

## MARKET FUNDAMENTALS

	YoY Chg	12-Month Forecast
<b>89,400</b> SQ M Take-Up 2026 Q1 (YTD)	▲	▬
<b>€53.7</b> MILLION Investment Volume 2026 Q1 (YTD)	▲	▬
<b>6.60%</b> Prime Yield	▬	▬

## ECONOMIC INDICATORS

	YoY Chg	12-Month Forecast
<b>0.7%</b> GDP Growth YoY 2026 (F)	▼	▲
<b>6.3%</b> Unemployment Rate 2026	▲	▼
<b>2.2%</b> Inflation Rate (HICP) March 2026	▲	▲

Sources: Moody's Analytics, Eurostat

## Q1 2026: STABILITY INTERRUPTED BY GEOPOLITICAL SHOCK

The first quarter of 2026 opened with a period of relative calm during January and February, before being affected by rising tensions in the Middle East. The unexpected and effective closure of the Strait of Hormuz contributed to volatility in global energy markets, with a temporary disruption to oil supply putting upward pressure on oil prices and, more broadly, on energy prices. This has had knock-on effects on energy-intensive industries and related markets, such as plastics and aluminum. While the full implications for economic growth and inflation remain uncertain, these developments have introduced additional volatility and risk considerations into global trade.

## STAGFLATION RISKS AND THE MONETARY POLICY DILEMMA

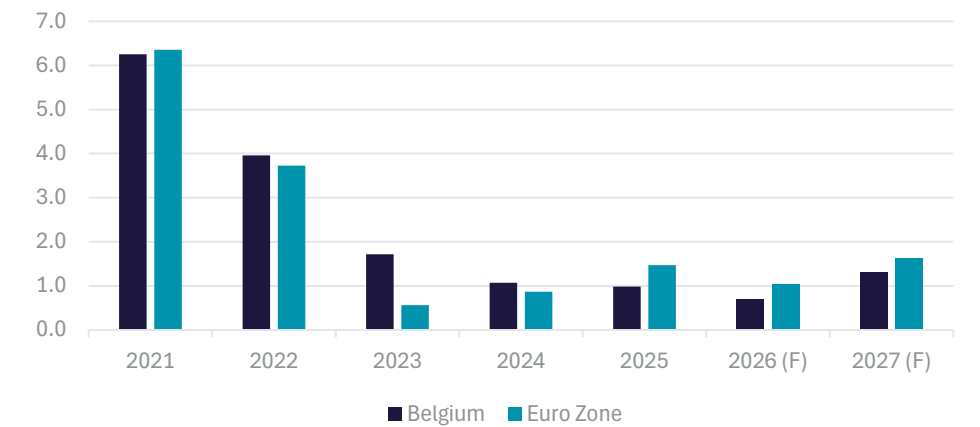
This geopolitical shock has renewed concerns about stagflation, with slower growth and high inflation. This puts the European Central Bank (ECB) in a challenging position. While key interest rates are expected to remain unchanged in April, potential increases to fight inflation could put pressure on an already fragile economic recovery.

In Belgium, the federal government faces the challenge of potentially financing new energy support measures while operating under a high debt-to-GDP ratio in an elevated interest rate environment. In March, the Belgian 10-year government bond yield increased by more than 20 basis points to 3.51%, which may weigh on financing conditions.

## REVISED GROWTH FORECASTS

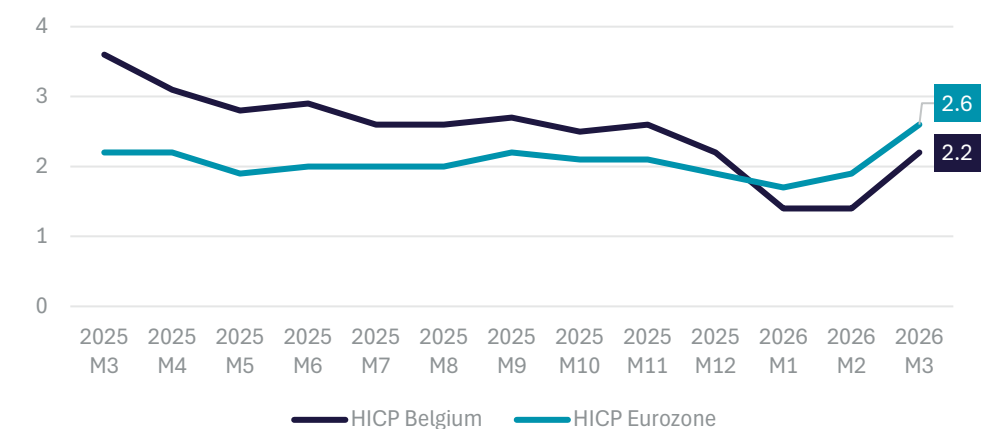
Moody's has adjusted its baseline projections downward for the Belgian GDP growth, now forecasting 0.7% for 2026 (down from 1.1% in the previous quarter) and 1.3% for 2027 (down from 1.4%). This scenario remains relatively moderate, as it assumes the Middle East conflict will be short-lived and that energy prices will return to pre-conflict levels by June. While the recently announced 10-day ceasefire may support this outlook, the situation remains uncertain, and a renewed escalation could lead to prolonged economic volatility and additional inflationary pressures.

