

# Logistics Occupiers Still in Expansion Mode Across Europe, Says CBRE

2 years ago



Logistics occupiers across Europe are still planning to increase their real estate footprint despite challenging market conditions, according to [CBRE](#)'s 2023 European Logistics Occupier Survey.

According to the data, 67% of all respondents plan to grow their logistics footprint, with almost half of this group (30%) stating that they plan to do so by more than 10%. At a sector level, online retailers remain bullish with their future expansion plans, particularly in less mature markets such as Italy and Spain, despite the overall slowdown in e-commerce growth post-pandemic.

Third party logistics providers (3PLs) also remain optimistic, with 78% expecting further business growth over the next two years. Preparation for this has been demonstrated in recent months, with 3PLs acting as a major driver of demand and accounting for more than 45% of the total take-up in Europe in Q1 2023.

The findings of the survey also showed that a growing number of those occupiers looking for more space are exploring new locations. More than 58% of respondents said that they are considering emerging hubs or secondary locations with cost, access to labour and availability of space driving this decision.

On the contrary, occupiers looking to reduce their logistics footprint showed a preference to sublease full units (57%) or move to smaller facilities (43%), allowing them flexibility if future plans change. Furthermore, no survey respondents said they were looking to exit any European market completely, giving further confidence to the sector.

Despite overall optimism, challenges remain with cost escalation, environmental concerns and labour skills and shortages the most pronounced amongst occupiers, according to the research.

Supply chain disruptions also remain a concern, with 72% of occupiers surveyed noting that they have adopted at least one strategy to minimise supply chain disruption, such as increasing inventory or nearshoring of production or stock.

Real estate challenges were also prevalent, primarily due to the sector experiencing continued under supply alongside rising costs.

As a result, acquisition strategies have evolved, with 43% of occupiers securing sites in advance of requirements. Furthermore, almost one-third of respondents said that they are now partnering with developers and investors to streamline the process.

Tasos Vezyridis, Head of Thought Leadership, Europe at CBRE, said: “This is the third time we have undertaken this survey, unveiling it at our flagship Power of Three Logistics event in Barcelona last week. It’s reassuring to see that despite the ongoing economic headwinds that are impacting market sentiment, many occupiers continue to seek out warehouse space and anticipate further business growth, which will help underpin the long-term fundamentals of the sector.”

Jack Cox, Head of Industrial and Logistics, Europe at CBRE, said: “With logistics now a mainstay of the boardroom agenda for many companies, real estate considerations are now business challenges that directly affect revenue and growth. As a result, the evolving partnership we are seeing between occupiers, investors and developers is very important and will play a crucial role in supporting the growth strategies of these companies and of the logistics sector going forwards.”