



LOGISTICS REAL ESTATE

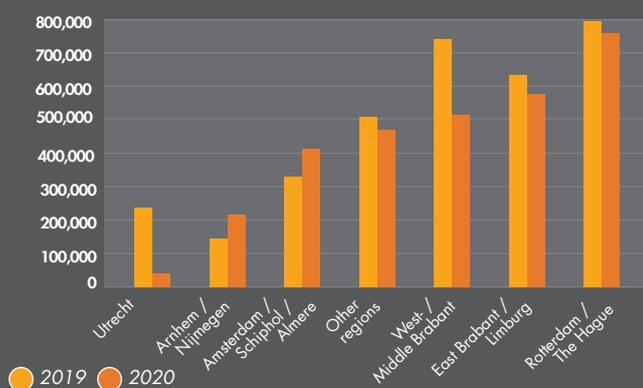
Dutch Market Report 2021

INDUSTRIAL
real estate partners

Take-up of logistics space by building type in m²



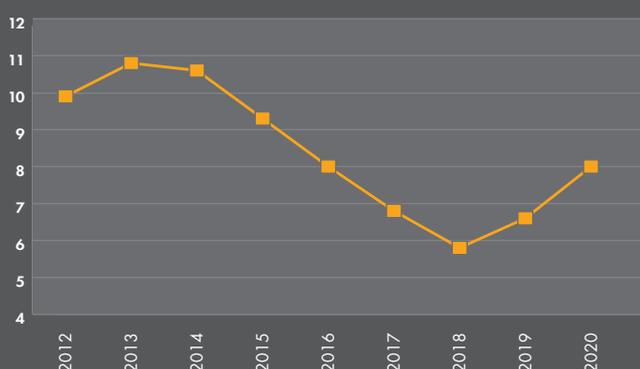
Take-up of logistics space by region in m²



Supply of logistics space by building type in m² (year-end)



Supply of logistics space as percentage of stock



OCCUPIER MARKET

Limited effect of Covid-19

Logistics was impacted by Covid-19, but to a much smaller extent than other real estate segments: total take-up ↓ 10%.

- After a sharp drop in March, take-up gradually recovered, with a strong finish in November/December
- Online retail boom supports high expectations

New-build continues to dominate

New-build is still the name of the game, both build-to-suit and speculative. Spec-developments continued to be successful and compensated for a decrease in to-suit developments.

- 80% of take-up concerned new-build
- Existing take-up ↓ 20%, new-build take-up ↓ 7%
- Take-up of speculative developments ↑ 65%, 28% of total

Highest take-up in Rotterdam/The Hague region

The region Rotterdam-The Hague held its position at the top of the take-up list, with large-scale transactions at Maasvlakte (Odin) and De Lier (De Jong Verpakkingen).

- Lower take-up in regions Utrecht (↓ 81%) and West-/Midden-Brabant (↓ 25%), probably caused by lack of good-quality supply
- Strong take-up in Arnhem/Nijmegen (↑ 56%)

Supply grows as take-up decreases, mainly existing buildings

Supply of existing buildings rose sharply. Speculative supply also increased, but to a lesser extent.

- Supply of existing buildings ↑ 37%, new buildings ↑ 16%
- Speculative supply stable as additions (ap. 900,000 m²) are only slightly higher than take-up (ap. 825,000 m²)

Lease prices rise despite increased supply

Supply of quickly available, good-quality buildings at hotspot locations remains limited and is often built speculatively, which usually means at higher rents. As land also remains scarce, lease prices rose in most areas in spite of increased supply.

