



Altus Group

Q1 2026

# Pan-European Valuation Dataset: Expert Analysis

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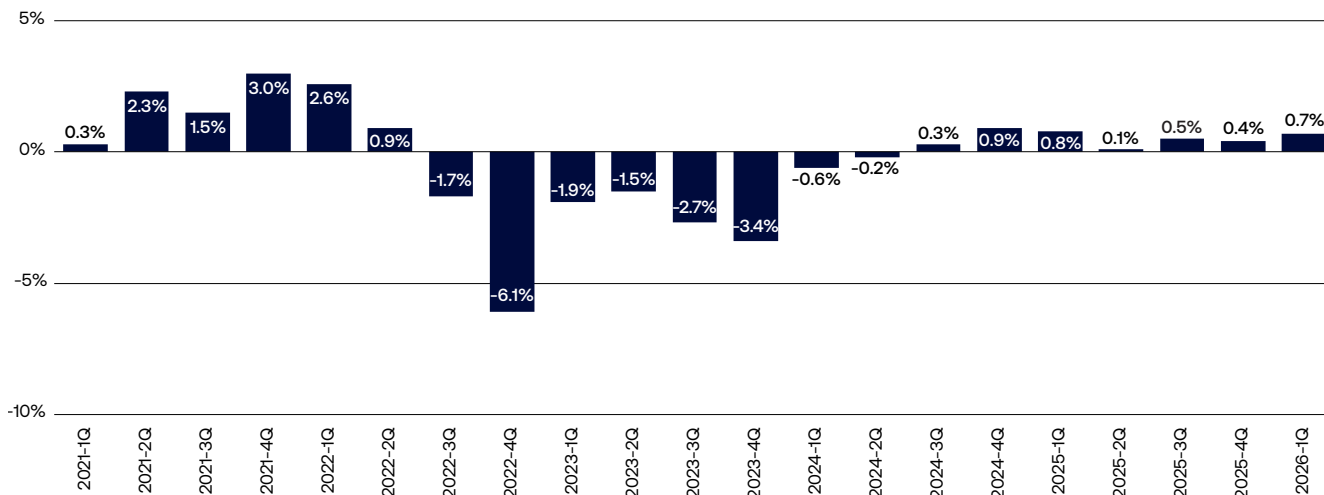


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## Pan-European Valuation Dataset: Expert Analysis

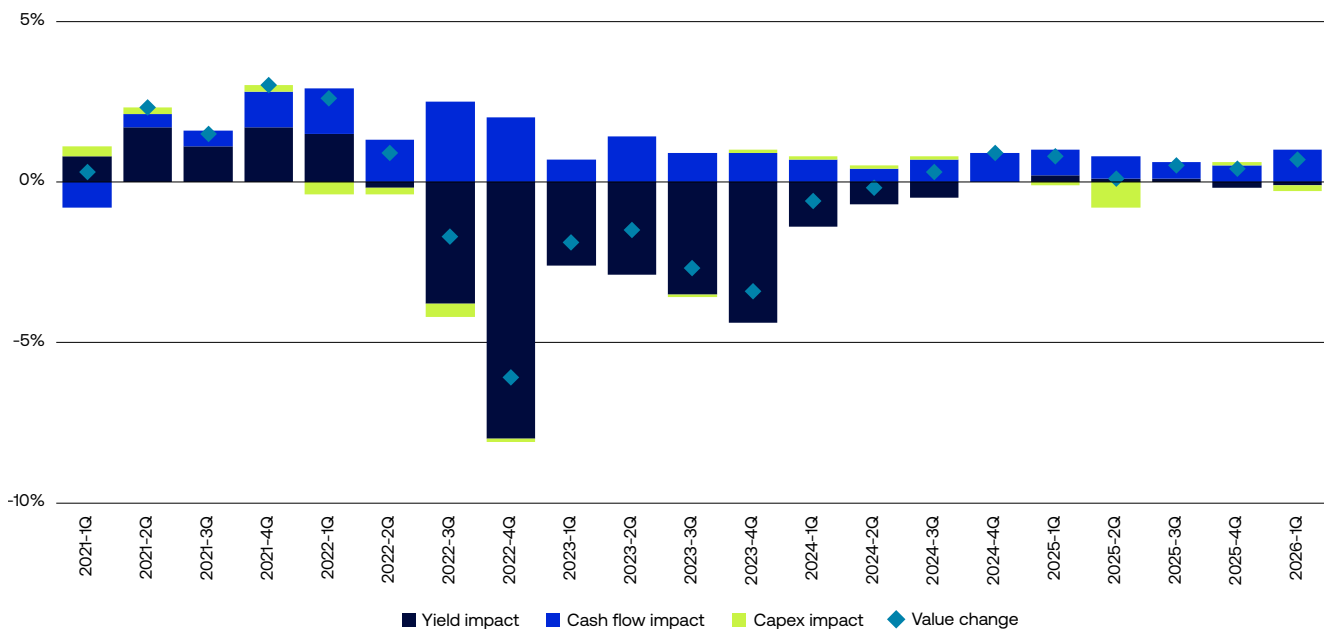
European property markets continued to make positive gains in the opening quarter of 2026, with overall values rising 0.7% quarter-over-quarter, compared to 0.4% appreciation in Q4 2025. This marks the seventh consecutive quarter of positive appreciation, building on the gradual recovery that began in Q3 2024 following a two-year period of market-wide write-downs.

