

REVIEW

RETAIL MARKET

EUROPE Q4 2025



RESEARCH & INSIGHTS



**BNP PARIBAS
REAL ESTATE**

Real Estate for a changing world



Q4 2025

RETAIL MARKET EUROPE

INVESTMENT GAINING GROUND

Retail was one of 2025's success stories in European CRE's elongated investment recovery. Though the asset class is still a long way from previous dominance, retail is regaining investor attention, led by a focus on the potential of shopping centres

KEY FIGURES

€176.9 bn ^{+9% y/y}
2025 Commercial Real Estate Investment volume

€37.2 bn ^{+5% y/y}
2025 Retail Investment Volume

21% vs. 22% in 2024
SHARE OF RETAIL IN TOTAL CRE VOLUME
Retail ranks 3rd in Commercial Real Estate by market share after Office and Logistics

Spain ^{+56% y/y}
RETAIL INVESTMENT (RY)

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RETAIL INVESTMENT

Retail investment (€37.2 bn) grew by **5%** in 2025 compared to last year. After two years of guarded investment activity, retail has now regained momentum and is attracting more investors' attention. Investor confidence has improved with their focus directed towards good value assets with growth potential. Occupier fundamentals, retail sales especially, are now closer to pre-pandemic levels and expanding.

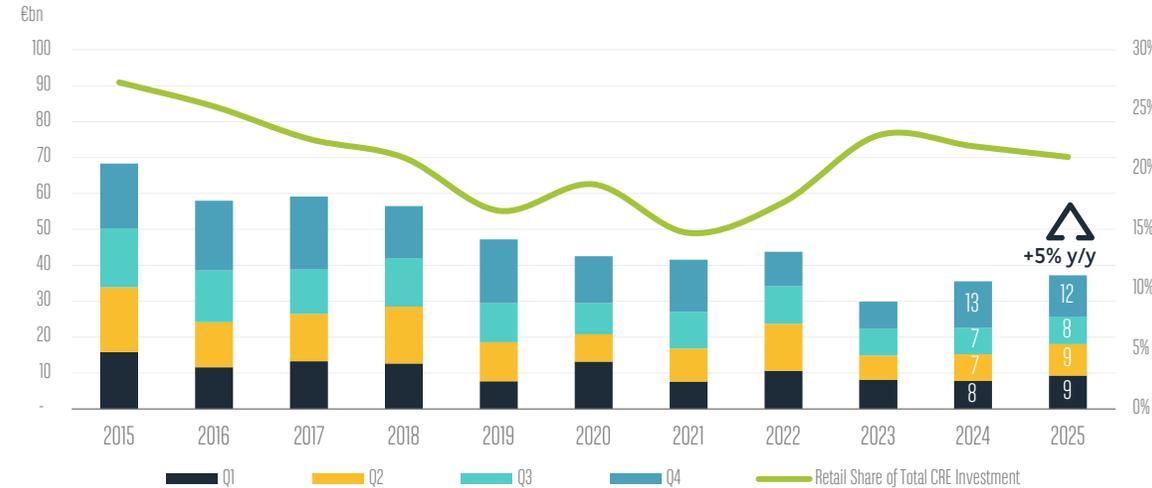
The investor perception is that the sector has overcome many of its restructuring challenges caused by growth in internet shopping. In 2025, retail held a share of 21% in total commercial real estate investment. The steady uptick in market share, in recent years, was mostly driven by the luxury sector.

2025 saw investors return to buying shopping centres (€8.2bn). The investment rationale focuses on shopping centres' locational advantages in an omnichannel environment as the right ones offer functionality and flexibility to occupiers.

The European market leaders remain the big 5 countries with the United Kingdom (€9.8bn) at the top capturing a quarter of retail investment volume. It is followed by Germany (€6.5bn), France (€3.3bn) and Italy (€3.1bn). Spain (€2.7bn) gained considerable ground over 2025. Most countries in Europe witnessed expansion in 2025. Nordic countries such as Sweden (€1.6bn) and Norway (€0.9bn) along with Benelux - Belgium (€1.3bn) and the Netherlands (€1.0bn) - had good investment levels.

Nevertheless, finding assets worth buying is still challenging. The retail market remains polarized with a focus on prime assets in the main European cities, while secondary retail remains under pressure. The shopping centre segment, the main driver of growth in 2025, (particularly in southern European countries), is likely to continue to attract attention in 2026. Lower interest rates (and swap rates) have improved the feasibility of acquisitions, whilst the fundamentals of household income and retail sales may remain solid over 2026.

