

Belgium Retailer Survey 2022



APRIL 2022

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For the 16th consecutive year, CBRE has held its annual Retailer Survey in Belgium. During the past couple of months 52 retailers shared their views on retail in Belgium, their performance in 2021 and their expectations for 2022.

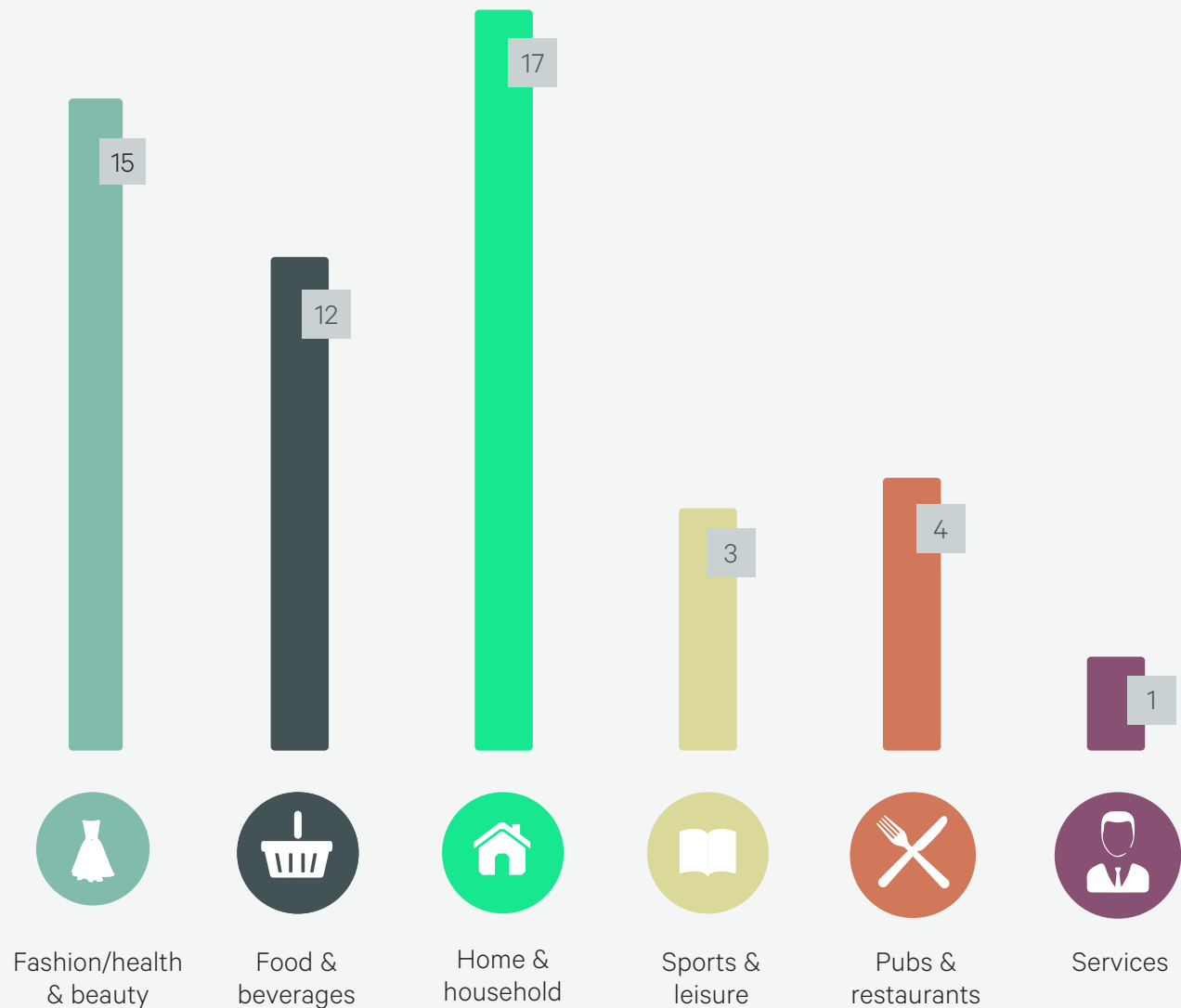
RESPONDENTS

The most represented segments in the survey were fashion and personal care, home & household, and food & beverages. Other segments participating are sports & leisure, services and pubs & restaurants.