OUTLOOK 2021

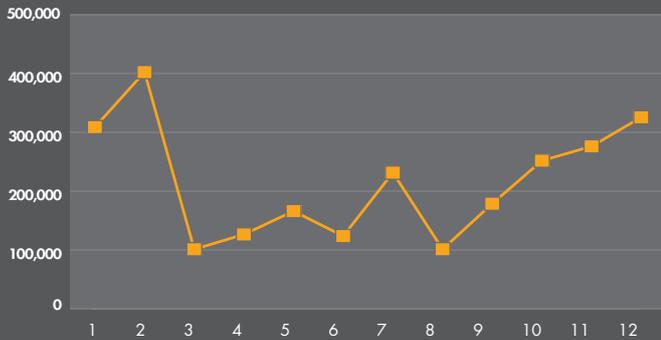
The logistics market has shown to be resilient against, to some extent even benefiting from, the Covid-19 crisis. Online shopping has received a great boost as a result of the crisis and the effect of this development is only beginning to show in the take-up figures. Risk factors such as Brexit and shrinking labour pools have so far not impacted the market substantially. We therefore maintain our positive outlook and foresee a strong 2021.



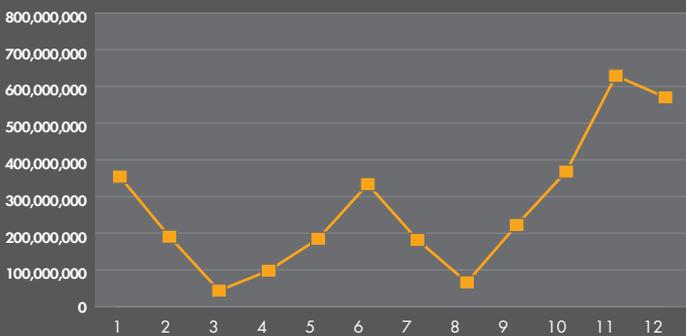
HIGHLIGHT I COVID-19 RESILIENCE

Both the occupier market and the investment market showed a quick rebound after the initial Covid-shock, and a strong recovery after the holiday-dip.

Take-up of logistics space 2020 per month in m²



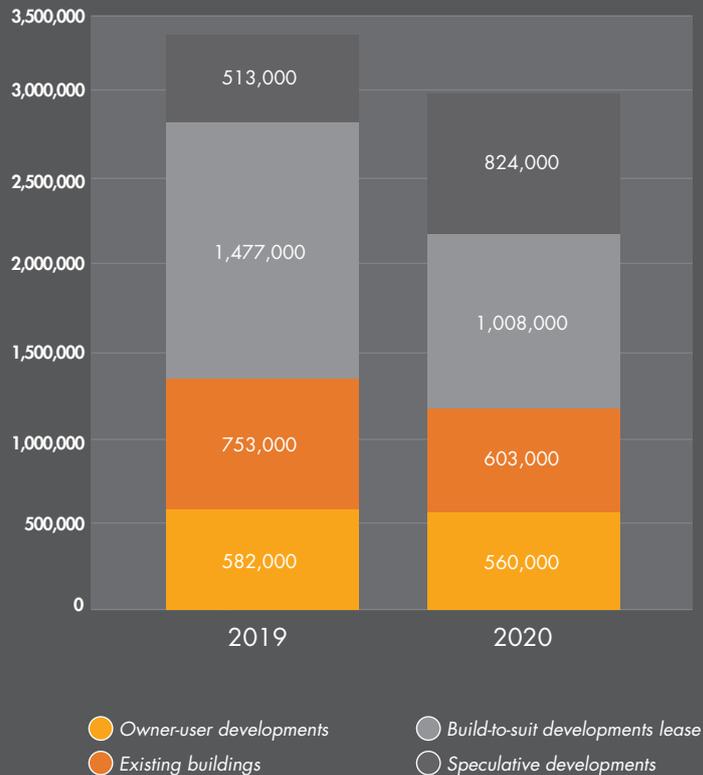
Investments in logistics space 2020 per month in €



HIGHLIGHT II SUCCESS OF SPECULATIVE DEVELOPMENTS

- Take-up of speculative developments ⬆️ 65%
- 65% of speculative supply from 1-1-2020 leased within the year, against 30% for existing buildings
- 75% of speculative developments leased before delivery

