

LUXEMBOURG OFFICE MARKET

MARKET PRESENTATION - Q4 2020

RESEARCH
LUXEMBOURG, JANUARY 2021



**BNP PARIBAS
REAL ESTATE**

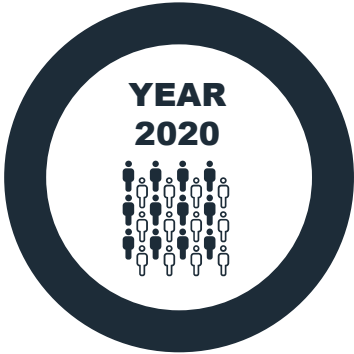
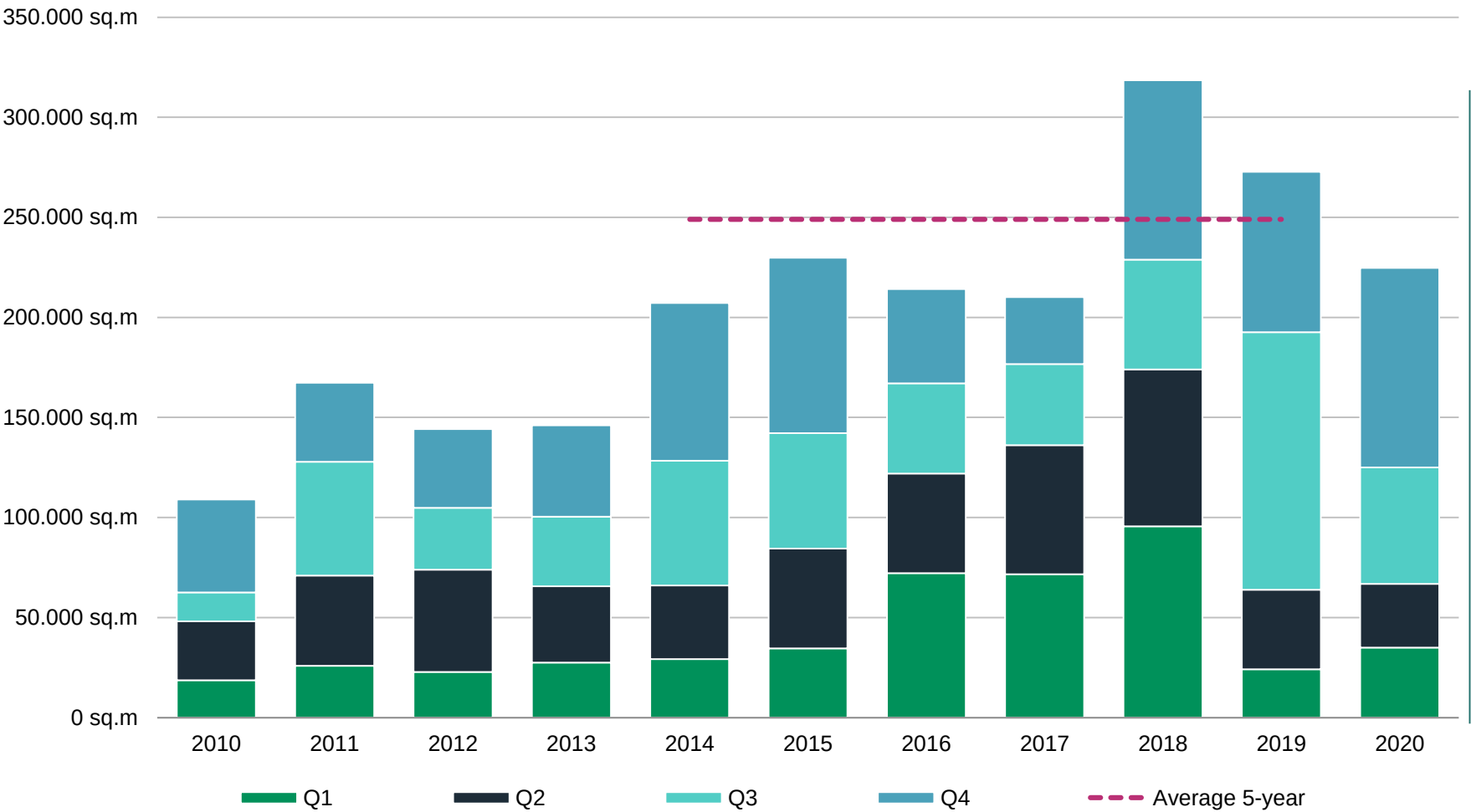
Real Estate for a changing world

