

RESEARCH



# DUTCH OFFICE MARKET REPORT

OCCUPIER MARKET TRENDS IN THE RANDSTAD  
**2014**

NL REAL ESTATE IN ASSOCIATION WITH KNIGHT FRANK

**NL** real  
estate

AMSTERDAM

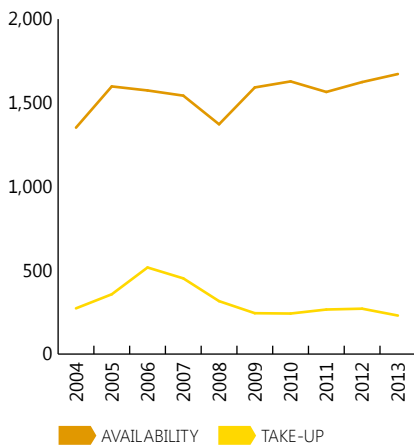
THE HAGUE

ROTTERDAM

UTRECHT

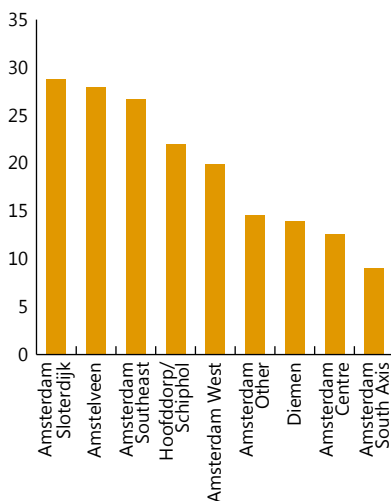
*The South Axis regained its position as the most active office district.*

FIGURE 1  
Availability versus take-up  
000s sq m



Source: Bak Property Research/Knight Frank

FIGURE 2  
Availability rates by district,  
year-end 2013  
%



Source: Bak Property Research/Knight Frank

### Amsterdam's main office districts



## AMSTERDAM

Although demand for office space in the Amsterdam region remained relatively healthy in 2013, total take-up decreased to just under 230,000 sq m, 15% down on 2012. The fall in overall take-up reflected declines in both the city of Amsterdam itself and the town of Hoofddorp. In the city of Amsterdam, take-up amounted to approximately 190,000 sq m.

Among the deals that were completed, some had been widely anticipated as it had been known for a long time that several major occupiers were exploring options for the relocation of their offices. However, an unexpected trend was that a number of companies opted to pre-lease space in buildings that are yet to be constructed. For example, the law firms Stibbe and NautaDutilh signed lease agreements, for 14,000 sq m and 10,000 sq m respectively, in new buildings to be developed in the South Axis district.

The South Axis regained its status as the most sought-after office location in Amsterdam, after seeing reduced take-up in recent years. Demand for office space was also strong in the city centre, but take-up decreased significantly in the Southeast

district compared with the record take-up of the previous year.

There was a slight increase in availability within the region, which was most notable in the city of Amsterdam, where approximately 18.3% of the office stock was vacant at the year-end. Availability declined in the city centre and the West district, but this was largely offset by increased availability in Amsterdam Southeast. Vacancy levels in the South Axis remained virtually unchanged compared with the previous year, at approximately 9.0%.

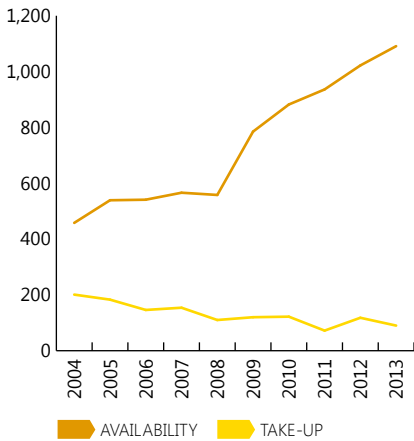
TABLE 1  
Office rents 2014 (€ per sq m pa)

District	Rental range
Amsterdam Centre	175 - 340
Amsterdam Sloterdijk	125 - 180
Amsterdam West	125 - 195
Amsterdam South Axis	275 - 340
Amsterdam Southeast	100 - 195
Amsterdam Other	135 - 190
Amstelveen	140 - 200
Diemen	100 - 140
Hoofddorp/Schiphol	100 - 325

