NETHERLANDS
BUILDING ON SOLID FUNDAMENTALS

OUTLOOK

PROVADA EDITION 2025

CUSHMAN & WAKEFIELD

CONTENTS

ECONOMIC OUTLOOK

ECONOMIC OUTLOOK

WITH 18 MILLION PEOPLE LIVING IN AN AREA OF JUST 200 BY 300 KILOMETRES—ONE THIRD OF WHICH LIES BELOW SEA LEVEL—THE DUTCH GENERATE A COMBINED ANNUAL INCOME OF APPROXIMATELY €1.3 TRILLION.

No other country in the world creates that much economic value in such a small area. The Dutch economy can rely on solid fundamentals: a highly educated workforce, a strategic location in Northwestern Europe, excellent connectivity through mainports Rotterdam and Schiphol Airport, high-quality infrastructure, a knowledge-intensive industry in diversified production environments, and a prosperous population that ranks among the happiest in the world.

Despite global geopolitical tension and, at times, chaotic financial market responses to the unpredictable trade policies of the United States, the Dutch economy—secure behind its dikes—remains on track for moderate growth. GDP growth is forecast to reach between 1.5% and 1.9% in 2025, and between 0.9% and 1.5% in 2026, depending on the impact of recently announced US import tariffs on European goods. This growth is primarily driven by stronger domestic demand. Real incomes are rising thanks to continued wage growth and easing inflation, driving higher consumer spending. Public spending is also increasing, notably on healthcare and defence, adding to the economic momentum.

[1]https://www.afar.com/magazine/the-worlds-happiest-country-is-all-about-reading-coffee-and-saunas

It remains uncertain whether the tariffs announced on April 2nd will be implemented in full. Shortly after unveiling a blanket 20% import tariff on all EU goods, President Trump—under pressure of deteriorating market sentiment—pressed pause for 90 days. In the interim, European goods face a 10% general tariff, with steel and aluminium subject to a 25% levy.

According to the Netherlands Bureau for Economic Policy Analysis (CPB), if the full 20% tariff takes effect, economic growth would fall by 0.4 percentage points compared to February's forecast—reducing growth in 2025 to 1.5%. In 2026, the drop could reach 0.6 percentage points, bringing growth down to 0.9% year on year. Whether Europe responds with countermeasures or not, the cumulative impact remains limited to around 1.0% over 2025–2026. This is due to decreased trade volumes and reduced business investments amid growing uncertainty. A recession is not expected in any scenario.

ECONOMIC FORECAST INDICATORS NETHERLANDS

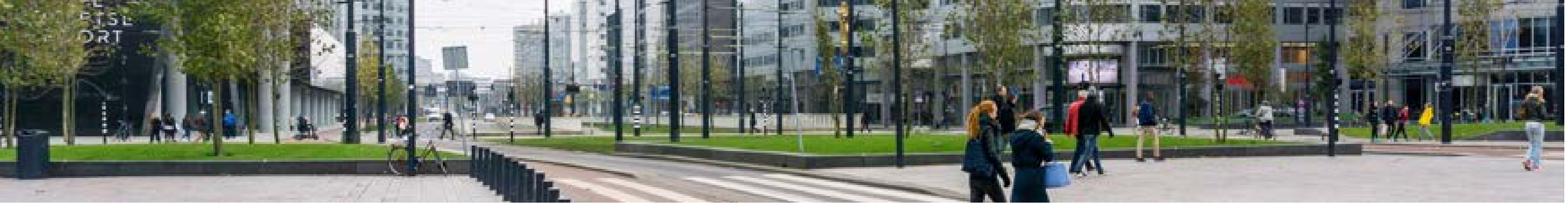
	2022	2023	2024	2025*	2026*
GROWTH GDP	5,0%	0,1%	0,9%	1,5 - 1,9%**	0,9% - 1,5%
UNEMPLOYMENT	3,5%	3,6%	3,7%	3,8%	4,0%
INFLATION (HICP)	11,6%	4,1%	3,2%	3,0%	2,4%
EMU (% GDP)	-0,1%	-0,4%	-0,6%	-1,8%	-2,4%
PURCHASING POWER	-2,5%	-0,7%	2,9%	0,6%	1,1%

Source: CPB, CEP 2025 *: forecast. **impact import tariff, CPB

The US tariffs will weigh heavily on the broader European economy. Exports to the US will decline, and the economic growth outlook will be dampened. Although Europe remains one of the world's largest economies with a global export footprint, the imposition of steep tariffs by even a single trading partner can have wide-reaching consequences. Tariffs impact not only direct demand, but also consumer confidence and financial market sentiment. This erosion of confidence could ultimately dampen economic growth more than the value of the lost exports alone.

A new global reality is emerging, in which the United States no longer sees free trade as the key to prosperity and is increasingly leaning toward economic protectionism. This shift puts pressure on the transatlantic relationship between the Netherlands and the US. Beyond goods trade, the Netherlands holds around €1.4 trillion in investments in the US, while US investments in the Netherlands average €1.5 trillion annually. This deep economic interconnection grants Dutch businesses access to US capital markets and technologies, but also increases exposure. In this climate of rising protectionism, safeguarding the open nature of the Dutch economy is vital. To stay competitive, it is essential to strengthen competition and productivity within the European Union. With global trade tensions rising, having a strong and integrated internal market is more important than ever. Removing the final internal barriers could create a true single market—large and dynamic enough to benefit companies, consumers, and the wider economy alike.

The short-term impact on GDP growth is more pronounced than the long-term effects. Companies will need time to adapt—seeking new markets, shifting supply chains. If tariffs persist long-term, the structural impact could range from -0.4% to -0.5%. While industrial output in the Netherlands would shrink, the relative competitiveness of the Dutch service sector would improve due to rising production and labour costs in the US, as domestic manufacturing in the US would lead to more expensive services, reducing US exports in that sector.

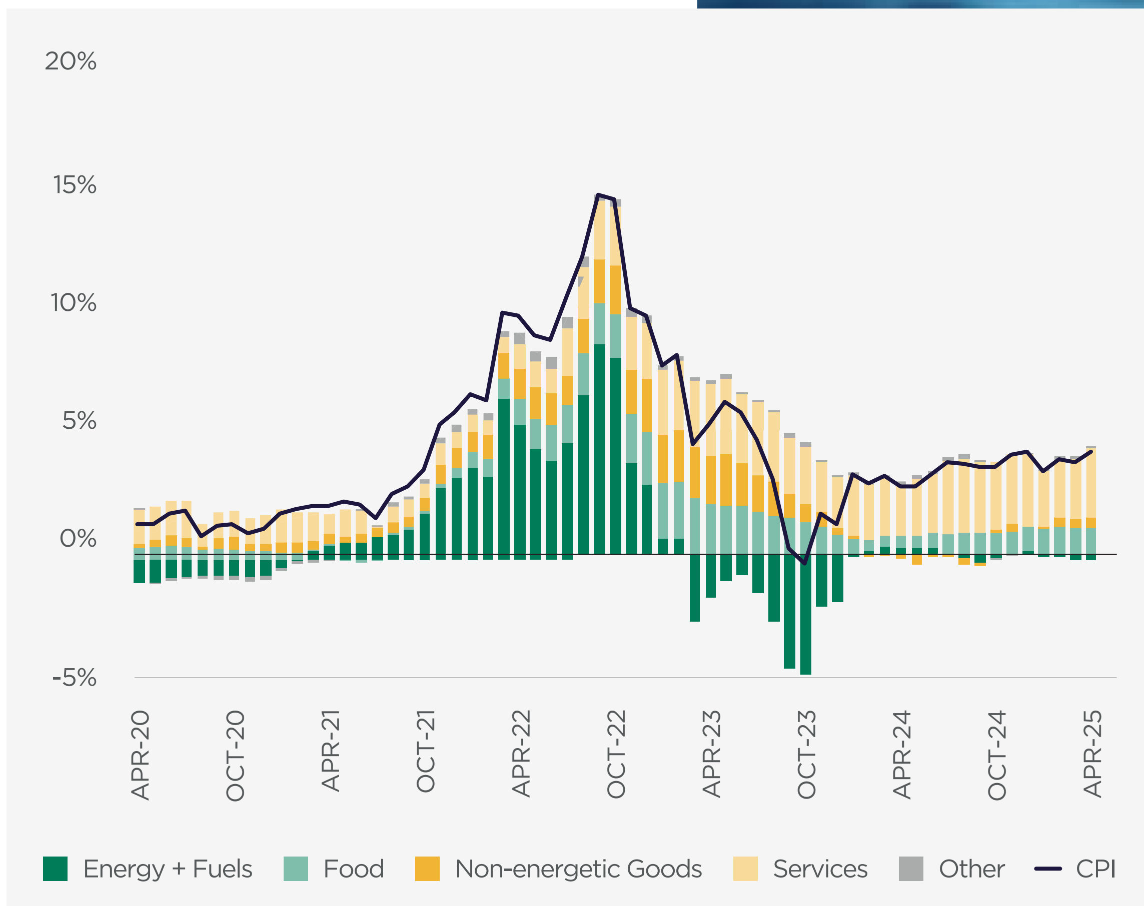


The Dutch industry, however, is under pressure on several fronts. Rising interest rates, energy prices, labour costs, grid congestion, and nitrogen-related building restrictions are straining the sector. Energy-intensive companies and parts of the automotive industry are particularly affected. Higher interest rates make it more difficult to invest in innovation or expansion, while energy and labour costs squeeze margins. Grid capacity shortages in parts of the country also limit business growth. Spatial constraints are compounding the issue: building new facilities is increasingly difficult under current environmental regulations, curbing industrial expansion. Though the impact varies by sector, overall uncertainty in the industrial landscape is growing. Business leaders and policymakers alike are concerned that these structural issues could undermine Dutch industrial competitiveness—especially compared to neighbouring countries with more favourable conditions.

While the new geopolitical and economic landscape introduces considerable uncertainty, it also presents new opportunities. Across Europe, awareness is growing that the continent must take responsibility for its own security. Many countries have underinvested in defence in recent decades. While major European producers—such as Germany's automotive sector—may suffer from new US tariffs, increased defence spending could offset this and spark new industrial growth. The EU's "Readiness 2030" initiative allows more flexible budgeting for member states investing in defence. Germany's emerging mantra—"Exit VW, enter Rheinmetall" could present new industrial opportunities for the Netherlands as well. VDL Nedcar, for example, has entered into a partnership with the Dutch military, creating new prospects for its factory in Born.

In the area of logistics, strategies are also shifting in response to global uncertainty. Companies are holding larger inventories to strengthen supply chains, moving away from the traditional "just-in-time" delivery model. While this raises warehousing costs and product prices, it improves delivery reliability—a trend accelerated by Brexit and the COVID-19 pandemic.

COMPOSITION OF NETHERLANDS CPI
CONTRIBUTION TO ANNUAL MUTATION



Source: CBS (2025). Edited by Cushman & Wakefield

Inflation developments remain a concern. Dutch inflation (3.2%) remains significantly higher than the eurozone average (2.4%, HICP). On a monthly basis, inflation remained elevated structurally for nearly a year, largely due to the country's labour-intensive service economy, where wage growth and productivity trends are key drivers. This persistent inflation, despite slowing growth, raises the spectre of stagflation. Recent data even shows renewed inflationary pressure.

The European Central Bank is expected to cut interest rates again on June 5th, marking the eighth consecutive reduction, bringing the rate to 2%. Market expectations suggest long-term interest rates will also fall toward pre-Trump levels—around 2% for five-year bonds. This would be positive news for the real estate sector, where lower financing costs could help spur new investment.

Nonetheless, inflationary pressures persist. Rising prices are keeping rents high, which benefits commercial real estate investors in the short term. But labour market tightness and accelerating wage growth pose risks of overheating. A wage-price spiral could emerge, threatening the delicate balance between growth, employment, and price stability. Although a June rate cut seems all but certain, the ECB is expected to slow the pace of further cuts in the second half of 2025, allowing more time to assess the impact on inflation. The goal is to reach a "neutral" policy rate—one that neither stimulates nor restrains the economy.

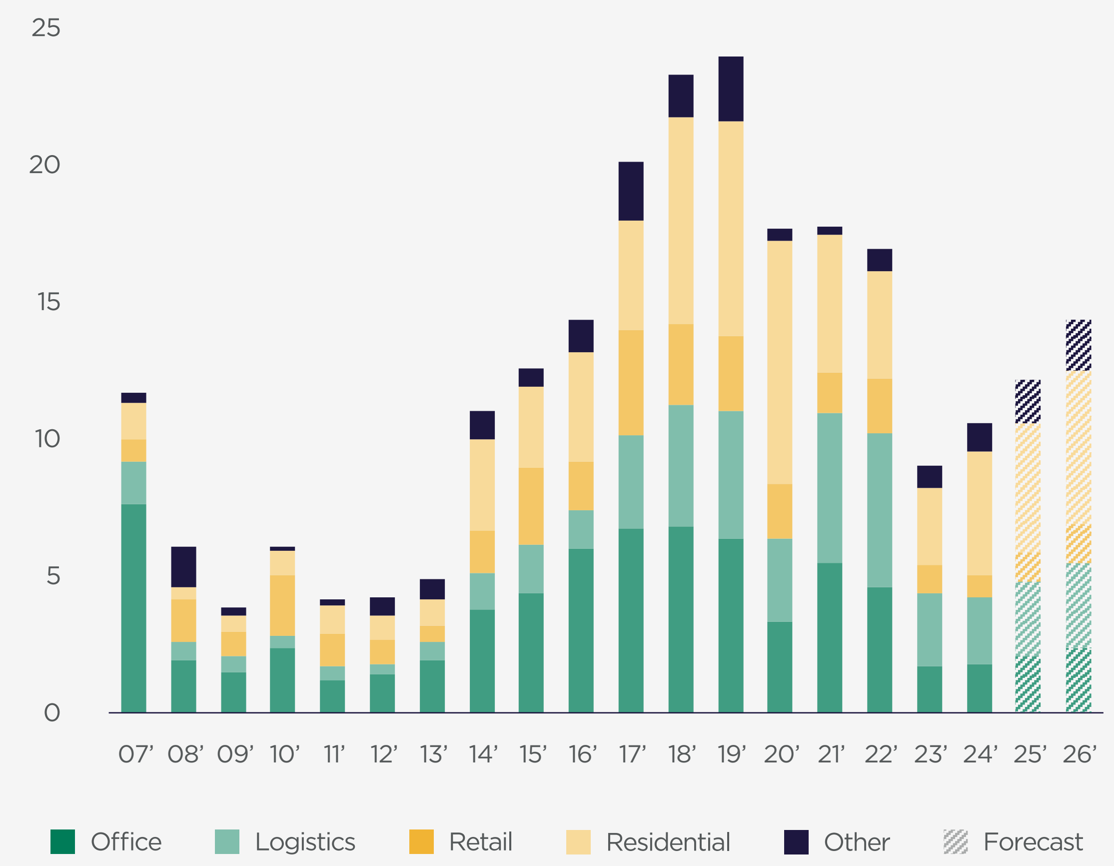
REAL ESTATE INVESTOR MARKET

Amid global volatility, commercial real estate is regaining ground, supported by a more optimistic outlook since autumn 2024. While the market initially anticipated a delayed end-of-year rally spilling into early 2025, momentum remained uneven—reflecting lingering investor caution. Mid-2025 investment volumes are estimated at €4.1 billion, up 5% year on-on-year.

