The Brussels Office Market

H1 2025

Fresh data and insights on the capital of Europe

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Two sides to every story.

Robust occupier activity contrasts with the turmoil in capital markets.

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[1], which will affect fuel prices. 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%, despite 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. In the absence of an agreement, the Trump administration is threatening to increase customs duties to 30% from 1 August. The EU intends to make use of the time before the US administration's deadline to seek a negotiated solution, while the European Commission is also preparing its own tariffs should the talks fail.

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

Source: National Bank of Belgium

Market Trends Indicators (H1 2025)

Take-up, sq m	172,500
Take-up (Q2 2025), sq m	136,000
Completions, sq m	37,000
Stock, million sq m	14.21
Vacancy rate (%)	8.36
Prime rent, €/sq m/year	400
Average rent, €/sq m/year	292
Prime yield (%)	5.25
Invested volume, € million	223

[1] European emissions trading system applicable to buildings and transport, complementing the European Green Deal.

Belgian economic indicators	2024	2025	2026	2027
GDP Growth (%, YoY)	1.0	1.2	1.1	1.1
Inflation (%, YoY)	4.3	2.6	1.3	1.9
Unemployment (%)	5.6	6.1	6.1	6.0

Source: National Bank of Belgium

Brussels: one year post-elections and no government in sight.

More than one year on from the elections, the Brussels region is still rudderless. Numerous talks between just as many potential configurations have taken place, without ever achieving a consensus.

Talks will take place from mid-July to establish a potential new majority. We are now beyond a state of urgency, and among the key issues impacting the day-to-day running of the region is its budgetary situation. The region is currently operating a provisional twelfths scheme, spending one twelfth of its 2024 budget each month. This negatively impacts the long-term running of the region and new schemes and visions cannot be implemented with the old majority acting in a caretaker role.

As a result, Standard & Poor's has downgraded the credit rating of the Brussels Capital Region from A+ to A, assigning a negative outlook. This decision highlights worries regarding the region's capacity to handle its budget deficits and elevated debt levels.

Occupier activity

European district activity already ahead of last year in only six months.

In a nutshell

- **172,500 sq m** take-up. Includes best quarter in 4–5 years during Q2 (136,000 sq m) thanks to major moves by the EU and Proximus.
- **137 deals**, including 86 during Q2. There is momentum beyond the big names and a solid flow of deals across the board.
- **Green imperative**. Occupiers are chasing sustainability, cost savings, and future-proof spaces. This will continue to feed the pipeline with potential market-changing deals.
- More budget-conscious occupiers will continue to reduce their **office footprint** by 30-50%, generating a degree of nervousness for Grade B- and C landlords.
- **Prime rent increases** to €400/sq m/year in the European district. This reflects the increase in momentum of occupiers' shift towards premium assets, as well as overall costs associated with Grade A buildings and their development, and the sheer amount of Grade A take-up (63%) in H1.

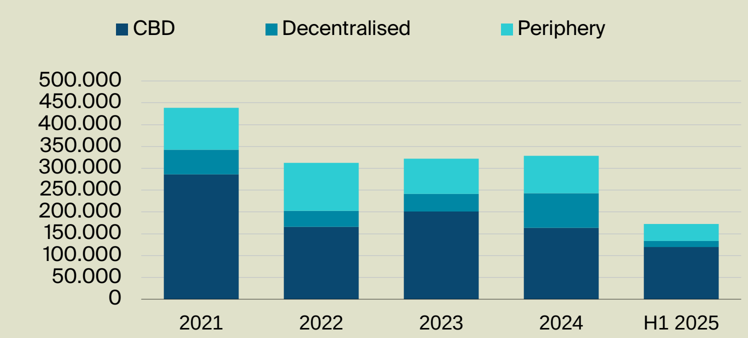
Office take-up in Brussels reached 172,500 sq m in the first half of the year, providing a sound footing for the end-of-year prospects as well as a solid bedrock for the investment market. This includes the best quarter (Q2, 136,000 sq m) in past years.

Activity in the CBD was particularly dynamic (120,000 sq m), with the European district (58,000 sq m) already surpassing last year's total take-up within just six months. Activity in the Peripheral districts is also quite decent. Large deals always weigh heavy on overall Brussels numbers, so it is not surprising that the top five deals (see table on the next page) all took place in one of these districts.

Nevertheless, beyond large deals, there is also an abundance of activity in all deal categories. Notably, as many as 23 deals took place in the 1,000-5,000 sq m category, while for all the talk of European's institutions' undeniable role, the private sector combined for the lion's share of take-up (more below).

