



### MARKET FUNDAMENTALS

	YoY Chg	12-Month Forecast
<b>362,000</b> sq m Take-Up 2026 Q1 (YTD)	=	=
<b>€30</b> MILLION Investment Volume 2026 Q1 (YTD)	▼	▼
<b>4.90%</b> Prime Yield Logistics	▼	=

### 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 March 2026	▲	▲

Source: 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

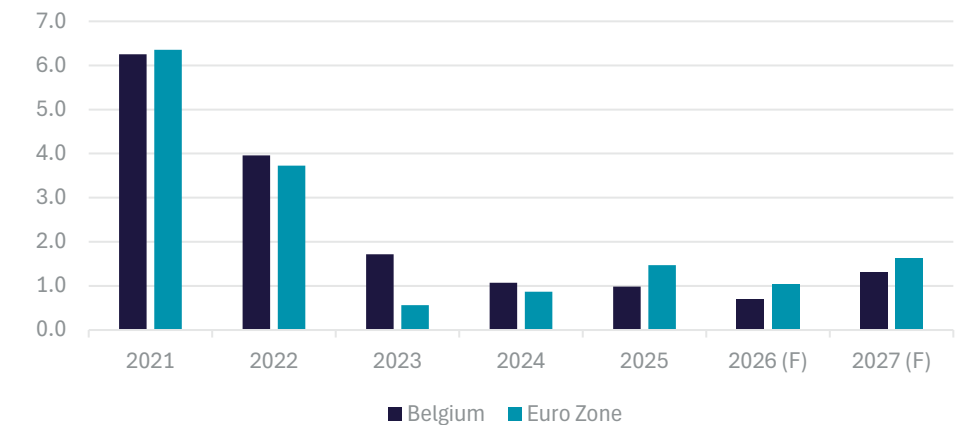
This geopolitical shock has renewed concerns about **stagflation**, with slower growth and high inflation. This puts the European Central Bank (ECB) in a challenging position. While **key interest rates** are expected to remain unchanged in April, potential increases to fight inflation could put pressure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

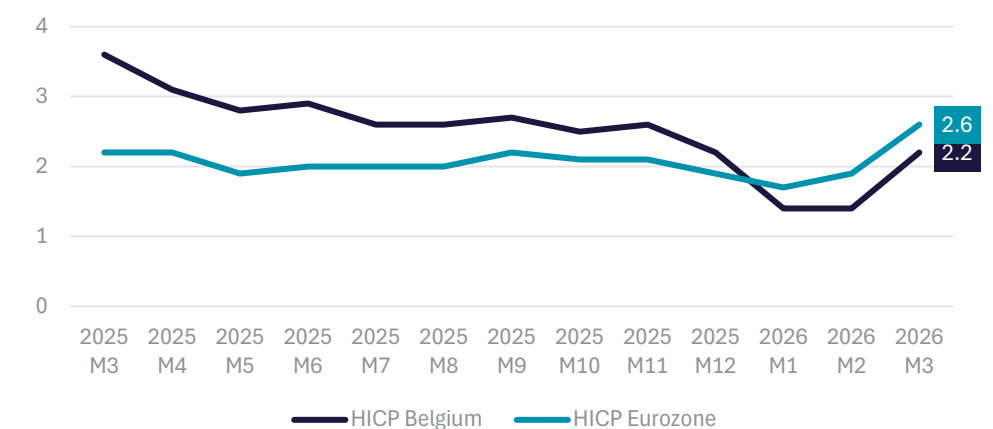
Moody's has adjusted its **baseline projections** downward for the Belgian GDP growth, now forecasting **0.7% for 2026** (down from 1.1% in the previous quarter) and **1.3% for 2027** (down from 1.4%). This scenario remains relatively moderate, as it assumes the Middle East conflict will be short-lived 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)



