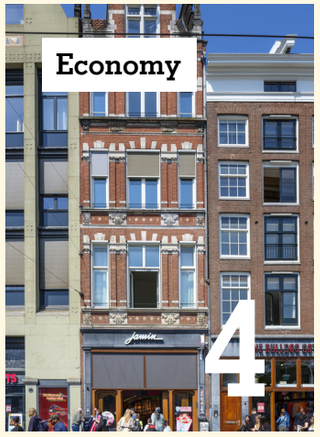
Real assets market update

Third quarter 2026



Contents



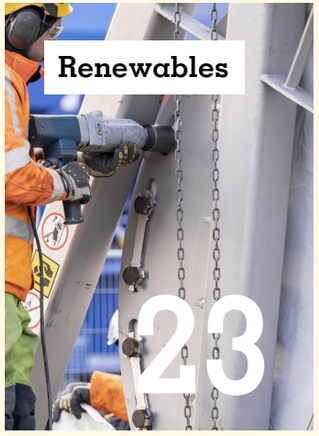












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Dutch economy - update

Economic conditions in the Netherlands improved entering Q3, supported by stronger economic growth and recovering sentiment, however renewed inflationary pressure and higher government bond yields continued to weigh on the outlook.

The 10-year government bond yield continued to rise, reaching as high as 3.7 % in Q3, from 3.1% in the previous quarter. CPI inflation increased to 3.3% in Q3, from 3.1% in the previous quarter, while HICP inflation remained below the EU average (2.8% versus 3.2%). GDP is forecast to grow by 1.4% in 2026, supported by improving consumer and producer confidence. Quarter-on-quarter growth accelerated to 0.6% in Q3, slightly below the EU average of 0.7%.

The unemployment rate increased to 4.1% in Q3, following a decline to 3.9% at the end of Q2, in line with the recent increase in cost-driven organisational restructuring in the Netherlands. Nevertheless, unemployment remained well below the EU average of 6.1%. Consumer sentiment also improved during Q3, with consumer confidence recovering from -39 at the end of Q2 to -33. Producer confidence strengthened from 1.3% to 4.2%. Household consumption growth improved to 2% year-on-year in Q3, up from 1.5% in Q2.



Consumer prices

y-o-y inflation (CPI) ↗

3.3%

Q3 2026

3.1% Q2 2026

GDP growth

y-o-y real ↘

1.4%

FY 2026[1]

1.6% Q2 2026

Consumer confidence

Average balance ↗

-33

September 2026

-39 June 2026

Unemployment

ILO unemployment rate ↗

4.1%

Q3 2026

3.9% Q2 2026



Private consumption

y-o-y consumer spending ↗

2.0%

Q3 2026[1]

1.5% Q2 2026

Producer confidence

Average balance ↗

4.2

September 2026

1.3 June 2026

[1] Full-year forecast

Source: Statistics Netherlands (CBS), ECB, Oxford Economics, DNB, a.s.r. real assets, 2026. The arrows refer to the experienced change over the comparison period.

Dutch economy - outlook

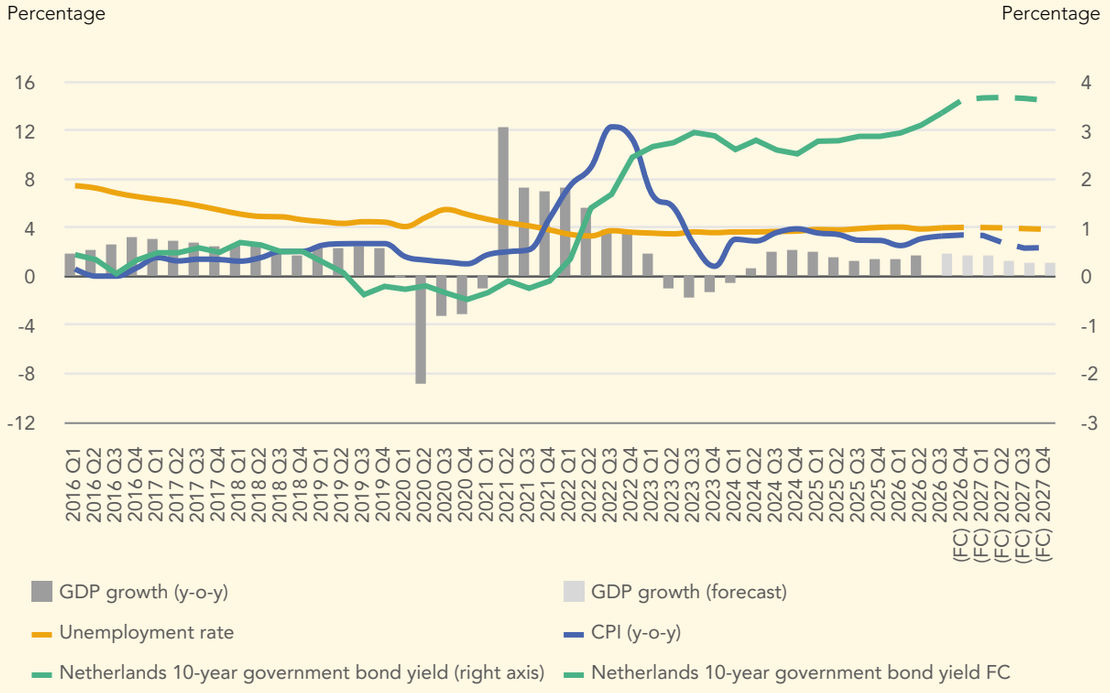
Our base scenario remains shaped by geopolitical uncertainty in the Middle East. With no clear prospect of a lasting resolution, supply disruptions remain a key risk. Even if a deal is reached, the smooth flow of trade through the Strait of Hormuz will take months, given the logistical planning and refinery repairs involved.

Inflation is expected to ease to 2.3% in 2027 in our base scenario, supported by lower oil prices and the proposed extension of the reduced excise duty on diesel (CPB, 2026). In response to persistent inflationary pressures, the ECB raised interest rates by 25 basis points in September. However, it remains uncertain whether this will be sufficient to bring inflation back under control (DNB, 2026).

The Dutch 10-year government bond yield is expected to remain elevated, peaking at around 3.67% in H1 2027. The elevated bond yields could put upward pressure on property yields and constrain capital value growth. Meanwhile, GDP is forecast to grow by 1.3%, supported by government consumption. Household demand is likely to remain subdued as purchasing power is expected to contract by 0.1% in 2027 and consumer confidence remains negative. Nevertheless, unemployment is expected to remain relatively low at around 3.9%, limiting the downside risk to household income and housing demand.

For the real assets market, the outlook remains closely linked to the duration of elevated inflation, interest rates, and financing costs. Under our base scenario, we expect inflation and interest rates to ease during 2027. This could relieve pressure on yields and support positive capital growth, underpinned by solid occupier markets and the inflation-hedging characteristics of real assets.

Dutch economic indicators



Source: Oxford Economics, 2026

Dutch real asset outlook

Real asset outlook



Retail

Elevated inflation, the impact of higher interest rates and a stop on household purchasing power growth are headwinds for the steady progress of the Dutch retail market



Residential

Higher financing costs are weighing on investment and owner-occupier market dynamics, but persistent supply shortages continue to support rental growth and underpin sector fundamentals.



Offices

Moderate economic growth and resilient employment support office demand, while elevated interest rates could prove to be the main determinant of value changes.



Science Parks

Public support and technology investments support long-term demand, while bond yields and selective venture capital raise risks for early-stage occupiers



Farmland

Dutch farmland values remain supported by structural land scarcity, while environmental regulation and farm restructuring are increasing differentiation across locations, quality and regulatory exposure.



Renewables

Electrification and decarbonisation objectives continue to support renewable energy investment, while grid constraints and infrastructure availability increasingly influence project viability.

Alternative economic scenario

In our alternative scenario we expect interest rates and government bond yields to remain elevated throughout 2027. A renewed escalation of geopolitical tensions could keep energy and fuel prices higher for longer, delaying the moderation of inflation and increasing the risk of broader price pressures.
Resilient occupier markets and the inflation-hedging characteristics of real assets may provide some support in certain sectors. However, yield impact might outweigh these benefits, putting downward pressure on capital growth.

Dutch retail market

Dutch retail fundamentals remained resilient in Q2 2026, supported by continued growth in retail sales, solid occupier demand, rising rents, and a further decline in vacancy rates, particularly in prime high street locations. However, retailers are becoming more cautious as higher inflation, rising interest rates, elevated operating costs, and growing economic uncertainty put pressure on consumer spending and expansion plans. Investment activity continued to recover, driven mainly by private investors, although rising bond yields and tighter financing conditions are weighing on sentiment. Looking ahead, we expect rental growth to remain positive but more subdued, while investors are likely to adopt a more wait-and-see approach until there is greater clarity on inflation and interest rate developments.

