

Industrial Q1 2020

2.50%
Vacancy Rate



625.2K
Take-Up, SQM



€90
Prime Rent, (sqm./year)



Overall, Net Asking Rent

ECONOMIC INDICATORS Q1 2020

-1.2%
GDP growth 2020 (least COVID-19 impact-scenario)



3.4%
Unemployment Rate



4.0%
Prime Yield (GIY, excl. Buyers' Cost)
Source: CPB, Cushman & Wakefield



LOCAL MARKET RESEARCH LEAD

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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 the COVID-19 outbreak and the related consequences for the economy. The most positive scenario shows a decline in investment volume of approximately 40%, to EUR 14.5 billion. In Q1 2020, the total investment volume is EUR 2.7 billion, which is 21% lower compared to the same period in 2019.

High demand for logistics space continues to lead to a sharpened gross initial yield in 2019. 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%. This trend continues in the first quarter of 2020. The yields are not expected to decrease further because of the economic uncertainties caused by COVID-19.

OCCUPIER MARKET: Industrial take-up increasing

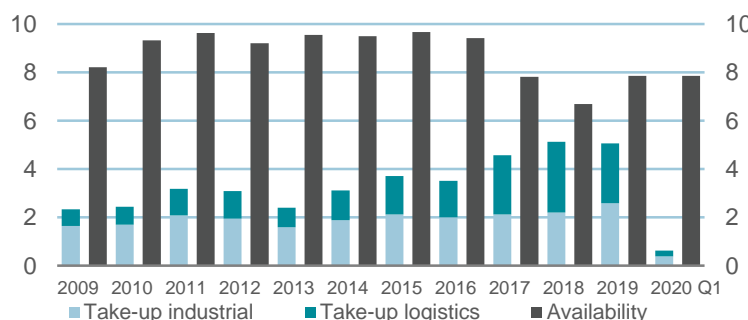
The take-up of logistics property in The Netherlands has been of interest with occupier for some years now. 2019 registered a total of 2.5 million square meters. Q1 of 2020 shows 22 transactions, which results in a take-up of 230.000 square meters in logistics space. Although a decrease in long-term leases could be observed, the logistics real estate market is characterized by many transactions in short-term leases. The COVID-19 outbreak does not affect every sector in the same way. Especially non-food retail, restaurants and cafés, the automotive industry and culture and events experience the most negative effects. Meanwhile, sectors such as pharma logistics, post and courier services and the distribution of food experience positive effects.

In the first quarter of 2020, 187 transactions took place, which resulted in a take-up of 395.000 square meters industrial real estate. 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. Economic developments and the real estate market are closely related with the development of consumer confidence. Many companies changed their focus to internal processes, instead of external processes, especially when this leads to costs reduction. In addition, housing issues are solved internally and on a temporary basis. Dynamics in the industrial user market will be tempered in 2020, compared to 2019, in which a record has taken place. This decline can not only be attributed to the COVID-19 outbreak, but also to the lack of high-quality supply at the right locations.

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 could lead to an upward pressure on rents. However, rents are not expected to increase further because of the economic uncertainties caused by COVID-19.

DUTCH OCCUPIER MARKET | x 1 mln sqm lfa



INDUSTRIAL YIELD DEVELOPMENT | GIY, excl. Buyers' cost

