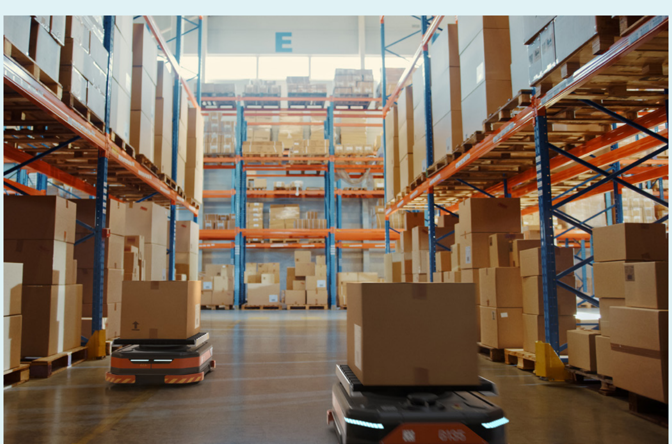
CUSHMAN & WAKEFIELD

VANTAGE POINT

2026

WAYPOINT

GLOBAL INDUSTRIAL DYNAMICS



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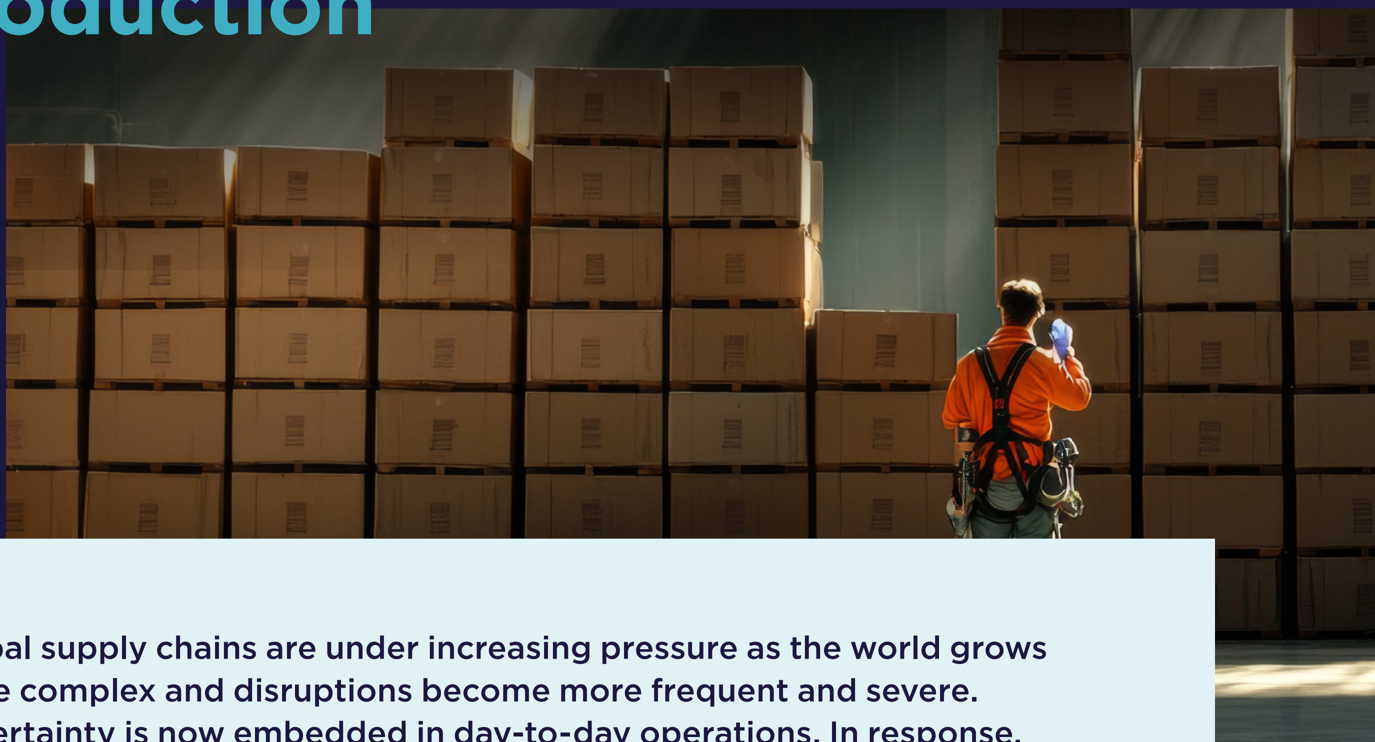
Introduction



Global supply chains are under increasing pressure as the world grows more complex and disruptions become more frequent and severe. Uncertainty is now embedded in day-to-day operations. In response, businesses are restructuring their supply chains to be more flexible and adaptable—managing short-term volatility while building resilience and maintaining focus on long-term objectives.

Real estate plays a critical role in well-functioning supply chains. The right facilities in the right locations enable businesses to optimise operations, minimise costs and support future strategies. Understanding market conditions and dynamics is essential for both users and owners of logistics and industrial (L&I) assets to make well-informed decisions.

In the second edition of Waypoint, we analyse 135 markets worldwide, up from 127 markets in 2025, to examine how these dynamics are influencing occupier behaviour, location strategy, operating costs and market conditions. Waypoint provides the insights needed to shape effective real estate strategies in a rapidly evolving environment.

Key Takeaways

Structural Uncertainty: Resilience and Adaptability as Strategic Differentiators

Successful supply chain strategies combine near-term contingency planning with adaptability and clearly defined objectives for the future. Long-term commitments must balance resilience with robustness. Technology—including AI, automation systems and energy transition strategies—is shifting from incremental improvement to transformational capability. When making real estate decisions, businesses continue to balance service, resilience, speed-to-market and total operating cost.

Rising Operating Costs for L&I Facilities as Regional Divergence Widens

Across key cost components—rent, labour and electricity—global averages increased in 2025, reinforcing the need for proactive network planning and budgeting. However, significant differences exist between and within regions, with local market conditions shaping trajectories.

Expected Rental Growth Across Many Markets

Rental growth is moderating from recent peaks in mature markets, but tightening supply continues to drive rental uplifts. Further rental growth is expected in 54% of markets over the next three years.

Tenant Leverage in Today's Market Conditions but Window Closing

Conditions are broadly tenant-favourable globally, but the balance differs by region. By 2029, many markets are expected to shift toward neutral or landlord-favourable conditions, particularly in North America and Europe, as vacancy is expected to stabilise or fall.

Established Drivers Joined by New Sources of Demand

E-commerce, general manufacturing and retail distribution remain primary global demand drivers, supporting a broad range of real estate requirements. Additional demand is emerging from sectors such as energy, high tech and aerospace production.

What Does This Research Mean for Real Estate Stakeholders?

As uncertainty is now an ongoing, structural consideration, real estate strategies are increasingly central to building robust and agile supply chains. Investing for success depends on maintaining a clear, long-term focus while mitigating near-term risks.

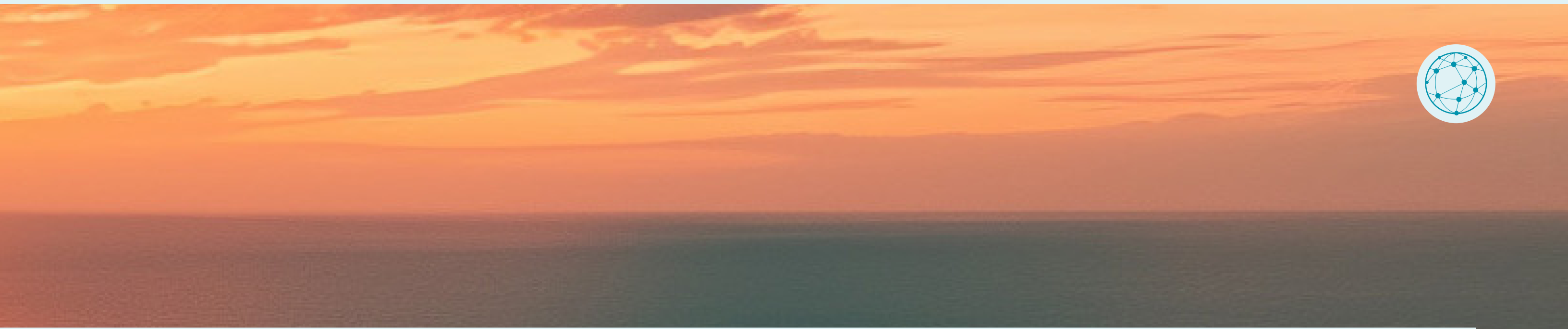
OCCUPIERS:

- **Create a strategic plan to drive structural efficiency** across the real estate in your supply chain, ensuring sites are optimally located, appropriately sized, and specified to support overall strategic goals.
- **Identify priority sites, and act early to secure locations** that support your long-term goals. Tenant-supportive conditions are expected to change, and availability may tighten, making space harder to secure.
- **Prepare for rising real estate costs** in the near term, including higher rents and increased fit out and construction costs, as material prices are expected in rise. Consider hedging against electricity cost increases resulting from rising fuel prices.
- When developing longer-term strategies, **consider ways to mitigate cost pressures and risk**. This includes evaluating location choices, investing in automation and renewable energy technologies, and using AI and other tools to stress-test scenarios and enable more effective planning for the unexpected.

INVESTORS AND LANDLORDS:

- **Understand the role your assets play in tenants' supply chains** to better align with their needs, support retention, preserve value and enhance risk awareness.
- **Work with tenants to unlock opportunities,** such as asset improvements, where your capital position may provide solutions that are otherwise difficult for occupiers to access.
- **Leverage existing assets in the near term**, as construction costs are expected to rise. Refurbishment and targeted asset improvements may net better risk-return fundamentals than new developments.

Across regions, the direction of travel is clear: occupiers are redesigning networks for resilience, carefully assessing cost factors and the reliability of trade and business environments. Businesses that combine scenario-based planning with timely real estate action—securing critical sites, upgrading asset performance and building energy-efficient, automation-capable operations—will be best positioned to manage volatility while capturing the next cycle of growth.



ADVICE INTO ACTION

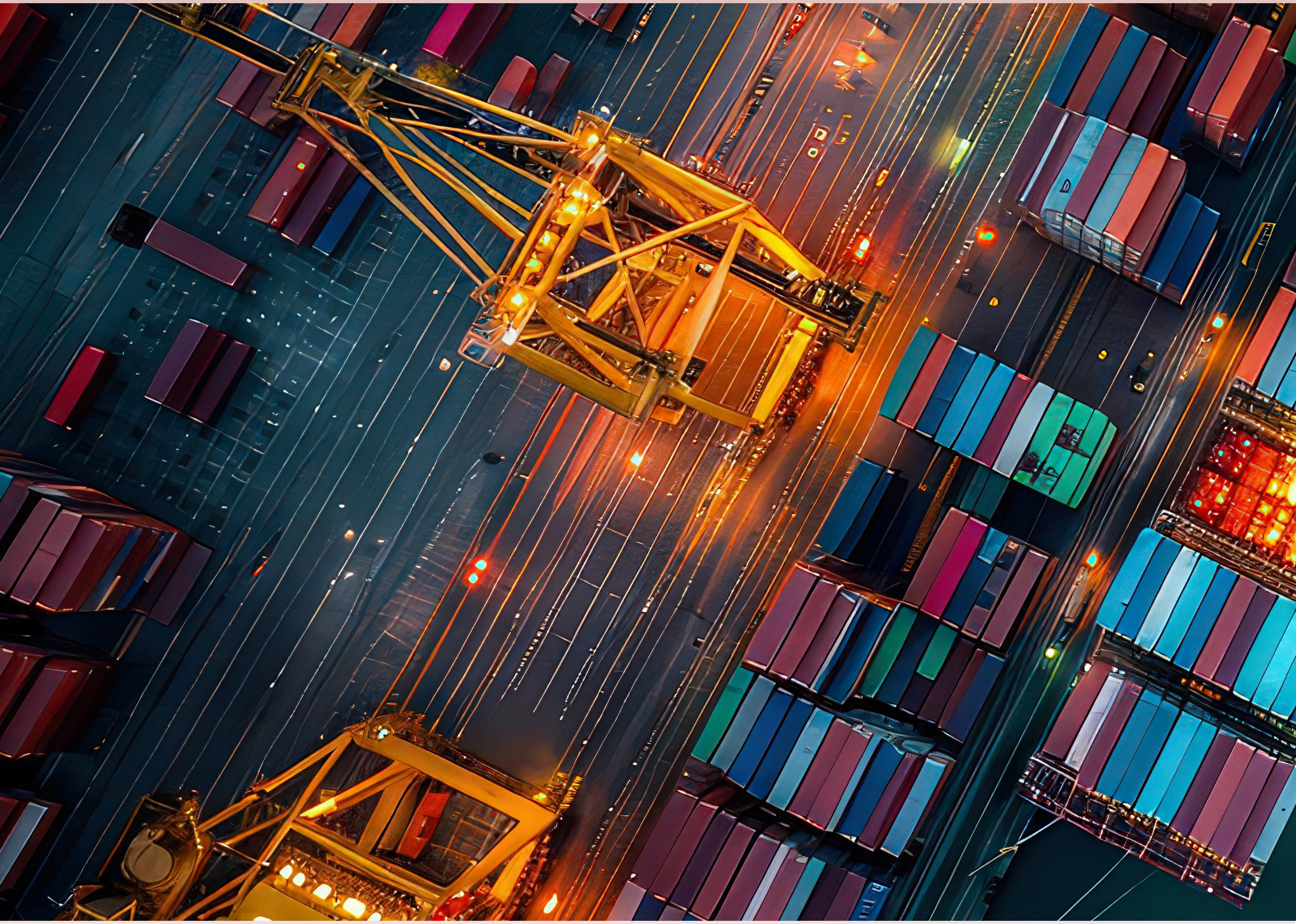
"In a world where disruption has become structural rather than occasional, resilience is no longer built on efficiency alone, but on the ability to adapt, diversify and respond in real time.

From shifting tariffs and geopolitical conflict to climate shocks and labour shortages, global supply chains are being reshaped by uncertainty that now influences every strategic decision.

The businesses that will lead the next decade are those transforming volatility into advantage through flexibility, innovation and long-term resilience."

