

OCTOBER/NOVEMBER 2025

INSIGHT

Real asset news, strategy and research

Interviews

Philip La Pierre, LaSalle IM

Ben Bannatyne, Prologis Europe

Joseph Vullo, Columbia Threadneedle

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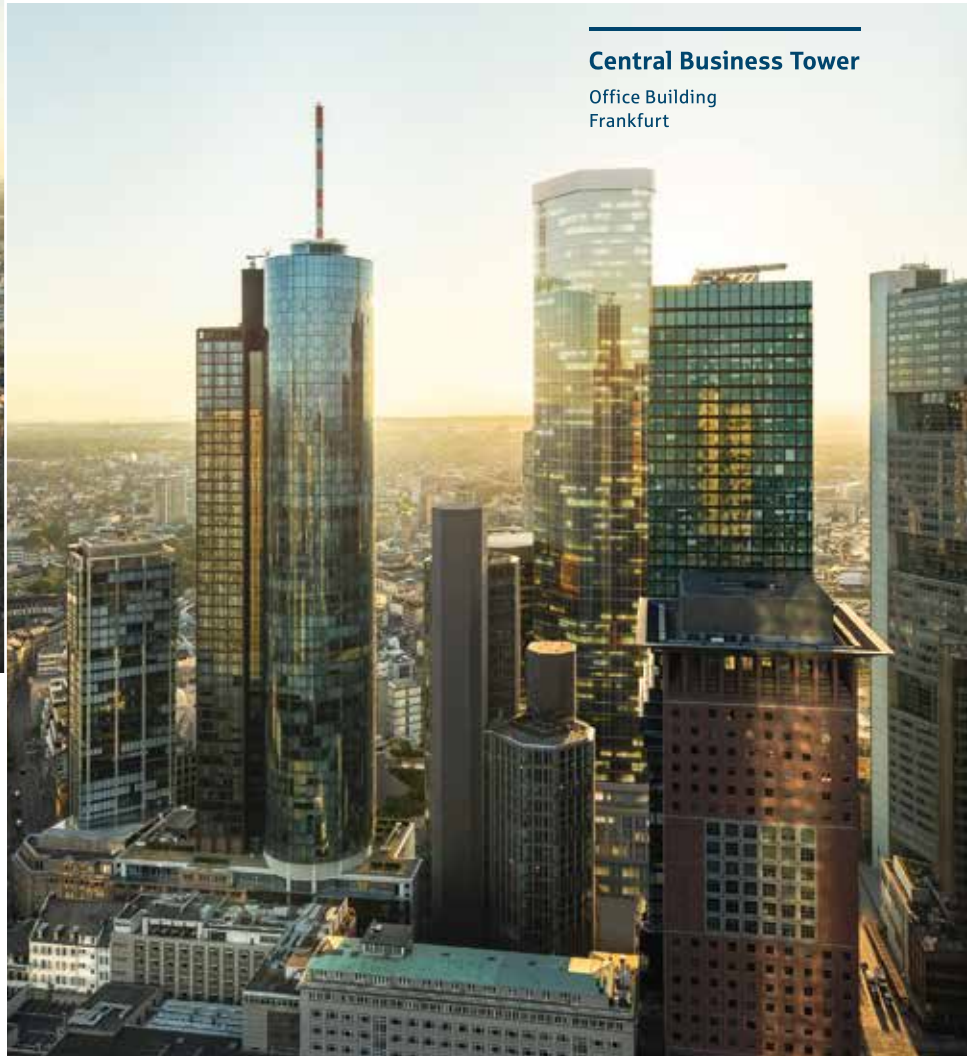
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Where capital meets compute: data centres go mainstream

A global infrastructure boom is underway – and data centres are at its heart. According to Morgan Stanley, more than \$2.9 trillion will be spent globally on AI-ready data centre infrastructure by 2028. That capital is flowing not only from hyperscalers and sovereign wealth funds, but from institutional investors, infrastructure funds, and real estate platforms seeking scale, yield, and exposure to the digital economy’s backbone.

This presents both risk and opportunity. Institutional investors must adapt. As Philip La Pierre, chief executive officer for Europe at LaSalle Investment Management, tells *Insight* in this edition: “If you talk to the hyperscalers, the only thing holding computing capacity back is access to energy and data and resources and chips. It’s the computing power that is holding back further developments, and that means more data centres.”

Europe and the UK have a narrow window to secure their share of this investment. If they fail – due to planning resistance, regulatory drag or energy costs – others will move faster. The UAE, Saudi Arabia and parts of the US are already building hyperscale campuses at speed, offering cheap land, subsidised power and fast-track permitting. Europe risks being left behind.

In short, data centres are no longer niche. They are fast becoming a mainstream asset class, but one that requires operational depth, energy strategy, and political navigation.

Yet the opportunity is real. Stabilised data centres in Europe offer net initial yields between 5.25% and 6.75%, significantly higher than core logistics or prime offices. New developments are achieving yield-on-costs of 9-10% and IRRs of 12-15%, often underpinned by preleases to investment-grade tenants on CPI-linked, triple-net structures. Institutional capital is responding. In the UK, USS has committed £250 million to Blackstone’s £10 billion Northumberland campus. In Park Royal, Segro’s JV with Pure Data Centres targets 9%+ returns. Across Europe, platforms are scaling up.

For investors, the fundamentals are hard to ignore. Europe’s data centre vacancy is below 8% across FLAP markets. Paris saw availability drop from 16.1% to 7.7% in a year. Rents in London increased from £117 to over £153/kW/month between early 2024 and mid-2025. Demand is outpacing supply – and the hyperscalers are accelerating.

Yet the global context matters. The Gulf states, led by Saudi Arabia and the UAE, are now actively competing to become global AI and data centre hubs. They offer abundant power, pro-business regulation, and sovereign capital. If Europe delays, the capital and compute will go elsewhere.

This edition of *Insight* explores how institutional investors are navigating these trade-offs. For those with the right partners, land, power and permitting strategies, the payoff could be transformative. As AI reshapes the global economy, data centres will reshape real estate. The question is no longer whether to invest, but where, how, and how fast.

But the market is far from frictionless. Grid constraints, power scarcity, and ESG scrutiny are slowing delivery. In London, Frankfurt, Amsterdam and Dublin, hyperscale projects face multi-year delays due to limited electricity access. In Spain, Meta’s water-intensive campus has met local resistance. In the UK, a 90MW site in Buckinghamshire is under judicial review, and another in Lincolnshire faces opposition from Anglian Water. As AI workloads grow, these frictions will intensify.

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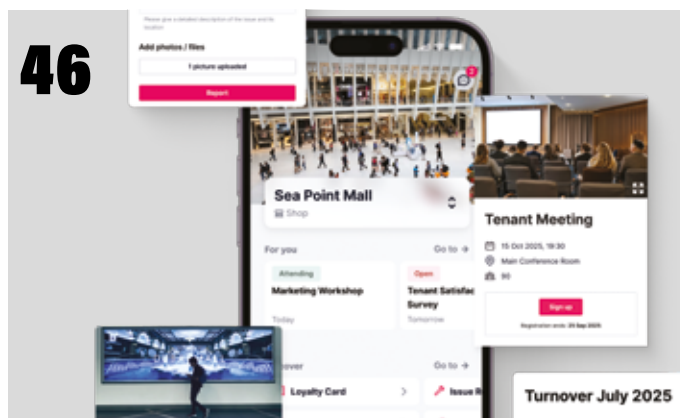
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Industry insight

Real Asset Live's series of events is an opportunity for industry leaders to continue sharing their views on the future of the market and the sector. Here are just a few of their insights.

'Businesses have put decision-making on hold, as I say, for 12 to 18 months, but now they're moving forward. We are seeing one of the strongest build-to-suit pipelines in the UK in recent years.'



**Ben Bannatyne, president,
Prologis Europe (See page 16)**



'This isn't a universal recovery across all asset types, and it's not the capital growth we saw in that golden 2014-2022 period, when all boats were floating up in their valuation. Life is slightly different now.'

**Philip La Pierre, CEO for Europe,
LaSalle Investment Management (See page 12)**

'As real estate investors, we must focus on increasingly discerning occupier needs and respond to their changing demands – that is what will drive growth.'



**Joseph Vullo, head of European real estate,
Columbia Threadneedle Investments (See page 20)**



'We are delighted to be holding the final close for ICG Infra II at €3.15 billion and are extremely grateful for the support of our investors.'

**Guillaume d'Engremont,
managing director and head of infrastructure, ICG**



'The first half of 2025 brought growing arrival numbers and revenues for most destinations around the world, which contribute to local economies, jobs and livelihoods.'

Zurab Pololikashvili, secretary-general, UN Tourism

Global capital drives €5bn data-centre boom in UK and Germany

Global investors and tech giants are pouring more than €5 billion into large-scale data-centre projects in the UK and Germany, driving a new wave of AI-fuelled infrastructure expansion.

US investment giant BlackRock is entering the UK data-centre market with a planned £500 million investment through a new venture with Digital Gravity Partners, with the first site in west London. The joint venture will focus on acquiring and upgrading operational data centres in and around urban locations such as London, targeting sites with underutilised power and potential for greater rack density.

In the Midlands, UK fund manager Tritax has signed a memorandum of understanding with EDF UK, the British energy utility, and Holtec International, the US nuclear technology company, to develop a 1GW data-centre campus on the site of the former Cottam coal-fired power station in Nottinghamshire.

While no investment figure has been disclosed, the scale and nuclear component suggest a multi-billion-pound commitment over the coming decade.

The project will use existing grid connections and initially draw on renewable energy, with plans to introduce power from small modular reactors (SMR) in the 2030s. Holtec's SMR-300 reactors are currently under regulatory review. The 364-hectare site includes 61 hectares



allocated to data centres and 40 reserved for future nuclear-power infrastructure.

According to EDF, the plan aligns with ambitions to create a Trent Valley Supercluster as part of an AI Growth Zone proposed by the UK government. The partners expect the facility to be operational by the end of the decade, creating thousands of high-skilled jobs.

These announcements coincide with US president Donald Trump's state visit to the UK.

Meanwhile, US technology firm Microsoft is advancing its previously announced €3.2 billion investment programme in Germany, with construction now underway in North Rhine-Westphalia.

The company is developing two hyperscale campuses west of Cologne:

one in Bergheim, covering 20 hectares at the INKA: terra nova industrial park, and another in Bedburg, spanning 18 hectares within the BEB61 estate. Both sites are expected to begin operations in 2026.

In Berlin, Swiss-backed real estate investor Prea Group is reportedly seeking to sell its flagship Bluestar data centre, which has an estimated value of €1 billion. The Berlin-Lichtenberg facility is designed to offer 100MW of capacity with a power intake of 69.5MW, and has been promoted as the largest lettable data-centre project in the city.

While the buyer is not yet known, industry interest is expected to be strong, given the project's scale, power availability and Berlin's growing appeal as a core data-centre location.

Global tourism surges in H1, as nearly 690 million cross borders

International tourism demonstrated strong resilience in the first half of 2025, according to the latest UN Tourism Barometer. Nearly 690 million travellers crossed borders between January and June, approximately 33 million more than in the same period in 2024.

While regional performance varied, the overall trend highlights a sector regaining momentum and offering fertile ground for foreign direct investment in tourism-related projects.

Zurab Pololikashvili, secretary-general of UN Tourism, emphasised the sector's dual role in driving economic growth and providing jobs, while underscoring the need for sustainable and inclusive development.

"The first half of 2025 brought growing arrival numbers and revenues for most destinations around the world, which contribute to local economies, jobs and livelihoods," he said, adding that gains come with the responsibility to ensure tourism growth benefits all stakeholders.

Africa had the strongest performance. International arrivals rose by 12% compared with the same period last year. Europe welcomed nearly 340 million tourists (4% higher than in 2024 and 7% above pre-pandemic levels). The Americas posted modest growth of three percent, with South America experiencing a 14% rise in arrivals.

North America and the Caribbean experienced flat or minimal growth.

Asia-Pacific continued its post-pandemic recovery with an 11% increase in arrivals.

ICG raises €3.15bn for second European infrastructure fund

Intermediate Capital Group (ICG), a global alternative investment firm headquartered in London, has raised €3.15 billion for its second European infrastructure fund, with institutional investors strongly supporting the vehicle. The new fund more than doubles the size of its predecessor, which closed in 2022.

ICG announced the close of Infrastructure Fund II on 15 September. The fund exceeded its €2 billion target and was oversubscribed, with over 85% of investors from ICG Infrastructure Equity I committing again. ICG has already deployed nearly 25% of the new capital across four investments.

The fund targets mid-market opportunities across Europe, focusing on energy transition, digital infrastructure and mobility. ICG invests flexibly across the capital structure, including equity, subordinated debt and quasi-equity.

“We are delighted to be holding the final close for ICG Infra II at €3.15 billion and are extremely grateful for the support of our investors,” said Guillaume d’Engremont, managing director and head of infrastructure at ICG.

“Infra I’s [distributed to paid-in ratio] speaks to the proven nature of our strategy and its resilience through economic cycles. This fund will continue the same approach, with its size allowing us to build a portfolio that is even more diversified.”

Benoît Durteste, chief executive of ICG, said: “To more than double the size of a

fund in three years is no small feat. It is a testament to the team’s track record and strong conviction among our clients. A raise of this calibre demonstrates the firm’s ability to scale strategies at pace and leaves us in good stead to capitalise on attractive opportunities in the European mid-market.”

ICG Infrastructure Equity I, which closed at €1.5 billion in 2022, completed three exits.

It sold French renewable energy producer Akuo to Ardian, a global private investment house; Réunion-based fibre broadband provider Océinde Communications to Crédit Agricole Assurances, the insurance arm of Crédit Agricole Group; and French metering and water services group Ocea to EQT, a Swedish private equity and infrastructure investor.

The fund achieved a distributed to paid-in ratio of 81%, placing it in the top decile of infrastructure funds in its peer group.

A team of 15 investment professionals manages ICG’s infrastructure platform across four European cities. As of 30 June 2025, ICG managed approximately \$123 billion in assets across strategies, including structured capital, private debt, private equity secondaries, real assets and credit.

ICG’s 2025 annual report highlights real assets and infrastructure as core to its “scale-up and scale-out” strategy, and the firm has increased capital deployment in essential-service sectors.

There is continued investor demand for inflation-linked, long-duration infrastructure strategies that deliver stable returns.



Belgium’s Xior opens first student residence in Warsaw

Belgian student housing company Xior Student Housing has opened its first fully developed and commercialised residence in Poland, marking a significant expansion into Central Europe.

The Wenedów residence in Warsaw comprises 404 units and represents a total investment of about €38.5 million, including furnishing and fit-out. Xior acquired its partner Solida Capital’s remaining stake in the project this September, securing full

ownership of the residence. The asset is expected to deliver a gross yield of roughly 9%, according to company statements.

The residence is on Wenedów Street, close to the city centre and several universities.

Accommodation options range from shared two-person apartments to private rooms and studios. Rents start at around PLN2,550 (€587) per person in shared units. Private rooms and studios are typically

priced between PLN3,450 and PLN4,650 (€794–€1,070), depending on size and layout. The minimum lease term is 11 months.

Amenities include study areas, communal kitchens, a gym, a cinema room, game zones, co-working lounges and a rooftop terrace overlooking the Vistula River. Underground parking for cars and secure storage for bicycles are also provided.

Xior now has around 3,767 lettable student units in Poland.



DWS adds to Spanish residential portfolio

German asset manager DWS and Spanish residential platform Bialto have closed on the acquisition of a 1,763-home affordable housing portfolio in the Madrid region.

The deal marks the complete transfer of “lote 3” of the Plan Vive programme, a public-private affordable housing initiative led by the Comunidad de Madrid. The homes were delivered to DWS in July by Culmia, the Spanish residential developer that secured the 50-year land concession from the regional government in 2021.

“This operation has demonstrated that developers can build housing and find investors interested in owning and operating these rental homes over the long term,” said DWS in a statement.

Spread across 12 plots in five municipalities – Alcalá de Henares, Alcorcón, Getafe, San Sebastián de los Reyes and Tres Cantos – the properties are more than 98% occupied, according to media reports.

The acquisition adds significantly to DWS’s residential portfolio in Spain, and brings its exposure in the regulated rental segment above 3,000 units. Bialto, which manages the

portfolio, said the homes’ strong leasing performance reflected demand for high-quality, energy-efficient affordable housing in Greater Madrid.

Constructed using industrialised building methods by Avintia’s Ávita division, the units are among the first in Spain to be rated BREEAM Excellent at both design and delivery stages. All homes carry an AA energy rating and were designed to minimise construction time, carbon emissions and material waste.

While the financial terms of the transaction have not been disclosed, earlier estimates suggested a potential value of up to €250 million. The companies have not confirmed whether additional parcels were included beyond the 1,763 homes delivered in July.

The Plan Vive initiative aims to deliver more than 25,000 affordable homes across the Madrid region through long-term public land concessions to private developers and institutional investors. Under the model, properties are built and operated privately for a fixed period, with rents capped below market levels before reverting to public ownership.

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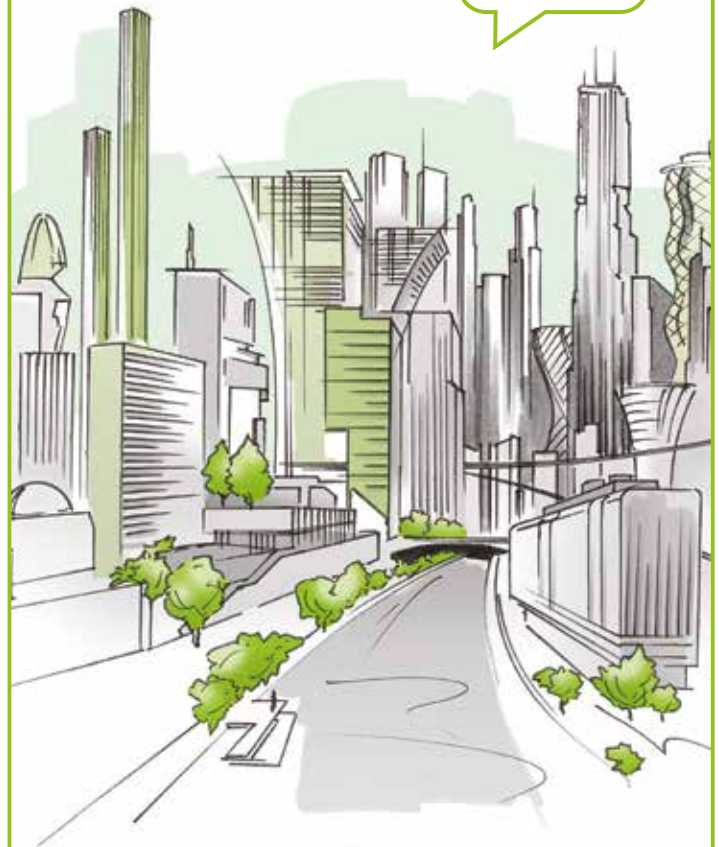
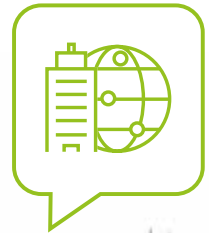
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Apollo backs new European mid-market CRE lending platform

US private equity firm Apollo Global Management has backed the launch of TenFifty Capital, a UK-based non-bank commercial real estate lending platform targeting the underserved mid-market segment in Europe. The venture aims to originate between €1 billion and €2 billion of senior secured loans in its first year, with individual ticket sizes ranging from €10 million to €50 million.

TenFifty is led by Hugh Fraser, co-founder of M7 Real Estate, the pan-European commercial real estate investor, who brings a track record of more than €6 billion in real estate financings across over 150 transactions. During his time at M7, he also led the development of the firm's small-balance lending strategy.

"We see a real opportunity to partner with borrowers who need certainty of execution and flexible capital in a challenging market," Fraser said.

The platform will focus on a wide range of asset classes, including logistics, industrial, retail warehousing, senior and student housing, hospitality, prime office, self-storage, parking and food retail.

It will initially target six key markets: the UK, Germany, the Netherlands, Spain, Italy and Ireland. Offices have already been established in London, Berlin, Amsterdam and Madrid to support the regional roll-out.

Traditional banks are retreating from the €10 million – €50 million loan segment, creating a structural gap in commercial real estate finance. TenFifty is positioning itself as a fast, execution-led lender offering certainty to borrowers seeking acquisition or refinancing capital.