Ongoing retail turnover growth despite weakening economic sentiment

Retail turnover volume growth remained positive in Q2 2026 (+1.6%) and edged up in comparison with Q1 2026 (+0.6%). Both non-food (+3.0%) and food (+1.6%) had solid turnover volume growth, but food specialty shops (-1.2%) remained under pressure from cost-conscious consumers. Clothing was one of the strongest online sectors with online growth of 11.9% (in euros). Total online retail turnover (in euros) also remained solid (+6.2%). Consumer confidence continued to improve from -46 in May to -33 in September. These Q2 figures do not fully represent current sentiment though. Since the beginning of July, oil prices have increased markedly as the US-Iran war continues and second-order inflation-effects cannot be ruled out. The effect on household spending may be visible in the H2 figures.

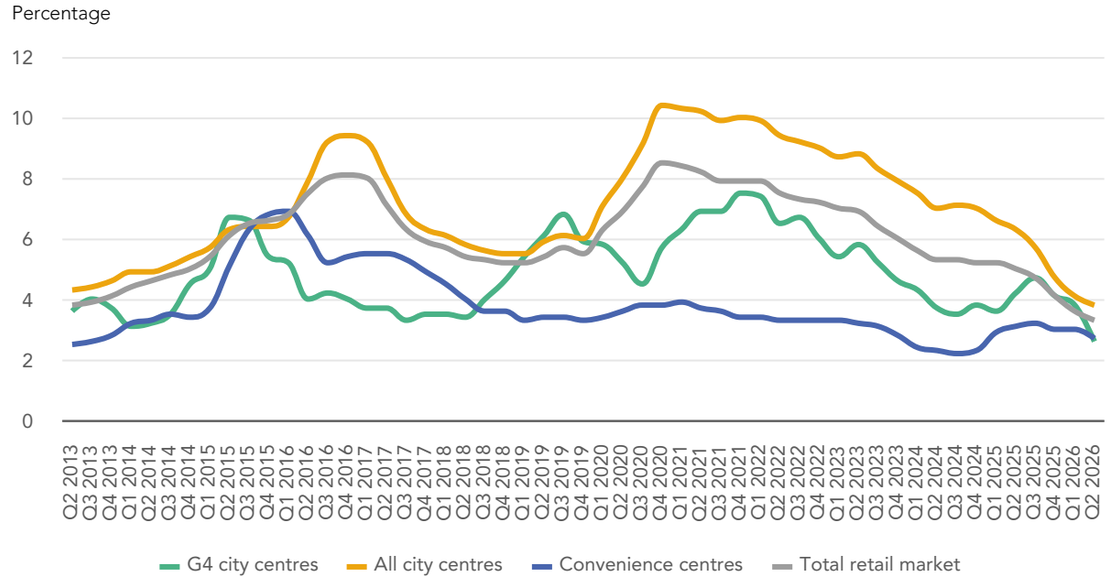
Rental growth remained positive despite increased retailer caution

Occupier demand remained positive on the back of continued consumer spending. However, recent expansionary activity is slightly muted as some retailers are holding back because of continued elevated personnel, rent and energy costs. Moreover, retailers are more conservative in their turnover projections, because of the uncertain economic outlook. Additionally, the latest sharp increase in interest rates makes financing more challenging. At the same time, other retailers are still expanding and international fashion retailers are looking for large retail units. Some retailers are branching out to B-segment high streets to find the appropriate unit size and some are considering expanding into city centres beyond the G-5. That said, market rental value growth continued its upward trajectory. High street rental growth edged up to 1.7% and convenience rental growth held steady at 2.9% in Q2.

Continued sharp decline in financial vacancy rates

Vacancy rates continued to trend downwards. Increased high street demand contributed most to the total retail vacancy rate moving below 4%, registering 3.8% in Q2 2026. Two years ago, this segment recorded a vacancy rate of 7.1%. The G-4 vacancy rate moved below the 3% hurdle to 2.6% and shows that institutional-quality high street retail is in high demand. Asset managers of these assets are likely to receive multiple offers when reletting. Moreover, turnover components in rental contracts can result in a substantial increase in direct return. The convenience vacancy rate remained low at 2.7%. Although smaller supermarkets in less dominant catchment areas have problems staying competitive, this is not reflected in the (institutional) MSCI benchmark. The vulnerable part of the convenience market, as well as of the high street market, is mostly owned by smaller private investors, who do not participate in the MSCI-benchmark.

Financial vacancy rates[1]

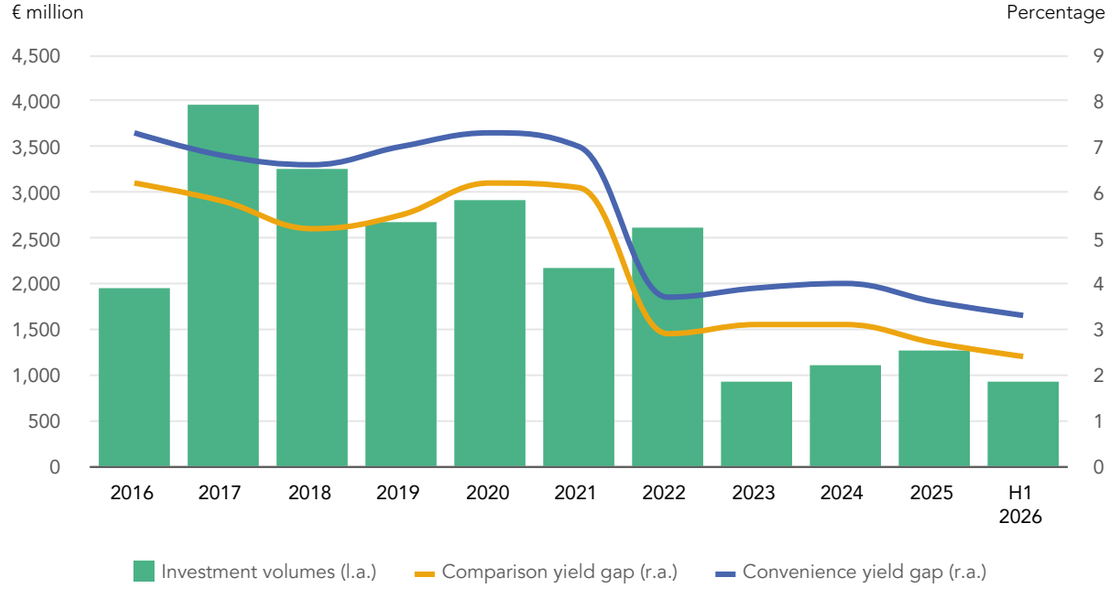


Source: MSCI, a.s.r. real assets, 2026

Rising interest rates pose another test for rising liquidity in investment market

Investment liquidity continued to increase in Q2 2026. The y-o-y investment volume rose by 28%, the q-o-q investment volume rose by 92%. Private investors still dominated the buy side, whereas institutional investors remained net sellers of retail assets. Convenience (e.g. shopping centre Eskerplein) remained the most favour segment, also by the institutional investors who are actively buying assets. Meanwhile, bond yields have been rising. The coupon on 10-year Dutch bonds moved up gradually from around 3.0% at the end of Q2 to around 3.7% at the end of September. This signals that investors will increasingly look for a higher risk premium for investments and expect higher inflation. Both the ECB and the Fed raised interest rates in September to curb inflation caused by continued supply constraints in the Strait of Hormuz.

Retail segment yield gaps and retail investment volume[2]



Source: MSCI, RCA, ECB, 2026

[1] Four-quarterly moving average.
[2] Yield gap calculated on reversionary yields and 10-yrs Dutch government bond rate.

Market outlook

Muted but positive rental growth for both high street and convenience

Elevated inflation, the impact of higher interest rates and a halt in household purchasing power growth are threatening the ongoing and steady progress of the Dutch retail occupier market. The dependency on the situation around the Strait of Hormuz remains. Retailers are facing increased costs and financing rates on the one side and more selective consumers on the other side. This will dampen high street demand and put pressure on high street rental growth. The same macroeconomic headwinds will be a challenge for convenience retail, but this segment is expected to be less affected. Convenience retail has proved quite resilient in past crises. We expect muted but positive rental growth for both high street and convenience retail.

More of a wait-and-see attitude expected on the investment market

In Q3, the bond market seemed to react faster to expected elevated inflation than the ECB. However, both bond yields and ECB rates have increased during Q3 and this has put pressure on already narrow yield gaps. The effect on yields partly depends on the duration of the elevated inflation and interest rates. If interest rates remain elevated throughout 2027, one should expect an impact on yields. The impact on yields will be smaller or absent if interest rates ease in the remainder of 2026. Interest rate movements have a delayed impact on retail real estate. Sharp short-term interest rate movements have less impact than (gradual) long-term movements. Combined with the headwinds for the retail occupier market, it is to be expected that investors will adopt a more wait-and-see attitude.



