Dutch Logistics Market Report

NL real estate | Knight Frank

2025

This report covers trends in the investment and occupier markets, and assesses current market conditions in terms of supply and demand, pricing, and future market prospects.

Investment & occupier market

Investment market shows signs of recovery while occupier demand remains strong

The Dutch logistics real estate market has shown signs of recovery in 2024, following a period of fluctuating performance. Investment volumes are rebounding, reaching approximately €3.25 billion, a positive development after declines in recent years.

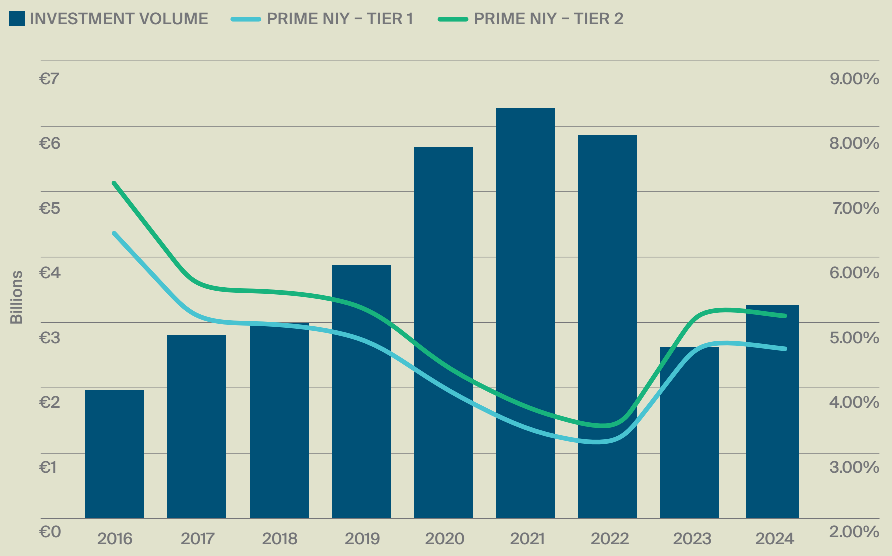
Tier 1 prime net initial yields are experiencing gradual compression, trending toward 4.60% by the end of 2024. This represents a decline from the high four percentage range seen in early to mid-2024, reflecting renewed strong investor demand for high-quality logistics assets. The spread between Tier 1 and Tier 2 prime net initial yields has widened to approximately 50 basis points. This difference in yield is defined by the location of the assets: Tier 1 prime yields refer to assets typically situated in established logistics hotspots and key transportation corridors, while Tier 2 prime yields refer to assets located in emerging hubs.

Take-up activity has remained strong, with approximately 4.75 million sqm (I&L) leased in 2024. Demand continues to be driven by third-party logistics providers (3PLs) who account for a significant portion of occupier activity. Vacancy rates have decreased over a longer period and have now increased slightly to a low but healthy level of around 4.0%, indicating tightening market conditions and continued occupier demand. Furthermore, the vacancy is predominantly in older buildings with outdated specifications.

Supply remains constrained by challenges in planning and development, with policy uncertainties and zoning restrictions limiting new construction. Additionally, when land is available, grid congestion often restricts the power capacity available for new logistics facilities. These challenges continue to drive demand for existing well-located logistics assets.

