

### MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
<b>4.00%</b> Prime Yield Multi-Family	=	=
<b>€1,330 month</b> Av. Apartment Rent Brussels	▲	▲
<b>€841 million</b> Investment Volume 2025	▲	▲

### ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
<b>1.02%</b> GDP Growth YoY 2025	=	=
<b>6.15%</b> Unemployment Rate 2025	▲	▲
<b>2.2%</b> Inflation Rate (HICP) December 2025	▼	▼

### SLOW BUT STEADY ECONOMIC GROWTH CONTINUED IN Q4 2025

Belgium's economy ended 2025 with moderate and broadly stable growth. After a more robust start to the year, economic activity slowed during the second half of 2025 as trade uncertainty weighed on external demand, while domestic activity continued to provide support. GDP growth in Q4 2025 is at around 0.3% quarter-on-quarter, bringing expected **full-year growth to 1.02%**, in line with the latest projections of the National Bank of Belgium.

Looking ahead, economic growth is expected to remain close **to 1% in 2026, followed by a gradual improvement in 2027**. The outlook is supported by improving cost competitiveness as wage growth moderates, boosting exports, and a recovery in capital formation driven by better financing conditions. Household consumption is expected to slow further after its exceptional growth in 2024, while remaining slightly above income growth, implying a gradual decline in the savings rate.

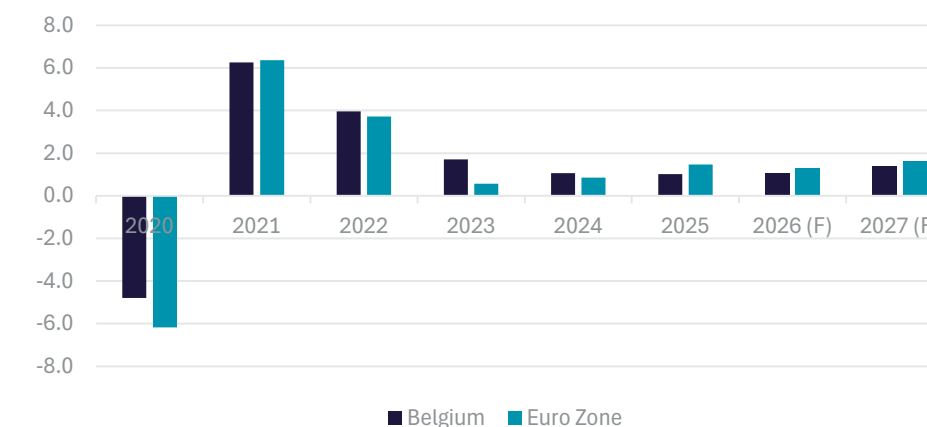
### INFLATION AND FINANCING CONDITIONS STABILISE

Belgian HICP inflation continued to ease in 2025, declining to **2.2% by December**, compared to **1.9% in the euro area**. While goods inflation slowed markedly, services inflation remained higher, reflecting labour cost developments and indexation mechanisms. At the same time, **financing conditions stabilised**, with key ECB policy rates unchanged since June 2025. Since then, long-term Belgian government bond yields (10-year) have hovered around 3.20-3.30%, while 3-month Euribor rates remained broadly stable at around 2%. Together, **easing inflation and stable interest rates** provide improved visibility on financing costs and support a more **predictable environment for investment decision-making** heading into 2026.

### LABOUR MARKET SHOWS SIGNS OF ADJUSTMENT

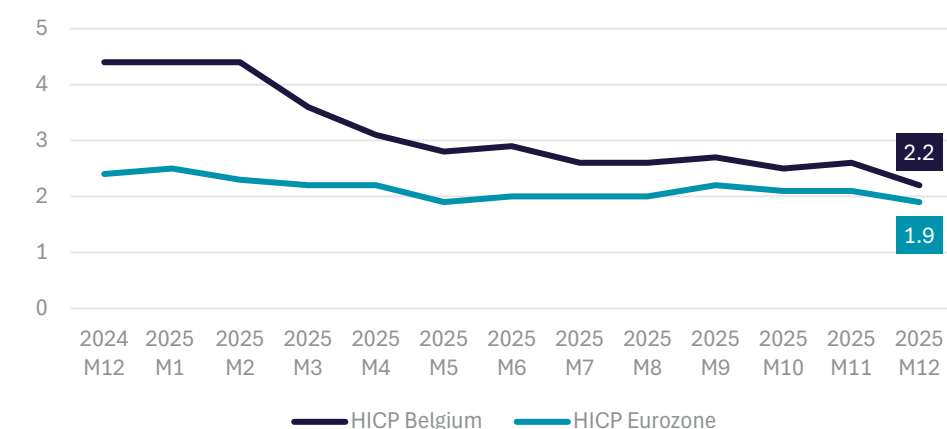
Labour market conditions softened gradually over 2025, with slower employment growth, particularly in industrial sectors. The **unemployment rate** increased from 5.70% in 2024 to **6.15% in 2025**, and is estimated to increase towards 6.2% in 2026. This expected increase reflects labour market and pension reforms.