Oudegracht 149-151, Utrecht

Dutch residential market

In the first half of 2026, the Dutch residential market delivered a robust performance. Capital returns improved, largely as a result of changes to transfer tax regulations, while income returns and yields remained stable. The residential market continued to exhibit the trends observed earlier in the year. Rental value growth remained significantly above its long-term average, underpinned by persistent supply constraints and a relatively low number of rental transactions. The owner-occupied market remained resilient, with moderate house price growth accompanied by softer transaction volumes.

Residential investment market

Capital growth moderates as transfer-tax uplift fades

Total return increased by 1.2% in Q2 2026, down from 3.8% in the previous quarter, bringing the year-on-year return to 9.7% (MSCI, 2026). This slowdown compared with Q1 (a decline of 1.6 percentage points) was driven by weaker capital growth, which moderated to 0.5% quarter-on-quarter and 6.4% year-on-year.

The moderation in capital growth mainly reflects the fading impact of the one-off valuation uplift associated with the reduction in the investor transfer tax rate from 10.4% to 8.0%, which was largely incorporated into asset values in the previous quarter. A similar effect could be expected following the planned reduction of the transfer tax rate to 7.0% in 2027, although the impact is expected to be more limited and will depend on the extent to which the change has already been priced in.

As in previous quarters, single-family assets marginally outperformed multi-family assets across all return metrics. Single-family assets delivered an annual total return of 10.3%, compared with 9.5% for multi-family assets, while annual capital growth reached 6.9% and 6.3%, respectively. Income returns were broadly aligned, at 3.2% for single-family assets and 3.1% for multi-family assets.

Income return remained stable at 0.7% quarter-on-quarter, in line with the 10-year average, and reached 3.1% on an annual basis. Despite the moderation in capital growth, residential market performance remains supported by stable income returns, strong rental fundamentals, and continued investor demand for Dutch housing assets.

Rental value growth remains well above its long-term average

Market rental value growth reached 1.9% in Q2 2026, bringing annual growth to 7.8%, well above the 10-year average of 4.7% (MSCI, 2026). This trend is driven by structural housing shortages, a limited pipeline of new rental housing, and the ongoing contraction of rental stock as properties are sold into the owner-occupied market. These dynamics have further intensified supply-demand imbalances, supporting rental growth across most segments of the residential market.

Single-family assets continued to outperform multi-family assets, recording quarterly market rental value growth of 2.2%, compared with 1.8% for multi-family assets.

Yields remain stable

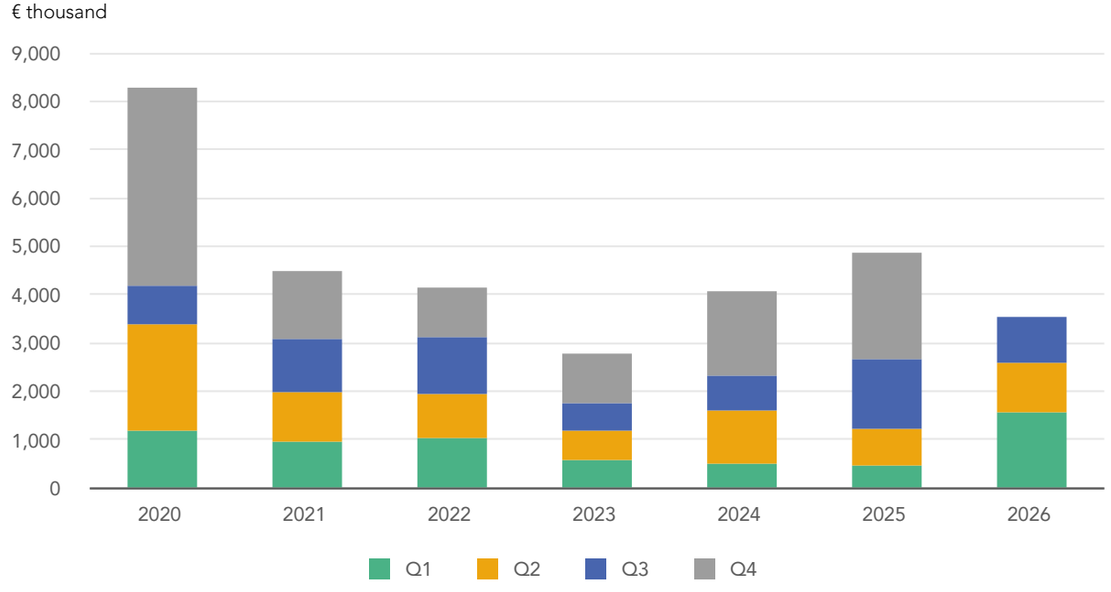
Gross reversionary yields increased by 0.1 percentage points to 4.9%, following six consecutive quarters at 4.8% (MSCI, 2026). Net initial yields remained unchanged at 3.1%, indicating that the valuation impact has stabilised following the transfer-tax-related yield compression observed in the previous quarter.

Investment activity eases, but annual volume reaches a six-year high

The Dutch residential investment market continued to demonstrate strong momentum in 2026. Despite a moderation in Q3 transaction activity to €936 million, total residential investment volume reached €3.67 billion in 2026, its highest level for the first three quarters of a year since 2020.

Investment activity continues to be driven predominantly by domestic investors, who have returned to the market amid improving pricing conditions and strong residential fundamentals. International investors remain relatively cautious due to ongoing regulatory uncertainty and a less attractive fiscal environment.

Quarterly investment volumes

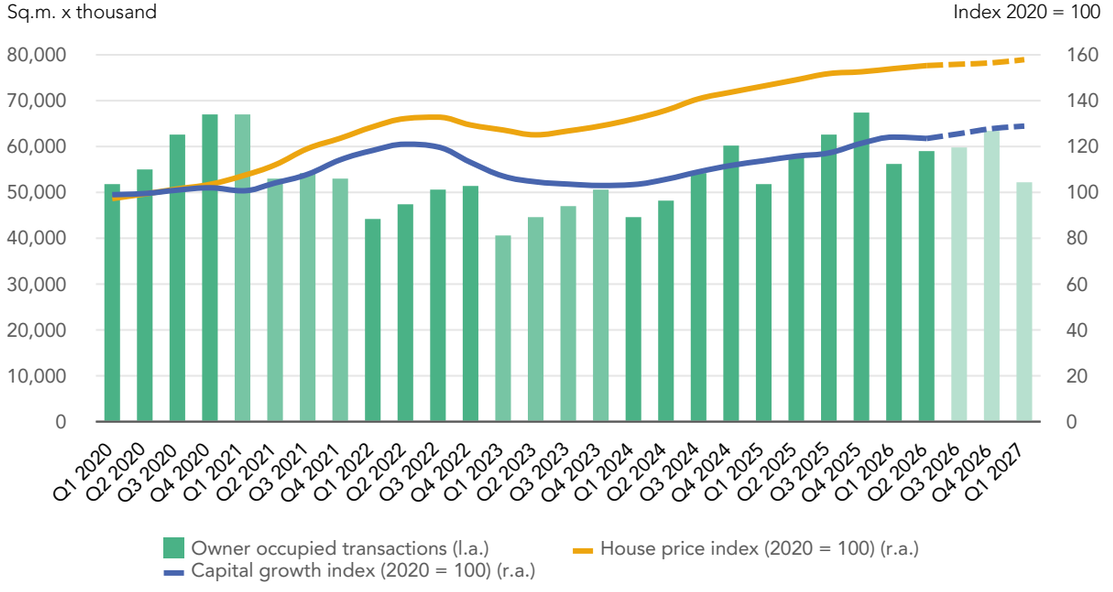


Source: MSCI RCA, 2026

House price growth moderates as transaction activity improves

House price growth remained positive but continued to moderate. House prices in the owner-occupied market increased by 4.2% year-on-year and 0.9% quarter-on-quarter, while the average transaction price reached approximately €490,000. Transaction activity continued to recover, with the number of homes sold increasing by 5.4% compared with the previous quarter and 2.7% year-on-year. Residential transaction volumes also improved, rising by 4.9% quarter-on-quarter.

House price developments and # of transactions involving existing owner-occupied homes



Source: MSCI, 2026, Statistics Netherlands, 2026

Owner-occupied and residential investment market indicators

Owner-occupied	Q2 2026 q-o-q	Q2 2026 y-o-y
House price growth	0.9%	4.2%
Transaction volume growth	5.4%	2.7%

Rental	Q2 2026 q-o-q	Q2 2026 y-o-y		
	Total	Single-family homes	Apartments	Total
Total return	1.2%	10.3%	9.5%	9.7%
Capital growth	0.5%	6.9%	6.3%	6.4%
Income return	0.7%	3.2%	3.1%	3.1%
Market rental value growth	1.9%	8.7%	7.5%	7.8%

Source: MSCI, 2026, Statistics Netherlands, 2026

Rental market

Rental transactions recover modestly but remain historically low

Rental transactions increased modestly in Q2 2026, with approximately 2,900 transactions recorded, 8% higher than in the previous quarter (NVM, 2026). Despite this improvement, transaction activity remains historically low as the rental market continues to adjust to regulatory changes and a less favourable fiscal environment for private investors. At the same time, rental supply remains constrained due to the ongoing sale of rental properties to owner-occupiers and limited additions to the rental housing stock. This is partly attributable to reduced investment activity by international investors and limited funding available for new rental housing developments (Capital Value, 2026).