Jason Tolliver

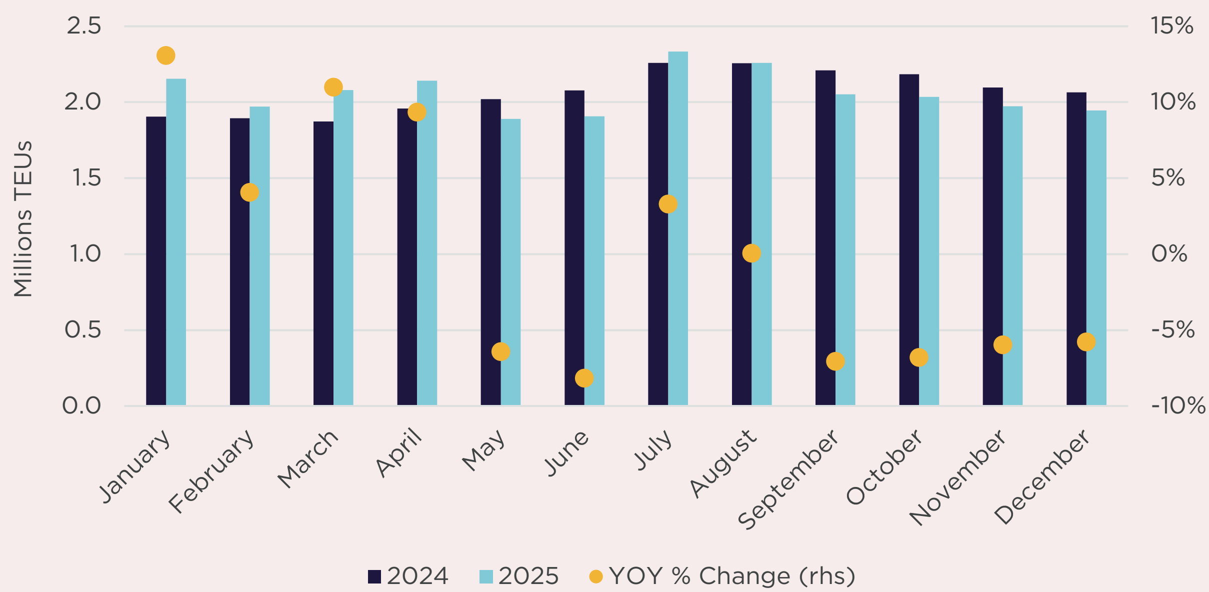
President, Americas Logistics & Industrial Services



Market Drivers and Dynamics

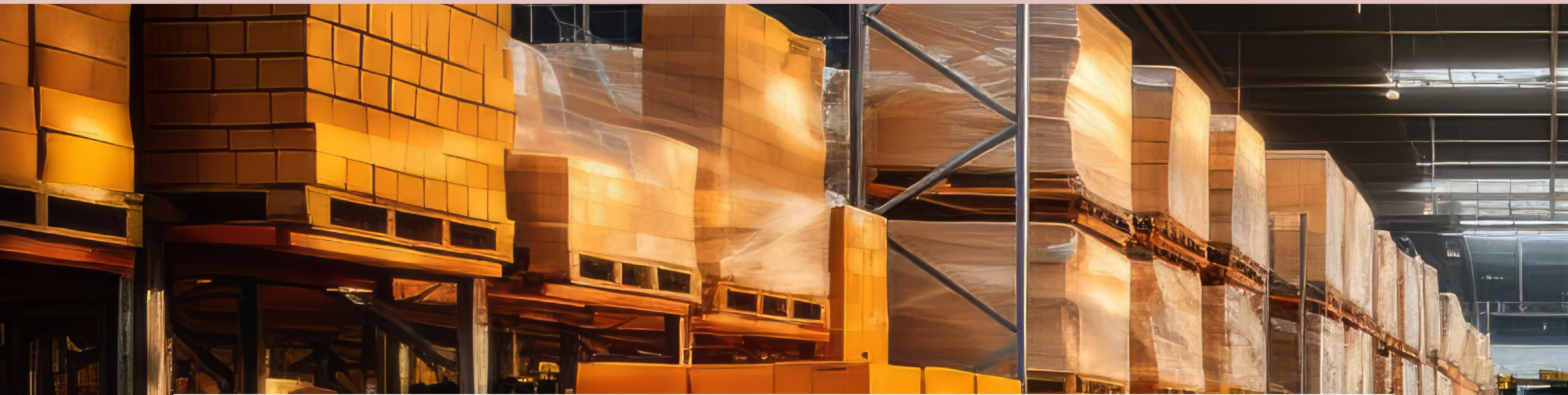
Global supply chains continue to face mounting challenges as the world becomes more complex and as shocks and disruptions grow in frequency and severity. Uncertainty is now embedded in day-to-day operations. In response, businesses are restructuring their supply chains to prioritise flexibility and adaptability; they are managing near-term volatility while building resilience and maintaining focus on longer term goals.

U.S. Monthly Imports by TEUs
Top 10 U.S. Port Volume (Aggregated TEUs)

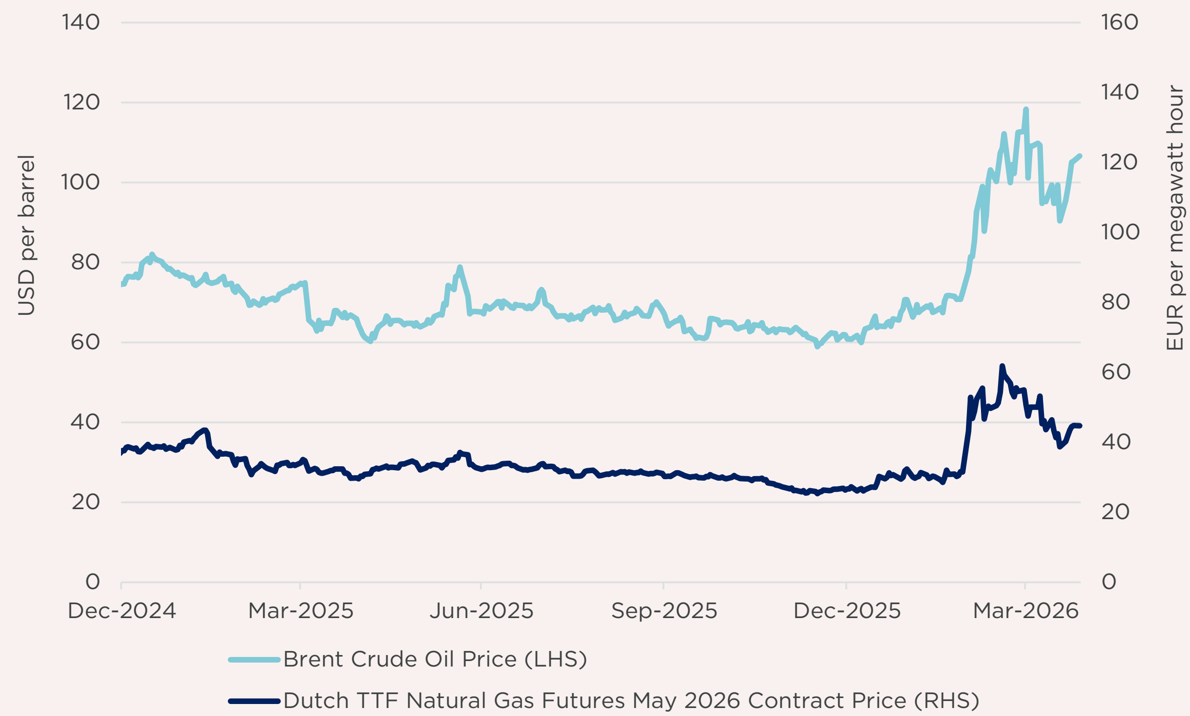


Source: Cushman & Wakefield Research, various port websites

In last year's *Waypoint* report, we highlighted the risk of significantly higher U.S. import tariffs. The issue remains largely unresolved, and businesses have adapted by altering inventories, rerouting supply chains and shifting investment across markets to mitigate risk and cost.



Daily Oil and Gas Prices



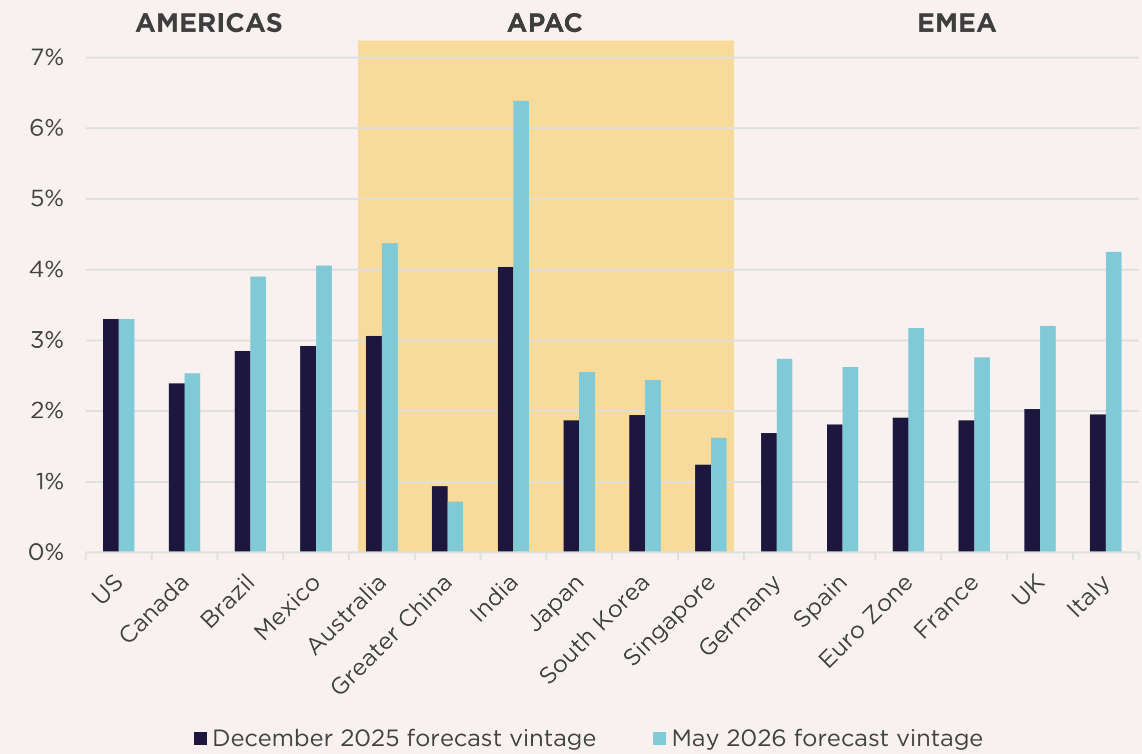
Source: Bloomberg, Cushman & Wakefield Research

Twelve months on, a new and more immediate challenge has emerged: **conflict in the Middle East** involving Iran, Israel and the U.S. Beyond its direct impacts, it carries wider ripple effects that could reshape the global economic outlook.

At the time of writing, the effects of the conflict are already being felt across L&I real estate occupiers, including:

- **Reduced fuel supply**—particularly oil, jet fuel and LNG—driving sharp price increases
- **Disruption to shipping routes**, as vessel rerouting over longer distances adds time, uncertainty and cost
- **Higher transportation costs**, including increased freight rates, insurance and road fuel expenses

Forecasts for end-2026 CPI by Forecast Vintage



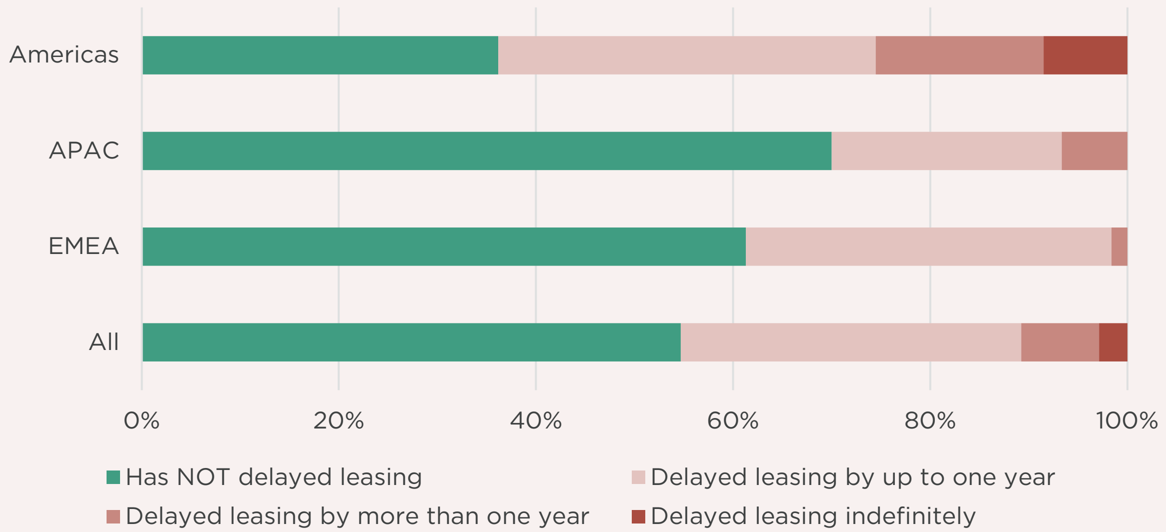
Source: Moody's Analytics (baseline scenarios), Cushman & Wakefield Research (baseline scenarios)

Beyond the direct cost and disruption to goods movement, **the broader economic impacts could be even more significant**. While varying by region, key risks include:

- Higher production and transport costs driving **price increases** and potential product shortages across finished goods and key inputs, including raw materials and construction materials
- Inflationary pressures **reducing discretionary spending by consumers and businesses**
- **Delayed business investment** in facilities, equipment and jobs amid ongoing uncertainty
- The **potential for rising interest rates**, further weighing on consumer and business sentiment and limiting investment appetite

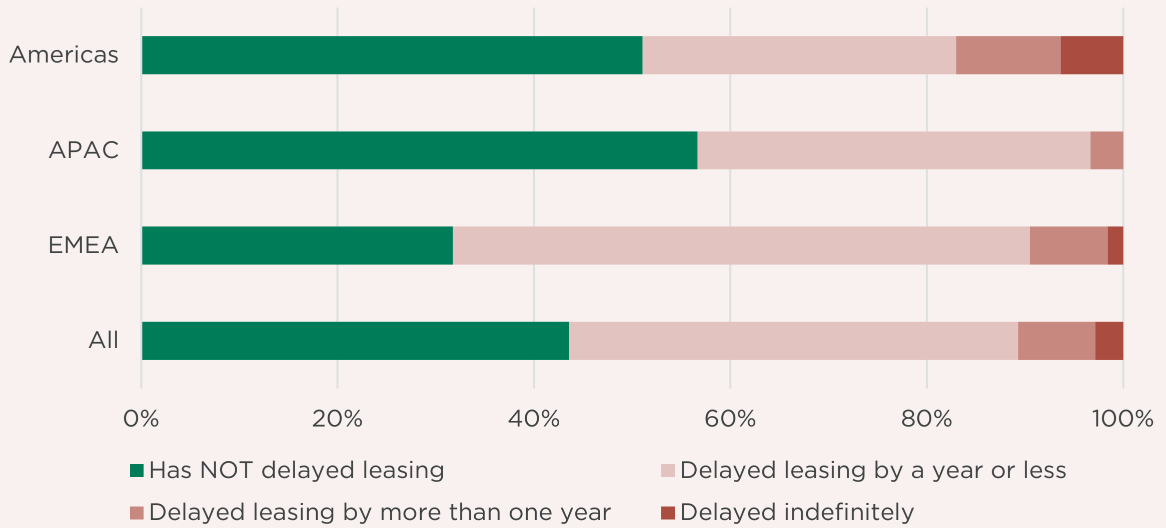
These disruptions and cost increases are likely to take time to unwind, even once hostilities cease. As seen with tariffs, with effects still felt more than a year on, the impacts of the Middle East conflict are already significant, especially in EMEA, and are likely to persist for some time.

