

# Antwerp, 2010 was an exceptional year

**In Belgium, the Antwerp office market can be considered as the second largest after Brussels. It represents around 10% of total Belgian office stock, some 2,355,000 m<sup>2</sup> including Mechelen. By contrast with the Brussels market, Antwerp is not really international in vocation. It revolves around regional activity, with the port as a major driver. Companies working in the secondary and tertiary sectors find it important to locate their regional or provincial headquarters here. Nevertheless, it is more and more coming to represent an alternative to the Brussels market.**



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In terms of take-up, the volume of almost 130,000 m<sup>2</sup> makes 2010 an exceptional year for the Antwerp market. This total represented an increase of around 44% on 2009. A few large scale transactions enabled this figure to be attained. The most important were the letting of Copernicus in the city centre by the VDAB (14,000 m<sup>2</sup>) and of the Mercator Building on the Singel by Vivium (14,000 m<sup>2</sup>). This proves that there is still substantial demand for buildings of quality, despite the economic uncertainty which has been present since the crisis. The private sector was particularly active in 2010, accounting for 75 % of transactions.

Even though the vacancy level remains high, it has slightly decreased compared to 2009, currently situated at below 11 %, or almost 260.000 m<sup>2</sup>. This is largely structural vacancy in second hand buildings, difficult to fundamentally rehabilitate. Following 2009 which was active in terms of deliveries onto the market with buildings such as City Link (26,700 m<sup>2</sup>) and the Avenue Building (9,821 m<sup>2</sup>), the major proportion of which have already found takers, 2010 was quieter in this respect. The main projects to come to the market are Helmoortel III (5,900 m<sup>2</sup> on Generaal Lemansstraat) and Noordster-building, pre-let to the State Buildings Agency. The number of speculative projects set to be delivered in 2011 is virtually non-existent. Most of what there is will be centred around Mechelen (which is now a market in its own right). An economic recovery and the lack of scheduled new projects should in term translate into a decrease in vacancy.

Rents are still under pressure, having dropped by some 6% compared to last year. This trend results from the substantial vacancy level in Antwerp.

## **The market is geographically divided into 4 main zones:**

### **Port**

Port activity, which has never stopped growing in importance is without any doubt the driver behind the City's economic activity. Many production companies, followed by distribution companies, which will gradually become offices as the tertiary sector grows within the economy, set up over time around the port. This zone represents around 15% of total stock and can be divided into two sub-zones:

### **Old Port**

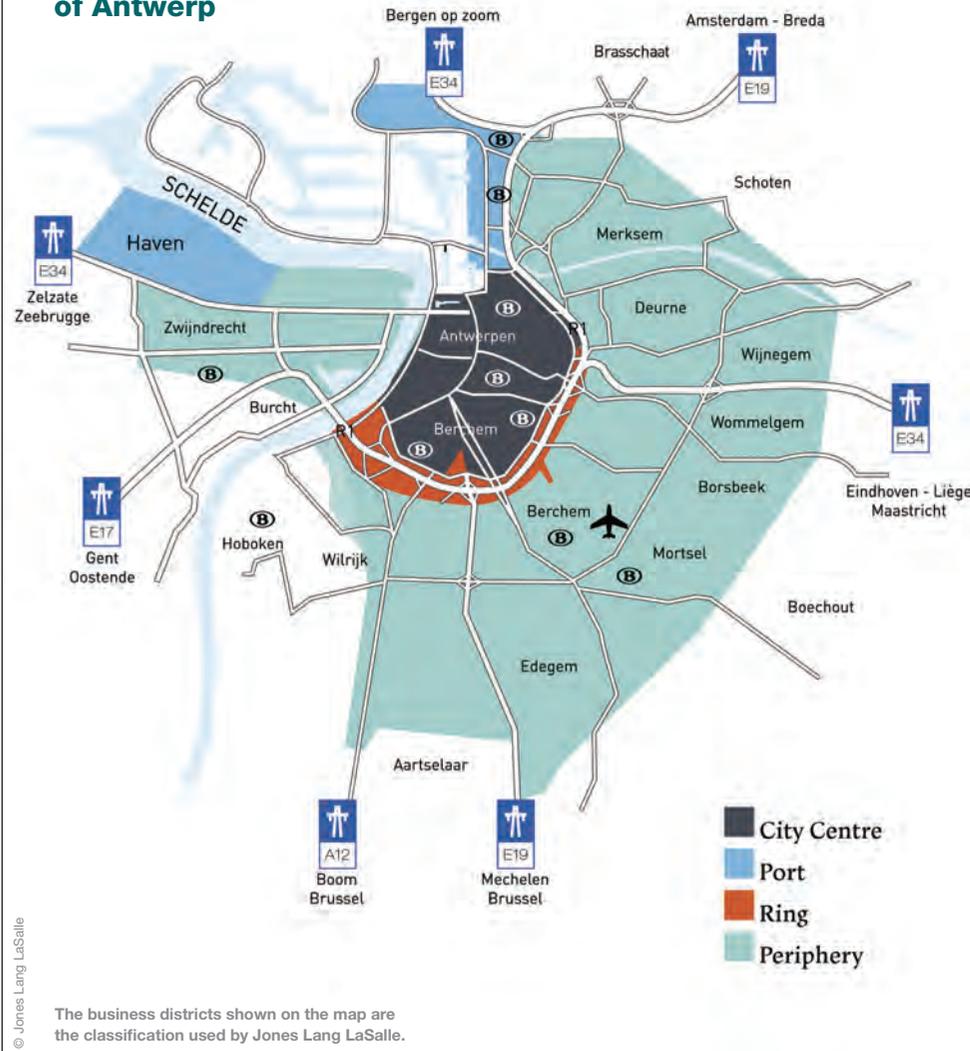
The Old Port district extends parallel to the Schelde, to the north of Antwerp's Market Square, up to and around the Bonaparte and Willem docks. A small core of prestigious maritime companies is still to be found in this zone, a result of the port activity which was carried out here before it moved northwards with the modernisation of the Port of Antwerp. This zone benefits from a good road network which enables easy access to East Flanders via the Waasland tunnel, and to the city centre. The district is characterised by a mixed building stock, bringing together the oldest of office buildings with more modern constructions.

