

REVIEW

# LOGISTICS MARKET

EUROPE Q3 2025

RESEARCH & INSIGHTS



**BNP PARIBAS  
REAL ESTATE**

Real Estate for a changing world



# Q3 2025

## LOGISTICS OCCUPIER MARKET EUROPE

### Selective improvement in the logistics market

In a context of slow economic activity and strong political uncertainties, there are contrasting trends across Europe. The lack of new developments remains supportive of rental growth in prime sectors.

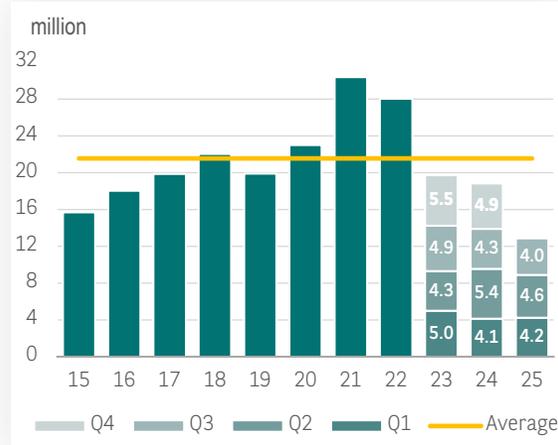
### TAKE-UP : STABLE

Q3 2025 vs Q3 2024 (year-to-date)



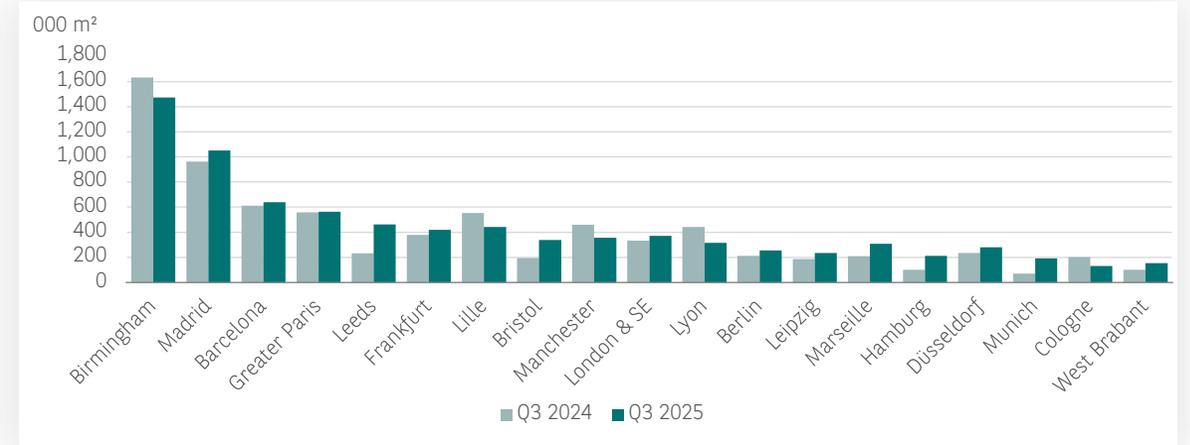
### TAKE-UP\*

(\*France, Germany, Netherlands, Spain, UK)



### Warehouses over 5,000 sqm

(\*take-up in rolling year)



#### Germany

Growth was recorded in all the top logistics sectors. The positive sentiment and confidence of companies is increasing, and more large-scale deals are occurring. Prime rents increased slightly in a few markets in the third quarter whilst average rents showed significant growth of 3.9% year-on-year, on average across all locations.

+9%

Q3 2025 vs Q3 2024 (year-to-date)

#### France

The logistics market has been slowing down. Demand has been subdued by concern about tariff and trade agreements and political uncertainties. Slower industrial activity in turn impacted demand from 3 Pls. Vacant space continued to increase (+44% in one year). This resulted in the growth of the French vacancy rate to 6% in Q3 2025.

-17%

#### United Kingdom

Demand for industrial units reached its highest level for 3 years. More than 40% of take-up was in the Midlands, however there is some suggestion that occupiers are seeking value outside of the golden triangle. After increasing steadily since 2022 supply has been stable over 2025. Rents have stabilised with small increases in Leeds and Manchester

+18%

#### The Netherlands

Slow delivery of new units into the logistics market is still impacting activity. The market is restrained by limited new developments, which take longer due to tougher planning processes. The short supply of new buildings is still exerting pressure on rents. Prime rents increased in most markets while incentives continue to be stable.

