The Belgian Industrial Market

H1 2025

Fresh data and insights on semi-industrial and logistics property at the crossroads of Europe

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The Belgian Industrial Market H1 2025

Investment volumes justify the hype.

Investment activity surged to dizzying heights in the first half of the year, underscoring international demand in a usually solid Belgian market.

The latest forecasts from the National Bank of Belgium predict GDP growth of around 1% per annum between 2025 and 2027. This moderate growth is explained by the uncertain international environment and economic policy adjustments, although domestic demand remains relatively stable.

Inflation is expected to fall below 2% in 2026, before rising temporarily in 2027 due to the introduction of the ETS2 system, which will affect fuel prices amongst other things. This reflects a return to a degree of price stability in the short term, with upward pressure expected later.

The unemployment rate should remain low, at around 6%, thanks to the creation of 100,000 jobs over the period. However, the Belgian public deficit continues to widen, reaching 5.6% of GDP by 2027, while public debt would exceed 112% of GDP, increasing concerns about fiscal sustainability.

Added to this is growing geopolitical uncertainty: the date of 9 July had been seen as a potential turning point in trade relations between the United States and the European Union. The European Union and the United States have since agreed a new trade deal, avoiding the threatened 30% US tariffs. Instead, a 15% cap will apply to most EU exports from 1 September. In return, the EU will drop tariffs on US industrial goods and give better access to American farm products. Brussels is still preparing fallback measures in case the deal breaks down.

A negative outcome will further weigh on Belgian exports and accentuate economic tensions.

Source: National Bank of Belgium

Occupier Trends
Indicators H1 2025

	Semi-industrial	Logistics
Take-up, sq m	383,000	289,000
Take-up Q2 2025, sq m	170,500	102,500
Completions, sq m	45,000	135,500
Stock, million sq m	18.31	27.26
Prime rent, €/sq m/year	80	75
Average rent, €/sq m/year	53	51
Prime yield (%)	6.50	4.90
Invested volume € million	174	587

Belgian economic indicators	2024	2025	2026	2027
GDP Growth (%, YoY)	1.0	1.0	1.1	1.1
Inflation (%, YoY)	4.3	2.6	1.3	1.9
Unemployment (%)	5.6	6.1	6.1	6.0

Occupier activity

Semi-industrial

Activity in the semi-industrial segment has slightly decreased during H1 2025; on a quarterly basis, the trend is also marginally negative. Total take-up over the first six months of the year amounted to 383,000 sq m, and close to 380 lettings and occupier acquisitions.

The broader context behind the decrease in activity includes external disruptions, notably triggered by the implementation and subsequent suspension of US tariffs, played a leading role in shaping recent trade dynamics, as Belgium's economy is highly predicated on international trade.

Furthermore, dwindling supply for large developments negatively impacts the overall size of deals. Indeed, the number of deals recorded so far in 2025 is superior to each of the past four years over the same six-month period despite the lower volume of take-up. An overwhelming majority of the projects in the pipeline aspire to cater to occupiers searching for warehouses in the 100-400 sq m bracket.

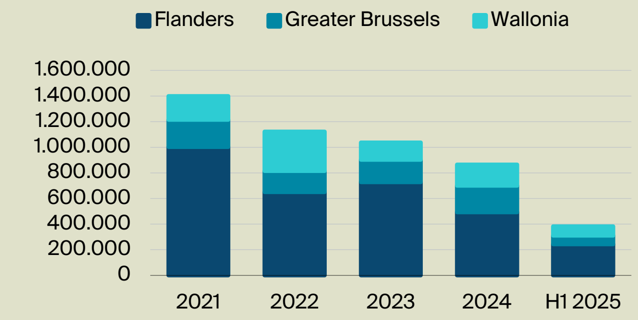
Indeed, only one deal of more than 10,000 sq m took place, and approximately a dozen over the 5,000 sq m mark.

