Q3 2025

Pan-European Valuation Dataset: Expert Analysis

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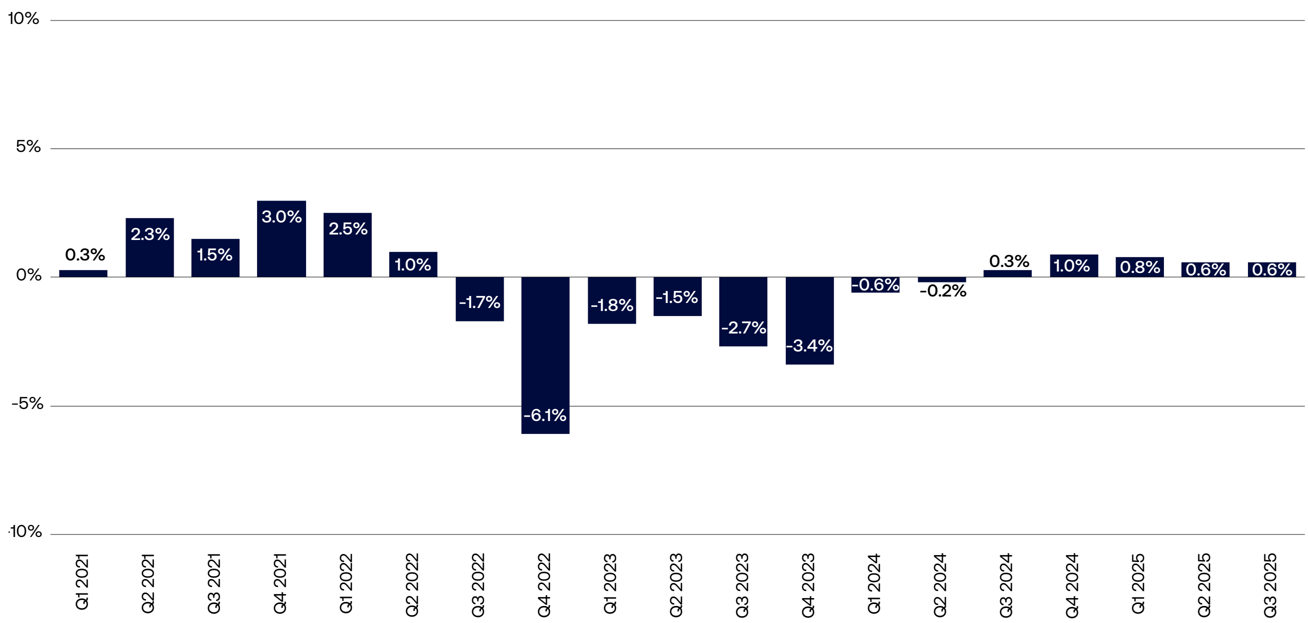
European property values continued an upward trajectory, with Q3 2025 marking the fifth consecutive quarter of increasing values. Altus Group's Pan-European Valuation Dataset reported a further 0.6% rise, matching the gains reported in Q2.

