

A nighttime photograph of a modern city skyline with several tall office buildings illuminated from within, set against a dark blue twilight sky. The buildings have a mix of glass and concrete facades.

2013 DUTCH OFFICE MARKET REPORT

Occupier market trends in the Randstad

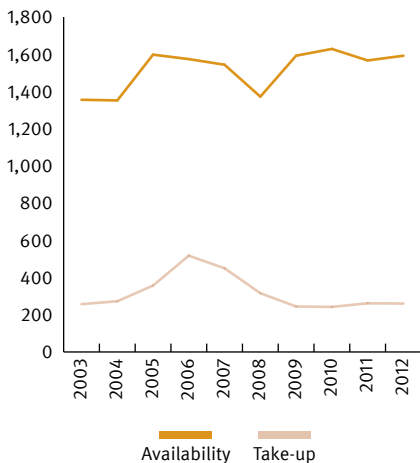
NL real estate in association with

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HIGHLIGHTS

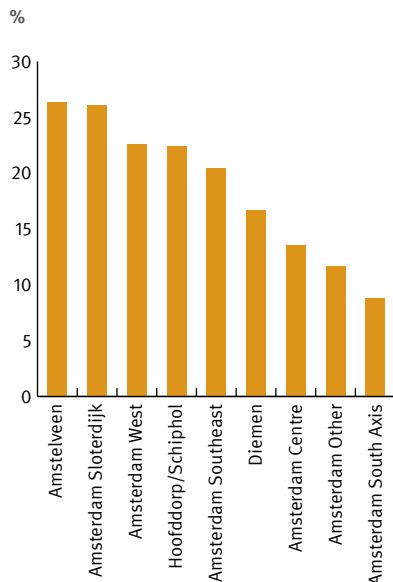
- Occupier demand for office space in the Randstad conurbation held up relatively well in 2012, except for in the Rotterdam region, where there was a sharp fall in take-up, primarily as a result of fewer large letting deals being concluded than in recent years.
- As was the case in 2011, demand for office space in Amsterdam was heavily concentrated in the Southeast district. The take-up of offices in the city centre also remained strong.
- Despite substantial amounts of office space being let in 2012, primarily in existing buildings, there was a broad increase in availability across most of the Randstad. Amsterdam, however, avoided this trend and saw very little movement in vacancy rates.

Figure 1
Availability versus take-up
000s sq m



Source: Bak Property Research/Knight Frank

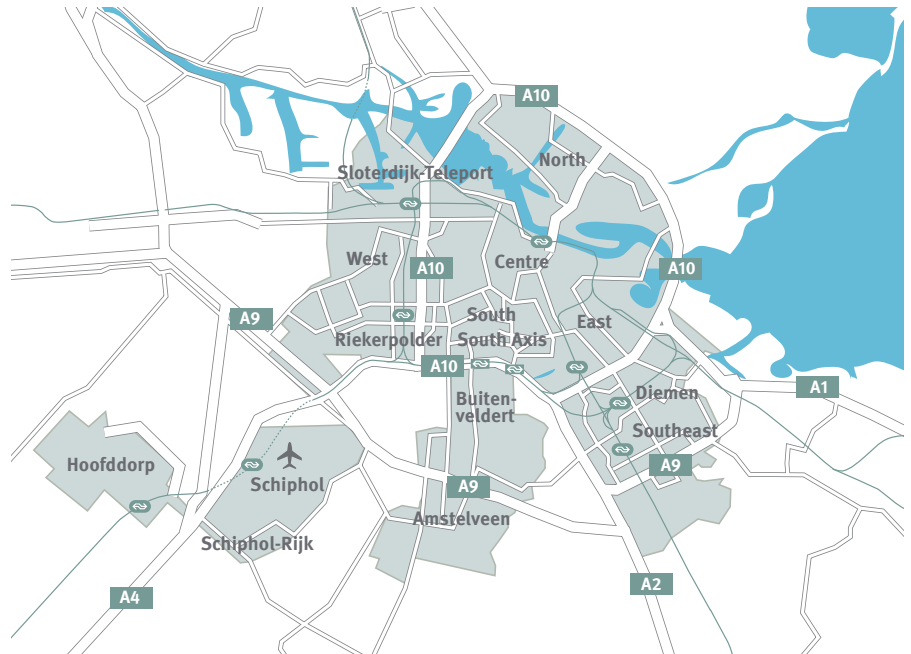
Figure 2
Availability rates by district, year-end 2012
%



Source: Bak Property Research/Knight Frank

TENANT DEMAND HAS FOCUSED ON THE SOUTHEAST DISTRICT.

