

Recent political notes:

Key developments impacting the Real Estate sector in Belgium

The Federal Parliament has recently unveiled a series of general political notes, outlining the government's legislative priorities for the upcoming term.

These notes, covering topics such as budget, justice and climate reforms, build on measures previously discussed in the 2025-2029 federal government agreement (for more information regarding these measures, please see our analysis: [Federal Government Agreement 2025-2029: key measures impacting the real estate sector](#)).

This article examines key elements from seven of these political notes – namely Budget, Justice, Consumers' Protection, Climate, Economy and State Property Management – and their potential implications for the real estate sector.



Budget Political Note and Finance Political Note: Leveraging EU priorities and abolition of federal housing tax benefits

The Budget and Finance Political Notes address several topics reflecting the government's intention to streamline and simplify property taxation, making it fairer, while also addressing Belgium's substantial budget deficit.

First, the Finance Political Note introduces significant reforms to property-related tax regimes. It proposes the abolition of both the deduction for ordinary interest and the federal reduction for additional interest on non-primary residences. The federal housing bonus is also set to be eliminated.

On the topic of VAT, the Finance Political Note confirms the extension of the reduced VAT rate of 6% for demolition and reconstruction projects to cover property deliveries. This measure, already enacted, is expected to enter into force on 1 July 2025. However, the reduced VAT rate will only apply where the total living area of the new home does not exceed 175 m².

The Budget Political Note highlights the Belgian government's commitment to aligning its policies with the EU's Multiannual Financial Framework (MFF). This alignment aims to leverage EU-supported reforms while advancing Belgium's green and digital transitions. For the real estate sector, this could translate into enhanced access to funding and regulatory support for initiatives such as energy-efficient building projects or the integration of digital tools for property management. The note also emphasises fostering cross-border infrastructure investments, particularly in areas such as energy facilities, which could create opportunities for large-scale property development and renovation projects.



Justice Political Note and Consumers' Protection Political Note: Strengthening legal protection and judicial efficiency

The Justice Political Note and the Consumers' Protection Political Note outline key reforms aimed at enhancing legal protection of consumers and improving the efficiency of the Belgian judicial system, with a particular focus on modernising laws and streamlining dispute resolution processes.

One of the most notable proposed reforms with regard to real estate is the modernisation of the Breyne Law. The reform aims to reduce unfair practices in construction and major renovation projects by addressing gaps in consumer protection and empowering the Economic Inspection to enforce stricter oversight. A working group will be established during the first year of the legislature to consult stakeholders, including the sector and consumer organisations. Developers and contractors may face stricter compliance requirements as a result.

Furthermore, a new legal requirement will ensure that sales agreements involving a mortgage loan automatically include a condition precedent clause. This clause will make the agreement conditional upon obtaining the necessary financing (e.g., mortgage loan). Without this clause, the agreement shall be deemed invalid.

Moreover, the parliamentary works of Books 7, 9 and 10 of the Civil Code will proceed, with a view to reforming the areas of specific contracts, security interests and limitation periods (for more insights regarding the reform of Book 7, please see [Book 7 and its Impact on Leases](#)).



Climate Political Note, Economy Political Note and State Property Management Political Note: Promoting a greener future

The Climate, Environmental Transition and Sustainable Development Political Note and the State Property Management Note propose ambitious measures aimed at accelerating Belgium's move toward sustainability, with direct implications for real estate.

Transitioning to a circular economy remains a central objective, supported by new rules promoting the use of sustainable construction materials. The voluntary Belgian (federal) Environmental Product Declaration (EPD) label will gradually become mandatory. Parallely, lenders will receive access to an EPC database, enabling them to include the building's performance in their risk assessment.

The Economic Political Note also announces a Federal Action Plan for Circular Economy which would encourage sustainable materials use and impose waste reduction in construction and other sectors. These initiatives are likely to influence the selection of materials across the construction and renovation industries. The Consumers' Protection Political Note, on its side, states the government's intention to address misleading claims about the environmental performance of real estate offerings, ensuring accuracy in sustainability market and fighting greenwashing the sector.

Moreover, the Government has also highlighted significant tax reforms aimed at promoting sustainable property and, in particular, encouraging the wider use of electricity as an energy source. A reduced VAT rate of 6% on heat pumps, combined with an increased VAT rate of 21% on fossil fuel-based heating systems (i.e., central heating systems and coal), shall represent a clear incentive for both residential and commercial buildings to transition to greener alternatives. Excise duties will also be reallocated from fossil fuels to electricity while the reimbursement of excise duties on professional diesel will be reduced. Additionally, the government intends to phase out fossil fuel subsidies progressively.

On top of that, all federal government-owned buildings are expected to set an example through significant investments in improving their energy efficiency. Similar measures have already been implemented at a regional level (for more information regarding these measures in Brussels, please see [Brussels goes green \(part III\)](#)).



In that regard, the federal Government also plans to reduce federally leased office space by 15% by 2029. This initiative aims to optimise space usage, lower rental costs, and relocate federal public services to the existing State portfolio. The State Property Management Political Note also mentions the creation of an unique registry (*cadastre/kadaster*) containing data on the occupancy, energy performance and technical condition of state-owned buildings.

Other measures, such as installing solar panels, sustainable water use (filtration, treatment and recovery), conducting energy audits and implementing relighting projects, aim to achieve carbon neutrality by 2050 through energy-efficient initiatives. More specifically, the Government also plans to invest in 14 relighting projects, 194 charging stations and up to 16 solar projects in 2025 alone.

Finally, it is to be noted that the Economy Political Note suggests the introduction of a digital lift file containing information on the safety of lifts used (on a voluntary basis from September 2025 followed by an evaluation of this measure in 2026).



Conclusion

These recent political notes indicate the direction in reshaping Belgium's legal and economic frameworks by prioritising sustainability, consumer's protection and environmental transition. These developments are likely to impact the real estate sector in the near future, making it essential for stakeholders to prepare and adapt accordingly.

The Linklaters Real Estate team is here to help you navigate these changes with the expertise and insight needed to support your real estate goals. Stay updated on these and other developments by visiting our webpage, where you will find regular insights into the evolving legal landscape of Belgium's real estate sector.



For more information, please do not hesitate to reach out to the Belgian Real Estate team.

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