

RESEARCH



DUTCH OFFICE MARKET REPORT

OCCUPIER MARKET TRENDS IN THE RANDSTAD

2015

NL REAL ESTATE IN ASSOCIATION WITH KNIGHT FRANK

NL real
estate

AMSTERDAM

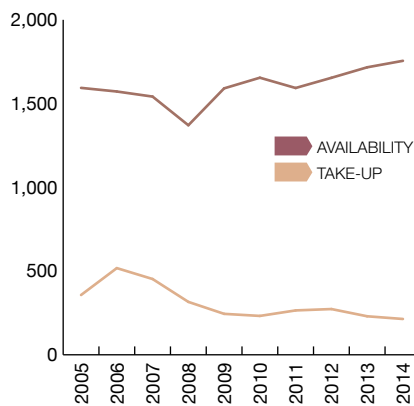
THE HAGUE

ROTTERDAM

UTRECHT

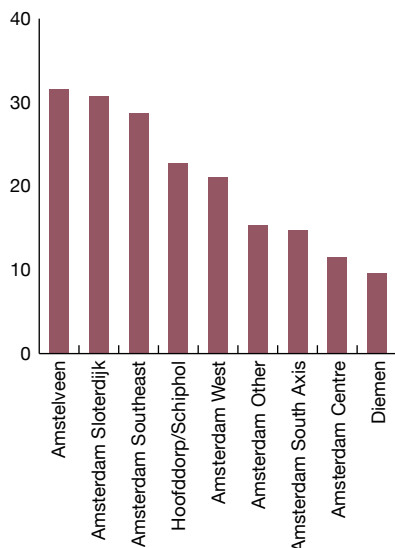
Occupier demand focused on the City Centre, Southeast and South Axis.

FIGURE 1
Availability versus take-up
000s sq m



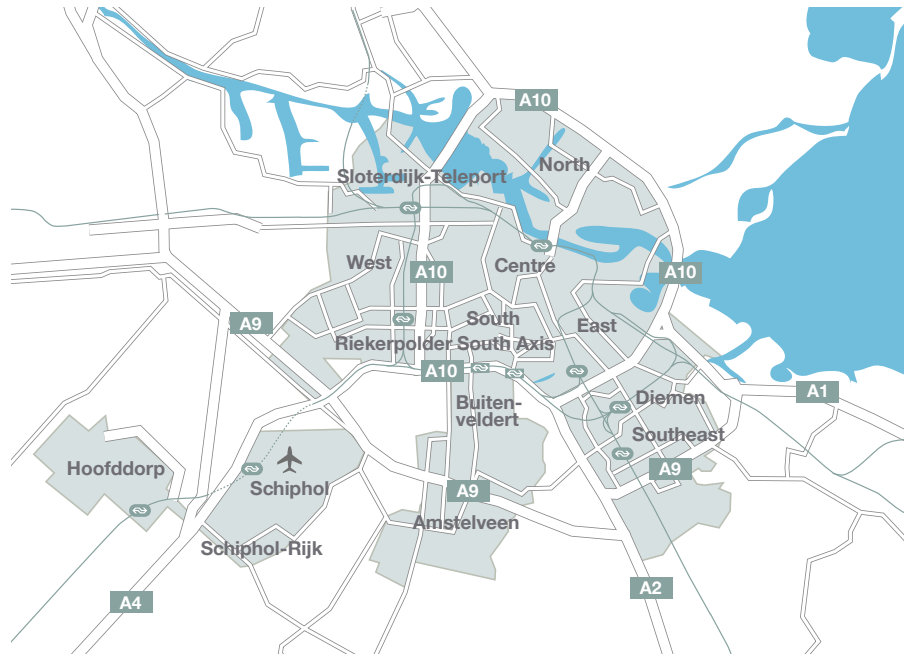
Source: Bak Property Research/Knight Frank

FIGURE 2
Availability rates by district,
year-end 2014
%



Source: Bak Property Research/Knight Frank

Amsterdam's main office districts



AMSTERDAM

Office take-up in the Amsterdam region decreased in 2014, primarily as a result of a lower level of activity in Amsterdam itself. Take-up in the city of Amsterdam came to approximately 170,000 sq m, 10% down on 2013. Nonetheless, market sentiment was fairly robust and the number of leasing transactions completed in 2014 was very similar to the previous year. The majority of deals were for spaces of between 200-2,500 sq m, but there were also several larger transactions, involving occupiers including ING, Calvin Klein, CMS, Travelbird, Stryker and Booking.com.

