

MARKET REPORT 2025

stadimfocus

RETAIL MARKET BELGIUM



RETAIL REAL ESTATE: MARKET TRENDS AND
AN IN-DEPTH FOCUS ON SUSTAINABILITY



Belgium delivers solid growth so far in 2025 — but clouds gather on the horizon from growing geopolitical uncertainty

Belgium’s economy showed resilience in 2025, with GDP growth of 0.2% in Q2 and 0.3% in Q3, outperforming the Eurozone. However, the full-year growth forecast was trimmed to 1.2% due to weaker external demand, trade tensions from U.S. tariffs, and geopolitical instability, with 2026 growth expected at a modest 1.1%. Financial conditions tightened as 17-year bond yields rose to 3.88%, while inflation cooled to 2.4%. Meanwhile, the ECB slowed its monetary easing after achieving near-target inflation.

Belgium’s economy entered the second half of 2025 with solid momentum, even as signs of global uncertainty began to weigh on the outlook. GDP expanded by 0.2% in Q2, in line with earlier estimates but down from 0.4% in Q1 — the fastest pace in a year and stronger than anticipated. Growth picked up again in Q3, rising 0.3%, landing at the upper end of initial forecasts and underscoring Belgium’s resilience in a challenging geopolitical context. By contrast, the Eurozone economy managed only a 0.1% gain in Q2, its weakest since late 2023.

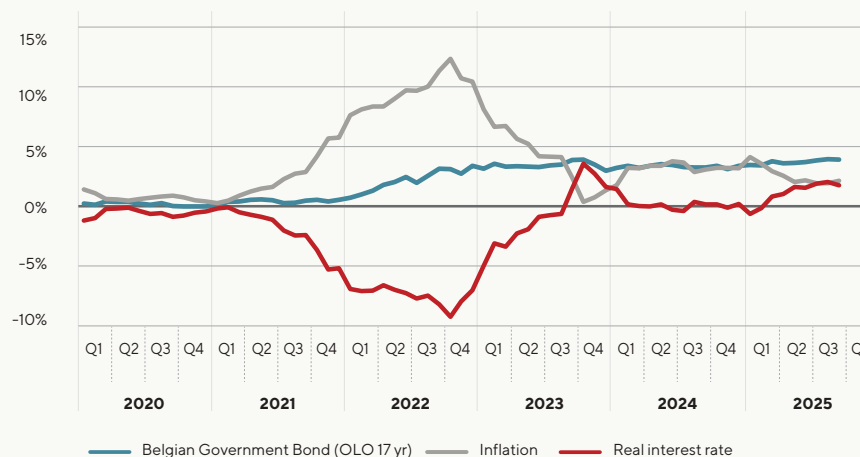
Despite this relative outperformance, the second half of 2025 looks more challenging. The Belgian GDP forecast for the full year has been trimmed from 1.3% to 1.2%, reflecting softer external demand and trade frictions linked to the Trump administration’s unpredictable tariff policies. Meanwhile, the ongoing war in Ukraine and renewed tensions in the Middle East continue to dampen investor confidence. For 2026, growth expectations remain steady at 1.1%, suggesting a cautiously optimistic but subdued medium-term outlook.

On the financial front, the yield on Belgium’s 17-year government bond—steady around 3.25% throughout 2024—has climbed to 3.88% by the end of Q3 2025, accompanied by increased volatility. This reflects investors’ growing unease about global conditions with the risk-free interest rate putting pressure on financial returns.

Inflation is projected to average 2.4% in 2025, before easing to 1.4% from 2026 onward, according to the Federal Planning Bureau. With inflation cooling and yields firming, real interest rates are on an upward trajectory.

As expected, the European Central Bank (ECB) maintained its steady course of monetary easing in the first half of 2025, cutting key rates for the eighth consecutive time to reach their lowest level since early 2023. The deposit facility rate, halved from 4% to 2% since mid-2024, has helped guide inflation back toward the ECB’s 2% target. With that goal nearly achieved, most analysts now expect the central bank to pause further rate cuts in the months ahead.

