

**BELGIUM**

# Industrial Market Snapshot

Second Quarter | 2017



## MARKET INDICATORS

### Market Outlook

Prime Rents:	Stable outlook in most locations. A further increase in Brussels may occur in 2018.	▶
Prime Yields:	Stable outlook in all prime locations for the short- and medium term.	▶
Supply:	Falling. Speculative development is weak.	▶
Demand:	Expected to remain strong in semi-industrial markets. Logistics activity should pick up in the second half of the year, but not enough to replicate 2016 levels.	▶

### Prime Industrial Rents – June 2017

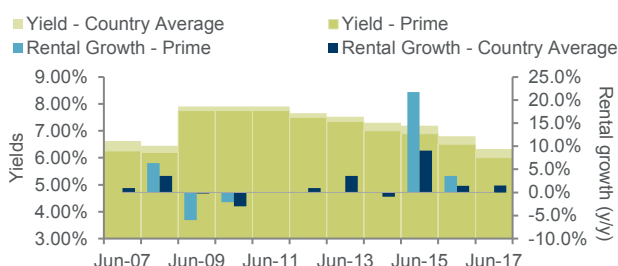
LOGISTICS LOCATION	€	US\$	GROWTH %	
	SQ.M YR	SQ.FT YR	1YR	5YR CAGR
Brussels	58.0	6.01	0.0	4.7
Antwerp	46.0	4.77	2.2	1.4
Liège	39.0	4.04	0.0	2.2
Genk	39.0	4.04	-7.1	2.2
MANUFACTURING LOCATION	€	US\$	GROWTH %	
	SQ.M YR	SQ.FT YR	1YR	5YR CAGR
Brussels	57.5	5.96	2.7	0.9
Antwerp	56.0	5.80	1.8	1.1
Liège	47.0	4.87	4.4	3.3
Ghent	44.0	4.56	-4.3	-2.5
Genk	38.0	3.94	0.0	-1.0

### Prime Industrial Yields – June 2017

LOGISTICS LOCATION (FIGURES ARE NET, %)	CURRENT	LAST	LAST	10 YEAR	
	Q	Q	Y	HIGH	LOW
Brussels	6.00	6.00	6.50	7.75	6.00
Antwerp	6.00	6.00	6.60	7.75	6.00
Liège	7.10	7.10	7.40	8.25	6.75
Genk	7.00	7.00	7.35	8.25	7.00

With respect to the yield data provided, in light of the changing nature of the market and the costs implicit in any transaction, such as financing, these are very much a guide only to indicate the approximate trend and direction of prime initial yield levels and should not be used as a comparable for any particular property or transaction without regard to the specifics of the property.

### Recent performance



## Overview

The momentum generated from the strong end to 2016 has spilled over into H1 2017. Backed by an improving labour market, the unemployment rate dropped to a new five-year low, around 6.9%, while strong economic activity in major trading partners boosts external demand. As a result, GDP growth should pick up to 1.6% this year and 1.5% in 2018. Inflation is forecasted at 2% for 2017 and 1.2% in 2018 while renewed accommodative ECB policy measures until end-2017 will also encourage investments.

## Occupier focus

Contrasting dynamics were at work. On the one hand semi-industrial buildings witnessed a good level of demand (208,000 sq.m) as is often the case. Golden Triangle districts were especially sought-after and Flanders registered two thirds of the demand. On the other hand logistics take-up was under past standards (154,000 sq.m) despite one of the largest transactions ever recorded (83,000 sq.m turnkey development). Deals in this segment were rare, and modestly-sized despite the 83,000 sq.m deal.

## Investment focus

In light of Leasinvest's strategy to dispose of its industrial assets, several long-awaited sales have materialised in Q2, including a €60m portfolio sale. Similarly, Intervest Offices and Warehouses ambition to increase the share of logistics assets within its portfolio has yielded another deal this quarter. Several further deals are awaited before the end of the year to further boost volumes.

## Outlook

Some large logistics deals are expected by the end of 2017 which will improve prospects for the second half of the year, while the semi-industrial segment should remain quite lively in light of decent economic forecasts. However the struggle to implement night-work will continue to remain a stumbling block in attracting net demand, especially from overseas.

This report has been produced by Cushman & Wakefield LLP for use by those with an interest in commercial property solely for information purposes. It is not intended to be a complete description of the markets or developments to which it refers. The report uses information obtained from public sources which Cushman & Wakefield LLP believe to be reliable, but we have not verified such information and cannot guarantee that it is accurate and complete. No warranty or representation, express or implied, is made as to the accuracy or completeness of any of the information contained herein and Cushman & Wakefield LLP shall not be liable to any reader of this report or any third party in any way whatsoever. All expressions of opinion are subject to change. Our prior written consent is required before this report can be reproduced in whole or in part. ©2017 Cushman & Wakefield LLP. All rights reserved.

**Bart Vanderhoydonck**

Head of Industrial Agency, Belgium  
 Avenue des Arts 56 Kunstlaan, B-1000 Brussels  
 Tel: +32 479 960 809  
[bart.vanderhoydonck@cushwake.com](mailto:bart.vanderhoydonck@cushwake.com)  
[cushmanwakefield.com](http://cushmanwakefield.com)