In the future, landlords and developers will keep a keen eye on impacts of the new Merz government in Germany (a key trade and economic partner) and the expected increase in Belgian defense spending.

The median semi-industrial transaction size in H1 was 500 sq m.

Belgian semi-industrial take-up per region

Sq m



Source: Knight Frank Research

Logistics

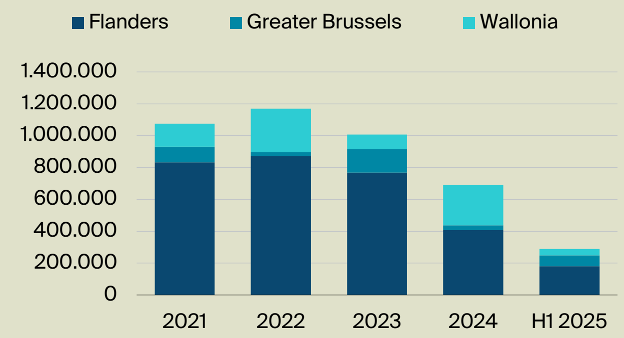
The logistics occupier market received a welcome boost from a strong take-up volume and an increased deal flow the tail-end of the first semester. Indeed, activity was lethargic during the first five months of the year before picking up in June with a dozen larger transactions.

It bears repeating that the strong volume which ended last year was supported by a market-defining 200,000 sq m transaction for the ages involving Skechers in December. The first semester of 2025 registers 21 deals, against 16 in H2 2024, including a small handful over the 20,000 sq m mark (see table below).

We should not, therefore, read too much into the 32% decrease of take-up during H1 2025 during which take-up of 292,500 sq m was recorded.

Belgian logistics take-up per region

Sq m



Source: Knight Frank Research

Normal service is resumed as far as occupier types concerned. Having been relegated to second spot at the end of 2024, 3PL occupiers return to the top of the most dynamic occupiers ranking, with 39% of all take-up: 112,000 sq m during H1 2025. Consumer goods companies drop to second with a strong turnout: 26% of take-up, or 77,000 sq m.

Meanwhile, Grade A deals amounted to nearly 75% of the total newly occupied space in H1. Grade Bs were also dynamic, with 18% of take-up, receiving a boost from Schweppes Suntory's 16,000 sq m letting in Nivelles.

Top logistics occupier deals H1 2025

Property	Tenant	Market | District	Warehouse (sq m)
Big Bear	Logent	Flanders | East Flanders	49,000
LCP Genk-Zuid	Nolmans Retail Support	Flanders | Limburg	46,000
Noorderstraat, Lembeek	Solucious	Greater Brussels | Flemish Brabant	31,000
Rue Athéna 5, Houdeng-Goegnies	Private	Wallonia | Hainaut	26,500
NMBS logistics centre Mechelen	SNCB-NMBS	Flanders | A12-E19	18,500

Outlook

We outline below a couple of trends which will shape the market over the coming months and years:

- **Casa closures including its distribution centre.** The closure of Casa and its logistics arm, including its 60,000 sq m Olen DC underlines the rough period many retailers are enduring. This creates a well-located vacancy on a market where Grade A demand is always stronger than its supply.
- **Impact of increased defence spending.** The rise in European defence budgets is expected to influence logistics real estate demand, particularly for infrastructure supporting strategic supply chains. Belgium may see increased requirements for secure and adaptable logistics facilities aligned with NATO objectives. The recently-closed Audi site in Forest (Brussels) had been touted as a potential location with many suitors initially interested. These rumours have since cooled down.
- **Liège Airport Extension.** Liège Airport has launched a call for interest to develop 'Jolive', a 10.7-hectare logistics site within Cargo City North. Available from July 2026, the zone is intended for second-line logistics activities directly linked to airport operations, supporting the airport's projected doubling of activity by 2040.