Amsterdam's main office districts



Amsterdam

Office market sentiment remained robust in the Amsterdam region in 2012, with the take-up of office space on the open market being almost equal to 2011, at 260,000 sq m. This was a result of stable demand in the city of Amsterdam and improved take-up in the Schiphol Airport area.

Tenant demand in the city of Amsterdam focused primarily on the Southeast district, with office take-up being boosted by sizeable deals concluded by DAS and Nuon, whose lease of almost 26,000 sq m was particularly notable. Demand for offices also increased in the city centre, while take-up in the South Axis was almost unchanged from 2011. However, there was virtually no letting activity in the Sloterdijk-Teleport area.

There was no significant reduction in the amount of vacant space in the city of Amsterdam, despite office take-up being concentrated primarily on existing buildings and a number of large office buildings being removed from the stock. The amount of office space available for immediate occupation remained virtually unchanged from 2011, keeping the city's vacancy rate at approximately 17%. However, the majority of vacant space is in older buildings.

Outside of the city of Amsterdam, availability levels were virtually unchanged in most other locations within the region. Exceptions to this were Diemen, where availability fell significantly due to the withdrawal from the stock of the Diemervijver office complex, which will be converted to student accommodation, and Hoofddorp, where availability increased slightly to approximately 182,000 sq m.

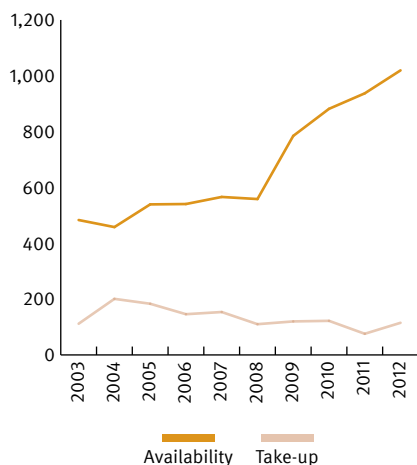
Table 1
Office rents 2013 (€ per sq m pa)

| District | Rental range |
|----------------------|--------------|
| Amsterdam Centre | 170 - 325 |
| Amsterdam Sloterdijk | 125 - 180 |
| Amsterdam West | 125 - 195 |
| Amsterdam South Axis | 275 - 340 |
| Amsterdam Southeast | 100 - 195 |
| Amsterdam Other | 135 - 190 |
| Amstelveen | 150 - 210 |
| Diemen | 100 - 150 |
| Hoofddorp/Schiphol | 100 - 325 |

Source: Knight Frank

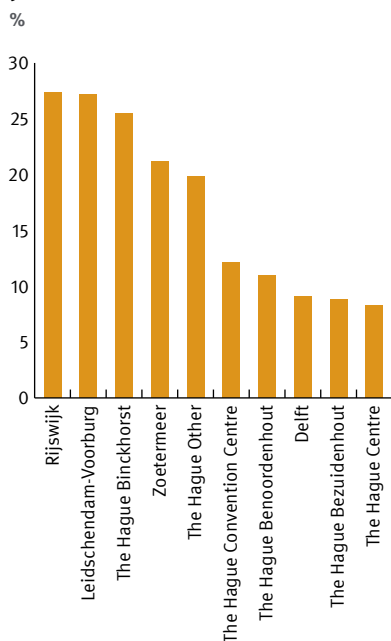
OFFICE TAKE-UP INCREASED BY MORE THAN 50% IN 2012.