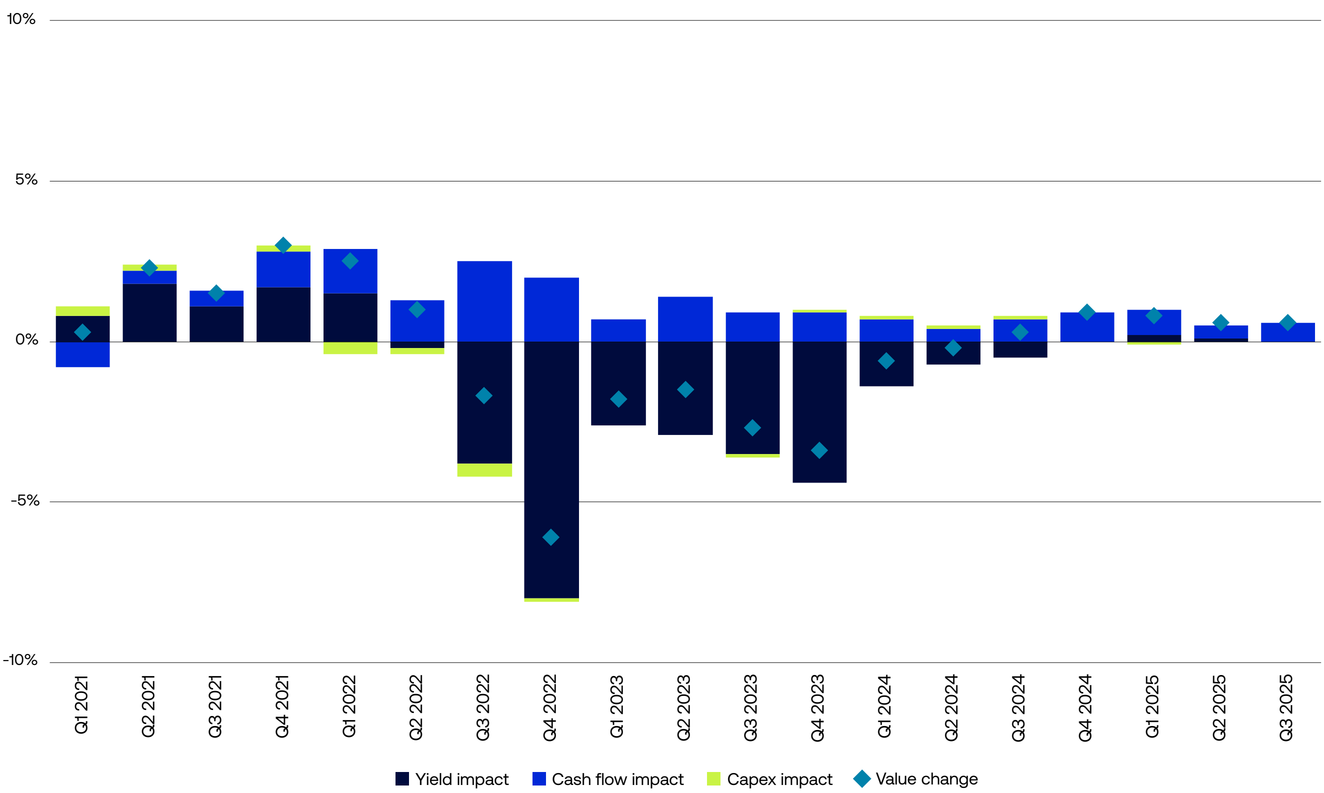
Quarterly appreciation – all property



Source: Altus Group's Pan-European Valuation Dataset

Overall, yields remained relatively stable over the quarter, with the increase in value primarily driven by improving cashflow fundamentals, a metric that increased slightly over Q2.

Quarterly appreciation attributes – all property



Source: Altus Group's Pan-European Valuation Dataset

Over the last 12 months, values have risen by 2.9%. Most of this gain is attributed to cashflow improvements, which have added 2.6% to values. The remaining 0.4% comes from the positive yield impact, reflecting a steady improvement in investor sentiment, aided by the shift to lower interest rates.

Sector trends

Values rose for a fifth consecutive quarter across all property types, although the ranking order has shifted slightly. The "other" category, bolstered by the inclusion of hotels, was the outright lead performer with a value increase of 1.2% in Q3. There was very little to separate the four main sectors. Residential finished ahead with values up 0.7%, although the pace of improvement has eased compared to prior quarters. Retail climbed the rankings, with values rising 0.6% to now match the overall average. Office and industrial trailed slightly, both registering below average increases of 0.5%.

Breakdown of value movements

Q3 2025 | Breakdown of sector quarterly value movements

Property type	Q4 2024	Q1 2025	Q2 2025	Q3 2025
All	1.0%	0.8%	0.6%	0.6%
Industrial	1.3%	0.7%	0.7%	0.5%
Office	0.9%	0.8%	0.3%	0.5%
Residential	0.9%	1.5%	0.9%	0.7%
Retail	0.7%	0.4%	0.3%	0.6%
Other	1.5%	1.3%	1.3%	1.2%