### **New Port**

The New Port has mostly grown up over the past 20 years. It essentially extends along the Noorderlaan. Most buildings in this zone are in need of total renovation.

Companies located in this zone, whose activities are directly connected to port activity, also benefit from access to the Netherlands via the A12 (Antwerp-Roosendaal) and A1 (Antwerp-Breda) motorways located just a few hundred metres from Noorderlaan.

## The business districts of Antwerp



The market is geographically divided into 4 main zones: Port, Centre, Singel (Ring zone) and Periphery. With a stock of almost **2,355,000 m<sup>2</sup>** (including Mechelen). Antwerp is the second largest office market in Belgium with 10 % of the total market.

Vacancy currently stands at around 11 %.

### Prime rents by zones are as follows :

• Port	€105 /m <sup>2</sup> /year	• Ring	€135 /m <sup>2</sup> /year
• City centre	€140 /m <sup>2</sup> /year	• Periphery (excl. Mechelen)	€100 /m <sup>2</sup> /year

### City Centre

This area takes in the whole of the zone contained inside the inner ring road and extends to the edge of the port zone in the north. Three principal zones can be identified:

- the zone which extends to the north of the Meir: little sought-after due to a lack of modern buildings and of visibility.
- the Diamond district: this zone is essentially concentrated around the Central Station where all of the diamond business (cutters and traders) is to

be found. Offices here are mostly small in size and their popularity depends on the input of natural daylight from the north, essential in this domain where light plays an overriding role.

- the south of the city: the office zones to be found here are mostly concentrated around the three main axes: the 'Leien' (Amerikalei, Britselei, Frankrijklei and Italielai), Mechelsesteenweg and Plantin & Moretuslei. This part is very popular with the large administrations as well as with companies from the banking sector, most notably

because of its central location, offering excellent visibility along the city's main thoroughfares and because of the well-developed infrastructure (shops, hotels, restaurants etc.), and because of the substantial amount of public car parking facilities. Finally, the public transport network is good, with Central Station enabling communication with the whole of the national and international networks.

Because of the large proportion of second hand buildings, almost half of vacancy is concentrated in this area, and projects are very rare.

**The 'Singel' (or Ring)**

This zone extends along the city's ring road and either side of the Singel and Binnensingel. Most new office projects are to be found in this area. The scarcity of modern large-scale buildings (the average being around 3,500 m<sup>2</sup>) in the centre has encouraged some companies to look to the Ring or Periphery, which have seen the largest amount of development over recent years. The Ring zone offers a number of overriding advantages in terms of a location choice:

- the presence of large size modern buildings responding to the requirements of current users
- excellent links via the Ring to the various national and international motorways (Ghent to the west, Breda and Roosendaal to the north, Liège to the east and Brussels to the south)
- the proximity of the city centre and its infrastructure
- avoidance of city centre traffic problems
- good visibility

In this part of the city, the development of the Nieuw-Zuid zone is being studied. In this 30 ha. Zone bordered by the Singel, the Ring, the quaysides and the new Law Courts, a whole new district is being planned, through a public-private partnership, to include housing, offices, shops, leisure activities and public service infrastructure. A few months ago the private partners reached a cooperation agreement with the AG Stadsplanning under which they commit to financing part of the infrastructure costs. A further 2 to 3 years will be necessary before the project is fully underway, the time to draw up a master plan, followed by an impact study, and a ground use plan which the city will have to approve.

