MARKETBEAT
BRUSSELS
OFFICE Q1 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YoY Chg	12-Month Forecast
32,100 SQ M Take-Up 2026 Q1 (YTD)	=	=
€370-390/SQ M Prime Rent Range 2026 Q1 (YTD)	=	=
5.15% Prime Yield	=	=

ECONOMIC INDICATORS

	YoY Chg	12-Month Forecast
0.7% GDP Growth YoY 2026 (F)	▼	▲
6.3% Unemployment Rate 2026	▲	▼
2.2% Inflation Rate (HICP) March 2026	▲	▲

Sources: 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

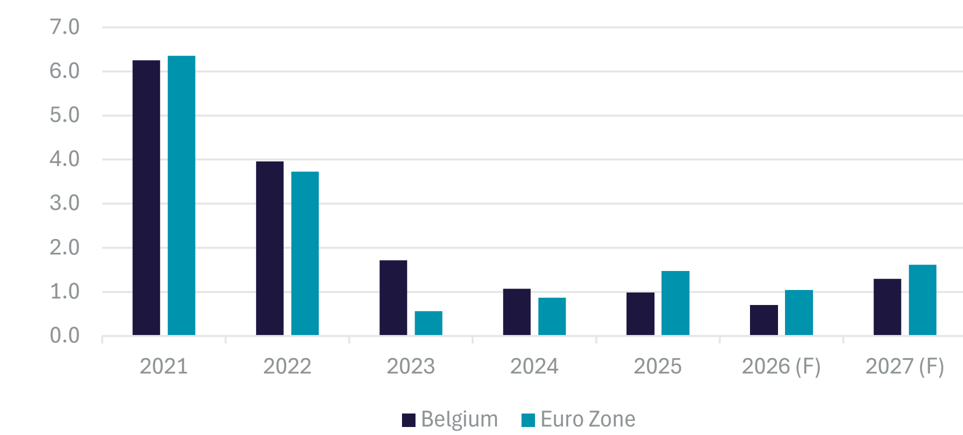
This geopolitical shock has renewed concerns about **stagflation**, with slower growth and high inflation. This puts the European Central Bank (ECB) in a challenging position. While **key interest rates** are expected to remain unchanged in April, potential increases to fight inflation could put pressure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

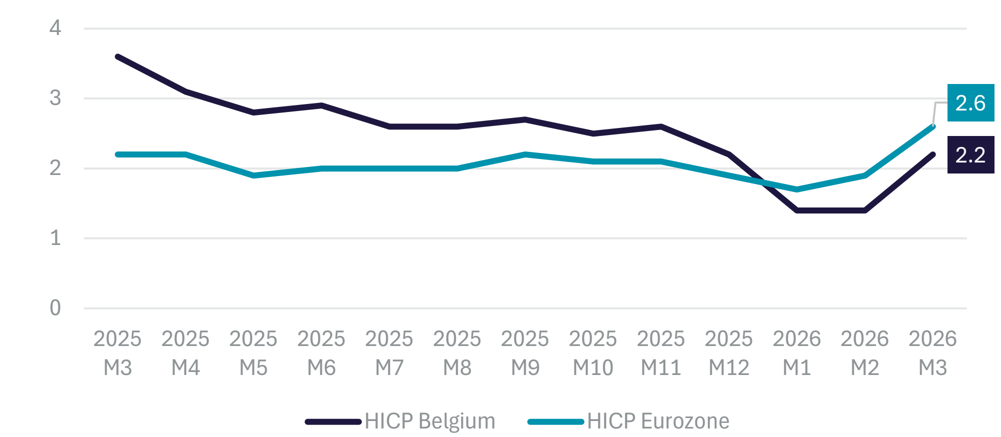
Moody's has adjusted its **baseline projections** downward for the Belgian GDP growth, now forecasting **0.7% for 2026** (down from 1.1% in the previous quarter) and **1.3% for 2027** (down from 1.4%). This scenario remains relatively moderate, as it assumes the Middle East conflict will be short-lived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



