

RESEARCH



DUTCH OFFICE MARKET REPORT

OCCUPIER MARKET TRENDS IN THE RANDSTAD
2017

NL REAL ESTATE IN ASSOCIATION WITH KNIGHT FRANK

NL real
estate

AMSTERDAM

THE HAGUE

ROTTERDAM

UTRECHT

Office take-up increased by 70% in the city of Amsterdam.

FIGURE 1

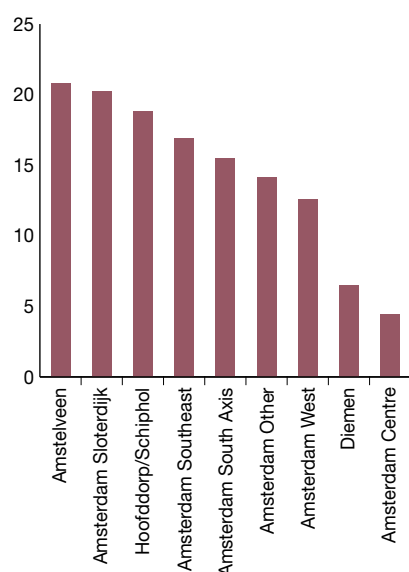
Availability versus take-up 000's sq m



Source: Bak Property Research / Knight Frank

FIGURE 2

Availability rates by district, year-end 2016 %



Source: Bak Property Research / Knight Frank

Amsterdam's main office districts



AMSTERDAM

Office market sentiment in the Amsterdam region was extremely strong in 2016, which was reflected in a significant increase in the number of open-market lettings and sales. A particularly large increase in activity was recorded in the city of Amsterdam itself, where office take-up reached approximately 383,000 sq m, 70% up on 2015.

Take-up was boosted by Booking.com's owner-occupier acquisition of 62,000 sq m of office space in a building to be constructed on the Oosterdokseiland site near the Central Station. There were additional large transactions involving Loyens & Loeff, BCD Travel, WPP, PVH and B-Amsterdam. Partly due to the Booking.com deal, Amsterdam city centre took the largest share of take-up. However, the South Axis business district was also very active, with sizeable deals concluded by Loyens & Loeff and BCD Travel. There was reasonably strong demand in the Southeast district, albeit take-up fell in comparison with the previous year. Of the surrounding towns, only Hoofddorp recorded significant leasing activity, with increased take-up of approximately 26,000 sq m.

Office availability in the Amsterdam region fell for the second successive year, partly due to the take-up of second-hand buildings

and partly as a result of the removal of approximately 115,000 sq m from the office stock for redevelopment. The fall in availability was particularly notable in the city of Amsterdam, with vacant space declining to 794,000 sq m, or 13.6% of the total stock. In the city centre, the vacancy rate dropped below 5%. Availability also declined in Amstelveen and Hoofddorp, but remained virtually unchanged in Schiphol-Rijk.

TABLE 1

Office rents 2017 (€ per sq m pa)

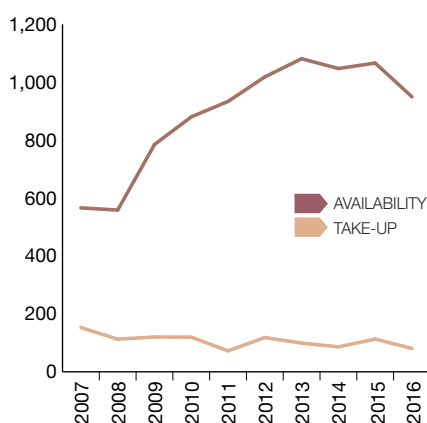
District	Rental range
Amsterdam Centre	175 - 350
Amsterdam Sloterdijk	120 - 185
Amsterdam West	120 - 180
Amsterdam South Axis	275 - 385
Amsterdam Southeast	100 - 195
Amsterdam Other	100 - 170
Amstelveen	90 - 175
Diemen	90 - 140
Hoofddorp/Schiphol	110 - 365

Source: Knight Frank

Office availability decreased in nearly all parts of The Hague region.

