

Dutch Office Market Report

Q1 2024

Occupier market trends in the Randstad.
Amsterdam • The Hague • Rotterdam • Utrecht

knightfrank.com/research

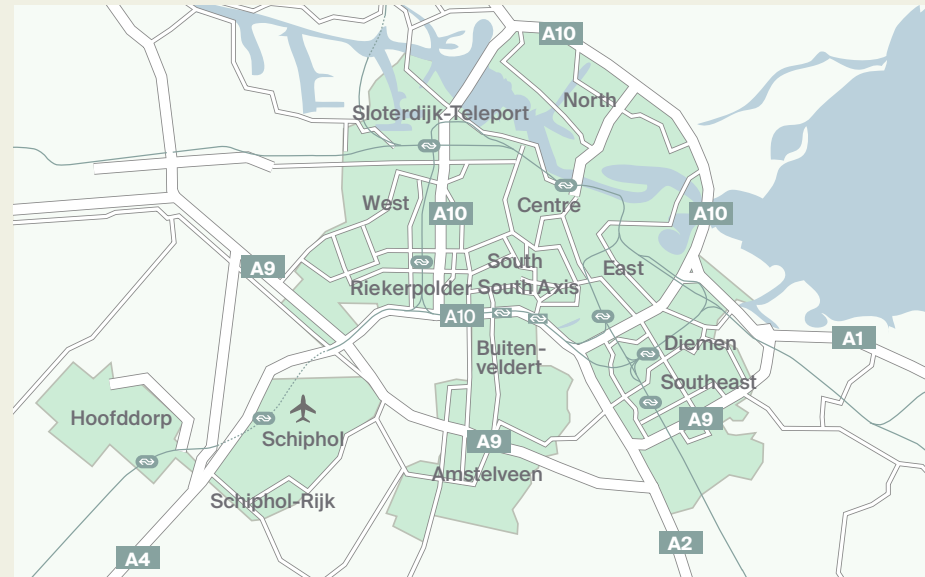


Amsterdam

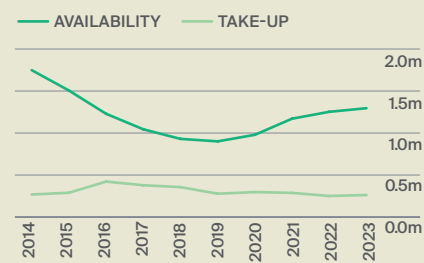
Strong Take-Up Anchored by the South-Axis

The Amsterdam region enjoyed substantial demand for office space last year. Significantly more property was let and sold on the open market than in 2022. The higher take-up in the region was accounted for largely by the city of Amsterdam, where, in keeping with tradition, several sizable letting deals were concluded. Notable examples include Philips, Miro, Salesforce and Boston Consulting Group, while demand was also considerable from numerous small to medium-sized companies. Almost 210,000 sq m of office space was taken up by occupiers in the city of Amsterdam. The positive trend in take-up was attributable not

Amsterdam main office districts

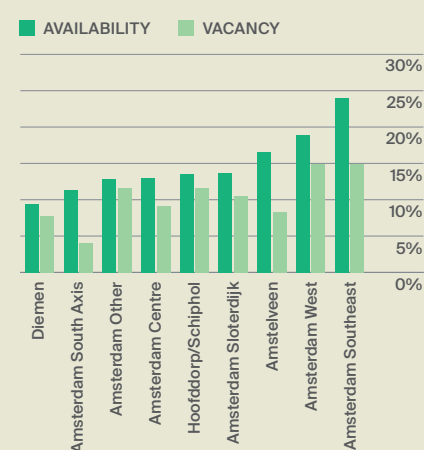


Availability versus take-up per sq m



Source: Knight Frank

Availability rates by district year-end 2023



Vacancy is defined as: immediately available office space
Availability is defined as: vacancy plus future developments

Source: Knight Frank

only to a higher volume of transactions in Amsterdam itself, but also in particular to the increase in demand at Amsterdam Airport Schiphol. This was due primarily to substantial take-up of office space in the WTC Schiphol Airport complex. Letting deals concluded in the surrounding town of Diemen also contributed to the increase in take-up in the region. Demand for office property in the city of Amsterdam was concentrated more strongly than in previous years on the South Axis district, accounting for approximately 45% of total take-up in the city. The high level of take-up in the South Axis district was mainly attributable to a number of exceptionally large letting deals. A particular important deal was the letting of 17,000 sq m of office space to Philips. Apart from the South Axis, other major office locations, such as the city centre and the Southeast district, also contributed to increased take-up in Amsterdam.

