



AT A GLANCE  
Q1 2022

## BRUSSELS OFFICE MARKET

# A QUIET FIRST QUARTER

### OCCUPIER MARKET

After the impressive rally observed during the final quarter of 2021, take-up of office space in the Brussels started the year on a minor note. Aggregate volume reached 74,500 sq.m for Q1, below the quarterly average, and dragged down by the absence of transactions above 10,000 sq.m that characterised last year's market.

Attracting 48% of the take-up volume, the Periphery has been most dynamic area during the first three months of the year. The largest deal was at the Corporate Village in Zaventem, where Carrefour decided to establish its new headquarters. The company will occupy 7,400 sq.m in the Bayreuth building. The second notable transaction was the 6,300 sq.m let by an international organization in the Parc de Alliance located in the southern part.

Within the CBD market take-up accounted for 38% of demand. The main transaction was the leasing by Veolia of 4,800 sq.m at boulevard Poincaré 78/79 in the south district.

In parallel, the market experienced an increase in renegotiation transactions including the reletting of 25,000 sq.m occupied by the federal police in the Crown Avenue. The second largest was the renegotiation of 7,000 sq.m by the energy company, ENI, in the Guim'Art building in the European district.

At the end of March, the immediate supply in the Brussels office market was 1,079,600 sq.m translating a vacancy rate

of 8.0%. While this overall level remained unchanged, the vacancy rate within the different districts continues to evolve differently influenced by speculative delivery or by sublease availability.

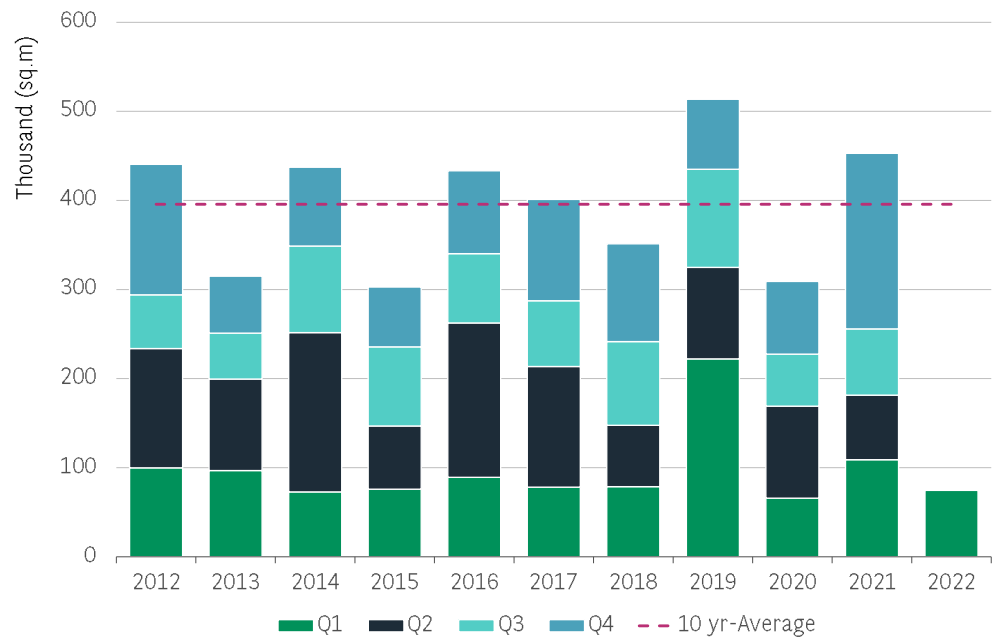
The office vacancy rate in the CBD increased by 30bps over the previous quarter and stood at 4.0% at the end of Q1. While the Decentralized area recorded a decrease in the immediate supply, the periphery saw its vacancy rate increase slightly. The main increase was visible in the City-Centre, +70 bps, impacted by the 15,000 sq.m refurbished Régence 52-54 coming to market. The North district recorded also growth of immediate supply resulting from the 36,000 sq.m sublease by Engie in their headquarters. These two districts ended the quarter respectively at 3.9% and 6.7%. The vacancy ratio in the Leopold and Louise districts remained unchanged.

Over the rest of the year, some 133,100 sq.m are scheduled to come into the market of which 38% without pre-commitment. In the CBD, the main schemes planned are Commerce 46 of Allianz in the Leopold District - 13,800 sq.m - totally available for sublease. The second is the 7,000 sq.m Belnine developed by Kairos in the Leopold District. In the airport, the Onyx Building - 16,000 sq.m - as a part of the large project Park 7 in Diegem is expected to be delivered in Q3.

