

Amsterdam Retail Market – 1H 2018

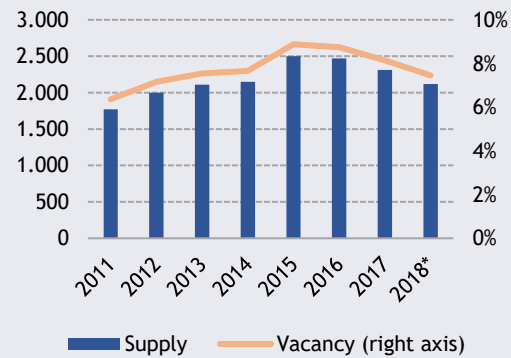
Indicators retail market Netherlands				
	Take-up	Supply	Rent	Investments
1H2018 1H2017	-9.3%	-10.2%	+0.6%	-45.6%

Key figures

Demographics	Netherlands
Population	17,181,000
Pop. growth 2018-2040	5.4%
Employment	
Number of jobs in retail	750,000
Number of companies	118,640
Total turnover '17 (€ bn)	109.3
Turnover retail sector '17	+4.6%
Turnover supermarkets '17	+3.6%
Turnover non-food '17	+3.1%
Retail space	
Stock (in sq.m.)	30,000,000
Supply/stock	7%

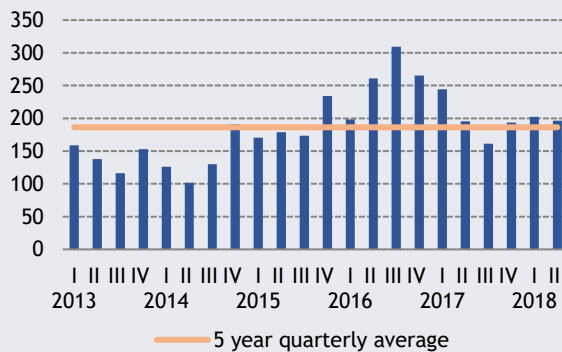
Sources: CBS, Troostwijk Research

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

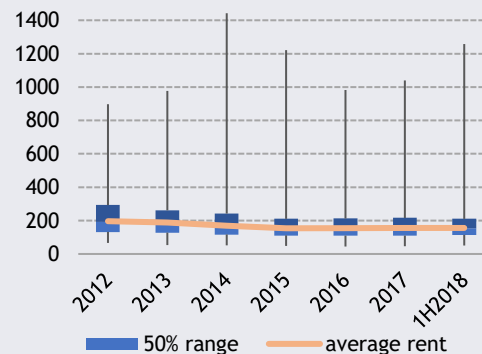


* mid 2018

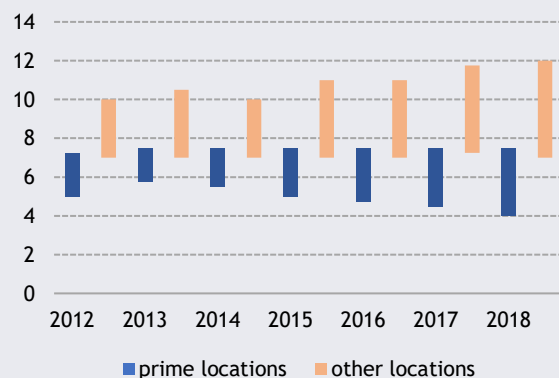
Take-up (x 1,000 sq.m.)



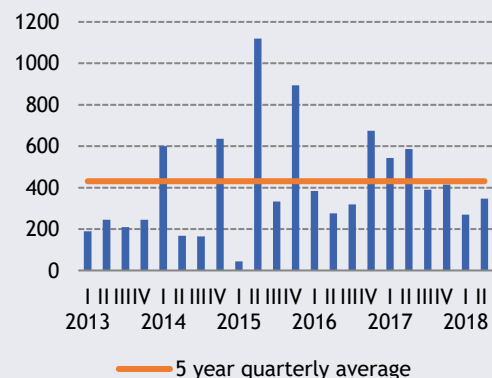
Rent (per sq.m. per year)



Gross initial yields Netherlands (%)*



Investments (€ mln.)



* purchase costs payable by buyer

The Netherlands has approximately 30 million square meters of retail space. Prime retail locations are in the four main cities in the Netherlands: Amsterdam, Utrecht, The Hague and Rotterdam. In addition, Eindhoven and Maastricht in the south of the Netherlands and Groningen in the north are also considered as prime retail markets. The highest rents are paid in Amsterdam in the Kalverstraat, Leidsestraat and P.C. Hoofstraat, where rents range from € 2,000 to € 3,000 per sqm. per year.

Market facts

- Supply has come down considerably in the last few years. Supply as a percentage of stock currently is 7%, which is still above pre-economic crisis level (approx. 4%).
- Take-up in the first half of 2018 was 9% lower compared to the first half of 2017. The average quarterly take-up lies currently around 186,000 sqm. The last four quarters take-up was around the average.
- There is a clear division in the market between the larger cities where vacancy has come down strongly and the smaller regional cities where vacancy still is a problem.
- Bankruptcies of several well-known Dutch retailers during the economic crisis have caused concerns in the market amongst investors. This in addition with the relatively high vacancy rates have caused rents to decline.
- Since 2012 rents have fallen with 20% to an average of € 157 per sqm. in 2018. However, rents at prime locations have held up reasonably well. Rents at lesser locations have seen the largest drop in rents.
- Despite concerns by investors about the stability of their tenants, they still are eager to invest in the Dutch retail market. However, as focus has shifted towards prime locations, investments have come down due to a lack of availability of investment opportunities.
- As good investment opportunities are scarce gross initial yields for prime retail investments have come down and currently range from 4% in the prime retail markets to 7% in the larger regional cities.

Outlook 2H2018/2019

	Supply	Take-up	Rent	Investments	GIY
Prime	↘	↗	↗	→	↘
Other locations	→	→	↘	→	→

**Note to the reader: The retail market is less transparent compared to other real estate markets and especially rents for prime retail space are rarely made public. Therefore prices for the lesser locations have a larger weight in the calculation for the average rent.*

