law in § 20a of the BauNVO; fewer risks of interpretation, although the local development plan may specify otherwise.
Local convenience shops	If the threshold for large-scale development set out in § 11 (3) of the BauNVO is exceeded, the exceptional nature of the case must be fully justified on a case-by-case basis.	Reduced burden of justification and review in the case of an integrated, consumer-oriented convenience retail store and a moderate overshoot.
Modernisation of existing locations	Expansions of modern food markets often cross the line into large-scale retail.	More space for wider aisles, accessibility, modern product display, and larger product ranges, provided that the convenience retail focus is maintained.
Municipal governance	Regulation is often achieved through complex special-area designations and project-specific retail space quotas.	Additional standardised tools; VKFZ can also be tailored to specific regions.

4. Impact on retail businesses, investors, and consumers

4.1 Retailers

Opportunities for expansion and setting up new outlets at integrated local supply sites are improving for food retailers and other operators with a core product range relevant to local supply. The economically significant benefit lies not so much in a blanket authorisation of land use as in a reduced burden of justification and greater legal recognition of current land-use requirements. Operators must tailor their site and product range strategies precisely to their local supply function at the same time. For non-food retail stores and other large-scale retail formats, § 11 (3) sentence 5 provides no comparable privilege; for these, the new VKF/VKFZ system is the relevant change.

4.2 Investors and owners of retail properties

The amendment may simplify due diligence for investors under planning law. The permissible sales area can be specified as a separate parameter in the development plan and defined more consistently in future based on it. This improves the traceability of land potential, expansion reserves, and land-use

scenarios. The specified VKF/VKFZ, the specific definition of retail space in the development plan, and the site's integration into the urban fabric thus become key assessment criteria in addition to gross floor area and product range structure. Approval risks and the cost of expert reports may also be reduced in the case of convenience retail properties. The VKFZ also provides local authorities with a more precise tool for limiting sales area; the amendment thus serves both to enable and to regulate.

4.3 Consumers and local supply

Consumers can expect, above all, more modern and larger local convenience retail stores where appropriate. The explanatory memorandum to the law explicitly refers to changes in the requirements regarding product presentation, product range, and shopping atmosphere, as well as the increased space requirements of traditional local suppliers. Wider aisles and modern shop layouts can improve accessibility and the quality of the shopping experience. The protection of central supply areas remains a core objective of § 11 (3) at the same time; the relaxation is specifically not intended to apply to new, predominantly car-oriented sites without sufficient links to residential areas.

5. Classification of existing properties

The amendment primarily concerns the re-planning and expansion of sites. Applicable building rights and approved sales area remain unaffected. This does not initially give rise to any need to make adjustments for owners of existing retail parks, convenience retail centres, and large-scale food retail outlets.

In substance, the relief targets exactly the store formats that anchor these properties: Full-range retailers and discounters with a core product range relevant to local supply. The space required for these has increased in recent years, while the planning threshold has remained unchanged. The prospects for lease renewals and the revitalisation of existing properties will improve where anchor tenants are able to expand, modernise, or adapt their shop layout to current concepts more easily in future.

The amendment does little to alter the basic principle. Large-scale retail remains the exception outside core and special zones, and the local authorities are provided with an additional regulatory tool in the form of the sales area ratio. New sales area is, therefore, still only being created within very narrow limits. This shortage acts as a barrier to market entry for established sites with secured planning permission. The reference in the explanatory memorandum to sites located away from residential areas relates to the preferential treatment of new local convenience stores and does not endanger the approval of existing sites.

It remains to be seen how local authorities will make use of the new assessment options in practice. The new regulations do not bring any immediate benefit for specialist non-food retail stores; in this case, only the new sales area system applies.

6. Timetable and possible date of entering into effect

The amendment has not yet been passed as of August 2026. The Federal Cabinet approved the draft bill on 27 May 2026; the Bundestag debated it at its first reading on 25 June 2026. The Federal Council considered the government's proposal at its first reading on 10 July 2026. Since the bill does not require approval, the Federal Council can only delay it. It cannot prevent it. This does not mean that the parliamentary process has yet been concluded. It is possible that the legislation will be passed later in 2026, but this is not legally guaranteed.⁴

The draft bill provides that the amendments to the BauGB and the BauNVO shall, in principle, come into force on the first day of the quarter following their promulgation. The BMWSB states that the current plan is 1 January 2027. If the Act is promulgated in the fourth quarter of 2026, the most likely date for it to enter into effect would be 1 January 2027. Notwithstanding the above, the amendments to the Spatial Planning Act and the Federal Nature Conservation Act are to come into force six months after their promulgation.

Notice: This overview reflects the status of the ongoing legislative process as at 15/08/2026. Changes may still be made during the remainder of the parliamentary process.

⁴ Federal Council, BR-Drs. 334/26, 1067th meeting of 10/07/2026, quoted from www.bundesrat.de.

1.9 Non-food discounters

Non-food discounters are aperiodic, aggressively priced consumer goods retailers that usually have their product range focussed on textiles or hard goods. Hard goods and textile discounters in combination form a common component of many retail parks.

Non-food discounters remain among the most dynamic retail formats in the German retail sector. Retailers continued to increase their influence on consumers' everyday shopping habits while consumer demand as a whole showed only modest growth. According to a consumer survey performed by ECC Cologne in March 2026, 23 percent of consumers have increased their spending at non-food discounters over the past two years. This proportion is as high as 45 percent among 18- to 29-year-olds. Another 27 percent of those who have not previously shopped there can envisage shopping more frequently at non-food discounters in future as well.¹ The results show that these store formats are increasingly

evolving from being a price-driven source of supplementary shopping to becoming an integral part of shopping behaviour.

The leading providers benefited from this market development to varying degrees. Action continued its growth trajectory and increased its Europe-wide net turnover in 2025 by 16 percent year-on-year to €16.0 Bn.² In the first half of 2026, turnover rose by 14 percent compared with the same period the previous year to €8.3 Bn.³ TEDI exceeded the €3 Bn mark in gross turnover for the first time in the financial year of 2024/25. Figures for the financial year of 2025/26 have not yet been published. Woolworth continued its growth trajectory in the financial year of 2024/25, increasing its consolidated turnover by 12.1 percent to €1.03 Bn.⁴ Growth was largely driven by expansion: during the financial year, the non-food discounter opened 174 new stores, 62 of which were outside Germany. By contrast, the German

16

percent turnover
increase in Europe
for Action in 2025



core business, which accounts for around 95 percent of turnover, saw a decline on a like-for-like basis; like-for-like turnover fell by 1.4 percent.⁵ JYSK generated turnover of €6.2 Bn in the financial year of 2024/25; Germany accounted for around €1.3 Bn. Turnover in Germany rose by around 5 percent year-on-year.⁶ By contrast, performance at Pepco, Kodi, and MäcGeiz was significantly weaker. Pepco completed its restructuring at

the end of February 2026 and is now focusing its German operations on profitability with a significantly reduced network of stores.⁷ Kodi and MäcGeiz, on the other hand, remain subject to ongoing reorganisation proceedings, which are now directly linked.⁸ Overall, the gap between expanding market leaders and competitors in need of restructuring is widening.

¹ Trend Check Retail Vol. 16, ECC Cologne, April 2026.

² Action results 2025: Strong growth and progress in the sustainability programme, press release Action Germany, March 2026.

³ Growth in customer numbers drives Action's half-year net turnover up by 14 percent to €8.3 Bn, Action Germany press release, July 2026.

⁴ Net turnover of Woolworth department stores in Europe in the financial years 2010/2011 to 2024/2025, as reported by EHI Handelsdaten.de

⁵ Woolworth is growing thanks to expansion, as reported by www.lebensmittelzeitung.net on 05/07/2026.

⁶ Potential record-breaker: Jysk closes the financial year with record figures in Germany and worldwide, Press release from Jysk Germany, November 2025.

⁷ Pepco is relaunching in Germany with a significantly reduced network of stores, as reported on www.retail-news.de on 23/02/2026.

⁸ Kodi has filed for insolvency again and plans to close 50 stores, as reported by www.lebensmittelpraxis.de on 14/07/2026; MäcGeiz has to close around 50 stores, as reported by www.lebensmittelpraxis.de on 03/08/2026.

Displacement competition at the expense of specialist retailers

Shopping patterns in the retail sector are also changing as non-food discounters grow in importance. According to ECC, 38 percent of consumers stated that shopping at a non-food discounter replaces a trip into the city centre; among 18- to 29-year-olds, this figure is as high as 55 percent. These formats are also gaining in importance in relation to specialist retailers. Non-food discounters are often seen as an alternative to traditional specialist retailers and specialist suppliers, in particular when it comes to DIY products, seasonal goods, decorative items, stationery, and toys.⁹ Purchasing power and footfall are increasingly shifting away from

traditional specialist shops towards price-oriented retail formats as a result. DIY stores as well as food retailers offering promotional ranges, such as ALDI and Lidl, are coming under competitive pressure. Industry experts estimate that Action, TEDI, and Woolworth generated combined sales of around €1.4 Bn in the DIY and garden centre sector in 2025, thereby partly taking on the role of a "DIY store light". The share of non-food discounters in the German retail sector rose from under 14 percent to just under 18 percent between 2006 and 2024 according to IFH Cologne, while the share of independent specialist retailers fell from just over 25 percent to just under 12 percent over the same period.¹⁰



According to the ECC, 38 percent of consumers state that shopping at a non-food discounter replaces a trip into the city centre.

Expansion and consolidation

Expansion remains a key driver of growth in the sector; at the same time, market consolidation is gathering pace. Smaller competitors are coming under pressure as a result of subdued consumer demand, rising staff, and rent costs, and competition from international online platforms while financially strong companies are consolidating their position by expanding their store networks. Action continues to focus on organic expansion and opened 121 new stores across Europe in the first half of 2026, 33 of which were in Germany. The company plans to open at least 400 new stores in Europe for 2026 as a whole. Action is developing further markets at the same time: The company plans to enter the Bulgarian market in 2027; according to the company, the first store in the US is due to open in late 2027 or early 2028.

TEDI opened its 2,000th outlet in Germany in July 2025. This makes it one of the non-food discounters with the largest number of stores in the country. TEDI and Woolworth, in particular, are making use of retail space that has become available and new sites to expand their businesses. JYSK is placing greater emphasis on modernisation and optimising floor space. Pepco will initially focus on economically viable sites, having reduced its network from 64 to 36 stores following the completion of its restructuring at the end of February 2026. The market shake-out continues at the same time. Market growth is increasingly concentrated among a small number of large providers.

The pressure to consolidate is particularly evident in the relationship between Kodi and MäcGeiz. Kodi had already initiated protective shield proceedings at the end of 2024; as part of the restructuring, the store network was reduced from around 230 to approximately 150 sites in 2025. Kodi Beteiligungs GmbH, the parent company of Kodi Handels GmbH, agreed to acquire MäcGeiz from the Austrian MTH Retail Group at the end of February 2026. The two store networks, which were largely complementary at a regional level, were to be run independently, while sharing common structures and, in particular, integrating their procurement functions more closely; in return, the MTH Retail Group was to become a minority shareholder in Kodi Beteiligungs GmbH.¹¹ However, the expected synergies were unable to offset the financial difficulties in the short term: MÄC-GEIZ Handelsgesellschaft mbH and MTH Retail Services (Germany) GmbH applied for restructuring under self-administration as early as 12 May 2026. The company operated just over 180 stores with nearly 1,200 employees at that time; all sites were to be assessed for profitability. Kodi Handels GmbH finally filed another application for insolvency proceedings under its own administration on 14 July 2026. According to the company, around 50 of the approximately 150 remaining Kodi stores are expected to be closed.¹² This development shows that the intended consolidation and the realisation of economies of scale were unable to compensate, in the short term, for structural profit and cost problems faced by financially weakened providers.

⁹ Trend Check Retail Vol. 16, ECC Cologne, April 2026.

¹⁰ Non-food discounters – Action, Tedi and Woolworth are taking business away from specialist retailers, as reported by www.lebensmittelpraxis.de on 29/04/2026.

¹¹ Kodi takes over from Mäc Geiz, as quoted from www.zeit.de on 27/02/2026.

¹² Discount retailer Kodi has once again filed for insolvency, as reported by www.welt.de on 14/07/2026.

Competitive pressure from online platforms

Non-food discounters are also coming under pressure from international online platforms as well as facing competition from other bricks-and-mortar retailers. 23 percent of consumers stated that they now increasingly purchase products that they used to buy from non-food discounters via platforms such as Temu or Shein in the ECC survey. This proportion stood at 48 percent among 18- to 29-year-olds.¹³ Since 1 July 2026, the previous duty-free allowance for consignments of goods from non-EU countries with a value of up to €150 has been abolished; as a transitional measure, a flat-rate import duty of three euros per product category within a consignment is generally levied.¹⁴ The extent to which this will alter ordering behaviour and the price gap compared with Asian platforms remains to be seen.¹⁵ The leading bricks-and-mortar non-food discounters continue to rely on their store network as the core of their business model. The focus is on bricks-and-mortar retail for Action, TEDI, and Woolworth; JYSK, on the other hand, also operates a fully-fledged online shop in Germany. Product availability, promotional offers, and impulse purchases remain key advantages of bricks-and-mortar retail where product ranges are low-priced and change frequently. Digital customer engagement is becoming increasingly important at the same time. Action achieves high reach through social media and organic customer-generated content, while TEDI

and Woolworth also use their social media channels to communicate product information and promotional offers.¹⁶ Competition thus shifts from pure price leadership towards a combination of price, store presence, product range dynamism, and digital reach.

Outlook: Mixed market development

The non-food discount segment is expected to see a continuation of this split market development for the remainder of 2026. The overall economic environment continues to be characterised by subdued consumer spending and a persistently high level of price sensitivity. These market conditions fundamentally underpin demand for price-focused retail formats. Rising staff, rent, and procurement costs are putting pressure on profits at the same time. In light of this, it is likely that primarily well-capitalised operators with scalable procurement and logistics structures will continue to expand, while smaller and financially weaker providers will continue to streamline their store networks or implement further restructuring measures. Space becoming available as a result of insolvencies and restructuring could further facilitate the expansion of Action, TEDI and Woolworth. The import duty on low-cost parcels from third countries, which has been in force since July 2026, is likely to partially reduce the price advantage enjoyed by international platforms; however, it remains to be seen whether this will result in a measurable shift back towards bricks-and-mortar retail.

The trend towards discount retailing and price-consciousness is likely to remain largely intact in light of the current market conditions and those expected for 2027. This suggests that well-capitalised retailers will continue to expand selectively. Competition will increasingly be decided by factors such as the quality of a site, space productivity, purchasing terms, product range rotation, and digital reach at the same time. Market leaders are likely to continue to capitalise on their economies of scale in procurement and logistics and to acquire further sites. Further consolidation remains likely, however, for weaker providers. Overall, therefore, it is more likely that the leading non-food discounters will gain further market share in 2027 than that the sector as a whole will experience widespread growth.

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The leading bricks-and-mortar non-food discounters continue to rely on the store business as the core of their business models.



¹³ Trend Check Retail Vol. 16, ECC Cologne, April 2026.

¹⁴ Federal Ministry of Finance: Abolition of the €150 duty-free allowance from 01/07/2026 and a flat-rate import duty of three euros, as reported on www.bundesfinanzministerium.de.

¹⁵ Fine imposed on Temu sends an important signal – further measures called for, HDE press release, June 2026.

¹⁶ Action: A discount retailer on the rise, as reported by www.swr.de on 14/07/2026.

1.10 Sports and outdoor retail

Return to a moderate growth trajectory

The German sports and outdoor retail sector is back on a path of moderate growth following the dip in turnover in 2024. The sector performed steadily overall even though many private households continued to show restraint in their spending in 2025 and 2026. The sport and outdoor segment (sports footwear, sportswear, sports equipment excluding bicycles and camping equipment) generated turnover of around €10.8 Bn (gross) across all sales channels, representing a rise in turnover of just under one percent for the sector as a whole according to calculations by bulwiengesa. Slight revenue growth is once again expected for 2026, although this will vary from segment to segment. The main drivers of growth are the running, cycling and outdoor segments in particular. Traditional team sports ranges are also set to benefit from the Men's World Cup, although the effect is likely to be largely temporary.

The leading retail companies benefited from this development to varying degrees. INTERSPORT Germany maintained the previous year's record level with external turnover of €3.46 Bn in the financial year of 2024/25.¹ SPORT 2000 increased the external turnover generated by its German partner retailers in 2025 by 15 percent to €3.2 Bn². This growth was driven both by the positive performance of existing partners and by the expansion of the dealer network. Sales at retailers participating in the SPORT-2000 panel rose by 6.1 percent on a like-for-like basis. In addition, the arrival of new, high-turnover partners had an impact; since June 2025, the outdoor specialist Globetrotter, among others, has been part of the group.³ According to SPORT 2000, however, a large proportion of the revenue growth was achieved organically. In 2025, Decathlon Germany increased its gross merchandise sales by 8.8 percent to €1.273 Bn.⁴ JD Sports Fashion increased its consolidated turnover in the financial year

¹ Intersport Germany continues its strong expansion, press release from INTERSPORT Germany, January 2026.

² Sport 2000 is growing significantly faster than the market – the 'Home of Experts' strategy is paying off, press release from SPORT 2000 Germany, January 2026.

³ Sport-2000 retailers are expanding in Germany, 26/01/2026, as reported by Handelsblatt online.

⁴ Decathlon is investing in the future: Expansion, omnichannel, and services are driving growth, Decathlon Germany press release, April 2026. Decathlon reports Gross Merchandise Value (GMV) rather than turnover as defined under commercial law.



25

new stores planned
by Decathlon in
Germany in 2026

Omnichannel as the industry standard

of 2025/26 by 10.5 percent to £12.662 Bn, approximately €14.8 Bn⁵. However, this growth was largely driven by acquisitions and new retail space; on a like-for-like basis, turnover fell by 2.1 percent across the Group and by 1.2 percent in Europe.⁶ This points less to a uniform sector-wide upturn than to a growing divide between expanding or specialised providers and companies with lower space productivity or a greater need for restructuring.

Bricks-and-mortar specialist retailers remain a key sales channel, but are being systematically integrated with digital offerings. Among the major market players, omnichannel capabilities have now become the norm: Decathlon integrates its shops, app, online shop, and marketplace; INTERSPORT and SPORT 2000 are digitising their retailer networks and inventory management systems; JD Sports is scaling up its international e-commerce and data ecosystem. The strategic focus is thus shifting from the mere parallel operation of online and offline channels towards a cross-channel management of product range, availability, customer loyalty, and services.

⁵ Conversion based on the average ECB reference rate for 2025 of 0.85679 GBP per EUR; equivalent to approximately 1.1671 EUR per GBP. JD Sports' financial year comprises 52 weeks ending on 31 January 2026.

⁶ A solid financial year: JD Sports reports double-digit increase in turnover, as reported by www.fashionunited.de on 07/05/2026.

Partnerships as a key driver of growth

Leading sports and outdoor retailers are increasingly turning to strategic partnerships to strengthen their market presence and tap into new customer groups rather than developing new business areas solely through their own efforts. Decathlon extended its model to MediaMarktSaturn in March 2026 following its partnership with the Galeria department store chain in 2025.⁷ The first joint store-in-store concept opened at the PEP shopping centre in Munich. The company is strengthening its mobility business through the acquisition of a majority stake in Rebike at the same time, along with its partnerships with the Bikeleasing Group and the premium folding bike manufacturer Brompton.⁸ The goal for this is to develop its range of services relating to leasing, second-hand sales and urban mobility, and to tap into new areas of growth. SPORT 2000 is also expanding its network: Globetrotter has been a partner of the retail group since June 2025, while Sporthaus Schuster is set to join the 'Home of Experts' network from 2027.⁹ Furthermore, SPORT 2000 is strengthening its offering in the performance and cycling segments by bringing BH Bikes on board as an official contract supplier in July 2025.¹⁰ Such partnerships broaden the scope of services offered by the retail groups while simultaneously increasing their bargaining power on the procurement side.

Expansion with a focus on new retail formats

The sports retail sector remained one of the more rapidly expanding non-food sectors, although the focus is shifting from pure expansion in terms of floor space to more differentiated site and format strategies. Decathlon had 105 stores in Germany by the end of 2025 and plans to open around 25 new ones in 2026; the goal is to reach at least 150 stores by the end of 2027. The company is increasingly making use of city centre sites, shopping centres, and cooperation areas in addition to traditional retail locations¹¹. INTERSPORT opened its first superstore in Halle (Saale) as a large-scale, value-for-money city-centre format at the end of March 2026, while continuing to expand its network of flagship stores.¹² SPORT 2000 focuses more on specialised formats such as 'Absolute Run' and on its premium retailer network 'Home of Experts'. At JD Sports, by contrast, the focus is more on portfolio optimisation. About 30 of the nearly 100 stores in Germany are set to close according to media reports; at the same time, the group emphasises that in 2026/27 it will focus more on efficiency, profitability and digital scaling than on aggressive expansion of its retail footprint.¹³ Overall, space productivity is, therefore, likely to become more important: Opportunities for expansion exist above all for concepts that strike the right balance between site size, product range depth, community function, and digital reach.

Service is becoming a competitive factor

Service, advice and customer loyalty are emerging as key competitive factors in the sports and outdoor retail sector. Repair workshops, bike leasing, buy-back schemes, and second life initiatives create additional touchpoints and extend the customer lifecycle. Decathlon reported more than 152,000 repairs for 2025, an increase of 20 percent, as well as 14,000 products taken back, an increase of 30 percent. This, therefore, enhances the importance of physical sites as centres for advice, service, and community. This feature complements digital sales rather than simply duplicating them, and can help to set the business apart from purely online retailers, in particular in categories that require a high level of customer advice, such as running, outdoor activities, cycling and winter sports.

Outlook: Selective growth

The German sports and outdoor retail sector is expected to see moderate nominal growth for the remainder of 2026, while competition and pressure on margins remain high. The Football World Cup provided a boost this summer, in particular for team sports, football shirts and fan-related product ranges; however, running, outdoor activities, fitness, and certain aspects of cycling remain structurally more important.

Decathlon's expansionist site strategy and the new formats introduced by INTERSPORT and SPORT 2000 are simultaneously intensifying competition for prime high-street, retail park and shopping centre sites. Given the current macroeconomic conditions, selective growth in the sports and outdoor retail sector is expected to continue in 2027. Market share gains are likely to go primarily to providers who combine expansion with high space productivity, a clear sporting specialisation, private-label or exclusive brands, strong communities, and integrated service offerings. Decathlon's target of having at least 150 German outlets by the end of 2027, as well as Sporthaus Schuster's announced move to SPORT 2000, point to further consolidation and professionalisation of the retail landscape. Consolidation is likely to continue among weaker individual sites and less differentiated concepts at the same time. For owners and operators of retail property, this means: Demand remains strong, but is increasingly focused on flexible spaces, good accessibility, high visibility, and sites that facilitate experiential, service, and community functions.¹⁴

⁷ Decathlon and MediaMarktSaturn: Sport and technology under one roof, Decathlon press release Germany, March 2026.

⁸ Decathlon Pulse & Rebike Mobility strengthen their partnership, Decathlon Pulse press kit dated 22/01/2026; Decathlon Pulse and Brompton announce a strategic partnership to promote micromobility and premium urban cycling, Decathlon Pulse press kit dated 30/07/2026, Bikeleasing Group and Decathlon PULSE successfully conclude a strategic partnership to drive forward sustainable mobility in Europe, press release from Bikeleasing Service GmbH dated 01/07/2026.

⁹ Sport Schuster moves to Sport 2000, as reported on www.textilwirtschaft.de on 19/01/2026.

¹⁰ BH Bikes enters into a partnership with Sport 2000, as reported on www.velobiz.de on 31/07/2025.

¹¹ Decathlon is investing in the future: Expansion, omnichannel and services are driving growth, Decathlon Germany press release, April 2026.

¹² Roll-out of a new shop concept: Intersport Superstore is coming to Halle (Saale), press release INTERSPORT Germany, December 2025.

¹³ JD Sports is reportedly closing around 30 shops in Germany, according to www.iz.de, 28/05/2025.

¹⁴ Decathlon Germany: Target of at least 150 outlets by the end of 2027, press release dated 14/04/2026; SPORT 2000: Sporthaus Schuster is set to become a partner of Home of Experts from 2027, press release dated 19/01/2026, quoted from www.sport2000.de.

1.11 Retailer survey 2026

Expansion plans and outlooks for German retailers

The Hahn Gruppe and the EHI Retail Institute survey the persons responsible for expansion at chain-based companies in the retail, catering, and chain-based services sectors once a year.

The latest survey was performed in June and July 2026 and brings together the views of experts from 71 companies, each of whom based their responses on their respective sales divisions and the German market. The 71 sales divisions surveyed have a combined total of 32,300 stores in Germany. Long-term shifts, short-term trends, and key future issues for retail expansion in this country are reflected in ongoing monitoring through regular surveys since 2014.

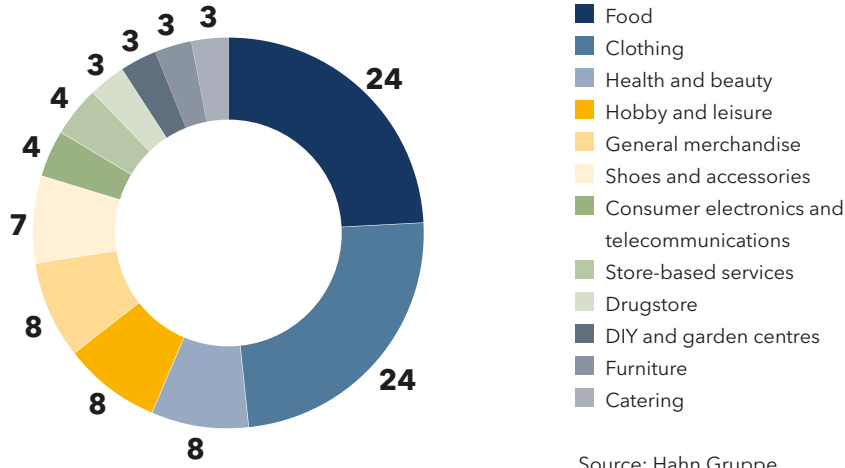
A particularly large number of participating sales divisions operate in the food retail sector (which, in addition to full-range retailers and discounters, also includes bakeries and specialist food retailers) and the clothing

sector [see figure 17]. Another quarter of the respondents are from the health & beauty, hobbies & leisure, and general consumer goods sectors. Sales divisions from all the sectors invited to take part in the survey took part.