## OFFICE TAKE-UP

Over the last three months, the prime rental values remained stable compared to the previous quarter. Currently, the headline rents for prime office units are trading at 320 euro/m<sup>2</sup>/yr

By contrast, the average rent, impacted directly by the low take-up in prime segment during this first quarter, exhibited a slight decrease and reached 168 euro/m<sup>2</sup>/yr.



**74,500** SQ.M

OFFICE TAKE-UP



**320** €/SQ.M

PRIME RENT



**8.0%**

VACANCY RATE

## MAIN OFFICE TRANSACTIONS

Date	Building	Transaction	Surface (sq.m)	Tenant	District
Q1 2022	Corporate Village - Bayreuth - Leonardo da Vincilaan 9, 1930 Zaventem	Letting	7.400	Carrefour	Per. Airport
Q1 2022	Parc de l'Alliance E- Place du Luxembourg 4, 1420 Braine-l'Alleud	Letting	6.237	Confidential	Per. South
Q1 2022	Airport Garden - Bessenveldstraat 23, 1831 Diegem	Letting	6.125	Bogaerts International School	Per. Airport
Q1 2022	Boulevard Poincaré 78/79, 1060 Brussels	Letting	4.785	Veolia	South
Q1 2022	Rue de la Source 15, 1060 Brussels	Letting	3.542	Actiris	Louise
Q1 2022	Marquis Building - Rue du Marquis 1, 1000 Brussels	Letting	3.164	Single Resolution Board	City-Centre
Q1 2022	Southgate - Avenue Gustave Demey 66, 1160 Brussels	Sale	3.104	Eiffage Benelux	Dec. SE
Q1 2022	Excelsiorlaan 36, 1930 Zaventem	Sale	2.940	RIM Partners	Per. Airport
Q1 2022	Central Plaza - Rue de Loxum 25, 1000 Brussels	Letting	2.400	Bpost Cross-border	City-Centre
Q1 2022	Guido Gezellestraat 123, 1654 Huizingen	Letting	1.900	Derbigum	Per. SW

## INVESTMENT MARKET

The commercial real estate investment market in Belgium amounted to €1,34bn of which €578 M were invested in the Brussels office market. While this level confirmed the positive trend initiated during the previous quarter, the scarcity of ESG products remains the main obstacle.

Several trophy buildings have recently hit the market, listed at premium prices as interest rates remain historically low and investors continue

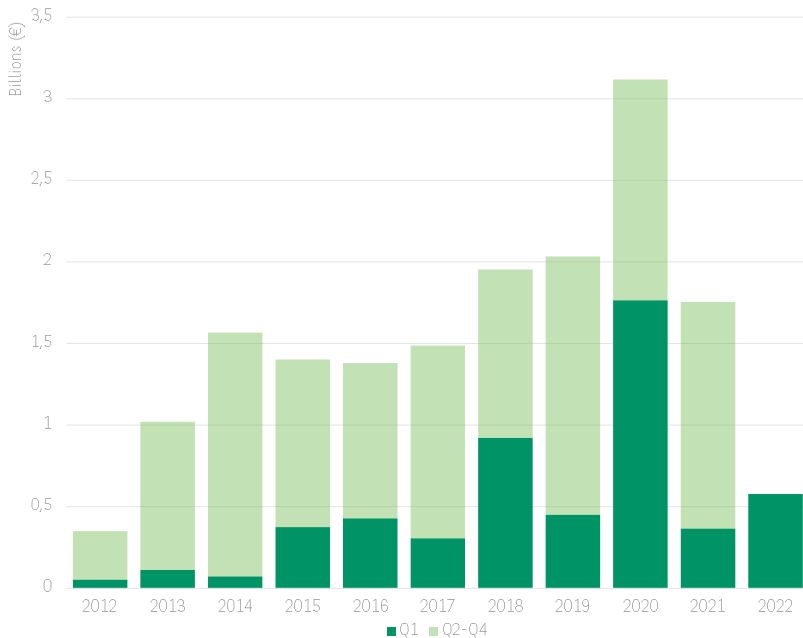
to seek out yield. Increasing confidence in tenants returning to the office seems to be driving investor bullishness and an upward pricing trajectory in the office market. The premium commanded by these trophy assets highlights the bifurcation between newer and older properties, as the overall flight to quality by occupiers should continue in 2022

The main transaction of the quarter was the acquisition of Proximus Tower

by the Belgian developer Immobel for an announced volume of €185M. The second notable transactions was the acquisition of the Regent portfolio consisting of five office buildings by Tristan Capital in partnership with Whitewood for an estimated volume of €85M.

The prime yield for a 6/9-year lease remains stable at 4.50%.