Have (potential) tariffs delayed industrial leasing in your market?



Source: Cushman & Wakefield Research

Have geopolitical events (such as surge in energy prices) impacted leasing decisions?



Source: Cushman & Wakefield Research

Alongside these shocks, global supply chains face growing pressure from more frequent and severe **extreme weather events**. The World Economic Forum's 2026 Global Risks report ranks extreme weather as the top threat to global stability over the next decade.

Many countries also face **labour shortages**, as fewer workers enter manufacturing and logistics, while policy constraints in some countries limit cross-border hiring. In many markets, this scarcity has driven wages to record levels.

Against a backdrop of short-, medium- and long-term risks increasing in both frequency and impact**, evolving supply chain strategies is now essential in an increasingly volatile environmen**t. As necessity drives innovation, new strategies and technologies are emerging to support improvements and efficiencies:

AI in supply chain management
AI is transforming supply chains by improving visibility, flexibility and predictive capabilities. It helps businesses anticipate disruptions, enabling real-time responses and greater efficiency.

Use of automation
More modular and flexible automation systems, now available at lower cost, are enabling companies to scale operations based on demand or requirements. However, high upfront costs, integration challenges and redesign requirements mean businesses must balance investment against long-term gains.

Diversification of supplier networks
As the risks of relying heavily on single suppliers or regions increase, companies are expanding their supplier networks across multiple geographies, often adopting nearshoring or regionalisation strategies.

Energy transition
The shift to renewable energy is accelerating, driven by rising electricity demand, including wider adoption of EVs in logistics operations and increased automation in warehouses and factories, as well as the need for stable, cost-effective and resilient power sources.

Supply chain management is increasingly becoming a strategic differentiator in this environment of heightened uncertainty. By balancing cost efficiency with risk mitigation, businesses are building more robust, agile supply chains that can withstand both short-term shocks and long-term structural change.

ADVICE INTO ACTION

"Industrial real estate strategy is no longer driven by rent alone, but by the complex balance between operational efficiency, labour availability, energy resilience and speed-to-market.

As occupiers navigate regional divergence, rising costs and growing geopolitical and energy uncertainty, the value of logistics assets increasingly lies in how effectively they support resilient and adaptable supply chains.

The most successful businesses will be those that align real estate strategies with long-term operational performance, flexibility and sustainability."

Tim Crighton

Head of Logistics & Industrial, EMEA

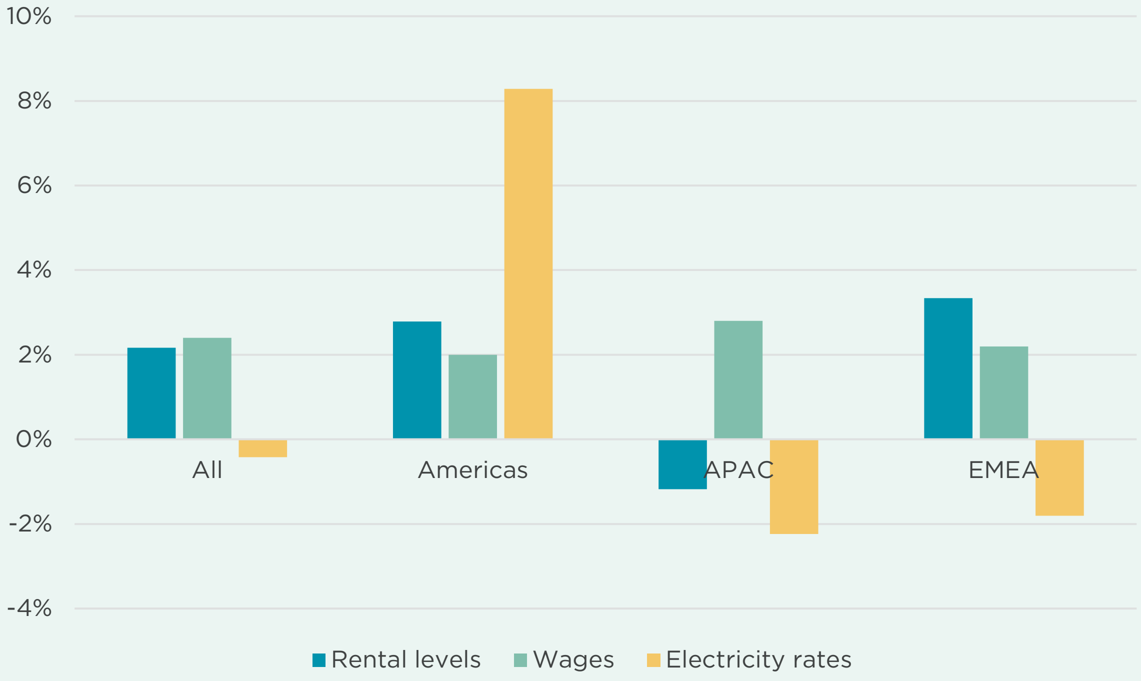
Global Logistics & Industrial Real Estate Costs

Financial cost plays a key role in business decision-making when developing and implementing effective real estate strategies. The main operating cost components of running a logistics or production facility are rent, labour and energy.

Over the past year, all three have increased globally. However, there are significant differences between and within regions.

Change in Logistics and Industrial Real Estate Costs (2024-2025 YOY)

	Rents	Wages	Electricity Rates
All	2.2%	2.4%	-0.4%
Americas	2.8%	2.0%	8.3%
APAC	-1.2%	2.8%	-2.2%
EMEA	3.3%	2.2%	-1.8%

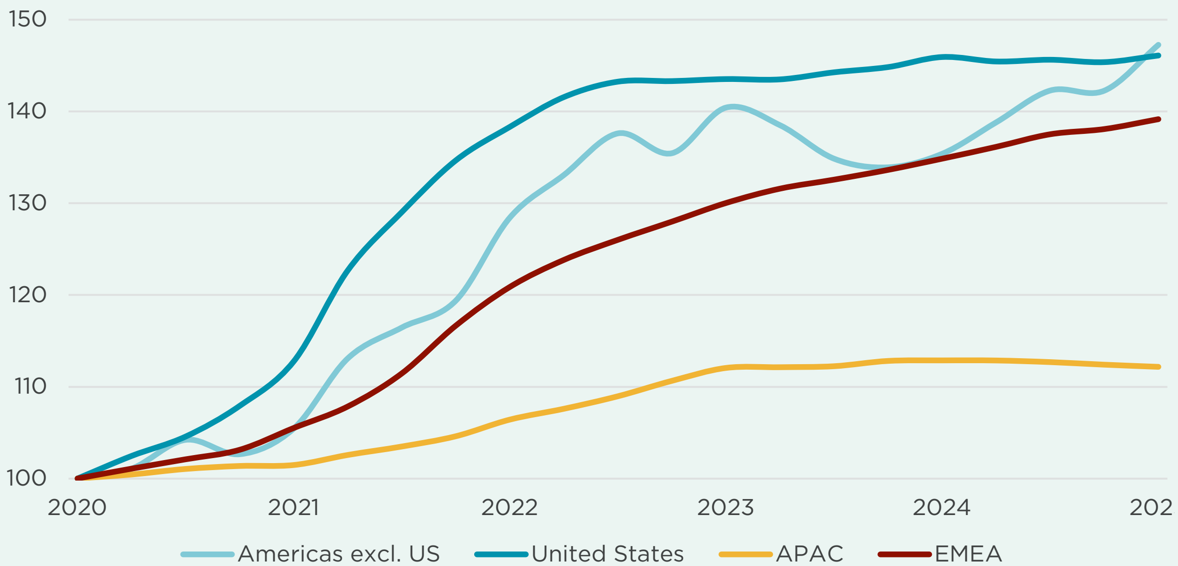


Source: Cushman & Wakefield Research, Economic Research Institute, Global Petrol Prices

Rents

Following the pronounced structural uplift since 2020, global logistics rental growth has entered a phase of moderation. Globally, **rents are now on average 36% higher than in 2020,** albeit with notable variation within and between regions.

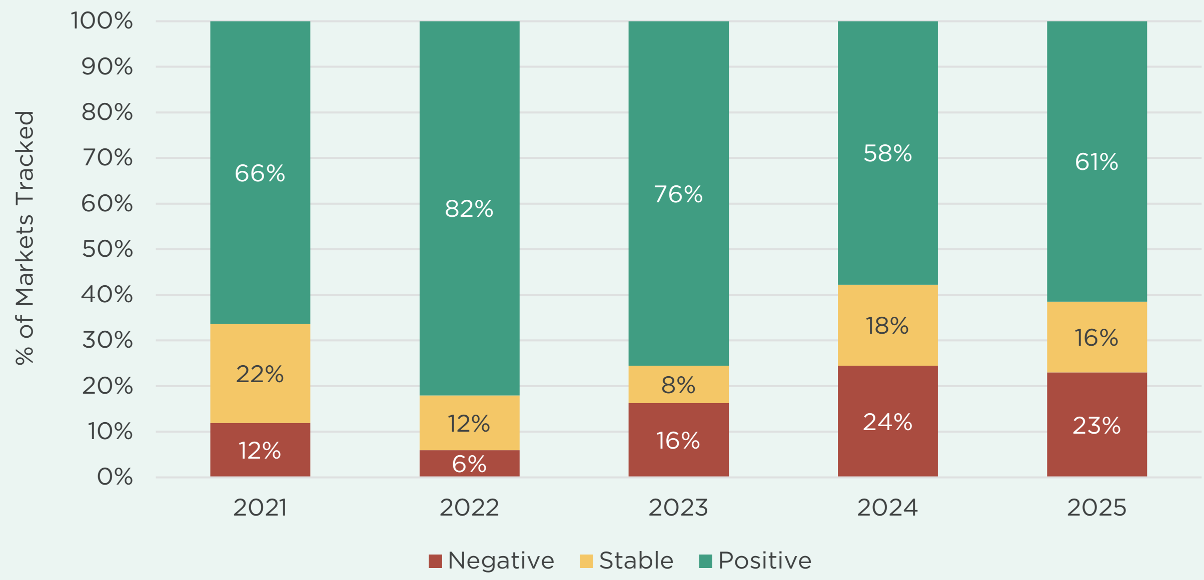
Logistics Rental Growth (Index, Q4 2020 = 100)



Source: Cushman & Wakefield Research
** Growth rates for each region are based on the average of the representative sample included in this analysis*

Growth dynamics in 2025 were broadly in line with 2024. In 2025, 24% of the 135 tracked markets recorded rent declines, while 15% remained stable, signalling a cooling of momentum, particularly in mature markets in the U.S. and Europe. Even so, positive rent growth continues to prevail in 61% of locations.

Annual Rental Growth*, 2021-2025



Source: Cushman & Wakefield Research

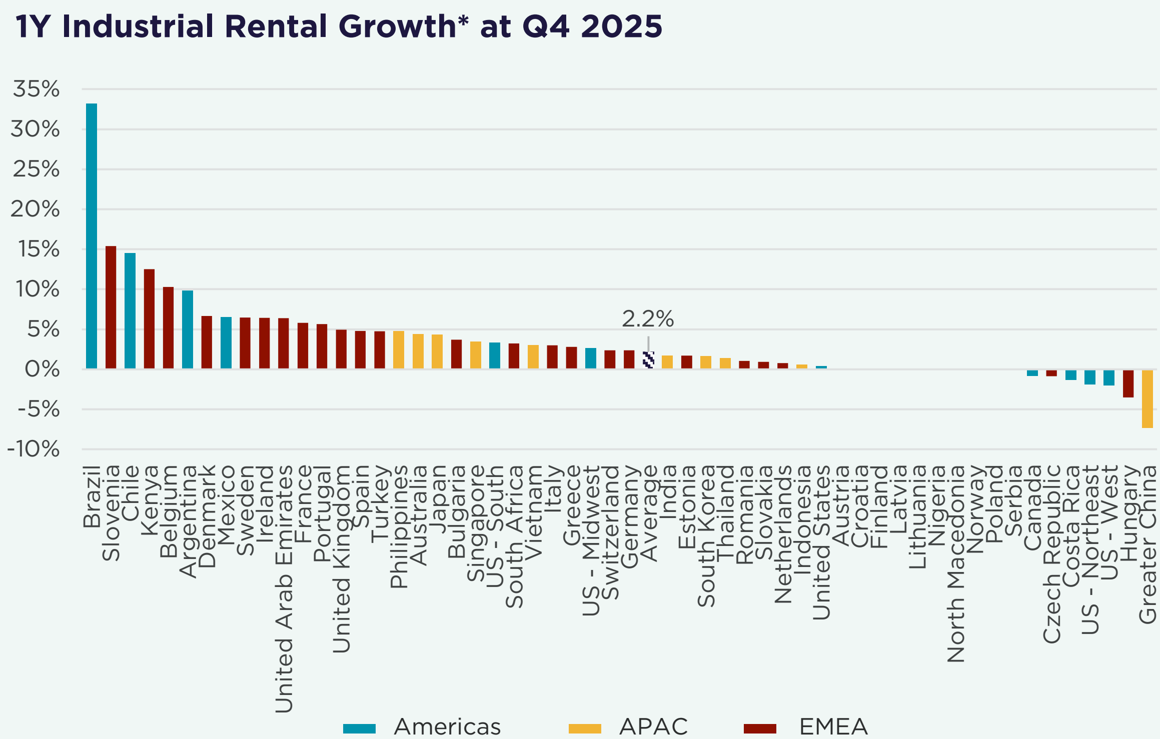
Global tailwinds and local market dynamics combine to shape YOY rental growth:

- **LATAM:** The Latin American markets led global growth, with **Brazil** recording increases of over 30% in 2025, driven by strong demand—especially from automotive and e-commerce—and falling vacancy. **Chile and Argentina** also posted double-digit growth due to robust occupier demand and limited supply, while **Mexico** continues to benefit from nearshoring momentum.

