2025
Retail City Index
Europe

Introduction & Foreword

Given the number of quality retail destinations in Europe, occupiers looking to make their mark have an overwhelming number of considerations regarding their growth strategies – the continent has nearly 750 million inhabitants, living across 50 sovereign states, speaking over 250 languages, and spending in 29 different currencies.

To help retail, hospitality & leisure occupiers rationalise their expansion decisions, JDM Retail and Oxford Economics have used market-leading data to create this composite index – ranking European city centres on the factors that occupiers value most.

Jonathan De Mello
Founder & CEO at JDM Retail

After a challenging period, inflation has subsided across the continent, relieving pressures on consumers and businesses alike. Normal consumer habits have begun to return, and increased lettings and rental recovery reflect a retail market that is finally picking up.

Sam Moore
Managing Director, Economic Consultancy at Oxford Economics

The European economy has seen a difficult few years. A hopeful post-pandemic recovery was brought to a halt by surging prices, followed by rising interest rates, that have weighed on both household incomes and investment.

As occupiers are again thinking about growth, JDM Retail & Oxford Economics have published our first Retail City Index, which aims to encapsulate the core considerations that occupiers think about when planning for expansion into new markets – namely market size, potential for growth, and ease of doing business.

Each year the industry evolves. For example, where e-commerce now fulfils much of the utilitarian demand for goods, the high street is moving towards a place where people can relax, socialise and have fun – reflected in the drop-off in demand for department stores in favour of popular multi-activity leisure occupiers.

For retail specifically, we have noticed a contraction in 'prime' pitch across Europe, and an increased divide between primary and secondary centres. The quality and shape of the retail landscape varies between markets, but we have focused on city centres as they are consistently strong and universally representative of 'prime' retail across Europe.

But with inflation now stabilising and interest rates continuing to come down, we are cautiously optimistic that economic growth in Europe should pick up pace during 2025 and 2026. This will be partly driven by strengthening consumer spending, which will in turn support an acceleration in retail sales growth.

Within the European economy, major cities tend to be at the forefront of growth. A superior sectoral structure, with a typically high concentration of dynamic ICT and professional & technical services sectors, enables city economies to usually outperform their nations. This creates more jobs, and combined with rich cultural offerings, attracts a greater number of people.

But of course, there are wide differences across the cities. The likes of London and Paris remain the heavyweights in terms of scale, but certain smaller cities can offer better growth prospects. Therefore, a key task for businesses is selecting the right locations, and we hope that our new Retail City Index will be helpful in this.

Input Indicators

This analysis focuses on quantifying 3 areas of consideration that are front-of-mind for any occupier looking to enter new markets: market size – the scale of the opportunity available; potential for spend growth – untapped spend potential and future growth prospects; and the strength of the business environment – national measures that indicate the ease of doing business in each country.

JDM Retail and Oxford Economics have selected 8 indicators that allow for direct comparison between markets, focusing on city centres and the urban areas that they sit within. We have drawn upon our work with clients in the sector to appropriately weight each metric.

This index includes 8 indicators grouped into 3 categories and weighted according to perceived importance…

Business Environment (Oxford Economics)

Corruption & business environment
Ease of doing business and control of corruption.

Institutions
Strength of institutions and rule of law.

Political stability
Likelihood of political instability and violence.

Spend Potential (Oxford Economics)

Disposable income after housing costs
Spending power of the residents within each city's Functional Urban Area (FUA).

Growth in retail sales
5-year history and forecast growth in FUA retail sales, adjusted for inflation.

Growth in leisure & hospitality GVA
5-year history and forecast growth in FUA leisure & hospitality GVA, adjusted for inflation.

