

Occupier market trends in the Randstad.

Amsterdam ♦ The Hague ♦ Rotterdam ♦ Utrecht

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**Knight
Frank**

Dutch Office Market Report

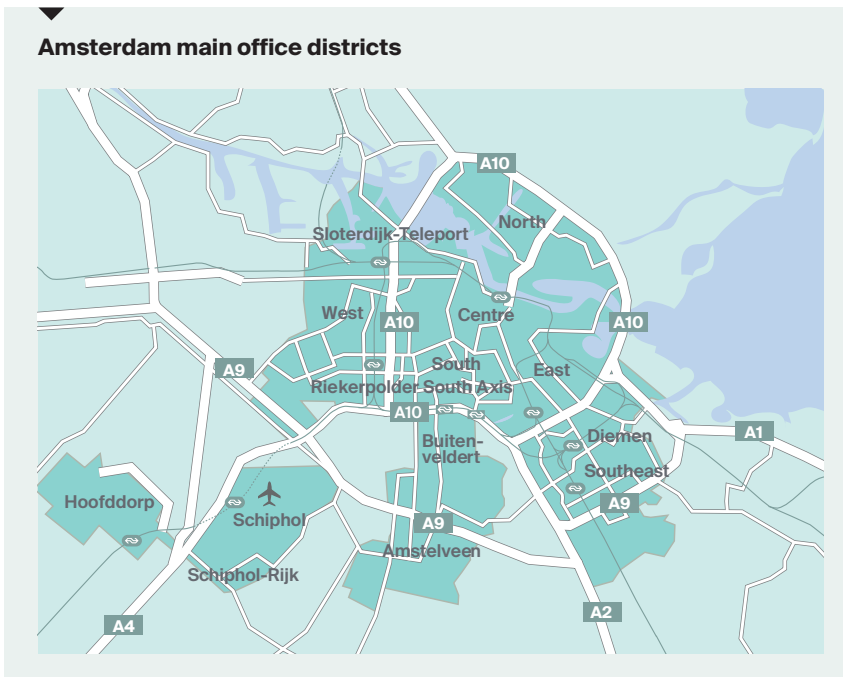
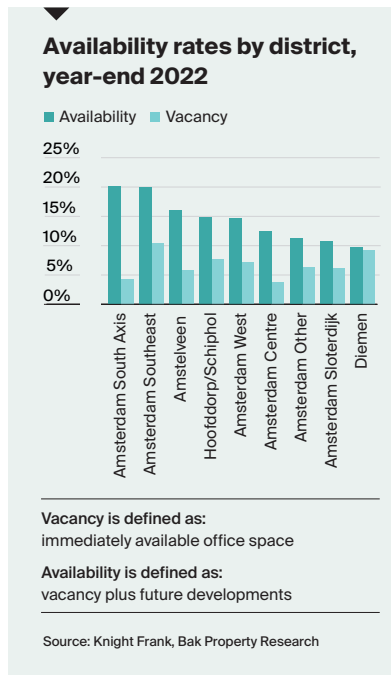
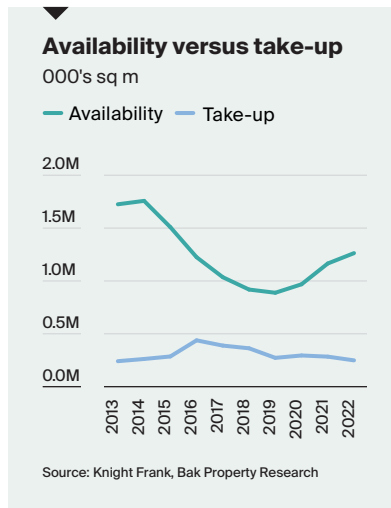
Research 2023

