

European Leading Indicators



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Key economic and financial metrics, updated monthly

10th December 2025

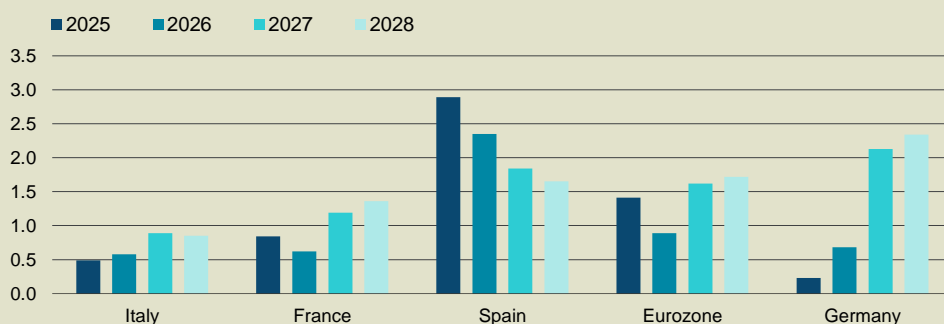
Growth forecasts, total returns & real estate sentiment

0.9%

Oxford Economics forecasts Eurozone real GDP growth at 0.9% in 2026, with Spain likely to remain the strongest performer among the major Eurozone economies. From 2027, Germany is projected to outpace its peers as fiscal stimulus is expected to take effect.

Diverging growth prospects across major Eurozone economies

Real GDP growth forecasts (% y/y)



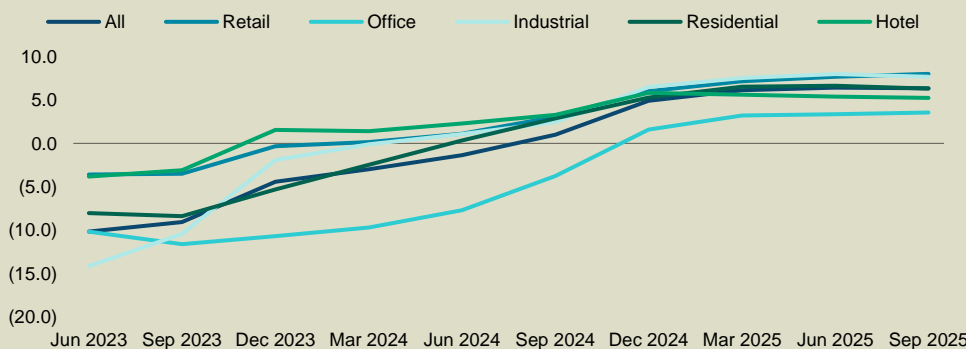
Source: Oxford Economics, Knight Frank Insight

6.35%

European commercial real estate returns have stabilised, marking a shift from the volatility seen since mid-2023. The latest MSCI Europe Quarterly All Property annualised total return stood at +6.35% at the end of Q3, led by Retail (+8.0%) and Industrial (+7.66%), followed by Residential (+6.28%), Hotels (+5.24%) and Offices (+3.55%).

Total returns have stabilised across European CRE sectors

MSCI Europe Quarterly Index, Annualised Total Returns (%)



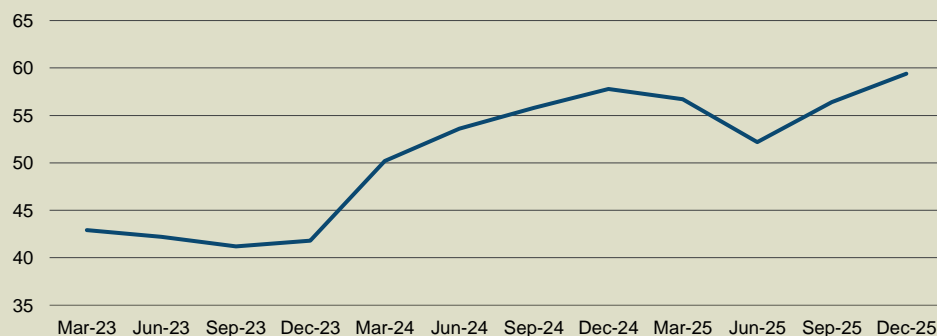
Source: MSCI, Knight Frank Insight

59.4

INREV's Consensus Indicator for European non-listed real estate rose to 59.4 in December, its highest level since tracking began in 2023. Readings above 50 signal growth, with the financing and investment liquidity sub-indicators strongest at 70.1 and 61.4, pointing to increasingly positive sentiment.