### Quarterly appreciation – all property



Source: Altus Group's Pan-European Valuation Dataset

### Quarterly appreciation attributes – all property



Source: Altus Group's Pan-European Valuation Dataset

Cashflow fundamentals remained the primary driver of growth, with an overall impact on values of 1.0% in Q1, up from 0.5% in Q4, supported by continued growth in both contract and market rents. Valuation yields edged outwards for the second consecutive quarter, tempering overall appreciation by 0.1%. This is a possible reflection of ongoing investor caution given the complexity of the wider geopolitical landscape, with valuers making minor yield corrections to derisk some of the overall improvement in cashflow fundamentals.

Over the full year, values have risen by 1.7%, entirely driven by cashflow improvements, mitigating the slight movement out in yields and the downside impact of additional capital being provisioned into valuation models. Despite the recent positive trends, values are still net -1.6% per annum, down over three years and at a -0.9% per annum deficit when traced back over a five-year period.

## Breakdown of value movements

### Q1 2026 | Breakdown of sector quarterly value movements

	Q2-2025	Q3-2025	Q4-2025	Q1-2026
All	0.1%	0.5%	0.4%	0.7%
Industrial	0.7%	0.4%	0.6%	0.7%
Office	-1.3%	0.4%	0.2%	0.2%
Residential	0.9%	0.7%	0.7%	1.2%
Retail	0.3%	0.6%	0.2%	0.7%
Other	1.3%	1.2%	1.2%	2.0%

Source: Altus Group's Pan-European Valuation Dataset

### Q1 2026 | Breakdown of Q1 value movements

Property type	Value change	Yield impact	Cash flow impact	Capex impact
All	0.7%	-0.1%	1.0%	-0.2%
Industrial	0.7%	-0.1%	1.0%	-0.2%
Office	0.2%	0.0%	0.7%	-0.5%
Residential	1.2%	-0.8%	2.0%	0.0%
Retail	0.7%	0.0%	0.7%	-0.1%
Other	2.0%	2.0%	-0.2%	0.2%

Source: Altus Group's Pan-European Valuation Dataset

### Q1 2026 versus Q1 2025 | Breakdown of 1 year value movements

Property type	Value change	Yield impact	Cash flow impact	Capex impact
All	1.7%	-0.1%	2.7%	-0.9%
Industrial	2.4%	0.2%	2.4%	-0.2%
Office	-0.6%	-0.3%	2.5%	-2.8%
Residential	3.6%	-0.8%	4.4%	0.0%
Retail	1.8%	0.2%	1.4%	0.2%
Other	5.8%	1.0%	4.9%	-0.1%

Source: Altus Group's Pan-European Valuation Dataset

### Q1 2026 versus Q1 2023 | Breakdown of 3 year value movements

Property type	Value change	Yield impact	Cash flow impact	Capex impact
All	-1.6%	-4.4%	3.0%	-0.3%
Industrial	0.1%	-3.9%	4.1%	0.0%
Office	-4.3%	-6.0%	2.6%	-1.0%
Residential	-0.3%	-3.6%	3.4%	-0.1%
Retail	-0.9%	-2.8%	1.6%	0.3%
Other	3.8%	-0.6%	4.4%	0.1%

Source: Altus Group's Pan-European Valuation Dataset

# Sector trends

Across all sectors, the cashflow aspect of appreciation was the primary differentiator, with yield movements playing a more marginal role in the overall outcomes.

