

	YoY Chg	12-Mo. Forecast
<b>8.4%</b> Vacancy Rate	▼	▼
<b>250,000</b> Take-Up sqm	▲	▬
<b>€ 500</b> Prime rent (sqm./year)	▲	▲

**ECONOMIC INDICATORS**  
Q1 2020

	YoY Chg	12-Mo. Forecast
<b>1.7%</b> GDP growth	▼	▼
<b>3.3%</b> Netherlands Unemployment Rate	▼	▲
<b>3.15%</b> Prime yield (GIY, incl. buyers costs)	▼	▬

Source: CBS, Cushman & Wakefield

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**INVESTMENT MARKET: volume under pressure**

In the first quarter of 2020, the total investment volume was EUR 2.7 billion, 21% lower than the same period in 2019. In 2019, 26% of the total investment volume was invested in the office market. This amounts to approximately EUR 6.2 billion. In the first quarter of 2020, the share of the office investment volume in the total volume increased sharply to 50%, or EUR 1.4 billion. Compared to the first quarter of 2019, this is a growth of 51%. The office investment volume shows a strong first quarter. It is expected that the total investment volume in 2020 will be significantly lower, as a result of the outbreak of the Coronavirus (COVID-19) and its major impact on the economy. Due to the COVID-19 outbreak, the investment dynamics have come to a standstill, investors with ongoing transactions are working towards completion or are trying to negotiate a discount, as there is less competition in the bidding for office properties. Compared to the previous economic crisis, the amount of available investment opportunities is very low, office buildings have a higher occupancy rate and many office buildings have been redeveloped or withdrawn from office stock. This provides significantly more leeway.

**OCCUPIER MARKET: Take-up volume down, occupiers renegotiate**

The 1.4 million square meters of office space taken up by relocating organizations in 2019 represented an increase of no less than 13% compared to 2018. The COVID-19 outbreak is putting a temporary halt to this trend with a decline in the office take-up volume of 21% in the first quarter of this year compared to the same period last year. A total of 250 thousand square meters of office space was taken into use in the first quarter of 2020. The exact impact for the entire year will depend on the course of the outbreak and the associated measures taken by the government. In recent years, Co-Working parties have taken up a lot of office space at high rental levels in CBD areas located mostly in the B5 cities. Due to the current market conditions, these parties are struggling. It is expected that if these locations become available in the future, various parties are interested that were previously unable to rent office space at these office locations.

**PRICING: Rents stabilize**

Due to the persistent uncertainty, office occupiers are postponing relocation to save the costs involved. Rather, there is a tendency to renegotiate the current lease contract. As a result rental levels are under pressure and incentives are expected to rise. The impact of COVID-19 will stabilize rents for prime locations, while secondary locations will come under pressure.

**DUTCH OCCUPIER MARKET | 1,000 sqm. lfa. market**



**OFFICE YIELD DEVELOPMENT | GIY, incl. buyers costs**