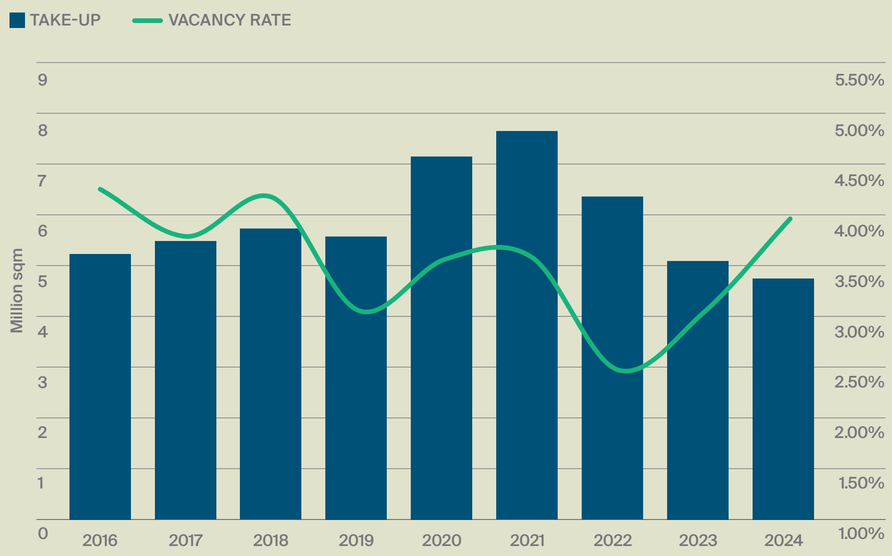
All in all, the logistics market's resilience is evident, with stabilized yields, low vacancy, and consistent occupier demand driving confidence among investors and stakeholders. The outlook for 2025 and beyond suggests a robust market with strong fundamentals and opportunities for growth.

I&L investment volume and prime yield



Source: NL real estate | Knight Frank Research

I&L take-up and vacancy



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Rental market

Rental growth continues

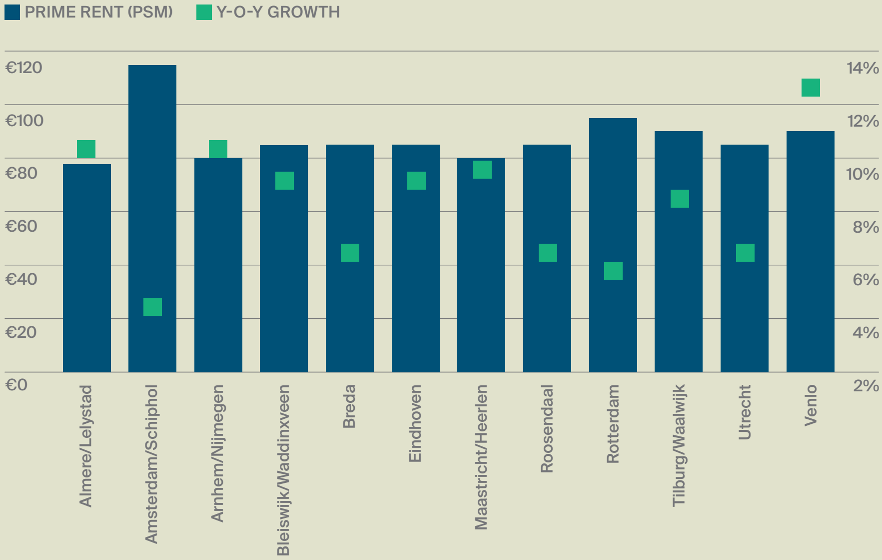
The Dutch logistics real estate rental market in 2024 shows a clear distinction between established prime hubs and emerging regions. Key locations such as Amsterdam/ Schiphol, Rotterdam, Tilburg, Eindhoven and Venlo continue to command the highest prime rents, driven by their strategic importance in international logistics, excellent connectivity, and proximity to major consumer and industrial markets. Amsterdam/Schiphol stands out with the highest rental levels, reflecting its status as a key gateway for global trade.

Meanwhile, regions like Arnhem/Nijmegen and Bleiswijk/ Waddinxveen offer competitive rents alongside steady growth, presenting attractive opportunities for investors seeking long-term value. These areas benefit from their accessibility, central positioning, and growing role in domestic and cross-border distribution networks.

The year-on-year rental growth across most markets remains stable, underpinned by sustained demand for high-quality logistics facilities. Key drivers include the continued rise of e-commerce, supply chain reconfigurations, and the growing importance of last-mile delivery.

For investors, this landscape underscores the need to balance rental returns with growth potential. Established hubs with high rental levels offer stable, immediate returns, while emerging regions with solid growth trajectories provide opportunities for long-term appreciation. With the sector continuing to evolve, strategically positioned assets in both core and secondary markets are expected to play a critical role in future portfolio performance.

