

The Belgian Industrial Market



H2 2025

Fresh data and insights on semi-industrial and logistics property at the crossroads of Europe

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The Belgian Industrial Market H2 2025

A *watershed* year for investment.

► **Strengthening semi-industrial demand and elevated H2 2025 investment activity highlight the depth of international capital and a resilient Belgian occupier base.**

Belgian **GDP growth** is expected to remain modest, forecast at 1.1% in 2026. Although inflation is easing and confidence among households is improving, domestic demand will stay constrained. Household purchasing power is set to rise only slightly, partly due to cuts in unemployment benefits. Domestic demand is projected to grow at a slightly faster pace in 2026 and 2027.

Business services are experiencing weaker activity and rising margin pressure, which is prompting firms to accelerate digitalisation and cost reduction. Logistics and warehousing activity remains broadly stable, despite persistently tight margins, especially in logistics.

External demand is expected to stay subdued in 2026 because of weak industrial activity in the eurozone and a broader slowdown in global trade. US tariffs have added pressure on Belgian exports, although their impact was partly offset by frontloaded shipments in 2025. Exports are expected to recover from 2026 as wage growth moderates and competitiveness improves. In the long term, unpredictable market conditions continue to limit business planning.

Inflation is forecast to decrease in 2026, driven by lower price pressures for industrial goods and energy, before rising in 2027 following an increase in energy prices, partly reflecting the introduction of ETS related costs.

Employment in Belgium is expected to increase by around 35,000–40,000 jobs in 2026, while unemployment is projected to remain broadly stable or rise slightly. The aforementioned unemployment reform will push some jobseekers out of the labour force, leading to a slight contraction in participation.

Employment growth, which slowed in 2024 due to industrial job losses, is set to pick up as investment improves and labour market reforms take effect. The unemployment rate is projected to move from 6.0 % in 2025 to 6.2 % by the end of 2026 as a short-term consequence of labour market and pension reforms, before decreasing slightly in 2027.

Ageing costs (pension and healthcare), interest payments and defence spending are expected to drive expenditure up. Defence outlays are projected to rise gradually towards 2 % of GDP in 2027. The deficit is forecast to reach 5.5% of GDP in 2026 and to widen further to 5.9% in 2027.

Sources: European Commission, IRES, National Bank of Belgium

Belgian economic indicators	2024	2025	2026	2027
GDP Growth (% YoY)	1.0	1.0	1.1	1.3
Inflation (% YoY)	4.3	2.8	1.8	2.0
Unemployment (%)	5.6	6.0	6.2	6.1

Occupier Trends Indicators H2 2025

Semi-industrial		Logistics	
Take-up 2025, sq m	1,103,000	Take-up 2025, sq m	674,000
Take-up H2 2025, sq m	720,000	Take-up H2 2025, sq m	386,000
Completions, sq m	238,000	Completions, sq m	392,000
Stock, million sq m	18.58	Stock, million sq m	27.65
Prime rent, €/sq m/year	85	Prime rent, €/sq m/year	75
Average rent, €/sq m/year	61	Average rent, €/sq m/year	63
Prime yield (%)	6.50	Prime yield (%)	4.90
Invested volume € million	159	Invested volume € million	463

Occupier activity

Semi-industrial

Activity in the semi-industrial segment strengthened markedly during H2 2025. Total take-up reached 720,000 sq m, an 88% increase on a semestrial basis, bringing full-year 2025 volumes to just above the five-year average of 1.1 million sq m. Own occupier purchases accounted for 51% of take-up during H2.

The market benefited from substantially higher demand across all three regions in the second half of the year. Greater Brussels recorded its strongest quarter in at least the past five years, while both Flanders and Wallonia experienced solid year-end activity, delivering vintage although not record Q4 results.

The broader context behind the segment's strong performance calls for a degree of caution. The upswing in activity contrasts with a noted and well-documented downturn in industrial economic indicators, while the wider macroeconomic environment remains complex and difficult to interpret. Belgium's industrial base is highly exposed to fluctuations in global demand, and the combination of tighter financial conditions, fragile business confidence and uncertain external dynamics raises questions about the market's capacity to sustain its current momentum. Although recent figures suggest renewed strength, these contradictory signals warrant a measured view on the durability of this recovery.

The limited availability of large development sites continues to constrain average deal sizes. However, although the market remains dominated by smaller transactions, H2 also delivered a notable number of above-average sized deals. Alongside the steady flow of units in the 100- to 400 sq m bracket, the second half of the year included a handful of sizeable purchases between 10,000 and 25,000 sq m, demonstrating that larger requirements persist and can be met when suitable opportunities come to market.

