2026

Signals to Savour

European Grocery
Real Estate Insights



greenman GROUP

Foreword

Greenman is a European real asset investment manager specialising in grocery-anchored real estate, renewable energy and modern agriculture with more than two decades of investing, asset management and letting experience across the Continent. This depth of operational insight, combined with the Group's proprietary portfolio and tenant data, gives Greenman a direct and continuous view of how the grocery sector and the real estate that houses it are performing on the ground. In collaboration with many of the Group's partners and counterparties, including JLL, Colliers, Euromonitor and GfK, and drawing on the data and analytics capability of edyfi, the Group's data and technology company, Greenman has produced a forward-looking analysis of the European grocery real estate market, highlighting market dynamics, trends, and opportunities across both the grocery and real estate sectors.

Executive Summary

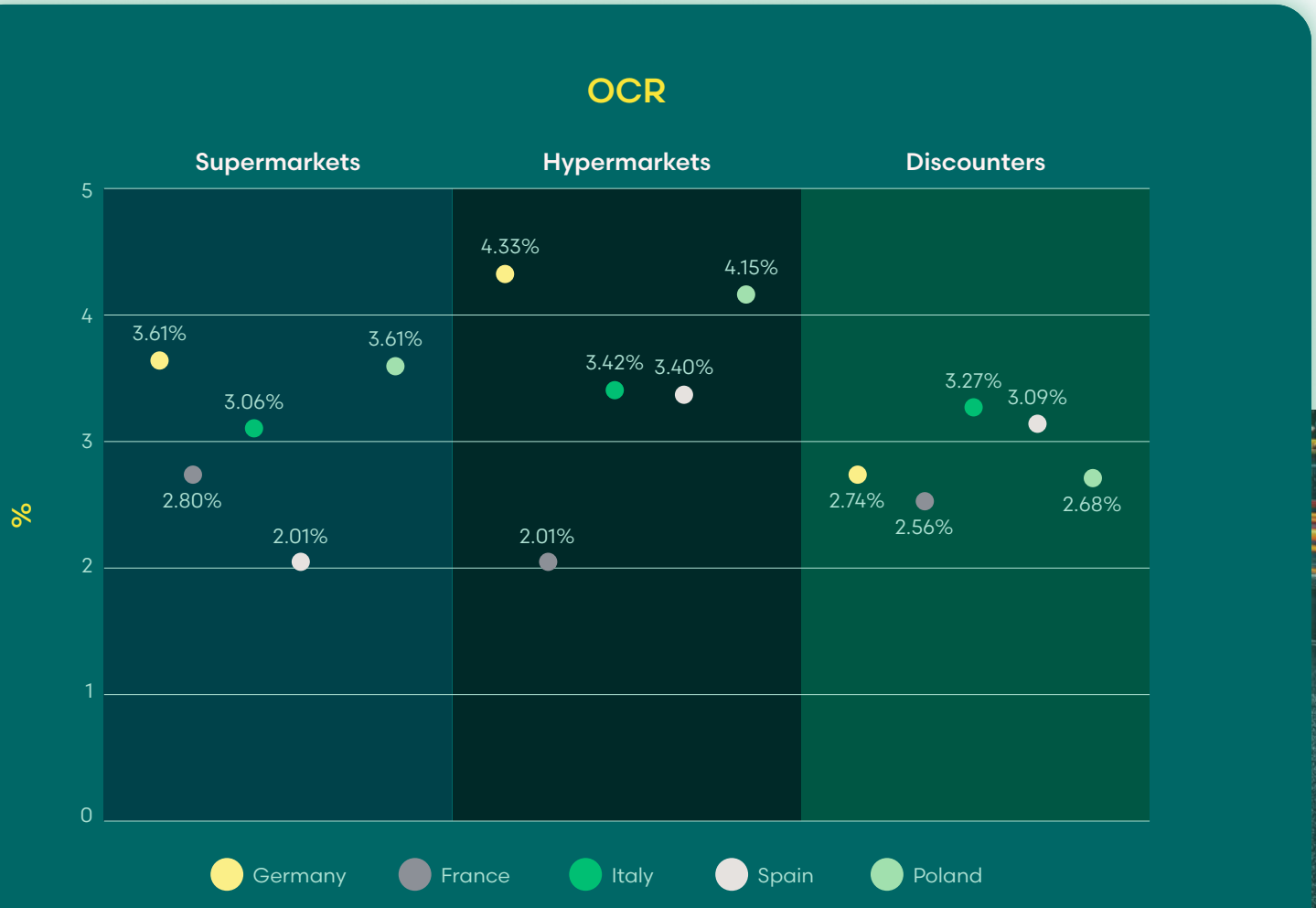
The Selected Market spans ten European countries, 368 million people and more than €869.9 billion of annual grocery turnover – a market comparable in scale to the United States. This report examines how demand, store formats, lease structures, occupancy costs and investment yields are evolving across it, drawing on Greenman Group proprietary data, edyfi, Euromonitor, GfK, Eurostat and the leading real estate advisers.

The conclusion is straightforward, grocery-anchored real estate has separated from wider retail and now stands among the most defensive income-producing asset classes in European property.

Demand proved non-discretionary rather than cyclical. Grocery turnover grew in every primary market through the inflation shock and the rate-tightening cycle that followed. Shoppers traded down within the basket rather than leaving the channel, and in discounter-led markets such as Germany and Poland the store network itself gave them the means to do so. E-commerce remains marginal across the group, leaving the physical store as the dominant point of sale and the real estate that houses it as essential food-distribution infrastructure.

That stability translated directly into pricing. Across all five primary markets the yield correction was shallow, short-lived and followed by an early return to compression – in stark contrast to offices, where yields rose sharply and continued expanding into 2026. German retail park yields held essentially flat across the cycle; France saw only minimal retail decompression in H1 2026; Italian prime yields had returned to their pre-cycle lows by end-2025; Spanish shopping centres and retail parks absorbed 75% of H1 2026 retail investment; and Polish retail parks drove a more than fivefold rise in transaction volume. Capital is being drawn by the quality of the income rather than the momentum of the cycle.

That income rests on a mechanic running through every market. Rents index to CPI while tenant turnover moves with food prices. Through 2022 and 2023 food inflation ran far ahead of the general index – 12.7% in Germany, 11.8% in France and 11.7% in Spain, against headline rates roughly half those levels. Occupancy costs fell as a result, and every format in every primary market now sits within the 2% to 7% sustainable band. Tenant affordability improved rather than eroded through the most severe inflationary period in decades, strengthening covenant quality on leases that typically run 10 to 15 years. Where that opportunity sits depends on structure. Germany and Poland are discounter-led, Spain supermarket-led and France hypermarket-weighted, with mature liquidity in the west and network growth still available further east. The strongest long-term performance will come from assets where location, format, tenant strength, data quality and sustainability readiness are aligned.



Definitions

Capitalised Term	Definition
Occupancy Cost Ratio (OCR)	The Occupancy Cost Ratio (OCR) or Effort Ratio is one of the most relevant KPIs in the retail industry. From a tenant's perspective OCRs capture the true costs of the rental agreement between a retailer and a landlord. The higher the OCR ratio, the more expensive it is for a tenant to rent on a sqm basis based on their turnover. The lower the OCR, the less expensive it is based on their turnover. OCR forecasts take several factors into account including the rental development, market factors such as inflation and governmental regulations, county differences and retailer categories. Sustainable OCRs for grocery markets vary from country to country and also depend on the total scale and dominance of the individual scheme. 7% is considered to be quite high, whereas 2% is considered low. The lower the OCR the higher the rental growth potential for that asset.
Grocery Markets	The Grocery Markets in this paper include only the store types of Supermarkets, Hypermarkets and Discounters. We do not include any small markets below 400 sqm, corner shops or kiosks which may sell groceries.
Supermarkets	Supermarkets have a sales area between 400 – 2500 sqm with a focus on food groceries, however, may include non-food items.
Hypermarkets	Hypermarkets are larger stores above 2500 sqm often located in shopping centres as anchor tenant or in retail parks. Hybrid Centres carry more non-food groceries as well as more unique food groceries.
Discounters	Discounters are between 400 and 2500 sqm with a limited product line and budget pricing.

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01

Selected Market Overview

Selected Market Overview

The countries that make up the Selected Market are picked by our expectations from the top countries in the EU.

Altogether, the Selected Market has a total population of 368 million people, a grocery turnover in Supermarkets, Hypermarkets and Discounters of over €869.9 billion, making it comparable to the US market size.



Grocery Market Saturation

Store density per resident rises where a market relies on small-format outlets and falls where sales concentrate in large ones.

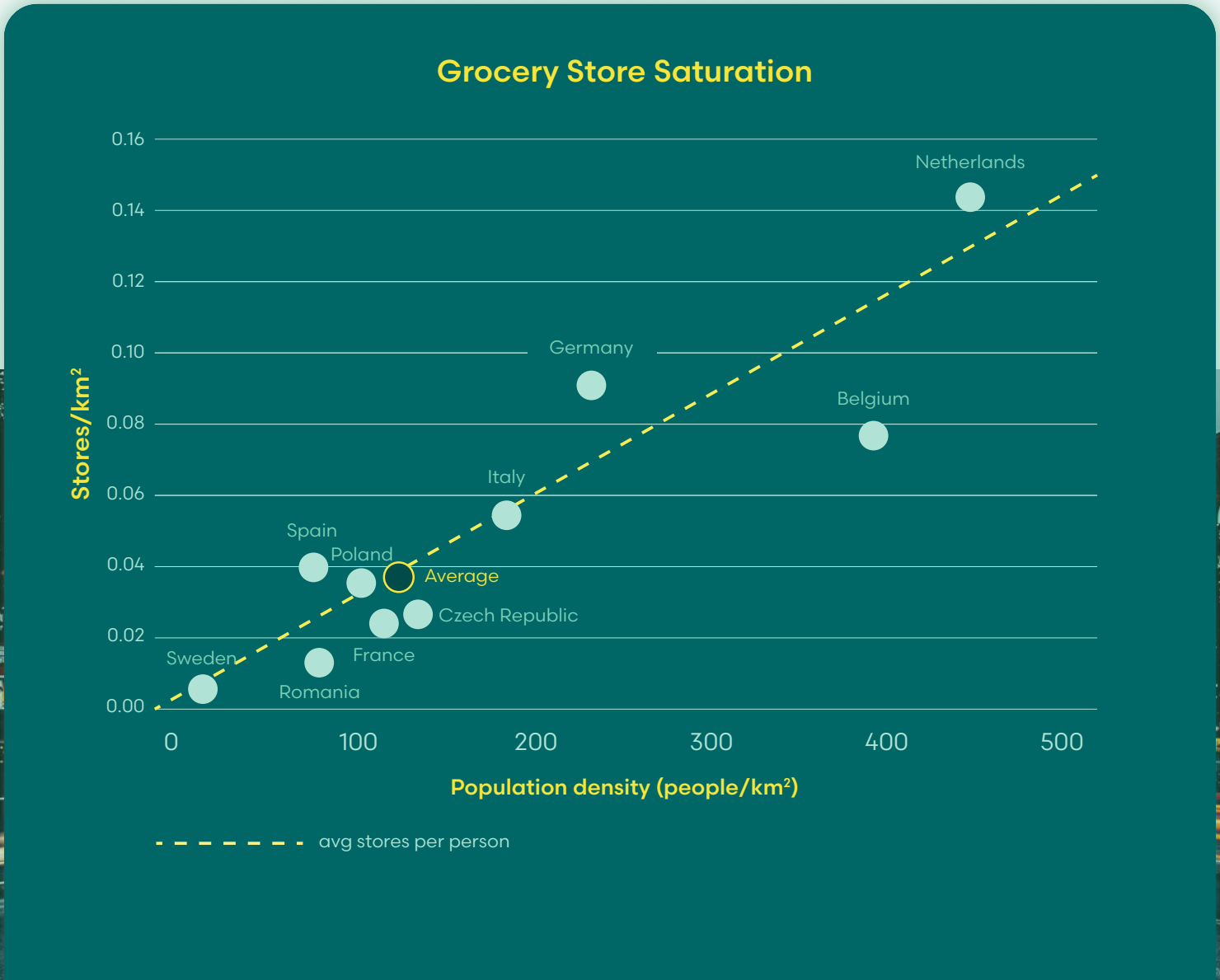
Germany and Poland sit above the average line as the only discounter-led markets, where Aldi, Lidl and Biedronka multiply small footprints and lift store count per head. Spain sits high through a different route, the Selected Market's largest supermarket network, saturating dispersed towns. France falls below on its heavy reliance on hypermarkets, concentrating demand into fewer, larger boxes. The Netherlands' high density reflects population crowding rather than fragmentation, while sparse, discounter-light Sweden sits lowest.