15%

35%

50%
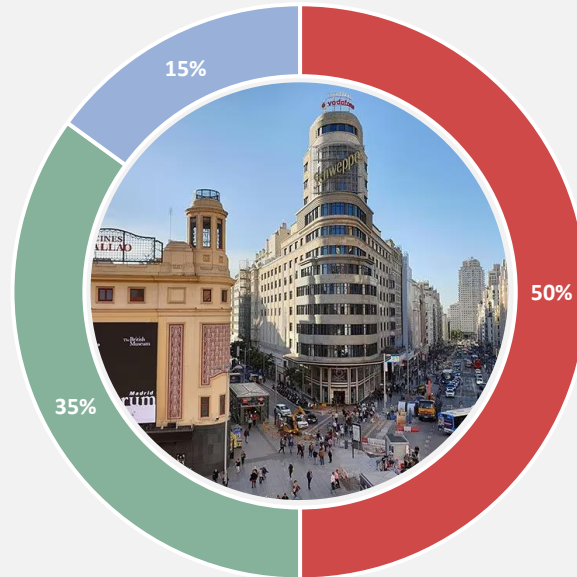
Market Size (JDM Retail)

Retail spend gravitated to city centre
The volume of retail & leisure spend attracted to the city centre in 2024. Reflective of both shopper footfall and affluence.

Key international brands in city centre
The presence of established global retailers is an indicator of size and consumer acceptance of international brands.

3

Market Size Indicators

	City	Country	Retail spend gravitated to city centre	Key international brands: in city centre / Key international brands: outside city centre
				0 50 100 150 200
1	Paris	France	€16.99bn	
2	London	United Kingdom	€16.81bn	
3	Berlin	Germany	€7.55bn	
4	Madrid	Spain	€7.31bn	
5	Milan	Italy	€7.19bn	
6	Amsterdam	Netherlands	€5.38bn	
7	Munich	Germany	€5.13bn	
8	Barcelona	Spain	€5.03bn	
9	Rome	Italy	€4.94bn	
10	Hamburg	Germany	€4.92bn	
11	Vienna	Austria	€4.60bn	
12	Brussels	Belgium	€4.45bn	
13	Copenhagen	Denmark	€4.33bn	
14	Zurich	Switzerland	€4.30bn	
15	Lisbon	Portugal	€4.25bn	
16	Birmingham	United Kingdom	€4.19bn	
17	Frankfurt	Germany	€4.17bn	
18	Lyon	France	€4.14bn	
19	Dublin	Ireland	€4.10bn	
20	Stockholm	Sweden	€4.08bn	
21	Oslo	Norway	€4.05bn	
22	Manchester	United Kingdom	€4.02bn	
23	Cologne	Germany	€3.98bn	
24	Glasgow	United Kingdom	€3.84bn	
25	Istanbul	Turkey	€3.78bn	
26	Marseille	France	€3.65bn	
27	Prague	Czech Republic	€3.61bn	
28	Dusseldorf	Germany	€3.35bn	
29	Rotterdam	Netherlands	€3.34bn	
30	Athens	Greece	€3.30bn	

This metric focuses on the market size of city centres across Europe by isolating the volumes of retail, hospitality & leisure spend that flow from catchment residents and tourists visiting from further afield.

JDM Retail builds and maintains whole-market retail gravity models that predict the flows of shoppers – and their spending – to retail centres of all sizes. Our definition of the city centre includes all of the retail & leisure supply within 1km of the prime retail area(s) in the city centre.

As an additional indicator of market size, as well as a measure of the potential responsiveness of local consumers to international brands, we have also tracked the presence of storefronts operated by established global retailers. This list consists of 25 leading brands that operate across 10+ markets, multiple continents, and trade across a range of different sectors and price points. To minimise home market bias, over 50% of the retailers selected are based in Asia or the Americas, and include brands like Nike, LEGO, Apple, Uniqlo, Asics & Louis Vuitton.

Suburban retail centres compete directly with the commercial centre for the retail & leisure spend available within the city, with some locations exhibiting stronger out-of-town competition than others. German cities, for example, are notable for their lack of quality suburban retail centres – spend available in Berlin is lower than Madrid or Milan, but a highly centralised population and limited out-of-town shopping options mean that Berlin's city centre captures a greater volume of spend than these cities.

