Altus Group

Q2 2026

Pan-European Valuation Dataset: Expert Analysis

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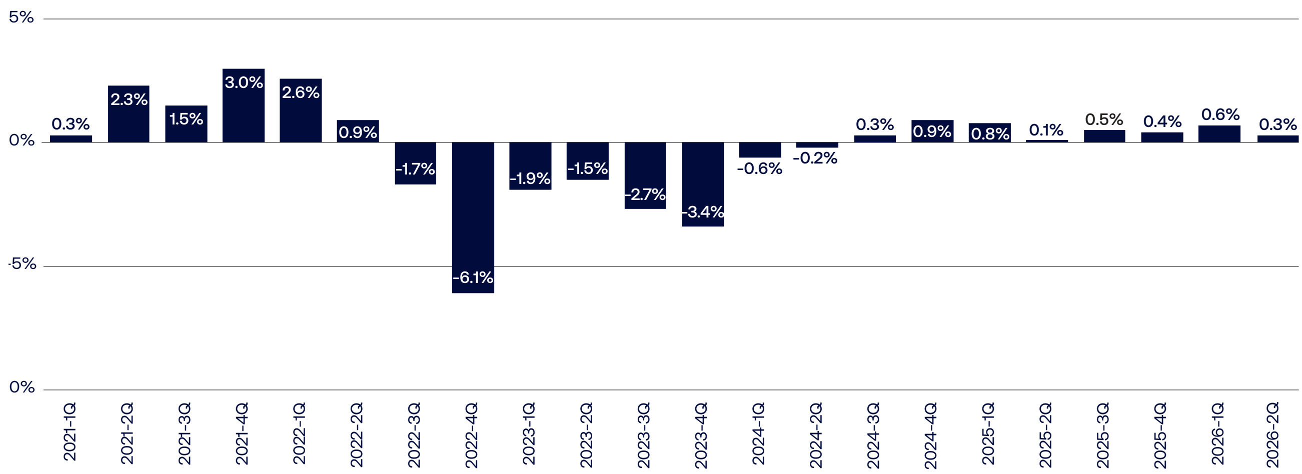
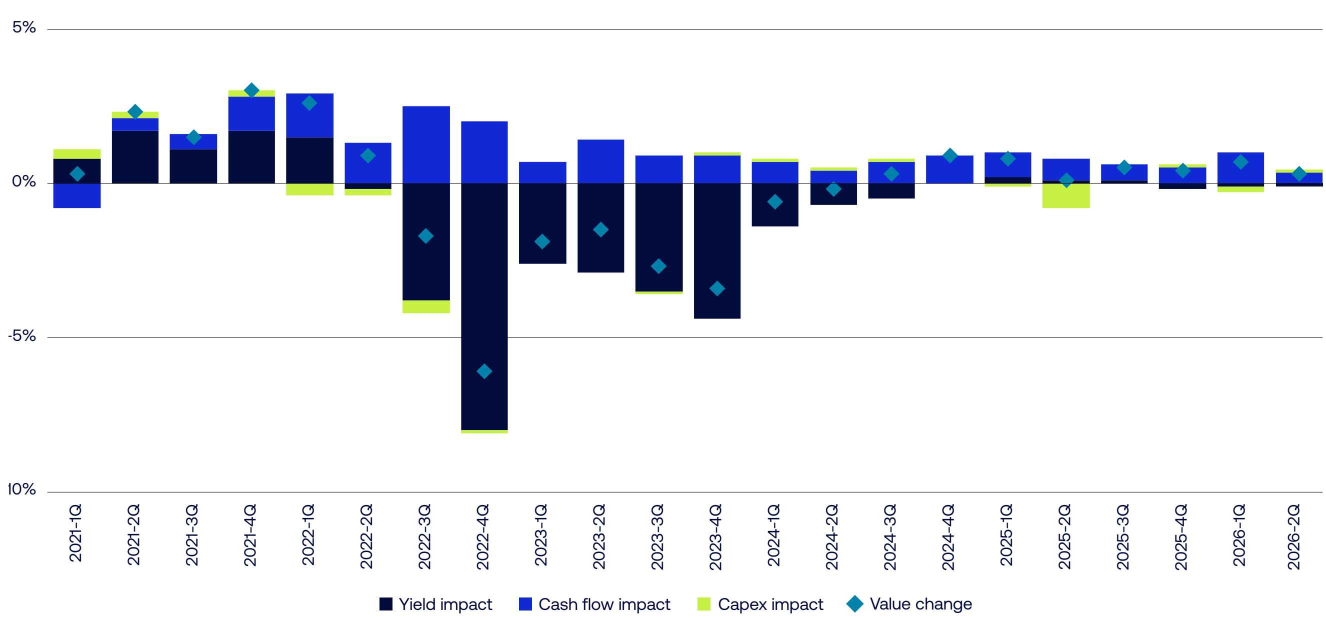
The Altus Pan European property dataset saw rather narrow positive gains in the second quarter of 2026, with overall values up 0.3%, a slight pull-back from the 0.6% increase recorded in Q1 2026. This marks the eighth consecutive quarter of positive appreciation since the period of contraction from Q3 2022 through Q2 2024.

