The Brussels Office Market

H1 2026

Fresh data and insights on the capital of Europe

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Musings are valued.

The highlight of this semester comes in the form of an investment transaction.

The National Bank of Belgium's latest economic projections confirm the temporary shock to the Belgian economy caused by the war in Iran, with economic growth forecast to slow to 0.6% in 2026, before averaging an annual growth of 1.2% in the following two years. However, even if the war comes to an immediate halt and the Strait of Hormuz reopens without any limitations, some impacts will take years to reverse, such as elevated gas prices following the attack on the South Pars gas field.

In the immediate future, consequences are all too familiar: increased cost of energy, and ensuing rebound in inflation. In the Eurozone, inflation is undergoing its strongest acceleration since 2022, reaching 3.2% in May, while the Bureau du Plan's July forecast for Belgian inflation in 2026 is 3.1%, before gradually easing back to 2% in 2028. As a result, the ECB has proceeded to an initial 25 basis point base rate increase in June – its first since September 2023.

Belgian businesses are suffering no end, as underlined by a record number of bankruptcies (6,267) declared during the first six months of 2026. Food & beverage services and the construction sector, in particular, are first in line.

An additional concern for Belgium's economy and public finances is the widening budget deficit, which is forecast to reach 5.7% of GDP by 2028. At the same time, borrowing costs have increased, with the 10-year government bond yield (OLO) peaking at 3.73% during H1. Higher interest rates have a direct and well-documented impact on both public finances and real estate financing.

Unemployment is expected to edge up slightly in 2026 before falling in 2027, as the introduction of a two-year limit on unemployment benefits is likely to increase the number of people actively seeking work. Nevertheless employment figures will slowly pick up over the coming years, supported by the private sector; 90,000 (net figure) new jobs will be created by 2028.

And finally, after more than 600 days of political deadlock, Brussels formed a new regional government in February 2026, reducing policy uncertainty and restoring the capacity to address the region's deteriorating fiscal position, with the coalition committing to budget consolidation measures aimed at returning the budget to balance by 2029.

Sources: National Bank of Belgium, European Commission, GraydonCreditsafe, Federal Planning Bureau

Market Trends Indicators (H1 2026)

Take-up, sq m	105,000
Take-up (Q2 2026), sq m	66,000
Completions, sq m	62,000
Stock, million sq m	14.35
Vacancy rate (%)	8.62
Prime rent, €/sq m/year	400
Average rent, €/sq m/year	199
Prime yield (%)	5.25
Invested volume, € million	308

Belgian economic indicators	2025	2026	2027	2028
GDP Growth (%, YoY)	1.0	0.6	1.1	1.3
Inflation (%, YoY)	3.0	3.1	2.7	2.1
Unemployment (%)	6.2	6.6	6.6	6.4

Source: National Bank of Belgium, Federal Planning Bureau, IMF

Occupier activity

Public sector a notable absentee.

Office take-up in Brussels reached 105,000 sq m in H1 2026, representing a more subdued performance than the exceptionally strong levels recorded a year earlier. Nevertheless, leasing activity accelerated during Q2, which accounted for 66,000 sq m, thanks to an increase in the number of transactions as well as a couple of landmark deals.

The CBD remained the most active area, capturing almost 60,000 sq m of take-up, or 57% of the total, while the Periphery also performed relatively well with more than 31,000 sq m transacted.

Large deals continued to play an important role in overall market activity, with the five largest transactions accounting for a significant share of H1 take-up. The largest deal was Elia's 12,000 sq m commitment to purchase the offices in Immobel's Lebeau-Justice, bringing to a close a search that has featured in several previous editions of this report. This is followed by Générations' 9,900 sq m lease at Quatre-Vents 60 and Eubelius' 5,700 sq m transaction at Luxia.

Beyond the headline transactions, occupier demand remained broadly diverse. Activity was recorded across a wide range of sectors, including Industry and Manufacturing, NGOs, Law firms, Financial services, and Consumer goods, underlining the resilience of private sector demand despite a still challenging economic and financing environment.

