Creating Resilience

# European Logistics Occupier Survey 2025

REPORT

CBRE RESEARCH

JULY 2025

# Executive summary

CBRE's fifth edition of the European Logistics Occupier Survey, in partnership with Analytiqa, offers a platform for occupiers to share their perspectives. Our survey engaged over 100 of Europe's largest occupiers from various sectors, providing valuable insights into the current state of the European logistics market.

**The key trends and themes that have emerged from the 2025 survey include:**

01

### Expansion plans remain cautious but positive

While near-term warehousing requirements are expected to increase, medium-term expansion plans have moderated. Still, nearly half of occupiers plan to grow their footprint in the next three years, led by third-party logistics (3PL) and post and parcel delivery firms.

02

### Uncertainty and labour dominate occupier challenges

Economic uncertainty, labour shortages, and rising costs remain the most pressing challenges. In terms of real estate-specific concerns, rent increases continue to be the key issue and an important factor in building selection. However, their relative importance in location decisions is gradually diminishing.

03

### Shift toward quality and flexibility in real estate

Occupiers are becoming more selective, placing greater emphasis on power supply, sustainability, and building design. Higher vacancy rates in the market are allowing for more rigorous selection processes and improving lease negotiation conditions in favour of occupiers. However, this window of opportunity may be short-lived.

04

### Sustainability targets are delayed but still in focus

Fewer occupiers are pursuing early net zero targets, mainly due to cost concerns. However, over two-thirds of respondents have already anticipated the upcoming requirement to produce a transition plan covering their property portfolio.

05

### Net zero ready facilities command premiums

Green certification is now widely expected by occupiers, reducing willingness to pay a premium, while demand for net zero ready facilities, offering renewable energy use and potential cost savings, is rising. Additionally, 37% of respondents report implementing green clauses across their logistics portfolios.

# Key highlights
2025

100+
Respondents: the largest pan-European occupiers from all sectors

85-95
Million sq m of estimated total logistics footprint in Europe

Focus
This edition takes a closer look at leasing conditions and idle space

01
Near-term requirements and medium-term expansion plans

02
Occupier challenges (general and real estate-related)

03
Location and building preferences

04
Sustainability considerations

CBRE Analytiqa

01

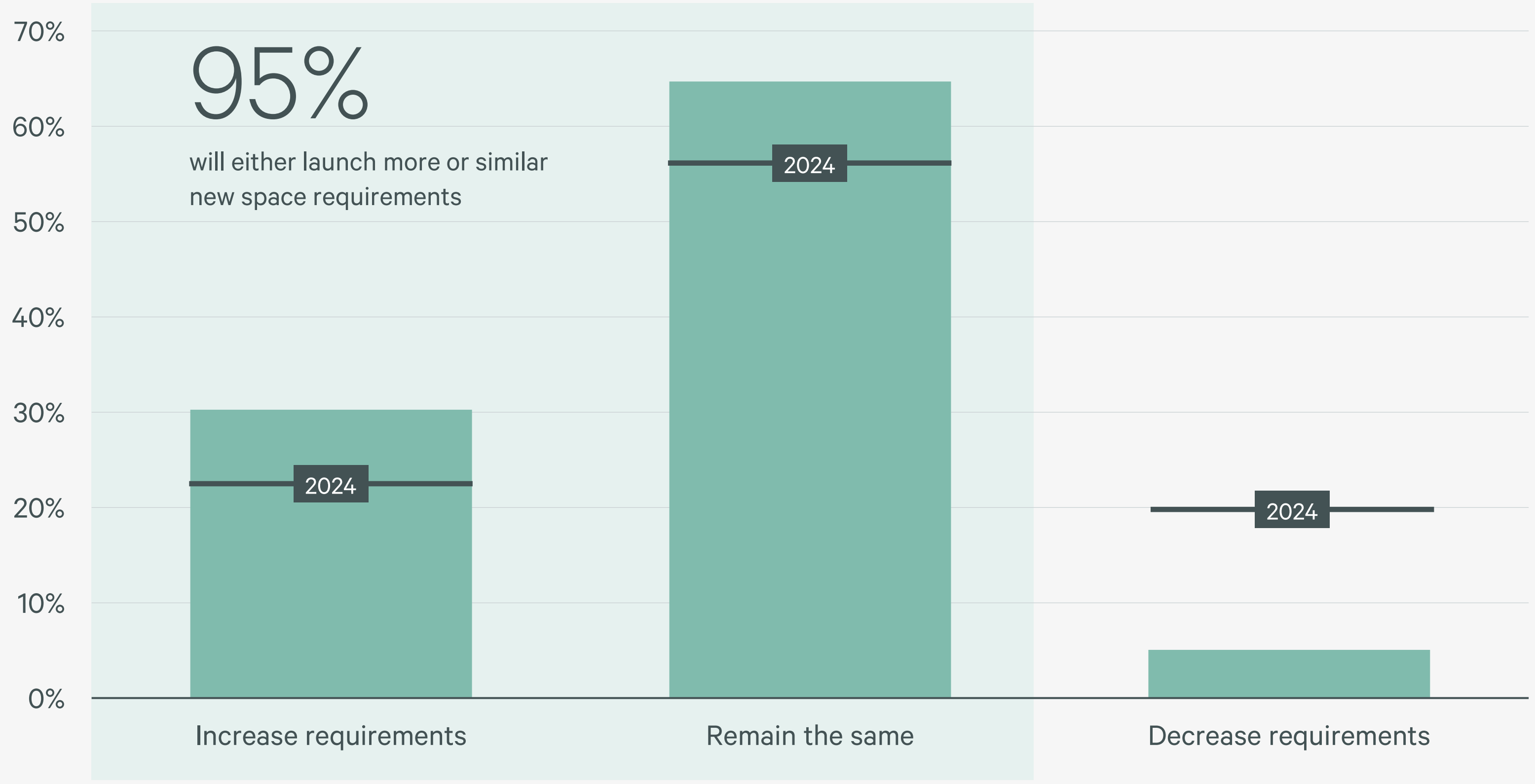
# Near-term requirements and medium-term expansion plans

# Requirements and expansion: Near-term

### How do occupiers see their requirements for space over the next 12 months compared with the previous 12 months?

Near-term warehousing expectations were relatively balanced in the previous edition of the survey, which anticipated the stabilisation in European take-up volumes that has since materialised. In this edition, a greater share of occupiers report plans to increase their space requirements year-on-year. Using this as a proxy for demand, it would suggest an **incoming increase in leasing activity**. The findings support our 2025 outlook for improved market activity, particularly in the second half of the year, driven by a consumer-led economic recovery, falling interest rates, and rising real incomes.

Figure 1: Near-term warehousing requirements, next 12 months vs previous 12 months




Source: European Logistics Occupier Survey 2025, CBRE and Analytiqa

# Requirements and expansion: Disruption

**Trade policy uncertainty has increased drastically since the beginning of the year, setting back recent improvements in sentiment and causing many occupiers to once again delay major plans**

Uncertainty had been receding as an issue for the occupiers in the post-pandemic environment. However, occupier sentiment took a hit on 2 April 2025 when the U.S. announced significant changes to its trade policies. Such policies are very much relevant to logistics occupiers.

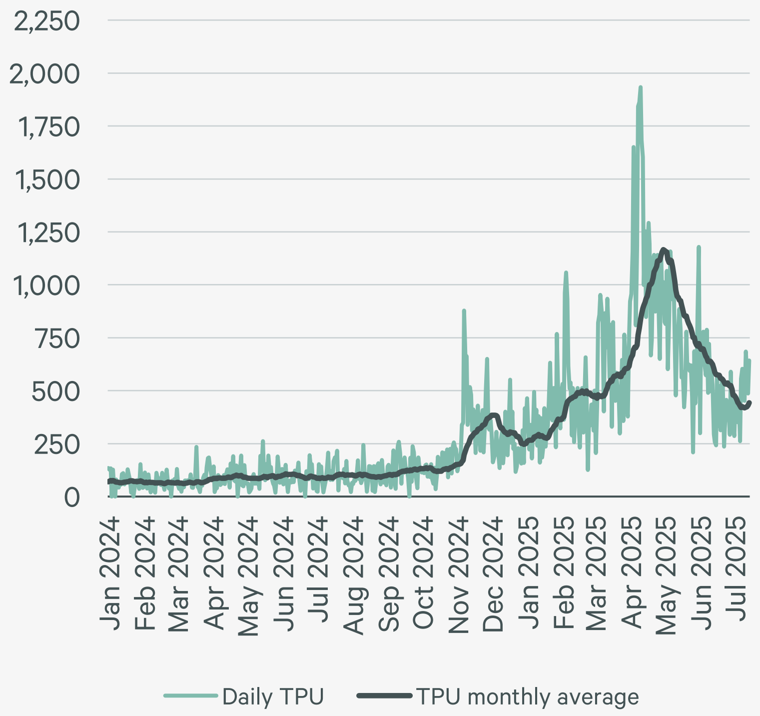
The almost-immediate pause in increased U.S. tariffs and subsequent delay of their imposition until 1 August has added to the uncertainty, causing a significant spike in the index and altering near-term macroeconomic forecasts.