OCCUPIER MARKET

DYNAMIC YEAR

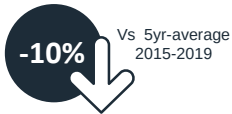
OFFICE TAKE-UP

DECLINE MODERATED BY THE PUBLIC DEMAND



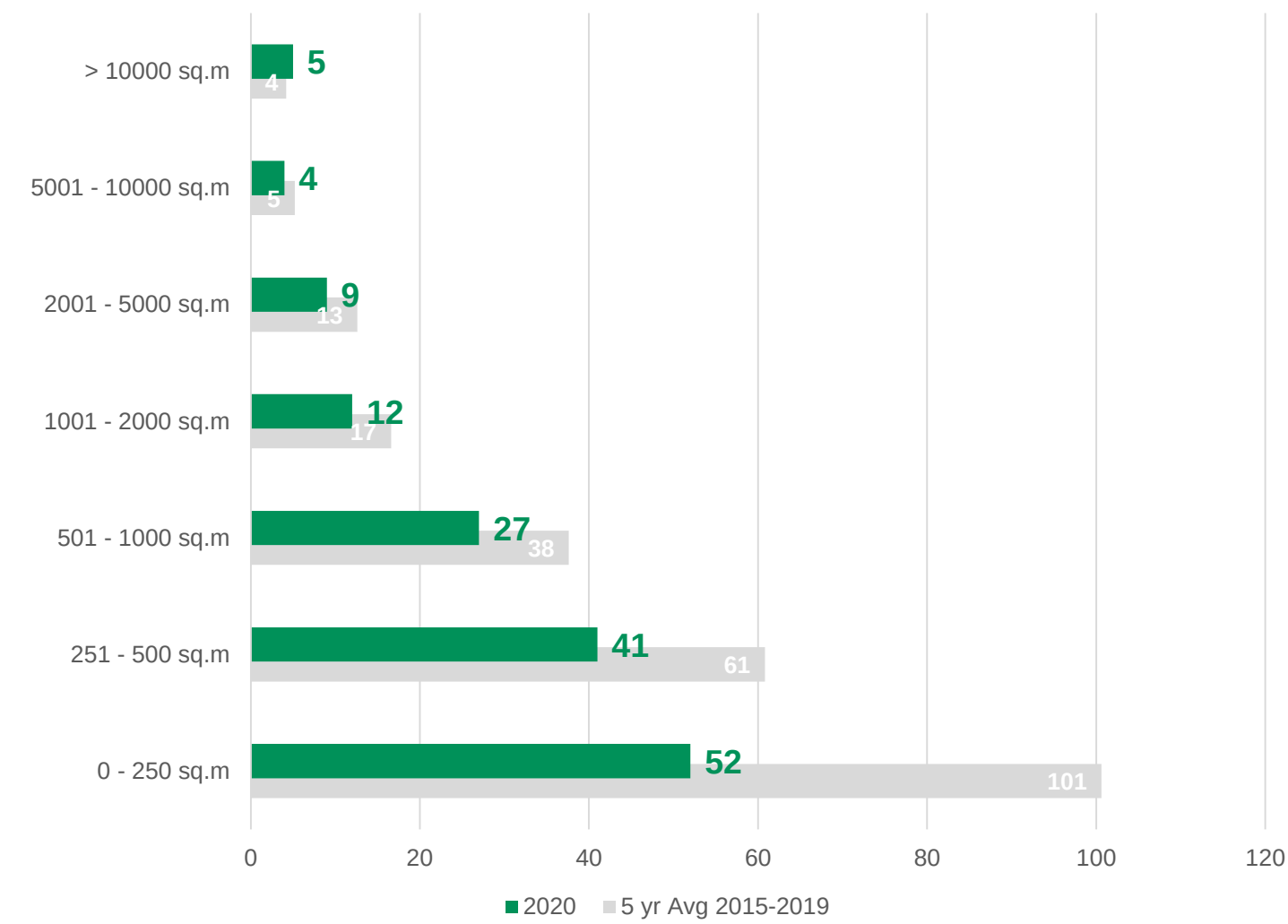
224,667 sq.m

LEASING ACTIVITY
