Property Times

Belgium secondary markets H1 2012

Promising rebound after depressed 2011

13 July 2012

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Authors

Cédric Van Meerbeeck
Head of Belgium Research
+32 (0)2 629 02 86
cedric.vanmeerbeeck@dtz.com

Shane O'Neill
Research Analyst
+32 (0)2 629 02 81
shane.oneill@dtz.com

Contacts

Magali Marton
Head of CEMEA Research
+33 (0)1 4964 4954
magali.marton@dtz.com

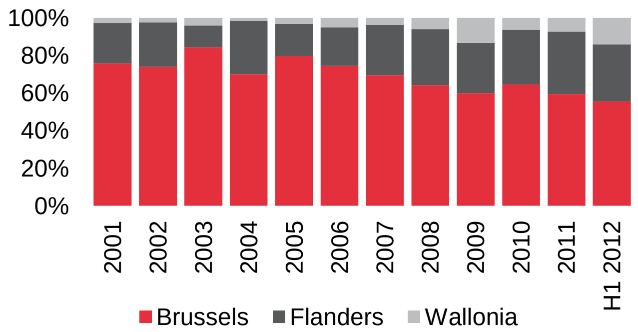
Nigel Almond
Global Head of Strategy Research
+44 (0)20 3296 2328
Nigel.almond@dtz.com

Hans Vrensen
Global Head of Research
+44 (0)20 3296 2159
hans.vrensen@dtz.com

- After a depressed 2011 marked by 159,000 sq m of office space recorded on the secondary markets, the Belgian economy showed some resilience in H1 2012. Due to growth data being better than expected, GDP growth forecasts have been upgraded, slightly to 0.1% in 2012.
- Secondary markets show positive signs of recovery; 147,000 sq m of take-up are already recorded in 2012. The level reached in 2011 will certainly be overtaken during the year. Some major deals, both in Flanders (Sanoma Media in Mechelen, Loos & Co in Antwerp) and Wallonia (EVS in Liège, Police de Charleroi in Charleroi), contribute to this good market performance.
- Activity in Belgium presents some signs of a more balancing office landscape, the Brussels office market recording 60% of the Belgian take-up (coming from 75% in 2006). As already observed, a decentralisation trend is under process; this trend is not only attributable to the public sector as the private sector also shows some signs of relocation outside Brussels. KBC for example chooses to relocate 200 employees in the *MG Tower* in Ghent leaving parts of these implantations in the centre of Brussels. Sanoma Media chooses to quit Diegem and Antwerp for Mechelen, close to the railway station. Mobility issues and improvements in the railway public transportation will play a more important role in further relocation's decisions.
- Some activity also occurred outside the secondary markets with 25,000 sq m recorded, even far below the exceptional level reached last year (78,000 sq m).
- Leuven is still the most expensive secondary market with a prime rent at €155/sq m/year. Charleroi records a significant increase of its prime rent, now standing at €135/sq m/year (recorded for the BNP Paribas Fortis letting). Antwerp showed a decrease of its prime rent during this first half of the year, now established at €140/sq m/year. All the other secondary markets rents remained stable.

Figure 1

Take-up split between the Brussels and secondary office markets



Source: DTZ Research

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Economic overview

Belgium shows positive signs of recovery despite European uncertainties

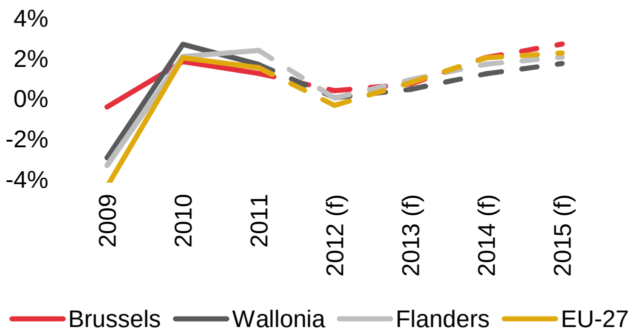
The first quarter of 2012 shows a surprising 0.3% rise in GDP for Belgium, mainly due to strength in net trade. According to the Governor of the National Bank of Belgium, the Belgian economy is strongly attached to the German economy and benefits from the results of Germany. Therefore, due to growth data being better than expected, GDP forecasts have been upgraded slightly to 0.1% for 2012. A recovery is expected for 2013 with a GDP growth forecasted to reach 0.8%. After 2013, growth is expected to be recorded around 1.7%. A breakdown by regions reveals similar trends for 2012. After, Wallonia would recover at a slower pace than Brussels and Flanders (Figure 2).

Government spending was subdued this half-year, reflecting the start of efforts to trim the budget deficit. The stability programme's target of a general government deficit of 2.8% in 2012 is expected to be reached. Important consolidation efforts will be required to meet the target for next year and to keep the budget on a sustainable path. Furthermore, Belgium remains more exposed than most "core" countries to the ongoing crisis in financial markets. Spreads have remained relatively steady over the past months, around 2% after having reached almost 3% in November 2011. But the country's large debt and gross financing needs leave it especially exposed to movements in the cost of borrowing (Figure 3).

Household consumption is also far more subdued than net trade, in line with the generally gloomy tone of households and their concerns over the labour market. Meanwhile, industrial production is expected to fall in 2012. The business services sector has also suffered from falling demand in Q2, according to the National Bank survey. This is feeding through into business index which has decreased this quarter and remained well below normal levels (Figure 4).

Figure 2

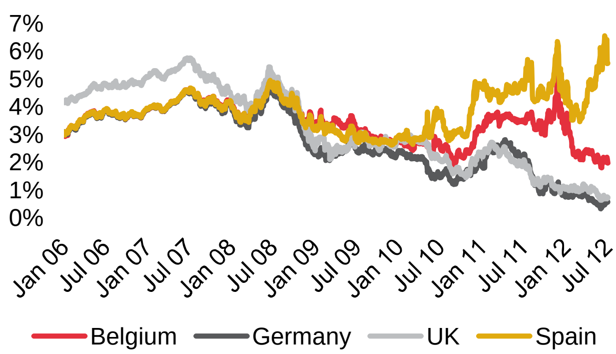
GDP Growth



Source: Oxford Economics, June 2012

Figure 3

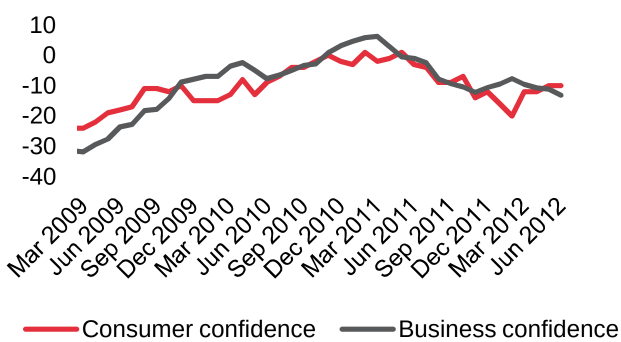
Five-year government bond yields for selected countries



Source: DTZ, June 2012

Figure 4

Consumer and business confidence index



Source: National Bank of Belgium, June 2012

In 2011, Belgium recorded a rise in the total employment with around 4,550,000 persons employed (+ 1.3% compared to 2010). However, in 2012 employment is predicted to decrease, mainly due to a slowdown in the consumer consumption and in the corporate investments. Some divergences are to be noted between regions. Brussels' economy is expected to gain momentum between 2013 and 2015 with a labour market helped by the presence of a large number of jobs at the European Institutions. Conversely, employment growth is expected to be muted over the 2012-2015 period in Flanders and in Wallonia, with decrease in agriculture and manufacturing, barely compensated by job creation in services.

