



Immobel hosted the Brussels Hello Summer festival on the Panorama project site

ACTIVITIES IN *Belgium*

2021 was again a very active year for Immobel in Belgium. We confirmed our leading market position with about 635,000 m² of residential and office projects under development.

Despite 2021 being a year of uncertainty due to the ongoing health crisis, our teams in Belgium were able to reach some major milestones that will contribute to our future growth.

Overall, market momentum remains solid. On the office market we saw the trend towards downsizing and upgrading gaining importance. The success of our office projects confirms the need for more GRADE A and sustainable office environments in line with the requirements of the new ways of working. The fundamentals for the residential market also remain strong.

In the first half of the year we sold, together with our partner BPI Real Estate, 129 student homes in the Brouck'R mixed-use development project to Quares Student Housing. We also sold the hotel in the project to MotelOne. By combining offices, shops, a hotel, apartments, and student accommodation, we want to contribute positively to the transformation of the Brussels city centre and attract a diverse public at Brouck'R.

In May 2021 we signed a sales agreement with Allianz Real Estate for the BREEAM Excellent and CO₂-neutral Commerce 46 office building (14,000 m²), which we had in our portfolio since 2018.

By the summer, in June 2021, we sold a 100-unit apartment building of our Key West project (61,000 m²) in Brussels to Home Invest Belgium. Immobel and BPI Real Estate will jointly develop the rest of the Key West project. The intention is to transform an abandoned wasteland and industrial area of former retail premises and production facilities into a new and vibrant neighbourhood.

In July 2021 we introduced a building permit for the redevelopment of the Isala building located in the heart of the European quarter in Brussels. Our goal is to transform the former headquarters of Total, located next to the Arts-Loi mobility hub, into an iconic and sustainable office building.

In July we also reached an agreement on the acquisition of the former headquarters of SABAM in the European district. The site will be developed in a state-of-the-art office building of circa 9,000 m². The permit will be filed in Q1 2022.

During the second quarter of 2021 we fully let our CO₂-neutral and BREEAM Excellent Multi project (46,000 m²) to several top tier tenants. Multi will also become the new Immobel headquarters in the course of 2022; an important step to becoming a carbon-neutral company.

In the second half of the year we were delighted to announce that we were selected by Proximus as preferred candidate. The overall aim of this major redevelopment is to create a sustainable and inspiring digital campus that fosters connections, collaboration, and innovation. At the same time, the project will



634,800 m²
Belgian portfolio

8,875
residential
units¹

212,000 m²
offices

278 ha
Immobel Home

See more projects details
on our corporate website



PROJECTS OVERVIEW

Name	Surface (m ²)	Location	Use	Building period	Immobel share
Slachthuissite	240,000	Antwerp	Residential	Q3 2021/2030+	30%
SNCB	200,000	Brussels	Mixed-use	Q1 2023/Q2 2034	40%
Universalis Park 3	57,000	Brussels	Mixed-use	Q2 2030/Q1 2033	50%
Cours Saint-Michel	84,200	Brussels	Mixed-use	Q4 2026/Q4 2029	50%
Oxy	62,100	Brussels	Mixed-use	Q3 2022/Q2 2025	50%
A'Rive	61,300	Brussels	Mixed-use	Q2 2021/Q1 2028	50%
Möbius II ²	34,000	Brussels	Offices	Q2 2019/Q4 2021	50%
Panorama	58,100	Brussels	Mixed-use	Q2 2023/Q2 2027	40%
Multi	45,800	Brussels	Offices	Q1 2019/Q1 2022	50%
Brouck'R	41,000	Brussels	Mixed-use	Q3 2024/Q4 2026	50%
Theodore	40,000	Brussels	Mixed-use	Q4 2025/Q3 2029	50%
Lebeau	36,200	Brussels	Mixed-use	Q2 2026/Q4 2028	100%
O'Sea (phase 3)	33,600	Ostend	Residential	Q2 2022/Q1 2027	100%
Isala	33,000	Brussels	Offices	Q1 2023/Q2 2025	70%
Wonen aan het groen	32,800	Tielt	Residential	Q2 2022/Q1 2026	100%
Ilôt Saint-Roch	31,500	Nivelles	Residential	Q3 2021/Q3 2026	100%
Ernest (phase 2)	26,600	Brussels	Residential	Q3 2017/Q3 2020	50%
O'Sea (phase 2)	24,000	Ostend	Residential	Q3 2019/Q4 2022	100%
Lalys	23,400	Astene	Residential	Q3 2020/Q4 2024	100%
Cala	20,100	Liège	Offices	Q3 2018/Q4 2020	30%
Plateau d'Erpent	19,300	Erpent	Residential	Q2 2018/Q4 2022	50%
Commerce 46	13,600	Brussels	Offices	Q2 2020/Q3 2022	100%
Parc Seny	13,200	Brussels	Residential	Q4 2017/Q1 2020	100%
Domaine du Fort	12,700	Barchon	Residential	Q3 2020/Q2 2025	100%
The Woods	9,900	Hoeilaart	Offices	Q4 2020/Q1 2021	100%
Sabam ³	9,000	Brussels	Offices	Q2 2023/Q2 2025	26%
Les Cinq Sapins	8,800	Wavre	Residential	Q1 2019/Q1 2026	100%
Royal Louise	8,000	Brussels	Residential	Q4 2017/Q1 2021	100%
Greenhill Park	6,400	Brussels	Residential	Q3 2017/Q2 2020	100%
Crown	5,500	Knokke	Residential	Q2 2020/Q4 2022	50%