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

Cash flow fundamentals remained the primary driver of growth, though the magnitude of their impact has declined from 0.9% in Q1 to 0.3% in Q2. Average contract and market rents continued to rise, alongside slight improvement in overall occupancy levels. A reduction in capital expenditure being modelled in valuations also played a positive role, adding 0.1% to overall appreciation levels. In contrast, valuation yields continued to edge outwards, putting a slight -0.1% downward pressure on appreciation levels.

Over the last year, values in the dataset have risen by 1.9%, driven entirely by cashflow improvements across all sectors. These cashflow improvements have more than counterbalanced any negative impact from slight increases in valuation levels, which have become a factor during the last three quarters.

Despite the recent positive trend, values are still net -1.0% per annum over three years and -1.3% per annum over five years, the outward movement in yields offsetting the ongoing improvements in cashflow fundamentals.

Breakdown of value movements

Q2 2026 | Breakdown of sector quarterly value movements

Property type	Q3-2025	Q4-2025	Q1-2026	Q2-2026
All	0.5%	0.4%	0.6%	0.3%
Industrial	0.4%	0.6%	0.7%	0.1%
Office	0.5%	0.1%	0.2%	0.0%
Residential	0.7%	0.7%	1.1%	0.7%
Retail	0.6%	0.2%	0.7%	0.5%
Other	1.5%	1.4%	1.4%	2.0%

Source: Altus Group's Pan-European Valuation Dataset

Q2 2026 | Breakdown of Q2 value movements

Property type	Value change	Yield impact	Cash flow impact	Capex impact
All	0.3%	-0.1%	0.3%	0.1%
Industrial	0.1%	-0.2%	0.3%	0.1%
Office	0.0%	-0.3%	0.1%	0.2%
Residential	0.7%	-0.3%	0.9%	0.1%
Retail	0.5%	0.4%	-0.1%	0.2%
Other	2.0%	0.4%	1.7%	0.0%

Source: Altus Group's Pan-European Valuation Dataset

Q2 2026 versus Q2 2025 | Breakdown of 1 year value movements

Property type	Value change	Yield impact	Cash flow impact	Capex impact
All	1.9%	-0.3%	2.3%	0.0%
Industrial	1.8%	-0.3%	2.2%	-0.2%
Office	0.8%	-0.6%	1.4%	0.0%
Residential	3.3%	-1.1%	4.4%	0.0%
Retail	2.0%	0.1%	1.6%	0.3%
Other	6.5%	3.1%	2.7%	0.8%

Source: Altus Group's Pan-European Valuation Dataset

Q2 2026 versus Q2 2023 | Breakdown of 3 year value movements

Property type	Value change	Yield impact	Cash flow impact	Capex impact
All	-1.0%	-3.5%	2.7%	-0.2%
Industrial	0.3%	-3.1%	3.5%	-0.1%
Office	-3.5%	-4.9%	2.2%	-0.8%
Residential	0.7%	-2.5%	3.3%	-0.1%
Retail	-0.3%	-2.1%	1.4%	0.4%
Other	4.7%	-0.1%	4.5%	0.3%

Source: Altus Group's Pan-European Valuation Dataset

Sector trends

Most of the gains in Q2 were confined to the residential (0.7%) and retail (0.5%) sectors, with values for industrial up just 0.1% and office values technically at a standstill over the quarter. With the exception of retail, the majority of any positive impact on values resulted from cashflow gains, tempered by increases in valuation yields.