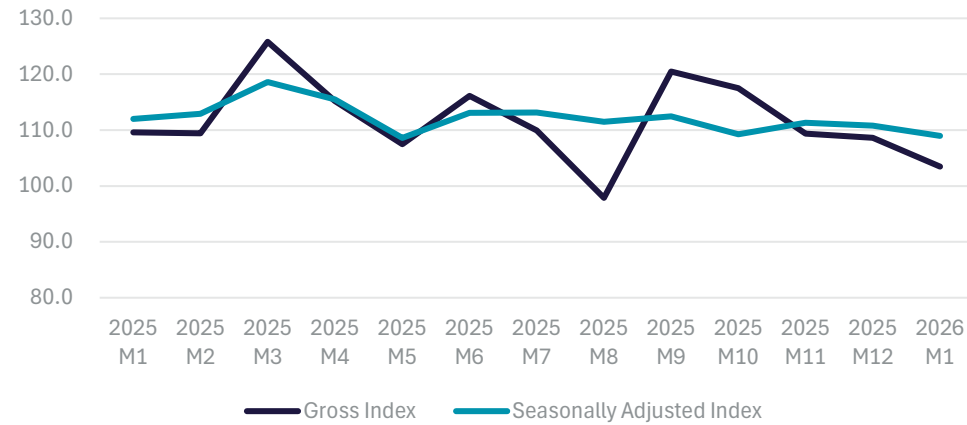
Source: Moody's Analytics (baseline scenario - April 2026)

### INFLATION RATE (HICP in % of change)



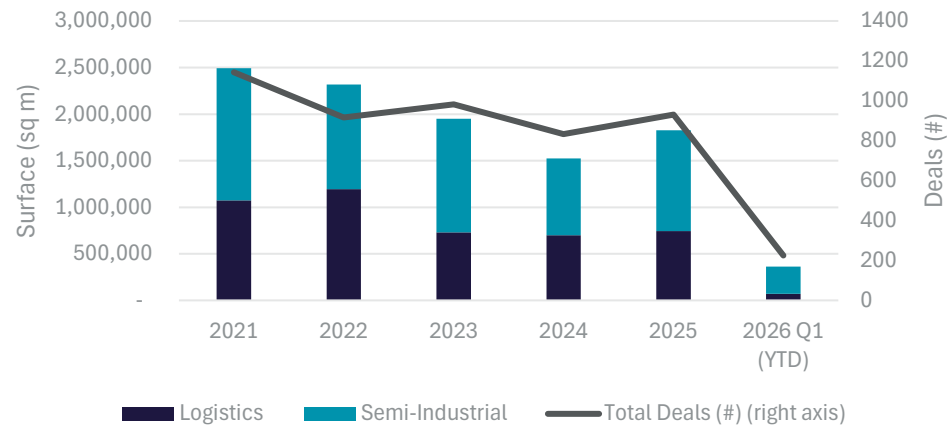
Source: Eurostat

**TURNOVER INDEX INDUSTRY (2021 = 100)**



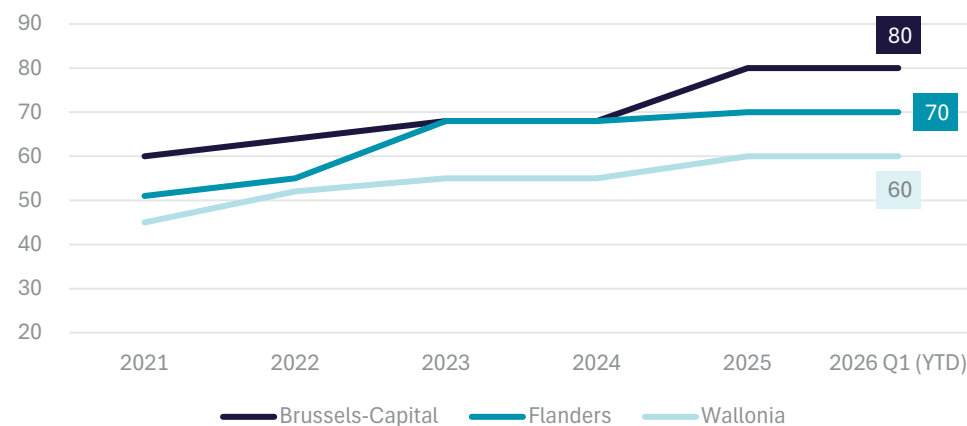
Source: Statbel

**TAKE-UP VOLUME BY SEGMENT (SQ M)**



Source: Cushman & Wakefield

**LOGISTICS PRIME RENTS BY REGION (€/SQ M/YEAR)**



Source: Cushman & Wakefield

**INDUSTRIAL ACTIVITY REMAINS STABLE BUT UNDER PRESSURE**

Industrial activity in Belgium remained relatively **stable**, although somewhat volatile over the course of 2025. The **industrial turnover index** (2021 = 100) shows fluctuations throughout the year, with a slight decline at the start of 2026 (seasonally adjusted index at 109.0 in January 2026), pointing to a still cautious environment.

