

COALITION PROGRAMME 2024 - 2028

WHAT ARE THE IMPLICATIONS
FOR THE DUTCH REAL ESTATE MARKET?

Better never settles

INTRODUCTION

The Schoof administration has detailed the outline agreement in its coalition programme, presenting its plans for the upcoming government term. Cushman & Wakefield has identified the themes and strategies that will directly impact the Dutch real estate market. These include the effects of labour migration and the War for Talent on the office market, the impact of purchasing power measures on the retail sector, infrastructure developments on logistics property, and decisions affecting the investment climate in the housing market.

First, the themes are outlined with a brief description, after which these themes are linked to the different sectors and presented in a one-pager per sector.



WHICH THEMES FROM THE COALITION PROGRAMME IMPACT THE PROPERTY MARKET?



Financial Security and Purchasing Power

The government aims to enhance people's financial security and focuses on job security, income security, affordable housing, accessible public services, integration, and social cohesion.



Asylum and Migration

The government is taking all necessary measures to limit the influx of asylum seekers and is developing a more selective labour migration policy.



Housing and Social Housing

The government aims to address the housing shortage by fairly distributing scarce land, constructing more suitable and affordable homes, making better use of existing buildings, and improving the quality of life in neighbourhoods and villages.



Infrastructure, Public Transport, and Aviation

The government aims to maintain its leading position in accessibility by preserving the existing infrastructure, constructing new (rail) roads, and developing the inland waterway network.



Energy Transition, Supply Security, and Climate Adaptation

The government is committed to creating a cleaner and healthier Holland by adhering to existing agreements and focusing on three key pillars: energy transition, supply security, and climate adaptation.



Economy and Business Climate

The government aims to strengthen the earning capacity of the Netherlands by improving the business climate, reducing regulatory pressure, creating physical space for economic activities, reinforcing a resilient economy, and stimulating innovation.



Labour Market Shortages

The government aims to move towards a social, high-quality, and innovative economy. Demographic transition and scarce resources (both physical and in terms of nitrogen, clean water, and clean air) require the modernisation of the economy and labour market.

WELKE THEMA'S UIT HET REGEERPROGRAMMA RAKEN WELKE SECTOREN?

	 Financial Security and Purchasing Power	 Asylum and Migration	 Housing and Social Housing	 Infrastructure, Public Transport, and Aviation	 Energy Transition, Supply Security, and Climate Adaptation	 Economy and Business Climate	 Labour Market Shortages
Offices		✓		✓		✓	✓
Industrial & Logistics		✓		✓	✓	✓	✓
Living		✓	✓	✓	✓		
Retail	✓		✓			✓	✓



Asylum and Migration

The government recognises that knowledge migration is essential for the economy but will aim to attract skilled migrants more selectively. This may be done through salary criteria or conditions under which recognised companies are classified. Student migration will be limited. The government is working on a productivity agenda to perform the same work with fewer people, and it aims to increase the labour participation of the working population.

Proximity to qualified personnel is one of the most important location factors for office users, especially in light of the War for Talent. Stricter (more targeted) policies may impact the (international) talent pool of organizations, especially when international study migration is also restricted.



Infrastructure, Public Transport, and Aviation

Maintaining the accessibility of the Netherlands remains a top priority. The government will conduct research into new public transport connections such as the Nedersaksenlijn and Lelylijn. Where possible, the maximum speed on the roads will be increased to 130 km/h, and public transport will be improved in rural areas. The railway network will be maintained and (internationally) expanded.

Office users show a clear preference for offices in multimodally accessible locations. The government's focus on maintaining good public transportation accessibility ensures that the attractiveness of these office locations is preserved. Additionally, the appeal of existing office locations can be enhanced as new public transportation sites are further developed.



Economy and Business Climate

In the upcoming cabinet term, the government will strengthen the earning capacity and business climate. There will be tax relief through measures such as the SME profit exemption, buyback of own shares, and a reduction of the interest deduction limitation for corporate tax to 25%. A financing hub for SMEs will be established, regulatory pressure will be reduced, and focus will be placed on creating physical space for the economy. The top sector policy will be renewed.

An attractive business climate encourages the attraction of (international) office users. Through investments in Invest-NL, the Netherlands is placed on the international map, potentially attracting new office users. The government also focuses on providing space for the economic activities, which is crucial for maintaining the employment function in the city.



Labour Market Shortages

Due to an aging population and a stagnating labor supply, the government aims to modernize the economy and the labor market. It intends to do this, among other things, by improving the quality of work. Choices will be made regarding the types of work to be targeted by revising subsidies, tax incentives, and regulations. Productivity must increase through innovation. The government is also focusing on raising labor participation.

The COVID-19 period has taught us that a changing way of working also leads to changing space usage. By modernizing the labor market and the stagnating labor supply, offering office space in the best locations becomes even more important in the War for Talent.



Asylum and Migration

The government recognizes that skilled migration is essential for the economy. However, the labor migration policy will become more selective and targeted. Low-wage labor migration will be limited. It is also being explored whether it is possible to prohibit the outsourcing of labor on a sectoral level or to impose a requirement to employ a minimum percentage of workers.

Proximity of qualified personnel is crucial for both the industrial and logistics sectors. A more targeted and selective labor migration policy could reduce the labor pool for these sectors, potentially putting pressure on their growth.