Belgian semi-industrial take-up per region



Source: Knight Frank Research

Logistics

The logistics occupier market remained subdued in H2, despite some notable highlights. Three of the year's five largest transactions were recorded during the H2 (see table below), each ranging between 40,000- and 50,000 sq m, providing a degree of momentum in an otherwise soft environment. Total take-up reached 386,000 sq m in H2, bringing the full-year 2025 figure to 674,000 sq m, the lowest annual total in recent years. One encouraging element lies in the number of transactions, with 53 deals concluded in 2025 compared with 35 in 2024, indicating that occupier interest remains broad even if average deal sizes are materially lower.

Part of this downturn in volumes reflects a rationalisation phase among 3PLs, many of which expanded rapidly during Belgium's post-Covid e-commerce boom. As the consumer market settles into a more hybrid pattern, demand has become more measured, with fewer large-scale and a greater focus on optimising existing networks. This shift helps explain why deal flow has risen while aggregate volumes have not, reinforcing the view of a market that is active but recalibrating rather than accelerating.

Grade A space accounted for 66% of total take-up in 2025, confirming the sustained preference for modern, high-specification units. Grade B assets also recorded a notable rebound, rising to 22% of take-up, compared with only 6% in 2024. This reflects increased absorption of well-located secondary stock at a time when prime availability remains constrained.

3PL operators were the leading occupier group in 2025, accounting for 58% of total take-up, up from 50% in 2024.

Belgian logistics take-up per region



Source: Knight Frank Research

Last-mile operators feeling the pressure

On the topic of 3PL occupiers, Belgium's last-mile transport sector entered a structural crisis in 2025, with 413 company bankruptcies according to Transport and Logistics Flanders (TLV). This represents an increase of more than one third compared with 2024 and is the highest insolvency total recorded since monitoring began. The impact was felt most among small last-mile operators, with nearly 80% running fewer than six vehicles. These companies typically operate as subcontractors for the major parcel networks.

Truck-kilometres continued to rise over the period, indicating stable underlying freight volumes. TLV highlights that the crisis is the result of a profitability squeeze rather than falling demand. Operating costs, particularly wages, fuel, congestion-related downtime and higher kilometre charges, have risen faster than operators have been able to adjust their pricing.

With many small delivery firms failing or retreating from the market, this may result in reduced demand for small urban logistics units (below 3,000 sq m) near urban consumer markets. At the same time, the retreat of smaller subcontractors may encourage major parcel networks to bring more activities back in-house or onshore, driving a shift towards larger, better-specified logistics facilities.

Top logistics occupier deals H2 2025

Property	Tenant	Market District	Warehouse (sq m)
WDP Trilogiport	Jost	Wallonia Liège	51.000
Beringen Logistics & Terminal	Aertssen Group	Flanders Limburg	50.000
Beringen Logistics & Terminal	Van Moer Logistics	Flanders Limburg	40.000
Ghent Logistic Campus 21	Xwift	Flanders East Flanders	22.000
Weg naar Zwartberg 231	Portwest	Flanders Limburg	22.000



Rents

Semi-industrial

The Belgian prime rent has been bracketed by increases in Q1 and Q4, to reach its current level of €85/sq m/year (in Greater Brussels), against €75/sq m/year at the end of 2024. Vacancy is virtually nonexistent in a segment where own occupier deals have also made up just over 50% of take-up in 2025.

The average weighted rent for Belgium is €61/sq m/year in Q4, increasing fairly steadily over time.

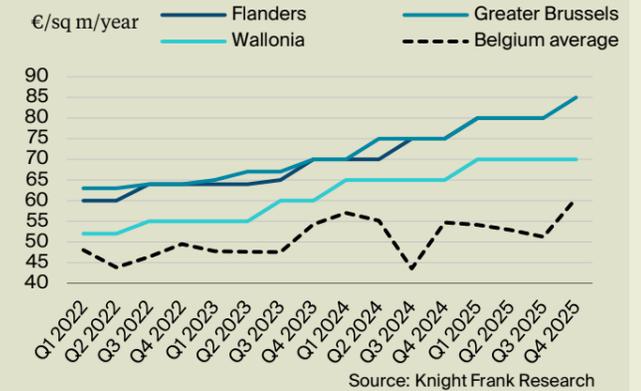
Logistics

Logistics prime rents have increased to €75/sq m/year, in Greater Brussels, and particularly the area in close proximity to Brussels Airport, where higher deals have been recorded at €90/sq m/m. At this point there have been too few of the latter to be confirmed as the new prime, but we forecast that this will be confirmed as the new prime rent during 2026, due to asked rents in the Airport area.