STRONGLY AFFECTED



OFFICE TAKE-UP

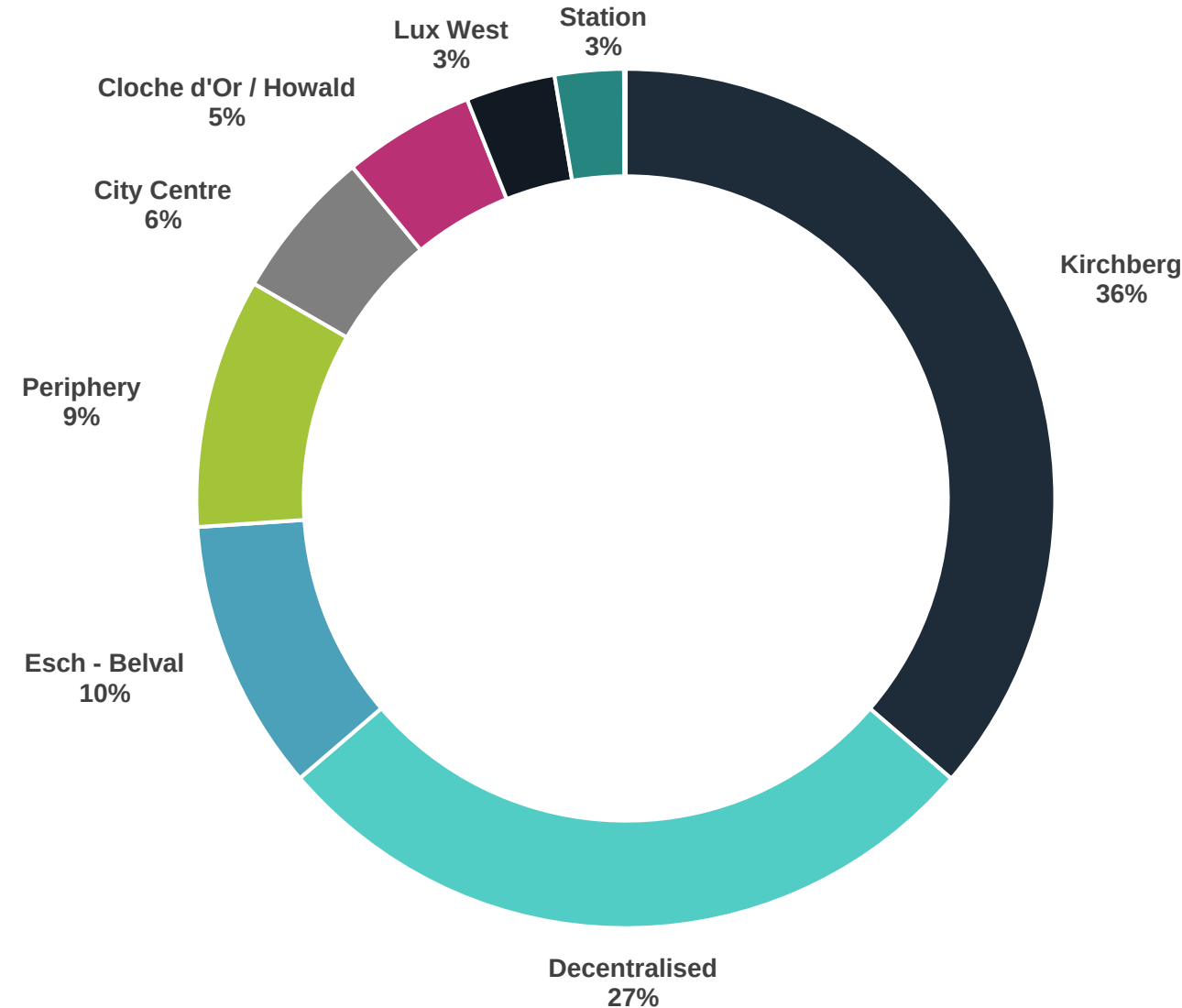
NUMBER OF TRANSACTIONS BY SIZE



OF TRANSACTIONS SIGNED
OVER 2020 COMPARED TO
THE ANNUAL AVERAGE OVER
THE LAST FIVE YEARS (2015-2019)