The take-up of office space in the city of Amsterdam was concentrated primarily on existing premises, although several new office buildings were also let. As in recent years, tenant demand focused on the City Centre, Amsterdam Southeast and Amsterdam South Axis. However, there was limited activity in the Sloterdijk office district. Among the peripheral locations around Amsterdam, only Schiphol Rijk performed particularly well, with take-up rising strongly to approximately 10,000 sq m.

Despite the relatively healthy take-up levels and limited construction activity, office availability in the Amsterdam region increased during 2014. This was most evident in the city of Amsterdam, where 1.18 million sq m of vacant space was available at the year-end, or 19.7% of the total stock. The volume of vacant space increased somewhat in the South Axis, but it fell in the City Centre. Availability remained virtually unchanged in Amsterdam Southeast during 2014, keeping the vacancy rate at 28.7%. Elsewhere in the region, increased supply levels were also evident in the towns of Hoofddorp and Amstelveen.

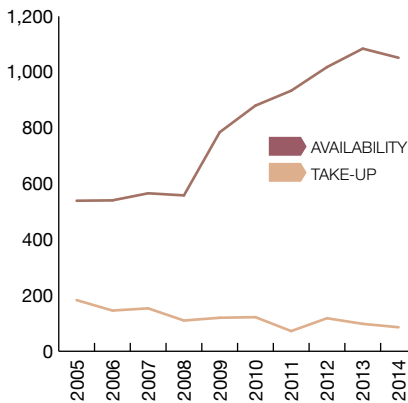
TABLE 1
Office rents 2015 (per sq m pa)

District	Rental range
Amsterdam Centre	145 - 320
Amsterdam Sloterdijk	100 - 175
Amsterdam West	100 - 175
Amsterdam South Axis	230 - 375
Amsterdam Southeast	110 - 195
Amsterdam Other	100 - 150
Amstelveen	100 - 175
Diemen	100 - 130
Hoofddorp/Schiphol	100 - 365

Source: Knight Frank

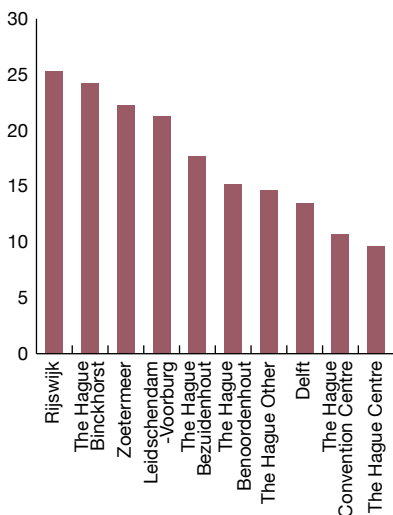
Office availability decreased for the first time since 2008.

FIGURE 1
Availability versus take-up
000s sq m



Source: Bak Property Research/Knight Frank

FIGURE 2
Availability rates by district,
year-end 2014
%



Source: Bak Property Research/Knight Frank

The Hague's main office districts



THE HAGUE

The take-up of office space decreased in both The Hague and its surrounding towns in 2014. Take-up in The Hague came to approximately 62,000 sq m, nearly 10% down on 2013. The only location in the region to see a positive trend was the city of Delft, which saw a moderate improvement in demand and increased office take-up.

In the city of The Hague, there were relatively few large deals completed on the open market in 2014. The majority of office take-up comprised deals for small and medium-sized units, mostly in second-hand premises. The only large deals completed were the purchase for occupation of a 12,000 sq m office building in the City Centre by the Nationale Politie and the leasing of 6,000 sq m of offices in Laakhaven by the employee insurance administration agency UWV.