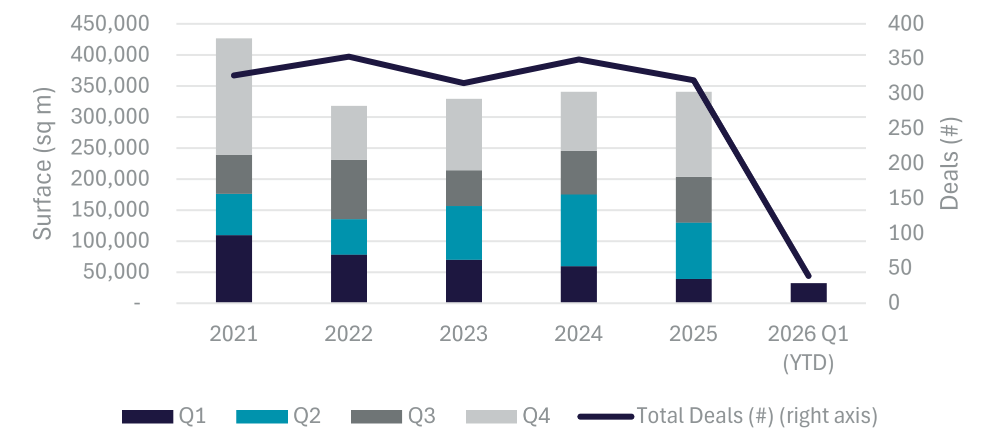
Source: Moody's Analytics (baseline scenario – April 2026)

INFLATION RATE (HICP in % of change)



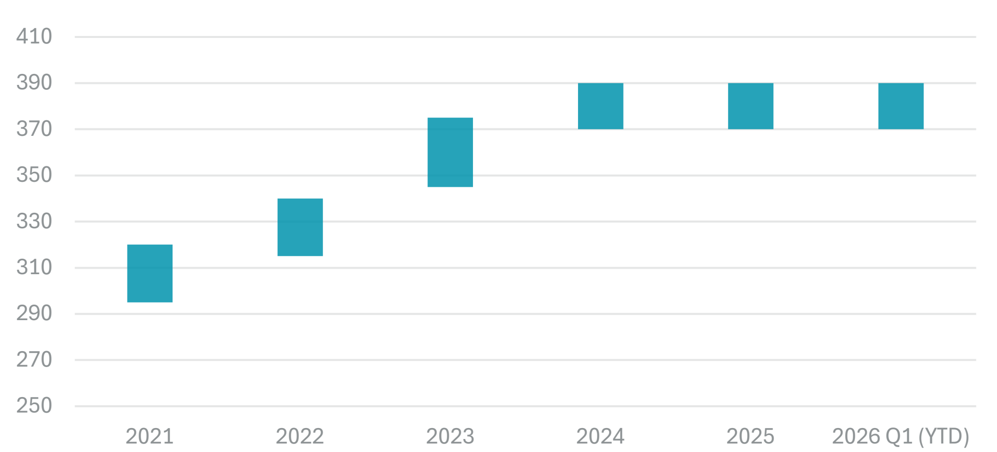
Source: Eurostat

TAKE-UP VOLUME BY QUARTER



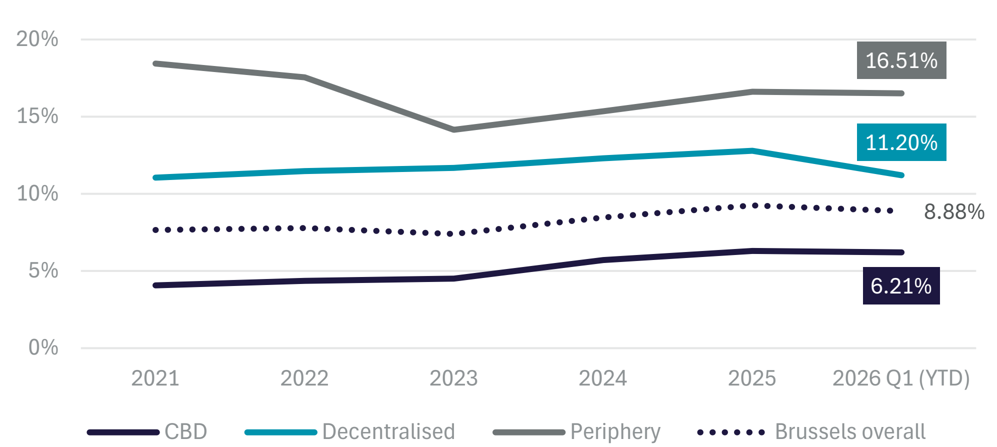
Source: Cushman & Wakefield

PRIME RENT RANGE CBD (€/SQ M/YEAR)



