



LOGISTICS REAL ESTATE

Dutch Market Report 2019

INDUSTRIAL
real estate partners

OCCUPIER MARKET

Take-up reaches another all-time high

Once again, take up of logistics warehouses in The Netherlands has established a new record, 2,287 million sq m (up 9%). The drivers are well known.

- Economic conditions remain positive
- The Netherlands, especially the Brabant-Limburg region, is the logistics hotspot of northern Europe
- Rise of e-commerce

New-build dominates

The increase in take-up was driven mainly by new developments.

- Take-up of new developments 1,395,000 sq m (up 14%)
- Take-up of existing buildings 850,000 sq m (up 1%)

South remains leader, West on the rise

The southern part of the country stays in the lead in terms of take-up volume, however the rise finds its origin mainly in the west.

- 2 southern regions 1,228,000 sq m (up 1%)
- 2 western regions 535,000 sq m (up 64%)

The relatively small Utrecht market was lagging behind in 2018 (down 65% at 53,000 sq m), however several transactions are foreseen for 2019.

Supply decreasing, lease rates rising

The high take-up level impacted supply. Speculative developments partly compensated the supply drop.

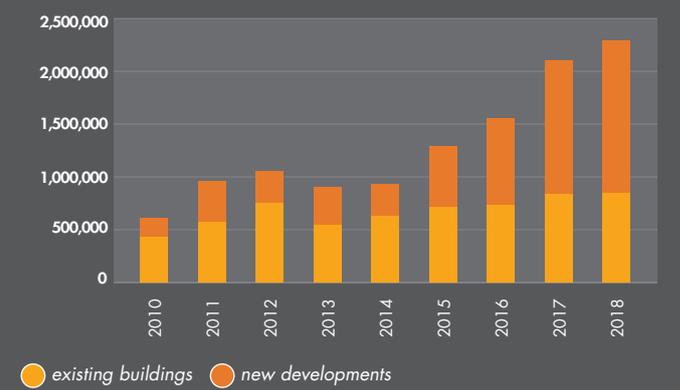
- Availability of existing buildings 1,541,000 sq m (down 14%)
- Availability of build-to-spec 724,000 sq m (up 31%)
- Overall supply down 3%, however supply-to-stock ratio down from 7.5% to 6.8%

The decreasing supply, combined with increasing construction costs, is leading to higher lease prices and/or reduced incentives, especially in popular areas with limited development options, such as Venlo, Tilburg and Rotterdam.

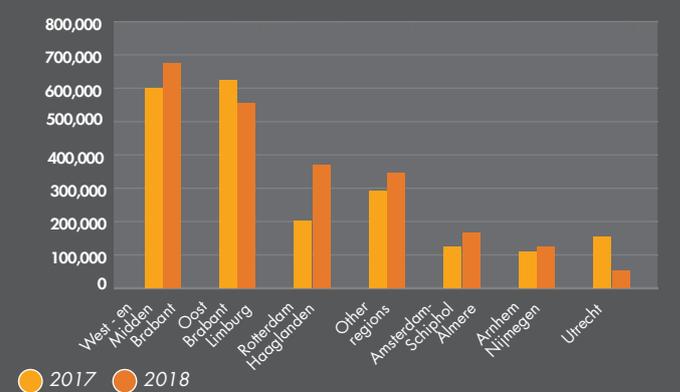
OUTLOOK 2019

Despite trade war risks, Brexit uncertainty and economic growth deceleration, we foresee that the continuing shop-to-shed shift, improved 3PL margins and increased quality demands will result in a strong logistics lease market in 2019. Brexit may even increase demand for warehouses.

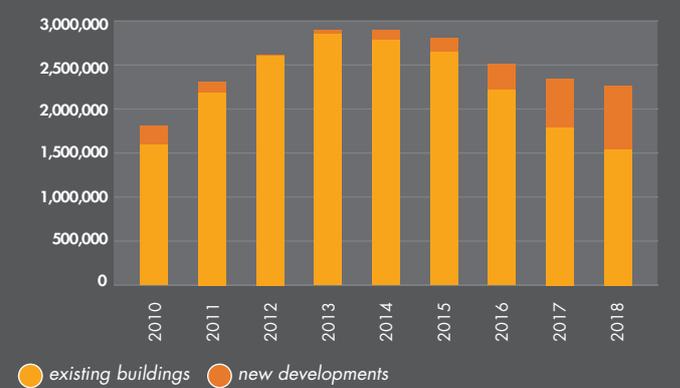
Take-up of logistics space by building type in sq m