The market is demonstrating stronger capital depth compared to last year, creating upward pressure on prices and narrowing the bid-ask spread. In many respects, all market indicators are now pointing in the right direction. Still, investor hesitance remains tied to geopolitical uncertainty, particularly around US trade policy. This uncertainty is expected to continue shaping sentiment in the second half of 2025.

Market recovery is projected across all segments in 2025. However, the speed and scale of this recovery will depend heavily on clarity around US trade policy and ECB rate decisions. High volatility in equity and bond markets remains a key factor, causing fluctuations in real estate allocations within investment portfolios and potentially straining existing mandates. In the base-case scenario, investment volumes are projected to reach between €11 and 12 billion.

DUTCH PROPERTY INVESTMENT MARKET
INVESTMENT VOLUME BY PROPERTY TYPE (IN BLN. EURO)



Source: DNB, Chatham, Cushman & Wakefield (2025). Edited by Cushman & Wakefield

Real estate investors are increasingly focusing on structural economic and societal fundamentals, rather than reacting to political headlines. Residential and logistics remain the preferred sectors, but sentiment is improving across the board.

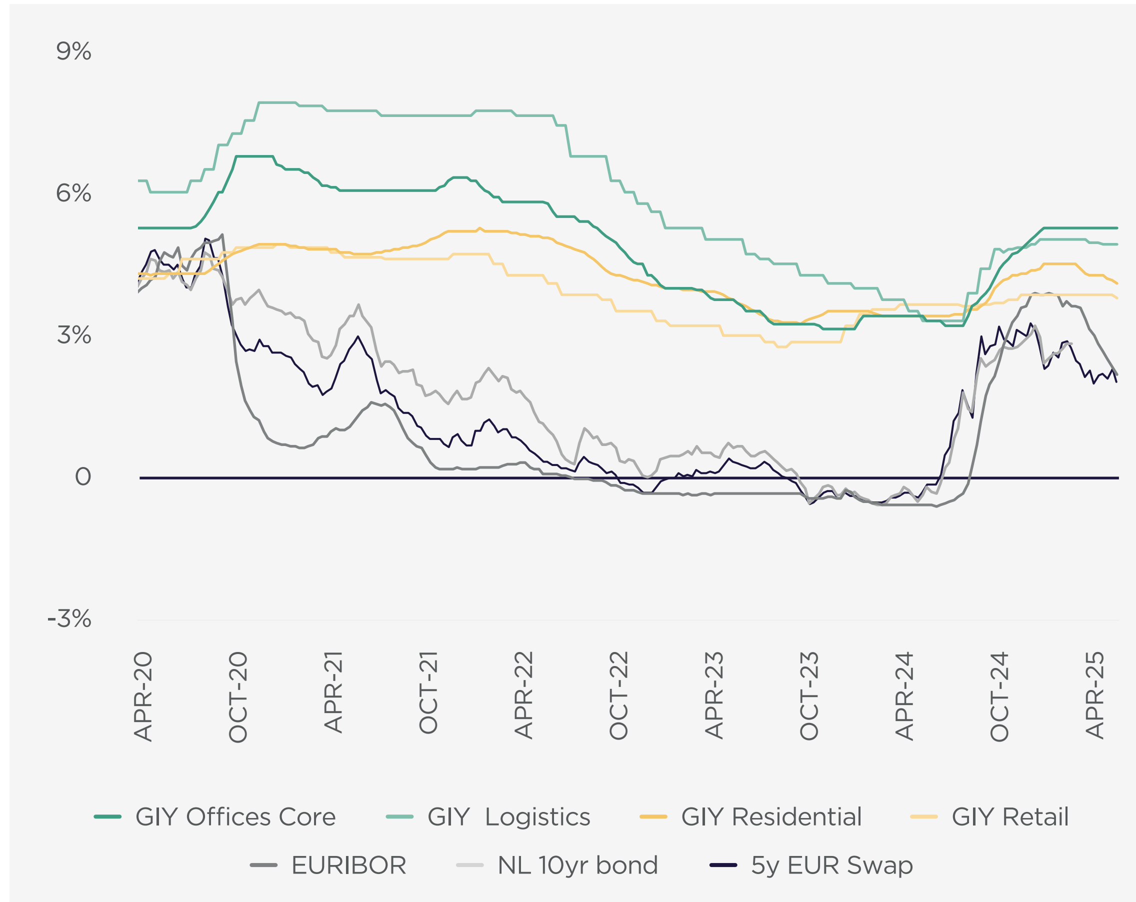
The residential investment market saw the return of foreign capital in Q1. Investors from the US, UK, and Germany are returning, driven by confidence in the market's solid fundamentals. Domestic players are also active—ABP recently announced plans to invest €1 billion in affordable rental housing over the next five years. The tone is also optimistic within the industrial and logistics segment, although deal flow remains constrained by tight supply and relatively high pricing in the Dutch market.

The office market is rebounding compared to the same quarter last year, with increased activity in early 2025. Still, supply remains limited, as few owners are willing to divest at current valuations. Foreign investors are cautious due to the phasing out of the Dutch REIT regime, leaving the market largely in domestic hands—except for select family offices and French SCPIs. A full recovery likely depends on the return of private equity and a willingness to release portfolios.

Retail saw a strong start to the year, buoyed by large transactions such as in Leidsche Rijn, although high street retail is lagging. Capital inflows are rising, with French SCPIs and a broader array of foreign institutional investors entering the market. German investors continue to seek core assets, although they face tax disadvantages. The narrowing bid-ask spread signals rising competition and a healthier mix of private and institutional players, suggesting a further pickup in transaction activity.

DEVELOPMENT MARKET RATES VS. GROSS INITIAL YIELDS

EURIBOR, IRS, PRIME GYI'S, IN %



Source: DNB, Chatham, Cushman & Wakefield (2025). Edited by Cushman & Wakefield

OFFICES

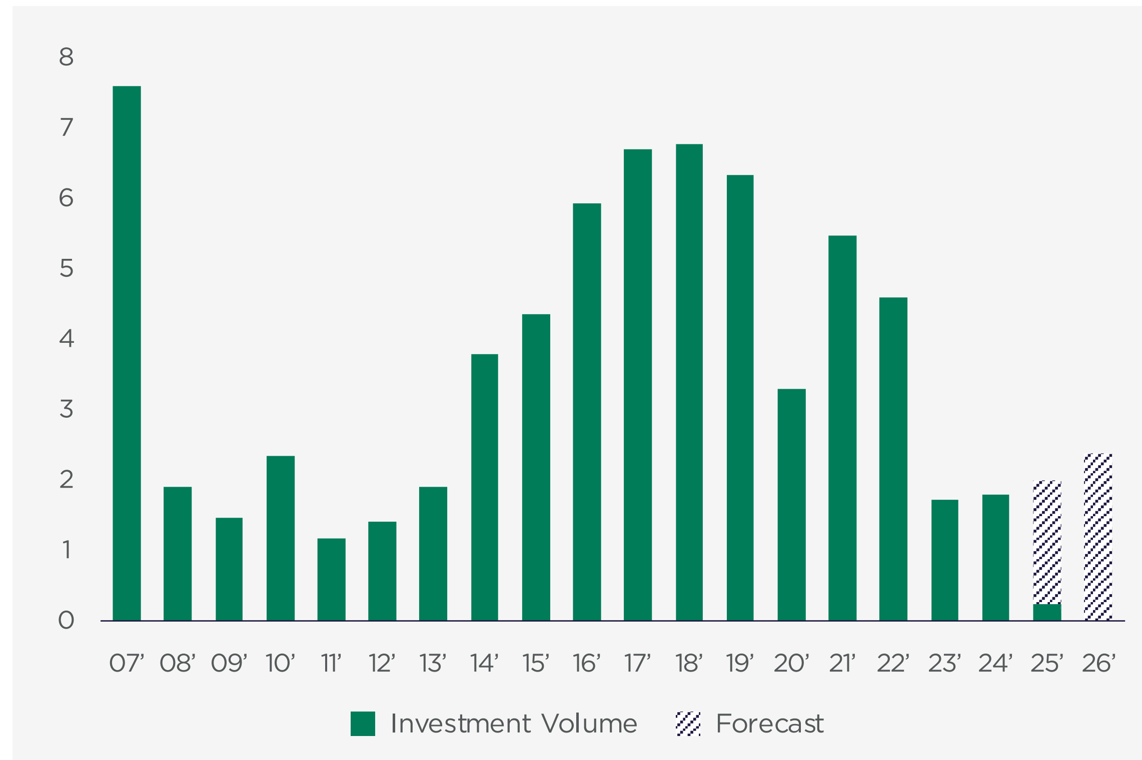
OFFICES

INVESTMENT MARKET

The Dutch office investment market is showing signs of improved sentiment, contributing to a positive outlook for the remainder of 2025. This more optimistic sentiment is driven by stable developments in the occupier market and improved interest rate conditions.

The transaction volume in the first quarter of 2025 amounted to approximately €234 million – a decrease of around 26% compared to the first quarter of 2024. This decline can largely be attributed to the strong final quarter of last year, during which many transactions were completed. As such, the first quarter of 2025 can be characterized as a ramp-up phase in which new propositions are being prepared and launched, which are expected to translate into transactions in the coming quarters.

DUTCH PROPERTY INVESTMENT MARKET
OFFICE INVESTMENT VOLUME (IN BLN. EURO)



Source: Cushman & Wakefield, 2025

Both buyers and sellers are showing a greater willingness to act, and the gap between supply and demand appears to be narrowing. The stabilization of prime yields and interest rates offers them more predictability and comfort in shaping their investment and positioning strategies. Investment appetite remains present, and capital is available, although investors continue to be highly selective in their choices. The “flight to quality” trend remains strong: institutional investors are focusing on sustainable assets in strategic locations—preferably with favourable energy labels and close to intercity train stations—while opportunistic capital sees potential in assets with improvement potential.

This preference for quality is also reflected in vacancy rates and yields. In the Central Business Districts (CBDs) of the five major cities (G5), vacancy is significantly lower than the national average, partly because high-quality office buildings are predominantly located in these areas. Yields further confirm this trend: gross initial yields in the Core segment remain stable at around 5% including transaction costs. For Core+ assets, yields are around 8%, while Value-add assets yield approximately 10%. This spread underscores the ongoing separation between prime, liquid assets and those with a higher risk profile, typically due to sustainability challenges or less attractive locations.

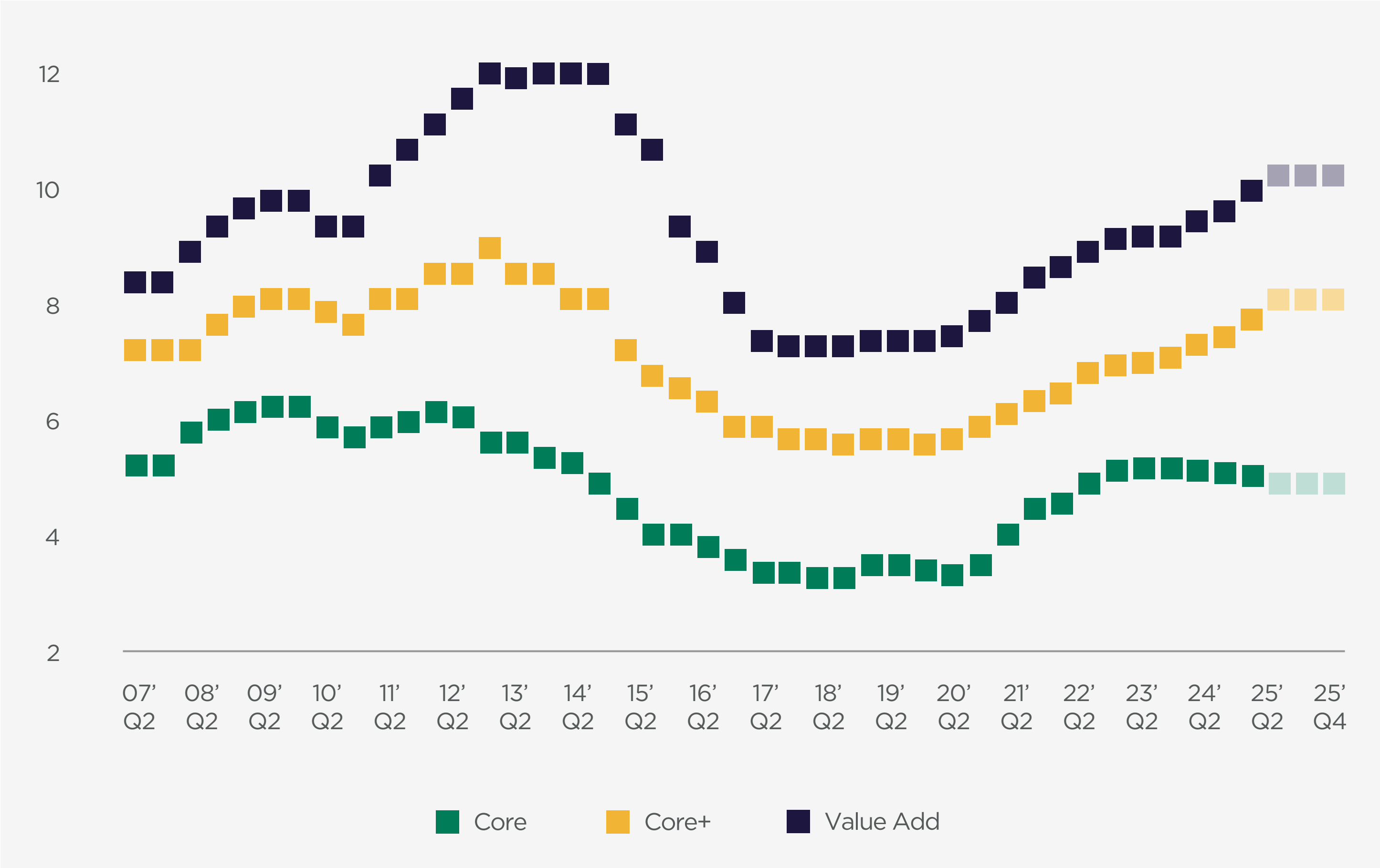
Although the geopolitical landscape remains unpredictable, the office market has several mitigating factors, even in the event of a less favourable economic scenario. The impact of a recession is typically felt first in the real economy and only later in the office sector. Moreover, the continued tightness in the labour market makes companies hesitant to downsize staff, which temporarily supports demand for office space. At the same time, organizations are increasingly using their office environments strategically to attract and retain talent, with a distinctive workplace playing a crucial role. In this respect, the office market benefits from the stability of the knowledge and service sectors, where demand for space is expected to remain steady across varying market conditions.

At the same time, the market continues to face structural changes. High construction and redevelopment costs, long development timelines with elevated financing expenses, and increasing ESG requirements make it difficult to build a viable business case for new developments. This results in a limited pipeline of new construction projects and sustains the scarcity of newly built, high-quality office spaces. However, that scarcity translates into rising rental prices, which in turn creates room to realize profitable business cases in the longer term. For investors, this represents a strategic entry point: those who invest now stand to benefit from further rental growth and associated value appreciation. While the supply of suitable investment properties remains limited, new high-quality office developments will help activate the market and generate additional transaction dynamics.

Although the first quarter marks a cautious start to the year in absolute terms, it also forms a solid foundation for a gradual upward trajectory in the office market. Market sentiment is generally positive, and many transactions are in the pipeline. As a result, office investment volumes are expected to increase again this year.

