

## 2 An Analysis of the Housing Market in Greater Brussels

Didier Baudewyns

Free University of Brussels, Brussels

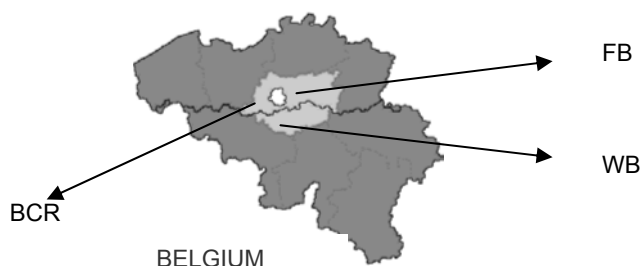
### 2.1 Introduction

This chapter presents an analysis of the housing market in the greater Brussels area. On June 18, 1989, with the election of its first parliament, the region of Brussels-capital (19 centralised ‘communes’ or municipalities with almost 1 million inhabitants) was created. On January 1, 1995, it was removed from the province of Brabant in order to get more autonomy. The Parliament of BCR is in fact a regional council that may vote orders, but not decrees (or laws a fortiori). The remaining part of the old province of Brabant was itself split into two independent provinces: Flemish Brabant and Walloon Brabant that have been incorporated into, respectively, Flanders – 5.9 millions inhabitants, one of the most prosperous regions in Europe – and Wallonia (3.3 millions inhabitants), the traditional manufacturing-based region.

The area analysed in the next sections is defined as three NUTS regions (NUTS code in parenthesis): Brussels-capital region (BE 1), Flemish Brabant (BE 24) and Walloon Brabant (BE 31). The entire district of Hal-Vilvoorde and some north-western municipalities of Nivelles (such as Waterloo) are the immediate suburbs of Brussels. Leuven (eastwards) and a majority of municipalities of the district of Nivelles (southwards) are more distant outskirts of the capital city, Brussels (see the map below). For purpose of exposition, let us adopt the following notations:

- BCR = Brussels-capital region = ‘central-city’ (162 km<sup>2</sup>)
- WB = Walloon Brabant = Nivelles district
- FB = Flemish Brabant = Hal-Vilvoorde district + Leuven district
- FB + WB = suburbs
- Metropolitan area analysed = BCR + FB + WB (3,358 km<sup>2</sup>)

BCR is bilingual (French/Dutch) with a majority of French-speaking inhabitants (about 85 per cent according to some estimates). It comprises the capital city of Belgium (central commune of Brussels with 135,000 inhabitants) and also hosts the headquarters of NATO and numerous European Union institutions: the European Commission since 1958 (about 14,000 civil servants), the European Parliament since 1992, the Committee of Regions since 1994, the Council of the European Union, the European Economic and Social Committee. In total, about 20,000 international civil servants live in greater Brussels. BCR also welcomes more than 120 international governmental organisations and around 1,400 international non-governmental organisations on its territory. With 159 embassies and 2,500 diplomats, Brussels is also the second largest diplomatic city in the world only after Washington, DC. Since more and more important decisions are made at the European level, it is not surprising that many lobbying organisations have chosen to locate near the 'European' central business district.



**Fig. 2.1.** The area analysed

Between 1961 and 1995, the share of immigrants has been multiplied by five, from 6 to 31 per cent. Among the 260 thousands foreigners living in BCR in 2001, about 54 per cent (or 140 thousands) are of an EU-country origin, 21 per cent (or 55 thousands) are Moroccans and 6 per cent (or 16 thousands) are Turks. About 90 thousands foreigners live in the suburbs (WB + FB) among whom 62 thousands are EU-foreigners and only one thousand Turks and 5.3 thousands Moroccans. On the other hand, there are more US residents in the suburbs (3,672) than in BCR (3,038). Clearly, the residential urban space is segregated by ethnic groups: from 1960 on, non-EU immigrant workers from Turkey and Morocco have gradually filled those dwellings in central areas left by middle-class Belgians. This reinforced the existing segregation by income (see next Sect.).

According to some European comparisons, BCR would be one of the most productive regions of Europe in terms of GDP per capita. However, this is misleading because the metropolitan region we must consider is larger than BCR (many central-city workers reside outside the 19 central municipalities). The correct indicator is the GDP per capita (in PPPs) for the whole metropolitan area, i.e., BCR + FB + WB; one then finds that greater Brussels has a GDP per capita equal to 1.5 times the EU15 average (see Table 2.1), i.e., below the GDPs per capita of