

# BELGIUM

*Cushman & Wakefield*  
*Global Cities Retail Guide*



***Belgium is a relatively small but very international market with a population of 11.3 million inhabitants, and above European average retail spend per capita. Belgium is a mature and competitive retail market, where consumers have traditionally been receptive to new concepts and formats; as a result the number of cross-border retailers is very high in this market.***

With its central location in Europe and with Germanic languages (Dutch and German) as well as French being spoken, Belgium is often seen as an ideal test market for new entrants into the European retail scene.

Retail in Belgium is characterised by a healthy balance between high street locations, out-of-town retail and shopping centres. As a result, demand for prime retail locations held up well, despite the growing competition of the online retail. However, peripheral locations are more under pressure in recent months.

Shopping centre provision in Belgium is below the European average despite the recent deliveries of brand new and attractive schemes; this is due to severe planning procedures inspired by many stakeholders willing to preserve the attractiveness of city centres.

In the out-of-town retail sector, Belgium has a proportionally large stock of hypermarket and solitary out-of-town retail shops. The development of retail parks is more recent; some retail parks were purpose-built but several were the result of re-planning existing hypermarket locations into retail parks. Activity is quite dynamic in this segment as retailers are experiencing new formats and locations, benefiting namely from good accessibility by car.



## BELGIUM OVERVIEW

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## ECONOMIC OVERVIEW

### ECONOMIC SUMMARY

ECONOMIC INDICATORS*	2018F	2019F	2020F	2021F	2022F
GDP growth	1.4	1.3	1.2	1.3	1.3
Consumer spending	0.6	1.4	1.6	1.5	1.6
Industrial production	1.1	1.5	2.3	1.0	1.0
Investment	2.0	2.8	1.9	1.8	1.5
Unemployment rate (%)	5.9	5.6	5.8	5.9	6.1
Inflation	2.1	1.7	1.7	1.8	2.0
US\$/ € (average)	1.2	1.1	1.2	1.2	1.3
Interest rates 3-month (%)	0.0	0.0	0.2	0.5	0.7
Interest rates 10-year (%)	0.7	0.7	1.2	1.5	1.9

### ECONOMIC BREAKDOWN

Population	11.5 million (2018F)
GDP (nominal)	US\$ 532,135 billion (2018F)
Public Sector Balance	-0.8% of GDP (2018F)
Public Sector Debt	121.1% of GDP (2018F)
Current Account Balance	-1.3% of GDP (2018F)
Parliament	A four-party coalition government made up of Flemish Nationalists and Christian Democrats, and Liberals from Wallonia and Flanders
Head Of State	Philippe I
Prime Minister	Charles Michel
Election Date	May 2019 (federal and regional)

### RETAIL SALES GROWTH: % CHANGE ON PREVIOUS YEAR

BELGIUM	2018F	2019F	2020F	2021F	2022F
Retail Volume*	0.3	1.8	1.6	1.5	1.4

Note: \*annual % growth rate unless otherwise indicated. Figures are based on local currency and in real terms. E estimate F forecast

Source: Oxford Economics Ltd.

CITY	POPULATION
Brussels	1,185,000
Antwerp	520,000
Ghent	290,000
Charleroi	201,000
Liège	197,000
Bruges	118,000
Namur	110,000
Mons	95,000



## BELGIUM LARGEST CITIES

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## RETAIL OVERVIEW

### MAJOR DOMESTIC FOOD RETAILERS

Colruyt, Delhaize, Match, Champion

### MAJOR INTERNATIONAL FOOD RETAILERS

Carrefour, Albert Heijn, Intermarché, Cora, Lidl, Aldi

### MAJOR DOMESTIC NON-FOOD RETAILERS

Cassis/Paprika, L&L, AS Adventure, JBC, Torfs, Veritas

### INTERNATIONAL RETAILERS IN BELGIUM

H&M (as well as COS, & Other Stories, Monki, Weekday & Arket), Inditex (Zara, Bershka, Oysho, Massimo Dutti & Pull & Bear), Primark, Mediamarkt, Desigual, Ikea, Mango, Superdry, Springfield, Uniqlo, JD Sports, Snipes, Kiabi, LUSH

### FOOD AND BEVERAGE OPERATORS

Exki, Quick, Starbucks, Pizza Hut, Lunch Garden, Mc Donald's, Burger King, Five Guys, Le Pain Quotidien, Prêt à Manger, The Foodmaker, KFC

#### TYPICAL HOURS

##### MONDAY – FRIDAY

09.00 - 18.00

##### SATURDAY

09.00 - 18.00

##### SUNDAY

10.00 - 16.00 (only in tourist towns)

