



EUROPEAN LOGISTICS OCCUPIER SURVEY

INSIGHTS FROM THE COMPANIES BEHIND THE STRONG
DEMAND FOR LOGISTICS REAL ESTATE

CBRE

KEY THEMES AND SURVEY PROFILE

KEY THEMES

01



Where are occupiers planning to expand?

02



What are their challenges?

03



Impact of COVID-19 and Brexit

04



Their location and building preferences

Survey Profile



100+
Occupiers



All types
Manufacturing, online and general retail, supermarkets, 3PLs



Pan-European
Presence



40m sq m
Estimated footprint, 80% of respondents have over 100K sq m



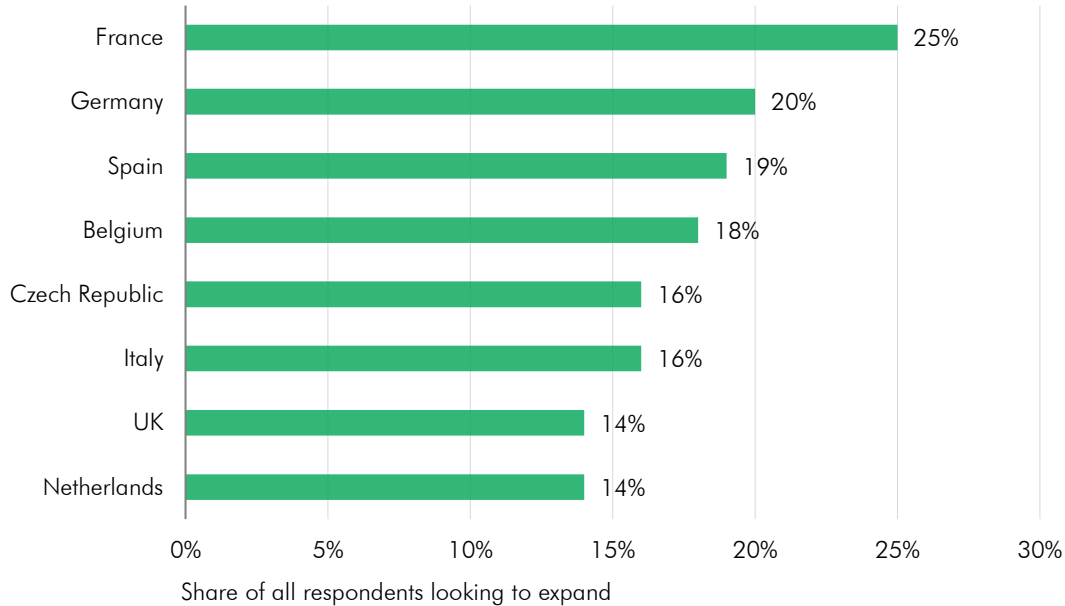
01



Where are occupiers planning to expand?

IN WHICH COUNTRIES ARE OCCUPIERS PLANNING TO EXPAND?

Q: In which countries are you expecting to expand, maintain or reduce your logistics presence?



Source: CBRE European Logistics Occupier Survey 2020/Analytiqa



Online retailers

Are looking to expand in:

- 1 Netherlands
- 2 Italy
- 3 Czech Republic
- 4 Greece
- 5 Germany



Manufacturers

Are looking to expand in:

- 1 Germany
- 2 France
- 3 Italy
- 4 UK
- 5 Poland



Supermarkets

Are looking to expand in:

- 1 UK
- 2 Belgium
- 3 France
- 4 Spain
- 5 Germany

ARE OCCUPIERS EXPLORING EXPANSION OUTSIDE THE TRADITIONAL LOGISTICS HUBS?

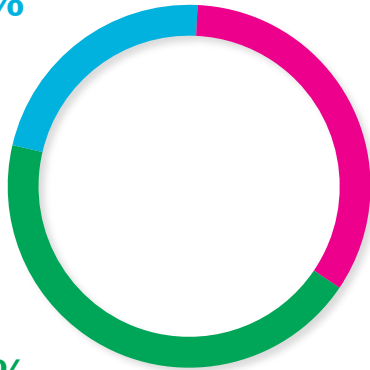


Q: Is your company exploring expansion locations outside the usual/traditional logistics hubs?