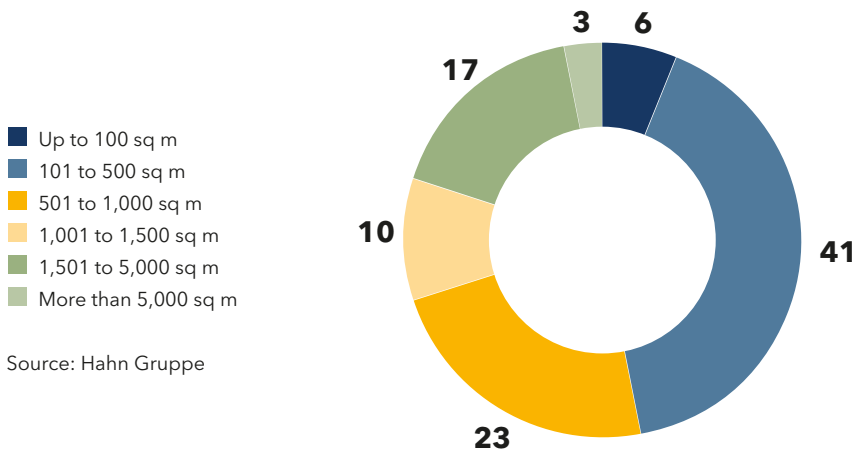
There is a focus on small and medium-sized formats ranging from 101 to 500 sq m (41 percent) and from 501 to 1,000 sq m (23 percent) – two out of three respondents fall into these two size categories – where typical floor areas of standard stores within the respondent sales divisions are concerned. 30 percent are above this, mostly with floor areas of 1,001 sq m or more, these properties are generally classified as large-scale. It is rare for them to be any smaller – 6 percent have stores measuring up to 100 sq m [see figure 18].

Most sales divisions (57 percent) cater to a mid-range price level or mixed segments all in all, while 27 percent fall into the discount category. The smallest group focuses on high price points in the premium segment at 16 percent.

[17] Participating sales divisions by sector
Figures in percent



[18] Average sales area size of the participating sales divisions
Figures in percent



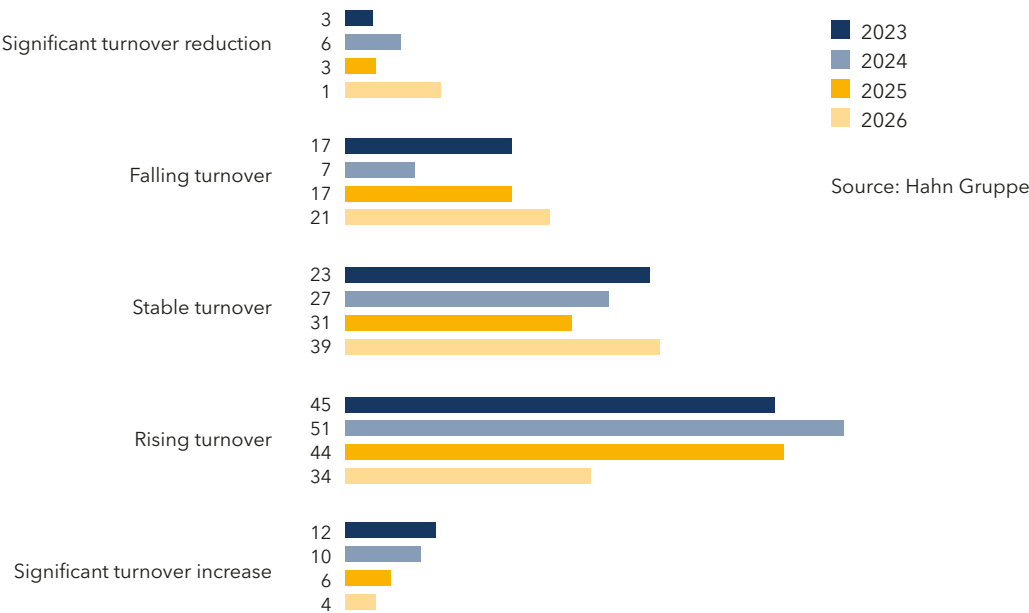
The majority expect a stable turnover

The largest group of sales divisions expects a stable nominal turnover of between +0.5 percent and -0.5 percent in the second half of 2026 for the first time this year at 39 percent (PY: 31 percent). The number of retailers expecting nominal turnover to rise or rise significantly has been falling since 2025 [see figure 19]. This is linked, on the one hand,

to the falling inflation rate since 2024 and, on the other hand, to the continuing challenging competitive and sales environment in parts of bricks-and-mortar retail. Positive expectations regarding turnover development, at 38 percent (PY: 50 percent), continue to significantly outweigh the negative expectations of 22 percent (PY: 20 percent).

[19] Revenue forecasts for the second half of 2026 compared with the same period last year (nominal)

n = 71, as a percentage; deviations from 100 percent are due to rounding



A look at the individual sectors shows just how varied the expectations are. Retailers of everyday essentials are the most optimistic: 100 percent of sales divisions expect turnovers to rise in the drugstore sector, while the figure is at 67 percent in the health and beauty sector. Similarly, nobody expects a decline in the DIY and garden centres sector; here, responses are split evenly between those expecting rising and those expecting stable takings. 71 percent of sales divisions expect turnovers to rise or remain stable, with both expectations being equally divided at 35 percent each in the food retail sector.

The situation is considerably more difficult in the fashion retail sector. 29 percent expect turnover to reduce or reduce significantly in the clothing sector, while the figure is at 60 percent in the footwear and accessories sector. It is also worth noting that only 1 percent of respondents selected the category of significantly declining turnover across all sectors. Hardly any company is anticipating a significant slump in turnover while the range of expectations has thus widened.

The majority are maintaining their store networks or expanding them

A similar tendency towards stability and consistency can be seen among many retailers when it comes to their store network strategy. 39 percent of respondents state that they will have exactly the same number of stores at the end of 2026 as they did at the start of the year (PY: 23 percent). 45 percent plan to expand the store network (PY: 61 percent), [see figure 20]. All in all, this means that 84 percent of sales divisions are keeping their store networks

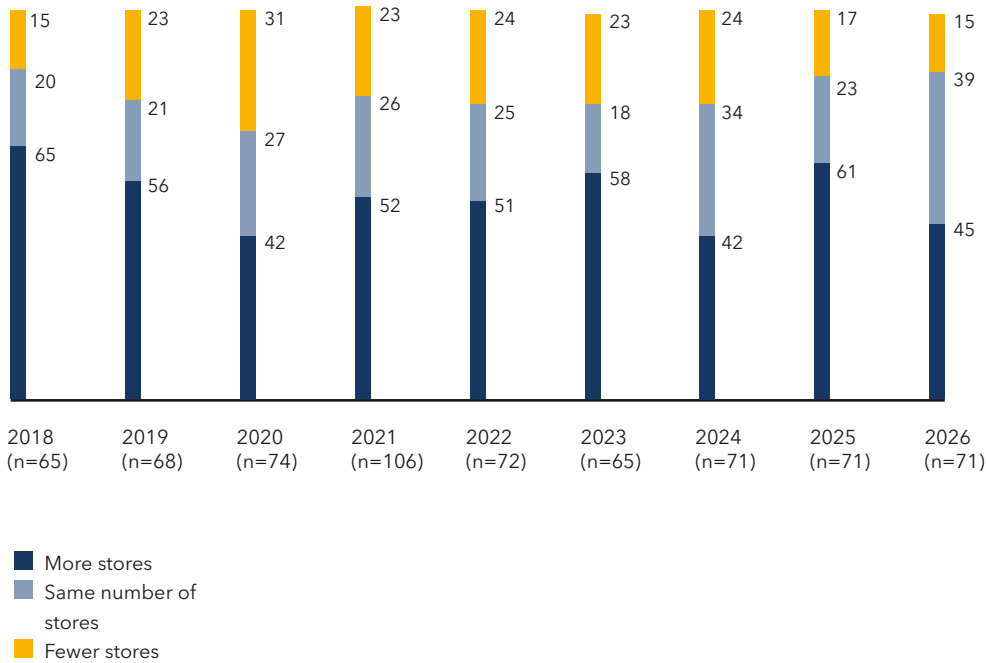
at least the same size. The following sectors are experiencing above-average growth: drugstores, health and beauty, catering, general merchandise, hobbies and leisure, and chain-based services. It is striking that discount formats across various sectors are expanding rapidly: Two-thirds say they are opening more stores.

The decline in the expansion rate is marked but follows an exceptional figure. The figure reached 61 percent, the highest level in seven years in 2025. The current figure is higher than that for 2024 (42 percent) and lower than the average for the past eight years of around 53 percent.

The proportion of retailers reducing the size of their store networks has fallen to 15 percent, its lowest level in the past seven years (PY: 17 percent). The shift thus leads from expansion to constancy, not to reduction. This affects individual sales divisions in the footwear and accessories, clothing, and food sectors.

Stability is the defining feature this year in the food retail sector, which was one of the key drivers of expansion at 61 percent in the previous year. 65 percent of sales divisions plan to keep their store networks unchanged, while 18 percent each plan to increase or decrease the number of stores. This reflects the supply situation rather than a change in strategy. The focus shifts from new sites to the existing portfolio where suitable sites are in short supply and planning permission procedures take a long time. This is done by modernisation, expanding the floor space of existing properties, and extending existing leases.

[20] Number of stores at the end of the year compared with the previous year
as a percentage; deviations from 100 percent are due to rounding



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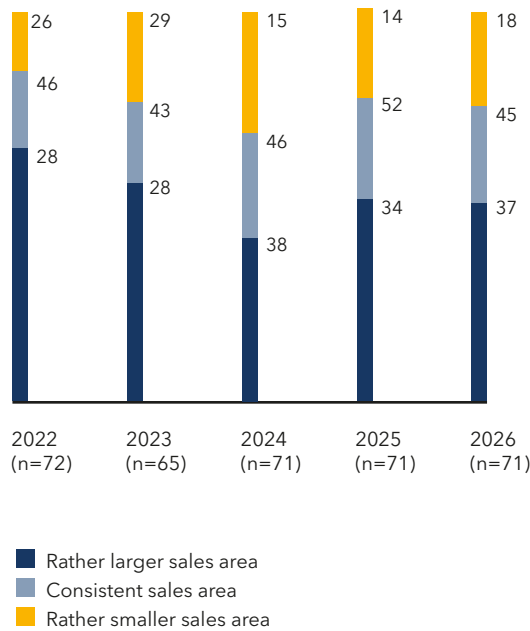
It is striking that discount formats across various sectors are expanding rapidly: Two-thirds say they are opening more stores.

Stable sales area, an upward trend in the food retail sector

The largest group remains at the current level in terms of average sales area per store: 45 percent of sales divisions are planning to maintain their current floor space (PY: 52 percent), [see figure 21]. 37 percent favour larger sales areas (PY: 34 percent), 18 percent prefer smaller ones (PY: 14 percent). The movement's focus, therefore, remains on expanding the floor space of its stores. This is particularly pronounced in the food

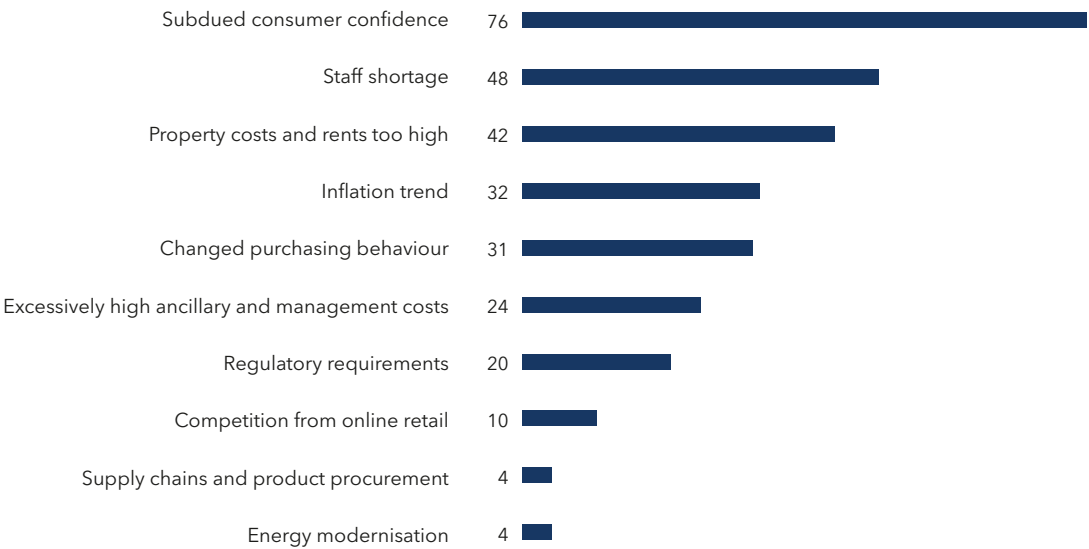
retail sector, where 59 percent are seeking larger premises (PY: 61 percent), followed by the drugstore, health & beauty, and general merchandise sectors, each at 50 percent. Retailers in the discount (53 percent) and premium (46 percent) segments are particularly likely to utilise larger sales areas. The figure is 25 percent among retailers operating in the mixed or mid-price range by contrast - only about half as many.

[21] Trend in average sales area per store
as a percentage; any deviations from 100 percent are due to rounding



[22] Current major challenges for the sales division

n = 71, as a percentage, limited multiple responses (3)



Costs and consumer confidence are major challenges

The biggest challenge for most sales divisions is subdued consumer confidence, which 76 percent of respondents cited (PY: 59 percent), [see figure 22]. Turnover is facing pressure, making it all the more necessary to remain competitive by making targeted adjustments to the company's strategy. This applies to almost all sectors, albeit to varying degrees. The figure is 94 percent in the clothing sector; 71 percent in food retail; and 50 percent in each of the drugstore and health & beauty sectors. The issue of staff shortages ranks second in the list of major challenges, at 48 percent (PY: 52 percent) and is particularly problematic for the health and beauty sectors

and chain-based services, at 67 percent in each case. This is followed by excessive property costs and rents, at 42 percent (PY: 52 percent) and inflation trends at 32 percent (PY: 23 percent), which continues to hit the catering trade in particular hard.

Expansion is being held back by costs and the availability of sites

Specifically with regard to expansion activities, this presents further challenges for retailers. First and foremost, the level of construction and modernisation costs, which 51 percent of respondents rate as very challenging (PY: 54 percent) and another 39 percent as challenging [see figure 23]. It, therefore,

remains the biggest obstacle to expansion as in previous years. Next come the planning permission procedures and restrictive building regulations, which 47 percent find very challenging (PY: 45 percent), while 33 percent rate it as challenging.

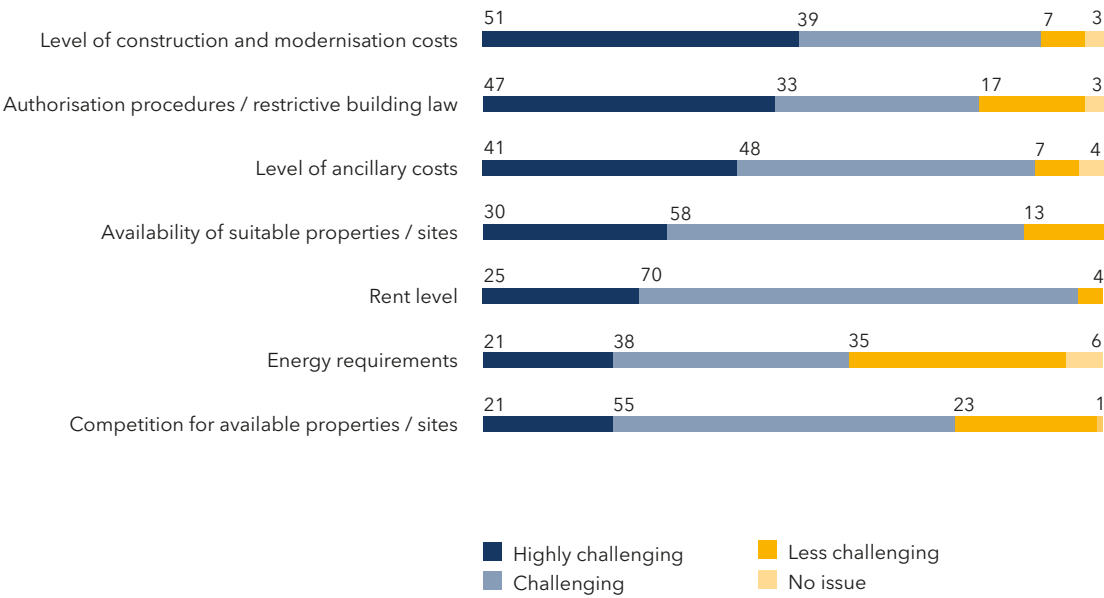
The picture is mixed where availability of suitable properties and sites is concerned. The proportion of those who rate this factor as very challenging has fallen to 30 percent (PY: 40 percent). However, when this is combined with the challenging category, 88 percent of respondents are affected. The question of site is, therefore, less acute, but more widespread.

This combination is particularly evident in the food retail sector. 41 percent rate procedures and restrictive building regulations as very challenging and another 41 percent as challenging when it comes to planning permission; for the availability of suitable properties, the figures are 35 percent and 47 percent respectively. Large-scale stores located outside integrated locations are subject to specific planning regulations, meaning that the development of new sites is limited.

Energy requirements make the bottom position on the list of constraints on further expansion. They account for 21 percent (PY: 20 percent), while another 38 percent of respondents find this area challenging.

[23] Challenges for expansion

n = 71, as a percentage; deviations from 100 percent are due to rounding



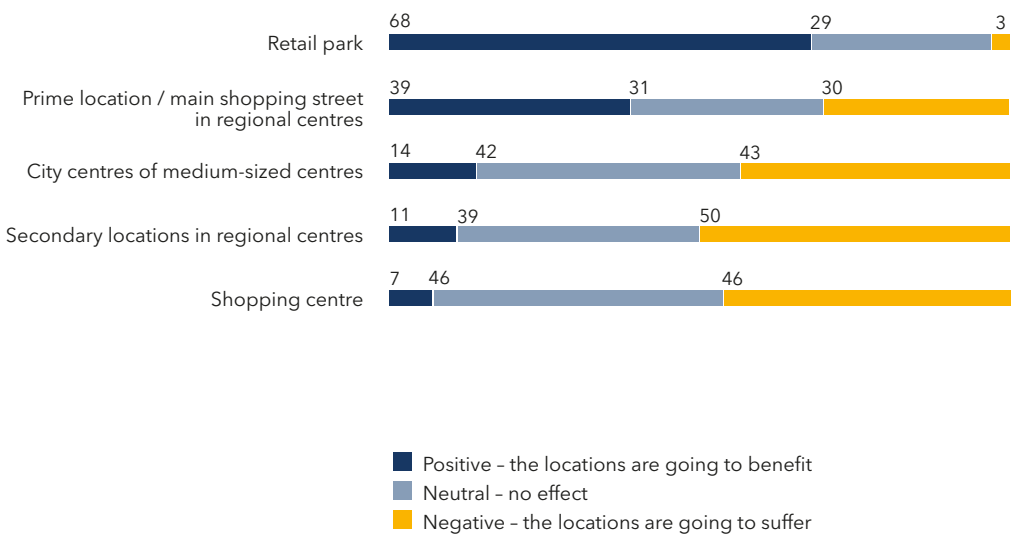
Retail parks are the preferred property type

Two-thirds of all respondents (68 percent) believe that the retail parks property category will continue to perform well [see figure 24]. This represents a significant increase compared with the previous two years, when 56 percent held this view in each case. The sectors showing particularly high approval ratings are DIY and garden centres, drugstores, health and beauty, and general merchandise

The picture is more nuanced and is becoming increasingly polarised towards the extremes where prime locations in regional centres are concerned. On the one hand, the proportion of respondents who believe this sector will see positive development has risen by 8 percentage points compared with 2025 and by 13 percentage points compared with 2024, to 39 percent. On the other hand, however, the proportion of those who expect a negative trend has also risen by 14 percentage points compared with 2025. This highlights the wide variety of the more than 100 regional centres in Germany, which are not developing at the same rate. The situation is even more challenging in the site categories of medium-sized centres, secondary sites within regional centres, or shopping centres, which also show a wide range of opinions, but are all rated positively by significantly fewer respondents.

[24] Developments of the locations

n = 71, as a percentage; deviations from 100 percent are due to rounding



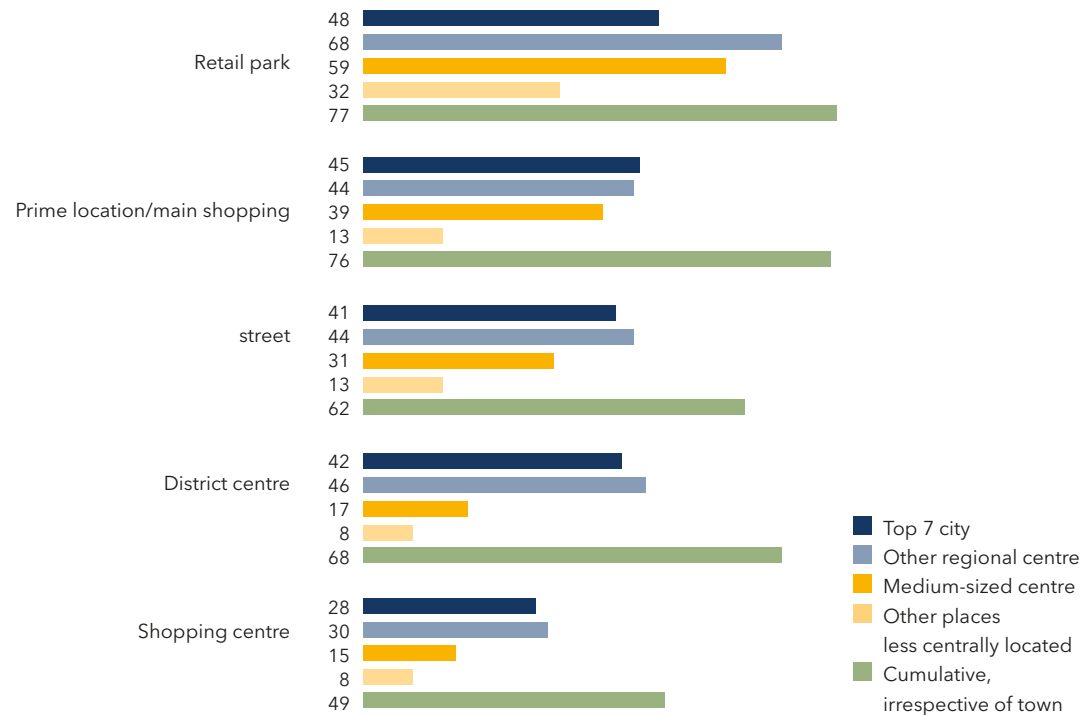
Retail parks are the preferred option in every spatial context

Many sales divisions are consequently looking for premises here for new store sites as the majority of respondents believe that the retail park site category offers positive prospects for the future. Irrespective of the city's centrality, a total of 77 percent of sales divisions are actively looking for premises in retail parks (PY: 77 percent). This is particularly common in regional centres. The category of prime

locations (1A locations) is similarly popular, coming in a close second with 76 percent (PY: 76 percent). There are clear differences here depending on the price positioning of the retail channels. Prime locations in major cities are particularly attractive to the premium segment, with 73 percent in favour, but in the mid-price range the figure is still 43 percent, and even in the discount sector 37 percent are looking for prime locations in major cities [see figure 25].

[25] Preferred sites

n = 71, in percent, multiple responses



[26] Top 3 expansion targets by price segment for sales divisions

As a percentage, multiple answers permitted

Discount retailers (n=19)



Medium and mixed price ranges (n=40)



Premium (n=11)



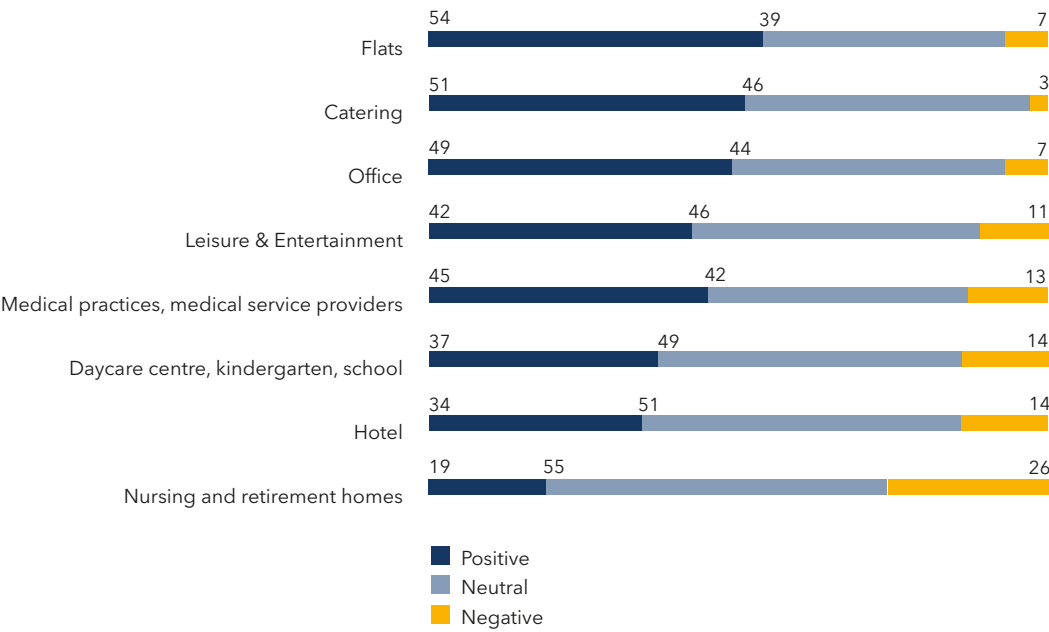
Generally speaking, the top expansion targets for discounters (across all sectors) are retail parks in regional centres: 95 percent of the discount sector are looking for premises here. Furthermore, specialist retail parks in major cities and medium-sized towns are the second most preferred site for these retailers, at 79 percent in each case. Retailers in the mid-range and mixed-price segments also most frequently look for retail parks in regional centres (65 percent) and medium-sized centres (63 percent), followed by prime locations in regional centres (53 percent). The focus is on prime locations in major cities (73 percent) in the premium area. Shopping centres in regional centres and major cities follow next [see figure 26].



