



SAMPLE REPORT

# Global Retail Insights: What a Bargain!



# Global Retail Insights

2 June 2025

Europe 2025 14.27% 2026 15.27% U.S. 10-Year 4.40%  
5-Year 3.80%

## What a Bargain!

- Green Street covers nine shopping centre REITs across the U.S. and Europe
- REITs own high-quality assets and many management teams are competent
- Tenant sales have grown ~10% cumulative since '19, underperforming inflation
- Retail sales in Australia & Canada have outperformed; U.K.'s poor showing stands out
- OCRs and leasing activity remain healthy, but consumer sentiment is deteriorating
- Like-for-like net rental income to grow by ~3% p.a. through '29; U.S. to outperform
- High valuation yields more than offset high capex reserve and tepid long-term rent growth
- Unlevered returns for A/A+ shopping centres are attractive vs. most other property types
- REITs are priced to deliver levered returns of ~10% p.a. over the next five years
- At current prices, better risk/return prospects for **U.S. & Europe**



**Important disclosure on page 13**

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# Executive Summary

## The Basics

- Green Street\* covers nine shopping centre REITs across the U.S. and Europe with total market cap of ~€90bn
- REITs own high quality assets (average grade of 'A') and most management teams are best-in-class
- The sector has delivered poor returns (flat) for shareholders since Jan-20, overlevered REITs underperformed
- Whilst select REITs need to continue their deleveraging efforts, capital structures are in much better shape

## Operating Fundamentals

- Like-for-like tenant sales have grown ~10% cumulative since '19, underperforming inflation by [REDACTED] p.a.
- Retail sales in Australia have outpaced most other geographies, the U.K.'s poor performance stands out
- OCRs\*\* are healthy thanks to the combination in recent years of (i) falling rents and (ii) rising tenant sales
- Leasing activity is healthy on average, but [deteriorating consumer sentiment](#) weighs on spending patterns

## Private Market Valuations

- Investment market liquidity is returning to the sector, A/A+ assets make up most of the deal activity
- High in-going yields more than offset [capex requirements](#) and tepid long-term rental growth
- Like-for-like net rental income is expected to grow by [REDACTED] through '29, the U.S. to outperform [REDACTED]
- Unlevered returns for A/A+ shopping centres are attractive vs. most other property types in all geographies

## Public Market Valuations

- Publicly traded REITs trade at discounts to gross asset values on average, especially in the U.K. and Europe
- Yields based on '26 AFFO are in the [REDACTED] ballpark, with 26E-28E AFFO expected to grow by [REDACTED] p.a.
- Shopping centre REITs are priced to delivered levered returns of [REDACTED] p.a. over the next five years
- At current prices, better risk/return prospects for [REDACTED]

\*This report focuses on the U.S., U.K. and Continental Europe. Complete REIT-level data for Canada and Australia will be available on Green Street's platform in due course.

\*\*OCR = occupancy cost ratio = total occupancy costs (including rents) incurred by tenants relative to sales generated (excl. anchors)

## Recommendations:

[REDACTED]

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# Shopping Centre Values: Commercial Property Price Indices

**Floor Found:** Green Street's proprietary shopping centre price index is down  $-30\%$  vs. 2019 as (i) rental levels have re-based meaningfully lower and (ii) yields have widened by  $+200$  bps on average. The U.K. significantly underperformed  $-45\%$  as OCRs were materially higher and the pace of ecommerce growth has been stronger. The U.S. outperformed – especially over the last twelve months – as transaction activity picked up for prime assets (e.g., Macerich acquired >5 properties over the past 12 months) and yields moved down  $-50$  bps.

Green Street Asset Price Index<sup>1</sup>



1) Asset prices are Green Street's market-level [Commercial Property Price Index](#)

