

A tall, modern glass skyscraper with a blue-tinted facade stands against a clear blue sky. In the foreground, a curved glass transit station with a grey roof is visible. Two people are riding bicycles on a path in front of the station. The overall scene is bright and modern.

How polarisation in the
Dutch office market creates
opportunities for strategic
asset allocation

Part 2: What are the right office locations?

Introduction

In this trilogy about polarisation in the Dutch office market we set out to showcase what opportunities this trend brings and how to capitalise on its effects. The first paper demonstrated how polarisation can create opportunities for strategic asset allocation. The key take-aways were:

1. Prioritising risk-adjusted returns is key to building a resilient strategic asset allocation
2. The historical risk/return spread between the Dutch office benchmark and the top-performing quartile is significant, and growing
3. The continued divergence in the office market performance presents an opportunity for thoughtful strategic asset allocation

Having revealed that careful asset selection can yield superior returns with lower volatility, the question remains how to target the right office assets on the right locations. Polarisation highlights the disparity between the best and less desirable office locations and assets. In this paper, the historical trends that shaped the office market of today and contributed to the polarisation will first be highlighted. Secondly, the factors which can make or break a location will be explored and lastly, the effects that the right office locations have on the real estate performance will be demonstrated. The third paper will dive into the factors that distinguish winning from losing office assets. Furthermore, it will explain how occupiers use prime offices as strategic assets, and what is needed to provide occupiers with the edge in the war for talent and in attaining their ESG goals.

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Key take-aways

- 1 The Dutch office market has been reshaped since the structural vacancy period induced by the Global Financial Crisis, unlike other international markets, creating a select subset of future-proof high-demand office locations.
- 2 Office locations where good municipal fundamentals, sound real estate market dynamics, excellent public transport accessibility and a vibrant mixed-use environment come together are the winners in a polarising market.
- 3 These top office locations experience lower vacancy rates, elevated take-up levels and higher market rental value growth, and prove themselves to be the future-proof segment of the office market.

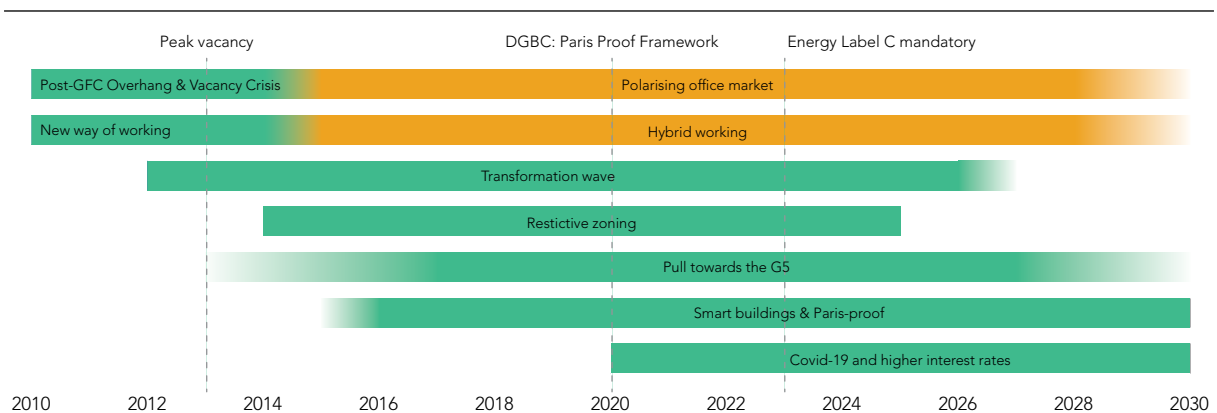
The last chapter of this trilogy will dive into which assets will win in this polarising market.

Polarisation has been reshaping the Dutch office market since the GFC

Over the past fifteen years, the Dutch office market has undergone a profound transformation. In 2010, record-high vacancy and a general surplus of both outdated and new buildings defined the landscape. By 2025, demand

has concentrated in a limited number of prime locations and high-quality, future-proof assets. This twofold split, polarisation, is the result of successive trends and their combined effects, which together have shaped today's market.

