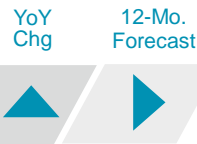


Industrial Q4 2019

2.00%
Vacancy Rate



5.1K
Take-Up, SQM



€90
Prime Rent (sqm./year)



Overall, Net Asking Rent

ECONOMIC INDICATORS Q4 2019

1.7%
GDP Growth



3.4%
Netherlands
Unemployment Rate



4.25%
Prime Yield (GIY, excl.
Buyers' cost)



Source: CBS, Cushman & Wakefield

LOCAL MARKET RESEARCH LEAD

Frank van der Sluys MSc MSRE
+31 (0) 6 2255 3667
frank.vandersluys@cushwake.com

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INVESTMENT MARKET: Volume slightly tempering, investment volume Logistics & Industrial on the rise

In 2019, approximately EUR 23.5 billion has been invested in Dutch property. This is approximately the same investment volume as in 2018, with just a slight decline of 1%. It is expected that the investment volume in 2020 will be tempered, due to the lack of available investment opportunities. Despite the stabilization in the investment volume, it is still far above the long-term average.

Of the total investment volume in 2019, 20% has been invested in the industrial and logistics submarket. This is the equivalent of EUR 4.6 billion in absolute terms, which is a 7% increase compared to the investment volume in industrial and logistics during the same period last year. Most of these investments are allocated to logistics space. From the EUR 4.6 billion, 88% is invested in logistics properties. Last year, this share was comparable with 87%. High demand for logistics space continues to lead to a sharpened gross initial yield. For logistics hotspots, prime yields sharpened to 4.00 – 4.25% gross initial yield excluding buyers' cost. Net initial yield even dropped below 4.00%.

OCCUPIER MARKET: Logistics take-up slightly lower, still a long-term high

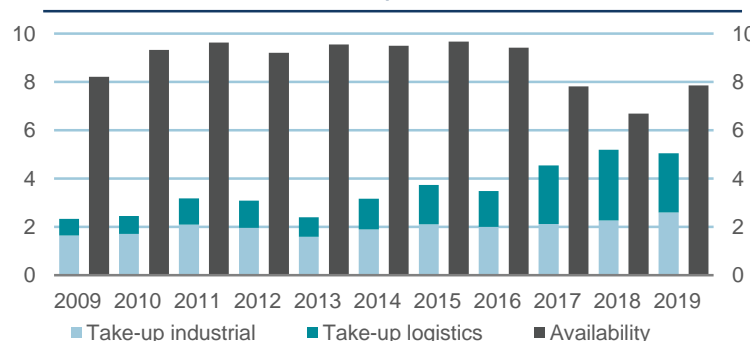
The take-up of logistics property in The Netherlands has been of interest with occupier for some years now. 2019 registered a total of 2.5 million square meters. This is 15% lower than the take-up in 2018, when a take-up of 2.9 million square meters was registered. Despite this decrease, the take-up remains well above the long-year average. As of 2019 year-end, over 2 million square meters of logistics space was available for rent, distributed over 117 properties. Therefore, the average size of a logistics property which is available is 17,500 square meters, approximately 64% bigger than in 2009. Many occupiers who are active on the market are faced with a tight timeline. Therefore, it is not unusual they are looking for a property which they can move into within a few months.

In 2019, the take-up of industrial space reached a record-high level of 2.6 million square meters. In 2018, the total take-up of industrial space equaled 2.3 million square meters. The previous record dated from 2007, with a take-up of 2.5 million square meters. With a total of 1,188 transactions, the average deal had a size of 2,200 square meters and is stable in the long-term. The availability of industrial space 2019 year-end equaled 5.6 million square meters. However, only a limited share of this can be qualified as high-quality industrial real estate. Therefore, the available industrial space cannot meet the current market demand. In turn, this leads to upward pressure on rental prices in some areas.

PRICING: Slight upward pressure

Logistics take-up still exceeds available logistics properties. Similarly, available industrial properties often do not comply with current requirements. These developments lead to an upward pressure on rents, with top rents of EUR 90 at Schiphol Airport, and up to EUR 140 for first-line real estate at the runway.

DUTCH OCCUPIER MARKET | x 1 mln sqm lfa



INDUSTRIAL YIELD DEVELOPMENT | GIY, excl. Buyers cost