INREV's December Consensus Indicator points to improving sentiment

INREV Consensus Indicator for the European non-listed real estate market

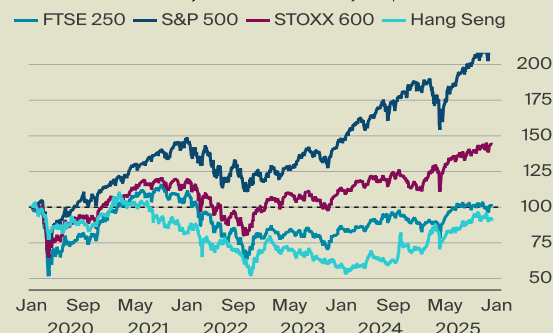


Source: INREV, Knight Frank Insight

Equities

Equity markets

Price return index, Jan 2020 = 100, US\$

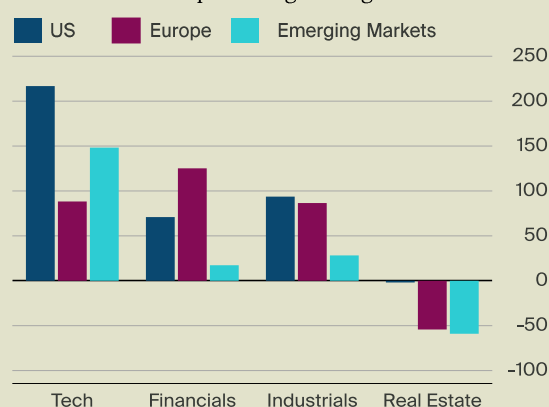


Source: Knight Frank, Macrobond

Index	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
PX50	121	-0.3	0.9	5.3	145.7
OMXC25	274	-0.5	1.0	4.5	45.8
DAX 40	10,470	0.3	1.1	2.1	58.2
FTSE 250	29,178	-1.1	-0.6	1.7	0.7
MIB	50,480	-0.6	0.4	1.6	91.7
Hang Seng	3,269	-2.4	-2.2	-4.0	-9.6
IBEX 35	19,424	-0.6	2.3	4.4	81.2
S&P 500	6,847	-0.2	0.0	1.9	111.9
STOXX 600	672	-0.5	0.5	2.6	44.0
TOPIX	22	0.3	1.0	0.3	37.6

Equity regional sectors

Price return index percentage change since Jan 2020

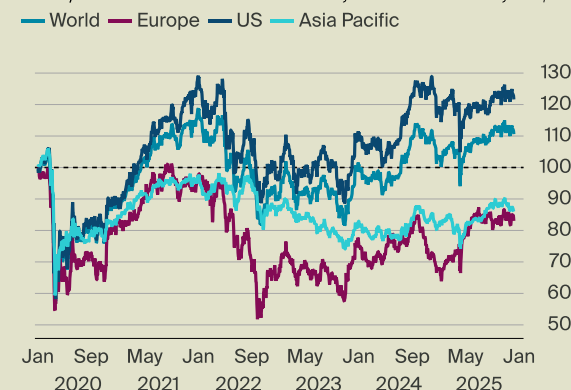


Source: Knight Frank, Macrobond

	Percentage change since Jan 2020		
	US	Europe	World
Tech	216.8%	88.3%	148.3%
Financials	70.9%	125.2%	17.3%
Industrials	93.7%	86.6%	28.2%
Real Estate	-1.9%	-54.2%	-59.0%

REITs by region

EPRA/NAREIT total return index, Jan 2020 = 100, US\$

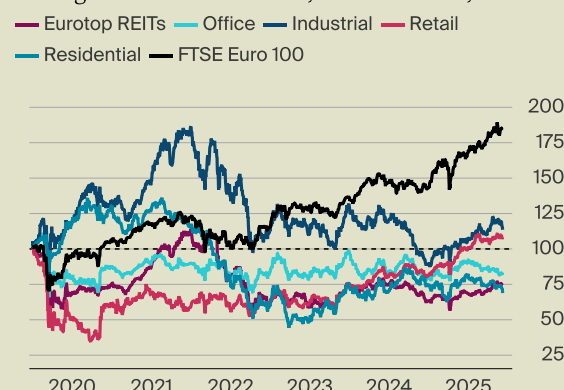


Source: Knight Frank, Macrobond

Index, total return	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
Original value and base					
US	2,907	-1.1	-2.7	-0.3	21.6
Europe	2,367	-2.2	-2.5	-1.7	-17.0
World	3,553	-1.1	-2.4	-0.6	10.6
Asia Pacific	3,375	-0.3	-1.7	-2.2	-14.0

