

# Warehouses are Getting Bigger as Occupier Requirements Continue to Evolve

3 years ago



The average unit size of European logistics lettings has increased more than 60% since 2011, according to [the latest research](#) from global real estate advisor, CBRE.

The average deal size reached 11,000 sqm in the first half of 2022. This has been driven by third-party logistics operators, retailers and manufacturers searching for assets that can offer them economies of scale in their operations and provide enough room for increases in their inventories.

Furthermore, XXL warehouses (units of 50,000 sqm or more) now account for 24% of total take-up, compared to just 11% in 2011. This makes them a very relevant segment for the industry and often represent key strategic investments from occupiers.

The data from CBRE also shows increased appetite from manufacturing companies to get XXL logistics facilities in Europe, as they seek to bring supplies and stock closer to their end consumer. Germany, the UK, France, the Netherlands, Poland and Spain have been the most attractive locations for manufacturers to establish their XXL warehouse locations in Europe. However, this trend is flourishing across the continent.

Joerg Kreindl, Head of Occupier Industrial & Logistics, EMEA, CBRE, said: “Not only are we seeing warehouses growing in square footage terms, but the volume of these large deals is also increasing. We expect this trend to continue over the next few years, paired with consolidation of supply chains and producing economies of scale to occupiers.”