Figure 1
Availability versus take-up
000s sq m



Source: Bak Property Research/Knight Frank

Figure 2
Availability rates by district,
year-end 2012



Source: Bak Property Research/Knight Frank

The Hague's main office districts



The Hague

Demand for office space in The Hague and surrounding towns improved in 2012, with significantly more space being let and sold on the open market than in 2011. Take-up in the region reached 115,000 sq m, 52% higher than the previous year. Geographically, the focus of demand was the city of The Hague itself, which, after recording disappointing take-up in 2011, saw a sharp increase in transaction volumes in 2012.

Occupier interest in The Hague itself focused primarily on locations within the city centre. However, the Benoordenhout district also accounted for a substantial share of the total take-up. The Bezuidenhout and Laakhaven districts saw relatively modest levels of activity, while demand was weak at the Binckhorst industrial estate. The increase in take-up within the region was not just a result of the higher volume of transactions in the city of The Hague, but was also due to increased demand in the neighbouring town of Zoetermeer, where office take-up amounted to approximately 23,000 sq m.

Although the volume of transactions held up well, there was a sharp rise in the availability

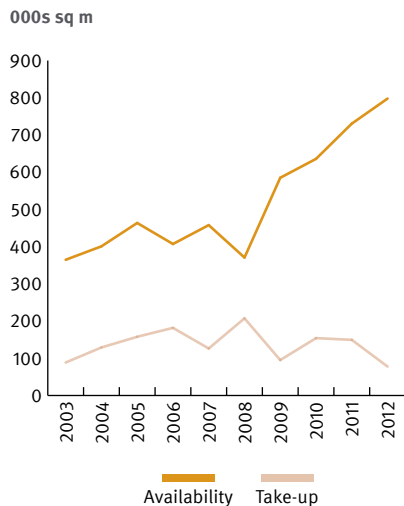
of office space within the region in 2012. This occurred primarily in the city of The Hague, although the town of Rijswijk also saw an increased amount of office space become available for letting. The volume of available space in The Hague rose to 514,000 sq m, which represents a vacancy rate of 12.5%. The Laakhaven district was most affected by this increase in availability.

Table 1
Office rents 2013 (€ per sq m pa)

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

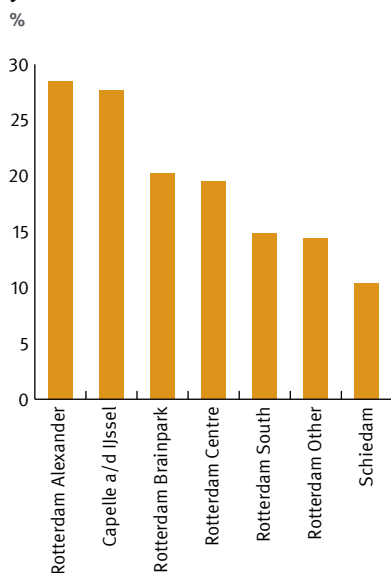
Source: Knight Frank

Figure 1
Availability versus take-up



Source: Bak Property Research/Knight Frank

Figure 2
Availability rates by district, year-end 2012



Source: Bak Property Research/Knight Frank

Rotterdam's main office districts



Rotterdam

In 2012, the office market in the Rotterdam region failed to maintain the momentum seen in recent years. Contrary to expectations, office take-up in the region was about 45% down on the previous year, at 80,000 sq m. This was primarily a result of reduced tenant activity in the city of Rotterdam itself, where the take-up of office space on the open market came to less than 65,000 sq m. However, a number of large lease renegotiations took place, involving the Port Authority (25,500 sq m) and Allianz (21,675 sq m).

A major reason for the decreased take-up in the city of Rotterdam was the reduced number of large transactions. Apart from the letting transactions involving Coolblue, Grontmij and Cargotec, hardly any sizeable deals were completed during the year. The fall in take-up was particularly significant in the city centre but, in contrast, demand for office space in the Brainpark district held up reasonably well.

The total amount of vacant office space in the Rotterdam region increased substantially in 2012, with nearly 800,000 sq m of office space available at the year-end. This increase

was primarily caused by rising availability in the city of Rotterdam itself, which pushed up the vacancy rate to 18.5%.

Within Rotterdam, the greatest increase in availability was in the Alexander district, where the vacancy rate ended the year at 28.5%. Availability also increased in the city centre and the South district. The amount of office space available for letting in the neighbouring town of Capelle a/d IJssel remained virtually unchanged throughout 2012.

