

**MARKET FUNDAMENTALS**

	YoY Chg	12-Month Forecast
<b>204,000</b> SQ M Take-Up 2025 (YTD)	▼	≡
<b>€506</b> MILLION Investment Volume 2025 (YTD)	▼	≡
<b>5.15%</b> Prime Yield	≡	≡

**ECONOMIC INDICATORS**

	YoY Chg	12-Month Forecast
<b>0.94%</b> GDP Growth YoY 2025 (F)	▼	≡
<b>6.14%</b> Unemployment Rate 2025 (F)	▲	≡
<b>2.7%</b> 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**

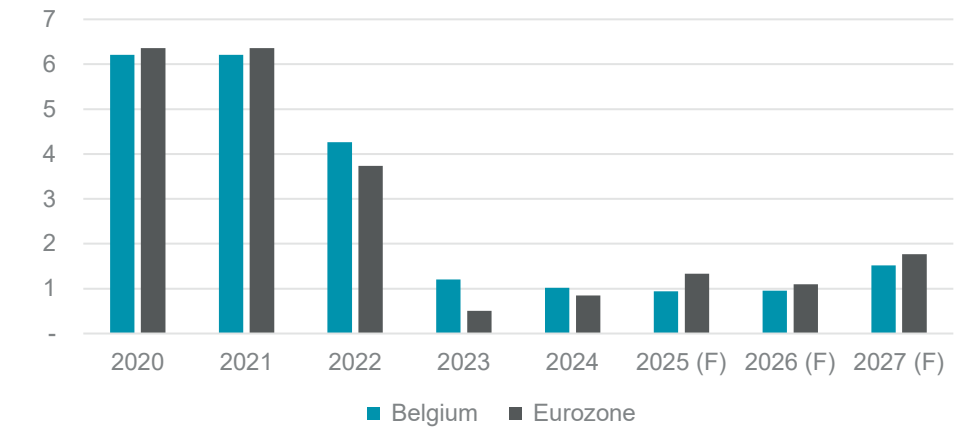
After holding steady at 2.0% for three consecutive months, **Eurozone inflation (HICP) edged up to 2.2%** in September 2025. The increase in prices leaves limited room for the ECB to further lower their key policy interest rates, which have remained unchanged since June. For real estate investors, this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

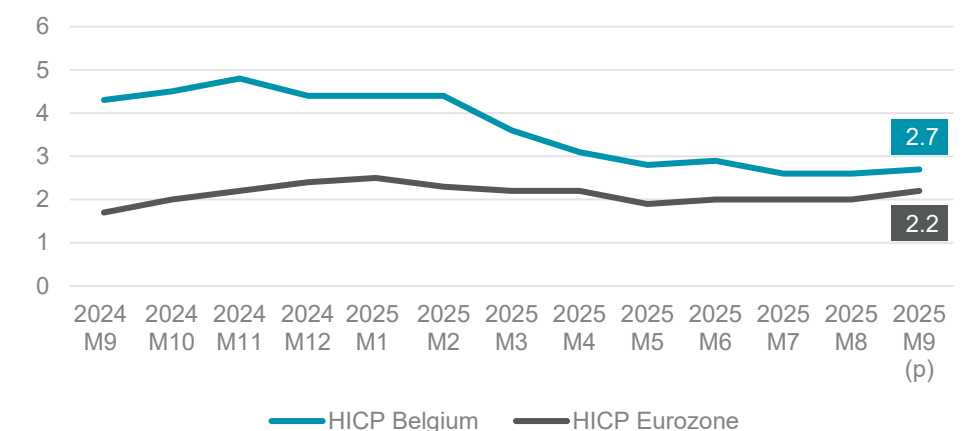
Belgium's **unemployment rate** is projected to rise to **6.1% in 2025**, slightly below the Eurozone average of 6.3%. The increase is broad-based across all regions, with unemployment up in Flanders (3.4%), Wallonia (9.1%) and Brussels (14.7%). According to VDAB, the **number of open vacancies** has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



