

Sprekende Cijfers

Office Markets

Take-up volume

1,6 million m²

14% INCREASE COMPARED TO 2017

Available supply centre locations

-50%

Belastingdienst
DECREASE COMPARED TO 2014

The city centres remain the stage for competition over space

Sprekende Cijfers Office Markets 2019

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The Netherlands



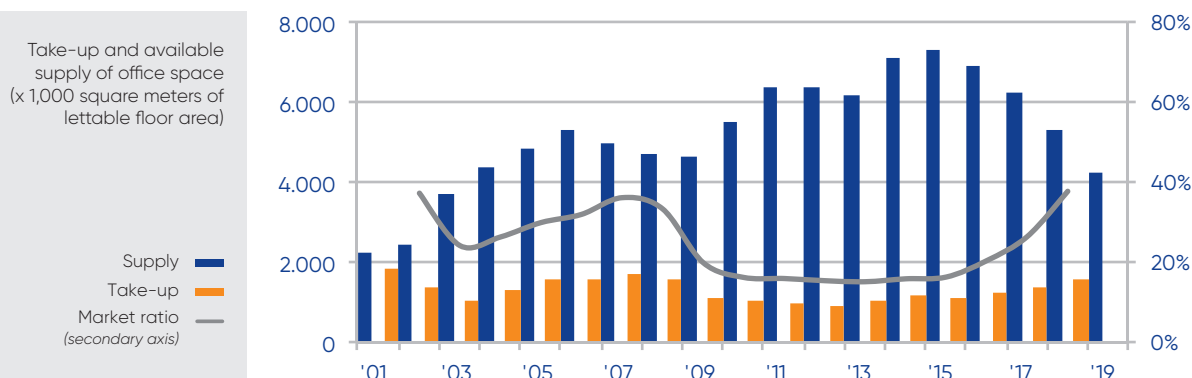
Dynamis: Transaction volume back at 2008 level

Very tight market in city centre locations because of strong user competition

The Dutch office market was highly dynamic in 2018. The demand for office space was exceptionally high under the favourable economic circumstances. Last year, 1.6 million m² of office space was rented or bought by users. This amount is comparable to that of 2008. After 10 years, the uptake slump caused by the economic crisis has come to an end. The continuing demand is evening out the office market. However, the scales have tipped towards a tight market in some of the locations. In city centre locations the shortage in supply is increasing, creating scarcity in many popular locations.

Office supply has been dropping since 2016

The high demand, combined with limited new developments, is causing a strong drop in available office supply. On 1 January 2019, more than 4.2 million m² office space on the open market is available for purchase or rent. This figure signifies a 20% drop in the office supply in one year. The supply volume reached a high point in 2015 after which, over the next four years, more than 3 million m² office space was withdrawn from the supply.



Lack of space in city centre locations

While a drop in supply has been recorded in many locations, the shortages to date are most strongly noticed in the city centres. The available office supply in city centre locations has decreased for five consecutive years. The current supply has halved since 2014. This decrease is caused by the rising demand for space by office users on top of growing demand for space by other types of users. People want to live in city centres, retailers want to open flagship stores in city centres and people in the hospitality industry want to locate their premises in 'A' locations.

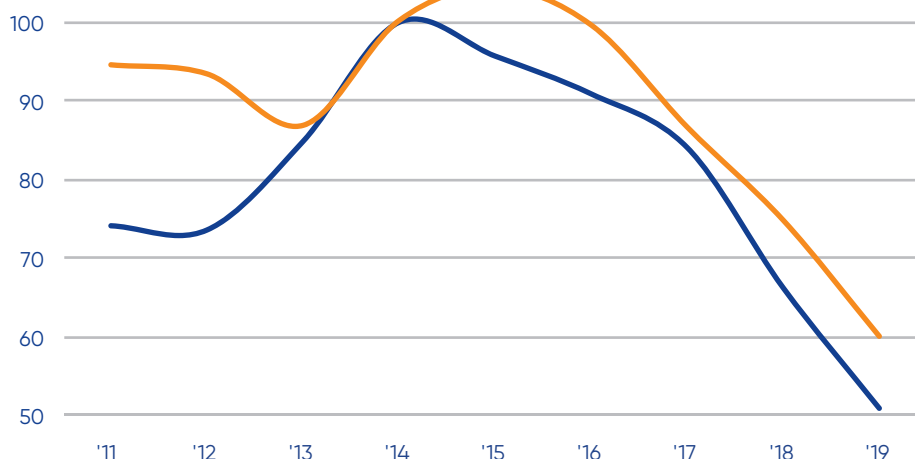
Take-up

	2013	2014	2015	2016	2017	2018
Amsterdam region	276	291	255	449	469	472
Rotterdam region	117	118	175	116	139	222
Utrecht region	126	139	109	121	152	184
The Hague region	144	157	128	126	120	135
Total G4	664	705	666	812	881	1.013
Eindhoven	38	39	45	69	62	76
Amersfoort region	49	34	28	28	50	61
Apeldoorn	17	19	26	18	26	38
Arnhem	25	34	18	22	19	36
Breda	19	33	24	34	28	35
Nijmegen region	27	25	25	20	29	31
Den Bosch	44	33	17	41	34	31
Enschede	29	27	28	34	33	30
Groningen	17	32	23	21	28	26
Tilburg	14	13	15	9	11	26
Almere	17	30	25	16	20	25
Heerlen	2	10	3	4	28	25
Drechtsteden	21	8	17	18	22	24
Deventer	19	17	17	10	9	21
Leeuwarden	4	14	16	14	20	20
Zwolle	23	25	41	21	27	16
Alkmaar	12	10	19	18	16	16
Zaandstad	4	12	24	22	16	14
Hengelo	8	11	11	11	8	12
Maastricht	13	12	17	16	17	12
Assen	9	7	15	8	8	7
Venlo / Venray	-	-	-	-	6	7
Sittard	7	8	5	1	4	6
Total Other	408	442	453	453	522	592
Total Netherlands	1.072	1.148	1.120	1.265	1.403	1.605

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

Available supply in centre and other locations (index 2014=100)

Centre —
Other —



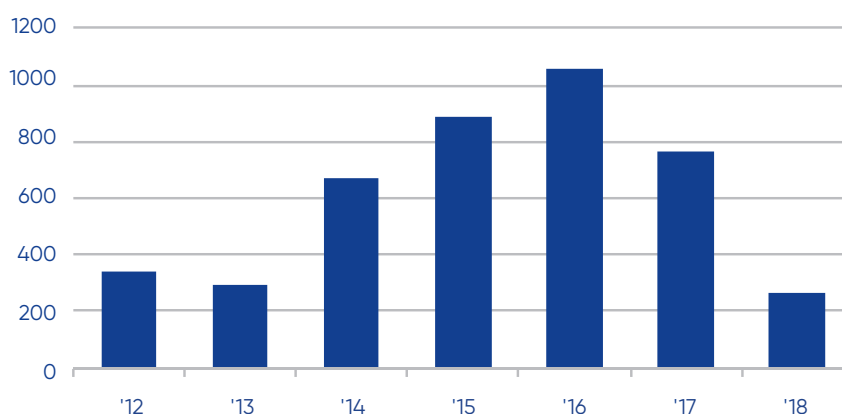
Repurposing market cools down in the dynamic office market

The flourishing residential market led to an exceptionally high demand for living space in Dutch city centres shortly after the economic crisis. Before that, the quantity of obsolete buildings in the office market had doubled. This led to many office buildings being repurposed into living space. In seven years, a good 4.3 million m² of office space was redeveloped, mostly into homes. This level of repurposing is an important explanation for the dramatic drop in supply and thus the current tight market in Dutch city centres. In 2018 however, the office market started to compete with the residential market, causing the repurposing volume to dry up. Almost two-thirds fewer repurposing plans were submitted in the last year compared to 2017.

The city centres remain the stage for competition over space

A mixed city with several different functions is very attractive to users. The wide diversity of functions, however, cause much competition for the limited available space in cities. Vying for every square metre in city centres is again commonplace and the office market is gaining ground. In 2019, the battle between different functions will only increase.

