

Occupier market trends in the Randstad.

Amsterdam ♦ The Hague ♦ Rotterdam ♦ Utrecht

NL real estate

 Knight Frank

Dutch Office Market Report

Research 2022

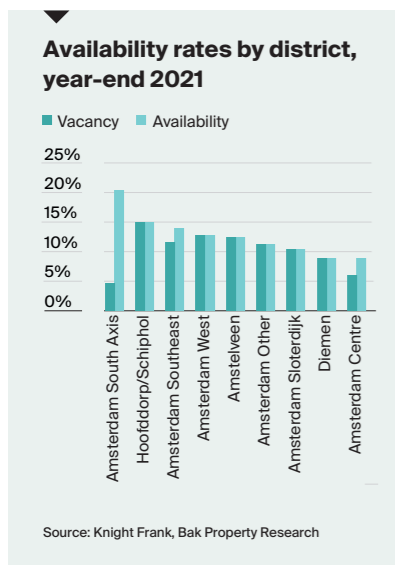
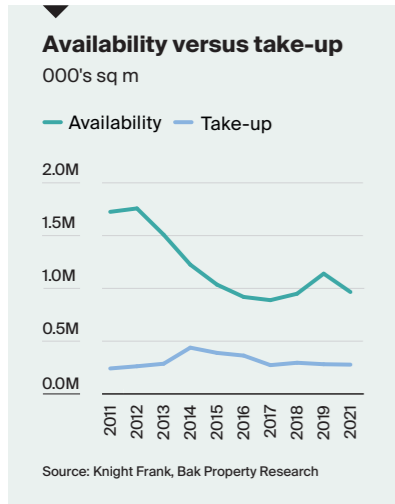
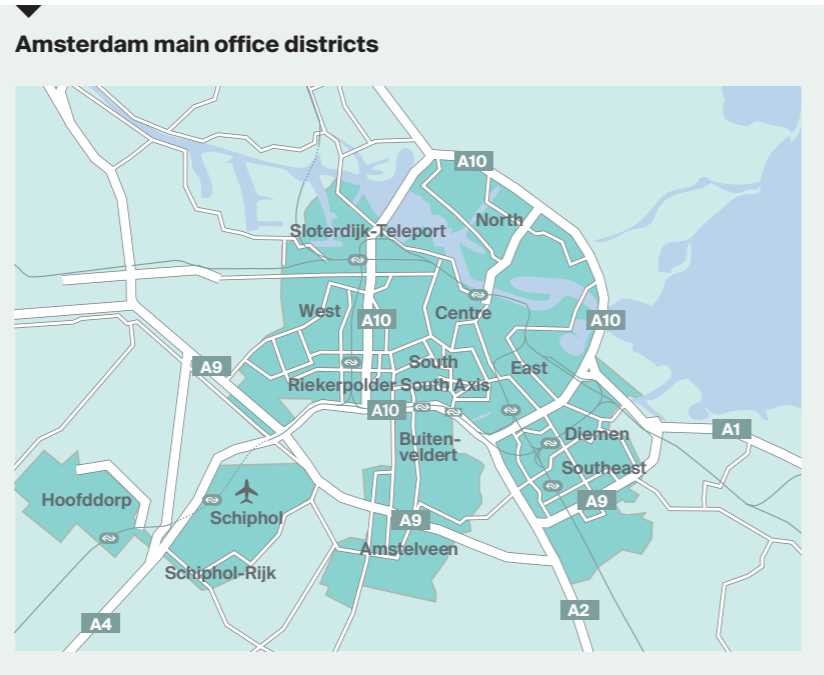
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AMSTERDAM

Low vacancy of 4.5% meant that take-up in Amsterdam slightly moderated in 2021

Office demand in the Amsterdam region held up well in 2021, with multiple small to medium-sized offices let or sold on the open market last year. Despite this, take-up in the region moderated slightly over in 2021. Nevertheless, take-up, particularly in the city of Amsterdam, was supported by a number of large deals. For example, the banking organisation ING, signed an agreement for the construction of 31,000 sq m of office space in the Southeast district. The leasing transaction of 18,000



sq m to law firm De Brauw Blackstone Westbroek and deals arranged with organisations such as Just Eat Takeaway, Jetbrains, DLA Piper and BNP Paribas, were also prominent. Since the large letting deals were mainly for properties in the South Axis district, this area accounted for a significant proportion of take-up. In addition, many deals were also completed in the city centre and in Southeast. Out-of-town locations such as Sloterdijk and Riekerpolder, on the other hand saw declining interest. In the surrounding towns, Hoofddorp in particular recorded significant activity. Here, take-up totalled approximately 36,000 sq m, an improvement on the year prior. An office leasing deal that significantly contributed to this increase was completed by the City of Haarlemmermeer. Meanwhile, office premises on the Beukenhorst South estate proved particularly popular in 2021.