- **North America:** Average rents across the **U.S. and Canada** were broadly stable in 2025, though this masks significant variation within both countries. Some U.S. markets saw sharp increases, particularly in the South, while others in the Northeast and West, including Inland Empire, New Jersey, Phoenix and Los Angeles, experienced rising vacancy and moderating demand, pushing rents lower. Similar trends were seen in parts of Canada.

- **EMEA:** As supply has increased and occupier demand has slowed, some central and Eastern Europe (CEE) locations, including in **Hungary** and the **Czech Republic**, have seen rents fall modestly. This reflects a normalisation following rental growth between 2020 and 2022, moderating somewhat to ensure occupancies. In contrast, markets in countries such as the **UK, France, Ireland, Portugal, Belgium and Sweden** continue to see rental growth, driven by occupational market resilience alongside limited available space and a constrained pipeline of both speculative and build-to-suit schemes.

- **APAC: The Philippines, Australia, Japan and Singapore** recorded strong growth, driven by limited availability in an environment of robust demand. However, rents fell in markets on the **Chinese mainland** where softer occupier demand has coincided with significant levels of vacant supply.



Source: Cushman & Wakefield Research
** Growth rates for each region are calculated using local currency*

In 2025, despite differing growth trajectories, **most global markets still sit within the $5-10 per square foot (psf) per year range**:

- Of the 135 markets covered, 54% (or 73) sit within this range, down from 59% in 2024.
- The most notable shift was in EMEA, where 63% of markets now sit in this range, down from 71% in 2024. Strong rental growth, combined with a weaker U.S. dollar, pushed markets in Germany, Spain and the Nordic countries above the $10 psf threshold.
- The proportions in APAC (40%) and the Americas (50%) are broadly consistent with 2024.

Markets where rents exceed $20 psf per year remain limited to a small number of locations. Areas with constrained land availability for L&I use—such as the New York City outer boroughs, San Jose in California, Hong Kong, London, Geneva and Zurich—continue to command the highest rents in the world.

Other markets, including New Jersey, Los Angeles, Sydney, Singapore and Vancouver, also command high rents, due to their strategic positions as key trade gateways, often anchored by major ports that drive demand for well-located space.

There were 11 APAC markets (37%) with rents below $5 psf per year, most on the Chinese mainland and in India. In the Americas, Memphis was the most cost-competitive market, with rents falling in 2025 as vacancy rates reached an all-time high amid lower net absorption. No EMEA markets have rents below $5 psf per year; Lagos, the only market in this category in 2024, recorded 33% rental growth since 2023.

54%

Global markets with rents in the $5-10 psf per year range (61% in 2024)

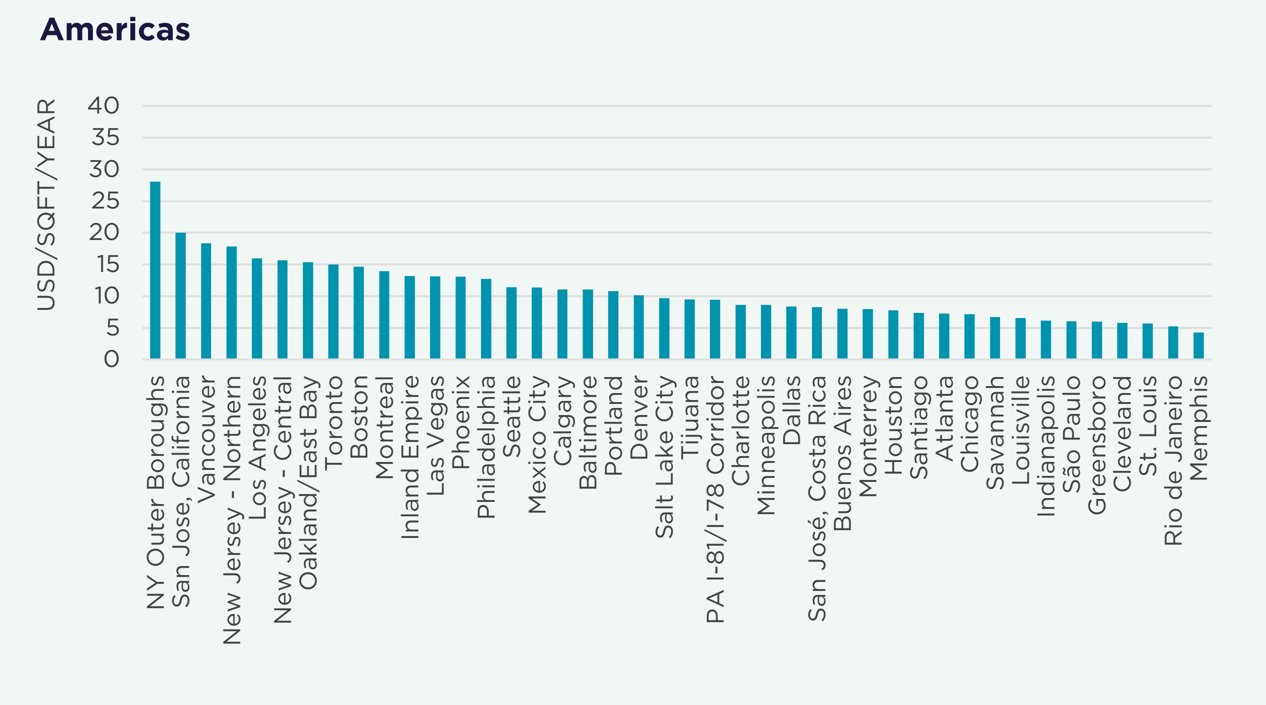
12

Markets with rents below $5 psf per year, mostly in India and Chinese mainland

+36%

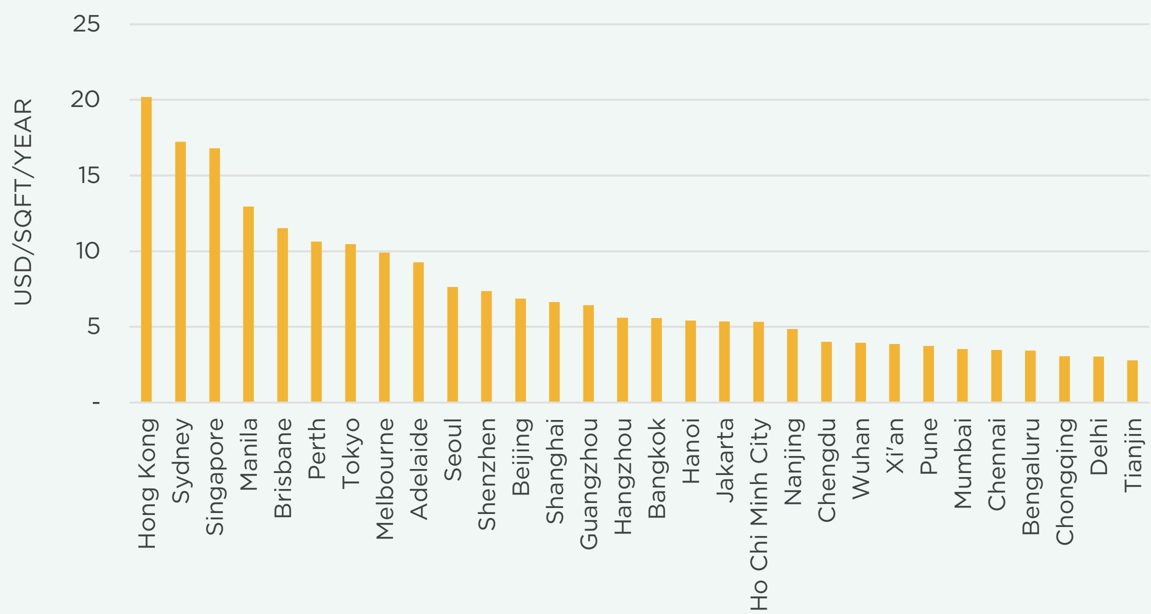
Highest YOY rental growth in 2024-2025: Sao Paulo, Brazil

Logistics Rental Levels, Q4 2024



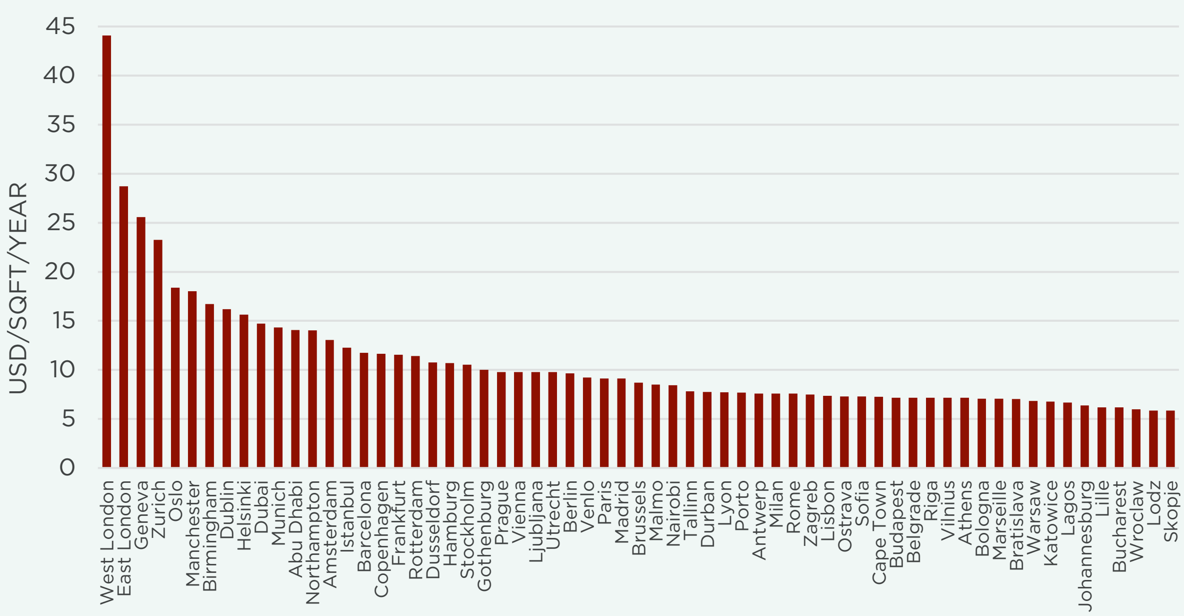
Source: Cushman & Wakefield Research

APAC



Source: Cushman & Wakefield Research

EMEA



Source: Cushman & Wakefield Research

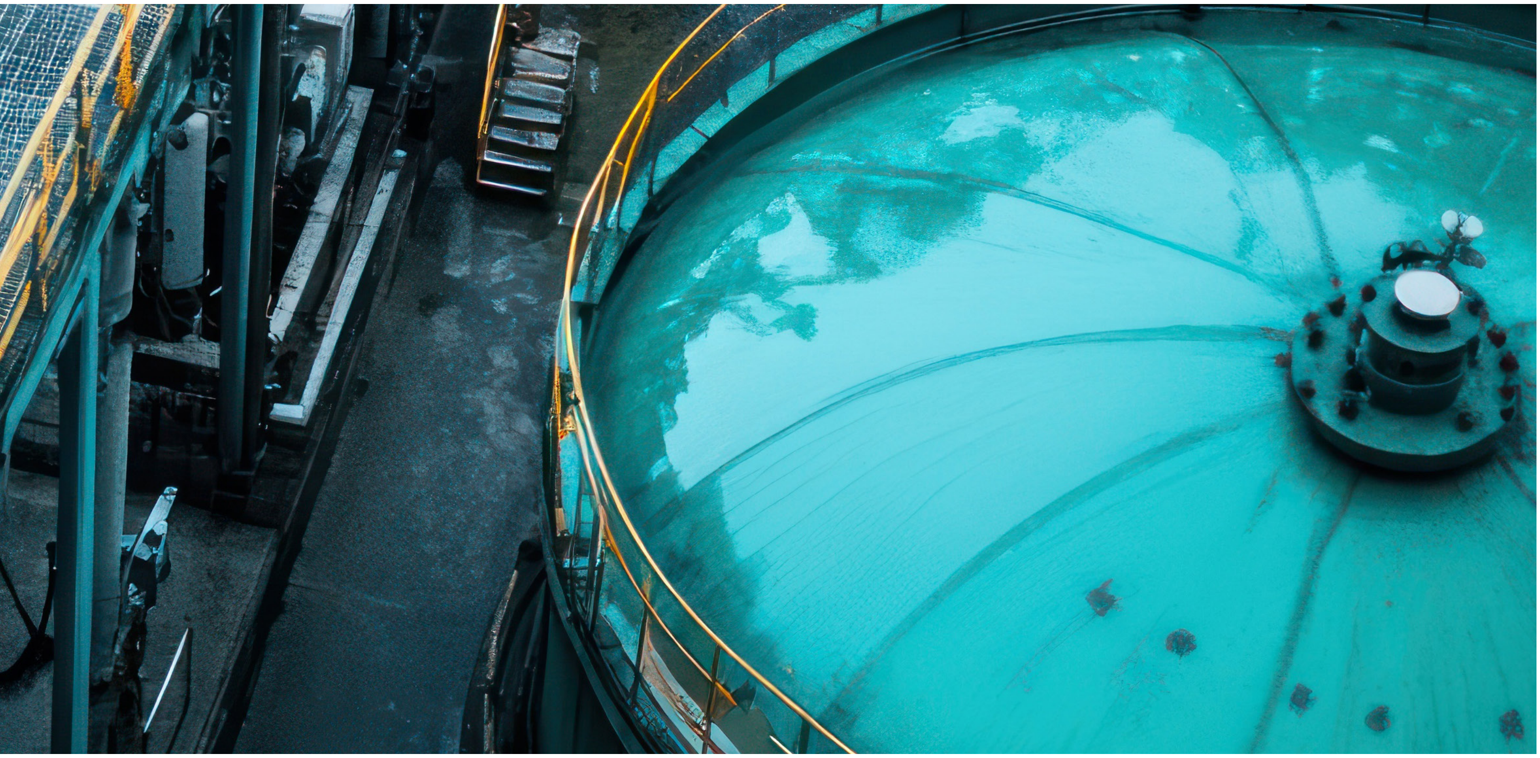
Labour Costs

Proportion of markets above global sample median, by region:

81%
Americas

45%
EMEA

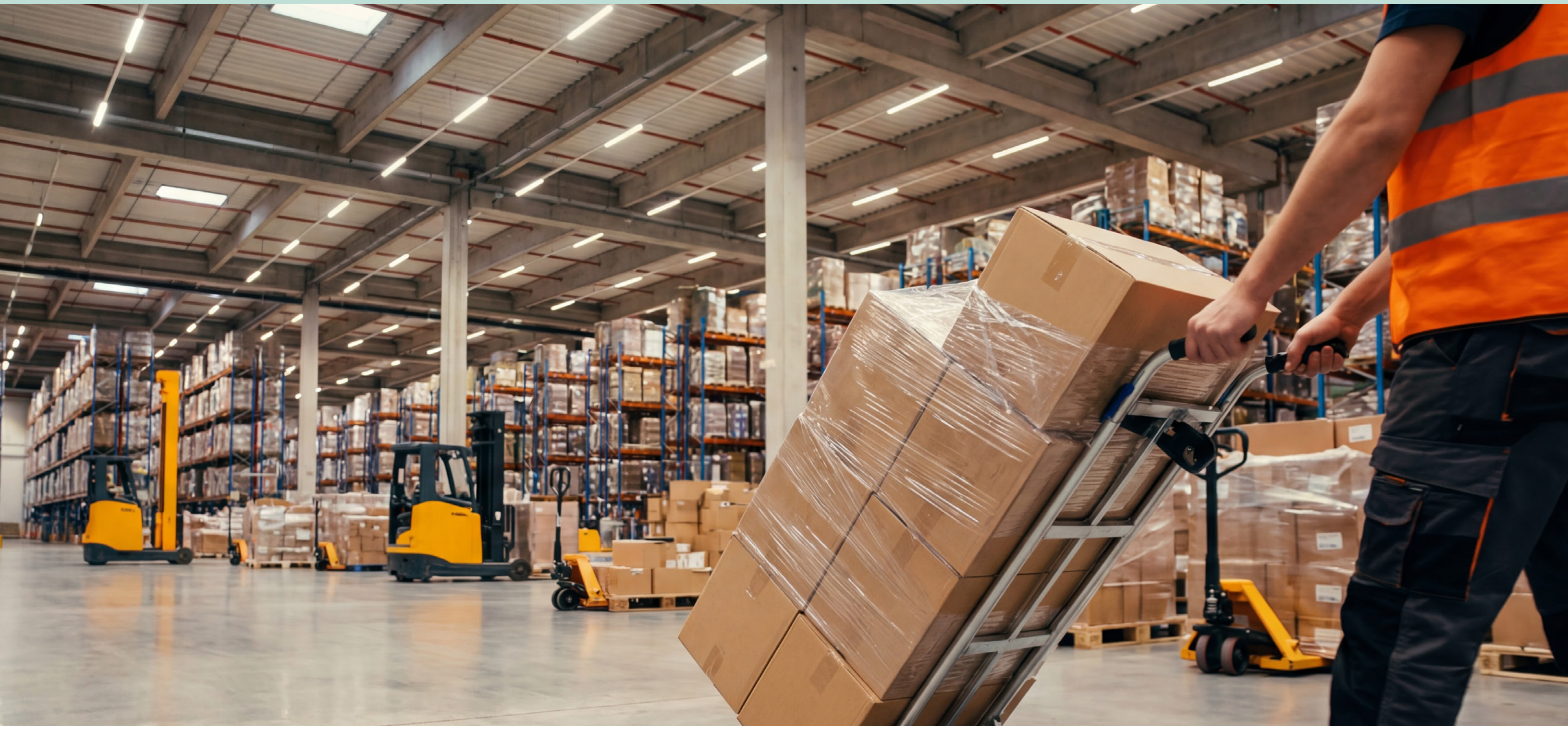
17%
APAC



Global wage levels across L&I roles continue to vary widely across and within regions. Advanced economies maintain higher wage levels but show more modest growth, while emerging markets offer lower wages alongside stronger growth.

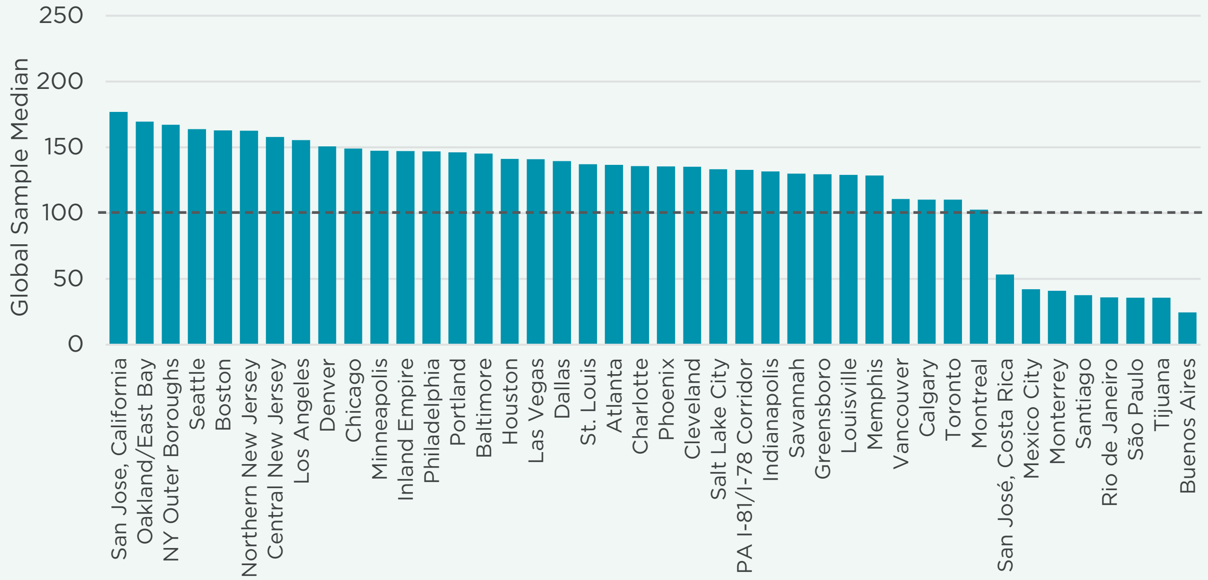
APAC recorded the lowest indexed average wage at 57 (compared with the global median rebased to 100), followed by EMEA at 95 and the Americas well above at 121.

- **Americas:** All North American locations are above the global average, particularly core markets on the U.S. East and West Coasts. However, wages across Latin America remain significantly lower, with most locations at less than half the global average. Lower wage costs in Mexico reinforce its attractiveness as a nearshoring location into the U.S.
- **APAC:** Mature markets such as Singapore, Hong Kong and Japan are broadly in line with the global average, while Australia maintained the highest wages in the region, at 20% above the global average. In contrast, global manufacturing hubs, including Chinese mainland, South Korea, Thailand, Indonesia, India, the Philippines and Vietnam, remain below the average, although most have demonstrated consistent wage growth over the past 12 months.
- **EMEA:** Many countries in Western and Northern Europe recorded wages between the global average and around 20% above it. Switzerland is a notable outlier, with labour costs close to double the global average. Locations in CEE, the Baltics, Southern Europe, the Middle East and Africa remain well below the average.



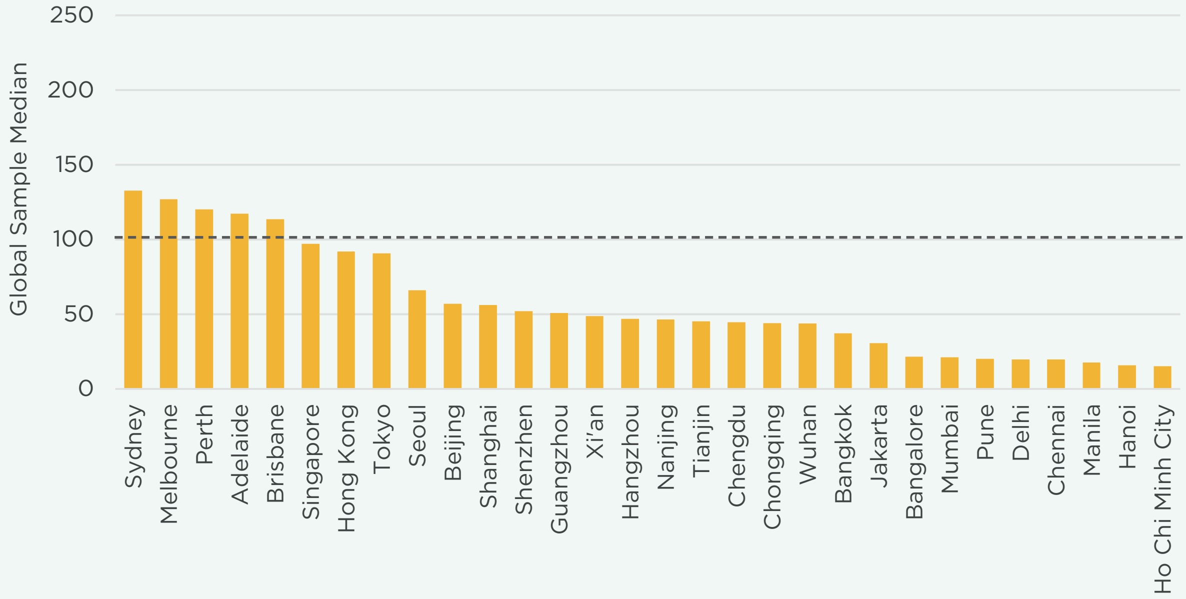
Average Warehouse and Production Wage Position (Global Sample Median = 100)

Americas



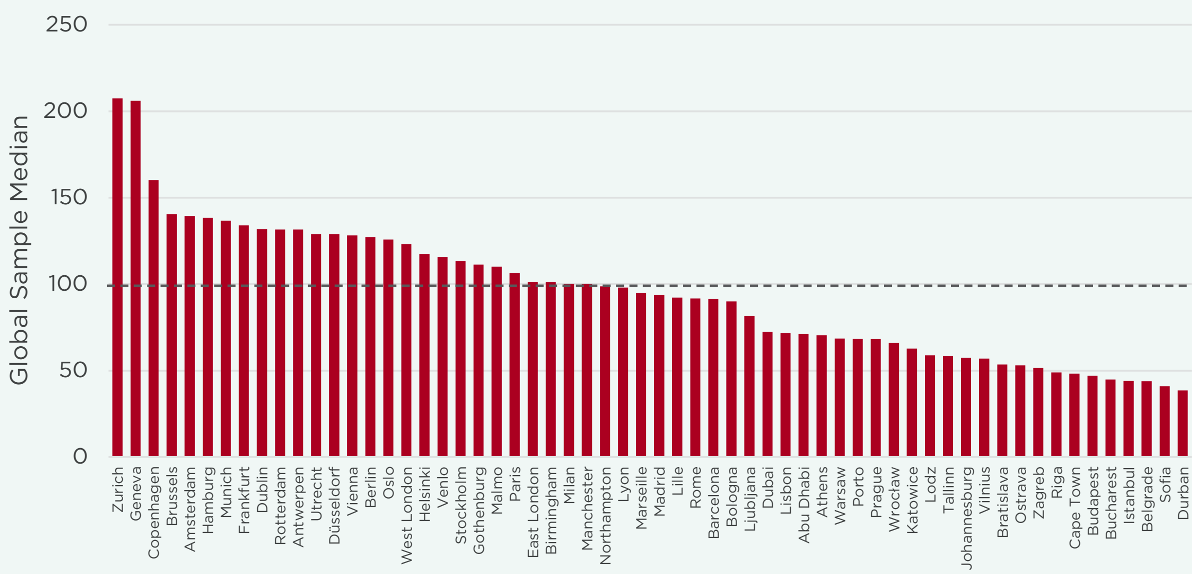
Source: Economic Research Institute, Cushman & Wakefield Research

APAC



Source: Economic Research Institute, Cushman & Wakefield Research

EMEA



Source: Economic Research Institute, Cushman & Wakefield Research

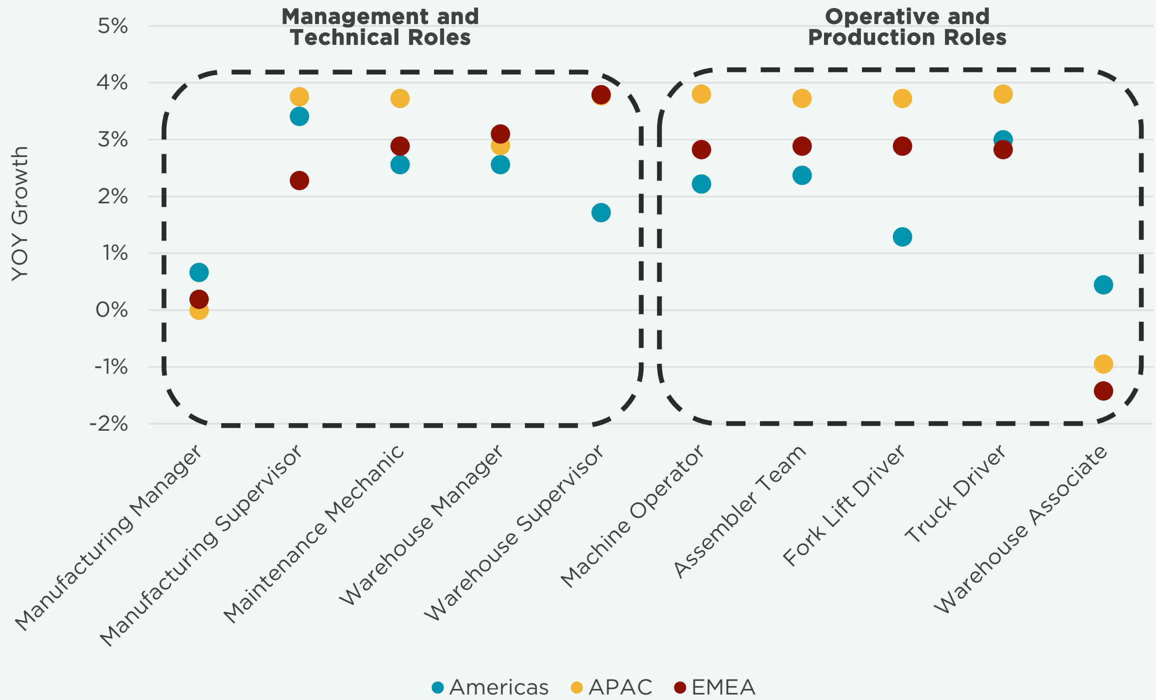
Over the past 12 months, global wages for logistics and manufacturing roles rose by an average of 2.4%, led by APAC (2.8%), followed by EMEA (2.2%) and the Americas (2%).