DEVELOPMENT GROSS INITIAL YIELDS - OFFICES

GIY EXCL. RETT PAYABLE BY PURCHASER (%) CORE, CORE+, AND VALUE ADD



Bron: Cushman & Wakefield, 2025

OCCUPIER MARKET

The occupier market for office space is becoming increasingly complex and is marked by a clear duality. On one hand, there is a structural shortage of high-quality, sustainable office space—especially in areas near train stations. On the other hand, there remains a surplus of outdated buildings with little to no demand. This gap between high-grade and obsolete supply reinforces polarization in the office market, which is becoming increasingly visible as a result.

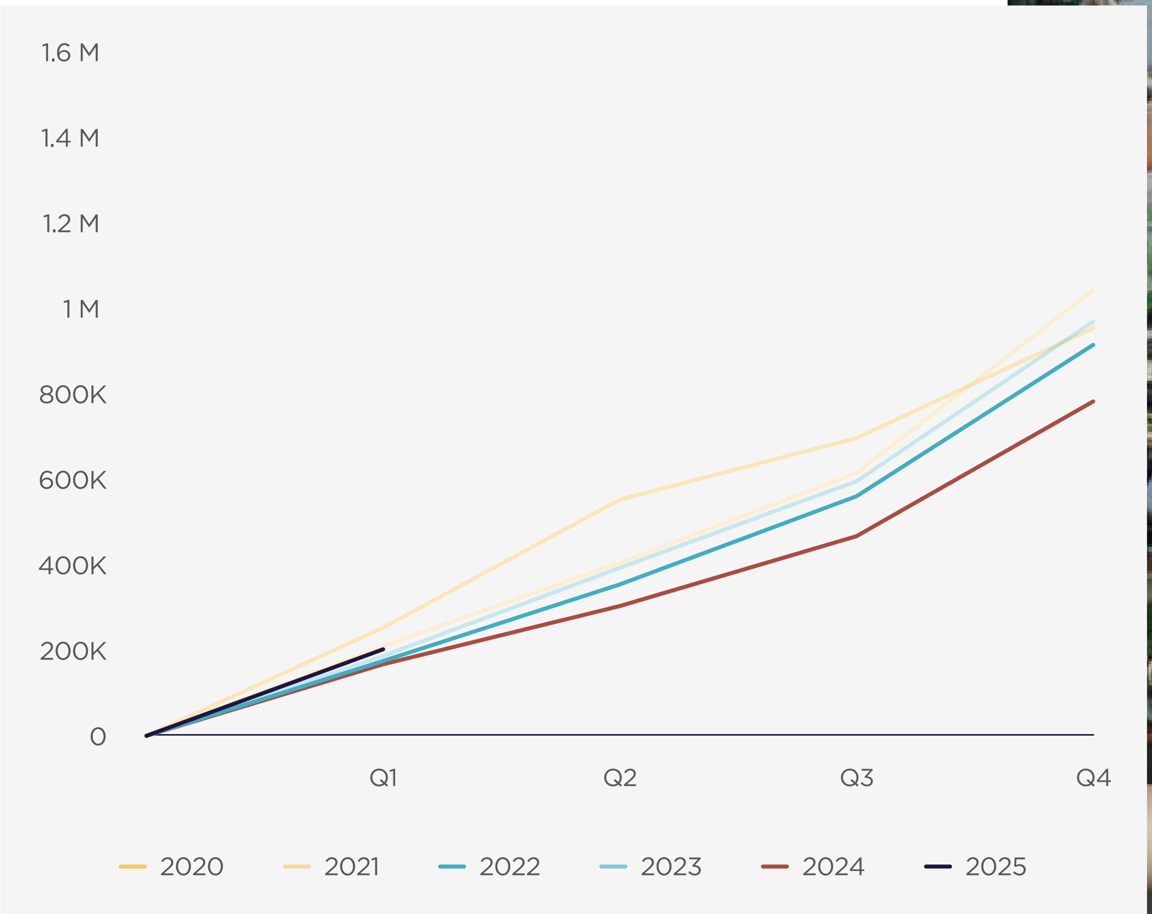
Stricter sustainability requirements—driven by regulations such as the CSRD, as well as a growing desire among organisations to project an ambitious image—are further shifting demand. Companies are placing more emphasis on flexibility, efficiency, and location quality as decisive factors in their real estate decisions, making these aspects critical for success in this changing market.

However, for many occupiers, making a significant leap in quality remains challenging. As a result, more tenants are choosing to extend existing lease contracts, often for interim periods of five years. This pragmatic deferral dampens market activity and leads to fewer relocations. This cautious approach is expected to persist in the coming months, although the upward trend in take-up figures suggests growing confidence.

In the first quarter of 2025, approximately 195,000 m^2 of office space was leased—an increase of 11% compared to the same period in 2024. This growth highlights the gradual positive development of a market adapting to changing economic and societal conditions. Urban regions continue to drive this momentum: about 47% of the take-up occurred in the five major cities, which traditionally offer the highest quality office supply.

Amsterdam leads with 52,000 m² of office space leased, followed by The Hague with 15,000 m², Utrecht with 10,300 m², Eindhoven with 8,700 m², and Rotterdam with 5,400 m². The concentration of activity in these urban areas reflects users' strong preference for well-connected offices with modern amenities. At the same time, scarcity in these locations continues to increase.

OFFICE TAKE-UP TREND PER QUARTER 2018 – 2025 Q1
IN M², AT END OF QUARTER



Source: Cushman & Wakefield, 2025

Despite rising take-up, many companies still hesitate to decide whether a move or renovation offers real added value. The lack of sufficient supply that meets high sustainability and quality standards leads many organizations to extend their current leases while awaiting better alternatives, which, as mentioned, increases pressure on prime locations. This translates into rising top rents: up to €600 per m² per year in Amsterdam, followed by Rotterdam (€375), Utrecht (€350), The Hague (€255), and Eindhoven (€240).

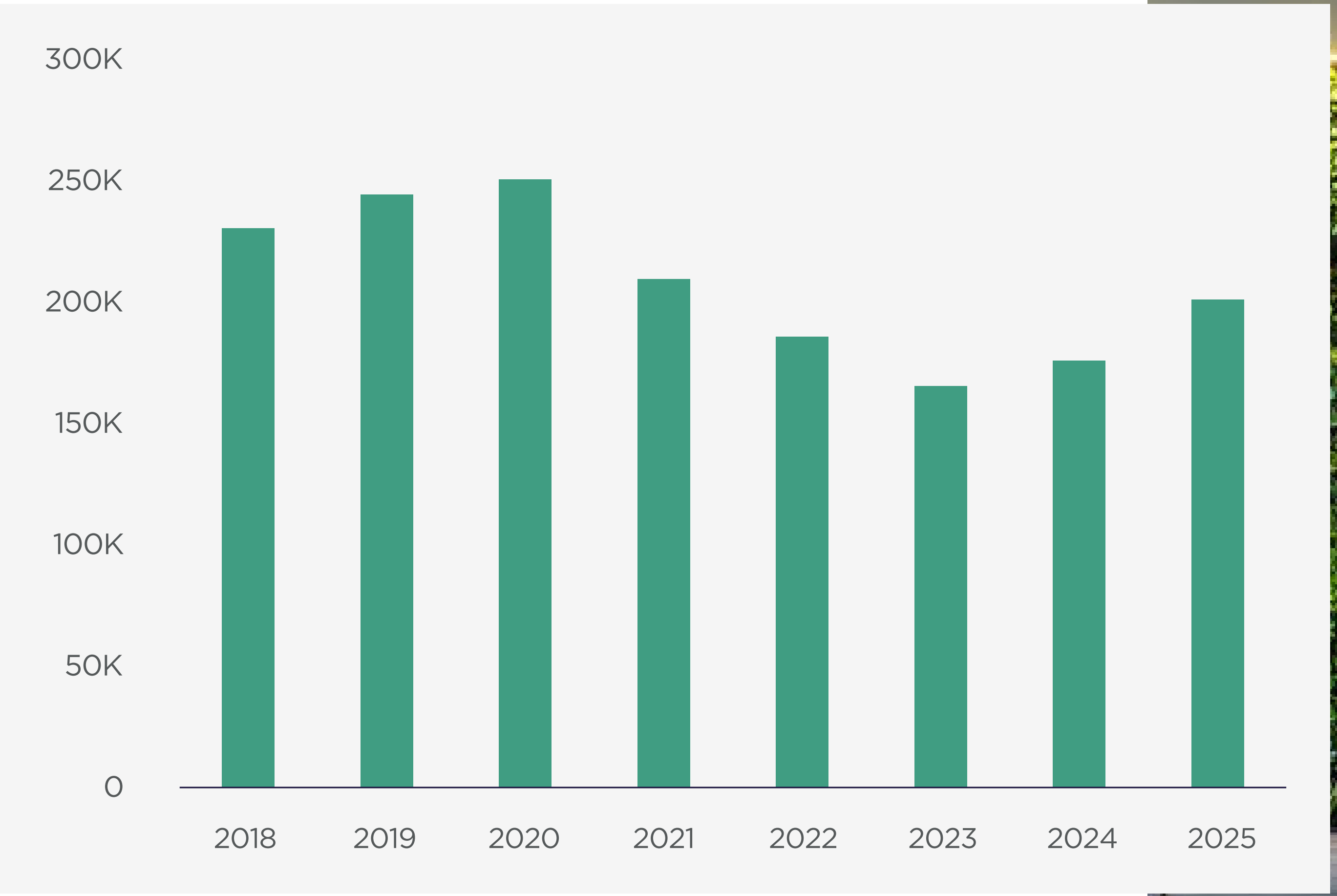
It is expected that the growing impact of CSRD regulations and a structural return to the office will accelerate relocation decisions. More companies are likely to invest in moving to better-suited and future-proof office spaces as a result.

Real estate investors are responding to these changes by diversifying their offerings. In addition to traditional shell office floors, they are increasingly providing turnkey units, including fit-outs and furnishings. They are also collaborating with operators to raise service levels, aiming to make workplaces more attractive and future-proof. This offering better aligns with the increasing user demand for scalability, flexibility, and efficiency.

At the same time, a growing disconnect is becoming apparent: users are seeking more flexibility in lease terms and office setup, while investors prefer long-term contracts that ensure stable income streams. Striking a balance between these interests is a key challenge for the further professionalisation of the office market. New leasing models are expected to emerge that better reconcile user flexibility with investor security.

The office market in 2025 is still in a phase of rebuilding, but the steady growth since early 2024 indicates increasing stability. This positive trend sets the stage for a new market model in which structural scarcity, evolving occupier needs, and economic caution shape the playing field. For organisations that can adapt and innovate strategically, many opportunities remain. The era of large-scale new developments and standard lease contracts is giving way to a future where customisation, agility, and vision take centre stage.

OFFICE TAKE-UP TREND PER QUARTER 2018 Q1 – 2025 Q1
IN M², AT END OF QUARTER



Source: Cushman & Wakefield, 2025

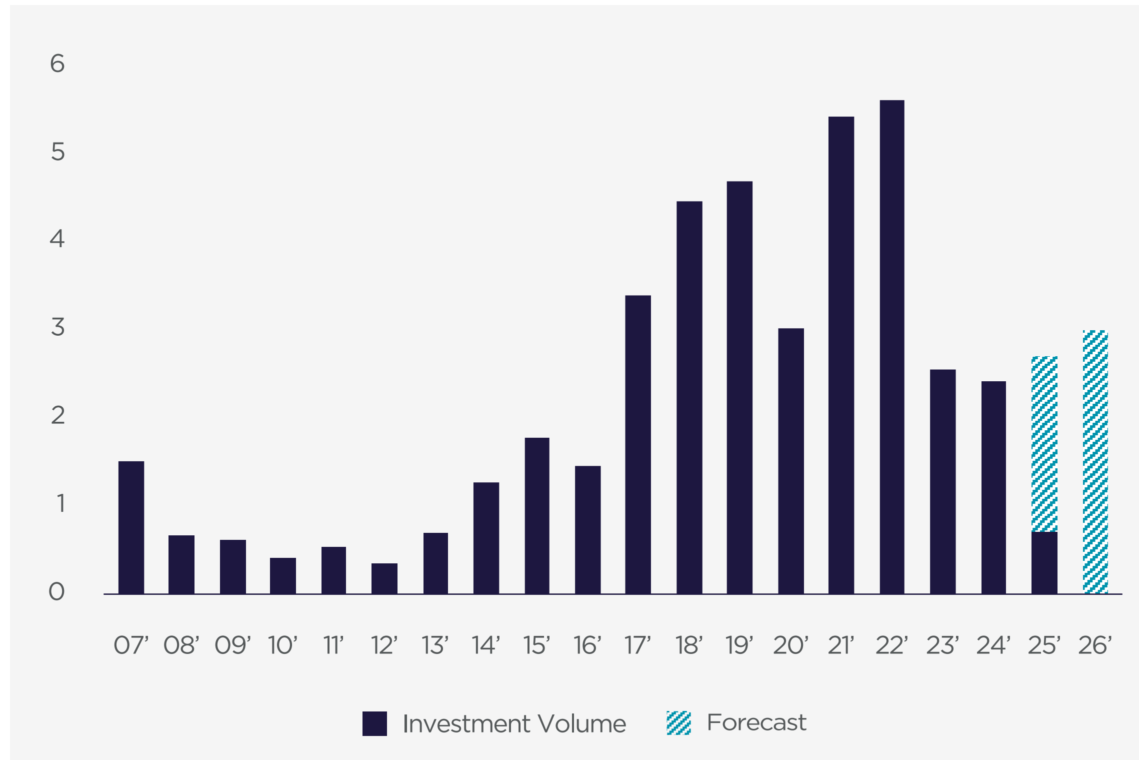
INDUSTRIAL & LOGISTICS

INDUSTRIAL & LOGISTICS

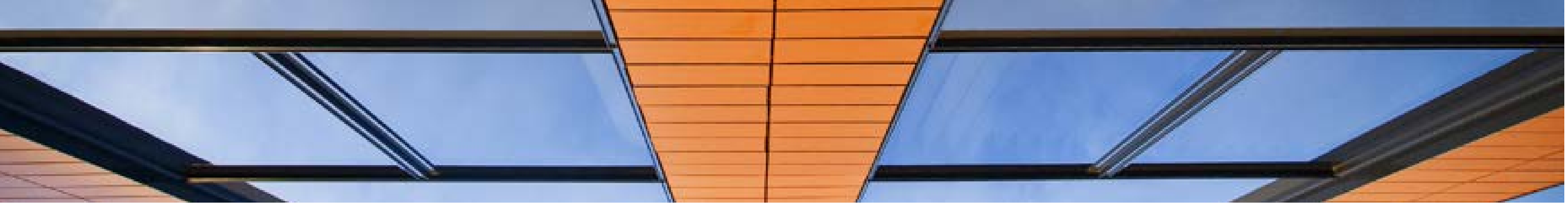
INVESTMENT MARKET

The improved sentiment observed at the end of 2024 became clearly visible in the first quarter of 2025. Demand for logistics real estate, particularly in traditional hotspots, remains strong. However, investors continue to exercise caution due to concerns about geopolitical tensions and ongoing uncertainty in Europe. In the first quarter of 2025, a total of €706 million was invested in the industrial and logistics real estate market. Of this, approximately 83% was allocated to logistics real estate and 17% to industrial real estate. This confirms the trend observed in recent years, in which investments have primarily focused on logistics assets. Together, the sectors accounted for 34% of the total investment volume in the Dutch commercial real estate market, positioning them—alongside the residential sector—as currently among the most active segments in the market.