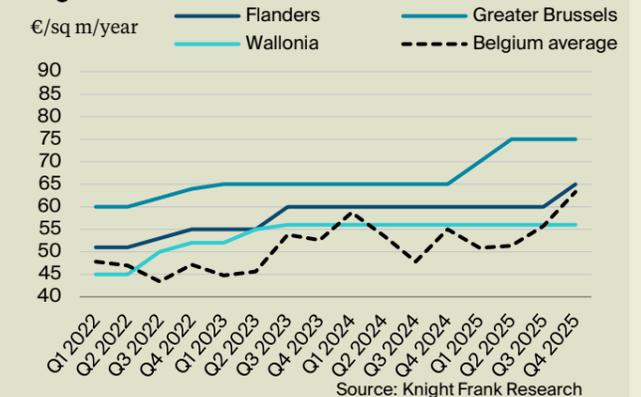
Prime rents have increased in Flanders at the end of the year to €65/sq m/year, with several deals at even higher levels recorded. The prime rent in Wallonia currently remains stable at €56/sq m/year.

Average rents increased quite substantially during Q4 to €63/sq m/year, with Grade B deals reaching higher rental levels than in the past, boosting the substantial levels encountered in Grade A take-up (59% of H2 2025 activity). Average levels are therefore above Walloon prime levels (of which few lettings have taken place), and on a similar level with Flanders prime rents.

Belgian prime semi-industrial prime rents per region



Belgian prime logistics prime rents per region



Deliveries & pipeline

Semi-industrial

A total of 269,000 sq m of semi-industrial space was delivered in 2025, marking a substantial addition to the national stock. Delivery patterns remained geographically diverse, with the Greater Brussels area (as much as 128,000 sq m delivered) continuing to play a central role thanks to its strategic location and strong occupier base.

Looking ahead, the development pipeline remains active. At least 332,000 sq m of additional semi-industrial space is expected to be delivered by 2029, with business park configurations continuing to prove highly successful among developers.

Logistics

A total of 392,000 sq m of new space was delivered in H2, bringing full-year 2025 deliveries to 525,000 sq m. As in previous years, all completions were either build-to-suit or pre-let prior to delivery, reflecting the continuing preference among developers to secure an occupier before commencing construction. Looking ahead, a further 632,000 sq m is scheduled to be delivered by 2028, of which 123,000 sq m is being launched speculatively.

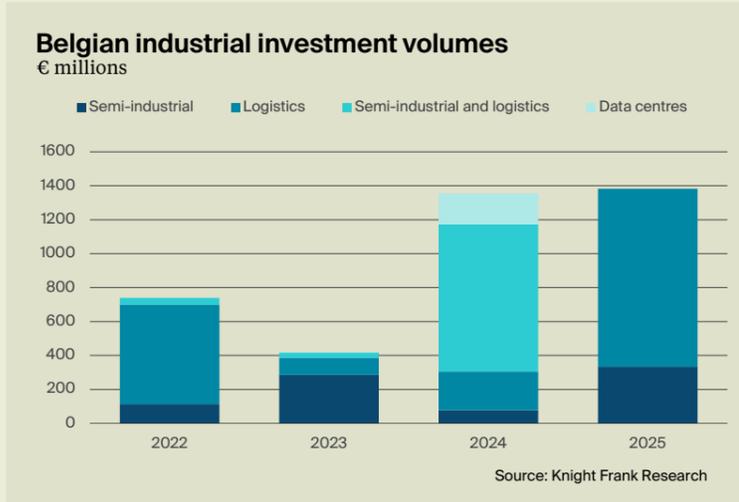
Investment activity

Semi-industrial

Investment activity in the semi-industrial segment remained solid during H2, with €159 million transacted. This brings the full-year 2025 total to €333 million, comfortably above the long-term annual average of €200 million. The segment is clearly gaining traction, supported by strong fundamentals and a market that is increasingly able to accommodate larger capital placements.

A key theme in H2 was the emergence of sizeable sale-and-leaseback transactions. These assets allow vendors to ease cashflow pressures while offering purchasers secure income streams, access to larger investment lots than is typical in the semi-industrial segment and, in many cases, attractive medium-term redevelopment prospects. The transaction by SmartUnit listed below illustrates this shift towards bigger, more structured deals, reflecting both the depth the market is gradually acquiring and the interest from investors seeking scale in a sector traditionally characterised by smaller individual assets.

With demand broadening and more substantial properties coming to market, 2025 stands out as a year in which the semi-industrial segment continued to mature, drawing increased attention from investors looking for stable returns, manageable risk and tangible opportunities for future value creation.



