

Sprekende Cijfers

Office Markets

Take-up volume

1.403.000 m²

11% INCREASE COMPARED TO 2016

Transformation volume

-41%

DECREASE COMPARED TO 2016

Available supply 1 january 2018

5.292.000 m²

15% DECREASE COMPARED TO 2016

Number of transactions

1.841

150 TRANSACTIONS MORE THAN IN 2016

The Dutch office market in 2017

The economic downturn on the office market is definitely behind us. The entire sector has seen a clear upturn in 2017. Better alignment between supply and demand over the last few years has created a more stable market. The continuing economic recovery is leading to a more dynamic office market. Increasing productivity and staffing is increasing demand among companies for more space and is leading to improvements being made in the quality of the stock. However, a high quality supply must be created at current locations if the quality demands of commercial property users are to be met. To date, the market dynamics are only apparent to a limited extent in new developments. Furthermore, 2017 has shown that the Dutch office market is moving at different speeds. The large centres in the Randstad are clearly leading the pack, and this year they are forging even further ahead. The forecasts may be just as positive in other regions, but the speed is less dramatic.

10% more take up of office space

In 2017, 1.4 million m² of office space was taken up in the 27 regions analysed. This represents a 10% increase in the total volume compared to 2016. Of this, 12% of the volume was small surface areas, amounting to 168,000 m². In 2016, offices with small surface areas had a larger share of the total take-up volume than in 2017. The decreasing share of small surface areas is largely due to the growth of the take-up volume of offices with large surface areas. This volume increased by 12%.

In 2017, the take-up increased in 16 of the 27 regions compared to the previous year. There was less take-up in 10 regions, and there is no data about the Venlo-Venray region for 2016. The differences show that the general Dutch market environment cannot be projected onto the regional commercial markets. The increase in national take-up is primarily due to growth in the regions outside the four large cities. Together, take-up growth in the large cities was 8% in 2017, while this was 15% in the other areas. The take-up volume stabilised in Amsterdam this year. In the face of a shortage of quality supply, the strong dynamics of 2016 stalled. The opposite seems to be the case for Utrecht, which appears to have had a more rapid growth. In 2017, 25% more metres were taken up by the market there. Utrecht is largely the fall-back location when the office market in Amsterdam falls short. The combined share of the four large cities is still almost two thirds of the total take-up volume. Despite the lower take-up volume, the demand and dynamism of offices is still largely concentrated in this geographic part of the market..

Take-up

	2012	2013	2014	2015	2016	2017
Amsterdam	275	276	291	255	449	469
Utrecht	96	126	139	109	121	152
Rotterdam	98	117	118	175	116	139
The Hague	108	144	157	128	126	120
Total G4	576	664	705	666	812	881
Eindhoven	35	38	39	45	69	62
Amersfoort	27	49	34	28	28	50
Den Bosch	36	44	33	17	41	34
Enschede	27	29	27	28	34	33
Nijmegen	26	27	25	25	20	29
Groningen	25	17	32	23	21	28
Heerlen	5	2	10	3	4	28
Breda	14	19	33	24	34	28
Zwolle	13	23	25	41	21	27
Apeldoorn	17	17	19	26	18	26
Drechtsteden	17	21	8	17	18	22
Almere	11	17	30	25	16	20
Leeuwarden	2	4	14	16	14	20
Arnhem	31	25	34	18	22	19
Maastricht	13	13	12	17	16	17
Zaansstad	7	4	12	24	22	16
Alkmaar	17	12	10	19	18	16
Tilburg	14	14	13	15	9	11
Deventer	7	19	17	17	10	9
Assen	7	9	7	15	8	8
Hengelo	15	8	11	11	11	8
Venlo / Venray	-	-	-	-	-	6
Sittard	3	7	8	5	1	4
Total Other	365	408	442	453	453	522
Total Netherlands	942	1.072	1.148	1.120	1.265	1.403

Take-up of office space (x 1,000 square meters of lettable floor area per district).
A lower limit of >250 m² applies to the four major cities

More effective take-ups

During the economic downturn, much of the take-up volume was by companies that moved from large office blocks to smaller floor areas. However, over the last few years, the number of effective take-ups – office users that take more office space than they leave behind – has grown. Entities are now renting or buying more space than they used before. Start-ups and freelancers that are first time office occupants have also contributed to the effective take-up. In times of cyclical downturns, small entrepreneurs mostly opt to work from home or to rent flexible office spaces in business centres. When their income is assured, more entrepreneurs dare take the step to their own office space in buildings that complement their business image. Should they postpone their take-up of office space in the next few years, it will be because of a shortage of suitable premises rather than because of economic insecurity. The kitchen table and the coffee bar will remain workspaces for freelancers in a office market that is not working as it should.

The current economic growth means an increase in the staff component for many companies, and initially a more intensive use of space. During the crisis, many desks and rooms became vacant. It can be assumed that these 'hidden' empty spaces have since been absorbed to facilitate the growth of the companies. If the companies further grow in the near future, they will see the size limitations of their properties. If they wish to continue developing their economic activities in the future, they will have to find larger premises to meet their growing need for space.

High take-up rates of small surface areas

Compared to 2016, last year saw a small growth of 3% in the take-up volume of small square metres. This is significantly less than the 26% growth in 2016. The increase in 2016 was seen both in the four main cities as well as in the regions. However, in 2017, the take-up volume shrank in the regions outside the four main cities. Nevertheless, the take-up volume figure is positive given the increase in take-up volume in the large cities. Effective take-ups mostly emerge in the small square metres market. The demand for small square metres is therefore on top of the existing demand, and this ultimately has an impact on the volume of stock available.

The strong attraction of the large cities for start-ups and small, often creative, enterprises, explains the high level of movement of small square metres in the four main cities. A dynamic environment with plenty of adjacent facilities is a strong locational pull factor. The proximity of similar companies with their potential knowledge spill-over is seen as an important aspect in deciding where to locate a business. Having a range of suitable spaces in highly urbanised areas on offer is imperative to becoming a magnet for this type of company. Incubators close to universities are instruments that embed and share the knowledge held in a city.

Small square metres take-up

	2012	2013	2014	2015	2016	2017
Amsterdam	29.000	29.300	32.150	17.800	48.050	39.050
The Hague	11.600	11.650	21.400	16.200	16.450	19.850
Utrecht	16.600	14.100	17.700	20.600	6.650	19.000
Rotterdam	16.700	15.000	15.500	9.000	8.600	14.150
Total G4	73.900	70.050	86.750	63.600	79.750	92.050
Breda	5.300	4.900	4.600	5.800	4.950	8.400
Amersfoort	4.500	4.650	5.200	6.400	5.950	7.000
Apeldoorn	3.950	2.100	3.200	4.150	3.750	6.250
Eindhoven	6.300	7.100	4.700	4.900	14.100	5.700
Almere	2.700	500	2.100	3.450	5.050	4.750
Nijmegen	3.200	4.500	3.700	6.450	12.200	4.700
Alkmaar	-	-	-	-	3.750	3.800
Enschede	2.200	4.100	4.400	5.050	1.950	3.800
Zwolle	4.200	3.800	5.050	3.900	2.700	3.550
Groningen	3.750	2.700	3.300	5.100	3.200	3.450
Drechtsteden	2.200	2.700	3.700	4.100	4.700	3.300
Deventer	1.400	3.200	2.600	1.600	1.900	3.250
Tilburg	1.600	400	750	1.900	1.650	3.100
Zaandam	-	-	-	-	4.200	2.950
Maastricht	1.200	850	1.750	1.550	2.200	2.850
Den Bosch	2.000	2.300	2.250	3.950	3.850	2.400
Arnhem	4.600	1.900	3.450	1.800	3.500	2.250
Hengelo	1.250	2.250	1.250	2.400	1.650	2.000
Leeuwarden	200	150	850	2.000	1.800	1.100
Heerlen	750	350	400	650	450	600
Assen	1.500	1.200	1.300	1.700	600	450
Sittard	-	-	-	-	350	400
Venlo / Venray	-	-	-	-	-	300
Total Other	52.800	49.650	54.550	66.850	84.450	76.350
Total Netherlands	126.700	119.700	141.300	130.450	164.200	168.400

Number of square meters take-up of small office space (four major cities 250–500 m² and other <250 m²)

Transactions

	Transactions	Average take-up size
Amsterdam	330	1.422
Rotterdam	119	1.169
Utrecht	135	1.126
The Hague	116	1.038
Total G4	700	1.258
Amersfoort	100	502
Breda	96	290
Apeldoorn	81	324
Eindhoven	69	898
Nijmegen	69	420
Enschede	68	488
Almere	67	304
Zwolle	65	422
Zaandam	62	262
Drechtsteden	61	361
Groningen	56	508
Alkmaar	53	302
Den Bosch	47	733
Arnhem	42	450
Maastricht	37	454
Deventer	35	251
Tilburg	35	317
Hengelo	29	260
Leeuwarden	19	1.063
Heerlen	15	1.873
Assen	15	533
Venlo / Venray	11	568
Sittard	9	394
Total Other	1.141	458
Total Netherlands	1.841	762

Number of transactions in 2017 including average unit size (m²)

Increase in rents not expected

The median rent in 2017 increased slightly to € 117 per m² per annum, compared to the previous year's median of € 115 per m² per annum. Rents have been stable for several years. During the economic crisis, the square metre price of commercial premises actually decreased because of a drop in demand and an oversupply of premises. At national level, the increasingly dynamic office market had a limited effect on the rents in 2017. At local level, rents can be significantly higher, with the top of the scale being the Zuidas (Amsterdam) with rents of € 350 to € 450 per m². Investments in the mandatory energy performance grade C will affect rents over the next few years (see below). The investment costs will be passed onto tenants and may result in proportionately high rental increases in the low rental and lower energy performance grade sectors.

Supply drop of 15% because of effective take-up

On 1 January 2018, there was 5.3 million m² of available office space in the 27 Dynamis regions. This supply had decreased by 15% in 2017. It should be noted that with the addition of the Venlo-Venray region, the number of regions assessed will increase from 26 to 27 in 2018. This means that the total annual volumes should not be compared one to one. Even when the new region is taken into account, there is still a decrease of 16%. If the current supply is compared to the high point in 2015, three years ago, there is a decrease of 27%. The total supply at the time was more than 7.2 million m². Even with the correction for the regions then analysed, the supply has even decreased by 29%. This means that almost one third of the commercial square metres that was for rent or for sale has been removed from the market over the last few years.

On the whole, the supply is significantly decreasing, but there are clear differences between regions. The supply is decreasing by 18% in the four main cities, while this figure is 12% in the other regions. In contrast to previous years, the biggest decrease in supply was not in Amsterdam, but in The Hague. This year, the available office space in The Hague is 24% lower than in 2017. The slower decrease in the supply in Amsterdam points to a shortage in the market that is continually becoming higher whereby the gap between the quality needs of office users and the remaining supply is widening.