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AMSTERDAM

Sentiment remained firm despite a fall in demand in 2022

In 2022 the Amsterdam region posted a lower level of take-up of office space than in the previous year. The fall in take-up was particularly apparent in the city of Amsterdam itself; a total of approximately 198,000 sq m was let or sold on the 'open market'. As a result, demand for office space in Amsterdam finished 10% down on 2021. Although take-up declined, sentiment in the market was nevertheless markedly firm. Many small to medium-sized transactions



completed, primarily in the 200 to 1,000 sq m range. While the emphasis shifted away from large letting deals, a number of major office occupiers were active including Lumicks, IBM, Athora, Palo Alto, STX Group and Catawiki. Office accommodation particularly in the South Axis district proved popular last year with the first letting deals at the Tower Ten building completing, the latest addition to the WTC Amsterdam. Additionally, there were many deals completed in the city centre and although the interest from office occupiers in this area was noticeably subdued when compared to the previous year, the Riekerpolder site bucked this trend, attracting strong interest from occupiers. In addition to Riekerpolder, demand for office space also picked up in the North district and in Duivendrecht which saw a significant increase in take-up, largely due to the letting to Olam Food Ingredients. Hoofddorp saw a decline in take-up in 2022 due to a low number of its traditionally large transactions.

A disappointing trend for the Amsterdam office market was the large increase in

availability last year, resulting in 1.25 million sq m of vacant space by the end of 2022. The rise in availability was particularly unfavorable for the city centre and the Southeast district with virtually all of the newly available space arising from the city of Amsterdam itself, driven by the move of Booking.com into its new head offices. At year-end, a total of 924,000 sq m was available in Amsterdam city centre, or 14.8% of the total stock. Although there was an increase in available space in both Amsterdam and Amstelveen, elsewhere in the region the situation remained virtually unchanged.

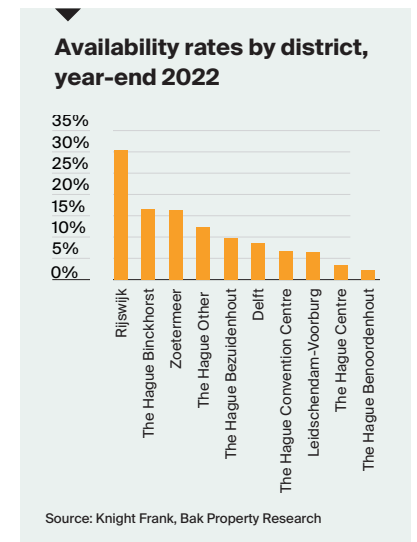
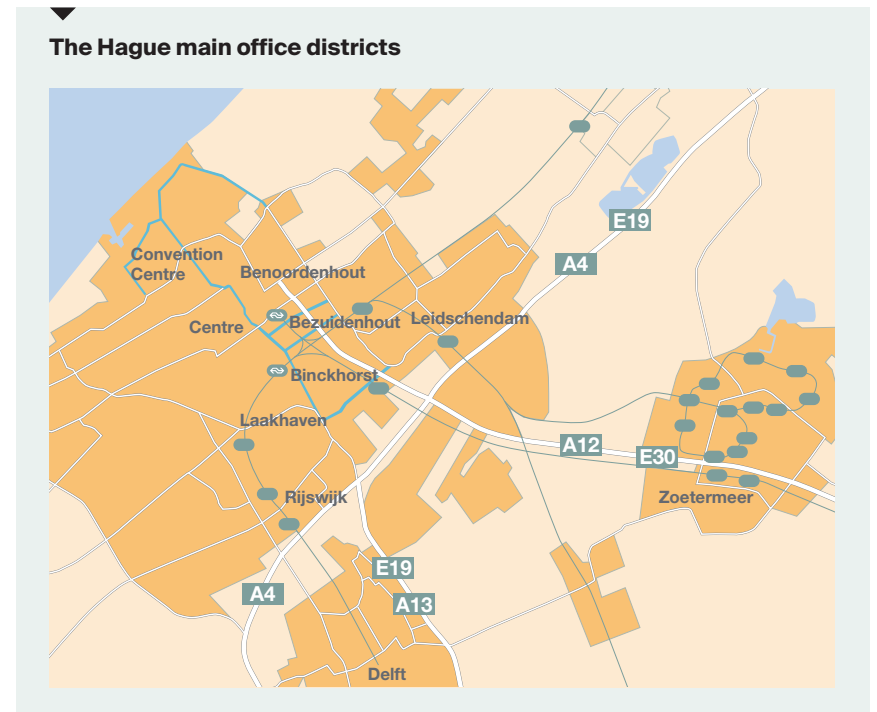
OFFICE RENTS Q1 2023 (€ PER SQ M PA)