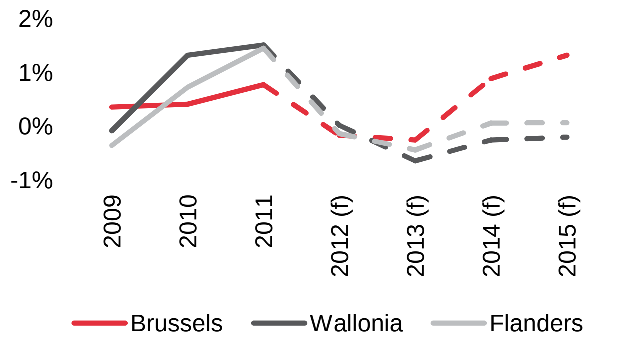
Due to the combination of the muted employment growth and the demographic boom expected in Belgium (especially in the Brussels-Capital Region where the Federal Planning Bureau predicts an increase of 170,000 inhabitants for 2020), the unemployment rate is foreseen to rise in 2012 and 2013, only decreasing at a slow pace from 2014 (Figure 6). Important differences are to be noted between regions, Flanders records the lowest rate below 5%. Wallonia stands close to the European evolution with a rate around 10%. Unemployment constitutes a major issue for the Brussels region with a level expected to reach 17% in 2013. After, job creation would help to reduce unemployment at a faster pace than for Belgium despite remaining at a high level.

Combination of all these forecasts lead to think that the Brussels office market would perform better than the other Belgian ones with better results as far as population growth, GDP growth and employment growth are considered (Figure 7). Nevertheless, the uncertain economic environment could cause deferred projects and more lease renegotiations.

Source: Oxford Economics, National Bank of Belgium and DTZ Research

Figure 5

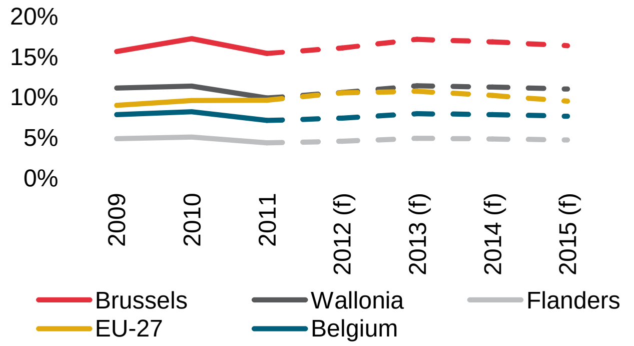
Total employment, annual growth



Source: Oxford Economics, June 2012

Figure 6

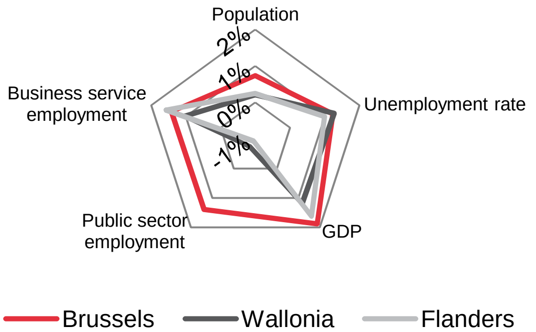
Unemployment rate



Source: Oxford Economics, June 2012

Figure 7

Main economic indicator annual growth, 2012-2015



Source: Oxford Economics, June 2012

Belgium secondary markets

High level of take-up recorded, with numerous important transactions to point out after a depressed 2011.

Total secondary markets take-up for the first part of 2012 amounted to 147,000 sq m, almost equalling the level recorded for the whole of 2011. Almost every secondary markets have known a strong rebound after a depressed 2011 (Figure 8).

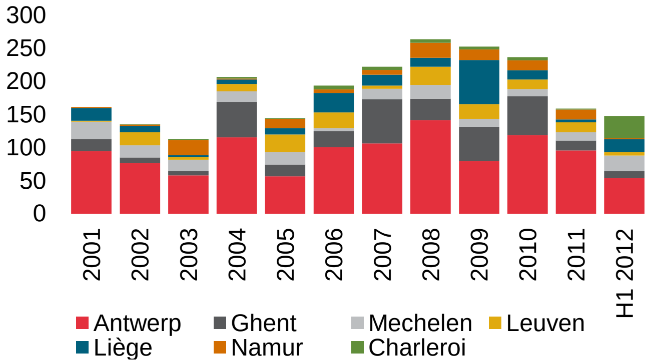
The distribution of the market activity presents an interesting picture in H1 2012. Antwerp is still the most quantitative market after Brussels with 53,000 sq m of take-up recorded. But other secondary markets present an unusual level of take-up, often due to an exceptional transaction. This is the case for Mechelen which reaches its highest level of take-up since 2001 thanks to the single letting of Sanoma in the *Zuidpoort* (12,000 sq m). Charleroi reaches the exceptional level of 33,000 sq m this half-year, with the delivery of the building permits for the new *Hôtel de Police* (25,000 sq m) and the agreement for the construction of a build-to-suit of 8,000 sq m of offices for BNP Paribas on the Boulevard Tirou. Liège is also dynamic this first half of 2012, namely with the purchase of 17,000 sq m by EVS in Ougrée.

Outside secondary markets, a certain dynamic is still encountered, even if far more subdued than last year. Indeed, 25,000 sq m of take-up were recorded elsewhere in Flanders and in Wallonia compared to 78,000 sq m for the whole year 2011. The transactions recorded in the *KAM* in Bruges in 2011 or the recent purchase of a 9,000 sq m police office in Dendermonde by Cofinimmo reveals that both investors and occupiers can be attracted by this type of market, for some very specific assets.

A decentralisation trend of the public sector and more recently of some private institutional actors has been observed since 2007. These last years, volumes of take-up observed outside the Brussels office market have seen their share increase from 25% to around 40% of the total activity recorded in Belgium in H1 2012 (Figure 9).

