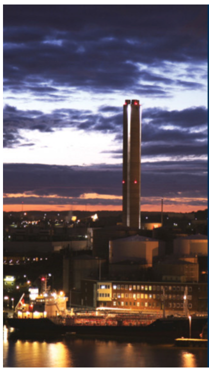

MARKETBEAT

BELGIUM INDUSTRIAL SNAPSHOT

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

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OVERVIEW

The industrial market has been relatively healthy beginning of 2009. Rental performance has been mixed across the country, with rents moving down by 6% in the Brussels area , whereas all other location moved up marginally over the quarter.

OCCUPIER FOCUS

Despite the economic crisis occupier demand was relatively healthy. With rents that have eased in the most expensive location, the Brussels area, it is clear that occupiers are looking for less expensive premises. Demand is currently most active from the retail sector, although demand levels are lower throughout the country.

Nevertheless, the vacancy remains relatively low supported by the highly competitive rental levels offered by the market.

INVESTMENT FOCUS

The investment market has been subdued over the quarter, with the number of transactions declining. Consequently, yields have continued to move outwards as investor demand has eased and is concentrated on purely the highest quality, well located stock. Yields are sharpest in the Antwerp-Brussels area and are now at 7.25%, the highest level for three years. In Liege, Ghent and Hasselt they currently stand at 7.75%.

OUTLOOK

The outlook for the sector will be largely dependant on the severity and length of the current economic difficulties. However, although the industrial sector has been affected very quickly, it is hoped that the sector could be well placed to recover. Although, a further decline in rents in the Antwerp-Brussels area is anticipated as occupiers become more cost sensitive in their choice of location. A slight further softening of yields can be expected, especially for secondary grade property.

MARKET ACTIVITY

Bolckmans Vastgoed has acquired a 70,000 sq/m. property from an Irish group, located in Grobbendonk along the Albert canal between Antwerp and Liège, and the close to a E313 motorway exit.

Dow Corning will build a 35,000 sq/m. logistics centre on 17ha of land acquired recently in Seneffe (Hainaut)

Tabaknatie leased 20,000 sq.m. in the port of Antwerp.

MARKET OUTLOOK

PRIME RENTS:	Mixed picture, relatively stable	→
PRIME YIELDS:	Further softening anticipated	↗
SUPPLY:	Holding firm	→
DEMAND:	Easing down	↘

PRIME LOGISTICS RENTS – Mar 2009

	Prime Rent		Compound(p.a) % Growth	
	€ sq.m/yr	US$ sq.ft/yr	5yr	1yr
Brussels	47	5.81	-1.0	-6.0
Antwerp	43	5.31	-0.9	2.4
Liège	36	4.45	-0.5	2.9
Ghent	38	4.70	1.7	8.6
Hasselt-Genk	36	4.45	3.7	2.9

PRIME MANUFACTURING RENTS – Mar 2009

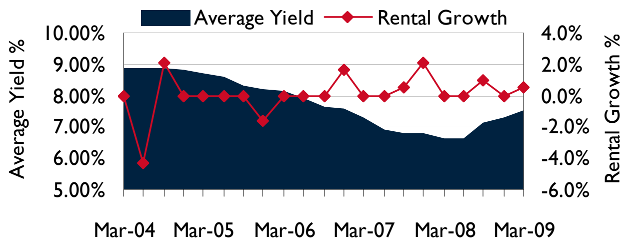
	Prime Rent		Compound(p.a) % Growth	
	€ sq.m/yr	US$ sq.ft/yr	5yr	1yr
Brussels	50	6.18	-2.9	-3.8
Antwerp	40	4.94	-4.4	-7.0
Liège	30	3.71	-4.6	-11.8
Ghent	30	3.71	-4.1	-11.8
Hasselt-Genk	30	3.71	-1.9	-11.8

PRIME INDUSTRIAL LOGISTICS YIELDS – Mar 2009

	Prime Yield (%)				
	Current Quarter	Last Quarter	Last Year	10 year High	Low
Brussels	7.25	6.75	6.20	8.50	6.20
Antwerp	7.25	7.00	6.40	8.50	6.40
Liège	7.75	7.50	6.75	9.00	6.75
Ghent	7.75	7.50	6.75	9.50	6.75
Hasselt-Genk	7.75	7.75	7.00	9.50	7.00

With respect to the yield data provided, in light of the lack of recent comparable market evidence in many area of Europe and the changing nature of the market and the costs implicit in any transaction, such as financing, these are very much a guide only to indicate the approximate trend and direction of prime initial yield levels and should not be used as a comparable for any particular property or transaction without regard to the specifics of the property.

RECENT PERFORMANCE



Source: Cushman&Wakefield LLP. 2009

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