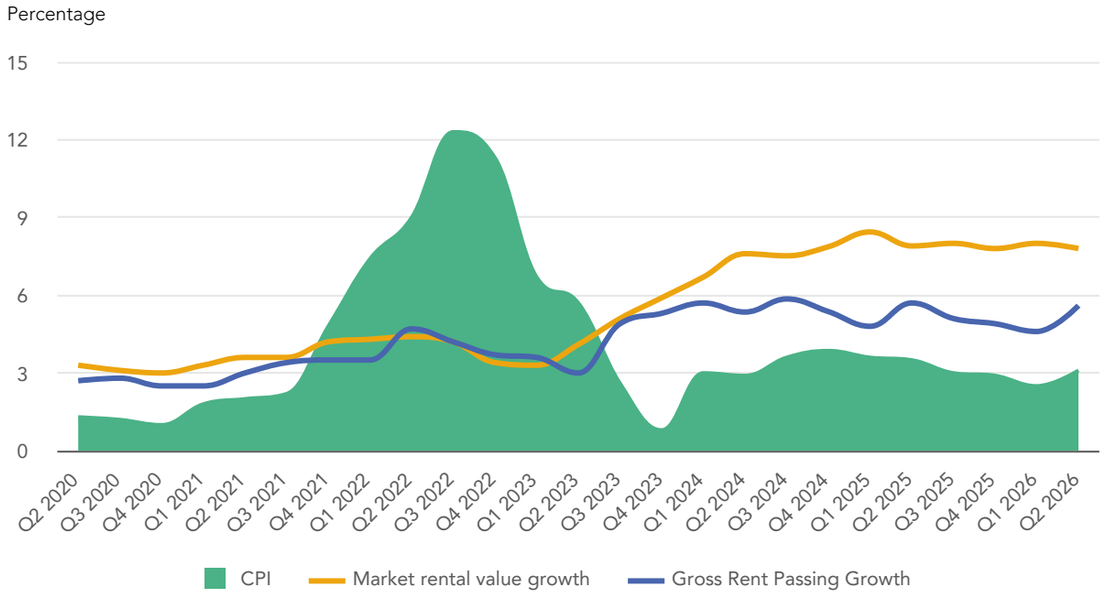
Rental growth persists amid acute supply constraints

Tight market conditions continued to support rental growth, with rents for liberalised rental properties increasing by 4.5% year-on-year (Statistics Netherlands, 2026). Persistent housing shortages, a limited pipeline of new rental housing, and a shrinking rental stock continue to underpin rental market fundamentals. However, recent policy proposals from the Ministry of Housing and Spatial Planning, including adjustments to the Housing Valuation System (WWS), are intended to stimulate residential development. Over the longer term, these measures could gradually support construction activity, increase housing supply, and moderate rental growth (IVBN, 2026).

Reversionary spread narrows but remains above its historical average

The spread between market rents and gross passing rents narrowed during the quarter, as market rental value growth moderated by 20 basis points while gross passing rent growth increased by 60 basis points. Despite this reduction, the spread remains above its historical average of 100 basis points, indicating continued reversionary potential within residential portfolios. The pace at which this potential can be realised remains constrained by low tenant turnover and rent regulation under the Affordable Rent Act.

Rental growth and Dutch CPI (year-on-year % change)



Source: MSCI, 2026, Statistics Netherlands, 2026

Market outlook

Residential investment market: higher interest rates test momentum

The Dutch residential investment market continues to benefit from strong underlying housing fundamentals. However, rising inflation expectations, higher energy prices, and ongoing geopolitical tensions have contributed to higher bond yields and financing costs, creating uncertainty around the interest-rate outlook. At the same time, the Housing Action Plan announced in September 2026, including proposed tax adjustments, changes to rent regulation and measures to improve development feasibility, signals a more supportive policy environment for domestic and international institutional investment in Dutch residential real estate.

With yield spreads already relatively tight, the residential market has become increasingly sensitive to further movements in interest rates. While structural housing shortages and strong rental market fundamentals are expected to continue supporting investor demand, persistently high inflation and financing costs could lead investors to adopt a more cautious, wait-and-see approach to acquisitions.

Should inflationary pressures ease and interest rates stabilise, transaction activity and pricing are likely to remain supported. Conversely, a more prolonged period of elevated inflation and interest rates could place upward pressure on yields and temper investment activity. Under either scenario, income growth is expected to remain the primary driver of returns, while resilient rental demand should continue to support liquidity and capital values relative to other property sectors.

Rental market: supply shortages continue to outweigh economic headwinds

The rental market is expected to remain characterised by acute supply shortages, as the ongoing sale of rental homes into the owner-occupied market and a limited pipeline of new rental developments continue to constrain supply. Despite government initiatives aimed at increasing housing delivery, meaningful additions to rental supply are likely to take time to materialise, supporting rental growth above its long-term average.

At the same time, market rents are expected to continue outpacing growth in contractual rents, maintaining an elevated reversionary spread and supporting future income growth potential within residential portfolios. As a result, the combination of constrained supply, low vacancy rates, and persistent demand is expected to continue underpinning the sector's long-term investment fundamentals.

Owner-occupier market: higher mortgage rates likely to further moderate price growth

The owner-occupier market is expected to continue its gradual cooling trend as higher mortgage rates reduce affordability and borrowing capacity, resulting in more moderate house price growth and lower transaction activity. However, a significant correction remains unlikely, as persistent housing shortages, demographic growth, and limited new-build supply continue to underpin demand.

While the increase in housing supply has eased pressure in some markets, the Dutch housing market remains structurally undersupplied. Consequently, house price growth is expected to moderate further during 2026 and remain subdued in 2027 as higher mortgage rates temper demand and additional supply enters the market. Nevertheless, persistent housing shortages are expected to continue underpinning prices, resulting in a gradual cooling of the market rather than a broad-based decline in house prices.

Dutch office market

The Dutch office market polarisation continues, while gaps between locations and asset quality widen. Moderate economic growth and a resilient labour market support occupier fundamentals, but elevated capital-market rates and uncertainty over future space requirements keep both occupiers and investors selective. The resulting concentration of demand in future-proof buildings and connected urban locations continues to reinforce market polarisation.

Take-up was subdued in the second quarter and concentrated in quality

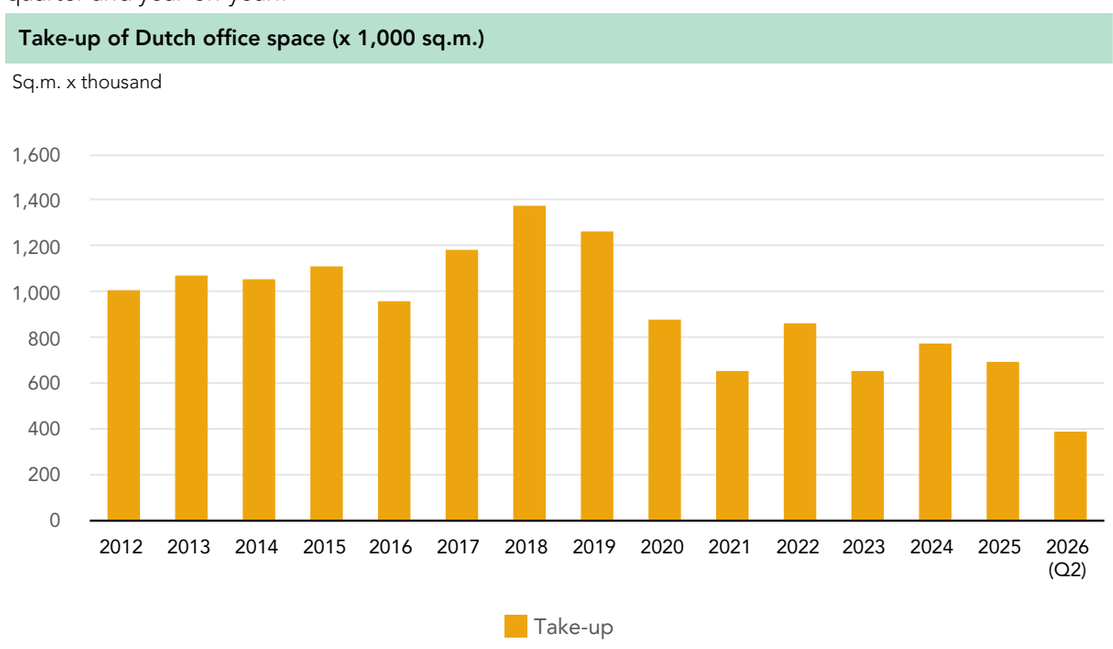
Dutch office take-up reached approximately 384,000 sq.m. in H1 2026, including around 179,200 sq.m. in Q2. This partially reflects cautious occupier decision-making and uncertainty around future space requirements. High relocation and fit-out costs are also encouraging some occupiers to renew or optimise existing leases rather than relocate. Demand continues to focus on modern offices in the G5, with Grade A buildings accounting for 52% of national take-up in Q2 and substantially higher shares in several major cities. Medium-sized requirements continue to support activity, while demand from larger occupiers remains more selective. Although hybrid working continues to limit overall space requirements, the expected reduction in desks per employee has moderated and peak office attendance has recovered, suggesting that demand is increasingly shifting towards fewer but higher-quality square metres rather than declining uniformly.

