



2011 DUTCH OFFICE MARKET REPORT

Occupier market trends in the Randstad

NL real estate in association with

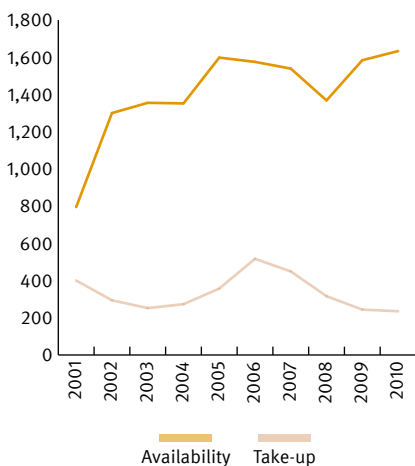
Knight Frank

HIGHLIGHTS

- Occupier demand in the big four office markets of the Randstad conurbation held up well in 2010. While take-up levels were a little down in the cities of Amsterdam and Utrecht, Rotterdam saw increased tenant activity. The Hague region recorded a similar take-up total to 2009.
- Once again, the pulling power of Amsterdam's South Axis was much in evidence, with its office premises accounting for 40% of total take-up in the city. Office rents in this area continue to be the most expensive in the Netherlands.
- The good levels of demand in the big four markets were not enough to prevent availability from rising in 2010. The increases in availability were highest in The Hague and Utrecht.

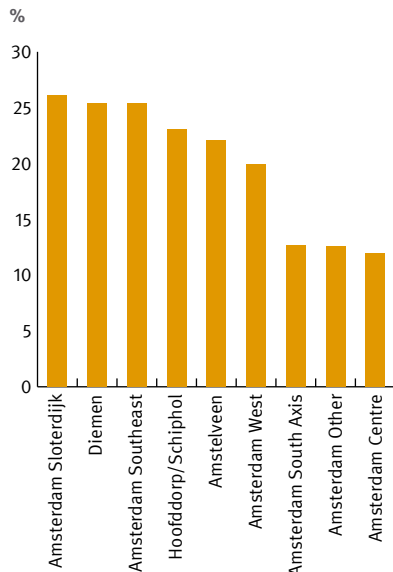
OCCUPIER DEMAND REMAINS FOCUSED ON THE SOUTH AXIS

Figure 1
Availability versus take-up
 000s sq m



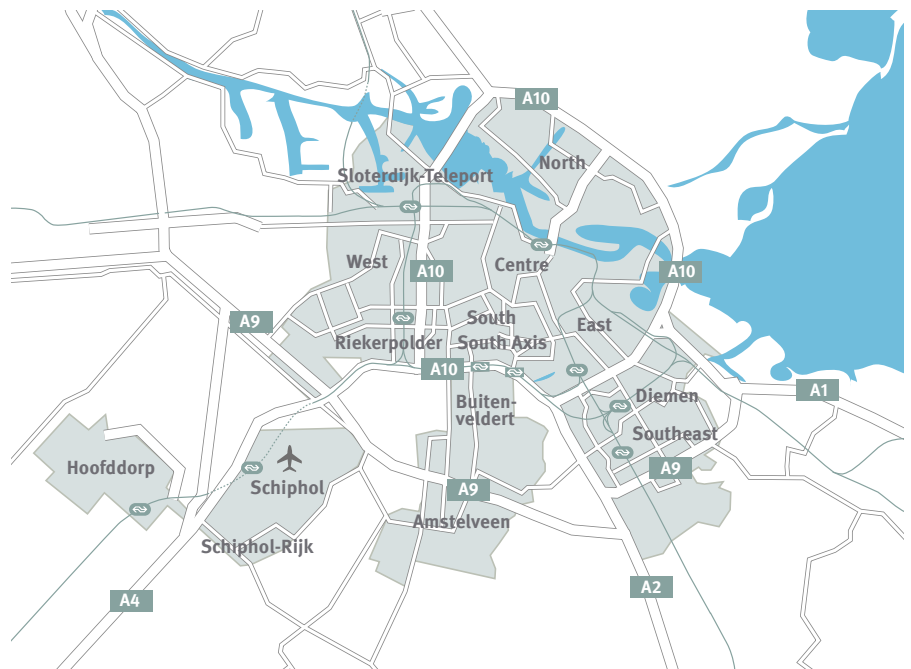
Source: Bak Property Research/Knight Frank