In the previous year, there was still a growing supply in eight regions. In 2018, only three regions have more office metres on offer than in the previous year. The highest increase in the number of metres on offer was in Assen. In this case, it is primarily health care state and parastatal entities that are vacating more office space than they are occupying, thus generating an increase in the available office space in this municipality in the province of Drenthe. This includes more than 2,000 m² of office space that has been vacated by the Public Prosecution Service.

Supply

	2013	2014	2015	2016	2017	2018
Amsterdam	1.350	1.700	1.793	1.510	1.151	1.019
Rotterdam	913	1.023	1.017	976	940	758
The Hague	817	1.023	1.084	1.130	887	675
Utrecht	640	695	687	681	631	498
Total G4	3.720	4.441	4.581	4.297	3.609	2.950
Eindhoven	264	251	272	271	266	262
Amersfoort	215	233	217	306	256	246
Almere	232	214	233	212	223	227
Arnhem	179	196	208	203	199	160
Zwolle	129	162	192	190	177	144
Apeldoorn	144	193	162	150	136	111
Groningen	130	154	139	103	126	102
Breda	108	135	136	148	131	98
Enschede	97	108	107	100	100	96
Den Bosch	159	153	159	135	114	95
Hengelo	82	87	103	105	104	88
Drechtsteden	116	116	119	90	95	83
Deventer	89	107	91	105	106	82
Leeuwarden	106	126	110	100	89	78
Tilburg	74	105	96	98	82	75
Maastricht	103	93	101	93	93	72
Nijmegen	69	101	105	76	76	67
Assen	43	53	53	46	50	57
Heerlen	85	90	77	59	62	57
Alkmaar	-	-	-	-	87	50
Venlo / Venray	-	-	-	-	-	33
Sittard	23	25	24	28	30	30
Zaandam	-	-	-	-	50	29
Total Other	2.447	2.702	2.704	2.617	2.603	2.342
Total Netherlands	6.167	7.143	7.285	6.915	6.212	5.292

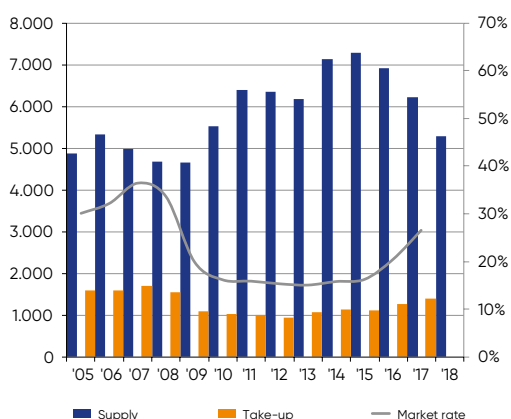
Supply (x 1.000 m² square meters of lettable floor area as of January 1st 2018)

Healthy office market ratio grows to 27%

The increasing take-up volume in the assessed regions has an impact on the office market ratios. The office market ratio shows the relationship between the take-up volume in a particular year and the available supply at the end of the year. It makes the connection between supply and demand in the various regional office markets more transparent. Across the regions, the ratio was 27% in 2017. Compared to 2016, the market ratios of all the office markets together have become healthier by a seven percentage point..

The office market ratios reflect a office market that is moving forward at different speeds. The leaders – such as Amsterdam, Utrecht and Zaanstad – performed very strongly in 2017. The demand for quality in these regions is rarely reflected in the available supply, and scarcity is a pressing issue for a part of this group. It appears that another group of regions is finally finding a way forward after years of economic downturn, and the years of unoccupied office space seem not to have had a negative effect on the dynamism of the market. Amersfoort, Den Bosch and Enschede, for example, are entering a healthier market scenario. Finally, some regions are only seeing limited benefits of the economic recovery. These are areas that are not widely valued as business locations. In Assen, Hengelo and Almere, there are signs of recovery, but the market dynamics lag far behind those of the leaders. The office market can thus be divided into three, whereby some regions benefit greatly from the economic recovery; some regions are being pulled in the wake of the aforementioned regions; and the rest remain behind. The forecast for 2018 is that this polarisation in the office market will continue, resulting in increasing rents in the desirable areas and stable rents in the less desirable areas.

In the record years of 2015 and 2016, many square metres were withdrawn from the supply because of redevelopment. In contrast to previous years, the drop in supply this year will not be mostly caused by redevelopment projects. Instead, the drop is related to the high rate of take-up in many of the regions. In 2017, effective take-ups played an important role in reducing the supply..



Take-up and supply in
square meters lettable floor area
(x1000)

Office market ratio

	2012	2013	2014	2015	2016	2017
Amsterdam	20%	16%	16%	17%	39%	46%
Utrecht	15%	18%	20%	16%	19%	31%
Rotterdam	11%	11%	12%	18%	12%	18%
The Hague	13%	14%	15%	11%	14%	18%
Total G4	15%	15%	15%	16%	23%	30%
Zaandstad	-	-	-	-	43%	55%
Heerlen	6%	2%	13%	6%	6%	50%
Nijmegen	38%	27%	24%	33%	27%	44%
Den Bosch	23%	29%	21%	13%	36%	36%
Enschede	28%	27%	25%	28%	34%	34%
Alkmaar	-	-	-	-	21%	32%
Breda	13%	14%	24%	16%	26%	28%
Groningen	19%	11%	23%	22%	17%	28%
Drechtsteden	14%	18%	7%	19%	19%	27%
Leeuwarden	2%	3%	12%	16%	16%	26%
Eindhoven	13%	15%	14%	17%	26%	24%
Apeldoorn	12%	9%	11%	17%	14%	24%
Maastricht	13%	13%	12%	18%	17%	23%
Amersfoort	13%	21%	16%	9%	11%	20%
Zwolle	10%	14%	13%	21%	12%	19%
Venlo / Venray	-	-	-	-	-	19%
Tilburg	18%	13%	13%	15%	10%	15%
Assen	16%	17%	12%	33%	15%	14%
Sittard	11%	30%	32%	17%	3%	12%
Arnhem	17%	13%	16%	9%	11%	12%
Deventer	8%	18%	19%	16%	10%	11%
Almere	5%	8%	13%	12%	7%	9%
Hengelo	18%	9%	10%	10%	11%	9%
Total Other	15%	15%	17%	17%	17%	22%
Total Netherlands	15%	15%	16%	16%	20%	27%

Office market ratio (ratio of occupancy to availability) by region

Limited supply is an obstacle to market dynamics

The declining supply of office space is creating a shortage in some areas. Office users are unable to find what they are looking for in terms of quality, rent and location. This is especially apparent in centrally located areas close to public transport hubs in the larger urban areas of the Randstad. The space that is available in these municipalities is outdated, not in a suitable location or the rent has become too high for the user.

If they want their needs to be met, these office users are forced to look for alternative locations outside the large municipalities in the Randstad. This trend can be seen in the drop in supply in Amsterdam and the concomitant increase in take-up in areas such as Haarlemmermeer (Hoofddorp) and Amstelveen. It appears that the large cities are losing the first wave of additional economic activities to neighbouring municipalities. These municipalities themselves then benefit from the shortage in the office market by presenting themselves as attractive alternatives. They do this by raising the quality of their existing stock or by creating high quality new options. The precondition though, is that these locations are in close proximity to public transport hubs.

At a higher level, some cities, and Amsterdam in particular, are not competing with their adjacent municipalities, but with other European cities. The shortage of suitable supply in the four main cities of the Netherlands for international players, means that these companies are choosing premises at the international level. This has a direct impact on the Netherlands' image as a desirable international location. This is especially important in the face of the approaching Brexit. In the case of the European Medicines Agency (EMA), the attractive business climate of Amsterdam and the Netherlands was an important pull factor in choosing to locate at Amsterdam's Zuidas. In this case, the limited supply of commercial properties was not an issue as the tender for EMA's premises guaranteed availability by way of a tailor-made new development. Multinationals, however, are not given this guarantee, so that the current supply and the opportunities for new developments in many cases are the reasons for location preferences. Vis-à-vis multinationals, its shortage of suitable office space is causing Amsterdam to lose out to other European cities. One consideration would be to expand Amsterdam's office stock more quickly to benefit the Dutch economy. One way to ensure that multinationals commit to the Netherlands in the long term is to offer multi-year rental contracts.

Quality improvement in the current stock forecast

The current movement on the office market is mostly driven by upward mobility in the various quality segments. If companies move, they mostly opt to move to a better quality building than their present one. This causes an accumulation of lower quality premises in the supply. If there is not enough competitive supply, many office users will not move and will feel pushed into extending their current rental contracts instead of moving.

To meet the demand in quality, existing offices need to be renovated. The increasing shortage in the higher quality segments of the markets means that more and more owners are prepared to invest in their properties to increase their rental potential. On the other hand, the now statutory energy performance grade is requiring the lower end of the office market to improve quality. Apart from taking energy saving measures, the entities undergoing renovation are also expected to make other improvements such as to the appearance, comfort or longevity of the premises. This will only improve the lower end of the supply's quality and rental potential.

New property developments are gradually improving the quality of the stock. Still, it seems that the lowest point in the issuing of office permits was reached in 2016. The number of permitted square metres in 2016 was only one sixth that of 2008. The number of permits and the reported surface areas show an upward trend in 2017. The new office development market appears to be cautiously recovering, but the large building volumes of the pre-crisis years are still far away.

Mandatory energy performance grade is leading to significant improvements in quality

As previously mentioned, in the interests of sustainability, the office market will be subject to mandatory energy performance grade. The Government is intending to make an energy performance grade C mandatory in 2023 for the entire office supply, excluding historic listed buildings. If the building does not meet this sustainability standard, it may not be used as office space. Apart from the exception for historic listed buildings, other buildings that are also exempt include office areas that are used for secondary functions (<50% user surface area is used as an office), and buildings that will be demolished, redeveloped or expropriated within two years. It is estimated that 52% of the square metres of office space still has a D grade or lower. The 'Economisch Instituut voor de Bouw' (EIB, economic institute for construction and housing) has calculated that the total costs to convert all the offices with a D or lower grade to a C grade will cost between € 946 and in excess of € 1 billion. The costs per square metre to attain a C grade is estimated to lie between € 9 from a D grade downwards to € 57 for a G grade downwards. However, these costs will vary enormously between buildings depending on the technical condition of the building and the feasibility of implementing the standard.

This standard is an important step in reducing the energy consumption of the office stock and in attaining the Paris Agreement. In terms of energy consumption, it will clean up the lower end of the property market in the next few years. The fact that energy performance certificates are being applied for, shows that building owners are engaged in improving the quality of their property. Up to November 2017, there was a 70% growth in the number of square metres with a registered certificate, compared to 2016. It was primarily offices with large square metres that had their buildings assessed in 2017. The average surface area per registered building increased by about 30% between 2016 and 2017. The larger property owners and professional property managers appear to have started taking action as a result of the legislation. Unsurprisingly, the growth in the number of registered certificates is concentrated in the green certificates. The number of square metres that have registered a green certificate (grade C or better) has grown by more than 80% in 2017 compared to 2016. Despite the increase in the number of energy performance certificates issued, great efforts still need to be made to green the entire office stock within five years.

