

THE NETHERLANDS

Industrial Q3 2022

1.90%
Vacancy Rate



3,334,300 m²
Take-Up, 2022 Q3



€ 100
Prime Rent, (sqm./year)



Overall, Net Asking Rent

ECONOMIC INDICATORS Q3 2022

4.9%
GDP Growth Forecast 2022



3.8%
Current unemployment Q3 2022



3.9%
Prime Yield (GIY, excl. buyers' cost)



Source: CPB, Cushman & Wakefield

LOCAL MARKET RESEARCH LEAD

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INVESTMENT MARKET: Despite the wait-and-see attitude, the industrial and logistics market registered a share of 34% in the total volume

Investors are currently experiencing turbulent times. Many investors have adopted a wait-and-see attitude in the nine past months, although differences in market sentiment between asset classes could be observed. The investment dynamics will however highly depend on the development of the situation in Ukraine, inflation and rising interest rates. During the first nine months of 2022, EUR 3.54 billion was invested in the industrial and logistics market. The investment volume is 13% lower compared to the same period last year, when EUR 4.06 billion was invested in the industrial and logistics market. During the first nine months of 2022, the industrial and logistics market registered a share of 34% in the total investment volume. In 2020 and 2021, 80% and 86% was invested in logistics real estate. This trend remains unchanged. During the first nine months of 2022 most of the investment volume (86%) is invested in logistics real estate as well.

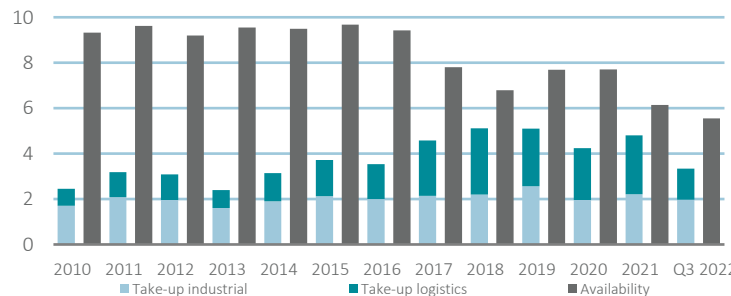
OCCUPIER MARKET: Changes in take-up volume of logistics space remain, despite the economic uncertainty, limited

Even though the economy is experiencing uncertainty, demand for industrial and logistics real estate remains strong. During the first nine months of 2022, take-up in the entire industrial and logistics market amounted to approximately 3.3 million square meters. This is comparable to the take-up volume during the first nine months of 2021. Logistics real estate continues to be popular. Changes in the take-up volume of logistics space remain, despite economic uncertainty, limited. The pandemic has accelerated a slow structural trend causing challenges for retailers, manufacturers, shippers and logistics providers to ensure supplies, maintaining inventory and dispatching orders in real time. The war on the European continent has also reinforced this existing process. These events have led to unprecedented pressure on the excising logistics real estate. However, if demand for consumer products continues to decline due to decreasing purchasing power, the occupier market will anticipate on this.

PRICING: adjustment to the new situation will increase yields

While the fundamentals of the occupier market are still strong, 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 however expected that investors will anticipate on these macro-economic developments. 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 logistics space, investors accepted increasingly sharper initial yields for the last few years. As a result, gross initial yields for Core investments of 3.3% were still registered at the beginning of 2022. In recent months, the market facing cyclical changes and now Core investments at logistics hotspots registered gross initial yields of 3.9%. These increasing yields are a direct result of the cyclical changes (increased interest rates), but are not a result of structural changes in the occupier market.

DUTCH OCCUPIER MARKET | x 1 mln sqm lfa



INDUSTRIAL YIELD DEVELOPMENT | GIY, excl. buyers' cost

