MAPIC 2015: BNP Paribas Real Estate analyses European trends in Retail real estate

- Investment volumes are expected to set new records: €68 billion Euros in Europe (rolling 12-month period at Q3 2015)

- In Europe, prime rents have stabilized in three main European markets (Germany, Poland and United Kingdom)

- In France, an active retail market is not reducing the wide spectrum of rental values.

The economic recovery, that began early in the year for the Eurozone is likely to see GDP 2015 end at 1.6%. Due to the global outlook and specifically the slowdown in China and emerging economies, Eurozone growth in 2016 is forecast to remain at similar levels (1.5%). In France, the GDP is aimed to close at 1.1%, fueled by consumer spending (+ 1.8% in 2015) and an annual retail sales level forecast to amount € 450 billion (excluding automotives and motorcycles).

European investment in retail showed strong momentum in the six largest markets (United Kingdom, Germany, France, Spain, Poland and Italy) with a cumulative volume over nine months already exceeding the figure for the same period last year (+ 30.8%), and a final annual volume set to surpass the 2007 high. Germany is likely to post a record year, with a €14 billion volume already registered over nine months (€17 billion on a rolling 12-month period). It should overtake United Kingdom at the end of the year, the latter having registered €11.6 billion over 9 months. Spain and Poland benefit from increases as well, with Spain recovering pre-crisis investment volumes. In France: “3.5 billion Euros were invested in retail over nine months (€6.4 billion on a rolling 12-month period), which accounts for 21% of the total commercial real estate volumes. The year is heading toward a record as occurred in 2007 and 2014” explains Bruno Ancelin, Director Retail Investment France - BNP Paribas Real Estate Transaction.
In three of Europe’s core markets for retail (Germany, Poland and United Kingdom), rents are indicating stability overall, after years of significant growth. A drop in prime values has even been observed in several main cities in Germany and in the United Kingdom (London being an exception due to competitive tension). Another exception may occur though in Polish downtowns where, due to the growing interest of retailers, a rise in values is to be expected.

In France, “the dichotomy between large agglomerations and medium-sized cities persists; strengthening demand for prime locations produces rent increases, while rents for secondary locations are stagnating or even start declining” comments Thierry Bonniol, Director of Retail Paris Île-de-France, BNP Paribas Real Estate Transaction.

The full report is available on the BNP Paribas Real Estate stand at MAPIC from November 18 to 20 (Palais des festivals de Cannes: Stand R7 – C29) and is also available to download on the BNP Paribas Real Estate website:

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