**This renewed uncertainty will likely hamper occupier' plans**, making it harder to justify bold expansion strategies, particularly for trade dependent companies.

**However, a higher percentage of respondents surveyed after 2 April indicated plans to launch more requirements**.

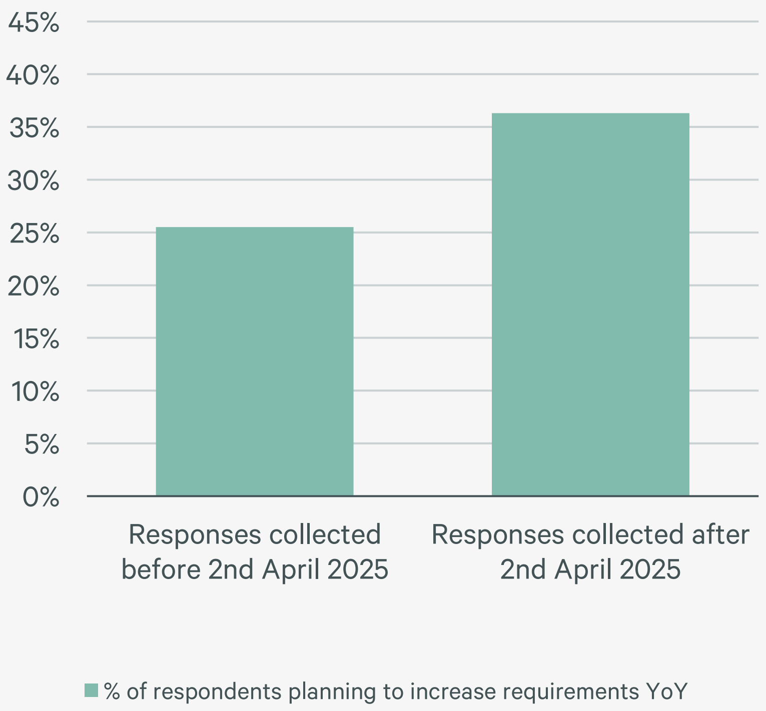
This difference may be driven by factors such as pre-emptive responses to anticipated tariffs, a more optimistic view of Europe's resilience, or potential benefits from comparisons relative to other regions.

**Figure 2: Trade Policy Uncertainty index (TPU)**




Source: Caldara, D., Iacoviello, M., Molligo, P., Prestipino, A., & Raffo, A. (2020). The Economic Effects of Trade Policy Uncertainty.

**Figure 3: Near-term warehousing requirements, % of increasing respondents**




Source: European Logistics Occupier Survey 2025, CBRE and Analytiqa

Note: Almost even split between responses received before and after 2 April (56% vs 44%)

# Requirements and expansion: Medium-term

## Having rationalised their space after the pandemic period, occupiers will continue their expansion plans, albeit at a more cautious rate

**Almost half of respondents intend to expand their European logistics footprint** over the next three years. This percentage is lower than in previous editions of the survey, with normalised business needs allowing occupiers to redefine their real estate strategies.

**In a separate question, 43% of respondents reported having "rationalised or consolidated warehousing space over the previous 12 months."**

This trend suggests a logical reaction to a normalising market is after a period of extraordinary growth driven by the pandemic, which includes an exercise of regularisation of occupied space.

**Figure 4: Expansion plans, next three years**


Source: European Logistics Occupier Survey 2025, CBRE and Analytiqa

# Requirements and expansion: Medium-term by sector

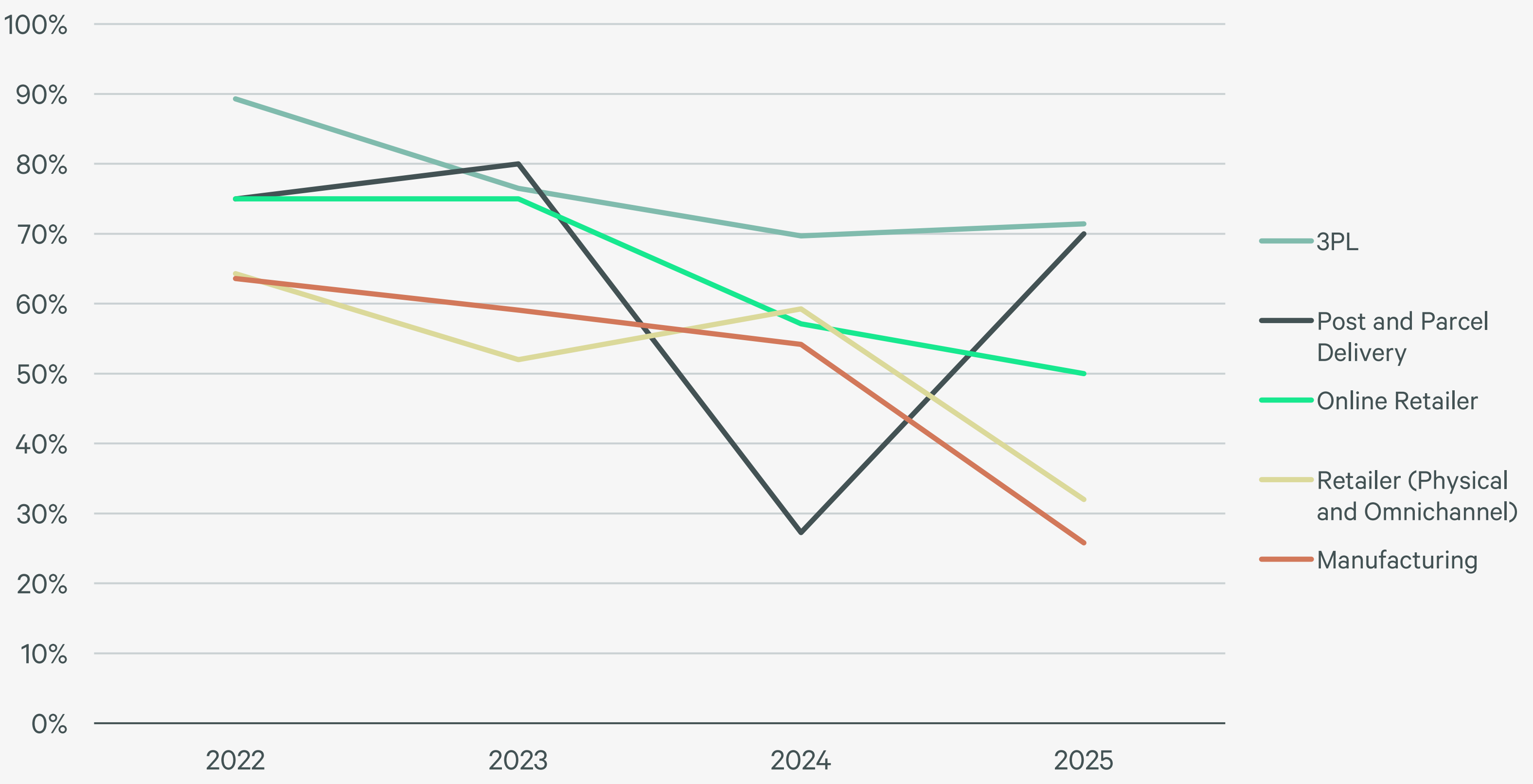
## 3PLs and post and parcel companies lead expansionary demand in the medium-term

**Expansionary sentiment differs more than ever when considering occupier sector**. Despite having recently increased their share of total European take-up, manufacturing companies remain cautious on their expansion plans.

Meanwhile, 3PL companies have mildly increased their expansionary appetite, with over 71% of the respondents from the sector expressing intentions to increase their European logistics portfolio. This is a result of the continued trend towards the outsourcing of supply chains.

Only among manufacturing companies is there a significant proportion of respondents planning to reduce their warehouse footprint in Europe over the next three years, with 19% expected to rationalise, or continue rationalising, their space.

**Figure 5: Expansion plans, next three years, expanding respondents per occupier sector**




Source: European Logistics Occupier Survey 2025, CBRE and Analytiqa

02

# Occupier challenges

# General challenges

**What are the greatest business challenges for logistics occupiers?**

## Top three challenges

### Economic uncertainty/ softening of consumer demand

Climbing the rankings from third place last year, the top challenge for 2025 is economic uncertainty and softening consumer demand. Concerns around geopolitical issues have also advanced in position.

### Labour and skills shortages

Labour and skills shortages remain a major concern for logistics occupiers in Europe. As we will explore later, this issue has also widened its lead among location strategy considerations, reinforcing its position as the most decisive factor in site selection.

### Cost escalation (energy and labour)

Although year-over-year inflation rates have slowed, cost escalation remains a key concern for logistics occupiers. For the first time, it has dropped from the top position in the ranking but still holds a prominent place, now closing out the top three business disruptors.

Source: European Logistics Occupier Survey 2025, CBRE and Analytiqa

Arrows show change in percentage of respondents selecting each option as one of their top business challenges.

