MARKETBEAT
BELGIUM
REGIONAL OFFICE Q3 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YoY Chg	12-Month Forecast
157,000 SQ M Take-Up 2025 (YTD)	▼	=
€86 MILLION Investment Volume 2025 (YTD)	▼	=
6.60% Prime Yield	=	=

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.

INFLATION ON A STABILIZING PATH

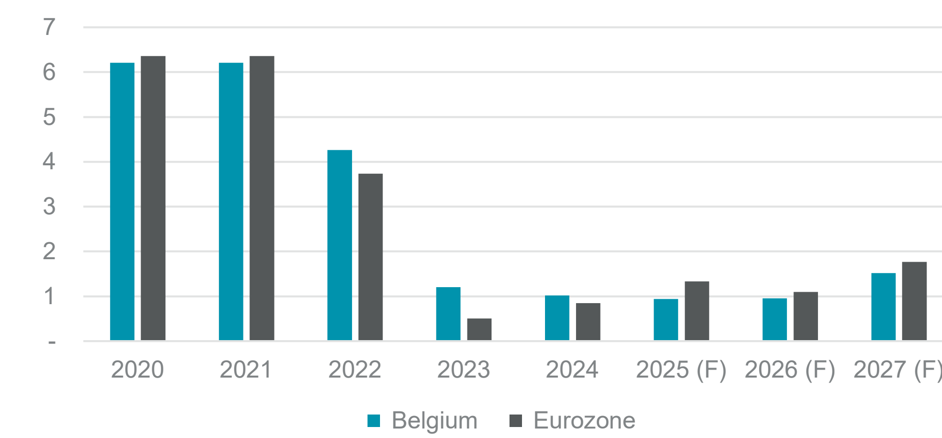
After holding steady at 2.0% for three consecutive months, **Eurozone inflation (HICP) edged up to 2.2%** in September 2025. The increase in prices leaves limited room for the ECB to further lower their key policy interest rates, which have remained unchanged since June. For real estate investors, this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

LABOUR MARKET AT A TURNING POINT

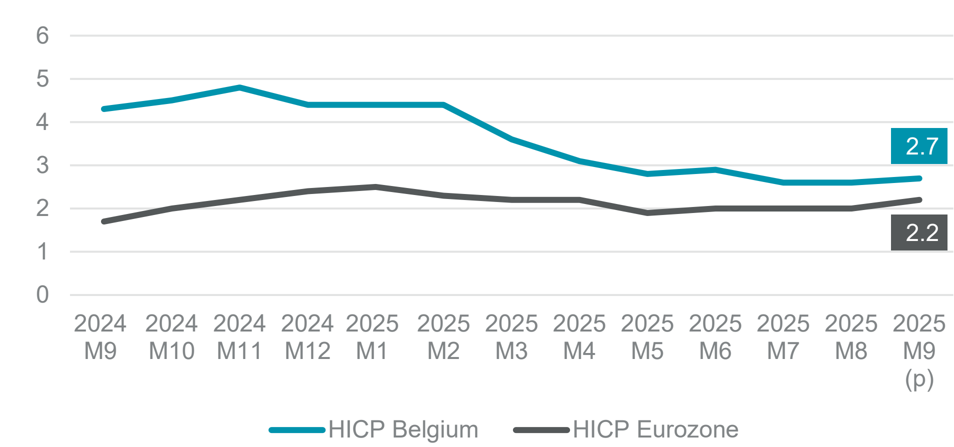
Belgium's **unemployment rate** is projected to rise to **6.1% in 2025**, slightly below the Eurozone average of 6.3%. The increase is broad-based across all regions, with unemployment up in Flanders (3.4%), Wallonia (9.1%) and Brussels (14.7%). According to VDAB, the **number of open vacancies** has 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.

