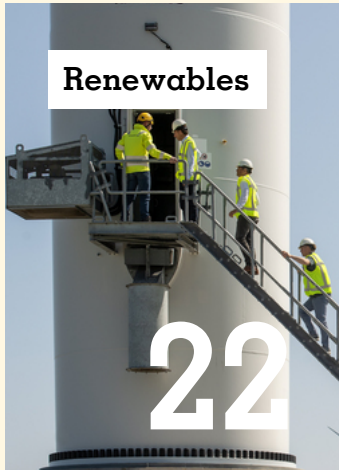


Real assets market update

Third quarter 2025



Contents



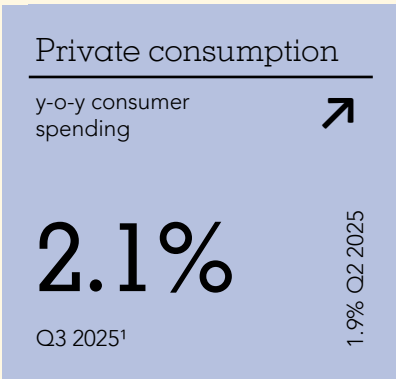
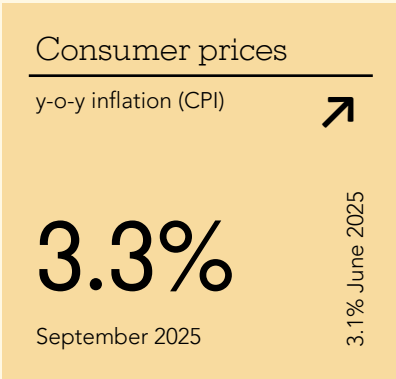
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Overview

The Dutch economy is expected to experience modest growth in Q3 2025, albeit at a slower pace than in Q2 2025. Inflation continues to decline, due to lower energy prices and an extended reduction in tariffs, although a slight uptick was observed towards the end of the quarter. Consumer and producer confidence have improved slightly, yet both remain below their long-term averages. The labour market remains tight, with unemployment holding steady. The ECB has maintained its interest-rate policy, with inflation expectations around 2%. Meanwhile, the yield on 10-year government bonds in the Netherlands remains relatively high at approximately 3%, indicating persistent short-term uncertainty.

¹ Estimation based on full-year forecast

Source: Statistics Netherlands (CBS), ECB, Oxford Economics, a.s.r. real estate, 2025
The arrows refer to the experienced change over the comparison period.



Dutch economy

The Dutch economy is expected to grow modestly in Q3 2025, albeit at a slower pace than in Q2 2025

For the full year, the Dutch economy is forecast to expand by 1.6%. While this is below the growth rates seen in the immediate post-pandemic years, it reflects the economy's ongoing adjustment to higher costs, geopolitical uncertainty, and structural shifts in global trade. Growth continues to be driven by domestic consumption and government spending. Investment activity remains subdued, partly due to uncertainty surrounding international trade and higher financing costs (Statistics Netherlands, CPB, DNB, 2025).

Dutch inflation is steadily declining, but remains above the eurozone average

The decline in Q3 2025, which is likely to continue in the coming quarters, was primarily driven by lower energy prices and the prolonged reduction of excise duties. However, inflation ticked up slightly at the end of Q3 2025. Household purchasing power is expected to improve modestly in the coming period, with an estimated increase of approximately 1.3% in 2026. Inflation across the eurozone is stabilising around 2%, in line with the target set by the European Central Bank (Statistics Netherlands, CPB, DNB, 2025).

The impact of Budget Day on the economic outlook remains limited

In line with tradition, the budget plans (Prinsjesdag) for 2026 were presented on the third Tuesday of September. Key decisions include the extension of reduced fuel tariffs and the postponement of certain expenditures to later years. As a result, the government deficit is expected to improve slightly in 2025 to -1.9% of GDP, primarily because not all the spending plans can be realised. The excise duty reduction will remain in place throughout 2026. Combined with a higher labour tax credit and an adjustment to the first income tax bracket, this will lead to a modest increase in median purchasing power. The macroeconomic impact of these measures is limited. GDP growth in 2025 will be slightly lower due to delayed government spending, while the economy is expected to grow somewhat faster in 2026 as households benefit from increased disposable income driven by lower inflation (CPB, 2025).

The labour market remains tight, despite a slight increase in unemployment from 3.8% in 2025 to 4.0% in 2026

Labour market pressures are the result of a growing working-age population and a cooling economy. Wage growth is slowing: collectively bargained wages are expected to rise by 4.2% in 2026, following an anticipated increase of 4.9% in 2025. The labour market continues to be a source of strength for the Dutch economy, although structural shortages persist in certain sectors (Statistics Netherlands, CPB, 2025).

The Dutch economy remains sensitive to developments in the international environment

Trade conflicts, geopolitical tensions, and disruptions in energy or commodity markets can affect economic growth. The impact of US trade policy, in either the US or the global economy, is not yet clearly visible. Reliance on global supply chains introduces risks. Domestically, key challenges include persistent labour market tightness, the need for sustainability, and the importance of maintaining sound public finances. Policy flexibility is limited, requiring careful consideration of trade-offs (DNB, 2025).

Both consumers and producers have become more optimistic in the third quartile of 2025

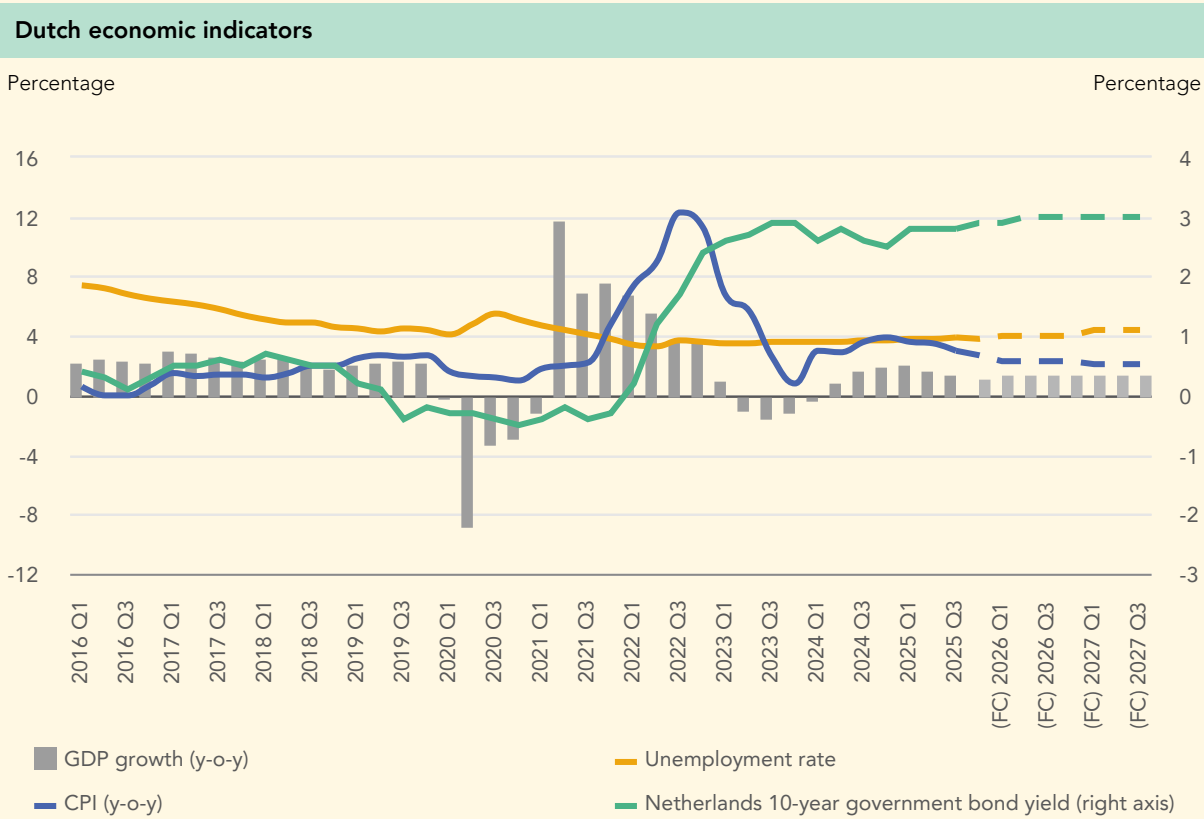
Consumer confidence rose from -36 in June to -32 in September 2025. Producer confidence also improved, increasing from -5.0 in June to -1.6 in September 2025. Although these figures represent a positive shift, both indicators remain below their long-term averages (Statistics Netherlands, 2025).

The European Central Bank has left its key interest rates unchanged

This decision reflects stable inflation expectations across Europe, which are close to the medium-term target of 2%. Risks of higher inflation are now more balanced, and the period of strong disinflation in the eurozone has come to an end (DNB, 2025).

