The state of affairs

NVM Business

Commercial property 2020

The Dutch office, industrial and retail property market

Index

Foreword

This report represents the results of the annual research conducted by NVM Business, studying the commercial property market in the Netherlands. All data required to this end have been collected by brainbay, the data company proceeding on behalf of NVM. The latter to a great extent derives its numbers from lease and sales transactions realised by NVM's real estate agents. To be as accurate as possible, other data sources have been consulted as well.

Generally speaking, 2019 was a good year when it comes to developments taking place on the commercial property markets. Factors including economic growth, low interest rates and above all business confidence were pivotal.

Nevertheless, not every province did well and some segments were unable to thrive last year. Please find out in this report which you might want to read at length. Alternatively, you are more than welcome to consult one of NVM Business' real estate agents and property valuers, for our knowledge extends far beyond data.

I wish you an interesting read.

mr. Sander Heidinga REV RT RM
NVM Business Chairman

The Dutch occupational market

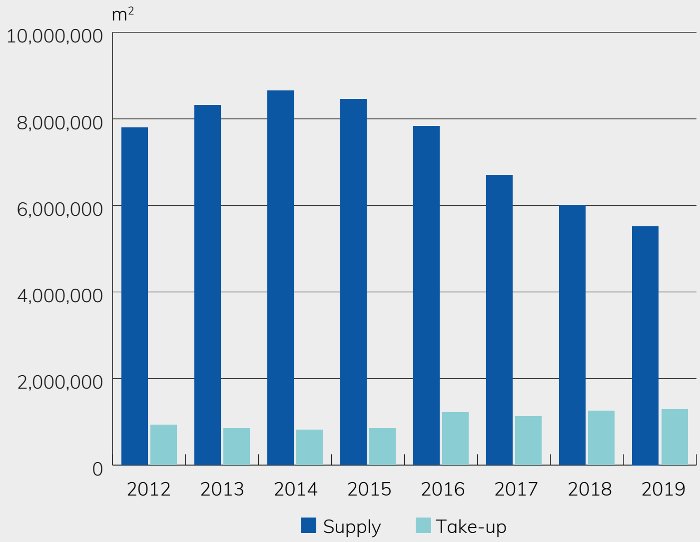
Office market

The Dutch office market showed its good side in 2019. On the so-called open market, a total of 1.28 million m² of office space have been let out and sold, excluding owner-occupier developments. It means take-up levels were almost just as high as those reported in the preceding year. Office lettings and sales maintained significant levels, primarily due to activities taking place within the public sector. It intensified the need for office space as a result. At the same time, banks and insurance companies as well as financial service providers and the IT sector required much space last year. The fact that take-up followed from a smaller number of transactions, nonetheless relatively more large- scale lease transactions, also clearly interfered with total transaction volumes. Demand for large office space intensified but also, new-build projects (i.e. property under construction or property yet to be built) were more popular compared to previous years. Within this segment, approximately 145,000 m² of office space exchanged users in 2019.

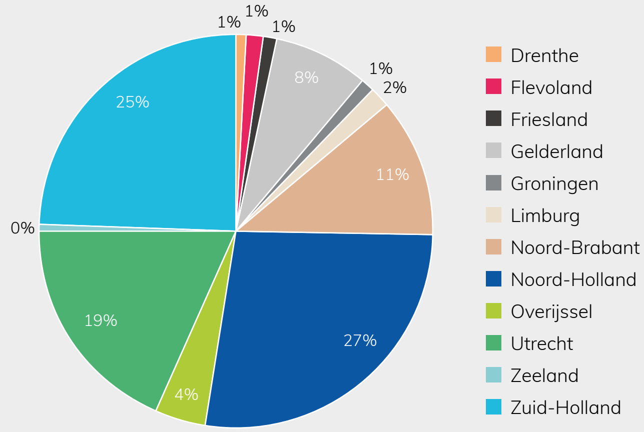
Viewed from all the different regions, clearly opposing tendencies were perceptible last year. The provinces of Groningen, Gelderland and Noord-Brabant settled for lower transaction volumes, while the provinces of Utrecht and Zuid-Holland reported climbing sales numbers. The other provinces managed to maintain the same levels in 2019, reporting transaction volumes hardly changed compared to the preceding year. The image though was also inconsistent within the provinces themselves. In the province of Zuid-Holland, the city of Rotterdam faced poorer demand in 2019, however quite the opposite was the case in The Hague. In terms of rents, a strong upward pressure presented itself in some cities such as Amsterdam and Utrecht due to strong demand for offices. Price levels were pretty much the same at the national level.

Strong take-up of existing property continued to push down the amount of space immediately available. As a result, supply levels dropped to 5.5 million m², which is about 11.5% of total stock. Vacancy levels went down due to take-up of existing buildings but also after withdrawing approximately 400,000 m² of office space from stock. And except for a number of pre-let offices, little new space was added. In fact, half of 133,000 m² under construction for the open market last year had already been let out.

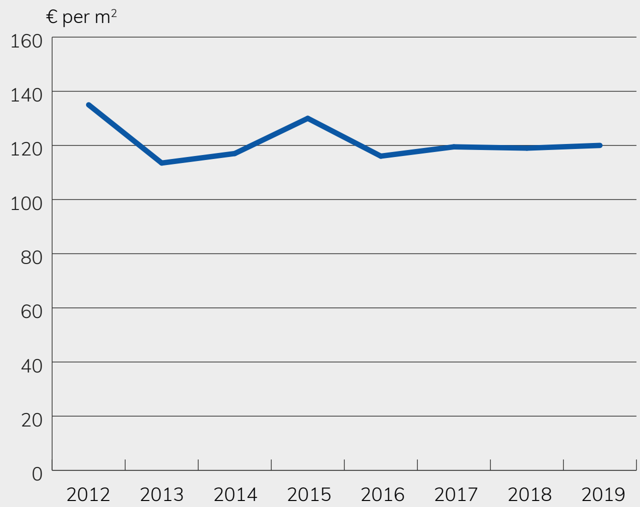
Supply and take-up of office space in the Netherlands



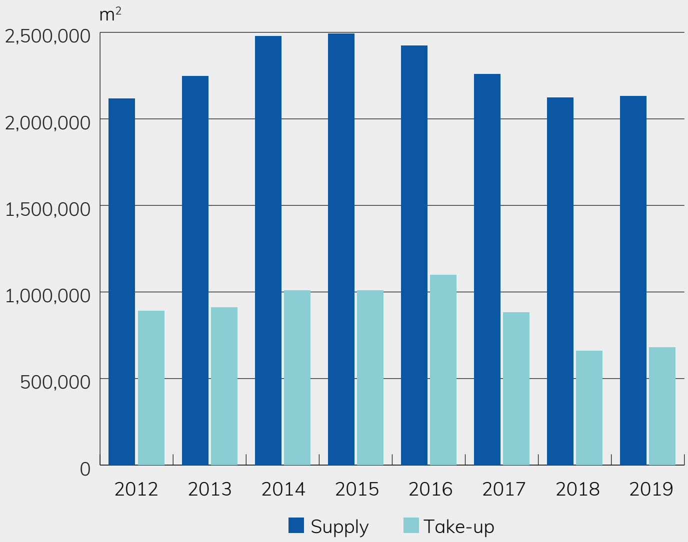
Take-up of office space by province



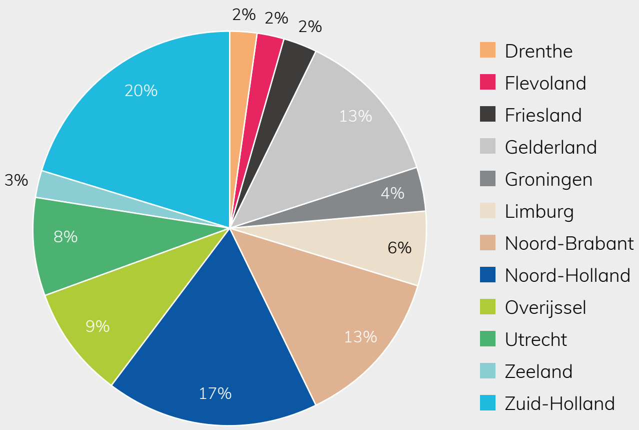
Average office space rent



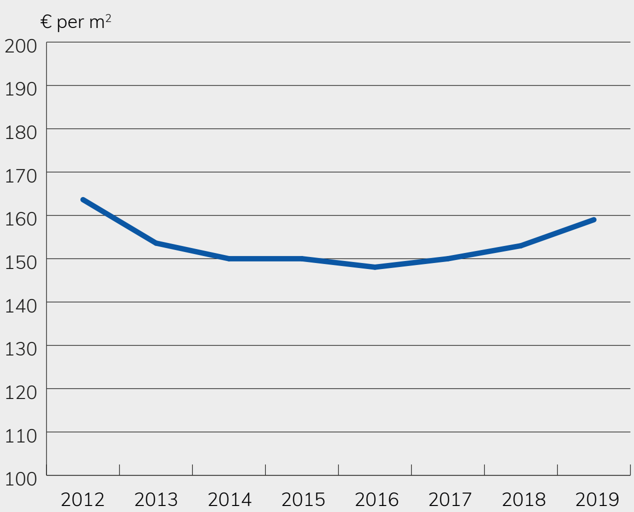
Retail property supply and take-up in the Netherlands



Retail property take-up by province



Average retail property rent



Retail property market

Despite a strong increase in online retail spending and the fact that many shop owners had to close down, strangely enough retail property lease and sales transactions were hardly affected. The market was once again typified by lively demand for retail space, reporting higher take-up levels in 2019 compared to the year before. On the so-called open market, a total of approximately 680,000 m² had been let out and sold. Last year, transaction volumes remained at pretty much the same level as retail traders were very much interested in stores existing on prime (A) and secondary (B) locations, but also dedicated shopping centres represented a significant share of take-up realised. Although demand for retail space slightly picked up generally speaking, sales numbers were disappointing in some of the Dutch provinces. This was very much the case in the provinces of Friesland, Drenthe and Flevoland.

Despite positive demand for retail property, a number of negative trends which also presented themselves in previous years, persisted in 2019. For instance, the amount of retail space immediately available hardly changed compared to the year before (2.1 million m²). One of the important factors is that the number of stores withdrawn from stock stagnated. Particularly in the so-called 'shrinking' areas, quite often granting retail premises which have been vacant for a long time a different purpose in life, proved impossible. Also, turning vacant stores into restaurants was easier said than done. One major setback on the retail property market has been Hudson's Bay's decision to close down all of its department stores existing in the Netherlands due to bad sales numbers. Vacancy levels threatened to climb by approximately 220,000 m² as a result.

Because retail trade margins were under more pressure last year, retail traders became most critical when it comes to rents. Consequently, rents were adjusted downwards on some of the popular shopping streets like those existing in the cities of Amsterdam, Breda and Eindhoven. The fact that international retail chains were hardly interested in the Netherlands, made a difference as well. Nevertheless, several locations succeeded in maintaining the same price levels.

Even though most shopping centres were let out quite smoothly, to the extent known, hardly any new shopping centres are currently under construction. Focus has been mainly on renovation and preservation of existing alternatives, even though advanced plans exist for constructing shopping centres in Nijmegen, Gouda and Zevenaar among other places.

Industrial property market

In 2019, more industrial space was taken up once again on the open market – excluding owner-occupier development - maintaining previous market trends as a result. In total, nearly 7.1 million m² had been let out and sold, an increase of approximately 8%. Stronger take-up also presented itself as far as logistics property (distribution centres) is involved. In 2019, more than 2.3 million m² were let out and sold, up 2%. Nearly three-quarters of total transactions realised involved lease transactions, an unmistakable climb compared to the preceding year.

Demand for new-build premises rose to a record high in 2019. In total, nearly 2 million m² of new industrial space had been taken into use, which comes down to 28% of the total amount of industrial space let out and sold in 2019 (2018: 20%). In fact, 74% was taken up within the logistics sector.

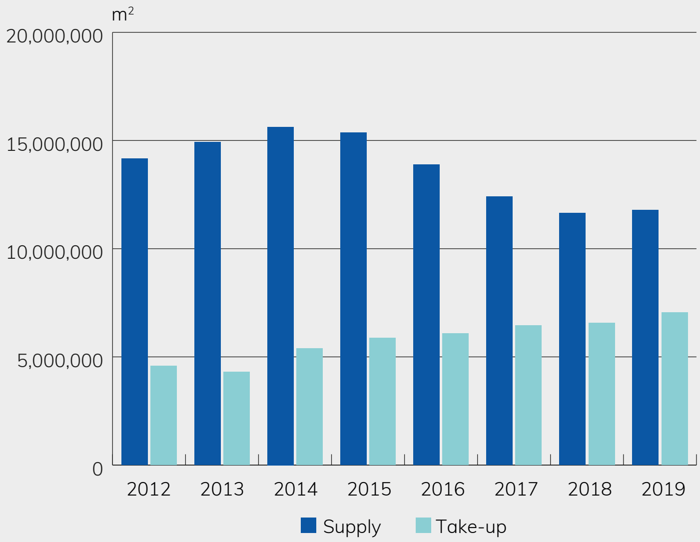
Despite proper sales of industrial space, the amount of space immediately available slightly climbed nevertheless, in fact by 1.3%. In total, nearly 11.8 million m² of industrial space were offered for rent or sale at year-end 2019. Mind you, increasing availability had not been taken into consideration as numbers continued to drop in previous years.

Structural supply – property available for more than three years – developed in an opposite direction, going down 12% in 2019. Even though total availability rose last year, some of the regions reported insufficient appropriate industrial space, particularly in the small-scale and mid-segments.

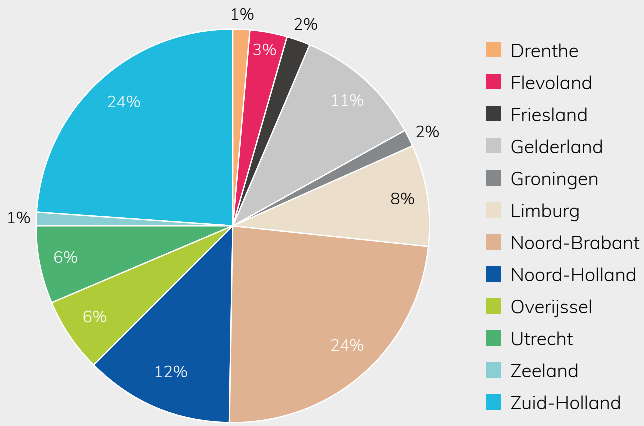
Industrial property rents, which have been climbing ever since 2014, continued to do so last year. Increasing deficits when it comes to suitable supply in particular market segments, as well as the bigger share of new-build premises were responsible for this. Sales prices too modestly climbed in previous years. Generally speaking, hardly any incentives were offered on the industrial property market last year.

Last but not least, transaction periods became shorter and shorter in 2019. Industrial space was let out and sold more rapidly compared to previous years. Sales transactions in particular were realised more smoothly, also because entrepreneurs were able to finance the property in question at high speed.

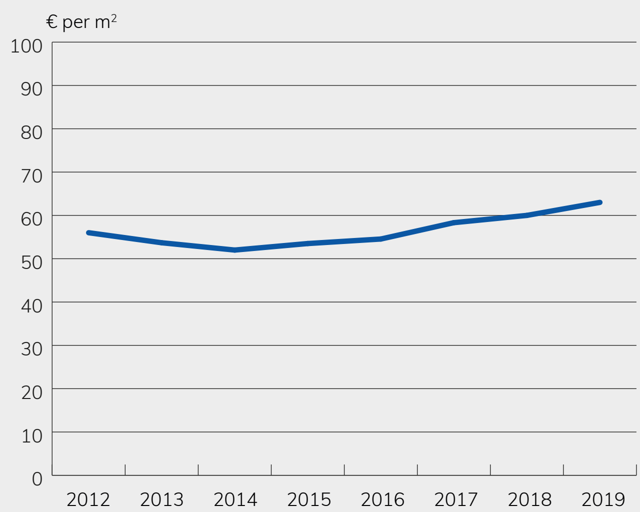
Industrial property supply and take-up in the Netherlands



Industrial property take-up by province



Average industrial property rent



The Dutch investment market

Due to persistently low interest rates on the financial and capital market, whereby ECB's relaxed monetary conditions also mattered, helped intensify investors' demand for commercial property (offices, industrial buildings and retail premises) once again in 2019. Approximately €10.2 billion was invested last year. As a result, resources invested directly in property were at pretty much the same level as in the year before. Investors' strong demand not only followed from the widespread availability of capital and low interest rates but also, the growth of the Dutch economy and the fact that companies have rented many premises, clearly had an impact on the property investment market. Impressive amounts were invested in commercial property last year mainly thanks to the buyer interest of property funds, claiming nearly three-quarters of total investment volumes. A key role was played by British and American investors. Nevertheless, private investors also contributed to developments on this market, Dutch investors even more so.

Office market

In terms of developments on the commercial property market, investors were interested in offices in particular. The image hardly changed compared to previous years. In total, last year investors spent more than €4.5 billion on offices, a drop nevertheless compared to 2018. One of the problems presenting itself when meeting demand for offices was that fewer good buildings were available comparatively. Geographically speaking, investors were mainly interested in the Randstad area, which is evident from climbing investment numbers in this part of the country. Amsterdam was clearly a popular city, with investors spending more than €1.8 billion on office buildings. Out of all four major cities in the Netherlands, Rotterdam too was very interesting. Even though investors focused on these four large cities in particular, sales transactions were also signed in adjacent places. Last year's investments involved international investors in many cases. Both international and Dutch investors have done some great business. Because investors were seriously interested in Randstad offices, net initial yields of first-class offices dropped by an average of 30 basic points (0.3 percentage point).

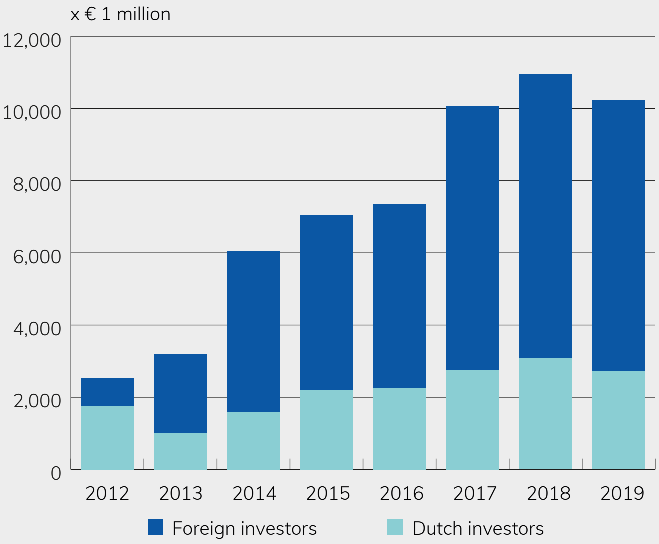
Industrial property market

Last year international investors were very much interested in offices, but equally so in industrial premises. Demand for production and storage space was impressively strong. A total of €3.5 billion were invested in this part of the commercial property market. As a result, volumes were slightly beyond those reported in 2018. The sales of a large number of distribution centres in particular resulted in sizeable investment volumes. Logistics property represented 80% of the total amount investors spent on industrial premises in 2019. And just like in previous years, a key role was claimed by the provinces of Noord-Brabant and Limburg. Another eye-catching detail is that the province of Zuid-Holland became much more interesting to investors. Most of the distribution centres exchanging owners last year involved existing premises. Due to favourable circumstances, net initial yields dropped even further on prime locations, in fact by an average of 40 basic points.