AVERAGE PER QUARTER (BELGIUM)



Market Overview and Segment Analysis

After several turbulent years marked by the coronavirus pandemic, the rise of e-commerce, inflation, and geopolitical uncertainties, 2025 marks the return of growing confidence in retail real estate. Investors once again view the sector as a stable and secure investment in an uncertain economic climate. Belgium distinguishes itself through its resilience: even during economic or geopolitical tension, our market tends to hold up relatively well, supported by a strong domestic buyer base and a loyal, high-purchasing-power segment.

“ 2025 marks the return of growing confidence in retail real estate. ”

The current investment volume stands at approximately €1.5 billion and is expected to continue rising toward the end of 2025(*). By comparison, 2024 closed with around €630 million and 2023 with around €890 million. Roughly €390 million of today's total stems from the sale of the Belgian portion of the Forum Estates portfolio to buyer Cibus. Several other noteworthy transactions have already shaped the 2025 investment landscape, including Brixton Retail Park, B-Park Bruges, Frunpark Izegem and Belle Sambre, the Cora-Galimmo portfolio, the Makro & Metro sites, and retail park Weyveld-Nossegem. These deals illustrate the sector's strong momentum and renewed investor appetite. Even excluding the Forum Estates sale, the current investment volume already surpasses last year's total, confirming the solid recovery and continued attractiveness of the Belgian retail real estate market.

A notable development this year is the rising influence of private investors and family offices. Previously dominated by institutional players, the market now sees private investors taking part in larger transactions. While they once limited their investments to €5-€10 million, private investors now participate in deals of €50 million or more, taking on greater risks. This shift has been a key game changer over the past year.

Institutional players such as Cibus, Wereldhave, Mitiska, and QRF are also active but face stricter return requirements and growing ESG obligations. Nevertheless, several institutional players plan to invest over €100 million over the coming months to a year, reflecting sustained confidence despite these constraints.

- * **CAPITAL GAIN TAX**
- * MEERWAARDEBELASTING
- * TAXE SUR LES PLUS-VALUES

The rising investment volume in 2025 is not only expected to be driven by a renewed interest in retail real estate but also partly due to the upcoming Capital Gains Tax.

From the 1st of January 2026, the Belgian federal government will introduce a 10% tax on capital gains on privately held financial assets, such as shares, funds and unlisted participations. The tax only applies to capital gains arising after 31st of December 2025.

The value of real estate properties is one of the elements having a big impact on the value of the financial assets in case of sale, exchange or contribution. Stadim can assist directly (or indirectly through auditors or certified accountants) in determining the correct value of real estate properties per 31st of December 2025.



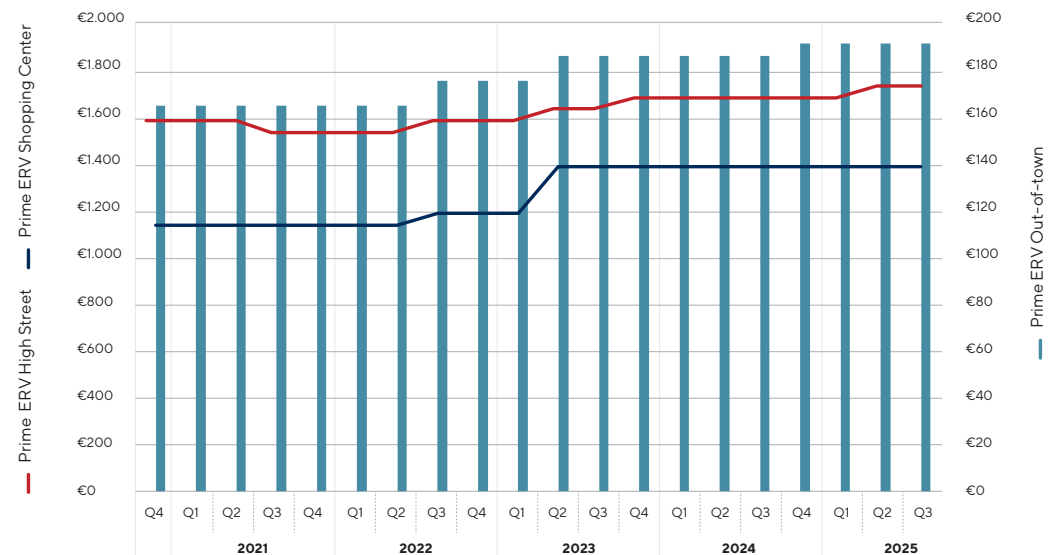
Further reinforcing this optimism is the rapid re-leasing of vacant properties due to recent bankruptcies in prime locations and the arrival of new (international) retailers in the Belgian market. Expansion-minded retailers such as Batopin, TEDi, Prego, Scopa, Albert Heijn, Jumbo, Douglas and Medi-Market ensure attractive rental yields.

