MARKETBEAT BELGIUM
RETAIL Q3 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YoY Chg	12-Month Forecast
341,000 SQ M Take-Up 2025 (YTD)	▲	▲
€1.65 BILLION Investment Volume 2025 (YTD)	▲	▲
4.85% Prime Yield High Street	–	–

ECONOMIC INDICATORS

	YoY Chg	12-Month Forecast
0.94% GDP Growth YoY 2025 (F)	▼	=
6.14% Unemployment Rate 2025 (F)	▲	=
2.7% Inflation Rate (HICP) September 2025	▼	▼

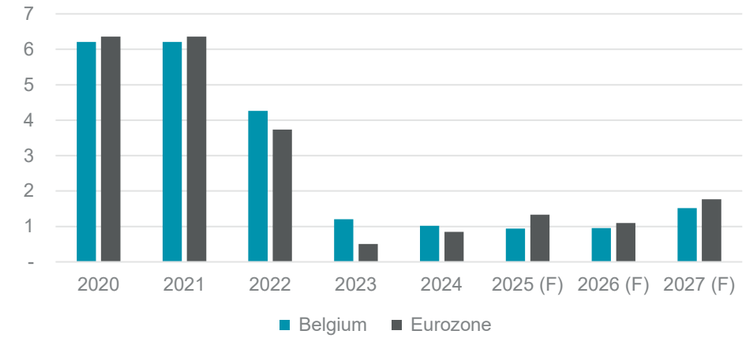
Sources: Moody's Analytics, Eurostat

SLOW BUT STABLE ECONOMIC GROWTH IN 2025

Belgium's economy remains stable, with moderate growth of 1.1% in Q1 and 1.0% in Q2 of this year. **GDP growth** is expected to reach **0.94% overall in 2025**, which is 10 bps higher than previous projections of Moody's in July earlier this year. Growth continues to rely mainly on **household and public spending**, while exports and business investment have weakened because of the ongoing global trade tensions. The pharmaceutical, metal, steel and beverage industries are among the most exposed to the American tariffs, with the U.S. ranking as Belgium's fourth-largest export destination.

Looking towards 2026, economic growth rate is expected to remain broadly unchanged, before improving to an estimated 1.5% in 2027.

GDP GROWTH (in % of change prev. year)



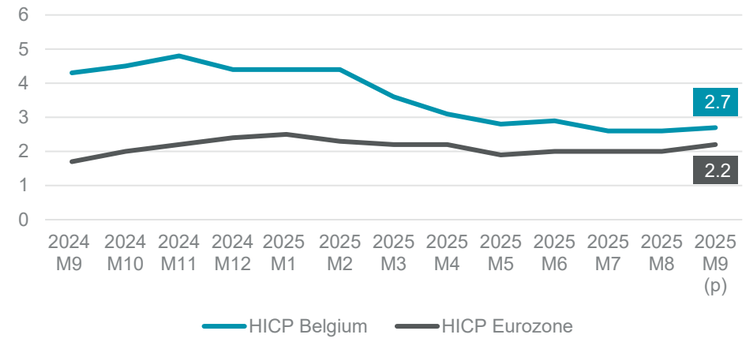
Source: Moody's Analytics (baseline scenario - September 2025)

INFLATION ON A STABILIZING PATH

After holding steady at 2.0% for three consecutive months, **Eurozone inflation (HICP) edged up to 2.2%** in September 2025. The increase in prices leaves limited room for the ECB to further lower their key policy interest rates, which have remained unchanged since June. For real estate investors, this stability offers a **more predictable environment and growing confidence** in financing conditions.

Belgium's inflation (HICP) stood at **2.7%** in September, slightly above the Eurozone average, mainly driven by higher prices for clothing and for travels abroad. Despite being higher than the Eurozone average, inflation in Belgium gradually declines, easing indexation pressure on rents and allowing occupiers to plan with more certainty.

INFLATION RATE (HICP in % of change)



Source: Eurostat

LABOUR MARKET AT A TURNING POINT

Belgium's **unemployment rate** is projected to rise to **6.1% in 2025**, slightly below the Eurozone average of 6.3%. The increase is broad-based across all regions, with unemployment up in Flanders (3.4%), Wallonia (9.1%) and Brussels (14.7%). According to VDAB, the **number of open vacancies** has fallen to its lowest level since 2018, indicating softer hiring activity. However, this slowdown appears to have bottomed out, as temporary employment is rising and NBB business confidence indicators point to a gradual recovery in labour demand later this year.