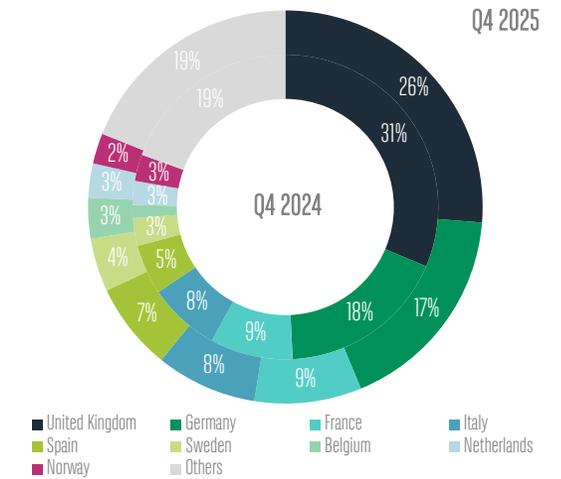
European Retail Investment Volume (2015-2025)



Retail Investment by quarter (2020-2025)



Retail Investment by country (rolling year)



Source: BNP Paribas Real Estate Research



Q4 2025

RETAIL MARKET EUROPE

KEY FIGURES

Investment Volumes in Europe (6 countries)



High Street **-13%** vs. 2024



Shopping Centres **+28%** vs. 2024



Retail Warehousing **-11%** vs. 2024

SIGNIFICANT DEALS

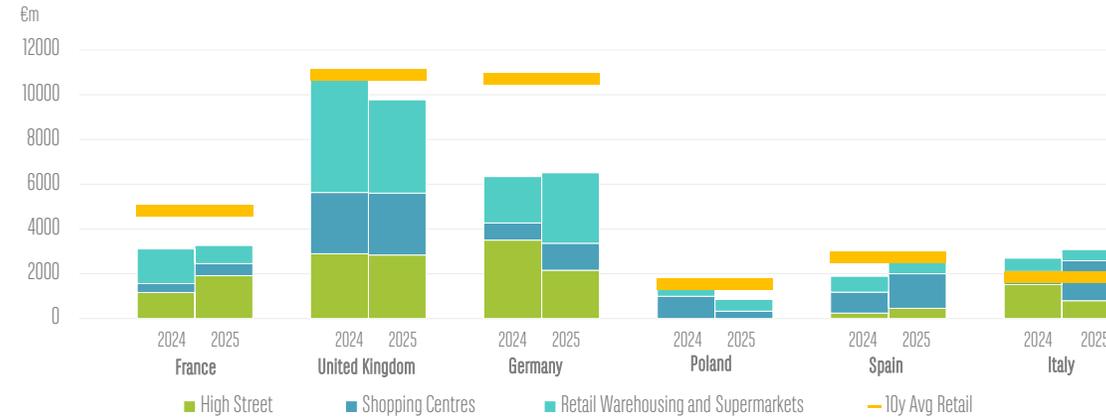
QUARTER	SEGMENT	LOCATION	PROPERTY	VOLUME
Q4	Shopping Centre	Prague, Czech Republic	Palladium	€705m
Q1	High Street	Paris, France	35 Avenue Montaigne	€599m
Q4	Shopping Centres	Dublin, Ireland	Blanchardstown Shopping Centre	€575m
Q2	Supermarket	United Kingdom	Portfolio of 8 supermarkets of Supermarket Income REIT, Nationwide	€465m
Q3	Shopping Centre	Lombardy, Italy	Oriocenter	€450m
Q3	Shopping Centre	Italy	Franciacorta Village, Valdichiana Village and Palmanova Village Portfolio	€410m
Q4	Shopping Centres	Katowice, Poland	Silesia City Center	€405m
Q4	High Street	Munich, Germany	Oberpollinger	€380m
Q4	Retail Park	Wroclaw, Poland	Magnolia Park	€370m
Q2	Shopping Centres	London, United Kingdom	Brent Cross Shopping Centre	€360m

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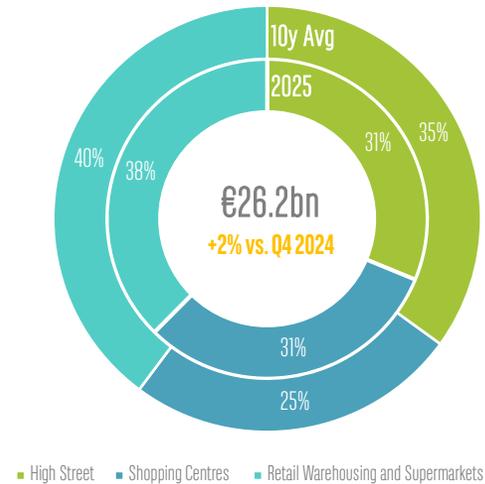