OFFICE TAKE-UP

WHERE



OF OFFICE TAKE-UP
RECORDED IN 2020 WAS
SIGNED WITHIN THE
KIRCHBERG DISTRICT

OFFICE TAKE-UP

MAIN TRANSACTIONS

KAD

EUROPEAN INVESTMENT BANK



IKAROS

STATE OF LUXEMBOURG



TWIST

STATE OF LUXEMBOURG



TERRES ROUGES

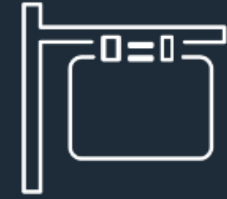
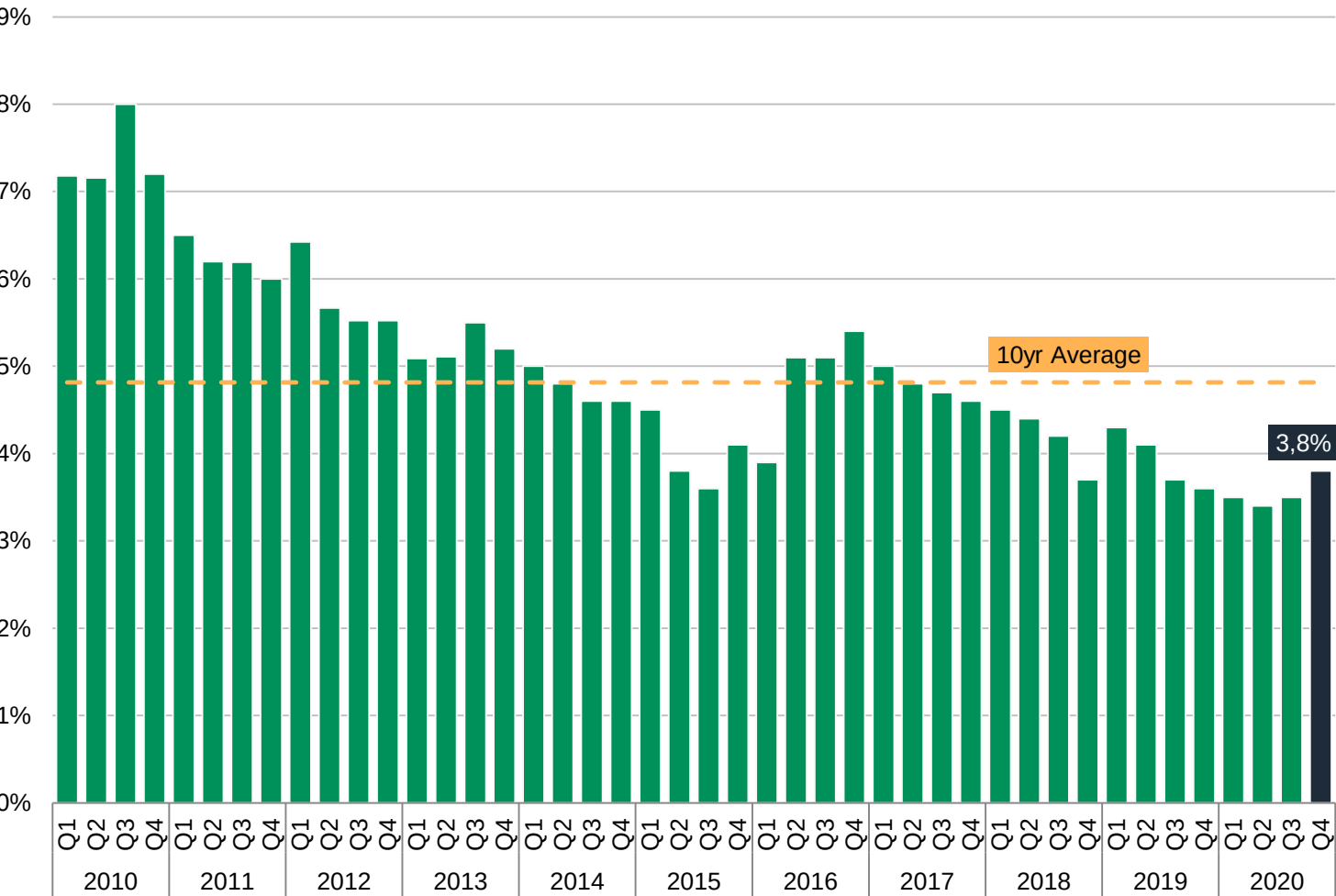
STATE OF LUXEMBOURG