Values continued to rise in all sectors in the opening three months of the year. The pace of improvement accelerated in all property types except office. Residential extended its lead across the four main sectors with appreciation increasing to 1.2%. Industrial and retail were tied, finishing in line with the overall average, with values up 0.7%. Office remained off the pace, with values up a relatively muted 0.2%. Student accommodation, within the other grouping, was the outright frontrunner where values rose 2.5%.

## Residential

The residential sector increased its lead against the overall average, registering a 1.2% uplift in values in the opening three months of the year. The sector remains ahead from a cashflow standpoint, reflecting an above average strengthening of in-place rents. Cashflow gains added 2.0% to values, but this was tempered by valuers applying caution through outward yield movements, which had a -0.8% impact on values.

Across the markets, the Netherlands continues to perform well, with values up an above average 2.1% for the quarter, supported by the largest cashflow gain, resulting from an above average 1.1% increase in market rents. The lead performing country for the quarter was Denmark, the one market where valuation yields came down over the quarter. France at the lower end was the one residential market to post a negative quarterly value change at -0.4%, attributable in part to yield expansion but also with minimal cashflow gain as market rents here were adjusted down over the quarter.

## Industrial

The industrial sector has been fairly consistent only dropping below the all property average once in the last year. In Q1, all aspects of appreciation - the 0.7% increase, the 1.0% cashflow aspect, and a slight pull back from yields of -0.1% - were all in line with the overall average levels.

Spain (values up 2.4%) Sweden (2.0%) and Italy (1.8%) emerged as the lead performing markets in Q1, with all three recording above average increases in market rent. Netherlands dropped off the pace with values up just 0.3%, and only a minimal 0.2% increase in market rents. The UK also had a relatively subdued quarter with values up just 0.1%; here, the limiting factor was the result of yields being increased over the quarter.



## Office

Office continued to trail at the lower end of the order, registering only a slight 0.2% increase in values. Valuation yields remained relatively stable, while cashflow stepped up, adding 0.7% to values, supported by the broader market backdrop of strengthening prime rents. However, these gains were partially offset by a -0.5% drag from the increased capital investment requirements within the sector.

Values in Germany and, more so the UK, suffered a setback in the opening three months of the year, down 0.1% and 13% respectively. In both markets, increased capital put downward pressure on values, and, in addition, valuation yields were increased in the UK.

The Netherlands, with gains of 0.6%, emerged as the leading market for the quarter, supported by improving contract rents.

Germany was the only market to register a negative annual result at -5.0%, again this is all capital expense related, and the shortfall is large enough to pull the overall office average into negative territory at -0.6%.

## Retail

Similar to the office market, retail yields remained largely unchanged over the quarter, but with less pullback from changes in capital, the retail cashflow gains had more immediate impact on values, which rose 0.7% for the quarter.

All retail subtypes recorded positive value changes for the quarter. Retail parks and warehouses led with a 1.3% increase, supported by yield compression and above average market rent growth.

There was very little to separate shopping centres, high street shops, and supermarkets, with values increasing between 0.5% to 0.6%.

