

RESEARCH

MARKET PRESENTATION

LUXEMBOURG OFFICE MARKET | Q3 2024

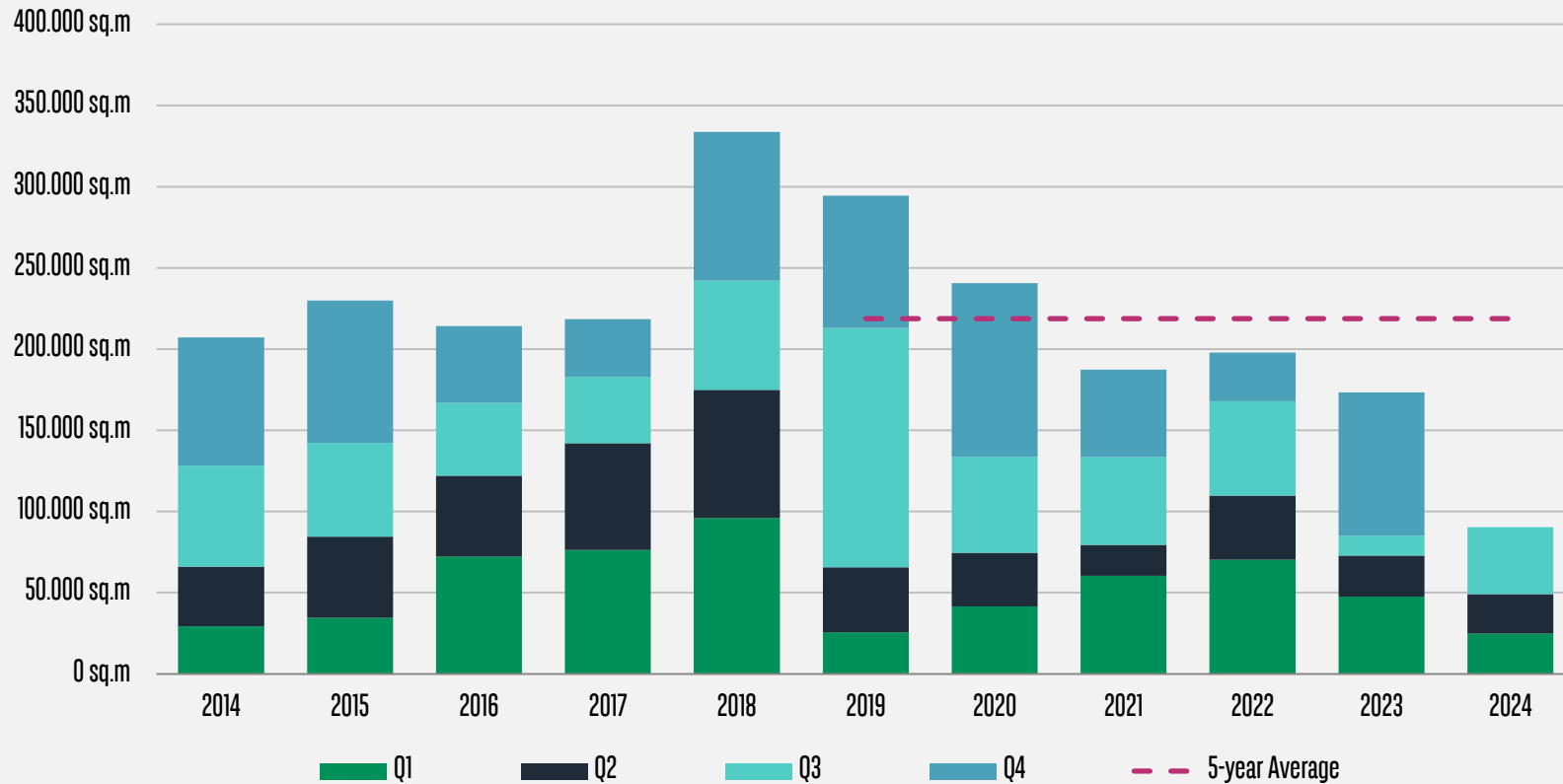
OCTOBER 2024



CHAPTER 1

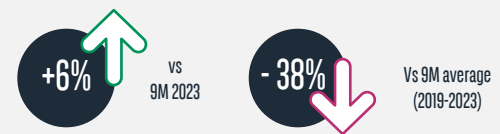
OCCUPIER MARKET

IMPROVEMENT DURING Q3 BUT STILL BELOW THE STANDARDS



90,400 sq.m

recorded over the first nine months



LARGEST DEAL IN Q3 2024