Source: Altus Group's Pan-European Valuation Dataset

Q3 2025 | Breakdown of Q3 value movements

Property type	Value change	Yield impact	Cash flow impact	Capital impact
All	0.6%	0.0%	0.6%	-0.0%
Industrial	0.5%	0.1%	0.4%	-0.0%
Office	0.5%	-0.1%	0.7%	-0.0%
Residential	0.7%	0.1%	0.6%	-0.1%
Retail	0.6%	-0.2%	0.7%	0.1%
Other	1.2%	1.1%	0.1%	0.1%

Source: Altus Group's Pan-European Valuation Dataset

Over the year, the "other" category remained the strongest performer, outperforming from both a yield and cashflow standpoint. All four main sectors have benefited from a reduction in valuation yields. Residential has been a lead performer on an annual basis, supported by stronger cashflow fundamentals, followed by the industrial sector. Results for retail and office have been more muted, with retail at the bottom end of the order, reflecting the sector's comparatively weaker cashflow contributions.

Q3 2025 versus Q3 2024 | Breakdown of 1 year value movements

Property type	Value change	Yield impact	Cash flow impact	Capital impact
All	2.9%	0.4%	2.7%	-0.1%
Industrial	2.9%	0.5%	2.4%	0.1%
Office	2.6%	0.1%	2.8%	-0.3%
Residential	4.1%	0.6%	4.1%	-0.6%
Retail	2.0%	0.3%	1.5%	0.2%
Other	5.4%	1.7%	3.9%	-0.2%

Source: Altus Group's Pan-European Valuation Dataset

Office is the only sector to come in below the overall benchmark on a three-year basis, highlighting the structural challenges faced by this market segment, which has endured the largest adjustment in yields alongside a comparatively low cashflow recovery.

Q3 2025 versus Q3 2022 | Breakdown of 3 year value movements

Property type	Value change	Yield impact	Cash flow impact	Capital impact
All	-4.4%	-7.7%	3.3%	0.0%
Industrial	-3.6%	-8.7%	4.9%	0.1%
Office	-6.6%	-9.1%	2.6%	-0.1%
Residential	-3.2%	-6.4%	2.7%	0.4%
Retail	-2.3%	-4.5%	1.9%	0.2%
Other	2.0%	-3.7%	6.1%	-0.4%

Source: Altus Group's Pan-European Valuation Dataset

Residential

Residential maintained an above average position in Q3, bolstered by both a positive cashflow impact and a reduction in yields. The pace of improvement has eased, as the cashflow aspect has slackened off with the increase in market rent slowing from 2.1% in Q1 to just 0.4% in Q3.

The Netherlands, a key market in the dataset, reflects this slowing trend, with market rent growth decelerating from 7.6% in Q1 to 4.7% in Q2, and then down to just 0.3% in Q3.

Despite the moderation, the Netherlands' residential market is still one of the leading property types across the overall dataset, with values up nearly 8.1% over the past year, underpinned by an almost 16% increase in market rents.

Industrial

Industrial dropped down the order during the course of the year. The sector retains its attraction from an investor sentiment standpoint, with yields continuing to have a positive impact on values. The cashflow aspect of appreciation, however, has dropped to 0.4%, the lowest level across the main sectors, as industrial market rents have risen by just 0.1% in Q3.

Value growth has slowed in both the Netherlands and the UK, while Germany recorded a decline in Q3. Yields in Germany have moved out for three consecutive quarters, and market rents also weakened during the most recent quarter. Top-performing industrial markets over the year included Italy, Spain, and Sweden.

Office

Having faced the steepest value write-downs during the downturn, the office sector remained at the lower end of the order. Fundamentals for the sector appeared relatively resilient, with the cashflow aspect of appreciation rising in Q3 to 0.7%, a metric supported by an above average 3.4% increase for in-place rents. This upside was tempered by an increase in yields, reflecting ongoing investor caution surrounding the sector.

There are signs of improvement, as overall appreciation for the sector picked up between Q2 and Q3, with office values in the UK, Germany, France, and the Netherlands all increasing during the latest quarter.

France has been the standout performer over the year, where values have risen by an above average 6.3%. French office yields have tightened over the last year, with values also receiving a notable boost from above-average improvements in both contract and market rents.

