

	YoY Chg	12-Mo. Forecast
8.4% Vacancy Rate	▶	▶
175,000 Take-up 2023, in sqm	▲	▶
€ 600 Prime rent (sqm/year)	▲	▲

ECONOMIC INDICATORS Q1 2024

	YoY Chg	12-Mo. Forecast
1.1% GDP Growth forecast 2024	▲	▲
3.5% Unemployment Rate Forecast 2024	▼	▼
5.25% Prime yield (GIY, incl. buyers' costs)	▲	▶

Source: CPB, Cushman & Wakefield

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INVESTMENT MARKET: sentiment improving as investment activity modestly rebounds

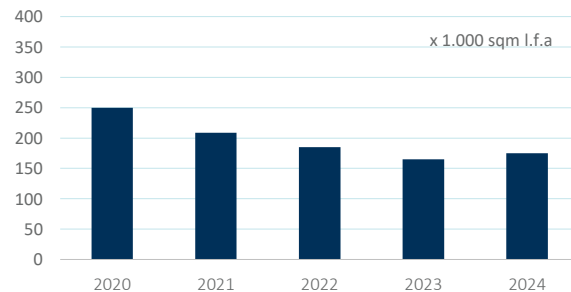
During the first quarter of 2024, the investment volume in the office market recovered modestly from last year's sudden drop in demand, as the current volume registered an 63% increase totaling a volume EUR 317 million accounting for a modest 15% of the total investment volume. This is historically low as other segments like logistics account for 42% of the current first quarter investment volume. Limited investor appetite is witnessed by private individuals and small scale funds, whereas private equity and institutional investors have still not returned to the market.

Investors tend to focus on secured assets, but it proves to be quite difficult to agree on pricing as the bid-ask spread is still significant. Therefore, a rather large proportion of the undertaken sales processes have been terminated as no agreement on pricing could be reached. If best of class office building was to be available and core long term buyer was to be found, a GYI of 5,25% is feasible in today's market conditions. However, investors seem to require higher yields shifting towards the 7% - 7,5% GYI range.

OCCUPIER MARKET: Occupiers focus on high quality office space

In 2024, the take-up of office space amounted to 175,000 square meters, representing an increase of 6% compared to the same quarter in the previous year. Compared to the (post)corona years between 2020 and 2022, the effective demand for office space sits around 20% below previous levels, indicating a structural trend in the office market towards hybrid working. In this setting, office users prefer locations that are easily accessible and where all possible facilities are within reach. However, it's not so much about fewer square meters, but more about a different way of using space in alternative locations. In the broader national perspective, this points to a shift in demand towards specific types of offices: high-quality, sustainable buildings in prime locations in the centers of major cities, both within and outside the Randstad. Approximately 50% of the office space leased in 2024 was located in the five largest cities, with Amsterdam recording the highest uptake as usual, at 33,000 square meters. The improved sentiment thus translated into the broader national context rather than just the local Amsterdam market.

DUTCH OCCUPIER MARKET | Q1 Office take-up



OFFICE YIELD DEVELOPMENT | GIY, incl. buyers' costs

