REVIEW

LOGISTICS MARKET

EUROPE Q2 2026

RESEARCH & INSIGHTS

BNP PARIBAS REAL ESTATE

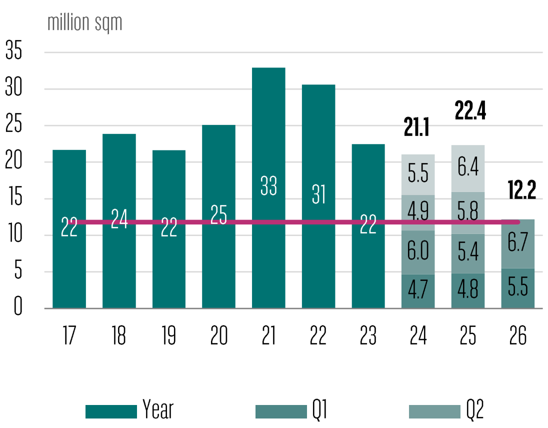
Real Estate for a changing world

The occupier market is posting strong momentum in Q2

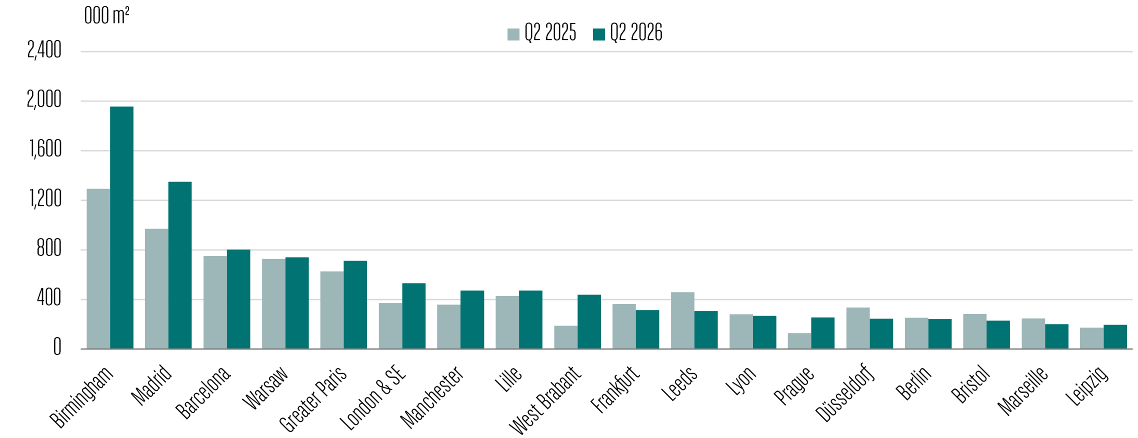
Take-up increased by 20% in the leading European markets. The logistics market is showing great resilience maintaining a strong growth momentum in Germany, Poland, Spain and Italy. France and the Netherlands recorded encouraging signs with strong activity in Q2.

Rents rose by 3.3% in Q2 2026 (y-o-y).

TAKE-UP* (*France, Germany, Italy, Netherlands, Poland, Spain, UK)



Warehouses over 5,000 sqm



TAKE-UP*

+20%

vs H1 2025

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

Germany

In Q2, it posted one of the strongest first-half performances in recent years.
Logistics service providers continued to dominate occupier demand, their activity being supported by e-commerce demand.
Prime rents showed little movement compared to the beginning of the year.
Year-on-year growth was recorded in almost all locations.

+24%

France

Following a particularly sluggish first quarter, the French logistics market recovered in the second quarter of 2026.
E-commerce players are increasing their market share, accounting for 30% of take-up.
Apart from Greater Paris and Marseille, most markets continue to see stabilizing rental values.

-13%

United Kingdom

The occupier market rose to nearly reach its 10-year average; 60% of take-up was in the Midlands.
Demand picked up particularly in the North-West, Yorkshire and London and South-East,.
After increasing steadily since 2022 supply has been decreasing in the main markets in 2026. Overall, rents have stabilised with small increases in Leeds and Manchester

+7%

The Netherlands

Logistics leasing activity remains below the strong levels recorded during the market peak.
Vacancy rates in the traditional hotspots are still low. Demand is more selective and mainly concentrated on modern and high-specification warehouse facilities.
Rental levels for the best-performing logistics assets reached historically high levels.

