

Should we invest in offices in Namur ?

The answer for the newly re-elected mayor of Namur is clear and enthusiastic: «Yes !» asserts Maxime Prévot. «Namur is being called upon to assume an increasingly strategic position.»

Some developers are also convinced of this promising future, but moving from thoughts to launching into risky operations ? It is a step that not all developers take, and some are reviewing their ambitions elsewhere in terms of the office market.

That said, in this area the future of Namur is probably the most enviable when compared to the other Walloon cities, and especially Brussels.

Moreover, the building sites in Namur are numerous, whether they host offices or not. Alongside the future courthouse or state archives and before a hypothetical new convention centre, other projects are currently springing up or are ready to be started. In addition, the consequences of the new state regionalisation bode well for new prospects... Explanations:

What are the main assets of this city on the Meuse river ?

The title of the political capital of Wallonia does not merely have a symbolic value. The office market is naturally supported by the presence of regional local authorities, concentrated mainly in Jambes. Ministries, administrations... etc. occupy dozens of buildings and are home to many jobs, generating substantial benefits for Namur and its hinterland.

This huge advantage should not overshadow the favourable geographical position of the city. Namur is located in the centre of the Walloon 'backbone' but also on the axe between Brussels and Luxemburg, which is increasingly a generator on the economic front. The city and its suburbs are generally

EDITORIAL

The private sector is welcome in Namur; the mayor Maxime Prévot has adamantly declared it.

Obviously we are very pleased, even though life is not necessarily easy for investors in the political capital of Wallonia because the market lacks clarity. Here, as elsewhere, the real estate players often maintain a certain discretion about their customers and their projects, and here in particular, the public authorities have a key position on the office market. When they could, or should, act as a catalyst with the effect of encouraging private investors, as the mayor understands well, they maintain an unpleasant vagueness that constitutes an obstacle to investment.

The information required for decision-making is missing or is not available to private decision-makers. This applies to the present and future situation with the impact of regionalisation.

It's a shame because the potential of Namur is obvious. The market should be opened, and ImmoQuest will help you push open the door...

Christophe Nihon

well served in terms of transport infrastructures (trains, buses, motorways...etc.) and still manages to avoid having endless traffic jams as found elsewhere. This advantage is essential: the 'mobility' factor has gained in importance in the selection criteria that guide the location of businesses and workers.

Finally, the city - albeit quiet - is a good place to live and therefore work, this does not spoil anything !

■ Is there a high demand ?

An overview of some of the market players gives a somewhat mixed report.

«The pressure is already beginning to mount. For example, I can see an increased presence of multiple economic players and public sector jobs driven by the status of capital» says Maxime Prévot, the mayor. This includes mutual insurance companies, federations and other SMEs wishing to be near the Walloon political power.

It is clear that the private market is struggling to express itself independently of its pending audience. «The market is indeed very dependent on public promotion, with its own logic» says Olivier Granville, general secretary of the economic development agency of Namur (BEP).

«The market is not very dynamic» notes Paul de Sauvage, a key real estate figure in Namur. «There are ad hoc requests from SMEs, mainly for made to order and evolutionary areas, with prices below 120 €/m². Today there is an urgent need to have flexibility in ones products». The boss of Actibel cites the example of some 10,000 m² leased these past two years in Boulevard Mélot and in Belgrade with a low cost concept (99 €) including common areas (meeting rooms, canteens, fitness rooms and toilets...etc.).

«Building permits for offices show a steady increase» stresses Pierre Dulieu, chief editor of Le Confluent, a Namur magazine, and keen observer of the development of the city, citing the figure of 28,000 m² in 2012. «In recent years there has been a reorganisation in the banking, institutional and health sectors with players who, for example, leave their old buildings and/or consolidate their scattered facilities within new buildings.»

«The market is extremely flat» Nathalie Henry, from the Cobelba company unhesitatingly affirms. «We have felt a slowdown since the crisis in 2008». If Cobelba, in collaboration with the BEP, has created 8 to 9,000 m² of office space on the Crealys Science Park since it was set up, it is struggling to find occupants for the remaining 600 m² that are still vacant and no new building is scheduled to date.

«The market is not very dynamic, but I'm very happy with our buildings» states Philippe Walravens, managing director of Tribeca Capital Partners, owner of three buildings in Namur Office Park, on the outskirts. «The 10,000 m² are taken and the arrival of Decathlon has had a positive effect on the park». The 4th building, owned by the Skyline Project Company, is nearly finished. The developer will build the 5th and last building (4,500 m²) on the plot that is still available.

The occupancy rate is also high in the BEP infrastructures.

In addition to 17 incubator buildings (i.e. 15,600 m² of offices and workshops) that are 90% full, the 7 business centres that are predominantly set up as offices have a 75% take up rate. «The remainder is mainly due to the age of the first buildings that do not offer the comfort that entrepreneurs are looking for.» There is still a real demand, with an average of 25% of new tenants in 2012.

Demand ?

Do developers have faith in the Namur market ?

Yes, some do, and we have met them !