DUTCH PROPERTY INVESTMENT MARKET
LOGISTICS INVESTMENT VOLUME (IN BLN. EURO)



Source: Cushman & Wakefield, 2025



The Dutch industrial real estate market is relatively expensive compared to Southern European countries, where higher initial yields are typically achieved. However, these markets often come with a higher risk profile. In contrast, the Netherlands offers strong fundamentals, such as a well-developed infrastructure, a transparent market, relatively low vacancy rates, a solid labour supply, and a strategic location—factors that are considered attractive from an international perspective. On the other hand, the high transfer tax is perceived as a barrier. In addition, a change to the REIT regime came into effect on 1 January 2025, under which fiscal investment institutions are no longer permitted to invest directly in Dutch real estate. This is forcing real estate investors to restructure their portfolios, resulting in shifts in ownership and investment strategies.

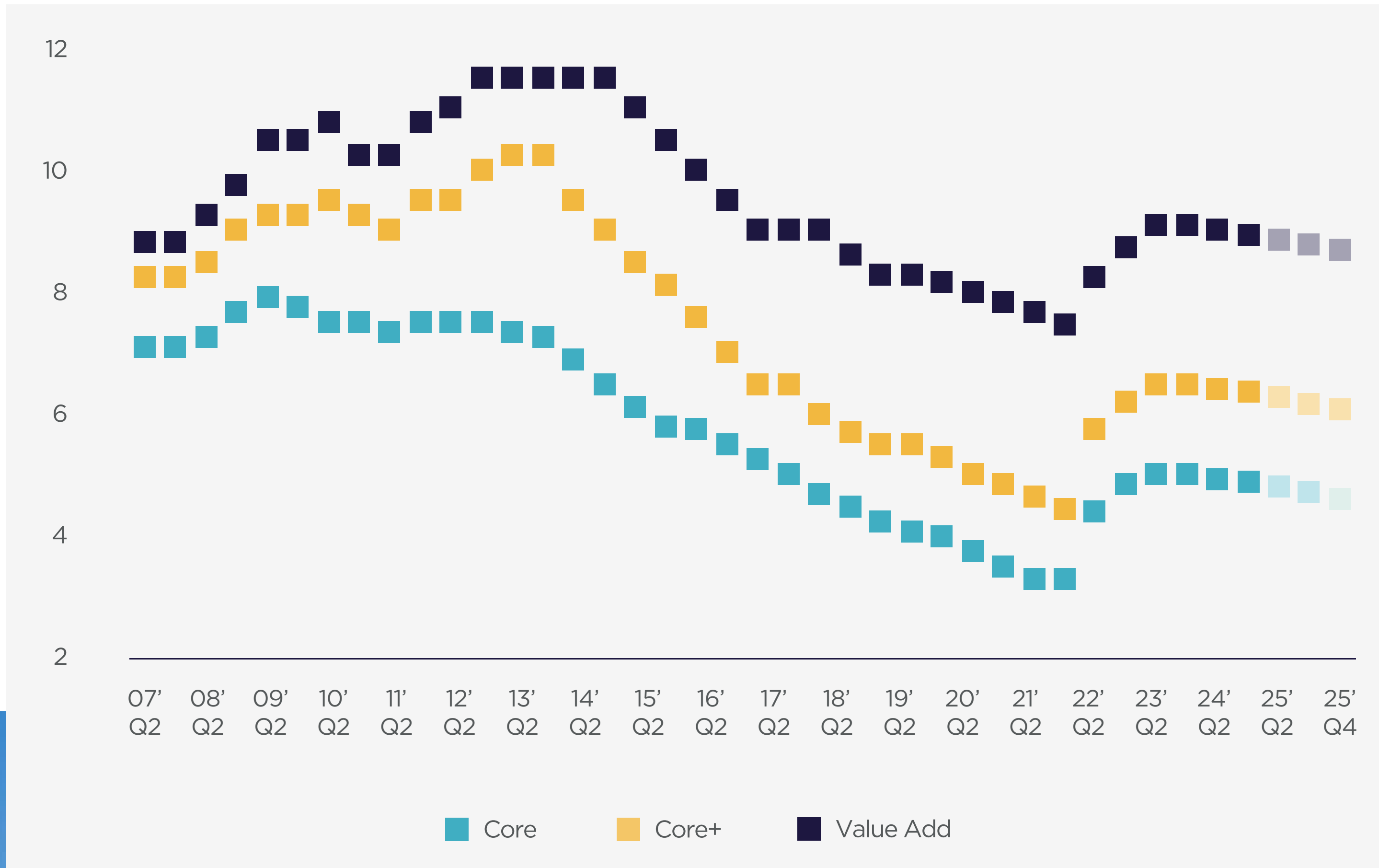
Other clear advantages that inspire investor confidence include the quality of real estate, the strong focus on sustainability, and stable occupier demand. At the same time, ongoing geopolitical tensions and economic uncertainties are prompting many parties to ask: is the Netherlands—or more broadly, Europe—still the most attractive investment region at this moment?

The increase in US import tariffs is putting pressure on global trade flows. It is likely that companies operating in the Netherlands will respond by reconsidering their supply chains and possibly maintaining larger inventories to mitigate risks. One tangible consequence may be a growing need for strategic storage capacity closer to end markets and ports. The Netherlands, traditionally serving as Europe's key logistics gateway, is well positioned in this regard. This could result in increased demand for logistics and industrial real estate, particularly around Rotterdam, Amsterdam Schiphol Airport, and established logistics hotspots such as Venlo, Tilburg, and Moerdijk. While this effect may not fully materialise in 2025, it is expected to gradually unfold over the coming years—provided no new, lower tariff measures are introduced.

In the first quarter of 2025, solid investment transactions took place that not only serve as benchmarks for assessing future deals but also contribute to restoring confidence and paving the way for the remainder of the year. Interest is particularly strong in transactions ranging between €20 and 70 million. Within this segment, more product is available, and greater capital is accessible for such deals. The Core segment appears to be making a return, with recent transactions reflecting net initial yields between 4.75% and 5.00%. However, the availability of Core products remains limited. In 2025, the Core+ and Value-add market segments also continue to show strong dynamics, with investors responding to the potential to optimize rental prices in the coming years. Investors are focused on capturing future rental growth. This strategy aligns with the high return expectations currently demanded by capital providers and investors. While the market is less dynamic overall, attention is increasingly concentrated on segments that offer the highest potential for long-term growth and stability.

DEVELOPMENT GROSS INITIAL YIELDS - LOGISTICS

GIY INCL. RETT (%) CORE, CORE+, AND VALUE ADD



Bron: Cushman & Wakefield, 2025

We are already observing a slight yield compression compared to the end of 2024, particularly in Core areas, and this trend is expected to continue into the second half of 2025. This compression will initially be most noticeable in Core locations, where the sustained popularity of logistics real estate helps mitigate the risks associated with reduced take-up dynamics. In contrast, secondary and tertiary markets face higher risk profiles, resulting in limited yield compression in those areas. A gradual recovery is anticipated for 2025, with industrial and logistics investment volumes projected to increase by 10 to 14% compared to 2024, amounting to approximately €2.7 billion in total. The market is expected to gain further momentum in the second half of 2025, contingent upon developments in interest rates, regulatory conditions, and overall economic stability.

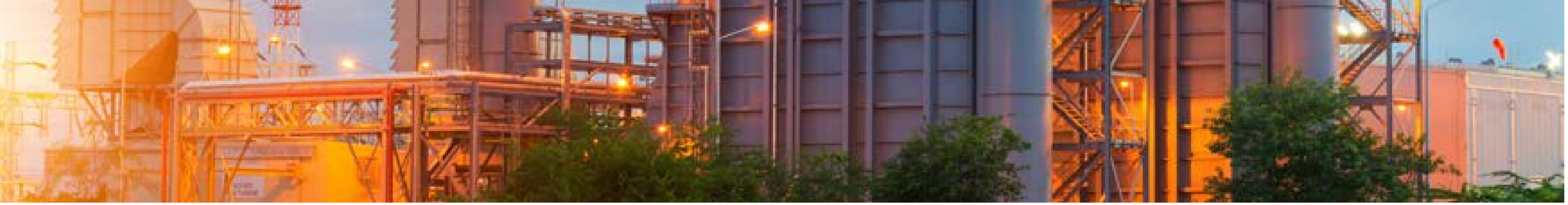
OCCUPIER MARKET

In the first quarter of 2025, the logistics and industrial market remained relatively stable compared to the same period in 2024. A positive development is the increasing level of interest, as evidenced by the number of viewings and search queries. This indicates growing confidence among occupiers and buyers, particularly in the popular Core locations. This heightened activity is expected to translate into more relocations and transactions over time. The positive sentiment continued into the first few months of the second quarter, with viewings and search activity materialising into actual transactions.

In the first quarter of 2025, approximately 750,000 m² of commercial space was taken up, divided between industrial and logistics real estate. This represents a decrease of around 3% compared to the same period last year, when approximately 770,000 m² was recorded at the end of Q1. A clear distinction between the segments is evident.

DUTCH OCCUPIER MARKET INDUSTRIAL AND LOGISTICS
TAKE-UP BY CATEGORY AND AVAILABILITY (X1.000 SQ.M L.F.A..)

Source: Cushman & Wakefield, 2025



Logistics real estate continues to be the driving force behind the market. In the first three months of 2025, around 425,000 m²—or 57%—of logistics space was taken into use, compared to approximately 328,000 m²—or 43%—of industrial space. Several relatively large transactions marked the first quarter of 2025. For example, Karl Rapp signed a lease for approximately 41,000 m² logistics space from Citylink in Rotterdam, while Brouwers Logistics occupied a 36,500 m² distribution centre in Drunen. Significant lease renewals were also recorded, such as Dorel Juvenile's new agreement, which included the lease renewal of 20,000 m² and an additional extension of 10,000 m² to expand its operations.

In 2025, the industrial real estate market continues to be defined by the trends that emerged in 2024: on the one hand, scarcity and high rental levels in prime locations; on the other, growing supply and increasing vacancy rates in secondary markets. Despite a 7% rise in supply during the fourth quarter of 2024, the trend observed last year is expected to persist in 2025: high rents and tight availability in logistics hotspots contrasted with rising vacancy levels in secondary locations. Pressure in prime locations remains high, resulting in ongoing rental growth which, more or less, tracks inflation. However, a very different trend is becoming evident in secondary market areas: increasing vacancy rates and longer vacancy periods are leading to a rise in incentive levels (i.e., rent discounts). If further market softening improves the affordability of space in secondary areas, and if investments enable these properties to meet stricter ESG requirements, companies might be encouraged to relocate from Core areas to more cost-effective alternatives. For certain user groups, the high rental costs in hotspot markets pose a significant challenge, which could also drive a shift toward secondary locations. Over time, such a shift may create more availability in Core markets, easing pressure and allowing the market to gradually develop into a more balanced state.

The Netherlands traditionally offers exceptionally strong location fundamentals for users of logistics and industrial real estate, including a strategic location, robust infrastructure, a skilled labour force, and a focus on sustainability. At the same time, challenges are emerging related to electricity and water connections as well as nitrogen regulations. These additional fundamentals can further influence location choices—both for companies seeking new sites and for investors assessing risks and uncertainties in the market.

In addition to logistical challenges, the Dutch industrial sector is increasingly facing structural bottlenecks. The sector is under pressure due to a combination of high interest rates, rising energy and labour costs, grid congestion, and nitrogen regulations. Energy-intensive and automotive companies, in particular, are feeling the strain. Investments are becoming more difficult, costs are rising, and its competitive position is weakening. Power grid limitations and land scarcity are holding back growth. While not all sectors are equally affected, concerns about the future and international competitiveness are becoming more widespread.

The logistics occupier market is showing a clear increase in activity compared to 2024. Most of the momentum is concentrated in the traditional logistics hotspots, particularly along the logistics corridor stretching from Rotterdam through Brabant and Limburg towards Venlo. In these regions, the 20,000 to 30,000 m² segment is especially popular. Demand for larger spaces is limited, whereas there is greater activity in the smaller segment, primarily driven by SMEs. The larger logistics search requirements along the main corridor are often international in nature. In comparison, locations along the A12 and in the Utrecht region tend to focus more on domestic logistics. In the Amsterdam region, Schiphol remains the classic hotspot and is the only area in the region still experiencing significant activity at a larger scale. Other search requirements in Amsterdam are generally smaller-scale.

The previously mentioned impact of higher US interest rates has not yet led to significant shifts. Users have not actively responded to this development. Major occupiers in Core locations are exploring expansion opportunities, but only under the right conditions—such as a suitable site close to their existing operations. If these criteria are not met, they are inclined to wait due to ongoing market uncertainty. We are also seeing (new) occupiers—such as Chinese firms—looking to expand their footprint in Europe. However, these plans have not yet materialised on a larger scale.

With a combination of positive sentiment and a focus on strategic decision-making and sustainability, the industrial real estate market appears poised for further growth in 2025, particularly for players that operate flexibly and purposefully within a shifting market dynamic where additional location fundamentals are becoming increasingly important.

RETAIL

RETAIL

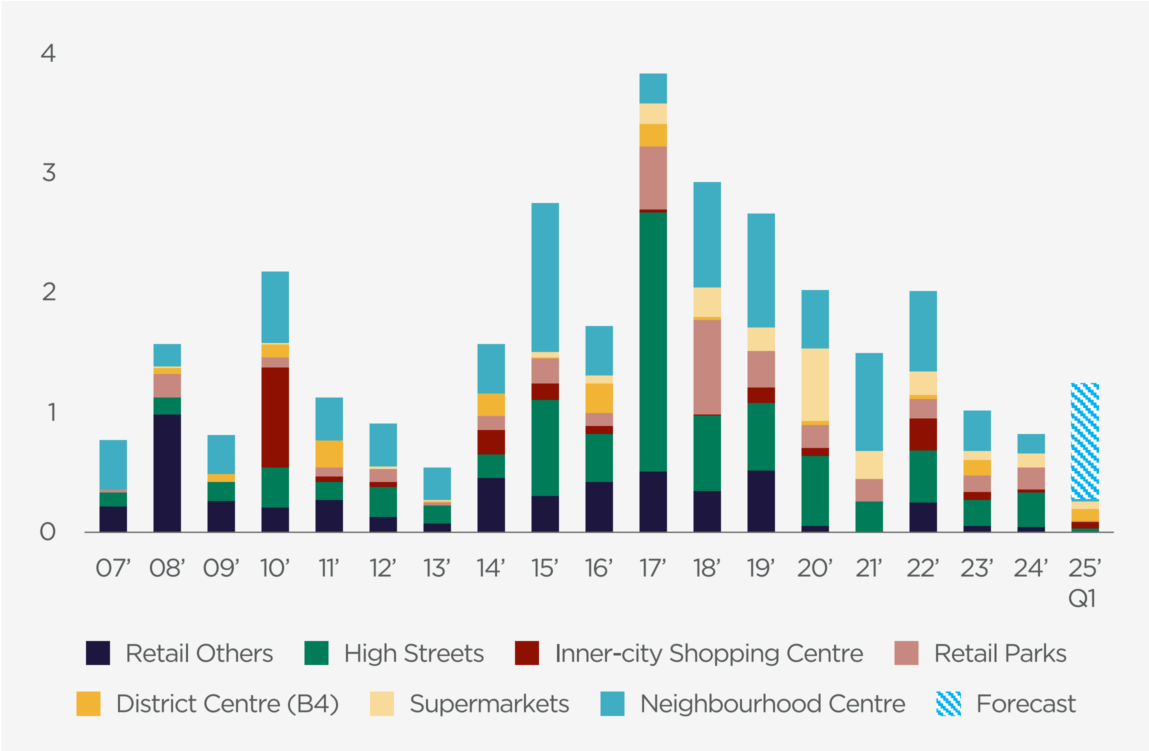
INVESTMENT MARKET

IN THE FIRST QUARTER OF 2025, THE INVESTMENT VOLUME IN THE RETAIL MARKET AMOUNTED TO €289 MILLION. THIS IS ABOUT 14% OF THE TOTAL INVESTMENT VOLUME AND IS SIMILAR TO THE INVESTMENT VOLUME IN THE SAME PERIOD LAST YEAR.