-11%

Spain

The Spanish market maintained a strong momentum in Q2 2026 and reached its highest half-year volume of take-up in history.
Vacancy rates dropped to 2.8% in Barcelona and 8.4% in Madrid during Q2 2026.
Prime rents increased in all the main Spanish markets during Q2 2026, after rising demand and decreasing vacancy rates.

+25%

Poland

The occupier has been picking up in most submarkets boosted by large transactions in Poznan and Silesia. Poland's economy is particularly dynamic. In 2026, the country is posting the highest growth rate in Europe.
The vacancy rate decreased slightly to 6.6% in Q2 2026.
Prime rents have ben picking up over the past 12 months in some markets but overall remained stable on average.

+58%

Italy

Logistics take-up achieved the highest H1 results on record, driven by logistics operator 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.

+62%

H1 2026 vs H1 2025

Source : BNP Paribas Real Estate Research

Q2 2026 LOGISTICS MARKET EUROPE

A subdued market is still easing the pressure on rental growth

Prime rents rose by 3.3% during Q2 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 Q2 2026, some cities continue to see rents expand but overall, the market slowdown in 2025 and early 2026 resulted in limited rental growth.

KEY FIGURES

LOGISTICS PRIME RENTS

+3.3% vs Q2 2025

+1.1% vs LAST QUARTER

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

1 GBP	€ 1.1544
1 SEK	€ 0.0919
1 NOK	€ 0.0912

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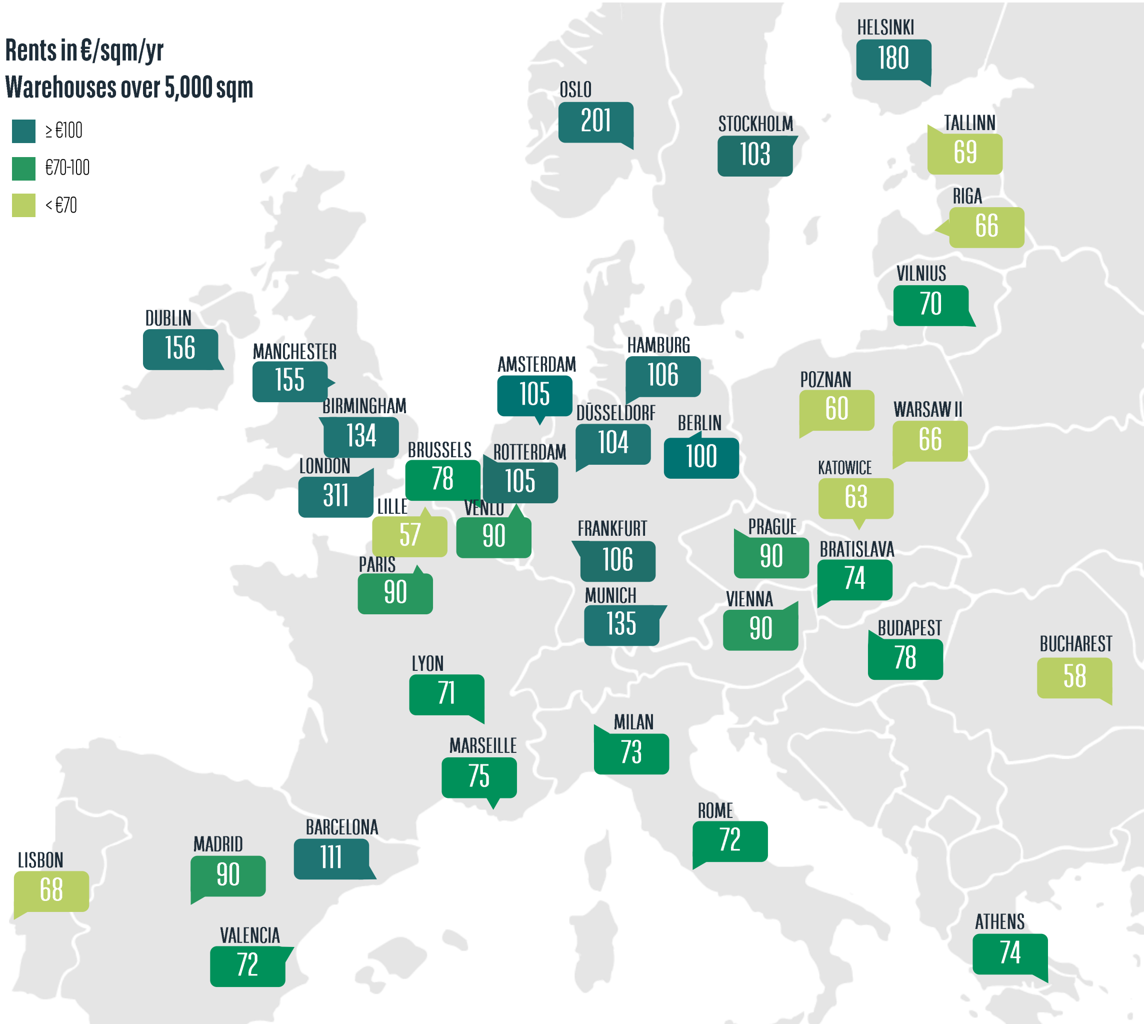
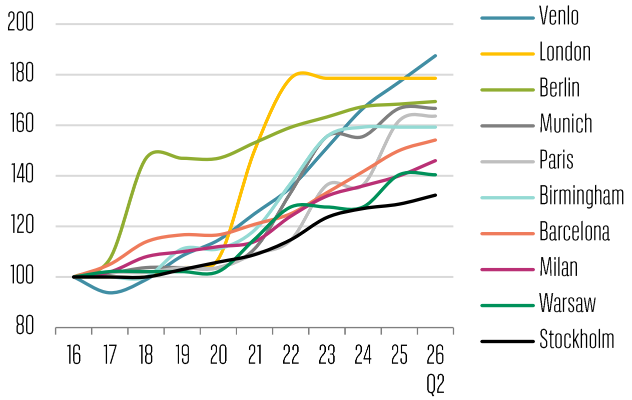
LOGISTICS PRIME RENTS

