



Industrial and Logistics real estate

Dutch Market Report 2017

INDUSTRIAL
real estate partners

THE DUTCH MARKET FOR INDUSTRIAL AND LOGISTICS REAL ESTATE

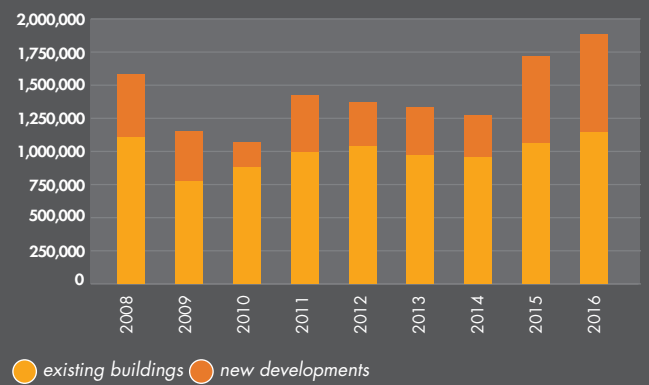
As the Dutch economy picked up in 2016, demand for industrial and logistics real estate was able to recover. According to rental and sales data available on industrial real estate, approximately 1.88 million sq m were taken up last year. This exclusively involved spaces covering at least 5,000 sq m and those rented and sold on the open market. Users providing for their own accommodation requirements (owner-occupier developments) have not been taken into account as well as lease renewals.

And because demand developed in a positive direction, the transaction volume was nearly 10 percent above that reported in 2015. This rise mainly followed from intensifying demand within the new-development segment; Demand for existing buildings also increased.

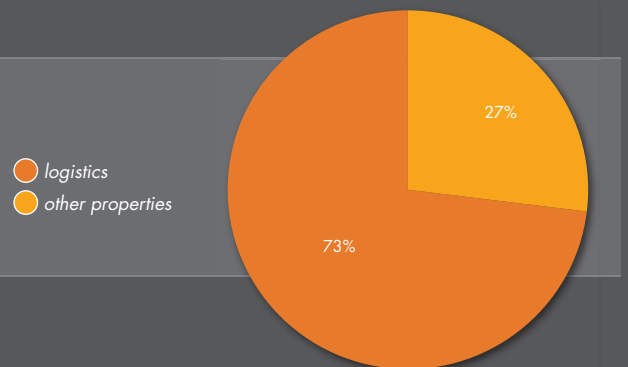
When it comes to the type of users involved, interestingly both the logistics industry as well as the other industries reported stronger demand for real estate. The majority of take-up involved distribution centres and large-scale storage facilities, whereby interestingly enough the share of slightly larger complexes (starting at 20,000 sq m) of total demand modestly went down.

Not every region of our country was able to benefit from this favourable mood. For instance, transactions did not take place in the city of Almere. Also demand for real estate hardly presented itself in the so-called Twentse Stedenband (Almelo, Enschede, Hengelo). Most industrial spaces were taken up in Southern part of the Netherlands, West and Central Brabant having a key role. Another interesting detail is that the Arnhem-Nijmegen region benefited from intensifying demand for industrial real estate.

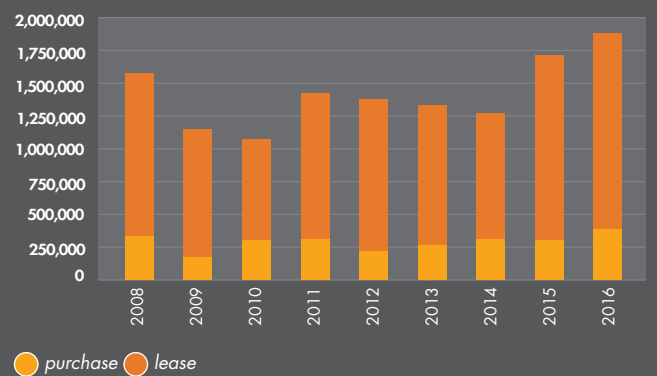
Take-up of industrial space according to building type in sq m



