

MARKET FUNDAMENTALS

	YoY Chg	12-Month Forecast
62,200 SQ M Take-Up Q3 2026	▼	=
€17 MILLION Investment Volume Q3 2026	▼	▼
5.25% Prime Yield	▲	▲

ECONOMIC INDICATORS

	YoY Chg	12-Month Forecast
0.6% GDP Growth YoY 2026 (F)	▼	▲
6.1% Unemployment Rate 2026	▼	▼
4.6% Inflation Rate (HICP) September 2026	▲	▼

Sources: Moody's Analytics, Eurostat

ECONOMIC GROWTH REVISED DOWN

Moody's has lowered its outlook for the Belgian economy compared to the previous quarter. **GDP growth is now forecast at 0.6% in 2026**, against 0.7% last quarter. The expected recovery in 2027 is also softer, at 1.0% instead of 1.3%. Belgium continues to grow more slowly than the euro zone, where Moody's expects 1.0% in 2026 and 1.5% in 2027.

Recent figures confirm this slowdown. The Belgian economy stagnated in the second quarter, with GDP flat compared to the previous quarter and 0.5% higher than a year earlier (NBB). **Household consumption remained the main support**, rising by 0.4%, while business investment and industrial activity declined. Stronger exports helped to offset this slowdown. Public finances also remain under pressure, with Moody's Ratings expecting a budget deficit of 5.3% of GDP in 2026.

Unemployment is expected to **remain broadly stable** at 6.1% in 2026. The gap between the regions remains large, ranging from 3.3% in Flanders to 14.6% in Brussels.

ECB RAISES RATES A SECOND TIME

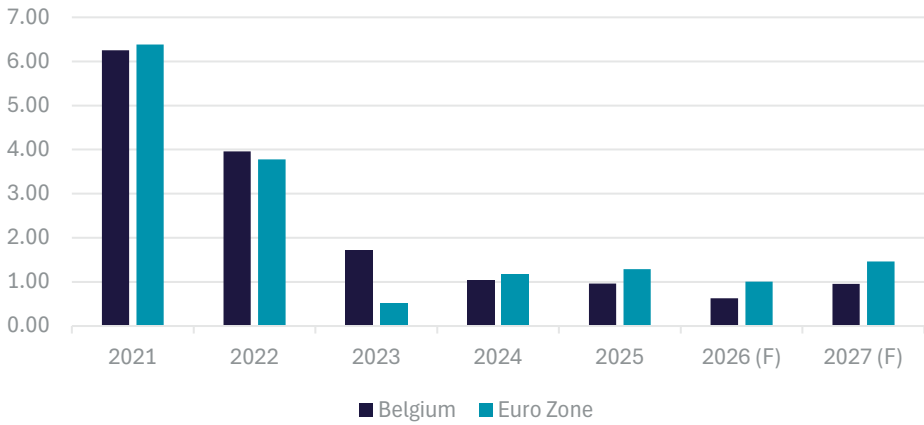
In September, the **ECB raised its key interest rates by 25 basis points** for the second time this year, taking the deposit rate to 2.50%. The **ECB expects inflation to stay above its 2% target until 2028**. Mid October, ECB President Christine Lagarde said she sees no signs yet that higher energy prices are spreading to the rest of the economy, but that the bank is watching this closely. A further rate increase remains likely, with markets expecting a third hike later this year.

Belgian **10-year government bond yields rose to 4.1% at the end of September 2026**, around 60 basis points above June. German bond yields stood at 3.5% and 3-month Euribor at 2.6%, impacting financing terms.

INFLATION RISES AGAIN ON ENERGY PRICES

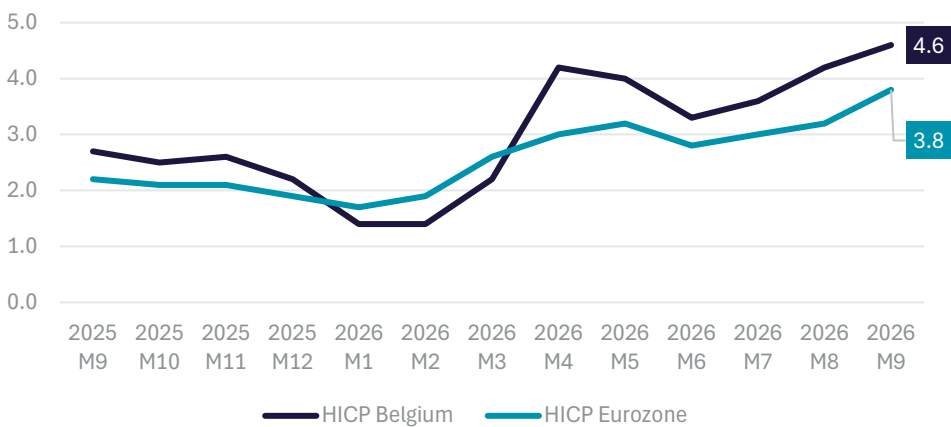
Inflation has picked up again after easing in June. **Belgian HICP inflation rose to 4.6% in September**, up from 3.3% in June. Energy is the main driver, following the energy shock caused by the conflicts in Ukraine and the Middle East. Moody's now forecasts average Belgian HICP inflation of 3.7% in 2026, up from 3.4% last quarter.