In contrast, Istanbul – with a larger population than both London and Paris, has a wealth of strong suburban shopping centres, and so only a small minority of the many international brand stores present in the city are found in the city centre areas.

Russian cities have not been included in this analysis as the invasion of Ukraine has severely impacted Russia's trade with the rest of Europe.

Methodology: Gravity-Modelled Retail Spend
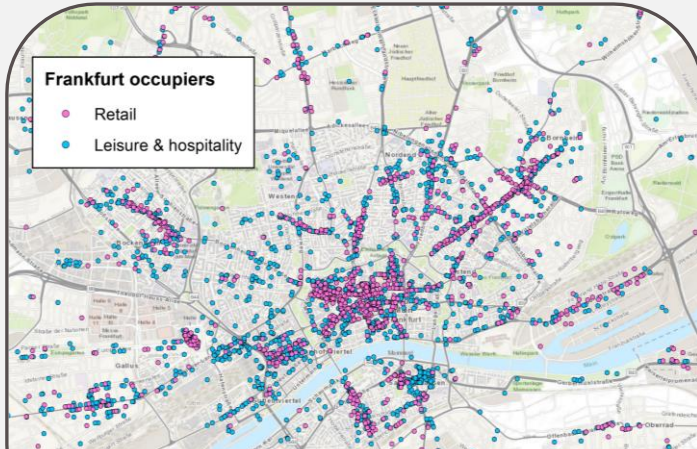
Supply
Occupier data covering all retail centres in each market

Demand
Audience distribution, disposable income and characteristics
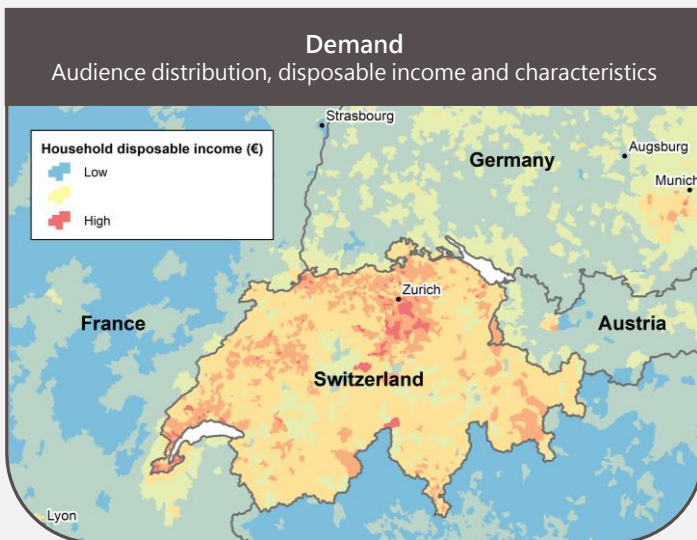
Calibrated against actual customer visits and store revenue, our gravity models take comprehensive supply and demand surfaces and combine them with travel times to predict how shoppers think and act in each location
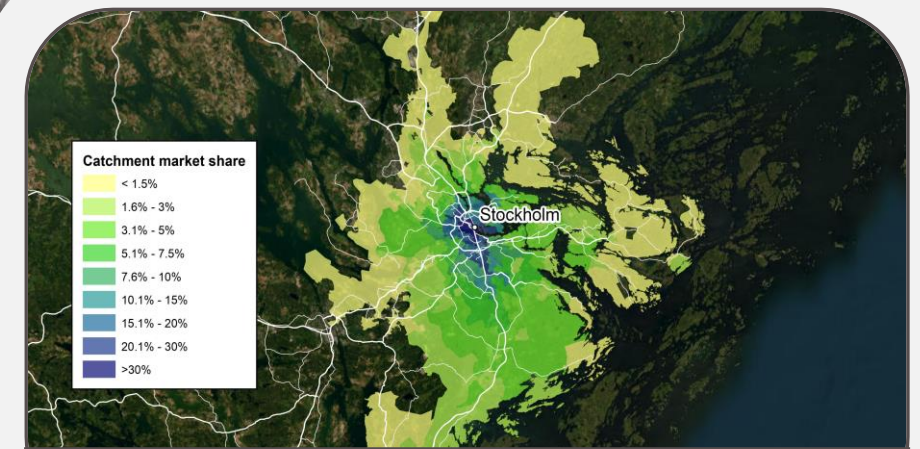
Catchments
Realistic trade areas reflecting flows of retail & leisure spend