DISTRICT	RENTAL RANGE
Amsterdam Centre	225 - 500
Amsterdam Sloterdijk	145 - 265
Amsterdam West	145 - 300
Amsterdam South Axis	275 - 550
Amsterdam Southeast	145 - 275
Amsterdam North	145 - 275
Amsterdam Other	125 - 170
Amstelveen	125 - 225
Diemen	110 - 195
Hoofddorp/Schiphol	125 - 385

THE HAGUE

Large letting deals led to increased take up in The Hague

Sentiment in the office property market in The Hague and surrounding towns was notably firm in 2022, translating into a higher volume of transactions on the open market. The fact that the volume of transactions in the region held up well was attributable not only to virtually stable demand in the city of The Hague, but above all to the favourable climate in both Zoetermeer and Delft. Both towns saw a few large letting deals with TKH Security, Instellar, House of Quantum and Qblox and a large number of letting deals in Rijswijk also contributed to the increase in take-up of office space in the region. As in the past, the majority of space taken up was in The Hague itself, where demand reached 64,000 sq m. Office demand was mainly focused on relatively small spaces in the 200 -1,000 sq m range, however a few large deals played a dominant role including the sale to the Central Government Real Estate Agency, 19,000 sq m of office space in the Binckhorst district. A prominent role was also played by the letting of 7,300 sq m along the A12 motorway to TotalEnergies and by the deal arranged with Aramco in the Beatrixkwartier district. These organisations together accounted for 45% of total take-up in The Hague. The transaction with the Central Government Real Estate Agency helped to make the Binckhorst area the most active submarket last year



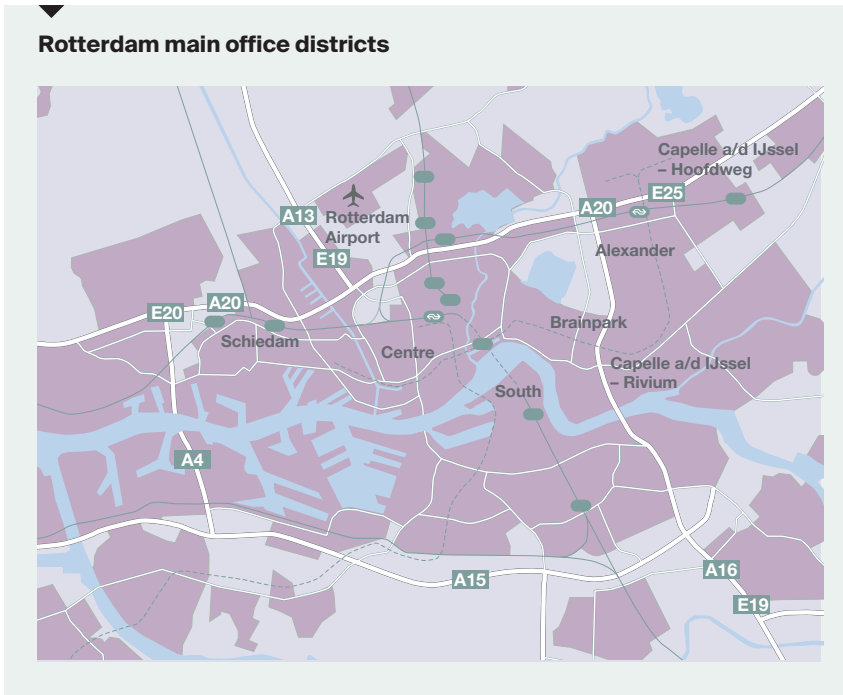
The increased take-up in the region was accompanied by a fall in the amount of space available for immediate occupation which benefitted the office markets in both The Hague and Rijswijk. By the end of 2022, the amount of vacant office space in the city of The Hague had decreased to approximately 254,000 sq m, bringing the city-wide vacancy rate down to 7%.