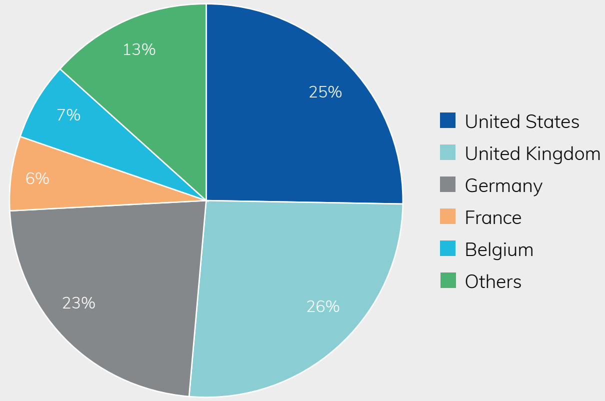
Retail property market

Demand for retail property was steady last year, with dedicated shopping centres and solitary stores as well as retail warehouses being popular. A total of approximately €2 billion were invested in retail property, up €300 million. More investments were made in this segment, especially due to Dutch investors' buyer interest. Private investors in particular represented a stronger buyer's market compared to previous years. When it comes to retail property investments, another interesting detail was that investments in dedicated shopping centres represented half of the total investment volume. Despite a high level of intertest in general, most investors studied the retail property market rather critically. As a result, net initial yields of first-class stores hardly changed last year.

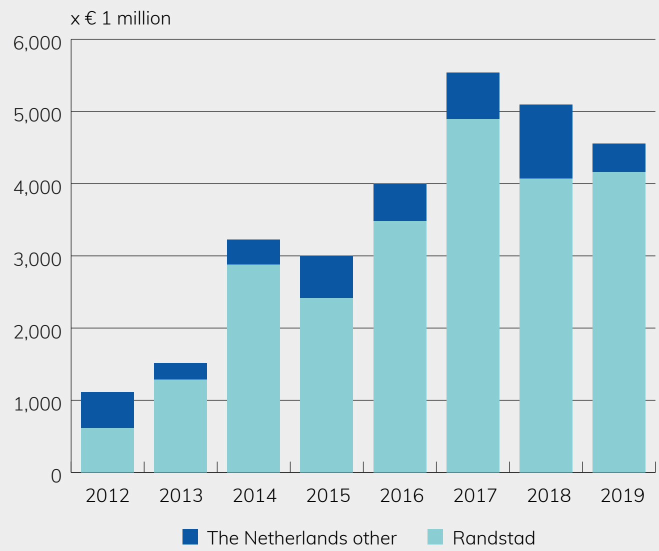
Commercial property investments



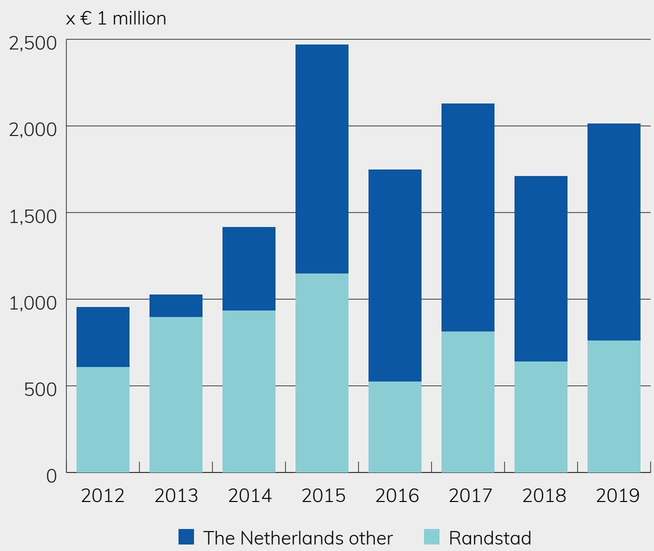
Commercial property investments by foreign investors 2019



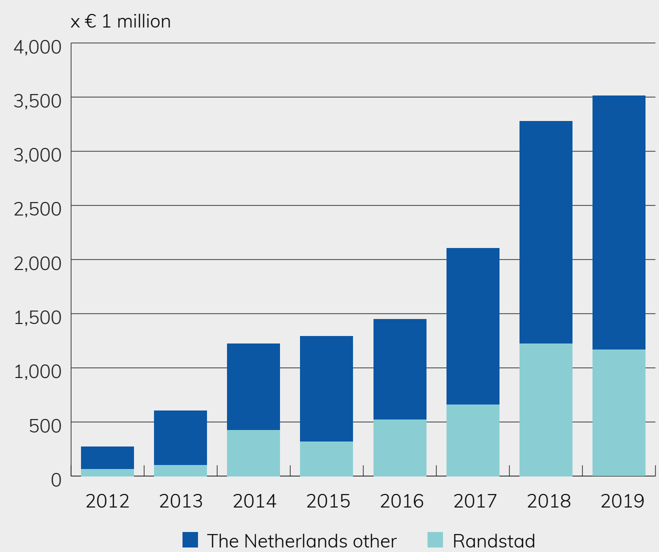
Office investments



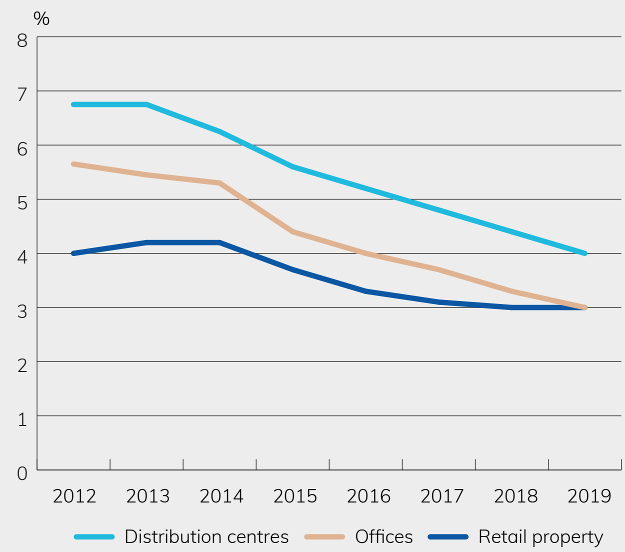
Retail property investments



Industrial property investments



Average net initial yields for first-class property at the best locations



Province of Groningen

Office market

The office market in the province of Groningen could not but settle for poorer demand last year, pushing down transaction volumes on the open market. Take-up levels were 40% below those reported in 2018. Lower take-up levels mainly followed from less space being let out in the city of Groningen. Even though several major transactions - e.g. 3,000 m² let out to VNN Verslavingszorg - made quite a difference, the image was to a great extent determined by small-scale office users requiring 200 up to 700 m². In the city of Groningen, lessees were mainly interested in Corpus den Hoorn-Zuid. Also, the city centre represented a significant share of take-up realised in 2019. As for the situation elsewhere in the province of Groningen, it was interesting to see demand failing to meet expectations in both Veendam and Delfzijl, and that office space rental was anything but exciting. Another interesting feature is that the number of vacant office buildings slightly climbed in this province in the previous year, in fact just beyond 110,000 m². It is because of Delfzijl and Veendam. In the city of Groningen, however, the situation hardly changed in 2019, which means 10% of stock was still vacant at year-end. The largest share involved surface areas at the Martini Trade Park. In the city centre and also at the office park called Kranenburg, much office space was still available for rent. Availability in the city centre was significantly affected by the new office complex known as “Het Groot Handelshuis” on Grote Markt.

Retail property market

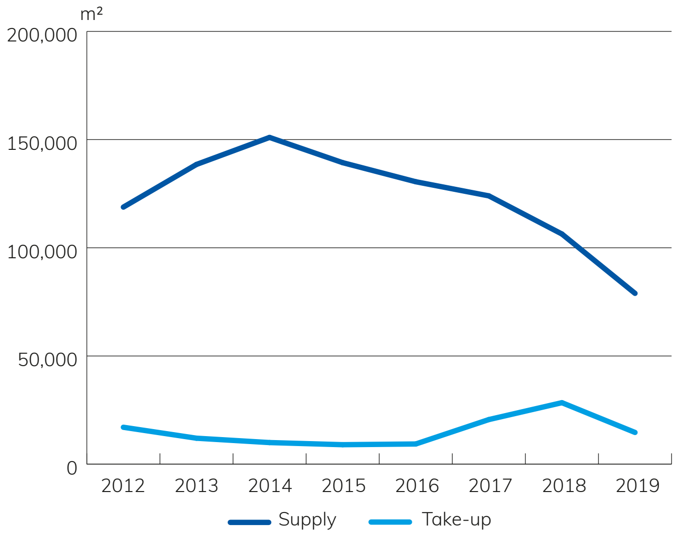
The retail property market in the province of Groningen displayed a reasonably lively image in 2019, with sales volumes climbing on the open market. Demand for retail space was to a great extent attributable to the city of Groningen, where a number of sizeable transactions took place involving Jumbo, New Yorker and Distrikt Nørrebro among others. Retail traders were particularly interested in the inner city and in addition to the popular Herestraat, they also paid a lot of attention to Vismarkt, the latter gaining popularity as a result. In addition to the city of Groningen, retail property sales volumes also climbed in Veendam. One of the issues attracting a great deal of attention last year, involved the final decision not to cooperate to the scheduled arrival of a national footwear chain on the outskirts of the historical town of Appingedam. It is to prevent vacancy in the city centre. Nevertheless, the green light was given in Winschoten to proceed with the construction of a large indoor market on the city outskirts, after dismissing all the objections against the project filed by local shop owners. One of the strokes of luck on the retail market in this province has been the smaller availability. This mainly served Stadskanaal, reporting the amount of space available for rent has gone down by more than 30%. Availability also diminished in Veendam, even though the city centre was still facing high vacancy levels. In addition to Stadskanaal and Veendam, last year vacancy numbers also continued to drop in the city of Groningen, which however could not prevent different vacant premises in the streets surrounding the city centre. Delfzijl experienced an increase in availability, and so approximately 15% of retail stock was available for rent or sale at year-end.

Industrial property market

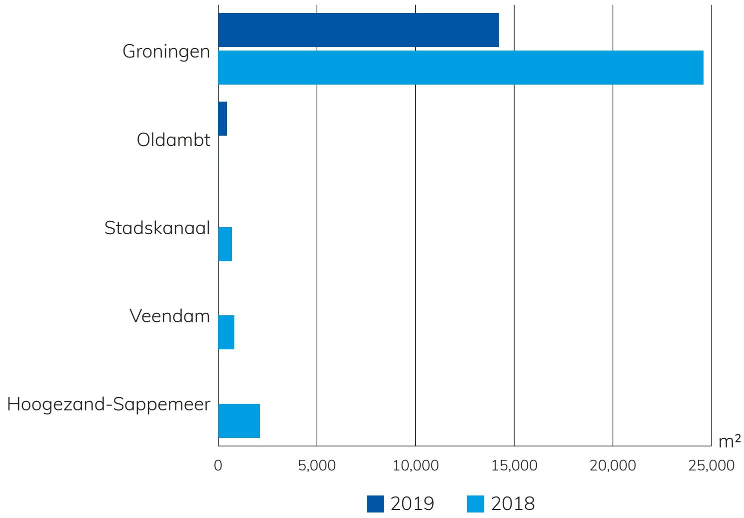
The industrial property market developed in a positive direction in the province of Groningen in 2019. Take-up levels slightly climbed; the total amount of industrial space available for rent and sale went down. In most municipalities, take-up of industrial space exceeded numbers reported in the preceding year, particularly in the city of Groningen and also in Bedum, mainly because of the sales of a former distribution centre covering approximately 10,000 m². In Leek, take-up levels were slightly behind those reported in 2018. Demand for industrial space was to a great extent attributable to the industrial sector, significantly represented in this province.

The share of sales transactions in demand for industrial space has been substantial as usual. Nearly half of all transactions taking place last year in the province of Groningen involved sales. Nationally speaking, 36% involved sales transactions. Although supply levels dropped in 2019, relatively many industrial premises have been structurally vacant (for 3 years and more). Most of these premises are small and old, struggling to find new lessees or buyers. One of the positive developments has been the even shorter transaction periods averagely speaking. One of the reasons is that entrepreneurs hardly had any difficulty financing the property acquired. Industrial property rents in the province of Groningen continued to climb last year.

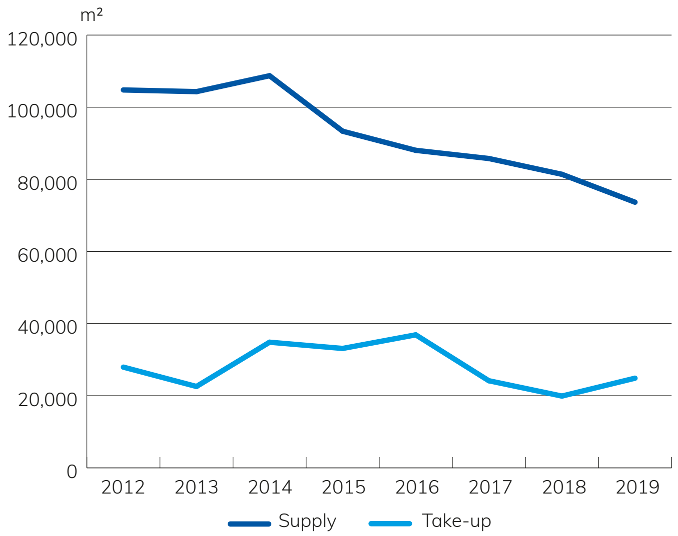
Office space supply and take-up



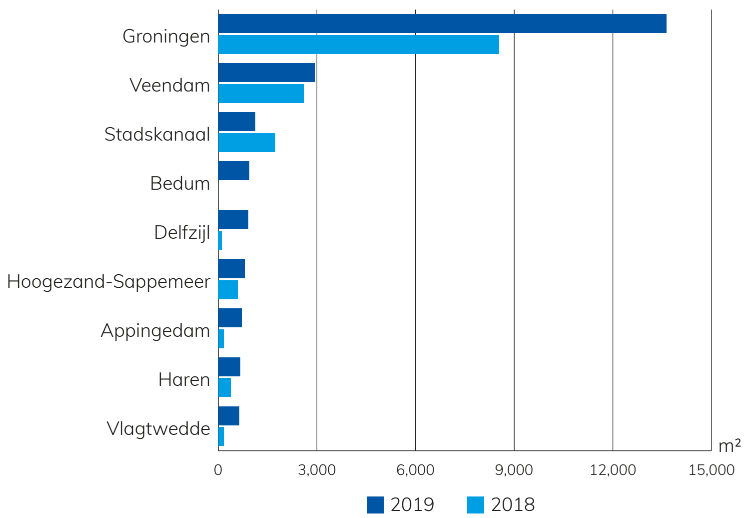
Take-up by main municipalities



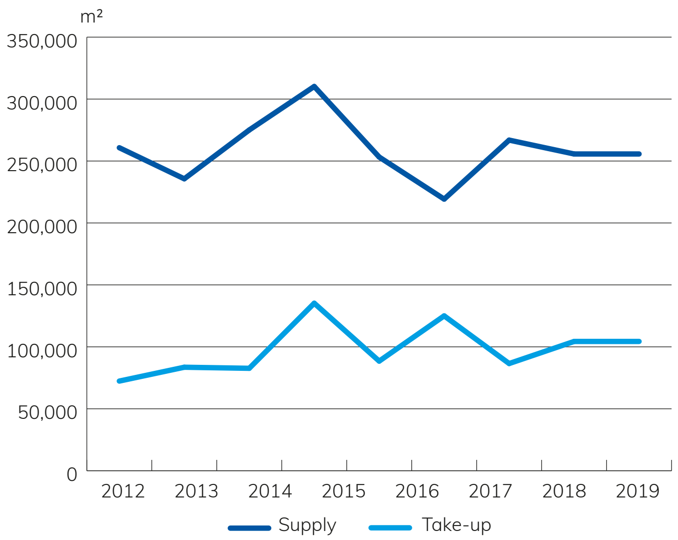
Retail property supply and take-up



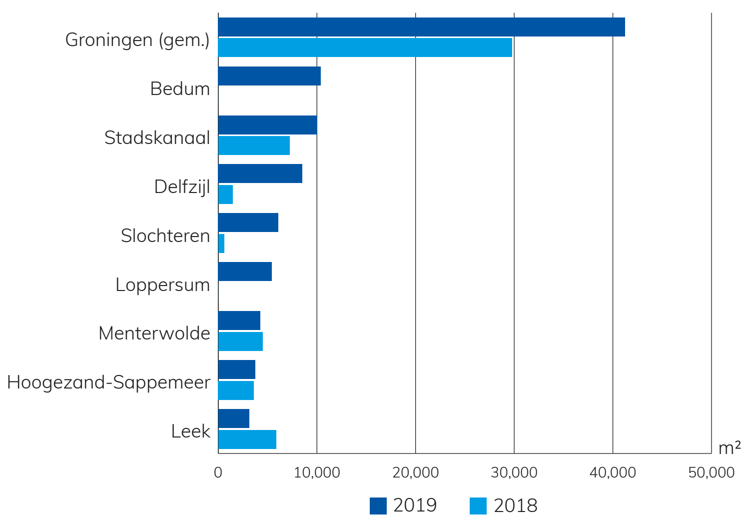
Take-up by main municipalities



Industrial property supply and take-up



Take-up by main municipalities



Province of Friesland

Office market

Last year demand for office space remained reasonably steady in the province of Friesland; on the so-called open market – excluding the construction of owner-occupier offices – a total of 8,000 m² had been let out and sold, quite as much as in 2018. Transaction volumes remained steady in this province mainly due to positive developments in Leeuwarden, reporting different lease transactions had taken place. Even though the rental of 2,100 m² to GroenLeven made pretty much all the difference, take-up involved relatively small transactions in many cases. Just like in Leeuwarden, in Drachten and Heerenveen take-up involved small-scale transactions in the first place. Because last year demand centred around Leeuwarden, this city represented nearly 60% of total take-up in the province of Friesland. One piece of good news on the office market in this province, was that total supply of vacant offices and offices yet to bet let out dropped for a third time in a row, although this was not the case everywhere. For example, the amount of space immediately available dropped in both Drachten and Heerenveen, however supply levels slightly climbed in the city of Leeuwarden, leading to a vacancy of approximately 11%, compared to approximately 5% in Drachten at year-end 2019. The rise presenting itself last year in the city of Leeuwarden is almost entirely because of Liander who decided to leave the premises located on Melkemastate. Moreover, the lack of state-of-the-art office space was considered a problem when meeting demand.

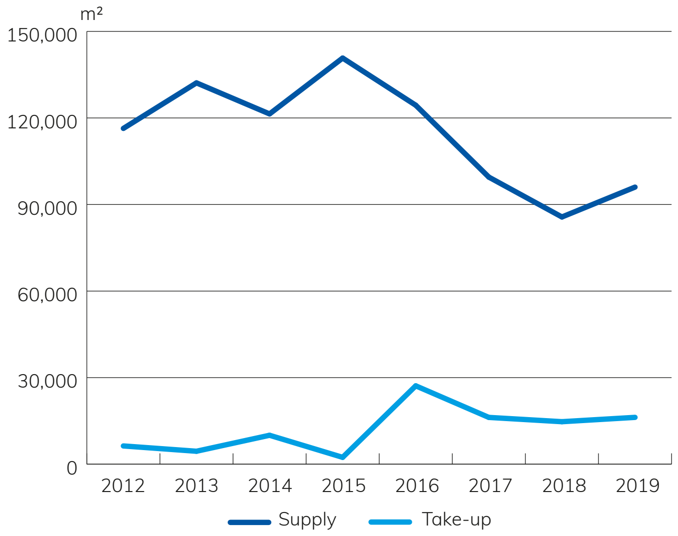
Retail property market

The retail property market in the province of Friesland did not thrive in 2019, as less space had been let out and sold on the open market compared to the year before. As a result, take-up levels were nearly 30% below those reported in 2018. Retail space take-up numbers particularly dropped in the city of Leeuwarden. The retail property market in Drachten also faced much poorer demand. One of the positive exceptions in this province has been the city of Heerenveen, reporting demand has developed in a good way, especially in the city centre (the Dracht) where a number of large-scale transactions were realised eventually. Another interesting development was dismissing Aldi's plans to open up a supermarket in the old industrial premises in Franeker on Harlingerweg, just outside the city centre. Even though the province of Friesland faced disappointing take-up numbers last year, the amount of retail space immediately available has dropped nonetheless. It was a good thing for Harlingen in the first place. Availability also dropped in the city of Leeuwarden but still, different retail premises were vacant on Voorstreek and also on Nieuwestad. Vacancy also presented itself at the shopping centre called Zaailand, particularly on the upper floor. In Leeuwarden, a total of nearly 10,000 m² of retail space were offered. Furthermore, last year the number of stores available remained steady pretty much across the province.

