REVIEW

LOGISTICS MARKET

EUROPE Q3 2026



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RESEARCH & INSIGHTS

BNP PARIBAS REAL ESTATE

Real Estate for a changing world

Q3 2026 LOGISTICS MARKET EUROPE

Market Resilience and Diversification of Requirements

The logistics market is showing great resilience maintaining a strong growth momentum in Poland, Italy, Germany and Spain. Demand is heavily driven by the expansion of e-commerce and the activity of third-party logistics providers (3PLs).

Needs are diversifying, ranging from a demand for very large spaces in some markets to a preference for flexibility, performance, and high-specification modern facilities in others.

TAKE-UP*

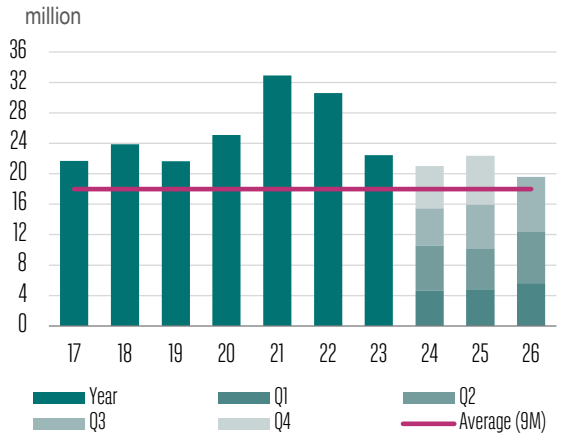
△ +23%

vs 2025 (9M)

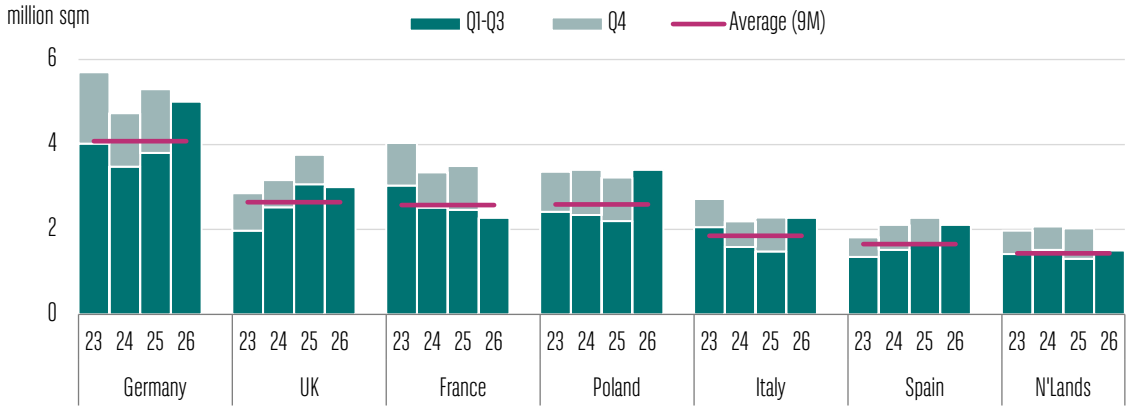
*(*France, Germany, Italy, Netherlands,, Poland, Spain, UK)*

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



Warehouses over 5,000 sqm



Germany

Despite economic and geopolitical headwinds, Germany's logistics market remains resilient, driven primarily by a surge in deals over 20,000 sqm. Logistics service providers continued to dominate occupier demand, generating 45% of total take-up and accounting for numerous large lettings, their activity being supported by e-commerce demand.

+32%

United Kingdom

The occupier market was much busier than the investment side with take-up increasing to near its 10-year average. Demand has strengthened significantly in the Midlands, where year-to-date figures show a 39% increase compared to the previous year. This area has emerged as the most dynamic of the country, representing 56% of the total UK take-up.

-2%

France

Take-up has declined since the Q1 2022 peak, with 2.28M sqm in the first nine months of 2026. Demand is concentrated in smaller spaces (<20k sqm) as users prioritize flexibility and performance over size. E-commerce remains a structural driver (25% of take-up vs. 7% five-year average), led primarily by Amazon.

-8%

Italy

Logistics take up achieved the highest 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 Italy's primary logistics hub.