Real Estate Market

Grocery-anchored real estate has emerged as a distinct and resilient segment of the European property market. As broader retail faces structural pressure, grocery has held firm, demand is largely non-discretionary, and income tends to be stable and often inflation-linked. The supermarket format anchors this appeal, accounting for the largest share of sales area in most of the Selected Market and holding steady market share while other formats shift. Conditions vary widely, from mature, highly liquid markets such as Germany to earlier-stage, growth-oriented ones such as Poland, offering investors a range of entry points suited to different strategies and risk appetites.









02

Primary Country Profiles



Leasing Conditions	Discounters	Supermarkets	Hypermarkets
Avg. Market Rent (€/sqm)	11.68	11.34	11.42
Avg. Lease Length	10 to 15 years, up to 20 for grocery		
Avg. Sales Area	950	1800	3500
Lease Extensions	5-year options typical		
Rent Development Mechanism	CPI based increases, after reaching a threshold of 10% and then applied at a 60-70%		
Typical Market Landlord Non-Recs (€/sqm)	0.9 EUR /sqm/Month (Including all asset Types)		
Building Approvals	Building Permission Required		
Special Permits	Building permission, some special licenses needed for special usage types		
Landlord Friendly Lease Rating (1= Very tenant friendly; 10 = Very landlord friendly)	1 2 3 4 **5** 6 7 8 9 10 Very Tenant Friendly — Very Landlord Friendly		

Germany:

Germany is the largest market of the Selected Markets on almost every measure, with 83.47 million people at 233 per km².

It is comfortably the largest economy in the countries reviewed, with nominal GDP of €4.53 trillion in 2025 and GDP per person of approximately €54,300. Germany's grocery turnover of roughly €246 billion equates to about €2,940 per head – the highest of any market in the group. Combined with a mature and highly consolidated retail landscape, that scale makes Germany the deepest and most liquid of the grocery real estate markets covered in this report, and the reference point against which the other primary markets are measured.

Even through the recent inflationary cycle, grocery sales have continued to grow steadily as consumers traded down within the basket and shifted spend from eating out to home cooking. Demand proved non-discretionary rather than cyclical, and the discounter-led structure of the market gave shoppers an in-market route to manage household budgets without leaving the grocery channel.

For every square kilometre in Germany there are 233 people and 0.09 grocery stores, producing a dense, convenience-driven retail experience and one of the most extensive store networks in the Selected Market. That density reflects the market's small-format structure rather than oversupply. Aldi, Lidl and the discount channel multiply small footprints across the country, which lifts store count per head while keeping catchments tight and travel distances short.

For investors, this combination of scale, resilient turnover and an established store network underpins Germany's position as the core holding within a European grocery-anchored strategy, with expansion opportunity now driven more by network optimisation and asset upgrade than by new build-out.

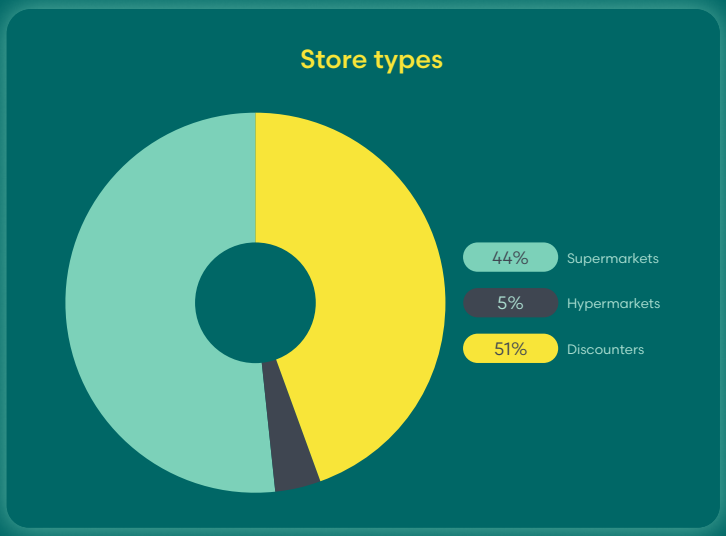
Grocery Market

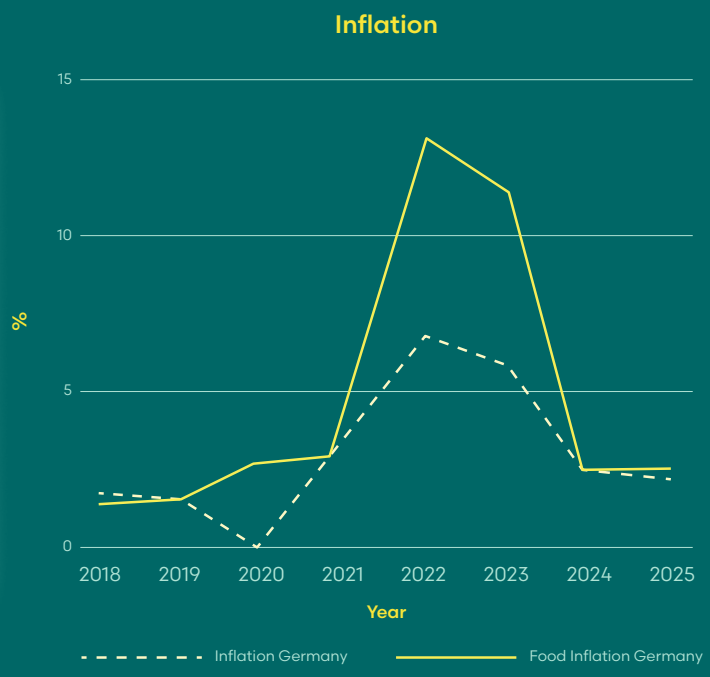
Germany is the most discounter-led market in the Selected Market. Of the 32,027 grocery stores, discounters account for 16,388 or 51% of the network, supermarkets 13,971 or 44%, and hypermarkets just 1,668 or 5% – the smallest large-format share of any of the primary markets. The German network is therefore built around small, high-frequency formats rather than large weekly-shop destinations, and with roughly 2,600 people per store it combines exceptional depth of coverage with tight individual catchments.

Within each format the market is highly consolidated, with a single operator dominating in every case. Edeka holds 45.5% of supermarket stores, Kaufland 54.4% of hypermarket stores and Aldi 37.9% of discounter stores. That concentration gives tenants considerable negotiating weight, but equally provides landlords with strong, well-capitalised covenants and low re-letting risk. E-commerce remains marginal at roughly 0.4% of the market, leaving the physical store network as the dominant channel.

The inflation series shows why that network proved so resilient. General and food inflation tracked closely and at low levels through 2018 to 2021, before separating sharply in 2022 and 2023, when food inflation ran well ahead of headline CPI and peaked at a materially higher rate. Food prices then normalised faster than they rose, converging back towards general inflation in 2024 and 2025. Crucially, grocery turnover continued to grow throughout, households traded down within the channel, and the dominance of discounters gave shoppers an in-market route to manage budgets.

For landlords, this is where the German market becomes attractive. Grocery leases that are inflation-linked, hedges the sharp rise in food prices translating directly into contractual rental growth. For example, the inflation of 2022 and 2023 is already contracted into future rent reviews and will continue to feed through as thresholds are triggered. Occupancy costs eased relative to sales, leaving tenants in a comfortable and highly affordable position, strengthening covenant quality. The result is an attractive combination for a landlord – long leases to highly credit worthy tenants and income that indexes upward with inflation.







Real Estate Market

Yields

Stability is the defining feature of German grocery-anchored and retail park pricing. Prime supermarket yields compressed to a cyclical low around 2021 as investors chased defensive, non-discretionary food-anchored income during the COVID era, then drifted modestly outward through 2022–2023 as the ECB tightened, before pulling back in during H2 2025. Retail Park (warehousing) yields were steadier still, holding essentially flat across the entire cycle with no meaningful repricing.

Even at the peak of the rate shock the total movement was modest and short lived, in stark contrast to offices, where yields rose sharply and continued expanding into 2026. JLL confirms prime yields "across all other asset classes held broadly steady" while office yields climbed, and grocery retail parks re-tightened at the tail end of the period. Colliers similarly points to resilient demand for "food-anchored retail real estate," and CBRE notes stable pricing across liquid core segments. Germany therefore sets the benchmark against which the other markets can be read, a brief, contained correction, an early return to compression, and an income profile that held its value throughout.

Occupancy Cost Ratios

Germany shows the widest spread between formats of any primary market. Discounters at 2.7%, supermarkets at 3.6% and hypermarkets at 4.3%. The discount figure is the structural advantage – at roughly half the hypermarket ratio, the format carrying 51% of the network is also the cheapest to occupy relative to turnover. Behind that sits a mechanic that recurs in every market in this report. Rents index to CPI, but tenant turnover moves with food prices, so whenever the two diverge the ratio falls. Germany illustrates it clearly, food inflation reached 12.7% in 2022 and 11.4% in 2023, against headline CPI of 6.9% and 5.9%, running at roughly double the general index in both years. Turnover captured the full food-price rise while rent followed a materially lower number. Food inflation has since normalised to 2.3% and converged back on headline, but the gap opened in those two years is permanent, banked into the turnover base.