Transformation volume (x 1,000 square meters)



Transactions

	Transactions	Average take-up size
Amsterdam region	320	1.476
Rotterdam region	173	1.266
Utrecht region	147	1.252
The Hague region	128	1.054
Total G4	768	1.315
Nijmegen region	99	314
Amersfoort region	98	618
Eindhoven	96	796
Breda	85	407
Arnhem	78	461
Apeldoorn	77	488
Enschede	72	410
Groningen	69	370
Almere	65	389
Drechtsteden	65	362
Den Bosch	60	516
Zaandam	53	261
Zwolle	52	313
Alkmaar	49	332
Tilburg	42	607
Maastricht	37	314
Deventer	34	626
Leeuwarden	31	629
Hengelo	25	490
Heerlen	21	1.183
Assen	17	418
Venlo / Venray	16	438
Sittard	8	700
Total Other	1.249	474
Total Netherlands	2.017	794

Number of transactions in 2018 including average unit size (m²)

Small units take-up

	2013	2014	2015	2016	2017	2018
Amsterdam region	29.300	32.150	17.800	48.050	39.050	36.350
Utrecht region	14.100	17.700	20.600	6.650	19.000	19.150
Rotterdam region	15.000	15.500	9.000	8.600	14.150	18.700
The Hague region	11.650	21.400	16.200	16.450	19.850	17.750
Total G4	70.050	86.750	63.600	79.750	92.050	91.950
Breda	4.900	4.600	5.800	4.950	8.400	7.000
Amersfoort	4.650	5.200	6.400	5.950	7.000	6.250
Nijmegen	4.500	3.700	6.450	12.200	4.700	6.050
Groningen	2.700	3.300	5.100	3.200	3.450	5.500
Eindhoven	7.100	4.700	4.900	14.100	5.700	5.000
Enschede	4.100	4.400	5.050	1.950	3.800	4.900
Drechtsteden	2.700	3.700	4.100	4.700	3.300	4.900
Apeldoorn	2.100	3.200	4.150	3.750	6.250	4.800
Almere	500	2.100	3.450	5.050	4.750	4.300
Zaandstad	-	-	-	4.200	2.950	4.250
Alkmaar	-	-	-	3.750	3.800	4.050
Tilburg	400	750	1.900	1.650	3.100	4.000
Arnhem	1.900	3.450	1.800	3.500	2.250	3.950
Zwolle	3.800	5.050	3.900	2.700	3.550	3.150
Den Bosch	2.300	2.250	3.950	3.850	2.400	2.800
Maastricht	850	1.750	1.550	2.200	2.850	2.550
Leeuwarden	150	850	2.000	1.800	1.100	2.350
Deventer	3.200	2.600	1.600	1.900	3.250	1.900
Hengelo	2.250	1.250	2.400	1.650	2.000	1.550
Assen	1.200	1.300	1.700	600	450	1.350
Venlo / Venray	-	-	-	-	300	1.300
Heerlen	350	400	650	450	600	1.200
Sittard	-	-	-	350	400	350
Total Other	49.650	54.550	66.850	84.100	76.350	83.450
Total Netherlands	119.700	141.300	130.450	163.850	168.400	175.400

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

Available supply

	2014	2015	2016	2017	2018	2019
Rotterdam region	1.023	1.017	976	940	758	656
The Hague region	1.023	1.084	1.130	887	675	587
Amsterdam region	1.700	1.793	1.510	1.151	1.019	554
Utrecht region	695	687	681	631	498	448
Total G4	4.441	4.581	4.297	3.609	2.950	2.245
Eindhoven	251	272	271	266	262	197
Amersfoort region	233	217	306	256	246	184
Almere	214	233	212	223	227	179
Arnhem	196	208	203	199	160	138
Zwolle	162	192	190	177	144	108
Groningen	154	139	103	126	102	104
Apeldoorn	193	162	150	136	111	102
Den Bosch	153	159	135	114	95	89
Breda	135	136	148	131	98	89
Maastricht	93	101	93	93	72	80
Enschede	108	107	100	100	96	75
Tilburg	105	96	98	82	75	73
Leeuwarden	126	110	100	89	78	69
Deventer	107	91	105	106	82	69
Drechtsteden	116	119	90	95	83	67
Heerlen	90	77	59	62	57	66
Assen	53	53	46	50	57	54
Hengelo	87	103	105	104	88	50
Nijmegen region	101	105	76	76	67	48
Venlo / Venray	-	-	-	-	37	46
Alkmaar	-	-	-	87	50	43
Sittard	25	24	28	30	30	25
Zaandam	-	-	-	50	29	14
Total Other	2.702	2.704	2.617	2.603	2.345	1.967
Total Netherlands	7.143	7.285	6.915	6.212	5.296	4.213

Available supply (x 1,000 m² vvo per 1 januari)

Amsterdam

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



Take-up volume

472.350 m²

1% INCREASE COMPARED TO LAST YEAR

Available supply

553.500

69% DECREASE COMPARED TO THE PEAK AT THE BEGINNING OF 2015

Office market ratio

85%

LAST YEAR 46%

Number of transactions

320

AVERAGE FLOOR SPACE 1.480M²



After two consecutive years in which the Amsterdam market became more dynamic, 2018 saw the market stabilising. Compared to the previous year, in 2018 there were about an equal number of metres of office space let or sold in the Amsterdam region. However, this image of stability hides the fact that there are significant differences in the dynamics between the Municipality of Amsterdam and its surrounding areas. In Amsterdam itself, compared to the previous year, almost one tenth less office space was traded in 2018, while in the surrounding areas last year, three-quarters more square metres were taken up. Amstelveen and Schiphol in particular, reached peaks. The market in smaller office premises performed outstandingly in the surrounding municipalities.

Many years of historically high take-up volumes led to a strong decrease in available office space in the region of Amsterdam in 2018. There was a drop in available supply for the fourth consecutive year. During 2018 the available supply almost halved, to the point of being the strongest drop since the turn of the century. The high numbers of withdrawals of the office space stock for repurposing, combined with the strong increase in demand from office space users explain this drop. The current low level offers those seeking office space very limited options to find suitable premises. The lack of supply is also at the root of the stagnation in take-up volumes in the Municipality of Amsterdam. In the surrounding municipalities, the available supply last year was large enough to facilitate the strong dynamics, but it is expected that the marginalised supply here will also temper the take-up volumes.

Shortages in supply limit the options of office space seekers

On 1 January 2019, there was more than 465,000 m² less office space available than at the beginning of 2018. A drop of almost half was registered. In total, there is more than 550,000 m² of office space for sale or for rent in the region. At the peak in 2015, there was more than three times more square metres on offer. Most of the current available supply is offered in the Municipality of Amsterdam and amounts to three-quarters of the region's total. The supply of approximately 400,000 m² office space in the Municipality of Amsterdam however, is insufficient to meet the strong demand.

The available supply has dropped in all districts of Amsterdam, with the exception of Oost (Amstel). After the supply in this district halved in 2017, a slight increase of 3,000 m² per year was registered in 2019. The bottom seems to have been reached in this office location. In contrast, in Amsterdam Noord the supply has decreased for the fourth consecutive year. At the beginning of 2019, there was only about 11,000 m² of office space on offer. The explanation for this decrease lies in the exceptionally high take-up volume in Noord. Noord's improved accessibility with the Noord/Zuidlijn metro in 2018 has contributed to the greater appeal of office space to the north of the River IJ.

In the municipalities surrounding Amsterdam, the proportions are also becoming increasingly tight. Over 180,000 m² less office space was offered than one year ago. The drop in available supply in the combined surrounding municipalities over the last year has been relatively significantly stronger than in the Municipality of Amsterdam itself. More than 50% less office space was available at the beginning of 2019 in the surrounding municipalities than one year ago, totalling less than 150,000 m². Amstelveen and Hoofddorp are seeing the supply of office space surface area drop visibly. But even the chance of finding office space in Schiphol is becoming more limited.

Apart from the shortages in specific locations, there is also a mismatch in the desired quality in the current available supply. Users are looking for the upper limit in their quantitative and qualitative demands. Location, building quality, parking facilities and appearance are all factors in the decision-making process. The most important precondition though, is the available space in the office block. Larger floor areas are very scarce in Amsterdam's current supply. Only 33 office blocks with square metres exceeding 3,000 m² are on offer in the Municipality. The two largest blocks on Oosterdoksstraat are not even finished yet.

Amstelveen benefits from a tight office market in Amsterdam

In the Amsterdam region, in total more than 470,000 m² of office space was let or sold in 2018. While this was only 3,200 m² more than was traded in 2017, 2018 saw the highest level since 2006. The low transaction levels of the crisis years are now

Supply development

	2014	2015	2016	2017	2018	2019
Amsterdam Centre	147.500	144.100	119.250	118.850	129.850	111.550
Amsterdam North	51.150	57.250	53.350	36.550	27.800	11.200
Amsterdam East	90.300	102.000	66.250	57.200	26.800	30.150
Amsterdam West	413.200	372.400	322.550	259.800	249.450	112.900
Amsterdam Zuidas	130.600	170.800	210.400	160.850	134.550	60.050
Amsterdam Zuidelijke IJ-oever	47.900	36.700	20.900	8.500	3.550	1.400
Amsterdam South East	330.900	385.350	274.450	176.650	119.200	78.250
Amsterdam	1.211.550	1.268.600	1.067.150	818.400	691.200	405.500
Amstelveen	164.550	204.500	167.750	102.150	81.650	29.550
Badhoevedorp	32.550	24.750	11.950	6.150	9.950	2.900
Diemen	21.200	25.650	10.300	12.700	12.750	11.400
Hoofddorp	180.000	180.900	172.850	138.850	133.200	46.550
Schiphol	90.400	88.750	80.400	72.250	90.550	57.600
Other	488.700	524.550	443.250	332.100	328.100	148.000
Amsterdam region	1.700.250	1.793.150	1.510.400	1.150.500	1.019.300	553.500

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

behind us. That there was a slight increase in take-up volumes over the last year is entirely due to Amsterdam's surrounding municipalities. Three-quarters more office floor space changed hands in these municipalities. In contrast, the office market of the Municipality of Amsterdam was less dynamic in 2018 and the take-up volume was almost one-tenth lower than in the previous year.