Figure 1 Historical formation of the Dutch office market



Source: a.s.r. real estate (2025)

2010–2013 | Post-GFC overhang & Vacancy crisis

In the aftermath of the Global Financial Crisis (GFC), structural oversupply became painfully clear. Vacancy rates reached record levels, especially outside the core cities, while many buildings became economically and functionally obsolete. This period was the consequence of the preceding upturn and resulting boom in office stock development, with few restrictions. Large volumes of office space had been added, not always in the right locations with sufficient long-term demand, which exacerbated the structural oversupply once the crisis hit. The pressure on values signalled a market at a turning point: not all locations and not all buildings

would remain viable in the years ahead.

2010–2020 | The new way of working & Hybrid working

In parallel, the demand side changed fundamentally. The “new way of working” – activity-based and hybrid – reduced the need for total floor space, but increased the demand for high-quality, flexible and well-connected office environments. It became clear that location and asset quality are decisive for long-term success. It is worth noting that The New Way of Working established itself in the Netherlands earlier than in other countries, which is why the post-covid spread of hybrid working affected the Dutch office market less than elsewhere.

2012–2020 | Transformation wave | Restrictive zoning

Sharp value declines made the conversion of obsolete offices to residential use economically viable, particularly for non-prime buildings outside the top locations. Investors and developers seized the opportunity, and municipalities reinforced the trend with restrictive zoning policies aimed at structurally reducing low-potential stock and concentrating supply in the right locations. This dual movement, market-driven transformation combined with policy-led rationalization, resulted in a significant contraction of Dutch office stock, especially in the 5 largest cities (G5). The effect is still visible today: vacancy is historically low, especially in the

prime locations where demand has since concentrated.

From 2012 | The pull towards the G5

Companies increasingly concentrated in the G5 cities (Amsterdam, Rotterdam, The Hague, Utrecht, Eindhoven), and within them, particularly in internationally connected hubs (G5-IC – InterCity - locations) and station areas. Accessibility, talent, amenities and image came together, driving consistently stronger performance in take-up, rental growth and capital values. During this period, the Netherlands also invested heavily in the redevelopment of major station areas, transforming them into vibrant urban destinations. For example, Utrecht central station and The Hague central station were completely renewed and integrated with the surrounding cities, Amsterdam launched the large-scale Zuidasdok project to expand Amsterdam Zuid into an international business hub, and

Rotterdam Centraal was rebuilt as a modern, high-speed rail gateway. As the office CBD's are concentrated around these redeveloped station areas, the large governmental investments reinforced their position as prime office locations and further strengthened the spatial concentration of activity within the G5.

From 2015 | Smart buildings & Paris-proof

The Paris Agreement, the mandatory EPC label C, and Paris-proof ambitions of both owners and occupiers pushed sustainability to the top of the agenda. The market directed capital into energy-efficient, smart buildings, widening the gap between future-proof and obsolete stock.

2020–present | Covid-19 and higher interest rates

The pandemic accelerated hybrid working and reinforced the focus on prime assets in prime locations. Higher interest rates

and construction costs limited new development, creating scarcity at the top end of the market. Combined with the earlier stock reduction, this resulted in exceptionally low vacancy in the G5-IC locations – a position unique in Europe.

Today's playing field

The market is now dominated by the G5 and their internationally connected hubs: While home to only 40% of the Dutch office stock, the G5 currently attract two thirds of the take-up. Within these top locations, only sustainable, flexible and future-proof buildings remain attractive to occupiers.

This chapter of the office polarisation trilogy focuses on the geographical side of this split: which locations have emerged as winners, which characteristics underpin their success, and how to define and select these high-potential places.



