



**AT A GLANCE
Q1 2020**

BRUSSELS OFFICE MARKET

While the office market in the European capital is showing robust indicators from both the occupier and investment markets, the first quarter ended in fog.

OCCUPIER MARKET

Office take-up in Brussels office market ended the first quarter at a level of 80,100 sq.m. Although this figure may appear low, the take-up level remains in line with historical data for a typical first quarter without any exceptional transactions. The impact of the current health crisis has been limited to the transacted volume during the late part of Q1. The effects on the whole occupier market, and in particular on office demand, will be more visible in the coming months.

There were 82 transactions recorded in the first three months, indicating a positive activity, even slightly above the 5-yr quarterly average. The segment below 1,000 sq.m has seen an increase in the number of recorded deals, representing 4 transactions out of 5.

With 17 transactions between 1,000 and 5,000 sq.m, this segment of the market also maintained activity in comparison with the average figures. In contrast, no signatures above 10,000 sq.m occurred during the first 3 months.

The two largest deals of the quarter came from the private sector and located in the Decentralised area. They are the pre-letting of 7,000 sq.m in the Serenity Valley office by several entities of the construction group, CFE, and a new

lease contract by Electrolux for 6,409 sq.m.

The public sector accounted for 26% of Q1 take-up. The notable transactions were the 5,859 sq.m let by the African, Caribbean and Pacific Group of States in Aqueduc 118 in Louise area.

Of an office stock of 13.25 million sq.m, 929,000 sq m are immediately vacant at the end of the 1st quarter. This level translates to a vacancy rate of 7.0%, slightly down from the previous period. The drivers of supply erosion remained unchanged: the combination of limited speculative delivery and the conversion of buildings to alternative use.

The vacancy rate within the CBD market continued its downward trend and stood at 3.0%. Only the North district has seen its availability increase, resulting from the completion of the new Allianz HQ of which a surplus 6,000 m² is available for rent.

The vacancy rate in the Decentralised area and Periphery ended the first period at 11.2% and 18.1% respectively.

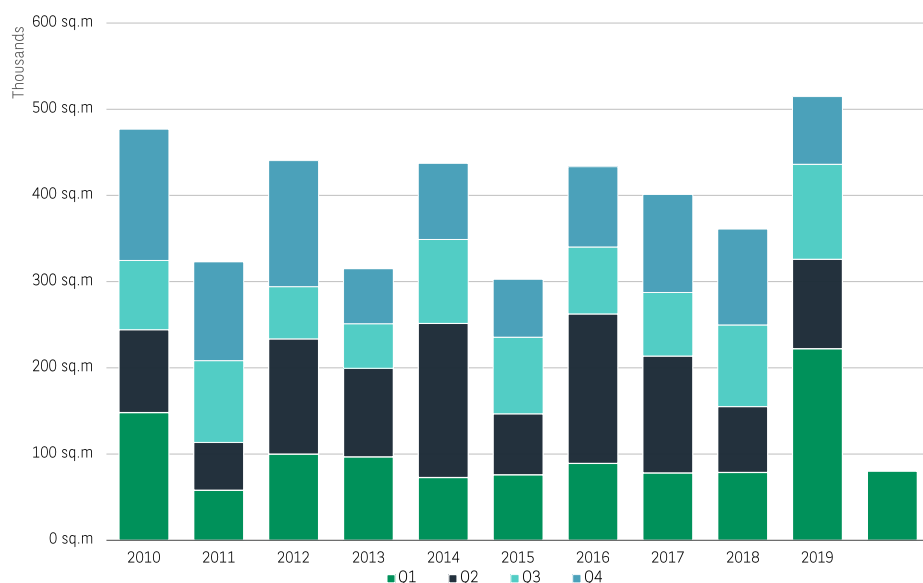
The development pipeline scheduled in 2020 and 2021 is currently estimated at 518,400 sq.m, of which 224,200 sq m is without commitment. The notable schemes with vacancy planned for completion before the end of the year are the

Manhattan Centre and the Gare Maritime in North district. However, several speculative projects could be postponed until the market returns to normal.

Over Q1, the rental values for Brussels office market remained little changed with a headline prime rent at € 315/sq.m and an average at € 168/sq.m.

However, the North district saw its prime rent increase during this three first months and is currently trading at €270/sq.m. This increase was the result of an office demand favouring space with high quality standards.

