

RESEARCH



DUTCH OFFICE MARKET REPORT

OCCUPIER MARKET TRENDS IN THE RANDSTAD
2016

NL REAL ESTATE IN ASSOCIATION WITH KNIGHT FRANK

NL real
estate

AMSTERDAM

THE HAGUE

ROTTERDAM

UTRECHT

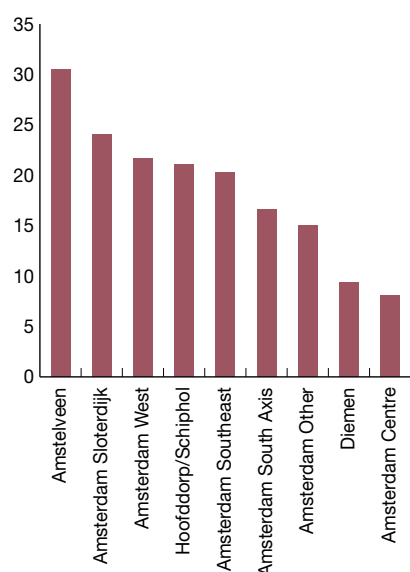
Vacancy rates have fallen across the Amsterdam region.

FIGURE 1
Availability versus take-up
000's sq m



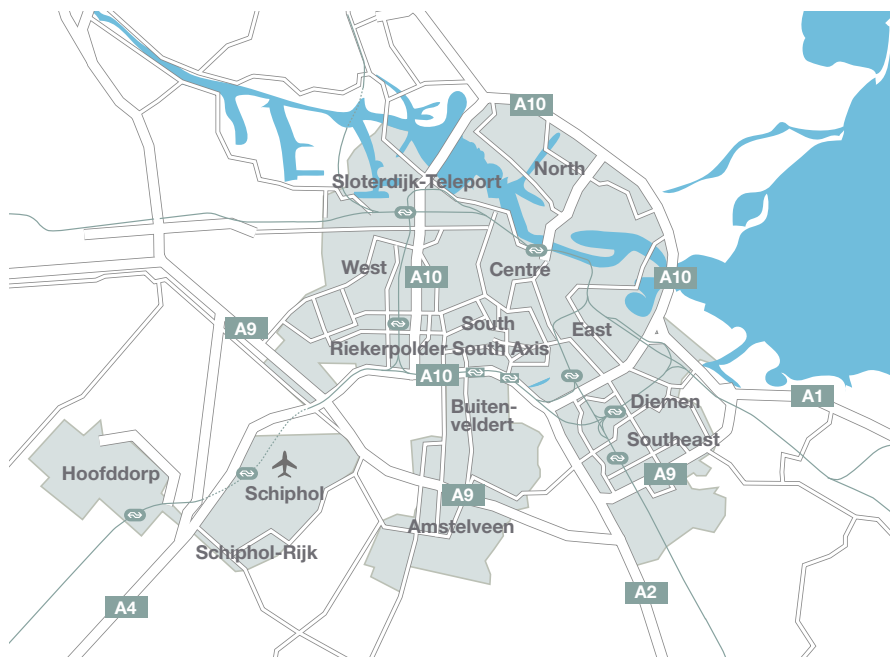
Source: Bak Property Research / Knight Frank

FIGURE 2
Availability rates by district,
year-end 2015
%



Source: Bak Property Research / Knight Frank

Amsterdam's main office districts



AMSTERDAM

Office take-up in the Amsterdam region increased in 2015, due primarily to rising activity in the city of Amsterdam itself. Annual take-up in the city reached approximately 215,000 sq m, 7% up on 2014. Several large deals were concluded in Amsterdam, involving occupiers such as ING Bank, Booking.com, ChipSoft and CRH. Of particular note was ING Bank's acquisition of the Frankemaheerd site in Amsterdam Southeast, which will be redeveloped into a new headquarters campus.

Partly due to the ING Bank deal, the Southeast district accounted for more than a third of city-wide office take-up. Elsewhere, significant deals were completed in the Teleport-Sloterdijk area, the City Centre and the South Axis. The increased demand for office space in Teleport-Sloterdijk was especially notable. Of the areas outside the city of Amsterdam, only Hoofddorp/Schiphol performed particularly well; within this area there was increased take-up in the locations of Beukenhorst East and Schiphol Centre.

For the first time in several years, the amount of vacant space in the Amsterdam region declined. This trend was observed

in nearly all parts of the region, and was partly a result of large volumes of space being withdrawn from the office stock for redevelopment. The most substantial decrease in availability occurred in the city of Amsterdam itself, where 987,000 sq m was available at the year-end, or 16.8% of the total stock.

