

Outlook Insights: Industrial and Logistics

Wednesday 26 February | Sydney

The NSW Industrial and Logistics Outlook 2025 explored key trends shaping the sector, including rental growth, supply constraints, and investment shifts. Industry leaders discussed the impact of e-commerce on demand, planning delays limiting new supply, and the role of sustainability in asset management. The panel highlighted Sydney's low vacancy rates, the growing importance of well-located infill sites, and emerging opportunities for investors as capital returns to industrial real estate.



**Industrial is the lifeblood and
the heartbeat of the country.**

Luke Petherbridge

Our speakers



I-r: Peter McDonald (Gateway Capital); Katie Stevenson (Property Council of Australia); Charlotte Brabant (Realterm); Luke Petherbridge (Link Logistics); Sass Jalili (CBRE); Mollie Alteri (Amazon); Craig Jones (Chair, Property Council NSW Industrial and Logistics Committee)

Insights

- Sydney's industrial market remains tight, with vacancy rates at historic lows (2.1%) compared to 6.1% in the United States. Despite a market slowdown, rental growth across Sydney has sustained.
- Supply constraints, driven by planning delays and infrastructure gaps, continue to limit new industrial development.
- E-commerce and last-mile logistics are reshaping demand for warehouses, pushing occupiers closer to urban centres to meet customer expectations for same or next-day delivery.
- Multi-level industrial developments are a necessity when land costs are so high, but they are not operationally efficient.
- Investors are targeting well-located assets with upgrade potential, as capital flows back into the sector.
- Sustainability is a growing priority, with major occupiers aiming for net-zero operations.

Next steps

- Advocate to government to prioritise infrastructure investment to unlock more industrial-zoned land.
- Provide industry insights to government to develop a more coordinated approach to planning and investment in industrial lands through the Industrial Lands Action Plan.
- Monitor e-commerce trends to anticipate future logistics space needs.
- Promote sustainability initiatives, aligning with occupiers' net-zero goals.
- Facilitate industry collaboration to address market challenges and capitalise on emerging opportunities.

Find out more about our Outlook Event Series, [click here](#).



Scan the QR code to view photos from our Industrial and Logistics Outlook event on 26 February 2025.

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