

Europe's Real Estate Cycle is Turning, And Belgium Is Moving With It

"European Investment Atlas Q3 2025"

December 2025

Better never settles



Brussels, 4 December 2025 – Cushman & Wakefield has released the latest **European Investment Atlas Q3 2025**, providing a clear framework for understanding where real estate markets stand in the economic cycle, how assets are currently priced and how financing conditions are shaping opportunities. The report is built around three analytical pillars: the **TIME Score**, the **Fair Value Index** and **Debt & Strategy**. Together, these pillars offer a strategic window of timing, value and capital structure across Europe's and Belgian real estate markets.

Understanding the Three Pillars

TIME SCORE – WHEN TO INVEST

The **TIME Score** positions markets within the economic cycle on **a scale from 1 to 5**, ranging from contraction to stabilisation and ultimately to expansion as activity strengthens. A score around 3 represents the inflection point, when a market moves away from decline and begins to stabilise, with early signs of recovery emerging. Higher scores indicate increasing momentum and a market moving further into expansion.

The TIME Score is built from **four weighted components**:

- Cyclical signals – yield movements, spread in pricing, prime returns and availability of credit
- Momentum – liquidity, cross-border capital flows and investor sentiment
- Risk conditions – risk premiums and country-specific risk indicators
- Growth outlook – GDP and sector-based employment expectations, business investment and swap rates

FAIR VALUE INDEX – WHERE TO INVEST

The **Fair Value Index** shows whether **prime office, retail and logistics markets in Europe** are underpriced, fairly priced or fully priced. It compares the expected return of each market with the return that would be considered fair for its level of risk. If the expected return is higher, the market is underpriced; if it is similar, it is fairly priced; and if it is lower, the market is fully priced. The Index uses rental and yield forecasts, risk levels and local market insight to give each market **a score from 0 to 100**:

- High scores - markets offering attractive value (underpriced)
- Mid scores - fairly priced
- Low scores - fully priced or less attractive

DEBT & STRATEGY – HOW CAPITAL SHAPES OPPORTUNITY

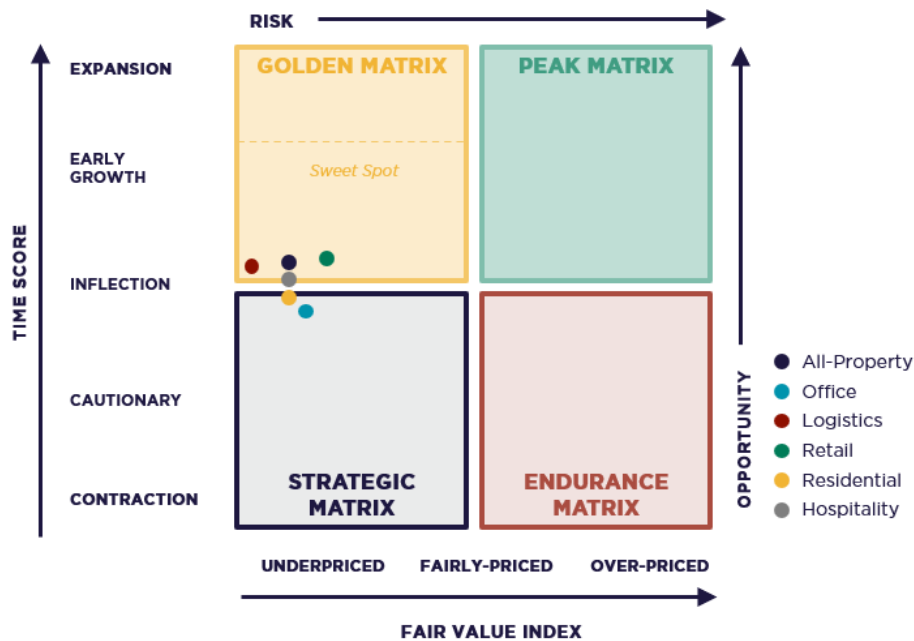
Financing conditions remain **a key driver of market behaviour**. As interest rate volatility subsides and credit availability improves, debt markets are playing a larger role in price discovery, narrowing bid-ask spreads and restarting transaction activity.

This pillar examines lender behaviour, refinancing conditions and margin dynamics, helping investors understand how financing influences market entry and risk positioning.

Europe: A Market at the Turning Point

The latest findings present a European overall real estate market that is slowly moving out of its corrective phase:

- The European All-Property **TIME Score** has increased to **3.2**, indicating that most markets remain positioned at the turning point between the cautionary period and the transition to early growth.
- The **Fair Value Index** stands at **89**, showing that 78% of tracked markets (e.g. the Brussels office market) remain underpriced, offering compelling relative value.
- Logistics, retail and hospitality sit in the “**sweet spot**”, where both momentum and pricing are favourable.
- Offices and residential fall within the “**strategic matrix**”, requiring selectivity but offering long-term opportunity as fundamentals stabilise.
- Debt markets also show **encouraging signs**: lower rate volatility, more active lenders and narrower bid-ask spreads all support the case for renewed investment activity.



