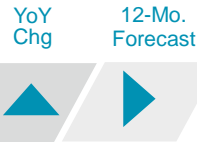


## Industrial Q2 2020

**2.6%**  
Vacancy Rate



**1.5M**  
Take-Up, SQM



**€ 90**  
Prime Rent (sqm./year)



Overall, Net Asking Rent

### ECONOMIC INDICATORS Q2 2020

**- 6.4%**  
GDP Growth forecast



**4.3%**  
Unemployment forecast



**4.0%**  
Prime Yield (GIY, excl. Buyers' cost)



Source: CBS, Cushman & Wakefield

### LOCAL MARKET RESEARCH LEAD

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

In the first two quarters of 2020, approximately EUR 1.92 bln has thus far been invested in industrial and logistical property, an increase of 51% compared to the same period last year. Investors showed a remarkable appetite for logistical properties as e-commerce activity increased at the expense of regular food and non-food retail. The share of the industrial/logistical volume rose to 30% of the total investment volume of commercial real estate in The Netherlands, which is considerably higher than its average share of 20% between 2010 and 2019. Although measures to mitigate the spread of Coronavirus significantly impacted real estate markets within retail and hospitality, on the other hand the logistical market quickly emerged as a safe haven for investors.

### OCCUPIER MARKET: Logistics take-up lower, Industrial increasing

Occupier demand for logistics property in The Netherlands has been particularly strong occupier for some years now. Last years demand resulted in a take up of 2.5 million square meters. In the first six months of 2020, demand was still strong but yielded less take up: 42 transactions resulted in a take-up of 480,000 square meters in logistics space, which is approximately 60% below mid 2019. About 47% of these occupier transactions concern newly built properties and 53% of the transactions concern existing properties as opposed to previous years as the majority of take up occurred in newly built properties. This is a trend-break, but Coronavirus is not fully responsible. Available high quality supply is almost completely dried up so is the pipeline for new developments. Tightened environmental legislation regarding nitrogen emissions resulted in restrictions on the construction of new commercial properties.

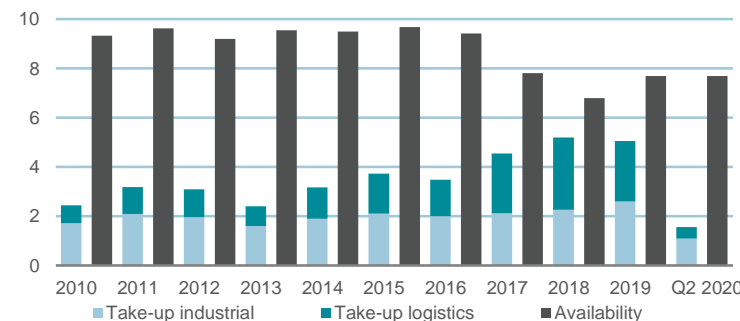
In the first six months of 2020, 533 transactions amounted to a take-up of 1,09 mln square meters industrial, non-logistical real estate. This is comparable to the take-up by mid-2019, when take-up amounted to 1,08 mln square meters. The industrial property market is showing remarkable resilience regarding both the impact of Coronavirus and the lack of supply across many industrial markets in The Netherlands.

### 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. However, rents are not expected to increase further because of the uncertain economic outlook.

High demand for logistics space continues to have a downward pressure on gross initial yields in 2019. For properties within the logistics hotspots, prime yields sharpened to 4.00 – 4.25% gross initial yield excluding buyers' cost. Net initial yield even dropped below 4.00%. Despite the uncertainty caused by COVID-19, this development has not reversed.

### DUTCH OCCUPIER MARKET | x 1 mln sqm lfa



### INDUSTRIAL YIELD DEVELOPMENT | GIY, excl. Buyers cost