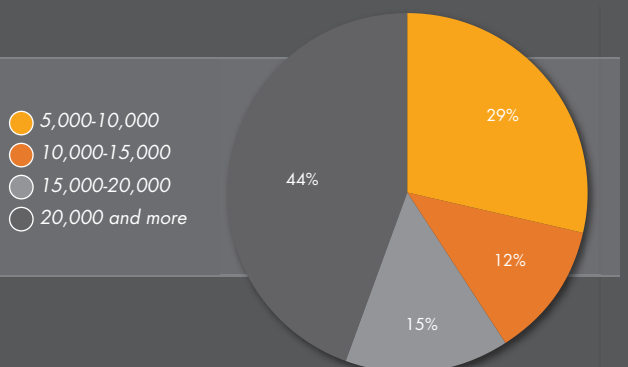
Take-up of industrial space by branch 2016



Take-up of industrial space by type of ownership in sq m



Take-up of industrial space by size category 2016



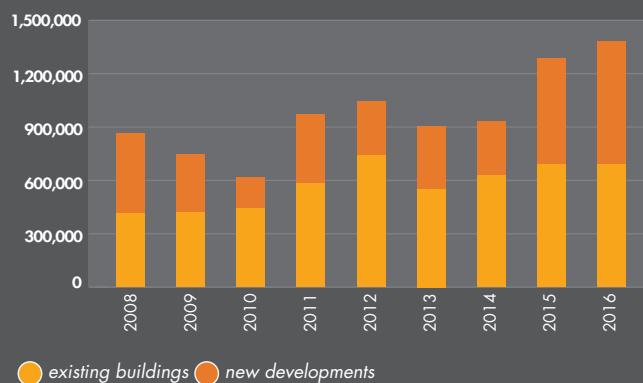
THE OCCUPATIONAL MARKET FOR LOGISTICS REAL ESTATE

The logistics real estate market in the Netherlands is looking back on a positive year when it comes to distribution centres and large-scale storage units. On the so-called open letting market – excluding owner-occupier developments – approximately 1.38 million sq m were taken up in 2016, up 7 percent compared to the preceding year. However this favourable growth in demand was still less substantial compared to 2015, the year in which demand for logistics real estate went up by more than 30 percent.

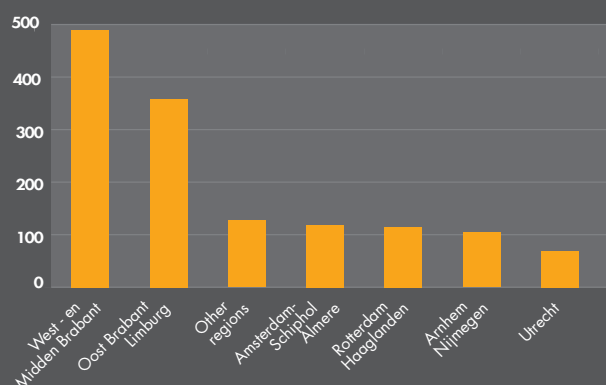
To the extent that companies addressed the open market in the previous year, just like they did in other years, they were interested in renting rather than purchasing buildings. Interestingly though, the new-construction share in total demand for distribution centres increased to approximately 50 percent. And again, most lease transactions took place in Southern part of the Netherlands, nearly 500,000 sq m being taken up in West and Central Brabant alone. Also interesting is the fact that logistics real estate take up volumes climbed in the Utrecht region, especially in Nieuwegein. In the Rotterdam region, however, transaction volumes dropped, mainly due to limited supply.

As a result of healthy demand for logistics real estate, the number of distribution centres and storage units available for immediate occupation in the Netherlands dropped further last year. By year-end 2016, approximately 2.36 million sq m (measured in spaces exceeding 5,000 sq m) were available for rent or sale versus 2.66 million sq m in 2015. Also in terms of total stock, vacancy rates had dropped. Despite diminishing vacancy levels, the number of newly built premises still available did rise. It is because at some locations distribution centres were constructed at developer's own risk and expense. This was the case in Born, Dordrecht, Schiphol and Vianen, amongst others. Because of this new developments, the availability of first-class logistics buildings – also known as Grade A – increased further last year.