Retailers face challenges from rising rents, payroll, and energy costs, while outdated concepts overlapping with e-commerce must reinvent themselves. Most current bankruptcies reflect delayed consequences of the COVID-19 crisis.

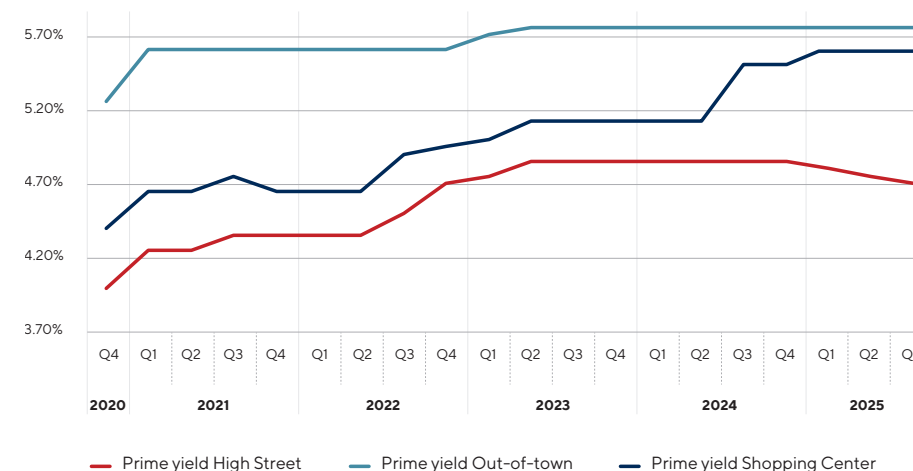
Signs of recovery are evident with retail take-up in 2025 exceeding 2024 levels. Estimated Rental Value (ERV) and prime yield for out-of-town retail and shopping centers remain stable, while high-street locations have seen a positive correction for both indicators, reflecting renewed confidence in prime locations. Medium-sized and local inner-city commercial centers continue to face challenges, often requiring repositioning or repurposing. Meanwhile, retail parks and shopping centers are performing strongly, sometimes at the expense of these smaller city-center locations.



PRIME ERV BELGIUM



PRIME YIELD BELGIUM



High Street

Building on the trends highlighted in the general retail market, the Belgian high-street segment continues to recover in 2025. Prime locations are attracting strong retailers, such as Zara, whose flagship openings boost take-up and attract new entrants, accompanied with existing brands who reinforce their presence on Antwerp’s Meir, including JJXX, Jack & Jones, Costes, Uniqlo, and Vero Moda.