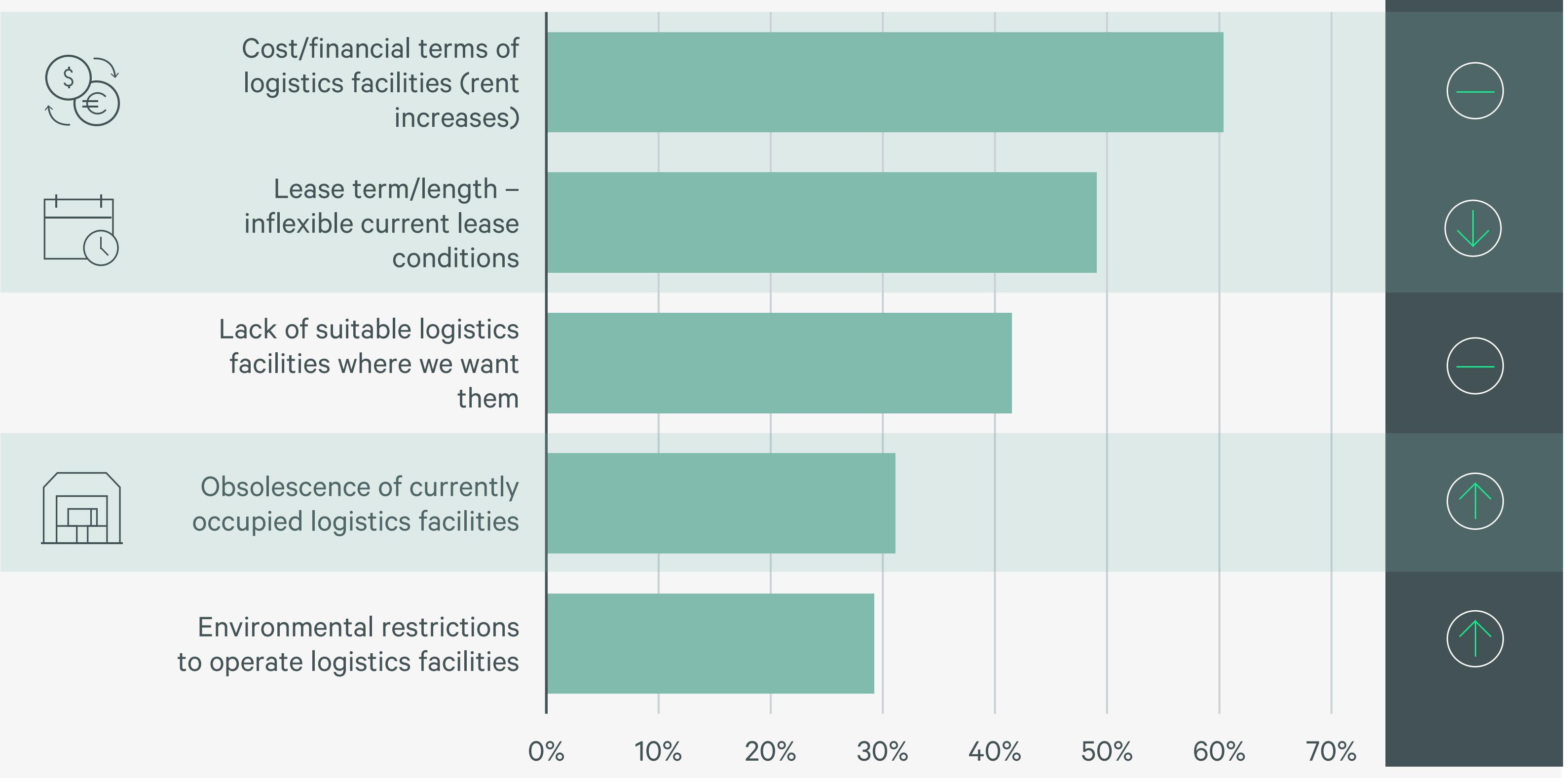
# Real estate challenges

## What are the greatest real estate challenges for logistics occupiers?

As obsolescence and environmental concerns continue to escalate, the greatest real estate challenges from occupiers have remained largely unchanged from our 2024 survey. **Rents and rental increases continue to be the primary real estate challenge**, although we have observed more moderate year-on-year growth in prime rents as of late, and even more so in non-prime assets.

Lease conditions remain a challenge for nearly 50% of occupiers, representing a slight decline from last year. However, this modest shift does not yet appear to reflect the broader change in market conditions for new leases seen across most European locations. New leases are now benefitting occupiers, compelling landlords to offer more concessions, including rent-free periods and capital expenditure contributions.

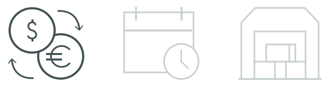
Figure 6: Greatest real estate challenges for logistics occupiers, percentage of respondents




Source: European Logistics Occupier Survey 2025, CBRE and Analytiqa

Note: Select all that apply question. Arrows represent change from 2024.

# Real estate challenges: Rents

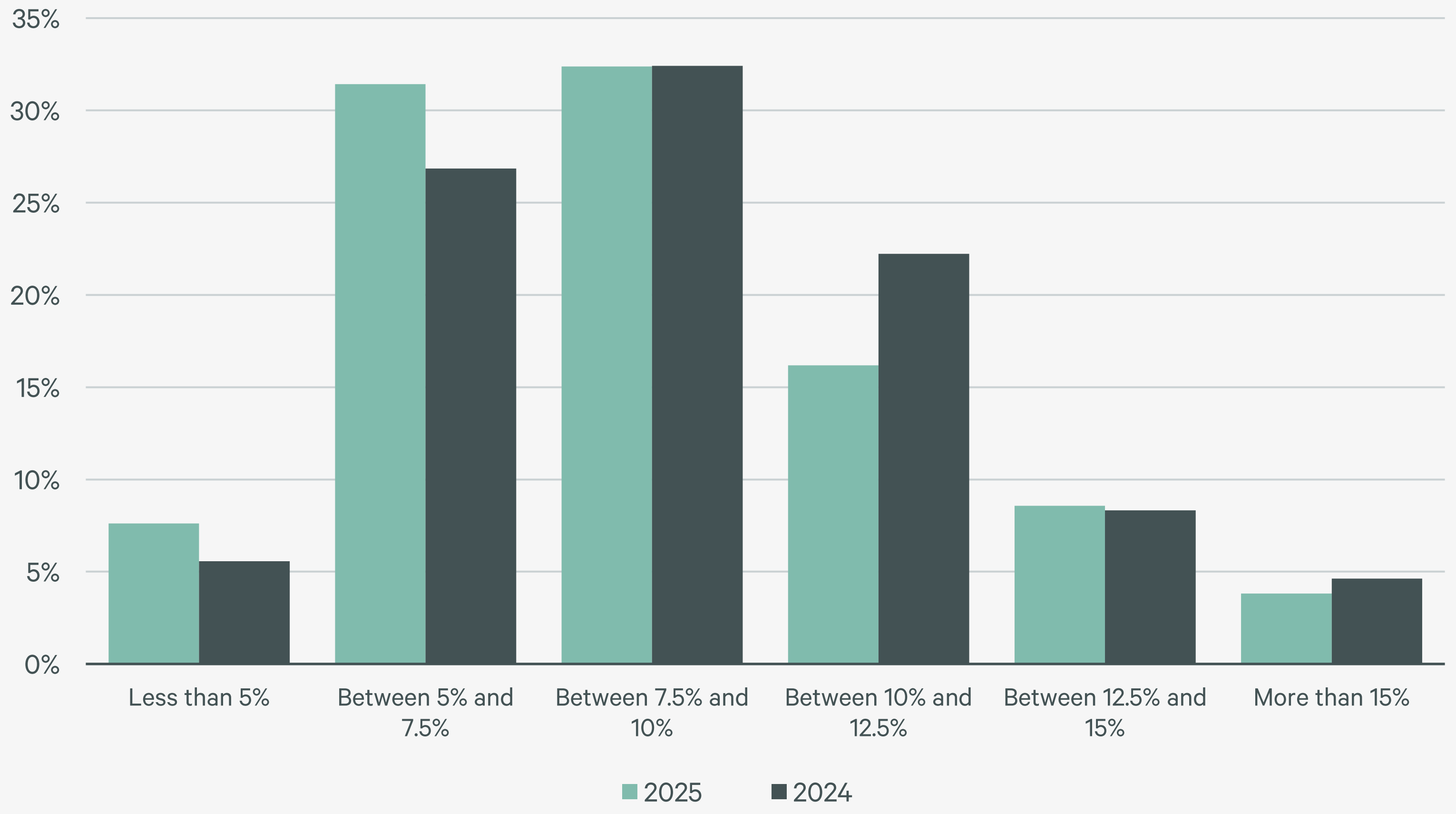


### What is the estimated percentage of total annual operating costs related to logistics buildings (rent and service charge)?

The proportion of occupiers estimating their logistics building costs to be **more than 10% of their total operational costs has fallen for the second consecutive year**.

By sector, 3PLs and online pureplay retailers estimate that a higher proportion of their total annual operating costs originate from logistics buildings rents and service charges (averages* of 10% and 9%, respectively, vs all sector average of 8.75%).