Logistics

Investment activity in the segment remained strong during H2, with a total of €463 million committed. This brings full-year 2025 investment volumes to €1.05 billion, a result that not only exceeds the long-term annual average of €491 million by a considerable margin but also surpasses the Brussels office market for the same year, which closed at €948 million. Belgian logistics is therefore increasingly confirming its reputation as a prime investment outlet, supported by solid fundamentals, its strategic position at the heart of Europe's transport networks and sustained occupier demand.

The performance in 2025 was underpinned by a growing presence of international capital. German and US investors, in particular, continued to increase their exposure to the Belgian logistics market, signaling renewed confidence in its depth and resilience. At the same time, domestic investors also played an important role. Belgian platforms have been especially active, with operators such as Intervest pursuing ambitious portfolio expansion strategies. Some of the largest acquisitions in H2, summarised in the list of deals below, highlight the continued appetite for quality assets and the capacity of local players to scale up as they seek to boost their portfolio credentials.

With both international and Belgian investors contributing meaningfully to H2 volumes, 2025 stands out as a watershed year. Belgian logistics has moved beyond its reputation as a stable niche segment and is now demonstrating its ability to attract sustained, diversified investment at a scale surpassing other major real estate sectors in the country.

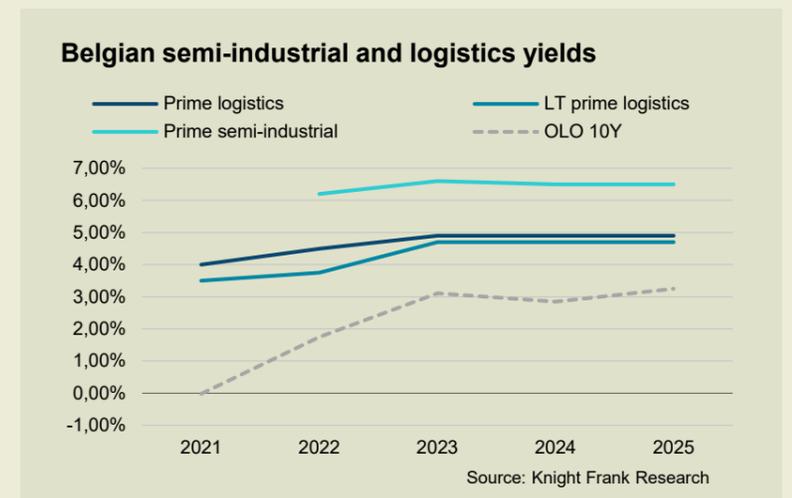
Top investment deals H2 2025

Property	Deal type	Vendor	Purchaser	Market District	Property type	Price (€ million)
Weerts portfolio (5 assets)	Investment	Weerts Logistics Parks	Intervest	Portfolio	Logistics	300
KDL high-bay Lokeren	Sale & leaseback	KDL	WDP	Flanders E17	Logistics	40
WDP Trilogiport	Own occupation	WDP	Jost	Wallonia Liège	Logistics	35
Deltapark	Investment	Alcopa	Goodman	Greater Brussels Flemish Brabant	Semi-industrial	29
Ternat portfolio	Sale & leaseback	Confidential	SmartUnit	Greater Brussels Flemish Brabant	Semi-industrial	20

Yields

The semi-industrial prime yield in Belgium remains stable at 6.60% for conventional lease covenants. The segment has become increasingly institutional in 2025, with a growing pool of professional capital competing for a relatively small number of assets on the market. This rising institutional interest is adding pressure to pricing and contributing to more intense competition around properties for sale, particularly where redevelopment or medium-term value creation can be demonstrated.

The Belgian prime logistics yield remains at 4.90% during the first half of 2025, with long-term lease prime yields staying stable at 4.70%. The logistics sector continues to attract strong interest from international capital and remains a sharper asset class than Brussels offices in yield terms, reflecting its perceived resilience, liquidity and the strength of occupier fundamentals.



Together, the semi-industrial and logistics markets demonstrate an ongoing shift towards institutionalisation in 2025. This evolution is driving greater competition, compressing yields and reinforcing the strategic appeal of both sectors for investors seeking scale, income security and well-located assets in Belgium.





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

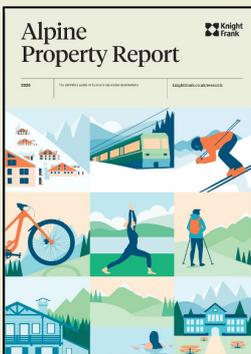
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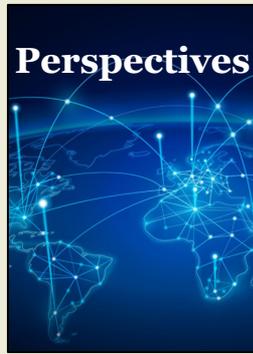
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H2 2025



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