OFFICE TAKE-UP



80,100 SQ.M

OFFICE TAKE-UP



315 €/SQ.M

PRIME RENT



7.0%

VACANCY RATE

MAIN OFFICE TRANSACTIONS— 2020

Date	Building	Transaction	Surface (sq.m)	Tenant	District
Q1 2020	Avenue Van Nieuwenhuysse 2 - 6,1160 Brussels	Pre-Let	7.000	CFE	Dec. South-East
Q1 2020	Da Vinci Park - Rue de la Fusée 40,1130 Brussels	Letting	6.409	Electrolux	Dec. North-East
Q1 2020	Rue de l'Aqueduc 118,1050 Brussels	Letting	5.859	African, Caribbean and Pacific Group of States	Louise
Q1 2020	Schaarbeeklei 198,1800 Vilvoorde	Sale	5.646	Politiezone Vilvoorde-Machelen	Periphery North-West
Q1 2020	Excelsiorlaan 8,1930 Zaventem	Sale	4.500	Digital Office Centre	Periphery Airport
Q1 2020	Manhattan Center - Avenue du Boulevard 21,1210 Brussels	Pre-Let	3.600	Yara	North
Q1 2020	Rue de France 97,1070 Brussels	Letting	3.300	Commune d'Anderlecht	South
Q1 2020	Omega Court - Avenue Jules Cockx 8,1160 Brussels	Letting	3.102	Stanley & Stella	Dec. South-East
Q1 2020	Avenue de Tervueren 142,1150 Brussels	Letting	2.182	Police Locale	Dec. South-East
Q1 2020	Rue de la Loi 23,1040 Brussels	Letting	1.300	Chambre de Commerce Française	Leopold

INVESTMENT MARKET

CRE Investment volume in Belgium recorded its highest quarterly level with a € 2.115 billion invested. The Brussels office segment accounted for €1.757 billion.

The main factor behind this unprecedented start was the acquisition of Finance Tower by Meritz Securities for €1.2 billion. The office building, totalling 110,000 sq.m of office space, is fully let by the Belgian state in the long term. The market also saw other notable transactions over the first quarter.

Two additional large transactions occurred during the first quarter of the year, Real has acquired the Platinum in the Louise district for an investment volume of €145 million, and Buysse & Partners invested €90 million to buy the Glaverbel building in quadrant South-East of the decentralised area.

Prime yields remained stable at 3.90% for standard leases. For long-term leases, the prime yield maintained at 3.50%, although renewed compression will occur over the coming months.



€ 1,76 BN

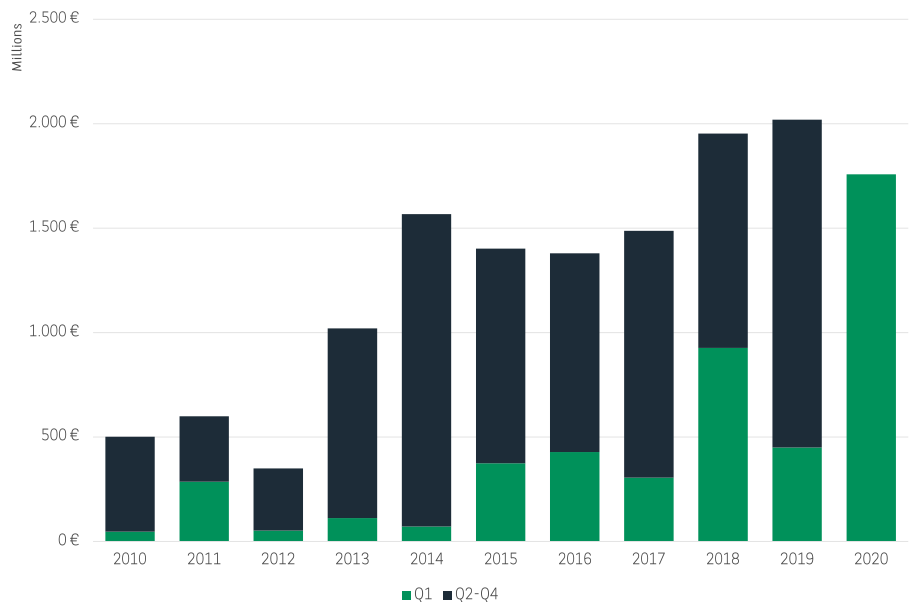


3.90%

**INVESTMENT VOLUME
BRUSSELS OFFICE MARKET**

PRIME YIELD

INVESTMENT VOLUME IN BRUSSELS OFFICE MARKET



MAIN INVESTMENT TRANSACTIONS - 2020

FINANCE TOWER

Bld du Jardin Botanique 50, 1000 Brusse
City Center
110,000 sq.m
€ 1.2 BN
Valesco