Euro Area REITs by sector

EPRA gross total return index, Jan 2020 = 100, € EUR



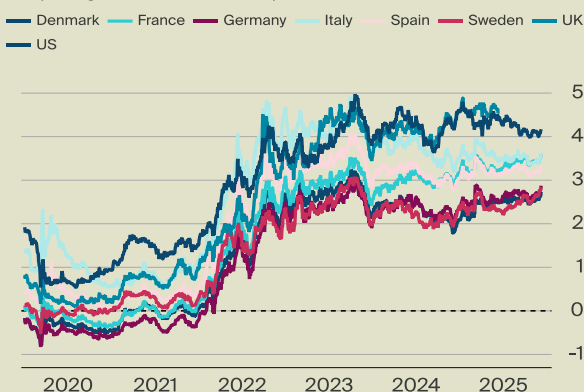
Source: Knight Frank, Macrobond

Index, total return	Last	Percentage change since			
		1 day	1 week	1 month	Jan '20
Original value and base					
Eurotop REITs	1,902	-0.7	-1.7	-1.0	-28.0
Office	1,640	-1.8	-1.9	-2.6	-21.0
Industrial	5,181	-2.0	-4.8	-4.1	10.2
Retail	1,838	0.2	-1.5	0.4	4.7
Residential	1,251	-4.3	-6.8	-4.4	-33.2
FTSE Euro 100	4,563	0.1	1.0	2.2	80.2

Bonds & Rates

Government bond yields

10 year government bond yields, %

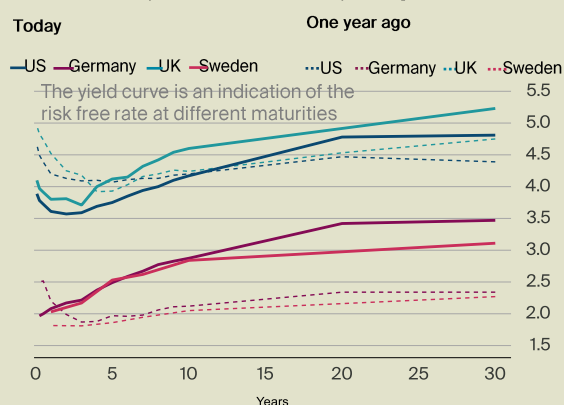


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Denmark	2.73	2.65	2.62	2.52	-0.17
France	3.59	3.53	3.48	3.46	0.11
Germany	2.87	2.80	2.75	2.66	-0.21
Italy	3.62	3.53	3.51	3.43	1.40
Spain	3.34	3.26	3.22	3.18	0.45
Sweden	2.84	2.81	2.78	2.60	0.14
United Kingdom	4.55	n/a	n/a	n/a	0.82
United States	4.17	4.14	4.09	4.11	1.92

Government bond yield curves

Latest nominal yield curves vs one year ago, %

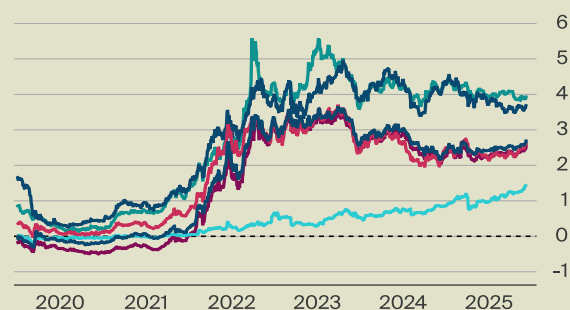


Source: Knight Frank, Macrobond

Interest rate swaps

5 year swap rates, %

Legend: Eurozone (purple), UK (teal), US (dark blue), Japan (cyan), Sweden (red), Denmark (dark blue).