Figure 8

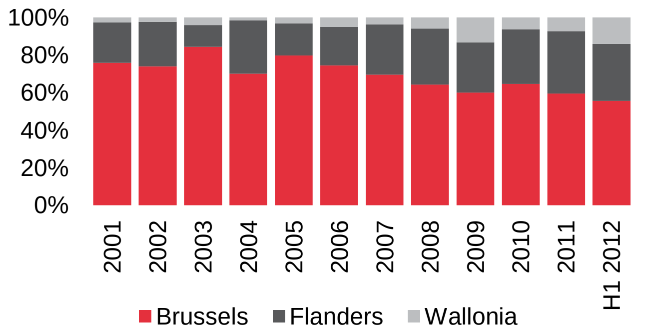
Office take-up in secondary markets, 000s sq m



Source: DTZ Research

Figure 9

Take-up split between the Brussels and secondary office markets



Source: DTZ Research

These figures confirm our sentiment of a decentralisation which is under process, mainly attributed to the public sector which has chosen to relocate some activities outside Brussels these last years. More recently, the decision of KBC to relocate 200 employees in the *MG Tower* in Ghent, leaving parts of its implantation in the centre of Brussels reveals that this trend might not only be a public sector concern anymore. Sanoma also chooses to relocate all its activities in one single site next to the station in Mechelen, leaving sites in Antwerp and Diegem.

This decentralisation trend is expected to continue in the years to come for different reasons. Regarding the public sector, successive political decisions to increase the competences and power of the Regional Authorities cause different waves of decentralisation of which more are to be expected. Considering the fact that civil servants are coming from all over Belgium and essentially by public transportation means, locations on national railway stations are favoured as was already observed in *Tour Paradis* in Liège. Regarding the private sector, mobility issues in the Brussels Capital Region and rental costs are sufficient reasons to decentralise parts of the activities. Environmental concerns could also play a major role to relocate both public and private activities on major multimodal nodes.

Improvements of the railway infrastructure which are currently ongoing, especially the *Diabolo* project (Box 1) and Regional Express Network, combined with mobility issues will certainly reinforce the attractiveness of offices next to national or regional stations or multimodal nodes. Considering this, locations such as the centre of Mechelen which will benefit from an excellent accessibility and strong connections with Antwerp, Leuven, Brussels and the Brussels Airport, could witness an increased appetite for office (re)locations in the coming years. Locations such as Berchem or Leuven could also see their positions reinforced on the Belgian office landscape.

Regarding prime rents on the secondary markets, few changes are to notice, despite the depressed economic context. Leuven remains the most expensive secondary market (€155/sq m/year). The prime rent in Charleroi has increased this half-year, from €120/sq m/year to €135/sq m/year, with the BNP Paribas letting. In Antwerp, the prime rent has decreased this first part of the year with €140/sq m/year recorded in the *Onyx Building*, a high-quality asset which will be delivered at the end of the year 2012 (Figure 10).

Box 1

The Diabolo Project

Due to the importance of aerial traffic for passengers and goods transportation as well as the importance of efficient connections between the Brussels Airport and major Belgian and European cities, the Belgian national railway company has been undertaking important infrastructural works since 2006.

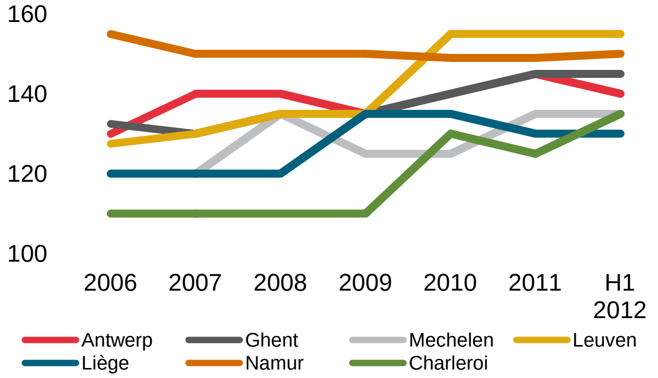
The aim is to connect the national airport to Germany, France and the Netherlands by high speed lines but also to enhance the connections of the Brussels airport with Leuven, Antwerp and Mechelen.

The *Diabolo* project creates direct railway connections between these cities by realising a new tunnel and renovating the station under the Airport. Railway connections are enhanced, 10 minutes are needed to reach the Airport from Mechelen against the former 40 minute-duration.

With this project and the arrival of the Regional Express Network, areas located between Brussels, the Airport, Mechelen and Antwerp would benefit from a much better accessibility in the coming years. As recent developments suggest, the interest for these areas is rising and new developments could happen in the future.

Figure 10

Belgium secondary markets prime office rents, €/sq m/year



Source: DTZ Research

Antwerp

The prime rent decreases despite a dynamic start to the year and lettings in prime assets.

Despite economic uncertainties, Antwerp recorded a good start of the year with 53,000 sq m recorded, above its 10-year average (Figure 11). Most of the activity took place in the first three months of 2012 during which 40,000 sq m of take-up were recorded.

Contrarily to 2011, activity was mainly driven by the private sector, with deals sizing around 650 sq m on average. Several purchases above 1,000 sq m also contributed to boost the activity level. The major deal recorded this first half-year is the purchase of 4,000 sq m in the Centrum district by Loos & Co. The *WAW Building* (Centrum district), with four purchases above 1,000 sq m, also played an important role in the activity of this first part of the year.

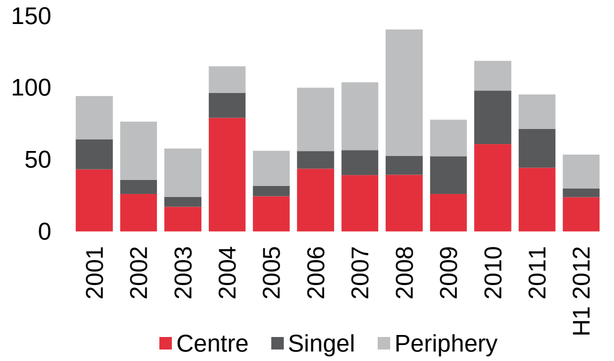
There were 23,000 sq m of take-up recorded in the Centrum district (namely the purchases of law firms Elegis and Lexeco in the *WAW Building* and the letting of ING Bank in the *Avenue Building*), as was the case in the periphery. Most of this was in the Periferie Zuid where 13,000 sq m were noted, far above the 10-year average. After three dynamic years, a low activity level was recorded in the Singel district this half-year with only 6,000 sq m taken-up, due to a lack of availability in quality asset. Nevertheless, deals such as the letting of 2,300 sq m by BDO in the *Onyx Building* which will be delivered next year, confirms the attractiveness of the Singel district as an office location (Maps 1 & 2).

