



AT A GLANCE  
**Q4 2022**

## **BRUSSELS OFFICE MARKET**

# **COMMERCIAL REAL ESTATE INVESTMENT IN BELGIUM ENDED THE YEAR AT A RECORD VOLUME DESPITE A VOLATILE ENVIRONMENT**

### **OCCUPIER MARKET**

A decline in take-up marked 2022 as occupiers delayed leasing decisions with the adverse financial circumstances and high inflation.

Over the final quarter, 79,500 sq.m of office space was let bringing the annual volume at 282,700 sq.m. While total take-up stands far short of long-term averages, the number of transactions in the market increased and in line with the average for that metric.

As with the rest of the year, small sized deals mostly drove activity in Q4 with no large transaction (over 10,000 sq.m) recorded. The transaction segment below 1,000 sq.m accounted for 79% of deals in Q4 and 76% overall in 2022. Transactions between 1,000 and 2000 sqm account for 14% of take-up and the 10% between 2,000 & 10,000 sq.m.

The notable transactions this quarter were in the City center with the 4,800 sq.m pre-let by Partena Professional in Aria Building, the acquisition of 3,897 sq.m of Lombard 72 by the Parlement Bruxellois and the letting of 4,800 sq.m by BNP Paribas Asset Management in the Chancellerie.

The North district saw also some significant deals including the 3,630 sq.m leased by ONDRAF - NIRAS in Allianz Tower, the 2,042 sq.m let by Assuralia in Phoenix 2.0 and Triodos Bank letting 2,150 m<sup>2</sup> in Quatuor.

At the end of the year, the vacancy rate for the Brussels

market declined by 50 bps y-o-y to 7.5%. This reflects an immediate availability of 1,002,000 sq.m. of which 118,600 sq.m are considered as grade A. The drivers of gradual erosion of voids remain limited speculative deliveries and conversions of older or less competitive buildings.

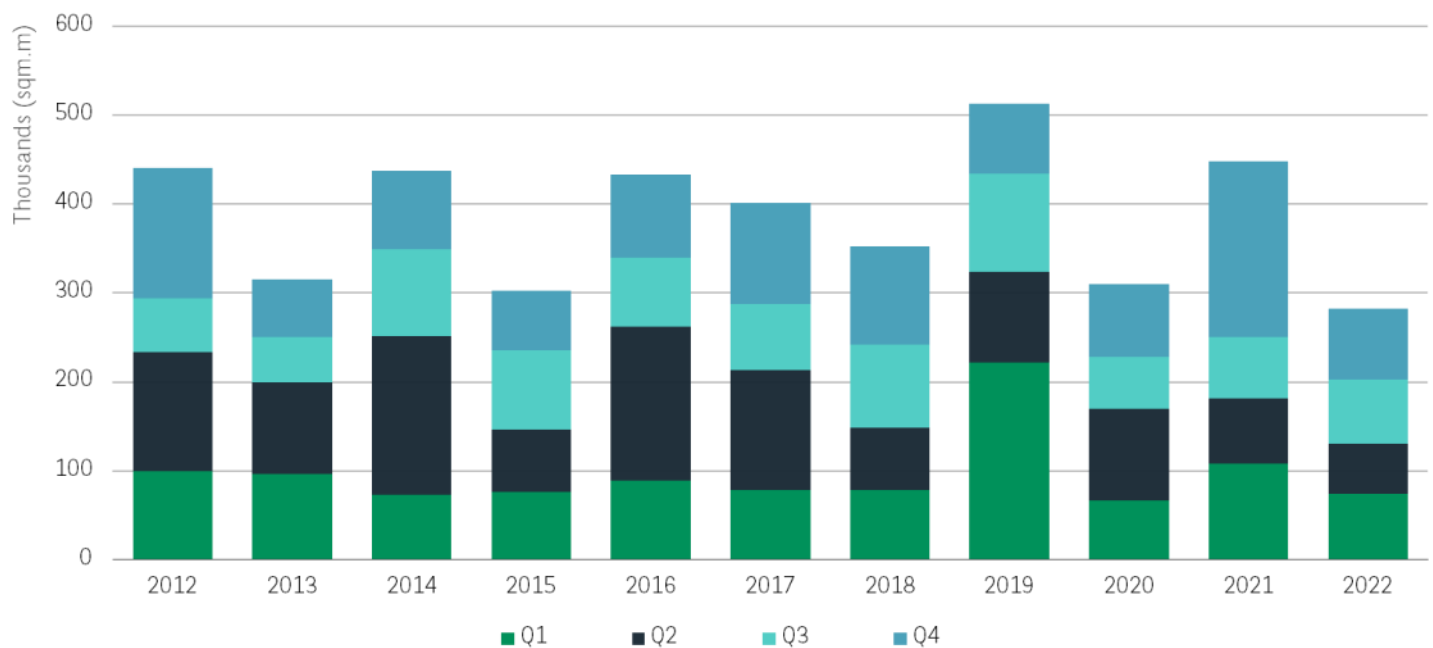
The vacancy rate within the CBD decreased just below the 4% mark to 3.9%, while the decentralized and periphery areas recorded downward pressure at 11.1% and 17.7%, respectively.

The pipeline for 2023 is currently estimated at 133,200 sq.m of which 87,900 sq.m (65%) without precommitment. The notable schemes include The Wings (35,100 sq.m) & the Meadow (13,500 sq.m) in the periphery district, Chancelier (13,500 sq.m) in the city-centre and the Precedent (7,800 sq.m) on the avenue Louise.