-35%

#### Spain

The Spanish market reached its 10-year annual average in Q3. It makes Spain one of the most dynamic markets in Europe for logistics. Vacancy rates stabilized at 4.6% in Barcelona whilst supply remained tight in Valencia. Prime rents have increased since the beginning of the year in Barcelona, Madrid and Valencia reflecting supply trends.

+8%

**Over 9 months, the market remained at a low level in 2025** in the leading European markets. In a context of slow economic activity and strong political uncertainties, there are great disparities and positive signs within Europe.

**Spain** remains one of the most dynamic markets in Europe reaching in 2025 its highest take-up volume over 9 months. **Germany** and the **UK** have been showing some encouraging indications with a strong activity in Q2 and Q3 boosted by bigger deals.

In **France**, activity remained weak and occupier decisions have been held back by a difficult political environment.

In the **Netherlands**, the market is subdued by a lack of new developments.

**The risk of oversupply remains limited** even though vacancy rates have been increasing in some markets. Overall, these remain relatively moderate between 5 and 6% on average in Europe.

**The strong rental growth of recent years has faded to a slower pace**, +4.4% (y-o-y) during Q3 2025.

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Source : BNP Paribas Real Estate Research



# Q3 2025

## LOGISTICS MARKET EUROPE

Market slowdown is easing the pressure on rental growth.

Prime rents rose by 4.4% during Q3 2025 (y-o-y) in a panel of 46 markets covering 22 countries.

Some cities continue to see rents expand but overall, the market slowdown in 2024 and early 2025 resulted in limited rental growth.

The vacancy rate remains low in most markets, but supply is rising, and demand is slowing down. This is still pushing rents upwards albeit at a slower rate compared to 2021-2023.

### KEY FIGURES

#### LOGISTICS PRIME RENTS

**+4.4%**

vs Q3 2024

**+0.8%**

vs LAST QUARTER

Warehouses over 5,000 sqm  
European average  
46 markets, 22 countries

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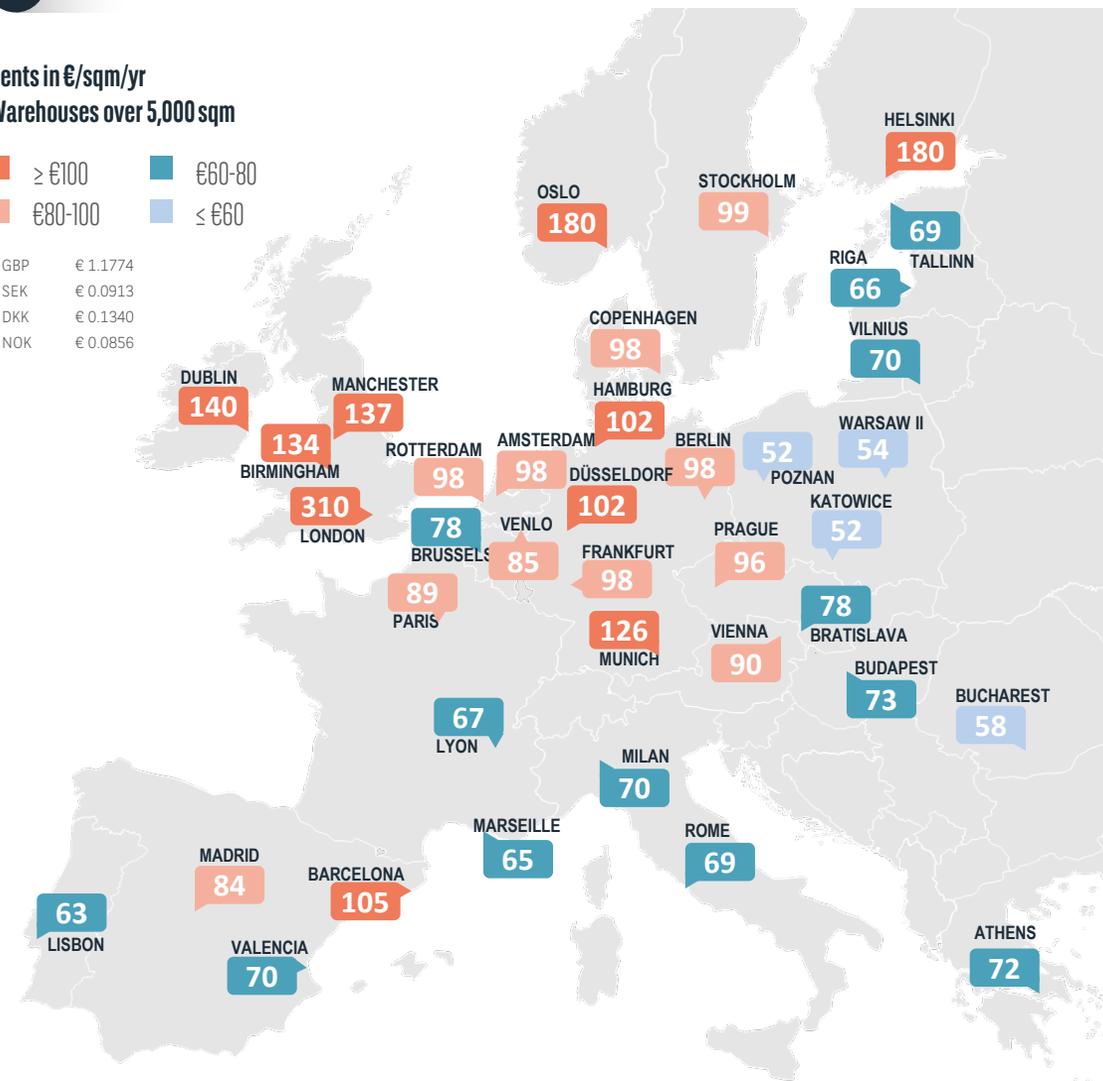