Before this can happen, some factors need close examination. The regulation will probably contain a hardship clause that will exempt those whose return on investment will exceed 10 years. Equally, in other energy regulations, it is as yet unknown how the return on investment will be calculated. Entities that are reluctant to take action towards energy savings can use the unclarity to avoid making changes. On top of this, there is an unequal playing field for office users – the return on investment time for the same amount of effort can vary widely because of the difference in the price of energy between small-scale and large-scale users. The question also arises as to the extent that the C grade standard requirement by 2023 will lead to disinvestments in the distant future. The packages to bring buildings up to the C grade largely offer 'no regret' clauses should an A grade become the norm in 2030. However, in the quest for an energy neutral stock, taking aforementioned intermediate steps is unwise.

Supporting policies for mandatory C grade desirable

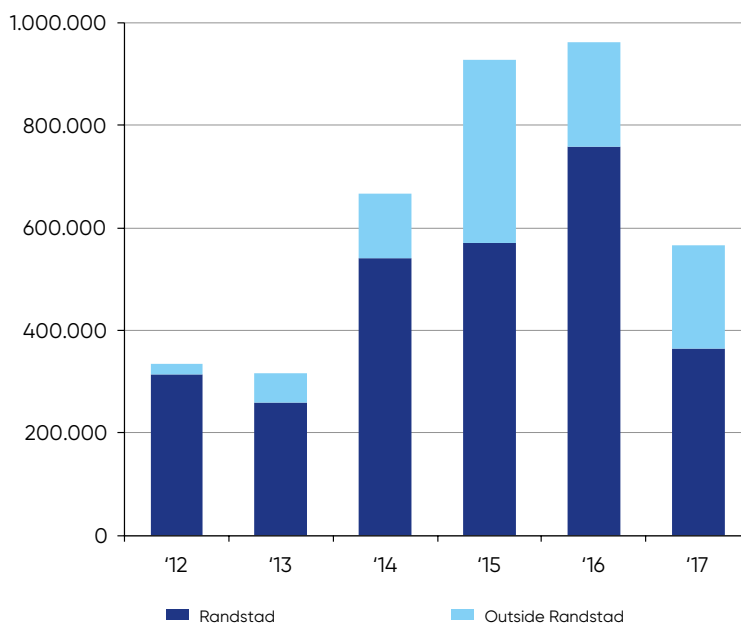
Part of the office market will be unable to bear the costs of upgrading to the C grade. Initial calculations put this at about 720,000 m² office space. The owners will be forced to quickly write off their obsolete property. This property has low rental prospects and low margins. They are often the vulnerable, vacant or partly vacant buildings in unattractive locations. The costs cannot be passed on to prospective tenants and the investments to make the property energy efficient will not make it more attractive to rent.

Properties that cannot be rented out anymore because of the mandatory C grade standard, risk remaining empty. To date, there is no supporting policy proposed to limit the negative effects of this 'hopeless' property. Removing them from the office market to convert them into residential buildings is not usually an option given the often mono-functional location. To address the negative social effects of vacant office buildings, the authorities could set up facilities to remove the building from the stock. These could be a demolition fund, a deposit scheme or a disused building contact point where owners can hand in the keys.

The record years of redevelopment come to an end in 2017

Very many square metres have been removed from the commercial property stock over the last few years for redevelopment. In the record years of 2015 and 2016, 927,000 m² and 963,250 m² respectively were redeveloped in the Netherlands. In 2017, these high volumes were not reached; instead there was a striking drop in the number of redevelopment initiatives. The volume that was redeveloped in 2017 was about 565,000 m², a drop of about 41% compared to the previous year. This makes it the lowest volume since 2013. This low level of redevelopment was caused by the strong reduction in the number of redeveloped metres in the Randstad where the volume was more than halved. Outside the Randstad, the number of redeveloped square metres is comparable to that of 2016, about 200,750 m².

Redevelopment volume



Transformation volume (square meters) to location of the office 2012–2017

Municipalities

Randstad

- 1 Amsterdam
- 2 The Hague
- 3 Utrecht
- 4 Rotterdam
- 5 Nieuwegein

Outside Randstad

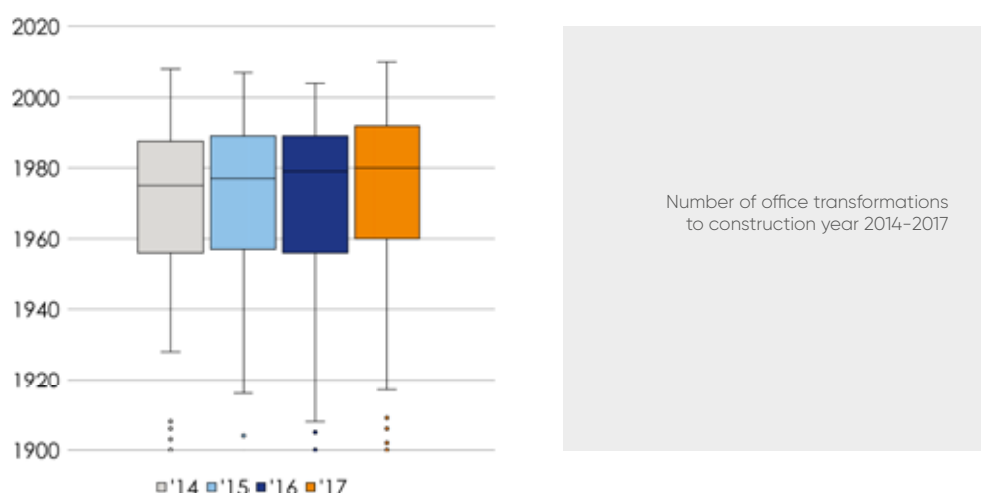
- 1 Arnhem
- 2 Eindhoven
- 3 Apeldoorn
- 4 Groningen
- 5 Den Bosch

The top 5 is compiled on the basis of the total transformation volume in the period 2012–2017

There is a clear shift in the redevelopment usage of commercial square metres. In 2015, 76% of the surface areas was redeveloped for housing. Because of the severe increase in demand for housing, in 2016 the share of redeveloped commercial properties for housing jumped up to 92%. Despite the increasing pressure of the residential market in 2017, only 66% of the redeveloped commercial properties was destined for housing. The smaller proportion of redevelopment into residences is not linked to lower demand, but to the assets of the buildings available. The vacant offices at suitable residential locations have mostly already been redeveloped, so that fewer and fewer buildings suitable for residential purposes are left. In contrast, the proportion of redevelopment into hotels or multi-functional uses has increased.

Apart from a decrease in the number of redevelopments for the residential market, there is also a clear shift in the construction years of the redeveloped objects. Previously, offices built between 1960 and 1990 were considered suitable for refurbishment because of their internal layout. Nowadays, buildings from the 1990s and even those of after 2000, are redeveloped. The consequences of using up older buildings with high refurbishing potential, is that more and more newer buildings are being refurbished. This trend is clearly visible in the median construction year of the redeveloped offices. In 2014, the median construction year was still 1975. Since then, the year has crept up to 1980. In the Randstad in particular, this trend is clearly visible. In this region, the median construction year in the last four years has increased from 1972 to 1988. In 2017, half of the redeveloped projects in the Randstad were buildings of less than 29 years old. Outside the Randstad, because the redevelopment market started somewhat later here, the trend is less visible. But even in these areas, now an increasing share of the relatively old office blocks have already been redeveloped, it is only a question of time before the median construction year of the redeveloped objects increases here too.

Construction years of redeveloped objects



Decrease in redevelopment volume expected in next few years

Since the redevelopment market took off in 2012, about 3.8 million square metres have been withdrawn from the office stock for redevelopment, and by doing so a significant part of the total redevelopment potential of the office stock in the Netherlands has been utilised. The forecast is that in the next few years the redevelopment volume will remain at a comparable level as in 2017. Apart from the decrease in established redevelopment volume, both the trend of using newer buildings and the decrease in the share of redevelopment for the residential market confirm that the easy conversion objects have already been redeveloped, especially in the Randstad. The redevelopment plans in the cities outside the Randstad ensure that the annual volume will not further drop. However, they will definitely not be enough to come anywhere near previous records.

That the office blocks in the current supply have less redevelopment potential is not only because of unsuitable building qualities. Many of the offices that will be available for potential redevelopment in the next few years are often located in areas that are not suitable for housing, such as mono-functional office parks or those adjacent to motorways (due to sound pollution). The option value of offices is however the most important reason that less redevelopment is taking place. The building must generate a higher income in its new usage than it did as an office. Furthermore, this difference must be big enough to cover the redevelopment costs. The business case for redevelopment is currently rarely attractive. A strengthening office users' market is increasing the chance to let, making redevelopment in the near future less attractive.

District redevelopment creates potential in the long term

Where there is a visible reduction in the volume of single asset redevelopment, there is much potential for district redevelopment. In district redevelopment, the municipality uses the strong market demand for housing to diversify or restructure obsolete office locations into mixed residential and business areas. An entire office complex is designated as a redevelopment area, and the municipality plays a facilitating role by being flexible with zoning and supporting efforts to improve the area.

District redevelopment to turn commercial locations with obsolete buildings into attractive areas is being done in several municipalities. For example, in Amsterdam the previously mono-functional Sloterdijk station area and the commercial areas of ArenAPoort and Amstel III in Zuidoost were turned into liveable mixed residential and business areas. Outside the capital city, this development is also underway. In Hoofddorp, the dated Beukenhorst-West is being redeveloped, while in Amersfoort the municipality has allowed commercial area 'De Hoef' to be redeveloped and the market is responding positively. But it is not only in the Randstad that areas with high levels of obsolete buildings are being addressed. The municipality of Lelystad, for example, has defined a plan to turn the run-down Lelycentre into homes. The municipality is facilitating the buildings' owners to jointly turn about 40,000 m² of obsolete offices into homes.

District redevelopment ensures that office buildings that are not suitable for single asset redevelopment will still be used in another way. Buildings in mono-functional locations will seldom be successful when turned into single-use buildings, but when the entire area is addressed, they have potential. Consequently, district redevelopment often increases the total redevelopment potential. Compared to single asset redevelopment, district redevelopment is a long-term process. Its impact will scarcely be visible in the short term in the total volume of redevelopment. In the long term, this type of redevelopment will withdraw many square metres of office space from the stock for new usages.