Source: Cushman & Wakefield

VACANCY RATE BY MARKET



Source: Cushman & Wakefield

MODERATE START TO THE YEAR WITH POSITIVE UNDERLYING OCCUPIER SENTIMENT

Office take-up in Brussels reached **32,100 sq m in Q1 2026 across 39 recorded transactions**, positioning the quarter below the 10-year average for first-quarter activity. Despite the lower volume, **market dynamics and occupier sentiment were relatively positive**, with a steady flow of activity.

Demand in Q1 was primarily driven by **private sector occupiers**, while take-up from **public entities**, including government bodies and EU institutions, remained limited. Activity from these occupiers is not expected to pick up in the coming quarter, but rather towards the end of the year. Looking ahead, decision-making processes may lengthen in the next quarter, as occupiers adopt a more cautious stance in the light of ongoing geopolitical uncertainty.

In terms of transactions, the largest deal of the quarter was signed by **Eubelius**, which will relocate to the **Luxia building** for approximately 5,700 sq m, significantly contributing to activity in the Centre district. In addition, the **World Bank** secured nearly 2,400 sq m in the same building. These transactions underline the continued **flight-to-quality trend**, with larger occupiers focusing on grade A assets in prime locations.

PRIME RENTS REMAIN STABLE WITH UPWARD PRESSURE IN THE AIRPORT DISTRICTS

Prime rents in the CBD remained stable in Q1 2026, holding within **the €370-390/sq m/year range.** Transaction activity in premium buildings within the prime Leopold district remained limited during the quarter, providing no clear support for an upward movement in prime rental levels.

That said, market talk around the **€400/sq m/year threshold** is growing. There are signals that the very best boutique spaces (small, highly specified units in top locations) are occasionally trading at that level. However, with deal flow remaining thin, €400 is not yet a consistently achievable rent, and there is little to suggest that will change in the coming quarter.

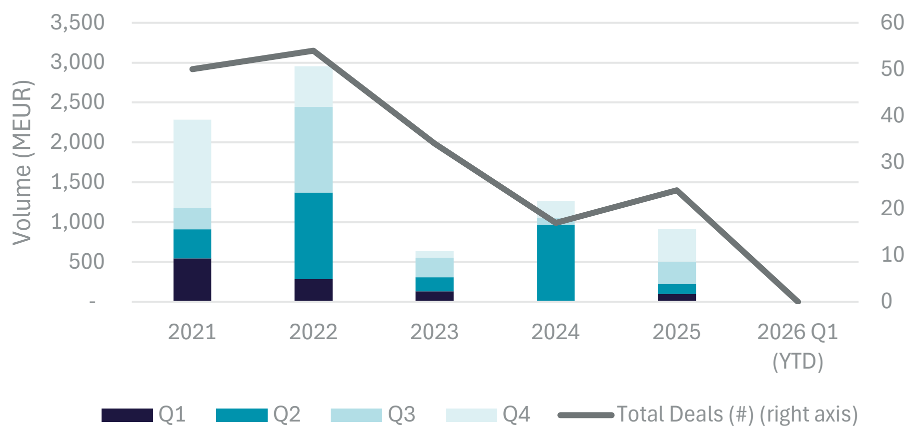
At the same time, **average rental levels** increased over the quarter, partly reflecting a smaller average deal size, as higher rents are typically achievable for more limited surfaces.

Another positive trend was observed in the **Airport district**, where recent commercialisations are structurally achieving higher rental levels. Prime rents in this submarket are now assessed at **€180-200/sq m/year range,** with potential for an even **further increase towards €190-210/sq m/year** in the short term.