Quarter	Building	Transaction	Surface	Tenant	District
Q1 2020	Wooden - Rue du Château d'Eau	Pre-Let	9,600	Baloise Assurances Luxembourg	Leudelange
Q3 2020	HQ - Luxembourg Airport	Sale	7,000	Cargolux	Sandweiler - Contern
Q2 2020	OBH - Rue du Fort Niedergrünwald 6b	Letting	6,190	Pictet & Cie (Europe) SA	Kirchberg
Q1 2020	Altitude - Rue du Château d'Eau 10	Letting	5,822	Northern Trust	Leudelange
Q3 2020	K2 Dolce 1&2 - Rue Albert Borschette 2b	Letting	5,095	Amazon	Kirchberg
Q3 2020	Urbaterre - building A et B - Rue du Château d'Eau 10	Pre-Let	4,708	Avocat propriétaire	Leudelange
Q4 2020	Rue Gabriel Lippmann	Pre-Let	4,038	Advanzia	Munsbach
Q3 2020	Atrium Business Park-Vitrum - Rue du Puits Romain 33-39	Letting	3,660	WorldWide	Bertrange
Q4 2020	Connection - Rue de Bitbourg	Pre-Let	3,334	Apex	Hamm - Clausen - Neudorf
Q3 2020	Boulevard du Prince Henri 33	Letting	3,205	The office	CBD
Q3 2020	Bijou - Boulevard F.W. Raiffaisen 17	Letting	2,975	Ocorian Holdings Luxembourg Sàrl	Gasperich
Q3 2020	Edison - Rue Thomas Edison 7	Letting	2,720	Etat du GDL	Strassen

SUPPLY & VACANCY

VACANCY RATE



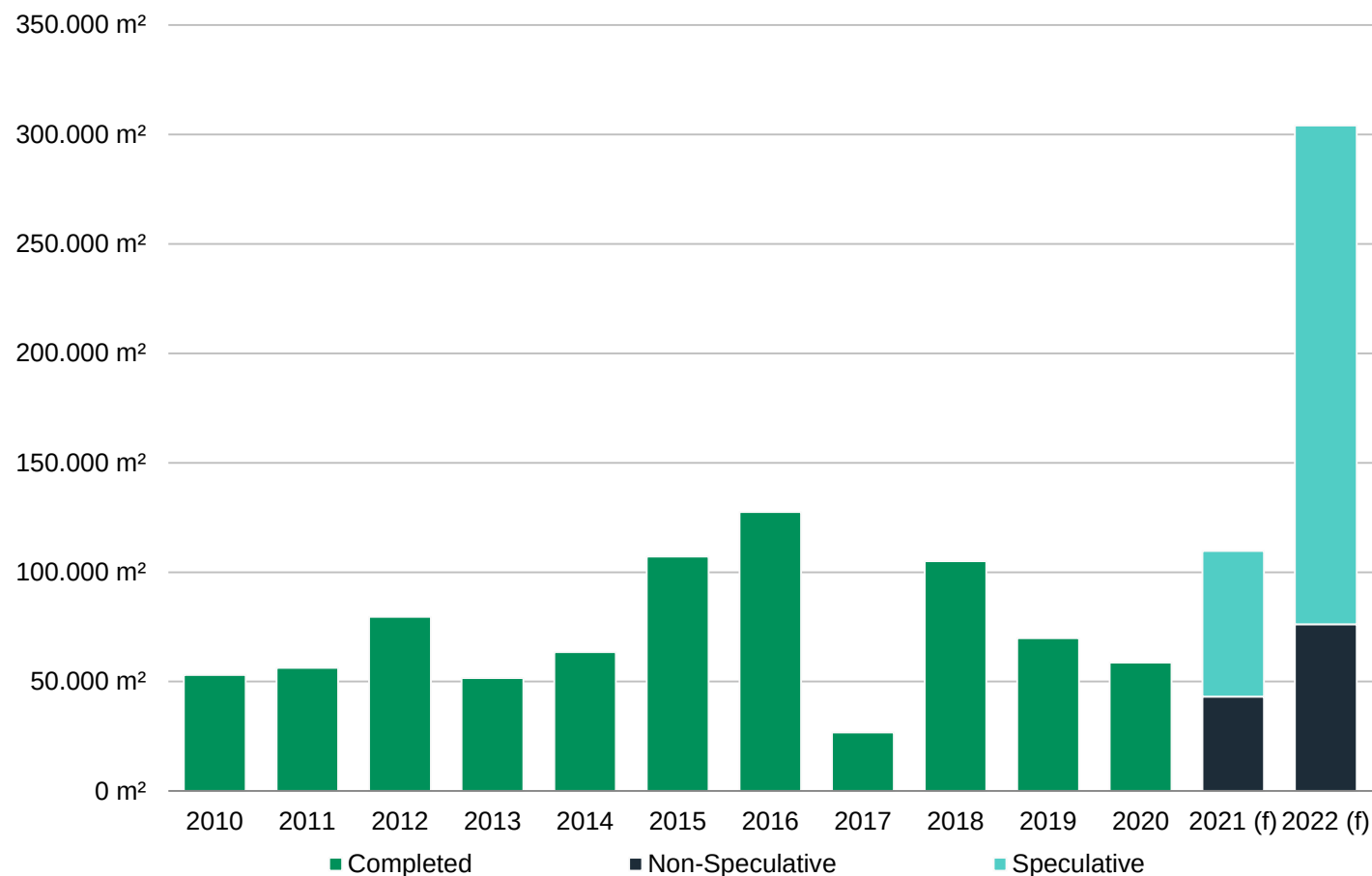
3.8%

vs 3.6% in Q4 2019

“Stil marked by a scarcity of prime supply”

SUPPLY & VACANCY

FUTURE SUPPLY



109,644 sq.m

2 0 2 1



Of which **60%**
on speculative basis

304,178 sq.m

2 0 2 2



Of which **84%**
on speculative basis

FUTURE SPECULATIVE SUPPLY (2021)

2021

LOT 14 ESCH-BELVAL



2,352
sq.m

LOT 11 ESCH-BELVAL



2,352
sq.m

BUZZCITY LEUDELANGE



16,000
sq.m

CONTI CITY CENTRE



3,200
sq.m

KI-GATE KIRCHBERG



7,780
sq.m

SOUTHLANE TOWER II ESCH-BELVAL



4,845
sq.m

VAUBAN STRASSEN



3,000
sq.m

MOIRÉ ESCH-BELVAL



7,000
sq.m



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FUTURE SPECULATIVE SUPPLY (2020 – H1 2021)