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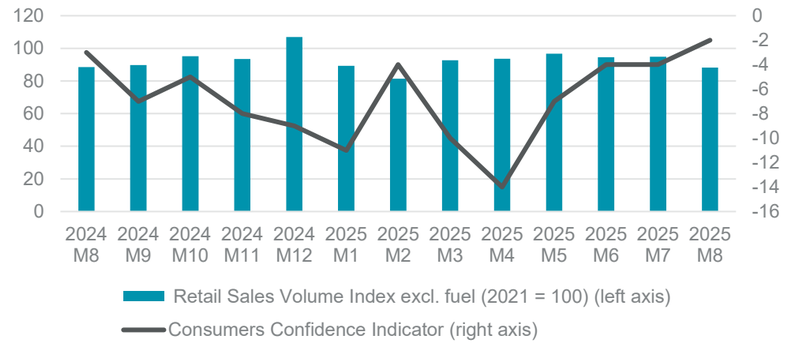
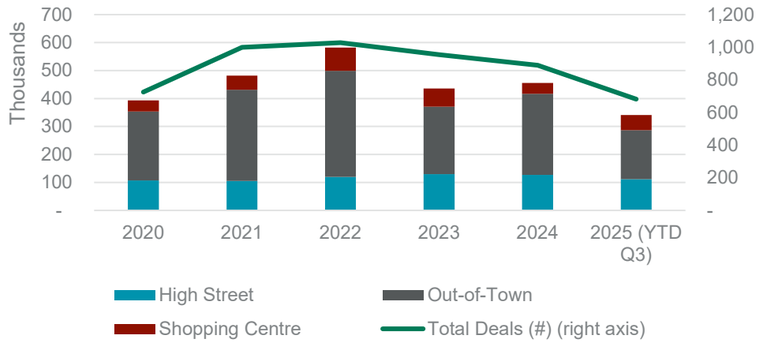
SALES VOLUME & CONSUMERS CONFIDENCE



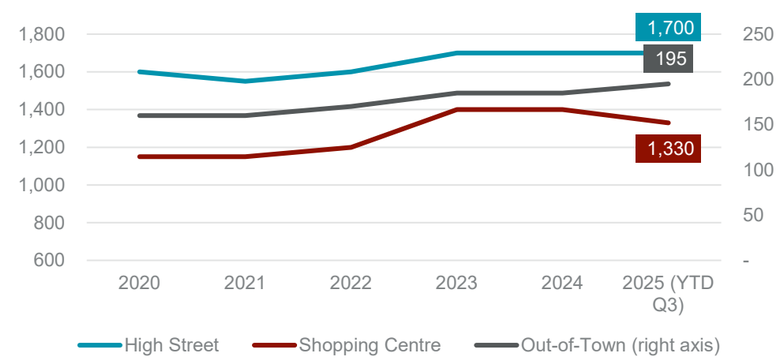
Source: National Bank of Belgium (NBB), Statbel

TAKE-UP VOLUME BY SECTOR (sq m)



Source: Cushman & Wakefield

PRIME RENTS BY SECTOR (EUR/sq m/year)



Source: Cushman & Wakefield

RETAIL SALES REMAIN STABLE AS CONSUMER CONFIDENCE IMPROVES

The **retail sales volume index** declined by 7.0% in August compared to the previous month, mainly due to lower sales of textiles, clothing, footwear and household equipment. This **seasonal dip is typical for this summer month**, as overall retail activity remains broadly stable.

Feedback from retailers points to steady turnovers and stable margins, confirming that the **market has reached a more balanced phase** after the volatility of recent years.

Encouragingly, the **consumer confidence index has improved notably,** rising from -14 in April to -1 in September. Belgian consumers report a more optimistic view of future price developments and a stronger perception of the national economy, supporting hopefully a positive retail sentiment heading into year-end.

RETAIL TAKE-UP STRONG IN Q3, SUPPORTED BY CORE SHOPPING CENTRES

Retail take-up reached **123,000 sq m across 227 deals in Q3 2025**, bringing the **year-to-date total to 341,000 sq m**. Full-year take-up is expected to reach 500,000–550,000 sq m, supported by a healthy level of activity.

The **shopping centre segment** performed particularly well this quarter, driven by major lettings such as Delhaize and Dreamland in the Cora Shopping Centre complexes.

In the **out-of-town segment**, TEDi remains the most active retailer, with eight new openings in 2025, followed by Bon'Ap with six transactions.

On the **high streets**, beauty and cosmetics brands are among the expansive categories. Although the number of active players is more limited compared to fashion, those present continue to expand selectively. Another continued trend across prime high streets is that major international brands **prefer fewer stores but larger flagship locations**, what also emphasizes the performance gap between prime and secondary locations.

PRIME RENTS EDGE UP IN OUT-OF-TOWN SEGMENT

Prime rents remain broadly stable across most retail formats, with the exception of **out-of-town retail, where prime levels have increased to €195/sq m/year** for the best retail parks. The rise reflects strong occupier demand for modern retail parks in strategic locations.

In the **high-street and shopping centre segments, prime rents remain unchanged** and are expected to stay stable over the coming period, supported by consistent leasing activity and steady demand in prime locations.