ACQUISITION FOR
OWN OCCUPATION

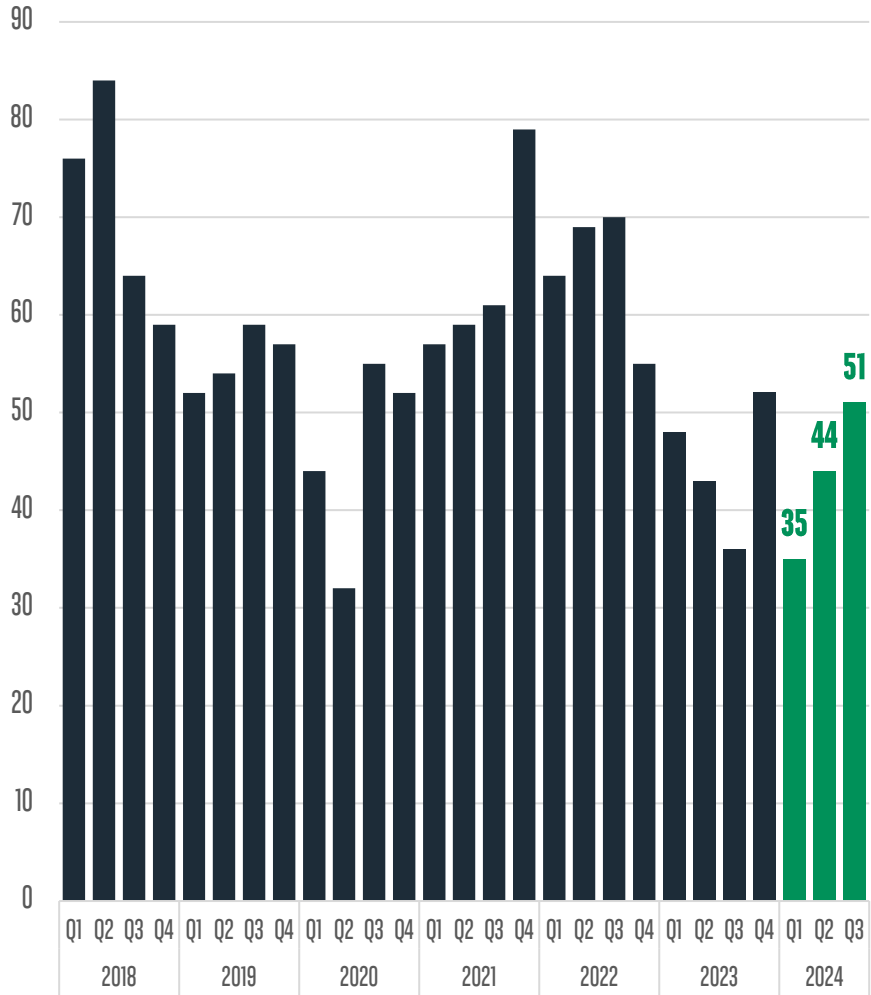
STATE STREET BANK INTERNATIONAL

THE STAIRS | CLOCHE D'OR

9,700 sq.m



STILL DRIVEN BY SMALL-SIZED TRANSACTIONS



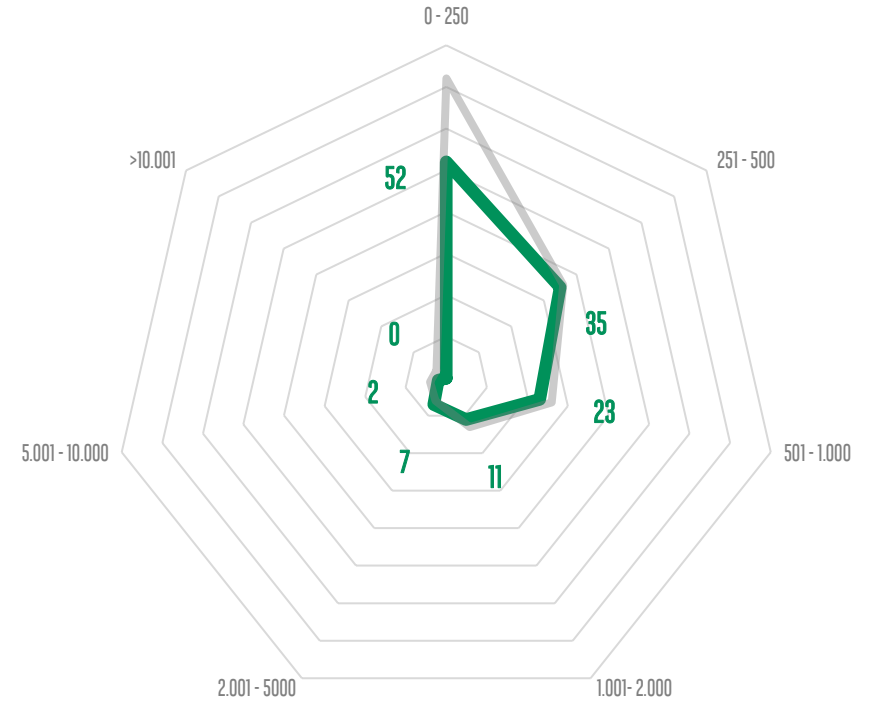
9M 2024
130

TRANSACTIONS
RECORDED

+2% ↑
vs 9M 2023

-19% ↓
Vs 9M average
(2019-2023)

