

€ 2,400

Prime rent

YoY Chg



12-Mo. Forecast



7.8%

Population Growth 2050



5.8%

Vacancy Rate



Source: CBS, Locatus, Cushman & Wakefield

ECONOMIC INDICATORS Q3 2022

4.6%

GDP Growth forecast 2022

YoY Chg



12-Mo. Forecast



5.7%

Consumer Spending Growth forecast 2022 vs 2021



4.5%

Turnover Growth 2022 vs 2021



Source: CPB, ING, Cushman & Wakefield

LOCAL MARKET RESEARCH LEAD

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INVESTMENT MARKET: wait and see attitude among investors to subdue 2022 investment volume

Although the investment volume in mid-2022 stands at EUR 633 million, a muted volume is assumed for the time being, measured over the entire year compared to 2021. Due to the sharp increase in inflation, commercial interest rates are under strong upward pressure: external financing has quickly become more expensive for real estate investors. Lenders are anticipating on the rise of policy interest rates, meaning additional liquidity costs will be charged on top of the prevailing margins. This development implies that parties that make use of external financing facilities are currently stepping down, because they can no longer make the highest bid. In a market defined by very low initial yields, this is currently particularly beneficial for institutional investors and private investors. But these investors too have now adopted a wait-and-see attitude in the justified expectation that initial yields are set to increase. There is already a considerable investor group that is already focusing on next year with regard to the acquisition strategy to be followed.

Transaction dynamics are currently being subdued as a result of the relatively large differences between bids and ask prices. The transactions that are currently going ahead are largely 'strategic' in nature and have been more long-term oriented.

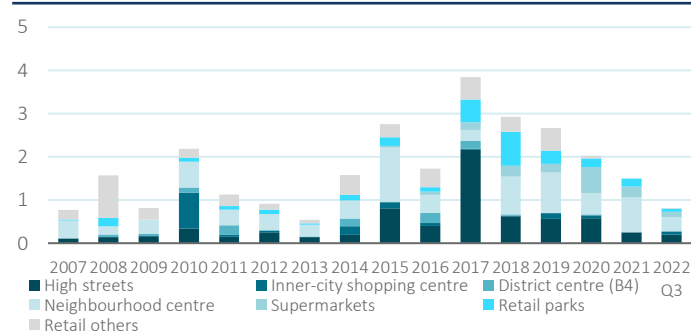
OCCUPIER MARKET: turnover growth as the result of increasing prices

Retail turnover kicked off from the start of 2022 with double digit growth rates in January and February (+14.8% and +10.8% respectively) but from May onwards, sales have been consistently lower than in the same months the year before. ING Bank forecasting expects revenue growth in 2022 to be almost equal to that of 2021 (+4.5%) but will be largely the result of price increases this year as volume growth will see a decrease by 2% compared to last year.

Despite the uncertain economic outlook, retailers are indeed looking for new outlets on the popular shopping streets. Portfolios are optimized in the context of consolidation. No more multiple branches in the same shopping street, but scaling up to one larger unit between mostly 200 sqm and 500 sqm on the best part of the shopping street. The remarkable situation now arises that both new international retailers and locally existing retailers are opting for the same retail properties. This selective demand pressure results in a relatively stable retail rent level, especially in these larger shopping cities.

The realization and finishing of the retail outlet itself is being made more difficult by the current long waiting times for contractors and the shortage of construction materials. This has led to the situation that on average there sits currently 9 months between the lease of the building and the opening of the store.

RETAIL INVESTMENT MARKET to segment | EUR bln.



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