Things are shifting on the Amsterdam office market. The continued economic growth led to an exceptionally high demand for office space in 2018. The drop of the take-up volume in Amsterdam does not arise from the demand stagnating, but far more from a lack of suitable supply. The supply shortages have a great impact on the way in which the demand for office space is developing. Companies are increasingly reassessing their choice of location in Amsterdam if they are unable to find suitable premises within the city limits. Centrally located offices in other large municipalities in the Randstad (Utrecht, The Hague, Rotterdam) are becoming alternative locations. That said, the ripple effect of the demand mostly impacts the region.

Office users who intend to locate to or relocate within Amsterdam are increasingly moving to surrounding municipalities. Amstelveen in particular is seeing a strong increase in demand from office users. Compared to 2017, there was almost three times more office space taken up in these neighbouring municipalities, equating to about 40,000 m². Also compared to the long-term average, this is a record level in Amstelveen. In 2018, Hoofddorp lost its appeal with 12% fewer office square metres being taken up compared to 2017.

To retain the economic growth in the Amsterdam region, enough space must be found within the region. Amsterdam is losing potential employment and economic activity, and, as an important economic hub, the whole country will feel the effects. Due to the prolific office developments in its station area, Utrecht will be the first to benefit. In Amsterdam it now has become essential that newly designated commercial areas are created or existing commercial areas are expanded in order to avoid the locational advantages being damaged in the long run. There is a risk that the regions outside Amsterdam will become more dynamic. At international level, the consequences will be detrimental to the whole Dutch economy.

In the run-up to Brexit, Amsterdam is working on becoming the centre of the European Union's capital markets. The Authority Financial Markets (AFM) has already noted a rise in the permit applications of companies working in stock markets and platforms for bond trade. Without exception, these financial service providers are choosing Amsterdam above other Dutch office locations, and within this, they mainly prefer the Zuidas.

Up to now, NEX group, Marktaxess and Tradeweb, Jefferies, MUFG and the Royal Bank of Scotland (RBS) have made it known that they will locate or relocate to the Zuidas. Only 7,600 m² of the high value part of this business district was available at the beginning of 2019. This is not enough to accommodate the influx of companies. Once international companies move across the borders because of a lack of supply in Amsterdam, this will have disadvantageous consequences on the Dutch economy and its competitive position.

Development of take-up

		2013	2014	2015	2016	2017	2018
Amsterdam Centre	> 500 m ²	62.000	61.350	31.650	122.550	99.100	75.350
	250-500 m ²	7.150	11.100	4.750	16.050	12.550	8.250
Amsterdam North	> 500 m ²	2.500	-	2.550	6.700	1.650	15.550
	250-500 m ²	1.100	1.250	1.000	4.100	3.950	3.450
Amsterdam East	> 500 m ²	9.050	22.250	7.750	45.250	31.700	43.600
	250-500 m ²	3.550	3.700	3.500	5.250	1.750	2.400
Amsterdam West	> 500 m ²	35.000	38.500	71.500	53.400	89.400	86.100
	250-500 m ²	5.100	2.900	1.900	7.100	8.850	7.000
Amsterdam Zuidas	> 500 m ²	45.700	38.000	29.700	76.200	78.900	66.300
	250-500 m ²	3.600	4.550	1.800	4.350	6.400	3.200
Amsterdam Zuidelijke IJ-oever	> 500 m ²	12.650	6.150	13.500	2.700	5.200	3.350
	250-500 m ²	700	1.350	300	950	950	450
Amsterdam South East	> 500 m ²	43.500	63.550	44.600	54.200	70.250	56.500
	250-500 m ²	6.300	4.450	2.550	4.450	1.800	4.050
Total	> 500 m ²	210.400	229.800	201.250	361.000	376.200	346.750
	250-500 m ²	27.500	29.300	15.800	42.250	36.250	28.800
Amsterdam		237.900	259.100	217.050	403.250	412.450	375.550
Amstelveen	> 500 m ²	14.000	10.950	9.200	13.400	14.500	39.550
	250-500 m ²	800	550	600	2.900	800	3.200
Badhoevedorp	> 500 m ²	-	-	1.000	6.600	-	-
	250-500 m ²	-	-	-	350	-	-
Diemen	> 500 m ²	5.900	-	-	-	10.050	13.500
	250-500 m ²	-	-	-	550	250	1.050
Hoofddorp	> 500 m ²	10.050	6.900	9.600	14.250	28.050	23.950
	250-500 m ²	1.000	1.900	650	1.700	1.500	2.050
Schiphol	> 500 m ²	6.350	11.100	15.950	5.850	1.250	12.250
	250-500 m ²	-	400	750	300	250	1.250
Total	> 500 m ²	36.300	28.950	35.750	40.100	53.850	89.250
	250-500 m ²	1.800	2.850	2.000	5.800	2.800	7.550
Other		38.100	31.800	37.750	45.900	56.650	96.800
Total	> 500 m ²	246.700	258.750	237.000	401.100	430.050	436.000
	250-500 m ²	29.300	32.150	17.800	48.050	39.050	36.350
Amsterdam region		276.000	290.900	254.800	449.150	469.100	472.350

Take-up of m² LFA of office space by district

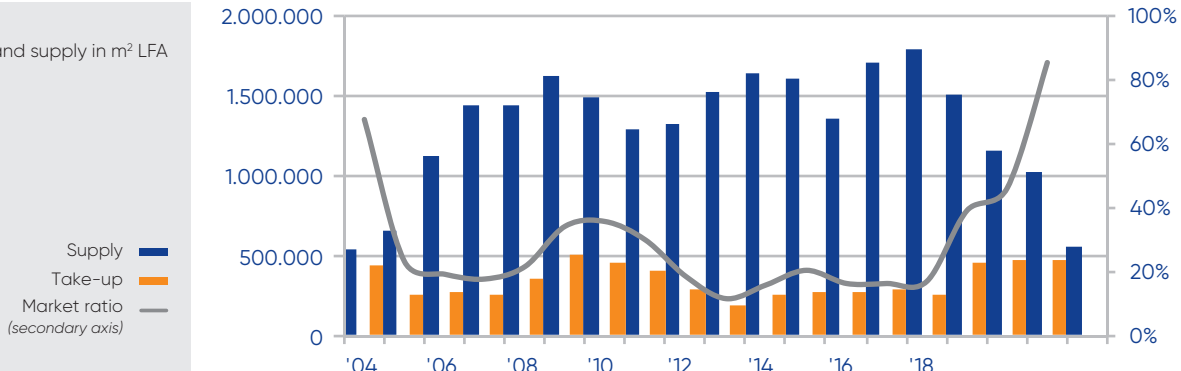
Regeneration of Amsterdam Sloterdijk has positive effect on the price level

One consequence of the increasing scarcity is the upward shift of the price level in almost all locations in Amsterdam. While price rises mostly mean decreasing incentives in other office areas, the incentives in Amsterdam had already been decreasing for a while. The incentives had been at the minimum in many locations causing the price rises to be translated into an increase in realistic rents. It is apparent that in Sloterdijk the many repurposed projects are leading to a regeneration and revaluing of this district. This was clear when the headquarters of APG moved to Amsterdam Sloterdijk from Symphony Zuidas. The price level in Sloterdijk to date has been between € 165 and € 210 per m² per annum, but is expected to further rise in the next few years.

The strong increased price level in the Municipality of Amsterdam will be an additional reason for regional office space seekers to move to surrounding municipalities. The rental prices outside Amsterdam mostly lie between € 125 and € 175 per square metre. Given that scarcity is also affecting these areas, the price level in the next few years is likely to be adjusted upwards. For international entities with branches in several European cities (such as London), the Amsterdam price level will not be a reason to move elsewhere. The upper rental prices reached in the Zuidas (€ 425) or in the city centre (€ 400) are comparatively small from an international perspective.

The current price rises are a direct consequence of the scarcity on the Amsterdam office market. While the quality supply will be extended in the next few years through new developments and transformation with commercial plinths, the prices will remain high over the next few years because of the high quality of newly built developments. It is expected that as users will occupy the newly built high-quality buildings, there will be a concentration of supply of office blocks of mediocre quality.

