

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
€50,900 Median HH Income	▲	▲
10.6% Population Growth	▲	▲
3.7% Unemployment Rate	▬	▲

Source: CBS, CPB

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.0% GDP Growth	▲	▲
2.7% Purchase power Forecast	▲	▲
3.0% Retail Sales Growth Nonfood	▲	▲

Source: ING, CPB, CBS

INVESTMENT MARKET

In 2024, the investment volume in the retail market reached a lower than expected €830 million, which is around 19% lower compared to 2023. The retail investment market is currently characterized by relative small-scale transactions with over 75% of the transactions below €10 mln. The return of private equity is delayed to 2025, with the fourth quarter of 2024 only seeing an increase in investor interest, which is expected to translate into actual transaction activity starting in 2025.

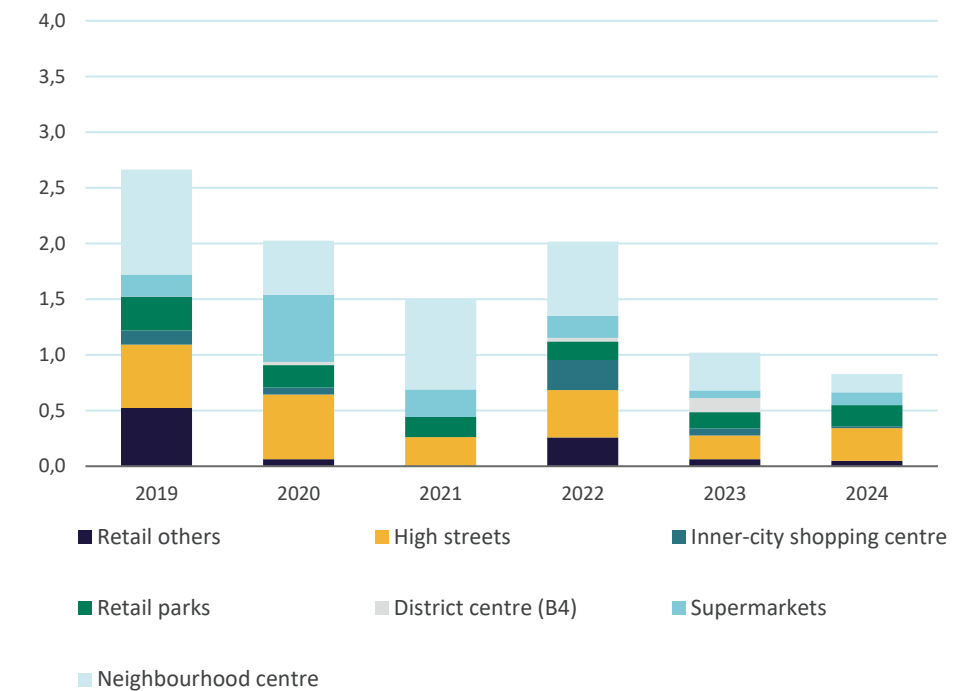
Investment activity was mainly visible in the high street (€265 mln) and convenience segments of the market (€153 mln). The convenience market is characterized by sustained demand and limited supply. Institutional investors are very active in this segment of the investment market, in which they focus exclusively on longer-term investments. Sustainability improvement options are an increasingly important point of attention in this market.

OCCUPIER MARKET

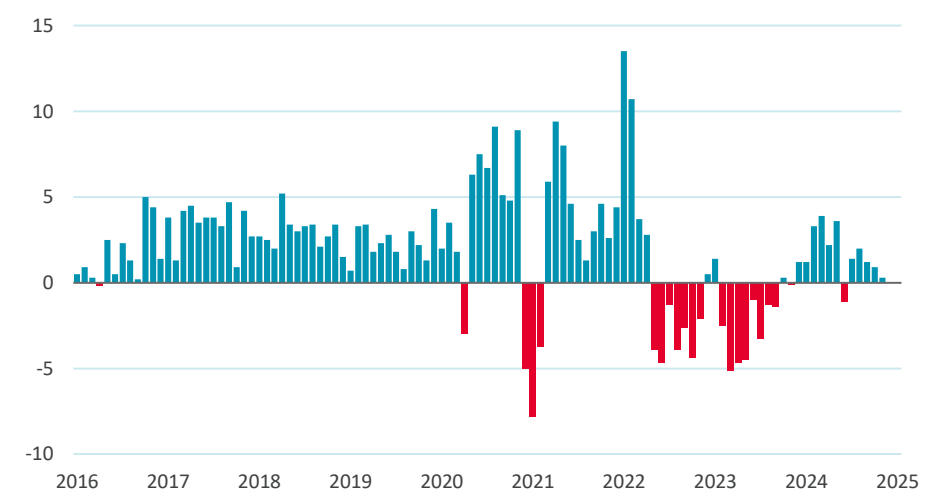
In 2024, economic growth in the Netherlands was significantly fueled by consumer (and government) spending. Footfall figures in the high streets and shopping centers have practically been restored to their 2019 levels. Retailers profited substantially from increased purchasing power of consumers, however purchasing power growth is expected to be 0,7% in 2025. However, while turnovers are at a minimal increase at the end of 2024, they are expected to recover throughout 2025.

Retailer exploitation costs are rising as well. Retailers are struggling with wage increases propelled by low unemployment and a significant increase of the minimum wage. Postponed tax returns and payback of covid support resulted in an increased number of bankruptcies, which will continue in 2025. In contrast to the trend towards improving online in the supermarket branch, successful nonfood online retailers, including Mr. Marvis, MyJewellery, Coolblue, Fietsenwinkel, and Zalando, are expanding into brick-and-mortar stores.

RETAIL INVESTMENT VOLUME (IN € BLN.)



RETAIL TURNOVER (% CHANGE)



Source: Cushman & Wakefield, CBS