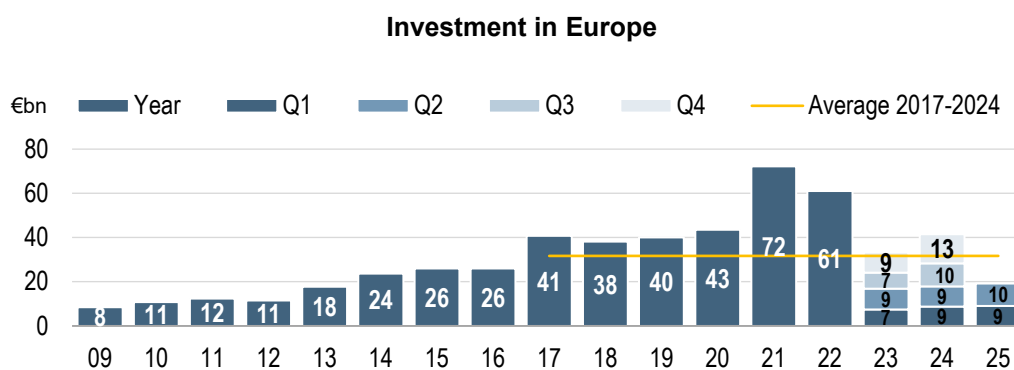


PRESS RELEASE

EUROPEAN LOGISTICS MARKET IN H1 2025: INVESTMENT GROWTH OF 7% AND LOGISTICS OCCUPANCY REMAINS BELOW ITS 5-YEAR AVERAGE

Logistics capital markets: improvement stimulated by the return of portfolios in H1 2025

Investment in industrial and logistics assets increased by 7% in H1 2025 (versus H1 2024) while it rose by 4% in overall commercial real estate during the same period. “Yield correction is complete in most countries providing a more stable environment. In this context, demand remains dynamic” says **Craig Maguire, Head of European Logistics at BNP Paribas Real Estate**. After a slow start to the year for the biggest markets, activity picked up during Q2 compared with the previous quarter in Germany (+15%), the UK (+71%) and France (+15%). Industrial and logistics assets have a strong market share within commercial real estate investment, which has risen from 15% in 2017 to 26% in H1 2025.

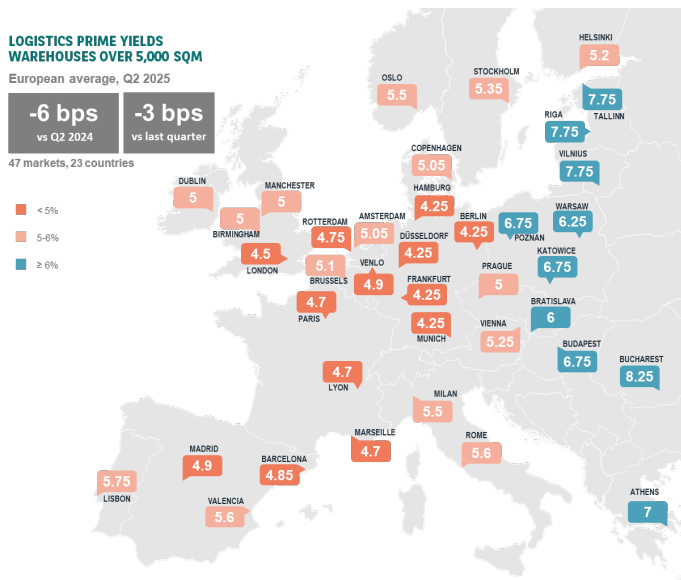
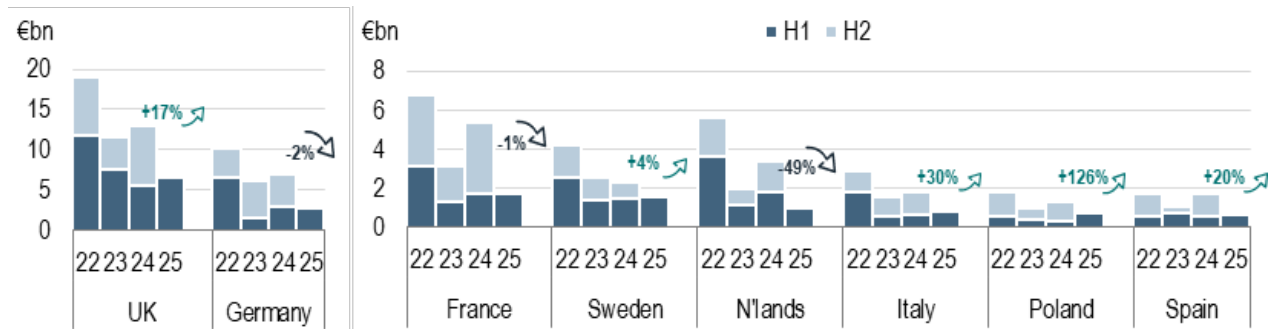


