

CGL IM Financial Management Limited

Integrity, Collaboration and Commitment



Growth Trajectory Intact for Dutch Economy and Logistics Market

Netherlands

Q2 2024

Market Outlook

The Netherlands's economy demonstrated resilience, growing 0.3% q-o-q in Q4, and ending 2023 with a 0.1% annual GDP increase, avoiding a technical recession. The uplift was primarily fueled by a 1.8% rise in household consumption in Q4, supported by a strong labor market and significant wage growth. Inflation decreased to 3.8% annually. Despite low investment, there was a revival in foreign trade and a 3% yearly rise in public expenditure. Looking ahead, the Dutch expects a modest 0.7% growth in 2024, with projections to accelerate to 1.6% in 2025, propelled by subdued inflation, rising private consumption, and expansionary fiscal policies.

Despite economic headwinds, the Dutch logistics market has demonstrated remarkable resilience in 2023, securing €2.44 billion, around 30% of total investments, reaffirming its position as the leading asset class. retaining its appeal to investors. Lease activity has stabilized, aligning with the 10-year average at a total absorption of 3.6 million sqm for the year. Even with a minor increase, the vacancy rate stands at a low 2.9%, reflecting the ongoing tightness in the market due to scarce availability. Tenants now prioritize quality and sustainability more than ever. Prime rents across the Netherlands have consistently risen. Heading into 2024, the logistics sector is expected to maintain its growth, bolstered by solid supply-demand dynamics, supply chain reorientation, and broader economic recovery in the forthcoming years...

Subscribe to get the full report by emailing us

your name, company and job title at:

cglimresearch@cglim.com