

	YoY Chg	12-Mo. Forecast
8.4% Vacancy Rate	▲	▲
694,100 Take-Up sqm	▼	▼
€ 500 Prime rent (sqm./year)	■	■

ECONOMIC INDICATORS Q3 2020

	YoY Chg	12-Mo. Forecast
-5% GDP growth	▼	▲
4.5% Netherlands Unemployment Rate	▲	▲
3.4% Prime yield (GIY, incl. buyers costs)	▲	▲

Source: CBS, Cushman & Wakefield

LOCAL MARKET RESEARCH LEAD

Jos Hesselink
+31 (0) 6 29 738 608
jos.hesselink@cushwake.com

©2020 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

INVESTMENT MARKET: office investments tempering further

The office market accounted for approximately 22% of the total investment volume in the first three quarters of 2020. This brings the investment volume to EUR 2.4 billion, a decrease of 38% compared to the same period previous year. Since 2016, the investment volume in the office market has been above EUR 5.9 billion annually, with a record-high in 2018 of EUR 6.8 billion invested in office property. Due to a lack of available investment opportunities in 2019, the office investment volume decreased to EUR 6.2 billion. It is expected that with the continuous uncertain sentiment the investment volume in office property will fall in 2020 to around EUR 3 to 3.5 billion.

OCCUPIER MARKET: Take-up volume compressing, occupiers uncertain

Since 2015, positive sentiment about the economy has led to more office occupiers anticipating on growth. 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 three quarters of 2020, compared to the same period last year. A total of 694,100 square meters of office space has been taken up during the first three quarters of 2020. This does not include lease extensions and therefore reflects the market dynamics of moving or starting office-based organizations.

The downward trend in the number of vacant offices seems to have stopped due to the outbreak of COVID-19, with a slight increase in the nationwide vacancy rate to 8.4% in the third quarter of 2020. Despite the slight increase the vacancy rate was in many core cities already at or below the frictional vacancy rate of 5 to 6%, this is a tight market with little room to meet the needs and demand from office-based organizations.

PRICING: Rents stabilize

Due to the persistent uncertainty, occupiers are more likely to restructure and extend their current lease agreements. Rental levels are under pressure and incentives are expected to rise. Landlords who had included rental growth are at risk. Due to the current developments around Corona rents on prime locations are expected to stabilize, while secondary locations will face more pressure.

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



OFFICE YIELD DEVELOPMENT | GIY, incl. buyers costs

