



# A CLOSER LOOK AT THE OCCUPIER MARKET

6 February 2013 | Brussels

Editions &  
**Séminaires**  
REAL ESTATE CONFERENCES

**CBRE**



# INTRO.

An aerial photograph of Brussels, Belgium, showing the Grand Place, the Atomium structure, and the city skyline. The image is used as a background for the presentation slide.

- Recovery starts in the USA, Europe to follow by mid 2013
- Large companies still very careful
- Wall of Equity available
- Real estate financing still tough
- Tax uncertainty



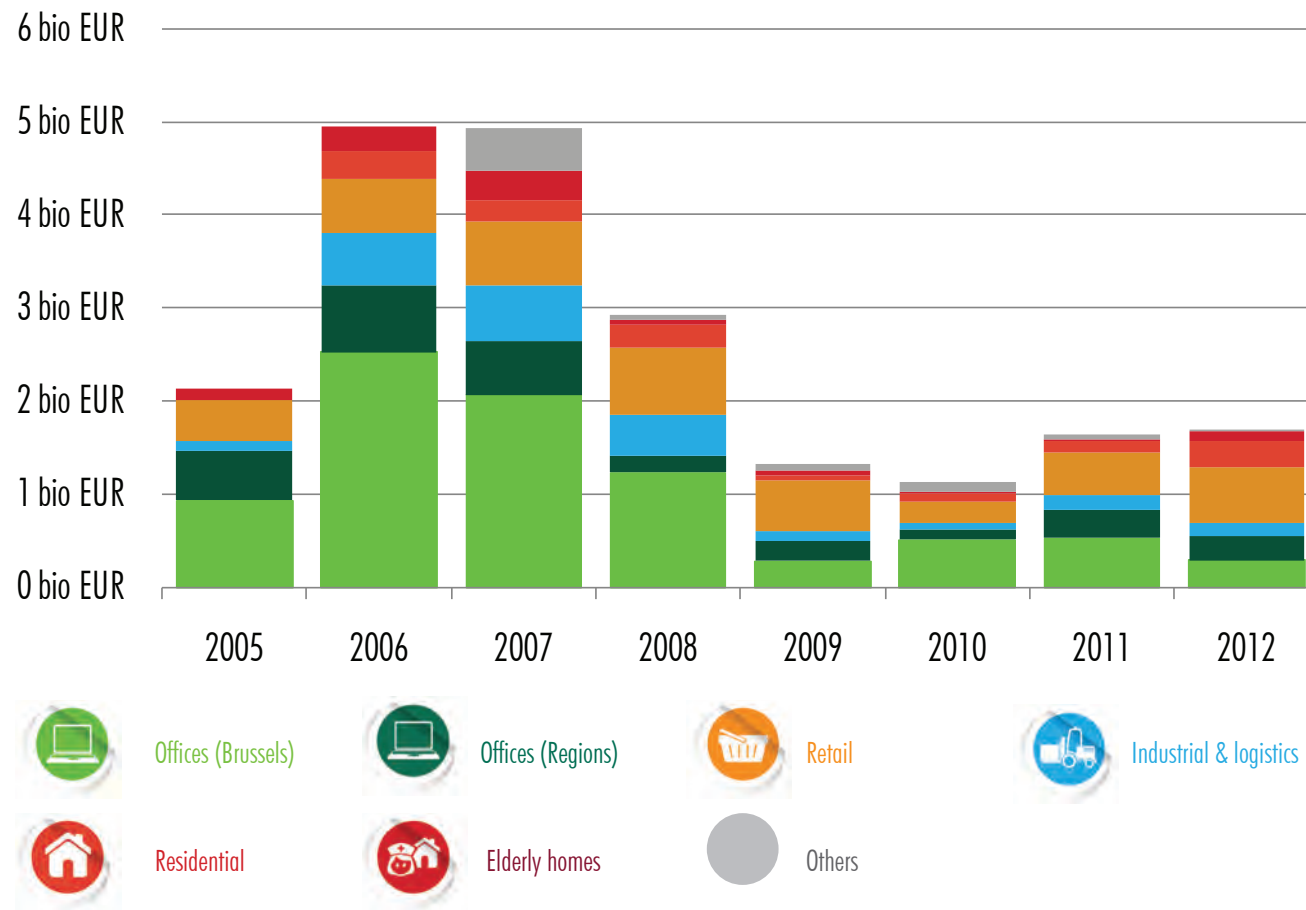
A low-angle photograph of a modern building with a prominent orange archway. The building features large glass windows and a mix of orange and grey architectural elements. A blue geometric pattern is overlaid on the left side of the image.

# **CAPITAL MARKETS**

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# INVESTMENT VOLUME

## Property investment volume per asset class



# €1.7

billion of investments in  
2012 in Belgium

BRUSSELS OFFICE INVEST-  
MENT TOTALS ONLY €290  
MILLION

# 50

largest investors were  
questioned

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# €4.5

billion to invest in 2013

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# Timing

December 2012 - January 2013

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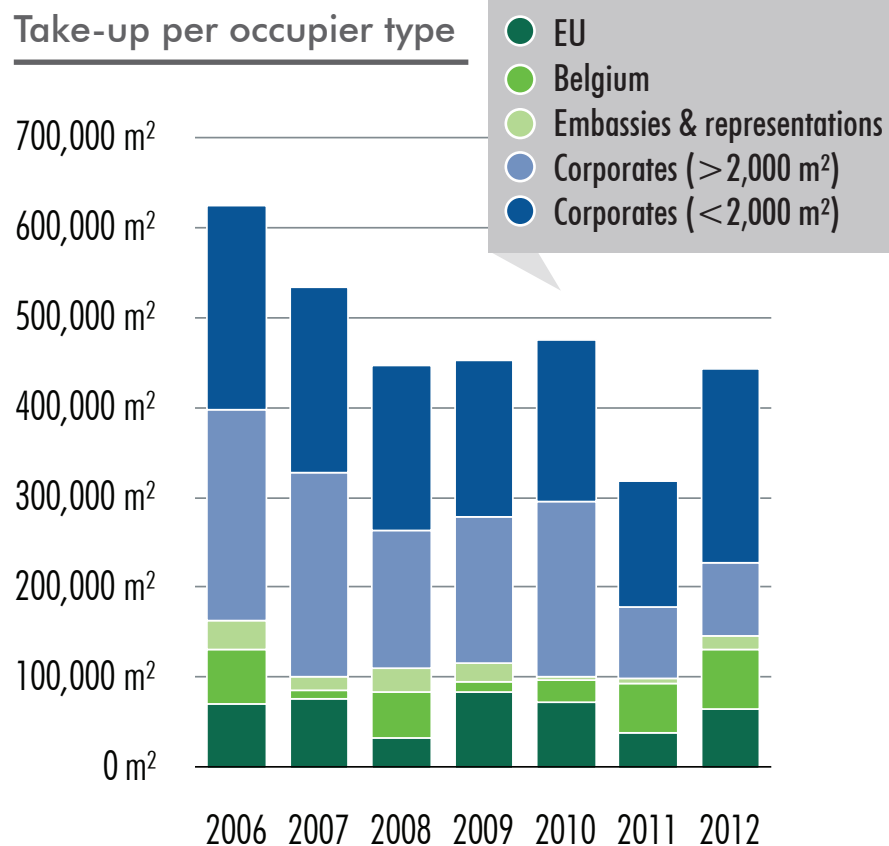
# OFFICE DYNAMICS