#### NEW ENTRANTS TO MARKET

Van Haren

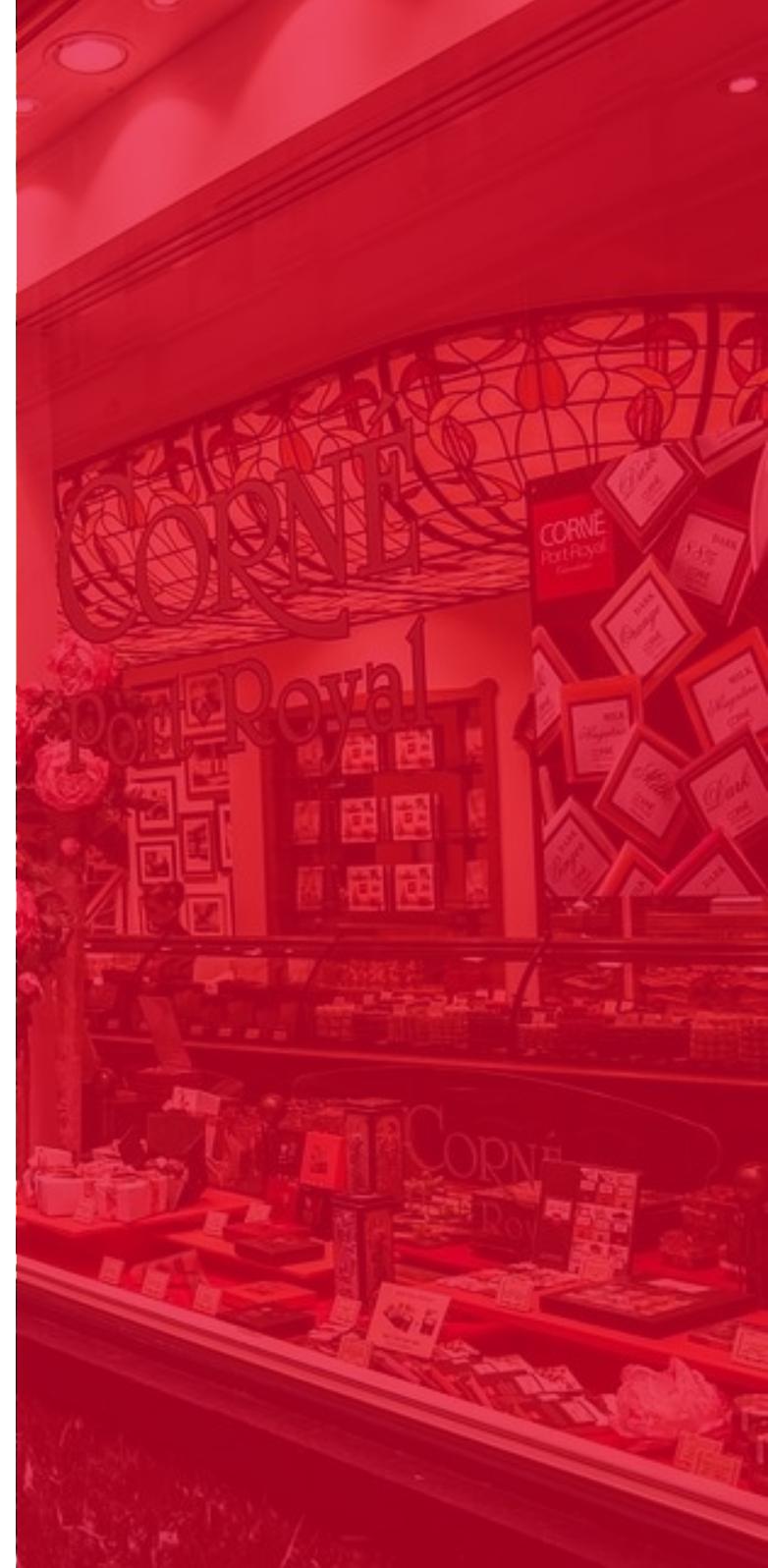
Miele

KFC

Snipes

Weekday/ Arket

Monki



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## RETAIL SCENE

***Total existing stock of shopping centre space in Belgium totals around 1.55 million sqm GLA. Shopping centre stock in Belgium is characterised by the limited number of large schemes in comparison to other European markets. Department store-anchored schemes with catering and/ or leisure elements as well as retail are the dominant format. Permits for large out-of-town schemes are difficult to obtain as the public authorities want to promote the existing city centre.***

Belgium has a well developed out-of-town retail market, characterised by hypermarket schemes and a large number of solitary retail warehouses. Development and re-development of retail parks has been increasingly active, especially over the last decade. The market is dynamic and has seen an growing number of retailers entering the market from sectors such as fashion, shoes, electronics and sports goods. New space coming onto the market is limited given the planning restrictions.