Prime rent and growth 2024



Source: NL real estate | Knight Frank Research

The Netherlands in a european perspective

Strong market performance underpinned by its strategic location, limited supply and long term growth prospects

The Dutch logistics market continues to act as a magnet for investors, due to it's strategic position within Europe and constrained supply, particularly of new and modern facilities. As a result, investment volumes into the Netherlands have recovered well in 2024, with a 37% rise (y/y), outperforming other core Western European markets. The Netherlands is the fourth largest logistics investment market in Europe, after the UK, Germany and France.

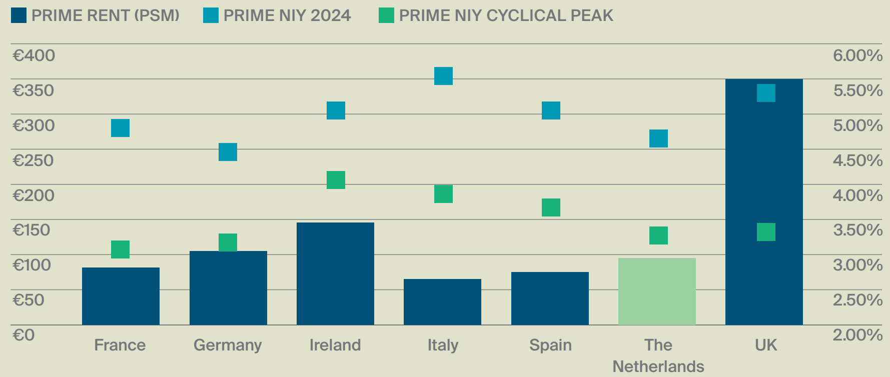
Trade and distribution are vital to the Dutch economy, with the Netherlands serving as a central hub for imports, exports, and distribution across Europe, thanks to its strategic location and connectivity to key markets in Southern, Central, and Eastern Europe, the UK, and the Nordics. The Netherlands accounts for 18% of EU imports and handles 16% of the EU's seaborne goods, and therefore attracts a highly international occupier and investor base. However, its strong reliance on global trade dynamics means geopolitical tensions and shifting trade policies could pose risks, particularly for port-focused operations.

While 2024 take up volumes are down across many of Europe's core markets, occupier demand has held up well in the Dutch market. As a result, rental growth has maintained greater pace than other markets. In the year to Q3 2024, MSCI report average rental growth of 7.9%, higher than any other country reported in the European quarterly index, and compares with 5.5% growth across Europe.

Logistics rental growth is slowing across most European countries and this is also true of the Dutch market. Average industrial rents in the Netherlands have seen strong and sustained rental growth, reporting double-digit rental growth over the past two years (Q4 2022-Q3 2024).

Growth in consumption, and particularly the expansion in online retail, both in the Netherlands and more widely across Europe, is also supporting occupier demand. Online retail accounts for an estimated 20% of total retail sales in the Netherlands. While the market has grown significantly in recent years, it still lags behind the UK, indicating considerable potential for further expansion. Historically dominated by domestic online platforms, the Dutch market is now seeing increased activity from international platforms seeking to establish a stronger presence. As these companies expand their market share within the Netherlands, logistics operators will seek to expand their networks, driving growth in demand for logistics real estate. Expansion in ecommerce across other parts of Europe will also drive demand for facilities within the Netherlands due to its strategic location.

The Netherlands in european perspective 2024



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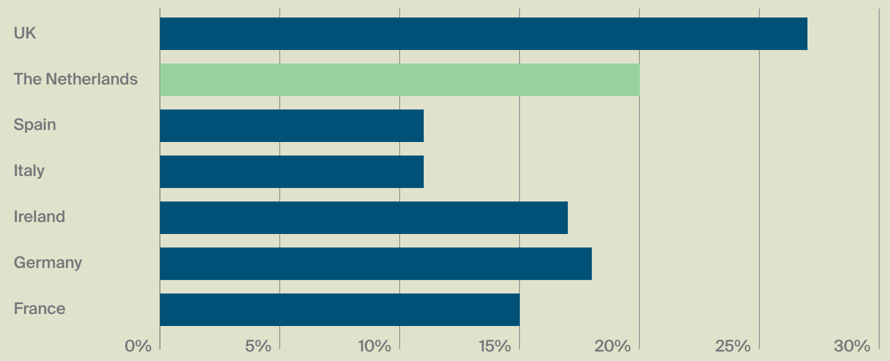
Online retail as a share of total retail sales