Vacancy rates continue to tell the story of polarisation

Vacancy across the G5 remained broadly stable in Q2 2026, although developments differed by city. Amsterdam continues to record the highest vacancy rate, which increased from 10.0% to 10.4%, while Rotterdam recorded a stronger rise from 6.4% to 7.3%. In contrast, vacancy rates remained lowest in The Hague and Utrecht where they declined from 4.6% to 4.1% in The Hague and from 6.2% to 5.6% in Utrecht. Eindhoven remained broadly stable at 6.7%.

Across the G5, occupier demand remains concentrated in sustainable, well-connected and high-quality offices, while older stock and less competitive locations face greater structural vacancy risk. On an unweighted basis, the average G5 vacancy rate was virtually unchanged at 6.8%, both quarter-on-quarter and year-on-year..

Take-up of Dutch office space (x 1,000 sq.m.)



Source: CBRE ERIX, JLL, a.s.r. real assets (2026)

Rent levels remain broadly stable

Average realised rents stood at approximately €212 per sq.m. in Q2 2026, while the national prime rent increased to €625 per sq.m. Prime rents also rose in Utrecht and remained stable in Rotterdam, The Hague and Eindhoven. This divergence reflects occupiers' continued willingness to pay for high-quality space where accessibility, sustainability and workplace quality come together. High construction costs, grid congestion and a limited development pipeline restrict the delivery of modern, Paris-proof offices, supporting rental growth in the strongest locations. Lower-quality assets face greater competitive pressure and may require refurbishment, stronger incentives or repositioning to remain attractive.

Investment activity improved

Office investment volume reached approximately €882 million in H1 2026, including €449 million in Q2. Activity has therefore continued to recover from the 2023 low, but remains well below pre-2020 levels and is not yet broad-based. Investors continue to prioritise well-located buildings with strong sustainability credentials, secure income or credible opportunities to improve occupancy and rents.

Recent transactions illustrate the range of capital active in the market. Rijksvastgoedbedrijf (the central government real estate agency) acquired the approximately 30,000 sq.m. office at Graadt van Roggenweg 500 in Utrecht for €83 million, converting a long-standing leased government location into ownership. Rijksvastgoedbedrijf also acquired the 22,000 sq.m. Daalse Kwint in Utrecht, for the same reason. The recently completed office, fully let to ASN Bank, of 22,000 sq.m. office at Jaarbeursplein in Utrecht was sold to an international private investor, but the purchase price was not disclosed. In Rotterdam, the Holbeinhuis at Coolsingel 65 was sold for €27 million to a private investor. Together, these transactions illustrate investor interest for central, sustainable and well-let offices, while the majority of market activity continues to take place in the core+ and value-add segments.

Prime office yields remained broadly stable in H1 2026

Prime net initial yields remained stable in Q2 2026 at approximately 4.75% in Amsterdam, 5.50% in Rotterdam, The Hague and Utrecht, and 6.00% in Eindhoven. Substantial repricing since 2022 has already absorbed part of the higher interest-rate environment, supporting the current stabilisation. However, government bond yields have remained elevated and volatile, increasing investors' reliance on market fundamentals and direct income returns to compensate for compressed real estate risk premiums. Persistently high capital-market rates could place renewed upward pressure on yields.

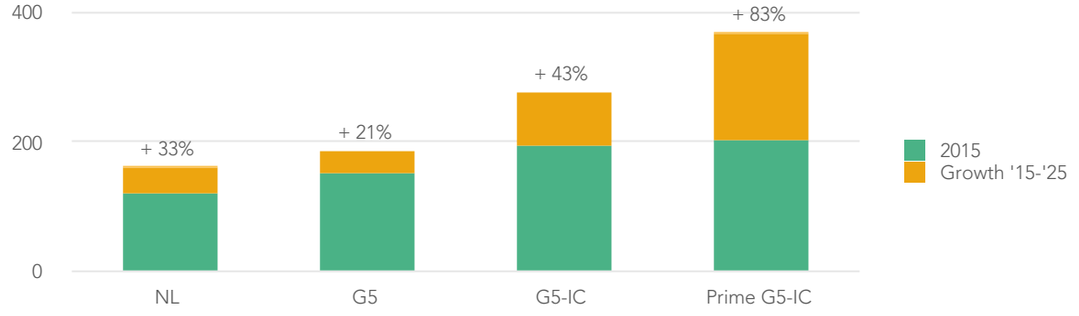
Research highlight – Polarisation in the Dutch office market

The second paper in the office polarisation series examines which characteristics distinguish future-proof office locations. The analysis shows that performance depends on the combination of municipal fundamentals, office-market dynamics, public transport accessibility and a vibrant mixed-use environment. The results confirm that polarisation also occurs within the G5 and InterCity segment.

- 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
- Office locations that combine strong municipal fundamentals, healthy real estate market dynamics, excellent public transport accessibility, and a vibrant, mixed-use environment are the winners in a polarizing market.
- These prime locations show lower vacancy rates, higher take-up, and stronger market rent growth, proving themselves as the future-proof segment of the office market.

The full article can be read here.

Rental growth outperforms in the most desirable locations



Source: CBRE & a.s.r. real assets (2026)

Market outlook

Scarcity is expected to drive office performance. Limited development and demand for modern offices should support rents and occupancy in strong G5 and InterCity locations. Benchmark yields are expected to stabilize at lower levels in the base case, although elevated bond yields limit further compression. Older and less connected offices are unlikely to benefit equally.

Longer-term demand is supported by the concentration of working-age population and office employment in the Holland metropole. The persistent competition for talent strengthens the role of the office as a place for collaboration, organisational culture and employee attraction. AI may affect employment, workplace design and space requirements, but its net impact remains uncertain. Current occupier evidence points mainly to targeted changes in workplace use rather than a uniform reduction in office demand.

The alternative scenario has become increasingly relevant. If government bond yields remain elevated for longer, compressed yield spreads could place upward pressure on office yields and delay the recovery in investment liquidity. Prime assets in scarce, connected locations should be relatively resilient because higher rental growth, occupancy and income improvements can partly offset higher required returns. However, older buildings and assets in secondary or less accessible locations are more exposed, as weak rental prospects, higher vacancy, ESG investment requirements and limited investor liquidity could reinforce one another and amplify valuation pressure.



The CubeHouse, Amsterdam

Dutch science park real estate market

Dutch science parks continue to benefit from demand for specialised space and growing investment in deep tech and strategic technologies. Nevertheless, elevated interest rates, limited transaction activity and rising occupier-market differentiation create greater downside risk, particularly for older and less specialised assets.

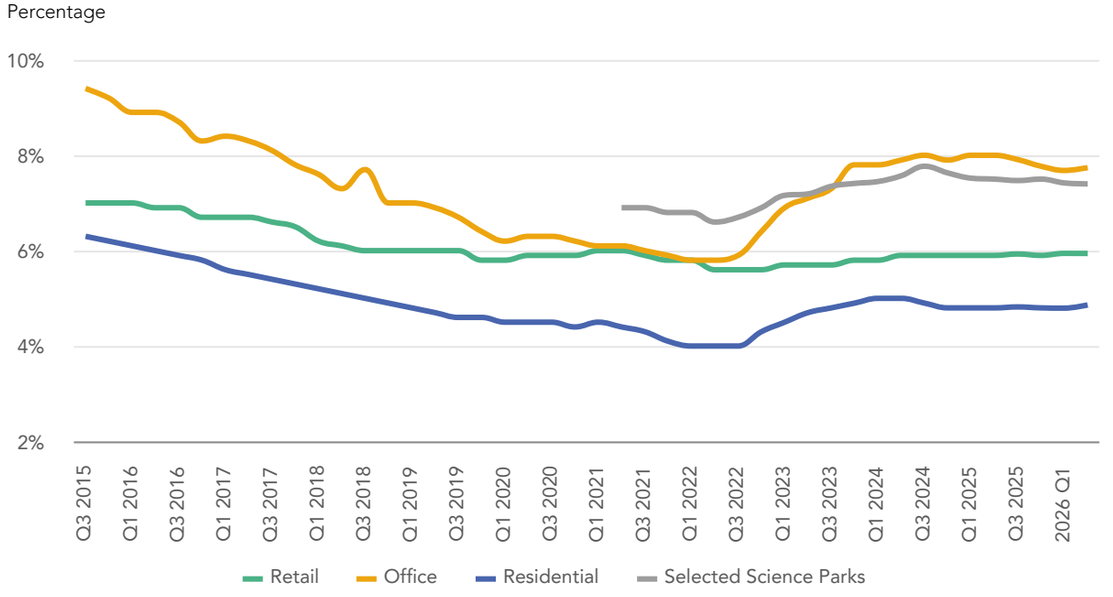
Science park yields stable, but interest-rate risk increases

Science park yields remained broadly stable at approximately 7.4% in Q2 2026, following a gradual decline from their mid-2024 peak. With limited transaction evidence, current yield movements remain largely valuation-led. While office yields have stabilised following substantial repricing, the specialised character, resilient occupier demand and scarcity of suitable assets continue to support science park pricing. However, elevated government bond yields are narrowing yield spreads and could place renewed upward pressure on science park yields if interest rates remain higher for longer.