The investment volume was higher than in the fourth quarter of last year. This was largely due to two transactions - Leidsche Rijn Utrecht and Winkelhof Leiderdorp - that together accounted for €160 million, which was more than half of the retail investment volume.

Due to the large share of these transactions in the retail investment market, a strong shift has taken place in the segments driving investment volume this year. In 2024, High Street transactions provided the bulk of the investment volume, but in the first quarter of 2025, supermarkets and shopping centres are taking the lead. At €246 million, the latter are already nearing the total investment volume of all of 2024 (€296 million). Investment volume within the High Street segment comes to €31 million, with the sale of the former Zara property in Tilburg and two shops on the Leidsestraat in Amsterdam as the most important transactions.

DUTCH PROPERTY INVESTMENT MARKET
RETAIL INVESTMENT VOLUME TO SEGMENT (IN BLN. EURO)



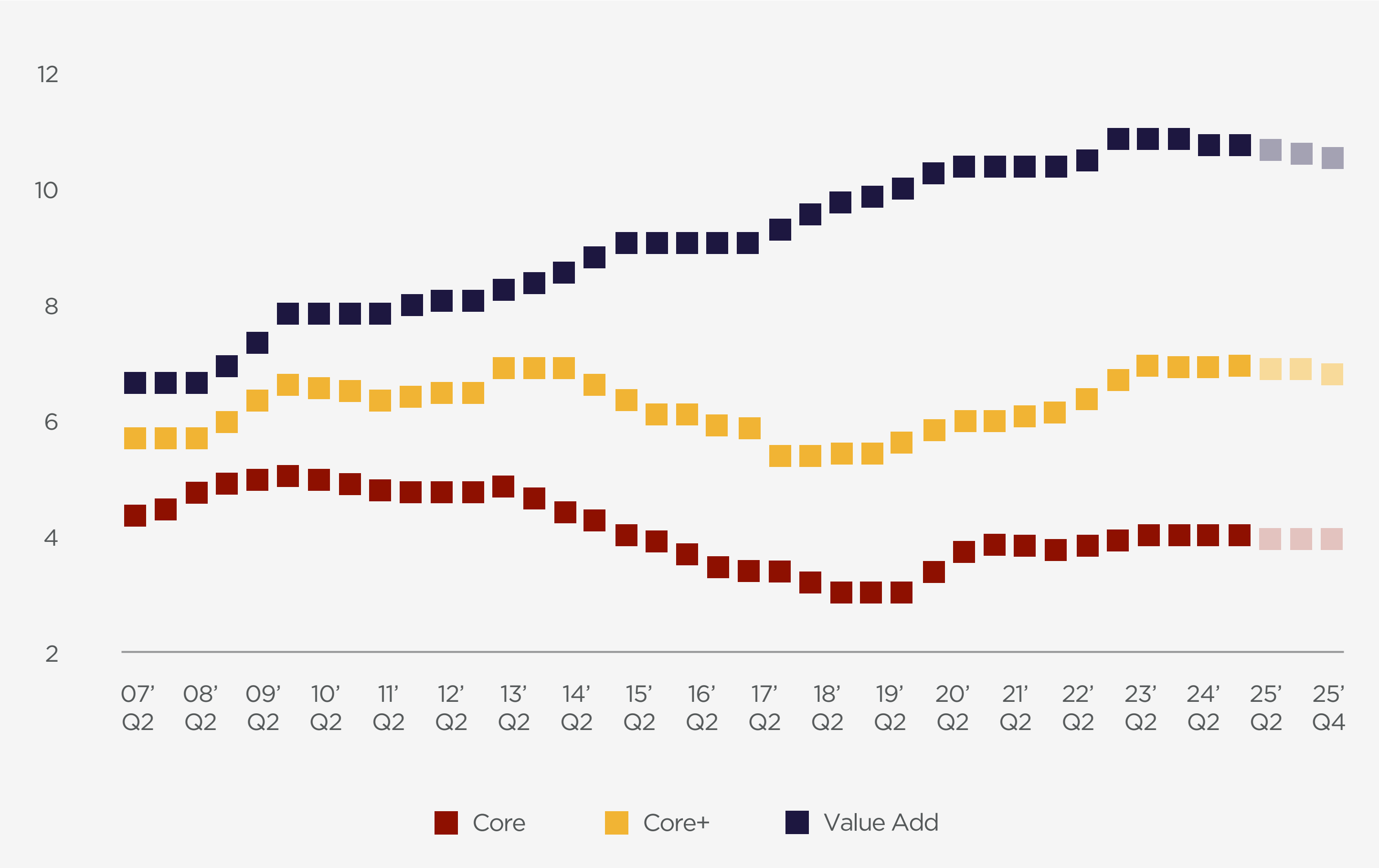
Source: Cushman & Wakefield, 2025

Macroeconomic uncertainties and sales pressure due to an over-allocation in real estate have been key themes in recent years. As a result of these uncertainties and the sales pressure in a market with a limited number of buyers, expected asking prices were often not met. The difference between asking price and transaction price is expected to decrease in the coming period and will increase competition in the market. In addition, general interest in retail property among investors is increasing due to stabilisation of online sales and restored high-street footfall. This demonstrates that the Dutch retail market is well-balanced and resilient in times of economic uncertainty. As a result, the 2025 retail investment volume is expected reach between €1.2 billion and 1.3 billion.

The (re)entry of international capital ensures that initial yields will become sharper in 2025. Several transactions in the pipeline are already showing sharper yields than would have been the case in 2023 and 2024 for similar transactions. Besides a larger buyer base, Value-add opportunities are becoming scarcer, creating a tentative shift in the market towards the Core+ segment. If policy rates fall further to stimulate the economy, initial yields towards the end of 2025 will also tighten.

DEVELOPMENT GROSS INITIAL YIELDS - RETAIL

GIY EXCL. RETT PAYABLE BY PURCHASER (%) CORE, CORE+, AND VALUE ADD



Source: Cushman & Wakefield, 2025

LACK OF SUPPLY CAUSES SHIFT IN ASSET CLASSES: CONVENIENCE PROPERTY NOT EXPECTED TO BE LARGEST SUB-CATEGORY

Convenience real estate (supermarkets and small shopping centres) continues to enjoy undiminished investor appetite. However, the limited supply of (premium) product means that the investment volume for convenience retail seems to be declining for the time being, compared to previous years. Certainly, compared to other investment categories, convenience real estate will lose out in 2025. Nevertheless, investor interest in convenience is at its highest level in recent years, so product that meets demand can count on a lot of attention and is expected to trade at competitive prices.

Read more on the developments in the Dutch convenience retail market in the new Cushman and Wakefield Supermarket Publication (available in Dutch from June 18th).

CLICK HERE TO READ MORE

INFLUX OF NEW CAPITAL DRIVES RETAIL INVESTMENT VOLUME IN 2025 AND 2026.

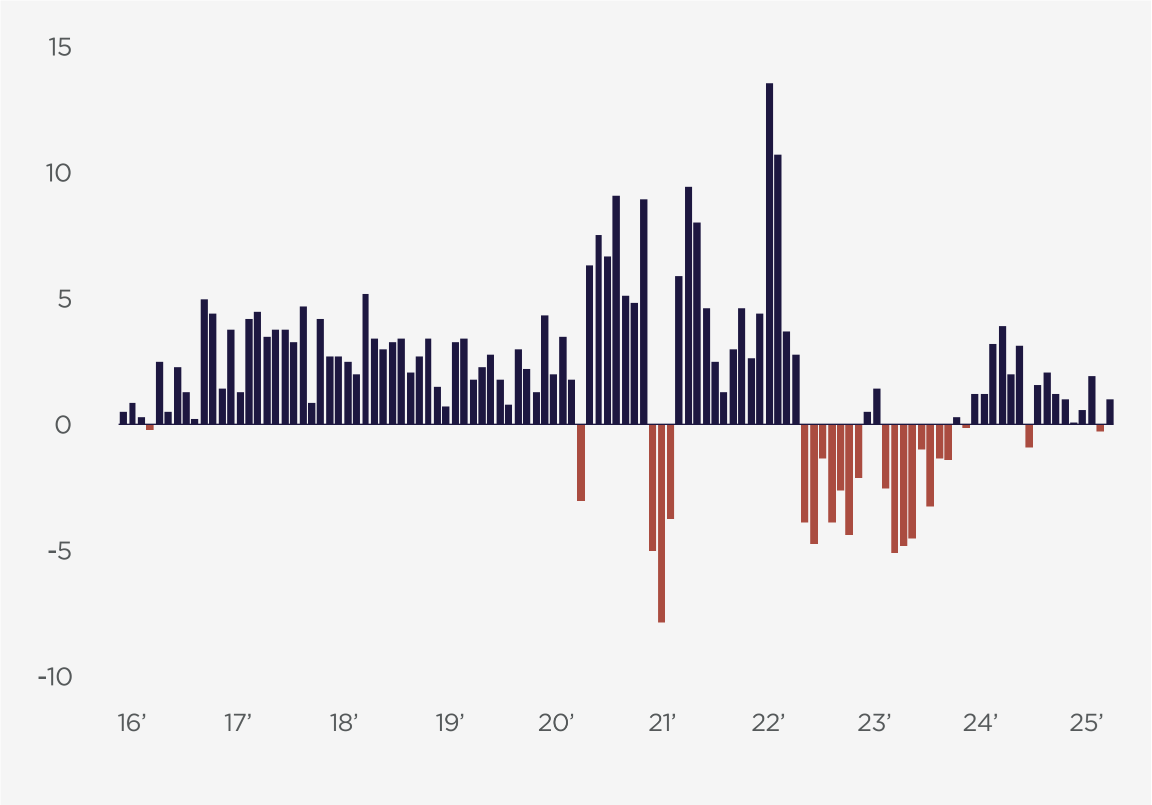
One of the key developments in the retail investment market is the influx of international capital, specifically from French SCPIs. These commercial real estate funds seem to be looking to expand their activity in the Netherlands and typically operate with similar strategies and return requirements. Out-of-town real estate or shopping centres in the Value-add segment, preferably with a limited number of tenants, are currently being favoured. This trend aligns with the growing interest in specific out-of-town locations. However, due to the strong inflow of capital, the focus of international investors is rapidly broadening, and several transactions on prime high-street shopping centres are expected to be completed by non-Dutch investors.

OCCUPIER MARKET

The Dutch occupier market is built on strong foundations, although global turmoil is causing concern among several retailers, leading some to (temporarily) pause or slow down their expansion plans. Nevertheless, there is still ample activity in the main shopping streets, where normalised rental prices are creating new opportunities. In the rest of the year, these opportunities will primarily be seized by established retailers, although several new (inter) national concepts are also entering the Dutch market. Some of these originate from online channels, while others result from international brand expansion.

Despite the optimism, the increased costs, which must largely be passed on to the customer, continue to have a dampening effect. Retailers' revenues may appear strong due to rising prices, but profit margins are under pressure due to high costs. The number of products sold is barely increasing this year, so revenue growth is almost entirely driven by price increases.

RETAIL TURNOVER VOLUME
PERCENTAGE CHANGE VERSUS PREVIOUS YEAR, SOURCE: CBS, 2025



Source: CBS, 2025. Edited by Cushman & Wakefield

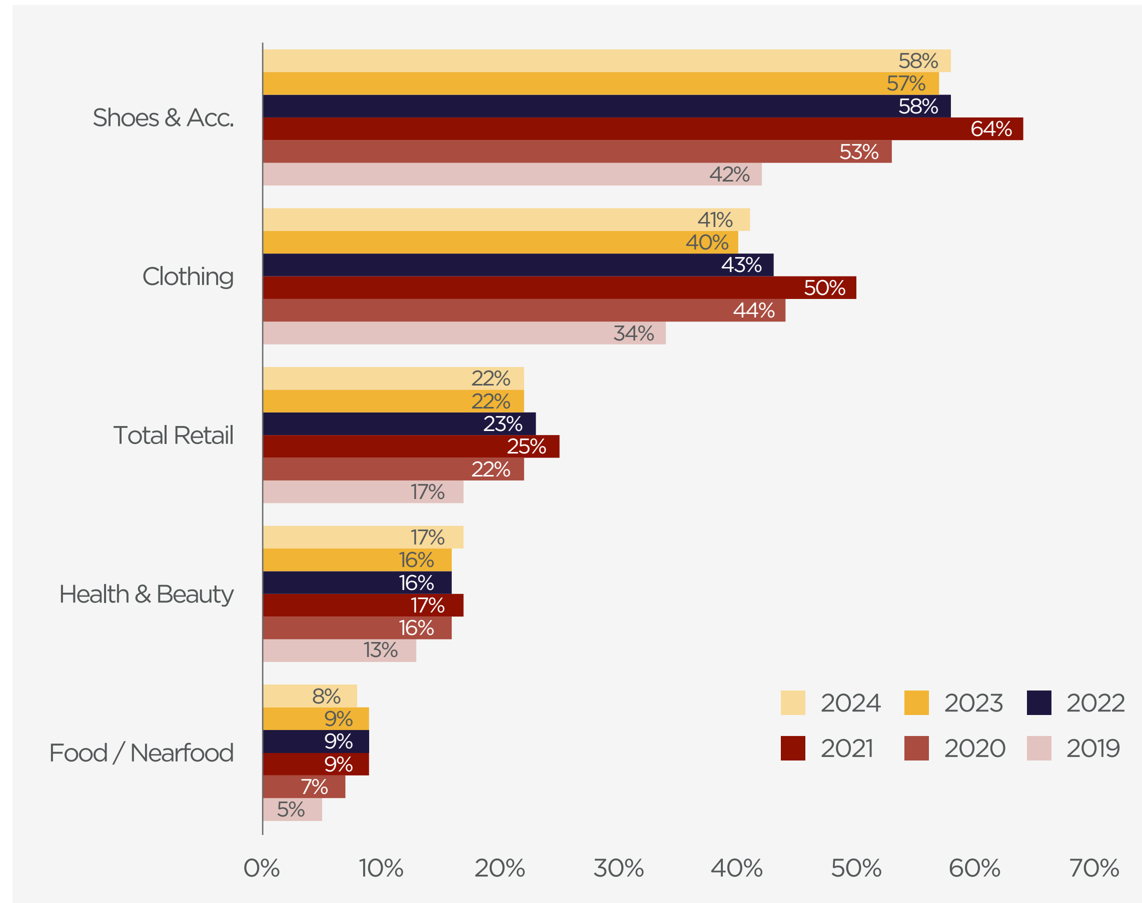
As a result, retailers remain focused on reducing operational costs, partly by relocating to larger shops to realise cost benefits. The combination of new retailers entering the market and ongoing relocation dynamics is driving increased demand for high-quality retail properties. As a result, the most sought-after assets in prime locations are becoming increasingly scarce.

