

December 2007

Logistics in Wallonia



WALLONIA LOGISTICS REPORT

Logistics in Wallonia

Belgium is among the most competitive regions in Europe as a host for logistic hubs. Rents are among the lowest, particularly in the Walloon Region.

Via the Marshall Plan that has recently been set up, various competitive poles have been identified to accelerate the economic redevelopment of the region. The transport and logistics sector is one of these competitive poles, and a major asset for Wallonia thanks to its drive, rapid growth, and future perspectives.

For a few years now, the Walloon Region has been of interest to real estate investment groups, and market studies by major real estate brokers are beginning to see the light. All these studies – international, national or Flemish – mention how attractive the Walloon Region is. Conversely, studies are only rarely made by local players with a more detailed vision of the market.

This global vision, which is nevertheless «local», cannot replace knowledge in the field. Most statistics and studies group the market for semi-industrial buildings in logistics under the category «Warehousing & Industrial». The reasons for this are simple: it is very difficult to have objective definitions, and high-quality logistics buildings are rarely available. In the Walloon Region, the definition is still difficult, of course, but the supply of quality buildings has grown, and both projects and investments are accelerating.

In this study, **for the first time** we have decided to focus on «Real Buildings for Modern Logistics» without including the semi-industrial category.



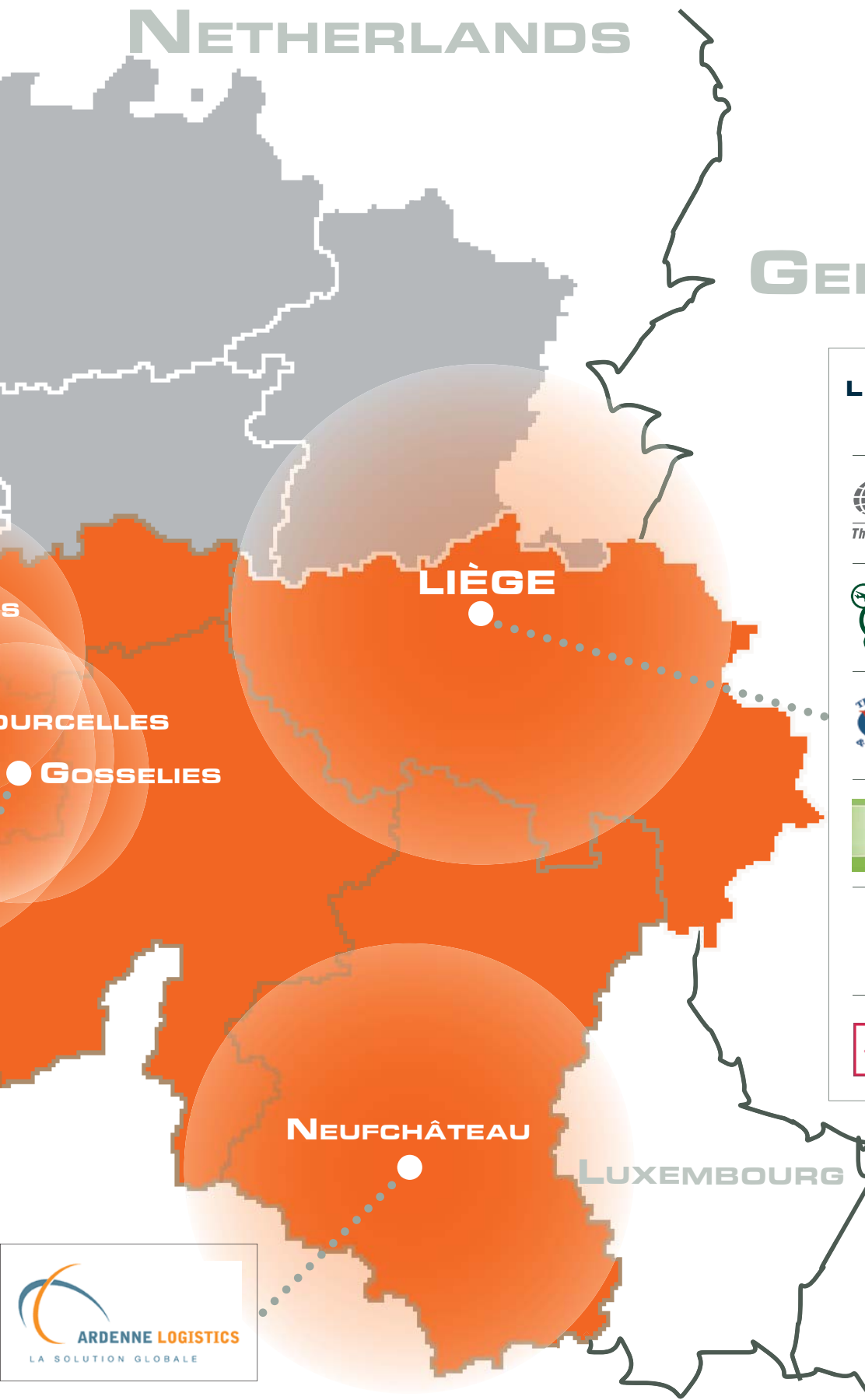


PROJECTS AND AVAILABILITY 2006-2010



NETHERLANDS

GERMANY





PROJECTS AND AVAILABILITY 2006-2010

Region	Site	Promoter	Area currently occupied	Availability in the next 6 months (m ²)	Date scheduled for reception of building	Total area foreseen (m ²)
NEUFCHÂTEAU	Ardenne Logistics	Idelux et partenaires privés	0	20,000	2007	200,000
COURCELLES	Courcelles Logistics	WDP	7,674	30,000	2008-2009	57,000
LA LOUVIÈRE	Magna Park	Gazeley	25,000	15,000	2006-2010	200,000
TOURNAI	Tourtex	Tourtex	0	3,500-7,000	2008-2010	36,000
GOSELIES	Gosselies Activity Park	Mestdagh	0	5,000	2008-2010	36,000
NIVELLES	Nivelles Sud	SEGRO	16,000	16,000	2008-2009	16,000
NIVELLES	Nivelles Sud	WDP	12,000	12,000	2008	12,000
NIVELLES	Nivelles Sud	WDP	0	10,000	2008	10,000
LIÈGE	Liegestics Park 34	Janssen/Fortis RE	0	20,000	2008-2010	86,000
LIÈGE	Prologis Park Liège	Prologis	22,500	22,500	NA	55,000
LIÈGE	Trilogis Park Bierset	Moury/ Fédérales Assurances/ Meusinvest	0	12,500	2007-2009	48,000
LIÈGE	Weerts Logistics	Weerts Logistics	0	19,000	2008	35,000
LIÈGE	Weerts Logistics	Weerts Logistics	10,000	20,000	2006	30,000
LIÈGE	Echo Logistics	TTS	0	30,000	2009-2010	30,000
LIÈGE	Vincent Logistics	TLS	20,000	10,000	2006-2010	50,000
LIÈGE	Les Plenesses	Prêt-à-stocker	0	10,000	2008-2010	58,000
TOTAL						958,970 m²

