REVIEW

RETAIL MARKET

EUROPE Q2 2026

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RESEARCH & INSIGHTS

BNP PARIBAS REAL ESTATE

Real Estate for a changing world

Q2 2026

RETAIL MARKET
EUROPE

MODEST RETAIL INVESTMENT

Deceleration in retail investment over Q2 is tied to continued investor caution generated by conflict in the Middle East. Shopping centres remain the leading retail asset class with the strongest transaction activity over H1.

KEY FIGURES

€184.2 bn +8% y/y
Q2 2026 RY Commercial Real Estate Investment volume

€37.4 bn -4% y/y
Q2 2026 RY Retail Investment Volume

20% vs. 23% in Q2 2025
SHARE OF RETAIL IN TOTAL CRE VOLUME
Retail ranks 3rd in Commercial Real Estate by market share after Office and Logistics

Italy +31% y/y
RETAIL INVESTMENT (RY)

RETAIL INVESTMENT

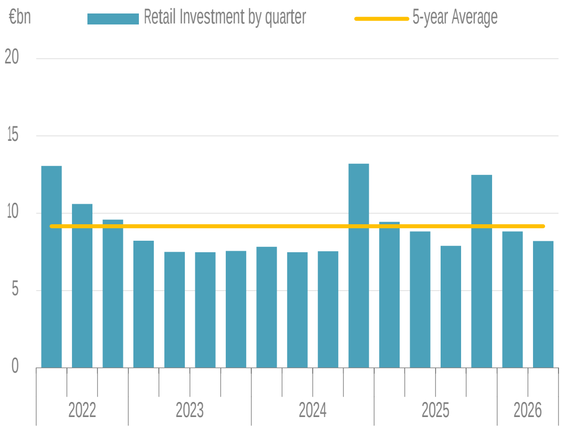
Retail investment (€37.4bn) slowed moderately compared to last year's volumes. Retail held a 20% share of total commercial real estate investment in Q2 2026, shrinking compared to the same period last year. The market is sill creating blockbuster deals with a transaction of more than €1.1bn closed on Via Montenapoleone, 8 in Milan.

The European market leaders remain the big 5 countries with the United Kingdom (€7.6bn) at the top, capturing roughly 20% of retail investment volume. Nevertheless, transaction volumes are a third lower than last year. Germany (€5.9bn) still occupies second place. The Milan deal meant that Italy, standing at the third place Italy (€4.5bn), gained 31% this quarter. Spain (€2.7bn) also gained considerable ground over Q2 with an increase in volume of 18%. France (€3.2bn) saw a 19% reduction in investment volume. Poland and the Netherlands (€1.5bn each) had good investment levels, along with Nordic countries such as Norway (€1.4bn) and Sweden (€1.5bn) which registered a 129% increase in volumes compared to last year.

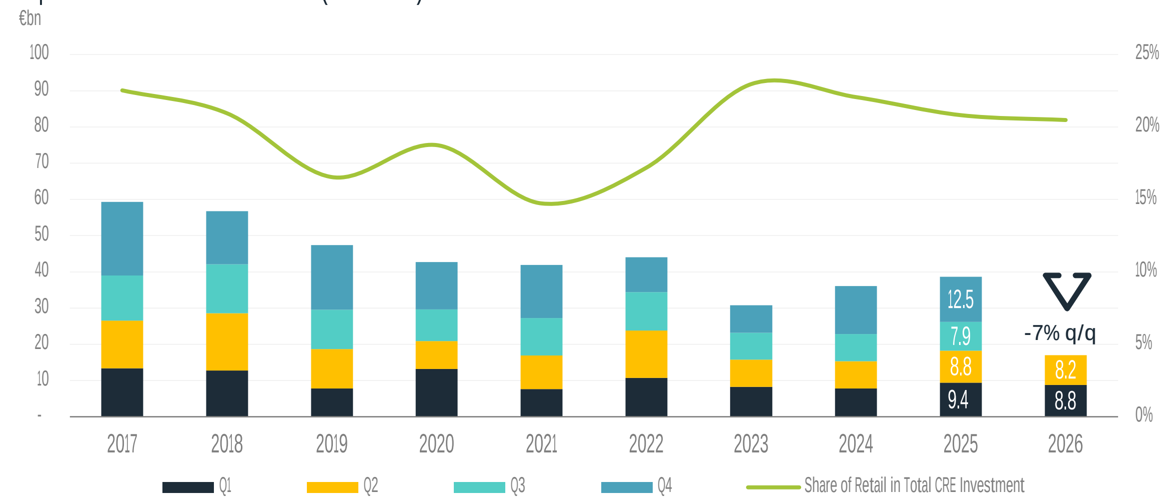
The focus on prime assets remains the main axis of growth in European cities. Occupational demand for those assets continues to drive prime rents upward, reaching a record high compared to Q2 2017. Investors continue to be interested in the shopping centre segment because of the favourable risk premium offered. Although volumes have decreased retail warehousing is attractive because of strong occupational dynamics, especially in the UK, where there is zero vacancy in many parks. This sector may be experiencing stock availability issues in some places for investors.