THE EFFECTS OF COVID-19 HAVE LARGELY PASSED

Revenue levels have largely bounced back from the depths of the pandemic and a substantial amount of retailers questioned expect future revenue growth. Online sales have largely maintained their relative importance in the share of total sales at just over 9%, coming from a historical high of 11% in last year's survey. Expansion of physical stores is on a lot of retailers' minds now that restrictions on shopping and physical contact have almost been completely repealed.

Number of retailers in the survey



REVENUE

Covid-19 has been a harsh experience for most retailers. But 64% of our retailers have in the meanwhile fully recovered from covid-19.

For 2022, 2 out of 3 retailers expects a further increase in turnover. Even amongst those not sharing this sentiment, the expectation that revenues will remain stable is seen as more likely than a decline in revenues.

64%

indicate that revenues fully recovered from the pandemic

RENTS

Overall, rental values for retail have decreased over the last 2 years, with most retailers pressuring their landlords as a result of the covid pandemic and reduced sales in 2020 and to a lesser extent 2021.

The opinion of retailers on the future movement of rents is somewhat more complicated. Although the largest group thinks that rents will rise in the coming 12 months, there is a very significant share of those questioned that feel rents will either remain stable or even decline. Together these make up around 60% of participants in the survey.

40%

of retailers expect rents to increase again

Has your revenue recovered completely from Covid-19?

64%

Yes

36%

No

Turnover expectations for the next 12 months ?

67%

Increase

27%

Stable

6%

Decrease

How will rents evolve over the next 12 months?

Increase

40%

Stable

24%

Decrease

33%

EXPANSION

That the future is seen as promising is also reflected in the strong desire of retailers to expand their business into new territory in the 12 months ahead. Home & household and food & beverage in particular have indicated that they are looking into opening up new stores or increase their presence online. This is a notable trend as companies such as Exterioo, Jysk, Albert Heijn, and Jumbo have already expanded significantly in the past two years.

Of those 76% saying they want to expand the most popular option is expansion into out-of-town locations. Perhaps this is not very surprising as out-of-town showed resilience during the Covid-19 pandemic when other retail formats were hit hard. Out-of-town is also the clear favorite for potential expansion by both home & household and food & beverage with 63% of the total potential expansion being accounted for by the both of them.

EXPANSION LOCATIONS

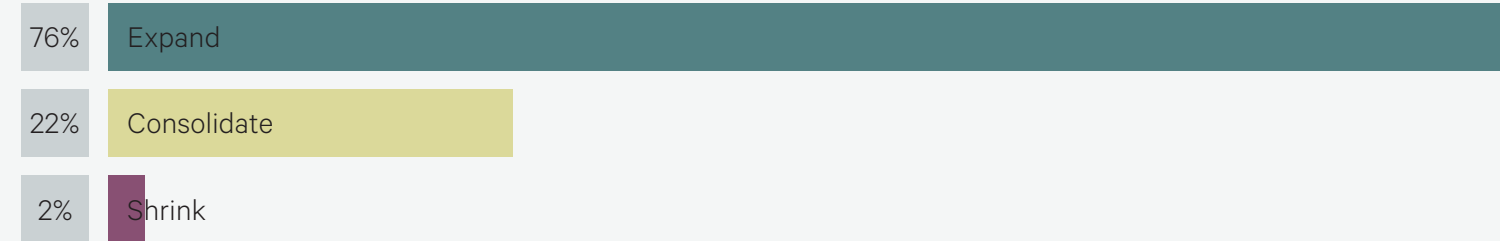
Geographically the desire for expansion is aimed primarily at large and mid-sized cities in Belgium. 83% prefer either or both of these destinations for setting up new branches.

