

REVIEW

# LOGISTICS MARKET

EUROPE Q4 2025

RESEARCH & INSIGHTS



**BNP PARIBAS  
REAL ESTATE**

Real Estate for a changing world



# Q4 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



### +5%

vs 2024

#### Germany

The market held up well in a weak environment. Transactions above 20,000 m<sup>2</sup> increased by an impressive 30% compared to the previous year. In this size segment, logistics service providers stand out. Prime rents increased slightly in 2025 whilst average rents showed significant growth of 3.8% year-on-year, on average across all locations.

### +12%

2025 vs 2024

#### France

Demand remained below its 10-year average and subdued by concerns about tariff and trade agreements, and political uncertainties. Slower industrial activity in turn impacted demand from 3 PLs. Vacant space continue to increase (+25% in one year). This resulted in the growth of the French vacancy rate to 6.2% in Q4 2025.

### -4%

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#### United Kingdom

Over 40% of take-up was in the Midlands, however occupiers are also seeking value outside of the golden triangle. Demand was particularly strong this year for both Yorkshire and the South-West outstripping their 5-year averages. After increasing steadily since 2022 supply was stable over 2025. Overall, rents have stabilised with small increases in Leeds and Manchester.

### +13%

#### The Netherlands

Slow delivery of new units into the logistics market is still impacting activity. For the first time in several years, take-up of new units was below the volume of second-hand warehouse transactions. The short supply of new buildings is still exerting pressure on rents. Prime rents increased in most markets while incentives continue to be stable.

### -11%

#### Spain

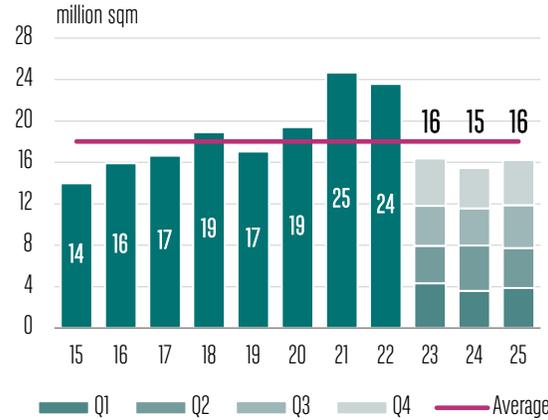
The Spanish market reached its second highest volume of take-up in 2025. Vacancy rates stabilised at 3% in Barcelona whilst supply remained tight in Valencia. In Madrid, the vacancy rate decreased slightly at 8.9% whilst future supply is dropping. Prime rents increased in Barcelona, Madrid and Valencia reflecting supply trends.