Despite good take-up of office space, availability in the region continued to increase during 2023, though to a lesser extent than in previous years. In the city of Amsterdam in particular availability increased as a result of relocation of a number of companies elsewhere.

The result was that at the end of 2023 approximately 673,000 sq m of office space was vacant or 10.5 % of the city's total stock. The increase in availability in the city of Amsterdam was particularly unfavorable for the Southeast district and Sloterdijk. The South Axis, on the other hand, experienced a major fall in availability. This decline was caused by the substantial take-up of existing office space, while no new speculative developments were started. Apart from the South Axis, falls were also experienced at Amsterdam Airport Schiphol and the Schiphol Rijk office park.

Office rents 2024 (EUR per sqm per year)

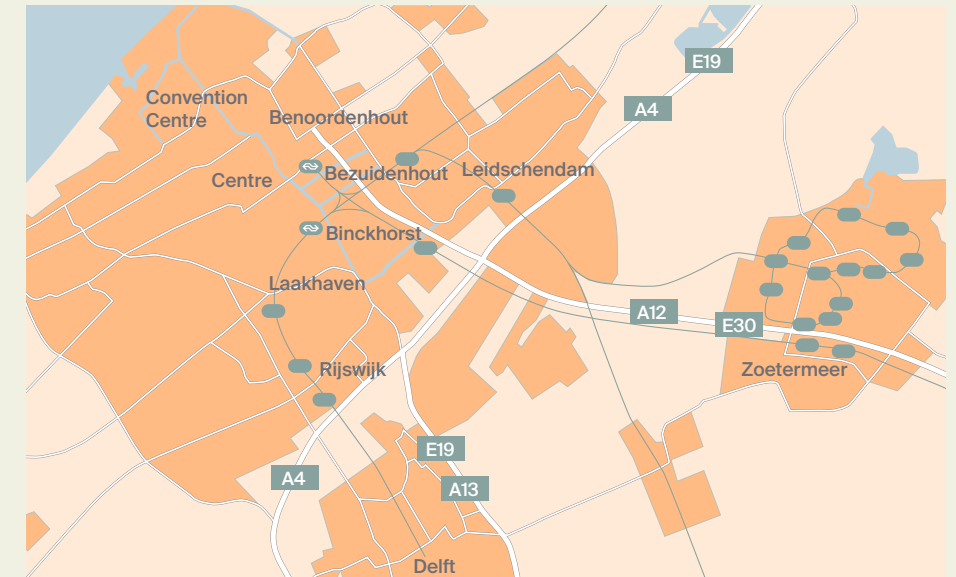
DISTRICT	RENTAL RANGE
Amsterdam Centre	275 - 550
Amsterdam Sloterdijk	145 - 275
Amsterdam West	175 - 285
Amsterdam South Axis	275 - 625
Amsterdam Southeast	175 - 285
Amsterdam Other	185 - 275
Amstelveen	165 - 225
Diemen	140 - 175
Hoofddorp/Schiphol	135 - 350

The Hague

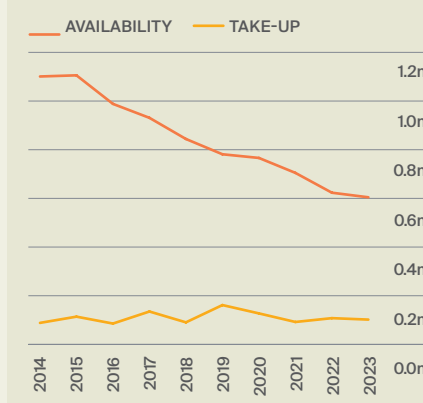
Large Leasing Transactions and Falling Vacancy Rates

