

# Another reasonable year for the Antwerp office market

**In Belgium, Antwerp can be considered as the second largest office market after Brussels. It represents around 10% of total Belgian office stock, some 2,355,000 m<sup>2</sup> including Mechelen. Although take-up was down in 2011, prime rents increased, and the strategy of the 'Antwerp Headquarters' task force to rectify shortage of office space.**



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Looking at the take-up, the volume of almost 117,000 m<sup>2</sup> (excl. Mechelen) recorded in 2011 is 10% lower than 2010, which was an exceptional year in terms of take up. These figures exclude the 'off market' transaction concluded with the Artesis Hogeschool involving the construction of a new student campus in the Spoor park Noord (Italiëlei). The new campus will accommodate the 3500 students of the professional Bachelor-training in business, health care, technology, teacher training and social work. The Artesis College is investing € 64 million in this project.

The largest transaction in 2011 was the leasing of the Mercator Building on the Singel by Provincie Antwerpen (14,000 m<sup>2</sup>), which will occupy the building from 2013 for a duration of minimum 3.5 years, while awaiting delivery of its Provincial House. The **Mercator Building** is currently occupied by Vivium on a temporary basis.

Although the number of speculative projects delivered was non-existent in 2011, the vacancy level remains high and is currently situated at around 11 %. This is largely structural vacancy in second hand buildings where profound renovation is not being seen.

Development activity will remain very low in the coming years. The only projects to come to the market are **Helsmoortel III** (5,900 m<sup>2</sup> on Generaal Lemansstraat) and the **Onyx Building** (approx. 12.000 m<sup>2</sup>), which is a very modern office project situated on the Antwerp Singel, near the exits of the ring road and the E19 motorway. The lack of scheduled new projects should in time translate into a decrease in vacancy.

Prime rents increased in the Centre from 140 to €145 /m<sup>2</sup>/y and remained stable in other submarkets. Prime yields have remained stable at 7% (3/6/9 years contracts).

In contrast with the Brussels market, Antwerp 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 in this area. Nevertheless, it increasingly represents an alternative to the Brussels market. 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, have set up over time around the port. This zone represents around 10% 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 mix of buildings, bringing together the oldest and more modern office buildings.

### • New Port

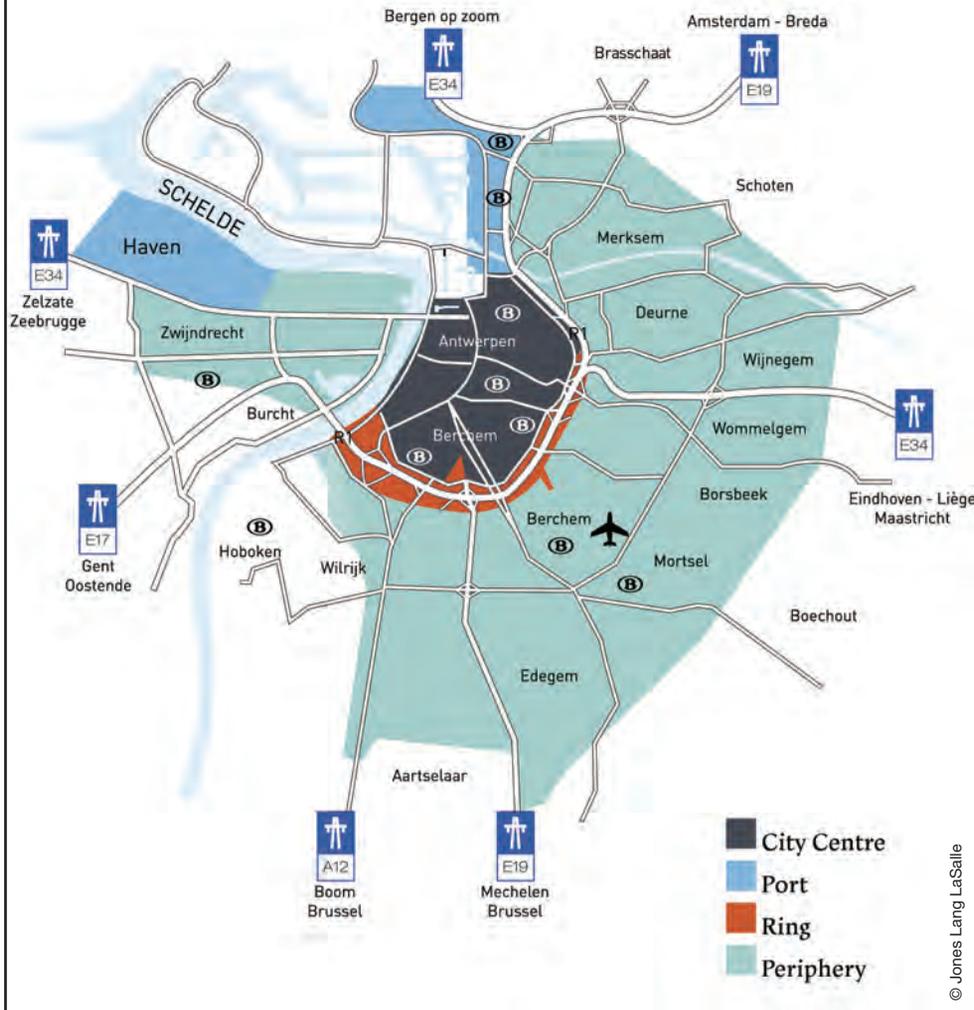
The New Port has mostly grown up over the past 20 years and is mainly situated along the Noorderlaan. Most buildings in this zone are in need of renovation.

