



## 2011 BRUSSELS

Office market report  
**Knight Frank**

### HIGHLIGHTS

- The take-up of office space in Brussels during 2010 came to 447,545 sq m. While this was a modest improvement on 2009's total, take-up remained 15% below the average level achieved over the last ten years.
- Office rents in the CBD remain under some pressure, with rental growth restricted to the best buildings in a small number of prime areas. Only well located, new, sustainable green buildings are able to reach rental levels above €300 per sq m per annum.
- The overall vacancy rate remains high at over 12%. There is nearly 1.7 million sq m of vacant office space in the city, though much of this is in older buildings or in secondary locations.
- The investment market remains fairly weak. Office investments in Belgium totalled €0.6 billion in 2010, slightly above the volume of 2009. Prime yields in central Brussels currently stand at 5.20% for offices with long term leases, and 6.00% for offices with standard (3/6/9 year) lease lengths.

# 2011 BRUSSELS

Office market report

## Brussels region

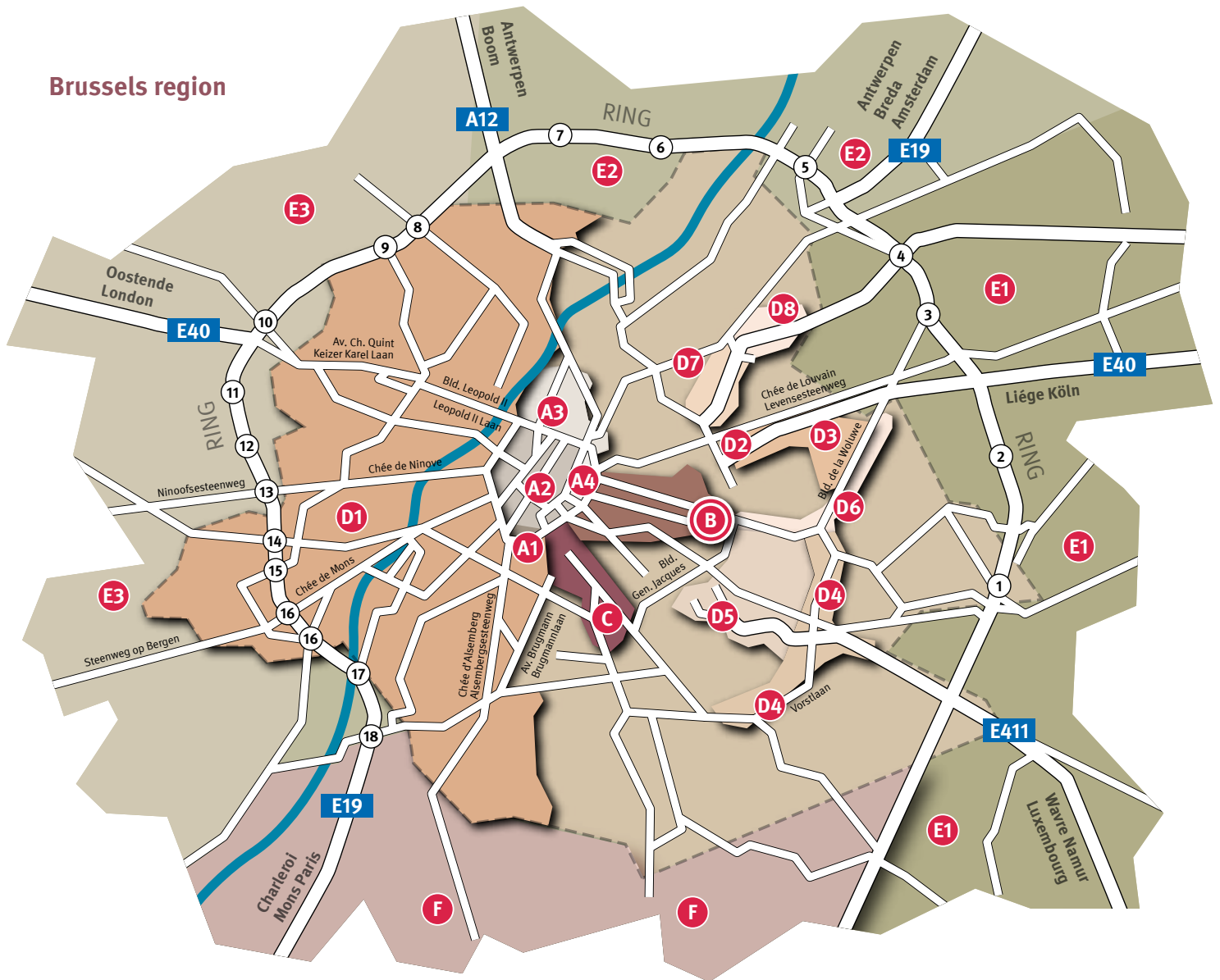