Take-up, Brussels offices

Sq m



Source: Knight Frank Research

However, three deals shaped the market during the first half of the year.

In the CBD's European district, the European Commission will let 22,400 sq m in Befimmo's LOOM project, while the European Parliament has agreed to let more than 19,000 sq m in AXA IM's Monterra project. Both projects are expected to be delivered in 2026 and support the EU's own commitment to sustainability.

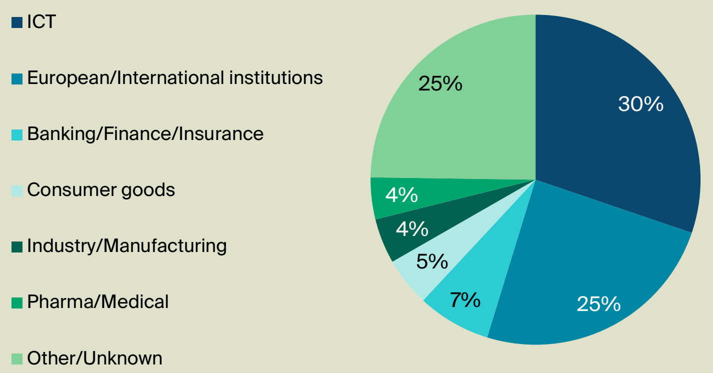
The EU is expected to be involved in more deals in short term (see below), including in the CBD's North district. This is where the third, and largest deal this semester took place.

Indeed, Proximus will gradually move their headquarters to Nextensa's Lakeside and Treebune projects on Tour & Taxis once permits have been granted, transiting through Nextensa's neighbouring Gare Maritime and Hôtel des Douanes (also on the Tour & Taxis site) in the meantime. The Proximus deal also has implications for the investment market as we outline later in this report.

Despite the weight of the EU's moves, it is the ICT sector which ranks first among the most impactful occupier types during the first six months of the year, and not only thanks to the Proximus transaction. Indeed there were 13 deals in total across the sector, including three in a 1,000-2,000 sq m bracket. This aligns with a prediction formulated in our H2 2024 report which stated that "Based on economic forecasts, high-margin service sectors such as ICT could be expected to expand demand for the private sector."

In total, the private sector accounted for close to 75% of the total take-up in H1.

Brussels offices - Distribution of take-up by occupier type, H1 2025



Source: Knight Frank Research

Top five occupier deals H1 2025

Property	Occupier	Sector	District | Subdistrict	Size (sq m)
Tour & Taxis	Proximus	ICT	CBD | North	44.000
LOOM	European Commission	European institutions	CBD | European	22.400
Monterra	European Parliament	European institutions	CBD | European	19.300
Pegasus Park	IWG	Coworking/Business centres	Periphery | Airport	6.000
Maison des Assurances	Deutsche Bank	Banking/Finance/Insurance	CBD | European	5.700

Future deals

Although Q3 is traditionally more subdued, there is strong pipeline of large deals, for the short- and medium term.

Staying with the European Union, the deal for its full occupation of the Engie Towers (CBD – North), which will be vacated once Engie completes its move to Oxy must still materialise. This would result in approximately 35,000 sq m of take-up on its own.

Staying with the public sector, the Fédération Wallonie-Bruxelles plans to sell three of its Brussels buildings and relocate to a more energy-efficient office near the Gare du Nord by 2030. Additionally the future US embassy to Belgium and the EU in Cours Saint-Michel is edging closer to a permit.

Further transactions expected to drive activity will include:

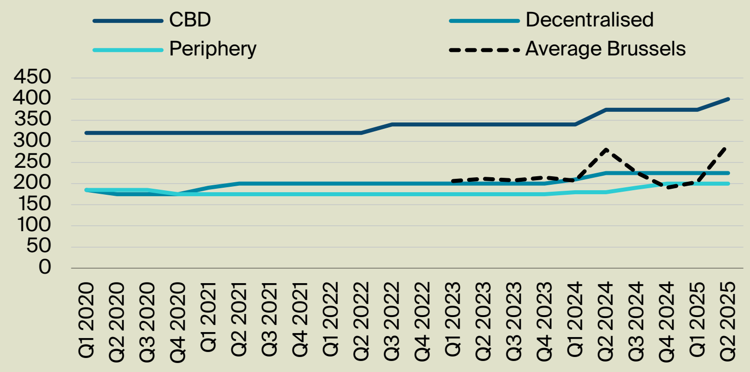
- Elia's search for its new HQ (at least 12,000 sq m);
- Crelan's rumoured move from its recently sold Anderlecht HQ to the Arch (CBD – North).