Source: Knight Frank

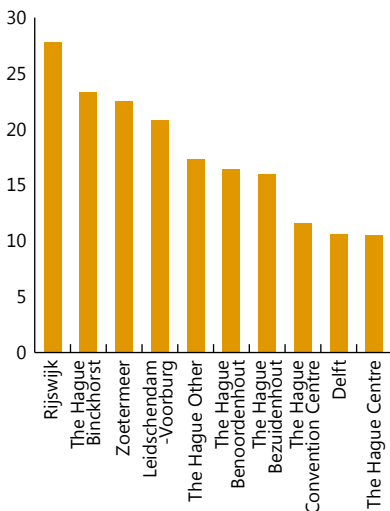
Take-up was boosted by a number of large deals in Bezuidenhout.

FIGURE 1  
Availability versus take-up  
000s sq m



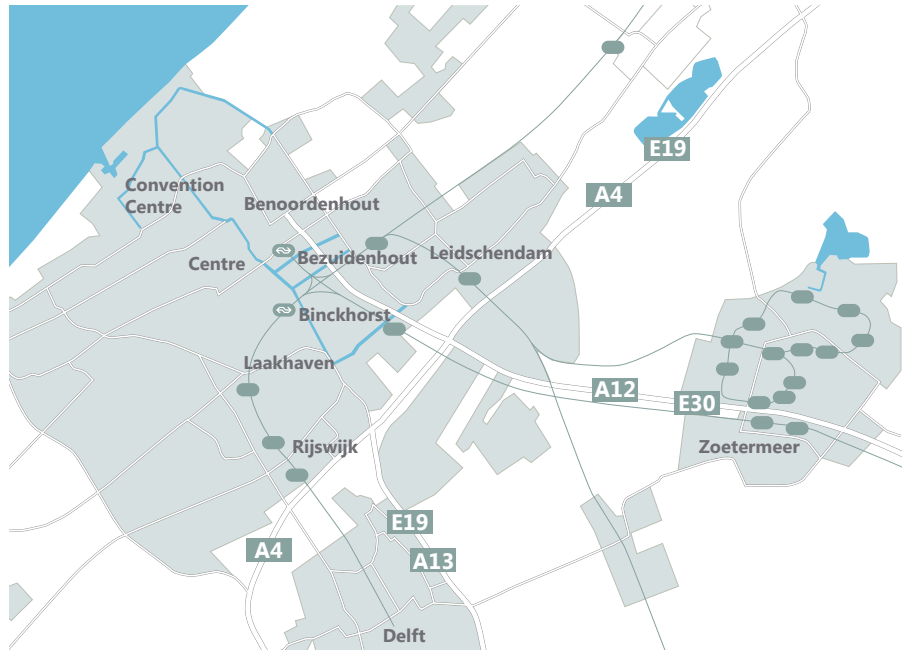
Source: Bak Property Research/Knight Frank

FIGURE 2  
Availability rates by district,  
year-end 2013  
%



Source: Bak Property Research/Knight Frank

### The Hague's main office districts



## THE HAGUE

Demand for office space in The Hague and its surrounding towns was relatively modest in 2013. As a result, total take-up fell to approximately 90,000 sq m, 24% down on 2012. In addition to reduced take-up in the city of The Hague, leasing activity was particularly low in the town of Zoetermeer. However, market sentiment was healthier than the headline figures might suggest, as there were a number of large leasing deals concluded by a variety of major office occupiers, such as CB&I, TNO, AT&T and Mandema & Partners.

The large leasing deals that did occur were mainly for properties in the Bezuidenhout district, which helped this area to account for a significant proportion of overall take-up. Particularly noteworthy was the 18,000 sq m deal concluded by the energy infrastructure company CB&I in the Haagse Poort office complex. Additionally, a number of major deals were completed in the city centre, particularly in buildings around the Central Railway Station. These included transactions in the Stichtage building, which took its occupancy rate to over 90%, and the New Babylon office complex, where the research organisation TNO leased 9,500 sq m.