In what was a closely contested quarter with only 70 basis points separating the four main sectors, residentials with the larger cashflow gains remained the lead performers with values up 0.7%.

Outside the four main sectors, results remain comparatively strong, with hotel values up 1.0%, and student accommodation the outright frontrunner with gains of 3.2%.

Much the same hierarchy plays out on a one-year basis, where residential values are ahead, up 3.3%, followed by retail values, up 2.0%. Industrial sector appreciation levels have tapered off at 1.8%, and offices are further adrift, with gains of just 0.8%.

Residential

The residential sector maintained its place as the lead performer across the four main sectors, ahead from a cashflow standpoint, registering above-average increases in both contract and market rents. While cashflows added 0.9% to values, this was a notable slowdown from the 1.9% cashflow gains in Q1. Valuers continued to apply a degree of caution, increasing yields for the third consecutive quarter, which tempered appreciation by -0.3%.

Denmark led the country rankings for residential for the fifth quarter in a row, with a 4.4% value change. Most of that gain (2.9%) was yield related; Denmark was the only country in the dataset to see a contraction in residential valuation yields over the quarter. This was in addition to comparatively strong cashflow gains as market rents rose by an above average 1.4% over the quarter. Sweden has also been an outperforming market and remained ahead in Q2 with a 3.8% increase in values driven entirely by strengthening cashflows, which canceled out any downside impact from an increase in valuation yields.

The Netherlands, which in prior quarters had been an outperforming market, dropped down the ranking, with a relatively muted, below-average 0.3% increase in values in Q2. An above-average increase in valuation yields tempered most of the upside from improvements in cashflow levels.

Industrial

The industrial sector saw just 0.1% appreciation for the quarter, as cashflow gains eased off notably from the opening three months of the year from 1.1% to 0.3% with the increase in market rents slowing from 1.0% to 0.4%, and with most of that upside then cancelled out by an increase in valuation yields. There was nonetheless a mixed set of results across markets. The markets that performed above the average and with positive appreciation were all supported by above average cash flow gains. Improving projected market rent growth assumptions were a key factor in those cashflow gains. Spain and Sweden led the group for a third consecutive quarter, with 0.8% appreciation, both with near 1% increases in actual market rents levels over the three months.

Two of the larger markets - France and the UK - both posted a decline in values over the quarter with both regions pegged back by outsized yield increases, and a factoring down of any cash flow gains

Office

Office values were also flat this quarter, with 0.0% appreciation. Overall minimal cashflow gains and a reduction in budgeted capital were cancelled out by an increase in valuation yields. Results varied across markets, from highs of 2.6% in the Netherlands, to lows of -1.8% value declines in Germany.

The upside in the Netherlands was driven in part by improved pricing, registering a 0.6% yield impact. Additionally, cash flow gains amounted to 1.5% as market rents continued to step up and contract rents rose by an above average 2.0%.

The negative appreciation of office properties in Germany was a combination of rate expansion with a yield impact of -0.5%, but more notably, a negative cashflow impact of -1.4%, traced to asset-specific increased void assumptions, extended concessions, and increased operating expenses.

Retail

Retails have risen in the rankings in recent quarters, but in contrast to the other sectors, most of any value increase in Q2 was yield-related as cashflows slackened off over the quarter.

Reduced cashflows were evident across all retail subtypes except supermarkets; while not noticeable at the headline rent level, these reductions could be traced to a combination of rent concessions and increased operating expenses.