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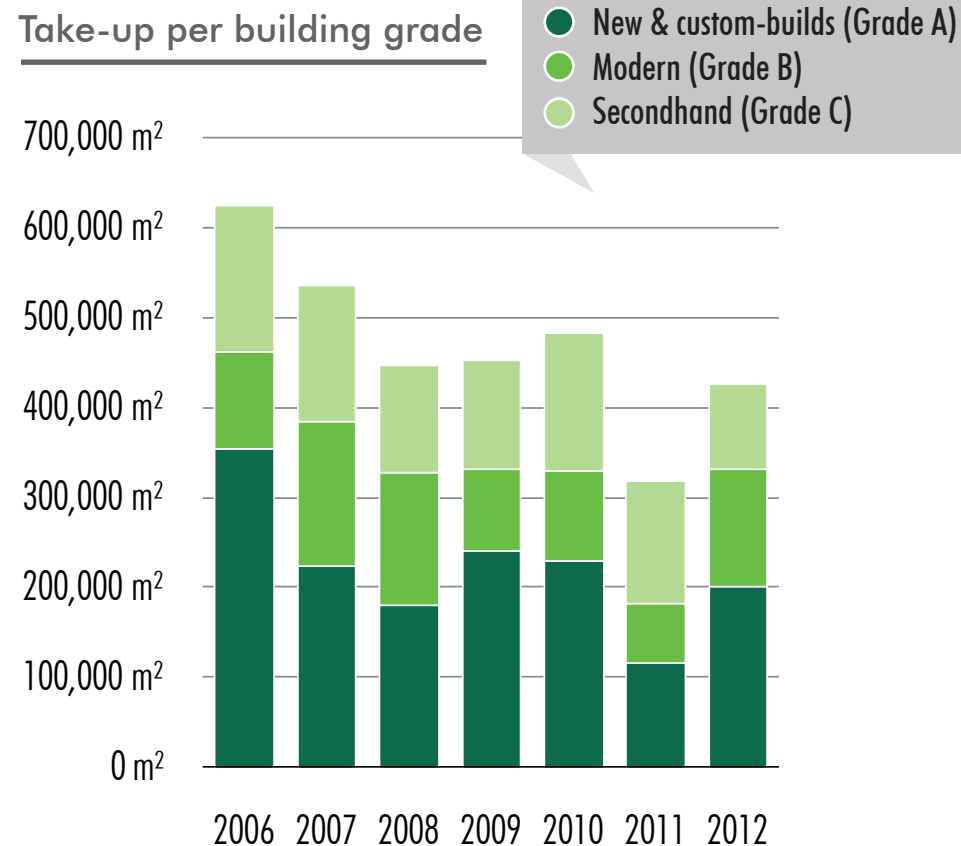
# CORPORATES WILL FOCUS ON NEW SPACE

## Office take-up in Brussels (2006-2012)

Take-up per occupier type

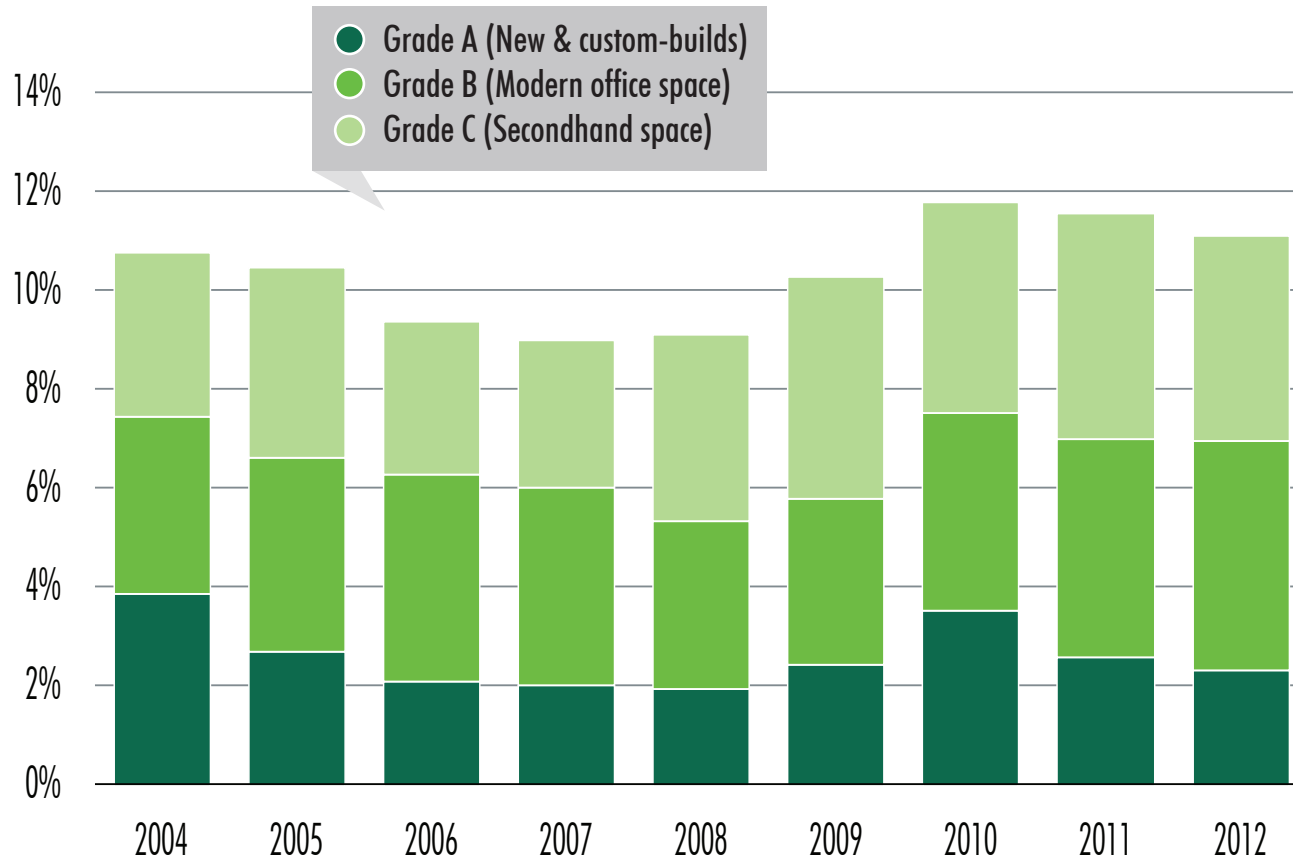


Take-up per building grade



# NEW SPACE IS QUICKLY DECREASING

## Office voids in Brussels (2001-2012)



# BOTH

new and secondhand space are decreasing. Grade B space is increasing!