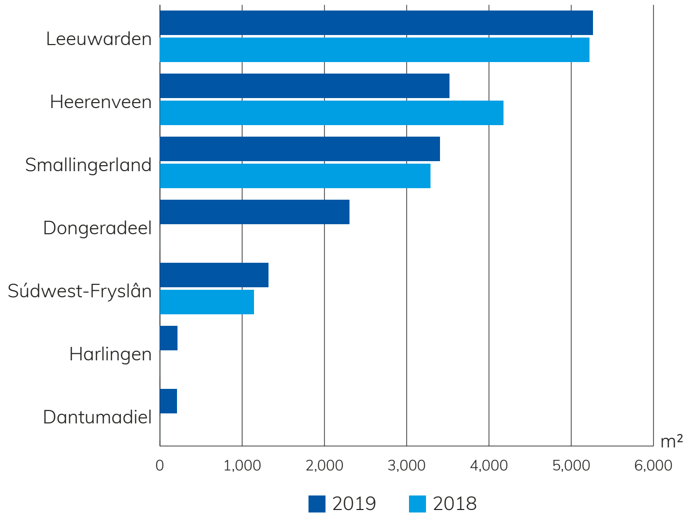
Industrial property market

Last year take-up levels were lower compared to 2018 pretty much across the province. This was particularly noticeable in Leeuwarden, Súdwest-Fryslân and Opsterland. In Ooststellingwerf, however, industrial property take-up levels climbed, also because of a large-scale transaction in Langedijke. Last year, companies seeking industrial space were particularly interested in Heerenveen and Drachten. Demand was mainly attributable to small and medium-sized businesses, as well as the construction industry which was well represented. Interestingly, unlike in previous years, property for sale became more popular. This, however, led to a scarcity of industrial property available for sale, which was evident form the transaction periods involved. In 2019, transactions were realised more rapidly compared to the year before. Supply levels went down significantly in the previous year. A significant amount of industrial space has been withdrawn from existing stock. Due to pooper demand for property to rent, average industrial property rents slightly went down in the previous year.

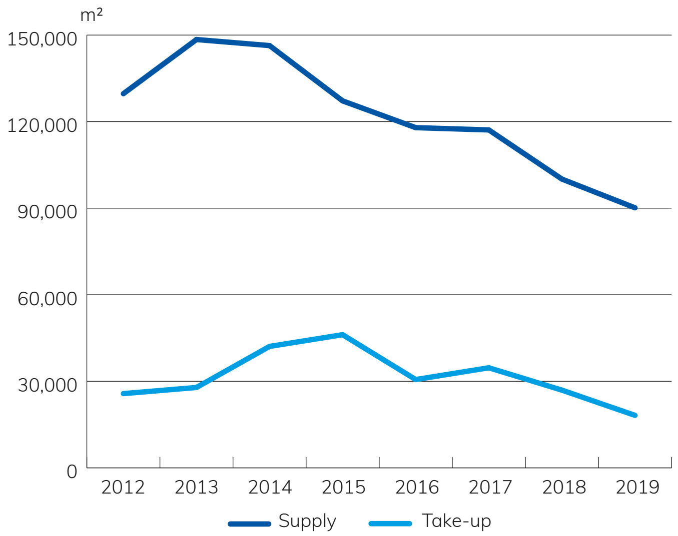
Office space supply and take-up



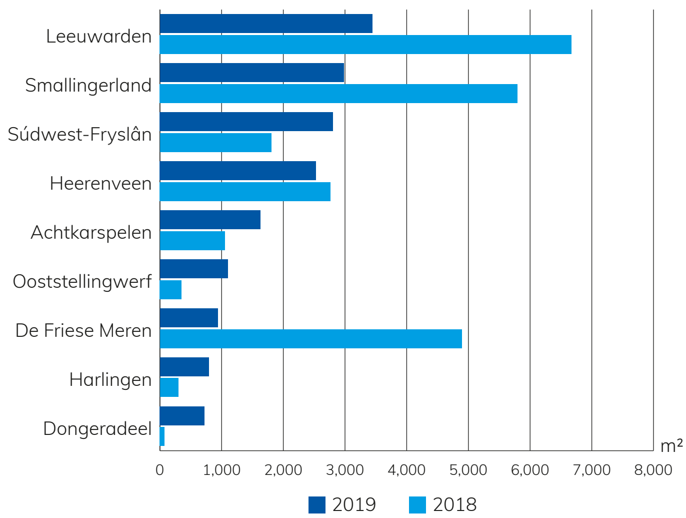
Take-up by main municipalities



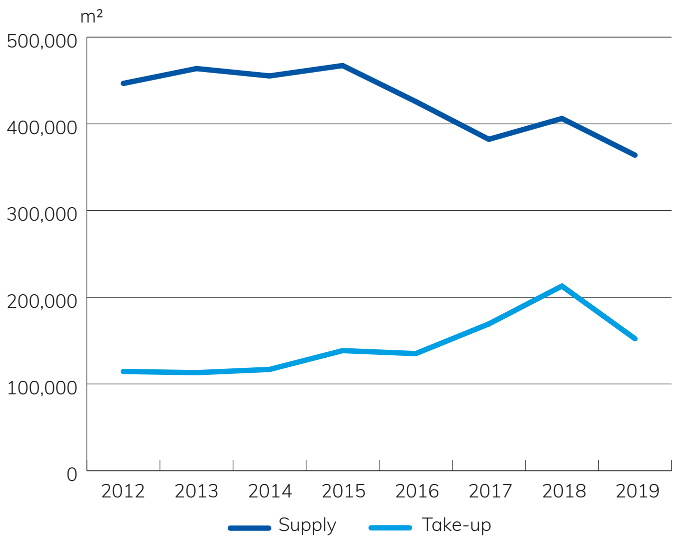
Retail property supply and take-up



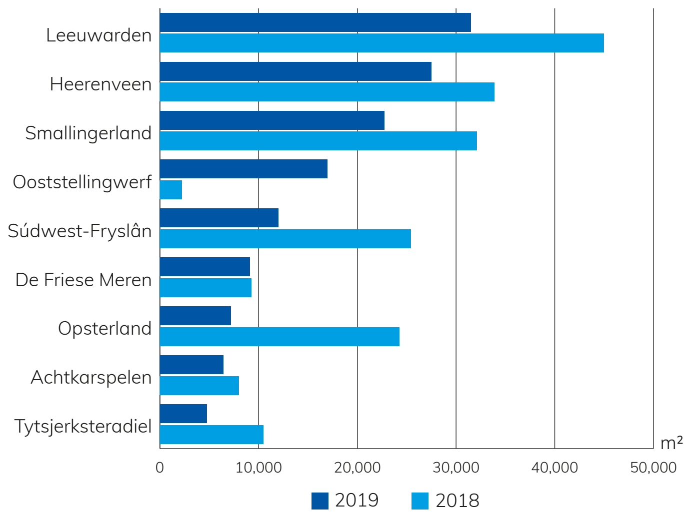
Take-up by main municipalities



Industrial property supply and take-up



Take-up by main municipalities



Province of Drenthe

Office market

Just like in previous years, office space take-up was relatively small on the open market in 2019. Transactions volumes realised amounted to approximately 9,000 m², which means office property sales slightly exceeded take-up levels reported in 2018. The main reason for this relatively modest take-up has been the disappointing course of events in Emmen, where office space was hardly required. But Emmen was not the only city reporting poor demand, as demand also diminished in Hoogeveen. Nevertheless, transaction volumes remained steady in this province mainly because of Assen, the city managing to maintain sales levels especially due to demand for small office space. The only sizeable transaction realised in 2019 involved 1,600 m² of office space let out to Accare in a building located on Groningerstraat. Also, the number of lease transactions in Meppel helped maintain office take-up levels in this province. One of the positive developments on the office market in Drenthe has been the smaller supply levels reported last year. One of the reasons is that several thousands of square metres have been withdrawn from stock, to serve a different purpose eventually. Smaller availability served the cities of Assen and Meppel in particular. In Hoogeveen and Emmen, the amount of space available for rent hardly changed. But despite smaller availability in Assen, 13% of stock remained vacant nevertheless at year-end 2019.

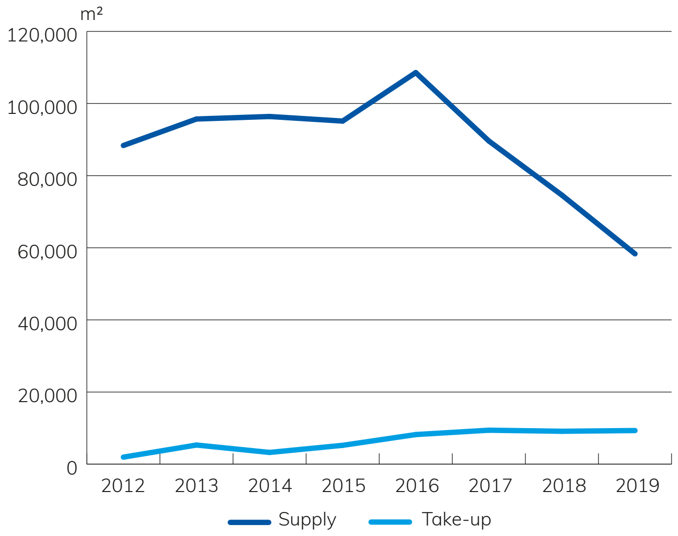
Retail property market

Last year, the province of Drenthe experienced smaller demand for retail space, which on the whole has led to fewer lease transactions. Even though the rental market in this province was less convincing compared to 2018, both Emmen and Hoogeveen reported higher retail property take-up numbers last year. In Emmen, retail property take-up was influenced in a good way by positive developments at De Weiert shopping centre among other places. Also, last year lessees became more interested in Notaris Oostingstraat, which now comes with lots of space previously serving an animal park that has relocated to the other side of the city centre. In Hoogeveen, a number of lease transactions on Hoofdstraat pushed up take-up levels in this city. In Assen, retail property take-up levels remained steady, although total volumes were limited nevertheless as vacant retail premises struggled to find lessees. The only major transactions realised in the city of Assen involved a 1,000 m² homeware shop on Marktstraat. The course of events on the retail property market in this province was also determined by the smaller amount of space immediately available, serving Emmen in the first place. Nevertheless, Emmen reported about 21,000 m² were still available for rent or sale, which comes down to slightly beyond 7% of total retail stock. Emmen was by no means the only city reporting smaller availability. In Assen and also in Hoogeveen, the number of vacant buildings dropped, however much retail space was still available for rent in the city centre of Assen. Last year, Hoogeveen presented plans aiming to have a more compact city centre, for instance by relocating shop owners from Tamboerpassage to Hoofdstraat.

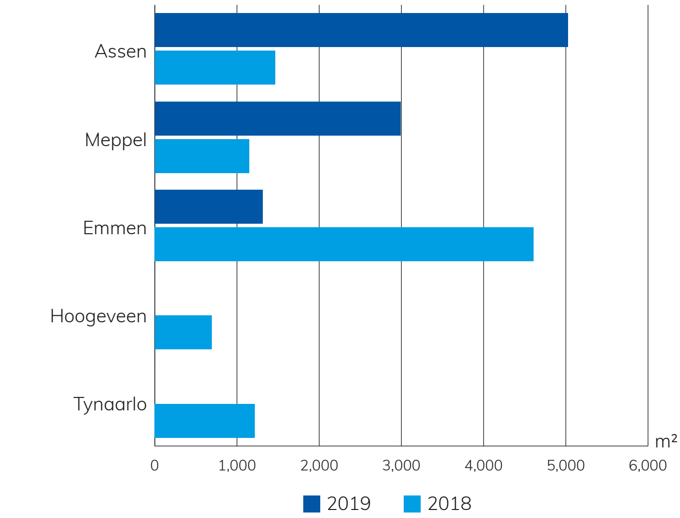
Industrial property market

Industrial property take-up numbers in the province of Drenthe were smaller compared to the year before. This was the case in most municipalities, but even more so in Emmen and also in Assen. One of the main reasons has been the non-existence of large-scale transactions. Demand for industrial property in Drenthe was mainly attributable to the manufacturing industry. For instance, a new business complex was let out in Veeningen to a company called Melspring, dedicated to water treatment products in the wastewater sector. Although last year demand involved sales transactions in relatively many cases, the number of sales transactions set against total take-up went down nevertheless. The good news as far as the industrial property market is involved is that in 2019, availability continued to drop in terms of both of the amount of space as well as the number of industrial premises available for rent and sale. Nevertheless, decline was much smaller compared to two years ago. But despite all this, last year about 23% of vacant space was available for rent or sale for more than three years. Structural availability in this province, however, involved older premises struggling to find new lessees or buyers in most cases. Structural availability diminished nonetheless. Last year, industrial property transaction prices remained reasonably steady, and so did transaction periods.

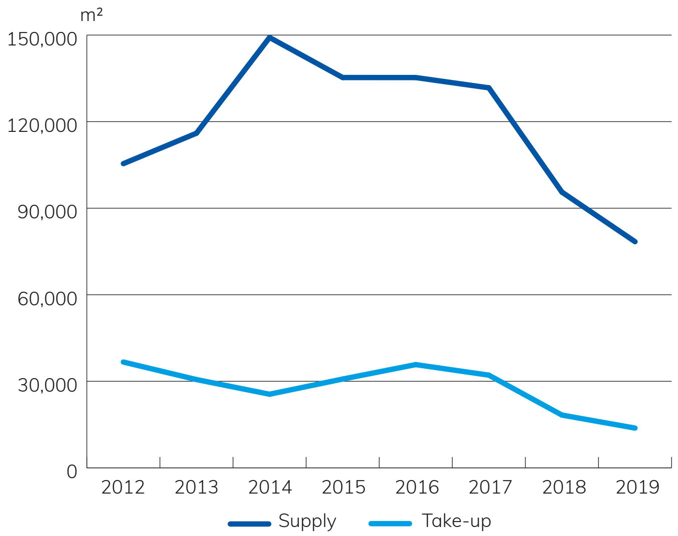
Office space supply and take-up



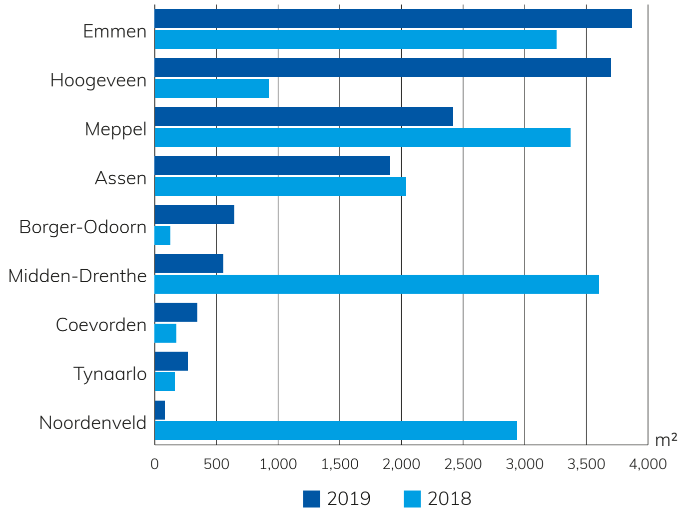
Take-up by main municipalities



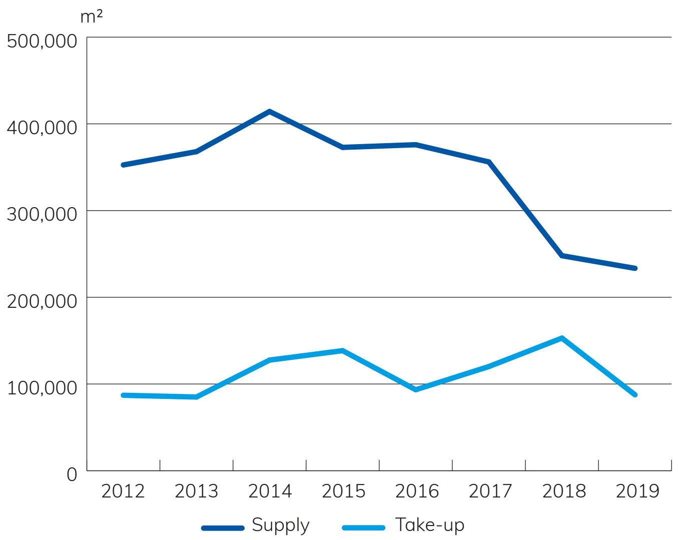
Retail property supply and take-up



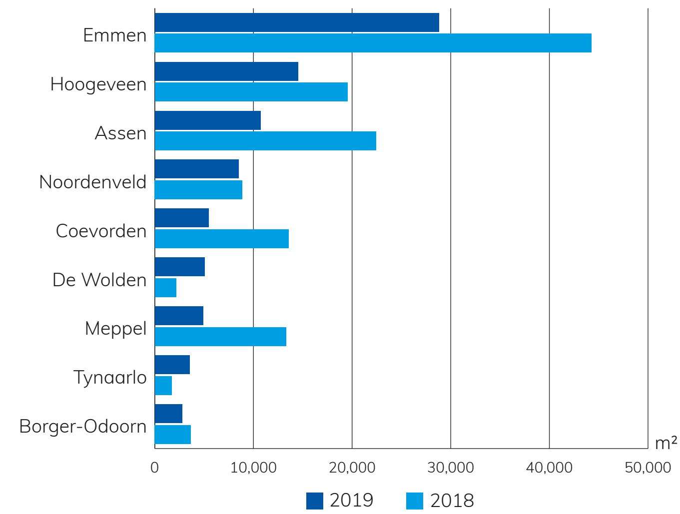
Take-up by main municipalities



Industrial property supply and take-up



Take-up by main municipalities



Province of Overijssel

Office market

The province of Overijssel may look back on a year in which demand for office space remained quite steady. Indeed, take-up numbers were slightly smaller compared to 2018, but on the other hand just like in previous years, a relatively large number of small areas were let out and sold on the open market. Besides, several major office users were active in Overijssel, including ADG Dienstengroep, Stichting Rijnbrink, BCN, Sigmax, JPR Advocaten and Prorail. All things considered the take-up realised eventually amounted to nearly 40,000 m². A significant role was claimed by the city of Deventer, where demand clearly intensified after a couple of years of relative silence, thanks to a number of major lessees. Last year, the office market in the city of Enschede was characterised by limited changes, which is also why total take-up levels dropped compared to previous years. One of the larger transactions taking place in Enschede involved a building at the Business and Science Park which was let out to Sigmax. With major lease transactions taking place at the Business and Science Park in most cases, this area represented as major share of total take-up realised eventually. In Zwolle office space was reasonably interesting, although transactions did not follow easily. Total availability in the province of Overijssel diminished for the fourth year in a row, although not everywhere. For instance, availability increased in the cities of Almelo and Hengelo, whereas Enschede and Zwolle reported smaller availability. Of all the big cities in Overijssel, Zwolle offered most space, mostly centring around Oosterenk and Hanzeland.