- **APAC:** Australia recorded strong wage growth of 3%–4%, while mature markets remained relatively stable. Following a period of elevated inflation, India recorded higher increases of 5%–10% in key cities such as Bangalore and Mumbai, while wage growth in Southeast Asia remained modest at 1%–3%.
- **EMEA:** Wage growth was steadier but more varied. CEE cities, including Warsaw, Lodz, Budapest and Bucharest, posted increases of 7%–12%, while Vilnius and Riga in the Baltics recorded growth of more than 15%, driven largely by labour shortages. Turkey experienced higher increases due to inflation and cost-of-living pressures, while wages in the UAE declined amid ample labour supply.
- **Americas:** Latin America recorded the strongest wage growth, largely driven by elevated inflationary pressures, with Buenos Aires showing increases of approximately 35%. Wages across the U.S. and Canada continued to rise at more modest rates of 1%-2.5%.

Across regions, **wage growth by job type highlights the increasing importance of skilled labour**. Management and supervisory roles have seen significant growth (with the exception of manufacturing managers), reflecting demand for experienced staff to manage increasingly complex operations. Persistent shortages in roles such as truck drivers and forklift operators have also driven wage growth across regions. In contrast, wages for warehouse associate or operative roles—those most exposed to automation—have seen wages fall on average in APAC (-0.9%) and EMEA (-1.4%), with only marginal growth in the Americas (0.4%).

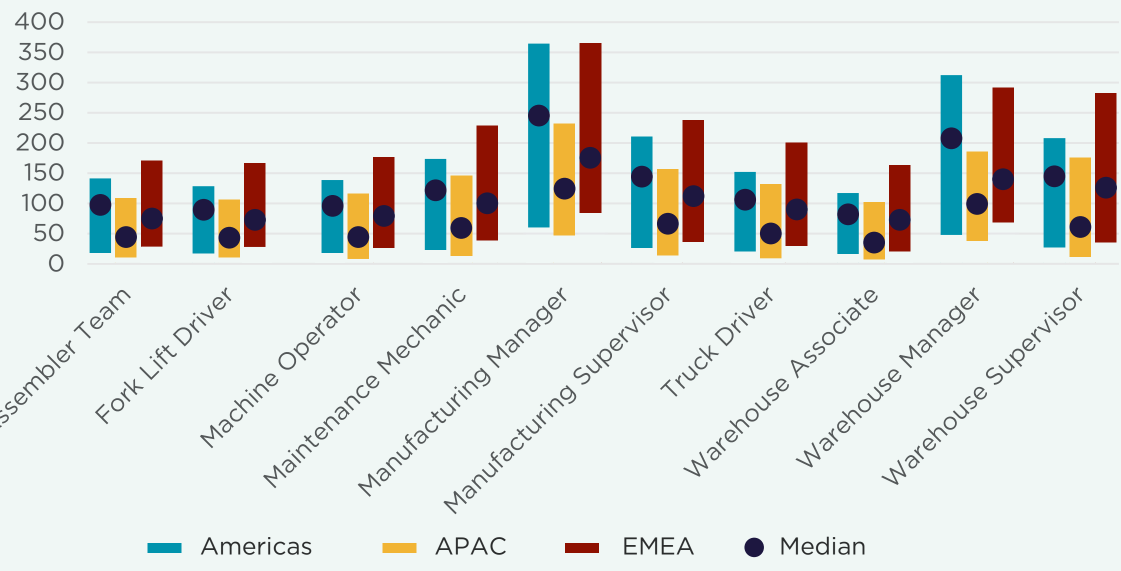
With labour shortages persisting and the cost of skilled talent continuing to rise, the right real estate assets can provide businesses with a competitive advantage in attracting and retaining talent.

Annual Wage Growth Comparison by Region and Job Type



Source: Economic Research Institute, Cushman & Wakefield Research

Average Warehouse and Production Wage Position by Job Type and Region (Global Sample Median = 100)



Source: Economic Research Institute, Cushman & Wakefield Research

Electricity Costs

Proportion of markets above global sample median, by region:

42%	75%	40%
Americas	EMEA	APAC

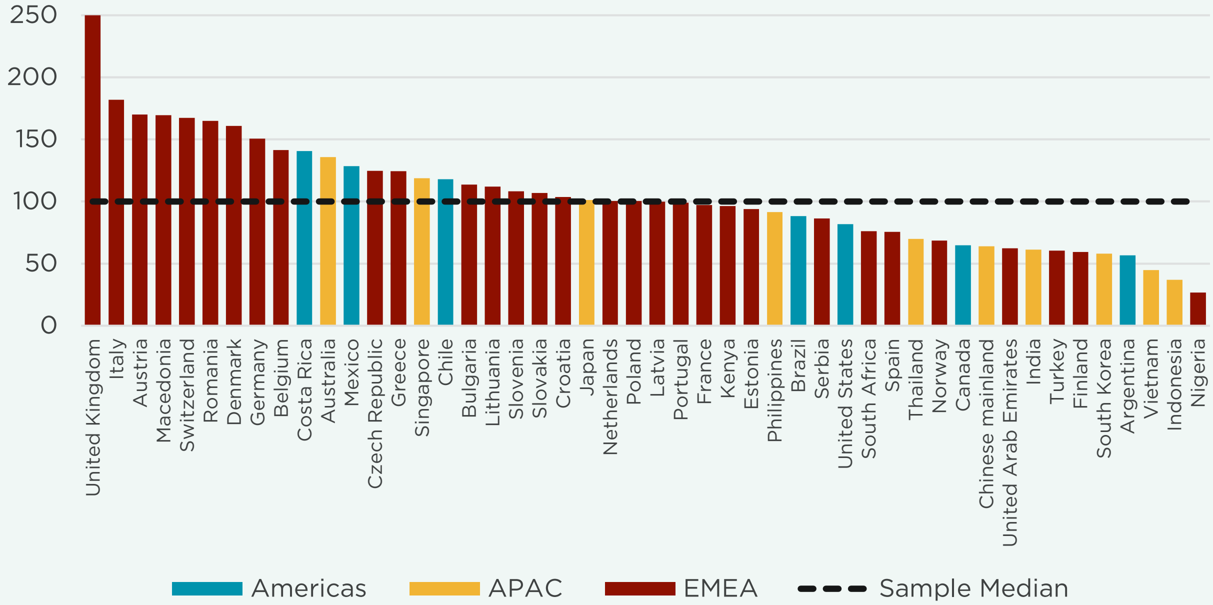
Energy demand from logistics and manufacturing continues to rise, driven by automation, electrification and growth of cold storage. As a result, electricity cost and reliability are now critical factors in site selection, particularly as occupiers compete with other users, such as data centre operators, for well-connected locations.

Rising electricity costs are also shaping real estate choices, with occupiers favouring more efficient buildings and locations with access to renewable energy or on-site generation, such as solar and battery storage.

In 2025, electricity costs for business use changed across all regions:

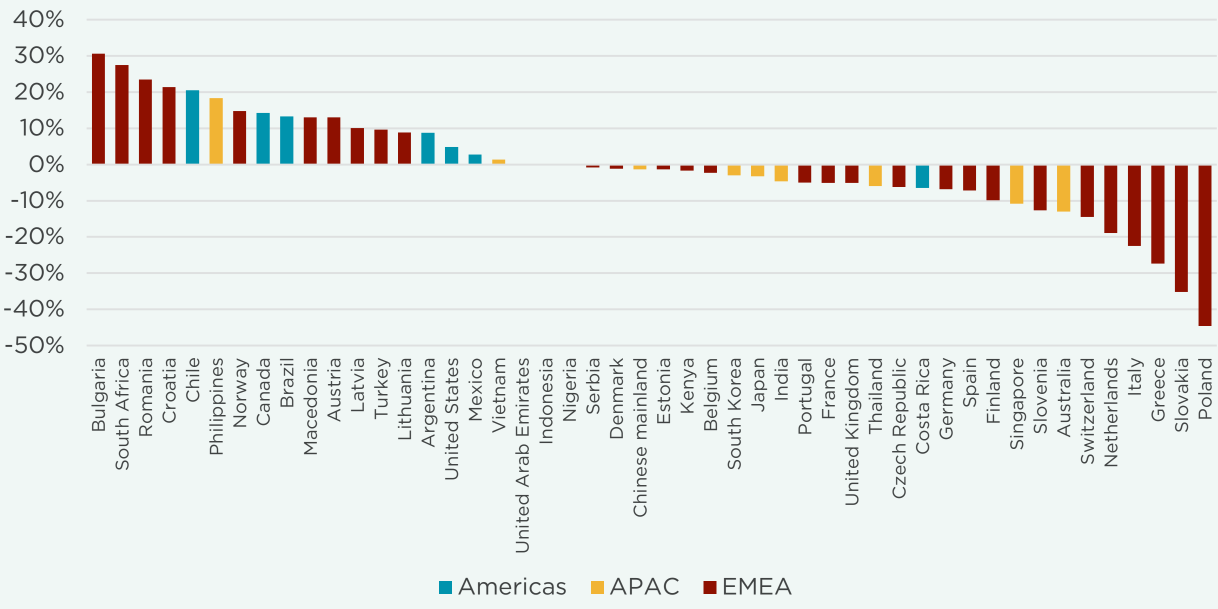
- **Americas:** With an average increase of 8.3% YOY, the Americas recorded the strongest average growth in electricity prices. This uplift reflects increased demand for electricity, particularly from energy-intensive users such as data centres in the U.S., alongside power infrastructure pressures. Chile, Canada and Brazil were key contributors, recording YOY increases of between 13% and 20%. Despite this growth, electricity rates in the Americas remain lower than in most European countries due to the region's access to natural gas.
- **EMEA:** Rates in Europe fell by an average of -1.8% although many EMEA countries continue to record the highest overall electricity rates globally. Elevated costs are driven by reliance on imported fuels, rising taxes and carbon pricing, and higher transport charges. In several Eastern European markets, including Bulgaria and Croatia, the lifting of regulated tariffs introduced in 2022 and 2023 has led to prices catching up with market levels, resulting in sharp increases. In contrast, rates declined across much of Western Europe, including the United Kingdom, Germany, France, Italy, the Netherlands and Spain, and in CEE countries, including Poland and Slovakia, as easing wholesale gas prices, movement from fixed price contracts, stronger renewable and nuclear output, and highly interconnected markets improved access to lower-cost generation.
- **APAC:** Electricity prices declined on average by -2.2%, and overall costs remain among the lowest globally, largely due to abundant domestic energy sources and regulated pricing structures. In Australia, however, electricity prices remain elevated, driven by high network costs, exposure to domestic gas pricing and ageing infrastructure, despite seeing a -13% YOY fall in prices due to falling wholesale prices.

Business Electricity Rates, Q4 2025 (Sample Median= 100)



Source: Global Petrol Prices, Cushman & Wakefield Research

Business Electricity Rates Growth (2024-2025 YOY)

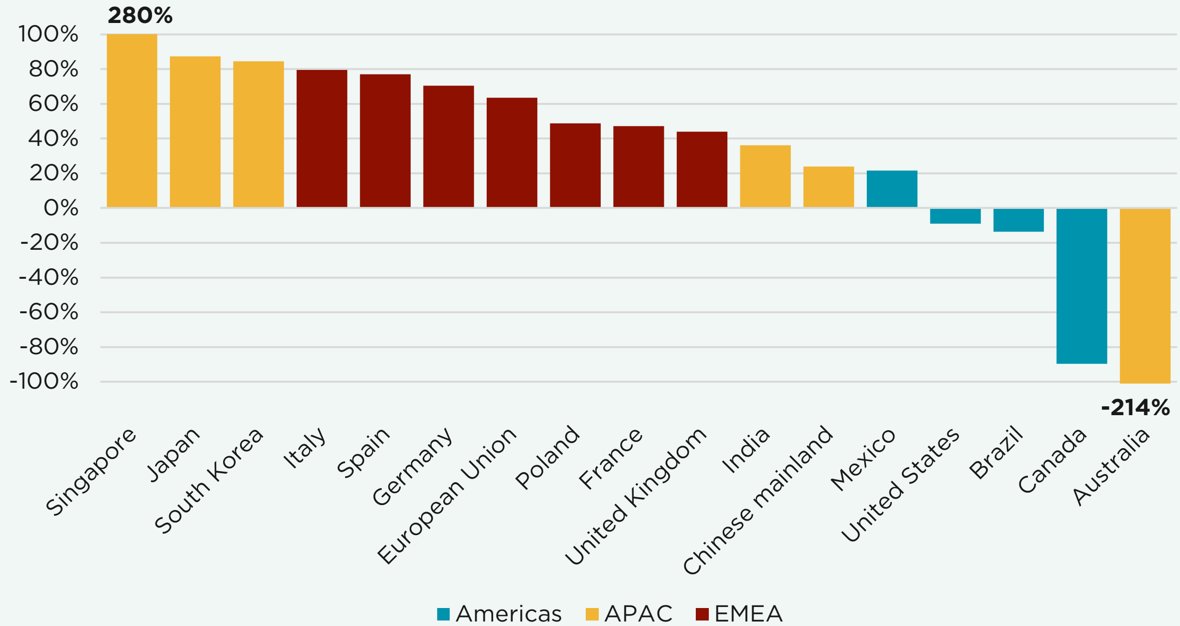


Source: Economic Research Institute, Cushman & Wakefield Research

Looking ahead**, the conflict in the Middle East is expected to maintain upward pressure on electricity prices**, driven by rising oil and gas costs and increased market volatility. Disruptions to supply routes have already lifted fuel prices, feeding through into higher and more volatile electricity tariffs, particularly in gas-dependent markets.