Leasing Conditions	Discounters	Supermarkets	Hypermarkets
Avg. Market Rent (€/sqm)	10.11	9.50	12.35
Avg. Lease Length	9-12 years		
Avg. Sales Area	950	1800	12000
Lease Extensions	Tacit Renewal Extension		
Rent Development Mechanism	Annual Indexation		
Typical Market Landlord Non-Recs (€/sqm)	Generally triple net		
Building Approvals	Required		
Special Permits	Must align with local zoning, special a commercial licenses for grocery stores		
Landlord Friendly Lease Rating (1= Very tenant friendly; 10 = Very landlord friendly)	1 2 **3** 4 5 6 7 8 9 10 Very Tenant Friendly — Very Landlord Friendly		

France:

France is the second-largest market in the Selected Market by population, at 69.1 million people, and the second-largest economy, with nominal GDP of €2.99 trillion in 2025 and GDP per person of approximately €43,300.

Grocery turnover of roughly €179 billion equates to about €2,590 per head, second only to Germany. It is also by some distance the most thinly covered market of the primary group. The 12,761 grocery stores are dispersed across the largest land area of any market at 551,700 km², giving a low store density and around 5,400 people per store – more than twice the catchment of a German store, and the sparsest network of any of the primary markets. Population density is correspondingly low at 125 people per km².

That narrow network is a consequence of the market's large-format structure rather than under supply. France is the most hypermarket-weighted of the primary markets, concentrating demand into fewer, larger boxes rather than scattering it across small format outlets. For a landlord this means catchments are large and defensible, with individual assets serving materially bigger populations than their German equivalents. It also places a premium on location where stores are fewer and larger, the quality of the site and its local dominance matter far more than the scale of the network.

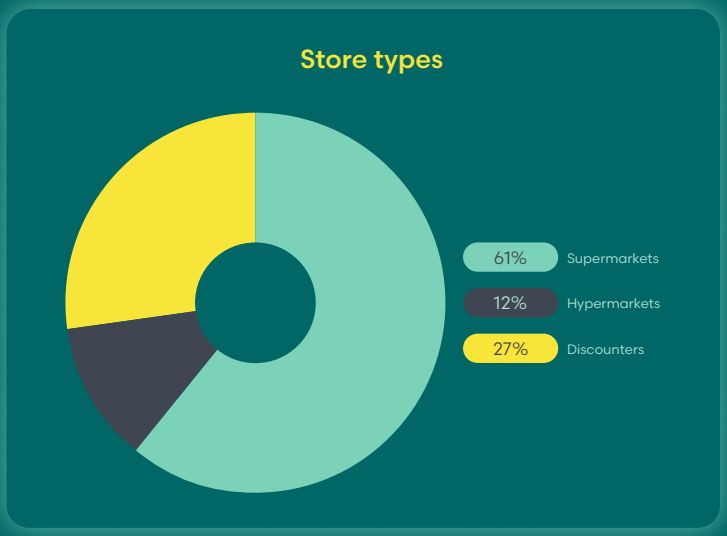
Grocery Market

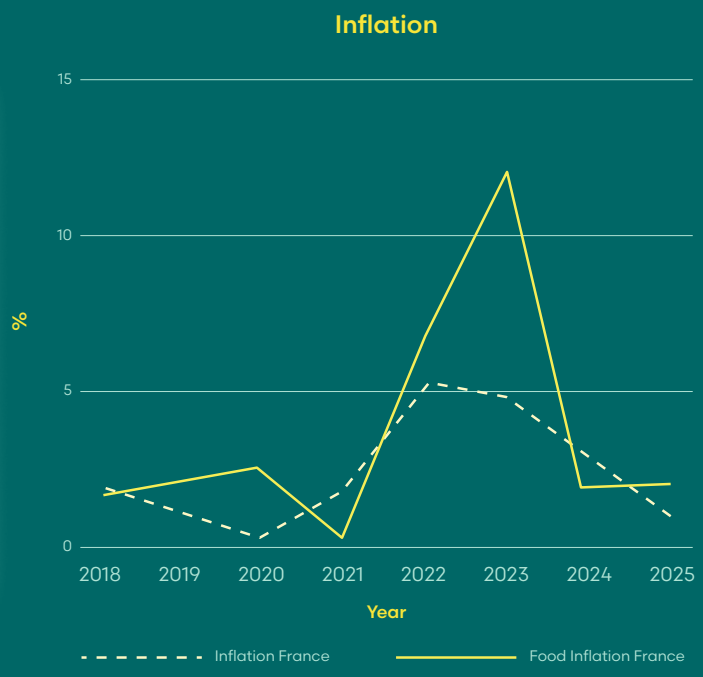
Noted above France is the most large format weighted of the primary markets. Of the 12,761 grocery stores, supermarkets account for 7,757 or 61% of the network, discounters 3,494 or 27%, and hypermarkets 1,510 or 12% more than double Germany's 5% hypermarket share and the highest of any primary market. Discounter penetration, at 27%, is the lowest of the primary markets, leaving France structurally closer to a traditional weekly shop model than its neighbours.

Tenant concentration is lower than Germany at the supermarket level, where Intermarché leads with 29% of supermarket stores, E.Leclerc holds 39.6% of hypermarket stores and Lidl commanding 65.2% of discounter stores. The result is a more fragmented supermarket field, but a discount channel effectively controlled by a single, well capitalised international operator. E-commerce continues to struggle for a foothold in this fragmented market, leaving the physical network as the dominant channel.

The inflation series underlines the resilience of that network. Headline and food inflation tracked one another closely and at low levels from 2018 to 2021, before separating sharply in 2023, when food inflation reached 11.8% against headline CPI of 4.9%, a divergence of almost seven percentage points. Food prices then normalised unusually quick, falling to 1.4% in 2024 and below headline inflation. Grocery turnover grew throughout, as households traded down within the basket and redirected spending back into the weekly shop similar to Germany.

For landlords, the French indexation mechanism is the standout feature. Rents are indexed annually with no threshold to clear, so the 2022 and 2023 inflation flowed into rent immediately and in full, rather than being deferred until a cumulative trigger was reached. The benefit shows in occupancy costs, which are the lowest of the primary markets across every format – approximately 2.0% for hypermarkets, 2.6% for discounters and 2.8% for supermarkets. With a sustainable range of 2% to 7%, French grocery tenants sit firmly at the affordable end, which points to strong covenant resilience and meaningful headroom for further rental growth.







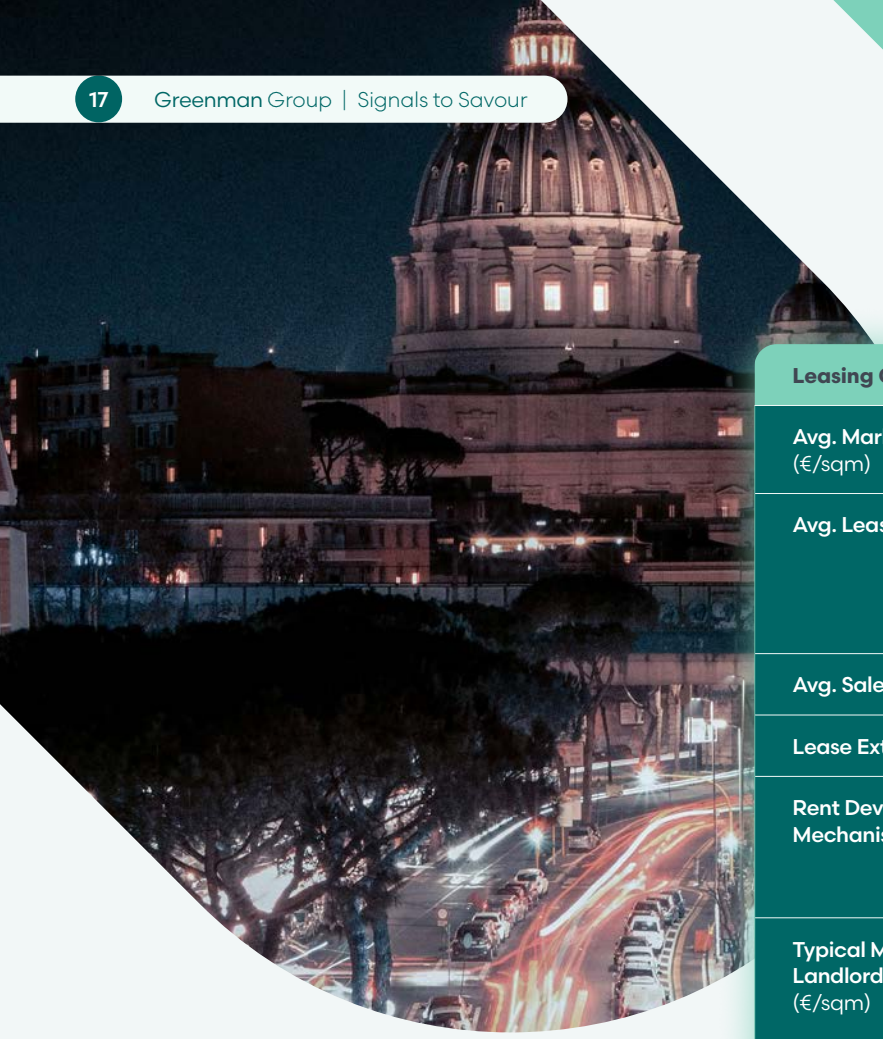
Real Estate Market

Yields
France followed the same path with an even lighter touch. Yields reached their trough around 2021–22 and drifted outward through 2024–25 as the French government bond yield climbed and the ECB raised rates, but the adjustment was gentle and confined to particular asset classes rather than spreading into a broad correction. Retail proved far more insulated than the sectors around it.

The adviser commentary bears this out. Cushman & Wakefield records only minimal retail decompression in H1 2026, a fraction of the outward shift seen in offices and logistics. CBRE notes retail volumes have stabilised slightly above the five-year average, with retail parks prized for their predictable risk-return profile, while Colliers finds retail parks and grocery-backed assets attracting the deepest liquidity, underpinned by resilient occupier demand and clear rental performance. Where Germany's case rests on scale and liquidity, France's rests on how little it's grocery pricing moved at all.

Occupancy Cost Ratios
Where Germany's formats pull apart, France's cluster tightly – and at a lower level than anywhere else in the primary group. Hypermarkets sit at 2.0%, discounters at 2.6% and supermarkets at 2.8%, against a primary-market average of roughly 3.1%. The hypermarket figure is the standout, less than half the German equivalent and remarkable in the most hypermarket-weighted market in the group; turnover spread across sales areas averaging more than 12,000 sqm dilutes cost per square metre to a degree no other market achieves. Scale explains most of it, and the inflation gap explains the rest. Noted in 2023 food inflation hit 11.8% against headline CPI of 4.9%, a divergence of almost seven percentage points in a single year. Food inflation has since fallen back below headline, but the compression achieved in 2023 remains embedded in the base.