Logistics real estate must play an active role in an era of uncertain and fragile supply chains

Global supply chains, once focused on cost efficiency and speed, are now seen as vulnerable. Events such as the pandemic, the Suez Canal blockage, and rising geopolitical tensions have exposed the risks of lean manufacturing and just-in-time models. As a result, resilience is becoming a strategic priority for businesses.

This shift is influencing logistics real estate, with growing demand for flexible, energy-efficient, and well-located warehousing. Companies are reassessing asset location and design to support reshoring, nearshoring, and sustainability goals. Warehouses are increasingly viewed as active components of supply chain strategy rather than passive storage facilities.

For more on this, head to The Fragile Supply Chain: Manufacturing in an Era of Uncertainty by Lee Elliott, Knight Frank's Global Head of Occupier Research.

Rents

Semi-industrial

Flanders prime rents have continued to increase this year and are now at €80/sq m/year in both Greater Brussels and Flanders. Prime semi-industrial assets rarely remain vacant, regardless of location. The steady rise in competition among occupiers as well as the increased expenses involved in occupying a property since 2022 have contributed to the gradual increase in rental values across this segment.

The average weighted rent for Belgium is €53/sq m/year and has showed very little volatility over the past 18 months.

Logistics

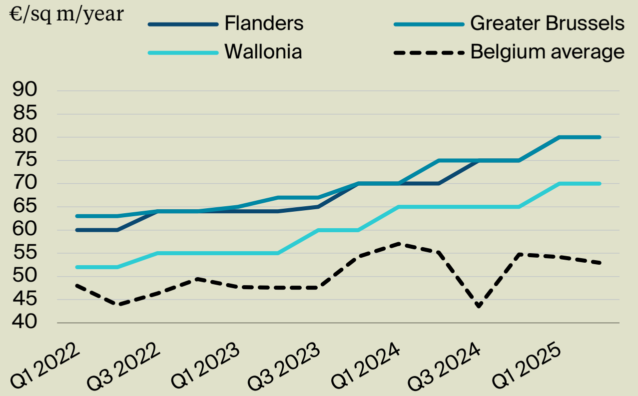
Logistics prime rents have increased over two quarters to €75/sq m/year, although this increase is limited to Greater Brussels where some higher – outlier – deals have been recorded.

Prime rents are stable at €60/sq m/year in Flanders and €56/sq m/year in Wallonia.

In certain projects, there appears to be a disconnect between the expectations of owners and occupiers, a pattern that is also noticeable in older vacant properties.

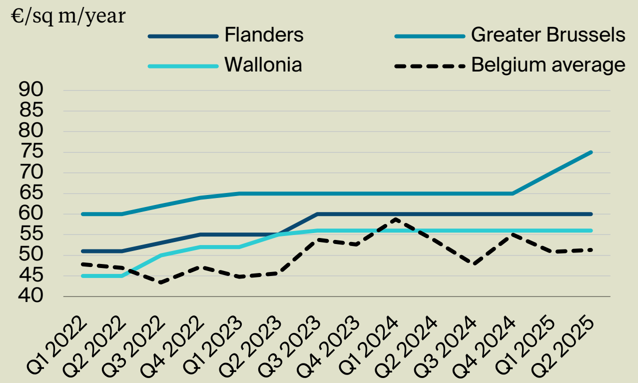
Average rents decrease slightly compared to Q4 2024, due to the strong share of lower Grade take-up recorded. They are at a level of €51/sq m/year in Q2 2025.

Belgian prime semi-industrial prime rents per region



Source: Knight Frank Research

Belgian prime logistics prime rents per region



Source: Knight Frank Research

Deliveries & pipeline

Semi-industrial

Close to 45,000 sq m of semi-industrial units have been delivered during H1, the majority of which (30,000 sq m), were in the Greater Brussels area, fairly evenly spread across the Brussels (a rare occurrence due to lack of available land) and Flemish Brabant districts.

At least 318,000 sq m will be delivered by 2028 included, with the business park configuration proving very successful for developers.