OVER 130.0000 m<sup>2</sup>  
RECONVERTED IN 2012

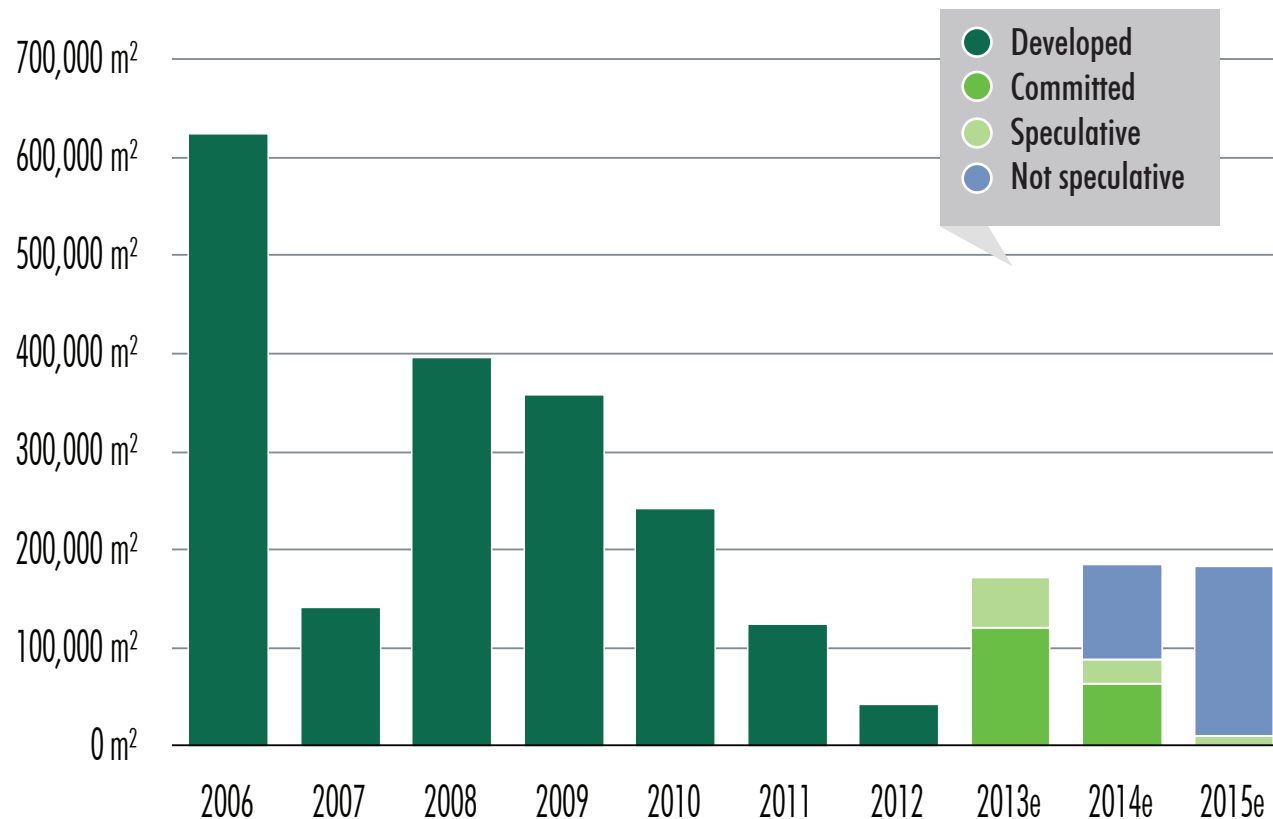
STRUCTURAL PROBLEM

FOCUS OF DEMAND ON  
NEW SPACE



# BUT ONLY LIMITED OFFICE DEVELOPMENT

## Office development pipeline in Brussels



**52,000 m²**  
of office space will be  
speculative in 2013

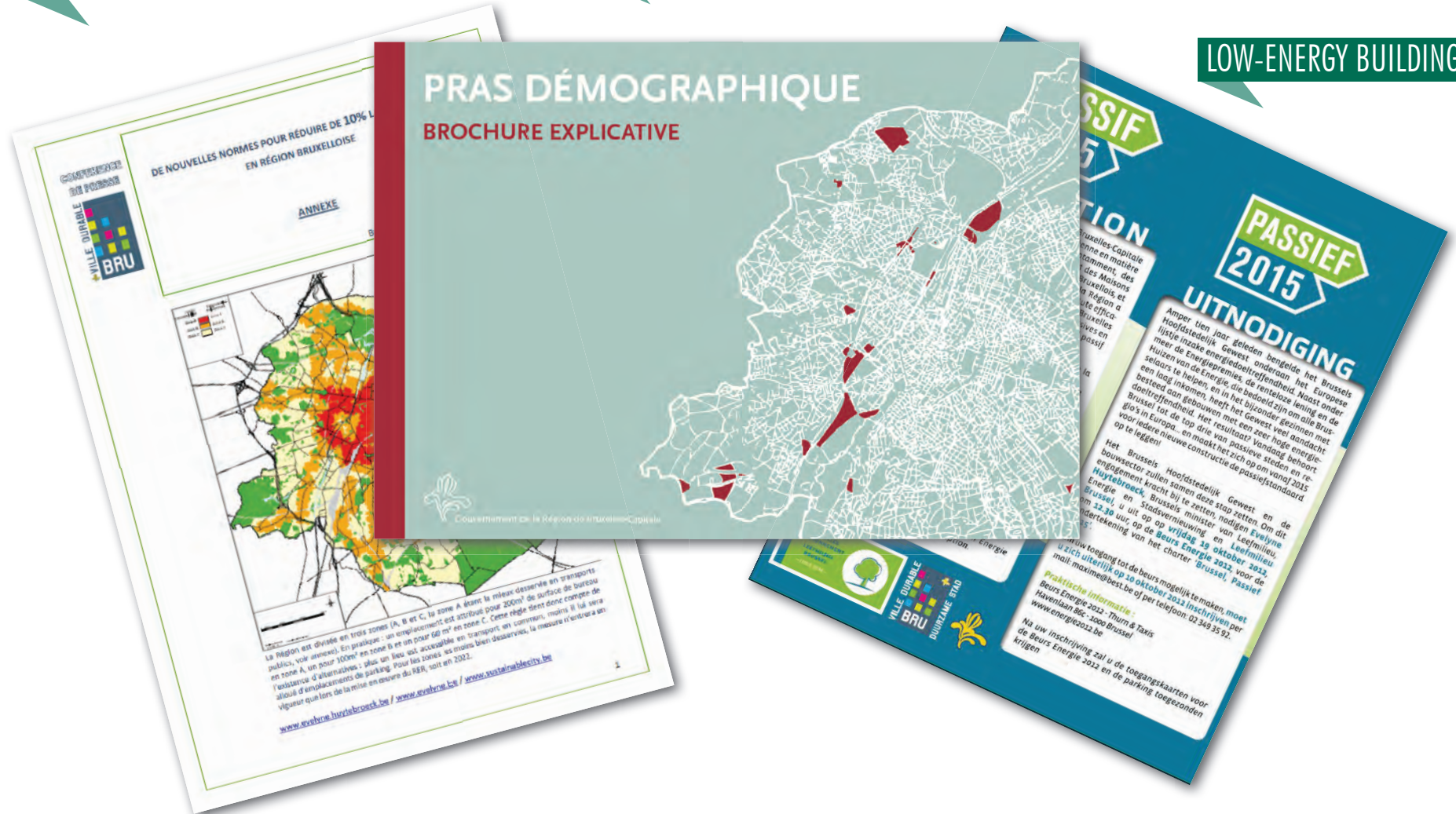
WAITING FOR AN OCCUPANT

# AMBITIOUS PLANS FOR BRUSSELS

REDUCING PARKING LOTS

HOUSING FOR POPULATION GROWTH

LOW-ENERGY BUILDINGS





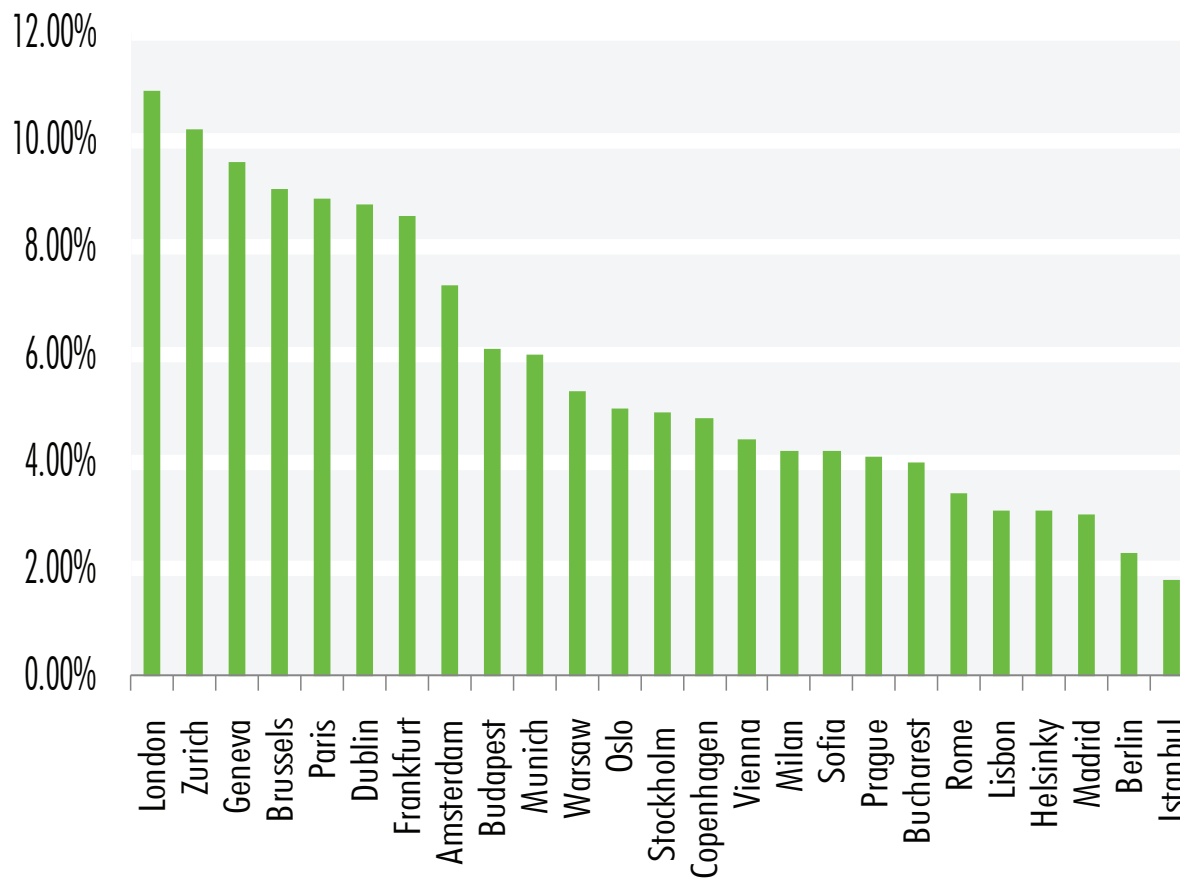
