

REVIEW

LOGISTICS MARKET

EUROPE Q1 2026

RESEARCH & INSIGHTS



**BNP PARIBAS
REAL ESTATE**

Real Estate for a changing world



Q1 2026

LOGISTICS OCCUPIER MARKET EUROPE

Contrasting trends across Europe

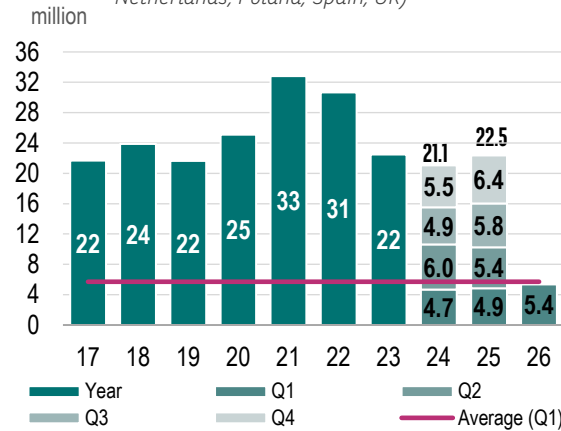
Take-up rose by 10% in the leading European markets. Demand strengthened in the UK, Spain, Germany, Poland and Italy, whilst take-up dropped in France and the Netherlands.

The market was mainly driven by 3PLs, representing nearly 50% of total take-up over the past twelve months in the main countries in Europe. Rents rose by 2.7% in Q1 2026.

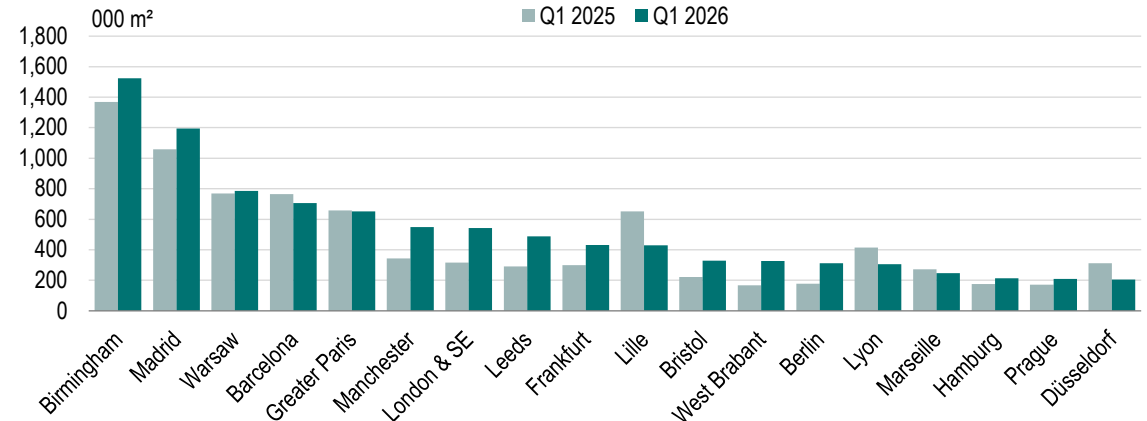


TAKE-UP*

(*France, Germany, Italy, Netherlands, Poland, Spain, UK)



Warehouses over 5,000 sqm



TAKE-UP*



+10%
vs Q1 2025

(*France, Germany, Italy, Netherlands, Poland, Spain, UK)

Germany

The occupier market enjoyed a strong start to the year in line with the upturn recorded last year. Transactions above 20,000 m² increased by an impressive 69% compared to the previous year. In this size segment, logistics service providers stand out, their activity being supported by e-commerce demand. Prime rents increased slightly in Q1 2026.

+38%

Q1 2026 vs Q1 2025

France

The logistics providers who own more than 40% of the logistic stock in France recorded high vacancy rates over the last 18 months. Consequently, they are handling new client contracts on existing vacant space rather than taking new leases. Greater Paris which experienced a strong rebound in 2025 only recorded 2 transactions in Q1 2026.

-62%

United Kingdom

The occupier market increased slightly to nearly reach its 10-year average. Some 45% of take-up was in the Midlands, however occupiers are also seeking value outside of the golden triangle. Overall, rents have stabilised with small increases in Leeds and Manchester.

+10%

The Netherlands

Slow delivery of new units into the logistics market is still impacting activity. The market is constrained 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 continued to be stable.