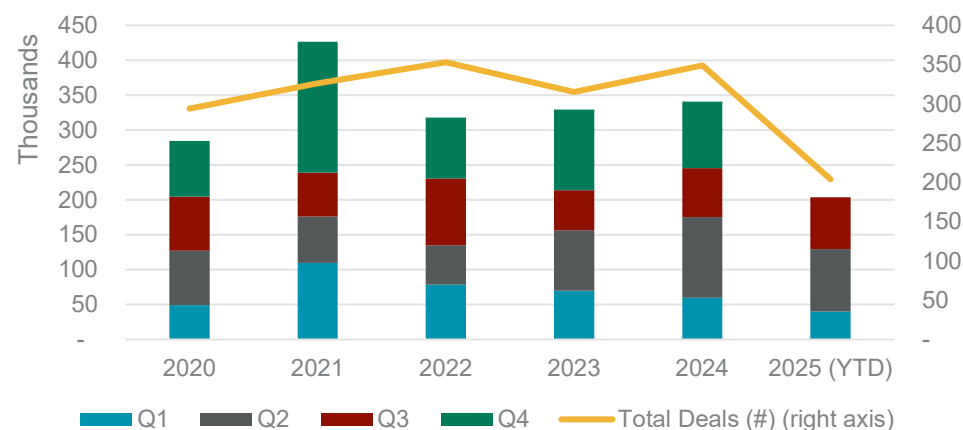
Source: Moody's Analytics (baseline scenario - September 2025)

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



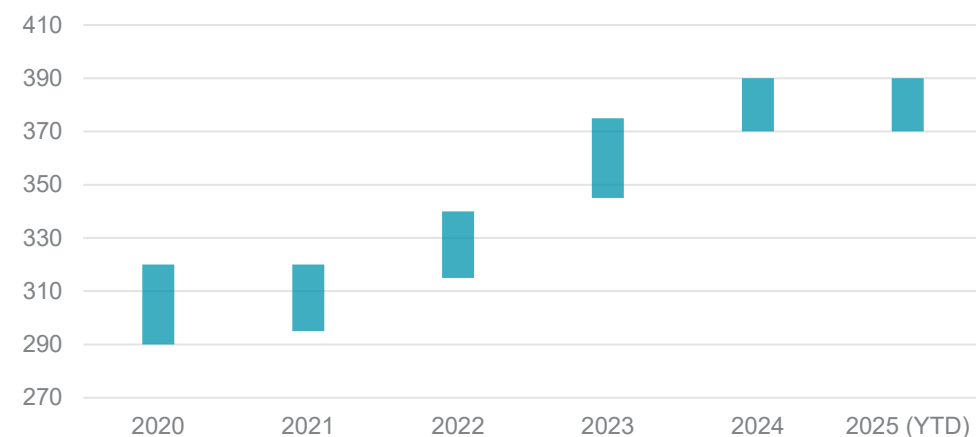
Source: Eurostat

TAKE-UP VOLUME BY QUARTER (SQ M)



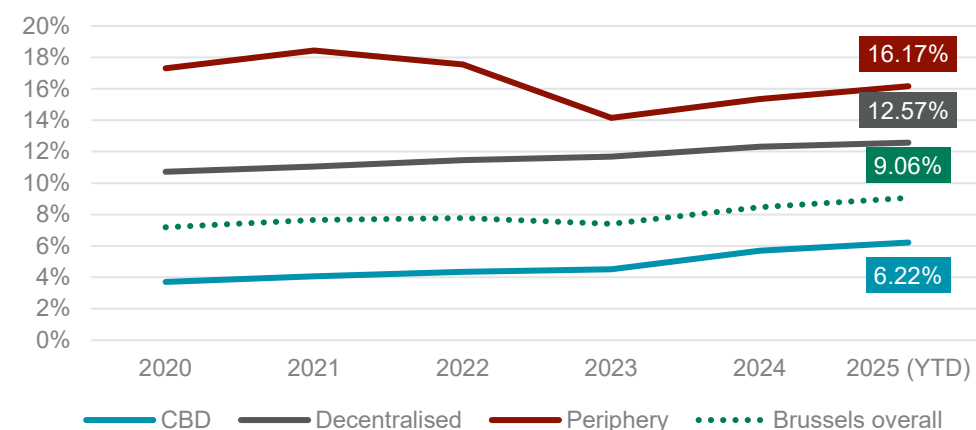
Source: Cushman & Wakefield

PRIME RENT RANGE CBD (€/SQ M/YEAR)



Source: Cushman & Wakefield

VACANCY RATE BY MARKET



Source: Cushman & Wakefield

TAKE-UP REMAINS BELOW LONG-TERM AVERAGE

Office take-up in Brussels reached **74,000 sq m** in the **third quarter of 2025**, bringing the **year-to-date total to 204,000 sq m**. Activity in Q3 was slightly higher than in the same period last year, yet volumes for the first three quarters remain well below the ten-year average, mainly due to a weak start to the year.