Last year, the office property market in The Hague and surrounding towns had to contend with a fall in the demand for space. Nevertheless, the total volume of office accommodation taken up in the region was relatively high, due to a number of major letting contracts being completed during the period, which together accounted for almost 35% of total take-up. A particularly important deal was the preletting of some 12,000 sq m of office space to DSM at the Biotech Campus site in Delft. One of the larger deals that contributed significantly to the take-up in the city of The Hague, was the letting to Goldman Sachs of approximately 10,000 sq m in the Haagse Poort office complex in the Beatrixkwartier district. No less significant, however, was a deal for some 8,000 sq m of temporary accommodation with BNG Bank. As in 2022, the focus of demand last year was in the city centre of The Hague. Take-up in the open market totaled approximately 60,000 sq m. Since the large deals that did occur were mainly for properties in the Beatrixkwartier district, this area accounted for a significant proportion of take-up, with the sizable deals concluded with Goldman Sachs and the Central Government Real Estate Agency playing a decisive role. Moreover, the growing interest in the Beatrixkwartier was not at the expense of demand

The Hague main office districts

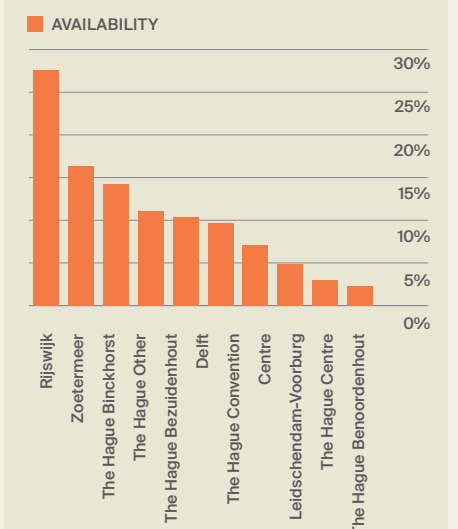


Availability versus take-up per sq m



Source: Knight Frank

Availability rates by district year-end 2023



Source: Knight Frank

Office rents 2024 (EUR per sqm per year)

DISTRICT	RENTAL RANGE
The Hague Centre	165 - 230
The Hague Bezuidenhout	185 - 240
The Hague Benoordenhout	150 - 190
The Hague Binckhorst	90 - 165
The Hague Convention Centre	145 - 185
The Hague Other	130 - 180
Leidschendam-Voorburg	90 - 145
Rijswijk	90 - 150
Delft	100 - 150
Zoetermeer	90 - 140

in the city centre, where take-up of office space held up well, though the Binckhorst area encountered disappointing demand.

Total availability in the region declined considerably over 2023, by approximately 250,000 sq m, which is equivalent to c. 6.8% of total stock in the city. Vacancy fell, partly as a result of the take-up of second-hand buildings and partly as a result of the removal of an estimated 7,000 sq m from the office stock in order to make

way for residential construction. This contributed to a fall in supply in The Hague city centre, however both Rijswijk and Delft witnessed a significant increase in availability, despite good take-up figures.

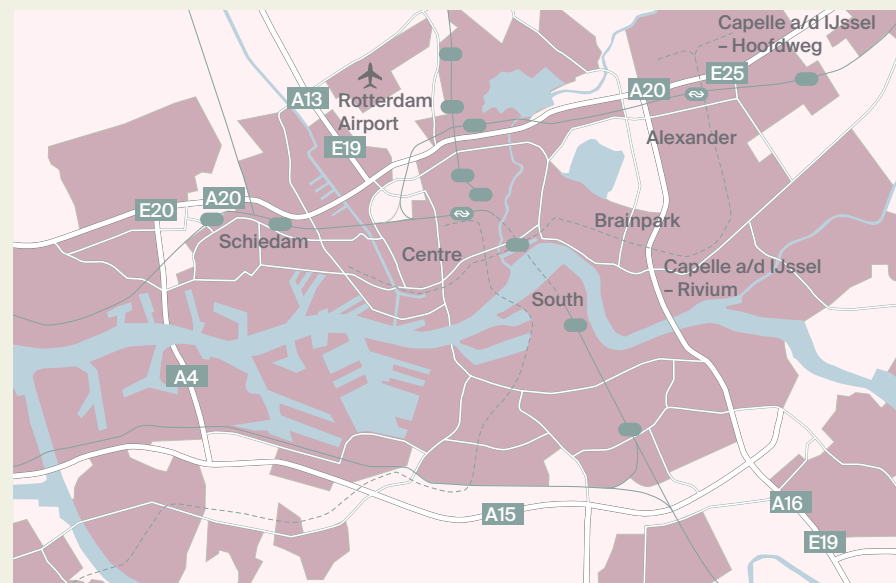
The reduction in supply benefited Rijswijk in particular. This resulted in a decline in available space to 195,000 sq m.