Shopping centres led the sector at 0.8% appreciation for the quarter, with a positive yield impact (0.8%) and capex impact (0.1%) tempered by a slightly negative cash flow effect (-0.1%).

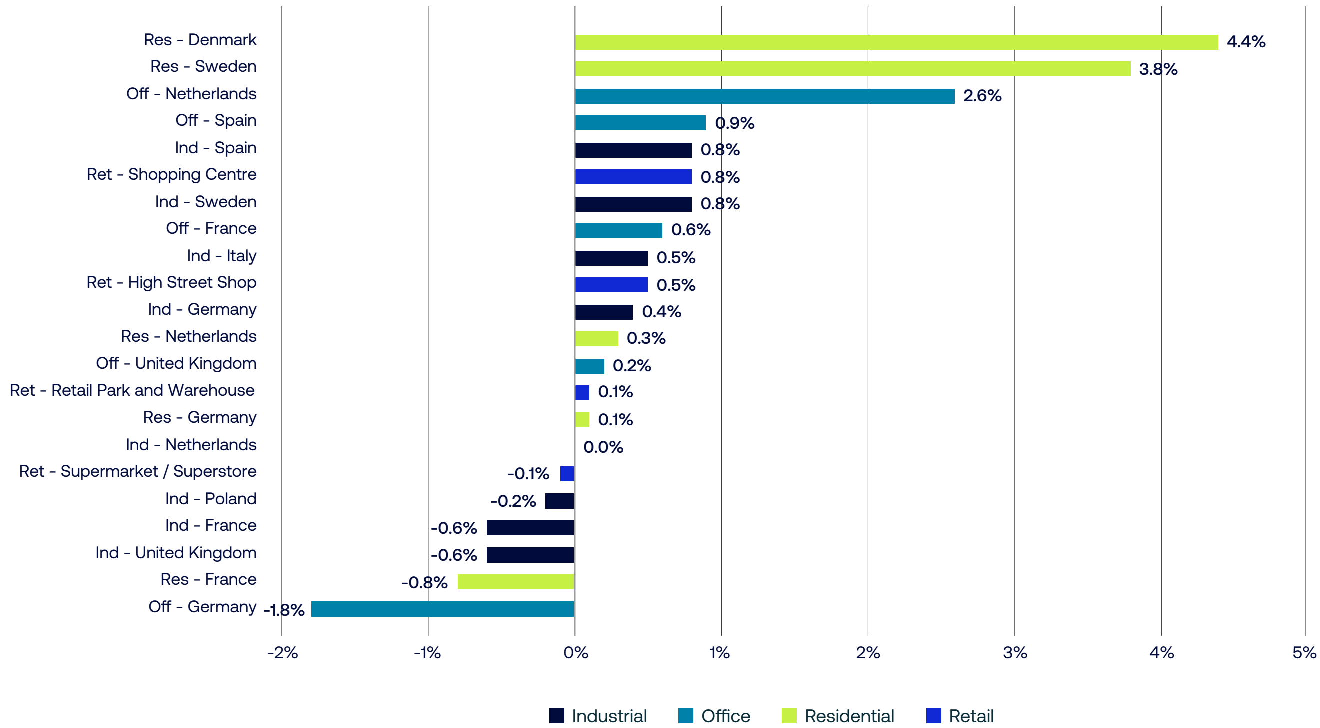
Shopping centres also lead the performance rankings over one year with values up 2.3%. Their advantage has been cashflow based, with in-place rents having risen by an above-average 1.8%.

Other

The other property group remained the outright frontrunner, where student accommodation was still the standout, with values up 3.2% over the quarter and 9.4% over the year. sThis performance was driven by strengthening rental fundamentals, with market rents up 1.0% for the quarter and 7.5% over the year (versus corresponding all property levels of 0.6% and 2.2).