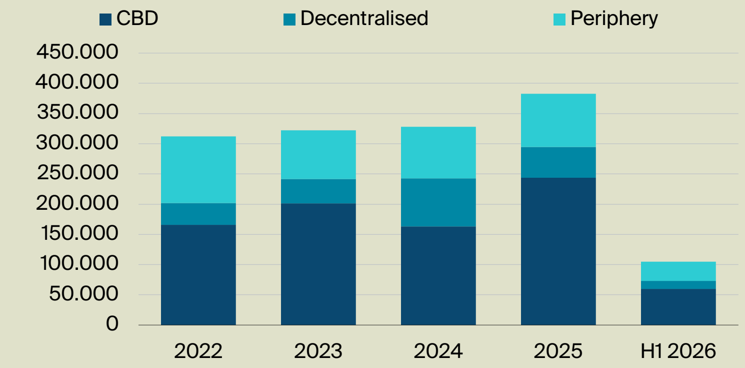
As highlighted by the largest transactions discussed above, market activity in H1 2026 was characterised by the predominance of private-sector occupiers, while large public sector deals were notable absentees.

The prominence of corporate occupiers highlights the continued appeal of high-quality and sustainable office space, particularly in well-connected central locations. Indeed, Grade A transactions alone accounted for more than 45% of take-up across the first six months of the year. Grade A take-up also covered 70% of take-up in the 5,000 sq m+ bracket, underlining the strong correlation between large occupiers and demand for high-quality space.

Overall, leasing activity remained relatively well distributed (volume-wise) across deal-size categories, demonstrating that demand was not solely dependent on a limited number of large requirements. Indeed, four transactions above 5,000 sq m generated 32,800 sq m of take-up, broadly equivalent to the 32,400 sq m recorded through 82 deals below 1,000 sq m. Meanwhile, the mid-sized segment (1,000-5,000 sq m) proved particularly active, accounting for almost 40,000 sq m across 18 transactions. This composition of demand suggests that occupier sentiment remains constructive, even if decision-making processes continue to be lengthened by economic and geopolitical uncertainty (see below).

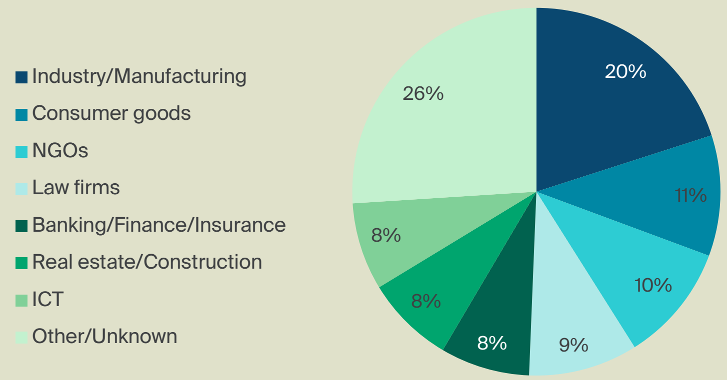
Take-up, Brussels offices

Sq m



Source: Knight Frank Research

Brussels offices - Distribution of take-up by occupier type, H1 2026



Source: Knight Frank Research

Insight beyond numbers: demand exists, decisions lag

According to our Head of Office Agency, Pierre Collette, occupier interest remains healthier than headline take-up figures suggest. Over recent months, several large 'stay-or-move' mandates have come to market, creating a pipeline of potential transactions that could support activity during the second half of the year.

The challenge is that decision-making processes have become significantly longer. Even occupiers with well-defined requirements are taking more time to reach a final commitment, with some sizeable transactions remaining in advanced negotiations for many months before signature. This reflects a combination of factors, including sharply higher fit-out and relocation costs, geopolitical uncertainty, and limited visibility regarding the long-term impact of AI, hybrid working and desk-sharing on future space requirements.

Occupiers are also paying greater attention to total occupancy costs. Whereas negotiations historically focused primarily on rent, taxes, service charges and other occupancy costs have become increasingly prominent considerations, particularly within the Brussels Region. Consequently, many organisations are reassessing their space requirements and scrutinising the business case for relocation more closely, further lengthening decision-making timelines.

From a landlord's perspective, the result is a more competitive leasing environment and longer transaction timelines. Owners, particularly in the Grade B and C segments, are increasingly relying on incentive packages, stepped-rent structures and enhanced lease flexibility to secure occupiers. Retaining existing tenants has therefore become almost as important as attracting new ones, with landlords seeking to minimise vacancy risk while occupiers take longer to commit to major real estate decisions.

Top five occupier deals H1 2026

Property	Occupier	Sector	District | Subdistrict	Size (sq m)
Lebeau - Justice	Elia	Industry	CBD | Centre	12,000
Quatre-Vents 60	Générations	NGOs	CBD | North	9,900
Luxia	Eubelius	Law firms	CBD | Centre	5,700
Manhattan Center	DKV-Ergo	Banking/Finance/Insurance	CBD | North	5,200
Allée de la Recherche 32-34	Schneider Electric	Consumer goods	Decentralised | South	4,500

Future deals

Despite a quiet first six months for public-sector occupiers, several significant requirements remain active in the market. The European institutions continue to implement their long-term real estate rationalisation strategy, which aims to reduce their office footprint while improving the quality and efficiency of the space they occupy.