FIGURE 1

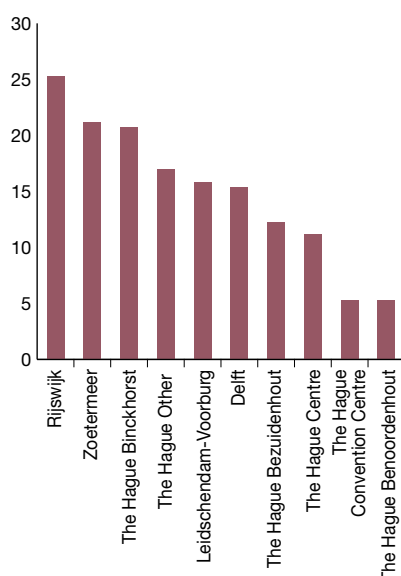
Availability versus take-up 000's sq m



Source: Bak Property Research / Knight Frank

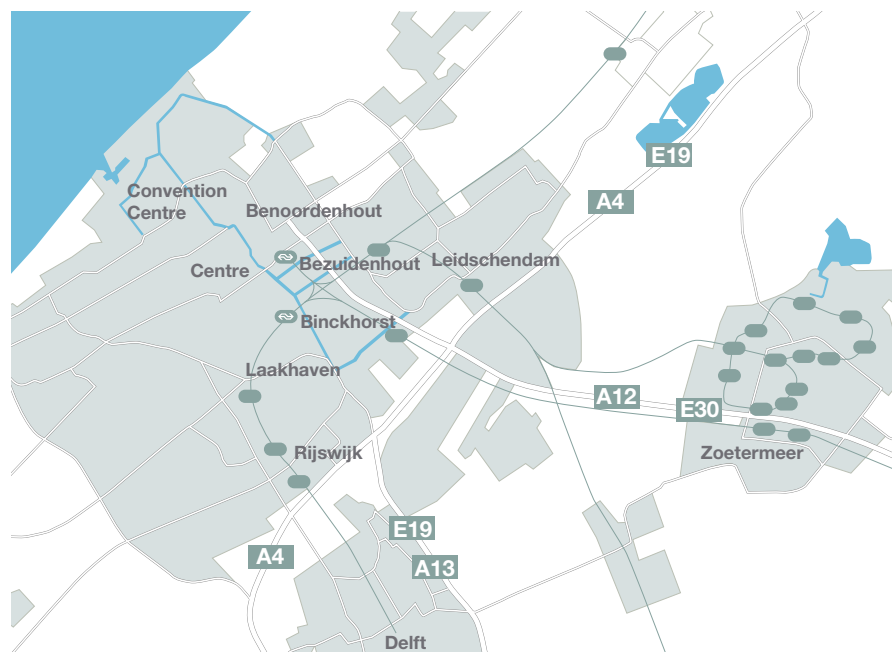
FIGURE 2

Availability rates by district, year-end 2016 %



Source: Bak Property Research / Knight Frank

The Hague's main office districts



THE HAGUE

Office take-up fell throughout The Hague and its surrounding towns in 2016. The brunt of this downturn was borne by the city of The Hague itself, where take-up reached just 49,000 sq m, almost 25% down on 2015. This was mainly due to an absence of large transactions, with the only sizeable deals being those involving Jacobs and ABN Amro.

The majority of activity was focused on office space in the 300-1,400 sq m range. The most popular office districts in 2016 were Bezuidenhout and Benoordenhout, but activity was relatively subdued in the city centre and the area around the Convention Centre.

Outside the city of The Hague, the office market in Zoetermeer was sluggish with take-up amounting to only 15,000 sq m, less than half the previous year's total. Office take-up was also subdued in the neighbouring town of Rijswijk, but held up comparatively well in the city of Delft.

The amount of vacant office space declined substantially for the first time in recent years. At the end of 2016, availability in the region had fallen to just under 950,000 sq m, a decrease of

117,000 sq m compared with 2015. The downward vacancy trend was observed in nearly all parts of the region, and was mainly 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 The Hague itself, where approximately 478,000 sq m was available at the year-end, or 12.3% of the city's total stock.

TABLE 1

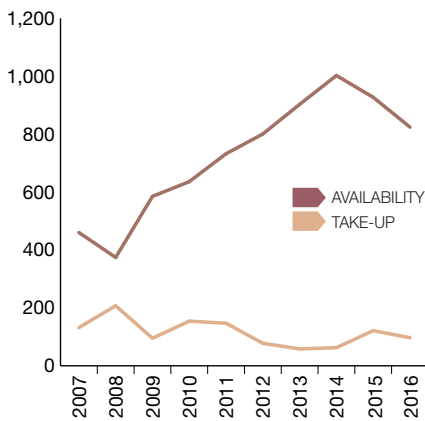
Office rents 2017 (€ per sq m pa)

District	Rental range
The Hague Centre	125 - 200
The Hague Bezuidenhout	130 - 195
The Hague Benoordenhout	120 - 180
The Hague Binckhorst	70 - 140
The Hague Convention Centre	145 - 185
The Hague Other	90 - 150
Leidschendam-Voorburg	90 - 130
Rijswijk	90 - 140
Delft	90 - 130
Zoetermeer	75 - 140

Source: Knight Frank

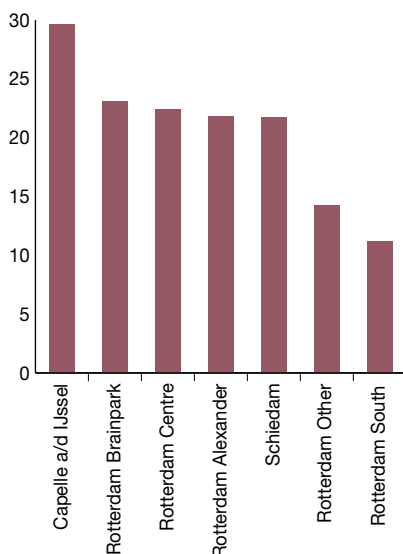
Office demand was primarily focused on Rotterdam city centre.