Retail

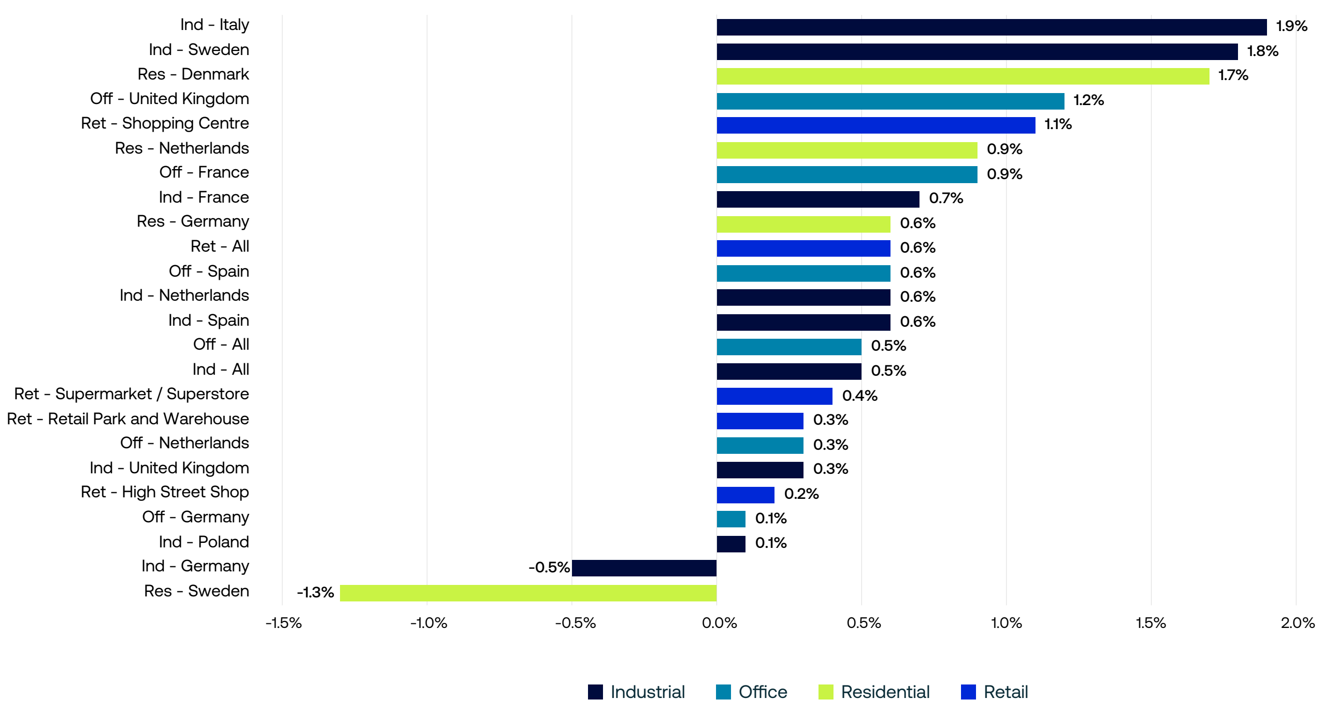
The increase in retail values stepped up during Q3, rising by 0.6%. Although yields expanded, thus putting downward pressure on values, this was more than counterbalanced by a strengthening in cashflows, with retail market rents increasing by an above-average 0.5%.

Values rose across all retail subtypes in Q3. In contrast to recent trends, shopping centres emerged as a lead performer, receiving a welcome cashflow boost to values from a near 1.0% increase in market rents.

Over the last year, high street retail (up 3.3%) and retail warehouses (up 3.0%) outpaced shopping centres (up 1.7%) and supermarkets (up 1.5%). Both high street retail and retail warehouses benefited from more positive yield impacts. Retail warehouses also outperformed from a cashflow standpoint, where market rents rose by 2.4% over the past year.

