



**AT A GLANCE
Q4 2020**

BRUSSELS OFFICE MARKET

WHILE LEASING ACTIVITY EXPERIENCED DECLINE, THE INVESTMENT MARKET ENDED 2020 AT ITS HIGHEST LEVEL EVER

OCCUPIER MARKET

The occupier market experienced an earthquake in 2020 with profound questioning of the purpose of office space when home-based work operates on a large scale. The new working methods may encourage companies to review their real estate strategy with one commonality: reducing the need for space.

However, as the year showed, it became clear that the company building plays a significant and unavoidable role in business, especially maintaining cultural cohesion in organisations. The new norms coming out of reviews will affect the volume of space transacted in the market. Yet what seems certain is the need for properly specified space will be the primary driver of office demand and lead leasing activity over the coming months.

In this new context, leasing activity saw office take-up decline to 316,100 m² over the last twelve months, which corresponds to a 24% fall compared to the average over five years. By contrast, the number of transactions recorded only a 10% decrease versus the 5-yr average.

In 2020, the corporate sector, favouring office space in the prime segment, remained the main driver of leasing activity, accounting for 69% of total take-up. Two key deals in Q4 including the marketing company, WPP pre-let 8,217 sq.m in the project Victoria Tower in the North district while

Puilaetco decided to rent 4,468 sq.m in the Souverain 23-25 project.

The public sector also resumed activity during the final quarter exemplified by the letting 7,000 sq.m by Brussels formation in the Gare Maritime in the tour & taxis site. Annual take-up from the public segment reached 98,300 sq.m.

Letting slowdown means the vacancy rate returned to an upward trend during the last three months and ended the year at 7.5%, reflecting an immediate void of 995,500 sq.m. The upward movement resulted from office buildings released into the market in Q4 with notable examples including the 24,489 sq.m of City Center and the 12,085 sq.m of Waterside building in the North district. These two office buildings were vacated by public entities.

The immediate consequence of those actions meant the City-centre and North submarkets saw an increase in their vacancy rate to 3.6% and 5.0% respectively. The Leopold district's vacancy rate remained low at 2.7% versus 3.8% a year earlier.

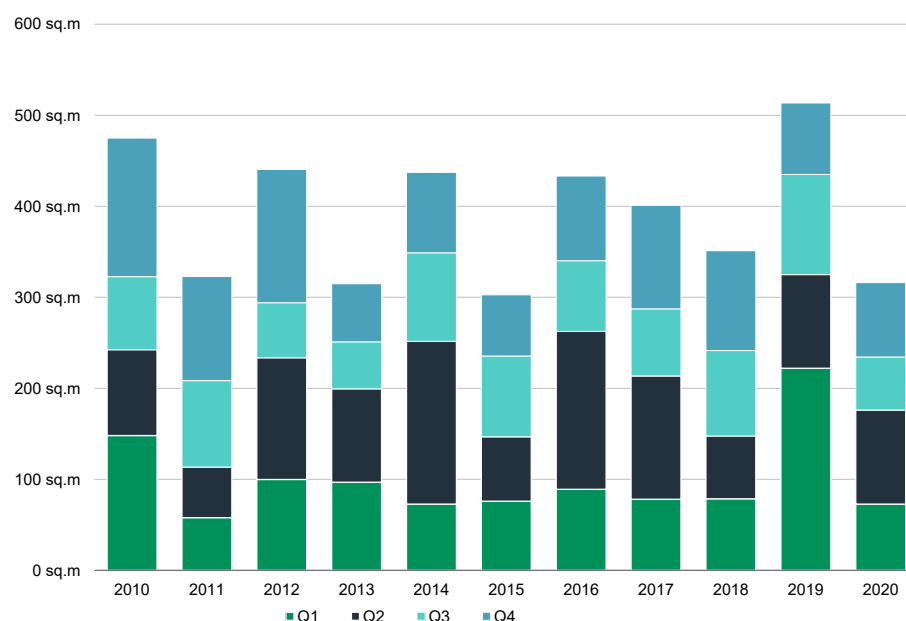
The vacancy rate in the Decentralised area and Periphery ended the period at 11.2% and 19.0%.

The speculative pipeline scheduled in 2021 is estimated at

175,400 sq.m and concerns mainly large-sized buildings. The notable schemes include Mobyüs II (32,600 m²), Quatuor (61,200 sq.m) in the North district, Mult-Tower (39,750 sq.m) in the City Center, Copernicus (13,000 sq.m) & Monteco (3,900 sq.m) in the Leopold district.