Generally speaking, the top expansion targets of the discounters are retail parks in regional centres.

[27] Assessment of non-retail uses with regard to synergy effects

n = 71, in percent; any deviation from 100 percent is due to rounding.



Mixed-use developments create synergies for the retail sector

Regarding the synergistic value of various mixed-use developments, it becomes clear that these are predominantly viewed in a positive light. A well-balanced mix of uses, tailored to the site, ensures a reliable footfall, increases the frequency of visits, and extends the length of stay. Most mixed-use developments, therefore, generate significant positive synergy effects for retailers, or are at least generally viewed as neutral. Housing and the catering sector are seen as particularly positive. Half of the respondents also rated offices positively [see figure 27].

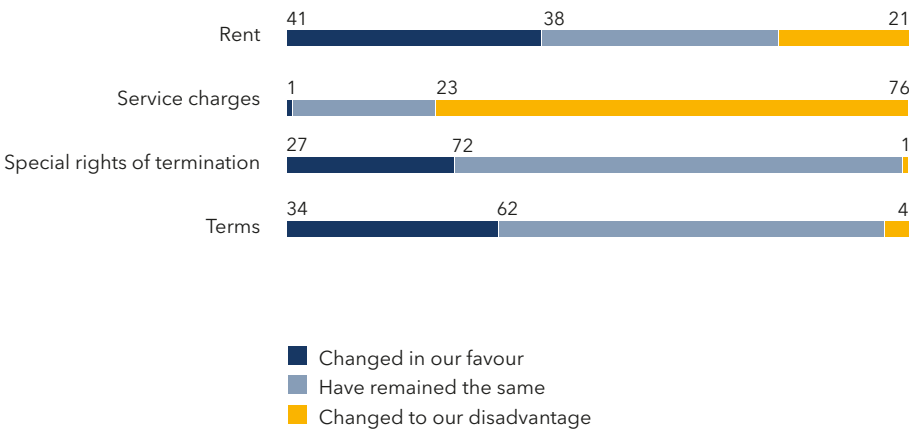
Lease terms are assessed in a balanced manner

Most retailers report that their lease terms have remained the same or improved [see figure 28] year-on-year, with the exception of service charges. They have once again taken a turn for the worse for three-quarters of all respondents, following similar figures in the two previous years (80 percent in 2024 and 72 percent in 2025), and are driven in particular by rising energy costs.

The situation is different when it comes to rents: In fact, for 41 percent of them, the situation has changed for the better, with retailers in the footwear & accessories, clothing, and consumer electronics & telecommunications sectors often featuring among them. There are two factors involved here – on the one hand, the successful renegotiation of the terms of existing leases, with landlords making concessions in order to retain shop sites, and on the other hand, new leases being secured on more favourable terms. On the other hand, 21 percent of retailers are experiencing the opposite trend and face higher rents. The sectors most frequently represented are hobbies and leisure, as well as the catering industry, DIY and garden centres, and food retailers. Terms of contract and special termination rights have remained unchanged as compared to previous years for the majority of retailers; for 34 percent and 27 percent respectively, there have even been favourable changes to these aspects.

[28] Change in lease terms compared with the previous year

n = 71, in percent; deviations from 100 percent are due to rounding



Climate resilience: significant potential through renewable energy and adapted materials

A focus on high energy efficiency and renewable energy is already widespread in half of the sales divisions [see figure 29]. This is driven by a variety of factors, such as improving resilience in the event of energy shortages, but also for reasons of environmental sustainability and to save costs. This offers immense potential for savings, in particular for large store networks. The transition will require a significant investment initially, however. The figure has risen only slightly year-on-year (PY: 51 percent), which highlights the challenges involved in putting this into practice. Robust construction is also advisable when it comes to adapting retail properties to the impacts of

climate change: long-lived materials for roofs, windows, and façades can protect not only the property and its contents but, in particular, staff and customers during extreme weather events. As many as 29 percent of retailers are already implementing this (PY: 28 percent), while another 35 percent are planning such measures. It is not only, but especially during periods of summer heat and drought that the microclimate at specific sites comes into focus – and not all retail concepts have outdoor spaces that they can design themselves. Developments with their own outdoor spaces, such as car parks and access roads, have the potential to make a positive contribution through measures such as greening, soil restoration and the provision of shade; 18 percent are already doing so, and another 21 percent are planning to do so.

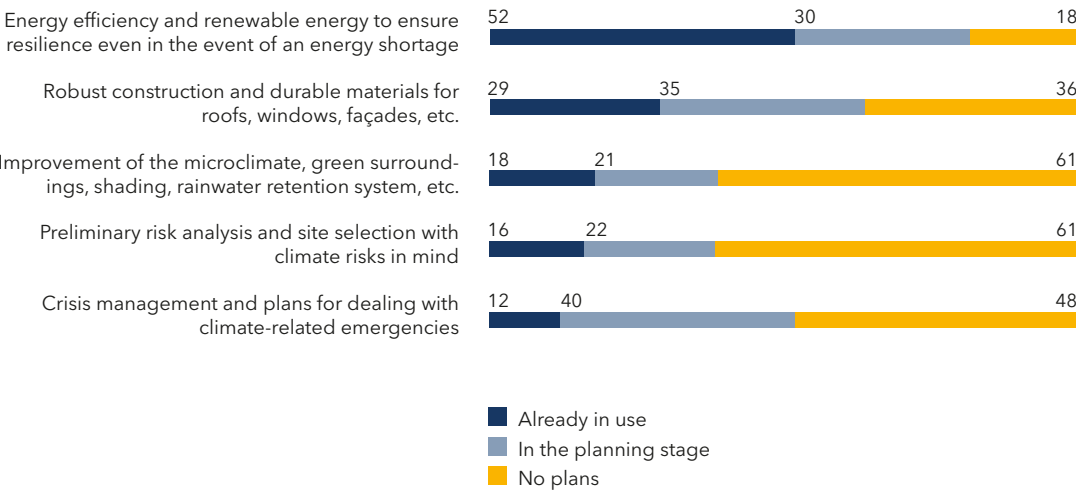
Since site selection rarely considers any climate risks, assessment of site quality is clearly based on different criteria, and climate risks are only considered marginally. It could prove problematic that only 12 percent of sales divisions have crisis management in place and have plans for dealing with climate-related emergencies (PY: 11 percent) – although 40 percent are planning to introduce it.

Retailers are investing in retail space and customer loyalty

The number one investment priority over the next few years is to expand their store network for 72 percent of sales divisions (PY: 83 percent) [see figure 30]. This highlights widespread strategic expansion objectives in the retail sector, which do not necessarily always manifest themselves within the current year. Furthermore, there is a growing focus on customer loyalty programmes, accounting for 55 percent (PY: 49 percent), followed by shopfitting at 48 percent (PY: 45 percent) and on resource efficiency at 28 percent (PY: 21 percent).

[29] Measures relating to greater climate resilience

n = 67, as a percentage; deviations from 100 percent are due to rounding



“

The investment focus number one for 72 percent of the sales divisions in the next few years is expansion of the store network (PY: 83 percent).

A comparison across sectors reveals clear patterns. Expanding the store network is a particularly high priority in the retail sector focused on local provision: In the drugstore, DIY and garden centre, and health & beauty sectors, 100 percent of respondents cited it, compared with 65 percent in the food retail sector. The food retail sector also stands out in terms of its focus on company-owned stores: An above-average number of sales divisions intend to invest here, just as in the previous year. This figure currently is at 35 percent, which is more than in any other sector and significantly above the average of 13 percent (PY: 12 percent). This highlights the strategic importance retailers attach to securing the long-term future of their sites.

Shopfitting is a key focus across almost all sectors, led by Health & Beauty at 83 percent and Footwear & Accessories at 80 percent. 41 percent are investing in the modernisation of their premises, while another 24 percent are channelling funds into resource efficiency in the food retail sector. The figure is 50 percent in both categories in the case of DIY and garden centres. Customer loyalty schemes, on the other hand, are a key focus, in particular in fashion-oriented sectors, where competition for footfall is in particular fierce: All respondent footwear retailers and 76 percent of the clothing retailers are investing in this area.

[30] Key investment priorities for the next 5 years

n = 71, as a percentage, multiple responses



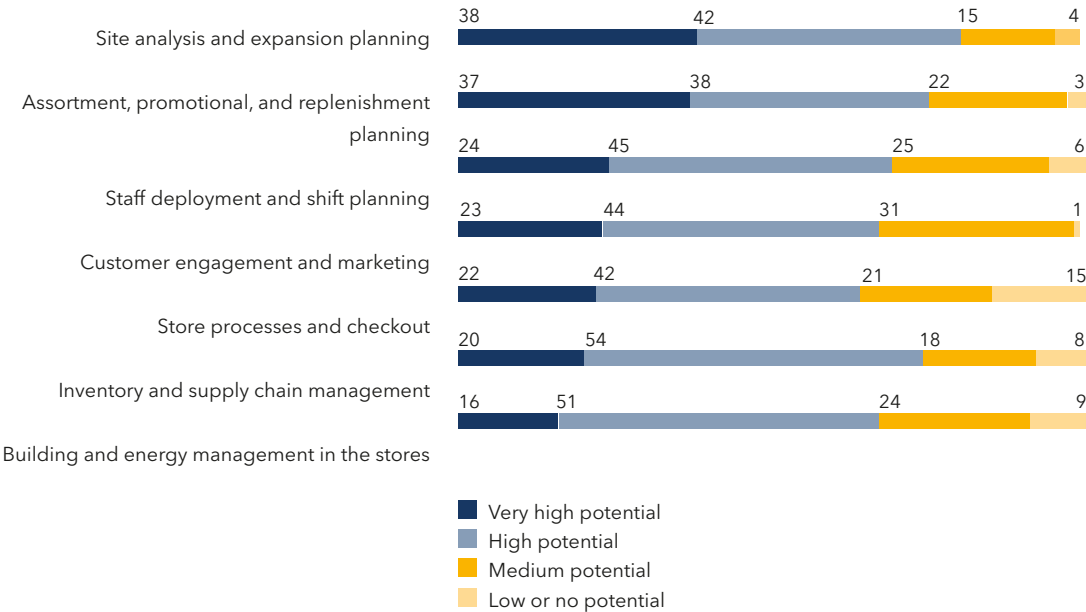
Artificial intelligence: greatest potential in site analysis and stock planning

Artificial intelligence has now been integrated into expansion and store management. The highest levels of agreement were recorded for site analysis and expansion planning when asked about the greatest potential in the medium term: 80 percent of respondents see great or very great potential here, with 38 percent even seeing very great potential [see figure 31]. This is remarkable since decisions on where to locate a business have long been regarded as a matter of experience. However, with the growing availability of data on footfall, mobility, and purchasing power, it is becoming increasingly possible to model catchment areas, overlaps with competitors and sales forecasts.

Product range, promotional, and replenishment planning follow closely on this, at 75 percent, as does inventory and supply chain management, at 74 percent. Both issues are of particular importance to the food retail sector, as it is characterised by a large number of products, short shelf lives, and daily restocking cycles. The result of the vote is correspondingly clear: 94 percent of food retailers see great or very great potential in product range and replenishment planning, while 88 percent see it in site analysis. 81 percent of food retailers also rate the building and energy management systems in their stores positively, which is significantly higher than the average across all sectors, at 67 percent. This represents a direct cost-saving opportunity since refrigeration is an energy-intensive technology.

[31] Medium-term potential for the use of artificial intelligence

n = 71, as a percentage; deviations from 100 percent are due to rounding





THE RETAIL INVESTMENT MARKET

- The gradual recovery in the German property investment market continues
- High-quality products and portfolios are returning to the market after years of shortages
- Retail warehouses, grocery stores and retail parks are once again the largest investment category
- Prime yields at a largely stable level
- Future rises possible amid increasing selling pressure

2.1 Recovery of the property investment market

The German property investment market continues to operate in an environment characterised by conflicting factors.

On the one hand, the general economic conditions have continued to normalise compared with the crisis years of 2022 and 2023: Pricing has progressed significantly; buyers and sellers have gradually adjusted their expectations to the new market conditions, with the result that the bid-ask spread has narrowed in some parts of the market. The range of products on offer has also increased significantly once again. Sales decisions are driven, among other things, by upcoming refinancing, the continued high level of interest rates, outflows from open-ended public property funds, requests from institutional investors for capital repayment, and portfolio restructuring by owners. This increases selling pressure and generates additional market activity.

On the other hand, transaction activity remains selective and continues to focus heavily on high-quality properties, liquid core markets, and sustainable cash flows. Furthermore, the continuing weak economic performance in Germany, geopolitical uncertainties, higher interest rates at the long end of the yield curve, and structural challenges in the manufacturing and construction sectors are weighing on the investment climate.

The German property investment market reached a transaction volume of €33 Bn in 2025. The result fell five percent short of the 2024 figure in spite of a strong end-of-year rally accordingly. Nevertheless, a slow recovery began to emerge: At €18.6 Bn, investment in the second half of the year was about €4.4 Bn higher than in the first six months. A strong final quarter highlights growing investor interest in German property assets, although differing price expectations between buyers and sellers have held back a stronger market recovery.



Market activity in 2025 was characterised by a higher number of small and medium-sized transactions. Large-scale deals, however, remained rare and mainly involved 'trophy' properties acquired by private investors and family offices, while risk-averse investment strategies and the financing environment continued to hamper large-scale transactions. Asset and fund managers were particularly active on the investor side, increasing their portfolios by a net total of €4.2 Bn. Private investors and family offices were also among the biggest net buyers, with a net total of €1.3 Bn. International investors increased their share slightly by 3 percentage points to 45 percent. This underlines that Germany remains one of the most important target markets for international investors.

The residential sector (50 or more residential units) remained the strongest asset class in 2025. Although the transaction volume of €8.4 Bn was slightly less than the previous year's figure (-4 percent), it nevertheless maintained its leading position in the German property investment market.

An insufficient volume of new-build projects – and consequently a shortage of suitable core assets – combined with less extensive portfolio rationalisation by major property owners than in the previous year, dampened the momentum of transactions. Logistics property came in second place with a transaction volume of €6.6 Bn, although this also represents a year-on-year decline of 14 percent. A lack of suitable value-add properties and weaker tenant demand due to economic conditions put the brakes on investment activity while the strategic trend towards reallocation into this asset class remained fundamentally intact. Retail property performed more steadily by contrast, recording a slight increase of 3 percent year-on-year, with a transaction volume of €6.4 Bn. The result was driven, among other things, by eleven major transactions worth more than €100 M, including XXXLutz's acquisition of the Porta portfolio, which was by far the largest transaction of the year. Office properties came in fourth place. They recorded a transaction volume of €5.5 Bn, which was 11 percent below the previous year's figure. The segment continued to be characterised by strategic portfolio optimisations, an ongoing recalibration of price levels in line with market conditions, and a clear differentiation based on site and property quality. Interest in high-quality office properties in prime locations increased significantly, in particular among core investors, as these properties benefited from rents that continued to rise and the prospect of a decline in new-build activity. Hotel and healthcare properties performed significantly better in 2025. Hotel property transactions reached a total value of €1.9 Bn, representing an increase of 38 percent year-on-year. Healthcare property reached €1.2 Bn, representing an increase of 18 percent.

The recovery continued in the first half of 2026

In the first half of 2026, the gradual recovery of the German property investment market continued. The volume of investment transactions totalled €16.2 Bn, which was 13 percent higher than in the same period last year. Just under €13 Bn of this was attributable to commercial property, representing an increase of just over a fifth compared with the first half of 2025. Following a dynamic first quarter with a property transaction volume of around €8.7 Bn and a 19 percent increase on the same quarter of the previous year, momentum slowed slightly in the second quarter as a result of geopolitical uncertainties, without, however, calling the fundamental market recovery into question. Nevertheless, the result clearly exceeded that of the same period last year by 6 percent at a total volume of €8.8 Bn.

Market activity continued to be characterised by individual transactions, which rose significantly compared with the same period last year, while at the same time large-volume transactions regained importance. There was a shift away from a predominantly defensive stance towards a more nuanced approach to risk on the investor side. The proportion of core products fell slightly as more core-plus investments were made as a result of this. Opportunistic strategies also gained momentum, while the value-add segment performed somewhat less well. Well-capitalised investors such as property companies, asset managers, and fund managers were particularly active on the buyer side. They increasingly took advantage of market opportunities, while additional properties were

brought to the market primarily by liquidity-driven owners on the supply side. International investors accounted for 45 percent of the total transaction volume in the first six months of 2026 as well.

The residential property investment market saw a slight decline, but, at €3.6 Bn, it remained the largest asset class by volume in the German property investment market. The segment continued to benefit from its high resilience to crises and stable user demand, but was held back by the limited supply of large-scale investment opportunities. Office property saw the strongest recovery among the established, major property asset classes. The segment grew by 66 percent compared with the same period last year with an investment volume of €3.4 Bn. The key factors were several large-scale individual transactions involving high-quality properties, as well as the increasing return of institutional investors to the office sector. Industrial and logistics properties also performed well and, with €3.3 Bn – representing a 24 percent increase compared with the same period last year – made a significant contribution to the growth of the commercial property investment market. Demand continued to focus on modern properties offering secure long-term cash flows and attractive sites.

The retail property market recorded a lower transaction volume than in the same period last year by contrast. The half-year result was 35 percent below that of the first six months of the previous year, reaching only €1.9 Bn. The food retail sector remained the most stable and sought-after segment of the market thanks to its resilient earnings profile. Healthcare property continued its strong performance and, with an investment volume of €1.4 Bn, once again recorded significant growth

(+48 percent). Furthermore, development sites saw above-average growth, suggesting that investors are once again selectively prepared to take on higher development risks. The volume has increased by 72 percent with investments totalling €1.4 Bn. Hotel investments, by contrast, performed less strongly than in the same period last year, with a transaction volume of €0.7 Bn in the first half of the year (-24 percent).



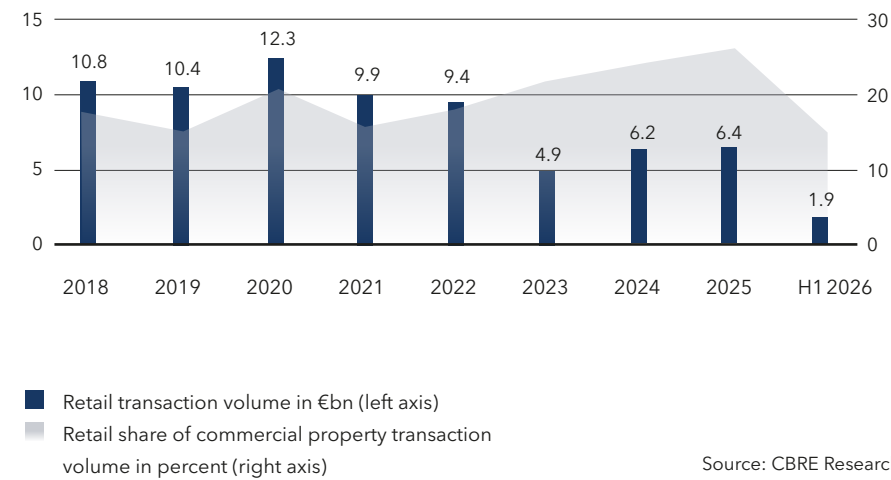
2.2 Retail property: After rising volumes in 2025, 2026 falls short of expectations so far



Overall, the retail property market presented a mixed picture in 2025. High-quality high-street properties in prime locations continued to be among the preferred investment targets; their appeal stems from their central site, irrespective of their retail use. Retail properties anchored by food retailers, retail parks and convenience retail centres also remain a key focus, thanks to their resilience to economic downturns and the stable level of consumer spending on everyday essentials. Many secondary retail pitches remained under pressure to adapt by contrast, and even standardised retail segments continued to experience high competitive pressure due to the persistently high growth rates of online retail.

These market conditions are also reflected in the performance of the German retail property investment market. A total transaction volume of €6.4 Bn was recorded in 2025, which represents a slight increase of 3 percent year-on-year over the previous year's €6.2 Bn. The number of transactions also continued to rise, standing at a good 12 percent above the figure for 2024. This asset class has further strengthened its position in the commercial property investment market in Germany as a result of this, excluding investments in residential property. It now ranks second, behind logistics property and ahead of office property investments. The share increased for the fourth year running, reaching its highest level since 2015 at just under 26 percent [see figure 32].

[32] Retail transaction volume - share of total investment volume (CRE)



Source: CBRE Research

One reason for the increase was eleven major transactions, each with a purchase price of more than €100 M, during the course of 2025. The most prominent major transactions include XXXLutz's acquisition of Porta-Immobilien for a sum in the high three-digit millions of euros, the sale of the Oberpollinger in Munich, the sales of the outlet centres in Neumünster and near Berlin, and the sale of the Gropius Passagen in Berlin among other things.

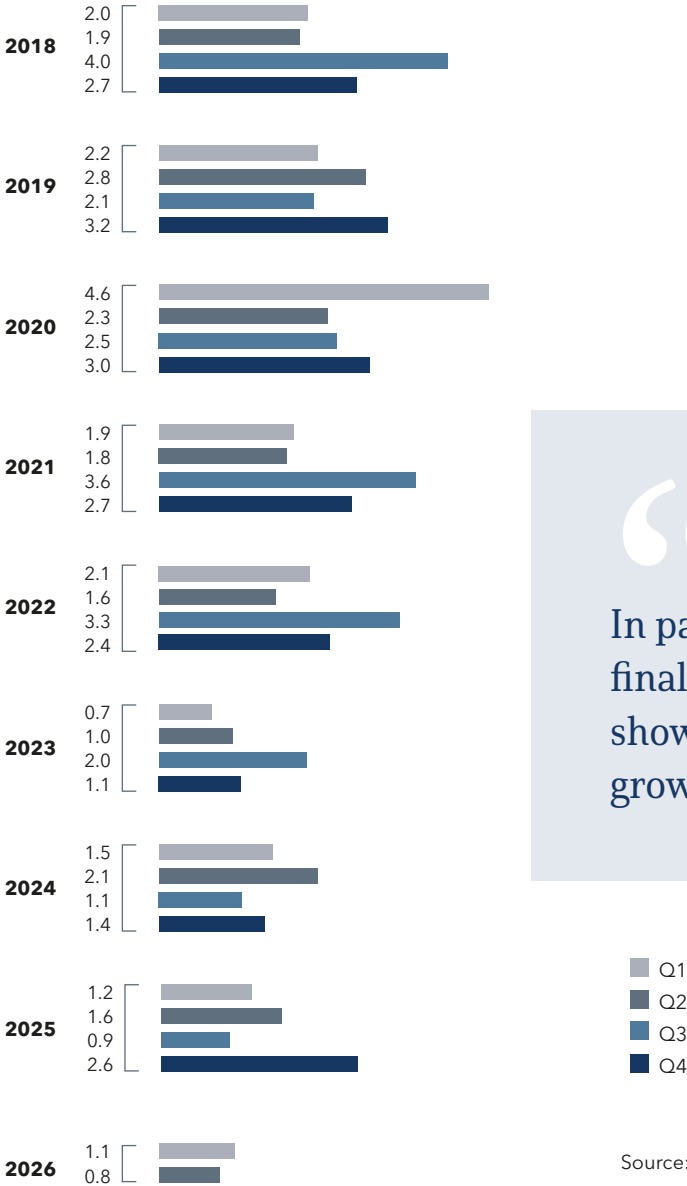
The final quarter of the year, in particular, saw robust growth, with no fewer than six transactions exceeding the €100 M threshold. Consequently, the total transaction volume for the fourth quarter was correspondingly high. At €2.6 Bn, it was by far the strongest quarter of 2025 and benefited from a slight year-end rally – which, however, was somewhat more subdued than in the past due to trading volumes that remained limited overall. The second quarter was also the second-strongest quarter of last year, with a transaction volume of €1.6 Bn. However, this strong performance is attributable to a one-off effect resulting from a single transaction: The acquisition of the Porta portfolio, comprising numerous Porta and Möbel-Boss furniture stores, by XXXLutz accounted for more than 60 percent of total sales in the second quarter. In a long-term comparison of quarterly results, only the strong fourth quarter has exceeded the average of €2.33 Bn since Q1 2009, while the remaining three quarters have, in some cases, fallen significantly below this figure [see figure 33].