### LOGISTICS PRIME RENTS

Rents in €/sqm/yr  
Warehouses over 5,000 sqm

- ≥ €100
- €80-100
- €60-80
- ≤ €60

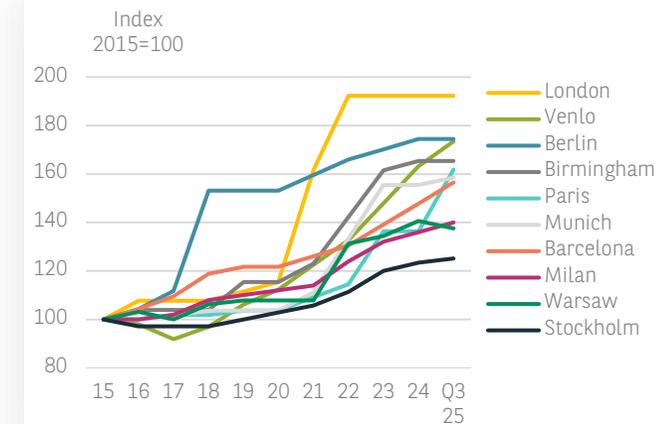
- 1 GBP € 1.1774
- 1 SEK € 0.0913
- 1 DKK € 0.1340
- 1 NOK € 0.0856



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### Prime rents

Grade A warehouses (big boxes) for standard lease terms (5 to 15 years)