The growing demand focuses primarily on the top shopping areas. This trend has been visible for several years, but will create new opportunities for lagging retail districts in the coming months. A good example is Amsterdam: the strong interest from both national and international retailers in De 9 Straatjes could lead to rising rents and higher takeover prices, prompting retailers to consider alternative options. This may revitalise nearby areas and streets with a somewhat similar character, and more affordable for retailers, such as the Utrechtsestraat.

Online sales are stabilising around 22%, which creates a sense of calm and a more predictable outlook for occupiers. The online share is lower than in 2021, clearly indicating that consumers returning to physical shops. In addition, relatively low online spending in the beauty and health segments shows the reasoning behind more physical stores opening in these sectors.

RETAIL SHARE ONLINE TURNOVER TO SEGMENT

% OF TOTAL INDUSTRY TURNOVER



Source: Retail Insiders, edit Cushman & Wakefield, 2025

For clothing brands, investing in high-quality flagship stores remains important. The physical store should significantly enhance the brand's online experience—a trend that is also becoming increasingly important the other way around via social media, further strengthening the integration between online and offline channels. The influence of social media on the emergence of new retail chains remains as high as ever, creating new shop concepts on the high street. In addition to these new entrants created by social media hypes, more and more classic brands are now investing and innovating to capitalise on online trends. Marketing budgets of both apparel brands and household products are shifting from TV and Google ads to TikTok and Instagram influencers. The overall experience and atmosphere that a brand aims to convey is increasingly being created before the customer even sets foot inside the store.

Retail vacancy rates are expected to decrease slightly by 2025. However, the share of small, less suitable properties within the vacancy rate is increasing. The relet potential of these properties (often up to around 150 m^2) is limited, so retailers and owners need to look for solutions. For owners, a solution may lie in merging retail units. Retailers should consider whether they are willing to relocate to a weaker location to find a shop that does meet their needs.

The general sentiment in the retail market is moderately positive for the second half of 2025. While various domestic retailers in the beauty and discount segments were already pursuing agressive expansion, there is now also growing interest from international retailers in the Dutch retail market. Despite high operating costs, strong underlying fundamentals and a low risk profile are attractive factors in a year marked by considerable uncertainty.

LIVING

LIVING

INVESTMENT MARKET

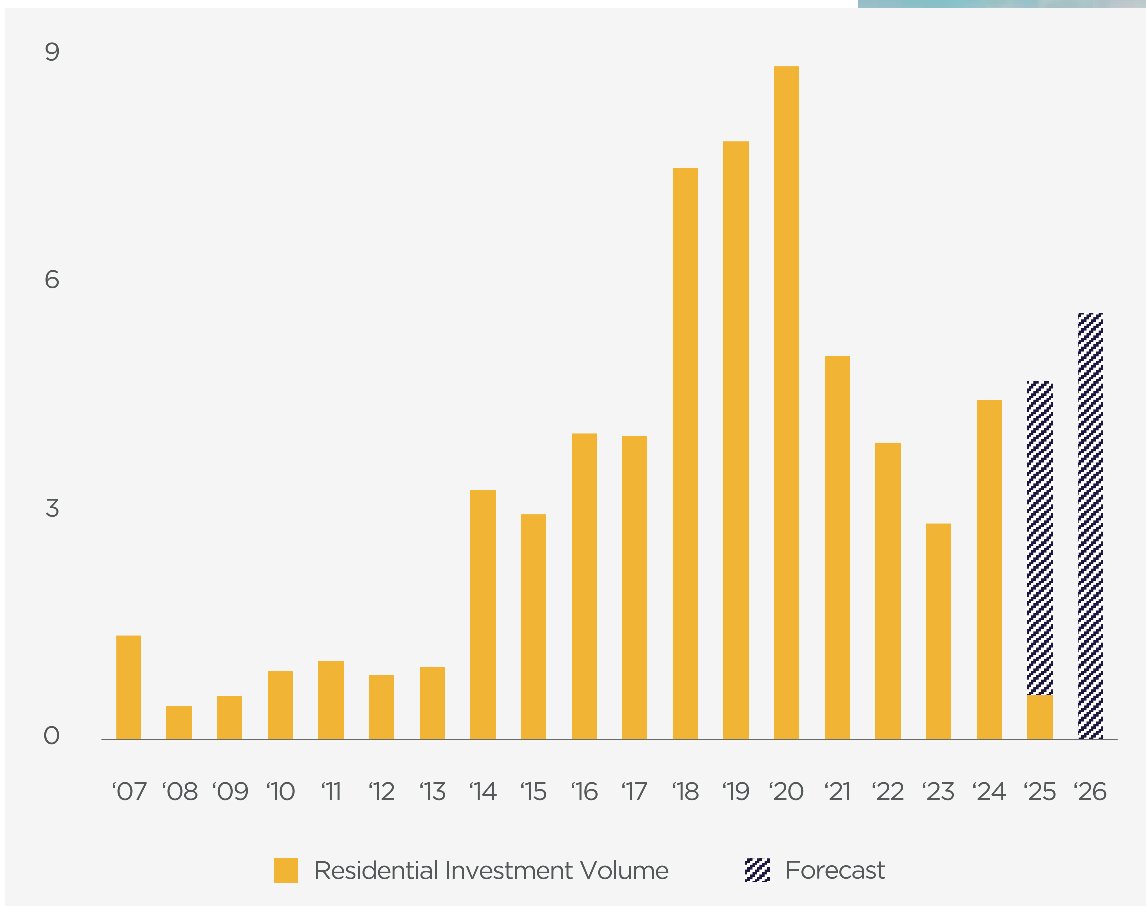
With the recovery of the residential investment market underway, all signs point to a positive outlook for 2025. At the beginning of the year, the expectation was that investor focus would lie primarily on new developments, driven by the impact of government regulation on the existing stock. That clear distinction, however, is beginning to blur as policymakers continue to shift the goalposts. As a result, the ideal of a reliable and predictable government is increasingly being called into question.

The preference for new developments was originally underpinned by two key considerations. Firstly, landlords are permitted to charge a 10% rent premium above the rent level as determined by the housing valuation system (WWS) for new homes. Secondly, new developments can generally be tailored to meet the criteria for the regulated mid-rental segment. At the start of the year, the muted appetite for existing assets was also partly due to expectations that investors would delay acquisitions until after January 1st of 2026, when the real estate transfer tax for investors is set to be reduced from 10.4% to 8%.

While this still suggests that acquisitions of existing stock may be pushed into the second half of 2025, the distinction between new-build and existing homes is becoming less defined as the market regains momentum. The availability of high-quality new-build product will be a key driver in determining the total investment volume. Currently, a total transaction volume of around €4.7 billion is expected in 2025, which would be an increase of 5% to 10% compared to the previous year. The 2024 volume was relatively high due to transactions driven by asset liquidation strategies.

NETHERLANDS PROPERTY INVESTMENT VOLUME

RESIDENTIAL INVESTMENT VOLUME, IN EUR BLN.



Source: Cushman & Wakefield, 2025

In this light, the strong start of 2025 is indicative of a revised, more optimistic outlook. Total transaction volume in the first quarter reached €570 million, up 10% year-on-year. Remarkable in this perspective is the return of large international institutional investors with renewed interest in the Dutch housing market. Backed by substantial mandates and capital, these parties–from the UK, US and Germany in particular–see fresh opportunities for success, underpinned by structurally solid market fundamentals such as population growth and robust wage development.

Despite rising investor interest, the availability of suitable new-build supply is increasingly under pressure. Dutch housing associations risked losing their entire investment capacity–estimated at €35 billion–following the Spring Budget Agreement, which imposed a two-year rent freeze in the regulated segment. This measure was offset by just €1 billion in compensation, according to current projections.

Just hours after the Dutch government fell, the newly formed agreement was withdrawn by caretaker minister Keijzer. After this also the legal proceedings by housing corporation Aedes, which were planned for the next day, were suspended.

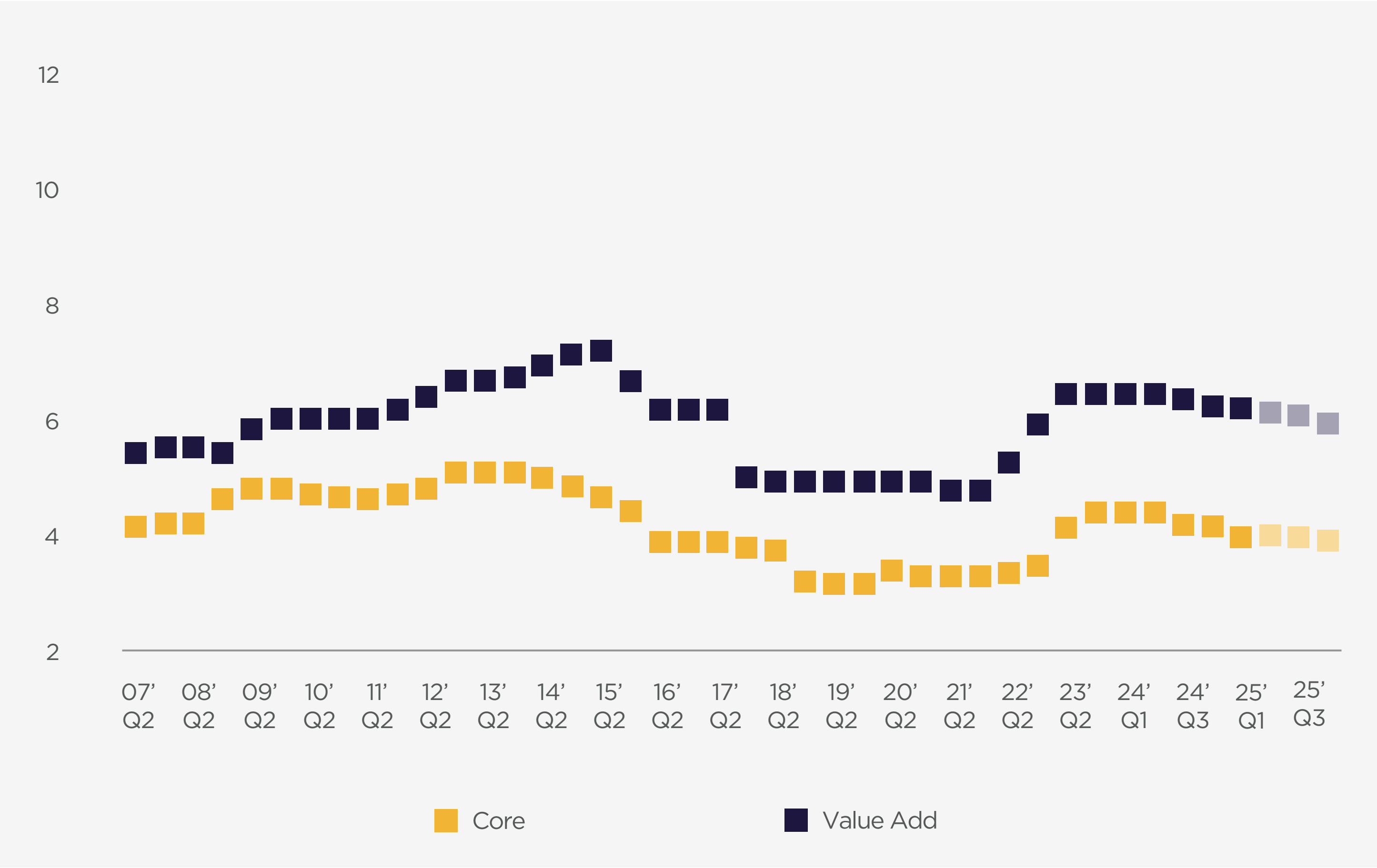
Meanwhile, mandatory allocation, a shortage of high-quality development projects, growing regulatory pressure, and long waiting lists for housing have led the market to opt for a more proactive stance. Due to the abolition of the REIT regime in 2025, foreign investors still face (unfair) competition from their domestic counterparts, who, under certain conditions, remain exempt from Dutch corporate and dividend tax. Consequently, foreign institutions now apply higher return thresholds.

On a more positive note, investors are now permitted to deduct a slightly larger portion of interest expenses from taxable income. The earning stripping rule threshold has increased from 20% to 24.5%, with the €1 million exemption retained. Nevertheless, concerns about the Dutch investment climate persist, particularly given that solving the country's structural housing shortage partially relies on foreign capital influx.

Amid the new reality, shaped in part by the Affordable Rent Act and other government interventions, the market appears willing to chart a new course, with a growing emphasis on investments in quality. Investors targeting new-build, mid-rental apartments are now accepting gross initial yields nearing 4% (excluding transaction costs). This is not merely anecdotal, but reflective of a broader market trend.

DEVELOPMENT GROSS INITIAL YIELDS - LIVING

GIY EXCL. RETT PAYABLE BY PURCHASER (%) RANGE CORE TO VALUE ADD



Source: Cushman & Wakefield, 2025

Alongside continued interest in Core assets, private equity firms have launched various funds targeting higher-risk (Value-add) opportunities, often pursuing strategies centered on individual unit sales. These investors primarily focus on acquiring larger portfolios with an emphasis on location and property quality, leaving single-asset transactions to Dutch family offices and larger private real estate firms.

Most available product in today's market falls within the Core+ and Value-add segments–property types that are less attractive to institutional investors, particularly from a sustainability standpoint. To secure sufficient WWS points and ensure marketability, such properties often require substantial investment, prompting buyers to demand higher yields. Investors are increasingly reluctant to acquire portfolios that fail to meet rental regulations. Still, interest persists among private equity-backed foreign buyers pursuing unit sale strategies within the Core+ and Value-add segments.

Since the Affordable Rent Act came into effect mid-2024, a significant number of existing mid-rental homes has been acquired for unit sale purposes. This particularly applies to formerly unregulated units that now fall under rent control, resulting in significantly lower rental income. On top of that, rental income is now more heavily taxed under box 3 of the Dutch tax system, further eroding financial viability. Consequently, many such properties are now being transitioned to the owner-occupier segment.

According to the Dutch Association of Real Estate Agents (NVM), approximately 37,000 homes were sold off in 2024 alone, meaning that one in five transactions involved a former rental unit. The impact becomes even more pronounced when this figure is compared to new-build completions (24,000), suggesting that buyers were more likely to purchase a former rental home than a newly built one. A recent survey of 200 NVM agents revealed that over 90% expect the current pace of disposals to continue or even accelerate in 2025. This is due to a wave of expiring temporary rental contracts that were issued prior to July 1st of 2024 which cannot be renewed under the new legislation.

Market players who have been speculating on a potential deregulation of the housing sector seemed to be proven right in early May of this year, when caretaker minister Keijzer sent a letter to Parliament outlining new measures that would once again offer more leeway to private landlords. These include a proposal to adjust the WWS by increasing the weighting of property value (WOZ) and the reintroduction of temporary student leases. Although the Minister expressed concern about the decline of the private rental sector, this fear seems unfounded. Since new rental units were also added last year, the net reduction in the rental stock amounted to just 413 homes. It remains to be seen whether the proposed easing will materialise. The Minister's recent 'Dilemma Memo' to Parliament in late May made no mention of these potential solutions.