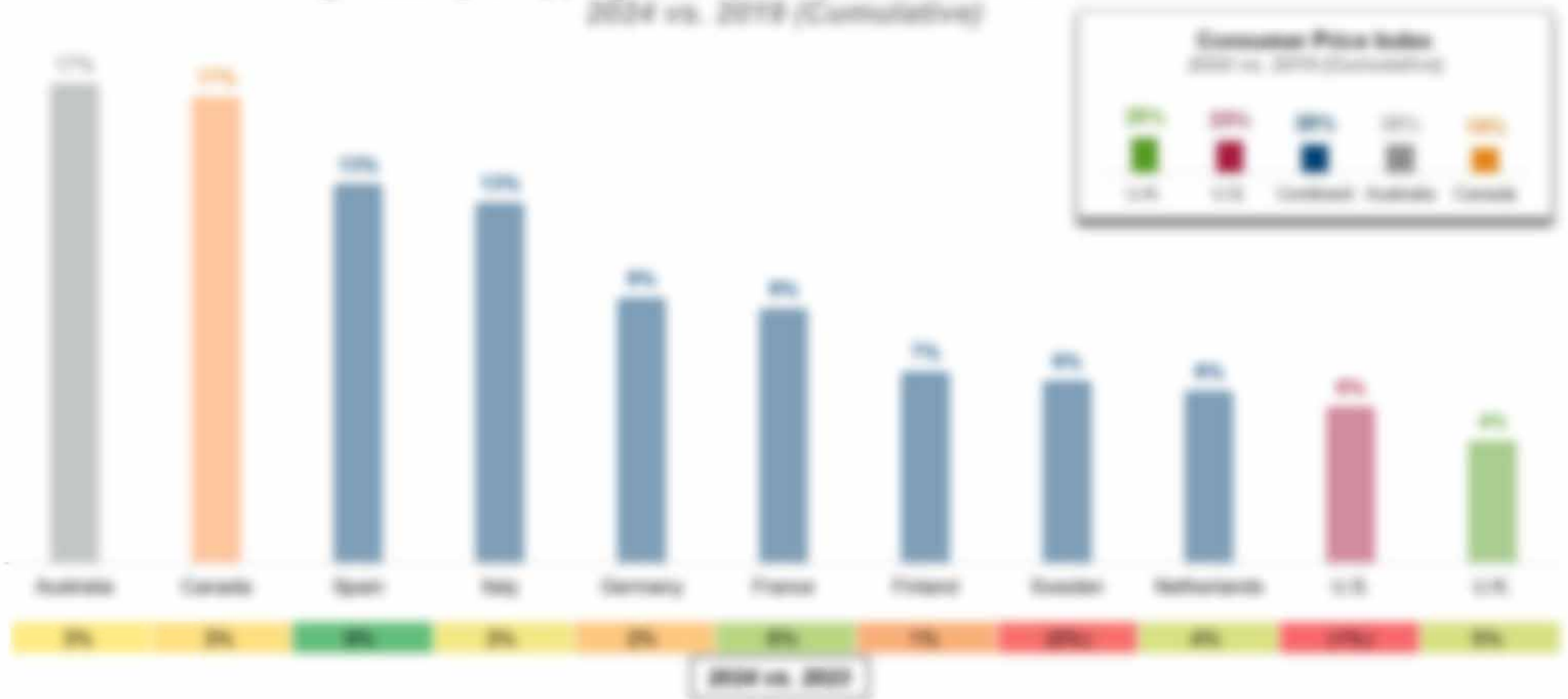
Source: Company disclosures, Green Street