Source : BNP Paribas Real Estate Research



# Q3 2025

## LOGISTICS CAPITAL MARKET EUROPE

### THE INVESTMENT MARKET IS HOLDING UP

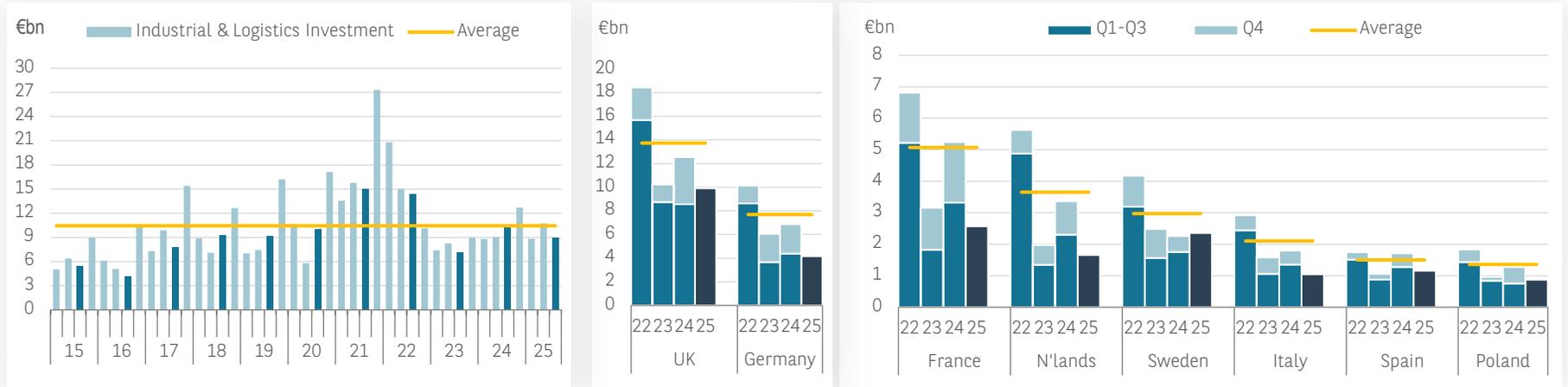
Improved general market conditions compared to 2023 and 2024, stimulated by the return of portfolios in 2025.

### INDUSTRIAL & LOGISTICS INVESTMENT

**11%** over 12 months  
**+1%** in Q3 2025 vs Q3 2024 (year-to-date)



### INDUSTRIAL AND LOGISTICS INVESTMENT VOLUMES



#### United Kingdom

Industrial and logistics investment posted steady activity in 2025. The market has been stimulated by the return of portfolios. Multi-let deals are still the top target for buyers. There are potentially several deals set to complete before the end of the year. Prime yields are holding firm.

+16%

Q3 2025 vs Q3 2024 (year-to-date)

#### Germany

Industrial and logistics investment activity has been moderate since the beginning of the year. Portfolio transaction activity, which was still comparatively slow in the first half of the year, picked up significantly in Q3. Prime yields increased by 15 bps in Q3 to 4.40% in the main logistics locations.

-5%

#### France

After a good start to the year, industrial and logistics investment has been slowing down in Q3 partly reflecting the decline in the number of large transactions. Following a slight compression at the beginning of the year, the logistics prime yield stabilized in Q3 2025 to 4.70%.

-23%

#### The Netherlands

Logistics and industrial investment accelerated in Q3 after a weak start to the year. The limited development pipeline continues to lead to reduced investment volumes through lack of choice. Logistics prime yield compressed slightly in Q3 by 5 bps to 4.70%.

-28%

#### Spain

The investment market for industrial & logistics was particularly dynamic during Q3 2025, boosted by a positive macroeconomic backdrop. After rising by 155 bps over the last two years, the prime logistics yield adjusted down at the end of 2024 to stabilise at 4.85% in Q3 2025.

-9%

#### Poland

After picking up sharply in H1 2025, reflecting better sentiment in the market, investment volumes slowed down in Q3. Industrial and logistics remains a strong performing market sector in Poland. The prime yield has been stable since the beginning of the year at 6.25%. Yield adjustment is over in Poland.

+16%

**Steady activity in 2025 despite economic and political uncertainties.** Industrial and logistics investment increased by 1% in Q3 2025 (vs Q3 2024 year-to-date) while total commercial real estate rose by 5% during the same period.

**Yield decompression has closed in most countries** with stabilisation prevailing.

**Industrial and logistics investment has been picking up again in some countries** including the UK, Sweden, Spain, and CEE countries. Activity has been more moderate in Germany and France.

**The return of portfolios transactions has been stimulating the market** and negotiations are underway in a number of countries.

**Industrial and logistics is maintaining a strong market share** against other assets. Investment shifted from 15% in 2017 to 25% of total commercial real estate in 2025.

Source : BNP Paribas Real Estate Research



# Q3 2025

## LOGISTICS MARKET EUROPE

### Logistics prime yields stabilised in Europe

Logistics prime yield expansion over the past two years has ceased with moderating inflationary pressure and long-term government bond yields hitting a ceiling.

Over the past twelve months, prime yields have adjusted gradually towards stabilisation in all European countries. They only adjusted slightly over the last quarter in Europe.

