


## Quick stats


## 'MAINPORT' THROUGHPUT

2011 (y-on-y)  1%


## RETAIL SALES VOLUME

2011 (y-on-y)  -1.6%


## TAKE-UP

2011 (y-on-y)  32%


## SUPPLY

2011 (y-on-y)  -5%

## PRIME RENT

2011 (y-on-y)  0%

## PRIME YIELD

2011 (y-on-y)  10bp

## OVERVIEW

**West-Brabant the strongest region, Tilburg back on track**

West-Brabant was the best performing region of 2011 and saw vacancy in modern space falling further. In Q4, Tilburg finally witnessed a large take-up with Syncreon leasing more than 45,000 sq m, immediately lowering the vacancy in that hub by more than 20%. In Q4, the national take-up was over 25% lower than in the same quarter of 2010. But mainly thanks to an impressive Q2, 2011's take-up exceeded that of 2010, even though the number of transactions was roughly the same.

**Vacancy dropping further, but widening gap between new and old**

Vacancy fell further in 2011, to reach a rate of approximately 7.5% at the end of the year. From the peak of 9.5% at the end of 2010 this is a substantial decline. The steady decrease of new logistics space on offer has meanwhile caused a near scarcity in that segment of the market. However, the supply of old distribution sites continues to rise, despite the robust take-up figures of 2011.

**Investment volume reaches 2009 level**

2011 Q4 produced the lowest investment volume of the year as only four deals took place. The largest of the Q4 deals was the acquisition of 22,500 of new logistics space in Waalwijk by ProLogis. Notwithstanding the low Q4 volume, the total investment volume of 2011 was a vast improvement compared to 2010. It should be noted, though, that the large S&LB portfolio of Q1 accounted for most of the rise. Another trend that grew stronger in 2011 was the disposal of older investment property to local owner-occupiers.

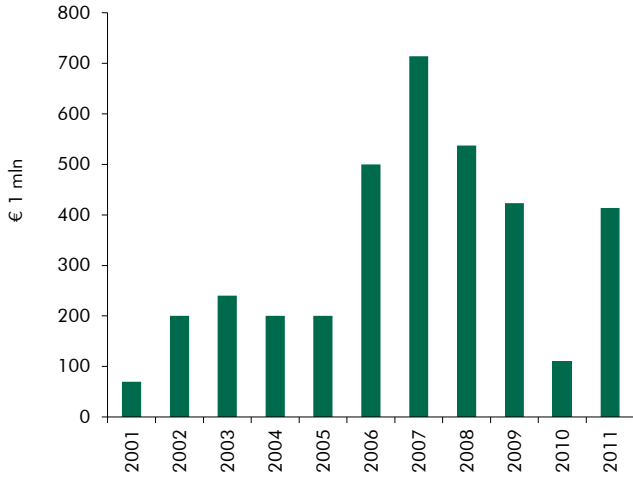
**Internationally handled cargo increased, national volume lags behind**

Cargo throughput in the Dutch 'mainports' increased slightly compared to 2010, but it is not expected that this is a continuing trend. Although the German economy is still performing solidly, the Netherlands are in recession. Particularly domestic retail sales volumes continue to decline. The economic turbulence and uncertainty that is holding the EU in a firm chokehold will inevitably put more pressure on the volumes in the Dutch 'mainports'.



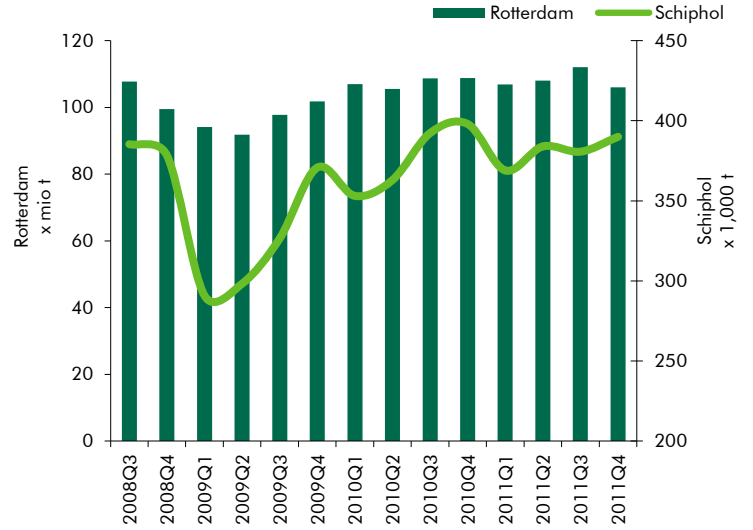
Artist impression of the new Forever Direct DC in Roosendaal, developed by HVBM. This was one of the main deals contributing to West-Brabant's top position in 2011.