Figure 2
Availability rates by district, year-end 2010
 %



Source: Bak Property Research/Knight Frank

Amsterdam's main office districts



Amsterdam

Although there was strong occupier interest in offices in the Amsterdam region during 2010, the volume of take-up fell slightly from the previous year's total, to approximately 235,000 sq m. Take-up was particularly weak in Amstelveen, where demand for offices dried up almost completely, and Hoofddorp, where fewer large deals were concluded than in 2009. In contrast, the market was buoyant in the city of Amsterdam itself with take-up reaching 195,000 sq m, an increase on 2009's level. This rise was largely driven by deals involving the accountancy firm Deloitte, which pre-let approximately 35,000 sq m of offices in a building to be constructed on the South Axis, and the Royal Bank of Scotland (RBS) which let 10,000 sq m in the same district.

The large deals involving Deloitte, RBS and Spaces, a serviced offices provider, reflect the fact that demand within Amsterdam focused primarily on the South Axis. Demand was also strong in the city centre. In the Southeast district, office take-up was almost equal to that in 2009. Other locations in Amsterdam experienced reduced demand, particularly the Sloterdijk area.

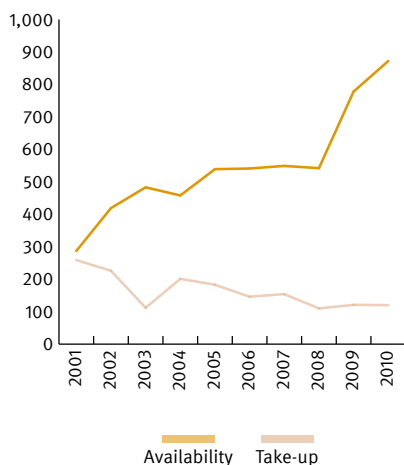
Office vacancy rates in the city of Amsterdam fell slightly in 2010. The decline was caused primarily by the withdrawal of a large amount of space from the office stock, notably in Amsterdam West, where it was decided to change the use of the former GAK office. Despite the fall in availability in Amsterdam, 17.5% of the office stock remained empty at the end of the year. While availability in the city of Amsterdam declined, it increased elsewhere, particularly in Hoofddorp.

Table 1
Office rents 2011 (€ per sq m pa)

District	Rental range
Amsterdam Centre	175 - 325
Amsterdam Sloterdijk	145 - 185
Amsterdam West	135 - 210
Amsterdam South Axis	275 - 340
Amsterdam Southeast	125 - 195
Amsterdam Other	135 - 190
Amstelveen	155 - 225
Diemen	125 - 155
Hoofddorp/Schiphol	125 - 325