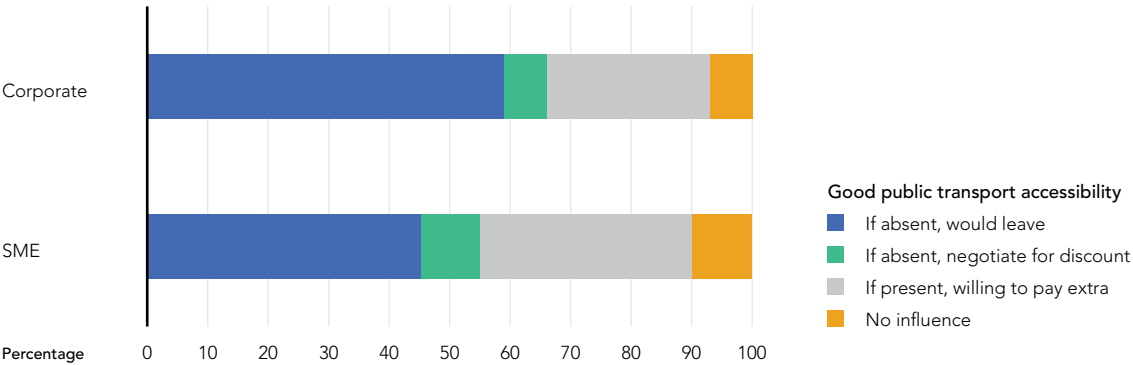
Occupier wishes signal the needs for the office location of tomorrow

The office has become more than a base of operations. Today, occupiers use their office as a strategic asset to attain ESG-goals, attract and retain talent, boost productivity, establish workplace culture and branding, and engage clients. Each of these uses of office space translates into occupier wishes and affects asset performance on both the asset and location level. To attract

talent, the office location needs to have access to a large workforce. In addition, the location needs to be vibrant, with a lively mixed-use neighbourhood. Having other well performing offices in the area contributes as well through agglomeration effects such as the shared talent pool, knowledge spillover and perceived prestige of the area. To exemplify the effect occupier wishes have on real

estate performance figure 2 shows the willingness of corporates and small to medium-sized enterprises to leave or pay less in the absence of good public transport accessibility, as well as the willingness to pay extra if it does have good public transport accessibility.

Figure 2 Importance of public transport accessibility



Source: CBRE (2025)



Unveiling the winners: Navigating the maze of office locations

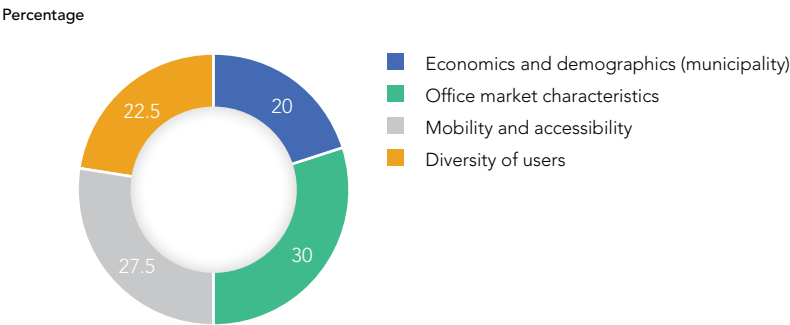
To translate these occupier wishes and quantify which locations adhere to (long-term) demand it is important to take a holistic approach and regard locations from multiple angles. To quantify these differences a.s.r. real estate defined 223 different office locations across the Netherlands, ranging from prime G5 intercity locations to highway-adjacent office parks surrounding smaller cities. In order to assess the 223 locations, a.s.r. real estate has developed the Dutch Office Location Filter (DOLF). This tool is used to rank office locations on

their overall competitiveness and/or combined with asset level analysis tools to score the assets and portfolio in a holistic manner.

For the application, data ranging from size of the workforce to vacancy rates and walkability scores is gathered. These parameters are aggregated and weighted to make up the four main pillars of location: Economic and demographic fundamentals of the municipality, Real estate office market characteristics, Mobility and accessibility and Diversity of users. See Figure 3 for

the relative weight of each pillar in the Dutch Office Location Filter of a.s.r. real estate. These 4 themes are analysed based on in total 15 sub-indicators. Each of the themes has been scored on a scale of 1-5, depending on the data. A considerable outperformance of the top ten overall locations can be seen over the years. Important to note is that by tracking and scoring this over the years, it is only natural that the outperformance grows smaller over the years, as lower scoring locations have more growth potential.