The 10-year government bond yield in the Netherlands remains relatively high, at approximately 3%

This underscores short-term uncertainty, as reflected in the elevated yield. Financing costs for businesses and households have declined, but remain above pre-energy crisis levels. Credit growth to businesses and households is gradually recovering, although it remains below its historical average (a.s.r. real estate, Oxford Economics, 2025).



Source: Statistics Netherlands, Eurostat, DNB, Consensus Forecast, ECB, a.s.r. real estate, 2025



Moreelsepark, Utrecht

Dutch retail market

Dutch retail sales continue to grow as purchasing power strengthens and consumers remain active, even though geopolitical unrest persists. Food volumes are declining due to inflation and cost-conscious behavior, yet non-food sales are rising. Although smaller retailers are struggling with inflation and COVID-19 repayments, larger and international retailers are expanding and competing for prime high street locations, which boosts leasing activity. Investment volumes are increasing thanks to shopping centre deals and while inflation and tariffs may challenge investor sentiment, a resilient occupier market and stable interest rates are expected to support broader institutional investment.

Purchasing power growth continues to drive retail sales

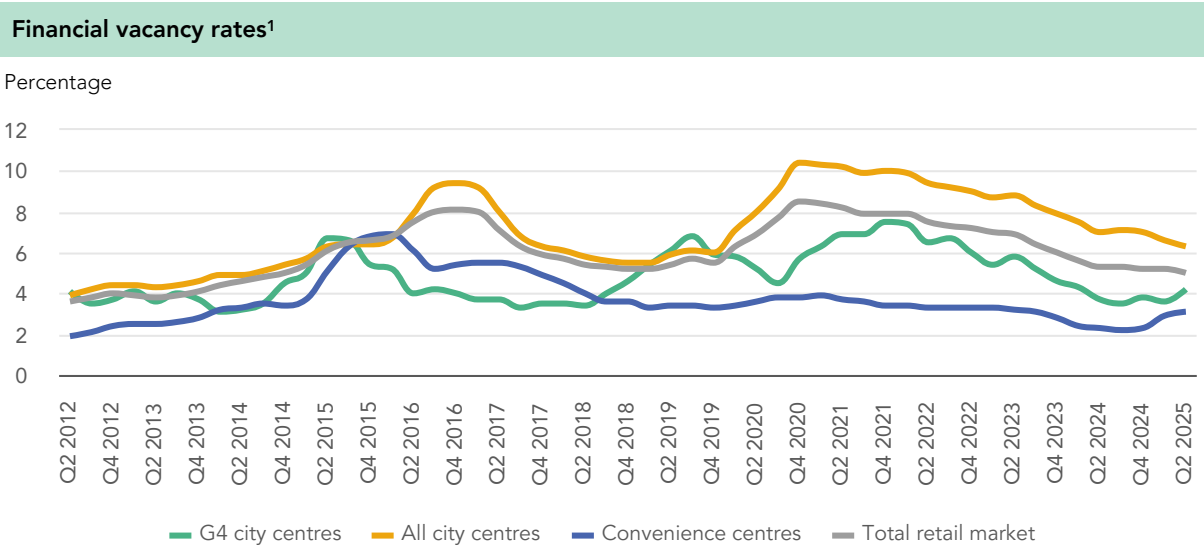
Geopolitical unrest is currently having little impact on Dutch retail sales, as consumers continue to spend. Additionally, the economy and real purchasing power are expected to grow in 2026. The latest Q2 figures indicate continued y-o-y volume growth of 0.9%, translating to a 2.8% increase in euro terms. Food volumes declined by 1.9%, as supermarkets face challenges attracting cost-conscious consumers. This trend is largely driven by above-average inflation in food products. In contrast, non-food volume grew steadily by 2.5%, reflecting a shift in consumer spending. Real purchasing power has increased at its fastest pace in 20 years, supported by robust growth in collective labour agreement wages. Online consumer behaviour shows a mixed pattern: online food sales continue to grow steadily. The online clothing sector has however seen a decline in the past two consecutive quarters. Finally, consumer and producer confidence slightly improved in August, though overall sentiment remains bearish.

Retail competition for prime high street assets intensifies

Q2 saw an uptick in bankruptcies in the retail sector, following two consecutive quarters of declines. While overall inflation is gradually easing, many retailers continue to struggle to offset its impact through sales growth. Smaller retailers in particular face challenges due to outstanding COVID-19 repayments, which continue to weaken their financial resilience. In contrast, large and international retailers are expanding, increasingly competing for prime high street locations. As a result, vacated units are being re-leased more quickly, and interest from retailers is growing. Supermarkets are under pressure due to thin margins, declining sales volumes and cost-conscious consumer behaviour. These factors pose a risk for less dominant supermarket formats and those located in areas with high supermarket density, where competition is fierce and differentiation is essential.

Positive momentum in vacancy rates and rental growth continues

The occupier market is gradually reaching equilibrium, reflected in a year-on-year average market rent growth of 1.9%. Despite pressure from thin supermarket margins, convenience retail continues to outperform comparison retail, with average market rental growth of 2.8% versus 1.3%, respectively. However, while comparison retail is on an upward trajectory, the increase in convenience market rents is beginning to slow. Financial vacancy rates are declining overall, driven primarily by the improving performance of comparison retail. Comparison retail vacancy currently stands at 6.3%, while convenience vacancy remains low at 3.1%. Comparison retail vacancy rates have increased in the G4 cities, but remain below the 5% threshold. Across the G40, A- and B-segment streets have lower average vacancy rates than C-segment streets, indicating stronger demand in prime retail locations. These dynamics vary between the G4 and G5–15 cities though, with further detail available in the referenced special topic [paper](#).



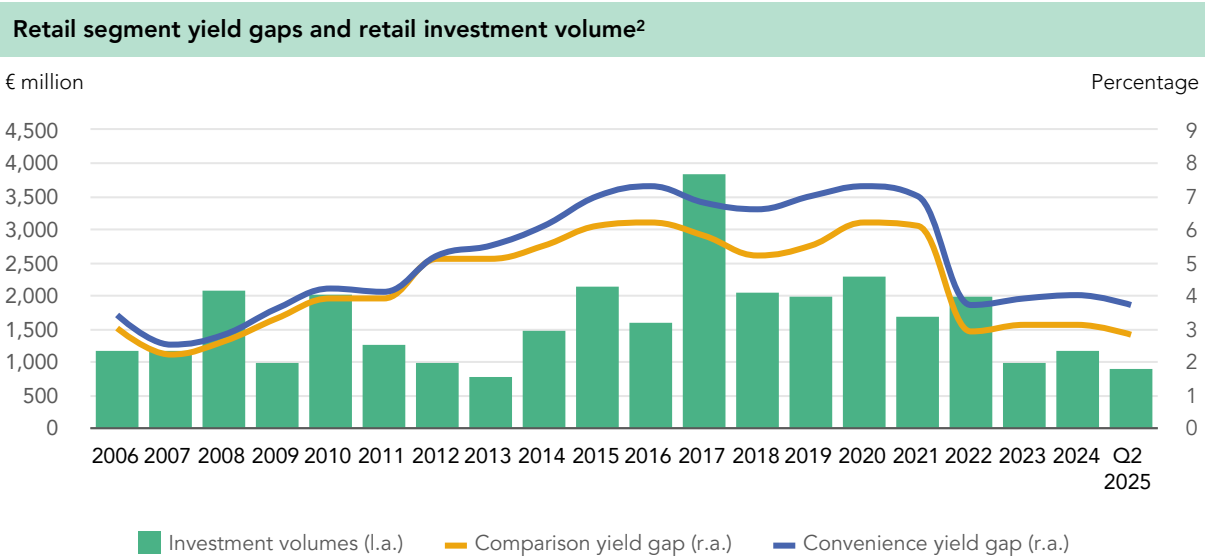
Source: MSCI, a.s.r. real estate, 2025

Investment volumes grow, backed by large shopping centre deals

The investment market was dominated by several large shopping centre transactions. Private investors also remained active, leading to 61% growth in y-o-y investment volume in H1 2025. Most of these assets have been on the sales list of major institutional investors for years, and buyers view them as value-add investments. This liquidity is beneficial for the market, but investment demand and supply need time to align – partly because institutional investors are acquiring few assets. The impact on yield is still visible in the latest benchmark figures, although this is gradually diminishing. The relatively stable yield on Dutch 10-year government bonds is a positive indicator that could help stabilise the investment market. Yields for prime high street retail remain relatively high from a historical perspective, while convenience yields are relatively low (CBRE, 2025).

¹ Four-quarterly moving average.

² Yield gap calculated on reversionary yields and 10-yr's Dutch government bond rate.