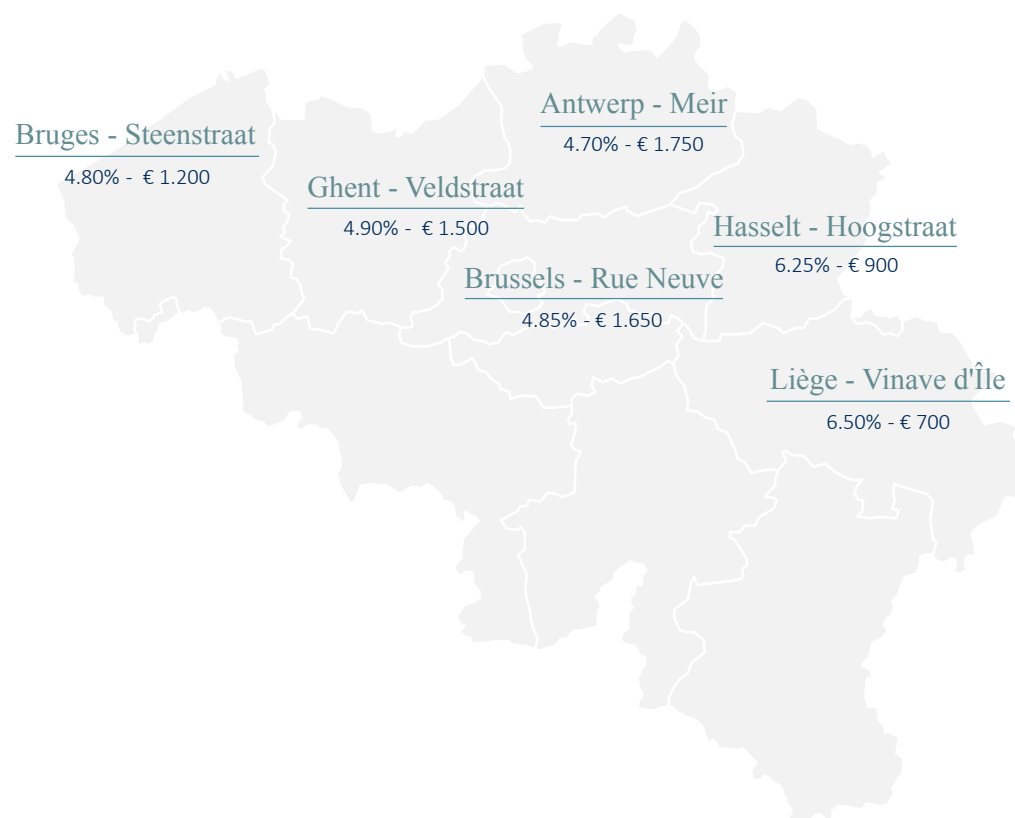
Antwerp benefits from ongoing urban renewal and a cooperative city administration that actively supports property owners and retail investors. While Brussels continues to face safety and permitting challenges, it remains a key destination for luxury retail, with Boulevard de Waterloo as its prime location.

Prime rent stands at €1.750/m² and prime yield at 4.70%, both recently adjusted positively. Antwerp, Ghent, and Bruges enjoy low vacancy rates, whereas Liège and Hasselt face more difficulties.

Out-of-Town

Out-of-town retail real estate maintains a strong position in the Belgian market, driven by stable leasing activity and consistent cash flow. These factors underscore its attractiveness and solid profitability. Prime ERV (€185/m²) and prime yield (5.75%) have remained stable over the past year.

Supermarkets continue to represent a resilient investment class, with strategically located, versatile, and sustainable assets typically trading at yields 50–75 basis points below the prime yield for out-of-town non-supermarket properties. Hypermarket formats are under increasing pressure, yet this creates opportunities for subdivision and redevelopment.



“ Successful concepts focus on consumer needs, emphasizing experience, emotion, connection, and sustainability. ”

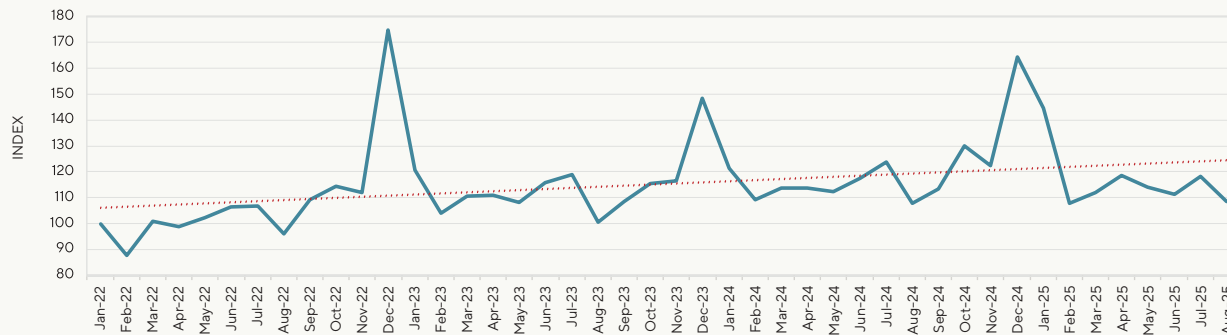
Shopping Center

Shopping centers are recording increasing footfall, as shown from the positive trend line of the national footfall index of shopping centers provided by The Retail Factory. With consumers seeking both experience and convenience, maintaining a balanced tenant mix across fashion, food & beverage and leisure is becoming more and more crucial.

