

MARKET FUNDAMENTALS

	YoY Chg	12-Month Forecast
48,200 SQ M Take-Up Q3 2026	▼	▬
€5 MILLION Investment Volume Q3 2026	▼	▬
6.60% 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

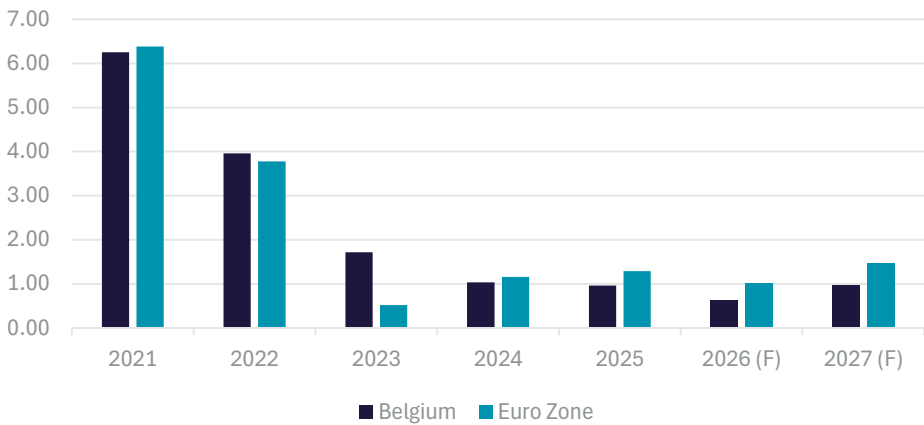
In September, the **ECB raised its key interest rates by 25 basis points** for the second time this year, taking the deposit rate to 2.50%. The **ECB expects inflation to stay above its 2% target until 2028**. Mid October, ECB President Christine Lagarde said she sees no signs yet that higher energy 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

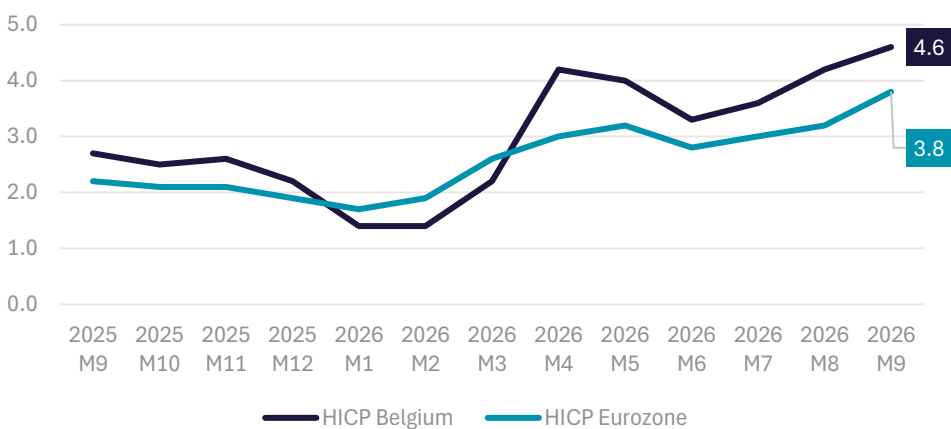
Inflation has picked up again after easing in June. **Belgian HICP inflation rose to 4.6% in September**, up from 3.3% in June. Energy is the main driver, following the energy shock caused by the conflicts in Ukraine and the Middle East. Moody's now forecasts average Belgian HICP inflation of 3.7% in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

GDP GROWTH (in % of change prev. year)