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



Source: Bak Property Research / Knight Frank

FIGURE 2
Availability rates by district,
year-end 2016
%



Source: Bak Property Research / Knight Frank

Rotterdam's main office districts



ROTTERDAM

Office take-up decreased in the Rotterdam region in 2016, but remained at a reasonably high level. Leasing activity was primarily concentrated in the city of Rotterdam, where take-up reached 85,000 sq m.

There was a general shift in emphasis away from large-scale transactions, but nonetheless several sizeable deals were completed, involving occupiers including Croonwolder&dros, Saturn, KPN and Greenchoice. The leasing of 8,500 sq m in the Alexander district by Croonwolder&dros was particularly noteworthy.

As was the case in 2015, the city centre was the main focus of demand, particularly the area surrounding the Central Railway Station. However, the Kop van Zuid district also accounted for a substantial part of the total take-up, largely due to the deals concluded by KPN and Saturn. In contrast, tenant demand was virtually non-existent in the Brainpark office district. Office take-up was also weak in the neighbouring town of Capelle a/d IJssel, totalling only 10,000 sq m.

Vacancy levels decreased in both the city of Rotterdam and Capelle a/d IJssel. The decline was greatest in the city of Rotterdam, where large amounts of space were withdrawn from the office stock. At the year-end, a total of 630,000 sq m was available in Rotterdam, bringing the city-wide vacancy rate down to 18.6%. However, the vacancy rate in the city centre remained high at 22.4%.

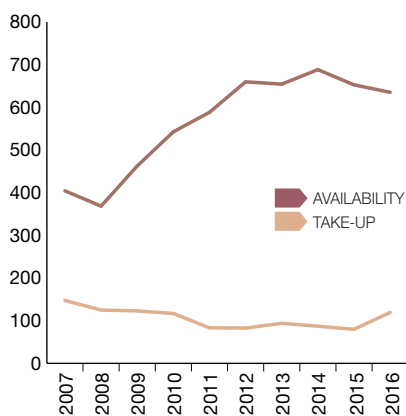
TABLE 1
Office rents 2017 (€ per sq m pa)

District	Rental range
Rotterdam Centre	110 - 225
Rotterdam Alexander	120 - 165
Rotterdam Brainpark	140 - 170
Rotterdam South	90 - 210
Rotterdam Other	85 - 150
Capelle a/d IJssel	90 - 135
Schiedam	80 - 135

Source: Knight Frank

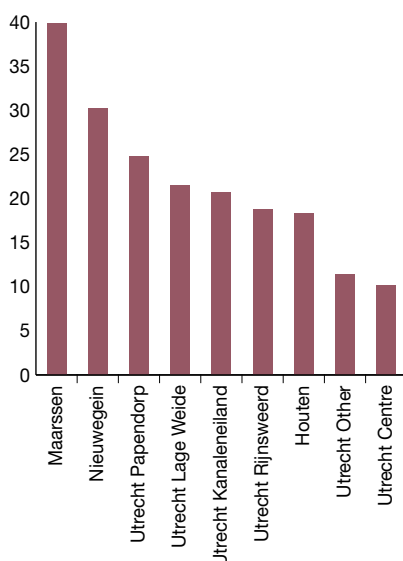
Office take-up increased by nearly 50% in the Utrecht region.

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



Source: Bak Property Research / Knight Frank

FIGURE 2
Availability rates by district,
year-end 2016
%



Source: Bak Property Research / Knight Frank

Utrecht's main office districts



UTRECHT

The Utrecht region was characterised by buoyant office market sentiment in 2016, as take-up increased by nearly 50% compared with 2015. This was driven largely by increased activity in the city of Utrecht itself, where take-up reached approximately 95,000 sq m. The largest deals included the trade union confederation FNV's lease of 10,000 sq m in a building located along the A2 highway in Leidsche Rijn, and the HKU University of Arts' deal for 5,000 sq m in the city centre. Also of note were deals completed by occupiers including Ingram Micro, AOB and Tribes.

Take-up increased across nearly all office locations in Utrecht, with the exception of the Papendorp business park. There were particularly strong improvements in activity in the city centre and Kanaleneiland. Among the surrounding towns, increased activity was seen in Houten, but demand was subdued in Nieuwegein, where take-up was only 5,000 sq m.

Despite the increased demand for space, there was no significant reduction in office availability. In the city of Utrecht, availability was almost unchanged from 2015, at 367,000 sq m, or 14.1% of total stock. Vacancy levels did fall in the Kanaleneiland district and the Papendorp office park, but this was largely offset by increased availability in the city centre, where construction commenced on the 30,000 sq m World Trade Center.

TABLE 1
Office rents 2017 (€ per sq m pa)

District	Rental range
Utrecht Centre	140 - 210
Utrecht Rijnsweerd	145 - 175
Utrecht Kanaleneiland	90 - 170
Utrecht Lage Weide	80 - 145
Utrecht Papendorp	130 - 175
Utrecht Other	130 - 175
Maarsse	70 - 135
Nieuwegein	70 - 125
Houten	80 - 130

Source: Knight Frank



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