-30%

Spain

At the start of the year, the Spanish market maintained a strong momentum and reached its second highest volume of take-up in Q1 2026. Vacancy rates stabilized at 3.5% in Barcelona whilst supply was still tight in Valencia. In Madrid, the vacancy rate remained high with future supply dropping.

+17%

Poland

The occupier has been picking up recording its strongest Q1 increase in 4 years. Poland's economy is particularly dynamic. In 2025, the country posted the highest growth rate in Central Europe and one of the highest in the European Union. The vacancy rate decreased slightly to 7.3% in Q1 2026. Prime rents have been picking up over the past 12 months in some markets but overall remained stable on average.

+75%

Italy

Logistics take up achieved the highest first quarter results on record, driven by logistics players' expansion and consolidation strategies, with the 3PL sector continuing to play a key role. The contribution to total take-up made by large occupier transactions was significant over the period. The wider Milan area remains the country's main logistics hub accounting for the focus of occupier interest and activity.

+67%

Source : BNP Paribas Real Estate Research



Q1 2026

LOGISTICS MARKET EUROPE

A subdued market is still easing the pressure on rental growth

Prime rents rose by 2.7% during Q1 2026 (y-o-y) in a panel of 45 markets covering 21 countries.

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

In Q1 2026, some cities continue to see rents expand but overall, the market slowdown over the past two years resulted in limited rental growth in most markets.

KEY FIGURES

LOGISTICS PRIME RENTS

+2.7%

vs Q1 2025

+0.6%

vs LAST QUARTER

Warehouses over 5,000 sqm
European average
45 markets, 21 countries

1 GBP € 1.1516
1 SEK € 0.0935
1 NOK € 0.0878

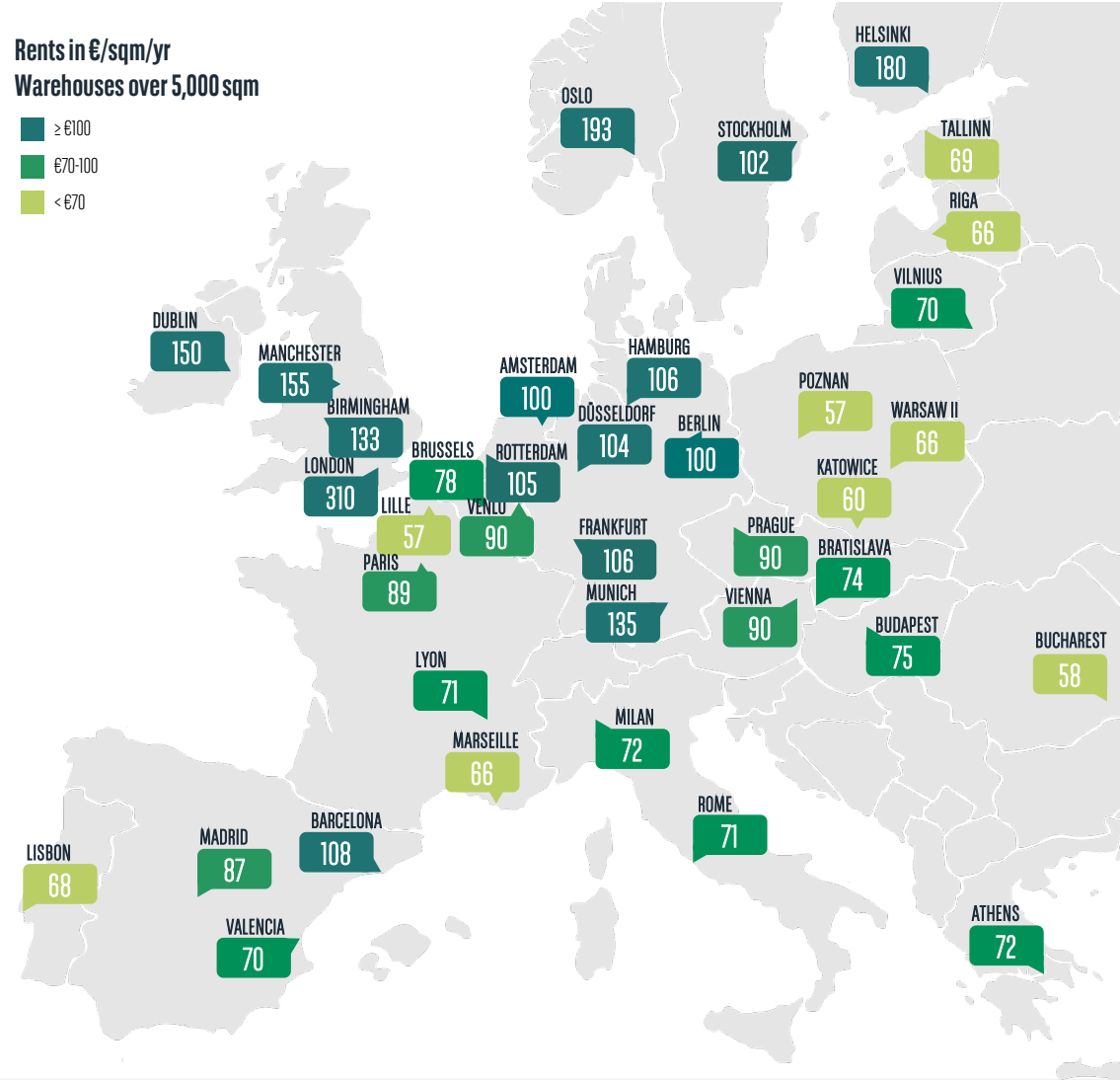
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LOGISTICS PRIME RENTS

