



Office Q4 2023

8.4%

Vacancy Rate

YoY
Chg12-Mo.
Forecast

780,000

Take-up 2023, in sqm

€ 580

Prime rent (sqm/year)

ECONOMIC INDICATORS

Q4 2023

0.3%

GDP Growth forecast
2024

4.0%

Unemployment Rate
Forecast 2023

5.25%

Prime yield (GIY,
incl. buyers' costs)

Source: DNB, Cushman & Wakefield

LOCAL MARKET RESEARCH LEAD

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INVESTMENT MARKET: sentiment improving while investment activity is subdued

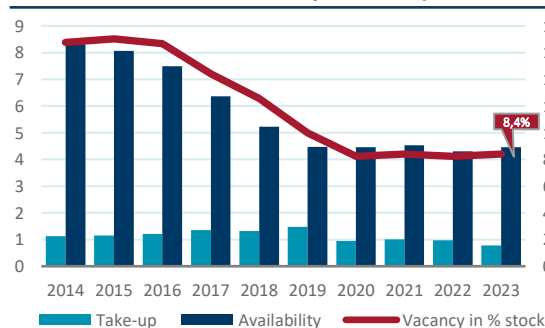
Throughout the year 2023, the investment volume in the office market remained approximately 60% lower compared to the previous year, evidenced by an investment volume of approximately EUR 1.7 billion, which accounts for 19% of the total investment volume. Major transactions included the purchase of De Resident in The Hague by the State Real Estate Company for EUR 217 million, and the acquisition of Blaak 31 in Rotterdam by Patrizia for EUR 91 million. American investors have almost globally divested from anything related to office investments over the past year. These decisions have been driven by the negative sentiment in the US office market. This presents investment opportunities for Dutch institutional investors who can manage with little to no external financing.

OCCUPIER MARKET: Occupiers focus on high quality office space

In 2023, the absorption of office space amounted to 780,000 square meters, representing a decrease of 19.3% compared to the previous year. The supply of offices increased slightly by 3.5%. This had only a limited impact on the vacancy rate, which increased by 0.3 percentage points to 8.4% of the stock. At the same time, record rental prices are being achieved for high-quality buildings in prime locations. It is these transactions that have supported office absorption this year.

Compared to the pre-pandemic years of 2018 and 2019, the effective demand for office space this year is approximately 40% below the levels of 2018 and 2019, and approximately 20% to 25% below the (post)pandemic years between 2020 and 2022. This indicates a structural trend in the office market towards hybrid working. In this setting, office users prefer locations that are easily accessible and where all possible facilities are within reach. It's not just about reducing square footage, but primarily about a different way of using space in alternative locations. Due to the tight market situation in prime office locations, the addition of various high-quality new-build office developments, rents show an increase in 2023. The prime rent in Amsterdam currently sits at EUR 580 per square meter per year

DUTCH OCCUPIER MARKET | in mln sqm. lfa. market



OFFICE YIELD DEVELOPMENT | GIY, incl. buyers' costs