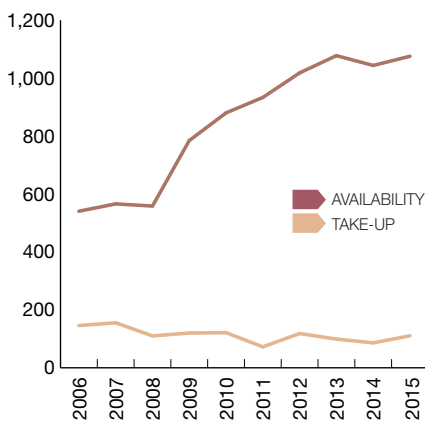
TABLE 1
Office rents 2016 (€ per sq m pa)

District	Rental range
Amsterdam Centre	145 - 325
Amsterdam Sloterdijk	90 - 150
Amsterdam West	80 - 150
Amsterdam South Axis	230 - 350
Amsterdam Southeast	80 - 195
Amsterdam Other	80 - 150
Amstelveen	80 - 175
Diemen	70 - 130
Hoofddorp/Schiphol	85 - 365

Source: Knight Frank

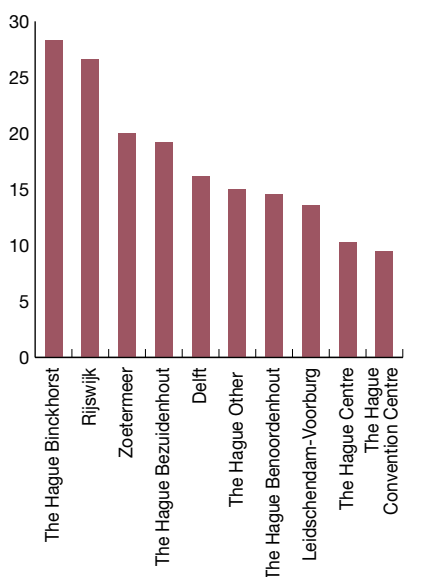
Zoetermeer was a major focus for office market activity in 2015.

FIGURE 1
Availability versus take-up
000's sq m



Source: Bak Property Research / Knight Frank

FIGURE 2
Availability rates by district,
year-end 2015
%



Source: Bak Property Research / Knight Frank

The Hague's main office districts



THE HAGUE

Office take-up in The Hague and its surrounding towns improved in 2015, with significantly more space being let or sold than in 2014. This was in large part driven by increased take-up in the town of Zoetermeer, where major deals were concluded by SRK Rechtsbijstand, Technip and Teleperformance Nederland. Leasing activity also increased healthily in Delft, but demand in the city of The Hague remained virtually unchanged, with take-up reaching approximately 66,000 sq m.

Office demand in The Hague was mainly focused on relatively small spaces of 400-2,000 sq m, with the only large deal being Shell's leasing of 10,500 sq m in the Benoordenhout district. This area accounted for a significant proportion of take-up, while there was also strong demand for office space in the Bezuidenhout district, the City Centre and Forepark. Conversely, there was limited activity in the area around the Central Railway Station.

Despite the positive demand for space, availability increased within the region in 2015. This trend was particularly noticeable in the towns of Delft and

Rijswijk. Availability also rose in the city of The Hague, with approximately 14.5% of the stock being vacant at the year-end. In The Hague, the largest increases in availability came in the Bezuidenhout district, the Binckhorst industrial estate and the area around the Central Railway Station. Most of the space which became available during the year was in existing buildings, while availability in new premises declined. Zoetermeer and Leidschendam were the only locations within the region where availability fell in 2015.

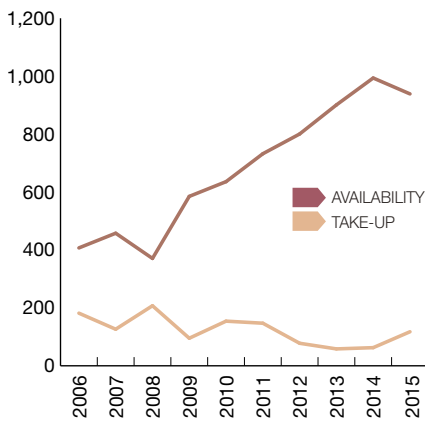
TABLE 1
Office rents 2016 (€ per sq m pa)

District	Rental range
The Hague Centre	125 - 225
The Hague Bezuidenhout	130 - 195
The Hague Benoordenhout	120 - 180
The Hague Binckhorst	60 - 125
The Hague Convention Centre	125 - 160
The Hague Other	90 - 175
Leidschendam-Voorburg	70 - 120
Rijswijk	70 - 130
Delft	90 - 130
Zoetermeer	65 - 130

Source: Knight Frank

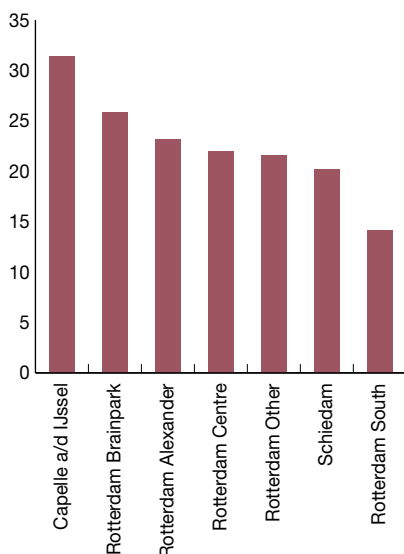
Office take-up almost doubled in the Rotterdam region in 2015.