Infrastructure, Public Transport, and Aviation

The government is focused on maintaining the road, waterway, and rail infrastructure. Together with regional governments and the logistics sector, the government is working on an approach that strengthens these connections, prevents disruptions in supply and delivery chains, and reduces traffic congestion. The government is also enhancing the role of seaports and multimodal hubs, while prioritising digitalisation.

As the Gateway to Europe, infrastructure, public transport, and aviation are key themes for the logistics sector. The focus on maintaining good accessibility in the Netherlands is welcome news. However, the availability of space to start new projects is limited. This applies to permits, financial resources, and labour. This may impact the possibilities for new construction.



Energy Transition, Supply Security, and Climate Adaptation

The government will take control of grid congestion issues by making the electricity grid future-proof. Companies facing grid congestion problems will be assisted in finding solutions. A tailored approach will be introduced, focusing on transforming existing industries to green production processes. The increase in the CO2 tax for the industry will be reversed.

The industrial and logistics markets are currently facing many uncertainties regarding timely grid connections and grid congestion. The government's decision to take control of grid congestion is therefore welcome news. At the same time, the government is strongly focused on the sustainability of the industry, on which users in the commercial property market will need to anticipate.



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The government programme confirms the importance of business parks. The government is developing a comprehensive approach for future-proof and affordable business parks, which involves a mix of redevelopment of areas and revitalisation of existing buildings. The protection of business parks with a high environmental category is also part of this. This could potentially lead to an increased supply.



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Labour shortages pose a threat to employment in the industrial and logistics sectors, especially as the focus shifts towards high-quality work. Industrial and logistics users benefit from investing in innovation to increase their productivity. Both logistics and commercial real estate will play a role in enhancing innovation and productivity.



Asylum and Migration

Demographic developments have an impact on the housing market. The government is aiming for moderate population growth to maintain broad prosperity, which should lead to a healthier functioning of the housing market. The government states that the scale of migration must be limited as soon as possible. Therefore, it is implementing measures to restrict asylum inflow and migration.

One of the key foundations of the housing market is demographic development. The challenges have not diminished with this government programme. With the ambition to build 100,000 homes per year, it is important to think about who these homes are being built for early on.



Housing and Social Housing

Reducing the historically high housing shortage is a top priority for the government. Numerous measures have been introduced. Specific measures include lowering the transfer tax (OVB) to 8% as of January 2026 and adjusting the earnings stripping to 25%, while the 1 million threshold will be removed. Central government policy and governance are also high on the agenda. The policies of the previous government will largely be continued.

The focus on increasing investment willingness is good news for the housing market. Lowering the transfer tax (OVB) for residential properties to 8% makes the investment climate somewhat more attractive, while removing the threshold within earnings stripping is detrimental. Policies regarding the Affordable Housing Act, property FBI, pension fund exemption, and depreciation remain unchanged.



Infrastructure, Public Transport, and Aviation

The government will construct new (rail)roads to ensure that existing and new homes are well-connected. In 2025, plans for where housing construction will take place and how these residential areas will be made accessible will be further developed. The impact of these housing locations on the main networks and the accessibility of facilities will also be analysed.

Properly connecting new and existing residential areas contributes to creating an attractive living environment. Additionally, new investments in, for example, the Nedersaksenlijn and Lelylijn will impact the housing market, as the distance between living and working is reduced.



Energy Transition, Supply Security, and Climate Adaptation

The government will take control of grid congestion issues by future-proofing the electricity grid. New houses and residential areas must be able to connect to the grid without significant delays. Additionally, investments will be made in the sustainability of homes.

New construction projects are hindered by insufficient grid capacity. Grid congestion also affects the challenge of making the housing stock more sustainable. The government remains committed to the sustainability of homes, but there will be no mandatory energy label upgrades for owner-occupied homes or a requirement for (hybrid) heat pumps.



Financial Security and Purchasing Power

The government aims to increase people's disposable income. A balanced purchasing power package should support vulnerable groups and middle-income earners. The expectation is that an average household will see a 0.7% increase in purchasing power. This is lower than the 1.1% previously forecast by the CPB (Bureau for Economic Policy Analysis).

Purchasing power is an important indicator for the retail market. An increase in purchasing power leads to higher consumer spending, which is positive for revenue in the high street.



Housing and Social Housing

With the designation of additional large-scale housing development sites, space for facilities is also required. Efforts are also being made to improve and maintain facilities in vulnerable neighbourhoods.

The addition of new homes and residential areas creates new catchment areas for the retail market. This includes a growing demand for supermarkets in large-scale housing developments and restaurants to enhance the vibrancy of a neighbourhood. This presents opportunities for the retail market.



Economy and Business Climate

SME entrepreneurs bring life to the high streets, contribute to local community activities, and offer internships and apprenticeships to young people. In the coming term, the government will strengthen earning capacity and the business climate.

Paying attention to SME entrepreneurs in the retail landscape remains key to maintaining diverse and vibrant shopping streets and cities, which benefits retailers.

REFLECTION

The explanation of the coalition programme illustrates that the functioning of various sectors in the real estate market is partly based on shared fundamentals. Policies on, for example, asylum and migration affect the office market as well as the logistics and industrial real estate markets in terms of qualified personnel, while in the housing market, they influence the (future) demand for homes. The construction of new homes also impacts the retail market, as people want to live in attractive areas close to facilities. The emergence of these new residential areas, in turn, affects infrastructure, which has implications for the logistics sector.

The choices made in the coalition programme impact the broader living environment of both individuals and businesses. The effects of the plans and intended ambitions on the real estate market will ultimately be determined by the way they are translated into concrete policies.





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Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.

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