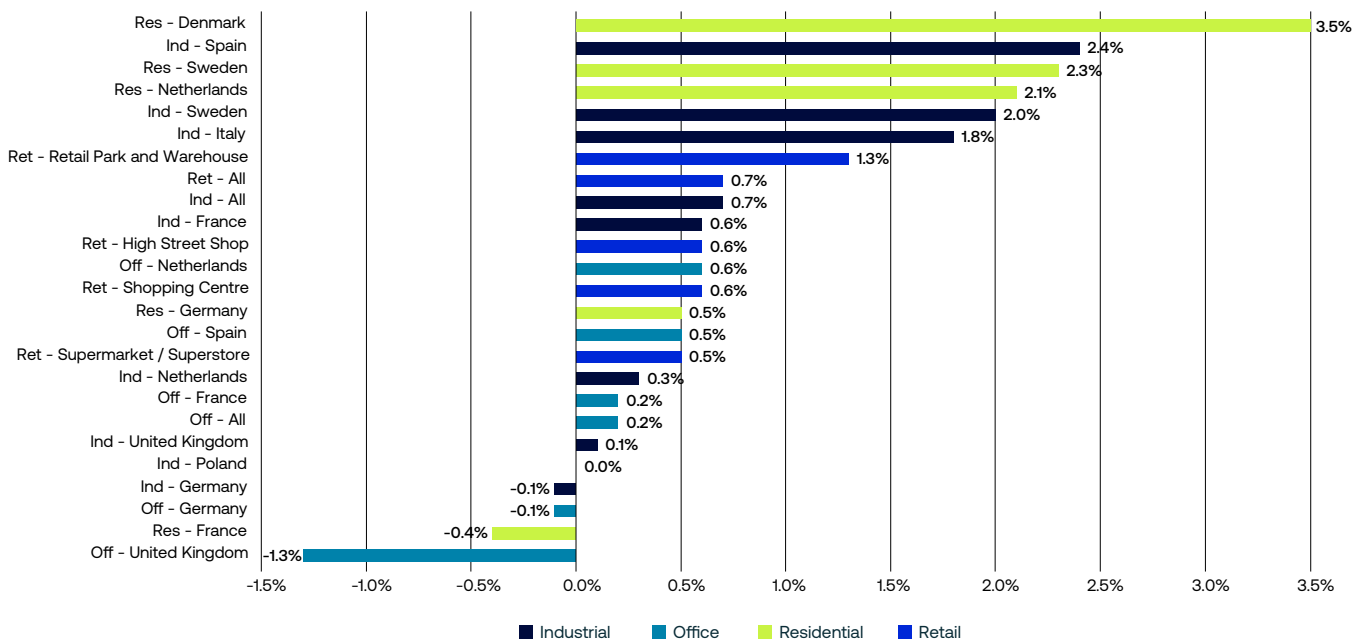
Retail parks and warehouses maintained their lead over the year and are the only retail subtype to have delivered positive annualised value movements on both a three-year (1.9%) and five-year (1.7%) basis, underlining their resilience throughout the market cycle.

## Other

Within the other property sector, student accommodation is the standout performer for the quarter with values up 2.5% and for the year with 8.1% gains. Their lead is all cashflow-based, with market rents up 2.1% for the quarter and 10.5% for the year.