Due to the institutional character of shopping centers, with stricter bank requirements and possible international interest, sustainability is becoming increasingly important. Investors are placing greater emphasis on energy efficiency, renewable energy and circular construction principles to meet ESG objectives and safeguard long-term value.

Belgian shopping centers are only slightly affected by retailers going into failure and have – on average – a limited vacancy rate between 5 and 10%. Vacant properties create opportunities for investors to remodel existing units for both new and expanding retailers, with increasing demand for larger surfaces. The prime ERV and prime yield stand at respectively €1.400/m² and 5.60%.

NATIONAL FOOTFALL INDEX OF SHOPPING CENTERS



Source: The Retail Factory

The significance of physical retail has proven more resilience than anticipated, especially when enhanced by digital integration to deliver a seamless omnichannel experience.

As an independent real estate advisor, Stadim surrounds itself with parties who possess complementary real estate expertise. In this way, we are building an ecosystem that supports property players in the strategic management of their real estate portfolios.

Stadim and Wattson together form a strong combination of technical and financial expertise, focused on profitably guiding retail real estate through its sustainable transition.

On the one hand, Stadim carries out independent valuations and business case calculations for (renewable) energy solutions. On the other hand, Wattson develops and manages large-scale energy projects and supports the property owner from study and design to quality assurance during the implementation and management of energy solutions.

Recent sustainability trends in retail real estate

The sustainable transition of retail real estate still seems to be struggling to gain full momentum. The combination of casco leasing and emerging legislative requirements often creates conflicting interests between property owners and retailers.

Yet **Stijn De Roo, co-founder of Wattson**, is convinced that retail is the property type where this complexity can be overcome and where sustainable business models can actually work. In light of the forthcoming legislative requirements, Stadim and Wattson came together to talk about recent sustainability trends in retail real estate, the challenges surrounding solar panels and the opportunities to steer this real estate segment towards a profitable and CO₂-neutral path.

Upcoming legislative requirements for real estate:

- EPC Non-Residential in Flanders: Minimum Label Requirement by 2030

By 2030, all large non-residential buildings in Flanders must obtain an EPC NR (Energy Performance Certificate for Non-Residential Buildings) with at least label E. This corresponds to a requirement that at least 5% of total energy consumption be covered by locally generated and consumed renewable energy. Solar panels therefore represent an essential instrument for property owners seeking to meet this minimum label requirement.

- Emissions Trading System 2 (ETS 2) in 2027

In 2027, the ETS 2 will come into effect, introducing additional taxation on fossil fuels, as energy producers will be required to purchase emission allowances. Although initial CO₂ prices are expected to remain moderate, they may increase significantly over time. Retailers are likely to experience this as higher natural gas and heating oil costs.

At the end of October, the EAU future price for CO₂ ranged at €77 per ton and Bloomberg projects that this price could double by 2030. For the top 15% sustainable retail properties, this may translate into an additional annual cost of approximately € 1.160 on top of existing energy expenses.

What are the three most important trends of the past year in the sustainable transition of existing retail real estate?

We see clear progress being made on three fronts, partly driven by increasingly strict legislation.

The first major trend is the installation of solar panels by building owners. In Flanders, this has now become mandatory for large energy consumers, but it also contributes to achieving a better energy label on the Flemish EPC NR. Stadim and Wattson also see the greatest potential here through 2026. When looking beyond the familiar obstacles, such as roof load capacity, negotiations with tenants and negative injection tariffs, the key lies in more solar panels and smart control. Thanks to the simplicity of flat roofs on retail buildings and the necessity of solar panels in the pursuit of carbon neutrality, the roofs must be utilized to their fullest. Moreover, this obligation offers an interesting opportunity to renovate the roof before installing solar panels.

The second development is the rise of energy monitoring and smart control systems. These systems are gaining importance, partly due to CSRD reporting requirements for property owners. Although Europe has recently reduced the scope of companies that need to report under CSRD via the Omnibus package, attention to energy monitoring remains strong. Monitoring energy consumption is also essential for achieving a good EPC NR label.

Finally, as a third trend, a significant increase in the installation of charging stations is seen. Building owners are not limiting themselves to merely complying with legal requirements, such as providing a certain number of charging points per number of parking spaces but also see it as a way to offer an additional service to visitors.