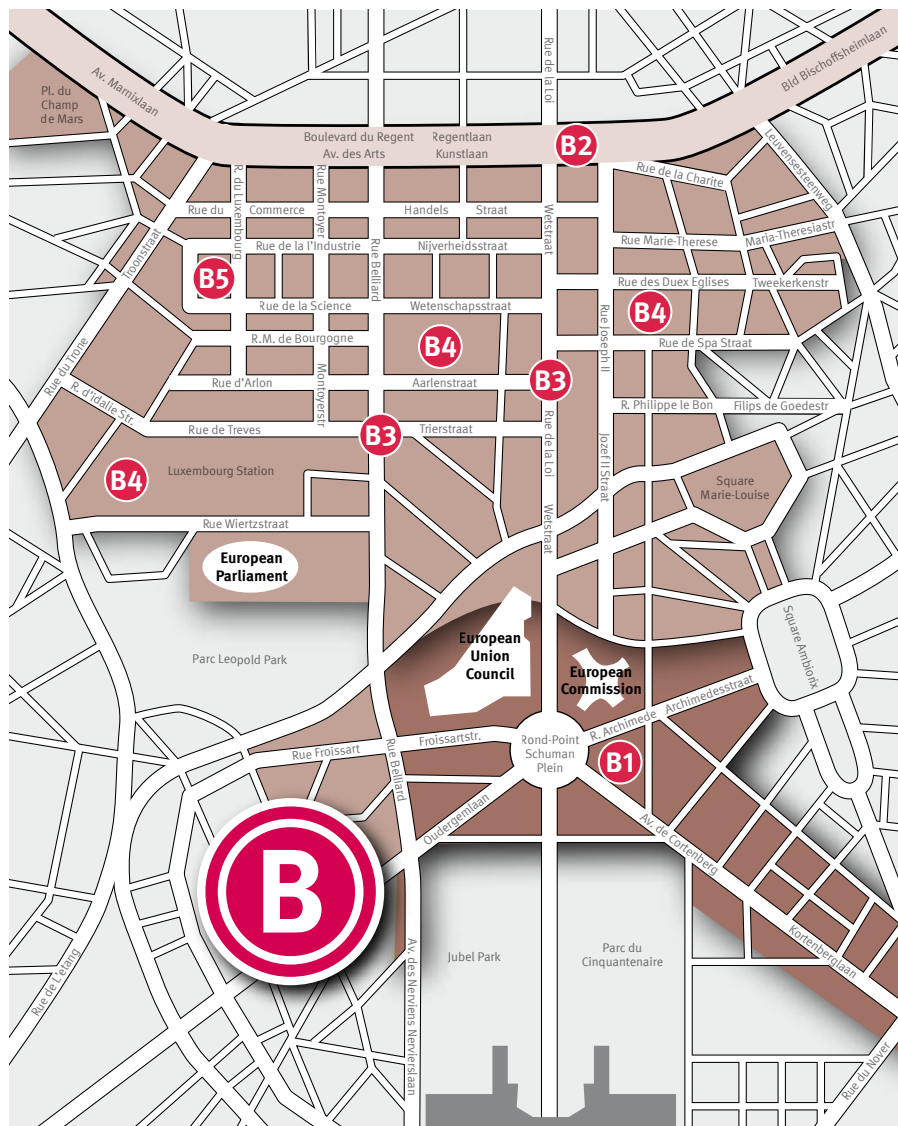
Table 1

### Key leasing transactions, 2010

Area	Property	Size (sq m)	Tenant	Asking rent (€/sq m/annum)
A3	Rue du Progrès 55, Boreal	35,793	BNP Paribas	170
A1	Avenue Fonsny, South City Offices	17,500	Infrabel	185
B1	Avenue de Cortenbergh, The Capital	8,334	EPSO (EU Personnel Selection Office)	230
D8	Rue de la Fusée 40, Da Vinci Park	8,242	Electrolux	145
A1	Avenue Fonsny, South Crystal	7,222	Infrabel	200
D1	Chaussée de Gand 1424, Bridge Building	6,500	L'Oréal	165
E1	De Kleetlaan, Pegasus Park	5,942	KPN Group België	135
F	Avenue de Finlande, Parc de l'Alliance J	5,080	Bristol-Myers Squibb	149
C	Toison d'Or 56, White Atrium	4,800	EU Agencies	195
A2	Bld Emile Jacquain 127, Renaissance	3,045	IAB-IBR	260

Source: Knight Frank Research

Based on transactions completed and published in 2010. Excludes the leasing of 65,000 sq m in the BelAir development to the Federal Government, which was reported in December 2010, but the agreement remained unsigned at the year-end.



E-lite building, Avenue Louise 143. Knight Frank transacted the property, and is instructed for the letting.