Leasing Conditions	Discounters	Supermarkets	Hypermarkets
Avg. Market Rent (€/sqm)	11.46	9.33	7.17
Avg. Lease Length	(1) 6-9 yrs (2) 7-9 yrs (3) 9-12yrs		
Avg. Sales Area	1050	1050	2250
Lease Extensions	Same extension of the first period		
Rent Development Mechanism	Indexation based on 75/100% ISTAT variation starting from the 2nd year; IF there are step mechanisms, 1st year 70%-2nd year 90%- 3rd year 100% (very rarely used in grocery contracts)		
Typical Market Landlord Non-Recs (€/sqm)	NRC in charge of the landlord including IMU-tasi-building insurance-lease registration tax 0.5%; ordinary maintenance in charge of the tenant, landlord responsible for extraordinary maintenance		
Building Approvals	Food license collected from the Municipality up to 2,500sqm; at regional level >2,500sqm		
Special Permits	No		
Landlord Friendly Lease Rating (1= Very tenant friendly; 10 = Very landlord friendly)	1 2 3 **4** 5 6 7 8 9 10 Very Tenant Friendly — Very Landlord Friendly		

Italy:

Italy is the third-largest market in the Selected Market by population, at 58.9 million people, and the third-largest economy, with nominal GDP of €2.26 trillion in 2025 and GDP per person of approximately €38,300.

Grocery turnover of roughly €123 billion equates to about €2,080 per head, materially below Germany and France and closer to the Spanish level. The population is spread across 301,300 km² with the heaviest concentrations around Rome and Milan It's 16,286 grocery stores give a population density of 196 people per km² and around 3,600 people per store, placing it mid-table on network depth among the primary markets.

Demand is also the most seasonal of the primary markets. Tourism inflates turnover materially during peak months, which means catchments are well served in season but comparatively thin outside it, and store performance is more location- and calendar-dependent than in Germany or Spain. Despite turbulent inflationary periods, grocery sales have continued to grow throughout, confirming the non-discretionary character of the channel.

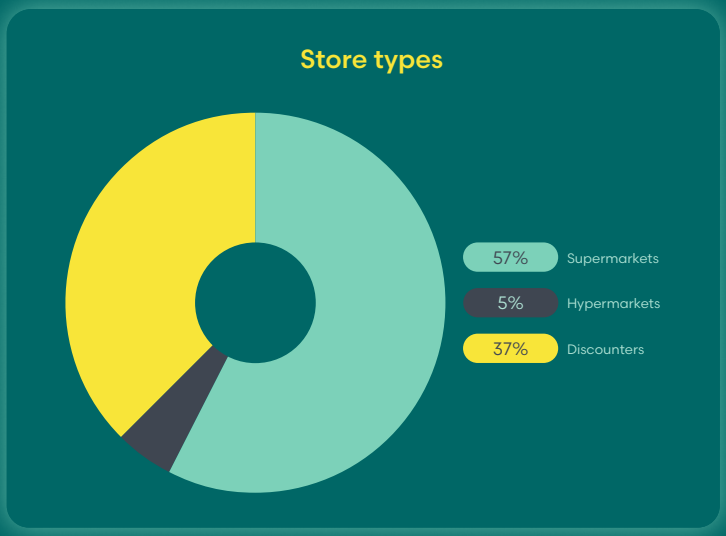
Grocery Market

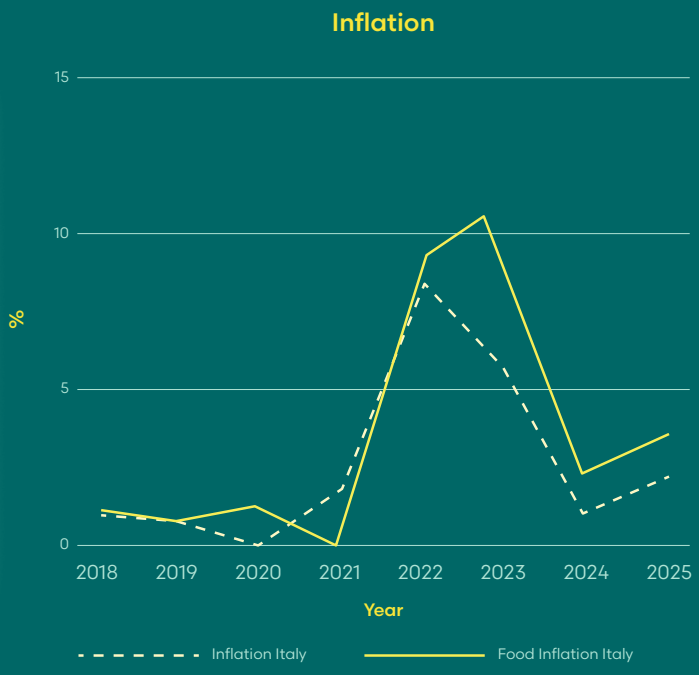
Italy is supermarket-led with a very small large-format base. Of the 16,286 grocery stores, supermarkets account for 9,325 or 57% of the network, discounters 6,074 or 37%, and hypermarkets just 887 or 5% – broadly in line with Germany's hypermarket share and well below France's 12%. Italy is by some distance the most fragmented of the primary markets at operator level. Esselunga leads the supermarket segment with only 15.2% of stores, against Ipercoop at 36.0% of hypermarket stores and Eurospin at 34.4% of discounter stores.

No single operator dominates the way Edeka, Mercadona or Biedronka do in their own markets. For a landlord that means a wider pool of potential tenants and more competitive tension for well-located space, balanced against covenants that are individually smaller than the market leaders elsewhere. E-commerce has only gained a foothold with younger shoppers, keeping its share low and leaving the physical network as the dominant channel.

The inflation series shows a persistent and unusually favourable pattern. Headline and food inflation tracked closely and at low levels from 2018 to 2021, before separating in 2022, when food reached 9.1% against headline of 8.2%, and widening sharply in 2023, when food inflation hit 10.9% against headline CPI of just 5.6%. Unlike most markets, the gap has not closed, food inflation remained above headline in both 2024 (2.3% against 1.0%) and 2025 (2.9% against 1.5%).

For landlords this is a durable advantage. Italian grocery leases index at 75–100% of the Italian national consumer price index variation from the second year, so with food prices persistently outrunning the general index, tenant turnover has been growing faster than indexed rent year after year rather than in a single spike. Occupancy costs sit comfortably within the sustainable range at approximately 3.1% for supermarkets, 3.3% for discounters and 3.4% for hypermarkets, leaving affordable, well-covered rents and a continuing structural tailwind for rental growth in a market where the tenant field is wide and competition for prime pitches is strong.







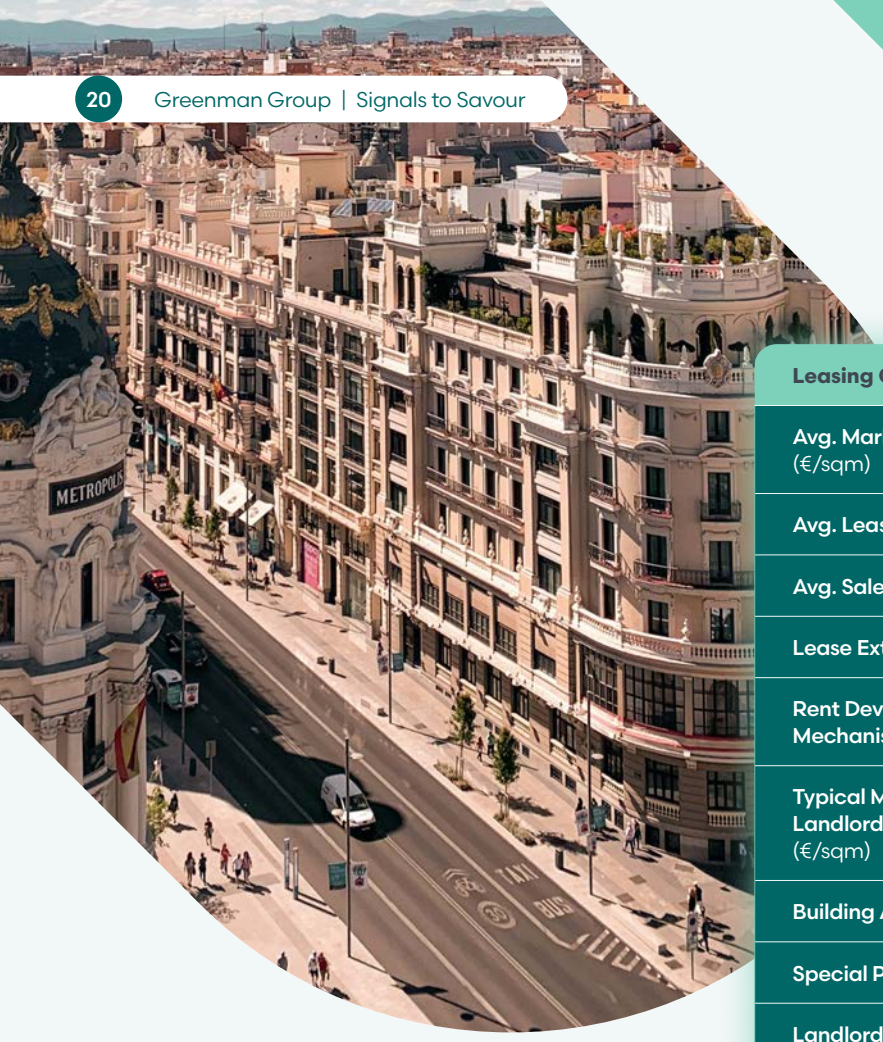
Real Estate Market

Yields
Italy's cycle was equally contained, but it recovered faster than either Germany or France. Prime supermarket and hypermarket yields compressed steadily to 2021, softened only marginally through the 2023–2025 rate-tightening phase, and had returned close to their pre-cycle lows by end-2025 – a full round trip completed while much of the wider retail market was still absorbing a sharper and more lasting correction.

Out-of-town assets led that recovery. Cushman & Wakefield report the strongest inward yield movement of any Italian retail segment over the past year, alongside positive rental growth in retail parks, while Colliers confirms retail as the largest destination for capital, with out-of-town formats driving the majority of volumes. Retail was Italy's strongest-performing asset class over the period, sustained investor appetite tightening prime yield expectations and keeping dealmaking active. What is drawing that capital is the quality of the income rather than the momentum of the cycle.

Occupancy Cost Ratios
Italy takes that clustering further still. Supermarkets sit at 3.1%, discounters at 3.3% and hypermarkets at 3.4% – a spread of barely three tenths of a percentage point, against 1.6 points in Germany. No format is materially cheaper to occupy than another, which removes the format arbitrage available elsewhere and makes location rather than store type the decisive variable. Italy's real distinction, though, is not how far the two inflation series separated but how long they have stayed apart. Food inflation exceeded headline CPI in 2022, widened sharply in 2023 at 10.9% against 5.6%, and – alone among the primary markets – has not since converged, running at 2.9% against 1.5% in 2025. Affordability therefore improves year after year rather than in a single spike, a structural tailwind that is still running.





