

NETHERLANDS

Retail Q3 2023



CUSHMAN & WAKEFIELD

€ 2,450

Prime rent Kalverstraat

YoY
Chg12-Mo.
Forecast

10.6%

Population Growth 2050



5.3%

Vacancy Rate



Source: CBS, Locatus, Cushman & Wakefield

ECONOMIC INDICATORS
Q3 2023

0.7%

GDP Growth forecast
2023YoY
Chg12-Mo.
Forecast

0.6%

Consumer Spending
Growth forecast 2023
vs 2022

2.5%

Turnover Growth 2023
vs 2022

Source: DNB, ING, Cushman & Wakefield

LOCAL MARKET RESEARCH LEAD

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INVESTMENT MARKET: first signs of returning investors as yields turn increasingly favorable

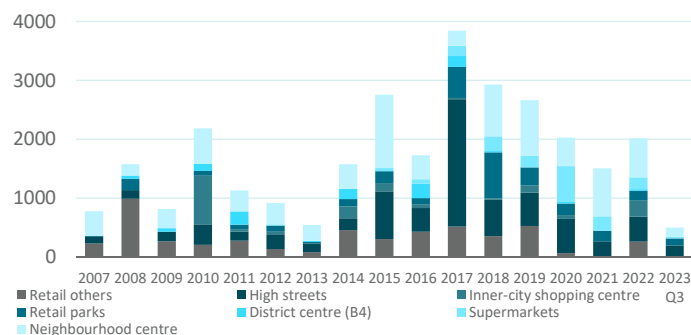
During the first three quarters of 2023, the retail market showed an investment volume of EUR 504 million, which is approximately 8.4% of the total investment volume. Compared to the same period in 2022 when the investment volume in the retail market was EUR 820 million, this represents a decrease of 39%. Around 38% of the investment volume in the retail market in 2023 was invested in urban retail real estate, known as High Streets, followed by neighborhood shopping centers (31%) and Out of town (23%). The most significant transactions included the sale of Woonmall Alexandrium for EUR 72 million from CBRE IM to Retail Estates and the sale of Winkelcentrum Plein '40-'45 for EUR 40 million from CBRE IM to Demir/Duijndam. Taking into account transactions in the pipeline, it is expected that the retail investment volume will reach EUR 850 million..

OCCUPIER MARKET: Purchasing power dwindling and subsequently retail turnover

Despite the uncertain economic outlook, retailers are still actively searching for new physical retail spaces in popular shopping streets, but lease renewals have become the latest trend. In the recent period, retailers have been optimizing their operations by consolidating multiple branches into larger locations and relocating to areas with higher foot traffic. As a result, both existing retailers and potential new international retailers are opting for equivalent retail spaces with similar dimensions. This selective demand pressure has led to a relatively stable level of retail rent prices, especially in these larger cities.

For the first time since the rise of online shopping, there has been a decline in the number of retail sales, with people increasingly visiting physical stores and buying fewer products online. New businesses are emerging in shopping streets, and retail vacancy rates are at their lowest level in a decade. From a policy perspective, there is now a constructive approach from local authorities by expanding the permitted use of properties to either residential or commercial purposes to keep cities vibrant. This has resulted in a significant reduction in the amount of vacant retail space, which accounted for only 6.0% of the total inventory in the third quarter of 2023. Currently, there is little visible retail vacancy in shopping streets, and the remaining retail spaces in feeder streets are generally occupied.

RETAIL INVESTMENT MARKET to segment | EUR bln.



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