Logistics

There have been 135,000 sq m of deliveries during the first six months of the year. All these spaces were developed as build-to-suit projects or prelet before delivery.

More than 859,000 sq m are further projected to be delivered by 2028. This includes only 123,000 sq m which are being launched speculatively. Since the global financial crisis, developers continue to prefer securing an occupier before launching their projects.

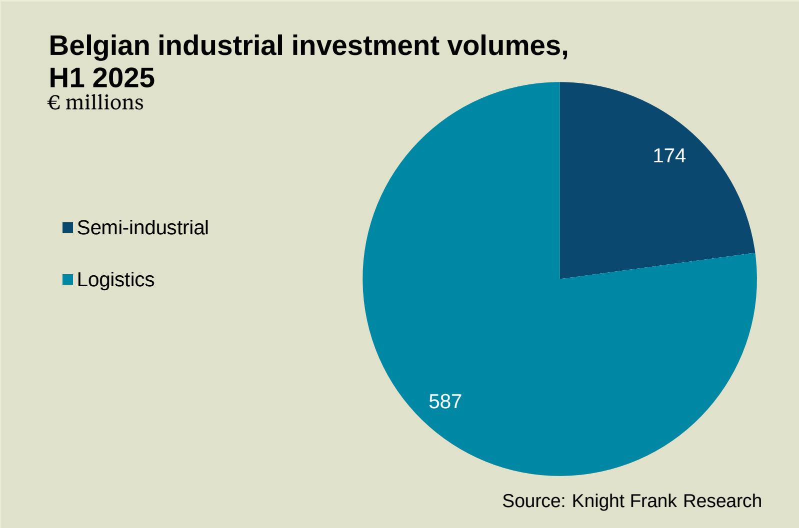
Over the past 18 months, the issue of availability has become more pronounced, particularly in relation to grey space. This is largely a result of third-party logistics providers managing excess capacity acquired during the pandemic-driven e-commerce surge.

Investment activity

Semi-industrial

Total investment volumes in H1 2025 already outpaced annual totals of the previous four years, as institutional investors take an interest in the segment, led by Belgian owners and developers seeking to carry out reconversions of dated properties into logistics facililities.

Indeed, €174 million have already been invested in the segment over the first six months of the year, including WDP's €100 million purchase of the former Renault production site in Vilvoorde, next to the Brussels ring, from Alcopa. A future reconverion of the 200,000 sq m site into logistics in the medium term will be implemented.



CBRE IM have carried out another notable deal, the €40 million sale and leaseback acquisition of the strategically located 45,000 sq m Bulo site which runs along the E19 in Mechelen.

Logistics

Close to €587 million have been invested in this segment in H1 – a very strong performance underpinned by some symbolic deals which vouch for the Belgian market's sought after qualities. These include a key location at the heart of Europe's transport infrastructure, strong occupier demand and very low vacancy.

The investments in question, detailed in the table below, include four acquisitions for more than €100 million. Deka Immobilien, which carried out the most recent prime transaction on the Brussels office market, has also applied this approach to its first acquisition in Belgian logistics, the 65,000 sq m Kellogg's DC in Mechelen. This deal stands out due to its location on the Brussels-Antwerp axis, one of the most desirable hotspots in Belgium, the quality of the asset which was delivered in 2024, is zero carbon, and holds a BREEAM Excellent certification.

In addition to Deka, international investors have been quite active so far this year, in a market which is usually the exclusive domain of domestic players. Indeed, US investors have carried out three acquisitions during H1, totalling €211 million, or 36% of the total volume so far this year.

Traditional Belgian operators are increasingly focusing on value-added products, as current market conditions make it challenging to pursue conventional deals and achieve satisfactory profit margins.

Regarding future deals, the sale of a portfolio comprising five assets (250,000 sq m) by Weerts to Intervest has materialised at the beginning of Q3 and will further boost the year's total by €300 million, as 2025 turns into a vintage year and gains on the €1 billion invested milestone.