White Atrium, Avenue de la Toison d'Or 56-60. Knight Frank let 4,800 sq m to the European Union.

Table 2  
Key investment transactions, 2010

Area	Property	Size (sq m)	Vendor	Purchaser	Yield	Date
A1	South City Broodthaers	17,700	Atenor Group	Allianz	5.20%*	Q4 2010
C	Avenue Louise 250	16,281	Leasinvest	Cordea Savills	6.70%	Q2 2010
B2	Rue de la Regence 55	13,385	Cofinimmo	Jaspers	6.00%*	Q3 2010
A1	South City Fonsny	13,232	Atenor Group	L'Intégrale, Dexia Ogeo	5.19%*	Q4 2010
B4	Rue Froissart	8,655	Allfin	AXA	n/a	Q3 2010
A4	Rue Royale 138	8,300	AXA Belgium	HH Warburg Bank	6.10%	Q2 2010
D	Av Hermann Debroux 17-19	6,264	Züblin Immobilien	Gestinfor-Ausfico	7.99%	Q1 2010
F	Axis Park D-E	5,884	Fischgrund Group	Tribeca Capital Partners	7.00%*	Q2 2010

Source: Knight Frank Research  
Based on transactions completed and published in 2010. \*Reversionary yield on ERV



THE SUBMARKETS OF BRUSSELS CONTINUE TO EXPERIENCE MIXED FORTUNES; WHILE VACANCY RATES STAND AT OVER 20% IN SOME PERIPHERAL AND DECENTRALISED DISTRICTS, THERE HAVE BEEN SIGNS OF MODEST RENTAL GROWTH FOR PRIME OFFICES IN A SELECT NUMBER OF CENTRAL LOCATIONS.