### +8%

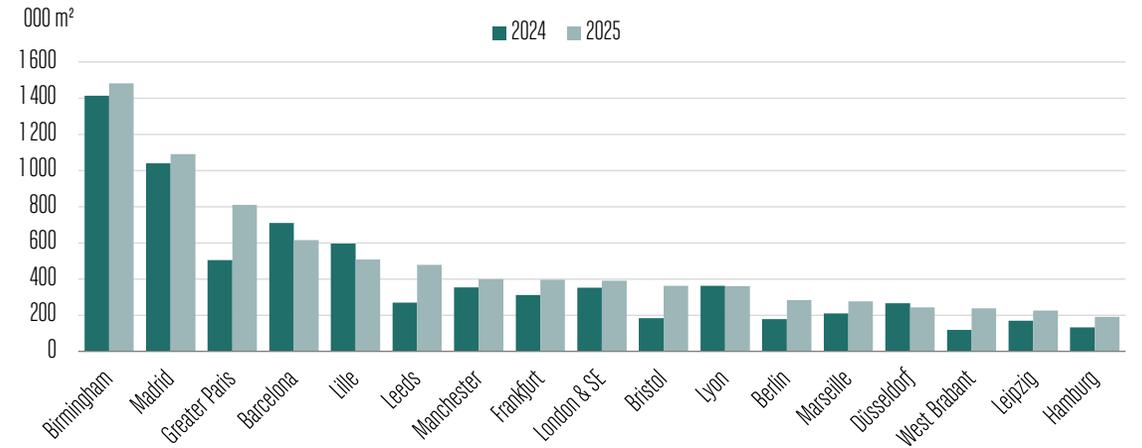


### TAKE-UP\*

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



### Warehouses over 5,000 sqm



- At the end of 2025, the logistics market showed some stronger signs of improvement in the leading European markets.
- The market was mainly driven by 3PLs, representing nearly 50% of total take-up. Sectors such as Defence and Healthcare logistics strengthened in 2025.
- Transactions between 20,000 sqm and 40,000 sqm increased significantly in the leading countries compared to last year.
- 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.
- This is still pushing rents upwards albeit at a slower rate. It is important to emphasize there are great disparities between regions reflecting a shortage of land and a lack of new developments.