RETAIL INVESTMENT

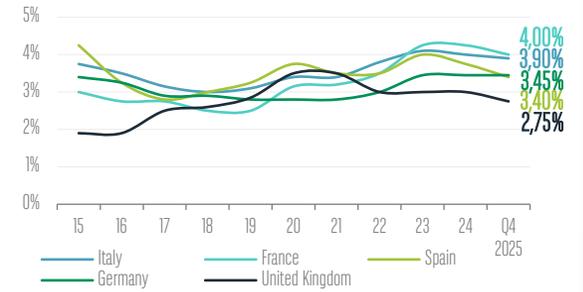
Retail Investment by asset type (6 countries - rolling year)



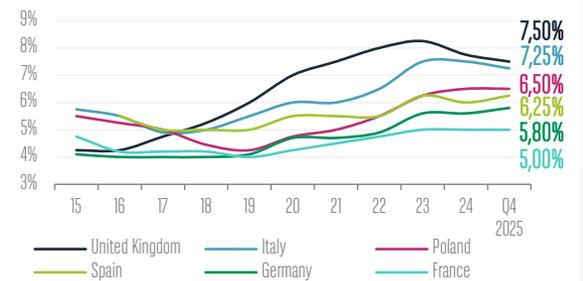
Retail Investment by asset type (6 countries)



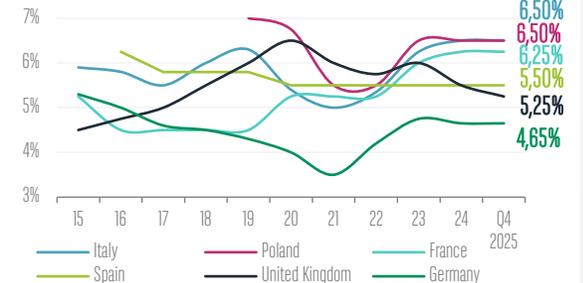
Prime Yields - High Street



Prime Yields - Shopping Centres



Prime Yields - Retail Warehousing



Source : BNP Paribas Real Estate Research



Q4 2025

RETAIL MARKET EUROPE

KEY FIGURES

-5.0 Q4 2025
RETAIL CONFIDENCE INDICATOR

104.0 Q4 2025
VOLUME OF SALES IN RETAIL TRADE INDEX 100=2021

114.3 Q4 2025
PRIME RENTS INDEX 100=2018 (14 markets)



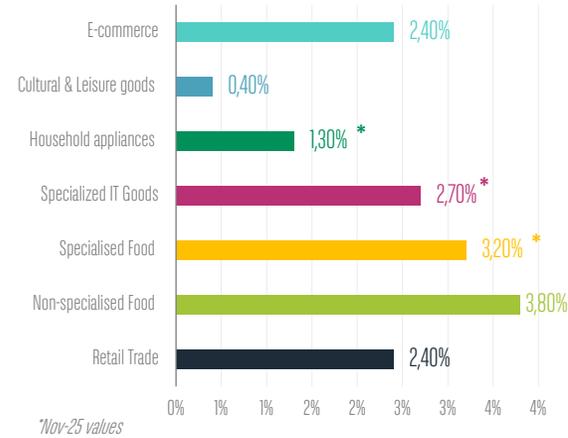
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RENTAL TRENDS AND MARKET FUNDAMENTALS

Retail Net Turnover (Dec-25 vs. Dec-24)



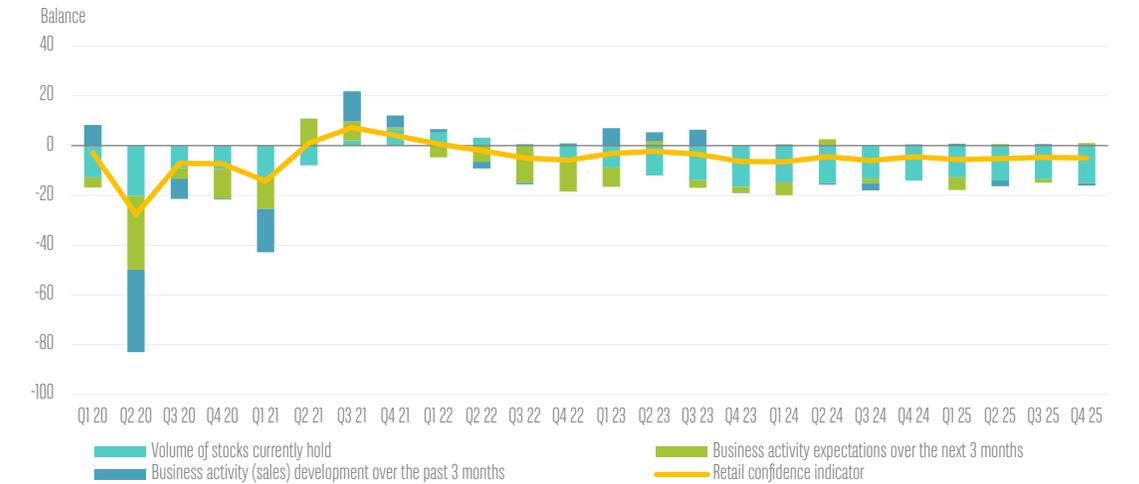
Prime Rents (14 markets)