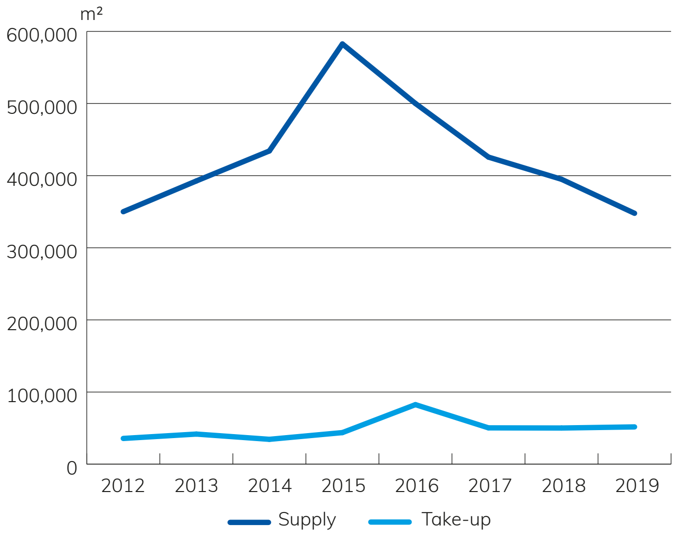
Retail property market

Last year the province of Overijssel reported healthy demand for retail space, involving the cities of Enschede and Zwolle in most cases. In fact, the city of Enschede surprisingly reported a 17,000 m² take-up, which is twice as much as in 2018. Demand for retail space in the city of Enschede usually involved relatively small surface areas. Nevertheless, a number of large-scale transactions were realised as well, together representing over 50% of total take-up. Retail traders were very much interested in some of Enschede's secondary (B) locations, including Haverstraatpassage. Interestingly, the amount of lease transactions also increased in the city of Zwolle, due to take-up of several large retail units by e.g. Trendhopper and Distrikt Nørrebro. Nevertheless, strong demand for retail space in the city of Enschede could not stop total supply levels from climbing in 2019. And so, approximately 30,000 m² were available for rent or sale at year-end. But still, the number of vacant premises remained limited as far as prime (A) locations are involved, despite Hudson' Bay's lurking exit. The same is true for Zwolle, where availability hardly changed last year indeed, however an increase was quite probable. As for the situation elsewhere in the province, retail space availability diminished in Deventer against all expectations. But still, many retail premises were vacant in the city centre, especially those on Broederenstraat and Lange Bisschopstraat. What's more, the arrival and departure of temporary stores has caused something of a stir. Total availability also diminished in the city of Hengelo, however due to relatively poor demand, different retail premises existing in the central shopping area were vacant nevertheless, such as those at the very heart of Nieuwstraat and also around the Brink.

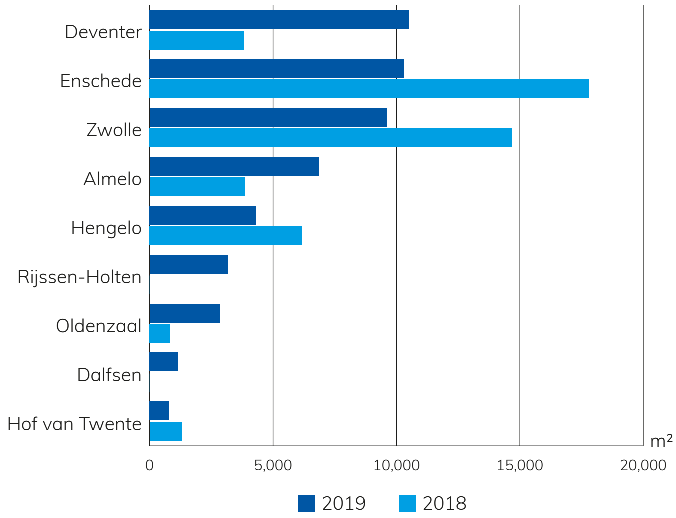
Industrial property market

The amount of industrial space taken up in the province of Overijssel remained steady in 2019. Approximately 430,000 m² had been taken up on the open market. The municipalities of Deventer, Hengelo and Dalfsen were particularly interesting. For instance, Westerman Logistics – a company dedicated to the assembly and shipment of bikes – took up a new distribution centre covering about 37,000 m². In Deventer too, a number of large-scale transactions took place last year, involving Kunststof Ramenfabriek Aarnink (plastic windows factory) among others. The province also reported strong demand for small-scale premises, mainly from the services sector. Another interesting detail was the fact that transactions were signed more rapidly than before. In Almelo, Enschede and also in Zwolle, demand for industrial space was less substantial in 2019, although quite a lot of land was sold on the industrial park called Hessenpoort in Zwolle, for the construction of business premises. Last year the province of Overijssel offered relatively many industrial premises for rent or sale. Nevertheless, availability diminished by withdrawing buildings from existing stock. Interestingly enough, structural availability remained limited although commercial buildings serving a specific purpose struggled to find lessees or buyers. Although rents slightly climbed in some cases, they remained reasonably steady generally speaking. The incentives offered were limited, consisting of adjusted levels of finish or a rent-free month in most cases.

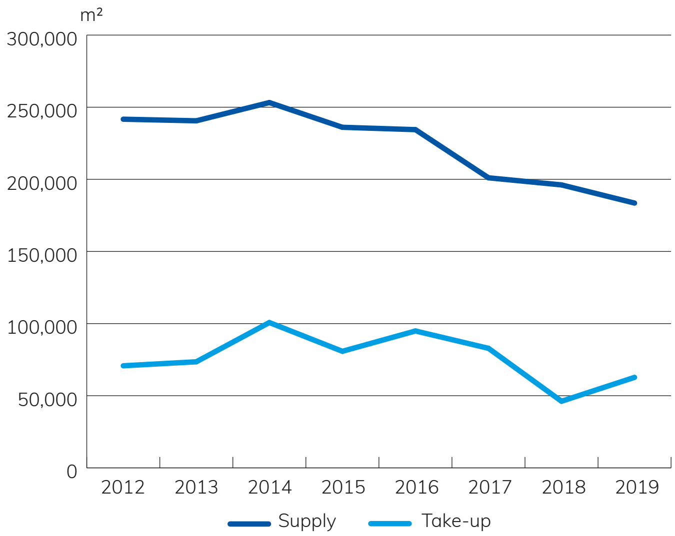
Office space supply and take-up



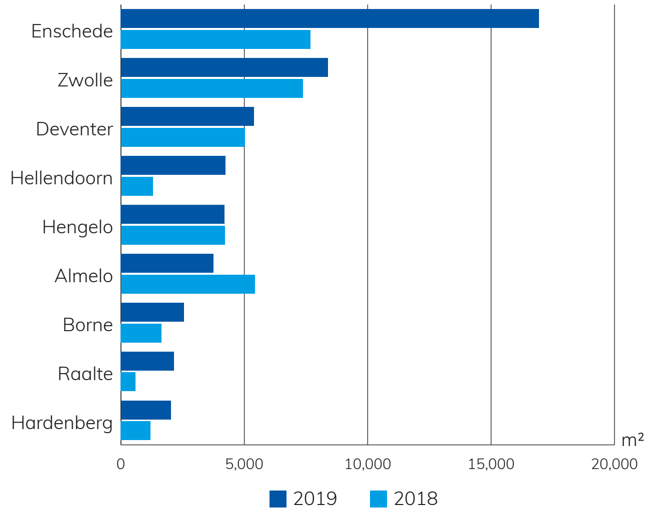
Take-up by main municipalities



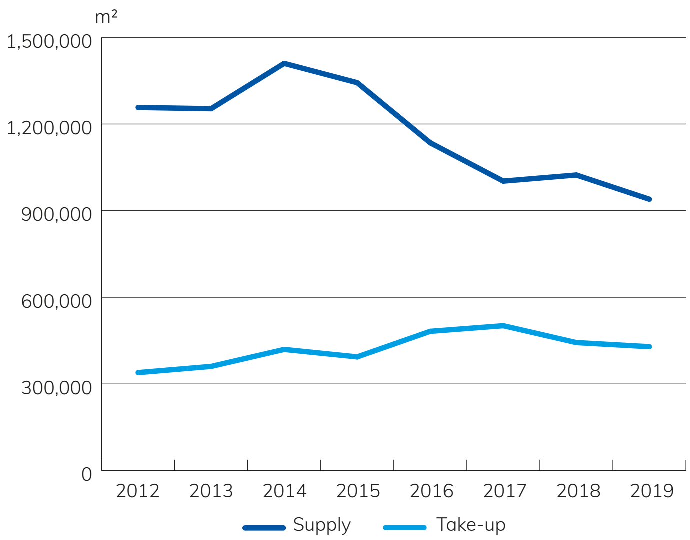
Retail property supply and take-up



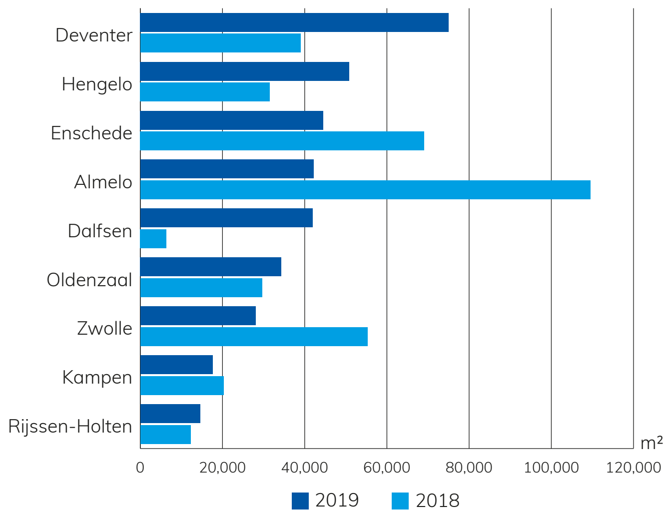
Take-up by main municipalities



Industrial property supply and take-up



Take-up by main municipalities



Province of Gelderland

Office market

The office market in the province of Gelderland reported smaller take-up numbers in 2019 compared to the year before. A total of approximately 55,000 m² were taken up last year. But despite smaller total transaction volumes, the number of lease transactions remained quite steady in the city of Apeldoorn, allowing total take-up to maintain the same level. This was mainly due to demand for space in the 1,000 – 2,000 m² size category. While Apeldoorn succeeded in keeping office lease transactions fairly steady, take-up numbers dropped in the city of Arnhem as fewer lease transactions were signed compared to 2018, and also because take-up was mainly realised by office users requiring 200 up to 700 m². Even though office take-up in the city of Arnhem was attributable to small office users, a number of relatively large lease transactions were realised nevertheless, like those involving Teijin Aramid, The Office Operators and Regus. In addition to Arnhem, other places in this province also reported smaller office take-up numbers. For instance, in the city of Ede, take-up dropped below usual levels. While office space rental was something of a disappointment in Arnhem as well as Ede, demand in fact intensified in the city of Nijmegen, mainly because of transactions involving Centralpoint, Ceva Logistics and the Police. The course of events on the office market was also determined by the even smaller amount of immediately available space in the province of Gelderland, extending the line of previous years. This has served Nijmegen and Arnhem in particular, also thanks to the demolition and redesignation of several office buildings. Availability also diminished in Apeldoorn, although about 14% of office stock was still available for rent at year-end 2019.

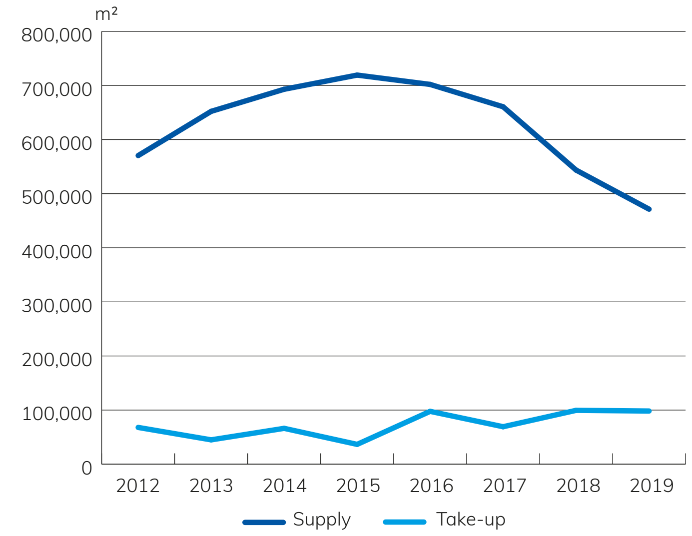
Retail property market

The province of Gelderland reported healthy demand for retail space in 2019 compared to the year before. Transaction volumes remained steady in this province, not only because of strong demand in the city of Nijmegen, but more so due to positive developments in the city of Arnhem, reporting twice as much retail space had been taken up compared to the year before. Interestingly, the city centre of Arnhem became very popular last year, leading to several lease transactions on Looierstraat, Ketelstraat and Roggestraat among other places. On Roggestraat, a major transaction was signed involving Coolblue. The situation in Nijmegen was also a positive one last year, also because of transactions signed with Decathlon and TK Maxx at V&D's former premises on Grote Markt. The retail property market in the city of Apeldoorn experienced a reticent attitude in 2019, leading to e.g. smaller demand for retail space. This cautious state-of-mind also presented itself judging by the course of events at the renovated shopping centre called Oranjerie, reporting response has been below expectations. A typical feature as far as the retail property market in the city of Zutphen is involved, is the fact that demand for retail space remained steady generally speaking. Availability in the province of Gelderland slightly diminished last year, serving most places except for Apeldoorn and Doetinchem, two cities reporting availability had hardly changed. In Doetinchem, Boliestraat remained a source of concern, as well as the beginning of Hamburgerstraat. In Apeldoorn, the shopping centre called Oranjerie did not manage to eliminate vacancy. Even though availability diminished in Nijmegen last year, many stores at the Dukenburg shopping centre were vacant, also due to the exit of different fashion stores. Another eye-catching detail has been the progress made in Zevenaar involving the development of a bargain centre in the proximity of the A12 ring road, the construction of which kicked off in 2020.

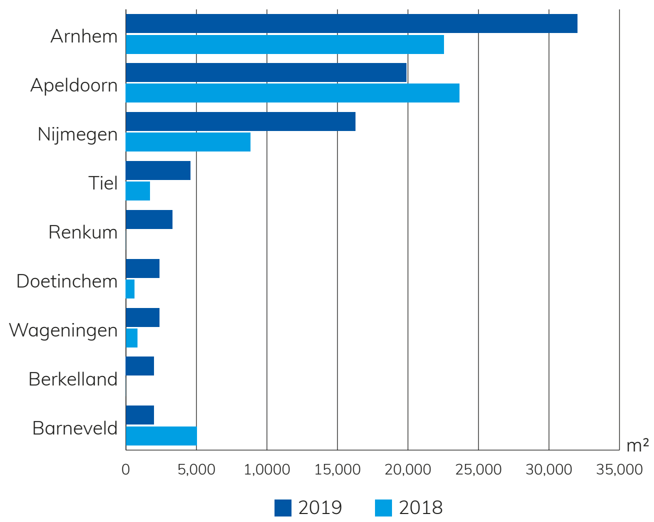
Industrial property market

Last year, industrial property take-up levels in the province of Gelderland dropped compared to 2018. And yet more transactions were realised nevertheless. Apeldoorn in particular turned out a very interesting business location. Twice as much commercial space was let out and sold in this municipality comparted to the year before. One of the assets has been the favourable location of the city amidst several significant motorways. The course of events on the industrial property market in the province of Gelderland was also characterised by more new-build premises. For instance, Tegelgroep Nederland picked a new warehouse covering more than 20,000 m² in Bemmel while King, a supplier of facility and medical consumables, took up a new distribution centre in Tiel. Also, a new distribution centre is being realised on the Apeldoorn-Noord business park on behalf of Welkoop, a retailer and subsidiary of Agrifirm. In Wijchen and also in Arnhem, where large-scale distribution centres were realised in 2018, take-up levels were somewhat disappointing last year. The total amount of space available for rent and sale in the province of Gelderland dropped in the year 2019. Both the total surface area and the number of industrial premises diminished; a development already visible since 2016. Due to intensifying demand for medium-sized industrial space, rents slightly climbed in Gelderland in 2019. Also, average transaction periods were significantly shorter, especially as far as the buyers' market is involved.

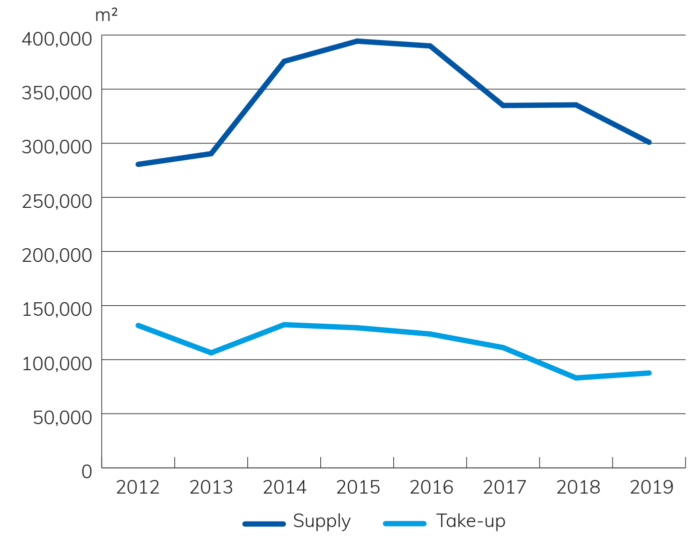
Office space supply and take-up



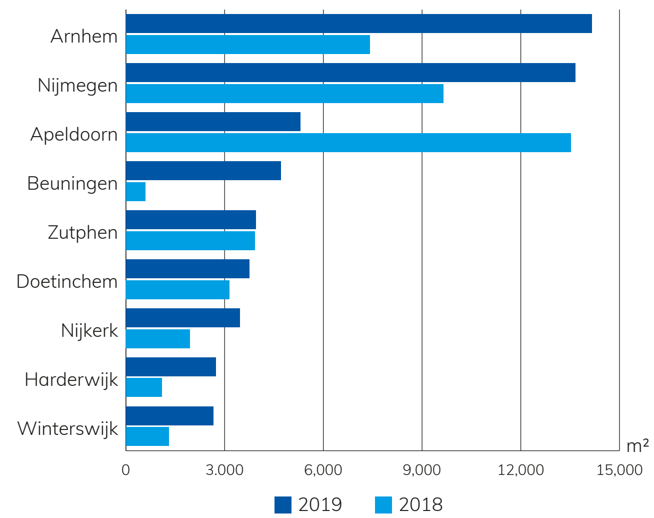
Take-up by main municipalities



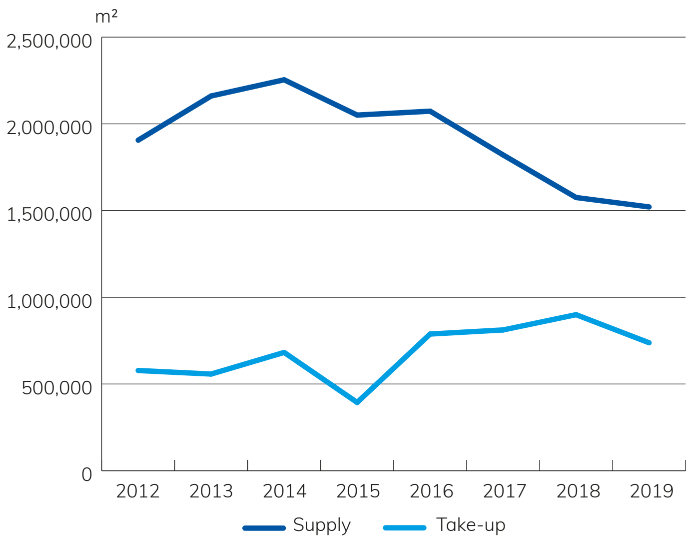
Retail property supply and take-up



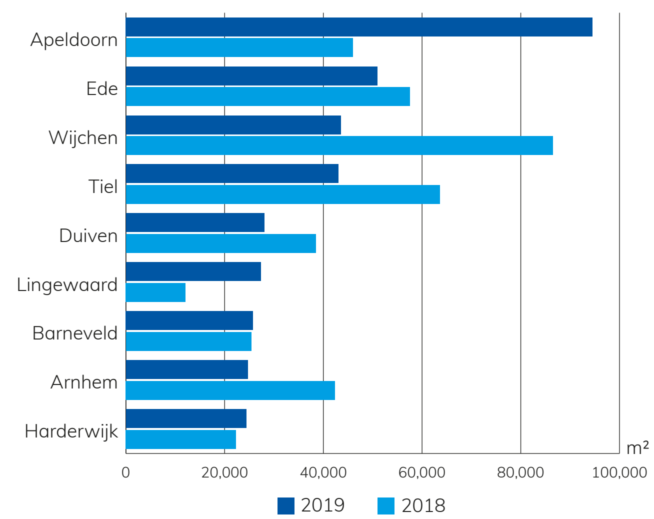
Take-up by main municipalities



Industrial property supply and take-up



Take-up by main municipalities



Province of Utrecht

Office market

The province of Utrecht reported strong demand for office space in 2019. Significantly more property was let out and sold on the open market compared to the year before. Positive sales developments followed not only from larger transaction volumes in the city of Utrecht, but the more so due to intensifying demand in the city of Amersfoort. Supported by several major lease transactions involving e.g. ABN Amro, Nouryon and Heijmans, approximately 45,000 m² of office space were taken up last year. A key role was claimed by the railway station area. In the city of Utrecht too, sales numbers climbed due to transactions with major office users including Rabobank, Politie, MBO Nederland and Stichting Sekondant. Also, transactions involving IWG, the parent company of the meeting and workplace providers Regus and Spaces, allowed sales numbers to climb even further. Even though focus has been on major lease transactions in the city of Utrecht, many small-scale office users were also interested in the 200 – 1,000 m² size category. In terms of the level of interest in different locations, interestingly the peripheral office locations in Utrecht such as De Meern and Papendorp became very popular. Nevertheless, this did not interfere with take-up levels in the city centre, remaining quite steady in 2019. Utrecht and Amersfoort were by no means the only cities benefiting from strong demand for office space last year, for sales numbers were also satisfactory in the city of Nieuwegein. A characteristic feature of the office market in this province was the fact that the amount of office space immediately available continued to diminish last year, a development serving Utrecht and Nieuwegein in the first place. The step back in the city of Nieuwegein followed not only from take-up of existing offices, but also because buildings had been withdrawn from stock to serve another purpose in the future.