Take-up by category in m²



DUTCH LAND PRICES & RENT LEVELS 2019/2020

| | | land prices | rent levels |
|----|-----------------------------|-------------|-------------|
| 1 | Schiphol Airport | 325 - 375 | 75 - 90 |
| 2 | Amsterdam Port* | 12 - 15 | 50 - 60 |
| 3 | Almere | 150 - 180 | 45 - 60 |
| 4 | Utrecht | 270 - 350 | 50 - 70 |
| 5 | Arnhem / Nijmegen | 150 - 170 | 45 - 55 |
| 6 | Bleiswijk/Waddinxveen | 235 - 275 | 49 - 62 |
| 7 | Rotterdam Port* | 10 - 12 | 53 - 72 |
| 8 | Moerdijk | 150 - 170 | 45 - 55 |
| 9 | Roosendaal / Bergen op Zoom | 140 - 170 | 45 - 52 |
| 10 | Tilburg / Waalwijk | 175 - 200 | 48 - 55 |
| 11 | Eindhoven | 175 - 200 | 50 - 60 |
| 12 | Venlo / Venray | 150 - 175 | 45 - 52 |
| 13 | Maastricht / Heerlen | 90 - 120 | 40 - 45 |



Land prices in € per m² / rent levels warehouse space in € per m² per year / * = leasehold

INVESTMENT MARKET

Investment volume reaches another record

Logistics, along with residential, is recognized as Covid-resistant within the range of real estate investment segments. As supply of money has become so extreme that liquidity actually costs money, and The Netherlands continues to be a highly attractive hunting ground, investments in logistics real estate once more accelerated to a new peak.

- Investment volume \uparrow 8% to € 3.24 billion
- Increase originates mainly from Dutch investors acquiring future brownfield positions (Next Level in Bleiswijk, Somerset in Geldermalsen)

Increase in all regions, West-/Midden Brabant the exception

Investment volumes rose in all regions, but Brabant/Limburg showed a remarkable development, caused by a combination of lack of development locations and current investors holding on to their positions in West-/Midden Brabant.

- West-/Midden-Brabant \downarrow more than 50%
- Oost-Brabant/Limburg \uparrow 64% (€ 300 million)
- This is a reverse development to 2019

Yield compression continues

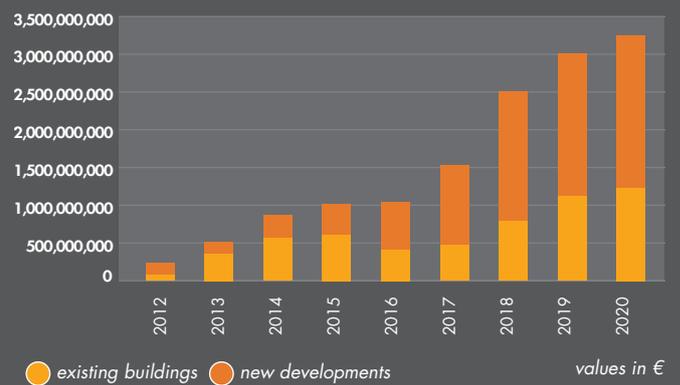
Unsurprisingly, prime yields have gone down further. Non-prime yields are also compressing as the search for higher yield becomes more and more difficult.

- Prime GIYs are now between 3.75% and 4.0%
- Criteria for 'prime' and 'semi-prime' have broadened further, both geographically and in terms of tenancy

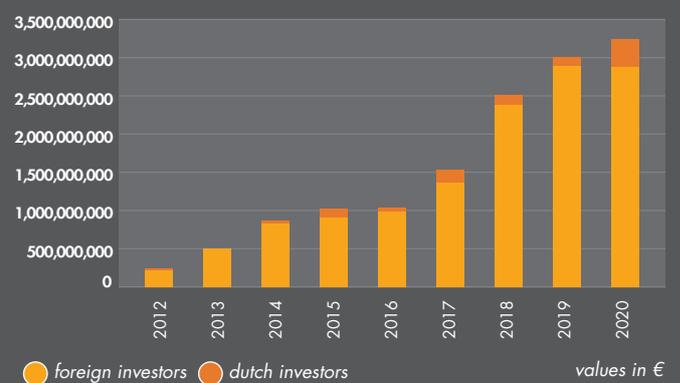
OUTLOOK 2021

With both the occupier market and investor appetite looking healthy, we foresee another positive year for logistics real estate investments. The scarcity of positions in long-time recognized hotspots has resulted in a shift of attention to alternative locations by both developers and occupiers. This has already caused an increase of investments in locations which were previously regarded as secondary. We expect this development to continue.