1. The totality of the residential units, not taking into account the share of Immobel in the respective projects.

2. Building sold on 20 December 2021.

3. Via Immobel BeLux Office Development Fund.



substantially contribute to the revitalization of the area and introduce a residential component. We have taken a leading position in the transformation of the Brussels North area and will continue to do so in the coming years with this innovative redevelopment.

Just before the end of the year we concluded, with our partner Fidentia, a sales agreement with the Belgian State (Buildings Agency) for the BREEAM Excellent and Smart Möbius II building (34,000 m²), located in the Brussels North area. This marks the end of the successful development of the Möbius I and II projects (60,000 m²) which started in 2017.

In Nivelles, we obtained the final permit for circa 300 apartments for the îlot Saint-Roch project and launched the construction of the first phase which involves the development of 129 quality apartments in a green environment with lots of amenities.

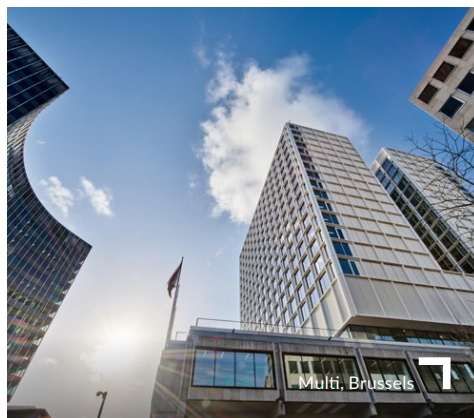
At the end of the year, we obtained the permit for the 3rd phase (circa 25,000 m²) of the O'Sea development in Ostend. The commercialisation of this phase will be launched in Q1 2022.

In Antwerp, Immobel and Triple Living obtained the first permit for the redevelopment of the "Slachthuis"-site. The commercialisation started in Q1 2022 and this marks the start of a landmark development in Flanders largest city.

Reinforced by its new branding and identity, the Immobel Home team also achieved several highlights in 2021. We received the green light for the development of the "Wonen aan het groen"

(202 homes) project in Tiel. Another permit (170 homes) for the "Val des Champs" project was obtained in the municipality of Eghezée. Sales for both projects will start in 2022. At a commercial level, Immobel Home successfully continued selling homes in e.g. Deinze, Barchon, Wavre 5-Sapins and Namur Plateau d'Erpent.

Finally, in 2021 we were pleased to join PropTech Lab Belgium, the community of innovators in the real estate value chain. We look forward to contributing to the fostering of innovation in construction and real estate, and to ease the digital transformation of our industry.



"Our teams in Belgium were able to reach some major milestones that will contribute to our future growth."