## GDP GROWTH (in % of change prev. year)



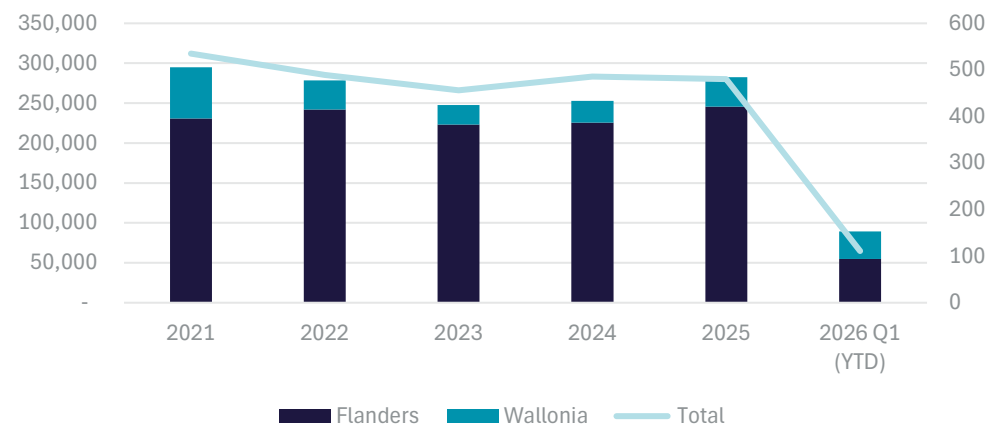
Source: Moody's Analytics (baseline scenario - April 2026)