+53%

Spain

The Spanish market maintained strong momentum in Q3 2026 and reached its highest nine months volume of take-up in history. The primary drivers of demand for logistics space are robust consumption levels, record-breaking tourism figures, and the expansion of e-commerce. Vacancy rates dropped to 1.8% in Barcelona and 6.9% in Madrid during Q3 2026.

+28%

The Netherlands

Logistics leasing activity saw an uptick in Q3, driven by a significant transaction, although it has not yet returned to the peak levels observed previously. While vacancy rates remain low in traditional hotspots, demand has become more selective, focusing primarily on modern, high-specification warehouses.

+15%

Poland

Occupier demand has been increasing across most submarkets, driven by significant transactions in Poznan and Silesia. The Polish economy remains particularly dynamic, posting the highest growth rate in Central Europe and the European Union for 2026. While prime rents have risen in certain markets over the past 12 months, they have remained stable on average.

+55%

2026 vs 2025 (9M)

Source : BNP Paribas Real Estate Research

Q3 2026 LOGISTICS MARKET EUROPE

Resilient rental growth driven by low vacancy

During Q3 2026, prime rents increased by 3.4% year-on-year across 46 markets in 22 countries.

The current upward trend is sustained by low vacancy rates, averaging approximately 5% across Europe. Significant regional disparities persist, reflecting localized land shortages and a deficit in new developments.

Despite continued expansion in certain cities, the broader market slowdown observed since 2024 has led to more limited overall rental growth.