Figure 3 The four pillars of the Dutch Office Location Filter (DOLF)



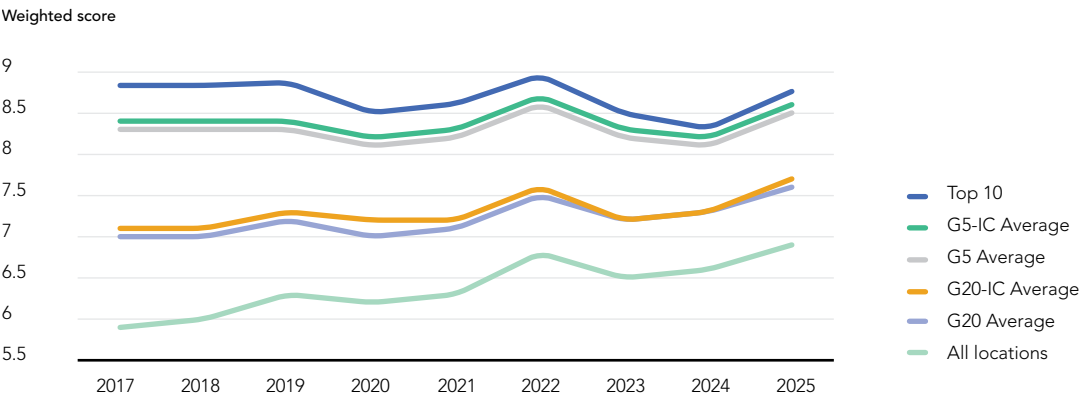
Source: a.s.r. real estate (2025)

Regarding the first pillar of office locations, the municipal economics and demographics, clear distinctions can already be made between segments of the market, with the G5 outperforming the G20 and the G20 outperforming the rest of the

Netherlands. Notably, most of this data is on a regional/municipality level, minimising the differences within municipalities (IC vs non-IC). Furthermore, the smaller difference over time is due to the scoring of variables, where the higher scoring locations have

limited growth potential in the scoring system. However, the actual difference still remains substantial with the top 10, G5-IC and G5 outscoring the Dutch average by nearly 2 points.

Figure 4 Economics and demographics (municipality scores)

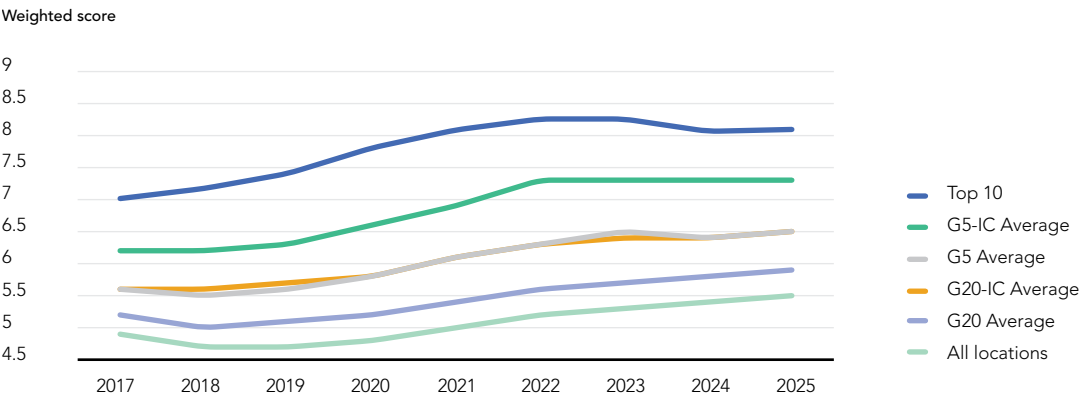


Source: a.s.r. real estate (2025)

Moving on to office market characteristics, these combine factors more directly linked to real estate such as stock, scarcity (supply/take-up ratio), vacancy and rental levels. As with fundamentals, a clear performance difference can be seen between geographical levels. The IC locations

outperform their non-IC counterparts very clearly. In addition, this graph shows G20-IC locations performing on par with the G5 average, showing the importance of mobility and demonstrating how it can boost performance, even outside of the core markets.

