

RESEARCH

NL real estate | Knight Frank



DUTCH OFFICE MARKET REPORT

OCCUPIER MARKET TRENDS IN THE RANDSTAD
2018

NL REAL ESTATE IN ASSOCIATION WITH KNIGHT FRANK

AMSTERDAM

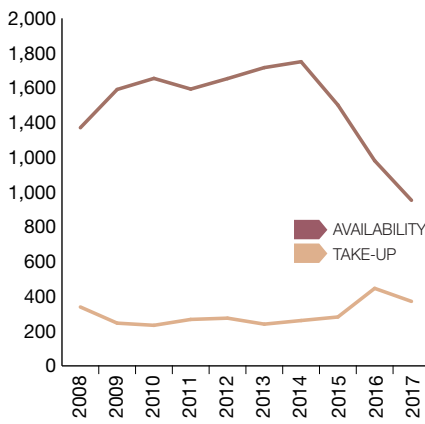
THE HAGUE

ROTTERDAM

UTRECHT

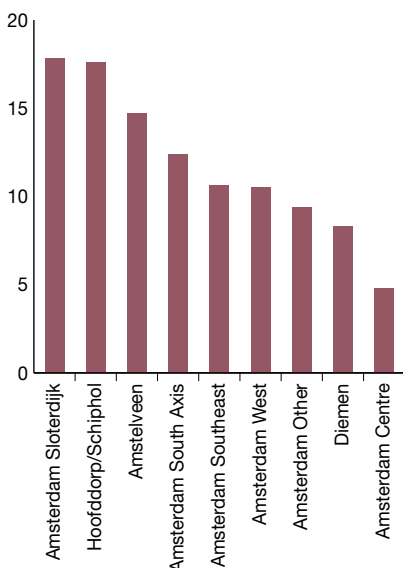
Falling availability levels are creating a challenging market for occupiers.

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



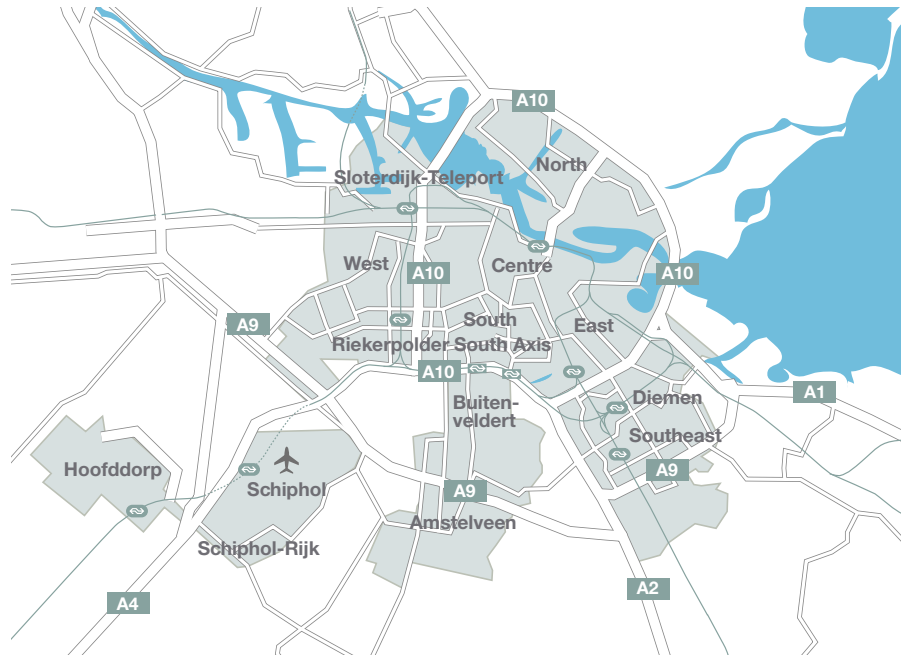
Source: Bak Property Research / Knight Frank

FIGURE 2
Availability rates by district,
year-end 2017
%



Source: Bak Property Research / Knight Frank

Amsterdam's main office districts



AMSTERDAM

High levels of office demand were maintained in most parts of the Amsterdam region in 2017, although take-up in the city of Amsterdam itself decreased by 24% to 300,000 sq m, due to a reduced number of large deals compared with 2016. However, market sentiment remained positive, and there were a very high number of small and medium sized transactions. Despite the shift away from larger deals, a number of major occupiers were active, including Alliander, ING, Uber and Booking.com.