Consumer Confidence Indicator and Consumer Spending



Retail Survey Results



Source: Eurostat



BNP Paribas Real Estate is working on producing indicators which are as comparable as possible. This is a complex issue, due to cultural differences from market to market. Nevertheless, as we aim to actively contribute to the transparency of the markets, we have highlighted those definitions and indicators which are strictly comparable, so that our readers can understand what the indicators mean.

Exchange Rates into € are the average value observed over the quarter.

RETAIL DEFINITIONS

High-street retail: High street retail encompasses retail properties situated directly along public streets providing direct access to pedestrians. This category includes ground floor retail units, department stores and bank branches.

Shopping centre: A shopping centre is a purpose-built complex gathering multiple retail units services and entertainment facilities. It can be located in city centre, suburban and out-of-town. These centres vary in scale and function ranging from small convenience oriented complex to large regional malls that include department stores, supermarkets and a diverse mix of specialist retailer leisure. It also includes designer outlet centres, and factory outlet centres.

- **Designer outlet centres** provide discounted designer and luxury goods in an outdoor setting.
- **Factory outlet centres** focus on branded goods at reduced price.

Retail warehousing and supermarkets: Retail warehouses and supermarkets are large retail establishments designed to offer a wide range of products to consumers. This category gathers retail parks, supermarkets, hypermarkets, and big boxes (retail warehouses). Mainly located in peripheral areas, retail warehouses are freestanding units that accommodates category dominant retailers (furnitures, electronics, clothing).

- **Retail parks** are large scale open-air retail developments of at least 5000 m² that include a variety of retail formats such as retail warehouses, large fashion malls, located in out-of-town areas. These establishments share a common focus on offering a diverse shopping experience in spacious

location and usually provide on-site parking. Retail warehouses are large adaptable units housing category dominant goods.

- **Supermarkets:** Less than 2500m², supermarkets, located either in-town or out-of-town, are primarily focused on essential food groceries and household products often including a selection of non food items.
- **Hypermarkets** are large retail stores, measuring more than 2,500 sqm, which sell a variety of products such as appliances, clothing and groceries.

Flagship store: A "flagship" store is often considered to be a retailer 'showcase' store. It is usually in a primary and prominent location. It tends to be a chain's largest store and generally the store that holds or sells the highest volume of merchandise.

Prime Rent represents the top open-market rent at the survey date for a retail unit:

- of standard size commensurate with demand in each location
- of the highest quality and specification
- in the best location in a market

Actual transactions are used to support the headline prime rental quoted, but one-off deals, which do not represent the market, are disregarded. If there are no prime transactions during the survey period a hypothetical rent is quoted, based on expert opinion of market conditions.

INVESTMENT

Investment volume takes into account all commercial properties BNP Paribas Real Estate is aware of, whose owner has changed during the studied period, whatever the purchasing price. It includes **Office buildings, Retail** (supermarkets, hypermarkets), **Industrial and Logistics Warehousing** and Others (Hotels, Cinema, Leisure, Car Parks, Care Homes, parts of portfolio which can not be split up by product, and Development Sites in Germany). Quoted investment volumes are not definitive and are consequently subject to change.

Full-year investment volumes are made up by adding the four quarters of each year.

Initial Prime Gross Yield is defined as Gross income (i.e.

income before costs of ownership) over purchase price excluding costs of acquisition.

Initial Prime Net Yield is defined as Net income (or NOI) over purchase price plus all other costs of acquisition.

Investment volume by investor/seller type refers to the following categories: Insurance, Private Investors, Public Sector, Corporates, Property Companies & REITS, Consortium, Funds and Other.

Investment volume by investor/seller nationality refers to the following categories: Eurozone, Non-Eurozone, North America, Other America, Asia, Middle East, Australia, International and Other.



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