Table 3  
Brussels market data

Area	Prime rent (€/sq m/annum)	Average asking rent (€/sq m/annum)	Stock (sq m)	Take-up (sq m)	Vacancy rate (%)	Vacant space (sq m)	Market balance ratio*
<b>A. CENTRE</b>							
A1. Midi	200	170	511,720	68,864	3.21	16,406	0.2
A2. Centre	230	165	1,638,000	50,735	5.19	84,988	1.7
A3. North	225	187	1,460,800	41,382	9.20	134,444	3.2
A4. Royal	195	157	454,625	6,025	15.58	70,822	11.8
<b>Centre total</b>			<b>4,065,145</b>	<b>167,006</b>	<b>7.54</b>	<b>306,660</b>	<b>1.8</b>
<b>B. LEOPOLD</b>							
B1. Schuman	256	250	1,039,470	13,885	8.67	90,119	6.5
B2. Arts/Regent	245	197	712,509	15,828	6.00	42,730	2.7
B3. Loi/Belliard	275	169	577,800	1,701	17.73	102,295	60.1
B4. EU Zone and side streets	310	223	968,330	22,122	9.74	93,148	4.2
B5. Meeus	250	232	110,176	2,011	12.68	13,965	6.9
<b>Leopold total</b>			<b>3,408,285</b>	<b>55,547</b>	<b>10.04</b>	<b>342,257</b>	<b>6.2</b>
<b>C. LOUISE</b>	215	148	<b>901,366</b>	<b>23,769</b>	<b>9.65</b>	<b>86,967</b>	<b>3.7</b>
<b>D. DECENTRALISED</b>							
D1. West	175	107	644,050	42,466	20.50	132,023	3.1
D2. Colonel Bourg	100	90	242,000	510	19.96	48,296	94.7
D3. Marcel Thiry/Neerveld/Ariane/ Pleiades/Communautes	135	118	378,000	1,008	23.50	88,841	88.1
D4. La Hulpe/Souverain/Debroux	185	157	552,197	19,711	13.82	76,302	3.9
D5. Plaine/General Jacques	225	145	395,625	13,329	15.12	59,834	4.5
D6. Woluwe/Tervuren/Whitlock	165	141	328,854	3,530	8.98	29,538	8.4
D7. Geneve	155	120	108,000	375	9.01	9,730	25.9
D8. Bordet/Leopold III	165	123	187,000	14,926	24.48	45,784	3.1
<b>Decentralised total</b>			<b>2,835,726</b>	<b>95,855</b>	<b>17.29</b>	<b>490,348</b>	<b>5.1</b>
<b>E. PERIPHERY NORTH</b>							
E1. Airport	165	124	1,558,050	59,804	19.56	304,746	5.1
E2. A12 (Antwerp-Brussels)	130	119	195,000	5,209	24.15	47,102	9.0
E3. E40 (Coast-Brussels)	137	114	276,000	6,601	14.25	39,323	6.0
<b>Periphery North total</b>			<b>2,029,050</b>	<b>71,614</b>	<b>19.28</b>	<b>391,171</b>	<b>5.5</b>
<b>F. PERIPHERY SOUTH</b>	150	125	<b>484,280</b>	<b>33,754</b>	<b>12.36</b>	<b>59,834</b>	<b>1.8</b>
<b>Total</b>			<b>13,723,852</b>	<b>447,545</b>	<b>12.22</b>	<b>1,677,237</b>	<b>3.7</b>

Source: Knight Frank Research

\*Market balance is calculated by the division of current vacant stock by annual take-up. A market balance ratio above 1.7 favours tenants, below 1.7 favours landlords. Based on transactions completed and published in 2010.

