

Office Q4 2022

	YoY Chg	12-Mo. Forecast
8.2% Vacancy Rate	▼	▶
967,000 Take-up sqm 2022	▼	▶
€ 535 Prime rent (sqm/year)	▲	▶

ECONOMIC INDICATORS Q4 2022

	YoY Chg	12-Mo. Forecast
0,9% GDP Growth Forecast 2023	▼	▼
4.4% Unemployment Rate Forecast 2023	▼	▲
4.25% Prime yield (GIY, incl. buyers' costs)	▲	▲

Source: CBS, Cushman & Wakefield

LOCAL MARKET RESEARCH LEAD

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INVESTMENT MARKET: Volatility grows in investments

In 2022, the office market showed an investment volume of EUR 4.0 billion, which is approximately 27% of the total investment volume. This is a decrease compared to the end of 2021, when the share was 31%. The investment volume in 2022 is approximately 27% below previous year, although the volume in 2021 was largely realized through the sale of the High Tech Campus Eindhoven for EUR 1.1 billion and the ABN Amro HQ in the Amsterdam CBD area for EUR 785 million. Approximately 63% of the investment volume fell within the five largest cities (G5), the vast majority of which in Amsterdam with 32%. The decline in investment volume and stagnation in market dynamics is largely due to the uncertain economic outlook and rising financing costs. This affects the investment volume of 2023, which is expected to be lower than in previous years.

OCCUPIER MARKET: Occupiers determine office strategy

In 2022, 967,000 square meters of office space was taken into use (-7%). Office occupiers show a scattered picture across the board. Where commercial organizations such as business services and/or the creative industry struggle with the cost of housing issues versus the need to attract talent, a lot of dynamics are created on the public sector side. This sector is less dependent on cyclical day rates and has used the past period to further shape the return to the office. Due to the increased financing costs, companies with a large share of debt are more at risk when refinancing, which has a tempering effect on the ultimate results of a company. Due to the high share of debt and venture capital, this mainly applies to the Tech sector, although this sector is still showing growth across the board. At the end of 2022, the availability of office space has decreased by approximately 6.5% to 4.3 million square meters, of which 3.9 million square meters were physically vacant, resulting in a vacancy rate of 8.2%.

PRICING: Rental growth on prime locations

The limited amount of available office space in prime locations, the stagnation of new office space and rising inflation are putting further upward pressure on rents. In 2022, prime rents rose in Amsterdam to EUR 535 per square meter per year. Rotterdam and Utrecht also showed increases to EUR 295 and EUR 305 per square meter per year, respectively.

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



OFFICE YIELD DEVELOPMENT | GIY, incl. buyers' costs