Source: MSCI, CBRE, ECB, 2025

Market outlook

Performance conversion of high street and convenience occupier markets

The retail occupier market continues to demonstrate resilience amid ongoing geopolitical uncertainty. Key indicators – such as declining vacancy rates, accelerating market rental growth in prime high street locations and competitive bidding for re-let units – underscore a robust demand environment. Additionally, expected household purchasing power provides a supportive backdrop for sustained retail performance. However, persistent inflation still poses a material risk, particularly for grocery-anchored assets. Supermarkets face limited pricing flexibility, leading to continued margin compression as higher input costs cannot be fully passed on to consumers. This challenge is compounded in markets with high supermarket density, where non-dominant operators and secondary convenience centres may experience lower rental growth. Notably, market rental value growth in the comparison and convenience retail segments is converging, indicating a narrowing performance gap.

Investor base expected to broaden in the investment market

The backlash from import tariffs and the risk of prolonged inflation could dampen investor sentiment and operational margins, posing challenges to the current positive momentum. Nonetheless, a relatively stable capital market interest-rate environment, coupled with a lower policy rate and a resilient user market, is expected to broaden investor appetite for retail assets. These conditions are likely to attract a more diverse pool of institutional capital, contributing to a more balanced investment market. As a result, yields are anticipated to remain largely stable. We also foresee a continued, gradual recovery in investment volume. The evolving occupier dynamics – particularly the convergence in performance between comparison and convenience retail – may shift investor focus towards high street retail. However, transaction volume in this segment may remain modest, given the typically smaller scale of top-tier high street assets.



Nieuwendijk 224, Amsterdam

Dutch residential market

In the third quarter of 2025, the Dutch residential market continued to demonstrate resilience across investment, owner-occupied, and rental segments. Income returns remained stable, while capital growth and rental value growth continued to be robust, supported by persistent supply shortages and demographic pressure. Transaction activity softened during the summer months due to seasonal effects, yet total market turnover remained robust, underpinned by firm pricing. In the owner-occupied market, house prices continued to rise, though at a more moderate pace than earlier in the year. In the rental market, structural supply constraints, regulatory uncertainty, and ongoing sell-offs reinforced upward pressure on rents. Despite rising policy and regulatory risks, the market outlook remains underpinned by strong fundamentals, with demand consistently outstripping supply.

Residential investment market

Solid performance sustained in Q2 2025

The annualised income return held steady at 3.1% (MSCI, 2025), while capital growth registered 1.9% q-o-q and rose 9.9% y-o-y, reflecting the impact of strong market rental value growth and sustained growth in vacant possession value.

Market rental value growth remained strong in Q2 2025

Market rental value growth advanced by 2.1% q-o-q and climbed to 7.9% y-o-y (MSCI, 2025), well above the long-term average of 4.2% recorded between 2015 and Q2 2025. Demand continues to be underpinned by limited new supply, regulatory constraints and demographic pressure. These

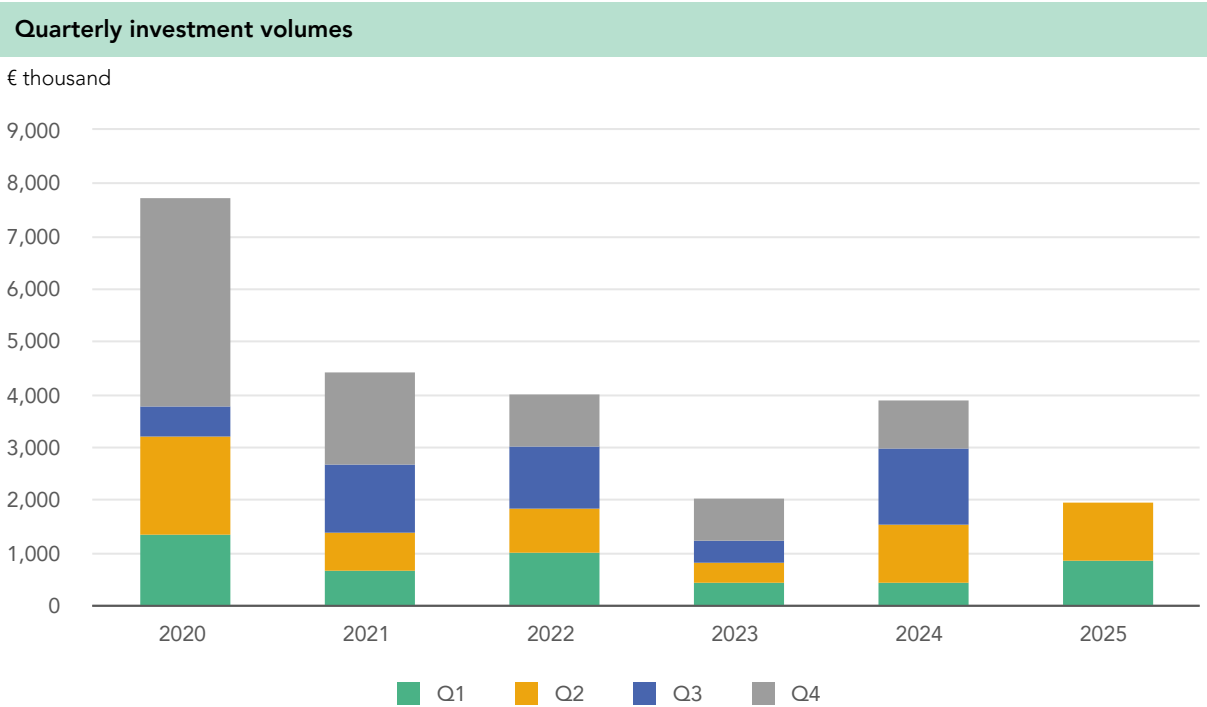
structural drivers are expected to keep rental growth above trend and maintain its role as a key contributor to overall returns.

Yields remained stable in Q2 2025

Reversionary yields held steady at 4.8% for the third consecutive quarter, following a gradual easing from the mid-2024 peak of 4.96%. This stabilisation comes after an extended upward adjustment that began late 2022. The levelling off suggests that yields have now stabilised, with current pricing reflecting the balance of sustained rental growth and investor caution.

Residential investment increased in Q2 2025

Investment volume in the Dutch residential market reached €1.1 billion in Q2 2025, an increase of 23% on Q1 2025, but slightly below the level recorded in Q2 2024 (-4%). Over the first half of 2025, total investment volume amounted to €1.9 billion, representing an increase of around 24% compared to H1 2024 (CBRE ERIX, 2025). The first six months of 2025 saw increased transaction volume in existing rental properties, while investment in new-build lagged behind accounting for only 15% (CBRE, 2025).



Source: CBRE ERIX, 2025

Owner-occupied market

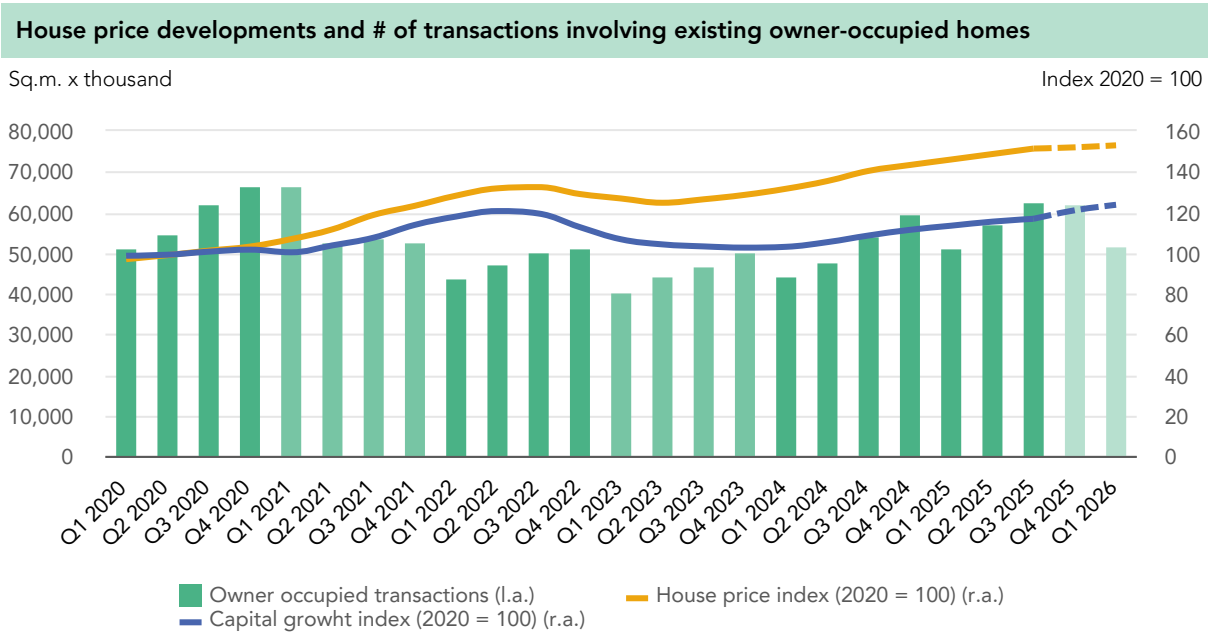
House prices hold firm as sales ease

House prices remained stable in the third quarter of 2025. Prices continued to rise over the summer months, reflecting continued increases albeit at a slower monthly pace of 0.5 - 0.7%. In September, the average price level was unchanged from August. Annual growth eased further to 7.8% in the third quarter, compared to the double-digit gains recorded earlier in the year.