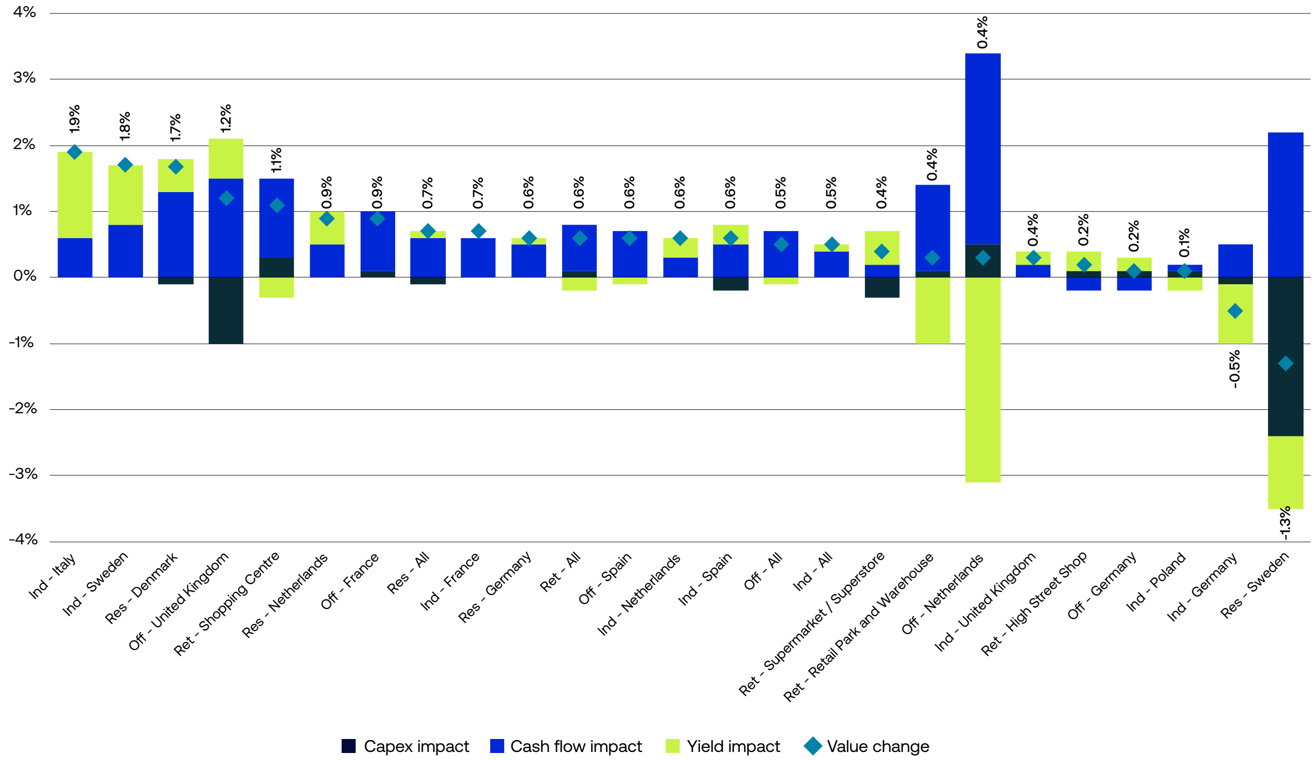
Sector and country appreciation spreads

Q3 2025 | Quarterly sector country appreciation spreads



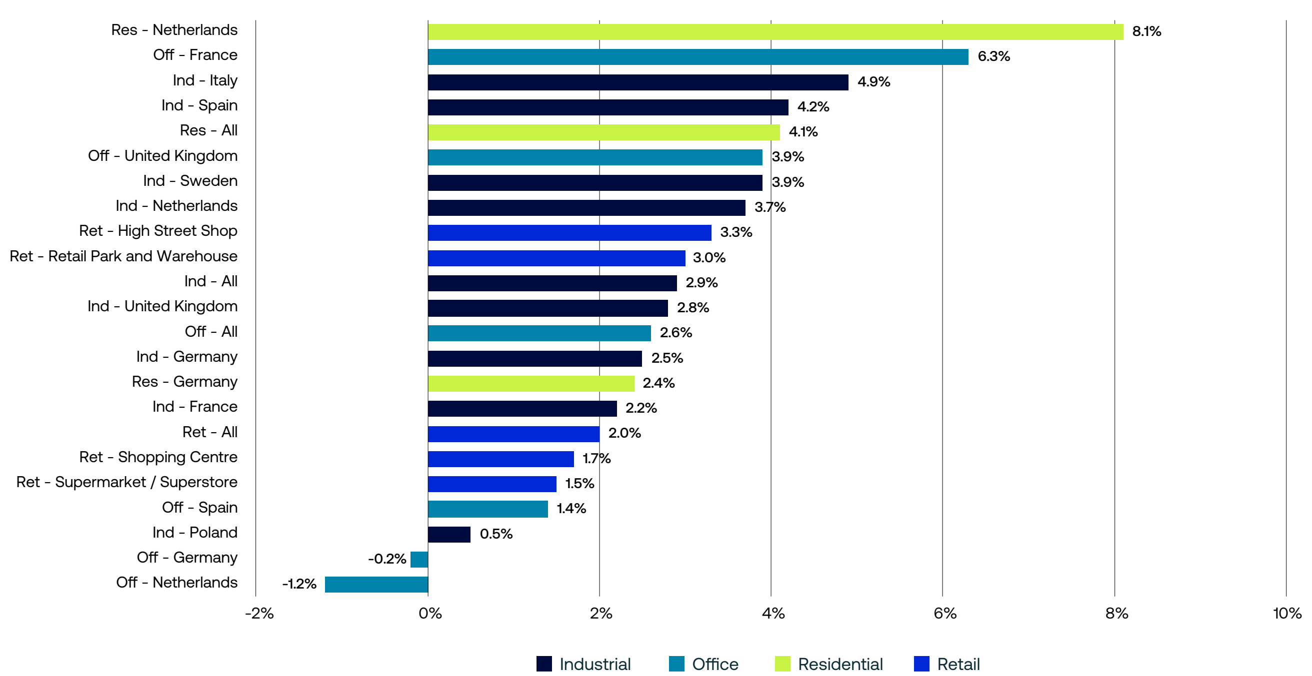