KEY FIGURES

LOGISTICS PRIME RENTS

+3.4%
vs Q3 2025

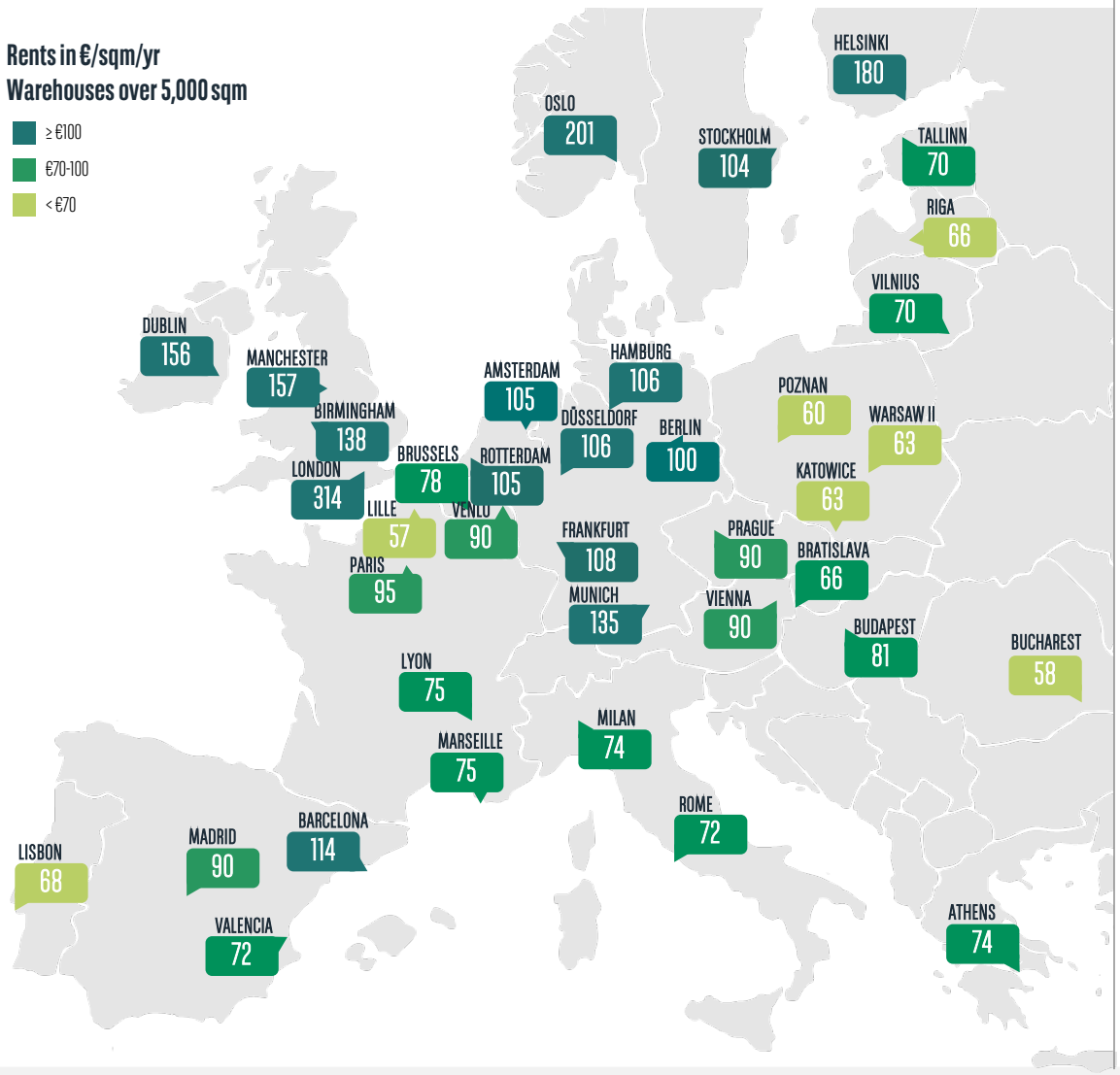
+1.1%
vs LAST QUARTER

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

1 GBP	€ 1.1683
1 SEK	€ 0.0900
1 NOK	€ 0.0914

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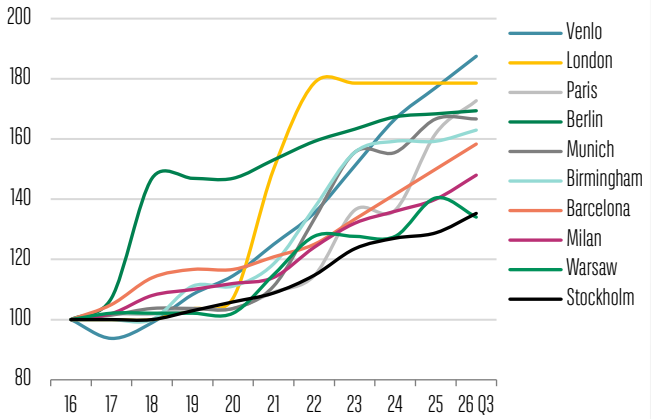
LOGISTICS PRIME RENTS





Prime rents

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



Source : BNP Paribas Real Estate Research

Q3 2026 LOGISTICS MARKET EUROPE

Selective improvement in Q3

The positive trajectory established in 2025 was interrupted across most of Europe in Q1 2026.

Investor sentiment has been adversely affected by the volatility surrounding the Middle East crisis. Simultaneously, the escalation of borrowing costs has shifted investor requirements, leading to a period of price discovery and renegotiation. It created greater business uncertainties, leading many players to reconsider their logistics projects.

INDUSTRIAL & LOGISTICS INVESTMENT

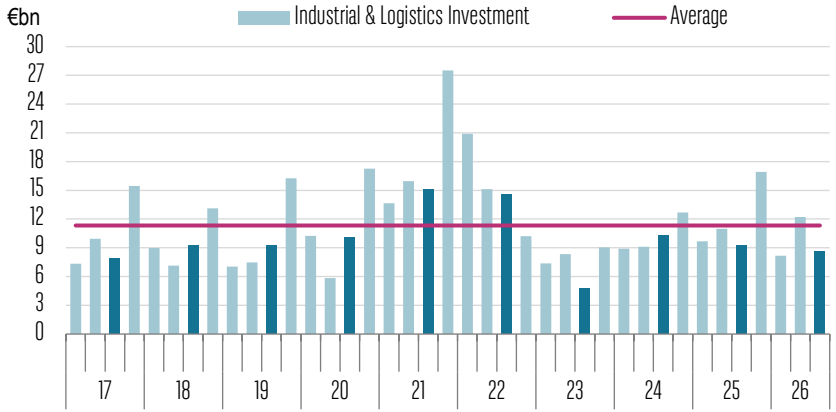
€ 29.0bn in 2026 (9M)