The European Commission remains engaged in a number of accommodation projects. In the European district, negotiations are progressing on several medium-sized requirements, while a number of larger transactions are also under consideration. These include potential commitments linked to projects such as Realex and Science 11. At the same time, the Commission continues to explore solutions outside its traditional core market, reflecting the limited availability of large, sustainable office buildings in the European district. Recent reports suggest requirements totalling more than 40,000 sq m remain under evaluation, while additional proposals are expected to be submitted for approval during the coming quarters.

Remaining in the public sector, the market continues to await the Fédération Wallonie-Bruxelles' next move, which could generate significant future take-up (see our previous reports for additional background). By contrast, Elia has now concluded its search with the acquisition of approximately 12,000 sq m in Lebeau-Justice, one of the landmark transactions of H1 2026.

Elsewhere, Orange confirmed in July 2026 that it will relocate to the Pulse project in the Airport district. Although this transaction falls outside the scope of the present reporting period and will therefore be reflected in Q3 figures, it provides an encouraging indication that a number of sizeable occupiers remain capable of translating requirements into leasing activity during the second half of the year. Meanwhile, no update has yet emerged regarding the Maison du Travail requirement, except that it is likely to be in a central location, on a well-connected transport node. Finally, there have been some persistent rumours regarding the likely suitor for the renovated Ellipse Tower in the North district. The project has undergone a heavy renovation following the departure of the Flemish administration and will be fully delivered IN early Q3 of this year.

Rents

The Brussels prime rent remained stable at €400/sq m/year during H1 2026, with the European district continuing to set the benchmark for the market. Prime rents are being supported by limited availability of best-in-class sustainable office space and a continued preference among occupiers for highly efficient, ESG-compliant buildings.

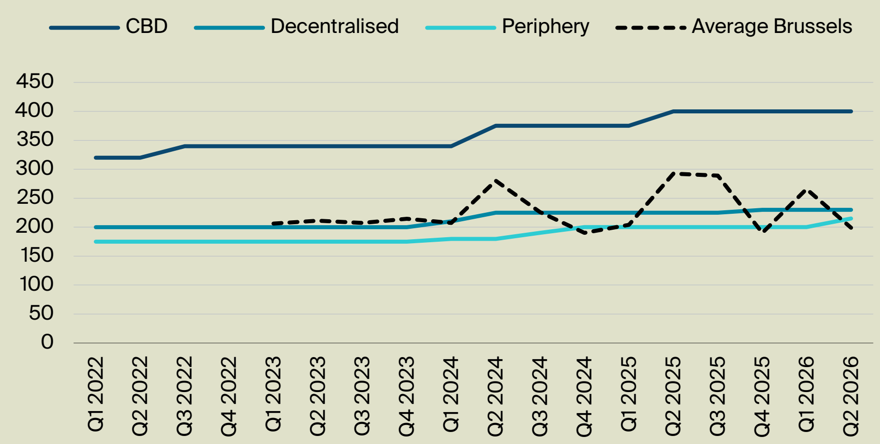
Rental growth has nevertheless continued in several submarkets. In the CBD, the Centre district continues to narrow the gap with the neighbouring European district and registered a further increase to €350/sq m/year, reflecting the district's strengths in terms of excellent public transport connectivity and access to amenities.

Meanwhile, the Periphery continued its gradual upward trajectory, with prime rents reaching €215/sq m/year in the Airport district, on the back of several well-documented deals in the Airport Business Center project.

Average rents ended the second quarter of the year at €199/sq m/year, driven in part by a higher proportion of lettings in quality Grade A and refurbished buildings. Occupiers continue to prioritise modern, energy-efficient space despite a more cautious leasing environment overall.

Prime rents, Brussels offices

€/sq m/year



Source: Knight Frank Research

Deliveries and pipeline

The market saw 62,000 sq m of Grade A office space added to the stock during H1 2026. Deliveries were largely concentrated in refurbished assets (see list of deliveries below), highlighting the continued importance of repositioning existing buildings in the modernisation of Brussels' office stock.

Despite these completions, vacancy remained relatively contained as occupiers continued to favour high-quality, sustainable space. Consequently, the vacancy rate increased only marginally to 8.62% at the end of H1 2026, compared with 8.46% six months earlier.