**Periphery**

The Periphery, which accounts for some 30% of stock, takes in all of the communes located around Antwerp, essentially to the south and west of the city, along the 3 motorways leading to Brussels (E19 / A12), and to a lesser extent to Liège and Eindhoven (A13 / E313 and A21 /

E34 respectively). Ease of access half way along the Antwerp-Brussels motorways, along with the proximity of Brussels Airport, constitute the main advantages of this zone. Many business parks have grown up here over recent years, of which some of the most noteworthy are Delta Business Park (approx. 6,000 m<sup>2</sup>) located at Kontich (Satenrozen, 1) and Naviga Business Park (approx. 11,000 m<sup>2</sup>) at Zwijndrecht (Nieuweweg 1). It is also along these axes that important industrial and logistics parks have been developed.

**Conclusions**

There are numerous advantages to the Antwerp office market: the presence of a port, excellent national and international means of transport (particularly to the Netherlands and Germany), a well-developed logistics network, and good balance between economic sectors (industry, offices and retail).

Despite its reduced size when compared with Brussels, and other large European cities, the Antwerp market offers sizable advantages. Since 2008, the 'Antwerp Headquarters' task force, a public-private partnership between the city of Antwerp and the private sector, has been aiming to attract enterprises and the headquarters of international companies from the Benelux. In a preliminary version of the explanatory note of the Antwerp 2012 guideline, the city estimates that 600,000 to 781,000 m<sup>2</sup> of new offices will be needed over the next ten years in order to satisfy demand. Within this context, the city is planning to follow a new planning policy for new offices which will put the accent on:

- 1. encouraging the development of hubs in headquarters zones (which will mainly be concentrated around the port, Central and Berchem stations and, to the west of the city, the other side of the Schelde)
- 2. limiting office projects of over 1,500 m<sup>2</sup> in the other zones

Even if this note remains ambitious, it represents the first step towards active and strategic promotion aiming to stimulate and strengthen the Antwerp office buildings market.

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# Mechelen, easy access between Brussels and Antwerp

Mechelen can be considered as a market in its own right, with office stock estimated at some 450,000 m<sup>2</sup>, mostly spread through 3 zones (the north and south industrial zones and the centre, where the buildings are principally to be found along the Ring).



The take-up by Alken-Maes of almost 3,200 m<sup>2</sup> in Stephenson Plaza, developed by Uplace, was one of the major transactions of 2010 on the Mechelen office market.

Mechelen is a relatively young market with office buildings present in the city centre, but it is only over the past 20 years that more specific office buildings have begun to be located alongside the industrial zones. Mechelen can be seen as offering an alternative to the mobility problems found in Brussels or Antwerp.

This city has expanded greatly over the last decade and is continuing to expand. Current developments are located in the Mechelen Noord business park, with various projects by developer Uplace.

**Stephenson Plaza** (Blarenberglaan, along the E19): This is a complex of 3 office buildings representing around 12,200 m<sup>2</sup> of total surface area. Blocks A and B were delivered in May 2009. Block C, representing 5,840 m<sup>2</sup>, was delivered in July 2010.

**York Tower**, (Blarenberglaan, along the E19) : This will be an 8-storey building with a total surface area of 6,395 m<sup>2</sup> of which 5,400 m<sup>2</sup> of offices. Its construction will begin once a contract with an occupant has been signed, and is set to last 18 months.

**Uplace Machelen:** a very substantial rehabilitation of the Machelen canal zone, representing a total surface area of 190,000 m<sup>2</sup> comprising several activities – public areas, leisure (bowling, fitness, sports activities, museum, spa, restaurants, bars, etc.), offices, shops and a high quality hotel. Construction is scheduled for the end of 2011 with opening forecast for 2014.

In 2010, take-up amounted to around 7,700 m<sup>2</sup> on the Mechelen market, which is lower than the ten year average. One of the largest transactions was the renting by Alken-Maes of some 3,190 m<sup>2</sup> in Stephenson Plaza. The prime rent in this zone is ± €125/m<sup>2</sup>/year.

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