

Occupier market trends in the Randstad.

Amsterdam ♦ The Hague ♦ Rotterdam ♦ Utrecht

NL real
estate

**Knight
Frank**

Dutch Office Market Report

Research 2020

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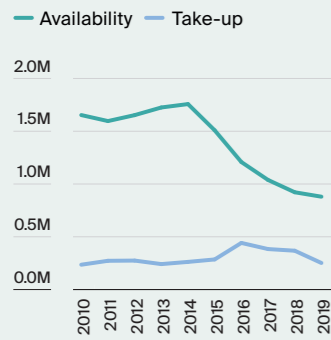
AMSTERDAM

While take-up continues to decline in Amsterdam overall, demand remains in the city centre.

Take-up

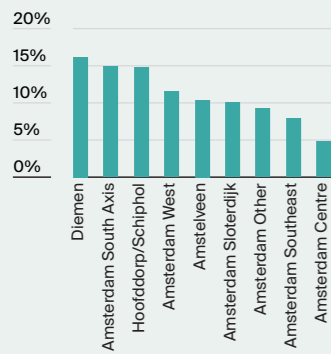
The Amsterdam region saw moderating demand in 2019, leading to less office space being taken up on the open market than over the previous year. The fall in demand was most notable in the city of Amsterdam, where take-up decreased by almost 25% to approximately 212,000 sq m. In addition to take-up, the number of transactions also declined relative to the previous year. The majority of take-up was small to medium-sized lots,

Availability versus take-up
000's sq m



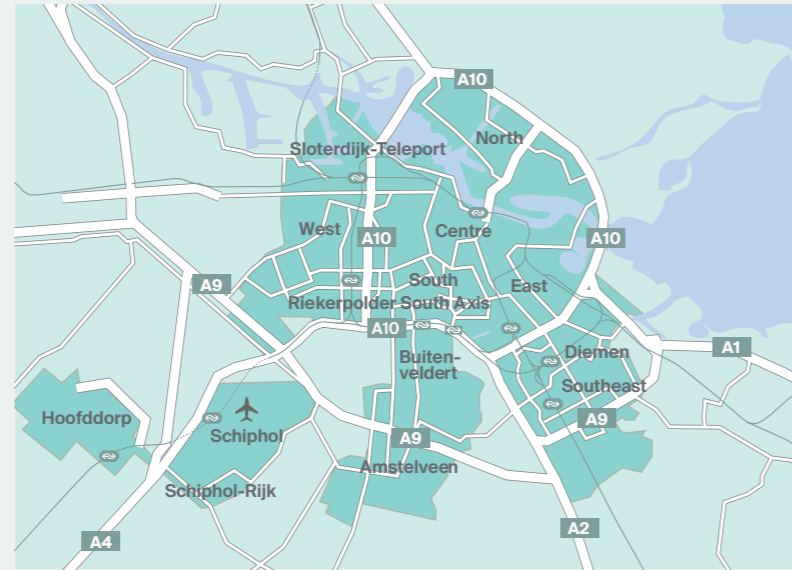
Source: Knight Frank, Bak Property Research

Availability rates by district, year-end 2019



Source: Knight Frank, Bak Property Research

Amsterdam's main office districts



albeit there were several larger lettings, including those with Coty, EVBox, Intertrust, 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 in 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.

OFFICE RENTS 2020 (€ PER SQ M PA)

DISTRICT	RENTAL RANGE
Amsterdam Centre	200 - 500
Amsterdam Sloterdijk	145 - 200
Amsterdam West	145 - 200
Amsterdam South Axis	245 - 475
Amsterdam Southeast	145 - 220
Amsterdam Other	125 - 185
Amstelveen	125 - 225
Diemen	100 - 165
Hoofddorp/Schiphol	145 - 425

THE HAGUE

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

Take-up

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.

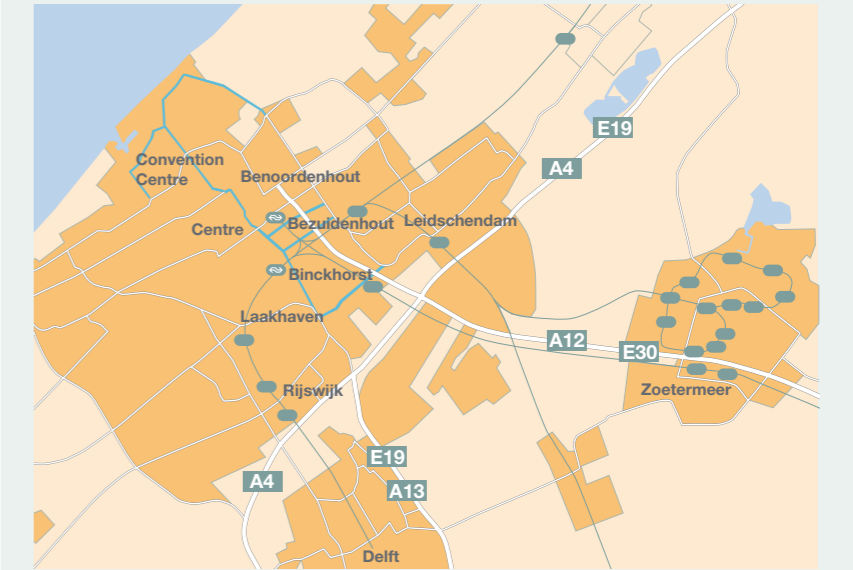
Availability

The increased take-up in the region 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