The final quarter typically records the strongest leasing activity, meaning the **300,000 sq m mark could still be achieved** by year-end. Whether that happens will depend largely on the closing of a few major European Commission transactions and whether these will be finalized before 2026.

The most notable transaction of Q3 2025 was **Crelan’s acquisition of The Arch** in the North District, an owner-occupier deal of 13,176 sq m. It was the only transaction exceeding 10,000 sq m recorded during this quarter.

PRIME RENTS STABLE, BUT PRESSURE PERSISTS IN NORTH DISTRICT

Prime headline rents in the Brussels CBD currently **range between €370 and €390/sq m/year**. Although a few transactions have been concluded above this level in previous quarters, such as the top floor of the M10 building and the pre-letting of SQM29 scheduled for 2027, more comparable evidence is needed before these can be considered consistently achievable prime rents in today’s market.

In the **North District**, market conditions remain challenging, with persistently high vacancy levels leading to prolonged negotiation processes and strong tenant expectations on lease terms. As a result, the **previously recorded prime rent of €290/sq m/year may come under downward pressure** in the coming periods. A similar situation is observed in the Louise District, where elevated availability continues to limit rental growth expectations.

VACANCY EDGES UP AS PIPELINE REMAINS ELEVATED

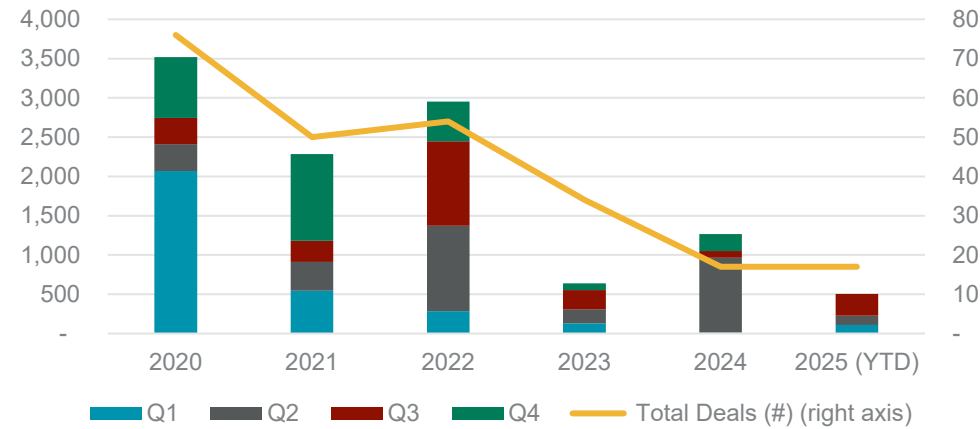
Vacancy in Brussels has **increased slightly** this quarter, reaching **9.1%**. Within the CBD, the **North District and Louise District** continue to record the highest vacancy rates, both exceeding 10%, while the **Midi District** shows the lowest availability, though it is also the smallest submarket in terms of total stock.

The **development pipeline for 2025** totals around **210,000 sq m**, of which approximately **164,000 sq m has already been delivered**. On a European level, new office construction is slowing, with an increasing share of pre-let projects, reflecting **lower risk appetite among developers**. Brussels, similar