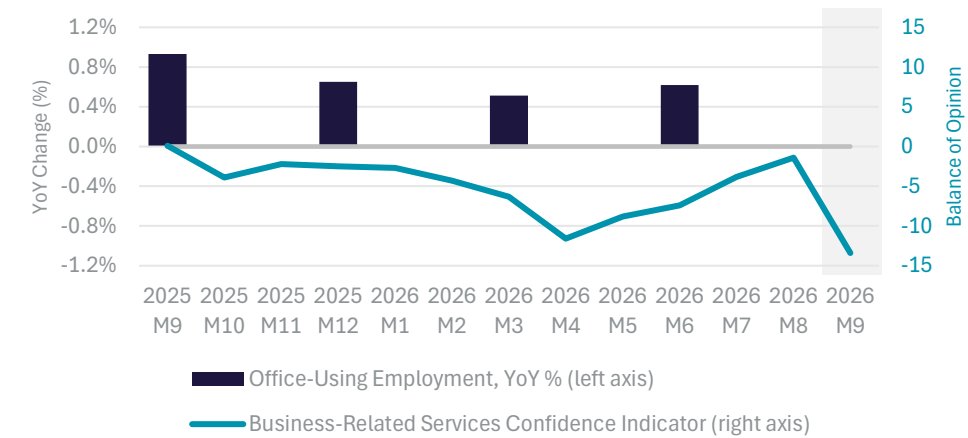
Source: Moody's Analytics (baseline scenario - October 2026)

INFLATION RATE (HICP in % of change)



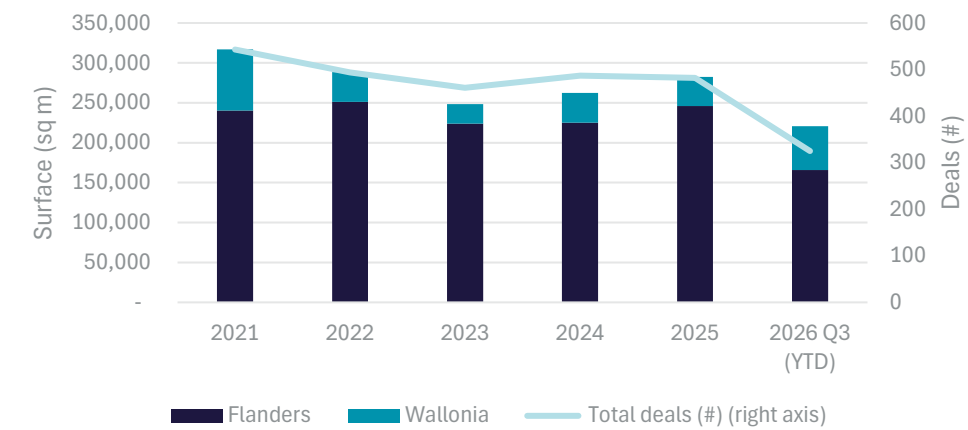
Source: Eurostat

OFFICE-RELATED EMPLOYMENT & BUSINESS
CONFIDENCE



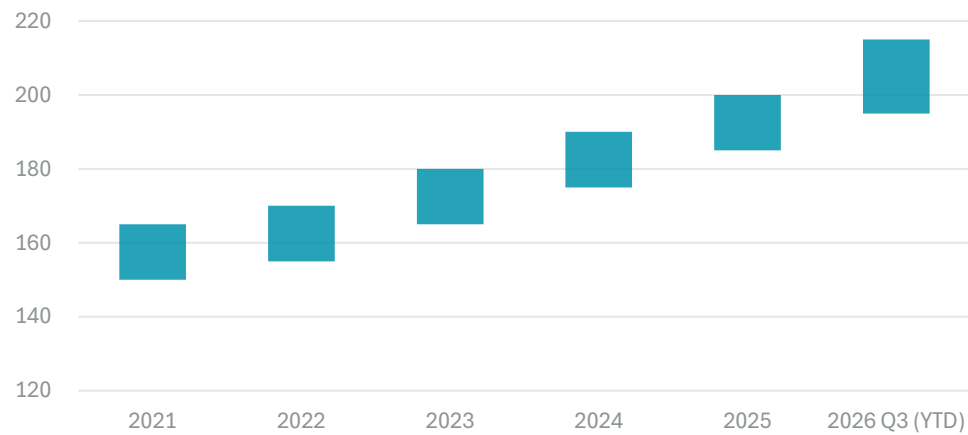
Source: National Bank of Belgium (NBB)

TAKE-UP BY REGION



Source: Cushman & Wakefield

PRIME RENT RANGE REGIONAL (€/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.