Leasing Conditions	Discounters	Supermarkets	Hypermarkets
Avg. Market Rent (€/sqm)	10.39	8.59	8.92
Avg. Lease Length	Supermarket: 10-25 years, Hypermarkets: 15-30 years		
Avg. Sales Area	900	1500-2000	3000-10000
Lease Extensions	5-year increments		
Rent Development Mechanism	CPI augmently		
Typical Market Landlord Non-Recs (€/sqm)	0,5		
Building Approvals	No		
Special Permits	No		
Landlord Friendly Lease Rating (1= Very tenant friendly; 10 = Very landlord friendly)	1 2 **3** 4 5 6 7 8 9 10 Very Tenant Friendly — Very Landlord Friendly		

Spain:

Spain is the second-largest country by land area in the Selected Market at 506,000 km² and the fourth-largest by population at 49.6 million, at a low population density of 98 people per km².

It is the fourth-largest economy in the ten-country market, with nominal GDP of €1.69 trillion in 2025 and GDP per person of approximately €34,000, while grocery turnover of roughly €114 billion equates to about €2,290 per head. Its 20,277 grocery stores equate to around 2,450 people per store – the deepest store network per head of any market in the Selected Market.

Madrid, Barcelona and Valencia are the main retail hubs, and demand fluctuates significantly with the tourist seasons. The combination of a dispersed population and an exceptionally dense store network means catchments are small with convenience of location rather than scale as the decisive competitive factor. Grocery maintains its growth despite high inflationary pressures on customers, showing that despite higher prices, customers still need to eat.

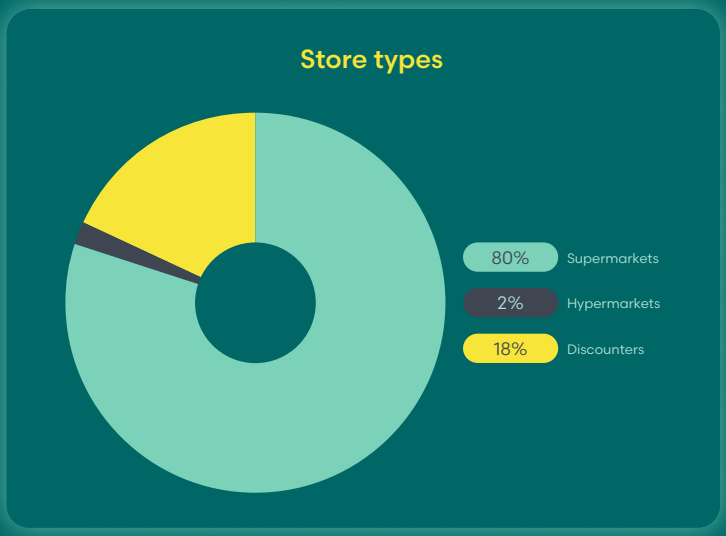
Grocery Market

Spain is the most supermarket-led market in the Selected Market. Of the 20,277 grocery stores, supermarkets account for 16,176 or 80% of the network, discounters 3,663 or 18%, and hypermarkets just 438 or 2% – the smallest large-format share of any primary market and less than half Germany's. The Spanish model is built almost entirely around the proximity supermarket.

Within each format the market is firmly consolidated. Mercadona holds 41.4% of supermarket stores, Carrefour 51.4% of hypermarket stores and Lidl 52.1% of discounter stores. Mercadona's dominance of the largest format in the largest network makes it one of the most important single grocery covenants in Europe, while Lidl's control of the discount channel gives landlords access to a well-capitalised international operator still expanding its footprint.

E-commerce has been gaining traction only slowly, against a clear customer preference for the in-store experience. The inflation series shows the widest divergence in the Selected Market. Headline and food inflation moved together at low levels from 2018 to 2021 before separating sharply, with food inflation reaching 11.0% in 2022 and 11.7% in 2023 while headline CPI fell back to just 3.5% – a gap of more than eight percentage points in a single year. Food prices then normalised quickly, to 3.6% in 2024 and 2.5% in 2025.

For landlords the result is the widest rent-to-turnover gap in the Selected Market, and the greatest reversionary potential that comes with it. Spanish rents are indexed annually to CPI with no threshold to clear, so two consecutive years of double-digit food inflation flowed into tenant turnover while rent tracked a far lower general index. The outcome is visible in occupancy costs at approximately 2.0%, the supermarket OCR is the lowest of any primary market, with hypermarkets at 3.4% and discounters at 3.1%. Against a sustainable range of 2% to 7%, Spanish grocery tenants sit at the very affordable end of the scale, which points to exceptional covenant resilience and the greatest headroom for rental growth anywhere in the primary markets.







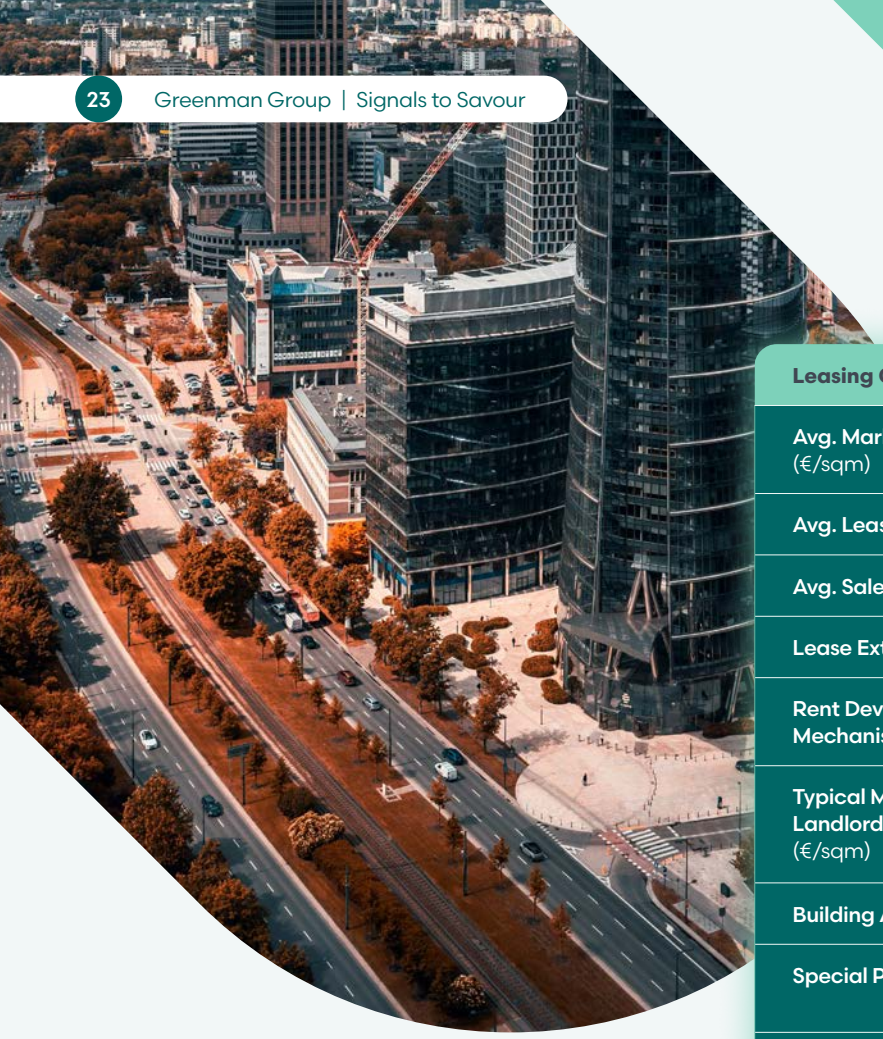
Real Estate Market

Yields
Spain arrives at the same place from the occupier side. Prime supermarket yields compressed steadily to their lows by 2021 and gave back only a modest amount through the 2023–2025 rate-tightening phase before settling close to pre-cycle levels. What held the correction in check was the strength of the underlying trading performance rather than any shortage of stock reaching the market.

Cushman & Wakefield report prime retail park yields tightening year-on-year, describing "a high degree of stability" and Colliers likewise notes that retail parks "continue to lead investor demand." The weight of money behind that view is considerable, shopping centres and retail parks accounted for 75% of H1 2026 retail investment, underpinned by resilient consumption, rising footfall and sales, and improving operating fundamentals. With the deepest supermarket network of any market in this report, Spain offers the clearest link between occupier health and pricing resilience.

Occupancy Cost Ratios
Spain produces the single most attractive ratio in the primary group. At 2.0%, the supermarket OCR sits at the very floor of the sustainable band, with discounters at 3.1% and hypermarkets at 3.4%. What gives that figure its weight is where it lands. Supermarkets account for 80% of the Spanish network, so the cheapest ratio applies to the overwhelming majority of stores rather than to a niche format. Spain also opened the widest inflation gap in the Selected Market, with food inflation reaching 11.0% in 2022 and 11.7% in 2023 while headline CPI fell back to just 3.5% – more than eight percentage points in a single year, and two consecutive years of double-digit food inflation flowing into turnover while rent followed the general index. If Germany demonstrates the mechanic, Spain shows what it produces at full stretch.





Leasing Conditions	Discounters	Supermarkets	Hypermarkets
Avg. Market Rent (€/sqm)	8.81	9.85	6.22
Avg. Lease Length	10 to 15 years		
Avg. Sales Area	1200-1600	Under 4000	10000-22000
Lease Extensions	Often 10Y+10Y+10Y (30Y with a break option every 10Y)		
Rent Development Mechanism	EU zone HICP index		
Typical Market Landlord Non-Recs (€/sqm)	N.A.		
Building Approvals	Max retail space of 2,000sqm		
Special Permits	Over 2,000 sqm: Can be built only if master plan allows (70% of Poland is not covered)		
Landlord Friendly Lease Rating (1= Very tenant friendly; 10 = Very landlord friendly)	1 **2** 3 4 5 6 7 8 9 10 Very Tenant Friendly — Very Landlord Friendly		

Poland:

Poland is the fifth-largest country in the Selected Market by land area at 312,700 km² and the fifth-largest by population at 36.3 million, with most of the population centred around Warsaw and Kraków.

It is the sixth-largest economy in the ten-country market, with nominal GDP of €923 billion in 2025 and GDP per person of approximately €25,400. Grocery turnover of roughly €61 billion equates to about €1,680 per head, among the lowest in the group alongside the Czech Republic and Romania, and the clearest single indicator of the headroom still available.

Its 11,340 grocery stores equate to 116 people per km² and around 3,200 people per store, a lighter network than Germany's and one that is still being built out. Structurally, Poland is the most discounter-driven market in the Selected Market, and it remains under-penetrated relative to Western Europe. Post-pandemic grocery sales rebounded strongly, and growth continues to come from network expansion as much as from like-for-like turnover.