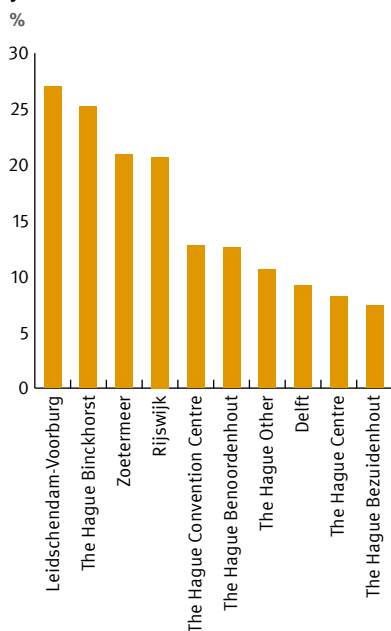
Source: Knight Frank

Figure 1
Availability versus take-up
000s sq m



Source: Bak Property Research/Knight Frank

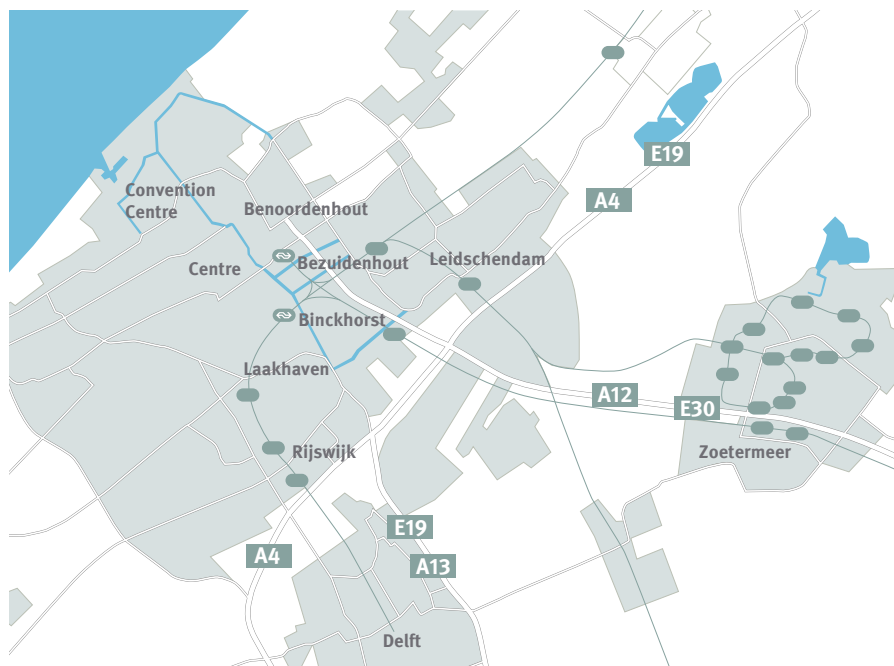
Figure 2
Availability rates by district, year-end 2010



Source: Bak Property Research/Knight Frank

AVAILABILITY INCREASED, DESPITE ROBUST LEVELS OF DEMAND

The Hague's main office districts



The Hague

Demand for office space in The Hague and its surrounding towns developed positively in 2010 and, contrary to expectations, the take-up of office space on the open market was almost equal to 2009's total. This was primarily a result of solid demand in the city of The Hague itself, where take-up came to 90,000 sq m, virtually the same as in the previous year. Although the majority of take-up was for lot sizes between 300 and 2,000 sq m, there were also a few large deals, including those involving Mn Services, CAK, Pels Rijcken & Drooglever Fortuijn, BarentsKrans and Leiden University. Demand from the public sector was noticeably down on previous years.

A significant proportion of take-up occurred in Bezuidenhout, which saw a number of large letting transactions. In addition, many deals were completed in the city centre. However, demand was weak in the Binckhorst business district and the Laakhaven area.

There was a large increase in the availability of office space in 2010, particularly in the city of The Hague. The increased availability occurred mainly in the city centre,

Benoordenhout and the Binckhorst industrial estate, resulting in approximately 445,000 sq m of vacant office space at the end of the year, or 10.8% of The Hague's total stock. Availability also rose in Zoetermeer, with the vacancy rate rising to 20.9%. Rijswijk was the only location to see availability remain unchanged, but there remains plenty of office space available to let in this municipality.

Table 1
Office rents 2011 (€ per sq m pa)

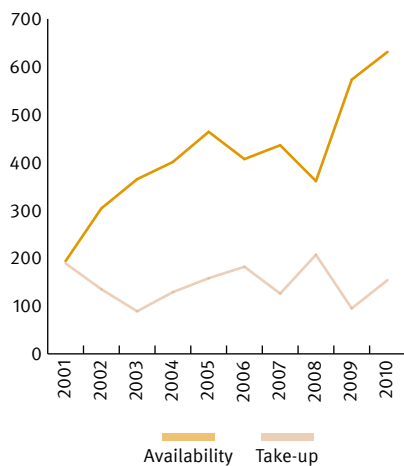
District	Rental range
The Hague Centre	135 - 230
The Hague Bezuidenhout	180 - 220
The Hague Benoordenhout	150 - 200
The Hague Binckhorst	125 - 160
The Hague Convention Centre	130 - 180
The Hague Other	90 - 180
Leidschendam-Voorburg	120 - 170
Rijswijk	90 - 160
Delft	110 - 150
Zoetermeer	100 - 165