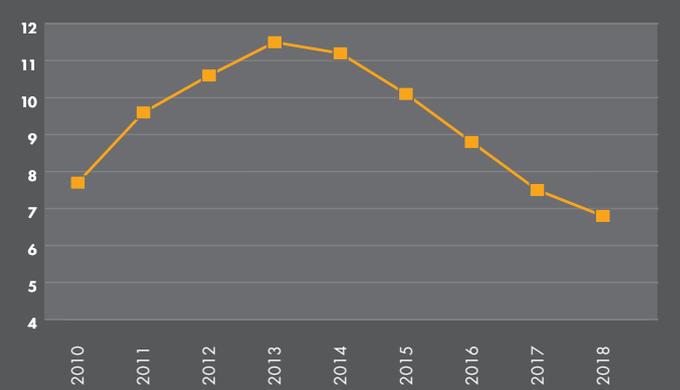
Take-up of logistics space by region in sq m in 2018



Supply of logistics space by building type in sq m



Supply of logistics space as percentage of stock



INVESTMENT MARKET

Record growth, record volume, foreign investors dominate

Investments in logistics real estate in The Netherlands rocketed to a new record. The abundance of cheap money continued to drive the market, along with The Netherlands' excellent position in Northern Europe and the positive outlook for the logistics user's market. Once more, foreign investors were by far the largest buyers, with a prominent role for the Belgians.

- Investment volume € 2.3 billion (up 75%)
- 95% of investments sold to foreign buyers
- Belgian investors stood out: 20% market share

New build and the South remain leading

As in 2017, new build projects in the South of the country attracted the most buyers. High demand for new properties from both investors and users in this part of the country reinforced each other. Within the southern region however, there was a big shift from the western part to the eastern part of the region.

- 65% of NL volume concerned new build
- 36% of volume took place in the Oost Brabant / Limburg region
- Sharp increases in the regions Oost Brabant / Limburg, Amsterdam / Schiphol / Almere region and Rotterdam / The Hague

Yield compression continues, criteria broaden

High competition between logistics investors and scarcity of core product have led to historically low yields, approaching German levels, which have always been lower. This is causing a number of investors to shift their attention to non-core propositions.

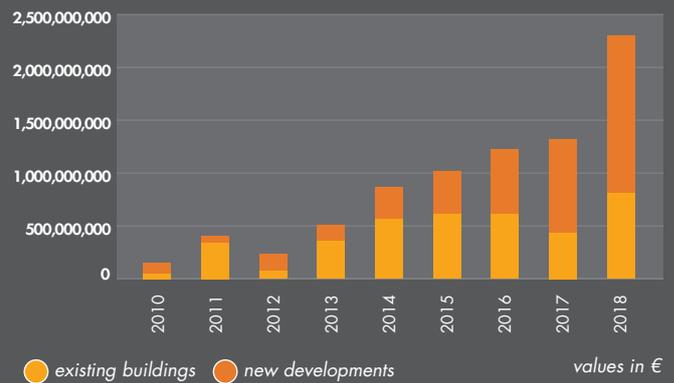
- Prime gross yields of just over 4.5% (down 50 bps from 2017)
- Increase in speculative developments
- Minimum ticket sizes decreasing
- Locations outside hotspots now also considered

Nevertheless, demand for core logistics investment product has not decreased.

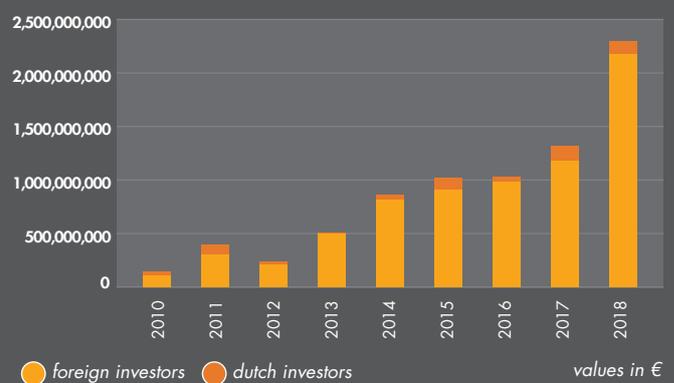
OUTLOOK 2019

Although concerns about international issues and macro-economic developments appear to be growing, we do not foresee demand for logistics investments to decrease. At least not as long as money supply remains abundant. Lack of supply however may slow down the market.