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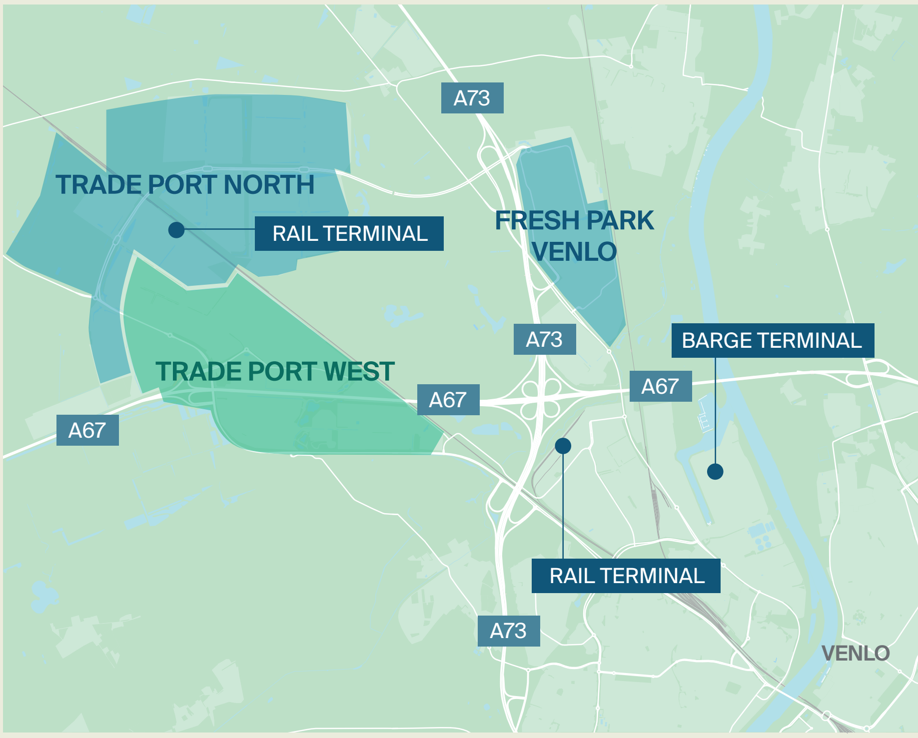
In the spotlight

Venlo

Venlo has long been known as the logistics hotspot of the Netherlands. With its strategic location near the German border, excellent multimodal infrastructure – including the largest inland rail terminal in the country – and strong connections to the European market, the region remains attractive to both users and investors.

With a strong series of transactions in 2023 and 2024, Venlo once again confirms its status as a leading logistics region. The combination of high-quality users, sustainable developments, and significant investment transactions underscores the strength of this hotspot. Venlo continues to play a key role in the European logistics chain.



TRANSACTION OVERVIEW

In 2023, the acquisition of the DSV distribution center in Venlo by a Spanish family office marked a significant milestone. The property, spanning c. 103k sqm, was sold by Vestas for over €100 million at a net initial yield of 4.00%. This transaction highlighted Venlo's appeal and set the stage for even more remarkable deals in 2024.

THREE LANDMARK TRANSACTIONS IN 2024

John Hickstraat – Q2 2024
This modern logistics facility of c. 40k sqm was sold by Patrizia to Clarion Partners for c. €43 million at a net initial yield of 4.70%, with a remaining lease term of c. 4 years.

Olivier van Noortweg – Q3 2024
The same Spanish family office that made a significant acquisition in 2023, further expanded its portfolio with the acquisition of a brand-new warehouse of c. 50k sqm, sold by Seacon Logistics, which leased it back on a 10-year term. The transaction was valued at c. €77 million with a net initial yield of 4.70%.

Tasmanweg – Q4 2024
Abrdn sold this state-of-the-art distribution center of c. 32.5k sqm, let on a 20-term to Rhenus Road, to Dokvast for almost €59 million. The transaction took place at a sharp net initial yield and set a new benchmark for super-core logistics.

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We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.

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