Figure 7: Logistics rent and service charge as a percentage of total operating costs




Source: European Logistics Occupier Survey 2025, CBRE and Analytiqa

*Weighted average, using the middle point from each range given. For the extremes, the internal point of the range was used to calculate the averages.

# Real estate challenges: Lease conditions

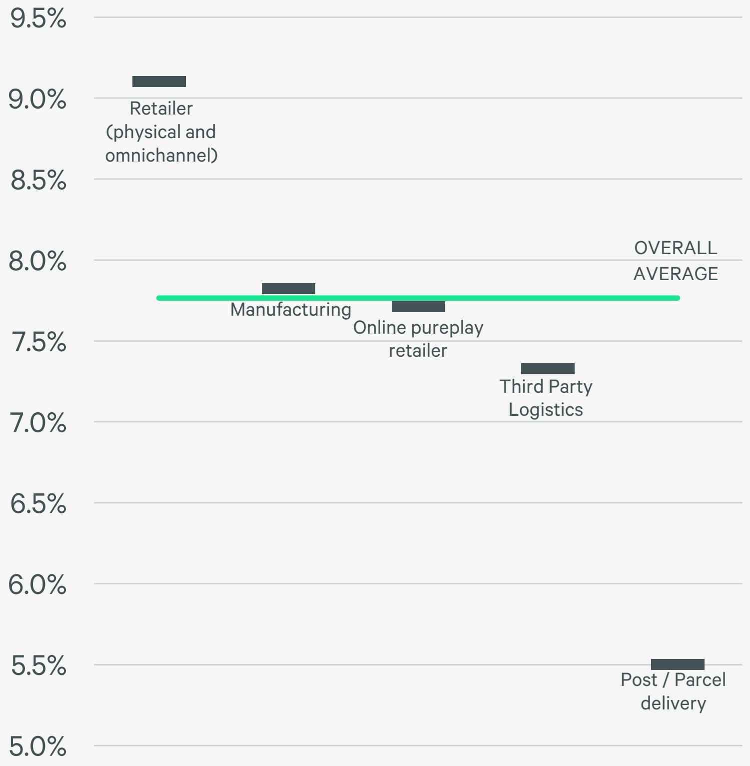
## Existing lease conditions considered inflexible may force occupiers to manage their idle space, resulting in a much-discussed grey space market.

Due to the nature of their typically cross-docked warehouses, post and parcel delivery companies report significantly lower average idle space (5.5%) compared with the overall average (7.8%).

If a business considers such idle or grey space to be excess space above target, they may implement strategies to reduce and rationalise it**. Subleasing excess space is not straightforward, particularly for bespoke facilities**, but it has traditionally been used by 3PLs with more standardised warehouses, with 61% reporting successful subleases over the past 12 months.

**3PLs have not reported a consistent trend in their grey space** evolution over the last 12 months: 44% reported an increase space, while 30% reported a decrease. Among non-3PL occupiers, only 17% subleased excess space, whereas 21% entered the grey space market to sublet additional space from another occupier.

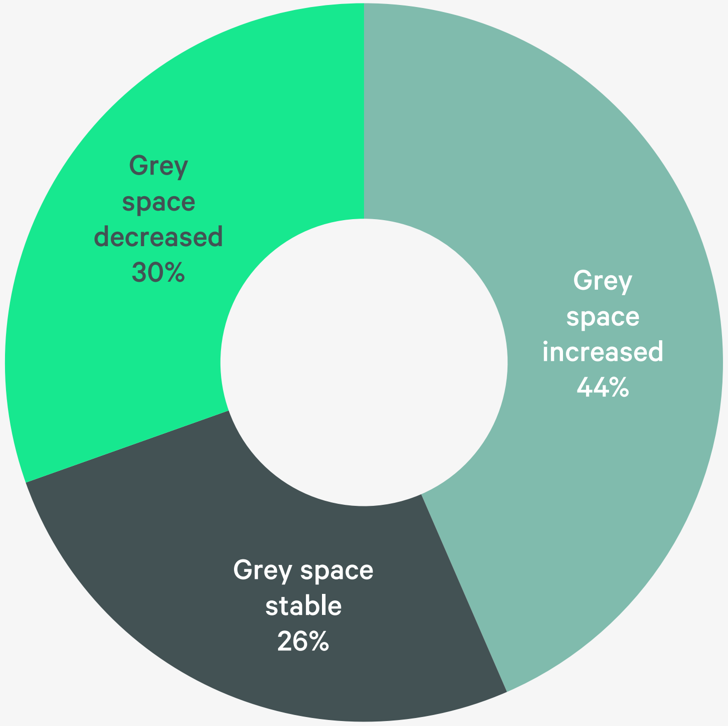
Figure 8: Average idle warehousing space in the last 12 months, by sector and overall average



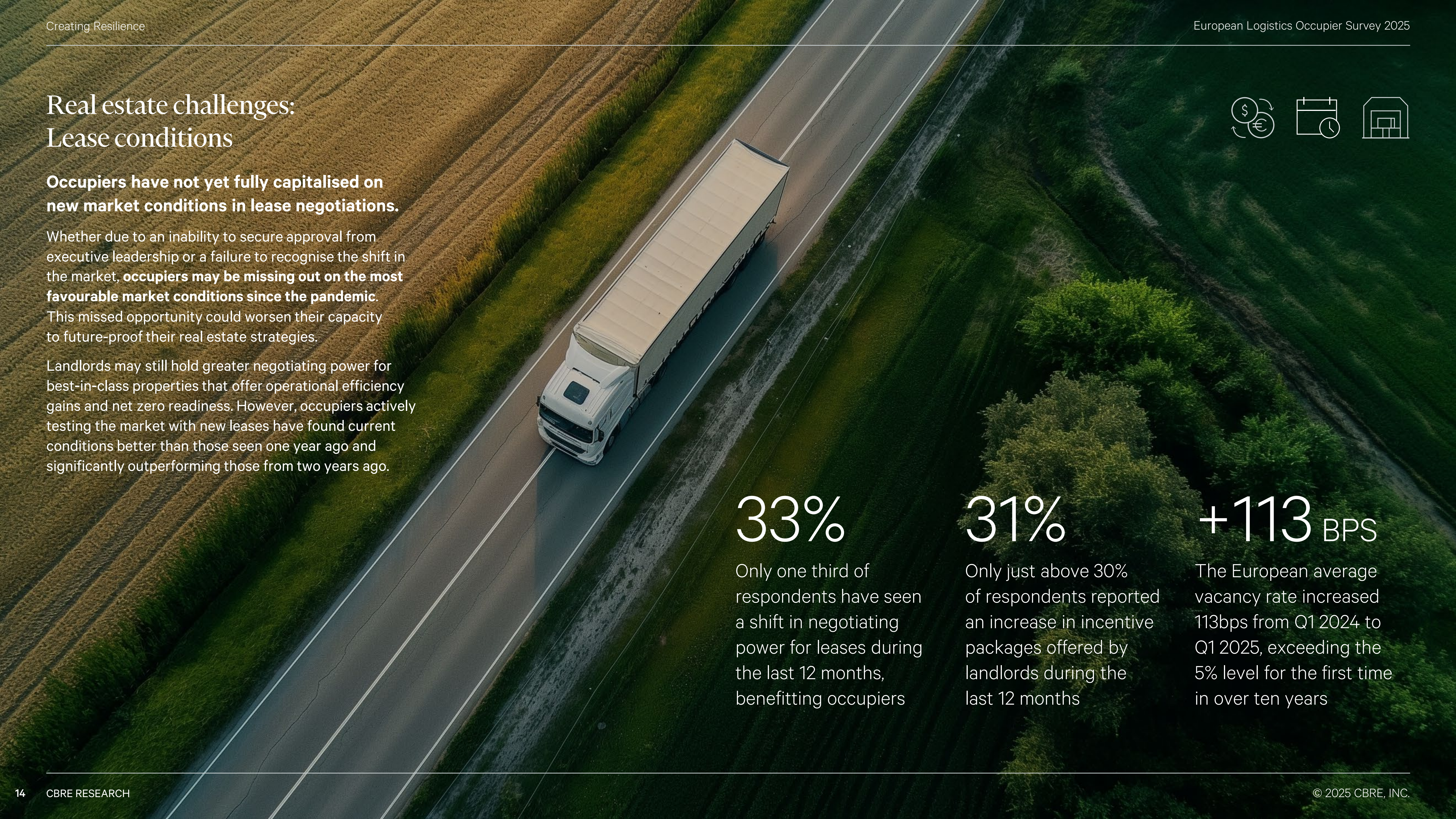

Source: European Logistics Occupier Survey 2025, CBRE and Analytiqa

Note: Weighted average, using the middle point from each range given. For the extremes, the internal point of the range was used.

Figure 9: Year-on-year evolution of 3PLs' grey space




Source: European Logistics Occupier Survey 2025, CBRE and Analytiqa



# Real estate challenges: Lease conditions

**Occupiers have not yet fully capitalised on new market conditions in lease negotiations.**

Whether due to an inability to secure approval from executive leadership or a failure to recognise the shift in the market, **occupiers may be missing out on the most favourable market conditions since the pandemic**. This missed opportunity could worsen their capacity to future-proof their real estate strategies.