Figure 1  
**Prime investment yields**

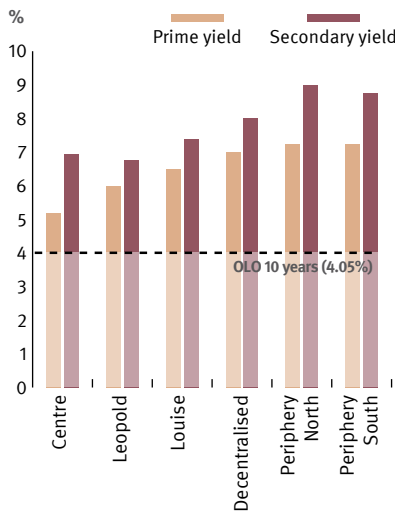


Figure 2  
**Gross capital value range**

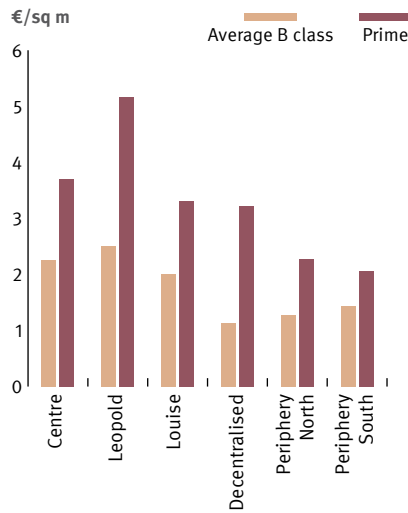


Figure 3  
**Brussels data**

Population (Greater Brussels)	1,600,000
Total work force (Brussels)	700,000
Brussels unemployment rate	21.10%
Belgium unemployment rate	8.60%
Overall vacancy rate	12.22%
Take-up, H1 2010	279,905 sq m
Total take-up, 2010	447,545 sq m
Prime yield	5.20%

Source for all graphs: Knight Frank  
\* Market balance is calculated by the division of current vacant stock by annual take-up