2026: lower volumes so far

In the first two quarters of 2026, too, transaction volumes remained below average, with a volume of just under €1.1 Bn in the first quarter and €0.8 Bn in the second quarter. The investment volume of €1.9 Bn accumulated up to the end of the first half of the year represents the third-weakest half-year result since records began, after 2009 and 2023. Compared with the same period last year, this represents a fall of 35 percent. Geopolitical uncertainties and their impact on both consumer confidence as well as the willingness to invest have recently had a particularly significant influence, leading to more rigorous vetting processes and longer decision-making times for investments. Furthermore, while international investors in particular generally have sufficient capital at their disposal, differing expectations regarding returns sometimes still prevent a successful conclusion. Beyond this, there were only three major transactions in the first six months, including the purchase of the Alsterhaus in Hamburg by the Schoeller Group's family office and a German pension fund in the second quarter. Since other established asset classes – in particular office and logistics – managed to post gains at the same time, the share of retail properties in the commercial property investment market fell significantly to 15 percent.

[33] Development of the transaction volume of retail property

Figures in €bn



“In particular, the final quarter of 2025 showed dynamic growth.”

Source: CBRE Research

2.3 High-street property dominates market activity in the top cities

Portfolio share remains low

Portfolio transactions picked up again in 2025 after 2024 was largely characterised by large-volume individual transactions and the portfolio share had reached a historic low of 18 percent. However, it remained below the ten-year average (2015–2024) of 46 percent and could only reach 31 percent. 23 portfolio transactions in total were recorded last year, amounting to a total volume of €2 Bn. The acquisition of the furniture store portfolio described above was by far the largest transaction. In addition, two portfolio sales of grocery stores exceeded the €100 M threshold, including a portfolio of 22 local retail properties which Habona Invest acquired in the first quarter for a special fund belonging to a German insurance company from a German institutional investor for €132 M. The remaining portfolio transactions were significantly smaller, both in terms of the number of properties involved and the purchase price. The transaction volume stood at just under €30 M with an average of five properties. The value of the 20 transactions

recorded in the size category of less than €100 M amounts to €590 M in total. Foreign investors were more active than domestic investors when it came to portfolio purchases. International players accounted for around 72 percent of the volume allocated as part of portfolio transactions.

Accordingly, the total investment volume allocated in the form of individual transactions amounts to €4.4 Bn, representing a share of 69 percent. This figure included eight major transactions worth over €100 M. These are all located in one of Germany's leading cities, with the exception of the sales at the two outlet centres in Neumünster and Wustermark near Berlin. Four transactions in Munich city centre are particularly worth mentioning here: the former Signa properties Oberpollinger and CORBINIAN, as well as the two department stores K28 and Sport Schuster. The buyers were private investors in three of these cases. The Gropius Passagen in Berlin from Nuveen and Unibail-Rodamco-Westfield was sold to Hayfin Capital Management, and the K231 – the Galeria site at Kurfürstendamm 231 in



Berlin – was acquired by Stumpf Development from the insolvency estate of a Signa-affiliated company. Domestic investors dominated market activity in terms of individual transactions. Domestic buyers accounted for almost €3 Bn, or just over two-thirds of the investments [see figure 34].

In the first half of 2026, the portfolio share fell further still, standing at 27 percent against a transaction volume of €498 M. The result is based on ten portfolio sales recorded in the first six months, the largest of which was the Powerfoods portfolio comprising 37 discount food outlets, which CEV acquired from Trei Real Estate for around €200 M. The remaining portfolios had a significantly lower volume, partly because they comprised very small portfolios, often comprising just two or three

properties by comparison. It was domestic investors who dominated market activity and accounted for two-thirds of the trading volume in this case.

The first half of the year saw two large-scale deals in the area of individual transactions: the purchase of the Alsterhaus in Hamburg by the Schoeller Group's family office and a German pension fund, and the sale of a majority stake in the Höfe am Brühl shopping centre in Leipzig. Domestic investors were also more active in individual transactions, acquiring properties with a total value of €1 Bn, representing a 71 percent share.

[34] Selected retail investment deals 2025 and 1st half of 2026

Trans- action period	Name	Type of invest- ment	Number of properties	Object type	Location	Purchasing price range in euros (in some cases estimated)	Buyer	Seller
2025 H1	Porta / XXXLutz	Portfolio	> 100	Furniture store	Various	> 500 M	XXXLutz KG	Porta Möbel Handels Beteiligungs GmbH
2025 H2	Oberpollinger	Single Asset	1	Department store	Munich	< 500 M	Private investor	Signa Holding
2025 H2	Designer Outlet Neumünster	Single Asset	1	Factory Outlet-Center	Neumünster	< 500 M	TPG Capital	Nuveen / McArthurGlen
2025 H1	Designer Outlet Berlin	Single Asset	1	Factory Outlet-Center	Wustermark	< 250 M	Frey Group	Nuveen
2025 H2	Gropius Passagen	Single Asset	1	Shopping centre	Berlin	< 250 M	Hayfin Capital Management	Nuveen / Unibail-Rodamco-Westfield
2025 H2	CORBINIAN	Single Asset	1	Department store	Munich	< 250 M	Stumpf Development	Signa Holding
2025 H2	K231	Single Asset	3	Commercial building with residential/office space on the high street	Berlin	< 250 M	Stumpf Development	Signa Holding
2025 H1	Local supplier PF	Portfolio	22	Supermarket	Various	< 250 M	Habona Invest	Pension fund
2025 H2	K28	Single Asset	1	Department store	Munich	< 250 M	Private investor	Hirmer Immobilien
2025 H2	Sport Schuster	Single Asset	1	Department store	Munich	< 250 M	Private investor	Sporthaus Schuster
2025 H1	Luisencenter	Single Asset	1	Shopping centre	Darmstadt	< 100 M	Kolb + Partner / BSM	LaSalle Investment Management
2025 H2	Zehentner & Seidel-PF	Portfolio	5	Superstore	Various	< 100 M	Captiva / Universal Investment	Zehentner & Seidel Immobiliengesellschaft
2025 H2	FMZ Goerzallee	Single Asset	1	Retail park	Berlin	< 100 M	Mishorim Investments	Patrizia
2025 H2	Palais Vest	Single Asset	1	Shopping centre	Recklinghausen	< 50 M	Hilee / INTERRA Immobilien	Unibail-Rodamco-Westfield
2025 H2	Rahlstedt Center	Single Asset	1	Shopping centre	Hamburg	< 50 M	Arrow Global	CBRE Investment Management
2025 H2	Leine-Center	Single Asset	1	Shopping centre	Laatzen	< 50 M	Hilee / INTERRA Immobilien	Teacher Retirement System of Texas / CBRE Investment Management
2025 H1	SSC Schloss-Straßen-Center	Single Asset	1	Shopping centre	Berlin	< 50 M	Porth Gruppe	Hamburg Commercial Bank

Source: CBRE Research

Trans- action period	Name	Type of invest- ment	Number of properties	Object type	Location	Purchasing price range in euros (in some cases estimated)	Buyer	Seller
2025 H2	Flensburg Galerie	Single Asset	1	Shopping centre	Flensburg	< 50 M	Saller Bau	MAS Real Estate
2025 H1	Kaufingerstraße 7	Single Asset	1	Commercial building with residential/office space on the high street	Munich	< 50 M	Family Office	Elisabeth Mangold
2025 H1	Langgasse 5-9	Single Asset	1	Commercial building with a residential/office section	Wiesbaden	< 50 M	SEG Stadtentwicklungsgesellschaft Wiesbaden	Signa Holding
2025 H1	E-Center Singer	Single Asset	1	Retail park	Wasserburg am Inn	< 50 M	ILG Holding GmbH	Private investor
2025 H1	Blechen Carré	Single Asset	1	Shopping centre	Cottbus	< 50 M	Monitor Capital Partners / BRIX Real Estate / Wyckerveste	Amundi
2025 H2	Shopping Plaza Garbsen	Single Asset	1	Shopping centre	Garbsen	< 25 M	Hilee / INTERRA Immobilien	Hannover Leasing
2025 H1	ALDI / DEFAMA	Portfolio	11	Retail store	Various	< 25 M	DEFAMA	ALDI
2025 H1	Vintage PF	Portfolio	11	Retail store	Various	< 25 M	N/A	Deutsche Konsum
2025 H2	Rathaus-Galerie Hagen	Single Asset	1	Shopping centre	Hagen	< 25 M	Monitor Capital Partners / BRIX Real Estate / Wyckerveste	GNO Grundstücksverwaltung (insolvency sale)
2025 H1	Schlaus 6	Portfolio	6	Retail store	Various	< 25 M	Propetti Investment Holding	Schlau-Beeth Familientreuhand GmbH
2025 H2	Dresden Karree	Single Asset	1	Shopping centre	Dresden	< 25 M	Saller Bau	Hirmer Immobilien
2025 H2	Carrée Marzahn	Single Asset	1	Shopping arcade	Berlin	< 25 M	Greystar Real Estate Partners / CRX Real Estate	Cosimo Investment
2025 H1	Schwedendamm 3	Single Asset	1	Convenience retail centre	Rathenow	< 10 M	Dr. Peters GmbH & Co. Emissionshaus KG	N/A
2025 H1	PENNY PF	Portfolio	2	Discounter	Various	< 10 M	PENNY	Paref Gestion
2025 H1	City Point Bochum	Single Asset	1	Shopping centre	Bochum	< 10 M	Saller Bau	Corestate Capital
2025 H1	formerly the Einkaufs- szentrum Rössle	Single Asset	1	Shopping centre	Villingen- Schwenningen	< 10 M	Town of Villingen-Schwenningen	HBB Hanseatische Betreuungs- und Beteiligungsgesellschaft
2026 H1	Powerfoods	Portfolio	37	Discounter	Various	< 250 M	CEV Handelsimmobilien	Trei Real Estate
2026 H1	Alsterhaus	Single Asset	1	Department store	Hamburg	< 250 M	EZVK Evangelische Zusatzversorgung- skasse / Schoeller Group	Signa Holding
2026 H1	Höfe am Brühl	Single Asset	1	Shopping centre	Leipzig	< 250 M	Investika Real Estate	Unibail-Rodamco-Westfield

Trans- action period	Name	Type of invest- ment	Number of properties	Object type	Location	Purchasing price range in euros (in some cases estimated)	Buyer	Seller
2026 H1	Hedera Herkules	Portfolio	7	Commercial building with a residential/office section	Various	< 100 M	Actrax Group	hedera bauwert
2026 H1	Jumbo	Portfolio	7	Retail park	Various	< 100 M	PGIM Real Estate; 4FI	Greenman Investments
2026 H1	Nanz-Quartier	Single Asset	1	Commercial building with a residential/office section	Stuttgart	< 50 M	currily AG	Nanz & Partner Immobilienmanagement
2026 H1	Beetzsee Center	Single Asset	1	Retail park	Brandenburg an der Havel	< 50 M	LEOFF Capital	N/A
2026 H1	GPEP 10+1	Portfolio	11	Discounter	Various	< 50 M	GPEP GmbH	RATISBONA
2026 H1	FMZ Mühlheimer Straße	Single Asset	1	Retail park	Offenbach am Main	< 50 M	Stenger EKZ Offenbach	Hahn AG
2026 H1	An der B167 5-17, Schorfheide	Single Asset	1	Retail park	Schorfheide	< 50 M	Norkon / Iroko ZEN	Bruton Capital
2026 H1	Bremer Carrée (Obernhaus)	Single Asset	1	Commercial building with residential/office section High Street	Bremen	< 50 M	Müller & Bremermann Immobilien / Family Office	HIH
2026 H1	Stern Center Sindelfingen	Single Asset	1	Shopping centre	Sindelfingen	< 25 M	ACTIV-Group	CORESTATE
2026 H1	FMZ Gronauer Straße	Single Asset	1	Retail park	Rhede, Westf.	< 25 M	VK Immobilien	EDEKA
2026 H1	Wilhelmstraße 44-46	Single Asset	1	Commercial building with residential/office space on the high street	Wiesbaden	< 25 M	Quantum	N/A
2026 H1	Kaufhof	Single Asset	1	Department store	Heidelberg, Neckar	< 25 M	ACTRIS AG	RFR Holding
2026 H1	City-Rondell	Single Asset	1	Shopping centre	Villingen- Schwenningen	< 25 M	ACTIV-Group	CORESTATE
2026 H1	FMZ Dr.-Robert- Pfleger-Straße	Single Asset	1	Retail park	Bamberg	< 25 M	VALUES Real Estate	Private investor
2026 H1	FMZ Gothaer Straße	Single Asset	1	Retail park	Erfurt	< 25 M	Kaufland	Deutsche Konsum
2026 H1	SIC Siegerland Center	Single Asset	1	Shopping centre	Siegen	< 25 M	Saftekin Immobilien	Jagdfeld Real Estate
2026 H1	Marktkarrée Langenfeld	Single Asset	1	Commercial building with a residential/office section	Langenfeld (Rhineland)	< 25 M	Saller Bau	Apollo Global Management
2026 H1	hagebau Baumarkt	Single Asset	1	DIY and home improvement store with garden centre	Ditzingen	< 25 M	Pflugfelder Immobilien Treuhand GmbH	Hamborner Reit

Source: CBRE Research

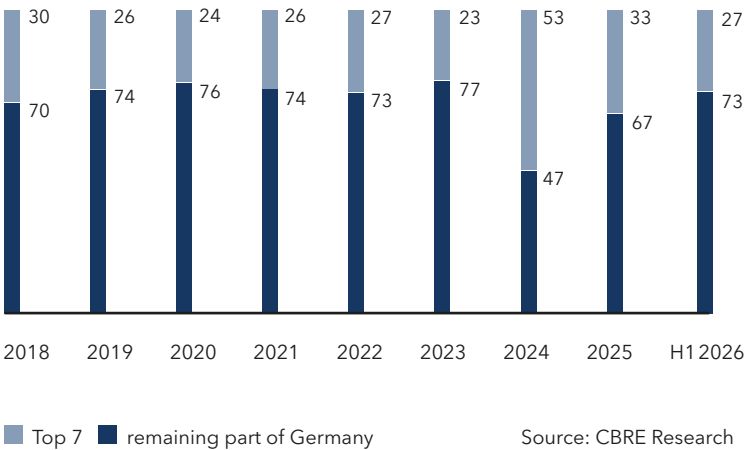
Reduction in the top 7 transactions

Even though a number of high-profile trophy properties in Germany's top cities changed hands in 2025 as well, the volume was nowhere near that of the previous year, when the seven German cities – Berlin, Düsseldorf, Frankfurt am Main, Hamburg, Cologne, Munich, and Stuttgart – dominated the retail property market, accounting for 53 percent of the total. The result was nevertheless slightly above the ten-year average of 27 percent for the period

2015 to 2024 with a volume of €2.1 Bn and a share of 33 percent. Investors focused on retail premises and department stores in prominent high-street sites, with a total volume of more than €1.2 Bn. Well behind these are specialist and food markets, with a volume of €349 M, closely followed by shopping centres with a volume of €296 M, representing 16 percent and 14 percent of the total volume of the top 7 [see figure 35].

[35] Transaction volume for retail property by site

Figures in percent



Two cities – Berlin and Munich – were the main focus here, as was the case in 2024. Munich was the most dynamic retail investment site in Germany in 2025: The Bavarian capital accounted for a 14 percent share of the total transaction volume with a total investment volume of €896 M. This volume was driven in particular by six transactions involving high-street properties. Two commercial properties comprising residential and office space in prime locations were sold in addition to the four department store transactions already mentioned, i.e., Oberpollinger, CORBINIAN, K28 and Sport Schuster. They include the property at Kaufingerstraße 7, which was sold by a community of heirs to a German family office for a sum in the mid double-digit millions. Munich was followed by Berlin, with a transaction volume of around €741 M and a share of 12 percent of the total volume. A total of 19 retail properties were sold in the capital over the course of the year. Shopping centres accounted for the largest share of the transaction volume, at 34 percent, driven by the sale of the Gropius Passagen and the SSC Schloss-Straßen-Center, which had gone into administration and which the Porth Group acquired at the start of the year. Hamburg followed a little way behind, with a transaction volume of €199 M or a share of 3 percent. Here, too, 19 transactions were recorded over the course of the year, the largest of which were a fully let commercial property in Ottensen, sold by Union Investment to VALUES Real Estate, and the Rahlstedt Centre, which Arrow Capital acquired from CBRE IM. Düsseldorf followed with a transaction volume of €123 M. In North Rhine-Westphalia's capital city, too, the focus was on high-street properties, including a property on the luxury shopping street Kö (Königsallee 40), which was transferred from a Centrum-affiliated

company to Commerz Real. Each of the other three metropolises of Cologne, Stuttgart, and Frankfurt registered a transaction volume of less than €100 M in 2025, with a total of eight transactions recorded.

Away from the top 7 locations, the transaction volume totalled €4.3 Bn in 2025. Investment activities focused on the specialist and food market sector, which encompasses various types of retail property: This includes not only specialist retail outlets, retail parks and convenience retail centres, DIY stores, furniture shops, and cash-and-carry stores, but also various formats of food retail (discounters, supermarkets and superstores, as well as hypermarkets). This sub-asset class accounted for a total of €2.8 Bn outside the major cities, with the largest volume – €842 M – invested in food retail properties, closely followed by furniture stores with €817 M. Retail parks accounted for a total of €667 M, while convenience retail centres accounted for €291 M. Retail and department store properties in prime city-centre sites generated a transaction volume of €476 M, with prices significantly lower than those for high-street properties in prime locations in major cities. Outside of these cities it averaged just €10 M, while the purchase price in the top cities averaged over €80 M. In the shopping centre segment, a total transaction volume of €310 M was recorded. Sale of the Luisencenter in Darmstadt by LaSalle Investment Management was one of the largest transactions within this sub-asset class. The sales of the two outlet centres in Neumünster and Wustermarke are among the largest individual transactions outside the major cities.

Trend to continue in 2026

The share of the top 7 cities compared with B-tier sites and regional centres fell slightly once again to 27 percent in the first half of 2026. A total of €511 M was invested in the seven major cities, with the lion's share – €230 M – accounted for by the Hanseatic City of Hamburg, driven largely by the acquisition of the Alsterhaus from the Signa Group's insolvency estate by the Schoeller Group's family office in a joint venture with the Evangelische Zusatzversorgungskasse (EZVK). Berlin once again came second, with a retail transaction volume of €134 M. The capital benefited from the sale of the Powerfoods portfolio which has 16 of its 37 properties located in Berlin. The other five major cities each recorded transaction volumes in the first half of the year that were, for the most part, well below €100 M, including the Nanz-Quartier in the Botnang district of Stuttgart, which currlily AG acquired from the Nanz Group, and the sale of several high-street properties on Düsseldorf's Königsallee.

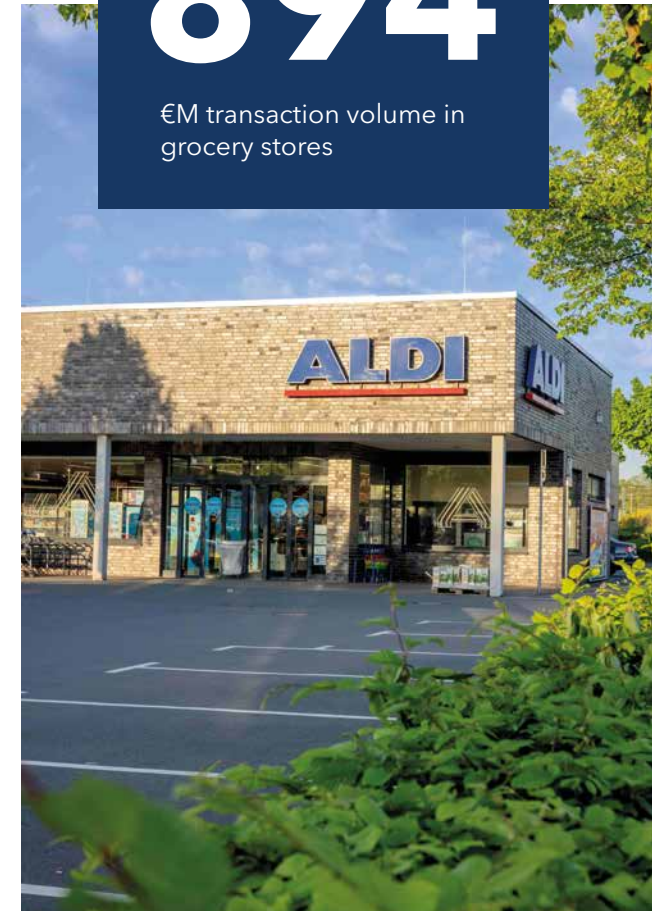
About €1.4 Bn was invested in the first half of 2026 outside the top 7 locations. Just over half of this, €710 M (52 percent), was accounted for by specialist retail properties, including food markets. Retail parks continued to be a firm favourite with investors within the segment, with a transaction volume of €348 M; one example being Norkon's purchase of the Schorfheide retail park, north of Berlin, on behalf of the French SCPI fund Iroko Zen. The total transaction value for the various types of stand-alone food markets amounted to €195 M, including a package of eleven shops acquired by GPEP from Ratisbona. Shopping centres came in second place with a total volume of €263 M, including the acquisition of an 89.9 percent stake in the Höfe am Brühl centre by the Czech property fund INVESTIKA in early 2026, which was one of the largest individual transactions of the first half of the year. High-street properties came in third place with a transaction volume of €196 M.

2.4 Specialist retail properties return to their traditional leading position

While high-street properties dominated the local retail property investment market in 2024 – driven by the sale of various trophy properties in Germany's top cities – and achieved a historically high market share of 46 percent, the situation reversed again in 2025, and the specialist retail and food retail segment regained the leading position it had held in previous years. In total, just over €3.1 Bn flowed into this segment in 2025, representing a share of 49 percent of the total market. The following breakdown emerges when considering the various types of retail property that fall under the category of specialist and food markets: Furniture retailers accounted for the largest share, totalling €954 M as a result of the Porta acquisition. Food retailers recorded a transaction volume of €894 M, with superstores in particular accounting for €363 M, followed by supermarkets and discounters, while hypermarkets played virtually no role during 2025. For example, in the fourth quarter, Captiva acquired a portfolio of new-build properties comprising five REWE superstores in Mecklenburg-Western Pomerania, Saxony-Anhalt, and Saxony from Zehentner und Seidel Immobiliengesellschaft.

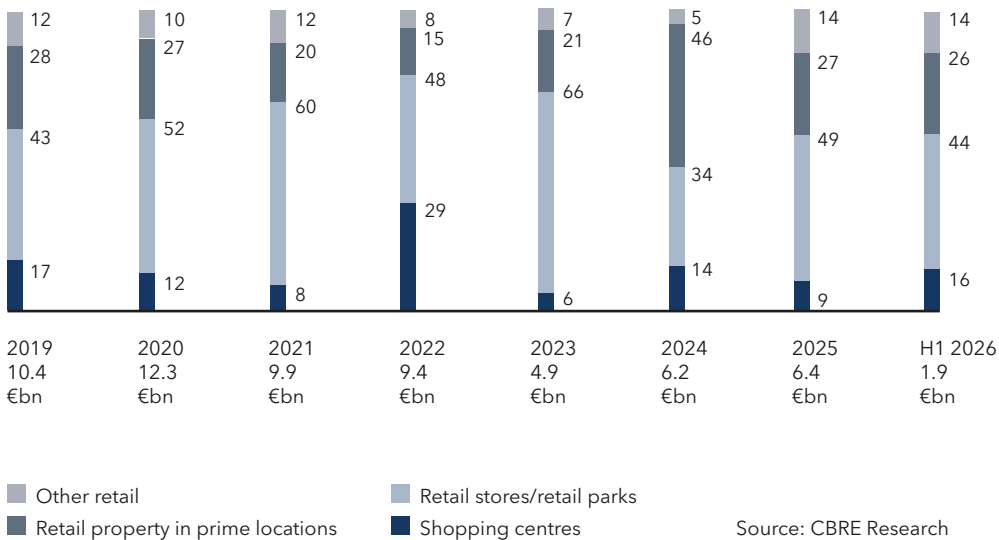
894

€M transaction volume in grocery stores



[36] Retail investments by asset class

Figures in percent



In addition, at the end of the year, the Hahn Gruppe also purchased six stores, including five superstores, from the EDEKA regional company for Northern Bavaria, Saxony, and Thuringia. A further €703 M in transaction volume was attributed to retail parks, bringing their market share of the total transaction volume for retail warehouse properties to 22 percent. One of the largest individual transactions was the acquisition of a retail park on Goerzallee in Berlin by the Israeli-Canadian company Mishorim Investments from Patrizia for around €62 M [see figure 36].

Shops and department stores in the main shopping streets accounted for a total transaction volume of €1.7 Bn in 2025, representing 27 percent of the total transaction volume in the retail sector and thus ranking second. A number of major deals were concluded in the top cities in 2025 as in the previous year, with family offices and private investors securing landmark properties. Former Signa properties accounted for a significant proportion of the transaction volume in both these major transactions and other sales. A total of €780 M came from the sale of commercial buildings and department stores that were previously owned by the insolvent Signa Holding. In terms of transaction volume,

department stores dominated the market within this sub-asset class, with a volume of just over one billion euros across 22 transactions. In addition, there were 48 commercial property sales, which totalled €700 M.

Shopping centres achieved a transaction volume of €607 M in 2025, representing a market share of 9 percent. A total of 15 shopping centres changed hands, with a developer acting as the buyer in a third of these cases. It is evident that there is some scope for optimisation in the majority of the centres sold in 2025 with regard to risk strategy, too. Two-thirds of the centres fall into the “value-add” or “opportunistic” risk categories. However, there were also shopping centre transactions in the “Core” and “core-plus” segments, including the Gropius Passagen in Berlin and the Luisencenter in Darmstadt.