GDP GROWTH (in % of change prev. year)



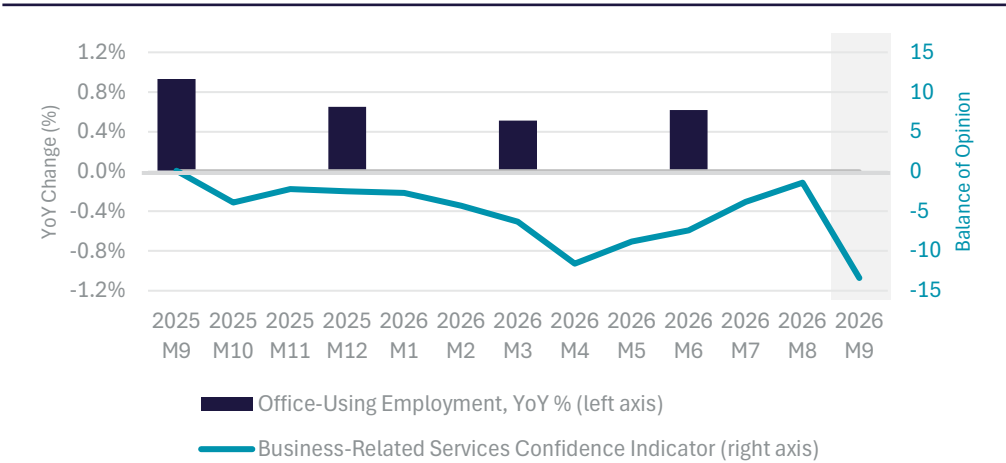
Source: Moody's Analytics (baseline scenario - October 2026)

INFLATION RATE (HICP in % of change)