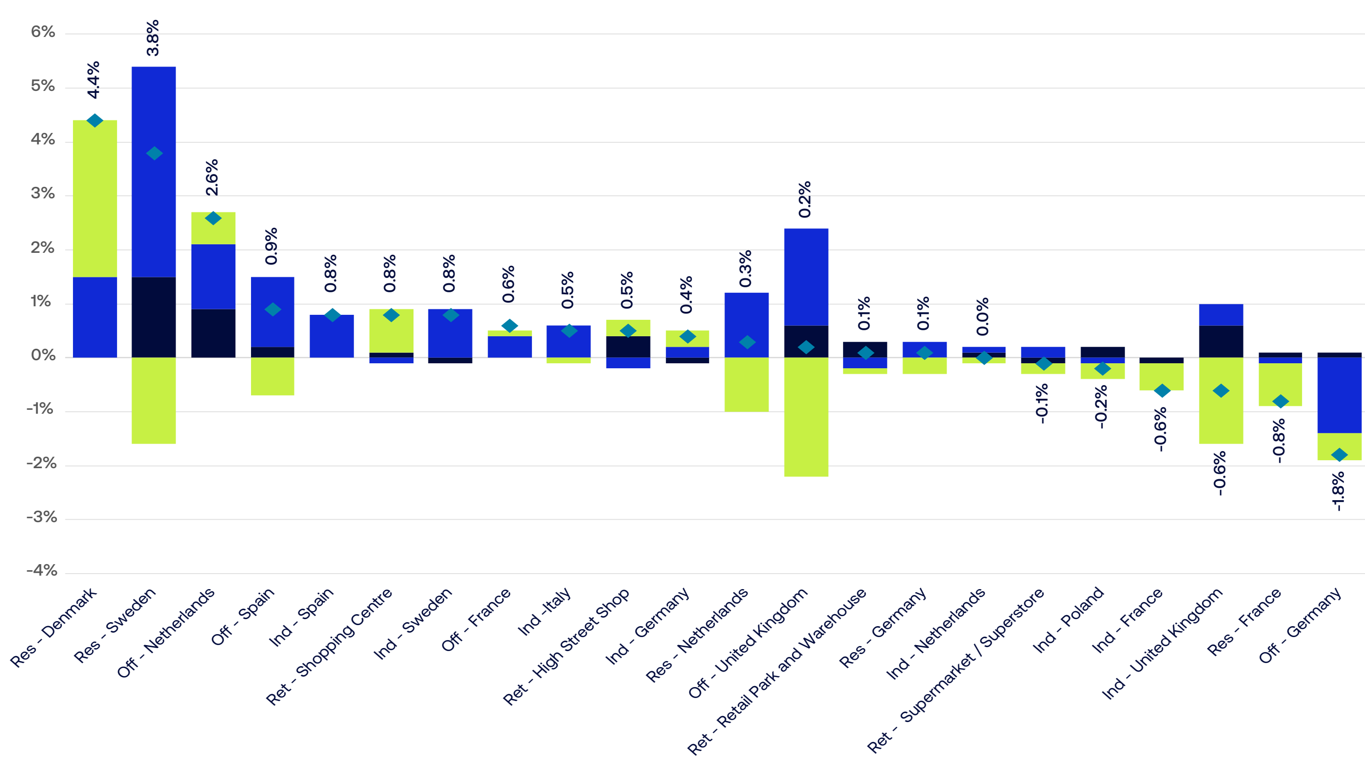
Sector and country appreciation spreads

Q2 2026 | Quarterly sector country