Office availability within the region increased during 2013, particularly in the city of The Hague, where there was approximately 591,000 sq m of vacant office space at the end of the year, or 14.5% of the total stock. This was mainly the result of redundant government buildings being vacated and placed onto the market. The largest increases in availability came in the city centre and the Bezuidenhout area.

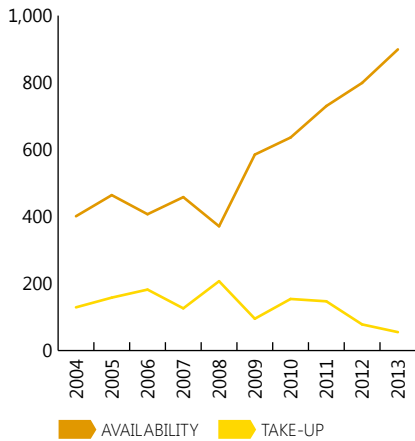
TABLE 1  
Office rents 2014 (€ per sq m pa)

District	Rental range
The Hague Centre	135 - 220
The Hague Bezuidenhout	165 - 200
The Hague Benoordenhout	150 - 200
The Hague Binckhorst	100 - 150
The Hague Convention Centre	135 - 180
The Hague Other	90 - 180
Leidschendam-Voorburg	110 - 160
Rijswijk	90 - 160
Delft	110 - 150
Zoetermeer	100 - 160

Source: Knight Frank

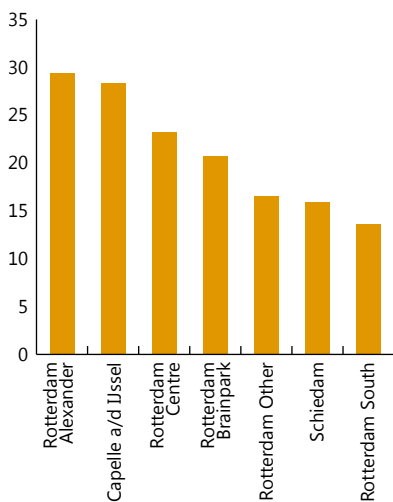
Overall take-up fell, but demand held firm in the city centre.

FIGURE 1  
Availability versus take-up  
000s sq m



Source: Bak Property Research/Knight Frank

FIGURE 2  
Availability rates by district,  
year-end 2013  
%



Source: Bak Property Research/Knight Frank

Rotterdam's main office districts



ROTTERDAM

The take-up of office space within the Rotterdam region fell by 29% in 2013 to approximately 55,000 sq m. Take-up within the city itself was 46,000 sq m; the lowest total in recent years. Demand for space held up reasonably strongly in the city centre, where leasing transaction volumes reached a similar total to the previous year. However, there was limited demand elsewhere in the city and the Alexander and Brainpark office districts saw particularly low levels of leasing activity.

A lack of large-scale transactions contributed to the fall in take-up, as the only sizeable deal transacted on the open market was the letting of 4,300 sq m to the cable company UPC. The majority of deals completed during 2013 were in the 400-1,500 sq m range. However, the market did see a number of large renegotiations, where tenants extended their leases, for example Unilever prolonged their lease at Weena (22,000 sq m).

There was a significant increase in office availability within the Rotterdam region in 2013, particularly in the city of Rotterdam itself where approximately 724,000 sq m of space was available for lease at the

year-end, or 20.7% of the city's total stock. The sharpest increase in availability was in the city centre, and primarily resulted from the appearance on the market of office space previously occupied by the insurance company Nationale-Nederlanden. Availability also rose in Schiedam to 15.9%, but remained virtually unchanged in Capelle a/d IJssel throughout 2013, at 28.4%.

Office rents came under downward pressure in some submarkets within the Rotterdam region during 2013, but remained stable in the city centre, where they can continue to reach €210 per sq m per annum for prime space.