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

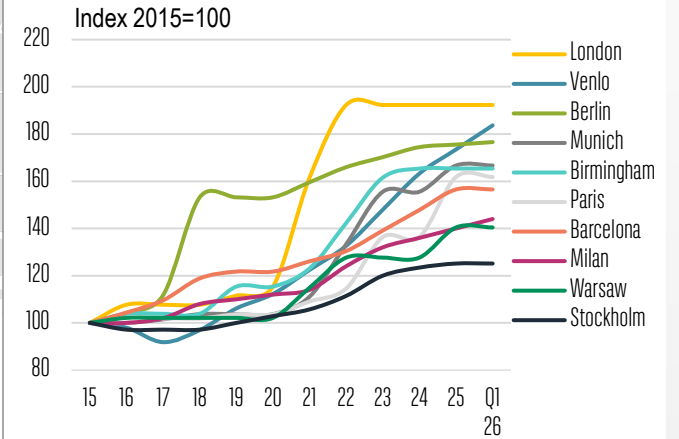
- ≥ €100
- €70-100
- < €70



Shutterstock © Gordenkruff

Prime rents

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



Source : BNP Paribas Real Estate Research



Q1 2026

LOGISTICS OCCUPIER MARKET EUROPE

A new wave of uncertainty

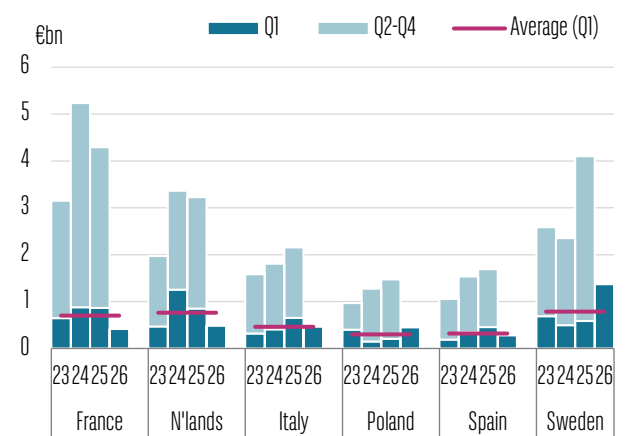
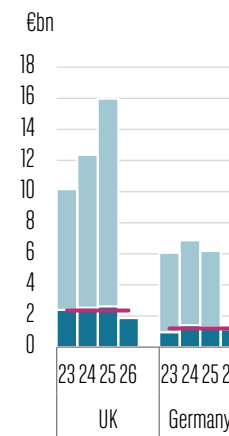
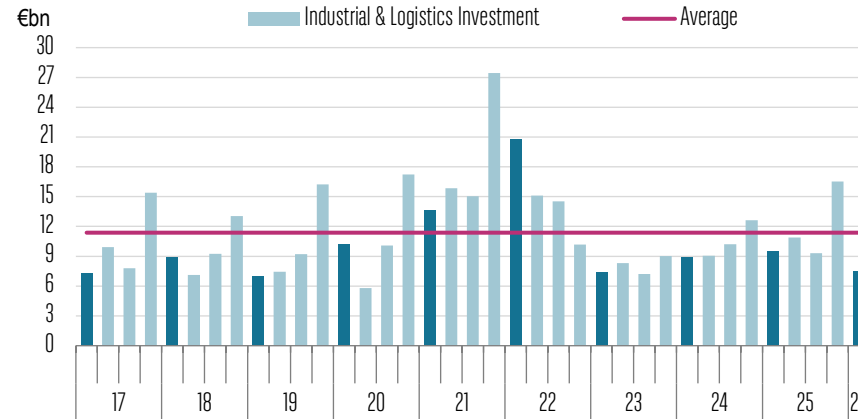
Overall, the Middle East crisis and its share of uncertainties has cooled investors' confidence.