Rotterdam

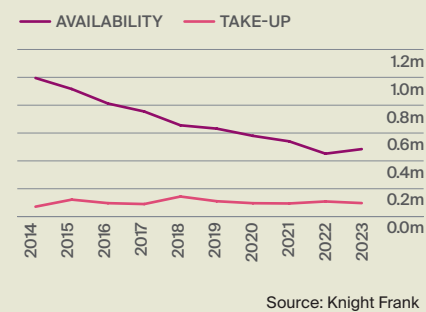
A Subdued Year with Strong Performance in some Sub-Markets

Although there was firm interest in office property in the Rotterdam region during 2023, the letting market in the region was less buoyant than in the previous year. In the city of Rotterdam in particular take-up volume declined significantly; a total of approximately 81,000 sq m was let or sold on the 'open market'. As a result, demand for office space in the city of Rotterdam finished 20% down on 2022. The decline in take-up in Rotterdam was caused to a large extent by the low number of sizable letting deals concluded. The majority of prospective occupiers in the open market sector showed a preference for small to medium-size premises,

Rotterdam main office districts

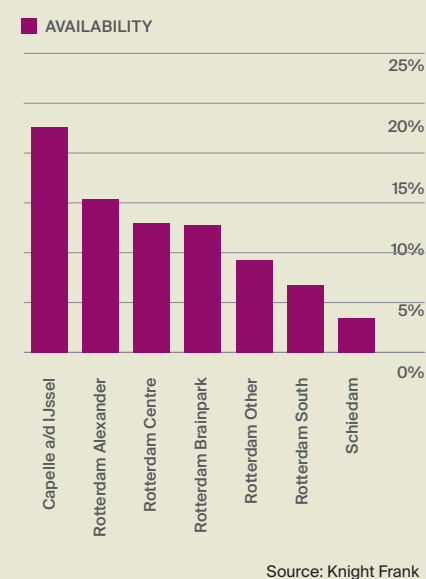


Availability versus take-up per sq m



Source: Knight Frank

Availability rates by district year-end 2023



Source: Knight Frank

varying between 200 and 1,000 sq m. Although the emphasis shifted away from large letting deals, a number of major office occupiers were active. In particular SBM Offshore caused a stir with the rental of a total of almost 8,000 sq m of office space in a building opposite the Central Railway Station. In addition, a deal of some 5,500 sq m was concluded with transportation and storage firm Stolt-Nielsen. Partly as a result of these lettings, the city centre became the 'hotspot' of the city of Rotterdam with a total take-up of 53,000 sq m. True to tradition there was also firm demand for office space in the Waalhaven industrial estate and in the Kop van Zuid area. Demand for office space also held up reasonably well at the Brainpark site along the A-16 motorway. Of the surrounding towns, only Capelle aan den IJssel showed significant activity, with take-up of approximately 14,000 sq m, an improvement on 2022.