OUTLOOK

- Belgian **GDP growth rate** is forecasted to remain stable in 2026, before increasing up to 1.5% in 2027.
- **Inflation** is expected to ease to 1.8% in 2026, which may ease cost pressures and improve overall market sentiment.
- **Financing conditions** are expected to remain stable in the period to come, offering a more predictable investment climate.
- **Consumer confidence** is improving, moving towards a positive level after a long period of being negative.
- **Retail take-up** is expected to reach 500,000–550,000 sq m by year-end, supported by healthy market activity and a positive sentiment among retailers.
- **Prime rents** are likely to hold firm following the recent upward adjustment in the out-of-town segment.
- **Investment volume** has already significantly surpassed last year's level and is expected to increase further by year-end, with the outlook for 2026 remaining promising.

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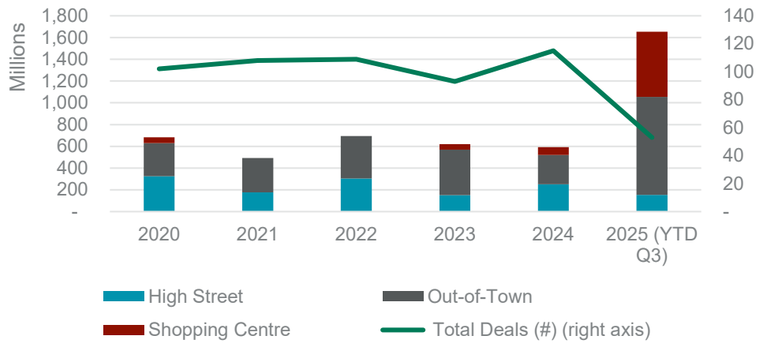
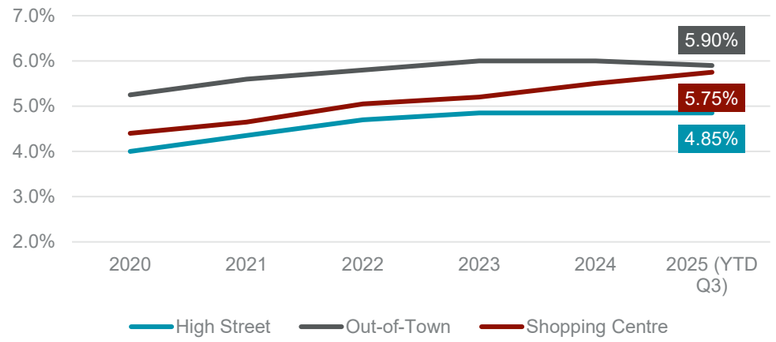
INVESTMENT VOLUME BY SECTOR (EUR)



Source: Cushman & Wakefield

PRIME YIELDS BY SECTOR



Source: Cushman & Wakefield

INVESTMENT ACTIVITY STRONG, DRIVEN BY PORTFOLIO DEALS

Retail **investment volume reached €1.65 billion year-to-date**, marking exceptional year for the sector. The market was supported by several **large-scale portfolio transactions**, most notably Mitiska's acquisition of the Cora Shopping Centres in Q3. All retail asset classes performed well this quarter, with the Olphibel portfolio (€36 million) standing out on the high-street segment, and disposals such as Frunparks in Izegem and Sambreville, and the sale of Weyveld Retail Park in Zaventem highlighting continued activity in the out-of-town market.

Investment **volumes are expected to increase further** by year-end, with several strong deals in the pipeline, supported by solid liquidity and strong investor appetite. The outlook for 2026 also remains promising, with major shopping centres such as Rive Gauche (Charleroi) and K in Kortrijk expected to come to market.

YIELDS STABLE AS MARKET FINDS NEW EQUILIBRIUM IN OUT-OF-TOWN

A yield adjustment has been observed in the **shopping centre segment, with prime yields increasing to around 5.75%,** up from 5.50%. Although no transactions have yet confirmed this level, a move towards 6.00% is becoming increasingly plausible and could be validated by forthcoming deals.

Retail yields for **high streets and out-of-town retail remained stable** this quarter, as the market continues to adapt to the higher interest rate environment. Investors and landlords appear to have accepted current pricing levels, and no significant yield shifts are expected in the near term. Overall, the market has settled into a new balance.

KEY OCCUPIER TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	OCCUPIER	GLA (SQ M)	TYPE
Bredabaan 1201, Schoten	Out-of-Town	Coolblue	1,755	Letting
Korenmarkt 1, Gent	High Street	Kruidvat	813	Letting
Cora Shopping Centres	Shopping Centre	Delhaize & Dreamland	28,000	Letting

KEY INVESTMENT TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER / BUYER	GLA (SQ M)	PRICE (MEUR)
Cora Shopping Centres	Shopping Centre	Louis Delhaize / Mitiska	228,000	600 (e)
Olphibel Portfolio	High Street	Olphibel / QRF	3,573	36
Weyveld Retail Park	Out-of-Town	KBC / Mattimco-Sofimmco	19,560	43.6

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

DEFINITIONS

- **Take-up**: total gross lettable area (GLA) in sq m of new occupier transactions, including commercial, social and storage space, but excluding pop-ups, renewals and pre-letting transactions without valid permits.
- **Prime rent**: consistently achievable headline rent for a high-quality, 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 commercial lease to a strong covenant in a prime location.

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