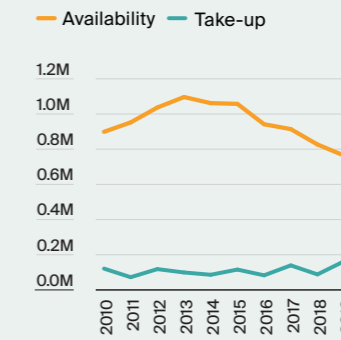
OFFICE RENTS 2020 (€ PER SQ M PA)

DISTRICT	RENTAL RANGE
The Hague Centre	125 - 225
The Hague Bezuidenhout	130 - 195
The Hague Benoordenhout	120 - 180
The Hague Binckhorst	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

The Hague main office districts

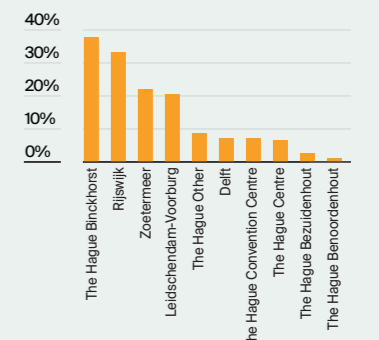


Availability versus take-up
000's sq m



Source: Knight Frank, Bak Property Research

Availability rates by district, year-end 2019



Source: Knight Frank, Bak Property Research

was most notable in the city of The Hague itself, where vacant space fell to 308,000 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. The Benoordenhout and Bezuidenhout districts also saw marked declines in vacancy to below 3% in both markets.

While availability in the city centre of The Hague remained unchanged at 100,000 sq m, in Rijswijk, availability significantly increased due to offices formerly occupied by Shell and the European Patent Office coming to the market.

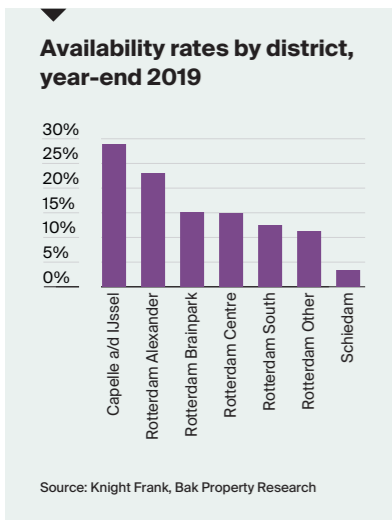
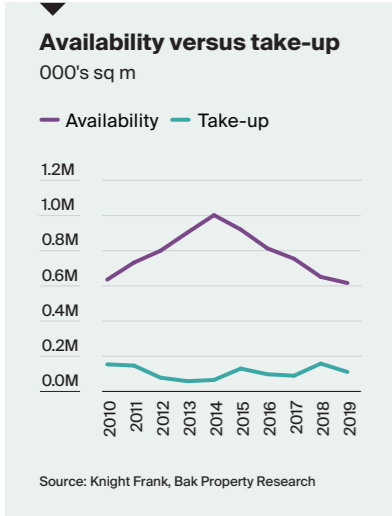
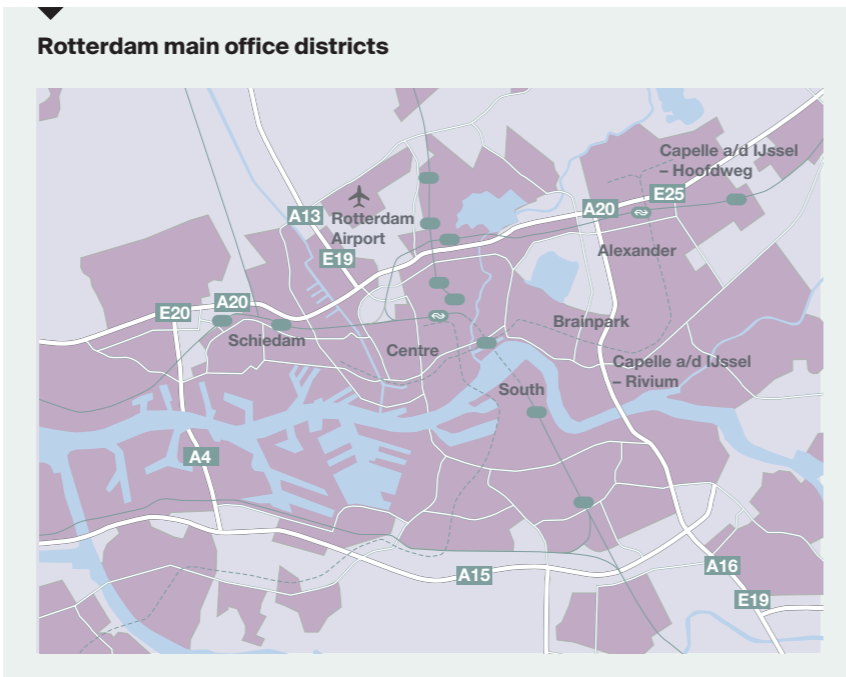
ROTTERDAM

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

Take-up

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. However, this was expected due to 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

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.