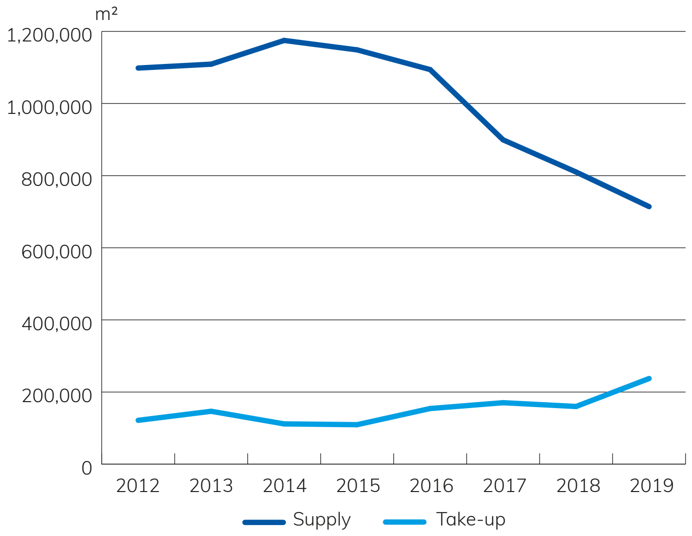
Retail property market

Despite healthy demand for stores in the province of Utrecht in 2019, the rental market was not as strong as expected compared to the preceding year. Sales volumes seriously dropped particularly in the city of Amersfoort. What is also interesting is that, in addition to the number of transactions, take-up levels also dropped compared to 2018 – mainly due to poorer demand for large surface areas. Reduced demand for retail premises also affected the city of Veenendaal, even though a number of lease transactions did take place involving a shopping centre called Scheepjeshof. Last year the city of Utrecht had to settle for an almost unchanged demand. Also, the phenomenon presented itself whereby high rents affected take-up on busier shopping streets. Another interesting detail has been the slightly increasing demand for large-scale retail space and so different transactions were realised in this segment, with a key role being claimed by The Wall retail complex along the A2 ring road near Leidsche Rijn. In order to satisfy the need for larger units, the first steps were made towards redeveloping the retail complex known as De Planeet on Lange Viestraat. One of the eye-catching developments in the province of Utrecht has been the progress made during renovation of the shopping centre called Bisonspoor in Maarssen, part of which could already be taken into use. Even though last year availability hardly changed in the province as a whole, supply levels dropped in the city of Amersfoort. Veenendaal, on the other hand, faced increasing availability. In Utrecht itself, the supply situation remained pretty much the same, although availability is very likely to grow with Hudson's Bay moving out of Hoog Catharijne. Another interesting detail when it comes to availability in Utrecht, is that some of the prime (A) and secondary (B) locations were slightly under pressure. Persistent vacancy at the Belcour shopping centre illustrates the course of events in the city of Zeist.

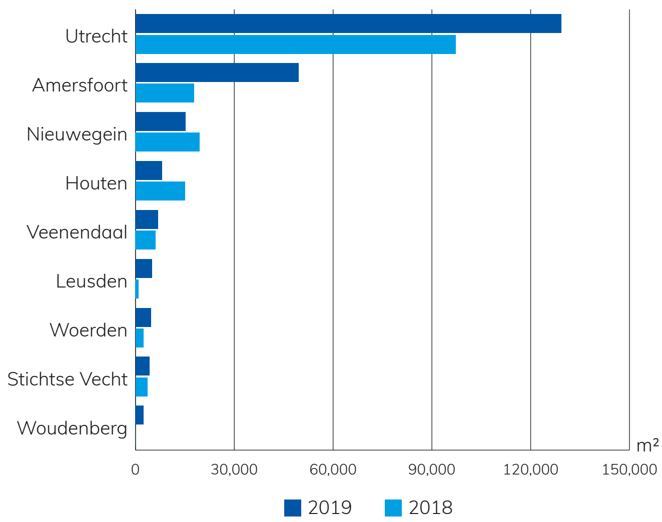
Industrial property market

After a minor fall in 2018, industrial property take-up levels skyrocketed in the province of Utrecht last year, in fact across all market segments. Many large-scale lease transactions were signed particularly in Nieuwegein and Vianen, including a relatively large number of new-build projects. For instance, HEMA, PostNL and H&M rented new distribution centres in Nieuwegein, serving the business park called Het Klooster in the first place. Small-scale new-build projects also took place in the province of Utrecht, which to an extent followed from the proper financeability of property and low interest rates. In addition to Nieuwegein and Vianen, take-up levels also climbed in the city of Utrecht, involving existing premises in the first place, although small-scale new alternatives were constructed as well on a local scale. This was also the case on the business park known as Overvecht. The amount of industrial space available in the province of Utrecht continued to drop last year. It meant scarcity in some of the segments of the industrial property market. For instance, finding appropriate industrial space has become a challenge in Utrecht itself, forcing companies to opt for surrounding municipalities. Partly because of this, average transaction periods were extended in Utrecht, and also the average rents paid for industrial spaces slightly climbed in the previous year. What's more, hardly any incentives were given anymore.

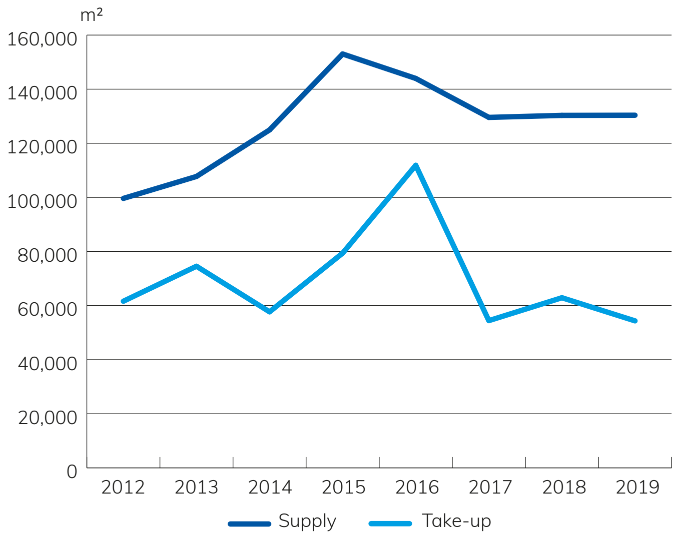
Office space supply and take-up



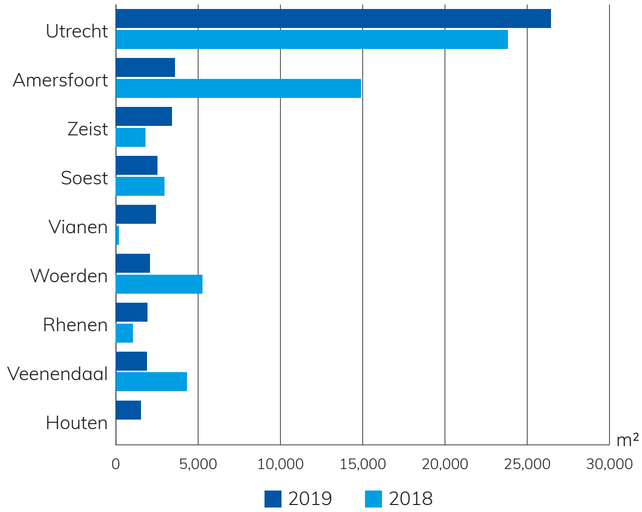
Take-up by main municipalities



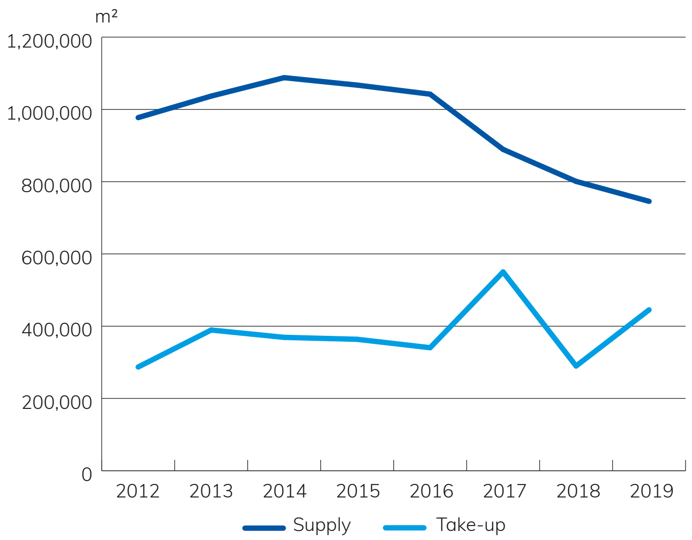
Retail property supply and take-up



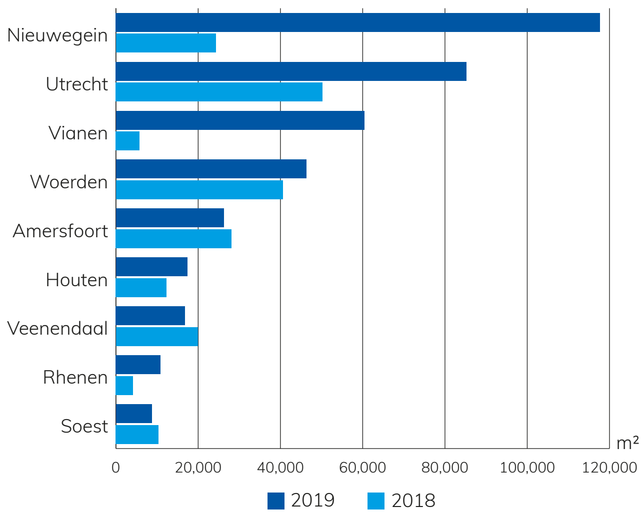
Take-up by main municipalities



Industrial property supply and take-up



Take-up by main municipalities



Province of Flevoland

Office market

The office market in the province of Flevoland was remarkably steady last year; take-up numbers on the open market were just as high as in 2018. The majority of space required involved the city of Almere, reporting a number of major lease transactions had been signed. One of the large-scale transactions making relatively much difference here, involved The Office Operators who rented more than 3,000 m² at the World Trade Centre in Almere. Also, more than 2,300 m² at the Martinez Towers were let out to Regus. Because major lease transactions were realised in the city centre of Almere in most cases, this area obviously represented a major share of total take-up realised in 2019. What's more, last year the office park called Gooisekant claimed a key role, where developments were to a great extent determined by small-scale office users requiring space in the 200 - 600 m² size category. A most interesting feature has been limited demand for office space in the city of Lelystad where – to the extent known – no significant transactions have taken place. Total availability in the province of Flevoland continued to diminish last year, serving Lelystad in particular, reporting the amount of space offered for rent dropped 25%. Smaller availability in the city of Lelystad mainly followed from the decision to grant two obsolete office buildings a different purpose in life. Vacancy levels also dropped in the city of Almere, however less substantially so compared to the city of Lelystad. But despite smaller availability, however, vacancy numbers remained high in the city of Almere. Nearly one-quarter of office stock was unoccupied at year-end 2019. By now, the decision has been made to temporarily stop converting offices into homes in some of Almere's districts, also to prevent too much pressure on the city's output function.

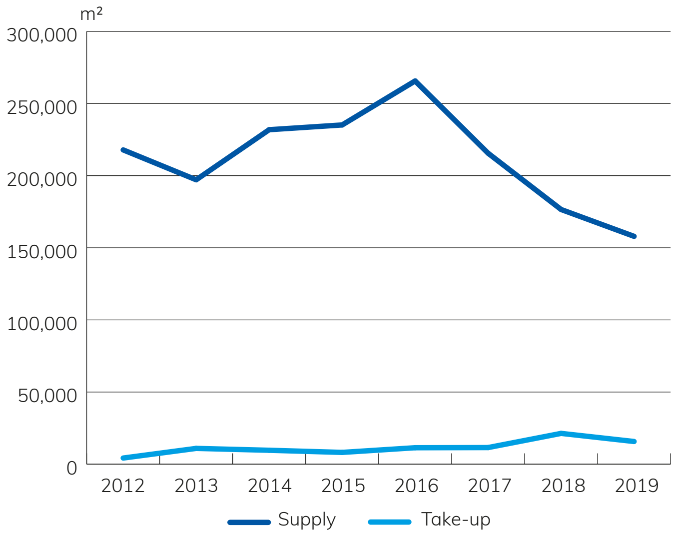
Retail property market

Last year, take-up levels seriously dropped on the retail property market in the province of Flevoland. The city of Almere as well as the city of Lelystad reported disappointing sales numbers. In Almere, total take-up amounted to no more than approximately 9,000 m². Although several transactions – including the one involving 1,000 m² let out to Only for Men – made quite a difference, the image was to a great extent determined by small-scale retail traders requiring space in the 100 - 200 m² size category. In Almere, lessees were once again interested in the city centre. As mentioned previously, retail property sales numbers also continued to drop in the city of Lelystad. The only major transaction realised in Lelystad involved a drugstore called Kruidvat who took up 550 m² in a shopping area called De Promesse. In Dronten and Zeewolde, lessees were reasonably interested in retail space, although signing transactions has been something of a challenge. One of the disappointing developments on the retail property market in the province of Flevoland has been the increase in availability which presented itself last year. This was mainly the case in the city of Lelystad, as a result of which more than 12% of retail stock was available for rent at year-end 2019. Increasing availability in the city of Lelystad affected the city centre in the first place, reporting availability has grown even more after H&M and The Sting took off. Mind you, Lelystad was the only place in the province of Flevoland experiencing a substantial increase in availability. In Dronten and also in Zeewolde, for instance, supply levels remained pretty much the same compared to the year before. This was also the case in the city of Almere, although here availability is expected to increase once Hudson's Bay closes down. Even though availability exceeded demand in the city of Almere, availability remained limited at the home furnishing centre known as Doemere.

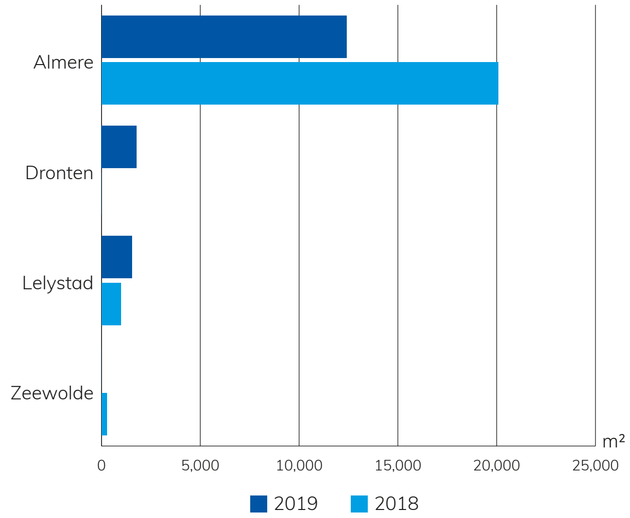
Industrial property market

Total industrial space take-up numbers were smaller in 2019 set against the preceding year. Demand for industrial space was smallest in the city of Almere. Last year's lower take-up levels did not necessarily follow from poor demand but rather from limited availability of large-scale premises. The biggest transaction taking place in the city of Almere involved Knipidee - an international supplier of fashion fabrics - purchasing a 14,500 m² industrial space. In Zeewolde too, take-up levels were lower compared to those reported in the preceding year, while Dronten said take-up numbers have climbed because of two large-scale sales transactions in Swifterbant. Logistics property was quite popular in the city of Lelystad. The amount of industrial space offered for rent of sale in the province of Flevoland in 2019 significantly dropped for the second year in a row. This was particularly noticeable in the city of Almere, allowing availability to diminish by withdrawing large surface areas from existing stock. The city of Almere reported an upward price movement, caused to some extent by the scarcity presenting itself in some of the segments. Rents remained steady in other municipalities in the province of Flevoland. Transaction periods were slightly longer last year, probably due to limited availability.