Consumer sentiment data in Q2 caught up with worries about the geopolitical tensions at the start of the year. Over Q2, sentiment headed down sharply with the concerns about price rises, particularly from energy. Correspondingly, retailer business confidence also dipped in Q2.

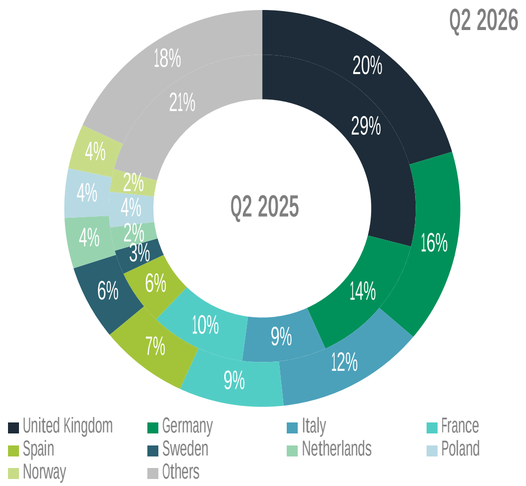
Retail Investment by quarter (2022-2026)



European Retail Investment Volume (2017-2026)



Retail Investment by country (rolling year)



Source : BNP Paribas Real Estate Research

Q2 2026 RETAIL MARKET EUROPE

KEY FIGURES

Investment Volumes Europe *(6 countries)*

High Street -9% vs. Q2 2025

Shopping Centres +17% vs. Q2 2025

Retail Warehousing -25% vs. Q2 2025

SIGNIFICANT DEALS (rolling year)

QUARTER	YEAR	SEGMENT	LOCATION	PROPERTY	VOLUME
Q2	2026	High Street	Milan, Italy	Via Monte Napoleone, 8	€1,160m
Q4	2025	Shopping Centre	Prague, Czech Republic	Palladium	€705m
Q4	2025	Shopping Centres	Dublin, Ireland	Blanchardstown Shopping Centre	€575m
Q2	2026	High Street	Paris, France	Le Marignan, Champs-Elysées	€430m
Q3	2025	Shopping Centre	Italy	Franciacorta Village, Valdichiana Village and Palmanova Village Portfolio	€410m
Q4	2025	Shopping Centres	Katowice, Poland	Silesia City Center	€405m
Q2	2026	Shopping Centre	Italy	31% stake in EOMV (European Outlet Mall Venture) platform	€405m
Q4	2025	High Street	Munich, Germany	Oberpollinger	€380m
Q4	2025	Retail Park	Wroclaw, Poland	Magnolia Park	€370m
Q1	2026	Shopping Centres	Madrid, Spain	Centro Comercial Islazul	€335m

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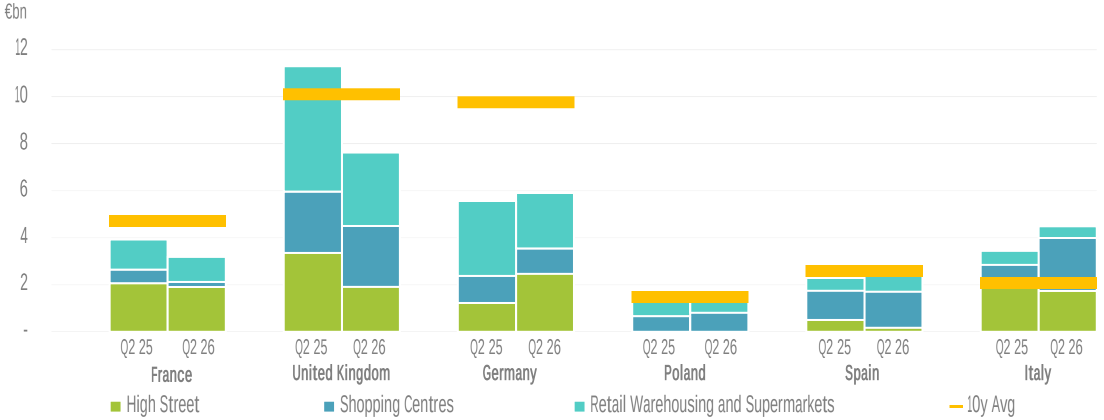
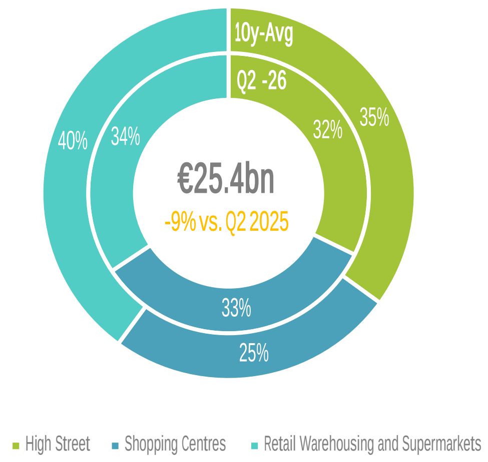
RETAIL INVESTMENT