As in recent years, demand was focused mainly on the city centre, the Southeast district and the South Axis. Although take-up in the South Axis decreased in 2017, the European Medicines Agency announced plans to occupy 38,000 sq m in a new building in this location. Of the areas surrounding Amsterdam, Hoofddorp had the strongest increase in take-up, which almost doubled to 47,000 sq m.

Office availability decreased for the third successive year, due both to the take-up of second-hand buildings and the withdrawal of large volumes of space for redevelopment. In the city of Amsterdam, vacancy decreased to 600,000 sq m, or 10.3% of the total stock. Availability declined most sharply in the

Southeast district and the area around the Amstel railway station. Vacancy levels also fell in Hoofddorp and Amstelveen, although more office space became available at Schiphol Airport.

With the city authorities restricting new office construction, there is a very limited development pipeline. This will create an increasingly challenging market for occupiers seeking office space in Amsterdam, and rents are likely to face further upward pressure.

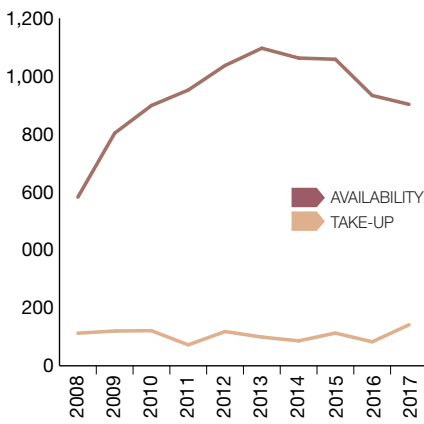
TABLE 1
Office rents 2018 (€ per sq m pa)

District	Rental range
Amsterdam Centre	200 - 425
Amsterdam Sloterdijk	135 - 200
Amsterdam West	135 - 200
Amsterdam South Axis	275 - 425
Amsterdam Southeast	135 - 200
Amsterdam Other	100 - 170
Amstelveen	90 - 175
Diemen	100 - 165
Hoofddorp/Schiphol	125 - 385

Source: Knight Frank

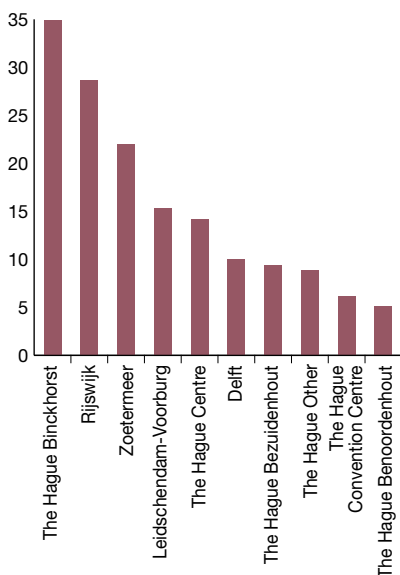
Take-up in the city of The Hague more than doubled in 2017.

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



Source: Bak Property Research / Knight Frank

FIGURE 2
Availability rates by district,
year-end 2017
%



Source: Bak Property Research / Knight Frank

The Hague's main office districts



THE HAGUE

Demand for office space in The Hague and its surrounding towns increased in 2017. This was primarily evident in the city of The Hague, where take-up reached almost 105,000 sq m, more than double the level of 2016. A particularly noteworthy deal saw the Central Government Real Estate Agency acquire almost 30,000 sq m, while there were other significant transactions involving the Kosovo Court and the Municipality of The Hague.

The larger deals of the year were mainly concentrated in the city centre and, as a result, this area accounted for a significant share of overall take-up. The Benoordenhout and Beatrixkwartier districts also contributed more modestly to the improvement in overall take-up.