Amsterdam

- 1 Amsterdam Centrum | Centre
- 2 Amsterdam Noord | North
- 3 Amsterdam West | West
- 4 Amsterdam Oost | East
- 5 Amsterdam Zuidoost | South East
- 6 Amsterdam Zuidelijke IJ-oever
- 7 Amsterdam Zuidas
- 8 Diemen
- 9 Amstelveen
- 10 Hoofddorp
- 11 Badhoevedorp
- 12 Schiphol



Take-up volume

469.100 m²

Available supply

1.019.300 m²

Office market ratio

46%

Number of transactions

330



The office market in the region of Amsterdam was highly dynamic in 2017, just as in 2016. The take-up volume increased by 4.4% compared to the previous year. Unusually, it was in the adjacent municipalities around Amsterdam, rather than in the municipality of Amsterdam itself, where the take-up volume increased most strongly (+23.4%). The high take-up volume over the past few years combined with the high number of withdrawals in the last five years have left the available office space at a comparable level to 2003. The limited availability is now also resulting in the demand in the market not always being met. This largely applies to demand for space of at least 3,000 m².



While previous years saw a very high number of initiatives for redevelopment in areas such as Amsterdam Zuidoost, Sloterdijk I and Teleport, this number was lower in 2017. Many of these initiatives are now being developed and are an important contribution to facilitating the increase in the city's households. Apart from this, these developments greatly contribute to the creation of many multi-use areas, which in turn is part of the reason that these work locations are so popular. The wide range of uses of buildings coupled with flows of passers-by provides enough reason to establish new facilities such as hospitality and retailers. These provide an economic stimulus to the area.

However, there is another side of the coin. The high number of withdrawals on the office space market and, to a lesser degree, on the office market is severely limiting the available supply for business. The municipality would like to see commercial uses being included in redevelopment projects to encourage a higher quality supply instead of a higher quantity of supply. In order to maintain the overall economic growth of the Amsterdam region however, this must be adequately facilitated in the region. To this end, thought must be given to new work locations or the expansion of existing work locations if the city is to remain attractive as a location in the long term.

Low supply availability leading to relocation postponement

On 1 January 2018, there was 1,019,300 m² of office space available for rent or sale in the region of Amsterdam. This included 691,200 m² of office space in the municipality of Amsterdam and 328,100 m² in the adjacent municipalities of Haarlemmermeer, Amstelveen and Diemen. This continues the downward trend in available supply that started in 2015. The available supply has just about halved compared to its peak in 2015. The forecast is that the redevelopment projects in Zuidoost and Sloterdijk will have a further impact on the supply volume.

Supply developments

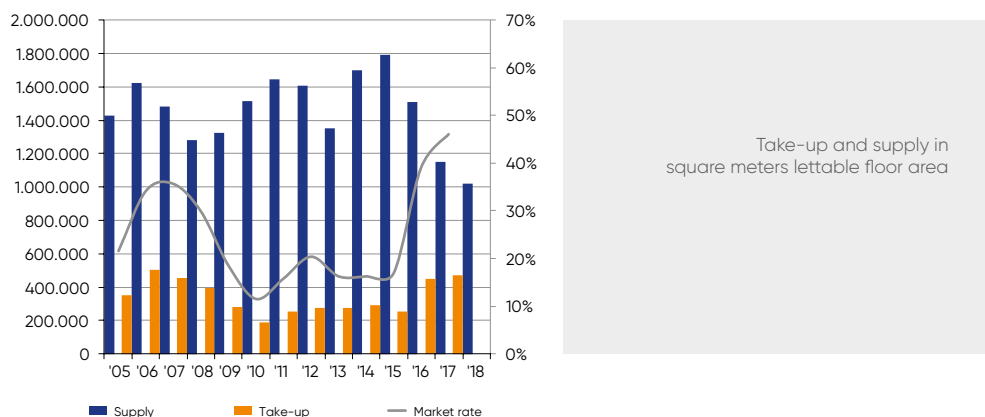
	2013	2014	2015	2016	2017	2018
Amsterdam Centrum Centre	138.500	147.500	144.100	119.250	118.850	129.850
Amsterdam Noord North	30.900	51.150	57.250	53.350	36.550	27.800
Amsterdam Oost East	72.700	90.300	102.000	66.250	57.200	26.800
Amsterdam West West	383.500	413.200	372.400	322.550	259.800	249.450
Amsterdam Zuidas	102.500	130.600	170.800	210.400	160.850	134.550
Amsterdam Zuidelijke IJ-oever	38.000	47.900	36.700	20.900	8.500	3.550
Amsterdam Zuidoost South East	289.100	330.900	385.350	274.450	176.650	119.200
Amsterdam	1.055.200	1.211.550	1.268.600	1.067.150	818.400	691.200
Amstelveen	110.000	164.550	204.500	167.750	102.150	81.650
Badhoevedorp	10.900	32.550	24.750	11.950	6.150	9.950
Diemen	15.400	21.200	25.650	10.300	12.700	12.750
Hoofddorp	101.200	180.000	180.900	172.850	138.850	133.200
Schiphol	56.900	90.400	88.750	80.400	72.250	90.550
Other	294.400	488.700	524.550	443.250	332.100	328.100
Region Amsterdam	1.349.600	1.700.250	1.793.150	1.510.400	1.150.500	1.019.300

Supply of office space ≥500 square meters of lettable floor area per district as of January 1st

Strikingly, the available supply in the centre of Amsterdam over the last few years has remained at a comparable level, while the decrease in the available supply is strongest in the relatively cheap work areas such as Amsterdam Zuidoost, Amsterdam West (including Sloterdijk) and Amsterdam Oost (Amstel). While this can be partly ascribed to the withdrawal volumes, the changes made to these work areas are making them more popular among office space users, triggering an increase in take-up volumes.

The relative scarcity in Amsterdam is also pushing office space users to look for premises outside the municipality. This trend can be seen in the drop in supply and rise in take-up in places like Haarlemmermeer (Hoofddorp) and Amstelveen. This trend clearly emphasises the potential of the demand and as such, Amsterdam is likely to lose the first economic activities to neighbouring municipalities. Looking in the long term and at a larger scale, this trend could also have a negative impact on the attractiveness of Amsterdam for international companies.

The fact that EMA chose to locate at Amsterdam's 'Zuidas' was largely to do with the location-specific advantages of Amsterdam and the Netherlands in themselves, as well as availability of suitable space. As the tender to EMA guaranteed space in a tailor-made newly built office, this was a strong advantage in EMA's choice of locating in the Netherlands. This guarantee of availability is not made to other multinationals though, making the current supply and opportunities for new developments the prime considerations for location. Amsterdam will then lose out, raising the question whether the rigorous attempt to expand in order to attract multinationals should not be let go in favour of the Dutch economy. It must also be borne in mind that locating in the Netherlands entails a long-term commitment. This could be through entering a multi-year rental contract, which is seen as standard practice in several surrounding countries.



Take-up volume high, region benefits from the scarcity

The take-up volume in 2017 in the Amsterdam region was 469,100 m², an increase of 4.4%, thus continuing the trend of remaining above the longterm average of 311,000 m². The increasing market pressure in the municipality of Amsterdam is clearly stimulating a significant increase in the take-up volume in the surrounding municipalities. The lack of suitable premises is pushing office space users to move to other places in the vicinity such as Hoofddorp and Amstelveen.

Despite there still being over 690,000 m² of office space available in Amsterdam, the quality is not meeting the demand, thereby putting pressure on the market dynamism. The quality issue is not only in connection to the structural quality of the buildings or their locations, but is also a combination of location, building quality and other aspects such as amenities and parking facilities. There are also relatively few office blocks on the market that have a contiguous surface area of at least 3,000 m². Almost half (45%) of this limited supply is in Amsterdam-West.

In parallel to the housing market in Amsterdam, the lack of quality premises is showing a two-fold effect. One: as there is little incentive in terms of improved quality to move, companies are either postponing moving or are not moving altogether. Two: the demand is clearly shifting to adjacent municipalities such as Amstelveen and Hoofddorp. Even the current office developments at Utrecht Centraal could be substitutes for the office market in Amsterdam.

Given the dire scenario of new developments, the current developments on the market will push investors to renovate offices with low occupation rates to improve their rental potential. However, what we see on the market is that many investors still opt to redevelop office blocks into housing instead of renovating them and putting them back on the office market. This is in spite of good rental being almost guaranteed, as has been shown where properties have been renovated and put back on the office market. There are plenty of examples over the last few years in the region of Amsterdam, of which the renovation of The Cloud is a notable example. The renovation met the demand for large open-plan floors and an open-plan look and feel combined with a high level of sustainability. These factors led to Uber, Amazon and Tribes locating in the building in the last year and that the office block was sold on the investment market at a historically high square metre rate.

Developments in take-up

		2012	2013	2014	2015	2016	2017
Amsterdam Centrum Centre	> 500 m ²	41.000	62.000	61.350	31.650	122.550	99.100
	250-500 m ²	9.000	7.150	11.100	4.750	16.050	12.550
Amsterdam Noord North	> 500 m ²	3.450	2.500	-	2.550	6.700	1.650
	250-500 m ²	1.000	1.100	1.250	1.000	4.100	3.950
Amsterdam Oost East	> 500 m ²	8.800	9.050	22.250	7.750	45.250	31.700
	250-500 m ²	2.500	3.550	3.700	3.500	5.250	1.750
Amsterdam West West	> 500 m ²	24.700	35.000	38.500	71.500	53.400	89.400
	250-500 m ²	4.500	5.100	2.900	1.900	7.100	8.850
Amsterdam Zuidas	> 500 m ²	33.700	45.700	38.000	29.700	76.200	78.900
	250-500 m ²	2.900	3.600	4.550	1.800	4.350	6.400
Amsterdam Zuidelijke IJ-oeveren	> 500 m ²	7.200	12.650	6.150	13.500	2.700	5.200
	250-500 m ²	400	700	1.350	300	950	950
Amsterdam Zuidoost South East	> 500 m ²	80.400	43.500	63.550	44.600	54.200	70.250
	250-500 m ²	4.800	6.300	4.450	2.550	4.450	1.800
Total		199.250	210.400	229.800	201.250	361.000	376.200
		25.100	27.500	29.300	15.800	42.250	36.250
Amsterdam		224.350	237.900	259.100	217.050	403.250	412.450
Amstelveen	> 500 m ²	14.100	14.000	10.950	9.200	13.400	14.500
	250-500 m ²	1.000	800	550	600	2.900	800
Badhoevedorp	> 500 m ²	1.750	-	-	1.000	6.600	-
	250-500 m ²	-	-	-	-	350	-
Diemen	> 500 m ²	600	5.900	-	-	-	10.050
	250-500 m ²	-	-	-	-	550	250
Hoofddorp	> 500 m ²	17.700	10.050	6.900	9.600	14.250	28.050
	250-500 m ²	2.400	1.000	1.900	650	1.700	1.500
Schiphol	> 500 m ²	12.200	6.350	11.100	15.950	5.850	1.250
	250-500 m ²	500	-	400	750	300	250
Total		46.350	36.300	28.950	35.750	40.100	53.850
		3.900	1.800	2.850	2.000	5.800	2.800
Other		50.250	38.100	31.800	37.750	45.900	56.650
Total		245.600	246.700	258.750	237.000	401.100	430.050
		29.000	29.300	32.150	17.800	48.050	39.050
Region Amsterdam		274.600	276.000	290.900	254.800	449.150	469.100

Take-up in square metres of office space of lettable floor area per district

Rents increase in almost all districts

The strong market is pushing the rents up dramatically. Almost all districts are experiencing rent increases. On the one hand, this generates higher attained gross rents, but on the other hand, it also results in a drop in the incentives. The rents in the district of Amsterdam's 'Zuidas' now lie at between € 350 and € 450 per m² per annum. The highest rents in the centre of the city follow some way behind at a maximum price of € 340 per metre. That said, the median price in the centre is significantly lower at € 260 per m² per annum. The prices in the other districts are significantly lower, but even there the prices are clearly increasing. For example, the prices at Sloterdijk are now between € 140 and € 165 per m² per annum and € 185 and € 195 per m² per annum in Amsterdam Zuidoost. In Amsterdam's adjacent municipalities, the prices are lower, often between € 125 and € 175 per m² per annum.

