

MODEST GROWTH FUELED BY PUBLIC & CORPORATE INVESTMENT

Belgium's **GDP growth for 2025 is projected at 0.84%**, slightly below the Eurozone average of 1.02%. In the first quarter, economic growth was primarily supported by fixed capital formation from both public authorities and private enterprises. In contrast, household investment exerted a dampening effect and the decline in exports, linked to the recent U.S. tariff measures and associated uncertainty, further constrained growth.

Amid slowing economic activity, unemployment is expected to rise slightly to 6.37% in 2025, driven mainly by unemployment in the industrial sector. However, a **recovery in employment** is anticipated in 2026, supported by the planned reform of the unemployment benefit system, which aims to enhance labour market participation.

EUROZONE HITS INFLATION TARGET

In June 2025, Eurozone **inflation aligned precisely with the ECB's 2.00%** target and is expected to remain stable throughout the year. Following the recent phase of post-pandemic inflation, the ECB has announced a strategic shift, aiming to incorporate a wider range of risk scenarios into its policy framework. The ECB also notes that companies have become more agile in adjusting prices, enabling faster responses to potential shocks and events.

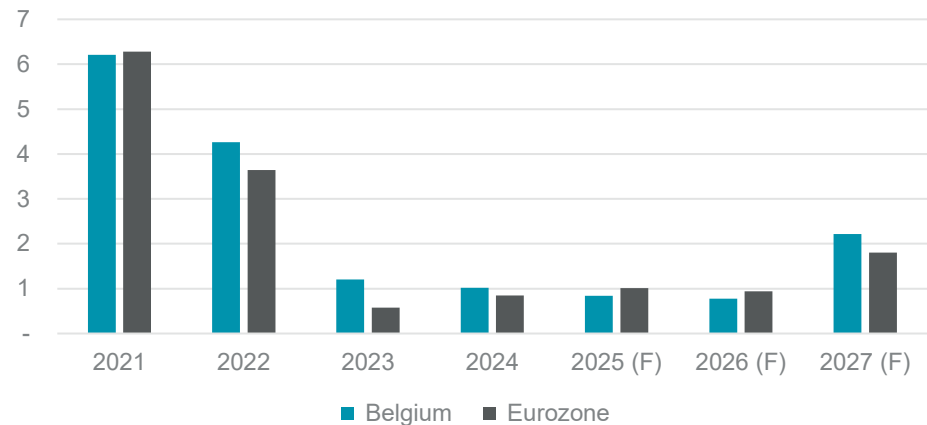
In contrast, **Belgian inflation remains elevated at 2.8%**, primarily due to rising costs for service vouchers and public transportation. A gradual easing towards 1.8% is forecasted by the ECB in 2026.

MONETARY POLICY AND FISCAL DEVELOPMENTS

With inflation back on target, the ECB cut key interest rates for the eighth consecutive time in June 2025. As a result, **interest rates continue on a downward trajectory**, while government bond yields have remained relatively stable. Financial markets have responded with renewed calm.

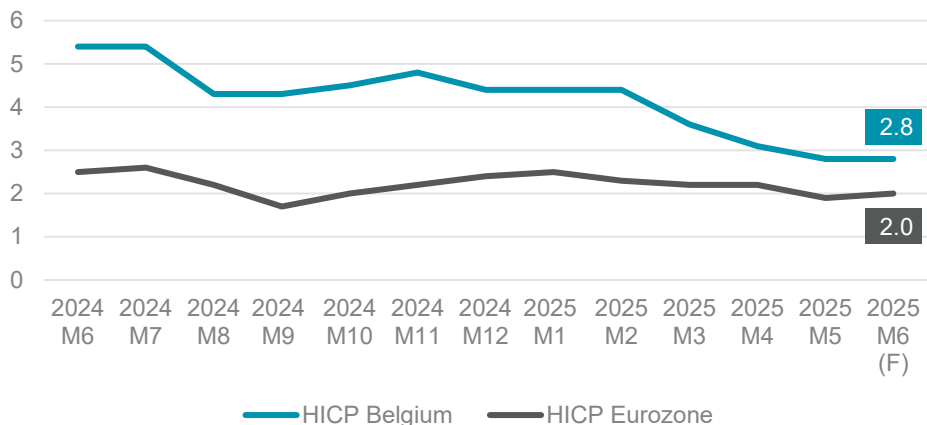
At the national level, coalition partners have reached an agreement on the introduction of **a capital gains tax**. Capital gains on financial assets held by individuals will be taxed at 10% with reduced progressive rates, marking a significant shift in the country's fiscal landscape.