No, unless traditional logistics areas are no longer available
22.1%

No
33.7%

Yes
44.2%

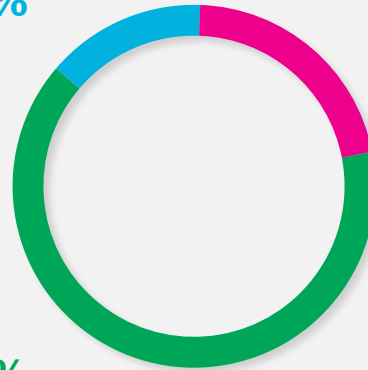


Online retailers

No, unless traditional logistics areas are no longer available
14.3%

No
21.4%

Yes
64.3%



Online retailers

are more likely to consider **non-traditional** logistics locations

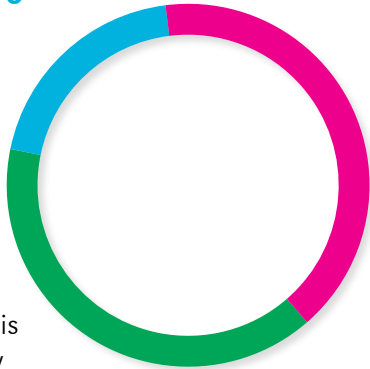
IS URBAN LOGISTICS BECOMING A PRIORITY?



Q: Is your company planning to increase its logistics facilities footprint close to city centres, in order to serve urban populations and businesses with reduced delivery times?

Yes – it is **not** a priority
19.8%

No
40.6%



Yes – it is a priority
39.6%

64%

Online retailers responded that expansion in urban locations is a **high priority**



50%

Manufacturers responded that expansion in urban locations is a **high priority**



50%

Food/grocery retailers responded that expansion in urban locations is a **high priority**





02

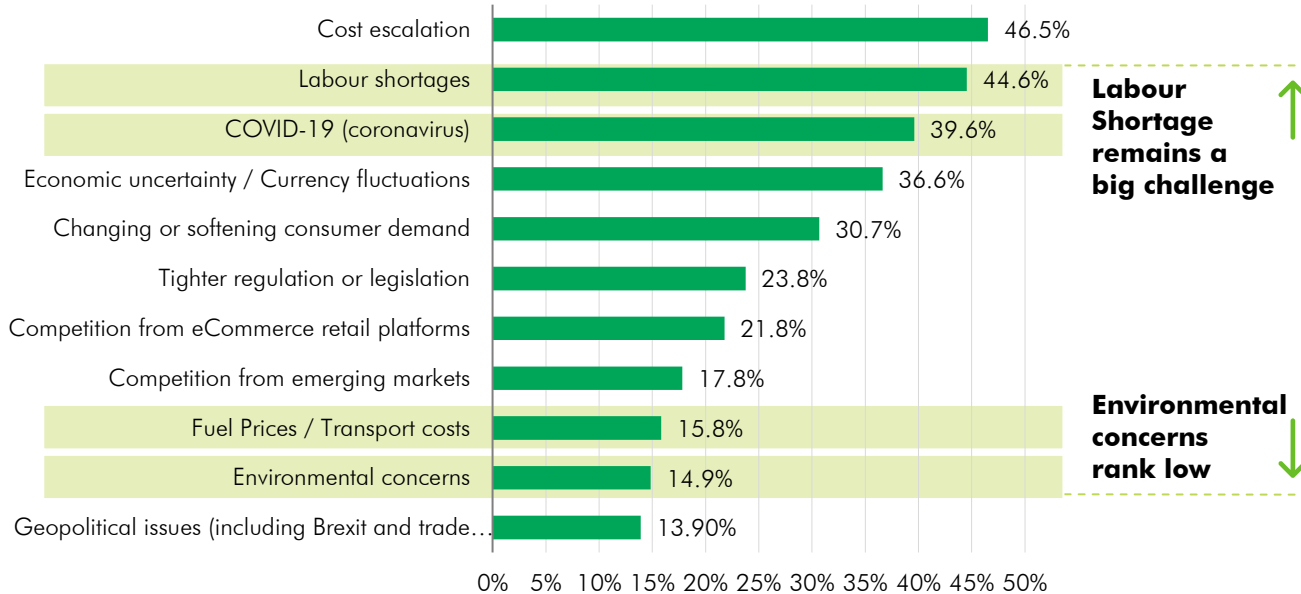


Occupier
challenges

THREE GREATEST CHALLENGES FOR YOUR COMPANY'S FUTURE OPERATIONS



Q: Which of the following external factors represent the three greatest challenges for your company's future operations?