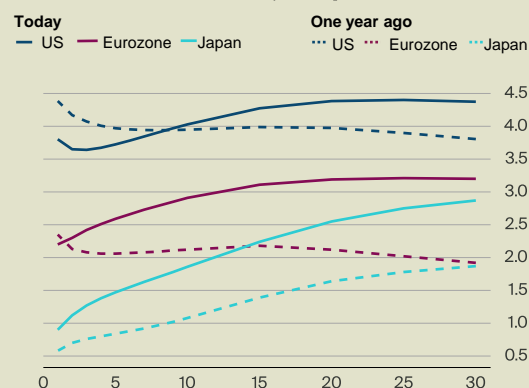


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Eurozone	2.59	2.49	2.46	2.37	-0.13
Denmark	2.73	2.64	2.62	2.55	0.01
Japan	1.47	1.45	1.39	1.25	0.03
Sweden	2.65	2.61	2.57	2.44	0.39
United Kingdom	3.97	3.91	3.90	3.89	0.88
United States	3.72	3.68	3.64	3.61	1.70

Swap curves

Latest swap curves vs one year ago, %

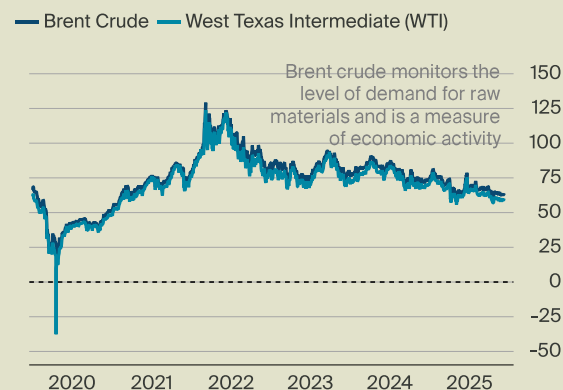


Source: Knight Frank, Macrobond

Commodities & Volatility

Energy

Oil spot prices, \$ per barrel



Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Brent, \$ per barrel	62.4	63.7	63.3	63.6	66.0
WTI, \$ per barrel	58.7	59.9	59.5	59.8	61.1

Baltic dry index

Baltic Exchange, Shipping Dry index (BDI), US\$

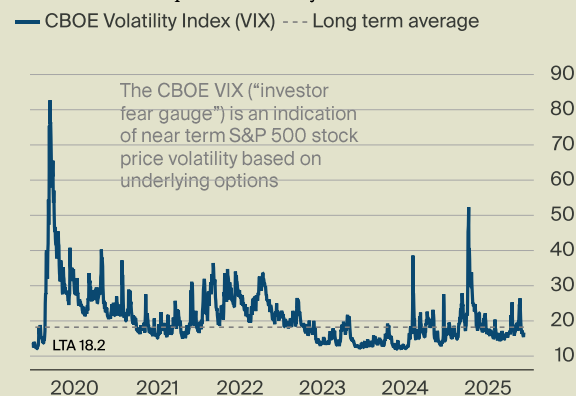


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
Baltic Dry	2694	-4.26	4.3	28	147

Volatility index

Near term stock price volatility indicator



Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
CBOE VIX	16.7	16.7	16.6	19.1	13.8
Euro Stoxx 50 VIX	16.1	16.1	17.1	21.4	14.0
Nikkei VIX	28.0	28.4	28.6	35.5	14.8
KOSPI VIX	27.9	27.3	29.7	41.9	14.7

Systemic stress

Measures FX, money, sovereign and bond yield volatility



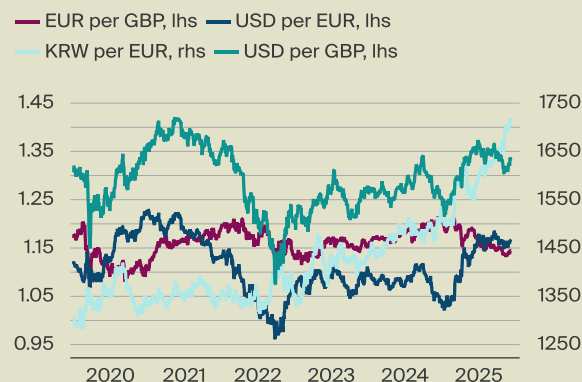
Source: Knight Frank, Macrobond

	Last	1 week	1 month	Jan '20
Systemic stress composite	0.094	0.117	0.073	0.023
Equity markets stress sub index	0.078	0.095	0.064	0.009
Bond markets stress sub index	0.032	0.033	0.014	0.02
FX markets stress sub index	0.024	0.039	0.021	0.004