Investment activity remains limited in science parks

The wider Dutch real estate investment market continued to recover in H1 2026, supported by higher activity in residential, retail and offices. However, investors remain selective, with capital concentrated in high-quality, sustainable assets in core locations. Against this backdrop, the science park investment market remained subdued, with no major transactions recorded in Q2. Investor interest continues to focus on specialised assets within established ecosystems, while secondary locations and less specialised buildings attract a narrower buyer base and face longer transaction processes.

Gross reversionary yields Retail, Office, Residential and Science parks



Source: a.s.r. real assets, MSCI, 2026

Venture capital and deep tech funding continue to strengthen

The Dutch venture capital market strengthened in Q3 2026, with startups raising approximately €1.3 billion across 90 funding rounds. This brought total funding in the first three quarters of 2026 to €3.3 billion, already matching the €3.3 billion invested during the whole of 2025, with a total of approximately €4.4 billion expected for 2026. This would be nearly 30% higher than the 2020-2025 average. Funding was strongly concentrated in larger rounds: approximately €0.8 billion was raised through scale-up rounds of more than €100 million, compared with around €0.4 billion in breakout funding and €0.1 billion in startup funding. This demonstrates the continued selectivity of investors.

AI attracted the bulk of investments with approximately €920 million in Q3, followed by semiconductors at around €350 million. Health and energy companies raised approximately €115 million and €113 million respectively. The concentration in AI and semiconductors indicates that capital remains available for selected companies in strategic, technology-intensive sectors, although the limited contribution from early-stage rounds shows that funding conditions remain uneven. For science parks, the figures for sectors closely linked to Dutch science parks such as semiconductors and health underline the longer-term demand outlook for R&D and technology space.

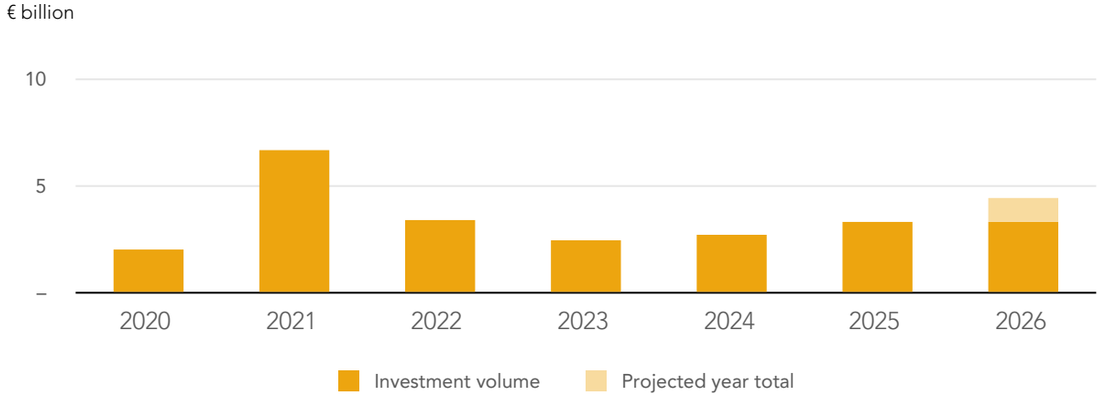
Public support for strategic technologies increases

The Dutch budget day 2026 further strengthened public support for the Dutch innovation economy. The government allocated €3.3 billion to a new National Investment Institution, €500 million to the National Agency for Disruptive Innovation and €375 million to a new National Growth Fund round. Additional funding for AI and research should help innovative companies move from research and commercialisation towards scale-up, supporting technology-intensive occupiers and the long-term role of science park ecosystems.

Occupier market becomes more differentiated

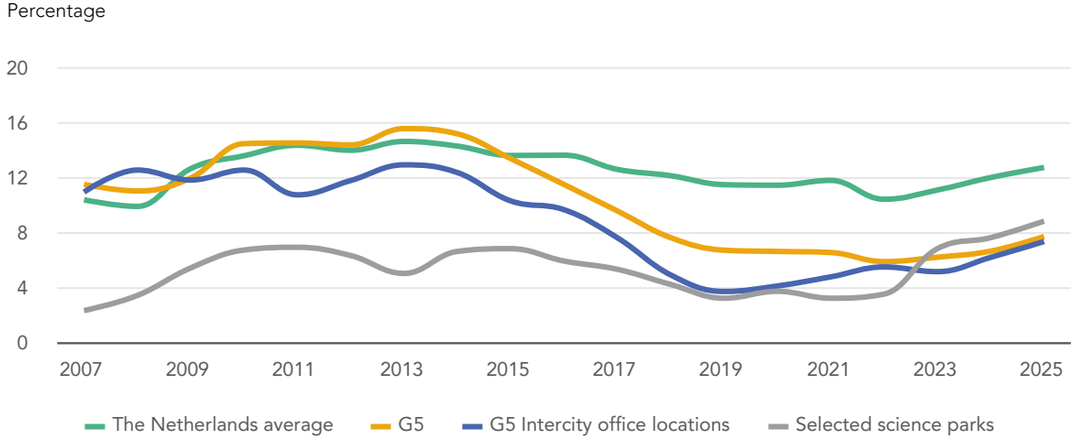
Vacancy across selected science parks increased from 8.6% at year-end 2025 to 9.1% in Q2 2026, as new supply was delivered faster than it could be absorbed. This mainly reflects the cyclical adjustment from historically tight levels, but performance is becoming more differentiated. Demand remains concentrated in modern laboratories, flexible R&D space and established ecosystems, while older office-style buildings and less integrated locations face longer leasing periods. Prime rental growth has moderated since 2023 but remains supported by the limited availability of suitable modern space, with prime rent growth over all Dutch science parks reaching an average of 2.6%.

Venture Capital raised by Dutch startups



Source: Dealroom, 2026

Vacancy cycle



Source: JLL, CBRE, a.s.r. real assets 2026

Market outlook

The outlook for Dutch science parks remains cautious. In the base-case scenario, science parks yields will remain stable, but government bond yields have recently been volatile. If government bond yields were to remain elevated real estate valuations could be negatively affected. Occupier demand is expected to remain concentrated in modern, sustainable and technically advanced assets within established ecosystems. Vacancy rates should gradually decline as recently delivered supply is absorbed, with differences between locations and asset quality. Limited availability of suitable laboratories and innovation space should support rental growth, while older office-style assets remain exposed to structural vacancy and ESG obsolescence.

The longer-term outlook is supported by investment in deep tech and strategic technologies, including semiconductors, life sciences, AI, quantum, energy and defence. Public innovation funding, nearshoring and the European focus on technological sovereignty and secure supply chains could support the growth of R&D-intensive occupiers. Venture capital remains selective, however, with funding increasingly concentrated in larger and more mature companies. This supports demand from successful scale-ups but leaves early-stage occupiers more exposed to funding constraints.

The alternative scenario has become increasingly relevant. If government bond yields remain elevated for longer, compressed yield spreads could place upward pressure on science park yields and reinforce a cautious attitude among investors. Established ecosystems and modern, specialised assets should be relatively resilient, as occupier demand, scarcity and high replacement costs support pricing. Higher inflation could support indexation and rental growth, helping to offset the negative valuation impact of higher yields in the strongest segment. However, lower quality assets, especially in secondary locations, will be difficult to compensate for yield expansion with their relatively lower market rental growth.



TU Delft Campus, Delft

Dutch farmland market

Dutch agriculture entered Q3 with nitrogen policy moving from broad targets toward more concrete farm-level and spatial measures. The government's June package, including farm-specific emission standards and additional zones around vulnerable Natura 2000 areas, increases the importance of location and farm adaptability for future production opportunities.

At the same time, farmer confidence fell to its lowest level since Q1 2020, while the 12-month average farmland price increased by 15.3% year-on-year to €103,200 per hectare. This divergence highlights the weaker outlook for agricultural earning capacity compared with the continued resilience of farmland values.