GDP GROWTH (in % of change prev. year)



Source: Moody's Analytics (baseline scenario - July 2025)

INFLATION RATE (HICP in % of change)



Source: European Central Bank (ECB)

MARKET FUNDAMENTALS

	YoY Chg	12-Month Forecast
656,000 sq m Take-Up 2025 (YTD)	▲	=

€687 million Investment Volume 2025 (YTD)	▼	▲
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5.00% Prime Yield Logistics	▼	▼
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ECONOMIC INDICATORS

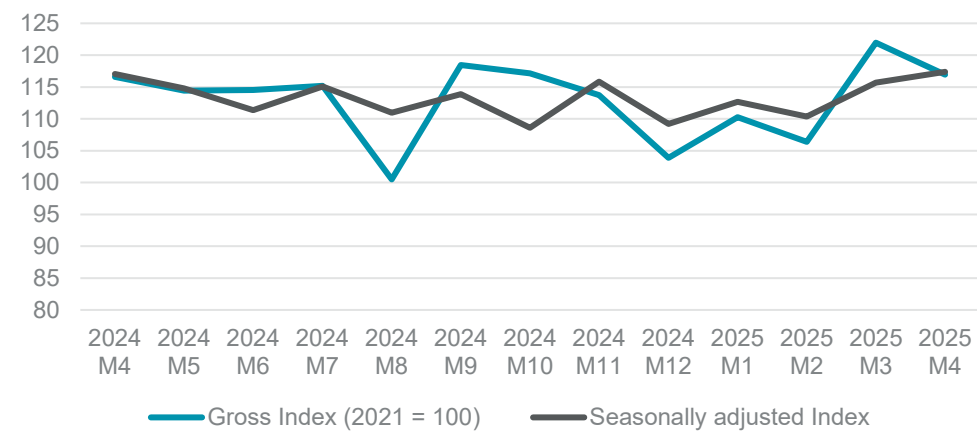
	YoY Chg	12-Month Forecast
0.84% GDP Growth YoY 2025 (F)	▼	▼

6.37% Unemployment Rate	▲	▼
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0.31% Gross Industrial Turnover Index YoY April 2025	▲	=
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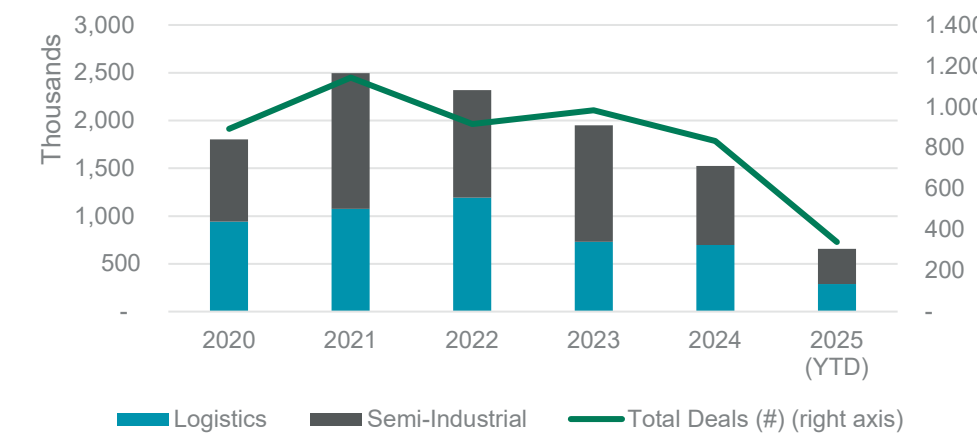
Source: Moody's Analytics, Statbel