Source: Altus Group's Pan-European Valuation Dataset

Q3 2025 | Impact metrics – by sector and country



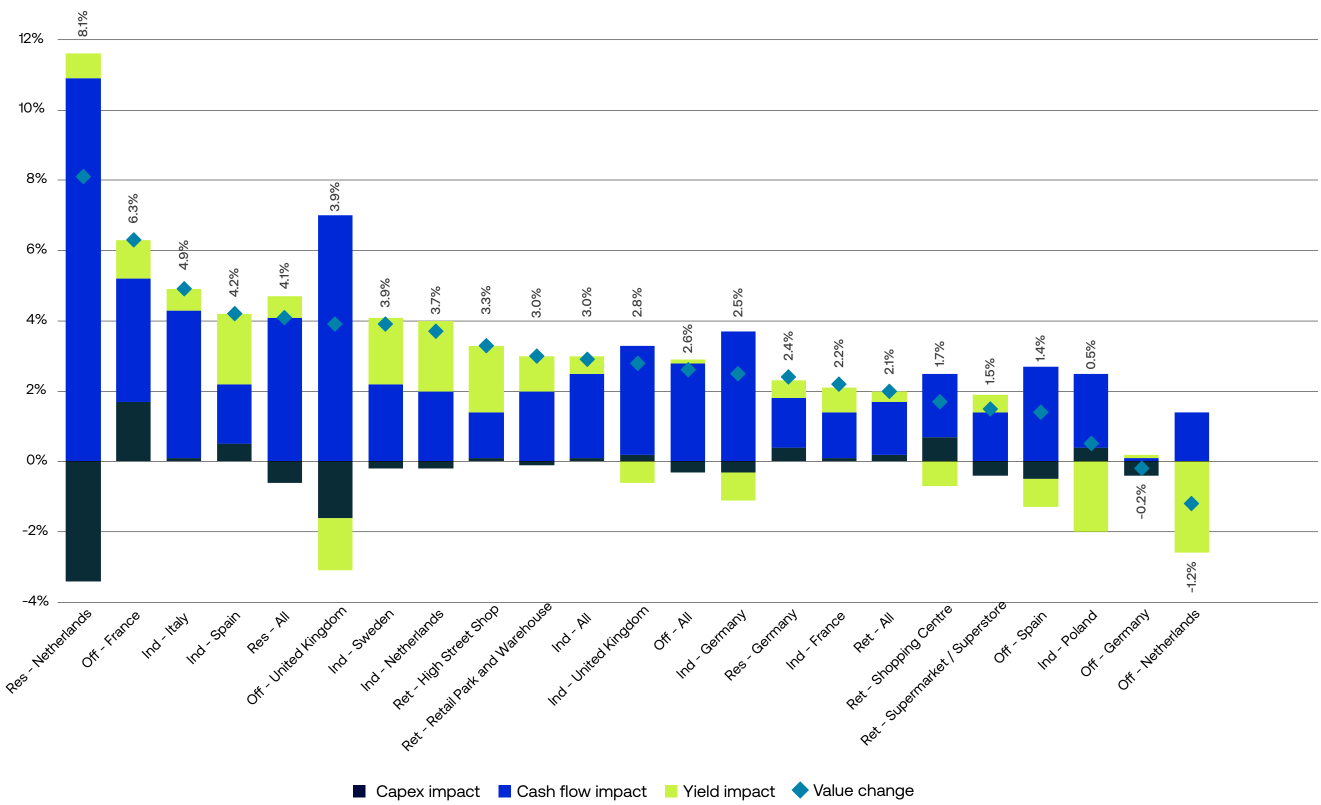
Source: Altus Group's Pan-European Valuation Dataset