appreciation spreads



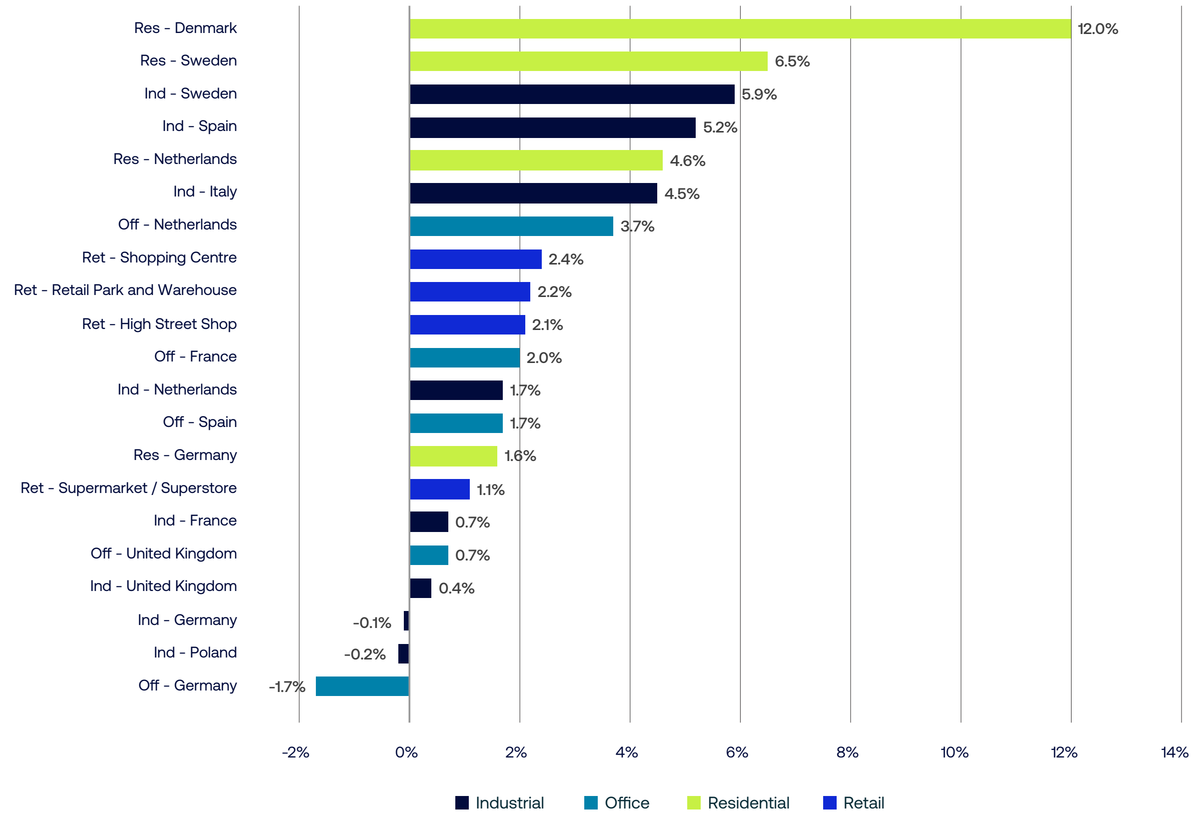
Source: Altus Group's Pan-European Valuation Dataset