Take-up and supply in m² LFA



Median letting asking prices

	2014	2015	2016	2017	2018	2019
Amsterdam Centre	225	225	235	250	250	250
Amsterdam North	135	140	145	165	195	200
Amsterdam East	155	165	160	165	170	175
Amsterdam West	145	150	145	145	145	150
Amsterdam Zuidas	250	250	261	265	265	265
Amsterdam Zuidelijke IJ-oever	223	210	240	240	230	230
Amsterdam South East	145	140	135	140	150	150
Amstelveen	165	165	165	160	145	150
Badhoevedorp	110	135	138	138	135	135
Diemen	125	130	125	130	125	125
Hoofddorp	145	140	138	135	135	140
Schiphol	160	160	145	135	145	145

Median letting asking prices per m² LFA office space by district



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Frisia Makelaars

The Hague

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



Take-up volume

134.950 m²

12% INCREASE COMPARED TO LAST YEAR

Available supply

587.350

48% DROP COMPARED TO PEAK AT BEGINNING OF 2016

Office market ratio

23%

18% LAST YEAR

Number of transactions

128

AVERAGE FLOOR AREA OF 1.050M²



The available office supply in the The Hague region reached its lowest point since 2003. The dramatically reduced supply is a sign that the market ratios in this regional office market are becoming healthier. At the peak, at the beginning of 2016, there were at least twice as many square metres of office space on offer than on 1 January 2019. Initially, the reduction in the available supply was caused by a high rate of withdrawals for repurposing, in part brought about by the Municipality of The Hague playing a very active role in repurposing undesirable office blocks. During 2018, however, the demand by office users rose. The expansion and the demand for quality is stimulating The Hague's office market. One negative development on The Hague's office space market is the withdrawal of desirable office blocks for repurposing into hotels. The redevelopment of the Muzentoren, the former ABN Amro office on Kneuterdijk and the former State Lottery office on Paleisstraat are examples of this.

Strong polarisation on the The Hague regional office market

On 1 January 2019, there was almost 590,000 m² of office space to let or buy in The Hague region. Compared to the available supply on the same date in 2018, there was 13% fewer square metres offered on the open market. While it seems that this is a substantial drop, those in 2017 and 2018 were even more substantial. From the peak in 2016, the supply decreased every year by 22% and 24% respectively. It is expected that the available office supply will level off at this low level. On the one hand, there should always be a supply available to keep the dynamics going, but on the other hand, part of the supply in the The Hague region is outdated and in an unattractive location.

The drop in the available supply in the region was the strongest in the Municipality of The Hague, which dropped by over 14% compared to the previous year. On 1 January 2019, there was about 300,000 m² less office space available compared to three years ago. Of the districts in The Hague, the district Nieuw Centrum experienced a drop of a good 74% compared to 2016. The increased popularity of this district has led to a strong increase in the number of square metres taken up.

The available supply in the municipalities around The Hague decreased by about 12% in one year. The reduction in supply in Delft, Leidschendam, Rijswijk and Wassenaar more than compensated for the increases in Voorburg and Zoetermeer. Rijswijk in particular may convert the falling supply into an increasing supply in the future given that Shell has stated that it will withdraw from the office blocks it currently occupies in the Plaspoelpolder. Given the current fragile recovery in Rijswijk, this is a worrying development for the regional market dynamics.

The polarisation on the The Hague office market will further increase in 2019. Desirable locations may experience shortages of high-quality offices as a consequence of various redevelopment plans and the stagnation of new developments. Even outside the popular locations, the current boom will lead to an increase in demand for high-quality office space. The difference with less desirable offices, however, will only increase as the rentability of these buildings is low. Furthermore, the low rents in these areas reduce the option of large-scale renovation. This type of real estate is over-represented in Zoetermeer, Rijswijk and surrounding areas of The Hague.

Take-up volume is increasing in The Hague and decreasing in the surrounding municipalities

The total take-up volume in the region increased by 12% in 2018 compared to the previous year. In total, the take-up by office users was almost 135,000 m². The current level lies above the average of the three previous years (approx. 125,000 m²).

Supply development

	2014	2015	2016	2017	2018	2019
The Hague New Centre	177.850	180.750	179.850	151.900	75.400	47.500
The Hague Old Centre	152.950	153.600	121.050	110.600	72.350	51.000
The Hague West	40.600	42.800	34.350	27.500	22.150	23.950
The Hague South	24.050	15.050	19.300	20.500	16.000	17.950
The Hague East	135.400	159.700	180.300	133.500	106.050	110.950
The Hague Nieuw Geannexeerd	46.600	59.600	49.750	40.150	34.950	29.100
The Hague	577.450	611.500	584.600	484.150	326.900	280.450
Delft	50.500	66.650	90.550	66.450	66.050	40.050
Leidschendam	38.700	12.950	8.100	10.650	12.700	10.250
Rijswijk	218.650	214.700	260.300	186.100	190.700	134.950
Voorburg	13.200	14.900	19.400	19.150	9.900	14.600
Wassenaar	-	1.400	2.900	2.750	2.700	2.000
Zoetermeer	125.000	162.500	164.250	118.200	66.000	105.050
Other	446.050	473.100	545.500	403.300	348.050	306.900
The Hague region	1.023.500	1.084.600	1.130.100	887.450	674.950	587.350

Available supply of office space ≥500m² LFA by district on 1 January

Take-up development

		2013	2014	2015	2016	2017	2018
The Hague New Centre	> 500 m²	70.300	25.550	7.450	37.550	24.450	37.350
	250-500 m²	1.000	2.600	2.550	1.650	4.000	2.700
The Hague Old Centre	> 500 m²	10.900	25.750	29.250	10.800	26.450	14.050
	250-500 m²	1.800	5.200	3.300	3.900	2.600	4.250
The Hague West	> 500 m²	11.000	3.850	4.150	5.300	8.250	7.450
	250-500 m²	1.500	2.700	800	2.900	2.950	1.900
The Hague South	> 500 m²	600	7.250	-	700	2.700	2.300
	250-500 m²	1.400	300	-	-	600	2.100
The Hague East	> 500 m²	9.300	18.350	8.400	11.200	7.250	8.250
	250-500 m²	750	1.500	3.000	1.200	2.200	-
The Hague Nieuw Geannexeerd	> 500 m²	3.200	3.900	12.550	4.050	7.850	8.850
	250-500 m²	600	550	300	350	1.900	400
Total		105.300	84.650	61.800	69.600	76.950	78.250
		7.050	12.850	9.950	10.000	14.250	11.350
The Hague		112.350	97.500	71.750	79.600	91.200	89.600
Delft	> 500 m²	1.600	11.550	13.250	15.250	8.500	21.200
	250-500 m²	-	350	1.850	550	2.000	2.400
Leidschendam	> 500 m²	1.200	-	-	-	600	-
	250-500 m²	-	800	-	-	-	-
Rijswijk	> 500 m²	12.200	10.600	3.250	6.200	11.850	11.300
	250-500 m²	2.000	700	900	2.050	2.850	1.950
Voorburg	> 500 m²	4.100	1.950	1.200	2.100	-	-
	250-500 m²	-	800	0	300	-	450
Wassenaar	> 500 m²	-	-	-	-	1.100	-
	250-500 m²	-	-	-	300	-	450
Zoetermeer	> 500 m²	7.900	27.050	31.900	16.300	1.600	6.450
	250-500 m²	2.600	5.900	3.500	3.250	750	1.150
Total		27.000	51.150	49.600	39.850	23.650	38.950
		4.600	8.550	6.250	6.450	5.600	6.400
Other		31.600	59.700	55.850	46.300	29.250	45.350
Total		132.300	135.800	111.400	109.450	100.600	117.200
		11.650	21.400	16.200	16.450	19.850	17.750
The Hague region		143.950	157.200	127.600	125.900	120.450	134.950

Take-up of m² LFA office space by district

In 2018 there was a good 55% more office space in the surrounding municipalities sold or let compared to 2017. In the Municipality of The Hague, there was a slight decrease of less than 2%. The decrease lies entirely in the lower dynamics of small square metres (<500 m²), in larger office blocks more space was let last year. The Nieuw Centrum district in particular saw a dramatic growth of take-up as the Central Government Real Estate Agency acquired the Noord and Zuid Terminals, amounting to about 20,000 m², for private use.

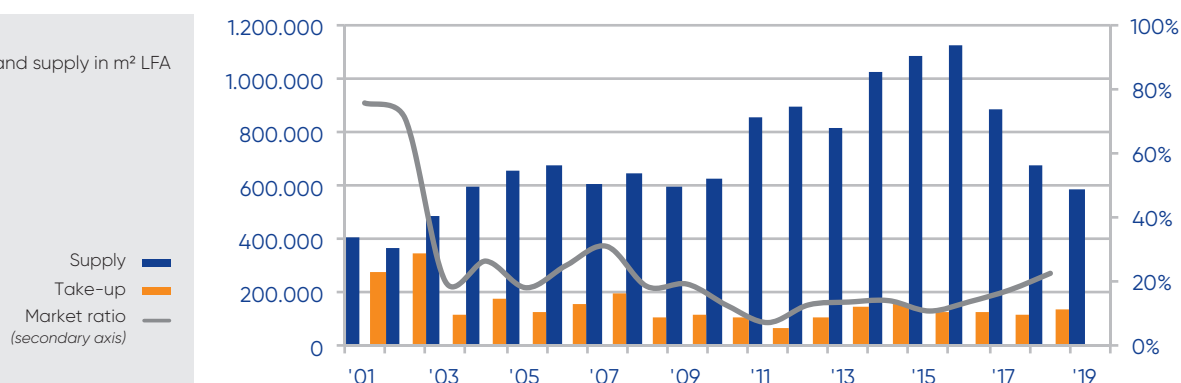
The drop in the volume of transactions in the Municipality of The Hague can partly be explained by the fact that there are few quality office blocks available. As mentioned above, the quality supply does not meet the demand of office users because of a shortage of new developments in the municipality and high numbers of repurposed square metres of office space. To meet the increased demand for offices, the recent halt on repurposing has been an effective measure. Certainly in easily accessible locations (public transport), not only is there a demand from residential consumers, but the preferences of office users is also moving towards these sites.

