Waiting for new projects

After a poor performance in 2012 the Antwerp take up level declined further from just above 100,000 m² in 2012 to around 80,000 m² in 2013. A fall of almost 20%. It was only thanks to a very busy last quarter that Antwerp managed to stay ahead of Ghent. In general all regional cities except Ghent were confronted with a fall in take up. In Antwerp most of the take up was situated in the Ring district (40%) followed by the centre (27%). The Port area and periphery had an equal share of around 15%.

In the city centre hardly any transactions above 1,000 m² were observed. The largest transaction in the Ring district was the letting by Argenta of 3,300 m² at the ‘Veldekens’ near Berchem station. In total owner Wereldhave Belgium has now managed to rent more than 5,200 m² spread over several building in this office park. The largest letting transaction in the periphery was completed in Kontich where Veritas rented 3,320 m².

Purchases for own use was a trend, alongside regular letting transactions. The purchase of Stadswaag 6 (around 4,000 m²) by the International Academy of Film and Television in the centre district and the purchase by Scouts en Gidsen Vlaanderen (3,300 m²) in the Ring district are two examples.

InVESTMENTS

The largest investment transaction on the Antwerp market was clearly the acquisition of the Amca building by Befimmo. This large scale office building of almost 55,000 m² offices and 5,000 m² of archives dates from the early nineties. It is fully occupied by the financial federal administration for a remaining duration of 16 years and represents an investment volume of 110 million Euros. In the center district Baloise Insurance bought the Kievit II office building, currently under construction and pre-let to Electrabel, for an estimated € 30.000.000. In the periphery Banimmo sold its property at the Prins Boudewijnplaas to a private investor. The 5,400 m² office building with related mixed use space of 1,500 m² was acquired by Banimmo in 2007 and later renovated.

Stable vacancy thanks to re-conversion and few new projects

The limited development and take up levels appear to balance each other, causing little movement in the relatively high vacancy rate (around 11%). Several elements point to a possible decline in vacancy over the coming years. Firstly, no additional deliveries are expected on the market in 2014. Projects currently under construction are for own occupation (Port House and Province House) or pre-let (Kievit II Electrabel).

Secondly, it can be observed that, just as in Brussels, some older office buildings that don’t meet the criteria for modern office space are to be transformed, if possible, to a residential destination. The current offices of Electrabel situated on the Mechelsesteenweg (some 15,000 m²) and the ‘Tolhuis’ building (16,000 m²) on the banks of the Schelde in the area of the MAS museum are both likely to receive a new residential destination as they were bought by the residential developers LIFE and Immogra Project Development. The Desguinelei 100 ‘Mercator Building’ (14,000 m²), currently used by the Antwerp Province before moving to their new offices, and bought by Banimmo at the end of 2013, will also be transformed to a residential building.
As a result some 45,000 m² will disappear from office stock. In many cases this is a logical choice when considering the life cycle of the building and the enormous renovation costs on one side, and the uncertain office demand on the other. Although the situation is completely different, as no building exists, the Louise Marie project at the Desguinlei will probably be developed as a residential project instead of the planned office tower. It is a sign that developers believe more in the growth of the residential market as more housing is needed to meet the increasing population in urban regions such as Antwerp.

**Projects pipeline**

Based on the vacancy rate it may be believed that no new developments are necessary but this overall figure needs some nuancing as most of the supply is often located in older buildings that don’t meet current expectations, either in the field of possible tenants or in the field of current environmental building standards. New projects are needed but as no speculative developments are underway the market remains in stalemate. The limited number of projects under construction at the moment are either pre-let, or for own use. But there are also several future developments in the pipeline of which some could be developed in the short term.

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**Brief overview of real estate developments per district.**

**Port**  
*Area situated north of the center, beginning at the ‘Eilandje’ and on to the current port via the Noorderlaan*

- No large scale office projects on the way.
- Limited office development can be observed within some residential developments such as het Eilandje, the Cadiz project offering 18 office units for a total area of 5,771 m².
- Despite some discussions regarding technical issues, construction of the new spectacular Antwerp Port House (more than 10,000 m² of office space) continues. Works should be finished by the end of 2016.
- In the same area, at Park Spoor Noord, large scale public buildings are being developed, more specifically two high schools are under construction (Artesis Plantijn University College) and in the period from 2014-2018, a new hospital (ZNA) will be built.

**Center**  
*Area situated inside the inner ring road (Singel) adjacent to the port zone in the north*

Two main developments are located in this zone:  
- Firstly the construction of the new Electrabel Antwerp headquarters (Kievit II) next to Antwerp Central station. The project consists of two towers, one office tower of 11,000 m² and one residential building, constructed on a common podium unit at ground level. Next to it, additional mixed developments are planned in the future.
The market is geographically divided into 4 main zones: Port, Centre, Singel (Ring zone) and Periphery.

With a stock of some 1,900,000 m² excluding Mechelen, Antwerp is the second largest office market in Belgium with 10 % of the total national market.

Vacancy currently stands at around 11 %.

Prime rents in a range of €135 /m²/year to €145 /m²/year are paid in the centre and ring zones whereas in the port zone, depending on the quality of the buildings, prime rents are located at around €120 /m²/year.

- In the southwest of the centre zone and almost at the border of the Ring zone, the demolition of the old Antwerp Province house along the Queen Elisabethlei started in 2013. In the same place a new office tower (some 32,000 m²) will be constructed by the summer of 2017.

Ring / Singel
Area extending along the city ring road and both sides of the Singel and Binnensingel

Following the delivery of the Onyx building in 2013 two possible short term projects can be observed :

- City Link 2 & 3 by real estate developer Willemen consisting of two office buildings with a total area of 27,000m². The project is expected to be completed once 60 % is rented. It will be one of the first projects in Antwerp to aim to be awarded a ‘very good’ label from BREEAM.

- X-Antwerp (located near Antwerp-Berchem station) is an urban renewal project with a balanced mix of mainly office and school buildings, complemented by retail and leisure. The final Masterplan for the area, which is being developed in close cooperation with the city of Antwerp, is still under study.
It includes the development of 115,000 m² of above ground space (of which 48,000 m² of office space). The not-for-profit organisation Syntra, an organiser of training courses, has announced its intention to install its new campus at X-Antwerp. Construction works should start in 2014 and be finished late 2015.

Over the longer term possible extra office space may appear in the Nieuw-Zuid project area. For this mixed use development area the master plan allows for the possible development of 40,000 m² to 70,000 m² of supra-local accommodation or office space. More to the south and almost on the periphery, limited office development is scheduled in the Blue Gate re-conversion project. In the project description there is an option for creating offices but in general this will be within a semi-industrial context.

Periphery

The area covering all other communes located around Antwerp, essentially to the south and west of the city and the left bank of the Schelde

No new projects are expected in the short term but on the left bank of the Schelde a total new urban development area – Regatta – is under construction. At the border of this mainly residential project the master plan allows for the development of 40,000 m² of offices. If there is insufficient office demand the area can be used for residential developments. Up to now no specific office projects have been put on the market.

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