Online retailers' greatest challenge is **competition**



3PLs are concerned about **tightening regulations**

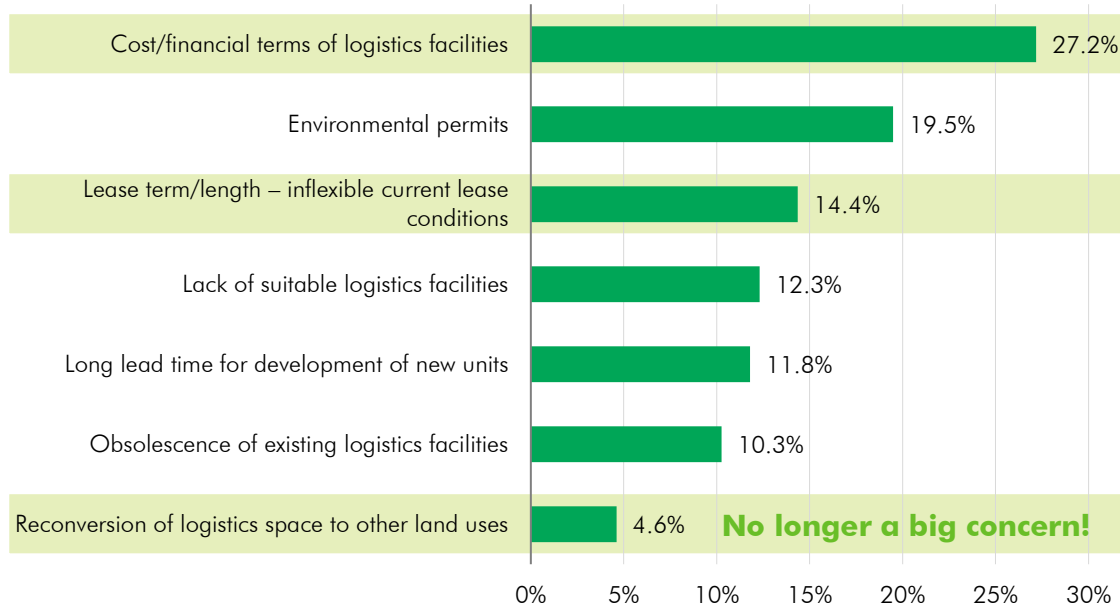


3PLs rank fuel and transport costs higher than the other sectors

Source: CBRE European Logistics Occupier Survey 2020/Analytiqa

REAL ESTATE FACTORS THAT REPRESENT THE BIGGEST CONCERN FOR BUSINESS GROWTH?

Q: Which of the following real estate factors represent the biggest concern for your business to grow?



Source: CBRE European Logistics Occupier Survey 2020/Analytiqa



Companies with larger portfolios are concerned about **lack of available logistics facilities**



03



Impact of COVID-19 and Brexit



Q: How do you see the spread of COVID-19 affecting your company's long-term plans in terms of real estate?

46.5%



Need for **flexible storage space**

35.6%



Accelerated transition to ensure facilities are ready to cope with increased online business

33.7%



Emphasise strategies to **minimise logistics costs**

- centralise operations
- improve warehouse efficiency

32.7%



Highlight strategies to **minimise the risk of future disruptions**

- increase inventories
- diversify and/or re-shore suppliers/ stock
- add back-up storage space

30.7%



Reconfiguration/relocation of supply chain facilities

Source: CBRE European Logistics Occupier Survey 2020/Analytiqa

HOW WILL YOUR GEOGRAPHICAL DEMAND FOR LOGISTICS FACILITIES CHANGE AS A CONSEQUENCE OF BREXIT?



41% of **3PLs** consider they will need **less logistics space in the UK** due to Brexit



50% of **online retailers** believe they will need **additional logistics space in the UK...**

...and **40%** think they will also **need additional space in the EU** because of Brexit



Manufacturers forecast Brexit to have **minimal influence** on their logistics needs



04



Location
and
building
preferences

IMPORTANT FACTORS FOR LOCATION AND BUILDING SELECTION



↑ Vitally important or important



Labour **costs and availability**



Delivery time
to customers



Proximity to
**motorways/
freight hubs**



Rent costs and
lease options



Quality of **local infrastructure**

↓ Less important



Co-location with
similar business



Proximity to
residential areas



Environmental Implications



Building Design



Property Manager
reputation

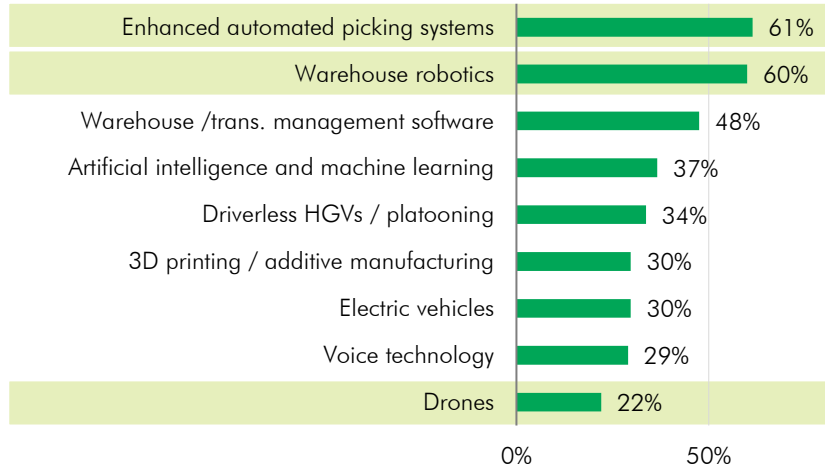


Technologies expected to have a major impact



Impact on location/building preferences

Q: Rate the following technologies with regard to their potential impact on logistics supply over the next three years