## INFLATION RATE (HICP in % of change)



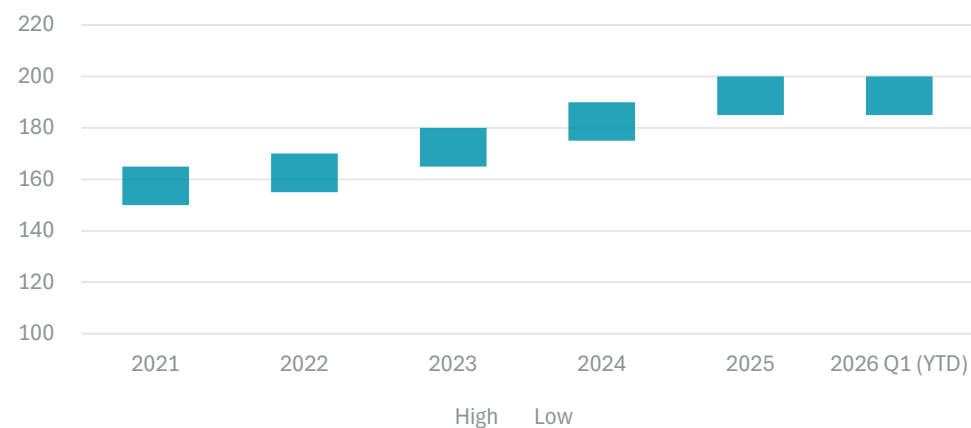
Source: Eurostat

**TAKE-UP VOLUME BY REGION**



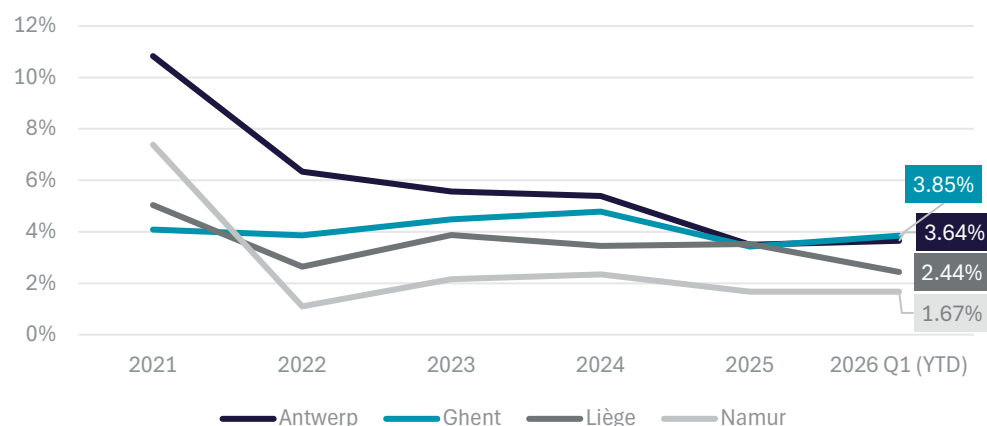
Source: Cushman & Wakefield

**PRIME RENT RANGE REGIONAL (€/SQ M/YEAR)**



Source: Cushman & Wakefield

**VACANCY RATE BY CITY**



Source: Cushman & Wakefield

**REGIONAL OFFICE TAKE-UP STAYS AHEAD OF LAST YEAR IN Q1 2026**

Leasing activity in Q1 2026 came in at **89,400 sq m** across **111 transactions**, ahead of the same period last year. While the headline figure is encouraging, the result was heavily shaped by a **small number of large owner-occupier deals**. Purchases accounted for 55% of total volume, largely because of two transactions: the **Régie des Bâtiments** acquiring an **18,000 sq m** asset in Mons, and **Arteveldehogeschool** purchasing the **16,000 sq m** Campus Dok 2 building (Dok-Noord) in Ghent. Stripping those out, underlying leasing demand remained broadly in line with previous quarters.

The **public sector** accounted for 57% of the total volume this quarter, a large share that reflects the timing of a few decisions rather than a structural shift. Beyond the public sector, activity was spread across a wide range of occupiers. Notable **private sector** lettings include **Allia** taking 1,600 sq m at CU Antwerp and **VITO** signing for 1,500 sq m at Arenberg Community Building in Leuven. **IWG** was also active this quarter, signing three separate deals, in Antwerp, Ghent and Lummen, bringing its total take-up to just over 3,000 sq m, pointing to continued demand for flexible workspace across multiple regional cities.

**Flanders** accounted for **62% of take-up**, with Antwerp and Ghent the most active markets. **Wallonia's** share was higher than usual at 38%, driven by the Mons and multiple transactions in Liège. Across both regions, the average deal size excluding the two large public transactions was around 500 sq m, confirming that the market continues to be driven largely by **small to mid-sized occupier moves**.

**PRIME RENTS HOLD FIRM ACROSS REGIONAL MARKETS**

Prime office rents in the regional markets remained broadly stable in Q1 2026, generally falling within the **established range of €185 to €200/sq m/year**. No market recorded a structural move outside this range, reflecting a relatively quiet quarter in terms of large grade A lettings.

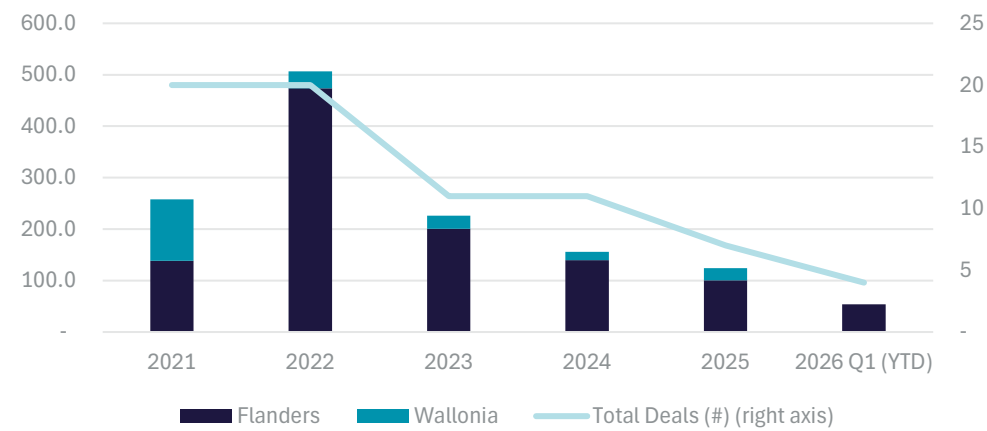
That said, individual transactions point to **upward pressure at the top end**, particularly in Antwerp. The letting at CU Antwerp was concluded at an assumed €210/sq m/year, above the current prime range. While a single transaction is not sufficient to reset the prime rent, it suggests that headline figures above are achievable. Should leasing activity pick up further in Antwerp and other key markets over the coming quarters, an upward revision of the prime range cannot be ruled out.

In **Liège**, prime rents remained within the **€170 to €185/sq m/year** range recorded at year-end 2025, with various transactions broadly consistent with this level.