Availability increased over 2021, across most locations in the Amsterdam region.

The increase was greatest in Amsterdam itself, largely driven by the construction of 90,000 sq m of speculative office space. By year end, approximately 807,000 sq m or 12.9% of the stock was available to let in Amsterdam. Availability in the South Axis area was heavily influenced by the office complex Tower Ten, the latest addition to the World Trade Center, and De Puls. Considering the current vacancy rate of approx 4.5% these new developments are necessary to satisfy the high demand for good quality offices at the South Axis.

OFFICE RENTS 2022 (€ PER SQ M PA)

DISTRICT	RENTAL RANGE
Amsterdam Centre	200 - 500
Amsterdam Sloterdijk	145 - 250
Amsterdam West	145 - 250
Amsterdam South Axis	275 - 500
Amsterdam Southeast	145 - 260
Amsterdam Other	125 - 170
Amstelveen	125 - 225
Diemen	100 - 195
Hoofddorp/Schiphol	125 - 385
Amsterdam North	145 - 260

THE HAGUE

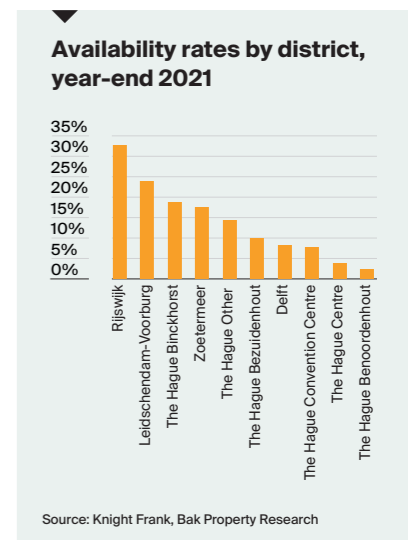
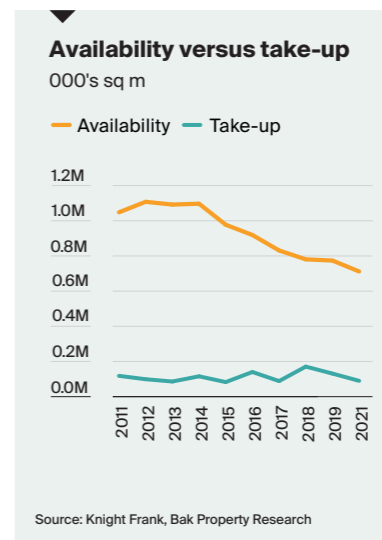
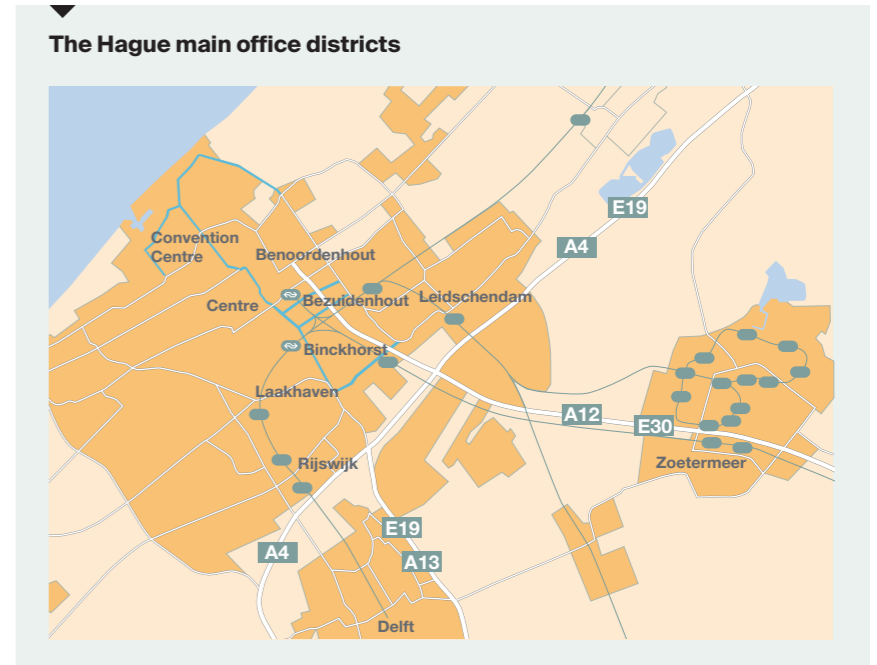
Despite declining take-up, availability contracted over 2021