Information on median rent pricing

	2014		2015		2016		2017		2018	
	sq. metres lett. fl. area	median ask. price €	sq. metres lett. fl. area	median ask. price €	sq. metres lett. fl. area	median ask. price €	sq. metres lett. fl. area	median ask. price €	sq. metres lett. fl. area	median ask. price €
Amsterdam Centrum Centre	142.704	225	122.250	225	115.113	235	75.250	250	128.350	250
Amsterdam Noord North	48.393	135	47.250	140	52.734	145	27.800	165	27.800	195
Amsterdam Oost East	86.111	155	80.950	165	65.502	160	53.500	165	26.800	170
Amsterdam West West	404.166	145	356.000	150	311.125	145	232.400	145	246.800	145
Amsterdam Zuidas	123.973	250	145.300	250	209.642	261	121.650	265	134.550	265
Amsterdam Zuidelijke IJ-oever	47.928	223	36.700	210	20.891	240	8.500	240	3.550	230
Amsterdam Zuidoost South East	323.068	145	358.650	140	274.452	135	152.500	140	119.200	150
Amstelveen	163.566	165	185.600	165	166.456	165	94.200	160	81.000	145
Badhoevedorp	32.529	110	18.200	135	11.935	138	6.150	138	9.950	135
Diemen	21.213	125	23.750	130	9.696	125	11.900	130	12.800	125
Hoofddorp	173.887	145	156.000	140	164.609	138	130.700	135	133.200	135
Schiphol	90.428	160	71.500	160	80.397	145	46.700	135	90.550	145
Region Amsterdam	1.657.966		1.602.150		1.482.552		961.250		1.014.550	

Supply of office space ≥500 square meters of lettable floor area per district on January 1st and median rent asked

The current market scenario shows grounds for a further increase of rents in the region. The fact that the additional demand for office space cannot be met by a larger available supply means that the prices will continue to be pushed upwards. If the prices in the Amsterdam region are compared to those of the larger European office markets, the price increase will not put Amsterdam at a disadvantage as a choice of location. Local and regional office space users are more likely to substitute Amsterdam for other adjacent municipalities or other major cities such as Utrecht, Rotterdam or The Hague.

*For more information about the Amsterdam region office market, please contact:
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Bedrijfsmakelaars

Rotterdam

- 1 Centrum/kantorenboulevards | Centre/office-boulevards
- 2 Rotterdam Oost | East
- 3 Rotterdam West | West
- 4 Rotterdam Zuid | South
- 5 Hillegersberg / Schiebroek
- 6 Kralingen
- 7 Spaanse Polder / Zestienhoven/Noordwest
- 8 Capelle a/d IJssel / Nieuwerkerk a/d IJssel
Krimpen a/d/ IJssel
- 9 Havengebied
- 10 Rhoon / Portugaal / Hoogvliet
- 11 Schiedam
- 12 Vlaardingen
- 13 Berkel en Rodenrijs/Bergschenhoek
- 14 Barendrecht/Ridderkerk
- 15 Spijkenisse



Take-up volume

139.100 m²

Available supply

758.150 m²

Office market ratio

18%

Number of transactions

119



The office market in Rotterdam in 2017 reflects the start of the market recovery. It became more stable and there is clearly much more investment in Rotterdam's real estate in order to improve the quality of the current supply. This may not directly lead to higher take-up rates compared to previous years, but the market is expected to become more dynamic in the face of growing competition.



Most of the improvements last year were seen on the investment market. On the one hand, a few large office complexes were withdrawn from the office market for redevelopment or demolition. Examples include the offices on the Westzeedijk, Van Vollenhovenstraat and Boompjes, which were either redeveloped for housing or demolished. These three projects accounted for about 43,000 m² that were withdrawn from the market and replaced by at least 725 homes. On the other hand, a shift of tenants from the more peripheral areas towards more central locations such as Rotterdam's Central Business District is clear to see on the market. The higher rates of obsolete buildings in these peripheral areas show more changes in ownership that automatically lead to investments in the property and a new strategy for the new owner. This ultimately increases the rental potential of these objects.

Available supply dropping rapidly

The available supply of office spaces was 758,150 m² on 1 January 2018. Of this, 507,300 m² is office space available in Rotterdam itself. The other square metres are available in places close by. Capelle aan den IJssel has most of this space. The available supply meets both the demand for quantity and quality. The high level of investment by owners is improving the quality of office real estate and meets the demand better. The forecast for the year to come is that the supply will be better quality too.

A strong move to the Central Business District of Rotterdam is visible in the fact that the supply has decreased because of effective take-ups. The number of office space users in the area is increasing. While the area was previously dominated by larger office space users, there are now several smaller businesses located there too. That these companies have located there is also related to the larger supply of business centres in the city centre, which in turn is offering the more flexible supply that small businesses are interested in.

Supply developments

	2013	2014	2015	2016	2017	2018
Rotterdam Centrum Centre	324.800	405.850	390.450	380.850	333.100	278.900
Rotterdam Oost East	96.500	100.500	97.550	82.500	60.800	74.950
Rotterdam West West	25.900	38.600	34.250	40.450	41.200	20.650
Rotterdam Zuid South	84.700	85.250	86.350	74.500	81.700	69.950
Hillegersberg / Schiebroek	2.800	5.600	8.050	7.400	9.100	5.850
Kralingen	64.100	50.450	50.450	38.100	40.500	30.700
Spaanse Polder / Zestienhoven /	31.500	33.200	39.300	44.900	35.400	26.300
Rotterdam	630.300	719.450	706.400	668.700	601.800	507.300
Capelle a/d IJssel / Nieuwerkerk Noord-West	155.400	153.450	158.650	156.600	169.050	107.500
Barendrecht / Ridderkerk	32.700	30.300	27.350	25.700	21.150	26.800
Berkel en Rodenrijs / Bergschenhoek a/d IJssel / Krimpen a/d IJssel	2.400	2.950	2.550	2.700	2.350	3.300
Havengebied Harbour	29.200	28.100	30.900	32.150	40.800	41.700
Spijkenisse	18.900	18.300	14.050	11.250	19.900	14.450
Rhoon / Poortugaal / Hoogvliet	9.700	9.200	9.300	14.500	16.700	10.600
Schiedam	28.700	45.600	54.100	46.400	52.250	35.150
Vlaardingen	5.200	15.150	14.150	17.800	16.200	11.350
Other	282.200	303.050	311.050	307.100	338.400	250.850
Region Rotterdam	912.500	1.022.500	1.017.450	975.800	940.200	758.150

Supply of office space ≥500 square meters of lettable floor area per district as of January 1st

Nevertheless, there is still a large supply compared to the annual take-up. Capelle aan den IJssel, and Rivium in particular, is the most significant contributor of supply. That said, the supply has shrunk significantly over the last year. This is partly due to a stronger take-up volume arising from (new) owners' different rental strategies. There is more demand for small-scale rental of units, allowing small office space users to locate more easily in the area. It must be said, though, that part of the decrease is caused by a temporary removal of the supply which is expected to cause the supply in the area to increase again next year.

All in all, the supply is improving strongly, and a more stable market is emerging. In contrast to Amsterdam and Utrecht, there does not seem to be a need for expansion of the supply in Rotterdam. This is largely because of the large available supply in the Central Business District that still performs well on the market in terms of quality. However, for some buildings, investments will have to be made to adequately meet demand.

Take-up volume increasing in Rotterdam after a poor year in 2016

In 2017, the take-up volume in the Rotterdam region was 139,100 m². This represented an increase of 20.1% compared to 2016. However, 2016 was a very poor year in terms of take-up compared to the long-term average of 154,600 m². To date, most office space users opt to extend their rental contracts rather than move premises. For the rest, the scale of the take-up volume in the city of Rotterdam and in the adjacent municipalities was similar. The take-up volume in the city was 103,400 m² while that of the adjacent municipalities was 35,700 m².

Despite many entities opting to extend their rental contracts, the market still shows a turning point. Renovation is giving office space users better alternatives, and this has created a much more dynamic market this year. The best example of this is the office block at Marten Meesweg 25. OVG renovated this building in line with current demand. Up to now, it not only houses Croonwolder&dros, Mobilis and Servicis (2016), but Coca-Cola has stated that it will take 4,500 m² in the redeveloped MM25 concept in 2018.

Apart from these large-scale office surface areas, the number of flexible office spaces in the region is increasing. Where previously the peripheral areas mostly offered flexible office space, the trend now is for more of this type of space being offered in the most important office locations close to facilities and public transport. As an example, Tribes closed two rental contracts last year: one at Weena (3,072 m²) and one in the recently renovated building at Blaak 34 (2,490 m²). In total, Tribes now offers four co-working spaces, one at Zuid and three in the city centre.