REGIONAL OFFICE TAKE-UP SLIGHTLY AHEAD OF 10-YEAR AVERAGE

Take-up in the regional office markets reached **~48,200 sq m in Q3 2026**, across 101 recorded transactions. This is the slowest third quarter in a decade. Year to date, however, take-up stands at ~220,600 sq m, **5% above the ten-year average** of ~211,000 sq m and 33% ahead of last year.

The quarter was slower because it lacked the large transactions that drove the first half of the year. Only three deals exceeded 2,000 sq m, and almost **three quarters of all deals were below 500 sq m**, with a typical size of ~270 sq m. The largest deal was the purchase of the monumental Meir 48 building in Antwerp by BNP Paribas (~5,400 sq m). **Owner-occupiers** played a large role this quarter. With 24 purchases totalling ~17,500 sq m, they accounted for more than a third of take-up.

Flanders accounted for 95% of take-up this quarter. Antwerp was the largest market with ~16,000 sq m, while Ghent recorded the most deals. Kortrijk and Harelbeke stood out with ~8,000 sq m, including the letting of ~2,500 sq m to Balta Industries at Evolis. **Wallonia** recorded only eight deals for ~2,600 sq m, with just one deal in Liège. Over nine months, however, Wallonia still represents a quarter of the total take-up (~55,000 sq m), above its usual share. **Vacancy remains low** in the main regional cities. It stands at 4.6% in Antwerp and 4.0% in Ghent.

PRIME RENTS KEPT STABLE

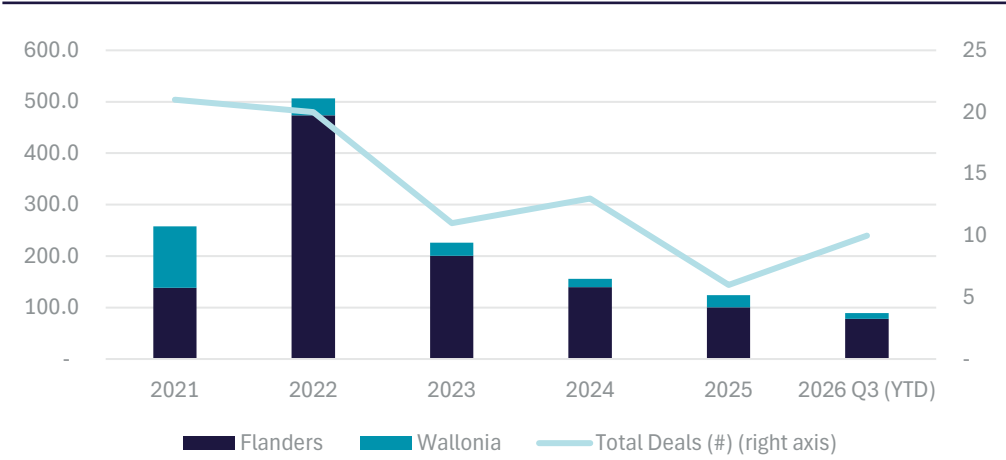
Prime rents were unchanged in Q3 2026, **ranging from €195 to €215/sq m/year**. Liège sets the top at €215/sq m/year, followed by Antwerp at €210/sq m/year. In Mechelen, the new MALT complex let space at €210/sq m/year, and a small unit even reached €220/sq m/year.

Over the first nine months, the weighted average rent reached ~€162/sq m/year, 7% above 2025, with a similar increase in Flanders and Wallonia.