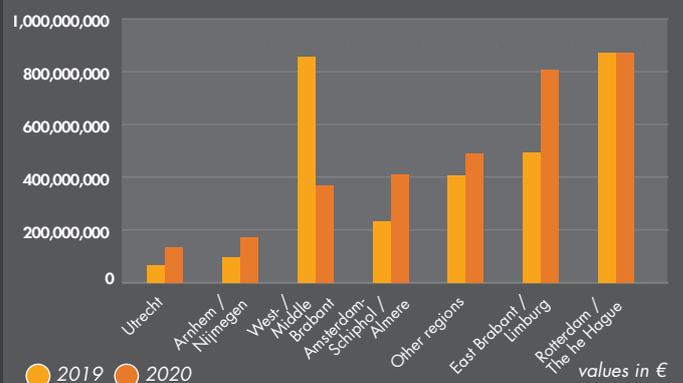
Investments in logistics space by building type



Investments in logistics space by nationality



Investments in logistics space by region



Next Level sells 54,000 m² in Veghel to Patrizia



TOP 10 OCCUPIER TRANSACTIONS LOGISTICS REAL ESTATE

| | Size | Location | Occupier | Lessor | Type of building |
|----|------------------------|-----------|----------------------|-------------------------------|------------------|
| 1 | 118,000 m ² | Rotterdam | Odin Warehousing | David Hart Group | New development |
| 2 | 113,000 m ² | Tholen | DSV | Savills Investment Management | New development |
| 3 | 69,000 m ² | De Lier | De Jong Verpakkingen | WDP | New development |
| 4 | 56,000 m ² | Haps | Danone | BlackRock | New development |
| 5 | 55,000 m ² | Hoofddorp | XPO Logistics | Somerset Capital Partners | New development |
| 6 | 54,000 m ² | Veldhoven | ASML | Own development | New development |
| 7 | 53,000 m ² | Almere | Lidl | Own development | New development |
| 8 | 48,000 m ² | Moerdijk | Lidl | David Hart Group | New development |
| 9 | 47,000 m ² | Hapert | MS Schippers | Own development | New development |
| 10 | 46,000 m ² | Oss | Plus | Own development | New development |

Venlo

Klaver Development sells 80,000 m² to Deka Immobilien

Rotterdam

David Hart Group leases 118,000 m² to Odin Warehousing

TOP 10 INVESTMENTS LOGISTICS REAL ESTATE

| | Size | Location | Buyer | Vendor | Price |
|----|------------------------|-----------|-------------------------------|------------------------------|---------------|
| 1 | 113,000 m ² | Tholen | Savills Investment Management | DSV | € 138.000.000 |
| 2 | 80,000 m ² | Venlo | Deka Immobilien | Klaver Development | € 104.000.000 |
| 3 | 61,000 m ² | Bleiswijk | Credit Suisse Real Estate | Somerset Real Estate | € 100.000.000 |
| 4 | 59,000 m ² | Bleiswijk | LaSalle Investment Management | Somerset Capital/USAA Realco | € 89.000.000 |
| 5 | 99,000 m ² | Echt | P3 Logistics Park | Dokvast | € 78.000.000 |
| 6 | 52,000 m ² | Tilburg | Patrizia | Dokvast | € 77.000.000 |
| 7 | 54,000 m ² | Veghel | Patrizia | Next Level | € 65.000.000 |
| 8 | 68,000 m ² | Utrecht | Hines | Altera Vastgoed | € 64.000.000 |
| 9 | 92,000 m ² | Bleiswijk | Next Level | The Greenery | € 63.000.000 |
| 10 | 56,000 m ² | Haps | BlackRock | Volker Wessels Logistics | € 63.000.000 |

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.

In 2019, INDUSTRIAL Real Estate Partners joined the IRELS network to offer tailor-made logistics solutions for our clients, across Europe, in cooperation with local partners in the respective countries.

For more info please visit www.IRELS.net

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