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



Prime rents

Grade A warehouses (big boxes) for standard lease terms (5 to 15 years)
Index 2016=100



Source : BNP Paribas Real Estate Research

Contrasting price adjustment

The investment market's good momentum of 2025 was brought to a stop in most European countries during Q1 2026. Some improvement was recorded in Q2. Overall, the Middle East crisis and its share of uncertainties has cooled investors' confidence.

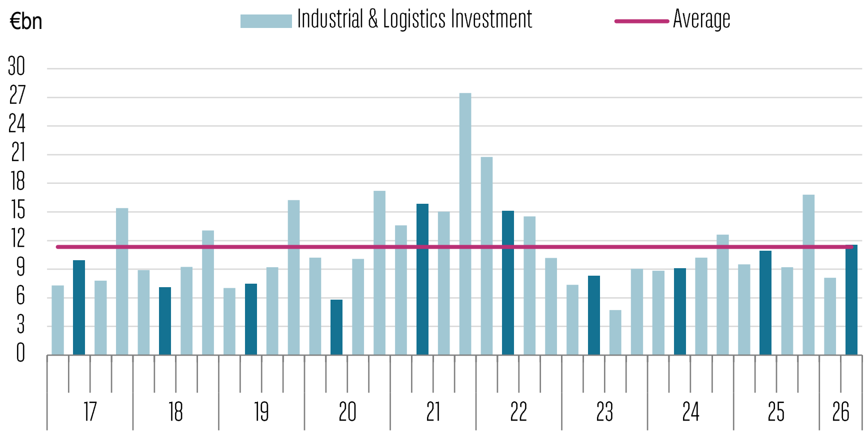
Industrial and logistics is maintaining a strong market share against other assets. Investment shifted from 15% in 2017 to 24% of total commercial real estate in Q2 2026.