Source : BNP Paribas Real Estate Research



# Q4 2025

## LOGISTICS MARKET EUROPE

### Market slowdown is easing the pressure on rental growth

Prime rents rose by 4.6% during 2025 (y-o-y) in a panel of 46 markets covering 22 countries.

Inflation and high construction costs were strong contributors to rental growth between 2020 and 2023.

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

## KEY FIGURES

### LOGISTICS PRIME RENTS

**+4.6%**  
vs 2024

**+0.5%**  
vs LAST QUARTER

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

1 GBP € 1.1426  
1 SEK € 0.0914  
1 DKK € 0.1339  
1 NOK € 0.0851

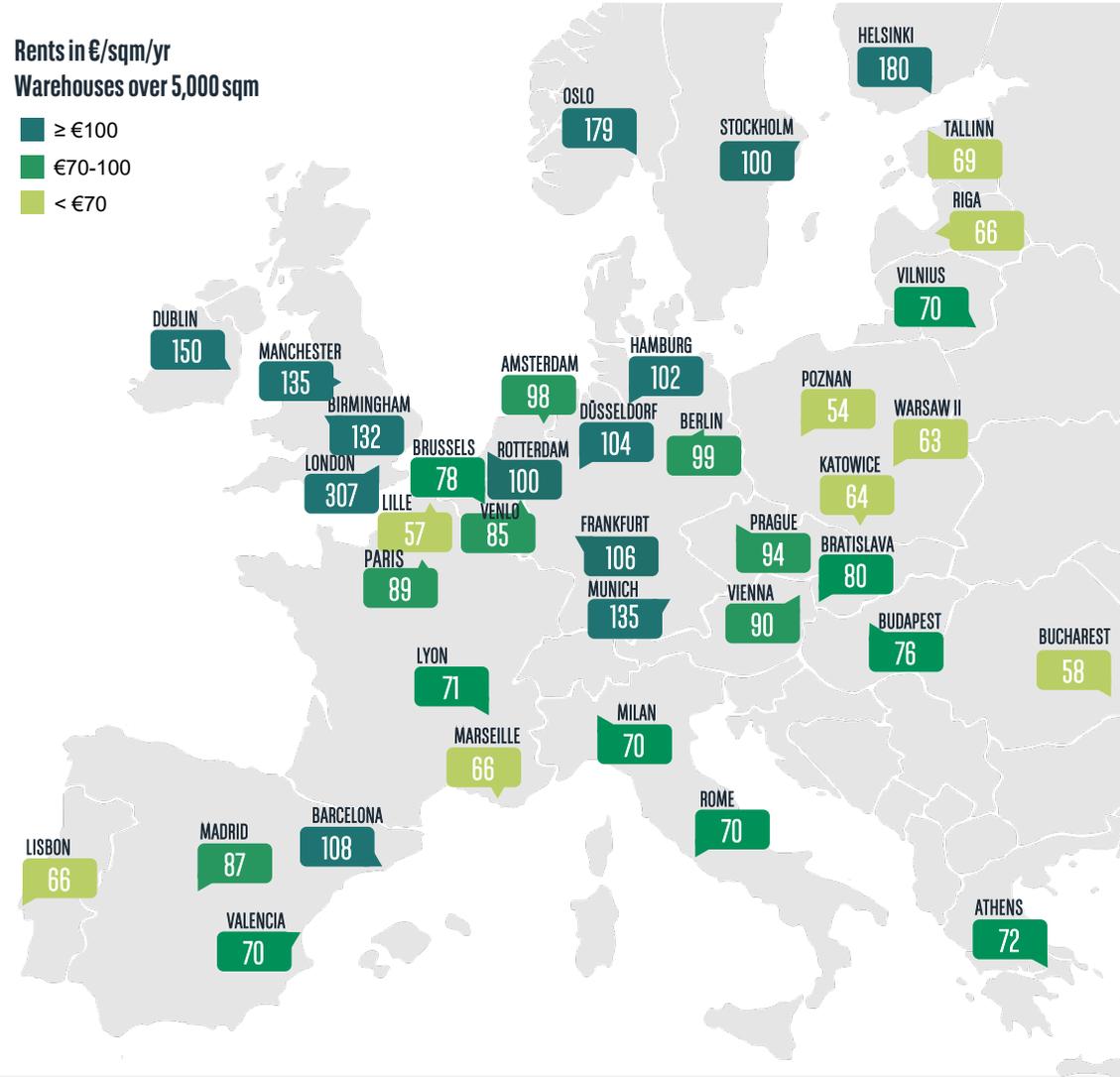
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## LOGISTICS PRIME RENTS