Spend distribution
Breaks retail & leisure spend into sectors for deeper catchment analysis

Rank	Retail centre	Weighted retail spend	Share of total catchment spend	Share of spend available within...		
				Comparison goods	Leisure	Convenience
1	Manchester	€4,020.8m	24.9%	18.8%	27.0%	3.6%
2	Trafford Centre	€1,667.5m	10.3%	11.7%	2.8%	0.8%
3	Stockport	€786.2m	4.9%	5.5%	1.4%	1.3%
4	Bury	€683.4m	4.2%	4.4%	1.9%	1.6%
5	Oldham	€377.7m	2.3%	2.1%	1.7%	0.9%
6	Rochdale	€359.7m	2.2%	2.1%	1.4%	0.9%
7	Sale	€222.3m	1.4%	1.0%	1.4%	2.0%
8	Altrincham	€272.5m	1.7%	1.2%	1.8%	1.5%
9	Ashton-under-Lyne	€249.0m	1.5%	1.6%	0.6%	1.2%
0	Manchester Fort Shopping Park	€259.4m	1.6%	2.0%	0.0%	0.6%

Methodology: Oxford Economics Data

Our city and Functional Urban Area (FUA) level estimates and forecasts are modelled top-down and are fully consistent with our renowned Global Economic Macro and Global Industry models. To produce our city metrics, we utilise published sub-national data and, where necessary, also apply advanced estimation techniques such as using geospatial data.

We regularly produce forecasts and analysis for 8,000 cities and regions, and we have strong consultancy capabilities that go beyond that.

Macro forecasts → **Industry forecasts** → **Regional forecasts** → **City forecasts**

France — 3.3

Turkey — 6.4

Social Cohesion, Exchange Rate Risk, Market Cost Risk, Market Demand Risk, Sovereign Credit Risk, Trade Credit Risk Rating, Business Environment, Ideology and Policy, International Relations, Political Stability, Security Environment

In partnership with Seerist and Control Risks, Oxford Economics also rates a series of political and economic risk factors for each country on a scale of 1-10, with 10 representing the highest level of risk. These are based on a series of qualitative and quantitative definitions and calculations.

Country risk ratings are supported by comprehensive descriptions, core metrics, and data annexes.

City Retail Ranking

Paris and London are by far the strongest cities in Europe when it comes to occupier attractiveness. Paris captures slightly more spend than London overall, and outstrips the UK capital in terms of spend growth potential – but London scores higher for business environment. Ultimately, there is little between the two cities, with overall scores of 79 and 78 respectively.

Berlin ranks 3rd overall and is a strong all-rounder, with the German capital faring relatively well across all 3 categories of our index.

Milan, the 5th largest city by market size and one of the most important cities in the world for luxury retail, is impacted by Italy's poor governance (by European standards) and some weak growth prospects – the population has shrunk over the past 5 years and is ageing compared to its more youthful European peers within its size class. In addition, new out-of-town retail competition has impacted the city centre – the 70,000 sq. m Merlata Bloom Mall opened in 2023 and the 100,000+ sq. m Milanord2 is currently under construction. As a result, Milan ranks 8th in our combined retail index.