Housing market remains strong through the summer

Transaction activity held up well in the third quarter, showing little evidence of the typical summer slowdown. Sales in the third quarter reached around 62,580 homes, roughly 15.6% higher than a year

earlier and 9% higher than in Q2 2025. Overall, the figures point to a resilient and active housing market, with demand holding firm despite the summer months.



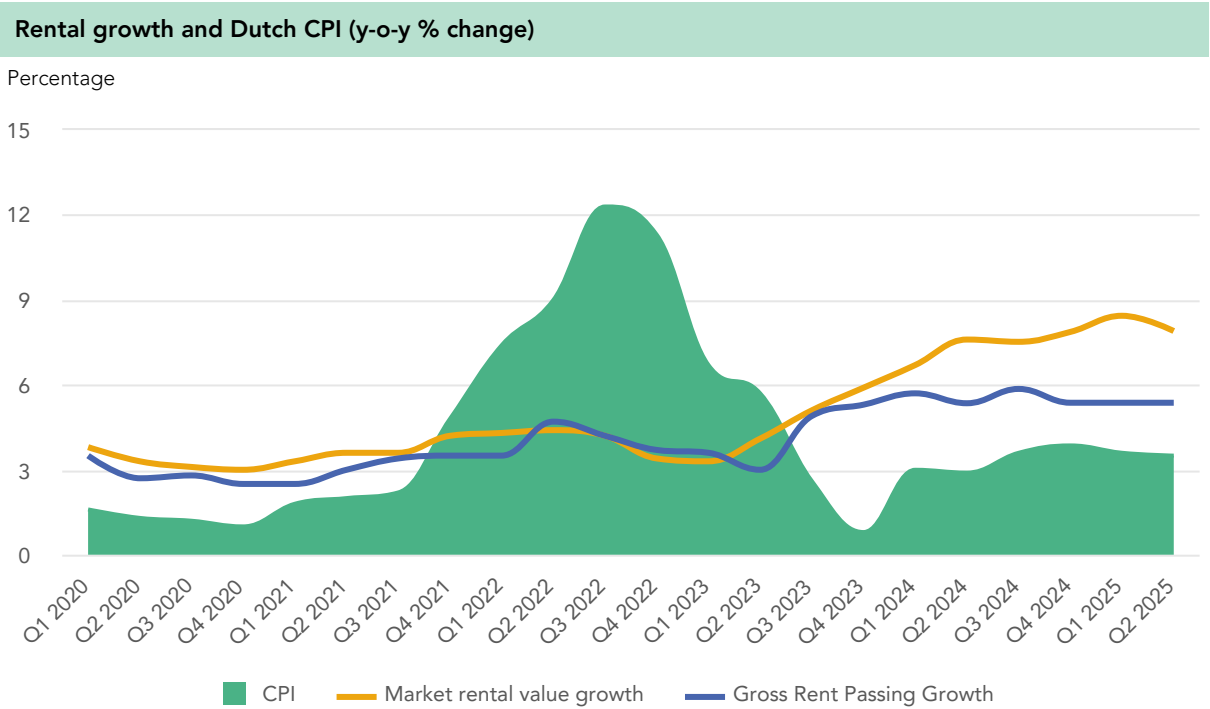
Source: MSCI, Statistics Netherlands, 2025

Rental market

Fewer private rental homes as small landlords continue to withdraw

At the start of 2025, the Netherlands counted 3,000 fewer private rental homes than a year earlier, according to CBS figures commissioned by the Ministry of Housing. The decline stemmed from a drop of 22,000 dwellings owned by individual landlords, partly offset by a rise of 19,000 units held by larger investors and organisations.

The figures confirm a continued consolidation of the rental market, as small private landlords withdraw due to tighter regulation and fiscal pressure. For institutional investors, this shift offers expansion opportunities in a tightening market but also increases exposure to policy and regulatory risks, keeping investor sentiment cautious.



Source: MSCI, Statistics Netherlands, 2025

Owner-occupied and residential investment market indicators				
Owner-occupied	Q3 2025 q-o-q		Q3 2025 y-o-y	
	House price growth		7.8%	
	Transaction volume growth		15.6%	
Rental	Q2 2025 q-o-q		Q2 2025 y-o-y	
	Total	Single-family homes	Apartments	Total
	Total return	14.3%	12.9%	13.4%
	Capital growth	10.7%	9.5%	9.9%
	Income return	3.3%	3.1%	3.1%
	Market rental value growth	8.5%	7.5%	7.9%

Source: Statistics Netherlands, MSCI, 2025

Market outlook

Positive momentum, tempered by headwinds.

Despite the macroeconomic uncertainty, the Dutch residential market continues to show resilience. Strong underlying demand, limited growth, and persistent demographic pressure are expected to sustain upward momentum.

Residential investment market: Robust fundamentals underpin the outlook.

Investor activity in residential real estate is strengthening, supported by tight vacancy levels, stable income yields, and continued rental growth. The tightening of existing supply, in combination with increased competition for well-located assets, should help preserve returns even under more constrained financing conditions.

Towards the end of 2025, transaction volume is expected to soften as market participants anticipate the announced reduction of transfer tax from 10.4% to 8%. This measure, aimed at improving market mobility and enhancing the attractiveness of residential investment, is likely to shift part of the activity into Q1 2026, resulting in higher investment volumes in that quarter. Over the longer term, the reduction to 8% is expected to make a positive contribution to market dynamics and investment appetite.

Rental Market: Resilient demand, constrained supply

The Dutch rental market is set to remain resilient through 2025 and beyond, driven by demographic growth and affordability pressures in the owner-occupied sector. Demand will continue to exceed supply as the sell-off of rental properties by private investors continues and new construction remains sluggish, reinforcing low vacancy rates and sustained rental growth. Looking further ahead, regulatory changes in the mid-rental segment and expanding permit requirements may add uncertainty, but the persistent structural imbalance between supply and demand suggests that the rental market will continue to show strong underlying momentum over the coming years.

Owner-occupier market: Continued growth in 2025, gradual cooling in 2026.

House prices are projected to continue rising in 2025, with forecasts pointing to an annual increase of around 7.7% (Rabobank, ABN AMRO, ING Bank, DNB, 2025). Price stability remains underpinned by wage growth, a tight labour market, and limited housing supply. While higher government bond yields in early 2025 may translate into higher mortgage rates and a more measured price trajectory, there are no indications of a broader slowdown.

The market is expected to remain fundamentally strong, especially in desirable urban regions, supported by ongoing demand from both first-time buyers and households moving up the housing ladder. Looking further ahead, house price development is projected to ease to around +4.2% in 2026, signalling a softer but still positive trend. Although inflation dynamics and future monetary policy will influence the pace of growth, the long-term outlook for the Dutch housing market remains robust.

Policy uncertainty weighs on housing investment

Prinsjesdag 2025 brought few concrete measures for the housing market. The key announcement was the reduction of transfer tax from 10.4% to 8%, aimed at improving market mobility and supporting investment activity. While positive, most other initiatives, such as potential adjustments to the housing valuation system, a rent register, and new sustainability frameworks, remain in preparation and are unlikely to take effect before 2026.

This limited progress underscores the broader challenge of an evolving and often unpredictable policy environment. The rent freeze proposal has been delayed, mid-rental regulation remains under debate, and there is still no clear national framework aligning private and social housing. Combined with the prospect of national elections, this uncertainty continues to weigh on investor confidence. Many market participants are delaying decisions or shifting focus to less regulated asset classes.

Despite strong underlying demand, the absence of a coherent, long-term housing policy continues to constrain new supply, particularly in the mid-rental and affordable segments. Until greater policy clarity emerges, investment appetite and housing delivery are likely to remain subdued, even as the market remains exceptionally tight.