Apollo, which manages one of the world's largest real estate credit platforms, said the partnership matched its strategy of expanding into high-demand, underserved segments of the European lending market.

"We are excited to support Hugh and the TenFifty team in building a best-in-class platform focused on this strategic market segment," said Ben Eppley, head of real estate credit for Europe at Apollo.

The launch reflects broader trends in European real estate finance, as institutional capital shifts to private credit and direct lending.



ThePowerCouple on Unsplash

Market for modern living in Germany rebounds to €165m

Germany's modern living sector is showing signs of renewed momentum. Transaction volume reached €165 million in the first half of 2025, equalling the total for the whole of last year.

According to CBRE, the recovery is being driven not by speculative new-build activity, but by a shift to value-add strategies, as investors target older assets for refurbishment in a constrained development environment.

Defined as a mix of alternative residential formats – including purpose-built student accommodation, co-living, micro-living and serviced apartments – the modern living segment has matured significantly in recent years, offering flexible urban housing solutions tailored to

students and young professionals.

The first-half figures encompass 10 deals across these sub-sectors, marking a noticeable change in investor priorities.

"Activity in 2025 has focused largely on older stock," CBRE said, noting that only three of the transactions involved new properties or developments.



Overall volume remains below historic averages. Many banks view the modern living model as unproven, and development activity continues to be slowed by planning uncertainties, with authorities hesitant to approve new schemes that fall outside traditional residential classifications.

"Although investor and operator demand is strong, banks continue to act cautiously," CBRE said.

Prime yields in the top seven German cities held steady at just under 4.6% as of mid-year.

CBRE forecasts that, if larger portfolios come to market as anticipated in the second half, total transaction volume for 2025 could rise above €500 million.

Deborah Cortelazzi/Unsplash



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No sweeping recovery in sight, but there will be winners

LaSalle IM's Philip La Pierre reflects on where Europe's real estate sector is at after years of economic and geopolitical uncertainty. Interview by **Jason Mitchell**

Philip La Pierre, CEO for Europe at LaSalle Investment Management, oversees €20 billion of assets across multiple strategies at one of the region's most active institutional real estate platforms. Here, he unpacks Europe's uneven recovery, the re-emergence of core capital from new global sources, and how institutional investors are navigating logistics, debt, and residential sectors. His message? Be selective, go granular – and stay close to your net operating income.

Which real estate sectors or asset types in Europe are showing the clearest recovery signals in long-term structural growth potential as we move through 2025?

Looking at real estate currently, I think there are a couple of underlying trends. In the past five years, and especially in this environment where you cannot control the capital market side – the valuation side, which is driven more by the cost of capital and cost of debt – we must focus on the

net operating income (NOI), which we can control. Which asset types are above inflation in their rental growth? What are the drivers behind that rental growth? For example, supply shortages, barriers to entry and bifurcation of demand.

This isn't a universal recovery across all asset types, and it's not the capital growth we saw in that golden 2014-2022 period, when all boats were floating up in their valuation. Life is slightly different now.

There has been a lot of discussion around data centres. With the rise of AI and the need for computing power and energy, obviously data centres are a big part of that equation. But it's a very specific asset type. They are very large investments, so they're not for everybody.

The beds and sheds story certainly still holds true, but you've got to dig in deeper and have a more granular view. We're seeing some softening around the logistics markets, both in rental growth expectations and capital growth. This is, of course, driven by geopolitics to a certain degree – it's the deglobalisation effect. Our preference would always be the core markets, which are the Netherlands, France, Germany and the UK, where we see the biggest possibilities going forward.

The same applies to residential, where regulatory pressures on housing are significant. We have to keep in focus the regulatory pressures that exist within the living sector. The question is, how will governments try to support that need? And currently, the easiest way, rather than supporting construction, is capping rents. That doesn't build a single new apartment or a single new house, unfortunately.

Retail has rebalanced over the past decade, but you have to differentiate within the [retail sector] space as well. The retail assets that have survived the past eight years and are still performing, are the ones of interest. We like asset types such as outlet centres and retail parks. And, I would say, about 10% or 15% of shopping centres. In particular, in the outlet space, the barriers to entry are massive, given that not many places want a big outlet centre on their doorstep. I think there will be a renaissance in retail as we move through 2025 into 2026 and 2027.

Offices are still a key component of our European portfolio, but it requires specialism. The bifurcation in Europe's largest asset class is very interesting and quite unique. Good assets in great locations are outperforming in terms of rental growth, whereas lower-quality offices in secondary/tertiary locations are being impacted by the current environment.

Looking forward, there is extremely limited good stock coming to the market, driving

'This isn't a universal recovery across all asset types, and it's not the capital growth we saw in that golden 2014-2022 period, when all boats were floating up in their valuation. Life is slightly different now.'

Philip La Pierre, LaSalle Investment Management

those good location rents and yields. With our [development projects], such as One Exchange Square in the City of London and Bergère in central Paris, we're focused on unlocking the value in this space.

So if I were to rank the sectors, it would be great offices, retail that has survived the past decade, and prime logistics and residential, supporting development, rather than going in at low yields for already constructed assets.

With all the attention on data centres, is Europe at risk of undercapacity – especially given AI and cloud growth – or is supply catching up? And given how capital-intensive the sector is, what's the smartest way for investors to get exposure?

Data centres are very capital-intensive – they're large assets. You need to have a connection with the hyperscalers for successful development. That pocket of money is going to go to whomever is connected to the hyperscalers, the Alphabets, Chat GPTs, Metas, etc. That combination is the first critical entry point.

Currently, Europe has a continuing need for supply. You always need to have two grids: an electrical grid and a backbone grid. And there aren't that many locations available for that, so there's still a reasonable run rate for data centres.

For the demand that is out there and the AI-fuelled pace of growth that seems to be coming through, we are certainly not there yet. And if you talk to the hyperscalers, the only thing holding computing capacity back is access to energy and data and resources and chips. I think it's the computing power that is holding back further developments, and that means more data centres.

Because data centres sit between real estate and infrastructure, depending

on who you follow and depending on how LPs view them, the interest in infrastructure generally is an increasing element in limited partners' (LPs) allocation to real estate. But depending on the type of data centre, the minimum requirements are \$500 million-plus and LP ticket sizes are generally not big enough for that.

So how do you enter the market? Do you go for a deal-by-deal arrangement as a joint-venture partner with a minority stake? Or do you step back from direct investment and look at some of the REITs that are available on the market, especially in the US, and look at it as a completion strategy? You may want the benefits of direct exposure, but our suggestion would be: if you're not already invested in data centres, the easiest way is to invest indirectly, via the REITs that have a great track record and are actively developing. That way, you can trade in and out more easily.

Logistics continues to attract attention, but it's a broad space. How do you view the market today? Are there particular subsectors or regions you find especially compelling?

Logistics can always be built – there's always a supply. It's relatively easy to develop logistics space. It's relatively easy for permitting. But I think it's no longer about the timing of investments any more, but more about HR capabilities and automation. So, where do you have people actually working in these logistics facilities? That's probably more relevant nowadays than in the past, the speed of delivering products to customers is now more important than before.

But I still like a certain element of urban logistics, and I think there's still a need there: it's not a saturated market yet. Plus, there's an option to use the land differently if you want to, but if you're outside somewhere in the middle of a field where

a typical logistics centre sits, you're kind of locked into that asset type. With urban logistics, the vacant possession has a much more stabilised value underpinning it. So urban logistics is still preferred.

Regionally, we are big fans of the Netherlands, France and Germany, the main corridors that go through Europe. Spain and Italy, of course, are also of interest. But currently, the supply side around Madrid is a bit challenging, there's a little bit of oversupply. This is reflected in the rental growth of some assets, which was projected to be higher than what is now being reported. And are these deals reflecting that slower growth? Time will tell.

You have to be selective. But in general, while online trading might have tapered off – and has certainly peaked with onshoring and deglobalisation – a lot of industry is coming back in and requires logistic assets locally. So, selectively, it's back to basics: you need great locations. But some of the intensity in the sector has abated. It has been the number one sector over

'If you're not already invested in data centres, the easiest way is to invest indirectly, via the REITs that have a great track record and are actively developing. That way, you can trade in and out more easily.'

Philip La Pierre, LaSalle Investment Management

the years and it is still likely to grow above inflation, just not at the extreme rates seen over the past three or four years.

With rising house prices and longer rental cycles, especially in the UK, do you see strong opportunities in multifamily across Europe? And with more students opting to live independently, is purpose-built student accommodation becoming more attractive around key university hubs?

I think housing in all its segmentations has a tailwind, especially in urban areas. Elderly people are now returning to cities: their kids have left and they want to sell up and be somewhere where there's some

life. And then there's students and young professionals. The big hubs across Europe remain a focal point for jobs and talent. With immigration as well there is a whole mix of issues confronting the big urban areas in Europe. This holds true across the board: from Madrid to Paris, Munich to Berlin and to London. Ask any student or any young family looking for an affordable house anywhere, it's the same story.

Multifamily is absolutely on the rise. I think the UK is catching up. But, with more young people unable to get on the housing ladder, this is a huge social tinderbox. Because we're building for €4,000/sq m, which means tenants need €20/sq m-plus rent, which 75% cannot afford. Something has to give.

PBSA is a variation of the same problem, because essentially, it's just another type of bed. It's a shorter stay model, and the markets aren't saturated. But you have to be a little bit careful, because with rents at £1,200 a month, it also becomes an affordability issue.

Are you seeing increased investor interest in Europe? There's been talk of the US becoming less attractive, so is there a noticeable shift in capital towards European real estate?

I'm hearing the same, which is positive for Europe. We are seeing global capital flows continue, and Europe is benefiting from that. Even as the world deglobalises (if you believe the headlines), capital flows in real estate continue to globalise. Cross-border investment is up almost 60% year-on-year, according to JLL's latest Global Real Estate Perspectives report. General transaction volumes are up. In the Americas, they are

One Exchange Square in the City of London, where LaSalle IM is focused on unlocking the value of the space



almost 40% up. In Europe, the figure is just over 40%. Capital dedicated to real estate is coming back. It's coming off a low level, but it's coming back.

The last decade was driven by core capital that was seen as a substitute for fixed income. When 10-year bonds are negative, the next risk curve up is real estate. And we very much benefited from that shift. Core capital is now returning, but from new sources. US capital will be one source, but we're also seeing Australian superannuation funds entering the market. We're seeing big family offices taking some of the space of the German or French open-ended funds.

Different sources mean different expectations. Some of them are looking at more specific deployment strategies. Others are more balanced. Core funds are being looked at again as they're coming off the low revalued level with good forward-looking returns.

Currently, our biggest growth area is our debt platform. Debt remains an extremely interesting proposal in these markets. Returns are very good, and it's pretty secure on the downside. IRRs are double-digit, sitting at 60% to the value. Very interesting risk return still going through. The traditional banks continue to retrench, so alternative funds are stepping up to supply debt.

Why are banks retrenching if there are opportunities?

It's regulation driven. Their cost of capital to provide real estate loans is higher than it was in the past. And that's where debt funds have come in to take up some of that position.

When we started our debt platform in 2010, debt funds made up about 2-3% of the UK market. Now they're around 20% – and I think that trend is here to stay.



Bergère in central Paris

This is not like the post-global financial crisis, where there was no debt in the market. It's a pricing factor, but there is debt availability. There is equity availability. The capital for good deals is there.

What does the future hold for real estate?

Real estate continues to be a diversifier for LPs. It is a deep asset class and it's a large one. It allows for different strategies and it's a diversifier from equities. We're witnessing an unprecedented separation between traditional economic indicators and rental performance. The historic correlation between GDP and European rental growth has fundamentally shifted, particularly for the best assets in the best locations. From January 2024,

rents for new commercial leases across LaSalle's European portfolio grew 2.7% relative to expiring passing rent, representing a return to an above-inflation pace. So I think real estate is a required part of any LP's portfolio. To what extent, looking ahead? That will remain to be seen. But it's certainly staying in the long run.

We just have to work a lot smarter – and AI is helping us do that. And more sophisticated quant data is helping us to be even more analytical. The industry isn't going to see a sweeping recovery – not all boats are simply going to float up, but there will be eventual winners, those with a sharper focus on NOI and a more granular view across the markets. ●

Prologis eyes resilient growth as Europe's logistics cycle turns

Prologis Europe is well-positioned to take advantage of the upswing in logistics markets, says president Ben Bannatyne. Interview by **Richard Betts** and **Jason Mitchell**

Ben Bannatyne, president of Prologis Europe, oversees a €30 billion logistics portfolio spanning 12 countries and more than 21 million square metres. In this interview, he discusses how the business is responding to power constraints, market volatility, and a recovery in occupier demand. As build-to-suit development gathers pace and capital flows return to Europe, Bannatyne explains why operational depth, disciplined growth, and the ability to act decisively are more important than ever.

RB: How has Prologis performed in Europe over the past year, and what's the outlook for 2025 and beyond?

Occupancy across Europe is around 95.5%, which remains very healthy in today's market and well above long-term averages, reflecting the resilience of our portfolio. We finished 2024 strongly and went into Q1 feeling good. And, actually, we had a good Q1. Conditions slowed briefly in April before picking up again in June and July. So, it looks like we are on

track in Europe for a strong 2025, and hopefully that will continue into 2026.

A lot of our customers put everything on hold for the last 12 to 18 months, because of geopolitical tensions and broader macroeconomic uncertainty. I think they have now got to the point where they simply cannot continue to put business on hold. I think there has been a build-up of requirements. People haven't been doing much, and now they've decided they need to pull the trigger and get on with it.

Markets remain dynamic and influenced by geopolitical and macroeconomic trends, but underlying customer demand continues to support our business.

RB: From the occupier and leasing side, what are you seeing? Increased demand? Lack of sustainable space? How do you see the market going forward?

As mentioned, we are around 95.5% occupied across Europe. Italy is pretty much 100% leased. So there's some really

good occupational results. Where it has been slow is where we built speculative buildings in 2023 and 2024. Leasing on some of those speculative projects was slower initially, though demand has picked up again in the last three months.

The markets that were a bit quieter include London, driven by the fact that rental growth had been so strong. Occupiers temporarily paused to reassess conditions before re-entering the market. We built quite a lot in the Midlands in the UK, then Madrid, Stockholm, Netherlands and Germany. But the markets where activity has been slower include the UK, Sweden, Spain and, to a certain extent, Central Europe.

There is definitely a flight to quality and this has been the case for the past year or so. Because rents have stabilised, people can afford to move to better quality premises. Buildings do not need to be fully sustainable today. But you need to have an idea of how to get there, and show that you can get there. That's what customers are focused on. For example, at some point in the future, can solar be put on the roof? Can the insulation be upgraded?

RB: What's driving renewed build-to-suit activity in Europe, and where are you seeing the most momentum?

E-commerce is still growing. It's slowed, obviously, after the pandemic, but it's still growing. Southern Europe and Central Europe are definitely behind in terms of e-commerce penetration and they're catching up. Retailers are still working out how to run a strategy of bricks and mortar with e-commerce, so they're reconfiguring supply chains. All that is still happening,



Prologis Park San Fernando in Madrid illustrates renewed occupier demand in Southern Europe



'Businesses have put decision-making on hold for 12 to 18 months, but now they're moving forward. We are seeing one of the strongest build-to-suit pipelines in the UK in recent years.'

Ben Bannatyne, Prologis Europe

mainly in the UK and Germany. It's starting to pick up again in the Netherlands and France.

Poland, I think, was the busiest we've had in the last couple of months in terms of leasing. Not so much build-to-suit, although we are doing one big build-to-suit project there, but more customers are committing to new space, expanding, or renewing.

Businesses have put decision-making on hold, as I say, for 12 to 18 months, but now they're moving forward. We are seeing one of the strongest build-to-suit pipelines in the UK in recent years. There hasn't been a single catalyst, but rather a recognition that businesses are adapting to a period of continued volatility. We are well positioned to support that growth.

JM: Are rising energy costs and power constraints becoming a major challenge for logistics development in Europe?

If I was to rank them, the primary issues used to be labour, sustainability, and then maybe real estate availability. Now I think availability of power is becoming

more and more critical: in terms of high energy [costs] and availability. As people move off gas to electricity – for example for EV charging and more automation – our customers just need more and more power. Grid capacity is constrained in many markets due to historic underinvestment, which is why we're advancing renewables-led microgrid solutions to meet customer needs.

We've just completed a building in the Netherlands that is completely off-grid. We weren't going to be able to get electricity until 2030. So our energy team developed a solution where we have solar, battery storage and supplementary backup generation within a renewables-led microgrid. Such a solution won't work for everyone, but for a standard type of warehouse user, it works.

But then there's the whole rollout of data centres across Europe: and that's a significant power issue. It's having an impact on land values, or at least people's idea of land values. And there's a lot of people going into the market. It's having an impact on availability of employees in the real estate sector who might be drawn into data centres.

We've just gone through our existing portfolio of buildings and land. And out of that we have identified, I think, 11 or 12 projects that we're focused on [for data centre development]. We're not doing anything new. This is just making sure we're using our land bank and assets at the highest and best use. We're not buying sites specifically for data centres.

It just so happens that we own some sites that will work for data centres. But our strategy is still very much focused on logistics. We do have a data centre business, and we will recycle capital from that back into our logistics platform.

We anticipate physical construction of data centres in the 2026-27 timeframe, subject to planning, regulatory and market conditions. But there's a significant amount of work to do to get these sites ready for vertical development.

RB: What are your strategic priorities for Europe – is the aim to grow AUM, increase market share, or scale through development? Are you seeing increased capital flows into Europe as investors rebalance away from the US?

‘Our focus this year is on occupancy. An empty warehouse does nothing for us. We need to find the customers and get income. That’s goal number one.’

Ben Bannatyne, Prologis Europe

We have around \$30 billion under management in Europe. It’s around 21-22 million sq m. Without expanding into new markets, we see strong opportunities to grow significantly within our 12 core countries in the coming years, supported by customer demand and our land bank.

There is demand for that space, and we think we can take our market share. We’re not going to be able to develop all that space, which is why we acquire and develop. But that would be our goal, to grow the business across Europe.

Our focus this year is on occupancy. An empty warehouse does nothing for us. We need to find the customers and get income. That’s goal number one. Second would be to put our entitled land to work.

The focus is still build-to-suit because it’s the least risky, but we’ll slowly start going back up the risk curve in the very core markets – maybe Germany and the UK. We might do a couple more speculative projects by the end of this year.

We’ve got a great customer franchise, great land bank, great team, and we’ve got the capital. The market’s coming back from our customers. We’re seeing strong interest from global investors in Europe, including from Canada, Asia and the Middle East, alongside continued commitments to the US.

We’re going to launch a couple of new products – a development fund or value-add [strategy] – for our strategic capital business. This will allow some capital to come into the higher-risk part of the business, which we’ve predominantly done on the balance sheet.

Prologis’ DC4 Phase III in Vossenber-West, Tilburg is an example of the build-to-suit pipeline in core markets



Prologis Park Dortmund Westfalenhütte serves resilient logistics demand in the Ruhr region



It’s a really interesting time. After a challenging couple of years, we are starting to see signs of recovery. While markets remain dynamic, the fundamentals of our business are strong. But the lack of new supply this year is going to create a situation in the next 12 months in which supply becomes restricted again.

RB: Are investors now looking to partner with logistics platforms that can operate, not just own, real estate?

Consolidation is not just happening with third-party logistics providers, it’s also going to happen in our space. I think more and more investors want to partner with platforms that they can operate. It’s no

longer about just owning an asset — it’s about who can develop, who can lease, who can do sustainability and who can manage the asset. And that’s what we’re seeing: more and more institutional capital, whether it’s insurance or pension funds or sovereigns – they want to partner with someone who can actually do it.

What we saw in the previous cycle was a lot of the investors going direct. Now I think they’re stepping back and saying, actually, we just want to partner with someone who’s got a platform and the team in place. And that’s exactly what we do. We take a long-term approach, rather than short-term trading, which aligns well with institutional investors. ●

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Why we have strong conviction about retail warehousing



Joseph Vullo, head of European real estate at Columbia Threadneedle Investments

Joseph Vullo explains how looking at all real estate risk profiles across Europe allows Columbia Threadneedle to continue to find opportunities.
Interview by
Jason Mitchell

Retail warehousing is proving to be one of the most resilient and attractive segments of Europe's real estate market, according to Joseph Vullo, head of European real estate at Columbia Threadneedle Investments. Here, he shares his views on why 'functional relevance' has become a key focus for investors, how UK planning constraints and occupier trends across Europe are creating new opportunities, and where he sees growth – from logistics to data centres, hospitality and student housing.