OUTLOOK

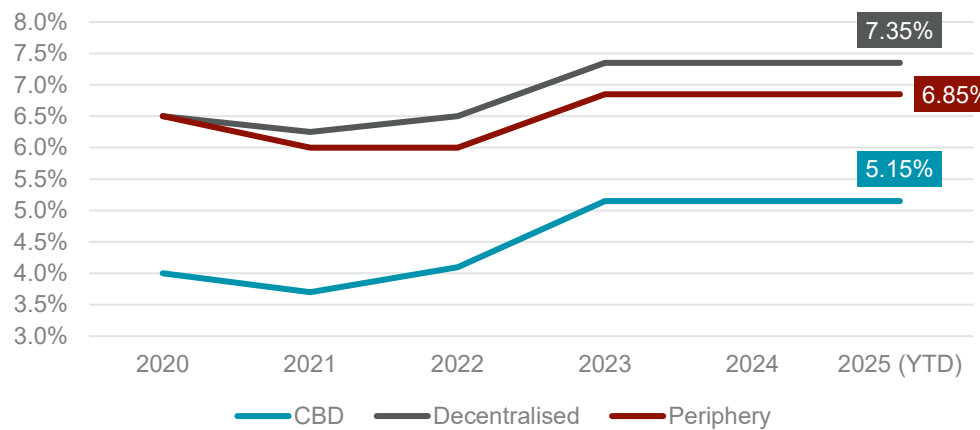
- Belgian **GDP growth rate** is forecasted to remain stable in 2026, before increasing up to 1.5% in 2027.
- **Inflation** is expected to ease to 1.8% in 2026, which may ease cost pressures and improve overall market sentiment.
- **Financing conditions** are expected to remain **stable** in the period to come, offering a more predictable investment climate.
- Office **take-up** is forecasted to reach around **300,000 sq m by year-end**, depending largely on few major transactions of the European Commission.
- **Prime rents** are expected to **hold firm**, though prime rents are under close monitoring for the **North and Louise Districts**.
- **Investment volume will remain subdued**, with no shifts in the annual performance expected before year-end; regular activity should resume towards late 2026 and 2027.
- **Prime yields** are anticipated to stay stable, though the spread between core and subcore assets has widened.

INVESTMENT VOLUME BY QUARTER (€ MILLION)



Source: Cushman & Wakefield

PRIME YIELDS BY MARKET



Source: Cushman & Wakefield

KEY OCCUPIER TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	OCCUPIER	GLA (SQ M)	DEAL TYPE
The Arch	North District	Crelan	13,176	Owner-occupier
Woluwe Heights	North-East District	ACP	4,425	Owner-occupier
Botanic Tower	North District	MeDirect	847	Letting

KEY INVESTMENT TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER / BUYER	GLA (SQ M)	PRICE (MEUR)
Arts-Lux	Leopold District	AG RE / Ampega	18,400	82
Champ de Mars	Leopold District	Athora / Private	6,025	30
Monteco	Leopold District	ION & Nextensa / Caisse d'Épargne et de Prévoyance Hauts de Fr.	3,675	28

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

to Frankfurt and Madrid, recorded a strong first half of 2025 in terms of completions, and the pipeline for 2026 also remains relatively high.

INVESTMENT ACTIVITY REMAINS SUBDUED

Investment volume in Brussels remains well below the ten-year average for the first three quarters of the year. Total volume currently stands at €506 million across 17 transactions, with **Q3 alone accounting for nearly €280 million**, or more than half of the year-to-date total.

**Several deals in the €20-50 million range** were recorded this quarter, including Champs de Mars, Impératrice 66 and the core transaction of Monteco. The largest deal was Arts-Lux, sold for approximately €82 million.

The **outlook for year-end remains modest**, with no major shifts expected before 2026. However, an increase in disposal activity is anticipated towards late 2026 and 2027.

PRIME YIELDS STABLE, QUALITY GAP WIDENS

Prime office yields remain **stable at 5.15% in the Brussels CBD**. With yields now largely settled, the spread between absolute core assets and subcore product continues to widen. Properties that meet the highest expectations in terms of building quality, ESG standards, location and covenant strength continue to command core pricing, while assets missing one or more of these features **face larger spreads** up to 150-200 basis points.

Yields are expected to remain broadly stable in the near term, supported by the stabilisation of financing costs.

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 MRICS

Associate / Research

Tel: +32 (0)476 83 54 09

[annechien.veulemans@cushwake.com](mailto:annechien.veulemans@cushwake.com)

MARC-ANTOINE BUYSCHAERT

Int. Partner / Head of Belgium & Luxembourg

Tel: +32 (0)478 99 58 75

[marc.-antoine.buyschaert@cushwake.com](mailto:marc.-antoine.buyschaert@cushwake.com)

ANTOINE BRUSSELMANS

Int. Partner / Head of Office Agency

Tel: +32 (0)475 46 63 82

[antoine.brusselmans@cushwake.com](mailto:antoine.brusselmans@cushwake.com)

GREGORY LAMARCHE MRICS

Partner / Head of Valuations & Advisory

Tel: +32 (0)494 26 07 58

[gregory.lamarche@cushwake.com](mailto:gregory.lamarche@cushwake.com)

©2025 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield ("CWK"). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK's securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.