Rents

The overall prime rent for the Brussels office at €400/sq m/year is now confirmed, on the back of Deutsche Bank's pre-letting of the Maison des Assurances on Square de Meeûs in the European district. Only 18 months ago, the prime rent was set at €340/sq m/year. Recent increases have been much quicker than what the Brussels market had been previously used to. This reflects the increase in momentum of occupiers' shift towards premium assets, as well as overall costs associated with Grade A buildings and their development.

The quantity of Grade A lettings over the period (63% of take-up) has also driven the average weighted rent to an unprecedented €292/sq m/year during Q2. For comparison, this is higher than the prime rent in Belgium's regional markets.

Prime rents, Brussels offices
€/sq m/year



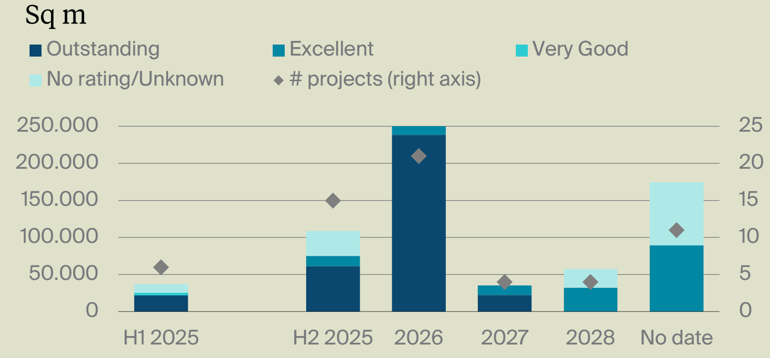
Source: Knight Frank Research

Deliveries and pipeline

Selected H1 2025 deliveries

Property	District | Subdistrict	Size (sq m)	Ratings
Luxia	CBD | Centre	13.000	BREEAM Outstanding, WELL Gold
Pacheco	CBD | Centre	9.400	BREEAM Outstanding
Learning and Innovation Center	Decentralised | South	9.000	
Louise 375	CBD | Louise	3.400	BREEAM Very Good

Brussels office - Deliveries and pipeline according to BREEAM rating
Sq m



Source: Knight Frank Research

There have been 37,000 sq m of deliveries (including heavy renovations) during the first six months of the year, including more than 17,000 sq m which were launched speculatively. The largest delivery was AXA IM's Luxia in the Centre (CBD) district. The project was one of those developed without secured tenants.

While many projects have secured a solid number of pre-lets ahead of completion, around 15,000 sq m remain available from these upcoming deliveries, offering further potential to boost Grade A take-up in the near term.

As a result of the latest moves and deliveries on the market, availability is at 8.36% at the end of H1, against 8.20% a year previous.

Nearly 541,000 sq m are slated for delivery between H2 2025 and 2028, spread across 44 distinct projects. Of this total, 424,000 sq m are being developed speculatively, though some have already secured pre-lets.

As of now, over 81% of the pipeline, which includes projects under construction or fully permitted, is targeting BREEAM certification.

Investment activity

The semester's main deals are the products of turbulent times for developers.

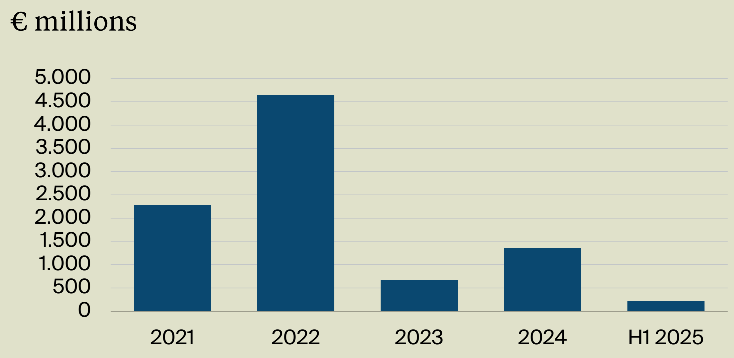
In a nutshell

- **€223 million** invested across eight deals. Another slow semester as activity remains muted.
- **Only two standout deals.** Belfius Immo's purchase of prime Centre district asset Chancelier for €95 million, and Nextensa's €62.5 million acquisition of Proximus Towers (permit paid separately to Immobel). These deals reflect challenges affecting developers.
- **Prime yield stable: 5.25%** amid the complicated and unpredictable macroeconomic setting. The future evolution is highly unpredictable.
- **Outlook.** Apart from some potential green shoots, the outlook for rest of year remains fairly glum.

The largest deals were the €62.5 million acquisition of the Proximus Towers by Nextensa and, Belfius Immo's purchase of recent prime delivery, Chancelier, from Codic in the Centre district (CBD) for €95 million.

