

NETHERLANDS

Retail Q2 2024



€ 2,450

Prime rent Kalverstraat

YoY Chg



12-Mo. Forecast



10.6%

Population Growth 2050



6.3%

Vacancy Rate



Source: CBS, Locatus, Cushman & Wakefield

ECONOMIC INDICATORS Q2 2024

1.1%

GDP Growth forecast 2024

YoY Chg



12-Mo. Forecast



2.7%

Purchasing Power Forecast 2024 vs 2023



3.0%

Non food turnover 2024 vs 2023



Source: CPB, ING, Cushman & Wakefield

LOCAL MARKET RESEARCH LEAD

Jos Hesselink

+31 (0) 6 29 738 608

Jos.Hesselink@cushwake.com

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INVESTMENT MARKET: H1 volume subdued, while sentiment improves as investors get back to work

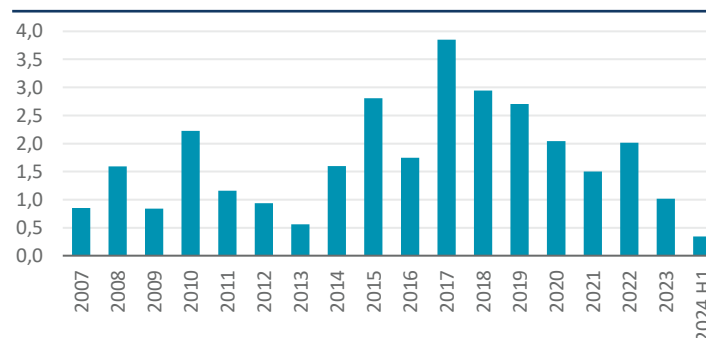
In the first half of 2024, the investment volume in the retail market reached a modest EUR 345 million, which is about stable compared to the H1 volume last year (-5%). However, the retail investment market has been anticipating to the return of private equity which has fueled the belief that more external financing will be issued in the second half of the year subsequently resulting in more investors stepping in.

Investment activity was mainly visible in the convenience segment of the market, although a substantial proportion of the volume was the result of one single High Street trophy asset (EUR 107 mln) transaction. Investment activity has been influenced for some time now by wealthy individuals and family offices investing counter-cyclically through equity. 'Trophy Assets' remain consistently popular due to their lower risk profile and potential emotional attachment among individuals. There is also significant interest in properties with potential for value creation, although this component is currently limited in many cases by high transformation and construction costs. Taking in account the transactions in pipeline, the investment volume in the retail market for 2024 is expected to be around EUR 1.1 billion.

OCCUPIER MARKET: Purchasing power recovers and consumers increasingly spend

As economic growth in the Netherlands is significantly determined by consumer (and government) spending, retailers are believed to profit substantially from increased purchasing power of consumers as the result of wide spread salary increases. An increase in footfall was observed in this part of the shopping streets in 2024 as most High Streets are witnessing the return of pre-covid footfall levels. Partly because of this, both existing retailers and any new international retailers are opting for equivalent retail properties with the same floor areas. This selective demand results in a stabilization of the retail rental levels in 2024, especially in these larger shopping cities. For other parts of the retail market, a decline of rental levels is currently expected in 2024 due to an increase in the available supply. Due to the concentration of the retail market, other areas besides the best part are experiencing an increase in vacancy rates. In contrast to the trend towards online in the supermarket branch, other successful online retailers - including Mr. Marvis, My Jewellery, Coolblue, Fietsenwinkel, and Zalando - are expanding into Bricks and Mortar stores.

RETAIL INVESTMENT MARKET to segment | EUR bln.



RETAIL TURNOVER | change to same month last year (%)