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

- ≥ €100
- €70-100
- < €70

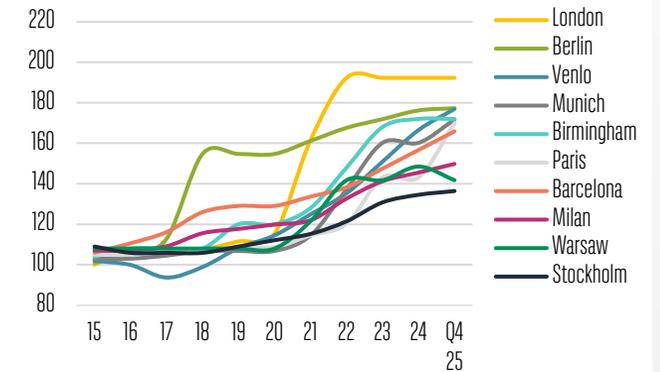


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### Prime rents

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

Index 2015=100



Source : BNP Paribas Real Estate Research



# Q4 2025

## LOGISTICS CAPITAL MARKET EUROPE

### The investment market is back to growth

Strong activity in 2025 boosted by the return of portfolio deals. Yield correction is complete in most countries providing a more stable environment.

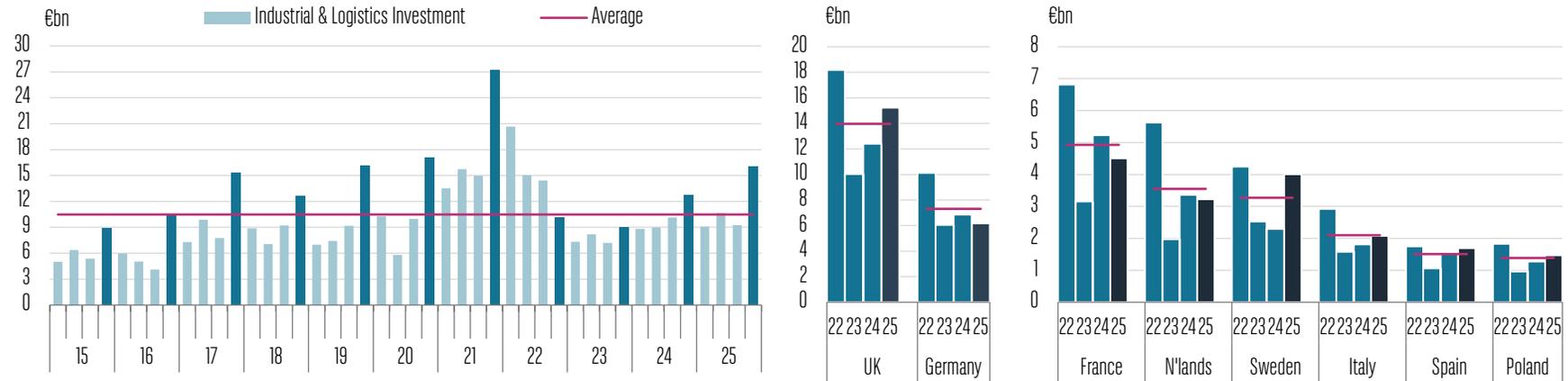
### INDUSTRIAL & LOGISTICS INVESTMENT

€ 45bn in 2025

+11% vs 2024



### INDUSTRIAL AND LOGISTICS INVESTMENT VOLUMES



#### United Kingdom

Industrial and logistics investment posted steady activity in 2025. The market was stimulated by the return of portfolio deals. Multi-let deals are still the top target for buyers. Prime yields are now holding firm, which should help investment activity.

+23%

2025 vs 2024

#### Germany

Industrial and logistics investment activity was moderate throughout 2025, with turnover share of 25% of total commercial real estate. Portfolio transaction activity, picked up significantly H2. Prime yields increased by 20 bps in 2025 to 4.50% in the main logistics locations.

-10%

#### France

Despite a decline due to the lack of jumbo deals, the capital market showed some positive signs in 2025 reaching its 10-year average. After a slight compression at the beginning of the year, the logistics prime yield stabilised in Q4 2025 to 4.90%.

-14%

#### The Netherlands

Logistics and industrial investment accelerated during the second half of the year showing a strong appetite for logistics products. Q4 was particularly active, upheld by larger transactions and portfolio deals. The logistics prime yield stabilized at 4.70% at the end of the year.

-4%

#### Spain

The investment market for industrial & logistics remained dynamic during 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 stand at 4.85% in 2025.

+11%

#### Poland

Investment volumes picked up sharply in 2025 reflecting better sentiment in the market. Industrial and logistics remains a strong performing market sector, accounting for 35% of total commercial real estate. The prime yield remained at 6.25%. Yield adjustment is over in Poland.

+13%

- The market was dynamic in H2 2025 in most European countries, €45bn were invested in Europe (+11% between 2025 vs 2024). Overall, the market has been recovering gradually over the past 3 years to nearly reach its average recorded since 2027.
- Yield decompression has closed in most countries with stabilisation prevailing.
- Industrial and logistics is maintaining a strong market share against other assets. Investment shifted from 15% in 2017 to 26% of total commercial real estate in 2025.
- Industrial and logistics investment picked up again in some countries including the UK and Sweden, with the sale of large industrial portfolios.
- Activity has been more moderate in Germany and France. The fourth quarter in both countries was livelier than Q4 2024, stimulated by the closure of bigger transactions. Overall, demand was subdued by political uncertainties in France, whilst portfolio transaction activity picked up significantly in Germany.