The other retail segment accounted for a historically very high share of 14 percent, corresponding to a volume of €914 M. The reason for this strong performance is a one-off factor that only occurs every few years. It is usually commercial properties in secondary sites, in particular, that account for a significant proportion of the investment volume in this category. In 2025, however, the sales of the two outlet centres in Neumünster and Wustermark accounted for more than half of the total volume. Since there are only a limited number of outlet centres in Germany, sales are rare and, when they do occur, are treated as one-off events.

A slowdown in growth in the first half of 2026

Growth in the retail store and food market sector slowed slightly in the first half of 2026. However, with a transaction volume of €824 M, this sub-asset class still accounted for a market share of 44 percent. A large proportion of the total volume in this segment is attributable to sales of retail parks. €348 M were attributable to this type of retail property, including the Jumbo portfolio, which PGIM acquired from the Irish investment firm Greenman. Investors continued to focus on food markets: A volume of €304 M was allocated to discounters, hypermarkets, supermarkets, and superstores in the first six months of 2026, the majority of which was accounted for by the Powerfoods portfolio [see figure 37].

44

percent of market share for specialist and supermarkets

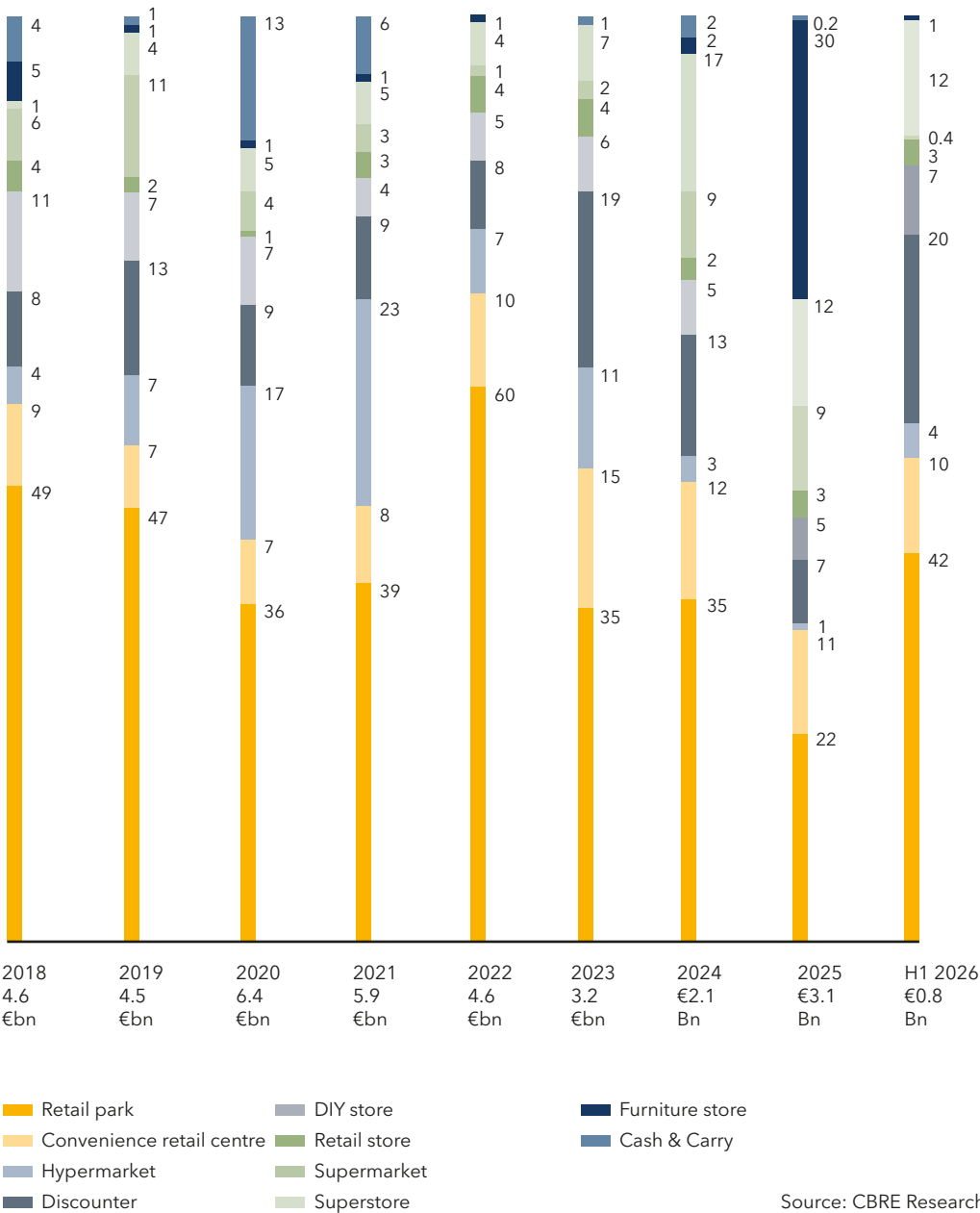
High-street property has managed to maintain its market share at 26 percent so far year-on-year, which corresponds to a transaction volume of €493 M. However, the large-scale transactions involving trophy properties that were characteristic of previous years have been absent so far this year, with the exception of the Alsterhaus in Hamburg. Consequently, the half-year results are characterised by a high degree of fragmentation, which is also reflected in the average lot size, which (excluding Alsterhaus) stands at just under €10 M.

Greater momentum was observed in the shopping centre segment during the first half of 2026. Its share rose to 16 percent – with a total investment of around €294 M – and was thus above the average for the previous five years. About half of the total volume is attributable to the acquisition of a stake in the Höfe am Brühl centre in Leipzig. In addition, the properties sold were predominantly value-add and opportunistic assets, with developers once again securing shopping centres in particular.



[37] Retail investments by asset class - subgroup retail warehouse properties

Figures in percent



2.5 Product availability and its impact on investor nationality

The year of 2025 was characterised by a noticeable resurgence of activity on the part of international investors. The total investment volume of international players rose from €2.4 Bn in 2024 to €2.9 Bn in 2025. The share rose by 6 percentage points year-on-year to 45 percent. Austrian investors accounted for 21 percent of the market's total transaction volume among the international players – largely influenced by the XXXLutz Group's acquisition of the Porta properties – with an investment volume of over €1.3 Bn. Investors from the United States and Canada followed some way behind, each accounting for 6 percent. Key transactions in this regard included the purchase of the Factory Outlet Centre in Neumünster by the US investment fund TPG Capital, and the acquisition of a large portfolio of food markets by the Canadian asset manager Slate.

Nevertheless, domestic investors continued to drive market activity. The total transaction volume of domestic players stood at €3.5 Bn, accounting for 55 percent of the total. This meant that the share was below the previous year's figure of 61 percent and also slightly below the average for the last five years, when German investors accounted for 59 percent of the investment volume.

The activities of domestic and foreign players on the supply side were fairly evenly distributed in 2025. German investors accounted for 53 percent of the total volume. Accordingly, international investors accounted for 47 percent. This means that the breakdown is roughly in line with the average for the last five years, during which German investors accounted for 56 percent of the total volume. The largest sales volumes were accounted for by Austrian investors – in particular through the sale of various Signa properties – as well as US investors on the sellers' side, too [see figure 38].

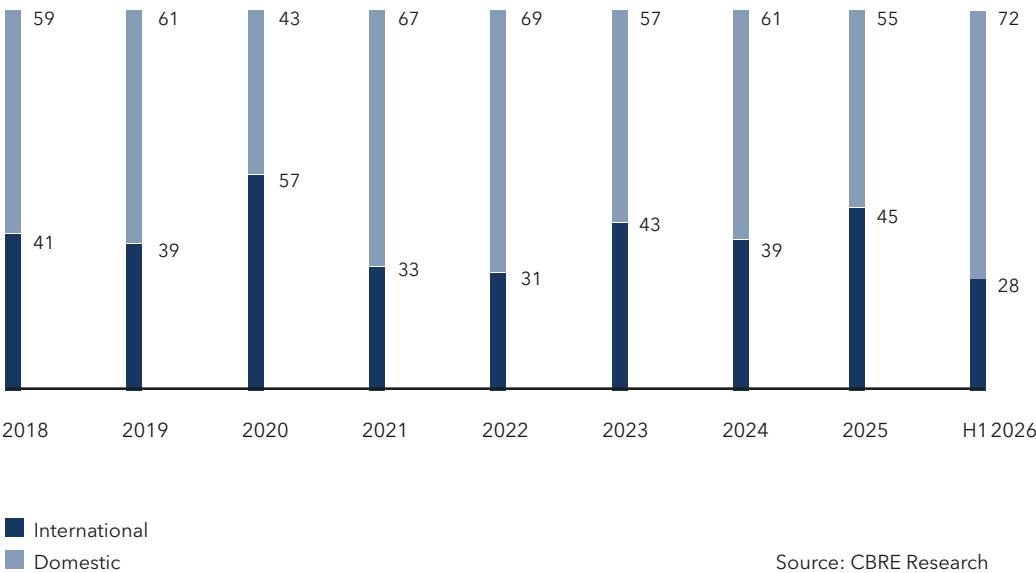
In the first half of 2026, domestic investors significantly increased their market share. German investors purchased retail properties for a total of €1.3 Bn, representing a 72 percent share – 17 percentage points higher than the figure for 2025. The high proportion of German investors should be viewed in the context of the properties traded to date. So far this year, there have been only three large-scale transactions – both single-property and portfolio deals – exceeding the threshold of €100 M. However, large-scale investments in

particular are often more attractive to foreign investors if a single transaction allows a larger volume to be placed in a foreign market.

Significantly more domestic players sold their retail properties than foreign ones on the sellers' side, too. In the first six months of 2026, the proportion of domestic sellers was 62 percent, and the transaction volume amounted to over €1.1 Bn.

[38] Transaction volume of retail property by buyer nationality

Figures in percent



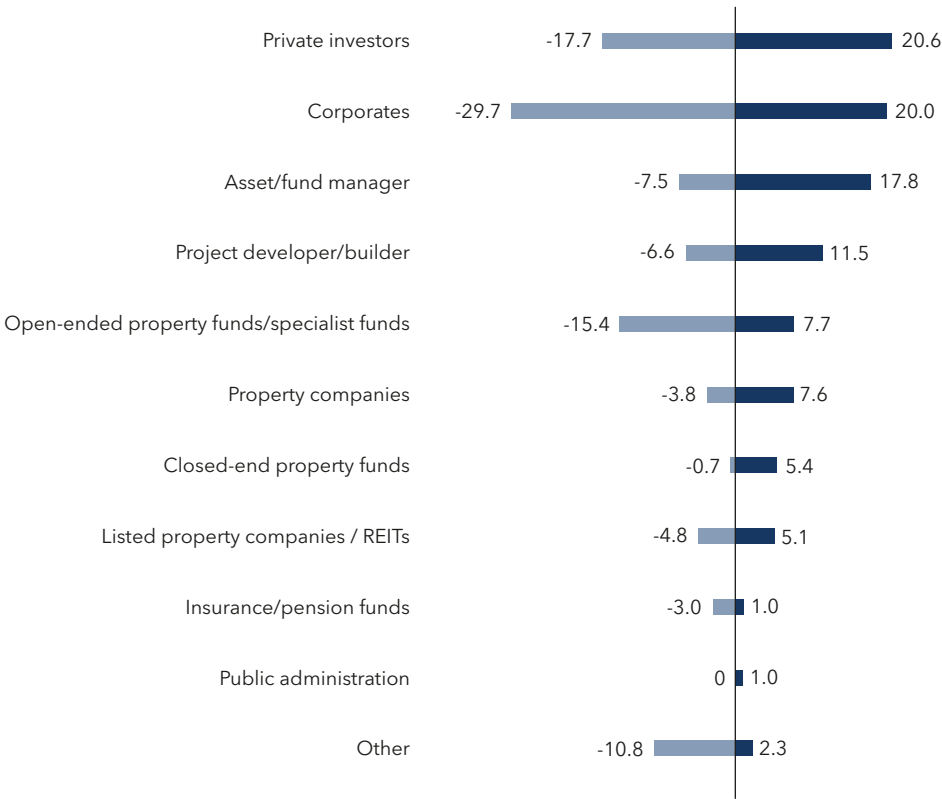
Source: CBRE Research

In 2025, private investors and corporate investors were the most active groups when it came to purchasing retail property in Germany. They acquired retail properties worth around €1.3 Bn each, each accounting for around 20 percent of the total volume. At the same time, however, corporate entities were also divesting themselves of their property on a large scale. With sales totalling €1.9 Bn, this results in a negative net investment volume of €621 M. Asset and fund managers significantly increased their portfolio of retail property in Germany in 2025 by contrast. They ranked third among the most active buyer groups with acquisitions totalling €1.1 Bn. This was offset by sales of properties totalling €484 M, resulting in a significantly positive net balance with a surplus of €656 M for the investor group comprising asset and fund managers [see figure 39].

In the first half of 2026, asset and fund managers were the most active group of buyers. They invested €436 M, accounting for 23 percent of the total volume. Next in the ranking are property companies, with a share of 22 percent, and private investors, with 21 percent. Property developers were particularly active, offloading retail properties with a total value of €606 M on the sellers' side. Considering the acquisitions, this results in a significantly negative net balance of €429 M. The largest net gain was recorded by property companies, with a net balance of €324 M.

[39] Transaction volume of retail properties by investor type in 2025 as a whole

Figures in percent



Private investors and corporates were the most active investor groups in 2025.



■ Purchase
■ Sale

Source: CBRE Research

2.6 Prime yields largely moving sideways

Prime yields for the various types of retail property have generally remained stable over the past 18 months.

Initial net yields in the highly sought-after segment of food supermarkets and grocery-anchored properties fell slightly once again at the start of 2025. Discounters, supermarkets, superstores and hypermarkets stood at 4.60 percent at the start of the year, 0.1 percentage points lower than at the end of 2024. Retail parks also fell by 0.1 percentage points to 4.90 percent. Since then, yields on these types of properties have remained stable.

Furthermore, prime retail property saw a slight compression in yields, with the average prime yield across the top 7 cities falling by 0.2 percentage points to 4.44 percent. Since then, this figure has also remained stable.

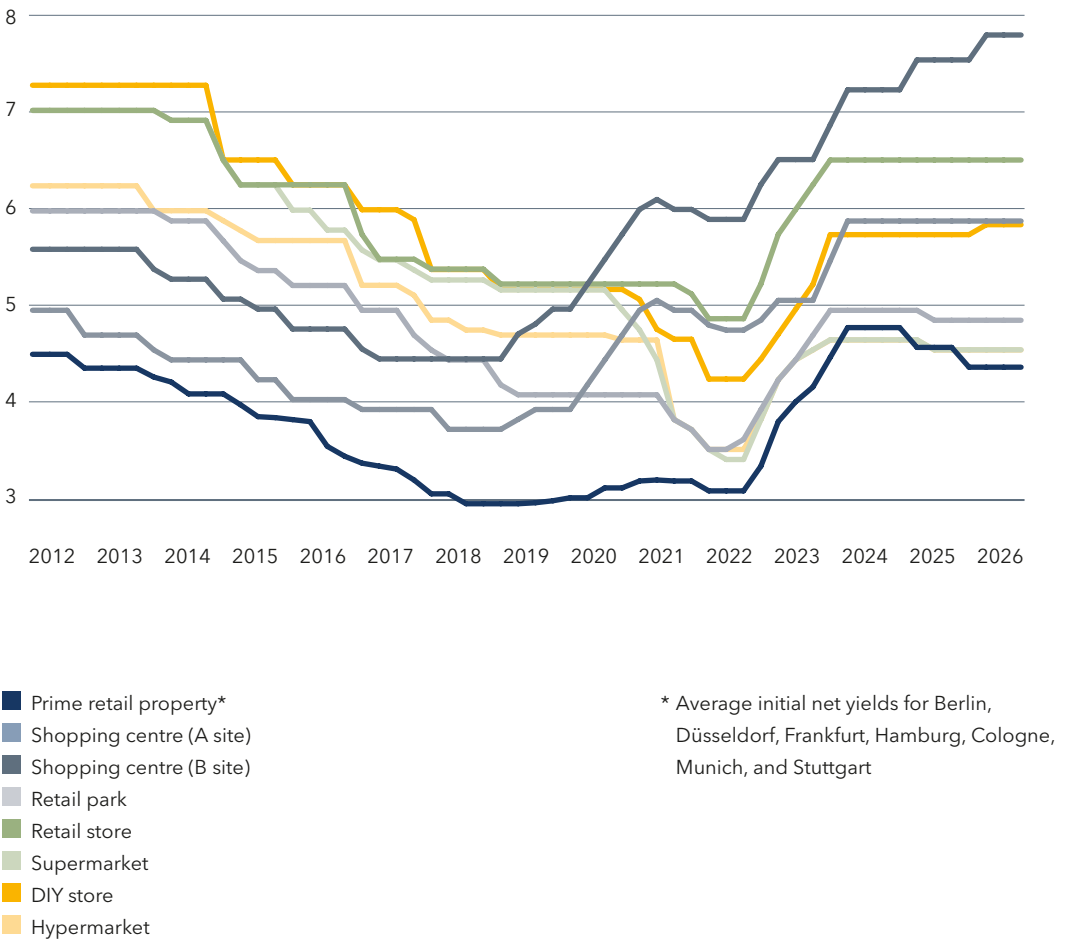
Shopping centres are showing varying trends, depending on their site. The prime yield for properties in B locations has decoupled from its traditionally parallel trend and, following the latest rise of 0.25 percentage points, now stands at 7.75 percent at the end of 2025 while the prime yield for top-

tier centres in A locations rose to a historical high of 5.90 percent at the end of 2023 and has remained stable at this level ever since. Beyond the prime yields, yields are significantly higher still.

Prime yields for specialist retail and DIY stores have remained stable over the last 18 months and stood unchanged at 6.50 percent and 5.85 percent by contrast to this.

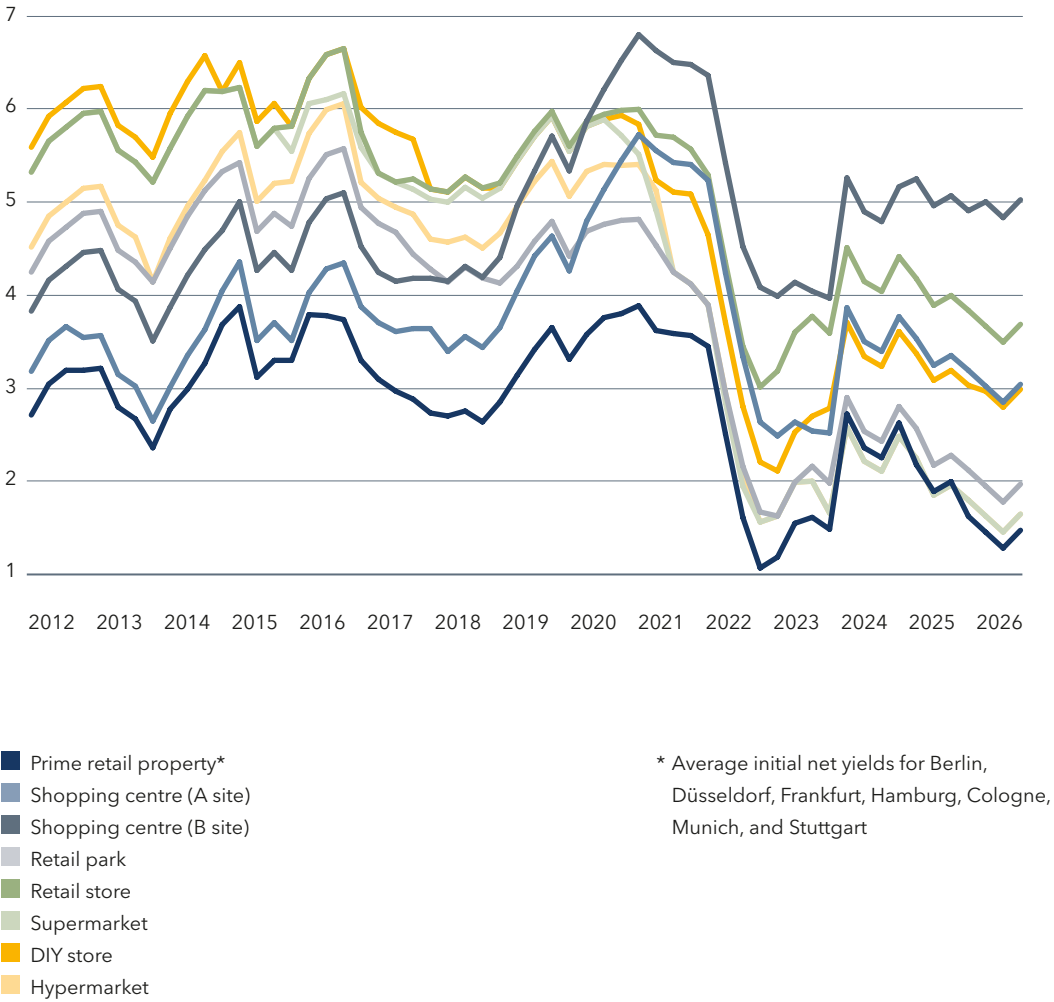
In recent months, interest rates at the long end of the yield curve in particular have risen slightly. In mid-2026, the yield on German government bonds with a remaining maturity of ten years stood at 2.89 percent, a good 0.3 percentage points above the previous year's figure. Figures are likely to be slightly higher as the year progresses. The ECB's further rise in key interest rates in June 2026 will also steepen the yield curve, which is expected to limit the future compression of property yields. Accordingly, in the current property cycle, investor interest is based more on earnings-driven performance than on yield compression and/or favourable lending conditions. [see figures 40 and 41]

[40] Development of prime yields for retail property
Figures in percent



Source: CBRE Research

[41] Difference between prime yield and risk-free interest rate (ten-year German government bond)
Figures in percent



Source: CBRE Research

2.7 Outlook

The overall conditions for the German property investment market – and, therefore, also for the retail property market – have improved over the course of the year. Inflation has recently fallen to 2.3 percent, and the rise in real incomes is boosting the purchasing power of many households. Consumer confidence is stabilising, though this does not yet pave the way for a noticeable upturn in consumption at the same time. Consumer confidence is expected to improve only slightly over the coming months, while the propensity to spend is likely to remain subdued and the propensity to save is set to stay at a high level.

Nevertheless, there are still some uncertainties. Geopolitical tensions in the Middle East, as well as trade-related risks in the international arena, may weigh on economic growth and consumer confidence. In particular, new pressures on energy prices or in global trade could potentially undermine the purchasing power of private households once again and dampen consumer confidence. Only moderate growth is expected for the German economy, meaning that a strong recovery in private consumption is unlikely for the time being at the same time.

Nevertheless, the positive signs continue to predominate in the investment market. The financing conditions, which are significantly more stable than in previous years, provide investors with greater planning certainty and support price formation in the market. Buyers' and sellers' price expectations have been converging increasingly over recent months, which is making it easier to conclude potential deals. The retail investment market has recently undergone significant changes in parallel with this. High-quality individual properties and portfolios are once again on the market for the first time in quite a while. These had not been available on this scale in recent years. Supply – in particular in the core-plus segment – has risen significantly. The number of sales processes has increased at the same time – partly due to upcoming refinancing, capital outflows from various funds and growing pressure on owners to sell. Furthermore, as sales pressure increases, slight rises in yields could emerge in certain market segments going forward.

In light of this, it is reasonable to assume that momentum in the retail property investment market will pick up significantly following a rather subdued first half of the year. Retail property is likely to once again be among the most sought-after types of use on the German property investment market in the next few months, with demand expected to focus in particular on high-quality properties in established sites.

Special feature

Developments in the European investment markets for retail property

European investment markets continue their recovery

The factors currently affecting the German property investment market (see chapter 2.7) also influence the markets in adjacent European countries. However, trading activity on the investment markets continues to pick up, and the gradual recovery that began following the last cyclical trough in 2023 is continuing. At just over €256 Bn, the Europe-wide transaction volume for 2025 was 19 percent higher than the previous year's figure. Investors' focus was primarily on investments in defensive asset classes, mainly residential properties, followed by industrial and logistics properties. Residential and logistics properties, therefore, remain the preferred target segments when it comes to restructuring existing property portfolios. However, investment in office property also continued to rise over the course of 2025. This confirms the findings of CBRE's annual survey of European investors, banks, and financial institutions. This trend is driven by the strong shift towards modern offices, in particular in

prime city-centre sites, which are a key focus for occupiers. Market participants are anticipating dynamic rent growth, particularly in the premium sector, where demand is strong in light of the emerging trend towards a decline in the completion pipeline and the resulting shortage of supply in the medium term.

The recovery continued into the first half of 2026, albeit at a somewhat slower pace given the increased uncertainties arising from geopolitical tensions, particularly in the Middle East, which led to a rise in lending rates and bond yields. Nevertheless, the Europe-wide transaction volume, at around €116 Bn, was 10 percent higher than in the corresponding period of the previous year.

European investment markets for retail property are also showing signs of stabilisation following the sharp decline in 2023. The volume of investment in retail property in Europe fell from around €43.4 Bn in 2022 to €26.6 Bn in 2023. The volume increased again, reaching €34.6 Bn in 2024 and €39.4 Bn in

2025 – an increase of 14 percent in the years that followed. In the first half of 2026, €18.1 Bn were invested; this was 4 percent below the previous year's figure. Transaction activity is well above the low point reached in 2023 but remains selective.

[42] Investment volume in the first half of 2026 for retail property in the ten largest European markets
Figures in €bn and percent

	Transaction volume Retail property H1 2026		Share of retail property in total European transaction volume	
	€bn	Change compared to previous year	H1 2025	H1 2026
United Kingdom	3.2	–25%	23%	18%
Italy	2.2	–1%	12%	12%
Germany	1.9	–35%	15%	10%
France	1.8	0%	10%	10%
Spain	1.6	0%	9%	9%
Sweden	1.4	187%	3%	8%
Netherlands	1.1	20%	5%	6%
Norway	0.8	185%	1%	4%
Belgium	0.7	–18%	4%	4%
Finland	0.5	2%	3%	3%
for information: Iberia	2.0	–8%	12%	11%

Source: CBRE Research

Food-focused formats are holding their ground

Grocery-anchored retail properties have maintained their importance within the European retail property investment market. The volume of investment in food retail property rose from €9.7 Bn in 2022 to €11.7 Bn in 2025. In the first half of 2026, €5.1 Bn were recorded. The food sector's share of total European retail investment volume thus stood at around 28 percent in the first half of 2026.