Belgium's factory outlet centre market is modest and typically located in remote locations away from city centres. The largest functioning factory outlet centre is Maasmechelen Village, near the borders with Germany and the Netherlands.

E-commerce has developed less rapidly in Belgium than in most other EU countries. This is mainly due to the proximity of physical stores from almost all locations in this densely populated country. Recent volumes of turnover by e-commerce show that Belgium is now at the European average: according different sources 8 to 16% of purchases go online; some 56% of those sales pass via a foreign e-shop, which is much more than the Netherlands (20%), France (29%) and Germany (14%).

It is possible to enter Belgium retail market direct, though many also franchise and enter via concessions/shop-in-shops.

There are no restrictions on foreign companies either buying or renting property in Belgium. The Belgian economy is very open and one of the most international markets in Europe.

Rents have proven to be extremely stable over the last few decades and certainly less volatile than in most other markets, though a downward pressure is visible in the secondary locations / secondary cities. Lease terms are believed to have found a good balance between tenant and owner needs.

Although it is possible to occupy a new building within a few weeks, it is more realistic to expect that on average it will take about 6 months from initialising the property search to taking occupation of an existing property. This includes time for considering location options, the identification of buildings or sites, negotiating leasehold or freehold terms, obtaining of eventual permits and drafting of the appropriate legal documentation.



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## SHOPPING CENTRES

### TOP SHOPPING CENTRES BY SIZE

NAME	CITY	SIZE (GLA SQM)	YEAR OPENED
Wijnegem Shopping Center	Wijnegem	60,254	1993
L'Esplanade	Louvain-La-Neuve	56,719	2005
City 2	Brussels	51,000	1978
Médiacité	Liège	45,313	2009
Waasland Shopping Center	Sint-Niklaas	45,078	2004
The W Shopping	Brussels -Woluwe	42,677	1968
Docks Brussel	Brussels	41,000	2016
Rive Gauche	Charleroi	38,000	2017
Galleries St Lambert	Liège	38,000	2004
Westland Shopping Center	Brussels	37,450	1972
Les Grands Prés	Mons	35,554	2003
K in Kortrijk	Kortrijk	33,500	2010

# BELGIUM

## KEY FEATURES OF LEASE STRUCTURE

KEY FEATURES OF LEASE	
ITEM	COMMENT
Lease Terms	Any lease agreement must be registered at the Ministry of Finance, Bureau de L'Enregistrement and is subject to registration duty. The contract is legally binding and enforceable by the tribunals of Brussels or other appropriate legal authority throughout Belgium. On signing the lease the tenant waives some rights for recourse from the landlord, with exception of cases of malevolence. The tenant is responsible for the registration of the lease. Minimum lease term is 9 years, maximum of 99 years. Both parties are free to negotiate longer leases. Early Termination: only by break clause which is possible every 3 years by the tenant, or in common consent between parties.
Rental Payment	Rents are typically payable quarterly in advance. A bank guarantee of between 3 to 6 months is given by the tenant.
Rent Review	Rent reviews are done annually: the annual indexation is done in line with the "Health Index" (an adjusted consumer price index). Normally the landlord will recalculate the rent annually; in case of deflation the tenant has to send a notice of rent decrease to the landlord, if the contract allows it; most contracts do not allow rent decreases. The tenant normally has the right to renew for a further three terms of 9 years but must adhere to a strict procedure. Exceptions to the tenants right to renew are where the property is required for the owner's occupation, where the owner wishes to redevelop, or where there is a better offer from a third party which the tenant is not prepared to match.
Service Charges, Repairs and Insurance	Service charges are not normally included in the rent. Unless stated otherwise, these charges are paid by the tenant. Repairs: the tenant pays internal repairs, the landlord structural repairs Insurance is a tenant obligation.
Property Taxes and other costs	The property tax "précompte immobilier" is payable annually and calculated on the basis of the revenue cadastral, the rateable value attributed to the property in the cadastral register. It applies to the whole of Belgium, but the tax differs from one region, province and municipality to another. There is no VAT payable on rent.

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# WHAT'S NEXT

REDEFINING THE LANGUAGE OF  
RETAIL & LEISURE



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