Vullo stepped into his current role in 2024 after four years leading Columbia

Threadneedle's UK real estate platform. A 20-year veteran of the firm, he originally joined as an asset manager in 2000 and has held senior leadership roles across asset management and business strategy.

Columbia Threadneedle's €26bn alternatives business includes €13.6bn in physical real estate, managed by more than 100 professionals across London, Paris and Munich. The platform spans all major sectors and also invests in listed real estate and real estate credit, with its Continental European reach significantly expanded through the acquisition of BMO's asset management arm.

How do you see the outlook for European real estate heading into 2026, particularly against the backdrop of sluggish growth and persistent macro uncertainty?

Uncertainty will still play a part in European real estate investment throughout 2026. However, real estate markets have faced a highly disruptive macroeconomic backdrop for several years, which has elevated volatility across the capital markets. Starting with Brexit, which impacted all of Europe and not just the UK, we've since experienced a pandemic, conflicts in Ukraine and the Middle East, inflation, the introduction of US tariffs and, most recently, political instability.

Although uncertainty will continue to play a part through 2026, we're now used to dealing with disruption in the investment market, and it is embedded into our decision-making.

When it comes to the question 'how long this could continue into 2026?', that's very difficult to evaluate, as this period of uncertainty has already lasted longer than most expected. But this type of environment offers what we would consider to be a strategic entry point. For investors who can look through the uncertainty, there are many opportunities to capitalise on to deliver outperformance over the next market cycle.

What is imperative, during uncertain times like these, is for investors to focus on the fundamentals of real estate – namely, functional relevance to occupiers. I think that's more important now than at any other time before.

Which segments or subsectors are you focusing on now – and how are they aligned with 'functional relevance' to occupiers?

In respect of our strategies, we are fortunate at Columbia Threadneedle that one, we look across all risk profiles, from core and core-plus to opportunistic; and two, we cover all of Europe from our offices in Munich, Paris and London. We also manage a range of product types, from open-ended to closed-ended funds, as well as more bespoke structures. This gives us a wide-ranging view and understanding of the market that not many have.

Fundamentally, our strategy is shaped by a nuanced understanding of what occupiers actually want and need. That, in our view, is always the right place to start. You've asked about the sub-sectors we're focused on, but really, what we focus on is the concept of functional relevance in real estate. If you understand what drives occupier demand, you can navigate the ups and downs of market cycles.

Market dynamics do vary from country to country across Europe, and so you must consider the idiosyncratic nature of each geography alongside occupiers' needs and investors' wants. Our views are nuanced within markets, based on direct experience dealing with our occupiers.

We have a high level of conviction towards both low-density value retail warehouses and high-value luxury high streets, especially in mainland Europe. We believe both have strong performance prospects.

'Although uncertainty will continue to play a part through 2026, we're now used to dealing with disruption in the investment market, and it is embedded into our decision-making.'

Joseph Vullo, Columbia Threadneedle Investments

Both retail warehousing and luxury retail have been impacted to a lesser degree by the expansion of e-commerce.

As active managers, we are comfortable operating assets with our partners, which is why we also see opportunities in both residential and hospitality. In residential, structural undersupply is set against strong demand. In single-family residential specifically, we have the ability to capture phased income, which is highly attractive.

In the case of industrial, e-commerce will continue to be a key driver of the logistics market in Europe, as online spending in many European countries is still well below average, meaning there's still a long runway for growth.

Supply chain reorganisation will also be a key contributor to demand, underpinned by a very strong advanced manufacturing sector in Europe. A cautionary note here is

that pricing is getting tighter, and so stock selection and geographical allocation are paramount.

Development has slowed across much of Europe, with planning bottlenecks and higher costs impacting delivery. How are you thinking about the supply pipeline – and where do you see the strongest opportunities, particularly in logistics, hospitality, or data centres?

Development has slowed and become more expensive because of higher interest rates and build costs coupled with planning challenges. As a result, the supply side is more constrained; naturally this varies from sector to sector. However, our offices across Europe are well-placed to take advantage of this market dynamic. There are still plenty of opportunities coming through across our preferred sectors and geographies.

Where do I see demand being the most relevant factor? Demand remains strong in the logistics sector, and it still plays out in the residential sector, including student accommodation. I think there's a dynamic there which is very compelling.

The hospitality sector has also bounced back strongly. People still want experiences. They still want to travel. The investment world is also looking at operational real estate, which includes hospitality.

In terms of data centres, I think we're only starting to scratch the surface. There are several thematic – AI, digitalisation, power supply, infrastructure – that all combine to make it a really interesting area.

You've spoken about retail warehousing's resilience – how do planning constraints and occupier

dynamics differ between the UK and the Continent?

It's important to evaluate the dynamics country by country. In the UK, the planning framework is such that local authorities generally do not encourage new retail warehousing developments, therefore, it is very difficult to build out new opportunities.

Occupier demand for the sector remains strong throughout Europe, as the types of occupiers looking to expand their portfolio in retail warehousing has increased. Tenants want to take advantage of additional floor area, low service charge and the easy-to-get-to location for customers.

From an investor's perspective, retail warehousing offers additional layers to generate income, with the ability to install solar panels and EV charging facilities being two examples.

Retail warehousing also offers a logistics platform. Over the past few years, we have seen an increasing number of click-and-collect stations from the food retailers, where you buy online and pick up at the retail park. This has created a merger of real estate functions, with retail warehousing often acting as a small logistics hub – what we call 'brick-and-collect'.

Are you seeing signs of investor appetite returning, or is pricing dislocation still making investors hesitant? How do you see capital flows evolving across Europe?

I think appetite is returning. But it's returning in a nuanced way. We are starting to see investors return to real estate, and that's across all risk profiles, from core through to opportunistic. However, what they're all looking at is that very simple pricing versus value equation. Investors are choosing their assets cautiously – the pricing needs to be right, and in many cases, with the opportunity to add value. We're not at a tipping point of transaction volumes, but we're certainly seeing interest from all investor types across all sectors.

You mentioned hospitality earlier. What kind of opportunities are you seeing in that space? How strong is



the rebound, and how are investors thinking about this type of real estate?

We consider the 'alternative' sector to be more nascent, but it can offer attractive diversification benefits, and, in some cases, the more operational nature of the sectors can offer more control over the income profile of an asset through, for example, dynamic pricing structures. Hence, you can really start to drive your running yield by targeting sectors or locations with attractive supply-demand fundamentals. Of course, with more operational assets comes the risk of more volatility, and so picking the right assets in the right locations becomes even more crucial.

The hotel industry is moving in the right direction. Why? We're witnessing cyclical changes alongside what I would describe as a structural shift. The bottom line is we're seeing an increase in tourist travel to Europe, which is benefiting hotels.

Conferences slowed during covid, and so there was a difficult post-covid period, but they are now picking up again. Hotel

pricing costs have gone up, which is good for investors.

Can you tell us about your approach to student accommodation across Europe, and what trends you're seeing in occupancy and returns?

Over the last year or so, we've clearly seen the opportunity in student accommodation across Europe broaden and continue to deliver strong returns. The UK student accommodation sector has benefited from strong dynamics, with Europe now seeing the same. We continue to witness an uptick in international students wanting to study across Europe.

However, within student accommodation, as with other sectors, we are seeing bifurcation between the highest quality and less optimal options, but not wide enough to be concerning.

How do you view logistics today? Are specific geographies or asset types more compelling, particularly with nearshoring and e-commerce growth?

Logistics remains interesting; however,

'As real estate investors, we must focus on increasingly discerning occupier needs and respond to their changing demands – that is what will drive growth.'

Joseph Vullo, Columbia Threadneedle Investments

you can't simply take a broad-brush approach. You must make sure it aligns with occupiers' needs.

There are strong growth dynamics with the uptick in manufacturing onshoring and nearshoring, and the impact of e-commerce over the last few years. However, it's imperative that, like any other asset classes, it's in the right location across Europe. It must offer the correct infrastructure – ease of access to your client base, together with the right power and infrastructure.

I still believe in logistics as a thematic, but you need to take into account the fundamentals: why occupiers want to be there, how they'll operate, whether they can employ staff, and whether they can get their products to the right locations quickly with the correct road infrastructure around them.

As with any sub-sector, there's a clear bifurcation between prime and secondary – what's fit for purpose, what's functionally relevant, and what is not. That's why a strong local asset manager is necessary to help identify the right assets.

I generally think that with all sub-sectors, the broad-brush thematic approach works to some extent, but there must also be an active understanding of the location and the fundamentals of the asset itself.

Looking ahead, what are your top priorities for growth over the next few years, and how does the idea of functional relevance shape which assets you target?

Users of real estate are increasingly discerning, creating a growing divide between assets that align with their operational needs and those that do not. This divergence means the gap between prime and secondary assets will likely persist, or in some cases, widen. For us, 'prime' is defined by an asset's functional relevance and its criticality to an occupier's operations, rather than simply its location.

We don't, as an investment house, simply follow a thematic. It's about granular investing. What we're going to see across all asset classes is the continuation of a two-tier market – a bifurcation. As real estate investors, we must focus on

increasingly discerning occupier needs and respond to their changing demands – that is what will drive growth.

I see a division between assets that meet operational needs and those that don't, and I'm focused on that rather than chasing a broad thematic. So, for me and for the European teams, it's a focus on prime, but prime defined by functional relevance, not just location.

What do you see as the key to delivering consistent outperformance for your investors?

Columbia Threadneedle Investments manages a variety of real estate strategies across the risk-reward spectrum and across Europe, so we would certainly have a solution to suit an investor's needs, whether that is longer-term diversified core-plus funds or fixed-life value-add structure. Crucially, we look for solutions that suit our clients. We treat all relationships as a partnership.

The benefit of the European market is its diversity, meaning that there are always opportunities in different jurisdictions to suit different investment objectives.

We pride ourselves on being local experts, but connected globally through the wider business. By analysing the effects of global trends on the functional relevance of local opportunities, based on direct local expertise, we can find value others miss. This allows us to stock select the

best opportunities within each sector or location, based on our extensive direct investment and management experience.

Granularity – alongside functional relevance – is another important concept for success in real estate. All that we do at Columbia Threadneedle aligns with it. We have hands-on, very active asset management teams who understand occupiers' demands and ensure that we can maximise value for our investors.

We are continuously seeking out those underappreciated parts of the market to drive superior value for our investors. Retail has historically been tarred with one brush, but we believe retail has now bottomed out after a difficult few years, and so there are some really interesting buying opportunities.

Our investment approach remains consistent across all strategies, based on some core principles and beliefs which we see as being critical to delivering superior returns. First, stock selection within favoured sectors. Second, identifying the right assets which retain functional relevance to occupiers. Third, adding value through direct asset interventions to deliver both positive financial returns and positive environmental and social outcomes.

That's how you deliver outperformance, and that's why I'm very proud of our track record. ●



Columbia Threadneedle asset: World Freight Terminal, Manchester

How data centres went from niche to mainstream

The arrival of institutional capital and big private investors reflects the compelling growth and returns available for data centres, reports **Jason Mitchell**

Institutional capital is moving decisively into the UK and European data centre sector, not simply for diversification or yield, but because data centres are emerging as strategic real assets that offer institutional investors an unusually resilient and scalable return profile.

What was once considered a niche or specialist allocation is now a structural part of modern economies – embedded in everything from AI training to sovereign data control and enterprise cloud migration.

The core investment thesis is defined by a rare combination: long-duration income, exceptional tenant credit quality, high barriers to entry, and secular demand that compounds regardless of broader macro conditions. Digital infrastructure – and data centres in particular – sit at the convergence of technological transformation and national security.

As governments legislate for digital sovereignty and hyperscalers race to deploy next-generation AI infrastructure, institutional capital is uniquely positioned to scale platforms that can deliver both stable returns and system-critical functionality.

The financial appeal is strong. Net initial yields for stabilised data centres across Europe typically range from 5.25% to

6.75%, depending on location and other factors, according to Houlihan Lokey's European digital infrastructure insights, published in May 2025. These levels stand well above yields for core logistics, where prime assets in London, Paris or Frankfurt now trade between 4.25% and 5%, and significantly above those for prime offices, which have compressed to between 3.75% and 4.5%.

ENTICING RETURNS

For new development, the yield-on-cost is generally between 9.5% and 10.5%, while leveraged internal rates of return are widely reported to be between 12% and 19%. In certain hyperscale developments – primarily those where land was acquired before the 2023 inflation cycle – IRRs can exceed 20%, according to Houlihan Lokey.

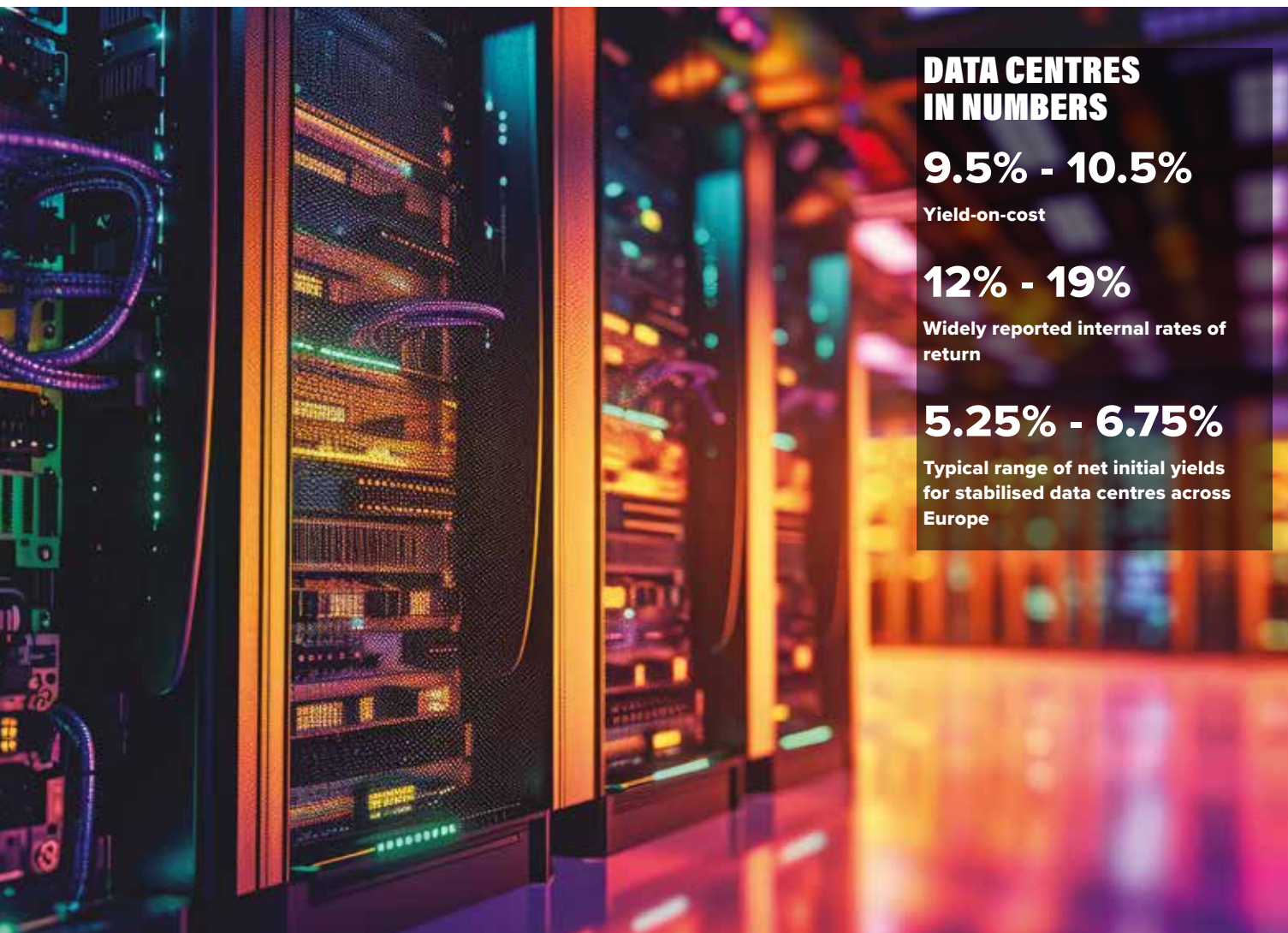
These levels are increasingly underpinned by tenant strength. Most data centre occupiers are hyperscalers with credit ratings of AA or equivalent, and lease terms of 10 to 20 years are standard. According to CBRE's April 2025 leasing data, 89% of new hyperscale leases in Europe feature inflation-linked escalators and triple-net structures.

Investor activity reflects the conviction for data centres. In June 2025, the Universities Superannuation Scheme (USS), one of the UK's largest pension funds, committed up to £250 million in



equity to back Blackstone's £10 billion hyperscale campus in Northumberland. In March, Segro, the UK-based REIT, announced a £1 billion joint venture with Pure Data Centres, a global developer backed by US investor Oaktree Capital Management to develop a centre in West London. The facility in Park Royal is targeting a return on cost of 9% to 10% and is underpinned by preleases to hyperscale tenants.

Across Europe, US-based asset manager PIMCO expanded its European digital infrastructure platform to €2 billion in July 2025, supported by cornerstone investments from the European Investment Fund and Italy's CDP Equity. According to *Private Equity Real Estate*, PIMCO is deploying that capital into new developments in Milan, Berlin, Madrid and



**DATA CENTRES
IN NUMBERS**

9.5% - 10.5%

Yield-on-cost

12% - 19%

Widely reported internal rates of return

5.25% - 6.75%

Typical range of net initial yields for stabilised data centres across Europe

Athens, with a focus on long-term cloud tenancy structures.

Other capital commitments include Oracle’s \$3 billion in additional cloud and AI data centre investment in Germany (\$2 billion) and the Netherlands (\$1 billion) as part of its European expansion strategy. Brookfield has committed up to SKr95 billion (c\$9.9 billion) to build a hyperscale AI data centre campus near Stockholm, marking one of Europe’s most significant AI infrastructure projects to date. And in the UK, a 100-acre site is planned on a former airbase in Cambridgeshire, which would become one of the region’s biggest centres for AI computing.

This wave of capital is underpinned by a growing mismatch between supply and demand. According to Cushman &

Wakefield’s H1 2025 EMEA Data Centre Market Update, total operational capacity across the Europe, Middle East and Africa (EMEA) region reached 10.3GW as of June 2025 – a year-on-year increase of 21%. A further 2.6GW is under construction, with 11.5GW in the planning pipeline, bringing the total forward supply to 24.4GW. However, this remains insufficient to meet accelerating demand, particularly from generative AI, edge computing and sovereign cloud deployments.

SURGE IN TAKE-UP

In the first quarter of 2024, FLAP cities – Frankfurt, London, Amsterdam and Paris – absorbed around 487MW of new capacity, nearly double the volume in the first quarter of 2023. According to CBRE’s European Data Centre Outlook for Q1 2024, this surge in take-up reduced

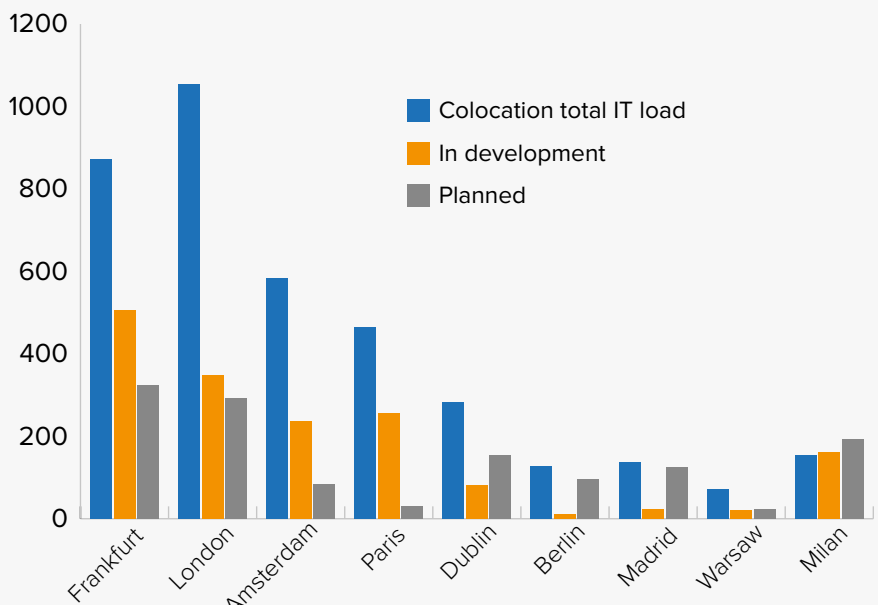
vacancy rates in core markets to around 10.6%. In second-tier markets such as Lisbon, Oslo, Vienna and Warsaw, bottlenecks in grid access and planning approvals have exacerbated the supply-demand imbalance.