The geographical distribution continues to show a high concentration in a few large markets. Across the retail segment as a whole, the United Kingdom, Italy, Germany, France and Spain accounted for the largest shares in the first half of 2026. In the food retail sector, the United Kingdom and Sweden were the most important markets, followed by the core markets in Central and Eastern Europe, Spain and Germany. This breakdown highlights the fact that European retail investment activity continues to be heavily influenced by individual markets and transactions.

In the 2026 European Investor Intentions Survey, conducted annually by CBRE, Spain took first place for the first time. Just under 50 percent of respondents cited Spain as the market with the highest expected returns. This interest is underpinned by robust macroeconomic fundamentals, a thriving tourism sector and strong demand for housing. High demand is meeting limited supply in the residential and retail sectors in Spain. Portugal, another southern European market, came sixth for the second year running, as it is benefiting from similar trends.

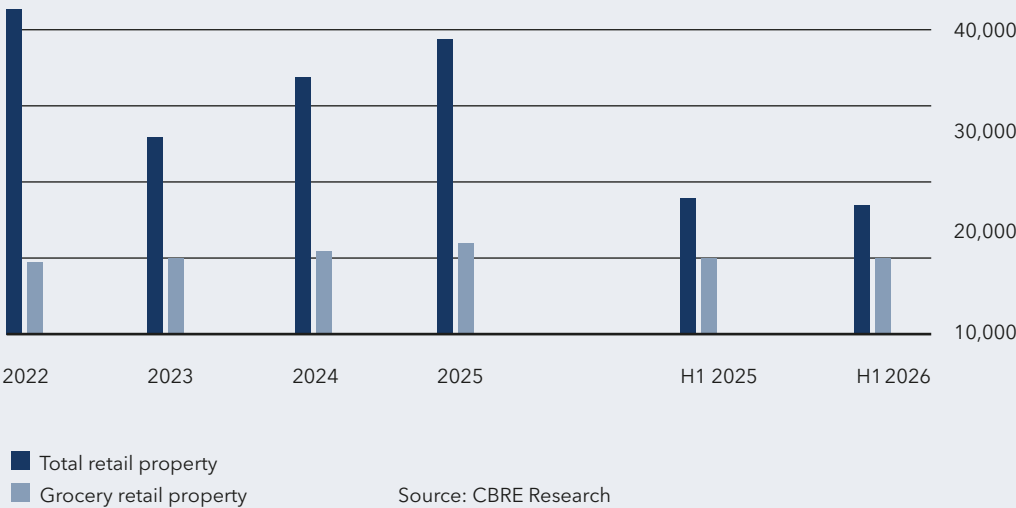


The United Kingdom has dropped one place in the ranking of expected returns, but remains attractive, partly because the outlook for interest rates has improved. Italy climbed by three places, reflecting greater financial stability, partly due to a more predictable political environment, strong macroeconomic fundamentals, a reduced supply pipeline and growth potential in regional markets.

This is also consistent with the Hahn Gruppe's latest investor survey (see chapter 2.9). Accordingly, Spain occupies a prominent position among the preferred target markets, accounting for 71 percent of mentions [see figure 60]. France (43 percent) follows some way behind, as do Portugal, Italy and the Scandinavian countries, each with 33 percent. The Benelux countries and the Alpine region each account for 19 percent. The strong focus on the Iberian Peninsula points to the high attractiveness of these markets from an investor's perspective. The key factor is likely to be, in particular, the positive fundamental conditions in the convenience retail sector,

[43] Investment volume in retail property in Europe

Figures in €M



including above-average growth in demand, favourable demographic trends and potential for increases in rent and property values. This underscores the perception of Spain and Portugal as comparatively dynamic and fast-growing retail property markets within Europe.

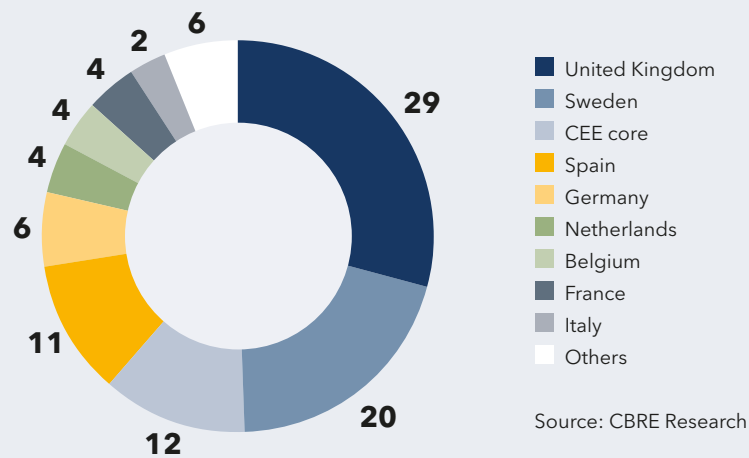
Yields are stabilising at a new level

In the wake of the changing interest rate environment, property yields have risen not only in Germany (see chapter 2.6) but also at European level. The prime yields recorded monthly across Europe stood at an average of 6.05 percent for retail parks and 5.25 percent for supermarkets in the seven core European markets at the end of July 2026. Shopping centres achieved an average prime yield of around 6.40 percent; in regional markets

(national B sites), the prime yield in this sub-asset class tended towards 8 percent.

If we also look at the trend here since the last cyclical peak (or yield trough) in the first quarter of 2022, it becomes clear that supermarkets, in particular, have risen significantly. The rise in yields between the first quarter of 2022 and July 2026 amounts to an average of just over 110 basis points. Food markets have become even more popular with investors as a result of the coronavirus pandemic, leading to a significant compression in returns for this asset class since 2019 – by up to 175 basis points in Spain, 170 basis points in Germany and 160 basis points in the Netherlands. Since the first quarter of 2022, net initial yields on food stores have risen significantly in all countries, although this rise has since levelled off.

[44] Investment volume in Europe for food retail property - breakdown by country in the first half of 2026
Figures in percent



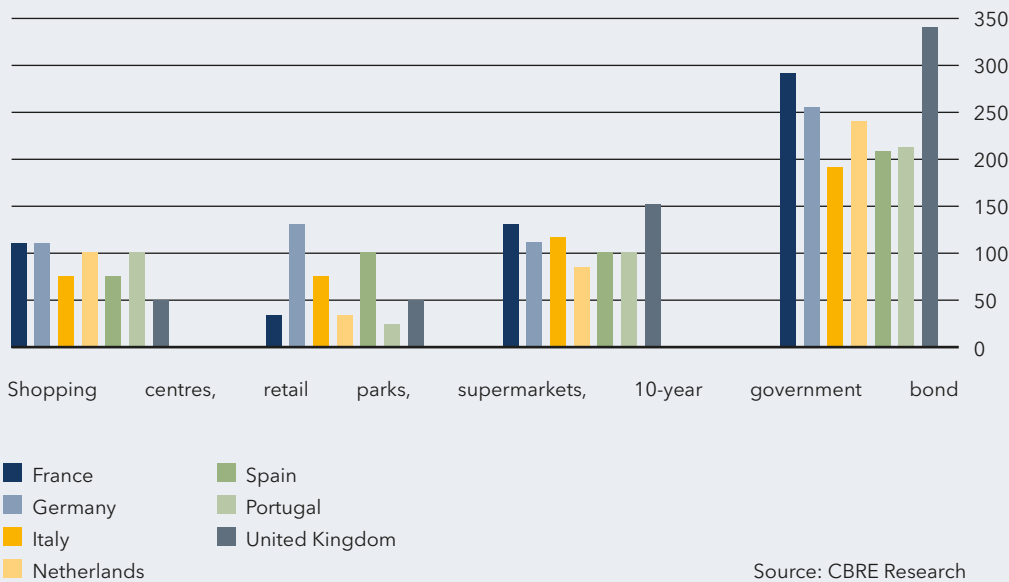
6.05

percent average prime yield for retail parks in core European markets

The rise in yields for retail parks was less pronounced, averaging 75 basis points. The prime yield on shopping centres has risen by 90 basis points on average across the seven core European markets since the end of the first quarter of 2022.

As in Germany, European markets are also expected to see increasing stabilisation and another levelling off of net initial yields as the year progresses. Prime yields for certain sub-asset classes within the retail property sector appear to be stabilising at a new level in some countries; while further rises in yields cannot (yet) be ruled out, the first signs of a moderate compression in yields are already emerging in markets such as Italy or Spain for shopping centres.

[45] Yield growth from March 2022 to July 2026 for selected types of retail property in the seven core European markets
Figures in basis points



2.8 Rental price analysis in the German food retail sector

The food retail sector has been regarded as “everybody’s darling” in the retail property investment market at the very least since the coronavirus pandemic. The reasons lie in the structure of the asset class. Food markets fulfil a basic supply function and, therefore, generate very stable turnover, largely regardless of the state of the economy. Online retail has so far played a relatively minor role in this sector. The leases are long-term and are held by tenants with a strong credit rating, which ensures predictable rental income over the long term. Since the food retail sector, as a local convenience retailer, is represented nationwide across all regions of Germany, right down to small communities, investment risks can be spread widely.

However, the actual rent is determined by the property and its site. CBRE has analysed tenant lists for retail properties with food retail tenants across the country in order to draw conclusions about the rents paid, broken down by store format, site and age of the property.

Methodological approach

The data is based on more than 700 food shops taken from nationwide tenant lists. The net rent, calculated on the basis of the rental space, is expressed in euros per square metre per month. These figures relate to existing rents as at the reference date of the respective tenancy list, not to rents arising from new leases.

The evaluation is performed in two stages. First, all the lease lines for a business are aggregated and the area-weighted rent is calculated. The arithmetic mean of the stores is then calculated within each analysis category. The range is defined by the 10th and the 90th percentile (P10 and P90).

The reference dates for the tenant lists range from 2020 to 2026. All rents have been adjusted using the Consumer Price Index published by the Federal Statistical Office to reflect the price level in June 2026, the latest confirmed monthly figure, to ensure the figures are comparable.

Four points should be borne in mind when interpreting the results:

- Discount stores account for the majority of the shops analysed.
- The analysis by year of construction and modernisation is based on about 84 percent of the stores as not all tenant lists specify the year of construction.
- The figures showing the extent to which the individual characteristics account for the differences in rent are calculated on the basis of the same subset, so that they can be compared. The data is based on those stores for which information on site, year of construction and store format is available.
- The results shown here generally reflect the range of net rents observed in the survey data for existing properties; however, individual cases may vary either upwards or downwards.

Store formats

The allocation follows a fixed cascade. Discount stores are identified by the name of the operator, regardless of their floor area. The store format is determined by the total floor area of the business for full-range retailers. Rental spaces of less than 400 sq m were excluded.

Store format	Typical operators	Area in sq m	Comment
Discounter	ALDI, Lidl, Netto, PENNY, NORMA, Diska, NP	500 to 2,000	Assignment by name
Supermarket	EDEKA, REWE, Tegut, Nahkauf, Nah und Gut, Wasgau	400 to 1,500	Assignment by size
Superstore	Kaufland, E-Center, Combi	1,500 to 5,000	Assignment by size
Hypermarket	Kaufland, Globus, Marktkauf, E-Center	more than 5,000	Assignment by size

Comment: The area-based thresholds are applied to the rental space, as the rents shown also relate to the rental space.



Rental spaces of less than 400 sq m were not included.

Classification of sites

The site categories follow the RIWIS classification developed by bulwiengesa. It classifies German sites into four categories according to their functional importance to the international, national, regional or local property market.

Class	Definition according to bulwiengesa
A cities	The most important German centres (Top 7) of national and, in some cases, international significance. Large, well-functioning markets in all segments.
B cities	Major cities of national and regional importance.
C cities	Major German cities of regional and, to a limited extent, national significance, which have a significant influence on the surrounding region.
D cities	Small, regionally focused sites that play a central role in their immediate local area, with a smaller market volume and lower turnover.

Cities in categories B and C have been combined into a single category in order to obtain reliable case figures. Sites that do not fall into any of the RIWIS categories are grouped under ‘Other sites’. It comprises mainly smaller local authorities and rural areas and, accounting for just over two-thirds of stores, is the largest group.

Rental price analysis by store format

Across all store formats, average rents are at a very similar level. There is a difference of €1.25 between the most and least expensive store format.

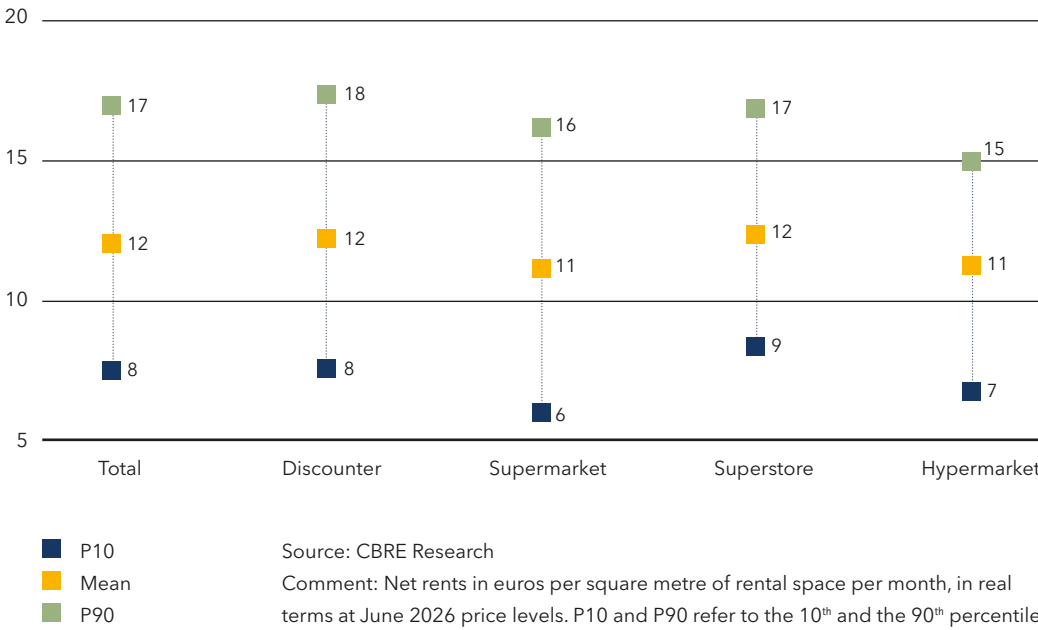
Superstores lead the way at €12.43, just ahead of discounters at €12.37 when broken down by store format. Supermarkets and hypermarkets follow, at €11.18 and €11.21 respectively. This picture remains the same even when the area is comparable. For premises between 1,600 and 2,500 sq m, discounters pay €12.16 and superstores pay €12.51. For areas between 1,200 and 1,600 sq m, the price is €12.12 at discount stores and €10.46 at supermarkets. This is linked to the development of the store format itself: Discount retailers have significantly expanded their product range, including organic items, and achieve higher space productivity than full-range retailers. Their ability to pay rent per square metre is, therefore, on a par with that of full-range

retailers. Added to this is the competition for the same convenience retail locations, which is waged by both discounters and full-range retailers alike.

There is no evidence of a rent-per-square-metre decline as the floor area increases. It is not possible to deduce the rent per square metre from the size of a market; the correlation coefficient is -0.08 and is, therefore, close to zero in the sample analysed. The trend across the size classes is also inconsistent: €10.88 for 400 to 800 sq m, €12.69 for 800 to 1,200 sq m, €11.98 for 1,200 to 1,600 sq m and €12.39 for 1,600 to 2,500 sq m.

Only once the area exceeds 5,000 sq m does the rate fall to €11.21. This pattern is consistent with the fact that space productivity does not increase linearly with floor area. The sales area is also often spread over several floors in the largest category, where footfall and space productivity are lower than on the ground floor, which drives down the average rent per square metre. The lower level of hypermarkets is, therefore, likely to be attributable less to a general scale effect than to the negotiating position of large anchor tenants, which act as crowd-pullers in both retail parks and convenience retail centres.

[46] Average net rents by store format
euros/sq m/month



Rental price analysis by site category

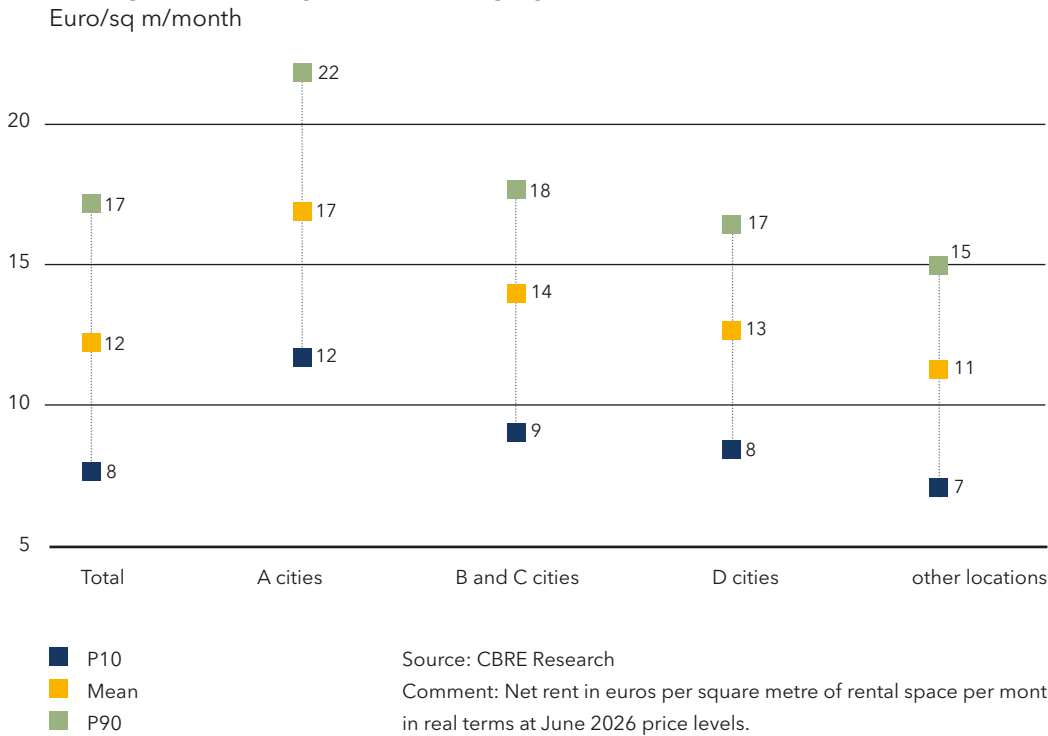
The differences are significantly greater than when broken down by store format when the analysis is broken down by site. Rental levels decline step by step from the A-tier cities to the other sites, without exception. There is a difference of €5.54 between the highest and lowest site categories.

The A-cities average €16.82, which is 49 percent higher than the other sites, where the average is €11.28. B and C cities follow with €13.83, and D cities with €12.54.

Regarding context: Around three-quarters of the stores analysed in the A cities category are located in Berlin. The figure of €16.82 primarily reflects the Berlin market and should not be taken as representative of metropolitan areas in general.

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Differentiation by location
brings out much greater
differences than differentiation
by store format.”

[47] Average net rents by location category



The influence of socio-economic conditions is also evident when comparing western and eastern Germany. The allocation is based on the postcode of the site. Berlin is excluded because of its special status. Rents across all store formats and site categories stand at €12.32 in western Germany and €10.28 in eastern Germany based on this. The difference amounts to about 20 percent. Possible reasons include lower purchasing power, lower land prices and weaker population and turnover potential.

The absolute range increases in line with the level of rent. Between the 10th and the 90th percentile, the difference is €9.86 in A cities, €8.69 in B and C cities, €8.30 in D cities and €7.67 in other sites. However, when measured against the respective rent levels, the picture is reversed: The top 10 percent of the most expensive markets in the A cities command prices 83 percent higher than the

bottom 10 percent; in the other sites, the figure is 107 percent. Rents in the top-tier cities are, therefore, closer together.

The extent to which the site has an impact is most clearly evident within the same store format. Discount retailers pay €17.02 in A cities and €11.21 in other sites, a 52 percent mark-up. The price is €17.07 for superstores, compared with €11.88, a 44 percent premium. Expressed in euros, the site alone accounts for a difference of €5.81 at the discount supermarket and €5.19 at the superstore. There is a difference of just €1.25 between the most and least expensive store format by contrast. The site, therefore, carries four times as much weight as the store format.

If we compare the extent to which the individual factors explain the differences in rent, a clear picture emerges. Based on the same subset of stores, the site category accounts for 20 percent of the differences, while the store format accounts for 2 percent.

This is based on a comparison of the group averages with the overall average. The further the categories deviate from this and the more stores are assigned to those deviating categories, the higher the reported proportion.



Rental price analysis by year of construction and modernisation

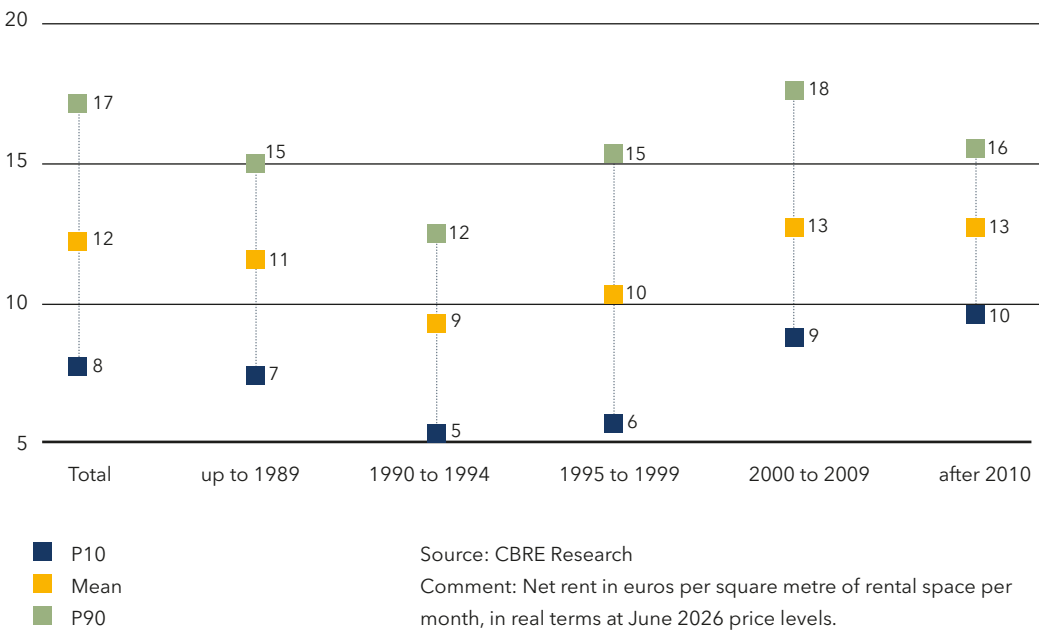
Age of the property is the second most important factor following location. Rents do not rise consistently as buildings get newer.

The lowest price is not for the oldest stock, but for the 1990 to 1994 vintage, at €8.98. Objects built up to 1989 are significantly higher at €11.53, while those built from 2010 onwards reach a rent level of €12.73.

The low figure for the 1990-1994 period in this sample is due to the site, not to the age of the buildings. In this category, only 4 percent of the stores are located in A cities. The portfolio up to 1989 has this value at 27 percent. However, the mix of sites is not sufficient to explain the entire course of events. The properties built from 2010 onwards are also almost entirely located outside the A cities, yet still command the highest average rent. It is not possible to determine from the available tenant lists which year groups are present on the German market as a whole, nor in which sites. The findings describe the sample that was analysed.

[48] Average net rents by year of construction

Euro/sq m/month



The impact of the property’s age becomes clearer when the A cities are considered separately. There, it is the strongest observable driver of differences in rent and accounts for more than twice as much as in the overall sample, where its share stands at 10 percent. The store format and area category are of little significance by contrast. Older properties in the A cities command significantly lower rents than properties built in the 2000s. Due to the small number of cases, only this contrast is reliable; the finer gradations in between are not.

Impact of modernisation measures

Renovation raises rent levels, but not everywhere. Comparing properties within the same year-of-construction category distinguishes the effect of modernisation from that of age.

The rent for modernised properties is between €0.73 and €1.49 higher for properties built from 1995 onwards, which corresponds to an increase of between 6 percent and 16 percent. In contrast, there is no difference in the case of properties built after the fall of the Berlin Wall between 1990 and 1994. In this market,

site has a greater impact on rent levels than the condition of the property, meaning that the benefits of modernisation are not reflected in the rent.

Inevitably, some of the impact remains hidden in the rental data. In many cases, tenants perform modernisation and refurbishment work themselves or in conjunction with the landlord, without the rent being adjusted. The differences shown here, therefore, reflect only that part of the effect which is reflected in the rent, not the full economic benefit of modernisation.

As far as investment planning is concerned, this does not mean that modernisation is becoming less important. It remains a key factor, in particular in view of the sustainability and energy efficiency requirements, which are playing an increasingly decisive role in lettability, financing and valuation. They also have an impact on the shopping experience, as a more pleasant environment boosts customer footfall and space productivity. The results simply show that the benefits of a measure cannot be reflected to the same extent in the rent at every site.