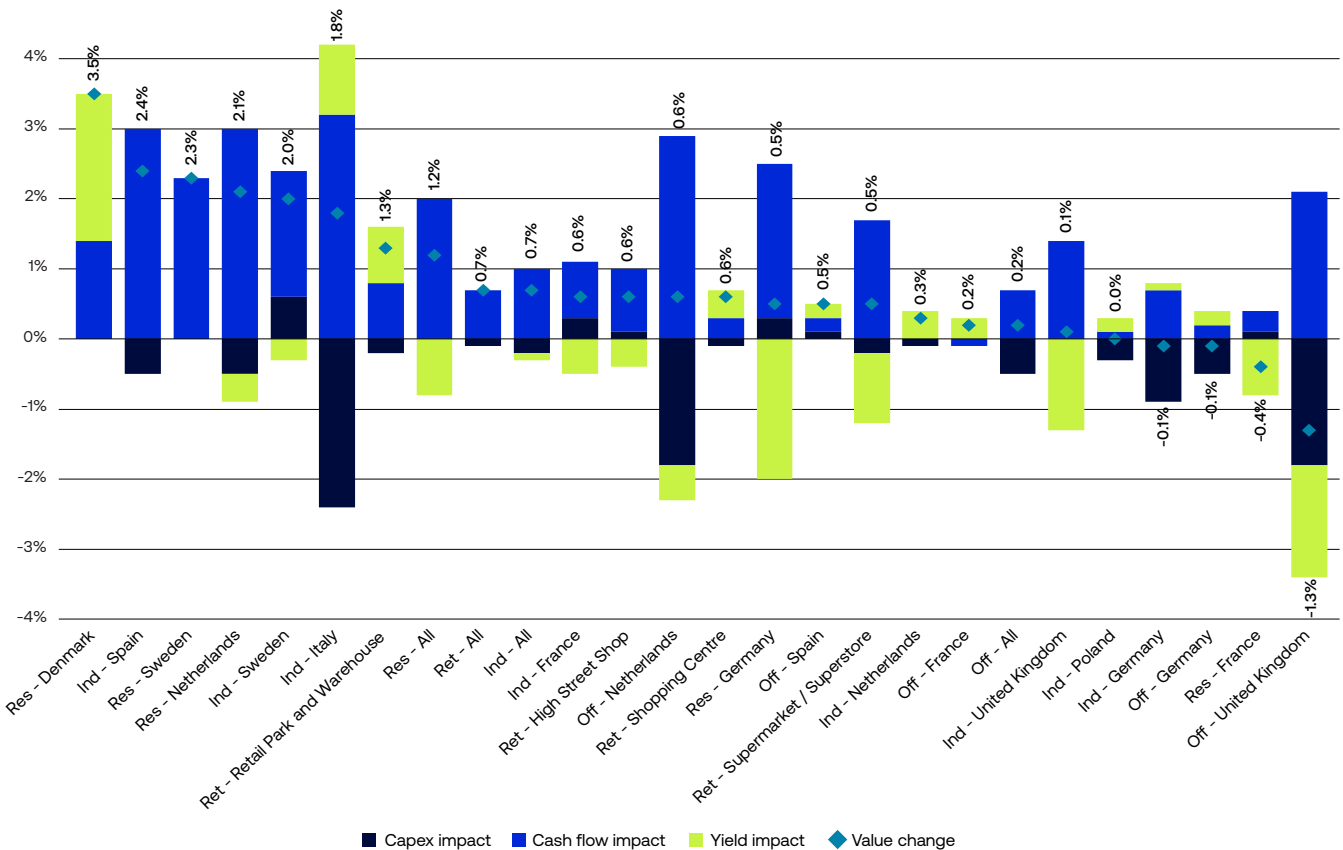
# Sector and country appreciation spreads

## Q1 2026 | Quarterly sector country appreciation spreads



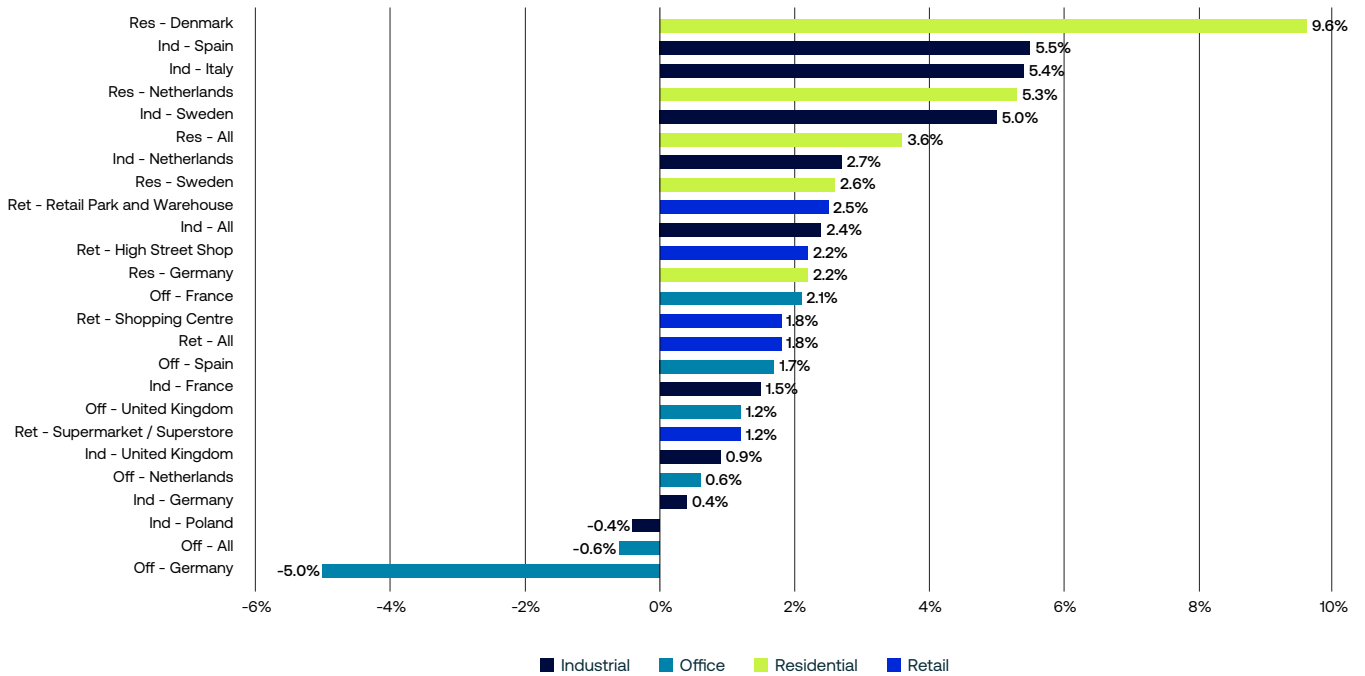
Source: Altus Group's Pan-European Valuation Dataset