More recent data shows that the supply-demand tension is intensifying, driven in large part by the rapid acceleration of AI. According to CBRE’s July 2025 analysis, the FLAP cities recorded a net absorption of 300.5MW in the first quarter of 2025, reflecting strong demand for high-density capacity to support generative AI and advanced computer functions.

Paris experienced the sharpest year-on-year drop in available capacity, with vacancy rates – defined as the share of total data centre power not currently

‘Unlike other real estate sectors still **grappling with post-covid adjustments** or rate volatility, data centres benefit from **stable, creditworthy tenants**, high switching costs, and forward leasing structures.’

Data centre total IT load forecast (MW)



Source: JLL Q1 2025 EMEA Data Centre Report

leased – falling from 16.1% in early 2024 to 7.7% by early 2025. Frankfurt and Paris led in leasing activity, while Amsterdam delivered no new supply due to persistent power grid constraints. In London, rising AI-related demand pushed rental rates from \$160 to \$195kW/month in early 2024 to between \$180 and \$215 by mid-2025. Across the FLAP markets, the average vacancy rate fell to 7.4%, highlighting a critical shortfall in capacity.

As a result, developers that can secure land and power can negotiate stronger lease terms. Most hyperscale contracts include long lease terms with triple-net structures and CPI-linked escalators – a key attraction for institutional capital seeking inflation protection and visibility. According to Houlihan Lokey, these lease profiles are now a fundamental underwriting assumption for platform strategies. In addition, stabilised core assets are increasingly being acquired by insurance groups and infrastructure funds seeking secure, long-term income streams.

However, delivery risk remains a key challenge. Power availability has become the primary constraint in many cities. In Frankfurt, Dublin and Amsterdam, for example, grid congestion means developers face delays of up to three years to secure energy supply – a trend

confirmed in Cushman & Wakefield’s July 2025 update. Environmental and ESG-related planning conditions are also tightening, requiring developers to address Scope 2 emissions, water use, heat recycling, and renewable sourcing at the design stage.

POLICY DEVELOPMENTS

Despite these challenges, regulatory and policy developments are providing greater clarity and certainty for investors. The European Commission’s Digital Decade Strategy 2030, updated in February 2024, mandates the localisation of digital infrastructure across EU member states and promotes data processing within national borders.

Meanwhile, the EU’s InvestEU programme

is supporting digital infrastructure as part of its blended finance initiative. In the UK, the government is reforming planning rules to prioritise energy-intensive assets such as data centres, a policy shift aimed at reducing approval delays and supporting the delivery of strategic infrastructure.

Compared with the US, Europe’s data centre market remains less mature. According to CBRE, in April 2024, more than 800MW of new capacity was delivered in North America during the first quarter of that year, led by Northern Virginia, where vacancy rates fell below 1% and rents rose nearly 20% year-on-year. However, that scale comes at the cost of tighter yields. CBRE notes that net initial yields in top US markets have compressed



below 5% – in contrast to Europe’s range of 5.25% to 6.75%.

Europe’s relative underbuild also allows institutional capital to shape tenancy structures and create full-service platforms. According to financial data platform 9fin, in May this year, Vantage Data Centres completed a €720 million asset-backed securitisation secured by Microsoft lease income. This deal signals a growing appetite for structured credit in European data infrastructure, despite asset-backed securities markets in the region still lagging their US counterparts.

Over the medium to long term, underlying demand fundamentals are expected to remain exceptionally strong. The exponential growth of AI, machine learning, video streaming, gaming, enterprise cloud adoption, and edge computing is creating a structural uplift in the volume, velocity and localisation of data. The shift toward sovereign data policies and real-time processing – driven by both regulatory and user-side latency requirements – is intensifying the need for proximate, resilient data centre capacity.

McKinsey & Company’s Global AI Infrastructure Forecast, published in March 2025, projects compound annual growth in European data centre workloads above 17% through to 2030. AI workloads alone are expected to more than double electricity consumption from data centre

activity by 2030. CBRE and Cushman & Wakefield both estimate that between 30 and 40 new hyperscale campuses will be required across the Europe, Middle East and Africa region within the next five years to meet anticipated demand.

These projections could be conservative. The current acceleration in generative AI adoption – from large language models to enterprise AI integration – is expanding computing intensity per unit of data. According to a 2024 update from the International Energy Agency, a single AI training run for a powerful AI system can use as much energy as 100 households consume in a year. As both AI training and real-world usage workloads grow, hyperscalers are revising their forecasts upward and accelerating infrastructure investment. The underlying shift is from storage to processing – a demand profile that is more power-intensive and operationally complex, further favouring experienced institutional developers.

GEOGRAPHICAL SPREAD

Geographically, development is shifting beyond core hubs. In the UK, areas such as Teesside and Northumberland offer land and power advantages, but still face planning complexities. Southern European cities such as Milan and Athens have momentum, but execution risk varies. In Central and Eastern Europe, cities such as Warsaw, Prague, Bucharest and

Budapest are becoming increasingly viable targets for near-term platform buildout, supported by sovereign incentives and infrastructure investment, particularly with EU and sovereign backing for digital infrastructure.

Taken together, these dynamics point to a clear and time-sensitive investment case for institutional capital. Data centres combine long-term income, strong tenant retention, and demand growth that is largely uncorrelated with consumer cycles or interest rates, driven instead by the exponential rise in digital activity and AI workloads.

Unlike other real estate sectors still grappling with post-covid adjustments or rate volatility, data centres benefit from stable, creditworthy tenants, high switching costs, and forward leasing structures. Prelets and power purchase agreements partially offset development risk, while policy alignment on ESG and digital sovereignty is improving long-term visibility. A more active secondary market is also emerging, enabling capital recycling once platforms are stabilised.

The current market – defined by power constraints, limited supply, and growing tenant urgency – presents a rare window to secure strategic exposure. Investors that move early and scale effectively will be best placed to capture the full upside as the sector expands and matures. ●

Largest country markets by total market size (including operational, under construction and planned)

Rank	Geography	Capacity (MW)	Capacity (GW)
1	United Kingdom	3806	3.81
2	Germany	3063	3.06
3	Ireland	2328	2.33
4	France	1730	1.73
5	Netherlands	1655	1.65
6	Portugal	1320	1.32
7	Italy	1214	1.21
8	Sweden	1124	1.12
9	Spain	1000	1.00
10	Norway	948	0.95

Largest city markets by total market size (including operational, under construction and planned)

Rank	Geography	Capacity (MW)	Capacity (GW)
1	London	2867	2.87
2	Frankfurt	2201	2.20
3	Dublin	2051	2.05
4	Paris	1429	1.43
5	Lisbon	1295	1.29
6	Amsterdam	1293	1.29
7	Milan	1101	1.10
8	Madrid	569	0.57
9	Helsinki	510	0.51
10	Oslo	476	0.48

Rankings show total data centre IT load for each metro, combining operational colocation capacity, projects in development, and planned facilities.

Europe's logistics markets remain robust, but rent growth is weak

Garbe Industrial Real Estate's latest research shows that it is a time of stabilisation for Europe's resilient logistics sector. **Nicol Dynes** reports

It is a time of modest rental growth and stabilisation for the logistics sector, according to the "Garbe Pyramid H1 2025: European Logistics Real Estate Markets – between awakening and stagnation" research, which was presented recently at an event organised by Garbe and Real Asset Media.

"We are expecting an average annual rental growth of 1.9% in 2025, compared to an annual average growth of 5.6% between 2020 and this year," said Tobias Kassner, member of the executive board and head of research and ESG at Garbe. "The exceptional rent surge of recent years cannot be sustained indefinitely.

However, our forecast reveals that prices continue to be stable, and high-end locations retain their growth upside."

Garbe's latest Pyramid Map – now in its 10th edition – provides an update of prime rents and prime net initial yields for the 121 most important logistics real estate submarkets in 25 European countries. For the first time, the Pyramid also contains additional forecasts for 88 regions, compiled in collaboration with Oxford Economics.

In H1, rental growth has not only been more moderate than in recent years, but it has also lagged behind the inflation rate,

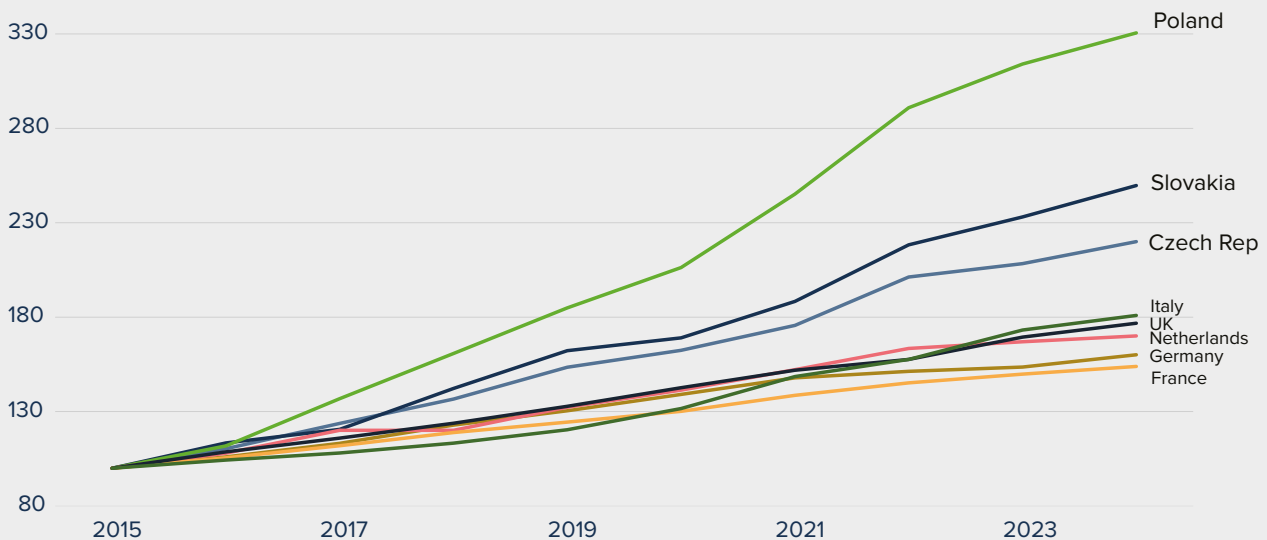
projected at around 2%. Rents remained stable in 71 of 121 regions examined (59%) and only 5% of the regions reported falling rents – down from 8% as recently as year-end 2024, which suggests that the market is stabilising.

TOP MARKETS REMAIN DRIVERS

The top markets remain the market drivers. Places like Munich, Stuttgart, Inner London, Manchester, Paris, Barcelona and Warsaw will continue to see above-average rent growth of more than 2% in the coming years, according to the forecast. Munich is well ahead of the pack with an expected rent growth of 4.1%.

Growth markets evidenced by demand outperformance

Occupied stock growth¹
Index, 2015 = 100



1: Source: Savills, CBRE, JLL, Fraunhofer, C&W, Newmark. Note: Romania not included as no historic data is available

Supply chain resilience key for CEE

In Germany, 11 regions showed a positive trend, including five of the seven largest logistics locations, but Leipzig and Magdeburg registered falling rents. “The German market is gradually coming back to life, while market action in Austria and the Czech Republic is rather subdued,” said Kassner.

Five of seven regions in Italy, three out of four markets in Spain, and four out of 10 regions in France recorded rent increases. Meanwhile, rental growth slowed in the UK and in the Netherlands.

Cross-European take-up followed the same long-term trend and generally matched, or fell slightly short of, recent levels, Garbe said.

The average vacancy rate in Europe already exceeded 6.6% during the first quarter of 2025. While the UK, Italy and Slovakia recorded the fastest increases in vacancies, there are first signs of recovery in Germany, Spain and Poland.

“We expect many markets to see continued, if more moderate rent growth, driven by structural trends, industry-specific demand and regional dynamics,” said Kassner. “The overall picture suggests that, despite slowing momentum, the market has remained robust.”

THE NEW DRIVERS OF GROWTH: DEFENCE AND E-COMMERCE

Two trends are putting wind in the sails of the logistics sector: increasing spending on defence and the rise in e-commerce.

“The defence industry is growing and will be a significant future demand driver for logistics,” said Kassner. “And after stagnating in recent years, e-commerce

Supply chain resilience and economic growth are the key to Central and Eastern Europe’s attractiveness to investors, as shown by the Garbe Pyramid H1 2025.

“The CEE region is best placed to capture the demand potential of the supply chain de-risking trend,” said Martin Polak, managing director for Central & Eastern Europe at Garbe. “Big improvements in infrastructure have created logistics corridors which are driving CEE connectivity and facilitating supply chains. All markets are connected.”

Motorways have been expanded and transport connections improved throughout the region, while the East-West transport corridor makes delivery by road from Asia, across the CEE region, much faster than sea routes.

ECONOMIES OUTPERFORMING

The region’s economies are outperforming, especially compared with the sluggish large economies of Western Europe, and the outlook is positive. Consumer confidence and domestic consumption are high, meaning CEE countries are strong markets in their own right for logistics operators, as well as being a good springboard for distribution in other countries.

“CEE can also offer competitive labour costs and skilled workforce availability, as well as lower rental prices, which is why we see many Far Eastern companies setting up distribution hubs in the region,” said Polak.

One example is Nobo Automotive Systems, a Chinese company that has leased a 30,000 sq m warehouse in Budweis, in the Czech Republic, three

hours’ drive from Munich, to set up a plant to assemble car seat sets, and to produce critical components.

“Having a presence in the region is more efficient for Nobo and they, like other Asian companies, are bringing their know-how and technological skills to Europe,” said Polak. “This is a value-add manufacturing deal that brings Chinese investment, state-of-the-art facility development, substantial job creation and sustainable manufacturing to the Czech Republic.”

Among CEE countries Poland is the leading destination because of its size and availability of land and assets and is regarded as a stable and transparent market by investors. It is followed by Slovakia and the Czech Republic.

Poland’s vacancy rate is 8.5%, which is high and will dampen rent growth, said Polak, but there is a positive aspect: “It will be easier for companies to expand and find space, and Poland is attracting both new and established companies.”

Poland’s strong consumer demand is an added attraction and it is not just foreign companies that are taking advantage of it. LPP, a Polish clothing company, has opened 572 stores in 2024, most of them under the Sinsay fashion brand, and recorded 50% revenue growth. The group is now targeting 1,500 new store openings between this year and 2027. “

“No region in CEE is seen as underperforming, which is remarkable,” said Polak. “However, there are some that are outperforming, like Bratislava, Budapest, Ljubljana, Gdansk, Katowice and Warsaw, which have lower vacancy rates and can demand higher rents.”

‘Big improvements in infrastructure have created logistics corridors which are driving CEE connectivity and facilitating supply chains.’

Martin Polak Garbe Industrial Real Estate



has picked up again and is set to overtake physical retail.”

The demand potential of industrial & logistics space for the defence sector in the next five years is expected to be between 11 million sq m at the low end of the scale with a high estimate of 18.8 million sq m, as all countries in the EU increase their budgets to strengthen their capabilities and self-sufficiency in the face of Russian aggression. For Germany alone, the estimate is between 2.2 and 3.8 million sq m.

“The issue with the defence industry is that companies follow different patterns from traditional logistics, so the locations and spaces they need may not be the same,” said Kassner. “Most of the space needed will be custom built and very specialised. It makes it all the more important to have a data-driven approach.”

The return of online shopping is also a strong demand driver for European logistics, and the forecast is that it will continue growing at well above the rate of growth of physical retail in the next few years.

“We are seeing strong interest from new market participants from China and elsewhere who don’t have a presence in Europe,” said Kassner. “The new players have been putting real pressure

‘The defence industry is growing and will be a significant future demand driver for logistics. And after stagnating in recent years, e-commerce has picked up again and is set to overtake physical retail.’

Tobias Kassner Garbe Industrial Real Estate



on established players by offering low prices.”

Competition is changing the market, but rival companies tend to have different targets when it comes to logistics space, he added. “There is increased demand for smaller units and urban fulfilment centres from e-commerce players with an established network. But the new entrants tend to start with big boxes near where consumers are located.”

REGIONAL DIFFERENTIATIONS

Cities and densely populated areas are always in demand. Garbe research shows that regional differentiation is intensifying, quality of location is becoming more important and the market is becoming more polarised.

Sentiment is improving and returns are

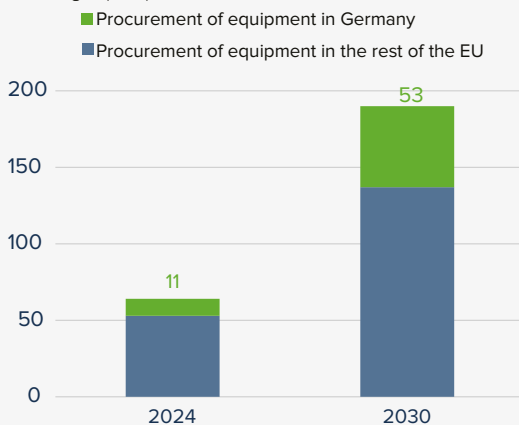
stable despite difficult conditions. Prime yields are down in 36 of 121 markets examined, a signal that the cycle of decompression has come to a sustainable end.

Garbe predicts that yield compression will continue: over the next five years, a decline of 40 bps on average is expected, which means that the logistics market continues to offer investors attractive investment opportunities, but they will need to work on the property.

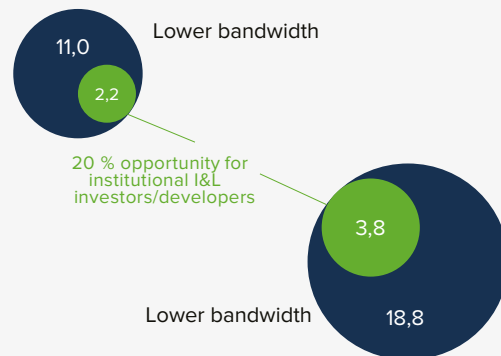
“Despite slowing momentum, the market still presents opportunities for investors, especially in regions with convenient transportation access, specialised users, and high quality of location,” said Kassner. “Europe is seen as stable and remains attractive to investors, which is why we see capital inflows from all over the world.” ●

Potential Industrial & Logistics space requirements in the private sector in Germany to 2030

Breakdown of the EU defence budget (€bn)



Demand potential over the next five years (million sq m)





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EUROPEAN LOGISTICS REAL ESTATE CENSUS 2025

Investors and developers positive, occupiers cautious

The 2025 European Logistics Real Estate Census finds that developers are stepping up activity, while occupiers have scaled back expansion plans. **Nicol Dynes** reports

Investors and developers are more confident while occupiers remain cautious, according to the findings of the 2025 European Logistics Real Estate Census, jointly produced by Savills, Brookfield Properties and Analytiqa, which has just been published.

“Investors are positive, and occupiers are feeling less confident,” said Kevin Mofid, head of EMEA logistics research at Savills, at a presentation to launch the Census. “Occupier sentiment is improving, but that has not translated into higher take-up yet. It is a mixed picture, which is not surprising given the economic slowdown, political upheaval and astonishing level of disruption we have seen.”

The Logistics Census, which is in its fifth edition, this year had a record 715 respondents, including investors, developers and occupiers across Europe.

The survey shows that developers are stepping up activity, with 36% planning to speculatively build more space, a 12-point increase from last year. Investment volumes in H1 are €18 billion, an 8% decline from last year. However, the survey shows that investors are also stepping up activity in anticipation of a rebound and sentiment continues to improve, with 46% believing market conditions are more favourable than a year ago and 56% expecting investment volumes to improve in the next 12 months.

Occupiers, by contrast, remain measured in their growth strategies, which have been impacted by weak economic



growth and heightened global uncertainty. A total of 57% have scaled back expansion plans, while 41% expect their warehouse space requirements to grow in the coming year. Only 4% have put their plans on hold indefinitely.

Within the occupier cohort, 3PLs are the most cautious as they fear a delayed exposure to macroeconomic turmoil. “Given 3PLs’ business model relies on contracts from other companies, this may reflect an expectation that the effect of recent shocks are yet to be passed onto their businesses,” explained Mofid.

