

## TAKE-UP LEVEL INCREASE SLOWING DOWN, BUT STILL POSITIVE

The Netherlands has an attractive business climate for logistics centers due to the high-quality infrastructure, labor laws, the location of logistics hotspots like Venlo in relation to neighboring countries, and fiscal legislation. The attractiveness for international firms and the demand for large-scale sites is increasing considerably. After the significant increase in the take-up levels of logistics space between 2014 and 2015 (+ 44%: 1.9 million sqm), the market slowed down in 2016 (1.96 million sqm). However, it was still positive with an increase of 2.7% compared to 2015.

## NEW LOGISTICS HOTSPOTS IN THE MAKING

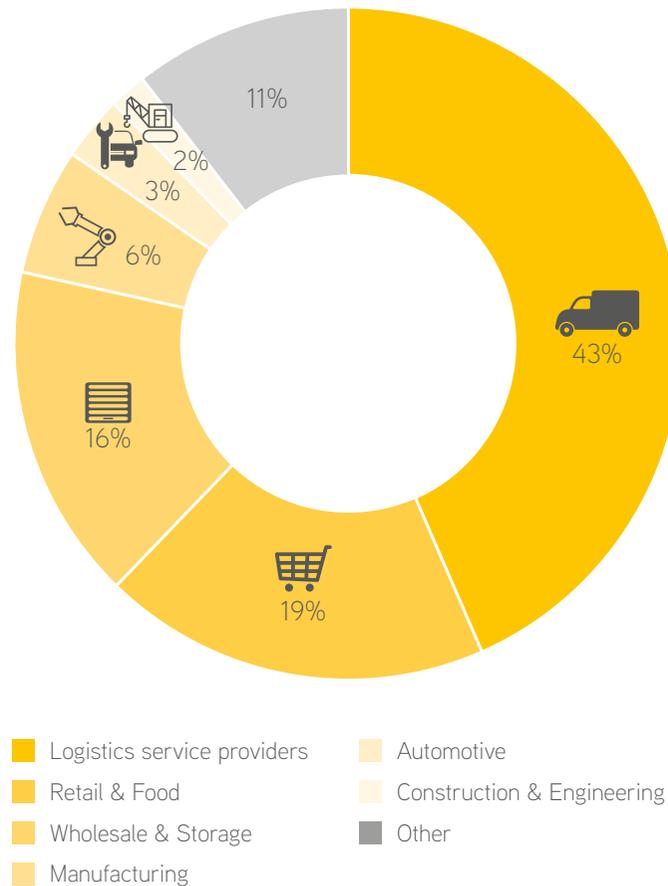
There are several logistics hotspots in the Netherlands. They are all located along the highways connecting the Port of Rotterdam directly with the German and Belgium border. Due to the scarcity of available properties and land, new locations are under development. These locations have the potential to become stable logistics areas. An example is Park 15 in Oosterhout (region Geldermalsen-Nijmegen).

### LARGE OCCUPIER TRANSACTIONS 2016

Tenant/Buyer	Size in sqm	Location
Lidl Nederland	64,000	Oosterhout GLD
Heinz/Nabuurs	61,700	Oosterhout GLD
XPO Logistics	60,000	Venlo
DB Schenker	50,000	Venlo
Inter-Sprint	48,096	Moerdijk
Rhenus Contract Logistics	47,308	Son en Breugel
MS Schippers	40,000	Hapert
Capi Europe BV	38,469	Tilburg
Coolblue	35,404	Tilburg
XPO Logistics	35,000	Oude Meer (Schiphol)

## OUTSOURCING LEADS TO GROWTH IN SERVICE PROVIDERS' TAKE-UP

Many parties used to vertically integrate their logistics processes and own their own transport facilities. Now, more and more logistics and transportation activities are outsourced to external parties (3PL/4PL). This resulted in a high take-up level of the logistics service providers sector. It accounted for 43% of total take-up levels in 2016.



## TRENDS AFFECTING THE DUTCH MARKET

### FIRST MILE

- The rise of mega distribution centers:** As a result of an ongoing consolidation, there is a clear rise in the amount of mega distribution centers.
- Technological sophistication:** Innovation within the automation technology industry makes it easier to gain economies of scales. Organizations are getting more efficient resulting in a higher output.
- Sustainability:** The revitalization and redevelopment of brown-field sites make them suitable for e-commerce activities and can be used as city hubs. This is more sustainable than developing new sites and buildings.
- High-rise buildings:** Logistics buildings abroad are increasing in height. Partly due to government regulations and insufficient technology this is still not commonplace in the Netherlands. This could be a solution for the lack of available land.
- Improving efficiency:** More storage systems and efficient packaging of products will lead to a decrease in area needed to store the same amount of products.
- E-commerce:** E-fulfilment distribution centers have different needs compared to traditional distribution centers. They have more, but smaller orders. This has an impact on both storing and transportation.
- Location:** Less importance is attributed to location, while the quality of the building is becoming increasingly important.