Q3 2025 versus Q3 2024 | Annual sector country appreciation spreads



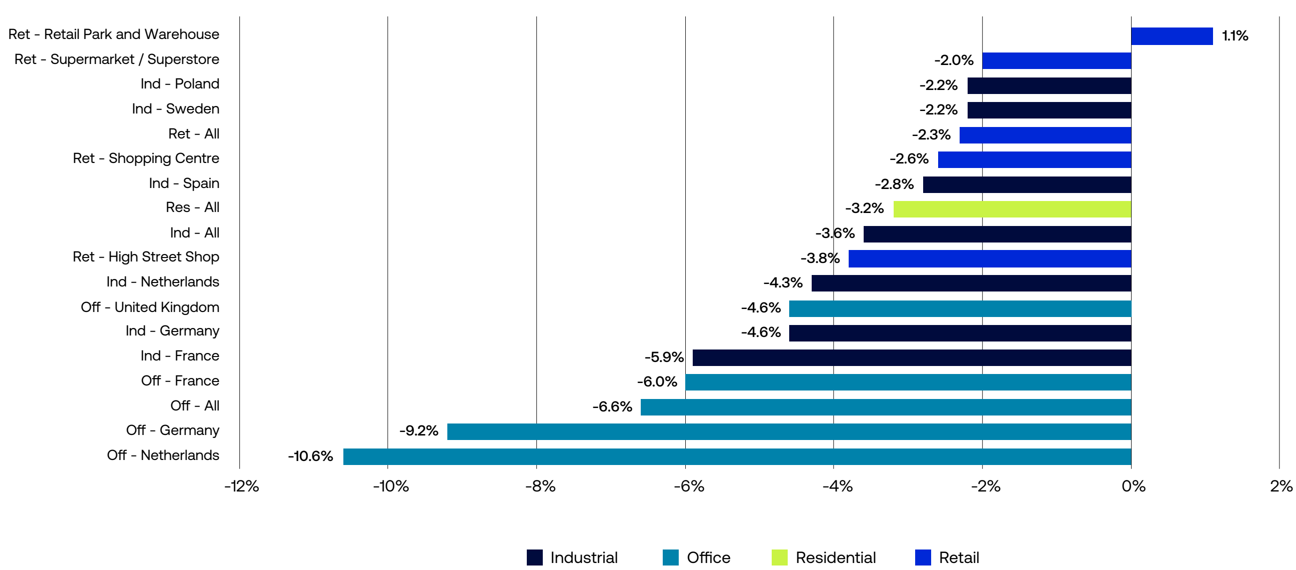
Source: Altus Group's Pan-European Valuation Dataset