Farmland market indicators

Market indicator	Current	q-o-q growth	1-year growth	3-years growth
Export of agricultural goods (in mln)	€ 31,389	1.8%	-3.2%	7.2%
Farmland prices (12m average)	€ 103,238	5.2%	15.3%	35.4%
Traded volume (12-month, in hectares)	34,130	2.0%	2.3%	17.4%
Available farmland (in ha)	1,793,760		-0.5%	-0.6%
Number of agriculture farms	48,570		-1.0%	-4.9%
Agro confidence indicator (0=neutral)	-0.5	-5.0	-10.3	-5.6
Agro confidence BIO-indicator (0=neutral)	15.5	-10.4	-3.0	6.1

Source: Statistics Netherlands, Kadaster, Wageningen Economic Research (WER), 2026

Nitrogen policy is becoming increasingly location-specific, with implications for both land use and farmland values.

The government plans additional zones around approximately 100 nitrogen-sensitive nature areas, generally extending 500 meters and, for around 15 areas, up to 1,000 meters. These areas will increasingly favour extensification and nature recovery, while intensive agricultural activities face greater restrictions. With €9b allocated for measures including land revaluation, extensification and farm conversion, the policy could create a clearer divide between land suitable for intensive production and land where more extensive uses become necessary. Location is therefore likely to become an increasingly important determinant of farmland value.

Meeting the new emission standards will require substantial investments, while the possibility of further production-right reductions remains.

The cabinet expects the main reductions to come from farm-specific emission standards, complemented by lower manure application, extensification and voluntary farm termination. The Netherlands Environmental Assessment Agency (PBL) notes that these measures already require significant changes and investment, while its assessment indicates that a further 5–10% generic reduction in production rights would currently be needed to achieve the 2035 target. The cabinet considers such a reduction an ultimate remedy. This uncertainty could weaken the willingness of farmers to invest. Brussels' refusal to relax core manure rules, while allowing some simplification, reinforces regulatory uncertainty and the importance of land availability for farms seeking to remain within environmental limits. Combined with continued uncertainty over manure rules, this may weaken investment capacity and increase the importance of access to sufficient land.

Extensification is likely to increase land requirements while accelerating restructuring within the farming sector.

Farms with sufficient financial capacity may acquire additional land to maintain production within environmental limits, supporting demand in an already scarce market. Less adaptable or highly

leveraged businesses may reduce production, relocate or exit. This could increase land mobility and strengthen differentiation by location, productivity and future use potential.

Organic farming provides a separate potential source of land demand, but its expansion increasingly depends on market demand.

The cabinet is seeking agreements with supermarkets and other chain parties to increase demand for organic products, with hard agreements expected by 1 April 2027. If sufficient agreements are not reached, statutory stimulation is planned from 1 January 2029. Additional public funding will support the transition. Stronger demand could encourage more farmers to convert and potentially increase demand for land, although the pace of conversion will depend on whether higher production costs can be recovered through the market.

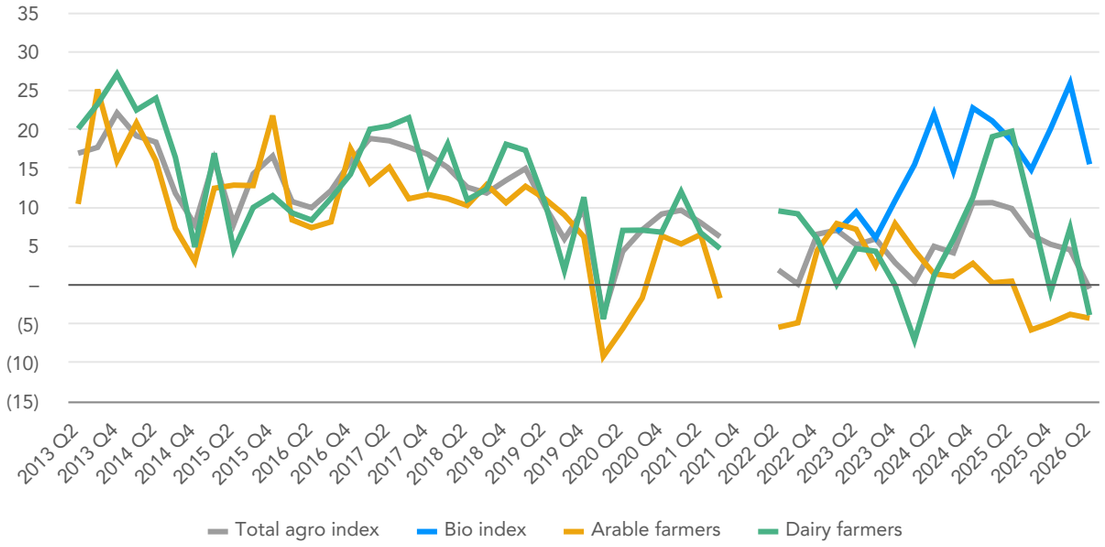
Higher input costs continue to pressure farm economics, although temporary EU support should provide some relief.

The EU has approved €540m in emergency support for farmers affected by higher fertiliser and energy costs, of which €14.9m is allocated to the Netherlands. The support should provide short-term relief. Combined with higher environmental compliance costs, structurally elevated input prices may further favour financially stronger farms with greater capacity to invest and adapt.

Overall, the Q3 measures create opposing forces for the farmland market.

Extensification, land-basedness and conversion can increase demand for suitable land, while lower production rights, farm exits and high investment requirements may reduce demand from other businesses. We therefore expect farmland to remain supported by structural scarcity, but with increasing differentiation according to location, regulatory exposure, productivity and adaptability. The coming year will be particularly important as the new standards, zoning measures and support schemes move from policy design towards implementation.

Agro confidence index



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

Farmer confidence deteriorates further as sentiment weakens and long-term expectations turn increasingly negative

Overall confidence in Dutch agriculture declined significantly in the second quarter of 2026. The Agro Confidence Index fell by 5 points to -0.5, marking its lowest level since Q1 2020. Both sentiment and long-term expectations weakened, although the decline was most notable in long-term expectations,

reflecting growing concerns about profitability, rising costs and increasing production risks across the sector.

Confidence among dairy farmers deteriorated sharply during the quarter. The confidence index fell by 11.2 points to -3.9, moving firmly into negative territory and remaining well below its historical average. Both sentiment and long-term expectations weakened substantially, with long-term expectations declining to -17.6 points. Lower milk prices, rising manure disposal costs, drought-related concerns over feed availability and increasing operating expenses have contributed to the more negative outlook.

Arable farmers remain cautious, with the confidence index edging down further to -4.3 points. While sentiment weakened noticeably, declining to 1.7 points, long-term expectations improved slightly to -9.9 points. Despite this modest improvement, long-term expectations remain firmly negative. Lower contract prices for potatoes and reduced sugar beet allocations continue to weigh on confidence, although a shrinking European potato acreage has raised hopes that current oversupply conditions may gradually ease.

The organic sector continues to report significantly stronger confidence levels than conventional farming sectors. Although confidence declined by 10.4 points during the quarter, the index remained positive at 15.5 points and stayed above the sector's long-term average. The organic sector therefore continues to exhibit the highest confidence levels within Dutch agriculture. This quarter’s decline appears partly linked to drought conditions and lower expectations regarding production over the coming twelve months.

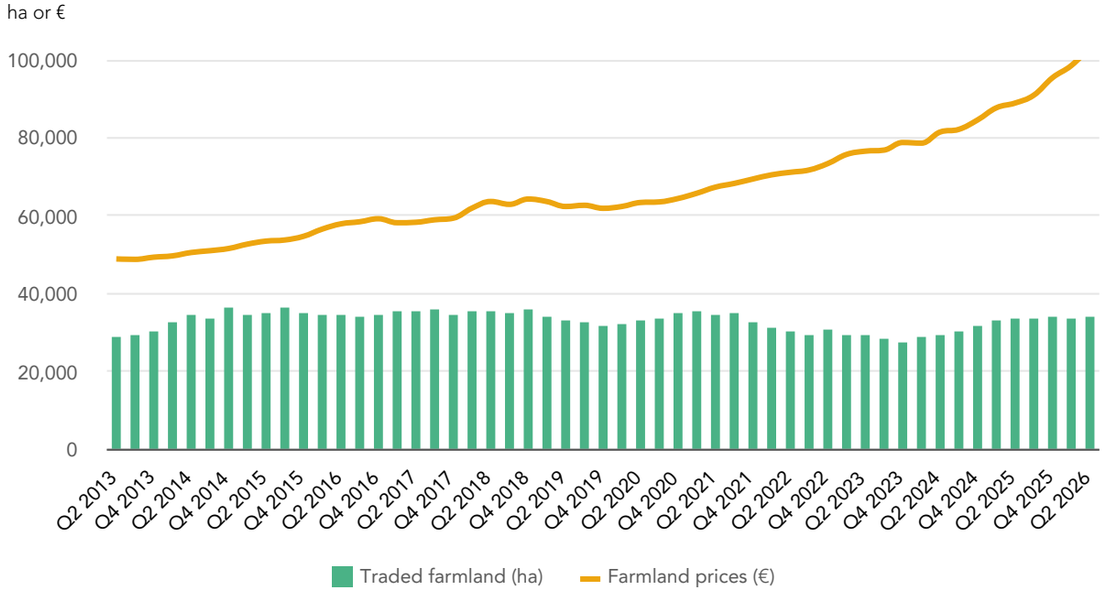
The long-term expectations and current sentiment indices together make up the Agro Confidence Index, which is still reflecting significant uncertainty and challenges in the agricultural sector.