In general, “expansion plans are in the one-to-three-year horizon rather than a few months, so deals take longer to get over the line,” he added.

This is reflected in the data: take-up in H1 was 11.9 million sq m, 6% lower than the pre-covid average. “It has been a slow

start to 2025 after a strong Q4 2024,” said Mofid. “All eyes will be on Q3 numbers when they come out to give an indication of where things are going.”

The vacancy rate has crept up to 6.73% from a record low of 3.2%. Vacancy has actually increased in the last two quarters, mainly due to increased levels of supply in CEE markets. “But there is a huge range when looking at submarkets, from vacancy rates of 14% to close to 2%, so it is important to look at the data carefully when making decisions,” Mofid said.

Western Europe continues to drive growth, with occupiers planning to focus their expansion in continental Europe. Companies with an established presence are targeting the big, mature markets like Germany, France, the Netherlands and Italy, while outliers like Portugal and the Czech Republic are benefiting from the nearshoring phenomenon. ●

Power supply resilience a growing concern for the sector

Resilience of power supplies is as much of a concern now as the resilience of supply chains, experts agreed at the presentation of the 2025 European Logistics Real Estate Census.

“ESG is seen as a competitive differentiator,” said Sander Breugelmans, senior vice-president and head of capital deployment for Europe at Prologis. “In such a difficult macroeconomic context, there is a focus on keeping operating costs and electricity bills low and to have the capacity to automate warehouses.”

There has been a lot of focus on the energy needs of data centres, but the logistics sector’s requirements have also risen as automation has become a must. “Power availability is an increasingly important element now, more so than location,” Breugelmans said. “Prologis is doing its first off-grid development to avoid these constraints.”

Tenants want futureproof facilities, and the availability of power and cheap energy are going to be in demand. “In 2026 the theme is going to be resilience, not just of supply chains, but most importantly of power supplies,” said Ben Segelman, European head of logistics and data centre real estate at Brookfield Asset Management.

“Access to power is an issue and cost management is an issue, as costs have increased,” added Saul Resnick, CEO of DHL Supply Chain. “And carbon neutrality is a basic assumption now: you could call it a hygiene factor.”

This desire to control costs and have access to green energy is behind the success of Iberia in attracting investments in the logistics sector, said Pedro Figueiras, head of capital markets at Savills Portugal. “We are seeing European companies looking to move their operations to the region to take advantage of lower energy prices”, he

said. “In Iberia 80% of the energy mix is renewable, so energy costs are lower.”

Portugal in particular is also benefiting from the nearshoring trend, as Chinese manufacturing companies are setting up facilities to serve both European and US markets. The country has recorded 40% rent growth in the last four years.

Iberia is not the only region being targeted by Asian companies seeking a foothold in European markets. “We are seeing a growing number of Asian companies that are seeking more space in European markets and they are ready and very quick to move,” said Segelman. “They want to frontload their access to EU markets. Also the big US groups, which had reduced take-up, are now back in most markets.”

Demand is now stronger and, crucially, more diverse, from food-related retail to manufacturing, to traditional retail. The defence sector is also growing fast and will need more infrastructure. “This will have an impact on the logistics sector, but it is difficult to tell what kind of space they will need,” said Resnick.

Looking ahead, build-to-suit is in favour, as speculative development is regarded as too risky in the current market. “We

‘Power availability is an increasingly important element now, more so than location.’

Sander Breugelmans Prologis



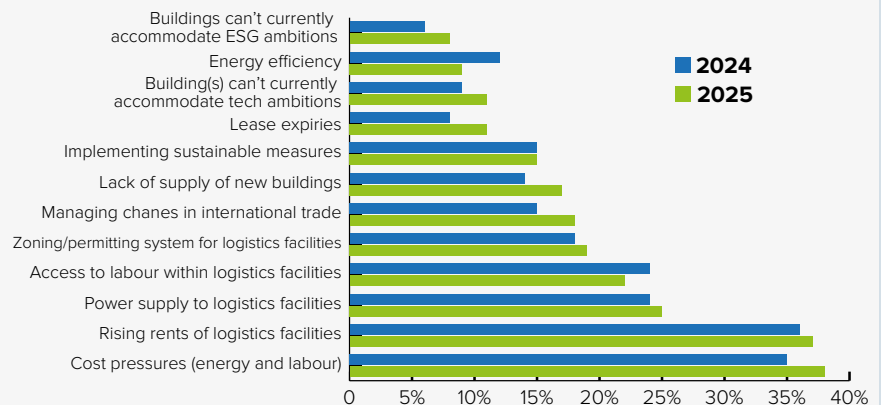
‘Carbon neutrality is a basic assumption now: you could call it a hygiene factor.’

Saul Resnick DHL Supply Chain



are focused on capturing the build-to-suit demand,” said Breugelmans. “It is not easy, because decisions are taking longer to get over the line, but this year 80% of our development starts have been build-to-suit, the strongest pipeline we’ve had since the pandemic.”

What are the biggest challenges facing your logistics property operations?



ESG regulation and AI adoption are the game-changers for logistics

ESG regulation and AI adoption are seen by occupiers as the two game-changing trends in logistics, according to the 2025 European Logistics Real Estate Census.

For the second year in a row, more stringent ESG requirements are ranked at the top, identified by more than eight in 10 occupiers as crucial, closely followed by the use of artificial intelligence.

“This year’s Census underlines how structural shifts are shaping the next chapter of logistics real estate,” said George Coleman, UK & EMEA logistics, at Savills. “ESG and AI are no longer emerging trends but central to occupy strategies, while investors and developers are positioning to deliver the space needed for this transformation. The sector continues to adapt with resilience and is building solid foundations for long term sustained growth.”

ARTIFICIAL INTELLIGENCE MOMENTUM ACCELERATES

Occupiers are seeking more efficient and resilient facilities. ESG regulation is now viewed as the single most significant structural shift, with 88% of occupiers rating it a game-changing trend. At the same time, momentum behind AI is accelerating rapidly. A striking 82% of occupiers see AI as transformational, representing a 25% jump from last year. More than a third have already invested in predictive optimisation and analytics technologies, and nearly half plan further investment within the next two years. In contrast, automation has slipped in priority – likely due to power constraints and capex limitations.

“Occupiers remain cautious, recalibrating in response to macro and operational pressures, yet they are actively shaping strategies around ESG and AI to future-proof their portfolios,” said Ben Segelman, European head of logistics and data centre real estate at Brookfield Asset Management. “The next 12 to 18 months will be pivotal in aligning demand with the right kind of space.”

While volatility remains a defining feature of the investment landscape, the market continues to demonstrate structural resilience. Although investment volumes fell 22% from H2 2024, they remain 11% above long-term averages, which points to sustained investor conviction. Investor appetite for logistics assets remains well above trend, accounting for 22% of total capital deployed into European real estate, considerably higher than the 13% of the total market in 2018.

Another potential positive is a shrinking development pipeline, which may compress vacancy rates and drive future demand. “As the pipeline continues to decrease, in the next three years we are likely to see vacancies fall,” said Kevin Mofid, head of EMEA logistics research at Savills.

Savills’ European Pipeline Index indicates that the development pipeline across Europe has fallen by 28% since its peak in Q1 2023, which, in combination with rising requirements among occupiers, should put downward pressure on vacancy rates across Europe over the medium to long term. Looking to the UK market, which typically precedes European trends by about three quarters, the speculative development pipeline has contracted from its peak in Q4 2022, falling by 58% to current levels in Q2 2025. ●

‘ESG and AI are no longer emerging trends but central to occupy strategies, while investors and developers are positioning to deliver the space needed for this transformation.’



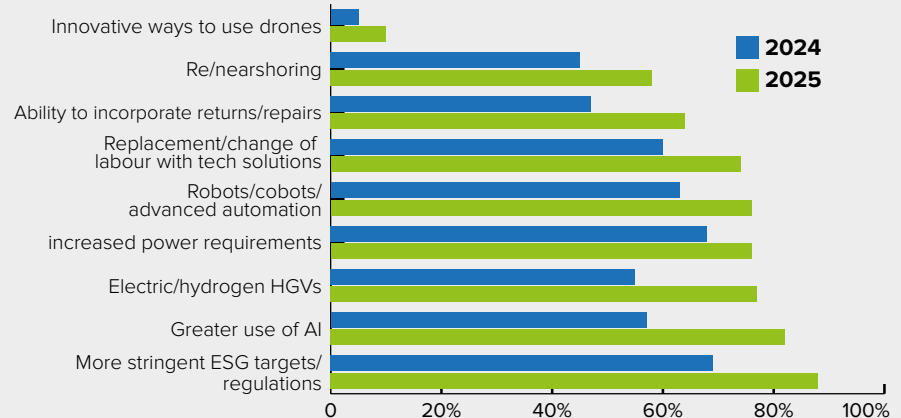
George Coleman Savills

‘Occupiers remain cautious, recalibrating in response to macro and operational pressures, yet they are actively shaping strategies around ESG and AI to future-proof their portfolios.’



Ben Segelman Brookfield Asset Management

What’s on the horizon that could be gamechanging for your logistics real estate buildings?



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Germany is a springboard for European strategies

Swiss Life Asset Managers is leveraging the country's central location, well-developed infrastructure and high political stability to drive expansion on the continent.

Demand for modern logistics space in Europe remains high, driven by e-commerce, industry and retail. At the same time, issues such as sustainability, flexibility and location quality are becoming increasingly important.

Germany plays a key role in this. The country is Europe's largest logistics market, with a central location, well-developed infrastructure and high political stability. Swiss Life Asset Managers is leveraging this strong starting position to drive its expansion in Europe in a targeted manner.

A LOOK AT EUROPE

Europe is defined by a large number of attractive logistics locations; the Netherlands with its port infrastructure, France with Paris, and Italy with Milan offer pivotal points for international goods traffic.

However, Germany remains the largest logistics market in Europe and therefore holds a special position. With metropolitan regions such as Hamburg, the Ruhr area and Rhine-Main, and hubs such as Frankfurt Airport and the Port of Hamburg, it serves as the backbone of international supply chains. Demand for modern space exceeds supply, particularly in urban regions, vacancy rates remain low, and even in times of market volatility, the location is resilient and stable in value.

For investors and users, Germany is a safe haven and a springboard for pan-European strategies.

However, fragmentation in Europe – with different jurisdictions, building regulations and market dynamics – requires a deep understanding of local characteristics. Experienced teams with excellent regional market knowledge are essential for sustainable expansion plans.

As Swiss Life Asset Managers' logistics platform is in the process of entering new markets where the company has held a leading position in other asset classes for years, this established infrastructure in combination with an experienced team offers favourable conditions for a successful start to the new real estate cycle.

PLATFORM CONCEPT

Another key factor for successful expansion in Europe is the ability to find the right sites and develop them proactively, even without an anchor tenant.

Swiss Life Asset Managers has made a name for itself in this area: thanks to its in-depth market knowledge and strong local network, it identifies sites that are destined for long-term value appreciation.

Whether it's brownfield revitalisation in the Ruhr region, or modern new buildings in growth regions such as Hanover, the

'Fragmentation in Europe requires a deep understanding of local characteristics. Experienced teams with excellent regional market knowledge are essential for sustainable expansion plans.'



company's financial strength enables it to implement even speculative projects successfully.

But today's successful participants in the logistics market are more than just traditional developers. They cover the entire value chain: from development and investment to asset and property management, as well as research.

With specialised teams in key European markets and a close-knit network of

Swiss Life Asset Managers' most recent completed logistics project is Stuttgart Southeast in Laichingen (Image: Swiss Life Asset Managers)



partners, projects can be implemented efficiently and sustainably.

This integrated approach creates clear advantages over international competitors, who often operate on a transaction-only basis.

DIVERSIFIED TENANT BASE

Another success factor is a broad tenant portfolio. Swiss Life Asset Managers works with clients from the retail, e-commerce, industrial and logistics services sectors. This means the company remains independent of cyclical fluctuations in individual industries.

Standardised and flexible properties offer space for a wide variety of users and ensure stable occupancy rates. The result

is a high level of reliability for investors and a strong foundation for continuous growth.

A solid equity base is crucial, especially in times of economic uncertainty. Those with sufficient financial resources can invest countercyclically. While other market participants hesitate, attractive projects can be secured and brought into development at an early stage.

Swiss Life Asset Managers has established itself in Germany as a reliable partner for investors and clients.

The company is now using this position to expand its logistics real estate presence in Europe. With regional expertise, a strong platform structure and a diversified tenant base, it offers both stability and growth. ●



Ingo Steves, managing partner, logistics - Swiss Life Asset Managers, Germany

Debt providers adopt forensic approach amid fragile recovery

Capital is returning to European commercial real estate, albeit selectively, as prime assets lead the region's slow recovery, reports **Jason Mitchell**

Europe's commercial real estate finance market is undergoing a structural reset, marked by a sharp contraction in traditional lending and a widening mismatch between borrower expectations and lenders' risk appetite.

A July 2025 report from CRE fintech provider FinLoop, which focuses primarily on Germany, Spain, Italy, and France, highlights that this retrenchment is not cyclical, but structural. It is a redirection of capital towards higher-yielding debt instruments, ESG-aligned strategies, and sectors underpinned by demographic and regulatory momentum.

The defining feature of this cycle is not the volume of capital, but the terms on which it is willing to engage. In a market reshaped by elevated borrowing costs, ESG regulation, and income volatility, risk appetite is fragmenting – not just by asset class, but by structure, location, and quality. Investors are no longer seeking blanket exposure to sectors or geographies: they are pursuing precision – debt over equity, prime over secondary, core over transitional.

This shift is not merely about repricing assets to reflect interest rates. It signals a more profound transformation in capital strategy. Financing is being directed only at assets that meet stricter structural benchmarks, such as energy performance, occupancy resilience, regulatory alignment, and sponsor credibility.

In this environment, capital allocators are adopting a more forensic approach, focusing on bespoke structures and asset-level underwriting rather than broad market cycles.

In short, this is not a liquidity crisis, it is a standards reset. Selectivity has become the filter through which capital flows: not a constraint, more a strategy for risk-adjusted outperformance.

This recalibration is most evident in how deals are being financed. Loan-to-value ratios remain constrained across the eurozone and the UK, with both FinLoop and CBRE pegging LTVs at 57-60% for stabilised assets. This has significantly increased equity requirements and curtailed demand for acquisition financing, particularly for transitional or non-core assets.

Even institutional investors and fund sponsors, who once employed aggressive leverage, are being compelled to adopt more conservative structures. UK LTVs are marginally higher – around 60-65% for prime assets – but senior loan margins remain elevated at 350-450 basis points, except for the lowest-risk deals.

ALTERNATIVE LENDERS STEP IN

As banks retreat, alternative lenders are filling the void. Private credit platforms, institutional capital, and other non-bank sources are capturing a growing share of originations – and now account for 36% across Europe and up to 40% in Germany, according to MSCI and FinLoop. These providers are not simply filling a gap, they are reshaping the capital stack itself. Senior secured debt typically targets unlevered returns of 7-9%, while whole-loan and stretch senior structures are achieving 10-12%.

More complex strategies, including mezzanine and bridge lending, are underwriting internal rates of return in the

14-18% range, particularly in sectors such as hotels, conversions, and repositionings. Preqin data from June 2025 confirms that well-structured, mid-risk transactions are commonly achieving 12-18% internal rate of returns with modest leverage.

The refinancing wall is adding further pressure to the market. According to Bayes Business School, more than €95 billion of European commercial real estate debt is due to mature in 2025 alone, with a further €115 billion due in 2026. Much of this debt originated during the ultra-low interest rate cycle of 2018-2021, when credit was widely available at low margins and high LTV ratios. It is now being rolled over or restructured at significantly higher interest rates and under tighter covenant packages.

This maturity spike is intensifying scrutiny on asset-level fundamentals and accelerating repricing in underperforming segments. Some analysts note that “extend and pretend” remains a default position for many eurozone banks, which is preventing accurate price discovery and delaying necessary write-downs.

This shift is also thematic. Private capital is targeting recapitalisations, ESG retrofits, and repositioning plays that banks are unwilling to finance, unlocking value in buildings that require transformation rather than stabilisation.

This is evident in financing for hotels, which accounted for 25% of financing requests in the second quarter of 2025, with lenders showing renewed interest in the recovering leisure markets of southern Europe. STR Global data indicates that RevPAR in Iberia and Italy is now 9.1%

above 2019 levels, while hotel lenders remain focused on sponsor strength, business plans and stabilised cashflows.

Meanwhile, valuations continue to adjust. Green Street's European Commercial Property Price Index recorded an 11% year-on-year decline across continental Europe to July 2025, with the steepest falls in the office and retail sectors. This reflects not only higher borrowing costs and investor caution, but stricter ESG compliance hurdles and softening demand for obsolete stock.

Vacancy rates tell the same story. Frankfurt reached 12.3%, compared with 7.5% in Munich and below 4% in Paris. BNP Paribas Real Estate notes that secondary offices are now largely unfinanceable without credible repositioning plans. A growing number of lenders are instead focusing on ESG-led retrofits, although uncertainty around the European Commission's July 2025 retrofit mandate proposals is delaying forward deal flow.

EARLY SIGNS OF RECOVERY

Yet early signs of recovery are emerging. Savills reports that prime office yields compressed by five basis points across Europe in the second quarter of 2025, to an average of 4.96% (see chart page 28). Inward yield shifts of 25 basis points were seen in Madrid, Barcelona and the Paris CBD, while in Amsterdam and Munich it was 20 and 10 basis points, respectively.

Large transactions are also returning. Deals above €200 million represented 24% of total office investment volume in the first half of this year – up from 15% a year earlier – while capital raised for European strategies jumped by 118% to €34 billion. By contrast, US fundraising dropped by 44%, with several European institutions, including PGIM's German clients, cancelling US allocations in favour of Europe and Asia.

The €34 billion raised for European strategies is not homogeneous. According to INREV and Preqin, institutional allocations are increasingly tilting towards private debt, hybrid capital structures, and thematic equity funds. Pension funds and insurers now account for more than 60% of capital raised in core European jurisdictions. At the same time, sovereign



wealth and endowment-backed vehicles have focused on senior debt platforms and whole-loan strategies.

Family offices, particularly in Germany and Switzerland, are active in higher-yielding mezzanine and opportunistic credit tranches. This segmentation is driving a more tailored risk-return landscape, with capital increasingly deployed according to structure, sector and execution capability, rather than asset class alone.

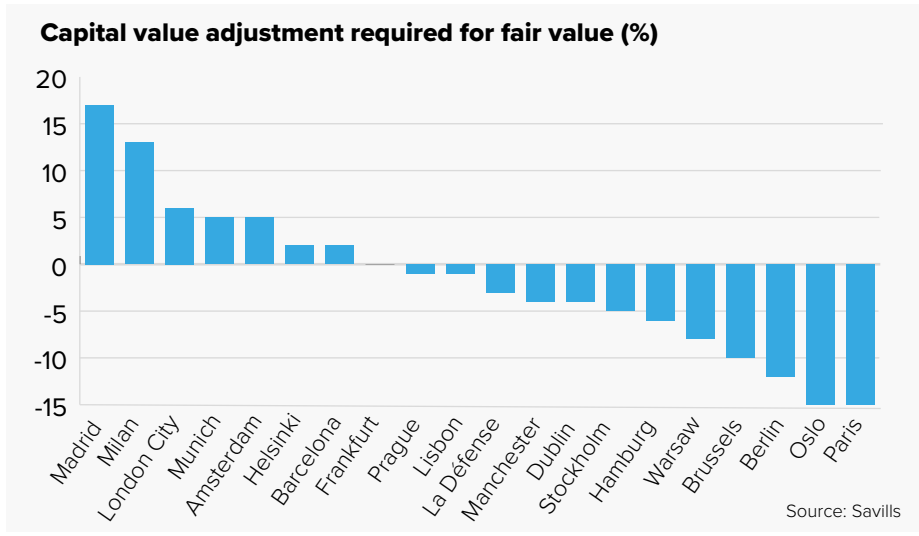
The bifurcation of the office market is deepening. According to MSCI, only top-quartile assets by yield are experiencing rental uplift in London, while older stock is stagnating or declining. In Paris, rents in the CBD rose in 2024, while those in La Défense declined for the second consecutive year. The development pipeline is at a 10-year low, indicating that rental growth will likely persist in core urban submarkets. Take-up rose by 18% in Germany and by 29% in London's West End during the first half of 2025, reflecting return-to-office mandates and renewed competition for high-spec space.