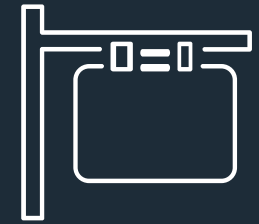
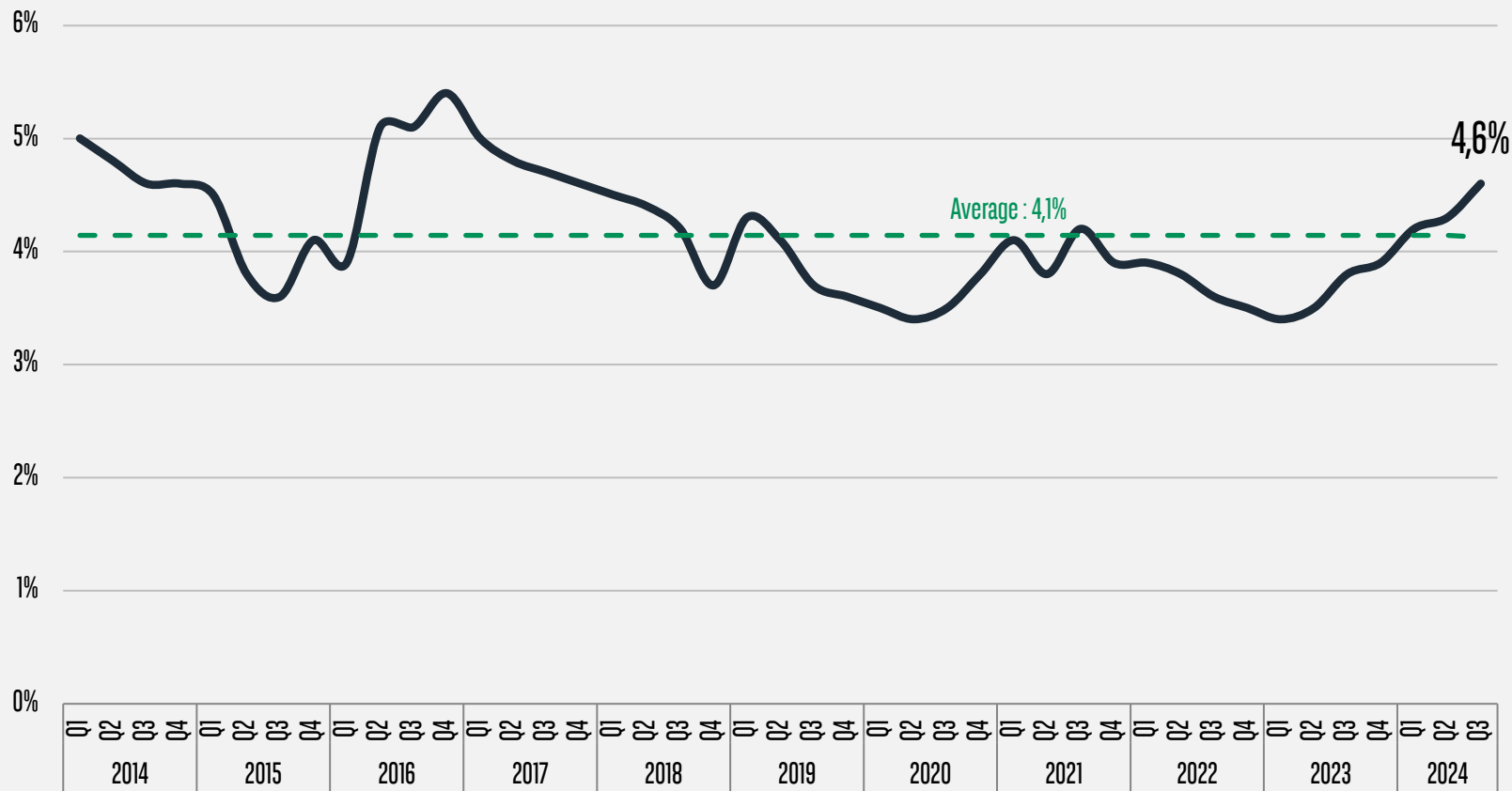
AVERAGE SIZE :
696 sq.m