The Nationale Politie transaction helped to make the City Centre the most active submarket in 2014. There were also reasonable levels of activity in the Bezuidenhout office district and the area around the Central Railway Station. In contrast, there was more limited demand

for office space at the Binckhorst industrial estate.

Encouragingly, the amount of vacant space in the region declined for the first time since 2008. This trend was particularly noticeable in The Hague, where large amounts of space were withdrawn from the office stock. As a result, the vacancy rate in The Hague fell to 13.8% at the end of 2014, with the City Centre and Laakhaven seeing the greatest decreases in availability.

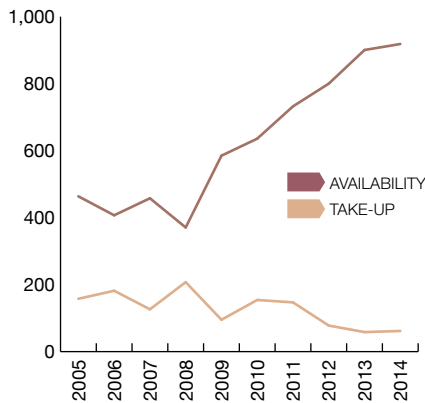
TABLE 1
Office rents 2015 (per sq m pa)

District	Rental range
The Hague Centre	125 - 200
The Hague Bezuidenhout	150 - 195
The Hague Benoordenhout	120 - 180
The Hague Binckhorst	60 - 125
The Hague Convention Centre	125 - 160
The Hague Other	90 - 175
Leidschendam-Voorburg	100 - 140
Rijswijk	90 - 165
Delft	90 - 130
Zoetermeer	90 - 130

Source: Knight Frank

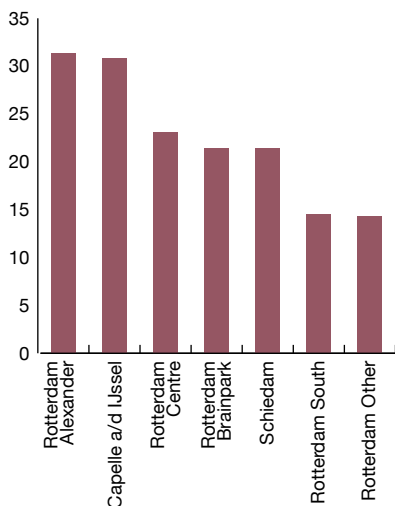
Office take-up in the Rotterdam region rose by 6% in 2014.

FIGURE 1
Availability versus take-up
000s sq m



Source: Bak Property Research/Knight Frank

FIGURE 2
Availability rates by district,
year-end 2014
%



Source: Bak Property Research/Knight Frank

Rotterdam's main office districts



ROTTERDAM

Demand for office space in the Rotterdam region improved moderately in 2014, with take-up rising by approximately 6% compared with 2013. This was due largely to increased demand within the city of Rotterdam itself, where take-up reached 52,000 sq m.

Office demand in the city of Rotterdam was mainly focused on relatively small spaces of between 200-1,200 sq m. Nonetheless, several larger deals were also concluded, including lettings to Calder Holding and Grant Thornton. The largest transaction of 2014 saw LyondellBasell take 9,000 sq m in the Central Post office complex. As in recent years, demand was primarily concentrated on the City Centre. There was steady demand for space in the Brainpark office district, but other locations made insignificant contributions to the total take-up.

Despite the improved take-up of office space, availability in the Rotterdam region continued to increase in 2014, albeit at a slower pace than in recent years. This trend was entirely attributable to increased office availability in the towns of Capelle a/d IJssel and

Schiedam. Availability in the city of Rotterdam actually declined, due to the healthy take-up of existing offices, as well as several thousand square metres of space being removed from the office stock.