WELL 22 *HOWALD*



5,000
sq.m

SHOW *HOWALD*



6,147
sq.m

THE ARC *STATION*



3,100
sq.m

LOT 47 *ESCH-BELVAL*



2,400
sq.m

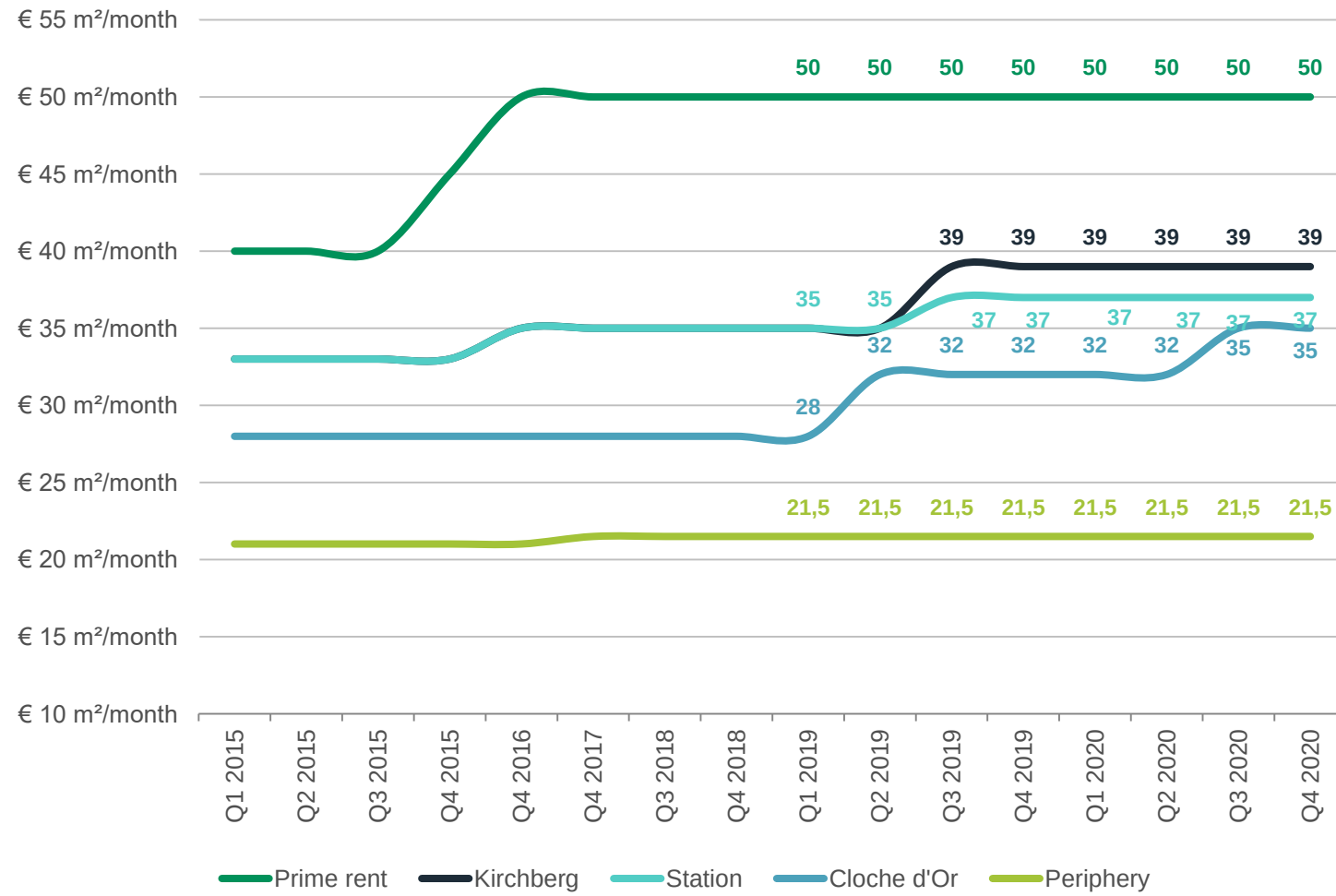
ARLON 23-25 *STRASSEN*



2,400
sq.m

RENTAL VALUES

HEADLINE PRIME RENTS

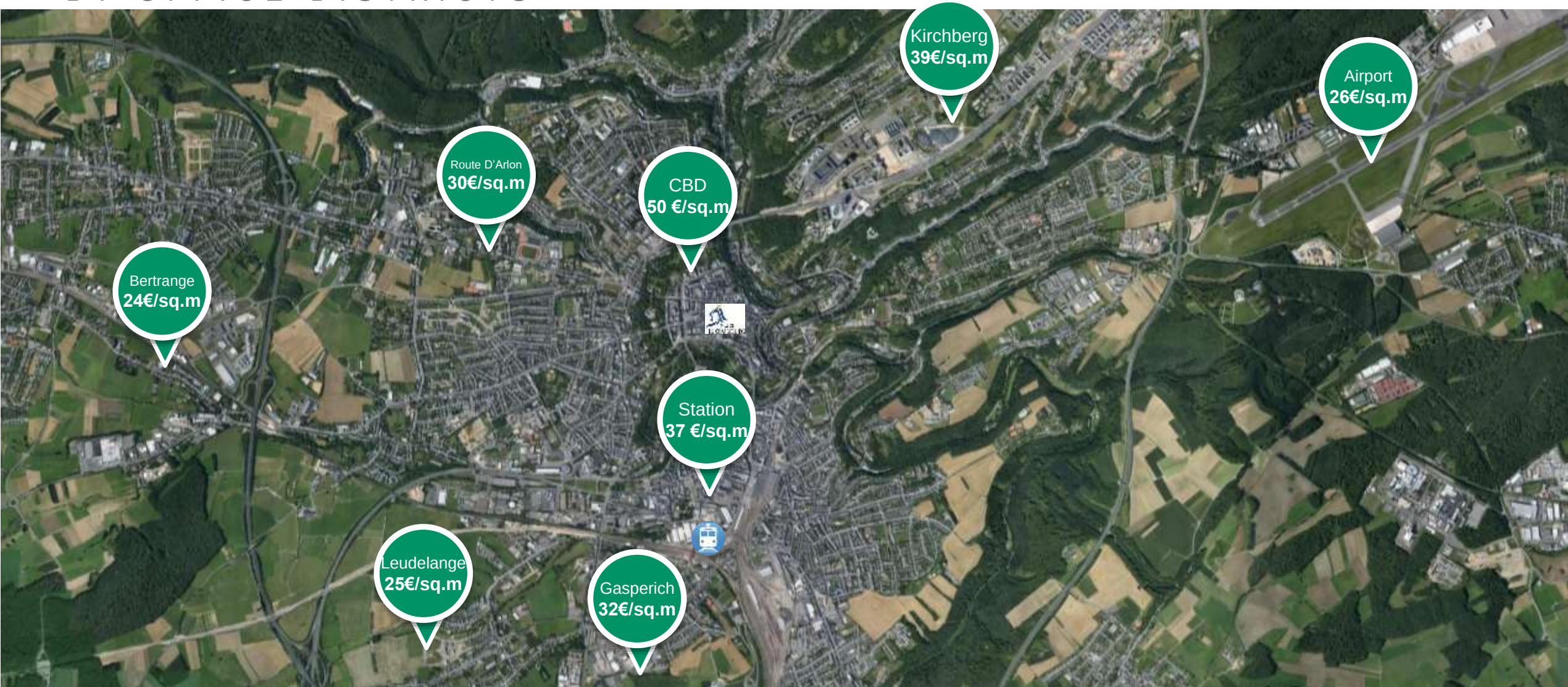


€50 sq.m/ month

“ Thanks to a low level of supply, the headline **prime rents** remained **unchanged** across all office submarkets ”