Developments in take-up

		2012	2013	2014	2015	2016	2017
Rotterdam Centrum Centre	> 500 m²	38.000	45.100	50.750	75.450	50.050	48.400
	250-500 m²	7.700	5.300	6.000	1.650	3.650	3.400
Rotterdam Oost East	> 500 m²	4.350	4.900	3.150	20.650	4.750	31.700
	250-500 m²	350	600	1.300	1.050	-	1.400
Rotterdam West West	> 500 m²	850	11.400	6.150	2.050	2.700	6.250
	250-500 m²	450	400	350	-	-	300
Rotterdam Zuid South	> 500 m²	6.300	6.700	5.650	13.500	14.400	3.650
	250-500 m²	400	1.500	700	1.400	850	2.700
Hillegersberg / Schiebroek	> 500 m²	500	1.600	-	-	-	-
	250-500 m²	600	-	550	-	-	-
Kralingen	> 500 m²	6.100	2.200	8.300	8.600	7.650	4.500
	250-500 m²	1.500	300	300	750	400	600
Spaanse Polder / Zestienhoven / Noord-West	> 500 m²	-	6.400	1.400	9.350	1.100	-
	250-500 m²	-	600	250	-	850	500
Total	> 500 m²	56.100	78.300	75.400	129.600	80.650	94.500
	250-500 m²	11.000	8.700	9.450	4.850	5.750	8.900
Rotterdam		67.100	87.000	84.850	134.450	86.400	103.400
Capelle a/d IJssel / Nieuwerkerk a/d IJssel / Krimpen a/d IJssel	> 500 m²	9.200	13.800	6.250	17.150	6.050	15.300
	250-500 m²	1.400	2.300	1.150	900	1.650	2.800
Barendrecht / Ridderkerk	> 500 m²	4.100	2.100	2.200	-	4.900	2.500
	250-500 m²	1.500	1.700	1.250	900	-	800
Berkel en Rodenrijs / Bergschenhoek	> 500 m²	700	1.450	5.000	-	-	-
	250-500 m²	-	700	1.000	400	-	-
Havengebied Harbour	> 500 m²	7.000	3.800	1.500	6.750	8.450	2.900
	250-500 m²	2.000	800	850	1.100	350	-
Spijkenisse	> 500 m²	-	2.300	-	650	4.200	1.100
	250-500 m²	-	-	-	450	600	-
Rhoon / Poortugaal / Hoogvliet	> 500 m²	1.700	-	4.450	-	-	2.600
	250-500 m²	-	800	650	-	250	350
Schiedam	> 500 m²	2.500	550	8.050	10.850	2.500	1.250
	250-500 m²	800	-	350	-	-	1.000
Vlaardingen	> 500 m²	-	-	-	500	500	4.800
	250-500 m²	-	-	800	400	-	300
Total	> 500 m²	25.200	24.000	27.450	35.900	26.600	30.450
	250-500 m²	5.700	6.300	6.050	4.150	2.850	5.250
Other		30.900	30.300	33.500	40.050	29.450	35.700
Total	> 500 m²	81.300	102.300	102.850	165.500	107.250	124.950
	250-500 m²	16.700	15.000	15.500	9.000	8.600	14.150
Region Rotterdam		98.000	117.300	118.350	174.500	115.850	139.100

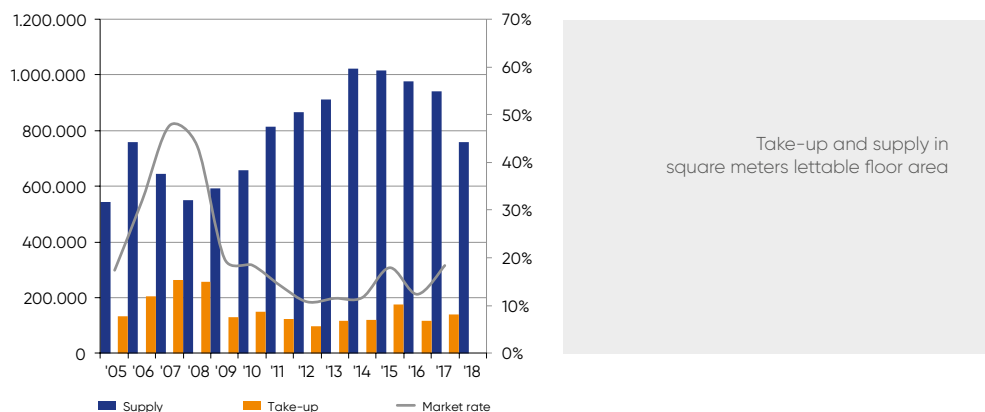
Take-up in square metres of office space of lettable floor area per district

In contrast to many other regions, the effects of the 'new way of working' have not completely disappeared in Rotterdam. What this means is that office space users still leave more office space behind than is taken up when they extend their contracts or move. One effect of this is that there is still hidden obsolescence in Rotterdam that is slowly entering the supply. This obsolescence is expected to seep into the supply in the next 2-3 years, creating an accurate image of the complete supply available.

Prices still under pressure despite greater stability

Despite the strong improvement of the market over the last year, rents are still not being pushed upward. The improvements on the market are mostly visible in the improved rental potential and occupation rates. However, the forecast is that should this trend continue, it will affect the pricing.

There is currently still a certain downward pressure on price and there are still relatively large incentives given to new tenants. This is in sharp contrast to the office market of Utrecht and Amsterdam in particular, where incentives are usually limited, especially in the centres of these cities. The median rent was € 138 per m² per annum last year. However, there was a very wide spectrum of prices ranging from € 45 per m² per annum in office spaces such as in Schiedam to over € 200 office space in the centre of Rotterdam.



Information on median rent pricing

	2014		2015		2016		2017		2018	
	sq. metres lett. fl. area	median ask. price €	sq. metres lett. fl. area	median ask. price €	sq. metres lett. fl. area	median ask. price €	sq. metres lett. fl. area	median ask. price €	sq. metres lett. fl. area	median ask. price €
Rotterdam Centrum Centre	269.800	135	250.650	145	376.000	140	266.215	145	278.900	140
Rotterdam Oost East	88.411	140	92.350	140	80.750	137	48.400	135	72.800	130
Rotterdam West West	23.250	105	19.350	110	38.550	110	20.800	105	20.650	105
Rotterdam Zuid South	71.800	130	73.500	125	71.600	120	56.500	125	68.800	120
Hillegersberg / Schiebroek	4.900	133	5.650	100	5.650	100	6.750	95	5.800	90
Kralingen	48.200	160	36.600	160	37.150	155	34.950	152	30.700	140
Spaanse Polder / Zestienhoven /	2.700	118	25.800	102	44.950	90	32.800	100	25.550	100
Capelle a/d IJssel / Nieuwerkerk Noord-West	138.900	120	143.400	120	147.350	110	158.150	109	105.000	110
Barendrecht / Ridderkerk a/d IJssel/ Krimpen a/d IJssel	16.700	110	1.050	115	19.550	108	12.500	110	25.700	110
Berkel en Rodenrijs / Bergschenhoek	1.500	123	550	115	2.700	135	2.350	120	2.650	120
Havengebied Harbour	24.400	125	26.700	125	30.900	125	29.200	118	39.900	118
Spijkensisse	16.800	100	8.300	100	7.850	105	15.900	105	12.650	100
Rhoon / Poortugaal / Hoogvliet	7.600	128	9.300	125	14.550	120	11.050	120	10.600	120
Schiedam	39.700	115	49.700	115	42.650	115	47.100	120	35.150	105
Vlaardingen	1.900	98	2.550	118	7.450	118	6.050	110	11.350	110
Region Rotterdam	756.561		745.450		927.650		748.715		746.200	

Supply of office space ≥500 square meters of lettable floor area per district on January 1st and median rent asked

For more information about the Rotterdam region, please contact:

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Telephone 010 424 88 88 | ooms.com

The Hague

- 1 Nieuw Centrum | New Centre
- 2 Oud Centrum | Old Centre
- 3 The Hague West | West
- 4 The Hague Oost | East
- 5 The Hague Zuid | South
- 6 Nieuw Geannexeerd
- 7 Rijswijk
- 8 Voorburg
- 9 Leidschendam
- 10 Zoetermeer
- 11 Delft
- 12 Wassenaar



Take-up volume

120.450 m²

Available supply

674.950 m²

Office market ratio

18%

Number of transactions

116



The Hague's office market has developed strongly over the past year. This is not so much reflected in growing take-up, but rather in the decrease of the available supply and stock because of withdrawals from the market, mainly for redevelopment into homes. This is removing an important part of the undesirable properties from the market, bringing greater stability to the market ratio from a quantitative perspective.



The main thrust in The Hague is on redevelopment of various undesirable office blocks. The municipality of The Hague has played an important role in this, while the Rijksvastgoedbedrijf (Central Government Real Estate Agency) has explicitly listed several of its office complexes to be sold for redevelopment. To this end, there are currently many office blocks being redeveloped for new functions, mostly for housing and, to a lesser extent, hotels. The forecast for the near future is that new initiatives will remove office properties from the market in and around The Hague. This is in sharp contrast to many other regions where the office real estate that is suitable for other functions has already been bought up or redeveloped.

Supply in The Hague almost halved in three years

On 1 January 2018, there was still 674,950 m² of office space for rent or for sale in the region of The Hague. The available supply in the city of The Hague is 326,900 m², while in the adjacent municipalities it is 348,050 m². The decrease in supply has been strong in both The Hague as well as in the surrounding municipalities. The supply in The Hague itself decreased last year by no less than 32.5%. The drop of 13.7% in adjacent municipalities was significantly less dramatic. The only exception was Zoetermeer where the high number of redevelopment projects has caused the available supply to drop by 44.2% to 66,000 m².

The decrease in the available supply is bringing the markets in greater balance and is improving the rental potential of office spaces. However, in terms of quality, the supply is still relatively limited. This is likely to lead to scarcity in the short term. There is a need for quality premises if the future demand is to be met. An important part of this demand can be met by renovations, but cautious steps should be taken to look at potential targeted new developments.

Supply developments

	2013	2014	2015	2016	2017	2018
The Hague Nieuw Centrum New Centre	116.100	177.850	180.750	179.850	151.900	75.400
The Hague Oud Centrum Old Centre	99.300	152.950	153.600	121.050	110.600	72.350
The Hague West West	32.700	40.600	42.800	34.350	27.500	22.150
The Hague Zuid South	14.300	24.050	15.050	19.300	20.500	16.000
The Hague Oost East	147.600	135.400	159.700	180.300	133.500	106.050
The Hague Nieuw Geannexceerd	55.600	46.600	59.600	49.750	40.150	34.950
The Hague	465.600	577.450	611.500	584.600	484.150	326.900
Delft	21.800	50.500	66.650	90.550	66.450	66.050
Leidschendam	48.300	38.700	12.950	8.100	10.650	12.700
Rijswijk	178.900	218.650	214.700	260.300	186.100	190.700
Voorburg	5.300	13.200	14.900	19.400	19.150	9.900
Wassenaar	-	-	1.400	2.900	2.750	2.700
Zoetermeer	97.100	125.000	162.500	164.250	118.200	66.000
Other	351.400	446.050	473.100	545.500	403.300	348.050
Region The Hague	817.000	1.023.500	1.084.600	1.130.100	887.450	674.950

Supply of office space ≥500 square meters of lettable floor area per district as of January 1st

There is still a concentration of undesirable office real estate in adjacent municipalities, in particular in Rijswijk and Zoetermeer. The current developments in Rijswijk are worrying, given that Shell, one of the most important office space users in the area, is planning to gradually leave the offices in the Plaspoelpolder. In contrast to what is happening in Rijswijk, Zoetermeer seems to have had a significant boost.

The Hague has seen a drop in the available supply across the spectrum. The strongest reduction has been in the centre of The Hague, just where the primary demand from the market is. The drop in supply is not only related to a strong redevelopment market, but the users market is also showing effective take-ups again. Office space users are now leaving less office space behind than is being taken up, causing the supply to decrease more quickly.