A photograph of a modern office building with a large glass facade and a central courtyard. The building has multiple stories with large windows reflecting the sky. The courtyard is paved with light-colored stone and features several green trees and shrubs. A semi-transparent black banner with a white geometric pattern is overlaid across the middle of the image.

# **OCCUPIER SURVEY**

**CBRE**

# EMPLOYMENT IN THE FINANCIAL SECTOR ...

## Banking and finance share of services employment in Brussels



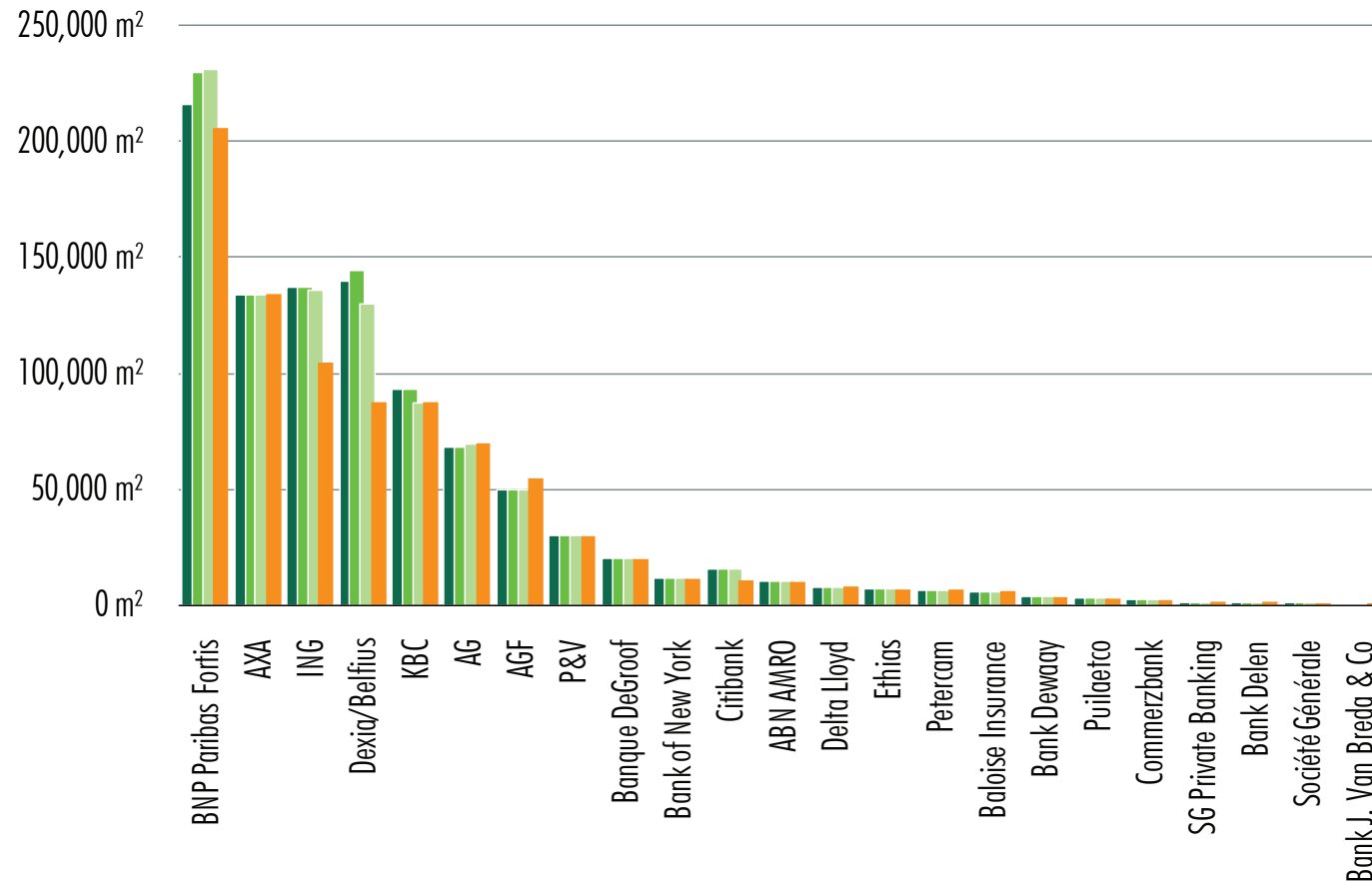
9%

of the Brussels services  
employment base is  
active in the banking  
and finance sector