Dutch office market

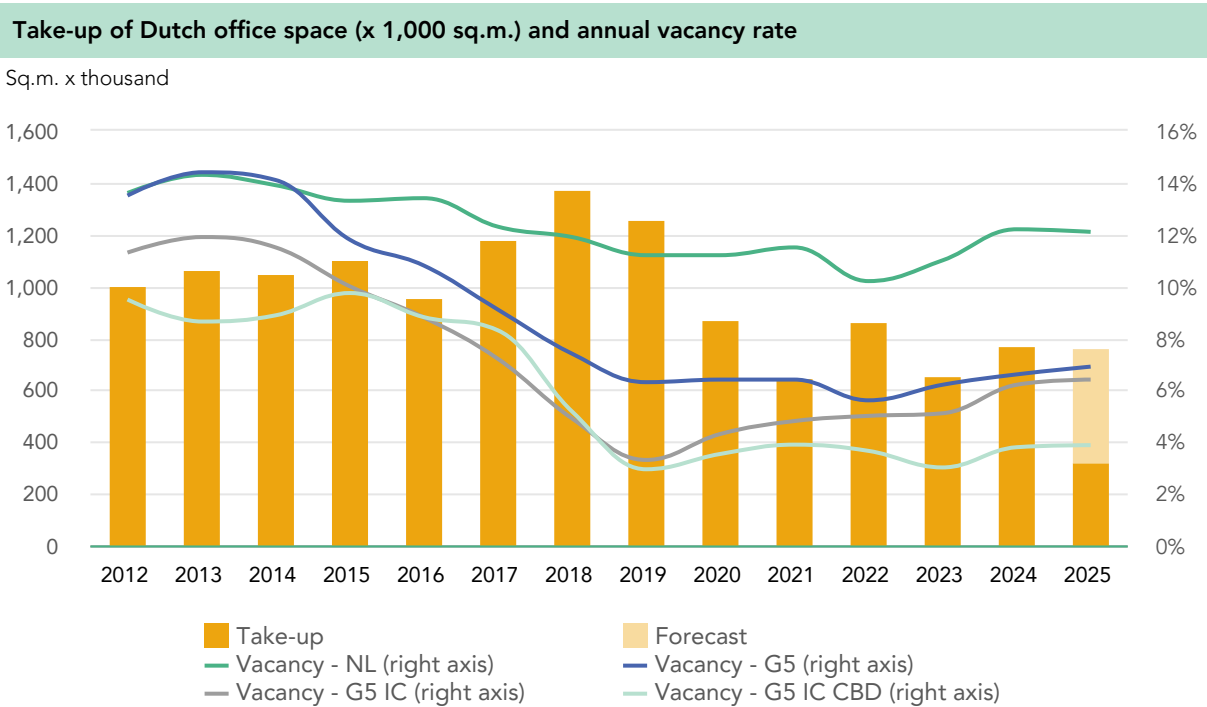
The Dutch office sector began 2025 slower than 2024 in the first quarter, but the second quarter brought more positive dynamics. This pick-up shows market resilience in a time where the market is characterized by increasingly pronounced segmentation and selective growth. The G5 cities—Amsterdam, Rotterdam, The Hague, Utrecht, and Eindhoven—were once again the main engines of recovery, driving national office take-up with robust demand and activity concentrated in the best-connected, most desirable locations.

The G5 remain the most important determinant in take-up volume.

Total office take-up surged to 196,520 sq.m. during Q2 2025, rebounding by 54.5% from the prior quarter and surpassing last year’s second quarter by 5% (CBRE ERIX, 2025). Notably, nearly 69.7% of this activity was focused within the G5, emphasizing the ongoing theme: occupiers are continuously gravitating toward core urban centers. This concentration is both a reflection of the underlying strength of these markets and a symptom of broader polarization, as occupier preferences continue to favor locations that offer accessibility, amenities, and high-quality assets.

While national vacancies remain stable at elevated levels, G5 and G5-IC vacancies show more dynamics.

The vacancy rates at different geographical levels painted a nuanced picture. The overall national vacancy rate held steady at 12.1%, now remaining above the 12% mark for the 4th consecutive quarter. However, beneath the surface, significant movements occurred. In the G5 Inter City (IC) locations, vacancy fell to 6.4%, a modest but meaningful improvement from 6.9% in Q1. Especially considering the slow but continuous increase since the end of 2023. Amsterdam played a decisive role in this decline, as submarkets such as Amstel station, Southeast ArenA, and the South Axis each posted decreases of 2–3 percentage points.



Source: CBRE ERIX, 2025

Elsewhere, vacancy rates were more stable, Utrecht (5.4%), Rotterdam (6.0%), and The Hague (4.1%) maintained some of the lowest vacancy levels nationwide, underscoring the enduring appeal of these cities for occupiers.

Within the G5, some of the best performing IC-locations have been showing extremely low vacancy rates. For example, Utrecht and The Hague’s CBD’s have been fluctuating between 1.5% and 2.5% for over a year (CBRE ERIX, 2025). This shows the extremely high levels of demand for these locations. Notably, this also limits further increases in take-up levels as nearly no space is available.

Pricing stays firm at the top.

The G5 cities continued to command premium rents, with Amsterdam’s South Axis retaining its position as the national benchmark for top-tier pricing, surging from €520 to €600/sq.m./year (CBRE ERIX, 2025). Rotterdam also saw strong prime rent growth coming from €330 and growing to €375/sq.m./year. The Hague and Utrecht also saw increases to €240 and €340/sq.m./year respectively. This growth is underpinned by persistent demand for modern, well-connected office space, especially in areas offering extensive amenities and superior accessibility.

Meanwhile, secondary locations and older assets faced a markedly different scenario. Average rents on national and G5 levels remained stable in the second quarter of 2025, as occupiers remained selective and focused their requirements on newer, more sustainable office buildings. This bifurcation in rental trends highlights the importance of asset quality and location: while top-end properties continue to attract robust interest and command stable or increasing pricing, less competitive stock struggles to keep pace. As a result, the Dutch office market’s rental landscape is increasingly defined by a clear divide between the best and the rest.

Prime office yields show marginal compression in Q2 2025.

Despite a relatively stable investment volume of €308 million in Q2 2025, a 4.9% dip compared to Q2 2024 highlights ongoing caution among investors. However, considering the first half of both years, 2025 still shows a growth of 11.8% compared to 2024 (CBRE ERIX, 2025). Nevertheless, the pricing environment is not static. After a period of yield expansion in 2023, followed by stabilisation in 2024, the first half of 2025 saw investor sentiment improving. With CBRE reporting yield compressions over the course of 2025 based on bidding processes: the national benchmark (Amsterdam South Axis) fell incrementally to 4.9% by Q2 2025, while Rotterdam, Eindhoven, and Utrecht also experienced downward movement. This marginal yield compression—occurring in spite of a backdrop of multiple

ECB rate cuts and no significant repricing in 2024 – suggests that the most sought-after assets are drawing increased competition, even as the wider investment landscape remains selective.

More recently bigger office transactions have occurred as well, with Q3 already noting multiple transactions over €100 million. For example, NieuwAmsterdam was sold for €120 million with intentions of upgrading the building quality to comply with market demand and ESG standards. Centre Court in The Hague was also sold to now owner-occupier Rijksvastgoedbedrijf for €133 million. Moreover, First, in Rotterdam Central District, has been sold for a total of €152 million according to Kadaster. These large transactions in core markets are positive signs, indicating improving investor confidence.

Office market indicators						
Market indicator			Q2 2025	q-o-q growth	1-year growth	3-year growth
Rent	Average rent/sq.m.	NL	€160	0.0%	3.2%	14.3%
	Average prime rent/sq.m.	G5 IC	€365	8.3%	13.0%	22.9%
	Prime rent/sq.m.	Prime CBD (Zuidas)	€600	15.4%	20.0%	23.7%
Stock	Stock (sq.m.)	NL	52,444,334	0.0%	0.0%	0.1%
Take-up	Take-up (sq.m.)	NL	196,521	54.5%	5.0%	6.2%
Vacancy	Vacancy (sq.m.)	NL	6,358,038	0.2%	4.1%	13.7%
	Vacancy rate (%)	NL	12.1%	0.0%	0.5%	1.5%
		G5 IC	6.4%	(0.4%)	0.6%	1.5%
Yield	Gross prime yield (%)	Prime CBD (Zuidas)	4.9%	-10 bps	-20 bps	+180 bps
		Other CBDs (G5)	6.2%	-5 bps	-15 bps	+205 bps
		Major provincial cities	7.6%	-	-10 bps	+185 bps

Source: CBRE ERIX, 2025

Market outlook

Continued polarisation will drive outperformance in the G5 occupier market.

Despite ongoing geopolitical headwinds, fundamentals in the G5 office markets remain robust. Leasing activity continues to concentrate in these core cities, supported by sustained prime rental growth and a persistent shortage of high-quality supply. The gradual return to the office, particularly within professional and financial services industries, is further reinforcing demand for future-proof, premium office space.

In contrast, secondary markets and outdated assets are facing increasing challenges, including rising vacancy rates, slower leasing velocity, and mounting valuation pressure. The limited development of high-quality office space, combined with strong demand, is driving up prime market rental values through increased scarcity.

Cautiousness remains in recovering investment market.