The delivery of the aforementioned Ellipse renovation in Q3 will add approximately 52,000 sq m of available Grade A offices to the market. This exceeds the level of take-up recorded in Brussels in several recent quarters.

Selected H1 2026 deliveries

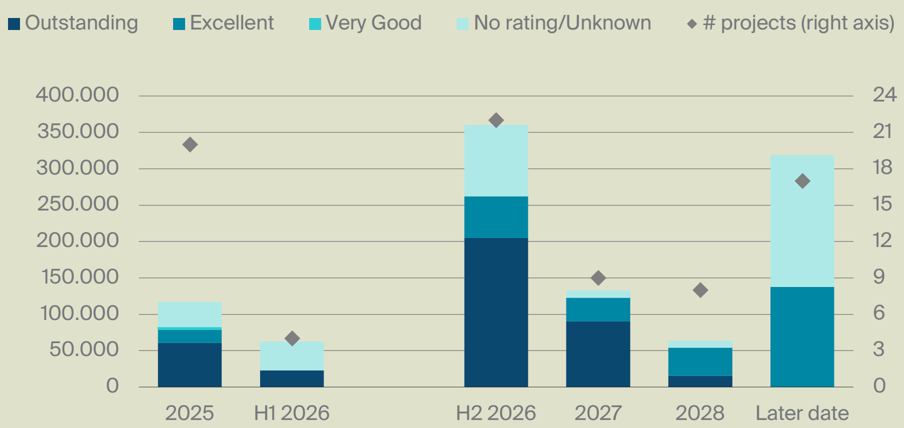
Property	District | Subdistrict	Size (sq m)	Available (sq m)	Ratings
Mediapark - Media Square	Decentralised | North-East	38,000	0	
The Arch	CBD | North	16,700	0	BREEAM Outstanding, WELL Platinum
The Muse	CBD | European	9,200	0	BREEAM Outstanding, WELL Platinum
Royale 52	CBD | Centre	1,700	0	

The remainder of 2026 will be important for the modernisation of Brussels' office stock, with more than 360,000 sq m currently scheduled for delivery during the second half of the year. Significantly, almost three quarters of this volume is targeting a BREEAM Outstanding certification, underlining the market's continued shift towards highly sustainable and future-proof office buildings.

In the longer term, the development pipeline remains substantial, with approximately 516,000 sq m of office space scheduled for delivery from 2027 onwards. At least 435,000 sq m of this is expected to commence construction speculatively. Sustainability continues to dominate future supply, with more than 60% of the pipeline targeting either BREEAM Excellent or Outstanding certification.

Brussels office - Deliveries and pipeline according to BREEAM rating

Sq m



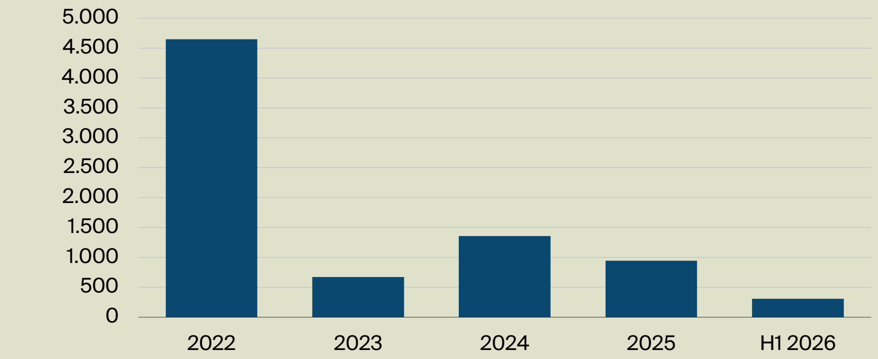
Source: Knight Frank Research

Investment activity

Long-term secured assets are flavour of the semester.

Brussels office investment volumes

€ millions



Source: Knight Frank Research

Investment activity remained subdued during H1 2026, with approximately €302 million transacted. While this represents a relatively modest result by historical standards, it remains broadly in line with the pace of investment observed throughout 2025, when total annual investment activity reached €948 million.

The standout transaction was the acquisition of The Muse by Easternmed Real Estate Capital for approximately €100 million. Beyond its size, the deal is particularly significant as it demonstrates that core capital remains willing to invest in Brussels offices, particularly high-quality, ESG-compliant assets secured by a long-term lease. In a market where core pricing evidence is thin, Muse acquisition also provides a valuable benchmark for prime office pricing at a reported yield of 4.30% on a 15-year leased asset to a European Institution.