[49] Rental price analysis by year of construction and modernisation

Net rents in euros per square metre of rental space per month

Category of year of construction	modernised	not modernised	Difference
1990 to 1994	8.97	8.98	-0.01
1995 to 1999	10.93	9.44	+1.49
2000 to 2009	13.02	12.29	+0.73
2010 and later	13.56	12.54	+1.02

Source:
CBRE Research

“

The rent analysis shows three clear trends. Location is decisive, property age has a noticeable effect, and the store format is secondary.

Conclusion

The rent analysis reveals three clear trends. Location is the deciding factor; the age of the property has a significant impact, while the store format is of secondary importance.

Across all store formats, the average net rent in the food retail sector, based on the sample analysed, stands at €12.23 per square metre of rental space per month, ranging from €7.69 to €17.10. Location accounts for 20 percent of this variation, the year of construction for 10 percent, and the store format for 2 percent. The site and quality of the property are, therefore, the key factors when assessing a food market’s ability to pay rent. The store format is of secondary importance.

Significantly higher rents are possible in individual cases in every site category, even outside the A cities. They are likely to be attributable to micro-site, property characteristics and local competition.

It is important to assess the medium- to long-term development of population and turnover potential and to keep an eye on the dynamics of competing store formats outside of the major cities.

Just over two-thirds of the stores analysed relate to the other sites. Rents are lowest there, and when measured against this benchmark, there is the greatest variation in rent levels: In that region, the top 10 percent of markets are 107 percent more expensive than the bottom 10 percent. The A cities have the highest rent level, and rents there are the most closely clustered in relation to this. In A cities, the age of the property requires particular attention.

This analysis adds a benchmark to the presentation of the asset class. Not every food retail property commands the same rent, and the differences are significant: On average, there is a difference of €5.54 per square metre per month between a store in an A city and one in any of the other locations.

Special feature

Performance drivers in portfolio and asset management

The sideways trend in returns on retail property is drawing attention to the work being done on the property portfolio. We will illustrate the various approaches available for optimising revenue security and long-term viability using the examples of supermarkets, convenience retail centres and retail properties with a food retail anchor.

76 percent of respondent investors this year expect stable yields on retail parks and convenience retail centres by the end of 2026; only 10 percent anticipate another decline in values (here and below: Investor survey, see chapter 2.9). At the same time, interest rate trends top the list of challenges for 70 percent of respondents, followed by rising construction and refurbishment costs at 52 percent. Anyone who wishes to create value in this context must do so within their existing portfolio, through decisions on sites, tenants, leases and investments.

This brings to the fore an aspect that has long been regarded as a purely administrative matter, namely the effectiveness of portfolio and asset management.

Location and tenants are key factors in investment selection

Everything starts with an analysis of the site and the competitive landscape when selecting investments in the convenience retail sector. The catchment area and purchasing power, centrality and level of competition, accessibility and the planning law situation all combine to give an indication of whether a site is viable. In the case of food markets and convenience retail centres, the success of the property also depends on the success of the operator at that specific site. If the market is going well, the contract will be renewed. If it is questionable within the store network, even the creditworthiness of the parent group is of little help.

An experienced asset manager, therefore, looks at the property through the eyes of a retailer. Are the layout and sales area in line with current market concepts? Are the infrastructure, parking spaces and transport links on a par with those of the competition? The likelihood of the lease being renewed depends on the answers, and this in turn determines the value of the property.

The tenant mix is based on this. An anchor tenant with strong credit from the food retail sector drives footfall, while complementary concepts from the drugstore, clothing and services sectors encourage shoppers to stay longer. Key factors include long contract terms with renewal options, robust indexation and clear provisions regarding maintenance and operating costs at the contractual level. Green lease clauses set out how both parties are to handle consumption data and efficiency measures.

ESG compliance determines future viability

The second factor to consider is the building's structural and energy efficiency condition. A structured Manage-to-Green approach begins with a comprehensive analysis of the current situation. It determines the property-specific CO₂ emissions, positions the building on the CRREM decarbonisation pathway and uses this to work out when it would fail to meet the target values. This stranding point makes sustainability quantifiable. This forms the basis for a catalogue of measures relating to the building envelope, building services, and third-party and ancillary uses.

The benefits of the individual components can be gauged from the Hahn Gruppe's

management practices. Switching to LED lighting reduces energy consumption for lighting by up to 65 percent and pushes the stranding point back by up to three years. Heat pumps deliver around a third in efficiency gains in terms of energy consumption for heating and, when combined with green electricity, push the stranding point back by five to ten years. The period is up to seven years for a photovoltaic system, and up to six years for each of refurbishment of roof surfaces and improved system efficiency. This depends on the sequence of measures. Roof refurbishment with installation of insulation may well be the first step in creating the conditions necessary for a photovoltaic system, while an upgraded building management system makes it possible to measure the impact of all subsequent measures. The timeframes are based on experience with individual measures. They cannot be added together because each measure is calculated against the same baseline, and their effectiveness depends on the individual property.

It will not work without reliable data. Smart meters in the landlord's areas, digital sub-meters in the let spaces and energy performance certificates form the basis of this system, which costs a four-figure sum per property and is not currently subsidised. The market has some catching up to do in this area. Only 28 percent of the respondent investors have consumption data for ESG reporting for at least half of their rental space, 26 percent for less than a quarter. The situation is similar with green leases. 32 percent of the respondents have less than 10 percent in their portfolio, while only 22 percent have more than a quarter. The Hahn Gruppe has already agreed green lease clauses for well over half of its rental space.

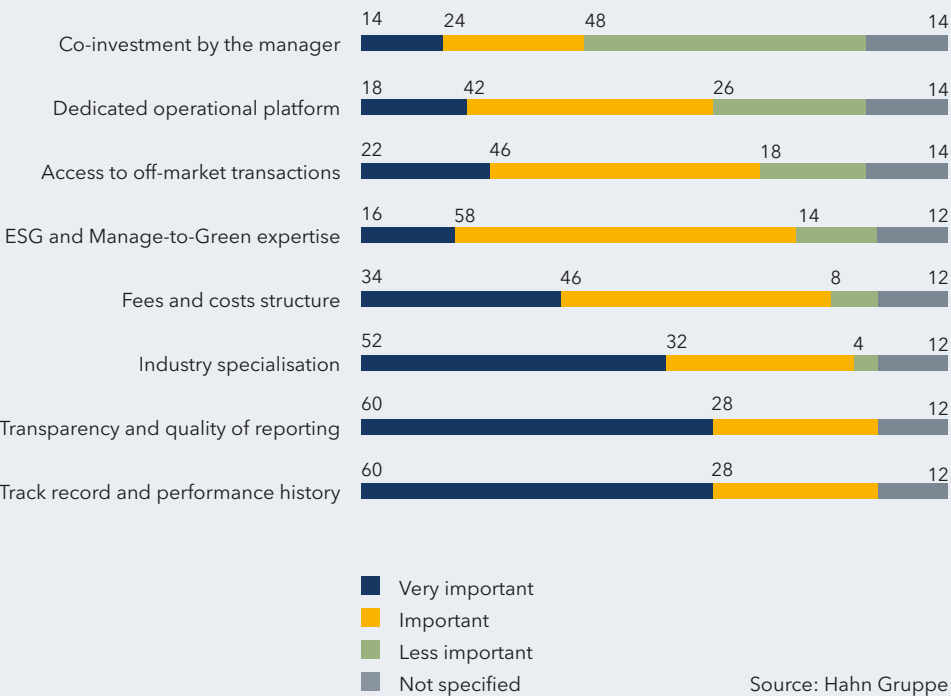
In all this, there is a connection that is often overlooked in the ESG debate. Landlords and anchor tenants are generally on the same page when it comes to energy, as lower consumption benefits both parties through reduced running costs and increased property values. This opens up the possibility of investing jointly in a site and combining the modernisation with a contract extension. This is consistent with the fact that investors are now taking a more profit-oriented view of their existing investments. 66 percent cite capital appreciation as their motivation, up from 50 percent the previous year.

Good management takes a life-cycle approach

Increases in value are achieved through day-to-day management. If portfolio, asset, and property management are spread across several service providers, interfaces arise. Information may be lost along the way, and responsibility is spread across many people. A tenant's request received by the property manager is forwarded to the asset manager with a delay. The consumption data for reporting purposes is held by a third party. Such gaps cost time, and time costs money in management.

[50] Criteria for selecting a specialist asset manager

Figures in percent



A vertically integrated manager links the different levels throughout the entire life cycle. Right from the purchase stage, ESG criteria and a due diligence process that scrutinises environmental, social and governance aspects on a property-by-property basis come into play – ranging from lighting and refrigeration systems through to accessibility and charging infrastructure, right up to green lease clauses – in each case with an assessment, evaluation, and recommendations for action. Asset Management is responsible for property strategy and contract drafting; Property Management for implementation of measures; and Portfolio Management for reporting and benchmarking.

Good reporting makes it possible to evaluate the measures. Another finding from the survey suggests that reporting, of all things, will be the next area to undergo technological upgrading. Investors see the greatest medium-term potential for artificial intelligence in reporting and documentation, at 88 percent, followed by ESG and consumption data management, at 76 percent. In both areas, the quality of the findings depends on the operational data.

This is what matters to investors in the current market environment

What are investors looking for when trying to find an asset manager who can boost the value of their portfolio? This year's investor survey included, for the first time, a question on which criteria are decisive when selecting an asset manager. Track record heads the list, including performance history, and the transparency and quality of reporting, both scoring 88 percent when responses categorised as 'very important' and 'important' are combined [see figure 50]. 60 percent even

consider them to be very important in each case. This is followed by sector specialisation at 84 percent and the fees and costs structure at 80 percent. ESG and Manage-to-Green expertise stands at 74 percent, while access to off-market transactions stands at 68 percent. The company's own operational platform accounts for 60 percent.

The chosen sequence is more interesting than the choice of criteria here. Investors first ask what a manager has demonstrably achieved and how transparently they report on it. That is well-founded, but it describes a result. A track record looks back; a report presents the facts. The company's own operational platform, which only manages to reach second-last place, is, however, the cause. Those who analyse sites themselves, let out premises themselves, and manage properties themselves generate the figures that, years later, make up their track record. It is, therefore, what is visible that is assessed. It came about elsewhere, specifically in the day-to-day work on the property.

It is also striking how closely the top-ranked criteria are grouped. This shows that a manager is not required to excel in any one discipline but must perform well across the entire value chain.

88

percent of investors who consider quality of reporting to be important

2.9 Investor survey

Market assessment by retail property investors and banks/financial institutions

This summer, the Hahn Gruppe once again conducted its panel survey in cooperation with the Bonn Survey Centre (UZ Bonn). The focus was on the current market assessments and investment intentions of institutional retail property investors active in Germany and financial institutions with regard to retail property. 50 industry experts participated in the survey (PY: 32). Banks and financial institutions account for the largest share at 34 percent, followed by asset and fund managers at 28 percent, insurance companies at 14 percent, and participants from the pension funds, occupational pension schemes and foundations sectors at 12 percent [see figure 51]. The category Miscellaneous includes representatives from the investment advisory and consultancy sectors.

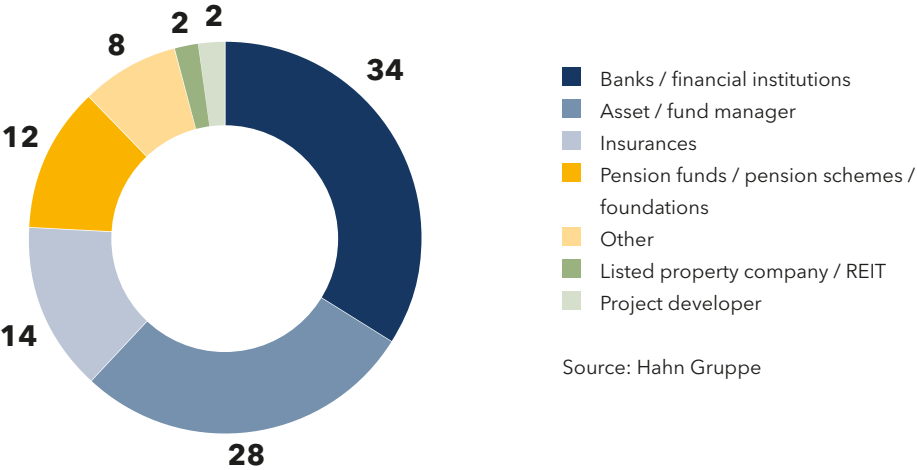
As the panel has grown, its composition has also changed. The proportion of banks and financial institutions has risen from 28 to 34 percent, while that of asset and fund managers has fallen from 38 to 28 percent. In light of this, year-on-year comparisons should be interpreted with this in mind when considering individual issues.

The property portfolio under management of the participating companies continues to be predominantly in the upper size categories. 58 percent manage property portfolios worth over €3 Bn, with another 21 percent managing assets worth up to €3 Bn [see figure 52].

The proportion of retail property within the overall portfolio varies considerably. This figure stands at up to 10 percent for 30 percent of companies, and at up to 25 percent for another 36 percent. 15 percent of respondents are clearly focused on this segment, accounting for over 75 percent of the total [see figure 53].

[51] Breakdown of survey respondents

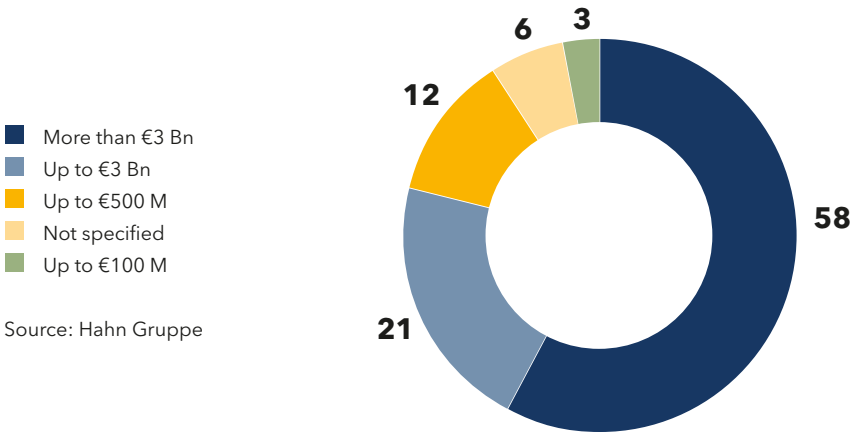
n = 50, figures in percent; any deviation from 100 percent is due to rounding



Source: Hahn Gruppe

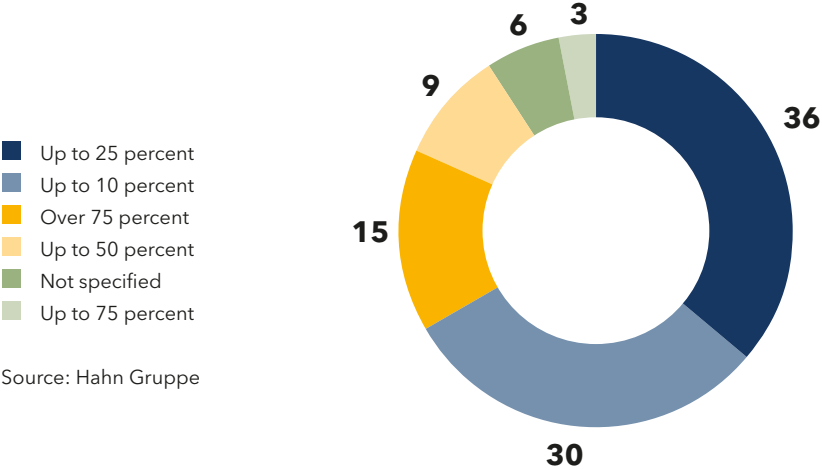
[52] Property portfolio under management

n = 33 (excluding banks/financial institutions), figures in percent



Source: Hahn Gruppe

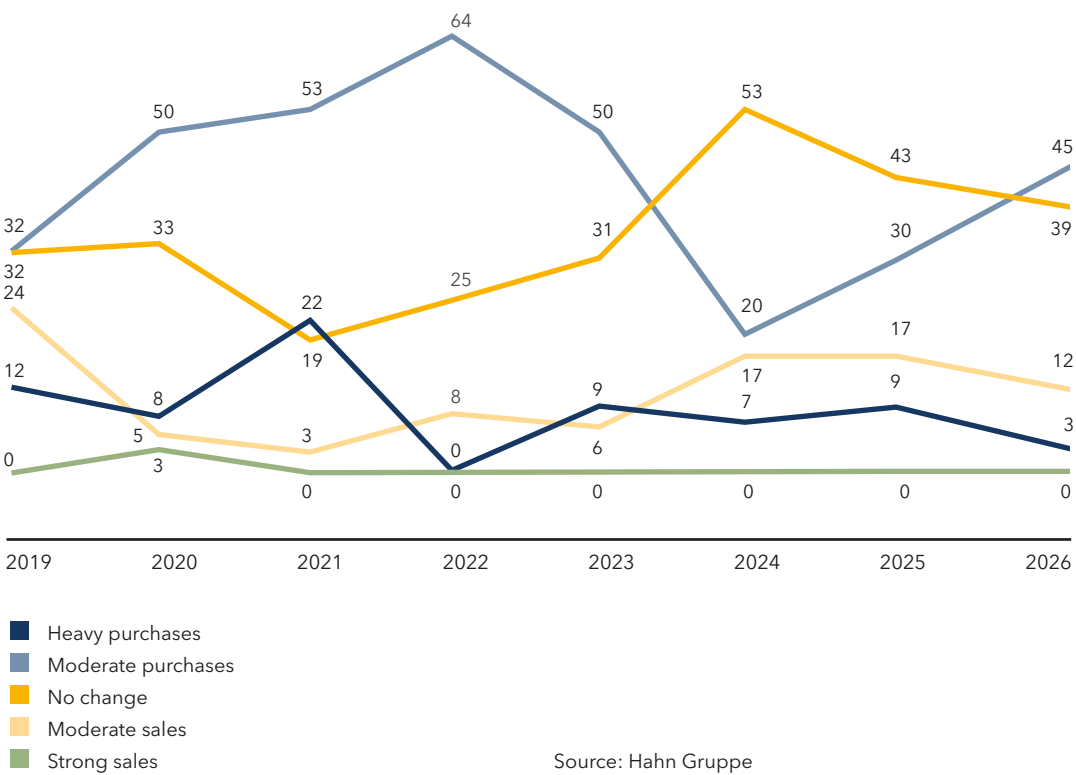
[53] Proportion of retail property in assets under management
n = 33 (excluding banks/financial institutions), figures in percent



Source: Hahn Gruppe



[54] Investment strategy in the German retail property investment market
n = 33 (excluding banks/financial institutions), figures in percent



Source: Hahn Gruppe

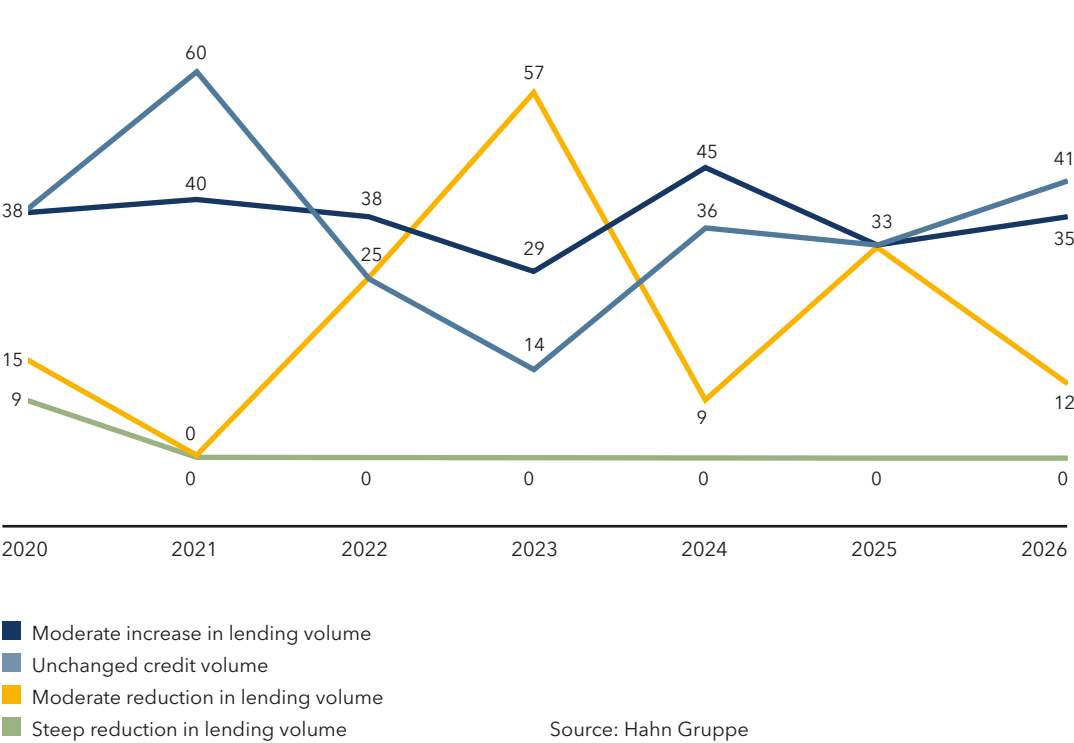
Investors return to acquisition mode

The mood is shifting noticeably after two years of a wait-and-see approach. Almost half of the respondent investors intend to expand their retail property portfolios over the next twelve months. 45 percent plan to make moderate additional purchases (PY: 30 percent), while another 3 percent aim to make significant additional purchases (PY: 9 percent), [see figure 54].

The proportion of those who simply wish to maintain their current level has fallen to 39 percent (PY: 43 percent). Intentions to sell continue to play a minor role. 12 percent intend to make moderate sales (PY: 17 percent). As in the previous year, no investor is aiming for strong sales. This means that the willingness to make additional purchases has reached its highest level since 2023.

[55] Financing strategy for German retail property by banks and financial institutions

n = 17 (banks/financial institutions only), figures in percent

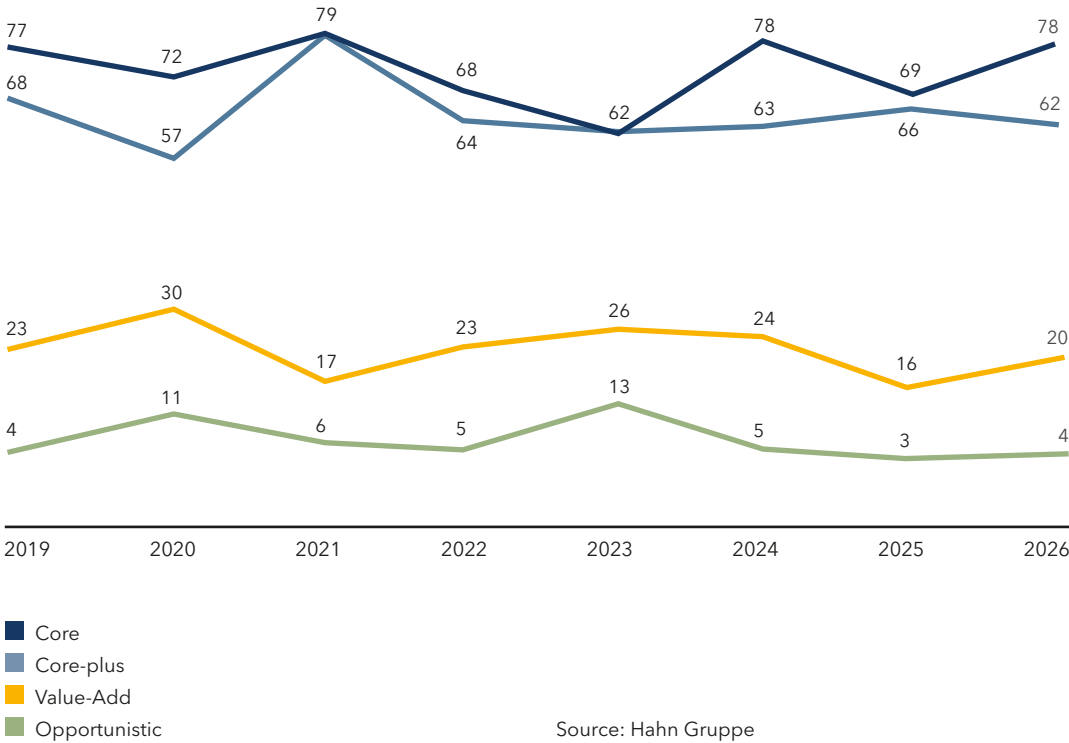


The picture is more balanced when it comes to banks and financial institutions. 41 percent intend to keep their lending volume for retail property unchanged (PY: 33 percent), 35 percent are planning a moderate increase (PY: 33 percent). The proportion of those who wish to reduce their lending moderately has fallen from 33 to 12 percent [see figure 55]. No institution is planning a sharp decline. The willingness to provide funding has thus stabilised significantly year-on-year, which gives investors greater scope for action.

The ranking remains clear when it comes to preferred property types. 88 percent of the investors looking to make acquisitions cite retail parks and convenience retail centres as their main focus, 75 percent cite supermarkets and discount food retailers, and 38 percent cite hypermarkets and superstores. Shopping centres, mixed-use properties and DIY stores are not mentioned by this group. Retail parks and convenience retail centres also rank first with 83 percent for banks and financial institutions looking to expand their lending

[56] Risk profile of the investment strategy

n = 50, figures in percent, multiple responses possible



volumes, followed by supermarkets and discount food retailers at 67 percent and mixed-use properties at 50 percent.

Risk aversion remains the defining factor

The risk profile of the investment strategies has shifted back towards safety year-on-year. 78 percent of respondents follow a core strategy (PY: 69 percent), 62 percent adopt a core-plus approach (PY: 66 percent). The

core component has thus once again reached the 2024 level [see figure 56]. High-risk strategies remain the exception. 20 percent of respondents cite a value-add strategy (PY: 16 percent), while 4 percent (PY: 3 percent) pursue an opportunistic approach. The slight increase in both categories suggests that some market participants are once again willing to take on properties requiring development. This does nothing to alter the fundamentally defensive nature of the market.

