

The construction sector in Belgium is expected to contribute to GDP growth in 2025

After a period of extremely low production for the entire construction sector and buildings, production seems to have bottomed out in 2024. Going into 2025, the construction sector is expected to stabilise and begin a gradual recovery with projected growth of 0.5% in 2025 and 1% in 2026, contributing to GDP growth after a negative contribution in 2024



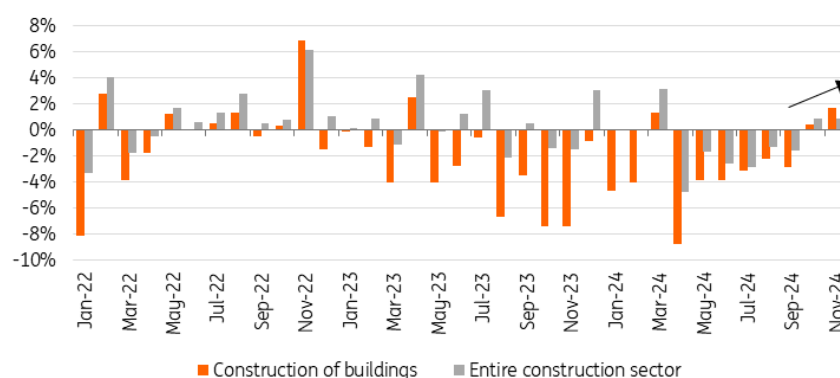
Street construction in central Brussels

Production bottoming out in 2024

In line with the trend for the [Eurozone](#), 2024 has been a challenging year for the Belgian construction sector, with a decline in production of 1%, and even 2.8% for buildings. Nevertheless, there appears to be light at the end of the tunnel. After bottoming out in 2024, production has been on the rise in the last months and this trend is expected to continue in the upcoming quarters. We forecast an increase of 0.5% in 2025 and 1% in 2026 for the entire construction sector, and 0.2% and 0.8% respectively for the construction of buildings.

Production in construction sector increases again

(Year-on-year percentage change)



Source: LSEG Datastream

Gradual recovery of Belgian construction sector contributing to GDP

The sector still faces several challenges that it needs to address to fully recover, but slight improvements are already visible in the data. First, the number of building permits remained lower in 2024 compared to the same period in 2023, however, the year-on-year change became less negative in the second half of the year, suggesting that a turnaround is in the offing. This trend aligns with demand becoming a slightly less constraining factor for construction over the past months. As construction typically starts a few months after obtaining the necessary permits, this will positively influence the number of new projects in the second half of 2025. Furthermore, prices of building materials have surged over the past years but have stabilised in 2024, albeit at a higher level. Interest rates have also stabilised, which has caused buyers to return to the [secondary housing market](#), a promising indicator that the building sector will also start to pick up again. The recovery of both the secondary housing and new construction market is likely to contribute to economic growth in 2025.

A more in-depth analysis on this topic has been published both in [Dutch](#) and in [French](#).

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