The office market was confronted last year with an increase in the amount of office space available, particularly in the city of Rotterdam. By the end of 2023, the amount of vacant office space in the city of Rotterdam had increased to approximately 368,000 sq m, bringing

the city-wide availability rate to 11.8%. The rise in availability could have been greater if it was not for a number of older buildings, including the office complex Katshoek, were withdrawn from the office stock for purposes of demolition or change of use in due course. The increase in availability in Rotterdam was particularly unfavorable for the city centre, resulting in 189,000 sq m of office space available to lease at the end of the year. Illustrative of the situation in the office property market was also the fact that increased take-up in Capelle aan den IJssel was accompanied by a rise in availability, which left 22.6% of the stock of office premises empty at year-end in this submarket.

Office rents 2024 (EUR per sqm per year)

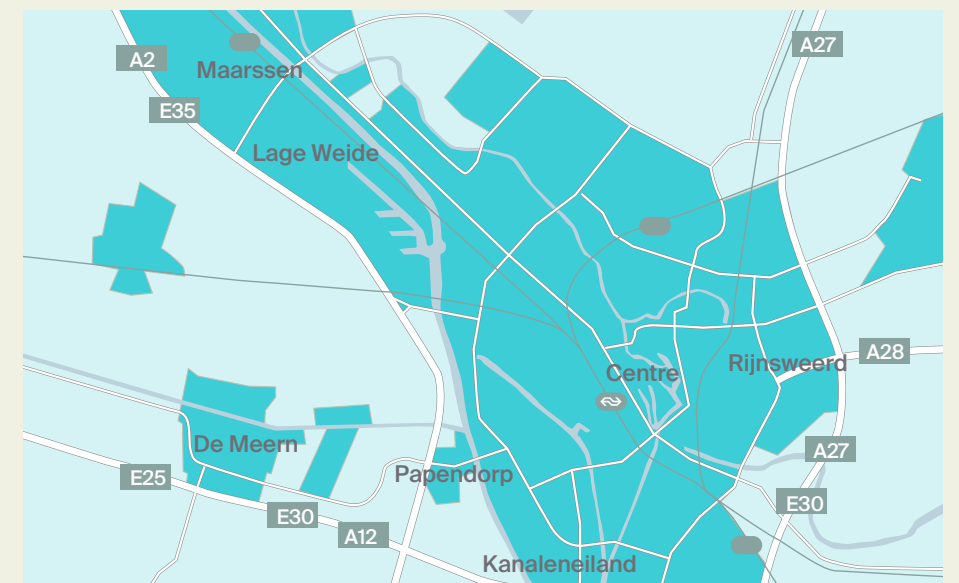
DISTRICT	RENTAL RANGE
Rotterdam Centre	130 - 310
Rotterdam Alexander	135 - 190
Rotterdam Brainpark	160 - 185
Rotterdam South	125 - 255
Rotterdam Other	125 - 170
Capelle a/d IJssel	95 - 165
Schiedam	115 - 165

Utrecht

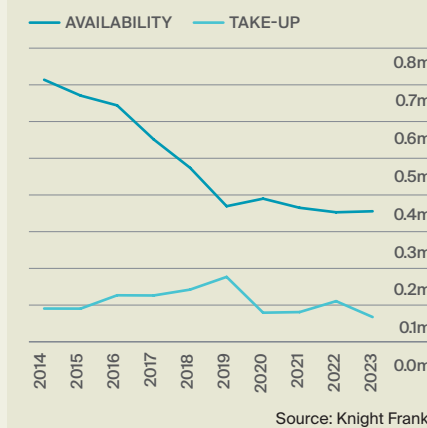
Papendorp and the City Centre Outperform

The Utrecht region was confronted with a sharp decline in demand for office space over 2023. The fall occurred across the market, but was most apparent in the city of Utrecht and the neighbouring town of Nieuwegein. In Nieuwegein, in particular, demand failed to gain momentum and the market had to make do with virtually no transactions. As regards the city of Utrecht, it was noticeable that take-up declined compared to 2022, primarily as a result of the receding demand for somewhat larger floor areas and demand focusing mainly 200 sq m to 1,000 sq m demises. Partly under the influence of a very large number of predominantly smaller letting deals, a total of approximately 60,000 sq m was taken up in the city of Utrecht. Although take-up in the city of Utrecht was accounted for by smaller office occupiers, here too a few relative large letting deals were concluded, such as Quoratio Groep, Groendus, Arla Foods, Eurail and Integraal Kankercentrum Nederland. Office premises in the area around the Central Railway Station proved particularly popular and accounted for almost 35% of the total take-up in the city. There was also considerable interest in office accommodation at the Rijnsweerd site near the A27 motorway. Despite the good performance of the Rijnsweerd district last year, some of the other motorway sites in Utrecht had to contend with more sluggish conditions.