## Q1 2026 | Impact metrics – by sector and country



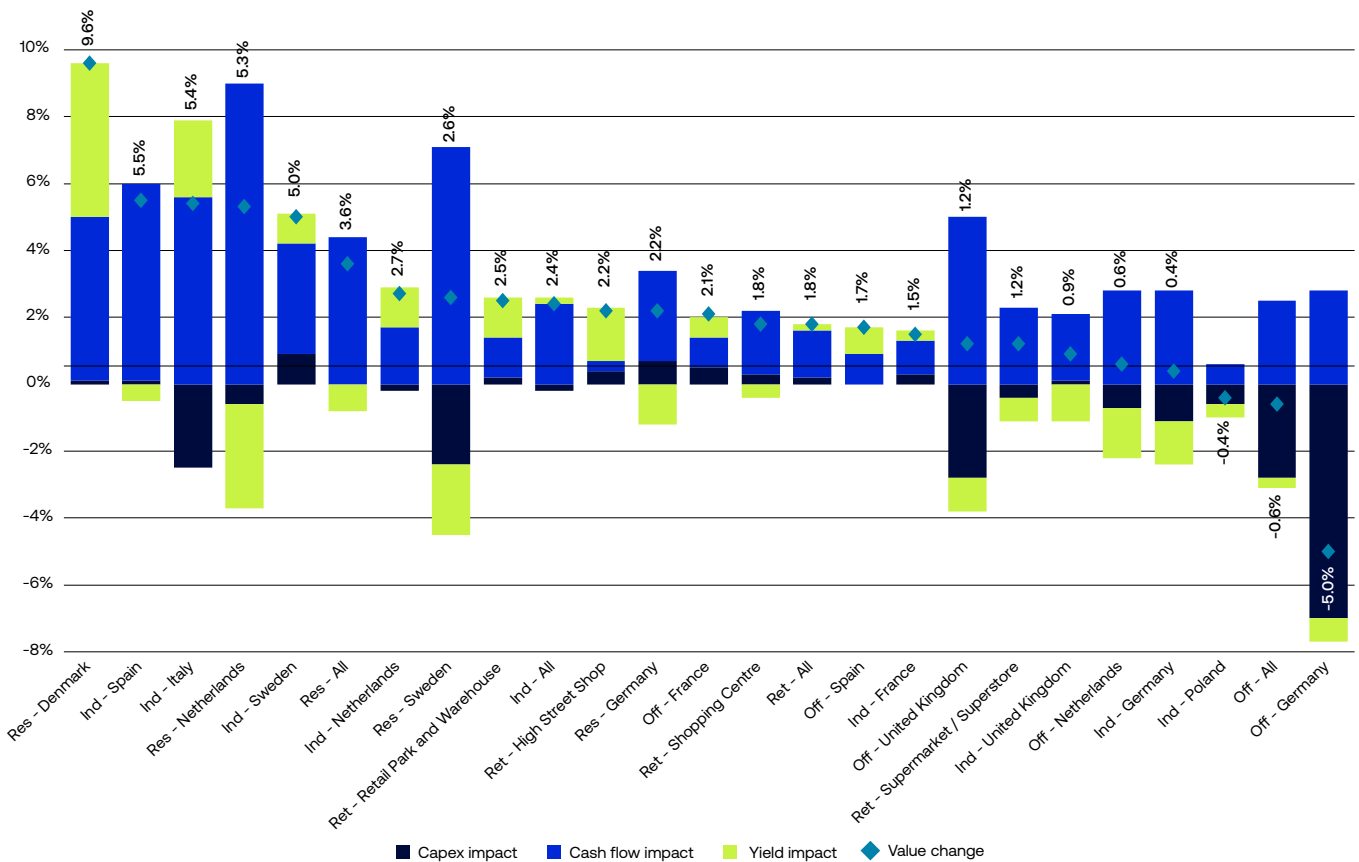
Source: Altus Group's Pan-European Valuation Dataset