OUTLOOK

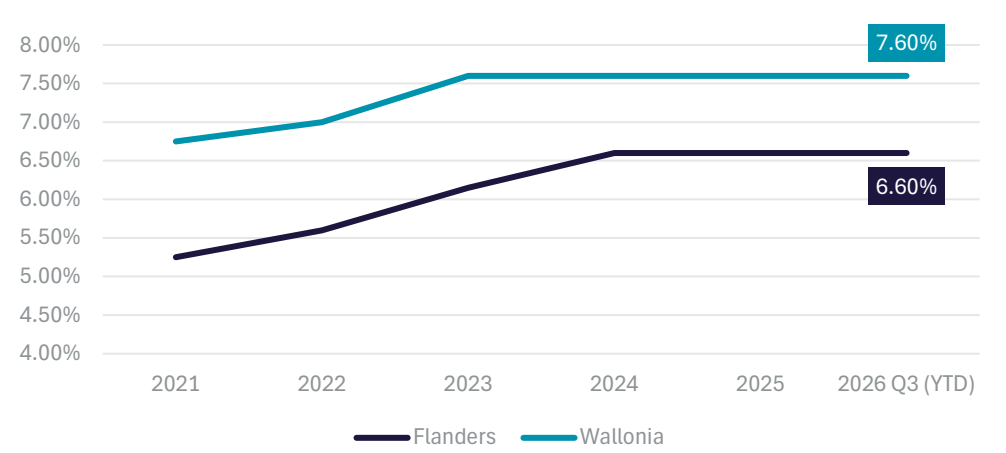
- **Economic growth** is expected to remain soft at 0.6% in 2026, with a slower recovery to 1.0% in 2027.
- **Inflation** is expected to stay well above target, with HICP at 4.6% in September and a 3.7% average forecast for 2026.
- **Financing conditions** are expected to tighten further, following two 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.
- **Take-up for 2026** should remain above both last year and the ten-year average, thanks to a strong first half. Q3 had no large deals, so Q4 depends on whether larger occupiers sign.
- **Investors** remain cautious. Activity should stay focused on older buildings bought at low prices to renovate or redevelop.
- **Prime rents and yields** are expected to remain stable.

INVESTMENT VOLUME BY REGION



Source: Cushman & Wakefield

PRIME YIELDS BY REGION



Source: Cushman & Wakefield

KEY OCCUPIER TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	OCCUPIER	GLA (SQ M)	DEAL TYPE
Evolis, Harelbeke	Flanders	Balta Industries	2,450	Letting
Meir 48	Antwerp	BNP Paribas	5,402	Purchase
Post X	Antwerp	Rydoo	1,269	Letting

KEY INVESTMENT TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER / BUYER	GLA (SQ M)	PRICE (MEUR)
Carlton, Desguinlei 6	Antwerp	Fédérale Assurance / Ducri Invest	2,960	~5
Sneeuwbes 14	Antwerp (Wilrijk)	CDMG / LIFE & WorxEstate	11,000	undisclosed

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

INVESTMENT LIMITED TO SMALL DEALS

The investment market was very quiet in Q3 2026, with only **two recorded transactions**. In Antwerp, Fédérale Assurance sold the Carlton building on Desguinlei to Ducri Invest for ~€5 million, while LIFE and WorxEstate bought Sneeuwbes 14 (~11,000 sq m) from CDMG for redevelopment, at an undisclosed price. A year earlier, investors spent ~€67 million in the same quarter.

Over the first nine months, volume reached **~€89 million**, slightly above 2025 but around half the ten-year average. The number of deals rose from four to ten, the highest since 2022, but deals were smaller, at ~€10 million on average (excl. Sneeuwbes 14). Almost all of them concerned **older buildings to renovate or redevelop**. **Developers and private investors** were the main buyers, while institutional owners such as Intervest, PIMCO and Patrizia sold. Three of the buildings sold were current or former federal finance offices, in Bruges, Mons and Marche-en-Famenne.

REGIONAL PRIME YIELDS HELD

Prime yields were stable in Q3 2026, at **6.60% in Flanders and 7.60% in Wallonia**. No core deal has taken place so far this year, so these levels were held rather than tested. The most recent evidence comes from Antwerp in late 2024, where Spaces Nieuw-Zuid, let on a twelve-year lease, below 6.00%. Unlike Brussels, where offices have historically been priced more sharply, these levels are still seen as achievable for prime office complexes in regional cities with a strong tenant covenant. Outside this prime segment, investors remain cautious and focus on buildings they can buy at a low price and reposition.

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.

ANNECHIEEN VEULEMANS

Associate Director | Research
annechien.veulemans@cushwake.com

VINCENT VANDERSTRAETEN

Partner | Head of Capital Markets Office
vincent.vanderstraeten@cushwake.com

STÉPHANE MOERMANS

Partner | Office Agency
stephane.moermans@cushwake.com

GREGORY LAMARCHE MRICS

Partner | Head of Valuations & Advisory
gregory.lamarche@cushwake.com

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