Utrecht main office districts

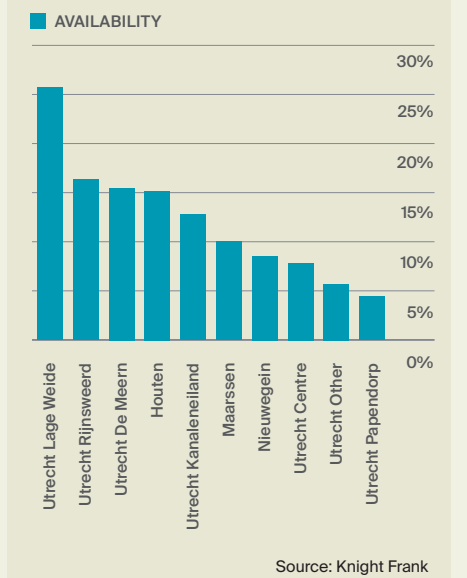


Availability versus take-up per sq m



Source: Knight Frank

Availability rates by district year-end 2023



Source: Knight Frank

Office rents 2024 (EUR per sqm per year)

DISTRICT	RENTAL RANGE
Utrecht Centre	180 - 325
Utrecht Rijnsweerd	145 - 185
Utrecht Kanaleneiland	135 - 200
Utrecht Lage Weide	120 - 160
Utrecht Papendorp	170 - 195
Utrecht Other	130 - 175
Maarsse	90 - 185
Nieuwegein	110 - 150
Houten	90 - 135

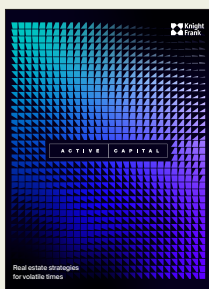
The Kanaleneiland area suffered most from the cautious attitude on the part of tenants.

Although demand for office space in the Utrecht region concentrated primarily on existing buildings there was no substantial reduction in vacant space. Apart from the city of Utrecht, other places in the region also had to accept virtually unchanged availability. At the end of 2023, almost 271,000 sq m were available for letting in the city of Utrecht, or 10% of Utrecht's total office stock. Although there was

a fall in availability in the city centre and in the Papendorp office park, this tightening of the market was largely offset by increased availability in the Utrecht Science Park site and the Lage Weide industrial estate. Availability in Utrecht Science Park was heavily influenced by the 'Plus Ultra Utrecht' speculative development.

Knights Frank Research Reports are available at knightfrank.com/research or www.NLrealestate.nl

Recent Living Sectors Research



Active Capital 2023



The Wealth Report 2024

Photo credits: Paul Starink
Architect: Team V Architecture

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

European Research

Victoria Ormond
Partner, Capital Markets Research
+44 20 7861 5009
victoria.ormond@knightfrank.com

Judith Fischer
Associate, European Research
+44 20 3830 8646
judith.fischer@knightfrank.com

Europe

Mike Bowden
Managing Director of Europe
Co-Head European Capital Markets
+44 20 7861 1546
mike.bowden@knightfrank.com

James Bartolo BSc. Hons, MCR
Partner – Head of Multi-Market Tenant Rep, EMEA
+44 20 7861 5113
james.bartolo@knightfrank.com

Richard Stewart
Partner – European Capital Markets
richard.stewart@knightfrank.com
+44 20 7861 1217

Siem-Jan Vos
Partner
+31 20 707 3000
s.vos@NLrealestate.nl

Caroline Bathgate
Global Head of Valuations
+44 20 7861 1287
caroline.bathgate@knightfrank.com

Wouter Winkel
Partner
+31 20 707 3000
w.winkel@NLrealestate.nl