Codic's asset sale follows a debt restructuring agreement reached with creditors earlier this year. The company, one of Belgium's most prominent developers, has initiated a transfer procedure after experiencing significant cash flow difficulties and is now likely to face liquidation or bankruptcy.

Brussels office investment volumes



Source: Knight Frank Research

This development reflects the broader challenges currently affecting the real estate sector. With market recovery slower than expected, delayed sales and rising financial costs have increasing pressure on developers. In Codic's case, even a previously agreed restructuring plan proved insufficient as key asset sales did not proceed as planned. The situation underscores the strain many in the industry are facing, in a persistently difficult environment.

In total, €223 million have been invested during the first semester, across less than ten deals. Despite very good occupier fundamentals, only one Core deal took place, the aforementioned Chancelier. Instead, most transactions concerned Grade C products in a €5- to €10 million bracket with a focus on future redevelopment, or add-value products.

Additionally, every single acquisition was carried out by Belgian investors, from private investors, to institutional players.

[2] This amount does not include the separate payment made to Immobel for the permit, which they had originally secured to redevelop the towers before stepping away from the project due to financial constraints.

Top five Brussels office investment transactions, H1 2025

Property	Vendor	Purchaser	Price (€ million)
Chancelier	Codic	Belfius Immo	95
Proximus Towers (excl. permit)	Proximus	Nextensa	62.5
Lloyd George 6-7	Ghelamco	Ethias	39.3
Artemis (50% share)	Alphastone	Mundo Lab	8
Crelan HQ	Crelan	GML Estate	7

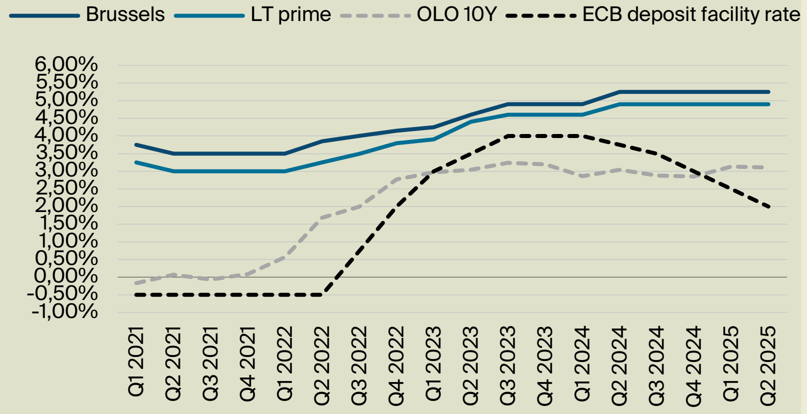
Despite a downcast beginning to the year, there are some deals in the pipeline which provide green shoots. For instance, a foreign purchaser is close to acquiring AG Real Estate's 18,500 sq m Arts-Lux in the European district, the deal could fetch up to €90 million, while in the Louise district, the sale of AEW's Louise Center (16,000 sq m) is said to be close to fruition.

Yields

Since mid-2024, the ECB has cut rates eight times, lowering the deposit rate from 4.00% to 2.00% as Eurozone and Belgian inflation both ease to around 2%. While this has improved credit conditions, with Euribor rates steadily declining, the impact on Belgian 10-year government bond yields (OLO) has been limited. Over three months, the 10-year OLO rate has steadied to 3.11% in Q2, however on a daily basis, this rate is currently more volatile. This reflects long-term inflation concerns due to an unpredictable macro-economic environment, rather than direct effects from ECB policy.

Bearing this in mind, we are holding the prime yield steady at 5.25%. However, this may begin to compress if international capital starts re-entering the Brussels market.

Prime yields, Belgian offices

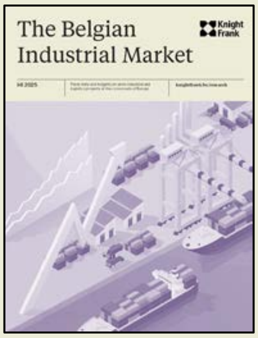


Source: Knight Frank Research

The Brussels Office Market

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

Recent Research



The Belgian Industrial Market H1 2025

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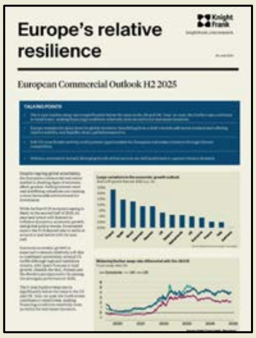

European Commercial outlook H2 2025

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