

Logistics real estate in Europe on a growth trajectory

Demand for modern logistics properties in Europe remains high, and matters such as location quality, energy efficiency, automation and flexible use are continuously gaining in importance. Germany in particular plays a key role in this framework – as Europe's largest logistics market and as a hub for international supply chains. Swiss Life Asset Managers, with a Europe-wide logistics strategy, is amongst those actively shaping this change.

Germany as the backbone of European supply chains

With its central location, excellent infrastructure and political stability, Germany forms the backbone of European goods traffic. The large metropolitan regions such as Rhine-Ruhr, Stuttgart, Hanover and Nuremberg are integral parts of global supply chains. Even in times of increased construction costs and economic uncertainty, demand for modern space remains significantly greater than supply. Vacancy rates remain at a low level, while hardly any new logistics sites are being designated in metropolitan areas.

This has two consequences for investors: On the one hand, the market remains a stable earnings anchor despite cyclical fluctuations. On the other hand, the ongoing shortage of space increasingly calls for forward-thinking development concepts such as brownfield reactivations, further development or the construction of multi-storey logistics centres in urban areas. The market thus differentiates more in terms of quality, location and ESG standards.

Fragmented markets, local expertise

Compared to Europe, a differentiated picture emerges. While the Netherlands and Belgium form strategic gateways through their seaports, France and Italy score well with large metropolitan areas and high consumer density. Spain, on the other hand, is benefiting from its growing importance as a gateway for the international exchange of goods with Latin America. Still, Germany remains by far the largest and most liquid logistics market.

However, expanding across national borders is complex. Different building regulations, fiscal conditions and approval processes make a deep understanding of local markets indispensable. To operate successfully in this environment, well-established local teams and a resilient network are necessary.

Swiss Life Asset Managers is one of Europe's leading institutional real estate investors, backed by over 130 years of experience in the real estate business. On this basis, the logistics strategy is continuously further developed in a targeted manner, focussing on sustainable growth, long-term value creation and a stable tenant mix.

From developer to integrated platform provider

The requirements placed on logistics real estate have changed significantly. Successful market participants no longer act as pure developers, but as integrated platforms that depict the entire life cycle of a logistics project – from land acquisition and project development to asset and property management.

This is one of the key success factors of Swiss Life Asset Managers: The company has a specialised logistics team active in Germany and other core European markets. Thanks to a close network of municipalities, developers and users, attractive locations can be identified at an early stage – often before they reach the broad market. The combination of local expertise and institutional capital strength makes it possible to implement projects with confidence even in volatile market phases.

As investors nowadays no longer focus solely on rental yield and location, but also on the carbon intensity and adaptability of a property to future climate standards. Investing early in this area ensures not only regulatory benefits, but also stable values over the entire life cycle.



Diversification as an anchor of stability

In addition to location and development quality, the user profile remains decisive for the stability of logistics portfolios. A balanced mix of tenants from retail, industry and e-commerce ensures that economic fluctuations in individual sectors are cushioned. Standardised, flexibly usable properties offer space for different operating models – from distribution centres and production logistics to urban last-mile hubs.

This diversification has a direct impact on the risk structure: it reduces vacancy risks and strengthens the long-term predictability of earnings. This offers clear added value for institutional investors who rely on continuous cash flows and predictable distributions, especially in an environment of volatile capital markets.

Capital strength as a competitive advantage

Recent years have shown how important a solid base of equity capital is. Those who have sufficient financial resources can invest countercyclically and exploit opportunities if other market participants act cautiously. This opens up the opportunity to secure attractive properties and projects at an early stage, especially in phases of restrained construction activity.

Swiss Life Asset Managers makes targeted use of this position: With a long-term perspective and the experience as a leading real asset investor in Europe, strategic acquisitions and project developments are realised that extend beyond the current cycle. The result is a portfolio that combines stability and growth in equal measure.

Quality beats quantity

The European logistics real estate market is in a phase of structural consolidation. After years of dynamic expansion, a selective, quality-driven approach is becoming more prominent. Sustainability, energy efficiency, user flexibility and location quality are becoming decisive value drivers.

Germany remains the benchmark market for international investors – and a stable starting point for pan-European strategies. The combination of robust fundamental data, a broad user base and a high level of investment security will continue to make the market attractive going forward.

With an integrated platform approach, regional market knowledge and a clear focus on sustainable real estate concepts, Swiss Life Asset Managers is continuing to drive its expansion in the European logistics sector – and thus sends a signal of stability, responsibility and foresight in a changing industry.