Figure 5 Office market characteristics scores



Source: a.s.r. real estate (2025)

Opportunities arise where accessibility and multifunctionality meet

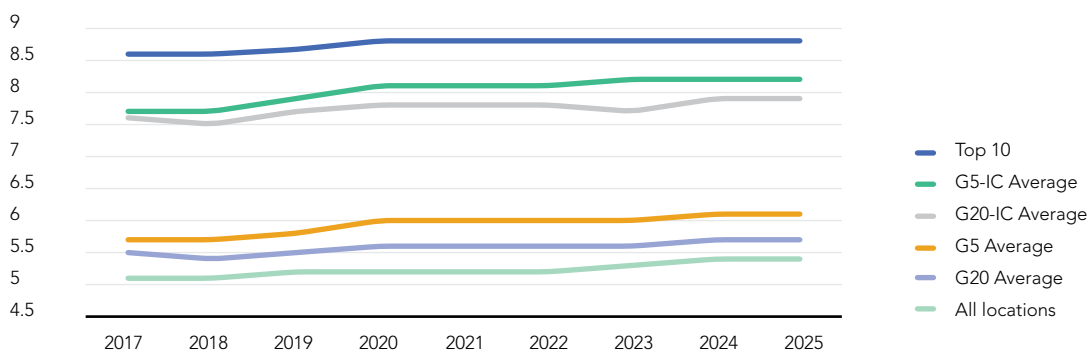
Locations with strong public transport, diverse amenities, and vibrant street life attract more tenants by offering convenience and a dynamic work environment. These areas are pivotal in the competition for talent, as they enhance employee productivity and well-being. Proximity to transport hubs like IC-locations also significantly reduces the carbon footprint, as this leads to more employees opting to travel by train or bike instead of by car. Furthermore, increasing accessibility through multiple

transport modes also elevates the social impact of occupiers by fostering inclusivity and providing opportunities for employees from diverse socio-economic backgrounds that might rely more on public transport. Consequently, this aids in ESG goals of occupiers in a multitude of ways. To measure mobility, indicators such as distance to train station, stock within 500m of the station, station check-ins/outs and distance to highway have been included.

The performance differences driven by accessibility and multifunctionality are significant. The locations which are near IC-stations outscore the other locations tremendously. The Top 10 has the highest score, followed by the G5 and G20 intercity locations, all outscoring the non-IC locations greatly. The G20 intercity locations even outperform the less accessible G5 average locations, and the latter only outperform other locations in the Netherlands by a relatively small margin.

Figure 6 Mobility and accessibility scores

Weighted score



Source: a.s.r. real estate (2025)

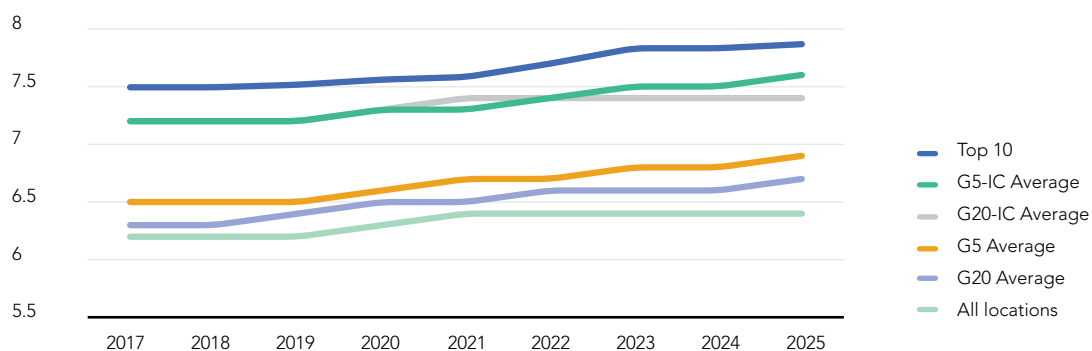
The last main pillar to differentiate office locations is the diversity of users. To create a more lively work environment, a mix of SME's and corporations is needed, to ensure a diverse mix of corporate demographics. Although this diversity needs to be present, some sectors, such as industrial activities, contribute negatively to

the appeal of a location and need to be avoided altogether. Indicators which are used to benchmark this pillar are the office users: multi-tenant buildings and the quality of mix of office-based employment sectors, in addition to the mixed-use environment: employment in sectors such as retail and leisure,

neighbourhood walkability, proximity of university etc. Similar to the mobility results, the IC-locations, both in the G5 and in the G20, perform well above the other locations, indicating that these areas inherently have a more lively and mixed-use character.