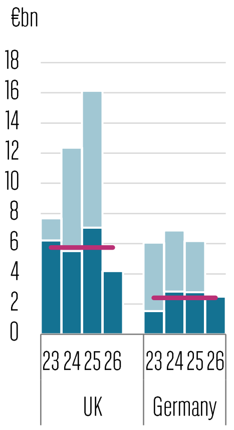
INDUSTRIAL & LOGISTICS INVESTMENT

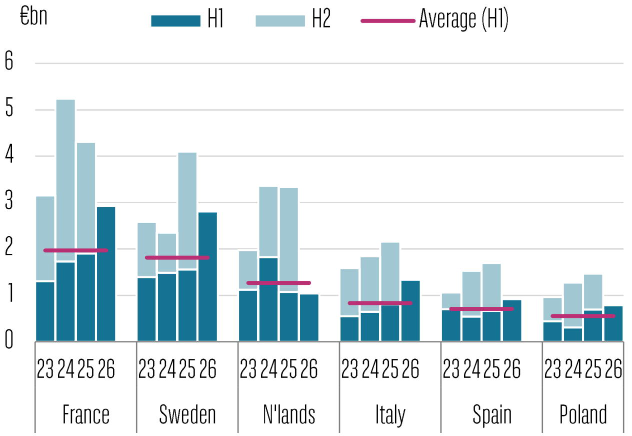
€ 19.6bn in H1 2026

-4% vs H1 2025

INDUSTRIAL AND LOGISTICS INVESTMENT VOLUMES







United Kingdom

Investment fell sharply in the UK during H1 2026 as liquidity dried up in the market.
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 move out 25 bps to 5.00%.

-41%

Germany

Logistics was impacted with a slowdown in activity in the mid-sized segment. Foreign investors are the main players accounting for 75% of total logistics investment.
Logistics prime yields rose 10bps in Q2 to 4.60%.
Demand for modern logistics assets remains strong, but higher financing costs are taking their toll on purchase prices in the sector.

-10%

France

The capital market was boosted in Q2 by the sale of Proudreed's industrial and logistics portfolio to Blackstone.
Slow occupational demand is weighing on the investment market and many owners are adopting a "wait-and-see" strategy.
The prime yield, which expanded during the second half of 2025 and early 2026, reached 5.25% in Q2.

+54%

The Netherlands

After a slow start to the year, the logistics capital market picked up in Q2 as investor confidence improved. Value-add and redevelopment opportunities remained a key focus for investors seeking rental growth potential.
After compressing slightly by 5bps in 2025, the logistics prime yield stabilized at 4.70% in H1 2026.

-3%

Spain

The investment market for industrial and logistics picked up in Q2 2026 above its 10-year average. Over the past twelve months, this sector accounted for just 13% of total real estate investment.
After rising by 155 bps over the last two years in Spain, the prime logistics yield decompressed by 15bps to 5.00% reflecting higher vacancy rates.

+38%

Poland

Investment volumes picked up sharply at the end of 2025 and again in H1 2026 reflecting better sentiment in the market even though ongoing geopolitical uncertainties are still weighing on investor sentiment.
After a year at 6.25%, the prime yield moved down to 6.00% in Q1 2026 pointing to growing competition for prime assets.

+13%

Italy

Investment activity in the Industrial & Logistics sector was particularly dynamic in Q2 boosted by several portfolio deals.
Prime logistics yields remained unchanged quarter-on-quarter in Q2 2026, reflecting sustained occupier demand for modern, well-located facilities and a structurally limited supply of high-quality stock.

+66%

H1 2026 vs H1 2025

AdobeStock © TeacherPhoto

Source : BNP Paribas Real Estate Research

Contrasting price adjustments

After increasing on average by 25bps in Europe during Q1, Long-term government bond yields returned to Q4 2025 levels.

With higher bond yields and moderate rental growth, price adjustments have been recorded in France, Germany and the UK.

Up 9 bps over one year 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.