Currencies & Monetary Policy

Currencies

Spot prices

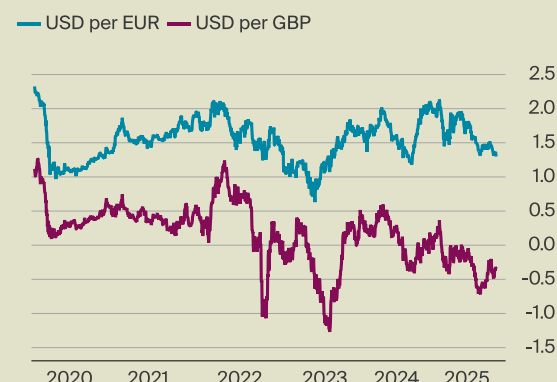


Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
USD per EUR	1.162	1.165	1.163	1.157	1.121
USD per GBP	1.331	1.334	1.325	1.315	1.321
GBP per EUR	0.8732	0.8734	0.8779	0.8796	0.8456
SEK per EUR	10.95	10.96	10.96	11.05	10.5
KRW per EUR	1708	1715	1706	1693	1293

Hedging benefits

Hedging benefit p.a. on a 5 year forward



Source: Knight Frank, Macrobond

	Last	1 day	1 week	1 month	Jan '20
USD to EUR	1.30	1.35	1.37	1.42	2.32
USD to GBP	-0.35	-0.33	-0.36	-0.37	1.12

Inflation and monetary policy

Inflation rates (%)

	Nov	Oct	Sept	Aug
Belgium	2.4	2.0	2.1	1.9
Czech Republic	2.1	2.5	2.3	2.5
Denmark	n/a	2.1	2.3	2.0
Eurozone	2.2	2.1	2.2	2.0
Finland	n/a	-0.2	0.5	0.5
France	0.9	0.9	1.2	0.9
Germany	2.2	2.2	2.4	2.3
Ireland	n/a	2.9	2.7	2.0
Italy	1.2	1.2	1.6	1.6
Netherlands	2.9	3.1	3.3	2.8
Norway	n/a	3.1	3.6	3.5
Poland	2.4	2.8	3.0	3.1
Romania	n/a	9.8	9.9	9.9
Spain	3.0	3.1	3.0	2.7
Sweden	n/a	0.9	0.9	1.1
Switzerland	0.0	0.1	0.2	0.2
United Kingdom	n/a	3.6	3.8	3.7
United States	n/a	n/a	3.0	2.9

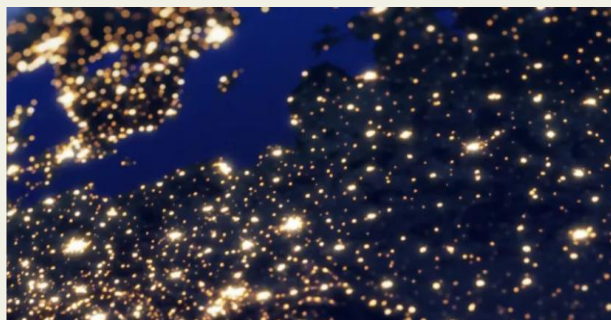
Interest rates (%)

	Last	Jan '21
	2.15	0.00
	3.50	0.25
	1.75	0.05
	2.15	0.00
	2.15	0.00
	2.15	0.00
	2.15	0.00
	2.15	0.00
	2.15	0.00
	2.15	0.00
	4.00	0.00
	4.00	0.10
	6.50	1.50
	2.15	0.00
	1.75	0.00
	0.00	-0.75
	4.00	0.10
	4.00	0.25

Asset purchasing

	Latest (\$)	1m change (%)
	414 bn	-1.3
	174 bn	2.3
	110 bn	-1.9
	712 tn	-0.4
	144 bn	5.7
	1.76 tn	0.0
	2.66 tn	-0.6
	197 bn	2.4
	1.31 tn	2.2
	454 bn	-4.4
	2.2 tn	2.6
	307 bn	1.1
	93.3 bn	1.4
	1.01 tn	-0.8
	98.6 bn	-0.4
	1.12 tn	0.4
	1.15 tn	0.0
	6.55 tn	-0.5

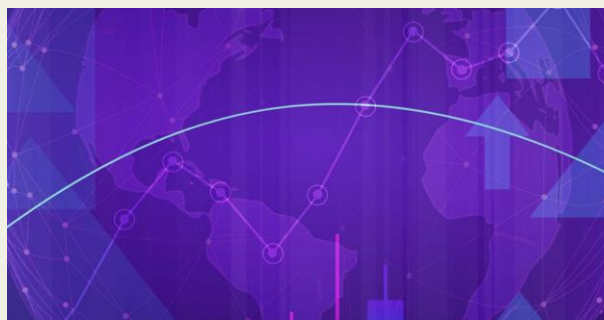
Source: Knight Frank, Macrobond



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Across five thought-provoking themes, we explore the forces shaping European commercial and residential real estate markets next year.

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