



GERMANY

REPORT

GROCERY INVESTMENT MARKET

Q4 2025

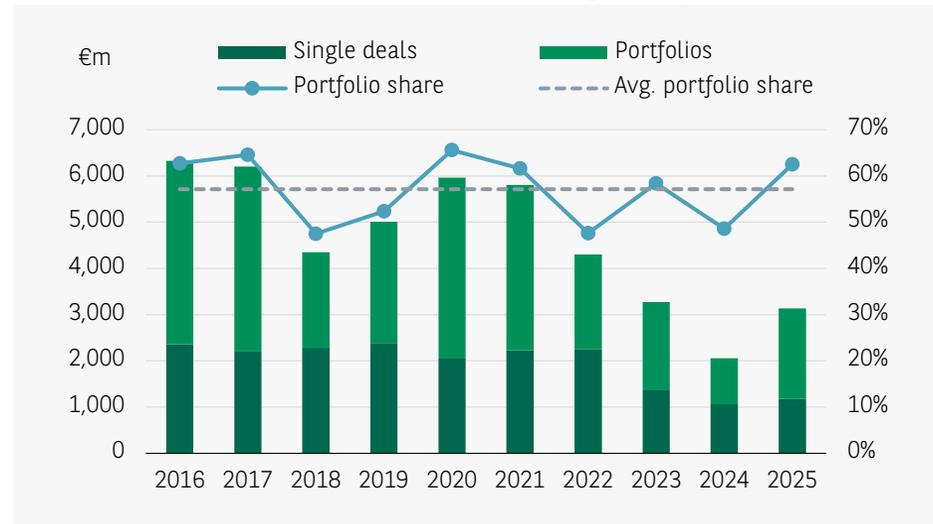
German retail warehouse transaction volume



STRONG RESULTS: VOLUME UP 53%, 48% MARKET SHARE

- The grocery investment market posted €3.1bn in transaction volume in 2025, up around 53% and accounting for over 48% of retail investments nationwide (vs. a 32% market share in 2024).
- Retail parks and grocery-anchored neighborhood retail centers made a significant contribution to this favourable result, bringing in roughly €1bn (just over 33%) for the second year in a row. Transactions in this segment included the Three Lions portfolio brokered by BNPPRE. Momentum around supermarkets/discounters accelerated significantly, up +32% with €1.1bn in transaction volume. The non-food retail segment posted one of its best results with €900m, boosted by the XXXLutz acquisition of Porta.
- Although the deals with the most impact on transaction volume, including the Porta acquisition and Habona Invest's purchase of 22 daily amenities assets, were signed at the start of the year, Q4 saw the largest number of deals. This speaks to ongoing high investor interest in this segment.

Retail warehouse transaction volume: single vs. portfolio deals



Retail park* transaction volume by deal size



UPWARD TREND IN CORE ASSETS, CORE+ WITH GOOD MOMENTUM

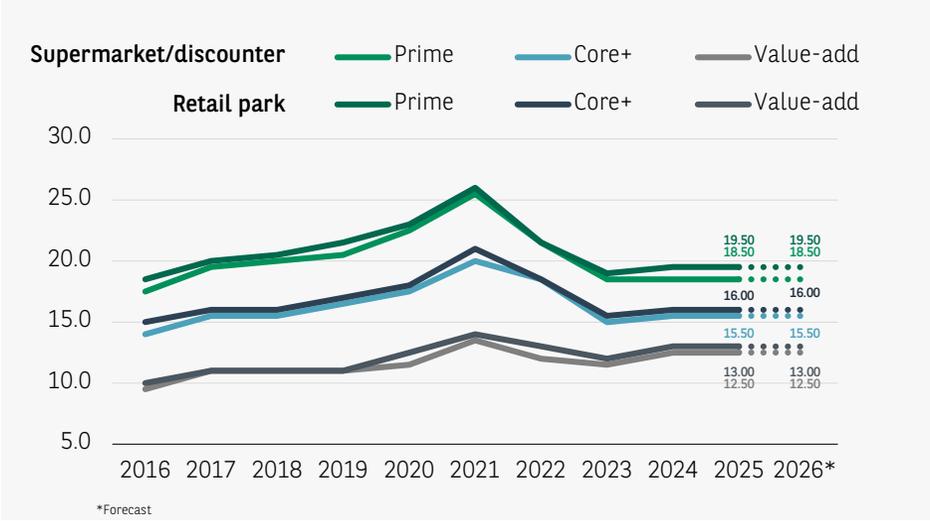
- Demand for well-performing food retail warehouses remains high, as these assets guarantee revenue regardless of the economic situation in an environment currently characterized by uncertainties. Transaction volume in this sector rose 10% to €2.1bn in 2025.
- The core segment in particular saw considerable growth, with retail park portfolios comprised of well-performing assets in established daily amenities locations making a significant contribution. Core investments generated €970m, up 49% and posting their best result since 2022. Investors continued to focus on core+ assets, which accounted for €900m and a 44% share in transaction volume, making this asset class the market's second most important pillar. Value-add products currently play a subordinate role due to the absence of larger portfolios.
- Purchase price multipliers remained stable across all risk classes, both in the retail park and the supermarket/discounter segments. This trend is likely to continue to move sideways in 2026.