The prime rent in Antwerp has slightly decreased and now stands at €140/sq m/year, coming from €145/sq m/year (Figure 12). This level of €140 has been recorded in the *Onyx Building* which will be one of the most efficient and best-located buildings in Antwerp. Despite this decrease, the prime rents are expected to increase again in 2013, due to the new and high-quality developments which will enter the market.

The important take-up recorded, combined with little new supply (only the *Helsmoortel III* has been delivered in H1), contributes to the fall of the availability ratio. Vacancy is now standing at 10% coming from 11% at the end of 2011. Availability amounts roughly to 200,000 sq m, the same level encountered mid-2008 (Figure 13).

Figure 11

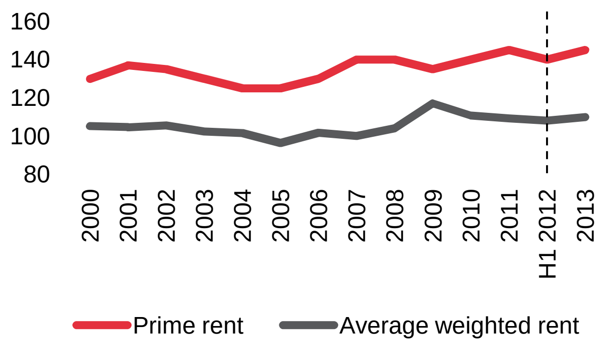
Antwerp office take-up, 000s sq m



Source: DTZ Research

Figure 12

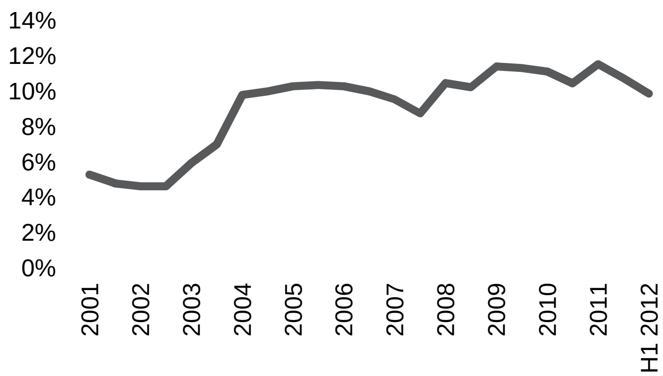
Antwerp office rents, €/sq m/year



Source: DTZ Research

Figure 13

Antwerp office availability ratio



Source: DTZ Research

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The purchase of the *Arthur Building* (19,000 sq m) by Ethias to reconvert it into nursing homes contributes to the diminution of the office stock.

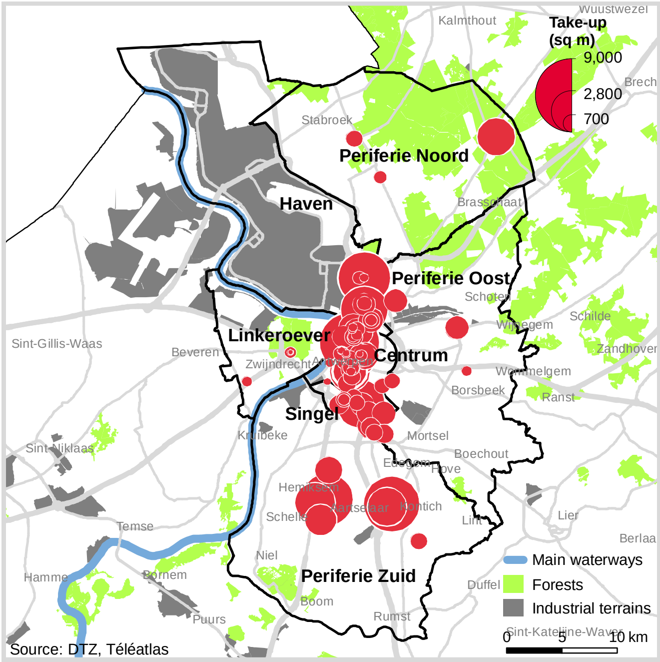
In the short-term, the Singel district would welcome new office developments. Indeed, the delivery of the *Onyx Building* (12,000 sq m launched by the developer IRET Development), which will be a new landmark on the Antwerp landscape, is scheduled by the end of 2012 or the beginning of 2013. Furthermore, developments such as the *De Hertoghe* and the *Louise Marie Tower* should also reinforce the position of the Singel on the Antwerp office market in 2013.

In the longer term (after 2014), developer IRET Development has also planned to develop the project *Berchem X*, located on the former postal sorting centre in Berchem. The project would be a mixed-use project combining offices and retail and could develop between 75,000 and 115,000 sq m of offices according to demand. No building permits have been delivered yet for this project.

With the *Diabolo* railway project, Antwerp and Berchem commuters could reach Brussels Airport within 30 minutes and would also benefit from better connections with Leuven and the Brussels Region. This enhancement of the public transport connections might lead to more decentralisation in the next years, as this trend has already been observed in 2010 and 2011 and thus reinforces the position of some secondary markets in the future.

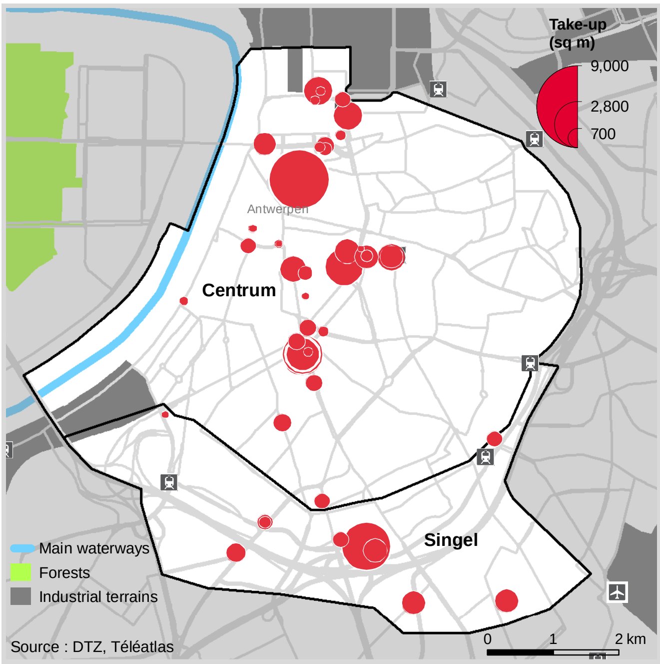
Map1

Office deals in Antwerp, H1 2012



Map 2

Office deals in Antwerp – Centrum and Singel districts, H1 2012



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Ghent

After a mitigated start of the year, Ghent should nevertheless perform better than in 2011.