After the increase recorded in Q3, prime rental values stayed unchanged in Q4 at 330€/sq.m. By contrast, many buildings of lower quality and less well located witnessed some decline.

The level of commercial concessions remains high and polarized between prime and second-hand space. With new buildings, incentives are mostly unchanged, but for buildings suffering from a lack of attractiveness, they are increasing.

## OFFICE TAKE-UP



**282,700** SQ.M

OFFICE TAKE-UP



**330** €/SQ.M

PRIME RENT



**7.5%**

VACANCY RATE

## MAIN OFFICE TRANSACTIONS

Date	Building	Transaction	Surface (sq.m)	Tenant	District
Q2 2022	K-Nopy - Rue de Trèves 31-35, 1000 Brussels	Sale	8,200	Embassy of Netherlands	Leopold
Q1 2022	Corporate Village - Bayreuth - Leonardo da Vincilaan 9, 1930 Zaventem	Letting	7,400	Carrefour	Per. Airport
Q1 2022	Parc de l'Alliance - Pl. du Luxembourg 4, 1420 Braine-l'Alleud	Letting	6,237	Supreme Headquarters Allied Powers Europe (SHAPE)	Per. South
Q1 2022	Airport Garden - Bessenveldstraat 23, 1831 Diegem	Letting	6,125	Bogaerts International School	Per. Airport
Q3 2022	Radius - Excelsiorlaan 79, 1930 Zaventem	Sale	5,977	Workways	Per. Airport
Q2 2022	City Center - Boulevard du Jardin Botanique 22-24, 1000 Brussels	Letting	5,197	Citydev.Brussels	City-Centre
Q3 2022	Chancellerie - Rue de la Chancellerie 1, 1000 Brussels	Letting	5,003	Alpha Credit	City-Centre
Q4 2022	Chancellerie - Rue de la Chancellerie 1, 1000 Brussels	Letting	4,800	BNP Paribas Asset Management	City-Centre
Q4 2022	Aria - Ravenstein 36, 1000 Brussels	Pre-Let	4,800	Partena	City-Centre
Q1 2022	Boulevard Poincaré 78/79, 1060 Brussels	Letting	4,785	Veolia	South
Q2 2022	Crystal - Avenue de Cortenbergh 60, 1000 Brussels	Sale	4,245	Austrian Federal Economic Chamber	Leopold

## INVESTMENT MARKET

Commercial real estate investment in Belgium ended 2022 at a record volume of €8.8 bn. One of the largest indirect transactions included the acquisition by the Canadian asset manager Brookfield of BE-REIT Befimmo for an estimated investment value is €2.7 billion. Brussels office market accounted for 59% of the total volume.

During Q4, the largest transactions were the sale of the Hendrik Conscience building in the North by

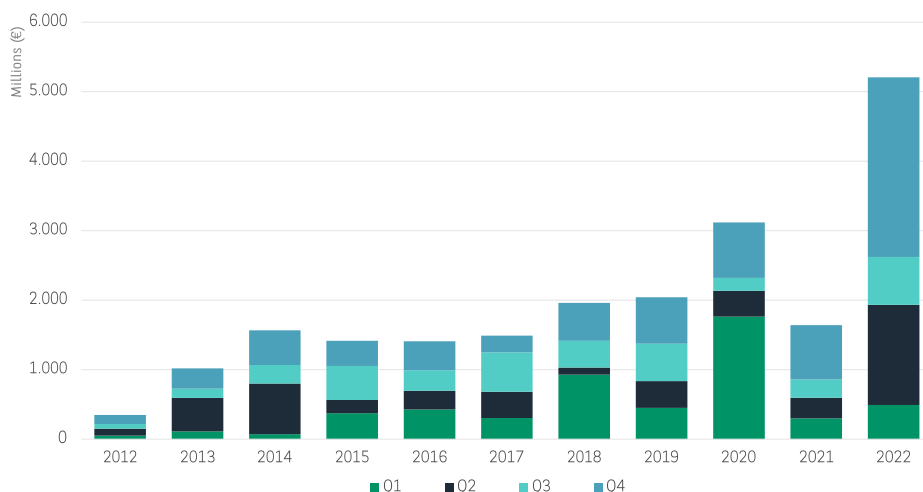
Axa REIM to Corum investments for €175 million, the acquisition of IT Tower in the Louise district by the JV between Alides and Cityforward and the sale of Onyx building Perial Asset management.

The tightening of central bank monetary policy with four successive increases in key rates shaped the market in 2022. The result was a rise in bond rates and mechanically in real estate rates of return.

Decompression affected all real estate assets to varying degrees. The Brussels prime yield increased by 60 bps for standard length leases and 45 bps for long-term leases.

For now, investors are navigating in an uncertain and volatile environment and Q4 witnessed a marked slowdown in investment activity. Market stabilization and reactivation of activity may follow the further rate increase expected in the first quarter of 2023.

## INVESTMENT VOLUME IN BRUSSELS OFFICE MARKET



**€ 5,205 BN**

INVESTMENT VOLUME  
BRUSSELS OFFICE MARKET

## MAIN INVESTMENT TRANSACTIONS IN 2022

### NORTH GALAXY

Bld du Roi Albert II 33, 1030 Brussels  
North  
104,900 sq.m  
€622 M  
KB Securities



### NORTH LIGHT & POLE STAR

Bld Simon Bolivar 34, 1000 Brussels  
North  
75,000 sq.m  
€400 M  
Whitewood Green Capital Fund



### EGMONT I & II

Rue des Petits Carmes 15, Brussels  
City-Centre  
51,300 sq.m  
€385 M  
UBP



### PROXIMUS TOWERS

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