GDP GROWTH (in % of change prev. year)



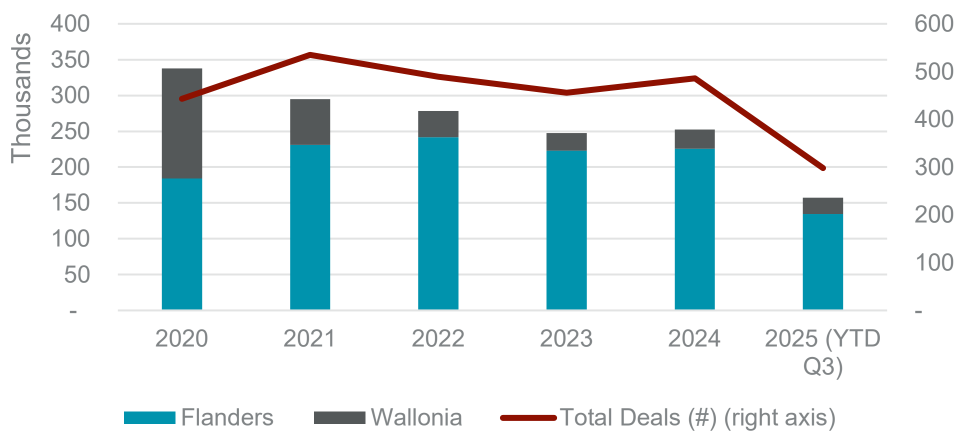
Source: Moody's Analytics (baseline scenario - September 2025)

INFLATION RATE (HICP in % of change)



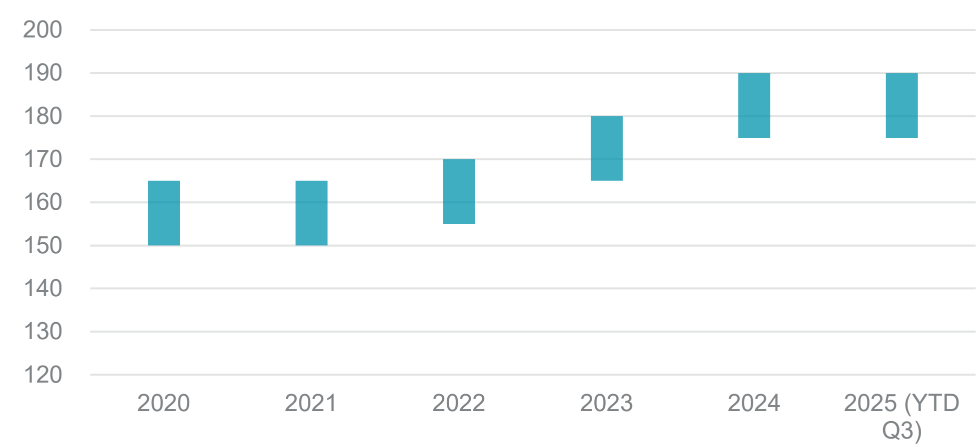
Source: Eurostat

TAKE-UP VOLUME BY QUARTER (SQ M)