At **European level**, the weight of manufacturing in GDP has been declining, dropping from 17.4% in the early 2000s to 14.3% in 2024. In response, the European Commission has introduced a new industrial plan to support key sectors and limit further decline, with a focus on “**made in Europe**” production and strengthening local supply chains.

More concrete actions are also being implemented, such as **stricter steel import quotas and higher tariffs** on non-EU steel, aimed at protecting European producers from cheaper imports. While these measures could support the sector over time, industrial activity in Belgium remains under pressure in the short term.

**TAKE-UP IN LINE WITH LAST YEAR, DRIVEN BY SEMI-INDUSTRIAL ACTIVITY**

Take-up in **Q1 2026** reached approximately **362,000 sq m across 225 transactions**, broadly in line with Q1 2025 levels. Activity was, however, uneven across segments. **Logistics** take-up totaled around **72,000 sq m**, down year-on-year, while the **semi-industrial** segment recorded a strong performance at **290,000 sq m**.

In **logistics**, one of the main transactions was Neovia Logistics, which leased 11,420 sq m of warehouse space and 580 sq m of offices at Genk Green Logistics.

In the **semi-industrial segment**, three transactions exceeded 10,000 sq m, including Safran Aero Boosters, which acquired a complex of nearly 19,000 sq m in the province of Liège. **Owner-occupier deals** in this segment accounted for approximately 40% of semi-industrial take-up, underlining continued demand from end-users.

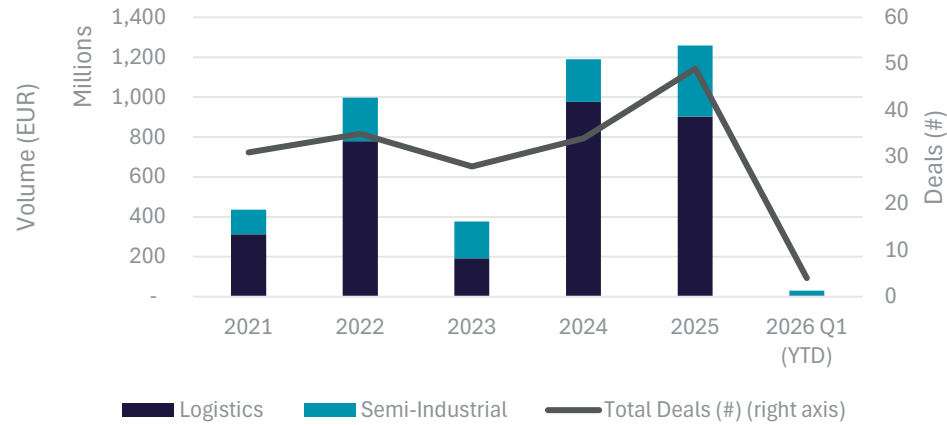
**PRIME RENTS REMAIN STABLE FOLLOWING STRONG UP IN 2025**

Prime logistics rents remained stable in Q1 2026, following the upward movement observed in 2025. Current levels stand at around **€80/sq m/year** in the wider **Brussels** area, **€70/sq m/year** in **Flanders**, and **€60/sq m/year** in **Wallonia**. No significant rental movements are expected in the short term.