### Q1 2026 versus Q1 2025 | Annual sector country appreciation spreads



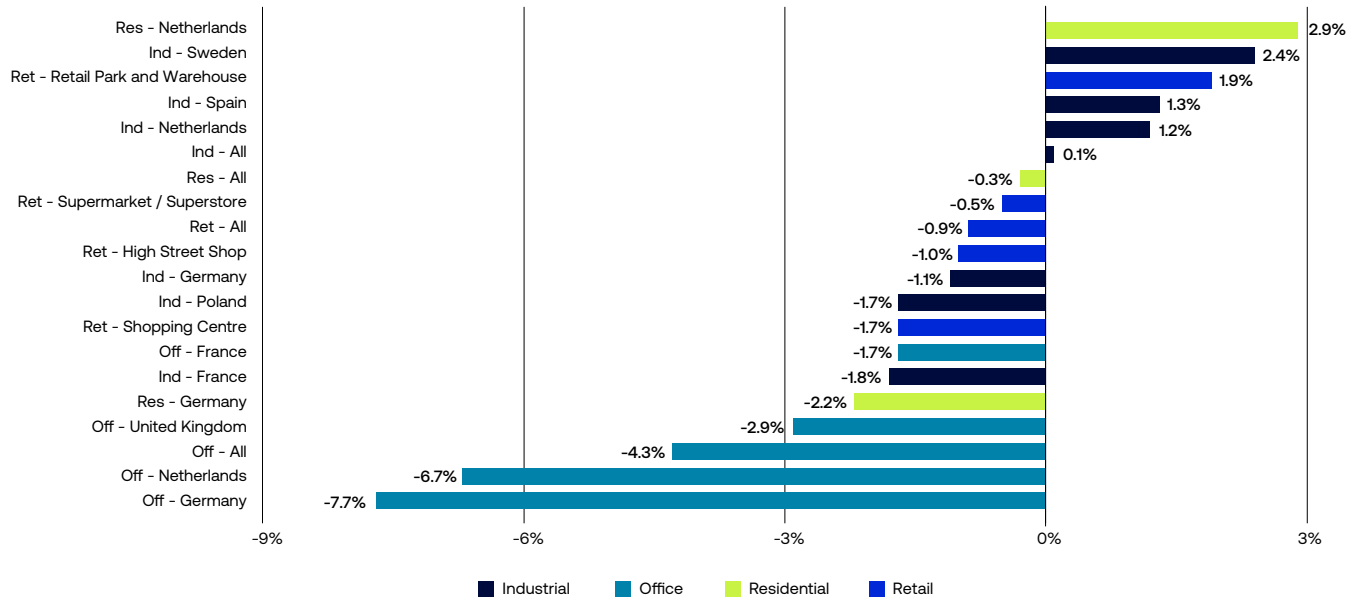
Source: Altus Group's Pan-European Valuation Dataset