Long-term government bond yields increased on average by 25bps in Europe during Q1.

Stable overall in Europe, prime logistics yield movement ahead will depend on the ECB's decisions on its policy rates and its impact on 10-year government bonds



INDUSTRIAL AND LOGISTICS INVESTMENT VOLUMES



INDUSTRIAL & LOGISTICS INVESTMENT

€ 7.5bn in Q1 2026



-21%

vs Q1 2025

United Kingdom

Despite a strong end to 2025 and gradually reducing interest rates in January and February, the Middle East crisis brought a new wave of caution in March resulting in disposals being postponed. Higher bond yields combined with moderating rental growth have caused pricing to drift out 25 bps to 5.00%.

-29%

Q1 2026 vs Q1 2025

Germany

The escalating conflict in the Middle East triggered some movement in the capital markets in a short amount of time. Yields on 10-year German government bonds rose more than 35 bps in March. In this context, logistics saw a temporary drop in transaction volume.

-11%

France

The beginning of 2026 recorded a significant slowdown in industrial and logistics investment in France. This can be explained by the lack of products with only few portfolios available and the political risk with the prospect of the 2027 presidential elections. The prime yield decompressed to 5.00%.

-29%

The Netherlands

Logistics and industrial investment slowed down in Q1 2026 as the Middle East conflict dented investor confidence in economic and financing conditions. The limited development pipeline continues to lead to hold investment volumes through lack of choice. The prime yield stabilized at 4.70% in Q1 2026.

-11%

Spain

The investment market for industrial and logistics slowed in Q1 2026 to its 10-year average. After rising by 155 bps over the last two years in Spain, the prime logistics yield stabilized at 4.85% in Barcelona during Q1 2026 and decompressed in Madrid to 5.00% reflecting higher vacancy rates.

-52%

Poland

Investment volumes picked up sharply at the end of 2025 and again in Q1 2026 reflecting better sentiment in the market even though ongoing geopolitical uncertainty may weigh on investor sentiment. After over a year at 6.25%, the prime yield moved down to 6.00% in Q1 2026.

+121%

Italy

Investment activity in the Industrial & Logistics sector remained above the Q1 10-year quarterly average, confirming the structural depth of the market despite a more moderate pace of activity. Grade-A warehouse yields held at 5.40%, reflecting a structurally limited supply of high-quality stock, while last mile logistics assets stood at 5.10%.

-29%

Source : BNP Paribas Real Estate Research



Q1 2026

LOGISTICS MARKET EUROPE

Logistics prime yields stabilised overall with some price adjustments

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

During Q1 2026, long-term government bond yields increased on average by 25bps in Europe. With higher bond yields and moderate rental growth, price adjustments have been recorded in France, Germany and the UK.