Figure 7 Diversity of users scores

Weighted score



Source: a.s.r. real estate (2025)

Top locations

Throughout the graphs above, the G5-IC locations outperform the G5 average. In addition, there is still a clear distinction between the G5-IC and the Top 10 locations. Even if a location is near an IC-station within the G5,

it does not mean it is necessarily a core market. This illustrates the point of this paper: it is important to target the well-accessible locations within the G5, but there is still a clear separation with the absolute winners.



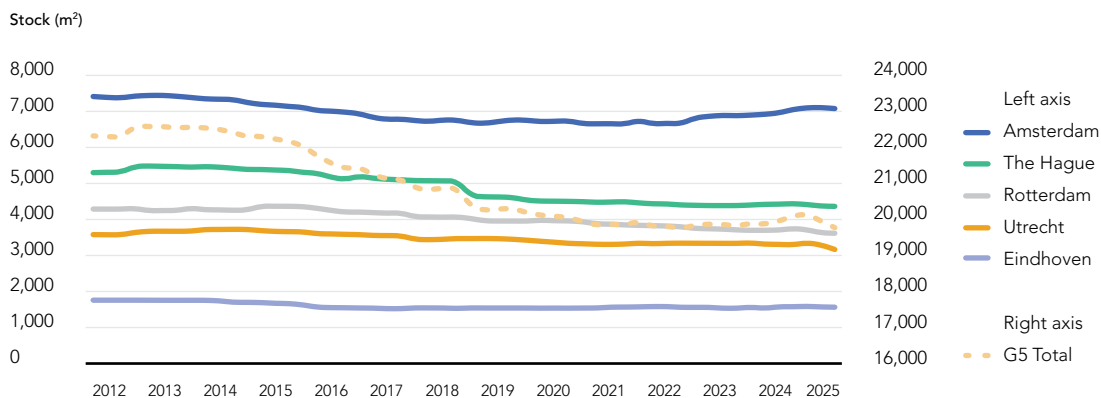
Shortage of office space on prime locations, with minimal new developments

As mentioned briefly earlier on, the transformation wave reshaped the Dutch office market, in addition to restrictive zoning, regulatory barriers and high construction costs, limiting new office developments and leading to a shortage of prime office space on prime locations. This scarcity now drives up rents and

competition for existing spaces. Prioritization of residential developments over office spaces may worsen the shortage, particularly in non-prime locations. Identifying high-accessibility, vibrant, and multifunctional areas can yield enhanced risk-return profiles. The figure below shows how the office

market transformation has reshaped each of the G5 submarkets. Four out of the five cities have seen a constant decline in stock volume since 2012, with some stabilization in the last 4 years, with only Amsterdam seeing some stock growth in recent years.

Figure 8 Office stock of G5 markets



Source: CBRE (2025)



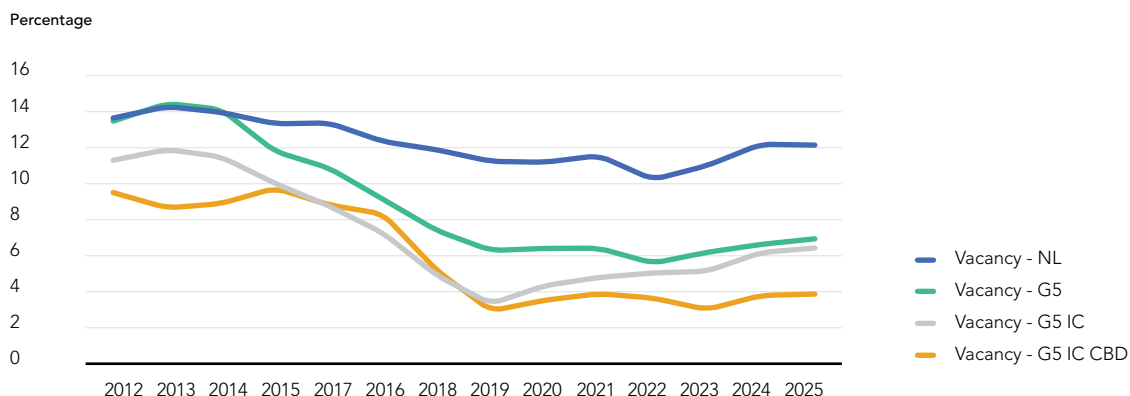
Vacancy rates, take-up and rental growth clearly indicate the winning office locations