Source: Knight Frank



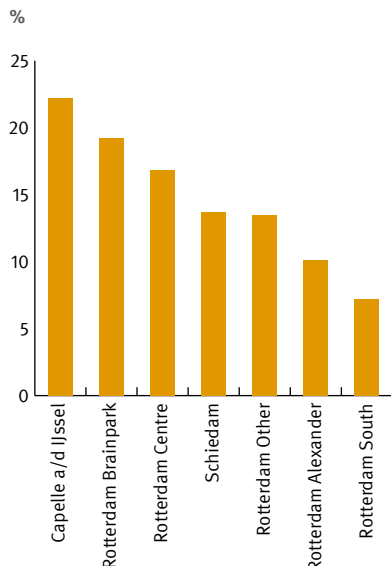
TAKE-UP ROSE BY AN UNEXPECTEDLY STRONG DEGREE

Figure 1
Availability versus take-up
 000s sq m



Source: Bak Property Research/Knight Frank

Figure 2
**Availability rates by district,
 year-end 2010**



Source: Bak Property Research/Knight Frank

Rotterdam's main office districts



Rotterdam

The office market in the Rotterdam region experienced surprisingly strong demand in 2010. The improved take-up of office space was attributable primarily to a number of large letting deals in Rotterdam itself, involving Van Oord, Stedin, RET, Shell Downstream, NautaDutilh and Allianz, among others. As a result, take-up came to approximately 136,000 sq m, almost twice the total in 2009.

The various subdistricts of Rotterdam experienced mixed fortunes. Take-up fell in the Alexander district, but rose substantially in the city centre, with the sizable deals concluded by Shell, Stedin and NautaDutilh playing a decisive role. The strong demand for premises in the city centre provided further evidence of its desirability to major companies and organisations. The high level of take-up in the city of Rotterdam was in stark contrast to the neighbouring town of Capelle a/d IJssel, where take-up came to just 13,000 sq m.

The improved demand for office space was not enough to reduce availability in the region. Available space increased in virtually

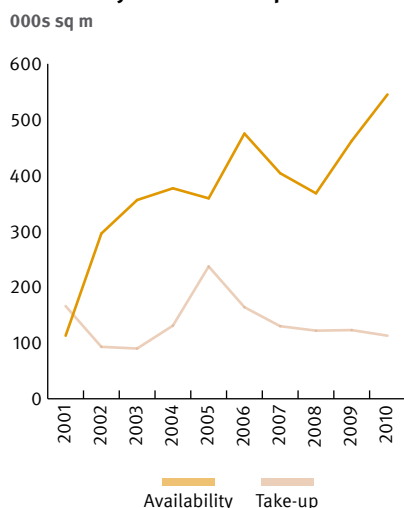
all parts of the region last year. The largest increase occurred in Rotterdam itself, where approximately 14% of the office stock was available for letting at the end of the year. The increased availability in Rotterdam was particularly notable in the city centre and the Alexander district. Moreover, the Brainpark district was the only area of the city to see a fall in the amount of available space. Availability also rose in Capelle a/d IJssel, though to a lesser extent than in Rotterdam.