Copenhagen is 13th largest by market size, but is ranked 5th in our index as it scores 2nd highest for spend potential - while Denmark is best for business environment. This is reflected in the large number of international brands present in Copenhagen. Also outperforming its market size status is Dublin, ranked 19th for city centre market size, but 5th for growth. The Irish capital has been one of the fastest-growing cities in Europe, with 10% more residents in 2024 than 5 years ago, 27% higher nominal disposable income after housing costs, and is expected to see continued growth over the next 5 years.

Oslo sits in 12th place despite being one of the smaller European capitals, ranked 21st for city centre spend and 43rd for presence of international brands. The Norwegian capital does however benefit from a business-friendly environment, very high purchasing power, and positive economic forecasts. As a result, Oslo ranks higher in our overall ranking than both Zurich and Vienna – with the latter seeing declines in both retail sales and hospitality & leisure GVA in recent years.

	City	Country	Market Size	Spend Potential	Business Environment
1	Paris	France			79
2	London	United Kingdom			78
3	Berlin	Germany			51
4	Madrid	Spain			44
5	Copenhagen	Denmark			43
6	Amsterdam	Netherlands			42
7	Munich	Germany			42
8	Milan	Italy			40
9	Stockholm	Sweden			40
10	Dublin	Ireland			39
11	Hamburg	Germany			38
12	Oslo	Norway			38
13	Lyon	France			38
14	Zurich	Switzerland			37
15	Brussels	Belgium			37
16	Marseille	France			37
17	Vienna	Austria			37
18	Frankfurt	Germany			35
19	Manchester	United Kingdom			35
20	Barcelona	Spain			35
21	Cologne	Germany			35
22	Antwerp	Belgium			34
23	Bordeaux	France			34
24	Birmingham	United Kingdom			34
25	Lisbon	Portugal			33
26	Dusseldorf	Germany			33
27	Geneva	Switzerland			32
28	Budapest	Hungary			32
29	Prague	Czech Republic			32
30	Glasgow	United Kingdom			32

City Retail Ranking

Barcelona is one of the most prominent retail cities in Europe, ranked 8th for market size but 20th in our overall index due to weaker growth prospects and business environment and political stability – the Catalan independence movement adds an element of uncertainty.

Despite being one of the fastest-developing economies in Europe, Warsaw does not make the top 30 of our retail index due to an abundance of shopping malls vying with the commercial centre for a share of its increasing spending power. Athens also misses out in part due to a high degree of out-of-town competition – and there are more schemes under construction, including the 185,000 sq. m Ellinikon Mall to be built as part of the expansive Ellinikon regeneration project.

Rome has the biggest disparity between the size of the market (ranked 9th for spend) and its overall rank in our index (34th). The Italian capital has seen a real-term decline in retail sales, a fall in population, and weak growth in disposable income. Istanbul is another heavyweight city also pushed out of the top 30 – replaced instead by smaller cities like Geneva, Bordeaux, and Dusseldorf, which all have a highly centralised retail offer to the benefit of their city centres.

Prague is placed 29th in our retail index. Like its Central & Eastern Europe peers, Warsaw and Budapest, the city has seen notable economic success and has good potential for continued growth – the average nominal disposable income after housing costs is projected to grow by 37% over the next 5 years.

With 6 cities in the top 30, Germany is one of the most attractive countries for international expansion in Europe – although the UK and France are both strong contenders considering the opportunities available in their top cities. Despite being one of the largest markets in Europe, Italy has just one city in the top 30 as it is impacted by economic and demographic malaise and a relatively unattractive business environment.