- **In the United Kingdom**, Industrial and logistics investment posted steady y-o-y growth in H1. The market has been stimulated by the return of portfolios, which accounted for nearly half of all transactions. Multi-let deals are still the top target for buyers. Prime yields are now holding firm, which should help investment activity in 2025.
- **In Germany**, activity has been moderate since the beginning of the year. Prime yields remained stable at 4.25% in the main logistics locations. Improvement in overall economic performance is noticeable in Germany and enhances corporate sentiment.
- **In France**, Industrial & logistics is still performing well in France, with several portfolio changing hands for over € 100m. French and German players are back, showing interest in Core and Core+ assets with long leases located in established logistics areas. The logistics prime yield narrowed by 20 bps to 4.70% in Q2 2025.
- **In the Netherlands**, the limited development pipeline has resulted in lower investment. However, there is still appetite for logistics assets and several ongoing large deals are expected to boost investment in H2. The logistics prime yield remained stable at 4.75% in H1, with some yield contraction expected in H2.
- **In Spain**, investment in industrial & logistics assets was particularly dynamic in H1 2025. One of the biggest deals ever for a first quarter was signed in Q1 2025 at € 215m. After rising by 155 bps over the last two years, the prime logistics yield narrowed at the end of 2024 to stabilise at 4.85% in Q2 2025.



- In **Poland**, Investment picked up sharply in H1 2025, reflecting better market sentiment. Industrial & logistics remains a strong performer in Poland. The prime yield has been stable since the beginning of the year at 6.25%.
- In **Italy**, the investment volume attributable to industrial and logistics assets rose by 30*% in H1 2025 (vs H1 2024) to reach €800m. The market was boosted by the growth of portfolio transfers. The prime yield has remained stable at 5.50%.

Investment by country



Logistics prime yields have 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 gradually stabilised in all European countries. They contracted by an average of just 3 bps in Q2 2025 in Europe.

Logistics occupancy is below its 5-year average and remains sluggish

Over H1 2025, the market remained subdued in the leading European markets compared to H1 2024. The risk of oversupply is still limited even though vacancy rates have been increasing in some markets. Overall, these remain relatively moderate at between 5% and 6% on average in Europe whilst new developments are becoming structurally scarce.

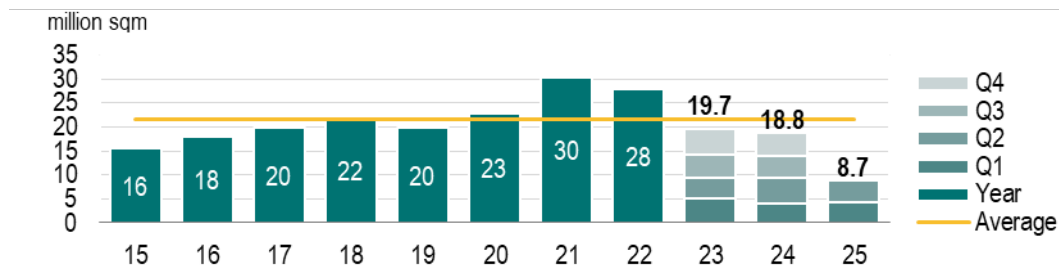
"The strong rental growth of recent years has faded to a slower pace, +3.8% (y-o-y) during Q2 2025 but the lack of new developments remains supportive of rental growth in prime sectors", **summarizes Craig Maguire, Head of European Logistics at BNP Paribas Real Estate.**



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Take-up in 6 countries (France, Germany, Netherlands, Poland, Spain, UK)



In a context of slow economic activity and great political uncertainty, there are stark disparities within Europe.

