RESEARCH

2013

BELGIUM

Industrial market report

Knight Frank

HIGHLIGHTS

- Logistics activity remains one of the main pillars of the Belgian economy. The main concentrations of logistics assets are in the areas of Antwerp and Liège.
- The lack of available industrial land will handicap the further development of logistics property, particularly in the Flanders region.
- Logistics take-up remains weak in all regions and speculative development continues to be prevented by the wider economic climate. Nevertheless, rents are stable as a result of a shortage of immediately available modern warehouse space.
- Demand for semi-industrial units is high in both the leasing and sales markets, but there are shortages of smaller units available in locations such as Brussels, Walloon Brabant and Hainaut. Rents and sales prices remain relatively high.
- The Belgian investment market is currently dominated by private investors. There is demand for high quality products offering long-term stable income, but these are rarely available on the market.

Investment Data

Prime investment yields (%)

Location	Industrial	Logistics
Brussels	7.75	7.00
Flemish Brabant	7.60	7.00
Walloon Brabant	7.60	7.30
Antwerpen	7.75	7.00
East-West Flanders	8.25	7.50
Limburg	8.25	7.70
Liège	8.25	7.60
Hainaut	8.20	7.80
Namur / Luxemburg	8.20	7.80

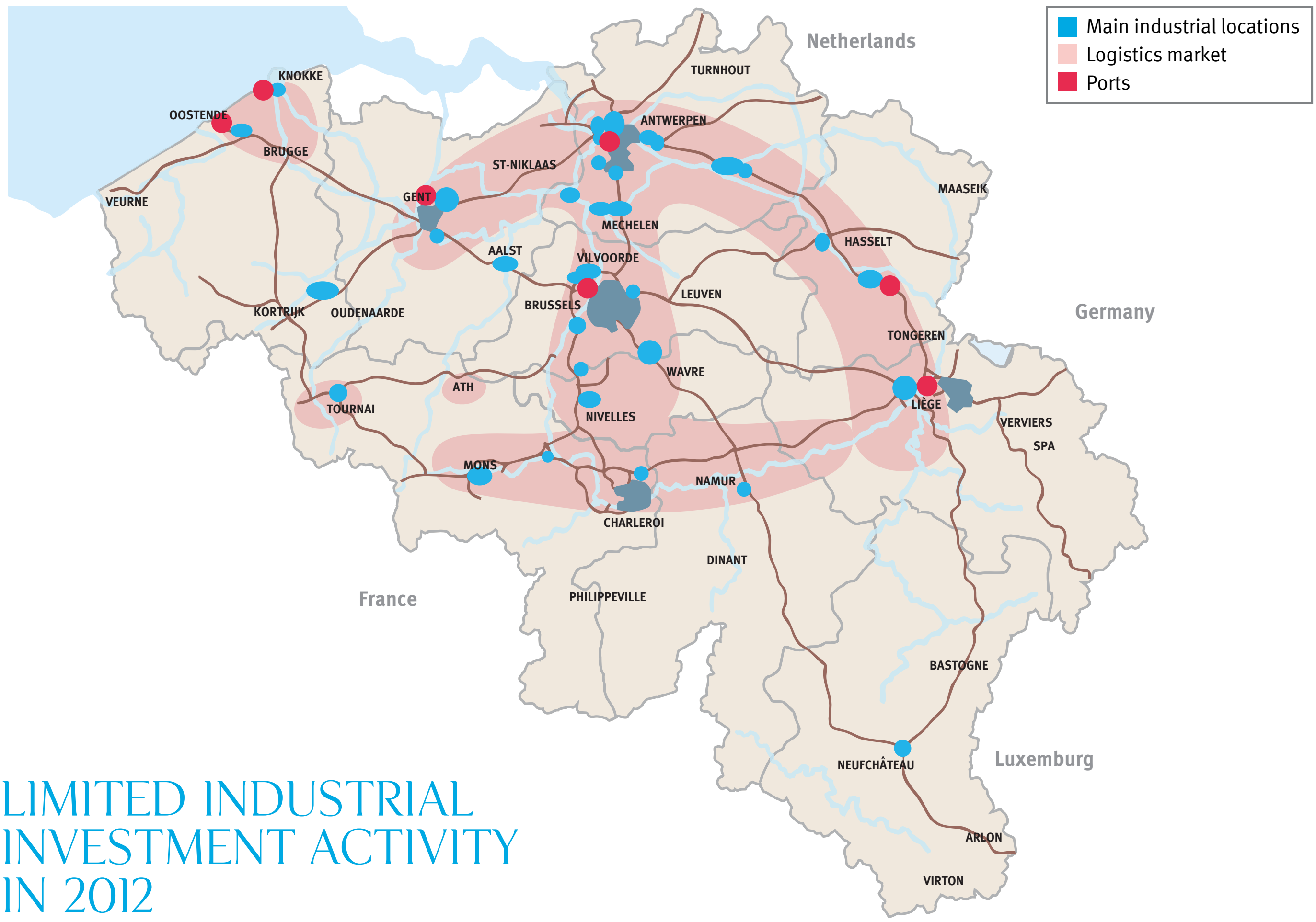
Source : Knight Frank

Major investment transactions

Purchaser	Property	sq m	Vendor
AG Real Estate	Carrefour Logistics site Nivelles	60,000	Redevco
Montea	DHL Brucargo Brussels	23,000	De Paepe Group
Intervest	Estee Lauder Oevel	11,496	Industrial Securities
Private	Magna Park La Louvière	5,000	Gazeley

Source : Knight Frank

Main industrial locations



LIMITED INDUSTRIAL INVESTMENT ACTIVITY IN 2012

Occupational data

	Semi-industrial		Logistics		Land value
	Average rent (€/sq m/year)	Prime rent	Average rent	Prime rent	€ / sq m