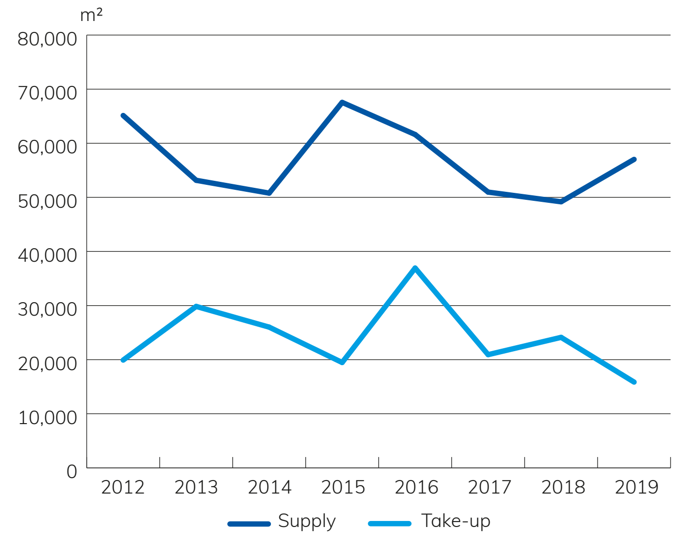
Office space supply and take-up



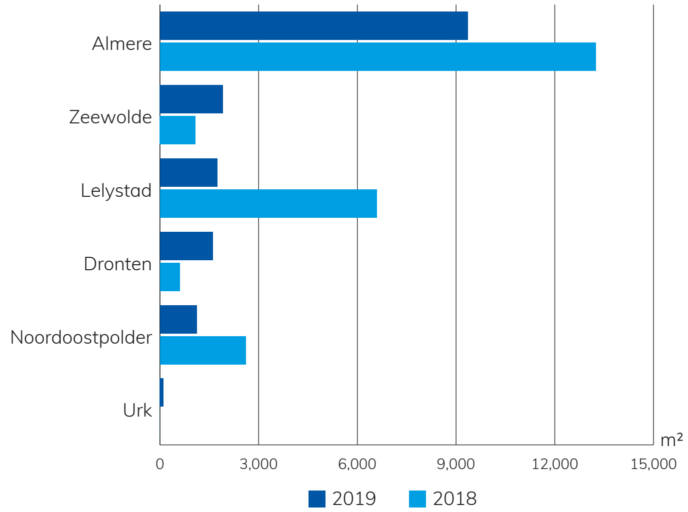
Take-up by main municipalities



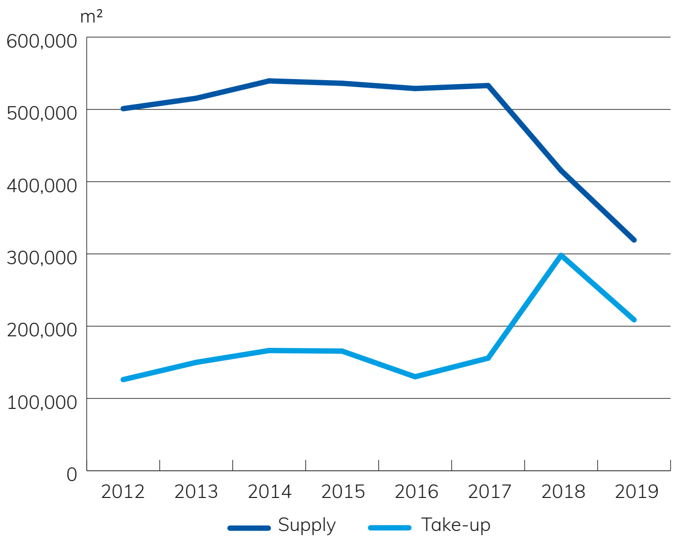
Retail property supply and take-up



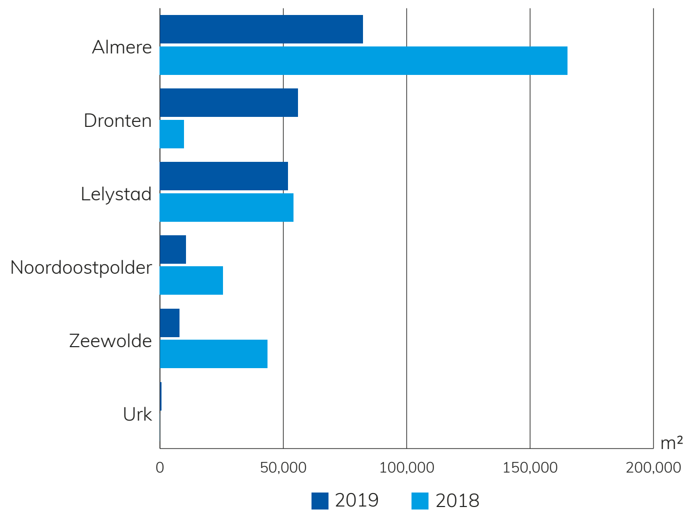
Take-up by main municipalities



Industrial property supply and take-up



Take-up by main municipalities



Province of Noord-Holland

Office market

The province of Noord-Holland faced hesitant trends in demand in 2019, as a result of which less office space was taken up eventually on the open market compared to the preceding year. Smaller take-up numbers presented themselves mainly in the city of Amsterdam, which however was not taken by surprise given exceptionally strong demand in previous years. But still, the fall was beyond market expectations. In total, just over 210,000 m² were taken up eventually, nearly 25% down compared to levels reported in 2018. In addition to the city of Amsterdam, other places in the province of Noord-Holland also faced smaller office space take-up. Hoofddorp, for example, said take-up had dropped below normal levels. The only positive exception in this province has been the city of Hilversum, reporting take-up levels have climbed significantly after signing several major transactions with Talpa and MediaMonks among others. In Amsterdam, both take-up levels as well as the number of transactions dropped compared to the preceding year. But despite all this, a number of large lease transactions did take place, like those with Coty, EVBox, Netflix, Spaces, University of Amsterdam and Fosbury & Sons. What's also interesting is that demand involved the city centre and Zuidoost in most cases, as well as the Zuidas business district. Because last year lease transactions involved existing buildings in most cases, the amount of immediately available space dropped in this province. Most places benefited from this except for the cities of Diemen and Weesp. The amount of space available dropped most significantly in the Dutch capital, followed by the cities of Haarlem and Hilversum. The amount of space available in Amsterdam dropped to 579,000 m² last year, just beyond 9% of total office stock.

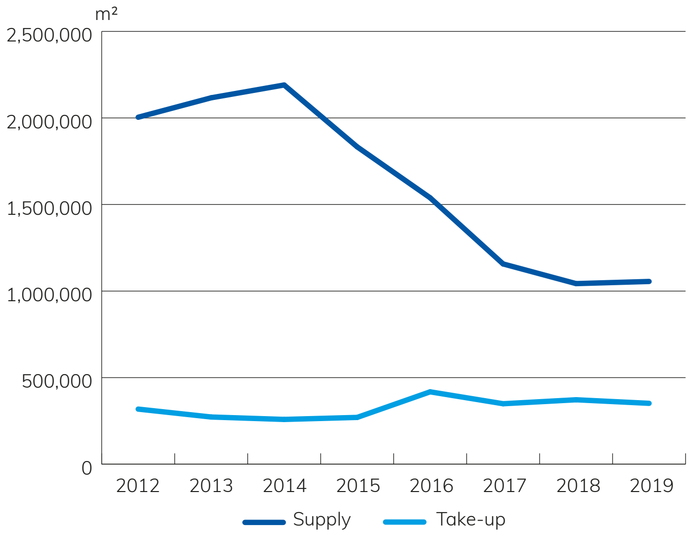
Retail property market

The retail property market in the province of Noord-Holland was a positive market in 2019, reporting higher transaction volumes compared to the preceding year. Demand for retail space was strong particularly in the city of Amsterdam. In fact, sales volumes climbed significantly, however mainly due to a number of large-scale transactions involving Albert Heijn, Costes, Decathlon, Rituals and The Sting among others. Because major lease transactions were realised in the city centre in most cases, this area represented a significant share of total take-up realised last year. Kalverstraat was extremely popular, followed by Utrechtsestraat and P.C. Hooftstraat. Although take-up involved large surface areas in most cases, relatively small stores were quite interesting as well. Whereas the retail property market in the Dutch capital displayed a varied image with healthy demand for stores generally speaking, the city of Alkmaar faced much poorer demand. One of the exceptions has been the modernised shopping centre called Ringers, at walking distance from the old city centre, reporting the occupancy rate has climbed up to 90% after signing several major lease transactions. One of the big events in this province has been the initial steps to construct a large outlet centre on Halfweg, expected to attract about 2.5 million visitors annually. Despite stronger demand in the province of Noord-Holland, the amount of space immediately available climbed, the more so in the cities of Amsterdam and Alkmaar. Even though Amsterdam's city centre was characterised by limited availability, higher vacancy levels were on the lurk because of Hudson's Bay's exit. Rents were slightly under pressure in the city centre, making prices drop here and there.

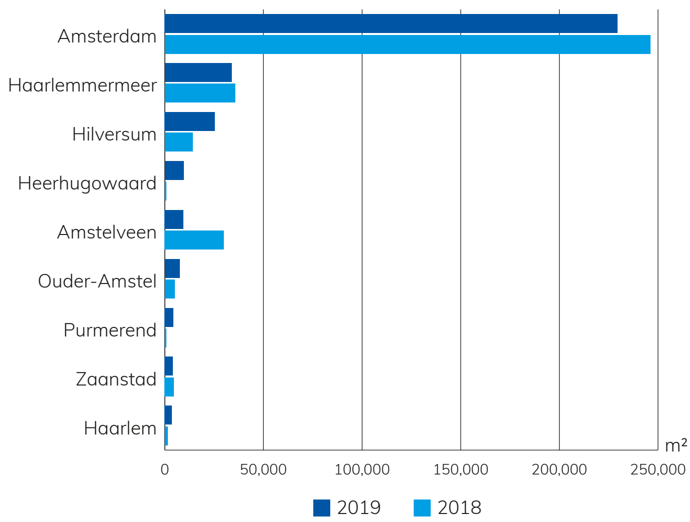
Industrial property market

Industrial property take-up levels in the province of Noord-Holland climbed for the second year in a row in 2019. Last year a total of approximately 860,000 m² of industrial space were taken up, up 16%. A relatively large share involved new-build property, whereby the amount of new buildings in Haarlemmermeer and Amsterdam in particular has been decisive. These two municipalities reported a significant increase in take-up levels. In Haarlemmermeer, activities centred around Schiphol-Rijk and Rozenburg, where several major distribution centres were taken up, involving a total of 120,000 m². Strong demand for logistics property also paid off for the city of Amsterdam. For instance, a number of large-scale distribution centres were let out to Logwise and Ceva among others in the Westelijk Havengebied (western docks of the city). Take-up levels also climbed in the cities of Aalsmeer and Zaanstad. In Heerhugowaard and also in Alkmaar, take-up levels were slightly below those reported in 2018. But despite strong demand, the amount of industrial space did not drop in 2019, also due to the large amount of new buildings coming about, as a result of which less existing space was taken up last year. Industrial property rents in Noord-Holland moved upward in 2019, also due to strong demand for new-build premises.

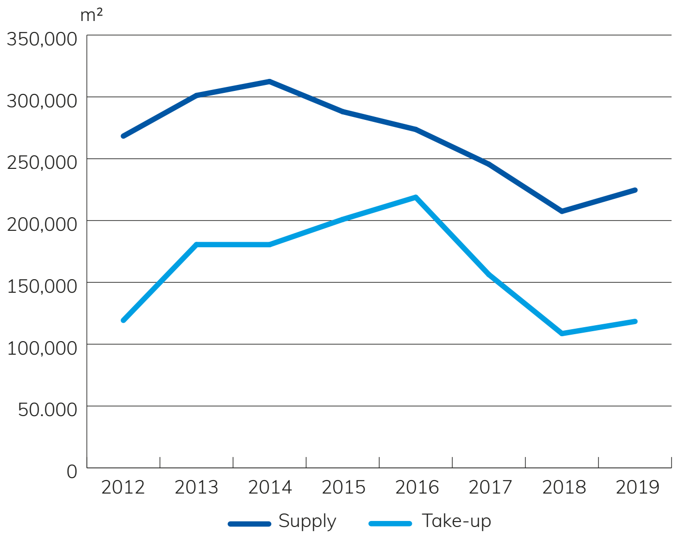
Office space supply and take-up



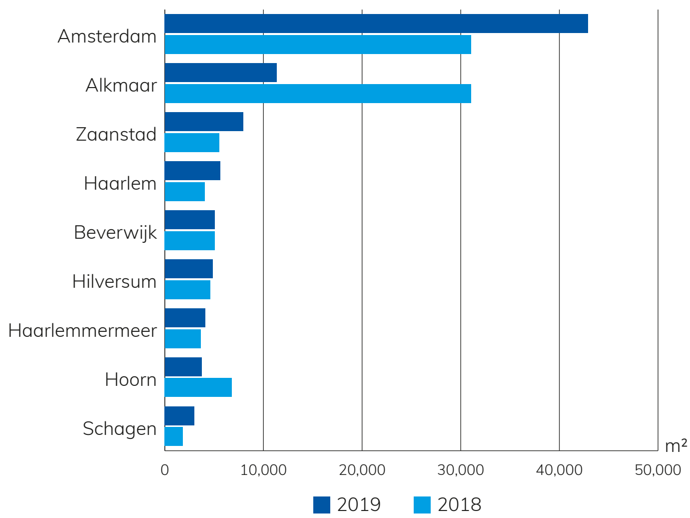
Take-up by main municipalities



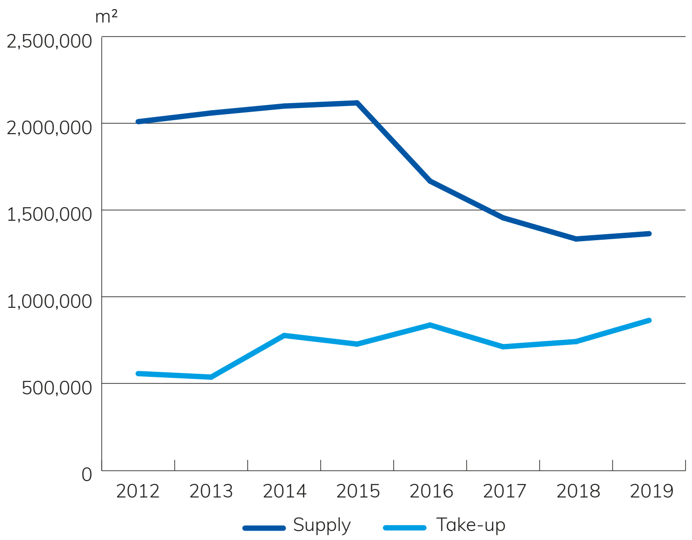
Retail property supply and take-up



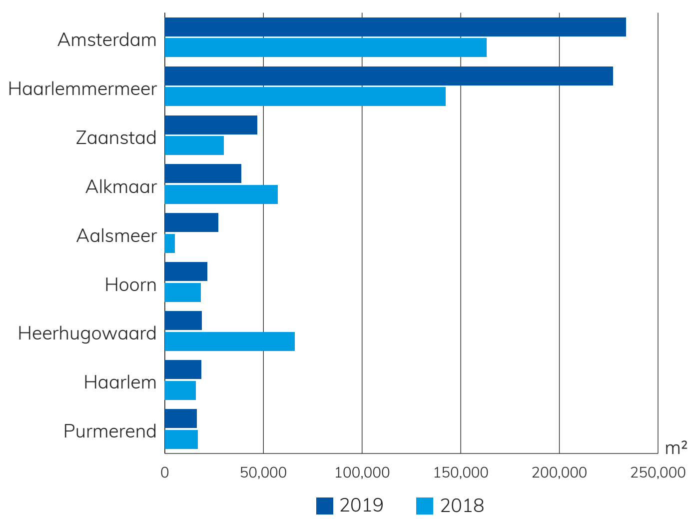
Take-up by main municipalities



Industrial property supply and take-up



Take-up by main municipalities



Province of Zuid-Holland

Office market

Demand for office space in the province of Zuid-Holland was exceptionally strong in 2019; sales volumes skyrocketed on the open market. The city of The Hague in particular reported as many as 130,000 m² were taken up last year, twice as much as in 2018. High take-up levels in the city of The Hague to some extent followed several major transactions. One of those transactions making a huge difference involved a 20,000 m2 office complex yet to be built in a district known as Beatrixkwartier in the proximity of the central railway station, which was sold to the Rijksvastgoedbedrijf (central government real estate agency). Besides this public authority, other organisations also pushed up sales numbers including PostNL, Shell, Provincie Zuid-Holland and Nationale-Nederlanden. Stronger demand for office space mainly presented itself in the area known as Laakhaven, however the Beatrixkwartier district too managed to increase take-up levels. In addition to The Hague, the city of Rotterdam also reported healthy demand for offices, although transaction volumes realised in this city were below those reported in 2018. Demand for office space in the city of Rotterdam involved small spaces in most cases, covering 200 to 1,500 m². Nevertheless, a number of sizeable transactions were signed eventually, involving Unilever and the Municipality of Rotterdam among others. Just like in previous years, focus has been on the city centre. As for other places in the province of Noord-Holland, it was interesting to see Leiden's office market doing so well. One of the positive developments on the office market in this province has been the further decrease in availability in 2019, serving the city of The Hague in the first place, reporting the amount of space available has dropped by approximately 100,000 m². Availability slightly diminished in the city of Rotterdam, and more office space was available for rent in Rijswijk.

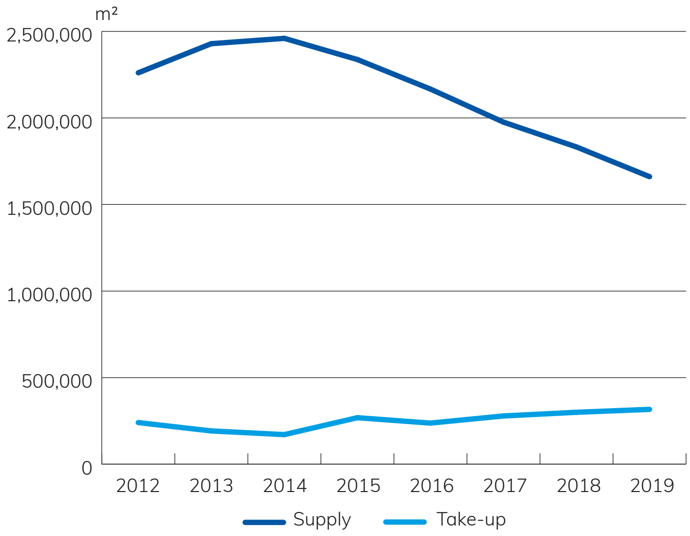
Retail property market

Demand for retail property in the province of Zuid-Holland remained quite steady last year, with take-up levels slightly exceeding those reported in 2018. Just like in previous years, demand centred around the city of Rotterdam, ensuring the same transaction volumes compared to the preceding year. Demand for retail space has been exceptionally strong in the city's main shopping areas. Interestingly, in addition to many small spaces, relatively big surface areas were let out as well, like those taken up by Distrikt Norrebro, Costes and JD Sports. This also led to many lease transactions being realised in stores existing on Lijnbaan. Except for the city centre, lessees were also interested in a shopping centre called Zuidplein, already attracting attention last year after announcing several impressive newbuild and renovation plans. When it comes to The Hague, interestingly enough take-up levels as well as the number of transactions climbed in 2019. Once again, demand was most substantial in the city centre, where several lease transactions took place involving De Passage and Grote Marktstraat among others. In addition to the cities of Rotterdam and The Hague, Leidschendam too reported a climbing take-up to nearly 15,000 m², whereby sizeable transactions involving the modernised shopping centre called the Westfield Mall of the Netherlands made all the difference. But despite positive demand for retail space in the province of Zuid-Holland, availability could not be pushed down any further. Whereas total availability remained pretty much the same last year, the city of Rotterdam reported much more retail space had become available for rent. As a result, 6.5% of retail stock was vacant at year-end 2019, affecting the so-called C locations the most. Rijswijk too reported increasing availability in 2019, however less significantly compared to the city of Rotterdam after the decision was made to grant the vacant part of the shopping centre called In de Bogaard a different purpose in life.

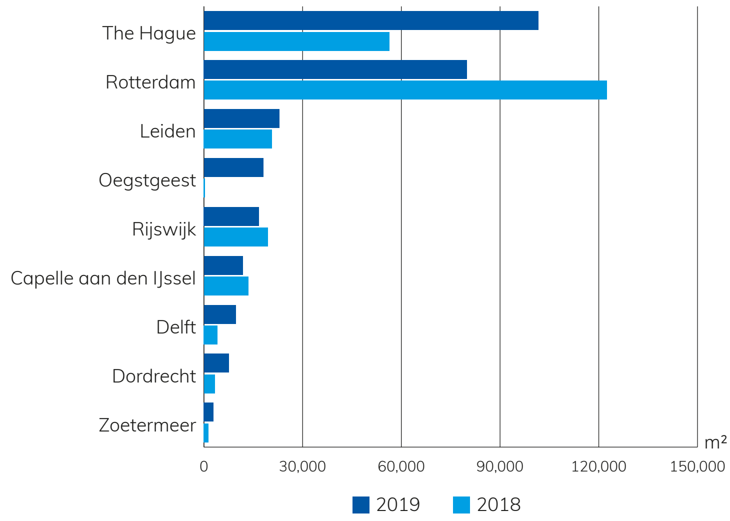
Industrial property market

The year 2019 has been a dynamic year as far as the industrial property market in the province of Zuid-Holland is involved. Much more industrial space was let out and sold on the open market compared to the preceding year, particularly due to take-up of several huge distribution centres in Bleiswijk, Den Hoorn, Ridderkerk and Rotterdam among other places. The eye-catching detail of take-up in the province of Zuid-Holland has been the large number of new-build premises. In total, as many as 830,000 m² of new industrial space welcomed new users, nearly half of total take-up in this province. Bleiswijk in particular attracted a great deal of attention, letting out 287,000 m² of new industrial space. Zalando, for instance, took up one of the largest distribution centres in the Netherlands, and also an impressive amount of space was taken up by three supermarket chains (Albert Heijn, Jumbo and Dirk van de Broek). Even though the amount of industrial space available increased in the province of Zuid-Holland in 2019, deficits presented themselves nevertheless, especially in the Haaglanden region. This was particularly noticeable within the small-scale and medium-sized segment (surface areas covering 400 to 1,500 m²). Limited availability in this segment presented quite a challenge to parties in search of appropriate industrial space. Due to a large share of newbuild premises and increasing scarcity, rents were under an upward pressure last year. Hardly any incentives were offered for transactions involving less than 2,000 m², also because of limited availability. Incentives were anywhere between 5% and 10% for distribution centres.