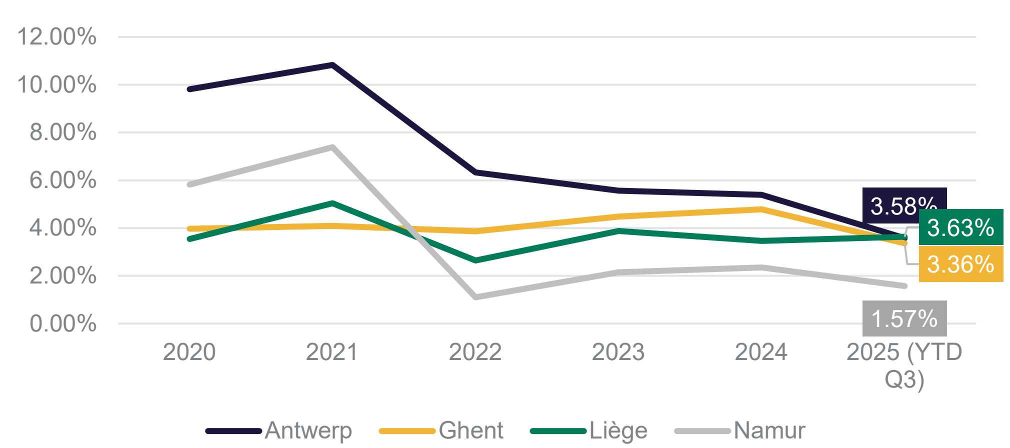
Source: Cushman & Wakefield

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



Source: Cushman & Wakefield

VACANCY RATE BY MARKET



Source: Cushman & Wakefield

REGIONAL OFFICE TAKE-UP BELOW HISTORICAL LEVELS

Regional office take-up reached **52,800 sq m in Q3 2025**, bringing the **year-to-date total to 111,000 sq m** across 145 deals. When comparing year-to-date volumes up to Q3, activity is running about 20% below the five-year average and 15% lower than the same period last year. The final quarter traditionally sees stronger activity, but reaching the 250,000 sq m mark achieved last year now seems unlikely.

Among the main office cities, **Antwerp and Leuven** still have the most ground to recover towards year-end, while **Mechelen performs strong** with lesser deals. **Charleroi and Liège** remain below their long-term averages but show an improvement compared to last year. The weaker demand in Wallonia can also be linked to the **limited immediate availability of high-quality space in the main markets of Liège, Namur and Charleroi**. Nevertheless, a few significant transactions are still expected before year-end, mainly relocations, though it remains to be seen whether this will be enough to reach the 250,000 sq m mark like last year.

Demand in the regions continues to **focus on smaller office units** below 500 sq m, which dominate both in take-up volume and number of transactions. However, take-up in the 500–2,500 sq m range is increasing and gained more interest, indicating a widening interest in slightly larger but still efficient formats within regional markets.

PRIME RENTS REMAIN STABLE ACROSS REGIONAL MARKETS

Regional prime office rents remained stable this quarter, **ranging between €175 and €190/sq m/year**. Differences persist between cities and regions, with Antwerp maintaining the highest prime rents, followed by Ghent and Mechelen. In **Wallonia**, Liège, together with Namur, continues to record the strongest rental levels among the southern cities, ranging between **€160 and €175/sq m/yea**r.

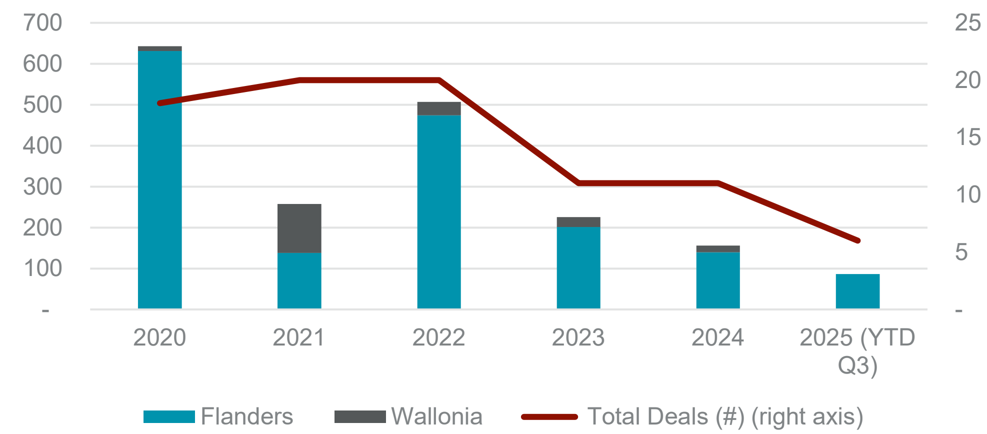
VACANCY CONTINUES TO DECLINE DESPITE MUTED MARKET CONDITIONS

Vacancy rates in the tracked regional office markets continue to **move downward**, standing at 3.6% on average at the end of Q3 2025. Antwerp, Ghent, Liège and Namur all recorded lower levels than in previous years, with Namur showing the tightest availability. This downward trend is somewhat surprising in the current market context wit low take-up, but can be explained by **limited new developments**, while older or less suitable space is gradually leaving the market.