Adel Yahia

Managing Director,
Immobel Belgium



MARKET ANALYSIS: BELGIUM

I. Office market in Belgium

A. Brussels

2021 office take-up in Brussels recorded 492,000 sqm, increasing by roughly 75% over the year before. Taking the office activity of the last two years together balances out to the 10-year average, as the Brussels market seeks to stabilize. Vacancy drifted upwards to 8.1%, but grade A space continues to be in short supply given occupier demands. The short-term pipeline of available space is limited, and prime rents are supported and stable.

B. Regions

The regional office market has shown consistency in take-up in recent years, recording 296,800 sqm of letting and sales activity in 2021. Whereas Walloon markets carried the market in 2020, Flemish markets rebounded in 2021 with 258,000 sqm of take-up, driven by diverse occupiers across all geographic markets including Antwerp, Ghent, Mechelen, Kortrijk and Hasselt. Walloon markets were quieter at 39,000 sqm of take-up and more reliant on the public sector. Antwerp recorded the highest regional take-up of 103,100 sqm followed by Ghent at 58,200 sqm. Regional markets are also facing a limited short-term pipeline.

C. Demand

Combined take-up for Belgium as a whole was 789,000 sqm in 2021, showing a clear increase from 2020's 592,000 sqm. In Brussels, 60% of take-up volume was accounted for by the private sector, with a relatively even balance between small (<2,000 sqm) and large deals (>2,000 sqm). Proximus secured the largest private-sector deal of the year, signing for 37,486 sqm in the Boreal tower, while the Belgian State acquired the remaining Möbius tower (34,000 sqm) – both in the North district.

In the regional markets, demand was driven by corporates, as the public sector was quieter compared to the three years before. Larger corporates (>2,000 sqm) were more active after waiting for opportunities or securing temporary solutions during the height of the pandemic.

D. Vacancy

The vacancy rate for the Brussels market in 2021 was 8.1%, which is an increase from last year's 7.6%. Vacant space is equivalent to just over 1 million sqm, largely in older stock. Overall, vacancy is tight in the CBD at just 4.7%. Moving outwards, vacancy is 9.5% in the Decentralised markets and just under 20% in the Brussels periphery. In the regional markets, there is a persistent lack of quality available space in cities such as Namur, Liège and even Antwerp despite the higher vacancy in obsolescent stock for the latter.

E. Development

Brussels office development completions totalled 265,600 sqm in 2021. The Brussels development pipeline through 2022 is estimated at 260,000 sqm, though just 48,000 sqm is still available for lease. This is less than an average quarter's worth of take-up. The largest projects anticipated for a 2022 completion are found in the City Centre market.

Development in major regional markets is limited in 2022. Major plans are in place for longer-term city revitalization efforts in some Walloon markets such as Charleroi that should refresh quality stock over time.

F. Rent

Prime rent in the Brussels market remained at 315 €/sqm/yr in 2021. Prime rates continue at 280 €/sqm/yr in the North district and 275 €/sqm/yr in the City Centre market. New developments are putting upward pressure on prime rents in the Decentralised and Peripheral markets of Brussels. Antwerp and Ghent see prime rents even at 170 €/sqm/yr following growth in the latter market. The largest Walloon markets see prime rents just off of these record highs at 160 to 165 €/sqm/yr.

G. Investment

A surge of deal closings in the final quarter of the year brought the annual investment total to €4 billion. Though down from the year before, it is above the 10-year average. Of the total amount, Brussels offices accounted for €2.01 billion, or 50.3%. Foreign investors made up a smaller share of invested capital, as due diligence was hindered by pandemic travel restrictions. Overall, prime office yield for standard leases is estimated at 3.5% following competitive bidding on prime assets in the CBD. Prime investment yield for long-term secured offices is estimated at 3.0%.

Key stats: 8.1% Brussels vacancy; 315 eur/sqm/yr prime rent; 3.50% prime yield for standard leases

sources : CBRE

II. Residential market in Belgium

A. Brussels

With a population of 1.22 million as of January 1, 2021, the nation's capital has a well-supported residential market. Prices in the Brussels Region have been steadily increasing. From 2010 to H1 2021, median apartment transaction prices have increased 49%. Demographic changes, a steadily growing economy and low interest rates have helped support this rise.