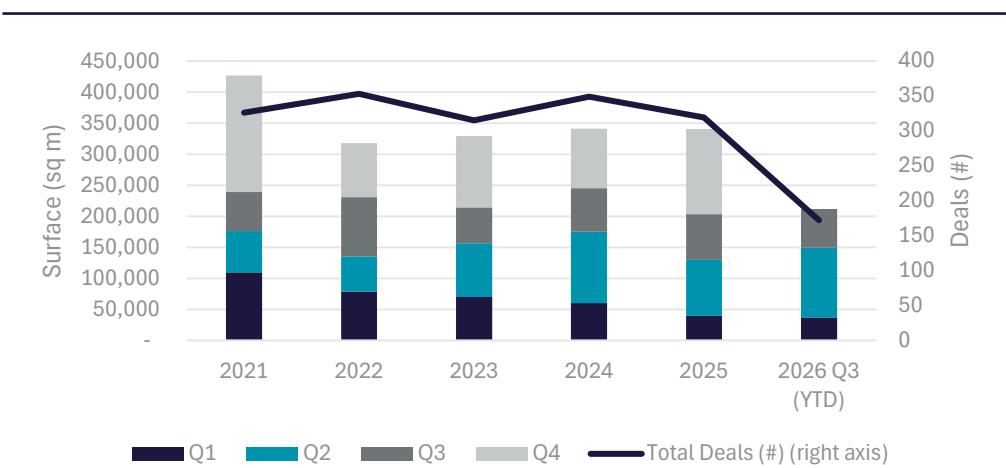
Source: Eurostat

OFFICE-RELATED EMPLOYMENT & BUSINESS
CONFIDENCE



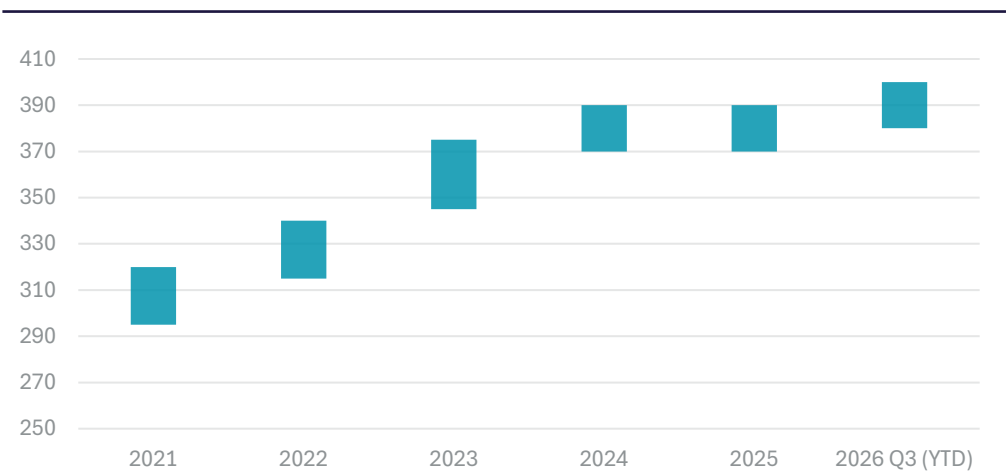
Source: National Bank of Belgium (NBB)

TAKE-UP VOLUME BY QUARTER



Source: Cushman & Wakefield

PRIME RENT RANGE CBD (€/SQ M/YEAR)



Source: Cushman & Wakefield

OFFICE-BASED JOBS GROWING, BUT CONFIDENCE DROPS

Employment in office-using sectors keeps growing faster than the wider employment. In Q2 2026, these sectors counted around 1.48 million jobs, 0.6% more than a year earlier, against 0.3% for total employment (NBB). They accounted for around 70% of all net job creation.

Business sentiment weakened in September, however. The NBB confidence indicator for business-related services fell from -1.4 in August to -13.4, its lowest level in over a year and well below its long-term average of +4.5. Hiring intentions also weakened. The employment outlook fell to +2.1, well below its long-term average of +16.1, while more firms reported a recent drop in staff numbers.

QUIET QUARTER, WITH ACTIVITY SHIFTING TO THE PERIPHERY

Take-up reached **~62,200 sq m in Brussels in Q3 2026, across 58 transactions**. This is 16% less than a year ago and 45% less than in a strong second quarter. Over the first nine months, take-up remains slightly ahead of 2025, but the market is thin. With 172 deals so far, 2026 records its lowest nine-month deal count in a decade, well below the ten-year average of 230.

Occupiers looked mainly outside the city centre this quarter. The **North-East, the Ring and the Airport** were the most active districts. In the North-East, NATO’s Communications and Information Agency leased ~14,300 sq m in Leopold Square, while the Ring and the Airport benefited from pre-lettings in new projects. The CBD, by contrast, remained quiet. **Leopold** recorded the most deals, but mostly small ones, and no deal was recorded in the North district after a very strong Q2.

The market relied on a handful of large deals. Behind them, most transactions remained small, with a **typical size just under 400 sq m**. Owner-occupiers were also less active, with seven purchases totalling ~5,400 sq m.

NEW BUILDINGS LET BEFORE DELIVERY

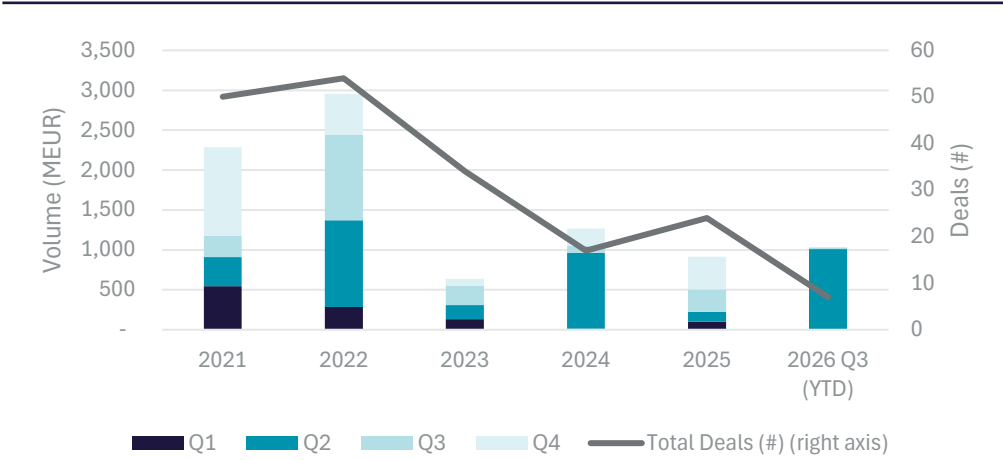
Occupiers continue to commit early to new buildings. Siemens pre-let 12,000 sq m in Origin on the Ring, while Vinçotte and Ansell signed for space in The Cube at the Airport. Together, these pre-lettings represent almost a third of the quarter. Without them, take-up would have been around 40% lower than a year ago.