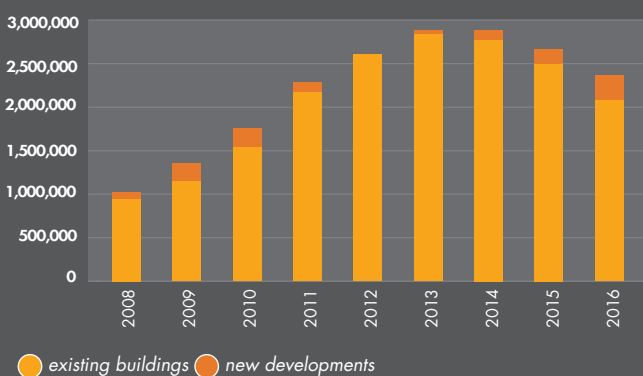
Take-up of logistics space according to building type in sq m



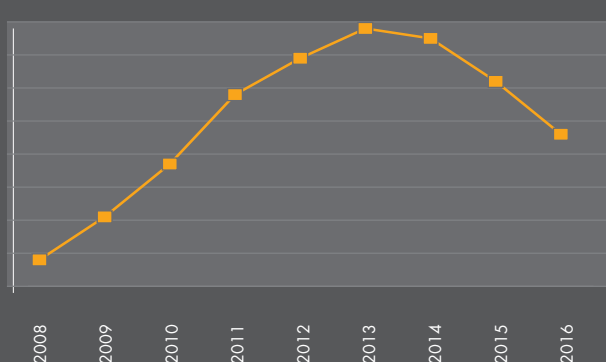
Take-up of logistics space by region in sq m



Supply of logistics space according to building type in sq m



Supply of logistics space as percentage of stocks



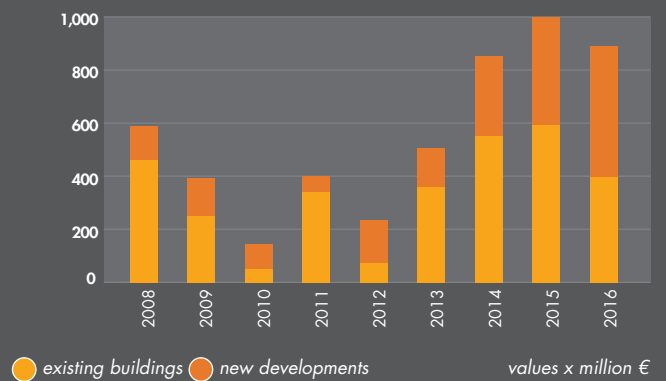
THE INVESTMENT MARKET FOR INDUSTRIAL AND LOGISTICS REAL ESTATE

Investors were pleased by the strong take-up of industrial real estate. Last year they were increasingly interested in industrial as well as logistics real estate in the Netherlands, investing approximately € 1.19 billion in total in large-scale industrial buildings. This positive mood was intensified by low interest rates and widespread availability of capital.

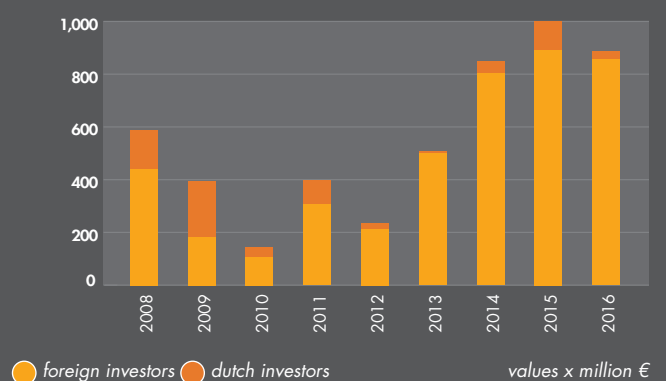
Even though investors were particularly interested in logistics real estate, they purchased other properties as well including light-industrial buildings. Interestingly, more investments involved this type of buildings compared to 2015. Last year's total investment volumes amounted to approximately € 300 million, 20 percent up on 2015. Logistics real estate investments, however, slightly diminished. But still, in 2016 € 890 million were invested in distribution centres which is still a high number speaking.

Existing as well as new distribution centres exchanged owners. The majority of purchase transactions were signed by international investors. Just like in previous years, they were mainly interested in distribution centres located in the provinces of Noord-Brabant and Limburg, but also in the Amsterdam-Schiphol region. Investors' intensifying demand for logistics real estate and the relatively limited availability of first-class buildings made gross initial yields of modern distribution centres drop further in 2016, even well far below 6% in some cases.