The main opportunities and challenges over the next year lie in a better match between demand and supply in terms of quality. Real estate owners will have to consider the extent to which renovation of office complexes will improve the rental potential and occupation rates of their buildings. We have frequently seen this trend in other regions where a major renovation has led to a good rental potential, higher rents and a high occupation rate. Certainly in relation to the forthcoming legislation about energy performance grade C, thorough renovation will also be the logical thing to do.

Take-up volume rises in The Hague and drops in adjacent municipalities

The take-up volume in the region of The Hague last year amounted to 120,450 m², which meant a slight decrease of 4.3% compared to the previous year. While the whole region of The Hague saw a decrease, the take-up volume in the municipality of The Hague was considerably above the 2016 level. In total, 91,200 m² of office space was taken up in The Hague and 29,250 m² in the adjacent municipalities.

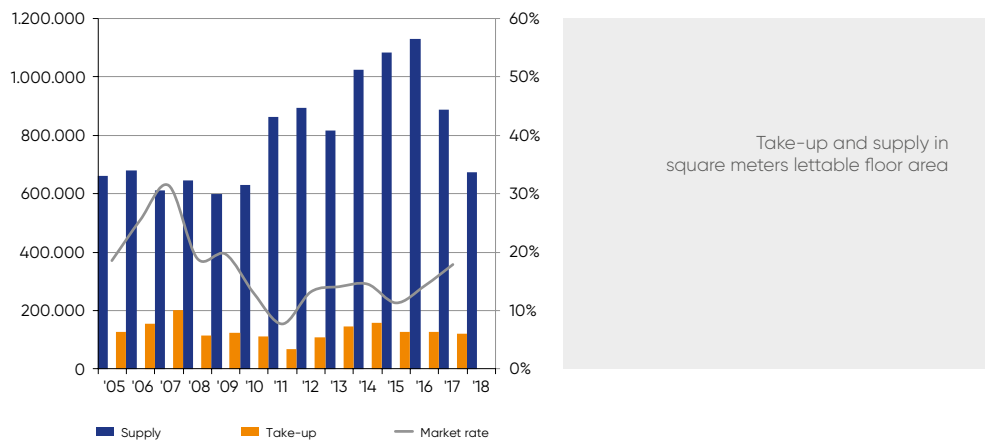
Most of the take-up volume last year came from the municipality, the Central Government and various embassies. The Hague remains a city where government bodies generate the most important demand on the office market. The market dynamics show that most of the movement is generated by the relocation of companies, partly due to the companies growing. Last year, virtually no (large) office space users moved to the region or left the region. Shell is an exception and will in large part leave the region over the next few years. Conversely, Het Indisch Herinneringscentrum moved from Arnhem to The Hague, renting over 1,200 m² of office space on Sophialaan.

Developments in take-up

		2012	2013	2014	2015	2016	2017
The Hague Nieuw Centrum New Centre	> 500 m²	19.000	70.300	25.550	7.450	37.550	24.450
	250-500 m²	600	1.000	2.600	2.550	1.650	4.000
The Hague Oud Centrum Old Centre	> 500 m²	32.300	10.900	25.750	29.250	10.800	26.450
	250-500 m²	1.100	1.800	5.200	3.300	3.900	2.600
The Hague West West	> 500 m²	1.200	11.000	3.850	4.150	5.300	8.250
	250-500 m²	1.800	1.500	2.700	800	2.900	2.950
The Hague Zuid South	> 500 m²	1.700	600	7.250	-	700	2.700
	250-500 m²	400	1.400	300	-	-	600
The Hague Oost East	> 500 m²	4.600	9.300	18.350	8.400	11.200	7.250
	250-500 m²	1.700	750	1.500	3.000	1.200	2.200
The Hague Nieuw Geannexeerd	> 500 m²	1.600	3.200	3.900	12.550	4.050	7.850
	250-500 m²	400	600	550	300	350	1.900
Total	> 500 m²	60.400	105.300	84.650	61.800	69.600	76.950
	250-500 m²	6.000	7.050	12.850	9.950	10.000	14.250
The Hague		66.400	112.350	97.500	71.750	79.600	91.200
Delft	> 500 m²	4.300	1.600	11.550	13.250	15.250	8.500
	250-500 m²	800	-	350	1.850	550	2.000
Leidschendam	> 500 m²	1.000	1.200	-	-	-	600
	250-500 m²	700	-	800	-	-	-
Rijswijk	> 500 m²	9.600	12.200	10.600	3.250	6.200	11.850
	250-500 m²	1.700	2.000	700	900	2.050	2.850
Voorburg	> 500 m²	5.000	4.100	1.950	1.200	2.100	-
	250-500 m²	-	-	800	0	300	-
Wassenaar	> 500 m²	-	-	-	-	-	1.100
	250-500 m²	300	-	-	-	300	-
Zoetermeer	> 500 m²	15.700	7.900	27.050	31.900	16.300	1.600
	250-500 m²	2.100	2.600	5.900	3.500	3.250	750
Total	> 500 m²	35.600	27.000	51.150	49.600	39.850	23.650
	250-500 m²	5.600	4.600	8.550	6.250	6.450	5.600
Other		41.200	31.600	59.700	55.850	46.300	29.250
Total	> 500 m²	96.000	132.300	135.800	111.400	109.450	100.600
	250-500 m²	11.600	11.650	21.400	16.200	16.450	19.850
Region The Hague		107.600	143.950	157.200	127.600	125.900	120.450

Take-up in square metres of office space of lettable floor area per district

Part of the increase of the take-up volume arises from the demand for small office space in business centres, a trend that has increased over the last few years. More small start-ups are opting for fixed housing in these business centres, and most of them are choosing the old city centre of The Hague as their preferred location. Another trend that is emerging is the preference of many office space users for efficient, modern office space with flexible layouts and many amenities in the building. This is causing a drop in demand for office space in historic listed villas. However, there is an increasing demand from the investment market to redevelop these villas into residences.



More balanced market leading mostly to decreasing incentives

Compared to the last few years, there are no significant changes in the rents obtained. Noteworthy though, is that the incentives extended are decreasing, thereby generating higher returns from rent. This is certainly true for the higher quality office real estate at A1 locations.

The median metre price in The Hague region was € 130 per m² per annum. However, the prices show radical differentiation depending on the location and the quality of the offices. The rental spectrum now lies between € 50 and € 220 per m² per annum. The lowest rents are in Rijswijk, Zoetermeer and The Hague Oost, while the highest are in the sub-area of The Hague Nieuw Centrum.

Looking at the changing market conditions, the forecast is that the upward push in prices will continue in the next year. On top of this, the price segmentation of the market will become more pronounced. This will cause investors to invest more in offices to meet the demand for quality.

Information on median rent pricing

	2014		2015		2016		2017		2018	
	sq. metres lett. fl. area	median ask. price €	sq. metres lett. fl. area	median ask. price €	sq. metres lett. fl. area	median ask. price €	sq. metres lett. fl. area	median ask. price €	sq. metres lett. fl. area	median ask. price €
The Hague Nieuw Centrum New Centre	126.600	160	121.200	175	179.850	165	147.150	165	74.050	175
The Hague Oud Centrum Old Centre	92.600	150	98.500	150	115.450	150	88.000	150	65.100	145
The Hague West West	35.600	135	33.700	135	24.750	135	21.500	145	20.800	140
The Hague Zuid South	8.500	68	7.300	100	17.550	100	19.850	90	13.700	100
The Hague Oost East	128.200	125	157.450	125	176.200	100	132.550	110	106.050	100
The Hague Nieuw Geannexeerd	43.500	130	55.800	125	49.750	130	39.250	130	34.050	120
Delft	42.400	128	52.650	125	82.250	120	63.850	120	62.150	115
Leidschendam	38.700	100	12.950	105	7.550	115	10.650	110	11.750	110
Rijswijk	213.600	103	199.350	103	251.000	110	184.750	105	189.900	105
Voorburg	10.800	140	10.400	135	17.350	135	10.800	125	9.900	130
Wassenaar	-	-	1.400	125	2.900	125	2.750	125	2.700	125
Zoetermeer	110.500	125	128.900	125	151.300	125	112.800	120	64.750	115
Region The Hague	851.000		879.600		1.075.900		833.900		654.900	
Supply of office space ≥500 square meters of lettable floor area per district on January 1st and median rent asked										

For more information about the The Hague region, please contact:
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 Telephone 070 342 01 30 | frisiamakelaars.nl



Molenbeek Makelaars

Utrecht

- 1 Centrum | Centre
- 2 Maliebaan e.o.
- 3 Noord-West | North-West
- 4 Oost | East
- 5 Papendorp
- 6 West | West
- 7 Zuid | South
- 8 Bunnik
- 9 De Bilt / Bilthoven
- 10 Houten
- 11 Maarssen
- 12 Nieuwegein
- 13 Leidsche Rijn
- 14 IJsselstein
- 15 Zeist / Driebergen



Take-up volume

151.950 m²

Available supply

498.050 m²

Office market ratio

31%

Number of transactions

135



Last year, Utrecht's office market was significantly more dynamic than in previous years. Besides the fact that some larger office space users chose to establish a (main) branch in Utrecht, the number of transactions of small quantities of square metres was also very high. Both developments have led to a strong decrease in the available supply of office space in the Utrecht region. The supply in the whole region is now 21% lower than one year ago.



The strong drop in the supply does not only arise from effective take-up in the users' market, but redevelopment projects are also causing the supply of office spaces to drop. That said, the number of redevelopment projects in the Utrecht region this year is visibly decreasing. This is partly due to the fact that the real estate that can easily be used in an alternative way has already been taken off the market. However, what is becoming increasingly noticeable is that owners are seeing the investment value of office spaces as important. This is largely because their rental potential is increasing in the face of relative scarcity on the market.

Strong decrease in supply in the city and region

The available supply of office spaces in the region was still 498,050 m² on 1 January 2018. This means that the office supply has reached a comparable level to that of 2009. Of this, 333,500 m² is available in the municipality of Utrecht, and 164,550 m² in the municipalities adjacent to Utrecht. Strikingly, the drop is noticeably larger in the surrounding municipalities than in the city of Utrecht itself. This can be explained by, one, new office blocks still being added to the stock in Utrecht; and, two, most redevelopment projects being done in the surrounding municipalities. In terms of redevelopment, Nieuwegein still leads the way in the region and its office market is now stable.