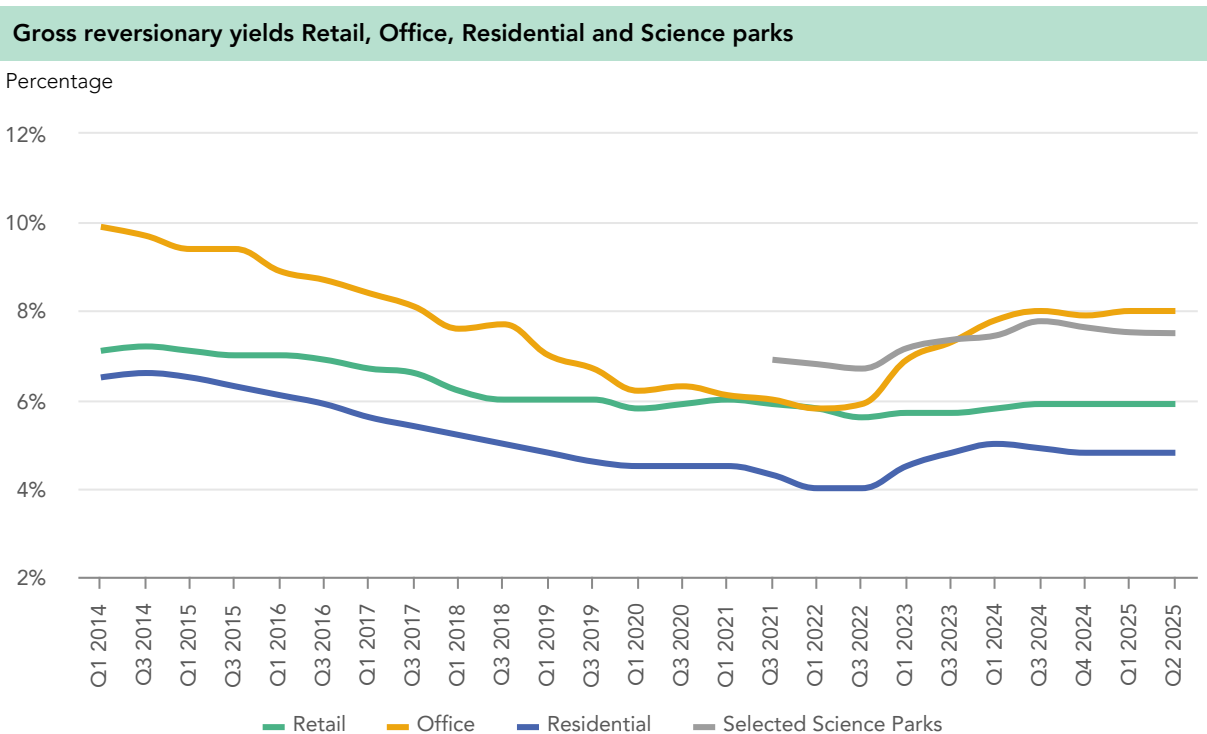
The macroeconomic environment entered a relatively stable phase, though geopolitical risks remain a potential disruptor. The Dutch 10-year government bond sits at around 3%, offering a reasonable prime yield gap in light of solid rental value growth and indexation in prime markets. Transaction volumes are expected to moderately increase in 2025, supported by a growing pipeline of larger deals. However, overall activity is likely to remain below long-term averages as investors maintain a cautious stance because of possible geopolitical backlashes. Market polarization will persist, with institutional capital increasingly targeting sustainable, well-located assets. Green repositioning could be an effective strategy for investors seeking to enhance asset value while aligning with evolving ESG standards.



Dutch science park real estate market

The landscape of science parks remains resilient amid shifting macroeconomic and geopolitical dynamics. Yields have stabilised at 7.5%, pointing to early signs of market balance, while vacancy is increasing as new stock enters the market. Transaction volume is staying low, but government commitments on Prinsjesdag underline the sector’s strategic role in semiconductors and scale-ups. Supported by structural drivers such as nearshoring, AI, and defense-related R&D, science parks remain well-positioned despite ongoing uncertainty.

The risk premium on science parks continues to be structurally lower than the broader office market. For the seventh consecutive quarter, science park yields remained below the MSCI offices benchmark. In the second quarter of 2025, the spread held steady at just above 50 bps, with offices at 8.01% GRY and science parks at 7.5%. This persistent gap highlights the structural differences between the two asset classes and how they respond differently to macroeconomic and sectoral developments.



Source: a.s.r. real estate, MSCI, 2025

Science park yields signal stabilisation

Science park yields remained stable at 7.5% this quarter, following a period of minimal compression over the past two quarters (from 7.6% to 7.5%). These limited movements do not indicate a strong downward trend, but rather an early indication of market stabilisation. While office yields continue to face upward pressure, investor confidence in science parks remains firm, positioning the sector to benefit more quickly from improving macroeconomic conditions.

Vacancy pressures highlight shift toward specialised facilities

Vacancy in science parks has shifted from historically low levels to a gradual increase. After falling below healthy frictional thresholds in 2019 - 2022, rates climbed to 7.0% in 2024 and reached 8.6% by mid-2025. This uptick reflects a cyclical correction as significant new stock is delivered, while demand is increasingly shifting toward specialised and modern facilities. At the same time, stock growth remains robust, driven by large-scale developments at Leiden Bio Science Park, TU Delft Campus, Biotech Campus Delft, and High Tech Campus Eindhoven. Expansion in these established and highly visible locations continues to outpace the regular office market, underlining sustained investor confidence in the sector. However, vacancy rates, traditionally at or below office market benchmarks, have risen due to this rapid stock expansion and slower absorption. Even high-quality assets in Groningen and the new AMC Medical Business Park are facing leasing challenges, highlighting that location, pricing, ecosystem integration, and functional fit are now at least as important as building quality. Tenants are increasingly prioritising specialised labs, flexible layouts, and strong connections to established research clusters over generic office-style space.

Despite improving risk perspectives in the science park market, transaction volume remains subdued

Q3 2025 recorded only one single transaction at Biotech Campus Delft. The asset was acquired by ASR DSPF with plans to renovate the building in line with evolving market requirements, specifically to create flexible space suitable for scale-up tenants.

Prinsjesdag 2025: government investments underlines strategic role of tech

On the annual Prinsjesdag, the Dutch government announced plans to allocate nearly €430 million in funding to the tech industry. This is a hard budget commitment included in the Ministry of Economic Affairs' spending plans, not just an ambition. Of the total, €230m is designated for the semiconductor sector, channeled through the European IPCEI fund, while €200m will support the growth of start-ups into scale-ups via the European Tech Champions Initiative. Both measures are funded from the

National Growth Fund and reflect the government's strategy to safeguard the Netherlands' strong position in high-tech industries and reduce dependency on global competitors such as China.

Market outlook

Trade deal eases pressure, macro conditions improve

Geopolitical risks remain elevated, though the macroeconomic backdrop is gradually improving. The recent trade agreement between the U.S. and EU has eased earlier fears of broad tariff escalation, replacing them with a more moderate framework that still imposes some duties but restores preferential treatment for key industries. This adjustment provides greater clarity and relief for export-oriented sectors in Europe. At the same time, stabilising interest rates and Dutch government bond yields around 2.8% continue to support market sentiment.

Stability returns, but selectivity persists

In the investment market, confidence is cautiously improving in response to this more predictable environment, though investors remain selective and focused on prime assets in established clusters. On the occupier side, vacancy has increased as new supply comes online, but absorption is expected to gradually improve. Demand is concentrated in modern, ESG-compliant science park facilities, while older, generic office-style buildings remain more exposed to structural vacancy.

Innovation and investment support market resilience

Overall, the outlook is cautiously positive. Structural drivers such as nearshoring, advances in AI and quantum technology, growing defense budgets, and rising public investment in innovation underpin the long-term fundamentals, even as geopolitical uncertainty and uneven absorption continue to pose near-term challenges.

Tenant dynamics reveal ecosystem resilience

Recent research on relocation patterns across Dutch science parks show that mobility and company retention on science parks goes hand in hand. Young firms bring renewal and innovation, while growing and mature companies tend to remain anchored within the ecosystem. This interplay of dynamism and stability illustrates the long-term strength and adaptability of science parks as innovation-driven real estate environments. Looking ahead, attention for the strategic role of tech and the investments made by the government can further support this dynamic foundation of science parks. In the future, a stronger emphasis on the strategic role of technology coupled with sustained government investment, can further enhance the dynamic ecosystem of science parks. More information about the relocation dynamics and implications can be found [here](#).



Whiffle, TU Delft Campus, Delft

Dutch farmland market

The Dutch Ministry of Agriculture is advancing its nitrogen transition agenda, but implementation remains complex. While ambitious sector-wide reduction targets have been set, recent RIVM data show the legal targets are still out of reach. Farmer confidence remained stable at 10 points in the Agro Confidence Index, supported by strong dairy performance and new funding, yet arable and organic producers face pressure from falling prices, regulatory uncertainty and climate challenges. Despite these headwinds, average farmland prices rose to €88,900 per hectare, and are expected to keep increasing, while the end of manure derogation will have major implications for farmers.

Farmland market indicators				
Market indicator	Current	q-o-q growth	1-year growth	3-years growth
Export of agricultural goods (in mln)	€33,525	2.9%	11.5%	17.4%
Farmland prices (12m average)	€89,908	1.3%	10.3%	26.4%
Traded volume (12-month, in hectares)	33,365	1.5%	14.7%	10.1%
Available farmland (in ha)	1,798,501		0.0%	-0.3%
Number of agriculture farms	49,900		0.0%	-2.1%
Agro confidence indicator (0=neutral)	9.8	-0.8	4.9	7.9
Agro confidence BIO-indicator (0=neutral)	18.5	-2.6	-3.5	18.5

Source: Statistics Netherlands, Kadaster, Wageningen Economic Research (WER), 2025

*the bio indicator data has been collected since Q1 2023

Balancing reform and reality: Dutch agriculture at a crossroads.