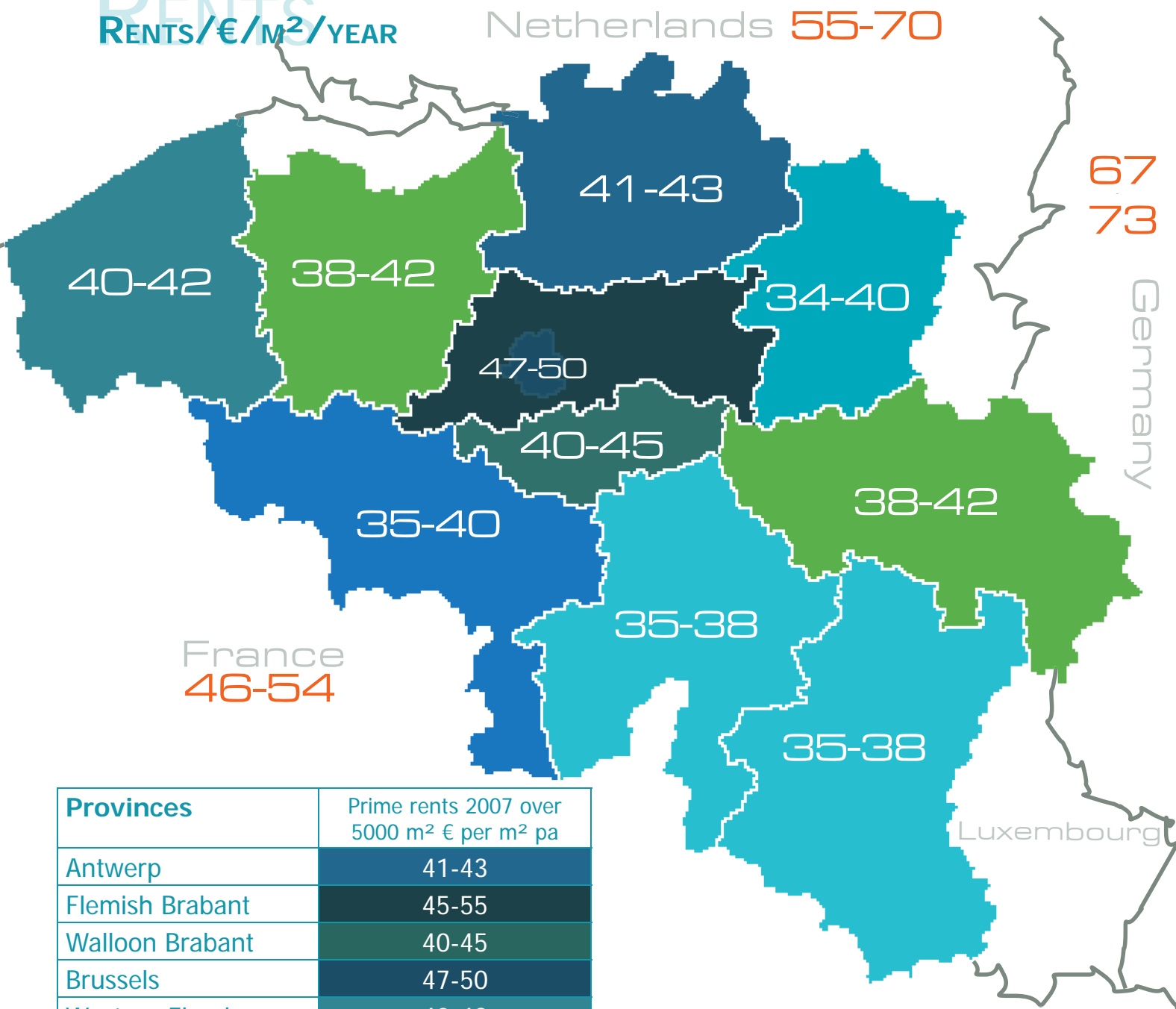
Source : DataQuest Research

In addition, we note that a major project for more than 80 ha is being implemented in the Liege area: this is a multimodal platform at Hermalle-Sous-Argenteau: Triligiport.

While we can confirm the determination to reach a successful conclusion of this project, various economic, legal and political contingencies prevent an accurate estimation of the dates in this dossier.

RENTS

RENTS/€/M²/YEAR



Source : DataQuest Research

Provinces	Prime rents 2007 over 5000 m ² € per m ² pa
Antwerp	41-43
Flemish Brabant	45-55
Walloon Brabant	40-45
Brussels	47-50
Western Flanders	40-42
Eastern Flanders	38-42
Hainaut	35-40
Liege	38-42
Limbourg	34-40
Luxembourg	35-38
Namur	35-38

Neighbouring countries	Prime rents 2007 over 5000 m ² € per m ² pa
France	46-54
Germany	67-73
Netherlands	55-70



INVESTMENT MARKET

In the fourth quarter of 2007, given the gap between supply and demand which is still large, we can see a very significant falling trend despite the rise in interest rates. Yields between 6.35% 6.5% for six-year leases are realistic in the investment market in the Walloon Region. Nine-year leases, which are rarer, are close to the 6% mark.