### GDP GROWTH (in % of change prev. year)



Source: Moody's Analytics (baseline scenario - January 2026)

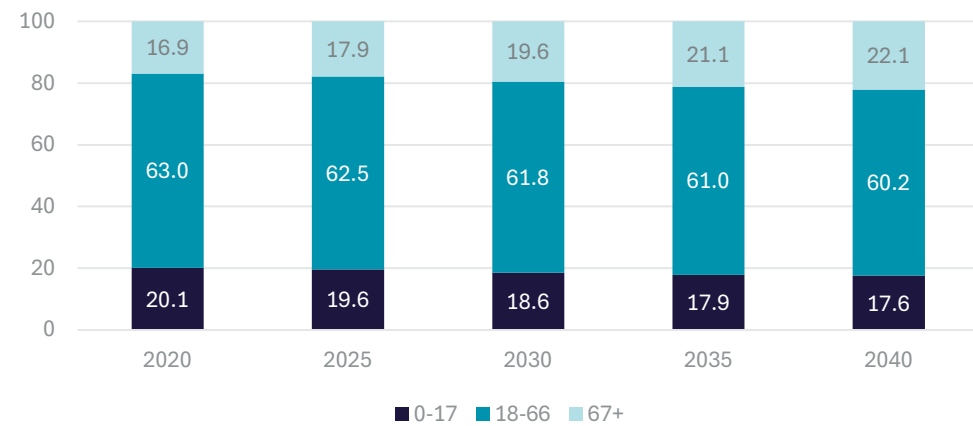
### INFLATION RATE (HICP in % of change)



Source: Eurostat

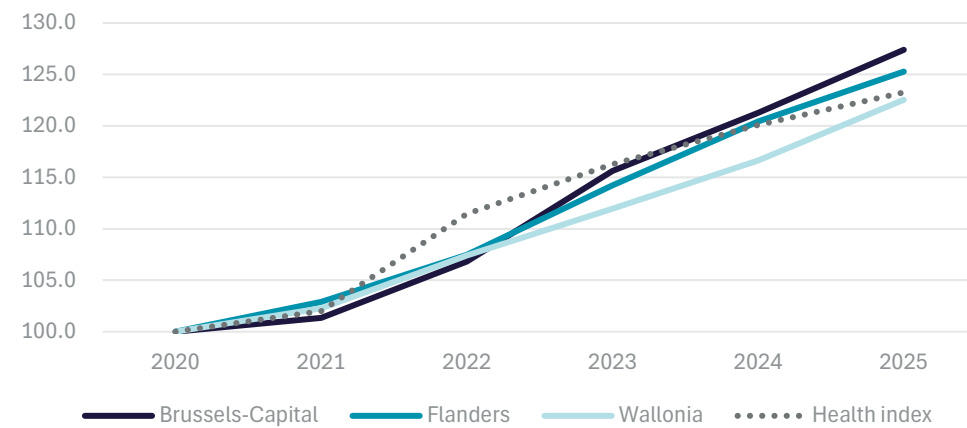
Sources: Moody's Analytics, Eurostat, CIB-Federia-Korfine