|	Country	Cities in top 30
1	Germany	6
2	France	4
3	United Kingdom	4
4	Spain	2
5	Belgium	2
6	Switzerland	2
7	Denmark	1
8	Netherlands	1
9	Italy	1
10	Sweden	1
11	Ireland	1
12	Norway	1
13	Austria	1
14	Portugal	1
15	Hungary	1
16	Czech Republic	1
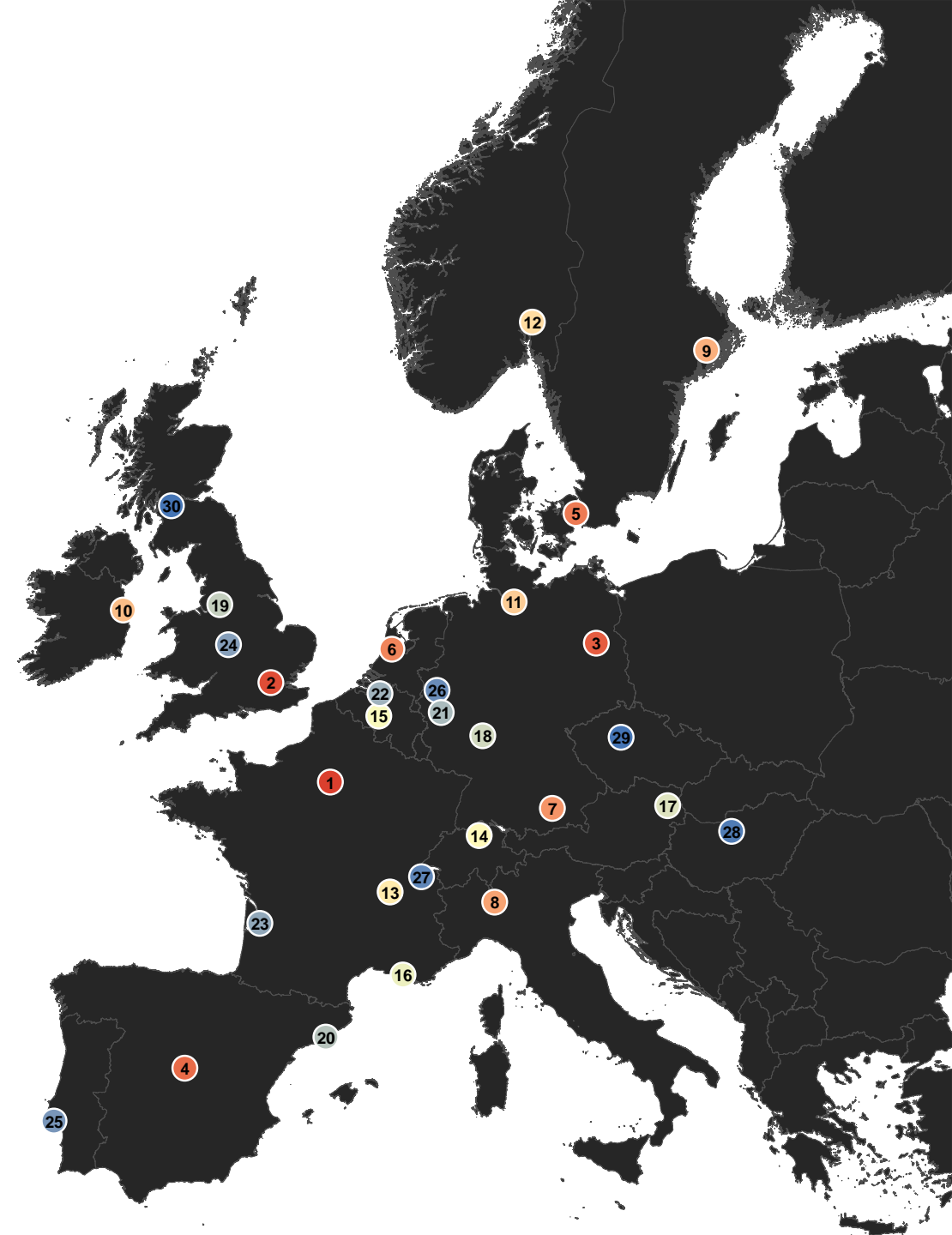
Location Strategy Services

JDM RETAIL

City-level analysis can guide market prioritisation, but JDM Retail specialises in advising occupiers on how to best maximise returns from their whole site network – including revenue & profit forecasting, unit-level analysis, 'halo' uplift to e-commerce and other sales channels, cannibalisation impacts and more.