MAIN TRANSACTIONS RECORDED – 9M 2024

Date	Tenant	Type of transaction	Offices Size (sq.m)	Building Name	Address	Area
Q1 2024	Luxembourg State	Letting	9,910	Les Terres Rouges F	Porte de France	Esch - Belval
Q3 2024	State Street Bank International GmbH, Luxembourg Branch	Sale	9,700	Stairs	Boulevard F.W. Raiffeisen	Gasperich
Q3 2024	Mazars	Letting	4,987	Technopolis	Rue Guillaume Kroll	Gasperich
Q2 2024	Confidential	Letting	3,201	Albert	Rue Albert Simon	Sandweiler - Contern
Q2 2024	China Construction Bank (Europe) SA	Letting	2,939	Carrefour	Boulevard Royal	CBD
Q3 2024	Lux Development	Pre-Let	2,712	Connex Plaza	Avenue de la Gare	Station
Q2 2024	Ministry of National Education	Letting	2,580	Gravity	Rue Emile Mark	Southern Luxemburg
Q3 2024	Eri Bancaire Luxembourg S.A.	Letting	2,253	Printzipal	Rue Henri Schnadt	Gasperich
Q1 2024	PwC	Letting	2,054	The Emerald	Boulevard F.W. Raiffeisen	Gasperich
Q2 2024	Jetfly	Pre-Let	1,901	Skypark	Rue de Trèves	Airport