Brussels	48	55	40	45	140-220
Flemish Brabant	48	55	40	45	125-185
Antwerpen	39	46	40	43	100-150
East-West Flanders	36	42	38	43	70-160
Walloon Brabant	48	52	38	42	40-120
Limburg	35	40	38	41	40-85
Liège	35	40	30	39	25-45
Hainaut	33	42	35	38	25-45
Namur / Luxemburg	33	40	30	38	20-40

Major occupational transactions

Tenant	Property	sq m	Owner
Black & Decker	Tessenderlo	34,000	Goodman
DHL	Brucargo	23,000	Montea
Vandeputte Safety	Puurs	18,500	Goodman
MSF	Canal Logistics Brussels	13,547	Leasinvest
2XL	Sea Gate Ostend	10,000	AEW Europe
Leonidas	Anderlecht	8,500	AG Real Estate

Development pipeline

Property	Maximum floor area (sq m)	Developer
Ghent Kanaalzone	1,600,000	G2I
MG Park De Hulst	420,000	De Paepe Group
Trilogiport Liège	200,000	WDP
Magna Park La Louvière	150,000	Gazeley
Willebroek Antwerp South Logistics	150,000	Group Bernaerts
Bornem Maritime Logistics	103,000	De Paepe Group
Neufchâteau Ardennes Logistics	60,000	Group 3

Source: Knight Frank

Belgian semi-industrial and logistics real estate market

Logistics space

› 5,000 sq m
Built after 1980
Clear height › 8m
Loading docks › 1/1,000 sq m
Offices ‹ 10% of total floorspace

Semi-industrial

› 400 sq m
Built after 1965
Clear height › 4.5 m
Loading docks are optional
Offices ‹ 50% of total floorspace

RENT PRICES ON LOGISTICS AND SEMI-INDUSTRIAL MARKET REMAIN STABLE

Belgium infrastructure

- Dense motorway network
- 45,000,000 consumers within 3 hour drive
- 60% of EU purchasing power within 500 km range
- Well developed port accomodation
- Increasing railway and inland water transportation
- Government stimulus package focused on logistics activities

Source: Knight Frank

Belgium key economic data 2012

Population	10,450,000
Land Mass	30,528 sq km
GDP	€ 368.3 m
Unemployment	7.5%

Source: Knight Frank

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