Tony Di Prima is a promoter, developer and builder. « We built the Office Park of Alleur on the outskirts of Liège » the managing director of Hobeco points out. « This is an investment of 27 million euros ». Today this collection of more than 10,000 m² has been leased at 95%, with some well-established occupants (CMI Defense, Randstadt, Deloitte,... etc.). The company from Liège is presently starting from scratch by tackling the Green Park in the Namur region, which will provide nearly 10,000 m² at Jambes. « We are constructing 3 low energy buildings (ground floor + 3) of 3,000 m² with 63 underground parking spaces out of a total of 250 » says Mr Di Prima. « These are buildings on a human scale, highly flexible and with low running costs. » Construction work on the second building will start at the end of this year.

« I believe 100% in the Namur market, and moreover, we are working very hard in it » he emphasises and, all the same, states that he is in discussions with Wallonia. Hobeco has obviously done more than just test the waters before embarking on this investment of 22 million euros. « For example, there is a lack of quality offices just outside the city centre; direct access to motorways or the proximity of the train station are very important factors for success ».

Secondly : the Boulevard Cauchy project managed by Thomas & Piron and BAM (Kairos). The project covers 14,619 m² of new office space spread over three blocks, with 170 parking spaces underground and on the ground floor. « We are in the starting blocks » Aubry Lefèbvre (Thomas & Piron) states with enthusiasm. « We received the building permit one year ago and I'm not worrying about this project ». Discussions are on-going, but no decision has yet been taken concerning the occupancy of the buildings. « We'll start work as soon as one or other of the developments have been built ».

Conversely, Besix is changing its plans. This company owns land on the Chaussée de Liège in Jambes. Originally scheduled for the allocation of offices, the building will now be considered for the residential sector. « Our thinking is developing in this direction » says Frédéric van Marcke, development manager at Belux of Besix Real Estate Development. « An office project is risky in the short term. » The developer has not set a deadline.

Namur

Projects



Is the private sector welcome in Namur?

What will it take to activate the office market ?

The great unknown lies in the consequences of state regionalisation; the topics concerned are known but much remains unknown about the transfer modalities, including on the real estate front. Speculation therefore prevails in the sector while we wait for answers from the political powers that be. At this point nobody knows the future demand for office space, and the ministerial cabinets refuse to clarify the situation. It is not surprising that the private sector remains cautious in these conditions, with a few exceptions. Maxime Prévot, the mayor, is optimistic. «Namur has already demonstrated its potential, but the best is yet to come», and has a discreet but firm invitation «The private sector is welcome again in our city» states the mayor, who has taken on urbanism in his duties and who obviously knows the subject well. He displays some voluntarism, convinced that communal power can be an effective spur with a resulting effect. He is therefore investing, along with Eurogare, in the planning of the site on the left side of the station, known locally as the 'courgette'. Several regeneration projects are underway or planned. «The city must rebuild itself with a variety of functions». It is with this aim in mind that the municipal authorities have adopted a structure diagram marking out the various functions.

A player such as Actibel fits well into this vision, with different projects already completed or underway – such as the rehabilitation of the former buildings of Vers l'Avenir into between 1,000 and 3,000 m² of office space, depending on different options.

Finally, in order to face up to the future, the elected leader of Namur expects to have precise and up-to-date data. This is the purpose of the inventory carried out by the BEP and initiated at the request of the AXUD group that brings together the driving forces of Namur. This tool lists detailed records of 70 sites that are mainly built properties belonging to public and private players, mainly located in the city centre and along the main roads, and totalling approximately 130,000 m². «Namur has the theoretical capacity to create 30 to 50,000 m² in the coming 3 to 5 years with projects of new buildings and surface areas soon to be released (see. end of lease)» Olivier Granville, the secretary general of BEP points out.

It must be noted however that this already detailed inventory does not include all of the projects that have already been started or that are in the pipeline, as witnessed by the omission of certain projects mentioned in this article. Unfortunately it is also not available, except partially, to investors.

Furthermore, as an illustration, according to the latest figures (which in fact date from a University of Liège study in 2004) Namur offers some 385,000 m² of office space mainly used by the public authorities, with more than 254,000 m² shared mainly between the Wallonia government (165,000 m²), the federal government (47,000 m²), the city authorities (24,000 m²) and the provincial authorities (10,100 m²). The private sector uses about 100,000 m², or one quarter of the available surface area. In 2013 these figures should be reviewed slightly higher.

As part of the state reform the political capital of Wallonia intends to demonstrate its ability to welcome new segments of the civil service. If this inventory were regularly updated and presented to the Walloon government the local driving forces would put their city in a good position, for example, in the case where Charleroi and Liège also have ambitions of reaping the real estate benefits of power transfer to Wallonia.

It is now, more than ever, up to the political powers to get the ball rolling in the office market in Namur. This is obviously mainly down to the Walloon government, but also the Province if it is confirmed that the future administrative offices will be built at Salzinnes in 2015, and thereby freeing up area in the city due to the consolidation of services in a single location.

If private players on the market were properly informed then they would likely go further with their ambitions in the Walloon capital.