In Q2 2026, the average price of agricultural land in the Netherlands amounted to €103,200 per hectare (12-month average, WUR), 15.3% higher than the average recorded in Q2 2025.

The average price of arable land increased by 13.4% to €115,100 per hectare over the same period. The average price of grassland reached €91,200 per hectare, up 14.8% from the preceding 12-month period. Over the past four quarters, approximately 34,100 hectares of agricultural land were traded, an increase of 2.3% compared with 33,400 hectares a year earlier.

Relative farmland mobility, which measures traded land against total agricultural farmland, was 1.91%, up from 1.85% in the previous year.

Farmland prices & traded farmland 2013-2026



Source: Kadaster, Wageningen Economic Research (WER), 2026

Market outlook

Dutch farmland demand remains structurally supported by persistent land scarcity, limited supply and the continued importance of agricultural production. At the same time, the sector is undergoing gradual restructuring as environmental regulation, changing farm economics and succession pressures reshape land use. This is expected to increase differentiation by location, soil quality and regulatory exposure, while keeping well-located and productive farmland attractive to farmers and investors.

The financial outlook for farms is likely to remain mixed, with the sector's overall earning capacity facing weaker prospects than farmland values. Higher environmental compliance and input costs, lower production intensity and additional investment requirements will pressure margins and may reduce income-generating capacity at sector level. At the same time, efficiency gains, scale, access to capital and new income streams can support stronger businesses. The transition is therefore expected to favour financially resilient farms with a clear pathway towards compliant and sustainable production, while widening differences in profitability between farm types and regions.

Policy uncertainty will remain a key risk. The tightening of manure and nitrogen rules, together with increasingly location-specific measures, may constrain production in some areas and require additional investment or land. However, public funding for extensification, farm adaptation and nature management should support viable transition pathways. The precise impact will depend on implementation and the extent to which future production rights and permitting remain predictable.

European environmental regulation will continue to influence land use, particularly through the end of the Dutch manure derogation and the resulting 170 kg N/ha limit. This supports the longer-term trend towards more land-based production, extensification and selective farm exits.



Dutch renewable energy market

During Q3 2026, the Dutch renewable energy market remained supported by long-term decarbonisation and electrification objectives. The latest policy assessments indicate that the 2030 climate target is beyond reach, while grid congestion and rising network costs highlight the need for flexibility. At the same time, geopolitical tensions in the Middle East resulted in elevated gas prices leading to higher electricity prices. New investments in battery storage demonstrated the growing importance of grid access and more system-oriented project development.

Climate ambitions remain in place, while the implementation gap widens

The Dutch energy transition continues to be underpinned by long-term decarbonisation objectives, although recent policy assessments highlight a widening gap between these ambitions and the current emissions trajectory. According to the latest Climate and Energy Outlook, achieving the national target of reducing greenhouse gas emissions by 55% compared with 1990 has become increasingly unlikely. Current policies also remain insufficient to align the Netherlands with the European objective of a 90% reduction by 2040, with the most favourable scenario currently pointing to a reduction of approximately 72% (PBL, 2026).

The limited progress reflects both policy delays and the long lead times of renewable energy and infrastructure projects. Investments initiated today will therefore contribute primarily to climate objectives beyond 2030. The Council of State called for faster decision-making and greater clarity on additional measures, while several policy decisions have been postponed until spring 2027 (Energeia, 2026). This reinforces the need for consistent long-term policy and investable frameworks, particularly as the focus of the transition increasingly moves from defining ambitions towards delivering projects at sufficient scale and speed.

Electrification remains the preferred pathway despite infrastructure constraints

The updated National Energy System Plan (NPE) reaffirmed electrification as the preferred and often most cost-effective decarbonisation pathway across large parts of industry, mobility and the built environment. At the same time, the government has become more cautious about the achievable pace of electrification. While the European Commission proposed increasing the share of electricity in total energy consumption from approximately 23% to an indicative 46% by 2040, the Dutch government has not yet endorsed this target, citing uncertainty around its practical feasibility (Energeia, 2026).

Grid congestion, rising network costs and difficult industrial business cases remain important barriers. Although measures such as flexible connection contracts, congestion management and prioritisation frameworks are intended to use existing infrastructure more efficiently, grid availability continues to limit new connections and the expansion of electricity demand. These constraints are particularly relevant for industrial electrification, where electricity costs in the Netherlands remain high compared with neighbouring countries and additional support measures have been postponed.

Consequently, electricity network development is increasingly becoming a determinant of both renewable deployment and demand growth. The long-term fundamentals for electrification remain intact, but implementation is likely to depend on location-specific grid availability, infrastructure delivery and the commercial viability of individual projects.

Geopolitical tensions continue to affect energy markets

Energy markets remained volatile during Q3 as the ongoing conflict in the Middle East and the absence of an agreement continued to create uncertainty around international energy supplies. European gas prices remained elevated during the quarter and increased further towards September, feeding through into higher volatile electricity prices.

These developments highlight Europe's continued exposure to external supply shocks and global energy market developments. Although the expansion of renewable generation is gradually reducing dependence on imported fossil fuels, gas-fired generation continues to influence electricity prices. As a result, geopolitical events can still have a material impact on renewable energy revenues, operating costs and the broader investment environment.

At the same time, periods of high prices continued to alternate with low or negative prices during hours of abundant renewable production, particularly from solar. However, there were fewer negative price hours in 2026 than in the same period in 2025. While this partly reflects somewhat lower renewable generation, it may also signal the first steps towards a more flexible energy system.

Further progress is needed to improve price stability. Energy storage and demand-side management can help better match supply and demand, reduce price volatility and support the continued expansion and efficient integration of renewable generation.

Beyond its impact on energy prices, geopolitical uncertainty also increased attention on the resilience of critical energy infrastructure. During Q3, the Dutch government announced that it would provide almost €80 million annually from 2027 to strengthen the protection of offshore energy and data infrastructure. The funding will support measures including the establishment of a National Maritime Security Centre (NMSC) and closer coordination between public authorities and private offshore stakeholders. As offshore wind and electricity infrastructure become increasingly important to the Dutch energy system, their security and operational resilience are moving higher on the policy agenda (Energeia, 2026).

Battery projects become more integrated with renewable generation and the electricity grid

Battery investment continued to advance during Q3, with projects increasingly designed around specific system needs rather than storage capacity alone. This was illustrated by RWE's final investment decision for a 400 MW / 1,100 MWh battery system in Moerdijk, which is expected to become operational in 2028. The project will support congestion management in North Brabant and facilitate the integration of electricity generated by the Oranjewind offshore wind project (Energeia, 2026).

The development demonstrates how battery projects are becoming more closely integrated with renewable generation, grid infrastructure and local congestion requirements. Rather than relying solely on electricity trading and balancing markets, projects are increasingly expected to combine several functions, including shifting renewable production to periods of higher demand, providing advanced grid services and improving the use of existing network capacity.

This evolution is making project location and connection conditions increasingly important. As battery deployment grows, the attractiveness of individual investments will depend more strongly on their position within the electricity system and their ability to generate value across multiple markets. The Moerdijk project therefore reflects a broader shift towards larger and more system-oriented battery investments.

Market outlook

Looking ahead, the Dutch renewable energy market is expected to remain supported by long-term decarbonisation and electrification objectives. However, the pace of development will increasingly depend on execution. Additional climate measures, implementation of the updated National Energy System Plan and decisions concerning industrial electricity costs will be important for improving policy visibility and strengthening investment conditions.

Infrastructure will remain a central area of focus. Grid expansion, flexible connection arrangements and congestion management will be required to enable further renewable deployment and demand-side electrification. At the same time, project value is likely to become more location-specific as grid access, curtailment exposure and network costs play a larger role in asset economics.

Near-term electricity prices are expected to remain sensitive to geopolitical developments and global LNG market conditions. Continued disruption or delays in reaching a negotiated settlement in the Middle East could sustain elevated gas- and electricity prices. Europe's exposure to external supply shocks is expected to persist, while gas-fired generation continues to transmit commodity price movements into electricity markets.

Overall, the outlook remains favourable for renewable energy and flexibility investments, but project performance will depend increasingly on policy execution, infrastructure availability and asset-specific positioning within the electricity system.



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