

Press Release

GARBE PYRAMID-MAP: Rental Trend on European Logistics Real Estate Market Remains Stable – Modest Growth Forecast through 2030

- Average annual rent increases of 1.9 percent expected
- First half-year of 2025: Moderate rental growth combined with generally stable market trend
- Regional differentiation intensifying – top markets still the market drivers

Hamburg, 09 September 2025 – Europe's logistics real estate market is moving through a stabilisation and consolidation phase. More specifically, an average rental growth of 70 cents per square metre is projected for the period starting with the second quarter of 2025 and ending with the second quarter of 2030. This would imply an annual growth rate of 1.9 percent (CAGR or Compound Annual Growth Rate). For the sake of comparison: The CAGR between Q2 2020 and Q2 2025 amounted to 5.6 percent. These are the findings that GARBE Research presented in its latest GARBE PYRAMID MAP, the 2025 mid-year update of the company's overview of prime rents and prime net initial yields for the 121 most important logistics real estate submarkets in 25 European countries. In addition, the PYRAMID map contains forecasts for the 88 regions that were determined via a collaboration with Oxford Economics.

Tobias Kassner, Head of Research & ESG at GARBE Industrial, explained: "The exceptional rent surge of recent years cannot be sustained indefinitely. However, our forecast reveals: Prices continue to be stable, and high-end locations retain their growth upside."

Top Regions Stand their Ground – Opportunities in Specialised Markets

Particularly markets like Munich, Stuttgart, Inner London, Manchester, Paris, Barcelona and Warsaw will keep seeing above-average rent growth in the coming years, according to the forecast. These regions are expected to report of CAGR of more than 2.0 percent, which is due to their role as central logistics hubs. Regions that already manifested a significant potential for growth in recent years keep showing robust development outlooks.

First Half of 2025: Rental Uplift, While Slowing, Remains Stable

During the first half of 2025, prime rents in Europe increased by an average of 6 cents to 7.42 euros per square metre and month. At a rate of 0.8 percent, the rent growth was far more moderate than it had been in previous years, and lagged behind the inflation rate of 2.06 percent projected for 2025 (source: Oxford Economics). In 59 percent of the 121 regions examined, the prime rent remained unchanged. Another 36 percent of the regions registered slight increases amounting to an average of 18 cents per square metre. Only five percent of the regions reported falling rents – down from eight percent as recently as year-end 2024. In fact, the trend suggests that rents are stabilising.

Regional Developments Present a Different Picture

In the 29 regions in Germany covered by the survey, rents increased at the same rate of just 6 cents – and without Munich, it would be a mere 3 cents. Eleven regions showed a positive trend, including five of the seven largest logistics locations. Leipzig and Magdeburg registered falling rents. In Italy, five of seven regions scored rent increases of 24 cents on average, whereas four out of ten regions in France averaged increases by 4 cents. Three of four markets in Spain recorded an average growth by 13 cents. Growth slowed to 11 cents in the United Kingdom and to 5 cents in the Netherlands.

Slight Increase in Vacancies – Ongoing Demand Differentiation

Cross-European take-up followed the same long-term trend and generally matched, or fell slightly short of, recent levels. The average vacancy rate in Europe already exceeded 6.6 percent during the first quarter of 2025. While the United Kingdom, Italy and Slovakia recorded the fastest increases in vacancies, there are first signs of recovery in Germany, Spain and Poland. The German market is gradually coming back to life, whereas market action in Austria and the Czech Republic is rather subdued.

Fresh Impulses through Policy Incentives – Quality of Location Gaining in Significance

“We expect many markets to see continued if more moderate rent growth – driven by structural trends, industry-specific demand and regional dynamics,” said Kassner. Political measures such as the “Super-AFA” model of deduction for depreciation introduced by the German government, could create fresh impulses, although no short-term effects are to be expected from these. The overall picture suggests: Despite slowing momentum, the market has remained robust – and presents opportunities for investors, especially so in regions with convenient transportation access, specialised users, and high quality of location.

For more detailed statistics and methodological information, please see the interactive [GARBE PYRAMID MAP](#). The data referenced in our press release are sourced from the PYRAMID project.

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About GARBE Industrial GmbH & Co. KG

GARBE Industrial GmbH & Co. KG ("GARBE Industrial"), headquartered in Hamburg, is one of the leading platforms for logistics and light industrial real estate in Germany and wider Europe. For over 25 years now, the company has counted among the main independent partners for transport and logistics service providers, the trade sector and the manufacturing industry. As a developer, operator and investor, GARBE Industrial covers the entire value chain of real property – developing, buying or selling, acquiring, letting, administering and financing high-end commercial real estate in attractive transport nodes and industrial sites inside and outside Germany. At the moment, GARBE Industrial has around 7.0 million square metres of lettable area and a property development pipeline of around 2.0 million square metres in Germany and elsewhere in Europe under management that represent real assets and fund assets in a combined value of approximately 10.4 billion euros (as of 31 March 2025).

Through its three holding companies, GARBE Industrial Real Estate, GARBE Reside and GARBE Infrastructure, GARBE pursues its so-called "Sheds, Beds & Infrastructure" strategy. The expertise of subsidiaries GARBE Industrial, GRR GARBE Retail, GARBE Data Centers and GARBE Insite in the *Sheds* segment is pooled under the umbrella of GARBE Industrial Real Estate. Its *operational units* create a fully integrated real estate platform that covers the entire industrial value chain of the asset classes industrial & logistics real estate, special-purpose real estate and retail real estate – from production all the way to the end customer. Employing around 600 experts in 20 branch offices across 13 countries, GARBE develops and manages more than 15 billion euros worth of assets under management.