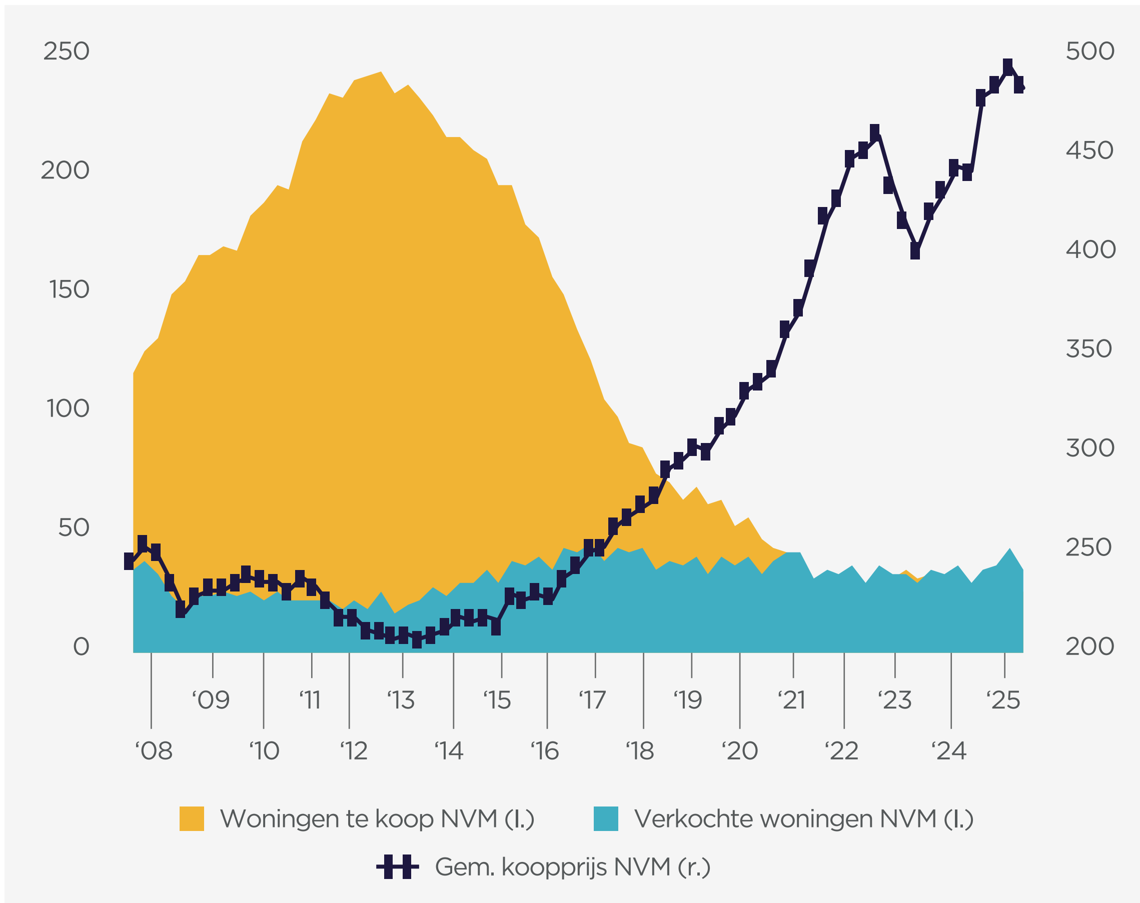
OCCUPIER MARKETS

Forecasts for 2025 and 2026 suggest further price increases in the housing market. Rabobank Research expects an average price rise of 8.6% in 2025, followed by a further 5.7% in 2026. These gains are primarily driven by structural market fundamentals: demand continues to outpace supply, fueled by population growth which the housing stock cannot keep up with. Rising incomes and falling medium-term interest rates are also boosting household purchasing power.

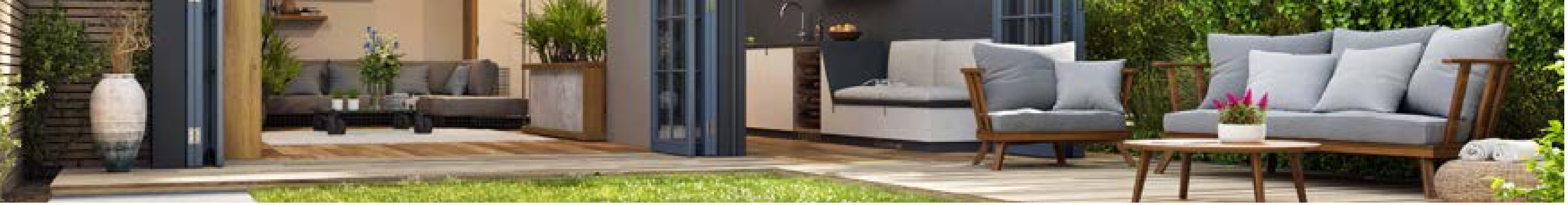
The market for owner-occupied housing has continued to perform strongly in 2025 until now, with transaction volumes up 13% year-on-year. This increase is largely driven by the influx of properties resulting from investor disposals. Currently, one in five homes is sold by an investor, and two-thirds of those are apartments. Due to their smaller size, the average sale price fell by 1.8% in Q1 2025 compared to the previous quarter, even as the price per square metre continued to climb.

Year-on-year, the average sale price rose by 9.7% to €473,000. Compared to the previous quarter, average time on market increased by three days to 30. The housing supply ratio–indicating how many homes are available per buyer–currently stands at 2.3. A balanced market would require a ratio between 5 and 10.

SUPPLY AND DEMAND IN THE MARKET FOR OWNER-OCCUPIED PROPERTIES
IN # (LEFT, X 1.000) AND AVERAGE TRANSACTION PRICE (RIGHT, EUR X 1.000)



Source: NVM (2025). Edited by Cushman & Wakefield



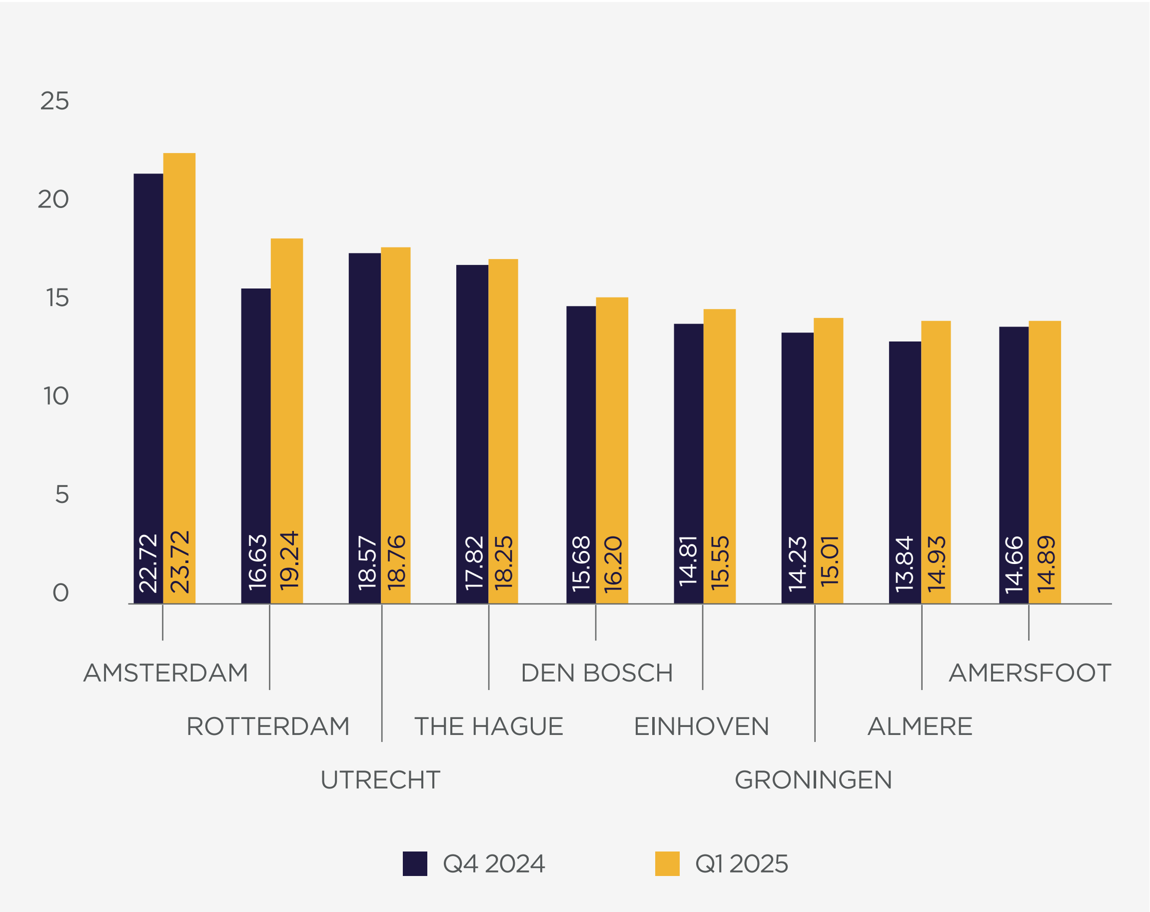
The new-build segment remained stable in Q1 2025, with 6,740 homes sold–roughly on par with the previous year. Growth appears to be levelling off. According to the NVM, agents remain “very positive about the marketability of new-build homes, but express concern about the longer term.” Too few building permits are being issued, and supply of ground-access homes continues to fall. The association warns of a looming mismatch between supply, affordability, and buyer demand.

While registrations for new-build units are up across the board, sales are being held back by a lack of available ground-access homes. Nearly half of all new-build sales now involve apartments, which tend to sell more slowly. In 2024, only 36% of apartments were sold within three months of launch, compared to 62% for terraced houses.

The average price of a new-build home rose to €492,000, driven mainly by sales of higher-priced apartments, while more affordable homes were in shorter supply and thus sold less frequently. As a result, the average price per square metre has risen steadily, in line with the trend toward compact, urban developments aimed at affordability–a trend that causes rising unit prices. Compared to Q1 2024, the average price per square metre rose from €4,340 to €4,780.

Meanwhile, projects that were shelved about two years ago are now being revived. The fact that these are once again considered financially viable under current market conditions is telling. Nonetheless, prices for new-build homes remain exceptionally high, though this is increasingly seen as the new normal and factored into cost calculations.

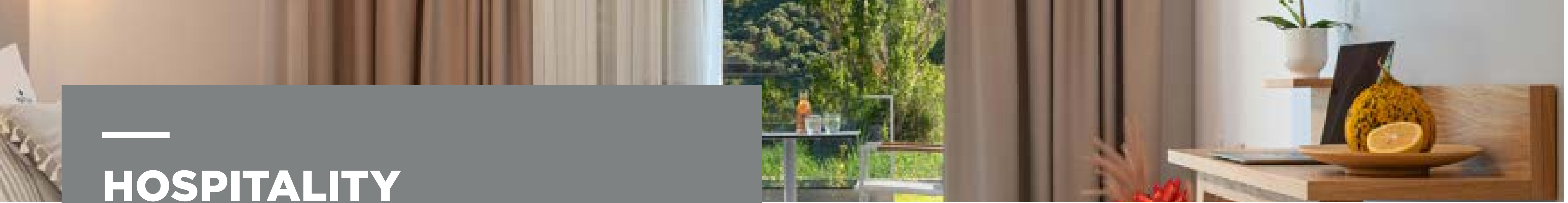
PRS RENT PRICE LEVELS
IN EUR SQM, MAJOR CITIES



Source: NVM (2025). Edited by Cushman & Wakefield

Rental transactions in the mid- and free-market segments fell nearly 20% in a single quarter. At the same time, average rents rose by nearly 13% over the past year, reaching €17.60 per square metre. Rents increased quarter-on-quarter in all major Dutch cities, with Rotterdam leading the way at +15.7%. This is characteristic of the 2025 rental market, which continues to be shaped by limited supply and persistently high demand. The sharp decline in rental listings suggests that many landlords are opting to sell their properties and exit the market. The combination of rising rents and falling transactions points to an overheated market in which affordable housing options are increasingly scarce.

HOSPITALITY



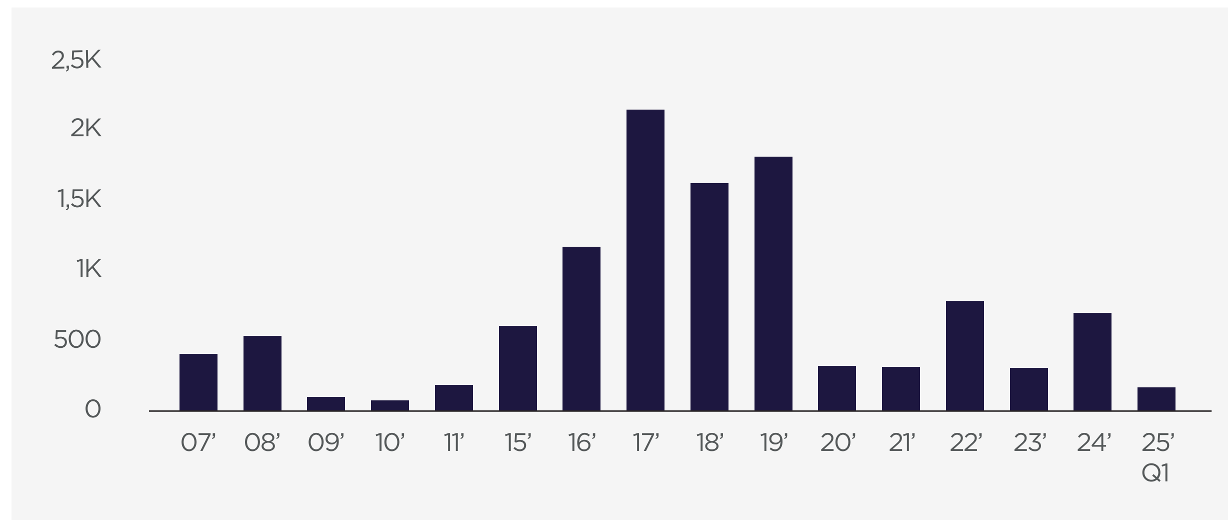
HOSPITALITY

INVESTMENT MARKET

In the first quarter of 2025, the investment volume in the hotel market increased compared to the same period last year. While the first quarter of 2024 closed with a transaction volume of €134 million, this year's first quarter reached €162 million-an increase of about 21%. Hotel investment volume represents about 8% of the total investment volume.

In 2024, the investment volume in the Dutch hotel market showed clear growth compared to the previous year. This increase was largely driven by the sale of a sizeable portfolio consisting of 12 hotels, comprising 1,522 hotel rooms. Five of these hotels are in Amsterdam, while the remaining hotels are in cities like The Hague, Rotterdam, Eindhoven and Maastricht. For ten of the twelve hotels, the transaction involved both real estate and hotel operations. The total volume of this portfolio transaction was around €360 million, representing about half of the total hotel investment volume in the Netherlands in 2024. Although large-scale portfolio sales contribute positively to market sentiment, transactions of "single assets" in the €50 million to €100 million price range (and above) remained relatively limited. However, this is starting to change as the gap between bid and offer prices is narrowing. The largest contribution to the investment volume in Q1 2025 came from the transaction of Pullman Eindhoven Cocagne, a 320-room hotel in the centre of Eindhoven. The investment volume was around €70 million.