Landlords may still hold greater negotiating power for best-in-class properties that offer operational efficiency gains and net zero readiness. However, occupiers actively testing the market with new leases have found current conditions better than those seen one year ago and significantly outperforming those from two years ago.

**33%**

Only one third of respondents have seen a shift in negotiating power for leases during the last 12 months, benefitting occupiers

**31%**

Only just above 30% of respondents reported an increase in incentive packages offered by landlords during the last 12 months

**+113 BPS**

The European average vacancy rate increased 113bps from Q1 2024 to Q1 2025, exceeding the 5% level for the first time in over ten years

# Real estate challenges: Obsolescence

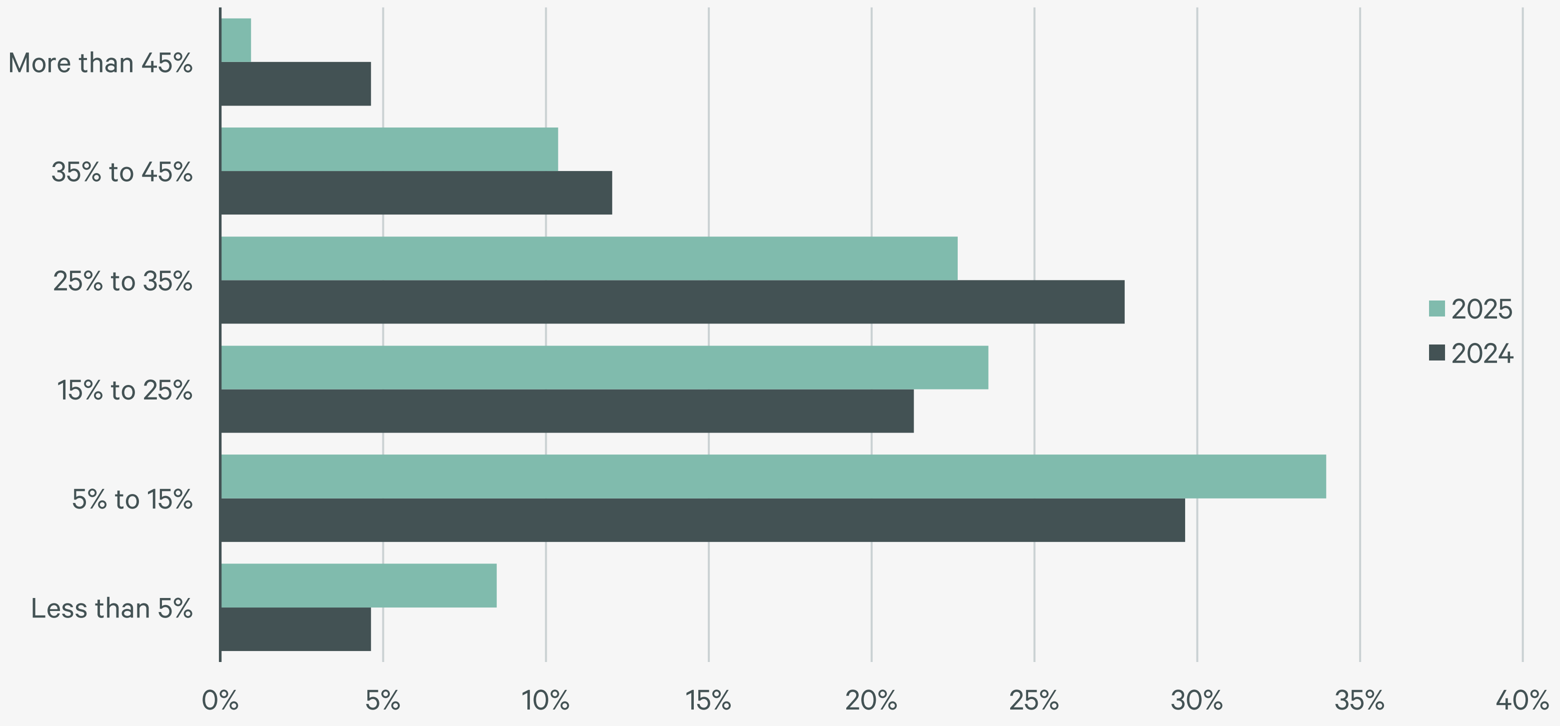
## What percentage of their current footprint do occupiers believe will be obsolete by 2030 without significant investment?

The average share of occupied **space that is at risk of becoming obsolete by 2030 has decreased from 23% to 20%** since last year. Occupiers are taking action by upgrading facilities, leveraging the increased options available in the market due to higher vacancy rates. Still, with only five years remaining within the given time horizon, this flight to quality is expected to accelerate and further reinforce the emergence of a clearly visible two-tier market.

Occupiers with typically highly automated processes, such as post and parcel delivery companies, express greater concern and report a higher share of their portfolio at risk of obsolescence. In contrast, 3PLs appear slightly more relaxed, likely because they can often offer obsolete facilities to less demanding end-users.

In a separate question, 53% of respondents said that they would prioritise modern warehouses over traditional warehouses in all their expansion and relocation moves.

**Figure 10: Percentage of occupiers' footprint that will become obsolete by 2030 without significant investment**




Source: European Logistics Occupier Survey 2025, CBRE and Analytiqa

Note: Weighted average, using the middle point from each range given. For the extremes, the internal point of the range was used.

03

# Location and building preferences

# Location and building preferences: Increasing demands

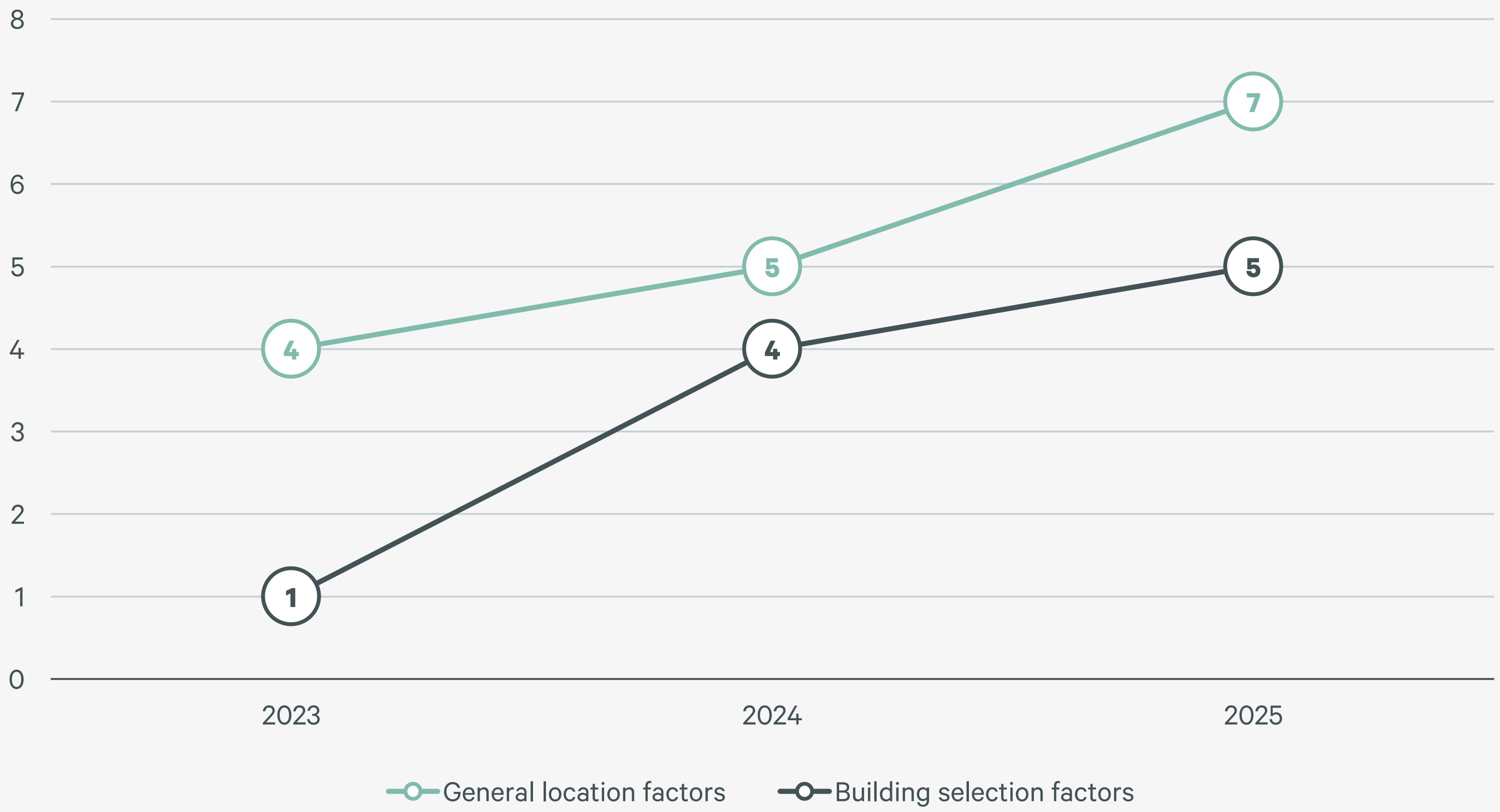
**Occupiers continue expanding their checklist of factors in location and building preferences.**

Driven by executive leadership eager to maximise the business outcomes by optimising the company's portfolio, **real estate teams have become more selective in their location and warehouse selection procedures**.