84% of surveyed retailers believe they won't encounter issues finding available space for their expansion.

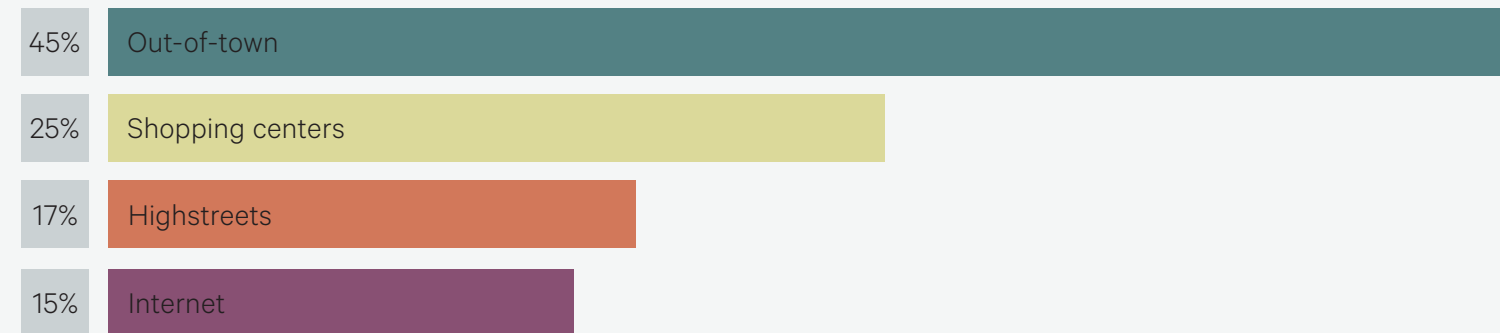
76%

of retailers would like to expand in the next 12 months

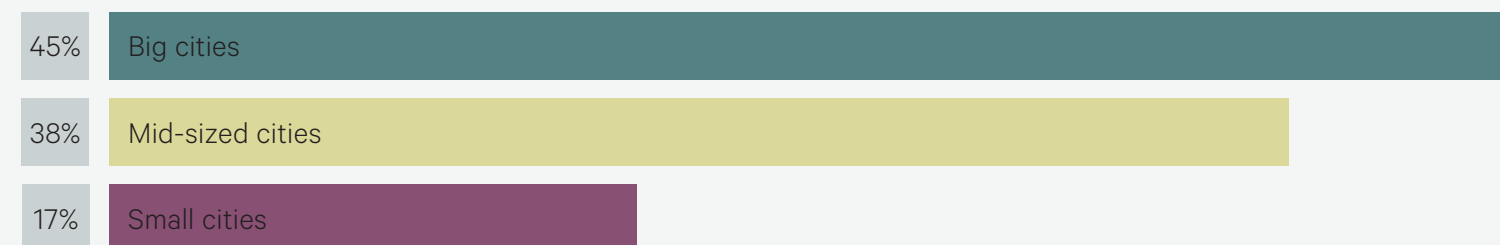
Do you have expansion or consolidation plans in the next 12 months?



What cities or locations would you like to expand into?



What cities or locations would you like to expand into?



83%

of retailers want to expand into big and mid-sized cities

COST RATIO

Of their sales turnover, about 18% is used for salary costs and 10% is used for rental payment.

When opening a new store, retailers spend on average 1,400 €/m² on fit-out costs. For luxury retailers, this can increase to 5,000 €/m². For sports & leisure, fit-out costs are substantially lower at an average of 800 €/m².

18.1%

of retailers want to expand into big and mid-sized cities

What is the cost ratio for the following expenditures?