## KEY FIGURES

### LOGISTICS PRIME YIELDS

# +129 bps

SINCE Q1 2022

# +2 bps

vs LAST QUARTER

Warehouses over 5,000 sqm  
European average  
47 markets, 23 countries

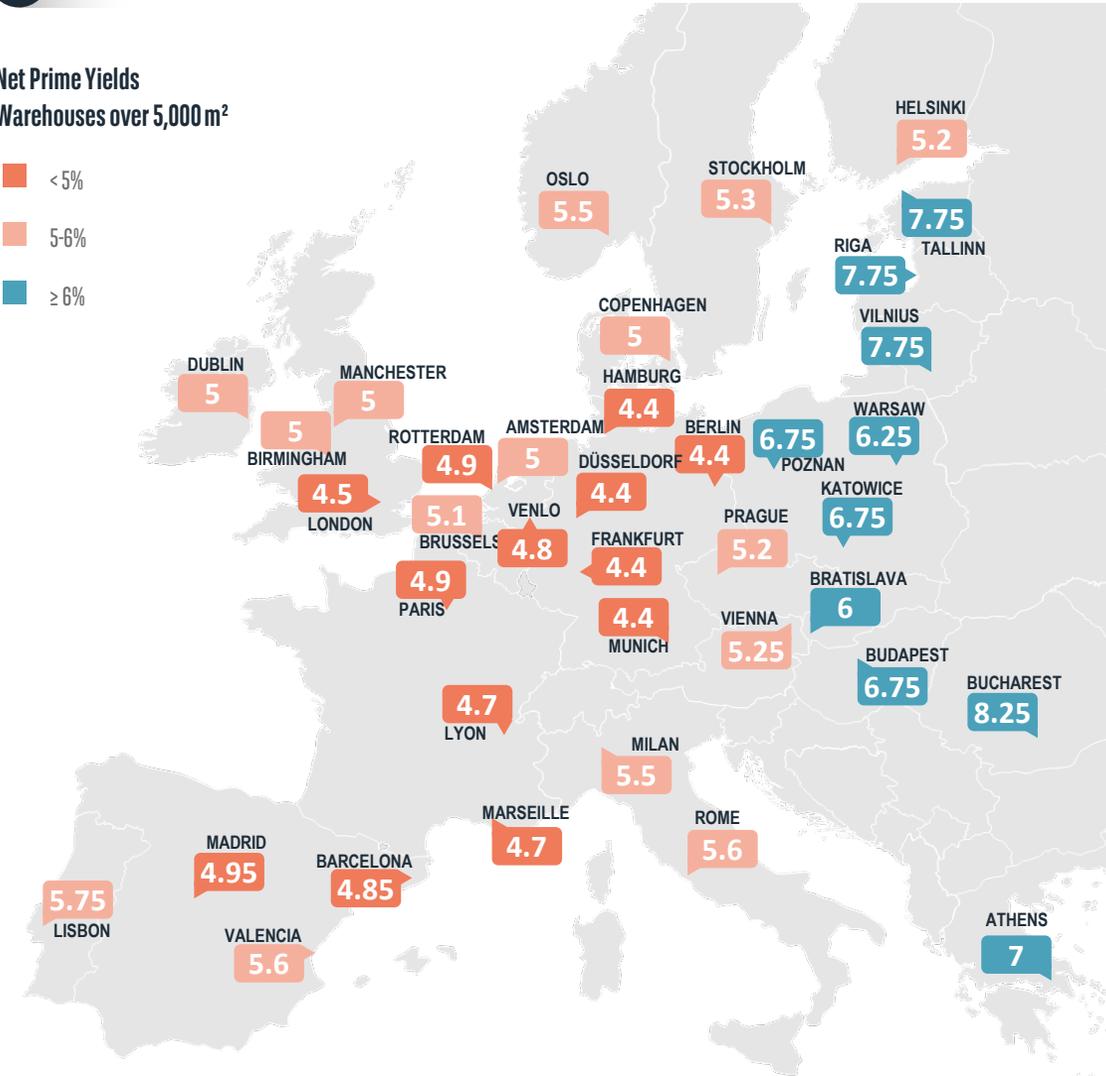
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## LOGISTICS PRIME YIELDS