Yet the business case for solar panels is changing rapidly. How do falling injection prices affect the strategy of retail property owners and retailers?

The low and uncertain compensation for injected solar energy is indeed a significant barrier to the further rollout of solar panels today.

In this context, often two, both suboptimal, reactions are seen. Either smaller installations are installed to limit the amount of injected energy, leading to an increase in unit price and a less favorable energy label within the EPC NR. Or a lower selling price for the energy is requested because the surplus solar energy cannot be used profitably. In both cases, this results in a less attractive return on investment.

A more optimal solution is to eliminate the injection risk for both the owner and the retailer. The aim is to maximize the utilization of the roofs, which inevitably also leads to more injection. This injection can be actively managed through smart control, and in some cases, Wattson even takes over the injection contracts. This makes the returns from the solar panel installation predictable and largely removes the uncertainty around injection prices.



Compared to a year ago, we notice that real estate portfolios are much better mapped and monitored more closely. This is essential to gain better insight into the energy and CO₂ intensity of their properties.



Stijn De Roo, co-founder Wattson



Are there differences in making the solar panel business case work between different retail real estate types?

The feasibility of the business case varies greatly depending on the building profile and the energy intensity of the property type.

For supermarkets, the business case is generally the most attractive. Their large roof surfaces allow for substantial installations at a relatively low cost. Moreover, energy consumption is high, so surplus solar energy is limited.



For out-of-town stores, the situation is more complex. Conflicting interests often arise: the building owner wants to maximize roof usage to improve the EPC NR energy label and make the investment more profitable, but the retailer usually has low energy consumption. This leads to significant surplus injection, which the retailer does not want, making it harder to achieve a balanced solar panel business case.

For high street retail buildings, the challenge lies elsewhere. Here, solar panels are rarely the most impactful energy solution. Roofs are often small relative to energy demand, resulting in an insufficient amount of panels. To make high street retail buildings more sustainable, a broader approach than just solar panels is needed. The focus is instead on a thorough renovation: insulating the building envelope to reduce energy demand and implementing sustainable heating and cooling technologies, such as reversible heat pumps. In that case, even without solar panels, a favorable EPC NR label can be achieved, as the heat extracted from the air by the heat pump counts as renewable energy. In such cases, it is crucial to measure all energy flows correctly.

Still, carrying out these renovations in urban contexts is often complex, especially for older or heritage buildings. For out-of-town stores and supermarkets, the sustainable transition is much simpler.



“ Most retail buildings can relatively straightforward shift to fossil-free. Solutions for electrification already exist and the retailer can choose their own sustainable heating and cooling strategy with every (re)leasing of the building. ”

Stijn De Roo, co-founder Wattson



“Wattson provides a clear energy framework helping both owners and retailers establish trusted agreements, Stadim ensures transparent and objective valuation of solar panels.”

Emma Lien Bertels, ESG expert at Stadim

In the context of uncertain injection prices and split incentives, we see different business models for solar panels in the market. How do you arrive at the right choice?

There are various business models for solar panels in retail real estate. An owner can choose to rent out the roof or the installation, or sell the generated energy, either entirely or only the portion actually consumed by the retailer.

Legislation plays a decisive role here, as it differs between the three Belgian regions. In Wallonia, leasing solar panels represents the most straightforward approach, allowing retailers to directly use the full installation. Selling only the generated energy, on the other hand, would require property owners to

register as electricity suppliers, a complex procedure that falls outside their core business activities. In Flanders, by contrast, it is possible to sell either the produced or the consumed solar energy. Due to the differences in regions, many larger property players opt for a single, uniform business model across the country, with Wallonia’s legislation being the strictest.

However, in practice, this leasing-model often leads to misunderstandings between owners and retailers. The retailer rents the installation but does not always know the exact value of the energy produced, especially given the uncertainty on the energy markets. As a result, it takes time to convince tenants, complicating contract signing and slowing down the rollout of solar projects.



