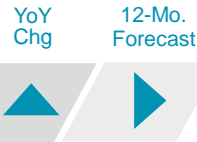


THE NETHERLANDS

Industrial Q4 2020

2.8%
Vacancy Rate



4,3M
Take-Up, sqm.



€ 90
Prime Rent, (sqm./year)



Overall, Net Asking Rent

ECONOMIC INDICATORS Q4 2020

- 4.2%
GDP Growth Forecast



4.1%
Unemployment Forecast



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



Source: CPB, Cushman & Wakefield

LOCAL MARKET RESEARCH LEAD

Jos Hesselink
+31 (0) 2973 8608
Jos.Hesselink@cushwake.com

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INVESTMENT MARKET: Investment volume Logistics & Industrial slightly tempering, yield compression continues

Over 2020, the investment volume allocated to industrial and logistics amounted to approximately EUR 2.9 billion. This is a decrease of 38% as opposed to 2019. This decrease mainly stems from limited supply of investment opportunities, as investors still show an exceptional appetite for logistical properties as e-commerce activity increased at the expense of regular food and non-food retail. The share of the industrial and logistical volume decreased to 16% of the total investment volume of commercial real estate in the Netherlands, which is slightly lower than its average share between of 20% between 2010 and 2019. Although measures to mitigate the spread of COVID-19 significantly impacted real estate markets within retail and hospitality, on the other hand the logistical market quickly emerged as a safe haven for investors. 2021 will see an increase in available investment opportunities.

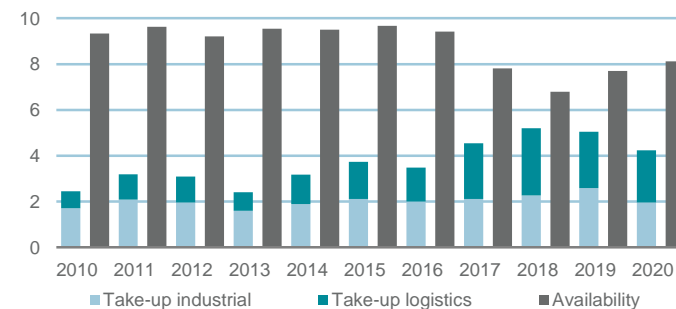
OCCUPIER MARKET: Take-up for Industrial and Logistics is lower than the five-year average

Occupier demand for logistics property in The Netherlands has been strong for some years now. In 2020, logistics take-up amounted to 2.3 million square meters. Compared to 2019, take-up decreased by 11%, but is still 30% higher compared to the ten-year average annual take-up. Availability of high-quality logistics space in hotspots is scarce, which makes less established locations more attractive. The industrial market in the Netherlands is a balanced market which is characterized by a lack of fluctuations. Therefore, despite a decrease in take-up of 24% in 2020 as opposed to 2019, the take-up was just below the 10-year average annual take-up. Take-up in 2020 amounted to 1.96 million square meters. In addition, take-up lagged because of a scarcity of available high-quality industrial space. Furthermore, take-up in 2020 was dampened due to tightened environmental legislation regarding nitrogen emissions which restricted most new construction.

Pricing: Slight upward pressure in "secondary" locations

The demand for logistics remains high and take-up exceeds the availability of space. Similarly, available industrial properties often do not comply with current requirements. These developments lead to an upward pressure on rents. High demand for logistics space continues to have a downward pressure on gross initial yields in 2020. The GIY in logistic hotspots sharpened to 4.00 – 4.25%, excluding buyers' cost. This development is expected to continue in 2021.

DUTCH OCCUPIER MARKET | x 1 mln sqm lfa



INDUSTRIAL YIELD DEVELOPMENT | GIY, excl. buyers' cost