In 2011, the Ghent office market witnessed its lowest activity level of the last seven years barely reaching 15,000 sq m. H1 2012 showed a small rebound in terms of activity with 10,000 sq m of take-up recorded (Figure 14).

The major transaction of this first part of the year is attributed to Kinepolis which let more than 2,000 sq m in *De Schelde I* building in the Zuid district. Aside from the Universum Inkasso deal in the *Zuiderpoort* (1,000 sq m), all the transactions were recorded below 1,000 sq m.

H1 2012 saw a major event for the Ghent office landscape with the official delivery of the *MG Tower* along the E40. This iconic tower will host around 200 employees of KBC which chooses to vacate partly its offices in the centre of Brussels in favour of Ghent, confirming the trend to a decentralisation. This is to be noted as the decentralisation trend does not only concern public administration as some important institutional actors seem to be following suit.

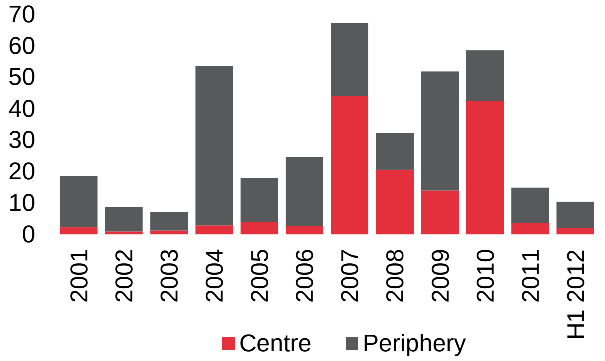
The Loop also welcomed occupiers in H1 2012, with the Vlaamse Milieu Maatschappij, establishing its new headquarters in this mixed-use development. In the longer term, *The Loop* will pursue its development around the *VMM Building*, still on a mixed-use (residential and office) scheme, thanks to the collaboration of Banimmo and AG SOB.

Few new deliveries are expected this year, the only developments under construction being the *Arteveldestadion* (10,000 sq m speculative) and *Het Pakhuis* (4,000 sq m purchased by the Wit-Gele Kruis in 2010). On the longer term, further developments are possible in the *Arteveldestadion*, depending on the appetite of potential tenants.

The prime rent remained stable in Ghent, standing at €145/sq m/year, Ghent overtaking Antwerp for the first time since 2006.

Figure 14

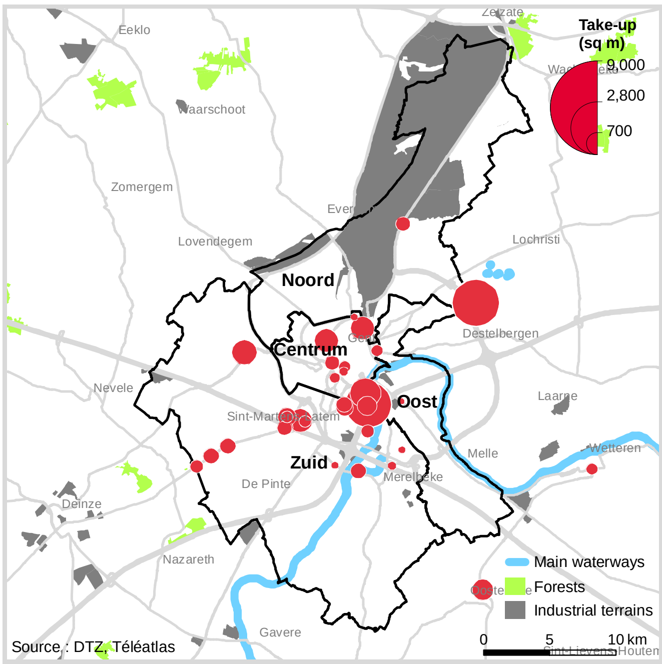
Ghent office take-up, 000s sq m



Source: DTZ Research

Map 3

Office deals in Ghent, H1 2012



Mechelen

A single deal contributes to bring Mechelen to its highest take-up level since 2001.

Mechelen attested to quite a dynamic first half year with numerous major transactions taking place. Globally, the level of take-up recorded reached 23,000 sq m, its highest level since 2001. The letting of 12,000 sq m by Sanoma Media in the *Zuidpoort* building (which will be delivered in 2013) next to the station is certainly the most important fact to note for Mechelen (Figure 15).

This transaction is to be noted not only due to the fact that its constitutes an exceptional transaction regarding the Mechelen office market but also by the fact that Sanoma Media chooses to relocate all its previous occupations in Mechelen, leaving sites in Diegem and Antwerp. Probably new railway infrastructures, easier and faster connections with the Brussels Airport, Antwerp and Leuven have played a decisive role in the decision of Sanoma.

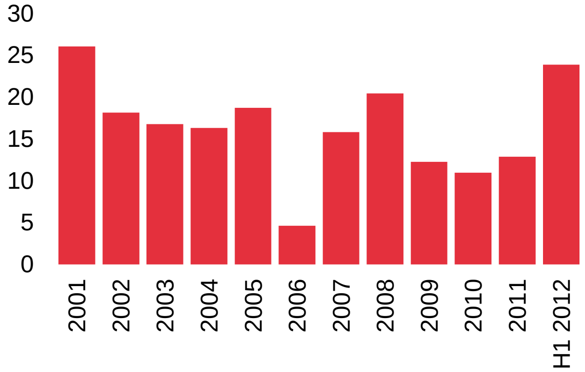
But other important deals are also to be noted as 6 transactions were recorded between 1,000 and 2,500 sq m such as the letting of 2,000 sq m by Verhaeren & Co in the *Mechelen Campus*, and Eneco in the *E19 Business Park*. *Mechelen Campus*, *Stephenson Plaza* and *E19 Business Park* remain attractive as the great majority of the deals took place in these business parks located along the Brussels-Antwerp highway. This half year also saw the official delivery of the Cummins European Headquarters in a brand new building with 2,500 sq m offices combined to important logistics facilities.

In the short term, the *Zuidpoort* mixed-use scheme is the only office project under development in Mechelen. The project totals more than 20,000 sq m of offices as well as residential units. After the letting of Sanoma, the project is almost full. With the increase of accessibility by railway and better connections with other Belgian cities, Mechelen should see its attractiveness grow in the medium-term and could therefore lack further quality assets.

The prime rent remains unchanged, after its increase at the end of 2011 and has been reached in the *Office Park Mechelen* where Procter & Gamble let 1,600 sq m.