TURNOVER INDEX INDUSTRY (2021 = 100)

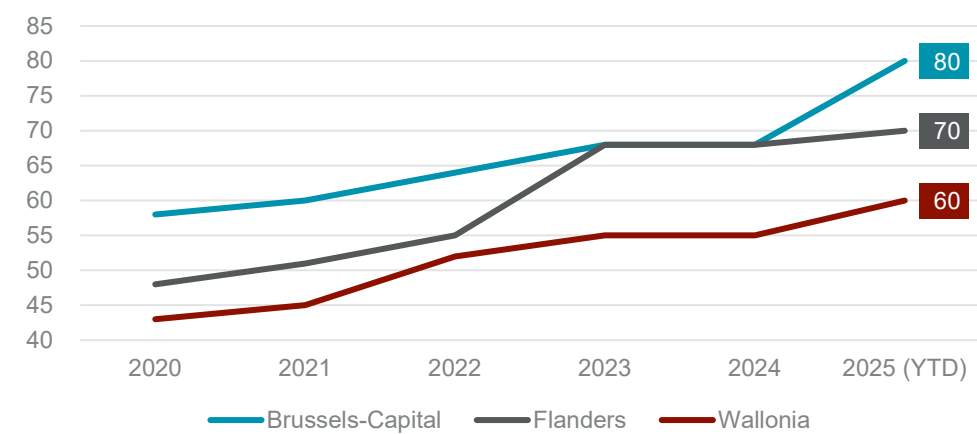


Source: Statbel

TAKE-UP VOLUME BY SECTOR (sq m)



LOGISTICS PRIME RENTS BY REGION (€/sq m/year)



EU LAUNCHES SUPPORT PLAN FOR CHEMICAL INDUSTRY

In early July, the European Commission announced a **support plan for the chemical sector**, following earlier measures for the automotive and steel industries. Chemical production remains well below capacity across Europe and Belgium. The plan aims to retain this key sector by reducing **electricity prices** and supporting the transition to **greener production**. At the same time, countries like China are making faster progress in electrifying their industrial energy use, underlining the importance of Europe’s efforts to stay competitive.

Despite these structural challenges, **industrial turnover in Belgium remained relatively stable** between April 2024 and April 2025. The seasonally adjusted index hovered around 115 (2021 = 100), suggesting the sector held steady even amid ongoing geopolitical uncertainty.

TAKE-UP SLOWS, PARTICULARLY IN BIG BOX LOGISTICS

In the **first half of 2025**, total take-up in the Belgian logistics and semi-industrial market reached approximately **656,000 sq m across 340 transactions**. While Q1 started strong, Q2 was noticeably slower compared to the same period in 2024 and well below the high take-up levels recorded between 2021 and 2023. A key trend is the **reduced number of large-scale logistics transactions**: only three big box deals (>20,000 sq m) have been recorded so far this year. This confirms a cautious approach among large institutional occupiers, many of whom are adopting a “wait-and-see” strategy. The decline in big box activity had already begun in 2024, despite being offset by the exceptional Skechers megadeal of 200,000 sq m, which had boosted the annual total.

Amid the softer market, a landmark transaction stood out: the **pre-letting of MG Salyx Park in Machelen**, with completion expected in Q4 2025. The deal was secured at a headline rent of €90/sq m/year, reflecting both the prime location and the quality of the new development. Advised by Cushman & Wakefield, this transaction sets a new benchmark above typical prime rents in the segment.