TAKE UP

We differentiate investment and sales take ups from rentals. Consequently:

- **SALES**

Recent significant sales transactions for own use and investment

Date	Site	Acquirer	Seller	Area	Amount of the transaction
February 2007	Rue de la Guelenne, Soignies	CDI	GPV	20,000 m ²	not communicated
February 2007	Trazegnies	Votquenne foundation	not communicated	9,000 m ²	not communicated
March 2007	ABX Logistics	Fortis RE	ABX	135,000 m ² (in all)	€ 70 M in all, 2 sites in Wallonia
May 2007	Rue de Herchies, Ghlin	Detandt-Simon	not communicated	11,673 m ²	not communicated
May 2007	Immeuble semi-industriel Dison & Bornem	Industrial Securities	Private Belgian investor	13,000 m ² warehouse & 1,375 m ² offices	€ 20 M
June 2007	Lieistics Park 34	Fortis RE	Janssen	Project for 86,000 m ²	€ 40 M
July 2007	Jumet	Société Baudoin	not communicated	2,200 m ² sur un site d'1 ha	€ 1.5 M
July 2007	Gosselies Activity Park (GAP)	Groupe Mestdagh	Banimmo RE	Lot for 30,000 m ² project	€ 2 M
July 2007	4 buildings in Hauts-Sarts (Liège)	Eddy Verdoodt	Xtalis	53,000 m ²	€ 15 M

Source : DataQuest Research

• RENTALS

RECENT SIGNIFICANT RENTAL TRANSACTIONS

Date	Site	Landlord	Tenant	Area	Rent (€/m ² /year)
January 2007	Zoning Aéroport Rue Blériot à Gosselies	Dheedene Invest	Orthofood's	980 m ² ; 138 m ² offices + 842 m ² warehouses	Semi-industrial
January 2007	Bierset	TTS	Auvitrade	11,000 m ²	Warehouses : 35
February 2007	ZI Alleur	Texter	Ilis	5,600 m ² with option for 5,400 m ²	Warehouses : 25
April 2007	Magna Park à La Louvière	Gazeley	Cophana (filiale de CERP Lorraine)	5,300 m ²	Warehouses : 40 Offices : 90
May 2007	E40 Business Park à Awans	E40 BP	IGEPA	11,400 m ² : 400 m ² offices + 11,000 m ² warehouses	Warehouses : 24 Offices : 55
May 2007	Bierset	Echo Swit	Center Trade SARL	2,190 m ² with option to purchase	Warehouses : not communicated
October 2007	Bâtiment Ex Colgate à Milmort	KBC	Vincent Logistics	5,960 m ²	Warehouses : 18
December 2007	Magna Park, La Louvière	Gazeley	CSP	10,600 m ²	Warehouses : 40 Offices : 90
	Rue du Bosquet, Nivelles	WDP	Home Interiors	4,075 m ²	Warehouses : 40

Source : DataQuest Research

LAND PRICE (BEST LOCATION)

REGION	PRICE €/ M ²
Brussels	248
Flemish Brabant	248
Antwerp	125
Western Flanders	125
Walloon Brabant	115
Western Flanders	75
Limbourg	50
Liege	50
Namur	37
Hainaut	30
Luxembourg	40

Source : DataQuest Research

GAZELEY
AT THE HEART OF LOGISTICS



Source : Gazeley



LOGISTICS

CONCLUSION

This study once again shows that the logistics market, in the broad sense of the word, is a fast growing market in the Walloon Region. Nearly one million square metres are ready to be put on the rental market. The joint decision of the political authorities, utility companies and the private sector to develop logistics as a priority for economic redevelopment has thus began to bear fruit.

Only one point is somewhat less positive: the subsidy policy is geared more to the acquisition of buildings or lands, that are becoming harder to find, than to rentals of the same type of buildings.

These rental premises are concentrated for the most part around Liege, Garo centre-Nivelles, as well as in the Neufchâteau area. The growth in logistics along the E42 is still very present in projects, constructions and take-ups.

The investment market is also doing well, with returns that are equivalent to those in the best logistics areas in the country. Institutional investors like Fortis RE or ING REIM, have recognized their interest, and others are eager to invest in this part of the country where rental value added is a real possibility. The supply of buildings immediately available is still low and large lots are becoming increasingly rare.

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