

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
€48,700 Median disp. HH Income	▲	▲
0.5% Population Growth	▲	▲
4.2% Unemployment Rate	▲	▲

Source: CBS, CPB

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.0% GDP Growth	▼	▼
1.4% Purchase power Forecast	▼	▼
1.2% Retail Sales Growth Non-food	▼	▲

Source: ING, CPB, CBS

INVESTMENT MARKET: CAUTIOUS MARKET AMIDST UNCERTAINTY

Retail investment volume reached approximately €263 million in Q1, which is 9% below the same period last year and in line with expectations of moderate investment activity at the start of the year. Activity was driven mainly by smaller and mid-sized transactions, while several larger deals in the pipeline continue to be deferred as investors continued to assess geopolitical developments and interest rate expectations.

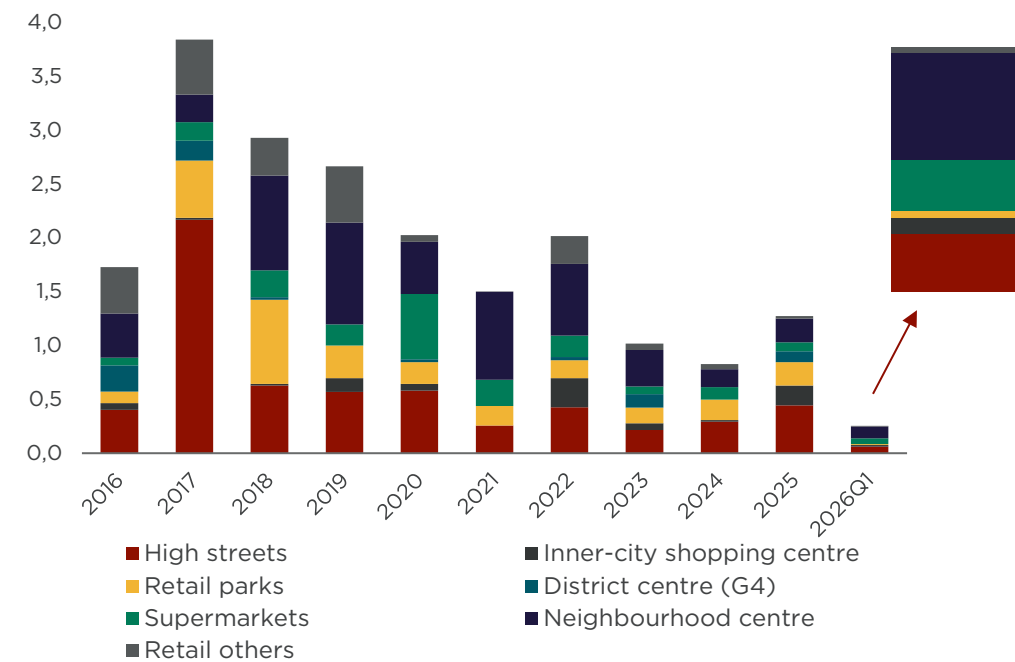
Despite elevated uncertainty, sentiment towards retail remains comparatively resilient. Higher market interest rates have a limited impact on pricing relative to other sectors, supported by higher initial yields and ample debt headroom. Financing markets remain highly active, with lenders showing strong confidence and often outpacing equity demand, prompting owners to prioritise refinancing over dispositions. Core-assets continue to attract a narrow buyer pool dominated by domestic pension funds and private investors, while foreign interest remains muted due to transfer taxes and gross-to-net yield compression. Share deals are increasingly utilised as a means to mitigate these fiscal frictions.

OCCUPIER MARKET: NORMALIZATION PRICE EFFECTS AND SELECTIVE EXPANSION

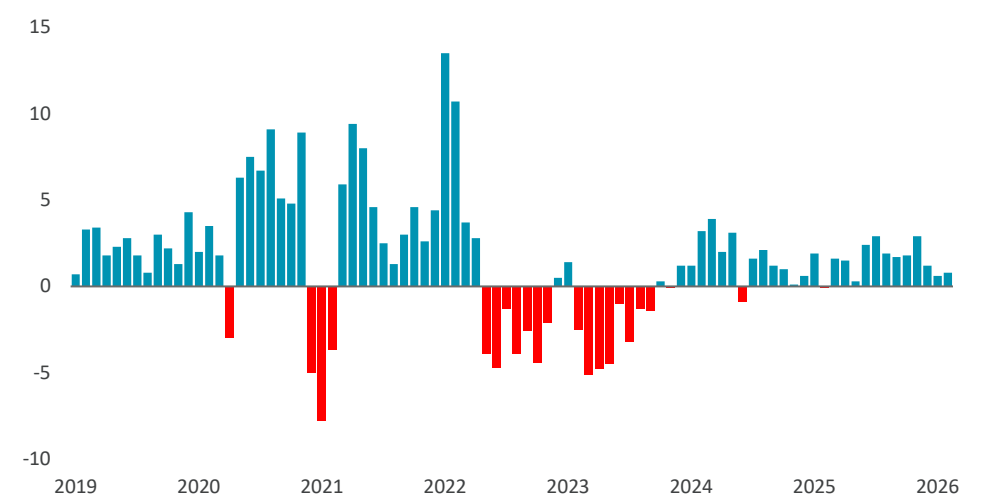
Retail sales volumes continued to increase slightly in early 2026, underpinned by solid footfall recovery and stable consumer spending in prime shopping locations. Occupier activity remains concentrated in A1 and A2 high streets, where take-up is strong and competition for space has intensified. International retailers, particularly sportswear and lifestyle brands, are driving demand, supported by effective omnichannel strategies and renewed emphasis on physical brand presence. Prime locations such as Kalverstraat and the 9 Straatjes continue to outperform, with rising rents, highlighting strengthening fundamentals. In contrast, secondary streets and weaker cities face rising vacancy and ongoing rental pressure, largely due to limited retailer expansion and delayed rental normalisation. In cities where rental levels were corrected earlier, this normalisation is now translating into renewed occupier confidence, higher absorption and sustained demand.

Expansion remains selective rather than broad-based. Intra-city relocations towards the strongest streets instead of expansion into secondary cities reflect a more cautious approach amid rising operational costs. While multichannel strategies continue to underpin demand for physical stores, increasing pressure on margins from higher transport, energy and labour costs is expected to weigh more heavily on occupier performance towards the second half of the year.

RETAIL INVESTMENT VOLUME (IN € B.)



RETAIL TURNOVER VOLUME (% CHANGE)



Source: Cushman & Wakefield, CBS