Food retail investments by risk class



Multiples by asset type and risk class



Selected food retail portfolio deals in the past 10 years*

Year	Portfolio name	Volume in €m	Number assets	Seller	Buyer
2025	Penka	120	22	PK Höchst	Habona
2025	Three Lions	70	3	Patrizia	confidential
2024	Blue Mountains	>200	31	Branicks	GRR
2024	Saphir	120	16	Lidl	Captiva
2023	Kiwano	900	188	X+bricks	Slate
2023	Royal Blue	240	76	Pimco	Aldi Süd
2022	Oceans	380	13	Hahn	CEV
2022	Oyster	100	3	Gold Tree	HIH
2021	Touchdown	440	12	Patrizia	MEAG
2021	Power Bowl	315	50	Patrizia	GPEP
2020	Reverse	490	120	TLG	X+bricks
2020	Tandem	110	6	Edeka Rhein-Ruhr	Redos
2019	Salt and Pepper	310	13	Patrizia	Hahn
2019	Superfood	230	68	Patrizia	GPEP
2018	Olymp	370	12	Nuveen	Redos
2018	Benchmall	150	42	Fundreal	GRR
2017	Quest	400	85	PGIM	Patrizia
2017	Bordeaux	250	10	AEW	Redos
2016	Forum	320	25	Savills IM	Patrizia
2016	Victoria	250	21	LaSalle IM	Patrizia

*the 2 largest transactions of the year

BIG PORTFOLIOS IN Q1, MEDIUM-SIZED DEALS THROUGHOUT YEAR

- Food-anchored portfolios continue to claim status as the most important investment product in the retail portfolio segment. Overall, food retail portfolios brought in a total of around €1.1bn in transaction volume in 2025, accounting for roughly 55% of the total volume generated by retail portfolio deals. This result is impressive given the Porta acquisition in the non-food sector.
- While the number of food retail portfolio deals rose slightly from 22 to 24, average deal size remained unchanged in a long-term comparison at a relatively low €45m.
- Apart from the high-volume portfolios over the 100m € mark, such as the Penka portfolio acquired by Habona, the majority of market activity revolved around smaller and medium-sized portfolios between €20m and €70m.
- The fact that we did not see a larger number of deals above €100m signed in 2025 is less a question of investor interest than lack of supply.