The Dutch agricultural sector continues to navigate a complex policy landscape. In July, a broad coalition of government and agricultural organisations presented a joint nitrogen plan (LTO). The sector committed to a 42 - 46% emission reduction by 2035, with a binding interim target in 2030. The approach emphasises regional flexibility, with mandatory measures for the most vulnerable nature areas.

However, the feasibility of these goals remains in question. According to the RIVM’s latest report, nitrogen deposition is decreasing faster than previously expected, thanks to measures in agriculture and transport. Yet even with these improvements, the government is not on track to meet its legal targets. Only 34% of sensitive nature areas are expected to fall below the critical nitrogen threshold by 2030, far short of the 50% target. This underscores the gap between ambition and implementation in current nitrogen policy.

Meanwhile, the phase-out of EU derogation continues to reshape manure policy. In 2025, nitrogen application limits declined to 190 kg/ha in NV zones and 200 kg/ha elsewhere. From 2026, a uniform 170 kg/ha limit will apply. Additional reforms include reduced buffer zones and higher deduction rates for livestock rights transfers.

On the other hand, structural transformation in the sector is receiving active support in the form of new government funding. In its September budget, the Ministry of Agriculture announced an additional €2.6 billion for nitrogen-related measures, innovation and farmer support (Rijksoverheid). This includes funding for regional transition plans, investments in sustainable technology and improved advisory services for farmers and horticulturists. The goal is to accelerate innovation and help producers adapt to stricter environmental standards while maintaining economic viability.

Farmer sentiment stable is, but confidence is under pressure in the arable sector.

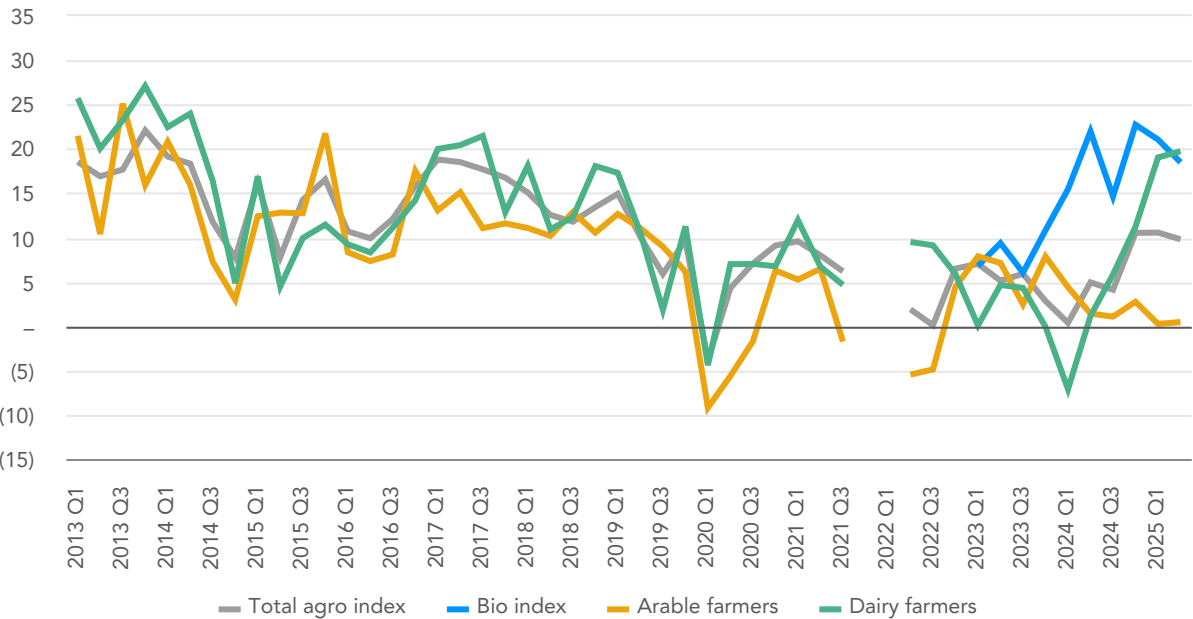
Confidence among farmers and horticulturists remained stable in Q2 2025, with the Agro Confidence Index unchanged at 10 points. Sector-specific trends however show divergent developments. Dairy farmers maintained a positive outlook, with sector confidence rising slightly to 20 points, well above the long-term average and surprising organic farmers for the first time. High milk prices and low interest rates continue to support optimism. Despite higher manure disposal costs due to the phase-out of derogation, favourable spring weather and reduced pig farming helped to reduce disposal prices. The strong current sentiment was confirmed by a small to 37.6 points. Long-term expectations remain stable with 4.2 points, supported by rising demand.

In contrast, arable farmers are facing growing challenges. Sector confidence fell to just 0.5 points, indicating a near-even split between positive and negative sentiment. This marks the second quarter near the neutral threshold. While current sentiment remains slightly positive at 21 points (+2), long-term expectations fell to nearly -17 points. Oversupply and weak demand for free-market potatoes, combined with stricter regulations and falling prices, are key concerns. Uncertainty around the profitability of harvesting further dampened sentiment.

The organic sector saw a modest decline in confidence, falling by 2.6 points to 18.5. Current sentiment remained stable at 31 points, still above average. However, expectations for the coming year declined from nearly 12 to 7.5 points. Lower yield forecasts and political uncertainty are weighing on the outlook. While the growing season was favourable for smaller crops like fruit and ornamental horticulture, the domestic market remains too limited to offset broader concerns.

The expectancy and sentiment indices together make up the Agro Confidence Index, which is still reflecting significant uncertainty and challenges in the agricultural sector.

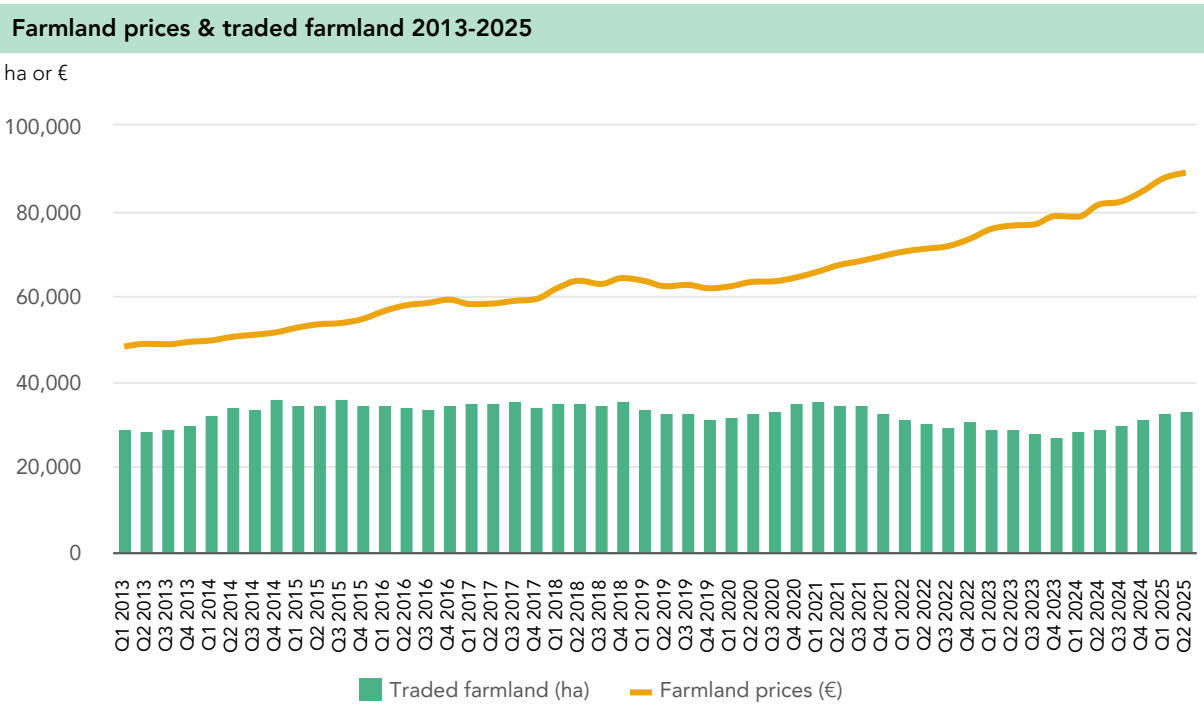
Agro confidence index



In collaboration with Wageningen Economic Research, a.s.r. real estate introduced an confidence indicator which gives insights in the confidence, mood and outlook of organic and traditional farmers. Full results (in Dutch) are available [here](#).

In the second quarter of 2025, the average agricultural land price in the Netherlands was €88,900 (12-month average) per hectare, 10.0% higher than in Q2 2024.