### Investment volume



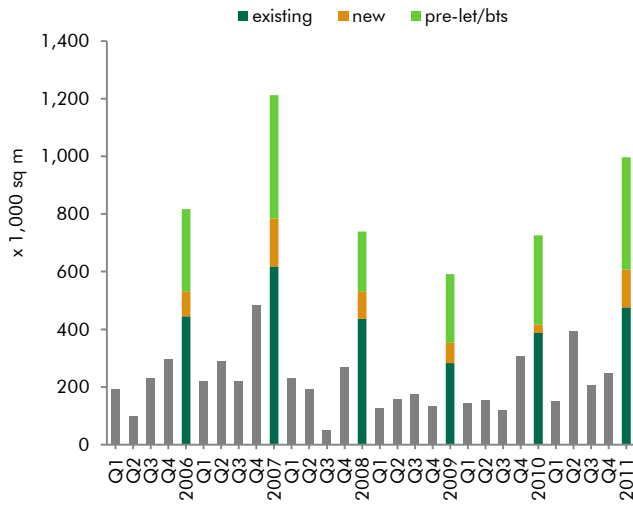
Source: CBRE

### Mainport throughput



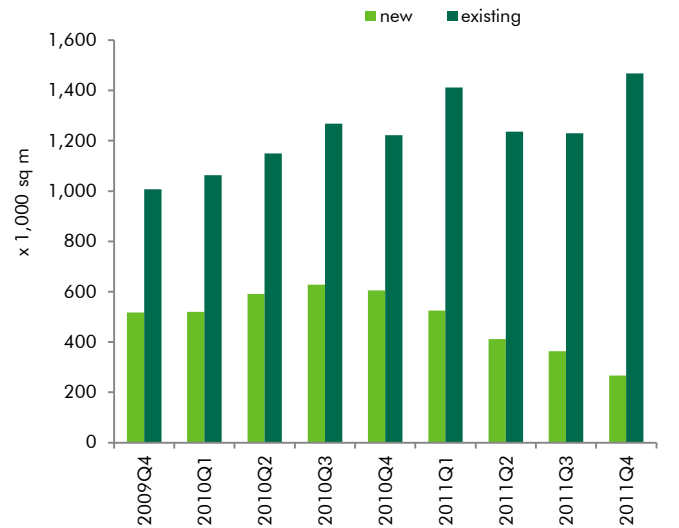
Source: Port of Rotterdam / Schiphol Group