However, hybrid work continues to reshape occupier preferences, shifting demand towards flexible, energy-efficient buildings with strong amenity packages.

This polarisation is shifting investor focus from general yield compression to careful selection and repositioning of individual assets. High-quality buildings in strong locations, with energy compliance and flexible configurations, are commanding rental premiums and attracting capital.

Recent examples reinforce this. IJM Corp's \$91 million acquisition of 25 Finsbury Circus in London, with a further \$190 million earmarked for full redevelopment, highlights confidence in the value-add potential of repositioning. And in Paris, Union Investment's €700 million disposal of CityQuartier Trocadéro has attracted bids from global investors including Blackstone and Norges Bank, underscoring demand for repositioned core assets.

Logistics, meanwhile, remains a key income pillar. In July 2025, Knight Frank



reported yield compression of 15-25 basis points for prime logistics in Spain and Italy, reflecting strong institutional demand for core income strategies in southern Europe. While some investors are also pursuing niche strategies in housing-led subsectors, such as student accommodation and senior living, lender scrutiny remains high, with strict ESG filters and prelet thresholds of over 50% in place across much of continental Europe.

SHALLOW YIELD COMPRESSION

The macro backdrop remains restrictive. As of July 2025, the European Central Bank's main refinancing rate is 2.15%, with the deposit facility set at 2.00% and the marginal lending facility at 2.40%. Further rate cuts are not expected before mid-2026, according to Oxford Economics and UBS, both of which caution that "yield compression will be shallow and slow" in the current cycle. The Bank of England has been more dovish, cutting its policy rate by 100 bps since August 2024 to 4.25%.

In the next phase of the cycle, success will depend less on a broad market rebound and more on disciplined underwriting at the asset level, reliable income streams, and alignment with evolving regulations.

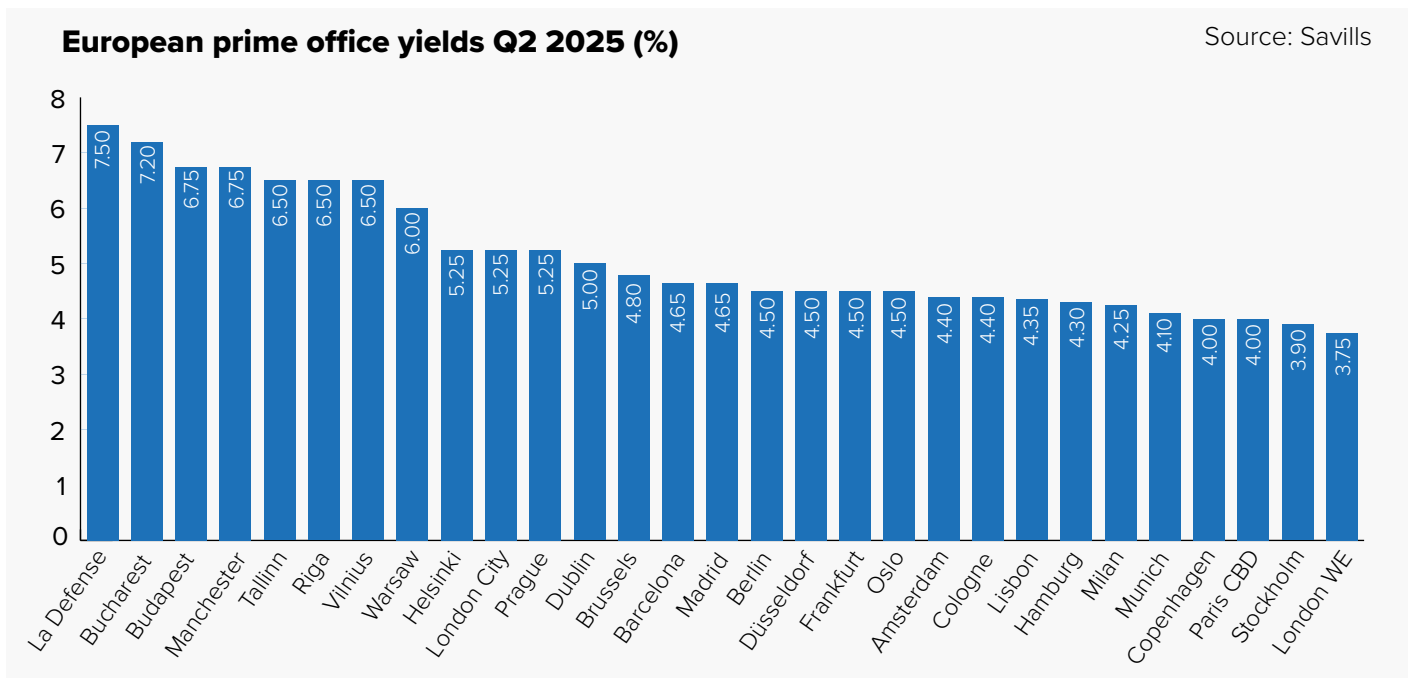
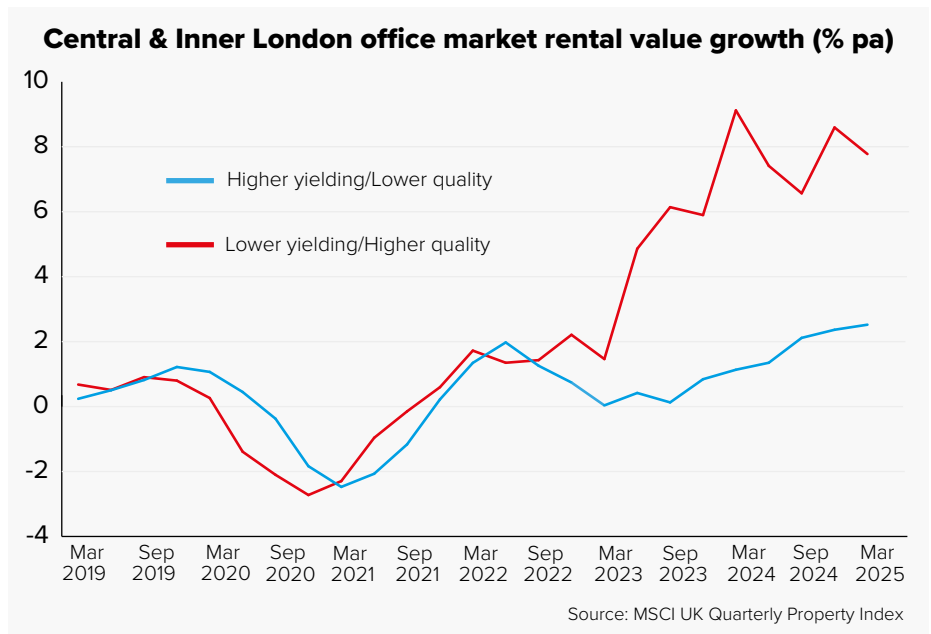
These priorities are already shaping capital flows in the UK, where debt liquidity has improved modestly for prime

logistics and retail warehousing, but remains limited for secondary commercial assets. Execution risk continues to weigh heavily, particularly for older or transitional stock. As legacy buildings are repriced, repositioned or converted, total returns will be driven by income durability rather than capital gains. In this cycle, capital will follow asset quality, not asset class.

Europe's commercial real estate market is no longer in free fall, but it is also not in

recovery. Liquidity is returning selectively, rewarding assets with ESG compliance, secure income, and operational resilience. Structurally misaligned or non-compliant assets remain stranded.

In this environment, capital discipline is the new advantage. Repricing is already well underway, but reprioritisation is the deeper trend. Precision will outperform scale, and capital will flow to where resilience, compliance, and conviction align. ●



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Top investable projects in industrial & logistics

Real Asset Insight sister title *Real FDI* presents 10 transformative opportunities shaping the future of global trade, freight and urban regeneration across Europe.

The industrial and logistics real estate sector is undergoing a rapid evolution. Rising e-commerce demand, reshoring of supply chains, and sustainability-driven investment strategies are reshaping where capital flows and how cities develop.

Across Europe, forward-looking projects are redefining the intersection of industry, infrastructure and innovation – offering investors a chance to participate in landmark transformations.

Here, we highlight some standout opportunities currently drawing strong attention from institutional investors, developers and logistics operators.

Chocianowice Economic Zone – Łódź, Poland

Location: Łódź, Central Poland
Size: 185 hectares
Use: Production and logistics

Located at the centre of Poland's logistics backbone, the Chocianowice Economic Zone is emerging as one of Central Europe's most compelling destinations for industrial investment. Minutes from Łódź International Airport and the city centre, the 185-hectare site integrates seamlessly into the S-14 expressway, road, and rail corridors that connect Poland's industrial heartland with European markets.

Backed by the City of Łódź, the zone builds on the success of the nearby Central European Logistics Hub,



Chocianowice Economic Zone, Poland

developed with Panattoni Europe, demonstrating proven investor appetite and municipal delivery capacity. The site is fully zoned under the Local Spatial Development Plan, with infrastructure improvements such as the reconstruction of Nad Dobrzyńką road already underway.

Developer confidence is tangible: industrial-logistics real estate developer Hillwood has committed to a 97,000 sq m logistics hall, which is now fully leased.

In proximity to the Łódź Special Economic Zone and Miele's flagship European factory, Chocianowice offers investors a scalable ecosystem embedded in global supply chains.

Forth Yards Regeneration – Newcastle, UK

Location: Newcastle upon Tyne
Size: 51 acres (20 hectares)
GDV: £725 million

Forth Yards is a transformative 51-acre regeneration scheme on the banks of the River Tyne, creating one of northern England's last major opportunities for integrated waterfront development. With a prime location at the western edge of Newcastle city centre, the project links the city's urban fabric to its industrial waterfront via St James' Boulevard and the Redheugh Bridge.

Led by Newcastle City Council in partnership with Network Rail, Homes England, and the North East Combined Authority, Forth Yards blends residential, commercial and industrial uses in a single masterplan with a projected gross development value of £725 million.

Strong transport links – including metro, road, and rail – position the site as a new hub for last-mile logistics and mixed-use commercial activity. Investor momentum is already building, with Hines delivering a 500-home residential scheme on the site. With aligned public partners and a location that bridges city centre and riverfront, Forth Yards is set to reshape Newcastle's industrial and commercial future.

Bow Goods Yard – London, UK

Location: East London

Size: 30 acres

GDV: Up to £3.5 billion

As London’s final Olympic legacy site, Bow Goods Yard represents one of the most ambitious regeneration opportunities in the capital. The 30-acre brownfield site is situated in the heart of East London’s freight network, next to Queen Elizabeth Olympic Park and the London Stadium.

The project will deliver more than three million sq ft of logistics, warehousing, and industrial space alongside a new leisure district and high-quality public realm. Crucially, it supports London’s sustainability ambitions by enabling a shift to green freight: expanded rail capacity will allow the site to move 3.5 million tonnes of materials annually, removing 90,000 HGV journeys from London’s roads each year.

Led by Network Rail Property, Bow Goods Yard combines large-scale logistics provision with urban regeneration and climate resilience, including renewable energy generation sufficient to power more than 1,100 homes. With a projected GDV of up to £3.5 billion, it is one of the UK’s most significant opportunities for investors seeking exposure to the capital’s future infrastructure.



Forth Yards Regeneration, Newcastle, UK



Bow Goods Yard, London, UK

Clyde Gateway Innovation – Glasgow, UK

Location: Glasgow & South Lanarkshire

Size: 2,000 acres

GDV: Up to £300 million

Spanning 2,000 acres along the River Clyde, Clyde Gateway is Scotland’s national regeneration priority and one of the UK’s most advanced platforms for sustainable industrial growth. Since launching, more than £1.5 billion has already been invested in infrastructure,



Clyde Gateway Innovation, Glasgow

remediation and energy networks, laying the groundwork for long-term development.

The focus is on advanced manufacturing, R&D, and collaborative workspaces designed for next-generation industries. Forward funding is being sought for up to one million sq ft of new business space, including innovation hubs ranging from 1,500 to 100,000 sq ft.

Clyde Gateway's strengths extend beyond scale. Excellent public transport connectivity, motorway access, and Scotland's first fifth-generation district heating and cooling system give occupiers access to a cost-efficient, low-carbon environment. Supported by Glasgow City Council, South Lanarkshire Council, Scottish Enterprise, and with UK government backing, Clyde Gateway represents a unique blend of regeneration and innovation at scale.

Spilve Industrial Park – Riga, Latvia

Location: Riga, Latvia

Size: 450 hectares

Use: Industrial, logistics, innovation hub

The Freeport of Riga Authority is driving one of the Baltic region's most ambitious industrial developments at Spilve Industrial Park. Covering more than 450 hectares, the site is strategically located alongside Riga's port and key railway connections, placing it at the crossroads of northern European trade routes.

Designed as a phased development, the park will become a hub for logistics, advanced manufacturing, and innovation-led industries. Flexible investment options – including public-private partnerships and direct capital injections – create scope for a range of institutional and private investors to participate.

With tax incentives, a skilled local workforce, and strong public sponsorship, Spilve is positioned to anchor Latvia's role in regional and global trade. For investors seeking large-scale capacity with direct maritime and rail access, the project offers a gateway to northern Europe.

Komunalna Economic Activity Zone, Tarnów, Poland



Komunalna Economic Activity Zone – Tarnów, Poland

Location: Tarnów, Małopolska Region

Size: 97,000 sq m

Use: Industrial and service development

Tarnów City Hall is spearheading the Komunalna Economic Activity Zone, a 97,000 sq m fully serviced industrial and business hub in the Małopolska region. Equipped with modern technical infrastructure, the zone is development-

ready and designed to accelerate regional growth.

Near two major international airports and with strong national road and rail links, Tarnów serves both Polish and wider European markets. Investors benefit from the Polish Investment Zone, which offers tax reliefs of up to 60% of planned investment for as long as 15 years.

The city's 'Fast Administrative Path' further simplifies the process by assigning each investor a dedicated adviser to support planning and delivery. With access to a highly skilled workforce – thanks to Tarnów's status as Małopolska's second-largest academic centre – the zone offers a low-risk, high-potential entry point into one of Poland's fastest-growing regions.



Spilve Industrial Park, Riga, Latvia

K64 Masterplan - Keflavík International Airport, Iceland

Location: Suðurnes Region, Iceland
Size: 445+ hectares
Use: Industrial, logistics, and circular economy

The K64 Masterplan is transforming Iceland's Suðurnes region into a transatlantic logistics and industrial hub. Centred around Keflavík International Airport and integrated with Helguvík's deep-sea port, K64 uniquely combines air, sea and land connectivity at the gateway between Europe and North America.

Led by Kadeco, Iceland's state development agency, the 445-hectare masterplan is divided into specialised zones, including a 300-hectare Circular Industries park focused on port logistics, bioindustries, clean energy, and sustainable construction. Complementing this is a Light Industry zone that already hosts biotech and data centre occupiers such as Algalif and atNorth.

Abundant renewable energy, direct maritime access, and streamlined permitting processes combine to create a development-ready environment with low operational risk. For investors, K64 offers an opportunity to participate in the creation of a circular economy hub with global connectivity and long-term growth potential.

Industra Park Iași - Lețcani, Romania

Location: Lețcani, Iași County
Size: 50,000+ sq m (with further expansion planned)
Use: Logistics & industrial

Oresa Industra is expanding its flagship industrial project in northern Moldova, where Industra Park Iași is set to exceed 50,000 sq m of leasable space following



K64 Masterplan – Keflavík International Airport, Iceland

a new 15,000 sq m phase now under construction. The park, located in Lețcani, benefits from direct access to the European E58 route and the planned A8 motorway exit, connecting it seamlessly to Iași International Airport and wider regional corridors.

The new facilities will meet BREEAM Good sustainability standards and include temperature-controlled warehouses and ISU-compliant units tailored to occupier requirements.

This expansion builds on Oresa Industra's entry into industrial real estate in 2021 and reflects growing demand in northern Romania. With an additional 25,000 sq m planned, and a wider national portfolio exceeding 100,000 sq m, Oresa Industra is positioning itself as a leading provider of modern logistics space across Romania.



Industra Park Iași, Lețcani, Romania

Ashton Moss Innovation Park - Greater Manchester, UK

Location: Ashton-under-Lyne, Greater Manchester
Size: 130,000 m²
Use: Advanced manufacturing and innovation

Ashton Moss Innovation Park is a major new development designed to strengthen Greater Manchester's advanced manufacturing ecosystem. Backed by Tameside Council and Muse Developments, the scheme addresses the shortage of 'move-on and scale-up' space

for SMEs, while creating a high-quality hub for innovation and industrial growth.

The project spans Ashton Moss East and West, with the first phase – 30,000 sq m at Ashton Moss East – expected to break ground in 2027. At full build-out, the park will deliver 130,000 sq m of employment and innovation space.

Proximity to the M60 orbital motorway, a dedicated Metrolink tram stop, and central Manchester ensures strong accessibility, while integration into the Ashton Mayoral Development Zone provides accelerated delivery. With a clear focus on attracting skilled talent and high-value businesses, Ashton Moss is set to become a cornerstone of Greater Manchester’s industrial future.

Mix Manchester – Airport City, UK

Location: Adjacent to Manchester Airport
Size: 60 acres / 2 million sq ft
Use: Advanced manufacturing, R&D, labs and offices

Mix Manchester will establish the UK’s only major science, innovation, and manufacturing campus next to an international airport. Covering 60 acres, the scheme will deliver two million sq ft of advanced manufacturing, R&D, laboratory, office, and amenity space, creating a world-class hub for high-growth sectors.

The joint venture, involving Columbia Threadneedle, Manchester Airports Group, BCEGI, and the Greater Manchester Pension Fund – with support from Manchester City Council – is advancing the project through a fast-tracked planning process. Work is expected to begin on site in 2026.

Mix Manchester will include 80,000 sq ft of soft landing space for new entrants, alongside larger facilities tailored to advanced manufacturing and life sciences. With direct access to Manchester Airport’s 600,000 sq ft freight and logistics hub, a new £15m link road, and a 13-minute rail connection to Manchester Piccadilly, the site offers occupiers unrivalled scale and connectivity in the North West.



Ashton Moss Innovation Park, Greater Manchester, UK



Mix Manchester, Airport City, UK

Strategic outlook

These 10 projects showcase the diversity and dynamism shaping Europe’s industrial and logistics landscape. From large-scale regeneration schemes in London, Newcastle and Glasgow to advanced manufacturing clusters in Greater Manchester, Tarnów and Łódź, investors are being offered entry points into ecosystems that blend strategic location, strong public sponsorship and future-facing design.

A unifying trend is the integration of sustainability and connectivity. Projects like Bow Goods Yard and K64 put climate resilience and renewable energy at their core, while Spilve Industrial Park in Riga and Industria Park Iași in Romania align logistics growth with multimodal transport corridors and regional trade networks. This combination of infrastructure access and low-carbon ambition reflects how industrial development is evolving beyond traditional warehousing.

Several projects also stand out for their role in rebalancing regional economies. Forth Yards in Newcastle and Clyde Gateway in Glasgow illustrate how

industrial regeneration can be harnessed to revitalise waterfronts and post-industrial districts, while Ashton Moss Innovation Park and Mix Manchester are strengthening Greater Manchester’s position as a hub for advanced manufacturing and life sciences. At the same time, smaller-scale, strategic opportunities like Komunalna Zone in Tarnów highlight how targeted local support and fiscal incentives can unlock growth in secondary markets.

What binds these initiatives together is a recognition that industrial and logistics real estate is no longer a passive asset class. These projects are designed to enable innovation, attract talent, and embed global supply chains into regional economies. For investors, they offer both reliable long-term income streams and exposure to transformative trends.

Europe’s next generation of industrial and logistics assets are being built not just to store and move goods, but to anchor resilient, innovation-driven economies. The 10 highlighted projects represent some of the most investable opportunities in this shift. ●

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Not just a nice-to-have: the business case for tenant operating systems

A survey shows the impact of Chainels' platform on shopping centres: including lower costs and efficiencies across the board

Retail real estate firms are under pressure to optimise performance, reduce costs, and protect net operating income (NOI). While tenant engagement is often perceived as a softer metric, mounting evidence links it directly to financial returns. Independent research confirms that platforms such as Chainels generate measurable value through operational efficiency, stronger tenant retention, and portfolio-level performance gains.