This also explains the **strong share of grade A offices**. Almost all grade A space was let in buildings not yet delivered, while demand in existing buildings went mainly to grade C. Industrial companies took the most space, and service firms and consultancies signed the most deals.

OUTLOOK

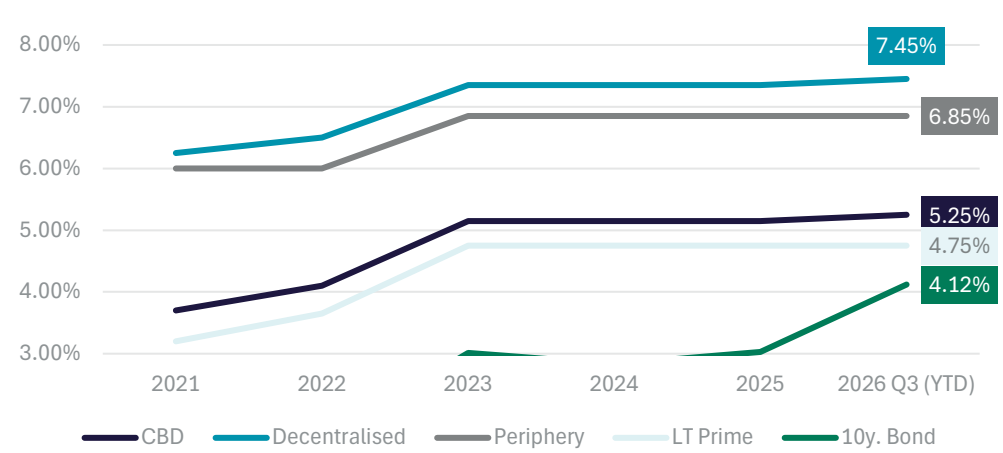
- **Economic growth** is expected to remain soft at 0.6% in 2026, with a slower recovery to 1.0% in 2027.
- **Inflation** is expected to stay well above target, with HICP at 4.6% in September and a 3.7% average forecast for 2026.
- **Financing conditions** are expected to tighten further, following two ECB rate increases and a 60 basis point rise in Belgian 10-year bond yields between June and September.
- **Office-using employment continues to grow**, but weaker confidence in business services may slow hiring and new space requirements in the coming quarters.
- **Letting activity** is expected to remain focused on the **Airport district**, where several new projects are bringing new dynamism to the area. Pre-lettings there are likely to keep supporting take-up.
- **Investors** are expected to remain cautious towards the office sector.
- **Prime rents** are expected to remain stable. **Prime yields** could face further upward pressure, as the market view on offices remains negative.

INVESTMENT VOLUME BY QUARTER



Source: Cushman & Wakefield

PRIME YIELDS BY MARKET



Source: Cushman & Wakefield

KEY OCCUPIER TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	OCCUPIER	GLA (SQ M)	DEAL TYPE
Green Energy Park, Origin	Ring	Siemens	12,000	Pre-letting
The Cube	Airport	Vinçotte	4,073	Pre-letting
Belnine	Leopold	European Money Markets Institute (EMMI)	1,205	Letting

KEY INVESTMENT TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER / BUYER	GLA (SQ M)	PRICE (MEUR)
Tréfonds – Egmont I-II	Centre	Aedifica / Arch-Invest	-	~16

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

PRIME RENTS REMAINED UNCHANGED

Prime rents were stable in Q3 2026. In Leopold, they range from €380 to €400/sq m/year after the increase in previous quarter, and from €340 to €365/sq m/year in the Centre. At the Airport, prime rents stand between €190 and €210/sq m/year. The lease in the Oasis building on Rue de Trèves and the pre-lets at The Cube were both concluded within the prime rent range of their respective districts, confirming current prime rent levels.

INVESTMENT MARKET VERY QUIET

Investors spent ~€17 million on Brussels offices in Q3 2026, across only two recorded transactions. A year earlier, volume reached ~€279 million. The main deal was the sale by Aedifica of the tréfonds of the Egmont office complex to Arch-Invest, the investment company of the Jaspers family, for ~€16 million.

Over the first nine months, volume passed €1 billion. Almost all of it came from the takeover of Cofinimmo by Aedifica. The Brussels office part of this portfolio was valued at ~€872 million according to MSCI. Without it, investment reached around a third of its level in 2025.

PRIME YIELDS MOVE UP

The prime office yield in the Leopold district rose by 10 bps to 5.25% in Q3 2026. With the 10-year bond yield above 4%, investors remain cautious and few buyers are active. As a result, the spread between prime office yields and bond yields keeps narrowing. The long-term prime yield stays at 4.75%, supported by the investor appetite around The Muse deal earlier this year.

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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