Outside of the city of The Hague, a notable strong performer was Zoetermeer, where take-up increased to approximately 17,000 sq m, boosted by Seaway Heavy Lifting's acquisition of 9,000 sq m in the Rokkeveen area. A clear increase in take-up was also posted in Rijswijk.

The rising take-up in the region was accompanied by a significant fall in

availability, which was most noticeable in The Hague and Delft. In the city of The Hague, availability declined to 442,000 sq m, or 11.7% of the total stock. Conversely, Rijswijk recorded a substantial rise in availability, and there is the prospect of a further increase when Shell vacates its current premises in this location.

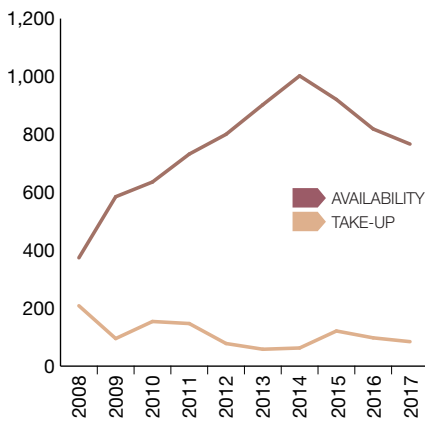
TABLE 1
Office rents 2018 (€ per sq m pa)

District	Rental range
The Hague Centre	135 - 200
The Hague Bezuidenhout	145 - 195
The Hague Benoordenhout	135 - 190
The Hague Binckhorst	70 - 140
The Hague Convention Centre	145 - 185
The Hague Other	90 - 165
Leidschendam-Voorburg	90 - 130
Rijswijk	90 - 140
Delft	90 - 130
Zoetermeer	75 - 140

Source: Knight Frank

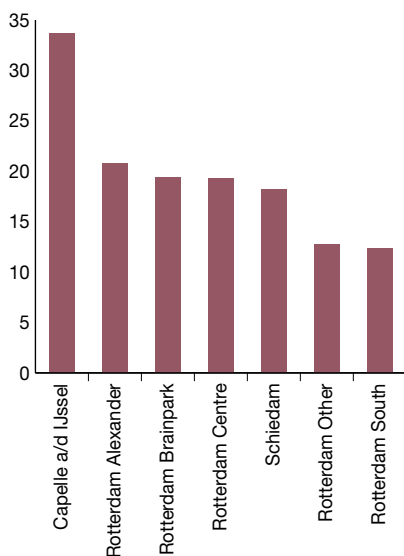
Office availability decreased for the third successive year in Rotterdam.

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



Source: Bak Property Research / Knight Frank

FIGURE 2
Availability rates by district,
year-end 2017
%



Source: Bak Property Research / Knight Frank

Rotterdam's main office districts



ROTTERDAM

Against expectations, office take-up in the Rotterdam region decreased in 2017 compared with 2016. This trend was witnessed in both the city of Rotterdam and the neighbouring town of Capelle a/d IJssel. In the city of Rotterdam, take-up fell by 10% to approximately 79,000 sq m, mainly due to a relative lack of large deals. The majority of transactions were in the 200-1,200 sq m size range, although there were a few larger deals involving occupiers including Eastman Chemical, Coca-Cola and Cambridge Innovation Centre.

As in previous years, demand in Rotterdam was concentrated in the city centre, and the volume of transactions held up well in this location. Elsewhere in Rotterdam, office demand increased strongly in the Brainpark office district. Demand for space in the Alexander district was solid, albeit this did not translate into a substantial increase in take-up. However, the Kop van Zuid district received limited demand.

Office availability in the Rotterdam region continued on a downward trend, falling to 767,000 sq m by the end of 2017, a decrease of 53,000 sq m compared with

2016. The decline in availability was most noticeable in the city of Rotterdam itself, where vacant space fell to 563,000 sq m, or 17.4% of the total stock. A significant volume of office space in the city centre was withdrawn from the stock for redevelopment. In contrast, vacancy levels increased in Capelle a/d IJssel, where approximately 163,000 sq m was available for lease at the year-end, or 33.7% of total stock.