Higher vacancy levels in the market now allow for more thorough processes, whereas in a tighter market, they would have had to compromise on limited options, with little room for negotiation or choice.

In both location decision and building selection cases, pure rental cost considerations have given way to broader business strategy factors, which may ultimately result in total cost savings for the company.

Figure 11: Number of decision selection factors highlighted as key by at least one third of respondents




Source: European Logistics Occupier Survey 2025, CBRE and Analytiqa

Source: European Logistics Occupier Survey 2025, CBRE and Analytiqa

Arrows show change in percentage of respondents selecting each factor as key.

# Location and building preferences: Top factors

What are the most important factors driving general location and building selection **decisions** for logistics facilities?

## Top three location decision factors

01 **Labour availability and capacity**

02 **Labour cost**

03 **Real estate availability**

Labour availability and costs remain the most decisive factors in location decisions, as attracting and retaining talent becomes increasingly challenging. Although the percentage of occupiers selecting it has decreased, the availability of real estate has climbed one position to close the top three site selection criteria, surpassing real estate costs.

## Top three building selection factors

01 **Real estate cost (rent)**

02 **Lease options**

03 **Building's power supply**

The top two factors for building selection also remain unchanged, with more respondents considering them essential. Despite its decline in importance for site selection, real estate costs continue to be a key consideration when choosing a building. The third position has now been claimed by power supply, which has just edged out sustainability ratings.

# Location preferences

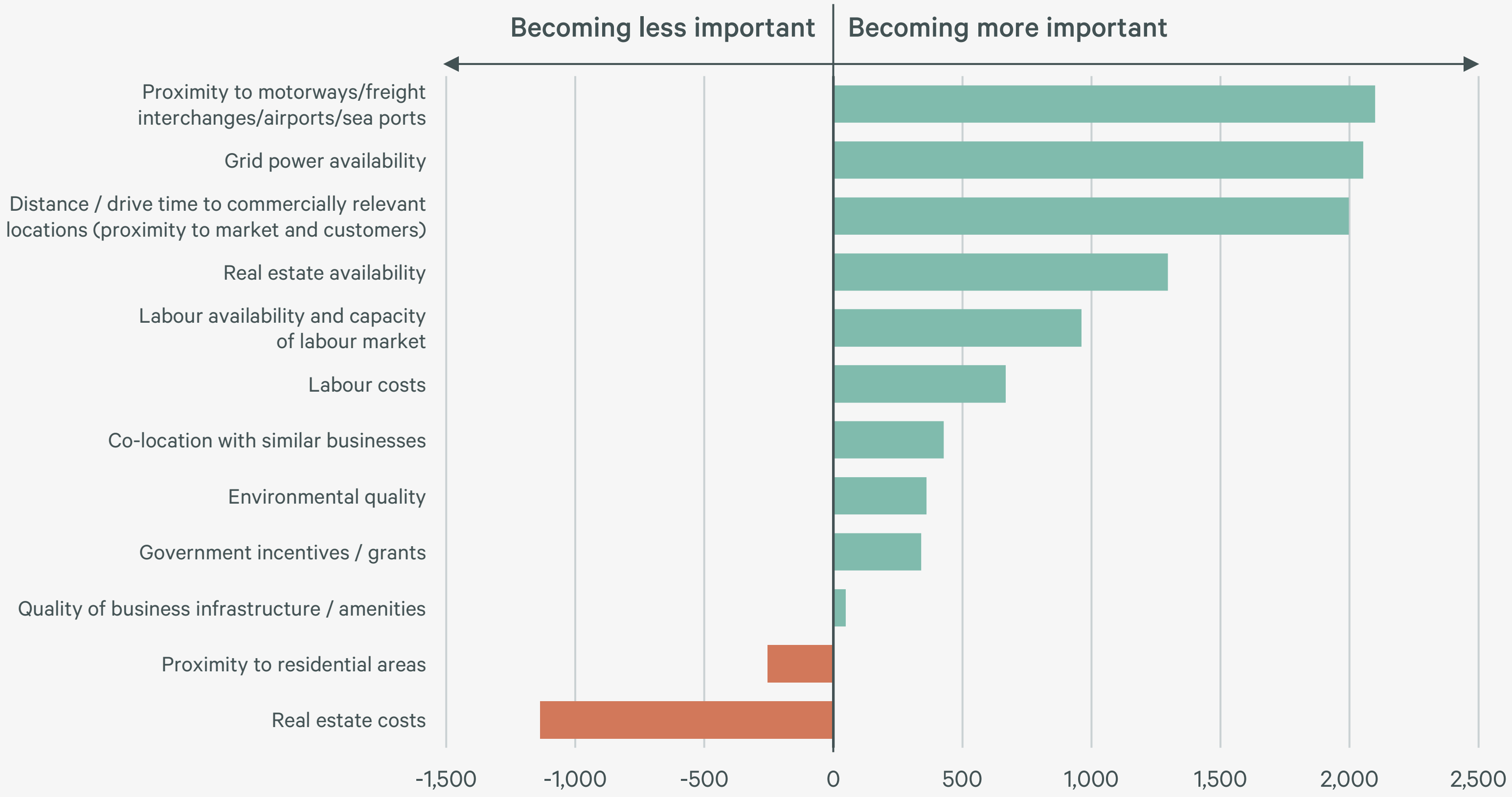
## How have the most important factors driving general location decisions evolved over the last two years?

As the performance of real estate teams within an occupier company shifts towards broader business metrics, pure rental saving KPIs are becoming less common.

As a result, real estate costs now play a less central role in choosing a warehouse location. While still a relevant factor, **rents have fallen in importance since the 2023 edition** of the survey, when they took the top spot in a period altered by unusual double-digit annual rent increases.

Transportation costs, and even energy cost savings, can be achieved by incorporating these factors into the decision-making process. Finally, labour costs and availability, already important considerations, have become even more critical.

Figure 12: Main factors in occupiers' general location decisions, change in bps from 2023 to 2025 (Select all that apply)