Market prioritisation

Indicator rank		Copenhagen
Market size	Retail spend gravitated to city centre	13th
	Key international brands present in city	11th
Economics	Houshold disposable income after housing costs	24th
	Projected retail sales growth	4th
	Business environment score	1st
Target Customer Groups	Metropolitan High Achievers	19th
	Early Career Professionals	17th
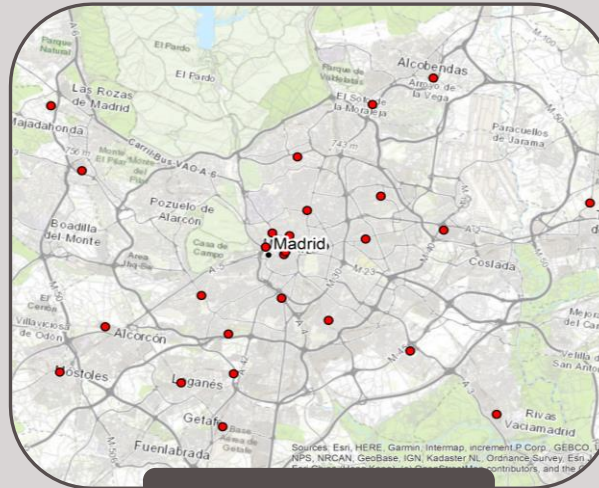
How many locations?

Which units?

Forecast sales: Low — High
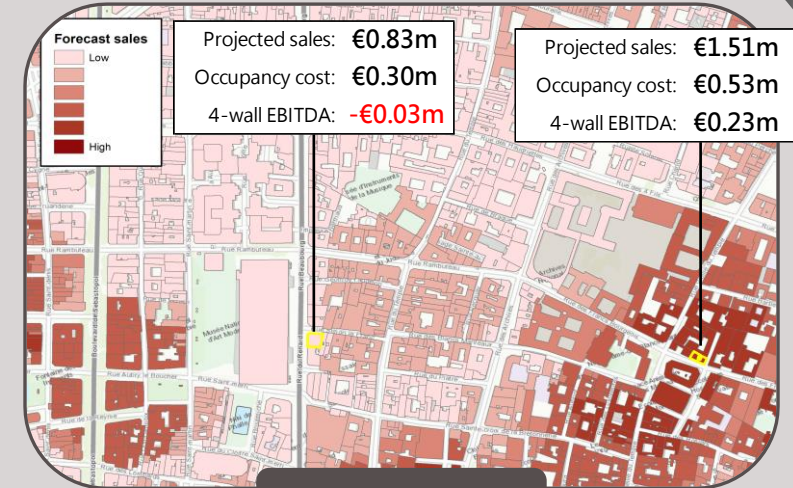
Projected sales:	€0.83m	
Occupancy cost:	€0.30m	
4-wall EBITDA:	-€0.03m	