Figure 4  
**Stock level – by submarket**

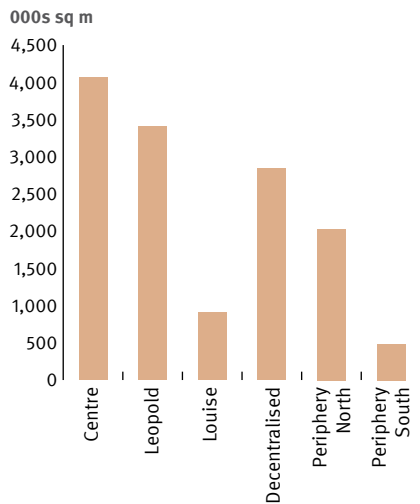


Figure 5  
**Vacancy rates – by submarket**

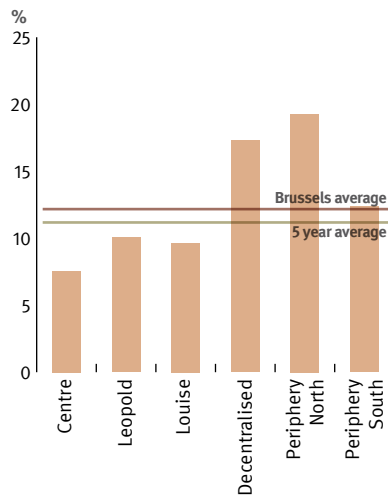


Figure 6  
**Market balance\***

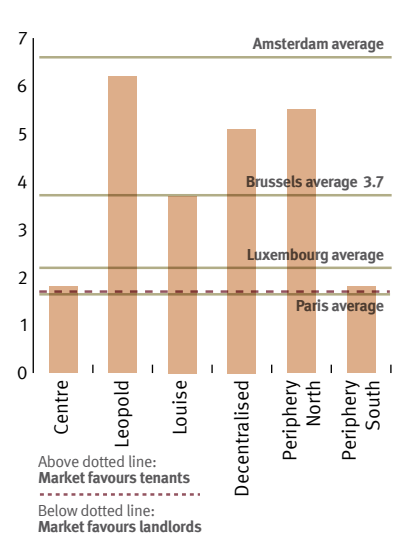


Figure 7  
**Take-up by building age**

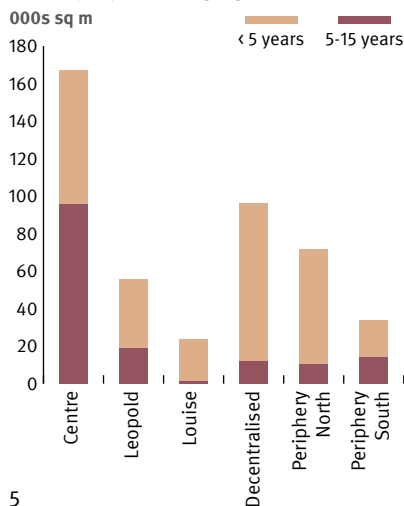


Figure 8  
**New developments**

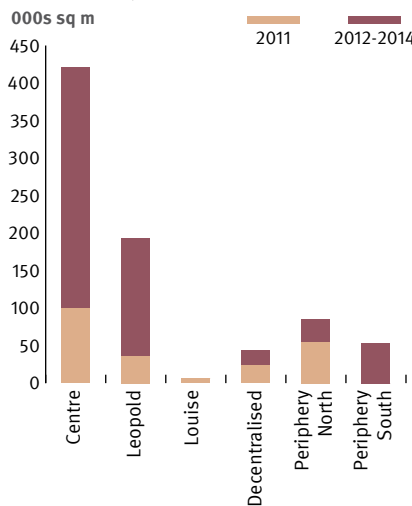
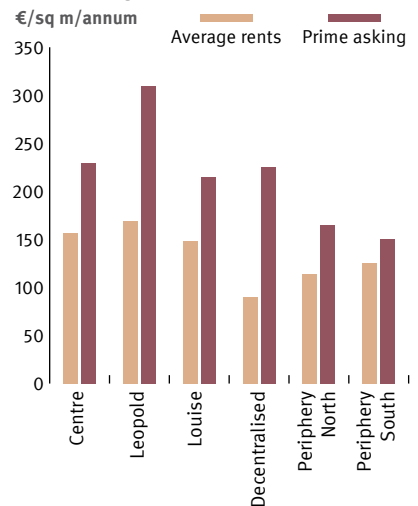


Figure 9  
**Rental range**



# RESEARCH



## Americas

USA  
Bermuda  
Brazil  
Canada  
Caribbean  
Chile

## Australasia

Australia  
New Zealand

## Europe

UK  
Austria  
Belgium  
Czech Republic  
France  
Germany  
Hungary  
Ireland  
Italy  
Monaco  
Poland  
Portugal  
Romania  
Russia  
Spain  
Switzerland  
The Netherlands  
Ukraine

## Africa

Botswana  
Kenya  
Malawi  
Nigeria  
South Africa  
Tanzania  
Uganda  
Zambia  
Zimbabwe

## Asia

Cambodia  
China  
Hong Kong  
India  
Indonesia  
Japan  
Macau  
Malaysia  
Singapore  
South Korea  
Thailand  
Vietnam

## The Gulf

Bahrain  
UAE

## Brussels

### Filip Derijck

Director  
+32 (0) 2 548 0 548  
filip.derijck@be.knightfrank.com

### Jean Vandezande

Director  
+32 (0) 2 548 0 548  
jean.vandezande@be.knightfrank.com

### Alexis Duvieusart

Head of Investment  
+32 (0) 2 548 0 548  
alexis.duvieusart@be.knightfrank.com

### Tom Maes

Head of Valuations  
+32 (0) 2 548 0 548  
tom.maes@be.knightfrank.com

## London

### Chris Bell

Managing Director, Europe  
+44 (0) 207 629 8171  
chris.bell@knightfrank.com

### Matthew Colbourne

Senior Analyst, International Research  
+44 (0) 207 629 8171  
matthew.colbourne@knightfrank.com

Knight Frank Research provides strategic advice, consultancy services and forecasting to a wide range of clients worldwide including developers, investors, funding organisations, corporate institutions and the public sector. All our clients recognise the need for expert independent advice customised to their specific needs.

Knight Frank Reports are also available at [www.knightfrank.com](http://www.knightfrank.com)

#### © Knight Frank LLP 2011

This report is published for general information only. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no legal responsibility can be accepted by Knight Frank Research or Knight Frank LLP for any loss or damage resultant from the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is allowed with proper reference to Knight Frank Research.

Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.