9.7 %

of sales is paid for rent



18.1 %

of sales is paid in staff salaries



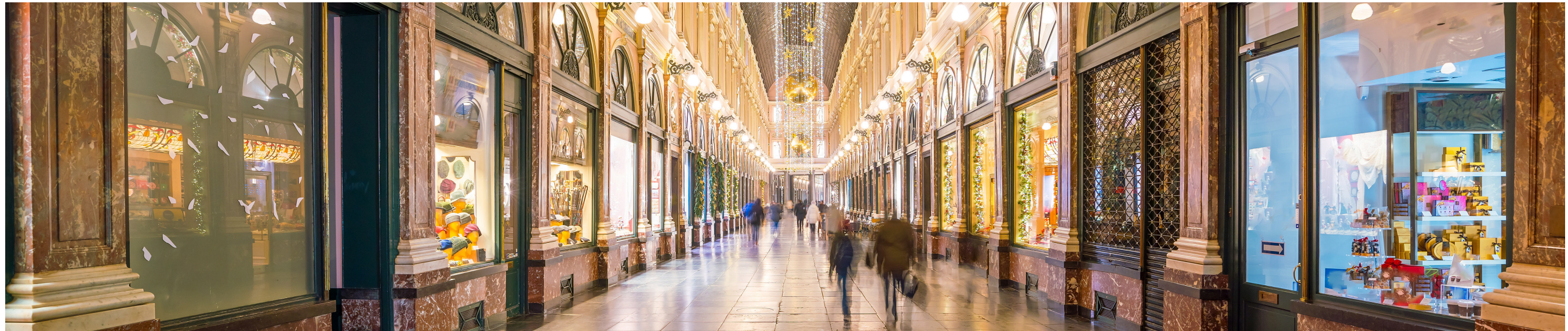
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employees on average per store



1,418 €/m²

is spent per square meter for fit-out works



ONLINE SHOPPING

As a result of Covid, retailers have strengthened their online retail offer. From not that important at the initial start of this survey, online retail is now taking center stage for most physical retailers. Today, the online platform is for 30% of retailers their number 1 sales point. Another 33% place their online store as one of their 5 best performing stores.

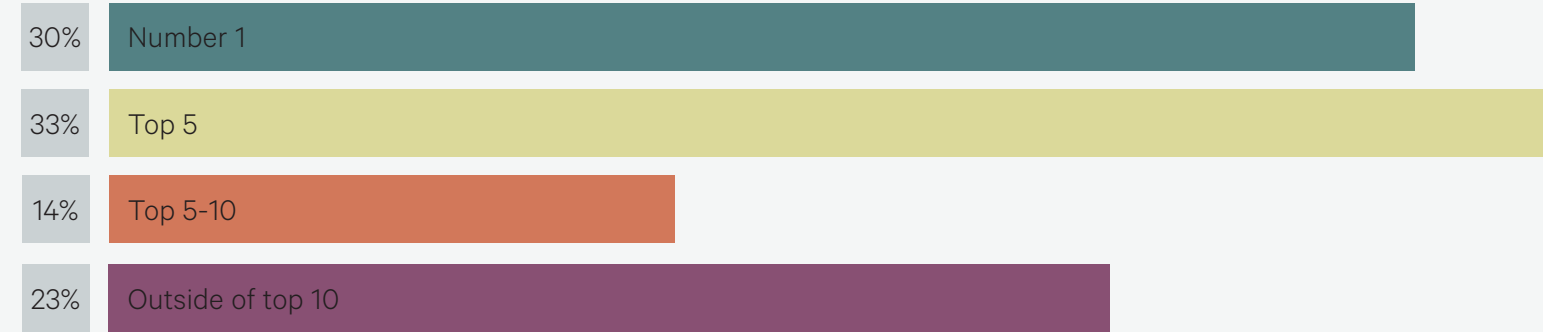
40% of retailers offer the exact same product online as in their stores. Only 1 out of 4 retailers has an extended offer online.

The online success and growth seems to have limited impact on the physical retail network. 65% of retailers say there is no impact, which seems to indicate that online and physical complement each other in a omnichannel approach.