KEY FIGURES

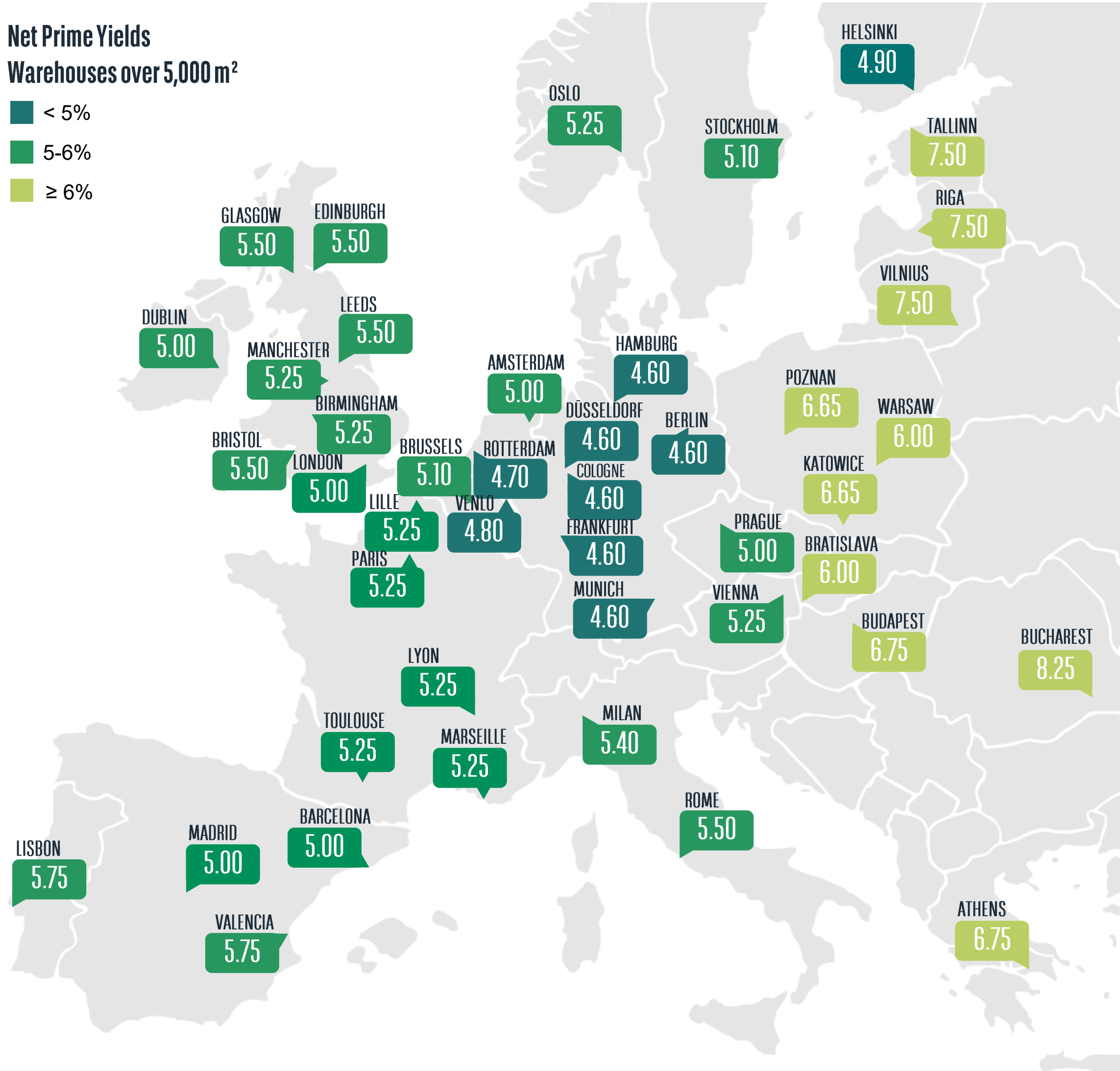
LOGISTICS PRIME YIELDS

+136 bps
SINCE Q1 2022

+9 bps
over 1 year

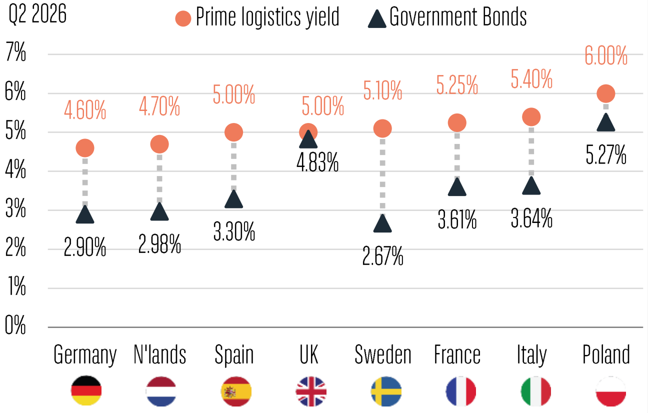
Warehouses over 5,000 sqm
European average
46 markets, 21 countries

LOGISTICS PRIME YIELDS



Prime yields

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



Source : BNP Paribas Real Estate Research

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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