

# Amsterdam Office Market – 1H 2018

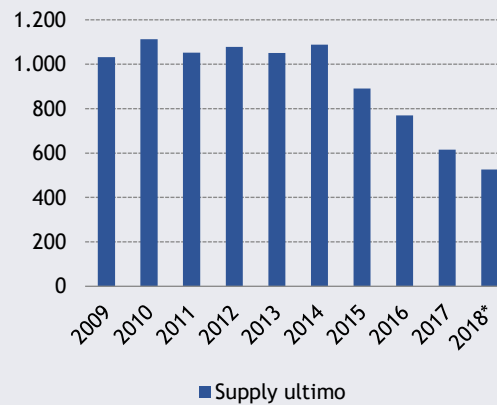
Indicators office market Amsterdam				
	Take-up	Supply	Rent	Investments
1H2018 1H2017	+24.7%	-26.6%	+4.2%	-62.3%

## Key figures

Demographics	Amsterdam	NL
Population	855,900	
Pop. growth 2018-2040	21.8%	5.4%
Employment		
Number of jobs	637,040	
% Fin./Buss. Services	38%	18%
% ICT	7%	4%
% Government	5%	5%
Job growth 2017	1.4%	1.5%
Job growth 2013-2017	12.7%	2.8%
Number of companies	147,310	
Office space		
Stock (in sq.m.)	5,940,000	
Supply/stock	8.9%	16.9%

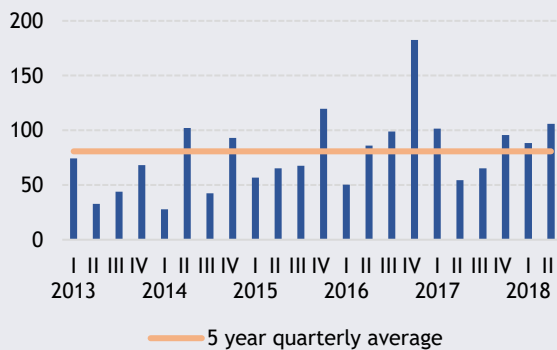
Sources: CBS, Lisa, Troostwijk Research

## Supply (x 1,000 sq.m.) at year end

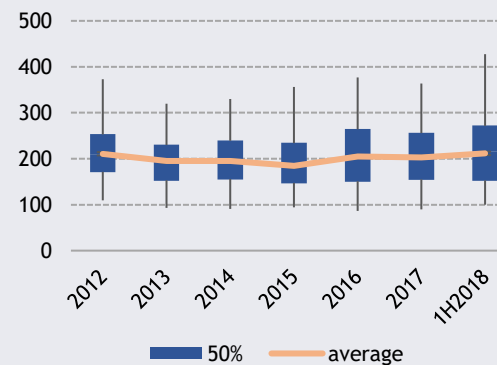


\* mid 2018

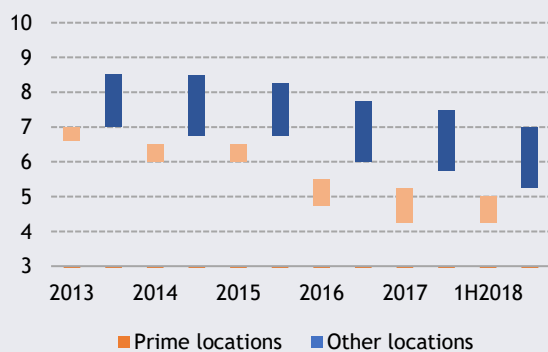
## Take-up (x 1,000 sq.m.)



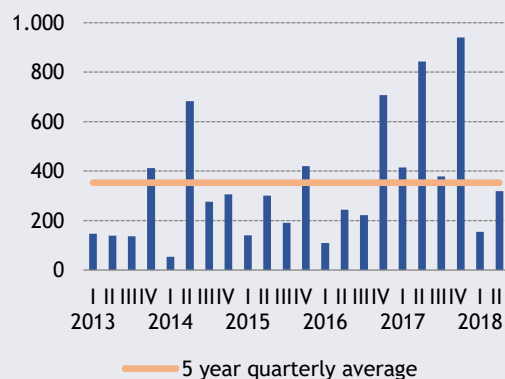
## Rent (per sq.m. per year)



## Gross initial yields Amsterdam (%)\*



## Investments (€ mln.)



\* purchase costs payable by buyer

Amsterdam has close to 6 million square meters of office space. The office space is concentrated on several locations. The prime locations are the South Axis, City Centre, The Southern IJ-Banks and Amsterdam South. The large modern offices are located at the South Axis and the IJ-Banks, while monumental smaller offices are located in the City Centre (alongside the canals) and in Amsterdam South (office villas). Other locations with large office areas are: Amsterdam East, Amsterdam West, Sloterdijk, Riekerpolder and South-East.

#### Market facts

- Supply has come down considerably in the last few years. Supply as a percentage of stock currently is 8.9%, well below the national average of 16.9%.
- Take-up in the first half of 2018 was 25% higher compared to the first half of 2017. The average quarterly take-up lies currently around 80,000 sqm, which is almost 50% more than in the period of the economic crisis (2009-2013).
- There is a clear mismatch between supply and demand. While demand is focused on modern office space, most of supply is concentrated in older office buildings from the period 1970-1990.
- Due to falling supply, office space has become scarce and rents are moving higher. The average rent for office space currently stands at € 211 per sqm. per year. At prime locations rents can reach up to € 425 per sqm. per year.
- Amsterdam and especially the South Axis is the prime office location for investments.
- Due to a lack of availability of good investment opportunities in Amsterdam gross initial yields have been under pressure for some time. Prime yields are currently close to 4%.

#### Outlook 2H2018/2019

	Supply	Take-up	Rent	Investments	GIY
Prime/modern	↘	↗	↗	↗	↘
Mid segment	↘	↗	↗	↗	↘
Obsolete	↗	↘	↘	↘	↗

Source: Realworks, adaptation Troostwijk Research