Supply developments

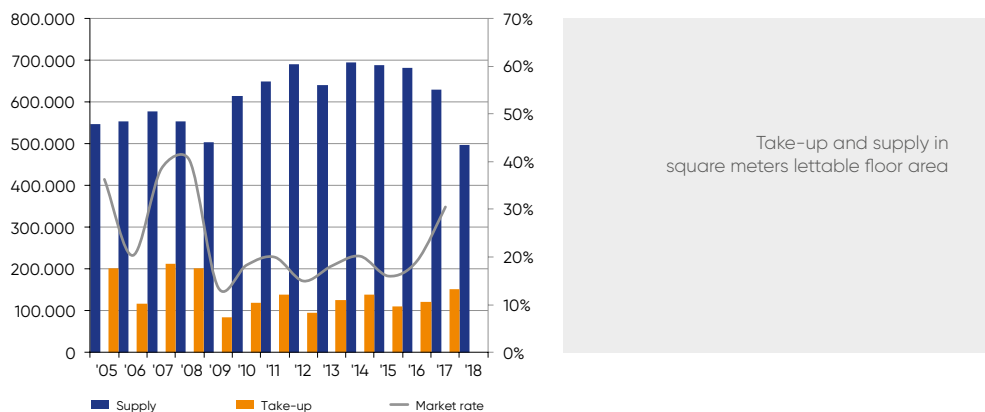
	2013	2014	2015	2016	2017	2018
Utrecht Centrum Centre	41.800	57.800	50.600	65.000	38.000	35.500
Utrecht Maliebaan e.o.	5.100	8.100	10.850	2.150	-	3.600
Utrecht Noord/West North/West	38.500	33.100	27.400	30.350	23.550	19.900
Utrecht Oost East	63.200	48.600	56.250	47.500	59.700	49.500
Utrecht Papendorp	63.800	68.000	47.400	84.050	79.350	64.000
Utrecht West West	54.300	79.800	66.000	48.900	68.250	62.650
Utrecht Zuid South	67.900	74.000	89.050	78.300	83.900	68.900
Leidsche Rijn	29.800	34.200	40.050	41.350	32.750	29.450
Utrecht	364.400	403.600	387.600	397.600	385.500	333.500
Bunnik	10.800	14.000	15.600	19.100	12.750	2.800
De Bilt / Bilthoven	19.900	14.300	15.500	18.750	17.200	15.950
Houten	44.000	48.100	56.700	58.900	42.250	18.500
Maarssen	1.400	12.700	21.450	25.650	31.150	28.100
Nieuwegein	159.600	152.600	147.500	119.450	102.650	63.850
Zeist / Driebergen	40.000	44.400	40.950	35.850	31.900	30.750
IJsselstein	-	4.800	1.950	6.100	7.300	4.600
Other	275.700	290.900	299.650	283.800	245.200	164.550
Region Utrecht	640.100	694.500	687.250	681.400	630.700	498.050

Supply of office space ≥500 square meters of lettable floor area per district as of January 1st

The newly built premises in the centre of Utrecht are attracting several different types of office users. Office space of different sizes, from small to large, is being rented in the new WTC, the City Gate Office Hoog Catharijne and in the Nieuwe Vaart on the Arthur van Schendelstraat. The draw of the city centre is keeping the supply limited, despite the new additions. That said, there are new developments in the pipeline, including 8,000 m² office space in the Noordgebouw.

A decrease in the supply is also visible in other parts of the city of Utrecht. Owners are clearly willing to upgrade their office buildings to improve their rental potential. This is now bearing fruit as the occupation rates in several refurbished and renovated office blocks have risen sharply. The higher occupation rates at different office locations are putting pressure on these locations. One example is Utrecht Papendorp, which to some extent is experiencing the other side of the coin of the low availability of office supply. The higher occupation rate at this motorway location may lead to parking problems in the area in the long term.

Nevertheless, there are still areas in and around Utrecht with relatively little movement and where the number of office space users is decreasing. The real industrial areas with office properties are still not performing to par and the amount of vacant office space is thus relatively high in Lage Weide, Strijkviertel (De Meern) and Plettenburg/De Wiers (Nieuwegein).



Take-up volume reaches 2008 level

Last year, the take-up volume was 151,950 m². This represented an increase of 25% compared to 2016. A comparable increase in take-up was observed both in the municipality of Utrecht and in the adjacent municipalities.

Of note is that the demand for office space up to 500 m² increased dramatically last year, while there was a drop in the medium-sized segment. The economy is making many office space users feel more secure, building greater confidence in the market. This can be seen not only in the shift from temporary to permanent housing with longer contracts, but also in an expansion of the surface area rented. This trend is rapidly pushing down the available supply and making it more difficult for office space users to find the right premises. In the next few years, the new building developments in the city centre will largely meet this demand. There is also increasing demand among office space users for turn-key premises.

On top of a strong growth in the take-up of smaller spaces, a few larger office space users are also locating or moving to Utrecht. The biggest office space transaction was that of VodafoneZiggo that rented 16,000 m² of office space in Hoog Catharijne. Despite this transaction, there was only a slight growth in the demand for office space, however, as most of the 1,400 employees came from other offices that were spread around the municipality of Utrecht. The only increase in demand on the commercial market in Utrecht was due to the employees from the Amsterdam branch. Apart from VodafoneZiggo, there have been a few other transactions including an extension of 8,500 m² of the volume of office space for Bol.com in the WTC Papendorp. Further, the Sociale Verzekeringsbank (8,500 m²) located to the Secoya office premises in Papendorp.

The office market is forecast to become highly dynamic over the next few years. The Utrecht region can take advantage of the shortage in Amsterdam's market that is pushing more office space users to look to Utrecht as an alternative location to Amsterdam's office locations.

Developments in take-up

		2012	2013	2014	2015	2016	2017
Utrecht Centrum Centre	> 500 m²	10.200	39.500	26.800	16.050	18.300	23.300
	250-500 m²	1.200	2.750	4.200	4.600	1.250	2.750
Utrecht Maliebaan e.o.	> 500 m²		1.500	900	4.900	1.800	1.700
	250-500 m²	2.600	650	1.600	2.500	650	4.450
Utrecht Noord/West North/West	> 500 m²	7.000	2.950	3.000	6.750	2.750	3.150
	250-500 m²	1.700	1.400	2.400	1.350	1.100	2.800
Utrecht Oost East	> 500 m²	10.400	8.250	1.250	11.400	5.250	10.150
	250-500 m²	300	300	1.500	-	-	-
Utrecht Papendorp	> 500 m²	7.400	22.400	23.800	7.250	11.450	30.050
	250-500 m²	2.000	1.400	350	1.600	-	1.300
Utrecht West West	> 500 m²	4.600	13.600	13.350	12.500	1.150	10.350
	250-500 m²	1.400	600	1.500	350	-	400
Utrecht Zuid South	> 500 m²	2.800	11.500	26.500	2.450	8.500	9.700
	250-500 m²	1.300	1.100	1.500	1.200	-	1.850
Leidsche Rijn	> 500 m²	600	-	5.400	-	39.450	13.200
	250-500 m²	1.000	650	850	1.400	650	700
Total	> 500 m²	43.000	99.700	101.000	61.300	88.650	101.600
	250-500 m²	11.500	8.850	13.900	13.000	3.650	14.250
Utrecht		54.500	108.550	114.900	74.300	92.300	115.850
Bunnik	> 500 m²	3.700	700	-	2.500	1.950	4.550
	250-500 m²	-	-	-	250	250	250
De Bilt / Bilthoven	> 500 m²	4.100	650	800	-	500	1.500
	250-500 m²	1.100	-	1.800	1.300	450	300
Houten	> 500 m²	4.600	2.100	5.050	9.800	8.050	1.350
	250-500 m²	900	1.300	300	1.350	550	500
Maarssen	> 500 m²	-	550	-	550	1.100	-
	250-500 m²	300	350	-	0	300	-
Nieuwegein	> 500 m²	18.600	4.100	13.050	11.850	4.800	16.850
	250-500 m²	1.300	2.700	400	1.350	850	2.400
Zeist / Driebergen	> 500 m²	5.600	3.800	1.300	1.000	7.800	5.550
	250-500 m²	1.500	900	600	1.750	400	900
IJsselstein	> 500 m²	-	600	-	1.800	1.750	1.550
	250-500 m²	-	-	700	1.600	200	400
Total	> 500 m²	36.600	12.500	20.200	27.500	25.950	31.350
	250-500 m²	5.100	5.250	3.800	7.600	3.000	4.750
Other		41.700	17.750	24.000	35.100	28.950	36.100
Total	> 500 m²	79.600	112.200	121.200	88.800	114.600	132.950
	250-500 m²	16.600	14.100	17.700	20.600	6.650	19.000
Region Utrecht		96.200	126.300	138.900	109.400	121.250	151.950

Take-up in square metres of office space of lettable floor area per district

Fewer incentives put greater pressure on prices

While 2016 saw prices stabilising, the prices are now clearly being pushed upwards. This can be seen in the more limited incentives for rental. Last year, the median rent across the Utrecht region was € 131 per m² per annum. However, there are great differences between the adjacent municipalities, the centre of Utrecht, the Maliebaan and the other work locations in the municipality of Utrecht. The rents in the centre of Utrecht and on the Maliebaan are significantly higher than at the motorway location of Papendorp which, in turn, is better regarded than the dated Rijsweerd or Lage Wijde.

Information on median rent pricing

	2014		2015		2016		2017		2018	
	sq. metres lett. fl. area	median ask. price €	sq. metres lett. fl. area	median ask. price €	sq. metres lett. fl. area	median ask. price €	sq. metres lett. fl. area	median ask. price €	sq. metres lett. fl. area	median ask. price €
Utrecht Centrum Centre	54.400	180	47.390	169	64.208	170	37.200	185	34.700	190
Utrecht Maliebaan e.o.	4.600	194	6.100	174	1.542	-	-	-	3.600	200
Utrecht Noord/West North/West	19.500	132	20.850	125	30.338	130	17.950	125	18.700	130
Utrecht Oost East	46.700	170	54.400	165	47.523	160	59.700	150	49.500	150
Utrecht Papendorp	68.000	172	44.800	170	84.058	155	76.600	155	64.000	150
Utrecht West West	77.100	110	66.000	100	47.902	110	68.250	110	62.600	105
Utrecht Zuid South	72.900	130	88.450	115	77.438	120	83.900	125	68.900	125
Leidsche Rijn	34.200	110	39.150	95	31.809	105	26.650	105	27.050	105
Bunnik	14.000	120	15.600	115	13.725	120	12.750	110	2.800	120
De Bilt / Bilthoven	11.600	135	13.650	125	17.230	125	15.250	130	13.850	135
Houten	46.400	120	48.850	118	58.140	120	34.700	115	18.500	110
Maarssen	12.700	125	19.800	120	24.512	120	27.850	110	28.100	110
Nieuwegein	147.400	115	132.450	115	118.573	100	95.100	105	63.850	105
Zeist / Driebergen	30.700	135	35.300	140	33.474	125	29.550	125	29.700	115
IJsselstein	4.800	67	1.950	65	6.104	70	6.550	95	4.600	85
Region Utrecht	645.000		634.740		656.576		592.000		490.450	

Supply of office space ≥500 square meters of lettable floor area per district on January 1st and median rent asked

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