Source: Cushman & Wakefield Research
*Residential and Hospitality sectors' Fair Value Index correspond to All-Property

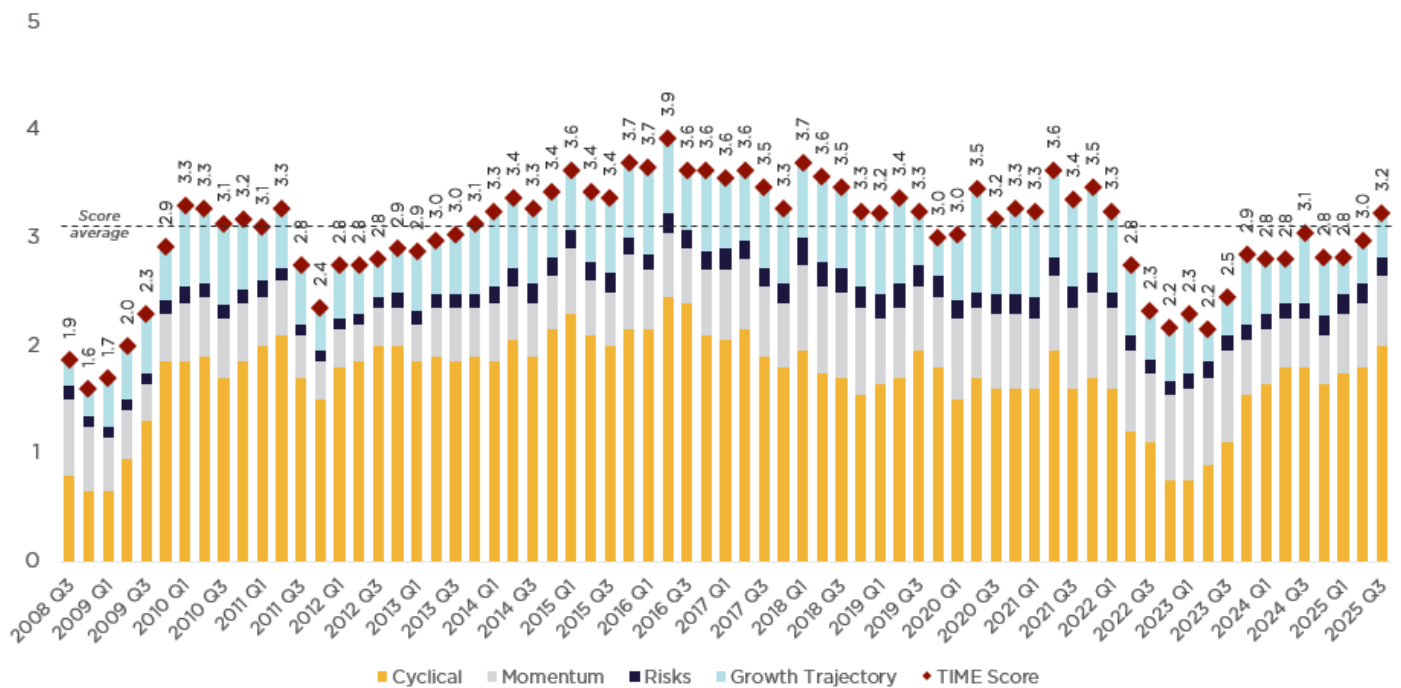
Overall, Europe presents a rare strategic window where market conditions are improving while pricing remains favourable: a combination that historically precedes stronger capital flows.

Belgium: A Market Moving in Line with Europe

Zooming in on Belgium, the country moves in line with wider European trends:

- **Belgium's TIME Score of 3.2** is fully aligned with the European average, placing the market at the same turning point between stabilisation and early recovery.
- **The TIME Score has strengthened more steadily over the past year**, moving from 3.0 in Q1 2025 and 2.8 in Q3 2024, reflecting improving cyclical signals and a gradual pickup in market momentum.
- Belgium holds **a favourable pricing position** within Europe. In the Benelux, 13 of the 15 tracked markets are underpriced, placing the region just behind Germany in terms of value opportunity.
- **Retail, office and logistics markets in Brussels and Antwerp** all fall into the underpriced category, indicating supportive pricing conditions across the main sectors.
- On the matrix, Belgium's markets would sit in or close to the **"sweet spot"**, where improving momentum and attractive pricing overlap.
- **Taken together, the indicators point to a market aligned with Europe's recovery phase while offering one of the broadest sets of underpriced opportunities.** With supportive pricing and clearer cyclical signals, Belgium presents a compelling entry point as conditions continue to stabilise.

BELGIAN TIME SCORE Q3 2025



Source: Cushman & Wakefield Research



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