OUTLOOK

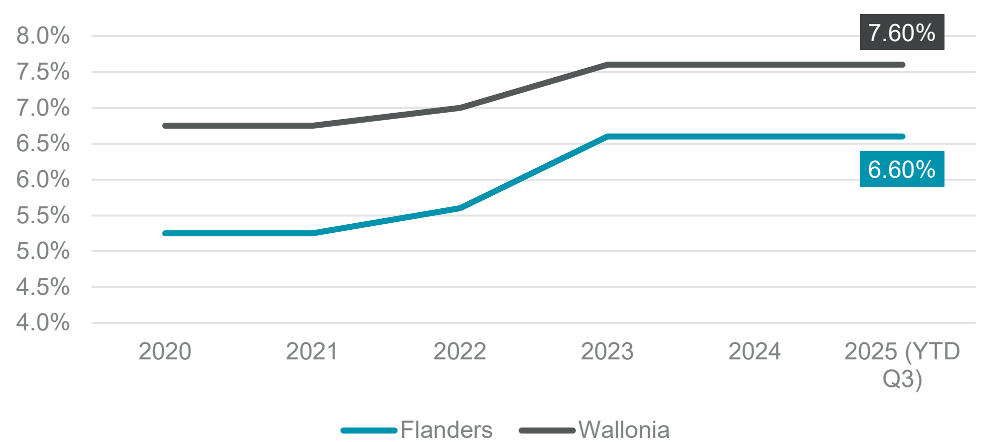
- Belgian **GDP growth rate** is forecasted to remain stable in 2026, before increasing up to 1.5% in 2027.
- **Inflation** is expected to ease to 1.8% in 2026, which may ease cost pressures and improve overall market sentiment.
- **Financing conditions** are expected to remain **stable** in the period to come, offering a more predictable investment climate.
- **Regional office take-up** is expected to close the year-end below the 250,000 sq m mark, with few deals expected. Availability of high-quality space limits take-up.
- No significant movements in **prime rents** are expected in the coming period, both in Flanders as in Wallonia.
- **Investment volume** is likely to stay below the five-year average, even though year-to-date activity is performing better than last year.
- **Prime yields** are not expected to change in the short term, as limited investment activity continues to provide **few new benchmarks**.

INVESTMENT VOLUME BY REGION (€ MILLION)



Source: Cushman & Wakefield

PRIME YIELDS BY REGION



Source: Cushman & Wakefield

INVESTMENT ACTIVITY REMAINS MODEST

In Q3 2025, only two investment transactions were recorded in the regional office markets, representing a total volume of **€60 million this quarter**. This brings the **year-to-date total to €85 million**. Compared to the same period last year, volumes are slightly higher, although 2024 received a late boost from the sale of Greenhouse Collection in Antwerp. Given the generally limited number of transactions in the regions, a single deal can largely influence total volumes as seen last year.

One of this quarter's transactions was the sale of the **Greenhouse building in Berchem (Antwerp)**, sold by Intervest for around €10 million, as the group continues to reshape its portfolio and expand its focus on logistics assets.

PRIME YIELDS STABLE WITH LIMITED BENCHMARKS

With limited prime benchmarks and financing conditions stabilising, prime regional office yields remained unchanged this quarter, at **6.60% in Flanders and 7.60% in Wallonia**. No major shifts are expected in the short term, as investor activity remains selective and pricing is largely aligned with current market conditions.

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.

KEY OCCUPIER TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	OCCUPIER	GLA (SQ M)	DEAL TYPE
Stephenson Plaza	Mechelen	Axi Digital	2,715	Letting
The Sage	Antwerp - Singel	Intervest	1,515	Letting
Aquilis A	Namur	Regus (IWG)	1,100	Letting

KEY INVESTMENT TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER / BUYER	GLA (SQ M)	PRICE (MEUR)
Greenhouse Antwerp	Antwerp – Singel	Intervest / Private	5,700	10

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

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