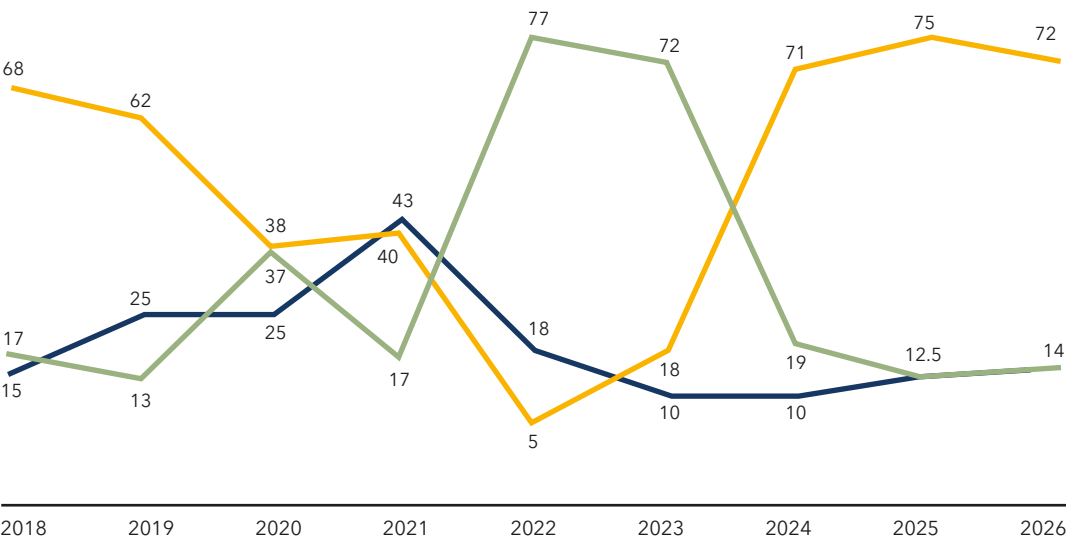
Forecast: Yields remain stable

The vast majority of respondents do not expect any change in the net initial yields on retail property. 72 percent expect yields to remain at their current level until the end of 2026 (PY: 75 percent). 14 percent expect yields to rise, while 14 percent expect them to fall [see figure 57]. The stabilisation phase observed since 2024 is thus continuing, following on from 2022 and 2023, which were still characterised by expectations of significantly higher yields.

A closer look at individual property types reveals just how differently the asset classes are assessed [see figure 58]. Investors rate mixed-use properties as the most stable, at 80 percent, followed by retail parks and convenience retail centres, at 76 percent, followed by retail parks and convenience retail centres, at 76 percent. Only 10 percent expect yields to rise when it comes to retail parks and convenience retail centres – the lowest figure of all property types surveyed.

[57] Expected yield development for retail property on the German investment market

n = 50, figures in percent

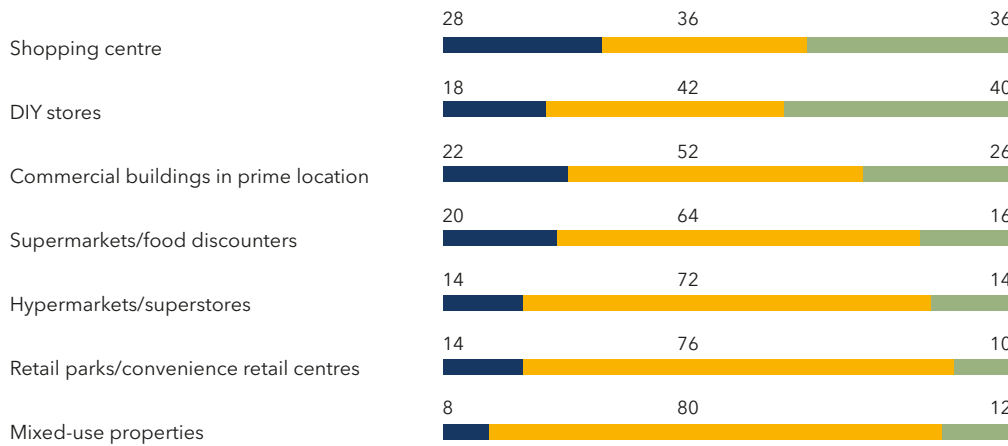


■ Yields expected to fall.
■ Yields expected to remain at current levels.
■ Yields expected to rise again.

Source: Hahn Gruppe

[58] Development of yields by property type until the end of 2026

n = 50, figures in percent



■ Falling yields
■ Stable or stagnant yields
■ Rising yields

Source: Hahn Gruppe

Hypermarkets and superstores, as well as supermarkets and discount food retailers, are also in the upper range, with stability expectations of 72 percent and 64 percent respectively. The picture is considerably more mixed when it comes to shopping centres, where 36 percent expect yields to rise and 28 percent expect them to fall. Among DIY stores, 40 percent expect yields to rise.

76

percent of investors expect stable yields from retail parks and convenience retail centres

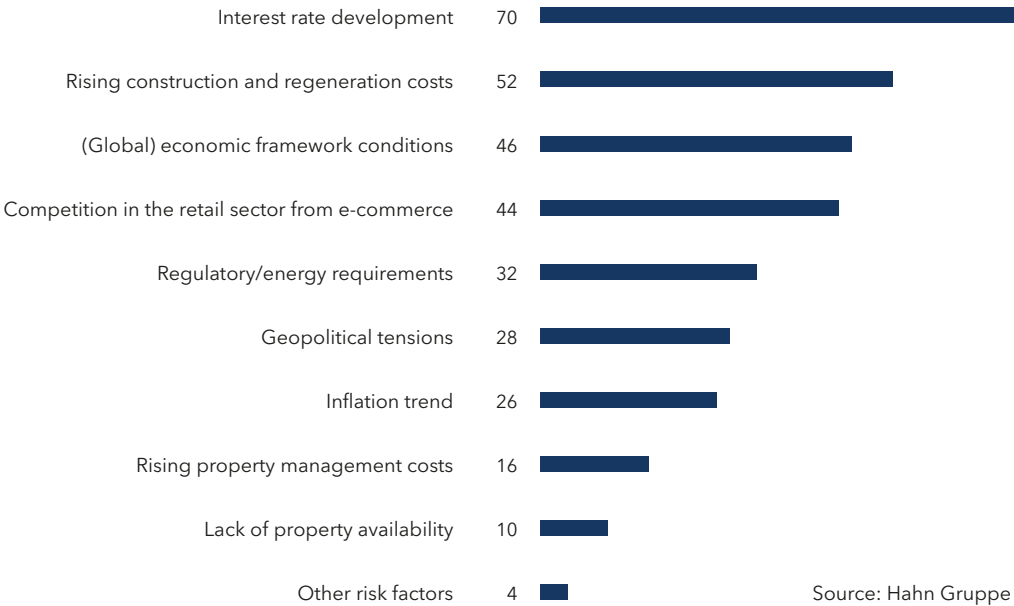
Interest rate trends and construction costs as the biggest challenges

There has been a significant shift in the ranking of risk factors. Interest rate trends have reached 70 percent and are now clearly in the lead (PY: 53 percent), [see figure 59]. In second place are rising construction and refurbishment costs, at 52 percent – an aspect that was not specifically surveyed in the previous year. 46 percent of respondents cited the global economic climate (PY: 44 percent).

Two issues have noticeably lost their significance. Competition from e-commerce, which was the most frequently cited risk factor last year, now stands at 44 percent (PY: 59 percent). Regulatory and energy-related requirements have fallen from 47 percent to 32 percent. The lack of available properties also plays a smaller role than before, at 10 percent (PY: 19 percent), which is consistent with the increased willingness to make additional purchases. Geopolitical tensions remain at a similar level to last year, at 28 percent (PY: 25 percent).

[59] Current challenges in retail property investment

n = 50, figures in percent, multiple responses possible



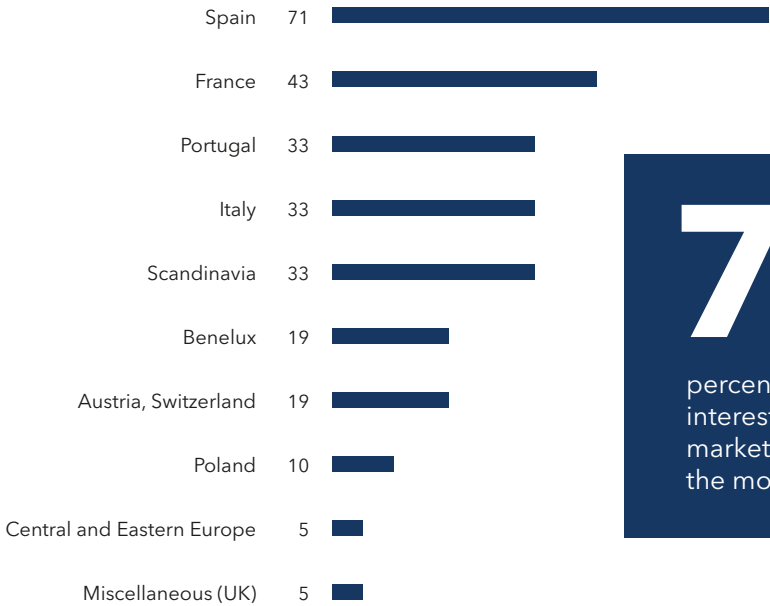
Spain tops the list of European target markets

This year, for the first time, a survey was performed to find out whether investors wish to invest more heavily in other European markets in addition to their German portfolios. Just under two-thirds agree with this. 27 percent would invest in other European countries regardless of potential returns, 24 percent if there were a moderate return premium, and 12 percent if there were a significant return premium. 36 percent are maintaining a clear focus on Germany.

Among the target markets, Spain is clearly in the lead with 71 percent [see figure 60]. France follows some way behind with 43 percent, while Portugal, Italy, and Scandinavia each account for 33 percent. The Benelux region and the Alpine region are each cited by 19 percent of respondents, while the Central and Eastern European markets play virtually no role, with single-digit figures. The focus on the Iberian Peninsula is striking and is likely to be linked to the market dynamics in the convenience retail sector there.

[60] Most attractive European target markets

n = 21 (only investors intending to invest abroad), figures in percent, multiple responses permitted



71

percent of investors with an interest in other European markets name Spain as the most attractive target

The focus is shifting to value creation

The focus has shifted when it comes to the reasons for investing in one's own property portfolio. Two-thirds of all respondents cited the increase in property values (PY: 50 percent), thus clearly taking first place [see figure 61]. These are followed by increasing the site's appeal at 38 percent, boosting resilience at 36 percent, and enhancing tenant retention at 32 percent. Regulatory requirements and the optimisation of ancillary costs were cited by 22 percent and 20 percent respectively.

The figures for each category are consistently lower than those of the previous year, as respondents cited fewer reasons overall. This does not affect the changes at the top. It shows that investments in the portfolio are now viewed more from the perspective of value growth than from that of simply safeguarding the portfolio.

[61] Motivation for investment in the property portfolio

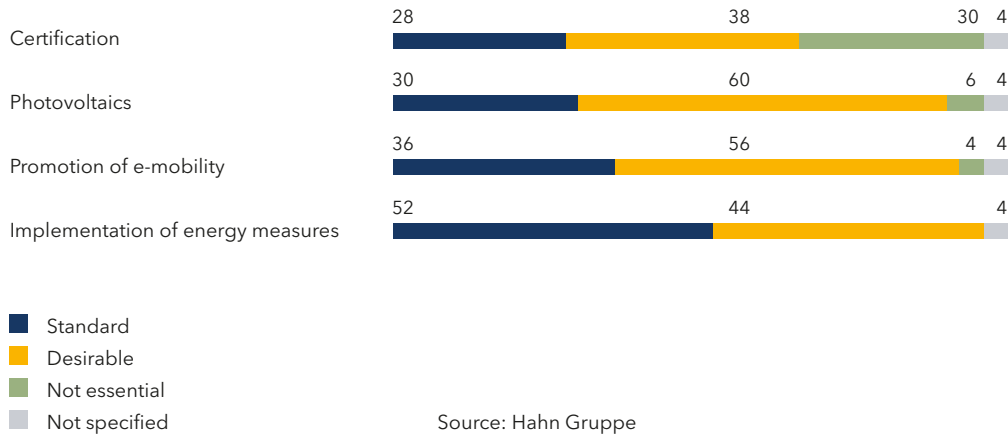
n = 50, figures in percent, multiple responses possible



Source: Hahn Gruppe

[62] Relevance of sustainability approaches in the portfolio

n = 50, figures in percent



Source: Hahn Gruppe

ESG remains a priority, but implementation is proceeding more slowly

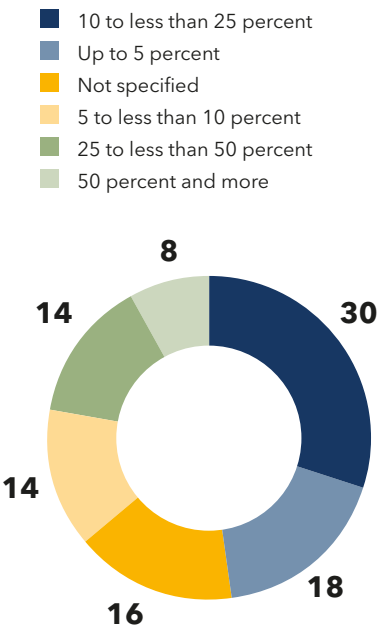
ESG is a relevant or very relevant factor in their investment decisions for 94 percent of investors (PY: 91 percent). Only 4 percent consider it to be of little relevance. Accordingly, there is no doubt that the issue is firmly established.

In practice, the picture is more nuanced [see figure 62]. Implementing energy-saving measures is already standard practice for 52 percent of all respondents, while another 44 percent would like to see this happen. No one considers this approach to be dispensable. In the case of photovoltaics and the promotion of e-mobility, however, the view that these are desirable predominates, at 60 and 56 percent respectively. Investors take a much more cautious view of building certification under the DGNB, LEED, BREEAM, or WELL schemes. Only 28 percent regard this as standard practice, while 30 percent consider it unnecessary. This figure stood at 13 percent in the previous year.

Green leases are slowly becoming more widespread

The proportion of green lease agreements in the portfolio remains modest overall but is shifting towards the medium-sized categories [see figure 63]. 30 percent of investors have entered into green leases for between 10 and 25 percent of their rental space; in the previous year, the figure was 22 percent. The proportion of those with cover of up to 5 percent has fallen from 22 to 18 percent. 8 percent of respondents achieve a coverage rate of 50 percent or more.

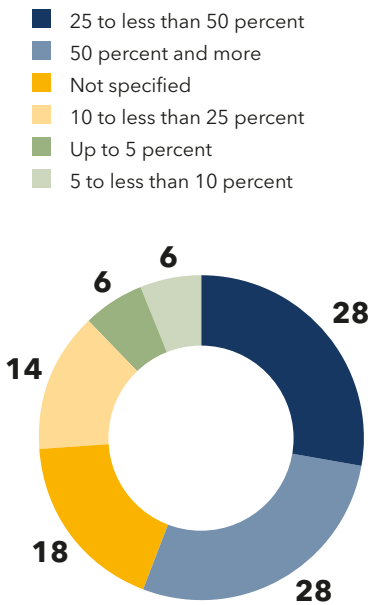
[63] Share of green leases in the portfolio
n = 50, figures in percent



Source: Hahn Gruppe

Closely linked to this is the availability of consumption data, as a high proportion of green leases generally increases the exchange of data between landlords and tenants [see figure 64]. 28 percent of investors have consumption data for more than half of their rental space, while another 28 percent have such data for between 25 percent and just under 50 percent. Data is available for less than 10 percent of the areas for 12 percent. The high proportion of 18 percent of cases where no information was provided stands out. This suggests that the data available from the institutions is still inconsistent.

[64] Availability of consumption data for ESG reporting
n = 50, figures in percent



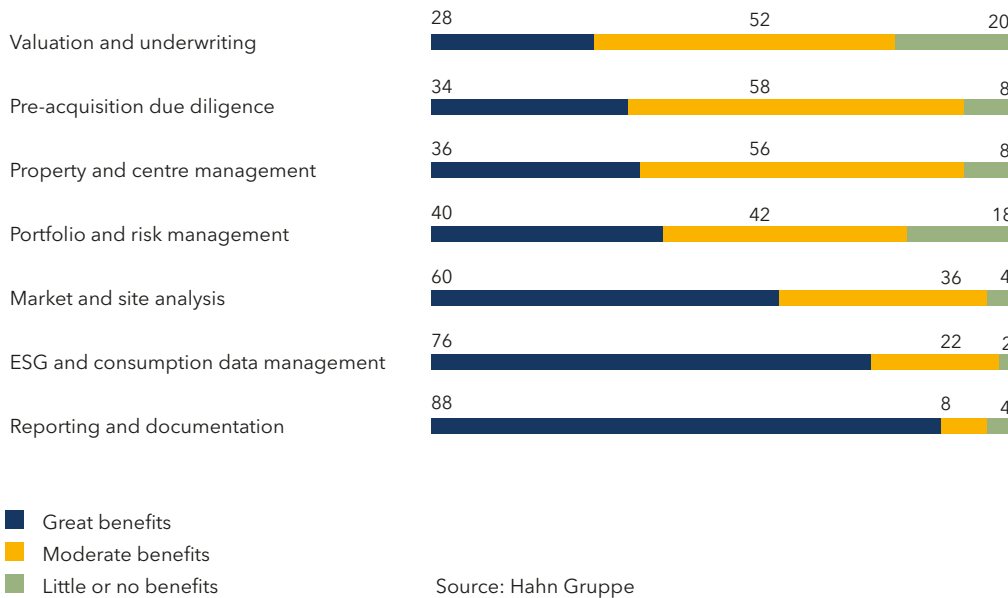
Source: Hahn Gruppe

Artificial intelligence helps to lighten the workload, in particular when it comes to reporting

This year, for the first time, questions were asked about the medium-term potential of artificial intelligence. The answers paint a clear picture [see figure 65]. 88 percent of respondents see significant benefits in reporting and documentation, while 76 percent see benefits in ESG and consumption data management. Both are areas characterised by a high degree of standardisation and large volumes of data, where efficiency gains are immediately apparent.

In third place is the market and site analysis, at 60 percent. Investors are significantly more cautious in their assessment of the use of the system in valuation and underwriting, where 28 percent see it as being of great benefit and 20 percent see it as being of little or no benefit. The assessment is similar when it comes to portfolio and risk management. The general picture that emerges is a pragmatic one. Initially, the expectation is that this will ease the burden of data-intensive routine tasks, while the actual investment decision is still seen as being the responsibility of humans.

[65] Medium-term potential for the use of artificial intelligence
n = 50, figures in percent



Source: Hahn Gruppe

Glossary

Click & Collect

Click & Collect is a sales channel by which the customer orders a particular product online and then picks it up mostly free-of-charge in the retailer's own store. The sales process thus links the online and in-store sales channels.

Convenience retail centre

Uniformly planned or organically developed smaller scale retail agglomeration serving a clearly defined core area. The magnets are typically convenience retailers (supermarkets, small food discounters, drugstores, and pharmacies). In the case of shopping for aperiodic supplies, they focus on goods required over the medium term (clothing and shoes) sold in small retail units.

Core

This describes a risk-averse investment strategy. Investment is principally in high-specification properties which are let long-term and generate stable rental income. Core investments focus on established markets in good locations with highly creditworthy tenants.

Core-plus

This describes an investment strategy in which the objective is to generate part of the return through enhancing the value of a property. This is achieved for example by the inclusion of properties with development potential in an otherwise Core portfolio. The yields achieved and the level of risk involved are both slightly above that of classic Core investments.

Department store (Warenhaus)

Large-format retail store with various operating and service concepts and a varied and segment-specific product range, typically occupying a high street or shopping centre location. Example: Galeria.

Discounter

Retail format characterised by a high turnover of goods in a limited mass-market product range with an aggressive pricing model. Self-service and simple shop fittings are further characteristics. These should be distinguished from non-food discounters, which stock a predominantly non-food, frequently changing range of products at low prices.

Drugstore

A type of retail outlet which predominantly sells personal care, laundry, cleaning and household cleaning products on a self-service basis, supplemented by health and baby products and, to an increasing extent, food and luxury foodstuffs. Drugstores can be found in city centre sites as well as in convenience retail centres and retail parks, where they are among the key attractions for shoppers buying everyday essentials.

Family Office

Organisation which assists wealthy families in their general family business affairs and wealth management.

Fast Moving Consumer Goods (FMCG)

Fast moving consumer goods are convenience goods required daily, the so-called quick turnaround products in retail terms. They particularly include food, but also washing and cleaning agents and personal hygiene products. FMCG are reasonably-priced and easily substituted by similar quality goods (in contrast to investment and luxury goods). The FMCG market is highly competitive.

Full-range retailer

A collective term for food retailers offering a wide and deep range of products, which distinguish themselves from discount stores through their selection, fresh produce and customer advice. These include supermarkets, superstores and hypermarkets. In market analyses, the store format of full-range retailers is usually determined by their floor space, while discounters are categorised by the name of the operator.

High-street location

An inner-city retail pitch with high footfall and a dense mix of anchor tenants and (inter)national chain stores. The range comprises primarily "shopping goods" and "luxury goods" in the mid- to high-price segment. This is also where the highest rental prices are achieved for ground floor sales areas. High-street properties are, therefore, defined as commercial buildings and department stores in these sites.

Hypermarket

Large-format, mainly self-service retail outlet with a sales area of more than 5,000 sq m, offering a comprehensive product range with a focus on food, and mostly occupying a location which is easily accessible by car. In hypermarkets, the non-food sales element is typically around 35 to 50 percent.

Omnichannel

A sales approach in which retailers link and coordinate their sales channels - including, for example, their bricks-and-mortar stores and dedicated online shops, as well as social media, apps, or catalogues. It is not the number of channels that matters, but how well they are integrated. Customers should be able to experience the channels as a cohesive shopping environment. Click & Collect is a typical example of this.

Opportunistic

This describes a particularly high-risk investment strategy. It involves investment in development projects or existing properties which are significantly undervalued in terms of their potential. This potential is typically released as part of a repositioning process. The hold period tends to be short and is based on a quick resale. Although there are potentially high yields, there are also inherent high speculative risks.

Prime yield

The prime yield (net initial yield) shows the relationship between the initial annual net rental income (contractual rental income less non-recoverable operating costs) and the total investment sum (purchase price plus purchaser's costs = gross purchase price), expressed as a percentage. This is achieved in the respective top location for a building with first class fit-out, let long-term at market rental level.

Regional centres

Regional centres are large cities of regional, and in some cases, national importance due to their function as administrative, socio-political, and economic centres. They comprise the cities with the highest absolute retail turnover in Germany. From a regional economic and retail economic perspective, these tend to offer long-term stability and a positive effect on the attractiveness of the cities as real estate and retail sites.

Retail park

Typically, a single-storey shopping centre in locations which are easily accessible by car and are planned and managed centrally. Their uniform building design and shared car parking give the retail park the appearance of an integrated retail complex. Anchor tenants include medium to larger-scale retail stores which are often connected by a covered mall area. The total sales area in these parks is at least 5,000 sq m. Retail parks must be distinguished from retail warehouse agglomerations, where several specialist retail stores are located in close proximity to one another without being subject to a common centre management and without any evidence of uniform planning.

Retail store

Large-scale self-service retail outlet offering mainly a wide and varied range of reasonably priced goods in a specific sector or targeted at a specific customer group, and typically occupying a location which is easily accessible by car.

Shopping centre

A shopping centre (known as an Einkaufszentrum in German) is a centrally planned, constructed, and managed supply facility offering goods targeted at short, medium, and long-term requirements. Compared with the specialist retail park, the tenant mix is more diverse and extensive, and less focused on specialist retail. The variously sized retail outlets, restaurants, and service providers are typically arranged over several floors and are connected to each other by a covered mall area. The minimum total sales areas are typically between 5,000 sq m and 10,000 sq m.

Shopping mall

See shopping centre

Space productivity

The space productivity factor of "sales area" is measured in "turnover per annum". Space productivity is, therefore, defined as the annual turnover achieved divided by the sales area used. The turnover should also include VAT (gross turnover).

Specialist department store (Kaufhaus)

Large-format retail outlet offering various operating and service concepts, in which a deep range focused on one sector are offered mostly in city centre locations or shopping centres. Example of a clothing department store: C&A.

Supermarket

Self-service retail outlet offering mostly food and luxury food items including fresh produce over a sales area of up to 1,500 sq m in locations which are easily accessible by car or in city district locations.

Superstore

Large-format, mainly self-service retail outlet with a sales area of between around 1,500–5,000 sq m offering a wide and varied assortment of food and luxury food items and other consumer goods in the short-to medium-term requirement segments in locations which are easily accessible by car. In superstores, the non-food sales element is typically around 20 to 30 percent.

Top 7 locations

The cities of Berlin, Hamburg, Munich, Frankfurt, Stuttgart, Cologne, and Düsseldorf are the most attractive real estate locations in Germany due to their size and economic strengths. Strong interest from both German and international market players means that rents and investment volumes are at an above average level in these cities.

Value-Add

This describes an investment strategy involving significantly undervalued properties. The objective is to release value enhancement potential by implementing asset management programmes. This can, for example, involve the repositioning of a property in the market through extensive revitalisation and a change of tenant.

Imprint

Design, graphics, typesetting:

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Editing:

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Production:

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www.diedruckberatung.de

Photo credits:

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Publisher:

HAHN-Immobilien-Beteiligungs AG
Buddestraße 14
D-51429 Bergisch Gladbach
Phone: +49 (0)2204 9490-0
www.hahnag.de

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Bergisch Gladbach

Editorial deadline:
August 2026

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