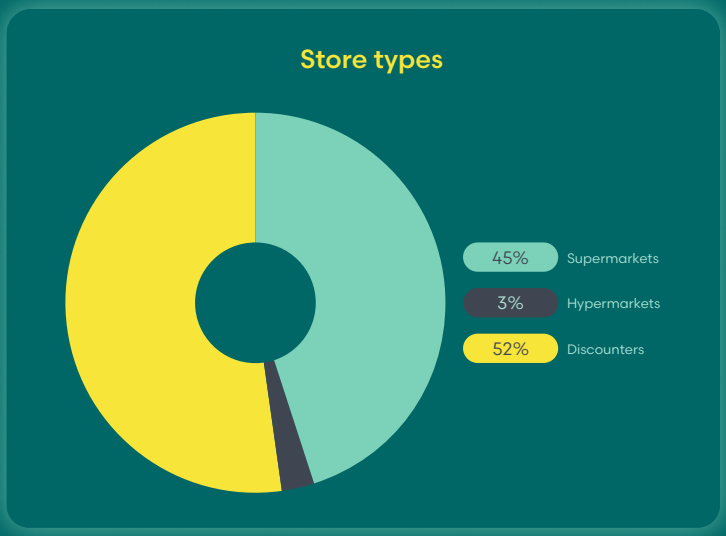
Grocery Market

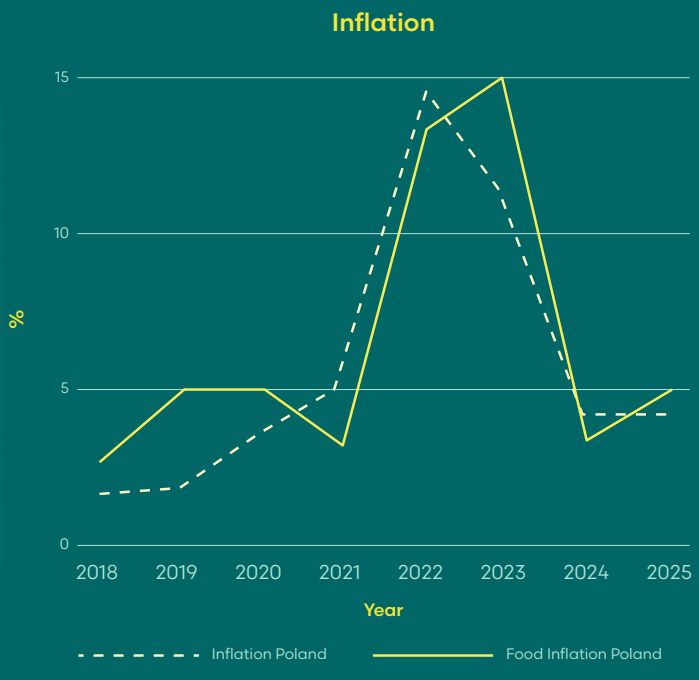
Poland is the only market in the Selected Market where discounters outnumber supermarkets outright. Of the 11,340 grocery stores, discounters account for 5,909 or 52% of the network, supermarkets 5,108 or 45%, and hypermarkets only 323 or 3%. That gives Poland a marginally higher discount share than Germany and the second-smallest hypermarket base of the primary markets. Operator concentration within formats is the highest of any primary market.

Biedronka holds 64.5% of all discounter stores – the most dominant single position in any format across the primary markets – with Dino at 49.9% of supermarket stores and Auchan at 36.3% of hypermarket stores. Biedronka and Lidl continue to expand rapidly while supermarkets such as Dino maintain their trajectory. French and German hypermarket operators including Carrefour and Kaufland entered on the back of cheaper rents, but the outlook for that format shows stagnation.

The inflation series is the most extreme in the Selected Market. Headline inflation peaked at 14.4% in 2022 and food inflation at 15.1% in 2023, well above every other market covered. More importantly for landlords, food inflation has run ahead of headline CPI in almost every year of the series, including 2025, when food reached 5.0% against headline of 3.8%.

For landlords this is a persistent structural tailwind. Polish rents are indexed to the eurozone HICP, and leases are long – typically 10 to 15 years and often structured as 10+10+10 with break options – so income is locked in over an extended horizon while turnover grows with food prices that consistently outpace the index used to set rent. Occupancy costs reflect this, with discounters at approximately 2.7%, supermarkets at 3.6% and hypermarkets at 4.2%. With rents materially below Germany and France, a dominant and rapidly expanding discount tenant base, and a network still in build-out, Poland offers the longest runway for rental growth of any primary market.







Real Estate Market

Yields

Poland's cycle was shallow for a different reason again. Prime supermarket yields tightened modestly to their lows across 2020–2022, then drifted out only marginally through the 2023–2025 rate-tightening phase before stabilising. The movement was gradual and orderly throughout, reflecting the rising cost of finance rather than any weakening of occupier demand, and it was notably calmer than the adjustment seen in markets carrying more discretionary retail exposure.

What distinguishes Poland is the sheer volume of activity behind that stability. Cushman & Wakefield report retail parks driving a more than fivefold year-on-year jump in retail transaction volume, accounting for half of all deals and roughly 90% of the development pipeline, and retail was Poland's largest investment sector in H1 2026. Resilient consumption, a persistent convenience gap versus Western Europe and returning cross-border capital are the drivers. Read across all five primary markets, the pattern is consistent, grocery-anchored retail repriced briefly, recovered early, and continues to attract capital on the strength of its income.

Occupancy Cost Ratios

Poland inverts the French pattern. Discounters are the cheapest format to occupy at 2.7%, supermarkets at 3.6% and hypermarkets at 4.2%, the second-highest hypermarket ratio in the report behind Germany. The alignment is what matters for a landlord – the lowest ratio attaches to the format that already accounts for 52% of the network and is still expanding fastest, the highest to a format making up just 3% of stores and forecast to stagnate. Poland then adds a second layer the other markets lack. Rents index to the eurozone HICP rather than to domestic Polish inflation, so rent tracks a materially lower measure than the food prices driving turnover, and food inflation has itself exceeded headline CPI in almost every year of the series, including 2025 at 5.0% against 3.8%. Across leases of 10 to 15 years that double gap compounds, giving the discount channel the longest runway for compression of any format. Taken together, the five markets tell one story through different routes, rents indexed to a general price measure, turnover driven by a faster-moving one, and tenants whose affordability has improved rather than eroded through the inflationary cycle.





03

Secondary Country Profiles



Leasing Conditions	Discounters	Supermarkets	Hypermarkets
Avg. Market Rent (€/sqm)	8.92	10.50	6.30
Avg. Lease Length	10 to 15 years		
Avg. Sales Area	700-1100	1200-4000	4000
Lease Extensions	option to extend by 5-10 Y		
Rent Development Mechanism	EU zone HICP		
Typical Market Landlord Non-Recs (€/sqm)	N.A.		
Building Approvals	Urban planning certificate and building permit needed		
Special Permits	Urban planning certificate needed to obtain building permit		
Landlord Friendly Lease Rating (1= Very tenant friendly; 10 = Very landlord friendly)	1 2 **3** 4 5 6 7 8 9 10 Very Tenant Friendly — Very Landlord Friendly		

Romania:

Romania has a population of 19.04 million and one of the lowest population densities in the market, at 80 people per km², among the least dense alongside Sweden.

On a per-capita basis its economy is smaller than the western markets, with nominal GDP of approximately €380 billion in 2025, or about €20,000 per person, but it is among the fastest-growing in the region. Despite a gradually declining population and recent inflationary pressure, the grocery market continues to expand rapidly, making Romania one of the clearest growth markets in the group.

Grocery Market

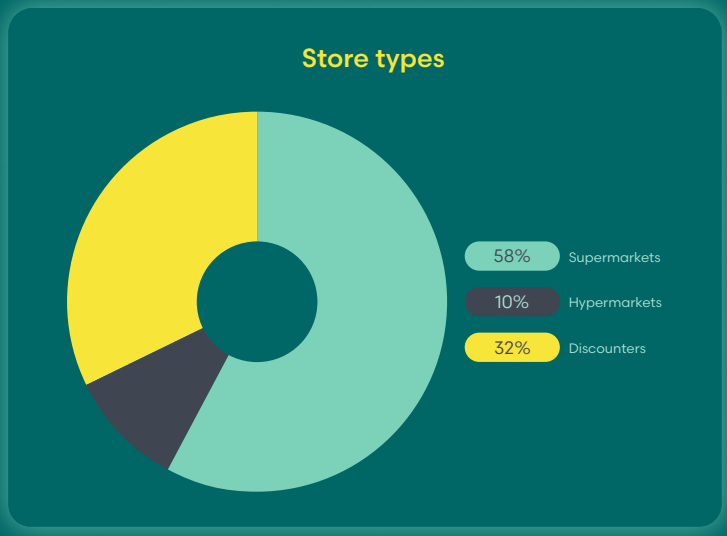
The key tenants in Romania are Profi in supermarkets, Kaufland in hypermarkets and Penny among discounters. Relative to the market, Romania carries a high proportion of hypermarkets, around 10% of its stores, reflecting the strong presence of international operators such as Kaufland, alongside a supermarket-led core (58%) and a substantial discounter base (32%).

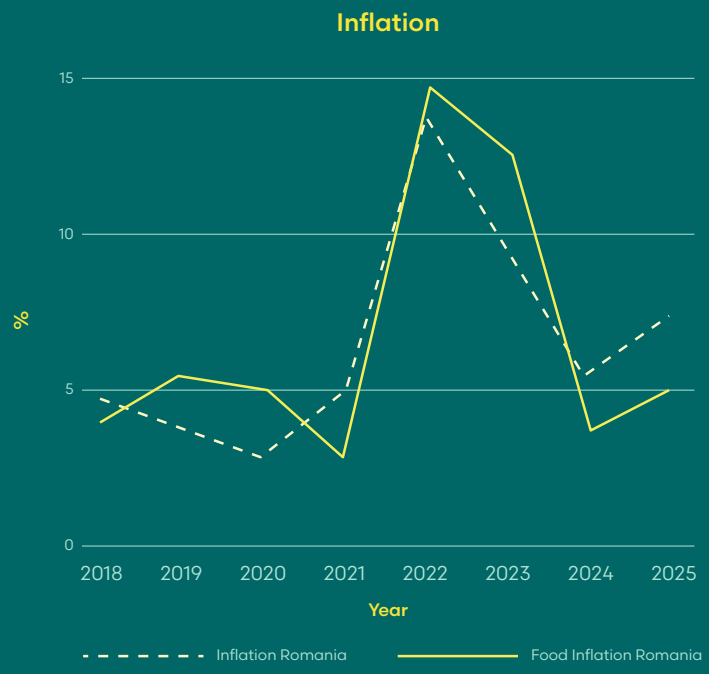
Real Estate Market

Food inflation in Romania has broadly tracked general inflation rather than outpacing it, so grocery tenants are unlikely to see the occupancy-cost relief available in markets where food prices rise faster than the CPI to which rents are indexed. Combined with the lowest store density per resident in the market, this points to a market still in build-out, where rental growth is tied to network expansion rather than to inflation-driven turnover gains.