Source : BNP Paribas Real Estate Research



# Q4 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

**-1 bps**

over 1 year

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

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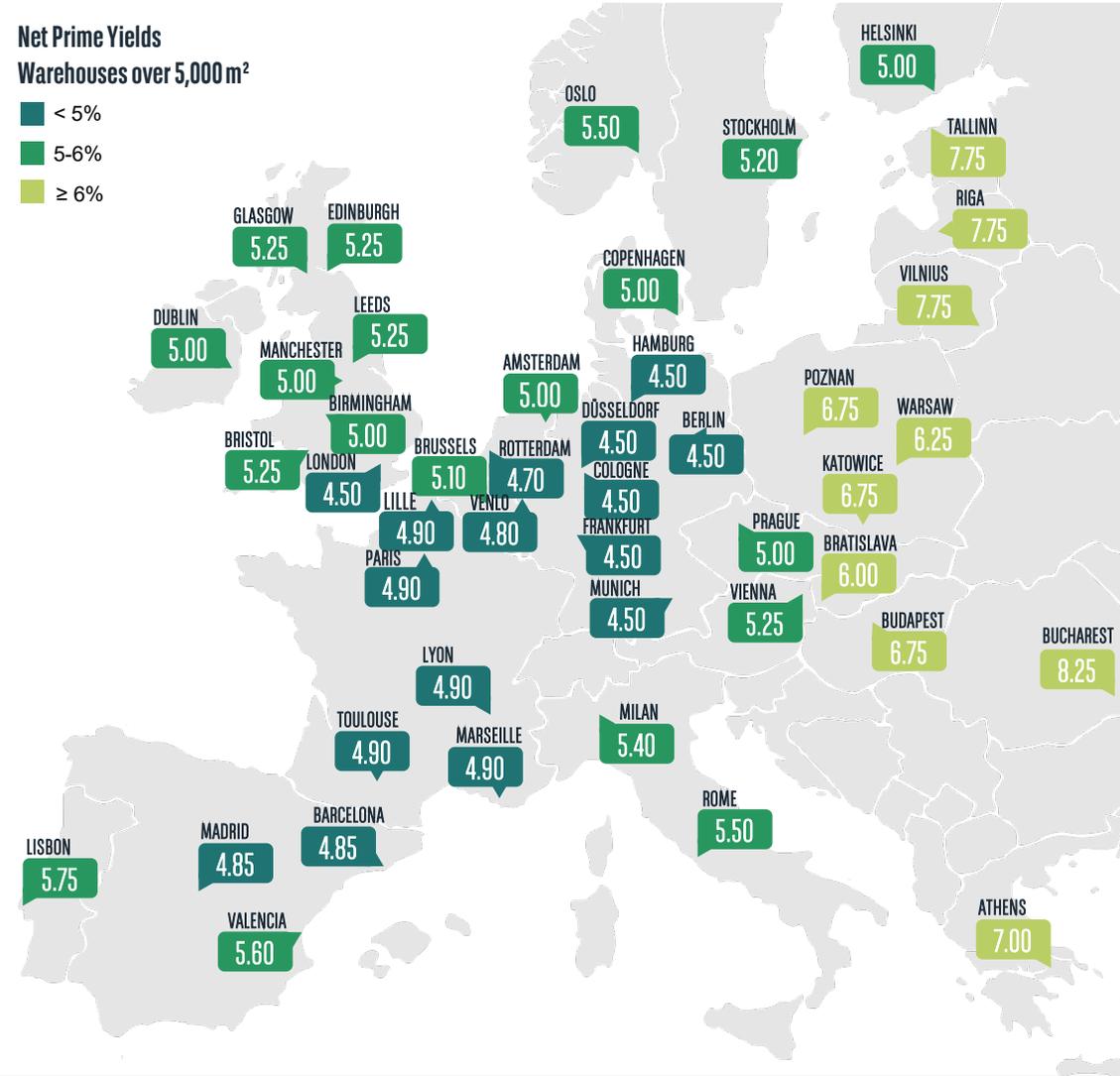


### LOGISTICS PRIME YIELDS

#### Net Prime Yields

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

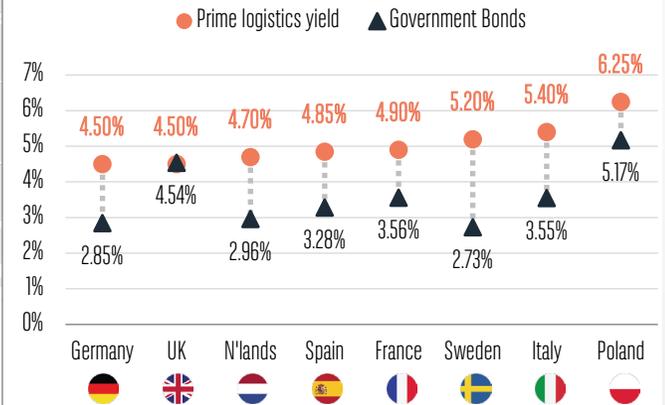
- < 5%
- 5-6%
- ≥ 6%



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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



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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Q4 2025

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