### LAST MILE

- Click-and-Collect:** Already one-third of customers in the United Kingdom is choosing this type of delivery to collect their orders. In the Netherlands this is still in an early stage in terms of percentage of consumers.
- Urban warehouses:** Regional hubs will result in shorter delivery routes and times. Amazon Prime in Italy for instance has already implemented (fresh) delivery within 1 hour. The order is hand-picked and brought to the customer by courier or Uber. It will be a matter of time until this is implemented in the Dutch market.
- Parcel lockers:** More companies make use of parcel lockers where customers can collect their deliveries. These lockers can be found at shopping malls, train stations and offices. PostNL announced to combine its traditional mailboxes with parcel lockers.

# DUTCH LOGISTICS HOTSPOTS



Yields at secondary locations are decreasing due to the combination of supply shortage, little development potential and few investment opportunities at prime locations.

Nieuwegein benefits from the shortage in Utrecht (Lage Weide) and will grow as a logistics area.



A remarkable rise in demand and take-up in Noord-Brabant. Several business parks (e.g. Campus A58 in Roosendaal and Haven 8 in Waalwijk) are under development.

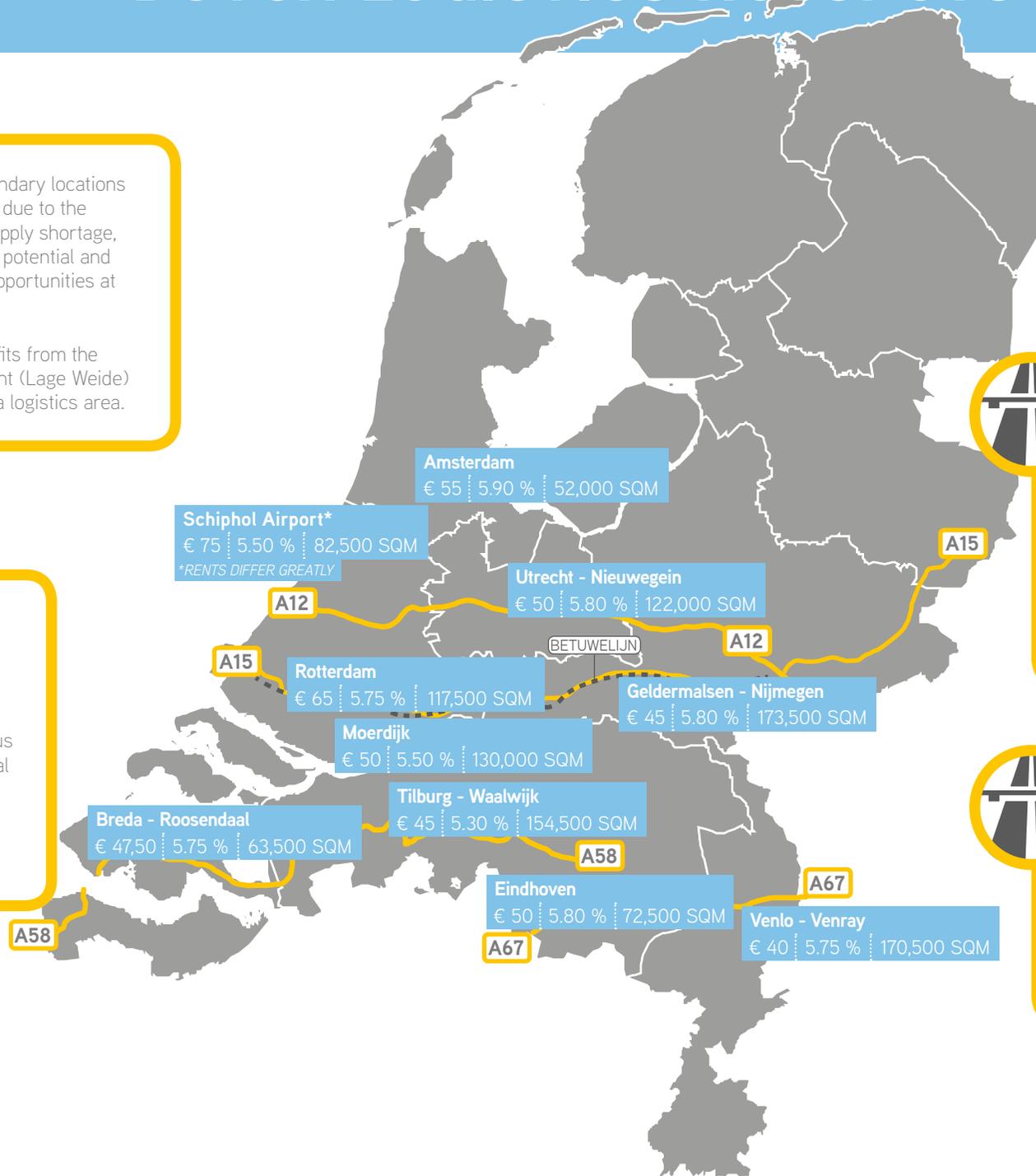


Connecting and extending highways A15 and A12 will link Rotterdam and Germany directly.

A location like Park 15 (Geldermalsen-Nijmegen region) will become even more attractive for logistics companies.



Broadening highways A58 and A67 is becoming more urgent due to an increase of logistics activities in Limburg and Noord-Brabant leading to congestions and accidents.



LEGEND Region RENT YIELD TAKE-UP 2016