Companies located in this zone, with activities often directly connected to port activity, also benefit from access to the Netherlands via the A12



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## 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>/an
- City centre €145 /m<sup>2</sup>/year
- Ring: €135 /m<sup>2</sup>/year ;
- Periphery (excl. Mechelen): €100 /m<sup>2</sup>/year.

(Antwerp-Roosendaal) and A1 (Antwerp-Breda) motorways located just a few hundred metres from the Noorderlaan.

### City Centre

This area occupies the whole 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) can 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:** office zones can be found mainly around the three main axes: the 'Leien' (Amerikalei, Britselei, Frankrijklei and Italelei), Mechelsesteenweg and Plantin & Moretuslei. This part is very popular with large administrations as well as with companies from

The business districts on the map are the classification used by Jones Lang La Salle.

the banking sector, most notably because of its central location, offering excellent visibility along the city's main thoroughfares, 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 connecting to the national and international railway networks.

Due to 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 both sides of the Singel and Binnensingel. Most new office projects can 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 development activity 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

The development of the **Nieuw-Zuid zone** is being studied in this part of the city. This 30 ha. zone is bordered by the Singel, the Ring, the quaysides and the new Justice Building. A whole new district is being planned, through a public-private partnership, including housing, offices, shops, leisure activities and public service infrastructure. Last year, private partners reached a cooperation agreement with the AG Stadsplanning confirming their commitment to finance 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, covers all of the communes located around Antwerp, essentially to the south and west of the city, along the 2 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, together 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.

### Antwerp Headquarters' strategy

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 a good balance between different economic sectors (industry, offices and retail).

Despite its reduced size compared to 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 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> new offices will be needed over the next decade in order to satisfy demand. In this context, the city is willing to follow a new planning policy for future offices with the focus 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 other zones

This note is quite ambitious, but represents the first step towards an active and strategic promotion to stimulate and strengthen the Antwerp offices market.

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## Artesis Hogeschool new campus, the keystone of the development of Spoor Noord



The Artesis University College Antwerp is part of the Antwerp University Association and is the fourth largest university college in Flanders, with a total of 8600 students and 1500 staff members. The Board of Governors of the University College gave the green light to begin construction of a brand new campus at Spoor Noord, a former industrial site. The plans are for a very avant-garde style of architecture, located on an 11,200 m<sup>2</sup> site, which offers a gross surface area of 23,240 m<sup>2</sup>, which will accommodate 3500 students enrolled in the professional bachelor programmes in business studies, health care, technology, teacher training and social work. The new structure will be arranged around a central green patio and will consist of a trapezoid principal building that opens onto the Noorderplaats (Italiëlei - 8 levels), a square building on the Ellermanstraat (4 levels), a long single-storey building on the Noorderlaan, auditoriums that open onto the green inner courtyard, and a ramp on the Ellermanstraat leading to the extensive underground parking garage and bicycle racks. There is a total of 13,050 m<sup>2</sup> of underground space, spread over 2 levels. The new buildings involve an investment of 64 million Euros.