Figure 15

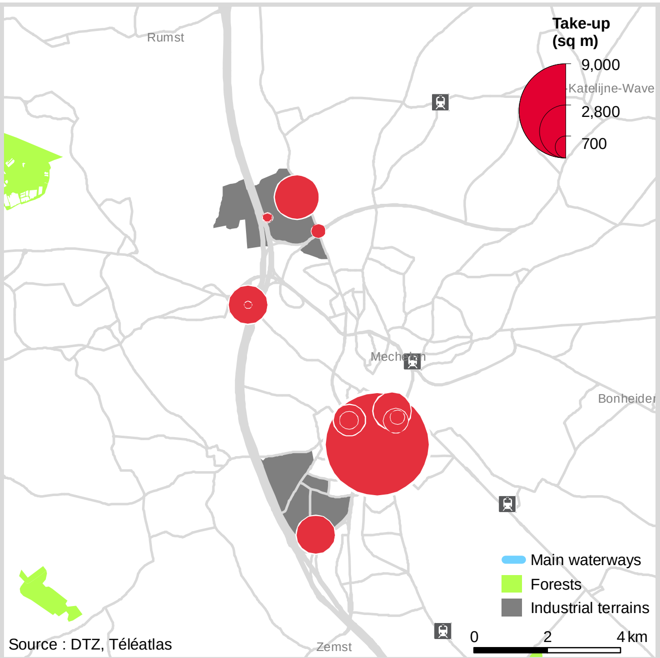
Mechelen office take-up, 000s sq m



Source: DTZ Research

Map 4

Office deals in Mechelen, H1 2012



Leuven

Leuven is the only secondary Flanders market to not know a rebound after the stop registered in H2 2011.

Contrary to other Flanders office markets which revealed a quite dynamic start of the year, only four deals were recorded on the Leuven market, totalling 5,000 sq m. AG Insurance let 1,600 sq m in the current redevelopment of the former *Vander Elst Wintermans cigars site* next to the Vaartkom. Two smaller deals around 500 sq m also took place in the *Greenhill Campus*.

H1 2012 saw the delivery of the *Bio-incubator II* in the Gaston Geenslaan, close to the campus of the KUL. This pre-let development will welcome its occupiers in the next few months. Close to the bio-incubator, the *IMEC Tower* is under construction and will propose in 2013, 13,000 sq m of polyvalent offices, occupied by the owner IMEC.

Other important developments are in the pipeline in Leuven, namely in the *Kop van Kessel-Lo* which continues its mixed-use development around the station. After important lettings in the *Exos* building, the *Mesos* and *Stratos* office units could enter the market in 2014 and would undoubtedly constitute high-quality asset due to their location and architecture.

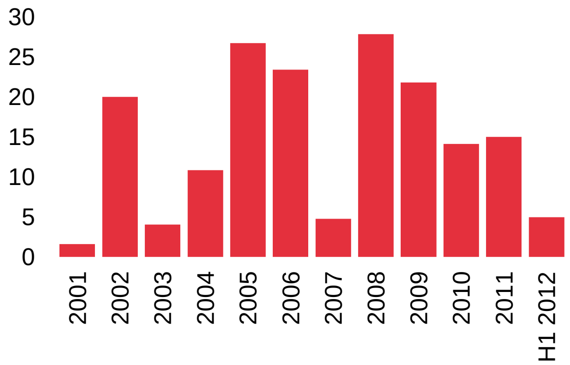
The city of Leuven also continues its urban redevelopment along the Vaartkom where a brand new quarter is under construction. Apart from the important residential developments, the *Vander Elst Wintermans cigars site* will propose a mixed-use building (retail and offices) in 2013. The *Waterview* on the Vaartkom is also scheduled for 2013 and will add 13,000 sq m to the office supply.

This part of the city and the *Kop van Kessel-Lo* are certainly the most promising development areas for the coming decade and will constitute references in terms of urban redevelopment, high-quality architecture and integration of different functions into new hubs for the city of Leuven.

The prime rent remains unchanged this first part of the year, still standing at €155/sq m/year.

Figure 16

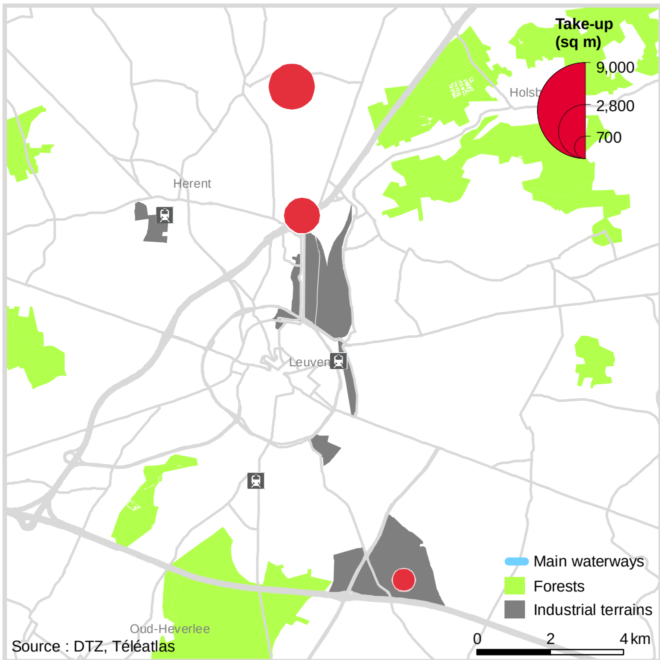
Leuven office take-up, 000s sq m



Source: DTZ Research

Map 5

Office deals in Leuven, H1 2012



Liège

Activity levels and project pipeline perk up in Liège.

The Liège district has been the most dynamic among Walloon districts with a total of six recorded transactions. As a result, take-up largely surpasses last year's deprived levels and amounts to close to 20,000 sq m (Figure 17).

H1 2012 occupational activity was boosted by a great deal with local company, EVS, consolidating its business in Belgium, with all of its components moving under one roof in Ougrée. This deal accounts for nearly 90% of activity in Liège over the period. This large transaction is a purchase for own occupation, which matches up with our main thought on Liège at the end of 2011: activity levels and (lack of) office supply are intimately linked. Large deals are likely to be prompted by owner occupiers.

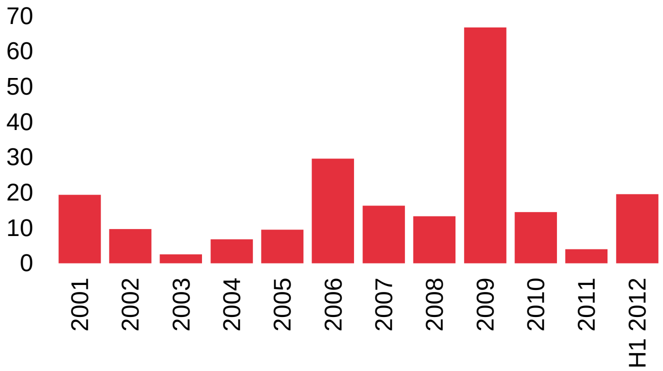
Nevertheless, demand is real, and centrally located modern office spaces appear to be especially sought after. In a bid to capitalise on this trend, property developer Buelens has applied for a permit for a 10,000 sq m building in the Cadran area. In addition, a few of blocks away, Lampiris has moved into its new offices in May, giving the former *Sainte-Agathe hospital* a new lease of life. Meanwhile Befimmo's finance tower project in the vicinity of the refurbished Guillemins station was approved by the Minister of urban planning, overruling the SNCB (who also intend to develop 65,000 sq m in the area) and residents. A further appeal has since been lodged with the Council of State, whose official should come to a decision around September.