CRREM: Carbon Risk Real Estate Monitor

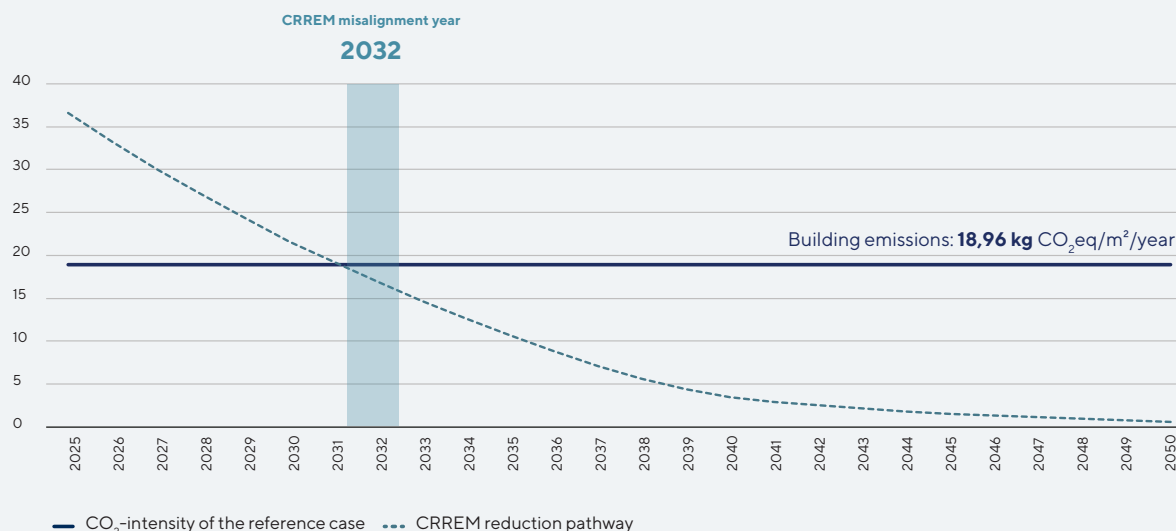
With the introduction of ETS 2, the CO₂ emissions of real estate assets associated to fossil fuel use are gaining increasing importance. To map the carbon-related risks of properties, the CRREM tool can be applied.

This reference instrument allows, on the one hand, for the comparison of a building's energy intensity with long-term targets, and on the other hand, for the assessment of its CO₂ emissions against the reduction pathway required to achieve carbon neutrality by 2050.

The year in which a building's CO₂ emissions exceed the level projected by the CRREM reduction pathway, the so-called "CRREM misalignment year" (formerly "stranding year"), indicates an increased risk of economic obsolescence, notably due to the anticipated rise in operational costs.

More specific, this misalignment year is directly linked to an additional operational expense arising from the introduction of a carbon tax under the ETS 2. For underperforming buildings, this will result in a gradual and significant increase in annual operating costs.

Stadim provides a practical example of a reference case for an out-of-town retail property built in 1997, which exceeds its CRREM misalignment year in 2032. This results in an additional monthly cost of approximately €200 on top of existing energy expenses, a figure that could further increase over time due to market dynamics. With targeted investments, it's feasible to postpone or even eliminate the CRREM misalignment year and limit operational cost.



Looking ahead to 2030: which factor is expected to be the primary driver of sustainability in retail real estate?

In Flanders, EPC NR requirements are playing an increasingly significant role. These are expected to remain an important guiding factor towards renewable energy, electrification and carbon-free buildings. At the European level, ETS 2 will start driving change from 2027 onward, as the use of fossil fuels will become subject to additional taxation.

Still, more policy guidance will be needed, particularly a tax shift from gas to electricity. For retailers that both heat and cool, switching to a fully electric system is technologically straightforward and financially attractive. But retailers who only heat will be slower to take this step without additional financial incentives or supportive policies.

Would you like to understand how your retail portfolio aligns with CRREM pathways and where potential value risks or opportunities lie?

Our experts of StadimESG can help you assess your current position, quantify the impact, and define a clear roadmap toward decarbonisation. We can also support you in developing the business case and valuation for solar panel investments.

Get in touch to discuss how we can support your transition.

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Stadim brings you 30 years of experience as a trend-setting and independent real estate consultancy. Seasoned in all types of properties, we offer you analyses, valuations and advice relating to all kinds of real estate in the Benelux at all stages of the real estate cycle. Regardless of whether it concerns a private house or an international real estate portfolio, we can always guarantee that you will receive well-founded advice in the most discreet way possible.

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