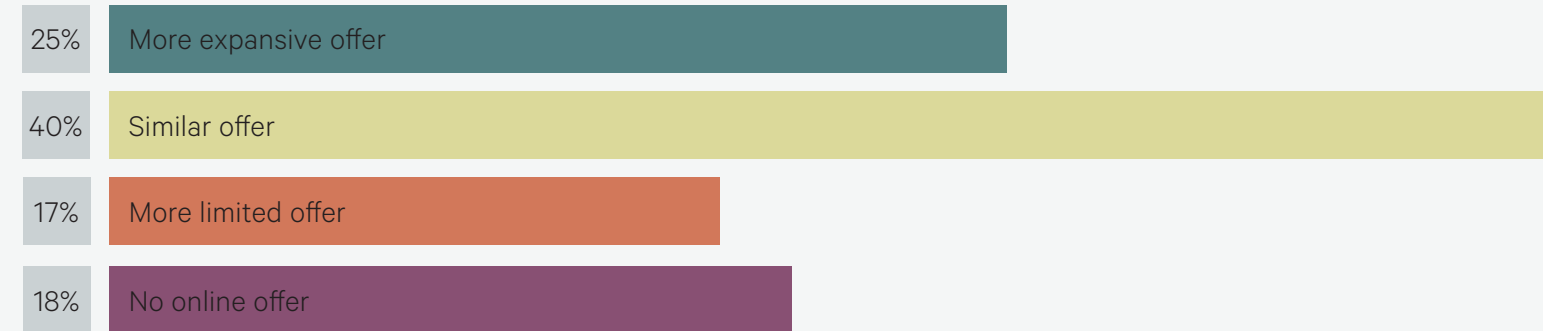
9.42%

On average, online sales make up 9.42% of total sales

Ranking the online store vs. physical stores in terms of turnover



Ranking the online store vs. physical stores in terms of products on offer



FAVOURITE SHOPPING CITY

Traditionally, Antwerp is chosen as the best retail location in Belgium. Brussels follows in second place and Ghent is typically in third place. Hasselt performs strong in this year's survey in 4th place.

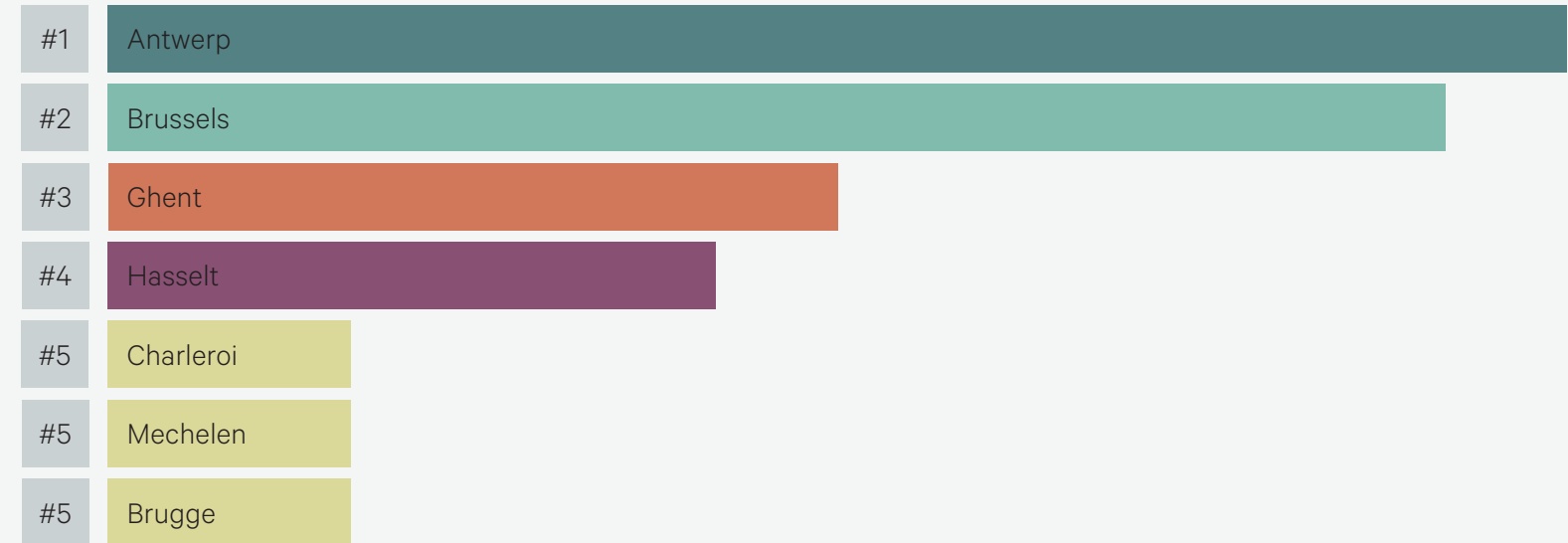
No surprises in favourite shopping centers, where once again Wijnegem - Shop Eat Enjoy shopping center has a sizeable lead over the other shopping centers.