INCREASE LED BY SPECULATIVE DELIVERIES



4.6%

vs 3.8% in Q3 2023

MAIN DELIVERIES



SKY PARK PHASE I | AIRPORT

SURFACE (OFFICE) : 17,000 SQ.M

OCCUPANCY RATE : 11.6 %

UNDER OPTION > 9,000 SQ.M BY DEUTSCHE BANK

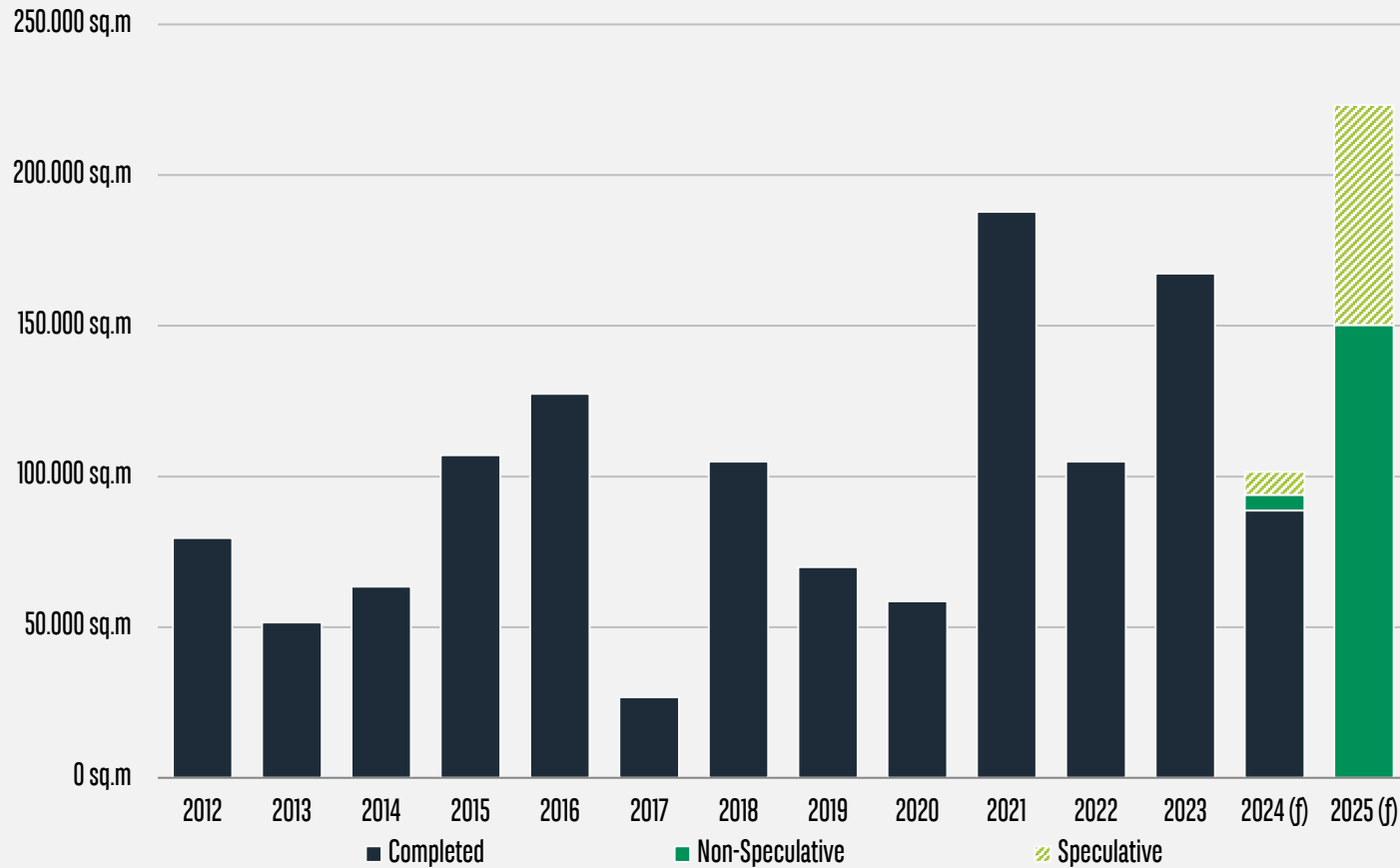


BLISS | CONTERN