Another noteworthy transaction was the sale of the Arval headquarters, representing the first long-term income transaction to close in the Brussels Periphery in several years. The deal provides an encouraging signal that investor appetite is gradually returning beyond the CBD, provided assets combine strong fundamentals with sustainable cash flows.

On top of this, two of the largest transactions this semester stemmed from French capital, the Nerviens 85 and Port 16 deals. Both acquisitions were carried out by French SCPIs, a category of investor that has become increasingly active in Brussels. Their growing presence is particularly noteworthy given that SCPIs remain among the few investor groups able to deploy substantial amounts of equity without being heavily constrained by today's financing environment. As a result, the Brussels market has been increasingly viewing these cash-rich investors as a potentially important source of liquidity.

Top five Brussels office investment transactions, H1 2026

Property	Vendor	Purchaser	Price (€ million)
The Muse	Immobel	Easternmed Real Estate Capital	100
Lebeau - Justice	Immobel	Elia	95
Nerviens 85	KanAm Grund	SCPI Transitions Europe	30
Port 16	Korean investors	Iroko Zen	29.5
Arval head office	Monument Immo Management	SmartUnit	20

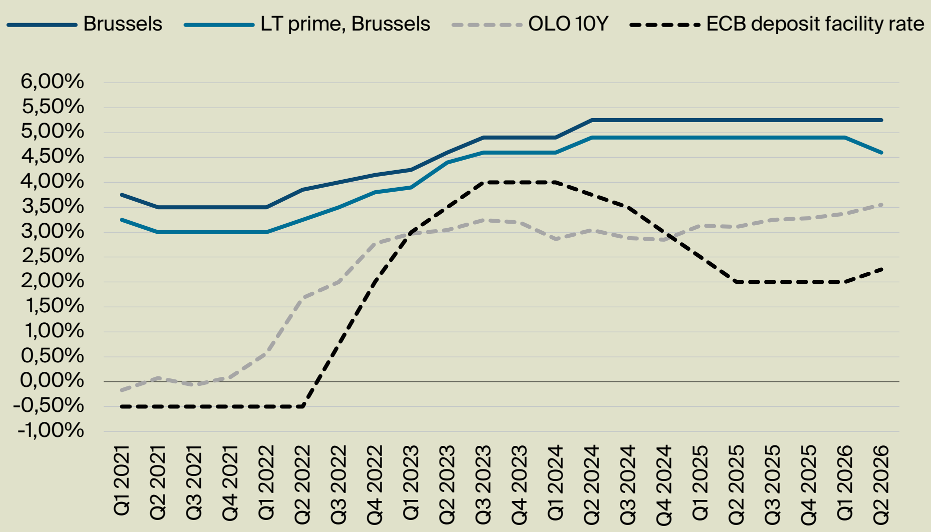
Yields

Financing conditions became slightly less favourable during H1 2026. The Belgian 10-year OLO increased from 3.37% at the end of 2025 to 3.55% (three-month average, with daily peaks reaching 3.71%) by the end of June, while the ECB increased its deposit facility rate by 25 basis points in June, a reminder that inflationary pressures have yet to be fully eliminated.

Against this backdrop, the Belgian prime office yield remained stable at 5.25% during H1 2026. While this demonstrates continued confidence in the long-term fundamentals of the Brussels office market, the increase in government bond yields has resulted in a modest narrowing of the prime yield spread. The formation of a new Brussels regional government during the first quarter also removed a source of political uncertainty, providing a more stable context for investment activity going forward.

At the same time, H1 2026 provided important evidence regarding pricing for long-income prime assets. The aforementioned acquisition of The Muse at a reported yield of 4.30% demonstrates that investors remain willing to price aggressively for best-in-class buildings combining strong ESG credentials, a prime location and secure long-term income from a European institutional covenant. As a result, we have revised our long-term prime office yield from 4.90% to 4.60%, reflecting renewed evidence of investor appetite for highly defensive office assets and the growing distinction between long-income product and the broader prime market.

Prime yields, Belgian offices



Source: Knight Frank Research

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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The Belgian Industrial Market H1 2026

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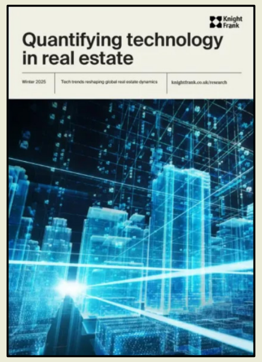

Quantifying technology in real estate

Knight Frank Belgium Blog

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