

	YoY Chg	12-Mo. Forecast
8.2% Vacancy Rate	▲	▲
952,000 Take-Up sqm	▼	▼
€ 500 Prime rent (sqm./year)	■	■

**ECONOMIC INDICATORS
Q4 2020**

	YoY Chg	12-Mo. Forecast
2.8% GDP growth	▼	▲
4.1% Netherlands Unemployment Rate	▲	▲
3.5% Prime yield (GIY, incl. buyers costs)	▲	▲

Source: CBS, Cushman & Wakefield

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INVESTMENT MARKET: office investments tempering further

The office market accounted for approximately 19% of the total investment volume of 2020. This brings the investment volume to EUR 3.3 billion, a decrease of 46% 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. The persistent uncertain sentiment in 2020 has led to a further decrease of investment volume in office property.

OCCUPIER MARKET: Take-up volume compressing, occupiers uncertain

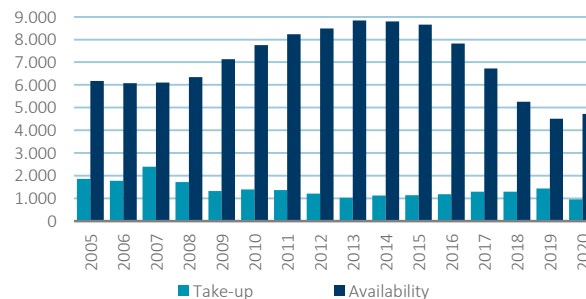
Since 2015, positive sentiment about the economy has led to more office occupiers anticipating on growth. The 1.4 million square meters of office space taken up by relocating organizations in 2019 represented an increase of no less than 13% compared to 2018. The COVID-19 outbreak is putting a temporary halt to this trend with a decline in the office take-up volume of 34% in 2020, compared 2019. A total of 952,000 square meters of office space has been taken up during 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 8.2% in 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