**OUTLOOK**

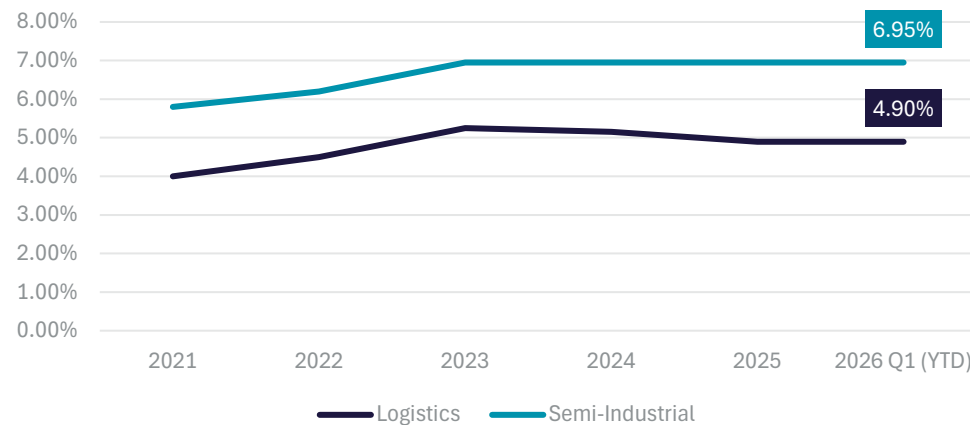
- Geopolitical tensions are expected to continue driving volatility in energy markets, adding **uncertainty to the economic outlook**.
- Risks of **slower growth** combined with persistent **inflation** remain, keeping monetary policy decisions finely balanced.
- **ECB interest rates** are expected to remain stable in the short term, though financing conditions may stay tight given elevated **long-term bond yields**.
- **Occupier market** expected to remain **stable**, with continued divergence between logistics and semi-industrial activity, supported by **end-user demand**, particularly from owner-occupiers.
- **Logistics rental levels** likely to remain stable in the short term, following the strong growth recorded in 2025, with no immediate pressure for further increases.
- **Investment activity** expected to recover gradually, although dependent on new product coming to the market, while **prime yields** are anticipated to remain broadly stable in the near term.

**INVESTMENT VOLUME BY SEGMENT (€)**



Source: Cushman & Wakefield

**PRIME YIELDS BY SEGMENT**



Source: Cushman & Wakefield

**KEY OCCUPIER TRANSACTIONS Q1 2026**

PROPERTY	SUBMARKET	OCCUPIER	GLA (SQ M)	TYPE
Rue Trois Bourdons 27, Welkenraedt	Liège	Safran Aero Boosters	18,850	Purchase
Genk Green Logistics	Limburg	Neovia Logistics	12,000	Letting
Oosterring 14, Genk	Limburg	Provan	10,730	Letting

**KEY INVESTMENT TRANSACTIONS Q1 2026**

PROPERTY	SUBMARKET	SELLER / BUYER	GLA (SQ M)	PRICE (MEUR)
Sea Gate Logistics I, Oostende	West Flanders	Logistis / C3 REP	10,517	6
Ex Recor Bedding, Genk	Limburg	Recor Bedding / Heylen Warehouses	30,000	9
Rue de Herbesthal 3, Eupen	Liège	Private / SCPI Imarea Pierre	8,280	5.6

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

**INVESTMENT MARKET OFF TO A SLOW START IN 2026**

Investment activity remained very limited in Q1 2026, with a total volume of around **€30 million across four transactions**. This is well below the start of last year, which included several large deals such as MG Park Malinas, the Logikor portfolio, the Renault site in Vilvoorde and Montea’s participation in the Skechers DC in Liège.

This quarter was mainly driven by smaller transactions. These include the acquisition of **Sea Gate Logistics Park I** in Oostende by C3 Real Estate Partners, and the **former Recor bedding site** in Genk, bought by Heylen Warehouses with a view to redevelopment in the mid to long term.

The investment pipeline remains relatively thin, with few large-scale transactions expected to come to market in the near term. This is not due to a lack of investor appetite, but rather limited product availability.

**PRIME YIELDS REMAIN AT THE SAME LEVEL**

**Prime logistics yields** remained stable at around **4.90% in Q1 2026**. There is currently no clear incentive for further yield compression, but equally no strong pressure for outward movement. As a result, prime yields are expected to remain broadly stable in the short term.

**DEFINITIONS**

- **Take-up:** total gross lettable area (GLA) in sq m of new occupier transactions, including warehouse, mezzanine and adjacent office space, 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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