Q3 2025 versus Q3 2024 | Annual impact metrics – by sector and country



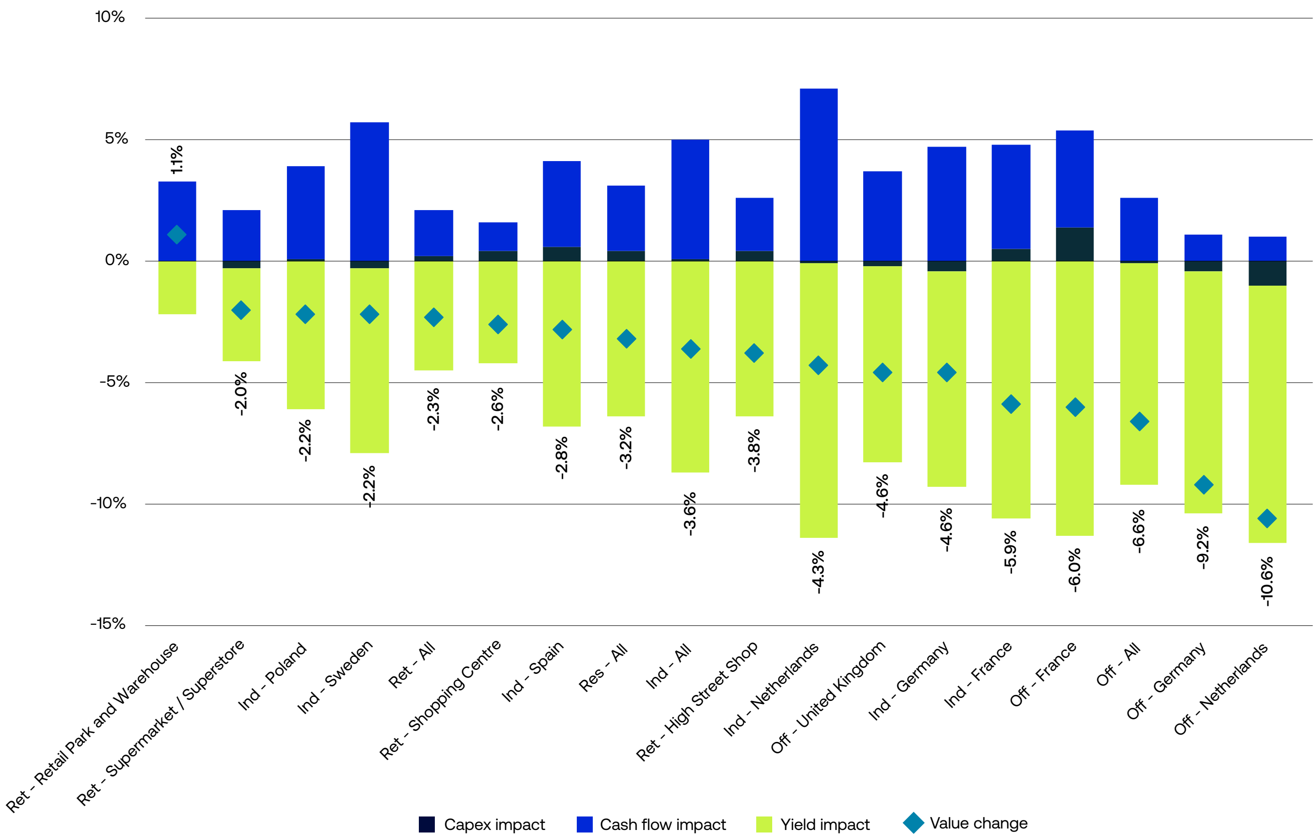
Source: Altus Group's Pan-European Valuation Dataset

Q3 2025 versus Q3 2022 | 3 year sector country appreciation spreads



Source: Altus Group's Pan-European Valuation Dataset

Q3 2025 versus Q3 2022 | 3 year impact metrics – by sector and country



Source: Altus Group's Pan-European Valuation Dataset

Altus Group

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