By the end of 2014, the amount of available vacant space in the city of Rotterdam had decreased to approximately 716,000 sq m, or 20.5% of the total stock. Although the city as a whole saw decreased availability, vacancy rates showed little movement in the City Centre, Alexander and Brainpark districts.

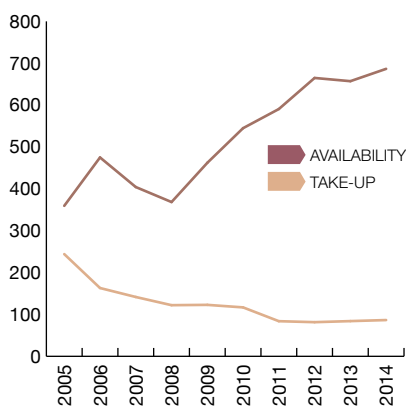
TABLE 1
Office rents 2015 (per sq m pa)

District	Rental range
Rotterdam Centre	110 - 210
Rotterdam Alexander	120 - 180
Rotterdam Brainpark	130 - 170
Rotterdam South	100 - 210
Rotterdam Other	85 - 150
Capelle a/d IJssel	90 - 135
Schiedam	100 - 135

Source: Knight Frank

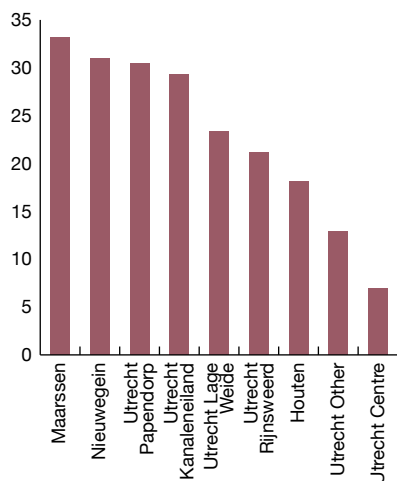
Take-up was boosted by strong levels of activity in Nieuwegein.

FIGURE 1
Availability versus take-up
000s sq m



Source: Bak Property Research/Knight Frank

FIGURE 2
Availability rates by district,
year-end 2014
%



Source: Bak Property Research/Knight Frank

Utrecht's main office districts



UTRECHT

Demand for office space in the Utrecht region remained steady in 2014, with take-up reaching a similar level to 2013. The main factor supporting this was the significant volume of office space let in the city of Nieuwegein. Activity decreased in the city of Utrecht, with take-up falling by 13% to approximately 67,000 sq m. This was principally due to a relative lack of large transactions, as demand focused on small and medium-sized offices.

Among the larger deals to be completed in Utrecht, there were lettings to Rabobank, Bol.com and Hogeschool Utrecht. The most active locations included the Papendorp office district and the City Centre, particularly the area around the Central Railway Station.

Office supply increased significantly in the city of Utrecht during 2014, with 413,000 sq m available at the year-end, 11% more than in 2013. This pushed the vacancy rate up to 15.5%, and was

mainly the result of a number of large office buildings coming back onto the market. Availability increased particularly significantly in the Rijnsweerd office district, and also rose in Kanaleneiland. In contrast, the strong take-up levels in Nieuwegein helped to reduce availability in this location.

TABLE 1
Office rents 2015 (per sq m pa)

District	Rental range
Utrecht Centre	140 - 210
Utrecht Rijnsweerd	145 - 175
Utrecht Kanaleneiland	100 - 160
Utrecht Lage Weide	80 - 135
Utrecht Papendorp	130 - 190
Utrecht Other	130 - 175
Maarsse	70 - 135
Nieuwegein	70 - 125
Houten	90 - 130

Source: Knight Frank



AMSTERDAM

Serge Wuts

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

Siem-Jan Vos

Partner
+31 20 707 3000
s.vos@NLrealestate.nl

LONDON

Chris Bell

Managing Director, Europe
+44 20 7629 8171
chris.bell@knightfrank.com

Matthew Colbourne

Associate, International Research
+44 20 7629 8171
matthew.colbourne@knightfrank.com

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