### Take-up



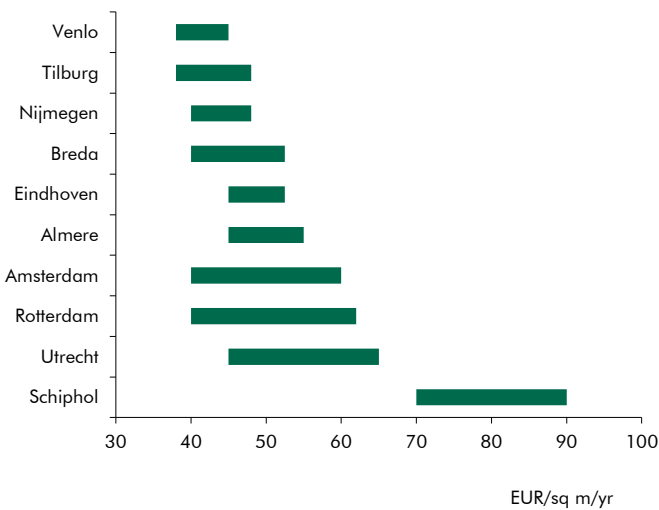
Source: CBRE

### Vacancy



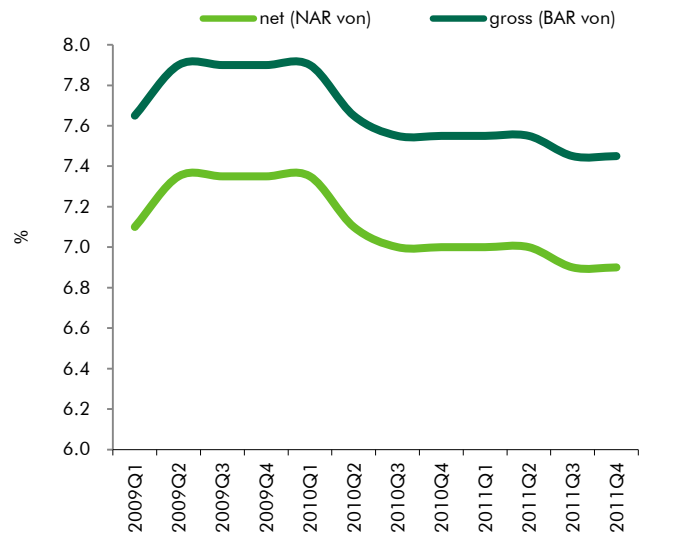
Source: CBRE

### Market rents



Source: CBRE

### Prime yields



Source: CBRE

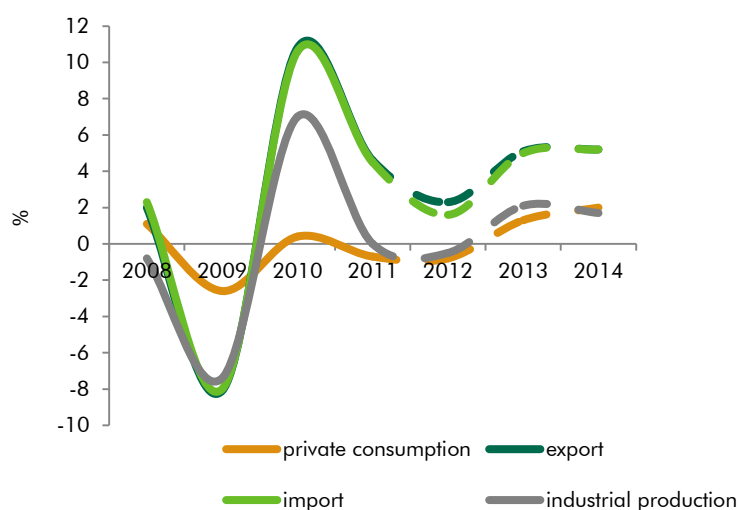
## Top 10 take-up deals 2011

Location	Region	Status	Tenant/user	Quarter	Size (in sq m)
Tilburg, Dongensweg	Central Brabant	Existing	CEPL Tilburg	2	81,600
Tilburg, Athenastraat	Central Brabant	Existing	Syncreon	4	47,600
Heerenvveen, Minerva	North	Built-to-suit	Lidl	3	47,500
Waddinxveen, Distripark Doelwijk	Centre Randstad	Built-to-suit	Van Uden	2	40,000
Almelo, XL Business Park Twente	North	Built-to-suit	Timberland	2	40,000
Utrecht, Lage Weide	Centre NL	Prelet	Kuehne & Nagel	1	34,000
Bergen op Zoom, Noordland	West Brabant	New	TNT Fashion	2	33,700
Roosendaal, Rietschotten	West Brabant	Prelet	DHL Supply Chain	4	31,200
Zaltbommel, Heksekamp	A15 zone	Prelet	Hitachi Data Systems	4	30,000
Wognum, Tender	North	Built-to-suit	Simon Loos	4	27,000

## Major investment deals 2011

Location/portfolio	Region	Purchaser	€ x million	Quarter	Size (in sq m)
C1000 portfolio	Nationwide	W.P. Carey & Co	157	1	190,000
Wereldhave portfolio	Nationwide	WDP	42	1	6 sites
Moerdijk, Tradeboulevard	West Brabant	Deka Immobilien	26.3	2	56,000
Tilburg, Ledeboustraat	Central Brabant	Deka Immobilien	26.2	1	35,000
Waalwijk, Zijlweg	Central Brabant	ABN Amro Mees Pierson	23	2	28,000
Venlo, Marco Poloweg	Limburg	Aspen Real Estate	21.5	3	44,000

## Economic key data



Source: Oxford Economics

## OUTLOOK

At first glance, market conditions for logistics property seem to be favourable. General vacancy has fallen to acceptable levels, although significant local differences still exist. Cargo throughput in the 'mainports' is still robust and the German economy continues to perform well.

The outlook for the coming months is, however, rather bleak. The Netherlands are now in an economic recession, and in the end most distribution operations have a domestic scope. Particularly domestic retail sales volumes, which have been declining for several quarters, and the standstill of the housing and construction markets are a source of concern. Lower cargo volumes are forecasted for the Dutch transport and logistics sector, and a falling demand for distribution space seems to be inevitable.

The shift from 'old' to 'new' property is triggered by cost-efficiency, but also by the growing volume of e-commerce operations, which generally require more space for Value-Added Logistics, but also generate a demand for larger, centrally located distribution centres rather than smaller regional ones.

Because of the uncertain economic outlook and tough financing conditions, speculative development is virtually non-existent. This, combined with the solid demand for new, centrally located logistics property, makes a shortage of modern space in the strongest hubs imaginable, causing prime rents to actually rise, while the supply of obsolete and outdated buildings is growing further.

This provides an opportunity for investors, for which logistics property continues to offer an attractive diversification tool. Investor focus should, however, be on the location and lettability of the site, rather than on its current lease. Also, the relatively rapid ageing of distribution warehouses should be kept in mind.

Meanwhile, the 'old' supply will prove a challenge to let. If the location of this kind of property is excellent, upgrading or, more likely, redevelopment, is a feasible option. Less favourably located 'old' supply needs re-evaluation of purpose. Some of the 'old' supply can still be used for low-grade non-logistics purposes (storage), but other sites will face demolition as the only option.

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