### Net Prime Yields Warehouses over 5,000 m<sup>2</sup>

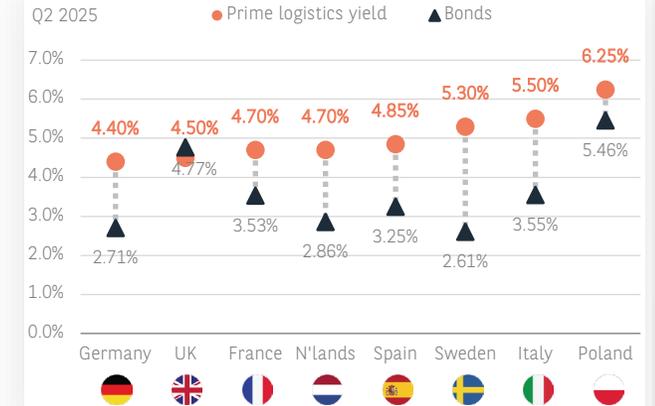
- < 5%
- 5-6%
- ≥ 6%



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### Prime yields

Grade A warehouses (big boxes) for standard lease terms (5 to 15 years)



Source : BNP Paribas Real Estate Research



Q3 2025

LOGISTICS MARKET  
EUROPE



GLOSSARY & DEFINITIONS

BNP Paribas Real Estate continually works to produce indicators which are as comparable as possible. This is a complex issue, due to cultural differences from market to market. Our goal is to actively contribute to market transparency. Consequently, we present those definitions and indicators which are strictly comparable, so that our readers can understand BNP Paribas Real Estate market data. Exchange Rates into € are the average value observed over the quarter.

#### LETTINGS & SALES

**Take-Up** represents the total floor space known to have been let or pre-let, sold or pre-sold to tenants or owner-occupiers during the survey period.

It does not include space that is under offer

- A property is deemed to be “taken-up” only when contracts are signed, or a binding agreement exists
- Pre-let refers to take-up that was either in the planning or construction stage
- All deals (including pre-lets) are recorded in the period in which they are signed
- Contract renewals are not included
- Sales and leasebacks are not included as there had been no change in occupation
- Quoted take-up volumes are not definitive and are consequently subject to change.

The breakdown of take-up by business sector is compatible with the European NACE code.

**Vacant space** represents the total floor space in existing properties, that is physically vacant, ready for occupation in the next three months (this period covers fit-out time) and being actively marketed at the survey date. Vacancy includes sublet space

(except in Germany), and where possible, vacant sub-let space is recorded separately.

**Vacancy Rate** represents the total vacant floor space divided by the total stock at the survey date.

**Development Pipeline** represents the total amount of floor space for all developments under construction and/or schemes including major refurbishments (see definition below) that have the potential to be built in the future. Proposed schemes must have secured planning permission but remain unimplemented at the survey date. It includes all proposed new buildings, those constructed behind retained facades and buildings (or parts of buildings) undergoing a change of use.

**Completions** represent the total amount of floor space that has reached practical completion and is occupied, ready for occupation or an occupancy permit where required has been issued during the survey period.

**Under Construction** represents the total amount of floor space in properties where construction has commenced on a new development or a major refurbishment at the survey date. It does not include sites being cleared for possible development in the future. Property that is under construction but pre-let or for owner occupation is recorded separately where appropriate.

**Rent:** common annual headline rent, expressed per square metre per year, and excluding taxes and charges.

**Average rent:** weighted average of rented area. The average featured is a moving average over three quarters, to smooth out the changes.

**Prime rent:** represents the top open-market rent at the survey date for a real estate unit and should be representative at around 3 to 5% of the market volume (sqm):

- of standard size commensurate with demand in each location.
- of the highest quality and specification.
- best location in a market.

Actual transactions are used to support the headline prime rental quoted, but one-off deals, which do not represent the market, are disregarded. If there are no prime transactions during the survey period a hypothetical rent is quoted, based on expert opinion of market conditions.

#### INVESTMENT

**Commercial Real Estate** investment volume covers all commercial properties BNP Paribas Real Estate is aware of, whose owner has changed during the studied period. It includes **office buildings, retail, industrial and logistic warehousing, hotels and others** (healthcare, senior housing, data centres, life science, leisure, car parks, parts of portfolio which can not be split up by product and development sites). This classification is applicable to Pan-European studies; however local market practices may vary across countries. Quoted investment volumes are not definitive and are consequently subject to change.

**Initial Net Yield** is defined as Net income (or NOI) over purchase price plus all other costs of acquisition.

**Prime Yield** represents the low open-market yield at the survey date for an office unit. Its calculation follows the same rule as the prime rent.



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Q3 2025

LOGISTICS MARKET  
EUROPE



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