Q2 2026 | Impact metrics – by sector and country



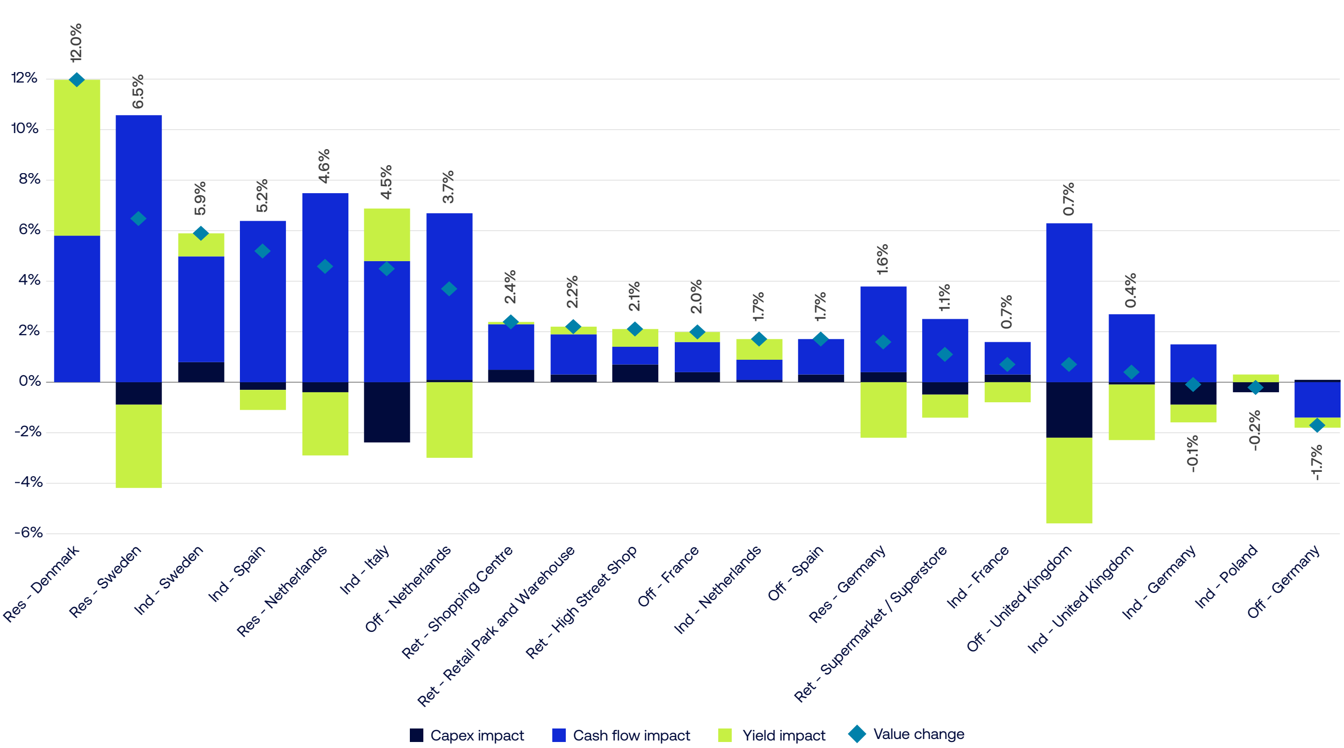
Source: Altus Group's Pan-European Valuation Dataset

Q2 2026 versus Q2 2025 | Annual sector country appreciation spreads



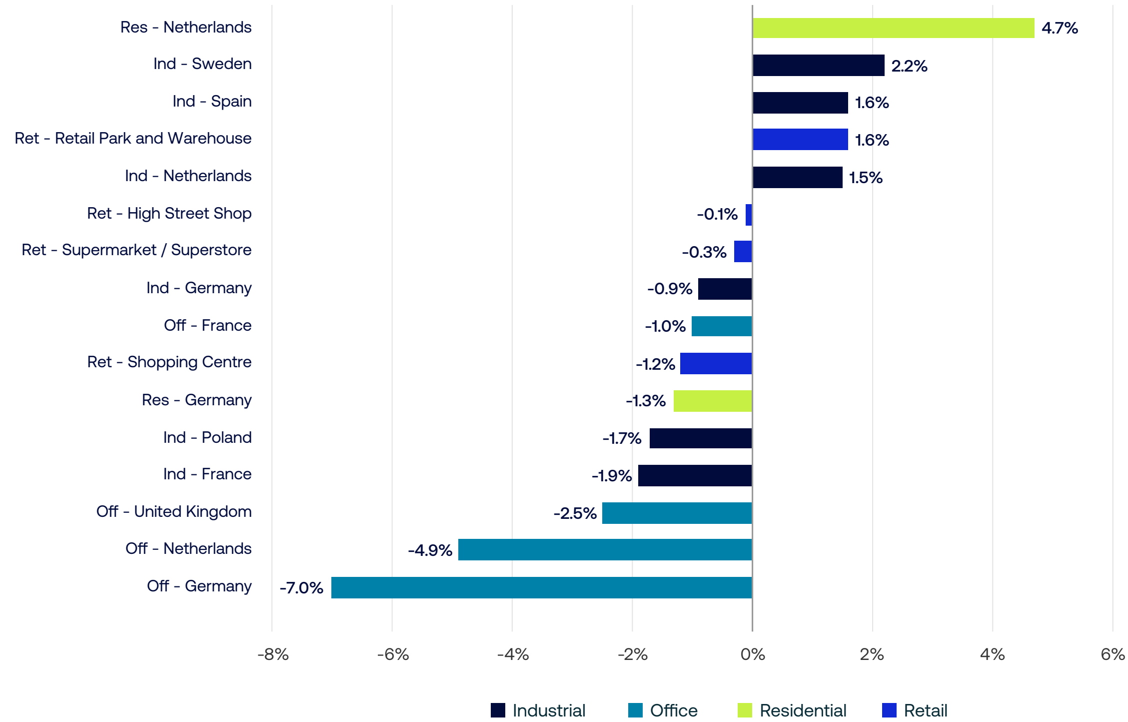
Source: Altus Group's Pan-European Valuation Dataset