# ... DID NOT SUFFER TOO MUCH

## Banking and finance share of city employment



**11%**  
decrease in office use  
since 2007 (as a result  
of the finance crisis)

# CORPORATES MOVING AGAIN

Corporate demand rebounded since the summer months





# 67

large (and some smaller)  
companies were questioned

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# 33,000

employees in total

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# Timing

December 2012 - January 2013

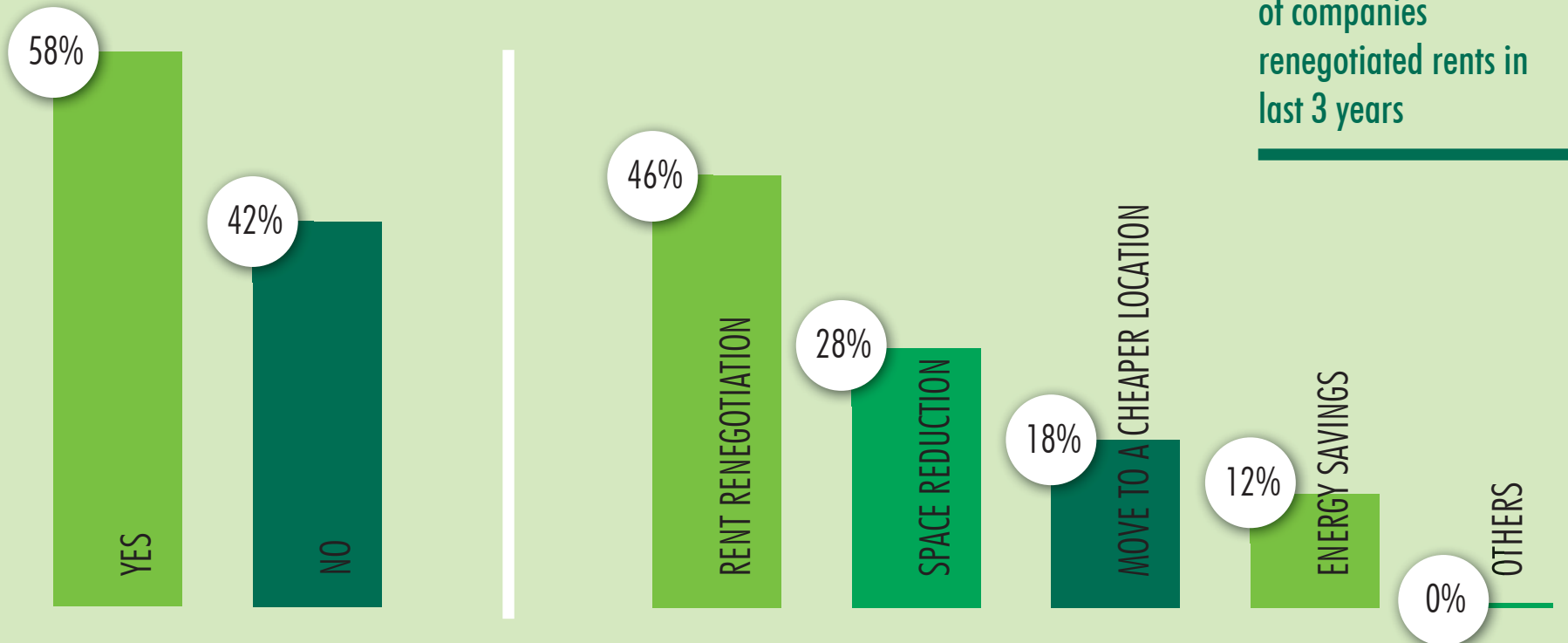
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# REDUCING PROPERTY COSTS?

## CBRE OCCUPIER SURVEY 2013

Property cost reduction in last 3 years?