PROVEN RETURNS FROM A TENANT OPERATING SYSTEM

In an effort to understand the return on investment of tenant operating systems, Chainels commissioned research agency Opinium to evaluate its platform's impact across 13 shopping centres. By combining in-depth interviews with centre teams and survey responses from active store manager users, the research provides a comprehensive view of how a Tenant Operating System influences real-world centre operations.

The results show the platform adds tangible value to retail assets, through day-to-day process improvements and in measurable financial terms. Shopping centres using Chainels save an average of €251,000 annually. This includes €46,000 in direct savings such as printing costs, and 2,400 hours saved across teams. That equals 1.15 full-time employees.

1 FTE saved + €46K direct savings = €251K annual value

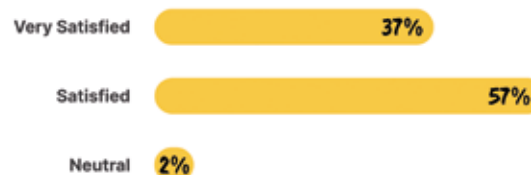
OPERATIONAL EFFICIENCIES WITH FINANCIAL IMPACT

Savings come from two key areas: 550 hours are saved through streamlined communication between centre teams and tenants, and 1,850 hours through digitised operational processes such as work orders,

permits, requests, and turnover reporting. These efficiencies reduce operating costs by an estimated €5.70 per square metre, improving bottom-line performance.

Store managers benefit directly from the platform's usability and responsiveness. A total 94% say they are satisfied with Chainels, and 74% would recommend it to others. Going further, 72% say they prefer working in a centre that uses Chainels' platform over one that does not.

Perceived satisfaction with the platform



NET: Satisfied 94%
N= 51 people are satisfied with Chainels

Many describe the platform as intuitive and easy to use. "Submitting turnover reports is now very fast," noted a store manager working in a NEPI Rockcastle centre. On average, store managers save nearly two hours each month due to faster processes and fewer delays.

Time saved each month by Store managers by using the app/platform for...



“Shopping centres using Chainels save an average of €251,000 annually. This includes €46,000 in direct savings such as printing costs, and 2,400 hours saved across teams.”

STRATEGIC VALUE FOR RETAIL REAL ESTATE COMPANIES

Beyond cost and time savings, the study revealed more strategic benefits. Centre teams report stronger tenant retention, enhanced brand image, and better responsiveness to market needs. “I really believe the platform helps retain tenants. The ones who use it regularly are the ones most engaged with the centre,” said a marketing manager. Another added: “Yes, I think it really affects our brand image, it’s very important... it shows how easily we can deploy innovative, digital tools.”

The platform also supports more data-driven management. “We can show exactly how many tickets were logged, how quickly they responded, and how fast the problems were resolved. This transparency helps us in evaluating their performance,” said a technical manager.

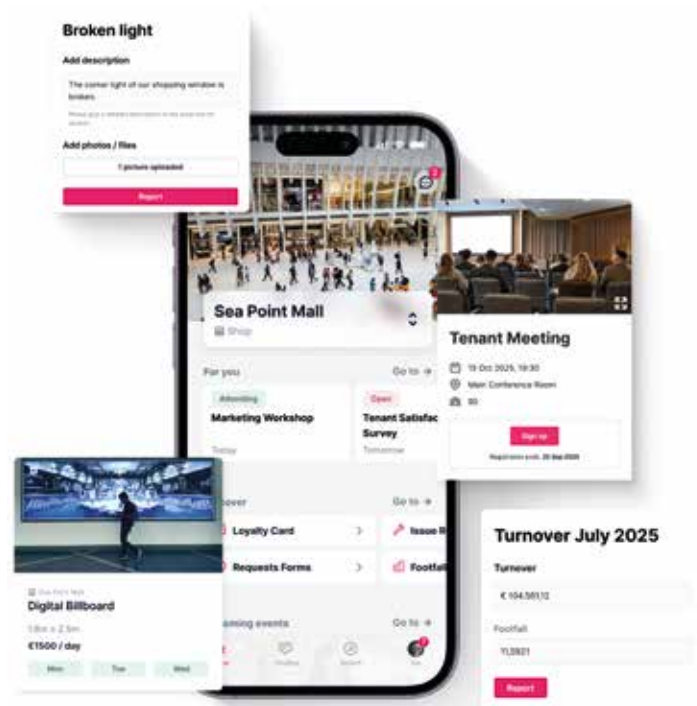
WHAT THIS MEANS FOR RETAIL REAL ESTATE

While the research focused on current use cases, the value of the platform is expected to grow further. Chainels recently introduced LumenAI, an intelligent assistant built into the platform. By automating repetitive tasks, it allows teams to focus on strategic priorities. The ROI captured in this study is a baseline: as LumenAI handles more predictive and operational work, returns are expected to increase.

This shift in positioning reflects the platform’s evolution. Chainels is no longer just a tenant experience tool. It is positioning itself as the Intelligent Tenant Operating System. One that connects the dots between property teams, tenants, and the broader tech ecosystem, sitting above traditional ERPs and smart building systems. The research confirms it is not just a nice-to-have – it is a business-critical platform in the digital transformation of retail real estate.

The study captured perspectives from three real estate companies with portfolios across Europe, providing a representative snapshot of the platform’s performance in different markets and operational models. With an average centre size of 44,000 sq m and 145 tenants, the sample reflects a cross-section of high-footfall retail environments.

From operational efficiency to strategic value, the message is clear: tenant operating systems can deliver measurable returns for retail portfolios. With growing pressure to reduce costs and improve tenant engagement, intelligent platforms like Chainels are proving their place in the modern retail real estate playbook. ●



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An occupier-led strategy is the key to growth in Europe

Redevco has acquired specialist investment manager Roebuck. Redevco's new head of logistics Hugh Macdonald-Brown tells **Richard Betts** how it will scale across Europe

In this interview with Real Asset Media's Richard Betts, Hugh Macdonald-Brown, head of logistics at Redevco, outlines the firm's approach to scaling a dedicated logistics platform across Europe. He discusses the strategic rationale behind targeting core markets, the value of local expertise in today's capital environment, and the operational synergies emerging from integration of Roebuck with Redevco's business.

In September, Redevco announced the acquisition of Roebuck, the specialist logistics investment and asset manager with approximately €1 billion in AUM across the UK and continental Europe. The creation of a dedicated logistics arm further diversifies its pan-European real estate platform, coming after the recent move into real estate debt.

The acquisition marks a strategic expansion that aligns seamlessly with Redevco's broader investment universe. By complementing its established strengths in retail parks and urban transformation, logistics can enhance Redevco's ability to create connected opportunities across the supply chain. As one of the largest retail park owners in Europe, with €5.5 billion AUM, there is an opportunity, according to Macdonald-Brown, particularly in continental Europe, to support Redevco tenants as they expand or seek to upgrade their existing warehouse space.

DRIVING GROWTH

However, Macdonald-Brown sees the main synergy coming from bringing the two businesses together and becoming part of the Redevco platform with a certain scale and infrastructure in place which many



Hugh Macdonald-Brown, head of logistics, Redevco: "Germany is an absolute key focus alongside the UK, France, the Netherlands and Spain"

other managers do not have. "We have the sector-specific network, expertise, and knowledge, and Redevco has seven offices in six key European countries, with an excellent team of people who do everything from origination, capital raising, deal execution and asset management," he says. This is especially important in today's market, where "investors know what types of logistic assets they are looking for and capital wants to invest where there is a local presence, local knowledge and local expertise."

OPPORTUNITIES IN CORE EUROPE

In terms of investment strategy, Redevco sees core markets as the main opportunity. "Now's the time to be super-disciplined and to focus on areas where we see the strongest demand. That is the key Western European markets," says Macdonald-Brown.

Redevco wants to be invested in both mid- and big-box logistics, as well as urban last-mile logistics. It also continues to expand the team with the recent hire of Camila Malzkorn as head of transaction management logistics DACH.

"Redevco's strategic focus and ambitious plans in the logistics sector align perfectly with my professional background and expertise. Building and further developing the logistics platform in the DACH region presents an exciting challenge that I'm very much looking forward to tackling together with the team," she says.

Macdonald-Brown sees opportunities across core markets in Europe. "Germany is an absolute key focus alongside the UK, France, the Netherlands and Spain. If you look at the macro, Spain is outperforming the rest of Europe, but we prefer the urban set-up in Spain versus a big-box strategy."

OCCUPIER-LED STRATEGY

Roebuck developed joint ventures and occupier-led projects in the past, and this approach is set to continue, according to Macdonald-Brown. "As Redevco Logistics, we have the option to use our balance sheet as part of our strategy when appropriate, while also retaining the option to seek third-party capital partners as opportunities arise. It chimes with an occupier-led approach in the sense that we're now in a cycle where creating value requires growing your income. To grow your income, you've got to work with your tenant."

This includes working with leases, and "understanding how critical an asset might be within the supply chain of the occupier. Is there an inherent rental reversion that

can be captured over the hold period?” Macdonald-Brown sees an occupier-led strategy as key. “We want to buy real estate that occupiers want to be in. As we continue to work closely with our network of investors, we now have the opportunity to partner with investors who are looking for a larger platform and scale, and the ability to seed assets alongside meaningful co-investment abilities.”

SUSTAINABILITY HAS A KEY ROLE

Sustainability is a hugely important consideration according to Macdonald-Brown. “Firstly, it’s just the right thing to be doing. So, everyone must have a living consciousness of how we can make things better for the world and the planet.”

The question is, how does that translate into real estate? This can be very challenging, especially when looking at the supply chain of the solutions we want to incorporate to enhance the sustainability performance of our assets. This can add complexity when considering a decarbonisation strategy.

“The way we look at it from a real estate point of view, is that you know you want to install as much renewable-energy initiatives as possible, but there are limitations. Solar on roofs where possible is an obvious thing to consider. We’ve also installed a wind turbine on a warehouse in Avonmouth to benefit from the high winds near the port.”

Redevco is looking at battery charging and storage. “I think we would always target units which are built in a more efficient manner. So they are more compliant at the date of acquisition,” he says.

RENEWABLE ENERGY INITIATIVES

In addition to the real estate initiatives, an important element of the strategy is “finding ways to use your renewable-energy initiatives to help your occupier base, because, ultimately, they’ve got a carbon commitment. Especially if they’re big corporates,” says Macdonald-Brown

Cost is also an issue for occupiers, with the instability of energy pricing creating significant increases. This has led to a drive to find ways to reduce fixed overheads. “Renewable energy can help

Segro Park in Kettering, UK



provide a stable, lower energy cost. This chimes with our occupier-led approach. You can use sustainability as a force of good,” he says.

DELIBERATE STRATEGY SHIFT

Redevco’s latest move builds on a series of strategic initiatives that reflect its evolving investment strategy. Following its entry into selective urban living, a sharpened focus on retail parks, and the launch of its real estate debt and special situations platform, the acquisition of Roebuck marks another deliberate step toward diversification. This signals a clear shift toward building a pan-European investment platform designed to attract institutional capital and create value.



Redevco has expanded its team with the recent hire of Camila Malzkorn as head of transaction management logistics DACH

On a strategic level, Macdonald-Brown believes “the acquisition of Roebuck fits seamlessly into Redevco’s broader growth strategy, which includes expanding its retail park portfolio and launching a real estate debt platform”.

“Logistics complements Redevco’s existing strengths in retail parks and urban transformation, providing connected opportunities in the supply-chain space and aligning with our long-term vision of building a platform that creates transformative real estate while generating value for clients.”

Roebuck strengthens Redevco’s logistics capabilities, with €1 billion in AUM and a proven occupier-led approach, complementing the resilience of retail parks and the value-add potential of urban transformation. The debt platform enables Redevco to support sustainable development and retrofitting projects, offering institutional partners greater product optionality and ESG-aligned returns.

“For institutional investors, this is a signal that Redevco is evolving from a family-owned asset manager into a multi-strategy, institutional-grade platform capable of delivering stable income, development upside and sustainability impact across equity and credit investments.” ●

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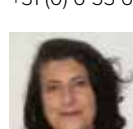
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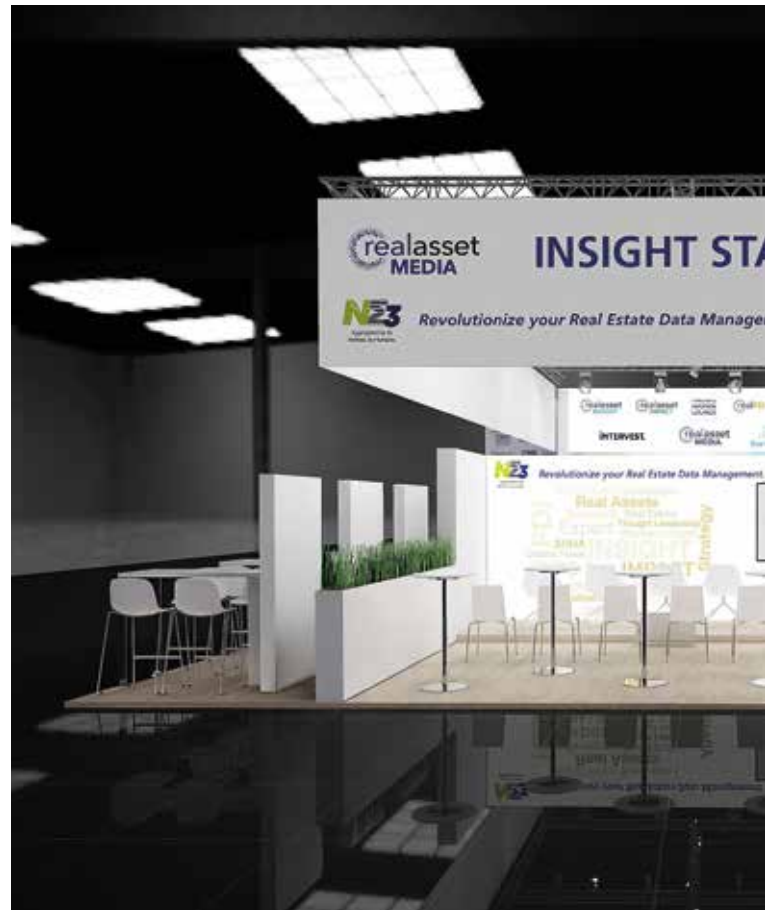
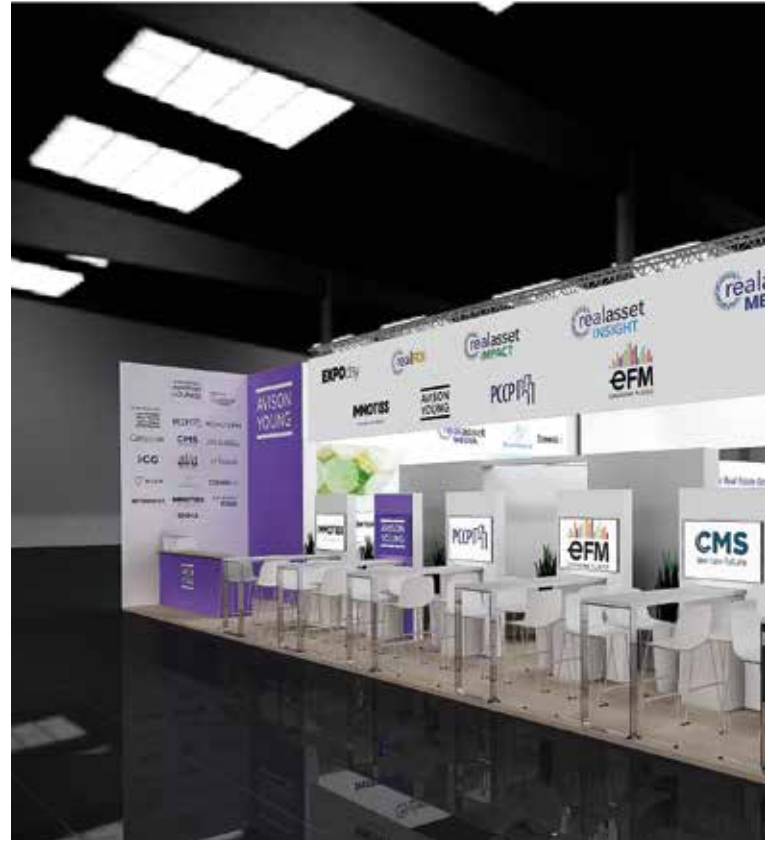
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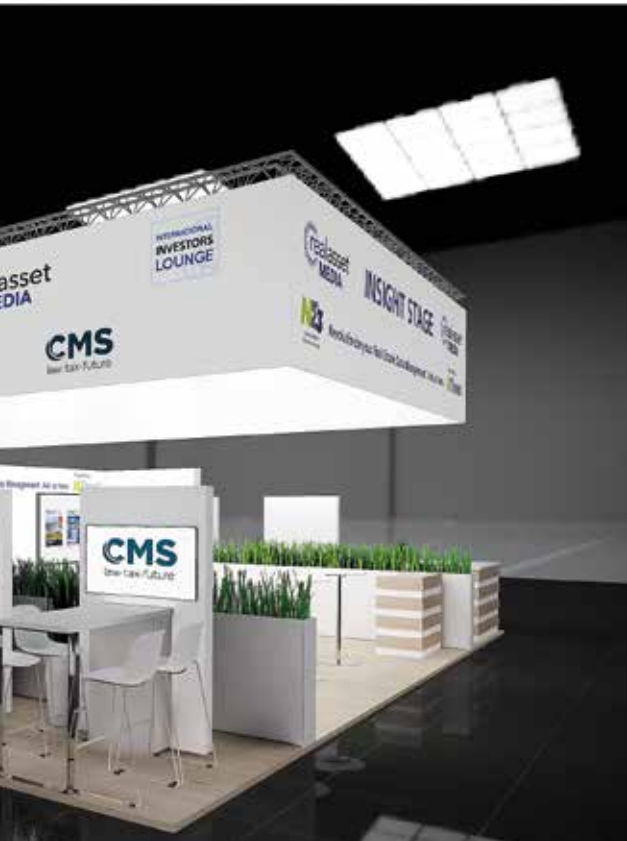


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Events programme

MONDAY 6 OCTOBER

- ▶ **09:00 REAL ASSET MEDIA'S EXPO REAL 2025 LAUNCH BREAKFAST - MEET & GREET**
- ▶ **10:00 THE EVOLUTION OF LOGISTICS REAL ESTATE – FROM STORAGE TO STRATEGY (EXHIBITOR STAGE - A2.450)**
- ▶ **11:00 SENIOR HOUSING & HEALTHCARE ASSOCIATION – THE ASSET CLASS OF THE FUTURE**
- ▶ **13:00 EUROPEAN CITIES OUTLOOK AND OPPORTUNITIES**
- ▶ **14:00 SUSTAINABLE LOGISTICS TRENDS**
- ▶ **15:00 GERMANY INVESTMENT OUTLOOK**
- ▶ **16:00 EUROPEAN DEBT FINANCE & INVESTMENT**
- ▶ **17:00 PROJECT SPOTLIGHT: TOP INVESTMENT OPPORTUNITIES FOR GLOBAL CAPITAL**
- ▶ **17:30 NETWORKING & DRINKS, CELEBRATING THE REAL FDI TOP INVESTMENT OPPORTUNITIES**

TUESDAY 7 OCTOBER

- ▶ **09:00 IMPACT BREAKFAST AND PANEL: DATA DRIVEN DECARBONISATION, VALUATION AND IMPLEMENTING ESG STRATEGIES**
- ▶ **11:00 REAL ESTATE LENDERS ASSOCIATION PRESENTS: STATE OF THE US CRE LENDING MARKET**
- ▶ **12:00 EUROPEAN REAL ESTATE TRENDS & INVESTMENT OUTLOOK**
- ▶ **13:00 EUROPEAN LIVING INVESTMENT**
- ▶ **14:00 STUDENT HOUSING, MICRO- & CO-LIVING**
- ▶ **15:00 EUROPEAN LOGISTICS INVESTMENT**
- ▶ **16:00 DECARBONISATION & IMPLEMENTING ESG STRATEGIES**
- ▶ **17:00 TECH, DATA, INNOVATION & AI**
- ▶ **18:00 SIOR'S INFLUENCERS RECEPTION: RUM TASTING EVENT**

WEDNESDAY 8 OCTOBER

- ▶ **12:00 REAL ASSET MEDIA MARKETING COMMUNICATIONS LUNCH**

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BGY completes sustainable revamp of Canary Wharf's 30 South Colonnade

UK architect BGY has led the major refurbishment of 30 South Colonnade in Canary Wharf, now rebranded as YY London, delivering a larger, more energy-efficient building with stronger links to the surrounding public realm.