## INVESTMENT VOLUME IN BRUSSELS OFFICE MARKET




**€ 578 M**

INVESTMENT VOLUME  
BRUSSELS OFFICE MARKET

## MAIN INVESTMENT TRANSACTIONS

### PROXIMUS TOWERS

Bld du Roi Albert II 27, 1030 Brussels  
North  
105,000 sq.m  
€185 M  
Immobel



### REGENT PORTFOLIO

Bld du régent, 1000 Brussels  
Leopold  
19,500 sq.m  
€85 M  
Tristan Capital / WhiteWood



### PEGATECH

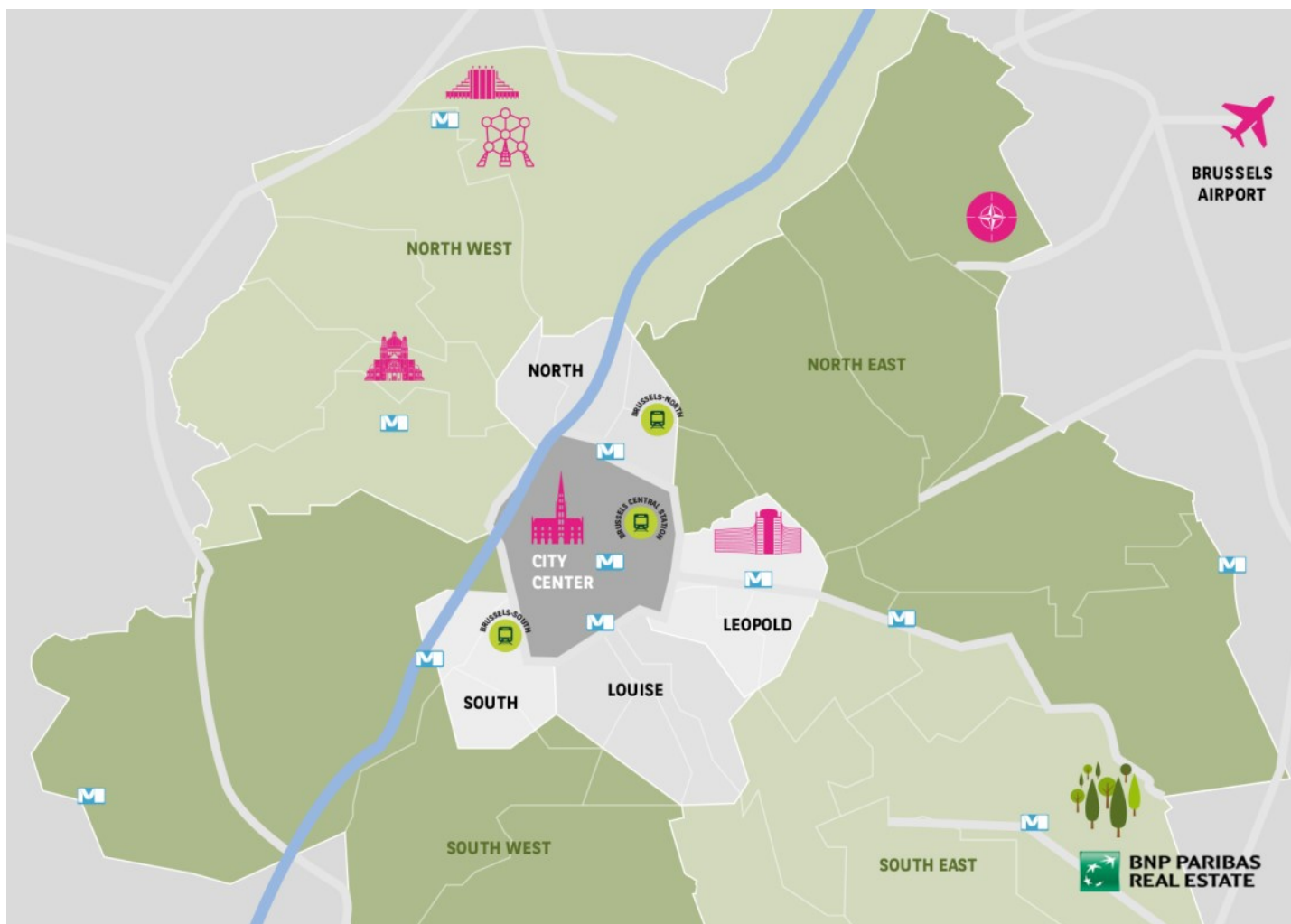
De Kleetlaan 2, 1831 Diegem  
Airport  
18,800 sq.m  
€30 M  
Eagelstone



### ROYALE 138

Rue Royale 138, 1000 Brussels  
City-Centre  
8,500 sq.m  
€24 M  
Eagelstone





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