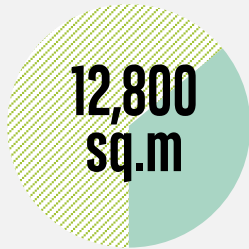
SURFACE: 4,089 SQ.M

OCCUPANCY RATE : 0 %

PIPELINE OF PROJECTS

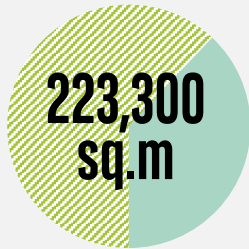


Q4 2024



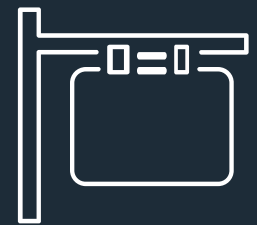
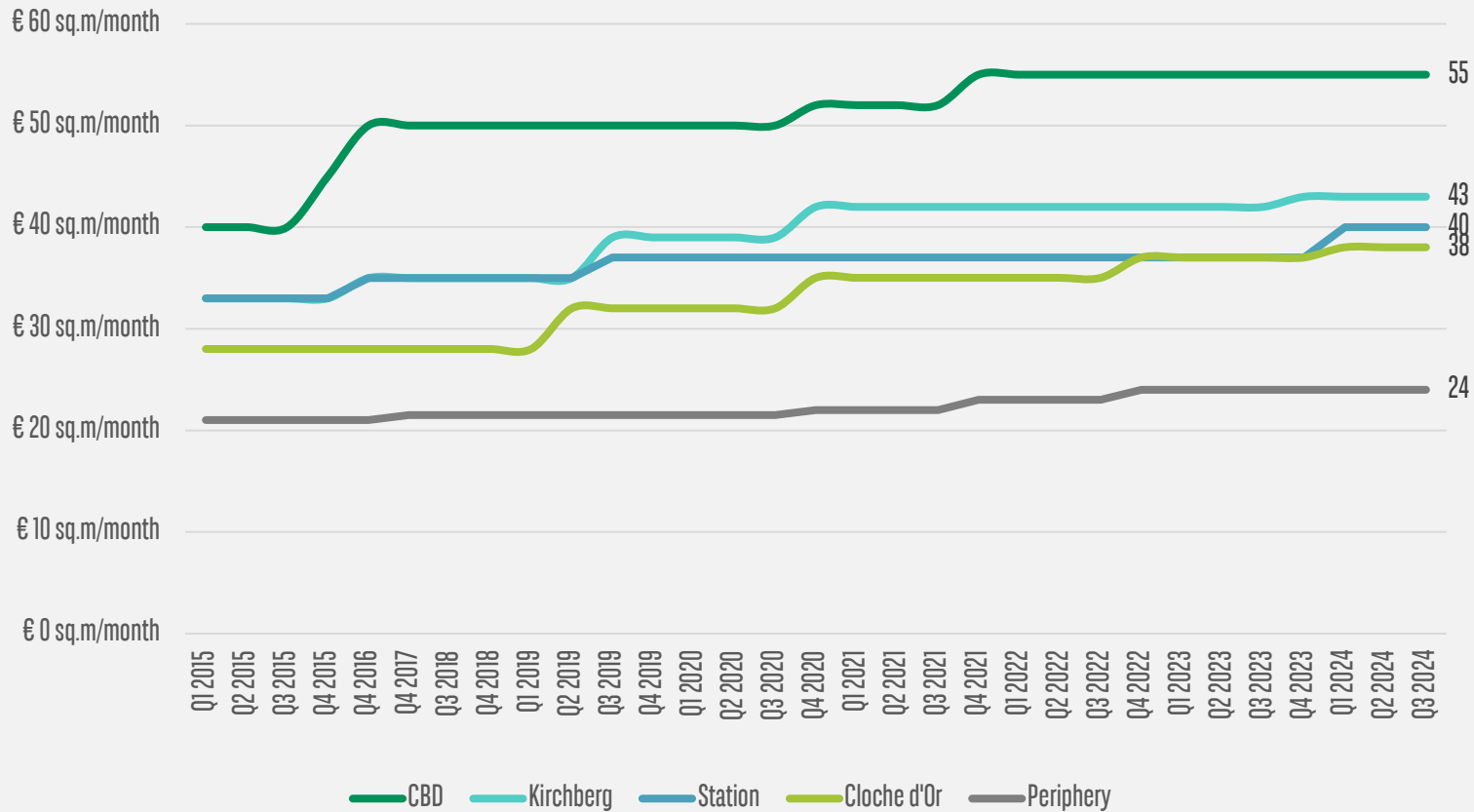
Of which 40 % are pre-committed