Food retail portfolios: number and deal volume

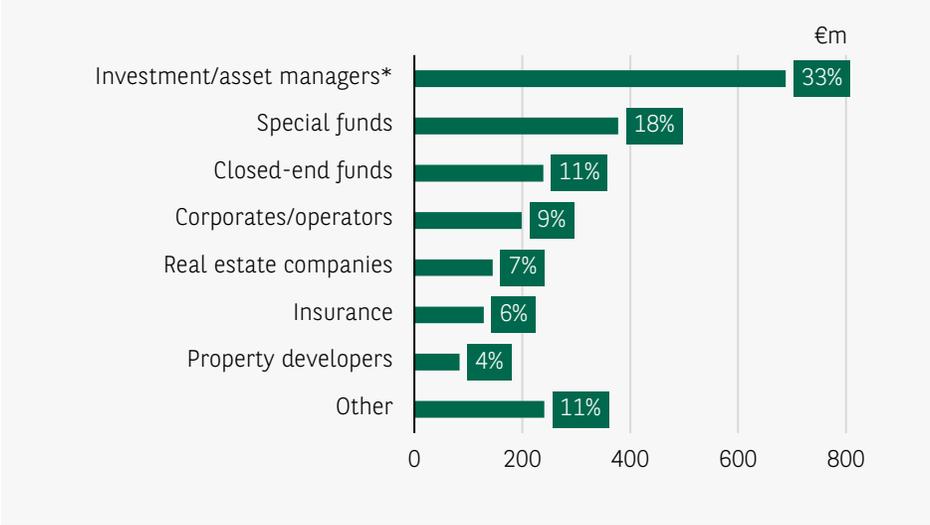


INSTITUTIONAL INVESTORS DOMINATE THE MARKET

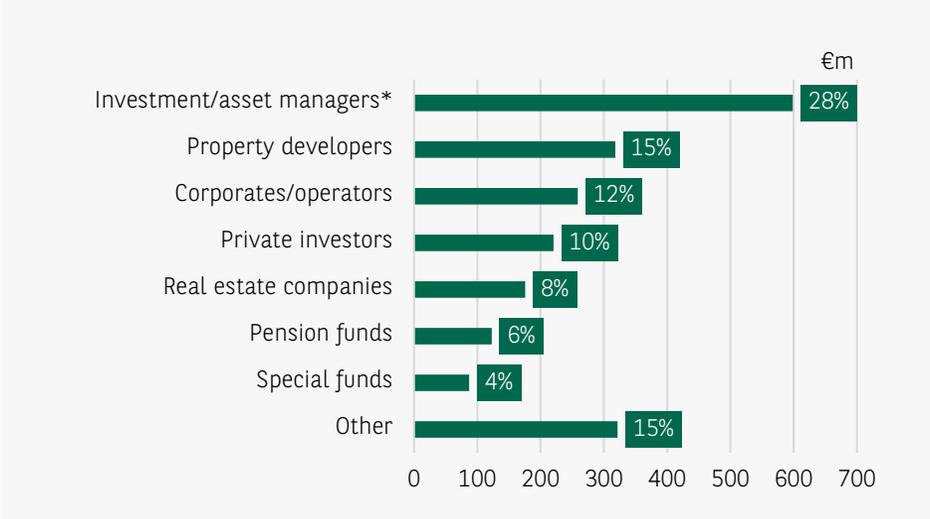
- Institutional investors remained by far the most active market players, contributing well over 50% to total transaction volume in 2025, primarily on behalf of special funds (18% market share) and closed-end funds (11%). The largest deals to change hands were also signed for institutional investment vehicles. These include the Penka portfolio acquired by Habona and the Three Lions portfolio. Other notable transactions fall under this category as well, including the ShoreLine and Four Green portfolios.
- Corporates and operators also continued to be very active on the buy-side with a 9% market share.
- In addition to investment/asset managers (28%), property developers were also more prominently represented on the sell-side with a share of just over 15%. Corporates and operators came in third with a 12% market share in the purchasers ranking, selling assets within the context of store network optimizations.



Top food retail buyer groups 2025



Top food retail seller groups 2025

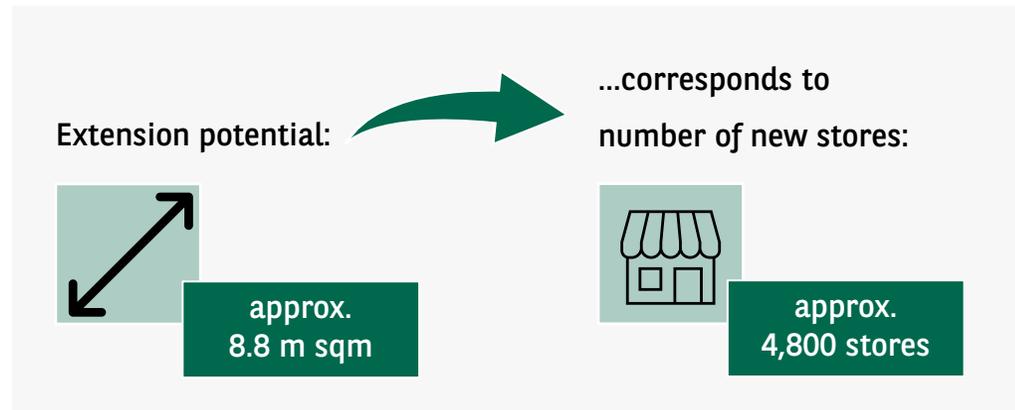


*Also includes acquisitions by investment managers with unknown source of capital