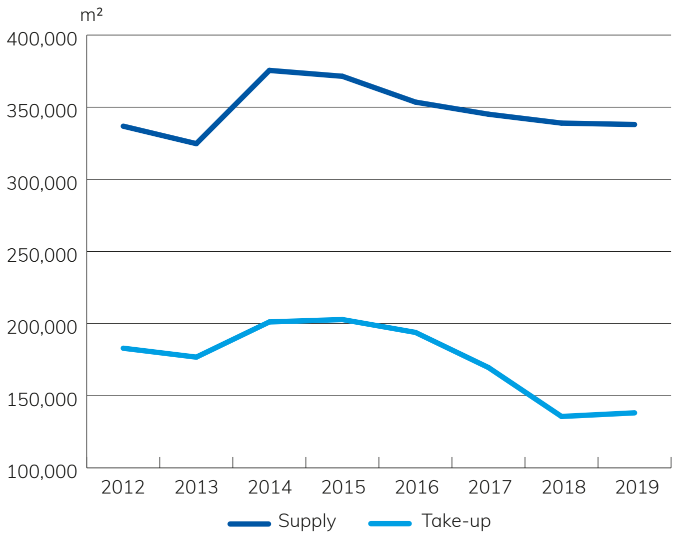
Office space supply and take-up



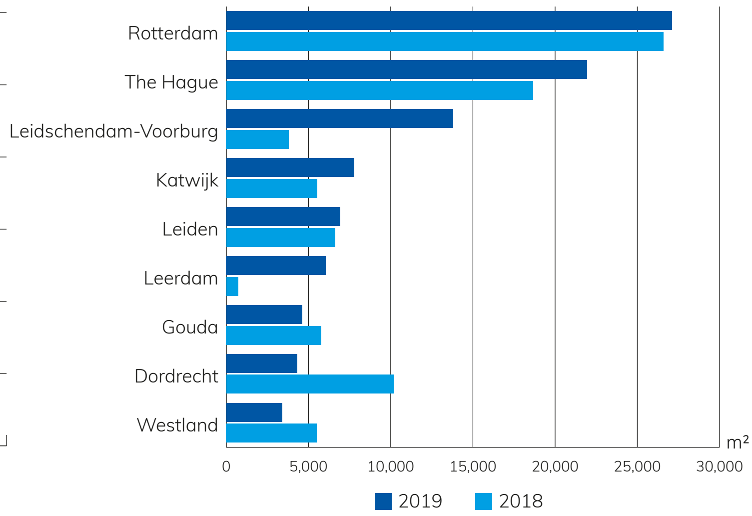
Take-up by main municipalities



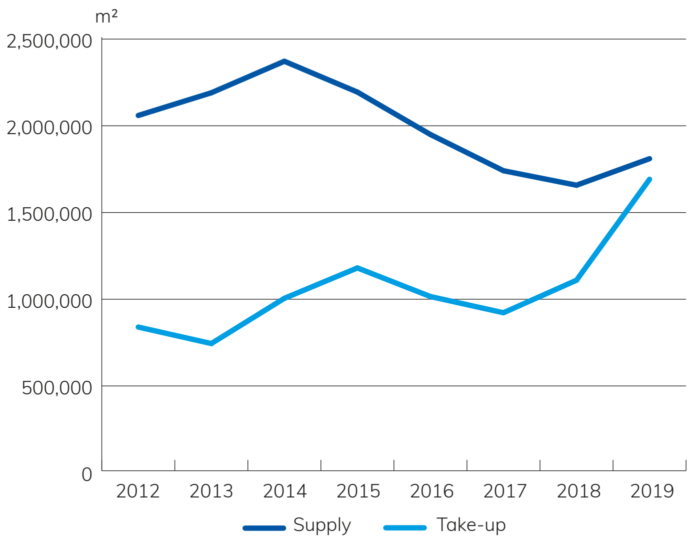
Retail property supply and take-up



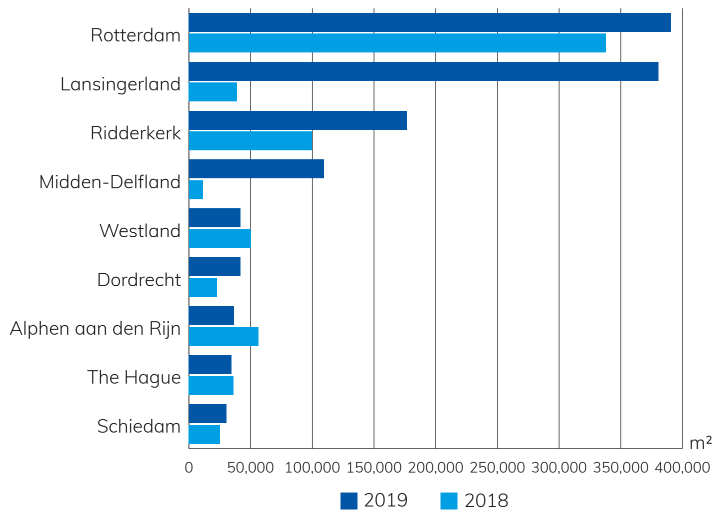
Take-up by main municipalities



Industrial property supply and take-up



Take-up by main municipalities



Province of Zeeland

Office market

The office market in the province of Zeeland experienced disappointing office sales and lettings in 2019. Take-up numbers never got any further than approximately 5,000 m². The main reasons include disappointing course of events in Terneuzen, reporting poorest demand for offices last year, as well as relatively limited demand in Goes and Middelburg. The majority of take-up involved the city of Middelburg. Although the lease transaction involving Van Loo & Veerhoek in particular made quite a difference, sales involved minor transactions in most cases. Several major organisations were planning to construct their own property instead of renting space. The Police, for instance, purchased a site on Mortiereboulevard to build an office complex covering approximately 10,000 m². Also, De Zeeuwse Verzekeringen announced its plans to realise an office building in Middelburg on Schroeweg. A major setback as far as the office market in the province of Zeeland is involved has been the major increase in availability last year. Even though availability increased almost everywhere, this was even more the case in the city of Terneuzen, also due to buildings released on Rosegracht and Haarmanweg. Availability increased in most places, but not in Goes, reporting fewer options also because of several lease transactions at the former tax offices on the Stationsplein square.

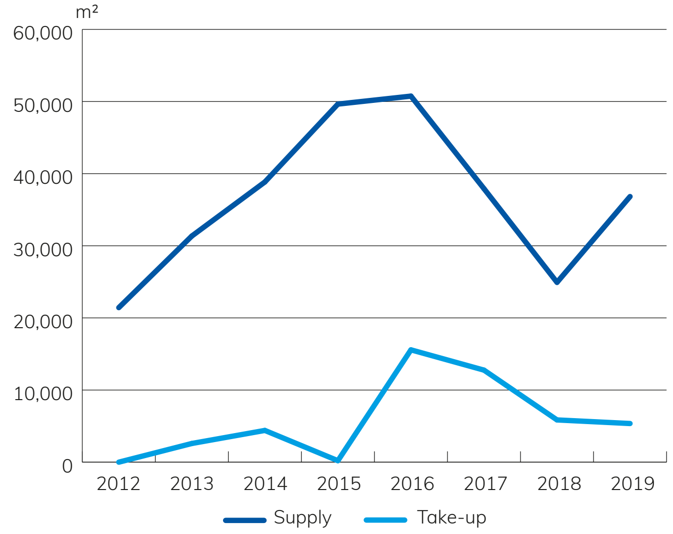
Retail property market

The retail property market in the province of Zeeland may look back on a year dominated by an unmistakable increase in retail property take-up. Increased activity in this province mainly followed from the course of events in the cities of Terneuzen and Vlissingen, letting out and selling more property compared to the year before. But nevertheless, take-up followed from a limited number of transactions. For instance, in Vlissingen a large-scale retail unit was sold to a liquor store called Drankgigant. In addition to Terneuzen and Vlissingen, the city of Goes also managed to pick up in 2019. Middelburg, on the other hand, reported lessees were less interested, as a result of which retail trade space was let out and sold less frequently. Developments on the retail property market were also dominated by stronger take-up in this province, accompanied by smaller availability. It paid off for the city of Goes in the first place, although the supply situation was not entirely positive because quite a number of retail premises were available for rent on the streets surrounding Grote Markt. Even though prime (A) locations were able to maintain price levels, prices were under pressure on B and C locations. Unlike Goes, vacancy levels hardly changed in the city of Middelburg. In Middelburg, vacant retail space involved the shopping centre called Dauwendaele among other places. But even so, plans to take it down and build a new shopping centre were dismissed. Availability also hardly changed in the city of Terneuzen. Thoughts were exchanged on redesignating some of the premises, including the almost entirely vacant ABC complex on Noordstraat.

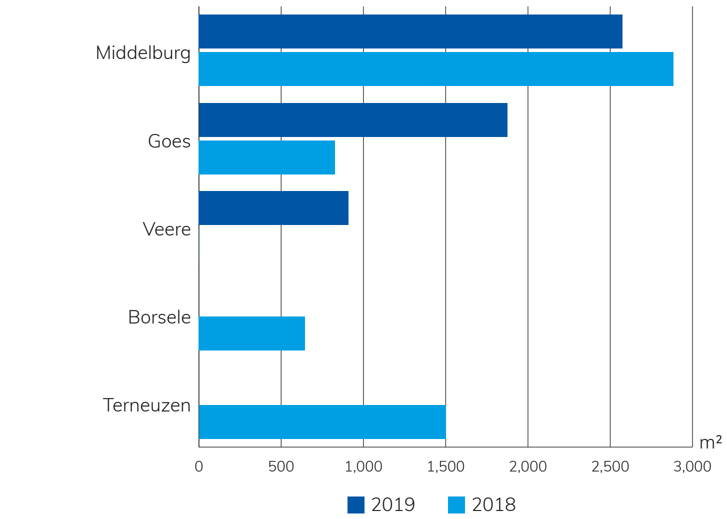
Industrial property market

Last year, industrial property take-up numbers slowly climbed in the province of Zeeland compared to the year before. The vast majority of municipalities were able to push up take-up numbers. Demand also intensified in Kapelle, due to a large-scale lease transaction involving a vegetable canning business called Coroos. In Terneuzen, take-up levels were lagging behind those reported a year before. Demand for industrial space in the province of Zeeland was mainly attributable to existing enterprises planning to expand business activities. Demand mostly involved industrial premises over 1,000 m². Due to strong demand and limited availability, finding property was something of a challenge, pushing construction prices up significantly as a result in 2019. The amount of industrial space available generally climbed in 2019. Structural availability involved industrial space covering more than 1.000 m². Most of these premises exist on old business parks. High new-build costs, however, might turn vacant premises into interesting options to rent or buy after all. Industrial property rents slightly climbed last year. Also, transactions were realised more rapidly, judging by the average transaction periods.

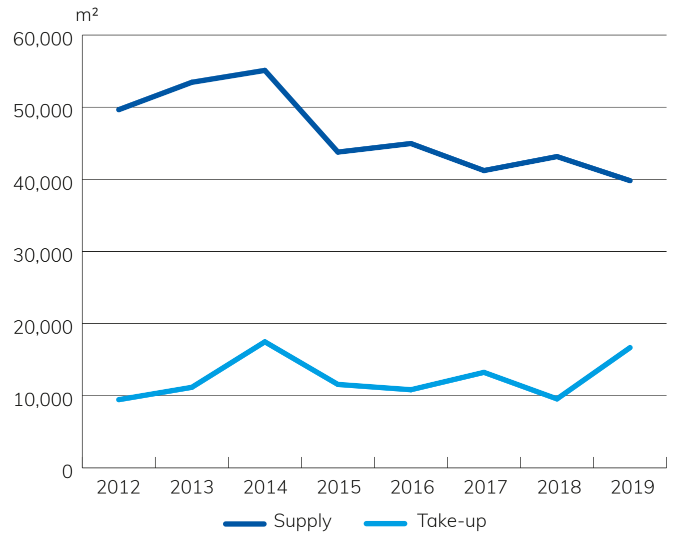
Office space supply and take-up



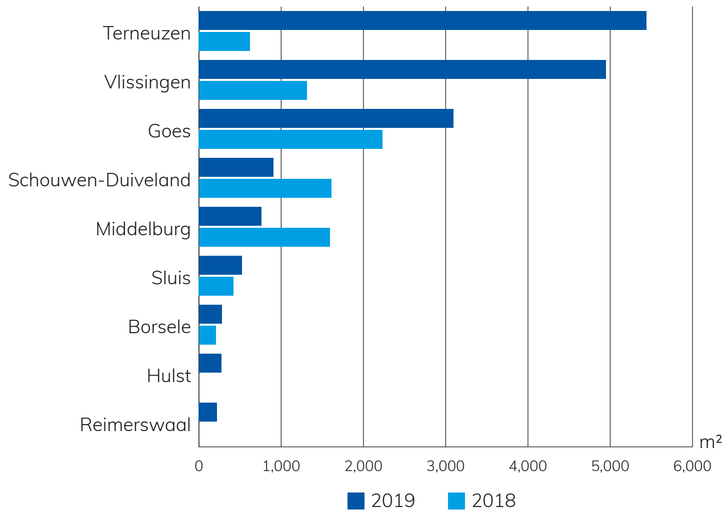
Take-up by main municipalities



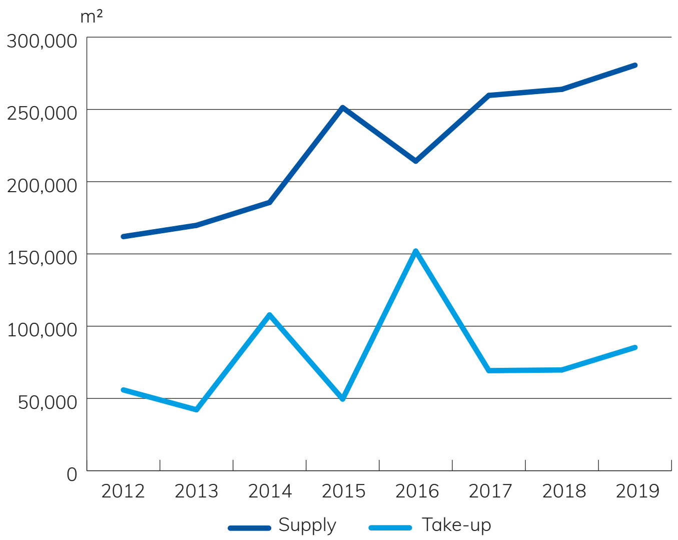
Retail property supply and take-up



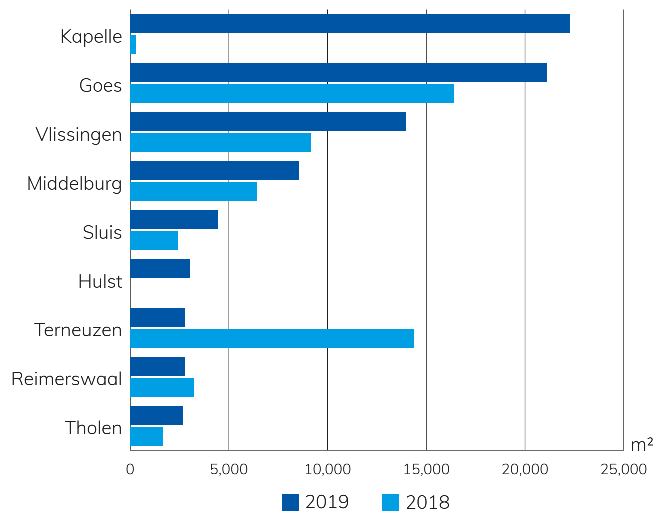
Take-up by main municipalities



Industrial property supply and take-up



Take-up by main municipalities



Province of Noord-Brabant

Office market

Even though many lease and sales transactions were realised in 2019, the office market in the province of Noord-Brabant was less convincing compared to the year before. With total sales amounting to approximately 115.000 m², take-up levels were below those reported in 2018. Lower sales numbers in this province mainly followed from limited transactions rather than the lack of major lessees. In fact, several large-scale lease transactions were signed last year, including those with Philips, VodafoneZiggo, Microlab, ASML and GGD Hart voor Brabant. It paid off for the city of Eindhoven in particular, with a key role being claimed by High Tech Campus and Flight Forum. A total of approximately 45,000 m² of office space were taken up last year in the 'city of light'. Indeed, Eindhoven was dominated by a number of sizeable lease transactions, however in Breda focus has been on small and medium-sized transactions. Minor office users mainly required space in the 200 – 1,000 m² size category. Nevertheless, a number of major office users were actively seeking property as well, including Lamb Weston/Meijer and AON. The city of Den Bosch too reported strong demand for small office space up to 1,000 m². A limited number of slightly bigger transactions were realised last year. The amount of office space available in the province of Noord-Brabant diminished in 2019, but not everywhere. In Eindhoven and also in Tilburg, availability increased in 2019. When it comes to Eindhoven, it is also because a large office complex located on Boschdijk was added to the office market. Things were different in the city of Breda, reporting availability diminished last year. And in Den Bosch too, the amount of space available dropped in 2019.

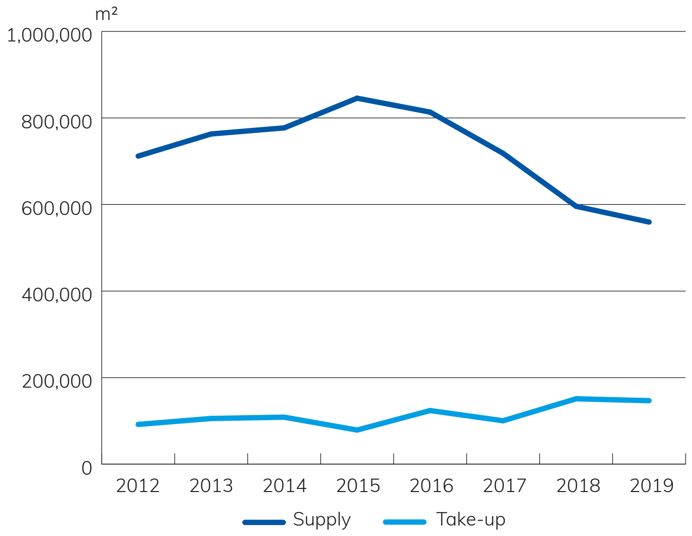
Retail property market

When it comes to the retail property market in the province of Noord-Holland, the amount of space let out and sold did not change compared to the preceding year. Nearly 90,000 m² were taken up on the open market. And just like in 2018, demand was most substantial in the city of Tilburg, reporting transaction volumes climbed last year. Even though demand in the city of Tilburg involved small retail space in the first place, it turned out several retail traders were in fact in search of space beyond 1,000 m². For instance, one major transaction was signed with Coolblue. Also, in the province of Noord-Brabant, a key role was claimed by the city of Eindhoven, where demand for retail space also led to higher take-up levels. Except for large surface areas, also many small and medium-sized spaces had been let out and sold. This paid off particularly as far as city-centre locations are involved, such as Kleine Berg, Nieuwe Emmasingel and Piazza. Marktstraat too was very popular, where Distrikt Nørrebro took up G-Star's previous store. While the cities of Tilburg and Eindhoven reported strong demand for retail space, transaction volumes were most limited in the city of Breda, reporting take-up levels were anything but satisfactory. In fact, Breda was not the only city experiencing poor demand, as the retail property market also deteriorated in the city of Den Bosch. Relatively healthy demand for retail space in this province, however, could not stop vacancy levels from skyrocketing last year. The amount of space available increased mainly due to disappointing developments in the city of Roosendaal, reporting over 11% of retail stock was vacant at year-end 2019. Vacancy levels also climbed significantly in the cities of Eindhoven and Den Bosch. Although a solution was found to V&D's vacant premises in the city of Eindhoven, the shopping centre called Heuvel faced increasing availability. This was mainly the case for retail space on the first floor, which proved hardly interesting. Availability threatened to increase even further in Breda as well Tilburg because Hudson's Bay decided to close down its stores.