Top investment deals H1 2025

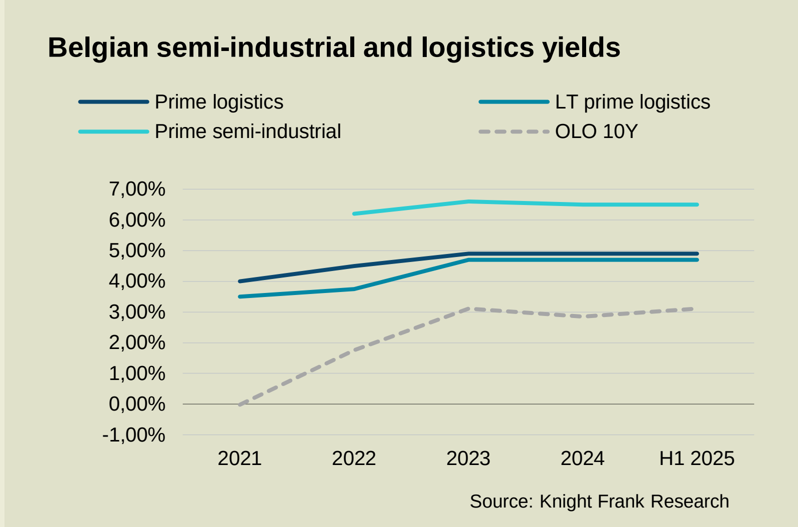
Property	Deal type	Vendor	Purchaser	Market | District	Property type	Price (€ million)
Logicor portfolio	Investment	Logicor	Ares Managment Corporation	Portfolio	Logistics	144
WLP X - Cargo City West (40%)	Entity level	Weerts	Montea	Wallonia | Liège	Logistics	140
MG Malinas - Kellogg's DC	Investment	MG Real Estate	Deka Immobilien	Flanders | A12-E19	Logistics	Approx. 110
ex-Renault site	Investment	Alcopa	WDP	Greater Brussels | Flemish Brabant	Semi-industrial	100
MG Krommebeekpark Roeselare - Eutraco high bay	Sale & leaseback	Eutraco	LCN Capital Partners	Flanders | West Flanders	Logistics	58

Yields

The semi-industrial prime yield in Belgium remains stable at 6.60% for conventional lease covenants, although market evidence is quite limited.

The share of owner-occupier deals in this segment is weaker than usual, while institutional investors WDP and CBRE IM are high-profile investors so far in 2025. These types of investors often target this segment for redevelopment into logistics.

The Belgian prime logistics yield remains at 4.90% during the first half of 2025. The logistics market has attracted capital from the US and Germany during H1 demonstrating its solid reputation beyond borders. Likewise, prime yields for long-term leases remain stable at 4.70%.



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We like questions, if you've got one about our research,or would like some property advice, we would love to hear from you.

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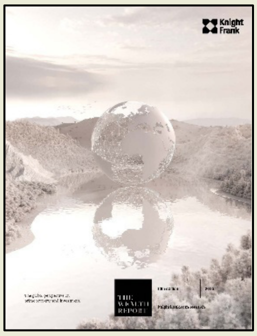

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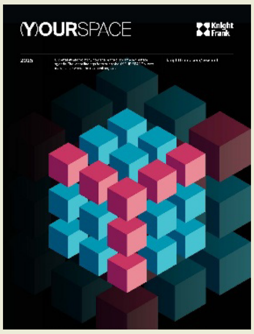

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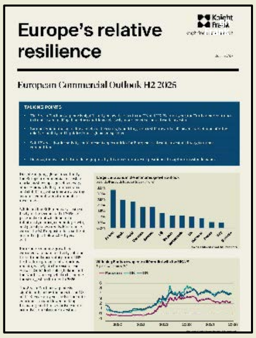

European Commercial outlook H2 2025

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