Apart from changing preferences in terms of the location of the property, office users have a strong preference for efficient, divisible, modern office spaces. Furthermore, companies seek a high level of convenience for their premises. The demand for shared facilities in a building is high. The demand for classic office villas is therefore dropping. On top of this, there is a clear trend in A-locations towards The New Style of Working. In general, users take up more square metres than they leave behind, so one can speak of an effective take-up. This increasing trend in the number of square metres taken-up is pushing up the annual rent for these entities.

Scarcity is having a limited impact on price rises

The lack of high-quality office space in The Hague and its surroundings has, to date, had a limited impact on rents. While the combination of rising demand with a strongly decreasing supply is translated into rising prices in transparent markets, the office market in The Hague is only seeing the incentives drop. The decrease in the incentives extended is leading to an improvement of the lessor's net results.

Take-up and supply in m² LFA



The median square metre price for the whole The Hague region was about € 125 per m² in 2018. However, within the region there were strong differences. For example, the Municipality of The Hague had an above average price level of € 140 per m². The office blocks in the Nieuw and Oud Centrum districts are strongly pushing up the median prices. The Zuid district has the lowest asking price in the municipality at only € 90 per m².

That the polarisation is increasing in the region is shown by the decrease in rents in the already cheap municipalities of Leidschendam and Rijswijk. One square metre of office space in both these municipalities costs about € 100 and the expectation is that considerable incentives will have to be offered as well. One year ago, one square metre in these municipalities was offered for € 110 and € 105 respectively. In contrast, in Zoetermeer a slight increase in the square metre price was noted.

Median rental asking price

	2014	2015	2016	2017	2018	2019
The Hague New Centre	160	175	165	165	175	170
The Hague Old Centre	150	150	150	150	145	150
The Hague West	135	135	135	145	140	140
The Hague South	68	100	100	90	100	90
The Hague East	125	125	100	110	100	105
The Hague Nieuw Geannexeerd	130	125	130	130	120	125
Delft	128	125	120	120	115	110
Leidschendam	100	105	115	110	110	110
Rijswijk	103	103	110	105	105	100
Voorburg	140	135	135	125	130	130
Wassenaar	-	125	125	125	125	135
Zoetermeer	125	125	125	120	115	125
Median rental asking price per m ² LFA of office space per district						



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Rotterdam

- 1 Centre/office-boulevards
- 2 Rotterdam East
- 3 Rotterdam West
- 4 Rotterdam 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

221.950 m²

60% INCREASE COMPARED TO LAST YEAR

Available supply

656.250

36% DROP COMPARED TO PEAK AT BEGINNING OF 2014

Office market ratio

34%

LAST YEAR 18%

Number of transactions

173

AVERAGE SQUARE METRES OF 1.280M²

The Rotterdam office market has had a strong take-up year. In 2018, the transaction volume returned to a comparable level as 2006. Since the start of this century, only in 2007 and 2008 more square metres of office space were let or sold. The high take-up volume, combined with several withdrawals for repurposing, strongly reduced the available office supply. The increasing dynamics dispersed throughout the region. Not only did the 'A' locations benefit from the recovery, but even the less popular office locations became more desirable.

Drop in supply continues on the Rotterdam office market

For the second consecutive year, there was a strong drop in available supply on the Rotterdam office market. On 1 January 2019, there was still 656,000 m² available for rent or sale, more than 100,000 m² less than one year ago. Of this supply, almost 400,000 m² of office space is available in Rotterdam and the rest of the space is available in neighbouring areas. The drop in available supply is limited to the Municipality of Rotterdam, while the supply in the surrounding municipalities is comparable to last year.

In the centre of Rotterdam in particular, the number of metres of available supply dropped dramatically, largely because of the continued popularity of the Central Business District as an office location for users. To retain the dynamism of this area in the future, in many of the plinths of new housing developments, space will be made available for office users. These commercial plinths often consist of two or three floors, which can be used for other purposes such as office space. Outside the centre of Rotterdam, the business areas such as Rivium and Brainpark saw very little movement over the last few years. In 2018, interest among users for this type of monofunctional location started to rise because of the pressure in Rotterdam's existing office market.

Another reason for the drop in available supply is the active repurposing policy of the Municipality of Rotterdam. As early as 2011, the first steps were taken to establish a repurposing team, an alliance between the Municipality and market entities. This extra stimulus resulted in a high number of withdrawals from the stock. In total, over the last few years more than 350,000 m² was withdrawn, making up a large part of the drop in supply. The Metropolitan Region Rotterdam The Hague's (MRDH) Strategie Werklocaties 2030 (work site strategy 2030) also plans to reduce the stock of existing offices and new developments by one million m² by 2023. The office premises policy is prioritising raising the quality of the existing stock and withdrawing unmarketable stock and capacity planning. Expansion of the stock by new developments will only be permitted at major prime urban locations.

The available supply in the coming years is expected to remain at a comparable level. On the one hand, the current economic situation is driving the demand for expansion, but on the other hand, office users know that new ways of working enable them to use space much more efficiently. The outcome is that part of the moves are to higher quality premises rather than to larger spaces. There is also much hidden obsolescence as owners are not actively promoting their offices any more. If these premises would be offered on the market again, it could even lead to an increase in the supply.

Supply development

	2014	2015	2016	2017	2018	2019
Rotterdam Centre	405.850	390.450	380.850	333.100	278.900	184.050
Rotterdam East	100.500	97.550	82.500	60.800	74.950	75.200
Rotterdam West	38.600	34.250	40.450	41.200	20.650	21.600
Rotterdam South	85.250	86.350	74.500	81.700	69.950	57.750
Hillegersberg / Schiebroek	5.600	8.050	7.400	9.100	5.850	3.600
Kralingen	50.450	50.450	38.100	40.500	30.700	30.150
Spaanse Polder / Zestienhoven / Noord-West	33.200	39.300	44.900	35.400	26.300	26.350
Rotterdam	719.450	706.400	668.700	601.800	507.300	398.700
Capelle a/d IJssel / Nieuwerkerk a/d IJssel / Krimpen a/d IJssel	153.450	158.650	156.600	169.050	107.500	139.700
Barendrecht / Ridderkerk	30.300	27.350	25.700	21.150	26.800	27.350
Berkel en Rodenrijs / Bergschenhoek	2.950	2.550	2.700	2.350	3.300	2.150
Havengebied	28.100	30.900	32.150	40.800	41.700	31.700
Spijkenisse	18.300	14.050	11.250	19.900	14.450	8.050
Rhoon / Poortugaal / Hoogvliet	9.200	9.300	14.500	16.700	10.600	9.600
Schiedam	45.600	54.100	46.400	52.250	35.150	28.000
Vlaardingen	15.150	14.150	17.800	16.200	11.350	11.000
Other	303.050	311.050	307.100	338.400	250.850	257.550
Rotterdam region	1.022.500	1.017.450	975.800	940.200	758.150	656.250

Available supply of office spaces $\geq 500\text{m}^2$ LFA by district on 1 January