### Q1 2026 versus Q1 2025 | Impact metrics – by sector and country



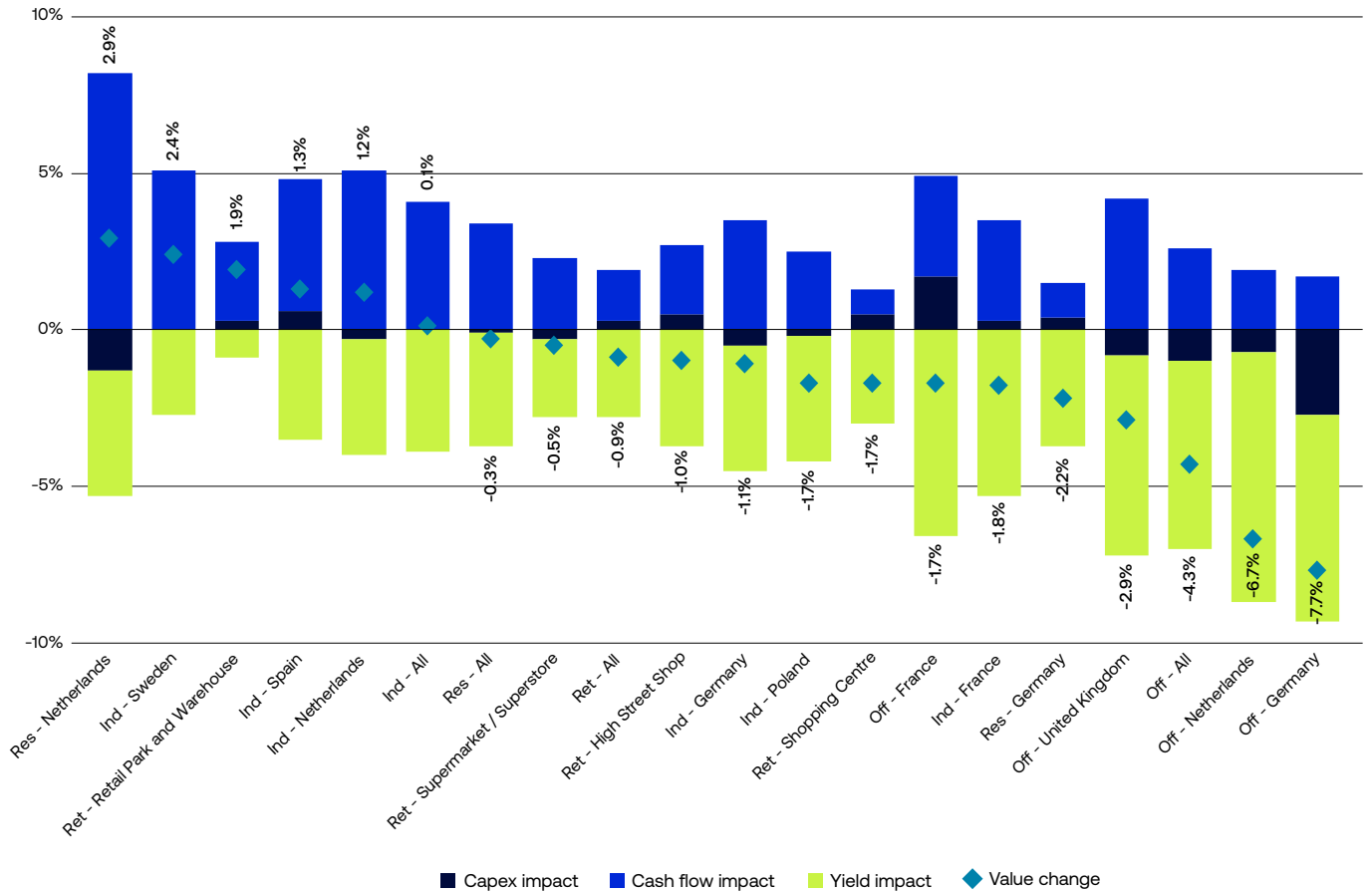
Source: Altus Group's Pan-European Valuation Dataset

### Q1 2026 versus Q1 2023 | 3-year sector country appreciation spreads



Source: Altus Group's Pan-European Valuation Dataset

### Q1 2026 versus Q1 2023 | Impact metrics – by sector and country



Source: Altus Group's Pan-European Valuation Dataset



# Altus Group

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