PLATINUM

Avenue Louise 223-247, 1050 Brussels
Louise district
23,700 sq.m
€ 145 M
REAL IS



GLAVERBEL

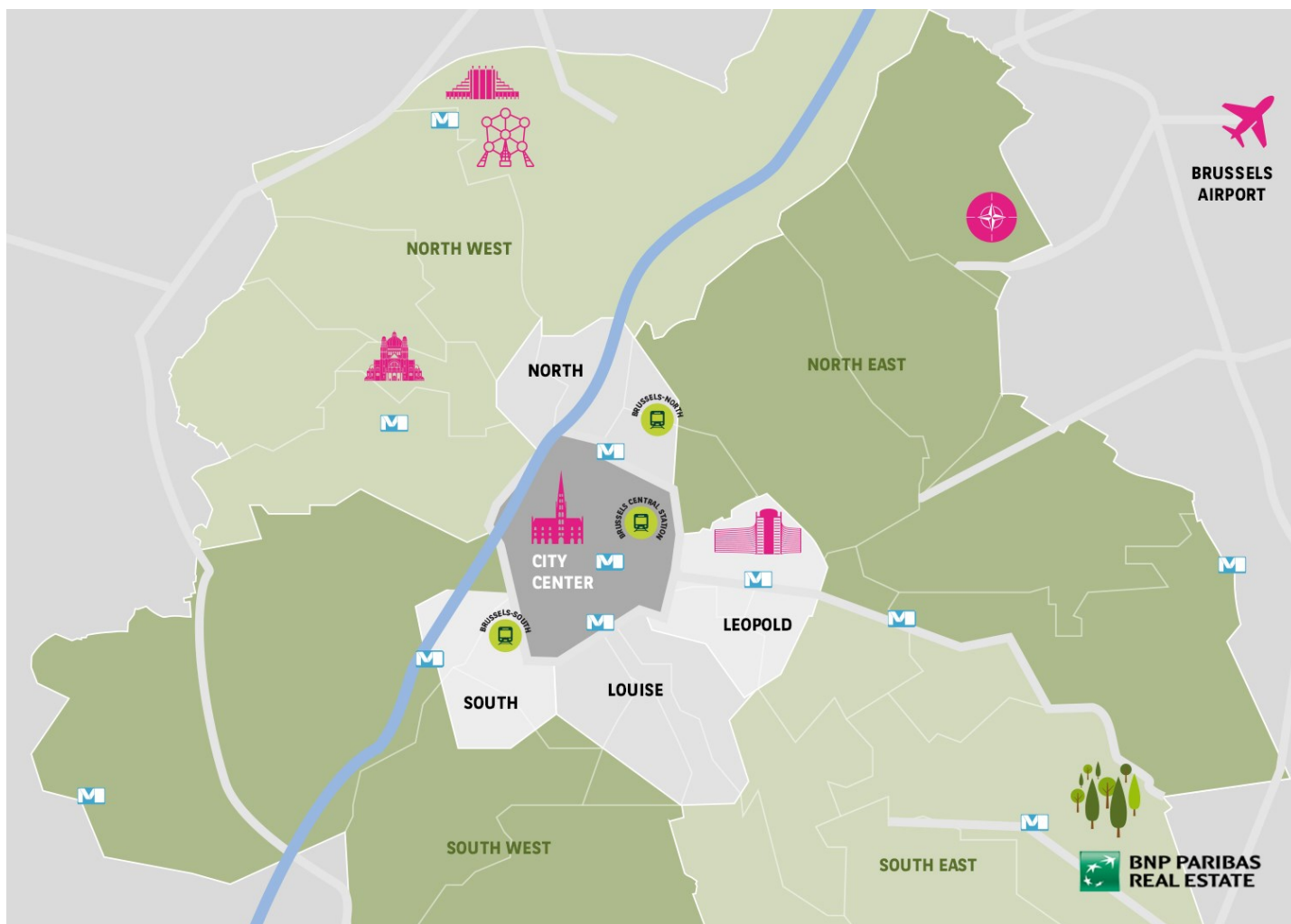
Ch. de La Hulpe 166, 1170 Brussels
Decentralised South-East
31,000 sq.m
€ 95 M
Buysse & Partners



THE BRIDGE

Ch. de Mons 1424,1070 Brussels
Decentralised South-West
35,300 sq.m
€ 88 M
Investcorp





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