Take-up development

		2013	2014	2015	2016	2017	2018
Rotterdam Centre	> 500 m²	45.100	50.750	75.450	50.050	48.400	50.350
	250-500 m²	5.300	6.000	1.650	3.650	3.400	7.550
Rotterdam East	> 500 m²	4.900	3.150	20.650	4.750	31.700	22.350
	250-500 m²	600	1.300	1.050	-	1.400	950
Rotterdam West	> 500 m²	11.400	6.150	2.050	2.700	6.250	6.400
	250-500 m²	400	350	-	-	300	350
Rotterdam South	> 500 m²	6.700	5.650	13.500	14.400	3.650	19.150
	250-500 m²	1.500	700	1.400	850	2.700	1.100
Hillegersberg / Schiebroek	> 500 m²	1.600	-	-	-	-	-
	250-500 m²	-	550	-	-	-	-
Kralingen	> 500 m²	2.200	8.300	8.600	7.650	4.500	13.250
	250-500 m²	300	300	750	400	600	-
Spaanse Polder / Zestienhoven / Noord-West	> 500 m²	6.400	1.400	9.350	1.100	-	35.950
	250-500 m²	600	250	-	850	500	-
Total		78.300	75.400	129.600	80.650	94.500	147.450
		8.700	9.450	4.850	5.750	8.900	9.950
Rotterdam		87.000	84.850	134.450	86.400	103.400	154.400
Capelle a/d IJssel / Nieuwerkerk a/d IJssel / Krimpen a/d IJssel	> 500 m²	13.800	6.250	17.150	6.050	15.300	15.200
	250-500 m²	2.300	1.150	900	1.650	2.800	2.250
Barendrecht / Ridderkerk	> 500 m²	2.100	2.200	-	4.900	2.500	6.550
	250-500 m²	1.700	1.250	900	-	800	1.650
Berkel en Rodenrijs / Bergschenhoek	> 500 m²	1.450	5.000	-	-	-	-
	250-500 m²	700	1.000	400	-	-	-
Havengebied	> 500 m²	3.800	1.500	6.750	8.450	2.900	9.950
	250-500 m²	800	850	1.100	350	-	1.300
Spijkenisse	> 500 m²	2.300	-	650	4.200	1.100	1.500
	250-500 m²	-	-	450	600	-	300
Rhoon / Poortugaal / Hoogvliet	> 500 m²	-	4.450	-	-	2.600	11.350
	250-500 m²	-	650	-	250	350	1.300
Schiedam	> 500 m²	-	8.050	10.850	2.500	1.250	11.250
	250-500 m²	-	350	-	-	1.000	1.700
Vlaardingen	> 500 m²	-	-	500	500	4.800	-
	250-500 m²	-	800	400	-	300	250
Total		-	27.450	35.900	26.600	30.450	55.800
		-	6.050	4.150	2.850	5.250	8.750
Other		-	33.500	40.050	29.450	35.700	64.550
Total		-	102.850	165.500	107.250	124.950	203.250
		-	15.500	9.000	8.600	14.150	18.700
Rotterdam region		-	118.350	174.500	115.850	139.100	221.950

Take-up m² LFA office space by district

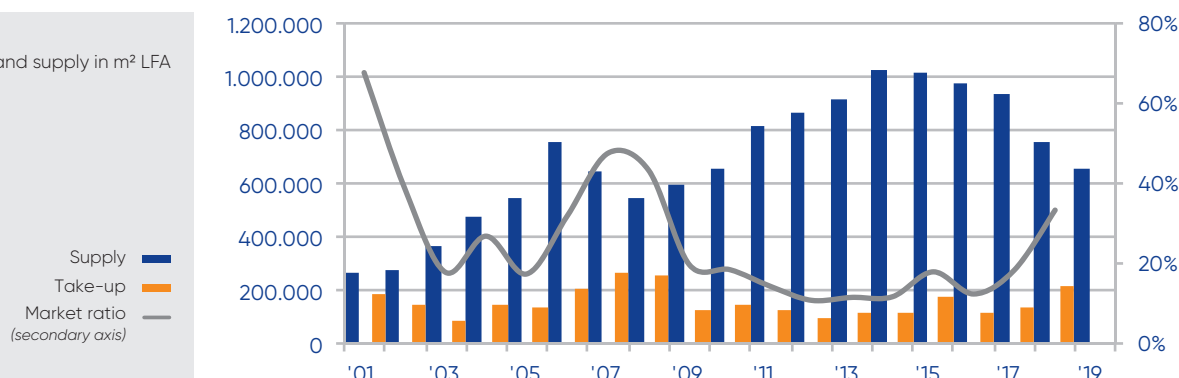
Highest take-up volume since 2008

The Rotterdam office market saw an extremely high take-up volume in 2018. In all, over 220,000 m² was rented or sold. This is more than half more than in the previous year. While the dynamics in the past few years were almost completely concentrated in the Central Business District, tenants are now better able to find other office locations. They are increasingly choosing locations such as Rivium, while they previously disregarded it. The strongest increase in take-up was thus in the surrounding municipalities where 80% more office space is being used than one year ago. Within the Municipality of Rotterdam, this increase is almost 50%. The shift in the choice of location is a result of the increased pressure on the popular office locations.

The dynamics in Rotterdam are largely determined by removals within the region. As many tenants have waited to move over the last years, their current accommodation has become too small. Now that these companies are performing better, they want to take the next step and need more space to do so. As a result, many office users are adding 100 to 500 m² after their move. However, this is not the case for all companies. Many office users can solve their expansion plans by using their space more efficiently. They are creating desk sharing spaces, encouraging working from home and using communal facilities in the building. Apart from these companies, there are also office users who opt to expand by renting more space from suppliers with flexible office concepts.

The dynamics among smaller office spaces have increased as well, although at a lower rate than larger office spaces. The relatively lower dynamics of smaller square metres are caused by the increasing supply of flexible office suppliers in Rotterdam. One example is Offices For You that has rented 5,000 m² in the old Van Nelle factory and Regus that rented about 2,900 m² in the Willemswerf office block in the city centre. Some office users opt for the flexibility that these concepts offer, among them a number of start-ups that swap their workspace at home for space in a flexible office. However, the rentals in these flexible office spaces are not registered on the regular office market. The increased dynamics in this segment have therefore no positive effect on the take-up volume.

Take-up and supply in m² LFA



Rental prices starting to rise slightly

The market recovery has not had a visible impact on the rental prices in Rotterdam over the last few years. The recovery of the market in 2018 is pushing prices upwards. However, this effect is only visible in popular locations. The prices in office areas with more available space are still under pressure. Apart from the price increase, the market recovery is also visible in decreasing incentives.

In the centre of Rotterdam the rents lie within a spectrum of € 180 to € 220 per square metre. The upper part of the spectrum is moving upwards, given that a year ago it was still around € 200. Outside the city centre, the prices in Rotterdam range between € 120 and € 165 depending on the finishing and the quality level of the office space. The rents are significantly lower in office areas outside Rotterdam, such as Rivium. These vary between € 95 and € 125 per square metre.

Median letting asking prices

	2014	2015	2016	2017	2018	2019
Rotterdam Centre	135	145	140	145	140	150
Rotterdam East	140	140	137	135	130	135
Rotterdam West	105	110	110	105	105	120
Rotterdam South	130	125	120	125	120	115
Hillegersberg / Schiebroek	133	100	100	95	90	85
Kralingen	160	160	155	152	140	150
Spaanse Polder / Zestienhoven / Noord-West	118	102	90	100	100	100
Capelle a/d IJssel / Nieuwerkerk a/d IJssel/ Krimpen a/d IJssel	120	120	110	109	110	105
Barendrecht / Ridderkerk	110	115	108	110	110	105
Berkel en Rodenrijs / Bergschenhoek	123	115	135	120	120	120
Havengebied	125	125	125	118	118	125
Spijkenisse	100	100	105	105	100	105
Rhoon / Poortugaal / Hoogvliet	128	125	120	120	120	120
Schiedam	115	115	115	120	105	110
Vlaardingen	98	118	118	110	110	120

Median letting asking prices per m² LFA office space by district



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Molenbeek Makelaars

Utrecht

- 1 Centre
- 2 Maliebaan and environs
- 3 North-West
- 4 East
- 5 Papendorp
- 6 West
- 7 South
- 8 Bunnik
- 9 De Bilt / Bilthoven
- 10 Houten
- 11 Maarssen
- 12 Nieuwegein
- 13 Leidsche Rijn
- 14 IJsselstein
- 15 Zeist / Driebergen



Take-up volume

184.000 m²

18% INCREASE COMPARED TO LAST YEAR

Available supply

448.150

36% DROP COMPARED TO THE PEAK AT THE BEGINNING OF 2014

Office market ratio

40%

LAST YEAR 31%

Number of transactions

147

AVERAGE AREA OF 1.220M²



Since the economic downturn of 2008, the dynamics on the office market in the Utrecht region peaked in 2018. Over the last ten years, there were not as many square metres of office space rented or sold as in 2018. After the trough of 2015, the take-up volume in Utrecht and its surroundings was making a comeback for the third year in a row. The rising demand from the users' market has caused a decline in the available supply. During the crisis, the supply increased so strongly that there was a clear overstock. Between 2010 and 2017, the available supply was more than 600,000 square metres every year. On the one hand, the current increasing take-ups by office users is leading to a drop in the available stock. On the other hand, the tight residential market in this region is a strong stimulus for office repurposing. In 2018, both factors resulted in the lowest supply since 2004.

Office supply dropped by a quarter of a million square metres in five years

For the fifth consecutive year, the available office supply in Utrecht has dropped. On 1 January 2018 the region still had almost 450,000 m² of office space to rent or buy. This is more than one third less than during the supply peak at the beginning of 2014. Of this supply, 266,000 m² was in the Municipality of Utrecht, which means that the supply dropped by one fifth compared to the previous year. The reason for this is the strong market dynamics and the completed new build projects, which appealed strongly to office users. The remaining available square metres are in the surrounding municipalities, of which the Municipality of Nieuwegein is the largest supplier with 77,000 m².