**SHARE IN POPULATION OF MAIN AGE GROUPS (%)**



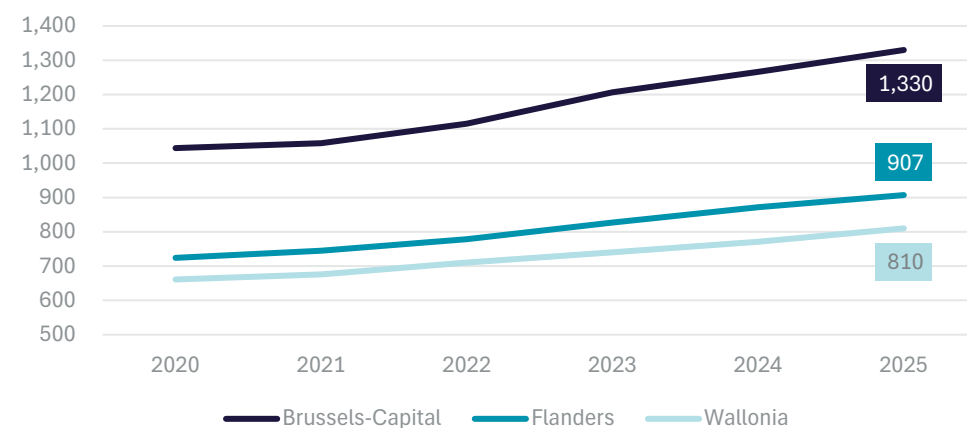
Source: Federal Planning Bureau

**GROWTH INDEX - AVERAGE MONTHLY APARTMENT RENTS (2020 = 100)**



Source: CIB, Federia, Korfine; Cushman & Wakefield

**AVERAGE MONTHLY APARTMENT RENTS (EUR)**



Source: CIB, Federia, Korfine

**DEMOGRAPHIC OUTLOOK AND IMPLICATIONS FOR HOUSING DEMAND**

Belgium's **population** reached **11.8 million** in early 2025 (+0.53% YoY), representing around **5.2 million households**. According to the latest projections from the Federal Planning Bureau, the population is expected to continue growing, potentially reaching **13 million by the early 2070s**.

Demographic ageing will remain a key structural trend towards 2040, with a declining share of younger inhabitants and a moderate contraction of the working-age population, while the **67+ age group expands more markedly**. Combined with the continued gradual **decline in average household size**, these structural shifts will influence **housing demand**. However, their impact is expected to materialise gradually, primarily through evolving housing preferences, accessibility requirements and unit sizes rather than an immediate shift in development patterns.

**SUPPLY CONSTRAINTS CONTINUE TO PRESSURE THE RENTAL MARKET**

The **residential rental market** remained under pressure in 2025, according to sector organisations CIB, Korfine and Federia. The number of new rental agreements declined markedly, falling below 50,000 in Flanders and under 9,000 in Brussels, both historically low levels.

This trend reflects a **structural supply constraint** on the residential housing market. **Stricter energy performance requirements** are prompting some landlords to reconsider renting out properties, while **lower tenant turnover** and continued **pressure on the social housing** system further limit effective supply. As a result, competition among tenants has intensified. Residential brokers report that the number of candidates per apartment increased from around 10 a few years ago to more than 30 in 2025, illustrating the imbalance between supply and demand.

Limited supply continues to support rental growth. Average monthly apartment rents currently stand at **€1,330 in Brussels**, **€907 in Flanders** and **€810 in Wallonia**, according to the sector organisations.

**HIGH OCCUPANCY LEVELS ACROSS RESIDENTIAL SEGMENTS**

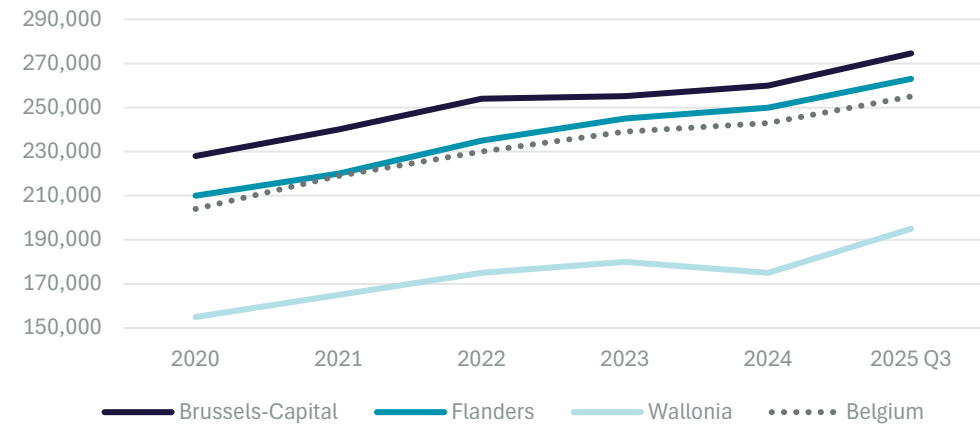
**Occupancy levels** remain very high across all residential segments. Listed **residential REIT Home Invest Belgium** and **student housing REIT Xior Student Housing** both reported occupancy rates of around **98%** in 2025, reflecting sustained demand for rental housing.

**Senior housing assets** also continue to record very strong occupancy. Healthcare REIT Care Property Invest reported portfolio occupancy of **100%**, largely supported by triple net lease agreements with care operators. At the operator level, **underlying occupancy levels** are estimated at around **94.5%** for their Belgian assets.