The office property market in The Hague and surrounding towns, traditionally important in this region, saw declining demand in 2021. Less deals were concluded on the open market, particularly in the first half of the year. Although demand subsequently picked up in the second half, this was not enough to close the gap. As a result, take-up in the region finished 30% down on the previous year. The fall occurred across a variety of locations, but was most apparent in Rijswijk and the city of The Hague itself. In the city of The Hague, alongside a fall in take-up, demand for assets with larger floor space also declined in comparison to 2020. Property was taken up primarily by office occupiers requiring lot sizes between 200 sq m and 2,000 sq m. This group accounted for almost 40% of total take-up. Overall, demand failed to exceed 62,000 sq m. The only deal of notable size was the sale of 35,000 sq m of office space to the Central Government Real Estate Agency. Partly as a result of this sale, the Binckhorst district became the 'hot spot' of the city of The Hague. The high level of take-up in the Binckhorst area was in stark contrast to that of office space in the Beatrixkwartier, where office take-up failed to gain momentum.

Despite declining take-up, availability across the region contracted over 2021.

OFFICE RENTS 2022 (€ PER SQ M PA)

DISTRICT	RENTAL RANGE
The Hague Centre	135 - 225
The Hague Bezuidenhout	150 - 225
The Hague Benoordenhout	120 - 200
The Hague Binckhorst	70 - 140
The Hague Convention Centre	145 - 185
The Hague Other	90 - 165
Leidschendam-Voorburg	90 - 130
Rijswijk	90 - 140
Delft	100 - 150
Zoetermeer	80 - 140



Aside from The Hague, falls were also experienced in Zoetermeer and Rijswijk. At year-end, a total of 290,000 sq m of office space was available in the city of The Hague, or 7.9% of the city's total stock. The reduction in supply benefited the Binckhorst area in particular. Meanwhile in Beatrixkwartier, the amount of office space increased

substantially, partially driven by the office formerly occupied by PostNL coming to the market. Although availability as a whole decreased, there was still little cause for positive sentiment. Hardly any new premises were added to the office stock, which caused the availability of high-grade office space for immediate occupation to decline.

ROTTERDAM

Robust demand in 2021 saw occupier activity remain in line with the previous year, driven by leasing transactions between 200 sq m and 1,000 sq m

The demand for office property in the Rotterdam region remained robust in 2021. On the open market, lettings and sales equalled the levels recorded in the previous year. At the forefront was the city of Rotterdam itself, where occupiers were most active. There were multiple small letting deals in the city, which totalled roughly 85,000 sq m of take-up. Although the majority of take-up was of lot sizes between 200

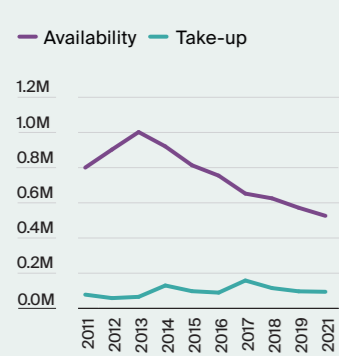
Rotterdam main office districts



sq m and 1,000 sq m, there were also a few large letting deals, including those with Microlab, LKQ Corporation, STC Group, Parnassia, Verwater SJR and BDO. The strong levels of take-up were driven by interest in the city centre, which accounted for 45% of total take-up in the city. Locations such as Brainpark and Kop van Zuid, on the other hand, encountered declining interest, which meant take-up failed to meet 2020's levels. In spite of the positive overall performance of the office sector in the city of Rotterdam last year, other towns in the region contended with more sluggish conditions, leading to a lower volume of transactions. In Capelle a/d IJssel take-up volume declined significantly. The Rivium office park suffered most from cautious occupiers.