Q2 2026 versus Q2 2025 | Impact metrics – by sector and country



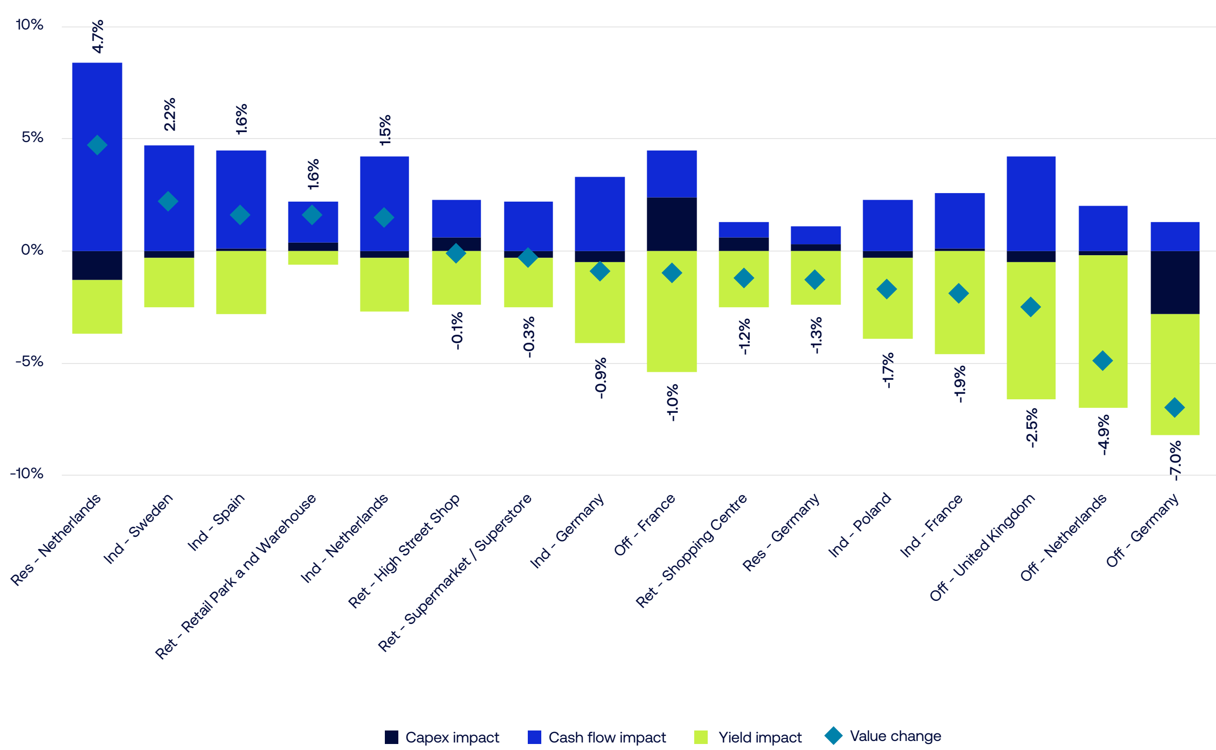
Source: Altus Group's Pan-European Valuation Dataset

Q2 2026 versus Q2 2023 | 3-year sector country appreciation spreads



Source: Altus Group's Pan-European Valuation Dataset

Q2 2026 versus Q2 2023 | Impact metrics – by sector and country



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