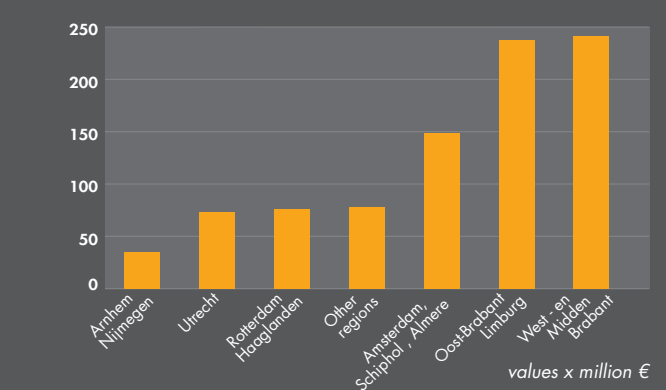
Investments in logistics space according to building type



Investments in logistics space by nationality



Investments in logistics space by region 2016



WDP leases 27,000 sq m to Fiege in Nieuwegein



TOP 10 TRANSACTIONS LOGISTICS REAL ESTATE

	Size (sqm)	Location	Occupier	Lessor	Type of building
1	62.000 sq m	Nijmegen	Nabuurs	Goodman	new development
2	60.000 sq m	Tilburg	Rhenus Logistics	Dokvast	new development
3	59.000 sq m	Venlo	XPO Logistics	Prologis	new development
4	50.000 sq m	Venlo	DB Schenker	WDP	new development
5	48.000 sq m	Moerdijk	Intersprint Autobanden		existing building
6	36.000 sq m	Tilburg	Coolblue	Prologis	new development
7	35.000 sq m	Son	Rhenus Logistics	Dokvast	new development
8	35.000 sq m	Amsterdam-Schiphol	XPO Logistics	Prologis	new development
9	33.000 sq m	Heerlen	Medtronic	WDP	new development
10	28.000 sq m	Veghel	Kuehne + Nagel	WDP	new development



TOP 10 INVESTMENTS INDUSTRIAL AND LOGISTICS REAL ESTATE

	Size (sqm)	Location	Building type	Buyer	Vendor	Price
1	38.000 sq m	Amsterdam-Schiphol	logistics	Standard Life	Delta/Volker Wessels	€ 51 million
2	80.000 sq m	several locations	light industrial	Urban Industrial	NSI	€ 48 million
3	62.000 sq m	Nijmegen	logistics	Goodman		development
4	59.000 sq m	Venlo	logistics	ProLogis		development
5	30.000 sq m	Amsterdam-Schiphol	logistics	AEW / Borghese		development
6	52.000 sq m	Breda-Hazeldonk	logistics	Savills Investments	HVBM	€ 37 million
7	16.000 sq m	Amsterdam-Schiphol	data center	AXA REIM	Somerset	€ 36 million
8	63.000 sq m	Venray	logistics	Exeter Property Group	DSV Solutions	€ 36 million
9	38.000 sq m	Tilburg	logistics	Deko Immobilien	Versteijnen Logistics	€ 35 million
10	69.000 sq m	several locations	light industrial	Hummingbird	Altera Vastgoed	€ 35 million

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.

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

By combining their national scope, expertise and skills, they are committed to provide the best possible services to owners, occupiers, (re)developers and authorities.

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Our services

- Leasing
- Buying and selling
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- Sale-and-leasebacks
- Real estate portfolio consulting
- Real estate investments
- Valuations

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DUTCH LAND PRICES & RENT LEVELS 2016/2017

		land prices	rent levels
1	Schiphol Airport	250 - 325	70 - 85
2	Amsterdam Port	215 * - 250 *	40 - 60
3	Almere	120 - 180	30 - 55
4	Utrecht	230 - 300	30 - 65
5	Arnhem / Nijmegen	150 - 170	25 - 60
6	Bleiswijk/Waddinxveen	150 - 230	40 - 65
7	Rotterdam Port	175 * - 265 *	40 - 65
8	Moerdijk	120 - 150	35 - 55
9	Roosendaal / Bergen op Zoom	100 - 135	35 - 50
10	Tilburg / Waalwijk	130 - 145	40 - 50
11	Eindhoven	150 - 175	40 - 50
12	Venlo / Venray	120 - 130	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 / * = for 50 year leasehold