- **Germany** enjoyed a strong second quarter with more activity compared to the previous year. The positive sentiment and confidence of companies has improved noticeably, and more large-scale deals are occurring. Prime rents generally stabilised in the second quarter whilst average rents showed significant growth of 4% compared to mid-2024.
- **In the UK**, take-up is picking up compared to the end of last year. The signs of improvement in Q1 were confirmed in Q2. The Midlands remains the chief driver of industrial space. Demand in the other main markets strengthened in Q2 2025. After increasing steadily since 2022, supply has levelled off over the past 3 quarters. Rents have stabilised.
- **In France**, Demand has been dampened by concerns about tariff and trade agreements, compounded by political uncertainties. Greater Paris bounced back in Q1 after 24 months of slower activity. Q2 confirmed its leading position. Vacant space continued to increase and has almost doubled over the past 18 months. Consequently, the French vacancy rate rose to 6% in Q2 2025.
- **In the Netherlands**, the slow delivery of new units 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 remain stable.
- **Spain** saw a strong start to 2025 with take-up nearing a record high at over 1 million sqm. This makes Spain one of the most dynamic markets in Europe for logistics. Vacancy rates remained low in Barcelona and Valencia. In Madrid, the vacancy rate has peaked at 9% but future supply is dropping. Prime rents rose in the main markets.
- **In Poland**, after a low start to the year, take-up rose sharply in Q2; the economic environment is expected to improve significantly in 2025. The vacancy rate has been gradually decreasing in Poland from 10.2% in mid-2023 to 8.2% in Q2 2025 and prime rents increased by 5% over the past 12 months.



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PRIME HEADLINE RENTS WAREHOUSES OVER 5,000 SQM

European average, Q2 2025

+3.8%
vs Q2 2024

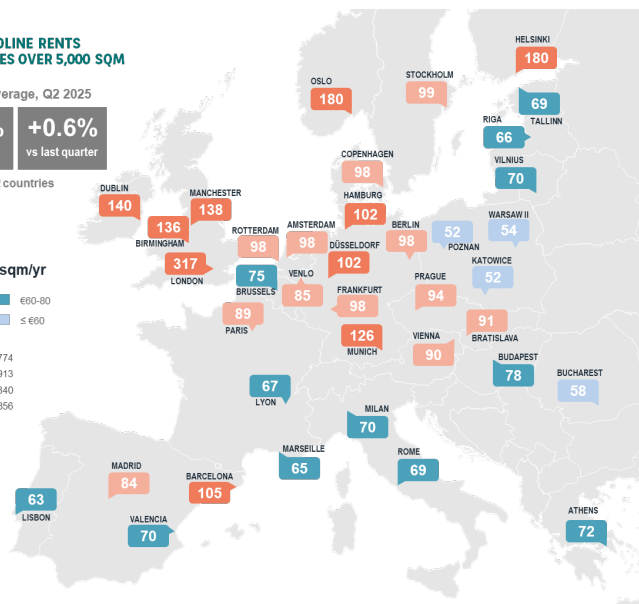
+0.6%
vs last quarter

46 markets, 22 countries

Rents in €/sqm/yr

■ ≥ €100 ■ €80-90
■ €60-80 ■ ≤ €60

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



Prime rents rose by 3.8% during Q2 2025 (y-o-y) in a panel of 46 markets covering 22 countries. Slackening demand is easing the pressure on rental growth. 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 moderate. This is still pushing rents upwards albeit at a slower rate.

“Despite the slowdown in overall take-up, we are still seeing rental growth on a case-by-case basis.”, concludes **Craig Maguire**.

About BNP Paribas Real Estate

BNP Paribas Real Estate, one of the leading international real estate providers, offers its clients a comprehensive range of services that span the entire real estate lifecycle: Property Development, Transaction, Consulting, Valuation, Property Management and Investment Management. With 4,000 employees, BNP Paribas Real Estate as a one stop shop company, supports owners, leaseholders, investors and communities thanks to its local expertise across 23 countries (through its facilities and its Alliance network) in Europe, the Middle-East and Asia. BNP Paribas Real Estate is a part of the BNP Paribas Group, a global leader in financial services.

As a committed stakeholder in sustainable cities, BNP Paribas Real Estate intends to spearhead the transition to more sustainable real estate: low-carbon, resilient, inclusive and conducive to wellbeing. To achieve this, the company has developed a CSR policy with four objectives: to ethically and responsibly enhance the economic performance and use of buildings; to integrate a low-carbon transition and reduce its environmental footprint; to ensure the development, commitment and well-being of its employees; to be a proactive stakeholder in the real estate sector and to build local initiatives and partnerships.

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