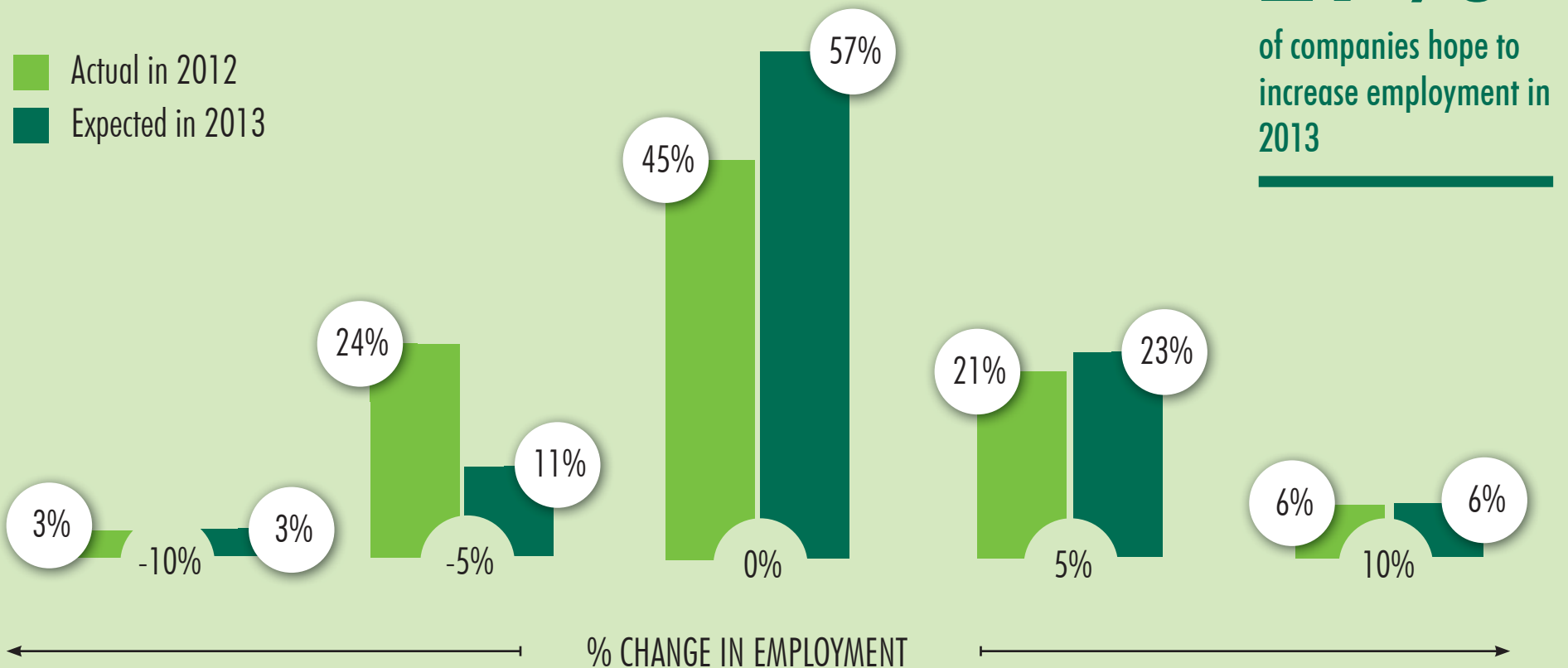




# CHANGES IN EMPLOYMENT?

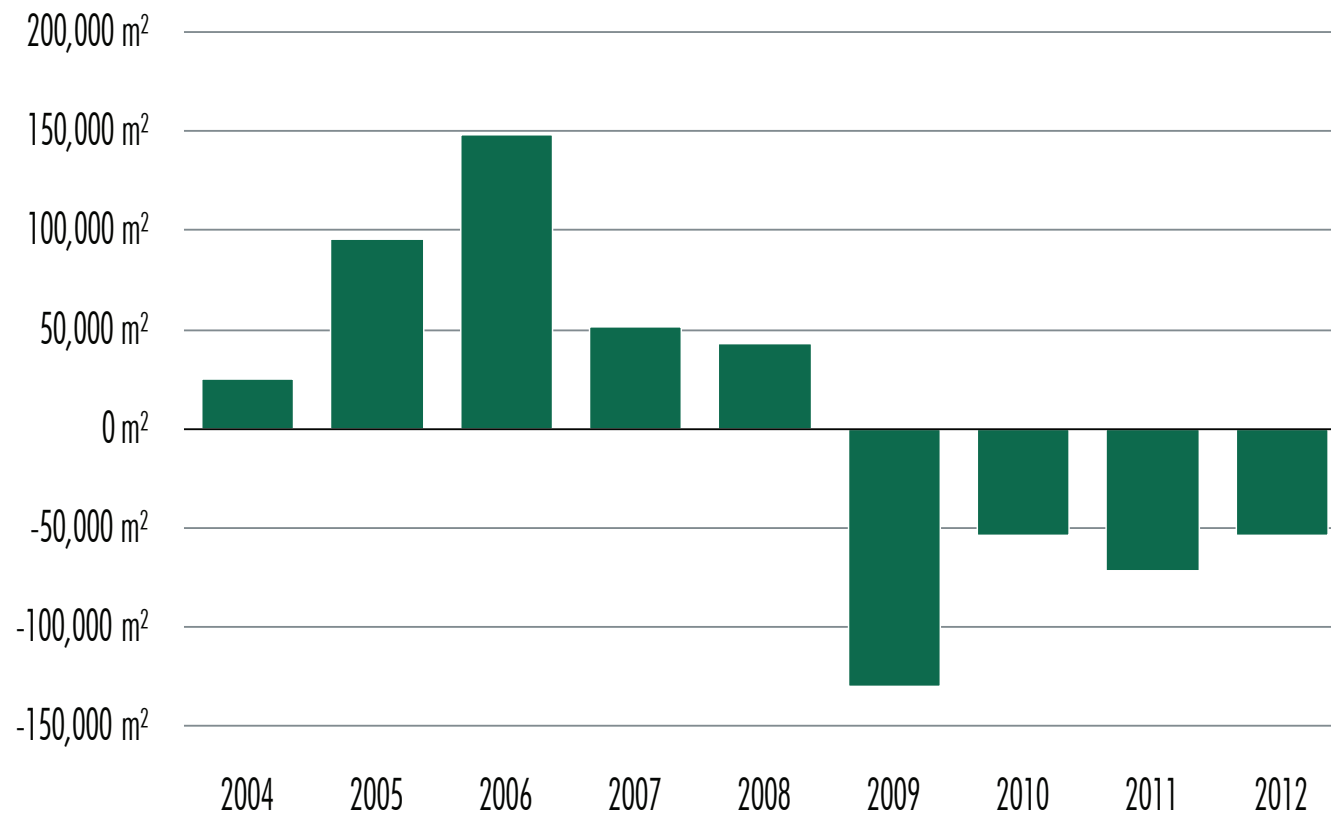
## CBRE OCCUPIER SURVEY 2013

### Expected changes in company employment?



# NET ABSORPTION IN 2013?

## Evolution of net absorption



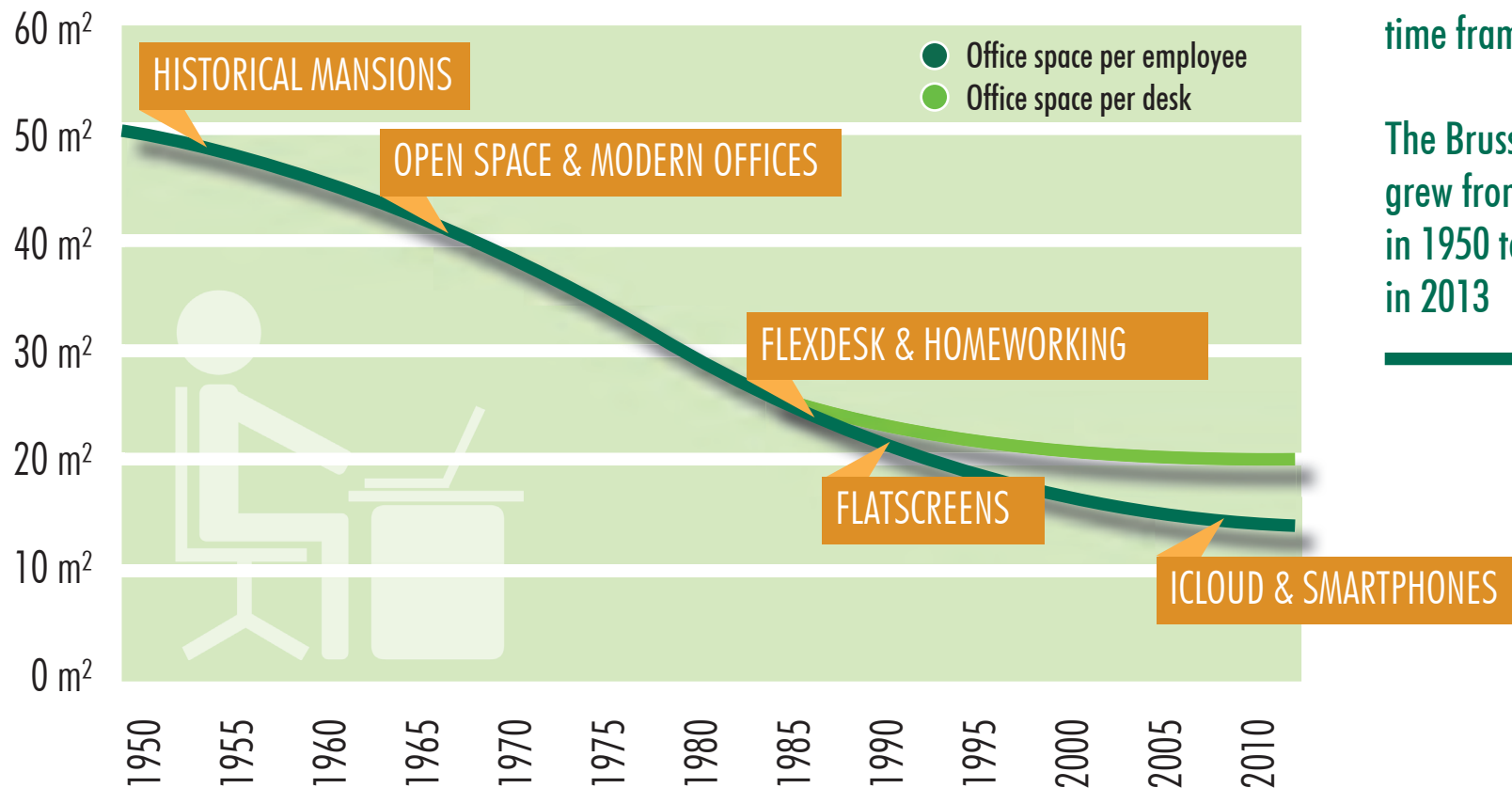
# 4th

year of negative  
absorption in the  
Brussels office market



# TOWARDS A NEW WAY OF WORKING ...

## Evolution of office space per employee



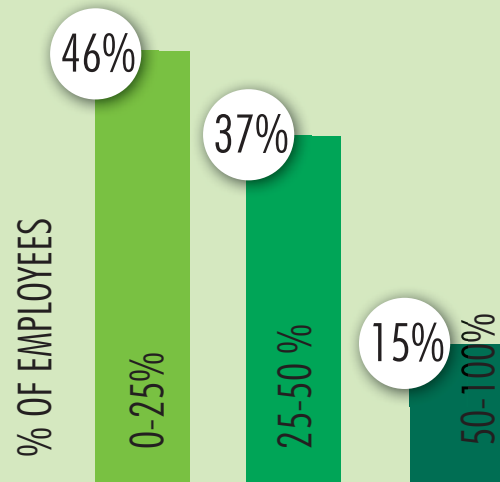
Please note that service employment increased substantially in the same time frame.