Leasing Conditions	Discounters	Supermarkets	Hypermarkets
Avg. Market Rent (€/sqm)	14.70	18.06	16.25
Avg. Lease Length	5x5 years extension as option for the tenant		
Avg. Sales Area	1500	2500	4000
Lease Extensions	5x5 years extension as option for the tenant		
Rent Development Mechanism	Yearly indexation based on CPI development; mostly capped at 5/6%		
Typical Market Landlord Non-Recs (€/sqm)	N.A.		
Building Approvals	Construction cannot exceed maximum local nitrogen output (nitrogen policy)		
Special Permits	Differs between municipalities; depending on local zoning plan		
Landlord Friendly Lease Rating (1= Very tenant friendly; 10 = Very landlord friendly)	1 2 3 4 **5** 6 7 8 9 10 Very Tenant Friendly — Very Landlord Friendly		

The Netherlands:

The Netherlands is the most densely populated market in the group, with 18.13 million people at 433 per km².

It is also the fifth-largest economy in the ten-country market and among the wealthiest on a per-capita basis, with nominal GDP of €1.17 trillion in 2025 and GDP per person of approximately €64,600. This combination of high density and high disposable income supports an intensely competitive, high-turnover grocery environment.

Grocery Market

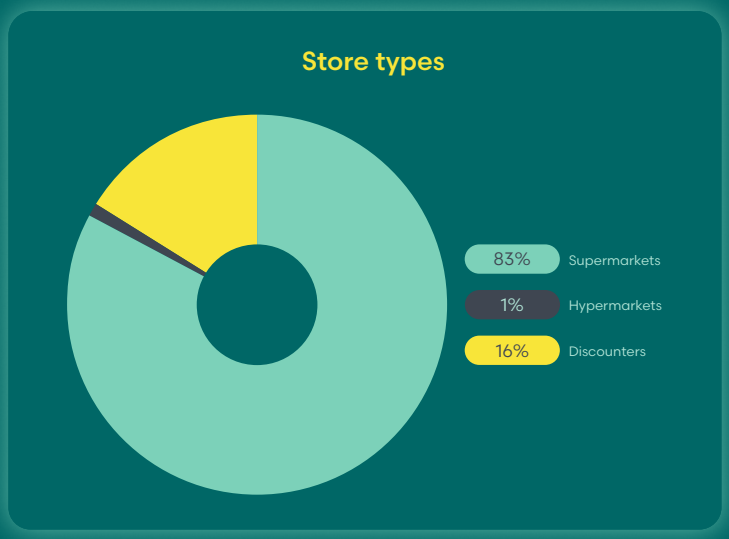
The market is dominated by supermarkets, which account for over 83% of stores, led by Albert Heijn, with AH XL serving the limited hypermarket segment, and Jumbo. Hypermarkets are all but absent at under 1% of stores, while discounters, led by Aldi make up the remaining 16%. The Netherlands is therefore among the most supermarket-led markets in the group.

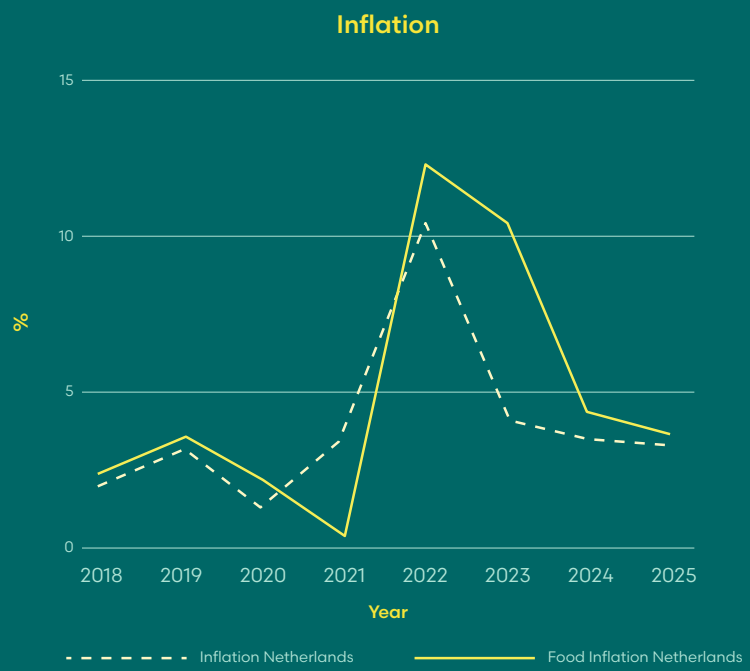
Real Estate Market

Food inflation has consistently run ahead of general inflation in the Netherlands, most markedly in 2023. As rents are indexed to the CPI, grocery turnover has risen faster than rent, easing occupancy costs relative to sales, a favourable dynamic for tenants and a supportive backdrop for grocery rents. The country's high store density reflects population crowding rather than an oversupply of outlets, keeping the environment competitive but well-anchored.











Leasing Conditions	Discounters	Supermarkets	Hypermarkets
Avg. Market Rent (€/sqm)	9.54	9.31	11.35
Avg. Lease Length	9 year minimum		
Avg. Sales Area	953	1394	3715
Lease Extensions	Often 9Y+9Y+9Y		
Rent Development Mechanism	Annual Indexation		
Typical Market Landlord Non-Recs (€/sqm)	Generally triple net		
Building Approvals	Required		
Special Permits	Urban planning permit (authorizes the real estate project + the commercial activity)		
Landlord Friendly Lease Rating (1= Very tenant friendly; 10 = Very landlord friendly)	1 2 **3** 4 5 6 7 8 9 10 Very Tenant Friendly — Very Landlord Friendly		

Belgium:

Belgium is among the smaller and most densely populated markets in the group, with 11.96 million people at 392 per km², second only to the Netherlands in density.

It is a high-income economy, with nominal GDP of approximately €642 billion in 2025 and GDP per person of around €54,000. The result is a compact, busy and highly competitive retail environment.

Grocery Market

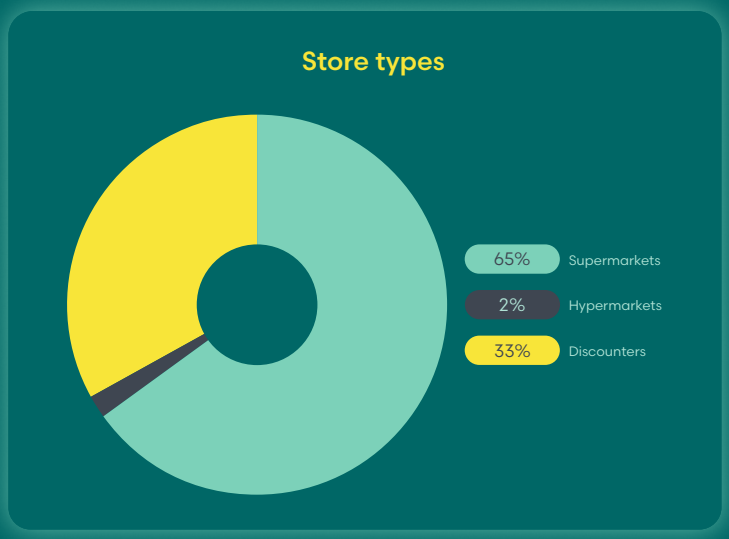
Belgian grocery is supermarket-led, at 65% of stores, anchored by domestic operators such as Delhaize, with Carrefour representing the small hypermarket segment (under 2% of stores) and Aldi leading a sizeable discounter base (33%). The structure clearly favours proximity supermarkets and discounters over large formats.

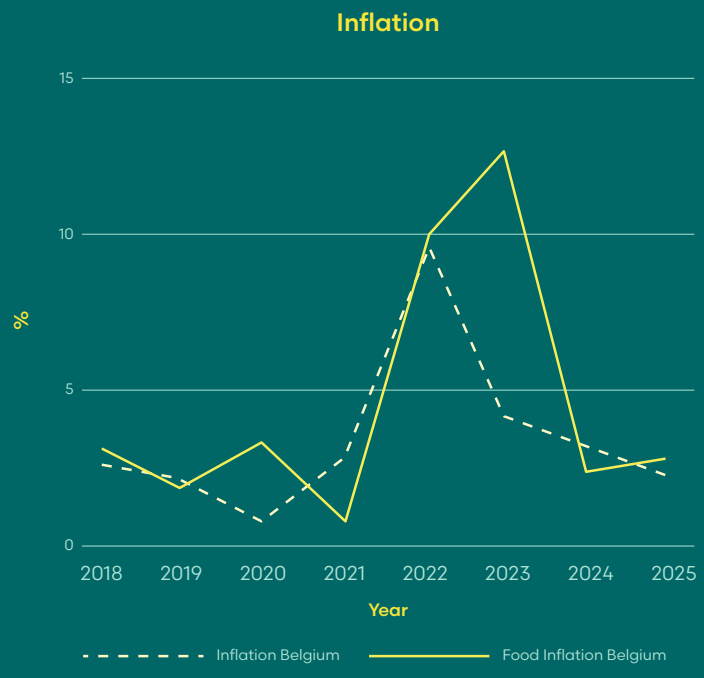
Real Estate Market

Food inflation outpaced general inflation notably in 2023, and with Belgian leases subject to annual CPI indexation, this supported a temporary easing of occupancy costs relative to turnover. Belgian grocery leases are typically triple net, so tenants bear service charges and other side costs directly; combined with high density and rents comparable to Germany and France, this makes cost discipline central to tenant performance.











Leasing Conditions	Discounters	Supermarkets	Hypermarkets
Avg. Market Rent (€/sqm)	16.59	13.72	11.61
Avg. Lease Length	5-10 years		
Avg. Sales Area	1000	1500-5000	8000-10000
Lease Extensions	Lease agreement is automatically extended unless any of the parties terminates it		
Rent Development Mechanism	Rent review every year determined by CPI (Note, lease term must be longer than 3 years)		
Typical Market Landlord Non-Recs (€/sqm)	Not triple net as in the UK. The tenant pays for heating, electricity, water, garbage collection and property tax.		
Building Approvals	Required		
Special Permits	Must align with local zoning plan. A special authority permit for grocery store is also required.		
Landlord Friendly Lease Rating (1= Very tenant friendly; 10 = Very landlord friendly)	1 2 3 4 **5** 6 7 8 9 10 Very Tenant Friendly — Very Landlord Friendly		

Sweden:

Sweden is the least densely populated market in the group, with 10.61 million people spread across a large land area at just 24 per km².

It is a high-income economy, with nominal GDP of approximately €600 billion in 2025 and GDP per person of around €57,000, though most demand is concentrated in the south around Stockholm, Gothenburg and Malmö.