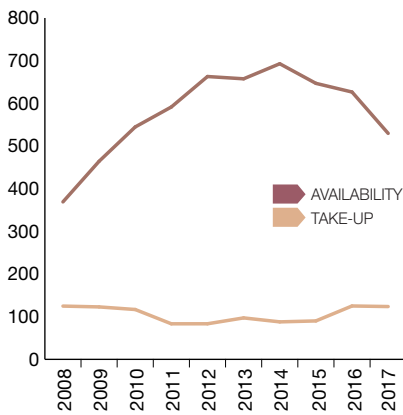
TABLE 1
Office rents 2018 (€ per sq m pa)

District	Rental range
Rotterdam Centre	145 - 225
Rotterdam Alexander	135 - 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

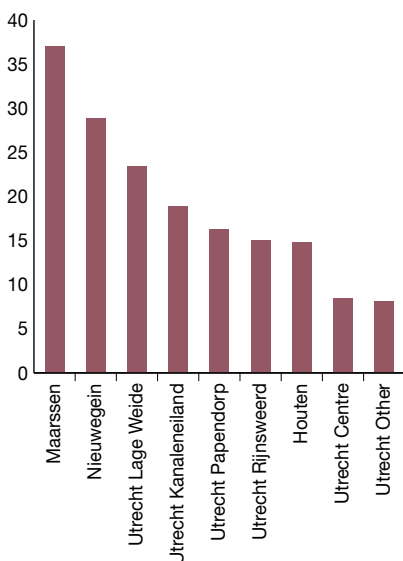
Office take-up remained high in the city of Utrecht.

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



Source: Bak Property Research / Knight Frank

FIGURE 2
Availability rates by district,
year-end 2017
%



Source: Bak Property Research / Knight Frank

Utrecht's main office districts



UTRECHT

Office take-up in the Utrecht region amounted to approximately 125,000 sq m in 2017, a similar level to 2016. Demand for space was particularly strong in the city of Utrecht itself, where take-up reached 102,000 sq m. The largest deal of the year saw the telecommunications operator VodafoneZiggo lease 16,000 sq m of office space in Hoog-Catharijne, while other major transactions involved the Sociale Verzekeringsbank, MBO Nederland, Utrecht University and Bol.com.

Within Utrecht, the most popular office districts included the area around the Central Station, where take-up was boosted by the VodafoneZiggo deal. The Papendorp office park and Rijnsweerd were also very active in 2017, with both areas recording increased take-up. In the rest of the region, the city of Nieuwegein was a notable strong performer, both in terms of the number of transactions and the area leased.

The relatively high level of take-up in 2017 contributed to a further reduction in office

availability within the region. This was also influenced by the removal of 85,000 sq m from the office stock due to demolition or change of use. Vacancy rates decreased in nearly all parts of the region, but fell most sharply in the city of Utrecht, particularly in the Papendorp and Kanaleneiland districts. At the year-end, a total of 307,000 sq m was available in Utrecht, which represents a vacancy rate of 11.7%.

TABLE 1
Office rents 2018 (€ per sq m pa)

District	Rental range
Utrecht Centre	140 - 225
Utrecht Rijnsweerd	145 - 175
Utrecht Kanaleneiland	90 - 170
Utrecht Lage Weide	80 - 145
Utrecht Papendorp	140 - 185
Utrecht Other	130 - 175
Maarsssen	80 - 145
Nieuwegein	80 - 140
Houten	80 - 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

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.

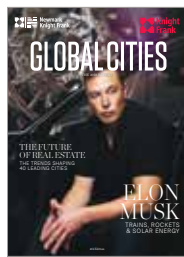
RECENT MARKET-LEADING RESEARCH PUBLICATIONS



[Active Capital 2017](#)



[European Commercial Property Outlook 2018](#)



[Global Cities Report - 2018](#)



[The London Report 2018](#)



Important Notice

© Knight Frank LLP 2018 – This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to 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 not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. 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.

Knight Frank Research Reports are also available at www.KnightFrank.com or www.NLrealestate.nl
This report has been produced in close cooperation with Bak Property Research.

