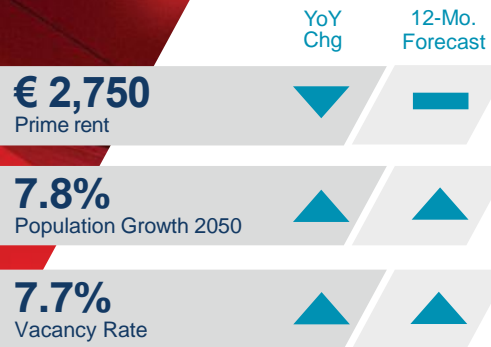


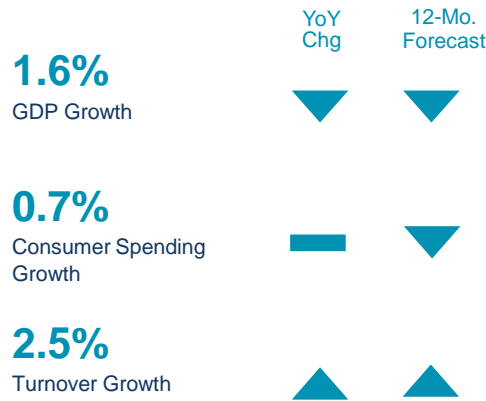
# NETHERLANDS

## Retail Q1 2020



Source: CBS, Cushman & Wakefield

### ECONOMIC INDICATORS Q1 2020



Source: CBS, Cushman & Wakefield

### LOCAL MARKET RESEARCH LEAD

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### INVESTMENT MARKET: Investors trying to limit the damage

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, 10% of the total investment volume was invested in the retail market. The retail- and hospitality segment is currently in severe weather as a result of the contact-restricting measures that have been taken by the government to prevent the further spread of COVID-19. Many shop, bar and restaurant establishments have closed both involuntarily and on their own initiative. In the first three months of 2020, a total of approximately EUR 250 million was invested in the retail market. That is 24% less than in the same period last year. Investors have taken a wait-and-see approach now that the consequences for the economy and retailers are uncertain. Many retailers are facing acute payment problems and have written to their landlord to suspend rent payments for the time being. The majority of investors and property owners are currently trying to limit the damage as much as possible.

### OCCUPIER MARKET: Intelligent 'lock-down'

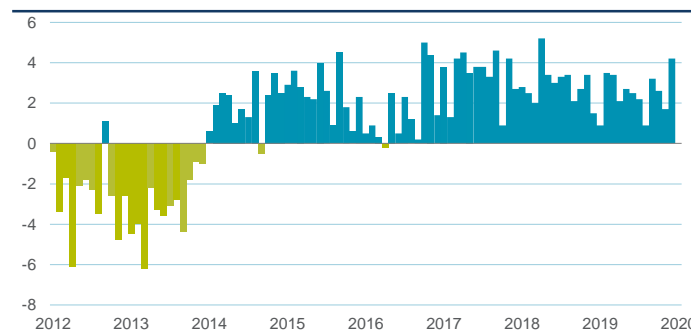
Since March 15<sup>th</sup>, the intelligent lock-down has been applicable in the Netherlands. Retailers may remain open as long as the guidelines of the RIVM are adhered to. Many shops eventually closed their doors, due to the loss of turnover. Now that the main shopping streets are largely closed, a large part of the Dutch consumer is turning to the online sales channels. ING's transaction data shows that the number of payments to web shops in April was approximately 25% higher than a year ago. As a result of the flattening curve in the number of COVID-19 infections, retailers are increasingly preparing for the reopening of the stores, with a maximum number of customers, walking routes and a distance of one and a half meters.

The vacancy rate of retail space in the Netherlands has risen quite unexpectedly from 7.2% in August 2019 to 7.7% in January 2020. As a result of the departure of Hudson's Bay, vacancies in the major shopping cities increased at the beginning of the year. Catchment areas of the major shopping cities only increase, which limits the search demand of retailers to only the largest and most popular shopping cities in the country.

### PRICING: Rental levels under pressure

Current market dynamics in the retail market area characterized by retailers that relocate their existing stores to vacant units with the highest footfall. Expanding the offer in combination with competitive rents makes it possible for retail entrepreneurs to move to better locations at lower rents.

RETAIL TURNOVER | % y.o.y.



RETAIL YIELD DEVELOPMENT | GIY, incl. buyers costs