**OUTLOOK**

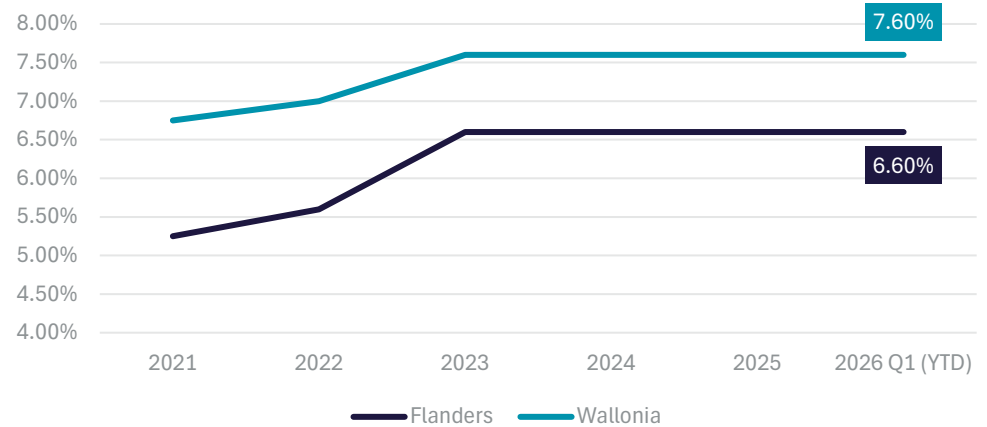
- Geopolitical tensions are expected to continue driving volatility in energy markets, adding **uncertainty to the economic outlook**.
- Risks of **slower growth** combined with persistent **inflation** remain, keeping monetary policy decisions finely balanced.
- **ECB interest rates** are expected to remain stable in the short term, though financing conditions may stay tight given elevated **long-term bond yields**.
- **Letting activity** is expected to remain stable through 2026, supported by continued occupier activity. Demand is likely to stay concentrated in **smaller deal sizes**.
- **Prime rents** are expected to **hold** within the current €185-€200/sq m/year range in the near term, with upside potential in Antwerp should further grade A transactions confirm a new threshold.
- **Investment activity** is expected to remain **selective** in the coming quarters, with transactions likely to be limited in number.

**INVESTMENT VOLUME BY REGION**



Source: Cushman & Wakefield

**PRIME YIELDS BY REGION**



Source: Cushman & Wakefield

**KEY OCCUPIER TRANSACTIONS Q1 2026**

PROPERTY	SUBMARKET	OCCUPIER	GLA (SQ M)	DEAL TYPE
Av. Thomas Edison	Mons	Régie des Bâtiments	18,000	Purchase
Campus Dok 2,	Ghent	Arteveldehogeschool	16,000	Purchase
CALA	Liège	Fédération Wallonie-Bruxelles	4,825	Letting

**KEY INVESTMENT TRANSACTIONS Q1 2026**

PROPERTY	SUBMARKET	SELLER / BUYER	GLA (SQ M)	PRICE (MEUR)
Ubicenter I	Leuven	Intervest / ViRiX	27,000	23
Ex-Financiecentrum Brugge	Bruges	Regent Invest / Miix	13,000	12
Alpha Campus	Zwijndrecht	Monument Immo Management / RVM Invest	4,481	9

Transactions in the table include key transactions in the market, and are not necessarily closed by Cushman & Wakefield.

**INVESTMENT ACTIVITY PICKS UP SLIGHTLY, BUT REMAINS THIN**

Investment volume in **Q1 2026** reached **€53.7 million across four transactions**, all located in Flanders. While this is a modest improvement compared to recent quarters, the market remains thin and activity continues to depend on a small number of deals.

The largest transaction was the re-acquisition of **Ubicenter I in Leuven** by ViRiX, the building’s original developer, for approximately €23 million. The 27,000 sq m asset was sold by Intervest, marking another disposal by the company following a series of similar transactions in 2025. In Bruges, Miix acquired the **former Financiecentrum** for approximately €12 million from Regent Invest, with the building earmarked for redevelopment.

Three of the four transactions had an **add-value risk profile**, reflecting the continued preference among buyers for repositioning opportunities rather than stabilised core assets. No transactions were recorded in Wallonia this quarter. Overall, the market remains driven by a limited pool of buyers and sellers, and total volumes are still well below historical norms.

**Prime regional office yields** showed no movement in Q1, remaining at **6.60% in Flanders** and **7.60% in Wallonia**. With transaction volumes still limited and deal flow concentrated in a small number of assets, there are not enough pricing signals to drive any yield shift in either direction.

**DEFINITIONS**

- **Take-up:** total gross lettable area (GLA) in sq m of new occupier transactions, including new leases, expansions and owner-occupations, but excluding renewals and pre-letting transactions without valid permits.
- **Prime rent:** consistently achievable headline rent for a new, well-located, high-specification unit of standard size, excluding rental incentives.
- **Prime yield:** consistently achievable gross initial yield for a grade A property, fully let on a long lease to a strong covenant in a prime location.

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