The scale of further increases will depend on how the conflict evolves, but risks remain skewed upward, especially where liquified natural gas supply constraints persist. While governments may intervene, structurally higher fuel costs are likely to keep prices elevated in the near term, particularly in import-dependent regions.

Net Energy Imports as % of Domestic Energy Use, Selected Countries



Source: World Bank, Cushman & Wakefield Research

ADVICE INTO ACTION

"Across global logistics and industrial markets, 2026 reveals a sector still broadly tilting in tenants' favour, but with significant regional divergence.

Looking ahead, the direction of travel is clear: Tightening supply-demand dynamics, stabilising or falling vacancies, and resilient occupier demand—led by e-commerce and manufacturing—are set to shift power back toward landlords in the medium term, highlighting how quickly local fundamentals can reshape market positioning."

Dennis Yeo

Head of Investor Services and
Logistics & Industrial, Asia Pacific

Global Logistics & Industrial Market Conditions

In our global survey of Cushman & Wakefield logistics & industrial market-facing colleagues, we gathered assessments of current and expected market conditions across 135 locations worldwide.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Current Market Conditions

Global market conditions in 2026 remain broadly balanced toward tenants, with 52% of markets tenant-favourable, consistent with 2025 (53%). Landlord-favourable conditions account for 26% of markets (25% in 2025), while 22% are neutral (23% in 2025).

However, there have been significant shifts within regions. Of the markets surveyed in both 2025 and 2026, 51% experienced a change in conditions:

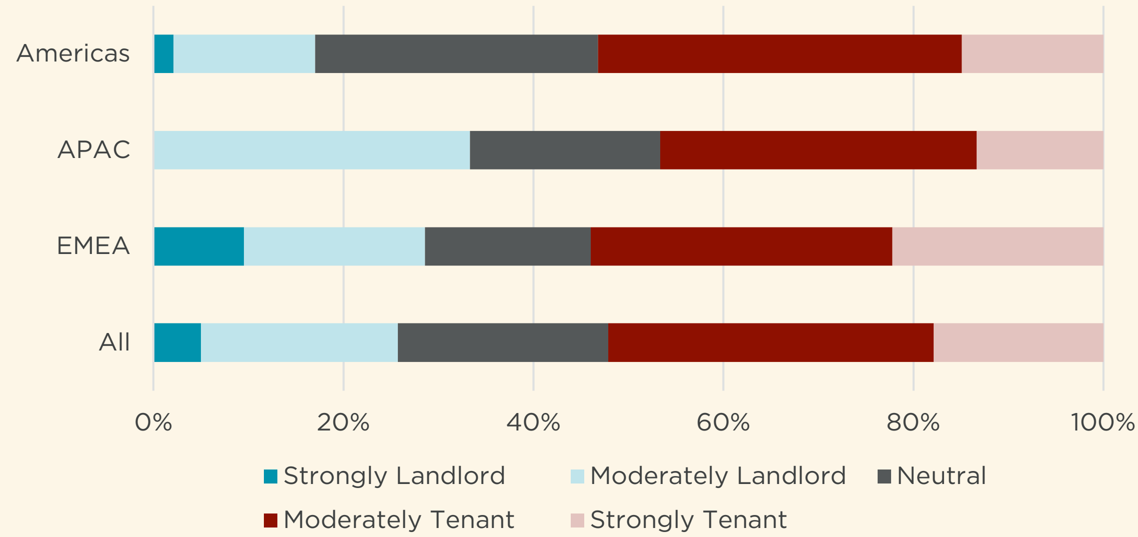
- Markets **shifting toward landlord-favourable conditions** account for **8%**, either moving from neutral or within landlord-favourable categories (for example, from strongly to moderately landlord-favourable).
- Markets **moving toward tenant-favourable conditions** represent **23%**, either from neutral or within tenant-supportive categories (for example, from strongly to moderately tenant-favourable).
- Markets **moving to neutral** from either side of the spectrum make up **13%**.
- Markets **shifting across the spectrum**, from tenant to landlord favourable or vice versa, account for **7%**.

APAC shifted further toward tenant-favourable conditions, with 47% of markets favouring tenants compared with 33% in 2025. This partly reflects the addition of new, more tenant-friendly markets to our analysis. This trend is particularly evident on the Chinese mainland and in India, where abundant supply is supporting tenant leverage. APAC also saw the largest proportion of market shifts between 2025 and 2026, with 45% of markets changing conditions, though most moved toward neutral from either moderately landlord- or tenant-favourable positions, indicating a more balanced market overall.

EMEA also moved toward tenant-friendly conditions, with 54% of markets now favouring tenants (47% in 2025), largely due to increasing availability and continued occupier caution. Among markets where conditions changed between 2025 and 2026, more than half shifted from landlord-favourable or neutral to tenant-favourable, or strengthened within tenant-favourable categories, particularly across Western and Northern European markets.

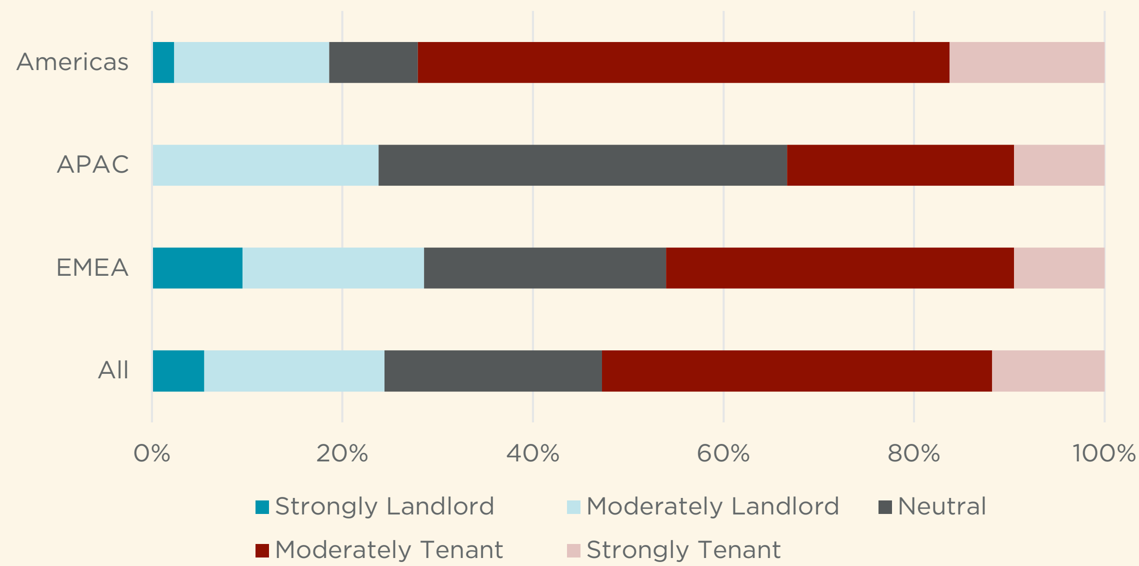
In contrast, the **Americas** moved toward a more balanced position, with tenant-favourable markets falling from 72% in 2025 to 53% in 2026, as vacancies stabilised and demand improved supply-demand balance. Changing conditions have been most pronounced in the U.S., where 16 of the 35 markets analysed recorded a change, with most moving from tenant-friendly to neutral or landlord-favourable positions.

What is the current condition of your overall industrial market today? (April 2026)

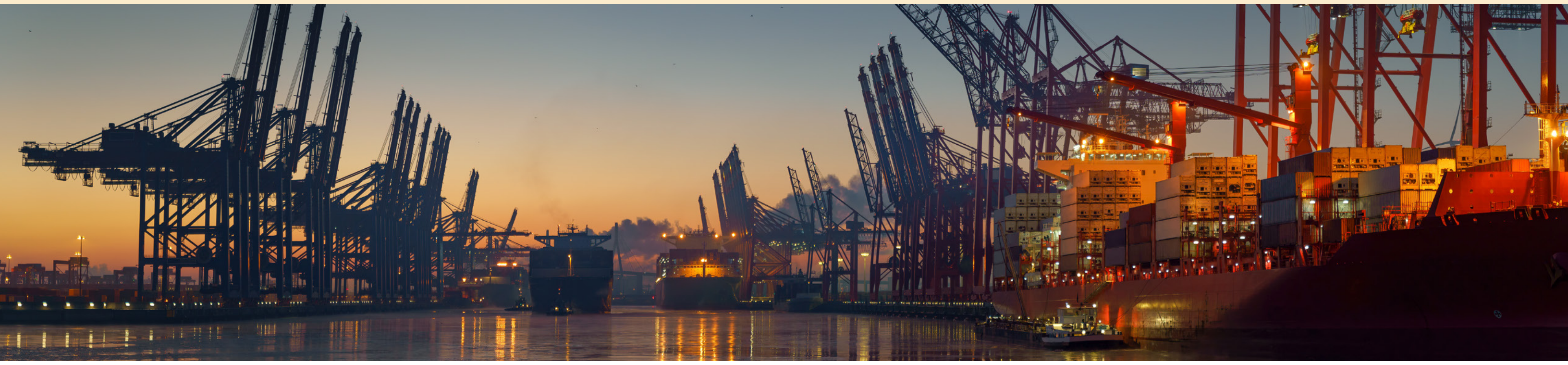


Source: Cushman & Wakefield Research

What is the current condition of your overall industrial market today? (April 2025)



Source: Cushman & Wakefield Research



Future Market Conditions

Looking ahead, market conditions are expected to shift toward **neutral and landlord-favourable conditions, moving away from the current tenant-favourable trend.**

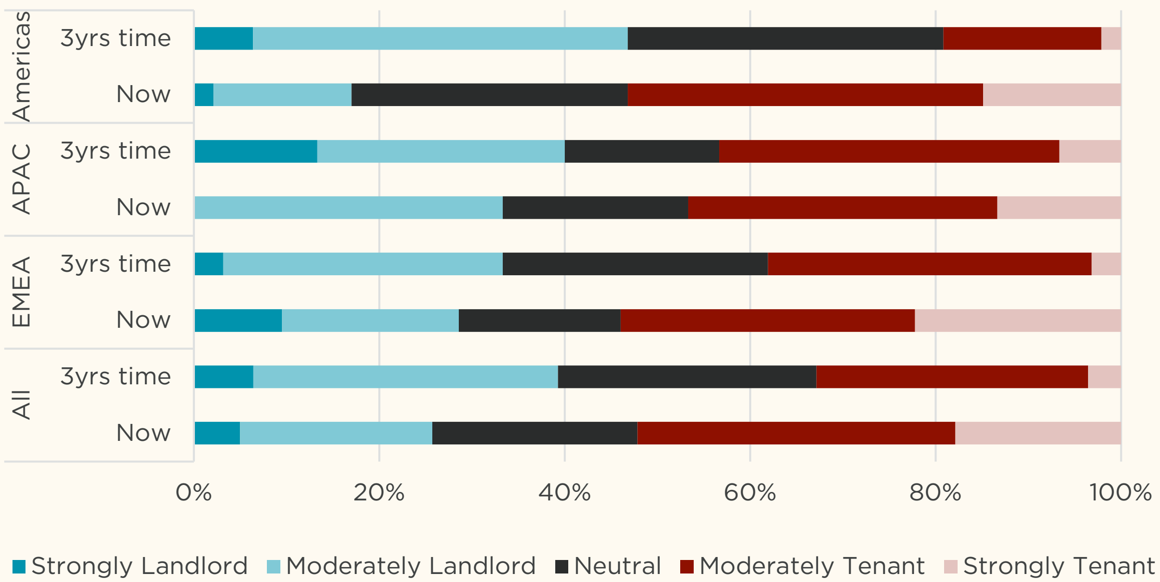
Expected market conditions in 2029

Tenant-favourable	Neutral	Landlord-favourable
33%	**28%**	**39%**
Down from 52% in 2026	Up from 22% in 2026	Up from 26% in 2026

- **The Americas** show the most pronounced change, with landlord-favourable markets rising from 17% today to 46% over the next three years. At the same time, tenant-favourable markets are expected to fall from 53% to 19%, signalling a clear shift toward a landlord-favourable market.
- **APAC** also points to a tightening outlook, with landlord-favourable markets expected to rise from 33% to 40% over the next three years. Tenant-favourable markets are expected to ease slightly, from 47% to 43%, although APAC is expected to have the highest share of tenant-friendly markets, most notably on the Chinese mainland.
- **EMEA** is expected to move toward a more balanced position, with roughly a third of markets in each category. Tenant-favourable markets are expected to decline from 54% to 39%, while landlord expectations are forecast to edge up from 28% to 34%. Neutral markets are expected to increase to 29%, from 17% today.

Relative to 2025 expectations for 2028, **the outlook for 2029 highlights a key shift in sentiment.** In our 2025 survey, all regions trended toward greater neutrality, with expectations of movement to a neutral position at 44% in EMEA, 29% in APAC and 38% in the Americas. By contrast, the 2026 outlook shows neutral positions declining materially—29% in EMEA, 17% in APAC and 34% in the Americas—alongside more landlord-favourable expectations.

What do you expect the condition of your overall industrial market to be in three years (compared with conditions now)?