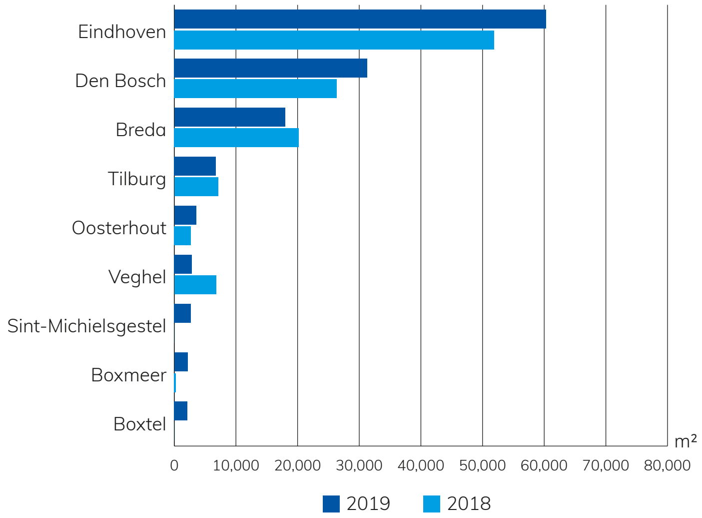
Industrial property market

Industrial property take-up levels slightly increased in the province of Noord-Brabant in 2019. Interestingly, demand for new distribution centres has been very strong. Despite disappointing take-up levels on Tilburg's industrial property market, in fact only a few locations were available for large-scale new construction in this municipality. As a result, retailers and other users of logistics property opted for alternatives in surrounding regions as a result. Nevertheless, a distribution centre yet to be built was let off to Decathlon (sports equipment). Waalwijk, Roosendaal and Den Bosch experienced intensifying demand for large-scale logistics property - probably due to the lack of new-build locations in the city of Tilburg - although the municipality of Waalwijk announced a discontinuation of land sales. Eye-catching lease transactions taking place in Waalwijk last year involved Magna Tyres (nearly 58,000 m²) and Tarkett (approx. 14,000 m²). Other large-scale transactions signed in the province of Noord-Brabant involved e.g. a distribution centre for Lidl in Oosterhout and new premises for Primark in Roosendaal, satisfying the need to significantly expand existing capacity. Due to strong demand for logistics property, speculative construction of distribution centres was initiated across Noord-Brabant. The amount of industrial space available in the province of Noord-Brabant increased for the first time in years, in fact by 6%. Particularly in West-Brabant, many large commercial premises were available for rent or sale by the end of 2019. Significant take-up of new-build projects combined with a lurking threat of construction sites made rents slightly climb in 2019.

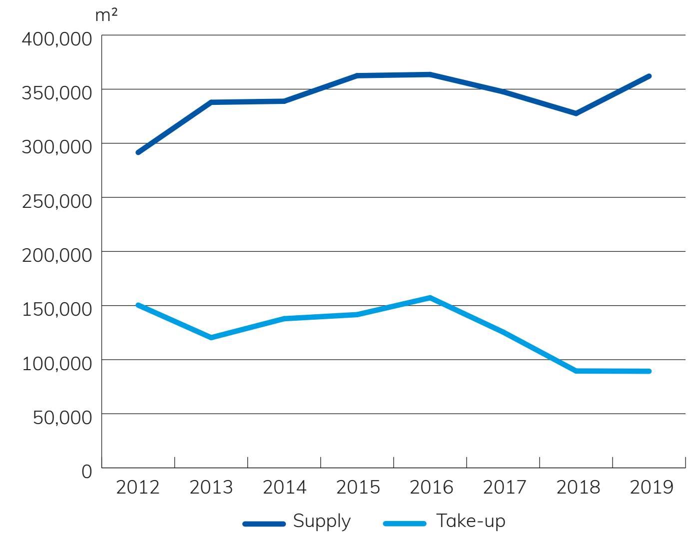
Office space supply and take-up



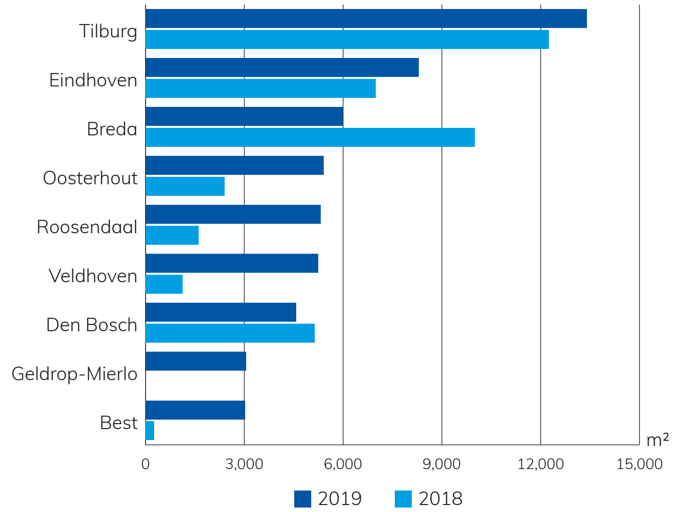
Take-up by main municipalities



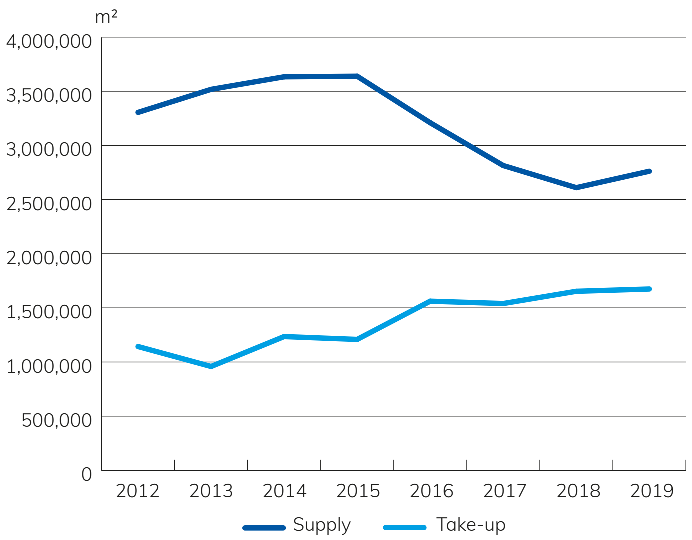
Retail property supply and take-up



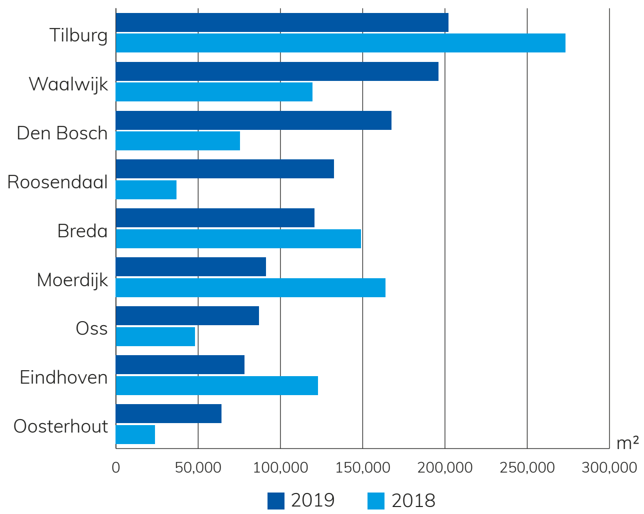
Take-up by main municipalities



Industrial property supply and take-up



Take-up by main municipalities



Province of Limburg

Office market

The office market in the province of Limburg clearly sailed against the wind in the previous year; on the open market – excluding owner-occupier construction – clearly less office space had been let out and sold compared to 2018, the year in which major lease transactions clearly interfered with total take-up numbers. Poorer demand for offices involved many places, however it presented itself most substantially in the city of Heerlen, pushing take-up levels seriously down. Indeed, a number of lease transactions were signed eventually, however the sales involved were not big enough to equal the high take-up numbers realised in the preceding year. The city of Maastricht slowly picked up last year, although volumes remained limited nevertheless. Take-up levels could not go beyond 6,000 m², focussing on surface areas in the 200 - 500 m² size category in the first place. The only sizeable transaction which did take place after all, involved the knowledge institute called Medace, who took up space in an office area known as Randwyck. The course of events in the cities of Roermond and Venlo have been utterly disappointing, reporting lessees were hardly interested. But despite poor demand for offices last year in this province, the amount of space immediately available continued to drop nevertheless, serving Maastricht and Sittard-Geleen in particular. Smaller availability, however, could not prevent persistently high vacancy levels in the city of Maastricht. More than 11% of office stock was vacant at year-end 2019. In Roermond, the amount of space available for rent hardly changed, and so over 18% of total offices were unoccupied at the end of the year 2019.

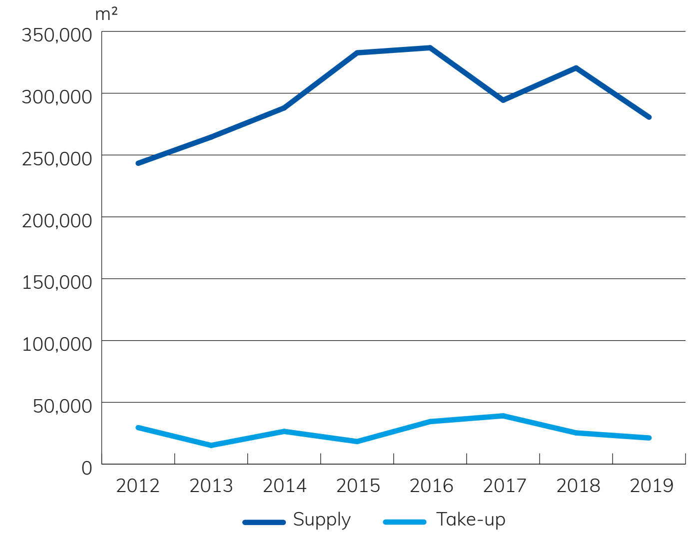
Retail property market

The retail property market made a good impression in 2019, reporting healthy demand for stores generally speaking. Unlike the previous year, retail traders took up much more retail space. Except for the city of Maastricht, saying retail space take-up levels have been generally steady, all places home to a rather sizeable retail area managed to benefit from this. Quite interesting has been the intensifying degree of business activity in the city of Heerlen, where a number of large-scale transactions clearly interfered with transaction volumes. In addition to Heerlen, retail space take-up levels also climbed in Sittard-Geleen and Venlo. The place called Weert, however, faced less fortunate circumstances, judging by the disappointing take-up of retail space. Just like in previous years, the retail property market in the city of Maastricht was characterised by healthy demand for locations existing in the key shopping area, although availability was limited last year. One of the major developments in the city of Maastricht has been the long-awaited renovation of the shopping centre called Brusselse Poort, allowing new business opportunities to present themselves outside the A1 shopping area as well. Even though demand for retail space in the province of Limburg can be referred to as good, the amount of space increased significantly in 2019, particularly due to more vacant premises in Kerkrade, while Venlo and Brunssum too reported much more space had become available for rent or sale. Availability increased most significantly in Kerkrade, particularly in places such as Orlandopassage, Carboonplein and Parkstad Limburg Stadion. The city of Maastricht too experienced an increase in availability, however to a modest extent. More premises threatened to become available with Hudson's Bay deciding to leave Grote Staat. Interestingly enough, the amount of space available in the city of Heerlen hardly changed compared to the preceding year.

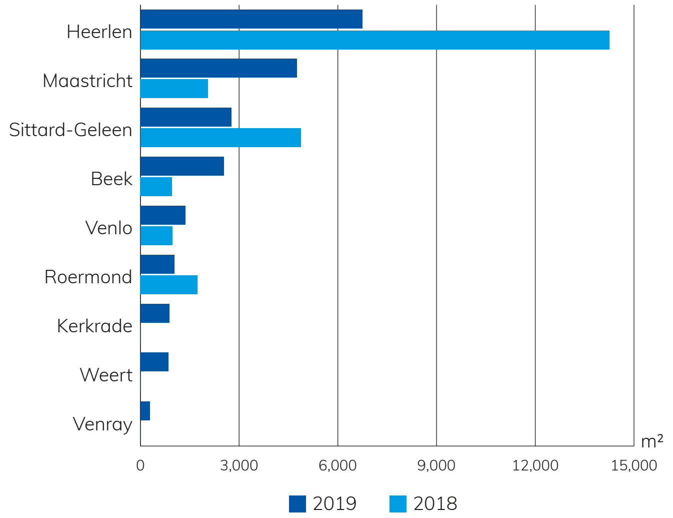
Industrial property market

In Limburg, the amount of industrial space taken up in 2019 hardly changed compared to the year before. A total of approximately 585,000 m² had been let out and sold. The course of events in the province of Limburg was typified by the large number of new-build projects realised last year; nearly 60% of total demand involved newly built premises, which clearly showed from take-up numbers in Kerkrade, Sevenum near Venlo and Weert. Industrial property take-up levels in these places significantly exceeded those reported in the preceding year. On Trade Port West in Sevenum, for instance, the construction of a 57,000 m² distribution centre was initiated, which will be entirety let out to Shop Apotheke Europe. Also, on the same location a 36,000 m² warehouse space was let out to the American fashion company called PVH. In Weert, packaging company Moonen choose to rent a new distribution centre on a business park known as De Kempen; in Kerkrade a large-scale complex was let out to Berner, a wholesaler dedicated to tools and materials used in the construction and the automotive sectors among others. The goal is to promote distribution in the Benelux countries and western Germany. In Venlo, industrial property take-up levels were much lower compared to previous years, probably due to developments taking place just outside Venlo itself. Since focus has been on new-build property, fewer existing alternatives were taken up last year. As a result, the amount of industrial space skyrocketed in 2019, and also relatively many large-scale distribution centres were available for rent and sale. This was particularly the case in the municipalities of Venray and Weert. Due to the amount of new construction, transaction prices were able to slightly climb in 2019.

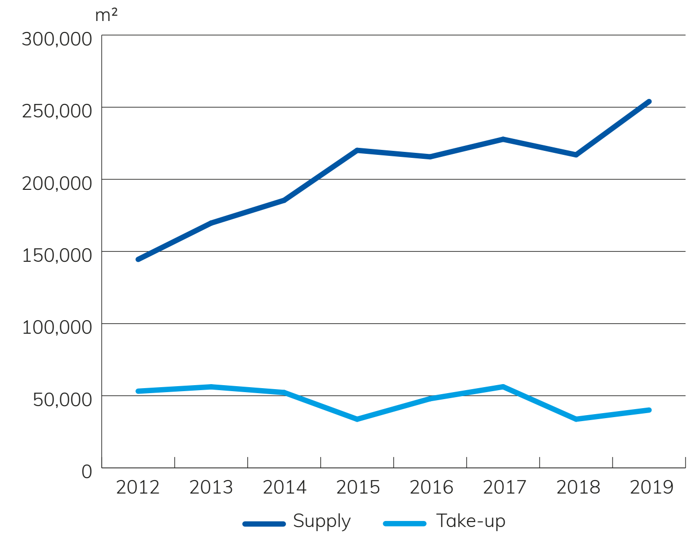
Office space supply and take-up



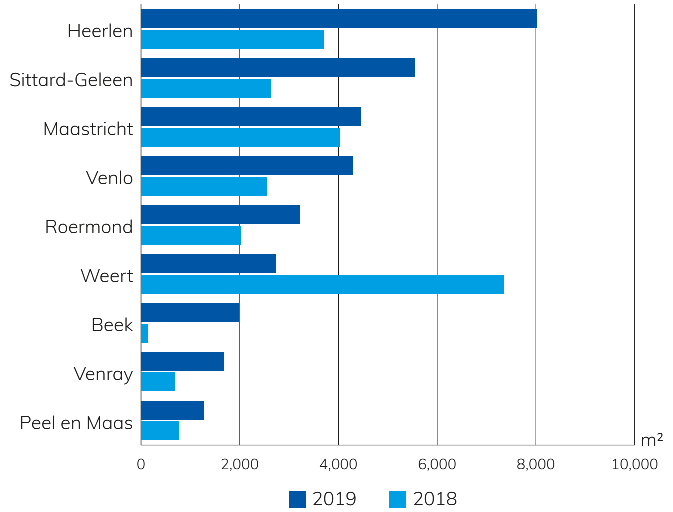
Take-up by main municipalities



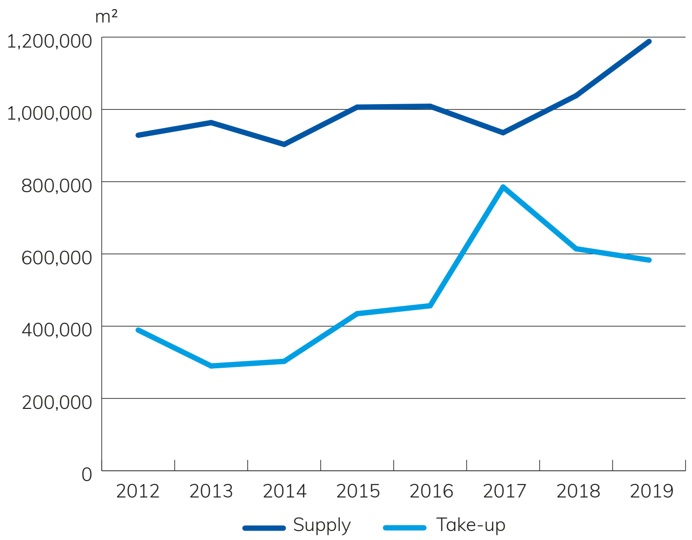
Retail property supply and take-up



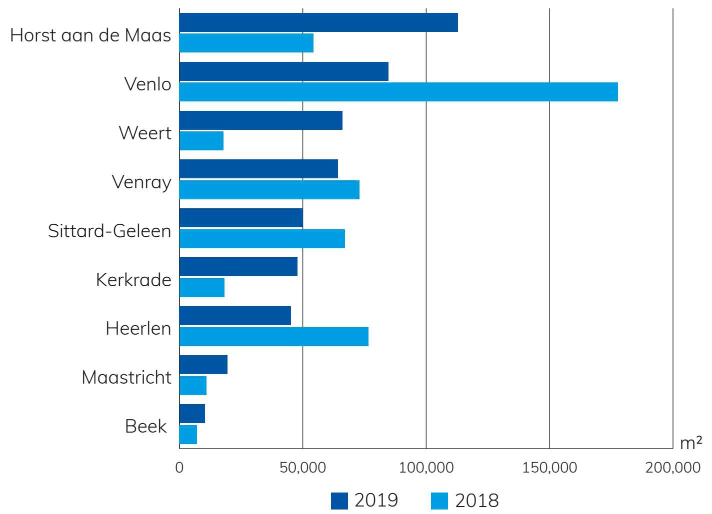
Take-up by main municipalities



Industrial property supply and take-up



Take-up by main municipalities



Definitions

Office space
A spatial independent unit used primarily for office activities or supporting activities. Offices do not include office spaces that are part of industrial buildings, universities or hospitals.

Industrial space
A spatial independent unit used primarily for production and storage in the construction, transport and logistics sectors, light and heavy industry as well as wholesale. Mixed office and industrial buildings have been included provided the business share exceeds 50% of the entire complex.

Retail space
A spatial independent unit accessible to the public, primarily serving the professional display of items offered and sold to end users which are not consumed on site. Hence a retail trade function must be involved.

Availability
Office, retail or industrial space immediately available for rent or sale. Availability does not include any property in the preparatory phase, and which therefore is yet to be built. In addition to vacant property and property yet to be built, availability also includes spaces still being used but which will be released in the near future. Office supply is measured in buildings providing at least 500 m² of space. As for industrial space, a 100 m² lower limit prevails. The lower limit does not apply to retail space.

Vacancy
The total number of physically vacant premises. Vacancy numbers are often smaller set against availability.

Take-up
The lease and sales transactions taking place on the open market. Take-up does not include users satisfying their own housing needs (the so-called owner-occupier development). The same applies to sale-and-leaseback agreements as well as contract renewals. NVM registers those office transactions starting at 200 m² and industrial space transactions involving 100 m² and beyond. Lower limits do not apply to retail transactions.

Rents
The rents realised per square metre of lettable floor space, excluding VAT.

Incentive
A relocation allowance, furnishing contributions or (temporary) discounts on rents offered by the lessor to the lessee.

Gross initial yield
The gross annual rent at the time of purchase as a percentage of the total investment.

Colophon
March 2020

Published by
NVM Business

Composed by
Brainbay,
Klaartje Asselbergs
Rudolf Bak

Data source
Brainbay

NVM Business
Fakkelstede 1
3431 HZ Nieuwegein
The Netherlands