

	YoY Chg	12-Mo. Forecast
€ 2,400 Prime rent	▼	▶
7.8% Population Growth 2050	▲	▲
6.8% Vacancy Rate	▼	▼

Source: CBS, Locatus, Cushman & Wakefield

ECONOMIC INDICATORS Q1 2022

	YoY Chg	12-Mo. Forecast
3.8% GDP Growth forecast 2022	▲	▲
4.7% Consumer Spending Growth forecast 2022 vs 2021	▼	▲
2.5% Turnover Growth 2022 vs 2021	▲	▲

Source: CPB, Cushman & Wakefield

LOCAL MARKET RESEARCH LEAD

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INVESTMENT MARKET: bumpy ride, appetite for convenience

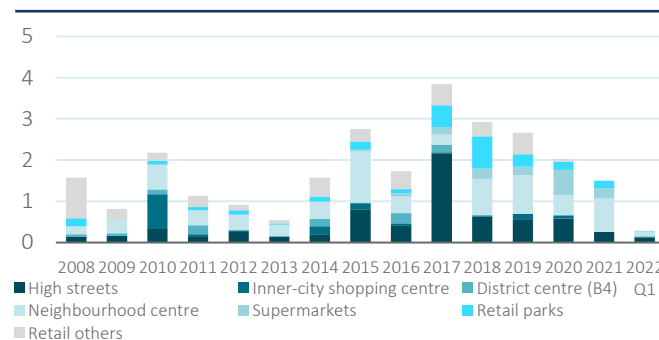
With a share of 8%, transaction dynamics in retail real estate made a modest contribution of approximately EUR 1.5 billion to the total investment volume of EUR 17.7 billion in 2021. This can be explained by the strict corona measures in the first quarter of 2021. Although the retail investment market took off in the second half of the year, under the influence of strongly improved sentiment among both investors and users of retail properties, however the sudden rise of the omicron variant had not been taken into account. As hospitality, leisure services and non-essential shops had to close their doors again as from mid-December until the end of January 2022, crucial (holiday) turnover was lost. For the time being, investors are anticipating that the year to come will be a copy of 2021, as witnessed by the cautious start in the first quarter of 2022 with an investment volume of EUR 282 million. Depending on the outcome of the conflict in Ukraine, recovery can take place from the second or third quarter.

OCCUPIER MARKET: polarization between the branches

Although various large retailers are currently accelerating their online strategy, shop portfolios are optimized in the context of consolidation. No more multiple outlets in the same shopping street, but upscaling towards one larger unit between mostly 200 sq.m. and 500 sq.m. on the best part of the shopping street. The remarkable situation now arises that both expansive international retailers and locally existing retailers are opting for the same retail properties. This selective demand pressure has resulted results in a relatively stable retail rent level, especially in these larger shopping cities. The finalization of the shop interior itself is being made more difficult by lack of capacity among construction contractors and the shortage of building materials. In addition, it is increasingly difficult to recruit suitable staffing, which puts an additional brake on possible store expansions.

Awareness among retailers is rising that systemic changes are currently taking place in the retail market, which makes it the right time to anticipate now. In many shopping cities, the cards are being reshuffled. Competition from alternative uses is increasing strongly and the nature of shopping areas is changing. In this game there are several improvement options for retailers. Such as the possibility to move to an area with more traffic for an equal or even lower rent.

RETAIL INVESTMENT MARKET to segment | EUR bln.



RETAIL TURNOVER | change to same month last year (%)