Coming in a distant second is Woluwé Shopping Center in Brussels, with Maasmechelen Village and Docks Brussel sharing third place. Although not technically a shopping center, the brand new retail park Malinas is named by some retailers.

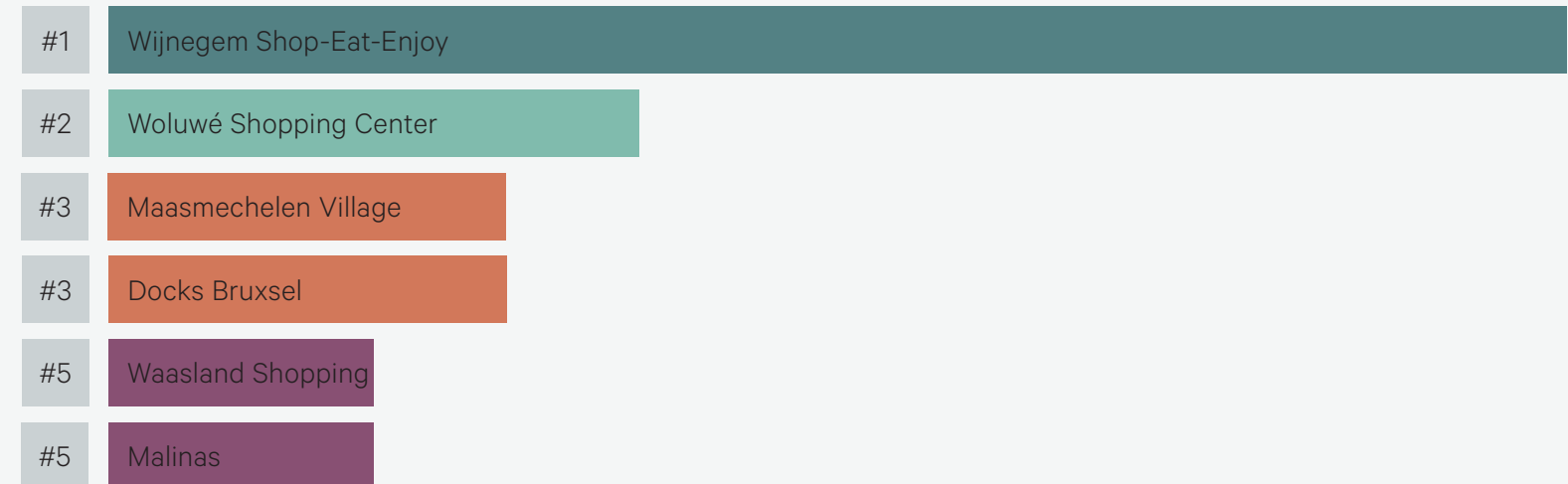
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Antwerp and Wijnegem Shop-Eat-Enjoy are named as favourite shopping destinations by retailers

Favourite retailer city



Favourite retailer shopping center



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