The reduced availability was most noticeable in the city centre and the area around the Convention Centre. Alongside The Hague and Rijswijk, a fall in vacancy was also experienced in Zoetermeer and Leidschendam, the latter strongly influenced by the removal of approximately 9,000 sq m from the office stock.

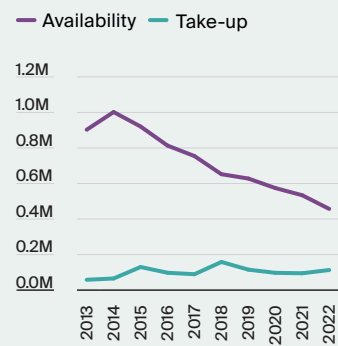
ROTTERDAM

Increased transaction numbers over 2022 particularly in the city centre lead to sustained demand

The Rotterdam region enjoyed substantial demand for office space in 2022 and significantly more property was let or sold on the open market than in the previous year. The higher take-up in the region was accounted for largely by the city of Rotterdam, where in keeping with tradition, several sizable letting deals were completed. As in the past, tenant interest in the city of Rotterdam focused primarily on office buildings in the city centre with the Delftse Poort office complex near

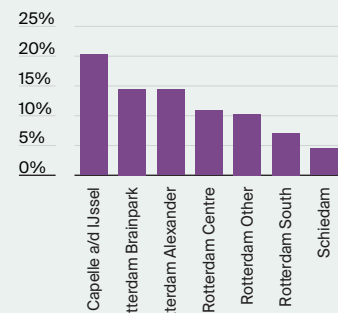


Availability versus take-up
000's sq m



Source: Knight Frank, Bak Property Research

Availability rates by district, year-end 2022



Source: Knight Frank, Bak Property Research

the Central Railway Station and the Five55 Building on Blaak commanding strong demand from occupiers where a number of new lettings have taken the occupancy rate to 85%. Demand for office space also picked up in the Kop van Zuid area, albeit letting volumes remained limited in comparison. Out-of-town locations, such as Brainpark and Alexander saw declining interest with only the neighbouring town of Capelle a/d IJssel performing well with take-up of approximately 8,500 sq m, representing an improvement on the previous year.

As a result of the high level of take-up of second-hand stock, the amount of space available for immediate occupation fell by approximately 85,000 sq m. The reduction in supply benefitted the city of Rotterdam in particular and resulted in a decline in available space to 342,000 sq m, equivalent to approximately 10.9% of total stock in the city. Vacancy rates

fell, partly as a result of the take-up of second-hand buildings and partly as a result of the removal of an estimated 23,000 sq m of office stock in order to make way for residential development. Nearly all areas of the city saw a downward trend in vacancy with the most substantial decrease seen in the city centre. Elsewhere in the region, falling levels of supply were also seen in the towns of Capelle a/d IJssel and Schiedam.

OFFICE RENTS Q1 2023 (€ PER SQ M PA)

DISTRICT	RENTAL RANGE
Rotterdam Centre	160 - 265
Rotterdam Alexander	120 - 185
Rotterdam Brainpark	150 - 180
Rotterdam South	90 - 235
Rotterdam Other	85 - 160
Capelle a/d IJssel	90 - 135
Schiedam	80 - 150