The available supply is already starting to dry up in the centre of Utrecht. The addition of new builds in the area around the station boosted the availability of office space. Projects such as the WTC, the Noord building and the City Gate Offices have significantly increased the office stock around this public transport hub. The enormous popularity of this location has left only about 16,000 m² available in the centre of Utrecht. This is only a quarter of the number of square metres that was available three years ago. There are still various developments in the pipeline in this area, including the Wonderwoods, Central Park and the Jaarbeurspleingebouw projects. These will dramatically increase the office supply in the station area in the next few years, so that the dynamics of the city centre are expected to remain high.

Outside the Municipality of Utrecht, market recovery is having less of an impact. Large entities are moving from the surrounding municipalities to the station area in Utrecht, leaving large office spaces behind. The available office supply in these areas has even increased by one tenth compared to the previous year. In Houten (>15,000 m²) and Nieuwegein (>13,000 m²) in particular, the available floor space is much higher. Thanks to an active repurposing policy, a large number of obsolete premises in these municipalities has been withdrawn from the stock and this is showing potential for the current supply. However, this is not an option for monofunctional office locations, so that long term obsolescence in locations such as Molenzoom in Houten is a problem.

Take-up volume almost back at the level of the record years

In 2018 the regional office market was highly dynamic. In total, one fifth more office space was taken for use than in the previous year. The take-up volume in this year was 184,000 m². Only in 2007 and 2008 was the take-up volume higher since the turn of the century. The majority of the transactions were in the Municipality of Utrecht, where this year 145,000 m² of office space was traded. A significant part of this was in the city centre whose epicentre was the station area. Apart from this, Zuid registered a high take-up volume which is partly explained by the move of ABN Amro (7,100 m²) to the Europalaan.

Supply development

	2014	2015	2016	2017	2018	2019
Utrecht Centre	57.800	50.600	65.000	38.000	35.500	15.900
Utrecht Maliebaan and environs	8.100	10.850	2.150	-	3.600	8.300
Utrecht North/West	33.100	27.400	30.350	23.550	19.900	12.400
Utrecht East	48.600	56.250	47.500	59.700	49.500	48.750
Utrecht Papendorp	68.000	47.400	84.050	79.350	64.000	58.650
Utrecht West	79.800	66.000	48.900	68.250	62.650	47.850
Utrecht South	74.000	89.050	78.300	83.900	68.900	44.200
Leidsche Rijn	34.200	40.050	41.350	32.750	29.450	30.100
Utrecht	403.600	387.600	397.600	385.500	333.500	266.150
Bunnik	14.000	15.600	19.100	12.750	2.800	4.050
De Bilt / Bilthoven	14.300	15.500	18.750	17.200	15.950	7.500
Houten	48.100	56.700	58.900	42.250	18.500	34.000
Maarsse	12.700	21.450	25.650	31.150	28.100	25.200
Nieuwegein	152.600	147.500	119.450	102.650	63.850	76.500
Zeist / Driebergen	44.400	40.950	35.850	31.900	30.750	31.550
IJsselstein	4.800	1.950	6.100	7.300	4.600	3.200
Other	290.900	299.650	283.800	245.200	164.550	182.000
Utrecht region	694.500	687.250	681.400	630.700	498.050	448.150

Available supply of office space ≥500m² LFA by district on 1 January

Take-up development

		2013	2014	2015	2016	2017	2019
Utrecht Centre	> 500 m²	39.500	26.800	16.050	18.300	23.300	28.750
	250-500 m²	2.750	4.200	4.600	1.250	2.750	1.300
Utrecht Maliebaan a.e.	> 500 m²	1.500	900	4.900	1.800	1.700	500
	250-500 m²	650	1.600	2.500	650	4.450	-
Utrecht North/West	> 500 m²	2.950	3.000	6.750	2.750	3.150	800
	250-500 m²	1.400	2.400	1.350	1.100	2.800	1.450
Utrecht East	> 500 m²	8.250	1.250	11.400	5.250	10.150	7.000
	250-500 m²	300	1.500	-	-	-	1.450
Utrecht Papendorp	> 500 m²	22.400	23.800	7.250	11.450	30.050	22.350
	250-500 m²	1.400	350	1.600	-	1.300	2.450
Utrecht West	> 500 m²	13.600	13.350	12.500	1.150	10.350	16.450
	250-500 m²	600	1.500	350	-	400	2.900
Utrecht South	> 500 m²	11.500	26.500	2.450	8.500	9.700	40.800
	250-500 m²	1.100	1.500	1.200	-	1.850	1.150
Leidsche Rijn	> 500 m²	-	5.400	-	39.450	13.200	15.500
	250-500 m²	650	850	1.400	650	700	2.600
Total	> 500 m²	99.700	101.000	61.300	88.650	101.600	132.150
	250-500 m²	8.850	13.900	13.000	3.650	14.250	13.300
Utrecht		108.550	114.900	74.300	92.300	115.850	145.450
Bunnik	> 500 m²	700	-	2.500	1.950	4.550	-
	250-500 m²	-	-	250	250	250	250
De Bilt / Bilthoven	> 500 m²	650	800	-	500	1.500	550
	250-500 m²	-	1.800	1.300	450	300	450
Houten	> 500 m²	2.100	5.050	9.800	8.050	1.350	15.800
	250-500 m²	1.300	300	1.350	550	500	1.100
Maarssen	> 500 m²	550	-	550	1.100	-	2.150
	250-500 m²	350	-	0	300	-	400
Nieuwegein	> 500 m²	4.100	13.050	11.850	4.800	16.850	9.750
	250-500 m²	2.700	400	1.350	850	2.400	1.150
Zeist / Driebergen	> 500 m²	3.800	1.300	1.000	7.800	5.550	4.450
	250-500 m²	900	600	1.750	400	900	2.500
IJsselstein	> 500 m²	600	-	1.800	1.750	1.550	-
	250-500 m²	-	700	1.600	200	400	-
Total	> 500 m²	12.500	20.200	27.500	25.950	31.350	32.700
	250-500 m²	5.250	3.800	7.600	3.000	4.750	5.850
Other		17.750	24.000	35.100	28.950	36.100	38.550
Total	> 500 m²	112.200	121.200	88.800	114.600	132.950	164.850
	250-500 m²	14.100	17.700	20.600	6.650	19.000	19.150
Utrecht region		126.300	138.900	109.400	121.250	151.950	184.000

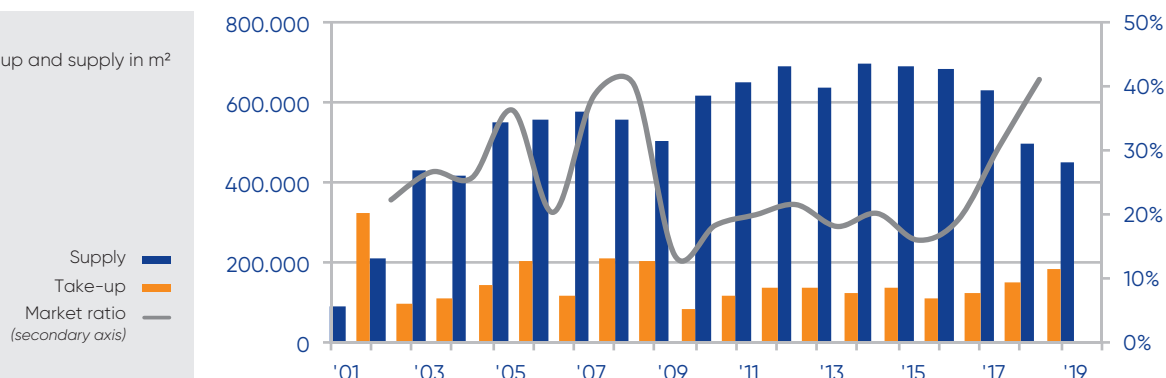
Take-up m² LFA office space by district

The 25% increase of the take-up volume in Utrecht contrasts with the take-up decline in the Municipality of Amsterdam. The Utrecht office market is substituting for the capital city. The shortage of stock in Amsterdam means that office users are unable to find suitable locations in central areas of Amsterdam. While part of the demand is moving to Amsterdam's surrounding municipalities, this is not an option for some of the office space seekers. This group is looking for a large urban setting and atmosphere for their location, and Utrecht is a good alternative. A major supplier of this demand for quality are the new developments in the renovated station area.

In 2017, most of the movement was in the small office segment (<500 m²). During 2018, the take-up volume of small floor spaces was still above the long-term average, but compared to 2017, it showed a slight decline. The growth in 2018 was mostly in larger office transactions. Compared to the previous year, there was almost one third more larger office space let or sold in 2018. Companies are hiring more staff now after several years of favourable economic circumstances. This is also shown by the fact that unemployment is again below the pre-crisis level (CBS, 2018). The larger companies in particular were overly spaciouly housed as a result of the crisis. But the excess space in the office is now being used up as their staff components are growing, pushing them to look for alternative accommodation.