FY 2025



Of which 68 % are pre-committed

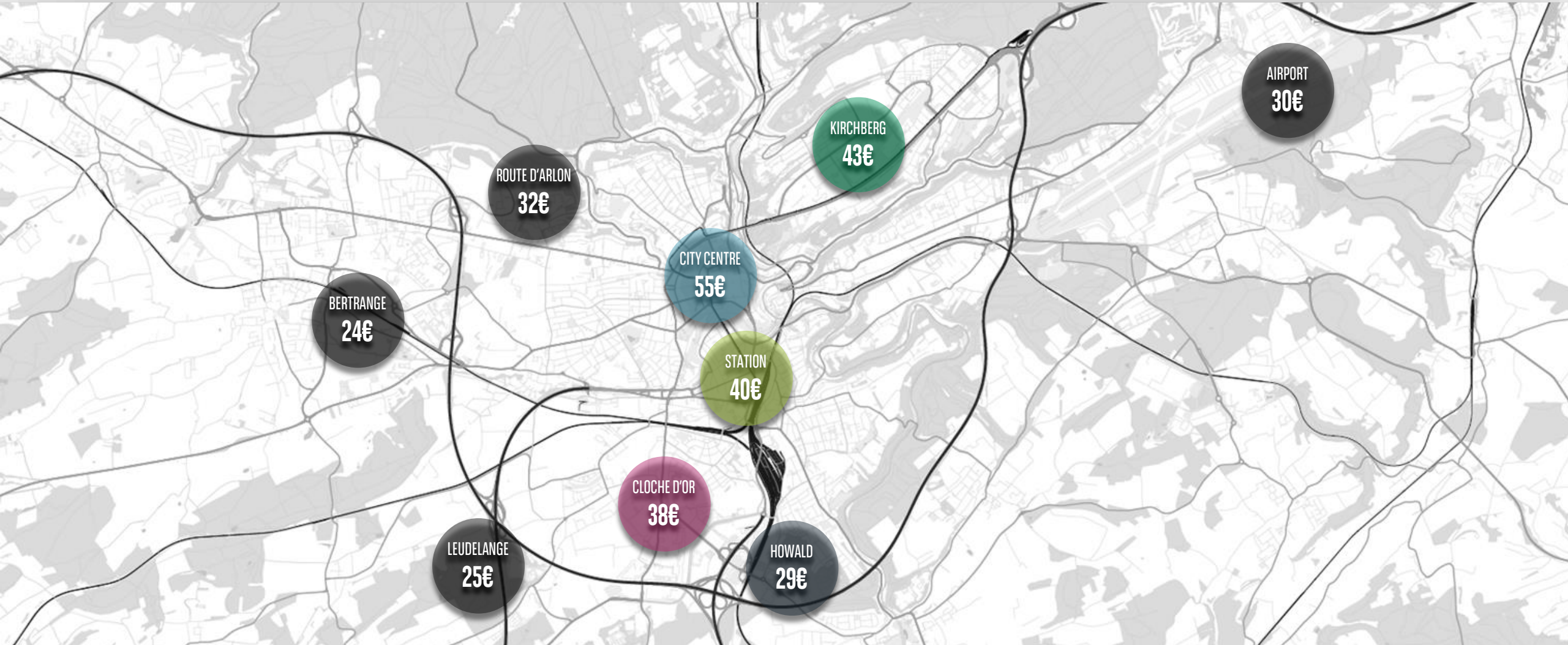
REMAIN UNCHANGED



€55

PRIME RENTS ARE STABLE BUT UNDER UPWARD PRESSURE

BY OFFICE DISTRICTS

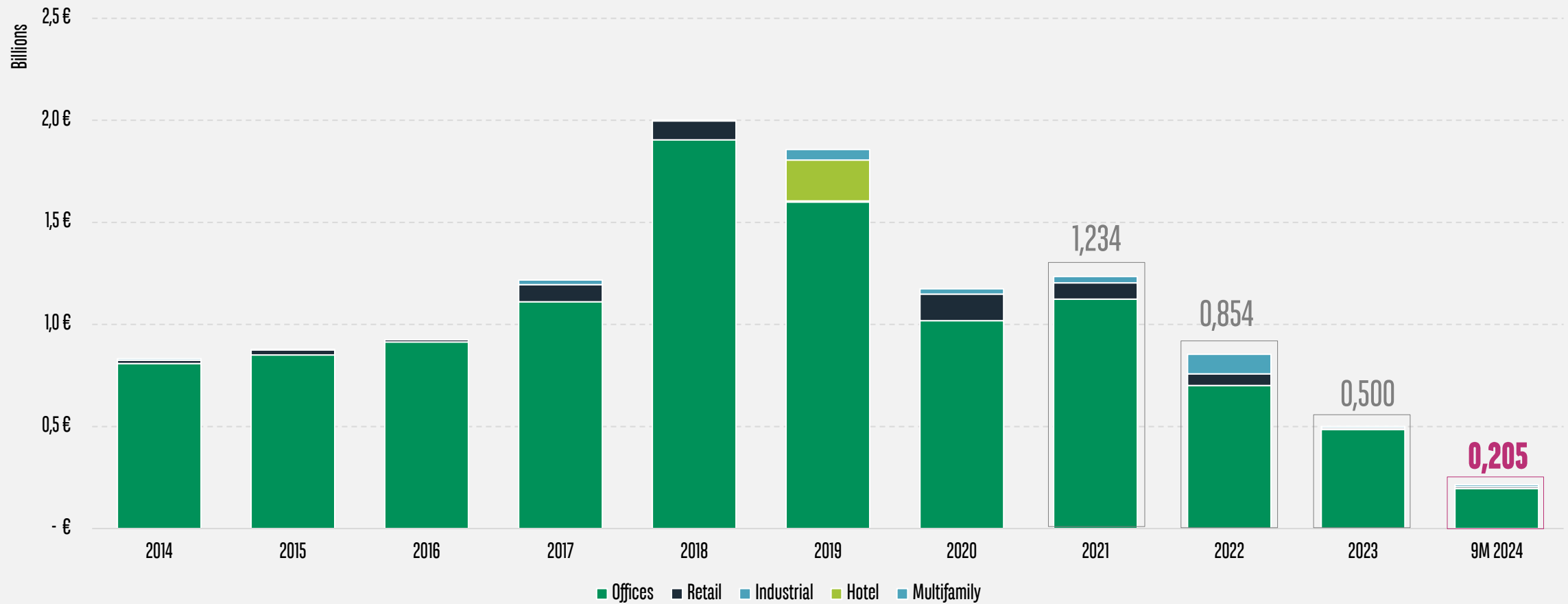




CHAPTER 2

INVESTMENT MARKET

WELL BELOW THE STANDARDS



* Excluding land and acquisition for own-occupation

LARGEST DEALS IN 9M2024

ROYAL PARK | CBD

SURFACE : 10,500 sq.m

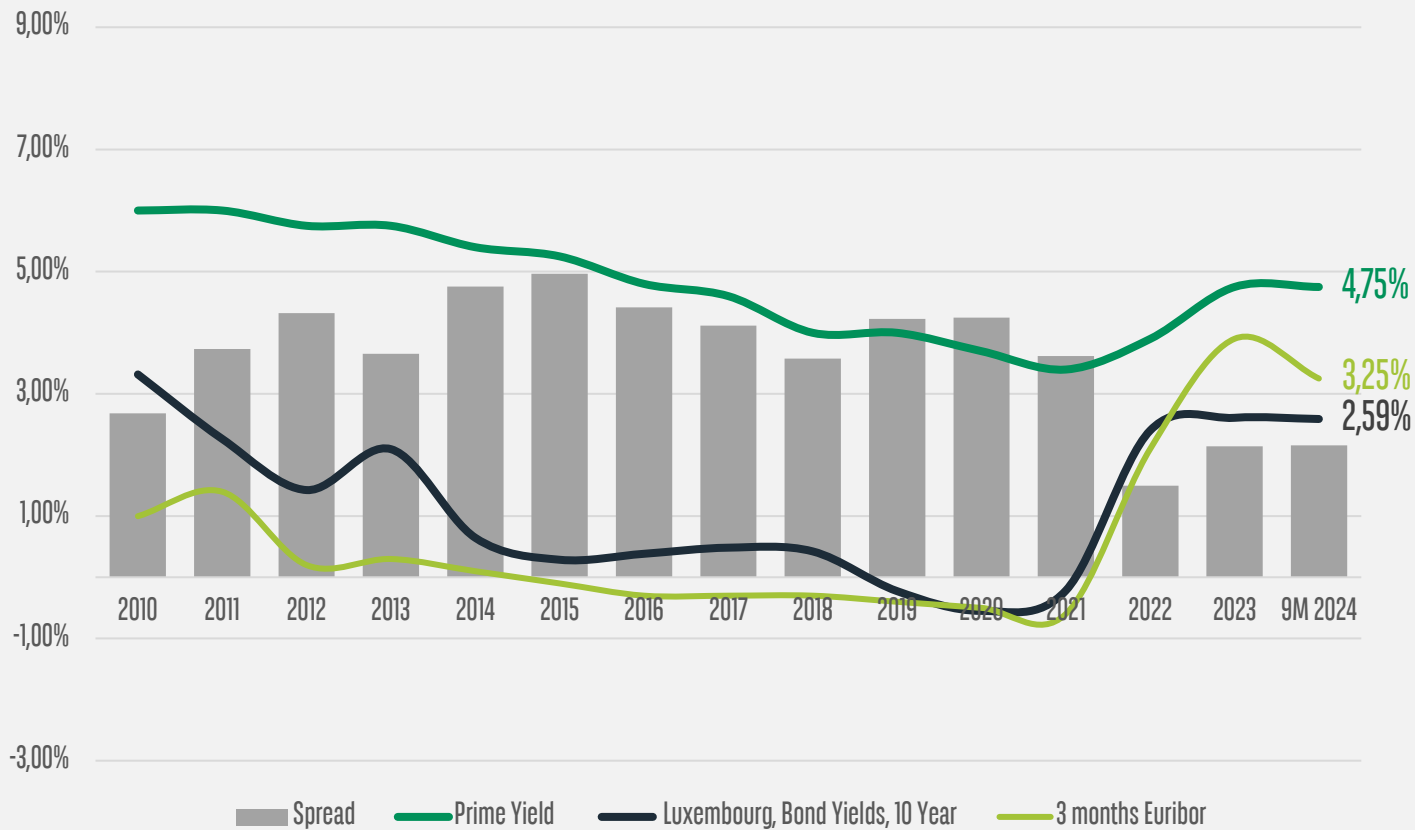
INVESTOR : Spanish private investor

INVESTMENT VOLUME : € 170M

YIELD : 4,75%

INVESTMENT MARKET

YIELDS



4.75%

Prime office yield

SENSITIVITY MATRIX : PRIME YIELD

VS EXPECTATION OF OLO 10 YEARS & RENT INDEXATION

Rent indexation	1.50%	1.75%	2.00%	2.25%	2.50%	2.75%	3.00%	3.25%	3.50%	4.00%
OLO 10 years										
3.50%	6,5	6,3	6,0	5,8	5,5	5,3	5,0	4,8	4,5	4,0
3.25%	6,3	6,0	5,8	5,5	5,3	5,0	4,8	4,5	4,3	3,8
3.00%	6,0	5,8	5,5	5,3	5,0	4,8	4,50	4,25	4,0	3,5
2.75%	5,8	5,5	5,3	5,0	4,8	4,5	4,25	4,00	3,8	3,3