Source: European Logistics Occupier Survey 2025, CBRE and Analytiqa

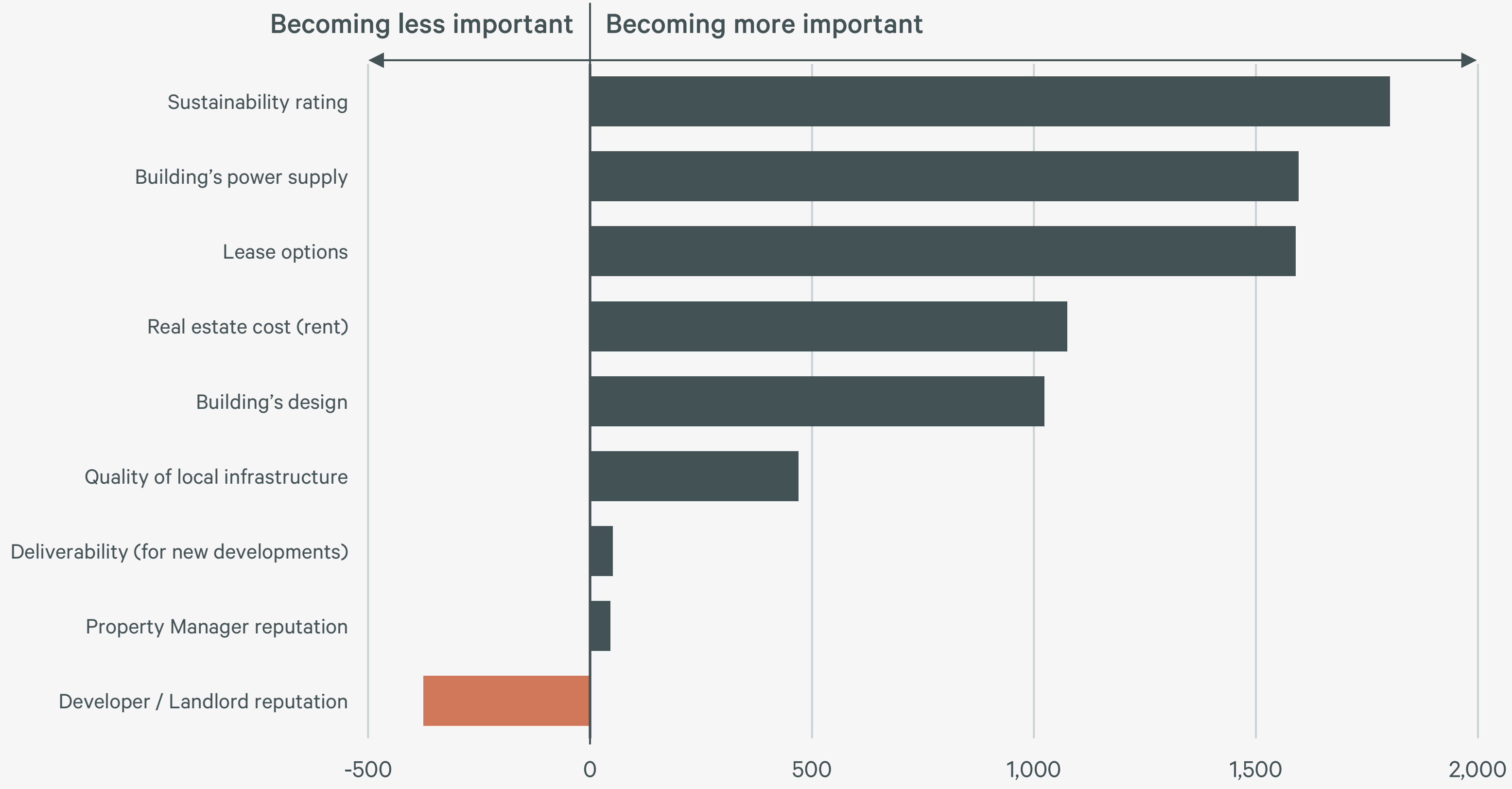
# Building preferences

## How have the most important factors driving building selection decisions evolved over the last two years?

The building selection process has evolved from being almost exclusively focused on rent to incorporating a much broader range of factors. While rent continues to top the ranking with an even larger percentage of respondents considering it a key factor, the most notable increases are seen in more technical considerations, such as sustainability features and power supply. Even building design is now regarded as a key factor by a significantly larger share of occupiers, with an increase of over 10 percentage points.

Beyond indicating a **shift towards higher-quality buildings,** the results also reflect **a growing focus on future-proofing the portfolio**, anticipating emerging needs such as robotics and automation.

Figure 13: Main factors in occupiers' building selection decisions, change in bps from 2023 to 2025 (Select all that apply)




Source: European Logistics Occupier Survey 2025, CBRE and Analytiqa

04

# Sustainability considerations

# Sustainability considerations

## When are occupiers aiming to achieve net zero for their property portfolio?

Net zero targets covering operations and/or Scope 1 and 2 emissions are typically those that include the property portfolio. Although 50% of occupiers plan to be net zero by 2030, compared to last year, **logistics occupiers have delayed their net zero goals**. This is potentially due to a growing awareness of the high costs involved in meeting these targets ahead of mandatory deadlines, as more occupiers develop detailed and realistic climate transition plans.

However, **a larger share of respondents now report having a net zero carbon target**. In addition, larger occupiers appear more prepared to commit to a specific timeline, with all respondents occupying more than 1 million sq m of logistics space in Europe having set a net zero goal for 2040 or earlier.

**Figure 14: Percentage of occupiers based on the timings of their net zero carbon targets**


Source: European Logistics Occupier Survey 2025, CBRE and Analytiqa

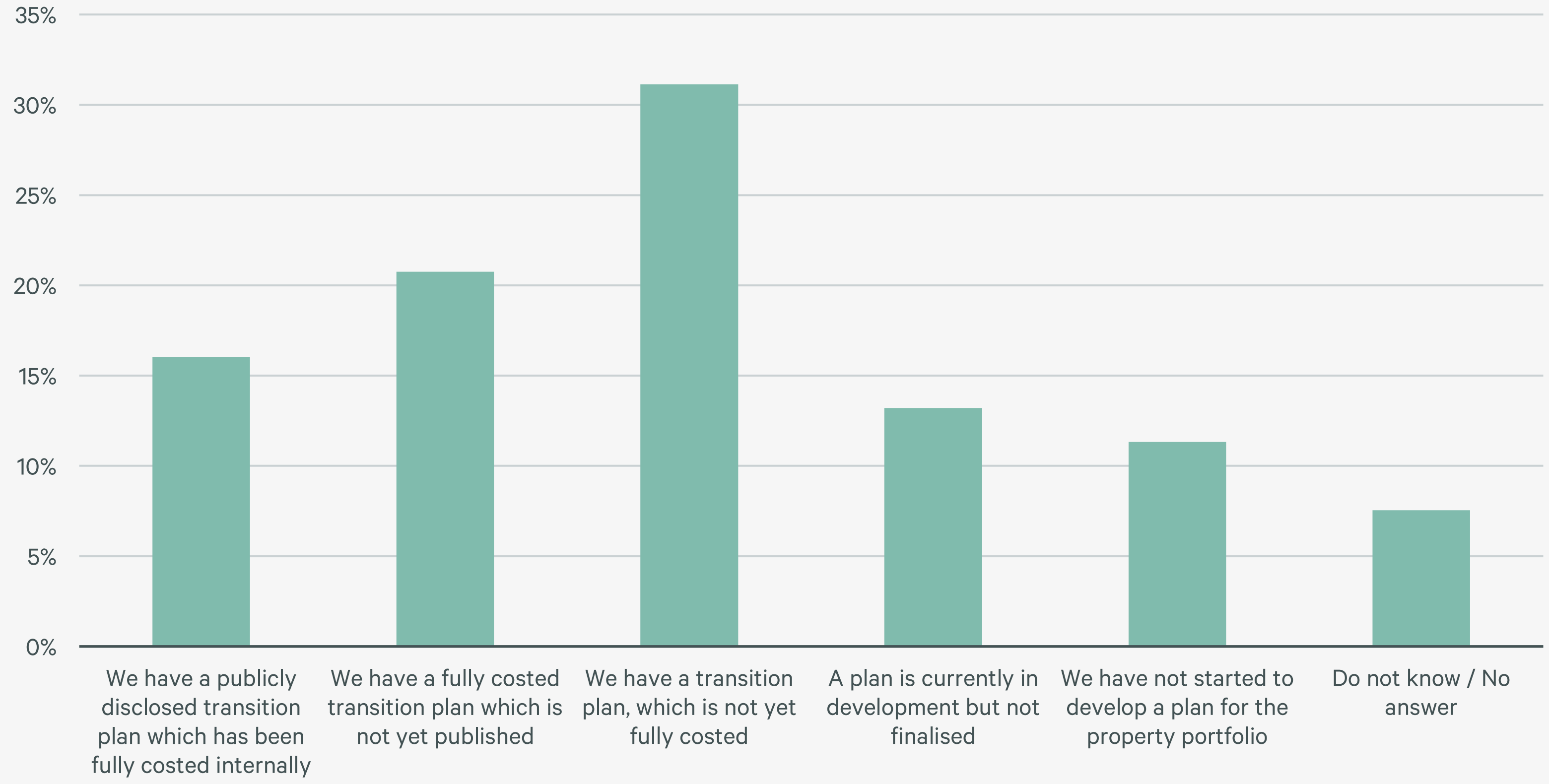
# Sustainability considerations

## Do occupiers have a costed transition plan (which includes consideration of their property portfolio) to achieve their decarbonisation targets and integrated with their business planning?

**A significant majority of respondents (68%) have anticipated the emerging mandatory requirement to produce a transition plan** that includes their property portfolio. Furthermore, 37% have prepared a plan that is fully costed.

This climate transition plan is a detailed and financially quantified document outlining how a company intends to reduce its carbon emissions through changes to its real estate assets and operations. It typically includes capital expenditure estimates for upgrades and new developments, projected operational cost changes (such as energy savings), and maintenance and lifecycle costs.

Figure 15: Percentage of occupiers based on the completeness of their property portfolio transition plan