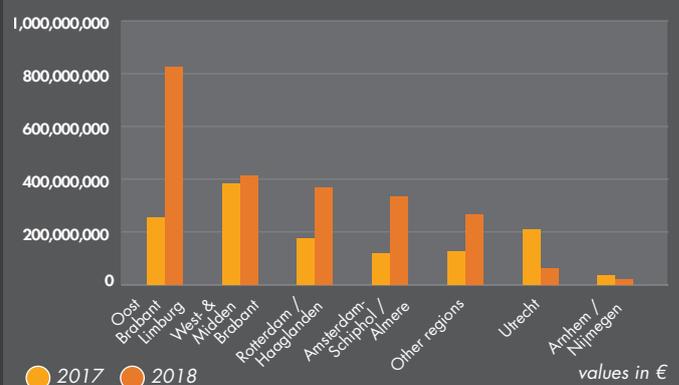
Investments in logistics space by building type



Investments in logistics space by nationality



Investments in logistics space by region in 2018



Next Level sold 81,000 sq m Venlo development to TH Real Estate



TOP 10 LEASE TRANSACTIONS LOGISTICS REAL ESTATE

	Size (sqm)	Location	Occupier	Lessor	Type of building
1	60,000 sq m	Amsterdam	Fetim	Patrizia	new development
2	55,000 sq m	Breda	Lidl	WDP	new development
3	53,000 sq m	Etten-Leur	ID Logistics/Mediamarkt	Heylen Warehouses	new development
4	50,000 sq m	Zaltbommel	Mainfreight	Somerset Capital Partners	new development
5	45,000 sq m	Eindhoven	DHL	Garbe	existing building
6	43,000 sq m	Almelo	Vtech	Heylen Warehouses	new development
7	42,000 sq m	Venlo	Wetron	Aberdeen Standard Investments	new development
8	42,000 sq m	Venray	Bestseller	Exeter Property Group	existing building
9	42,000 sq m	Rotterdam	Neele-VAT	Dudok Groep	new development
10	41,000 sq m	Tilburg	Ingram Micro/De Bijenkorf	HVBM Vastgoed	new development



TOP 10 INVESTMENTS LOGISTICS REAL ESTATE

	Size (sqm)	Location	Buyer	Vendor	Price
1	215,000 sq m	Venlo	Hines	Koninklijke ZON	€ 124,000,000
2	99,000 sq m	Oirschot	TH Real Estate	SDK Vastgoed/VolkerWessels	€ 100,000,000
3	105,000 sq m	Venlo	Savills Investment Management	DSV	€ 95,000,000
4	81,000 sq m	Venlo	TH Real Estate	Next Level	€ 70,000,000
5	65,000 sq m	Venlo	Deka Immobilien	Heylen Warehouses/Broekman	€ 67,000,000
6	60,000 sq m	Amsterdam	Patrizia	Fetim	€ 59,000,000
7	39,000 sq m	Hoofddorp	Barings Real Estate	Delta Development/Volker Wessels	€ 55,000,000
8	32,000 sq m	Rozenburg	Deka Immobilien	Built to Build/Proptimize	€ 52,000,000
9	38,000 sq m	Oude Meer	Delin Capital Asset Management	Aberdeen Standard Investments	€ 51,000,000
10	44,000 sq m	Venlo	Savills Investment Management	Stichting Matilda	€ 48,000,000

This report has been produced in close cooperation with **Bak Property Research**

ABOUT INDUSTRIAL REAL ESTATE PARTNERS

INDUSTRIAL real estate partners is an independent real estate consultancy company with a strong focus on industrial and logistics real estate throughout the Netherlands.

We particularly focus on agency, investments, strategic real estate advice and developments. From our offices in Amsterdam Airport, Rotterdam and Tilburg we cover the important logistics regions.

By combining our national scope, expertise and skills, we are committed to providing the best possible services to owners, occupiers, (re)developers and authorities.