Retail Investment by asset type *(6 markets - rolling year)*

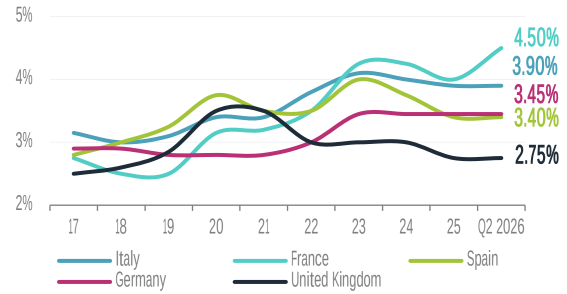


Retail Investment by asset type *(6 markets* – rolling year)*

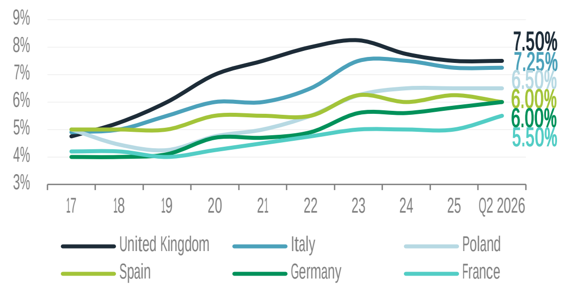


*6 markets : France, Germany, Italy, Poland, Spain, United Kingdom

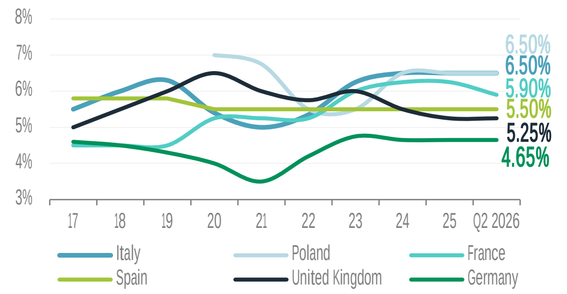
Prime Yields – High Street



Prime Yields – Shopping Centres



Prime Yields – Retail Warehousing



Source : BNP Paribas Real Estate Research

Q2 2026 RETAIL MARKET EUROPE

KEY FIGURES

-7.3 Q2 2026 vs. -5.8 in Q1 2026
RETAIL CONFIDENCE INDICATOR

-17.7 Q2 2026 vs. -13.6 in Q1 2026
VOLUME OF SALES IN RETAIL TRADE INDEX 100=2021

104.8 Q2 2026 vs. 104.8 in Q1 2026
RETAIL GROWTH - VOLUME OF SALES INDEX 2021=100