Table 1
Office rents 2013 (€ per sq m pa)

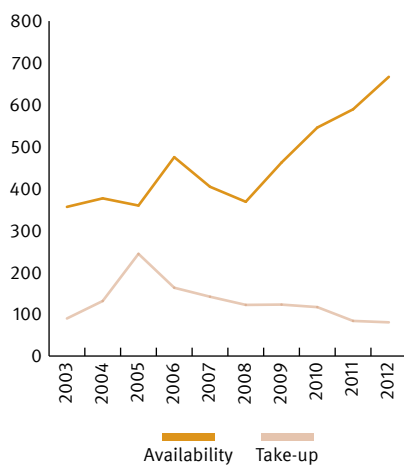
| District | Rental range |
|---------------------|--------------|
| Rotterdam Centre | 125 - 210 |
| Rotterdam Alexander | 130 - 190 |
| Rotterdam Brainpark | 150 - 180 |
| Rotterdam South | 110 - 200 |
| Rotterdam Other | 100 - 155 |
| Capelle a/d IJssel | 100 - 160 |
| Schiedam | 120 - 140 |

Source: Knight Frank

**OFFICE MARKET
 ACTIVITY WAS
 SUBDUED IN 2012.**

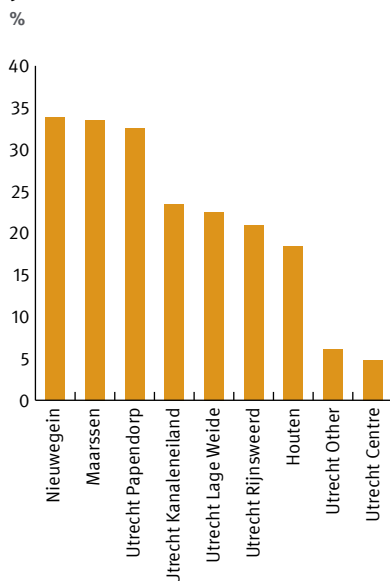
VACANCY RATES REMAIN RELATIVELY LOW IN THE CITY CENTRE.

Figure 1
Availability versus take-up
 000s sq m



Source: Bak Property Research/Knight Frank

Figure 2
Availability rates by district, year-end 2012
 %



Source: Bak Property Research/Knight Frank

Utrecht's main office districts



Utrecht

The Utrecht region experienced solid demand for office space in 2012, with take-up coming to 80,000 sq m. As in previous years, demand was concentrated on the city of Utrecht itself, which accounted for 90% of the total office take-up in the region. The majority of occupiers looking for space on the open market sought small to medium-sized premises. The only deal of any significant size was the IT service company Capgemini's agreement to let 21,000 sq m at a new building in the Leidsche Rijn area, to which it will be relocating in 2013.

In contrast with the healthy state of the office market in the city of Utrecht, the town of Nieuwegein experienced modest levels of activity in 2012, with take-up of 8,000 sq m, less than was recorded in 2011. The towns of Maarsse and Houten had poor years, with virtually a complete absence of tenant demand.

Availability rose significantly across the whole region in 2012, particularly in the city of Utrecht, where there was approximately

400,000 sq m of vacant office space at the end of the year, or 15% of Utrecht's total stock. The largest increases in availability were in the Papendorp office park on the outskirts of Utrecht and in the city centre. Notwithstanding this, office vacancy rates in the city centre remain relatively low compared with the rest of the region.

Table 1
Office rents 2013 (€ per sq m pa)

| District | Rental range |
|-----------------------|--------------|
| Utrecht Centre | 135 - 200 |
| Utrecht Rijsweerd | 140 - 175 |
| Utrecht Kanaleneiland | 120 - 165 |
| Utrecht Lage Weide | 115 - 135 |
| Utrecht Papendorp | 155 - 190 |
| Utrecht Other | 130 - 180 |
| Maarsse | 100 - 140 |
| Nieuwegein | 100 - 140 |
| Houten | 100 - 135 |

Source: Knight Frank

RESEARCH



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