

Rotterdam

Both occupier and investor activity turned out low in Rotterdam.

Occupier transactions

Take-up in Rotterdam totalled 34,000 sq m, well below the average of 66,000 sq m registered between 2009-2012.

Significantly more than half of demand was oriented towards the CBD area, the one area where new developments are still ongoing. The remainder was scattered all over the Rotterdam agglomeration.

Distribution & retail and the

by the CBD (15.8%), while vacancy at Fascination/Rivium is over 40%.

Rent levels

Over the past 12 months rents have generally been under downward pressure and starting rents currently stand at €75-80 euro per sq m / year. The prime segment did manage to stand its ground and top rents at the CBD and Kop van Zuid remained stable at €200 and €190 respectively.

Investment transactions

Investor demand was confined to just two transactions in the first half of the year, one in the city centre and one in

"2013 H1 has been tough for Rotterdam. Occupier demand is focused at the CBD."

Coen de Lange, Netherlands Agency

manufacturing industry are traditionally strong sectors and together attracted 46% of demand. The TMT sector increased its share to 21%.

Largest transaction concerned UPC leasing 4,500 sq m at the Weena (CBD area). Each of the other transactions was smaller than 3,000 sq m.

Supply and availability

Supply again increased and availability currently stands at 19.4% for the total agglomeration. There are however major differences between submarkets. Availability is lowest at the Kop van Zuid (9.3%), followed

Capelle a/d IJssel. Both concerned small properties and the total invested amount did not exceed €10m.

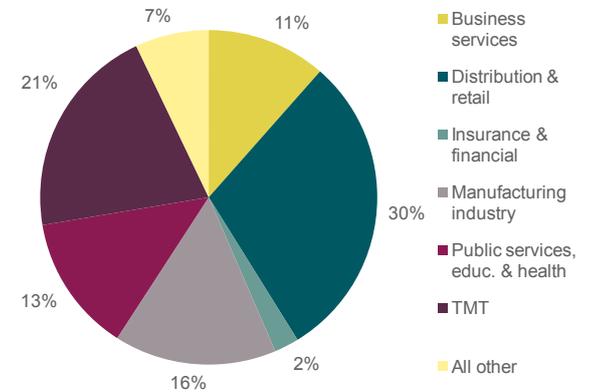
Savills expects the second half of the year to see more transactions, likely also concerning value-add and opportunistic transactions.

Gross yields

Both prime and secondary gross yields remained stable at 6.75% and 8.5% respectively.

GRAPH 6

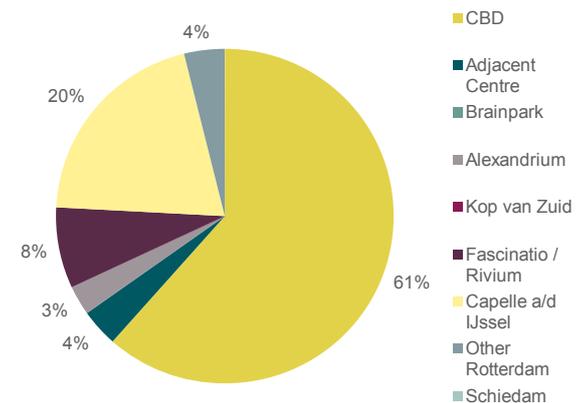
Take-up by sector Distribution and retail take largest share



Source: Savills

GRAPH 7

Take-up by submarket The CBD area responsible for a stunning 61%



Source: Savills

TABLE 2

Rotterdam office market at a glance Availability increased while occupier and investor demand dwindled

Figure	H2 2011	H1 2012	H2 2012	H1 2013
Investment volume	€84m	€75m	€6m	€9m
Leasing volume (sq m)	53,900	59,700	44,900	34,000
Availability (sq m)	673,300	702,700	752,300	804,300
Availability rate	16.3%	17.0%	18.2%	19.4%
Prime rent (per sq m/yr)	€200	€200	€200	€200
Secondary rent (per sq m/yr)	€190	€180	€180	€175
Prime gross yield	6.75%	6.75%	6.75%	6.75%
Secondary gross yield	7.75%	8.5%	8.5%	8.5%

Source: Savills; data includes Rotterdam, Schiedam and Capelle aan den IJssel.

GRAPH 8

Prime rent and availability Increasing availability puts more pressure on rents



Source: Savills