Table 1
Office rents 2011 (€ per sq m pa)

District	Rental range
Rotterdam Centre	85 - 200
Rotterdam Alexander	130 - 170
Rotterdam Brainpark	150 - 180
Rotterdam South	110 - 180
Rotterdam Other	100 - 155
Capelle a/d IJssel	100 - 160
Schiedam	120 - 140

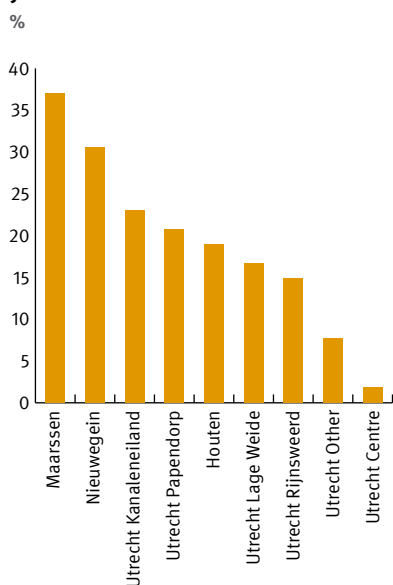
Source: Knight Frank

Figure 1
Availability versus take-up



Source: Bak Property Research/Knight Frank

Figure 2
Availability rates by district, year-end 2010



Source: Bak Property Research/Knight Frank

Utrecht's main office districts



Utrecht

The volume of letting transactions in the Utrecht region decreased in 2010, compared with the previous year. This was particularly apparent in Utrecht itself and the neighbouring town of Houten. In contrast, take-up in Nieuwegein held up reasonably well. A salient feature of the market in the city of Utrecht was the high number of small to medium-sized transactions. Although the emphasis shifted away from large letting deals, a number of major office occupiers were active, including Danone, Deloitte, Rabobank, Stork, Essent, Corio, ISS Nederland and Van Benthem en Keulen. The most popular office districts in Utrecht were the city centre and the Papendorp office park. However, the Rijnsweerd area saw a sharp decline in office demand and few large letting deals.

Availability rose sharply across the Utrecht region in 2010, with the largest increases recorded in Nieuwegein and Houten. The increased availability in Nieuwegein was attributable almost entirely to the departure

of the Allianz insurance company, which helped to push up the vacancy rate to almost 31%. The city of Utrecht saw a slight increase in availability, mainly as a result of softening demand in the Kanaleneiland and Rijnsweerd districts. In the city centre, however, hardly any office space is available at all.

**THE CITY CENTRE
 VACANCY RATE
 REMAINS VERY
 LOW**

District	Rental range
Utrecht Centre	135 - 200
Utrecht Rijnsweerd	170 - 190
Utrecht Kanaleneiland	130 - 170
Utrecht Lage Weide	115 - 135
Utrecht Papendorp	165 - 200
Utrecht Other	130 - 180
Maarsse	125 - 145
Nieuwegein	100 - 145
Houten	100 - 135

Source: Knight Frank

RESEARCH



Americas

USA
Bermuda
Brazil
Canada
Caribbean
Chile

Australasia

Australia
New Zealand

Europe

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

Africa

Botswana
Kenya
Malawi
Nigeria
South Africa
Tanzania
Uganda
Zambia
Zimbabwe

Asia

Cambodia
China
Hong Kong
India
Indonesia
Macau
Malaysia
Singapore
Thailand
Vietnam

The Gulf

Bahrain

Amsterdam

Serge Wuts

Partner
+31 (0)20 707 3000
s.wuts@NLrealestate.nl

Juul Klumpes

Director Agency
+31 (0)20 707 3000
j.klumpes@NLrealestate.nl

London

Chris Bell

Managing Director, Europe
+44 (0) 207 629 8171
chris.bell@knightfrank.com

Matthew Colbourne

Senior Analyst, International Research
+44 (0) 207 629 8171
matthew.colbourne@knightfrank.com

Knight Frank Research provides strategic advice, consultancy services and forecasting to a wide range of clients worldwide including developers, investors, funding organisations, corporate institutions and the public sector. All our clients recognise the need for expert independent advice customised to their specific needs.

Knight Frank Reports are also available at www.knightfrank.com or www.NLrealestate.nl

This report has been produced in close cooperation with Bak Property Research.

© Knight Frank LLP 2011

This report is published for general information only. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no legal responsibility can be accepted by Knight Frank Research or Knight Frank LLP for any loss or damage resultant from the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is allowed with proper reference to Knight Frank Research.

Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.