The Brussels office stock grew from 4 million m² in 1950 to 13 million m² in 2013

# TOWARDS A MODERN WORKPLACE ...

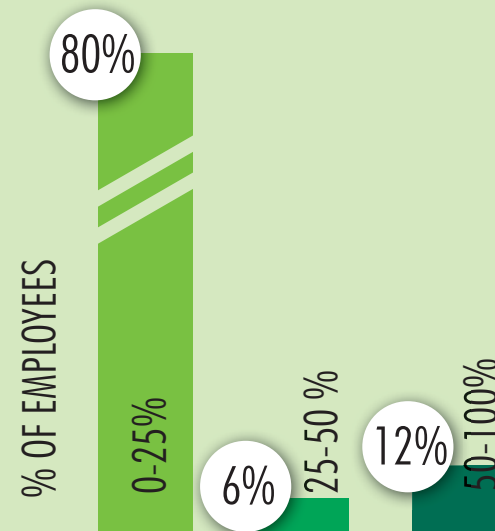
## CBRE OCCUPIER SURVEY 2013

### On the road?



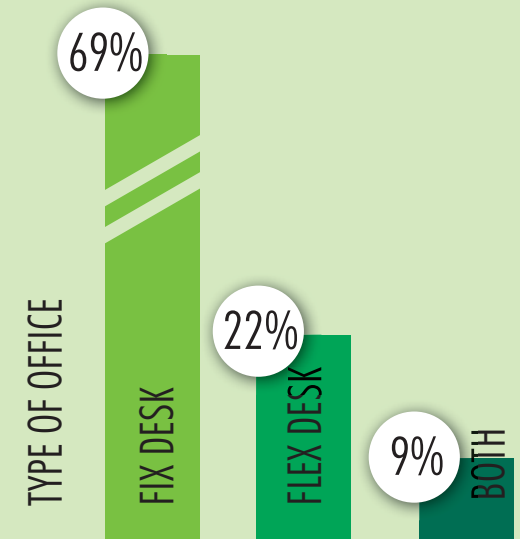
LARGE PART OF STAFF SPENDS 50% OF TIME OUT OF THE OFFICE

### Working from home?



WORKING FROM HOME IS NOT YET ALLOWED IN MOST COMPANIES

### Flex-desk?

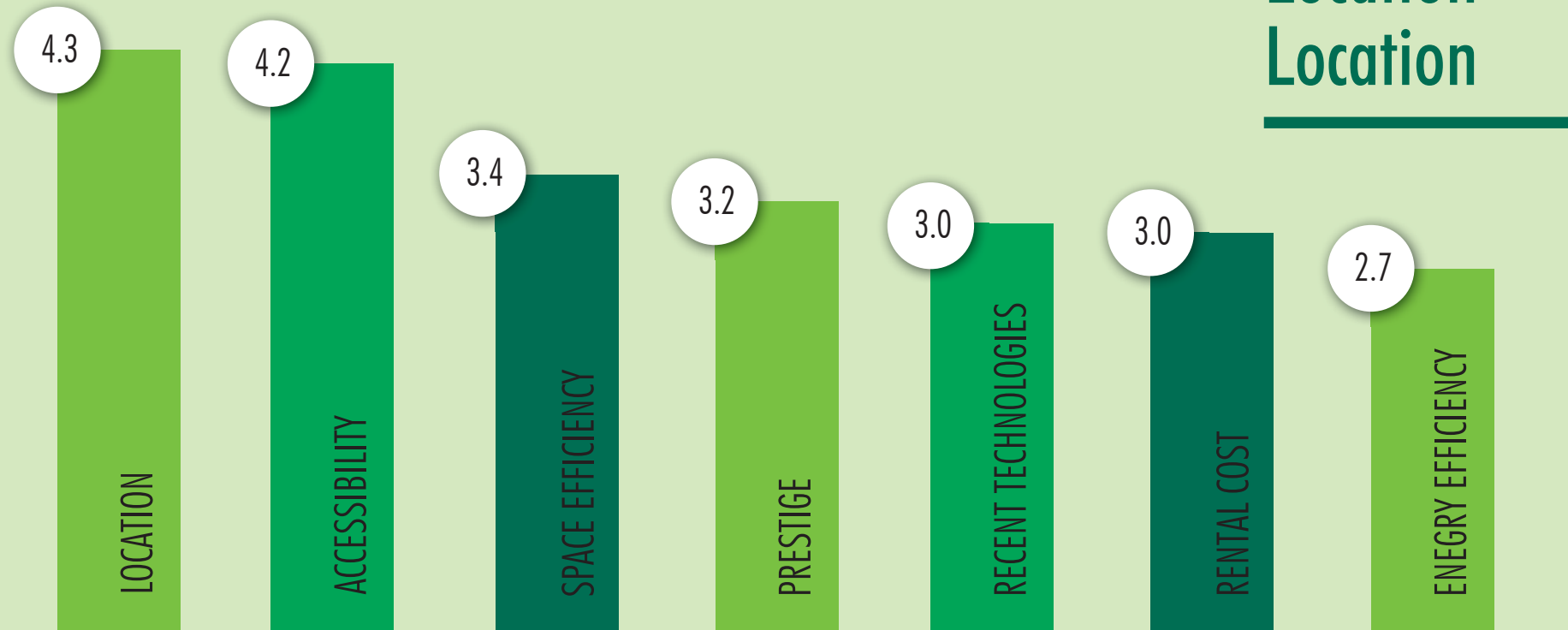


1 OFFICE UNIT PER PERSON REMAINS THE OVERALL TREND

# SATISFACTION IN CURRENT BUILDING(S)?

## CBRE OCCUPIER SURVEY 2013

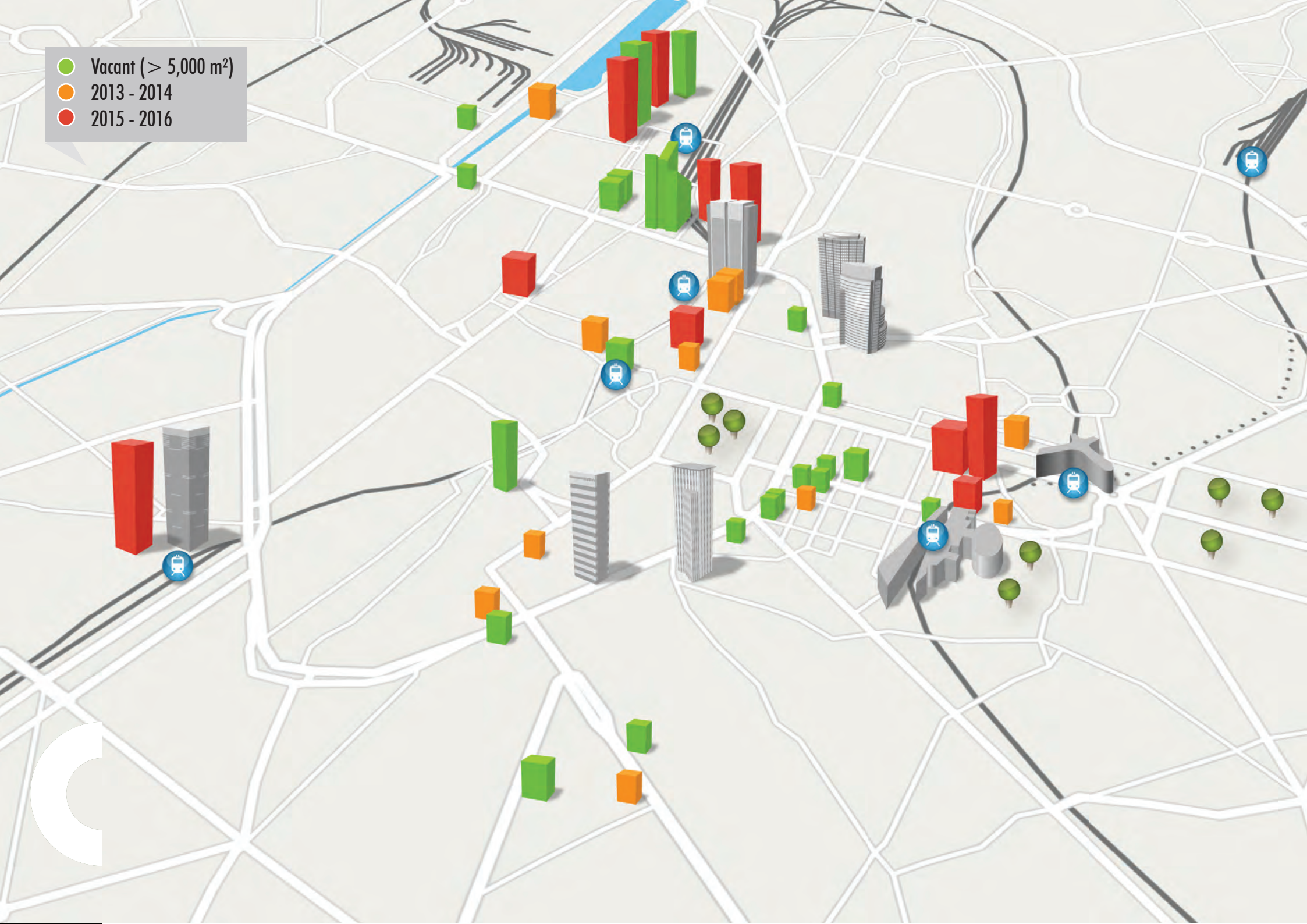
Rank your headquarters




Location  
Location  
Location




- Vacant ( $> 5,000 \text{ m}^2$ )
- 2013 - 2014
- 2015 - 2016





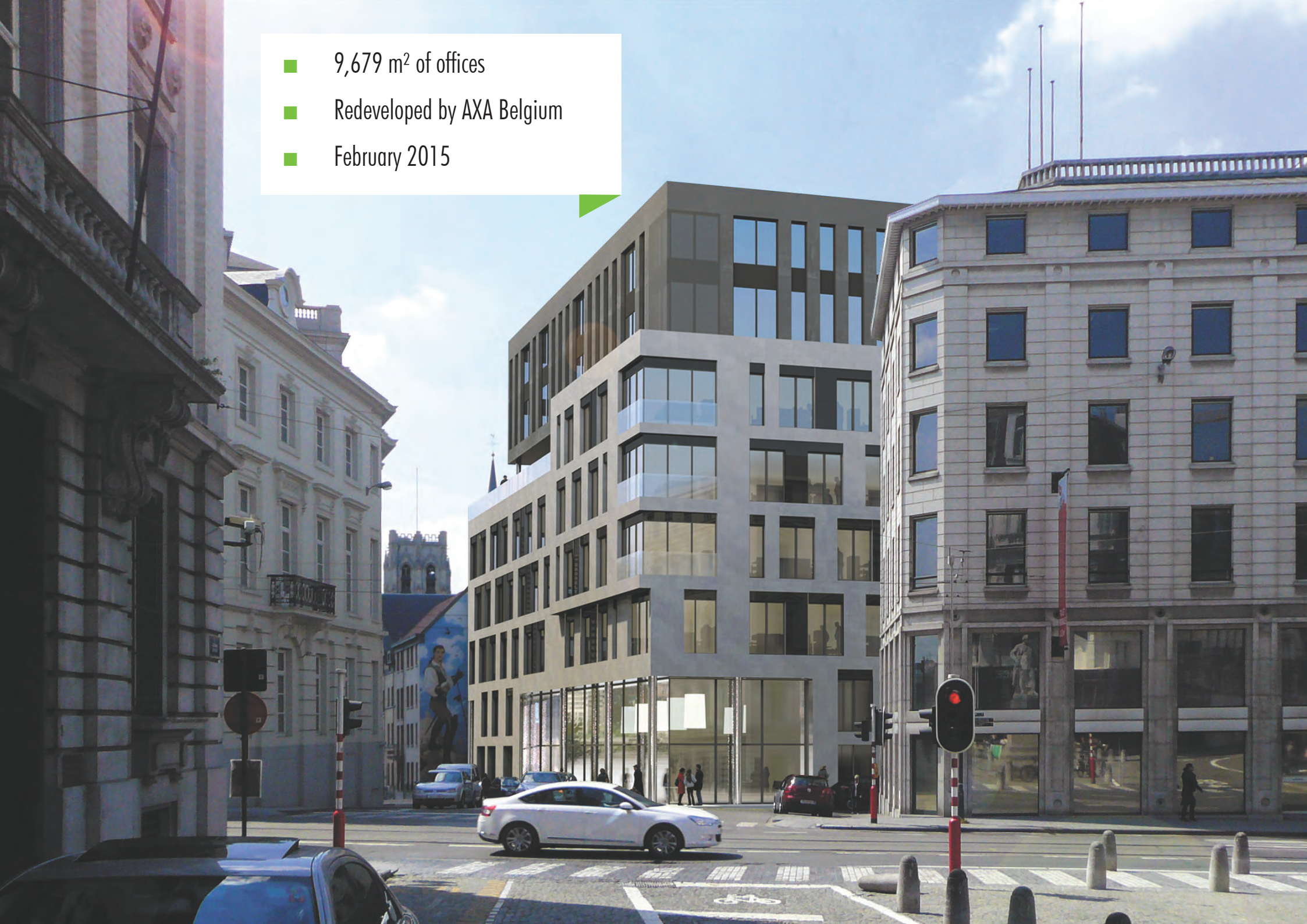
- 
- 70,000 m<sup>2</sup> + 10,000 m<sup>2</sup>
- Let to the Federal Police
- Developed by Breevast/Immobel
- December 2013
- The image is an architectural rendering of a modern building complex. In the center background is a tall, dark glass skyscraper with a distinctive antenna-like structure on its roof. To the right, a long, low-rise building with a vibrant, multi-colored glass facade (featuring shades of green, blue, and yellow) extends towards the foreground. In the foreground, there is a landscaped plaza with a series of rectangular water features and manicured hedges. Several people are depicted walking on a pedestrian bridge and in the plaza, providing a sense of scale. The sky is clear and blue.



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- Over 50,000 m<sup>2</sup> in total
- 29,288 m<sup>2</sup> of offices
- Redeveloped by Allfin
- 2014/2015
- This architectural rendering depicts a multi-story office building with a distinctive green copper-clad roof and a facade of light-colored stone blocks. The building features numerous rectangular windows, some of which are illuminated from within, showing office interiors. A prominent arched entrance is visible on the right side of the ground floor. The building is situated on a city street, with a classic car parked in front and a few pedestrians walking on the sidewalk. To the left, a portion of an older, ornate building with a dome is visible, providing a contrast between old and new architecture.



- 9,679 m<sup>2</sup> of offices
- Redeveloped by AXA Belgium
- February 2015







- 11,013 m<sup>2</sup> of offices
- Redeveloped by Immobel
- September 2013



# COMPETITION FROM REGIONAL CITIES?

## Office dynamics in regional cities

**304,498 m<sup>2</sup>**  
of office take-up in  
regional cities in 2012