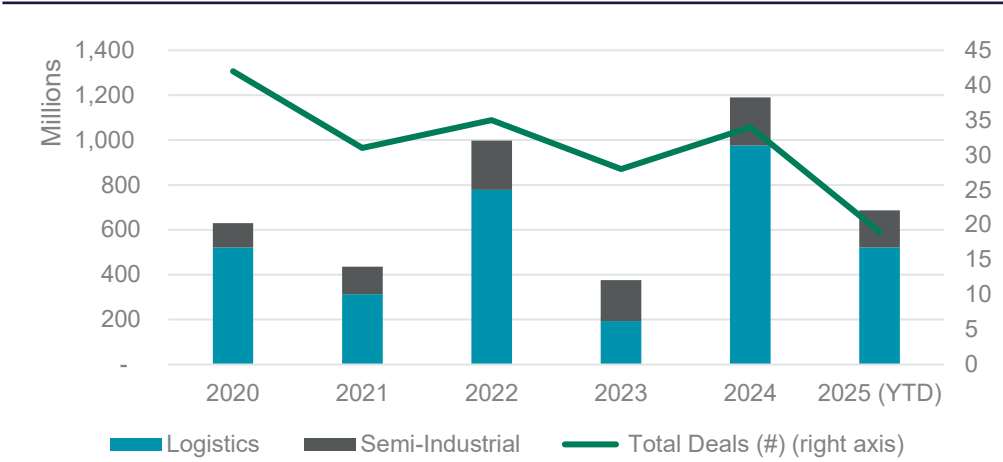
PRIME RENTS: UPWARD PRESSURE ACROSS THE BOARD

Because of the high-profile transaction of MG Salyx Park, **prime rent in the wider Brussels area has risen to €80/m²/year**. This upward adjustment reflects a repricing of well-located, high-quality logistics assets rather than a surge in demand. While the headline rent of €90/sq m/year sets a new benchmark, more market evidence is needed before adjusting the prime rent further. In Flanders and Wallonia, prime rents stayed stable compared to the previous quarter.

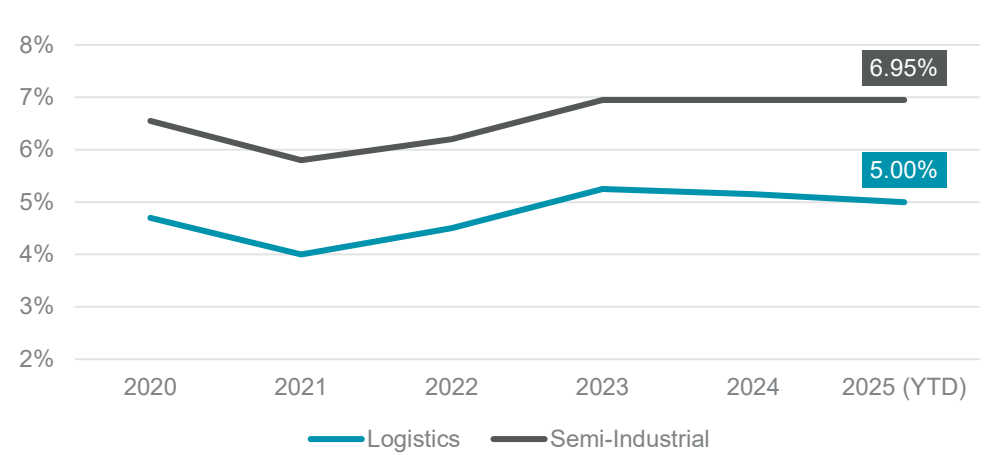
OUTLOOK

- Belgian **GDP growth** is forecast to slow to 0.78% in 2026, before bouncing up again to 2.22% in 2027.
- **Inflation** is expected to decline to 1.8% in 2026, which may ease cost pressures and improve overall market sentiment.
- **Take-up** activity is expected to remain moderate in the second half of 2025, with fewer large-scale logistics deals as major occupiers continue their cautious “on hold” strategy.
- **Prime rent** in the Brussels area may continue to go up if more top-tier transactions are closed, but further evidence is needed to support a shift towards €90/sq m/year.
- **Investor sentiment remains positive** and continued activity is expected in H2 2025, as already illustrated by Intervest’s acquisition of a logistics portfolio from Weerts in Q3 with a volume of €300 million.
- Further **prime yield** compression is expected for core logistics assets in prime locations, if additional benchmark transactions confirm to sub-5% levels.