The £104 million project expands the net internal area from 28,850 sq m to 37,900 sq m and increases total gross internal area from 40,710 sq m to 50,500 sq m, including 2,800 sq m of retail space (up from 1,500 sq m existing). The scheme retains the original structure, avoiding demolition, and maintains the building's distinctive curved frontage from its 1991 completion by Kohn Pedersen Fox and EPR, while replacing the marble facade with high-performance glazing.

BGY adopted a fabric-first approach, with the thermal performance of the new glazing far exceeding that of the original facade, reducing overall energy demand by 62%. Retaining the structure avoids



an estimated 10,260 tonnes of carbon dioxide, equivalent to planting 51,300 trees or making 1,480 car trips around the equator. The building is targeting BREEAM Outstanding, WELL ready, and platinum WiredScore ratings, with integrated smart technologies.

At street level, the entrance will move to a new triple-height, publicly accessible gateway on Jubilee Plaza, facing Canary Wharf tube station, and incorporating food and beverage units. Inside, the reception will span two floors, with access from both Promenade and Plaza levels.

By infilling an existing atrium and modestly increasing the height from 15 to 17 storeys, the project delivers a 25% uplift in net internal area without expanding the footprint. The building will have 16 floors above ground plus a shared roof terrace.

The client team comprises: Quadrant, Oaktree Capital Management and Victoria Asset Management, with Avison Young as project manager, Quantem Consulting as quantity surveyor, Waterman Structures as structural engineer, DP9 as planning consultant, and Hilson Moran providing services, fire, acoustic and BREEAM consulting. Knight Frank and CBRE are the letting agents.

The scheme retains the original structure and maintains the building's distinctive curved frontage. By infilling an existing atrium and modestly increasing the height from 15 to 17 storeys, the project delivers a 25% uplift in net internal area



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From a shared idea to a vibrant platform



Sylwia Ziemacka
COO, Senior Housing & Healthcare Association

At SHHA – the Senior Housing & Healthcare Association – we are proud of how quickly our community is growing.

What started as a shared idea has now become a vibrant platform where leading investors, operators, developers, advisors and municipalities come together with one purpose: to make senior housing and healthcare a strong, attractive and investable asset class.

The appetite to collaborate, exchange knowledge and share experiences has never been greater. The success of our recent Senior Housing & Healthcare Summit showed the energy and commitment in our network. We are excited to carry this momentum

‘Together, we are shaping senior housing and healthcare into a truly great asset class.’

forward as we meet again at EXPO Real – one of the world’s most prominent real estate fairs.

Promoting our asset class on such a big stage matters. Here, senior housing and healthcare gain visibility among top investors, decision-makers and city representatives. This is not only about deals and capital flows – it is about shaping a sector that supports healthy, active and fulfilling lives in a longevity society.

It has always been one of SHHA’s core aims to make this asset class more investable. SHHA aims to do this by driving transparency, showcasing best practice and building bridges between capital, operators and policy-makers. We are proud to have an ever-growing membership base of companies and individuals who share this mission.

Together, we are shaping senior housing and healthcare into a truly great asset class – one that creates opportunities for business, delivers value to communities and enhances quality of life across generations.

<https://shha.international>

New SHHA members

CHRISTIE & CO

Christie & Co is Europe’s leading transactional and advisory specialist in operational real estate.

This covers hotels, healthcare, childcare and education, hospitality, leisure and specialist retail businesses.

Established in 1935, we have a 90-year heritage with 11 UK offices and a network of European offices located in France, Spain, Germany and Austria.

We work across the value spectrum, from single assets to the largest portfolios, with a client base consisting of a huge range of operators, investors, developers and



stakeholders in the sectors where we operate. Within our sectors, we are established as market leaders across transactional, valuation and advisory assignments, working across wholeco, propco/opco and opco-only structures.

We have unrivalled personal relationships with the widest possible buyer pool, including corporate, regional and local operators, together with UK, European and international investors.

HEALTH INVEST

Health Invest is an Italian specialist consultancy with over 25 years of experience in the healthcare and social care sector.

With a multidisciplinary team, the company provides 360° support ranging from market research, site selection and feasibility studies, to design, development and construction management.

Health Invest works on both new-build and refurbishment projects, delivering innovative, efficient and sustainable facilities that prioritise



comfort, functionality and ESG compliance.

The company also advises clients on M&A operations, offering strategic guidance, due diligence, and financial and technical assessments to ensure successful transactions.

PRAEMIA REIM

Praemia REIM is a leading European real estate asset manager with more than €36 billion in assets under management and a portfolio of more than 1,600 assets across 12 countries.

The firm designs and manages a broad range of real estate investment solutions covering office, healthcare, residential, hospitality and retail, with a strong commitment to



long-term performance and ESG integration.

Its team of over 450 professionals is based across France, Germany, Luxembourg, Italy, Spain, Seoul, Singapore and the United Kingdom.

Macquarie acquires 40% stake in Portuguese healthcare provider

Macquarie Asset Management, the Australian global infrastructure investment firm, is acquiring a 40% stake in Luz Saúde, one of Portugal's largest private healthcare providers, for around €310 million.

The deal, conducted through the Macquarie European Infrastructure Fund 7 (MEIF7), values the company at over €1.1 billion. It is expected to complete in the fourth quarter of 2025, subject to regulatory approval.

The stake is being sold by Fidelidade, the Portuguese insurer owned by Fosun Group, a Chinese conglomerate with holdings spanning insurance, healthcare and consumer sectors. It will retain a majority holding of approximately 60%.

Macquarie is expected to appoint two members to the board of directors, while Isabel Vaz will remain as the chief executive. A new four-year management mandate will begin following completion of the transaction.

Luz Saúde operates a national network of 14 private hospitals, 15 outpatient clinics and one senior residential facility.

The platform includes over 1,100 inpatient beds, 56 operating theatres and more than 14,000 employees, including over 5,300



doctors. It delivers services across 65 medical specialities and is regarded as one of the country's most advanced healthcare networks.

In 2024, Luz Saúde reported revenue of €733 million, up 9.9% year on year, with EBITDA of €115 million and a net profit of €38.5 million – a 23.8% increase. Growth was driven by rising medical activity and price adjustments.

Macquarie said the investment will support the group's national expansion

strategy, attract and retain clinical talent, and accelerate digital transformation.

A spokesperson for Macquarie said: "Luz Saúde is a leading operator of acute healthcare facilities, delivering exceptional treatment to the Portuguese population through its talented team of medical professionals and cutting-edge technology. We are delighted to partner with Fidelidade as we work together to enhance Luz Saúde's healthcare services further to benefit the communities they serve."

Northern Horizon fund attracts €220m of equity

Northern Horizon has announced new equity commitments of €220 million for its latest fund, the Aged Care and Social Infrastructure Fund.

It is the largest single ticket in the company's history, taking the fund's equity above €600 million, with AUM of around €900 million.

"Additional investments are urgently needed to keep up with increasing demand for modern care assets in our region, and the new equity will enable us to grow our platform further in close cooperation with the leading operators, developers and municipalities in the Nordics," said

Christoffer Abramson, group chief executive of Northern Horizon.

"It is encouraging to see the momentum in our fundraising, so we are very optimistic about the next growth phase of our journey."

The rapidly ageing population of the Nordic countries has led to an undersupply of care beds. The Aged Care and Social Infrastructure Fund was launched last year to address the shortage of modern care homes in the region by investing in new, fit-for-purpose facilities, as well as forward purchase and forward-funding projects.

The new capital will enable Northern Horizon to scale the fund's strategy to

achieve greater impact and value for investors while further reducing its leverage.

The new equity was raised mainly from German institutional investors KZVK Dortmund and Helaba. The fund also attracted top-ups from current investors in the UK and Switzerland.

"We see increased global interest from international institutional investors and this re-confirms our plans to remain dedicated to this segment and be the market leader in the social infrastructure space here in the Nordics," said Andrew Smith, partner and group head of business development at Northern Horizon.

Demographic and social change drive investment in Germany

Sylwia Ziemacka, chief operations officer at SHHA, speaks to Nikolai Schmidt, head of healthcare real estate Germany at Swiss Life Asset Managers.

How does Swiss Life's investment philosophy shape your approach to senior housing and healthcare real estate in Germany?

We have nearly 20 years' experience investing across Europe in healthcare real estate – nursing care, assisted living, medical centres – and currently hold about €2.7 billion in assets, with €1.7 billion in Germany, one of Europe's largest markets.

Our focus is stable, long-term returns. Our core mission is "to enable people to lead a self-determined life". Beyond financial returns, this means building confidence in the future.

Healthcare real estate is central to our strategy, especially given demographic and social changes, so we will continue investing steadily in this sector.

What distinguishes Germany's healthcare real estate market?

Germany is the largest European market by supply, followed by France. It is often said that the German market is attractive because of its insurance-based financing model. But it is worth acknowledging that only part of nursing care costs is covered by insurance. Residents or social welfare cover the rest, so refinancing is tightly regulated because the state bears cost risk.

Rising costs have strained this system. Some operators faced insolvency, which kicked off market consolidation. Today, many are better refinanced and the market is stabilising. International investors, seeking higher returns and more opportunistic deals than German institutional investors, are selectively entering value-add opportunities, but not yet at scale.



Do you see consolidation creating opportunities for institutional investors, or do you favour long-term partnerships?

Both. Strong asset management is demanded in this environment, accelerating consolidation among operators, investors and asset managers.

We're more selective in investments and partnerships, with rigorous due diligence, as our investors expect. Our extensive, trusted network of developers and operators built over years is a key advantage. We prefer investing with reliable partners, but remain open to others.

How are you approaching financing amid easing interest rates and returning liquidity?

We aim to finance about 50% of asset value, maintaining roughly a 50% loan-to-value ratio. Interest rates remain high, but acquisition prices have dropped significantly, improving the appeal of debt

financing and asset yields. We intend to continue this balanced approach wherever possible.

How do you integrate ESG principles into healthcare real estate, balancing upgrades of existing assets with new sustainable developments?

Our healthcare funds comply with Article 8 of the SFDR, requiring ongoing ESG assessment and optimisation. We prioritise assets with ESG credentials, but focus especially on upgrading existing properties. To lead this, we founded the Climatch, a group of over 40 experts dedicated to ESG implementation – reflecting our long-term sustainability commitment.

What are the biggest challenges for investors in Germany's senior housing and healthcare market?

The main challenges are the varied regulations across Germany's 16 federal states, high financing costs Europe-wide, and a shortage of qualified personnel – another Europe-wide problem.

Yet there are opportunities. Operator consolidation and increased professionalism continue. AI in care is growing, freeing nursing staff to focus on face-to-face patient care, which is vital.

Success belongs to those who carefully analyse location, demand and operational factors, and act accordingly. A large, experienced network remains invaluable.

Everyone knows the demand is there and will continue to grow enormously. This is not only because of demographic change, although that remains one of the biggest reasons for its development.

SHHA

driving the senior housing and healthcare sector forward



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On the move... Colliers appoints Garcia Rodriguez

Colliers has appointed **Raul Garcia Rodriguez** as real estate transformation, value and growth lead for Central and Eastern Europe.

Operating from Prague, he will lead strategic initiatives that integrate sustainability, innovation and value creation across the real estate life cycle, with a focus on retrofitting, redevelopment and repositioning of assets.

He has over 25 years of international experience in sustainability, climate

strategy and real estate transformation. He has held leadership roles in both public institutions and private corporations, including Deloitte and EY Central Europe, where he led sustainable real estate services.

His expertise includes the development and strategic repositioning of specialised real estate asset classes, with a primary focus on retail, industrial and logistics, complemented by a proven track record in residential and living solutions.



AEW promotes Roux-Collet to chief executive of Europe

AEW Europe, the Paris-based real estate investment and asset manager affiliated with Natixis Investment Managers, has promoted **Vanessa Roux-Collet** to chief



executive of Europe and head of France.

Based in Paris, Roux-Collet has been at AEW for 15 years, serving as general secretary for Europe since 2018 and co-managing the company's French entity since 2022.

A lawyer by training, she previously worked at Clifford Chance and Jones Day.

Brown becomes eastern chair of UK LandAid charity

Colin Brown, partner and head of planning and development at Carter Jonas in Cambridge, has been appointed chair of the eastern regional board of LandAid, the property industry charity focused on ending youth homelessness.



He succeeds Nicholas Bewes, chief executive of the Howard Group, who established and led the board for six years.

Brown, who brings more than 30 years' experience, will work with leaders in East Anglia on fundraising and partnerships.

Sienna IM names German and Dutch investment lead

Sienna Investment Managers has named **Florian Stöbe** head of investments – real estate for Germany and the Netherlands, based in Frankfurt.



Stöbe brings 20 years of experience in real estate investment, notably in logistics, and joins from Verdion, where he led investment in Germany. He will work with Sienna's teams in Hamburg and Amsterdam to identify and structure opportunities across asset classes, and lead the expansion of the firm's logistics business in both countries.

Aqil to manage AEW's urban light industrial platform Ullis

AEW, the Paris-based real estate investment and asset manager, has appointed **Javed Aqil** as fund manager of Ullis, its urban light industrial platform. Aqil has been at AEW since



2017 and has been closely involved in Ullis since its launch in 2021.

In his new role, he will lead the fund's strategy and oversee a team focused on expanding and diversifying the portfolio, which currently comprises 170,000 sq m of last-mile industrial and logistics space across Europe's major urban hubs.

Dutch executive Sohier joins CenterSquare's board

US real asset manager CenterSquare Investment Management has appointed **Werner Sohier**, a Dutch real estate executive with more than 40 years of experience, to its advisory board. Based in the Netherlands, he will provide strategic guidance on investment strategies and insights on global capital market trends as CenterSquare expands in Europe.



Before, he was senior director at PGGM, managing global listed and private real estate for the Dutch pension fund manager.

Polat heads up Art-Invest Real Estate's private capital

Cologne-based Art-Invest Real Estate appointed **Selcuk Polat** as head of private capital in January. He will focus on expanding the firm's business with family offices and wealthy individuals.



Polat previously worked at UniCredit Bank, where he was the managing director leading real estate for the North Rhine-Westphalia branch.

Art-Invest manages €12.5 billion in assets under its 'manage to core' investment strategy.

KKR appoints ex-AWS CEO Selipsky as AI adviser

KKR, the global investment firm, has appointed **Adam Selipsky**, former chief executive of Amazon Web Services, as senior technology and AI strategy adviser. Selipsky will advise on strategy, capital allocation and governance for the firm's \$179 billion real assets business.

He will work closely with KKR's portfolio company chief executives and leadership teams to accelerate growth and strengthen platform value creation.

His appointment supports KKR's expansion in digital infrastructure investments, positioning the firm to accelerate growth in AI-driven power, connectivity and data platforms.



Fell is Savills' new senior director in Asia-Pacific team

Savills has appointed **Emily Fell** as senior director in its Asia-Pacific capital markets team in Singapore.

She will lead the firm's regional strategy in the living sectors, including multifamily, co-living, student accommodation, senior living and hotels.

Fell began her career in UK student housing in 2011 and moved to Singapore in 2015, advising on \$4 billion of transactions. She will also connect regional clients with Savills' European operational capital markets platform.



Cushman & Wakefield hires Mohadjer in Munich

Cushman & Wakefield has appointed **Giw Mohadjer** as head of residential investment for Munich and the southern region, overseeing Bavaria and parts of Baden-Württemberg.

He brings 14 years of residential real estate experience, including nearly six at JLL as director of residential investment covering Munich and Nuremberg.

The move is part of the firm's strategy to expand its residential investment presence in southern Germany.



AEW Europe promotes Ofschonka to chief investment officer

AEW, the Paris-based real estate investment and asset manager affiliated with Natixis Investment Managers, has promoted **Christina Ofschonka** to chief investment officer



for Europe, alongside her existing role as head of Germany and Central and Eastern Europe.

Based in Frankfurt, Ofschonka joined AEW in 2016. She has since led fund management for the German platform and managed its flagship open-ended pan-European core strategy. She is already a member of AEW Europe's executive, investment and risk committees.

She previously worked as a portfolio manager at German financial services group Alte Leipziger and began her career at IVG. She is also a lecturer in real estate portfolio management at TH Aschaffenburg University of Applied Sciences.

BCP Capital's Crowley takes over as chair of ULI Ireland

The Urban Land Institute (ULI) Europe, a global real estate industry network, has named **Ray Crowley**, a director at BCP Capital, as chair of ULI Ireland's national council.



He succeeds Marie Hunt of IPUT, a Dublin-based property investment company, who completed her two-year term in June, and will serve voluntarily for the next two years.

A ULI member since 2007 and part of the Ireland executive committee since 2013, Crowley brings experience across real estate, sustainability consulting and public policy in Ireland, the UK and the US.

Binkofski to drive CTP's expansion in Romania

CTP, Europe's largest listed industrial and logistics developer, has named **Ronald Binkofski** as managing director for Romania, effective 1 September.

He will drive CTP's expansion in the country, where the firm has 3.1 million sq m of space across 35 CTParks and a 4.2 million sq m landbank.

Binkofski was chief executive of STX Next, spent 12 years at Microsoft expanding its CEE presence, and held senior roles at Honeywell. He will focus on growth, innovation and client partnerships.



Graham swaps Aviva for PineBridge Benson Elliot

Pan-European real estate private equity specialist PineBridge Benson Elliot has named **Tom Graham** as managing director for business development, based in London.

He will focus on expanding investor relationships and supporting growth, following the €500 million close of the firm's sixth fund in February.

Graham joins from Aviva Investors, where he led private markets equity. He previously held senior roles at LaSalle, Lazard and Standard Life Investments.



As designers, we're preparing the UK for a data centre revolution

Louis Fantis explains how large data centres can co-exist with UK urban and rural areas.

While global investment in data centres and digital infrastructure is on the rise, its distribution has been far from uniform. Certain regions in North America and Northern Europe are accelerating ahead, establishing themselves as dominant hubs. Cushman & Wakefield's 2024 EMEA report, for example, reveals that London's 2,666MW of data centre capacity is a fraction of Virginia's 23,042MW.

Yet, the UK is rapidly closing the gap. From an architectural and urban development standpoint, the pace of growth is striking. Savills reports that between January and October 2024, 168 hectares of land was transacted for data centre projects. This wave of acquisitions translated, according to JLL, into a 43% year-on-year increase in total data centre floorspace – reshaping both the physical and technological landscapes of our cities.

Nonetheless, these asymmetric investment levels – coupled with a broadening occupier base – have led to the diversification of data centre design, with architects designing not only for the general requirements of the UK market, but also for the spatial limitations of specific submarkets. For fintech and cloud computing providers, for whom proximity to transatlantic data cables is crucial to ensure ultra-low latency, supply has traditionally been concentrated along the M4 corridor, which is characterised by dense townscapes and a diverse asset mix.

In this urban context, asset managers and designers are focusing on making data centres better neighbours rather than on standalone and opaque infrastructure. Built-in community spaces and dedicated landscaping strategies are now key parts of schemes, which follow more

established urbanised logistics trends, and allow us to engage the community with the site.

Responding to community and local authority feedback, we are now also producing schemes with design elements that respond to local architecture. In one development, we produced a front-facing facade which reflects the art deco structures that previously existed on site.

HUBS IN RURAL AREAS

Elsewhere, the growth of alternative occupier classes, such as AI, large language model (LLM), and Internet of Things providers (which have lower latency concerns but require greater processing capabilities), has driven supply beyond traditional hubs and into more rural areas. These areas, particularly Wales and the north-east, also enable the development of larger and more flexible data centres due to their lower land costs.

In rural locations, we focus on mitigating the visual impact of developments within

greenbelt areas. Careful massing and material selection are intended to blend facilities into their surroundings. Internally, designers are prioritising adaptable floor heights to enable buildings to be converted into more traditional logistics uses should market needs change.

In line with investor requirements, sustainability concerns are now taken into account throughout a centre's design. The sector is making significant strides in securing renewable energy sources, including solar and wind power, while establishing partnerships with utility providers to optimise energy performance.

Many data centre operators have committed to the Climate Neutral Data Centre Pact, reflecting the growing importance of sustainability. This is of increasing importance as data centres are projected to account for 6% of the UK's electricity consumption by 2030. ●

Louis Fantis is a director at Chetwoods, and leads its data centre team.

'Asset managers and designers are focusing on making data centres better neighbours rather than on standalone and opaque infrastructure.'

Louis Fantis Chetwoods





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