Grocery Market

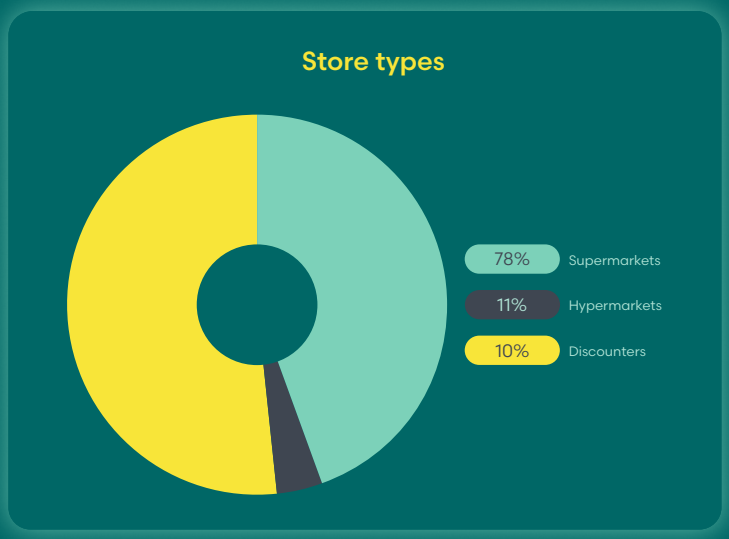
The Swedish market is strongly supermarket-led, at 78% of stores, dominated by domestic operators, Coop and the ICA group, including ICA Maxi in the hypermarket segment, with hypermarkets at 11% and the weakest discounter presence in the market at 10%, led by Lidl. Sweden also has the highest grocery e-commerce penetration in the group, which substitutes for part of the physical network.

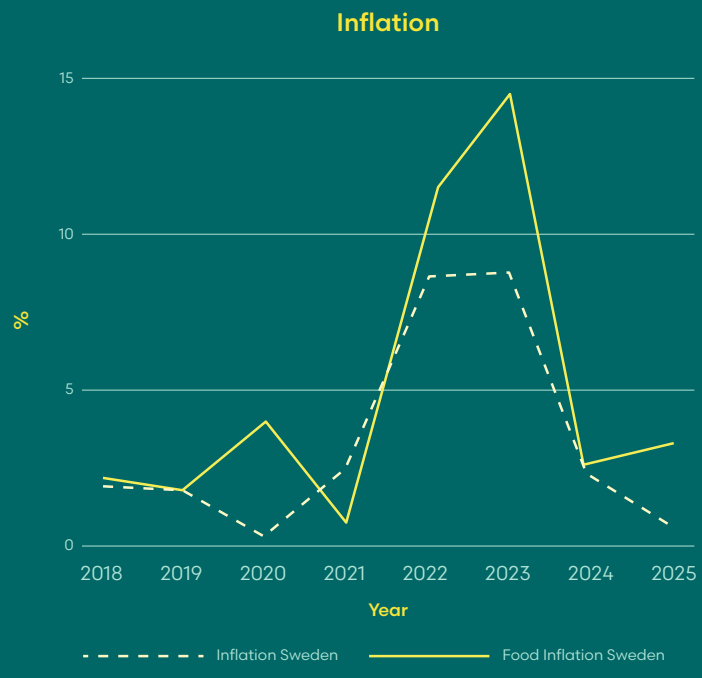
Real Estate Market

Food inflation has consistently outpaced general inflation, particularly in 2023 and again in 2025, and with rents reviewed annually against the CPI this has eased occupancy costs relative to turnover. Unlike most markets, Swedish grocery leases are not triple net, so tenants pay utilities, waste and property tax directly, meaning total occupancy costs extend beyond rent. The sparse population gives each store a wide geographic catchment, the lowest store density per km^2 in the market.











Leasing Conditions	Discounters	Supermarkets	Hypermarkets
Avg. Market Rent (€/sqm)	16.86	11.30	7.91
Avg. Lease Length	15 years		
Avg. Sales Area	1500	2200	>4000
Lease Extensions	Usually option to extend on tenants side (+10Y)		
Rent Development Mechanism	EU Zone HICP index		
Typical Market Landlord Non-Recs (€/sqm)	N.A.		
Building Approvals	New building act from Jan 2023 in place; development process accelerated		
Special Permits	Must align with local zoning		
Landlord Friendly Lease Rating (1= Very tenant friendly; 10 = Very landlord friendly)	N.A.		

Czech Republic:

The Czech Republic sits in the middle of the market on population density, with 10.92 million people at 138 per km^2.

It is the smallest economy in the ten-country market, with nominal GDP of approximately €347 billion in 2025 and GDP per person of around €32,000. Grocery turnover per capita remains comparatively low, leaving room for continued market development.

Grocery Market

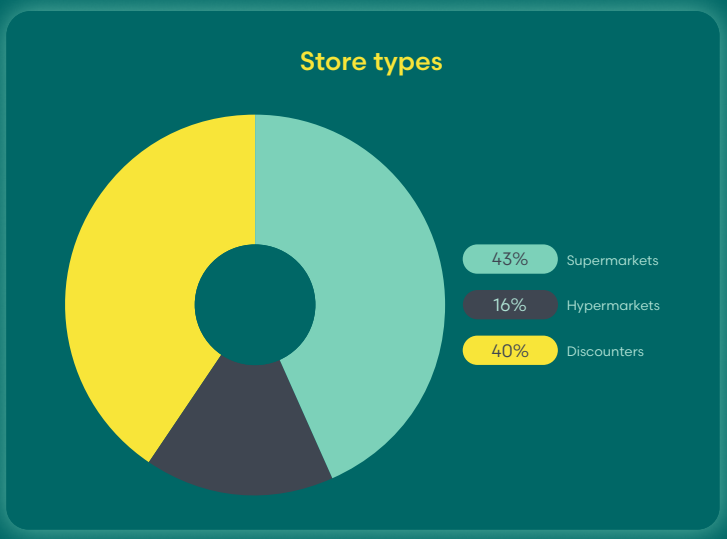
The Czech market is the most format-balanced in the group. Supermarkets account for 43% of stores (led by Billa), discounters 40% (led by Penny and Lidl), and hypermarkets a notably high 16.5% (led by Kaufland), the largest hypermarket share of any market in the group. It is highly fragmented and largely internationally operated.

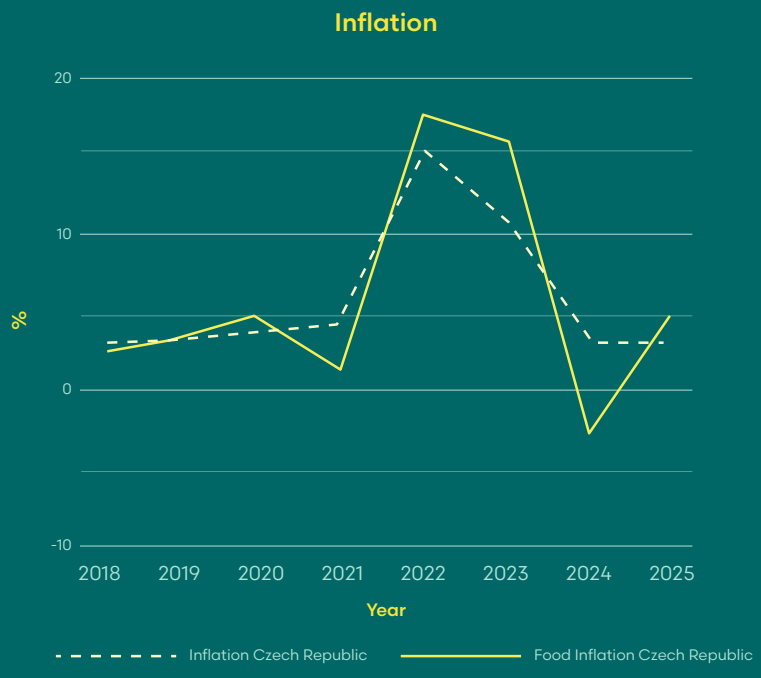
Real Estate Market

Food inflation ran well ahead of general inflation through the 2022 to 2023 spike, briefly easing occupancy costs relative to turnover, before reversing into food deflation in 2024. With rents indexed to the HICP, the OCR benefit for grocery tenants has therefore been real but short-lived. The high hypermarket share is consistent with the market's below-average store density per resident and points to consolidation risk for larger formats as consumer preference shifts toward convenience.











04

Strategic Recommendations & Conclusion

Key Recommendations



For Investors:

Focus on grocery-anchored assets in markets where the format mix and demand fundamentals are strongest. The report's saturation analysis points to two complementary opportunities, mature, highly liquid markets such as Germany, and still-expanding networks such as Poland, both of which offer resilient, inflation-linked income. Favour the supermarket format, which holds the largest and most stable share of sales area across the market, and prioritise assets where food inflation running ahead of CPI supports falling occupancy cost ratios over time. Within a portfolio, mixed-use schemes with a grocery anchor add diversification while retaining the defensive quality that makes the sector attractive through economic uncertainty.



For Policy Makers:

Support market development by streamlining building approvals, particularly in growth markets such as Romania and Poland where organised retail is still being built out. Encourage data-sharing initiatives that improve transparency, so that carbon reporting is accurate and both grocers and their landlords can be held to credible progress against EU Taxonomy goals. Greater transparency benefits the whole market by reducing the information gaps that currently make the sector harder to assess.



For Retailers:

Use format and location to match each market's structure rather than applying a single model everywhere. In discounter-led markets such as Germany and Poland, scale and price remain the decisive advantage; in supermarket-led markets such as the Netherlands and Spain, proximity and range matter more. Manage occupancy costs actively in higher-OCR markets through technology and more efficient building operations.



For Property Managers:

Build portfolios that reflect the report's market map, lower-OCR, growth-oriented exposure in emerging markets such as Romania and Poland, balanced with stable, liquid holdings in mature markets. Structure longer leases with clauses covering data transparency and sustainability to protect long-term portfolio health, and in mature markets partner with forward-thinking retailers who invest in technology and are willing to share operational data. The tenant relationship is the single most important lever for managing the energy and technology transition, and for turning transparency from an aspiration into a measurable outcome.

Conclusion

Grocery-Anchored Real Estate Outlook:

In a politically and economically uncertain future, one thing is certain, people will still need to eat. That stability in demand is what makes grocery-anchored real estate a durable, income-generating asset class, and property managers can reinforce it by securing long leases that lock in returns.

The defining challenges ahead are the energy and technology transitions, and the key to managing both lies in the relationship between retailer and property manager, more efficient buildings to reduce operating costs, and better technology through the supply chain to support retailer margins.

Underpinning all of this is data. The transparency gap that has long made the sector harder to assess is now also a compliance question, as SFDR and EU Taxonomy reporting demand accurate, property-level information that many portfolios are not yet equipped to produce. This is the capability edyfi is built to provide, data collection and management with a platform for straightforward SFDR reporting and controlling, turning transparency from an aspiration into a measurable, auditable outcome. The assets that thrive will be those where retailer and landlord share data openly, and the tools to make that routine now exist.



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