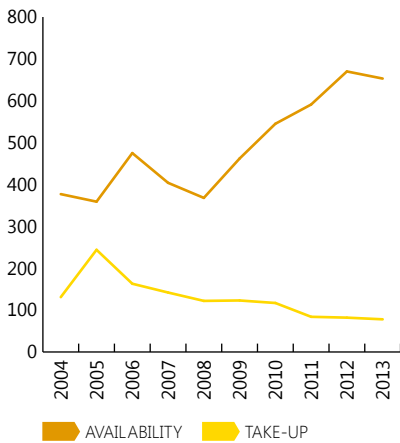
TABLE 1  
Office rents 2014 (€ per sq m pa)

District	Rental range
Rotterdam Centre	125 - 210
Rotterdam Alexander	120 - 180
Rotterdam Brainpark	130 - 170
Rotterdam South	110 - 200
Rotterdam Other	90 - 155
Capelle a/d IJssel	90 - 150
Schiedam	100 - 140

Source: Knight Frank

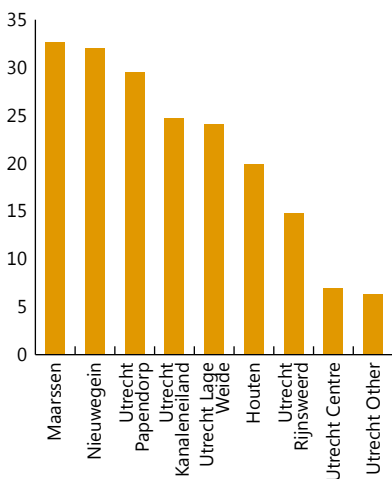
*Robust take-up contributed to falling vacancy rates in 2013.*

FIGURE 1  
Availability versus take-up  
000s sq m



Source: Bak Property Research/Knight Frank

FIGURE 2  
Availability rates by district,  
year-end 2013  
%



Source: Bak Property Research/Knight Frank

Utrecht's main office districts



UTRECHT

Office market sentiment remained robust in the Utrecht region in 2013, with the take-up of office space reaching approximately 78,000 sq m, a very similar total to 2012. The vast majority of this was accounted for by activity in the city of Utrecht itself, where approximately 73,000 sq m were leased on the open market.

Although the majority of take-up comprised deals between 300-1,600 sq m, there were also several large transactions during the year. These included transactions involving the software provider UNIT4, the Ministry of Health, Welfare and Sport, Plus Retail and EBN, while the largest transaction of 2013 was the leasing of almost 15,000 sq m of office space by the University of Applied Sciences Utrecht.

Positive sentiment and robust demand were noted across most locations in Utrecht, with take-up being particularly strong in the city centre, Rijnsweerd and Papendorp office park. Within the city centre, demand was largely focused on the Hoog-Catharijne area. However, in contrast to the strong demand in the city of Utrecht, a low level of office take-up was noted in the neighbouring town of Nieuwegein.

Availability within the Utrecht region declined for the first time in recent years. This was a result of both the take-up of existing premises and the withdrawal from the stock of a number of old office buildings, which will be replaced by residential developments. Availability fell most greatly in Nieuwegein and the city of Utrecht, where the vacancy rate dropped to approximately 13.5%.

TABLE 1  
Office rents 2014 (€ per sq m pa)

District	Rental range
Utrecht Centre	135 - 200
Utrecht Rijnsweerd	125 - 175
Utrecht Kanaleneiland	120 - 165
Utrecht Lage Weide	100 - 135
Utrecht Papendorp	155 - 190
Utrecht Other	115 - 180
Maarsse	90 - 140
Nieuwegein	90 - 140
Houten	90 - 135

Source: Knight Frank

## AMERICAS

USA  
Canada  
Caribbean

## AUSTRALASIA

Australia  
New Zealand

## EUROPE

UK  
Austria  
Belgium  
Czech Republic  
France  
Germany  
Ireland  
Italy  
Monaco  
Poland  
Portugal  
Romania  
Russia  
Spain  
Switzerland  
The Netherlands  
Ukraine

## AFRICA

Botswana  
Kenya  
Malawi  
Nigeria  
South Africa  
Tanzania  
Uganda  
Zambia  
Zimbabwe

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Cambodia  
China  
Hong Kong  
India  
Indonesia  
Macau  
Malaysia  
Singapore  
South Korea  
Thailand  
Vietnam

## THE GULF

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