Projected sales:	€1.51m	
Occupancy cost:	€0.53m	
4-wall EBITDA:	€0.23m	

Recommended retail centre	Maximum sales potential	Modelled cann-ibalisation impact	Estimated occupancy costs	Sales forecast: cann-adjusted			EBITDA forecast		
				4-wall	E-comm uplift	TOTAL	4-wall	E-comm uplift	TOTAL
Fashion District - Milan	€ 3.41m	-16.0%	€ 1.10m	€2.86m	€0.65m	€3.52m	€0.48m	€0.20m	€0.69m
Via Dante - Milan	€ 3.06m	-17.6%	€ 0.86m	€2.52m	€0.95m	€3.48m	€0.54m	€0.30m	€0.83m
Orio Center - Bergamo	€ 1.61m	-6.4%	€ 0.24m	€1.51m	€0.21m	€1.72m	€0.60m	€0.07m	€0.66m
Il Centro Arese - Milan	€ 1.63m	-9.2%	€ 0.31m	€1.48m	€0.25m	€1.73m	€0.51m	€0.08m	€0.59m
Carosello - Milan	€ 1.43m	-11.3%	€ 0.22m	€1.27m	€0.17m	€1.44m	€0.48m	€0.05m	€0.53m
City Life - Milan	€ 1.33m	-20.0%	€ 0.24m	€1.06m	€0.19m	€1.26m	€0.35m	€0.06m	€0.41m
CC Globo - Monza	€ 1.04m	-9.6%	€ 0.19m	€0.94m	€0.09m	€1.04m	€0.34m	€0.03m	€0.37m
	€13.52m	-13.8%	€3.16m	€11.65m	€2.53m	€14.18m	€3.29m	€0.79m	€4.08m

Quantified benefit to brand

City Forecasting & Consultancy Services

Dutch municipalities: Consumer spending growth, 2025-29 (% pa)

Sector-targeted city benchmarking
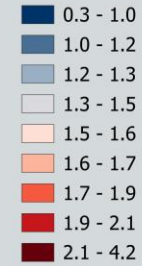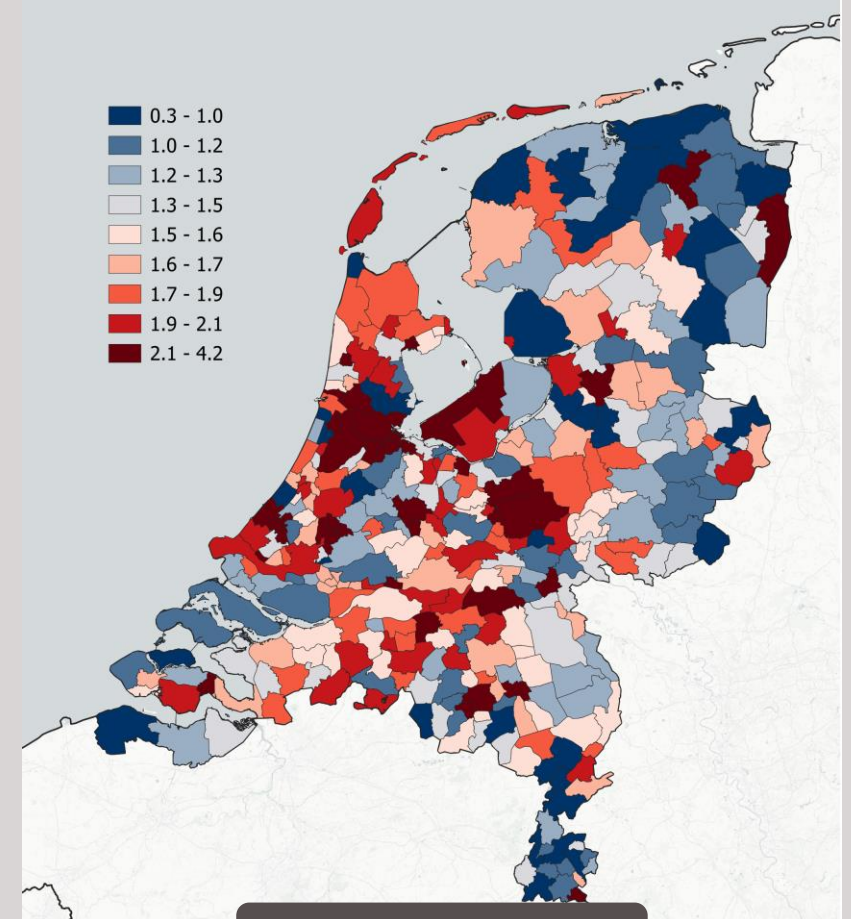
Local level forecasting

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