While Amsterdam's surrounding municipalities strongly benefit from a tight market in the districts of Amsterdam, this is definitely not the case in the Utrecht region. Despite the one fifth drop in the available supply in the Municipality of Utrecht, there are no effects of substitution in the surrounding municipalities. The take-up volume in the surrounding municipalities combined has even dropped by 5%. Office users appear not to value the surrounding municipalities of Utrecht as an alternative to the Municipality itself. This is partly explained by the large volume of supply at locations within the Municipality's borders. Utrecht Papendorp, for example, still has a large number of office square metres (almost 60,000 m²) available.

Take-up and supply in m²



New developments determine the price ceiling in Utrecht

Despite the increasing dynamics, the price level in Utrecht is remaining quite stable. That said, there is a clear reduction in the incentives for the second year in a row. The average rent is only being pushed up by the higher priced new developments. The clearly higher quality of these buildings is resulting in above-average asking prices. Thus, the rental price of the new builds in the station area lie between € 215 and € 285 per square metre and is the price ceiling of the Utrecht office market. The asking prices for office locations outside the centre are far lower. But even among these locations there is a significant price difference. Much more is paid for office space in Papendorp or Oost than in West and Leidsche Rijn. The price levels in the surrounding municipalities are lower than in Utrecht itself. The price in IJsselstein is the bottom of the region.

Median letting asking prices

	2014	2015	2016	2017	2018	2019
Utrecht Centre	180	169	170	185	190	195
Utrecht Maliebaan a.e.	194	174	-	-	200	190
Utrecht North/West	132	125	130	125	130	125
Utrecht East	170	165	160	150	150	160
Utrecht Papendorp	172	170	155	155	150	160
Utrecht West	110	100	110	110	105	100
Utrecht ZSouth	130	115	120	125	125	130
Leidsche Rijn	110	95	105	105	105	100
Bunnik	120	115	120	110	120	115
De Bilt / Bilthoven	135	125	125	130	135	130
Houten	120	118	120	115	110	115
Maarssen	125	120	120	110	110	115
Nieuwegein	115	115	100	105	105	110
Zeist / Driebergen	135	140	125	125	115	125
IJsselstein	67	65	70	95	85	80

Median letting asking prices per m² LFA office space by district



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Eindhoven

- 1 Eindhoven Centre
- 2 Eindhoven North
- 3 Eindhoven West
- 4 Eindhoven South/East



Take-up volume

76.400 m²

23% INCREASE COMPARED TO LAST YEAR

Available supply

196.650

28% DECREASE COMPARED TO THE PEAK AT THE BEGINNING OF 2015

Office market ratio

39%

LAST YEAR 24%

Number of transactions

96

AVERAGE SQUARE METRES OF 800M²



The dynamics of the office market in Eindhoven reached a new peak in 2018. Since 2007, there had not been so many square metres of office space rented or sold in one year. The take-up volume in the last year was far above the long-term average of the previous 10 years. The development of the Brainport Industries Campus as the future campus for the international high-tech manufacturing industry strongly contributed to the high dynamics of this city in the province of Brabant. The High Tech Campus performed well too. The innovative character of Eindhoven, the presence of high-quality technology companies such as TomTom, Philips, ASML, NXP, IBM and Intel, and the knowledge spillovers of the TU Eindhoven, make it an attractive location to establish a business.

Scarcity in central location for large office users

Compared to the beginning of 2018, there was almost one quarter less office space on Eindhoven's office market on offer on 1 January 2019. This was the fourth year in a row that experienced a drop in available supply. The last year in which a supply volume of less than 200,000 m² was registered, was 2007. The supply peak that emerged in the intervening years as a result of the economic crisis balanced out in 2019. The drop in available supply was caused by the high number of repurposed office space on the Eindhoven office market, and in particular in the Strijp district, while the continuing high level of demand for office space was responsible for the continuing drop in supply.

The strong dynamics in the centre of Eindhoven has halved the available supply in the last year. Only about 30,000 m² of office space is available in the central office area. Compared to the peak in 2015, the supply has decreased by more than 80,000 m².

Supply development

	2014	2015	2016	2017	2018	2019
Eindhoven Centre	112.000	112.600	91.450	94.000	60.150	29.950
Eindhoven North	38.300	41.850	50.050	51.250	57.800	30.600
Eindhoven West	88.800	97.300	113.750	103.400	112.450	112.550
Eindhoven South/East	11.400	20.800	15.250	17.750	29.500	23.550
Eindhoven	250.500	272.550	270.500	266.400	259.900	196.650

Available supply of office space of ≥250m² LFA per district on 1 January

The gap between supply and demand is thus becoming tighter in the centre of the city. Users seeking more than 3,000 m² of contiguous office space are no longer able to find this in Eindhoven Centrum. Last year, there were still three premises larger than 3,000 m² available.

Larger office spaces determine the dynamics in Eindhoven

With more than 76,000 m² sold or let office space, 2018 was a record year. The high demand for office space is stabilising the Eindhoven office market. The high take-up volume in 2018 was driven by the strong dynamism of large office square metres (>250 m²). Compared to the previous year, there were more than one fifth more square metres traded in this sector. Initially, larger companies were able to accommodate their growing workforce inside their premises. These users are now experiencing the limits of the real estate market. In contrast, smaller offices are experiencing stagnation. In 2016, one of five transactions was a smaller surface area (<250 m²), while in 2018, this was about one of 15. The share of small office premises in the total take-up volume is declining. The market for flexible office space is moving very strongly in Eindhoven, where start-ups and smaller companies value the flexibility of these work spaces.

During 2018, the demand for larger office spaces was high, particularly in the centre of Eindhoven. Compared to the previous year, the volume more than tripled. The renting of 3,400 m² in the Piazza Offices by PWC largely contributed to the high dynamics in the centre. On top of this, Regus, the flexible office supplier, rented almost 2,500 m² in the centre of Eindhoven and then sub-let the space as smaller flexible office units. Outside the city centre, the Brainport Industries Campus, High Tech Campus and Strijp-T are very popular among office users, leading to fast lets and waiting lists. During 2018, several academic institutions, the construction company BAM and ASML occupied space in district Eindhoven West.

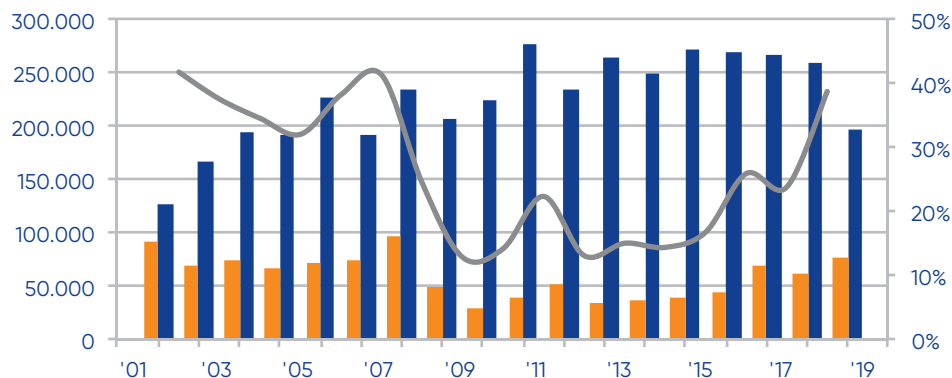
Take-up development

		2013	2014	2015	2016	2017	2018
Eindhoven Centre	> 250 m ²	15.200	14.400	18.900	38.750	4.100	13.550
	< 250 m ²	4.050	2.100	2.950	5.650	1.650	1.500
Eindhoven North	> 250 m ²	2.600	4.750	750	5.700	32.650	16.650
	< 250 m ²	950	700	400	2.700	1.600	600
Eindhoven West	> 250 m ²	9.500	14.350	18.250	9.750	13.350	30.800
	< 250 m ²	1.900	800	1.300	5.150	550	2.050
Eindhoven South & East	> 250 m ²	3.250	950	2.550	850	6.150	10.400
	< 250 m ²	200	1.100	250	600	1.900	850
Total	> 250 m ²	30.550	34.450	40.450	55.050	56.250	71.400
	< 250 m ²	7.100	4.700	4.900	14.100	5.700	5.000
Eindhoven		37.650	39.150	45.350	69.150	61.950	76.400

Take-up m² LFA office space by district

Take-up and supply in m² LFA

Supply
Take-up
Market ratio
(secondary axis)



High demand fuels rental prices

The continuous decline in supply combined with the strong demand by office users is pushing prices upwards in certain districts. In Eindhoven West, the prices for office space are rising, but the centre of Eindhoven still registers the highest price level in the entire municipality. The prices are higher in the flexible office market and some of the office users are prepared to pay a higher price for accommodation in this type of office concept in exchange for flexibility and shared facilities.

Median rents

	Attained (€)	2018	Expected (€)	2019
Eindhoven Centre	120 - 180		120 - 195	
Eindhoven North	90 - 130		90 - 140	
Eindhoven West	100 - 140		100 - 150	
Eindhoven South & East	100 - 130		100 - 130	

Attained and expected median rent per m² LFA office space by district



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