DUTCH PROPERTY INVESTMENT MARKET
HOTEL INVESTMENT VOLUME (IN MLN. EURO)



Source: Cushman & Wakefield, 2025

The hotel investment market is showing clear signs of recovery. Falling policy interest rates, availability of capital and more favourable financing conditions are contributing to an improved investment climate. These conditions are not only increasing demand for Core and Core+ investment opportunities but are also leading to a gradual return of institutional capital to the market. Combined with the expected compression of initial yields and rising valuations, this creates the foundation for a new investment cycle.

The Hotel Investor Compass, an annual survey conducted by Cushman & Wakefield among European hotel investors, also shows that market sentiment continues to improve. Besides the increasing interest in Core and Core+ investments, alternative hotel concepts such as “serviced apartments” continue to gain popularity, especially in major cities (G5 in EU).

This concept combines the comfort and flexibility of a hotel with the amenities of a residence, and focuses mainly on longer stays, ranging from a few days to several months. Serviced apartments are primarily aimed at the business market, for project-based employees and expats who temporarily reside in the Netherlands for work purposes. In contrast, conference and airport hotels remain the least popular for the time being, respondents indicated. The continued reliance on international business travellers and the slow recovery of these segments have dampened confidence in these segments in recent years.

Looking ahead to the second half of 2025, a further increase in the investment volume in the hotel market is anticipated. Whether the total level of 2024 will actually be surpassed depends, among other things, on whether some large-scale (portfolio) transactions go through.

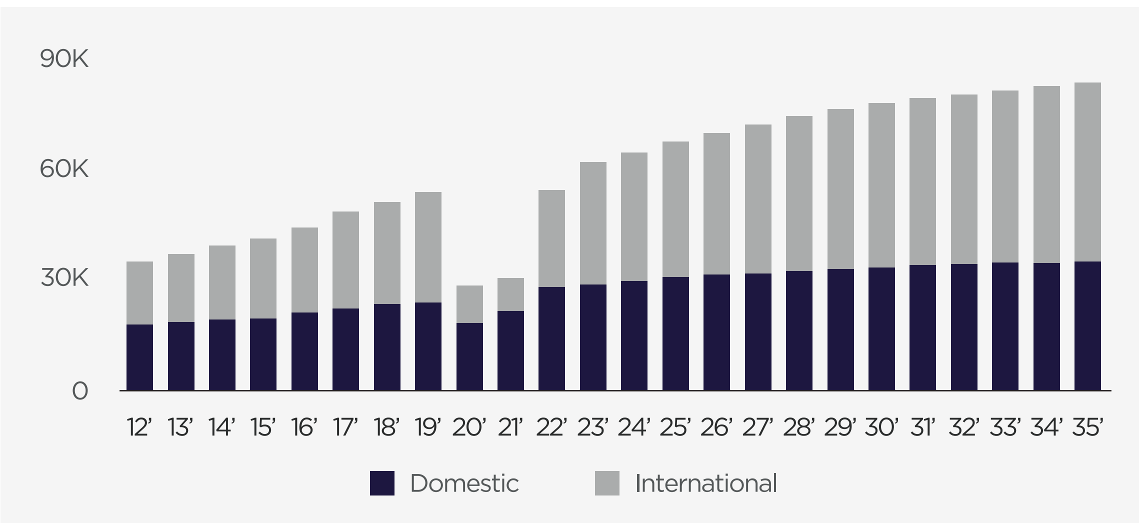
Meanwhile, sentiment remains vulnerable to external factors. Extremely high economic and (geo) political uncertainty -including ongoing tensions in global trade and changing policy directions of major powers- can affect both the pace of and confidence in investment decisions. In this dynamic market, investors will have to constantly recalibrate their strategies to respond effectively to changing framework conditions.

OCCUPIER MARKET

With a year-on-year increase of over 4%, 2024 recorded a record number of hotel stays for the second consecutive year. Thus, despite ongoing anti-tourism campaigns by the municipality, the number of overnight stays by foreign tourists in Amsterdam increased by around 5% last year. This made Amsterdam one of the most visited destinations in Europe. Only Barcelona, Paris and London were visited more often.

HOTEL OVERNIGHTS 2010-2035

SPLIT TO ORIGIN: DOMESTIC, INTERNATIONAL (X 1,000)



Source: Oxford Economics, 2025. Edited by ed by Cushman & Wakefield

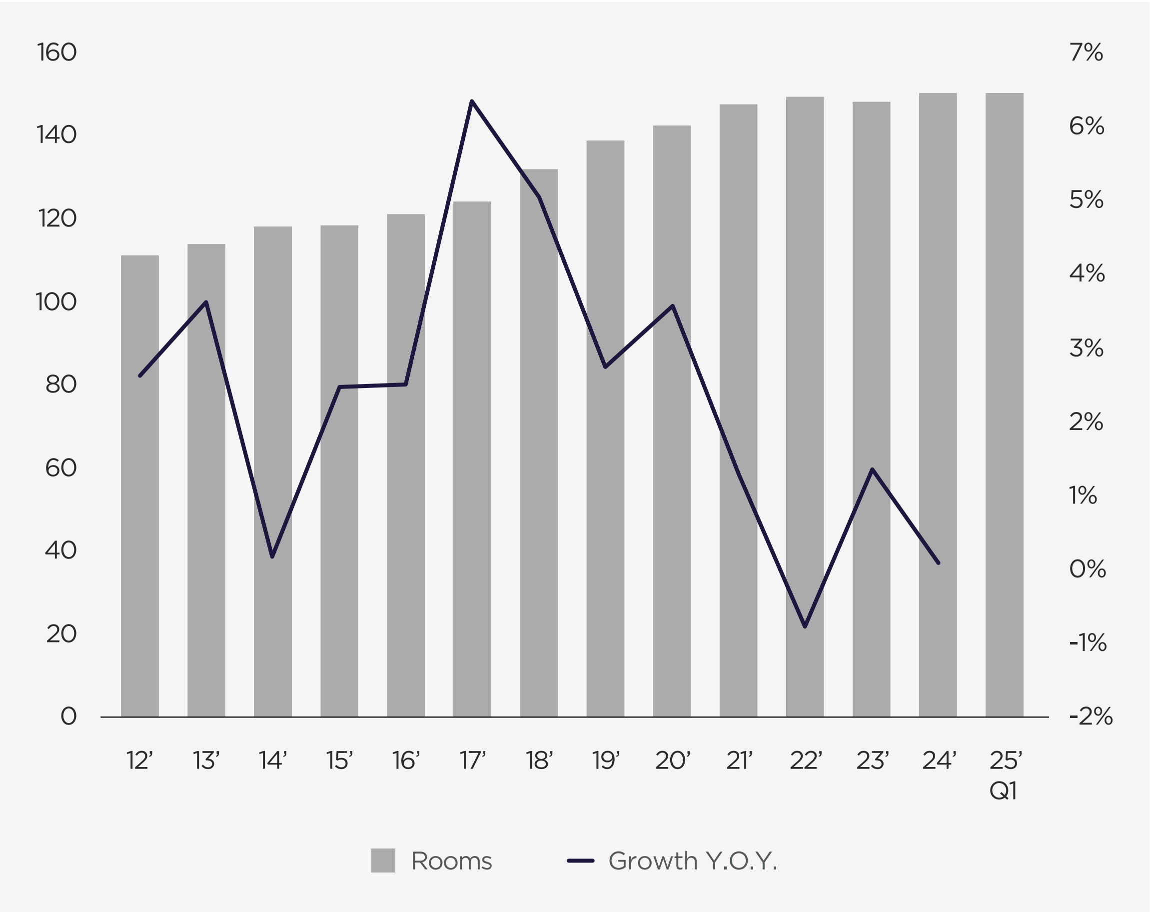
Another solid increase in hotel stays is expected for 2025, again with a growth of over 4% compared to the previous year. This momentum is supported by continued travel recovery trends and the continued recovery of the corporate market. The contribution from the Asia-Pacific region to the expected growth in 2025 is significant. Among other things, the number of hotel stays by travellers from China will increase significantly and, in 2025, will exceed pre-COVID levels for the first time, with a relatively strong rise in business stays, estimated at around 34% compared to 2024. From 2026, growth in hotel stays in the Netherlands is expected to gradually level off, with a compound annual growth rate (CAGR) from 2024 to 2035 around 2.3%.

As in the years after the pandemic, growth in the number of hotel rooms in the Netherlands will remain limited in the coming years. One of the main reasons for this is that that several large municipalities are now implementing restrictive policies. In Amsterdam, the municipality has further tightened this policy, which aims to limit the growth of tourist overnight stays. The "Hotel Policy 2024" states that cooperation will no longer be granted to new hotel initiatives that do not fit within the applicable environment plan. An exception to this is the "new-for-old" rule, under which a new hotel may only be developed if an old hotel closes, provided the overnight accommodation capacity remains the same and the new hotel is of higher quality. However, this does not mean that no rooms will be added to the existing stock in the coming years.

In Amsterdam North in particular, there are still some hotels under development, which will increase capacity at least until 2028. After this, Amsterdam municipality's restrictive hotel policy will make further expansion of the stock difficult. Some other municipalities that apply stringent policies to regulate the development of new hotels are Utrecht, Maastricht and The Hague. Rotterdam does not currently have a restrictive policy like Amsterdam and The Hague and is in demand when it comes to conversions from office to hotel. Examples of large-scale conversions currently taking place there are those at Boompjes and Glashaven. In the former office building on Boompjes, Van der Valk will realise a hotel with around 295 rooms and on Glashaven - the second Ruby Hotel in the Netherlands - with 225 rooms - will be built.

ROOM STOCK

TOTAL NUMBER OF HOTEL ROOMS IN THE NETHERLANDS (X 1.000)



Source: CBS, 2025. Edited by Cushman & Wakefield

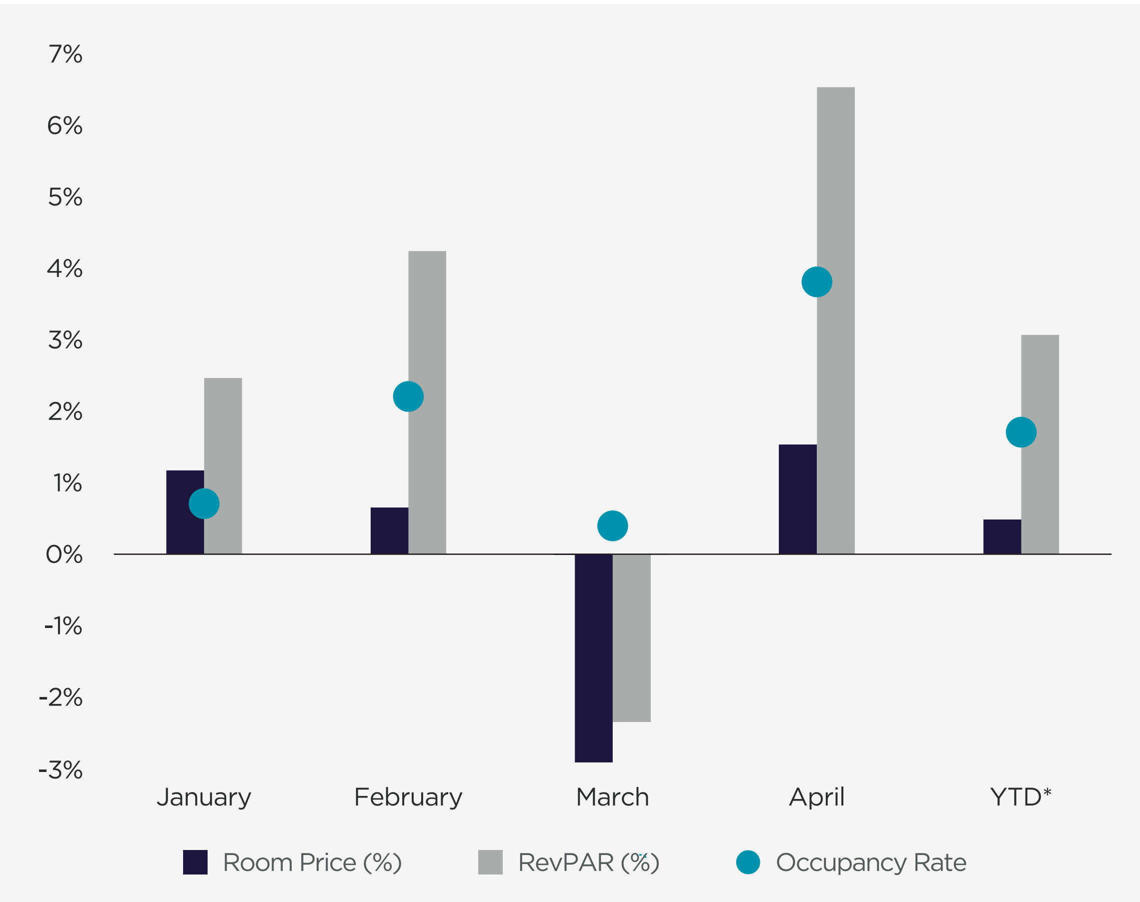
The combination of limited supply growth and structurally increasing demand creates favourable conditions for existing hotels. Operators are expected to benefit from this in the medium term - especially in cities with the strictest licensing policies. In such markets, scarcity strengthens the competitive position of existing hotels, which will translate into higher occupancy rates and room rates. Despite the fact that policy measures such as the planned VAT increase on lodging from 2026 are expected to cause a temporary slowdown, sustained demand continues to put pressure on the market. This measure may lead to a softening of demand in the short term, but this effect is expected to be limited and above all temporary.

After this, the underlying market dynamics - characterised by scarcity of supply and sustained demand - will once again prevail and potentially further strengthen the profitability of existing hotels.

The Dutch hotel sector had a strong start of 2025 in terms of performance, with key performance indicators in the first months being well above the level of the same period last year. Only March measured a slight decline in average room rate and RevPAR, but this was more than compensated in other months. Over the period to April, RevPAR increased by over 3%, which, after a year of stagnation in 2024, shows an upward trajectory again this year, which may continue further into 2025.

HOTEL PERFORMANCE INDICATORS - THE NETHERLANDS

PERCENTAGE CHANGE VERSUS PREVIOUS YEAR



Source: Cushman & Wakefield, STR, 2025. *avg. until April

Looking ahead towards 2026, new uncertainty is emerging. The current caretaker government previously considered increasing the VAT rate on lodging from 9% to 21% from January 1st 2026. To what extent operators can actually pass on the VAT increase to hotel guests remains to be seen. As a result, there is a risk that the expected positive revenue development in 2025 will temporarily come under pressure in 2026. In addition to developments on the revenue side, the cost structure of hotels is starting to normalise. In the Netherlands, a cooling labour market is also providing relief on the cost side. At the same time, the increased use of automation and technological innovations is leading to efficiency gains in operational processes.

Combined with a stronger focus on property sustainability, this results in lower energy costs and a further reduction in operating costs. These factors will contribute to improved margins and overall profitability of hotel operations in 2025 and beyond.

NETHERLANDS
BUILDING ON SOLID FUNDAMENTALS

OUTLOOK

PROVADA EDITION 2025

ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of $9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture.

For additional information, visit www.cushmanwakefield.com.

CUSHMAN & WAKEFIELD