OUTLOOK

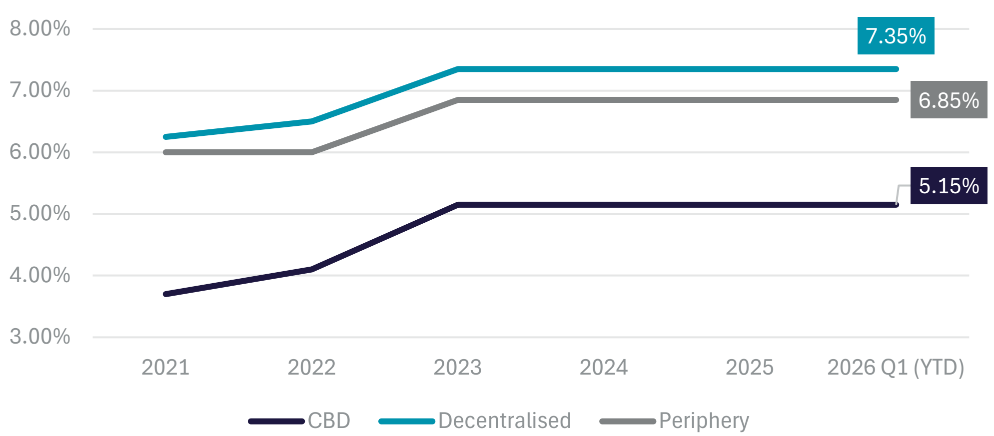
- Geopolitical tensions are expected to continue driving volatility in energy markets, adding **uncertainty to the economic outlook**.
- Risks of **slower growth** combined with persistent **inflation** remain, keeping monetary policy decisions finely balanced.
- **ECB interest rates** are expected to remain stable in the short term, though financing conditions may stay tight given elevated **long-term bond yields**.
- **Occupier activity** is expected to remain steady but **cautious**, with longer decision-making processes in the coming quarter.
- **Take-up** is likely to be supported mainly by **private sector** demand, while **public sector** activity may pick up towards year-end.
- **Investment** activity is expected to remain **limited in the short term**, with a gradual recovery in transaction volumes potentially emerging later in the year, subject to economic conditions.

INVESTMENT VOLUME BY QUARTER



Source: Cushman & Wakefield

PRIME YIELDS BY MARKET



Source: Cushman & Wakefield

PIPELINE WITH CONCENTRATED FUTURE SUPPLY IN 2026

Looking ahead, the **development pipeline for 2026** is estimated at approximately **180,000 sq m**, with new supply concentrated in the **Leopold and Centre districts**, as well as the **Airport area**. A significant share of this pipeline remains available for letting, reflecting a predominantly speculative development profile. Overall, pipeline volumes in terms of total surface remain broadly in line with previous years, even though highly concentrated in a limited number of districts. At the same time, **uncertainty surrounding construction and fit-out costs remains**, which may continue to influence both development activity and occupier decision-making.

EXCEPTIONALLY QUIET START TO THE YEAR ON THE INVESTMENT SIDE

Investment activity in the Brussels office market was exceptionally **limited in Q1 2026**, with no transactions recorded in the Brussels districts during the quarter. While early-year activity is often seasonally quiet, this marks an unusually slow start. The absence of completed deals reflects a combination of ongoing geopolitical uncertainty and continued caution of investors in the office sector. Investment activity is likely to stay modest next quarter, with only a few deals in the pipeline. A **more regular flow of transactions** can be expected towards the end of the year, depending on how the economic situation develops.

In this context, **prime yields** remain stable, pending further transaction evidence.

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 Q1 2026

PROPERTY	SUBMARKET	OCCUPIER	GLA (SQ M)	DEAL TYPE
Luxia	Centre District	Eubelius	5,700	Letting
Luxia	Centre District	World Bank	2,400	Letting
Pericles	Leopold District	CREG	2,700	Letting

KEY INVESTMENT TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	SELLER / BUYER	GLA (SQ M)	PRICE (MEUR)
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-				
-				

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

ANNECHIEN VEULEMANS
Associate I Research
annechien.veulemans@cushwake.com

VINCENT VANDERSTRAETEN
Partner I Head of Capital Markets
vincent.vanderstraeten@cushwake.com

MAXIMILIEN MANDART
Int. Partner I Head of Office Agency
maximilien.mandart@cushwake.com

GREGORY LAMARCHE MRICS
Partner I Head of Valuations & Advisory
gregory.lamarche@cushwake.com