RENTAL VALUES

BY OFFICE DISTRICTS

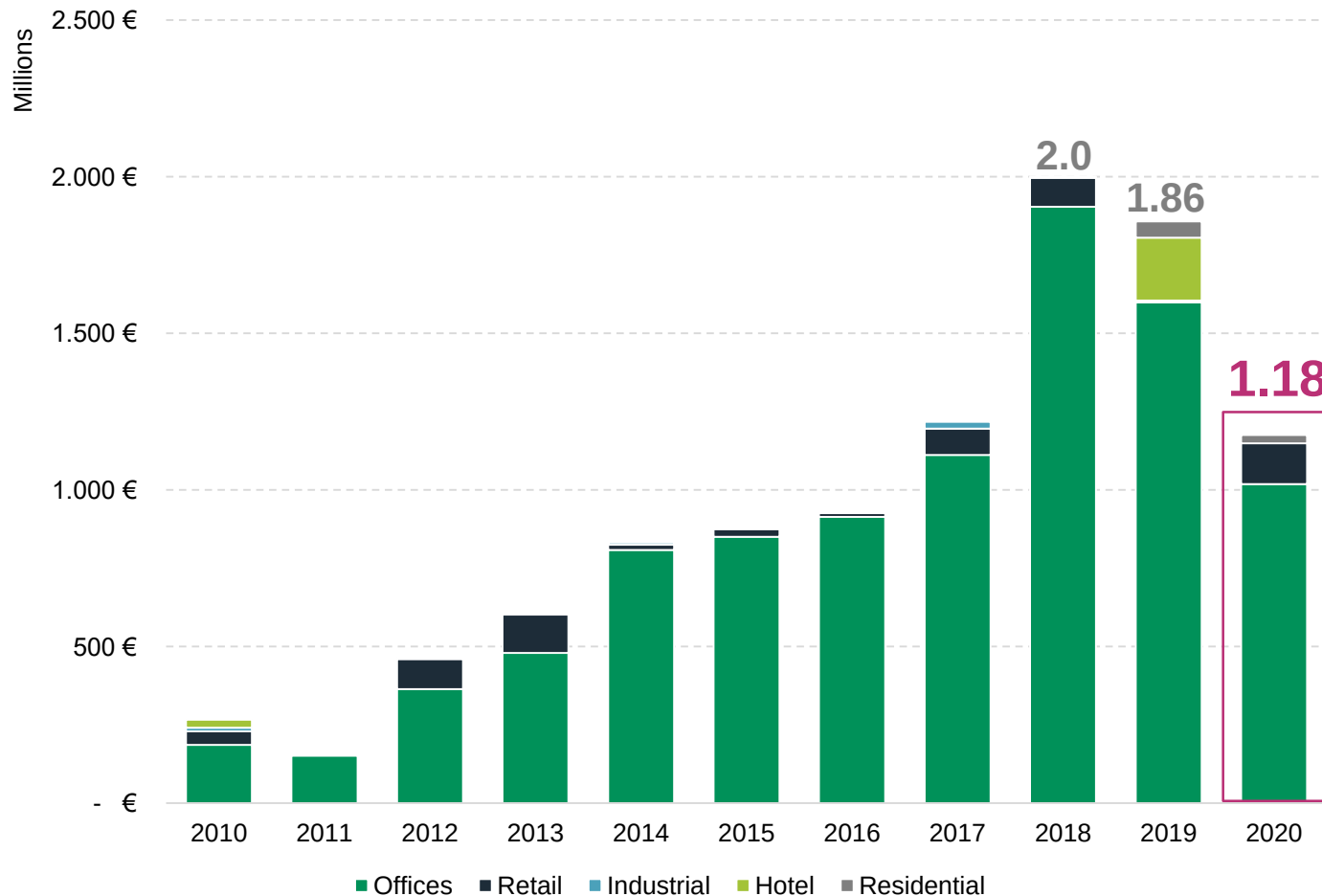


INVESTMENT MARKET

REMAINING VERY STRONG

INVESTMENT MARKET

CONFIRMS ITS ATTRACTIVENESS



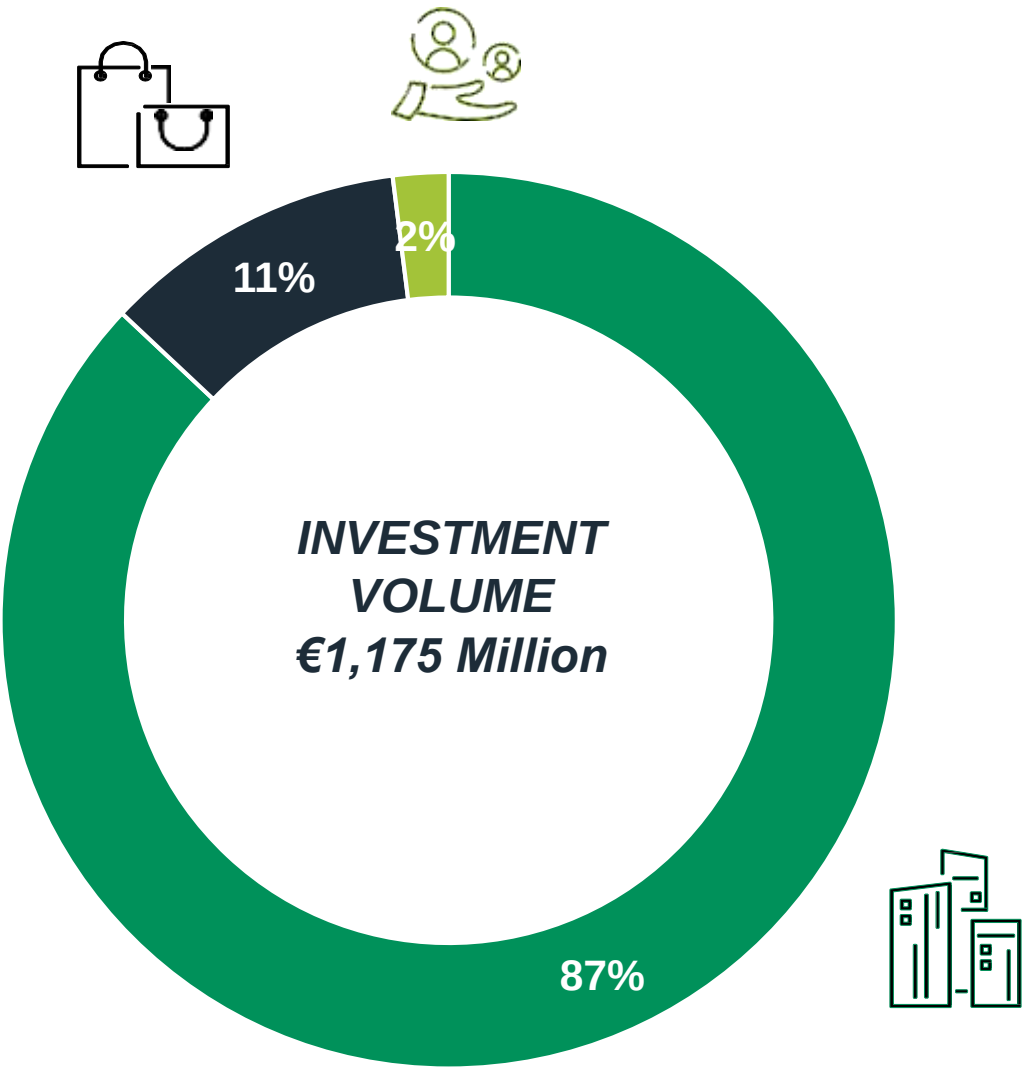
Excluding owner occupation transactions and land

“LACK OF PRODUCTS BOGGED DOWN THE INVESTMENT VOLUME BUT INVESTOR'S INTEREST FOR LUXEMBOURG REMAINS STRONG”