On the locations where the discussed attributes of Fundamentals, Office market characteristics, Mobility and Diversity of users come together, thriving office locations arise. Here rent levels, vacancy rates, and take-up levels and yields diverge from lagging market segments. Prime locations with great accessibility and a mixed-use, vibrant environment enjoy higher rents and lower vacancy rates. The attractiveness of these prime areas is amplified by their appeal to employees, becoming increasingly important to occupiers as the war for talent continues. This trend has strengthened in recent years. Even though office locations around intercity stations have enjoyed lower vacancy rates since 2012, the difference in performance has started diverging further since 2014.

As explained earlier, after reaching peak vacancies in 2013, the office market experienced the combined trend of flight to quality and more restrictive zoning policies of municipalities. This has caused vacancy rates to drop more in G5 cities, due to a concentration of demand as well as a decrease in available stock in these cities. More recently, a further concentration of demand has occurred. As hybrid working and COVID-19 started affecting the office market in a more substantial manner, even some of the G5-IC locations, which had previously kept pace with the top segments, started to fall back in terms of demand. As a proxy for the most desirable locations, the G5-IC CBD have managed to keep extremely low vacancy rates since 2019, while other G5-IC locations have seen a slight increase.

Although it should be noted that the G5 and G5 IC vacancy rates at approximately 6% are still only slightly above friction levels (assuming 5% as friction vacancy). Additionally, from 2019 onwards we note the G5-IC locations vacancy converges towards the G5 vacancy rate. This is due to a subset of the G5-IC locations, such as Amsterdam IJ-Oevers and Amsterdam Sloterdijk, which is experiencing elevated vacancy rates affecting the G5-IC average.

Figure 9 Vacancy rates diverge based on accessibility, vibrancy, and multifunctionality

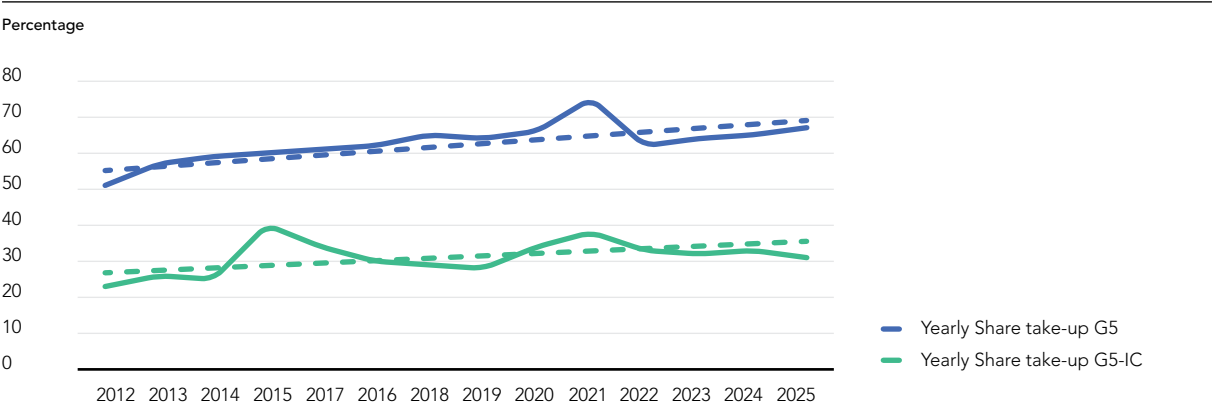


Source: CBRE (2025)

As for the take-up, this increasingly concentrates on the prime locations as well. In 2012 approximately 51% of take-up took place in the G5, throughout the years this increased

substantially to 67% in 2025 (YTD). In a similar fashion, office take-up in the G5-IC locations has increased over the years, from 23% in 2012 to just over 33% in 2025.