The average price of arable land increased by 9.9% to €101,500 per hectare in the same period. The average price of grassland reached up to €79,400 per hectare, which is 9.2% above the 12-month average in the second quarter of 2024. A significant rise in prices for other types of land brought the average rise to 10.0%. Over the past four quarters, a total of 33,400 hectares were traded, marking a 15.0% increase from the 29,100 hectares traded in the previous year. Relative farmland mobility, which measures traded land against total agricultural farmland, was 1.85%, up from 1.62% in the previous year.



Source: Kadaster, Wageningen Economic Research (WER), 2025

Market outlook

The Dutch farmland market continues to show underlying strength. Ongoing efficiency improvements in the sector, limited land availability, and the steady transition towards sustainable agriculture are expected to continue to support market activity. Voluntary buyout schemes, particularly those aimed at dairy farms near Natura 2000 areas, along with an aging farming population and a shortage of successors, are likely to introduce new dynamics. These developments may open up opportunities for larger agricultural businesses to expand. As a result, farmland prices are expected to rise further, though likely at a slower pace than in previous years.

At the same time, uncertainty around Dutch agricultural policy remains a key concern, highlighted by recent legal and financial challenges. The recent fall of the Schoof cabinet has added a new layer of unpredictability, clouding the outlook and potentially delaying key decisions. While recent funding announcements signal long-term commitment, many farmers remain cautious about investing, citing unclear regulations and shifting policy frameworks. The direction of future policy, the decisions the next cabinet will ultimately take, and their practical feasibility all remain unclear.

Meanwhile, European regulation is still pushing the sector towards more sustainable practices, with water quality rules in particular expected to have a significant impact. Some of these environmental measures were temporarily eased in 2023 in response to farmer protests and the upcoming elections. However, the end of derogation in 2026 will limit manure application to 170 kg/ha for Dutch farmers, increasing reliance on fertilisers and reducing use of organic waste products, which also makes adds manure disposal more expensive. It remains to be seen how significantly this will affect farmers in the coming period.

Dutch renewable energy market

Solar, wind and storage advancing through transition. The third quarter of 2025 marks a period of steady progress in the Dutch energy transition. While short-term fluctuations in fossil generation have drawn attention, the broader trend remains clear: renewable electricity continues to expand its share, supported by innovation, investment, and policy momentum.

Renewables remain dominant, despite temporary setbacks

In the third quarter of 2025, the Dutch energy market continues to show resilience, even after a temporary rise in fossil electricity production earlier this year. In the first half of 2025, electricity generation from natural gas and coal increased by 8% compared to the same period in 2024 (Statistics Netherlands, 2025). This was largely due to less favorable weather conditions and grid congestion, which limited output from solar and wind installations.

Still, the structural progress of the energy transition remains clear. In 2024, renewable energy accounted for 19.8% of total energy consumption, up from 17.4% in 2023 (Statistics Netherlands, 2025). More notably, renewable sources supplied over half of the country's electricity production in the second quarter of 2025, 39% in Q1 and 59% in Q2 (Statistics Netherlands, 2025). These figures confirm that the transition is well underway, even when short-term challenges arise. The recent uptick in fossil generation mainly highlights the growing importance of flexibility solutions like battery storage, which help integrate renewables more effectively and reduce reliance on fossil fuels.

Momentum is further reinforced by long-term developments such as the launch of the Nederwiek I tender, which opened in October 2025 and offers 1 GW of offshore wind capacity. This marks another significant step in expanding the Netherlands' offshore wind portfolio and demonstrates continued commitment to scaling up clean energy infrastructure. The third quarter shows that the direction remains firmly toward sustainable growth.

Solar Energy: strategic progress amidst market adjustments

The Dutch solar energy sector continues to play a pivotal role in the country's transition to a low-carbon economy. Over the past years, the strong commitment to solar energy has been a deliberate policy choice, aimed at reducing dependency on fossil fuels and fostering a cleaner, more resilient energy system. The Netherlands remains a European leader in installed solar capacity per capita, reflecting both public support and sustained investment.

While the pace of new solar developments has moderated recently, this shift signals a maturing market responding to evolving conditions. Rising grid connection costs, increased exposure to negative price hours, and uncertainty around future policy frameworks are prompting developers to reassess their strategies (Energeia, 2025). Rather than a retreat, this recalibration is encouraging innovation, with many operators exploring hybrid systems and battery integration to enhance revenue stability and grid flexibility.

To sustain the growth of solar energy as a vital component of the energy transition, targeted policy measures, such as improved grid planning, flexible connection agreements, and updated subsidy mechanisms, will be essential. These interventions can help unlock new capacity and ensure solar energy remains central to achieving national climate goals.

Battery investments gain traction, but ambitions remain challenging

Battery energy storage systems (BESS) are emerging as a key enabler of flexibility in the Dutch energy system. Recent investments, such as APG's investment in Return's battery energy storage platform,

signal growing confidence in the sector. Investors are increasingly drawn to BESS projects that offer grid-supportive capabilities, diversification and long-term value, especially as negative price hours are becoming more prevalent. Yet the market remains in its early stages. By the end of 2024, 84 large-scale batteries were operational, with a combined capacity of 350 MW and 620 MWh (Statistics Netherlands, 2025). Rabo Research estimates around 1.5 GW is in development or announced, still far

below TenneT's projections of 6.7 GW by 2030 and 11.4 GW by 2033 (TenneT, 2025). Achieving these targets will require streamlined permitting, accelerated grid upgrades, and clearer long-term policy frameworks. While some describe the current momentum as a 'battery revolution' (Ventolines, 2025), others, like Eneco, remain cautious, citing regulatory uncertainty and market immaturity. This divergence underscores the need for consistent signals to unlock the full potential of battery storage.

Grid congestion continues to be a major bottleneck in the Dutch energy transition, delaying or downsizing renewable projects in several regions. Batteries offer a partial solution by enabling peak shaving, local balancing, and deferred grid investments. Innovative models, such as TenneT's time-duration transport rights (TDTR) contract, used in the 100 MW Return battery project in Waddinxveen, demonstrate how flexible access agreements can unlock new capacity at lower cost and support more efficient grid use.

Political uncertainty, but also an opportunity for acceleration

The upcoming Dutch elections introduce a degree of political uncertainty, particularly around climate and energy policy. However, this moment also presents an opportunity. As the country prepares for a new cabinet, previously stalled initiatives, such as the proposed two-way contracts for difference (CfDs), may gain traction. These contracts, set to replace the SDE++ scheme in 2027, offer a more balanced approach to financial support by compensating producers when market prices fall below a minimum and reclaiming excess profits when prices exceed a cap. Given that previous subsidy schemes have excluded BESS investments, the formation of a new cabinet presents a timely opportunity to integrate this grid-supportive technology into future energy policy and accelerate its role in the energy transition.

Stakeholders across the sector, including grid operators and industry associations, are calling for swift legislative action to support collective heating networks, clarify industrial decarbonization agreements, and address the green gas mandate. The energy transition requires consistent, long-term policy signals to maintain investor confidence and ensure timely infrastructure development.

Encouragingly, the Dutch parliament has shown restraint in declaring climate topics controversial, suggesting that essential energy policies may continue despite the political vacuum. If managed well, the post-election period could become a window for renewed momentum.

Market outlook

The third quarter of 2025 highlights a maturing renewable energy market that continues to adapt and advance. Despite temporary fluctuations in fossil generation, the overall trajectory remains strong. Solar and wind remain central pillars of the energy mix, supported by growing public and institutional confidence. Renewable energy maintained a strong presence in total electricity production, accounting for 59% in Q2 2025 (Statistics Netherlands, 2025). This continued growth signals a promising trajectory toward a more sustainable energy future.

Flexibility solutions are gaining importance, with battery storage playing a supportive role alongside smarter grid planning and hybrid system development. Innovative models, such as TenneT's time-duration transport rights (TDTR) contract, used in the 100 MW Return battery project in Waddinxveen, show how targeted infrastructure strategies can unlock new capacity and improve efficiency. As the market evolves, battery storage is increasingly viewed not just as a technical solution, but as a strategic asset, balancing supply and demand, enabling sector coupling, and supporting local energy systems. Coordinated action across regulation, investment, and technology will be key to maintaining momentum.

Looking ahead, the Dutch energy sector is well-positioned to build on its progress. With elections approaching and policy discussions intensifying, there is an opportunity to accelerate key reforms and unlock new capacity. Continued collaboration between government, grid operators, and market players will be essential to ensure that the transition remains on track and that renewable energy continues to grow as a reliable and resilient foundation for the future.

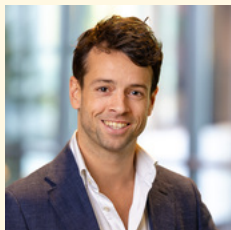
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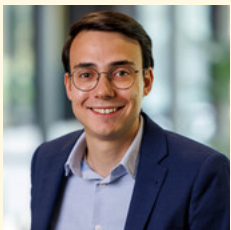
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