In *Liège Airport Business Park*, the 4,800 sq m *B50* building should be delivered at the beginning of second part of the year. CCI Connect has already committed to rent over 300 sq m in the building, and Logistics in Wallonia have moved in to the *B52* building. Further deals are expected in the near future.

The prime rent in Liège remains at €130/sq m/year, this level was recorded for the Forem's 1,200 sq m letting in the Ilot Saint Michel. Average rents are once again between €90 and €100/sq m/year.

Figure 17

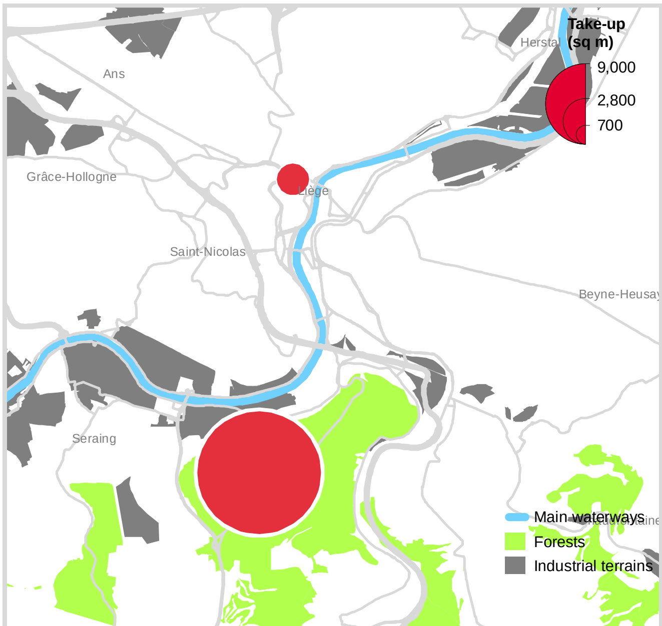
Liège office take-up, 000s sq m



Source: DTZ Research

Map 6

Office deals in Liège, H1 2012



Source : DTZ, Téléatlas

Namur

Namur is hit by a lack of public sector activity.

Following healthy levels of activity sustained in 2011, we observe few take-up this half-year, due to the inactivity of the public sector occupiers. Therefore take-up in Namur threatens to be the worst since 2004 (Figure 18).

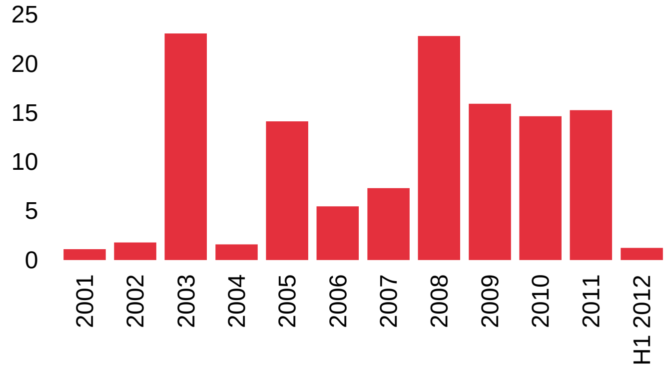
Three letting transactions were registered in H2 2012, all within the realm of the private sector. In the *Namur Office Park*, Thomas & Piron take 500 sq m in occupation, confirming the location's enduring attractiveness. Alma Terra lease 500 sq m in an office building in Jambes.

No new developments have hit the market since the *Synergie et Croissance* a year ago. Nevertheless the Courthouse looks in good stead for its slated 2014 delivery, although a potential appeal with the Council of State could delay the start of construction works. At the turn of the New Year, planning permission for a substantial new office development project, *ARC*, was applied for; the 15,000 sq m office development by Landsbeeck and Thomas & Piron might see the day by the end of 2014 at the very earliest should the application prove successful. The development, intends to obtain a BREAAM Very Good certification, and would be on the Boulevard Cauchy, next to the station. Due to this location, its developers must be anticipating office activity peripheral to that around the future Courthouse.

The prime rent in Namur has increased slightly to €150/sq m/year once again in the *Namur Office Park*, comforting its position as the prime office location on the Namur market. Average rents are found between €100- and €125/sq m/year.

Figure 18

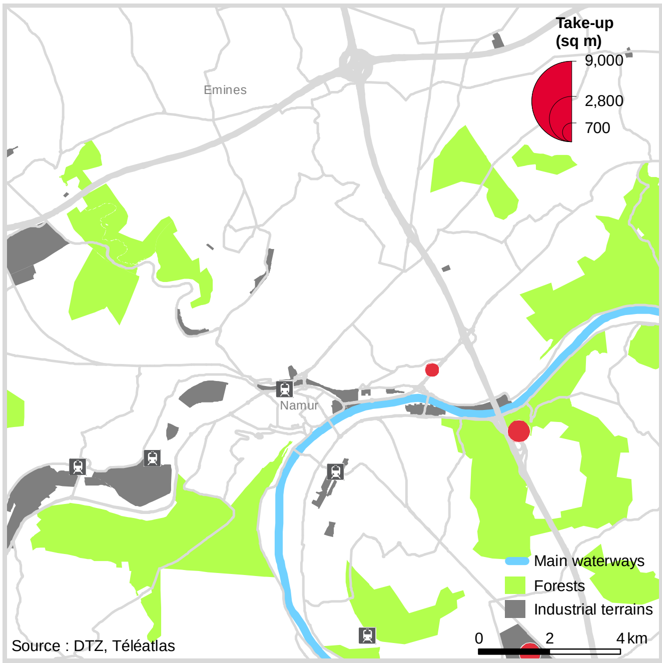
Namur office take-up, 000s sq m



Source: DTZ Research

Map 7

Office deals in Namur, H1 2012



Source : DTZ, Téléatlas

Charleroi

The Charleroi office market moves from one extreme to another.

Two ample projects and their resulting take-up make for an out-of-character half-year (and year) for the Charleroi office market. Take-up amounts to nearly 34,000 sq m (Figure 19).

Recently, a permit was granted to the 25,000 sq m *Hôtel de Police* project. It is expected that the building will be delivered towards the end of 2014.