-3%

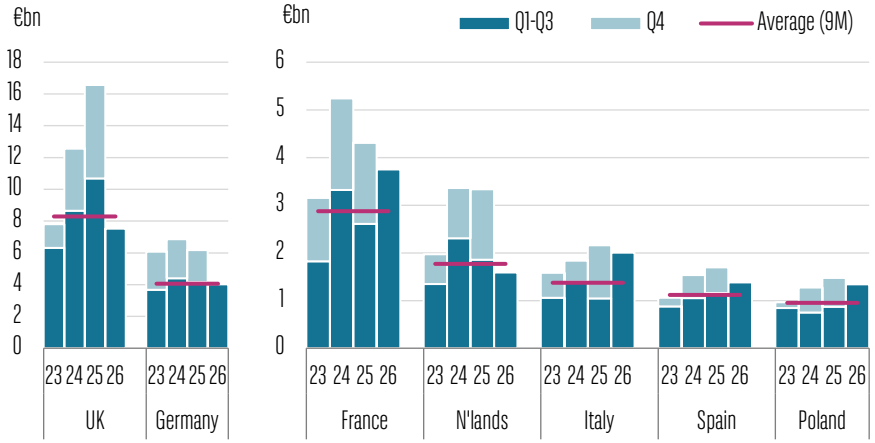
vs 2025 (9M)

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INDUSTRIAL AND LOGISTICS INVESTMENT VOLUMES



United Kingdom



United Kingdom

Investment fell sharply in the UK during 2026 as liquidity dried up in the market.
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 resulting in disposals being postponed.
Higher bond yields combined with moderating rental growth have caused pricing to move out to 5.25%.

-30%

Germany

Logistics investment is lower at €4bn but remains robust.
The market is seeing a surge in both the number of deals and high-volume transactions.
Foreign investors remain a primary driver, contributing over €3 billion, with European and North American investors leading the trend.
Prime yields have continued to rise by 10bps to 4.70% in Q3.

-4%

France

Industrial & Logistics investment In France, increased thanks to a large-scale deal signed in Q2.
Overall, investors remain cautious, prioritizing Core/Core+ assets.
Tightening credit conditions have led to a further decompression of the prime yield, which now stands at 5.50%.

+44%

The Netherlands

Logistics capital market activity slowed in Q3 after a brief Q2 rebound, with volumes continuing to trend well below the 10-year average.
Redevelopment opportunities remained a key focus for investors seeking rental growth potential.
The logistics prime yield reached 4.75% in Q3 2026, reversing the marginal 5bps compression observed throughout 2025.

-15%

Italy

The Industrial & Logistics sector continues to attract significant investment, nearly reaching 2025's annual volume in just nine months boosted by several portfolio deals.
Prime logistics yields decreased by 10 bps to 5.30% in Q3 2026, reflecting sustained occupier demand for modern, well-located facilities and a structurally limited supply of high-quality stock.

+92%

Spain

The investment market for industrial and logistics slowed in Q3 2026 but remained well above its 10-year average. Over the past twelve months, this sector accounted for just 15% of total real estate investment.
The prime logistics yield decompressed by 15bps in Q2 before stabilising in Q3 2026. The rise in government bonds is expected to impact logistics yields in the coming months.

+19%

Poland

Investment volumes picked up sharply at the end of 2025 and again in 2026 reflecting better sentiment in the market even though ongoing geopolitical uncertainties are still weighing on investor sentiment.
Industrial and logistics remains a strong performing sector in Poland accounting for one third of total commercial real estate in 2026.

+54%

2026 (9M) vs 2025 (9M)

Source : BNP Paribas Real Estate Research

Q3 2026 LOGISTICS MARKET EUROPE

Contrasting price adjustments

Over the past 12 months, long-term government bond yields increased on average by 65bps in Europe (over 21 countries).

Higher financing costs and geopolitical tensions have reduced investor confidence and forced a revision of prices.

Going forward, prime logistics yield movements will depend on ECB's decisions over policy rates and their impact on 10-year government bonds.