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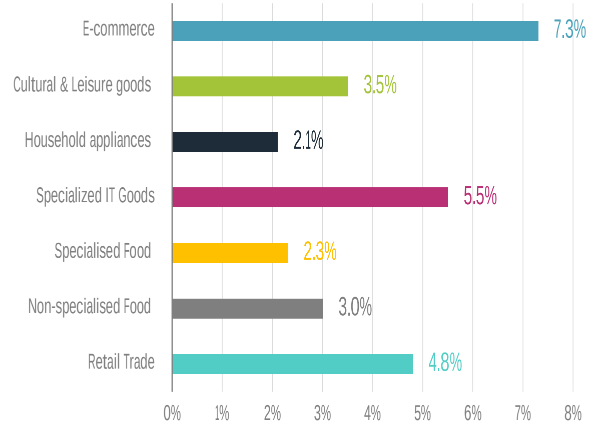
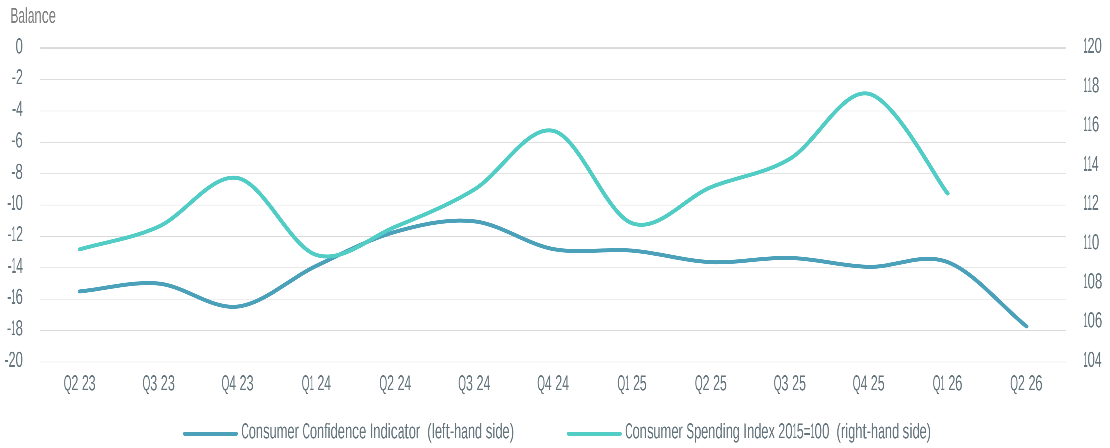
RENTAL TRENDS AND MARKET FUNDAMENTALS

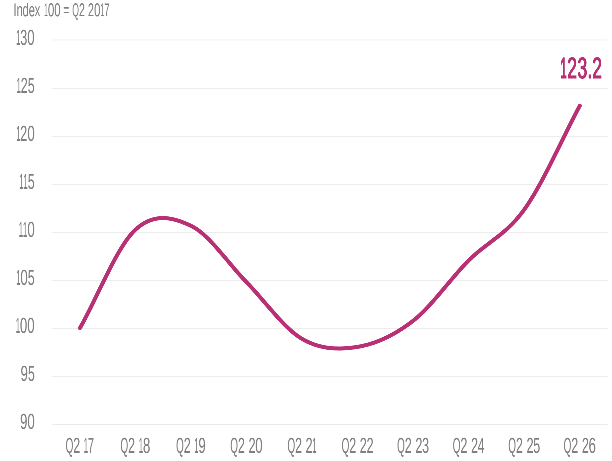
Retail Net Turnover *(May-26 vs. May-25)*



Consumer Confidence Indicator and Consumer Spending

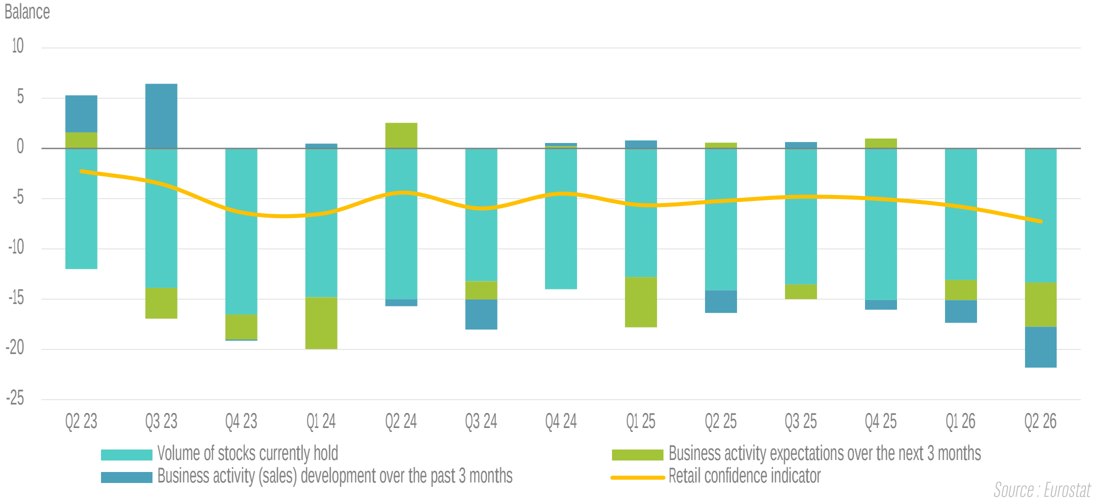


Prime Rents *(15 markets)*



15 markets : Barcelona, Madrid, Central Paris, Milan, Rome, Warsaw, Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Munich, Stuttgart, Amsterdam and Rotterdam

Retailer Survey Results



Source : Eurostat

GLOSSARY

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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