KEY FIGURES

LOGISTICS PRIME YIELDS

+132 bps
SINCE Q1 2022

+3 bps
over 1 year

Warehouses over 5,000 sqm
European average
46 markets, 21 countries

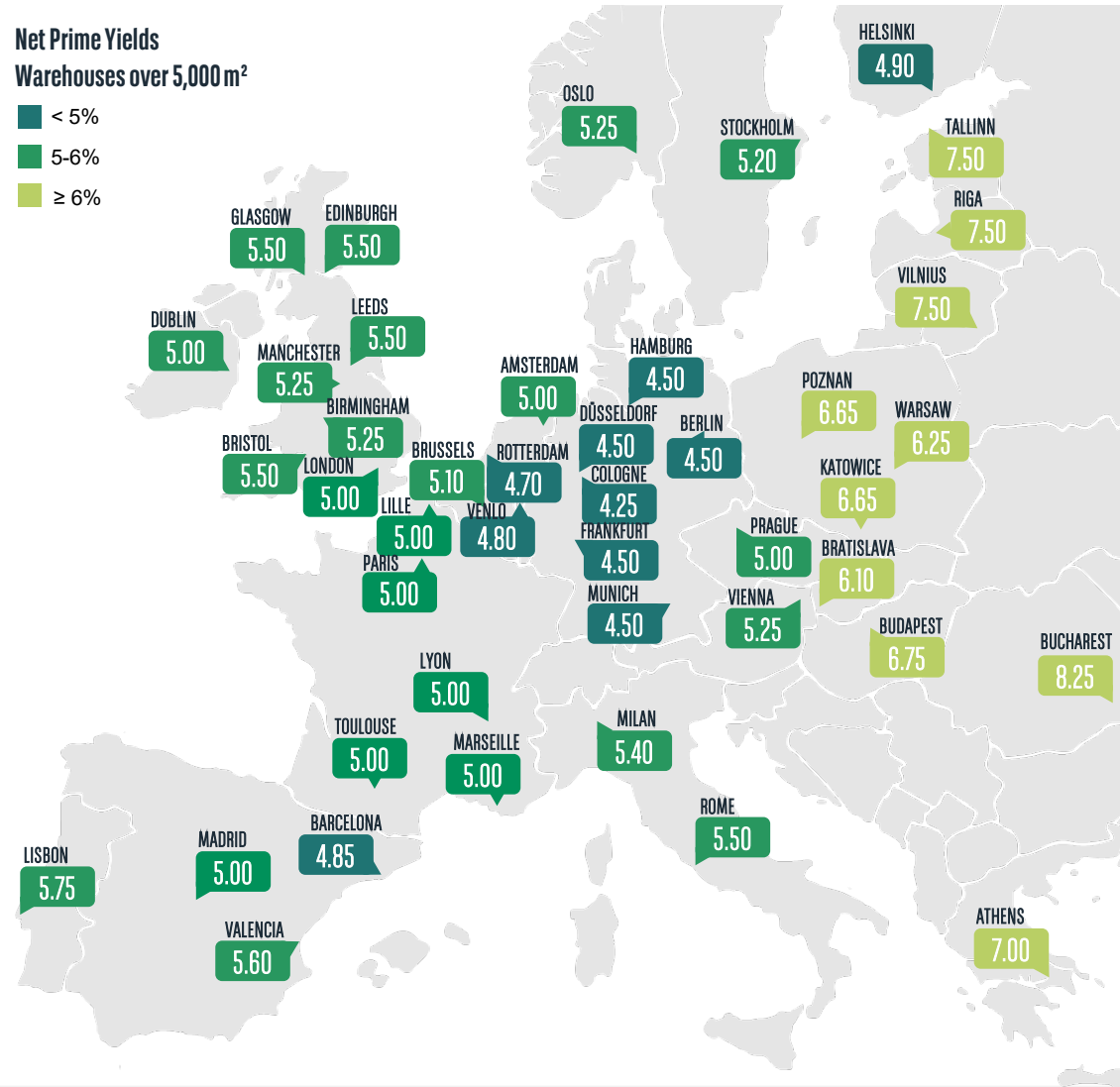
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LOGISTICS PRIME YIELDS

Net Prime Yields Warehouses over 5,000 m²

- < 5%
- 5-6%
- ≥ 6%



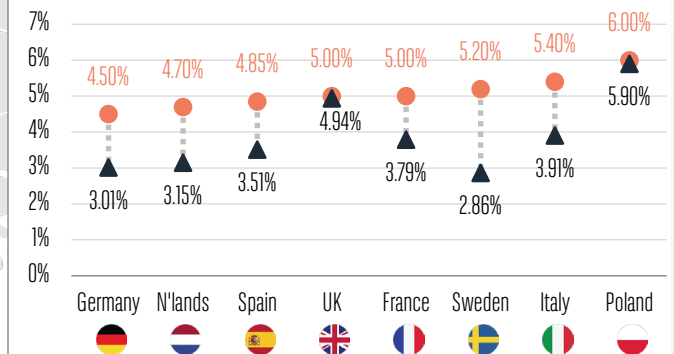
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Prime yields

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

Q1 2026

● Prime logistics yield ▲ Government Bonds



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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