Source: European Logistics Occupier Survey 2025, CBRE and Analytiqa

# Sustainability considerations

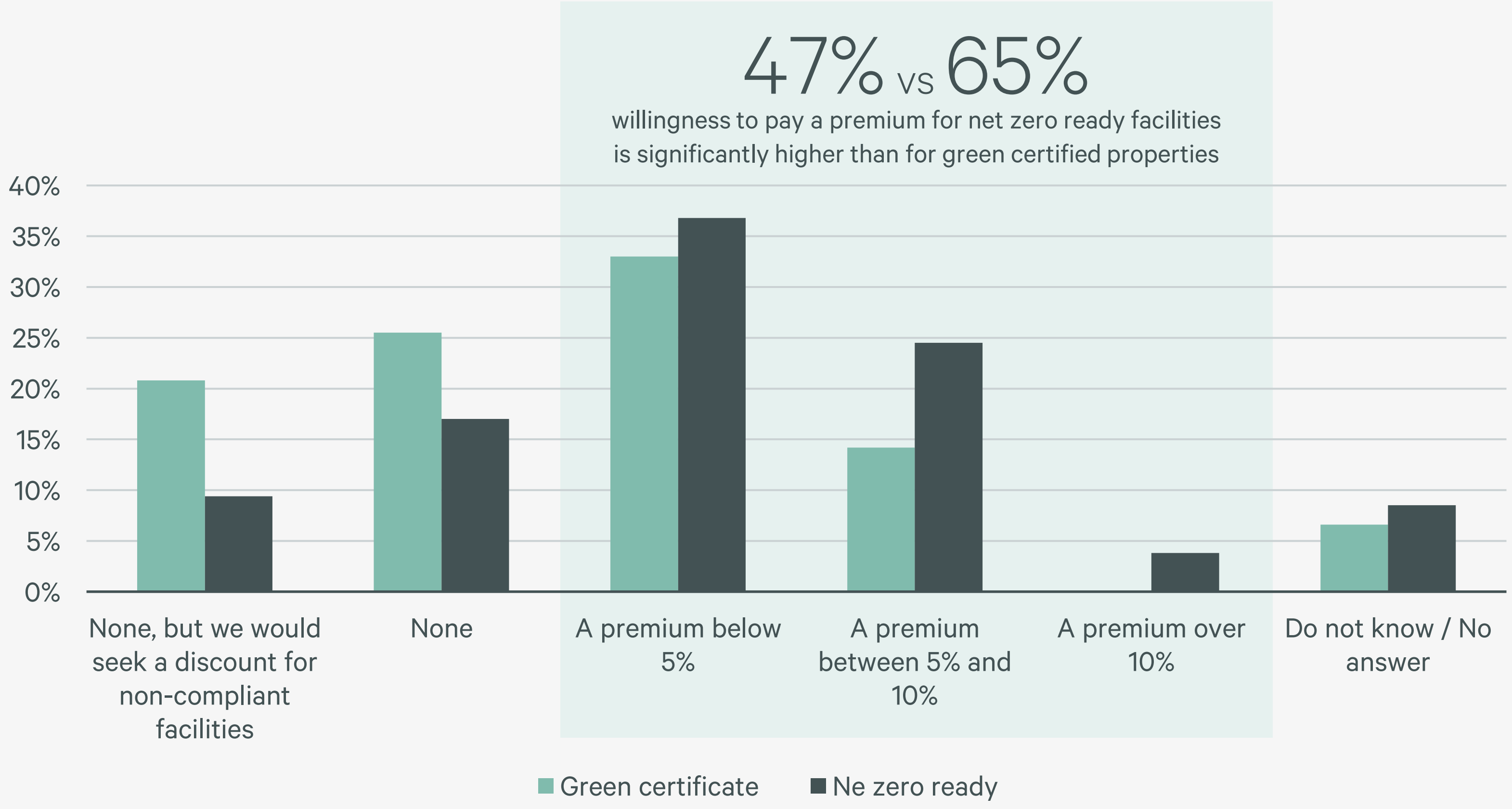
**For new and existing warehouses, what rent premium over regular market rent would respondents be willing to pay for a green certified facility and for a net zero ready facility?**

Continuing a trend observed in previous editions of the survey, occupiers increasingly assume that green certificates are now standard and, to some extent, expected for any property considered for occupation, whether newly developed or not. As a result, the willingness to pay a rental premium for such certification is decreasing, whereas the proportion of respondents seeking a discount for buildings without green certificates has grown.

In contrast, **net zero ready facilities are increasingly sought after**, with a larger percentage of respondents expressing a willingness to pay a premium over regular market rent. These facilities do not rely on fossil fuel energy sources, and all electricity is, or can be, sourced from renewables. This can also lead to operating cost savings.

On a separate question, a promising 37% of respondents declared having a set of green clause terms that they implement across their logistics portfolio.

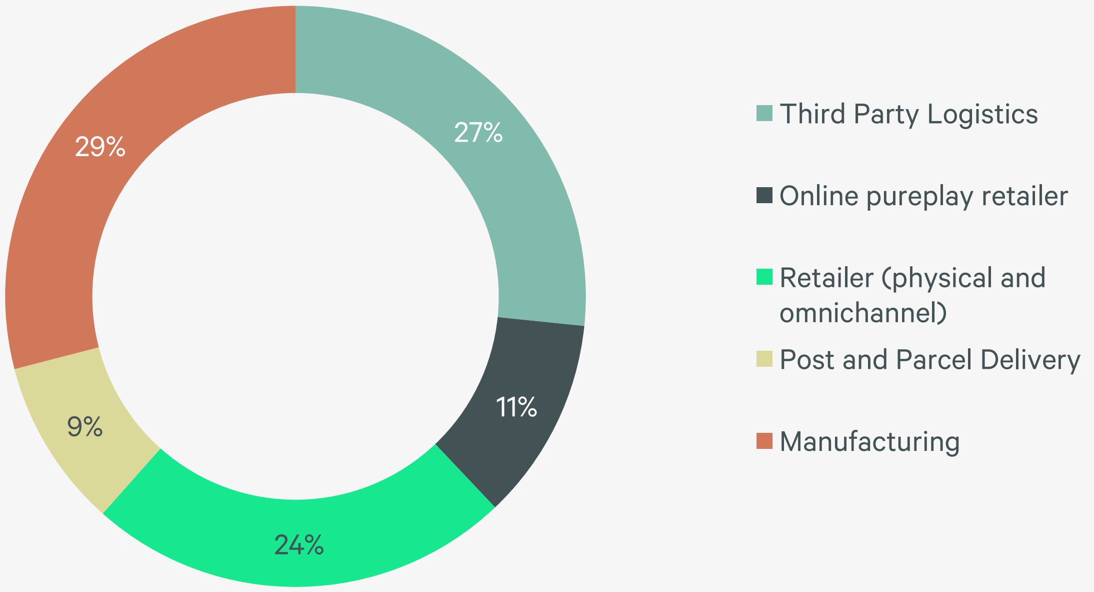
Figure 16: Rent premium over market rent for a green certified facility vs a net zero ready facility




Source: European Logistics Occupier Survey 2025, CBRE and Analytiqa

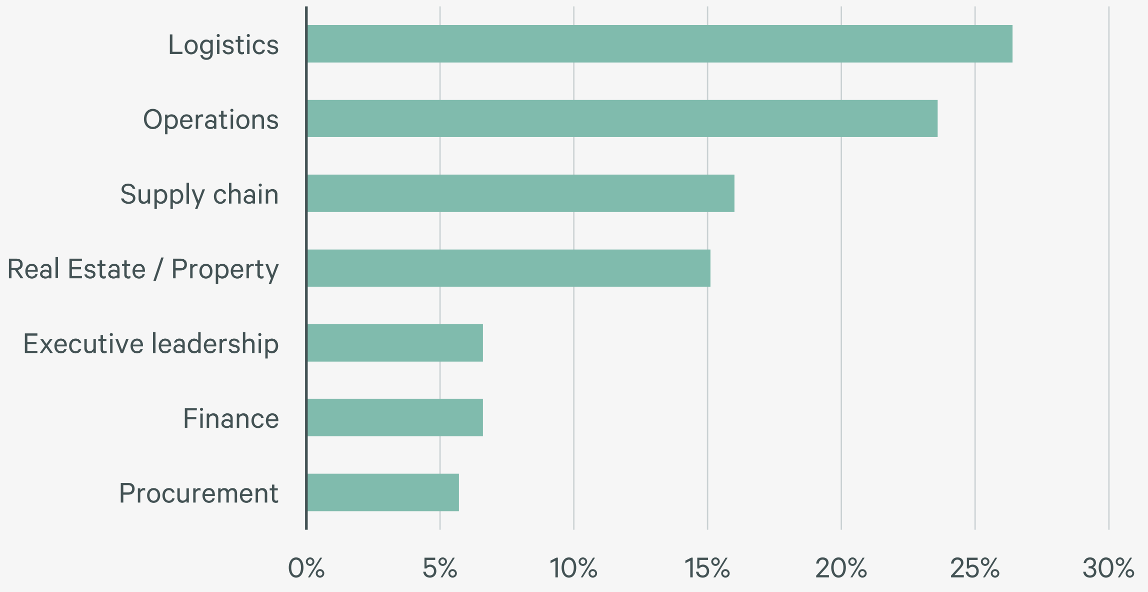
# Respondent profile

**Figure 17: Company sector**




Source: European Logistics Occupier Survey 2025, CBRE and Analytiqa

**Figure 18: Job title/function**




Source: European Logistics Occupier Survey 2025, CBRE and Analytiqa

# Contacts

## Global Research Leadership

**Henry Chin, Ph.D.**
Global Head of Research
henry.chin@cbre.com

**Tasos Vezyridis**
Executive Director
Head of Research, UK&I and Continental Europe
tasos.vezyridis@cbre.com

**Ada Choi, CFA**
Head of Research, Asia Pacific
ada.choi@cbre.com

**Julie Whelan**
Global Head of Occupier Thought Leadership
julie.whelan@cbre.com

## European Logistics Research

**Pol Marfà Miró**
Director, European Retail and Industrial & Logistics Research
Global Thought Leadership Team
pol.marfamiro@cbre.com

**Alex Ozga**
Associate Director, European Retail and Industrial & Logistics Research
Global Thought Leadership Team
alex.ozga@cbre.com

**Daniel Jones**
Senior Analyst, European Industrial & Logistics Economics and Forecasting
daniel.jones@cbre.com

## European Logistics Business

**Jack Cox**
Head of European Industrial & Logistics
jack.d.cox@cbre.com

**Carl Deppisch**
Head of European Industrial & Logistics Occupier
carl.deppisch@cbre.com

**Mark Cartlich**
Senior Director, Head of European Industrial & Logistics Strategy
mark.cartlich@cbre.com

**Simon Blake**
Chairman of European Industrial & Logistics
simon.blake@cbre.com



CBRE