Overview: Potential for expansion at stock properties

Format	Ø rental space	Number of stores	Ø use requirements	Potential space per asset	Potential space total	Corresponds to new stores
Supermarket	1,850 sqm	10,700	2,300 sqm	~450 sqm	~4.8 m sqm	~2,100
Superstores	3,850 sqm	1,300	3,800 sqm	0 sqm	0 sqm	0
Hypermarket	7,900 sqm	689	8,000 sqm	0 sqm	0 sqm	0
Food discounter	1,250 sqm	15,976	1,500 sqm	~250 sqm	~4.0 m sqm	~2,700
TOTAL		28,665			~8.8 m sqm	~4,800

Source: Flächenanforderungsprofile der Lebensmitteleinzelhändler gemittelt über die Betreiber; HDE-Zahlenspiegel



ENORMOUS EXTENSION POTENTIALS IN THE FOOD SEGMENT – A HIDDEN RESERVE IN EVERY PORTFOLIO

- The food retail sector has experienced considerable momentum in recent years. Revenue has been increasing, most recently with +1.1% yoy in 2025. Not only has revenue in the segment increased, but the range of goods has improved as well, e.g. more fresh and organic goods as well as drugstore items. In addition, food retailers are placing greater emphasis on presentation of goods and quality of stay, which is boosting demand for grocery shop space.
- BNP Paribas Real Estate conducted an analysis based on almost 1,200 stores nationwide to determine potential additional space requirements. The store formats analysed were supermarkets, superstores, hypermarkets and food discounters. We compared current average rental space for each format with the space utilisation requirements defined in the expansion profiles of leading food retailers.

Key findings:

- I. In the case of superstores and hypermarkets, the current average leased area broadly corresponds to the space requirements. Accordingly, there is no significant need for action in these formats.
- II. The amount of rental space currently taken up by supermarkets and food discounters, on the other hand, is on average much smaller than the amount of space defined by retailers as necessary for successful and competitive operations. Looking at supermarkets, rental space currently falls short of requirements by an average of around 450 sqm per asset with this shortage coming to 250 sqm per asset for food discounters.
- III. Calculations give a total expansion potential of 4.8 million sqm in the supermarket segment and 4 million sqm in the food discounter segment. Theoretically, this would correspond to approximately 2,100 and 2,700 new stores, respectively.



Irrespective of the remaining lease term, this points to significant "hidden" upside across any standing portfolio. Moreover, these extensions typically translate into strong rental uplifts and enable the lease to be extended for a long term (typically around 15 years).

CONCLUSION & KEY TAKEAWAYS

- The retail warehouse segment once again substantiated its importance as well as the high investor interest in the segment with a 48% share in total retail transaction volume in 2025.
- The grocery segment in particular saw dynamic growth of +10% to €2.1bn. Lack of supply in the high-volume portfolio segment, however, prevented a higher total volume in 2025 and kept the average transaction volume posted by food retail portfolios at a low €45m.
- The grocery investment market is headed for a strong 2026 with high investor demand following an upward trend, especially coming from pan-European funds. In an environment characterised by uncertainty, these investors appreciate the fact that revenue generated by the food retail segment does not directly correlate with economic cycles. We also expect additional tailwind on the market supply side. There are signs that supply is increasing, even large portfolios, particularly in the highly sought-after core sector are ongoing or entering the market. In general, we see more product across all risk classes and quality segments without significant changes in purchasing price.



Key figures

TRANSACTION VOLUME	2024	2025	CHANGE
Retail warehouse total	2,057	3,137	+52.5%
Portfolio share	32.4%	62.5%	+30.1 pp
Foreign buyer share	18.6%	51.0%	+32.3 pp
MULTIPLES	2024	2025	CHANGE
Prime supermarkets/discounters	18.5	18.5	+0.0
Core+ supermarkets/discounters	15.5	15.5	+0.0
Value-add supermarkets/discounters	12.5	12.5	+0.0
Prime retail parks	19.5	19.5	+0.0
Core+ retail parks	16.0	16.0	+0.0
Value-add retail parks	13.0	13.0	+0.0



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Edited by: BNP Paribas Real Estate Consult GmbH | As of: December 31, 2025

Further information: BNP Paribas Real Estate GmbH Germany

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