INVESTMENT MARKET

BY SEGMENT

BREAKDOWN 2020	
OFFICES	87%
RETAIL	11%
INDUSTRIAL	-
HOTEL	-
RESIDENTIAL	2%



INVESTMENT MARKET

MAIN TRANSACTIONS

LACCOLITH
PRIMONIAL



€ 112 M
4.80%

YRIS
AM ALPHA



€ 95 M
4.50%

ALTITUDE
CACEIS



€ 93 M
5.30%

LOWEST YIELD

ESPACE KENNEDY D

Surfaces : 4,384 sq.m

Investor : BNPPREIM

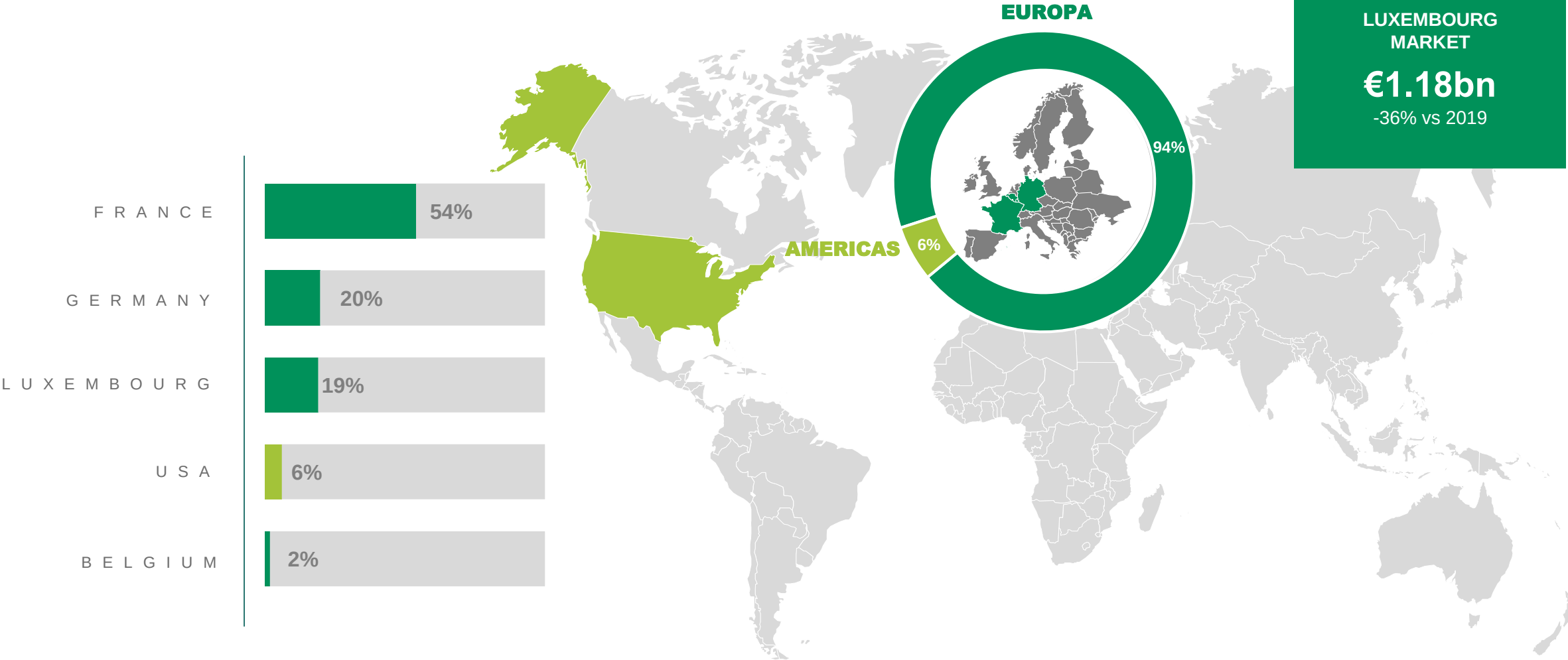
Invest Volume : €57 million

Yield : 3.70%



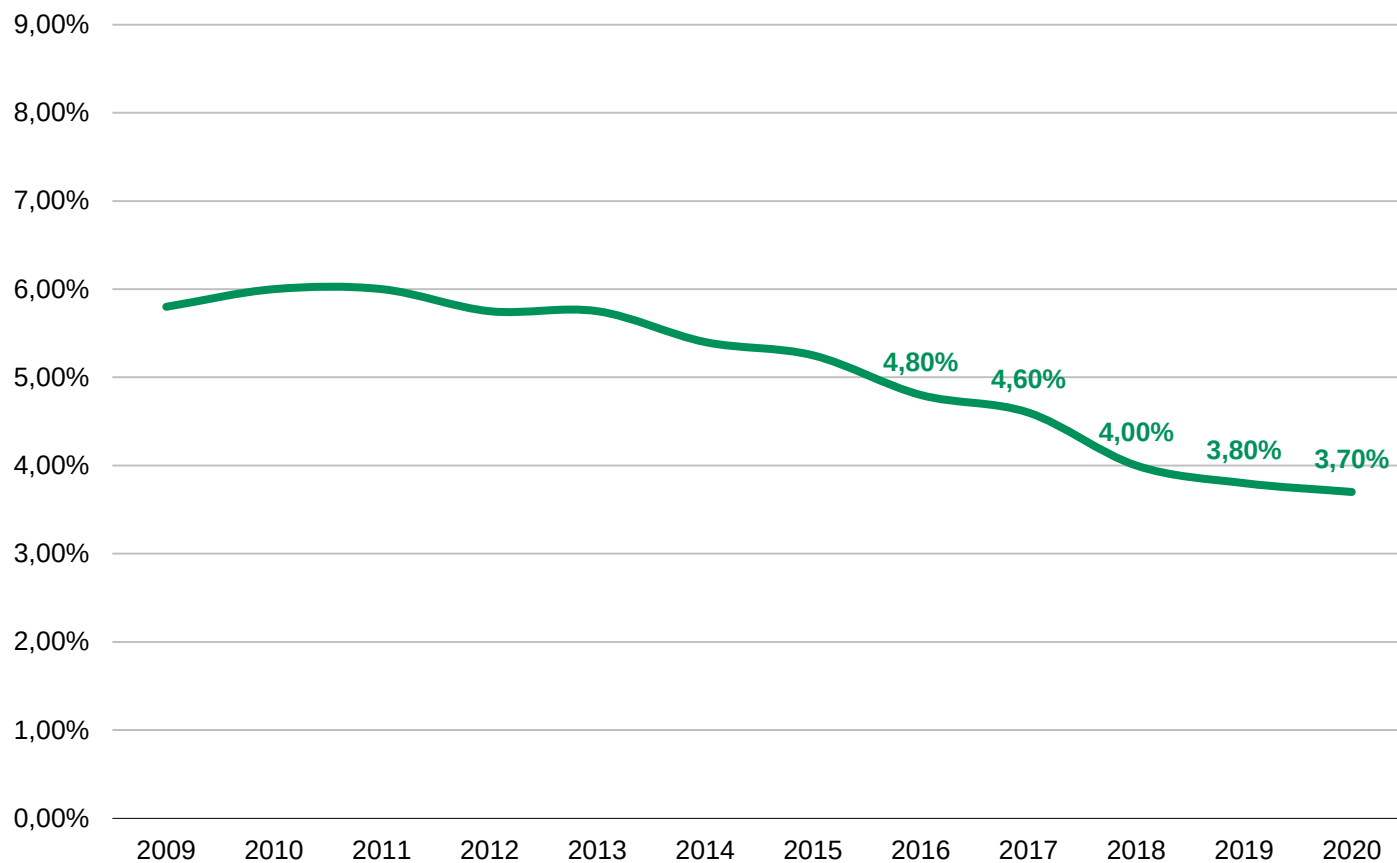
INVESTMENT MARKET

INVESTORS ORIGIN



INVESTMENT MARKET

YIELDS



3.70%

Prime office yield



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THANK YOU



www.realestate.bnpparibas.lu