# Like-for-Like Tenant Sales Growth (A/A+ Quality)

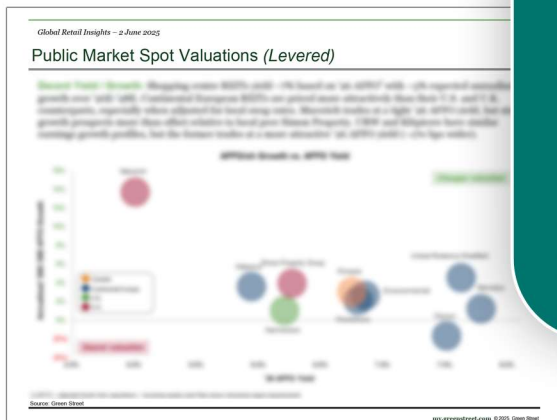
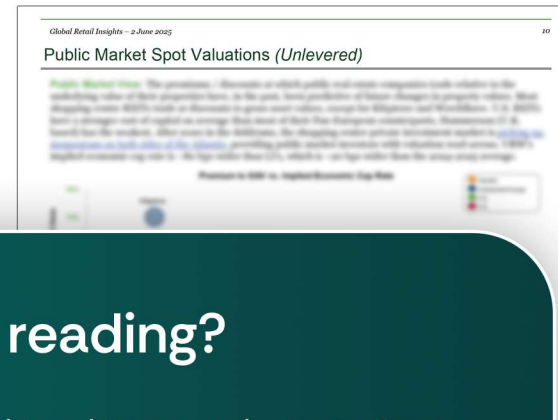
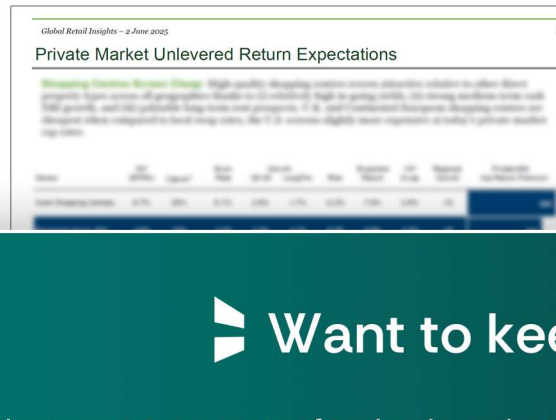
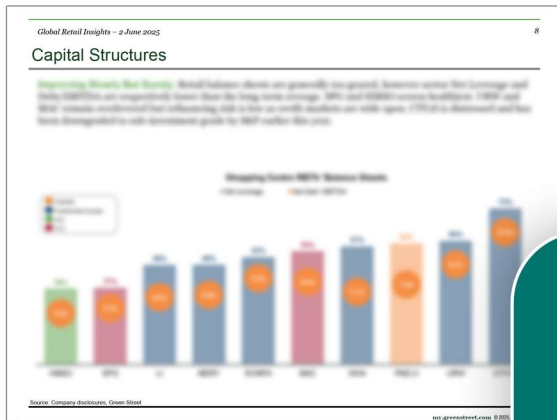
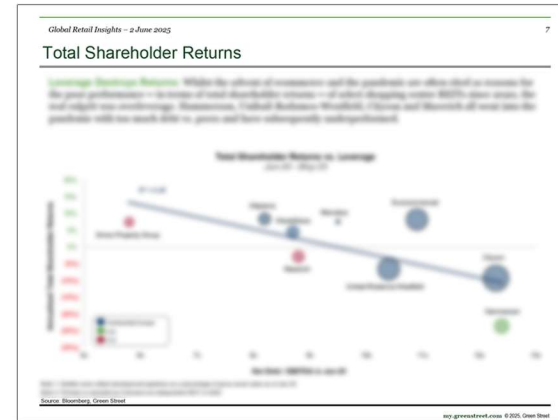
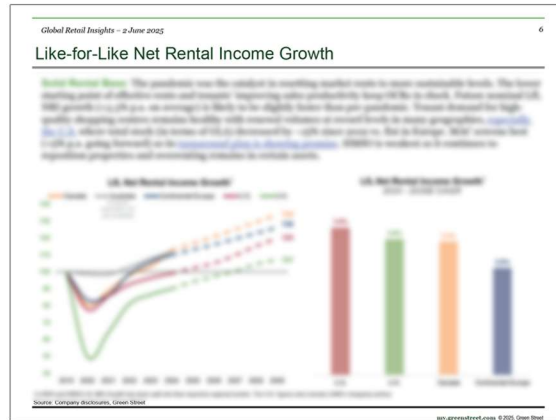
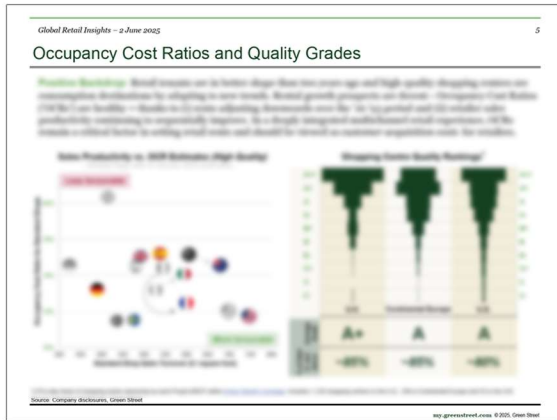
**Negative Real Growth:** Like-for-like retail sales in high-quality shopping centres have grown  $-10\%$  (cumulative) since 2019, underperforming inflation by  $-200$  bps per annum (Continent:  $-200$  bps, UK:  $-270$  bps). Australia screens best thanks to (i) positive demographic trends and (ii) a more defensive tenant mix on average. The U.K. has fared poorly largely due to a sharper inflation shock over '22-'24 and [weak consumer confidence](#). Over the past year the trend is more favourable with tenant sales growing by  $+3\%$  on average.

## High-Quality Shopping Centres: Like-for-Like Tenant Sales Growth

2024 vs. 2019 (Cumulative)



Source: REIT disclosures, Bloomberg, Green Street



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