

THE NETHERLANDS

Industrial Q2 2022

1.90%
Vacancy Rate



2,005,700 m²
Take-Up, 2022 Q2



€ 90
Prime Rent, (sqm./year)



Overall, Net Asking Rent

ECONOMIC INDICATORS Q2 2022

2.9%
GDP Growth Forecast 2022



3.5%
Current unemployment Q2 2022



3.3%
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: share logistics & Industrial increasing, yield compression stabilizing

During the first six months of 2022, EUR 2.44 billion was invested in the industrial and logistics market. The investment volume increased strongly compared to the first six months of 2021, when EUR 1.88 billion was invested in the industrial and logistics market. During the first six months of 2022, the industrial and logistics market registered a share of 36% in the total investment volume. In the last couple of years, most of the investment volume in industrial real estate can be allocated to logistics properties. In 2020 and 2021, 80% and 86% was invested in logistical real estate. This trend remains unchanged. During the first half year of 2022 most of the investment volume (85%) is invested in logistics real estate as well.

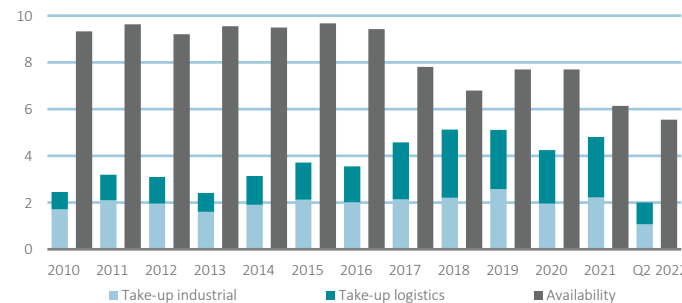
OCCUPIER MARKET: Take-up for Industrial and Logistics is increasing, but not yet in line with the level of 2019

Even though the economy is experiencing uncertainty, the demand for industrial and logistics real estate remains high. During the first six months of 2022, the take-up in the entire industrial and logistics market amounted to approximately 2 million square meters. During the first six months of 2021, a take-up of 1.6 million square meters was registered. Logistics real estate continues to be popular. The corona crisis, accelerated the trend of online shopping. As a result, the demand for logistics real estate increased sharply. Also due to uncertainties in the supply chain as a result of the corona crisis and the situation in Ukraine, companies are building more storage into their supply chains to guarantee security of supply and delivery. This also results in more demand for industrial and logistics real estate, which leads to more pressure on the already existing tight market situation.

PRICING: adjustment to the new situation will stabilize yields.

While the fundamentals in the occupier market remain more or less the same, the investment market finds itself in a new situation. Negative effects such as strong growth of inflation, due to rising prices of raw materials, construction and energy, are leaving their mark on the investment market. Due to the rising swap rates, as result of the rising policy rates, it is expected that investors will anticipate. The increase in swap rates, against which property investors secure their external credit facility, is making the financing climate more difficult. Due to the continued high demand for highly-quality distribution space, investors accepted increasingly sharper initial yields for the last few years. At logistics hotspots, gross initial yields for Core investments have fallen to a level of 3.25%. However, in this new situation the pressure on the Core segment seems to be tempered. Although investors are becoming more critical and cautious in this new situation, Core investments are still interesting. After all, investors see opportunities for rental growth due to the continued strong occupier market. The adjustment to the new situation will however lead to the stabilization of the yields.

DUTCH OCCUPIER MARKET | x 1 mln sqm lfa



INDUSTRIAL YIELD DEVELOPMENT | GIY, excl. buyers' cost

