

European I&L volumes fell just 3% in 2025, as global headwinds tempered the customary Q4 rebound

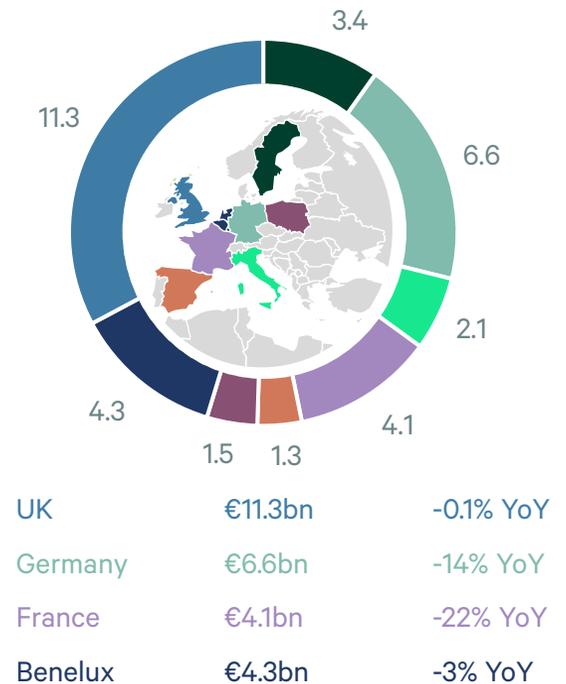
Q4 European industrial investment rebounded from Q3, but was still 12% lower YoY

European industrial and logistics (I&L) investment decreased 3% YoY during 2025, reaching €40.6bn. The H2 slowdown continued in Q4, due to continued investor caution over sluggish economic indicators and volatile geopolitics, even though there was the usual seasonal increase from Q3. Total CRE volumes reached €244bn in 2025 (+15%), with I&L comprising 17% of the European total. Despite seeing no rise in I&L volumes, the UK remained the largest market, outperforming the Continent, where I&L transactions decreased 4%, although debt is still more accretive. The best performers were the Czech Republic (+250%), boosted by an excellent H1, Sweden (+45%), and Italy (+30%). Other significant increases in Portugal (+232%) and Switzerland (+170%) were offset by falls in France (-22%), Germany (-14%), and Norway (-37%).

Investment volumes for Q4 were 12% lower YoY at €13.4bn, as financial market volatility and macroeconomic uncertainty continued to affect the industrial market. With Q4 European CRE investment rising 17% to €88bn, I&L's proportion of the total fell to 15%. Besides Sweden and Switzerland, there were particularly strong performances in Italy (+75%), Portugal (+477%), and Austria (+111%). However, these were offset by lower volumes in France (-28%), due to political issues, Germany (-35%) and Spain (-60%). Single asset deals were c. half the total in Q4, down from 57% in 9M 2025, suggesting an improvement in market appetite, but the average transaction size remained constrained, with 66% of deals below €100m.

Capital flows into European I&L also decreased 3% last year. Of the total, 73% were from within Europe, up from 63% in 2024. Domestic volumes were 29% higher YoY at €21bn and accounted for 51% of the capital invested. Cross-border investment was down 14% to €9bn and North American flows fell by 36%, while Asian capital was up 36%. Valuations were generally unchanged in Q4, with prime yields stable except for in Spain and rents generally flat, apart from increases in Madrid, Barcelona, Munich, and Frankfurt.

Figure 1: YTD I&L investment by market (€bn)



Source: CBRE Research

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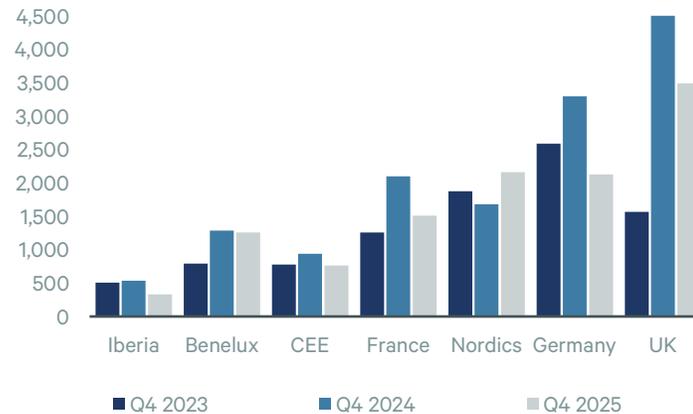
Improved investment in CEE, Sweden and Italy in 2025 was unable to offset falls in France, Germany and Norway

Figure 2: European I&L investment volumes (€bn)



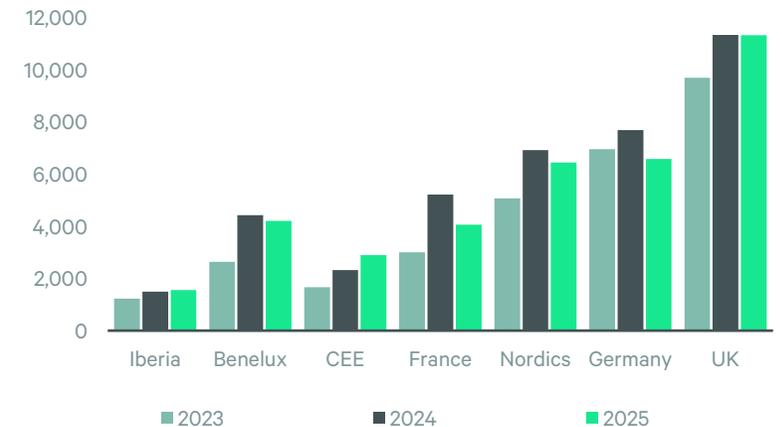
Source: CBRE Research

Figure 3: Quarterly I&L investment volumes by region (€m)



Source: CBRE Research

Figure 4: Annual I&L investment volumes by region (€m)



Source: CBRE Research

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Prime capital values were largely flat in Q4, except where rents increased in Munich, Frankfurt, Madrid & Barcelona

Figure 5: Capital flows into European I&L, Year to Q4 2025



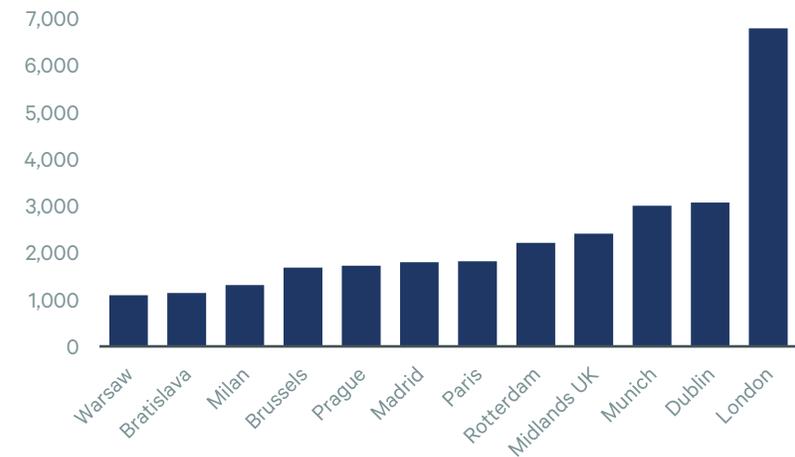
Source: CBRE Research

Figure 6: Prime logistics yields, Q4 2025



Source: CBRE Research

Figure 7: Prime logistics capital values, Q4 2025 (€/sq m)



Source: CBRE Research

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