KEY FIGURES

LOGISTICS PRIME YIELDS

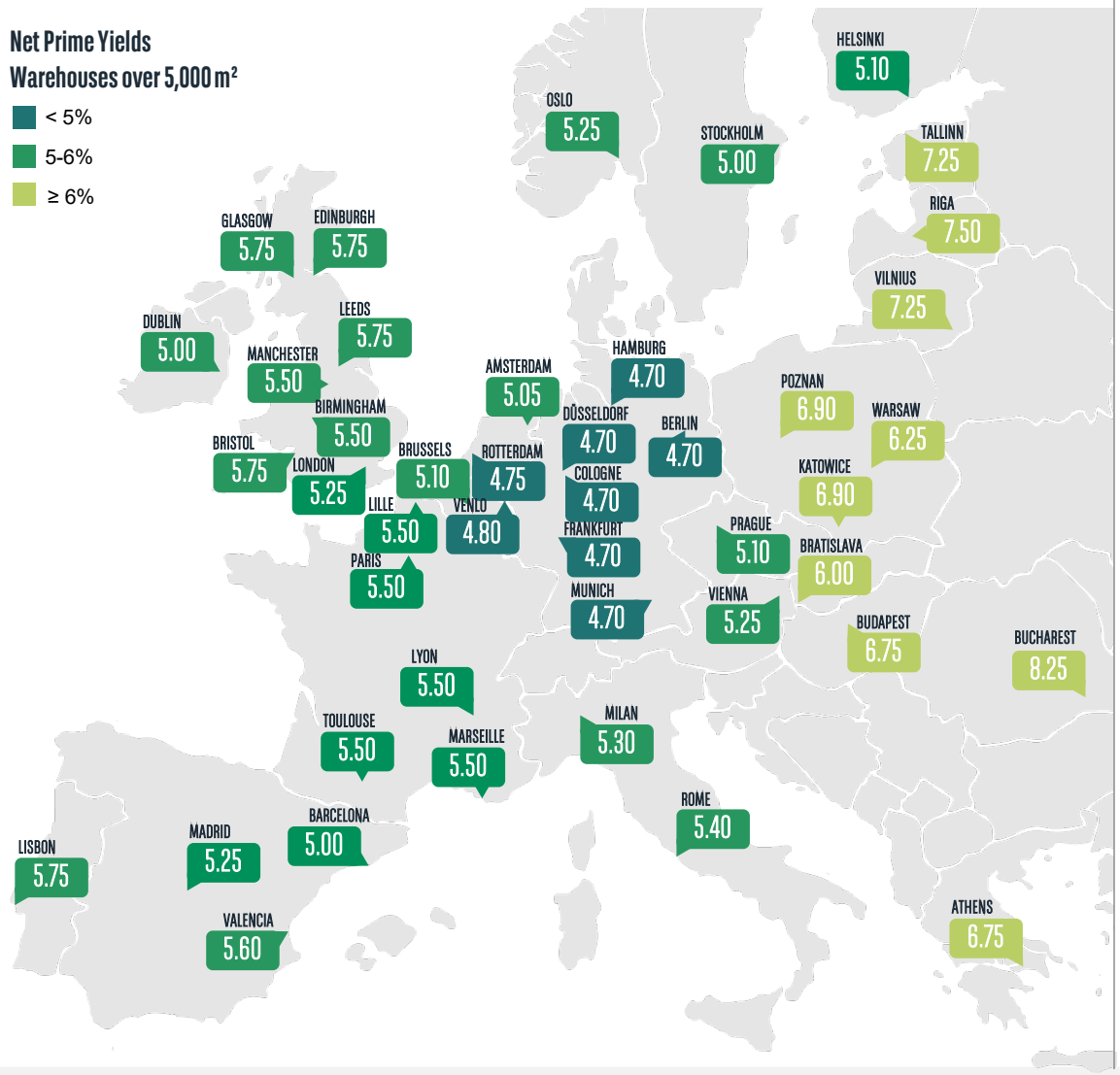
+145 bps
SINCE Q1 2022

+15 bps
over 1 year

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

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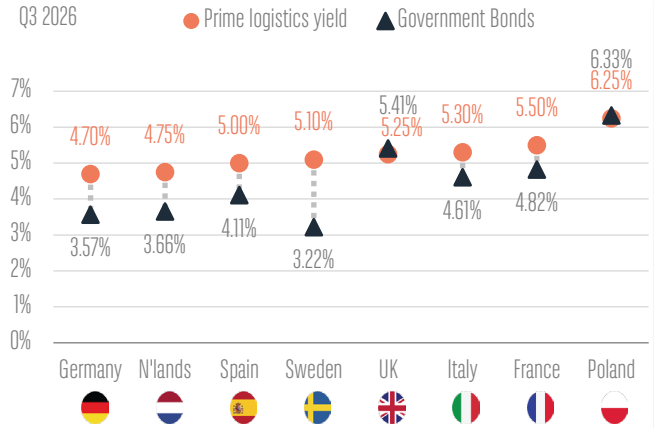
LOGISTICS PRIME YIELDS




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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

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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