UTRECHT

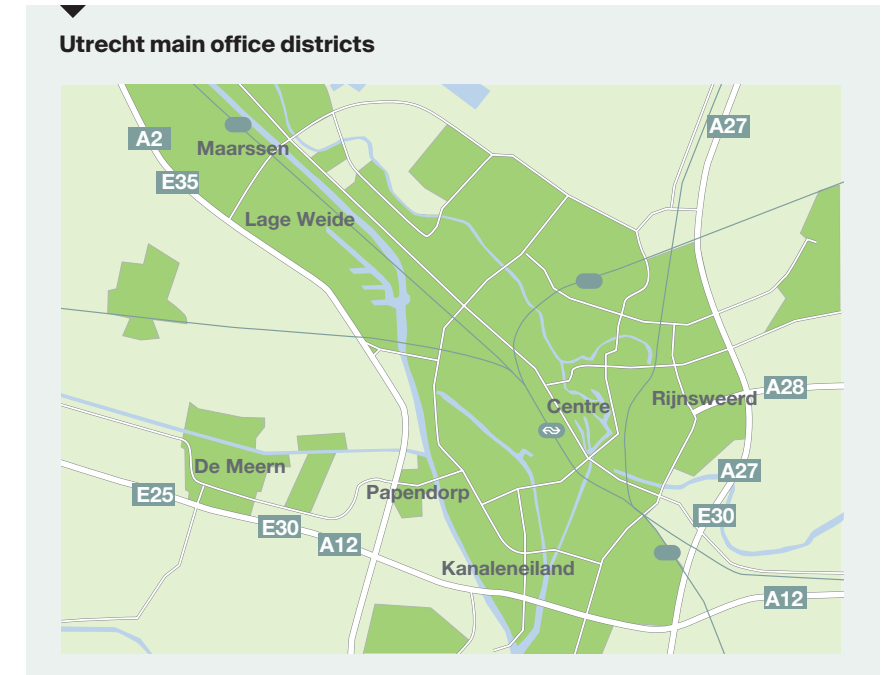
Robust demand in 2022 saw occupier activity increase compared to the previous year

Demand for office space in the Utrecht region showed very strong growth in 2022, which led to increased take-up. Positive sentiment and robust demand were noted across most locations in Utrecht, with take-up being particularly strong in the city centre, the Kanaleneiland district and Lage Weide industrial estate. Within the city centre, demand was largely focused on the area around the Central Railway Station, evidenced by multiple deals concluded in the Central Park office complex. The market in 2022 was characterized by a very large number of smaller letting deals, totaling approximately 80,000 sq m, a 25% increase from 2021. Although the majority of take-up was through lot sizes between 200 and 1,000 sq m, there were also many large letting deals, including those with Microos, iO, Dotslash, Baker Tilly, HartingBank and Utrecht University. Utrecht was not the only city that was able to benefit from the substantial demand for office space last year. There was also a significant increase in the surrounding towns of Nieuwegein and Houten with the Netherlands Police acquiring approximately 13,000 sq m of office space in Nieuwegein.

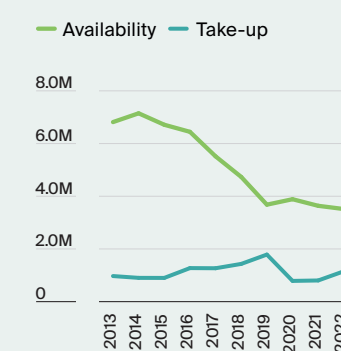
Despite the take-up of existing office space, supply in the Utrecht region

OFFICE RENTS Q1 2023 (€ PER SQ M PA)

DISTRICT	RENTAL RANGE
Utrecht Centre	140 - 285
Utrecht Rijnsweerd	145 - 185
Utrecht Kanaleneiland	130 - 185
Utrecht Lage Weide	80 - 145
Utrecht Papendorp	140 - 190
Utrecht Other	130 - 175
Maarssen	90 - 145
Nieuwegein	90 - 145
Houten	90 - 145



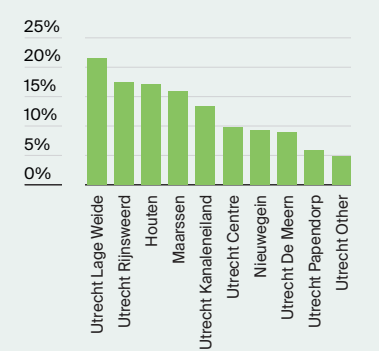
Availability versus take-up
000's sq m



Source: Knight Frank, Bak Property Research

remained virtually identical to that in the previous year. Similarly in the city of Utrecht, although there was a fall in availability in both the city centre and in Papendorp office park, the tightening of the market was largely offset by increased availability in Kanaleneiland and Lage Weide due to company

Availability rates by district, year-end 2022



Source: Knight Frank, Bak Property Research

departures. The result was that at the end of 2022 approximately 263,000 sq m of office space was available for letting, or 9.8% of the city's total stock. Both the city of Utrecht, the town of Nieuwegein saw virtually unchanged availability despite high demand for office space.

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