Like sale prices, rents too have been increasing in the Brussels Region over the long-term, but at a slower pace, pushing down yields. The diversity in housing has also been growing from service flats to coliving to student housing, filling niche markets. New apartment developments can be commercialised as high as 6,000 €/m² with luxury units even higher.

B. Population

Belgium counts a population of 11.521 million as of January 1, 2021. This is a 0.25% increase over the previous year and follows a trend of steadily increasing population averaging 0.51% annually over the last decade. Brussels Region has been the fastest growing of the three Belgian Regions, averaging 0.87% growth annually versus 0.57% in Flanders and 0.34% in Wallonia over the last decade.

Belgium counts 5.025 million private households, as of January 1, 2021. The number of private households has been growing at about 0.67% annually, or 32,135 households, over the last decade. That yields an average household size of roughly 2.3 people per household. This has been declining over time as the number of single households grows. Single households now make up 35.3% of total private households, up from 33.8% since 2011.

In 2021, the Federal Planning Bureau forecast demographic trends. By 2030 the population is projected to increase by 3.3%. Those 65 years and older are over-represented in this growth compared to the previous decade. Household creation is also forecast, with single households notably increasing.

C. Housing stock

Belgium counts 5.632 million residences as of January 1, 2021. In the last year, the number of residences increased by 55,517 units. This is a smaller amount of completions compared to the previous two years, with the pandemic likely having an effect. Overall, residential development has been increasing over the long-term. Brussels Region and Flanders saw the highest increase in development activity, and new development is dominated by apartments. This can often be at the expense of traditional houses, as available space becomes scarce, particularly in urban settings. In Brussels, 7,657 new apartments were completed through 2020.

D. real estate prices

Median housing prices in Belgium have followed a stable upward trend. In 2021, house prices continued to climb to a median transaction price of €258,000 in the first half of 2021, which is the highest value achieved to date, and a 5.3% increase just from the end of 2020. The median price for apartments increased 5.4% over this period to €215,000 in the first half of 2021. The Brussels Region is the most expensive region, where median prices for houses and apartments were €450,000 and €239,000, respectively, in H1 2021. Antwerp prices were €205,000, while Ghent apartment prices were more expensive at €275,000. In Wallonia over the same period, median apartment prices were €145,000 in Liège and €165,000 in Namur.

E. New builds

New residential development is ongoing, with apartments built to a high standard and an overall more compact footprint compared with older units. Exit prices for typical new apartments in Brussels range from 2,500 €/sqm in the western side of the region to 6,000 €/sqm in the city centre and Louise corridor, with luxury projects even higher. In Antwerp, average market exit values are 4,100 €/sqm and in Ghent they are higher at 4,500 €/sqm. Walloon markets are more affordable on average, ranging from 2,200 €/sqm in Mons to 2,900 €/sqm in Wavre.

III. Landbanking

A. Housing stock

The Belgian housing stock divided by Region is 58% in Flanders, 32% in Wallonia, and 10% in Brussels. Given the size and density of the regions, the proportion of apartments relative to the stock is 28% in Flanders, 17% in Wallonia, and 57% in Brussels. The proportion of apartments in the total Belgian housing stock has increased from 19% in 2001 to 27% in 2021, to some extent at the expense of attached homes.

B. Building permits

Through the first 10 months of 2021, there were 48,821 residential permits issued in Belgium. This is up 7.2% over the same period the year before. For the three Regions over this period, Flanders issued 37,409 permits (+5%), Wallonia issued 10,787 permits (+16.1%) and Brussels issued 625 permits (-2.8%).

C. Land values

Few vacant, buildable plots remain in Brussels. As a result, developments typically involve the demolition/conversion of existing buildings to an alternative use such as residential. The last decade has seen a trend of conversion of older, obsolescent offices and buildings to alternative, mostly residential uses. Sales and sale prices of properties with permits is on the rise. Incidences for land can be upwards of 2,600 €/sqm for the best locations in central markets. For other submarkets, such as decentralised areas, this is closer to 1,000 €/sqm.

Key stats: 1.22 million people in Brussels, 2.3 people per household in Belgium; €215,000 median apartment transaction price in Belgium

sources: FOD Economie, IBSA, CBRE, Federal Planning Bureau

As per 31 December, 2021