**OUTLOOK**

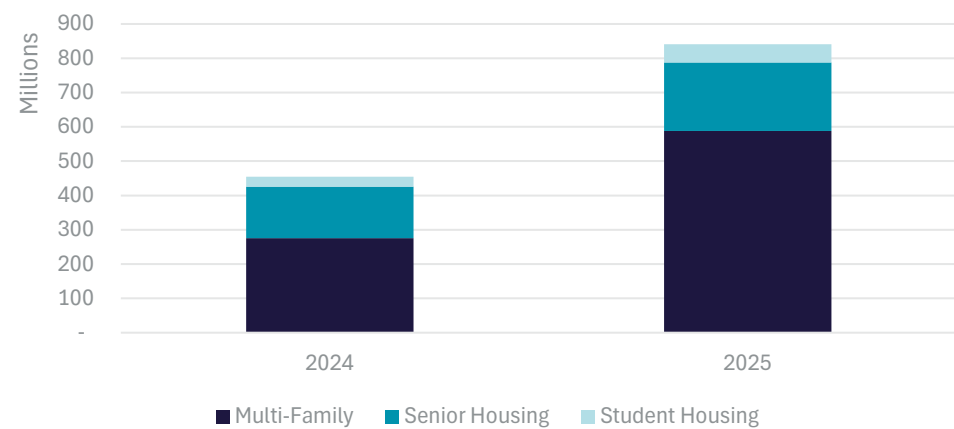
- **Economic growth** is expected to remain modest, with GDP growth **around 1% in 2026**, followed by a gradual improvement into 2027.
- **Inflation** is projected to remain broadly in line with the **2% target**, or even lower, supporting a stable economic backdrop.
- **Financing conditions** are expected to remain stable, following the stabilisation observed since mid 2025.
- Structural demand fundamentals remain supportive, driven by **continued population growth, demographic ageing** and the gradual decline in **average household size**.
- **Rental market conditions** are expected to remain **tight**, supporting rental growth. **High occupancy levels** across residential segments are expected to persist?
- Investor interest in residential assets is expected to remain solid, supported by **stable pricing dynamics and the sector's defensive profile**, with prime yields likely to remain broadly stable in the near term.

**MEDIAN UNIT PRICES APARTMENTS (EUR)**



Source: Statbel

**INVESTMENT VOLUME BY SECTOR (EUR)**



Note: sales to households are not included in this context.

**KEY INVESTMENT TRANSACTIONS H2 2025**

PROPERTY	SUBMARKET	SELLER / BUYER	# Units	PRICE (MEUR)
Cityforward portfolio (8 assets)	Multi-Family	Cityforward / Home Invest Belgium	800	280
Korian portfolio (9 assets)	Senior Housing	Korian / Care Property Invest	1,021	142.6
Sobegi portfolio	Multi-Family	Sobegi / Private	380	130
Van Noten Coliving	Co-Living * / Multi-Family	LIFE / Capital Colocation Fund	110	31

\* Co-living assets are included in the multi-family asset class within the total investment volume. Transactions in the table include key transactions in the market, and are not necessarily closed by Cushman & Wakefield.

**INVESTMENT ACTIVITY ACCELERATES IN H2 2025**

Residential investment volumes reached **€841 million** across **29 transactions** with disclosed pricing in 2025, with **€718 million** recorded in H2, reflecting a strong pickup in activity during the second half of the year.

Three portfolio transactions significantly shaped annual volumes. **Home Invest Belgium** confirmed the forward acquisition of eight assets from the Cityforward portfolio for approximately €280 million. The investment will be deployed over a 7- to 9-year horizon and involves the conversion of former office buildings into residential use in and around Brussels’ European Quarter. In the healthcare segment, **Care Property Invest** acquired a senior housing portfolio from Korian for approximately **€142.6 million**, comprising 830 beds and 191 assisted living units. In addition, the **Sobegi residential portfolio** in Brussels, consisting of around 380 apartments, was acquired by a Belgian joint venture between a private and family office for approximately **€130 million**.

Supporting investor appetite, the Belgian residential market continues to show price growth. According to Statbel, the **national median apartment price reached €255,000 in Q3 2025**, representing a **+4.1% year-on-year** increase. While price dynamics vary across regions, the overall upward trend continues to support the sector’s defensive investment profile.

**PRIME YIELDS HOLD STABLE**

Prime residential yields remained stable during the period. For **multi-family** assets, prime yields currently stand at **4.00%**. **Student housing** prime yields are estimated at **5.00%**, while **senior housing** yields remain around **5.15%**.

**DEFINITIONS**

- **Investment volume:** total capital allocated by professional investors in the living sector, including both completed transactions and committed projects, where investment budgets have been secured as part of an income-generating strategy.
- **Prime yield:** consistently achievable gross initial yield for a grade A asset in a prime location. In senior housing, this typically assumes a long lease to a strong operator, while in multi-family and student housing, it is based on stabilised occupancy without covenant weighting.

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