Furthermore, Banimmo and Adventis enter a joint venture to develop BNP Paribas Fortis' 8,000 sq m regional headquarters on the Boulevard Tirou. The development is intended to obtain a BREAAM Very Good or Excellent certification. Once delivered (around the end of 2014), BNPPF will occupy the premises on the basis of a 15 year lease.

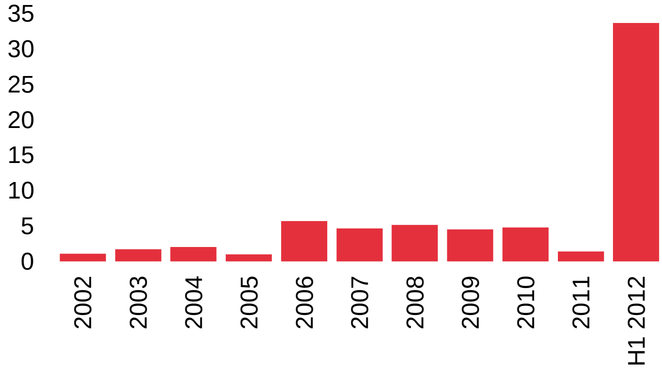
Aside from the above, there have been no recorded transactions on the Charleroi office market so far this year, including in the dynamic *Aéropôle*, the prime area on the market in terms of location.

On the subject of the *Aéropôle*, the latest on the *Saint Exupéry 2* is that it will be delivered during Q4 2012. No other deliveries will occur on the Charleroi office market this year.

A new prime rent is recorded this quarter with the pre-letting by BNP Paribas Fortis of its future offices. Therefore, prime rent, located in the *Aéropole* until now shifts from the outskirts to the centre of Charleroi, and rises to €135/sq m/year. Average rents in the city centre are estimated stable between €50 and €70/sq m/year.

Figure 19

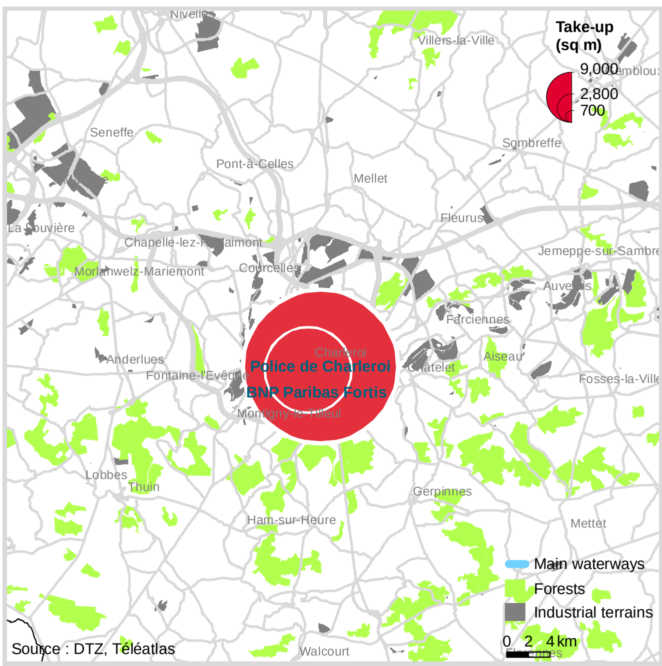
Charleroi office take-up, 000s sq m



Source: DTZ Research

Map 8

Office deals in Charleroi, H1 2012



Major leasing transactions

Table 1

Major leasing transactions in Flanders – H1 2012

Submarket	Building	Offices (sq m)	Tenant-Occupier	Transaction
Mechelen	Zuidpoort	12,000	Sanoma Media	Letting
Antwerp		4,000	Loos & Co	Purchase
Antwerp		3,400	Essent	Letting
Antwerp	Ceka Center	3,000	IT Pro	Letting
Gent	De Schelde I	2,300	Kinepolis	Letting

Source: DTZ Research

Table 2

Major leasing transactions in Wallonia – H1 2012

Submarket	Building	Offices (sq m)	Tenant-Occupier	Transaction
Charleroi	Hôtel de Police	25,000	Police	Letting
Liège		17,000	EVS	Purchase
Charleroi	BNPPF Headquarters	8,000	BNP Paribas Fortis	Letting
Liège	Ilot Saint-Michel	1,200	FOREM	Letting

Source: DTZ Research

Property Times
Belgium secondary markets H1 2012

Definitions

Availability:	Represents the total floor space in existing properties, which are physically vacant, ready for occupation and being actively marketed as known on the last day of the quarter (with a margin of error of 5%). The vacancy rate represents the total vacant floor space divided by the total stock at the survey date.
New supply:	Represents the total amount of floor space that has reached practical completion as known on the last day of the quarter (including major refurbishments) regardless whether the space is occupied or still available on the market.
Prime rent:	Represents the attainable average prime rent that could be expected for an office unit (min. 500 sq m) commensurate with demand in each location, highest quality and specification in the best location in a market at the survey date. The rent is given as a base rent, i.e. no service charge or tax is included.
Prime yields:	Represents the initial yield estimated to be achievable for a notional office property of highest quality and specification in the best location fully let and immediately income producing in a market at the survey date.
Square meters:	Unless stated otherwise, the square meters used in this publication refer to the Gross Leasable Area definition for Brussels. For more information, see our DTZ insight: Office Lease Area Comparison.
Stock:	The office property stock is the sum of office properties which are in use and office properties standing empty at the time of analysis. The office property stock is not a static amount. Due to new-build or totally refurbished operations it increases (new supply), due to demolition, change of use or even larger refurbishments that make the space not usable for a significant amount of time, it decreases.
Take-up:	Represents the total office floor space known to have been either let, pre-let or developed for tenants as well as sold or pre-sold to owner-occupiers as known on the last day of the quarter. Adjacent office spaces, when known, are not included. Pure contract renewals, sales and leasebacks and sub-lettings are not included.

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Available for Global, Asia Pacific, Europe and UK.

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Contacts

Occupational & Development Markets

Jérôme Coppée +32 (0) 2 629 02 57 jerome.coppee@dtz.com	
Pierre Badot +32 (0) 2 629 02 05 pierre.badot@dtz.com	Stephane Moermans +32 (0)4 222 02 20 stephane.moermans@dtz.com
Dirk Van Bulck +32 (0)3 303 10 20 dirk.vanbulck@dtz.com	Stijn Van achter +32 (0)3 303 10 22 stijn.vanachter@dtz.com
Harold d'Otreppe +32 (0) 2 629 02 06 harold.dotreppe@dtz.com	Ulrik Mertens +32 (0) 2 629 02 01 ulrik.mertens@dtz.com
Jean-Christophe Alpha +32 (0) 2 629 02 03 jean-christophe.alpha@dtz.com	Kristof van Renterghem +32 (0) 2 629 02 075 kristof.vanrenterghem@dtz.com