Dutch Office Market Report

Research 2020
Take-up

The Amsterdam region saw moderating demand in 2019, leading to less office space being taken up on the open market than over the previous year. The fall in demand was most notable in the city of Amsterdam, where take-up decreased by almost 25% to approximately 212,000 sq m. In addition to take-up, the number of transactions also declined relative to the previous year. The majority of take-up was small to medium-sized lots, albeit there were several larger lettings, including those with Coty, SVBros, Intetrust, Netflix, Spaces, University of Amsterdam and Fosbury & Sons.

Within Amsterdam, demand was focused mainly on the city centre, the Southeast district, the Sloterdijk district and the South Axis. Take-up in the area surrounding the Amstel Railway station, was limited, largely due to lack of office space coming onto the market. Take-up of office space also declined in the neighbouring towns of Amstelveen and Hoofddorp.

Availability

Office availability in the Amsterdam region continued to trend downwards, declining by 40,000 sq m over the year 2019, to approximately 870,000 sq m. The decline in availability was most noticeable in the city of Amsterdam itself, where vacant space fell to 570,000 sq m, or 9.3% of the total stock. This reduction in supply benefited the Sloterdijk and southeast districts in particular. In contrast, availability increased sharply in the West district, along the A10 ring road, which was caused primarily by the former Fashion Garden building coming on to the market. The South Axis also faced increasing availability. Including new developments, approximately 159,000 sq m was available for lease by the end of 2019.

The city of Amsterdam saw moderating demand, where vacant space fell to 352,000 sq m, or 9.3% of the total stock. This itself, where vacant space fell to 570,000 sq m, or 9.3% of the total stock. This was accompanied by a decline in the amount of space available for immediate occupation, which fell to 765,000 sq m by the end of 2019. This was most notable in the city of The Hague itself, where vacant space fell to 368,000 sq m, or 8.4% of the total stock. Vacancy rates decreased in nearly all parts of the city but fell particularly sharply in the Laakhaven office district.

Take-up nearly doubled in The Hague over the year to 2019.

Take-up of office space also declined in the neighbouring towns of Amstelveen and Hoofddorp. The Hague office market and its surrounding towns enjoyed a surprisingly strong recovery in 2019. Take-up of office space on the open market was approximately 163,000 sq m, nearly twice the 2018 figure. The city of The Hague saw most of this demand, with take-up reaching 130,000 sq m, driven by a number of large deals. This included the letting of a 20,000 sq m planned office complex to the Central Government Real Estate Agency and a similar amount of office space let to PostNL. There were also several other large lettings including Shell, Fosbury & Sons, the province of Zuid-Holland, T-Mobile and Nationale-Nederlanden.

Partly as a result of the deals with PostNL and T-Mobile, the focus of demand within the Hague itself was on the Laakhaven district. Outside the city of The Hague, a notable strong performer was Rijswijk, where take-up increased to 17,000 sq m. The Hague itself was on the Laakhaven office district.
**Rotterdam**

Due to exceptional demand in 2018, office take-up moderated in 2019.

Last year, the office market in the Rotterdam region had to contend with flattening demand, leading to less property being let or sold on the open market compared to 2018. This trend was seen in both the city of Rotterdam and the neighbouring towns of Capelle a/d IJssel and Schiedam.

The decline in take-up was particularly apparent in the city of Rotterdam. The city of Rotterdam focused primarily on the van Zuid area and the Alexander district. Demand for Houten was limited, with no significant deals occurring there.

**Availability**

Despite relatively sluggish demand, total availability in the region declined over the year to 616,000 sq m by the end of 2019. Although most places benefited from this, the decline was greatest in the city of Rotterdam, where vacancy decreased to 467,000 sq m, or 14.7% of total stock. Availability declined most sharply in the city centre and in the Brainpark district.

**Take-up**

The substantial take-up in the city having enjoyed an exceptionally high level of demand in 2018. In Rotterdam take-up fell by 27% to approximately 97,000 sq m, primarily as a result of weaker demand for large lot sizes. However, market sentiment remains positive and there were a very high number of small and medium sized transactions ranging between 200 sq m and 1,500 sq m. There were also a few sizeable deals including occupiers such as Unilever, MSC, Gemeente Rotterdam, HDI Global and OMA. As in the past, tenant and purchaser interest in the city of Rotterdam focused primarily on office buildings in the city centre, with this area accounting for 55 percent of total take-up. Although demand for office space in the city centre can be considered as favourable, take-up was nevertheless of a lower level than in the preceding year. Decreases were also seen in the Brainpark office district, the Kop van Zuid area and the Alexander district.

**Availability**

Vacancy rates decreased in nearly all districts, but fell most sharply in the Brainpark district, where take-up was boosted by a significant deal with the Dutch Police in a building formerly occupied by Mercedes-Benz.

Papendorp office park, where take-up was moderate, with a few significant deals, including a lettings with Rabobank.

These and a number of other large transactions in Utrecht amounted for more than half of take-up, albeit demand was also generated by numerous small occupiers.

Of the places around Utrecht, only Nieuwegein performed well, with take-up of approximately 19,000 sq m. Demand for Houten was limited, with no significant deals occurring there.

**Availability**

The substantial take-up in the region resulted in a sharp decrease in the availability of office space for immediate occupation, with the city of Utrecht and Nieuwegein particularly benefiting from this trend. In the city of Utrecht supply fell by 25% to approximately 196,000 sq m, or 8.2% of the total stock. Vacancy rates decreased in nearly all districts, but fell most sharply in the Papendorp and Lage Weide districts.

Nieuwegein also succeeded in cutting back the level of availability due to the take-up of second-hand buildings and the withdrawal of large volumes of space for redevelopment.

**Take-up**

Multiple large leasing transactions caused take-up to increase by 28% over 2019.

**Availability**

The Utrecht region enjoyed healthy demand for office space in 2019. Substantially more space was let or sold on the open market than the year prior. Office take-up in the region amounted to approximately 183,000 sq m, which was a 28% increase on the previous year. The city of Utrecht in particular, saw a number of exceptionally large letting deals. The most popular office locations within the city was the area surrounding the Central Railway Station and the Papendorp office park, where take-up was boosted by a significant deal with the Dutch Police in a building formerly occupied by Mercedes-Benz. The Lage Weide industrial estate also accounted for a substantial part of the achieved take-up, driven by a sizeable deal concluded by Rabobank.
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