INVESTMENT VOLUME BY SECTOR (€)



PRIME YIELDS BY SECTOR



KEY OCCUPIER TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	OCCUPIER	GLA (SQ M)	TYPE
MG Salyx Park, Machelen	Logistics	ADB Safegate	15,072	Letting
Diebeke 20, Geraardsbergen	Semi-Industrial	Revor Group	19,457	Purchase
Rue Athéna 5, Houdeng-Goegnies	Logistics	Not disclosed (French 3PL)	45,500	Purchase

KEY INVESTMENT TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER / BUYER	GLA (SQ M)	PRICE (MEUR)
Bulo site, Mechelen	Semi-Industrial	Bulo / CBRE IM	45,705	40-45
KDL site, Lokeren	Logistics (high bay)	KDL / WDP	25,000	40
MG Logistics Roelers, Roeselare	Logistics (high bay)	Eutraco / LCN Capital Partners	21,650	60

Transactions in the table include key transactions in the market and are not necessarily closed by Cushman & Wakefield.

SALE-AND-LEASEBACKS DRIVE INVESTMENT IN Q2 2025

The investment market for logistics and semi-industrial remains active and resilient, with **€687 million transacted in the first half of 2025**. Confidence in the sector continues to hold, supported by **both international and domestic investors**. Notable acquisitions by DEKA Immobilien, Ares Management Corporation and LCN Capital Partners reflect sustained institutional interest, while Belgian players such as Weerts, WDP and Montea also remained active.

Q2 2025 was marked by a **wave of sale-and-leaseback transactions**, including the Eutraco site in Roeselare, the Kris De Leeneer complex in Lokeren and Bulo's site in Mechelen under a master lease, all pointing to strong demand for income-producing assets. Looking ahead, **momentum continues into H2** with Intervest's landmark €300 million acquisition of a logistics portfolio from Weerts.

PRIME YIELD FOR LOGISTICS ADJUSTED TO 5.00%

The prime yield for logistics assets has been revised to **5.00%**, following the disclosure of pricing details for the MG Park Malinas transaction in Mechelen, completed in Q1 2025. The deal confirms strong investor appetite for core logistics product and justified a 15 basis point downward adjustment. While sub-5% yields are recorded for top-tier assets in prime locations, additional evidence is being analysed before further downward revisions of the prime yield are set. In contrast, the **prime yield for semi-industrial assets remains unchanged**, holding stable just below 7%, indicating continued pricing consistency in that segment.

DEFINITIONS

- **Take-up:** total gross lettable area (GLA) in sq m of new occupier transactions, including warehouse, mezzanine and adjacent office space, but excluding renewals and pre-letting transactions without valid permits.
- **Prime rent:** achievable headline rent for a new, well-located, high-specification unit of standard size, excluding incentives.
- **Prime yield:** consistently achievable gross initial yield for a grade A property, fully let on a long lease to a strong covenant in a prime location.

ANNECHIEN VEULEMANS MRICS

Associate / Research
Tel: +32 (0)476 83 54 09
annechien.veulemans@cushwake.com

BART VANDERHOYDONCK

Partner / Head of Industrial Agency
Tel: +32 (0)479 96 08 09
bart.vanderhoydonck@cushwake.com

VINCENT VANDERSTRAETEN

Partner / Capital Markets
Tel: +32 (0)494 18 83 05
vincent.vanderstraeten@cushwake.com

GREGORY LAMARCHE MRICS

Partner / Head of Valuations & Advisory
Tel: +32 (0)494 26 07 58
gregory.lamarche@cushwake.com

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