OFFICE RENTS 2020 (€ PER SQ M PA)

DISTRICT	RENTAL RANGE
Rotterdam Centre	125 - 225
Rotterdam Alexander	130 - 165
Rotterdam Brainpark	140 - 170
Rotterdam South	90 - 225
Rotterdam Other	85 - 150
Capelle a/d IJssel	90 - 135
Schiedam	80 - 135

UTRECHT

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

Take-up

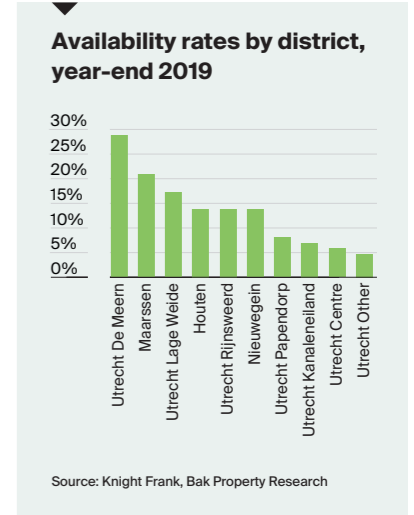
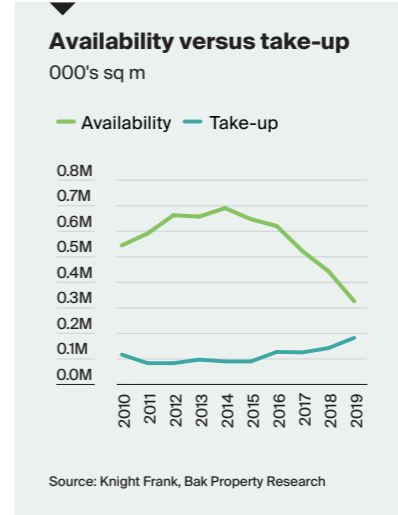
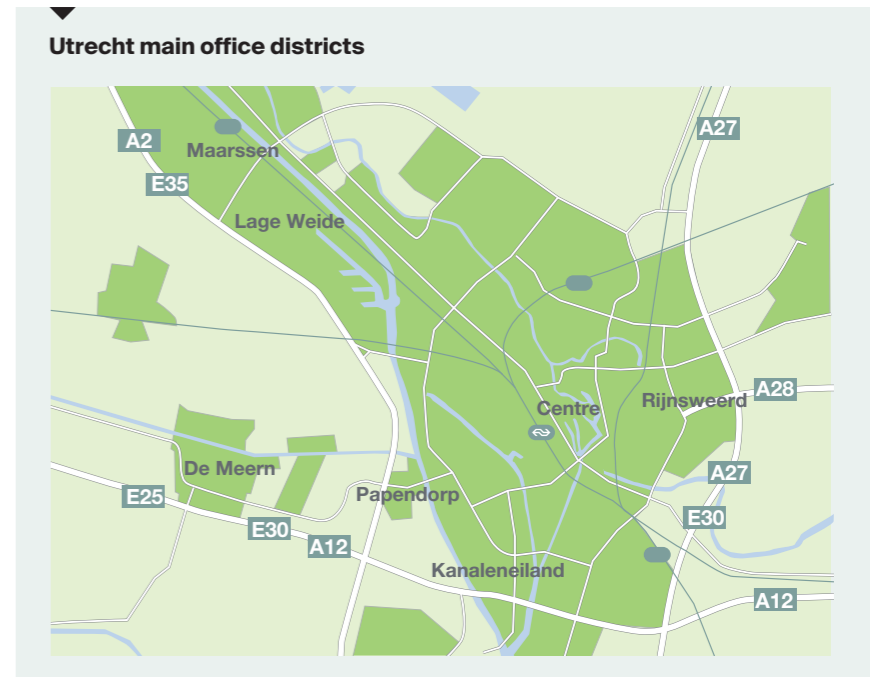
The Utrecht region enjoyed healthy demand for office space in 2019. Substantially more space was let or sold on the open market than the year prior. Office take-up in the region amounted to approximately 182,000 sq m, which was a 28% increase on the previous year. The city of Utrecht in particular, saw 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.

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.

OFFICE RENTS 2020 (€ PER SQ M PA)

DISTRICT	RENTAL RANGE
Utrecht Centre	140 - 285
Utrecht Rijnsweerd	145 - 170
Utrecht Kanaleneiland	130 - 185
Utrecht Lage Weide	80 - 135
Utrecht Papendorp	140 - 180
Utrecht Other	130 - 175
Maarssen	80 - 135
Nieuwegein	80 - 135
Houten	80 - 125



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 benefitting 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.

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