

Office Q1 2021

	YoY Chg	12-Mo. Forecast
8.3% Vacancy Rate	▲	▲
206,000 Take-Up sqm	▼	▼
€ 475 Prime rent (sqm./year)	▼	▬

ECONOMIC INDICATORS Q1 2021

	YoY Chg	12-Mo. Forecast
2.2% GDP growth	▼	▲
4.1% Netherlands Unemployment Rate	▲	▲
3.4% Prime yield (GIY, incl. buyers costs)	▲	▬

Source: CBS, Cushman & Wakefield

LOCAL MARKET RESEARCH LEAD

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INVESTMENT MARKET: fragile start, sizeable pipeline

The office market accounted for approximately 32% of the total investment volume of the first quarter of 2021. This brings the investment volume to EUR 472 million, a decrease of 65% compared to the same - largely pre-corona - period previous year. Approximately half of this registered volume was achieved by the sale of just one portfolio. Due to the uncertain sentiment, it is expected that the current subdued investment volume in offices is set to take-off from the second half of 2021 onwards to approximately EUR 3.5 to 4 billion. Despite this positive outlook, investors and financiers are still focusing on offices with a low risk profile. Due to this 'flight to safety', interest in Core investment products with solvent tenants and long-term leases remains high. Preference is given to offices in lively central locations with a high level of amenities.

OCCUPIER MARKET: Take-up volume compressing, occupiers uncertain

In the first quarter of 2021, 205,800 square meter of office space was taken into use. Compared to the same period in 2020, this is a decrease of 18%. Many office occupiers who had put their expansion or relocation process on hold in 2020, will start this again slowly in 2021 in view of the weakening Corona crisis during the second half of this year. The historically low take-up volume in 2020 (912,000 sqm) is caused on the one hand due to the limited amount of available space and on the other hand to the reluctance of office occupiers. It is expected that this will slowly recover in 2021

The vacancy rate increased slightly in 2020 to 8.35% of the office stock, but after 2019 (8.1%) this is the lowest vacancy rate since 2002. Despite the nationwide increase of the office vacancy rate, the percentage in many core cities is at or below the friction vacancy of 5 to 6%, while the most popular locations within these cities show lower levels of 2 - 4%.

PRICING: Rents stable yet under downward pressure

As occupiers are busy rethinking their post corona housing solutions, they are focusing on an alternative role for the office space gearing towards a meeting place rather than a production place. This shift could have major implications for attractive office buildings on traffic locations in the near future, whereas secondary locations will face more pressure on rent prices. Currently however, rental levels in general are under pressure as incentives have been rising.

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



OFFICE YIELD DEVELOPMENT | GIY, incl. buyers costs