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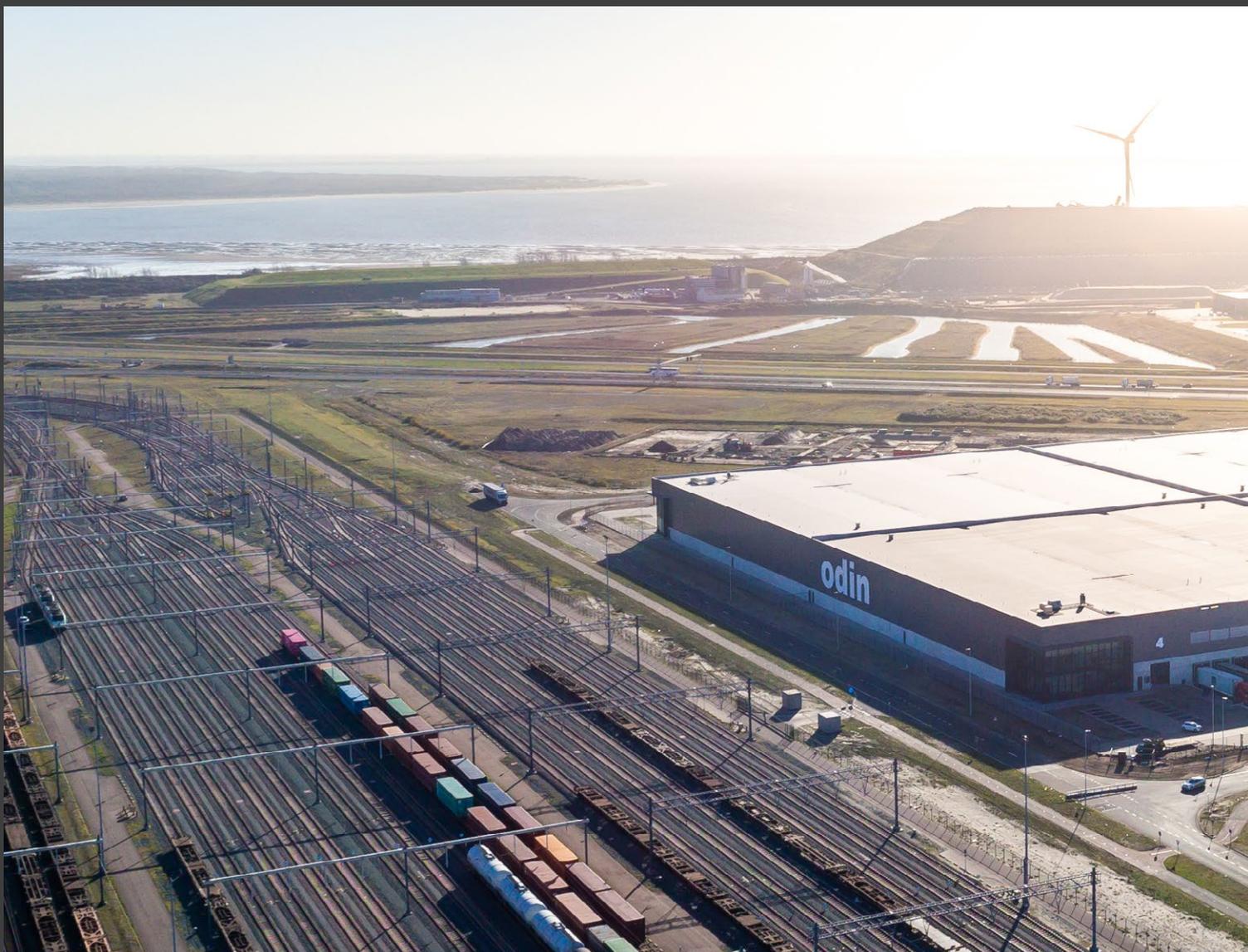
Bart Schraven

DUTCH LAND PRICES & RENT LEVELS 2017/2018

		land prices	rent levels
1	Schiphol Airport	275 - 300	70 - 85
2	Amsterdam Port*	10 - 13	45 - 60
3	Almere	120 - 180	40 - 55
4	Utrecht	230 - 300	45 - 65
5	Arnhem / Nijmegen	150 - 170	40 - 55
6	Bleiswijk/Waddinxveen	225 - 275	45 - 55
7	Rotterdam Port*	9 - 12	50 - 65
8	Moerdijk	140 - 160	40 - 55
9	Roosendaal / Bergen op Zoom	110 - 145	40 - 50
10	Tilburg / Waalwijk	140 - 160	42 - 55
11	Eindhoven	150 - 175	42 - 55
12	Venlo / Venray	120 - 140	35 - 45
13	Maastricht / Heerlen	75 - 100	30 - 45



land prices in € per sq m / rent levels warehouse space in € per sq m per year / * = leasehold



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