49% think access to high skilled labour will gain importance



Only **14%** believe access to low skilled labour force will become less important



47% responded access to new markets and customers will gain importance

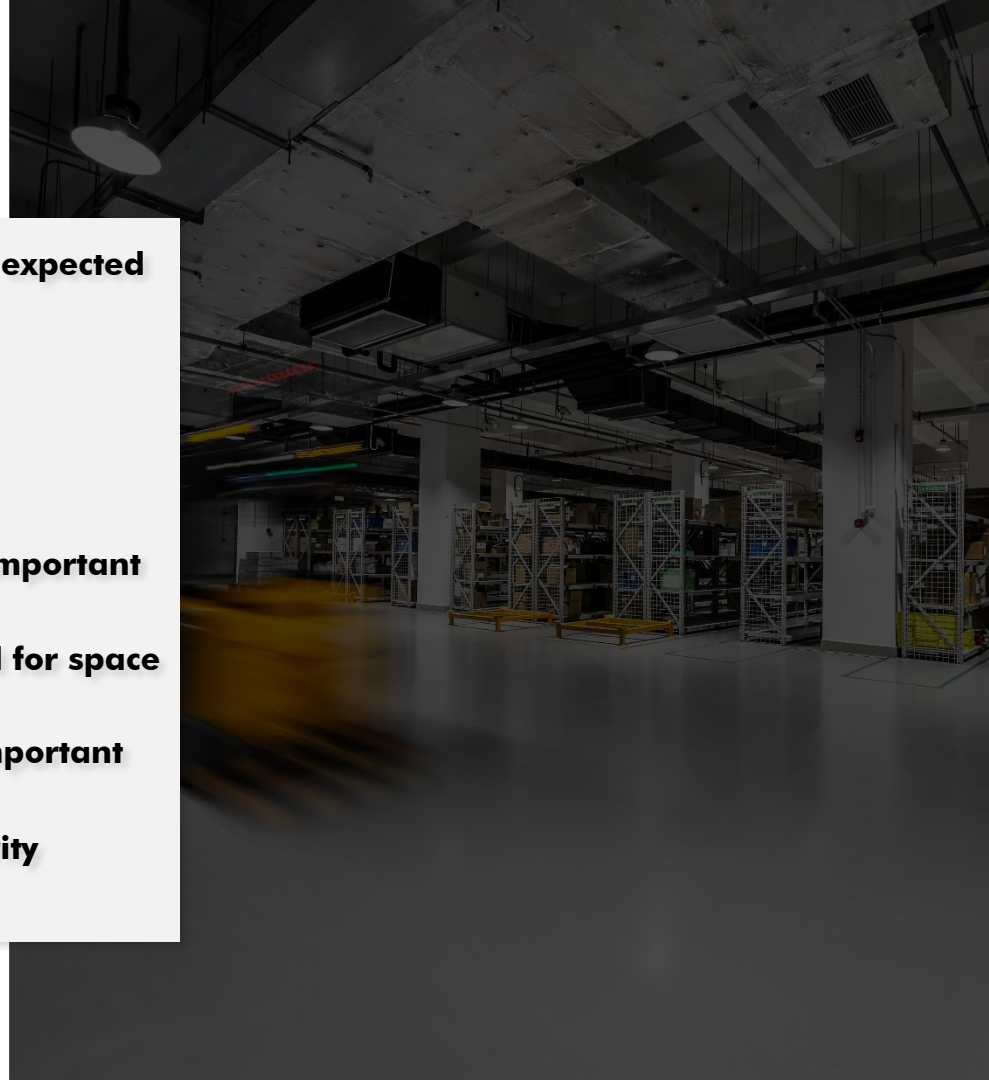


45% consider building design will become more important

Source: CBRE European Logistics Occupier Survey 2020/Analytiqa

KEY POINTS

- ✔ **Occupiers to expand in countries with higher expected e-commerce growth**
- ✔ **Willing to explore non-traditional locations**
- ✔ **Urban Logistics becoming a high priority**
- ✔ **Labour costs and availability remain vitally important**
- ✔ **Impact of Covid-19 will drive further demand for space**
- ✔ **Lease costs and flexibility are increasingly important**
- ✔ **Environmental implications still a lower priority**



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THANK YOU

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