

Demand waiting to be satisfied

Liège, the largest city of the Walloon region with an office stock of ± 470,000 m², can be divided into two broad zones. The first area is downtown Liège, on the left bank of the Meuse; the second zone is located on the right bank.



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Around 70% of the stock is located downtown, mainly along large avenues, such as Boulevard de la Sauvenière and Boulevard d'Avroy. The main occupiers are public administrations and regional and provincial governments (± 40 %), followed by institutions (banks and insurance companies) (± 20 %). On the periphery, the supply of suitable buildings is virtually non-existent and is concentrated in offices parks including Zénobe Gramme and the Sart Tilman science park.

High proportion of second-hand stock

Approximately 40 % of the stock involves second-hand buildings. The demand for offices of good quality is substantial in Liège but there is a serious lack of new development meeting the needs of current occupiers. Due to a lack of quality buildings, some firms have no other choice than to install in residential premises transformed into offices. According to a study carried out by DataQuest (Research department of Immoquest), some 25,000 m² of offices are located in host houses on the left bank of the Meuse (say 7,5% of the stock in this area) with as a consequence high operating costs, energy losses, and unsuitable premises with a lack of parking facilities.

Several developments are currently being examined to solve this imbalance between supply and demand. The new Alleur Offices Park (a mixed site of 7,500 m² low energy offices and 6,000 m² warehouses), delivered at the end of 2010, is one of them. This park is located close to the motorway interchange (E40-E25) at Loncin. The offices have an energy coefficient of K 29, still unmatched in the Liège region. CMI Defence and Deloitte & Touche have already rented space in this centre.

Espace Horizon is a development in an early planning stage. This complex located at the corner of Rue du Fourneau and Boulevard de l'Automobile will offer 20,000 m² of office space, 5,000 m² of retail space and 15,000 m² destined for apartments, with 750 underground parking spaces.

Further projects

Other large scale developments are planned in the region but the timing is not yet defined for most of them. Amongst these is the Val Benoît site (previously a university campus of 8 ha now dedicated to technologies and economic purposes), with a development potential of 40,000 m² of economic activity space. The of the local authorities' plans to create around 100,000 m² of new office space around the Guillemins Station (including the reconstruction of the future Finance Tower representing an area of 52,700 m² at rue du Paradis, 1) will also create a new dynamic for the market and help remedy the lack of high-quality office space.

On the southern outskirts of Liège, the town of Seraing has established a master-plan covering an area of 800 hectares and involving a total renewal of the former industrial backbone of the town (CMI Cockerill, ArcelorMittal) including the creation of a leisure centre, green areas, housing, retail, a new administrative centre and the largest themed commercial centre in Europe. In terms of office spaces, this large scale project will cover 19,000 m² (12 buildings) in the 'Cristal Park' development, various office buildings in Neocittà I (6,000 m², complex of blocks of apartments, shops and offices (future headquarters of Eriges) and Neocittà II (20,000 m², economic, commercial and residential space), along with the 17 hectare 'LD' business park. The whole project will take several years. A new multi-modal public transport station is also part of the plan.

Average rents remain very reasonable

The creation of new office space in Liège is on-going but it will take several years before all the developments come onto the market and before the supply meet the demand from current occupiers.

During the first half of 2010, take up represented 11,400 m² let or purchased, which is very low in comparison with 2009, which recorded relatively high take-up figures (± 55,800 m²) due to the exceptional deal transacted by the Régie des



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Bâtiments (State Buildings Agency), letting 52,700 m² in development located on rue du Paradis 1. Except for a transaction in the Park Alleur of approximately 3,000 m² office space, demand was concentrated in areas of under 1,000 m².

Despite the numerous assets of the city (new TGV station, Liège Airport, central location and good motorway accessibility), average rents in Liège remain very reasonable compared with Brussels and vary between €10 /m²/year and €135/m²/year for new and prime space and between €80 and 95/m²/year for second-hand buildings. Prime rents

increased from €120 to 13 /m²/y in comparison with 2009. This is a consequence of the lack of new medium to large scale developments and of demand for modern buildings exceeding supply.

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