Brussels office market's rental values remained unchanged with the prime headline rent at € 315/sq.m and the average at € 171/sq.m. While no decrease in the headline prime rent is forecast in the coming periods, changes in the second-hand segment are likely. In the same time, and

OFFICE TAKE-UP



316,100 SQ.M

OFFICE TAKE-UP



315 €/SQ.M

PRIME RENT



7.5%

VACANCY RATE

MAIN OFFICE TRANSACTIONS

Date	Building	Transaction	Surface (sq.m)	Tenant	District
Q2 2020	The One - Rue de la Loi 107-109,1040 Brussels	Letting	30,658	European Commission	Leopold
Q2 2020	Commerce 46 - Rue du Commerce 46,1040 Brussels	Pre-Let	14,200	ING	Leopold
Q2 2020	Belmont Court - Rue Belliard 51-55,1040 Brussels	Letting	13,263	EEAS - European Union External Action	Leopold
Q4 2020	Victoria Tower - Square Victoria Regina 1,1030 Brussels	Pre-Let	8,217	WPP	North
Q4 2020	Gare Maritime - Rue Picard 7-13,1000 Brussels	Letting	7,900	Bruxelles Formation	North
Q2 2020	Art Building - Avenue des Arts 20,1000 Brussels	Sale	7,148	Confédération de la Construction	Leopold
Q1 2020	Serenity Valley Office - 6,1160 Brussels	Pre-Let	7,000	CFE	Dec.South-East
Q3 2020	Excelsiorlaan 75,1930 Zaventem	Letting	6,414	TBWA Belgium	Periphery Airport
Q4 2020	Excelsiorlaan 44-46,1930 Zaventem	Sale	5,997	Digital Office Centre	Periphery Airport
Q1 2020	Rue de l'Aqueduc 118,1050 Brussels	Letting	5,859	African, Caribbean and Pacific Group of States	Louise

INVESTMENT MARKET

The commercial real estate investment volume in Belgium reached its highest-ever performance with an Investment of €5.81 billion, of which 53% were invested in the Brussels office market. Thanks to a historically strong first quarter, the Brussels office marketplace saw its investment volume climb to €3,1 billion.

As usual, the activity in the final quarter was sustained with the closing of several large transactions. The largest deal was the acquisition of Visio building in the North district for €185 million by Savills IM. Cofinimmo acquired the IBGE office building located in the North district for an announced investment volume of €100 million.

Faced with the financial markets' volatility, commercial real estate has reinforced its character as a safe-haven value. Investors have indeed adopted more defensive strategies but without a marked distrust of real estate as a whole.

Lead by investors, the prime yield for core assets remained stable at 3.90% for standard leases. For long-term contracts, the prime yield continued to be traded at 3.25%.



€ 3,11 BN

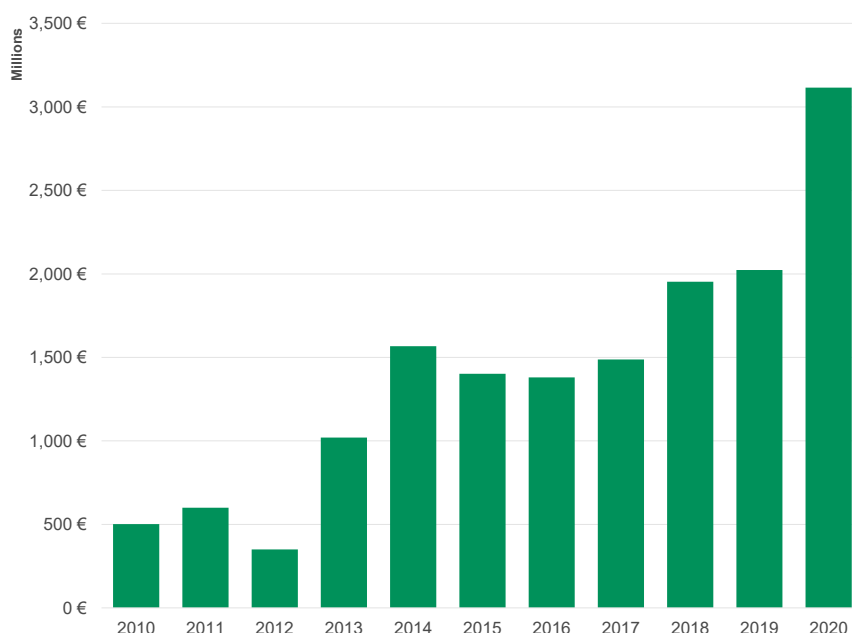
INVESTMENT VOLUME BRUSSELS OFFICE MARKET



3.90%

PRIME YIELD

INVESTMENT VOLUME IN BRUSSELS OFFICE MARKET



MAIN INVESTMENT TRANSACTIONS

FINANCE TOWER

Bld du Jardin Botanique 50, 1000 Brussels

City Center

110,000 sq.m

€ 1.2 BN

Valesco



SILVER TOWER

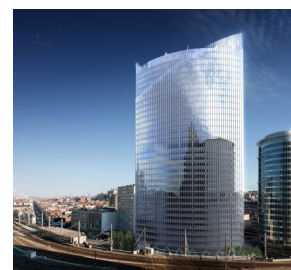
Place Saint-Lazare 3, 1210 Brussels

North district

41,000 sq.m

€ 210 M

DEKA Immobilien



VISIO

Boulevard du Roi Albert I, 1210 Brussels

North District

34,004 sq.m

€ 185 M

Savills Investment Management



PLATINUM

Avenue Louise 223-247, 1050 Brussels

Louise district

23,700 sq.m

€ 145 M

REAL IS