Source: Cushman & Wakefield Research

Expected Drivers of Demand

E-commerce remains the dominant driver of occupier demand over the next three years, with more than three-quarters of markets citing it as the primary growth catalyst. In APAC, demand is set to strengthen further, supported by a growing middle class and rising digital adoption.

Retail distribution and general manufacturing also continue to rank among the top demand drivers. Retailers are focused on improving operational and cost efficiencies across their supply chains, from large distribution centres to smaller last-mile and urban facilities. In parallel, **general manufacturing** occupiers are driving investment in industrial space, including through domestic and regional reshoring and nearshoring strategies.

Energy-related occupiers are emerging as a more significant source of demand, particularly in the Americas and EMEA, driven by investment in renewable energy and decarbonisation. **High-tech** occupiers also remain an important driver in both APAC and North America. In APAC, this is particularly evident in markets on the Chinese mainland and in Vietnam, Singapore and South Korea, while in North America it is concentrated in established clusters across the U.S. Northeast and West.

Cold storage continues to be a key driver in EMEA across both food and pharmaceuticals, although occupiers face challenges securing the right assets in a constrained supply environment, with solutions often requiring new development.

In APAC, **automotive and auto parts manufacturing** is expected to be a key source of demand over the next three years, as EV adoption and tech advancements grow. In the Americas, the **industrial and transportation equipment and aerospace sectors** are also expected to drive demand, reflecting increased production, including defence-related equipment in response to growing global demand.

What industries do you expect to drive demand in your market over the next three years?
Top five drivers of demand by region, ranked one (top driver) through five

	Americas	APAC	EMEA
E-Commerce Distribution	1	1	1
Retail Distribution	3	3	2
General Manufacturing	2	2	4
Cold Storage (Pharmaceuticals and/or Food-related)			5
High Tech	=5	4	
Auto and Auto Parts Manufacturing		5	
Industrial and/or Transportation Equipment	4		
Energy-related	=5		3
Aerospace	=5		

Source: Cushman & Wakefield Research

Expected Changes in Vacancy

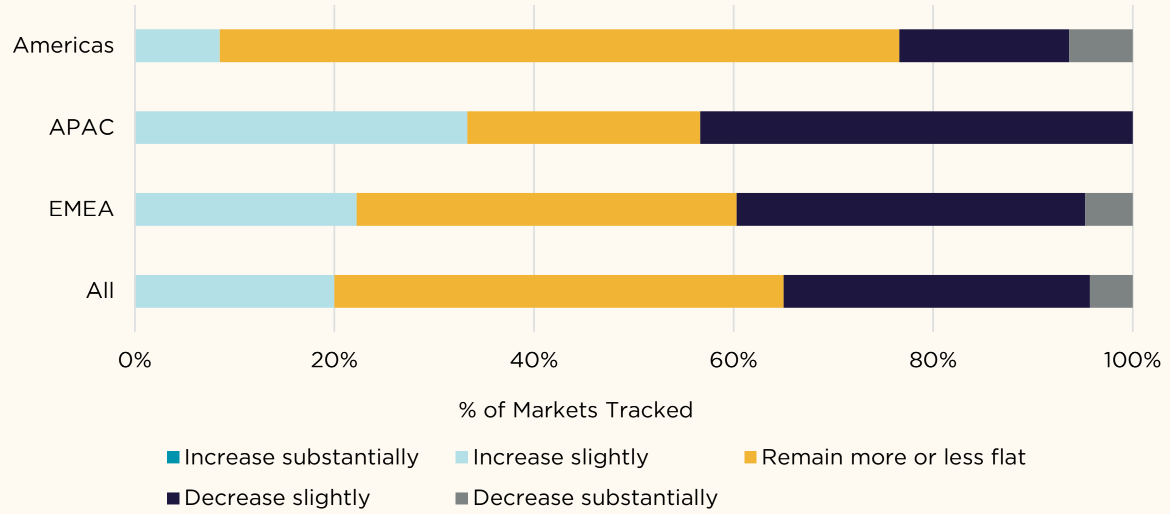
Expectations for vacancy levels over the next three years are weighted toward rate stability or contraction rather than growth. Of the markets surveyed, 45% are expected to see vacancy levels remain broadly unchanged, while 35% are expected to record declines. **Only 20% of markets are expected to see an increase in vacancy, and in most cases this is likely to be modest.**

In the **Americas**, 68% of markets are expected to remain stable, driven largely by supply and demand being in balance. A further 23% are expected to post declines in vacancy, including key U.S. markets such as Inland Empire, Phoenix, Indianapolis and Atlanta, where accelerating net absorption and softer new supply are expected to tighten conditions.

In **EMEA**, 38% of markets are expected to remain stable, similarly supported by balanced supply and demand. However, 40% are expected to see vacancy rates decline as occupier activity and net absorption increase alongside limited new supply. This includes western and northern European locations in the UK, Netherlands, Sweden and Belgium, as well as CEE markets in Poland, Hungary and the Czech Republic.

In **APAC, the outlook is more varied**. Only 23% of markets foresee stability, while **43% expect slight vacancy declines** in 2029. This includes markets in Australia, Singapore, Vietnam, South Korea, Indonesia, Thailand and Japan, where constrained development pipelines and strengthening absorption are expected to reduce vacancy. Conversely, **33% of markets are projected to see vacancy rates rise**, notably markets on the Chinese mainland and in India, where occupier demand is expected to slow or where the market will have an excess of new supply.

Over the next three years, what is the expectation for the change in vacancy rate in your overall industrial market?



Source: Cushman & Wakefield Research

Expected Rental Growth

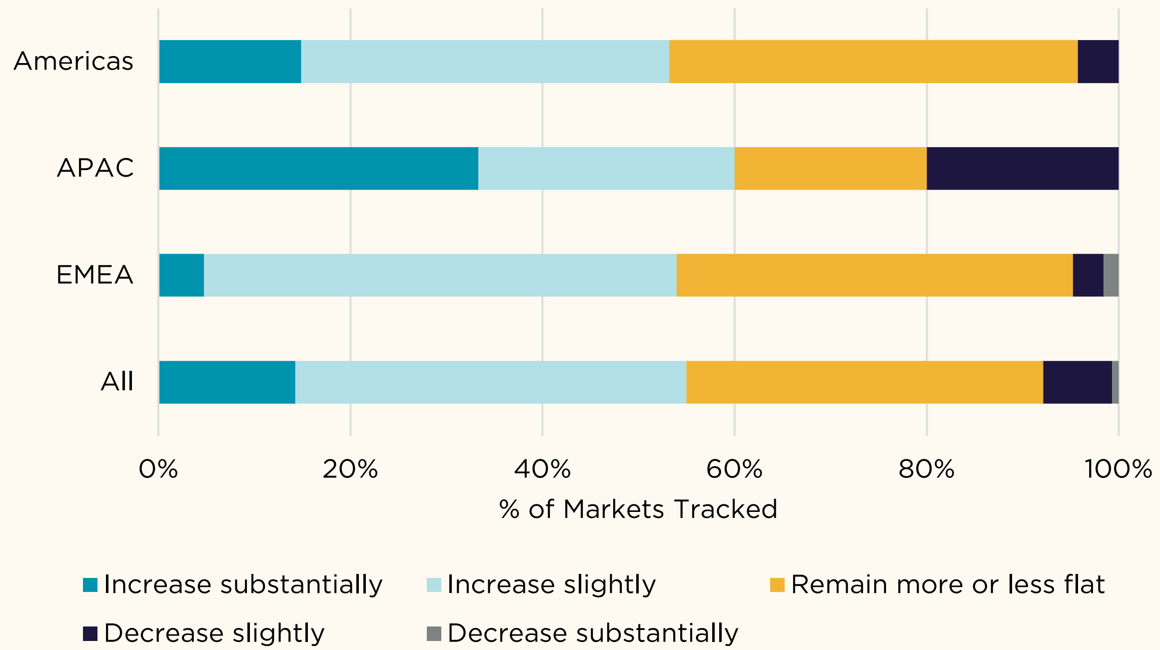
Globally, **sentiment is skewed toward upward rental pressure,** with 55% of markets expecting rents to increase either substantially or slightly over the next three years. Only 8% anticipate rental growth to decline, while with the remaining 37% expect headline rents to stabilise.

Supply constraints remain a dominant factor in markets projecting stronger rental growth, as limited availability gives landlords greater pricing power. This is particularly evident across **APAC**, where a third of all markets are expected to see substantial increases and a further 27% are expected to increase slightly.

In the **Americas**, 55% of markets expect rents to rise in the next three years, highlighting how quickly supply-demand dynamics are expected to respond to evolving market conditions. New supply entering the market is also contributing to pricing pressures in some locations; this dynamic is evident in U.S. markets, as well as in APAC markets such as Indonesia and the Philippines, and in CEE locations in **EMEA.**

Only a limited number of markets anticipate rental declines, notably in markets on the Chinese mainland as well as in a small number of North American and European markets. In these markets, weaker occupier demand combined with excess new supply is expected to drive landlords to adjust pricing to remain competitive.

Over the next three years, what is the expectation for asking rent growth in your overall industrial market?



Source: Cushman & Wakefield Research

Appendix: Markets Covered

Region	Market	City
Americas	Argentina	Buenos Aires
Americas	Brazil	Rio de Janeiro
Americas	Brazil	Sao Paulo
Americas	Canada	Calgary
Americas	Canada	Montreal
Americas	Canada	Toronto
Americas	Canada	Vancouver
Americas	Chile	Santiago
Americas	Costa Rica	San José, Costa Rica
Americas	Mexico	Mexico City
Americas	Mexico	Monterrey
Americas	Mexico	Tijuana
Americas	United States	Atlanta
Americas	United States	Baltimore
Americas	United States	Boston
Americas	United States	Charlotte
Americas	United States	Chicago
Americas	United States	Cleveland
Americas	United States	Dallas
Americas	United States	Denver
Americas	United States	Greensboro
Americas	United States	Houston
Americas	United States	Indianapolis
Americas	United States	Inland Empire
Americas	United States	Las Vegas
Americas	United States	Los Angeles
Americas	United States	Louisville
Americas	United States	Memphis
Americas	United States	Minneapolis
Americas	United States	New Jersey - Central
Americas	United States	New Jersey - Northern
Americas	United States	NY Outer Boroughs
Americas	United States	Oakland/East Bay
Americas	United States	PA I-81/I-78 Corridor

Region	Market	City
Americas	United States	Philadelphia
Americas	United States	Phoenix
Americas	United States	Portland
Americas	United States	Salt Lake City
Americas	United States	San Jose, California
Americas	United States	Savannah
Americas	United States	Seattle
Americas	United States	St. Louis
APAC	Australia	Adelaide
APAC	Australia	Brisbane
APAC	Australia	Melbourne
APAC	Australia	Perth
APAC	Australia	Sydney
APAC	Chinese mainland	Beijing
APAC	Chinese mainland	Chengdu
APAC	Chinese mainland	Chongqing
APAC	Chinese mainland	Guangzhou
APAC	Chinese mainland	Hangzhou
APAC	Greater China	Hong Kong
APAC	Chinese mainland	Nanjing
APAC	Chinese mainland	Shanghai
APAC	Chinese mainland	Shenzhen
APAC	Chinese mainland	Tianjin
APAC	Chinese mainland	Wuhan
APAC	Chinese mainland	Xi'an
APAC	India	Bengaluru
APAC	India	Chennai
APAC	India	Delhi
APAC	India	Mumbai
APAC	India	Pune
APAC	Indonesia	Jakarta
APAC	Japan	Tokyo
APAC	Philippines	Manila
APAC	Singapore	Singapore

Appendix: Markets Covered

Region	Market	City
APAC	South Korea	Seoul
APAC	Thailand	Bangkok
APAC	Vietnam	Hanoi
APAC	Vietnam	Ho Chi Minh City
EMEA	Austria	Vienna
EMEA	Belgium	Antwerp
EMEA	Belgium	Brussels
EMEA	Bulgaria	Sofia
EMEA	Croatia	Zagreb
EMEA	Czech Republic	Ostrava
EMEA	Czech Republic	Prague
EMEA	Denmark	Copenhagen
EMEA	Estonia	Tallinn
EMEA	Finland	Helsinki
EMEA	France	Lille
EMEA	France	Lyon
EMEA	France	Marseille
EMEA	France	Paris
EMEA	Germany	Berlin
EMEA	Germany	Dusseldorf
EMEA	Germany	Frankfurt
EMEA	Germany	Hamburg
EMEA	Germany	Munich
EMEA	Greece	Athens
EMEA	Hungary	Budapest
EMEA	Ireland	Dublin
EMEA	Italy	Bologna
EMEA	Italy	Milan
EMEA	Italy	Rome
EMEA	Kenya	Nairobi
EMEA	Latvia	Riga
EMEA	Lithuania	Vilnius
EMEA	Netherlands	Amsterdam
EMEA	Netherlands	Rotterdam

Region	Market	City
EMEA	Netherlands	Utrecht
EMEA	Netherlands	Venlo
EMEA	Nigeria	Lagos
EMEA	North Macedonia	Skopje
EMEA	Norway	Oslo
EMEA	Poland	Katowice
EMEA	Poland	Lodz
EMEA	Poland	Warsaw
EMEA	Poland	Wroclaw
EMEA	Portugal	Lisbon
EMEA	Portugal	Porto
EMEA	Romania	Bucharest
EMEA	Serbia	Belgrade
EMEA	Slovakia	Bratislava
EMEA	Slovenia	Ljubljana
EMEA	South Africa	Cape Town
EMEA	South Africa	Durban
EMEA	South Africa	Johannesburg
EMEA	Spain	Barcelona
EMEA	Spain	Madrid
EMEA	Sweden	Gothenburg
EMEA	Sweden	Malmo
EMEA	Sweden	Stockholm
EMEA	Switzerland	Geneva
EMEA	Switzerland	Zurich
EMEA	Turkey	Istanbul
EMEA	United Arab Emirates	Abu Dhabi
EMEA	United Arab Emirates	Dubai
EMEA	United Kingdom	Birmingham
EMEA	United Kingdom	East London
EMEA	United Kingdom	Manchester
EMEA	United Kingdom	Northampton
EMEA	United Kingdom	West London

About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of $10.3 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that *Better never settles*, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.

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