Figure 10 Take-up concentrates in the G5 markets and on the IC locations



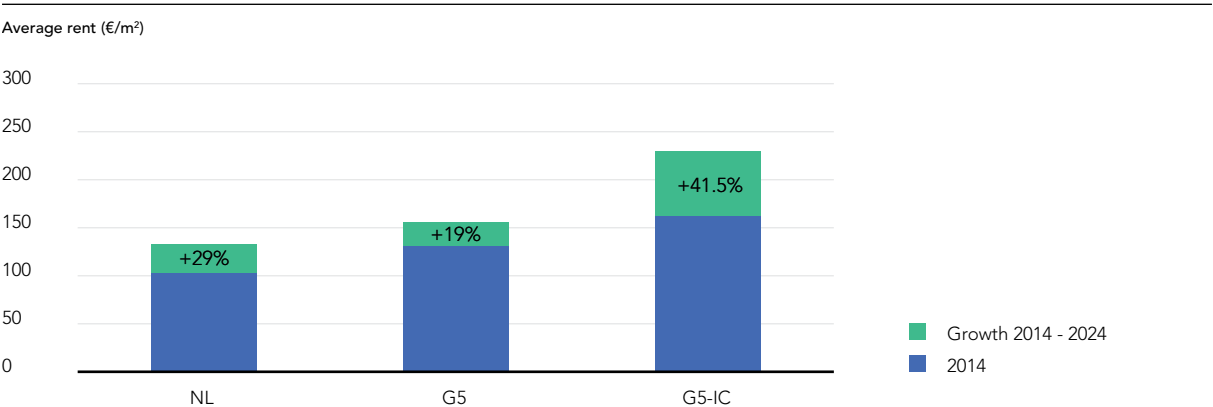
Source: CBRE, (2025)

Rental growth responds to the location polarisation in a similar fashion. The occupiers’ preference for well-accessible public transport locations is expressed in the rental growth, shown in Figure 11. Despite already having higher absolute rents in 2014, the G5-IC locations

are still able to achieve a substantially higher growth rate compared to other locations in the Netherlands. This is also confirmed by Savills (2025), which has found that average rent premiums on IC-locations are 30% and can reach as high as 54%, as is the case in Utrecht.

Furthermore, their expectations are that stricter environmental regulations will contribute to the increase in demand for high-quality assets on the best locations, and thus the shortage of high-quality office space in these locations is likely to increase.

Figure 11 Rents respond to demand and grow faster in the most desirable locations



Source: CBRE, (2025)

Conclusion

The first chapter of the trilogy establishes that polarisation in the Dutch office market is not merely a challenge, but a strategic opportunity. It highlights how prioritizing risk-adjusted returns is essential for resilient asset allocation. The divergence between the Dutch office benchmark and the top-performing quartile has grown significantly, revealing that careful asset selection can yield superior returns with lower volatility. This insight encourages investors to rethink their portfolio strategies, integrating polarisation dynamics into asset allocation models. The current chapter expands on this

by making the first step towards a strategic asset selection, targeting the right office locations to capture the best of the Dutch office market: prime locations characterized by accessibility, vibrancy, and mixed-use environments. It explores the Dutch office landscape through 4 pillars which make or break office locations. As has been showcased, no single aspect is enough to define the best locations, and only a careful consideration of each of these aspects together uncovers the underlying dynamics and reveals the winning locations. These top locations continue to outperform

lagging market segments in terms of rents, vacancy rates, and office take-up. The concentration of demand around the major cities' public transport hubs, the influence of hybrid working, and the impact of stricter regulations have intensified the competition for high-quality spaces, further accentuating disparities between the most desirable hubs and peripheral areas.

The last article in this trilogy will provide insight into distinguishing winning from losing office assets. It will further unveil which features are needed to outperform on asset level, while supporting occupiers in their ESG goals and in the war for talent. It will also explain how these buildings with strong ESG credentials and adaptable spaces are shaping the future of the working environment, as well as boosting employee engagement, satisfaction and productivity.

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