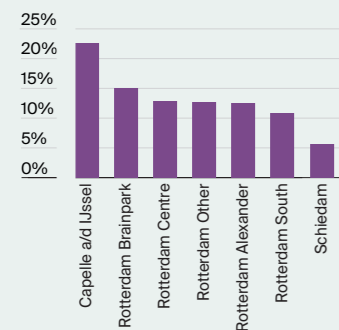
Over 2021, growing demand in the city of Rotterdam was accompanied by a fall in the amount of space available for immediate occupation. Apart from the substantial take-up of existing office

Availability versus take-up



Source: Knight Frank, Bak Property Research

Availability rates by district, year-end 2021



Source: Knight Frank, Bak Property Research

space, another contributory factor was that an estimated 30,000 sq m of office space was removed from office stock for change of use or demolition purposes. This resulted in a decline in available space to 413,000 sq m, equivalent to approximately 12.7% of total stock. The city centre and the Alexander district benefitted most from this fall.

OFFICE RENTS 2022 (€ PER SQ M PA)

DISTRICT	RENTAL RANGE
Rotterdam Centre	140 - 235
Rotterdam Alexander	130 - 165
Rotterdam Brainpark	150 - 180
Rotterdam South	90 - 225
Rotterdam Other	85 - 150
Capelle a/d IJssel	90 - 135
Schiedam	80 - 135

UTRECHT

Occupier demand in Utrecht was bolstered by a strong second half of the year

Demand for office property in the Utrecht region was well maintained in 2021, with most deals on the open market concluded in the second half of the year. In contrast to 2020, demand focused mainly on lot sizes between 200 sq m and 1,500 sq m, with larger office premises attracting less interest. The fact that the volume of transactions held up well in the region was largely driven by demand in the city of Utrecht. Almost 63,000 sq m of office space was taken up by occupiers. While most leasing deals in the city of Utrecht were concluded by smaller occupiers, there were a few relatively large letting deals undertaken by Witteveen+Bos, Utrecht University, Strukton Worksphere, OGD, Cushman & Wakefield and PepsiCo. Tenant interest also focused on locations outside the city centre, in particular, Rijnsweerd and Papendorp. However, this interest was not at the expense of demand in the city centre, where take-up of office space held up well and several sizable deals were concluded. The high level of take-up in the city of Utrecht was in stark contrast to that of the neighbouring town of Nieuwegein, where take-up was only 4,000 sq m.

Total availability in the region declined somewhat last year, this being attributable primarily to Nieuwegein. Vacancy decreased as a result of the withdrawal from stock of a number of old office

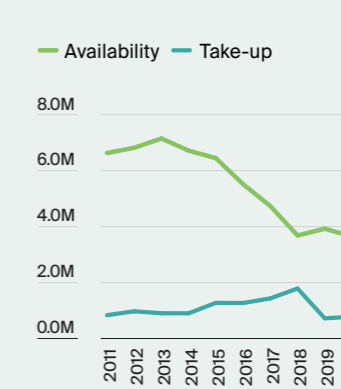
OFFICE RENTS 2022 (€ PER SQ M PA)

DISTRICT	RENTAL RANGE
Utrecht Centre	140 - 285
Utrecht Rijnsweerd	145 - 170
Utrecht Kanaleneiland	130 - 185
Utrecht Lage Weide	80 - 135
Utrecht Papendorp	140 - 180
Utrecht Other	130 - 175
Maarsse	90 - 135
Nieuwegein	90 - 135
Houten	90 - 135

Utrecht main office districts

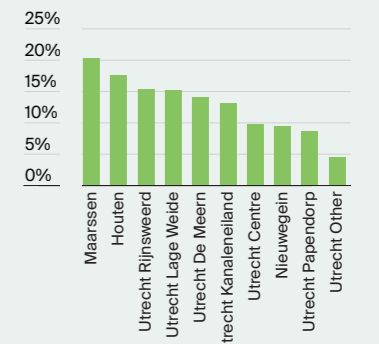


Availability versus take-up



Source: Knight Frank, Bak Property Research

Availability rates by district, year-end 2021



Source: Knight Frank, Bak Property Research

complexes, to make room for residential developments. Apart from Nieuwegein, falls were also experienced in the city of Utrecht. The reduction in supply benefitted Kanaleneiland the most. The area available for letting on the Rijnsweerd site remained virtually unchanged and only substantial increase in supply was

in the area around the Central Railway Station. The fall in supply in Utrecht was insufficient to prevent vacancy levels from remaining on the high side. At the year-end, a total of 263,000 sq m was available in the city of Utrecht, or 9.4% of the city's total stock. This compares to a vacancy rate of 9.6% in 2020.

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