2.50%	5,5	5,3	5,0	4,8	4,5	4,3	4,00	3,75	3,5	3,0
2.30%	5,3	5,1	4,8	4,6	4,3	4,1	3,80	3,55	3,3	2,8
2.25%	5,3	5,0	4,8	4,5	4,3	4,0	3,75	3,50	3,3	2,8
2.00%	5,0	4,8	4,5	4,3	4,0	3,8	3,50	3,25	3,0	2,5
1.75%	4,8	4,5	4,3	4,0	3,8	3,5	3,25	3,00	2,8	2,3
1.50%	4,5	4,3	4,0	3,8	3,5	3,3	3,0	2,8	2,5	2,0
1.25%	4,3	4,0	3,8	3,5	3,3	3,0	2,8	2,5	2,3	1,8
1.00%	4,0	3,8	3,5	3,3	3,0	2,8	2,5	2,3	2,0	1,5
0.75%	3,8	3,5	3,3	3,0	2,8	2,5	2,3	2,0	1,8	1,3
0.50%	3,5	3,3	3,0	2,8	2,5	2,3	2,0	1,8	1,5	1,0
0.25%	3,3	3,0	2,8	2,5	2,3	2,0	1,8	1,5	1,3	0,8
0.00%	3,0	2,8	2,5	2,3	2,0	1,8	1,5	1,3	1,0	0,5

This sensitivity analysis is modelled using the theoretical financial risk premium. The results may differ according to the economic environment and property fundamentals. For the prime assets, the market could tolerate real estate rate elasticity vs. long rates significantly lower.

Source: BNP Paribas Real Estate.



BNP PARIBAS REAL ESTATE



www.realestate.bnpparibas.lu

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