FIGURE 1
Availability versus take-up
000's sq m



Source: Bak Property Research / Knight Frank

FIGURE 2
Availability rates by district,
year-end 2015
%



Source: Bak Property Research / Knight Frank

Rotterdam's main office districts



ROTTERDAM

The Rotterdam region experienced unexpectedly strong demand for office space in 2015, with take-up almost doubling compared with 2014. This was largely due to a number of substantial deals in Rotterdam itself, to occupiers such as the Police Services Centre, KPMG, Cambridge Innovation Centre, Mazars and Spaces. The Police's leasing of approximately 16,400 sq m in the New Tide building provided a particularly large boost to leasing volumes, helping office take-up in the city of Rotterdam to reach approximately 100,000 sq m.

As in recent years, occupier demand in Rotterdam primarily focused on the City Centre, particularly the area surrounding the Central Railway Station. However, the Alexander business district also accounted for a substantial volume of take-up, boosted by the deals concluded by the Police Services Centre and Mazars. Elsewhere in the region, take-up increased in the towns of Capelle a/d IJssel and Schiedam, albeit to a lesser degree than in the city of Rotterdam.

The availability of office space within the region fell in 2015, as a result

of both the increased take-up and landlords' decisions to change the use of a number of obsolete buildings. This was most noticeable in the city of Rotterdam, where the vacancy rate decreased to 21.2%, driven by falling availability in the City Centre and the Alexander district. However, outside Rotterdam, availability remained virtually unchanged in the rest of the region.

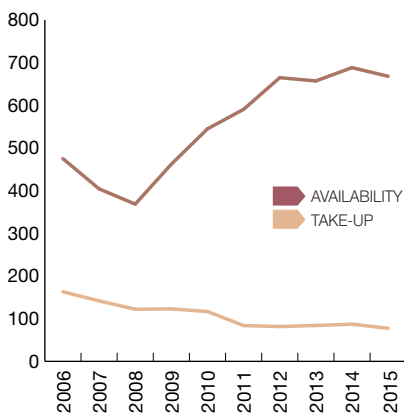
TABLE 1
Office rents 2016 (€ per sq m pa)

District	Rental range
Rotterdam Centre	125 - 220
Rotterdam Alexander	120 - 175
Rotterdam Brainpark	130 - 170
Rotterdam South	100 - 210
Rotterdam Other	85 - 150
Capelle a/d IJssel	90 - 135
Schiedam	80 - 135

Source: Knight Frank

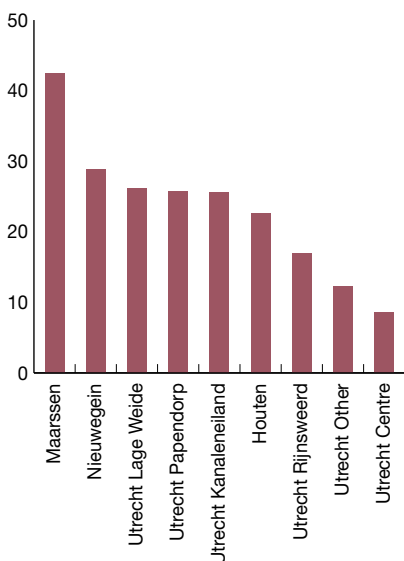
Office demand increased in the Kanaleneiland district.

FIGURE 1
Availability versus take-up
000's sq m



Source: Bak Property Research / Knight Frank

FIGURE 2
Availability rates by district,
year-end 2015
%



Source: Bak Property Research / Knight Frank

Utrecht's main office districts



UTRECHT

Office demand in the Utrecht region was subdued in 2015, with take-up falling short of 2014's total. In the city of Utrecht, take-up declined to approximately 55,000 sq m, almost 20% down on 2014. The decrease in take-up was mainly due to a lack of large deals, with demand primarily focused on small and medium sized offices in the 300-1,500 sq m range. However, several major office occupiers were active, including Mediq, ABN AMRO Lease, Chubb and BDO.

Within Utrecht, take-up increased substantially in the Kanaleneiland district, and there was also healthy demand for space in Papendorp. A large number of deals were concluded in the City Centre, albeit take-up in this area was down on previous years. There was limited office demand in Rijnsweerd, and take-up also fell in the neighbouring towns of Nieuwegein and Houten.

Office availability fell moderately within the region in 2015, with the most substantial decreases being in Utrecht

and Nieuwegein. The vacancy rate in the city of Utrecht declined to 15.9%, largely on the back of falling availability in Papendorp and Kanaleneiland. However, there was a substantial increase in supply in the City Centre, especially in the area surrounding the Central Railway Station. Elsewhere in the region, vacancy rates rose noticeably in Maarsse and Houten.

TABLE 1
Office rents 2016 (€ per sq m pa)

District	Rental range
Utrecht Centre	140 - 210
Utrecht Rijnsweerd	145 - 175
Utrecht Kanaleneiland	90 - 160
Utrecht Lage Weide	80 - 145
Utrecht Papendorp	130 - 175
Utrecht Other	130 - 175
Maarsse	70 - 135
Nieuwegein	50 - 125
Houten	80 - 130

Source: Knight Frank



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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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